



FINANCIAL MANAGEMENT COMMITTEE

NOTICE OF OPEN MEETING

DATE: WEDNESDAY, 2018 APRIL 11

TIME: 4:30 PM

PLACE: Council Committee Room, Burnaby City Hall

A G E N D A

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| 1. <u>CALL TO ORDER</u> | |
| 2. <u>MINUTES</u> | |
| a) Minute of the Financial Management Committee
Open meeting held on 2018 March 14 | 1 |
| 3. <u>REPORT</u> | |
| a) Report from the Director Finance
Re: 2018 - 2022 Financial Plan | 11 |
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FINANCIAL MANAGEMENT COMMITTEE

MINUTES

An Open meeting of the Financial Management Committee was held in the Council Committee Room, Burnaby City Hall, 4949 Canada Way, Burnaby, B.C. on Wednesday, **2018 March 14** at 5:30 p.m.

1. CALL TO ORDER

PRESENT: Councillor Dan Johnston, Chair
Councillor Colleen Jordan, Vice Chair
Councillor Pietro Calendino, Member
Councillor Paul McDonell, Member

STAFF: Mr. Lambert Chu, City Manager
Mr. Leon Gous, Director Engineering
Ms. Noreen Kassam, Director Finance
Mr. Dave Ellenwood, Director Parks, Recreation & Cultural Services
Mr. Lou Pelletier, Director Planning & Building
Ms. Shari Wallace, Chief Information Officer
Mr. John Cusano, Assistant Chief Building Inspector
Ms. Blanka Zeinabova, Administrative Officer

The Chair called the Open meeting to order at 5:32 p.m.

The Director Engineering requested that item 4(b) – Interim Street Upgrade Strategy be withdrawn from the agenda.

2. MINUTES

- a) **Minutes of the Financial Management Committee
Open meeting held on 2018 February 15**

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

THAT the minutes of the Financial Management Committee Open meeting held on 2018 February 15 be adopted.

CARRIED UNANIMOUSLY

3. CORRESPONDENCE

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR MCDONELL

THAT the correspondence be received.

CARRIED UNANIMOUSLY

a) Correspondence from West Vancouver
Re: District of West Vancouver Resolution - New Municipal Tax Classes -
Submitted for Consideration at the LMLGA 2018 Convention

Correspondence was received from the District of West Vancouver advising that Council, at the 2018 February 19 meeting, passed a resolution regarding the creation of new tax classes, and requested support of the resolution that was submitted for consideration at the LMLGA 2018 Convention.

b) Memorandum from the City Clerk
Re: Implementation of a Bike Patrol Unit to Operate in City Parks
And Public Spaces

A memorandum was received from the City Clerk advising that Council, at the meeting held on 2018 March 05, received the above noted report regarding a Bike Patrol Unit pilot program that will patrol parks and public spaces.

4. REPORTS

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the reports be received.

CARRIED UNANIMOUSLY

a) Report from the Chief Information Officer
Re: Licence, Inspection and Permit System Replacement
(Phase 1) - Close-Out Report

The Chief Information Officer submitted a report providing an update on the successful completion of the project to replace the City's legacy Permit*Plan system with the new Tyler EnerGov system.

The Chief Information Officer recommended:

1. THAT the Financial Management Committee receive and forward this report to Council for information.

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR CALENDINO

THAT the recommendation of the Chief Information Officer be adopted.

CARRIED UNANIMOUSLY

b) Report from the Director Engineering
Re: Interim Street Upgrade Strategy

This report was withdrawn prior to the meeting.

c) Report from the Director Engineering
Re: 2018 March Engineering Capital Infrastructure Bylaw
Funding Request – Vehicles & Equipment

The Director Engineering submitted a report seeking funding to finance 2018 Engineering vehicles and equipment procurement projects.

The Director Engineering recommended:

1. THAT the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$2,990,800 to finance the procurement of Engineering vehicles and equipment, as outlined in this report.

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR MCDONELL

THAT the recommendation of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

d) Report from the Director Engineering
Re: 2018 March Engineering Capital Infrastructure Bylaw
Funding Request – Infrastructure

The Director Engineering submitted a report seeking funding to finance 2018 and 2019 Engineering capital infrastructure projects.

The Director Engineering recommended:

1. THAT the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$4,074,300, the use of Sanitary Sewer Reserves in the amount of \$895,000 and Water Reserves in the amount of \$457,600 to finance the Engineering capital infrastructure projects, as outlined in this report.

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR MCDONELL

THAT the recommendation of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

e) Report from the Director Engineering
Re: 2018 March Engineering Capital Infrastructure Bylaw
Funding Request Douglas/Sprott to Trans-Canada Highway

The Director Engineering submitted a report seeking funding to finance the 2018 component of this project.

The Director Engineering recommended:

1. THAT the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$1,300,000 to finance the Engineering capital infrastructure project, as outlined in this report.

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR CALENDINO

THAT the recommendation of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

f) Report from the Director Engineering
Re: 2018 March Engineering Capital Infrastructure
Gaming Reserve Request

The Director Engineering submitted a report seeking the use of Gaming Reserves to finance the 2018 Engineering capital infrastructure projects, as outlined in this report.

The Director Engineering recommended:

1. THAT the Financial Management Committee authorize the use of Gaming Reserves in the amount of \$1,315,000 to finance Engineering capital infrastructure projects, as outlined in this report.

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR CALENDINO

THAT the recommendation of the Director Engineering be adopted.

CARRIED UNANIMOUSLY

g) Report from the Director Finance
Re: Brentwood Pedestrian and Cycling Linkages Capital Reserve

The Director Finance submitted a report seeking approval to establish a Capital Reserve that will be used to fund the future construction of Brentwood pedestrian and cycling linkages.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council create a Brentwood Pedestrian and Cycling Linkages Capital Reserve.

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR MCDONELL

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

h) Report from the Director Finance
Re: One-Colour Offset Press Replacement - Printshop Equipment

The Director Finance submitted a report seeking funding to finance the One-Colour Offset Press Replacement Project.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend Council authorize the City Solicitor to bring forward a Capital Reserve Fund Bylaw in the amount of \$90,000 to finance a One-Colour Offset Press Replacement Project, as outlined in this report.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

i) Report from the Director Finance
Re: Property Tax Collection Satellite Office and Mailbox Initiative

The Director Finance submitted a report providing information regarding a planned pilot exercise for the provision of alternative locations for the payment of property taxes.

The Director Finance recommended:

1. THAT the Financial Management Committee recommend council receive this report for information.

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR MCDONELL

THAT the recommendation of the Director Finance be adopted.

CARRIED UNANIMOUSLY

j) Report from the Director Planning and Building
Re: Community Resource Centres - 2019 Lease Rates and Grants

The Director Planning and Building submitted a report presenting proposed lease rates and anticipated lease grants for 2019 for non-profit tenants at all City-owned Community Resource Centres.

The Director Planning and Building recommended:

1. THAT Council be requested to approve the proposed 2019 lease rates for Resource Centre tenants, as presented in Section 3.0 of this report.
2. THAT information on the approved 2019 lease rates and the anticipated lease grants be distributed to Resource Centre tenants.
3. THAT Resource Centre tenants which meet the grant eligibility criteria established by Council be invited to make an application for 2019 lease grants.

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR MCDONELL

THAT the recommendations of the Director Planning and Building be adopted.

CARRIED UNANIMOUSLY

5. NEW APPLICATIONS

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR JORDAN

THAT the New Applications be received.

CARRIED UNANIMOUSLY

a) #18.11. - Scouts Canada
Scouting Programs

An application was received from Scouts Canada Pacific Coast Council requesting a grant to support Burnaby based scouting programs for Beavers, Cubs, Scouts, Venturers and Rovers for 2018.

Request:	\$6,000	CPA:	2017 - \$5,000
			2016 - \$5,000
			2015 - \$5,000

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR JORDAN

THAT a grant in the amount of \$5,000 be awarded to Scouts Canada for their Scouting Programs in 2018.

CARRIED UNANIMOUSLY

b) #18.12. - The Maple Leaf Singers
Annual Spring Show

An application was received from the Maple Leaf Singers requesting a grant to assist with the cost of funding the Maple Leaf Singers Annual Spring Show 'Solid Gold' to be held at the Massey Theatre, New Westminster on 2018 May 26 and 27.

Request:	\$200	CPA:	2017 - \$200
			2016 - \$200
			2015 - \$200

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR MCDONELL

THAT a grant in the amount of \$200 be awarded to the Maple Leaf Singers for their Annual Spring Show 'Solid Gold' to be held on 2018 May 26 and 27 at the Massey Theatre, New Westminster.

CARRIED UNANIMOUSLY

c) #18.13. - Cumberland Place Community
Block Party

An application was received from Cumberland Place Community requesting a grant in support of a block party in the neighbourhood to be held on Saturday, 2018 July 14. Festivities will include a bouncy castle for the kids, barbeque hot dogs and burgers, as well as a petting zoo.

Request: \$300+

CPA: 2017 - \$300
2016 - No Application
2015 - No Application

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR CALENDINO

THAT a grant in the amount of \$300 be awarded to the Cumberland Place Community for their block party to be held on 2018 July 14.

CARRIED UNANIMOUSLY

d) #18.14. - Carl Mortensen Manor Tenants Committee
Social Activities for Seniors

An application was received from the Carl Mortensen Manor Tenants Committee requesting a grant to assist with the cost of social activities and information sessions provided to nearly 100 senior disabled and/or lower income residents in 2018. Information sessions are free to members and topics include: Alzheimer Disease, Depression and Anxiety, Preventative Health Care, Better Balance for Seniors, and Home and Fire Safety.

Request: Unspecified

CPA: 2017 - No Application
2016 - No Application
2015 - No Application

MOVED BY COUNCILLOR JORDAN
SECONDED BY COUNCILLOR CALENDINO

THAT this grant application be **DENIED**, as it does not fall within Council guidelines for awarding grants.

CARRIED UNANIMOUSLY

The Director Parks, Recreation and Cultural Services advised that the City has a new Integrated Health Strategy, developed in cooperation with the Fraser Health Authority, and undertook to inform the applicant.

6. NEW BUSINESS

There was no new business brought before the Committee at this time.

7. INQUIRIES

There were no inquiries brought before the Committee at this time.

8. CLOSED

Public excluded according to Sections 90 and 92 of the Community Charter.

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR CALENDINO

THAT this Open Committee meeting do now recess.

CARRIED UNANIMOUSLY

The Open Committee meeting recessed at 6:10 p.m.

MOVED BY COUNCILLOR CALENDINO
SECONDED BY COUNCILLOR MCDONELL

THAT the Open Committee meeting do now reconvene.

CARRIED UNANIMOUSLY

The Open Committee meeting reconvened at 6:15 p.m.

9. ADJOURNMENT

MOVED BY COUNCILLOR MCDONELL
SECONDED BY COUNCILLOR JORDAN

THAT this Open Committee meeting do now adjourn.

CARRIED UNANIMOUSLY

The Open Committee meeting adjourned at 6:15 p.m.

Blanka Zeinabova
Administrative Officer

Councillor Dan Johnston
Chair



Meeting 2018 Apr 11

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2018 April 05

FROM: DIRECTOR FINANCE

FILE: 7600-20

SUBJECT: 2018 – 2022 FINANCIAL PLAN

PURPOSE: To obtain Council approval for the five year 2018 – 2022 Financial Plan.

RECOMMENDATIONS:

1. **THAT** the Financial Management Committee recommend Council approve the 2018 – 2022 Financial Plan.
2. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward the Burnaby Financial Plan Bylaw 2018 authorizing the proposed funding sources, proposed expenditures, and proposed transfers between funds as set out for each year in the planning period as shown in Schedule A attached hereto and forming part of this report.
3. **THAT** the Financial Management Committee recommend Council authorize the City Solicitor to bring forward the Burnaby Rates Bylaw 2018 in the amount of \$261,539,200 to provide funding for the 2018 fiscal year included within the 2018 – 2022 Financial Plan.

REPORT

The purpose of the five year 2018 – 2022 Financial Plan is to present Council's financial direction for the City. Provincial legislation requires the Financial Plan be adopted any time before the date on which the Annual Property Tax Bylaw is adopted. The Annual Property Tax Bylaw must be adopted after the adoption of the Financial Plan but before 2018 May 15.

Section 165(3.1) of the *Community Charter* requires municipal five-year financial plans to include a more explicit form of revenue and tax policy disclosure. The Financial Plan must set out the municipality's objectives and policies in relation to each of the following, for each year of the planning period:

- for each of the funding sources described in s. 165(7) (i.e. property tax, parcel tax, fees, other sources and proceeds from borrowing), the proportion of total revenue that is proposed to come from that funding source;
- the distribution of property value taxes among the property classes that may be subject to the taxes; and
- the use of permissive tax exemptions.

To: Financial Management Committee

From: Director Finance

Re: 2018 – 2022 FINANCIAL PLAN

2018 April 11 Page 2

The City of Burnaby's revenue and tax policy disclosure is outlined within the Burnaby Financial Plan Bylaw 2018 as Schedule B.

The Financial Plan must also set out proposed expenditures, proposed funding sources and proposed transfers to or between funds. Each year, the Financial Plan from the previous year remains in effect until the Financial Plan for the current year is adopted. The City of Burnaby's proposed expenditures, proposed funding sources and proposed transfers to or between funds is outlined within the Burnaby Financial Plan Bylaw 2018 as Schedule A.

The 2018 – 2022 Financial Plan focuses on meeting the immediate needs for current year operations and capital improvements including demands for City services, provision for the safety and security of citizens, maintaining and improving existing infrastructure for roads, water and sewer, various community facilities and investment in new technology to better meet the needs of our citizens. Estimates for the current year are as accurate as reasonably possible at the time this budget was prepared. Subsequent years' estimates may be increasingly less accurate but are an indication of priority and will be updated annually.

The 2018 Operating Plan expenditures total \$487,196,800 (inclusive of \$32,229,400 in transfers) and the 2018 Capital Plan expenditures total \$198,746,500. The amount of property tax levy funding included in the 2018 – 2022 Financial Plan is \$261,539,200. The Plan reflects a 1.5% average residential tax increase of \$25.67 on the average residential property valued at \$1,152,050.

The 2018 – 2022 Financial Plan includes the variable tax rates for the Burnaby Rates Bylaw 2018 which establishes the authority to impose property taxes.

RECOMMENDATIONS

It is recommended that the Financial Management Committee recommend Council approve the 2018 – 2022 Financial Plan.

It is recommended that the Financial Management Committee recommend Council authorize the City Solicitor to bring forward the Burnaby Financial Plan Bylaw 2018 authorizing the proposed funding sources, proposed expenditures, and proposed transfers between funds as set out for each year in the planning period as shown in Schedule A attached hereto and forming part of this report.

It is recommended that the Financial Management Committee recommend Council authorize the City Solicitor to bring forward the Burnaby Rates Bylaw 2018 in the amount of \$261,539,200 to provide funding for the 2018 fiscal year included within the 2018 – 2022 Financial Plan.

To: Financial Management Committee

From: Director Finance

Re: 2018 – 2022 FINANCIAL PLAN

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The 2018 – 2022 Financial Plan will be available online at www.burnaby.ca. The City of Burnaby is committed to “going green” by using electronic publication of documents wherever possible. Hard copies will be made available upon specific request or at Burnaby City Hall.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:RG/ml

Attachment: 1 – Burnaby Financial Plan Bylaw 2018 – Schedules A and B

Copied to: City Manager

SCHEDULE A

CITY OF BURNABY

FIVE YEAR CONSOLIDATED FINANCIAL PLAN (2018 – 2022)

PROPOSED REVENUES, PROPOSED EXPENSES AND PROPOSED TRANSFERS:

Financial Plan Bylaw - 2018 to 2022

ANNUAL (Rounded)

	2018	2019	2020	2021	2022
PROPOSED REVENUES:					
Taxation revenue	(270,229,600) ¹	(281,115,200)	(292,464,500)	(304,152,500)	(316,189,200)
Parcel taxes	(18,660,200)	(19,059,400)	(19,543,100)	(20,137,400)	(20,800,300)
Fees for goods and services	(116,911,700)	(119,969,700)	(123,365,500)	(127,422,500)	(132,465,700)
Return on investments	(41,389,400)	(41,516,400)	(41,646,000)	(41,778,100)	(41,912,900)
Revenue from other sources	(50,567,200)	(54,939,600)	(52,754,200)	(53,585,900)	(54,434,800)
Community benefit bonus	(95,000,000)	(95,000,000)	(95,000,000)	(95,000,000)	(95,000,000)
Contributed asset revenue	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Transfers from other governments	(20,295,000)	(21,964,600)	(24,194,400)	(22,791,700)	(22,983,400)
Parkland acquisition development cost charges	(14,248,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
TOTAL PROPOSED REVENUES	(632,301,100)	(641,564,900)	(656,967,700)	(672,868,100)	(691,786,300)
PROPOSED EXPENDITURES:					
Operating Expenditures	454,967,400	466,115,500	485,001,700	505,880,200	526,927,200
Capital Expenditures	198,746,500	219,932,300	214,225,800	161,355,500	148,488,500
TOTAL PROPOSED EXPENDITURES	653,713,900	686,047,800	699,227,500	667,235,700	675,415,700
PROPOSED TRANSFERS:					
Transfer to/(from) Capital Works Financing Reserve Fund	(135,361,900)	(112,540,300)	(112,724,500)	(114,017,500)	(108,833,100)
Transfer to/(from) Local Improvement Reserve Fund	1,109,200	225,000	1,241,100	1,257,600	1,274,300
Transfer to/(from) Corporate & Tax Sale Reserve Fund	16,533,000	7,216,800	6,216,800	5,216,800	5,216,800
Transfer to/(from) Vehicle Replacement Reserve Fund	(19,895,800)	(14,316,600)	(9,211,600)	(10,132,600)	(11,074,200)
Transfer to/(from) Non-Statutory Reserves Fund	116,202,700	74,932,200	72,218,400	123,308,100	129,786,800
TOTAL PROPOSED TRANSFERS	(21,412,800)	(44,482,900)	(42,259,800)	5,632,400	16,370,600
BALANCED BUDGET	-	-	-	-	-

¹ Taxation revenue is comprised of property taxes (\$261.5M), grant in lieu of taxes (\$5.6M), utilities taxes(\$3.1M), local improvement frontage levies (\$0.7M), special levies (\$0.1M), and assessment appeal \$0.8M.

SCHEDULE B

CITY OF BURNABY

FIVE YEAR CONSOLIDATED FINANCIAL PLAN (2018 – 2022)

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	42.7%
Fees for goods and services	18.5%
Community benefit bonus	15.0%
Revenue from other sources	8.0%
Return on investments	6.5%
Transfers from other governments	3.2%
Parcel taxes	3.0%
Parkland acquisition development cost charges	2.3%
Contributed asset revenue	0.8%
Total	100%

The proportion of total revenue raised from each funding source in 2018 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 2018 Property Taxes among the Various Property Classes

Property Class	% of Tax Burden
Residential (1)	49.3%
Business (6)	40.0%
Light Industry (5)	5.6%
Others (2, 3, 4, 8 & 9)	5.1%
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 the property classes (property classes are defined and values determined by the British Columbia Assessment).

Use Permissive Tax Exemptions

Council passes an annual permissive tax exemption bylaw to exempt certain properties from property tax in accordance with guidelines set out by Council Approved Guidelines and the Community Charter. There is no legal obligation to grant these 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 revenue forgone for permissive exemptions granted for the 2018 taxation year is approximately \$2,934,893.

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 organizations recommended for permissive tax exemptions are consistent with municipal policies, plans, bylaws, codes and regulations, defined as non-profit organizations, are complimentary extensions to municipal services and programs, accessible to the public and used primarily by Burnaby residents.