

CITY OF BURNABY
BYLAW NO. 14155

A BYLAW to adopt the 2020 to 2024 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 2020.**
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 2020 to 2024 inclusive.

Read a first time this day of May 2020

Read a second time this day of May 2020

Read a third time this day of May 2020

Reconsidered and adopted by Council this day of May 2020

MAYOR

CLERK

SCHEDULE A**CITY OF BURNABY****FIVE YEAR CONSOLIDATED FINANCIAL PLAN (2020 – 2024)****PROPOSED REVENUES, PROPOSED EXPENDITURES AND PROPOSED TRANSFERS:****Financial Plan Bylaw - 2020 to 2024****ANNUAL (Rounded)**

	2020	2021	2022	2023	2024
	Annual	Annual	Annual	Annual	Annual
PROPOSED REVENUES:					
Taxation Revenue	(291,242,400) ¹	(305,720,600)	(320,774,400)	(336,426,900)	(352,702,000)
Parcel Taxes	(18,805,700)	(19,193,200)	(19,588,400)	(19,991,500)	(20,402,700)
Sale of Goods and Services	(122,667,500)	(125,831,800)	(129,059,600)	(132,851,400)	(137,469,100)
Investment Income	(50,650,800)	(50,782,300)	(50,916,300)	(51,053,000)	(51,192,400)
Other Revenue	(87,163,400)	(52,812,100)	(54,060,500)	(54,257,700)	(55,045,800)
Community Benefit Bonus	(55,000,000)	(105,000,000)	(145,000,000)	(65,000,000)	(80,000,000)
Contributed Asset Revenue	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Transfers from Other Governments	(24,621,700)	(24,824,800)	(25,170,400)	(28,167,500)	(25,342,700)
Transfers from Restricted Funds and Development Cost Charges	(9,033,200)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
TOTAL PROPOSED REVENUES	(664,184,700)	(692,164,800)	(752,569,600)	(695,748,000)	(730,154,700)
PROPOSED EXPENDITURES:					
Operating Expenditures	518,859,500	528,958,200	552,566,700	576,309,700	600,692,800
Capital Expenditures	253,533,500	288,004,300	329,357,900	308,412,800	318,533,700
TOTAL PROPOSED EXPENDITURES	772,393,000	816,962,500	881,924,600	884,722,500	919,226,500
PROPOSED TRANSFERS:					
Transfer to/(from) Capital Works Financing Reserve Fund	(58,391,500)	(89,262,400)	(65,581,600)	(60,418,100)	(59,435,200)
Transfer to/(from) Local Improvement Reserve Fund	1,424,700	957,200	968,900	980,900	1,008,100
Transfer to/(from) Corporate & Tax Sale Reserve Fund	41,396,600	5,082,900	4,082,900	3,082,900	3,082,900
Transfer to/(from) Vehicle Replacement Reserve Fund	(1,711,700)	(6,061,100)	(8,339,000)	(1,603,000)	(4,916,000)
Transfer to/(from) Non-Statutory Reserves	(90,926,400)	(35,514,200)	(60,486,400)	(131,017,200)	(128,811,800)
TOTAL PROPOSED TRANSFERS	(108,208,300)	(124,797,700)	(129,355,000)	(188,974,500)	(189,071,800)
Total Proposed Expenditures And Transfers	664,184,700	692,164,800	752,569,600	695,748,000	730,154,700
Balanced Budget	-	-	-	-	-

1 Taxation revenue is comprised of property taxes (\$282.7M), grant in lieu of taxes (\$6.1M), utilities taxes(\$3.2M) and local improvement frontage levies (\$0.6M) and assessment appeal \$1.4M.

SCHEDULE B

CITY OF BURNABY

FIVE YEAR CONSOLIDATED FINANCIAL PLAN (2020 – 2024)

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	43.8%
Sales of goods and services	18.5%
Other revenue	13.1%
Community benefit bonus	8.3%
Investment income	7.6%
Transfers from other governments	3.7%
Parcel taxes	2.8%
Transfers from restricted funds and development cost charges	1.4%
Contributed asset revenue	0.8%
Total	100%

The proportion of total revenue raised from each funding source in 2020 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.

Sales of goods and services are the second largest portion of general operating revenue. Many City of Burnaby services, such as metered water, metered 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 2020 Property Taxes among the Various Property Classes

Property Class	% of Tax Burden
Residential (1)	50.1%
Business (6)	39.2%
Light Industry (5)	5.8%
Others (2, 3, 4, 8 & 9)	4.9%
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).

The above distribution of property taxes is based on the final revised assessment roll received from BC Assessment.

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 Sections 220 and 224 of 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 equally and consistently with regards to 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.

The tax burden resulting for the exemption must be a justifiable expense to the taxpayers of Burnaby. The total revenue forgone for permissive exemptions granted for the 2020 taxation year is approximately \$2,045,700.