

CITY OF BURNABY

BYLAW NO. 13748

A BYLAW to adopt the 2017 to 2021 Financial Plan

WHEREAS before the annual property tax bylaw is adopted in each year the Council shall cause to be prepared and adopted by bylaw a financial plan for a period of five years, showing estimates of the proposed source and application of funds for operating and capital purposes for each year of the program;

NOW THEREFORE the Council of the City of Burnaby ENACTS as follows:

1. This Bylaw may be cited as **BURNABY FINANCIAL PLAN BYLAW 2017**.
2. The Council does hereby adopt and confirm the Financial Plan set out in Schedules "A" and "B" annexed hereto as the financial plan for the City for the period 2017 to 2021 inclusive.

Read a first time this 24th day of April 2017

Read a second time this 24th day of April 2017

Read a third time this 24th day of April 2017

Reconsidered and adopted this 1st day of May 2017



Debra Camp
MAYOR

Louise Sauer

CLERK

SCHEDULE A**CITY OF BURNABY****FIVE YEAR CONSOLIDATED FINANCIAL PLAN (2017 – 2021)****PROPOSED REVENUES, PROPOSED EXPENSES AND PROPOSED TRANSFERS:**

	2017	2018	2019	2020	2021
PROPOSED REVENUES:					
Taxation revenue	(259,986,900) ¹	(270,509,000)	(281,351,400)	(292,512,100)	(304,013,300)
Parcel taxes	(18,573,300)	(18,987,400)	(19,476,100)	(19,990,600)	(20,530,300)
Fees for goods and services	(114,506,700)	(117,501,000)	(120,035,000)	(122,987,500)	(128,110,700)
Return on investments	(38,529,200)	(39,379,500)	(39,643,700)	(40,036,500)	(40,300,700)
Revenue from other sources	(51,289,000)	(50,232,500)	(49,964,000)	(51,464,000)	(51,464,000)
Community benefit bonus	(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000)
Contributed asset revenue	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Transfers from other governments	(18,267,000)	(18,267,000)	(18,267,000)	(18,267,000)	(18,267,000)
Other capital funding sources	(873,100)	(757,600)	(757,600)	(757,600)	(757,600)
Parkland acquisition development cost charges	(2,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
TOTAL PROPOSED REVENUES	(549,025,200)	(563,634,000)	(577,494,800)	(594,015,300)	(609,443,600)
PROPOSED EXPENDITURES:					
Operating Expenditures	431,730,800	429,829,000	443,694,100	458,321,800	473,485,900
Capital Expenditures	162,516,500	185,494,900	183,625,900	192,545,300	163,839,700
TOTAL PROPOSED EXPENDITURES	594,247,300	615,323,900	627,320,000	650,867,100	637,325,600
PROPOSED TRANSFERS:					
Transfer to/(from) Capital Works Financing Reserve Fund	(149,416,800)	(154,899,000)	(167,822,700)	(165,727,900)	(132,823,500)
Transfer to/(from) Local Improvement Reserve Fund	1,106,400	828,500	1,224,800	1,229,800	1,233,200
Transfer to/(from) Corporate & Tax Sale Reserve Fund	10,561,800	10,840,900	10,927,800	11,056,600	11,143,300
Transfer to/(from) Vehicle Replacement Reserve Fund	(6,565,400)	(11,524,200)	(6,446,700)	(3,785,900)	(4,155,900)
Transfer to/(from) Non-Statutory Reserves Fund	99,091,900	103,063,900	112,292,000	100,375,600	96,720,900
TOTAL PROPOSED TRANSFERS	(45,222,100)	(51,689,900)	(49,825,200)	(56,851,800)	(27,882,000)
BALANCED BUDGET	-	-	-	-	-

¹ Taxation revenue is comprised of property taxes (\$250.6M), grant in lieu of taxes (\$5.8M), in lieu payments from utility companies (\$3.1M), local improvement frontage levies (\$0.7M), special levies (\$0.09M), and assessment appeal \$0.3M.

SCHEDULE B

CITY OF BURNABY

FIVE YEAR CONSOLIDATED FINANCIAL PLAN (2017 – 2021)

STATEMENT OF POLICIES AND OBJECTIVES:

In accordance with the *Community Charter* disclosure requirements, the City of Burnaby discloses the following information.

- the proportions of revenue proposed to come from the various funding sources
- the distribution of property taxes among property classes; and
- the use of permissive tax exemptions.

Proportion of Total Revenue

Funding Source	% of Total Revenue
Taxation revenue	47.3%
Fees for goods and services	20.9%
Revenue from other sources	9.3%
Community benefit bonus	7.3%
Return on investments	7.0%
Parcel taxes	3.4%
Transfers from other governments	3.3%
Contributed asset revenue	0.9%
Parkland acquisition development cost charges	0.4%
Other capital funding sources	0.2%
Total	100%

The proportion of total revenue raised from each funding source in 2017 is presented in the table above. Property taxes form the greatest proportion of the operating revenue for the City of Burnaby. Property taxes provide a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as fire protection, policing services, transportation and so forth. For these reasons, property taxation will continue to be the major source of the City of Burnaby's revenue.

Fees for goods and services are the second largest portion of general operating revenue. Many City of Burnaby services, such as water, sewer, and recreational programs are charged on a use-pay basis which ensures they are paid for by the taxpayers receiving these services.

Distribution of 2017 Property Taxes among the Various Property Classes

Property Class	% of Tax Burden
Residential (1)	49.5%
Business (6)	39.6%
Light Industry (5)	5.7%
Others (2, 3, 4, 8 & 9)	5.2%
Total	100%

The distribution of property tax revenue among the various property classes is presented in the table above. The practice of Council has been to set tax rates in order to maintain reasonable tax stability in compliance with the *Community Charter*. This is accomplished by maintaining the proportionate relationship provided above between property classes (property classes are defined and values determined by the British Columbia Assessment).

Permissive Tax Exemptions

Council passes an annual permissive exemption bylaw to exempt certain properties from property tax in accordance with Council Approved Guidelines and the Community Charter. There is no legal obligation to grant exemptions. The objective of the guidelines is to ensure that the broad ranges of community organizations in Burnaby are dealt with consistently and receive equal treatment and consideration for tax exemption, and that services and organizations which are most complementary extensions of municipal services for which the tax burden resulting for the exemption is a justifiable expense to the taxpayers of Burnaby. The total value of permissive exemptions granted for the 2017 taxation year is approximately \$3,012,145.

Exemptions are reviewed on an annual basis and are granted to those organizations meeting the requirements as set out under Council Approved Guidelines and Sections 220 and 224 of the Community Charter. Council Approved Guidelines ensure that organization recommended for permissive exemption are consistent with municipal policies, plan bylaws, codes and regulations, non-profit, complimentary extensions to municipal services and programs, accessible to the public and used primarily by Burnaby residents.