

CORPORATION OF THE DISTRICT OF MAPLE RIDGE

TO: Her Worship Mayor Kathy Morse and Members of Council
FROM: Chief Administrative Officer
DATE: December 17, 2002
SUBJECT: 2003-2007 Financial Plan Bylaw

Purpose/Problem

This bylaw will provide the authorization required to carry out the Business Plans presented to the Mayor and Council and public in December 2002.

Recommendation(s)

That the Maple Ridge 2003-2007 Financial Plan By-law #6090-2002 be read a first and second time and that the Rules of Order be waived and the Maple Ridge 2003-2007 Financial Plan By-law #6090-2002 be read a third time.

History/Background

The District is currently authorized to make expenditures under the 2002-2006 Financial Plan Bylaw 6040-2002. However, this plan is currently outdated and does not represent Council's recommendation to move forward with the Business Plans as presented in December 2002.

Alternatives

In the event this bylaw is not passed, the District is not authorized to make any expenditures other than those identified in the 2002-2006 Bylaw. This will delay implementation of the Capital Program and any new operating initiatives.

Financial Implications

The financial implications are represented in the schedule and appendices accompanying the bylaw. In summary, this bylaw will provide authorization for \$76 million in expenditures, as follows:

- a \$16 million Capital Program;
- \$44 million in Operating Expenditures;
- \$5 million in Debt Payments; and
- \$11 million in Transfers to Reserves.

The funding of \$76 million will come from the following sources:

- Property Taxes and Parcel Charges \$33 million;
- Property Sales \$5 million;
- Fees and Charges \$16 million;
- Grants, Interest and Other \$5 million;
- Developer Cost Charges \$5 million;
- Transfers from Reserves \$12 million.

Citizen/Public Relations Involvement/Implications

An open invitation was extended to the public to attend any or all of the Business Plan presentations held during December 2002. Feedback was accepted during the sessions, on the District's web site, and to the

telephone “budget hotline.” This provided Council with additional information with which to base their funding decisions.

The implication to the average taxpayer in 2003 is a 4% tax increase for levies under the direct control of Municipal Council. We are also legislated to collect taxes and levies for other jurisdictions and most of those amounts will not be known until early 2003. A bylaw to set property taxation rates will come forward in April 2003.

Interdepartmental Involvement/Implications

Business plans were presented by all departments and collectively coordinated into the Corporate Financial Plan. Ensuring cross-departmental coordination is a fundamental aspect of the business planning process. The business and financial plans were achieved within the guidelines set in “Business Planning Guidelines 2003,” a document updated annually in the spring, in consultation with Council.

Appendix A: Highlights of the Proposed 2002 Financial Plan

Appendix B: Graphs “2003 Projected Revenues” and “2003 Projected Expenditures”

*Prepared by: Laura Benson, CMA
Senior Finance Manager*

*Approved by: Jacob Sorba, CGA
Director of Finance*

*Approved by: Paul Gill, BBA, CGA,
General Manager, Corporate & Financial Services*

*Concurrence: **Jim (J.R.) Rule**
Chief Administrative Officer*

Highlights of the Proposed 2003 Financial Plan

Taxation

Growth in the assessment base for taxation has been estimated at 2.75%, which brings in an additional \$750,000 in revenue.

A 4% tax increase has been proposed; 3% for general purpose and 1% for Town Centre Project. This generates an additional \$1,100,000 in revenue. Consistent with a strategy adopted in 1998 to increase Capital Works Reserve by 1% of taxation, \$279,000 of this new revenue will be transferred to this reserve for use in the capital program.

Grants in Lieu from other governmental agencies and corporations will rise \$72,000.

Recycling rates will increase due to increased contract and vehicle costs. The depot charge will increase \$0.48 (2%) from \$23.76 to \$24.24. The blue box program will increase \$0.48 (2%) for single family homes, increasing the rate from \$24.44 to \$24.92. The rate change for multi-unit dwellings is \$0.48 (2%), increasing the rate from \$24.26 to \$24.74.

The District's cost to purchase water from the Greater Vancouver Water District is expected to rise 4%. This issue will be revisited once GVWD finalizes their budget. The Greater Vancouver Sewage and Drainage District has passed along a 2% increase in operating costs, and a 10.56% increase as the phase-in for the North Fraser Sewer Area equalization. A 4% increase in rates to District ratepayers is expected, with the balance of the increase funded from reserves. Both water and sewer rates will be considered further in March/April 2003.

Public Works and Development

Revenue from building permits is expected to rise \$150,000 over the 2002 budgeted level. A \$40,000 increase in part-time wages has been provided to deal with the activity, with funding provided from the Inspection Reserve. Planning revenues are also expected to rise, and are budgeted at \$35,000 over 2002. There will be additional charges to the utilities and capital projects from engineering services of \$65,000, a shift that will have the utility users pay their fair share of services, while general revenue taxpayers will see a reduction.

A temporary Planner 1 position has been eliminated. The recycling contract is expected to rise \$22,000, mainly due to wage increases. Higher vehicle charges add an additional \$17,000 in costs. A 2% rate increase is proposed to meet these pressures. Wages for the Public Works and Development division are expected to rise \$230,000 due to estimated wage and benefits costs, and a \$55,000 savings from vacancy management in the 2002 budget has been added back. Cost containment initiatives employed in 2002 have been eliminated, causing a rise in costs of \$90,000.

A coordinator for the new integrated customer service counter has been added midway through 2003 at an annual cost of \$65,000 (half for 2003). A Planning Assistant is included at an annual cost of \$54,000, beginning midway through 2004. Funding, on a one-time basis, is provided for: a zoning bylaw review \$80,000; development process review \$30,000; heritage and significant tree policy \$20,000. Clerical support for the Bylaw Enforcement area is provided at an annual cost of \$21,000, and an additional Bylaw Enforcement Officer is provided beginning midway through 2004. \$45,000 for ICBC's Safer City project has been added to fund 2003 and 2004 costs, and further funding will be re-evaluated in the future. Clean-up in the town core area will receive an additional \$24,000, and a program to upgrade sidewalk wheelchair ramps has been extended for a further 2 years at a total cost of \$75,000.

Protective Services

The Fire Department Capital Acquisition Reserve, which receives 2% of taxation, will receive an increase of \$36,000 due to a higher taxation base. Coupled with an annual contribution to the Equipment Replacement Reserve, this brings the annual amount transferred to reserves to \$820,000. Other fire protection costs rise \$60,000, including wages, WCB charges, vehicle costs, and the cost for paid-on-call services. An additional \$50,000 is being provided for the department, and increases by \$50,000 for each of the following 4 years.

The RCMP contract increases by \$420,000, to a total of \$6.8 million. Centralized dispatch service will require \$175,000 in funding over the 2002 budget amount, for an annual commitment of \$675,000. Offsetting this increase is a decrease in dispatch wages of \$210,000. Funding is provided for 4 new RCMP members to start midway through 2003 at a cost of \$200,000, and another 4 midway through 2004. Also provided are an Applications Support Specialist for 2003 only (\$45,000), a Community Policing Coordinator starting midway through 2003 (\$10,750 for ½ year), and provision for a used vehicle, to be used part-time and shared with the Information Services Department (\$4,000).

Community Development, Parks & Recreation

Revenues from recreation services are expected to rise \$200,000 over the 2002 budget due to a higher than anticipated public response to new services. The Leisure Centre makes up \$175,000 of this increase. A rise in program costs and wages to respond to increased use is expected to require an additional \$230,000 over the prior year. Other wages and payroll benefits for this division add \$190,000 in costs over the prior year.

Use and occupancy payments on the Arts Centre begin in 2003 and are expected to be \$960,000 for the year. The Arts Council fee for service will increase \$230,000, for a total of \$410,000 to cover the operating costs for the Arts Centre.

Other additional amounts provided for 2003 are: water well testing \$10,000; annual maintenance costs on the registration software \$10,000; maintenance for new parks in the capital program \$5,000; a growth increment of \$40,000, an increment to supplement current security initiatives in the town centre to provide full year coverage \$35,000; \$12,000 for opening celebrations for the Arts Centre, and \$8,000 for a public art policy, funded from 2002 surplus.

Corporate & Financial Services

A Clerks Coordinator position was eliminated, and net of an increase in costs, will save \$20,000. Recruitment decreases \$30,000 from a higher 2002 level to deal with several senior management positions. The early retirement program has been eliminated, removing an expected \$50,000 saving. Wages and payroll benefits for this division are expected to rise \$200,000. Provision for a part-time accounting cashier/clerk has been added at \$15,000.

Investment earnings are anticipated to rise, so a \$165,000 increase in revenue expectation has been accommodated. Other revenues show expected increases of \$35,000. Insurance premiums are expected to rise \$50,000. Funding of \$20,000 has been provided to deal with WCB and BC Municipal Safety Association regulations on a one-time basis.

Operating costs relating to technology projects will add \$20,000 in costs to 2003. A remote user upgrade program, for 2003 only, will cost \$15,000. A Project Manager has been added, at a cost of \$98,000, and is funded from projects within the capital program. A part-time Accounting Cashier/Clerk is added

midway through 2003. One-time money is provided for a regulatory WCB/BCMSA project (\$20,000), and fixed asset classification and valuation project (\$50,000). An effort to increase the corporate training budget to 2000 levels starts midway through 2004.

Reserves that will receive higher contributions than the prior year, along with the incremental amounts, are as follows: Technology Replacement Reserve \$145,000; Facilities Infrastructure Reserve \$50,000; Protective Services Reserve \$50,000. Some of these amounts were decisions made in last year's business planning process. The Town Centre Reserve will receive an additional 1% of taxation revenue (\$279,000), and anticipated land sale revenue of \$5,400,000.

Administration

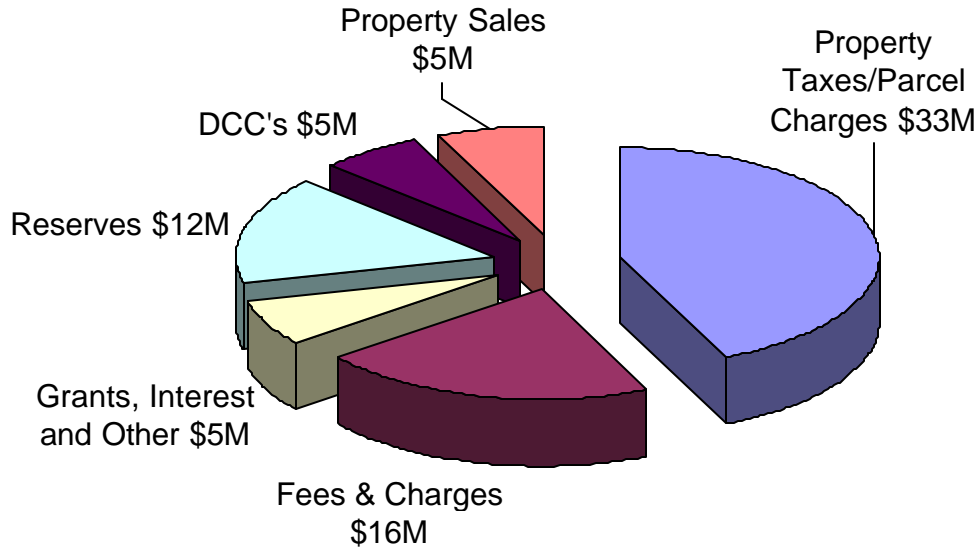
A mail clerk, a half-time position added in 2002, increases costs by \$17,000 over the previous year. A vacancy in the CAO's position in 2002 is filled, adding \$20,000 to cover a full year. Wages and payroll benefits increase \$15,000, and a benefits package is provided to Council at a cost of \$12,000. Cost savings in studies and projects total \$20,000. New funding has been added for an ongoing economic development program \$190,000, plus an economic development strategy at \$35,000. Funding will be provided for communications at \$100,000. Grants and Donations have been increased by \$35,000, and a contingency for Council expenses has been provided at \$20,000.

Capital Program

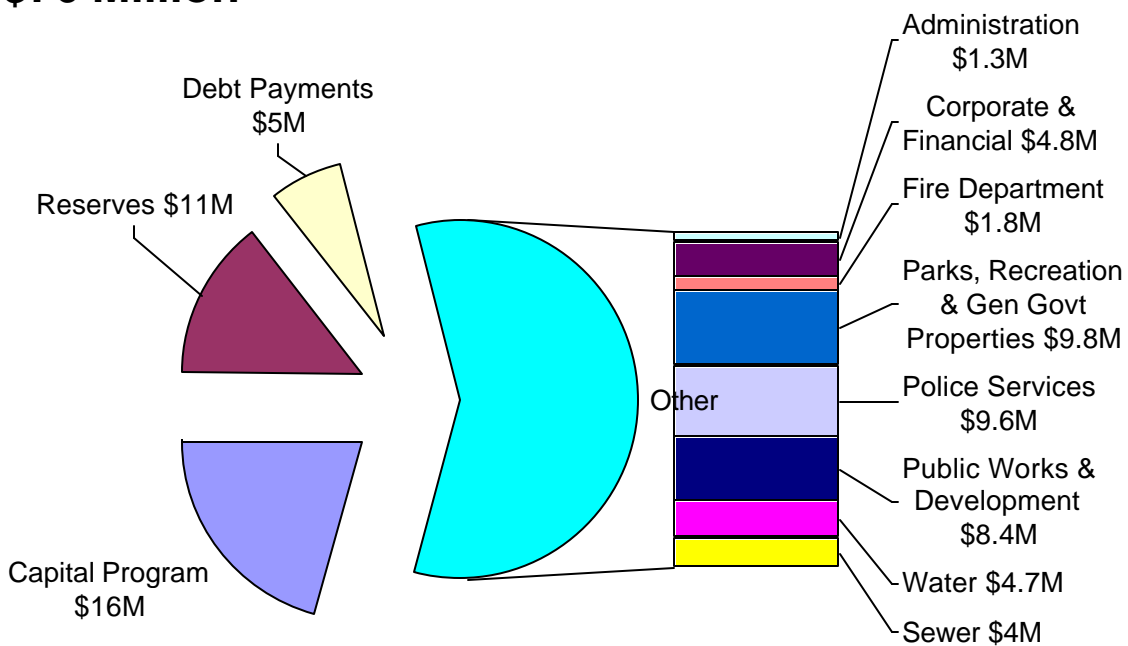
The funding provided to the capital works program from General Revenue remains stable at \$2.2 million for 2003. The program totals \$16 million with resources allocated as follows:

- Drainage \$520,000; Highways \$5.6 million; Sewer \$1.2 million; Water \$2.2 million
- Government Services \$1.0 million; Technology \$900,000
- Park Acquisition \$400,000 / Park Improvement \$2.1 million / Recreation \$1.5 million
- Fire Protection \$560,000; Police Services \$85,000

2003 Projected Revenue \$76 Million



2003 Projected Expenditures \$76 Million



CORPORATION OF THE DISTRICT OF MAPLE RIDGE

BY-LAW NO. 6090-2002

A By-law respecting the 5-year Financial Plan for the years 2003 through 2007

WHEREAS pursuant to Section 327 of the Local Government Act, Council for the District of Maple Ridge has caused to be prepared a Financial Plan for the years 2003-2007;

AND WHEREAS a public consultation process regarding the Financial Plan was undertaken by the District of Maple Ridge;

NOW, THEREFORE, Council for the District of Maple Ridge in open meeting assembled, ENACTS AS FOLLOWS:

1. This By-law may be cited for all purposes as “Maple Ridge Financial Plan By-law No. 6090-2002.”
2. Statement 1 attached hereto and made part of this by-law is hereby declared to be the Financial Plan of the Corporation of the District of Maple Ridge for the years 2003 through 2007.

READ a first time this 17th day of December, 2002.

READ a second time this 17th day of December, 2002.

READ a third time this 17th day of December, 2002.

RECONSIDERED and adopted the 14th day of January, 2003.

_____MAYOR

_____CLERK

Attachments: Statement 1

Statement 1
Consolidated Financial Plan

	2003	2004	2005	2006	2007
REVENUES					
External Revenues					
Property Taxes	\$30,727,179	\$33,011,326	\$34,968,546	\$36,851,636	\$39,102,821
Parcel Charges	\$1,707,357	\$1,733,730	\$1,760,362	\$1,787,260	\$1,814,428
Fees & Charges	\$16,284,957	\$16,753,801	\$16,957,558	\$17,153,379	\$17,440,989
Interest	\$1,278,304	\$1,232,363	\$1,176,240	\$1,145,904	\$1,145,904
Grants (Other Govts)	\$3,648,116	\$2,881,882	\$2,294,100	\$1,718,537	\$2,139,859
Property Sales	\$5,400,000	\$0	\$0	\$0	\$0
Borrowing Proceeds	\$0	\$0	\$0	\$18,588,754	\$0
Development Fees					
Developer Cost Charges	\$5,390,443	\$5,244,237	\$5,128,685	\$5,037,453	\$5,582,402
Developer Specified Projects	\$0	\$25,984	\$0	\$0	\$15,750
Parkland Acquisition	\$0	\$200,000	\$200,000	\$200,000	\$200,000
<i>Total External Revenues</i>	<u>\$64,436,357</u>	<u>\$61,083,323</u>	<u>\$62,485,491</u>	<u>\$82,482,923</u>	<u>\$67,442,153</u>
Internal Revenues					
Transfer from Part 13 Funds	\$4,137,919	\$4,046,198	\$3,634,860	\$5,550,364	\$877,828
Transfer from Own Reserves	\$5,134,240	\$4,261,609	\$3,984,307	\$4,060,676	\$4,938,300
Transfer from Surplus	\$2,494,498	\$2,008,970	\$2,628,110	\$2,158,385	\$112,354
<i>Total Internal Revenues</i>	<u>\$11,766,657</u>	<u>\$10,316,777</u>	<u>\$10,247,277</u>	<u>\$11,769,425</u>	<u>\$5,928,482</u>
TOTAL REVENUES	<u>\$76,203,014</u>	<u>\$71,400,099</u>	<u>\$72,732,768</u>	<u>\$94,252,348</u>	<u>\$73,370,635</u>
Expenditures					
External Expenditures					
Capital Expenditures	\$16,147,795	\$15,164,437	\$14,702,505	\$16,147,215	\$11,694,881
Principal Payments on Debt	\$1,976,669	\$1,697,258	\$1,597,224	\$19,569,468	\$633,883
Interest Payments on Debt	\$3,209,476	\$3,119,048	\$3,034,175	\$2,715,373	\$2,954,056
Other Expenditures	\$44,268,652	\$45,648,447	\$47,236,059	\$48,736,153	\$50,335,026
<i>Total External Expenditures</i>	<u>\$65,602,593</u>	<u>\$65,629,190</u>	<u>\$66,569,963</u>	<u>\$87,168,209</u>	<u>\$65,617,846</u>
Internal Expenditures					
Contribution to Part 13 Funds	\$2,187,912	\$2,330,466	\$2,470,882	\$2,571,186	\$2,670,288
Contribution to Surplus	\$0	\$0	\$0	\$0	\$0
Contribution to Own Reserves	\$8,412,509	\$3,440,444	\$3,691,923	\$4,512,954	\$5,082,502
<i>Total Internal Expenditures</i>	<u>\$10,600,421</u>	<u>\$5,770,909</u>	<u>\$6,162,805</u>	<u>\$7,084,139</u>	<u>\$7,752,790</u>
TOTAL EXPENDITURES	<u>\$76,203,014</u>	<u>\$71,400,099</u>	<u>\$72,732,768</u>	<u>\$94,252,348</u>	<u>\$73,370,635</u>