



COUNCIL REPORT

Date: October 6, 2025

From: Ken Bjorgaard, Financial Consultant and Melony Burton, Chief Administrative Office

Subject: Draft Long-Term Financial Plan (2026-2040) and Projected 2025 Budget Variances

Recommendations

That the revised 2026 – 2030 Financial Plan/Budget Schedule be approved; and

That the following proposed tax and rate increases for the 2026 - 2030 Financial Plan/Budget be presented for public consultation and feedback:

Property Taxes

3% increase in property taxes in 2026

4% increase in property taxes each year from 2027 to 2030 (subject to review/change in the next budget cycle)

Water User Fees

4% increase in water user rates in 2026

4% increase in water user rate in 2027 to 2030 (subject to review/change in the next budget cycle)

Waste & Recycle Depot (WARD) User Fees

5% increase in WARD user rates in 2026

4% increase in WARD user rate in 2027 to 2030 (subject to review and change in the next budget cycle).

Purpose

The purpose of this report is to present the: i) revised 2026 – 2030 Financial Plan/Budget Schedule, ii) projected 2025 budget/actual variances, and iii) Draft Long-Term Financial Plan (2026-2040) and Draft 2026 Budget. Information and supporting rationale is provided for the proposed tax and rate increases in 2026. Staff are seeking Council approval to bring the proposed increases to the public for consultation and feedback.

Discussion

The following sections provide information on the revised schedule, Draft Long Term Financial Plan and Draft 2026 Budget, and projected year-end budget/actual variances for 2025.

Revised Schedule

The revised 2026 – 2030 Financial Plan/Budget Schedule has eliminated one budget meeting which is not needed. As a result, the meeting dates have moved forward, and the public budget consultation session is now scheduled for October 20, 2025. A copy of the schedule is provided as Appendix A.

2025 Capital Budget/Actual Variances

The projected capital variances for 2025 are summarized below. Details for the capital variances are provided in Appendix B.

Capital Funds					
	A	B	C = B-A	D = C/A	
Description	Amended 2025 Budget	Estimated 2025 Year- End Balances	Projected Year- End/Budget \$ Variances	Projected Year- End/Budget % Variances	Comments
General Capital Expenditures	\$563,226	\$248,032	\$(315,194)	-56.0%	Detailed project listing in Appendix B
Water Capital Expenditures	\$328,250	\$315,130	\$(13,120)	-4.0%	Detailed project listing in Appendix B
WARD Capital Expenditures	\$100,000	\$41,092	\$(58,908)	-59.0%	Detailed project listing in Appendix B

2025 Projected Operating Budget/Actual Variances

Details of the projected 2025 operating budget/actual variances can be found on pages 23-27 of the Draft Long-Term Financial Plan (2026 -2040) in Attachment 1. This information has been used to inform the 2026 budget process and is summarized below for each of the operating funds.

General Operating Fund – 2025 Year End Budget Variances					
	A	B	C = B-A	D = C/A	
Description	Final 2025 Budget	Estimated 2025 Year- End Balance	Projected Year- End/Budget \$ Variances	Projected Year- End/Budget % Variances	Comments
Regular Operating Revenues ¹	\$1,828,272	\$1,751,314	\$(76,958)	-4.2%	Lower interest revenue and development revenue than budgeted for
Regular Operating Expenses ¹	\$1,496,572	\$1,521,327	\$24,755	1.7%	Unbudgeted expenses related to CRAB refund and recruitment costs
Allocation of Centralized Support Costs to MRN, Water & WARD	\$(350,237)	\$(355,035)	\$(4,798)	1.4%	Based on higher recovery from additional expenses than budgeted for
Transfers to General Reserves & Surplus	\$681,937	\$585,022	\$(96,905)	-14.2%	Less funds available for transfer to reserves based on lower revenue and higher expenses

¹ Not including one-time project revenues & expenses

² Exclusive of Community Works Funds transfer of \$65,633

Water Operating Fund – 2025 Year End Budget Variances					
	A	B	C = B-A	D = C/A	
Description	Final 2025 Budget	Estimated 2025 Year-End Balance	Projected Year-End/Budget \$ Variances	Projected Year-End/Budget % Variances	Explanations/Comments
Regular Operating Revenues	\$505,291	\$505,746	\$455	0.09%	
Regular Operating Expenses ¹	\$410,758	\$414,805	\$4,047	0.1%	Higher infrastructure costs from District of North Vancouver, and higher allocated centralized support costs and public works costs
Transfers to Reserves & Surplus	\$94,533	\$89,830	\$(4,703)	5.0%	Lower transfers resulting from higher expenses

¹ Does not include parcel tax revenue/expense difference of \$1,111

Waste & Recycle Depot (WARD) Operating Fund – 2025 Year End Budget Variances					
	A	B	C = B-A	D = C/A	
Description	Final 2025 Budget	Estimated 2025 Year-End Balance	Projected Year-End/Budget \$ Variances	Projected Year-End/Budget % Variances	Explanations/Comments
Regular Operating Revenues	\$247,163	\$246,316	\$(847)	-0.3%	
Regular Operating Expenses	\$234,840	\$228,536	\$(6,304)	-2.7%	Lower disposal costs for organics, waste and recyclables, based service changes and improvements, partially offset by higher staffing costs
Net Transfer from Surplus/Reserve	\$12,323	\$17,780	\$5,457	44.3%	Higher transfer resulting from lower expenses

Draft 2026 – 2040 Financial Plan

The Draft 2026 – 2040 Financial Plan includes the Draft 2026 Budget and is provided as Attachment 1. This document builds upon the 2024 Financial Sustainability Report and Asset Management Plan which were developed to support and guide decision making by the Village of Belcarra and its Council. This includes addressing the challenges associated with the allocation of limited resources, public expectations around services, competing priorities and the need for tax/rate payer affordability.

Like other local governments, the Village must fund programs and services with limited funding while addressing rising costs, increased service responsibilities and aging infrastructure. However, the Village is uniquely challenged with limited options for growth or development compared to most other communities and consequently must be very prudent when it comes to spending and controlling costs. The Financial Plan provides an opportunity to see the long-term consequences of present-day decisions, and to strategically allocate scarce resources in a cost-effective manner. This approach keeps the Village on a sound and sustainable financial track while delivering services and stewarding assets.

This Financial Plan focuses on the cost of maintaining existing services and service levels (core budgets), in the Village's three operating funds (General Operating Fund, Water Operating Fund, WARD Operating Fund), and the impact of various property tax and utility rate increases on the three funds and related reserve funds. The focus on core budget increases is one of the key recommendations which came out of the Financial Sustainability Report. Funding levels beyond those required to maintain core operations can be used to invest in asset replacements and build up reserves which are important for the long-term sustainability of the community.

Financial Principals and Objectives

A number of principals guiding the development of the Long-Term Financial Plan and annual budget can be found on pages 3-4 in Attachment 1. In alignment with these, the following objectives were key considerations in developing the 2026 Budget and longer term 2026-2040 Financial Plan:

- Operational budget: ensure delivery of core services and maintain assets to maximize their service life
- Capital budget: prioritize funding for the replacement of existing assets before new assets. Maximize the use of allocated and grant funding to offset the costs of approved projects. Prudent spending on new assets and ensuring that they align and support strategic priorities
- Reserve funds: save and build reserves for future asset replacements, emergencies, and unplanned costs
- Mitigate tax and fee increases: identify cost savings and operational efficiencies, spend within means (i.e. not planning more projects or operational work than the Village can deliver or afford), phase improvements incrementally and sustainably over time, develop/support staff to deliver optimum productivity and value, and maximize the use of allocated/grant funding to offset costs.
- Reduce external legal and consultant costs by developing and supporting staff to deliver work in-house

Asset Management Plan and Sustainable Annual Funding

Through the 2023 Asset Management Plan, sustainable annual funding levels were established for the replacement of existing assets. Further details are provided on page 6 in Attachment 1. The goal is to keep up with asset replacements as they are required to avoid falling behind or experiencing large replacement costs and related tax/rate increases in future years. Asset inventories and replacement costs are planned for review in order to update and refine the sustainable annual funding amounts for the next budget cycle.

Large Infrastructure Replacements

Large infrastructure replacements are typically funded through loans, levies, and/or grants. Examples include facility and building replacements such as fire halls, municipal halls, recreation centres, and public work yards/buildings. These multi-million, one-time investments are often difficult to fund from existing reserve funds. Through their asset management plans, municipalities have started investing in annual asset replacements while also saving money in reserves for future replacements. However, this was not the practice when most facilities and assets were constructed, and consequently why most municipalities today have insufficient savings in place to fund their replacements.

Recent discussions at the SFVD Board of Trustees have centered around an accelerated timeframe for the replacement of the two firehalls in Anmore and Belcarra. As discussions are at an early stage, the scope and magnitude of the capital expenditures for the firehalls has not yet been determined. As noted earlier, the Village is uniquely challenged with limited options for development compared to most other communities. With little to no growth, there is no development funding to apply a 'growth pays for growth' approach through the introduction of development cost charges which typically fund facility expansions (versus like-for-like replacements).

Consequently, the Village needs to be very prudent when it comes to spending and controlling costs. For the Belcarra firehall, this includes a focus on essential costs and replacement of the existing facility with safety and seismic upgrades, rather than an expanded facility. On a related note, it is important to keep in mind that new and upgraded assets come with increased operation and maintenance costs.

Once the scope and costs have been confirmed, a plan will be developed to fund the firehall replacements through loans, special levy, grants or a combination.

General Operating Fund

Details on the General Operating Fund, including core budget changes and tax increases, are provided on pages 7-9 in Attachment 1.

A 3% property tax increase scenario is being recommended for 2026, as it provides a balance between present day affordability for residents while ensuring the Village is keeping up with asset replacements now and building up reserves for future replacements.

Tax increases were mitigated through in-house work by staff to reduce external legal and consulting costs, as well as more efficient operations and cost savings. The Village will continue to be impacted by inflation and costs in the broader economic environment, and while external conditions cannot be controlled, staff will continue to identify and make internal adjustments to mitigate the impacts wherever possible. Available grant funding was also applied to offset capital expenditures and tax increases in 2026.

Water Operating Fund

Details on the Water Operating Fund, including core budget changes and tax increases, are provided on pages 10-11 in Attachment 1.

A 4% water rate increase scenario is recommended for 2026, as it provides a balance between present day affordability for residents while ensuring the Village is keeping up with asset replacements now and building up reserves for future replacements.

Tax increases were mitigated through in-house work by staff to reduce external consulting costs, as well as more efficient operations and staff identified cost savings. Available grant funding was also applied to offset capital expenditures and tax increases in 2026.

Ward Operating Fund

Details on the Water Operating Fund, including core budget changes and tax increases, are provided on pages 12-13 in Attachment 1.

A 5% WARD rate increase scenario is recommended for 2026, as it provides for the payback of the internal loan provided for the General Operating Fund surplus as well as a balance between present day affordability for residents while ensuring the Village is keeping up with asset replacements now and building up reserves for future replacements.

Tax increases were mitigated through operational service improvements and staff identified cost savings. Available grant funding was also applied to offset capital expenditures and tax increases in 2026.

Capital Plan

Information on the Capital Plan is provided on pages 14-18 in Attachment 1.

The Capital Plan supports the Long-Term Financial Plan and budgeting objectives with a focus on asset replacements. Scheduling and phasing projects appropriately helps the Village to spend within their means while saving money in reserves for future asset replacements. Additionally, it supports staff with the adequate time and resources to deliver capital projects successfully, while also delivering operational services and maintaining assets to maximize their useful life.

In addition to prioritizing the replacement of existing assets over new assets, the plan proposes prudent spending on new assets while ensuring that they align with strategic priorities. Expenditures on new assets reduce the funding available for asset replacements, may necessitate tax or rate increases, and incur additional operating and maintenance costs.

Grant funding is also used to offset capital expenditures each year to mitigate tax increases, which allows the Village to invest in asset replacements and set aside money in reserves for future replacements.

Projected Reserve and Surplus Balances

Information on the Project Reserve and Surplus Balances is provided on page 20 in Attachment 1.

The Village's reserve and surplus accounts are projected to grow from about \$3.9 million to \$5.6 million over the next 5 years based on the Draft 2026 – 2030 Financial Plan, which includes the planned reserve and surplus transfers and capital spending.

Summary of Financial Indicators

A Summary of Financial Indicators table is provided on page 21 in Attachment 1 and includes the annual reporting of the financial indicators for sustainability, flexibility and vulnerability.

Significant progress has been made in moving the Village of Belcarra in a positive financial direction over the past few years. The indicators are trending in a positive direction and demonstrate that the Village is in a good financial position.

Property Tax and Utility Rate Scenarios

Two (2) 2026 budget scenarios for property taxes, water user rates and WARD user rates are presented on pages 9, 11 and 13 in Attachment 1, and summarized below.

Scenario A is the proposed tax and rate increases recommended by staff based on financial analysis

Scenario A: 3% property taxes; 4% water user rates; 5% WARD user rates

Results in overall 3.0% or \$220.00 increase for those connected to the water system and 2.9% or \$197.00 for those not connected to the water system.

Scenario B is based on the estimated 2026 tax and rate increases from the 2025 - 2029 Financial Plan

Scenario B - 4% property taxes; 5% water user rates; 15% increase in WARD user rates

Results in overall 4.7% or \$343.00 increase for those connected to the water system and 4.6% or \$313.00 for those not connected to the water system

2026 Increases in Municipal Property Taxes, User Rates and Parcel Tax Based on Different % Increases

Based on Estimated Average Value Home used in 2024 adjusted to Market value in 2025 = \$2,595,849

		Scenario "A" (3% increase in property taxes, 4% increase in water user rates, 5% increase in WARD user rates)			Scenario "B" (4% increase in property taxes, 5% increase in water user rates, 15% increase in WARD user rates)		
FOR AVERAGE ASSESSED VALUE RESIDENTIAL CLASS PROPERTY	2025 Actual	\$ Levies	% Increase	\$ Increase	\$ Levies	% Increase	\$ Increase
For Homes Connected to Water System							
Property Taxes	3,581	3,688	3.0%	107	3,724	4.0%	143
Water User Fee (connected to water system)	1,982	2,061	4.0%	79	2,081	5.0%	99
Water Parcel Tax	1,110	1,110	0.0%	0	1,110	0.0%	0
Waste & Recycle Depot (WARD) User Fee	672	706	5.0%	34	773	15.0%	101
Total Property Taxes, User Rates & Parcel Tax	7,345	7,565	3.0%	220	7,688	4.7%	343
For Homes Not Connected to Water System							
Property Taxes	3,581	3,688	3.0%	107	3,724	4.0%	143
Water User Fee (not connected to water system)	1,389	1,445	4.0%	56	1,458	5.0%	69
Water Parcel Tax	1,110	1,110	0.0%	0	1,110	0.0%	0
Waste & Recycle Depot (WARD) User Fee	672	706	5.0%	34	773	15.0%	101
Total Property Taxes, User Rates & Parcel Tax	6,752	6,949	2.9%	197	7,065	4.6%	313

Staff recommend that the proposed tax and rate increases for the 2026 - 2030 financial plan/budget in Scenario A be presented for public consultation and feedback.

After a period of larger property tax, water rate, and WARD rate increases in prior years, the Village's reserves are now at a more sustainable level and trending upwards, therefore more moderated tax and rate increases are possible. Cost savings, operational efficiencies, reduced external costs, and grant funding also helped to mitigate tax increases, and allow for lower rate increases in 2026 than projected in the 2025 Financial Plan.

Next Steps

A public budget consultation meeting is scheduled for October 20, 2025 to present the Draft Long Term Financial Plan and proposed property tax, water rate and WARD rate increases to the public for feedback. Notification regarding the meeting will be provided at least seven days in advance through mail, email, the Village website, digital newspaper advertisement, and posted notifications at the Village Hall and transit shelters.

Consideration of the public consultation feedback and determination of the final property tax and utility rate increases for the 2026-2030 financial plan and 2026 user rate bylaw is scheduled for November 3, 2025.

Prepared by:



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Appendix A: Revised Financial Plan/Budget Schedule (2026 Budget Cycle)

Appendix B: Projected 2025 Capital Budget/Actual Variances Based on Results to September 2025

Attachment 1: Draft 2026 – 2040 Financial Plan

Appendix A: Revised 2026 – 2030 FINANCIAL PLAN/BUDGET SCHEDULE (2026 Budget Cycle)

DATE(S)	Council Meeting	EVENT/TASK
Sept 15, 2025	Regular	Financial Plan Schedule Presentation and approval of the financial plan schedule.
Oct 6, 2025	Regular	Draft 2026-2030 Financial Plan Presentation, review and approval of proposed operating and capital budgets and five year financial plan. Review of property tax and utility rate increase scenarios to fund the operating and capital budgets and decision on proposed increases for public consultation.
Oct 20, 2025	Regular	Tax and Utility Rates - Public Consultation Presentation of draft financial plan and proposed property tax and utility rate increases to the public for feedback.
Nov 3, 2025	Regular	Tax and Utility Rates - Finalization Consideration of public consultation feedback and determination of final property tax and utility rate increases for the 2026-2030 financial plan and 2026 user rate bylaws.
Dec 1, 2025	Regular	Financial Plan and User Rate Bylaws – First 3 Readings Presentation of the 2026-2030 financial plan and 2026 user rate bylaws for first three readings.
Dec 15, 2025	Special	Financial Plan and User Rate Bylaws - Adoption Presentation of the 2026-2030 financial plan and 2026 user rate bylaws for adoption.
By Apr 30, 2026	Regular	Tax Rate Bylaw – First 3 Readings Presentation of the 2026 tax rates bylaw for first three readings.
By May 15, 2026	Regular	Tax Rate Bylaw - Adoption Adoption of the 2026 tax rates bylaw

Appendix B – Projected 2025 Capital Budget/Actual Variances Based on Results to September 2025

Projected 2025 Capital Budget Variances						
	2025 Amended Budget	Revenue/ Expenses to June 2025	Year-End Projected Balances	Projected Variances		Explanation/Comments
				\$'s	%	
GENERAL CAPITAL						
Revenue (Funding from Reserves & Grants)	(563,226)	0	(248,032)	315,194	-56.0%	
Expenses						
COMP SRVRS & PERIPHERALS	14,400	9,710	12,210	(2,190)	-15.2%	
ATCO TRAILER	31,000	32,050	32,050	1,050	3.4%	
MUNICIPAL HALL AIR CONDITIONING SYS	20,000	16,200	16,200	(3,800)	-19.0%	Modifications made to achieve cost efficiencies
MARINE AVE MILL & FILL	212,826	46,407	53,238	(159,588)	-75.0%	Budget carry forward to 2025 was higher than needed as more work was completed in 2024.
ROAD REHAB (INCL POTHOLE REPAIRS)	30,000	0	0	(30,000)	-100.0%	Work being completed in operating
SHOULDERING BOULEVARDS	15,000	0	0	(15,000)	-100.0%	Work being completed in operating
BEDWELL BAY UPGRADE PROJ DES	100,000	0	100,000	0	0.0%	Planned for Q3/Q4 2025
SENKLER BRIDGE WING WALL REPAIR	20,000	9,334	9,334	(10,666)	-53.3%	Cost savings due to use of in-house staff and small contractor
CATCH BASIN ON SALISH RD	20,000	0	0	(20,000)	-100.0%	Works completed by in-house staff
PUBLIC WORKS EQUIPMENT	25,000	12,170	25,000	0	0.0%	Other equipment on order (e-battery blower)
CREEK SURVEYS (RIPARIAN AREAS)	20,000	0	0	(20,000)	-100.0%	Planned for 2026
TRAIL SYSTEM IMPROVEMENTS	5,000	0	0	(5,000)	-100.0%	Individual projects will budgeted as per ATNP
TRAIL IMPROVEMENTS (MARINE)	50,000	0	0	(50,000)	-100.0%	Planned for 2026
Total Expenses	563,226	125,871	248,032	(315,194)	-56.0%	
WATER CAPITAL						
Revenue (Funding from Reserves)	(328,250)	0	(315,130)	13,120	-4.0%	
Expenses						
NEW WATER METER FOR LEAK DET (Tatlow)- Matls & Equ	30,000	0	30,000	0	0.0%	Planned for Q3/Q4 2025
WATER EQUIPMENT - Materials & Equip	15,000	0	5,000	(10,000)	-66.7%	All of budget not required in 2025
SCADA SYSTEM-Contracts	10,000	0	10,000	0	0.0%	Planned for Q3/Q4 2025
WATER CHLORIN SYS CLASS B DES-Contracts	175,000	0	175,000	0	0.0%	Planned for Q3/Q4 2025
TATLOW/DUTCHMAN RES REPAIRS-Contracts	68,250	65,130	65,130	(3,120)	-4.6%	
INLET PIPELINE INSPECTION-Contracts	30,000	19,097	30,000	0	0.0%	Project moved forward from 2026 to 2025
Total Expenses	328,250	84,227	315,130	(13,120)	-4.0%	
WARD CAPITAL						
Revenue (Funding from Reserves)	(100,000)	0	(41,092)	58,908	-58.9%	
Expenses						
WARD MOBILE OFFICE	30,000	0	0	(30,000)	-100.0%	Rebudgeted in 2026 for consideration
REPAVE TARMAK AREA-Contracts	70,000	41,092	41,092	(28,908)	-41.3%	Paving and repair area smaller than expected
Total Expenses	100,000	41,092	41,092	(58,908)	-58.9%	