

TO: MAYOR & COUNCILLORS
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: **2024 – 2028 FINANCIAL PLAN AND BURNABY FINANCIAL PLAN BYLAW 2024**
PURPOSE: To obtain Council approval for the five year 2024 – 2028 Financial Plan and Burnaby Consolidated Five-Year Financial Plan Bylaw 2024.

RECOMMENDATION

THAT the 2024 – 2028 Financial Plan as outlined in the Council Report titled “2024-2028 Financial Plan and Burnaby Financial Plan Bylaw 2024”, dated for January 29, 2024 be approved; and

THAT the City Solicitor be authorized to bring forward the Burnaby Consolidated Five-Year Financial Plan Bylaw 2024, 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 Attachment 1 to this report.

1.0 POLICY SECTION

As per Section 165 and Section 197 of the *Community Charter*, a municipality must have a five year financial plan bylaw adopted before the annual tax bylaw is adopted, of which, the latter must be adopted before May 15.

2.0 BACKGROUND

The 2024 – 2028 Financial Plan reflects a 4.50% property tax rate increase for 2024. This increase accounts for additional funding requirements to support community safety requirements such as Fire Services, the RCMP contract, E-Comm services and additional support for the unsheltered community. In addition, the property tax rate increase reflects the collective agreement wage increases for Fire and CUPE staff, additional requirements related to Indigenous Relations and other inflationary increases associated to core services and programs.

The 2024 – 2028 Financial Plan also includes funding of approximately \$40.4M over 4 years to be received from the Federal Housing Accelerator Fund (HAF). The associated operating and capital expenditures that will utilize the funding to support housing needs have been provisioned within the financial plan.

3.0 GENERAL INFORMATION

2024 - 2028 FINANCIAL PLAN

The purpose of the five-year 2024 – 2028 Financial Plan is to present Council's financial direction for the City. Provincial legislation requires the Financial Plan Bylaw be adopted any time before the date on which the Annual Property Tax Rates Bylaw is adopted, which must be before May 15 of any respective year.

Further to Section 165 of the *Community Charter*, Section 165(4), requires the Financial Plan to set out the proposed expenditures, proposed funding sources and proposed transfers to or between funds (Attachment 1, Schedule A). Each year, the Financial Plan from the previous year remains in effect until the Financial Plan for the current year is adopted.

The 2024 Operating Plan expenditures within the Financial Plan total \$677,724,700 (inclusive of \$18,264,800 in transfers) and the 2024 Capital Plan expenditures total \$372,471,100. The Burnaby Consolidated Five-Year Financial Plan Bylaw 2024 groups the operating transfers within the Proposed Transfer to/(from) Reserve Funds and Reserves; therefore, net operating expenditures of \$659,459,900 are reflected.

In addition, Section 165(3.1) of the *Community Charter* requires the five-year Financial Plan 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 section 165(7) of the *Community Charter* (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.

The City of Burnaby's revenue and tax policy disclosure is outlined within the Burnaby Consolidated Five-Year Financial Plan Bylaw 2024 (Attachment 1, Schedule B).

The Burnaby Rates Bylaw 2024 will be provided to Council in April once BC Assessment has provided the final assessment roll and the final rates for other taxing authorities are known. The Burnaby Rates Bylaw 2024 is anticipated to be adopted by May 13 and 2024 property tax bills will be sent to residents during the May/June timeframe. In addition, a property tax calculator is available on the City's website to assist residents & business owners in planning for the potential charges.

Furthermore, the 2024 – 2028 Financial Plan has not been adjusted for the potential implications of the recent Provincial Legislation changes related to development financing tools. Staff are currently reviewing the implications and will provide updates to Council. Any changes will be reviewed and approved by Council which may result in a revised Financial Plan Bylaw.

It is recommended that Council approve the 2024 – 2028 Financial Plan and authorize the City Solicitor to bring forward the Burnaby Consolidated Five-Year Financial Plan Bylaw 2024 outlining the proposed funding sources, proposed expenditures, and proposed transfers between funds as set out for each year in the planning period. The Burnaby Consolidated Five-Year Financial Plan Bylaw 2024 is included later in the January 29, 2024, Council agenda under Bylaws for Council’s consideration.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Public consultation on the 2024 – 2028 Financial Plan was conducted during November 21 to December 8, 2023, to allow residents the opportunity to submit feedback and comments on the five year financial plan. These comments were subsequently provided to Council for their consideration on the proposed 2024 – 2028 Financial Plan and for future financial plan processes.

The 2024 – 2028 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 requests or at Burnaby City Hall Legislative Services.

5.0 FINANCIAL CONSIDERATIONS

As referenced throughout the report.

Respectfully submitted,
Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Attachment 1 – Burnaby Consolidated Five-Year Financial Plan Bylaw 2024 – Schedule A and B

Attachment 2 – City of Burnaby 2024 – 2028 Financial Plan

REPORT CONTRIBUTORS

This report was prepared by Ratan Grewal, Director Budgets and Reporting and Wilson Kwan, Manager Budgets and Reporting