



Financial Overview Report

Financial Plan
2021-2025



MAPLE RIDGE
British Columbia



FINANCIAL OVERVIEW REPORT



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Opening Remarks

The Financial Plan for the City of Maple Ridge reflects the financial implications of the services provided. This document provides an overview of the 2021-2025 Financial Plan and builds on the foundation of years of business and financial planning.

Unique for 2021-2025 Business Planning, departmental deliverables and business plans are presented as a Corporate Plan aligned with the key priorities identified in Council’s Strategic Plan.

A corporate realignment in early 2020 resulted in postponing several incremental positions that were endorsed in the 2020-2024 Business Plan. These staff changes are highlighted in the staffing section of this report.

The City’s Financial Plan, more commonly known as the “Budget”, is the outcome of a robust business planning process that sees each department develop a business plan aligned with Council’s strategic direction.

A key part of that business planning process includes presentations to Council. The annual process is adapted each year to fit the current circumstances. Typically, later in a Council’s term, the presentations are shorter as Council is more familiar with the City’s operations.

The Financial Plan Bylaw is considered by Council following the business planning process. Council can amend this Bylaw at any time and typically does each year, prior to adopting the Property Tax Rates Bylaw, in early May.

In the interest of transparency and accountability, budget deliberations and business plan presentations occur at meetings open to the public and are live streamed.

This report begins with a discussion of the legislative framework that we operate in, as well as the process that we go through in developing the Financial Plan. It then addresses the key cost drivers and financial strategies that are built into the Plan. The impact of the Financial Plan to the average home is also highlighted.

While this report is prepared by the Finance Department, it would not have been possible without the direction of City Council, Administration and the support of all other departments.

Introduction

Budgeting is a balancing act between what the City would like to do and what it can afford. The decisions that are made are not just about the numbers; they affect the programs and services that we depend on every day for our quality of life.

5-Year Financial Plan

The current business and financial planning process has been developed over many years. It is considered a best practice amongst local government organizations and it is refined each year.

It begins with direction from Council which is set early in the planning cycle. This is typically done through Council approval of Business Planning and Financial Planning Guidelines. These Guidelines were adopted by Council on July 28, 2020.

As required by Section 165 of the Community Charter, our Financial Plan covers a timeframe of five years, the year for which it is specified to come into force and the following four years. Provincial legislation requires the Financial Plan Bylaw be adopted annually.

Council can amend the Financial Plan Bylaw at any time. It is routinely updated in April or May just prior to the annual Property Tax Rates Bylaw, which must be adopted before May 15.

The content of the Financial Plan Bylaw is prescribed by both the Community Charter and the Local Government Act. The Bylaw itself does not provide the typical reader with sufficient information. That is why we produce this report and in early years of a Council mandate provide detailed budgets for each service area as part of the business planning process.

Balanced Budget: Can't Run Deficits

The Community Charter specifies that all proposed expenditures and transfers to Reserves must not exceed the total of proposed funding sources and transfers from Reserves. Simply put, this means that unlike other levels of government, we are not allowed to run a deficit. If we want to spend money, we must identify where that money is coming from.

Financial Planning vs Financial Reporting

The City produces two main financial documents: the Financial Plan and the Financial Statements. These documents have very different objectives that are important to be aware of. The Financial Plan is a forward looking document, covering a five-year timeframe and setting out what the City plans to do and how it plans to pay for it. In accounting terms, the Financial Plan is prepared on a "cash" basis. In contrast, the Financial Statements are retrospective documents showing the financial condition of the City as at December 31 of each year. The Financial Statements are prepared on an "accrual" basis, according to accounting guidelines set by the Public Sector Accounting Board. It is important for the reader to keep these differences in mind when reading each of the documents.

Open & Transparent Budget Deliberations

Section 166 of the Community Charter requires Council to undertake a process of public consultation before adopting the Financial Plan, but does not prescribe how to accomplish that. It is possible to meet the legislated requirement through a simple advertisement in the local newspaper inviting comment.

The City is committed to an open and transparent process, and offers opportunities for citizens and stakeholders to contribute. We have a dedicated email: budget@mapleridge.ca and phone line 604-467-7484, and Council's budget deliberations are open to the public. Public feedback is welcome throughout the year, regardless of the business planning stage Council and staff are engaged in.

Public and user feedback is sought as part of our delivery of services and in our regular course of business.

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Property Tax Increases

On July 28, 2020, Council approved the Business & Financial Planning Guideline 2021 – 2025. These recommendations are consistent with those guidelines.

Municipal Property Tax & User Fee Increases	2017	2018	2019	2020	Proposed				
					2021	2022	2023	2024	2025
Property Tax Increases									
General Purpose	1.90%	1.53%	1.90%	2.25%	2.00%	2.00%	2.00%	2.00%	2.00%
Infrastructure Replacement	0.70%	0.70%	0.70%	0.70%	0.70%	0.90%	0.90%	1.00%	1.00%
Parks and Recreation	0.25%	0.45%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
Drainage	0.30%	0.30%	0.30%	0.30%	0.30%	0.10%	0.10%	0.00%	0.00%
Total Property Tax Increase Per Guidelines	3.15%	2.98%	3.50%	3.85%	3.60%	3.60%	3.60%	3.60%	3.60%
User Fee Increases									
Recycling	1.67%	1.67%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Water	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Sewer*	3.24%	3.25%	7.70%	7.75%	7.80%	7.86%	7.91%	7.94%	7.99%
Total Municipal Property Tax & User Fee Increases	3.39%	3.32%	4.21%	4.38%	4.29%	4.32%	4.35%	4.37%	4.40%

* This percentage increase is less than the user fee increases in the Financial Plan Guidelines due to a \$35 sewer parcel charge that remains unchanged.

General Purpose Increase: this increase covers the cost of existing services. The cost implications of collective agreements and other contracts.

Infrastructure Sustainability: this increase goes towards the rehabilitation and replacement of our existing assets, valued at approximately \$2 billion, and is discussed in detail later in the report under the Capital Program.

Parks and Recreation Improvement: this increase goes towards improvements in Parks, Recreation & Cultural Services. This increase funds the operating and debt serving costs of additional Parks & Recreation amenities. The funding of these projects is also reliant on development revenues.

Drainage Levy: this portion of the increase goes towards storm water management.

Water Levy: this portion of the increase goes towards the cost of water services, including those services provided by Metro Vancouver. An increase of 4.50% is planned for each year of the Financial Plan.

Sewer Levy: this portion of the increase goes towards the cost of sanitary sewer services, including those services provided by Metro Vancouver. An increase of 8.50% is planned for each year of the Financial Plan due to rate increases that average over 11.5% from Metro Vancouver to fund significant capital investments required to treat the region's wastewater.

Recycling Services: this portion of the increase goes towards operating the recycling depot as well as for the blue box service. An increase of 2.75% is planned each year of the Financial Plan.

Some additional history on our tax experience is shown in the table on the following page. The General Purpose tax increase continues to remain at historically low levels

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Property Tax Increases

	General Purpose	Infra-structure	Drainage	Parks & Rec.	Fire Levy	Town Centre	Total Increase
2025	2.00%	1.00%	0.00%	0.60%			3.60%
2024	2.00%	1.00%	0.00%	0.60%			3.60%
2023	2.00%	0.90%	0.10%	0.60%			3.60%
2022	2.00%	0.90%	0.10%	0.60%			3.60%
2021	2.00%	0.70%	0.30%	0.60%			3.60%
2020	2.25%	0.70%	0.30%	0.60%			3.85%
2019	1.90%	0.70%	0.30%	0.60%			3.50%
2018	1.53%	0.70%	0.30%	0.45%			2.98%
2017	1.90%	0.70%	0.30%	0.25%			3.15%
2016	2.10%	0.50%	0.30%	0.25%			3.15%
2015	1.92%	0.50%	0.30%	0.25%			2.97%
2014	1.90%	0.50%	0.30%	0.25%	Inc. in GP		2.95%
2013	2.25%	0.50%	0.30%	0.13%	300,000		3.51%
2012	3.00%	1.00%			600,000		4.88%
2011	3.00%	1.00%			600,000		4.99%
2010	3.00%	1.00%			600,000		5.13%
2009	3.00%	1.00%			600,000		5.18%
2008	3.00%	1.00%			600,000		5.31%
2007	3.75%				600,000	1.00%	6.18%
2006	3.75%				600,000	1.00%	6.37%
2005	3.00%				600,000	1.00%	5.77%
2004	3.00%					1.00%	4.00%
2003	3.00%					1.00%	4.00%

With this understanding of Council’s approved property tax increases, we turn our minds to a conceptual overview of the budget.

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Where Does The Money Come From and Where Does It Go?

Conceptual Overview

From time to time, we hear from citizens asking why a tax increase is required when there is additional money coming into the City from new construction. This section of the report provides a conceptual overview of where the City's money comes from and where it goes.

New Revenue

The following chart shows the revenue coming into the City. We begin with the taxes that were collected last year and adjust it for the taxes coming in from new construction. The new construction represents the value that was not taxed previously and we refer to the additional tax revenue as Growth Revenue.

To this subtotal, we add the additional revenue requirements approved by Council that were discussed on the previous page. These include:

- The General Purpose component of the increase is used to cover the cost increases of existing services (i.e. inflation).

- Infrastructure replacement funding refers to the amount that will be invested in the rehabilitation and replacement of our existing assets.
- The increase for Parks, Recreation & Culture provides the financial capacity to implement the recommendations of the Parks, Recreation & Culture Master Plan.
- The Drainage amount is designed to provide increased funding for drainage works throughout the City.

There are tax adjustments that have to be provided for as a result of assessment appeals and provincial rules around the tax rate applied to the Utilities Class. Projected revenue increases are also included. An additional \$4.9 Million in revenue is expected to accrue to the City in 2021.

Conceptual Overview of New Revenue

Item (\$ in thousands)	2021	2022	2023	2024	2025
Previous Year's Taxation	89,194	94,009	99,039	104,344	109,929
Growth Rate	1.80%	1.75%	1.75%	1.75%	1.75%
Growth Revenue	1,605	1,645	1,735	1,825	1,925
Previous Year's Taxation + Growth	90,799	95,654	100,774	106,169	111,854
Property Tax Increases:					
General Purpose	2.00%	2.00%	2.00%	2.00%	2.00%
Infrastructure Replacement	0.70%	0.90%	0.90%	1.00%	1.00%
Parks & Recreation Improvements	0.60%	0.60%	0.60%	0.60%	0.60%
Drainage Improvements	0.30%	0.10%	0.10%	0.00%	0.00%
Total Property Tax Increase	3.60%	3.60%	3.60%	3.60%	3.60%
Property Tax Increase	3,270	3,445	3,630	3,820	4,025
Utility Class Cap. & Sup. Adj. Contingency	(60)	(60)	(60)	(60)	(60)
Additional Property Taxes vs. Prior Year	4,815	5,030	5,305	5,585	5,890
Next Year's Taxation Base	94,009	99,039	104,344	109,929	115,819
Increases in Other Revenue	87	88	85	96	94
Increase in General Revenue	4,902	5,118	5,390	5,681	5,984

*When Costs Go Up as a Result of Inflation,
Increases Must be Covered Within This Line*

Where Does the Money Come From and Where Does it Go?

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Transfers

The previous section discussed the additional money coming into the City from tax increases, fees and charges, as well as new construction. Now we turn our minds to the demands against that money.

Reserves are an important part of our Financial Plan. The contributions to Reserves are referred to as Transfers and our Financial Plan relies on Reserves to meet major expenditures. For example, rather than having to provide full funding

in the year that we need to replace a fire truck, we try to set aside a smaller amount each year over the useful life of the vehicle. This is done by putting money aside every year in the Equipment Replacement Reserve.

We keep a close eye on these Reserves to ensure that they are able to meet their obligations. Annual adjustments are made to the contributions to these Reserves as required, and the table below shows the adjustments included in this Financial Plan. A more complete discussion on our Reserves is included beginning on page 27 of this report.

Conceptual Overview of Changes to Transfers

Item (\$ in thousands)	2021	2022	2023	2024	2025
Additional General Revenue available	4,902	5,118	5,390	5,681	5,984
Transfers to Reserves:					
Capital Works Reserve	(50)	(50)	(50)	(55)	(55)
Fire Department Capital	(130)	(125)	(135)	(140)	(150)
Equipment Replacement Reserve	(25)	(25)	(30)	(30)	(30)
Parks & Recreation Improvements	(545)	(575)	(605)	(635)	(670)
General Revenue Funded Capital (net CWR tfrs)	(205)	(200)	(210)	(220)	(230)
Police Services Reserve Draw	-	320	(65)	(255)	-
Available after transfers	3,947	4,463	4,295	4,346	4,849

*We Use Reserves to Provide Long-Term
Financial Stability*

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Expenditures

After we have adjusted for the Reserve transfers, we must provide for expected cost increases. Many of these cost increases are the result of contractual commitments. An item worth highlighting is the costs associated with labour.

Keep in mind that this table refers to the additional funding required above the previous year. For instance, in the Fire Department, the 2021 costs will increase by \$370,000 and will increase by a further \$325,000 in 2022.

As already mentioned, we have little discretion in funding these items as they are the result of existing contracts (labour agreements, RCMP and Fraser Valley Regional Library are some examples).

After providing for the expenditure changes described on the following page, the General Revenue Surplus is \$41,000.

Conceptual Overview of Expenditure Changes

Item (\$ in thousands)	2021	2022	2023	2024	2025
Available after transfers	3,947	4,463	4,295	4,346	4,849
Increase in Expenditures:					
Labour (excluding Fire Protection)	(1,380)	(1,240)	(1,005)	(945)	(985)
Equipment (excluding Fire & Police)	(10)	-	(25)	(25)	(25)
Fire Department	(370)	(325)	(355)	(360)	(375)
Additional Firefighters	(135)	(140)	(145)	-	-
Policing Contracts (RCMP, ITEAMS)	(180)	(810)	(835)	(870)	(900)
Ecomm	(90)	(95)	(50)	(55)	(55)
Contracts (SPCA, Library, Arts)	(120)	(130)	(135)	(140)	(145)
Inflation Allowance	-	(205)	(210)	(215)	(220)
Infrastructure Replacement	(635)	(860)	(905)	(1,060)	(1,120)
Drainage Levy Related Capital Projects	(270)	(95)	(100)	-	-
Growth Costs	(415)	(415)	(415)	(415)	(415)
Liability Insurance	(115)	-	-	-	-
Streetlights	(20)	(20)	(20)	(20)	(20)
Arenas Contract (CPI adjustment)	-	-	-	(150)	-
HR Programs (COR Audit, Civic Functions)	(30)	-	-	-	-
HR Succession Program	(50)	(50)	(50)	-	-
Software Maintenance	(80)	(35)	(35)	(40)	(40)
Available after expenditures	52	43	10	51	549
Surplus from prior year	38	41	78	91	143
Other Adjustments & Rounding	(49)	(6)	4	1	(12)
General Revenue Surplus	41	78	91	143	680

*There are a number of contracts already in place.
There is little discretion in funding these
commitments.*

Where Does the Money Come From and Where Does it Go?

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Where Does the Money Come From and Where Does it Go?

Some of the Larger Expenditures are Discussed Below:

Labour: This line reflects the financial impact of wage and benefit cost increases.

Fire Department: The evolution of our Fire Department to include full time paid responders took place over many years. The last significant funding increase was in 2013. Starting in 2020, we hired the first of 4 additional firefighters.

Policing: This line includes the cost for contracts associated with Police Services including RCMP, centralized dispatch services and regional initiatives including an Integrated Homicide Team, an Emergency Response Team, Forensic Identification, a Dog Unit and a Traffic Reconstruction Unit.

Library: We are part of a regional library system therefore our costs are affected by a number of factors, including changes in relative service levels. For instance, if one member opens up a new library, some of the costs are direct costs to the member while other costs are shared by the entire system. The cost of the contracted service with the Fraser Valley Regional Library is expected to increase by about \$91,000.

Infrastructure Replacement: In 2008, Council approved a 1% tax increase to help maintain our existing infrastructure. The annual increase for the years 2013 – 2016 was reduced to 0.5% though this amount was supplemented by committing a portion of gaming revenues and growth in property taxes. Starting in 2017, the annual tax increase for infrastructure was increased to 0.7%. This Financial Plan includes a 0.7% increase in 2021, a 0.9% in 2022 and 2023, and 1.0% in 2024 and 2025.

Additional discussion on infrastructure replacement is included on page 30.

Inflation Allowance: The inflation allowance covers over 1,000 items, amounting to approximately \$13.5 million in materials and services, for which increases are not specifically built into departmental budgets. An allowance of 1.75% per year for 2022 – 2025 is included in fiscal services to cover inflationary cost increases. The inflation allowance for 2021 has been fully allocated.

Budget Allocations for Growth: A portion of the additional revenue associated with new development or growth is used to fund existing costs, the remainder is allocated as follows:

Item (\$ in thousands)	2021	2022	2023	2024	2025
General Revenue Fund					
Fire Dept. Equipment Mtce. & Capital	50	50	50	50	50
Operations Department	65	65	65	65	65
Parks Maintenance	65	65	65	65	65
Administration and Corporate Services	65	65	65	65	65
Software Maintenance	40	40	40	40	40
Planning and Development	33	33	33	33	33
Engineering Services	33	33	33	33	33
Parks, Recreation & Culture (PRC)	65	65	65	65	65
General Revenue Total	415	415	415	415	415
Water Revenue Fund - Maintenance	60	60	60	60	60
Sewer Revenue Fund - Maintenance	50	50	50	50	50

It should be noted that this allocation is subject to meeting the growth revenue projections.

One question that we are often asked is “*Why do the City's costs increase more than inflation?*” In asking this question, people are often referring to the Consumer Price Index (CPI), which has been around 2% for some time. The short answer is that the CPI refers to the price change of a basket of goods that includes things like groceries. The purchases that the City makes are very different than those purchases that are included in the CPI basket.

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Changes to Previous Operating Budget

The next section outlines the changes to this Financial Plan from the one that covered the years 2020 - 2024. If we plan properly, there should be few changes from one Financial Plan to the next.

Our last Financial Plan showed a surplus of \$32,000 for 2021. After the changes the surplus is \$41,000.

General Revenue Fund (GRF) Reconciliation of 2021-2025 Financial Plan

(\$ in thousands)	2021	2022	2023	2024	2025
May Adopted Financial Plan 2020-2024					
General Revenue Fund (GRF) Surplus	32	41	52	314	799
Changes					
Liability Insurance Premium	(80)	(80)	(80)	(80)	(80)
Dispatch Services: Police, Fire and Operations	(98)	(163)	(191)	(223)	(263)
Microsoft 365 Licencing	(45)	(46)	(48)	(49)	(51)
2 Additional Community Safety Officers	(203)	(208)	(213)	(208)	(213)
Previously Endorsed Incremental Costs	(62)	(381)	(573)	(589)	(601)
RCMP Delay Hiring	406	411	416	421	426
Reduce Inflation Contingency	205	339	410	481	554
Other	(115)	165	319	76	108
	9	37	39	(171)	(120)
GRF Surplus before Incremental Adjustments	41	78	91	143	680

Note: The starting Surplus for 2025 is calculated using the assumptions made for 2024.

Explanation of Changes:

- Insurance liability costs: Municipalities benefit greatly through the Municipal Insurance Association of BC and while MIABC manage (and minimize) certain costs, the market cost trends are unavoidable.
- Dispatch Services: The costs of Fire dispatch through Surrey and RCMP dispatch through ECOMM are increasing.
- Microsoft 365 Licencing: The cost of software licencing has increased significantly.
- Two additional Community Safety Officers: Two CSOs were added in 2020 bringing the total to four plus one Manager in this area. This is in direct response to Council's strategic focus areas of Community Safety and to deliver on the Community Social Safety Initiative.
- Previously Endorsed Incremental costs: A few Incremental costs endorsed during last year's business planning were removed to fund the corporate strategic plan realignment and returning the 2021 property tax increase to 3.6%.
- RCMP Contract: The hiring of additional members has been delayed in favour of adding municipal Community Safety Officers to more effectively and efficiently deal with an element of community safety.
- The Inflation Contingency: This has been eliminated for 2021 and significantly reduced in future years.
- Other: This covers a broad range of existing costs and revenues that have been updated to reflect expectations.

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COVID-19 related budget implications have been included in the budget for 2021 and in some instances for part of 2022. The duration of the financial impacts will continue to be monitored and reported.

There are a number of budget adjustments that have been incorporated to address the operations due to Covid-19.

These incremental costs include:

- Firefighter salaries associated with moving a 24/7 crew to Fire Hall #4.
- Facility custodial costs
- Facility Ambassadors
- Information Technology support of remote municipal workers

These increased operating costs that have been provided in the budget are funded through the Safe Restart Grant one-time funding to cover increased operating costs and reduced revenues associated with COVID-19. This grant was confirmed in November of 2020 and Maple Ridge will receive approximately \$6.4 million. A significant portion of the grant will be used to cover 2020 costs and the balance will be used to cover increased operating costs and to compensate for reduced revenues in recreation admissions, program fees and gaming revenues associated with the Maple Ridge Gaming Centre.

Incremental Adjustments

The last section showed that after dealing with existing commitments and policy direction, \$41,000 of ongoing funding is available for other Council priorities. We refer to these other priorities as “Incremental Adjustments”. Incremental Adjustments represent service level changes not previously included in the Financial Plan.

There are a number of requests that are one-time in nature or that could be addressed with a one item funding allocation from Accumulated Surplus or the Parks & Recreation Improvement Reserve.

Below is a summary of the Corporate Management Team’s recommended incremental adjustments followed by lists of other submissions which are not being recommended at this time.

One-time Incremental Adjustments Recommended

Community Safety - LOCTED program 1 year funding	10,000
Economic Development Strategy	50,000
Hotel Feasibility Update	7,500
Parking Study	100,000
Thornhill Economic Feasibility and Fiscal Impact Studies	100,000
One-Time Vehicles (2) and Equipment for additional staff	94,000
Household Hazardous Waste Round-Up Day	65,000
GIS Site Selector Tool	10,000
Funding: Accumulated Surplus	(436,500)
PRC Master Plan Consultant	120,000
Funding: Parks & Recreation Improvement Reserve	(120,000)

Ongoing Incremental Adjustments Recommended

Development Technologist “Major Projects”	143,000
Planner 3 “Development Supervisor - Major Projects”	143,000
Permits Coordinator (Starting in 2022)	86,000
Building Inspector 1	110,000
Funding: Development Fee Increases	(482,000)
Cashier Clerk additional hours	45,000
Funding: Water Revenue Fund	(45,000)
Recreation - Software Clerical Support	72,800
Funding: Parks & Recreation Property Tax Levy	(72,800)
Executive Assistant - early 2021 start	53,700

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Requests Not Recommended at this time due to funding constraints

Manager of Corporate Planning & Consultation	158,000
Information Technology - Data Analyst	114,000
Human Resources Advisor	118,000
Planning – Clerk 2	65,000

Requests Deferred Pending Service Reviews and Updates to Strategic Plans

Police Serv. - Technology Crime Coordinator	89,000
Police Serv. - Watch Clerk	78,000
Police Serv. - Court Liaison Officer	92,000
Fire Dept. - Additional Firefighter (crew from 3 to 4)	583,000
EcDev - Tourism Coordinator (Part Time to Full Time)	35,000

Requests Not Recommended at This Time

Recycling – Skip-the-Trip on Demand Recycling Pickup Program	516,000
Recycling - Community Events water refill station	21,000

What Would a Zero Tax Increase Look Like?

A few communities speak about having achieved a zero tax increase and sometimes we are asked if we could do the same. The answer is “Yes, *absolutely we could achieve a zero tax increase. The key thing is to do it properly.*” Here are some of the methods that can be counterproductive if used too extensively and we advocate against their uses:

Defer Infrastructure Renewal and Maintenance:

Some municipalities reduce expenditures in this area for short term savings. This is short-sighted and can prove to be far more costly in the longer term. If a watermain is not replaced in a timely manner, it can result in significant damage if it bursts, resulting in a large bill for cleanup.

Use Savings to Cushion Tax Increases in the Short Run:

This approach has also been used by some municipalities and there is nothing wrong with it, providing there is a plan to reduce the reliance on savings and another plan to replenish them. The question to ask is “*What will you do when the savings run out?*”

Use Unstable Revenue Sources to Fund Core Expenditures: There is general agreement in the municipal field that certain revenues, such as revenue from gaming, can be volatile and should not be used to fund core expenditures. That is because revenues can drop off with little advance

warning, creating difficulty in funding the associated costs. Our own policy on gaming revenue warns against this, though some municipalities have used this approach to keep tax increases down.

Defer Capital Projects: While it is important to take a look at capital projects and their associated operating costs, automatically deferring capital projects can stagnate a city. It is important for the City to invest in capital projects (so that others will see those investments and will want to invest too). Capital projects including parks, recreation facilities, water, sewer and drainage systems must be completed in a timely manner to provide citizens and businesses the services they need to succeed.

Amend Financial Plan Assumptions: The Financial Plan includes realistic assumptions around revenue growth, growth in the tax base and cost increases. By altering these assumptions, tax increases could be reduced. This may result in savings having to be used when projected results don’t materialize. For this reason, this approach is not recommended.

So What Can We Do to Achieve a Lower Tax Increase or Even No Tax Increase?

Well, the way to do this properly is to look at what is driving the tax increase. In other words, in what areas are costs going up in? For Maple Ridge, here are the key cost drivers for 2020:

RCMP Costs

	2020	2021	Increase
RCMP Contract	\$20,254,000	\$20,434,000	\$180,000

Comments: The largest changes in the RCMP Contract costs are due to increases in compensation and RCMP overhead, items that the City has no discretion over. Over the life of this Financial Plan, we are trying to provide for the addition of about 1.5 members per year in 2022 to 2025 to keep up with growing workloads. One additional member costs about \$150,000. The increase in 2021 is much less than typical as no additional RCMP members are included as their funds have been used for municipal community social safety initiatives and the associated staffing.

FINANCIAL OVERVIEW REPORT



What Would a Zero Tax Increase Look Like?

Infrastructure Maintenance & Renewal

	<u>Increase</u>	<u>2020</u>	<u>2021</u>
Annual Contribution	\$5,876,000	\$6,512,000	\$636,000

Comments: The City has a substantial infrastructure renewal/maintenance deficit that we are starting to address. We do not have to do this and could continue to defer, however, timely maintenance and renewal can help avoid larger expenditures later, and that is why we recommend not to defer this item.

Fire Department

	<u>Increase</u>	<u>2020</u>	<u>2021</u>
Annual Costs	\$12,082,000	\$12,608,000	\$526,000

Comments: The largest portion of the increase in the Fire Department is related to wages and benefits of full time firefighters that are determined under a collective agreement. For the department to hold the line in its increase, it would have to take one truck out of service which would reduce costs by \$500,000. This is not recommended as our response times to calls for service will increase. Further, the composite model that we have spent some time developing could be compromised. This increase is the sum of the Fire Department item in the Conceptual Overview of Expenditures, plus the \$50,000 of growth funding.

Parks, Recreation & Culture

	<u>Increase</u>	<u>2020</u>	<u>2021</u>
Master Plan Funding	\$2,125,000	\$2,670,000	\$545,000

Comments: The Parks, Recreation & Culture Master Plan was adopted in 2010 through community consultation. The funding includes the amounts needed for debt payments and operating costs for a number of Parks & Recreation projects. We could push back the phased-in funding which would delay implementation of those projects.

Drainage Improvements

	<u>Increase</u>	<u>2020</u>	<u>2021</u>
Annual Levy	\$1,730,000	\$2,002,000	\$272,000

Comments: Parts of the community have high potential for flooding and we have been trying to systematically make improvements to our drainage system. An increase of \$272,000 was planned for 2021, but we do not have to do this.

Contribution to Reserves

	<u>Increase</u>	<u>2020</u>	<u>2021</u>
Fire Department	\$2,230,000	\$2,361,000	\$131,000
Equipment Replacement	1,749,000	1,772,000	23,000

Comments: The City relies on Reserve Funds to manage large expenditures and the

above-noted increases in contributions were planned for 2021. These systematic contributions allow us to deal with large capital items without having to pass large tax increases on to our citizens. As Council is aware, detailed analysis on all of our reserves is done to make sure that the balance is adequate. We do not have to set aside additional money into reserves, but reserves help us smooth the impact of larger costs over time and remove volatility in fees and charges.

General Inflation, including Labour

	<u>2021 Increase</u>
Labour	\$1,038,000
Inflation	No Contingency in 2021

Comments: Most line items in the budget are held to no increase. The financial impact of contractual agreements is built into the Financial Plan.

Service Level Reductions (Not Recommended)

In addition to making adjustments in the areas where costs are going up, Council can also consider service level adjustments. No service level reductions are recommended.

Maple Ridge is a growing community and significant investments are being made to improve the services. Significant investments have been made in parks and recreation amenities.

Our Business Planning methodology involves looking at all that we do to make sure it is being done in the best way possible. This has resulted in improvements to the efficiency and effectiveness of our services and in significant savings for our citizens. Strong financial and business planning practices along with close monitoring of expenses allows us to keep our tax increases to a minimum.

Property Tax Increase Reductions

As noted, reducing property taxes comes at the cost of a reduction in services. The property tax increase is broken into components to be transparent about what the cost drivers are and the financial implications of significant service level improvements or financial policy decisions.

The 2021 property tax increases associated with the figures presented on the previous page are:

- Infrastructure Sustainability 0.7%
- Drainage Improvements 0.3%
- Parks, Recreation & Culture (PRC) 0.6%

These increases fund specific programs, or, in the case of the PRC Levy, specific investments. If the property tax increase were to be reduced in 2021 to provide temporary relief during the pandemic, associated projects would need to be delayed.

To provide additional perspective a 1% change in municipal property taxes equates to approximately \$22 on the average home assessed at about \$700,000.

Water Rates Reductions

In addition to property taxes, there are utility user fees. The majority of homes pay for municipal water, provided by the region. The region has taken some actions, most notably increasing the amortization period of long term debt that reduces the costs in the short term and increases the costs in the long term. The municipality has a practice of rate smoothing. However, if temporary relief is desired from rate increases during the pandemic, the 2021 rate increase for water could be reduced or eliminated. The costs will eventually need to be covered as regional debt is carried for longer but that could be spread over many future years.

Utilities & Recycling

Utility user fees form a portion of the levies charged to our taxpayers. The next section provides some insight into these rates.

Unlike the General Revenue Fund that includes separate reserves for revenue smoothing, capital purchases and infrastructure replacement, the Water and Sewer Funds use Accumulated Surplus for these purposes. As we start to set funds aside for water and sewer infrastructure replacement, it may be worthwhile explicitly earmarking these funds in a reserve in order to be clear about their purpose. Water and sewer infrastructure have a fairly long life and we are fortunate that our infrastructure is relatively young. That being said, costs are significant which is why it is important to start building the funds for their eventual replacement.

There are two graphs shown for each of the water and sewer utilities.

The first graph shows the revenues and expenditures and the impact this has on accumulated surplus. The accumulated surplus projected is heavily influenced by regional costs.

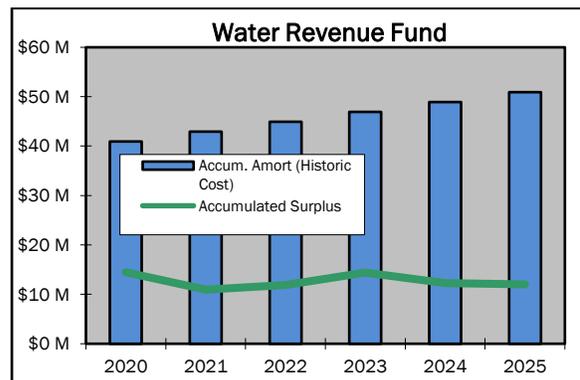
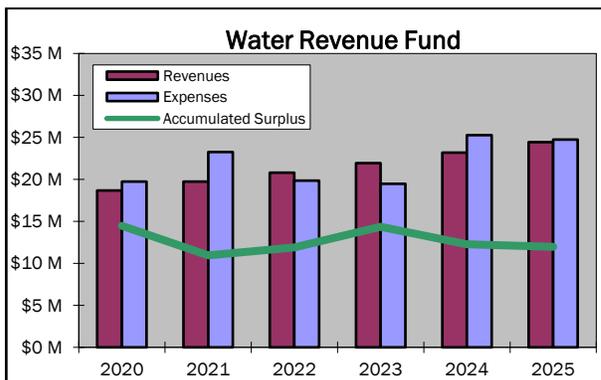
The second graph shows how the accumulated surplus compares to the accumulated amortization for City assets. The accumulated amortization is the prorated cost of the portion of assets currently consumed. For example, if the useful life of an asset is 50 years and it is 25 years old, the accumulated amortization would be about half of the original cost. The purpose of this graph is to demonstrate the need to continue to focus on the long term sustainability of critical infrastructure.

The region also has significant investments in water and sewer assets planned that include upgrades and replacement resulting in additional funding requirements for each member municipality.

Water Utility Rates

The majority of the Water Utility revenue is from the flat rate water levy and charges for metered water assessed to individual properties. These revenues cover the costs associated with water purchases and maintenance and both regional and local capital infrastructure. The 2021 flat rate water fee is approximately \$630, half of which is required just for the purchase of water from the region.

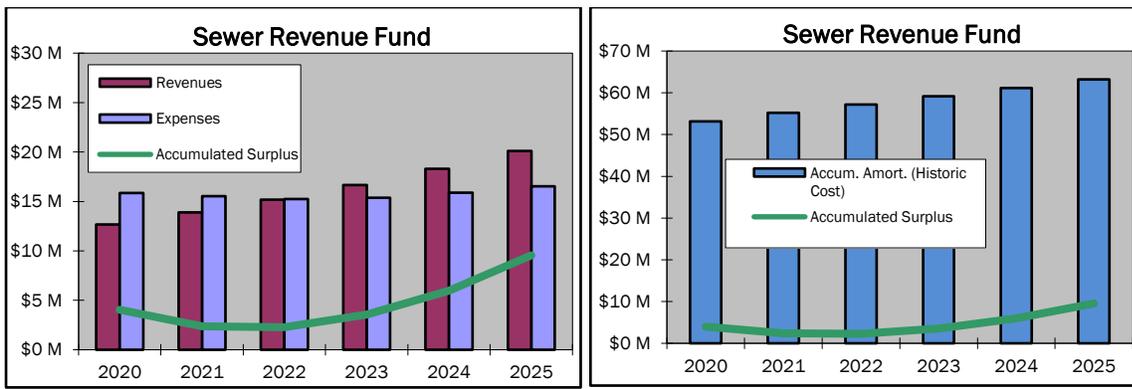
When setting water rates, we need to consider not only our own planned expenditures and infrastructure requirements, but also those planned by the region. The Regional District reduced their projected rate increases for 2021-2025 with an average annual increase of 7%. The municipal rate increase has been set at 4.5% for each of the next five years. The other consideration is funding the replacement of water infrastructure and how long we take to address this funding gap.



Sewer Utility Rates

The Sewer Utility pays for regional capital expenditures through an allocation model that essentially spreads rate increases over time to utility ratepayers. Additionally, the utility pays for our local sewer infrastructure and maintenance requirements. The 2020 sewer fees are approximately \$461 per property. Over the 5 years of the Financial Plan, approximately 65% of the sewer fees are required for regional costs of wastewater treatment.

Any cost impact that new wastewater regulations have on capital investment requirements will be addressed at the regional level with member municipalities paying their respective portions. The region's most recent five year rate projection is for an average annual increase of 11.5%. The rate increase for the municipal sewer levy increases by 8.5% for each year in the 2021 – 2025 Financial Plan.



FINANCIAL OVERVIEW REPORT



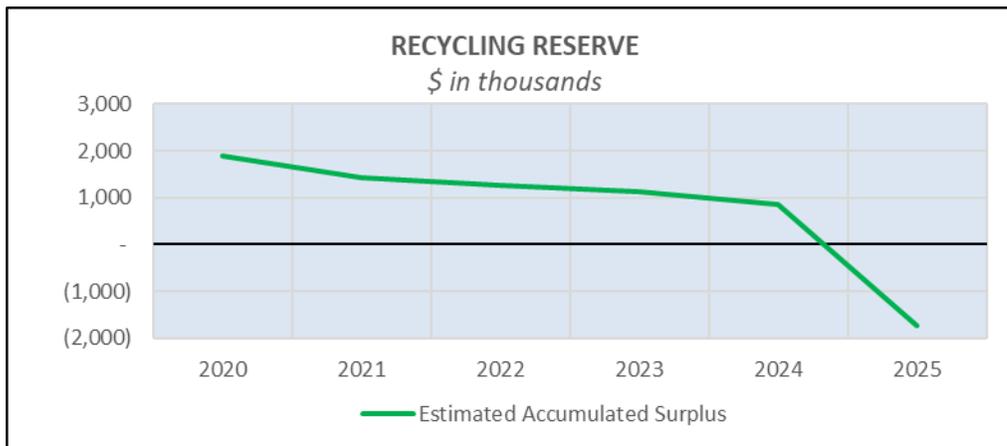
Recycling Rates

The Ridge Meadows Recycling Society (RMRS) is a charitable non-profit organization that provides a range of recycling services. They also provide employment for adults with disabilities.

Provincial regulations shifted recycling responsibilities to producers. As a result of the Recycle BC (previously Multi-Materials BC) contract, recycling fees remained unchanged between 2013 and 2017. A rate increase of 1.67% was implemented for 2018 followed by 2.75% annually in 2019 through 2025. World commodity prices have declined in recent years significantly decreasing one of the revenue sources for the Recycling Society. Rates will continue to be reviewed annually.

<i>\$ in thousands</i>	2020	2021	2022	2023	2024	2025
Opening Balance	3,506	1,894	1,434	1,270	1,128	850
2019 Approved Capital (in progress)	(1,694)					
Inflows						
GRF Annual Transfer	90	90	90	90	90	90
Operating Results	52	(170)	(174)	(132)	(148)	(164)
Outflows						
Planned Capital Expenditures	(60)	(380)	(80)	(100)	(220)	(2,500)
Estimated Accumulated Surplus	1,894	1,434	1,270	1,128	850	(1,724)

The Ridge Meadows Recycling contract costs has increased with the several increased costs of service delivery. These increases have resulted in the proposed recycling levy increases being unsustainably low resulting in annual draws from the Recycling Reserve. Based on the current costs projections, rates beginning in 2022 and through to 2025 will need to increase by 5.5%.



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Staffing

The annual change in staffing averages about 2 per year on a base of over 489 positions (FTEs). Prior year's incrementals are the source of most increases in staffing numbers and several of these were delayed in 2020 to future years and those delays are reflected in the schedule.

Prior Year Incrementals:

- Fire Department – Firefighter in each year 2020-2023
- Human Resources - Manager of Employee Experience & Engagement – January 2022
- Finance - Clerk Buyer – July 2022
- Information Technology – Data and Network Security Analyst – July 2021
- Engineering - 2 Engineering Technologists–Projects - July 2020
- Operations – 2 Water Maintenance Workers Utilities - April 2020
- Operations – Operations Inspector – January 2021
- Parks & Facilities – Park Attendant – January 2021
- Recreation – Leisure Centre Host 0.7 FTE – January 2021
- Bylaws – Manager of Community Safety – July 2020

Reorganization Changes:

- Legal & Legislative – Executive Director of Legal & Legislative Services – June 2020
- Finance – Senior Payroll Coordinator July 2020
- Bylaws – 2 Community Safety Officers – July 2020

Full Time Equivalent Staffing (Budget)

	2020	2021	2022	2023	2024	2025
Administration						
Administration	3.5	3.5	3.5	3.5	3.5	3.5
Economic Development & Civic Propert	4.6	4.6	4.6	4.6	4.6	4.6
Fire Department	65.5	66.5	67.5	68.5	68.5	68.5
Legal & Legislative	7.6	8.0	8.0	8.0	8.0	8.0
Human Resources	8.0	8.0	9.0	9.0	9.0	9.0
	89.2	90.6	92.6	93.6	93.6	93.6
Corporate Services						
CS Administration	1.0	1.0	1.0	1.0	1.0	1.0
Corporate Communications	2.5	2.5	2.5	2.5	2.5	2.5
Corporate Planning & Consultation	3.6	3.6	3.6	3.6	3.6	3.6
Finance	26.5	27.0	27.5	28.0	28.0	28.0
Police Services	51.3	51.3	51.3	51.3	51.3	51.3
Information Technology	21.0	21.5	22.0	22.0	22.0	22.0
	105.9	106.9	107.9	108.4	108.4	108.4
Engineering Services						
Engineering Services Administration	1.0	1.0	1.0	1.0	1.0	1.0
Engineering	29.0	30.0	30.0	30.0	30.0	30.0
Operations	79.5	81.0	81.0	81.0	81.0	81.0
	109.5	112.0	112.0	112.0	112.0	112.0
Parks, Recreation & Culture						
Administration	2.0	2.0	2.0	2.0	2.0	2.0
Parks & Facilities	44.6	45.5	45.5	45.5	45.5	45.5
Recreation & Community Engagement	72.4	73.1	73.1	73.1	73.1	73.1
	119.0	120.6	120.6	120.6	120.6	120.6
Planning And Development Services						
P&DS Administration	1.0	1.0	1.0	1.0	1.0	1.0
Building	24.8	24.8	24.8	24.8	24.8	24.8
Licences & Bylaw	17.3	18.8	18.8	18.8	18.8	18.8
Planning	22.0	22.0	22.0	22.0	22.0	22.0
	65.1	66.6	66.6	66.6	66.6	66.6
Grand Total	488.7	496.7	499.7	501.2	501.2	501.2

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Financial Summary By Department

General Revenue & Taxation								
Financial Services - Revenue & Taxation	(96,466)	(101,572)	(5,107)	5%	(106,332)	(111,623)	(117,227)	(123,133)
Administration								
CAO Administration	594	605	12	2%	618	630	643	655
Economic Development & Civic Properties	570	619	48	8%	597	612	625	640
Fire Protection	14,109	14,816	707	5%	15,434	16,090	16,819	17,393
Human Resources	1,855	1,931	76	4%	2,178	2,270	2,313	2,355
Legislative Services	3,500	3,664	164	5%	3,821	3,627	3,602	3,603
Total Administration	20,628	21,635	1,007	5%	22,648	23,229	24,002	24,646
Corporate Services								
CS Administration	341	462	121	36%	444	516	588	660
Communications & Community Engagement	360	367	7	2%	375	383	391	399
Corporate Planning & Consultation	496	494	(2)	(0%)	492	505	520	533
Finance	2,335	2,501	166	7%	2,609	2,717	2,784	2,854
Fiscal Services	13,935	15,018	1,083	8%	15,814	17,427	18,330	21,124
Information Technology	3,587	3,853	266	7%	3,958	4,101	4,243	4,392
Mayor & Council	614	620	6	1%	631	643	655	666
Police Services	24,354	24,775	421	2%	25,836	26,874	27,914	28,986
Total Corporate Services	46,022	48,092	2,070	1%	50,160	53,166	55,424	59,613
Engineering Services								
ES Administration	194	231	37	19%	268	305	342	380
Engineering	2,437	2,670	233	10%	2,347	2,503	2,498	2,475
Operations	5,944	6,095	152	3%	6,359	6,526	6,693	6,876
Recycling	-	-	-	-	-	-	-	-
Sewer	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Total Engineering Services	8,575	8,997	422	1%	8,975	9,334	9,534	9,731
Parks, Recreation & Culture								
PRC Administration	3,434	3,603	169	5%	3,770	3,939	4,112	4,286
Community Services	1,309	1,339	30	2%	1,370	1,402	1,434	1,466
Facilities	2,378	2,485	107	4%	2,587	2,706	2,787	2,953
Leisure Centre / Pools	2,313	2,397	84	4%	2,487	2,581	2,670	2,762
Parks & Open Space	3,916	4,077	161	4%	4,210	4,350	4,491	4,632
Parks Master Plan	627	1,280	653	104%	2,205	2,730	4,180	4,180
Program Development	1,330	1,345	15	1%	1,371	1,397	1,423	1,452
Recreation	2,489	2,539	50	2%	2,588	2,641	2,841	2,894
Total PRC	17,796	19,065	1,269	1%	20,588	21,746	23,938	24,625
Planning & Development Services								
PDS Administration	279	318	39	14%	357	396	436	476
Building	15	23	8	56%	40	59	76	93
Licences & Bylaws	1,001	1,309	308	31%	1,372	1,437	1,501	1,568
Planning	2,150	2,133	(17)	(1%)	2,194	2,256	2,316	2,382
Total PDS	3,444	3,783	339	10%	3,962	4,149	4,329	4,518
Total (\$0 is Balanced Budget)	-	-	-	-	-	-	-	-

Budget Change Explanations

Economic Development

Studies and Projects include funding for an enhanced GLOW Maple Ridge event.

Fire Protection

Cost increases include an additional \$48,000 for dispatch services and an additional \$136,000 for a firefighter. An incremental package in 2018 adds an additional firefighter each year from 2020 through 2023.

Corporate Support

In 2020, a temporary position was added to the budget. The position began in July of 2020 and added \$45,000 in 2020 and \$90,000 in 2021. Divisional Growth of \$65,000 per year is budgeted in this area. In the event that the growth in property tax assessments does not meet the budgeted amounts, these funds will be clawed back.

Corporate Planning & Consulting

There are planned salary reductions of \$15,000 in 2022 and \$30,000 in all future years.

Finance Department

A Senior Payroll Coordinator was added in July 2020. The additional cost in 2021 for a full year is approximately \$60,000. The Budget for printing and mailing the tax notices was increased by \$18,000 to reflect the current costs.

Information Technology

A System and Data Security Support Specialist was added in July 2021, the additional cost for a full year in 2022 is \$60,000. A special project for the Emergency Management Solution is included in 2021 at a cost of \$35,000. Software maintenance is inflated by 3% each year and also has a growth contingency of \$40,000. In 2021, an additional \$45,000 was required for Microsoft licencing.

Engineering Services Administration

Divisional Growth of \$32,500 per year is budgeted in this area. In the event that the growth in property tax assessments does not meet the budgeted amounts, these funds will be clawed back.

Engineering

2 Engineering Technologist-Projects were added in July 2020. The additional cost of a full year is \$110,000 in 2021. Special projects in Engineering vary from year to year. The increased cost in 2021 was \$110,000

Parks and Recreation Administration

Divisional Growth of \$65,000 per year is budgeted in this area. In the event that the growth in property tax assessments does not meet the budgeted amounts, these funds will be clawed back.

Parks and Open Spaces

Growth of \$65,000 per year is budgeted in this area to maintain additional park and boulevard tree inventory added in the prior year.

Parks Master Plan

This includes anticipated costs of operating the new facilities and related debt repayment costs. The costs increase as facilities come into service and the debt is issued. For a listing of facilities included, please refer to the Capital Program section of this report under Borrowing.

FINANCIAL OVERVIEW REPORT



Planning & Development Services Administration

Divisional Growth of \$32,500 per year is budgeted in this area. In the event that the growth in property tax assessments does not meet the budgeted amounts, these funds will be clawed back.

Building

The Building Department has revenues of \$2,700,000 and expenses of \$2,723,000. The Change % looks large due to the small net cost of the department.

Licences & Bylaws

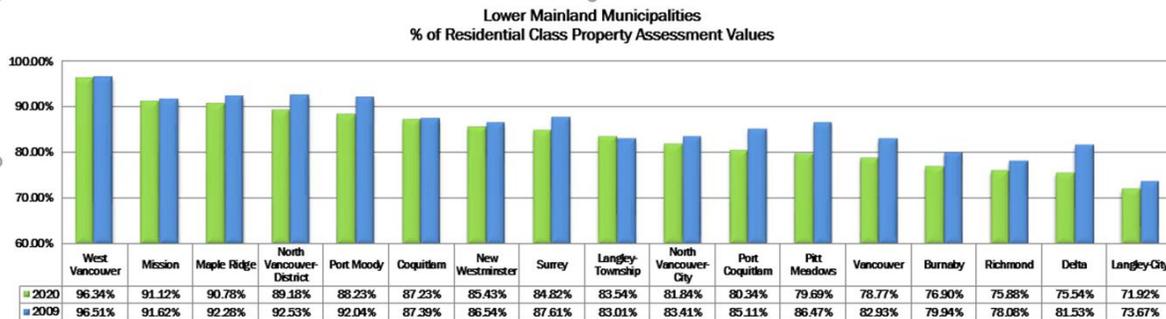
Two additional Community Safety Officers and the Manager of Community Safety were added in July of 2020. The additional cost for these 3 positions is \$172,000 in 2021. Uniforms and supplies were also increased by \$20,000 to cover these costs for the 4 Community Safety Officers and the Manager of Community Safety.

Composition of Property Assessment Base

The tax rate charged to the Residential Class is relatively low when compared to the rate charged to the Business and Industry classes, so we need to keep an eye on the composition of our property tax base.

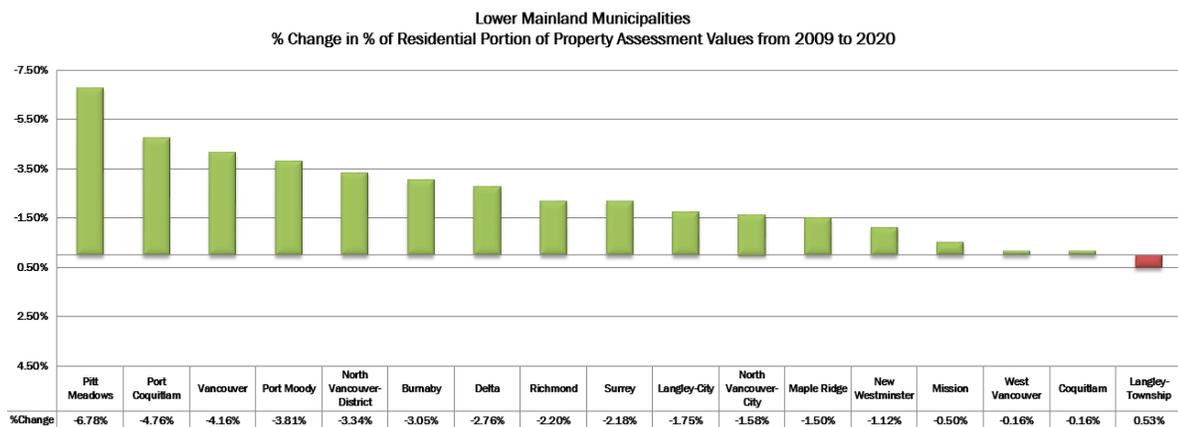
The following chart shows the residential proportion of the assessment base in area municipalities. The range is from a low of 71.92% in the City of Langley to a high of 96.34% in West Vancouver. The chart also shows how this percentage has changed between 2009 and 2020.

**Lower Mainland Municipalities
% of Residential Class Property Assessment Values**



All municipalities except Langley City have seen a reduction in the proportion of the assessment base that is represented by residential properties.

**Lower Mainland Municipalities
% Change in % of Residential Portion of Property Assessment Values from 2009–2020**



One should be careful with conclusions that are reached by looking at this data. For instance, the changes could simply be the result of market value fluctuations rather than new construction. It is just one piece of information that should be kept in mind in Council's deliberations.

Source: BC Assessment, 2009 and 2020 Revised Rolls

Capital Program

Status of 2020 Capital Projects

The budget for the 2020 Capital Works Program is \$215 million, with funding coming from multiple sources, including approximately \$40 million from Development Cost Charges. The budget in the first year of a financial plan that is adopted in May is usually higher than subsequent years because it includes projects approved in prior years that are not yet complete, but are still a priority.

Projects may take several years to deliver and their progress is often dependent on many factors. It is important that when these projects are ready to proceed, they are in the approved budget with funding in place. The budget for projects that have been started is \$167 million and consists of projects that are in various stages as follows:

- Complete or nearly complete 38%
- Well underway 40%
- Early stages (design/tender) 13%
- Early stages of review 9%

The budget for projects not yet started is approximately \$60 million with delays due to a host of factors including reliance on other capital work, land acquisition and strategic or technical delays.

Some examples of larger, previously approved projects that have extended over one year are:

- Fire Hall No. 4 Construction and Equipment
- Parks & Recreation:
 - Park Acquisitions (various locations)
 - Leisure Centre Renovations
 - Albion Community Centre
 - Silver Valley Neighbourhood Gathering Places
 - Hammond Community Centre
 - Telosky/Thomas Haney Synthetic Field
 - Additional Ice Sheet at Planet Ice
- Road & Drainage Works:
 - 232 Street (116 Avenue – Slager)
 - 132 Avenue (232-235) Fern Crescent
 - 240 Street (Lougheed – Dewdney Trunk)
- Sewer Works:
 - 225 Street Pump Station and Forcemain
- Water Reservoirs Works:
 - Watermain Replacements along DTR
 - 270A Street Reservoir
 - 263 Street Pump Station
 - 236 Street Pump Station

Projects that are not complete at the end of 2020 remain in the Capital Plan. They are reviewed at year-end and the projects, as well as the associated funding, are carried forward to be included in the 2021 - 2025 Financial Plan Bylaw when it is amended.

It is important that when these projects are ready to proceed, they are in the approved budget and funding is in place.

2021 – 2025 Capital Plan

The five-year Capital Program is \$199 million and 2021 planned capital projects are \$45 million, excluding projects that will be carried forward from previous years. It should be noted that developers will contribute millions in subdivision infrastructure to our community and these contributions are not included in our Capital Plan. A detailed list of the projects in the five-year Capital Program is included in Appendix I. The following chart summarizes the Capital Program according to the type of project.

Proposed Capital Spending by Category
(All \$ in Thousands)

Section	2021	2022	2023	2024	2025
Government	3,964	420	1,040	560	2,790
Technology	3,000	1,871	3,123	2,235	1,366
Protective Fire	462	476	490	505	520
Protective Police	172	10	10	10	-
Parks	2,885	4,015	3,125	1,790	3,725
Highways	13,932	11,039	17,556	16,569	27,767
Drainage	3,303	3,076	2,700	3,558	8,647
Sewage	7,661	4,671	2,641	2,691	2,141
Water	9,365	7,785	4,420	6,395	4,100
Grand Total	44,744	33,363	35,105	34,313	51,056

By far, most of the projects are in the Highways category. The following table illustrates the sources of funding. The proposed Capital Program is larger in some years due to projects funded through Development Cost Charges and the Water and Sewer Utility Funds.

Proposed Capital Funding Sources
(All \$ in Thousands)

Fund Group	2021	2022	2023	2024	2025
General Revenue	4,313	3,734	5,561	3,148	3,585
Capital Works Reserve	1,050	277	277	439	250
Core Development Reserve	1,900	-	-	-	-
Development Cost Charges	7,240	10,342	11,299	6,969	16,049
Drainage Improvement Reserve	2,081	1,898	1,470	2,399	4,849
Equip Replacement Reserve	3,345	1,872	3,018	2,912	1,048
Fire Department Capital Reserve	136	195	254	313	322
Gaming Reserve	200	200	200	200	200
Grants, LAS, 3rd Parties	1,064	1,370	1,655	1,973	6,700
Infrastructure Sustainability Reserve	5,093	5,137	6,322	7,097	7,934
Parkland Acquisition Reserve	200	200	200	200	200
Police Services Reserve	276	8	8	8	-
Recycling Reserve	380	80	100	220	2,500
Reserve for Committed Projects	150	100	50	-	-
Sewer Capital	4,867	3,549	2,327	2,005	1,636
Surplus	100	-	-	-	-
TransLink	3,605	417	160	160	1,900
Water Capital	8,724	3,984	2,204	6,270	3,883
Parks & Rec Improvement Reserve	20	-	-	-	-
Grand Total	44,744	33,363	35,105	34,313	51,056

Key Funding Sources:

General Revenue

This represents funding contributed by general tax levies. If the planned project is larger or less than the dedicated proportion of General Revenue funding, the residual is transferred to or from the Capital Works Reserve.

Debt

There is no debt funding for the proposed capital program. The borrowing of \$49.5 million recently approved for Parks and Recreation improvements is in the 2020 capital program.

Capital Works Reserve

This reserve fund, established by bylaw, is designed to fund Capital Projects that cannot be funded through development revenues.

Community Amenity Reserve

This reserve, established by bylaw, is funded through amenity contributions paid by development. The funds are used to provide community amenities which are not able to be funded by Development Cost Charges.

Development Cost Charges

These are revenues collected from the development community for specific capital works required as a result of development. The types of projects for which fees can be levied are determined by provincial legislation and the funds can only be expended for those projects.

Drainage Levy

Funding for storm related works not resulting from development can be funded from this source.

Equipment Replacement Reserve

The replacement of existing equipment is funded through this reserve, contributions to which are made annually.

Infrastructure Replacement

The annual funding set aside in our Financial Plan is being used to fund capital projects (in addition to regular maintenance and renewal).

Reserves

The City also has financial resources held in reserves. These Reserves serve to stabilize taxes, fees and charges by providing funds during tight years and receiving those funds back during better years. Reserves shield our customers and taxpayers from sharp rate increases. A list of all of our reserves is shown on the following page.

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Here is a recap of all of our Reserves as at the end of 2019, the main ones of which are discussed on the following pages. A large portion of the balances are committed to capital projects that are in progress.

\$ in thousands

Total Reserves: Accumulated Surplus, Reserve Funds and Reserve Accounts – \$136.2 million

Restricted Revenues are not considered reserves; rather they are liabilities, as they have been collected in advance of specific expenditures.

Accumulated Surplus		Reserve Accounts	
General Revenue	7,623	General Revenue:	
Sewer Revenue	7,217	Specific Projects - Capital	13,056
Water Revenue	15,518	Specific Projects - Operating	7,442
Total Accumulated Surplus	30,358	Self Insurance	797
		Police Services	10,118
		Core Development	2,285
		Recycling	3,506
		Community Development	1,457
Reserve Fund Balances		Building Inspections	3,471
Local Improvement	2,634	Gravel Extraction	840
Equipment Replacement	17,948	Community Works (Gas Tax)	918
Capital Works	7,826	Facility Maintenance	961
Fire Department Capital	2,903	Snow Removal	850
Sanitary Sewer	1,314	Parks & Recreation Improvement	159
Land	752	Cemetery Maintenance	119
Reserve Funds	33,377	Infrastructure Sustainability	6,497
		Drainage Improvements	2,759
		Critical Building Infrastructure	-
		Gaming Revenues	2,734
Restricted Revenue Balances		General Revenue Reserve Accounts	57,969
Development Cost Charges	25,663	Sewer Reserve Accounts	7,566
Parkland (ESA) Acquisition	1,742	Water Reserve Accounts	6,966
Other Restricted Revenues	9,176	Total Reserve Accounts	72,501
Total Restricted Revenues	36,581		

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Capital Works Reserve

The Capital Works Reserve Fund is intended to assist with funding capital projects, especially those that cannot be funded from development revenues. Generally, this reserve builds funds for large projects and is then drawn down. Each year, a percentage of general taxation is added to this account along with a portion of the proceeds from land sales and other fixed amounts. Projections of the demands on this account are also prepared. It has been Council's policy to keep a minimum reserve balance of 10% of the prior year's property taxes in this account, to assist with unforeseen and uninsurable events.

Here is our analysis of the Capital Works Reserve:

Capital Works Reserve Projection

<i>\$ in thousands</i>	2020	2021	2022	2023	2024	2025
Opening Balance	7,826	7,336	7,311	8,900	8,976	11,465
2019 Approved Capital (in progress)	(8,484)					
Add Back: PY spend	6,746					
Inflows						
Annual Transfer	832	901	952	1,004	1,058	1,114
Repayment Pool Reno	870	870	870	870	870	870
Total Inflows	1,702	1,771	1,822	1,874	1,928	1,984
Outflows						
Planned Capital Expenditures	(1,257)	(1,050)	(277)	(277)	(439)	(250)
Balance of GCF funded capital	803	(746)	44	(1,521)	1,000	907
Total Outflows	(454)	(1,796)	(233)	(1,798)	561	657
Estimated Ending Balance	7,336	7,311	8,900	8,976	11,465	14,106
Min Reserve (10% PY Taxes)	8,028	8,462	8,919	9,401	9,904	10,434
Unencumbered Balance	(692)	(1,151)	(20)	(425)	1,561	3,671

Fire Department Capital Acquisition Reserve

Each year a portion of general taxation is transferred to the reserve to build the financial capacity required to respond to increasing the fire protection capacity needed as the community grows. The project to construct Fire Hall No. 4 is nearly complete and this reserve will be used to pay a portion of the costs directly as well as repay the associated debt. The planned capital expenditures are detailed in the following table:

Fire Department Capital Acquisition Reserve Projection

<i>\$ in thousands</i>	2020	2021	2022	2023	2024	2025
Opening Balance	2,903	1,668	2,548	3,516	4,577	5,917
2019 Approved Capital (in progress)	(12,870)					
Add Back: PY spend	10,089					
Inflows						
GRF Annual Transfer	1,845	1,996	2,143	2,295	2,453	2,617
Surplus Repayments (2020-2023)	(180)	(180)	(180)	(180)		
Outflows						
Planned Capital Expenditures	(119)	(136)	(195)	(254)	(313)	(322)
Debt Repayments	-	(800)	(800)	(800)	(800)	(800)
Estimated Ending Balance	1,668	2,548	3,516	4,577	5,917	7,412

Fire Department Equipment Replacement Reserve

The recognition of an appropriate level of funding to provide for growth would not be complete without a discussion around how we intend to replace those assets. Replacement of fire equipment is funded through this Reserve. Beginning in 2009, infrastructure sustainability funds have been allocated to this reserve. Fire trucks are often kept for 20 years and this reserve will build over time to address the scheduled replacements.

Fire Department Equipment Replacement Reserve Projection

<i>\$ in thousands</i>	2020	2021	2022	2023	2024	2025
Opening Balance	3,741	1,896	2,776	3,772	4,888	6,128
2019 Approved Capital (in progress)	(2,471)					
Add Back: PY spend	1					
Inflows						
GRF Annual Transfer	937	1,055	1,177	1,302	1,432	1,566
Outflows						
Planned Capital Expenditures	(312)	(175)	(181)	(186)	(192)	(198)
Estimated Ending Balance	1,896	2,776	3,772	4,888	6,128	7,796

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Infrastructure Sustainability

Beginning in 2008, Council directed an annual tax increase of 1% to go toward infrastructure sustainability. This helps with major rehabilitation and replacement of the City’s assets which currently have a replacement value estimated in excess of \$2 billion. An increase of 0.7% is planned for 2022 and 2023 and 1.0% in 2024 and 2025. The table below illustrates the inflows generated from general taxation and how it has been allocated.

If we look only at the roads component of our infrastructure, the historic annual amount spent on repaving roads is a fraction of what is required to maintain their condition. Over the past number of years we have been able to increase the annual amount dedicated to road maintenance and, as a result, we are seeing positive results in the condition of our roads, though further funding is needed to close the gap between current and recommended funding levels. This funding gap results in deferred maintenance which translates into larger future expenditures to resurface or perhaps even reconstruct roads.

As we are several years into this funding model, the amounts dedicated to infrastructure are making an impact; however, we are still a very long way away from dedicating the estimated \$30 million needed each year to fund the replacement of our infrastructure. The average condition of our assets will continue to worsen until we build the funding up to \$30 million.

Depending on the scope of projects required, one year’s allocation may not meet the funding requirements. In these cases, funding may be held over until enough has accumulated to allow the works to proceed, or borrowing may be considered. The charts highlight the impact that the property tax increases have had on the infrastructure deficit.

Infrastructure Sustainability Allocation of Funding

\$ in thousands	2021	2022	2023	2024	2025
Inflows					
Property Taxes Prior Year	6,460	6,460	6,460	6,460	6,460
Property Tax Increase	363	1,217	2,117	3,172	4,284
Gaming Funds	-	-	550	550	550
Total Inflows	6,823	7,677	9,127	10,182	11,294
Allocations					
Building Infrastructure Planned	1,440	1,590	1,740	1,890	2,040
Fire Dept - Equipment Replacement	525	600	675	750	825
Highways ISR Capital Planned	3,796	4,284	5,371	6,063	6,811
Drainage Capital Planned	943	1,051	1,159	1,267	1,376
Information Technology	25	50	75	100	125
Major Equipment/Systems Reserve	94	102	107	112	117
Total Allocations	6,823	7,677	9,127	10,182	11,294
Estimated Ending Balance	-	-	-	-	-

We are making progress on the path to bridging our infrastructure deficit.

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Capital Funded by Others

The Capital Program includes \$1 million of funding each year as a placeholder for Local Area Services that property owners may petition the City to construct. The cost of these local improvements is typically recovered over 15 years as a separate charge included on the property tax bills of benefiting properties. In addition, \$0.5 million of grants or other external funding is planned over the next five years. Projects will be re-evaluated if funding is not secured.

<i>(\$ in thousands)</i>	CFO%	2021	2022	2023
118 Ave (230 - 231)	20%	-	75	350
132 Ave (Balsam - 236) - Fern Crescent Construction	33%	1,500	-	-
232 St (116 - Slager) Multi-Use Pathways And Road Upgrade	91%	1,491	-	-
240 Street Bridge North of 124 Avenue - Planning and Design	53%	-	100	100
Abernethy (231 - 232) Construction	44%	1,700	2,137	-
Abernethy Way Extension 232-240	38%	100	1,000	2,000
Front Counter Kiosk Expansion +	20%	150	-	-
Hammond Road Multi-Use Pathways (West Street to 203 Street)	67%	1,500	-	-
Local Area Service - Drain	100%	250	250	250
Local Area Service - Road	100%	250	250	250
Local Area Service - Sewer	100%	250	250	250
Local Area Service - Water	100%	250	250	250
RCMP - Furniture Replacement	20%	10	10	10
RCMP - Second Floor Small Wall and Door Removal	20%	12	-	-
		7,463	4,322	3,460

Borrowing

The key elements when considering debt funding are that the debt payments are being funded by a secure funding source, the borrowing capacity exists and the appropriate public consultation and approval processes are undertaken.

Borrowing Capacity

Under Community Charter legislation, the maximum amount of borrowing the City can undertake is such that the annual cost to service the debt does not exceed 25% of revenues, as defined in the legislation. As noted in our 2020 Annual Report, the unused liability servicing capacity was \$21 million.

Short Term Borrowing, under Sec. 178 of the Community Charter, is an option for borrowing for any purpose of a capital nature that can be repaid within five years. The maximum amount to be borrowed is \$50 multiplied by the population of the municipality as of the last census. For this borrowing, no public approval is required, but approval of the Inspector of Municipalities is. Currently, we have no borrowing under this section and a maximum permitted amount of approximately \$4 million.

Ministry and Elector Approval

Borrowing by local governments cannot be undertaken without the approval of the Inspector of Municipalities. In addition, borrowing requires an elector approval process in the majority of cases.

An “approval-free liability zone” exists to allow borrowing without elector approval as long as current and proposed servicing costs do not exceed 5% of the municipal revenue defined in the legislation.

Elector approval can be sought in one of two ways. One option is to receive the approval of electors by holding a referendum. The second, and less-expensive method, is to hold an “alternative approval process.” If more than 10% of the electors express an

opinion that a referendum should be held, by signing an Elector Response Form within 30 days of a second advertising notice, Council would need to consider whether to proceed with the planned borrowing and, if so, a referendum must be held.

Previously Approved Borrowing Still Unissued

The 2021-2025 Financial Plan includes debt payments on the following previously approved projects:

Fire Hall No. 4 Construction (\$6 million)

Borrowing of \$6 million is authorized for this project and the balance of the project is funded from the Fire Department Capital Acquisition Reserve.

Cemetery Expansion (\$1.1 million)

The City is also authorized to borrow \$1.1 million for the expansion of the cemetery. Two of the three properties have been purchased and \$2.22 million of external borrowing has occurred.

Parks & Recreation Improvements (\$49.5 million)

Leisure Centre Renovation	\$3.5 million
Telosky Synthetic Fields	7.0 million
Albion Community Centre	8.5 million
Silver Valley Gathering Place	1.0 million
Hammond Community Centre Renovation	2.5 million
Whonnock Lake Canoe & Kayak Club	1.0 million
Maple Ridge Secondary School	
Track Facility Upgrades	2.5 million
Additional Ice Sheet	23.5 million

Property tax increases were approved to provide for the debt servicing costs and the operating costs of the above projects. In addition, Community Amenity Charges are relied on to fund these projects.

Impact to the Average Home

At the end of the day, it is important to understand what this Financial Plan means to the average home. The assessed value of the “average home” for the 2020 taxation year was approximately \$699,462.

The calculation includes all residential properties comprising both single family homes and multi-family units such as townhouses and apartments. The following table demonstrates the impact to a taxpayer based on the “average home.” Service fees include flat rate water, flat rate sewer, recycling and single-home blue box pickup.

Within the General Purpose change of 2%, existing service levels have been maintained and several significant cost increases have been accommodated, including increases in the policing contract, labour costs and Fire Department costs.

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Average Residence Valued at \$699,462	2020	2021	2022	2023	2024	2025
Average Home Municipal Levies:						
General Purpose (Gen. & ISR)	\$ 2,093.70	\$ 2,152.78	\$ 2,218.52	\$ 2,286.62	\$ 2,359.61	\$ 2,435.23
Drainage	42.39	48.95	51.22	53.57	53.57	53.57
Parks & Recreation	51.97	65.10	78.70	92.79	107.39	122.51
Subtotal Property Taxes	\$ 2,188.06	\$ 2,266.83	\$ 2,348.44	\$ 2,432.98	\$ 2,520.57	\$ 2,611.31
User Fees						
Recycling (fixed rate)	\$ 76.61	\$ 78.72	\$ 80.88	\$ 83.10	\$ 85.39	\$ 87.74
Water (fixed rate)	659.80	689.50	720.55	752.95	786.85	822.25
Sewer (fixed rate)	428.05	461.45	497.70	537.05	579.70	626.00
Total Property Taxes and User Fees*	\$ 3,352.52	\$ 3,496.50	\$ 3,647.57	\$ 3,806.08	\$ 3,972.51	\$ 4,147.30
* Does not include collections for others (School, BCAA, GVTA, GVRD, MFA)						
	2020	2021	2022	2023	2024	2025
Average Home Municipal Levies Increases:						
General Purpose	2.25%	2.00%	2.00%	2.00%	2.00%	2.00%
Infrastructure Replacement	0.70%	0.70%	0.90%	0.90%	1.00%	1.00%
Parks & Recreation	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
Drainage	0.30%	0.30%	0.10%	0.10%	0.00%	0.00%
Total Property Tax Increase %	3.85%	3.60%	3.60%	3.60%	3.60%	3.60%
Recycling Increase %	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Water Increase %	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Sewer Increase %	7.75%	7.80%	7.86%	7.91%	7.94%	7.99%
Total Property Taxes and User Fees Increase	4.38%	4.29%	4.32%	4.35%	4.37%	4.40%

*The general property tax increase averages
2% per year over the life of this Financial Plan*

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Survey of 2020 Residential Taxes on Average Single Family Dwelling

Municipality	Average Assessed Value*	Municipal Taxes	Rank (lowest to highest)	Total Utilities	Municipal Taxes & Utilities	Rank (lowest to highest)	Notes
Langley-City	857,982	2,116	1	1,135	3,251	1	
Pitt Meadows	763,290	2,186	3	1,127	3,313	2	
Port Coquitlam	897,531	2,359	5	1,023	3,382	3	
Delta	959,845	2,488	8	909	3,397	4	(2)
Langley-Township	968,824	2,170	2	1,376	3,545	5	
Surrey	1,109,084	2,193	4	1,363	3,556	6	(6)
Maple Ridge	850,522	2,513	9	1,164	3,678	7	(7)
Burnaby	1,441,032	2,455	6	1,230	3,686	8	(1)
Mission	737,346	2,482	7	1,269	3,751	9	(3)
Richmond	1,462,748	2,634	11	1,207	3,841	10	(5,6)
North Vancouver-City	1,460,127	2,596	10	1,278	3,873	11	(4)
Coquitlam	1,162,939	2,649	12	1,379	4,028	12	
Port Moody	1,265,861	3,351	16	1,207	4,558	13	(1)
Vancouver	2,022,879	3,198	15	1,452	4,650	14	
North Vancouver-District	1,602,424	2,978	13	1,754	4,732	15	
New Westminster	1,106,718	3,032	14	1,704	4,737	16	(1)
West Vancouver	2,843,995	4,884	17	2,098	6,982	17	(5,6)
Average	1,265,479	2,723		1,334	4,056		
Median	1,109,084	2,513		1,269	3,751		
Highest	2,843,995	4,884		2,098	6,982		
Lowest	737,346	2,116		909	3,251		

Notes:

Values are rounded.

- * Average Assessed Value determined by using BC Assessment's 2020 Revised Roll Totals, Property Class Residential Single Family, divided by number of occurrences. Value has not been adjusted for new construction or supplementary changes.
- (1) Water, Sewer, Garbage/Recycling Rates receive 5% discount for on time/early payment.
- (2) Municipal tax rates are averaged.
- (3) Drainage Levy Rate/Amount excluded from analysis. According to Mission staff, only approximately 25 homes are charged this levy - not representative of an average home in Mission.
- (4) Water and Sewer Rates reflect a 5% discount for on time/early payment.
- (5) Water, Sewer, Garbage/Recycling Rates receive 10% discount for on time/early payment.
- (6) Sewer and Water are metered and are therefore projected amounts.
- (7) Utility Rates include Water, Sewer and Recycling.

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How Our Taxes Compare to Other Municipalities

In the 2020 survey on Residential taxes, we also looked at the tax increases over the past three years across surveyed municipalities. Tax increases in 2020 ranged from a low of -0.6% in North Vancouver City to a high of 4.5% in Vancouver. The tax increase to the average single family dwelling in Maple Ridge was 4.0%

Municipality	2018	2019		2020		2 Year Change
	Municipal Taxes	Change	Municipal Taxes	Change	Municipal Taxes	
Langley Township	2,050	3.7%	2,126	2.0%	2,170	5.8%
Pitt Meadows	2,053	2.8%	2,110	3.6%	2,186	6.5%
Surrey	2,120	0.4%	2,128	3.1%	2,193	3.4%
Port Coquitlam	2,343	-0.2%	2,339	0.9%	2,359	0.7%
Burnaby	2,458	-2.0%	2,409	1.9%	2,455	-0.1%
Mission	2,152	3.6%	2,230	11.3%	2,482	15.3%
Delta	2,508	-2.3%	2,449	1.6%	2,488	-0.8%
Maple Ridge	2,358	2.5%	2,417	4.0%	2,513	6.6%
North Vancouver City	2,788	-6.3%	2,611	-0.6%	2,596	-6.9%
Richmond	2,576	0.6%	2,592	1.6%	2,634	2.2%
Coquitlam	2,569	0.4%	2,580	2.7%	2,649	3.1%
North Vancouver District	2,861	1.9%	2,915	2.2%	2,978	4.1%
New Westminister	2,974	-0.8%	2,949	2.8%	3,032	2.0%
Vancouver	3,027	1.1%	3,059	4.5%	3,198	5.6%
Port Moody	3,285	1.9%	3,346	0.1%	3,351	2.0%
West Vancouver	5,469	-13.7%	4,719	3.5%	4,884	-10.7%

Commercial Taxes

In 2020, we surveyed taxes assessed against the Business Class 6. One indicator that has been getting some attention these days is that of the tax multiple. A tax multiple for Business Class 6 is calculated by taking the tax rate assessed against this class and dividing it by the Residential Class tax rate. For 2020, our tax multiple was 2.63 (8.2156 Business Class 6 rate divided by 3.1282 Residential Class rate). A lower tax multiple is preferred by businesses.

Maple Ridge Business Class, Residential Class, Tax Multiple

Year	Business	Residential	Multiple
2014	12.7314	4.4625	2.85
2015	12.3038	4.4713	2.75
2016	11.8801	4.3761	2.71
2017	10.9322	3.3412	3.27
2018	9.8429	2.9961	3.29
2019	8.9367	2.8326	3.15
2020	8.2156	3.1282	2.63

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This chart shows how our tax multiple compares to surveyed municipalities. Our multiple is the ninth lowest.

Caution should be used in reaching conclusions around multiples because multiples change as a result of differential changes in property assessed values. Nonetheless, if Council wanted to move towards a multiple of 2:1, this could be done by shifting the tax burden from the Commercial Class to the Residential Class. Our budgets are balanced and shifting the tax burden benefits to one class are at the expense of another.

Business Class Tax Multiples, Based on General Municipal Rates

Municipality	2018	2019	2020	Rank
West Vancouver	2.7	2.0	1.8	1
Chilliwack	2.4	2.3	2.0	2
Port Moody	2.8	2.3	2.0	3
Langley, Township	3.7	3.6	2.0	4
Richmond	3.1	2.7	2.4	5
North Vancouver, District	3.5	2.7	2.4	6
Delta	3.3	3.0	2.4	7
Abbotsford	2.9	2.9	2.6	8
Langley, City	3.0	3.0	2.6	9
Maple Ridge	3.2	3.1	2.6	10
Surrey	3.3	3.1	2.7	11
Pitt Meadows	3.4	3.2	2.8	12
North Vancouver, City	3.8	3.1	2.8	13
Vancouver	4.0	3.2	2.8	14
Port Coquitlam	3.7	3.3	2.9	15
Burnaby	4.1	3.5	3.1	16
Coquitlam	4.3	3.6	3.2	17
New Westminster	4.1	3.8	3.4	18
Mission	4.0	4.1	3.6	19

How Our Taxes Compare to Other Municipalities

Financial Indicators

Financial indicators provide information about an entity that may be useful in assessing its financial health or comparing its financial picture with that of other municipalities. As with all statistical data, it's important to keep in mind that ratios need to be interpreted carefully. They provide information but, on their own, do not show whether the results are good or bad.

The data for the indicators shown comes from the Province's Local Government Statistics section and is compiled from reports that each municipality is required to submit to the Province. The municipalities shown are all GVRD members (the smaller villages have been excluded), with the addition of the neighbouring municipalities of Mission, Abbotsford and Chilliwack. The comparisons we used are for the years 2017 and 2018 as 2019 information was not available at the time this report was prepared.

Here is a brief summary of the ratios presented in the tables that follow.

Percentage of Liability Servicing Limit Used

Under the Community Charter, the Provincial Government has set the maximum amount that can be used for principal and interest payments on debt at 25% of certain revenues. This number is referred to as the liability servicing limit. By looking at the percentage of this limit that is already committed to debt servicing, we get a picture of how much flexibility a municipality has to consider using debt financing for future projects.

Debt Per Capita

This is the total amount of debt divided by the population of each municipality. It is a widely used ratio that shows how much of a municipality's debt can be attributed to each person living in the community.

Debt servicing as a percentage of tax revenue

This was calculated by dividing the total amount committed to principal and interest payments by the total amount of tax revenue collected in the year. It shows how much of annual property taxes are required to make principal and interest payments on outstanding debt.

Total Assets to Liabilities

Comparing total assets, both financial and non-financial, to total liabilities gives an indication of the total resources available to a municipality to settle outstanding liabilities. With this ratio, it is important to keep in mind that the largest proportion of a municipality's total assets are typically the non-financial assets, mostly infrastructure, and that in many cases there is no market available to sell them and realize cash for settling liabilities.

Financial Assets to Liabilities

Financial assets are resources, such as cash or things that are readily converted to cash, for example, accounts receivable. Comparing financial assets to liabilities provides an indication of financial strength and flexibility. A ratio above 1 shows that the City has more financial resources (cash) available to it than it owes; a ratio below 1 shows that the City owes more than its financial resources.

Government Transfers to Revenues

This shows the proportion of a municipality's revenues that comes from grant funding.

Expenditures Per Capita

This shows the amount of spending in a particular year for each person living in the community and can be affected by variations in annual spending, particularly capital spending. Expenditures include annual spending for capital investment, but exclude the amortization of existing assets.

Tax Revenues Per Capita

This shows the amount of property taxes collected in a particular year for each person living in the community.

Taxes Per Capita as a Percentage of Expenditures Per Capita

This shows the proportion of annual expenditures that are paid for by property taxes, providing an indication of a municipality's reliance on revenues other than taxation.

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While looking at the percentage of a municipality's liability servicing limit that has already been used provides useful information, it can be impacted by decisions, such as to repay or refinance debt.

	Percentage of Liability Servicing Limit Used				Debt Servicing as a Percentage of Tax Revenue	
	2018		2017		2018	2017
	2018	2017	2018	2017	2018	2017
Abbotsford	9%	11%	\$ 364	\$ 405	5%	5%
Burnaby	0%	0%	-	-	0%	0%
Chilliwack	3%	4%	24	37	1%	2%
Coquitlam	3%	3%	116	126	1%	1%
Delta	1%	1%	19	26	0%	0%
Langley (City)	16%	9%	876	843	7%	4%
Langley (Township)	0%	0%	-	-	0%	0%
Maple Ridge	12%	14%	291	323	5%	5%
Mission	3%	4%	107	126	2%	2%
New Westminster	7%	15%	776	676	5%	10%
North Vancouver (City)	1%	1%	16	20	0%	0%
North Vancouver (District)	7%	8%	409	467	4%	4%
Pitt Meadows	12%	7%	277	328	5%	3%
Port Coquitlam	6%	6%	326	336	2%	2%
Port Moody	38%	14%	619	506	14%	5%
Richmond	5%	6%	152	171	3%	3%
Surrey	25%	13%	402	480	11%	6%
Vancouver	11%	46%	1,642	1,560	6%	23%
West Vancouver	6%	6%	735	782	3%	3%
White Rock	11%	64%	1,124	1,166	6%	32%
Average*	9%	11%	420	424	4%	6%

The data shown is for 2018 vs 2017. This is the most current information available.

* in calculating the average, the Maple Ridge numbers were not included to allow us to see how we compare to the average of other reported municipalities.

FINANCIAL OVERVIEW REPORT

A comparison of assets to liabilities in any given year will be affected by business decisions made during the year that do not necessarily reflect a decline in the fiscal health of a municipality. For example, a decision to borrow money will increase liabilities and reduce these ratios, as seen with Port Moody in 2018.

	Total Assets to Liabilities		Financial Assets to Liabilities		Gov't Transfers to Revenue	
	2018	2017	2018	2017	2018	2017
Abbotsford	7.51	7.90	1.89	1.85	0.17	0.06
Burnaby	13.60	15.05	5.82	5.80	0.03	0.03
Chilliwack	8.13	8.67	1.82	2.00	0.13	0.08
Coquitlam	15.01	13.72	3.90	3.25	0.04	0.04
Delta	10.79	10.97	2.40	2.54	0.03	0.01
Langley (City)	6.83	6.77	1.20	1.29	0.03	0.05
Langley (Township)	9.62	10.77	2.12	2.20	0.17	0.27
Maple Ridge	9.88	9.29	1.88	1.79	0.04	0.03
Mission	12.78	13.63	2.48	2.56	0.07	0.04
New Westminster	6.37	6.63	1.37	1.44	0.06	0.07
North Vancouver (City)	7.49	6.97	2.82	2.52	0.05	0.05
North Vancouver (District)	6.17	5.88	1.88	1.69	0.03	0.03
Pitt Meadows	7.70	7.19	1.70	1.65	0.05	0.03
Port Coquitlam	8.35	9.39	1.89	2.24	0.11	0.01
Port Moody	14.10	16.06	1.43	1.53	0.05	0.07
Richmond	7.71	8.10	2.63	2.68	0.06	0.05
Surrey	9.63	9.62	1.06	1.02	0.04	0.02
Vancouver	4.50	4.51	1.23	1.12	0.04	0.03
West Vancouver	5.13	4.88	1.38	1.17	0.11	0.11
White Rock	3.45	3.41	1.52	1.66	0.13	0.03
Average*	8.68	8.95	2.13	2.12	0.07	0.06

The data shown is for 2018 vs 2017. This is the most current information available.

* in calculating the average, the Maple Ridge numbers were not included to allow us to see how we compare to the average of other reported municipalities.

FINANCIAL OVERVIEW REPORT

Expenditures per capita are affected by annual variations in spending, particularly capital spending. In years where a greater amount of tangible capital assets are acquired, expenditures per capita will be higher than in years where a lesser amount were acquired.

	Expenditures Per Capita		Tax Revenue Per Capita		Tax Revenue Per Capita as a Percentage of Expenditures Per Capita	
	2018	2017	2018	2017	2018	2017
	Abbotsford	\$ 1,964	\$ 1,459	\$ 948	\$ 946	48%
Burnaby	2,016	2,053	1,171	1,189	58%	58%
Chilliwack	1,925	1,665	880	888	46%	53%
Coquitlam	2,159	2,125	1,132	1,079	52%	51%
Delta	2,510	2,431	1,354	1,419	54%	58%
Langley (City)	3,289	2,259	1,054	997	32%	44%
Langley (Township)	1,918	1,954	1,009	967	53%	49%
Maple Ridge	1,950	1,565	976	941	50%	60%
Mission	1,980	1,734	858	849	43%	49%
New Westminster	2,836	2,731	1,036	1,026	37%	38%
North Vancouver (City)	2,322	2,368	1,116	1,126	48%	48%
North Vancouver (District)	2,304	2,640	1,175	1,144	51%	43%
Pitt Meadows	1,885	1,612	1,048	1,001	56%	62%
Port Coquitlam	2,173	1,767	1,063	1,049	49%	59%
Port Moody	2,084	2,226	1,190	1,189	57%	53%
Richmond	2,471	2,225	1,074	1,010	43%	45%
Surrey	1,967	1,904	745	710	38%	37%
Vancouver	2,576	2,612	1,238	1,148	48%	44%
West Vancouver	3,504	4,021	1,606	1,570	46%	39%
White Rock	3,566	2,390	1,088	1,150	31%	48%
Average*	2,392	2,220	1,094	1,077	47%	50%

The data shown is for 2018 vs 2017. This is the most current information available.

* in calculating the average, the Maple Ridge numbers were not included to allow us to see how we compare to the average of other reported municipalities.

Conclusion

For 2021, the City expects approximately \$4.9 million in new revenue, primarily due to property taxes; both new taxes from development and increases in property taxes. The majority of the additional revenue is used to fund cost increases for existing services, such as labour. A portion of the property tax increase is dedicated to improving the level of infrastructure replacement, drainage infrastructure and Parks & Recreation Master Plan funding.

Improvements to service levels, maintenance of our existing infrastructure and the cost of existing services have all been managed with property tax increases included in the Financial Plan Guidelines. Options to increase or decrease these service levels, along with the property tax implications, were itemized.

Maple Ridge's Business Planning culture ensures the business and financial acumen exists to address current community needs. A phrase that is often used to describe our Business Planning process is ensuring that we are "Doing the right things right." This is achieved through looking at what and how we do things and revisiting these processes to ensure we are getting the most value out of the time, effort and resources invested.

Council's continued support of Business Planning and the underlying financial policies and business processes that support it are key success factors for the community. It helps ensure that we, as public servants, provide the best overall service levels possible within the constraints that exist. Council continues to recognize the value of focusing on long term Financial Planning in dedicated funding to be spent on infrastructure renewal, ensuring that the services our citizens currently enjoy are sustainable.

We continue to face pressures in delivering services to a community that is growing at a brisk pace. The incremental adjustments, summarized earlier in this report, will help address some service level demands and support the delivery of Council's Strategic Plan.

There are several work plan items that will result in more detailed implementation plans (such as updated Master Plans). Items that include significant coordinated efforts or investments often require research and careful consideration of the data to ensure decisions are well informed. When the implementation plans are considered the funding can also be considered. In some instances, it may make sense to start building the financial capacity earlier to allow some easing in of costs to ratepayers.

Not all the information required to make budget decisions exists at any one time. Council can amend the Financial Plan Bylaw at any time, and once the investments and associated funding decisions have been made, the Financial Plan can be amended accordingly.

In summary, this Financial Plan allows the community to move forward while respecting the current economic times associated with the pandemic.

Recommendations for 2021 – 2025 Financial Plan

On July 28, 2020, Council approved the Business & Financial Planning Guideline 2021 – 2025. These recommendations are consistent with these guidelines.

The key financial implications of this budget include:

1. General Purpose Property Tax Increase; 2.0% per year.
2. Infrastructure Sustainability Property Tax Increase; 0.7% per year in 2021, 0.9% per year in 2022 & 2023 and 1% in 2024 & 2025.
3. Parks, Recreation & Culture Property Tax Increase; 0.60% per year.
4. Storm Water Property Tax Increase; 0.30% in 2021 and 0.10% in 2022 & 2023. No increase in 2024 or 2025.
5. Water Levy Increase; 4.5% per year.
6. Sewer Levy Increase; 8.5% per year.
7. Recycling Levy Increase; 2.75% per year.
8. Growth in Property Tax Revenue Assumptions of 1.75% to 1.80% per year.
9. Incremental Adjustments; as outlined on page 21.
10. Provision for costs associated with growth as outlined on page 8, subject to available funding.
11. Capital Program totaling \$44.7 million in 2021, \$33.4 million in 2022, \$35.1 million in 2023 and \$34.3 million in 2024 and \$51 million in 2025.

General Information

Public Input

Each year we invite citizens and stakeholders to provide comment on the Financial Plan. The first opportunity comes in the spring, when Council adopts guidelines that will direct staff in the preparation of the Financial Plan. The second opportunity is when Council formally considers the proposed Financial Plan. Public engagement can be difficult on the budget. However citizen or user input is often sought more directly on the individual services the City provides which inform the Corporate Plan as well as the Financial Plan.

In addition, your comments and questions are welcome at any time.

- e-mail, addressed to: budget@mapleridge.ca
- voice mail, Budget Hotline: 604-467-7484
- in writing, addressed to:

Trevor Thompson, Chief Financial Officer
City of Maple Ridge
11995 Haney Place
Maple Ridge, BC V2X 6A9

Get a copy of the Financial Plan on our website mapleridge.ca

Appendix I – 2021 – 2025 Proposed Capital Plan
(All \$ in Thousands)

Section -> Project	2021	2022	2023	2024	2025
Government	3,964	420	1,040	560	2,790
Bylaws Van	50	-	-	-	-
Business Tower – Lifecycle	1,900	-	-	-	-
City Office Renos & Equip	200	-	-	-	-
CSO Super Cab Pick Up Truck 4x4	47	-	-	-	-
Emergency Equip. for 10 Bylaw & Community Safety Vehicles	46	-	-	-	-
Equip Purch - GPS and Robotic Total Station	60	-	-	-	-
Minor Capital - City	100	100	100	100	100
Minor Capital - Engineering	15	15	15	15	15
Minor Capital - Gen Government	15	15	15	15	15
Minor Capital - Town Centre	100	100	100	100	100
Municipal Communication Tower	500	-	-	-	-
Office Furniture for 7 Employees	17	-	-	-	-
Operations Centre - Fuel Island Replacement	-	-	600	-	-
Operations East Site Access	100	-	-	-	-
Recycling Collection Equipment	80	80	100	100	-
Recycling Collection Truck - Semi-Auto, Hydraulic Lift	300	-	-	-	-
Recycling Depot - Site Upgrade, paving & covered area	-	-	-	120	-
Recycling Land Purchase and Site Upgrade	-	-	-	-	2,500
Renovation - Convert Archive Room to Bylaw Office Space	74	-	-	-	-
Secondary Operations Site Facility	50	50	50	50	-
Works Yard Paving Phase 2	250	-	-	-	-
Workstation/Desk Replacement	60	60	60	60	60
Technology	3,000	1,871	3,123	2,235	1,366
AMANDA 7 Migration	390	-	-	-	-
Archival Storage Array	-	-	-	-	200
Asset Management	-	375	375	-	-
Bandstand Kiosk for Public Use of Lighting and Sound System.	50	-	-	-	-
Build Up Test and Development Environment	-	-	50	-	-
Customer Kiosk Project	65	-	-	-	-
Digital Signatures for Laserfiche and External Document	10	-	-	-	-
Disaster Recovery Infrastructure	-	-	97	-	-
Enterprise Password Manager	-	60	-	-	-
Enterprise System Replacement (Financial and HRIS)	-	250	750	500	-
Enterprise Two Factor Authentication For Office 365	20	-	-	-	-
Equipment Replacement - IT	1,200	711	1,072	1,360	791
Fibre Extensions (various)	250	250	250	250	250
Firewall Feature Upgrade	80	-	-	-	-
Infrastructure Growth	50	50	50	50	50

**Appendix I – 2021 – 2025 Proposed Capital Plan
(All \$ in Thousands)**

Section -> Project	2021	2022	2023	2024	2025
Technology					
IT Infrastructure Asset Management	30	-	-	-	-
Laserfische License Increase	50	50	-	-	-
Local Government Subscription to FME Server	15	15	25	25	25
Main Hall Cable Plant	-	-	150	-	-
Meeting Rooms AV Improvement Project	310	-	-	-	-
Network Traffic Monitoring and Analyzing	50	50	50	50	50
People Counting Device	60	-	-	-	-
Public Access Community Kiosks	-	-	39	-	-
Qwhery - Voice Technology	20	-	-	-	-
Remote Working Infrastructure Fund Required due to COVID19	100	-	-	-	-
Security Management Software	70	-	-	-	-
Security Review and Remediation Program	15	60	15	-	-
Server Growth Increment	-	-	75	-	-
Storage Infrastructure Expansion	125	-	125	-	-
Upgrade Live Streaming Infrastructure	40	-	-	-	-
Protective Fire	462	476	490	505	520
ECOMM Radio	462	476	490	505	520
Protective Police	172	10	10	10	-
Front Counter Kiosk Expansion +	150	-	-	-	-
RCMP - Furniture Replacement +	10	10	10	10	-
RCMP - Second Floor Small Wall and Door Removal +	12	-	-	-	-
Parks	2,885	4,015	3,125	1,790	3,725
Albion Community Centre Equipment	20	-	-	-	-
Fraserview Park Development	-	-	-	425	-
Greenbelt Acquisition	200	200	200	200	200
Haney Nokai Park Improvement	-	-	-	-	600
Horse Hamlet - 128 ave. Neighbourhood Park Development	-	-	-	460	-
Minor Capital - Gen Rec	30	30	30	30	30
Minor Capital Parks Improvements	75	75	75	75	75
NE Albion Park Acquisition 110 and Lockwood	-	-	-	-	2,820
NE Albion Park Acquisition SE 112 and Lockwood	-	-	2,820	-	-
North Central Park (232 and 122)	-	610	-	-	-
Park Development (248 and 108)	-	500	-	-	-
Recreation Infrastructure	150	600	-	-	-
Silver Valley 09 - S of 235 and Larch	-	2,000	-	-	-
South Haney Park (230 and 113) Acquisition	2,410	-	-	-	-
South Haney Park (230 and 113) Development	-	-	-	600	-

Appendix I – 2021 – 2025 Proposed Capital Plan
(All \$ in Thousands)

Section -> Project	2021	2022	2023	2024	2025
Highways	13,932	11,038	17,556	16,570	27,768
102 Ave at 240 St East	-	-	100	600	-
112 Ave Urban Road Upgrade East of 240 St (Construction)	-	-	6,000	-	-
112 Ave Urban Road Upgrade East of 240 St (Design)	100	300	-	-	-
116 Ave Urban Road Upgrade 203 to Warsley	-	-	150	1,000	-
118 Ave (230 - 231) +	-	75	350	-	-
123 Ave Corridor - 203 to Laity Construction	-	-	-	100	400
123 Ave Corridor - Laity to 216 Reconstruction Phase 1	689	945	945	-	-
124 Avenue 244-248 Connection	-	-	-	100	450
132 Ave (Balsam - 236) - Fern Crescent Construction +	1,500	-	-	-	-
203 and Dewdney - NB/SB Protective Permissive Left Turn Signal	50	-	-	-	-
207 St and 119 Ave RRFB Installation	-	150	-	-	-
210 St 200m N of 128 Road and Drainage Improvements	-	-	358	1,000	1,000
222 and Selkirk - Curb Extensions	150	-	-	-	-
223 Street Sidewalk (fronting Beckett Park)	180	-	-	-	-
224 St at 124 Ave - Intersection Safety Improvements	-	800	-	-	-
224 St at 132 Ave (N Alouette Bridge) Design	-	-	350	-	-
224 St at 132 Ave (N Alouette Bridge) Replacement	-	-	-	4,000	-
232 St (116 - Slager) Multi-Use Pathways And Road Upgrade +	1,491	-	-	-	-
240 and Dewdney - WB Protective Permissive Left Turn Signal	50	-	-	-	-
240 Street Bridge North of 124 Avenue - Planning and Design +	-	100	100	700	-
Abernethy (231 - 232) Construction +	1,700	2,137	-	-	-
Abernethy Way Extension 232-240 +	100	1,000	2,000	2,000	19,000
Access Culverts	22	22	22	22	22
Bridge Repairs Struct Upgrade	150	150	150	150	150
Cycling Improvements	-	250	250	250	250
Dewdney Trunk at Burnett Ped Signal	-	-	-	300	-
Equip Replacement - Fleet	1,600	920	1,700	1,300	-
Hammond Road Multi-Use Path (West Street to 203 Street) +	1,500	-	-	-	-
Kanaka Way & 234A St Roundabout Modification	150	-	-	-	-
Local Area Service - Road +	250	250	250	250	250
Lougheed 228 St Access Signal Improv	650	-	-	-	-
Pedestrian Improvements	-	250	250	250	250
Private Driveway Crossings	7	7	7	7	7
River Rd Traffic Corridor Improvements	1,000	-	-	-	-
Road Rehabilitation Program	1,853	2,941	3,834	3,720	5,668
Sidewalk Replacement	90	90	90	90	90
Street Lighting Upgrade Program	500	500	500	500	-
Streetlight Pole Replace Program	50	50	50	50	50
Traffic Calming Program	-	-	-	80	80
Traffic Signal Replacements	100	100	100	100	100

Appendix I – 2021 – 2025 Proposed Capital Plan
(All \$ in Thousands)

Section -> Project	2021	2022	2023	2024	2025
Drainage	3,303	3,076	2,700	3,558	8,647
287 St (Storm Main at Watkins - Const)	400	-	-	-	-
Culvert Replacement Program	450	450	450	450	450
Drainage Replacement Program	-	126	554	637	601
Drainage Upgrade Program	1,181	2,228	1,074	2,199	2,199
DTR Storm main replacement	900	-	-	-	-
Flood Abatement North Alouette	-	-	-	-	125
ISMP Watershed Review	100	-	-	-	-
Local Area Service - Drain +	250	250	250	250	250
Lower Hammond Pump Station	-	-	50	-	5,000
Princess St Drainage Pumping Station	-	-	300	-	-
Private Storm Sewer Connections	23	23	23	23	23
Sewage	7,661	4,671	2,641	2,691	2,141
122 Ave Sanitary Replacement	-	-	-	-	1,050
126 Ave (216 - Grace)	-	50	800	-	-
136 Ave (at Foreman) Pump Station Upgrade	-	80	-	500	-
208 St Sewage Station Replacement	-	-	100	1,000	-
216 Street (124 Avenue to 128 Avenue)	350	-	-	-	-
223 St (117 to North)	850	-	-	-	-
225 St (Haney Bypass to 116)	120	-	-	-	-
225 St Forcemain and PS Upgrade - Phase 2	3,000	3,000	-	-	-
225 St Forcemain and PS Upgrade - Phase 4	1,000	-	-	-	-
228 St, 123 Ave - North of Purdey	-	-	-	-	700
JRW Forcemain (Fairgrounds to River Road)	200	-	-	-	-
Local Area Service - Sewer +	250	250	250	250	250
Lougheed, (220 to Carshill)	250	-	-	-	-
Meadow Brook Sewage Station Replacement	-	-	300	-	-
Private Sewer Connections	41	41	41	41	41
Royal Cres at 225 St Diversion MH Overbuild (2018)	100	-	-	-	-
Royal Crescent at 226 Street	300	-	-	-	-
Sanitary Master Planning	-	150	-	-	-
SCADA Replacement Program	100	100	100	100	100
Sewage System Rehab and Replacement	-	700	750	800	-
Steeves Sewage Pump Station Replacement	-	300	300	-	-
Steeves, (118 Ave to River Road)	1,100	-	-	-	-
Water	9,365	7,785	4,420	6,395	4,100
124 Ave (Laity St - 216 St) Watermain Replacement	-	-	-	1,200	-
132 Ave - 220 St to 224 St Watermain Replacement	-	-	-	-	1,000
132 Avenue, 236-237A & 237A Street, 132-132A	50	1,000	-	-	-

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Section -> Project	2021	2022	2023	2024	2025
132 Avenue, Balsam to 236 Street	-	50	1,000	-	-
136 Ave, 224 Street to Foreman	-	-	50	1,000	-
216 St (124 - 128) Watermain Replacement	1,500	-	-	-	-
232 at 136 PS - 175m HP Connection	-	2,000	1,000	-	-
232 St (132) PRV Replacement	350	-	-	-	-
236 St PS CL Facility & Station Upgrade Concept Plan Phase 2	5,000	-	-	-	-
240 St, (Kanaka Way to 112 Ave)	-	-	-	-	280
248 Street Pump Station Upgrades Design	-	-	-	-	150
256 St Reservoir Tank Replacement	-	-	200	2,000	-
270A St Reservoir Replacement	150	1,500	-	-	-
CL2 Equipment Replacement Program	50	50	50	50	50
Construction - 203 St, Lougheed Thorne Main Replacement	-	1,200	-	-	-
Design - 203 St, Lougheed to Thorne Watermain Replacement	100	-	-	-	-
Drinking Water Master Planning	-	-	150	-	-
DTR 246-248	-	-	-	50	600
Dunn Ave (Maple Meadows Way - West St)	-	500	-	-	-
Fire Hydrant Flow Testing	30	-	-	-	-
Gas Detectors - Sewer	15	-	-	-	-
Grant Mountain Reservoir Twinning	-	50	500	-	-
Leak Detection Equipment	50	-	-	-	-
Local Area Service - Water +	250	250	250	250	250
McIntosh, 224 Street to West	350	-	-	-	-
Private Water Connections	410	410	410	410	410
Replace Kingston PRV South of 113B	-	-	50	500	-
Replace PRV at DTR & 222	-	-	-	-	50
Replace PRV at DTR & 232	-	-	-	50	500
SCADA access equipment for Water Department	-	-	-	50	-
Steeves, 118 to 117	400	-	-	-	-
Water Pump Station Upgrades	60	60	60	60	60
Water Remote Security Program	50	50	50	50	50
Water Reservoir Upgrades	50	50	50	50	50
Water Sampling Equipment	-	-	-	25	-
Water System Improvement Program	50	50	50	50	50
Watermain Replacement Program	250	400	550	600	600
Waterworks Compaction Equipment	25	-	-	-	-
Waterworks Shop Modification Construction	-	125	-	-	-
Waterworks Shop Modification Plan	25	-	-	-	-
Whonnock Well Inspection & Repairs	150	-	-	-	-
Work Station Addition/Replacement	-	40	-	-	-
Grand Total	44,744	33,363	35,105	34,313	51,056