

## CORPORATION OF THE DISTRICT OF MAPLE RIDGE

**TO:** Her Worship Mayor Kathy Morse  
and Members of Council  
**DATE:** November 12, 2003  
**FROM:** Chief Administrative Officer  
**FILE NO:**  
**ATTN:**  
**SUBJECT:** 2004-2008 Financial Plan Bylaw

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### **Purpose/Problem**

This bylaw will provide the authorization required to carry out the Business Plans presented to the Mayor and Council and public in November 2003.

### **Recommendation(s)**

**That the Maple Ridge 2004-2008 Financial Plan By-law #6183-2003 be read a first and second time and that the Rules of Order be waived and the Maple Ridge 2004-2008 Financial Plan By-law #6183-2003 be read a third time.**

### **History/Background**

The District is currently authorized to make expenditures under the 2003-2007 Financial Plan Bylaw 6120-2003. However, this plan is currently outdated and does not represent Council's recommendation to move forward with the Business Plans as presented in November 2003.

### **Alternatives**

In the event this bylaw is not passed, the District is not authorized to make any expenditures other than those identified in the 2003-2007 Bylaw. This will delay implementation of the Capital Program and any new operating initiatives.

### **Financial Implications**

The key items of the 2004 through 2008 Financial Plan were addressed in the Memorandum presented by the Chief Administrative Officer on November 3, 2003 which has been attached as Appendix A. The only amendment to the Financial Plan presented in November was the addition of \$20,000 of capital expenditures in 2004 and 2005 to ensure the continuation the Safer Cities program.

The financial implications are represented in the schedule and appendices accompanying the bylaw. In summary, this bylaw will provide authorization for \$75.5 million in expenditures and transfers in 2004 these can be seen in Appendix B along with the funding sources.

Financial obligations with respect to the Downtown Core Development are included in the plan based on the original agreements as those agreements represent the best estimate of the obligation available at this time. The borrowing proceeds and payment of debt in 2006 and 2007 represent a buyout of these facilities.

### **Citizen/Public Relations Involvement/Implications**

An open invitation was extended to the public to attend any or all of the Business Plan presentations held during November 2003. Feedback was accepted during the sessions, on the District's web site, and to the telephone "budget hotline." This provided Council with additional information with which to base their funding decisions. The presentations are available on the District's web site and a detailed copy of the business plan is available for review at the City Hall.

The implication to the average taxpayer in 2004 is a 4% tax increase for levies under the direct control of Municipal Council. We are also legislated to collect taxes and levies for other jurisdictions and most of those amounts will not be known until early 2004. Further information about expected increases in other jurisdiction levies are included in Appendix B. A bylaw to set property taxation rates will come forward in April 2004.

### **Interdepartmental Involvement/Implications**

Business plans were presented by all departments and collectively coordinated into the Corporate Financial Plan. Ensuring cross-departmental coordination is a fundamental aspect of the business planning process. The business and financial plans were achieved within the guidelines set in "Business Planning Guidelines 2004," a document updated annually in the spring, in consultation with Council.

Appendix A: Highlights of the Proposed Financial Plan –Memorandum from J.L. (Jim) Rule, CAO  
Appendix B: Graphs "2004 Projected Revenues" and "2004 Projected Expenditures"

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*Prepared by: Trevor Thompson, BBA  
Budget Officer*

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

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

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

## MEMORANDUM

**TO:** Her Worship Mayor Kathy Morse and Members of Council

**FROM:** Chief Administrative Officer

**DATE:** November 3, 2003

**SUBJECT:** **2004-2008 Business Plans and Budgets**

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It is my pleasure to present to Council the draft 2004-2008 Business Plans and Budgets. The documents were prepared using the Budget Guidelines and Business Planning Framework approved by Council earlier this year. The specific budget guidelines are outlined in Figure 1.

Before I introduce the plans for the ensuing period, I would like to briefly comment on some key financial indicators, as at the end of last year. These indicators come from our annual financial statements which have been reviewed by our external auditors. Our Accumulated Surplus increased to \$4.6 million as compared to \$4.2 million at the end of 2001 – please see Figure 2. Our Net Financial Assets amounted to \$6.3 million as compared to \$13.98 million in 2001. The change in Net Financial Assets is mainly attributed to the Town Core project, which resulted in the planned conversion of financial assets into fixed assets that provide service.

Year-to-date results are encouraging due to strong revenues and cost controls in all areas.

The 2004-2008 Budgets are based on the following:

- ◆ Tax Base growth estimated at 2.75% for \$780,000
- ◆ Tax increase at 4% generates \$1.1 million (3% General Revenue; 1% for Core Project)
- ◆ Brisk building permit activity to generate \$1.5 million
- ◆ Financial obligations with respect to the Core are included in the plan
- ◆ Capital Expenditures maintained at \$2.2 million
- ◆ Gravel Revenue of \$250,000 per annum

As has been previously discussed with Council, a significant portion of new revenue in the next few years is to be directed to our obligations for the Town Core project. Further, in 2003, Council approved a financial plan with implications beyond one year. For instance, four police officers were added on July 1, 2003. The full financial impact of these positions will not be realized until 2004. This means there is limited capacity for enhanced packages.

Nonetheless, workload pressures are being experienced in a number of areas due to the increased demands for service that one would expect in a growing community like ours. Staff proposed a number of enhancements which the Corporate Management Team evaluated based on the following criteria established by Council.

1. Operating Implications of items in the approved Capital Plan.

2. Health and Safety
3. Other Council Priorities
4. Other needs

Using this criteria, we are pleased to report that the draft financial plan has provided for the following. All enhancements will take place in 2004, unless otherwise noted.

- \$75,000 to establish a Social Planning function.
- \$50,000 (increasing to \$115,000 by 2005) to provide Information Technology and Data processing support for the RCMP.
- \$56,000 to the Public Works Section for maintaining the additional infrastructure that has been built.
- \$17,000 to continue the “Safer Cities” partnership.
- \$50,000 in one time funding to assist with the Bylaws Department workplan.
- \$25,000 in 2005 (increasing to \$50,000 in 2006) to provide additional support to our Environmental Technician
- \$12,500 (increasing to \$25,000 in 2005) to provide part time support to our Payroll Section
- \$62,500 one item funding to the Communications Department to assist with their workplan.

The above items will see us through 2004 but there are three key items that will need attention in early 2004 as they will have financial implications beyond 2004.

1. The Fire Department Masterplan should be finalized by the end of this year and it may have financial consequences.
2. While we added 4 police officers this year and are proposing to add 4 more officers in 2004, capacity to add officers in 2005 is limited.
3. The District of Pitt Meadows is considering the addition of a new pool complex in 2007. Capital Costs will be the responsibility of Pitt Meadows but the Operating Costs will be sharable in accordance with our agreements. Maple Ridge’s share of these costs is estimated at \$400,000, which, for the moment, is reflected in our 2007 expenditures.

Resolution of the Town Core project may assist in providing some financial capacity to help with these items.

Also, there may be other challenges ahead.

1. Our financial plan is based on the assumption that our community will continue to grow. There are a number of variables that could change this – most of which we have little control over. For instance, our growth is partly fueled by the current low interest rate environment. An increase in interest rates could impact investment in our community.
2. All indications are that the Province will continue to reduce costs through reductions in services. This will increase the needs of our citizens and will result in added demands for our services.
3. While our growth is brisk, it is unbalanced. Almost all of our growth this year was concentrated in the residential area; growth in the industrial/commercial area was negligible. Council’s Economic Development initiative is designed to correct this imbalance.
4. As our community grows, infrastructure investments are being made. The value of this accumulated investment is quickly approaching \$1 billion and it is important that we plan properly for its maintenance and replacement.
5. We expect significant costs to flow through to our citizens from other governments. For instance, improvements are being considered to our transportation system. At the present time, a typical house pays about \$45 in transit related property taxes. The transit improvements that are being

contemplated will see this tax approach \$500 per year in the near future, if the improvements are funded solely through property taxes. Even if other sources of funding are identified, the increase in the property tax levy for transit will be dramatic. Significant increases are also expected for Sanitary Sewer and Water services.

Notwithstanding these challenges, we have tried to balance the needs of our community with our financial capacity through our business planning framework. The attached detailed Business Plans and Budgets are submitted for 2004-2008 for the consideration of Council. A Summary is attached as Figure 3.

I would like to close by thanking all of the staff for the time and effort that they have put into developing these plans. As I have said before, the Business Planning process used in Maple Ridge is excellent and one that we should all be proud of.

**RECOMMENDATION:**

That Council review the 2004-2008 business plans and budgets; make changes as appropriate and adopt these documents.

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**J.L. (Jim) Rule**  
**Chief Administrative Officer**

JR:sr

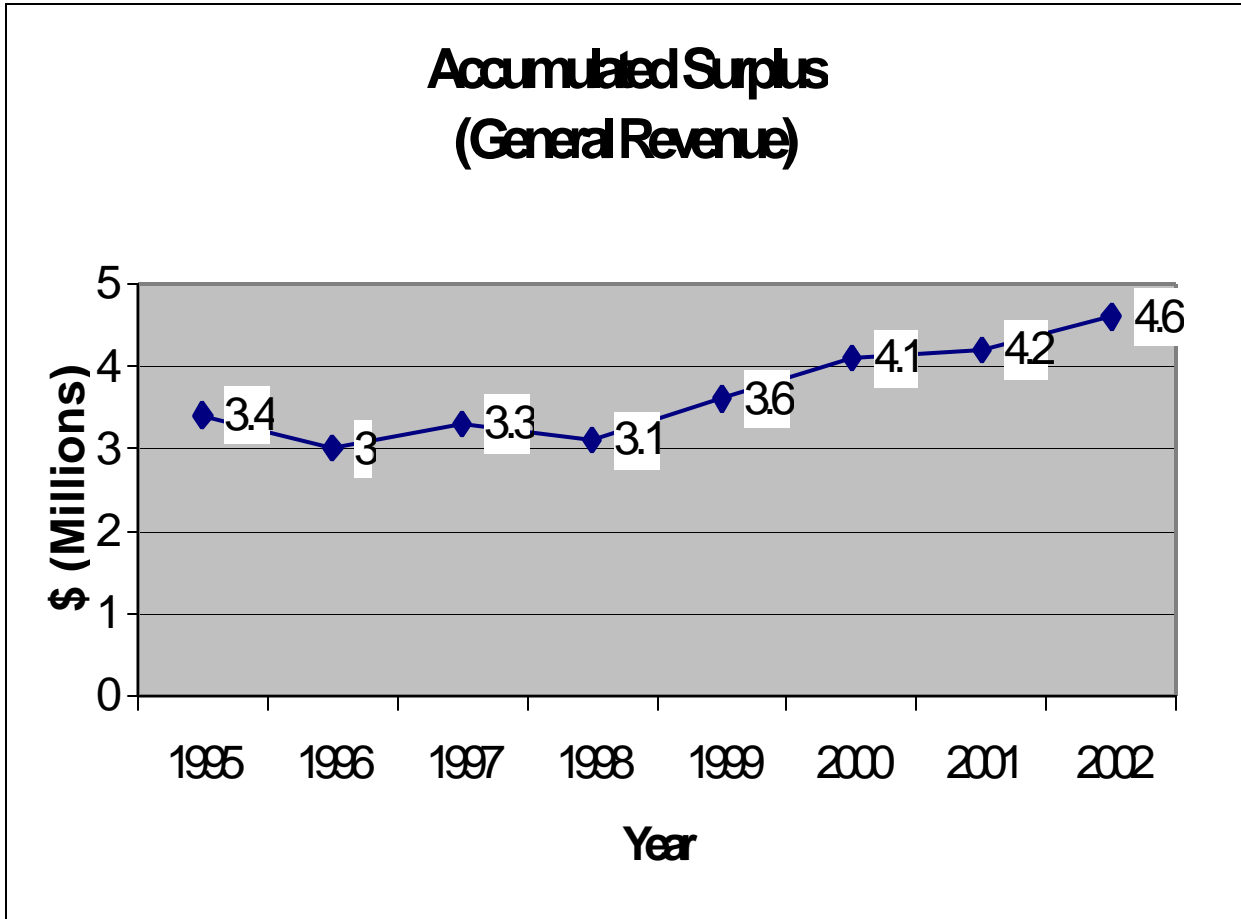
Figure 1:

Guidelines Adopted by Council  
**Business Planning & Budget Guidelines 2004 – 2008**

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1. Tax increase – 3% per year.
2. Capital Works (Town Centre) – 1% per year.
3. Budgets include operating and capital components for a 5-year period.
4. Public Consultation Plan developed and operationalized.
5. Increase revenue from existing sources by about 5%.
6. Identify potential new revenue sources (i.e. be creative).
7. Services – ask yourselves:  
*Are we in the right services and the right mix of services?*  
*Do others deliver these services?*  
*Can we partner with anyone to deliver the service?*
8. Identify and measure outputs/outcomes. Identify key processes to undergo process improvement reviews.
9. Reduction packages should be at -10% (limit small packages and multiples to get to -10%). What would you recommend be kept if you had only 90% of your budget? *This should not be interpreted to mean that we are looking to reduce our budget by 10%. Rather, this is an opportunity for us to explain what the ramifications of such reductions would be. Also, it is a chance for us to look at what we are doing to see if there are ways to improve.*
10. Incremental packages must include a business plan and business case to support new programs/projects/staff.
11. Organizational/structural change – is the current organization adequate to deliver the service? Are there better options?
12. Succession Planning – review organization charts in relation to service delivery with a view to long-term planning. What positions do you see as potentially becoming vacant by retirement and what organizational options may be available as a result?
13. Vacant position review and management – all positions that become vacant are subject to a detailed review prior to being refilled.
14. **Systematically review existing policies and/or develop policies in key areas that require policy direction, using the template on Page 46.**
15. **Quarterly performance reports are to be presented to Council at open Council meetings.**
16. **Progress in relation to our strategic direction is to be evaluated every six months**
17. **Issues raised at the May, 2003 retreat are to be considered in developing workplans, respecting the criteria for establishing priorities that is outlined on page 39, and recognizing that capacity is needed for opportunities or issues that might be discovered through out the year.**

Figure 2:  
Accumulated Surplus (General  
Revenue)

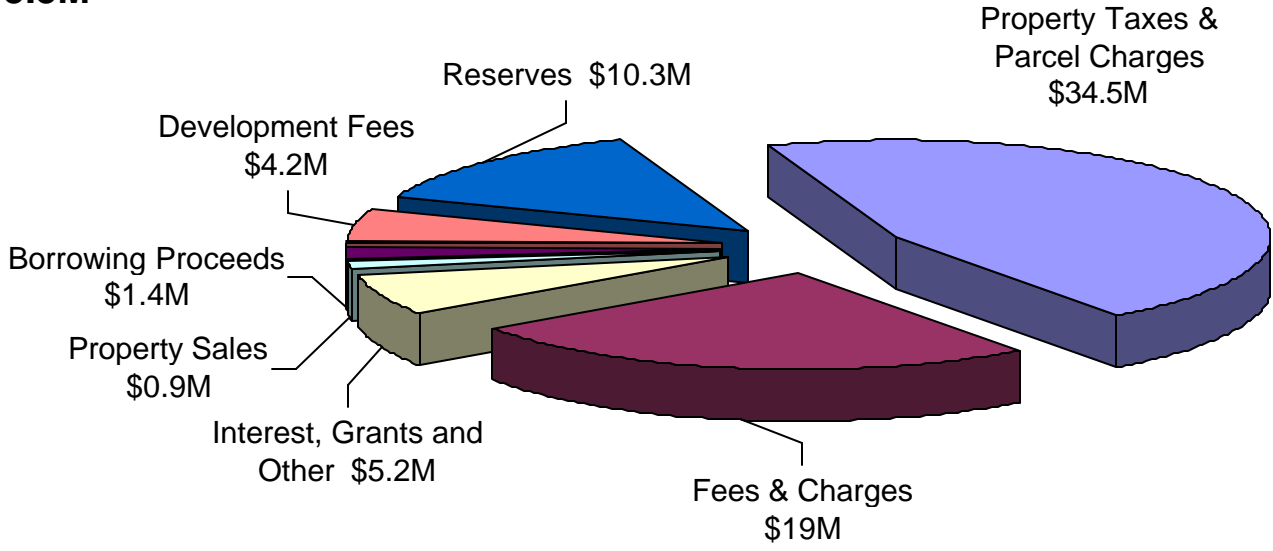


**Business Planning Summary for Financial Plan 2004-2008**  
Review of General Revenue Fund (Excluding Utilities)

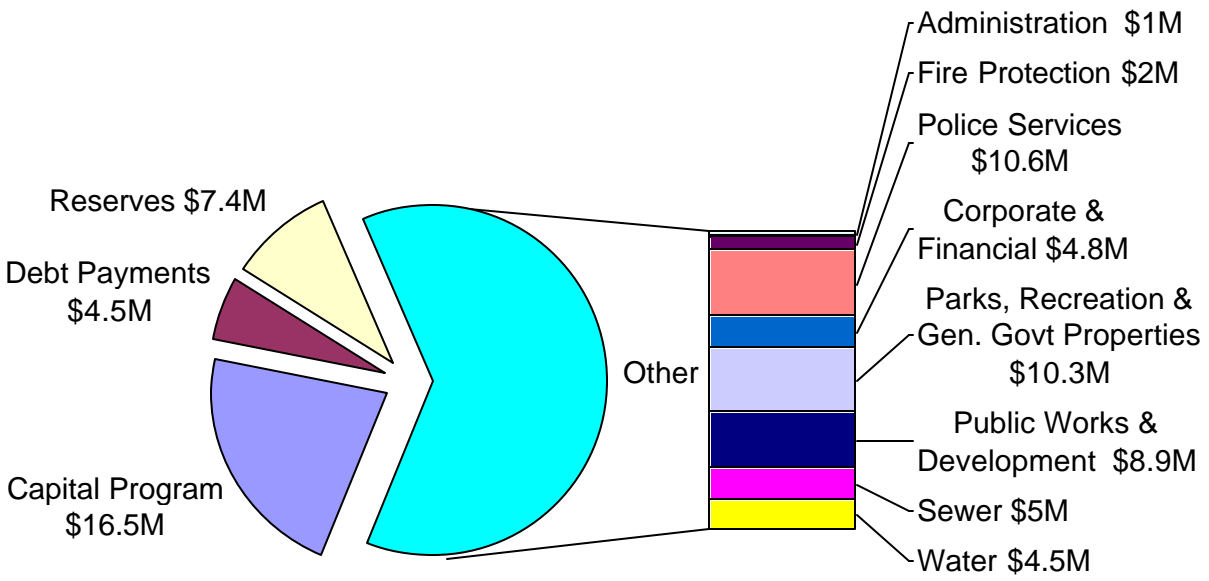
<b>Assumptions:</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Growth	2.75%	2.75%	2.75%	2.75%	2.00%	2.00%
Tax Increase	4.00%	4.00%	4.00%	3.75%	3.50%	3.00%
Value of Growth/Tax Increase of 0.25%		(\$72,232)	(\$77,312)	(\$82,639)	(\$87,605)	(\$92,329)
Transfer 1% of Tax Increase and 50% of growth to Core Reserve, last year is 2007.						
<b>Highlighted items (included in Divisional Budget below)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
PW&D - Gravel Sales Revenue	(\$66,500)	(\$316,500)	(\$316,500)	(\$316,500)	(\$316,500)	(\$316,500)
PW&D - Animal Control Contract	158,400	238,000	242,000	242,000	242,000	242,000
PW&D - Inspections Permits Revenue	(1,220,000)	(1,470,000)	(1,470,000)	(1,470,000)	(1,470,000)	(1,470,000)
Capital Expenditures - General Revenue Funded	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000	2,200,000
Infrastructure Funding - General Government Properties	450,000	450,000	450,000	450,000	450,000	450,000
Equipment Replacement Reserve Funding (GR) -Information Technology	293,134	360,310	412,310	412,310	412,310	412,310
<b>Divisional Budget Prior to 2003 Pkgs</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
C&FS - Financial Services (Taxation/Debt/Transfers/Other Rev.)	(\$31,959,564)	(\$33,497,354)	(\$35,085,067)	(\$36,770,085)	(\$37,922,047)	(\$39,743,171)
C&FS - Protective	11,299,556	11,776,551	12,227,409	12,823,417	12,984,586	13,178,150
C&FS - Other	4,470,785	4,626,477	4,809,661	4,934,081	5,052,531	5,162,023
Admin	843,185	828,520	847,955	866,496	885,461	904,886
CDPR	8,451,299	8,582,181	8,709,777	8,884,474	9,474,283	9,598,302
PW&D	6,011,027	5,898,288	6,125,538	6,375,728	6,575,465	6,762,795
<b>Total excluding 2003 Pkgs</b>	<b>(\$883,712)</b>	<b>(\$1,785,337)</b>	<b>(\$2,364,727)</b>	<b>(\$2,885,889)</b>	<b>(\$2,949,721)</b>	<b>(\$4,137,015)</b>
<b>2003 Recommended Packages</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Economic Development	\$190,000	\$190,000	\$270,000	\$270,000	\$270,000	\$270,000
Clerks - Insurance	50,000	50,000	50,000	50,000	50,000	50,000
Communications	100,000	125,000	150,000	200,000	250,000	250,000
Training - Phase back prior reduction	-	15,000	30,000	30,000	30,000	30,000
Finance - Revenue & Collections Clerk/Cashier	15,000	30,000	30,000	30,000	30,000	30,000
Fire fighting Response	50,000	100,000	150,000	200,000	250,000	250,000
I/S - Software Maintenance	15,512	38,163	48,163	63,163	63,163	63,163
Legislative - Unallocated Grants	5,000	5,000	5,000	5,000	5,000	5,000
Legislative - Contingency (Mileage & Other)	20,000	20,000	20,000	20,000	20,000	20,000
Licenses, Permits & Bylaws - Bylaws Enforcement	-	26,175	50,620	52,486	54,049	54,049
Licenses, Permits & Bylaws - Clerical Support (net cost)	21,792	21,880	23,029	24,647	25,986	25,986
Licenses, Permits & Bylaws - Pitt Meadows Airport	10,000	10,000	10,000	10,000	10,000	10,000
Operation - Core Cleanup	24,000	24,000	24,000	24,000	24,000	24,000
Leisure Centre - Leisure Centre Assistant Manager	-	22,371	23,155	23,850	24,566	24,566
Recreation - Security Service for Town Centre	35,000	35,000	35,000	35,000	35,000	35,000
Parks & Facilities - Parks Growth Operating/Maintenance Costs	39,879	68,448	124,543	173,945	173,229	173,229
Recreation - Festival Society, S/W Mtce., Subsidized Admissions	35,000	44,100	44,100	44,100	44,100	44,100
Planning - Planning Assistant	-	23,330	50,605	52,508	54,082	54,082
Planning - Payments to Societies (ARMS, KEEPS)	20,000	20,000	20,000	20,000	20,000	20,000
Police Services - RCMP Members, Community Policing Coordinator	217,421	630,842	830,842	830,842	830,842	830,842
Police Services - Reduce Provincial Revenue - Keep of Prisoners	23,700	24,174	24,657	25,151	25,654	25,654
PW&D - Administration - Customer Service Counter Supervisor	22,498	40,443	41,910	43,975	45,684	45,684
<b>2003 Recommended Pkgs</b>	<b>\$894,802</b>	<b>\$1,563,926</b>	<b>\$2,055,624</b>	<b>\$2,228,667</b>	<b>\$2,335,355</b>	<b>\$2,335,355</b>
<b>Surplus Prior to 2004 Pkgs</b>		<b>(\$221,411)</b>	<b>(\$309,103)</b>	<b>(\$657,222)</b>	<b>(\$614,366)</b>	<b>(\$1,801,660)</b>
<b>2004 Packages Recommended</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	
Social Planning (request \$101,566 & \$8,000 one time)	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	
Police Services - IT Support, CPIC, Reader	50,000	75,000	115,000	115,000	115,000	
Operations - Roads/Lighting/Storm Growth	25,880	27,000	30,000	33,000	36,000	
Information Services - Service Desk	23,500	47,000	47,000	47,000	47,000	
Engineering - Safer Cities	17,000	17,000				
Recreation - Art Gallery Grants	16,086	16,086	16,086	16,086	16,086	
Human Resources - Payroll	12,500	23,000	23,000	23,000	23,000	
Planning - Environmental Technician (net)		25,000	50,000	50,000	50,000	
Information Services - Equipment Replacement Reserve IT			50,000	50,000	50,000	
Human Resources - HepB & Safety Compliance Program	23,000					
Funding from Surplus - One time items	(23,000)					
Human Resources - Training (Office XP, GIS, Super Users)	25,000					
Funding from Surplus - One time items	(25,000)					
Communications - Public Relations	12,500					
Communications - Advertising	30,000	15,000				
Communications - Corporate Identity	20,000					
Funding from Surplus - One time items	(62,500)	(15,000)				
Licenses, Permits & Bylaws - Sign Bylaws & Business Lic. Review	50,000					
Funding from Surplus - One time items	(50,000)					
Recycling Rate Increases - 2%	(19,674)	(20,168)	(20,674)	(21,059)	(21,449)	
Transfer to Recycling Reserve	19,674	20,168	20,674	21,059	21,449	
Operations - Utilities Growth	30,680	32,000	35,000	38,000	41,000	
Funding from Utilities	(30,680)	(32,000)	(35,000)	(38,000)	(41,000)	
Social Planning - One time Equipment	8,000					
Funding from Surplus - One time items	(8,000)					
<b>2004 Recommended Packages</b>	<b>\$219,966</b>	<b>\$305,086</b>	<b>\$406,086</b>	<b>\$409,086</b>	<b>\$412,086</b>	
<b>2004 Projected Transfer (to)/from Accumulated Surplus</b>	<b>(\$1,445)</b>	<b>(\$4,017)</b>	<b>(\$251,136)</b>	<b>(\$205,280)</b>	<b>(\$1,389,574)</b>	



### 2004 Projected Revenue \$75.5M



### 2004 Projected Expenditures \$75.5 Million



CORPORATION OF THE DISTRICT OF MAPLE RIDGE

BY-LAW NO. 6183-2003

A By-law respecting the 5-year Financial Plan for the years 2004 through 2008

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**WHEREAS** pursuant to Section 327 of the Local Government Act, Council for the District of Maple Ridge has caused to be prepared a Financial Plan for the years 2004-2008;

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

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

1. This By-law may be cited for all purposes as “Maple Ridge Financial Plan By-law No. 6183-2003.”
2. Statement 1 attached hereto and made part of this by-law is hereby declared to be the Financial Plan of the Corporation of the District of Maple Ridge for the years 2004 through 2008.

READ a first time this

READ a second time this

READ a third time this.

RECONSIDERED and adopted the

\_\_\_\_\_MAYOR

\_\_\_\_\_CLERK

Statement 1  
Consolidated Financial Plan

	2004	2005	2006	2007	2008
<b>REVENUES</b>					
External Revenues					
Property Taxes	\$32,649,690	\$34,777,774	\$36,974,915	\$38,944,086	\$40,833,216
Parcel Charges	\$1,796,715	\$1,836,950	\$1,878,119	\$1,912,890	\$1,948,221
Fees & Charges	\$19,035,676	\$19,600,073	\$20,240,156	\$20,930,946	\$20,992,045
Interest	\$1,725,000	\$1,725,000	\$1,725,000	\$1,725,000	\$1,725,000
Grants (Other Govts)	\$3,467,169	\$2,510,258	\$2,618,329	\$2,070,698	\$3,561,957
Property Sales	\$900,000	\$0	\$0	\$0	\$0
Development Fees					
Developer Cost Charges	\$3,864,143	\$4,188,704	\$4,035,801	\$4,197,092	\$4,229,297
Developer Specified Projects	\$43,500	\$0	\$0	\$15,750	\$25,984
Parkland Acquisition	\$281,000	\$200,000	\$200,000	\$200,000	\$200,000
<i>Total External Revenues</i>	<u>\$63,762,892</u>	<u>\$64,838,759</u>	<u>\$67,672,321</u>	<u>\$69,996,463</u>	<u>\$73,515,720</u>
Internal Revenues					
Borrowing Proceeds	\$1,400,000	\$0	\$18,588,754	\$10,743,877	\$350,000
Transfer from Part 13 Funds	\$3,985,698	\$3,702,425	\$5,580,364	\$877,828	\$2,901,516
Transfer from Own Reserves	\$4,028,265	\$4,216,856	\$4,071,484	\$4,603,729	\$4,600,076
Transfer from Surplus	\$2,302,612	\$2,056,732	\$382,483	\$432,840	\$0
<i>Total Internal Revenues</i>	<u>\$11,716,574</u>	<u>\$9,976,013</u>	<u>\$28,623,085</u>	<u>\$16,658,273</u>	<u>\$7,851,592</u>
<b>TOTAL REVENUES</b>	<b><u>\$75,479,466</u></b>	<b><u>\$74,814,772</u></b>	<b><u>\$96,295,406</u></b>	<b><u>\$86,654,736</u></b>	<b><u>\$81,367,312</u></b>
<b>EXPENDITURES</b>					
External Expenditures					
Capital Expenditures	\$16,502,976	\$14,150,401	\$14,819,500	\$10,418,270	\$14,484,464
Interest Payments on Debt	\$2,822,313	\$2,737,440	\$2,369,376	\$2,262,252	\$2,261,965
Other Expenditures	\$47,094,715	\$49,453,367	\$51,604,787	\$53,872,851	\$54,742,329
<i>Total External Expenditures</i>	<u>\$66,420,004</u>	<u>\$66,341,208</u>	<u>\$68,793,663</u>	<u>\$66,553,373</u>	<u>\$71,488,759</u>
Internal Expenditures					
Principal Payments on Debt	\$1,697,258	\$1,597,224	\$19,577,718	\$11,514,845	\$666,732
Contribution to Part 13 Funds	\$2,886,709	\$3,034,442	\$3,193,219	\$3,285,935	\$3,380,186
Contribution to Surplus	\$0	\$0	\$0	\$0	\$543,140
Contribution to Own Reserves	\$4,475,495	\$3,841,897	\$4,730,806	\$5,300,583	\$5,288,495
<i>Total Internal Expenditures</i>	<u>\$9,059,462</u>	<u>\$8,473,564</u>	<u>\$27,501,743</u>	<u>\$20,101,363</u>	<u>\$9,878,553</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$75,479,466</u></b>	<b><u>\$74,814,772</u></b>	<b><u>\$96,295,406</u></b>	<b><u>\$86,654,736</u></b>	<b><u>\$81,367,312</u></b>