



Five-Year Financial Plan Bylaw, 2024-2028

Bylaw No. 3487-2023

[Consolidated and printed by authority of the Corporate Officer under [section 139](#) of the *Community Charter*. Includes amendment bylaw 3538-2024. Last amended May 7, 2024]

The Council of the City of Abbotsford, in open meeting assembled, enacts as follows:

Interpretation

- 1 The *Interpretation Bylaw* applies to this bylaw.

Objectives and policies

- 2 Sections 3 to 7 set out the objectives and policies of the City for the years 2024 to 2028, inclusive, in relation to the following:
 - (a) the proportion of total revenue that is proposed to come from the following proposed funding sources:
 - (i) revenue from property value taxes;
 - (ii) revenue from parcel taxes;
 - (iii) revenue from fees;
 - (iv) revenue from other sources;
 - (v) proceeds from borrowing;
 - (b) the distribution of property value taxes among the property classes that may be subject to the taxes;
 - (c) the use of permissive tax exemptions.

Statutory requirements

- 3 In accordance with Section 165(3.1) of the *Community Charter*, the City is required to include in the Five-Year Financial Plan, objectives and policies for each of the following:
 - (a) the proportion of total revenue derived from each of the funding sources described in Section 165(7) of the *Community Charter*;
 - (b) the distribution of property taxes among the property classes;
 - (c) the use of permissive tax exemptions, including revitalization tax exemptions, as detailed in Part 7 Division 7 of the *Community Charter*.

Funding sources

- 4 (1) Subject to subsection (2), the following objectives and policies apply with respect to funding sources:
 - (a) new development should substantially pay for the increased infrastructure required to service it;
 - (b) the cost of services used by specific users should be recovered from those users, rather than by a general tax levy to all property owners, where possible;

- (c) user fee rates should remain competitive with neighbouring jurisdictions, where appropriate;
 - (d) the proportion of total revenue proposed to be raised from each funding source in 2024 is as set out in Table 1;
 - (e) property taxes form the greatest proportion of revenue based on the following features:
 - (i) property taxation is simple to administer and fairly easy for residents to understand;
 - (ii) property taxation offers a stable and reliable source of revenue for services that are difficult or undesirable to fund on a user-pay basis, such as general administration, fire protection, police services, library services and road maintenance;
 - (f) user fees and charges form the second largest portion of planned revenue based on the following features:
 - (i) user fees and charges apportion the cost of a service to those using it;
 - (ii) many services can be measured and charged on a user-pay basis;
 - (iii) fees and charges can be easily administered for services including water and sewer usage, building permits, business licenses, and sale of services.
- (2) It is recognized that because these objectives and policies may at times conflict in specific circumstances, it may not always be possible to simultaneously satisfy all of these principles.

Table 1: Planned Sources of Revenue for 2024 [B/L 3538-2024]

Consolidated Revenue Sources	% of Total Revenue	Dollar Value (in thousands)
Municipal assessment taxes	47.37%	\$195,632
Fees and charges	19.33%	\$79,831
Developer charges earned	7.46%	\$30,817
Contributions from other governments	3.55%	\$14,643
Government Grants	14.07%	\$58,096
Rent	2.03%	\$8,393
Interest and penalties	5.04%	\$20,805
Other sources	1.16%	\$4,798
Total	100.0%	\$413,015

Distribution of property taxes among property classes

- 5 The following objectives and policies apply with respect to the distribution of property taxes among property classes:
- (a) tax distributions should be set so as to attract commercial and industrial development in an effort to maintain and strengthen the financial health of the City, and to ensure the City's economic and employment base can keep pace with population growth;
 - (b) the financial planning process will determine the total increase in property taxes required from all property classes, excluding new growth;

- (c) the total taxable assessment excluding growth, as determined by BC Assessment, will affect the tax rate and resulting tax rate ratios required to achieve the revenue requirement;
- (d) the planned distribution of property taxes among the property classes is set out in Table 2;
- (e) the residential property class should provide the largest proportion of property tax revenue because this class is the largest portion of the assessment base consuming the majority of City services.

Table 2: Planned Distribution of Municipal Taxation for 2024

Property Class	% of Total Property Tax	Dollar Value (in thousands)
1 Residential	58.3%	\$114,053
2 Utilities	5.5%	\$10,760
3 Supportive Housing	0.0%	\$0
5 Light Industry	5.7%	\$11,151
6 Business and Other	28.0%	\$54,777
8 Recreation/ Non-profit	0.1%	\$196
9 Farm	2.4%	\$4,695
Total	100.0%	\$195,632

Permissive tax exemptions, including revitalization tax exemptions

- 6 (1) The City recognizes the significant value of volunteers, volunteer groups and agencies to the spiritual, educational, social, cultural, and physical well-being of the community.
- (2) Permissive property tax exemptions are a means for council to support organizations within the community that align with council's strategic goals and objectives.
- (3) The City provides permissive tax exemptions to properties used by places of worship, not-for-profit organizations, local authorities, athletic or service clubs, and independent schools.
- (4) Subject to subsection (5), the actual municipal tax revenue foregone in 2023 and the estimated municipal tax revenue to be foregone in 2024 as a result of permissive tax exemptions are as set out in Table 3.

Table 3: Municipal Tax Revenue Foregone

Exemption Category	2023 Actual	2024 Estimated
Permissive Tax Exemptions		
Places of Worship	\$900,600	\$892,700
Not-for-Profit Organizations	\$567,500	\$626,850
Local Authority	\$110,800	\$110,800
Athletic or Service Clubs	\$322,600	\$322,600
Independent Schools	\$4,700	\$5,500

Revitalization Tax Exemptions		
Revitalization	\$19,100	\$12,200
Total	\$1,925,300	\$1,970,650

- (5) The extent of permissive tax exemptions approved is dependent on the annual budget set by council, which may, at its discretion, cancel any or all permissive tax exemptions within a given year, or place a cap on the dollar value of exemptions granted on individual properties in any one or all of the above categories listed in Table 3.
- (6) The City's general eligibility criteria are as follows:
 - (a) the applicant must qualify under the *Community Charter* as a
 - (i) local authority,
 - (ii) independent school,
 - (iii) place of worship,
 - (iv) charitable, philanthropic or other not for profit organization, or
 - (v) athletic or service club or association;
 - (b) the applicant's objectives must align with council's strategic goals and objectives;
 - (c) the applicant and registered owner of the subject property, where applicable, must be in compliance with City policies, plans, bylaws, and regulations including, without limitation, with respect to. business licensing and zoning;
 - (d) the applicant must be liable for payment of property taxes in respect of the exempted portion of property.
- (7) Despite subsection (6), the following organizations are exempt from property taxes:
 - (a) veteran services;
 - (b) local authorities;
 - (c) City-owned golf courses;
 - (d) City-owned property leased to non-profit organizations or athletic or service clubs where the lease provides that the City is responsible for property taxes;
 - (e) property gifted to the City.
- (8) The City may adopt policies to provide further guidance regarding the applicability of category-specific eligibility criteria for permissive tax exemptions.
- (9) Nothing in this section affects council's discretionary authority to exempt any portion of the land or improvements of a property that does not otherwise meet the permissive tax exemption criteria set out in this section.

Revitalization tax exemption programs

- 7 (1) Revitalization tax exemptions exempt a property from municipal property value taxes only and are phased out over five years for the Abbotsford Downtown Revitalization Area.
- (2) Table 3 sets out the actual municipal tax revenue foregone in 2023 and the estimated municipal tax revenue to be foregone in 2024 as a result of revitalization tax exemptions.
- (3) The City provides revitalization tax exemptions
 - (a) to create economic stimulus and additional permanent employment opportunities, and
 - (b) to expand the light industry and business tax bases.
- (4) Exemptions are provided under the Abbotsford Downtown Revitalization Area program and are governed in accordance with the applicable bylaw.

Proposed funding sources, expenditures and transfers to or between funds

8 The Figure below sets out proposed funding sources, expenditures and transfers to or between funds for the years 2024 to 2028, inclusive.

Figure 1
City of Abbotsford Five Year Consolidated Financial Plan 2024-2028 (in thousands)

[B/L 3538-2024]

Revenue	2024	2025	2026	2027	2028
Municipal assessment taxes	\$195,632	\$203,415	\$209,744	\$216,263	\$222,142
Fees and charges	79,831	90,471	83,269	84,885	87,161
Developer charges earned	30,817	34,916	40,453	22,078	45,055
Contributions from other governments	14,643	13,660	10,835	8,506	6,120
Government grants	58,096	73,257	19,858	20,392	20,392
Rent	8,393	8,397	8,398	8,399	8,399
Interest and penalties	20,805	17,053	16,544	14,088	12,390
Other sources	4,798	4,500	4,500	4,500	4,500
Total Revenue	413,015	445,669	393,601	380,111	406,159
Expenditure	2024	2025	2026	2027	2028
Capital expenditures	370,537	201,306	134,443	114,035	109,019
Police services	70,213	73,773	76,054	78,392	80,502
Fire rescue services	25,070	25,439	25,698	25,822	26,140
Parks, recreation and cultural services	38,208	38,206	38,208	38,441	38,154
Engineering services	34,076	33,335	33,862	34,316	34,812
General government	38,736	36,032	36,977	36,377	40,230
Transit services	16,174	17,717	19,545	21,334	21,830
Planning & development services	9,830	9,089	9,089	9,089	9,089
Dyking services	3,794	3,849	3,855	3,894	3,983
Water services	14,293	14,035	14,171	14,638	15,161
Sewer services	12,674	12,567	12,680	12,880	13,304
Airport services	6,205	6,268	6,333	6,400	6,468
Debt interest	2,301	2,130	2,130	2,130	2,130
Debt principal repayment	4,277	4,448	4,448	4,448	4,448
Total	646,388	478,194	417,493	404,196	405,270
Net Revenue/(Expenditure)	(233,373)	(32,525)	(23,892)	(24,085)	889
Debt Proceeds	36,000	-	-	-	-

Net Change in Funds	2024	2025	2026	2027	2028
Net change in unappropriated reserve fund	-	-	-	-	-
Net change in operating reserve fund	(10,185)	(7,614)	2,425	(923)	4,197
Net change in general capital reserve fund	(122,540)	1,193	(11,469)	(16,345)	(1,490)
Net change in storm drainage capital reserve fund	(17,033)	(4,776)	(1,600)	(2,318)	(5,771)
Net change in waterworks capital reserve fund	(14,102)	(2,602)	3,157	2,114	3,958
Net change in sanitary sewer capital reserve fund	(18,785)	(18,016)	(15,456)	(6,778)	(392)
Net change in affordable housing reserve	-	-	-	-	-
Net change in airport capital reserve fund	(14,728)	(710)	(949)	165	387
Total Net Change in Funds	(197,373)	(32,525)	(23,892)	(24,085)	889
Balanced	-	-	-	-	-

READ A FIRST TIME on December 4, 2023
 READ A SECOND TIME on December 4, 2023
 READ A THIRD TIME on December 4, 2023
 ADOPTED on December 11, 2023