

Message from the CFO



It is my pleasure, on behalf of the Finance Department, to present the 2021 Annual Report for the City of Maple Ridge. This report includes the Audit Report from BDO Canada LLP, the Consolidated Financial Statements and supplementary information for the fiscal year ended December 31, 2021.

Maple Ridge continues to demonstrate its commitment and expertise in financial management. Our 2020 Annual Report received the Government Finance Officers Association's (GFOA) Canadian Award for Financial Reporting, an award that recognizes local governments across Canada that produce high quality financial reports. This was the 31st consecutive year that Maple Ridge received this award and the longest standing in Canada.

The purpose of the Annual Report is to provide insight into the financial results for our fiscal year ended December 31, 2021. It is divided into three sections:

- 1. Introductory Section** – Provides an overview of Council's strategic direction and the economic and administrative context in which the City operates.
- 2. Financial Section** – Presents the Consolidated Financial Statements, accompanying notes and supplementary information and the independent auditor's report.
- 3. Statistics Section** – Presents statistical and financial information on a multi-year comparative basis.

Local government financial statements are intended to assist readers to evaluate how public resources are being managed. They compare the deployment of financial resources against budget and previous year's results.

As required under British Columbia's Community Charter, this Annual Report contains comprehensive information about the goals and objectives within the focus areas identified by Council. The Strategic Direction & Progress **Report on page 9** communicates how we are measuring performance towards the achievement of these goals and objectives during the year.

A new four-year Council term commenced in November 2018. With a strong focus on governance, Council soon began updating the Strategic Plan.

Performance measurements that align with the City of Maple Ridge Strategic Plan 2019-2022 were created and are regularly reported on. The performance measures compliment the existing Open Government Portal that

makes publicly owned data available for query and download. This can be found on mapleridge.ca under Your Government, Open Government, Performance Reporting.

Year in Review

2021 was another year like no other. The worldwide pandemic and associated restrictions continued to be the focus. While Covid-19 is a health emergency and addressed by senior levels of government, the City's role is important in maintaining essential services, supporting the province and health authorities in efforts to address the implications and maintaining civility. The City was able to quickly move to online Council Meetings and had the technology in place to support remote working. Improvements were made to citizen and customer online services.

Maple Ridge is updating many focused strategic documents including, but not limited to: Strategic Transportation Plan, Economic Development Strategy, Integrated Stormwater Plans, Fire Department Master Plan, and Parks, Recreation and Culture Master Plan. These strategic plans are required to help guide Maple Ridge into the best possible community for citizens, visitors and businesses.

Similar to other communities, homelessness, mental health and opioid addiction is of great concern. While it falls under the responsibility of senior levels of government, certainly every community is impacted by the negative behaviours and has a role in mitigating these impacts.

Maple Ridge Council, through the Community Social Safety Initiative, increased the availability of Community Safety Officers to 16 hours a day, seven days a week using senior government funding. Expanded coverage addresses the impacts of homelessness on the community by connecting those interested with appropriate services and addressing broader public safety concerns.

Economic Climate

The pandemic and the related imposed restrictions were the focus of all economic discussions. Markets, being forward looking, were concerned as to how quickly certain sectors of the economy recover and the implications of the financial stimulus provided, specifically inflation.

Globally and nationally, we are facing supply issues, inefficiencies associated with deglobalization, increased demand due to financial stimulus and labour shortages. This has created strong pricing increases. A few of these contributing factors may subside soon, however, historically high inflation exists. Inflation is being aggressively targeted by central banks through monetary policy and fiscal policy.

Focus is now shifting to the impact of higher interest rates on the economy and on investments. There is hope for a

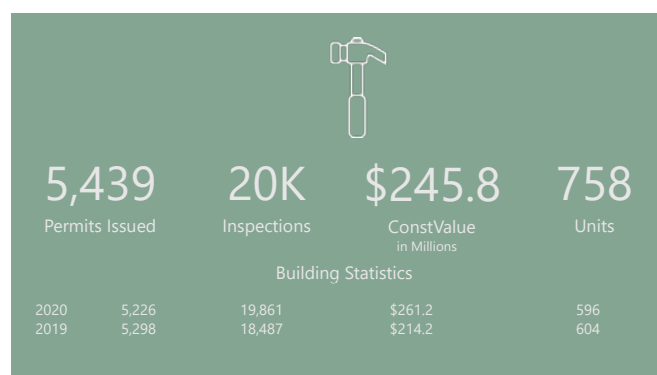
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soft landing and fear of a harder landing with probabilities of a recession increasing.

Maple Ridge continues to attract development and renewed efforts to make the development process more efficient and customer service focused. The City has seen increased residential density and interest in commercial investment, including the redevelopment of the previous Hammond Cedar Mill.

The City building activity remained brisk, even with pandemic related concerns and supply chain frustrations.

2021 Building Department Statistics



Additional measures can be found at:

<https://performancemanagement-mapleridge.hub.arcgis.com>

Risk Management

Risks to Municipal operations are assessed on an ongoing basis and risk management strategies are revised or developed in response to experience, changes in operations or relevant legislation.

Each year, Council approves an inspection standard that sets the frequency and methodology for inspection of Municipal assets during the year within Financial Plan provisions. Maple Ridge insures its operations through a combination of risk transfer through purchased insurance, membership in the Municipal Insurance Association (MIA) and risk retention through the use of financial reserves.

Disaster Recovery

Events such as an earthquake, extreme weather or technology failure could have an impact on both the community and on City operations. As part of the City's Emergency Management Program, preparedness plans are in place to help us in the event of a disaster.

The Business & Financial Planning Process

Maple Ridge has developed comprehensive business planning guidelines for use in the financial planning process. These guidelines are updated annually and are intended to assist Council with the difficult task of

resource allocation.

The financial planning process is also guided by a Financial Sustainability Plan, a group of 13 policies designed to position the City to meet financial obligations. These policies along with other financial tools will be reviewed and updated to best meet the needs of the City.

Business and Financial Plan review sessions are open to the public and provide opportunities for individuals to ask questions of Council on decisions or to make submissions on all programs.

Under the British Columbia Community Charter, the City is required to adopt a Five-Year Financial Plan. This approach to financial planning allows Council and the community to consider the impact that current decisions will have on future financial flexibility. Each year, Council adopts a Financial Plan based on the best information available at the time. The plan is updated each May, prior to setting the property tax rates, to reflect any changes that have occurred since the last plan was adopted.

Council adopted the 2021 – 2025 Financial Plan Bylaw. The key financial implications of this Financial Plan include annual property tax increases totaling 3.6% per year consisting of increases for:

- General purposes of 2%,
- Infrastructure replacement of between 0.7% to 1.0%,
- Parks, Recreation & Cultural of 0.60% and
- Storm Water Improvements of 0% to 0.3%.

In addition, the Financial Plan includes annual user fee increases for:

- Water at 4.50%,
- Sewer at 8.50% and
- Recycling at 2.75%.

These assumptions were incorporated into a Financial Plan that provided for important services valued by our citizens.

These rates and assumptions are reviewed annually and in 2022 were revised due to cost pressures of the new RCMP Contract. These costs are now more certain and did impact the 2021 Financial Statements as a portion of the costs are based on prior years wages.

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Outlook

The Financial Plan includes significant capital expenditures to address infrastructure needs in the community. Many of these expenditures are dependent on revenues from outside sources, such as development fees and grants from other levels of governments. Overall, the City's financial condition remains strong, with growth expected in the assessment base, a strong business planning process, financial reserves and available debt servicing capacity.

Challenges that we continue to monitor and address in our Financial Plans include:

- Impact of the economy on real growth and development related revenues
- A predominately residential assessment base that continues to grow faster than the commercial and industrial sector
- Increasing costs from the Regional District for sewer and water
- Providing for the future replacement of infrastructure
- Increased costs for existing services (inflation)
- Facilities and infrastructure investments required to service a growing community
- Balancing service levels and affordability

The next four-year Council term will begin in late 2022. The existing Council has initiated many strategic plans that are being developed or are at very early stages of implementation. This will provide opportunities to revisit what are priorities for the community.

Conclusion

I would like to take this opportunity to thank members of Council, the Corporate Management Team and all City employees for their direction and dedication in serving our community. The reason for our success is the strong commitment to excellence by our employees in all that they do to best serve the citizens of Maple Ridge.



Trevor Thompson, BBA, CPA, CGA
Director of Finance

May 11, 2022

