

TO: MAYOR & COUNCILLORS

FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER

SUBJECT: **2025 – 2029 FINANCIAL PLAN AND BURNABY FINANCIAL PLAN BYLAW 2025**

PURPOSE: To obtain Council approval for the five year 2025 – 2029 Financial Plan and Burnaby Consolidated Five-Year Financial Plan Bylaw 2025.

RECOMMENDATION

THAT the 2025 – 2029 Financial Plan, as outlined in the report titled “2025 - 2029 Financial Plan and Burnaby Financial Plan Bylaw 2025”, dated for April 22, 2025, be approved; and

THAT the City Solicitor be authorized to bring forward the Burnaby Consolidated Five-Year Financial Plan Bylaw 2025, 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 of the *Community Charter*, a municipality must have a five year Financial Plan adopted annually, by bylaw, before the annual property tax bylaw is adopted. The annual property tax bylaw must be adopted before May 15 each year.

Section 165(4) of the *Community Charter* requires the Financial Plan to set out the following for the five year planning period: (a) proposed expenditures; (b) proposed funding sources; and (c) proposed transfers to or between funds.

2.0 BACKGROUND

The 2025 Operating Plan includes a proposed 3.9% increase to property taxation. Within this increase, 1.0% is allocated to increase contributions to support core capital maintenance requirements. The remaining 2.9% is required to support the day-to-day operations of the City including non-discretionary fixed costs for salaries and benefit increases, RCMP contracts and E-Comm services increases and other inflationary impacts to existing core programs and services to the public. However, these increased costs are offset by additional program revenue opportunities and new taxation growth revenue providing an offset to the tax rate. In light of the current geo-political/economic environment that continue to create levels of uncertainty, the City's focus remains in providing a low property tax increase while still delivering quality core services and programs to Burnaby residents. The proposed property tax increase of 3.9% remains one of the lowest amongst the region.

Furthermore, due to the changes in Provincial legislation, particularly around development financing, the City has expanded on its Development Cost Charges (DCC) program and implemented a new Amenity Cost Charges (ACC) program in order to fund growth related infrastructure and amenities. As part of these programs, the City is now required to fund the share of the costs not related to growth. To establish a sustainable funding source and as a first step towards meeting this obligation, the City has introduced a new property tax levy of 1.9% which equates to approximately \$6.6 million per year. On Burnaby resident tax bills, this new levy will be referred to as the “Growth Infrastructure Investment”.

The 2025 Operating Plan also includes a 0.0% increase to the Waterworks Utility rates and a 20.0% increase to Sanitary Sewer Fund rates. These were implemented as part of the 2025 Utility notices issued earlier this year. The increases from Metro Vancouver are the predominate reasons for the sewer costs to the City, thus impacting the 2025 Sanitary Sewer rates. Over the past several budget cycles, the City had anticipated significant increases to come from Metro Vancouver. Therefore, through the use of reserves, the City was able to manage a 0.0% increase to Waterwork Utility rates and a 20.0% increase to Sanitary Sewer Fund rates. By doing so, the City is able to provide relief to Burnaby taxpayers with low and consistent utility rates that are significantly lower than the actual increase in cost passed along to the City from Metro Vancouver. The actual Metro Vancouver increases are 7.2% from Greater Vancouver Water District (GVWD) for water services and 49.8% from Great Vancouver Sewerage & Drainage District (GVS&DD) for sewer services.

The 2025 Capital Plan is \$438.5 million and is comprised of many key projects that will serve Burnaby residents, including the construction of the Burnaby Lake Recreation Complex, Cameron Community Centre & Library, RCMP Facility Redevelopment and more.

3.0 GENERAL INFORMATION

2025 - 2029 FINANCIAL PLAN

The purpose of the 2025 – 2029 Financial Plan is to present Council’s financial direction for the City. Provincial legislation requires the Financial Plan Bylaw to be adopted any time before the date on which the Annual Property Tax Rates Bylaw is adopted, which must be before May 15 each year. Therefore, the Burnaby Rates Bylaw 2025 will appear subsequently on the same Council agenda for 1st, 2nd and 3rd readings.

Under section 165(4) of the *Community Charter*, the Financial Plan must set out the proposed expenditures, proposed funding sources and proposed transfers to or between funds for the five year planning period (Attachment 1, Schedule A). Specific additional information are required to be included under these categories. Each year, the Financial Plan from the previous year remains in effect until the Financial Plan for the current year is adopted.

The 2025 Operating Plan expenditures within the Financial Plan total \$746,966,800 (inclusive of \$9,362,400 in transfers) and the 2025 Capital Plan expenditures total \$438,459,900. The Burnaby Consolidated Five-Year Financial Plan Bylaw 2025 groups the operating transfers within the Proposed Transfer to/(from) Reserve Funds and Reserves; therefore, net operating expenditures of \$737,604,400 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 2025 (Attachment 1, Schedule B).

It is recommended that Council approve the 2025 – 2029 Financial Plan and authorize the City Solicitor to bring forward the Burnaby Consolidated Five-Year Financial Plan Bylaw 2025 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 2025 appears elsewhere on the Council agenda for Council consideration of 1st, 2nd and 3rd readings.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Public consultation on the 2025 – 2029 Financial Plan was conducted between March 26 to April 9, 2025, to allow residents the opportunity to submit feedback and comments on the five year Financial Plan. Opportunities for residents to provide feedback were primarily facilitated through the City's social media accounts and the City website.

At the close of the public consultation period, the City received approximately 40 comments on the Financial Plan. These comments have been grouped into the following themes:

- Concerns related to affordability of property tax increases
- Concerns related to Council's participation in sister city activities
- Concerns related to the cost of the redevelopment of the RCMP building and community safety services
- Requests for Council to find efficiencies and new revenues to reduce tax increases
- Requests for more investment in libraries and parks
- Appreciation for investment in new amenities
- Concerns regarding urban design/planning objectives and associated impacts (tower sizes, traffic, etc.)

All detailed comments have been provided to Council for their consideration on the proposed 2025 – 2029 Financial Plan and for future financial plan processes.

The 2025 – 2029 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 Division.

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 2025 –
Schedule A and B

Attachment 2 – City of Burnaby 2025 – 2029 Financial Plan

REPORT CONTRIBUTORS

This report was prepared by James Cheu, Manager Budgets and Reporting and reviewed by Wilson Kwan, Director Budgets and Reporting, Ratan Grewal, Deputy General Manager Finance, and May Leung, City Solicitor.