

**Finance Committee
May 16, 2023
On-Table Items**

Item Type	Date	Item No.	Item Name	Page Number(s)	Reason For On-Table Distribution
Presentation	May 16, 2023	3.3	2023 Capital Budget Follow Up	3-12	Received after agenda publication
Presentation	May 16, 2023	3.4	2024-2028 Financial Plan Guidelines	13-23	Received after agenda publication

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Description			2023	2024	2025	2026	2027
Stat Plan - Other							
CM	CM23001: Council Strategic Plan Goals	3. High	(150,000)	(125,000)	(125,000)	(125,000)	(150,000)
	2023 Corporate Project Plan - Sub projects:						
	● Revenue Diversification						
	● City Lands Strategy						
	● Short and Long-Term Works Yard Plan						
	● Feasibility Study for New Recreation/Community Facilities						
Stat Plan - Operational Projects							
RS	RS23004: Consultation on Allocation of City Facilities to Community Groups	2. Council	(100,000)				
PK	PK23053: Dog Management Strategy	4. Medium	(50,000)				
CD	CD23010: Brownfield Development Strategy	3. High	(10,000)				
CD	CD23007: Promotional Package for Office-based Investment	3. High	(5,000)				
CD	CD23009: Hotel Feasibility Study and Identification of Potential Operators	3. High	(10,000)				
Strat Plan - Strategic Projects							
PK	PK23070: Pop Up Parks	4. Medium	(40,000)				
PL	PL23032: Heritage Strategic Plan Update Scoping	4. Medium	(12,000)				
CD	CD23012: Establishing Minimum Employment Standards	2. Council	(10,000)				

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Description			2023	2024	2025	2026	2027
Non-Strat Plan							
FC	FC23226: Holiday Lighting (2025-2027)	3. High	-	-	(45,800)	(52,000)	(60,300)
CU	CU23034: Corporate Sponsorship Policy Development	4. Medium	(10,000)				
PK	PK23019: Port Moody Pollinator Project	4. Medium	(15,000)				
ES	ES23014: Bat Friendly Community Certification	2. Council	(5,000)				
ES	ES23009: City Nature Challenge	4. Medium	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
FD	FD23010: Community Outreach - Firefighter Youth Academy Camp	4. Medium	(6,000)				
FD	FD23011: Health and Wellness Initiative	3. High	(25,000)				
FD	FD23013: Training Records Documentation Project	3. High	(8,000)				
CD	CD23006: Foreign Direct Investment Competitive Analysis & Target Identification	3. High	(7,500)				
CO	CO23005: Website Review	3. High	(50,000)				
FD	FD23012: Community Risk Reduction Program	4. Medium		(12,000)			
CD	CD23011: Economic Impact Study of Port Moody Arts Centre	3. High		(5,000)			
CD	CD23008: Health Incubator Research	3. High		(5,000)			
FD	FD23007: Mental Health Resilience Support and Training	3. High			(15,000)		
CU	CU23033: Inaugural Council	2. Council				(10,000)	

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Port Moody Reserves for Years 2023 - 2027					
New Initiative Reserve					
Description	2023	2024	2025	2026	2027
Opening Balance	(1,057,304)	(652,622)	(285,250)	61,652	424,944
Transfer to Reserve: (from FS)	499,371	518,245	536,268	553,862	570,989
One time transfer - remaining digital billboard signing bonus	424,000				
Total - Transfer To New Initiative Reserve	923,371	518,245	536,268	553,862	570,989
Transfer from Reserve: (to FS)	(2,189)	(873)	(566)	(570)	(640)
Total - Transfer From New Initiative Reserve	(2,189)	(873)	(566)	(570)	(640)
Stat Plan - Other	(150,000)	(125,000)	(125,000)	(125,000)	(150,000)
Stat Plan - Operational Projects	(175,000)	-	-	-	-
Strat Plan - Strategic Projects	(62,000)	-	-	-	-
Non-Strat Plan	(129,500)	(25,000)	(63,800)	(65,000)	(63,300)
Total - Project Funding From New Initiative Reserve	(516,500)	(150,000)	(188,800)	(190,000)	(213,300)
Ending Balance	(652,622)	(285,250)	61,652	424,944	781,992

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Growing Communities Reserve Fund					
Transfer project - to be funded from Growing Communities Fund Grant					
Description	2023	2024	2025	2026	2027
FD FD23014: Emergency Planning Coordinator 3. High	(50,000)	(50,000)			
CA CA23004: Emergency Social Services (ESS) plan and program update 4. Medium	(50,000)	(50,000)			
IS IS23007: Cloud Disaster Recovery Server Backup 3. High	(25,000)				
PK PK23007: Security Cameras - Major Parks 3. High	(10,000)				
ES ES23010: Marine Enhancement Opportunities - Tidal Park 2. Council	(40,000)				
FC FC23226: Holiday Lighting (2023-2024) 3. High	(38,000)	(41,100)			
Total	(213,000)	(141,100)			

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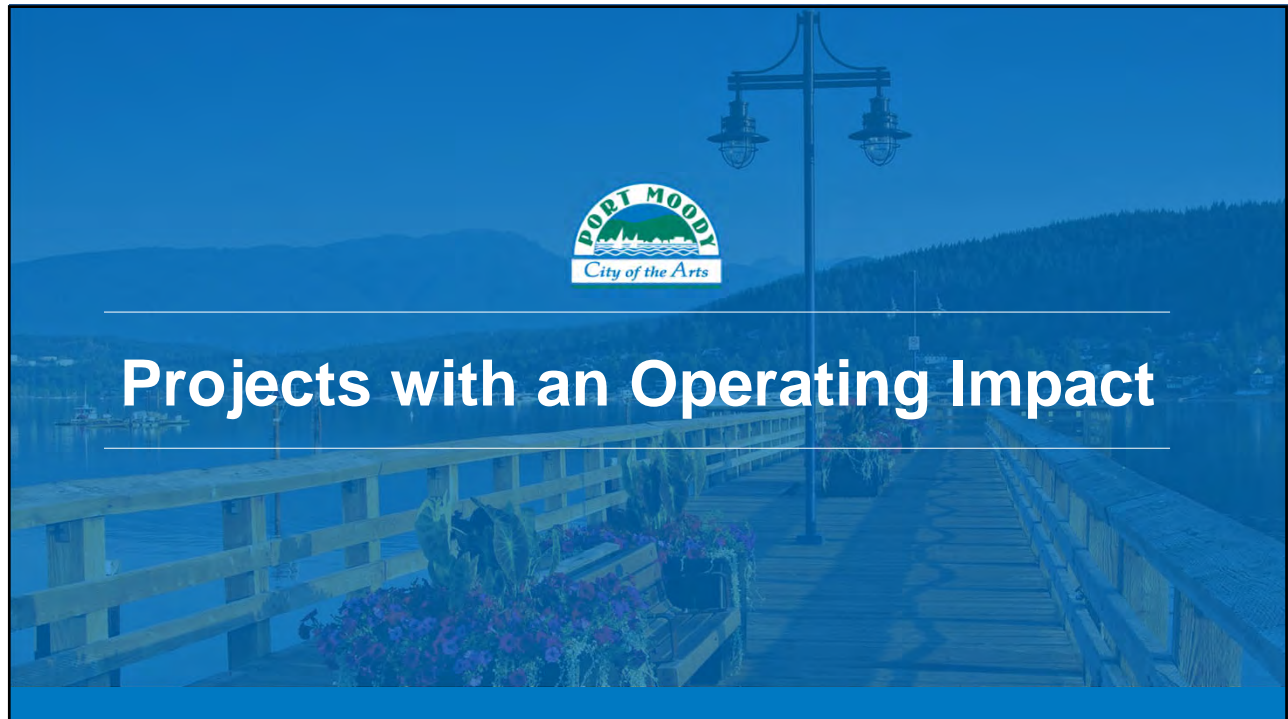
Recommended Resolutions

AND THAT the 2023 projects funded from the New Initiatives Reserve be approved;

AND THAT the 2023 projects funded from the Growing Communities Reserve Fund be approved;

AND THAT the balance of the Digital billboard signing bonus be transferred to the New Initiative Reserve;

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Projects with an Operating Budget Impact

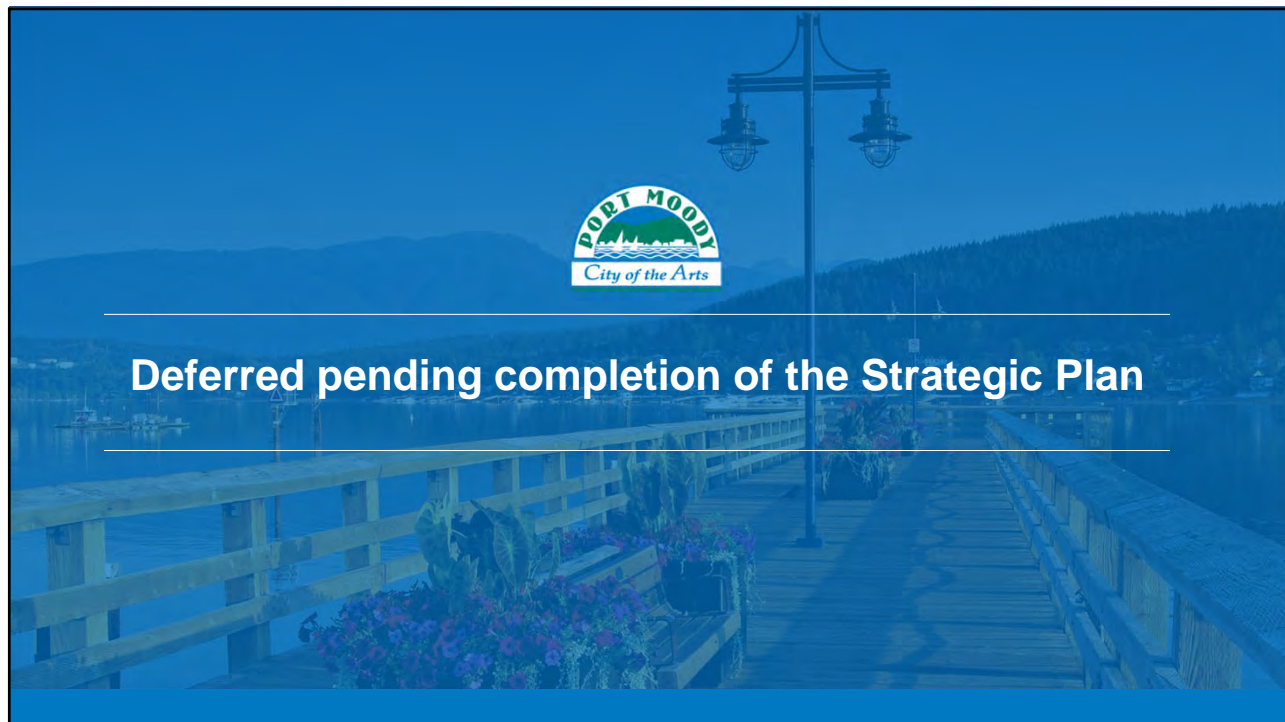
Division	Project Name	Climate Action Plan	Priority	LP 2023	Annual Operating Impact
Cultural Services	CU23030 - Theatre Management Software	Not Applicable	3. High	10,000	8,000
Facilities	FC23240 - Recreation Complex - Gymnasium Air Conditioning	Buildings	3. High	100,000	6,000
Information Services	IS23007 - Cloud Disaster Recovery Server Backup	Not Applicable	3. High	25,000	112,000
Total - Project Costs				135,000	126,000

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Recommended Resolutions

AND THAT CU23030, FC23240, and IS23007 be approved;

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2023 Capital Projects

FC23218 - Works Yard Building Envelope Replacement - \$246,000 (2023), \$258,000 (2024)

Roofing on all structures at works yard are passed their useful life. Multiple ongoing leaks are causing a high cost of maintenance and replacing them is becoming a high priority. Project will define phased for replacement over multiple years. First phase already in progress under FC20309 has insufficient money to start the first section of the roof. Current values are rough estimates

Priority of Building Envelope Work	Estimated Cost	Priority	Funding
Main Office Building – Roof	\$160,000	Required	existing approved
Main Office Building – Fascia board	\$15,000	Required	existing approved
Vehicle Workshop – Roof	\$120,000	Required	existing approved
Main Office Building – Plank siding	\$50,000	Required	existing approved
Vehicle Storage Shed – Roof	\$125,000	Required	FC23218
Vehicle Storage Shed – Wall cladding	\$50,000	Required	FC23218
Main Office Building – Paint/masonry maintenance	\$35,000	As budget allows	FC23218
Exterior Storage Shed - Roof	\$95,000	Defer	
Lunch Room*	\$0	Defer	
Design, inspection & internal City costs**	\$70,000	Required	existing approved
*basic re-roofing work was done approximately 7 years ago			
**approximately \$34k has been expended for assessment and design costs			

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2023 Capital Projects

PK23075 - Kyle Park Redevelopment Plan - \$25,000

The Parks and Recreation Master Plan recommends that the City conduct moderate upgrades to Kyle Park. Staff propose the development of a concept plan to guide upgrades. The Pop-Up Park at the Kyle Centre highlights that residents will use park spaces in Moody Centre and welcome a variety of different features and activities. The topography of the park offers an opportunity and a challenge. Public and stakeholder engagement will be conducted to ensure that residents shape the future upgrades to Kyle Park.

FC23242 - Recreation Complex - Skate Shop Renovation - \$40,000 (2023), \$200,000 (2024)

Extending the Skate shop with around 300 square feet. Construction to include demolition of one or two brick walls - to be approved by the structural engineer, adding two walls with a 10 foot wide opening gate , lower, wider counter, rubberized countertop. Open shelving, rails on the wall with hanging baskets, highly visible, all forms, modular all different sizes, held first aid. Adding 6 electrical outlets and data. Provide adequate space for the sharpening machine. Lighting to be converted to LED. Adding around 500 cubies. Project will increase the safety of customers and employees.

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2023 Capital Projects

FC23217 - Recreation Complex - Arena 1 Dressing Rooms - \$250,000

This project would be for a complete refurbishment of the change rooms and washrooms including all fixtures. Wall blocks in this area of the building contain asbestos resulting in creased abatement costs. The washroom fixtures (toilets, urinals, sinks, and counters) are old and dated. The dividers, benches and shelves are in very bad shape due to age and heavy use.

Design cost includes the Lobby Washroom Upgrades specification and tendering cost.

The projects will be staged in two consecutive years:

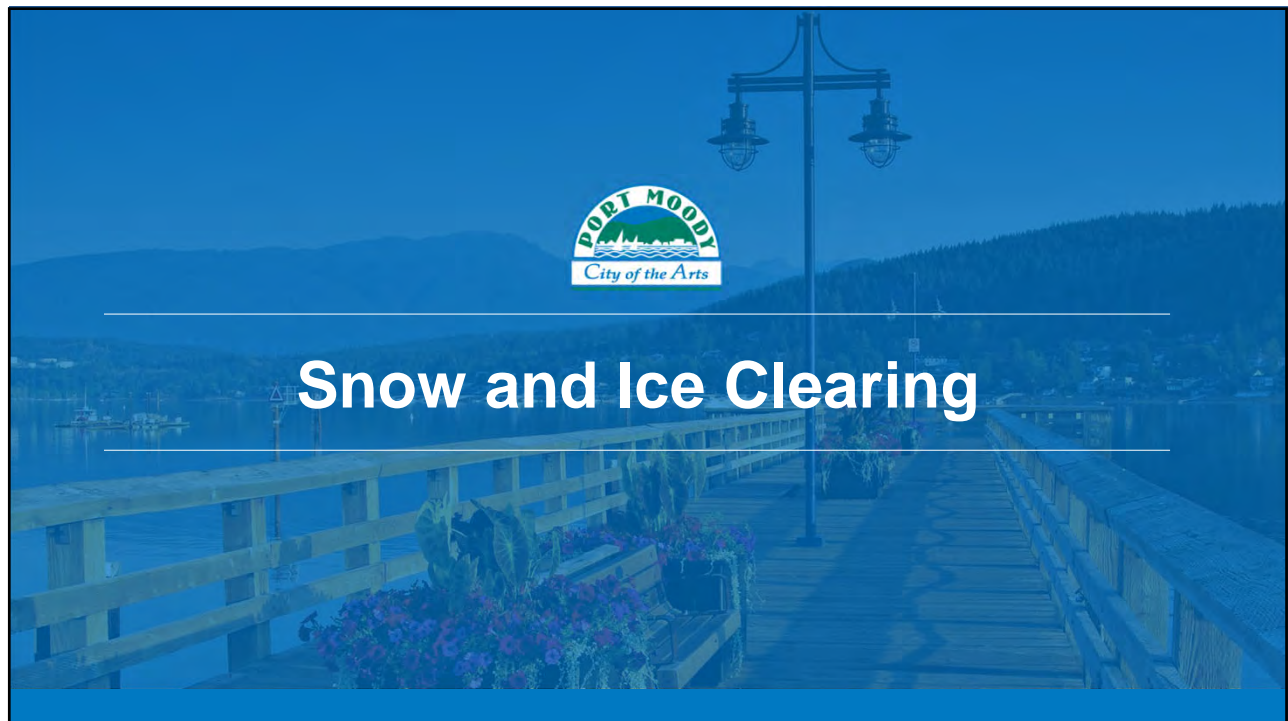
1. 2023 - Arena 1 Change Rooms (FC23217 - \$250,000)
2. 2024 - Lobby Washrooms (FC23121 - \$200,000)

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Recommended Resolutions

AND THAT FC23218 - Works Yard Building Envelope Replacement be approved;
AND THAT PK23075 - Kyle Park Redevelopment Plan be approved;
AND THAT FC23242 - Recreation Complex - Skate Shop Renovation be approved;
AND THAT FC23217 - Recreation Complex - Arena 1 Dressing Rooms be approved;

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2023 Capital Projects

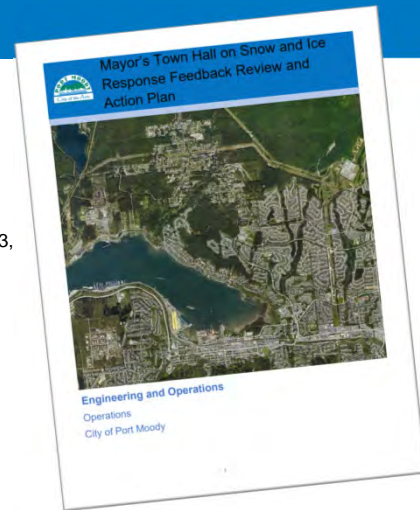
Mayor’s Town Hall on Snow and Ice Response

Feedback presented at the April 18 Strategic Priorities Committee

SPC23/011

THAT staff be directed to implement the improvement recommendations that utilize existing resources for the 2023-2024 winter season as recommended in the report dated April 4, 2023, from the Engineering and Operations Department – Operations Division regarding 2023 Mayor’s Town Hall on Snow and Ice Response Feedback Review and Action Plan.

AND THAT staff be directed to implement the improvement recommendations that utilize capital budget funding for the 2023-2024 winter season.



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Recommended Resolutions

AND THAT a capital project be established for the purchase of a suitable combination of equipment for clearing snow from pedestrian areas with a budget of \$150,000 funded from the Growing Communities Reserve Fund;

AND THAT a capital project be established for the purchase and installation of a brine making facility, including site preparation, and application equipment with a budget of \$300,000 funded from the Growing Communities Reserve Fund.

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2023 Capital Budget Follow Up

Questions/Comments/Discussion

The slide features a vibrant, multi-colored mosaic background. In the top left corner, the Port Moody City of the Arts logo is displayed. The central text is overlaid on the mosaic, which includes depictions of a heron, a bear, and a bird on a bench. At the bottom of the mosaic, the words 'PORT MOODY' and 'City of the Arts' are visible.



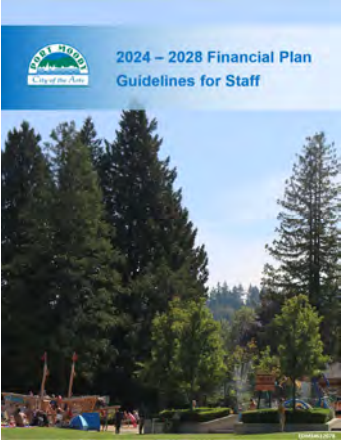
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Purpose

Financial Plan Guidelines are annually approved by the Finance Committee and distributed to staff prior to preparing their budget submissions in May 2023

These provide helpful information as well as summarized Council direction to prepare draft budgets

They communicate targets for service levels, inflation, shop rates, overhead, etc.



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Agenda



- 1 **Financial Planning Process**
- 2 **Budget Approach**
- 3 **Recommended Resolutions**
- 4 **Questions/Comments/Discussion**

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Financial Planning Process

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Financial Planning Process - *Community Charter*

- BC Municipalities must annually prepare a five-year financial plan and adopt tax rates in accordance with the *Community Charter*
- The five-year requirement ensures city councils consider the long-term impact of decisions
- The City follows a formal budget process, scheduling the different phases:
 1. staff preparing draft budgets
 2. Finance Committee deliberations
 3. public consultation
 4. approval by City Council
 5. calculating and setting the tax rates
 6. billing and collecting the taxes
- The approval of the Budget Guidelines, and their subsequent distribution to staff, marks the beginning of the annual financial planning process



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Financial Planning Process - *Considerations*

Services and level of service

- Residents enjoy and expect exceptional service
- City surveys indicate high approval rates

Revenue Considerations

- Port Moody taxes relative to other municipalities
- Significant revenue losses (e.g. Burrard Thermal, Mill and Timber class shift)
- Revenue diversification (e.g. Digital Billboards)

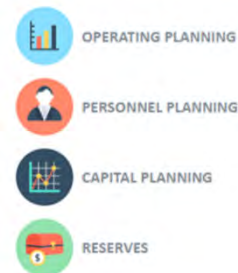
Subsidy Levels

- User fees versus property tax to fund services

Asset Management

- Capital infrastructure funding gap

Financial Planning (2024)



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Financial Planning Process - *Principals and Policies*

Revenue Sources

- Municipal taxation
- Payments in lieu of taxes
- Fees and charges
- Government contributions
- Investment revenue

Distribution of property taxes

- Taxation versus services used
- Tax class capping
- Allocating the tax burden by class

Tax Exemptions

- Permissive tax exemptions
- Revitalization tax exemptions

The screenshot displays the City of Port Moody's financial planning documents. On the left is the 'Revenue Plan 2023' which outlines various revenue sources and their distribution. On the right is 'Schedule A to B byline No. 3402' which provides a detailed financial plan for 2023, including a table with columns for '2023', '2024', '2025', '2026', and '2027'. The table lists various revenue categories such as 'Municipal Taxation', 'Payments in Lieu of Taxes', and 'Fees and Charges'. Below the table, there are sections for 'Assessments' and 'Municipal Taxation' with further breakdowns. The document also includes a 'Notes' section at the bottom.

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Financial Planning Process - *Council Strategic Plan*



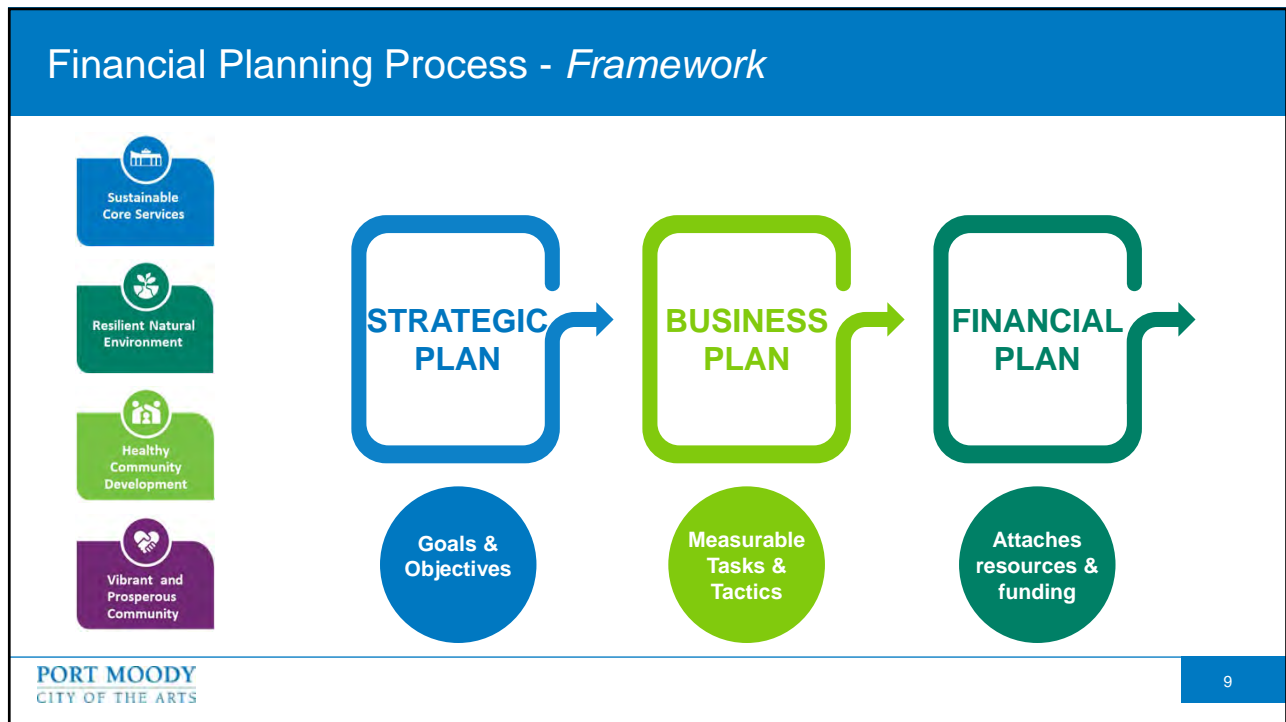
Council Strategic Plan

The 2024-2028 Five-Year Financial Plan should be aligned with the 2023-2026 Council Strategic Plan. The strategic plan provides a framework for the decisions Council will make and guides our approach for delivering services to our community. The plan identifies four strategic priorities with specific goals and objectives that we will pursue to make our vision for Port Moody a reality.

The Four Strategic Priorities are:

- Sustainable Core Services
- Resilient Natural Environment
- Healthy Community Development
- Vibrant and Prosperous Community

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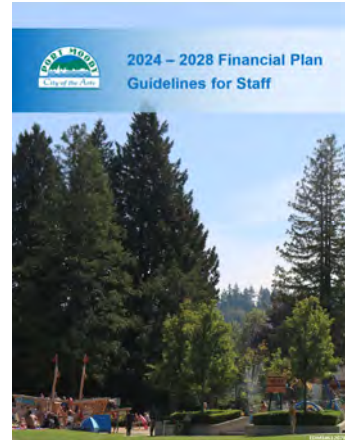
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Budget Approach – *Zero based budgeting*

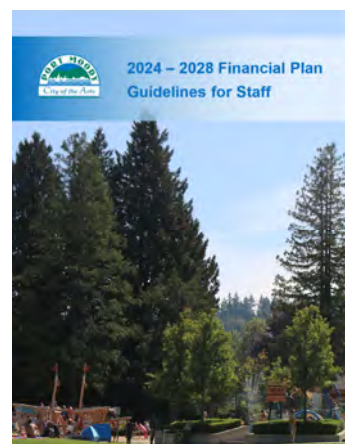
- Departments submit their budget requirements based on a **"zero base"**
 - To increase transparency and accountability over expenses
 - To evaluating changes and improvements to services
 - To re-align services to the goals and objectives
- Financial planning staff aggregate final budget submissions
 - To ensure the budget is reasonable, aligned with the city's objectives, and supports service delivery
 - To help identify opportunities for cost-saving
- The approach considers changes in the City's objectives, including Council's updated Strategic Plan, priorities, and external factors



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Budget Approach – *Considerations*


- Inflation
 - 2023 had the highest year over year inflation in 40 years. Inflation continues to be high but appears to be coming down from previous months all time highs.
 - Continue to see increased price pressures around: contracts, software, fuel, insurance, materials, supplies, etc.
- Labour
 - Extraordinary inflation has driven significant labour increases as workers try to keep pace, which is being felt across all sectors
- Reserves
 - The City does not support the ongoing use of reserves to artificially reduce the annual tax increase. This strategy simply defers costs to future taxpayers
 - Reserves should be used for their intended or specific purpose
- Service Adjustments
 - Many areas are experiencing a "new normal" as services adjust to the post pandemic environment.
 - While the City hasn't seen significant population growth, the City has become a popular regional destination, driving increased demand on services/resources/infrastructure



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Budget Approach - *Budget Timeline*

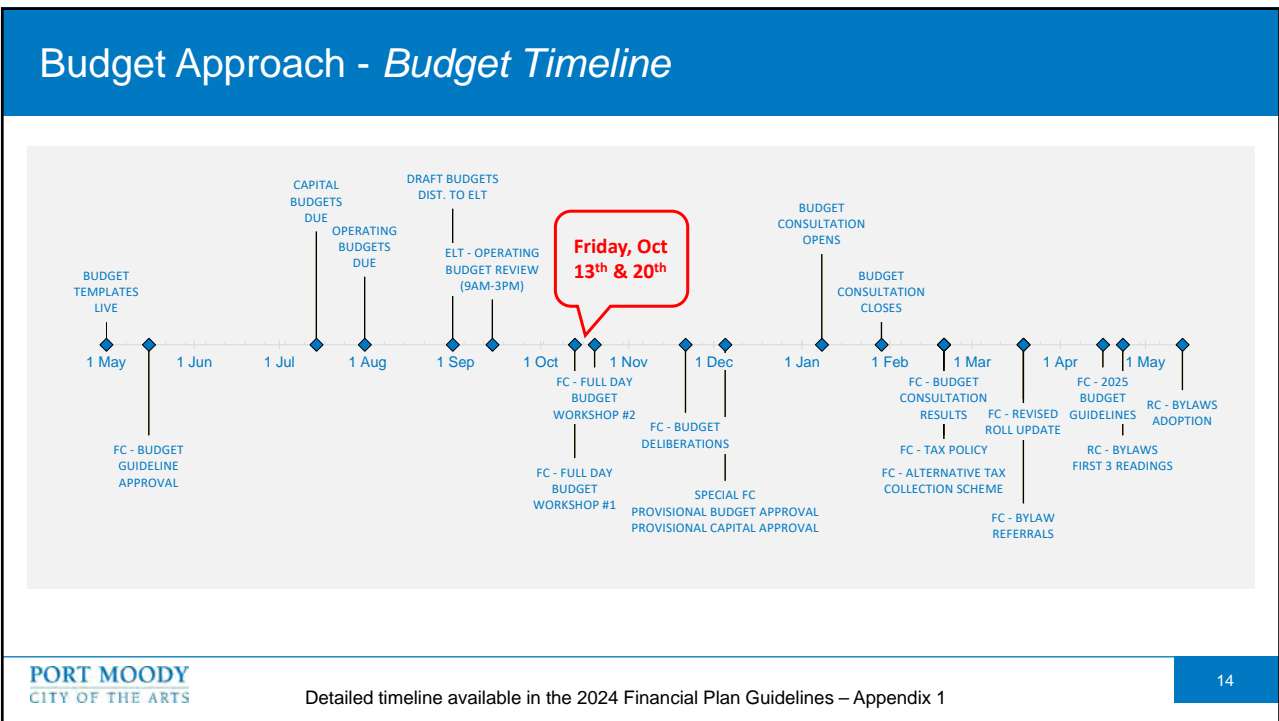
Due Dates	Responsibility	Description
May 2023	Financial Services	Budget guidelines approved and templates live
July 2023	Departments	DUE - Capital & Operating budgets, including UT operating budget
Aug 2023	Financial Services	Draft budgets distributed to ELT
Sep 14, 2023 (Thurs)	ELT	ELT - Budget Review (9am-3pm)
Oct 2023 (Fri, 13 th & 20 th)	Finance Committee	FC - Full Day Budget Workshop #1 & 2
Nov 2023	Finance Committee	FC - Budget Deliberations
Dec 2023	Finance Committee	Special FC - Provisional Budget Approval and Provisional Capital Approval
Jan 2024	Financial Services	Public Budget Consultation
Feb-Mar 2024	Finance Committee	Budget consultation results & Financial Plan and Tax Rates Bylaws Approval - Referral to Council
April 2024	Regular Council	Bylaw First 3 Readings
May 2024	Regular Council	Bylaw Adoption



Detailed timeline available in the 2024 Financial Plan Guidelines – Appendix 1

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Budget Approach - *Full Day Finance Committee Workshops*

- **Workshops allow continuity of deliberations and more fluid and detailed discussions**
- **Proposed Closed Finance Committee Budget Workshops**
 (Closed under proposed provision of municipal services and Labour relations [C.C. 90(1)(c)&(k)])
 - **Workshop #1 - Friday October 13th**
 - Introduce the 2024 Financial Plan
 - 2024 Capital Plan
 - Utility rate approval
 - **Workshop #2 - Friday October 20th**
 - Department Presentations
 - Budget deliberations
 - Capital follow-up




Detailed timeline available in the 2024 Financial Plan Guidelines – Appendix 1


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Budget Approach - *Budget Consultation*



January 8th through 29th, 2024



- A broad budget consultation will take place and remain open for three weeks
 - members of the community can provide feedback on the 2024 Financial Plan
- The City will use Engage Port Moody, the City's public engagement hub
 - Inform and collect community feedback on the 2024 Financial Plan
 - Included: the annual budget survey, budget resource information, and FAQs posted on the project page
 - Staff will answer questions from community members as they are posted



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Budget Approach - Capital Planning / Reserves

Capital Program (Asset Reserve)	2024 Allocation*	2025 Allocation*	2026 Allocation*	2027 Allocation*	2028 Allocation*
Equipment - City	384,310	425,403	467,932	512,041	557,593
Equipment - Police	202,513	213,475	224,819	236,585	248,736
Facilities	1,642,583	1,818,219	1,999,993	2,188,519	2,383,214
Parks	720,118	797,118	876,808	959,459	1,044,815
Transportation	1,944,282	2,152,178	2,367,339	2,590,493	2,820,949
Unallocated	432,645	489,599	548,544	609,678	672,812
Total	5,326,452	5,895,992	6,485,436	7,096,775	7,728,119

* Preliminary estimate – may be subject to change. Assuming approval of 1% Asset Levy (\$532,000).

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Budget Approach – 2023 Future Year Commitments

Preliminary estimate*	2023	2024	2025	2026	2027
Total tax to collect (\$)	53,244,000	56,761,000	58,816,000	61,042,000	63,032,000
Increase over prior year (\$)	4,500,000	3,517,000	2,055,000	2,226,000	1,990,000
Increase over prior year (%)	9.26%	7%	4%	5%	4%

* Preliminary estimate – Assuming no changes in assessed value and in dollar value of 1% Asset Levy.

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Recommended Resolutions

THAT 2024-2028 Financial Plan Guidelines be approved as recommended in the report dated May 1, 2023 from the Finance and Technology Department – Financial Services Division regarding 2024-2028 Financial Plan Guidelines for Staff;

AND THAT the Port Moody Police Board be informed of the 2024-2028 Financial Plan Guidelines for Staff.

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2024-2028 Five Year Financial Plan
Budget Guidelines for Staff

Questions/Comments/Discussion

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