

VILLAGE OF BELCARRA

2005 ANNUAL GENERAL MEETING

REPORT

Council is the legislative body representing the citizens of Belcarra, providing leadership and establishing policies for the *Village of Belcarra's* municipal government. Council reviews and establishes budget levels for civic operations and capital expenditures.

Council is made-up of the Mayor and four Councillors. All members of Council hold office for three-year terms. The Mayor chairs meetings of Council, and is also an *ex-officio* member of all Council committees, and all bodies to which Council has the right to appoint members.



2002-2005 Village Council Left to Right: Councillor Bruce Drake, Councillor Jennifer Glover, Mayor Ralph Drew, Councillor Jamie Ross, Councillor Colin Richardson.

There are five committees of Council: Finance, Environmental Protection, Protective Services, Public Works, and Treaty Advisory and Special Projects.

Council holds two regular meetings each month, typically the first and third Mondays of the month. Meetings are open to the public, and agendas and meeting minutes available from the municipal office or the Belcarra website at: www.belcarra.ca.

Council's Vision

Belcarra will aspire to provide and enable effective and accountable leadership with a focus on a safe, enjoyable community, unique because of its spectacular setting *Between Forest and Sea* and its strong sense of pride; and where:

- Citizens have a collective sense of belonging, and contribute to the quality of life in the community.
- The environment is nurtured for present and future generations.
- The community celebrates a vibrant culture and heritage.
- Dedicated volunteerism continues to keep our community alive and thriving.
- Open, fair and responsive government is provided in a manner that recognizes the impact of decisions on the residents of the community.
- Municipal services are delivered in an effective manner at a cost acceptable to the taxpayers.

Citizen Involvement

Volunteers – Visible, Vital and Valuable to Belcarra

Volunteerism and community participation play an important part in building the spirit of our community.

Beginning with the dedicated efforts of Belcarra's two original rate payer's associations that were successful in the incorporation of the municipality in 1979, our volunteer fire department (SVFD), our community and recreation association (CRAB), and citizen committees, Belcarra residents have a long history of volunteer activities. Belcarra would not be such a strong community were it not for the support of the many volunteers who support community projects and contribute to making our Village stronger, safer and healthier. Belcarra volunteers give hope and friendship to those in need; help when asked and, more importantly, even when they're not.

You will find volunteers involved in the fire department, the emergency preparedness and block watch programs, environmental programs, and recreational programs... the list is endless!

The *Village of Belcarra* is a better place thanks to the tireless efforts of volunteers working throughout the community. It is with sincere appreciation that we say "thank you" to the volunteers who assist us and make the Village a beautiful place to live, grow and prosper.

1. **AUDITED FINANCIAL STATEMENTS**

**Village of Belcarra
FINANCIAL STATEMENTS
December 31, 2004**

Village of Belcarra

December 31, 2004

Management's Responsibility for Financial Reporting

The accompanying Village financial statements are the responsibility of management and have been approved by the Administrator on behalf of the Mayor and Council.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Village maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Village's assets are appropriately accounted for and adequately safeguarded.

The Village Mayor and Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Village Mayor and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditors' report.

The financial statements have been audited by D&H Group LLP, Chartered Accountants in accordance with Canadian generally accepted auditing standards. D&H Group LLP has full and free access to the Mayor and Council.

“Ralph Drew”

Mayor

“Moiria McGregor”

Administrator

AUDITORS' REPORT

To the Mayor and Council of the
Village of Belcarra

We have audited the balance sheet of the Village of Belcarra as at December 31, 2004 and the statement of revenue and expenditures and changes in fund balances for the year then ended. These financial statements are the responsibility of the municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2004 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Community Charter (British Columbia), we report that, in our opinion these principles have been applied on a basis consistent with that of the preceding year.

Vancouver, B.C.
March 11, 2005

“D&H Group LLP”

Chartered Accountants

D&H Group LLP

a Limited Liability Partnership of Corporations

member of BHD Association with affiliated offices across Canada and Internationally

10th Floor, 1333 West Broadway, Vancouver, B.C. V6H 4C1 □ www.dhgroup.ca □ F (604) 731-9923 □ T (604) 731-5881

Village of Belcarra

BALANCE SHEET

December 31, 2004

	2004				2003
	Operating fund	Capital fund	Reserve fund	Total	Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 6,941	\$ -	\$ 25,004	\$ 31,945	\$ 70,768
Investments	198,871	-	144,942	343,813	355,758
Accounts receivable (Note 2)	60,402	-	-	60,402	34,303
Due from reserve fund	3,731	-	-	3,731	-
Due from operating fund	-	5,855	-	5,855	69,211
	269,945	5,855	169,946	445,746	530,040
PROPERTY, PLANT AND EQUIPMENT (NOTE 3)					
	-	2,914,001	-	2,914,001	2,743,483
INTANGIBLE ASSET					
	-	664,236	-	664,236	664,236
GAS MAIN EXTENSION COSTS RECOVERABLE (NOTE 4)					
	-	-	-	-	33,339
	\$ <u>269,945</u>	\$ <u>3,584,092</u>	\$ <u>169,946</u>	\$ <u>4,023,983</u>	\$ <u>3,971,098</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 84,984	\$ -	\$ -	\$ 84,984	\$ 85,872
Due to capital fund	5,855	-	-	5,855	9,157
Due to reserve fund	-	-	-	-	60,054
Due to operating fund	-	-	3,731	3,731	-
Property taxes collected in advance	100,461	-	-	100,461	103,798
Performance bonds	38,509	-	-	38,509	29,216
Debentures payable (Note 5)	-	17,119	-	17,119	-
	229,809	17,119	3,731	250,659	288,097
DEBENTURES PAYABLE (NOTE 5)					
	-	-	-	-	50,538
	<u>229,809</u>	<u>17,119</u>	<u>3,731</u>	<u>250,659</u>	<u>338,635</u>
FUND BALANCES					
RESERVE FOR FUTURE EXPENDITURES (SCHEDULE 1)					
	40,136	-	-	40,136	73,223
EQUITY IN CAPITAL ASSETS					
	-	3,566,973	-	3,566,973	3,399,677
RESERVE FUND BALANCES (SCHEDULE 2)					
Equipment replacement	-	-	44,009	44,009	34,755
Capital works	-	-	122,206	122,206	110,406
Redevelopment of Marine Avenue	-	-	-	-	14,402
	-	-	166,215	166,215	159,563
	40,136	3,566,973	166,215	3,773,324	3,632,463
	\$ <u>269,945</u>	\$ <u>3,584,092</u>	\$ <u>169,946</u>	\$ <u>4,023,983</u>	\$ <u>3,971,098</u>

Approved by: “Moira McGregor” Administrator

Village of Belcarra

STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCES

Year ended December 31, 2004

	2004			2003	
	Operating fund	Capital fund	Reserve fund	Total	Total
REVENUE					
Taxation – net (Note 6)	\$ 411,198	\$ –	\$ –	\$ 411,198	\$ 387,723
Government grants (Schedule 3)	179,218	–	–	179,218	155,327
Garbage collection	41,000	–	–	41,000	41,625
Sundry	18,655	–	–	18,655	3,940
Penalties and interest on taxes	5,870	–	–	5,870	4,064
Licenses and permits	32,132	–	–	32,132	26,140
Main Avenue septic lease fees	4,200	–	–	4,200	4,200
Interest	22,755	–	2,523	25,278	27,873
Donations	<u>2,000</u>	<u>–</u>	<u>–</u>	<u>2,000</u>	<u>–</u>
	<u>717,028</u>	<u>–</u>	<u>2,523</u>	<u>719,551</u>	<u>650,892</u>
EXPENDITURES					
General government (Schedule 4)	290,750	–	–	290,750	235,918
Public works	198,976	–	–	198,976	127,289
Capital expenditures	167,296	–	–	167,296	106,597
Garbage disposal	31,850	–	–	31,850	31,598
Goods and Services Tax, net of recoveries	–	–	–	–	6,573
Interest and bank charges	18,734	–	–	18,734	20,292
Planning	21,724	–	–	21,724	11,943
Septic lease fees – GVRD	<u>2,100</u>	<u>–</u>	<u>–</u>	<u>2,100</u>	<u>961</u>
	<u>731,430</u>	<u>–</u>	<u>–</u>	<u>731,430</u>	<u>541,171</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR					
	<u>(14,402)</u>	<u>–</u>	<u>2,523</u>	<u>(11,879)</u>	<u>109,721</u>
INTER-FUND TRANSFERS					
Transfer to (from) fund	(18,685)	–	18,685	–	–
Contributions received for acquisition of capital assets from operating fund	–	152,740	–	152,740	106,597
Contributions received for acquisition of capital assets from reserve fund	<u>–</u>	<u>14,556</u>	<u>(14,556)</u>	<u>–</u>	<u>–</u>
	(18,685)	167,296	4,129	152,740	106,597
FUND BALANCE, beginning of year					
	<u>73,223</u>	<u>3,399,677</u>	<u>159,563</u>	<u>3,632,463</u>	<u>3,416,145</u>
FUND BALANCE, end of year					
	\$ <u>40,136</u>	\$ <u>3,566,973</u>	\$ <u>166,215</u>	\$ <u>3,773,324</u>	\$ <u>3,632,463</u>

Village of Belcarra**CHANGES IN RESERVE FOR FUTURE EXPENDITURES (OPERATING FUND)****Year ended December 31, 2004**

	<u>2004</u>	<u>2003</u>
BALANCE, beginning of year	\$ 73,223	\$ 32,958
LESS		
Amounts used during the year	<u>54,522</u>	<u>—</u>
	18,701	32,958
ADD		
Contribution – General	16,235	—
Appropriation from reserve fund – GVTA	—	15,065
Appropriation from reserve fund – future paving	—	20,000
Appropriation from reserve – gas main debenture	<u>5,200</u>	<u>5,200</u>
BALANCE, end of year	\$ <u>40,136</u>	\$ <u>73,223</u>
FUND COMPRISED OF:		
Future paving	\$ —	\$ 20,000
GVTA – Highway maintenance	3,400	31,885
Gas main extension debenture	20,800	15,600
Historical book fund proceeds	—	5,738
West Nile virus grant	4,662	—
UBCM Grant	3,274	—
Fire protection	6,000	—
Ground water protection grant	<u>2,000</u>	<u>—</u>
	\$ <u>40,136</u>	\$ <u>73,223</u>

CHANGES IN RESERVE FUND
Year ended December 31, 2004

	Equipment replacement	Capital works	Redevelopment of Marine Avenue	2004	2003
BALANCE, beginning of year	\$ 34,755	\$ 110,406	\$ 14,402	\$ 159,563	\$ 90,107
INTEREST ON INVESTMENTS	569	1,800	154	2,523	2,905
TRANSFER TO CAPITAL FUND	—	—	(14,556)	(14,556)	—
	35,324	112,206	—	147,530	93,012
APPROPRIATION FROM OPERATIONS	8,685	10,000	—	18,685	66,551
BALANCE, end of year	\$ <u>44,009</u>	\$ <u>122,206</u>	\$ <u>—</u>	\$ <u>166,215</u>	\$ <u>159,563</u>

Village of Belcarra

GOVERNMENT GRANTS

Year ended December 31, 2004

	Actual 2004	Budget 2004	Actual 2003
OPERATING FUND			
Revenue sharing	\$ 102,889	\$ 102,889	\$ 102,889
GVTA Major Roads – capital	–	–	5,321
GVTA Major Roads – maintenance	45,400	45,400	38,592
Ground Water Protection Project	10,000	–	–
Belcarra water users	9,719	–	–
West Nile Virus grant	5,000	–	–
Union of B.C. Municipalities	3,750	–	–
Joint Emergency Preparedness Program	<u>2,460</u>	<u>7,500</u>	<u>8,525</u>
	\$ <u>179,218</u>	\$ <u>155,789</u>	\$ <u>155,327</u>

GENERAL GOVERNMENT EXPENDITURES**Year ended December 31, 2004**

	<u>Actual 2004</u>	<u>Budget 2004</u>	<u>Actual 2003</u>
ADMINISTRATION SALARIES & BENEFITS	\$ 153,037	\$ 145,340	\$ 131,866
COUNCIL INDEMNITIES	34,500	34,500	33,686
DUES, CONVENTIONS AND ADVERTISING	17,843	11,550	11,304
INSURANCE	14,948	17,000	15,599
LEGAL AND AUDIT	17,143	13,700	12,774
MAINTENANCE, HEAT AND LIGHT OF OFFICES AND EQUIPMENT	6,153	6,700	6,583
OFFICE SUPPLIES AND PRINTING	15,924	12,000	11,084
SUNDRY	18,450	27,855	2,714
TELEPHONE AND POSTAGE	<u>12,752</u>	<u>11,000</u>	<u>10,308</u>
	\$ <u>290,750</u>	\$ <u>279,645</u>	\$ <u>235,918</u>

Village of Belcarra

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2004

1. ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

Basis of accounting

The Village uses the modified accrual basis of accounting, which is full accrual except for accrued interest on long-term debt.

Revenue recognition

Property taxes are recognized as revenue in the year in which they are assessable.

Government grant revenue is recognized in the year that the respective grant agreement becomes effective, except that amounts to be expended subsequent to year end are deferred and recognized in the period the related expenditures are incurred. Government cost-sharing contributions are recognized in the year related costs are incurred to the extent collection of the contribution is reasonably assured.

Investments

Investments are recorded at cost and are comprised of money market funds held with the Municipal Finance Authority of B.C. The market value of the investments approximate their carrying amount.

Property, plant and equipment

Property, plant and equipment are recorded at cost. In accordance with Ministry of Municipal Affairs guidelines, amortization is not recorded.

Intangible asset

Intangible asset is comprised of the gas main extension costs and is recorded at cost. In accordance with Ministry of Community, Aboriginal and Women's Services guidelines, amortization is not recorded.

2.	ACCOUNTS RECEIVABLE	<u>2004</u>	<u>2003</u>
	Taxes	\$ 15,781	\$ 19,012
	GST rebate receivable	26,620	9,792
	Provincial grant receivable	10,000	–
	Other	<u>8,001</u>	<u>5,499</u>
		\$ <u>60,402</u>	\$ <u>34,303</u>
3.	PROPERTY, PLANT AND EQUIPMENT	<u>2004</u>	<u>2003</u>
	Land	\$ 81,500	\$ 81,500
	Buildings	289,696	243,327
	Office equipment	74,390	69,757
	Vehicles	117,684	117,684
	Engineering structures	215,916	215,492
	Roads	1,181,947	1,169,747
	Machinery and equipment	83,137	83,137
	Fire protection water main	<u>869,731</u>	<u>762,839</u>
		\$ <u>2,914,001</u>	\$ <u>2,743,483</u>

Village of Belcarra

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2004

4. GAS MAIN EXTENSION COSTS RECOVERABLE

In 1995 the Village paid and incurred costs towards the construction of a gas distribution pipeline to properties within the Village's boundaries. Certain property owners opted to pay their share of the cost over ten years. During the year, the Village recovered \$ 33,339 (2003 - \$ 22,375), leaving \$ Nil to be recovered over the next year. Village management anticipates that a portion of the amount recoverable will come from the Reserve for Future Expenditures (Schedule I).

5. DEBENTURES PAYABLE	<u>2004</u>	<u>2003</u>
Municipal Finance Authority – requiring annual principal and interest payments totalling \$ 1,478 with interest calculated at the rate of 6.5%, due May 15, 2005	\$ 1,218	\$ 2,378
Municipal Finance Authority – requiring annual principal and interest payments totalling \$ 31,701 with interest calculated at 7.0% semi-annually, in each and every year during the term of the debenture, due December 1, 2005	<u>15,901</u>	<u>48,160</u>
	\$ <u>17,119</u>	\$ <u>50,538</u>

6. TAXATION - NET

Taxation revenue comprises the following amounts raised less transfers:

	<u>2004</u>	<u>2003</u>
General municipal purposes *	\$ 414,232	\$ 383,929
Collections for other governments		
School District - School tax	520,443	507,813
Greater Vancouver Regional District	88,441	88,769
Greater Vancouver Transit Authority (GVTA)	46,633	42,968
B.C. Assessment Authority	<u>17,575</u>	<u>16,961</u>
	<u>1,087,324</u>	<u>1,040,440</u>
Transfers to other governments		
School District - School tax	522,730	502,824
Greater Vancouver Regional District	89,082	89,629
Greater Vancouver Transit Authority (GVTA)	46,691	43,148
B.C. Assessment Authority	17,574	17,072
Municipal Finance Authority	<u>49</u>	<u>44</u>
	<u>676,126</u>	<u>652,717</u>
	\$ <u>411,198</u>	\$ <u>387,723</u>

* General municipal taxation includes the 1% levy on gross revenue of utility companies.

7. CONTINGENT LIABILITY

The Village is responsible, as a member of the Greater Vancouver Regional District, for its proportion of any operating deficit or capital debt relating to functions in which it participates.

Village of Belcarra

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2004

8. PENSION LIABILITY

The Village and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 130,000 active members and approximately 45,000 retired members. Active members include approximately 29,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2003 indicated an unfunded liability of \$ 789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. The Village paid \$ 14,492 for employer contributions to the plan in fiscal 2004.

9. FINANCIAL INSTRUMENTS

Fair value

The fair value of the Village's cash, investments, accounts receivable, accounts payable and accrued liabilities, property taxes collected in advance and performance bonds are believed to equal their carrying amounts due to their short terms to maturity.

The fair value of the Village's debentures payable are believed to equal its carrying amount, as the debentures payable are believed to bear a fair market rate of interest.

Interest rate risk

The Village's debentures payable bear interest at fixed rates. These debentures payable are therefore subject to interest rate price risk as fluctuations in market rates of interest may increase or decrease their fair value.

The Village's investments bear interest at a floating rate of interest. Therefore the interest earned and the related cash flow will vary according to changes in the rate of interest.

Credit risk

The Village's primary accounts receivable relate to GST refunds receivable from the government of Canada and property taxes and related arrears interest and penalties. Collection of the GST refunds is reasonably assured. The potential loss on property taxes owed, including arrears interest and penalties, is not considered significant because of the Village's authority to sell a property in order to collect the property taxes, interest and penalties owed on (2)(b) of that property.

2. STATEMENT OF PROPERTY TAX EXEMPTIONS

In accordance with Section 98 (2)(b) of the *Community Charter*, the following properties in the *Village of Belcarra* were provided permissive property tax exemptions by Council in 2005.

Legal Description	Civic Address	Organization	Value of Permissive Exemption
Plan 5775, NWLD Lot D of W ½ of NW ¼, Sect 30, TWP 39	Camp Howdy	YMCA	\$1,143
Plan RP 7821, NWLD, PCL A of the W 1/2 of NW 1/4, Section 30, TWP 39, REF PL 7821	Camp Howdy	YMCA	\$173
Parcel B, Plan RP8209 Part W 1/2 of NW 1/4, Section 30, TWP 39, NWLD, W 1/2 of NW 1/4	Camp Howdy	YMCA	\$173
NWLD, VPA Licence Fronting Parcel E W ½ & N ¼ Section 30, Township 39 NWLD	Camp Howdy	YMCA	\$38
Parcel E, Plan EP10236, Part W 1/2 of NW 1/4, Section 30, Township 39 NWLD	Camp Howdy	YMCA	\$5,158
Plan 16783, NWLD, PCL F of W1/2 of NW1/4 Sec 30 TP 39 Ex Pl 16783	Camp Howdy	YMCA	\$1,420

3. **Report Respecting Municipal Services and Operations (Prior Year)**

An Open Letter to the Citizens of the Village of Belcarra

I am pleased to take this opportunity to update the citizens of Belcarra regarding municipal services and operations in Belcarra for the year 2004.

Over the past year, Council has worked with staff and citizen volunteers to provide residents of Belcarra with the best possible municipal services. Last year marked many accomplishments, continuation of the Fire Protection Watermain, completion of a new Emergency Disaster Plan Manual, and ongoing discussions with the *Burrard Environmental Review Committee* (BERC) regarding a balanced and sustainable plan for wharf development in Bedwell Bay. I would like to thank all residents for their patience with the ongoing *pay-as-you-go* approach to construction of the Fire Protection Watermain over the past eight years. There are still a couple more years of construction work remaining, but the benefits are clear and tangible.

As noted in the table below, the Village undertook a number of initiatives last year that Council believes will significantly benefit the community in the long term. Council welcomes input from its residents on this progress report, and would encourage you to submit your comments in writing to the Village office.

As for this year (2005) and looking ahead to 2006, Council has established a list of objectives, which were developed following the presentation of the Financial Plan 2005-2009 at the Village Hall. These lists are shown below. Again, residents are welcome and encouraged to provide input on this list, and to bring forward suggestions that can be used for future years.

Thanks you for your on-going support.

Ralph Drew
Mayor

4. Progress Report For 2004

In April 2004, Council set the following objectives for 2004. The objectives were set following the presentation of the *2004-2008 Five-Year Financial Plan* where members of the public were invited to provide input; following is the progress that has been made on those objectives:

Department	Objective	Measures/Strategies	Achievements/Outcomes
Administration /Council	Complete new <i>Emergency Disaster Plan & Recovery Manual</i> and hold workshops on plan.	<i>Emergency Disaster Plan Manual</i> completed by July 2004 Strategy: Undertake public consultation on understanding plan.	Presented <i>Emergency Disaster Plan</i> to Council June 2004. Public Information Meeting held in July 2004 to introduce plan to community. Held workshops with <i>Emergency Preparedness Committee</i> to strategize on EP Teams. Recovery Manual work still in progress.
Administration /Council	Complete a <i>Sustainability Plan</i> for Bedwell Bay	Work with the requisite regulatory agencies to ensure a balanced approach regarding wharf development in Bedwell Bay. Strategy: Undertake public consultation to achieve a balanced approach to wharf development.	Presented <i>Bedwell Bay Sustainability Plan</i> at Public Information meeting June 2004. Plan sent to <i>Burrard Environmental Review Committee</i> (BERC) for comment. Work still in progress; BERC to complete own assessment of Eel Grass in summer 2005.
Administration /Council	Initiate a <i>Hydrological Assessment of Belcarra Aquifer</i>	Simon Fraser University undergraduate student completed filed work in summer 2004. Strategy: To understand the sustainability of Belcarra Aquifer for future water requirements.	<i>Hydrological Assessment of Belcarra Aquifer study</i> presented by Professor D. Allan to Council and <i>Environmental Affairs Committee</i> January 2005.
Public Works	Electrical Upgrade of Municipal Hall and Works yard.	Upgrade completed by year-end. Strategy: to upgrade municipal hall and works-yard to be used as the <i>Emergency Operations Centre</i> (EOC).	Municipal Hall and Works yard now has underground power lines and electrical power shifts automatically to generator during power outages.

Public Works	Install <i>Fire Protection Watermain</i> on Marine Avenue	Project completed on Marine Avenue in August 2004. Saving to homeowners on household insurance.	Increase area serviced by IAO rated fire hydrants and percentage of homeowners receiving fire insurance savings.
Public Works	Refurbish Entrance Sign to Belcarra	Completed on 2004.	Completed in time to celebrate Belcarra's 25 th anniversary. Paid in part by contribution from the <i>Belcarra Historical Society</i> .
Public Works	Repair the <i>Senkler Road Bridge</i> .	Repair to concrete supports.	Based on opinion from structural engineer, works deferred until 2006.
Public Works	Undertake Foreshore Bank Stabilization on the road right-of-way Marine Avenue.	Prevent future bank slippage.	Following consultation with adjacent residents, works completed February 2005.

5. Declaration and Identification of Disqualified Council Members

None.

6. Statement of Municipal Objectives and Progress Measures for Current (2005) and Next (2006) Year

Current Year – 2005

In April 2005, Council set the following objectives, which it hoped to accomplish in 2005. As in the past, Council and staff prepared these objectives following the presentation of the *2005-2009 Five-Year Financial Plan* where members of the public were invited to provide input:

Department	Objective	Strategies	Measures
Administration/Council	Complete <i>Emergency Recovery Manual</i> and hold workshops	Enhance <i>Emergency Disaster Plan Manual</i> completed in July 2004.	To provide a basis for the municipality to be operational following a disaster.
Administration/Council	Streamline Finance Department.	Purchase and install new Integrated Accounting Software.	Provide more efficient Property Tax Notice maintenance, Building Permit tracking, and overall better accountability to residents.
Administration/Council	Efficient Municipal Government	Purchase new copier to operate from desktops.	Reduce operating costs on printing and provide better service to community.
Administration/Council	Building on the 2004 <i>Hydrological Assessment of Belcarra Aquifer</i> .	Referendum Question to Voters on Municipal Water System.	Percentage of voters who want Council to proceed with an in-depth Engineered Study toward pursuing a municipal water system.
Public Works	Fire Protection Watermain System.	Installation of Watermain System on Bedwell Bay Road.	Increase area serviced by IAO rated fire hydrants and percentage of homeowners receiving fire insurance savings.
Public Works	Efficient monitoring of Garbage and Recycle Depot.	Install video monitoring at Garbage and Recycle Depot.	Measure number of people abusing use of the site by dropping-off large items.
Public Works	Enhance existing and create new pathways.	Apply for Capital Funding from GVTA to create pathways on Bedwell Bay Road.	Provide walkways for residents on Bedwell Bay Road.
Public Works	Complete the <i>Bedwell Bay Sustainability Plan</i> .	Work with BERCC to monitor Eel Grass in Bedwell Bay.	Increase number of residents who wish to access a dock in Bedwell Bay.

Next Year – 2006

Department	Objective	Strategies	Measures
Administration/Council	Encourage residents to be self-sufficient for 24 hours after a disaster.	To build on the <i>Emergency Preparedness System</i> , and present the <i>Neighbourhood Emergency Preparedness Program</i> to residents.	Increase the percentage of residents that are self-sufficient, and thereby enable <i>Emergency Response Teams</i> to assist those residents in greater need of assistance.
Administration/Council	Efficient Municipal Government.	Building on the new upgrades to office system, prepare a new <i>Office Procedures Manual</i> .	Provide better training for staff and more ease of dealing with the public through a better information system.
Public Works	Water is safe and meets local needs.	Based on the outcome of a Referendum, and whether or not a <i>Study of Water Distribution Options</i> is undertaken.	Council to continue to ensure that all residents' water is safe and meets community needs.
Public Works	Fire Protection Watermain System.	Install final phase of <i>Fire Protection Watermain System</i> on Bedwell Bay Road.	Increase area serviced by IAO rated fire hydrants and percentage of homeowners receiving fire insurance savings.
Public Works	Efficient monitoring of Garbage and Recycle Depot.	Install monitored gate card-lock system at Garbage and Recycle Depot.	Measure number of people abusing use of the site.
Public Works	Enhance existing pathways, and create new pathways.	Create new pathways on Bedwell Bay Road and trail system.	Increase the number of residents who may want to walk along Bedwell Bay Road and the Village pathways.

7. 2005 FINANCIAL PLAN & BUDGET-IN-BRIEF

On April 18th, Belcarra's 2005 annual budget and five-year financial plan was presented to the community. Only a few residents attended the information session; however, even with a small number, participation in the discussion and questions was good. For those residents who couldn't attend the presentation, the *Financial Plan Presentation* is posted on Belcarra's website (www.belcarra.ca). The dominant issue regarding preparation of the budget this year continues to be funding of capital infrastructure.

The "Guiding Principles" used for the development of the current five-year financial plan originated from the *Capital Planning Forum* held in November 2000, and are as follows:

- Long-term (10 year) perspective.
- "Pay-as-you-go" philosophy.
- No change to service levels.
- Reserves must be funded.
- Infrastructure must be maintained.
- Infrastructure maintenance requires a minimum of \$150,000 p.a. funding.

Six years ago the province combined their grants into a single "lump sum" *Small Community Protection Grant* of \$102,900; however, provincial grants have not increased in 14 years. This means that other sources of funding (the tax levy) must make-up the equivalent of 33% of the grant total, that is, the amount lost to inflation over the past 14 years (~ \$33,000) in addition to all other increased operating costs.

The 2004 budget has been set at \$696,120 which is 1.0% lower than the 2004 actual expenditures. **The "bottom line" is a residential tax increase of 4.8% for 2005.**

It is important to note that while the municipal tax levy accounts for 70% of the operating budget, **the municipal tax levy only accounts for 35% of the overall property tax.**

In order to provide additional perspective to the foregoing, I have provided the following background information regarding the financial status of the municipality.

RESERVE FUNDS

As at December 31st, 2004, the municipal financial reserves stood as follows:

Capital Works Reserve	\$ 122,206
Equipment Replacement Reserve	<u>\$ 44,009</u>
TOTAL RESERVES	<u>\$ 166,215</u>

During 2004, interest earnings from the reserve accounts amounted to \$2,523 — equivalent to \$0.016 per \$1000 of assessment. This was a small decrease from interest earned in 2003 of \$2,905 due to low interest rates. For 2005, an interest accrual of \$4,500 is projected for the reserve funds based on an average interest rate of 2.00%. (Note: Reserve funds cannot be used, even temporarily, for operating in order to offset borrowing costs, and all interest earned by the reserve funds must be accrued to the reserve funds.)

CAPITAL EXPENDITURES FUNDING

The *Contribution to Capital* for 2005 has been set at \$163,000 to reflect Council's commitment to the capital program of fire protection infrastructure works and roads reconstruction:

PROJECT	PROJECT COST	GENERAL REVENUE	OTHER FUNDING	COMMENTS OR SOURCE OF FUNDS
Fire Protection Water Main – Bedwell Bay Road – Tatlow Road to Kelly Avenue	\$100,000	\$100,000	0	Fire Protection Water Main
Senkler Road Bridge	\$25,000	\$25,000	0	Concrete Rehabilitation
Marine Avenue Rehabilitation and Bank Stabilization	\$11,000	\$11,000	0	Marine Avenue Rehabilitation
Cratex Container – EOC	\$6,000	0	\$6,000	2004 Funding Provision
Municipal Hall Roof	\$4,000	\$4,000	0	Hall Roof Treatment
Office – Software Upgrade	\$9,000	\$9,000	0	Accounting Software
Equipment – Recycle Depot	\$8,000	\$8,000	0	Video Camera
TOTAL CAPITAL	\$163,000	\$157,000	\$6,000	

TAXES RECEIVABLE

As at December 31st, 2004, the taxes receivable totalled \$15,781 comprised of overdue 2003 taxes. This represents a decrease of \$3,231 in taxes receivable over the \$19,012 receivable as at December 31st, 2003.

An important consideration with taxes receivable is the fact that the Village has to borrow funds to operate and pay the School Taxes whenever property owners do not pay taxes. This places an additional financial burden in the form of increased borrowing charges. It is imperative that every effort be made to reduce the level of unpaid taxes.

BORROWING COSTS

The cost of borrowing money during 2004 (interest and bank charges) amounted to \$2,615 — an amount equivalent to \$0.016 per \$1000 of assessment. This was lower than the 2003 borrowing costs of \$3,877; this amount includes the offset accrued interest paid on Tax Prepayments. For 2004, the projected borrowing costs are estimated to be \$3,000 — which equates to \$0.015 per \$1000 of assessment. (Note: The Village borrows its temporary operating funds from the MFA at prime minus one-half percent.)

The most important factor influencing annual borrowing costs is the prevailing interest rate from January until July, when the 2005 taxes are received. However, as a result of Belcarra's property tax prepayment program, there is a reduced requirement to borrow operating funds during the first six months of the year.

As can be appreciated, the prompt payment of taxes means that borrowed funds can be quickly paid back, and investments made earn interest and offset the cost of borrowing during the first half of the year.

INVESTMENT REVENUE

An important financial consideration is the management of municipal funds in order to maximize investment revenue. During 2004, \$6,736 was earned as interest on investments — equivalent to \$0.033 per \$1000 of assessment. Following the receipt of taxes last July, we were able to invest a higher amount in the MFA money market, as a result of no operating loans. A similar investment strategy is proposed for 2005, due to lower interest rates investment income is being projected at \$4,500 — equivalent to \$0.022 per \$1000 of assessment.

PROVINCIAL GOVERNMENT GRANTS

Same as last year, the municipality now only receives a single “lump sum” grant of \$102,900 (*The Small Community Protection Grant*). This amount, however, has not changed over the past 14 years. As a consequence, the residential tax levy has to absorb the amount lost to inflation, which for the past 14 years amounts to ~33% or an additional \$33,000 on the general-purpose tax levy. Thus, the “freeze” on provincial grants represents a subtle form of downloading onto municipalities by the province!

GARBAGE LEVY

The 2005 *Garbage Levy* once again remains unchanged at \$125 per household, (\$250 if the residence contains an accessory suite) which will be the 14th year that the rate has not changed. Calculated on the basis of a user group of 328 households, the garbage revenues will amount to \$41,000 for 2005. In addition, Council has decided to continue the two projects that were initiated on a trial basis in 2001; namely, the “no charge” tree chipping service and the “nominal charge” large item pickup service.

LICENCE FEES

Licence Fees in 2004 amounted to \$2,875. For 2005 *Licence Fees* are projected slightly higher at \$3,500. A big boost is the ongoing filming in *Belcarra Regional Park*, where the Village receives *Business Licence* fees; filming revenues cannot be estimated as they are an unknown during the year.

PLANNING PROGRAM

The budget for *General Planning* has been set at \$13,000 for 2005. In 2004, the cost incurred for planning was \$21,723; the result of *Bedwell Bay Environmental Assessment* and *Sustainability Plan*.

PUBLIC WORKS MAINTENANCE

The 2005 maintenance budget for roads, drainage and general purposes has been set at \$227,290. However, this year the GVTA funding has increased from \$45,400 to \$59,000 for the maintenance of *Bedwell Bay Road* under the *GVTA Main Roads Network* (MRN).

MUNICIPAL LEVY

The 2005 municipal tax rate has been reduced by 14.5% from \$2.48 to \$2.12 per \$1000 of assessed value. This levy will yield a total of \$483,863 on the \$203,001,600 assessment role. **The “bottom line” is that the average property tax increase is 4.8% for 2005.** (Note: The municipal tax levy accounts for 70% of Belcarra's overall operating budget, and only 35% of the overall property tax.)