



Five-Year Financial Plan Bylaw, 2025-2029

Bylaw No. 3597-2025

[Consolidated and printed by authority of the Corporate Officer under section 139 of the *Community Charter*.

Contents

- 1 Interpretation
- 2 Objectives and policies
- 3 Statutory requirements
- 4 Funding sources
- 5 Distribution of property taxes among property classes
- 6 Permissive tax exemptions, including revitalization tax exemptions
- 7 Revitalization tax exemption programs
- 8 Proposed funding sources, expenditures and transfers to or between funds

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 2025 to 2029, 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 2025 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 2025

Consolidated Revenue Sources	% of Total Revenue	Dollar Value (in thousands)
Municipal assessment taxes	57.48%	\$210,629
Fees and charges	25.30%	\$92,694
Developer charges earned	2.34%	\$8,564
Contributions from other governments	1.87%	\$6,869
Government Grants	5.94%	\$21,784
Rent	1.48%	\$5,423
Interest and penalties	5.52%	\$20,220
Other sources	0.07%	\$265
Total	100.0%	\$366,448

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 2025

Property Class	% of Total Property Tax	Dollar Value (in thousands)
1 Residential	58.1%	\$122,375
2 Utilities	6.4%	\$13,480
3 Supportive Housing	0.0%	\$0
5 Light Industry	6.1%	\$12,848
6 Business and Other	27.0%	\$56,870
8 Recreation/ Non-profit	0.1%	\$211
9 Farm	2.3%	\$4,844
Total	100.0%	\$210,629

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 2024 and the estimated municipal tax revenue to be foregone in 2025 as a result of permissive tax exemptions are as set out in Table 3.

Table 3: Municipal Tax Revenue Foregone

Exemption Category	2024 Actual	2025 Estimated
Permissive Tax Exemptions		
Places of Worship	\$900,900	\$854,800
Not-for-Profit Organizations	\$662,600	\$707,600
Local Authority	\$117,900	\$117,900
Athletic or Service Clubs	\$350,800	\$351,500
Independent Schools	\$3,800	\$3,800
Revitalization Tax Exemptions		
Revitalization	\$12,105	\$8,052
Total	\$2,048,105	\$2,043,652

- (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 2024 and the estimated municipal tax revenue to be foregone in 2025 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 2025 to 2029, inclusive.

Figure 1
City of Abbotsford Five Year Consolidated Financial Plan 2025-2029 (in thousands)

Revenue	2025	2026	2027	2028	2029
Municipal assessment taxes	210,629	222,595	232,585	238,972	245,200
Fees and charges	92,694	103,735	96,316	98,054	99,467
Developer charges earned	8,564	46,213	41,158	49,009	42,638
Contributions from other governments	6,869	13,918	15,867	8,308	5,716
Government grants	21,784	72,199	22,261	22,447	22,493
Rent	5,423	5,424	5,426	5,426	5,427
Interest and penalties	20,220	20,622	20,358	18,803	19,203
Other sources	265	265	205	109	110
Total Revenue	366,448	484,971	434,176	441,128	440,254
Expenditure	2025	2026	2027	2028	2029
Capital expenditures	83,808	220,168	153,857	120,287	116,659
Police services	75,130	78,891	81,831	83,468	85,138
Fire rescue services	29,063	29,510	29,757	29,914	29,984
Parks, recreation and cultural services	39,589	39,546	39,684	39,777	41,023
Engineering & Operations Services	35,517	36,138	36,458	36,865	37,021
General government	36,506	39,049	41,124	44,077	47,000
Transit services	19,407	22,045	24,295	24,296	24,296
Planning & development services	9,281	9,281	9,281	9,281	9,281
Dyking services	3,890	3,925	3,967	4,025	4,018

Water services	14,700	14,783	14,871	15,346	15,465
Sewer services	12,984	13,219	13,301	13,400	13,545
Airport services	6,447	6,740	6,521	6,600	6,995
Debt interest	2,130	2,130	2,130	2,130	2,130
Debt principal repayment	4,448	4,448	4,448	4,448	4,448
Total	372,901	519,874	461,524	433,913	437,002
Net Revenue/(Expenditure)	(6,453)	(34,903)	(27,348)	7,215	3,252
Debt Proceeds	-	-	-	-	-
Net Change in Funds	2025	2026	2027	2028	2029
Net change in unappropriated reserve fund	-	-	-	-	-
Net change in operating reserve fund	(7,591)	(5,627)	5,196	3,079	4,403
Net change in general capital reserve fund	6,067	(12,594)	(1,870)	11,742	(12,204)
Net change in storm drainage capital reserve fund	(2,060)	(5,320)	(4,001)	(6,905)	(4,717)
Net change in waterworks capital reserve fund	842	(5,840)	(5,693)	4,532	6,648
Net change in sanitary sewer capital reserve fund	(2,026)	(5,594)	(25,168)	(5,536)	4,949
Net change in affordable housing reserve	-	-	-	-	-
Net change in airport capital reserve fund	(1,685)	72	4,188	303	4,173
Total Net Change in Funds	(6,453)	(34,903)	(27,348)	7,215	3,252
Balanced	-	-	-	-	-

READ A FIRST TIME on January 21, 2025
 READ A SECOND TIME on January 21, 2025
 READ A THIRD TIME on January 21, 2025
 ADOPTED on January 28, 2025