

ITEM 3
MANAGER'S REPORT NO. 30
COUNCIL MEETING 88/04/25

RE: 1988 ANNUAL OPERATING BUDGET

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendations of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER

1988 April 20

FROM: DIRECTOR FINANCE

File: 88 Budg.

RE: 1988 ANNUAL OPERATING BUDGET

RECOMMENDATIONS

1. THAT the Annual Operating Budget for 1988, with a municipal tax levy of \$59,703,997 be received and approved, and that a budget authorization by-law be brought forward for three readings on 1988 May 02; and
2. THAT a property tax rating by-law based on the variable tax rates shown in the 1988 Annual Operating Budget be brought forward for three readings on 1988 May 02.

REPORT

The 1988 Annual Operating Budget is formally presented for the consideration of Council.

The following is a summary of what is contained in the Executive Summary and Budget in Brief pages in the Budget document.

1988 TAX LEVY AND EFFECT ON MEDIAN HOME

The 1988 Annual Operating Budget calls for a municipal tax levy of \$59,703,997 which is \$3,562,378 or 6.3% more than the 1987 annual tax levy. However, the proposed 1988 levy is \$1,488,133 or 2.6% more than the 1987 annual tax levy after allowance for new taxes from new construction.

The 1988 annual tax on the median home assessed value of \$107,600 at \$710, is \$8 or 1.1% greater than in 1987. The \$107,600 revised value is greater than the \$100,000 estimated last year because the revised value has been developed with the benefit of a new computer program. The revised value in 1987 of \$107,600 is also the median value in 1988, as the market values as determined by the Assessment Authority remain unchanged on the assessment roll for two years.

New construction on the 1988 assessment roll amounted to about \$193,000,000, which will generate about \$2,075,000 in new municipal taxes in 1988.

ASSESSMENT BASE AND VARIABLE TAX RATES

This budget has been prepared to reflect the tax relationship by property class as shown below.

The table below summarizes the assessment roll and tax levy data for 1988.

| Class | 1988 | | % of Assessments | Municipal Purposes Tax Levy | | % Tax Load By Class of Ass't | Tax Rate | | Relation-ship Res = 1.0 |
|----------------|----------------------|----|------------------|-----------------------------|----|------------------------------|--------------------------|----------|-------------------------|
| | Authenticated Roll | \$ | | Tax Levy | \$ | | (\$ per \$1000 of Ass't) | vs. 1987 | |
| Residential | 4,768,901,655 | | 71.66 | 31,476,633 | | 52.72 | 6.6004 | 1.1 | 1.0 |
| Utilities | 83,660,816 | | 1.26 | 2,102,204 | | 3.52 | 25.1277 | 10.0 | 3.807 |
| Heavy industry | 128,240,050 | | 1.93 | 2,539,305 | | 4.25 | 19.8012 | 21.4 | 3.0 |
| Light industry | 85,656,200 | | 1.29 | 1,427,546 | | 2.39 | 16.666 | 2.1 | 2.525 |
| Business | 1,577,856,129 | | 23.71 | 22,089,098 | | 37.00 | 13.9994 | 2.1 | 2.121 |
| Recreational | 9,615,250 | | .14 | 63,464 | | .11 | 6.6004 | 1.1 | 1.0 |
| Farm | 870,677 | | .01 | 5,747 | | .01 | 6.6004 | 1.1 | 1.0 |
| | <u>6,654,800,777</u> | | <u>100.00</u> | <u>59,703,997</u> | | <u>100.00</u> | <u>8.9716</u> | | |

The comparison for 1987 is shown below.

| Class | 1987 | | % of Assessments | Municipal Purposes Tax Levy | | % Tax Load By Class | Tax Rate | | Relation-ship Res = 1.0 |
|-----------------------|----------------------|----|------------------|-----------------------------|----|---------------------|---------------------------|----------|-------------------------|
| | Authenticated Roll | \$ | | Tax Levy | \$ | | (\$ per \$1000 of Assm't) | vs. 1987 | |
| Residential | 4,687,458,110 | | 72.54 | 30,590,850 | | 54.49 | 6.5295 | 1.0 | |
| Utilities | 78,871,202 | | 1.22 | 1,801,529 | | 3.21 | 22.8532 | 3.5 | |
| Industrial | 221,234,050 | | 3.42 | 3,609,500 | | 6.43 | 16.3237 | 2.5 | |
| Business/Other | 1,464,901,800 | | 22.67 | 20,076,333 | | 35.76 | 13.7119 | 2.1 | |
| Seasonal/Recreational | 8,862,850 | | 0.14 | 57,840 | | 0.10 | 6.5295 | 1.0 | |
| Farm | 853,091 | | 0.01 | 5,567 | | 0.01 | 6.5295 | 1.0 | |
| | <u>6,462,181,103</u> | | <u>100.00</u> | <u>56,141,619</u> | | <u>100.00</u> | <u>8.6925</u> | | |

B.C. PARTNERS IN ENTERPRISE PROGRAM

As permitted by the agreement signed under this program, Council adopted By-law No. 8557 on 1986 April 28 which indicated a 50% rebate of municipal taxes on eligible industrial improvements for each year of the period 1986 through 1990. No change is proposed for the 1988 budget.

OTHER ITEMS

The Provincial Revenue Sharing grant is now expected to be \$5,677,182, some \$16,995 less than in 1987.

The fundamental goals; department goals; objectives and performance measures; organization charts; and the usual Provincial format will be included in a subsequent issue.

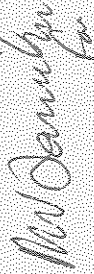
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The Provincial school tax rate, and other Provincial and local government body rates have not been received as some are not due until 1988 April 30 (due to late revisions to the assessment roll for the heavy industry class). When received, the pertinent pages will be amended and included in the subsequent issue.

It is recommended that the Annual Operating Budget for 1988, with a municipal tax levy of \$59,703,997 be received and approved, and that a budget authorization by-law be brought forward for three readings on 1988 May 02.

It is also recommended that a property tax rating by-law based on the variable tax rates shown in the 1988 Annual Operating Budget be brought forward for three readings on 1988 May 02.



Howard Karras
DIRECTOR FINANCE

PWT:gw

cc: Directors

