Staff Report to Council

FILE: 05-1700-01/25

REPORT DATE:	November 07, 2025	**MEETING DATE:**	November 24, 2025
TO:	Mayor and Council		
FROM:	Laura Barroetavena, Director of Financial Services		
SUBJECT:	**2026 Financial Plan Overview**		

CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL:

RECOMMENDATION(S):

THAT Council:

A. Receive for information the 2026 Financial Plan Overview and Staff Report as presented at the November 24, 2025 meeting of Council; OR

B. Other.

PURPOSE

To present the 2026 budget which looks to balance competing priorities while continuing to provide the high-quality services our citizens have come to expect.

☒ Information Report ☐ Decision Report ☐ Direction Report

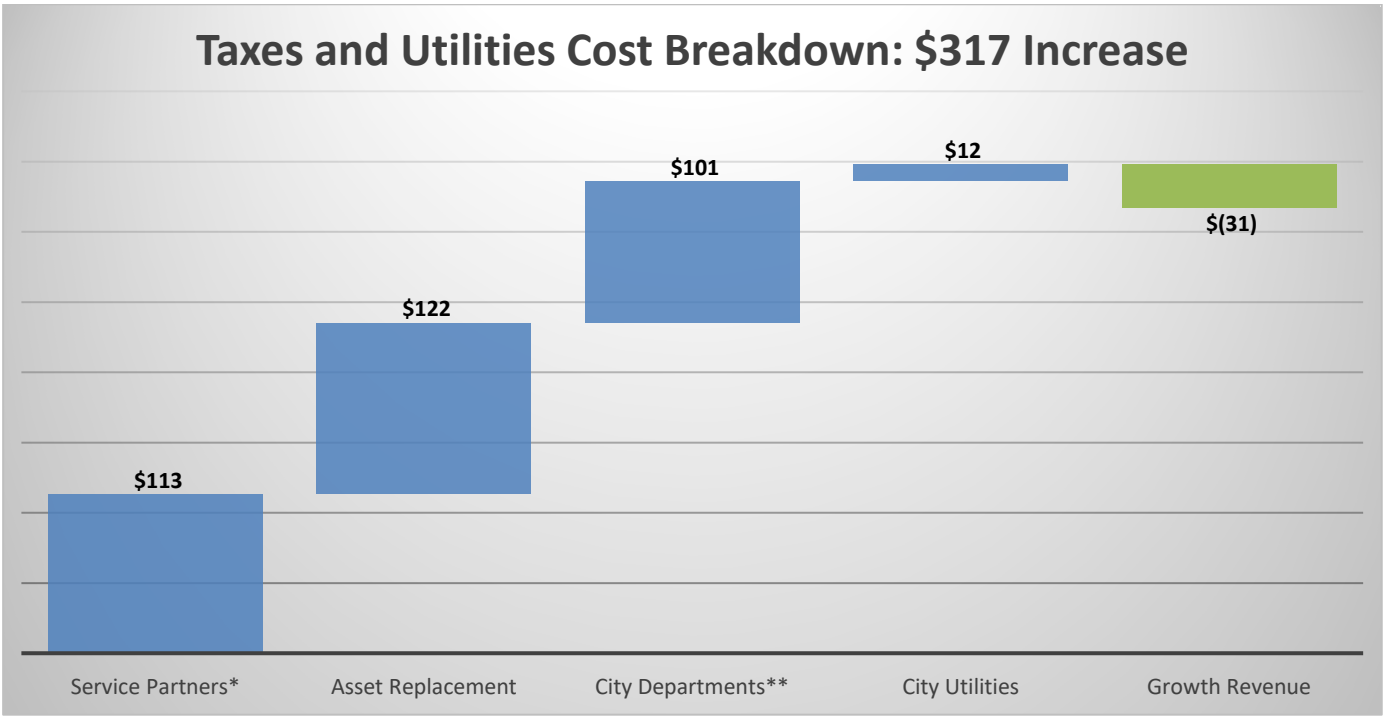
BUDGET OVERVIEW

The 2026 budget was developed based on the 2026 Business Plan Guidelines that were previously approved by Council. The guidelines outline the budget principles and approach to achieving a cost effective and balanced budget, as well as submitting a budget that provides the same service levels as last year. Revenue sustainability and growth are reviewed and assessed to determine level of reliability, including ongoing tax revenue as well as grants received. Increased costs are reviewed and assessed with consideration to health and safety, contractual obligations, and service level sustainability with the goal of minimizing impact to the taxpayer.

BUDGET HIGHLIGHTS

After taking into consideration the City's key strategic priorities regarding public safety and essential services and adjusting the corresponding revenues and expenses, including reserve savings, the combined property tax and utility fee will increase by $317 for the average single family home (SFH) with an assessed value of $1,184,823. The $317 increase consists of a general tax increase in the amount of $180 and utility fees increase in the amount of $137.

The $317 increase is broken down as follows:



*Includes Metro Vancouver Sewer and Water services, RCMP and Fraser Valley Regional Library contracted services.
**Includes Salaries and Benefits (CUPE, IAFF collective bargaining, and Exempt)

Property Taxes	Amount $
Asset Management Savings	$70
Municipal Costs	10
Salaries & Benefits (CUPE, IAFF collective bargaining, and Exempt)	91
Growth Revenue – to offset increases	(31)
Sub-Total Property Tax Increase before Service Partners	**$140**
Contracted Services – RCMP	35
Contracted Services – FVRL	5
Total Property Taxes	**$180**

Utility Fees	Amount $
Asset Management Savings	$52
Municipal Costs	12
Sub-Total Utility Fee Increase Before Service Partner	**$64**
Metro Vancouver Sewer & Water	73
Total Utility Fees	**$137**

2026 MAIN COST DRIVERS

The main cost drivers contributing to the City's property tax and utility fee increase relate to:

Main Cost Driver	Single Family Home (SFH) Tax Impact ($)	SFH Impact as a percentage (%) of total increase ($317)
SERVICE PARTNERS		
Metro Vancouver – Solid Waste, Water and Sewer	$73	23%
RCMP Budget – including Housing and Support	$35	11%
Fraser Valley Regional Library - Increase asset contributions towards materials reserve (printers, computers, library materials, etc.)	$5	2%
SUBTOTAL Service Partners	**$113**	**36%**
CITY DEPARTMENTS		
ADD Asset Management Savings towards City's reserves	$122	38%
ADD Municipal City Operating Costs (net of growth revenue)	$70	22%
ADD Utility City Operating Costs	$12	4%
SUBTOTAL City Departments	**$204**	**64%**
TOTAL Property Tax and Utility Fee Increase	**$317**	**100%**

2026 BUDGET CONSIDERATIONS

In 2026, the City will see continued support from senior levels of government. Provincial traffic fine revenues are forecasted at the annual average of $205,000. Gas Tax revenue from the federal government Canada Community Building Fund is expected to continue in the amount of $125,300 for infrastructure funding.

As always, the challenge facing Pitt Meadows Council is to balance current financial resources to meet the needs of the community, while considering the following factors for developing the financial plan:

- As the City is a service provider, one of the main cost drivers is related to labour costs, the increase for which has been included in the budget in accordance with the collective bargaining estimates known to date. Planned union wage increases are based on recent trends.
- Cost escalation and supply chain challenges continue to impact procurement of goods and services. As contracts come up for renegotiation or procurement, contract pricing is continuing to reflect higher than normal inflationary pressure. These price spikes are impacting both the operating and capital budgets, making it challenging to manage finances. Additional focus on cost containment has been incorporated and the City is actively looking at purchasing group options to realize cost savings through procurement.
- With the industrial park completed in 2024, taxation from growth is expected to decrease significantly until other developments materialize. In order to mitigate reliance on annual tax increases in the coming years, staff recommend Council strategize replacement growth opportunities in 2026 such as: the North Lougheed Area Plan, Civic Centre revitalization and Harris Road corridor densification.
- Sustainable development revenues are anticipated to decrease to $150,000 commencing in 2026. This is a drop of $300,000 in revenues compared to the 2024 Budget, which will need to be replaced with property taxation increases phased-in over 6 years. The $300,000 shortfall will be offset by bringing in funds from the Development Revenue Stabilization Reserve which was set up for this purpose recognizing the unpredictability related to growth development, and therefore, alleviating the taxation impact during periods of low growth.
- A combined $122 increase in property tax and utility fees towards asset replacement has been included in the budget to continue to narrow the annual funding target gap. The funding targets have been updated to incorporate the estimated increase in the Construction CPI. The current asset replacement savings included in this budget are consistent with the consultant's recommendations to achieve the annual funding target within five (5) years, not considering the substantial funding gap that accumulated for years when municipalities did not fund asset replacement (prior to 2009).
- Continue to incorporate improvements to the water utility self-funding model as a result of the water services review to ensure maintenance of a sustainable water fund and negate future fund deficits.
- Continue to incorporate the City's Agricultural Viability Strategy recommended actions focusing on agri-tourism, agricultural processing and Zoning Bylaw updates.
- Taxes continue to be favourable compared to other municipalities. Using the average assessed value approach the City had the lowest property taxes for the average single family property in 2025, while also having the highest ALR designation across municipalities within Metro Vancouver.

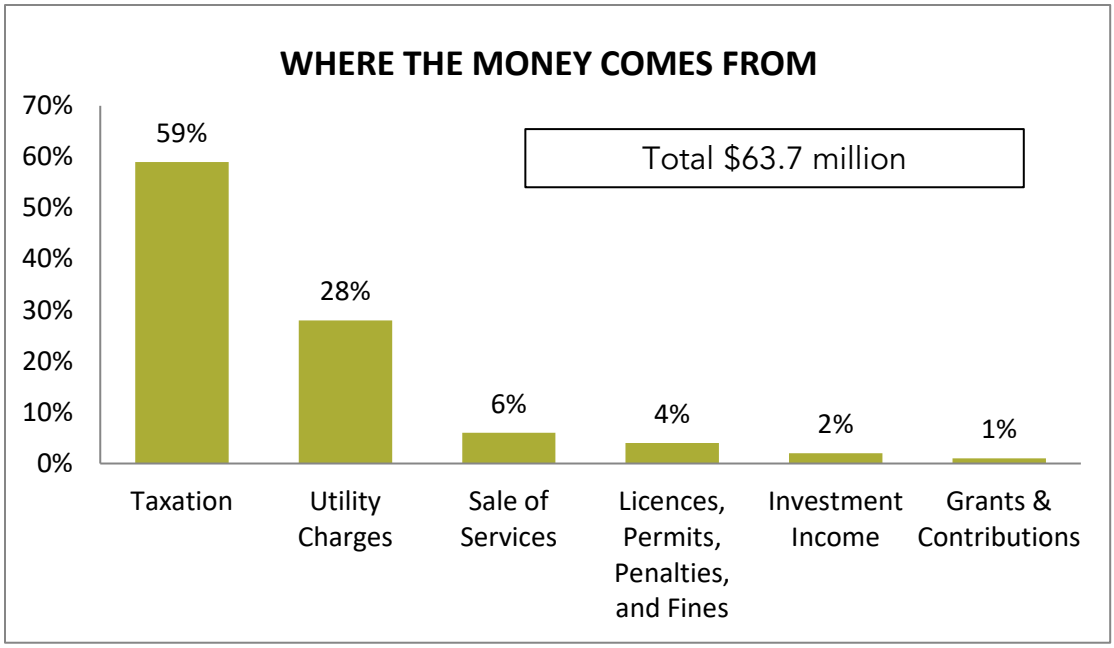
REVENUE SOURCES

The City receives its revenues from a variety of sources with taxation being the largest. Property owners must pay property taxes based on the value of their property, unless the property is specifically exempted by provincial legislation. The remaining revenue is collected from other revenue sources such as fees, rates and service charges, developers' contributions, development capital asset contributions, grants, investment income and cost recoveries.

The primary funding source for City services in the 2026-2030 Financial Plan is taxation, at $37.8 million or 59% of the total revenues. This includes a 2026 property tax levy increase of $2,055,800, after including an estimate of approximately $352,000 from new assessment growth, for an average property tax increase of $180 per household.

Utility charges are the second significant source of revenue consisting of water, sewer, drainage diking, and solid waste user rates. Utility rates are set for each utility based on a combination of the Metro Vancouver Regional District rate increases and the City's inflationary costs and result in a $137 increase per single family home, fifty-three percent (53%) of which are Metro Vancouver costs.

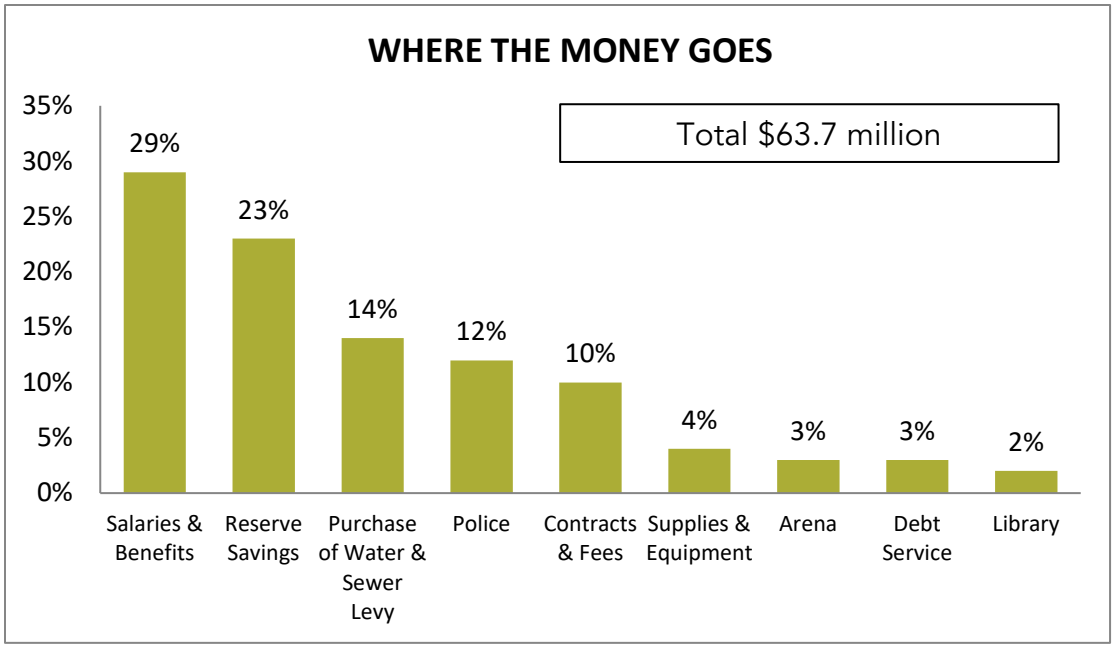
Property Taxation and Utility Charges continue to be the most stable sources of revenue for the City, resulting in a $317 combined property tax and utility increase to the average single family home to maintain existing services and balance the budget.



EXPENSES AND RESERVE SAVINGS

Municipal tax dollars pay for a wide variety of projects and services to help create an active, inclusive and safe community and resilient, well-managed infrastructure. As a service provider a

significant City cost is the people cost to deliver those services at 29% of the budget or $18.7 million. Savings for future capital replacements and capital projects accounts for 23% in reserve savings.

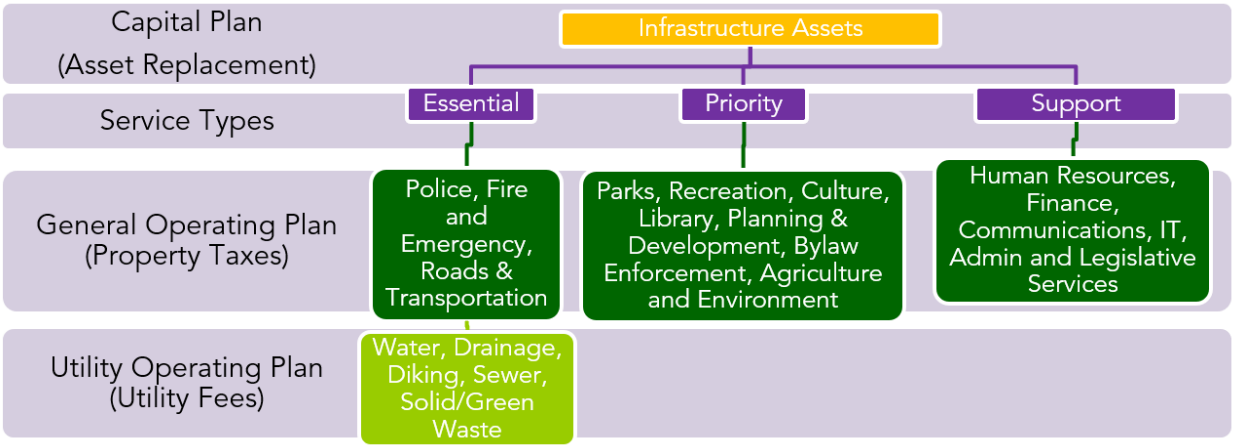


2026 FINANCIAL PLAN

The City's financial plan consists of the operating and capital plans:

- The General Operating Plan which includes funding for ongoing municipal services and activities;
- The Utilities Operating Plan which funds the City's drainage, sanitary sewer, solid waste and water services; and
- The Capital Plan which funds the cost of new and replacement infrastructure and assets.

Table A below consists of services the City provides with their corresponding funding source:
Table A: Service Types and Funding Sources



General Operating Plan Budget Highlights:

The Executive Summary schedule in Attachment D provides further information on the budget adjustments by department for the General Operating Fund with further details being included in each department's section of the business plan. Key budget drivers of the $2,055,800 additional tax revenue needed to balance the budget are represented by the following primary items:

Operating Revenues

- $239,000 increase in sale of services, arena programs, rentals, and other revenues
- $351,900 increase in property tax new construction revenues
- $99,000 increase in internal equipment charge out recoveries and administration charges to utilities
- $84,500 increase in development revenues net of decrease in transfer in from stabilization reserve.

Operating Expenditures

- $1,037,900 increase related to estimated collective bargaining and step increases for IAFF, CUPE and Exempt staff
- $794,000 increase in asset replacement savings
- $314,300 increase in RCMP contract
- $178,000 increase in contracted services related to repairs and maintenance
- $129,100 increase in Arena operating costs and reserve savings fully offset by increase in Arena revenues
- $111,700 increase in Insurance
- $89,900 RCMP Housing and Support (includes EComm Fee)
- $79,700 increase in Administration Charges from Utilities
- $60,800 increase in FVRL levy
- $34,800 increase in Hydro and Natural Gas

- $31,600 increase in Software Licensing
- $18,400 increase in Equipment and Fleet maintenance, fuel, insurance
- $18,200 increase in Fees for Service including Fire Dept EComm & Surrey Dispatch fees
- $44,400 decrease in Bank Charges and Arena Debt Interest
- $23,800 net decrease in other areas

The sum of the budget changes noted above reflect the total $2,055,800 Net Expenditure Increase or additional tax revenue needed to balance the budget.

Average Property Tax Impact

The Single Family Home will receive a property tax increase of $180 broken down as follows:

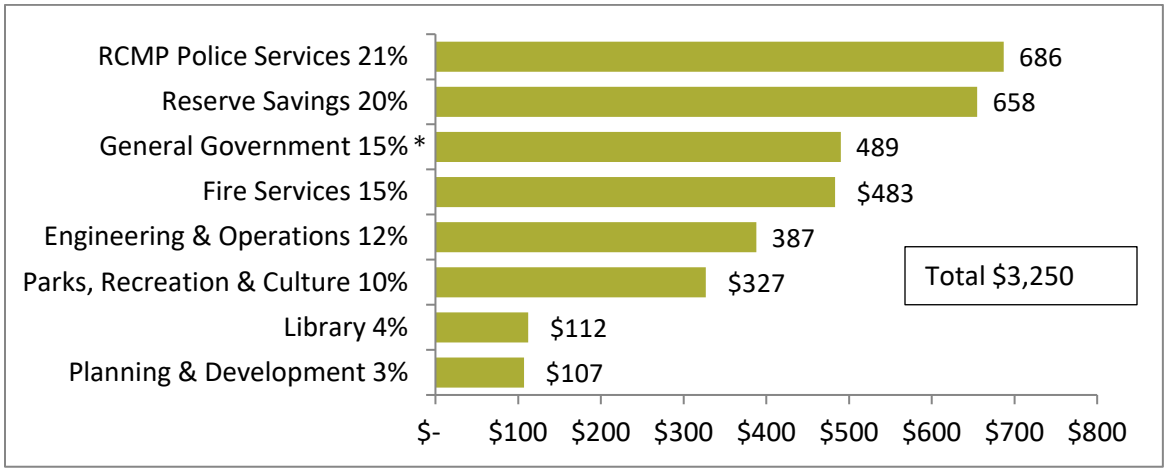
Average Single Family Dwelling Assessed at $1,184,823

Tax %'s based on $350,000/1% tax increase:

Description	**2025 Budget**	**2026 Budget**	**Variance $**
RCMP Police Services	651	686	35
Corporate Finance Reserve Savings	588	658	70
General Government*	496	489	(7)
Fire Services	459	483	24
Engineering & Operations**	349	387	38
Parks, Recreation, Culture	310	327	17
Library - FVRL	107	112	5
Planning & Development	109	107	(2)
Total Property Tax	**$3,069**	**$3,250**	**$180*****

*Includes Council, Office of the CAO, Administrative and Legislative Services, Emergency Programs, Financial Services, Human Resources, Communication, Information Technology, and Corporate Finance general administration.
**In 2026 there was a shift in expenses from Utilities to General Fund to reflect the repurposing of budget towards Transportation services, resulting in approximately $12 increase in property taxes with a corresponding decrease in Utility Fee.
***This is equivalent to 5.87% increase to be applied across all property class mill rates.

Average Property Tax Impact



*Includes Council, Office of the CAO, Administrative and Legislative Services, Emergency Programs, Financial Services, Human Resources, Communication, Information Technology, and Corporate Finance general administration.

Utility Operating Plan Budget Highlights:

The City operates four self-balancing utility services, three of which are funded entirely by user fees (sanitary sewer, solid waste, water) and one by a combination of taxation on assessed property values and user fee (drainage). The revenues collected pay for the City's operating and capital infrastructure costs as well as Metro Vancouver Regional District (MVRD) cost for the supply of regional services. The budget equates to a $137 increase to the average single family home in order to generate the $1,197,900 needed to balance the budget. Key budget drivers are:

Utility Service Cost Drivers	Increase ($)
City Utility Asset Replacement Savings	$454,600
City Administration Costs (Insurance, Hydro, Other)	99,100
City General maintenance, collection, and Other net Costs	3,200
Total City Net Expenditure Increase	**$556,900**
ADD: Metro Vancouver Sewer and Drainage Levy and Water Purchase costs	641,000
Total Utility Net Increase	**$1,197,900**

Drainage and Diking - The combined rate increase for 2026 is $5 for the user fee and the taxation mill rate. The rate increase is driven particularly by the $242,000 increase in reserve savings needed for aging infrastructure, as recommended by the recently completed AMP report. This increase has been partially offset by savings in administrative costs and culvert and ditch maintenance. This results in a $5 increase to the average single family taxpayer. An additional ongoing annual contribution of $162,000 towards the Diking Reserve is also included in the budget.

Sanitary Sewer – The Greater Vancouver Sewage and Drainage District (GVS&DD) costs comprise 70% of the City's sanitary sewer utility budget. The GVS&DD budget increase is coming in at $234,000 (or 7.7%). Increased City capital reserve savings of $74,400 for infrastructure replacement and $4,600 for administration, maintenance, other costs and revenues round out the $313,000 increase to the sewer utility resulting in a change from $573 to $609 for the sewer service fee.

Solid Waste - The garbage and green waste collection contract with Waste Management is estimated to increase $18,500 and Green Waste Tipping Fees are estimated to increase $15,200 related to adjustments in the CPI and the number of service units. Metro Vancouver's rate for waste disposal (tipping fee) is increasing 4.2%, creating a budget increase of $7,400. Net remaining operating costs increased by $44,100 for administration, reserve savings and other costs. The sum total of these budget adjustments result in a change from $221 to $236 for single family homes.

Water Utility - The GVWD provides safe, reliable, high-quality drinking water to Pitt Meadows and is responsible for acquiring and maintaining the water supply which makes up 65% of the water utility budget with a net consumption and rate increase budget adjustment of $399,600 which includes $248,400 in additional cost to the City as a result of the difference between the blended rate charged to customers versus the seasonal rates paid to Metro Vancouver and $151,200 related to the increase in the GVWD's blended rate which rose by 6.4% to $1.06 dollars per cubic meter with key cost drivers being attributed to increasing capital costs, debt service and capital savings to support infrastructure investments needed to meet service requirements, growth demands and resilience upgrades. An increase of $137,700 in annual asset replacement savings and $150,000 in maintenance, administration and other costs make up the balance of the increase to the water utility.

The 2026 budget reflects an increase of $836 to $917 for the single family flat fee, and for the metered volume based customers an increase of $592 to $721 for the connection charge and $1.00 to $1.06 per cubic meter of water volume purchased.

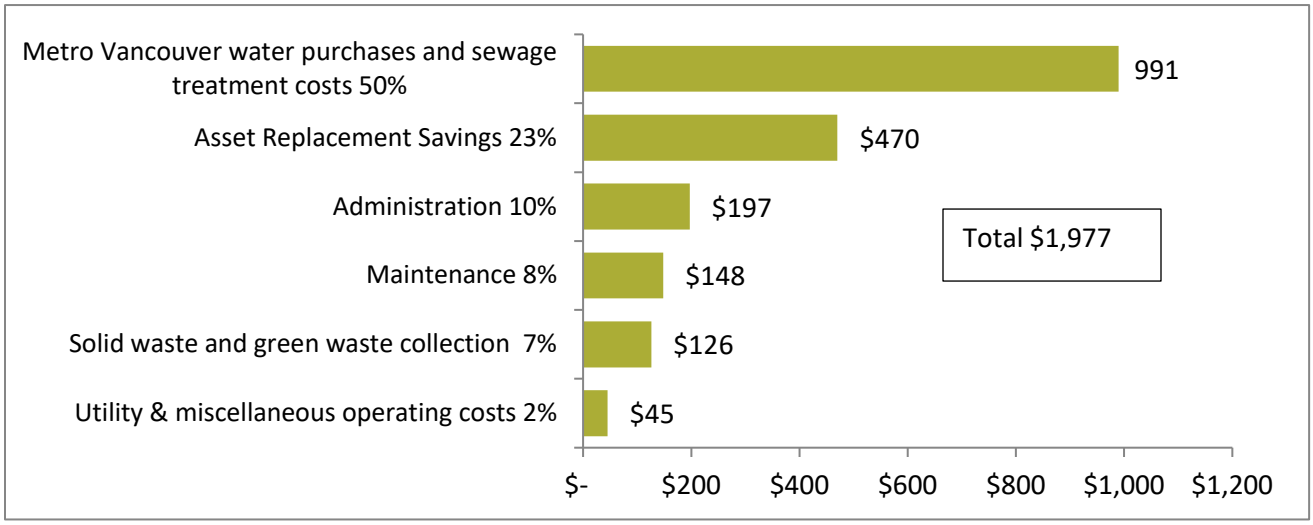
Average Utilities Fee Impact

The Single Family Home will receive a utilities fee increase of $137 broken down as follows:

Average Single Family Dwelling Assessed at $1,184,823

Description	2025 Budget	2026 Budget	Utility User Fee Increase (Decrease) $
Drainage, Diking	210	215	5
Sanitary Sewer	573	609	36
Solid Waste	221	236	15
Water	836	917	81
Total Utilities Fee	**1,840**	**1,977**	**$137**

Average Utilities Fee Impact



Capital Plan Budget Highlights

Definition of Capital Assets

Capital assets provide a benefit to the community beyond one year. Such items typically require operating and maintenance expenditures and may need to be replaced in the future. Examples include infrastructure such as buildings, roads, bridges, water, sewer and drainage facilities, vehicles, computer equipment and furniture. The City's policy is to plan for major capital expenditures in five-year cycles with annual reviews and updates. The 2026-2030 Capital Plan includes projects that are consistent with corporate objectives and long-range plans.

Operating Cost Impact of Capital Projects

The business plan guidelines require that adequate provision be made for the incremental increases to the operating expenses for changes in the capital base. This approach is in line with GFOA best practices which contribute to the long-term financial sustainability of City services. Some of the Capital Project Decision Packages submitted for Council consideration contain

operating budget impacts which would be added to the budget, in the year of construction or procurement completion, if approved by Council.

What We are Saving

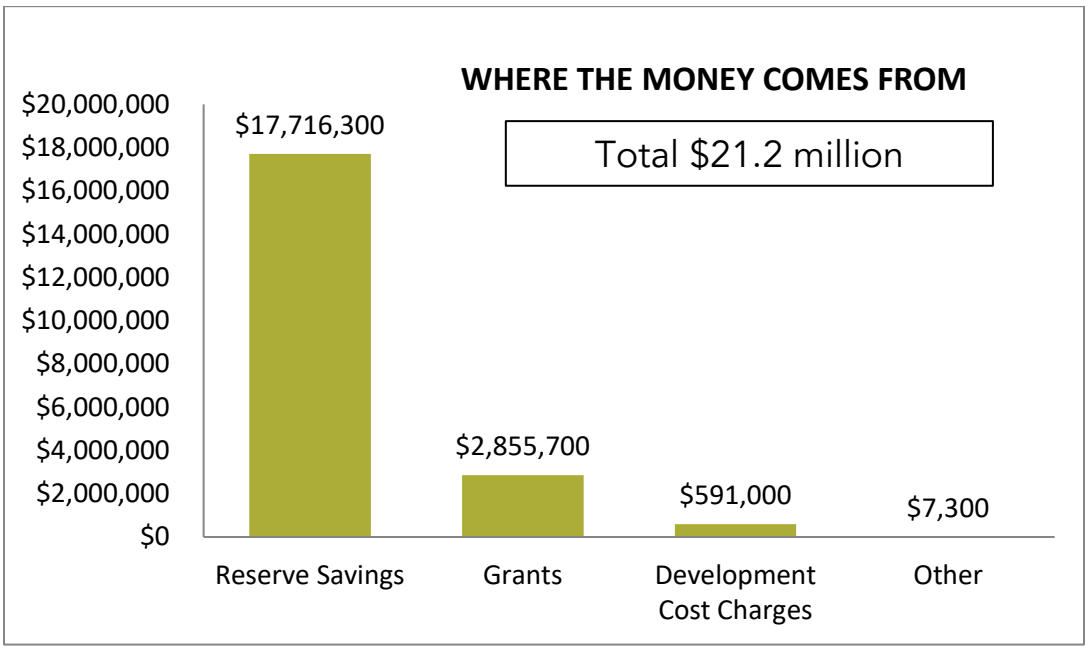
Consistent with the Strategic Plan goal of proactively planning for replacement of our infrastructure, the general fund is increasing reserve savings by $794,000 and the utilities are increasing savings by $454,600 for a total increase of $1,248,600. Development Cost Charge reserve contributions are held for new or expanded infrastructure.

Reserve/Funding	2026 Approved Budget	2026 Tax Increase
General Capital: Maintenance		
Arena	$437,300	$-
Diking	191,700	-
Lifecycle - General	868,000	25,000
*South Bonson Amenity**	6,100	(10,000)
	1,503,100	**15,000**
General Capital: Replacement		
Equipment Replacement	755,000	50,000
Vehicle Replacement	600,000	30,000
Lifecycle - Major Buildings	3,450,800	349,500
Minor Capital (Turf User Fee)	80,500	-
Road Use Levies (Estimate)	1,566,900	-
Transportation	2,266,200	349,500
Translink Major Road Network	465,800	-
	9,185,200	**779,000**
Utility Capital: Replacement		
Drainage	1,703,700	242,000
Sewer	866,600	74,400
Solid Waste	5,200	500
Water	1,759,800	137,700
	4,335,300	**454,600**
SUBTOTAL Existing Asset Maintenance & Replacement	**15,023,600**	**1,248,600**
Strategic Assets (New Assets)		
Canada Community Building Fund	129,900	-
Carbon Neutral Sustainability	16,600	-
Public Art	60,700	-
Development Cost Charges (DCCs - Estimate)	916,000	-
	1,123,200	**-**
Developer Contributions		
Community Amenity	413,200	-
Parkland	8,100	-
Tree Replacement	14,400	-
	435,700	**-**
Operating and Other	**101,200**	**-**
Total All Reserves	**$16,683,700**	**$1,248,600**

***Reflects reduced debt servicing costs**

Where the Money Comes From

Funding for capital expenditures comes from a number of sources including general tax revenues, reserves, grants, contributions from developers, and borrowed funds. The capital portion of the 2026 Financial Plan is funded from the following sources in the graphic below.

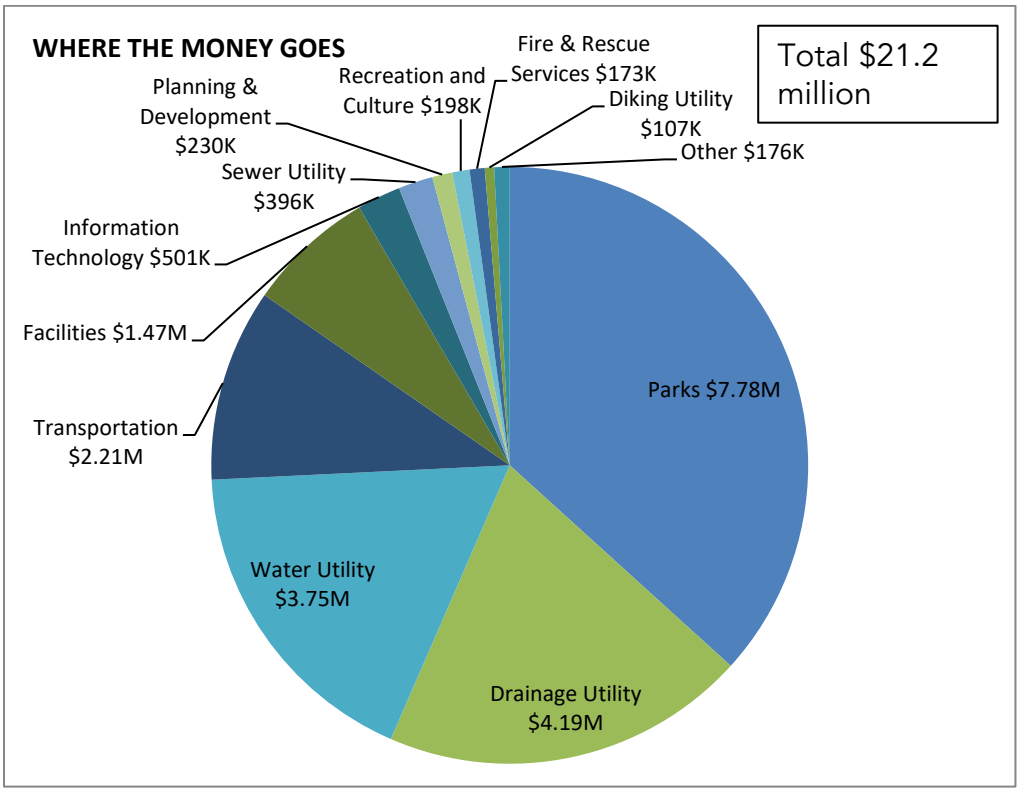


Where the Money Goes

The 2026-2030 capital expenditure program presented to Council for approval includes approximately $84 million to be expended on a number of projects.

Some of the more significant projects for the $21.2 million expenditure in the 2026 year include:

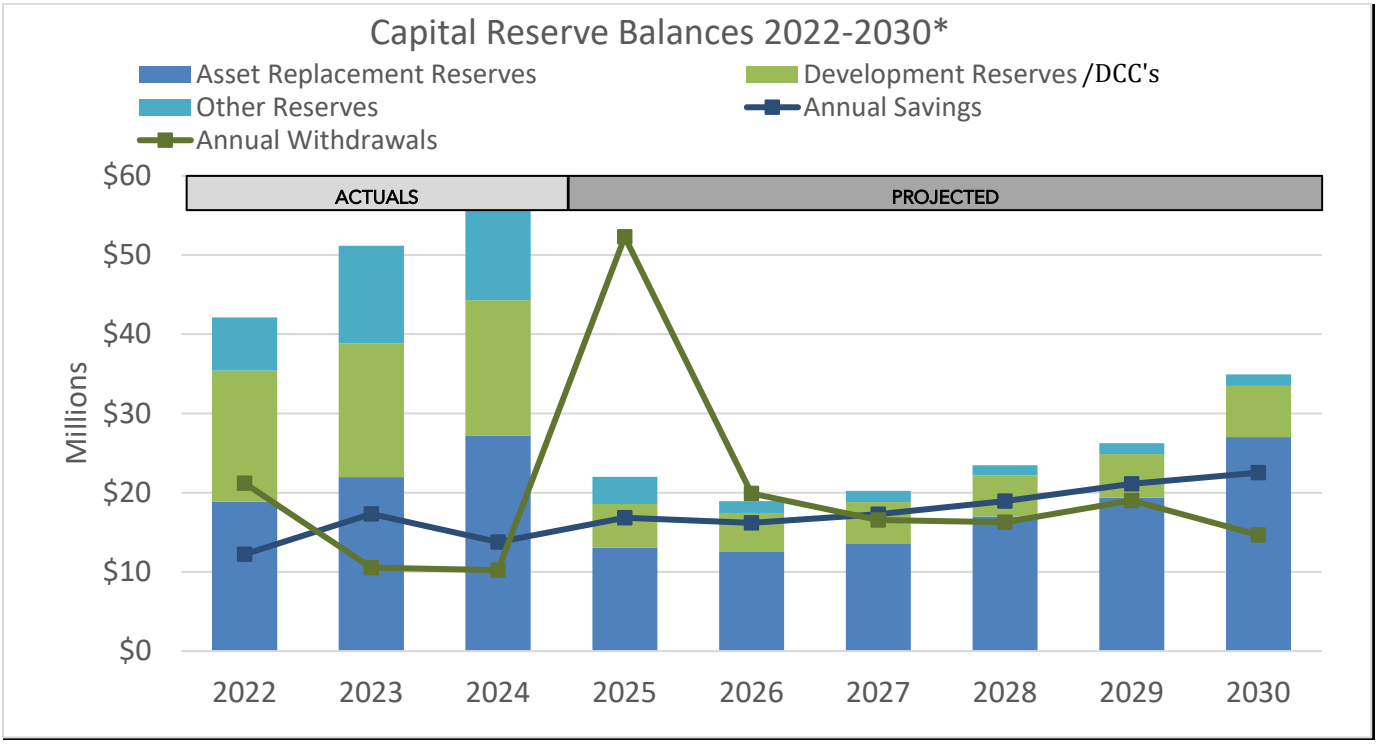
- Double Artificial Turf - $3.8 million
  (total project cost $10.6 million)
- Covered Multi Sport Box - $3.4 million
  (total project cost $8.1 million)
- Kennedy Pump Station Replacement – $3.6 million
- Water Main Replacements 188 Ave, 189B St, 120B Ave, 119B St., 190 St., Harris Rd, Advent Rd $3.5 million
- Fraser Dike Road Extension, Multi Use Path, and Dike Upgrade $400k
  (total project cost $3.8m)
- Heritage Hall Roof & Wall Restoration $468k.
- ERP System (Accounting, Payroll, HR, Operations Management) Replacement Readiness Assessment and Procurement Planning $350k



Capital Reserve Funding 2022-2030

The following chart summarizes the capital reserve activity and indicates a drop in reserve balances from 2024 to 2026. Over the past two decades, the City has experienced significant growth contributing to added improvements and investments to City assets to ensure service levels are maintained. The added improvements planned for PMAP, Roads, and Pump Stations are reflected in the overall reduction in reserve balances observed in 2025 and 2026, utilizing the reserves for their intended purpose. The City's increased infrastructure that's included in our 5-year capital program aligns our investment in services with the City's past growth.

Going forward, the plan reflects low capital expenditures, mirroring our anticipated low growth environment. Further, the plan begins building the reserves for the eventual replacement of the City's existing assets. As such, the City's reserves start to grow again in 2027 in anticipation of future rehabilitation and replacement costs, benefiting from the City's commitment to saving for asset replacement as per the Asset Management Plan.



*Excludes Operating Surplus Reserves which are set aside for unexpected events.
2025 annual withdrawals include recognition of DCC funded infrastructure around GEBP, Portion of RCMP Building, PMAP Turf Fields and Sport Box, Kennedy and Baynes Pump Station Upgrades, and DCC funded improvements to Harris Rd, Fraser Way, and Fraser Dike Road Extension.
Annual reserve savings continue the trend of stable increases.

How Much Money is in Savings: Reserve Balances

The City maintains various reserves (including deferred revenue). Generally capital projects are funded by these reserves to reduce volatility in taxation levels. Following is a further breakdown of the above chart for the asset management reserve and deferred revenue balance projections from the 2026 – 2030 financial plan. Additionally, the Accumulated Surplus reserve and other surplus reserves are held outside of the Asset Replacement Reserves in the Operating Reserve Fund to stabilize tax rates, provide working capital and to fund one-time extraordinary expenditures, efficiency initiatives and emergency expenditures.

	2026	2027	2028	2029	2030
Asset Replacement Reserves					
Arena	$1,209,000	$1,514,000	$1,739,000	$1,982,000	$2,242,000
Canada Community Building Fund	169,000	189,000	210,000	232,000	260,000
Diking	1,089,000	1,181,000	1,265,000	1,338,000	1,416,000
Drainage	257,000	407,000	1,366,000	3,342,000	4,974,000
Equipment Replacement	39,000	-	516,000	528,000	1,242,000
Lifecycle Buildings	408,000	324,000	1,687,000	1,647,000	4,130,000
Lifecycle General	-	300,000	309,000	751,000	1,638,000
Minor Capital	913,000	980,000	1,047,000	217,000	261,000
Sanitary Sewer	1,983,000	4,889,000	5,720,000	5,322,000	7,673,000
Translink Major Road Network Grant	602,000	291,000	556,000	964,000	1,396,000
Transportation	852,000	104,000	269,000	316,000	517,000
Transportation Road Use Levies	4,994,000	3,433,000	2,304,000	2,724,000	1,118,000
Water	-	-	-	-	136,000
	12,515,000	**13,612,000**	**16,988,000**	**19,363,000**	**27,003,000**
Development Reserves					
Amenity Cost Charges	560,000	852,000	1,429,000	2,023,000	2,635,000
Development Cost Charges	4,382,000	4,346,000	3,731,000	3,490,000	3,822,000
	4,942,000	**5,198,000**	**5,160,000**	**5,513,000**	**6,457,000**
Other Reserves					
Accumulated Surplus Reserve	2,496,000	2,314,000	2,329,000	2,400,000	2,484,000
Art In Public Spaces	294,000	353,000	413,000	476,000	540,000
Carbon Neutral & Sustainability	429,000	296,000	154,000	159,000	164,000
Community Amenity	350,000	361,000	371,000	382,000	394,000
Future Capital	51,000	40,000	29,000	18,000	18,000
Other Surplus Reserves	3,427,000	3,004,000	2,706,000	2,517,000	2,223,000
Parkland Acquisition	111,000	119,000	128,000	137,000	146,000
South Bonson Amenity	185,000	171,000	160,000	151,000	145,000
Tree Replacement	56,000	58,000	60,000	61,000	63,000
	7,399,000	**6,716,000**	**6,350,000**	**6,301,000**	**6,177,000**
Total Reserve Balances	**24,856,000**	**25,526,000**	**28,498,000**	**31,177,000**	**39,637,000**

INFRASTRUCTURE SUSTAINABILITY – ASSET MANAGEMENT

The City owns infrastructure with a historic cost of $332 million which has a replacement cost in today's dollars, estimated at $677 million. The performance of these assets is vital to the health, safety and quality of life of residents which require monitoring, maintenance and replacement to support the community. Asset management plans for the City's assets were refreshed and updated in 2023 resulting in an updated Asset Management Plan (AMP) report which provided information on the optimal savings targets needed to ensure sufficient funds exist to sustain existing infrastructure in the long-term. As part of the annual budget business planning, optimal savings targets are refreshed annually reflecting annual updates to the replacement values as well as updates to the asset condition ratings by incorporating condition assessment results as they are completed.

Fortunately, Council has made investments in the continued improvement of asset replacement information and endorsed sound financial policies that provide funding mechanisms for future asset replacement needs and long-term sustainability. Continued commitment for asset replacement is embedded in the 5-year plan.

Asset Replacement – General Fund

Based on the overall asset replacement assessment for the next 20 years, the gap between the average annual asset replacement optimal funding level and existing annual funding for the assets housed in the General Fund is calculated at $1.3 million and is mainly attributed to Equipment & Furnishings ($1.0M), Roads ($186k) and Vehicles ($178k). Continuing along the path of increasing annual reserve savings will narrow the funding gap. Although targeted savings levels vary by asset group, redistribution between asset groups is permitted upon Council approval provided the City adheres to the Debt Policy and legislative restrictions. Targeted annual savings levels will be achieved as follows:

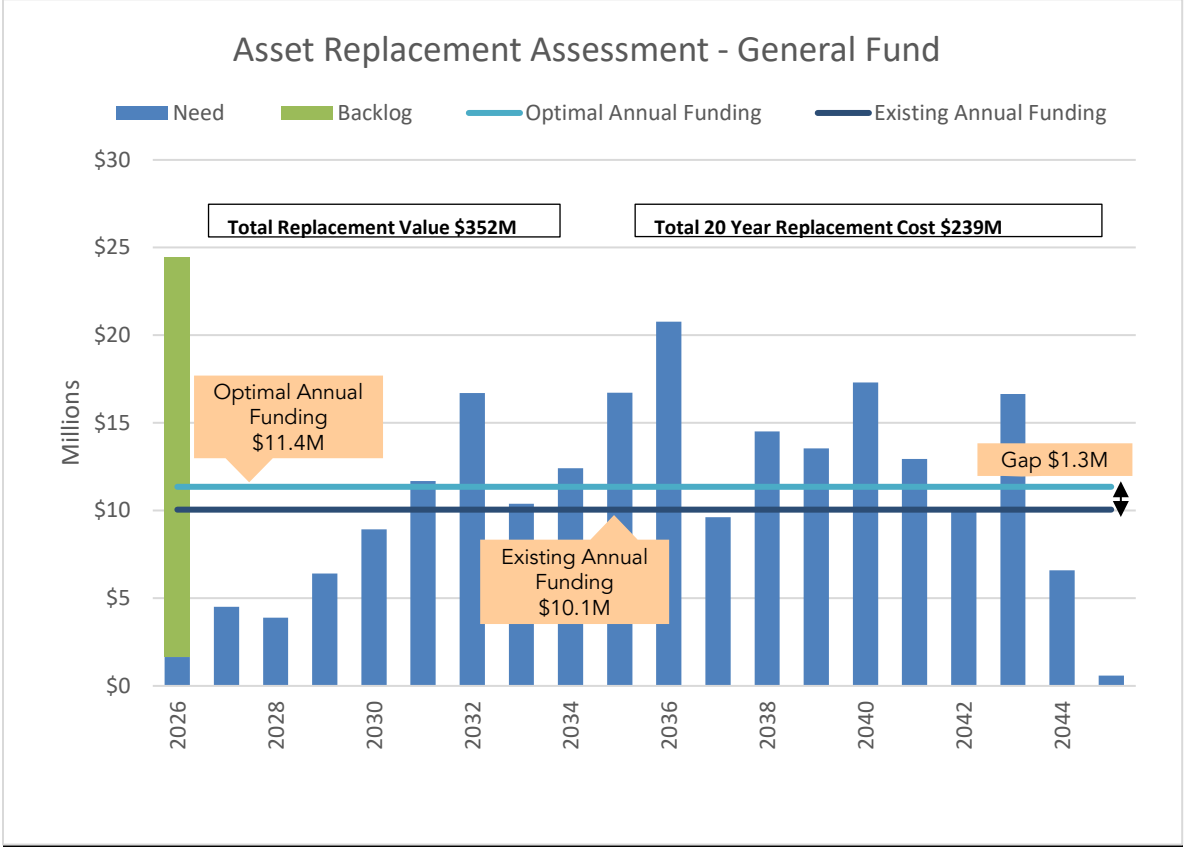
- Vehicles: 2028
- Equipment: 2030
- Transportation: 2027
- Buildings: target has been met but savings increases are necessary to address the Buildings funding backlog.

The above target dates are subject to realizing future year(s) planned annual contribution increases and based on an assumed inflation rate of 3%, however they do not capture increased annual reserve savings needed for unplanned new or enhanced assets.

The General Fund accumulated backlog (reflected in 2026) is estimated at $22.8 million which is essentially those assets that are beyond their initially estimated useful lives. This is determined from a combination of age-based and condition-based data. As conditions are updated and remaining useful life is adjusted to match condition ratings this backlog becomes better quantified. The funding backlog is addressed through a combination of postponing asset

replacement, attaining grants or incurring either internal or external debt, and increasing the annual asset reserve savings more aggressively.

Formulated by the Asset Management Plan, it is anticipated that a total of $239 million will be required over the next 20 years for the replacement and renewal of the existing capital assets to ensure that the city can rely on these assets well in the future. The replacement cost is mainly attributed to transportation infrastructure, civic buildings, parks and recreation infrastructure and equipment.



Asset Replacement – Utility Funds

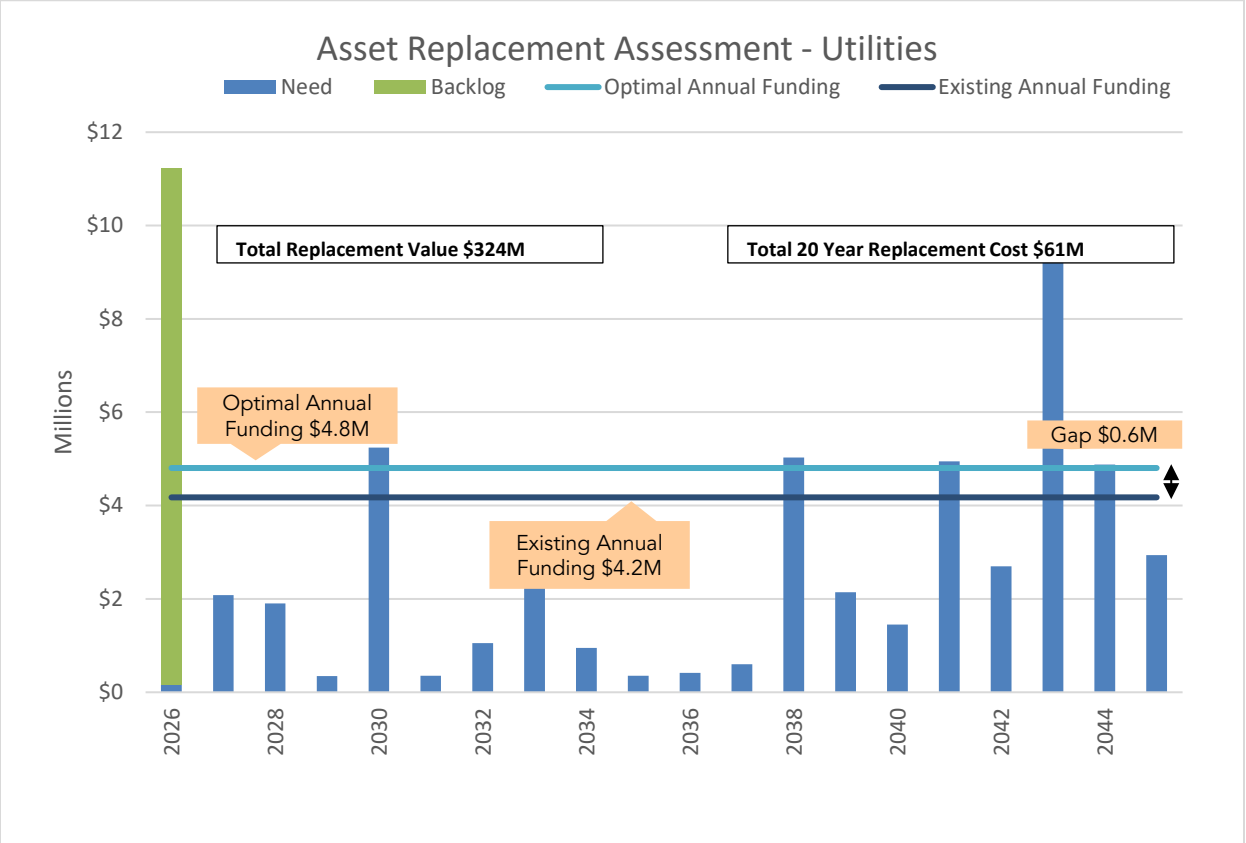
Based on the overall asset replacement assessment for the utility funds, the gap between the average annual asset replacement optimal funding level and existing annual funding is calculated at $629,000 and is attributed to Drainage ($419k), Sewer ($118k) and Water ($92k). We estimate replacement costs and the annual funding each year required to meet those replacements. Inflation will increase these estimates. Although we have been investing in narrowing the funding gap, inflation has increased our annual requirement and consequently has extended the timeline to eliminate the funding gap. Continuing along the path of increasing annual reserve savings will narrow this funding gap seeing achievement of reaching targeted savings levels between 2028 to 2029.

- Drainage: 2029
- Water: 2028

- Sewer: 2029

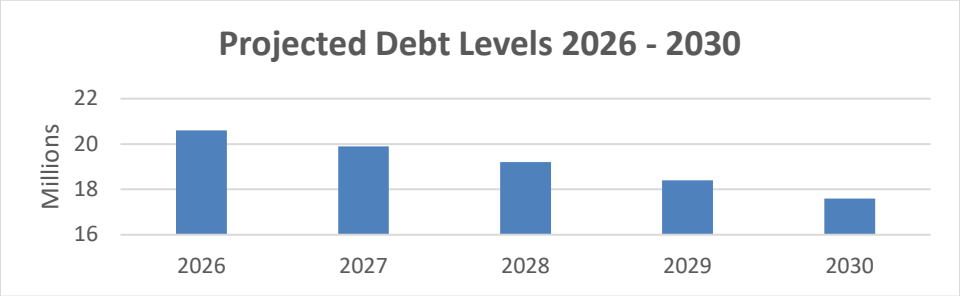
The Utility Funds accumulated backlog (reflected in 2026) is estimated at $11.1 million and is essentially those assets that are beyond their initially estimated useful lives which is determined from a combination of age-based and condition-based data. As conditions are updated and remaining useful life is adjusted to match condition ratings this backlog becomes better quantified. The funding backlog is addressed through a combination of postponing asset replacement, attaining grants or incurring debt, and increasing the annual asset reserve savings more aggressively.

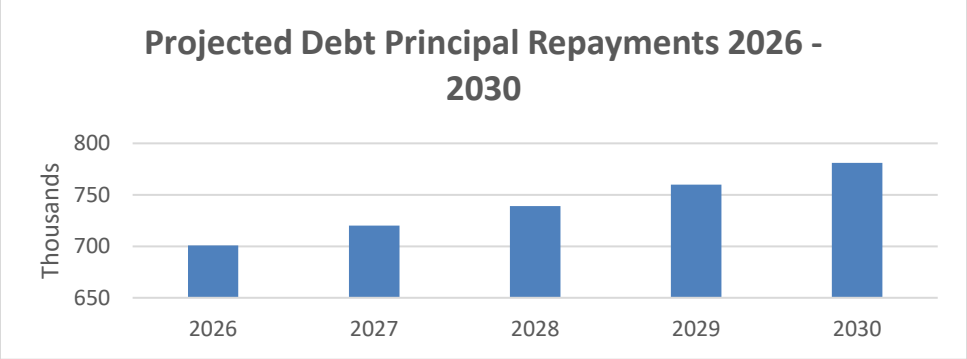
Formulated by the Asset Management Plan, it is anticipated that a total of $61 million will be required over the next 20 years for the replacement and renewal of the existing drainage, sewer and water capital assets to ensure that the city can rely on these assets well into the future.

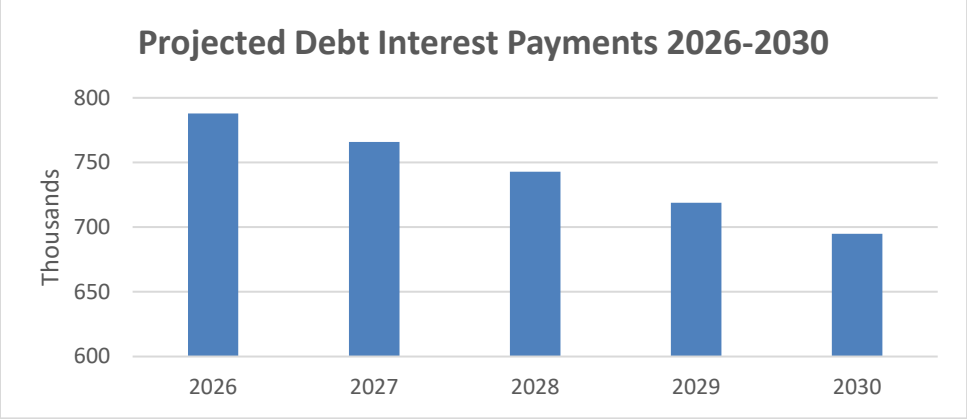


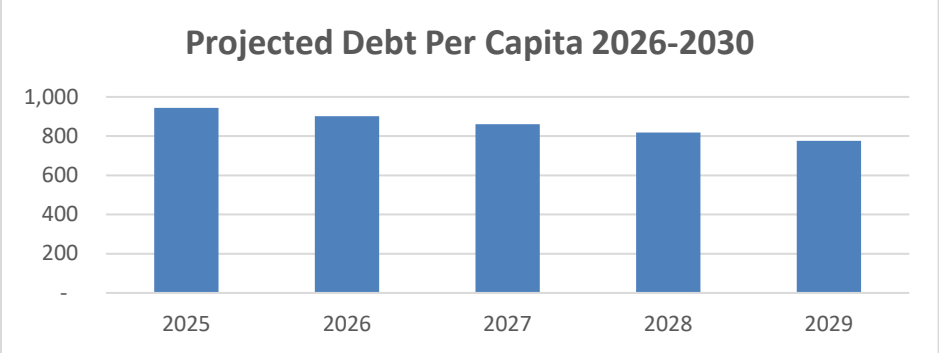
DEBT

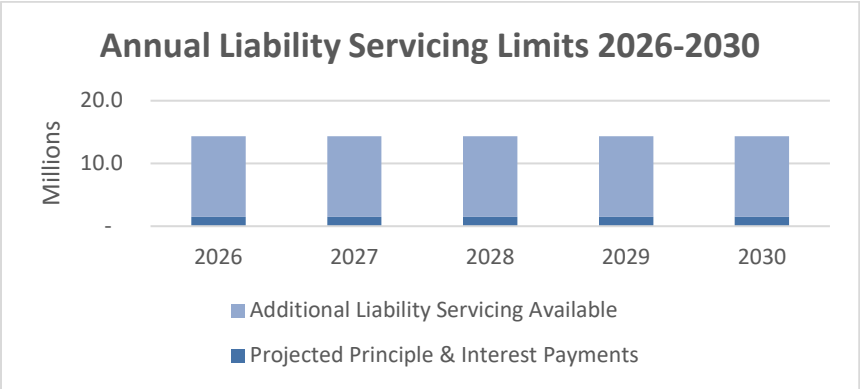
There is no additional external debt within the 2026-2030 Five Year Financial Plan. The following charts provide the projected debt levels, principal & debt interest payments on the City's existing and projected debt. Existing debt was incurred to fund infrastructure projects being the Police Building, Civic Centre Parkade, and Community Centre. In 2025 the City completed payment on its Arena Renovation debt. All debt is related to the General Fund. There is no debt in the other funds.


Projected Debt Levels 2026 - 2030
Millions
22
20
18
16
2026
2027
2028
2029
2030


Projected Debt Principal Repayments 2026 - 2030
Thousands
800
750
700
650
2026
2027
2028
2029
2030


Projected Debt Interest Payments 2026-2030
Thousands
800
750
700
650
600
2026
2027
2028
2029
2030

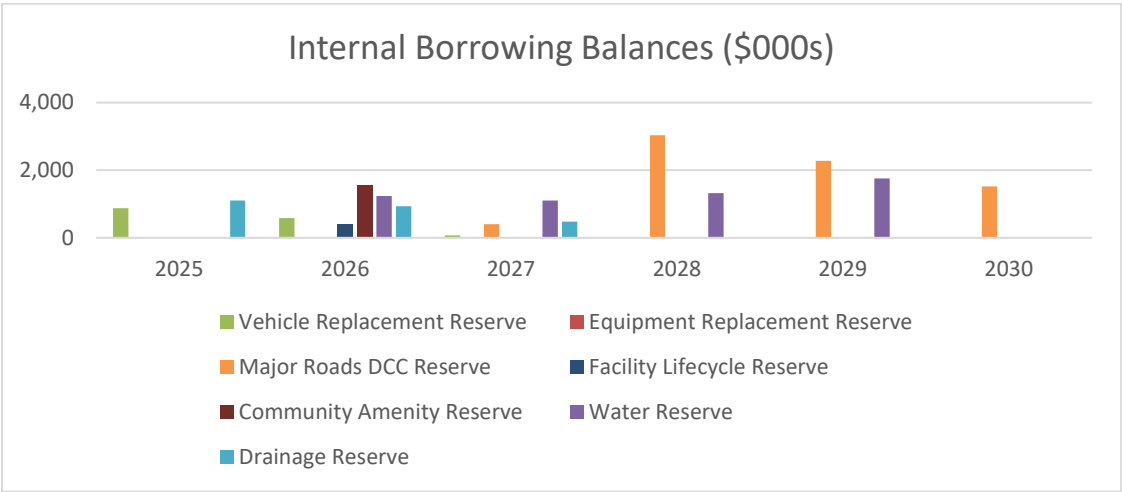

Projected Debt Per Capita 2026-2030
1,000
800
600
400
200
-
2025
2026
2027
2028
2029



The liability servicing (also known as debt principle and interest payments) limit is set by the *Community Charter* and is defined as 25% of a municipality's controllable and sustainable revenues for the previous year. For the City of Pitt Meadows, the liability servicing limit was $14.3 million in 2025. The budgeted cost of principle and interest debt payments are $1.5 million per year in the 2026-2030 financial planning period, which is well below the allowable limit.

Internal Borrowing 2026-2030

The *Community Charter* and the Debt Management Policy provide the option of borrowing internally from reserves. This is permitted if the funds being borrowed are not needed by the lending reserve and must be repaid with interest. The City uses the internal investment rate of return which is estimated at 3% for 2026. Due to the gap in annual reserve savings values compared to the reserve savings targets established by the City's Asset Management Plan, as well as the historic funding backlog, there is a need for internal borrowing as displayed in the following table. Until we reach our target savings values and reduce the funding backlog there will continue to be a need for internal borrowing.



Vehicle Replacement Reserve debt owed to Road Use Levies Reserve - fully repaid in 2028
Equipment Replacement Reserve debt owed to Road Use Levies Reserve – fully repaid in 2026
Water Reserve debt owed to Sewer Reserve – fully repaid in 2030
Drainage Reserve debt owed to Sewer Reserve - fully repaid in 2028
Major Roads DCC Reserve debt owed to Road Use Levies Reserve – fully repaid in 2031
Facility Lifecycle Reserve debt owed to Road Use Levies Reserve – fully repaid in 2028
Community Amenity Reserve and Drainage Reserve debt owed to Sewer Reserve - fully repaid in 2027

2026-2030 FINANCIAL OUTLOOK – ALL FUNDS

Consolidated Financial Schedule – All Funds

	2026 Proposed Budget	2027 Proposed Budget	2028 Proposed Budget	2029 Proposed Budget	2030 Proposed Budget
Revenues					
Municipal Property Taxes	$37,807,700	$40,383,900	$42,786,700	$45,165,100	$47,540,200
Utility Charges	17,923,500	18,764,000	19,954,300	21,121,300	22,476,100
Sale of Services	3,055,600	3,127,900	3,213,500	3,289,900	3,378,000
Licenses, Permits, Penalties, Fines	2,470,300	2,194,300	2,211,400	2,228,500	2,217,600
Investment Income	1,155,400	1,082,400	1,139,000	1,249,400	1,332,500
Other Revenue	712,100	712,200	747,700	760,500	779,600
Government Transfers	3,263,000	1,231,700	630,000	919,300	478,900
Contributions	1,052,800	1,441,600	4,247,800	1,213,400	631,500
Total Revenues	**67,440,400**	**68,938,000**	**74,930,400**	**75,947,400**	**78,834,400**
Expenses					
Operating Expenditures	48,883,800	50,540,300	52,601,700	54,591,700	57,119,500
Debt Interest	1,016,400	1,014,700	1,013,000	1,011,400	1,009,800
Amortization	6,709,400	6,911,100	7,119,100	7,321,600	7,541,400
Total Operating Expenses	**56,609,600**	**58,466,100**	**60,733,800**	**62,924,700**	**65,670,700**
Net Revenues	**10,830,800**	**10,471,900**	**14,196,600**	**13,022,700**	**13,163,700**
Allocations					
Net Reserve Transfers	(4,330,700)	1,881,300	5,125,300	907,300	6,074,100
Capital Expenditures	21,170,300	14,782,200	15,451,100	18,677,300	13,850,300
Unfunded Amortization	(6,709,400)	(6,911,100)	(7,119,100)	(7,321,600)	(7,541,400)
External Debt Principle Repayment	700,600	719,500	739,300	759,700	780,700
Total Allocations	**10,830,800**	**10,471,900**	**14,196,600**	**13,022,700**	**13,163,700**
Balanced Budget	-	-	-	-	-

Future Years – Average Single Family Dwelling Assessed at $1,184,823

The next table provides the 2026 tax and utility increase for the average single-family home as well as estimates for the years 2027 to 2030.

	TAXATION				USER FEES					
Year	**Capital Reserves***	**City Depts.**	**Service Delivery Partners *****	**Tax Subtotal**	**Drainage**	**Sewer ****	**Solid Waste**	**Water ****	**Utilities Subtotal**	**Total Change**
2026	$70	$70	$40	**$180**	$5	$36	$15	$81	**$137**	**$317**
2027	$70	$112	$35	**$217**	$19	$29	$9	$5	**$62**	**$279**
2028	$73	$92	$43	**$208**	$18	$57	$9	$7	**$91**	**$299**
2029	$76	$82	$45	**$203**	$20	$57	$9	$28	**$114**	**$317**
2030	$80	$90	$34	**$204**	$19	$77	$9	$48	**$153**	**$357**
Avg.	$74	$89	$39	**$202**	$16	$51	$10	$34	**$111**	**$314**

* Corporate Finance Reserve Savings

** The Sewer and Water values are primarily driven by the forecasted Metro Vancouver increases in sewer treatment and water supply costs. Metro Vancouver sewer forecasts are funding a capital program necessary to meet the needs of a growing population and maintenance of aging infrastructure.

*** The City will be transitioning to an autonomous RCMP Detachment in 2026. These costs will continue to show under Service Delivery Partners.

Estimates for future years are sensitive to potential service level changes and associated unknown costs resulting from:

- Outcomes of studies or reviews that the City undertakes such as the Detailed Irrigation Study and Climate Action Plan.

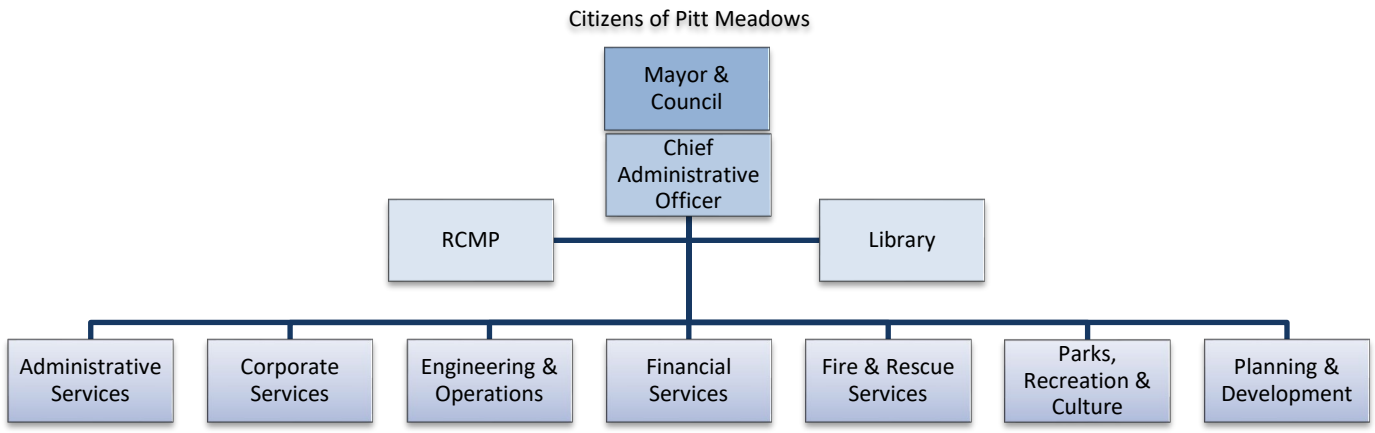
- Addition or replacement of assets impacting operating costs and future annual savings contributions that are required for the replacement of those assets.

- Changes in legislative requirements such as the recently proposed changes to Housing Residential Development which is expected to result in significant additional infrastructure costs.

- Other external factors such as inflation as well as the cost of services provided by Metro Vancouver or other non-discretionary contracted services.

FINANCIAL STRUCTURE, POLICY & PROCESS

Organization Chart



Employee Base – Full-Time Equivalent (FTE) Analysis

The City's staff complement is calculated by full-time equivalents (FTEs). Included in the City's 2026 Financial Plan is 153.77 FTEs that represent full-time and part-time staff.

Number of FTEs	2026 Budget
Office of the CAO	1
Administrative Services	6.57
Corporate Services - Communications	3.5
Corporate Services - Human Resources, Payroll & OH&S	6
Corporate Services - IT	6
Corporate Services – Police Housing & Support	9.5
Engineering & Operations - Engineering	5.74
Engineering & Operations – Major Projects	3
Engineering & Operations - Facilities	2.7
Engineering & Operations – Operations*	24.57

Financial Services	8
Fire & Rescue Services**	27
Library Services	7.1
PRC - Parks	9.6
PRC – Recreation & Culture	18.32
Planning & Development***	15.17
	153.77

* Excludes seasonal labourers (approx. 0.68)
** Excludes Volunteers (approx. 25)/Paid on Call Firefighters (approx. 25)
***Consists of Planning, Building and Bylaws, and Agriculture and Environment.

FUND DESCRIPTIONS AND FUND STRUCTURE

The resources and operations of the City are segregated into five separate funds: a General Fund and four Utility Funds (Water, Sewer, Solid Waste and Storm Drainage). Each fund consists of operating and capital budgets needed to deliver various services to the community.

General Fund

The General Fund is the primary fund for most municipal services and departments. This fund has a number of revenue sources – the largest of which is property taxation. This fund includes all of the operating departments that provide a number of services to the community.

Sanitary Sewer Fund

The sanitary sewer utility is debt free and financially self-sustained. The sanitary sewer utility provides for infrastructure replacement and enhancement, sanitary treatment provided by Metro Vancouver and ongoing operation and maintenance of the City's sewer system. The services in this fund are provided by the Engineering and Operations Services department.

Solid Waste

The Solid Waste Utility is a self-funded entity that supports the garbage and green waste collection services provided to the residents of the City of Pitt Meadows. Garbage rates include the cost of transfer and waste disposal of solid waste and composting of the material collected. The services in this utility are provided by the Engineering and Operations Services department as well as collection services contracted with Waste Management.

Storm Drainage Fund

The Storm Drainage utility is debt-free and self-funded by a variety of sources, but primarily from a levy established by bylaw and a separate charge (mill rate) based on assessed value. This utility collects and conveys storm water to reduce the risk of property damage due to flooding. Key costs in the utility include ditch cleaning, maintenance of culverts, storm sewers and pumps, hydro costs, and capital reserve provisions for replacement of infrastructure, in particular pumps and pump stations. The services in this fund are provided by the Engineering and Operations Services department.

Water Fund

The Water Utility is debt-free and a self-funded entity that delivers water to residential, commercial and industrial premises in Pitt Meadows for domestic use, irrigation, and cooling and fire suppression. This Utility is a member of the Metro Vancouver Water District (MVWD) which operates and maintains regional systems of supply works, transmission mains, reservoirs and treatment facilities.

The key issues facing the water utility are the volume of water consumed, the equity in the rate mix between flat rate and volume based charges, and the blended rate charged to customers versus the seasonal rates paid to Metro Vancouver. To create equity within the system, the City has adopted the approach of charging metered users:

- A basic per connection fee which covers costs of billing, maintenance of meters, waterlines, pressure reducing value (PRV) stations and saving for the future capital replacement (these costs exist even if the customer uses no water);
- A consumption charge for the amount of water used by City Services based on consumption distribution by user type (metered and flat rate); and
- A surcharge to account for the additional costs incurred by the City as a result of charging the blended rate to customers and paying seasonal rates to Metro Vancouver.

Currently the City relies solely on Metro Vancouver's transmission water meters and is charged based on volume-in versus volume-out of Pitt Meadows. Water conservation, incentives and associated enforcement is an important initiative to help reduce water consumption. The flat fee incorporates the components of both the connection fee and the estimated consumption charge. However, both the flat fee model and metered model are challenged during unusual events when extreme weather patterns occur, where the City is unable to recover the excess water usage (flat fee model) or excess water consumption costs (metered model) as result of charging either the flat fee or blended rate, rather than seasonal rates. The City may wish to consider transitioning to metered water for all properties to encourage water conservation as well as consider the implementation of Metro Vancouver's seasonal rates. However, there is a significant capital cost related to the installation of the metered infrastructure as well as ongoing administrative costs, among other challenges to achieve water conservation efforts that should be considered before moving to a metered billing model.

The services in this fund are provided by the Engineering and Operations Services department.

Reserve Funds

Reserves are established pursuant to section 188 of the *Community Charter* allowing funds to be set aside for a specific purpose. Reserves protect against unanticipated events that can trigger budget deficits; balance programs and activities that tend to fluctuate from year-to-year; and finance long-term capital needs or contingent liabilities.

The City's Operating Reserve Funds will be used to fund ongoing projects and potential liabilities such as tax appeals and insurance claims. Capital reserves, along with Development Cost Charges, will be used to finance capital projects. In conformance with reporting standards of the Public Sector Accounting and Auditing board of the Canadian Institute of Chartered Accountants, reserve transactions are identified separately from expenditures and revenues in portions of the 2026 budget document.

FINANCIAL POLICIES

Governing Policy and Regulatory Requirements

The *Community Charter* requires that a Five-Year Financial Plan for both the operating and capital expenditures be adopted by May 15 of the first year of the plan. In addition, the *Community Charter* directs that the public must be consulted prior to adoption of the Financial Plan.

Balanced Budget

In compliance with Section 165 of the *Community Charter*, the City's Five-Year Financial Plan must be balanced. The total of expenditures and transfers to other funds for a year must not exceed the total of funding sources and transfers from other funds for the year.

Financial Policies

In support of Council's key strategic plan goals of Corporate Excellence through responsible financial management, the City has a series of financial policies ensuring municipal services and infrastructure continue to be provided for future generations. The financial policies adopted by City Council include:

- ***Asset Management Policy***

  The City adopts and applies asset management practices in support of delivering quality, cost-effective services to the community. The City adopts a sustainable approach to asset management, ensuring that the asset base is not increased without considering the impact on the ability of the City to fund future maintenance and rehabilitation.

- ***Debt Management Policy***

  The City's policy is to minimize external debt borrowings and, if required, use existing reserves as a means to internally finance required capital expenditures. As well, the City adheres to the Debt Limit and Liability Servicing Limit requirements as outlined in the *Community Charter*.

- ***Investment Policy***

  The City invests funds in a manner that will provide the optimal blend of investment security and return while meeting the daily cash flow demands of the City and complying with the statutory requirements of the *Community Charter.*

- ***Permissive Tax Exemption Policy***

  Under the *Community Charter*, Council considers requests for permissive property tax exemptions from qualifying organizations. The policy ensures that charitable and not-for-profit community organizations providing services for the benefits of the community are dealt with consistently and receive equal and fair treatment and consideration.

- ***Purchasing and Procurement Policy***

  The City purchases goods and services on behalf of Pitt Meadows residents in accordance with evolving best practices in procurement for local governments to ensure receipt of best value and that processes are fair, consistent, efficient and effective.

- ***Revenue and Taxation Policy***

  The City sets out the objectives and policies regarding the proportion of total revenue to come from each funding source, the distribution of property taxes among the property classes and the use of permissive tax exemptions. The City regularly reviews user fees, development cost charges and the property tax ratio in comparison with other municipalities in Metro Vancouver.

- ***Risk Management Policy***

  The City strives to minimize the impact of losses upon City resources by eliminating or reducing where practicable the conditions that cause accidental losses. When risk cannot be eliminated or reduced to workable levels the City purchases commercial insurance or engages other risk financing mechanisms that will provide indemnity for catastrophic losses or retain remaining risks.

- ***Surplus Policy***
  The City's General Fund Accumulated Surplus establishes a targeted minimum balance of 5% of regular general fund net operating expenditures to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures.

FINANCIAL PLANNING PROCESS

The City develops its Five-Year Financial Plan consistent with generally accepted accounting principles. The City uses the accrual method of accounting in which revenues and expenses are recognized at the time they are incurred.

The budget is organized by type of operation (i.e. general fund and utility funds), with each operation considered a separate budgeting and accounting entity. Funds are budgeted and reported along departmental lines, with accountability and authority for budgetary approval and amendments resting with Council. Council delegates the authority for actual disbursement and implementation of the Five-Year Financial Plan to the Chief Administrative Officer.

Although the *Community Charter* imposes annual budget deadlines, the City's budget process is a continuous cycle. The budget is prepared, reviewed, debated, changed and approved by the department managers, senior leadership team, and City Council.

Each year City staff put forward a preliminary budget. The Mayor and City Council, with input from Pitt Meadows residents and businesses, then make decisions about the City's services, programs and infrastructure and approve the City's final budget. All budget workshops, presentations and deliberations are open to the public.

As outlined in the *Community Charter*, the Five-Year Financial Plan is to be adopted by May 15 of the first year of the plan. At any time, subsequent to the original adoption, an amended financial plan bylaw can be adopted by Council for that year. Amendments to the financial plan which result from unplanned financial activities identified during financial reviews and the yearend process are incorporated into an amended financial plan bylaw each spring after the completion of the yearend audit.

The Corporate Strategic Plan 2023-2026 serves as a guiding framework for policies, budgets and decision making over the 4 year period. The Corporate Strategic Plan sets the high level goals and objectives for the community which, in turn, sets desired service levels. Departmental business plans and budgets are developed to ensure programs and services align with and aim to achieve the goals outlined in the Corporate Strategic Plan.

Business Plan Guidelines are developed and approved by Council outlining budget objectives, principles, approach, and service levels. Taxation from population growth is used to fund related operational costs, projects and long-term strategies including increased service levels.

The Tax Rate Bylaw is to be adopted by May 15 as outlined in the *Community Charter*.

PITT MEADOWS AUTONOMOUS RCMP DETACHMENT

As previously communicated, the new Autonomous RCMP Detachment is expected to be fully operational in the second quarter of 2026 with the City taking over the Housing and Support related costs, previously administered by Maple Ridge through a service agreement.

Over the last few years, the City has been preparing for the new Autonomous RCMP detachment, which included clearly identifying service partner costs such as ECOMM that are outside the City's control and would be incurred under a shared service agreement or as an Autonomous Detachment. For this reason, ECOMM costs have been removed from the summary below which captures the related costs to Housing and Support, under the shared service agreement (in blue) and as an Autonomous RCMP Detachment (in purple).

The planned future annual increases are consistent or improved compared to the annual increases experienced under the Ridge Meadows Housing and Support Agreement.

	Ridge Meadows RCMP Housing and Support			Pitt Meadows RCMP Housing and Support		
RCMP Housing and Support	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Revenues	(16,600)	(17,800)	(19,400)	(20,000)	(22,600)	(23,300)
Expenses*	1,029,200	1,056,500	1,249,900	1,282,600	1,306,700	1,390,000
Total	1,012,600	1,038,700	1,230,500	1,262,600	1,284,100	1,366,700
Year-Over-Year % Increase	0%	3%	18%	3%	2%	6%

Three Year Average 7%

Three Year Average 3.7%

*ECOMM service costs have been excluded from total expense since these are fully determined by the service provider.

Going forward, the main cost driver for Housing and Support, other than ECOMM, will be negotiated salary increases and inflationary increases, which would have been the same cost pressure under the Ridge Meadows Housing and Support Agreement.

COUNCIL STRATEGIC PLAN ALIGNMENT

☐ Principled Governance ☐ Balanced Economic Prosperity ☐ Infrastructure
☐ Community Spirit & Wellbeing ☒ Corporate Pride ☐ Public Safety
☐ Not Applicable

WORKPLAN IMPLICATIONS

☒ Already accounted for in department workplan / no adjustments required

☐ Emergent issue / will require deferral of other priority(ies)

☐ Other

As outlined in the report.

FINANCIAL IMPLICATIONS

☐ None ☐ Budget Previously Approved ☐ Referral to Business Planning

☒Other

PUBLIC PARTICIPATION

☒ Inform ☐ Consult ☐ Involve ☐ Collaborate ☐ Empower

KATZIE FIRST NATION CONSIDERATIONS

Referral ☐ Yes ☒ No

SIGN-OFFS

Written by:	**Reviewed by:**
Laura Barroetavena, Director of Financial Services	Mark Roberts, Chief Administrative Officer

ATTACHMENT(S):

A. Operating and Capital Budget Tables
B. Statistics
C. 2026 Executive Summary Utilities
D. 2026 Executive Summary General Fund

OPERATING AND CAPITAL BUDGET TABLES

Financial Plan Summaries by Fund 2026 – 2030

General Fund – Property Tax	2025 Budget	2026 Proposed	2027 Proposed	2028 Proposed	2029 Proposed	2030 Proposed
Revenues (000s)	43,169	46,123	48,066	50,650	53,223	55,763
Expenses (000s)	34,348	36,100	37,382	38,731	40,042	41,664
Reserve Savings (000s)	8,821	10,023	10,684	11,919	13,181	14,099
Average Single Family Property Tax $	$3,069	$3,250	$3,466	$3,674	$3,877	$4,081
Average Property Tax Increase ($) Single Family Home		$180	$217	$208	$203	$204

Certain comparative information has been reclassified to allow for greater comparability between prior years and the current year
2027-2030 are estimates which will be adjusted next year.
2027 onward main increases are due to Public Safety (Fire and RCMP) negotiated contracts trending higher than inflation as well as the related operating costs related to the PMAP Turf Fields and Sports box.

Utilities	2025 Budget	2026 Proposed	2027 Proposed	2028 Proposed	2029 Proposed	2030 Proposed
Drainage	$210	$215	$234	$252	$272	$291
Sewer*	$573	$609	$638	$695	$751	$828
Solid Waste	$221	$236	$245	$254	$264	$273
Water**	$836	$917	$922	$929	$957	$1,005
Total Utilities	$1,840	$1,977	$2,039	$2,130	$2,244	$2,397
Water Metered Connection $	592	$721	$767	$813	$860	$908
Water Metered Rate/m3 $	$1.00	$1.06	$1.09	$1.14	$1.18	$1.23

2027-2030 are estimates which will be adjusted next year.
* Includes Metro Vancouver's five year plan forecasting average annual increases which is primarily related to funding the capital program necessary to meet the needs of a growing population, upgrades to improve wastewater discharge quality and meet regulations along with maintenance of aging infrastructure.
**Includes Metro Vancouver's five year plan forecasting annual increases for 2027 – 2030 supporting infrastructure investments required to maintain existing levels of service, accommodate growth demands, and improve system resilience along with increases in core operating and centralized support.

Major Fund Statements

The level of fund balances is an indicator of the long-term sustainability and financial strength of the City. Strong fund balances afford Council the ongoing ability to maintain taxation stability and to provide capital funding for City projects. The change in Reserve Funds and Reserves is mainly due to operating activities, annual savings, external contributions and capital expenditures.

Fund Balances – Consolidated

	2024 Actuals	2025 Annual Plan	2026 Proposed Budget
Revenues			
Municipal Property Taxes	$32,886,522	$35,388,900	$37,807,700
Utility Charges	14,598,370	16,713,100	17,923,500
Sale of Services	3,760,879	2,821,800	3,055,600
Licenses, Permits, Penalties, Fines	1,883,767	2,111,000	2,470,300
Investment Income	3,351,069	1,127,500	1,155,400
Other Revenue	777,660	679,800	712,100
Government Transfers	1,743,880	8,886,600	3,263,000
Contributions	852,001	15,637,000	1,052,800
Total Revenues	59,854,148	83,365,700	67,440,400
Expenses			
General Government Services	7,628,037	7,672,000	7,983,600
Protective Services	12,792,108	15,128,800	16,033,900
Transportation Services	5,058,026	4,572,300	4,905,100
Solid Waste Services	1,176,226	1,182,500	1,267,800
Water Services	5,976,949	6,877,800	7,430,500
Sewer Services	2,952,510	4,008,700	4,255,700
Drainage Services	2,736,186	2,793,300	2,676,900
Diking Services	188,644	253,500	227,700
Development Services	1,244,052	1,531,100	1,433,900
Parks, Recreation and Cultural Services	10,015,520	9,859,700	10,394,500
Total Operating Expenses	49,768,258	53,879,700	56,609,600
Net Change	10,085,890	29,486,000	10,830,800
Opening Balance	246,219,075	256,304,965	285,790,965
Closing Balance	256,304,965	285,790,965	296,621,765

Capital Expenditure Program by Service Area 2026-2030 ($84 million)

Department:	2026	2027	2028	2029	2030	Total
Parks	7,775,300	1,013,300	1,084,800	1,762,100	858,000	12,493,500
Drainage Utility	4,190,500	1,341,500	765,000	854,900	682,000	7,833,900
Water Utility	3,749,000	1,681,000	2,877,500	2,544,900	386,400	11,238,800
Transportation	2,207,000	9,073,300	6,658,700	6,663,200	8,208,200	32,810,400
Facilities	1,467,500	639,000	1,858,500	1,061,000	675,500	5,701,500
Information Technology	501,000	492,000	1,184,500	1,828,000	2,125,000	6,130,500
Sewer Utility	395,500	60,500	441,000	1,374,700	533,000	2,804,700
Planning & Development	230,000	54,000	54,000	54,000	54,000	446,000
Recreation and Culture	198,100	75,200	78,800	82,500	86,100	520,700
Fire & Rescue Services	173,000	190,900	109,500	2,307,000	110,300	2,890,700
Diking Utility	107,000	117,000	127,000	110,000	110,000	571,000
Police	74,600	29,500	-	-	-	104,100
Communications	41,800	10,000	141,800	10,000	21,800	225,400
Administration Services	35,000	-	-	-	-	$35,000
Finance	20,000	-	70,000	-	-	90,000
Human Resources	5,000	5,000	-	25,000	-	35,000
Total	$21,170,300	$14,782,200	$15,451,100	$18,677,300	$13,850,300	$83,931,200
Funding Source:						
Arena Reserve	150,000	150,000	250,000	250,000	250,000	1,050,000
Art In Public Spaces Reserve	125,000	-	-	-	-	125,000
Canada Community Building Fund Reserve	115,000	115,000	115,000	115,000	115,000	575,000
Community Amenity Reserve	7,137,000	-	-	-	-	7,137,000
Development Cost Charges	591,000	1,329,300	4,135,900	1,111,000	528,100	7,695,300
Diking Levy	7,300	8,200	9,000	9,900	9,900	44,300
Diking Reserve	72,700	81,800	91,000	103,200	100,100	448,800
Drainage Reserve	1,432,000	1,319,500	742,000	497,500	1,166,000	5,157,000
Equipment Replacement Reserve	1,015,400	1,268,100	2,461,100	5,355,900	2,592,700	12,693,200
Future Capital Reserve	-	12,500	12,500	12,500	-	37,500
General Operating Reserve	622,500	148,000	157,200	100,600	87,600	1,115,900
Grants	2,740,700	715,000	125,000	425,000	-	4,005,700
Lifecycle General Reserve	1,500,400	999,100	1,953,800	1,152,000	770,500	6,375,800
Minor Capital Reserve	15,800	16,200	16,600	917,000	17,400	983,000
Sanitary Sewer Reserve	395,500	60,500	441,000	1,066,000	533,000	2,496,000
Transportation Reserve	1,135,000	3,200,200	2,552,900	3,069,300	3,329,300	13,286,700
Transportation Road Use Levies Reserve	366,000	3,677,800	212,800	1,947,500	3,989,000	10,193,100
Water Reserve	3,749,000	1,681,000	2,175,300	2,544,900	361,700	10,511,900
Total	$21,170,300	$14,782,200	$15,451,100	$18,677,300	$13,850,300	$83,931,200

Corporate Finance Financial Summary

Revenue and expense budgets belonging to Corporate Finance are not directly attributed to any one department. Rather, all or most departments will benefit by them or share in incurring the cost. The majority of budget items in the Corporate Finance area are budgets for reserve transfers, debt servicing costs, and taxation revenue which include taxes from new development or growth.

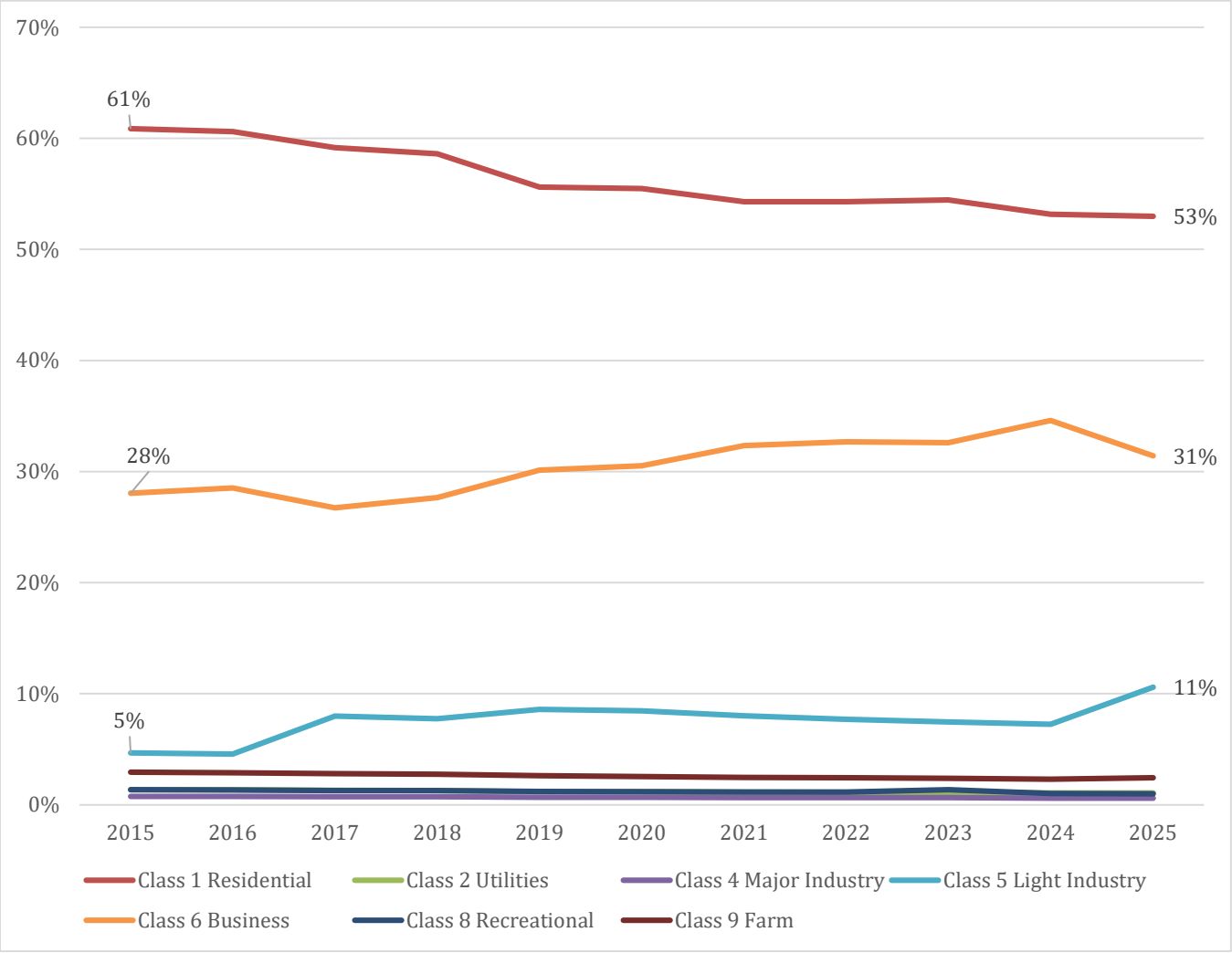
	2025 Adopted Budget	2026 Proposed Budget	Proposed Changes for 2026		2027 Proposed Budget	2028 Proposed Budget	2029 Proposed Budget	2030 Proposed Budget
Revenue								
Taxation	($34,621,100)	($34,851,000)	($229,900)	-0.7%	($37,028,800)	($39,673,900)	($42,060,800)	($44,422,900)
Taxation - Growth	incl	(122,000)	(122,000)		(100,000)	(25,000)	(47,000)	(38,000)
Grants	(430,300)	(413,300)	17,000	4.0%	(403,300)	(388,300)	(373,300)	(353,500)
Other Revenue	(2,002,700)	(2,004,100)	(1,400)	-0.1%	(2,048,700)	(2,094,500)	(2,140,700)	(2,187,800)
	(37,054,100)	(37,390,400)	(336,300)	-0.9%	(39,580,800)	(42,181,700)	(44,621,800)	(47,002,200)
Expenses & Transfers								
Expenses & Transfers	1,990,200	1,994,900	4,700	0.2%	2,140,200	2,238,300	2,258,100	2,367,200
	1,990,200	1,994,900	4,700	0.2%	2,140,200	2,238,300	2,258,100	2,367,200
Reserve Savings - Capital Maintenance								
General Facilities Reserve	786,000	811,000	25,000	3.2%	826,000	1,637,600	1,690,900	1,746,000
South Bonson Amenity Reserve	10,000	-	(10,000)	-100.0%				
Arena Capital Reserve	80,000	80,000	-	0.0%	80,000	80,000	80,000	80,000
	876,000	891,000	15,000	1.7%	906,000	1,717,600	1,770,900	1,826,000
Reserve Savings - Capital Replacement								
Major Buildings Reserve	1,079,500	-	(1,079,500)	-100.0%	961,700	1,856,500		2,525,800
Equipment Replacement Reserve	705,000	755,000	50,000	7.1%	1,110,100	2,167,500	4,431,500	2,331,300
Transportation Reserve	1,916,700	2,266,200	349,500	18.2%	2,633,200	3,018,600	3,423,300	3,848,200
	3,701,200	3,021,200	(680,000)	-18.4%	4,705,000	7,042,600	7,854,800	8,705,300
Reserve Savings - Strategic Asset Reserves								
Canada Community Building Fund	125,300	125,300	-	0.0%	130,300	130,300	130,300	135,500
Community Amenity Reserve	2,005,200	3,434,200	1,429,000	71.3%	2,534,400			
Public Art Reserve	50,000	50,000	-	0.0%	50,000	50,000	50,000	50,000
	2,180,500	3,609,500	1,429,000	65.5%	2,714,700	180,300	180,300	185,500
Net Revenue	($28,306,200)	($27,873,800)	$432,400	1.5%	($29,114,900)	($31,002,900)	($32,557,700)	($33,918,200)

Key Budget Changes for 2026:	
Taxation revenue from new development	($451,900)
Risk to Roll - BC Assessment	100,000
Other Revenue	(15,000)
Building Replacement Reserve Savings (Temp. Redirect to Amenity Reserve)	349,500
Transportation Replacement Reserve Savings	349,500
Equipment Replacement Reserve Savings	50,000
Other Reserve Savings	15,000
Administration and Fleet Charges from Utilities	79,700
Bank Charges and Interest Payments	(44,400)
Change in Net Operating Expenses	$432,400

STATISTICS **ATTACHMENT B**

Allocation of Tax Burden 2015-2025

The percentage breakdown of tax revenue collected by property class over the past 10 years is provided in the following chart. The distribution remained fairly constant until 2017 when additional properties began to be added to the Business and Light Industry Classes.



Single Family Residential Tax Comparison

The following graph compares the 2025 Municipal Property Taxes for the average single family home within Metro Vancouver and includes Municipal Taxes as well as taxes levied for other authorities, i.e. School Taxes, TransLink, BC Assessment, GVRD, and MFA, but does not include Utilities Charges.

In addition, the percentage of Designated Agricultural Reserve (ALR) Land is also taken into consideration to recognize the impact on the tax base opportunities across the various municipalities. It should be noted that total land size of each Municipality is also an important factor since it is the total land base that determines the number of households, businesses, etc. that can be developed within the area.

It can be observed that the average assessed single family home in Pitt Meadows had the lowest Property Tax based ($5,002) while having the largest ALR percentage, at 78%. This observation is important since it means that 22% of the land in Pitt Meadows can be developed within an Urban/Suburban plan, which would typically include higher density development.

The table below compares the municipalities with the three lowest property taxes, with additional consideration for the total land area for each Municipality:

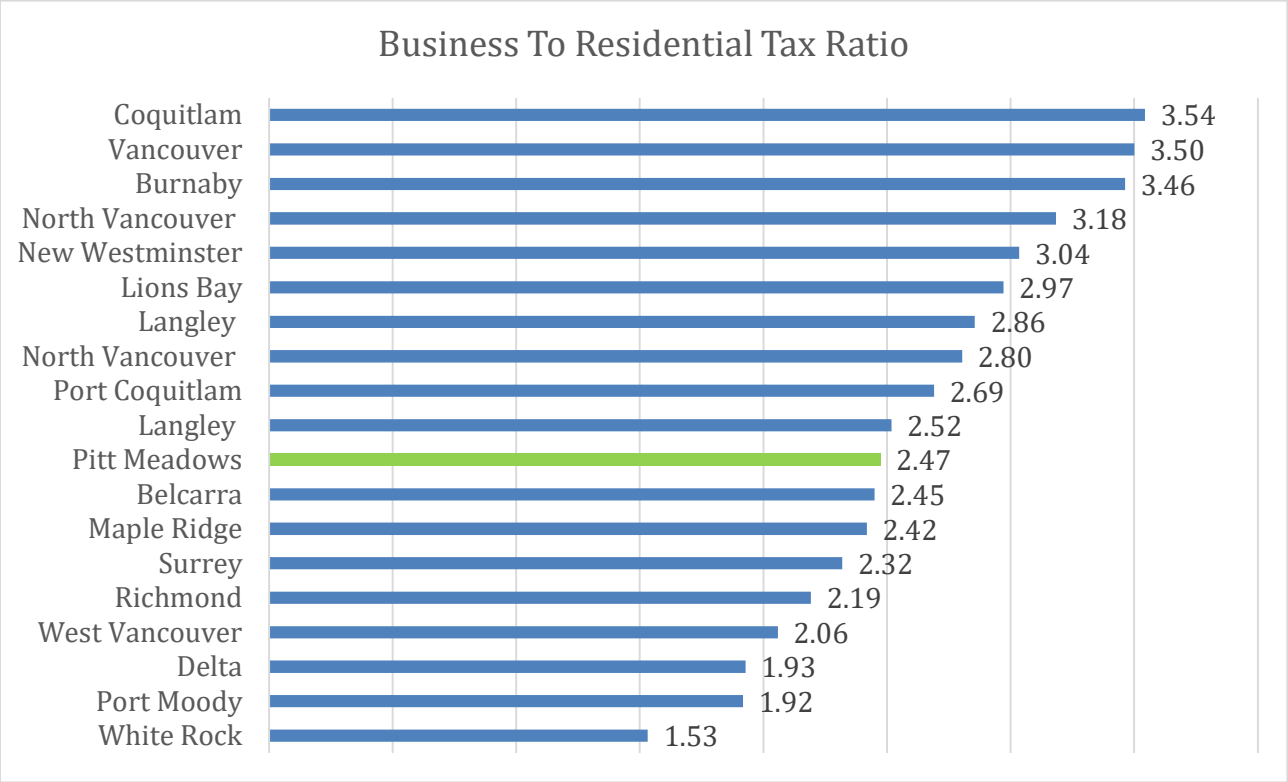
Municipality	**ALR % Designation**	**Total Land Area (hectares)**	**Urban/Suburban Area (hectares)**	**2025 Property Tax per average SFH**
Pitt Meadows	78%	8,825	1,942	$5,002
Port Coquitlam	3%	2,916	2,828	$5,088
Township of Langley (D)	75%	30,722	7,680	$5,061

When looking at the actual Urban/Suburban area within the municipalities with the lowest property tax, Pitt Meadows has the smallest of these areas and continues to provide one of the lowest property tax assessments for the average assessed value of a single family home.

Business to Residential Tax Ratio Comparison

Pitt Meadows has a competitive 2026 business tax rate which is the ratio between the business class and the residential class. Municipalities that have too high of a ratio might detract business from locating there, although often there are a variety of reasons a business would choose its location to conduct business.

Through the City's Revenue & Taxation policy Council has demonstrated its commitment to increasing overall revenue from nonresidential classes through growth and development while working to ensure the amount of taxes paid by nonresidential classes does not harm the ability of existing business to operate effectively in the community.

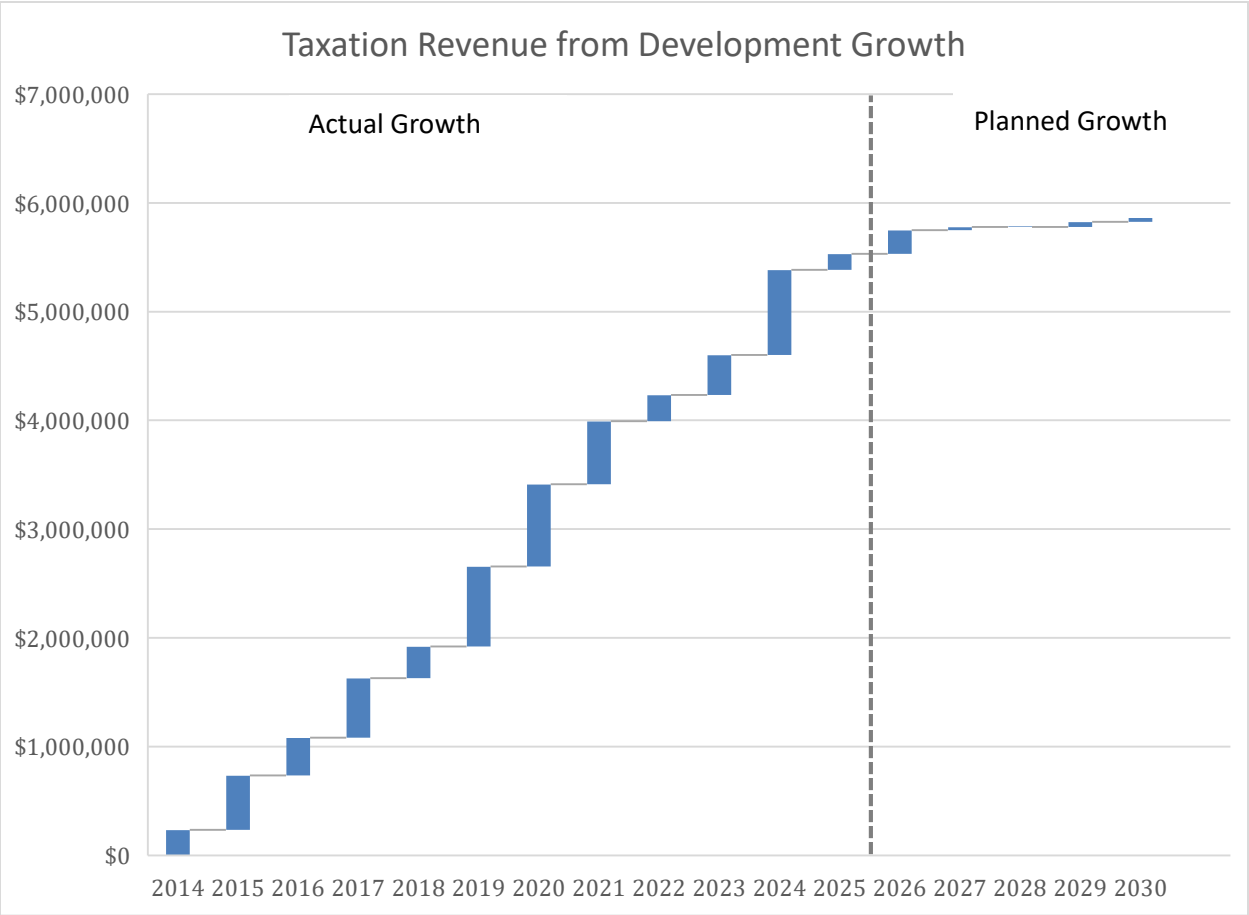


Property Taxation from Development Growth 2014-2030

Property taxes increased by approximately $16 million between 2014 and 2030. Of this increase, a cumulative total of $5.4 million is from development growth in the community which is equivalent to approximately 26% property tax increase during the same period.

As of 2025, the City appears to be in a low growth period contribution to a total estimated additional growth revenue of $332,000 within the next five years, averaging $66,400 in additional growth revenue per year.

Conservative growth numbers are used in the preparation of the initial budget due to the unpredictability of the timing of construction and property valuations. This approach avoids over-reliance on uncertain revenues which would artificially reduce the current year tax increase. Any surplus growth from taxation is incorporated into the following budget year.



City of Pitt Meadows

Budget Drivers

UTILITIES EXECUTIVE SUMMARY - 2026			Solid Waste 02-1-4000-4440	Drainage 04-1-4500-4470 & 4480	Water 06-1-4100-4400 & 4410	Sewer 08-1-4300-4430	TOTAL
2025 Approved Budget - Flat Fees (and Drainage Mill Rates and Metered Water)			1,160,400	3,040,000	7,765,900	4,402,700	**16,369,000**
2026 Budget - Submitted			1,245,600	3,152,400	8,453,200	4,715,700	**17,566,900**
$$ Variance over Previous Year			85,200	112,400	687,300	313,000	1,197,900
Budget Drivers (favourable)/unfavourable:							
1		**Revenue Changes**					
	1.01	Sale of Surplus and Recyclables	-600				-600
	1.02	Maple Ridge Drainage Levy - Area 3 - from ($188,000) to ($177,800)		10,200			10,200
	1.03	Maple Ridge Capital Contribution to Reserve ($49,535) established in 2018 plus annual increases for 15 years to a target established through the AMP approach (2026 total is $138,800 increase from 2025 total of $125,400))		-13,400			-13,400
	1.04	Katzie Sewer Levy - rate change from $573 to $609 no quantity change				-9,300	-9,300
		Revenue subtotal	-600	-3,200	0	-9,300	-13,100
2		**Reserve/Liability Changes**					
	2.01	Solid Waste Reserve - Annual increases of $500 to achieve annual replacement of garbage cans to bear proof cans as well as supporting growth related increased quantities	500				500
	2.02	Drainage Reserve provision from $1.462M to $1.690M		228,400			228,400
	2.03	Maple Ridge Capital Contribution transferred to Reserve - offsets 1.02		13,600			13,600
	2.04	Water Reserve provision from $1,622,100 to $1,759,800			137,700		137,700
	2.05	Sewer Reserve provision increased from $792,200 to $866,600				74,400	74,400
		Reserve subtotal	500	242,000	137,700	74,400	454,600
3		**Other**					
	3.01	Administrative Costs	19,300	-54,900	114,700	20,000	99,100
	3.02	Utility & miscellaneous operating costs	24,900	8,400	200	500	34,000
	3.03	Solid Waste & Green Waste Collection	18,500				18,500
	3.04	Green Waste Tipping Fees	15,200				15,200
	3.05	Drainage Maintenance		-79,900			-79,900
	3.06	Water Maintenance			35,100		35,100
	3.07	Sewer Maintenance				-6,600	-6,600
	3.08	Metro Vancouver -GVWD & GVS&DD	7,400		399,600	234,000	641,000
$$ Variance over Previous Year (Net Budget Increase (Decrease))			**85,200**	**112,400**	**687,300**	**313,000**	**1,197,900**

City of Pitt Meadows
2026 Executive Summary

Budget Drivers - 2026 Proposed

Estimated $ amount for every 1% tax increase		COUNCIL	OFFICE OF THE CAO		FINANCE	CORPORATE SERVICES				FIRE AND RESCUE		ENGINEERING & OPERATIONS						DEVELOPMENT SERVICES			PARKS, RECREATION, CULTURE					CITY					
$350,000		COUNCIL	CAO	ADMIN SERVICES	FINANCIAL SERVICES	HR	COMM	IT	POLICE HOUSING AND SUPPORT	FIRE & RESCUE	EMERG PROGRAM	ENG	MAJOR PROJECTS	FACILITIES	OPS ADMIN & EQUIP MAINT	TRANSP	DIKING MTCE	BLDG & BYLAW ENFORC	AG & ENVIR	PLANNING	PARKS	REC	CULTURE	SPONSORS AND GRANTS	ARENA PARTNER	SUBTOTAL	CORPORATE FINANCE	POLICE	LIBRARY	TAX INCR $	AVERAGE SF PROPERTY
2025 Budget - Approved		539,900	368,500	1,060,500	909,000	996,900	557,300	1,296,600	1,693,800	5,179,100	177,800	690,100	-	1,418,600	333,400	1,246,400	252,400	333,400	199,500	695,000	1,694,100	1,330,300	451,400	20,700	-	21,444,700	(28,306,200)	5,653,500	1,208,000	-	-
2026 Budget - Submitted		551,100	380,700	1,142,100	944,000	1,023,100	574,400	1,392,400	1,783,700	5,454,200	170,700	696,900	-	1,628,500	479,300	1,349,000	227,300	289,200	203,600	713,100	1,754,200	1,405,000	509,800	20,700	-	22,693,000	(27,873,800)	5,967,800	1,268,800	2,055,800	180.27
$$ Variance over Previous Year		11,200	12,200	81,600	35,000	26,200	17,100	95,800	89,900	275,100	(7,100)	6,800	-	209,900	145,900	102,600	(25,100)	(44,200)	4,100	18,100	60,100	74,700	58,400	-	-	1,248,300	432,400	314,300	60,800	2,055,800	180.27
% Variance over Previous Year		2.07%	3.31%	7.69%	3.85%	2.63%	3.07%	7.39%	5.31%	5.31%	(3.99%)	0.99%	#DIV/0!	14.80%	43.76%	8.23%	(9.94%)	(13.26%)	2.06%	2.60%	3.55%	5.62%	12.94%	0.00%	#DIV/0!	5.82%	1.53%	5.56%	5.03%		
Drivers (favourable)/unfavourable:																															
1 • **Revenue Changes**																															
1.1 • Taxation revenue from new development																										-	(451,900)			(451,900)	(39.63)
1.2 • 2025 Risk to Roll-BC Assessment																										-	100,000			100,000	8.77
1.3 • 1% utility payment in lieu of taxes (BC Hydro, Telus, Shaw, Fortis), diking levy																	700									700	(24,900)			(24,200)	(2.12)
1.4 • Arena programs, rentals, advertising - revenue offset by expenses and reserve savings																									(156,500)	(156,500)				(156,500)	(13.72)
1.5 • Fire protection services										(8,100)																(8,100)				(8,100)	(0.71)
1.6 • Development processing revenues																		(281,000)		(900)						(281,900)				(281,900)	(24.72)
1.7 • Licenses, permits, penalties fines & other sale of services and revenue					(3,700)					(4,900)		(1,400)		(11,800)	(3,300)	(3,800)		(300)		(15,500)	(26,000)	(22,900)	24,200	2,200		(67,200)	17,000			(50,200)	(4.40)
2 • **Reserve/Liability Changes**																															
2.1 • Equipment Replacement - Vehicles										(3,000)					19,000						14,000					30,000				30,000	2.63
2.2 • Equipment Replacement - Equipment																										-	50,000			50,000	4.38
2.3 • Building replacement 1% Asset Levy per Asset Mgt. Plan																										-	349,500			349,500	30.65
2.4 • Lifecycle reserve																										-	25,000			25,000	2.19
2.5 • Transportation reserve includes addition 1% tax increase starting 2024																										-	349,500			349,500	30.65
2.6 • Arena reserve (offset by revenues and expenses)																									27,400	27,400				27,400	2.40
2.7 South Bonson Amenity Reserve																										-	(10,000)			(10,000)	(0.88)
2.8 • Development Revenue Stabilization Reserve																		197,400								197,400				197,400	17.31
2.9 • Election reserve				900																						900				900	0.08
3 • **Salary Adjustments**																															
3.1 • Salary and benefits - Collective Bargaining Estimated Costs		10,200	12,200	27,200	30,900	31,300	15,700	28,300	9,500	233,700	4,600	27,100	-	8,100	56,600	12,400	1,900	26,200	10,000	33,800	37,200	56,200	9,600	4,800		687,500				687,500	60.29
3.2 • Salary and benefits - Reclass, Step Increases & Other				11,600	3,700	4,400	3,700	20,900	(8,500)	106,700	(100)	(12,000)	-	7,000	134,500	19,400	(5,900)	12,800	(6,500)	6,500	22,400	24,500	13,300	(7,000)		351,400	-			351,400	30.81
4 • **Other**																															
4.1 • RCMP Members & Integrated Teams																										-		314,300		314,300	27.56
4.2 • Ridge Meadows RCMP Housing & Support Agreement - Terminated									(534,600)																	(534,600)				(534,600)	(46.88)
4.3 • FVRL levy																										-			60,800	60,800	5.33
4.4 • Administration charge to utilities															(39,000)											(39,000)	79,700			40,700	3.57
4.5 • Arena operating costs - offset by revenues and reserve savings																									129,100	129,100				129,100	11.32
4.6 • Contracted services - consulting, repairs, maintenance, equipment rentals				5,000			(3,600)	2,000	9,100	(6,000)	(5,600)	(6,000)		143,200	3,400	32,700	5,300	(500)	300	(6,000)	7,500		6,300			187,100				187,100	16.41
4.7 • ECOMM Radio, Call Taking, and Dispatch									592,300																	592,300				592,300	51.94
4.8 • Website, Graphic Design, Photography, Printing, Civic Engagement							1,500		1,000																	2,500				2,500	0.22
4.9 • Fee for Service - eComm, Museum, Audit services, Harris Rd Pool, Pet Shelter					5,400					(7,800)								600				9,500	10,500			18,200				18,200	1.60
4.10 • Equipment & fleet (mtc, fuel, insurance, lease)										12,600					(28,300)	21,800	(28,000)	700			(14,100)					(35,300)				(35,300)	(3.10)
4.11 • Hydro & natural gas, telephone														16,300		13,000					5,500					34,800				34,800	3.05
4.12 • Insurance - liability & property				34,500				14,000		100				42,400		4,900					9,800	6,000				111,700				111,700	9.80
4.14 • Library facility rent														1,400												1,400				1,400	0.12
4.15 • Professional Development, Training, Employee Health		200		800		(9,700)			8,200	(28,100)	(2,500)		-		1,000			1,200								(28,900)				(28,900)	(2.53)
4.16 • Employee Recognition						1,700				(10,000)																(8,300)				(8,300)	(0.73)
4.17 • Software Licensing								31,000	600																	31,600				31,600	2.77
4.18 • Supplies, uniforms, tools				800	(1,500)				10,200	(7,700)	(3,500)		-	3,300	1,800	2,200	900	(1,500)			3,800	1,300	(5,500)			4,600				4,600	0.40
4.19 • Bank Charges and Interest Payments																										-	(44,400)			(44,400)	(3.89)
4.20 • Other adjustments		800		800	200	(1,500)	(200)	(400)	2,100	(2,400)		(900)			200			200	300	200		100				(500)	(7,100)			(7,600)	(0.67)
$$ Variance over Previous Year		11,200	12,200	81,600	35,000	26,200	17,100	95,800	89,900	275,100	(7,100)	6,800	-	209,900	145,900	102,600	(25,100)	(44,200)	4,100	18,100	60,100	74,700	58,400	-	-	1,248,300	432,400	314,300	60,800	2,055,800	180.27
% Variance over Previous Year		2.07%	3.31%	7.69%	3.85%	2.63%	3.07%	7.39%	5.31%	5.31%	(3.99%)	0.99%	#DIV/0!	14.80%	43.76%	8.23%	(9.94%)	(13.26%)	2.06%	2.60%	3.55%	5.62%	12.94%	0.00%	#DIV/0!	5.82%	1.53%	5.56%	5.03%		
Estimated $ For Average Single Family Property		0.98	1.07	7.16	3.07	2.30	1.50	8.40	7.88	24.12	(0.62)	0.60	-	18.41	12.79	9.00	(2.20)	(3.88)	0.36	1.59	5.27	6.55	5.12	-	-	109.46	37.92	27.56	5.33		
% Estimated Tax Increase		0.0320%	0.03%	0.23%	0.10%	0.07%	0.05%	0.27%	0.26%	0.79%	(0.02%)	0.02%	0.00%	0.60%	0.42%	0.29%	(0.07%)	(0.13%)	0.01%	0.05%	0.17%	0.21%	0.17%	0.00%	0.00%	3.57%	1.24%	0.90%	0.17%		5.87%