

**CORPORATION OF THE DISTRICT OF MAPLE RIDGE**

**TO:** His Worship Mayor Gordon Robson and Members of Council  
**FROM:** Chief Administrative Officer  
**SUBJECT:** 2006 - 2010 Consolidated Financial Plan Bylaw

**DATE:** December 12, 2005  
**FILE NO:**  
**ATTN:** Council

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**EXECUTIVE SUMMARY:**

Through a public participation process, Council has held deliberations on the 2006 – 2010 Consolidated Financial Plan. Council received a presentation of the 2006 – 2010 Business Plans and reviewed the budgets from each of the corporate divisions. It is necessary that Council provide the legal authorization to implement the financial plan by adopting the Consolidated Financial Plan Bylaw No. 6378 – 2005.

During their three year term, Council has instructed that 10 police officers and a number of technical and support staff be added to the police department, that the *Fire Department Master Plan* continue to move forward in 2006 and that the necessary funds be provided to complete/initiate various studies and programs such as the Official Community Plan & Transportation Plan, Downtown Revitalization & Business Improvement Area (BIA) and targeted police initiatives. Council has also approved hiring staff that is required in the support and operating departments. To provide the necessary funding for these directives, Council will consider an additional ¾% tax increase in 2006 & 2007. Council has also directed that alternative financing methods be explored to determine if the capital program can be expedited to meet the demands of a growing community without increasing the tax supported capital funding envelope.

This plan supports the implementation of Council's focus areas that address growth management, economic development and community protective services.

**RECOMMENDATION:**

**That the Maple Ridge Consolidated Financial Plan Bylaw No. 6378 - 2005 be read a first, second and third time.**

**DISCUSSION:**

**a) Background Context:**

The Municipality is currently authorized to make expenditures under the Amended Consolidated Financial Plan Bylaw No. 6328 - 2005 that was adopted in June, 2005. It does not, however, represent Council's recommendation to move forward with the Business Plans as presented in a public participation process on December 7 & 8, 2005 or the Council budget discussion at the Council Workshop on December 12, 2005.

The 2006 – 2010 Consolidated Financial Plan provides for the following:

- Real Growth (additions to the Tax Roll) 2.75% in 2006; 2.5% in 2007; 2.35% thereafter
- Property Tax revenue increase of 4.75% for 2006 & 2007; 4% for 2008 - 2010
- Fire Improvement Levy increase of \$600,000 plus growth in each of the years
- Building Permit Revenue of \$1.5M
- Increase of 6% in the 2006 Water Utility rate of \$15.22 to \$268.82 to provide for the price increase of purchased water from the GVWD and for capital improvements

- Increase of 6% in the 2006 Sewer Utility rate of \$11.08 to \$195.73 to provide for increased disposal and treatment costs at the GVS & DD and for capital improvements
- Increase of 3% in the 2006 Recycling Depot Charge of \$.75 to \$25.72 per property
- Increase of 3% in the 2006 Recycling Blue Box Collection Charge of \$.77 to \$26.44 per household
- Increase of 3% in the 2006 Recycling Collection Charge for Apartments of \$.76 to \$26.24 per unit
- Adjustments to various revenue projections based on current activity experience and changes to rates and charges.
- Increased fuel, energy, electrical, legal & audit fees, insurance and employee benefit costs of \$373,000 in 2006
- Police Dept.: add 10 police officers over 3 years; in 2006 add 4 staff including a Crime Analyst & Media Liaison
- Provision for RCMP Emergency Response Team (ERT) and Integrated Homicide Investigative Team (IHIT)
- Other staff provided address needs in technology, accounting, emergency planning, special services, parks, water utility, engineering and operations
- *Fire Department Master Plan* continue to move forward in 2006
- Special studies or programs that include the completion of the Official Community Plan, Downtown Parking Strategy, Streamside mapping and initiation of the Business Improvement Area (BIA) and targeted police department initiatives
- Special projects under the National Benchmarking Program to seek operating efficiencies and ensure quality control processes in the utilities
- Contribution of \$20,000 to the GVRD for Regional Global Positioning System
- Provision for borrowing for capital expenditures of \$1.8M for 2007 to 2009 with debt servicing being funded from the current 1% increase of property tax earmarked for infrastructure sustainability in 2008 to 2010
- A 2 year \$158,000 succession plan has been funded to assist with expected departures due to retirement

**b) Desired Outcome:**

Adoption of the 2006 – 2010 Consolidated Financial Plan Bylaw No. 6378 - 2005 will enable the operating and capital program to proceed.

**c) Strategic Alignment:**

All departments prepared and presented a Business Plan. These were prepared within the guidelines set out in *Business Planning Guidelines 9<sup>th</sup> Edition*. This document is reviewed and amended annually in consultation with Council. The Financial Plan reflects Council's Strategic Financial Planning Policies.

**d) Financial Plan/Business Plan Implications:**

The financial implications are represented in the schedule accompanying the bylaw. In summary, this bylaw will provide authorization for consolidated expenditures in 2006 of \$101M. However, \$8.1M is for internal transfers to reserves. The following is a 2006 expenditure outline:

- \$14.9M - Capital Program
- \$58.3M - Operating Expenditures
- \$19.7M - Debt Service
- \$8.1M - Internal Reserve Transfers

The revenue sources to fund the expenditures are as follows:

- \$42.4M- Property Taxation, Grants in Lieu, Parcel Charges
- \$21.3M - Fees & Charges; this includes \$1.5M in Building Permit Revenue
- \$6.2M - Grants, Interest Income & Other
- \$5.3M - Development Cost Charges & Development Fees
- \$15.9M - Refinancing Borrowing Proceeds
- \$9.9M - Internal Reserves & Surplus

Financial obligations with respect to the Downtown Core Development are in the plan based on the fact MRMH Ltd. is a wholly owned subsidiary until November 2006. The borrowing proceeds and payment of debt represents the debt buyout/swap and the future obligation. There is no new debt in this regard.

The additional  $\frac{3}{4}\%$  Property Tax increase is only for 2006 & 2007 and will generate the necessary revenue to hire the additional personnel.

**e) Citizen/Customer Implications & Communications:**

The implication to homeowners, businesses and industry is that they will experience a municipal tax increase, an increase for utility services and the next phase of the levy that provides funding to implement the *Fire Department Master Plan*.

The amount of the tax increase is 4.75% exclusive of the Fire Service Improvement Levy. This will vary per property depending on the class and change in assessed value. The increase for water consumption and sewage disposal and treatment is 6%. This is the result of rising costs to maintain a high quality water standard and improvements to liquid waste treatment systems.

The average home will experience an overall increase of municipal controlled taxation and levies of approximately \$99.87 that consists of the following: tax increase \$53.05; fire levy \$19; water utility \$15.22; sewer utility \$11.08; recycling charges \$1.52. This does not include levies by other governments or agencies that appear on the tax notice and collected the municipality.

An open invitation was extended to the public to attend any or all of the Business Plan presentations held during December 2005. Feedback was requested in person at the presentations, on the District's web site, and by mail and telephone. Under the current "*Open Government*" structure the public has continuous access to present commentary and ask questions with regard to the proposed 2006 – 2010 Consolidated Financial Plan.

**f) Policy Implications:**

None; the Consolidated Financial Plan has been prepared in accordance with statutory requirement and Municipal Financial Policies. The increases in rates are per Council direction and other financial undertakings in accordance per Council adopted policy.

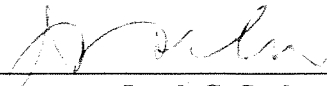
**g) Alternatives:**


In the event this bylaw is not passed, the District is not authorized to make any expenditure other than those identified in the Amended 2005 – 2009 Consolidated Financial Bylaw No.6328 - 2005. This will require some operating changes to ensure that departments curtail or delay certain expenditures or programs to provide for the increased costs for energy, fuel and safety.


**CONCLUSIONS:**

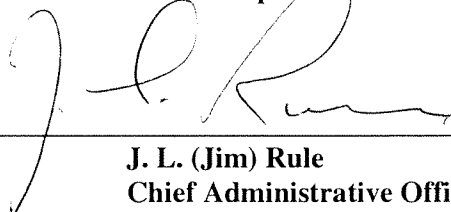
The Five Year Financial Plan is a multi-year planning, review and reporting process and represents Council's vision and commitment to provide quality services to the residents of Maple Ridge. The Plan provides a forecast of the financial resources that are available to fund operations, programs and infrastructure for the five years.

As the Plan provides for a tax increase Council must adopt this plan by bylaw prior to adopting the Tax Rates Bylaw for 2006. Any Financial Plan changes that occur prior to the adoption of the Tax Rates will be reflected in an Amended Financial Plan.

  
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*Prepared by:* **Jacob G. Sorba, CGA**  
**Director of Finance**

  
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*Reviewed by:* **Trevor Thompson, BBA**  
**Finance Supervisor & Budget Officer**

  
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*Approved by:* **Paul Gill, BBA, CGA**  
**GM – Corp. & Financial Services**

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

CORPORATION OF THE DISTRICT OF MAPLE RIDGE

BY-LAW NO. 6378-2005

A By-law respecting the 5 year Consolidated Financial Plan for the years 2006 through 2010

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

1. This By-law may be cited for all purposes as Maple Ridge Consolidated Financial Plan By-law No. 6378-2005.
2. Statement 1 attached to and forming part of this by-law is hereby declared to be the Consolidated Financial Plan of the Corporation of the District of Maple Ridge for the years 2006 through 2010.

READ a first time the            day of            , 200.

READ a second time the        day of            , 200.

READ a third time the         day of            , 200.

PUBLIC CONSULTATION completed on the        day of            , 200 .

RECONSIDERED and adopted the                day of            , 2006.

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MAYOR

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CLERK

Attachment: Statement 1

Statement 1  
 Consolidated Financial Plan 2006-2010

	2006	2007	2008	2009	2010
<b>REVENUES</b>					
External Revenues					
Development Fees					
Developer Cost Charges	\$5,077,017	\$4,967,257	\$4,267,149	\$4,181,174	\$4,454,938
Developer Specified Projects	\$0	\$15,750	\$25,984	\$0	\$0
Parkland Acquisition	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Development Fees Total	\$5,277,017	\$5,183,007	\$4,493,133	\$4,381,174	\$4,654,938
Property Taxes	\$40,513,026	\$43,997,936	\$47,354,545	\$50,877,337	\$54,599,620
Parcel Charges	\$1,922,487	\$1,961,847	\$2,002,082	\$2,043,215	\$2,085,264
Fees & Charges	\$21,294,968	\$23,624,529	\$24,534,084	\$25,451,442	\$26,395,143
Interest	\$1,795,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000
Grants (Other Govts)	\$4,368,496	\$3,846,073	\$5,618,617	\$3,815,919	\$3,731,052
Borrowing Proceeds	\$15,942,045	\$1,800,000	\$1,800,000	\$1,800,000	\$0
<i>Total External Revenues</i>	<i>\$91,113,039</i>	<i>\$82,213,392</i>	<i>\$87,602,461</i>	<i>\$90,169,087</i>	<i>\$93,266,017</i>
Internal Revenues					
Internal Revenues					
Transfer from Reserve Funds					
Land Reserve	\$0	\$0	\$0	\$0	\$0
Local Improvement Reserve	\$0	\$0	\$0	\$0	\$0
Equipment Replacement Reserve	\$1,421,847	\$641,828	\$2,194,242	\$1,179,558	\$2,184,452
Sanitary Sewer Reserve	\$1,354,134	\$0	\$0	\$0	\$0
Capital Works Reserve	\$308,000	\$237,626	\$1,122,249	\$1,855,858	\$2,025,787
Fire Department Capital Reserve	\$828,960	\$950,000	\$175,000	\$850,000	\$0
Transfer from Reserve Fund Total	\$3,912,941	\$1,829,454	\$3,491,491	\$3,885,416	\$4,210,239
Transfer from Own Reserves	\$5,457,712	\$5,804,581	\$6,199,294	\$5,634,957	\$5,499,019
Transfer from Surplus	\$469,749	\$808,839	\$557,365	\$0	\$0
<i>Total Internal Revenues</i>	<i>\$9,840,402</i>	<i>\$8,442,874</i>	<i>\$10,248,150</i>	<i>\$9,520,373</i>	<i>\$9,709,258</i>
<b>TOTAL REVENUES</b>	<b>\$100,953,441</b>	<b>\$90,656,266</b>	<b>\$97,850,611</b>	<b>\$99,689,460</b>	<b>\$102,975,275</b>
<b>EXPENDITURES</b>					
External Expenditures					
Capital Expenditures	\$14,871,130	\$14,027,359	\$16,466,513	\$14,074,204	\$12,329,649
Principal Payments on Debt	\$17,566,630	\$1,964,277	\$1,997,671	\$1,996,819	\$2,115,052
Interest Payments on Debt	\$2,202,816	\$2,563,165	\$2,809,564	\$3,049,776	\$3,313,986
Other Expenditures	\$58,256,447	\$62,372,413	\$66,284,067	\$69,302,198	\$72,348,678
<i>Total External Expenditures</i>	<i>\$92,897,023</i>	<i>\$80,927,214</i>	<i>\$87,557,815</i>	<i>\$88,422,997</i>	<i>\$90,107,365</i>
Internal Expenditures					
Transfer to Reserve Funds					
Capital Works Reserve	\$721,019	\$793,793	\$1,199,585	\$1,685,301	\$2,137,532
Equipment Replacement Reserve	\$1,568,702	\$1,603,949	\$1,642,824	\$1,682,922	\$1,723,899
Fire Dept. Capital Aquisition	\$853,711	\$907,039	\$963,076	\$1,016,760	\$1,073,902
Land Reserve	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Local Improvement Reserve	\$0	\$0	\$0	\$0	\$0
Sanitary Sewer Reserve	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Total Transfer to Reserve Funds	\$3,243,432	\$3,404,781	\$3,905,485	\$4,484,983	\$5,035,334
Contribution to Surplus	\$0	\$0	\$0	\$346,261	\$1,409,717
Contribution to Own Reserves	\$4,812,986	\$6,324,271	\$6,387,311	\$6,435,219	\$6,422,859
<i>Total Internal Expenditures</i>	<i>\$8,056,418</i>	<i>\$9,729,052</i>	<i>\$10,292,796</i>	<i>\$11,266,463</i>	<i>\$12,867,910</i>
<b>TOTAL EXPENDITURES</b>	<b>\$100,953,441</b>	<b>\$90,656,266</b>	<b>\$97,850,611</b>	<b>\$99,689,460</b>	<b>\$102,975,275</b>