



**VILLAGE OF
BELCARRA**

REVISED

**2024 – 2028 Financial Plan
&
Long-Term Financial Sustainability**

Public Budget Consultation Meeting

February 5, 2024

6:00 pm – 7:00 pm

Background



VILLAGE OF
BELCARRA

- ▶ **2024 budget part of long-term financial plan**
- ▶ **Financial Sustainability Report (FSR)**
 - **Comprehensive review of everything that affects the Village's finances & its long-term sustainability**
 - **Integrated Long-Term Financial Plan (15 years) & Asset Management Plan (50 years)**
 - **Now have information on condition & replacement costs of assets/infrastructure**

Background



VILLAGE OF
BELCARRA

- ▶ ***A financially sustainable organization can adequately cover its operating costs, maintain in good repair its existing assets, replace assets where appropriate, fund future growth and service improvements, and plan for external impacts such as inflation, changes in technology, etc., to the extent possible, all funded over an appropriate period of time with stable and incremental revenues.***

Background



VILLAGE OF
BELCARRA



Strategic Direction



VILLAGE OF
BELCARRA

- ▶ **Manage & Renew Our Infrastructure**
- ▶ **Placing an Emphasis on Emergency Management & Preparedness**
- ▶ **Steward Our Community & Its Natural Environment**
- ▶ **Achieve Financial Sustainability through Fiscal Management**
- ▶ **Guiding tenets**
 - ▶ **Revenue Sources**
 - ▶ **Infrastructure & Asset Investments**
 - ▶ **Reserves & Surpluses**
 - ▶ **Debt Management**
 - ▶ **Operating Costs**



- ▶ **Weak growth & high indebtedness**
- ▶ **High inflation resulting in increased pressure on wages**
- ▶ **High interest rates & slowing spending**
- ▶ **Smallest community in Metro Vancouver & lower mainland**
- ▶ **Inability to directly control specific costs from other organizations**
- ▶ **Less able to absorb cost increases than surrounding municipal gov'ts in region**

Financial Condition - Overview



VILLAGE OF
BELCARRA

Summary of Key Financial Numbers (changes from 2018 - 2022)

Indicators	2018 Year-End Financial Results	2022 Year-End Financial Results	\$ Change
Cash & Investments	\$ 1,700,055	\$ 3,098,578	\$1,398,523
Unrestricted Operating Surpluses	\$ 274,594	\$ 378,106	\$103,512
Reserve Funds	\$ 975,630	\$ 2,174,532	\$1,198,902
Long-Term Debt	(\$3,727,134)	(\$3,150,134)	\$577,000
Net Debt (Financial Assets less Liabilities)	(\$2,492,408)	(\$598,098)	\$1,894,310

Debt



**VILLAGE OF
BELCARRA**

Village of Belcarra Estimated Borrowing Capacity

Calculation of Liability Servicing Available			Maximum Borrowings Over Various Terms Based on 4.5% Interest Rate				
Liability Servicing Limit Based on 2022 Revenue	Debt Servicing Costs Based on New Annual Water Debt	Liability Servicing Capacity Available	5-Year Term	10-Year Term	15-Year Term	20-Year Term	25-Year Term
\$570,809	\$269,563	\$301,246	1,300,000	2,300,000	3,100,000	3,800,000	4,300,000



Debt versus Reserve Funding

Debt versus Sustainable Reserve Funding Example

Assumptions:

- * A Water Reservoir is due for replacement in 2033 (in 10 years)
- * The cost of the Water Reservoir today is \$1.9 million
- * The cost of the Water Reservoir will grow to \$3,094,900 by 2033 due to annual inflation of 5%
- * The effective interest rate on the debt is 4.50%

Option 1: Sustainable Savings

Total cost in 2033	\$3,094,900	A
Annual Funding Starting in 2024	\$257,777	B
Accumulated Annual Funding after 10 Y	\$2,577,770	C = B x 10
Interest earnings to 2033 @ 4%	\$517,129	D
Total cost to taxpayer/rate payer	\$2,577,770	E = C

Option 2: Debt Financing

Total cost in 2033	\$3,094,900	A
Annual Principal Payments	\$266,877	B
Principal Payments over 10 Years	\$2,668,770	C = B x 10
Annual Interest Payments	\$139,271	D
Interest paid over 10 years @ 4.5%	\$1,392,710	E = D x 10
Total cost to taxpayer/rate payer	\$4,061,480	F = C + E

Difference

\$1,483,710 F - E

Difference Expressed in 2033

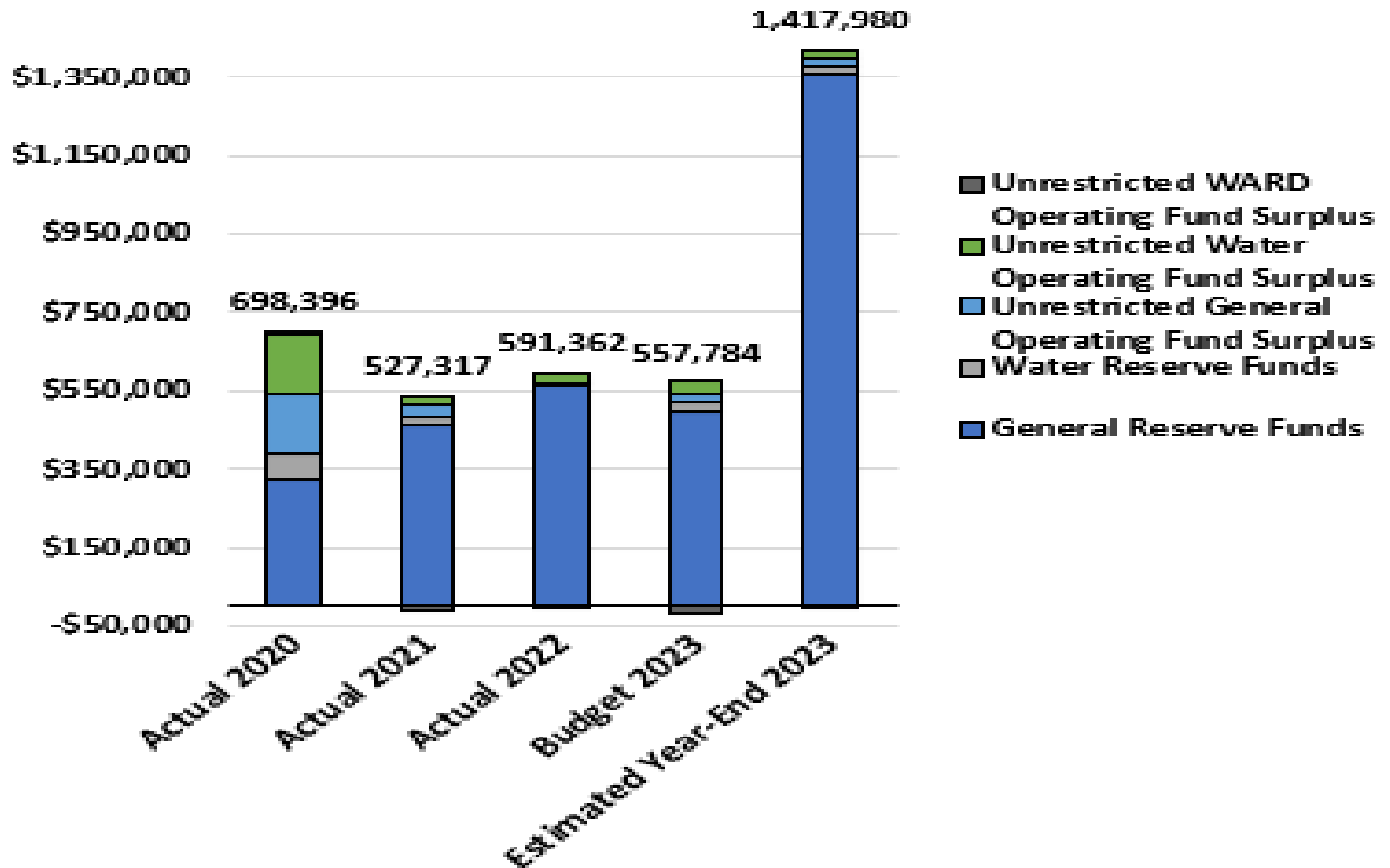
Dollars (with payments discounted over 10 years @ 5%)

\$558,397



Reserves & Surplus Transfers

Historical Transfers to (from) Reserves & Surpluses

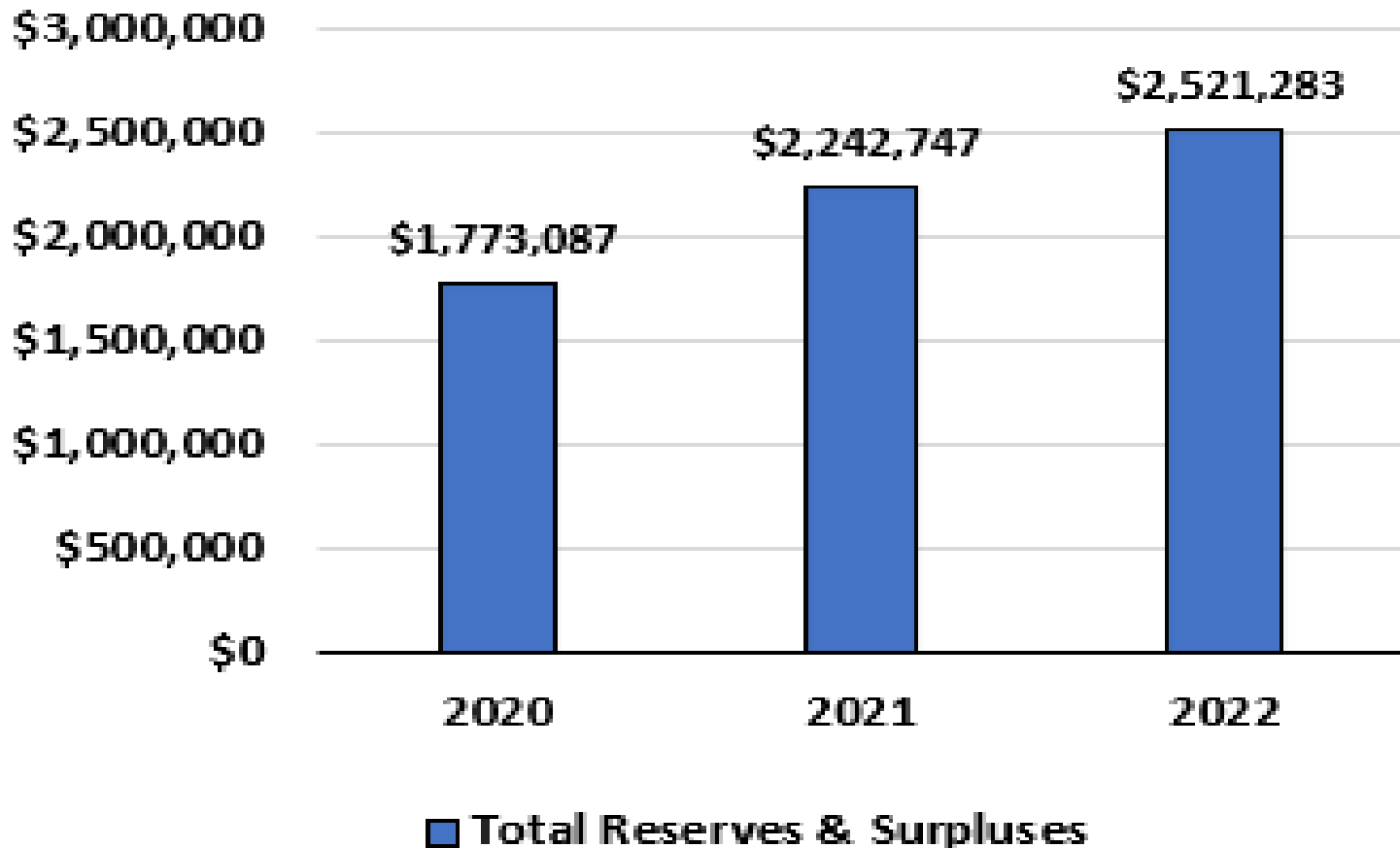


Reserve & Surplus Balances



VILLAGE OF
BELCARRA

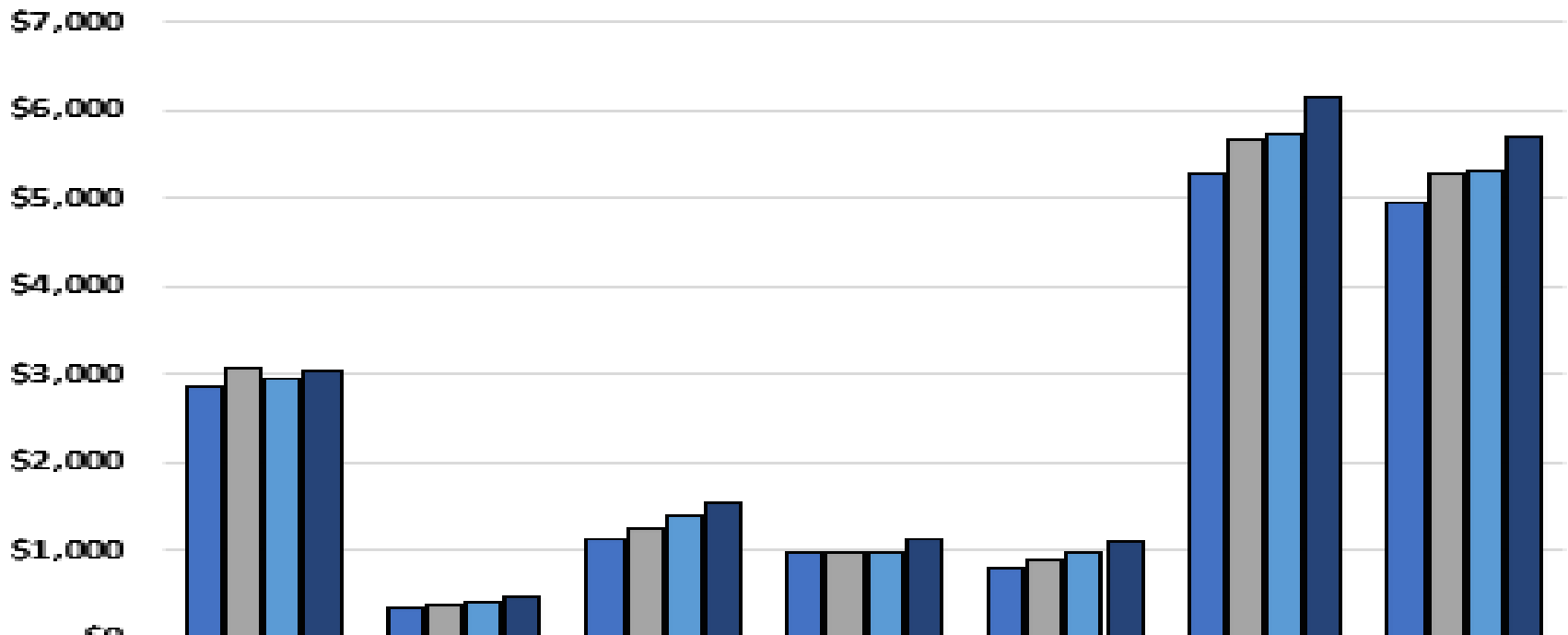
Total Reserve & Surplus Balances





Property Taxes & Utility Fees

Property Tax & Utility User Rates History



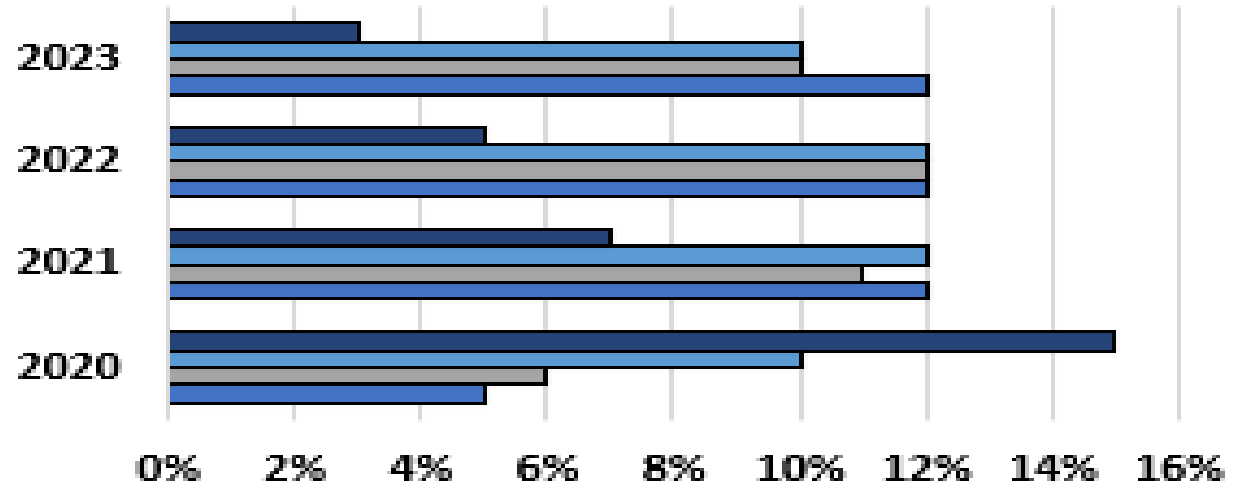
	Property Taxes	WARD Fee	Water Fee (Connected)	Water Parcel Tax	Water Fee (Non-Connected)	Total Taxes & Fees (Connected to Water System)	Total Taxes & Fees (Not Connected to Water System)
2020	2,842	332	1,119	973	785	5,266	4,932
2021	3,063	372	1,253	973	879	5,661	5,287
2022	2,939	417	1,403	973	984	5,732	5,313
2023	3,027	467	1,543	1,110	1,082	6,147	5,686

Property Taxes & Utility Fees



VILLAGE OF
BELCARRA

% Changes in Property Taxes & User Fees



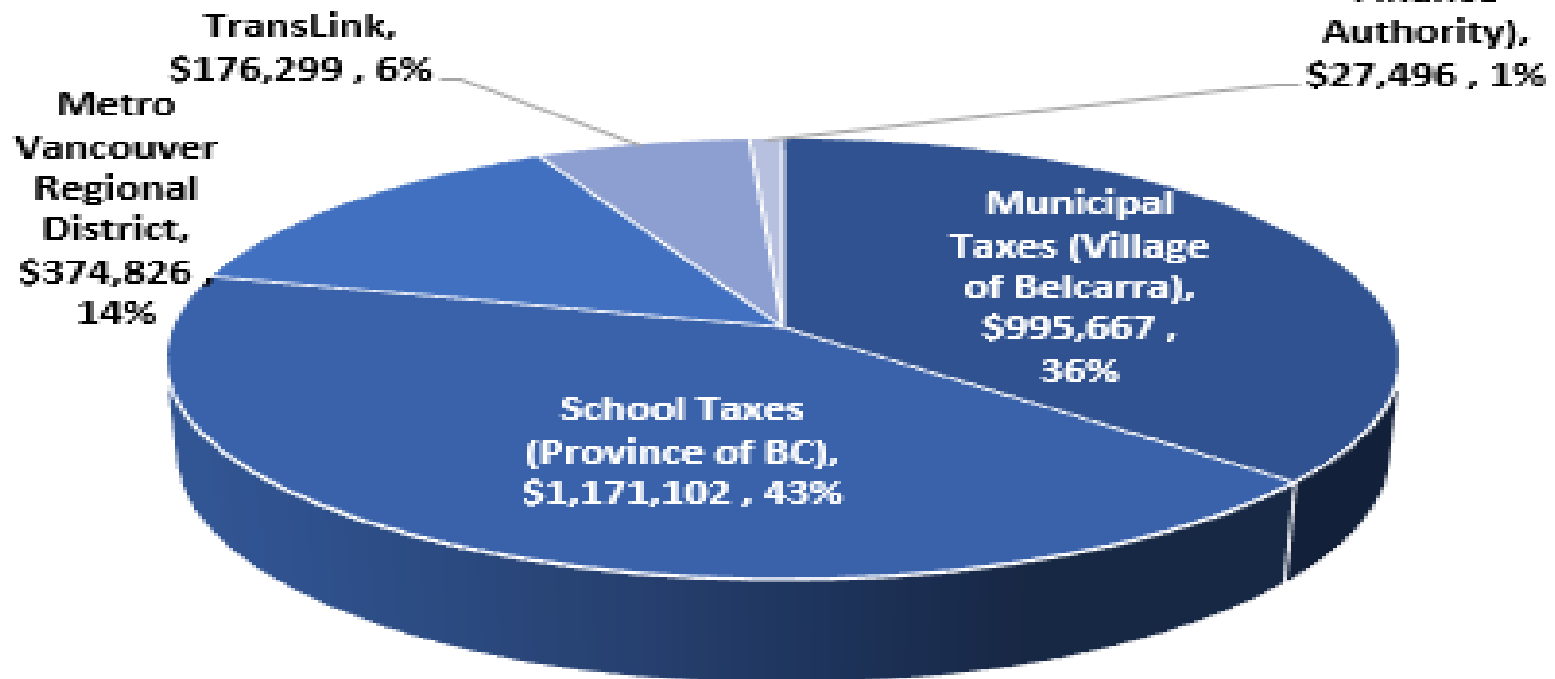
	2020	2021	2022	2023
■ Property Taxes - % change	15%	7%	5%	3%
■ Water Not Connected Fee - % change	10%	12%	12%	10%
■ Water Connected Fee - % change	6%	11%	12%	10%
■ Refuse & Recycling Fee - % change	5%	12%	12%	12%

Property Taxes & Utility Fees



VILLAGE OF
BELCARRA

2023 Taxes Raised by Various Taxing Authorities (Total = \$2,745,390)

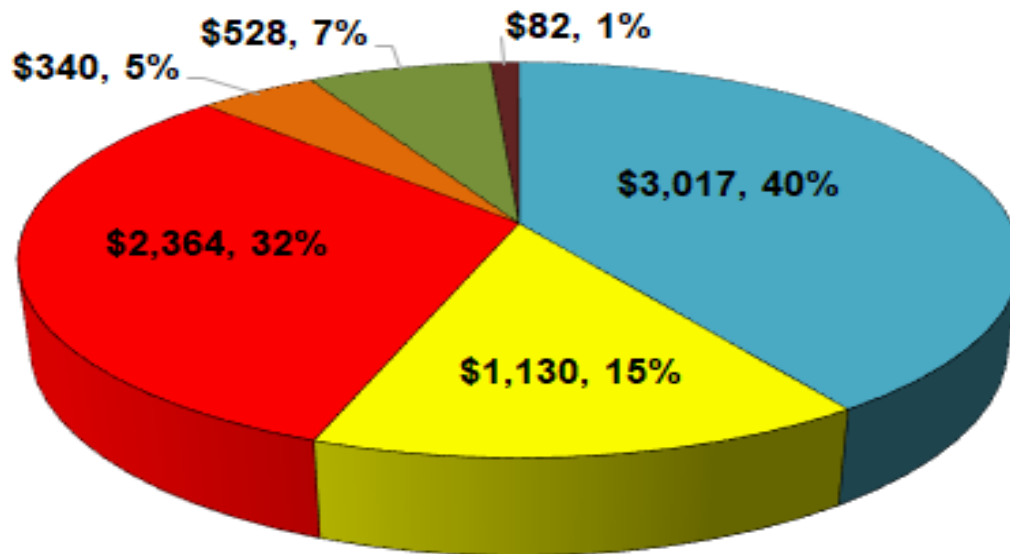


Property Taxes & Utility Fees



VILLAGE OF
BELCARRA

**2023 Property Taxes from all Taxing Authorities on Average
Assessed Value Home in Belcarra
(Total Taxes of \$7,461)**



- Village of Belcarra
- Metro Vancouver
- Province of BC School
- Province of BC Police
- TransLink
- MFA & BCAA

Growth & Development



VILLAGE OF
BELCARRA

- ▶ **The Village generates limited additional property taxation from new assessments or new construction**
- ▶ **New construction revenue has averaged between \$5,000 and \$6,000 annually over the past 4 years**
- ▶ **Assessed values in Belcarra have been increasing due to market changes**
- ▶ **More taxes going to other taxing authorities**

Asset Management Plan & Funding



**VILLAGE OF
BELCARRA**

Asset Groups (Systems)	Replacement Value (2023 CAD)	Average Life Span	Average Remaining Years	% of Useful Life Consumed
Land & Natural Assets	N/A	N/A	N/A	N/A
Buildings, Structures and Components	\$1,399,500	44	24	44%
Equipment	\$155,900	18	14	23%
Fleet	\$500,000	12	11	8%
Information Systems	\$94,000	5	3	40%
Multi-Use Path, Trail & Road Shoulder Network	\$136,767	26	15	43%
Stormwater Collection	\$4,029,252	72	40	44%
Transportation	\$4,521,164	23	13	44%
Waste & Recycle Depot	\$185,000	15	11	27%
Water Treatment and Distribution	\$10,502,029	66	44	34%
Grand Total	\$21,523,612			

Asset Management Plan & Funding



**VILLAGE OF
BELCARRA**

Assets Groups (Systems)	Sustainable Annual Funding	Actual Annual Funding	Difference [Annual Funding - Gap or Excess]
Land & Natural Assets	N/A	N/A	N/A
Buildings & Components	\$30,454	As per below	As per below
Equipment	\$7,720	As per below	As per below
Fleet	\$41,667	As per below	As per below
Information Systems	\$18,800	As per below	As per below
Multi-Use Pathways, Trails & Road Shoulder (MTRS) Network	\$5,230	As per below	As per below
Stormwater Collection	\$57,576	As per below	As per below
Transportation	\$208,887	As per below	As per below
Subtotal General Capital	\$370,334	\$570,000	\$199,666
Waste & Recycle Depot	\$16,083	\$1,000	-\$15,083
Water Treatment and Distribution	\$189,320	\$23,200	-\$166,120
Grand Totals	\$575,737	\$594,200	\$18,463

Tax & Utility Rates Scenarios



**VILLAGE OF
BELCARRA**

		Option A (8% increase in property taxes, 20% increase in water user rates, 20% increase in WARD user rates)			Option B (10% increase in property taxes, 20% increase in water user rates, 20% increase in WARD user rates)		
FOR AVERAGE ASSESSED VALUE RESIDENTIAL CLASS PROPERTY	2023 Actual	\$ Levies	% Increase	\$ Increase	\$ Levies	% Increase	\$ Increase
<u>For Homes Connected to Water System</u>							
Property Taxes	3,017	3,258	8.0%	241	3,319	10.0%	302
Water User Fee (connected to water system)	1,543	1,852	20.0%	309	1,852	20.0%	309
Water Parcel Tax	1,110	1,110	0.0%	0	1,110	0.0%	0
Waste & Recycle Depot (WARD) User Fee	467	560	20.0%	93	560	20.0%	93
Total Property Taxes, User Rates & Parcel Tax	6,137	6,780	10.5%	643	6,841	11.5%	704
<u>For Homes Not Connected to Water System</u>							
Property Taxes	3,017	3,258	8.0%	241	3,319	10.0%	302
Water User Fee (not connected to water system)	1,082	1,298	20.0%	216	1,298	20.0%	216
Water Parcel Tax	1,110	1,110	0.0%	0	1,110	0.0%	0
Waste & Recycle Depot (WARD) User Fee	467	560	20.0%	93	560	20.0%	93
Total Property Taxes, User Rates & Parcel Tax	5,676	6,226	9.7%	550	6,287	10.8%	611



Tax & Utility Rates Scenarios

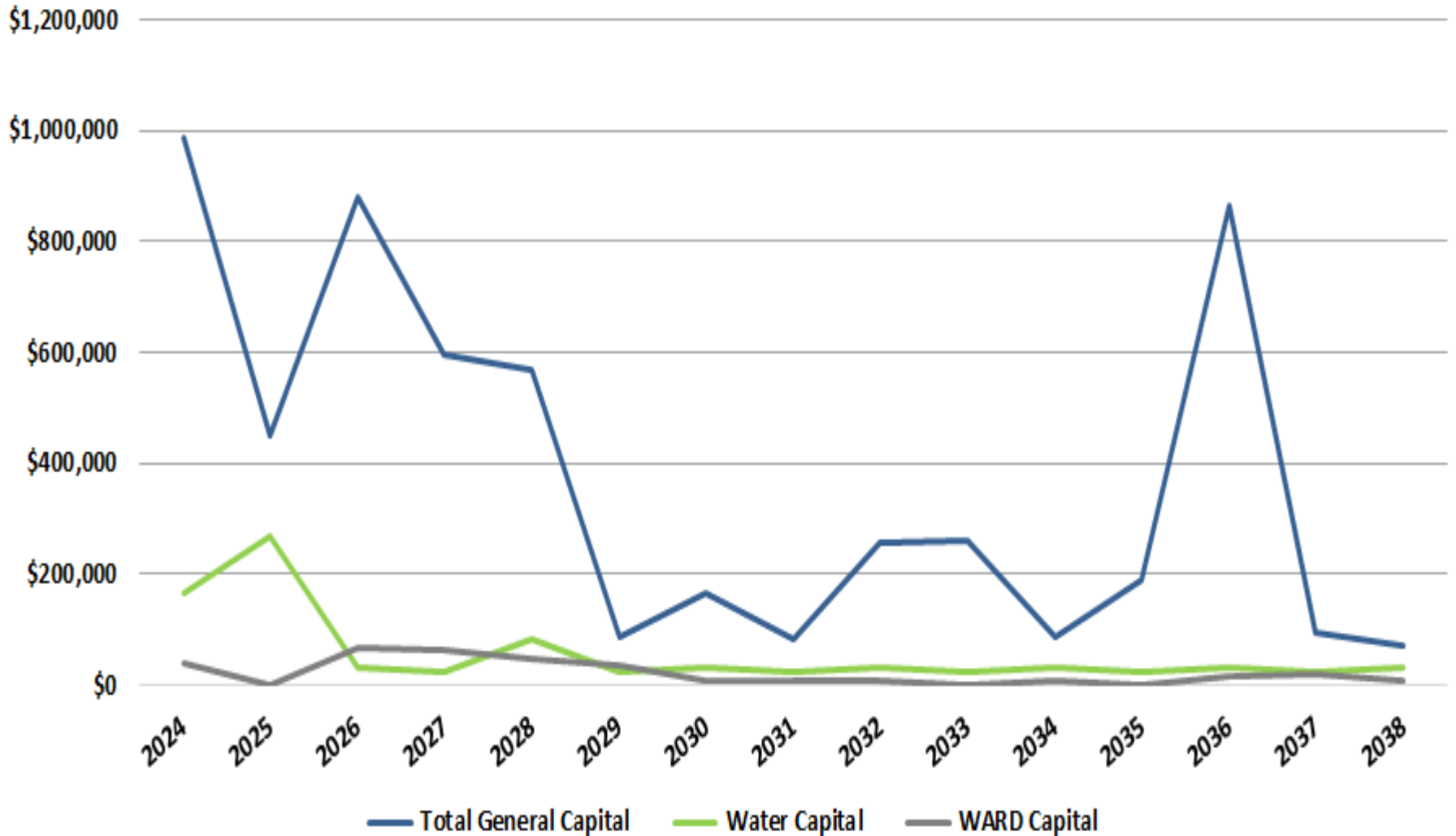
- ▶ Relationship Between Property Assessments and Property Taxes
 - ▶ Individual property tax increases may be lower or higher than the approved tax increase
 - ▶ If your property's assessment value increased by the Belcarra average, your general municipal property taxes should increase by approximately the approved increase
 - ▶ If your property assessment value change was higher or lower than the Belcarra average, your general municipal property taxes will vary accordingly
 - ▶ Latest information shows that assessments have increased by about 5.8% in 2024

Long-Term (15-Year) Capital Plans



VILLAGE OF
BELCARRA

15-Year (2024 - 2038) Capital Plan



Major Projects 5-Year General Capital Plan



**VILLAGE OF
BELCARRA**

	Major Projects over Next 5 Years (with program value greater than or equal to \$20,000)					
	Draft Budget 2024	Plan 2025	Plan 2026	Plan 2027	Plan 2028	Total Capital 2024 - 2038
GENERAL CAPITAL						
General & Information Technology						
Computers/Hardware	23,000	1,800	10,100	12,600	2,000	49,500
Subtotal General	\$23,000	\$1,800	\$10,100	\$12,600	\$2,000	49,500
Public Works & Municipal Hall						
New Generator (for Municipal Hall & Public Works)			40,000			40,000
Permanent Shelter For Public Works Machinery			100,000			100,000
Public Works Driveway			50,000			50,000
Public Works Fuel Station (above ground fuel tank, pump & catchment) (per Asset Management)				40,000		40,000
Public Works Equipment	8,500	5,000	5,000	5,000	5,000	28,500
Municipal Hall Septic Systems (per Asset Management)		75,000				75,000
Subtotal Public Works	\$8,500	\$80,000	\$195,000	\$45,000	\$5,000	\$333,500
Vehicles & Equipment						
Chipper (per Asset Management)				20,000		20,000
Holland TN70DA Tractor, Deluxe Cab 4x4 with bucket/New Backhoe, JD 310	160,000					160,000
Subtotal Vehicle & Attachments	\$160,000	\$0	\$0	\$20,000	\$0	\$180,000
Non-MRN Roads including Access						
Marine Ave - Mill & Fill (Marine)	250,411					250,411
Turn around area 4000 block Marine ave (per Asset Management)				60,000		60,000
Belcarra Bay Rd (from stop sign to Turtlehead Rd) + possible drainage design			287,500			287,500
Belcarra Bay Rd (from Turtlehead Rd to Whiskey Cove Lane)					200,000	200,000
Senkler Bridge Wing Wall Repair (per Council motion)	20,000					20,000
Tatlow Station Access Rd.				70,000		70,000
Road Rehabilitation (including pothole repairs)		30,000		30,000		60,000
Shouldering Boulevards		15,000		15,000	15,000	45,000
Subtotal Non-MRN Roads	\$270,411	\$45,000	\$287,500	\$175,000	\$215,000	\$992,911

Major Projects 5-Year General Capital Plan



**VILLAGE OF
BELCARRA**

Major Projects over Next 5 Years (with program value greater than or equal to \$20,000)						
	Draft Budget 2024	Plan 2025	Plan 2026	Plan 2027	Plan 2028	Total Capital 2024 - 2038
GENERAL CAPITAL						
MRN Roads						
Bedwell Bay Upgrade Project (BBUP) (Design)	45,000					45,000
Bedwell Bay Upgrade Project (BBUP) (Construction)	316,250	316,250	316,250	316,250		1,265,000
Gabion wall Main Ave (intersection Bedwell Bay Rd) (per Asset Management)					250,000	250,000
Bedwell Bay Road Safety Barriers	49,929					49,929
Subtotal MRN Roads	\$411,179	\$316,250	\$316,250	\$316,250	\$250,000	\$1,609,929
Drainage						
Creek Surveys (assess riparian areas)	20,000					20,000
Storm Sewer & Catch Basin Replacements			15,000		15,000	30,000
Subtotal Storm Sewer	\$20,000	\$0	\$15,000	\$0	\$15,000	\$50,000
Parks & Recreation						
Trail System Rehabilitation & Improvements	5,000	5,000	5,000	5,000	5,000	25,000
Concrete stairs with wooden railing - Marine Ave (per Asset Management)					20,000	20,000
Senkler Bridge Inspections, Repair & Renewal	20,000			10,000		30,000
Salish Foreshore Bridge			20,000			20,000
Three (3) Trails from Marine Avenue to Beach (3400 block) Marine – wooden stairs down to beach; 3700 block – divers' trail; 3900 block Marine – cement staircase	50,000				20,000	70,000
Subtotal Parks & Recreation	\$75,000	\$5,000	\$25,000	\$15,000	\$45,000	\$165,000
TOTAL GENERAL CAPITAL	\$968,090	\$448,050	\$848,850	\$583,850	\$532,000	\$3,380,840

Major Projects 5-Year Water Capital Plan



**VILLAGE OF
BELCARRA**

Major Projects over Next 5 Years (with program value greater than or equal to \$20,000)

WATER CAPITAL	Draft Budget 2024	Plan 2025	Plan 2026	Plan 2027	Plan 2028	Total Capital 2024 - 2038
Universal Water Meters (radio read/pit antennae)		40,000	10,000			50,000
New Water Meters	10,000				10,000	20,000
New Water Meter for Leak Detection (Tatlow)		30,000				30,000
Tatlow/Dutchman Reservoir Repairs	30,000					30,000
Options for Addressing Water System Deficiencies	30,000					30,000
Water Meters (per Asset Management)	5,000	5,000	5,000	5,000	5,000	25,000
Water Equipment	15,000	15,000	15,000	15,000	15,000	75,000
Water Chlorination System Class B Design	46,000					46,000
Water Chlorination System Construction		175,000				175,000
Pipeline Inspection (see Sept. 11th, 2023 Council agenda)	29,000					29,000
Tatlow Reservoir Water Pump					55,000	55,000
TOTAL WATER CAPITAL	\$165,000	\$265,000	\$30,000	\$20,000	\$85,000	\$565,000

Major Projects 5-Year WARD Capital Plan



**VILLAGE OF
BELCARRA**

Major Projects over Next 5 Years (with program value greater than or equal to \$20,000)						
	Draft Budget 2024	Plan 2025	Plan 2026	Plan 2027	Plan 2028	Total Capital 2024 - 2038
WASTE & RECYCLE DEPOT (WARD) CAPITAL						
Minor WARD Equipment	8,000		8,000		8,000	24,000
Wasteline porta Pak 3032 compactor and container - Bin A (per Asset Management)				50,000		50,000
Universal UP200 compactor and container - Bin C (per Asset Management)					40,000	40,000
Mobile Office	30,000					30,000
Repaving Tarmac Area			50,000			50,000
TOTAL WARD CAPITAL	\$38,000	\$0	\$58,000	\$50,000	\$48,000	\$194,000

Summary of Funding for 5-Year Capital Plans



**VILLAGE OF
BELCARRA**

CAPITAL FUNDING SOURCES	5-Year Capital Plan				
	Draft Budget 2024	Plan 2025	Plan 2026	Plan 2027	Plan 2028
Canada Community-Building Fund Reserve	353,893	-	-	-	62,500
General Capital Reserve	280,660	77,400	266,600	70,430	36,700
Vehicle & Equipment Capital Reserve	8,500	5,000	45,000	96,000	68,000
Transportation Infrastructure Reserve	75,000	50,000	318,500	180,000	260,000
Growing Communities Fund Reserve	109,250	284,250	109,250	109,250	-
Water Capital Reserve	119,000	95,000	30,000	25,000	85,000
Grants TransLink	244,447	207,000	207,000	207,000	187,500
TOTAL FUNDING SOURCES	\$1,190,750	\$718,650	\$976,350	\$687,680	\$699,700

Budget/Financial Plan Scenarios



**VILLAGE OF
BELCARRA**

► General Operating Fund

Option A - 8% increase in Property Taxes	2024	2025	2026	2027	2028
General Property Tax Increases	8.0%	4.0%	4.0%	4.0%	4.0%
Transfers to General Fund Reserves & Surplus	\$620,146	\$648,037	\$646,374	\$678,265	\$595,067
Option A - General Fund Reserve & Surplus Balances (8% Annual Increases)	\$2.955M	\$3.108M	\$2.965M	\$3.099M	\$3.115M
Option B - 10% increase in Property Taxes	2024	2025	2026	2027	2028
General Property Tax Increases	10.0%	4.0%	4.0%	4.0%	4.0%
Transfers to General Fund Reserves & Surplus	\$640,059	\$668,748	\$667,911	\$700,663	\$618,362
Option B - General Fund Reserve & Surplus Balances (10% Annual Increases)	\$2.975M	\$3.15M	\$3.03M	\$3.188M	\$3.23M

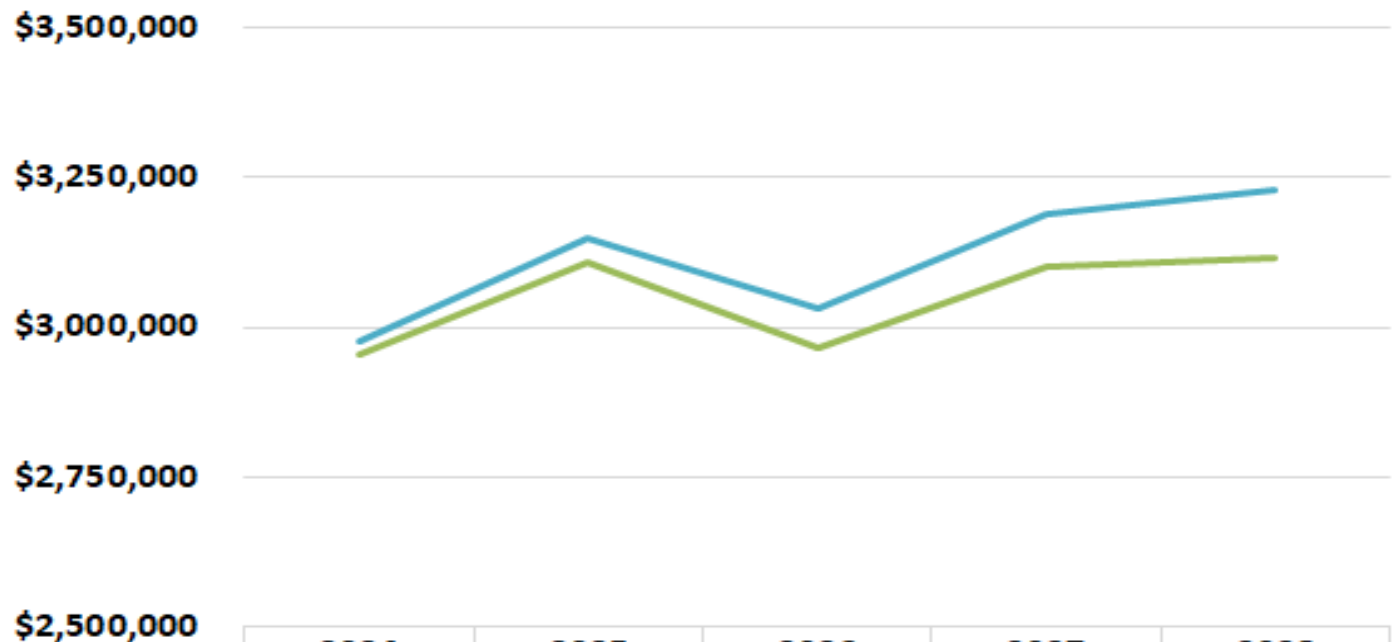
Budget/Financial Plan Scenarios



VILLAGE OF
BELCARRA

► General Operating Fund

**General Operating Fund Reserve & Surplus Balances
Resulting From Scenarios**



	2024	2025	2026	2027	2028
Option A - General Fund Reserve & Surplus Balances (8% Annual Increases)	\$2.955M	\$3.108M	\$2.965M	\$3.099M	\$3.115M
Option B - General Fund Reserve & Surplus Balances (10% Annual Increases)	\$2.975M	\$3.15M	\$3.03M	\$3.188M	\$3.23M

Budget/Financial Plan Scenarios



VILLAGE OF
BELCARRA

► Water Operating Fund

	2024	2025	2026	2027	2028
Water Rate Increases	20.0%	15.0%	15.0%	5.0%	5.0%
Transfers to Water Fund Reserves & Surplus	\$76,048	\$131,378	\$189,374	\$212,035	\$191,259
Water Fund Reserve & Surplus Balances	\$213,000	\$253,000	\$419,000	\$618,000	\$742,000

Budget/Financial Plan Scenarios



VILLAGE OF
BELCARRA

► WARD Operating Fund

	2024	2025	2026	2027	2028
Waste & Recycle Depot Rate Increases	20.0%	10.0%	10.0%	4.0%	4.0%
Transfers to (from) WARD Surplus & Reserves	(\$9,618)	\$4,564	\$14,794	\$19,166	\$12,849
WARD Reserve & Surplus Balances	\$6,705	\$11,663	\$36,921	\$55,377	\$67,554

Next Steps



**VILLAGE OF
BELCARRA**

VILLAGE OF BELCARRA 2024 – 2028 FINANCIAL PLAN/BUDGET SCHEDULE (2024 Budget Cycle)



DATE(S)	EVENT/TASK	PERSONS	COMMENTS
Monday February 5, 2024	Regular Council Meeting – public consultation and feedback session on Long-Term Financial Plan including 2024 Budget	Council CAO & Staff Financial Consultant	Public budget consultation session to start at 6:00 pm and to begin with brief presentation by financial consultant
Tuesday February 20, 2024	Regular Council Meeting – Council consideration and final direction on 2024 – 2028 Financial Plan/2024 Budget	Council	Includes approval of final property tax, water user fee and waste & recycling rate increases.
Monday March 11, 2024	Regular Council Meeting – first, second & third readings of 2024 – 2028 Financial Plan Bylaw and 2024 Utility Rates Bylaw	Council	
Tuesday April 2, 2024	Regular Council Meeting – adoption of 2024 – 2028 Financial Plan Bylaw and 2024 Utility Rates Bylaw	Council	
Monday April 22, 2024	Regular Council Meeting – first, second & third readings of 2024 Tax Rates bylaw	Council	
Monday May 6, 2024	Regular Council Meeting – adoption of 2024 Tax Rates bylaw	Council	



- ▶ **Public presentation & feedback on Financial Sustainability Report (FSR)**
- ▶ **Consideration of recommendations in FSR**
- ▶ **Implementation of recommendations in FSR**