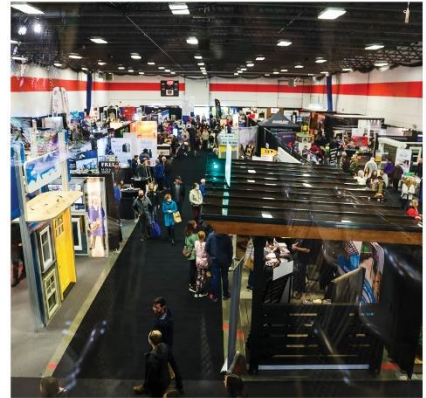




Financial Overview Report

Financial Plan 2023-2027



FINANCIAL OVERVIEW REPORT



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Opening Remarks

The City’s Financial Plan, more commonly known as the “Budget”, is the outcome of a business planning process that aligns all business plans and work plans with Council’s strategic direction.

2023 is the first full year of Council’s term. Council has started with a strong orientation program followed by setting their objectives for the next four years through strategic planning.

Communities are benefiting from one-time grant dollars from the Province of British Columbia to help address infrastructure needs. Maple Ridge’s allocation of these funds is approximately \$16.5 million. While the exact criteria of the grant are unclear, there is a large list of projects that this could advance. This will be reviewed as part of business planning discussions with Council and confirm direction prior to the adoption of the Budget.

A key part of the business planning process includes presentations to Council. The annual process is adapted each year to fit the current circumstances.

The Financial Plan for the City of Maple Ridge reflects the financial implications of the services provided. This document provides an overview of

the 2023-2027 Financial Plan and builds on the foundation of years of business and financial planning.

This Financial Plan incorporates an increase in inflation implications and continues to shrink the infrastructure deficit through increased funding to maintain and replace our exiting infrastructure.

In the interest of transparency and accountability, budget deliberations and business plan presentations occur at meetings open to the public and are live streamed and recorded.

This report begins with a discussion of the legislative framework that we operate within, as well as the process we go through to develop the Financial Plan. It then addresses key cost drivers and financial strategies that are built into the Plan. The impact of the Financial Plan to the average home is also highlighted.

While this report is prepared by the Finance Department, it would not have been possible without the direction of City Council, Administration and the support of all other departments.

Introduction

Budgeting is a balancing act between what the City would like to do and the cost of delivering these services. The decisions that are made are not just about the numbers; they affect the programs and services that citizens depend on every day for their quality of life.

5-Year Financial Plan

The current business and financial planning process has been developed over many years. It is considered a best practice amongst local government organizations and it is refined each year.

As required by Section 165 of the Community Charter, our Financial Plan covers a timeframe of five years, the year for which it is specified to come into force and the following four years. Provincial legislation requires that the Financial Plan Bylaw be adopted annually.

Council can amend the Financial Plan Bylaw at any time. It is routinely updated in April or May just prior to the annual Property Tax Rates Bylaw, which must be adopted before May 15.

The content of the Financial Plan Bylaw is prescribed by both the Community Charter and the Local Government Act. The Bylaw itself does not provide the typical reader with sufficient information. That is why we produce this report and provide departmental workplans as part of the business planning process.

Balanced Budget: Can't Run Deficits

The Community Charter specifies that all proposed expenditures and transfers to Reserves must not exceed the total of proposed funding sources and transfers from Reserves. Simply put, this means that unlike other levels of government, we are not allowed to run a deficit. If we want to spend money, we must identify where that money is coming from.

Financial Planning vs Financial Reporting

The City produces two main financial documents: the Financial Plan and the Financial Statements. These documents have very different objectives that are important to be aware of. The Financial Plan is a forward looking document, covering a five-year timeframe, setting out what the City plans to do and how it plans to pay for it. In accounting terms, the Financial Plan is prepared on a "cash" basis. In contrast, the Financial Statements are retrospective documents showing the financial condition of the City as at December 31 of each year. The Financial Statements are prepared on an "accrual" basis, according to accounting guidelines set by the Public Sector Accounting Board. It is important for the reader to keep these differences in mind when reading each of the documents.

Open & Transparent Budget Deliberations

Section 166 of the Community Charter requires Council to undertake a process of public consultation before adopting the Financial Plan, but does not prescribe how to accomplish that. It is possible to meet the legislated requirement through a simple advertisement in the local newspaper inviting comment.

The City is committed to an open and transparent process, and offers opportunities for citizens and stakeholders to contribute. We have a dedicated email: budget@mapleridge.ca and phone line 604-467-7484, and Council's budget deliberations are open to the public. Public feedback is welcome throughout the year, regardless of the business planning stage Council and staff are engaged in. New this year is a public engagement platform; a description and the link are on page 35 of this report.

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

Property Tax Increases

Without the Business Planning Guidelines outlining the targeted property tax increase, the amount of property tax increase proposed has been reduced in the first few years of the Financial Plan to reflect existing costs only. The incremental costs to improve service levels along with the property tax implications are shown later under Incremental Requests.

	2020	2021	2022	Proposed				
				2023	2024	2025	2026	2027
Property Tax Increases								
General Purpose	2.25%	2.00%	3.60%	2.90%	3.40%	3.00%	2.90%	2.90%
Infrastructure Replacement	0.70%	0.70%		0.60%	0.80%	0.80%	1.00%	1.00%
Parks and Recreation	0.60%	0.60%				0.30%	0.60%	0.60%
Drainage	0.30%	0.30%						
Total Property Tax Increase	3.85%	3.60%	3.60%	3.50%	4.20%	4.10%	4.50%	4.50%

General Purpose Increase: this increase covers the cost of existing services, the cost implications of collective agreements and other contracts. Inflation pressures will continue to be monitored. As inflation increases, this puts pressure on this portion of the property tax increase.

Infrastructure Sustainability: this increase goes towards the rehabilitation and replacement of our existing assets, valued at approximately \$2 billion, and is discussed in detail later in the Report under the Capital Program.

Parks and Recreation Improvement: this increase goes towards improvements in Parks, Recreation & Culture. This increase funds the operating and debt serving costs of additional parks and recreation amenities, the 2025-2027 rate increases are associated with the debt and operating costs of the fourth ice sheet at Planet Ice. The funding of these projects is also reliant on development revenues.

Water Levy: this portion of the increase goes towards the cost of water services, including those services provided by Metro Vancouver which are estimated to increase 8.0% on average. An increase of 4.50% is planned for each year of the Financial Plan.

Sewer Levy: this portion of the increase goes towards the cost of sanitary sewer services, including those services provided by Metro Vancouver. An increase of 8.50% is planned for each year of the Financial Plan due to rate increases that average over 18.5% from Metro Vancouver to fund significant capital investments required to treat the region's wastewater.

Recycling Services: this portion of the increase goes towards operating the recycling depot as well as for the blue box service. An increase of 2.75% is planned each year of the Financial Plan.

FINANCIAL OVERVIEW REPORT



Property Tax Increases

Property Tax Increases

	General Purpose	Infra-structure	Drainage	Parks & Rec.	Fire Levy	Town Centre	Total Increase
Proposed Plan before Incrementals							
2027	2.90%	1.00%		0.60%			4.50%
2026	2.90%	1.00%		0.60%			4.50%
2025	3.00%	0.80%		0.30%			4.10%
2024	3.40%	0.80%					4.20%
2023	2.90%	0.60%					3.50%
History							
2022	3.60%						3.60%
2021	2.00%	0.70%	0.30%	0.60%			3.60%
2020	2.25%	0.70%	0.30%	0.60%			3.85%
2019	1.90%	0.70%	0.30%	0.60%			3.50%
2018	1.53%	0.70%	0.30%	0.45%			2.98%
2017	1.90%	0.70%	0.30%	0.25%			3.15%
2016	2.10%	0.50%	0.30%	0.25%			3.15%
2015	1.92%	0.50%	0.30%	0.25%			2.97%
2014	1.90%	0.50%	0.30%	0.25%	Inc. in GP		2.95%
2013	2.25%	0.50%	0.30%	0.13%	300000		3.51%
2012	3.00%	1.00%			600,000		4.88%
2011	3.00%	1.00%			600000		4.99%
2010	3.00%	1.00%			600,000		5.13%
2009	3.00%	1.00%			600000		5.18%
2008	3.00%	1.00%			600,000		5.31%
2007	3.75%				600000	1.00%	6.18%
2006	3.75%				600,000	1.00%	6.37%
2005	3.00%				600000	1.00%	5.77%
2004	3.00%					1.00%	4.00%
2003	3.00%					1.00%	4.00%

With this understanding of Council’s approved property tax increases, we turn our minds to a conceptual overview of the budget.

FINANCIAL OVERVIEW REPORT

Where Does the Money Come From and Where Does It Go?

Conceptual Overview

From time to time, we hear from citizens asking why a tax increase is required when there is additional money coming into the City from new construction. This section of the Report provides a conceptual overview of where the City's money comes from and where it goes.

New Revenue

The following chart shows the revenue coming into the City. We begin with the taxes that were collected last year and adjust it for the taxes coming in from new construction. The new construction represents the value that was not taxed previously and we refer to the additional tax revenue as Growth Revenue.

To this subtotal, we add the additional revenue requirements approved by Council that were discussed on the previous page. These include:

- The General Purpose component of the increase is used to cover the cost increases of existing services (i.e. inflation).

- Infrastructure replacement funding refers to the amount to be invested in the rehabilitation and replacement of our existing assets.
- The increase for Parks, Recreation & Culture provides the financial capacity to implement the previously approved additional facilities and the associated debt servicing and operating cost.

There are tax adjustments provided for assessment appeals and provincial rules around the tax rate applied to the Utilities Class. Projected revenue increases are also included.

An additional \$5.8 million in revenue is expected to accrue to the City in 2023.

Conceptual Overview of New Revenue

Item (\$ in thousands)	2023	2024	2025	2026	2027
Previous Year's Taxation	98,189	102,989	108,864	114,969	121,884
Growth Rate	1.40%	1.50%	1.50%	1.50%	1.50%
Growth Revenue	1,375	1,545	1,635	1,725	1,830
Previous Year's Taxation + Growth	99,564	104,534	110,499	116,694	123,714
Property Tax Increases:					
General Purpose	2.90%	3.40%	3.00%	2.90%	2.90%
Incremental Requests General Purpose					
Infrastructure Replacement	0.60%	0.80%	0.80%	1.00%	1.00%
Parks & Recreation Improvements	0.00%	0.00%	0.30%	0.60%	0.60%
Total Property Tax Increase	3.50%	4.20%	4.10%	4.50%	4.50%
Property Tax Increase	3,485	4,390	4,530	5,250	5,565
Utility Class Cap. & Sup. Adj. Contingency	(60)	(60)	(60)	(60)	(60)
Additional Property Taxes vs. Prior Year	4,800	5,875	6,105	6,915	7,335
Next Year's Taxation Base	102,989	108,864	114,969	121,884	129,219
Increases in Other Revenue	953	160	162	169	173
Increase in General Revenue	5,753	6,035	6,267	7,084	7,508

*When Costs Go Up as a Result of Inflation,
Increases Must be Covered within This Line*

Where Does the Money Come From and Where Does it Go?

FINANCIAL OVERVIEW REPORT



Transfers

The previous section discussed the additional money coming into the City from tax increases, fees and charges, as well as new construction. Now we turn our minds to the demands against that money.

Reserves are an important part of our Financial Plan. The contributions to Reserves are referred to as Transfers and our Financial Plan relies on Reserves to meet major expenditures. For example, rather than having to provide full funding in the year that we need to replace a

fire truck, we try to set aside a smaller amount each year over the useful life of the vehicle. This is done by putting money aside every year in the Equipment Replacement Reserve.

We keep a close eye on these Reserves to ensure that they are able to meet their obligations. Annual adjustments are made to the contributions to these Reserves as required, and the table below shows adjustments included in this Financial Plan. A more complete discussion on our Reserves is included beginning on page 25 of this report.

Conceptual Overview of Changes to Transfers

Item (\$ in thousands)	2023	2024	2025	2026	2027
Additional General Revenue available	5,753	6,035	6,267	7,084	7,508
Transfers to Reserves:					
Capital Works Reserve	(25)	(25)	(35)	(60)	(170)
Fire Department Capital	(40)	(45)	(65)	(125)	(360)
Equipment Replacement Reserve	(15)	(20)	(25)	(40)	(105)
Parks & Recreation Improvements	-	-	(330)	(700)	(740)
Infrastructure Sustainability Reserve	(595)	(835)	(885)	(1,165)	(1,235)
General Revenue Funded Capital (net CWR tfrs)	(55)	(125)	(135)	(270)	(710)
Available after transfers	5,023	4,985	4,792	4,724	4,188

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

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Expenditures

After we adjust for the reserve transfers, we must provide for expected cost increases. Many of these cost increases are the result of contractual commitments. An item worth highlighting is the costs associated with labour.

Keep in mind that this table refers to the additional funding required above the previous year. For instance, in the Fire Department, the 2023 costs will increase by \$490,000 and will increase by a further \$525,000 in 2024.

As already mentioned, we have little discretion in funding these items as they are the result of existing contracts (labour agreements, RCMP and Fraser Valley Regional Library are some examples).

After providing for the expenditure changes there is no or very little ability in the next three years to address increases to staffing or service levels.

Conceptual Overview of Expenditure Changes

Item (\$ in thousands)	2023	2024	2025	2026	2027
Available after transfers	5,023	4,985	4,792	4,724	4,188
Increase in Expenditures:					
Labour (excluding Fire Protection)	(1,960)	(1,900)	(1,615)	(1,305)	(1,350)
Equipment (excluding Fire & Police)	(80)	(30)	(30)	(30)	(30)
Fire Department	(345)	(525)	(445)	(455)	(480)
Additional Firefighters	(145)			-	-
Policing Contracts (RCMP, ITEAMS)	(720)	(1,070)	(1,240)	(1,480)	(1,060)
Ecomm	(140)	(195)	(205)	(220)	(80)
Contracts (SPCA, Library, Arts etc.)	(405)	(145)	(150)	(155)	(160)
Inflation Allowance	-	(160)	(160)	(200)	(305)
Software Maintenance	(370)	(75)	(135)	(145)	(160)
Other Adjustments & Rounding	(423)	(351)	(383)	(137)	(71)
Available after expenditures	-	119	14	182	77
Surplus from prior year			119	133	314
General Revenue Surplus	-	119	133	314	391

*There are a number of contracts already in place.
There is little discretion in funding these
commitments.*

FINANCIAL OVERVIEW REPORT



Where Does the Money Come From and Where Does it Go?

Some of the Larger Expenditures are Discussed Below:

Labour: This line reflects the financial impact of wage and benefit cost increase assumptions. Collective Agreements for both CUPE and IAFF are up for renewal.

Fire Department: The evolution of our Fire Department to include full time paid responders took place over many years. The last significant funding increase was in 2013. Starting in 2020, we hired the first of four additional firefighters ending in 2023.

The development of a new Fire Master Plan is underway and is expected to be presented to council in 2023.

Policing: This line includes the cost for contracts associated with Police Services including the RCMP and regional initiatives including an Integrated Homicide Team, an Emergency Response Team, Forensic Identification, a Dog Unit and a Traffic Reconstruction Unit.

Library: Maple Ridge is a member of a regional library system therefore our costs are affected by a number of factors. For instance, if one member city opens up a new library, some of the costs are direct costs to the member while other costs are shared by the entire system. The cost of the contracted service with the Fraser Valley Regional Library is expected to increase by \$112,000.

Infrastructure Replacement: In 2008, Council approved a 1% tax increase to help maintain our existing infrastructure. The annual increase was reduced in 2013 and has gradually been restored.

Additional discussion on infrastructure replacement is included on page 29.

Inflation Allowance: The inflation allowance covers over 1000 items, amounting to approximately \$14.1 million in materials and services, for which increases are not specifically built into departmental budgets. An allowance of 2.0% per year is included in fiscal services to cover inflationary cost increases. The 2023 Inflation Allowance has been fully allocated.

Budget Allocations for Growth: A portion of the additional revenue associated with new development or growth is used to fund existing costs, the remainder is allocated as follows in each of the years 2023 to 2027:

Item (\$ in thousands)	
General Revenue Fund	
Fire Dept. Equipment Mtce. & Capital	50
Operations Department	65
Parks Maintenance	65
Administration and Corporate Services	65
Software Maintenance	40
Planning and Development	33
Engineering Services	33
Parks, Recreation & Culture (PRC)	65
General Revenue Total	415
Water Revenue Fund - Maintenance	60
Sewer Revenue Fund - Maintenance	50

It should be noted that this allocation is subject to meeting the growth revenue projections.

One question that we are often asked is “*Why do the City's costs increase more than inflation?*” In asking this question, people are often referring to the Consumer Price Index (CPI). The short answer is that the CPI refers to the price change of a basket of goods that includes things like groceries. The purchases that the City makes are very different than those purchases that are included in the CPI basket.

FINANCIAL OVERVIEW REPORT



Changes to Previous Operating Budget

The next section outlines the changes to this Financial Plan from the one that covered the years 2022 - 2026.

Our last Financial Plan showed a surplus of \$400 for 2023. After the changes the surplus is \$0.

General Revenue Fund (GRF) Reconciliation of 2023-2027 Financial Plan

(\$ in thousands)	2023	2024	2025	2026	2027
May Adopted Financial Plan 2022-2026					
General Revenue Fund (GRF) Surplus	0	0	0	43	(179)
Changes					
Tax Rate Changes	(551)	(374)	(119)	1,044	2,336
Reserve Transfer Reductions	896	1,646	1,962	1,487	942
Labour Rates	(493)	(1,087)	(1,449)	(1,769)	(2,107)
Natural Vacancies	580	598	614	630	647
Additional Staffing	(842)	(877)	(899)	(923)	(947)
ECOMM Dispatch Net Pitt Meadows Cost Share	(393)	(409)	(425)	(442)	(460)
Reserve Funding for ECOMM Dispatch Contract	393	273	142	0	0
Fuel Cost Increases	(215)	(228)	(229)	(230)	(232)
Charges to Water & Sewer Utilities	711	753	793	835	878
Review of Revenues and Expenses	512	513	513	513	512
Software Maintenance	(324)	(355)	(443)	(542)	(652)
Allocate Inflation Provision	155	155	155	155	155
Miscellaneous	(111)	(161)	(145)	(139)	(146)
Contracted Services	(320)	(328)	(338)	(347)	(357)
Adjustments	0	119	132	271	570
GRF Surplus before Incremental Adjustments	0	119	133	314	391

Note: The starting Surplus for 2027 is calculated using the assumptions made for 2026.

Explanation of Changes:

- 1. Tax Rates:** Inflationary pressures, reduced growth of the tax base and new initiatives will require additional tax revenues.
- 2. Reserve Transfers:** These transfers are associated with levies for Infrastructure replacement, Parks and Recreation Improvements which have been reduced or delayed in the Financial Plan. Proposed property tax increases will be revisited once implementation plans for several masterplans have been developed.
- 3. Labour Updates:** Due to higher inflation in the economy labour costs are anticipated to increase at a faster rate than in the recent past.

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4. Natural Vacancies: Labour budget increase have been partially offset by a provision for vacancies that occur due to turnover. adjust budgets. Items such as interest earning and expenses have been adjusted based on changes in the economy.
5. Additional Staffing: Several positions were added in late 2022 to address immediate business needs. Additional detail on the changes is included in the staffing section of this report on page 19.
6. ECOMM Dispatch Contract: The cost of the dispatch contract has gone up to address increased call volumes and the inadequate service levels evident in wait times.
7. Fuel Costs: Since 2020 fuel costs have increased 79% on average.
8. Charges to Utilities: The overhead costs of Corporate Services and Administration were reviewed. The recovery from utilities for services provided was updated based on current costs.
9. Review of Revenues and Expenses: All areas of the organization were reviewed to
10. Software Maintenance: Software licencing continues to shift to a subscription model and the result is increased costs. As additional systems come on line and older systems are replaced software costs have increased.
11. Inflation Provision: The remaining inflation provision for 2023 was allocated.
12. Contracts: Inflationary pressures have increased the anticipated costs for several contracts including Arts Council, Ridge Meadows Seniors Society, the Agricultural Society, North Fraser Farmers Market, SPCA and the Katzie Community and Seniors Network.

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Incremental Adjustments

The last section showed that after dealing with existing commitments and policy direction essentially no funding is available in the next three years. The property tax increases shown were set to provide Council with the minimum tax increase to maintain existing service levels.

Incremental adjustments represent service level enhancements. When City Senior Management reviewed the many desires to advance workplans it became evident that only a subset of high priority initiatives could be supported. These higher priority initiatives have been broken into categories below and to some degree and placed into tiers. Administration recommends that Base Incremental Adjustments, One Time Operating Costs and incremental adjustments in both Tier 1 and Tier 2 proceed. This would result in a property tax increase of 0.88% increasing, taking 2.9% General Purpose to 3.78% and the total property tax increase to 4.38% in 2023.

If Council decides to advance any of the items into Tier 3, a further property tax increase would be required. Otherwise, they will be reconsidered as part of the 2024-2028 Business Planning.

The requests that are one-time in nature can be addressed with a funding allocation from Accumulated Surplus or the Parks & Recreation Improvement Reserve.

Incremental Adjustments with No Additional Property Tax Impact (Recommended)

Item (\$ in thousands)	2023	2024	2025	2026	2027
General Revenue Surplus before Incrementals	0	119	133	315	392
Recommended Base Ongoing Incremental Adjustments					
Utility Engineering - Senior Project Engineer	(152)	(182)	(187)	(193)	(199)
Design & Construction - Senior Project Engineer	(152)	(182)	(187)	(193)	(199)
Utility Engineering Technologist Projects	(115)	(120)	(124)	(128)	(132)
Engineering Technologist of the Day	(111)	(116)	(119)	(123)	(127)
Supervisor 2	(106)	(110)	(114)	(117)	(121)
Water Meter Supervisor 1	(117)	(121)	(125)	(129)	(133)
Clerk 2	(71)	(73)	(76)	(78)	(80)
Building Official - Plan Reviewer 3	(111)	(115)	(119)	(123)	(127)
Building Inspector I	(103)	(107)	(111)	(114)	(118)
Planning Technician (of the Day)	(107)	(111)	(115)	(118)	(122)
Climate Action Coordinator	(98)	(102)	(105)	(109)	(112)
Funding					
Utilities	490	533	550	567	585
Capital Funding Allocation	152	182	187	193	199
Building Reserve / Fee Increases	285	296	305	315	325
Planning / Engineering Fee Increases	218	227	234	242	249
Grant Funding	98	102	105	109	112
Subtotal General Revenue Surplus	0	119	133	315	392

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One Time Operating Costs Not Funded from Property Taxes (Recommended)

Proposed One-Time Operating Items 2023	
One time Costs for Ongoing Positions Listed Above	(105)
Strategic Leadership Summits	(100)
Strategic Communications & Advocacy Services	(90)
Retail Market Analysis	(55)
Chamber of Commerce - Funding & Space	(115)
Community Safety Consultants	(25)
Lock Out Crime Through Environmental Design Program Funding	(10)
Communications Marketing Budget	(50)
Document Management Strategy	(70)
Purchase of Printed Building Code Materials Publication Update	(30)
InfoTech Subscription (IT Training & Support)	(52)
Implementation of Departmental Review Recommendations	(30)
Sponsorship Program Development	(125)
Office Space Planning Phase One	(125)
Truth & Reconciliation Pathway - Consulting Services	(50)
Building Bylaw Update - Consultant & Legal Review Fees	(50)
Transfer From Accumulated Surplus	1,082
Site Assessment & Preliminary Design for a Fifth Ice Sheet	(200)
Aquatics Feasibility Study	(100)
Parks & Recreation Improvement Reserve Funding	300
Impact on General Revenue Surplus	-

Tier 1 – Minor Service Level Enhancements (Recommended)

Item (\$ in thousands)	2023
Operational Network Support Specialist	(125)
Cashier Clerk	(79)
Electronic Disclosure Coordinator - Mandated by Province	(72)
Security Services Funding	(30)
Trails Maintenance Seasonal Labour	(45)
Marketing & Communications Assistant move from PT to FT	(34)
One time Costs for Ongoing Positions	(30)
Surplus Funding	30
Utility Funding	114
Additional 0.27% Tax Increase Required	(271)
Revised General Revenue Tax Increase 3.77%	
Incremental Cost to Average Home \$6.42	

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Tier 2 – Strengthening Service Delivery (Recommended)

Item (\$ in thousands)	2023
Human Resources Advisor (LR/ER)	(129)
GIS Business Analyst	(111)
Technology Facilitator	(115)
Digital Marketing & Engagement Coordinator	(99)
Municipal Training Coordinator	(72)
Accountant 3	(111)
One time Costs for Ongoing Positions	(60)
Surplus Funding	60
Utility Funding	22
Additional 0.61% Tax Increase Required	(616)
Revised Cumulative Tier 1 & 2 General Revenue Tax Increase 4.38%	
Cumulative Incremental Cost to Average Home \$20.93*	
*Corrected from previous published value of \$14.51	

Tier 3 - Accelerating Investment in Key Priorities (for discussion)

Item (\$ in thousands)	2023
Gardener & Seasonal Labourers for Maintenance in the Downtown Core	(271)
2 RCMP Constables	(342)
Neighbourhood Engagement Program	(90)
2 Full-Time Bylaw Compliance Officers	(215)
Year-Round Park Patrols and related Regulatory Bylaw Enforcement	
Enterprise System Enhancement (Financials/HRIS)	
Financial Analyst	(111)
Continuous Improvement Business Analyst	(115)
Project Manager	(125)
One time Costs for Ongoing Positions	(125)
Surplus Funding	125
Additional 1.27% Tax Increase Required	(1,270)
Revised Cumulative Tier 1, 2 & 3 General Revenue Tax Increase 5.65%	
Cumulative Incremental Cost to Average Home \$51.13*	
*Corrected from previous published value of \$30.20	

What Would a Zero Tax Increase Look Like?

There are communities that speak about having achieved a zero tax increase and sometimes we're asked if we could do the same. The answer is "Yes, *absolutely we could achieve a zero tax increase. The key thing is, to do it properly.*" Here are some of the methods that can be counterproductive if used too extensively, which we advocate against:

Defer Infrastructure Renewal and Maintenance: Some municipalities reduce expenditures in this area for short term savings. This is short-sighted and can prove to be far more costly in the long term. Should a watermain not be replaced in a timely manner, it can result in significant damage if it bursts, resulting in a large bill for cleanup.

Use Savings to Cushion Tax Increases in the Short Run: This approach has also been used by some municipalities and while there is nothing wrong with it, there must be a plan to reduce the reliance on savings and another plan to replenish it. The question to ask is "What will you do when the savings run out?"

Use Unstable Revenue Sources to Fund

Core Expenditures: There is general agreement in the municipal field that certain revenues, such as revenue from gaming, can be volatile and should not be used to fund core expenditures. That is because revenues can drop off with little advance warning, creating difficulty in funding the associated costs. Our own policy on gaming revenue warns against this, though some municipalities have used this approach to keep tax increases down.

Defer Capital Projects: While it is important to take a look at capital projects and their associated operating costs, automatically deferring capital projects can stagnate a city. It is important for the City to invest in capital projects (so that others will see those investments and will want to invest too). Capital projects including parks, recreation facilities, water, sewer and drainage systems must be completed in a timely manner to provide citizens and businesses the services they need.

Amend Financial Plan Assumptions: The Financial Plan includes realistic assumptions around revenue growth, growth in the tax base and cost increases. By altering these assumptions, tax increases could be reduced. This may result in savings having to be used when projected results don't materialize. For this reason, this approach is not recommended.

So What Can We Do to Achieve a Lower Tax Increase or Even No Tax Increase?

Well, the way to do this properly is to look at what is driving the tax increase. In other words, in what areas are costs going up in? For Maple Ridge, here are the key cost drivers for 2023:

RCMP Costs

	2022	2023	Increase
RCMP Contract	\$22,712,000	\$23,829,000	\$1,117,000

Comments: The largest changes in the RCMP Contract costs are due to increases in compensation and RCMP overhead, items that the City has no discretion over. Additional RCMP members are anticipated over the 5 year term to keep up with a growing community and the related policing needs.

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Infrastructure Maintenance & Renewal

	<u>2022</u>	<u>2023</u>	<u>Increase</u>
Annual Contribution	\$6,507,000	\$7,105,000	\$598,000

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

Fire Department

	<u>2022</u>	<u>2023</u>	<u>Increase</u>
Annual Costs	\$13,506,000	\$14,088,000	\$582,000

Comments: The largest portion of the increase in the Fire Department is related to wages and benefits of full-time firefighters that are determined under a collective agreement. For the department to hold the line in its increase, it would have to take one truck out of service which would reduce costs by \$550,000. This is not recommended as our response times to calls for service will increase. Further, the composite model that we have spent some time developing could be compromised. This increase is the sum of the Fire Department item in the Conceptual Overview of Expenditures, plus the \$50,000 of growth funding.

Contribution to Reserves

	<u>2022</u>	<u>2023</u>	<u>Increase</u>
Fire Department	\$2,168,000	\$2,221,000	\$53,000

Comments: The City relies on Reserve Funds to manage large expenditures and the above-noted increases in contributions were planned for 2023. These systematic contributions allow us to deal with large capital items without having to pass large tax increases on to our citizens. As Council is aware, detailed analysis on all of our Reserves is done to make sure that the balance is adequate. We do not have to set aside additional money into Reserves, but Reserves help us smooth the impact of larger costs over time and remove volatility in fees and charges.

General Inflation, including Labour

Labour	<u>2023 Increase</u> \$1,945,000
Inflation	No Contingency in 2023

Comments: Most line items in the budget are held to no increase. The financial impact of contractual agreements is built into the Financial Plan.

What Would a Zero Tax Increase Look Like?

Service Level Reductions (Not Recommended)

In addition to making adjustments in the areas where costs are increasing, Council can also consider service level adjustments. No service level reductions are recommended.

Maple Ridge is a growing community and significant investments are being made to improve the services. Investments have recently been made in parks and recreation amenities and additional improvements are being explored both in parks, recreation and culture and other several areas as a function of reviewing strategic plans and identifying community needs and desires for services.

Our Business Planning methodology involves looking at all that we do to make sure it is being done in the best way possible. This has resulted in improvements to the efficiency and effectiveness of our services and in significant savings for our citizens. Strong financial and business planning practices along with close monitoring of expenses allows us to keep our tax increases to a minimum.

Property Tax Increase Reductions

As noted, reducing property taxes comes at the cost of a reduction in services. To provide additional perspective, a 1% change in municipal property taxes equates to approximately \$25 on the average home assessed at about \$986,000.

Water Rates Reductions

In addition to property taxes, there are utility user fees. The majority of homes pay for municipal water, provided by the region. The municipality has a practice of rate smoothing. The rate increases could be artificially paused or reduced; however, the costs will eventually need to be covered through larger future rate increases as the costs remain the same.

Utilities

Utility user fees form a portion of the levies charged to our taxpayers. The next section provides some insight into these rates.

Unlike the General Revenue Fund that includes separate reserves for revenue smoothing, capital purchases and infrastructure replacement, the Water and Sewer Funds use Accumulated Surplus for these purposes. As we start to set funds aside for water and sewer infrastructure replacement, it may be worthwhile explicitly earmarking these funds in a reserve in order to be clear about their purpose. Water and sewer infrastructure have a fairly long life and we are fortunate that our infrastructure is relatively young. That being said, costs are significant which is why it is important to start building the funds for their eventual replacement.

There are two graphs shown for each of the water and sewer utilities.

The first graph shows the revenues and expenditures and the impact this has on Accumulated Surplus. The Accumulated Surplus projected is heavily influenced by regional costs.

The second graph shows how the Accumulated Surplus compares to the accumulated amortization for City assets. The accumulated amortization is the prorated cost of the portion of assets currently consumed. For example, if the useful life of an asset is 50 years and it is 25 years old, the accumulated amortization would be about half of the original cost. The purpose of this graph is to demonstrate the need to continue to focus on the long term sustainability of critical infrastructure.

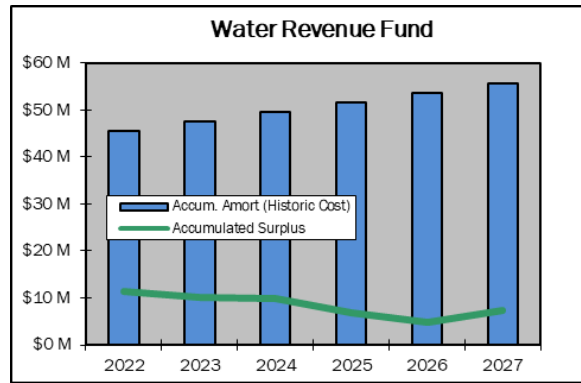
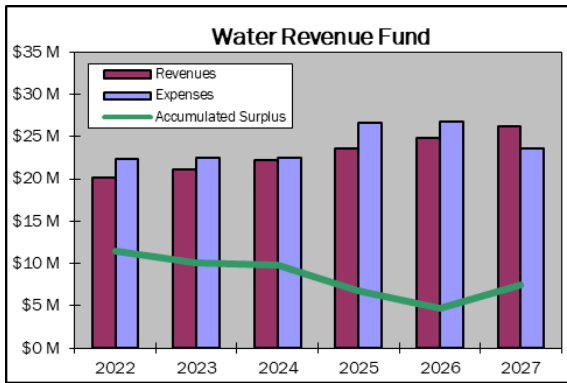
The Region also has significant investments in water and sewer assets planned that include upgrades and replacement resulting in additional funding requirements for each member municipality.

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Water Utility Rates

The majority of the Water Utility revenue is from the flat rate water levy and charges for metered water assessed to individual properties. These revenues cover the costs associated with water purchases and maintenance and both regional and local capital infrastructure. The 2023 flat rate water fee is approximately \$753, half of which is required for the purchase of water from the Region.

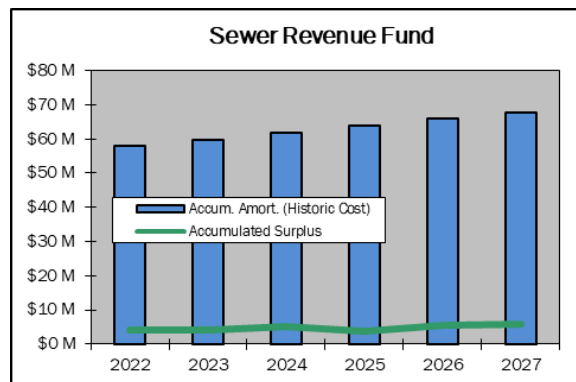
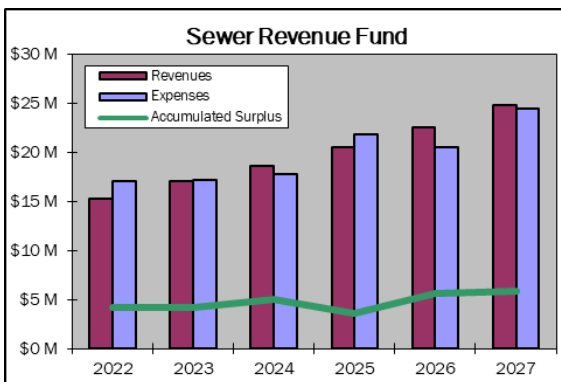
When setting water rates, we need to consider not only our own planned expenditures and infrastructure requirements, but also those planned by the Region. The Regional District Increased their projected rate increases for 2023-2027 with an average annual increase of 8.0%. The municipal rate increase has been set at 4.5% for each of the next five years. The other consideration is funding the replacement of water infrastructure and how long we take to address this funding gap.



Sewer Utility Rates

The Sewer Utility pays for regional capital expenditures through an allocation model that essentially spreads rate increases over time to utility ratepayers. Additionally, the utility pays for our local sewer infrastructure and maintenance requirements. The 2023 sewer fees are approximately \$537 per property. Over the 5 years of the Financial Plan, approximately 65% of sewer fees are required for regional costs of wastewater treatment.

Any cost impact that new wastewater regulations have on capital investment requirements will be addressed at the regional level with member municipalities paying their respective portions. The Region's most recent five year rate projection is for an average annual increase of 18.5%. The rate increase for the municipal sewer levy increases by 8.5% for each year in the 2023 – 2027 Financial Plan.



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Staffing

Since 2018, the annual change in staffing averages about 11 full-time employees (FTE) per year. The changes on a 2022 base of 521 positions (FTEs) are listed below. Changes are as follows:

- Manager of Intergovernmental Affairs added January 2023
- Director Strategic Dev, Communications & Public Engagement added January 2023
- Senior Manager, Corporate Communications & Public Engagement added January 2023
- Firefighter added January 2023
- Human Resources Advisor added January 2023
- Manager of Financial Planning added July 2022
- Buyer Clerk added July 2022
- Associate Manager of Building Permits added January 2022

Full Time Equivalent Staffing (Budget)

	2018	2022	2023	2023 Vs 2018	Annual %	5 Year %
Administration						
Administration	5.0	5.0	6.0	1.0	4.0%	20%
Corporate Communications	3.8	4.5	6.5	2.7	14.2%	71%
Economic Development	4.0	5.0	5.0	1.0	5.0%	25%
Fire Department	64.4	68.0	69.0	4.6	1.4%	7%
Human Resources	7.0	9.0	10.0	3.0	8.6%	43%
Legal & Legislative	7.5	7.6	7.6	0.1	0.3%	1%
	91.7	99.1	104.1	12.4	2.7%	14%
Corporate Services						
CS Administration	1.0	1.0	1.0	-	0.0%	0%
Corporate Planning & Consultation	3.5	3.0	3.0	(0.5)	-2.9%	-14%
Finance	25.9	28.5	29.5	3.6	2.8%	14%
Information Technology	20.0	21.0	21.0	1.0	1.0%	5%
Police Services	49.0	52.8	52.8	3.8	1.6%	8%
	99.4	106.3	107.3	8.0	1.6%	8%
Engineering Services						
Engineering Services Administration	0.5	1.0	1.0	0.5	20.0%	100%
Engineering	28.0	31.0	31.0	3.0	2.1%	11%
Operations	79.3	88.3	88.3	9.0	2.3%	11%
	107.8	120.3	120.3	12.5	2.3%	12%
Parks, Recreation & Culture						
Administration	1.0	1.0	1.0	-	0.0%	0%
Parks & Facilities	41.0	45.8	45.8	4.8	2.3%	12%
Recreation & Community Engagement	61.4	73.3	73.5	12.1	3.9%	20%
Civic Properties	1.0	1.2	1.2	0.2	4.0%	20%
	104.4	121.3	121.5	17.1	3.3%	16%
Planning & Development Services						
P&DS Administration	0.5	1.0	1.0	0.5	20.0%	100%
Building	23.8	27.0	28.0	4.2	3.5%	18%
Licences & Bylaw	13.5	22.0	22.0	8.5	12.6%	63%
Planning	23.0	23.8	23.8	0.8	0.7%	3%
	60.8	73.8	74.8	14.0	4.6%	23%
Grand Total	464.1	520.8	528.0	63.9	2.8%	13.8%
RCMP Members	101.0	105.0	106.0	5.0	1.0%	5%

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Financial Summary by Department

All \$ in thousands	Adopted	Proposed	Proposed Changes		Proposed			
	2022	2023	\$	%	2024	2025	2026	2027
General Revenue & Taxation								
Financial Services - Revenue & Taxation	(106,740)	(112,608)	(5,868)	5%	(116,710)	(122,829)	(129,761)	(137,113)
Administration								
CAO Administration	571	770	199	35%	823	843	865	888
Corporate Communications & Public Engagment	607	1,032	425	70%	1,079	1,108	1,138	1,169
Economic Development	680	665	(15)	(2%)	652	672	691	711
Fire Protection	15,503	16,129	626	4%	16,764	17,342	18,010	19,001
Human Resources	1,993	2,198	205	10%	2,289	2,346	2,404	2,463
Legislative Services	1,563	1,647	84	5%	1,695	1,727	1,758	1,793
Mayor & Council	628	648	20	3%	664	680	697	716
Total Administration	21,545	23,089	1,544	7%	23,966	24,718	25,563	26,741
Corporate Services								
CS Administration	382	483	101	26%	582	658	735	812
Corporate Planning & Consultation	491	516	25	5%	494	509	524	540
Finance	3,089	3,355	266	9%	3,505	3,613	3,721	3,832
Fiscal Services	13,122	10,127	(2,995)	(23%)	13,936	15,637	18,754	22,557
Information Technology	4,419	4,826	407	9%	5,044	5,302	5,573	5,860
Police Services	27,375	29,000	1,625	6%	30,488	31,742	33,086	34,384
Total Corporate Services	48,878	48,307	(571)	(1%)	54,049	57,461	62,393	67,985
Engineering Services								
ES Administration	274	292	18	7%	309	338	381	422
Engineering	2,253	2,281	28	1%	2,468	2,557	2,656	2,764
Operations	5,869	6,185	316	5%	6,358	6,659	6,808	6,964
Recycling Revenue	(4,413)	(4,785)	(372)	8%	(4,924)	(5,068)	(5,217)	(5,370)
Recycling Expenses & Transfers	4,413	4,785	372	8%	4,924	5,068	5,217	5,370
Sewer Revenue	(16,206)	(18,489)	(2,284)	14%	(19,992)	(21,928)	(24,005)	(26,318)
Sewer Expenses & Transfers	16,206	18,489	2,284	14%	19,992	21,928	24,005	26,318
Water Revenue	(21,463)	(22,685)	(1,222)	6%	(23,929)	(25,245)	(26,636)	(28,107)
Water Expenses & Transfers	21,463	22,685	1,222	6%	23,929	25,245	26,636	28,107
Total Engineering Services	8,396	8,758	362	4%	9,135	9,554	9,844	10,150
Parks, Recreation & Culture								
PRC Administration	298	329	31	10%	438	512	586	661
Parks & Facilities	8,068	8,096	28	0%	8,188	8,533	8,879	9,718
Recreation	8,407	8,697	290	3%	9,117	9,587	10,050	10,269
Library	3,195	3,307	112	4%	3,405	3,507	3,611	3,719
Civic Properties	2,487	2,251	(236)	(9%)	2,212	2,192	2,146	736
Total PRC	22,455	22,680	225	1%	23,360	24,331	25,272	25,103
Planning & Development Services								
PDS Administration	368	388	20	5%	408	439	483	528
Building	44	81	37	84%	157	196	234	271
Licences & Bylaws	1,833	1,968	135	7%	2,095	2,195	2,296	2,402
Planning	2,171	2,256	85	4%	2,370	2,454	2,535	2,618
Total PDS	4,416	4,693	277	6%	5,030	5,284	5,548	5,819
Studies and Projects	1,050	5,080	4,030	384%	1,170	1,480	1,140	1,315
Total (\$0 is Balanced Budget)	-	-	-	-	-	-	-	-

Budget Change Explanations

CAO Administration

Manager of Intergovernmental Affairs was added.

Corporate Communications & Public Engagement

Director of Strategic Development, Communications & Public Engagement and Senior Manager Corporate Communications & Public Engagement positions were added in this area.

Fire Protection

Cost increases include an additional \$145,000 for a firefighter. The last year of a five-year investment adding an additional firefighter each year from 2020 through 2023.

Human Resources

An additional Human Resource Advisor position has been created.

Corporate Services Administration

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

Finance

Positions in purchasing and financial planning began in July 2022. The contract for audit services, which was relatively flat for many years, has seen a significant cost increase.

Information Technology

Software maintenance is increasing by 7% each year and includes a further \$40,000 to address additional software. In 2023, new subscription fees have been added for OneMeeting agenda management software, Voyant Alert communication software and EngagementHQ public survey tool. The replacement of the Amada system is also adding to cost of software maintenance.

Police Services

The RCMP contract is increasing at approximately 4% per year. The 2023 increase in dispatch services contract through ECOMM was \$400,000 more than previously planned to address increased call volumes and correct unacceptable call wait times.

Operations

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

Parks and Recreation Administration

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

Parks and Facilities

Growth of \$65,000 per year is budgeted to maintain additional park and boulevard tree inventory added in the prior year.

Recreation

Annual operating costs of \$500,000 for an additional ice sheet will be beginning July 2025.

Civic Properties

Increases in rental and parking revenues resulted in a decreased net cost.

Building

The Building Department has revenues of \$3,200,000 and expenses of \$3,285,000. The change % looks large due to the small net cost of the department.

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Studies and Projects Listing

All \$ values in 000's (thousands)	Adopted	2023	2024	Proposed	2026	2027
	2022			2025		
Information Technology						
Local Government Subscription to FME Server	-	15	-	-	-	-
Network Traffic Monitoring and Analyzing	-	50	50	50	50	50
	-	65	50	50	50	50
Engineering						
Drainage Flow Monitoring	-	-	100	-	-	-
Lower Hammond Dyke Review & Upgrades	-	50	-	-	-	-
Road Data and Safety Reviews	80	170	170	170	170	170
Fraser River Escarpment Study and Management Program	-	1,000	-	-	-	-
LiDAR Survey (Acquire Detailed Topographic Data)	-	-	-	-	100	-
Hillside/Steep Slope Road Design Guidelines	-	50	-	-	-	-
Drainage System Analysis & Planning	-	100	-	-	-	-
Implications of Climate Change on Stormwater Management	-	-	-	50	-	-
Transition from CAD to GIS	-	100	-	-	-	-
Drainage System Flushing & CCTV	-	150	-	-	-	-
Field Investigations - Drainage	-	10	-	-	-	-
Flood Construction Levels	-	280	-	-	-	-
Video & Spot Repairs Program - Drainage	145	-	180	200	200	200
Safer School Travel Program	50	50	50	50	50	50
Aerial Topographic Survey Mapping	-	-	-	90	-	25
Audible Signals	5	-	-	100	100	150
FG 300 Changeout Program	50	-	-	50	50	50
Drainage Master Study	-	-	-	150	-	150
Albion Fairground Drainage Improvement – Feasibility Study	-	75	-	-	-	-
Lougheed Transit Corridor Area Plan - Road Network	-	100	-	-	-	-
Town Centre Road Network Plan	-	100	-	-	-	-
Site Specific Seismic Response Analysis	-	-	-	50	-	-
Port Haney Storm Sewer Upgrades Conceptual Design	-	75	-	-	-	-
	330	2,310	500	910	670	795
Engineering Operations						
Thermoplastic Marking	50	50	50	50	50	50
Cottonwood Landfill Monitor	25	25	25	25	25	25
Cottonwood Closure Program	275	2,000	275	275	275	275
Operations Master Plan	-	200	-	-	-	-
Operations Soil Management Plan	-	100	-	-	-	-
Energy Study	-	10	-	-	-	-
Secondary Operations Site Expansion Study	-	-	50	100	-	50
	350	2,385	400	450	350	400
Parks, Recreation & Culture						
Public Art Program	70	70	70	70	70	70
PRC Strategies	250	200	150	-	-	-
Silver Valley Community Centre - Discussion	-	50	-	-	-	-
Trail Improvements	50	-	-	-	-	-
	370	320	220	70	70	70
Total Studies and Projects	1,050	5,080	1,170	1,480	1,140	1,315

Capital Program

Status of 2022 Capital Projects

The budget for the 2022 Capital Works Program is \$200 million, funded by multiple sources, including approximately \$33.7 million from Development Cost Charges. The budget in the first year of a financial plan that is adopted in May is usually higher than subsequent years because it includes projects approved in prior years that are not yet complete, but are still a priority.

Projects may take several years to deliver and their progress is often dependent on many factors. It is important that when these projects are ready to proceed, they are in the approved budget with funding in place. The budget for projects that have been started is \$176 million and consists of projects that are in various stages as follows:

Complete or nearly complete	24%
Well underway	34%
Early stages (design/tender)	25%
Early stages of review	17%

The budget for projects not yet started is approximately \$24 million with delays due to a host of factors including reliance on other capital work, land acquisition and strategic or technical delays.

Some examples of larger, previously approved projects that have extended over one year are:

- Parks & Recreation:
 - Park Acquisitions (various locations)
 - Albion Community Centre
 - Silver Valley Neighbourhood Gathering Places
 - Hammond Community Centre
 - Additional Ice Sheet
- Road & Drainage Works:
 - 132 Avenue (232-235) Fern Crescent
 - Abernathy Way
 - 117 Avenue Corridor Improvements
 - 240 Street (Lougheed Highway to Dewdney Trunk Road)
- Sewer Works:
 - 225 Street Pump Station and Forcemain
- Water Reservoirs Works:
 - Watermain Replacements along DTR
 - 263 Street Pump Station
 - 236 Street Pump Station

Projects that are not complete at the end of 2022 remain in the Capital Plan. They are reviewed at year end and the projects, as well as the associated funding, are carried forward to be included in the 2023 - 2027 Financial Plan Bylaw.

It is important that when these projects are ready to proceed, they are in the approved budget and funding is in place.

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2023 – 2027 Capital Plan

The five-year Capital Program is \$311 million and the 2023 planned capital projects are \$52 million, excluding projects that will be carried forward from previous years. It should be noted that developers will contribute millions in subdivision infrastructure to our community and these contributions are not included in our Capital Plan. A detailed list of the projects in the five-year Capital Program is included in Appendix 2.

Proposed Capital Spending by Category

Section \$ in thousands	2023	2024	2025	2026	2027
Government	4,886	1,867	1,152	457	412
Technology	2,348	2,990	2,226	1,280	1,130
Protective Fire	1,900	-	-	-	-
Protective Police	20	10	-	-	-
Parks	5,610	1,737	5,905	5,615	7,755
Highways	15,731	18,500	41,795	68,977	10,353
Drainage	2,013	13,453	2,875	2,865	3,535
Sewage	6,826	2,651	8,096	2,651	2,851
Water	12,275	10,290	10,810	9,621	2,805
Grand Total	51,609	51,498	72,859	91,466	28,841

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

The following table illustrates the sources of funding. The proposed Capital Program is larger in some years due to projects funded through Development Cost Charges and Water and Sewer Utility Funds.

Proposed Capital Funding Sources

\$ in thousands	2023	2024	2025	2026	2027
General Revenue	3,697	5,176	4,513	3,140	3,426
Debt	-	10,000	-	-	-
Capital Works Reserve	600	-	-	250	250
Cemetery Reserve	75	-	-	75	100
Community Amenity Reserve	210	-	-	-	-
Core Development	546	-	-	-	-
Development Cost Charges	16,833	10,573	36,941	26,296	5,390
Drainage Improvement	766	3,811	1,913	2,000	1,963
Equip Replacement Reserve	4,934	3,327	2,063	1,977	2,082
Gaming	200	200	200	200	200
Grants, LAS, 3rd Parties	1,204	1,182	1,680	37,850	1,500
Infrastructure Sustainability Reserve	6,047	5,996	7,431	9,444	8,574
Parkland Acquisition Reserve	200	200	200	200	200
Police Services Reserve	16	28	20	-	-
Recycling Reserve	2,600	220	-	-	-
Sewer Capital	5,219	4,043	6,009	2,215	2,568
Translink	760	-	2,645	-	-
Water Capital	7,702	6,742	9,244	7,819	2,588
Grand Total	51,609	51,498	72,859	91,466	28,841

Key Funding Sources:

General Revenue

This represents funding contributed by general tax levies. If the planned project is larger or less than the dedicated proportion of General Revenue funding, the residual is transferred to or from the Capital Works Reserve.

Debt

In 2024 there is a plan to borrow \$10 million for the Hammond Pump Station. The debt payment will be funded from Development Cost Charges and the Drainage Improvement Reserve. Previously approved borrowing is discussed in greater detail later in this report.

Capital Works Reserve

This reserve fund, established by bylaw, is designed to fund Capital Projects that cannot be funded through development revenues.

Community Amenity Reserve

This reserve, established by bylaw, is funded through amenity contributions paid by development. The funds are used to provide community amenities which are not able to be funded by Development Cost Charges.

Development Cost Charges

These are revenues collected from the development community for specific capital works required as a result of development. The types of projects for which fees can be levied are determined

by provincial legislation and the funds can only be expended for those projects specifically identified in the Development Cost Charge Rate Imposition Bylaw.

Drainage Improvement Reserve

Funding for storm water improvements not included in Development Cost Charges can be funded from this source.

Equipment Replacement Reserve

The replacement of existing equipment is funded through this reserve, contributions to which are made annually.

Infrastructure Replacement

Annual funding is being used to maintain our existing infrastructure. With over two billion dollars of assets, we need to continue this long-term funding strategy to ensure that service levels and conditions of our assets do not become a concern in the long term.

Reserves

The City also has financial resources held in reserves. These reserves serve to stabilize taxes and fees and charges by providing funds during tight years and receiving those funds back during better years. Reserves shield our customers and taxpayers from sharp rate increases. A list of all of our reserves is shown on the following page.

FINANCIAL OVERVIEW REPORT

Reserves Summary

Below is a summary of all City reserves as at December 31, 2021 along with the Projected Ending Balances as at the end of 2022. A large portion of the balances are committed to capital projects previously approved by Council that are in progress. The key reserves used in funding the Capital Program are discussed on the following pages.

\$ in thousands	2022 Opening Balances	Projected Ending Balances
ACCUMULATED SURPLUS (REVENUE FUNDS)		
General Revenue	\$ 8,563	\$ 5,763
Sewer Revenue	5,967	4,201
Water Revenue	13,707	11,510
	28,237	21,475
RESERVE FUNDS		
Local Improvement	2,670	2,678
Equipment Replacement	19,583	13,604
Capital Works	16,176	13,470
Fire Department Capital Acquisition	4,095	4,890
Sanitary Sewer	1,227	113
Land	773	777
	44,524	35,532
RESERVE ACCOUNTS		
Specific Projects - General Revenue	23,647	1,782
Self Insurance	654	703
Police Services	9,747	8,843
Fire Services	485	485
Core Development	1,724	959
Recycling	4,107	2,162
Community Safety Initiatives	773	497
Building Inspections	3,569	3,546
Gravel Extraction	913	906
Community Works (Gas Tax)	967	481
Facility Maintenance	448	4
Snow Removal	850	850
Park & Recreation Improvements	5,310	3,921
Cemetery Maintenance	257	107
Infrastructure Sustainability (Town Centre Bldgs)	-	350
Infrastructure Sustainability (Road Network)	5,415	32
Infrastructure Sustainability (Drainage)	3,342	17
Drainage Improvements	5,798	62
Gaming Revenues	2,253	1,437
	70,258	27,143
WATER AND SEWER RESERVE ACCOUNTS		
Self Insurance - Sewer	172	178
Specific Projects - Sewer	11,762	-
Self Insurance - Water	152	159
Specific Projects - Water	12,868	49
	24,955	386
TOTAL RESERVES	\$ 139,737	\$ 63,061
TOTAL RESERVES AND REVENUE ACCUMULATED SURPLUS	\$ 167,975	\$ 84,536

FINANCIAL OVERVIEW REPORT



Restricted Revenues

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

\$ in thousands	2022 Opening Balances	Projected Ending Balances
RESTRICTED REVENUES		
Development Cost Charges	21,077	(3,393)
Parkland Acquisition	2,196	207
Albion Amenities	-	63
Community Amenities	7,004	7,561
Downtown Parking Facilities	1,000	2,304
Developer Specified Projects	6,806	6,945
	<u>\$ 38,083</u>	<u>\$ 13,687</u>

FINANCIAL OVERVIEW REPORT

Capital Works Reserve

The Capital Works Reserve Fund is intended to assist with funding capital projects, especially those that cannot be funded from development revenues. Generally, this reserve builds funds for large projects and is then drawn down. Each year, a percentage of general taxation is added to this account along with a portion of the proceeds from land sales and other fixed amounts. Projections of the demands on this account are also prepared. It has been Council's policy to keep a minimum reserve balance of 10% of the prior year's property taxes in this account, to assist with unforeseen and uninsurable events.

Here is our analysis of the Capital Works Reserve:

Capital Works Reserve Projection

<i>\$ in thousands</i>	2023	2024	2025	2026	2027
Estimated Opening Balance	13,469	14,174	14,519	15,464	17,957
Inflows					
GRF Annual Transfer	905	929	964	1,026	1,196
Repayment Pool Reno	870	870	870	870	382
Repayment Sustainable Film	-	75	75	75	75
Total Inflows	1,775	1,874	1,909	1,971	1,653
Outflows					
Planned Capital Expenditures	(600)	-	-	(250)	(250)
Balance of GCF funded capital	(470)	(1,529)	(964)	772	1,218
Total Outflows	(1,070)	(1,529)	(964)	522	968
Estimated Ending Balance	14,174	14,519	15,464	17,957	20,578
Min Reserve (10% PY Taxes)	9,343	9,819	10,299	10,866	11,449
Unencumbered Balance	4,831	4,700	5,165	7,091	9,129

FINANCIAL OVERVIEW REPORT



Fire Department Capital Acquisition Reserve

Each year a portion of general taxation is transferred to the Reserve to build the financial capacity required to respond to increasing the fire protection capacity needed as the community grows. This Reserve was used to pay a portion of the costs related to the (completed) project to construct Fire Hall No. 4 as well as to repay the associated debt.

Fire Department Capital Acquisition Reserve Projection

<i>\$ in thousands</i>	2023	2024	2025	2026	2027
Estimated Opening Balance	4,894	6,065	7,321	8,682	10,208
Inflows					
Growth Funding	405	455	505	555	605
GRF Annual Transfer	1,452	1,487	1,542	1,657	2,007
Outflows					
Debt Repayments (Firehall 4)	(686)	(686)	(686)	(686)	(686)
Estimated Ending Balance	6,065	7,321	8,682	10,208	12,134

Fire Department Equipment Replacement Reserve

Replacement of fire equipment is funded through this Reserve. The recognition of an appropriate level of funding to provide for growth would not be complete without a discussion around how we intend to replace those assets. Beginning in 2009, infrastructure sustainability funds have been allocated to this Reserve. Fire trucks are often kept for 20 years and this Reserve will build over time to address the scheduled replacements.

Fire Department Equipment Replacement Reserve Projection

<i>\$ in thousands</i>	2023	2024	2025	2026	2027
Estimated Opening Balance	4,080	3,190	4,267	5,455	6,773
Inflows					
GRF Annual Transfer	1,010	1,077	1,188	1,318	1,515
Outflows					
Planned Capital Expenditures	(1,900)	-	-	-	-
Estimated Ending Balance	3,190	4,267	5,455	6,773	8,288

FINANCIAL OVERVIEW REPORT

Infrastructure Sustainability

Beginning in 2008, Council directed an annual tax increase of 1% to infrastructure sustainability. This helps with major rehabilitation and replacement of the City’s assets which currently have a replacement value estimated in excess of \$2 billion. An increase of 0.6% is planned for 2023 a 0.8% in 2024 to 2025 and 1.0% in 2026 to 2027. The table below illustrates the inflows generated from general taxation and how it has been allocated.

If we look only at the roads component of our infrastructure, the historic annual amount spent on repaving roads is a fraction of what is required to maintain their condition. Over the past number of years, we have been able to increase the annual amount dedicated to road maintenance and, as a result, we are seeing positive results in the condition of our roads, though further funding is needed to close the gap between current and recommended funding levels. This funding gap results in deferred maintenance which translates into larger future expenditures to resurface or perhaps even reconstruct roads.

As we are several years into this funding model, the amounts dedicated to infrastructure are making an impact; however, we are still a long way away from dedicating the estimated \$30 million needed each year to fund the replacement of our infrastructure. The average condition of our assets will continue to worsen until we build the funding up to \$30 million.

Depending on the scope of projects required, one year’s allocation may not meet the funding requirements. In these cases, funding may be held over until enough has accumulated to allow the works to proceed, or borrowing may be considered. The chart below highlights the impact that the property tax increases have had on the infrastructure deficit.

Infrastructure Sustainability Allocation of Funding

<i>\$ in thousands</i>	2023	2024	2025	2026	2027
Estimated Opening Balance	1,186	2,632	3,232	2,834	1,417
Inflows					
Property Taxes Prior Year	6,507	6,507	6,507	6,507	6,507
Property Tax Increase	597	1,434	2,318	3,485	4,722
Gaming Funds	550	550	550	550	550
Town Centre Incentive	584	584	584	584	584
Total Inflows	8,238	9,075	9,959	11,126	12,363
Outflows					
Building Infrastructure Planned	(1,590)	(1,740)	(1,890)	(2,040)	(2,190)
Fire Dept - Equipment Replacement	(600)	(675)	(750)	(825)	(900)
Highways ISR Capital Planned	(3,199)	(4,375)	(5,065)	(8,318)	(6,300)
Drainage Capital Planned	(965)	(1,210)	(2,140)	(812)	(650)
Information Technology	(50)	(75)	(100)	(125)	(150)
Major Equipment/Systems Reserve	(102)	(107)	(112)	(117)	(122)
Salaries	(286)	(293)	(300)	(306)	(313)
Total Outflows	(6,792)	(8,475)	(10,357)	(12,543)	(10,625)
Estimated Ending Balance	2,632	3,232	2,834	1,417	3,155

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

FINANCIAL OVERVIEW REPORT



Capital Funded by Others

The Capital Program includes \$1 million of funding each year as a placeholder for Local Area Services that property owners may petition the City to construct. The cost of these local improvements is typically recovered over 15 years as a separate charge included on the property tax bills of benefiting properties. In addition, \$123.1 million of grants or other external funding is planned over the next five years. Projects will be re-evaluated if funding is not secured.

(\$ in thousands)	Contributed \$	CFO%	Total Project Cost				
			2023	2024	2025	2026	2027
240 Street Bridge (North of 124 Ave)	36,850	61%	500	4,500	-	55,000	-
Abernethy Way Extension (232 St -240 St)	2,680	7%	7,000	-	31,500	-	-
Equipment Purchase - Mobile Stage	125	50%	250	-	-	-	-
Fern Cres (236 St - 240 St) (F) Phase 1	125	25%	-	-	500	-	-
Highway 7 Multi Use Path (216 to 220 St)	600	23%	600	2,000	-	-	-
Local Area Service - Drain	1,250	100%	250	250	250	250	250
Local Area Service - Road	1,250	100%	250	250	250	250	250
Local Area Service - Sewer	1,250	100%	250	250	250	250	250
Local Area Service - Water	1,250	100%	250	250	250	250	250
Memorial Park - Park Improvements	500	16%	-	-	700	-	2,500
Online Permit Payment Expansion SPLIT	25	100%	25	-	-	-	-
Port Haney Waterfront Park - Improvements	550	31%	750	-	1,000	-	-
RCMP - Furniture Replacement	5	20%	15	10	-	-	-
RCMP - Records Section Workspace Configuration	1	20%	6	-	-	-	-
Works Yard Electrical Service Upgrade	360	30%	200	500	500	-	-
	46,821		10,346	8,010	35,200	56,000	3,500

Borrowing

The key elements when considering debt funding are that the debt payments are being funded by a secure funding source, the borrowing capacity exists and the appropriate public consultation and approval processes are undertaken.

Borrowing Capacity

Under Community Charter legislation, the maximum amount of borrowing the City can undertake is such that the annual cost to service the debt does not exceed 25% of revenues, as defined in the legislation. As noted in our 2021 Annual Report, the unused liability servicing capacity was \$30.6 million.

Short Term Borrowing, under Section 178 of the Community Charter, is an option for borrowing for any purpose of a capital nature that can be repaid within five years. The maximum amount to be borrowed is \$50 multiplied by the population of the municipality as of the last census. For this borrowing, no public approval is required, but approval of the Inspector of Municipalities is. Currently, we have no borrowing under this section and a maximum permitted amount of approximately \$4 million.

Ministry and Elector Approval

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

An “approval-free liability zone” exists to allow borrowing without elector approval as long as current and proposed servicing costs do not exceed 5% of the municipal revenue defined in the legislation.

Elector approval can be sought in one of two ways. One option is to receive the approval of electors by holding a referendum, with the

second, and less-expensive method, to hold an “alternative approval process.” If more than 10% of the electors express an opinion that a referendum should be held, by signing an Elector Response Form within 30 days of a second advertising notice, Council would need to consider whether to proceed with the planned borrowing and, if so, a referendum must be held.

Previously Approved Borrowing Still Unissued

The 2023-2027 Financial Plan includes debt payments on the following previously approved projects:

Cemetery Expansion (\$1.1 million)

The City is also authorized to borrow \$1.1 million for the expansion of the cemetery. External borrowing of \$2.22 million occurred several years ago after the first two lots were purchased.

Parks & Recreation (\$26.5 million)

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

Property tax increases were approved to provide for the debt servicing costs and the operating costs of the above projects. In addition, Community Amenity Charges are relied on to fund these projects.

Impact to the Average Home

It is important to understand what this Financial Plan means to the average home. The assessed value of the “average home” for the 2022 taxation year was approximately \$985,700.

The calculation includes all residential properties comprising both single family homes and multi-family units such as townhouses and apartments. The following table demonstrates the impact to a taxpayer based on the “average home.” Service fees include flat rate water, flat rate sewer, recycling and single-home blue box pickup.

Within the General Purpose average change of 3.0%, existing service levels have been maintained and several significant cost increases have been accommodated, including increases in the policing contract, labour costs and Fire Department costs.

The impact of the 3.5% Municipal Property Tax increase is \$83.24 in 2023.

Average Residence Valued at \$985,700	2022	2023	2024	2025	2026	2027
Municipal Property Taxes	\$ 2,378.30	\$ 2,461.54	\$ 2,564.92	\$ 2,670.08	\$ 2,790.23	\$ 2,915.79
User Fees						
Recycling (fixed rate)	\$ 80.88	\$ 83.10	\$ 85.39	\$ 87.74	\$ 90.15	\$ 92.63
Water (fixed rate)	720.55	752.95	786.85	822.25	859.25	897.90
Sewer (fixed rate)	497.70	537.05	579.70	626.00	676.25	730.75
Total Property Taxes and User Fees*	\$3,677.43	\$3,834.64	\$4,016.86	\$4,206.07	\$4,415.88	\$4,637.07
<small>* Does not include collections for others (School, BCAA, GVTA, GVRD, MFA)</small>						
	2022	2023	2024	2025	2026	2027
Average Home Municipal Levies Increases:						
General Purpose	3.60%	2.90%	3.40%	3.00%	2.90%	2.90%
Infrastructure Replacement		0.60%	0.80%	0.80%	1.00%	1.00%
Parks & Recreation				0.30%	0.60%	0.60%
Total Property Tax Increase %	3.60%	3.50%	4.20%	4.10%	4.50%	4.50%
Recycling Increase %	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Water Increase %	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Sewer Increase %	7.86%	7.91%	7.94%	7.99%	8.03%	8.06%
Total Property Taxes and User Fees Increase	4.31%	4.28%	4.75%	4.71%	4.99%	5.01%

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

*The general property tax increase averages
3.0% per year over the life of this Financial Plan*

Conclusion

For 2023, the City expects approximately \$6.2 million in new revenue, primarily due to property taxes; comprised of taxes from new development and increases in property taxes. The majority of the additional revenue is used to fund cost increases for existing services, such as labour and contracts. A portion of the property tax increase is dedicated to improving the level of infrastructure replacement. Incremental portion wording

Maple Ridge's Business Planning culture ensures the business and financial acumen exists to address current community needs. A phrase that is often used to describe our Business Planning process is ensuring that we are "Doing the right things right." This is achieved through looking at what and how we do things and revisiting these processes to ensure we are getting the most value out of the time, effort and resources invested.

We continue to face pressures in delivering services to a community that is growing at a brisk pace. The incremental adjustments, summarized earlier in this report, will assist in starting to address the implications of the community needs and support the delivery of Council's Strategic Plan.

The Province of British Columbia announced onetime funding allocation to assisting with these cost pressures of growth and infrastructure improvements. Maple Ridge's portion, approximately \$16.5 million, will allow several significant projects to proceed. These will be incorporated into the Capital Program based on Council direction.

Significant Future Items not currently addressed in the Financial Plan

There are several work plan items that will result in more detailed implementation plans. Items that include significant coordinated efforts or investments often require research and careful consideration of the data to ensure decisions are well informed. When the implementation plans are considered the funding can also be considered. Examples of significant strategic work currently underway that will require funding, either from property taxes, or ideally through other funding sources, include the following:

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

Not all the information required to make budget decisions exists at any one time. Council can amend the Financial Plan Bylaw at any time, and once the investments and associated funding decisions have been made, the Financial Plan can be amended accordingly.

Recommendations for 2023 – 2027 Financial Plan

The key financial implications of this budget include:

1. General Purpose Property Tax
Increases before incremental funding; 2.9% in 2023, 3.4% in 2024, 3.0% in 2025 and 2.9% in 2026 to 2027.
2. Infrastructure Sustainability Property Tax Increase; 0.6% in 2023, 0.8% in 2024 to 2025 and 1.0% in 2026 & 2027.
3. Parks, Recreation & Culture Property Tax Increase; 0.30% in 2025 and 0.6% in 2026 to 2027.
4. Annual user fee increases for Water of 4.5%, Sewer of 8.5% and Recycling Levies of 2.75%.
5. Recommended Incremental Adjustments, as outlined on pages 11-13. These adjustments result in an additional increase to the 2023 General Purpose Property Tax of 0.88%. The adjustments are included in categories of:
 - Incremental Adjustments with No Additional Property Tax Impact,
 - One Time Operating Costs Not Funded from Property Taxes,
 - Tier 1 – Minor Service Level Enhancements and
 - Tier 2 – Strengthening Service Delivery.
6. Capital Program totaling \$51.6 million in 2023, \$66.5 million in 2024, \$72.9 million in 2025, \$91.5 million in 2026 and \$28.9 million in 2027.

General Information

Public Input

Each year we invite citizens and stakeholders to provide comment on the Financial Plan. This year's budget consultation is being supported by the City's new public engagement platform, Engage Maple Ridge. Residents, businesses and anyone who would like to comment on the proposed 2023-2027 Financial Plan can provide input at engage.mapleridge.ca from March 30 to April 14, 2023. A summary of the feedback received from the public will be presented to Council when it considers the budget at the Regular Council meeting of April 25, 2023.

In addition, your comments and questions are welcome at any time.

- e-mail, address to: ***budget@mapleridge.ca***
- voicemail, Budget Hotline: 604-467-7484
- in writing, addressed to:
Trevor Thompson, Director of Finance
City of Maple Ridge
11995 Haney Place
Maple Ridge, BC V2X 6A9

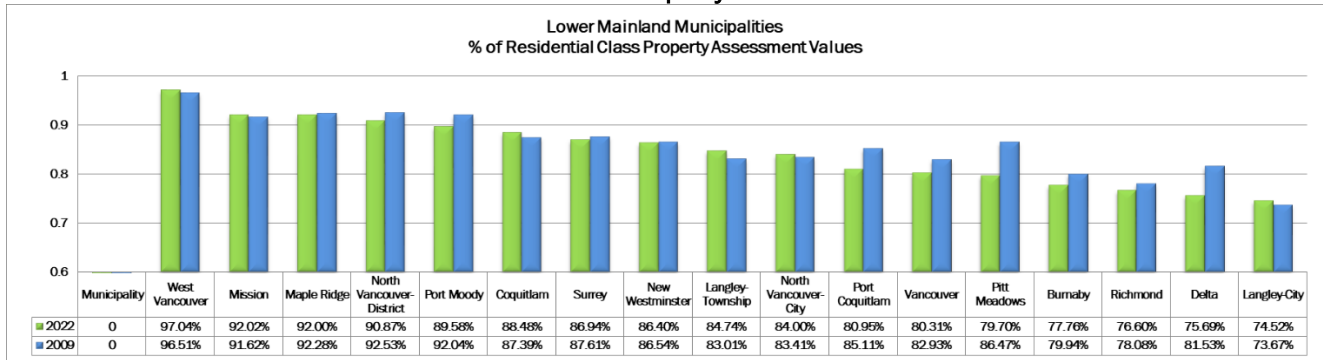
Get a copy of the Financial Plan on our website mapleridge.ca

Composition of Property Assessment Base

The tax rate charged to the Residential Class is relatively low when compared to the rate charged to the Business and Industry classes, so we need to keep an eye on the composition of our property tax base.

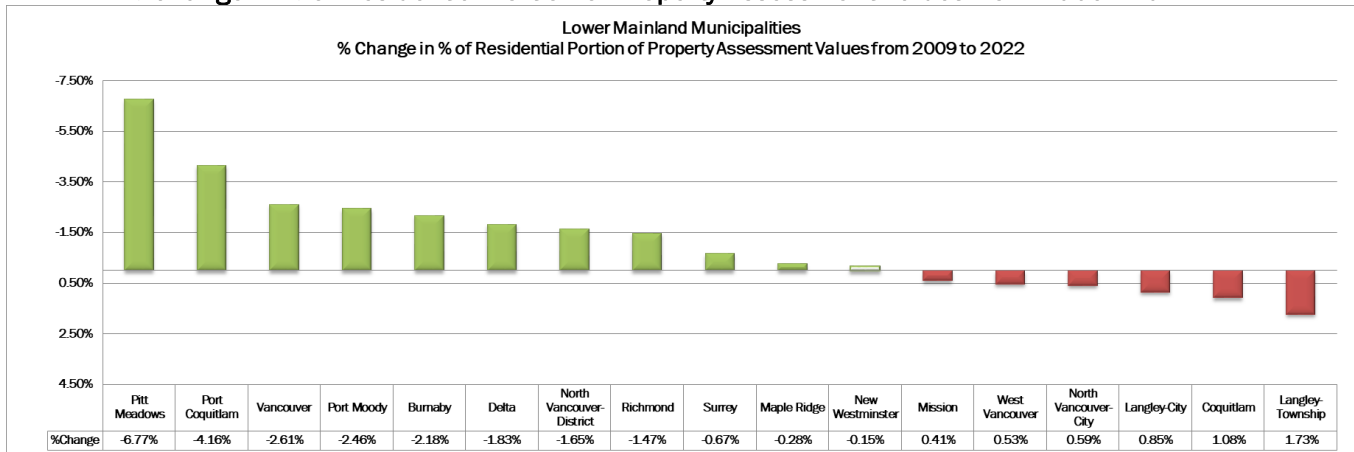
The following chart shows the residential proportion of the assessment base in area municipalities. The range is from a low of 74.52% in the City of Langley to a high of 97.04% in West Vancouver. The chart also shows how this percentage has changed between 2009 and 2022.

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



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

**Lower Mainland Municipalities
% Change in % of Residential Portion of Property Assessment Values from 2009–2022**



One should be careful with conclusions that are reached by looking at this data. For instance, the changes could simply be the result of market value fluctuations rather than new construction. It is just one piece of information that should be kept in mind in Council’s deliberations.

Source: BC Assessment, 2009 and 2022 Revised Rolls

Appendix 1 Taxation Comparisons to Other Municipalities

Survey of 2022 Residential Taxes on Average Single-Family Dwelling

Municipality	Average Assessed Value*	Municipal Taxes	Rank (lowest to highest)	Total Utilities	Municipal Taxes & Utilities	Rank (lowest to highest)	Notes
Delta	1,349,938	2,746	6	956	3,702	1	2
Pitt Meadows	1,034,819	2,507	3	1,207	3,714	2	
Port Coquitlam	1,254,912	2,653	5	1,076	3,729	3	
Langley-City	1,211,033	2,498	2	1,257	3,755	4	
Langley-Township	1,353,926	2,379	1	1,435	3,814	5	
Surrey	1,539,883	2,610	4	1,472	4,082	6	6
Burnaby	1,810,127	2,800	8	1,287	4,087	7	1
Maple Ridge	1,155,828	2,789	7	1,299	4,088	8	7
Mission	1,033,073	2,820	9	1,276	4,096	9	3
Richmond	1,846,416	3,060	12	1,281	4,341	10	(5,6)
Coquitlam	1,531,162	2,975	10	1,467	4,442	11	
North Vancouver-City	1,875,885	2,995	11	1,481	4,475	12	4
North Vancouver-District	2,062,901	3,239	13	1,920	5,159	13	
Port Moody	1,680,906	3,843	16	1,435	5,278	14	1
Vancouver	2,490,709	3,814	15	1,630	5,444	15	
New Westminister	1,424,241	3,718	14	1,979	5,697	16	1
West Vancouver	3,567,565	5,467	17	2,420	7,887	17	(5,6)
Average	1,660,196	3,113		1,463	4,576		
Median	1,531,162	2,820		1,435	4,096		
Highest	3,567,565	5,467		2,420	7,887		
Lowest	1,033,073	2,379		956	3,702		

Notes:

Values are rounded.

* Average Assessed Value determined by using BC Assessment's 2022 Revised Roll Totals, Property Class Residential Single Family, divided by number of occurrences. Value has not been adjusted for new construction or supplementary changes.

1 Water, Sewer, Garbage/Recycling Rates receive 5% discount for on time/early payment.

2 Municipal tax rates are averaged.

3 Drainage Levy Rate/Amount excluded from analysis. According to Mission staff, only approximately 25 homes are charged this levy - not representative of an average home in Mission.

4 Water and Sewer Rates reflect a 5% discount for on time/early payment.

5 Water, Sewer, Garbage/Recycling Rates receive 10% discount for on time/early payment.

6 Sewer and Water are metered and are therefore projected amounts.

7 Utility Rates include Water, Sewer and Recycling.

Appendix 1 Taxation Comparisons to Other Municipalities

In the 2022 survey on Residential taxes, we also looked at the tax increases over the past two years across surveyed municipalities. Tax increases in 2022 ranged from a low of 4.3% in the Township of Langley to a high of 19% in Mission. The tax increase to the average single-family dwelling in Maple Ridge was 5.9%

Municipality	2020	2021		2022		
	Municipal Taxes	Change	Municipal Taxes	Change	Municipal Taxes	2-Year Change
Langley Township	2,170	5.1%	2,281	4.3%	2,379	9.7%
North Vancouver District	2,978	4.0%	3,097	4.6%	3,239	8.8%
Delta	2,488	4.5%	2,599	5.7%	2,746	10.4%
Maple Ridge	2,513	4.8%	2,633	5.9%	2,789	11.0%
Coquitlam	2,649	5.3%	2,789	6.7%	2,975	12.3%
Port Coquitlam	2,359	4.8%	2,472	7.3%	2,653	12.5%
Richmond	2,634	8.1%	2,846	7.5%	3,060	16.2%
Burnaby	2,455	5.5%	2,590	8.1%	2,800	14.1%
Port Moody	3,351	6.0%	3,552	8.2%	3,843	14.7%
West Vancouver	4,884	3.0%	5,030	8.7%	5,467	11.9%
North Vancouver City	2,596	5.3%	2,733	9.6%	2,995	15.4%
Vancouver	3,198	8.5%	3,470	9.9%	3,814	19.3%
Pitt Meadows	2,186	3.8%	2,269	10.5%	2,507	14.7%
New Westminster	3,032	9.6%	3,322	11.9%	3,718	22.6%
Surrey	2,193	3.9%	2,279	14.5%	2,610	19.0%
Mission	2,482	-4.5%	2,370	19.0%	2,820	13.6%

Commercial Taxes

In 2022, we surveyed taxes assessed against the Class 6, Business Other category, which is property used for offices, retail, warehousing, hotels, etc. One indicator that has been getting some attention these days is that of the tax multiple. A tax multiple for Business Class 6 is calculated by taking the tax rate assessed against this Class and dividing it by the Residential Class tax rate. For 2022, our Tax Multiple was 2.95 (7.1194 Business Class 6 rate divided by 2.4128 Residential Class rate). A lower tax multiple is preferred by businesses.

Maple Ridge Business Class, Residential Class, Tax Multiple

Year	Business	Residential	Multiple
2015	12.3038	4.4713	2.75
2016	11.8801	4.3761	2.71
2017	10.9322	3.3412	3.27
2018	9.8429	2.9961	3.29
2019	8.9367	2.8326	3.15
2020	8.2156	3.1282	2.63
2021	8.0936	3.0876	2.62
2022	7.1194	2.4128	2.95

Appendix 1 Taxation Comparisons to Other Municipalities

This chart shows how our Tax Multiple compares to surveyed municipalities. Our multiple is the ninth lowest.

Caution should be used in reaching conclusions around multiples because multiples change as a result of differential changes in property assessed values. Nonetheless, if Council wanted to move towards a multiple of 2:1, this could be done by shifting the tax burden from the Commercial Class to the Residential Class. Our budgets are balanced and shifting the tax burden benefits to one class are at the expense of another.

Business Class Tax Multiples, Based on General Municipal Rates

Municipality	2020 Multiple	2021 Multiple	2022 Multiple	Rank
Port Moody	2.0	2.0	2.2	1
Chilliwack	2.0	2.1	2.3	2
West Vancouver	1.8	1.9	2.4	3
Richmond	2.4	2.5	2.4	4
Delta	2.4	2.4	2.5	5
Surrey	2.7	2.7	2.8	6
Langley, City	2.6	2.5	2.9	7
Abbotsford	2.6	2.5	2.9	8
Maple Ridge	2.6	2.6	3.0	9
Pitt Meadows	2.8	2.8	3.0	10
Burnaby	3.1	3.3	3.1	11
North Vancouver, City	2.8	3.0	3.2	12
Port Coquitlam	2.9	3.0	3.2	13
New Westminister	3.4	3.5	3.4	14
Langley, Township	2.0	3.2	3.5	15
Coquitlam	3.2	3.6	3.7	16
Mission	3.6	3.7	4.5	17
Vancouver	2.8	4.9	4.9	18
North Vancouver, District	2.4	2.6	5.7	19

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(All \$ in Thousands)

Section -> Project	2023	2024	2025	2026	2027
Government	4,886	1,867	1,152	457	412
BCO/PARK Officer Ford Ranger XL Pick Up Truck	47	-	-	-	-
Business Tower Lifecycle	1,092				
Bylaw Minor Capital	6	-	-	-	-
Bylaw Storage Container	5	-	-	-	-
City Office Renos & Equip (Various Locations)	20	-	-	-	-
Equipment Replacement Office	102	107	112	117	122
Minor Capital - City	100	100	100	100	100
Minor Capital - Engineering	15	15	15	15	15
Minor Capital - Gen Government	15	15	15	15	15
Minor Capital - Town Centre	100	100	100	100	100
Operations Centre - Fuel Island Replacement	100	500	-	-	-
Operations Centre - Works Yard Security	-	200	200	-	-
Operations Electric Forklift	-	50	-	-	-
Operations Printing Plotter	15	-	-	-	-
Recycling Collection Equipment	100	100	-	-	-
Recycling Depot - Site Upgrade, paving, expansion of covered area	-	120	-	-	-
Recycling Land Purchase and Site Upgrade	2,500	-	-	-	-
Secondary Operations Site Facility	-	-	50	50	-
Sustainable Film - Electrification of the Rail Lot (22410 Haney Bypass)	350	-	-	-	-
Vehicle for New Elmec Supervisor	60	-	-	-	-
Works Yard Electrical Service Upgrade (CFO 30%)	200	500	500	-	-
Workstation/Desk Replacement (Furniture)	60	60	60	60	60
Technology	2,348	2,990	2,226	1,280	1,130
Application Testing and Development Maintenance Program	30	30	30	30	30
Application Upgrade and Maintenance Program	50	50	50	50	50
ArcGIS Parcel Fabric Software Module	30	-	-	-	-
ArcGIS Urban Implementation	30	-	-	-	-
Asset Management	-	-	250	250	-
Compliance Software	75	-	-	-	-
Digital Security Infrastructure Management Program	50	50	50	50	50
Disaster Recovery Infrastructure	97	-	-	-	-
Enterprise System Replacement (Financial and HRIS)	-	1,000	500	-	-
Equipment Replacement - IT	1,072	1,360	791	400	500
Fibre Extensions (various)	-	-	-	250	250
Infrastructure Growth Program	100	100	100	100	100
Meeting Room Collaboration Technology Program	50	50	50	50	50

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(All \$ in Thousands)

Section -> Project	2023	2024	2025	2026	2027
Network Traffic Monitoring and Analyzing	50	50	50	50	50
Technology					
New User Equipment Program	50	50	50	50	50
Office 365 Implementation Phase 2	50	-	-	-	-
Online Permit Payment Expansion SPLIT (CFO 100%)	25	-	-	-	-
Public Access Community Kiosks	39	-	-	-	-
Radio Repeaters for City Buildings	200	-	-	-	-
Scan Historical Records from Microfiche to Digital Images	-	250	250	-	-
Special Programing for City Radios	50	-	-	-	-
Transf. Service Connections (Sewer, Water, Drainage) from AMANDA to GIS	100	-	-	-	-
Updated Service Desk Software	-	-	55	-	-
Website and Intranet Update	200	-	-	-	-
Protective Fire	1,900	-	-	-	-
Replace 2 Fire Engines	1,900	-	-	-	-
Protective Police	21	10	-	-	-
RCMP - Furniture Replacement (CFO 20%)	15	10	-	-	-
RCMP - Records Section workspace configuration (CFO 20%)	6	-	-	-	-
Parks	5,610	1,737	5,905	5,615	7,755
128 Ave (HH) Neighborhood Park Development	-	-	-	1,200	-
Capital Trail Improvements New	80	80	80	80	80
Cemetery Columbaria Expansion	150	-	-	150	-
Cemetery Storage	-	-	-	-	100
Community Gardens	30	-	30	-	30
Dog Park Improvements	-	150	-	-	-
Equip Purch - Mobile Stage (CFO 50%)	250	-	-	-	-
Golden Ears Field Washroom	-	100	650	-	-
Green Infrastructure improvements	-	-	-	-	100
Greenbelt Acquisition	200	200	200	200	200
Haney Nokai Park Improvement	-	150	1,200	-	-
Jackson Farm Master Plan	-	-	-	40	-
Memorial Park - Park Improvements (CFO 16%)	-	-	700	-	2,500
Minor Capital - Gen Rec	30	30	30	30	30
Minor Capital Parks Improvements	125	125	125	125	125
MR - Park Improvements (232 and 132)	1,800	-	-	-	1,800
NE Albion Park Development SE 112 and Lockwood	-	-	-	1,000	-
Park Accessibility Improvements	-	250	-	250	-

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Section -> Project	2023	2024	2025	2026	2027
Parks					
Park Development (232 and 132) River Hamlet School Site	-	-	-	2,000	-
Park Development (DTR and 214)	-	-	-	-	800
Park Development (DTR and 214) Demolition & Abatement	70	-	-	-	-
Parks and Facilities Vehicles/ Equipment	280	-	-	-	-
Placemaking Improvements	25	-	-	-	-
Playground Surfacing Improvements	30	30	40	40	40
Port Haney Waterfront Park - Improvements (CFO 31%)	750	-	1,000	-	-
Recreation Infrastructure - Improvements	100	100	100	100	100
Recreation Storage	40	-	-	-	-
Silver Valley Neigh Park Completion Phase 1	-	100	1,400	-	-
South Haney Park (230 and 113) Development	1,400	-	-	-	-
Sport Facility Improvements	-	-	-	-	400
Thornhill Trail Network Improvements	250	-	-	-	-
West Neighborhood Park Improvements	-	300	350	400	450
Whonnock Lake Development 1	-	122	-	-	-
Whonnock Lake Development 2	-	-	-	-	1,000
Highways	15,730	18,500	41,796	68,977	10,353
112 Ave/Kanaka Creek Bridge	-	-	500	-	-
121 Ave 214 St - 216 St Corridor Improvements	300	2,600	-	-	-
123 Ave Corridor - 203 to Laity Construction	-	-	-	700	-
123 Ave Corridor - Laity to 216 Reconstruction Phase 1	-	3,480	-	-	-
124 Avenue 244-248 Connection	-	-	-	200	-
136 Ave (224 St - Foreman Dr) Corridor Improvements	-	-	100	-	700
210 St 200m N of 128 Road and Drainage Improvements	-	-	-	2,358	-
224 St at 124 Ave - Intersection Safety Improvements	300	-	-	-	-
224 St at 132 Ave (N Alouette Bridge) Design	100	250	-	-	-
224 St at 132 Ave (N Alouette Bridge) Replacement	-	-	-	5,000	-
240 St Bridge (North of 124 Ave) Planning, Design & Construction (CFO 61%)	500	4,500	-	55,000	-
Abernethy Way (240 St - 256 St) Conceptual Design	250	-	-	-	-
Abernethy Way Extension (232 St – 240 St) (CFO 7%)	7,000	-	31,500	-	-
Access Culverts	22	22	22	22	22
Bridge Repairs Structure Upgrade	150	150	150	150	150
Cottonwood St and 232 St Sidewalk	-	-	-	-	100
Cycling Improvements	-	-	200	200	200
Dewdney Trunk at 272 St (Kanaka Creek Bridge)	-	-	2,500	-	-
Equip Replacement - Fleet	1,700	1,300	1,100	1,400	1,400

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(All \$ in Thousands)

Section -> Project	2023	2024	2025	2026	2027
Highways					
Fern Cres (236 St - 240 St) (F) Phase 1 (CFO 25%)	-	-	500	-	-
Hwy 7 Multi Use Path, 216 to 220 St (CFO 23%)	600	2,000	-	-	-
Kanaka Way (Gilker and 236) Pedestrian Crossing Improvements	100	-	600	-	-
Local Area Service - Road (CFO 100%)	250	250	250	250	250
Maple Meadows S Curve	200	100	-	-	1,800
Pavement Management	50	-	200	-	-
Pedestrian Improvements	-	-	250	250	250
Private Driveway Crossings	7	7	7	7	7
Road Rehabilitation Program	3,361	3,155	3,487	3,000	5,068
Sidewalk Replacement	90	90	90	90	90
Street Lighting Upgrade Program	500	500	-	-	-
Streetlight Pole Replace Program	100	100	100	100	100
Traffic Calming Program	-	-	150	150	150
Traffic Signal Replacements	-	-	100	100	100
Utility Vehicle for MUP Maintenance	150	-	-	-	-
Drainage	2,013	13,453	2,875	2,865	3,535
116 Ave (203 Ave to Warsley St) Drainage Upgrades	-	-	-	50	-
126 Ave (216 - Grace) - Storm Sewer Replacement	100	900	-	-	-
228 St (DTR to Lot 175m north) 122-123 (200m)	-	30	240	-	-
230 St (122 Ave - 123) Ave 160m Storm Replacement	30	270	-	-	-
Culvert Replacement Program	-	-	450	450	450
Dewdney Trunk Road (238B St - 240 St) Storm main replacement	600	-	-	-	-
Drainage Replacement Program	86	-	-	564	850
Drainage Upgrade Program	-	-	1,813	1,529	1,963
Flood Abatement N. Alouette Bridge Protec. (224 St and 132 Ave Bridges)	200	-	-	-	-
Gee St (123 Ave - Eagle Ave) 350m Storm Replacement	75	730	-	-	-
ISMP Watershed Review	-	-	100	-	-
Local Area Service - Drain (CFO 100%)	250	250	250	250	250
Lower Hammond Drainage Trunk Sewer Access & Flushing	100	-	-	-	-
Lower Hammond Pump Station	50	10,000	-	-	-
Princess St Drainage Pumping Station	-	1,250	-	-	-
Private Storm Sewer Connections	23	23	23	23	23
ROW North of 21000BLK 126th Ave Storm Main Replacement	500	-	-	-	-
Sewage	6,826	2,651	8,096	2,651	2,851
119 Ave 228 St - Lot 22678 - 100m of 200mm San	-	20	150	-	-

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Section -> Project	2023	2024	2025	2026	2027
122 Ave Sanitary Replacement	-	-	-	100	1,050
Sewage					
122 Ave (221 St to Dunbar) - 150m Sewer twinning	-	30	240	-	-
124 Ave (Laity St - 216 St) 670mm of 200mm Sewer Replacement	-	-	-	60	610
126 Ave (216 - Grace)	100	700	-	-	-
136 Ave Lift Station Improvements	100	-	-	-	-
208 St Sewage Station Replacement	-	100	1,500	-	-
221 St (122 Ave to Canuck Cres) - 230m Sewer replacement	-	40	370	-	-
223, 122-DTR (350m) and 122, 223 to 30m west	-	60	570	-	-
225 St Forcemain and PS Upgrade - Phase 2	4,000	-	-	-	-
228 St, 123 Ave - North of Purdey	-	50	700	-	-
228 St (DTR to 119 Ave) - 170m San Replacement	-	30	270	-	-
240 St and Kanaka Creek - Old Siphon Isolation Valve and Piggig Port	-	-	50	-	-
Burnett St (Haney Bypass - Lougheed Hwy) 540m of 250mm Sewer Replacement.	-	140	1,360	-	-
Canuck Cres; 221 to Gray - 150m Sewer replacement	-	30	240	-	-
Dewdney Trunk Rd & Burnett St - 119 Ave and 228 St - 380m San Replacement.	60	580	-	-	-
Fair Grounds Sanitary Replacement	-	30	300	-	-
Field Investigations - Sewage	-	10	-	-	-
Gee St (123 Ave - Eagle Ave) 350m San Replacement	35	340	-	-	-
Golf Sewage Pumping Station	-	-	500	-	-
JRW Forcemain (Fairgrounds to River Road)	500	-	-	-	-
Local Area Service - Sewer (CFO 100%)	250	250	250	250	250
Meadow Brook Sewage Station Replacement	-	-	300	500	-
Private Sewer Connections	41	41	41	41	41
River Rd, 212 St to Anderson Pl, Upsizing 200mm AC Design & Construction.	-	-	55	600	-
River Rd (West of 240 Street, R084 to R012) Sewer Replacement	-	100	300	-	-
Royal Cres at 225 St Diversion MH Overbuild (2018)	140	-	-	-	-
SCADA Replacement Program	100	100	100	100	100
Sewage System Rehab and Replacement	-	-	800	800	800
Skillen/123 Area Sewer Construction	-	-	-	200	-
Steeves Sewage Pump Station Replacement	300	-	-	-	-
Tamarack Lane Pump Station Replacement	1,200	-	-	-	-
Water	12,275	10,290	10,810	9,621	2,805
124 Ave (Laity St - 216 St) Watermain Replacement	-	-	-	150	1,300
132 Ave (220 St to 224 St) Watermain Replacement	150	1,900	-	-	-
132 Avenue (Balsam to 236 St)	100	1,300	-	-	-
203 St (Lougheed to Thorne) Watermain Replacement	2,700	-	-	-	-
222 St (DTR to 119 Ave) Watermain Replacement	100	600	-	-	-

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(All \$ in Thousands)

Section -> Project	2023	2024	2025	2026	2027
232 St North of 136 Ave High Pressure Connection	3,000	-	-	-	-
Water					
232 St & 136 Avenue PRV Relocation & Pump Station Decommissioning	50	450	-	-	-
236 St PS CL Facility & Station Upgrade Concept Plan Phase 2	850	-	-	-	-
240 St (Kanaka Way to 112 Ave)	-	-	280	-	-
248 St Pump Station Upgrades	-	800	-	7,200	-
256 St Reservoir Tank Replacement	750	-	6,750	-	-
270A St Reservoir Replacement	1,850	-	-	-	-
Bulkfill Stations Pressure Sustaining Valve Installation	125	-	-	-	-
CL2 Equipment Replacement Program	50	50	50	50	50
DTR & 222 St PRV Replacement	-	-	75	750	-
DTR (246-248)	-	50	600	-	-
Gas Detectors - Sewer	-	-	-	16	-
Gee St (123 Ave - Eagle Ave) 170m Wat Replacement	30	260	-	-	-
Grant Mountain Reservoir Twinning	750	2,675	-	-	-
Kingston St (South of 113B Ave) PRV Replacement	-	100	750	-	-
Local Area Service - Water (CFO 100%)	250	250	250	250	250
Lougheed Hwy Watermain Corridor Plan	-	100	-	-	-
Marc Road Water System Protection	175	-	-	-	-
Private Water Connections	410	410	410	410	410
PRV Upgrade Program	50	50	50	50	50
DTR & 232 St PRV Replacement	-	75	750	-	-
SCADA access equipment for Water Department	-	50	-	-	-
Selkirk Ave (222 St - 223 St) 180m of 200mm Watermain Replacement	50	300	-	-	-
Tamarack Lane - 23300 Block to 23500 Block	-	-	-	500	-
Water Meter R900i Conversion	40	-	-	-	-
Water Meter Replacement Program [p]	35	35	35	35	35
Water Pump Station Upgrades	60	60	60	60	60
Water Remote Security Program	50	50	50	50	50
Water Reservoir Upgrades	50	50	50	50	50
Water Sampling Equipment	-	25	-	-	-
Water System Improvement Program	50	50	50	50	50
Watermain Replacement Program	550	600	600	-	-
West St (Dunn to Maple Meadows Way) Watermain Replacement	-	-	-	-	500
Grand Total	51,609	51,498	72,859	91,466	28,841