

**CITY OF MAPLE RIDGE**

**BYLAW NO. 8008-2024**

A bylaw to amend Maple Ridge 2024-2028 Financial Plan Bylaw No. 7989-2024

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**WHEREAS**, the public has had the opportunity to provide comments or suggestions with respect to the financial plan;

**AND WHEREAS**, Council deems this to be a process of public consultation under Section 166 of the Community Charter;

**NOW THEREFORE**, the Council for the City of Maple Ridge enacts as follows:

1. This Bylaw may be cited as “Maple Ridge 2024-2028 Financial Plan Bylaw No. 7989-2024”.
2. Statement 1 attached to and forming part of this bylaw is hereby declared to be the Consolidated Financial Plan of the City of Maple Ridge for the years 2024 through 2028.
3. Statement 2 attached to and forming part of the bylaw is hereby declared to be the Revenue and Property Tax Policy Disclosure for the City of Maple Ridge.
4. Statement 3 attached to and forming part of the bylaw is hereby declared to be the Capital Expenditure Disclosure for the City of Maple Ridge.

**READ** a first time the            day of            2024

**READ** a second time the       day of            2024

**READ** a third time the        day of            2024

**PUBLIC CONSULTATION** completed on the 22 day of March, 2024

**ADOPTED** the            day of            2024

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PRESIDING MEMBER

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CORPORATE OFFICER

ATTACHMENT: Statement 1, Statement 2 and Statement 3

# Statement 1

## Consolidated Financial Plan 2024-2028 (\$ in thousands)

	2024	2025	2026	2027	2028
<b>REVENUES</b>					
Revenues					
Development Fees					
Developer Contributed Assets	20,000	20,000	20,000	20,000	20,000
Developer Cost Charges	54,936	33,115	25,551	4,017	3,724
Developer Projects & Amenity Contrib	9,199	0	0	0	0
Parkland Acquisition	2,813	200	200	200	200
Contribution from Others	1,993	1,411	1,421	1,431	1,441
Development Fees Total	88,940	54,726	47,172	25,648	25,365
Property Taxes	115,823	124,574	134,170	142,113	149,663
Parcel Charges	3,880	4,005	4,134	4,267	4,405
Fees & Charges	61,986	65,479	69,247	73,306	77,679
Interest	4,295	4,315	4,335	4,355	4,375
Grants	13,722	8,502	42,274	5,425	5,426
Property Sales	0	0	0	0	0
Total Revenues	288,647	261,600	301,331	255,114	266,914
<b>EXPENDITURES</b>					
Operating Expenditures					
Debt & Interest Payments	1,885	1,713	1,762	3,171	3,510
Amortization	29,607	29,607	29,607	29,607	29,607
Other Expenditures	176,013	169,062	176,539	184,873	193,469
Total Expenditures	207,505	200,382	207,909	217,652	226,587
<b>ANNUAL SURPLUS</b>	<b>81,142</b>	<b>61,218</b>	<b>93,423</b>	<b>37,462</b>	<b>40,327</b>
Add Back: Amortization Expense (Surplus)	29,607	29,607	29,607	29,607	29,607
Less: Capital Expenditures	258,678	74,681	106,730	47,893	29,350
Less: Developer Contributed Capital	20,000	20,000	20,000	20,000	20,000
<b>CHANGE IN FINANCIAL POSITION</b>	<b>(167,928)</b>	<b>(3,856)</b>	<b>(3,700)</b>	<b>(823)</b>	<b>20,584</b>
<b>OTHER REVENUES</b>					
Add: Borrowing Proceeds	36,924	0	15,000	15,000	0
<b>OTHER EXPENDITURES</b>					
Less: Principal Payments on Debt	4,816	4,960	5,108	4,741	3,606
<b>TOTAL REVENUES LESS EXPENSES</b>	<b>(135,820)</b>	<b>(8,816)</b>	<b>6,192</b>	<b>9,435</b>	<b>16,977</b>
<b>INTERNAL TRANSFERS</b>					
Transfer From Reserve Funds					
Capital Works Reserve	7,681	0	0	0	0
Equipment Replacement Reserve	11,924	2,003	1,917	3,622	2,227
Fire Department Capital Reserve	7,753	4,700	0	0	0
Growing Community Reserve	13,270	3,317	0	0	0
Land Reserve	0	0	0	0	0
Local Area Service Reserve	0	0	0	0	0
Sanitary Sewer Reserve	0	0	0	0	0
Total Transfer From Reserve Funds	40,628	10,019	1,917	3,622	2,227
Less :Transfer To Reserve Funds					
Capital Works Reserve	913	256	3,127	5,590	2,776
Equipment Replacement Reserve	1,719	1,825	3,161	3,390	3,550
Fire Department Capital Reserve	2,428	2,668	1,384	989	42
Land Reserve	5	5	5	5	5
Local Area Service Reserve	0	0	0	0	0
Sanitary Sewer Reserve	0	0	0	0	0
Total Transfer To Reserve Funds	3,239	4,243	7,677	9,975	6,290
Transfer From (To) Own Reserves	82,694	3,390	(490)	(1,809)	(4,415)
Transfer From (To) Surplus	15,736	(350)	58	(1,274)	(8,499)
Transfer From (To) Surplus & Own Reserves	98,430	3,040	(432)	(3,083)	(12,915)
<b>TOTAL INTERNAL TRANSFERS</b>	<b>(135,820)</b>	<b>(8,816)</b>	<b>6,192</b>	<b>9,435</b>	<b>16,977</b>
<b>BALANCED BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Statement 2

### Revenue and Property Tax Policy Disclosure

#### REVENUE DISCLOSURE

Revenue Proportions	2024		2025		2026		2027		2028	
	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%	\$ ('000s)	%
<b>Revenues</b>										
Property Taxes	115,823	35.7	124,574	47.6	134,170	42.4	142,113	52.6	149,663	56.0
Parcel Charges	3,880	1.2	4,005	1.5	4,134	1.3	4,267	1.6	4,405	1.7
Fees & Charges	61,986	19.0	65,479	25.0	69,247	21.9	73,306	27.1	77,679	29.1
Borrowing Proceeds	36,924	11.3	-	-	15,000	4.7	15,000	5.6	-	-
Other Sources	106,958	32.9	67,543	25.8	93,781	29.6	35,428	13.1	35,166	13.2
<b>Total Revenues</b>	<b>325,571</b>	<b>100</b>	<b>261,601</b>	<b>100</b>	<b>316,332</b>	<b>100</b>	<b>270,114</b>	<b>100</b>	<b>266,913</b>	<b>100</b>

#### Other Sources include:

Development Fees Total	88,941	27.3	54,726	21.0	47,172	14.8	25,648	9.5	25,365	9.4
Interest	4,295	1.3	4,315	1.6	4,335	1.4	4,355	1.6	4,375	1.6
Grants (Other Govts)	13,722	4.2	8,502	3.2	42,274	13.4	5,425	2.0	5,426	2.0
	106,958	32.9	67,543	25.8	93,781	29.6	35,428	13.1	35,166	13.2

#### OBJECTIVES & POLICIES

##### Property Tax Revenue

Property tax revenue is the City's primary revenue source, and one which is heavily reliant on the residential class. Diversification of the tax base and generation of non-tax revenue are ongoing objectives, outlined in Financial Sustainability Policy 5.52 section 6.

The Financial Plan includes property tax increases that are as listed below:

	2024	2025	2026	2027	2028
General Purpose	6.10%	5.20%	4.70%	2.90%	2.90%
Infrastructure Replacement	0.40%	0.80%	1.00%	1.00%	1.00%
Parks & Recreation		0.30%	0.60%	0.60%	0.00%
<b>Total Property Tax Increase</b>	<b>6.50%</b>	<b>6.30%</b>	<b>6.30%</b>	<b>4.50%</b>	<b>3.90%</b>

Additional information on the tax increases and the cost drivers can be found in the most recent Financial Overview Report.

Property tax revenue includes property taxes as well as grants in lieu of property taxes.

##### Parcel Charges

Parcel charges are comprised of a recycling charge, a sewer charge and on some properties, a local area service or improvement charge. Parcel charges are a useful tool to charge all or a subset of properties for a fixed or variable amount to support services. Unlike property taxation the variable amount does not need to be related to property assessment value, but can be something that more accurately reflects the cost of the service.

## Statement 2

### Revenue and Property Tax Policy Disclosure

#### Fees & Charges

Fees should be reviewed annually and updated if needed. Fees are used to offset some or all the costs of providing specific services. The utility fees are reviewed annually with a view towards using rate stabilization practices to smooth out large fluctuations in rates, as set out in the Business Planning Guidelines.

#### Borrowing Proceeds

Debt is used when it makes sense, and with caution as it commits future cash flows to debt payments, restricting the ability to use these funds to provide other services. The source of the debt payments needs to be considered as does the justification for advancing the project. More information on previously approved borrowing can be found in the most recent Financial Overview Report.

#### Other Sources

This will vary greatly year to year as it includes:

- Development fees which fund capital projects from the DCC Reserve
- Contribution from others in relation to capital
- Grants which are sought from various agencies and may be leveraged with City funds

### PROPERTY TAX DISCLOSURE

#### Property Tax Revenue Distribution

Property Class	Taxation Revenue		Assessed Value		Tax Rate	Multiple
		('000s)		('000s)	(\$/1000)	(Rate/Res.Rate)
1 Residential	89,641	79.0%	36,446,726	90.9%	2.4595	1.0
2 Utility	954	0.8%	23,858	0.1%	40.0000	16.3
4 Major Industry	-	0.0%	-	0.0%	12.6024	5.1
5 Light Industry	6,074	5.4%	963,875	2.4%	6.3012	2.6
6 Business/Other	16,596	14.6%	2,633,728	6.6%	6.3012	2.6
8 Rec./ Non-Profit	71	0.1%	7,933	0.0%	8.9256	3.6
9 Farm	97	0.1%	4,679	0.0%	20.8216	8.5
Total	113,432	100%	40,080,799	100%		

## Statement 2

### Revenue and Property Tax Policy Disclosure

#### PROPERTY TAX DISCLOSURE

##### Objectives & Policies

Property taxes are the City's largest source of revenue and are contained by efficient business practices. Annual business planning practices are the mechanism for resource allocation decisions.

The City's Financial Sustainability Policy section 6 discusses the necessity of diversifying the tax base. Development of employment-related properties is one method of diversification; therefore a key performance measurement in Strategic Economic Initiatives tracks the increased investment and development of non-residential properties.

A policy in the Financial Sustainability Plan that calls for stable tax increases and the adoption of the annual increase early in the prior year in the Business Planning Guidelines provides citizens with a more stable and predictable set of cost increases.

##### Property Tax Rates

It is policy to adjust property tax rates annually to offset the change of market values on property taxes. Tax rates are reduced to negate the market increases. Property tax increases are then applied at the same relative increase for all classes, unless legislation restricts the rates, as with Class 2, Utility.

The Business Class and Light Industry Class properties have the same municipal tax rate and are treated as a composite class when setting the tax rates.

In reviewing tax rates to ensure competitiveness, absolute rates, tax multiples and overall tax burden are considered. The impact that assessed values have when comparing to other geographical areas must be considered in a comparison of tax rates.

##### Permissive Tax Exemptions

Council has set policies around the use of permissive tax exemptions. These are Council Policies 5.19 through 5.24. These policies discuss Churches, Community Halls, Heritage Sites, Homes for the Care of Children and the Relief of the Aged, the Poor, the Disabled and the Infirm, Municipal Recreational Services, Private Hospitals and Daycares, Private School and Youth Recreation Groups.

##### Revitalization Tax Exemptions (no current programs)

In the past, Revitalization Tax Exemptions have been leveraged as a tool to provide incentives for the attainment of strategic goals related to land development and the attraction of high-value jobs. The Town Centre Investment Incentive Program was established to attract private investment in the fulfillment of the Town Centre Area Plan. Similarly, the Employment Land investment Incentive Program was designed to encourage job creation by supporting investment in buildings and infrastructure on identified "employment lands".

## Statement 3

### Capital Expenditure Disclosure

The sole purpose of this statement is to meet legislative requirements and highlight the value of the Development Cost Charges; no other conclusions should be drawn from the figures as the information could be misconstrued. This disclosure is required under the Local Government Act s. 560 (2); capital costs attributable to projects to be partially funded by Development Cost Charges (DCC) must be included in the financial plan. The DCC program includes projects as far out as 2043 so the capital expenditures must be extended to match. Certain types of projects are not planned past the five year time horizon of the financial plan. Much less scrutiny is given to projects that are planned in years 2029 through 2043. Projects in these years typically exceed likely funding available.

### Capital Program for 2029 – 2043

(\$ in thousands)

<b>Capital Works Program</b>	<b>575,269</b>
 <b>Source of Funding</b>	
Development Fees	
Development Cost Charges	327,390
Contribution from Others	1,847
	329,237
Borrowing Proceeds	-
Grants	20,774
Transfer from Reserve Funds	35,003
Revenue Funds	190,255
	246,032
	<b>575,269</b>