

Mayor's Report

2017-2021 Five-Year Financial Plan

On April 10th, Council gave three readings to the [2017-2021 Five-Year Financial Plan](#), available on Belcarra's website, which is part of the annual budgeting process. Overall, **the 2017 budget includes a 1.5% increase in taxes and fees**; effectively, the current rate of inflation. For comparison, tax increases by our Tri-Cities neighbours for 2017 are as follows: Coquitlam, 2.1%; Port Coquitlam, 4.2%; Port Moody, 5.9%; and Anmore, 9.8%.

Belcarra has relatively healthy surplus and reserve levels which, for 2017, amount to a total of \$1,387,604. These reserves facilitate three objectives:

- Provide sufficient funds to finance operations until tax/fee collections in July.
- Provide sufficient funds for needed and desired capital works when required.
- Provide sufficient funds to provide a "safety net" for unforeseen circumstances.

On April 10th, Council also received the just completed [Roads Asset Management Plan](#) prepared by [Urban Systems Ltd.](#) that is based on an inventory of road assets, which includes estimations of the current replacement value for each asset. The report included an 'Asset Replacement Forecast' created to provide a high-level overview of when assets might need to be replaced based on their projected service life, and how much that might cost. This information is important for understanding and communicating financial planning, policy development and implementation, and risk assessment.

Two scenarios were considered for the forecast to minimize discrepancies caused by assumptions. One scenario used standard 25-year service lives, while the other used condition-based service lives as provided by Belcarra staff. Identical in each scenario were results for the total replacement value of Belcarra's roads assets and the average expected remaining life which, respectively, were found to be \$2.06 million and 73%. Only the 25-year scenario produced an infrastructure deficit (the amount of infrastructure that has passed the theoretical service-life), which was \$181,000. Between both scenarios, the '20-Year Average Annual Investment' (AAI) had a mean of \$100,000, and the 'Average Annual Life Cycle Investment' (AALCI) had a mean of \$82,000. **The bottom line, unlike numerous B.C. municipalities, Belcarra does not have a roads infrastructure deficit, and only needs to maintain the current funding level of \$100,000 per year for roads maintenance to ensure financial sustainability!**

In examining Belcarra's financial sustainability, one also needs to consider the municipality's [taxable assessment base](#) which for 2017 is \$719,327,800. To put Belcarra's assessment base into perspective, there are 90 municipalities in B.C. that have a population of 5,000 or less. Of these communities, Belcarra is in the bottom 25% by population (ranking 70th of 90), yet **Belcarra is in the top 25% in terms of assessment base (ranking 20th of 90) which is a very strong ranking for a small community.**

Belcarra Council will continue to do due diligence to ensure that future potential funding obligations are anticipated and included in the long range financial plan, and **Belcarra property owners can take comfort in knowing that Belcarra is indeed financially sustainable.**

Ralph Drew
Mayor

April 24, 2017