



Financial Overview Report

Financial Plan
2022-2026



Table of Contents

INTRODUCTION	2
HOW HAVE WE BEEN DOING IN RELATION TO OUR BUDGET THIS YEAR?	3
PROPERTY TAX INCREASES.....	5
WHERE DOES THE MONEY COME FROM AND WHERE DOES IT GO?.....	7
CHANGES TO PREVIOUS OPERATING BUDGET	11
INCREMENTAL ADJUSTMENTS	13
WHAT WOULD A ZERO TAX INCREASE LOOK LIKE?	14
UTILITIES & RECYCLING	17
STAFFING	20
FINANCIAL SUMMARY BY DEPARTMENT	21
COMPOSITION OF PROPERTY ASSESSMENT BASE	23
CAPITAL PROGRAM	24
IMPACT TO THE AVERAGE HOME.....	33
CONCLUSION	37
RECOMMENDATIONS FOR 2022-2026 FINANCIAL PLAN.....	38
GENERAL INFORMATION	39
APPENDIX 1 PROPOSED CAPITAL PLAN	40

Opening Remarks

The City’s Financial Plan, more commonly known as the “Budget”, is the outcome of a robust business planning process that aligns all business plans and work plans 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 for the City of Maple Ridge reflects the financial implications of the services provided. This document provides an overview of the 2022-2026 Financial Plan and builds on the foundation of years of business and financial planning.

The last few years have seen a significant shift to strategic goals and key deliverables. These are prepared in the way of the Corporate Plan aligned with the key priorities identified in Council’s Strategic Plan.

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 and recorded.

This report begins with a discussion of the legislative framework that we operate within, 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 citizens depend on every day for their 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 27, 2021.

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 that 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.

Recently, enhanced efforts for public engagement, communication and education include: education sessions on the Financial Plan and the release of short videos explaining property tax notices and our Financial Plan. The Open Government Portal continues to be valuable engagement tool. All of these resources can be found on the City website at mapleridge.ca/2600.

How Have We Been Doing in Relation to Our Budget This Year? 2021 Financial Performance - Excerpts from Quarter 3 Finance Update

In Q3, the City continued to address the ongoing COVID-19 situation. The Public Health Officer had indicated that the Province would move into Phase 4 of its four-phase restart plan on September 7, however due to an increase of cases, this transition was put on hold and instead mask mandates were reintroduced for all indoor public spaces and a vaccine passport system was implemented. The City has incorporated these changes into our operations as required.

The majority of the City's revenues are earned in the first half of the year, and while expenses are incurred more evenly, they tend to be weighted more to the latter part of the year. There are savings related to delays in many areas, most commonly these savings are transferred to Reserves to allow deferred work to proceed in 2022.

Revenues:

Property Taxes

Collections on the total tax levy is at 97.1% which is comparable to 2019 and ahead of 2020 which had delayed payment deadlines due to COVID-19.

User Fees & Other Revenues:

This revenue category includes items such as building permit revenues, planning fees, sewer and water levies and recreation fees. When looking at the category as a whole, revenues have increased by approximately \$5 million from the same time in 2020, driven in large part by increased sewer and water levies as well as increasing recreational revenues.

Building permit revenues have increased compared to 2020 and the current forecast indicates that we will achieve the Financial Plan estimate of \$2.8 million.

Planning fees have increased compared to the past two years indicating there is strong interest in development in the community which is an early indicator of future growth in the tax base.

Recreation fee revenues to the end of Q3 are up approximately 47% compared to the same time

last year. Recreation staff have worked diligently to get operations back to normal levels, while at the same time following Provincial Health Orders. Late in Q3, our Leisure Centre facility returned to full capacity for the first time since closing in March of 2020. We anticipate a shortfall in revenues for the year which will depend on the ability to continue operations safely as we follow Provincial orders.

Government Transfers:

Grants are received from other levels of government and are typically linked to a specific program or service delivery area.

In 2021, the City expects to receive approximately \$1.9 million in funding from TransLink for the maintenance and rehabilitation of the Major Road Network. The funding expectations is a return to normal levels after being cancelled in 2020 due to COVID-19.

The City received half of its awarded \$1.2 million in funding for strengthening community resilience for vulnerable populations due to COVID-19. This funding has enabled the successful launch of the Community Resource Hub and also supported the transition to a 16/7 Community Safety Officer operating model.

Gaming Revenues:

On July 1, the Chances Casino reopened with capacity restrictions in place. There were expenses incurred while they were closed and revenue sharing payments through the end of our Q1 2022 will be adjusted to offset those expenses. For Q3, the City received \$440,000 indicating a strong demand for the casino since reopening. We currently have approximately \$1.6 million of reserved gaming revenues which can offset the shortfall in this revenue stream in the short term.

Expenses:

Q3 results for most reporting segments are comparable to Q3 of 2020. As we continue to work through the Provincial Restart Plan, we are beginning to see a transition back to regular operations which has caused some reporting segments, like the Recreation area, see their expenses start to return to normal levels. However, any delays, which result in savings, may be transferred to Reserves at the end of the year to allow the work to continue in the following year. Overall, we are anticipating that results are likely to be comparable to 2020 by year end.

General Government:

General government expenses are in line with where they were at the same point in 2020. At the end of the September, expenses in this area are at approximately 60% of the budget, and if this trend continues, we could see a savings of approximately \$3.6 – \$5.1 million at the end of year.

Protective Services:

Expenses for Protective Services to the end of Q3 are at 63% of the budget, slightly higher than the same time last year. On August 6, the RCMP union contract was ratified which will result in multiple years of retroactive pay being settled in future periods. At this time, we do not have the estimated cost to the City.

Transportation:

Expenses to the end of Q3 are at approximately 50% of the budget, in line with the same time last year. This reporting segment has experienced significant recruitment challenges for the past while and has recently been able to successfully fill a number of vacancies. Due to these resourcing challenges, we expect a number of studies and projects will carry over to next year. If the current trends continue through the end of the year, it is expected that we will see savings in this area ranging between \$2.8 and \$4.3 million.

Planning, Public Health & Other:

Expenses in this reporting segment are in line with 2020 spending. At the end of Q3, expenses in this reporting segment are at approximately 70% of the budget, and if current trends continue, we expect we will see a slight savings at year-end versus the budget. Any savings we see are likely to be transferred to Reserves to allow deferred work to proceed in 2022.

Parks, Recreation & Culture:

Expenses are starting to return to their normal levels compared to the same time last year, an increase of approximately \$1 million. The Department has had a number of ongoing operational pivots and has slowly increased capacity at facilities. The Department has been adapting to the changing health orders throughout the duration of the pandemic, having gone from a complete shut down to opening with limited capacity to opening facilities back at full capacity late in Q3. It is difficult to forecast this area to year end with the uncertainty around potential future health order changes. Should current trends continue, we anticipate savings of between \$3.8 and \$5.8 million by the end of the year some of which will be transferred to Reserves for work that will proceed in 2022.

Sewer:

Compared to 2020, we are seeing a slight increase in expenses, due to an increase in the annual sewer levy. If current trends continue, we expect year end expenses will range from approximately \$10.5 million - \$11.5 million, resulting in savings between \$700 thousand - \$1.7 million. Final results will depend on progress on various projects and a portion of savings will be transferred to Reserves to allow work to continue next year.

Water:

At this time, we forecast water utility expenses to range from approximately \$12 million - \$13 million which would result in savings between \$2.2 – \$3.2 million. Final results will depend on water consumption trends for the remainder of the year.

Property Tax Increases

On July 27, 2021, Council approved the Business & Financial Planning Guidelines 2022 – 2026. These recommendations are consistent with those guidelines.

Municipal Property Tax & User Fee Increases	2019	2020	2021	Proposed				
				2022	2023	2024	2025	2026
Property Tax increases								
General Purpose	1.90%	2.25%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Infrastructure Replacement	0.70%	0.70%	0.70%	0.90%	0.90%	0.90%	1.00%	1.00%
Parks and Recreation	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.40%	0.25%
Drainage	0.30%	0.30%	0.30%	0.10%	0.10%	0.10%	0.10%	0.10%
Total Property Tax Increase Per Guidelines	3.50%	3.85%	3.60%	3.60%	3.60%	3.60%	3.50%	3.35%
User Fee Increases								
Recycling	2.75%	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%
Sewer*	7.70%	7.75%	7.80%	7.86%	7.91%	7.94%	7.99%	8.03%
Total Municipal Property Tax & User Fee Increases	4.21%	4.38%	4.29%	4.32%	4.35%	4.37%	4.34%	4.27%

* 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 and the cost implications of collective agreements and other contracts. Inflation pressures will continue to be monitored. As inflation increases, this puts pressure on this portion of the property tax increase.

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 & Culture. This increase funds the operating and debt serving costs of additional parks and 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 16.5% 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.

Additional history on our tax experience is shown in the table on the following page.

Property Tax Increases

	General Purpose	Infra-structure	Drainage	Parks & Rec.	Fire Levy	Town Centre	Total Increase
2026	2.00%	1.00%	0.10%	0.25%			3.35%
2025	2.00%	1.00%	0.10%	0.40%			3.50%
2024	2.00%	0.90%	0.10%	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.

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 \$5.2 million in revenue is expected to accrue to the City in 2022.

Conceptual Overview of New Revenue

Item (\$ in thousands)	2022	2023	2024	2025	2026
<i>Previous Year's Taxation</i>	93,434	98,779	104,174	109,919	115,699
Growth Rate	2.11%	1.86%	1.91%	1.75%	1.75%
Growth Revenue	1,970	1,835	1,985	1,925	2,025
<i>Previous Year's Taxation + Growth</i>	95,404	100,614	106,159	111,844	117,724
Property Tax Increases:					
<i>General Purpose</i>	2.00%	2.00%	2.00%	2.00%	2.00%
<i>Infrastructure Replacement</i>	0.90%	0.90%	0.90%	1.00%	1.00%
<i>Parks & Recreation Improvements</i>	0.60%	0.60%	0.60%	0.40%	0.25%
<i>Drainage Improvements</i>	0.10%	0.10%	0.10%	0.10%	0.10%
Total Property Tax Increase	3.60%	3.60%	3.60%	3.50%	3.35%
Property Tax Increase	3,435	3,620	3,820	3,915	3,945
Utility Class Cap. & Sup. Adj. Contingency	(60)	(60)	(60)	(60)	(60)
Additional Property Taxes vs. Prior Year	5,345	5,395	5,745	5,780	5,910
<i>Next Year's Taxation Base</i>	98,779	104,174	109,919	115,699	121,609
Increases in Other Revenue	(111)	(24)	(23)	106	108
Increase in General Revenue	5,234	5,371	5,722	5,886	6,018

*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?

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)	2022	2023	2024	2025	2026
Additional General Revenue available	5,234	5,371	5,722	5,886	6,018
Transfers to Reserves:					
Capital Works Reserve	10	(25)	(30)	(30)	(60)
Fire Department Capital	(50)	(50)	(55)	(60)	(120)
Equipment Replacement Reserve	(40)	(40)	(45)	(45)	(60)
Parks & Recreation Improvements	(570)	(605)	(635)	(445)	(295)
General Revenue Funded Capital (net CWR tfrs)	(105)	(110)	(120)	(120)	(235)
Police Services Reserve Draw	2,965	150	(140)	(265)	(425)
Available after transfers	7,444	4,691	4,697	4,921	4,823

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

Expenditures

After we adjust 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 2022 costs will increase by \$315,000 and will increase by a further \$515,000 in 2023.

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 \$266,000.

Conceptual Overview of Expenditure Changes

Item (\$ in thousands)	2022	2023	2024	2025	2026
Available after transfers	7,444	4,691	4,697	4,921	4,823
Increase in Expenditures:					
Labour (excluding Fire Protection)	(1,315)	(1,480)	(1,395)	(1,085)	(1,100)
Equipment (excluding Fire & Police)	(40)	(25)	(25)	(25)	(30)
Fire Department	(175)	(370)	(390)	(375)	(380)
Additional Firefighters	(140)	(145)	-	-	-
Policing Contracts (RCMP, ITEAMS)	(3,795)	(980)	(930)	(935)	(1,010)
Ecomm	(95)	(50)	(55)	(55)	(55)
Contracts (SPCA, Library, Arts etc.)	(80)	(135)	(140)	(140)	(150)
Inflation Allowance	-	(105)	(110)	(110)	(150)
Infrastructure Replacement	(860)	(905)	(955)	(1,120)	(1,175)
Drainage Levy Related Capital Projects	(95)	(100)	(105)	(110)	(120)
Software Maintenance	(60)	(40)	(40)	(45)	(45)
Other Adjustments & Rounding	(104)	(62)	(137)	(2)	5
Available after expenditures	265	(122)	()	504	199
Surplus from prior year	1	266	144	144	648
General Revenue Surplus	266	144	144	648	847

*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?

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 the 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.

The 2022 RCMP Contract increase is abnormally large. This is due to an estimated cost of the first union contract for RCMP. The wage increases were significantly larger than previously communicated by the RCMP. An ongoing funding source, likely a property tax increase, will be required to cover the unanticipated amount.

Library: Maple Ridge is a member of a regional library system therefore our costs are affected by a number of factors. 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 was reduced in 2013 and has gradually been restored. This Financial Plan includes a 0.9% in 2022 to 2024, and 1.0% in 2025 and 2026.

Additional discussion on infrastructure replacement is included on page 30.

Inflation Allowance: The inflation allowance covers over 1000 items, amounting to approximately \$13.8 million in materials and services, for which increases are not specifically built into departmental budgets. An allowance of 0.75% per year for 2022 – 2026 is included in fiscal services to cover inflationary cost increases. The inflation allowance for 2022 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)	2022	2023	2024	2025	2026
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.

Changes to Previous Operating Budget

The next section outlines the changes to this Financial Plan from the one that covered the years 2021 - 2025.

Our last Financial Plan showed a surplus of \$1,000 for 2022. After the changes the surplus is \$266,000.

General Revenue Fund (GRF) Reconciliation of 2022-2026 Financial Plan

(\$ in thousands)	2022	2023	2024	2025	2026
May Adopted Financial Plan 2021-2025					
General Revenue Fund (GRF) Surplus	1	1	1	299	886
Changes					
Membership Fees	(28)	(28)	(28)	(28)	(28)
Labour Updates	271	(208)	(562)	(362)	(374)
Vehicle Charges	(38)	(39)	(40)	(40)	(41)
RCMP Contract (Union First Contract)	(2,551)	(2,668)	(2,725)	(2,762)	(2,839)
Draw on Police Services Reserve	2,231	2,413	2,525	2,262	1,839
Reduce Increases in Capital Transfers	200	400	600	800	800
Reduce Inflation Provision	207	312	420	530	679
Bank Charges - Increased Online Transactions	(32)	(36)	(39)	(43)	(47)
Additional Supplies	(16)	(16)	(16)	(16)	(16)
Software Maintenance and Data Lines	(57)	(62)	(65)	(67)	(69)
Miscellaneous	79	75	73	76	57
	265	144	144	350	(39)
GRF Surplus before Incremental Adjustments	266	144	144	648	847

Note: The starting Surplus for 2026 is calculated using the assumptions made for 2025.

Explanation of Changes:

- Membership Fees:** Professional accreditation requirements of our staff continue to increase as does the cost of memberships.
- Labour Updates:** There are savings in 2022 related to lower pension rates. These savings are offset by cost increases in 2023 and 2024.
- Vehicle Charges:** 4 additional vehicles were added related to previously approved staffing incremental.
- RCMP Contract:** After many years of negotiation, the first union contract for the RCMP has been agreed to and the cost increases are significant.
- Draw on Police Services Reserve:** As a short-term method to offset some of the impact of the increased cost of the RCMP contract, the Police Services Reserve will be used.
- Reduce Capital Transfers:** The General Capital Fund, Capital Works Reserve, Fire Department Capital Reserve and Fire Equipment Replacement Reserve transfers are increasing at half of what was previously planned for 2022 to 2024.
- Inflation Contingency:** This has been eliminated for 2022 and significantly reduced for future years.

- 8) Bank Charges: The increase in payments received online continues, as COVID-19 accelerated the use of online payments.
- 9) Additional Supplies: The addition of Community Safety Officers and the requirement for a higher standard of protective gear has increased the cost of these supplies.
- 10) Software Maintenance and Data Lines: The addition of the Albion Community Centre and expanded remote access for employees has increased the requirement for Data lines. Software licencing continues to shift to a subscription model and the result is increased costs.

Incremental Adjustments

The last section showed that after dealing with existing commitments and policy direction, \$266,000 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 can be addressed with a one item funding allocation from Accumulated Surplus or the Parks & Recreation Improvement Reserve.

Below is a summary of the incremental adjustments as recommended by the City’s Corporate Management Team. Before we can make additional investments and improve service levels, the Corporate Management Team would first like more information on the key strategic initiatives currently under development and the associated investments required to advance these initiatives.

Item (\$ in thousands)	2022	2023	2024	2025	2026
General Revenue Surplus before Incrementals	266	144	144	648	847
Proposed Ongoing Incremental Operating Items					
Ongoing Incremental Adjustments Recommended					
Increase BCOs & CSOs to eight hour day	(161)	(165)	(169)	(173)	(178)
Permanent 16/7 CSO Service Model				(305)	(313)
IT Budget Increase for Emergency responses	(25)	(25)	(25)	(25)	(25)
Increase Committee Clerk to 1.0 FT (.3 Increase)	(22)	(23)	(23)	(24)	(24)
Funding: Surplus funding of ongoing Incrementals	(58)	68	73		
Parking Officer from Part time to Fulltime	(42)	(43)	(44)	(45)	(47)
Funding: Parking revenue	42	43	44	45	47
Court Liaison Officer	(94)	(96)	(99)	(101)	(104)
Disclosure Clerk	(85)	(87)	(90)	(92)	(94)
Funding: Police Services Reserve	179	184	188	193	198
Subtotal General Revenue Surplus	-	-	-	121	307
Proposed One Time Operating Items funded by Accumulated Surplus					
Community Social Safety Video Production	(10)				
Tourism Strategy Update	(15)				
Two-Year Funding for Glow	(40)	(40)			
Data, LiDAR, and Imagery Fund	(65)				
InfoTech Subscription	(52)				
Enhanced COVID-19 Cleaning	(100)				
Esri Advantage Program	(25)	(25)			
Transfer From Accumulated Surplus	307	65			
Proposed One Time Operating Items Other Funding					
Parks Planner (for two year term)	(120)	(123)			
Parks & Recreation Improvement Reserve Funding	120	123			
Thornhill Economic Feasibility & Fiscal Impact Studies	(650)				
Development Cost Charge Funding	650				
Grant Administration & Application Support	(50)	(50)			
General Capital Funding	50	50			
General Revenue Surplus	-	-	-	121	307

What Would a Zero Tax Increase Look Like?

There are communities that speak about having achieved a zero tax increase and sometimes we're 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, which we advocate against:

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 long term. Should a watermain not be 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 while there is nothing wrong with it, there must be a plan to reduce the reliance on savings and another plan to replenish it. 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.

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 2022:

RCMP Costs

	2021	2022	Increase
RCMP Contract	\$20,434,000	\$23,857,000	\$3,423,000

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. The RCMP's first union contract has been agreed to resulting in a cost increase in 2022 which is much higher than typical. An annual wage increase was factored in; however the increase was more than anticipated. The Police Services Reserve is being used to reduce the impact of the cost in the short term but is not sustainable. Additional RCMP members are anticipated over the 5 year term to keep up with a growing community and the related policing needs.

Infrastructure Maintenance & Renewal

	<u>2021</u>	<u>2022</u>	<u>Increase</u>
Annual Contribution	\$6,507,000	\$7,366,000	\$859,000

Comments: The City has a substantial infrastructure renewal/maintenance deficit that we are starting to address, and while the City could continue to defer, timely maintenance and renewal can help avoid larger expenditures at a later time.

Fire Department

	<u>2021</u>	<u>2022</u>	<u>Increase</u>
Annual Costs	\$13,145,000	\$13,508,000	\$363,000

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>2021</u>	<u>2022</u>	<u>Increase</u>
Master Plan Levy	\$2,666,000	\$3,238,000	\$572,000

Comments: The funding includes the amounts needed for debt payments and operating costs for the approved Parks & Recreation projects. We could push back the phased-in funding which may delay implementation of the amenities that have not yet been built.

Parks & Recreation Improvement Reserve Projection

<i>\$ in thousands</i>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Opening Balance	4,739	353	860	1,493	1,178	1,437
2020 Approved Capital (in progress)	(5,759)					
Add Back: PY spend	698					
Inflows						
Property Taxes Prior Years	2,125	2,666	2,666	2,666	2,666	2,666
Property Tax Increase	541	572	1,176	1,813	2,261	2,555
Outflows						
Planned Capital Expenditures	(20)	-	-	-	-	-
Debt Payments	(900)	(788)	(788)	(2,396)	(2,396)	(2,396)
Operating Result (Revenues Less Expenses)	(1,071)	(1,943)	(2,421)	(2,398)	(2,272)	(2,300)
Estimated Ending Balance	353	860	1,493	1,178	1,437	1,962

What Would a Zero Tax Increase Look Like?

Drainage Improvements

	<u>2021</u>	<u>2022</u>	<u>Increase</u>
Annual Levy	\$2,000,000	\$2,095,000	\$95,000

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 \$95,000 was planned for 2022, but we do not have to do this.

Contribution to Reserves

	<u>2021</u>	<u>2022</u>	<u>Increase</u>
Fire Department	\$2,117,000	\$2,182,000	\$65,000

Comments: The City relies on Reserve Funds to manage large expenditures and the above-noted increases in contributions were planned for 2022. 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>2022 Increase</u>
Labour	\$1,279,000
Inflation	No Contingency in 2022

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 increasing, 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 2022 property tax increases associated with the figures presented on the previous page are:

- Infrastructure Sustainability 0.9%
- Drainage Improvements 0.1%
- Parks, Recreation & Culture (PRC) 0.6%

These increases fund specific programs. If the property tax increase were to be reduced in 2022 to provide temporary relief associated projects would need to be delayed.

To provide additional perspective, a 1% change in municipal property taxes equates to approximately \$25 on the average home assessed at about \$772,000.

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 municipality has a practice of rate smoothing. However, if temporary relief is desired from rate increases during the pandemic, the 2022 rate increase for water could be reduced or eliminated. The costs will eventually need to be covered as the Region has planned rate increases in the next five years that average approximately twice the increase that we are proposing.

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.

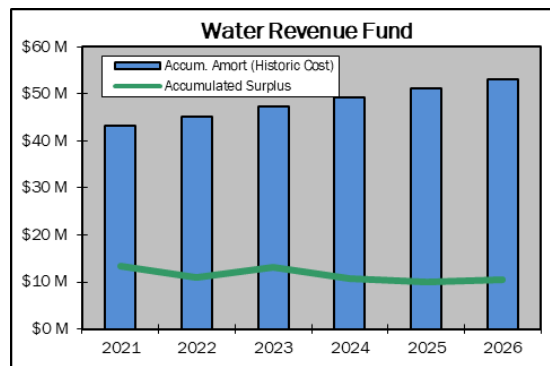
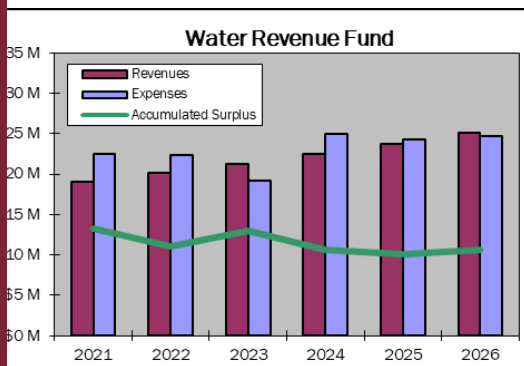
The second graph shows how the Accumulated Surplus compares to the accumulated amortization for City assets. The accumulated amortization is the prorated cost of the portion of assets currently consumed. For example, if the useful life of an asset is 50 years and it is 25 years old, the accumulated amortization 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.

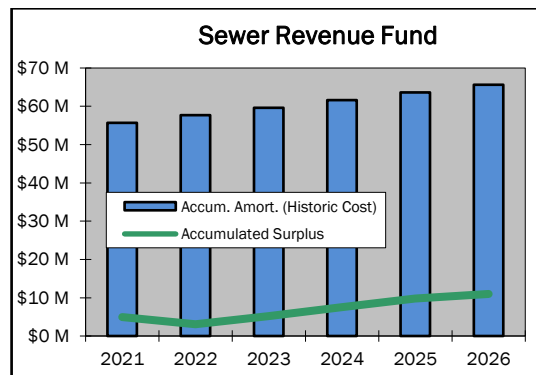
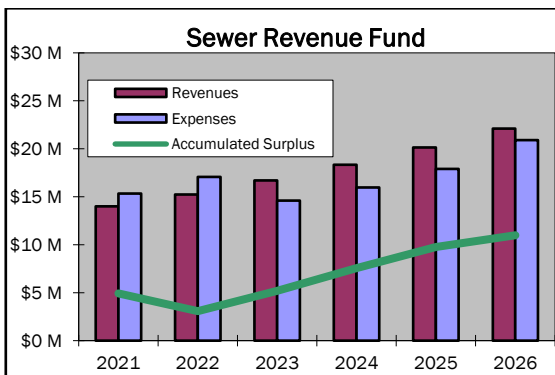
When setting water rates, we need to consider not only our own planned expenditures and infrastructure requirements, but also those planned by the Region. The Regional District reduced their projected rate increases for 2022-2026 with an average annual increase of 7%. The municipal rate increase has 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 2022 sewer fees are approximately \$498 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 16.5%. The rate increase for the municipal sewer levy increases by 8.5% for each year in the 2022 - 2026 Financial Plan.



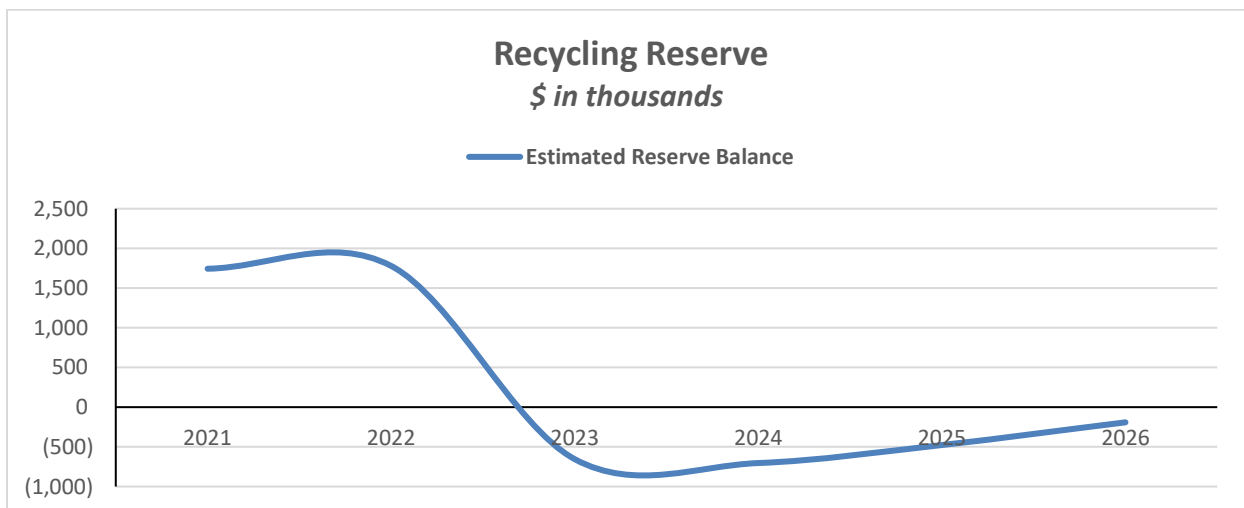
Recycling Rates

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 2026. 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>	2021	2022	2023	2024	2025	2026
Opening Balance	3,927	1,744	1,779	-655	-704	-477
2020 Approved Capital (in progress)	-1,763					
Add Back: PY spend	42					
Inflows						
GRF Annual Transfer	90	90	90	90	90	90
Operating Results	-172	25	76	81	137	196
Outflows						
Planned Capital Expenditures	-380	-80	-2,600	-220	0	0
Estimated Reserve Balance	1,744	1,779	-655	-704	-477	-191

The Ridge Meadows Recycling Society's contract costs have 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.



Staffing

The annual change in staffing averages about 2 full-time employee (FTE) per year on a base of over 507 positions (FTEs). Prior years' incrementals are the source of most increases in staffing numbers and several of these were delayed in 2021 to future years, which are reflected in the schedule.

Prior Year Incrementals:

- Firefighter - Incremental 2020 1 Firefighter per year 2020 - 2023
- Manager of Employee Experience & Engagement - Incremental 2020 added January 2022
- Clerk Buyer Position - Incremental 2020 added July 2022
- Operations Inspector - Incremental 2020 was delayed to start in January 2022
- Albion Community Centre estimates - add 1.7 FTE 2021 (partial year), 2022-2026 6.8 FTE (Full Year), Children's Coordinator 0.7 FTE from 2021 Growth money starting in 2022
- Building Permits Coordinator - Incremental 2021 added January 2022
- April 2021 addition of 1 Senior Community Safety Officer (CSO) and 2 CSOs funded by Community Safety Reserve until 2023

Full Time Equivalent Staffing (Budget)

	2021	2022	2023	2024	2025	2026
Administration						
Administration	3.0	3.0	3.0	3.0	3.0	3.0
Economic Development	5.0	5.0	5.0	5.0	5.0	5.0
Fire Department	66.5	67.5	68.5	68.5	68.5	68.5
Human Resources	8.0	9.0	9.0	9.0	9.0	9.0
Legal & Legislative	8.8	8.8	8.8	8.8	8.8	8.8
	91.3	93.3	94.3	94.3	94.3	94.3
Corporate Services						
CS Administration	1.5	1.5	1.5	1.5	1.5	1.5
Corporate Communications	2.5	2.5	2.5	2.5	2.5	2.5
Corporate Planning & Consultation	3.0	3.0	3.0	3.0	3.0	3.0
Finance	27.5	28.0	28.5	28.5	28.5	28.5
Information Technology	21.0	21.0	21.0	21.0	21.0	21.0
Police Services	51.3	51.3	51.3	51.3	51.3	51.3
	106.8	107.3	107.8	107.8	107.8	107.8
Engineering Services						
Engineering Services Administration	1.5	1.5	1.5	1.5	1.5	1.5
Engineering	31.0	31.0	31.0	31.0	31.0	31.0
Operations	88.0	89.0	89.0	89.0	89.0	89.0
	120.5	121.5	121.5	121.5	121.5	121.5
Parks, Recreation & Culture						
Administration	2.5	2.5	2.5	2.5	2.5	2.5
Parks & Facilities	44.8	44.8	44.8	44.8	44.8	44.8
Recreation & Community Engagement	71.3	77.1	77.1	77.1	77.1	77.1
	118.6	124.4	124.4	124.4	124.4	124.4
Planning And Development Services						
P&DS Administration	1.0	1.0	1.0	1.0	1.0	1.0
Building	25.8	26.8	26.8	26.8	26.8	26.8
Licences & Bylaw	20.8	21.5	21.5	21.5	18.5	18.5
Planning	22.0	22.0	22.0	22.0	22.0	22.0
	69.6	71.3	71.3	71.3	68.3	68.3
Grand Total	506.8	517.8	519.3	519.3	516.3	516.3

Financial Summary by Department

All \$ in thousands	Adopted	Proposed	Proposed Changes		Proposed			
	2021	2022	\$	%	2023	2024	2025	2026
General Revenue & Taxation								
Financial Services - Revenue & Taxation	(100,829)	(106,101)	(5,272)	5%	(111,516)	(117,279)	(123,073)	(128,996)
Administration								
CAO Administration	558	571	13	2%	610	647	659	672
Economic Development	586	635	49	8%	656	674	690	705
Fire Protection	15,063	15,492	429	3%	16,120	16,634	17,136	17,721
Human Resources	1,962	2,062	100	5%	2,206	2,280	2,329	2,380
Legislative Services	3,938	4,231	293	7%	4,065	4,058	4,063	4,043
Total Administration	22,107	22,991	884	4%	23,657	24,293	24,877	25,521
Corporate Services								
CS Administration	453	456	3	1%	553	647	721	796
Corporate Communications	369	378	9	2%	390	401	409	418
Corporate Planning & Consultation	418	438	20	5%	464	485	497	510
Finance	2,514	2,605	91	4%	2,742	2,830	2,901	2,974
Fiscal Services	13,985	12,527	(1,458)	(10%)	14,086	16,822	19,767	22,354
Information Technology	3,944	4,101	157	4%	4,272	4,430	4,580	4,733
Mayor & Council	619	632	13	2%	644	655	666	677
Police Services	24,795	28,357	3,562	14%	29,510	30,608	31,717	32,907
Total Corporate Services	47,097	49,494	2,397	5%	52,661	56,878	61,258	65,369
Engineering Services								
ES Administration	248	275	27	11%	293	305	333	373
Engineering	2,528	3,182	654	26%	3,165	2,934	3,099	3,133
Operations	6,117	6,374	257	4%	6,547	6,719	6,903	7,088
Recycling	-	-	-	-	-	-	-	-
Sewer	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-
Total Engineering Services	8,893	9,831	938	11%	10,005	9,958	10,335	10,593
Parks, Recreation & Culture								
PRC Administration	684	764	80	12%	309	352	288	364
Facilities	2,556	2,635	79	3%	2,758	2,840	3,008	3,176
Parks & Open Space	4,244	4,412	168	4%	4,590	4,752	4,898	5,044
Community Services	1,337	1,351	14	1%	1,383	1,413	1,446	1,479
Albion Community Centre	300	629	329	110%	641	654	666	682
Community Centres / Pools	2,453	2,506	53	2%	2,599	2,688	2,781	2,873
Planet Ice Additional Ice Sheet	-	-	-	0%	500	500	500	500
Program Development	1,345	1,371	26	2%	1,397	1,423	1,452	1,481
Recreation	5,766	5,865	99	2%	6,537	6,851	7,008	7,162
Total PRC	18,685	19,533	848	5%	20,714	21,473	22,047	22,761
Planning & Development Services								
PDS Administration	336	369	33	10%	389	404	434	476
Building	36	38	2	6%	73	101	118	138
Licences & Bylaws	1,533	1,676	143	9%	1,772	1,855	1,625	1,694
Planning	2,142	2,169	27	1%	2,246	2,317	2,380	2,444
Total PDS	4,047	4,252	205	5%	4,480	4,677	4,557	4,752
Total (\$0 is Balanced Budget)	-	-	-	-	-	-	-	-

Budget Change Explanations

Economic Development

The Tourism Coordinator position was increased to full-time from a 0.6 FTE.

Fire Protection

Cost increases include an additional \$140,000 for a firefighter. An incremental package in 2018 adds an additional firefighter each year from 2020 through 2023.

Legal & Legislative Services

2022 is an election year which results in an increase in advertising of \$180,000.

Corporate Support

In 2020, a temporary position was added to the budget. The cost of the position was \$90,000 in 2021. While the costs of permanent staff has increased at a normal rate, the \$90,000 reduction results in a decrease in total 2022 Salaries. Divisional Growth of \$65,000 per year is budgeted in this area.

Information Technology

Software maintenance is inflated by 3% each year and also has a growth contingency of \$40,000. In 2022, an additional \$30,000 was required for licencing. Datelines capacities are being increased to accommodate the opening of the Albion Community Centre and for increased remote access by staff at an additional cost of \$53,000.

Police Services

Costs increases are related to the settlement of the first contract between the RCMP and the Union.

Engineering

Special projects in Engineering vary from year to year. The increased cost in 2021 was \$658,000.

Parks and Recreation Administration

Divisional Growth of \$65,000 per year is budgeted in this area.

Albion Community Centre

Opening of this facility is budgeted for the second half of 2021. The increase in 2022 is for a full year of operation.

Parks and Open Spaces

Growth of \$65,000 per year is budgeted to maintain additional park and boulevard tree inventory added in the prior year. The Trails Improvements Special Projects was increased by \$35,000.

Planning & Development Services Administration

Professional fees for all employees in this division have increased by \$12,000.

Building

The Building Department has revenues of \$2,809,000 and expenses of \$2,845,000. The change % looks large due to the small net cost of the department.

Licences & Bylaws

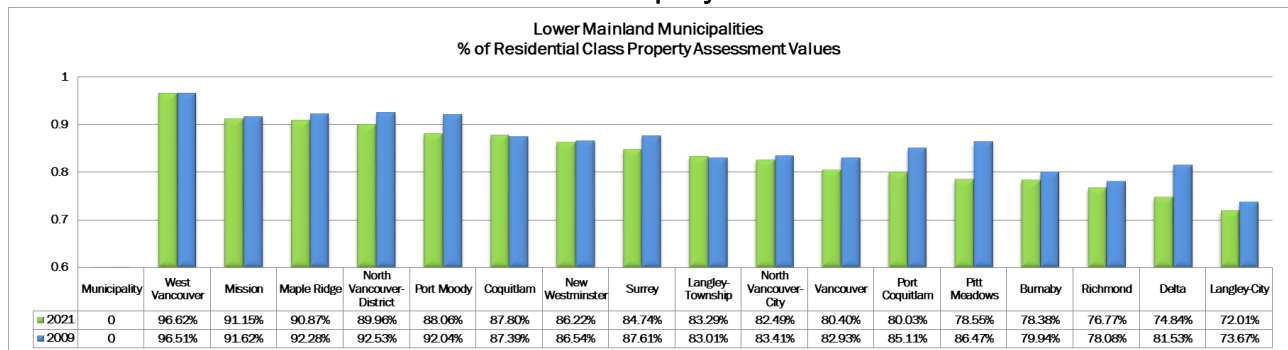
Increased staffing in the two years budgets have required increases in vehicles and additional supplies for uniforms and protective equipment.

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.

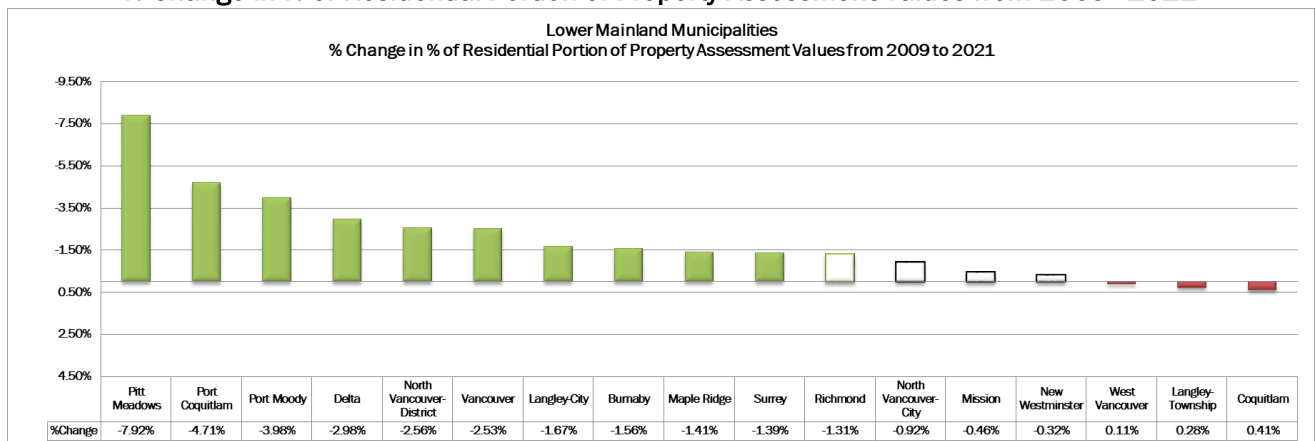
The following chart shows the residential proportion of the assessment base in area municipalities. The range is from a low of 72.01% in the City of Langley to a high of 96.62% in West Vancouver. The chart also shows how this percentage has changed between 2009 and 2021.

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



Most municipalities experienced a reduction in the proportion of the assessment base that is represented by residential properties. Coquitlam, Langley Township and West Vancouver saw small increases.

**Lower Mainland Municipalities
% Change in % of Residential Portion of Property Assessment Values from 2009–2021**



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 2021 Revised Rolls

Capital Program

Status of 2021 Capital Projects

The budget for the 2021 Capital Works Program is \$187 million, funded by multiple sources, including approximately \$28 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 \$157 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 \$30 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:

- Parks & Recreation:
 - Park Acquisitions (various locations)
 - Albion Community Centre
 - Silver Valley Neighbourhood Gathering Places
 - Hammond Community Centre
 - Additional Ice Sheet
- 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
 - 263 Street Pump Station
 - 236 Street Pump Station

Projects that are not complete at the end of 2021 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 2022 - 2026 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.*

2022 – 2026 Capital Plan

The five-year Capital Program is \$229 million and 2022 planned capital projects are \$42 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.

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

Section	2022	2023	2024	2025	2026
Government	1,153	3,647	672	407	290
Technology	2,097	2,738	2,690	1,871	580
Protective Fire	786	490	505	520	-
Protective Police	57	10	10	-	-
Parks	4,535	3,127	7,205	4,419	8,405
Highways	11,783	13,103	15,628	62,623	12,099
Drainage	2,957	2,689	3,662	6,548	4,089
Sewage	8,041	2,891	2,241	2,196	1,191
Water	10,380	5,720	8,020	4,425	2,720
Grand Total	41,788	34,415	40,632	83,009	29,374

The Highways category has the largest expenditure followed by the Water Utility.

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	2022	2023	2024	2025	2026
General Revenue	4,155	3,954	4,485	4,101	4,644
Capital Works Reserve	250	250	250	250	250
Cemetery Reserve	125	-	-	-	50
Community Amenity Reserve	-	-	150	-	-
Development Cost Charges	10,558	7,901	11,495	25,674	7,222
Drainage Improvement Levy	1,778	1,859	2,302	2,550	2,532
Equipment Replacement Reserve	2,194	3,725	3,024	2,265	1,460
Fire Dept Capital Reserve	405	254	313	322	-
Gaming	250	200	200	200	200
Grants, LAS, 3rd Parties	2,197	1,973	1,602	31,700	1,000
Infrastructure Sustainability Reserve	5,131	6,314	6,983	7,820	8,736
Parkland Acquisition Reserve	200	200	200	200	200
Police Services Reserve	46	8	8	-	-
Recycling Reserve	80	2,600	220	-	-
Reserve for Committed Projects	351	50	-	-	-
Sewer Capital	6,340	2,304	2,071	1,745	577
Translink	417	160	535	1,900	-
Water Capital	7,310	2,663	6,794	4,283	2,503
Grand Total	41,788	34,415	40,632	83,009	29,374

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 was 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 and 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.

Below is a summary of all City reserves as at December 31, 2020. The key reserves used in funding the Capital Program are discussed on the following pages. A large portion of the balances are committed to capital projects previously approved by Council that are in progress.

\$ in thousands

Accumulated Surplus		Reserve Accounts	
General Revenue	11,096	<u>General Revenue:</u>	
Sewer Revenue	6,270	Specific Projects - Capital	15,969
Water Revenue	16,657	Specific Projects - Operating	11,258
Total Accumulated Surplus	34,023	Self Insurance	734
		Police Services	12,829
		Core Development	2,812
		Recycling	3,927
		Community Development	907
		Building Inspections	3,550
		Gravel Extraction	891
		Community Works (Gas Tax)	718
		Facility Maintenance	121
		Snow Removal	850
		Parks & Recreation Improvement	4,739
		Cemetery Maintenance	165
		Infrastructure Sustainability	8,161
		Drainage Improvements	4,215
		Gaming Revenues	2,031
		<u>General Revenue Reserve Accounts</u>	<u>73,877</u>
		Sewer Reserve Accounts	10,282
		Water Reserve Accounts	8,009
		Total Reserve Accounts	92,168
Reserve Fund Balances			
Local Improvement	2,661		
Equipment Replacement	18,497		
Capital Works	10,566		
Fire Department Capital	3,547		
Sanitary Sewer	1,199		
Land	769		
Reserve Funds	37,239		
Restricted Revenue Balances			
Development Cost Charges	15,031		
Parkland (ESA) Acquisition	2,072		
Other Restricted Revenues	13,636		
Total Restricted Revenues	30,739		

Total Reserves: Accumulated Surplus, Reserve Funds and Reserve Accounts – \$163.4 million

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

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>	2021	2022	2023	2024	2025	2026
Opening Balance	10,566	7,885	8,642	9,828	10,544	11,889
2020 Approved Capital (in progress)	(2,156)					
Add Back: PY spend	399					
Inflows						
Annual Transfer	895	885	912	942	974	1,033
Repayment Pool Reno		870	870	870	870	870
Total Inflows	895	1,755	1,782	1,812	1,844	1,903
Outflows						
Planned Capital Expenditures	(1,050)	(250)	(250)	(250)	(250)	(250)
Balance of GCF funded capital	(769)	(748)	(346)	(846)	(249)	(660)
Total Outflows	(1,819)	(998)	(596)	(1,096)	(499)	(910)
Estimated Ending Balance	7,885	8,642	9,828	10,544	11,889	12,882
Min Reserve (10% PY Taxes)	8,028	8,923	9,343	9,878	10,418	10,993
Unencumbered Balance	(143)	(281)	485	666	1,471	1,889

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. This Reserve was used to pay a portion of the costs related to the (completed) project to construct Fire Hall No. 4 as well as to repay the associated debt.

Fire Department Capital Acquisition Reserve Projection

<i>\$ in thousands</i>	2021	2022	2023	2024	2025	2026
Opening Balance	3,547	2,987	3,979	5,221	6,510	7,899
2020 Approved Capital (in progress)	(1,565)					
Add Back: PY spend	8					
Inflows						
GRF Annual Transfer	1,933	2,083	2,182	2,288	2,397	2,564
Outflows						
Planned Capital Expenditures	(136)	(405)	(254)	(313)	(322)	-
Debt Repayments	(800)	(686)	(686)	(686)	(686)	(686)
Estimated Ending Balance	2,987	3,979	5,221	6,510	7,899	9,777

Fire Department Equipment Replacement Reserve

Replacement of fire equipment is funded through this 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. 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>	2021	2022	2023	2024	2025	2026
Opening Balance	3,962	2,817	3,697	4,781	5,974	7,278
2020 Approved Capital (in progress)	(2,023)					
Add Back: PY spend	-					
Inflows						
GRF Annual Transfer	1,053	1,161	1,270	1,385	1,502	1,640
Outflows						
Planned Capital Expenditures	(175)	(281)	(186)	(192)	(198)	-
Estimated Ending Balance	2,817	3,697	4,781	5,974	7,278	8,918

Infrastructure Sustainability

Beginning in 2008, Council directed an annual tax increase of 1% to 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 0.9% is planned for 2022 to 2024 and 1.0% in 2025 and 2026. 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 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

<i>\$ in thousands</i>	2022	2023	2024	2025	2026
Inflows					
Property Taxes Prior Year	6,831	6,831	6,831	6,831	6,831
Property Tax Increase	840	1,738	2,686	3,798	4,970
Gaming Funds	-	550	550	550	550
Total Inflows	7,671	9,119	10,067	11,179	12,351
Allocations					
Building Infrastructure Planned	1,590	1,740	1,890	2,040	2,190
Fire Dept - Equipment Replacement	600	675	750	825	900
Highways ISR Capital Planned	4,278	5,363	5,948	6,696	7,504
Drainage Capital Planned	1,051	1,159	1,267	1,376	1,485
Information Technology	50	75	100	125	150
Major Equipment/Systems Reserve	102	107	112	117	122
Total Allocations	7,671	9,119	10,067	11,179	12,351
Estimated Ending Balance	-	-	-	-	-

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

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, \$68.9 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 %	2022	2023	2024	2025	2026
240 Street Bridge North of 124 Avenue - Planning, Design, and Construction	71%	200	700	-	35,000	-
Abernethy (231 - 232) Construction	15%	2,188	-	-	-	-
Abernethy Way Extension 232-240	40%	1,000	2,000	2,000	19,000	-
Albion Sports Complex Park Improvements	100%	280	-	-	-	-
Fern Cres at 129 Ave - Bridge	39%	-	-	952	-	-
Hammond Road Multi-Use Pathways (West Street to 203 Street)	100%	500	-	-	-	-
Local Area Service - Drain	100%	250	250	250	250	250
Local Area Service - Road	100%	250	250	250	250	250
Local Area Service - Sewer	100%	250	250	250	250	250
Local Area Service - Water	100%	250	250	250	250	250
RCMP - ChainLink Fencing	20%	12	-	-	-	-
RCMP - Furniture Replacement	20%	10	10	10	-	-
RCMP - Rolling Shelves-Records	20%	35	-	-	-	-
Total		5,225	3,710	3,962	55,000	1,000

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 \$26 million.

Short Term Borrowing, under Section 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 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, with the second, and less-expensive method, 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 2022-2026 Financial Plan includes debt payments on the following previously approved projects:

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 (\$26.5 million)

Additional Ice Sheet	\$23.5 million
Other Parks borrowing	\$3.0 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

It is important to understand what this Financial Plan means to the average home. The assessed value of the “average home” for the 2021 taxation year was approximately \$772,200.

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.

Average Residence Valued at \$772,200	2021	2022	2023	2024	2025	2026
Average Home Municipal Levies:						
General Purpose (Gen. & ISR)	\$ 2,265.33	\$ 2,334.47	\$ 2,406.11	\$ 2,480.32	\$ 2,559.85	\$ 2,642.17
Drainage	51.04	53.42	55.89	58.45	61.10	63.84
Parks & Recreation	67.88	82.19	97.01	112.36	122.96	129.82
Subtotal Property Taxes	\$ 2,384.25	\$ 2,470.08	\$ 2,559.01	\$ 2,651.13	\$ 2,743.91	\$ 2,835.83
User Fees						
Recycling (fixed rate)	\$ 78.72	\$ 80.88	\$ 83.10	\$ 85.39	\$ 87.74	\$ 90.15
Water (fixed rate)	689.50	720.55	752.95	786.85	822.25	859.25
Sewer (fixed rate)	461.45	497.70	537.05	579.70	626.00	676.25
Total Property Taxes and User Fees*	\$3,613.92	\$3,769.21	\$3,932.11	\$4,103.07	\$4,279.90	\$4,461.48
* Does not include collections for others (School, BCAA, GVTA, GVRD, MFA)						
	2021	2022	2023	2024	2025	2026
Average Home Municipal Levies Increases:						
General Purpose	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Infrastructure Replacement	0.70%	0.90%	0.90%	0.90%	1.00%	1.00%
Parks & Recreation	0.60%	0.60%	0.60%	0.60%	0.40%	0.25%
Drainage	0.30%	0.10%	0.10%	0.10%	0.10%	0.10%
Total Property Tax Increase %	3.60%	3.60%	3.60%	3.60%	3.50%	3.35%
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 %	7.80%	7.86%	7.91%	7.94%	7.99%	8.03%
Total Property Taxes and User Fees Increase	4.30%	4.30%	4.32%	4.35%	4.31%	4.24%

Note: Sewer Levy is increasing at 8.5%, parcel charge is \$35 in each year. The sewer increase combines the Levy and the parcel charge, lowering the total increase.

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

Survey of 2021 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	878,124	2,220	1	1,186	3,407	1	
Pitt Meadows	784,843	2,269	2	1,158	3,427	2	
Port Coquitlam	967,183	2,472	6	1,051	3,523	3	
Delta	1,028,316	2,599	8	930	3,529	4	2
Mission	725,719	2,370	5	1,264	3,633	5	3
Surrey	1,166,370	2,279	3	1,407	3,686	6	6
Langley-Township	1,029,974	2,281	4	1,407	3,688	7	
Burnaby	1,523,022	2,590	7	1,254	3,844	8	1
Maple Ridge	852,682	2,633	9	1,230	3,862	9	7
Richmond	1,535,350	2,846	12	1,235	4,081	10	(5,6)
North Vancouver-City	1,547,793	2,733	10	1,363	4,095	11	4
Coquitlam	1,240,202	2,789	11	1,414	4,203	12	
Port Moody	1,324,037	3,552	16	1,243	4,795	13	1
North Vancouver-District	1,697,203	3,097	13	1,827	4,925	14	
Vancouver	2,166,505	3,470	15	1,520	4,990	15	
New Westminster	1,174,085	3,322	14	1,836	5,158	16	1
West Vancouver	2,966,263	5,030	17	2,154	7,184	17	(5,6)
Average	1,329,863	2,856		1,381	4,237		
Median	1,174,085	2,633		1,264	3,862		
Highest	2,966,263	5,030		2,154	7,184		
Lowest	725,719	2,220		930	3,407		

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.

In the 2021 survey on Residential taxes, we also looked at the tax increases over the past two years across surveyed municipalities. Tax increases in 2021 ranged from a low of -4.5% in North Mission to a high of 9.6% in New Westminster. The tax increase to the average single family dwelling in Maple Ridge was 4.8%

Municipality	2019	2020		2021		
	Municipal Taxes	Change	Municipal Taxes	Change	Municipal Taxes	2 Year Change
Mission	2,230	11.3%	2,482	-4.5%	2,370	6%
West Vancouver	4,719	3.5%	4,884	3.0%	5,030	7%
Pitt Meadows	2,110	3.6%	2,186	3.8%	2,269	8%
Surrey	2,128	3.1%	2,193	3.9%	2,279	7%
North Vancouver District	2,915	2.2%	2,978	4.0%	3,097	6%
Delta	2,449	1.6%	2,488	4.5%	2,599	6%
Maple Ridge	2,417	4.0%	2,513	4.8%	2,633	9%
Port Coquitlam	2,339	0.9%	2,359	4.8%	2,472	6%
Langley Township	2,126	2.0%	2,170	5.1%	2,281	7%
North Vancouver City	2,611	-0.6%	2,596	5.3%	2,733	5%
Coquitlam	2,580	2.7%	2,649	5.3%	2,789	8%
Burnaby	2,409	1.9%	2,455	5.5%	2,590	8%
Port Moody	3,346	0.1%	3,351	6.0%	3,552	6%
Richmond	2,592	1.6%	2,634	8.1%	2,846	10%
Vancouver	3,059	4.5%	3,198	8.5%	3,470	13%
New Westminster	2,949	2.8%	3,032	9.6%	3,322	13%

Commercial Taxes

In 2021, we surveyed taxes assessed against the Class 6, Business Other category, which is property used for offices, retail, warehousing, hotels, etc. 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 2021, our Tax Multiple was 2.62 (8.0396 Business Class 6 rate divided by 3.0876 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
2021	8.0396	3.0876	2.62

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	2019	2020	2021	Rank
	Multiple	Multiple	Multiple	
West Vancouver	2.1	1.8	1.9	1
Port Moody	2.4	2.0	2.0	2
Chilliwack	2.4	2.0	2.1	3
Delta	3.0	2.4	2.4	4
Richmond	2.8	2.4	2.5	5
Abbotsford	3.0	2.6	2.5	6
Langley, City	3.1	2.6	2.5	7
North Vancouver, District	2.8	2.4	2.6	8
Maple Ridge	3.2	2.6	2.6	9
Surrey	3.1	2.7	2.7	10
Pitt Meadows	3.3	2.8	2.8	11
North Vancouver, City	3.1	2.8	3.0	12
Port Coquitlam	3.4	2.9	3.0	13
Langley, Township	3.7	2.0	3.2	14
Burnaby	3.5	3.1	3.3	15
New Westminster	3.9	3.4	3.5	16
Coquitlam	3.7	3.2	3.6	17
Mission	4.2	3.6	3.7	18
Vancouver	3.2	2.8	4.9	19

Conclusion

For 2022, the City expects approximately \$5.2 million in new revenue, primarily due to property taxes; comprised of taxes from new development and increases in property taxes. The majority of the additional revenue is used to fund cost increases for existing services, such as labour and contracts. A portion of the property tax increase is dedicated to improving the level of infrastructure replacement, drainage infrastructure and Parks & Recreation Master Plan funding.

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 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 assist in starting to address the implications of the community needs and support the delivery of Council's Strategic Plan.

Significant Future Items not currently addressed in the Financial Plan

While the costing implications from a higher than planned contract settlement have not yet been provided by the RCMP, we estimate an increase of approximately \$1.6 million is required, which is equivalent to a 1.6% property tax increase.

There are several work plan items that will result in more detailed implementation 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. Examples of significant strategic work currently underway that will require funding, either from property taxes, or ideally through other funding sources, include the following:

- Economic Development Strategy and Land Strategy
- Fire Department Master Plan
- Police Services Plan with pending dissolution of joint police services with Pitt Meadows
- Green Infrastructure Strategy
- Storm Water Master Plans
- Transportation Master Plan
- Parks and Recreation Master Plan

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.

Recommendations for 2022 – 2026 Financial Plan

On July 27, 2021, Council approved the Business & Financial Planning Guidelines 2022 – 2026. The 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; 0.9% per year in 2022 to 2024 and 1% in 2025 & 2026.
3. Parks, Recreation & Culture Property Tax Increase; 0.40% in 2022 to 2024, 0.60% in 2025 and 0.25% in 2026.
4. Storm Water Property Tax Increase; 0.10% per year.
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. Incremental Adjustments; as outlined on page 13.
9. Capital Program totaling \$41.8 million in 2022, \$34.4 million in 2023, \$40.6 million in 2024 and \$83 million in 2025 and \$29.4 million in 2026.

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. 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, address to: ***budget@mapleridge.ca***
- voicemail, Budget Hotline: 604-467-7484
- in writing, addressed to:

Trevor Thompson, Director of Finance
City of Maple Ridge
11995 Haney Place
Maple Ridge, BC V2X 6A9

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

Government	1,153	3,647	672	407	290
2 Post Hoist For Shop	30	-	-	-	-
Bridges Boardroom Furniture	6	-	-	-	-
Bylaw Office - Furniture & Equipment	55	-	-	-	-
Computer Work Stations -Shop	30	-	-	-	-
Equipment Replacement Office Furniture - 5 workspaces (4 works Inspectors, 1 surveyor) at Operations	102	107	112	117	-
Garage Tire Machine and Balancer	30	-	-	-	-
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
Operations Centre - Fuel Island Replacement	-	600	-	-	-
Ops. Reno. – Server Room Relocation & Re-cabling	450	-	-	-	-
Recycling Collection Equipment	80	100	100	-	-
Recycling Depot - Site Upgrade, paving, expansion of covered area	-	-	120	-	-
Recycling Land Purchase and Site Upgrade	-	2,500	-	-	-
Secondary Operations Site Facility	50	50	50	-	-
Workstation/Desk Replacement	60	60	60	60	60
Technology	2,097	2,738	2,690	1,871	580
Application Upgrade and Maintenance Program	120	50	50	50	50
Asset Management	500	500	-	-	-
Disaster Recovery Infrastructure	-	97	-	-	-
Enterprise CRM, Community Engagement Tools	41	-	-	-	-
Enterprise System Replacement (Financial and HRIS)	-	250	750	500	-
Equipment Replacement - IT	711	1,072	1,360	791	-
Fibre Extensions (various)	250	250	250	250	250
Infrastructure Expansion and Improvement Program	73	100	100	100	100
Multimedia Improvement and Expansion Program	50	50	50	50	50
New User Equipment Program	50	50	50	50	50
Public Access Community Kiosks	-	39	-	-	-
Security Initiatives and Improvement Program	50	50	50	50	50
Server Growth Increment	-	75	-	-	-
Storage Infrastructure Expansion	-	125	-	-	-
Test and Development Program	251	30	30	30	30

Protective Fire	786	490	505	520	-
Chief Officer Vehicle	50	-	-	-	-
ECOMM Radio	476	490	505	520	-
Fire Investigation Trailer	75	-	-	-	-
Firehall No.2 Water Reservoir Feasibility Study	50	-	-	-	-
Firehall No.3 Front Apron	35	-	-	-	-
Forestry Firefighting Trailers	100	-	-	-	-
Protective Police	57	10	10	-	-
RCMP - ChainLink Fencing (CFO 20%)	12	-	-	-	-
RCMP - Furniture Replacement (CFO 20%)	10	10	10	-	-
RCMP - Rolling Shelves-Records (CFO 20%)	35	-	-	-	-
Parks	4,535	3,127	7,205	4,419	8,405
128 Ave. (HH) Neighborhood Park Development	-	-	800	-	-
Albion Sports Complex Park Improvements (CFO 100%)	280	-	-	-	-
Cemetery Columbaria Expansion	250	-	-	-	100
Dog Park Improvements	100	-	-	-	-
Fraserview Park Development	-	-	600	-	-
Greenbelt Acquisition	200	200	200	200	200
Haney Nokai Park Improvement	-	-	800	500	-
Memorial Park - Park Improvements	100	400	-	594	-
Merkley Park Acquisition 2	-	-	-	-	1,300
Minor Capital - Gen Rec	30	30	30	30	30
Minor Capital Parks Improvements	125	125	175	175	175
MR - Park Improvements (232 and 132)	280	1,800	-	-	-
NE Albion Park Acquisition 110 and Lockwood	-	-	-	2,820	-
NE Albion Park Acquisition SE 112 and Lockwood	-	-	3,500	-	-
NE Albion Park Development 110 and Lockwood	-	-	-	-	800
NE Albion Park Development SE 112 and Lockwood	-	-	-	-	1,000
Park Development (232 and 132) River Hamlet School Site	-	-	-	-	800
Park Development (241 and 112)	900	-	-	-	-
Park Development (248 and 108)	-	-	-	-	900
Parks and Facilities Vehicles/ Equipment	200	100	-	-	-
Port Haney Waterfront Park - Improvements	120	-	-	-	-
Recreation Dep Vehicle	50	-	-	-	-
Recreation Infrastructure - Improvements	50	100	100	100	100
Silver Valley 09 - S of 235 and Larch	1,600	-	-	-	-
Silver Valley Neigh Park Completion Phase 1	-	-	-	-	3,000

Parks

South Haney Park (230 and 113) Development	100	-	1,000	-	-
Thornhill Trail Network Improvements	150	250	-	-	-
Whonnock Lake Development 1	-	122	-	-	-

Highways	11,783	13,103	15,628	62,623	12,099
112 Ave (244 St to Lockwood) - Design & Construction	300	-	-	-	-
116 Ave Urban Road Upgrade 203 to Warsley	-	-	-	-	150
117 Ave (Laity to 207) Corridor Improvements	500	-	-	-	-
123 Ave Corridor - 203 to Laity Construction	-	-	100	400	-
123 Ave Corridor - Laity to 216 Reconstruction Phase 1	-	-	-	-	3,480
124 Avenue 244-248 Connection	-	-	-	-	200
210 St 200m N of 128 Road and Drainage Improvements	-	2,358	-	-	-
223 Street Sidewalk (fronting Beckett Park)	470	-	-	-	-
224 St at 124 Ave - Intersection Safety Improvements	600	-	-	-	-
224 St at 132 Ave (N Alouette Bridge) Design	-	350	-	-	-
224 St at 132 Ave (N Alouette Bridge) Replacement	-	-	4,000	-	-
240 Street Bridge North of 124 Avenue - Planning, Design, and Construction (CFO 71%)	200	700	-	35,000	-
Abernethy (231 - 232) Construction (CFO 15%)	2,188	-	-	-	-
Abernethy Way Extension 232-240 (CFO 40%)	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	200	200	200	200	200
Equip Replacement - Fleet	920	1,700	1,300	1,100	1,400
Fern Cres at 129 Ave - Bridge (CFO 39%)	-	-	952	-	-
Hammond Road Multi-Use Pathways (West Street to 203 Street) (CFO 100%)	500	-	-	-	-
Hwy 7 MUP, 216 to 220 St	-	600	1,600	-	-
Local Area Service - Road (CFO 100%)	250	250	250	250	250
Pavement Management	-	50	-	200	-
Pedestrian Improvements	250	250	250	250	250
Private Driveway Crossings	7	7	7	7	7
Road Rehabilitation Program	3,345	3,576	3,906	5,654	5,600
Sidewalk Replacement	90	90	90	90	90
Street Lighting Upgrade Program	500	500	500	-	-
Streetlight Pole Replace Program	50	50	50	50	50
Traffic Calming Program	150	150	150	150	150
Traffic Signal Replacements	90	100	100	100	100

Drainage	2,957	2,689	3,662	6,548	4,089
Culvert Replacement Program	450	450	450	450	450
Drainage Replacement Program	126	554	637	601	835
Drainage Upgrade Program	578	163	2,102	-	2,432
Flood Abatement North Alouette	-	-	-	125	-
ISMP Watershed Review	-	-	100	-	-
Local Area Service - Drain (CFO 100%)	250	250	250	250	250
Lower Hammond Pump Station	-	50	-	5,000	-
Princess St Drainage Pumping Station	1,480	600	-	-	-
Private Storm Sewer Connections	23	23	23	23	23
Protecting Aquatic Environments from Roadway Runoff - Pilot Program	50	100	100	100	100
ROW North of 21000BLK 126th ave Storm Main Replacement	-	500	-	-	-
Sewage	8,041	2,891	2,241	2,196	1,191
122 Ave Sanitary Replacement	-	-	-	1,050	-
126 Ave (216 - Grace)	50	800	-	-	-
136 Avenue Lift Station Improvements	1,500	100	-	-	-
208 St Sewage Station Replacement	-	100	1,000	-	-
225 St Forcemain and PS Upgrade - Phase 2	3,000	-	-	-	-
228 St, 123 Ave - North of Purdey	-	-	50	700	-
Local Area Service - Sewer (CFO 100%)	250	250	250	250	250
Lougheed, (220 to Carshill)	250	-	-	-	-
Meadow Brook Sewage Station Replacement	-	300	-	-	-
Operations Field Communications Project	50	-	-	-	-
Ospring Pump Station	1,500	-	-	-	-
Private Sewer Connections	41	41	41	41	41
River Rd, 212 St to Anderson Pl, Upsizing 200mm AC. Design & Construction	-	-	-	55	600
Sanitary Master Planning	-	150	-	-	-
SCADA Replacement Program	100	100	100	100	100
Sewage System Rehab and Replacement	700	750	800	-	-
Skillen/123 Area Sewer Construction	-	-	-	-	200
Steeves Sewage Pump Station Replacement	600	300	-	-	-
Water	10,380	5,720	8,020	4,425	2,720
116 Ave (24500 blk to 246 St) Watermain Replacement	-	-	-	-	500
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	1,000	-	-	-	-
132 Avenue, Balsam to 236 Street	-	50	1,000	-	-
136 Ave, 224 Street to Foreman	-	50	1,000	-	-

Water					
203 St, Lougheed to Thorne Watermain Replacement- Construction	1,595	-	-	-	-
216 St (124 - 128) Watermain Replacement	100	-	-	-	-
222 S - DTR to 119 Ave Watermain Replacement	-	100	400	-	-
223 Street (Haney Bypass to North Ave)	450	-	-	-	-
232 N of Abernethy PRV	350	-	-	-	-
232 St North of 136 Ave High Pressure Connection	-	3,000	-	-	-
240 St, (Kanaka Way to 112 Ave)	-	-	-	280	-
248 Street Pump Station Upgrades Design	-	-	-	150	-
256 St Reservoir Tank Replacement	-	200	2,000	-	-
263 St Reservoir Expansion Design & Construction	2,800	-	-	-	-
270A St Reservoir Replacement	1,500	-	-	-	-
Bulkfill Station Jackson Replacement	125	-	-	-	-
CL2 Equipment Replacement Program	50	50	50	50	50
Drinking Water Master Planning	-	-	150	-	-
DTR 246-248	-	-	50	600	-
Dunn Ave (Maple Meadows Way - West St)	500	-	-	-	-
Grant Mountain Reservoir Twinning	75	750	-	-	-
Local Area Service - Water (CFO 100%)	250	250	250	250	250
Operations Field Communications Project	50	-	-	-	-
Private Water Connections	410	410	410	410	410
PRV Upgrade Program	50	50	50	50	50
Replace Kingston PRV South of 113B	-	50	500	-	-
Replace PRV at DTR & 222	-	-	-	75	750
Replace PRV at DTR & 232	-	-	75	750	-
SCADA access equipment for Water Department	-	-	50	-	-
Tamarack Lane - 23300 Block to 23500 Block	-	-	-	-	500
Vehicle Water Maintenance Workers	100	-	-	-	-
Water Meter Reading Software	100	-	-	-	-
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	500	550	600	600	-
Waterworks Shop Modification Construction	125	-	-	-	-
Work Station Addition/Replacement	40	-	-	-	-
Grand Total	41,788	34,415	40,632	83,009	29,374