District of Maple Ridge

TO:	His Worship Mayor Ernie Daykin and Members of Council	DATE:	December 8, 2008
FROM:	Chief Administrative Officer	ATTN:	Workshop/Business Planning
SUBJECT:	2009-2013 Financial Plan Overview		

EXECUTIVE SUMMARY:

Earlier this spring, Municipal Council established the budget guidelines which staff have used to prepare the 2009 through 2013 Business and Financial Plans.

The purpose of this report is to provide Council with a high level financial overview based on financial performance to date, departmental business plans and recommended priorities for 2009 and beyond. The final outcome will be a Financial Plan Bylaw for Council's consideration.

RECOMMENDATION(S):

A. That staff be directed to prepare a 2009-2013 Financial Plan incorporating the Business Plans and include the following:

1. Tax increase of 3% per year for general purposes in 2009 through 2013.
2. Tax increase of 1% per year for infrastructure sustainability in 2009 through 2013.
3. The continued implementation of the Fire Department Master Plan and associated levy.
4. Growth in tax revenue from all property classes combined is estimated at 2.35% per year. Growth refers to increases in property value due to non-market changes, such as new construction. The actual growth is not known until early April of each year.
5. On the recommendation of the Finance and Audit Committee, a reduction of the 2009 calculated Major Industry tax rate of 5%, to ensure tax rates remain competitive, as discussed on page 25.
6. Water Utility rate increase of 9% per year; Sewer Utility rate increase of 5% per year, as discussed on page 19.
7. Recycling rate increase of 4.5% in 2009, 3.5% in 2010 and 3% thereafter, as discussed on page 20.
8. Growth Packages, new and previously approved, as detailed in Figure 5 on page 10, in accordance with Financial Sustainability Policy 5.52-2.0. Adjustment to Growth Packages as detailed in Figure 6 on page 11.
9. Extraordinary items to be funded from General Revenue surplus as detailed in Figure 7 on page 11, including capital improvement to the downtown totaling $835,000 in 2009, $300,000 in 2011 and $300,000 in 2013 and operating items approved in the 2007-2011 Financial Plan totaling $110,000.

10. Capital Works Program totaling $28 million for 2009, $34 million for 2010, $33 million for 2011, $23 million for 2012 and $16 million in 2013 as summarized in Figure 10 and Figure 11 on page 13, with project listing on page 35.
11. The borrowing of funds, if the DCC Reserves near depletion: $8 million for 2009, $2.8 million for 2010 and $5.3 million for 2011, as outlined in Figure 16 on page 22 and in accordance with Financial Sustainability Policy 5.52-8.0.
12. Allocation of sustainability funds to various business areas in the amounts of $866,000 for 2009, $1.34 million for 2010, $1.85 million for 2011, $2.39 million for 2012 and $2.96 million for 2013, as outlined in Figure 21 on page 29 and in accordance with Financial Sustainability Policy 5.52-7.0 and 7.1.
13. Cost and revenue adjustments which are included in the base budget as itemized in the reconciliation of General Revenue Surplus in Figure 13 on page 16.
14. Incremental costs listed in Figure 14 on page 18.

B. That early in 2009 Council provides policy direction on items in Section 5, page 23.

C. That staff be directed to seek elector approval to enable the District to obtain debt financing, once the DCC Reserves are nearing depletion and if any projects may qualify, seek the Inspector of Municipalities' approval to include the interest portion of debt payments for those projects in DCC rates and to amend the DCC Rate Imposition Bylaw accordingly.

DISCUSSION:
This report contains information that will assist in providing a high level overview of the proposed 2009-2013 financial plan. Specifically, details are provided on:

1. 2008 Financial Outlook

To set some context leading into Financial Plan discussions, it is useful to review financial performance in the General Revenue Fund. The following information is based on results to the end of October.

Revenues:

Positive:

- $500,000 in revenue from a property sale previously deferred pending the settlement of environmental issues has been recognized and in accordance with policy, will be transferred to capital reserves.
- Building Permit revenues approximately $500,000
- Subdivision Inspection Fees approximately $375,000
- Proceeds from resale of ECRA units approximately $100,000.
- MFA discharge $119,181 (transferred to Local Improvement Reserve)

Negative

- Gravel revenues of at least $292,000 will be realized this year. This is less than budget expectations of $456,500, but well above levels realized in prior years. A gravel agreement has been reached which enables future years' budgets to be met and possibly increased.
- Development revenue associated with acquisition of joint school / park sites was not realized (associated expenditures did not occur.)

Expenditures

- RCMP contract will come in under budget, with 50% of the savings transferred to the Police Services Reserve in accordance with Council direction.
- Savings of up to $400,000 could be realized in Engineering & Operations as some studies and projects scheduled for 2008 are likely to be deferred to 2009. Any savings will be transferred to reserves to allow the projects to proceed next year.
- $220,000 of expenditures for snow removal in excess of budget incurred earlier this year. Should this result in an overall budget shortfall, the Snow Removal Reserve has the capacity to cover this.
- In Planning, we will likely see savings in the neighborhood of $300,000 from a combination of staffing vacancies for part of the year and deferred projects. As with Engineering, there will be a need to transfer much of the savings to a reserve to allow the projects to proceed next year.
- Savings of approximately $150,000 are anticipated in the Finance area as a result of staffing vacancies and scheduling variances for some expenditures. As with other areas, much of the savings will be transferred to reserves at the end of the year to allow work to proceed in 2009.

The above summary is based on results to the end of October. Although the items detailed above point to a General Revenue surplus it may be prudent to wait for more accurate information to commit any of this projected amount to unfunded initiatives.

For the past several months, we have been seeing signs that the brisk pace of development experienced for the past number of years is slowing in step with the overall worldwide economic slowdown. Development Cost Charge collections in particular are much lower than the last few years. Council's financial planning framework gives us the ability to see ourselves through these difficult times. For instance, we have reserves in place (as discussed in Section 8) that will assist us. As well, Building Permits are one of our main sources of non-tax revenue and while such revenues have been in excess of $2 million for the last few years, the budgeted level was set at $1.7 million so that we would be better prepared for some softening in activity.

2008 Capital Projects

The budget for the Capital Works Program in 2008 is $104 million. This number is higher than the number in subsequent years because the first year of the capital program includes projects approved in prior years that are not yet complete, but are still a priority.

The budget of projects that have started is $57.5M. Of these projects, $12.2M are complete or nearly complete, $32.9M are well under way and $12.5M are in the early stages of design and tendering.

The budget of projects not yet started, is approximately $46.5 million. The reasons for these project delays are summarized as follows:

School/Park Sites Agreement not yet signed	$17.9M	38%
Reliant on Grant Funding not yet received	$11.0M	24%
Reliant on Other Capital Work	$ 9.3M	20%
Land Acquisition delays	$ 1.9M	4%
Other Funding delays	$ 2.4M	5%
Staffing, Strategic & Technical delays	$ 3.2M	7%
Other	$ 0.8M	2%

Projects that do not complete in 2008 will have their funding carried forward to 2009.

2. Where the Money Comes From / Where It Is Allocated

This section provides a look at what the District can expect in additional revenue each year over and above the amount budgeted in the year prior. Growth in the property tax base and property tax increases provide the bulk of new revenue, which amounts to $3,450,000 in 2009.

Figure 1 illustrates the growth rate and tax increase assumptions reflected in the proposed financial plan. The growth revenue refers to the tax revenue from non-market changes (i.e. new construction) in property assessments in all property classes. Even if the residential growth rate exceeds 2.35%, the overall growth in tax revenue is still dependent on growth in non-residential property classes such as business and light industry. The growth rate of 2.35% for 2009 is realistic with a bias towards being conservative, as the overall growth last year was just over 3%. We will monitor development activity in 2009 and adjust growth projections as needed.

The revenue from increased taxation is in line with the direction received from Municipal Council earlier this year.

The property tax base is mainly residential and not largely reliant on any one employer or industry. This gives us a measure of strength during uncertain economic times.

2.1. New Revenue

Figure 1: Conceptual Overview of New Revenue

Item		2009	2010	2011	2012	2013
Previous Year's Taxation		*43,625,000*	*47,075,000*	*50,775,000*	*54,750,000*	*58,975,000*
Growth	Rate	2.35%	2.35%	2.35%	2.35%	2.35%
	Growth Revenue	**1,025,000**	**1,100,000**	**1,200,000**	**1,275,000**	**1,375,000**
Previous Year's Taxation + Growth		*44,650,000*	*48,175,000*	*51,975,000*	*56,025,000*	*60,350,000*
Tax Increase	Rate	4.00%	4.00%	4.00%	4.00%	4.00%
	Tax Increase	**1,775,000**	**1,925,000**	**2,075,000**	**2,250,000**	**2,425,000**
	Fire Levy Increase	**650,000**	**675,000**	**700,000**	**700,000**	**350,000**
Total Increase in Taxation + Growth		3,450,000	3,700,000	3,975,000	4,225,000	4,150,000
Next Year's Taxation Base		*47,075,000*	*50,775,000*	*54,750,000*	*58,975,000*	*63,125,000*
Increases in gravel related revenue:		**175,000**	**0**	**0**	**0**	**0**
Increases in other revenue:		**675,000**	**325,000**	**225,000**	**225,000**	**225,000**
Increase in General Revenue		**4,300,000**	**4,025,000**	**4,200,000**	**4,450,000**	**4,375,000**

In 2009, other revenues are projected to increase by $850,000 over the amount previously budgeted. A gravel agreement was entered into in 2008 and it includes provisions for us to receive certain minimum additional revenue of $175,000 more than the $456,500 we had previously budgeted for. The actual amount of revenue may be more, but as it is dependant on development activities, we believe it is prudent to err on the side of conservatism at this time.

The increase in other revenues includes changes in investment income, cemetery fees, Parks & Leisure Service fees and recoveries, recycling fees, parking fees and dog licenses. In most cases, these revenues are offset by increased expenditures.

The figures 2 and 3 show the demands against this revenue.[1]

2.2. Transfers

The District has committed to making transfers to certain reserves in order to provide longer term financial stability. These transfers reduce the revenues that are available to meet current expenditures. Approximations of such transfers are shown in the next table. The amounts reflect the change from one year to the next, rather than gross amounts to be transferred, to highlight the draw against each year's additional revenue.

Figure 2: Conceptual Overview of Changes to Transfers

Item	2009	2010	2011	2012	2013
Increase in General Revenue	**4,300,000**	**4,025,000**	**4,200,000**	**4,450,000**	**4,375,000**
Transfers to Reserves:					
Infrastructure Sustainability	-450,000	-475,000	-500,000	-525,000	-575,000
Equipment Replacement Reserve -PWD	-50,000	-75,000	-25,000	-75,000	-50,000
Fire Dept. Capital Acquisition Reserve	125,000	-75,000	-50,000	-50,000	-75,000
Police Services Reserve	-25,000	75,000	150,000	-150,000	-275,000
Capital Works Reserve	-25,000	-25,000	-25,000	-25,000	-25,000
Reserve For Committed Projects	200,000	-100,000	-10,000	-90,000	0
Other Transfers	-50,000	-25,000	-100,000	-75,000	-75,000
Available after transfers	**4,025,000**	**3,325,000**	**3,640,000**	**3,460,000**	**3,300,000**

A discussion of our Reserves follows in Section 8 but there are a couple of items worth noting on this table. Specifically, in 2008, Council approved a 1% tax increase to be set aside for looking after our existing infrastructure. The reductions in the Fire Department Capital Acquisition Reserve and the Reserve for Committed Projects in 2009 are anomalies as both of these reserves benefited from operating savings in 2008 that are not expected to continue in 2009.

The remaining new revenue for 2009, after the reserve commitments, is $4 million.

[1] Items with offsetting entries within general revenue have been removed for simplicity.

2.3. Expenditures

Beyond the transfers noted above, a number of adjustments to expenditures are required. We experienced inflationary pressures in a number of areas that must be provided for. The impacts of these expenditure adjustments are captured in Figure 3 below and a discussion follows. In addition, growth-related enhancements have been addressed and are detailed in Figure 5 on page 10.

Figure 3: Conceptual Overview of Expenditure Changes

Item	2009	2010	2011	2012	2013
Available after transfers	**4,025,000**	**3,325,000**	**3,640,000**	**3,460,000**	**3,300,000**
Increase in expenditures:					
Labour (excluding Fire Dept)	-1,425,000	-1,050,000	-950,000	-850,000	-900,000
Fire Department	-925,000	-825,000	-850,000	-900,000	-550,000
Policing (RCMP, IHIT, ERT, ECOMM)	-900,000	-825,000	-950,000	-900,000	-925,000
Fraser Valley Regional Library	-100,000	-100,000	-125,000	-125,000	-125,000
Public Art	-40,000	-10,000	-10,000	-10,000	0
Inflation Allowance		-100,000	-125,000	-125,000	-150,000
South Bonson Amenity Bldg	-25,000	-175,000			
Debt <increase>/decrease	50,000		-25,000		
Growth	-325,000	-425,000	-600,000	-350,000	-350,000
Reduction to Growth to fund inflation		200,000	100,000		
Capital Funded from General Revenue				-150,000	-150,000
Fuel/Contracts/Other	-225,000	-25,000	-50,000	-25,000	-75,000
Available after expenditures	110,000	-10,000	55,000	25,000	75,000
Surplus from prior year and rounding	-64,006	54,765	-9,953	44,120	10,621
General Revenue Surplus	45,994	44,765	45,047	69,120	85,621

It is important to keep in mind that the numbers in the preceding three tables represent a change from one year to the next. For example, in Figure 3 above, the labour amount means that 2009 costs are forecasted to be $1.4 million higher than 2008, so will require $1.4 million of the new revenue for 2009.

We have little discretion in funding these items as they reflect the costs associated with existing contracts (as in labour, RCMP contract, library, recycling), or in the case of the Fire Department Master Plan, related to a change in the fire service delivery model.

These next few points provide further detail about items in Figure 3:

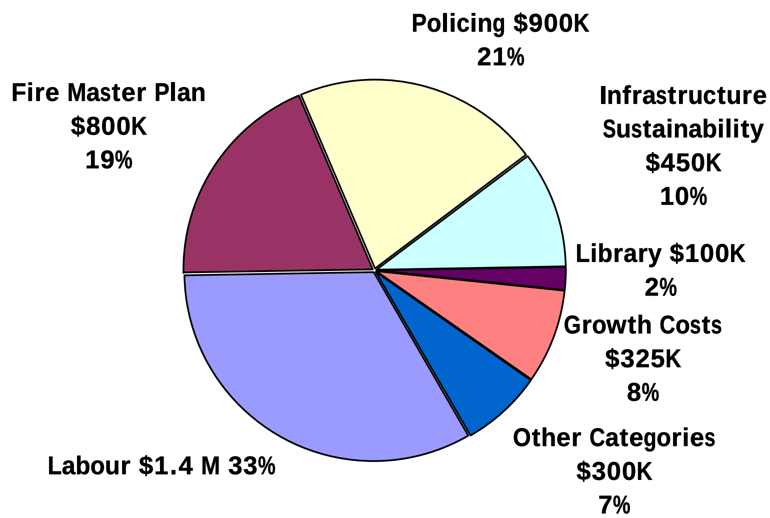
- Labour: This line includes wage and benefit cost increases. There were several positions added through succession planning and growth funding. There was an additional position added due to the cancelling of a contract and taking the service on ourselves. There were additional police support positions funded by savings in the RCMP contract. The remainder of the increase is wage and benefit cost increases of existing positions.

- Fire Department: Implementation of the Fire Department Master Plan is reflected, plus operating costs associated with operating a fourth fire hall after construction. The balance of the increase is the cost of existing positions, including wage and benefit costs.
- Policing: This line includes the cost for contracts associated with Police Services including RCMP, community police officers, centralized dispatch services and regional initiatives such as an Integrated Homicide Team and an Emergency Response Team, Forensic Identification, a Dog Unit and a Traffic Reconstruction Unit. The RCMP contract has been adjusted to include additional members, none in 2009, two in 2010, three in 2011, three in 2012 and two in 2013. Funding from the Police Services Reserve softens the impact to taxpayers.
- Library: The cost of the contracted service with FVRL is estimated to increase by 5% per year. Changes in exchange rates, service levels or other factors including changes to the allocation of costs among members may impact this figure.
- Inflation Allowance: There is no contingency for inflation for 2009. Beyond 2009, a small contingency exists.
- Debt: New debt payments were already included for several projects approved in the 2008-2012 Financial Plan. Other payments are dropping off as existing debt expires. Debt is discussed in more detail under the section called “Borrowing” starting on page 20.
- Growth: Growth projections and increases to revenues as a result of growth are built in. In order to recognize the costs associated with growth and the demand it places on the new revenues, a number of growth increments are included in alignment with Financial Sustainability Policy 5.52-2.0. Some growth increments are directed towards general areas rather than specific programs. The growth funding and where it is being allocated is noted in Figures 5 and 6.
- Other: This line captures numerous minor adjustments to other accounts such as materials, utilities, training, supplies and maintenance.

Of the $4.3 million available in new revenue, the demand from just the labour category alone (Figure 3) is 33%, excluding Fire Department labour. Infrastructure Sustainability requires 10%. The RCMP contract continues to increase at a rate beyond the District’s general tax increase. The Fire Master Plan implementation increases each year, along with a special tax levy to support it. The inflation allowance covers over 1,000 items, amounting to almost $9 million in materials and services, for which increases are not specifically built into departmental budgets. A general increase is captured in fiscal services to cover inflationary increases for 2010 and beyond.

Following is a chart illustrating the distribution of new revenues for the 2009 year.

Figure 4: Conceptual Overview of Distribution of New Revenue - $4.3 million, 2009



The preceding section provided a brief overview of increases in revenues, and where that money goes. It illustrates those items that have an impact on general revenue. The rate of cost increases in certain areas (i.e. Police) is beyond the rate of the general tax increase, leaving minimal room for enhancements, unless reductions are considered in other areas or new revenue sources, such as grants, are found.

2.4. Budget Allocations for Growth

The discussion above touched on growth amounts allocated to budget areas, but only to the extent that they drew upon general revenue. A number of growth increments are included in alignment with Financial Sustainability Policy 5.52-2.0. The following table captures all growth allocations in the financial plan. Some are directed towards general areas rather than specific programs. As we approach later years and the community's needs are more certain, these packages will be allocated more specifically.

Figure 5: Growth Packages in Financial Plan (figures represent total budget, not year over year change)

Source	Allocated to:	2009	2010	2011	2012	2013
General Rev	Fire Department Capital	55,000	105,000	155,000	205,000	255,000
	Operations	65,000	130,000	195,000	260,000	325,000
	Parks Maintenance*	40,000	110,000	195,000	260,000	325,000
	Software Maintenance	33,000	41,000	64,000	84,000	104,000
	Public Works & Development	80,000	140,000	265,000	310,000	355,000
	Allocated to:					
	Transportation Technician	*-5,000*	*-5,000*	*-5,000*	*-5,000*	*-5,000*
	Funding of inflationary costs	*-5,000*	*-70,000*	*-90,000*	*-90,000*	*-90,000*
	Balance to be allocated	*70,000*	*65,000*	*170,000*	*215,000*	*260,000*
	Corporate & Financial Services	80,000	140,000	265,000	310,000	355,000
	Allocated to:					
	Funding of inflationary costs	*-5,000*	*-70,000*	*-90,000*	*-90,000*	*-90,000*
	Balance to be allocated	*75,000*	*70,000*	*175,000*	*220,000*	*265,000*
	Community Dev, Parks & Rec	80,000	140,000	265,000	310,000	355,000
	Allocated to:					
	Recreation Growth	*-78,400*	*-97,400*	*-103,500*	*-107,500*	*-107,500*
	Funding of inflationary costs	*-1,600*	*-42,600*	*-120,800*	*-90,000*	*-90,000*
	Balance to be allocated	*0*	*0*	*40,700*	*112,500*	*157,500*
	General Revenue Subtotal	433,000	806,000	1,404,000	1,739,000	2,074,000
Water Rev	Water Maintenance	15,000	30,000	45,000	60,000	75,000
Sewer Rev	Sewer Maintenance	10,000	20,000	30,000	40,000	50,000

*Additional funding for the Parks area to deal with future growth comes mainly from general revenue, building up incrementally. However, a significant amount of green space had been turned over to the Parks area and some funding was required earlier to bridge the gap, see Figure 6. There was no capacity within general revenue in 2007 to increase the growth allocation so surplus was targeted to fill the gap for 2007 through 2009. The use of surplus is discussed in Section 2.5.

Of the amounts in the table above, a significant portion had been previously approved in the 2008-2012 Financial Plan. For reference, the following table outlines just those amounts which have been changed. Generally, reductions in the Growth Packages are to fund inflationary costs of existing programs.

Figure 6: Changes to Growth Packages

Source	Allocated to:	2009	2010	2011	2012	2013
General Rev	Operations	-30,000	5,000		-50,000	65,000
	Fire Department		-25,000	-50,000		50,000
	Parks Maintenance	30,000	35,000	30,000		65,000
	Software Maintenance	23,000	21,000	27,000	27,000	20,000
	Corporate & Financial Services Growth				45,000	90,000
	Community Dev, Parks & Rec Growth				45,000	90,000
	Public Works & Development Growth				45,000	90,000
	Corporate & Financial Services Adjustments	-5,000	-70,000	-90,000	-90,000	-90,000
	Community Dev, Parks & Rec Adjustments	-5,000	-70,000	-90,000	-90,000	-90,000
	Public Works & Development Adjustments	-5,000	-70,000	-90,000	-90,000	-90,000
	Adjust Timing of CDPR Packages*	3,400	27,400	-30,800		
	General Revenue Subtotal	11,400	-146,600	-293,800	-158,000	200,000

* Due to costs in 2009 and 2010 exceeding the growth allocation, an adjustment in the timing of the growth funding has been accommodated through the use of accumulated surplus. Without this adjustment the balance to be allocated for Community Dev, Parks & Rec. in Figure 5 would be negative for 2009 and 2010.

2.5. Surplus as a Source of Funds

Several projects were unable to be funded from increases in revenues. The District's accumulated surplus had been targeted to provide funding for the following projects:

Figure 7: Items to be funded from Surplus

Item	2009	2010	2011	2012	2013
Operating items approved in prior financial plans:					
BC Disability Games	45,000				
Citizen Satisfaction Survey			15,000		
Park Growth Incremental	50,000				
Other Adjustments:					
Community Dev, Park & Rec Growth	3,357	27,415	-30,772		
Capital Improvments to the Downtown					
Spirit Square - increase funding to $1.3M	235,000				
Design Work - Downtown Improvements	200,000				
Lougheed (223 St - 224 St)	400,000				
224 St. (Spirit Sq. - DTR)			300,000		
Lougheed (222 St - 223 St)					300,000
	933,357	27,415	284,228	0	300,000
Approved by Council Resolution in 2008					
Fibre Network	270,000				

The impact that these draws have on accumulated surplus is illustrated below.

Figure 8: General Revenue Accumulated Surplus

Succession Planning was initially funded in 2007 from surplus. Succession Planning may take many forms and the timing of it varies based on the specific set of circumstances faced by each area. The balance of the previously approved funding has been committed as follows:

Figure 9: Succession Planning Implementation

Succession Planning	**2009**	**2010**	**2011**	**2012**	**2013**
Opening Balance	588,536	358,536	113,536		
Funding					
Allocation					
Information Services	-140,000	-35,000			
Operations Centre	-60,000	-180,000	-100,000		
Other	-30,000	-30,000	-13,536		
Closing Balance	358,536	113,536	0		

2.6. *Capital Program*

The five-year Capital Works Program is $134 million; 2009 planned capital projects are in excess of $28 million, exclusive of projects that may 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 project list is included in an Appendix beginning on page 35. Projects carried forward from previous years will be included in a Financial Plan amendment in the spring of 2009.

Figure 10: Proposed Capital Spending by Category

Category	2009	2010	2011	2012	2013	Total
Drainage	1,199,358	814,439	6,157,436	6,240,858	732,630	15,144,721
Government Services	864,000	278,500	380,000	525,000	250,000	2,297,500
Highways	17,637,022	15,473,100	21,025,641	3,900,485	5,566,719	63,602,967
Operating Capital	60,030	60,030	60,030	60,030	60,030	300,150
Park Acquisition	1,331,999	200,000	200,000	1,333,160	1,882,980	4,948,139
Park Improvement	357,575	719,798	967,339	3,248,440	2,352,417	7,645,569
Protective Services	164,000	1,488,960	385,000	1,665,000	0	3,702,960
Recreation Services	1,062,000	175,000	0	0	100,000	1,337,000
Sewage	1,951,250	9,204,484	880,592	1,146,756	1,515,853	14,698,935
Technology	1,707,285	801,664	862,173	1,447,461	468,325	5,286,908
Water	1,957,137	4,312,025	2,139,265	3,806,082	3,102,857	15,317,366
Total Capital Program	28,291,656	33,528,000	33,057,476	23,373,272	16,031,811	134,282,215

The following table illustrates the sources of funding for these projects. The proposed capital program is relatively large due to borrowing (Debt Financing) and projected funding from other sources including Translink and grants from provincial and federal governments.

Figure 11: Proposed Capital Funding Sources

Funding Source	2009	2010	2011	2012	2013	Total
Debt Financing	8,025,600	2,750,000	5,250,000	0	0	16,025,600
DCC Fund (not debt)	4,221,236	8,122,988	3,123,159	4,884,269	5,552,842	25,904,494
General Revenue	**2,343,901**	**2,340,823**	**2,447,428**	**2,568,167**	**2,482,890**	**12,183,209**
Capital Works Reserve	1,273,115	1,367,682	127,473	93,415	35,626	2,897,311
Infrastructure Sustainability Reserve	561,828	920,166	1,104,243	1,354,000	1,800,000	5,740,237
Fire Dept Capital Reserve	65,000	1,053,960	0	950,000	0	2,068,960
Equip Replacement Reserves	2,179,785	2,194,185	1,735,125	2,159,265	864,784	9,133,144
Translink	2,344,411	75,000	50,000	212,500	99,390	2,781,301
Sewer Capital	757,250	1,931,467	602,283	895,256	527,720	4,713,976
Water Capital	1,626,380	2,186,664	1,652,765	1,356,859	1,610,845	8,433,513
Grants, LIP, 3rd Parties	3,223,350	9,942,015	16,051,950	8,366,492	2,307,713	39,891,520
Surplus	835,000	0	300,000	0	300,000	1,435,000
Other Funding Sources	834,800	643,050	613,050	533,049	450,001	3,073,950
Total Capital Program	28,291,656	33,528,000	33,057,476	23,373,272	16,031,811	134,282,215

Debt financing provides about $16 million over the five year plan in addition to the $21.8 million borrowing that was approved in 2008. Borrowing is used for a variety of projects and is discussed in detail in Section 4, Borrowing, with Figure 16 listing the debt funded projects. The Development Cost Charge (DCC) Reserve funds $25.9 million in projects over the five year plan. The DCC Reserve also services debt payments which are discussed in more detail in Section 4, Borrowing. Given the slow-down in DCC collections, we will have to monitor cashflows closely and may have to postpone some projects.

Reserves are a key funding source for capital as they allow for strategic financial planning and facilitate gradual rate increases to taxpayers. The reserve balances and projections for key reserves are shown in Section 8, page 26. The Infrastructure Sustainability Reserve is used for major rehabilitation and replacement of the District's infrastructure. The Fire Department Capital Reserve is used for the acquisition of new growth-related facilities and equipment. Within the Equipment Replacement Reserve, the fire department, public works operations and technology all have dedicated equipment replacement funds. Other Funding Sources, noted on Figure 11, references sources such as our own reserve accounts.

The percentage of the 2009 planned projects funded by General Revenue is 8%. There are other reserves that are funded by General Revenue but the use of these reserves is for specific purposes.

Accumulated Surplus has been identified as a source of funding for projects associated with the downtown improvements. A significant portion of this project was funded through senior government grants in 2008. The 2009-2013 portion of this project is included in the financial plan on the basis of one third funding from the municipal surplus and two thirds from senior governments. If senior government grants do not materialize we should have the capacity to fund the 2009 portion of this project from our own resources but future years will have to be reevaluated.

The capital program includes over $42 million of funding from others as itemized in Figure 12. The majority of this funding has not yet been secured; projects will be reevaluated and reprioritized if funding is not secured.

Figure 12: Capital Funded by Others

Projects Funded by Others	2009	2010	2011	2012	2013	Total
Translink						
232 St (S Alouette - Abernethy)	712,921					712,921
Abernethy Way	1,081,490					1,081,490
Lougheed Hwy Downtown (223-224)	500,000					500,000
Others	50,000	75,000	50,000	212,500	99,390	486,890
Translink Total	**2,344,411**	**75,000**	**50,000**	**212,500**	**99,390**	**2,781,301**
Grants, LIP, 3rd Parties						
Abernethy Way		2,750,000	9,250,000			12,000,000
Downtown Improv. - 224 (Spirit Sq to DTR)			600,000			600,000
Downtown Improv. - Lougheed (222-223)					600,000	600,000
Downtown Improv. - Lougheed (223-224)	800,000					800,000
Drainage			200,000			200,000
Drainage - Fraser Escarpment North			5,000,000	5,000,000		10,000,000
Highways	221,400	120,065		383,042	482,713	1,207,220
Leisure Centre - Energy retrofit	200,000					200,000
Local improvement projects	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Sewer Extension to Corrections	1,000,000	6,000,000				7,000,000
Whonnock Lake Canoe Facility				1,980,000		1,980,000
Youth Action Park Albion					225,000	225,000
Other	1,950	71,950	1,950	3,450		79,300
Grants, LIP, 3rd Parties Total	**3,223,350**	**9,942,015**	**16,051,950**	**8,366,492**	**2,307,713**	**39,891,520**
Total Project Funded by Others	**5,567,761**	**10,017,015**	**16,101,950**	**8,578,992**	**2,407,103**	**42,672,821**

2.7. Financial Plan Reconciliation

The discussion so far has focused on the additional revenues that come into the municipality and the demands upon them. This next section outlines how this information applies to the financial plan that Council will be considering. In May 2008, Council approved a financial plan for 2008 through 2012. This is used as a basis to create a 2009- 2013 financial plan. The following table reconciles the changes to the previously adopted financial plan.

Figure 13: Reconciliation of 2008-2012 Financial Plan to 2009-2013 Proposed Financial Plan

General Revenue Fund (GRF)	2009	2010	2011	2012
GRF Surplus in May 13, 2008 Financial Plan Bylaw	**9,000**	**23,000**	**1,000**	**363,000**
Public Art	-40,000	-50,000	-60,000	-70,000
Labour & Benefits (net contingencies / growth adjustment)	-20,000	-50,000	-50,000	-195,000
Council Remuneration	-100,000	-104,000	-108,000	-118,000
Less: 2008 Training Savings	50,000	0	0	0
Gravel Royalties Sales - Contract (minimum)	44,000	44,000	44,000	44,000
Gravel Sales - Annual Permit	122,000	122,000	122,000	122,000
Environmental - ARMS & KEEPS	-20,000	-20,000	-20,000	-20,000
Soil Deposit Fees	100,000	100,000	100,000	100,000
Transfer to Gravel Reserve	-100,000	-100,000	-100,000	-100,000
Towing Contract Revenue	-53,000	-53,000	-53,000	-53,000
Equipment Rates & Fuel Costs	-82,000	-90,000	-100,000	-110,000
Community Development, Parks & Recreation (CDPR)				
South Bonson Amenity Building	-21,000	-117,000	-117,000	-117,000
Recreation / Youth	-8,000	-28,000	-38,000	-46,000
Building Mtce. (Fire Hall#1, ACT)	-8,000	-8,000	-23,000	-23,000
Corporate & Financial Services (C&FS)				
Investment Earnings	60,000	60,000	60,000	60,000
Grant in Lieu of Property Taxes (BCBC)	0	20,000	35,000	35,000
Interest Expense - Tax Prepayments	-55,000	-55,000	-55,000	-55,000
Traffic Fine Revenue	17,000	17,000	17,000	17,000
Property Rentals & Leases	-4,000	2,000	-8,000	3,000
Insurance	61,000	62,000	62,000	62,000

Figure 13: Reconciliation of 2008-2012 Financial Plan to 2009-2013 Proposed Financial Plan (cont.)

General Revenue Fund (GRF)	2009	2010	2011	2012
Corporate & Financial Services (C&FS) cont.				
Police - RCMP Contract	0	64,000	-157,000	-158,000
Police - Funded from Police Services Reserve	0	-64,000	157,000	158,000
Adjust Timing of Reserve Transfers	-77,000	47,000	37,000	-7,000
Information Services - Salary Recovery	-64,000	-68,000	-69,000	-69,000
Information Services - Other	38,000	0	6,000	8,000
Fire Service Improvement Levy	0	0	0	350,000
Fire Department - Costs	0	0	0	-350,000
Public Works & Development (PW&D)				
Business Licences	50,000	50,000	50,000	50,000
Parking Enforcement Contract	30,000	30,000	30,000	30,000
Parking Fines	30,000	30,000	30,000	30,000
Salaries - Bylaw Enforcement Officer	-45,000	-46,000	-48,000	-50,000
Salaries - RCMP/Bylaws Liaison	-27,000	-30,000	-33,000	-35,000
Building Permits	34,000	34,000	34,000	34,000
Planning Fees	53,000	57,000	62,000	67,000
Inflation Allowance	92,000	122,000	124,000	139,000
Growth Allocation Adjustments	-11,000	48,000	99,000	-37,000
Other Adjustments	-9,000	-4,000	14,000	10,000
Transfer to Surplus: Prior to Incremental Adjustments	**46,000**	**45,000**	**45,000**	**69,000**

The preceding table reconciles the changes to the previously adopted financial plan. It demonstrates that even with projected growth of 2.35% and an annual 4% tax increase, there is little room for additional discretionary spending and not all areas requiring support can be accommodated.

2.8. Incremental Adjustments

There were several requests for funds to address emerging issues. More information on each request can be found in the departmental business plans.

Figure 14: Incremental Adjustments

General Revenue Fund (GRF)	**2009**	**2010**	**2011**	**2012**	**2013**
Transfer to Surplus: Prior to Incremental Adjustments	45,994	44,765	45,047	44,120	85,621
Recommended Ongoing Incremental Adjustments:					
Arts Centre	-20,000	-25,000	-30,000	-30,000	-30,000
Bicycle Advisory Committee	-5,000	-10,000	-10,000	-10,000	-10,000
Recommended One Time Incremental Adjustments:					
Affordable Housing	-75,000				
Emergency Program - Supplies	-10,000				
Zoning Bylaw - Legal	-50,000				
BIA Façade Improvements Program	-12,000	-12,000			
BIA Security (funded from Police Services Reserve)	-20,000				
Funding from Police Services Reserve	20,000				
Funding from 2008 Surplus (One Time Adjustments)	147,000	12,000			
Transfer to GRF Surplus	**20,994**	**9,765**	**5,047**	**4,120**	**45,621**

Water Revenue Fund	**2009**	**2010**	**2011**	**2012**	**2013**
Recommended Ongoing Incremental Adjustments:					
Water Technologist	-100,000	-100,000	-100,000	-100,000	-100,000
Cross Connection Control Program	-100,000	-100,000	-100,000	-100,000	-100,000
Funding from Water Revenue Fund	200,000	200,000	200,000	200,000	200,000

Taking on additional cost should be done with caution in an economy that is slowing. The District of Maple Ridge has excellent business planning practices that will serve us well in the event of an economic slowdown. These practices include a framework for considering what areas of business we should be in, reconsidering vacant positions prior to rehiring and considering what each business area would look like if there was substantially less funding. The District also has reserves that could be drawn down if revenues softened. It is important to realize the impact that this would have on the local economy and that potentially, when jobs are scarcer, the cost of capital projects could come down.

While there are considerable downsides to a slowing economy, it may also represent some opportunities. For instance, there may be a softening in construction costs. As well, senior governments are likely to implement infrastructure improvement assistance programs to stimulate the economy. This is why it is important for us to have a multi-year financial plan in place as early as possible.

3. Water, Sewer and Recycling Rates

Water Utility Rates

The Water Utility covers costs associated with water purchases, maintenance, and both regional and local capital infrastructure. The Regional District is planning an increase in water rates for 2009 of approximately 15.8%. The increase in 2010 is projected to be 5.5% and for 2011 through 2013 an annual increase of 4%.

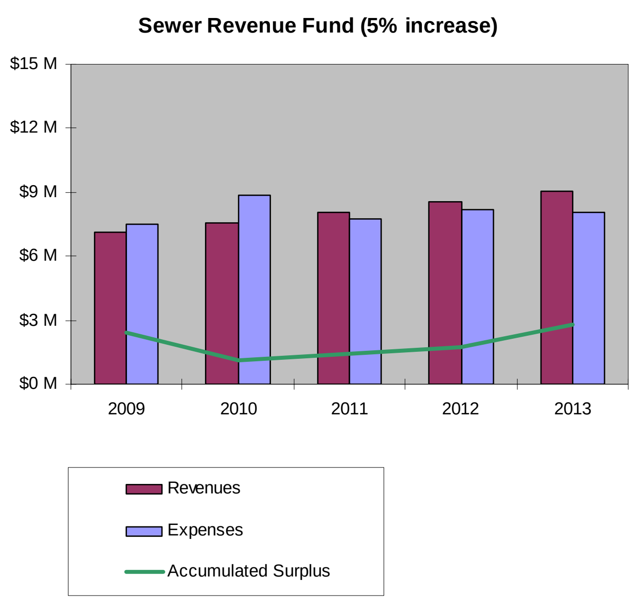
In addition, the Regional District has planned some significant capital expenditures including pump stations that will benefit Maple Ridge. Maple Ridge pays a portion of the costs with some contributions being as high as 41%. Maple Ridge's portion of the current planned projects is approximately $9 million. The timing of the billing will likely be near the end of the five year financial plan or perhaps in 2014, depending on when the work is completed. A portion of the cost is planned on being covered by Development Cost Charges. The current accumulated surplus in the District's Water Revenue Fund is approximately $3.4 million. Capacity to pay for the upcoming projects or the associated financing costs associated with debt is established over the five year planning horizon.

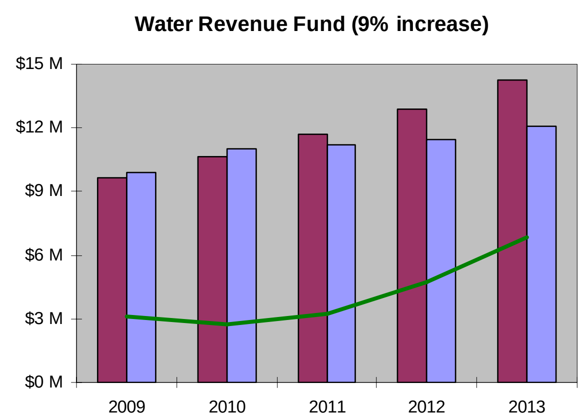
Accumulated surplus is used to stabilize water fee increases. Due to the above factors it is recommended that the water rates be increased by 9% per year, which is consistent with last year's financial plan.

Sewer Utility Rates

The Sewer Utility pays for regional capital expenditures through an allocation model that essentially spreads rate increases out over time to utility ratepayers. A sewer rate increase of 5% per year is required to graduate rate increases over the long-run and is the same increase as last year.

Figure 15: Sewer and Water Revenue Fund Projections





Recycling Rates

The Ridge Meadows Recycling Society (RMRS) is a charitable non-profit organization that provides a range of recycling services. Many of the same pressures faced by the District, such as increased labour, insurance and vehicle costs, are shared by RMRS. Recycling fee increases of 4.5% are required for 2009 due to increased fuel costs and labour costs. The projected rate increase is 3.5% for 2010 and 3% per year 2011 through 2013.

In recent months, we have experienced a significant drop in the price of commodities. While some commodity revenues such as those resulting from stewardship programs are fairly secure, other revenues from cardboard, office paper and plastics, which total about $800,000 annually, could have some exposure.

In the event that targeted revenues are not achieved, we could use our Recycling Reserve, which has a balance of $1.6 million, to provide assistance. This would also allow RMRS time to explore other options. As we do not know when the commodity markets will normalize, we recommend that enhancements to the recycling program be put on hold for the time being. This has been discussed with RMRS and they are in agreement.

4. Borrowing

The financial plan incorporates debt proceeds into the overall funding strategy. At Council's direction, the 2008-2012 Financial Plans called for debt to fund a portion of the capital works program. The projects that were identified to be funded from debt are discussed under DCC Roads and are identified in Figure 16.

Development Cost Charges (DCC) Funded Debt

DCC Roads

The 2007-2011 Financial Plan called for borrowing in 2007 with the intention of having the Development Cost Charges (DCC's) cover the interest costs. Through discussions with the Ministry, it was communicated that interest costs could not be included until the DCC Reserves were depleted. Hence the DCC Reserve was used to fund projects that we had anticipated borrowing funds for. The projects planned to be funded from debt include a bridge over Kanaka Creek on 240 Street and the municipal portion of the cost to extend Abernethy Way from 232 Street to 256 Street. The principle payments for these projects are funded through the DCC Reserve over ten year terms. A portion of the interest costs are also funded through the DCC Reserves. This will require approval from the Inspector of Municipalities and amendment to the DCC Bylaw once the DCC Reserve nears depletion. The timing of the borrowing is dependent on DCC collections and capital expenditures. Depending on DCC collections, borrowing may significantly impact the ability to fund future DCC projects.

DCC Parkland Acquisition

Acquiring parkland prior to development may result in better value for our DCC Reserve. Based on the legislation, and confirmed in conversations with the Ministry, the use of DCC's to pay for interest payments associated with borrowing for parks is not permitted. The cost of borrowing, if necessary, will require the interest component to be funded from anther source such as general revenue or the Capital Works Reserve.

Previously Approved Borrowing

Projects that the District of Maple Ridge is now authorized to borrow for include: the construction of FireHall#4, the acquisition of three joint school and park sites, the purchase of property to expand the Cemetery, drainage work on River Road and an animal shelter. The authority to externally borrow expires in 2013. The cash flow to service this debt is already been provided for in the financial plan.

Firehall #4 Construction

The construction of Firehall #4 is projected to cost $6 million and completion is anticipated in 2010. The debt servicing costs will be funded through the Fire Department Capital Acquisition Reserve. This reserve has the capacity to make the debt payments. The remaining cash balance in the reserve is sufficient to address other capital requirements. This reserve is discussed in more detail beginning on page 30.

Park Acquisition

Land values tend to rise as an area becomes more developed. Therefore, acquiring parkland prior to development may result in better value. Further, there are synergies in having parkland and school sites in close proximity. It is therefore deemed worthwhile to explore the possibility of purchasing larger sections for parkland and entering into an agreement to sell a portion to house new schools. There are three sites that have been identified as ideal for such an arrangement. Included in the financial plan is borrowing that will enable the District to purchase a larger property and offset the increased cost using contributions from the School District to fund the debt payments over a five year term. Borrowing for the municipal portion is not needed as it is funded through the DCC Reserves.

Cemetery Expansion

Debt payments associated with $1.5 million in land purchases for cemetery expansion are funded through increased cemetery fees, which were recently approved. In light of the cost of recent acquisitions, the adequacy of this envelope will have to be addressed in the coming year.

Non-DCC Drainage Work

Major drainage work on River Road requiring $2.65 million has been difficult to fund. The primary funding source for these projects is general revenue, and the annual capacity to fund all capital works, including drainage, roads, park development, recreation equipment, government services buildings, equipment and technology is just over $2 million. These drainage projects would exhaust the annual general revenue program. Utilizing debt would allow the projects to proceed while leaving the general revenue portion of the capital program intact. The annual payments have been funded through the Capital Works Reserve. The Capital Works Reserve is discussed in more detail in the "Reserves" section of the report, which starts on page 26.

Animal Shelter

The construction of a new and expanded animal shelter was included in the 2007 budget, at a total cost of $1.5 million. Community fund raising is projected to contribute $300,000. The District will contribute $300,000 of its own funds, and the balance will be financed through long-term (25 year) debt. In addition to these various funding sources, the debt payments are funded through a $10 increase in dog license fees. Council has entered into a Letter of Intent for the construction of the shelter with the SPCA and we expect construction to begin in early 2009.

Borrowing Considerations 2009-2013

The following table summarizes additional debt contemplated in the 2009-2013 Financial Plan.

Figure 16: Capital Projects proposed for debt financing

Project	Year	Borrow	Term	Main Fund	Annual Payments	Issue Costs	Total Interest	Funded by Other Sources	Total Cost
240 St @ Kanaka Creek (Bridge)	2009	8,025,600	10	DCC	1,069,740	60,192	2,671,798	81,057	10,838,647
Abernethy Way Phase 3	2009	2,750,000	10	DCC	366,550	20,625	915,501	2,777,500	6,463,626
Abernethy Way Phase 4	2011	5,250,000	10	DCC	699,777	39,375	1,747,775	9,302,500	16,339,650
		16,025,600			2,136,067	120,192	5,335,074	12,161,057	33,641,923

Borrowing Capacity

Under Community Charter legislation[2], the maximum amount of borrowing the District 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 2007 Annual Report the available debt servicing capacity is nearly $13 million which, even if all the planned debt is taken on with the proposed terms, still leaves several million in debt servicing capacity.

The capacity figure is a moving target. Each year our revenue is likely to experience growth, increasing our borrowing capacity. As we retire debt, this frees up additional room. Entering into new debt reduces the capacity. The Regional District has $35.8 million worth of capital expenditures planned for 2007-2013 for which the District will be required to contribute $9 million, some of which will likely be borrowed on behalf of the Water Utility. Projections indicate that we have the capacity to borrow for our own capital works program, as well as the Regional District's program. As municipal revenue grows and debt is retired, additional capacity will be available.

Ministry and Elector Approval

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

- Short-term (five-year) borrowing can be exempt from elector approval[3,4] but the amount proposed in the capital program exceeds the maximum amount.
- 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. The District's costs exceed this figure, and therefore this provision would also not exempt the District from obtaining elector approval.

Elector approval can be sought in one of two ways. One option is to receive the approval of electors by holding a referendum. The second and less-expensive method is to hold an "alternative approval process." If more than 10% of the electors express an opinion that a referendum should be held, by signing an Elector Response Form within 30 days of a second advertising notice, then Council would

[2] B.C. Reg. 254/2004, Municipal Liabilities Regulation, Community Charter.
[3] Community Charter, Division 3, section 178. Short Term Capital Borrowing.
[4] B.C. Reg. 368/2003, Municipal Liabilities Regulation, Community Charter.

need to consider whether to proceed with the planned borrowing and, if so, a referendum must be held. This latter option was used for the borrowing related to the town centre project.

Outstanding Issues

In order to utilize DCC funds for debt payments, additional approval from the Inspector of Municipalities is required. Legislation on using DCC's for interest payments is very stringent, primarily allowing the practice only where the construction of specific infrastructure projects in advance of sufficient DCC's collections is required in order to trigger investment in development. If these projects do not receive approval, capacity to fund the interest from an alternate source would need to be identified.

Internal vs. External Borrowing

The need for borrowed funds in the proposed financial plan assumes that all prior approved capital works have been carried out and funded. However, a large component of the capital program remains incomplete creating an availability of funds. This may allow us to delay external borrowing.

The 2009-2013 Financial Plan will include the previously approved debt once the 2008 capital is carried forward in the next Financial Plan amendment. It is recommended that we use our own funds for borrowing if possible. The exception would be borrowing for the acquisition of school sites, which debt servicing costs are to be covered by the School District. Debt servicing costs from a third party would be easier to verify and are independently calculated.

5. Further Items

Revenues (not listed in any particular order)

In all likelihood, the District will realize unique revenues or proceeds from several areas within the term of this financial plan. The risk in budgeting for ongoing cost commitments from these revenue sources is considerable. It would be prudent to consider the allocation of these revenues in a policy framework, respecting the District's Financial Sustainability Policies.

a) Silver Valley Lands - District policy for the sale of municipal lands is to transfer 75% to the Capital Works Reserve and 25% to the Land Reserve. The District may want to dedicate a larger percentage into the Land Reserve. District resources in Silver Valley are a significant community asset and considerable care must be taken to ensure the community gets maximum value out of this one-time resource.

b) The District owns significant gravel resources. A gravel agreement has been reached and the budget has been increased based on minimum guaranteed revenues. There is potential for some additional revenues over the life of this financial plan if the operator is able to remove the maximum allowable under the contract. The use of such revenues should be considered in a policy framework, recognizing that resource extraction related revenues are non-renewable.

c) BC Lottery Corporation may establish a gaming centre in Maple Ridge, and the District would receive a portion of the revenue. These types of revenues can be volatile and this needs to be recognized in the policy discussion so that we do not entrench costs that cannot be adjusted if the revenues do not materialize.

d) Growth in taxation revenue beyond the rate contemplated in the financial plan is a potential future source of unallocated revenue. As these and other revenue sources materialize, additional needs can be addressed.

Expenditures (not listed in any particular order)

The items listed below have been difficult to fund using existing revenues. The sources of funds noted above provide an opportunity to set policy and make investment decisions on how to best use the funds. When investing one-time funds, one must be cognizant of any ongoing operating costs or implications.

a) Infrastructure Rehabilitation and Replacement is an area that remains underfunded. The Financial Sustainability Plan, Policy 5.52 calls for a maintenance/replacement program to be fully funded by 2015. Even with the 1% annual tax increase that began in 2008, this target will not be met. As new revenues materialize, we should consider directing some of that money to this program. We will continue to take advantage of every opportunity to secure funding from senior levels of government.

b) The proposed financial plan includes an aggressive capital program with significant capital and operating cost implications. The program relies upon significant funding sources that are outside the control of the municipality. As well, once the assets are acquired, it will be important to establish a proper maintenance and replacement program.

c) "Green" Initiatives - a Sustainability Action Plan was developed and endorsed by Council, and staff is currently working on a strategic energy plan in support of Council's commitment to carbon neutrality. Both documents identify opportunities for the District to operate in a more sustainable manner and these opportunities generally require an outlay of capital. Establishing a reserve to fund sustainable initiatives was identified in the action plan but it lacks an identifiable revenue stream. Grant funding continues to be aggressively pursued for identified projects and we could also consider increasing our own contribution.

d) Carbon Neutrality - The District has signed BC's Climate Action Charter, making a voluntary, non-binding commitment to becoming carbon neutral with respect to corporate operations by 2012. We are working toward reducing corporate greenhouse gas (GHG) emissions, but in the forthcoming years will never reduce them to zero as our core services require the operations of vehicles and facilities. Therefore, in order to become carbon neutral, the District will have to purchase carbon offsets at some point.

   Purchasing offsets is not recommended at this time as it would result in taxpayer money flowing to outside organizations and would be an annual requirement. Keeping the funds here and investing in projects that will reduce the corporate carbon footprint will result in permanent cost savings. Therefore, the recommended approach is to reduce our GHG emissions as much as possible and only purchase offsets for the remaining emissions which we cannot offset through reductions. It would be prudent to begin budgeting for the expected remaining emissions in future years if continued commitment toward carbon neutrality is supported.

e) Other issues that are not addressed within the plan include the following:

   - Albion Sports Complex Expansion and Development, $20 million
   - Museum, $10 million
   - Additional Community Centre(s)
   - Fraser Riverfront Land Acquisition, $4 million

- CP Rail Overpass at Albion, $15 million
- Albion Park Master Plan Implementation, $1 million
- Downtown Improvements beyond what is currently included (funds ear-marked from future years operating surpluses, if they materialize)
- Extending the Fibre Optic Network

6. Impact to the "Average Home"

The assessed value of the "average home" for the 2008 taxation year was approximately $406,000. 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, who for the 2008 tax year, was in a home assessed at $406,000 with the following services:

- flat rate water utility fee
- flat rate sewer fee
- single-home curbside recycling pickup

The changes include a 4% general purpose tax increase, comprising 3% for general purposes and 1% for infrastructure sustainability. The overall increase is 5.75%.

Figure 17: "Average Home" Tax Increase

	2008	2009	Increase	%
General Purpose	$1,295.83	$1,347.66	$ 51.83	4.00%
Recycling	56.95	59.51	2.56	
Water	319.40	348.15	28.75	
Sewer	250.85	263.39	12.54	
Fire Service Improvement Levy	77.42	96.72	19.30	
Municipal, Recycling, Utilities, Fire	2,000.45	2,115.43	114.98	5.75%

Other charges appearing on the tax bill for school, regional and other non-municipal services are not known at this time.

7. Property Taxation Policy

After many years of shifting a small percentage of taxation from the Light Industry Class properties to residential, the Light Industry Class came into alignment with the Business Class in 2007, as intended.

The Audit and Finance Committee recently reviewed the tax rate for Major Industrial Class properties and directed staff to recommend adjustments in the 2009-2013 Business Planning cycle.

The Hammond Mill is the only property in the Major Industry Class. The mill is looking at investing in improvements and reducing the tax rate would be supportive of this development. It is recommended that we reduce 5% of the tax burden for 2009 and review this again next year with the intent of a further 5% adjustment. The dollar impact of this will about $35,000. It is anticipated that this can be accommodated within the Property Tax Revenue account as there is a contingency for supplementary tax adjustments that should be less with the Province freezing assessment increases.

It is important that we review all of our tax rates to make sure that they are properly positioned. A review of our Business Class rates was done earlier this year and our rates were found to be reasonable.

While we regularly adjust our tax rates for market value fluctuations, not all jurisdictions do this. In particular, the Provincial Government did not do this for some of their tax rates. Having said this, last month, the Province announced a rebate to assist Light and Major Industry properties over the next three years. This is a positive development, the effects of which we will monitor closely.

The Province has also announced that the 2008 assessments for some property classes, including Residential, will be the lower of 2008 or 2007 assessed values. This has no impact to municipal property tax revenues as we adjust the class tax rates to cancel out market price changes.

The Province also expanded the tax deferment program for the next two years removing the age requirement. This may impact staff time in administering the program and could impact the amount of tax penalties.

8. Reserves

The District has substantial financial resources held in reserves. These balances provide the base for the financial plan projected transactions for the coming years, as amounts are transferred in and out for various purposes. They also serve to stabilize taxes, fees and charges by providing funds during tight years and receiving those funds back during better years, thus shielding our customers and taxpayers from sharp rate increases.

Figure 18: Reserve Balances Dec.31, 2007

Accumulated Surplus	
General Revenue	2,673,416
Sewer Revenue	3,737,315
Water Revenue	3,452,433
Total Accumulated Surplus	***9,863,164***

Reserve Fund Balances	
Local Improvement	1,973,590
Equipment Replacement	8,049,670
Capital Works	9,055,490
Fire Department Capital	7,140,170
Sanitary Sewer	1,390,549
Land	268,712
Unapplied Debt Funding	393,749
Net Reserve Funds	***28,271,930***

Restricted Revenue Balances	
Development Cost Charges	36,704,662
Parkland (ESA) Acquisition	0
Other Restricted Revenues	4,161,053
Total Restricted Revenues	***40,865,715***

Reserve Accounts	
General Revenue:	
Carryforwards - Capital	4,152,968
Carryforwards - Operating	3,701,663
Self Insurance	922,602
Protective Services	1,858,021
Core Development	970,325
Recycling	1,618,549
Community Development	1,134
Building Inspections	968,034
Gravel Extraction	496,450
Neighbourhood Improvements	56,571
Snow Removal	350,000
Facilities Maintenance	89,519
Youth Centre	8,535
Cemetery Maintenance	103,224
Infrastructure Sustainability	200,000
Critical Building Infrastructure	501,023
General Revenue Reserve Accounts	*15,998,618*
Sewer Reserve Accounts	1,397,724
Water Reserve Accounts	974,362
Total Reserve Accounts	***18,370,704***

Total Reserves: Accumulated Surplus, Reserve Funds and Reserve Accounts – $56.5 million
Restricted Revenues are not considered reserves; rather they are liabilities, as they have been collected in advance of specific expenditures.

These are financial reserves only. Other assets (Silver Valley lands, gravel resources) are not shown, nor are they represented in our financial statements.

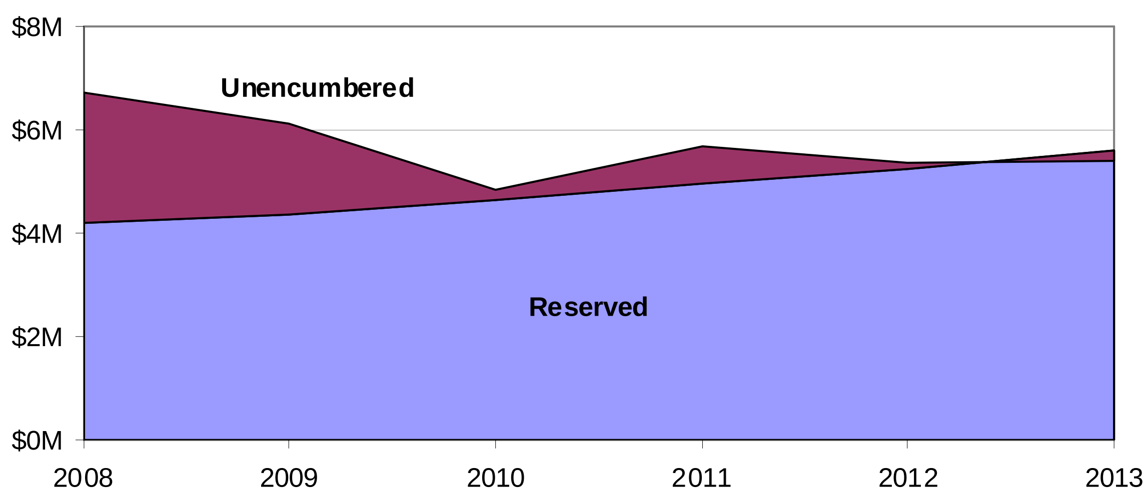
8.1. Capital Works Reserve

Following is a brief synopsis of the Capital Works Reserve, which provides for future capital expenditures. Each year 1% of general taxation is credited to this account along with a portion of the proceeds from land sales and other fixed amounts. A forecast is provided that gathers together all the "deposits" to the reserve, and both operating and capital "withdrawals," providing forecasted reserve balances. Generally, this reserve builds funds for large projects and is then drawn down. We are in this "drawing down" phase now, as is evident from the forecasted balances in the following figures. The projections are conservative and assume no other inflows, such as land sales, beyond those noted. Council policy is to ensure a minimum reserve balance of 10% of the prior year's property taxes to address unforeseen or uninsurable events.

Figure 19: Capital Works Reserve Projection

	2009	2010	2011	2012	2013
Opening Balance	6,733,073	6,104,205	4,828,792	5,682,361	5,364,341
Inflows:					
Interest & Capital Gains	190,653	163,381	141,315	171,947	173,763
Garbage Tipping Fees	50,000	50,000	50,000	50,000	50,000
Taxation and General Revenue Transfers	631,235	659,893	690,398	722,869	768,771
Sale of Land			1,200,000		
Repayment of Energy Retrofit		65,000	65,000	65,000	65,000
Balance of General Rev. Funding for GCF	55,927	61,053	(32,677)	(2,050)	244,107
Outflows:					
Planned Capital Expenditures	(1,273,115)	(1,367,682)	(127,473)	(93,415)	(35,626)
Debt - Interest (DCC projects)	(148,125)	(274,688)	(500,625)	(600,000)	(600,000)
Debt (River Rd. Drainage $2,675,000)*	(135,443)	(632,370)	(632,370)	(632,370)	(632,370)
Estimated Ending Balance	**6,104,205**	**4,828,792**	**5,682,361**	**5,364,341**	**5,397,987**
Minimum Reserve (10% Prior Year Taxes)	(4,361,939)	(4,643,022)	(4,942,218)	(5,260,695)	(5,599,694)
Unencumbered Balance	**1,742,266**	**185,770**	**740,142**	**103,647**	**(201,707)**

Figure 20: Capital Works Reserve Projection Chart



8.2. *Infrastructure Sustainability Reserve*

Beginning in 2008, Council directed 1% of the annual tax increase to go towards infrastructure sustainability. This helps with major rehabilitation and replacement of the District's assets which currently have a replacement value estimated in excess of $1.3 billion. The table below illustrates the inflows generated from general taxation and how it has been allocated. Inflows from the Core Reserve are allocated to maintaining those facilities related to the project.

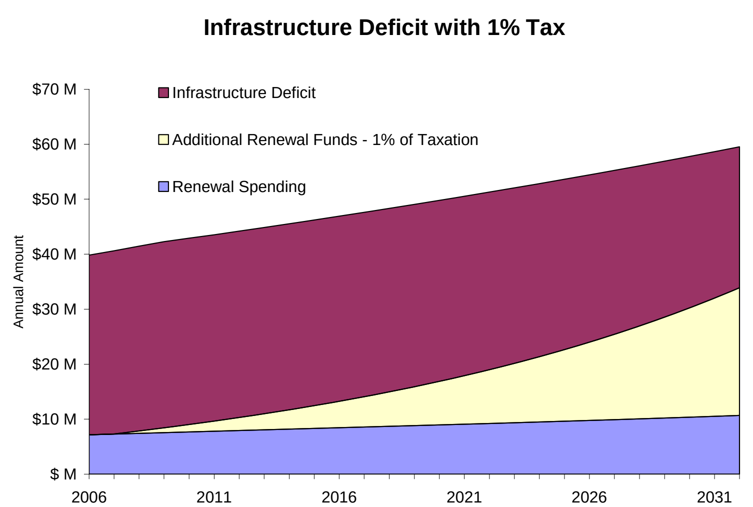
If we look only at the roads component of our infrastructure, it is suggested that we spend $2 million annually to keep up our existing inventory. The historic annual amount spent on repaving our road is only a small fraction of this amount and as a result, our roads are deteriorating. This deferred maintenance translates into a larger future expenditure to resurface or perhaps even reconstruct roads.

Figure 21: Infrastructure Sustainability Allocation of Funding

	2008	2009	2010	2011	2012	2013
Inflows:						
1% General Tax Increase	419,417	865,861	1,341,074	1,846,910	2,385,342	2,958,471
Core Reserve Surplus	200,000	450,000	450,000	450,000	450,000	450,000
Allocation:						
Transportation/Traffic Management	419,417	461,828	825,000	905,000	1,255,000	1,556,500
Town Centre Facilities	200,000	450,000	450,000	450,000	450,000	450,000
Facilities & Parks - Major Mtce		200,000	220,000	615,000	715,000	886,750
Drainage		100,000	160,000	178,000	250,000	310,000
Fire Department		70,000	100,000	110,000	121,000	150,000
Major Equipment/Systems		34,033	36,074	38,910	44,342	55,221

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. Figure 22 highlights the impact that the 1% tax increase has on the Infrastructure Deficit.

Figure 22: Infrastructure Deficit Chart



8.3. Critical Building Infrastructure Reserve

In May 2006, Council directed $600,000 of the 2005 general revenue surplus towards a Critical Building Infrastructure Reserve to fund emergency or irregular items associated with facility maintenance. The primary concern was to ensure funds were available to replace two aging boilers at the Leisure Centre, for which $400,000 has been earmarked. $150,000 went to replace aged fitness equipment, and $50,000 remains. There are no ongoing funding sources for this reserve.

8.4. Fire Department Capital Acquisition Reserve

Implementation of the Fire Master Plan and escalating cost projections have placed significant pressures on this reserve. This reserve receives 2% of general taxation annually for the expansion of facilities and equipment inventory. The 2008 funding allocation was not adequate. Additional funds were allocated from general revenue growth amounts and the operating savings that resulted from the delay in Firehall #4 construction.

Figure 23: Fire Department Capital Acquisition Reserve Projection

	2008	2009	2010	2011	2012	2013
Opening Balance	8,274,068	2,875,685	851,053	95,400	490,188	54,887
Inflows:						
Interest & Capital Gains	176,203	85,783	17,627	2,862	7,581	1,647
Transfer from GRF as per Budget	1,003,014	874,585	950,427	1,011,672	1,076,864	1,146,257
Growth Funding	25,000	80,000	130,000	180,000	230,000	280,000
Outflows:						
LTC Capital Program	(9,602,600)	(65,000)	(1,053,960)	-	(950,000)	
Delay spending 2008 program	3,000,000	(3,000,000)				
Firehall#4 debt repayment	-		(799,746)	(799,746)	(799,746)	(799,746)
Estimated Ending Balance	2,875,685	851,053	95,400	490,188	54,887	683,045

The Planned Capital Expenditures outlined in Figure 23 are detailed in the following table.

Figure 24: Fire Department Capital funded by Fire Department Capital Acquisition Reserve

Project	2009	2010	2011	2012	2013
Public Education Vehicle	15,000				
Firehall #4 Technical & Furnishings		200,000			
Firehall #4 Protective & Safety Equip		83,960			
Equipment Purchase - Firehall #4		70,000			
Firehall #3 Expansion	50,000	700,000			
Firehall #4 Rescue 4				325,000	
Firehall #4 Engine New				625,000	
	65,000	1,053,960	-	950,000	-

8.5. Fire Department Equipment Replacement Reserve

The recognition of an appropriate level of funding to provide for growth would not be complete without a discussion around how we intend to replace those assets. Replacement of fire equipment is funded through this reserve. Beginning in 2009 some infrastructure sustainability funds will be allocated to this reserve.

Figure 25: Fire Department Equipment Replacement Reserve Projection

	2009	2010	2011	2012	2013
Opening Balance	1,766,196	2,068,399	2,096,954	2,203,989	2,019,743
Inflows:					
Interest & Capital Gains	54,336	68,427	68,534	76,695	60,592
General Revenue	267,867	285,128	303,502	323,059	343,877
Sustainability Funding	70,000	100,000	110,000	121,000	150,000
Outflows:					
Planned Capital Expenditures	(90,000)	(425,000)	(375,000)	(705,000)	-
Estimated Ending Balance	**2,068,399**	**2,096,954**	**2,203,989**	**2,019,743**	**2,574,212**

9. Town Centre Commercial Operation

This section isolates the effect the Town Centre Project has on District finances. The table below isolates the commercial operations. The table shows commercial earnings, so principle payments are not included nor is the funding received though taxation. The earnings noted below will contribute to principle payments and transfers to the Infrastructure Sustainability Reserve.

Figure 26: Commercial Operation

	2009	2010	2011	2012	2013
Lease Revenues (net of allowances)	1,052,846	1,073,490	1,094,134	1,114,778	1,141,323
Parking Revenues	141,718	141,742	141,766	141,790	141,814
Recoveries and Other Revenue	275,218	275,218	275,218	275,218	275,218
Operating Expenses	-397,747	-397,747	-397,747	-397,747	-397,747
Interest - Commercial Space	-763,708	-739,826	-714,989	-689,158	-662,294
Closing Balance	308,327	352,877	398,382	444,881	498,314

In summary, the Town Centre Project cash flows have been managed within the parameters established by Council.

10. Conclusions

The District can expect $4.3 million in new general revenue in 2009, primarily from growth in the tax base and a 4% tax increase. $1.7 million goes to protective services issues (mainly RCMP and Fire Master Plan Implementation). The labour category requires $1.4M or 33% of the new revenue to meet both inflationary and growth issues. Infrastructure sustainability issues receive $0.4 million of the new revenue. The balance is required to deal with inflationary and growth pressures. This leaves minimal room for enhancements.

Despite the current funding capacity limitations, our financial reserves approach $56.5 million, and another $41 million sits in restricted revenues. Other non-financial assets, such as Silver Valley lands and gravel resources, strengthen our long-term position. A significant portion of these reserves and restricted revenues are committed to funding the current capital program.

Where there are new revenues or proceeds, an opportunity exists to set some policy around where this funding is applied. This may include needs and strategic initiatives that Council has identified that continue to be difficult to fund, such as green initiatives, the replacement of our existing aging infrastructure and new large capital investments noted earlier.

The 2009 capital program builds on a very aggressive 2008 capital works program, with an addition of over $134 million in projects scheduled for 2009 through 2013. A DCC program for 2009 through 2013 worth $42 million concentrates on transportation and park acquisitions, and utilizes debt financing to advance the schedule. The DCC program utilizes debt and includes a portion of the interest payments to be funded through the DCC Reserves. Doing this will require an amendment to the DCC bylaw and the approval of the Inspector of Municipalities.

This plan builds on the nearly $21 million of debt that was approved in 2008. The Debt financing included in 2009 through 2013 is all associated with DCC projects. With the economy slowing and uncertainty ahead, caution should be exercised when considering debt. The debt servicing costs were to be largely funded through Development Cost Charges. These collections have slowed significantly in 2008 and as such we will be monitoring this closely before additional borrowing is considered.

Beginning in 2008 funding is being directed toward infrastructure sustainability to help address a funding “deficit” that exists for most Canadian municipalities. The District is following the Federation of Canadian Municipalities recommendations by putting a long-term plan in place to address the situation, with a targeted tax increase as part of the strategy.

As governments often do in economic slowdowns, the Province intends to accelerate its investment in public infrastructure to stimulate the economy and job market. It will be important for the District to ensure that where it makes sense we take advantage of any infrastructure grants. Often a condition of the grants is to participate or match funding. We should keep this in mind when considering how to best allocate any new revenues, as we may be able to leverage our funding. At the same time, careful consideration of the costs to maintain and replace new assets is warranted.

The District's business planning practices, financial prudence and relatively healthy reserve funds have and will continue to serve the community well in times of economic slowdown as well as boom.

Prepared by: Trevor Thompson, BBA, CGA
Manager of Financial Planning

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

Concurrence: J.L. (Jim) Rule
Chief Administrative Officer

11. Infrastructure Sustainability

The District has an investment in assets including infrastructure with an estimated replacement cost of $1.3 billion. These assets are all aging at different rates, and will eventually have to be replaced. In order to properly fund rehabilitation and replacement, we estimate that we should be spending in excess of $40 million annually. Our actual expenditures are about $7 million, which means that annually, we are spending $33 million less than we should be. If this gap is not addressed, it will continue to accumulate, creating a liability for future taxpayers. In addition, we continue to add assets as the community grows and this is compounding the asset replacement problem. Most Canadian municipalities are facing the same issue, but because we have relatively newer infrastructure, we have an opportunity to get ahead of the curve.

The Federation of Canadian Municipalities (FCM) strongly encourages local governments to take action and demonstrate their ability to address the issue. They have provided a series of recommendations, a critical one being that "municipal governments must evaluate how they plan for growth, price their services and generate revenues. A long-term plan, with targets and milestones, must be put in place to help phase in these changes over the next 20 years."[5]

We can start to address this problem by contributing 1% of taxation each year toward meeting the sustainability objective. This could start in 2008 when taxation is no longer required for the town centre project. The models below illustrate the funding gap. Chart 1 illustrates the gap under the current funding pattern. The bottom area indicates our current infrastructure renewal spending pattern, and the top area represents the shortfall or deficit in spending. Chart 2 shows the impact of an annual 1% tax contribution. If we continue on this path for 12 years, we will be able to nearly double the contribution to rehabilitation and replacement; in 25 years, the contribution has tripled and the deficit is cut in half. In addition to directing District funds to deal with the deficit, plans for maintenance programs and construction projects continually look for ways to extend lifecycles and minimize maintenance requirements. While a gap will still remain, we will be well on the road to addressing a problem that today seems insurmountable.

Chart 1

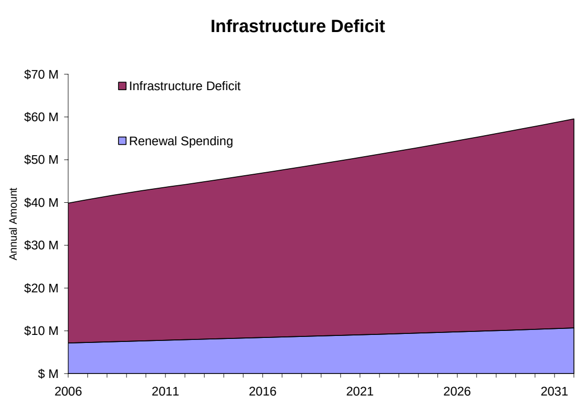
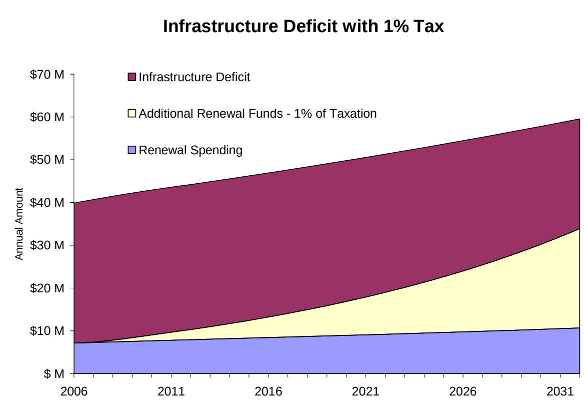


Chart 2



[5] "Building Prosperity fro the Ground Up: Restoring Municipal Fiscal Balance"; Federation of Canadian Municipalities, June 2006.

12. Capital Works Program Project Listing

Drainage	2009	2010	2011	2012	2013	Funding
224 St (119 - DTR, Spirit Square)	280,000	-	-	-	-	GCF
240 St @ DTR - Extend scope	-	350,000	-	-	-	GCF
248 St (108 - 220M N 108)	-	-	-	64,241	-	CWR, DCC, GCF
287 St - storm main @ Watkins (Project)	-	-	250,000	-	-	CFO, GCF
287 St - storm main @ Watkins (Study)	-	75,000	-	-	-	GCF
Brown Ave (227 - 228)	-	-	-	416,556	-	CWR, DCC, GCF
Culvert Replacement Program	200,000	-	200,000	-	-	GCF, ISR
Culvert Replacement Program	-	-	-	-	200,000	ISR
Ditch Enclosures	18,390	18,881	19,411	19,860	20,332	GRF
Donovan Ave (216 - 80M E Hall)	66,000	-	-	-	-	GCF
Downtown Improv. - Lougheed (223-224)	300,000	-	-	-	-	GRA, SUR
Drainage Upgrade Program	-	-	200,000	200,000	200,000	GCF, ISR
Drainage Upgrade Program	-	100,000	-	-	-	ISR
Fraser Escarpment North Phase 1	-	-	5,000,000	-	-	CFO
Fraser Escarpment North Phase 2	-	-	-	5,000,000	-	CFO
Local Improvement Projects - Drain	250,000	250,000	250,000	250,000	250,000	CFO
N Alouette River Detention Pond 232/132	-	-	-	196,469	-	CWR, DCC, GCF
Selkirk Ave (226 - 227)	-	-	151,833	-	-	CWR, DCC
Selkirk Ave (226 - 227) Phase 2	-	-	-	72,000	-	CWR
Storm Sewer Connections	19,968	20,558	21,193	21,732	22,298	GRF
Video & spot repairs storm sewer	65,000	-	65,000	-	-	GCF
Video Inspection - Drainage	-	-	-	-	40,000	GCF
Drainage	1,199,358	814,439	6,157,437	6,240,858	732,630	

Government Services	2009	2010	2011	2012	2013	Funding
ADV - Non Enterprise	9,000	-	-	-	-	GCF
Downtown Beautification - Spirit Square	235,000	-	-	-	-	SUR
Downtown Improvement Projects Design	200,000	-	-	-	-	SUR
Economic Dev - Office Renovations	35,000	-	-	-	-	RCP
Library signage	27,000	-	-	-	-	CORE
New Parking Ticket Machines	125,000	-	-	-	-	CORE
Reception - Slat Wall	3,000	-	-	-	-	GCF
Recycling - Apartment Collection Equip	-	-	-	55,000	-	REC
Recycling - Bluebox Collection	-	-	65,000	-	-	REC
Recycling - Building Expansion	-	30,000	-	-	-	REC
Recycling - Collection Bluebox/bag	-	-	-	40,000	-	REC
Recycling - Collection Equipment	85,000	150,000	-	30,000	-	REC
Recycling - Collection Truck Upgrade	-	-	-	200,000	-	REC
Recycling - Hydraulic Collection Truck (Apt)	-	-	-	-	250,000	REC
Recycling - Leasehold Improvement	-	30,000	100,000	-	-	REC
Recycling - New Bluebox & Bags	-	-	65,000	-	-	REC
Recycling - Process Equipment	50,000	50,000	60,000	-	-	REC
Recycling - Process Improvement	15,000	-	-	-	-	REC
Recycling - Replace apartment totes	40,000	-	-	-	-	REC
Vehicle for Licenses, Permits & Bylaws Department	40,000	-	-	-	-	GCF
Works Yard: Electrical Service Upgrade	-	-	90,000	-	-	GCF
Works Yard: Office Space Conversion	-	-	-	200,000	-	GCF
Works Yard: Rear Yard Access Gate Motorized	-	18,500	-	-	-	GCF
Government Services	864,000	278,500	380,000	525,000	250,000	

Highways	2009	2010	2011	2012	2013	Funding
112 Ave (232 - 240) Final Lift	-	242,434	-	-	-	CWR, DCC, GCF
112 Ave (60M W 236 - 236)	-	-	-	-	25,079	CFO
121 Ave @ 214 St	-	-	-	9,347	-	CFO
128 Ave (228 - 200M East 232)	-	-	-	-	132,000	GCF
128 Ave highway widening predesign	-	50,000	-	-	-	GCF, GRA
132 Ave (203 - Neaves) Resurface	442,800	-	-	-	-	CFO, CWR
201A St (113B - 100M North 113B)	-	-	-	3,159	-	CFO
203 St - 113B Railway safety improvements	50,000	-	-	-	-	GCF
203 St (123 - Powell)	-	1,360,824	-	-	-	CWR, DCC
203 St (Dewdney Trunk - 123)	-	2,793,159	-	-	-	CWR, DCC
203 St @ Lougheed inters. upgrade	200,000	-	-	-	-	CWR
216 St @ 121 Intersection Upgrade	75,000	-	-	-	-	GCF
223 St (Mcintosh - Dewdney Trunk)	-	-	-	27,720	-	CFO
224 St (Lougheed - Dewdney Trunk)	-	80,000	-	-	-	GCF
224 St @ 132 Ave (N Alouette Bridge)	-	-	-	450,000	-	GCF
227 St @ Bypass (Traffic Signal)	-	241,342	-	-	-	CWR, DCC, GRA
232 St (116 - Slager)	-	2,031,786	-	-	-	CWR, DCC, GCF
232 St (S Alouette - Abernethy) Phase 1	1,000,000	-	-	-	-	CWR, DCC, GCF, GRA
240 St (Kanaka Creek Bridge S - McClure)	-	-	3,022,725	-	-	CWR, DCC, GCF
240 St @ Kanaka Creek (Bridge)	8,106,657	-	-	-	-	CWR, DBT
241 St @ S Alouette Ped Crossing	-	-	-	-	75,000	GCF, WCF
241A St (100M S 102 - 102)	-	-	-	100,000	-	CFO
244 St (50M S 104 - 104)	-	-	-	49,970	-	CFO
245 St (104 - 220M N 104)	-	-	-	26,148	-	CFO
280 St (Lougheed - 98)	-	-	-	250,000	-	GCF, GRA
Abernethy Way (210 - 500M E Blackstock)	3,297,101	-	-	-	-	CWR, DCC, GRA
Abernethy Way Phase 3	-	5,527,500	-	-	-	CWR, DBT, GRA
Abernethy Way Phase 4	-	-	14,552,500	-	-	CWR, DBT, GRA
Access Culverts	25,546	26,234	26,975	27,604	28,264	GRF
Audible signals	10,000	10,000	10,000	10,000	10,000	GCF
Bikeway Program	100,000	100,000	100,000	100,000	100,000	GCF, GRA
Boulevard Improvement Program	-	-	-	30,000	-	GCF
Bridge Repairs / Struct Upgrade	100,000	150,000	150,000	161,875	160,000	ISR
Brown Ave (227 - Fletcher)	250,000	-	-	-	-	GCF
Brown Ave @ 224 St (Traffic Signal)	-	-	-	-	260,910	CWR, DCC, GCF
Cottonwood Dr (118 - 119) Phase 4	666,666	-	-	-	-	CWR, DCC
Dewdney Trunk Rd (250 - 256) Resurface	-	175,000	-	-	-	SOIL
Dewdney Trunk Rd @ Kanaka Creek (Bridge) Phase 1	-	-	-	350,000	-	GCF
Dewdney Trunk Rd @ Kanaka Creek (Bridge) Phase 2	-	-	-	-	350,000	GCF
Dewdney Trunk Rd @ Lougheed	-	-	-	-	154,382	CFO
Downtown Improv. - 224 (Spirit Sq to DTR)	-	-	900,000	-	-	GRA, SUR
Downtown Improv. - Lougheed (222-223)	-	-	-	-	900,000	GRA, SUR
Downtown Improv. - Lougheed (223-224)	900,000	-	-	-	-	GRA, SUR
Downtown Street Furniture Upgrade	50,000	-	-	-	-	GCF
Dunn Ave @ Maple Meadows Way	-	-	-	-	278,751	CFO
Emergency traffic pre-empt	50,000	50,000	50,000	50,000	50,000	GCF
Equipment Purchase - Bobcat (Snow)	-	-	-	-	68,340	GCF
Equipment Purchase - Pickup Truck	-	-	37,000	-	-	GCF
Equipment Purchase - Sander for TA Dump Truck	20,000	-	-	-	-	ERR-PW
Equipment Replacement - Fleet	880,500	1,391,452	860,692	284,079	864,684	ERR-PW
Fern Crescent (236 - 240)	-	-	-	-	98,780	GCF, GRA
Illuminated Crosswalk Signs	-	76,000	-	-	-	GCF
Illuminated Street Signs Program	10,000	10,000	10,000	10,000	10,000	GCF
Lane E 207 St (Camwood - 100M N Camwood)	-	-	-	4,578	-	CFO
Local Improvement Projects - Road	250,000	250,000	250,000	250,000	250,000	CFO
Lougheed Hwy Downtown (223-224)	500,000	-	-	-	-	GRA
Macfarlane Ave (Graves - 209)	-	-	-	23,100	-	CFO
Owens St (200M N Camwood - Lougheed)	-	-	-	14,020	-	CFO
Ped safety/access improv	50,000	86,000	90,000	90,000	90,000	GCF
Princess St (Wharf - Lorne)	-	-	-	-	129,000	GCF
Private Driveway Crossings	35,924	36,204	36,506	36,760	37,027	GRF
Road Resurfacing - 132 Ave (216 - 224)	-	-	-	200,000	-	ISR
Road Resurfacing - 223 St (Dewdney Trunk - Brown)	-	-	-	48,650	-	ISR

Highways (cont.)	2009	2010	2011	2012	2013	Funding
Road Resurfacing - 224 St (132 - 136)	-	-	-	180,000	-	ISR
Road Resurfacing - 232 St (112 - 114)	-	-	-	155,000	-	ISR
Road Resurfacing - 232 St (Silver Valley - 141)	-	-	-	218,122	-	ISR
Road Resurfacing - Dewdney Trunk Rd (250 - 256)	-	175,000	-	-	-	ISR
Road Resurfacing Program	230,914	286,343	565,152	60,353	1,125,000	ISR
Royal Cres @ 100M S Lougheed	-	-	-	-	24,501	CFO
Safer School Travel Program	35,000	40,000	50,000	50,000	50,000	GCF
Sidewalk Replacement	65,000	98,823	69,091	100,000	85,000	ISR
Streetlight Pole Replace Program	35,000	50,000	50,000	50,000	50,000	ISR
Thermo plastic road markings	-	-	50,000	-	-	GCF
Traffic Calming Program	45,000	45,000	45,000	45,000	50,000	GCF
Traffic Signal Electrical Program	30,000	30,000	30,000	30,000	30,000	GCF
Traffic Signal Integration	-	-	-	325,000	-	GCF, GRA
Traffic Signal Replacements	30,914	60,000	70,000	80,000	80,000	ISR
Transit Oriented Design	75,000	-	-	-	-	GCF
Walkway Fence Installations	20,000	-	-	-	-	GCF
Highways	17,637,022	15,473,101	21,025,641	3,900,485	5,566,718	

Operating Capital	2009	2010	2011	2012	2013	Funding
Misc Capital Engineering	15,015	15,015	15,015	15,015	15,015	GCF
Misc Capital Gen Govt	15,015	15,015	15,015	15,015	15,015	GCF
Misc Capital Gen Rec	30,000	30,000	30,000	30,000	30,000	GCF
Operating Capital	60,030	60,030	60,030	60,030	60,030	

Park Acquisition	2009	2010	2011	2012	2013	Funding
Greenbelt Acquisition	-	200,000	200,000	200,000	200,000	PAR
Silver Valley Neigh Park Acq A	-	-	-	506,160	-	CWR, DCC, GCF
Silver Valley Neigh Park Acq B	-	-	-	627,000	-	DCC, GCF
Silver Valley Neigh Park Acq SE Horse	1,331,999	-	-	-	-	CWR, DCC, GCF
Silver Valley Neigh Park Phase 2	-	-	-	-	1,682,980	CWR, DCC, GCF
Park Acquisition	1,331,999	200,000	200,000	1,333,160	1,882,980	

Park Improvements	2009	2010	2011	2012	2013	Funding
Albion Park facilities (caretaker residence)	-	-	-	-	305,200	CWR, DCC, GCF
Albion Park facilities (spray pool)	-	388,500	-	-	-	CWR, DCC, GCF
Cemetery Caretaker House	-	-	115,000	-	-	CEM
Computerized Irrigation Control System	-	-	2,000	-	-	GCF
Cottonwood West Park Facilities	-	-	615,339	-	-	CWR, DCC, GCF
Equipment Purchase - Mower Trailer	-	12,000	-	-	-	GCF
Fraserview Park Development	-	-	-	305,096	-	CWR, DCC, GCF
Park Development (237/136)	-	-	-	-	310,644	CWR, DCC, GCF
Park Development (241/104)	-	-	-	310,643	-	CWR, DCC, GCF
Park Development Albion Elementary	-	-	-	-	333,000	CWR, DCC, GCF
Port Haney Park Development	22,782	-	-	-	-	GCF
Sport Field Renovations	319,793	-	-	-	-	GCF
Synthetic field groomer	15,000	-	-	-	-	GCF
Trail Improvement	-	29,298	-	28,701	-	GCF
Whonnock Lake Phase 1 Entrance Road	-	-	235,000	-	-	GCF
Whonnock Lake Phase 2 Parking	-	290,000	-	-	-	GCF
Whonnock Lake Phase 3 Path/Light	-	-	-	-	297,330	CWR, DCC, GCF
Whonnock Lake Phase 4 Beach/General	-	-	-	-	356,243	CWR, DCC, GCF
Whonnock Lake Phase 5 Washrooms/House	-	-	-	624,000	-	CWR, DCC, GCF
Whonnock Lake Phase 6 Canoe Facility	-	-	-	1,980,000	-	CFO
Youth Action Skateboard Park Albion	-	-	-	-	750,000	CFO, CWR, DCC
Park Improvements	357,575	719,798	967,339	3,248,440	2,352,417	

Appendix B: Capital Works Program Project Listing

Protective Services	2009	2010	2011	2012	2013	Funding
Courthouse Renovations (additional)	20,000	-	-	-	-	PSR
Equipment Purchase - Firehall #4	-	70,000	-	-	-	FDR
Fire Equipment Engine 2-2 Replacement	-	-	-	705,000	-	ERR-FD
Fire Vehicles - Equipment	50,000	-	-	-	-	ERR-FD
Firehall #3 Expansion Phase 1	50,000	-	-	-	-	FDR
Firehall #3 Expansion Phase 2	-	700,000	-	-	-	FDR
Firehall #4 Engine New	-	-	-	625,000	-	FDR
Firehall #4 Protective & Safety Equip	-	83,960	-	-	-	FDR
Firehall #4 Rescue 4	-	-	-	325,000	-	FDR
Firehall #4 Technical & Furnishings	-	200,000	-	-	-	FDR
Firehall #5 Engine 2 Replacement	-	425,000	-	-	-	ERR-FD
Public Education Vehicle	15,000	-	-	-	-	FDR
RCMP - Dismantle old identification room	12,000	-	-	-	-	PSR
RCMP - Furniture Replacement	10,000	10,000	10,000	10,000	-	CFO, PSR
RCMP - Soundproof GIS interview room	7,000	-	-	-	-	PSR
Rescue 2 Replacement	-	-	375,000	-	-	ERR-FD
Protective Services	164,000	1,488,960	385,000	1,665,000	-	

Recreational Services	2009	2010	2011	2012	2013	Funding
Equipment Purchase - Mobile Stage	-	-	-	-	100,000	GCF
Equipment Purchase - Mower	-	80,000	-	-	-	GCF
Equipment Purchase - Vehicle	-	40,000	-	-	-	GCF
Leisure Center - Active studio reno	-	55,000	-	-	-	GCF
Leisure Centre - Energy retrofit	1,000,000	-	-	-	-	CIR, CWR, GRA
Leisure Centre - Turnstile	62,000	-	-	-	-	CORE
Recreational Services	1,062,000	175,000	-	-	100,000	

Sewage	2009	2010	2011	2012	2013	Funding
101A Ave @ 243A St	-	-	-	1,500	-	CFO
108 Ave (248 - 249)	-	36,547	-	-	-	DCC, SCF
136 Ave (230 - 231)	-	-	31,739	-	-	DCC, SCF
223 St (119 - Dewdney Trunk)	-	87,733	-	-	-	SCF
224 St (Dewdney Trunk - Brown)	-	32,568	-	-	-	SCF
224 St (Lane N North - Lougheed)	-	18,416	-	-	-	SCF
225 St Pump Station pump upgrade	-	135,000	-	-	-	SCF
225 St Pump Station Upgrade Phase 2	-	1,118,878	-	-	-	DCC, SCF
225 St Pump Station Upgrade Phase 3	-	-	-	400,000	-	SCF
245 St (104 - 105)	-	-	-	-	84,725	DCC, SCF
Cottonwood Dr (115 - 116)	-	-	-	60,655	-	SCF
Energy Efficiency Audit (30/70 Sewer/Water)	15,000	-	-	-	-	SCF, WCF
Fern Crescent (237 - 240)	-	-	-	-	733,557	DCC, SCF
Lane N 119 (222 - 224)	-	110,487	-	-	-	SCF
Lane N Mcintosh (223 - 224)	-	73,658	-	-	-	SCF
Lane N Selkirk (222 - 224)	-	98,212	-	-	-	SCF
Lane N Selkirk (226 - 227)	-	44,000	-	-	-	SCF
Lane S Lougheed (223 - 224)	-	94,120	-	-	-	SCF
Lane S Selkirk (222 - 223)	-	73,658	-	-	-	SCF
Local Improvement Projects - Sewer	250,000	250,000	250,000	250,000	250,000	CFO
Lougheed Hwy (227 - 228)	-	-	-	-	230,613	SCF
Meadowbrook Place (12600 Block)	120,000	-	-	-	-	SCF
Private Sewer Connections	82,250	84,707	87,353	89,601	91,958	SRF
Sanitary Network Subcatchment A Study	-	-	-	-	125,000	SCF
Sanitary Network Subcatchment A To GIS	-	35,000	-	-	-	SCF
Sanitary Network Subcatchment J Study	-	-	150,000	-	-	SCF
Sanitary Network Subcatchment K Study	150,000	-	-	-	-	SCF
Sanitary Network Subcatchment T Study	-	150,000	-	-	-	SCF
Sanitary Sewer Modelling Update	-	9,000	9,000	30,000	-	SCF

Sewage (cont.)	2009	2010	2011	2012	2013	Funding
SCADA upgrade (50/50 Sewer/Water)	19,000	-	-	-	-	SCF, WCF
Sewage System Rehabilitation	250,000	287,500	287,500	250,000	-	SCF
Sewer Extension to Corrections Part A	1,000,000	-	-	-	-	GRA
Sewer Extension to Corrections Part B	-	6,000,000	-	-	-	GRA
South Slope Interceptor Repair	-	400,000	-	-	-	SCF
Video & spot repairs sewer	65,000	65,000	65,000	65,000	-	SCF
Sewage Total	1,951,250	9,204,484	880,592	1,146,756	1,515,853	

Technology	2009	2010	2011	2012	2013	Funding
Attendance Management Program	-	-	-	-	90,000	GCF
CCTV - Library and Backbone	39,500	-	-	-	-	CORE, GCF
Computer Room Upgrades	-	-	41,221	-	-	GCF
Corporate Antivirus Replacement	10,000	-	-	-	-	GCF
Council Chamber Digital Video Management System	10,000	-	-	-	-	GCF
Council Chamber Multimedia Upgrade	-	25,000	-	-	-	GCF
Document Processing System - Phase 1	75,000	75,000	-	-	-	GCF, SCF, WCF
Document Processing System - Phase 2	-	-	63,000	-	-	GCF
Economic Dev - Office Outfitting	8,500	-	-	-	-	GCF
Equipment Purchase - Blade Server	-	-	21,000	-	-	GCF
Equipment Purchase - Load Balancer	-	35,000	-	-	-	GCF
Equipment Purchase - New Web Server	-	-	25,245	-	-	GCF
Equipment Purchase - SMS Redundancy	-	-	-	-	38,225	GCF
Equipment Purchase - UPS Upgrade	-	-	16,170	-	-	GCF
Equipment Replacement - Info Serv	854,285	377,733	499,433	1,170,186	100	ERR-IS
Fibre Optic Network - Downtown Ring Phase 3	-	-	100,000	180,000	-	GCF
Fibre Optic Network - Firehall #4 Phase 4	-	-	-	-	250,000	GCF
Fibre Optic Network - Transit Exchange	-	46,400	-	-	-	GCF
Fleet Management Software	-	70,000	-	-	-	CFO
Infrastructure growth (20 desktops, 5 laptops)	40,000	-	-	-	-	GCF
Infrastructure Management Phase 1	50,000	-	-	-	-	GCF, SCF, WCF
Integrated Cash System	-	-	-	-	50,000	GCF
IT Disaster Recovery Infrastructure	-	-	-	97,275	-	GCF
IT Disaster Recovery Plan	-	60,000	-	-	-	GCF
IT Fibre Optic - #0699 (224 St)	-	-	32,967	-	-	CWR
IT Fibre Optic - #1189 (224 St)	-	29,023	-	-	-	CWR
IT Fibre Optic - #1565 (224 St)	-	-	13,137	-	-	CWR
IT Fibre Optic - #7074 (Kanaka - 240)	-	27,433	-	-	-	CWR
IT Strategic Plan Update	-	-	50,000	-	-	GCF
Management Reporting Software Phase 2	-	-	-	-	40,000	GCF
Network Monitoring	-	17,325	-	-	-	GCF
Phone System Replacement	395,000	-	-	-	-	ERR, PSR
Public Access Community Kiosks	-	38,750	-	-	-	GCF
ROSS financials upgrade	212,000	-	-	-	-	GCF, SCF, WCF
Volunteer Software (Impact)	13,000	-	-	-	-	GCF
Technology Total	1,707,285	801,664	862,173	1,447,461	468,325	

Water	2009	2010	2011	2012	2013	Funding
110 Ave (240 - 243)	-	-	-	-	139,476	WCF
112 Ave (244 - 246)	-	-	-	-	412,684	DCC, WCF
113 Ave (246 - 248)	-	-	-	-	245,751	DCC, WCF
116 Ave (232 - Cottonwood)	-	47,946	-	-	-	WCF
119 Ave (227 - 228)	-	-	-	143,765	-	WCF
124 Ave (246 - 248)	-	-	-	-	227,523	DCC, WCF
125 Ave (241 - Ansell)	-	331,200	-	-	-	WCF
128 Ave (235 - 238)	-	-	-	-	243,224	DCC, WCF
136 Ave (236 - 240)	-	-	-	855,480	-	DCC, WCF
136 Ave @ 232 St PRV	-	160,000	-	-	-	WCF

Water (cont.)	2009	2010	2011	2012	2013	Funding
136 Ave @ 24200 Rockridge Res. Phase 2	-	649,985	-	-	-	DCC, WCF
141 Ave @ 232 St PRV	-	-	100,000	-	-	WCF
210 St (116 - 118)	-	-	218,900	-	-	WCF
216 St (124 - 128)	-	-	-	740,677	-	DCC, WCF
224 St (124 - Abernethy)	-	-	-	-	376,438	DCC, WCF
224 St (North - 119)	-	-	254,277	-	-	DCC, WCF
231 St (117 Ave - 118 Ave)	-	-	-	-	92,836	WCF
232 St (136 - Silver Valley)	-	-	-	163,218	-	DCC, WCF
241 St - new watermain	20,000	-	-	-	-	WCF
248 St (116 - Dewdney Trunk)	-	-	-	616,942	-	DCC, WCF
263 St (440 Reservoir - Stage 2)	-	1,301,998	-	-	-	DCC, WCF
263 St (440 Reservoir - Stage 2) - Study	30,000	-	-	-	-	DCC, WCF
270A St @ 123 Ave P/S Phase 2	-	-	-	250,000	-	WCF
Albion & Water Model - dist upgr	250,000	250,000	250,000	-	-	WCF
Ansell St (124 - 125)	-	-	230,400	-	-	WCF
Cottonwood Dr (115 - 116)	-	-	-	84,956	-	WCF
DCC Payment To Joint Supply System	-	-	-	111,357	-	DCC, WCF
Dewdney Trunk Rd @ 246 St GVWD P/S	-	56,000	-	-	-	WCF
Energy Efficiency Audit (30/70 Sewer/Water)	35,000	-	-	-	-	SCF, WCF
Equipment Purchase - Leak Detectors	-	-	-	-	35,000	WCF
Fletcher St (DTR - Brown)	-	-	-	-	44,381	WCF
Laity St (Lougheed - Dewdney Trunk)	-	184,900	-	-	-	WCF
Local Improvement Projects - Water	250,000	250,000	250,000	250,000	250,000	CFO
Lougheed @ Dewdney Trunk Rd PRV Relocate	352,000	-	-	-	-	WCF
Private Water Connections	165,526	169,885	174,577	178,576	182,767	WRF
River Rd (216 - Carshill)	-	265,000	-	-	-	WCF
Rothsay Heights Reservoir Improvement	-	-	250,000	-	-	WCF
SCADA upgrade (50/50 Sewer/Water)	19,000	-	-	-	-	SCF, WCF
Seismic Upgrade Pump Stations	50,000	-	-	-	-	WCF
Structural Piles on Kanaka Creek / Lougheed	220,000	-	-	-	-	WCF
Truck fill system: proposed reserv. site	-	65,000	-	-	-	WCF
Underground power to McNutt Reservoir	48,500	-	-	-	-	WCF
Water Feed Main Stage 2 Debt Pmt	111,111	111,111	111,111	111,111	552,777	DCC, WCF
Water Network Modelling	-	9,000	-	-	-	WCF
Water Pump Station Sync (Q3,Q4,Q5,Q6)	-	160,000	-	-	-	WCF
Water Pump Upgrades	66,000	-	-	-	-	WCF
Watermain Replacement Program	300,000	300,000	300,000	300,000	300,000	WCF
Whonnock Water System Study	40,000	-	-	-	-	WCF
Water Total	1,957,137	4,312,025	2,139,265	3,806,082	3,102,857	
Capital Plan 2009-2013	**28,291,656**	**33,528,001**	**33,057,477**	**23,373,272**	**16,031,810**	

Glossary of Funding	
CEM	Cemetery Reserve
CFO	Contribution from Others
CIR	Critical Infrastructure Reserve
CORE	Core Development
CWR	Capital Works Reserve
DBT	Debt
DCC	Dev Cost Charge Fund
ERR-FD	Eqpt Replacement - Fire Dept
ERR-IS	Eqpt Replacement - IS
ERR-PW	Eqpt Replacement - Public Works
FDR	Fire Dept Cap Acquisition
GCF	General Capital Fund
GRA	Grants
GRF	General Revenue Fund
ISR	Infrastructure Sustainability Reserve
PAR	Parkland Acquisition Reserve
PSR	Protective Services Reserve
RCP	Committed Projects
REC	Recycling Reserve
SCF	Sewer Capital Fund
SOIL	Gravel Extraction Reserve
SRF	Sewer Revenue Fund
SUR	GRF Surplus from Prior Years
WCF	Water Capital Fund
WRF	Water Revenue Fund