Staff Report to Council

Financial Services
FILE: 05-1700-01/26

REPORT DATE:	November 02, 2026	**MEETING DATE:**	November 23, 2026
TO:	Mayor and Council		
FROM:	Cheryl Harding, Acting Director of Financial Services		
SUBJECT:	**2027 Financial Plan Overview**		

CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL: M. Roberts / November 18, 2026

RECOMMENDATION(S):

THAT Council:

A. Receive for information the 2027 Financial Plan Overview and Staff Report as presented at the November 23, 2026 meeting of Council; OR

B. Other.

PURPOSE

To present the 2027 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 2027 annual budget aligns with the Council-approved 2027 Business Plan Guidelines. These guidelines establish the core principles required to deliver a balanced, cost-effective budget while maintaining existing service levels. To ensure fiscal reliability, staff conducted a comprehensive assessment of sustainable revenue growth, including tax revenues and senior government grants. Concurrently, cost increases were evaluated with consideration to health and safety standards, contractual obligations, and service sustainability framework goals to minimize overall impact on the taxpayer.

Budget Development & Fiscal Due Diligence

The 2027 budget was built in a challenging economic climate marked by rising inflation, escalating contract and utility costs, and limited tax base growth. Recognizing the financial pressures facing

residents and businesses, the focus of the budget preparation was to protect core community services while keeping the tax and utility increase to a minimum.

To achieve this goal, the budget was built with financial discipline across four key areas:

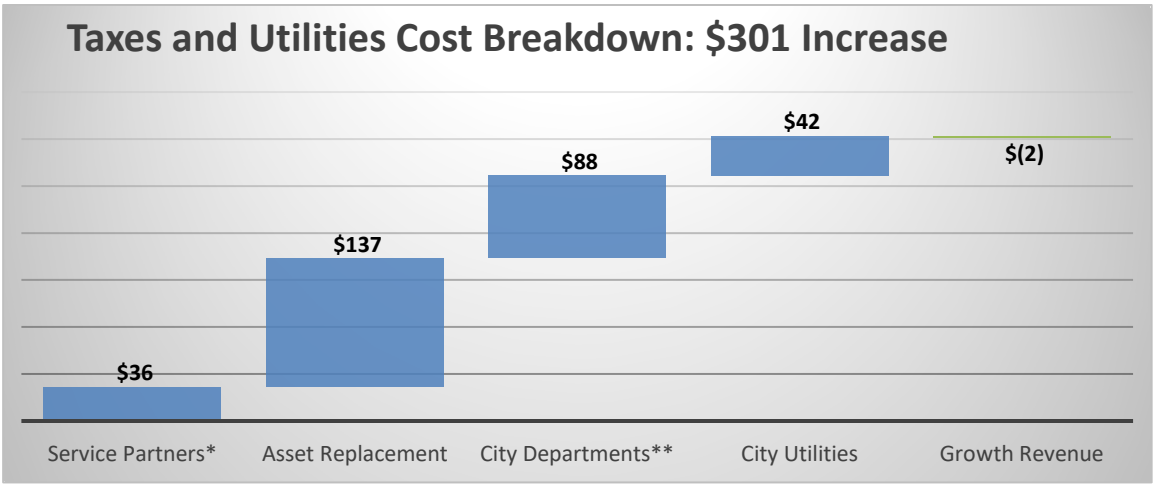
- Department submissions were carefully reviewed against historical spending and operational requirements.
- Zero Net New Staffing: Staffing is held at or below 2026 levels, using attrition and internal reorganization to evaluate vacancies rather than automatically refilling roles.
- Operational Efficiencies: Departments are protecting service levels without increasing resources by streamlining approvals and refining day-to-day workflows.
- Responsible Use of AI: Staff are utilizing artificial intelligence under City governance to enhance routine administrative tasks, freeing up capacity to absorb workload growth without adding headcount.

Ultimately, the 2027 budget represents a prudent, sustainable plan that respects taxpayer dollars. Management will continue to monitor costs and pursue operational efficiencies throughout the year.

BUDGET HIGHLIGHTS

Following budget adjustments to align with public safety and essential service strategic priorities – including rebalancing revenues, expense and municipal reserve savings – the combined property tax and utility fee will increase by $301 for the average single family home (SFH) with an assessed value of $1,137,132 . The combined $301 increase consists of a $184 general tax increase and a $117 increase in utility fees.

The $301 increase is comprised of the following:



*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	$74
Municipal Costs	(8)
Salaries & Benefits (CUPE, IAFF collective bargaining, and Exempt)	96
Growth Revenue – to offset increases	(2)
Sub-Total Property Tax Increase before Service Partners	**$160**
Contracted Services – RCMP	20
Contracted Services – FVRL	4
Total Property Taxes	**$184**

Utility Fees	Amount $
Asset Management Savings	$63
Municipal Costs	42
Sub-Total Utility Fee Increase Before Service Partner	**$105**
Metro Vancouver Sewer & Water*	12
Total Utility Fees	**$117**

**Based on Proposed Metro Vancouver Sewer & Water budgets subject to Metro Vancouver Board approval. Once the Board approves its budget, staff will review it against the provisional budget. If material changes arise that cannot be accommodated within the City's proposed budget, staff will advise Council—where practicable—prior to the adoption of the financial plan, utility fee, and tax rate bylaws.*

2027 MAIN COST DRIVERS

The property tax and utility fee adjustments are primarily driven by the following cost factors:

Main Cost Driver	Single Family Home (SFH) Tax Impact ($)	SFH Impact as a percentage (%) of total increase ($301)
SERVICE PARTNERS		
Metro Vancouver – Solid Waste, Water and Sewer	$12	4%
RCMP	20	7%
Fraser Valley Regional Library	4	1%
SUBTOTAL Service Partners	**$36**	**12%**
CITY DEPARTMENTS		
ADD Asset Management Savings towards City's reserves	$137	46%
ADD Municipal City Operating Costs (net of growth revenue)	$86	29%
ADD Utility City Operating Costs	$42	14%
SUBTOTAL City Departments	**$265**	**88%**
TOTAL Property Tax and Utility Fee Increase	**$301**	**100%**

AVERAGE SINGLE FAMILY DWELLING

For an average single family dwelling assessed at S1,137,132, the total annual cost of property taxes and utility services is proposed to increase from $5,211 in 2026 to $5,512 in 2027, representing an increase of $301.

Service Type	2026 Budget	2027 Proposed Budget	Variance $
Property Tax	$3,234	$3,418	$184
Utility Fees	1,977	2,094	117
Total Property Tax and Utility Fees	**$5,211**	**$5,512**	**$301**

While the overall proposed property tax and utilities increase for 2027 is $301 (5.78%), the increase required to maintain City services is approximately $117 (3.15%) once Asset Management Savings of 2.63% are excluded.

- **Asset Management Plan (AMP) Alignment**: The asset management savings increase of 2.63% is driven by progress towards the long-term savings targets established by the AMP. This specific allocation does not represent an inflationary increase and will not do so until the designated targets are fully achieved.

- **Baseline Services**: The baseline service increase of 3.15% has been achieved despite cost pressures such as collective bargaining wage adjustments, above-baseline inflation and reduced taxation growth revenue. This was made possible by applying efficiency, attrition and other cost savings measures and demonstrates cost containment of core services while simultaneously prioritizing long-term infrastructure investment.

Description	Amount	%
2026 Property Tax and Utility Fees	$5,211	-
Asset Management Savings – Tax & Utilities	137	2.63%
City Services – Tax & Utilities	164	3.15%
2027 Proposed Property Tax and Utility Fees	**$5,512**	**5.78%**

2027 BUDGET CONSIDERATIONS

In 2027, the City will see continued support from senior levels of government. Provincial traffic fine revenues are forecasted at the annual average of $184,000. Gas Tax revenue from the

federal government Build Communities Strong Fund (formerly Canada Community Building Fund) is expected to continue in the amount of $136,100 for infrastructure funding.

Council's primary challenge remains maximizing current financial resources to meet community needs, balanced against the following factors in developing the financial plan:

- **Workforce and Labour Costs:** Because the City's primary function is service delivery, personnel costs represent a major operational driver. Planned union wage adjustments have been integrated into the budget based on established collective bargaining data in the region and prevailing economic trends. Collective bargaining trends include increases beyond inflation which causes cost containment challenges for the City.
- **Procurement and Market Escalation:** Above-baseline inflation and ongoing supply chain challenges continue to drive up the cost of municipal goods and services. These market pressures affect both capital and operating expenditures during contract renewals. In response, the budget incorporates rigorous cost-containment strategies, including actively evaluating purchasing group options to leverage economies of scale and achieve procurement cost savings.
- **Growth Revenue Stabilization:** Following the industrial park's completion in 2024, non-market property tax growth is projected to remain well below historical averages until new developments materialize. To mitigate reliance on annual tax increases over the medium term, staff recommend that Council prioritize alternative growth opportunities in 2027, focusing on the North Lougheed Area Plan, and Harris Road corridor densification.
- **Development Fee Revenue Stabilization:** Long-term building and development application revenues are projected to decrease to a sustainable baseline target of $215,000 commencing in 2030. To neutralize property tax volatility during this transition, surplus revenues forecasted through to 2029 are being directed to the Development Revenue Stabilization Reserve. These reserve funds will be drawn down in lower-revenue years to stabilize the net impact on taxpayers. Simultaneously, replacement property taxation will be phased-in gradually over the same period to attain sustainable development revenues of $215,000.
- **Asset Replacement Funding:** The budget incorporates a combined $137 property tax and utility fee increase dedicated to infrastructure renewal, continuing efforts to narrow the annual infrastructure deficit. Funding targets have been indexed to reflect recent increases in the Construction Consumer Price Index (CPI). Current asset replacement allocations align with consultant recommendations to achieve full annual funding targets; however, recent asset upgrades and pricing adjustments indicate the need to update future target annual savings for certain asset groups. Additionally, this model excludes the historical unfunded liability accumulated prior to 2009.
- **Water Services Financial Sustainability:** Staff continue to refine the utility's self-funding model. Ongoing improvements stabilize the water fund, ensuring cost-recovery

operations and mitigating the risk of future structural deficits.

- **Tax Competitiveness and Land Preservation:** The City's property tax rates remain highly favourable compared to regional municipalities. Based on the average assessed value approach, the City delivered the second lowest property taxes and utilities for an average single-family property in 2026 ($1 higher than Port Coquitlam – Attachment C), despite maintaining the largest regional share of protected ALR lands within Metro Vancouver.

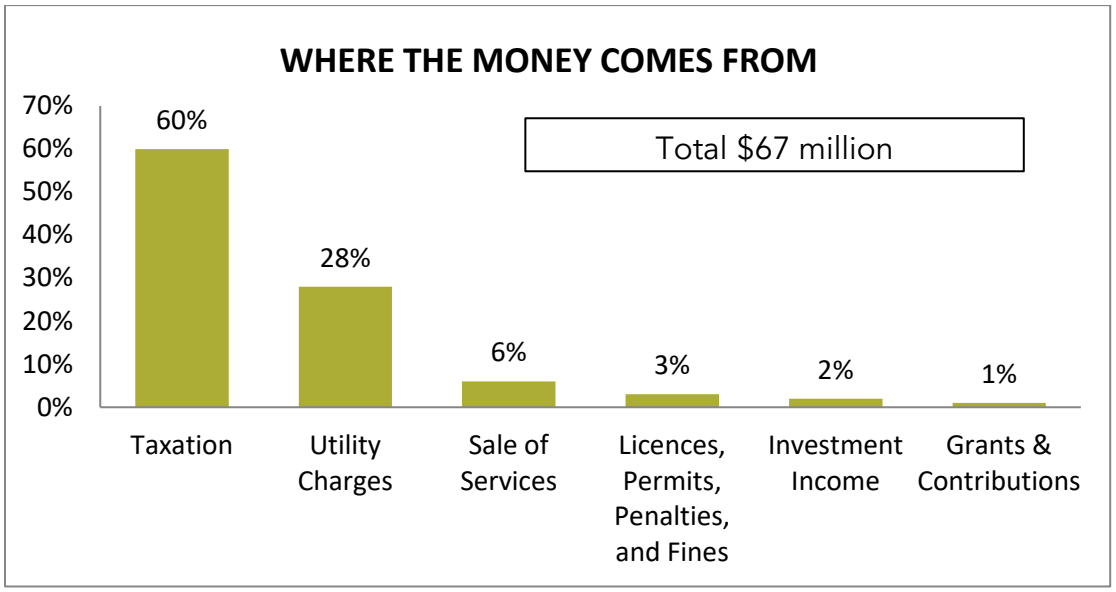
REVENUE SOURCES

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.

Taxation remains the primary funding source for City services in the 2027-2031 Financial Plan, accounting for $39.8 million (60%) of total revenues. The 2027 property tax levy will increase by $2,106,700, which includes an estimated $43,000 generated from new assessment growth. This results in an average property tax increase of $184 per household.

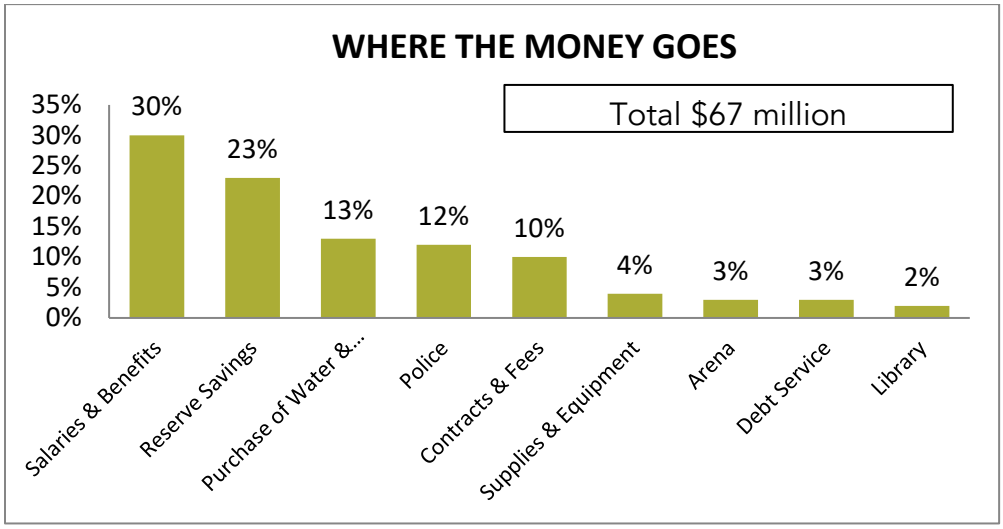
Utility charges – covering water, sewer, drainage, diking, and solid waste – are the second largest revenue source at 28%. Driven by Metro Vancouver regional rate hikes and local inflation, these rates will increase by $117 per single-family home. Metro Vancouver costs account for 10% of this increase.

As the City's most stable revenue sources, property taxes and utility charges will see a combined increase of $301 for the average single-family home. This adjustment ensures balanced budget requirements and maintains current service levels.



EXPENSES AND RESERVE SAVINGS

The City invests tax dollars into resilient infrastructure and services that foster a safe, active, and inclusive community. Delivering these public services requires a skilled workforce, making personnel costs the City's primary expense at 30% ($19.8 million) of the total budget. Meanwhile, 23% is systematically directed into reserves to save for future capital project renewals.



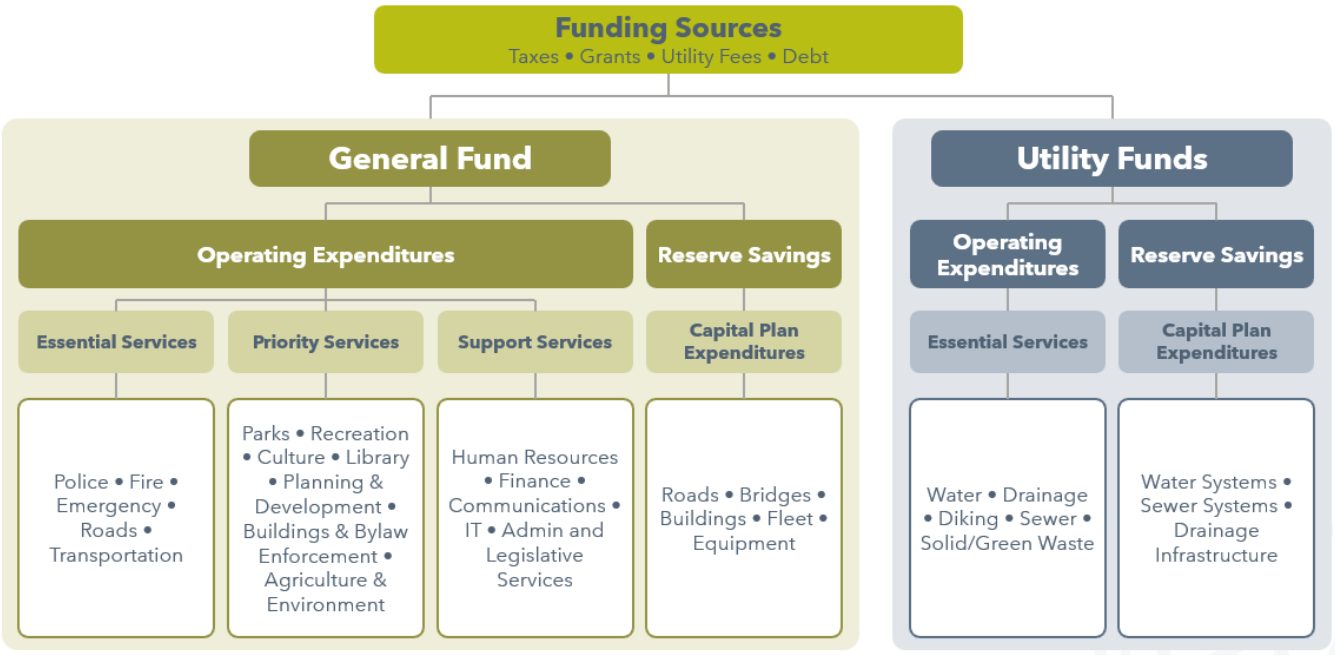
2027 FINANCIAL PLAN

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 for the General Fund and Utility Funds.

Table A Current revenues support today's services, while reserve savings ensure funding is available for tomorrow's infrastructure needs. Reserves provide a sustainable funding source for capital projects that maintain, renew and replace City assets over time.

Table A: How City Revenues Support Services and Sustain Infrastructure



General Operating Plan Budget Highlights:

The Executive Summary schedule in Attachment E 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 $2,106,700 additional tax revenue needed to balance the budget are represented by the following primary items:

General Fund Taxation Cost Drivers	**Amount ($)**
Operating Revenues	
Sale of services, rentals and other revenues	$130,000
Arena programs fully offset by increase in arena operating costs and reserve savings	129,200
Internal equipment charge out recoveries and administration charges to utilities	63,800
Property Tax new construction revenues	43,000
Development revenues net of increase in transfer from stabilization reserve	(26,000)
Operating Revenues Increase	**$340,000**

General Fund Taxation Cost Drivers	**Amount ($)**
Operating Expenditures	
Collective bargaining, step increases and other for IAFF, CUPE and Exempt staff	$1,047,700
Attrition savings	(159,200)
Asset replacement savings	851,700
RCMP contract	229,500
Contracted services related to repairs and maintenance	228,700
Arena operating costs and reserve savings fully offset by increase in Arena revenues	129,200
Insurance	31,700
RCMP Housing and Support (Includes E-Comm Fee) excluding salary and benefits	(172,900)
Fraser Valley Regional Library levy	42,000
Hydro and natural gas	48,400
Software licensing	50,000
Bank and interest charges	55,800
Equipment and fleet maintenance, fuel, insurance	68,200
Net other expenses	(4,100)
Operating Expenditures Increase	**$2,446,700**
Net Taxation Increase	**$2,106,700**

The sum of the budget changes noted above reflect the total $2,106,700 Net Expenditure Increase or additional tax revenue needed to balance the budget.

Average Property Tax Impact

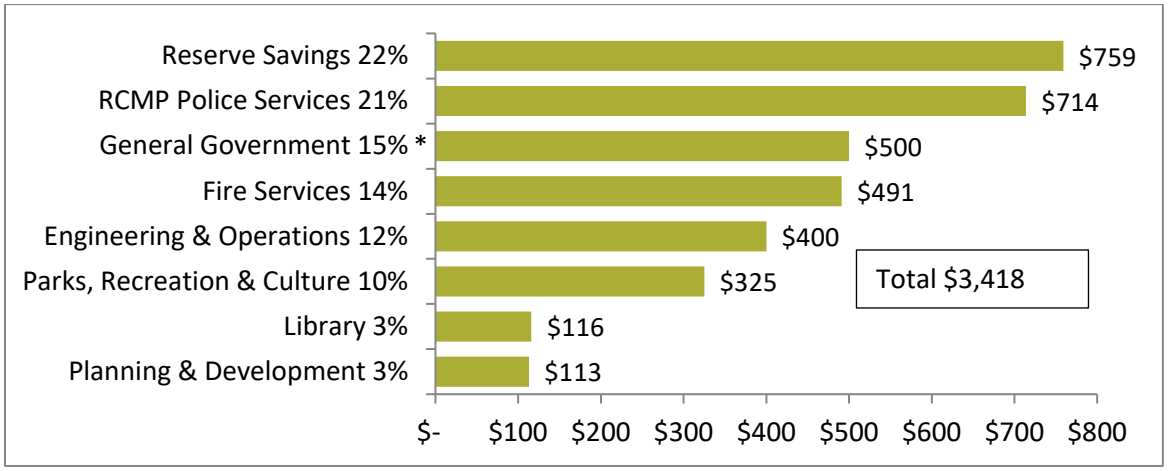
The average Single Family Home will receive a property tax increase of $184 comprised of the following:

Average Single Family Dwelling Assessed at $1,137,132:

Description	2026 Budget	2027 Budget	Variance $
Corporate Finance Reserve Savings	685	759	74
RCMP Police Services	701	714	13
General Government*	487	500	13
Fire Services	462	491	29
Engineering & Operations	374	400	26
Parks, Recreation, Culture	306	325	19
Library - FVRL	112	116	4
Planning & Development	107	113	6
Total Property Tax	**$3,234**	**$3,418**	**$184****

*Includes Council, Office of the CAO, Administrative and Legislative Services, Emergency Programs, Financial Services, Human Resources, Communication, Information Technology, and Corporate Finance general administration.
**This is equivalent to 5.68% increase to be applied across all property class mill rates. Tax percentage based on $371,000/1% tax increase.

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 $117 increase to the average single family home in order to generate the $879,500 needed to balance the budget. Key budget drivers are:

Utility Service Cost Drivers	**Increase ($)**
City Utility Asset Replacement Savings	$453,000
City Administration Costs (Insurance, Hydro, Other)	133,900
City General maintenance, collection, and other net Costs	203,400
Total City Net Expenditure Increase	**$790,300**
ADD: Metro Vancouver Sewer and Drainage Levy and Water Purchase costs	89,200
Total Utility Net Increase	**$879,500**

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 $68,300 (or 2.1%). Increased City capital reserve savings of $74,700 for infrastructure replacement and $49,400 in reductions for administration, maintenance, other costs and revenues round out the $93,600 increase to the sewer utility resulting in a change from $609 to $621 for the sewer service fee.

Solid Waste - The garbage and green waste collection contract with Waste Connection is estimated to increase $81,000 over the previous service provider and Green Waste Tipping Fees are estimated to increase $69,900. The primary catalyst for these increases is the recent transition from expiring legacy contracts to modern, multi-year operational agreements with Emterra Environmental (organic processing) and Waste Connection (curbside collection) . These new agreements reflect higher costs driven by inflation, escalating regional labour rates, and increasingly complex processing and environmental demands. Metro Vancouver's rate for waste disposal (tipping fee) is increasing 5.4%, creating a budget increase of $30,000. Net remaining operating costs increased by $17,100 for administration, reserve savings and other costs. The sum total of these budget adjustments result in a change from $236 to $281 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. This makes up 63% of the water utility budget. Metro Vancouver has forecasted a net water consumption decrease through a combination of regional demographic projections, historical volume tracking, municipal data inputs and demand-management targets. The water consumption decrease is offset mostly by the blended rate increase resulting in a net GVWD budget adjustment of ($9,100). The blended rate rose by 3.8% to $1.10 dollars per cubic meter. The key cost drivers for the blended rate increase are 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 $144,100 in annual asset replacement savings and $123,300 in maintenance, administration and other costs make up the balance of the increase to the water utility.

The 2027 budget reflects an increase from $917 to $958 for the single family flat fee, and for the metered volume based customers an increase from $721 to $761 for the connection charge and $1.06 to $1.10 per cubic meter of water volume purchased.

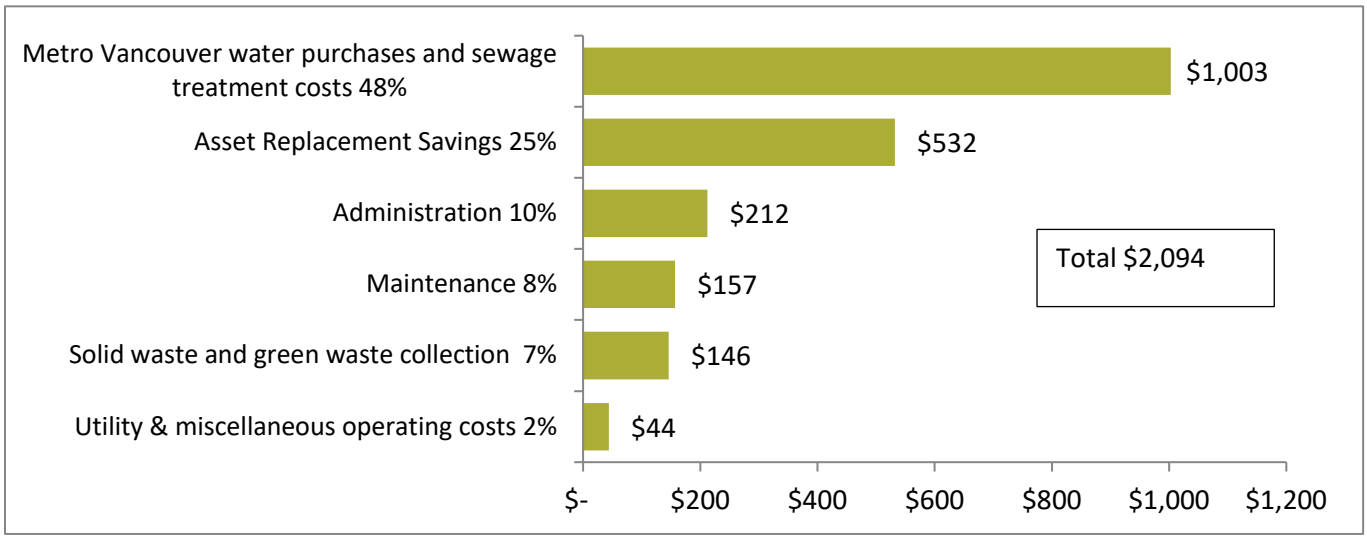
Drainage and Diking - The combined rate increase to the average single family taxpayer for 2027 is $19 for the user fee and the taxation mill rate. The rate increase is driven particularly by the $233,700 increase in reserve savings needed for aging infrastructure, as recommended by the recently completed AMP report. A net increase of $95,900 in maintenance, administration and other costs make up the balance of the increase to the Drainage Utility. An additional ongoing annual contribution of $156,700 towards the Diking Reserve is also included in the budget.

Average Utilities Fee Impact

The average Single Family home will receive a utilities fee increase of $117 comprised of the following:

Average Single Family Dwelling Assessed at $1,137,132

Description	2026 Budget	2027 Budget	Utility User Fee Increase (Decrease) $
Drainage, Diking	215	234	19
Sanitary Sewer	609	621	12
Solid Waste	236	281	45
Water	917	958	41
Total Utilities Fee	**1,977**	**2,094**	**$117**



Capital Plan Budget Highlights

Definition of Capital Assets

Capital assets provide long-term community benefits lasting beyond a single year. These assets require ongoing operational care, maintenance, and eventual replacement. They include:

- **Infrastructure:** Buildings, roads, bridges, and water, sewer, and drainage facilities.
- **Equipment & Other Assets:** Vehicles, IT equipment, and furniture.

To manage these assets responsibly, the City plans major expenditures in ten-year cycles, which are reviewed and updated annually. The 2027-2031 Capital Plan focuses on projects that advance corporate objectives and long-range municipal goals for the initial five-years within the ten-year cycle.

Operating Cost Impact of Capital Projects

To maintain long-term financial sustainability, the City's business plan guidelines follow GFOA best practices by requiring capital asset expansions to account for future operating cost increases. In line with this policy, some of the Capital Project Decision Packages submitted for Council consideration carry operating budget impacts. If approved, these additional costs will be added to the budget the year construction or procurement is finalized.

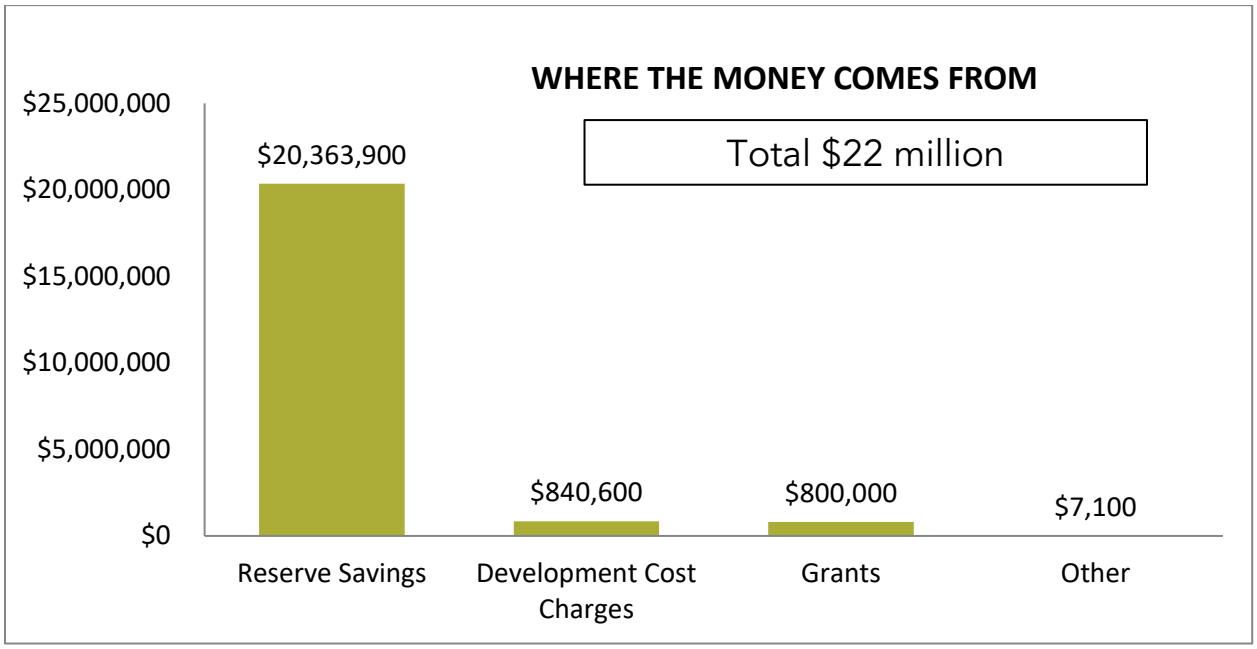
What We are Saving

To advance the Strategic Plan's goal of proactive asset management, the City is increasing infrastructure reserve savings by $1,319,500. This total comprises a $851,700 increase from the general fund and a $467,800 increase from utilities. Unlike these maintenance/replacement reserves, Development Cost Charge contributions are dedicated strictly to building brand-new expanded infrastructure.

Reserve/Funding	2027 Proposed Budget	2027 Tax Increase
General Capital: Maintenance		
Arena	$476,000	$-
Diking	199,200	-
Lifecycle - General	850,400	15,200
South Bonson Amenity	5,700	-
	1,531,300	**15,200**
General Capital: Replacement		
Equipment Replacement	1,272,500	50,000
Vehicle Replacement	640,100	33,500
Lifecycle - Major Buildings	3,353,700	371,100
Minor Capital (Turf User Fee)	83,300	-
Road Use Levies (Estimate)	1,200,900	-
Transportation	2,583,200	371,100
TransLink Major Road Network	485,900	-
	9,619,600	**825,700**
Utility Capital: Replacement		
Drainage	1,980,600	248,500
Sewer	873,400	74,700
Solid Waste	4,400	500
Water	1,879,300	144,100
	4,737,700	**467,800**
SUBTOTAL Existing Asset Maintenance & Replacement	**15,888,600**	**1,308,700**
Strategic Assets		
Build Communities Strong Reserve	141,800	10,800
Carbon Neutral Sustainability	14,200	-
Public Art	62,800	-
Development/Amenity Cost Charges (DCCs/ACCs - Estimate)	234,500	-
	453,300	**10,800**
Developer Contributions		
Community Amenity	6,200	-
Parkland	3,300	-
Tree Replacement	1,300	-
	10,800	**-**
Operating and Other	**136,600**	**-**
Total All Reserves	**$16,489,300**	**$1,319,500**

Where the Money Comes From

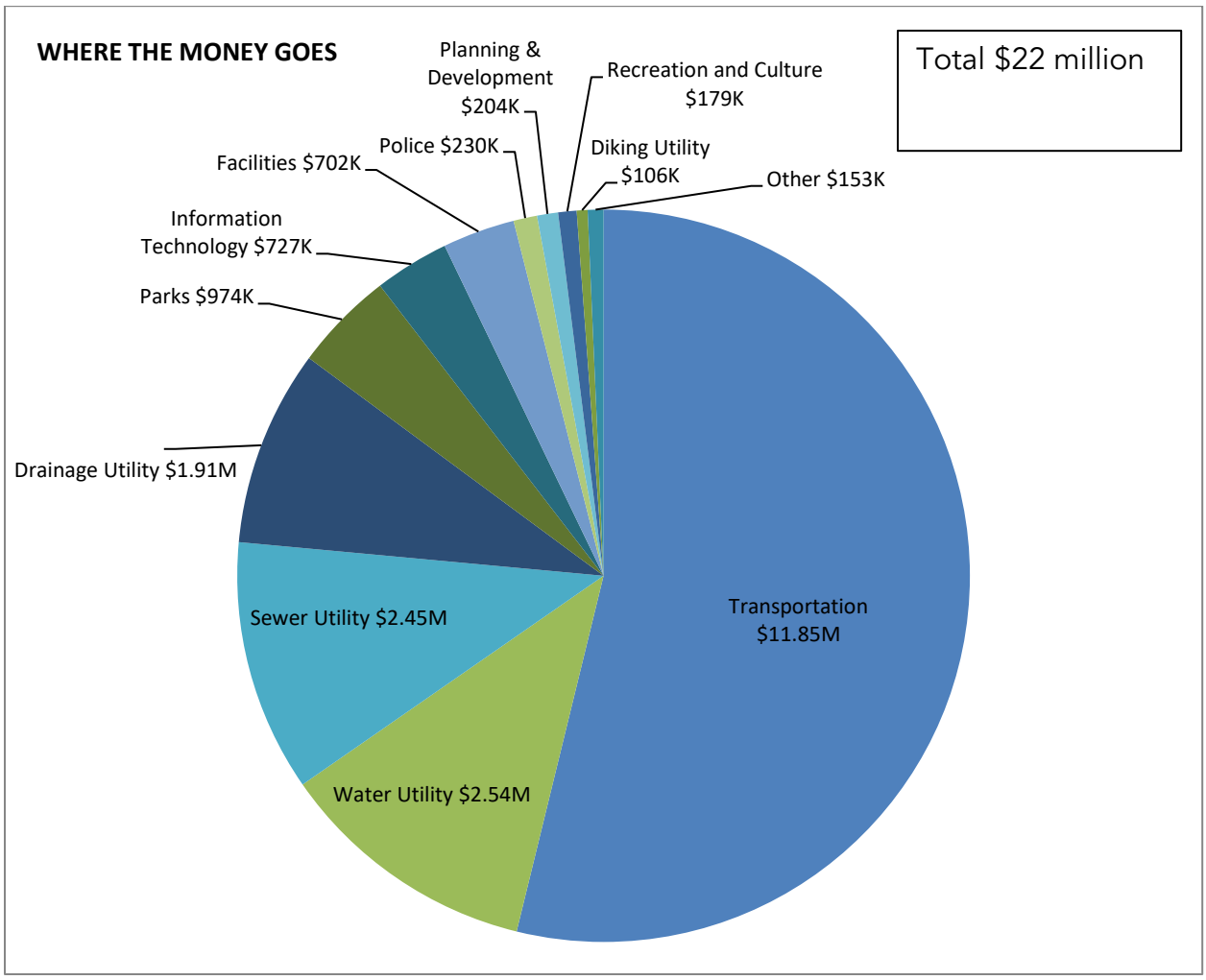
The City funds capital expenditures through general tax revenues, reserve, grants, developer contributions, and borrowing. The capital funding mix for the 2027 Financial Plan is distributed as follows:



Where the Money Goes

The 2027-2031 capital program details approximately $82.6 million in planned community improvements. For 2027, the City will deploy $22 million toward infrastructure upgrades, headlined by the following projects:

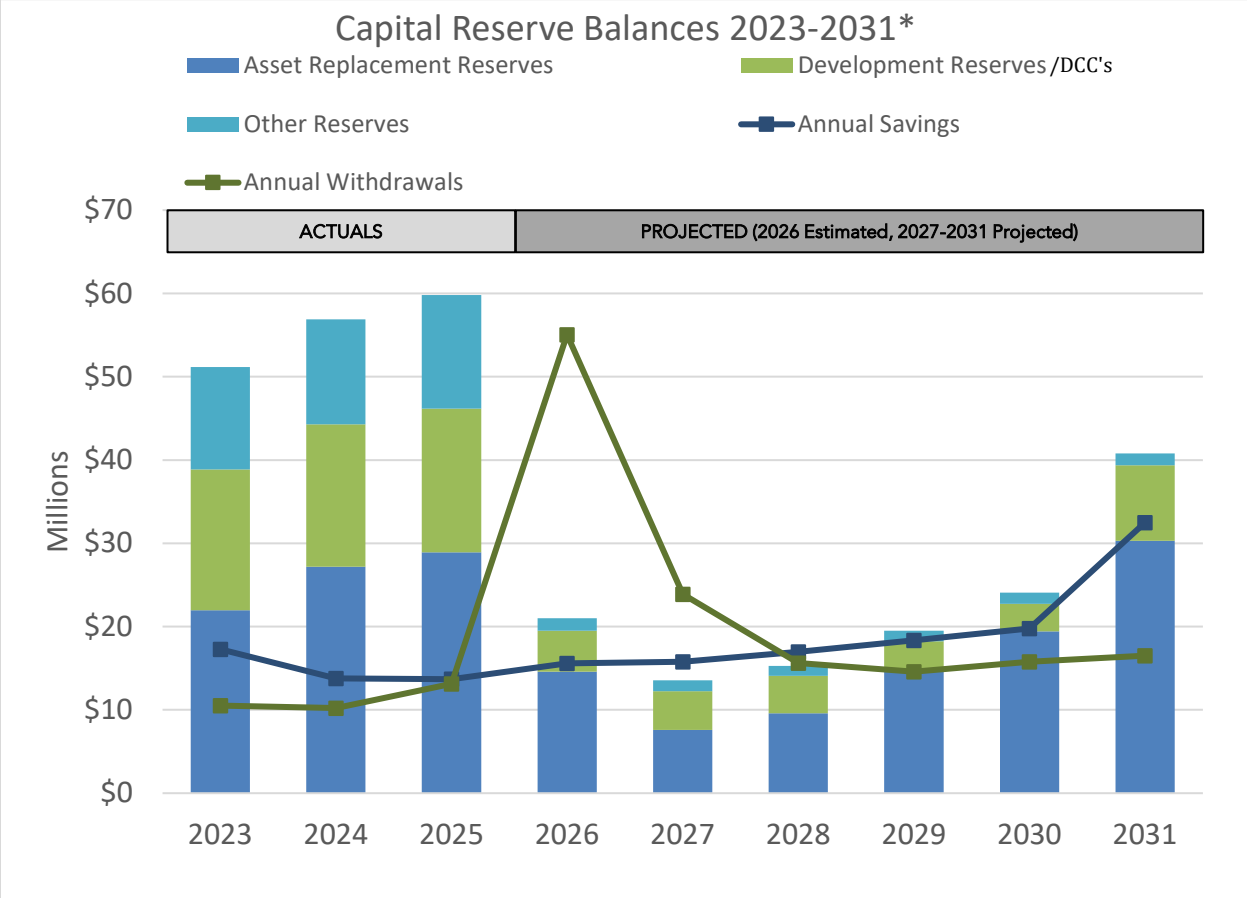
- Neaves Road mill and repave from McNeil to North Alouette $1.2 million
- Old Dewdney Trunk Rd mill and repave $3.4 million
- Blakely Sanitary Sewer Main Upgrade $1.8 million
- Water Main Replacements – Patrick Rd, Fenton Rd, Richardson Rd.$2.3 million
- Fraser Dike Road Extension, Multi Use Path, and Dike Upgrade $2.7 million
  (total project cost $3.2m)
- Marina Flood Box Headwall Repair $750k
- Park Playground Upgrades $350k
- ERP System (Accounting, Payroll, HR, Operations Management) Replacement Readiness Assessment and Procurement Planning $400k,
  (phase 2 of a $4.8M 2026- 2030 multi-year project)



Capital Reserve Funding 2023-2031

The following chart summarizes the capital reserve activity and indicates a drop in reserve balances from 2025 to 2027. Over the past fourteen (14) years, 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 2026 and 2027, 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 2028 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.
2026 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, and significant water main replacements.
Annual reserve savings continue the trend of stable increases.

How Much Money is in Savings: Reserve Balances

To buffer taxpayers from fiscal volatility, the City utilizes strategic reserve funds to cover capital expenditures. The analysis below illustrates the projected asset management reserve and deferred revenue balances across the 2027–2031 financial plan. To preserve flexibility, the Accumulated Surplus and secondary operating reserves are managed independently. These distinct funds ensure stable tax rates, supply daily working capital, and absorb unexpected emergency costs.

	2027	2028	2029	2030	2031
Asset Replacement Reserves					
Arena	$1,621,000	$1,867,000	$2,132,000	$2,416,000	$2,721,000
Build Communities Strong Reserve	216,000	245,000	278,000	314,000	352,000
Diking	6,000	54,000	91,000	132,000	173,000
Drainage	179,000	716,000	2,500,000	4,215,000	5,411,000
Equipment Replacement	10,000	167,000	121,000	293,000	1,381,000
Lifecycle Buildings	1,620,000	3,410,000	3,280,000	5,828,000	7,402,000
Lifecycle General	-	318,000	1,042,000	31,000	921,000
Minor Capital	1,010,000	1,079,000	349,000	397,000	446,000
Sanitary Sewer	1,090,000	106,000	1,106,000	2,810,000	5,167,000
TransLink Major Road Network Grant	24,000	62,000	231,000	410,000	599,000
Transportation	365,000	-	1,384,000	1,006,000	2,263,000
Transportation Road Use Levies	1,473,000	1,554,000	2,077,000	1,575,000	2,943,000
Water	-	-	-	-	518,000
	7,614,000	**9,578,000**	**14,591,000**	**19,427,000**	**30,297,000**
Development Reserves					
Amenity Cost Charges	406,000	469,000	533,000	599,000	1,648,000
Development Cost Charges	4,227,000	4,028,000	3,106,000	2,706,000	7,407,000
	4,633,000	**4,497,000**	**3,639,000**	**3,305,000**	**9,055,000**
Other Reserves					
Accumulated Surplus Reserve	3,209,000	3,042,000	3,083,000	3,142,000	3,223,000
Art In Public Spaces	363,000	424,000	487,000	551,000	618,000
Carbon Neutral & Sustainability	340,000	199,000	205,000	211,000	217,000
Community Amenity	214,000	220,000	227,000	233,000	240,000
Future Capital	43,000	32,000	20,000	21,000	22,000
Growing Communities Reserve	-	-	-	-	-
Other Surplus Reserves	4,825,000	4,736,000	4,679,000	4,362,000	4,062,000
Parkland Acquisition	113,000	116,000	120,000	123,000	127,000
South Bonson Amenity	175,000	164,000	156,000	150,000	148,000
Tree Replacement	46,000	50,000	54,000	58,000	63,000
	9,328,000	**8,983,000**	**9,031,000**	**8,851,000**	**8,720,000**
Total Reserve Balances	**21,575,000**	**23,058,000**	**27,261,000**	**31,583,000**	**48,072,000**

INFRASTRUCTURE SUSTAINABILITY – ASSET MANAGEMENT

The City manages a complex network of public infrastructure valued at an estimated $707 million in today's dollars (with a historical cost of $352 million). The condition of these assets directly impacts the health, safety, and daily lives of our residents. To protect this investment, the City relies on its 2023 Asset Management Plan (AMP) to calculate the annual savings required for

long-term infrastructure sustainability. Thanks to Council's endorsement of progressive financial policies, the capital reserves required to sustain these critical public assets remain securely embedded in the five-year financial plan. The AMP is planned to be updated in 2028, and every five-years thereafter to ensure the City is relying on current information for asset maintenance and replacement decisions.

As part of annual business planning, the City fine-tunes these savings targets to incorporate real-world updates to asset condition ratings and replacement values.

Asset Management Policy Trade-Off

Expanding the municipal asset base, for example through new buildings, structures, or equipment, structurally changes the City's long-term financial liabilities. Every new asset requires immediate lifecycle funding for eventual replacement, altering both required annual reserve contributions and the timelines needed to reach target funding levels. Managing this growth requires navigating a direct policy trade-off:

- **Increase Tax Rates:** Raising annual reserve contributions to match new liabilities, placing upward pressure on the property tax levy; and/or
- **Extend Target Timelines:** Pushing out the target dates for achieving sustainable reserve levels, which increases deferred infrastructure risk.

The City's current savings plan is generally on track. However, recent and future acquisitions acquiring new assets will affect these projections. Whenever a new project is considered, best practice dictates looking at the long-term cost to maintain and replace it in addition to the upfront price. This ensures the City doesn't build or acquire assets that it is unable to afford long-term.

Asset Replacement – General Fund

The City's 20 year capital assessment identifies an annual funding gap of $2.1 million for General Fund assets. While Council's proactive policy of increasing annual reserves is successfully mitigating this deficit, the target itself remains a moving baseline. The City's long-term savings targets and asset replacement values fluctuate continuously as new infrastructure is integrated into the municipal portfolio, and retired assets are replaced at higher than forecasted market rates driven by inflation. Because these costs increase, the baseline financial needs rise as well, meaning it extends the period longer to fully close the funding gap. While savings targets are group-specific, Council retains the authority to approve funding reallocations between categories, subject to legislative limits and the Debt Policy.

Shortfall Breakdown & Target Timelines:

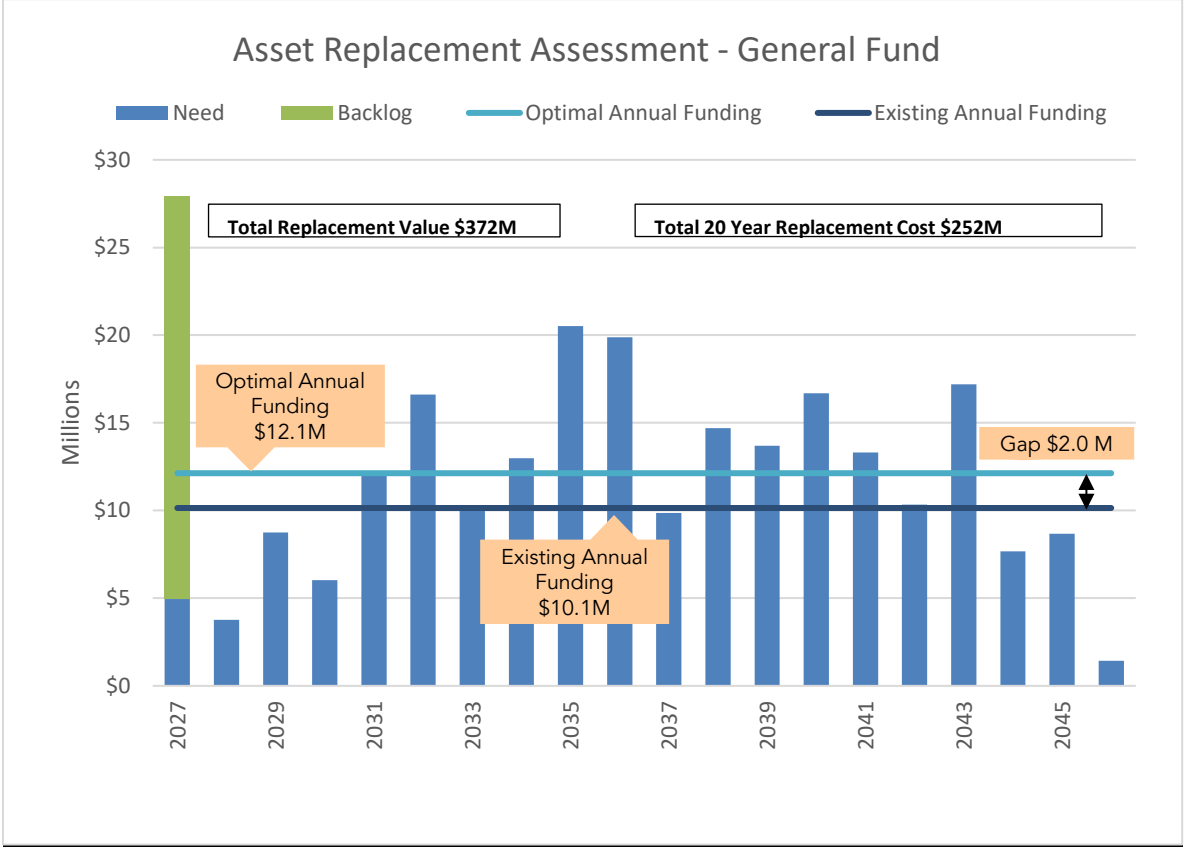
	Shortfall	Target Savings Level Achieved by
Equipment & Furnishings	$1.0M	2033
Roads / Transportation	$722K	2030
Vehicles	$273K	2033
Buildings	$ 0 *	2026

**Target savings level achieved, but further savings increases are required to address the funding backlog.*

The savings 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 recently added assets (i.e. Police Building & Pitt Meadows Athletic Park (PMAP) field and sports box) or for unplanned new and enhanced assets.

The General Fund's accumulated backlog is estimated at $23 million for 2027. This represents assets that have exceeded their estimated useful lives, determined by a mix of age and condition data. As ongoing condition assessments update and refine remaining useful life projections, this backlog becomes more precisely quantified. The City addresses this funding gap by postponing replacements, securing grants, issuing internal or external debt, and more aggressively increasing annual asset reserve savings.

The Asset Management Plan anticipates a 20 year capital renewal requirement of $252 million to replace and renew existing assets, ensuring long-term reliability. This replacement cost is driven primarily by transportation infrastructure, civic buildings, parks and recreation infrastructure, and equipment.



Asset Replacement – Utility Funds

The City's 20 year assessment reveals an annual funding gap of $332,000 across the Utility Funds. Although annual replacement costs and funding requirements are updated yearly, inflationary pressures have escalated these estimates, prolonging the timeline to completely close the gap.

However, continuing to increase annual reserve savings will steadily narrow this shortfall, with all categories reaching their targets between 2028 and 2029.

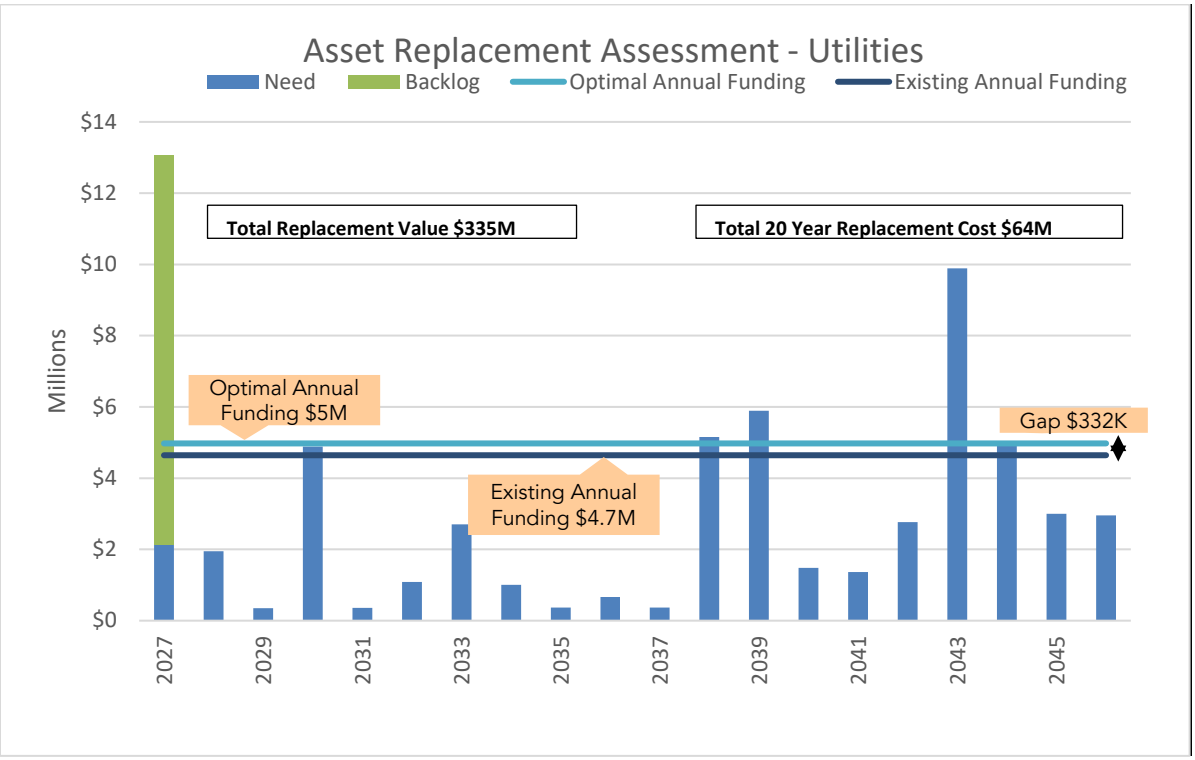
Shortfall Breakdown & Target Timelines:

	Shortfall	Target Savings Level Achieved by
Drainage	$247K	2029
Sewer	$72K	2029
Water	$13K	2028

The savings 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.

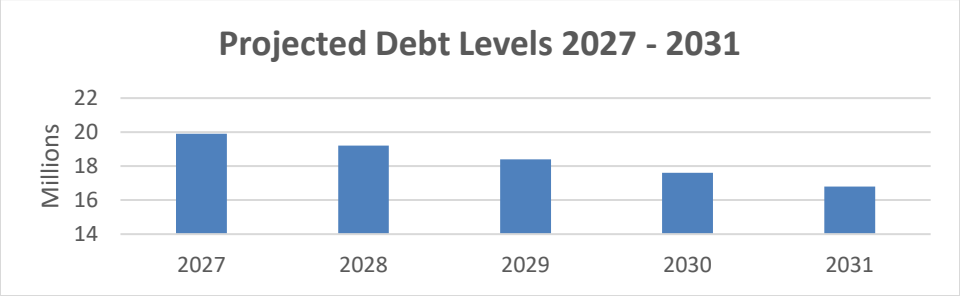
The Utility Funds accumulated backlog is estimated at $11 million for 2027. This represents assets that have exceeded their estimated useful lives, determined by a mix of age and condition data. As ongoing condition assessments update and refine remaining useful life projections, this backlog becomes more precisely quantified. The City addresses this funding gap by postponing replacements, securing grants, issuing internal or external debt, and more aggressively increasing annual asset reserve savings.

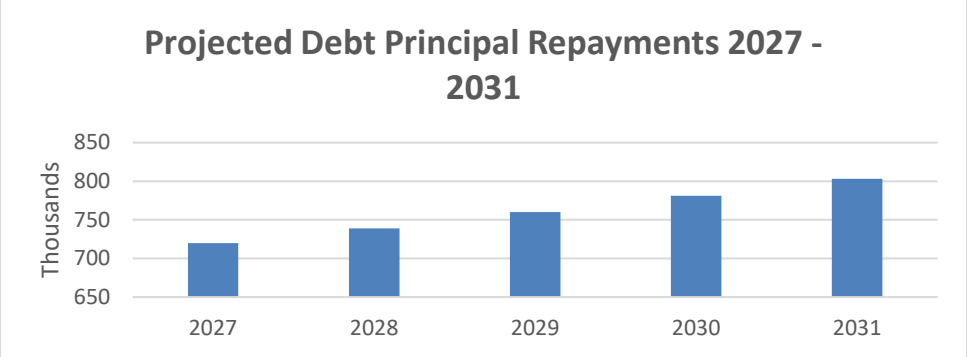
The Asset Management Plan anticipates a 20 year capital renewal requirement of $64 million to replace and renew existing drainage, sewer and water assets, ensuring long-term reliability well into the future.

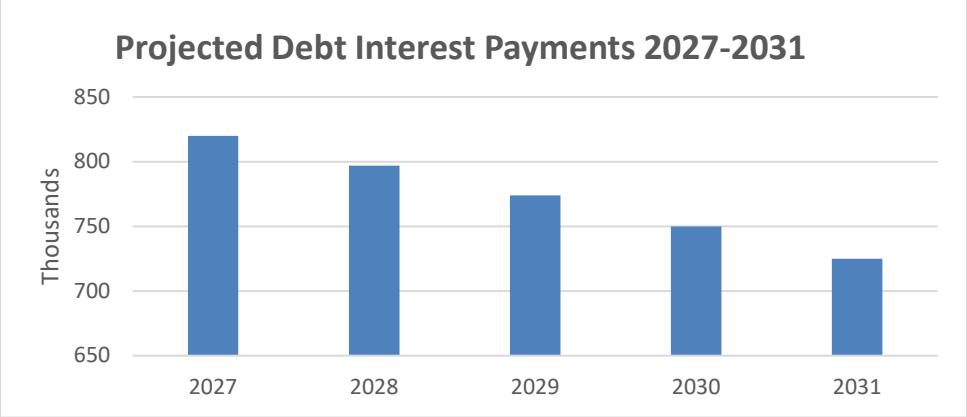


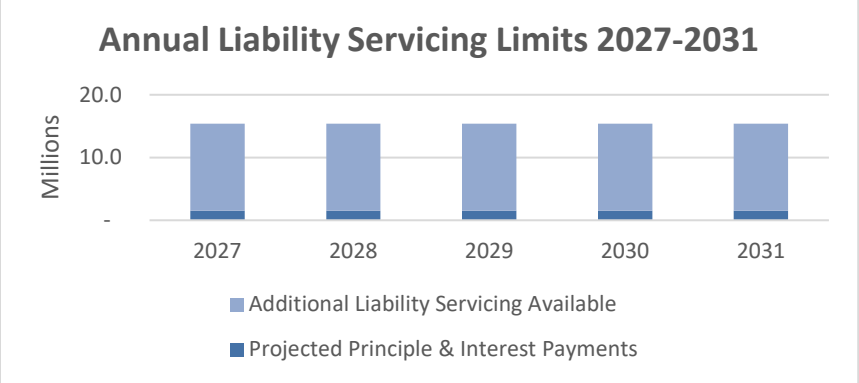
DEBT

No new external borrowing is proposed within the 2027–2031 Five-Year Financial Plan. The accompanying charts illustrate projected debt obligations and related debt servicing costs. The City's existing debt relates exclusively to the General Fund and was used to build the Police Building, Civic Centre Parkade, and Community Centre. All other municipal funds remain debt-free.


Projected Debt Levels 2027 - 2031
Millions
22
20
18
16
14
2027
2028
2029
2030
2031


Projected Debt Principal Repayments 2027 - 2031
Thousands
850
800
750
700
650
2027
2028
2029
2030
2031

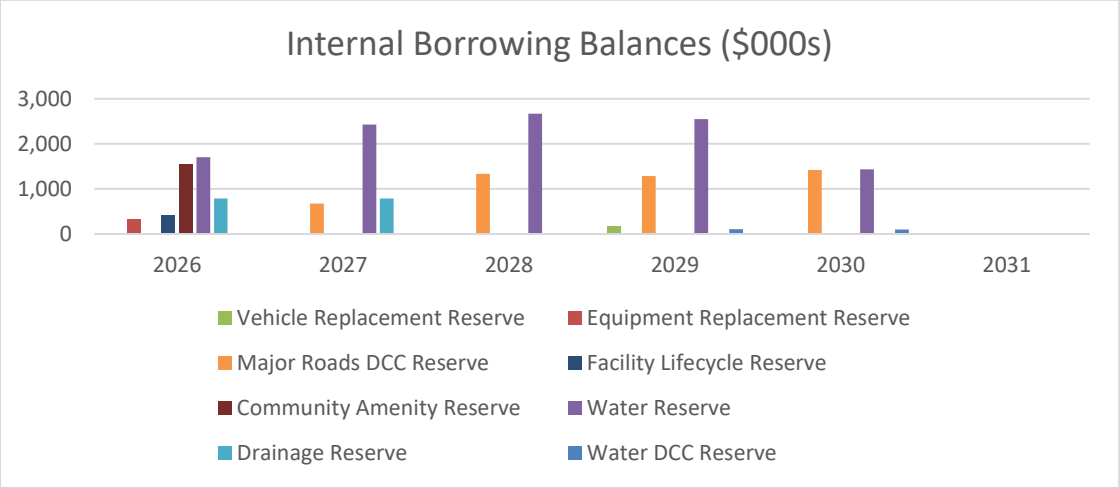

Projected Debt Interest Payments 2027-2031
Thousands
850
800
750
700
650
2027
2028
2029
2030
2031


Annual Liability Servicing Limits 2027-2031
Millions
20.0
10.0
-
2027
2028
2029
2030
2031
Additional Liability Servicing Available
Projected Principle & Interest Payments

Under the British Columbia *Community Charter*, municipal liability servicing limits (also known as debt principle and interest payments) are capped at 25% of the prior year's sustainable revenues. In 2026, the City's limit was $15.4 million. With annual principal and interest payments budgeted at $1.5 million per year over the 2027–2031 planning cycle, the City remains well below its legal borrowing capacity.

Internal Borrowing 2027-2031

Under the *Community Charter* and the Debt Management Policy, the City may borrow internally from reserves, provided the funds are not immediately required by the lending reserve and are repaid with interest. For 2027, this internal repayment is calculated using an estimated investment rate of return of 3%. Due to the existing historical funding backlog and the variance between current reserve savings and the targets set by the Asset Management Plan, the City must utilize internal borrowing as outlined in the table below. This reliance on internal borrowing will persist until the City achieves its targeted savings values and mitigates the backlog.



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

2027-2031 FINANCIAL OUTLOOK – ALL FUNDS

Consolidated Financial Schedule – All Funds

	2027 Proposed Budget	2028 Proposed Budget	2029 Proposed Budget	2030 Proposed Budget	2031 Proposed Budget
Revenues					
Municipal Property Taxes	$39,957,200	$41,930,300	$44,161,100	$46,240,200	$48,656,200
Utility Charges	18,830,800	19,903,000	21,050,100	22,550,500	23,708,000
Sale of Services	3,251,000	3,333,400	3,414,500	3,501,800	3,586,800
Licenses, Permits, Penalties, Fines	1,931,900	1,942,300	1,952,000	1,815,400	1,748,000
Investment Income	1,539,800	1,358,000	1,434,500	1,603,900	1,764,600
Other Revenue	741,900	710,200	734,400	744,300	756,100
Government Transfers	1,321,000	637,000	502,700	883,900	477,000
Contributions	943,100	1,188,200	1,191,200	811,600	4,756,900
Total Revenues	**68,516,700**	**71,002,400**	**74,440,500**	**78,151,600**	**85,453,600**
Expenses					
Operating Expenditures	50,771,500	52,196,200	53,970,300	56,338,600	58,690,500
Debt Interest	1,069,200	1,067,600	1,065,900	1,064,400	1,062,800
Amortization	7,326,000	7,546,400	7,761,900	7,994,900	8,235,200
Total Operating Expenses	**59,166,700**	**60,810,200**	**62,798,100**	**65,397,900**	**67,988,500**
Net Revenues	**9,350,000**	**10,192,200**	**11,642,400**	**12,753,700**	**17,465,100**
Allocations					
Net Reserve Transfers	(6,055,100)	1,996,900	4,589,800	4,360,200	9,003,700
Capital Expenditures	22,011,600	15,002,500	14,054,900	15,607,700	15,894,100
Unfunded Amortization	(7,326,000)	(7,546,400)	(7,761,900)	(7,994,900)	(8,235,200)
External Debt Principle Repayment	719,500	739,200	759,600	780,700	802,500
Total Allocations	**9,350,000**	**10,192,200**	**11,642,400**	**12,753,700**	**17,465,100**
Balanced Budget	-	-	-	-	-

Future Years – Average Single Family Dwelling Assessed at $1,137,133

The next table provides the 2027 tax and utility increase for the average single-family home as well as estimates for the years 2028 to 2031.

	TAXATION				USER FEES					
Year	**Capital Reserves***	**City Depts.**	**Service Delivery Partners *** **	**Tax Subtotal**	**Drainage**	**Sewer ****	**Solid Waste**	**Water ****	**Utilities Subtotal**	**Total Change**
2027	$74	$86	$24	**$184**	$19	$12	$45	$41	**$117**	**$301**
2028	$76	$69	$23	**$168**	$15	$47	$9	$43	**$114**	**$282**
2029	$80	$88	$22	**$190**	$19	$48	$9	$43	**$119**	**$309**
2030	$83	$70	$24	**$177**	$19	$81	$10	$53	**$163**	**$340**
2031	$87	$94	$25	**$206**	$8	$60	$8	$54	**$130**	**$336**
Avg.	**$80**	**$81**	**$24**	**$185**	**$16**	**$50**	**$16**	**$47**	**$129**	**$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.

*** RCMP & FVRL

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 implementation.
- 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 recent change to housing legislation which may result in 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.

DEPARTMENT BUDGET OVERVIEW

The following summarizes net expenditures by department, with further details available within each department's respective budget section.

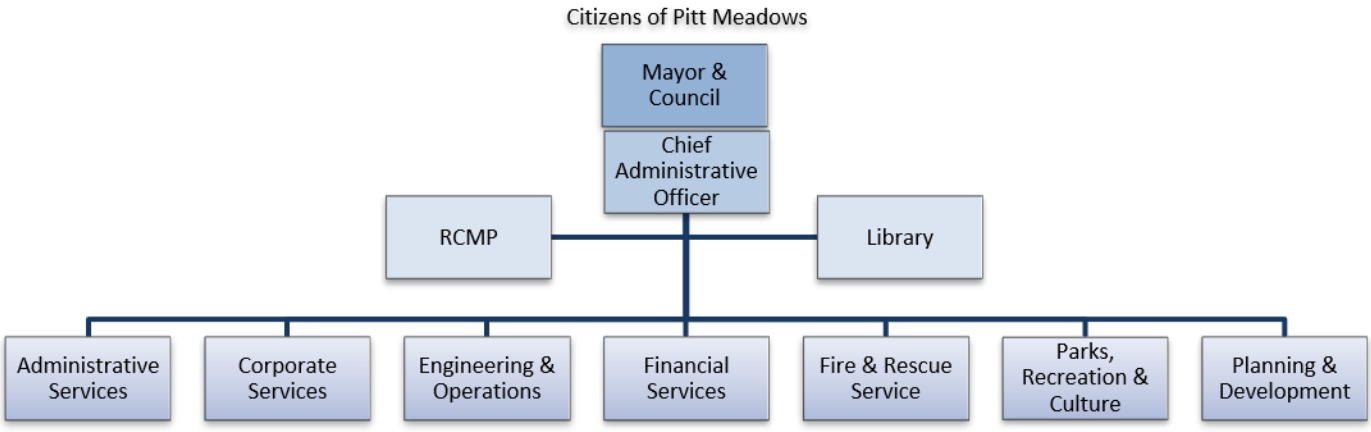
Net Expenditures by Department

Department	**2026 Budget**	**2027 Proposed Budget**
Council	$ 551,100	$ 549,400
Chief Administrative Officer	380,700	390,600
Administrative Services	1,142,100	1,190,900
*Corporate Services**	3,141,200	3,296,600
Emergency Program	170,700	182,100
Engineering and Operations	4,280,900	4,582,500
Financial Services	955,900	990,400
Fire and Rescue Service	5,296,200	5,621,100
Library Services	1,283,800	1,325,800
Parks, Recreation and Culture	3,507,600	3,726,200
Planning and Development	1,220,000	1,300,200
*RCMP and Police Services**	8,033,400	8,174,900
Total	**$ 29,963,900**	**$ 31,330,700**

**Housing & Support included within RCMP: 2026 - $1,771,500, 2027 - $1,683,500*

FINANCIAL STRUCTURE, POLICY & PROCESS

Organization Chart



City-Wide Staffing Overview (FTE's)

The City's staff complement is calculated by full-time equivalents (FTEs). Included in the City's 2027 Financial Plan is 178.29 FTEs that represent full-time and part-time City staff of 147.39 plus Service Partner FTEs of 24 contracted RCMP members and 6.9 Library services staff.

Staffing	Service Area	2025 Budget	2026 Budget	2027 Budget		2025 vs 2026	2026 vs 2027	*Note*
City Staff								
	Office of the CAO	1.0	1.0	1.0		-	-	-
	Administrative Services	6.57	6.57	6.57		-	-	
	Corporate Services – Communications	3.5	3.5	5.0		-	1.5	*1,2*
	Corporate Services - Human Resources, Payroll & OH&S	6.0	6.0	6.0		-	-	-
	Corporate Services - IT	6.0	6.0	6.0		-	-	-
	Corporate Services – Police Housing & Support	1.0	9.5	10.0		8.5	0.5	*3,4*
	Emergency Program	1.0	1.0	1.0		-	-	*5*
	Engineering & Operations	33.51	36.01	35.01		2.5	(1.0)	*6,7*
	Financial Services	8.0	8.0	8.0		-	-	-
	Fire & Rescue Service	26.0	26.0	26.0		-	-	*8*
	Parks, Recreation & Culture	28.59	28.85	27.64		0.26	(1.21)	*9,10*
	Planning & Development Services	15.17	15.17	15.17		-	-	*11*
	City Staff Subtotal	**136.34**	**147.60**	**147.39**		**11.26**	**(0.21)**	
Service Partners								
	Library Services	7.1	7.1	6.9		-	(0.2)	*12*
	RCMP	23.0	24.0	24.0		1.0	-	*13*
	Service Partners Subtotal	**30.1**	**31.1**	**30.9**		**1.0**	**(0.20)**	
	Total Budgeted FTE	**166.44**	**178.70**	**178.29**		**12.26**	**(0.41)**	

(1) Marketing and Communications Coordinator (1.0 FTE) transferred from Parks, Recreation & Culture in 2027, the balance is changes in auxiliary hours

(2) External consultant funding converted to regular staff position (0.5 FTE) in 2027

(3) Previously contracted from Maple Ridge before transitioning to autonomous Police detachment commencing 2025 and 2026 – 8.5 FTE

(4) Court Liaison/Electronic Disclosure Clerk – 2027: 0.50 FTE

(5) Excludes emergency social services volunteers (25)

(6) Operations department review results 2026 – 0.5 Mechanic, 2.0 Utility Workers

(7) Major Projects Manager position discontinued in 2027

(8) Excludes Volunteers (approx. 25)/Paid on Call Firefighters (approx. 25)

(9) Exempt Sessional Instructors in 2026

(10) Marketing and Communications Coordinator (1.0 FTE) transferred to Corporate Services – Communications in 2027, the balance is changes in auxiliary hours

(11) Consists of Planning, Building and Bylaws, and Agriculture and Environment
(12) Adjustment to Page hours
(13) RCMP Member added in 2026

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 valve (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 a 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. 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 and Reserves

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, potential liabilities such as tax appeals and insurance claims, emergency events, and transitional costs to achieve organizational structural changes and attrition. Capital reserves, along with Development Cost Charges, will be used to finance capital projects. In conformance with reporting standards of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, reserve transactions are identified separately from expenditures and revenues in portions of the 2027 budget document. See Attachment B – Statutory and Non Statutory Reserve Funds for further information.

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.

In keeping with the *Community Charter* and the property tax billing cycle, the Tax Rate and Utility Rate bylaws are to be adopted by May 15th.

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*. Where feasible, the City will, upon debt retirement, redirect debt servicing capacity toward reserves or capital funding in support of long-term financial sustainability.

- ***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. The Corporate Strategic Plan is updated at the start of each Council term. The next update, the 2027–2030 Strategic Plan, will be developed by Council in February/March 2027 and reflected in business plans beginning in 2028.

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*.

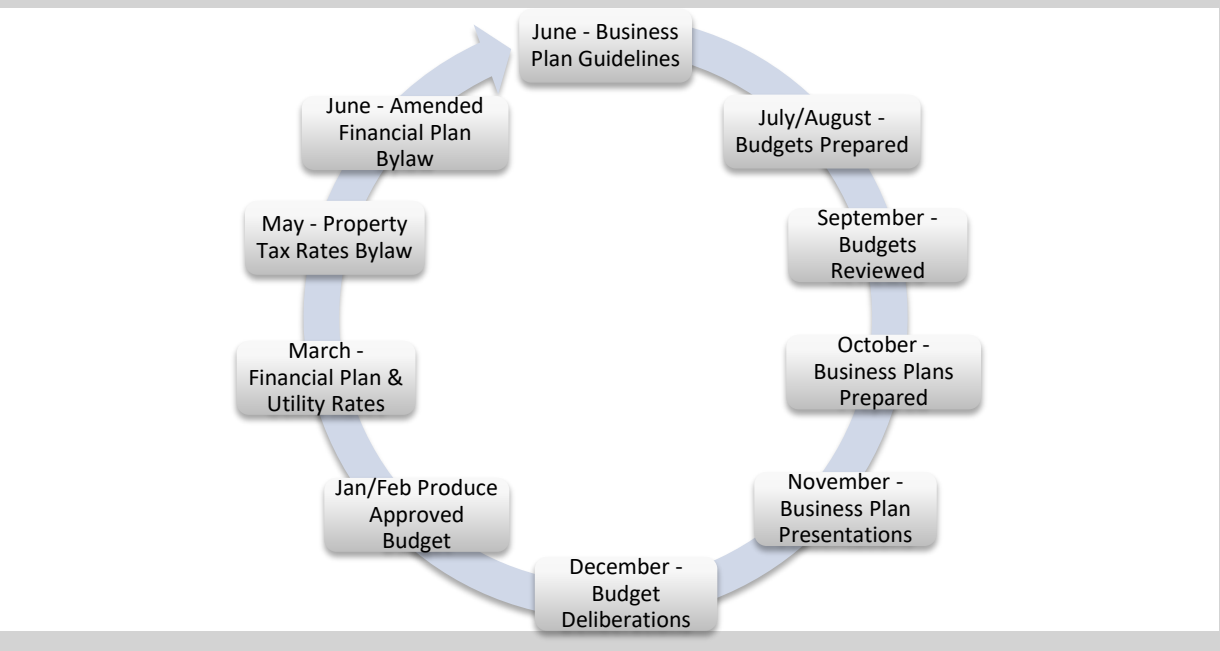
TIMELINE FOR THE 2027 BUDGET

The tables below highlight the key steps/phases and the approximate timing of Council's review and approval of the Five-Year Plan.

PHASE	TIME FRAME	ACTIVITY
Define	August	Departments submit Five-Year Financial Plan Requirements.
Compile	September	The Five-Year Financial Plan is constructed at a detailed and summarized level.
Assess	October	CAO and Corporate Leadership Team reviews the proposed Financial Plan and formalizes the plan for Council's review.
Engage	October	Business Planning Campaign to invited and encourage public participation in the Business Planning process.
Present	November	Business Planning departmental presentations to Council and to the public for comments and feedback.
Review	November	Council review the draft financial plans as part of Business Planning presentations.
Evaluate	December	Council evaluates and deliberates on decision packages presented during Business Planning and considers public feedback.
Accept	April/May	Council adopts the Five Year Financial Plan, and the financial plan bylaw is established. The Tax Rates bylaw is adopted prior to May 15, 2027.
Monitor	Monthly	Track results compared to plan.

PHASE	ACTIVITY
Define	Departments submit the financial impacts as per the Business Planning Guidelines presented to Council in May/June. Financial impacts associated with service level changes are submitted as a decision package, which is included in the department's business plan and deliberated by Council as part of the Business Planning process. Management ensures alignment of programs and services to the Corporate Strategic Plan, which corresponds with Council's priorities and goals. Additionally, assessments of the budget are completed to ensure they comply with our long-term financial policies. This includes asset management plans that help guide the development of the Five-Year Capital Plan, and debt management with a focus on maintaining reserve funds through budgeted asset replacement savings supported by the asset management plan.
Compile	Departments compile the plan at a detailed level. Updates are made to labour contracts, operating expenditures, revenue and rates. In addition, project summaries are prepared for capital projects. Review of year-end forecasts to support future projections are also assessed at this time.
Assess	The Corporate Leadership Team (CLT), consisting of all departmental directors and CAO, conducts a review of the department plan submissions. During this phase, departments assesses other potential sources of funding in order to stabilize the tax rate. The Financial Plan at this time will be reviewed with the CAO and formalized in order to present to Council.
Engage	The communications team launches the business planning campaign to inform the public of upcoming Business Planning presentations and invites the public to attend and provide feedback.
Present	Business Planning presentations are held with Council to present the Financial Plan, including decision packages to be deliberated by Council in December. In accordance with the Community Charter, the Financial Plan Overview and Departments' Business Plans is available for public comment.
Review	Council reviews the draft Financial Plans during Business Planning presentations.
Evaluate	Once the public comment period comes to an end, Council will review and evaluate public feedback, along with any other significant factors that may need to be incorporated into the final Five-Year Financial Plan.
Accept	Council receives and approves the Five-Year Financial Plan. The final reading of the Financial Plan and Bylaw. The Tax Rates bylaws will be

PHASE	ACTIVITY
	presented and adopted by Council prior to May 15 as required by the Community Charter.
Monitor	Actual to budget results are provided to departments every period. Departments are responsible for monitoring results to plan. Each department provides confirmation of reviewing their budget variances and provides corrective action, where applicable. Where significant budget variances arise and are beyond the director's delegation of authority threshold, directors provide an update to the CAO to discuss options, which may include an update to Council, as per the delegation of authority. This regular monitoring gives management and Council time to decide on any changes that might be necessary, ensuring the year's actual revenues and expenditures are within budget. In addition, an eight (8) month budget variance report is presented to Council that highlights the significant budget variances for the fiscal year and the projected yearend financial position.



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
As outlined in the report.

PUBLIC PARTICIPATION

☒ Inform ☐ Consult ☐ Involve ☐ Collaborate ☐ Empower

KATZIE FIRST NATION CONSIDERATIONS

Referral ☐ Yes ☒ No ☐ Other

SIGN-OFFS

Written by:	**Reviewed by:**
Cheryl Harding, Acting Director of Financial Services	Mark Roberts, Chief Administrative Officer

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ATTACHMENT(S):

A. Operating and Capital Budget Tables
B. Statutory and Non-Statutory Reserves
C. Statistics
D. 2027 Executive Summary Utility Funds
E. 2027 Executive Summary General Fund

ATTACHMENT A

OPERATING AND CAPITAL BUDGET TABLES

Financial Plan Summaries by Fund 2027 – 2031

General Fund – Property Tax	2026 Budget	2027 Proposed	2028 Proposed	2029 Proposed	2030 Proposed	2031 Proposed
Revenues (000s)	45,871	48,121	49,931	52,311	54,603	57,167
Expenses (000s)	35,268	37,026	38,147	39,550	40,722	42,208
Reserve Savings (000s)	10,603	11,095	11,784	12,761	13,881	14,959
Average Single Family Property Tax $	**$3,234**	**$3,418**	**$3,586**	**$3,776**	**$3,953**	**$4,159**
Average Property Tax Increase ($) Single Family Home		$184	$168	$190	$177	$206

Certain comparative information has been reclassified to allow for greater comparability between prior years and the current year
2028-2031 are estimates which will be adjusted next year.

Utilities – Average SFH	2026 Budget	2027 Proposed	2028 Proposed	2029 Proposed	2030 Proposed	2031 Proposed
Drainage	$215	$234	$249	$268	$287	$295
Sewer*	$609	$621	$668	$716	$797	$856
Solid Waste	$236	$281	$290	$300	$310	$318
Water**	$917	$958	$1,001	$1,043	$1,096	$1,150
Total Utilities	**$1,977**	**$2,094**	**$2,208**	**$2,327**	**$2,490**	**$2,619**
Water Metered Connection $	$721	$761	$786	$812	$839	$866
Water Metered Rate/m3 $	$1.06	$1.10	$1.14	$1.19	$1.25	$1.31

2028-2031 are estimates which will be adjusted next year.
Based on Proposed Metro Vancouver Sewer & Water budgets subject to Metro Vancouver Board approval
* 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 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

	2025 Actuals	2026 Annual Plan	2027 Proposed Budget
Revenues			
Municipal Property Taxes	$35,709,286	$37,822,700	$39,957,200
Utility Charges	16,274,802	17,923,500	18,830,800
Sale of Services	3,976,585	3,055,600	3,251,000
Licenses, Permits, Penalties, Fines	1,920,682	2,470,300	1,931,900
Investment Income	2,777,543	1,255,400	1,539,800
Other Revenue	715,819	712,100	741,900
Government Transfers	4,024,353	10,184,700	1,321,000
Contributions	1,087,551	15,191,500	943,100
Total Revenues	**66,486,621**	**88,615,800**	**68,516,700**
Expenses			
General Government Services	8,049,594	8,530,100	8,726,700
Protective Services	13,553,122	16,033,900	16,722,100
Transportation Services	5,061,106	4,779,800	5,225,200
Solid Waste Services	1,236,543	1,267,800	1,467,500
Water Services	6,306,534	7,430,500	7,594,000
Sewer Services	4,049,700	4,255,700	4,289,300
Drainage Services	2,855,895	2,676,900	2,768,100
Diking Services	287,875	227,700	237,200
Development Services	4,327,644	1,085,600	1,135,900
Parks, Recreation and Cultural Services	10,544,109	10,409,500	11,000,700
Total Operating Expenses	**56,272,122**	**56,697,500**	**59,166,700**
Net Change	**10,214,499**	**31,918,300**	**9,350,000**
Accumulated Surplus, Beginning of Year	**256,304,965**	**266,519,464**	**298,437,764**
Accumulated Surplus, End of Year	**266,519,464**	**298,437,764**	**307,787,764**

	2025 Actuals	2026 Annual Plan	2027 Proposed Budget
Net Change is Represented by the Following Net Reserve & Tangible Capital Asset Changes			
Investment in Tangible Capital Assets	16,467,712	60,802,600	15,405,100
Accumulated Remeasurement Gains	55,125		
Asset Replacement Reserves			
Arena	256,909	(455,400)	326,000
Build Communities Strong	9,827	(10,600)	26,800
Diking	117,214	(45,800)	(1,104,600)
Drainage	998,878	(5,161,700)	(14,500)
Equipment Replacement	(846,515)	(917,500)	(5,600)
Lifecycle Buildings	607,857	(2,794,800)	509,100
Lifecycle General	(138,773)	(608,000)	(495,300)
Minor Capital	87,494	60,600	67,100
Sanitary Sewer	542,864	(2,409,600)	(786,500)
Transportation	353,440	(938,100)	(1,041,300)
Transportation Road Use Levies	249,963	635,000	(3,351,100)
Water	(520,512)	(1,533,400)	200
	1,718,646	**(14,179,300)**	**(5,869,700)**
Other Reserves			
Art In Public Spaces	61,200	60,700	(62,200)
Carbon Neutral & Sustainability	(110,312)	(124,100)	(132,000)
Community Amenity	1,766,316	(7,417,100)	1,006,200
COVID Restart	(2,844)	-	-
Debt Proceeds	(10,795,894)	(526,700)	-
Future Capital	(10,087)	(36,100)	(10,900)
Growing Communities	(654,457)	(4,598,300)	-
Parkland Acquisition	3,603	8,100	3,300
South Bonson Amenity	(17,928)	(18,300)	(13,900)
Tree Replacement	-	14,400	3,800
Surplus (General Fund)	1,788,544	(2,067,600)	(979,700)
	(7,971,859)	**(14,705,000)**	**(185,400)**
Reserves Total	**(6,253,213)**	**(28,884,300)**	**(6,055,100)**
Net Change in Reserves & Tangible Capital Assets	**$10,214,499**	**$31,918,300**	**$9,350,000**

Capital Expenditure Program by Service Area 2027-2031 ($82.6 million)

Department:	2027	2028	2029	2030	2031	Total
Transportation	$11,845,700	$5,073,700	$2,758,700	$7,045,700	$7,806,400	$34,530,200
Water Utility	2,538,000	2,206,000	2,691,000	1,149,000	400,000	8,984,000
Sewer Utility	2,447,600	2,425,900	66,000	411,500	1,371,500	6,722,500
Drainage Utility	1,907,500	819,200	1,036,400	1,155,000	1,765,000	6,683,100
Parks	973,500	1,357,700	1,735,300	735,800	1,298,400	6,100,700
Information Technology	727,000	1,096,000	1,877,000	2,141,000	261,000	6,102,000
Facilities	702,000	1,113,500	1,096,000	2,575,500	670,000	6,157,000
Police	229,500	-	-	-	-	229,500
Planning & Development	204,000	54,000	54,000	54,000	54,000	420,000
Recreation and Culture	178,700	78,800	82,500	86,100	90,200	516,300
Diking Utility	105,500	114,400	110,000	110,000	110,000	549,900
Fire & Rescue Services	100,900	449,500	2,496,000	110,300	2,055,600	5,212,300
Finance	28,100	72,000	17,000	12,000	2,000	131,100
Communications	18,000	141,800	10,000	21,800	10,000	201,600
Administration Services	5,600	-	-	-	-	$5,600
Human Resources	-	-	25,000	-	-	25,000
Total	**$22,011,600**	**$15,002,500**	**$14,054,900**	**$15,607,700**	**$15,894,100**	**$82,570,800**
Funding Source:						
Arena Reserve	$150,000	$250,000	$250,000	$250,000	$250,000	$1,150,000
Art In Public Spaces Reserve	125,000	-	-	-	-	125,000
Build Communities Strong Reserve	115,000	115,000	115,000	115,000	115,000	575,000
Development Cost Charges	840,600	1,087,700	1,090,500	720,400	4,666,600	8,405,800
Diking Levy	7,100	7,900	9,900	9,900	9,900	44,700
Diking Reserve	1,266,400	79,500	103,200	100,100	100,100	1,649,300
Drainage Reserve	1,884,500	791,200	675,000	1,063,000	1,715,000	6,128,700
Equipment Replacement Reserve	1,579,200	2,939,800	5,421,200	2,957,600	3,760,800	16,658,600
Future Capital Reserve	12,500	12,500	12,500	-	-	37,500
General Operating Reserve	467,600	265,800	109,000	90,800	69,000	1,002,200
Grants	800,000	125,000	-	400,000	-	1,325,000
Lifecycle General Reserve	1,044,400	1,224,000	878,200	2,688,600	811,600	6,646,800
Lifecycle Buildings Reserve	-	-	325,000	-	-	325,000
Minor Capital Reserve	16,200	16,600	817,000	17,500	18,000	885,300
Sanitary Sewer Reserve	2,447,600	2,425,900	66,000	411,500	158,800	5,509,800
Solid Waste Operating Reserve	2,400	8,600	8,800	9,000	9,200	38,000
Transportation Reserve	3,440,600	3,220,900	1,752,300	3,978,300	2,776,000	15,168,100
Transportation Road Use Levies Reserve	5,274,500	226,100	432,500	1,647,000	1,058,800	8,638,900
Water Reserve	2,538,000	2,206,000	1,988,800	1,149,000	375,300	8,257,100
Total	**$22,011,600**	**$15,002,500**	**$14,054,900**	**$15,607,700**	**$15,894,100**	**$82,570,800**

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.

	2026 Adopted Budget	2027 Proposed Budget	Proposed Changes for 2027		2028 Proposed Budget	2029 Proposed Budget	2030 Proposed Budget	2031 Proposed Budget
Revenue								
Taxation	($37,043,800)	($37,027,400)	$16,400	0.0%	($39,177,100)	($41,148,800)	($43,376,400)	($45,454,800)
Taxation - Growth	incl	(43,000)	(43,000)		(43,000)	(43,000)	(43,000)	(43,000)
Grants	(413,300)	(388,100)	25,200	6.1%	(375,100)	(362,200)	(339,300)	(328,400)
Other Revenue	(2,428,000)	(2,514,600)	(86,600)	-12.1%	(2,771,900)	(2,827,100)	(2,876,200)	(2,927,400)
	(39,885,100)	(39,973,100)	(88,000)	-0.7%	(42,367,100)	(44,381,100)	(46,634,900)	(48,753,600)
Expenses & Transfers								
Expenses & Transfers	1,947,600	1,923,500	(24,100)	9.4%	1,802,000	1,841,800	1,744,700	1,837,200
	1,947,600	1,923,500	(24,100)	9.4%	1,802,000	1,841,800	1,744,700	1,837,200
Reserve Savings - Capital Maintenance								
General Facilities Reserve	770,800	786,000	15,200	2.0%	1,597,600	1,650,900	1,706,000	1,763,000
Arena Capital Reserve	80,000	80,000	-	0.0%	80,000	80,000	80,000	80,000
	850,800	866,000	15,200	1.8%	1,677,600	1,730,900	1,786,000	1,843,000
Reserve Savings - Capital Replacement								
Major Buildings Reserve	-	948,400	948,400		2,067,300	5,800	2,523,000	3,193,800
Equipment Replacement Reserve	755,000	1,110,100	355,100	47.0%	1,548,200	2,382,700	2,334,400	2,113,200
Vehicle Replacement Reserve	606,100	639,600			1,290,100	2,968,000	968,700	1,008,300
Transportation Reserve	2,169,900	2,541,000	371,100	17.1%	2,930,700	3,339,900	3,769,600	4,220,800
	3,531,000	5,239,100	1,708,100	48.4%	7,836,300	8,696,400	9,595,700	10,536,100
Reserve Savings - Strategic Asset Reserves								
Build Communities Strong Reserve	125,300	136,100	10,800	8.6%	138,100	140,200	142,300	144,400
Community Amenity Reserve	3,416,800	2,534,400	(882,400)	-25.8%	-	-	-	-
Public Art Reserve	50,000	50,000	-	0.0%	50,000	50,000	50,000	50,000
	3,592,100	2,720,500	(871,600)	-24.3%	188,100	190,200	192,300	194,400
Net Revenue	($29,963,600)	($29,224,000)	$739,600	2.5%	($30,863,100)	($31,921,800)	($33,316,200)	($34,342,900)

Key Budget Changes for 2027:	
Taxation revenue from new development	($43,000)
Risk to Roll - BC Assessment	16,400
Other Revenue & Recoveries	(42,300)
Building Replacement Reserve Savings (Temp. Redirect to Amenity & Equipment Reserve)	371,100
Transportation Replacement Reserve Savings	371,100
Other Reserve Savings	109,500
Salary and Benefits	(107,000)
Bank Charges and Interest Payments	55,800
Other	8,000
Change in Net Operating Expenses	$739,600

ATTACHMENT B

STATUTORY AND NONSTATUTORY RESERVES

Statutory Reserve Funds

DEVELOPMENT COST CHARGE RESERVE FUNDS

Development Cost Charge Reserve Funds are used to finance specific capital works from levies on development in surrounding area. The City has six Development Cost Charge Reserve Funds:

- Water
- Sewer
- Drainage
- Major Roads
- Minor Roads
- Parkland

EQUIPMENT REPLACEMENT RESERVE FUND

The Equipment Replacement Reserve Fund is used for expenditures to replace machinery and equipment that includes but is not limited to passenger type vehicles, mobile construction equipment, heavy-duty maintenance machinery attachments, fire trucks and information technology equipment, for which replacement usage rates and charges have been established.

TRANSPORTATION INFRASTRUCTURE RESERVE FUND

The Transportation Infrastructure Reserve fund is used for capital expenditures to replace or refurbish the City's transportation infrastructure that includes but is not limited to paved and gravel roads and lanes, bridges, storm sewers, catch basins, curbs & gutters, sidewalks, streetlights, traffic lights and pedestrian overpasses.

FACILITIES AND FIXTURES LIFE CYCLE RESERVE FUND

The Facilities & Fixtures Life Cycle Reserve Fund is used for capital expenditures to maintain, repair, update and replace the City's facilities and fixtures that includes but is not limited to carpeting, roofing, painting, flooring, playground equipment, sports courts, backstops, bleachers, fencing, office equipment & counters and landscaping.

OPERATING RESERVE FUND

The Operating Reserve Fund is used for operating expenditures that includes but is not limited to one-time extraordinary costs, efficiency initiatives, revenues shortfalls, cost spikes that the City can adjust to over 2 to 3 years, temporary transitional costs associated with organizational

changes that arise through natural attrition, recurring administrative expenditures such as election costs and OCP review and responding to emergencies.

INSURANCE LIABILITY DAMAGE AND CLAIMS RESERVE FUND

The Insurance Liability Damage and Claims Reserve Fund is used to pay for liability claims operating costs and settlements excluded from insurance coverage and to respond to claim costs in excess of available funds provided in the Annual Financial Plan.

SOUTH BONSON AMENITY RESERVE FUND

The South Bonson Amenity Reserve Fund is used for capital expenditures to construct public amenities set out in the South Bonson Neighbourhood Comprehensive Development Plan.

PARKLAND ACQUISITION RESERVE FUND

The Parkland Acquisition Reserve Fund is used solely to acquire park lands.

WATERWORKS CAPITAL RESERVE FUND

The Waterworks Capital Reserve Fund is used for capital expenditures to replace or refurbish the City's waterworks system infrastructure that includes but is not limited to water piping, fire hydrants and pumping and pressure reducing stations including their related pumps, valves, fittings and controls.

SANITARY SEWER CAPITAL RESERVE FUND

The Sanitary Sewer Reserve Fund is used for capital expenditures to replace or refurbish the City's sanitary sewer system infrastructure that includes but is not limited to sewerage piping and pumping stations including their related pumps, valves, fittings and controls.

DIKING RESERVE FUND

The Diking Reserve Fund is used for capital expenditures that includes but is not limited to the replacement and repair of flood boxes and raising, widening, topping, replacement and repair of diking structures and infrastructure.

DRAINAGE RESERVE FUND

The Drainage Reserve Fund is used for capital expenditures that includes but is not limited to the construction, replacement and repair of pumping stations, pumps, fixtures and equipment, flood boxes and flood gates and the rehabilitation and construction of drainage ditches.

ARENA CAPITAL RESERVE FUND

The Arena Capital Reserve Fund is used for capital expenditures to replace machinery and equipment that includes but is not limited to ice resurfacers, lifts, chillers, compressors,

dehumidifiers, score clocks, signs, computer and audio-visual equipment and other related furniture, fixtures and building life cycle upgrades.

MINOR CAPITAL RESERVE FUND

The Minor Capital Reserve Fund is used for capital expenditures that includes but is not limited to the replacement and repair of artificial turf, score clocks, and other outdoor activity fixtures and equipment used in parks and outdoor sporting facilities.

FUTURE CAPITAL RESERVE FUND

The Future Capital Reserve Fund is used for new, non replacement capital expenditures in accordance with the City's Annual Financial Plan, for emergency capital expenditures not anticipated by the City's Financial Plan and for strategic capital objectives of the City. This reserve has no current balance until such time as funds are allocated to it.

CARBON NEUTRALITY AND SUSTAINABILITY RESERVE FUND

The Carbon Neutrality and Sustainability Reserve Fund is used for initiatives which move the City of Pitt Meadows towards carbon neutrality and sustainability that includes but is not limited to:

- Corporate energy conservation projects aimed at further reducing energy costs and greenhouse gas emissions
- Develop a low carbon fleet management plan when considering vehicle purchases, transportation upgrades to reduce idling in the community
- Community Green Homes initiative
- Community Sustainability Plan

COMMUNITY AMENITY CONTRIBUTIONS RESERVE FUND

The Community Amenity Contributions Reserve Fund is used to provide the following amenities:

- Community Civic Facility
- Public Art
- Acquisition of land for the provision of:
    - Affordable or special needs housing
    - Parks
    - Trails
    - Significant ecological features
- Park, trail, or sports facility or field construction or maintenance
- Affordable or special needs housing units
- Heritage conservation
- Conservation of significant ecological features
- Other projects as identified by Council

GROWING COMMUNITIES RESERVE FUND

The Growing Communities Reserve Fund is used for one-time expenditures as per the Provincial Growing Communities Fund Award Letter. The principal objective of the Growing Communities Fund is to increase the local housing supply with investments in community infrastructure and amenities.

AMENITY COST CHARGE RESERVE FUND

The Amenity Cost Charge Reserve Fund is to be used for capital expenditures related to providing, constructing, altering or expanding amenities funded from Amenity Cost Charges (ACC). Amenities covered within the ACC program include:

- Recreation and culture facilities
- Public Art
- Heritage conservation
- Environmental conservation and amenities.

Non-Statutory Reserves

BUILD COMMUNITIES STRONG RESERVE

Federal government grant funding, formerly known as Canada Community Building Fund, and formerly known as the Gas Tax Fund, is provided annually based on specified criteria for infrastructure type projects. Council approves the utilization of these funds as part of the Financial Plan and Business Planning presentations.

TRANSPORTATION ROAD USE LEVIES RESERVE

The Road Use Levies Reserve is a sub-reserve within the Transportation Reserve Fund with the purpose to provide funding for capital expenditures which includes but is not limited to the maintenance and repair of roads that would typically be subject to excessive wear and tear due to soil activity.

PUBLIC ART RESERVE

The purpose of this reserve is to provide funding contributions towards public art projects across the City. Council approves the utilization of these funds as part of the Financial Plan and Business Planning presentations.

TREE REPLACEMENT RESERVE

The purpose of this reserve is to provide funding contributions towards tree replacement within the City that typically arises when trees are removed. Council approves the utilization of these funds as part of the Financial Plan and Business Planning presentations.

AUTONOMOUS POLICE TRANSITION RESERVE

This reserve is designated for the transition costs related to the City's Autonomous RCMP detachment. The funding contribution came from the Operating Reserve Fund without further increasing the residential property tax rates.

DEVELOPMENT REVENUE STABILIZATION RESERVE

The purpose of this reserve is to stabilize the provision for development permit revenue variability in the annual operating budget and to act as a contingency reserve to ensure that funds are available during slow development permit application periods.

RCMP RESERVE

The purpose of this reserve is to provide funding contributions towards operating and future capital expenditures including but not limited to the replacement of equipment, vehicles, furniture, as well as other RCMP assets as required by the RCMP funding agreement. The reserve may also be used to fund potential serious crime investigations not covered by the Integrated Homicide Investigation Team (IHIT).

INCLEMENT WEATHER RESERVE

The purpose of this reserve is to stabilize the provision for the cost of snow removal in the annual operating budget and to act as a contingency reserve to ensure that funds are available for snow removal during periods of heavy snowfall.

SOLID WASTE OPERATING RESERVE

This reserve represents the accumulation of solid waste revenues in excess of expenditures and transfers over the years. It is maintained for the following reasons:

- To maintain a reserve for unforeseen changes in revenues and expenditures
- To absorb and moderate unanticipated large rate increases
- To maintain adequate working capital
- To assist in financing capital infrastructure and equipment requirements

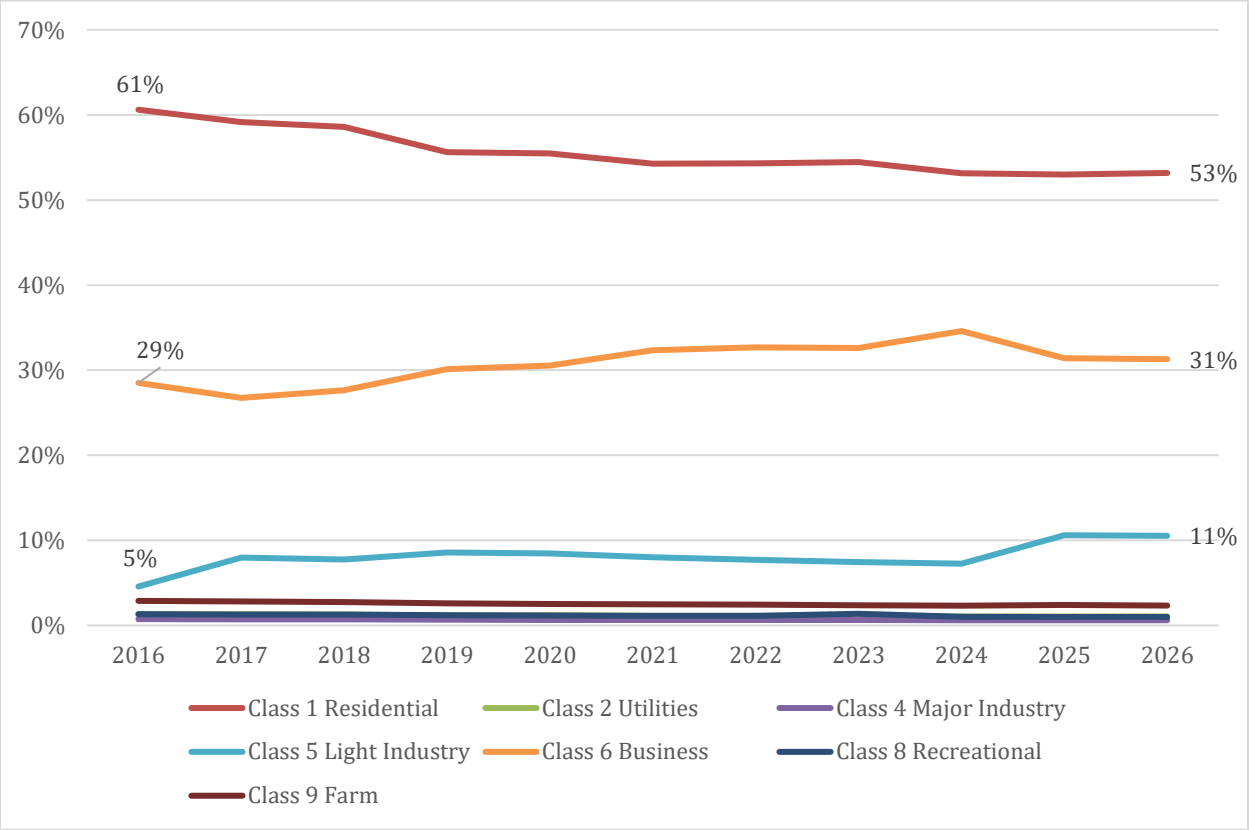
VEHICLE REPLACEMENT RESERVE

The Vehicle Replacement Reserve is a sub-reserve within the Equipment Replacement Reserve Fund with the purpose to provide funding for capital expenditures which includes but is not limited to the maintenance and repair of City vehicles and other transportation equipment.

STATISTICS **ATTACHMENT C**

Allocation of Tax Burden 2016-2026

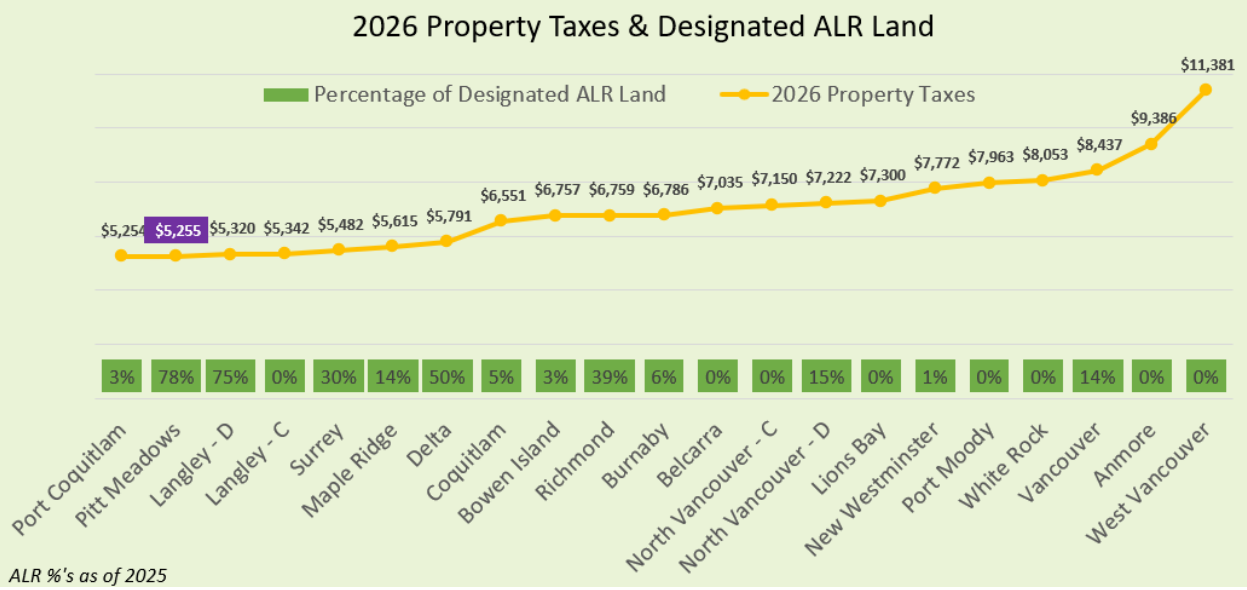
The percentage breakdown of tax revenue collected by property class over the past 10 years is provided in the following chart. The distribution remained fairly constant until 2017 when additional properties began to be added to the Business and Light Industry Classes.



Single Family Residential Tax Comparison

The following graph compares the 2026Municipal 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 second lowest Property Tax base ($5,255) 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:

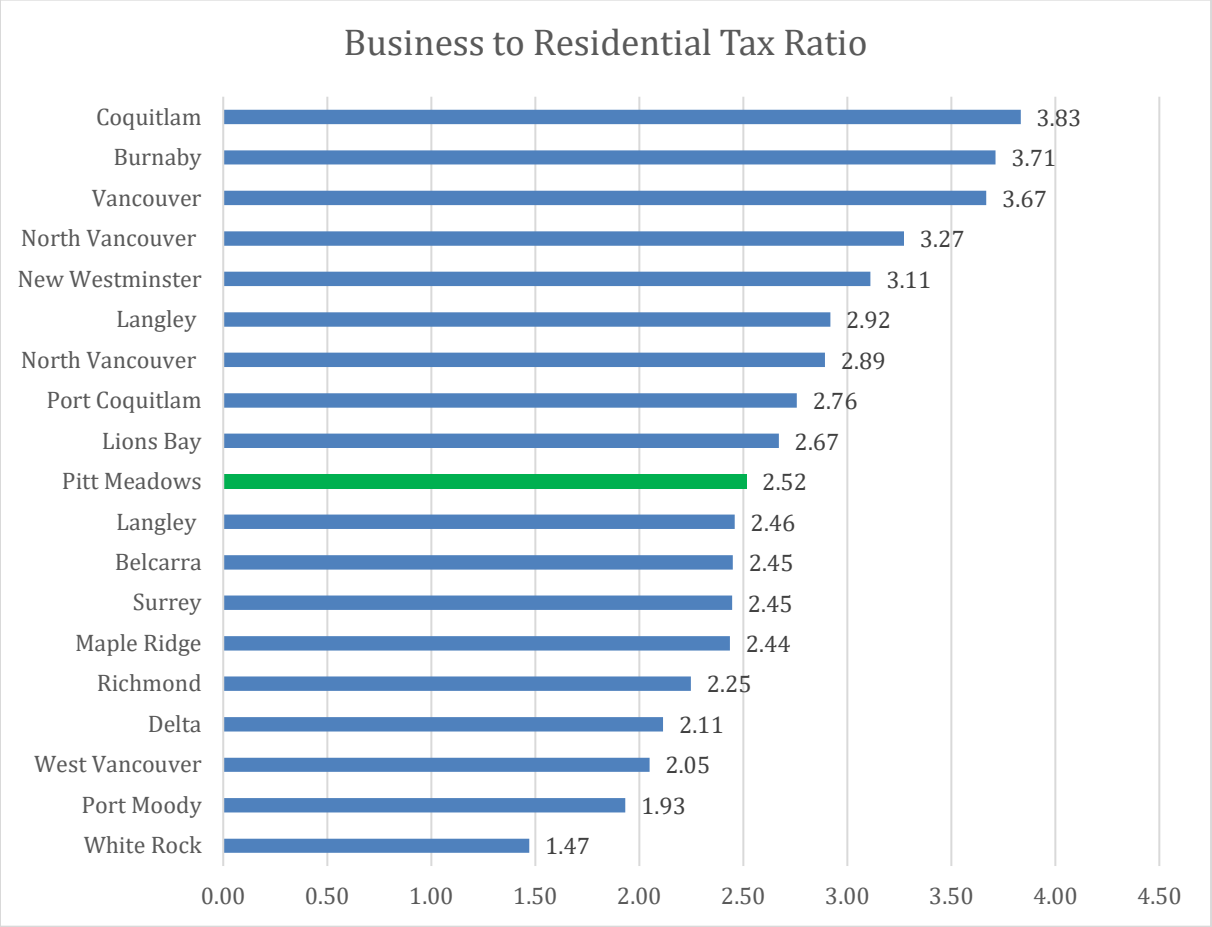
Municipality	**ALR % Designation**	**Total Land Area (hectares)**	**Urban/Suburban Area (hectares)**	**2026 Property Tax per average SFH**
Port Coquitlam	3%	2,916	2,828	$5,254
Pitt Meadows	78%	8,825	1,942	$5,255
Township of Langley (D)	75%	30,722	7,680	$5,320

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 2027 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.

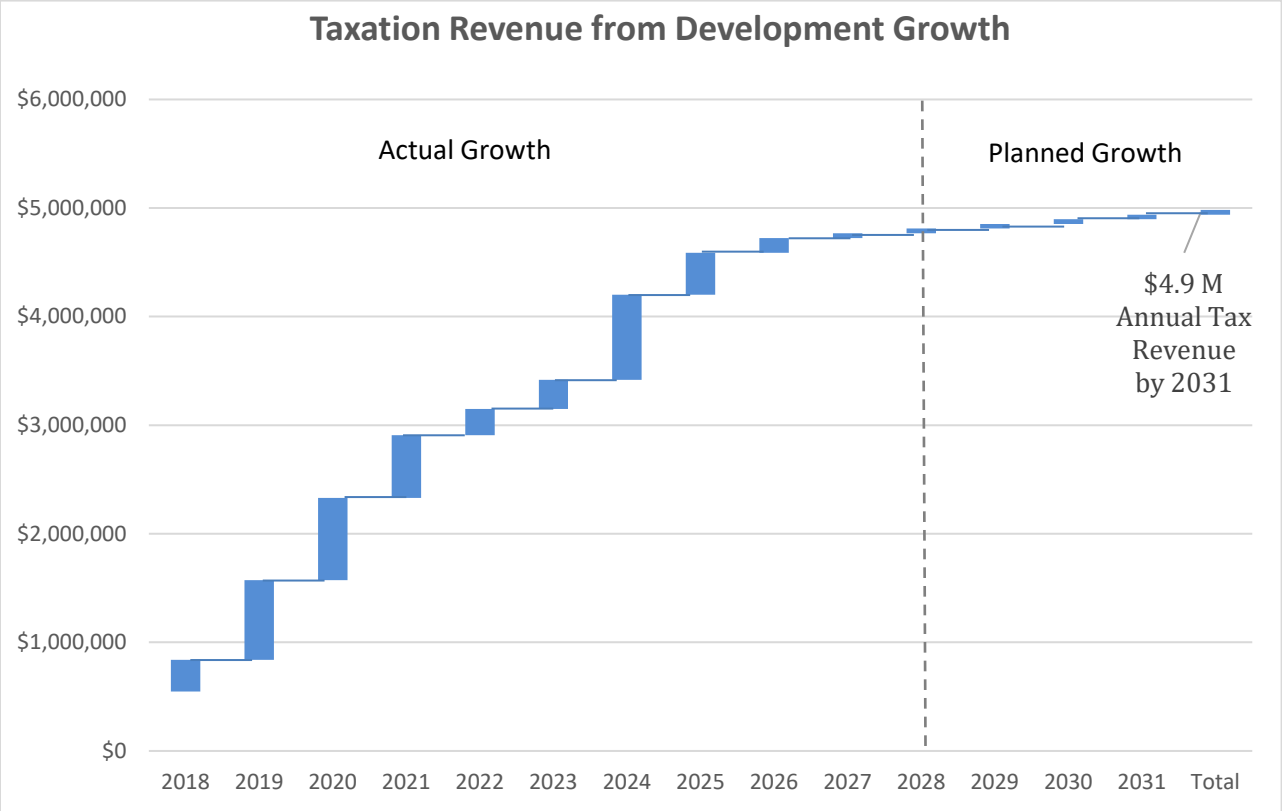


Property Taxation from Development Growth 2017-2031

Property taxes increased (or are forecasted to increase) by approximately $34 million between 2017 and 2031. Of this increase, a cumulative total of $4.9 million is from development growth in the community which is equivalent to approximately 13% property tax increase during the same period.

As of 2027, the City appears to be in a low growth period contribution to a total estimated additional growth revenue of $215,000 within the next five years, averaging $43,000 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's tax increase. Any surplus growth from taxation is incorporated into the following budget year.



City of Pitt Meadows
Budget Drivers

UTILITIES EXECUTIVE SUMMARY - 2027			Solid Waste 02-1-4000-4440	Drainage 04-1-4500-4470 & 4480	Water 06-1-4100-4400 & 4410	Sewer 08-1-4300-4430	TOTAL
2026 Approved Budget - Flat Fees (and Drainage Mill Rates and Metered Water)			1,245,600	3,152,400	8,453,200	4,715,700	**17,566,900**
2027 Budget - Submitted			1,443,600	3,482,000	8,711,500	4,809,300	**18,446,400**
$$ Variance over Previous Year			198,000	329,600	258,300	93,600	879,500
% Variance over Previous Year			15.90%	10.46%	3.06%	1.98%	5.01%
Budget Drivers (favourable)/unfavourable:							
1		**Revenue Changes**					
	1.01	Sale of Surplus, Recyclables, Garbage Tickets	-2,200				-2,200
	1.02	Maple Ridge Drainage Levy - Area 3 - from ($177,800) to ($187,800)		-10,000			-10,000
	1.03	Maple Ridge Capital Contribution to Reserve ($49,535) established in 2018 plus annual increases for 15 years to a target established through the AMP approach (2027 total is $153,600 increase from 2026 total of $138,800))		-14,800			-14,800
	1.04	Katzie Sewer Levy - rate change from $609 to $621 no quantity change				-3,000	-3,000
		Revenue subtotal	-2,200	-24,800	0	-3,000	-30,000
2		**Reserve/Liability Changes**					
	2.01	Solid Waste Reserve - Annual increases of $500 to achieve annual replacement of garbage cans to bear proof cans as well as supporting growth related increased quantities	500				500
	2.02	Drainage Reserve provision from $1.5594M to $1.7931M		233,700			233,700
	2.03	Maple Ridge Capital Contribution transferred to Reserve - offsets 1.02		14,800			14,800
	2.04	Water Reserve provision from $1,735,200 to $1,879,300			144,100		144,100
	2.05	Sewer Reserve provision increased from $742,400 to $817,100				74,700	74,700
		Reserve subtotal	500	248,500	144,100	74,700	467,800
3		**Other**					
	3.01	Administrative Costs	8,700	39,400	68,200	-5,300	111,000
	3.02	Utility & miscellaneous operating costs	10,100	14,200	-100	-1,300	22,900
	3.03	Solid Waste & Green Waste Collection	81,000				81,000
	3.04	Green Waste Tipping Fees	69,900				69,900
	3.05	Drainage Maintenance		52,300			52,300
	3.06	Water Maintenance			55,200		55,200
	3.07	Sewer Maintenance				-39,800	-39,800
	3.08	Metro Vancouver -GVWD & GVS&DD	30,000		-9,100	68,300	89,200
$$ Variance over Previous Year (Net Budget Increase (Decrease))			**198,000**	**329,600**	**258,300**	**93,600**	**879,500**
% Variance over Previous Year			**15.90%**	**10.46%**	**3.06%**	**1.98%**	**5.01%**

City of Pitt Meadows

2027 Executive Summary

Budget Drivers - 2027 Proposed

Estimated $ amount for every 1% tax increase																														
$371,000	COUNCIL	OFFICE OF THE CAO		FINANCE	CORPORATE SERVICES				FIRE AND RESCUE		ENGINEERING & OPERATIONS						DEVELOPMENT SERVICES			PARKS, RECREATION, CULTURE					CITY						
	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	TAX INCR %
2026 Budget - Approved	551,100	380,700	1,142,100	955,900	1,031,700	717,100	1,392,400	1,771,500	5,296,200	170,700	699,500	-	1,906,200	104,200	1,349,000	222,000	289,200	207,500	723,300	1,678,700	1,319,100	509,800	-	-	22,417,900	(29,963,600)	6,261,900	1,283,800	-	-	0.00%
2027 Budget - Submitted	549,400	390,600	1,190,900	990,400	1,073,200	748,000	1,475,400	1,683,500	5,621,100	182,100	737,500	-	2,075,200	98,800	1,431,700	239,300	350,400	209,800	740,000	1,852,300	1,356,400	517,500	-	-	23,513,500	(29,224,000)	6,491,400	1,325,800	2,106,700	183.63	5.68%
$$ Variance over Previous Year	(1,700)	9,900	48,800	34,500	41,500	30,900	83,000	(88,000)	324,900	11,400	38,000	-	169,000	(5,400)	82,700	17,300	61,200	2,300	16,700	173,600	37,300	7,700	-	-	1,095,600	739,600	229,500	42,000	2,106,700	183.63	5.68%
% Variance over Previous Year	(0.31%)	2.60%	4.27%	3.61%	4.02%	4.31%	5.96%	(4.97%)	6.13%	6.68%	5.43%	#DIV/0!	8.87%	(5.18%)	6.13%	7.79%	21.16%	1.11%	2.31%	10.34%	2.83%	1.51%	#DIV/0!	#DIV/0!	4.89%	2.47%	3.67%	3.27%			
Drivers (favourable)/unfavourable:																														
1 • **Revenue Changes**																														
1.1 • Taxation revenue from new development																									-	(43,000)			(43,000)	(3.75)	(0.12%)
1.2 • 2026 Risk to Roll-BC Assessment and growth adjustment																									-	16,400			16,400	1.43	0.04%
1.3 • 1% utility payment in lieu of taxes (BC Hydro, Telus, Shaw, Fortis), diking levy																(1,900)									(1,900)	-			(1,900)	(0.17)	(0.01%)
1.4 • Arena programs, rentals, advertising - revenue offset by expenses and reserve savings																								(129,200)	(129,200)				(129,200)	(11.26)	(0.35%)
1.5 • Development processing revenues																	177,000		5,600						182,600				182,600	15.92	0.49%
1.6 • Licenses, permits, penalties fines,MRN grant & other sale of services and revenue				(800)				(17,800)	(7,400)		(2,200)		(1,800)	(300)	(22,500)		(12,000)	(2,500)	(30,500)	(20,500)	(10,700)	(15,800)			(144,800)	300			(144,500)	(12.60)	(0.39%)
2 • **Reserve/Liability Changes**																														
2.1 • Asset Mgmt Savings - Equipment Replacement - Vehicles																									-	33,500			33,500	2.92	0.09%
2.2 • Asset Mgmt Savings - Equipment Replacement - Equipment																									-	50,000			50,000	4.36	0.13%
2.3 • Asset Mgmt Savings - Building replacement																									-	371,100			371,100	32.35	1.00%
2.4 • Asset Mgmt Svgs - Lifecycle reserve																									-	26,000			26,000	2.27	0.07%
2.5 • Asset Mgmt Savings - Transportation reserve																									-	371,100			371,100	32.35	1.00%
2.6 • Arena reserve (offset by revenues and expenses)																								27,500	27,500				27,500	2.40	0.07%
2.7 • Development Revenue Stabilization Reserve																	(156,600)								(156,600)				(156,600)	(13.65)	(0.42%)
2.8 • Election reserve			1,400																						1,400				1,400	0.12	0.00%
2.9 • Facilities, Buildings, Utilities, & Transportation reserve funding												9,900											(8,600)		1,300				1,300	0.11	0.00%
2.10 • Autonomous Transition Reserve funding - Q1 2026 overlap								205,300																	205,300				205,300	17.89	0.55%
3 • **Salary Adjustments**																														
3.1 • Salary and benefits - Collective Bargaining Estimated Costs - CUPE			17,200	18,400	3,200	16,000	22,400	24,700	10,700		11,200		8,500	49,500	14,200	2,100	21,400	4,900	20,500	34,600	40,200	9,300	5,000		334,000				334,000	29.11	0.90%
3.2 • Salary and benefits - Collective Bargaining Estimated Costs - IAFF									193,100																193,100				193,100	16.83	0.52%
3.3 • Salary and benefits - Estimated COL Costs - Exempt		13,000	13,300	14,100	29,500	6,500	6,800	6,100	36,600	4,700	14,600	10,900		12,100			6,400	5,700	15,100	5,900	14,100				215,400	52,200			267,600	23.33	0.72%
3.4 • Salary and benefits - Attrition savings																									-	(159,200)			(159,200)	(13.88)	(0.43%)
3.5 • Salary and benefits - Reclass, Step Increases & Other	(8,600)	(3,100)	6,800	2,800		5,000	9,600	71,900	103,100	(2,100)	13,900	(19,000)	3,800	(7,900)	27,400	1,900	16,500	(3,400)	6,400	30,800	(4,500)	(1,900)	3,600		253,000				253,000	22.05	0.68%
4 • **Other**																									-						
4.1 • RCMP Members & Integrated Teams																									-		229,500		229,500	20.00	0.62%
4.2 • Ridge Meadows RCMP Housing & Support Agreement - Terminated Q1								(482,200)																	(482,200)				(482,200)	(42.03)	(1.30%)
4.3 • FVRL levy																									-			42,000	42,000	3.66	0.11%
4.4 • Administration charge from (to) utilities														(63,000)	30,300	3,600				7,900					(21,200)	(42,600)			(63,800)	(5.56)	(0.17%)
4.5 • Arena operating costs - offset by revenues and reserve savings																								101,700	101,700				101,700	8.86	0.27%
4.6 • Contracted services - consulting, repairs, maintenance, equipment rentals, postage			5,000		400	3,300	200	(600)	5,700	9,200	900	(1,700)	87,800	3,600	17,100	8,800	1,400	(3,100)	300	67,800		22,000			228,100				228,100	19.88	0.61%
4.7 • ECOMM Radio, Call Taking, and Dispatch - full year								97,700	(47,400)																50,300				50,300	4.38	0.14%
4.8 • Fee for Service - Museum, Audit services, Harris Rd Pool, Pet Shelter, other														3,900							(1,800)				2,100				2,100	0.18	0.01%
4.9 • Equipment & fleet (mtc, fuel, insurance, lease)								9,700	26,600					(2,300)	9,000	2,100				32,800					77,900				77,900	6.79	0.21%
4.10 • Hydro & natural gas, telephone									4,000				39,200							5,200					48,400				48,400	4.22	0.13%
4.11 • Insurance - liability & property			4,200										25,800							(1,300)	3,000				31,700				31,700	2.76	0.09%
4.12 • Professional Development, Training, Employee Health	6,900				6,900			(1,000)	400					(1,800)			400	700	(500)						12,000				12,000	1.05	0.03%
4.13 • Software Licensing							44,000										6,000								50,000				50,000	4.36	0.13%
4.14 • Supplies, uniforms, tools					1,500	100		(1,900)	(500)	(400)	(400)	(100)	5,700	800	7,200	200	1,000		(200)	10,400	1,000	(5,800)			18,600				18,600	1.62	0.05%
4.2 • Bank Charges and Interest Payments																									-	55,800			55,800	4.86	0.15%
4.16 • Other adjustments	-	-	900					100								500	(300)				(4,000)	(100)			(2,900)	8,000			5,100	0.44	0.01%
$$ Variance over Previous Year	(1,700)	9,900	48,800	34,500	41,500	30,900	83,000	(88,000)	324,900	11,400	38,000	-	169,000	(5,400)	82,700	17,300	61,200	2,300	16,700	173,600	37,300	7,700	-	-	1,095,600	739,600	229,500	42,000	2,106,700	183.63	5.68%
% Variance over Previous Year	(0.31%)	2.60%	4.27%	3.61%	4.02%	4.31%	5.96%	(4.97%)	6.13%	6.68%	5.43%	#DIV/0!	8.87%	(5.18%)	6.13%	7.79%	21.16%	1.11%	2.31%	10.34%	2.83%	1.51%	#DIV/0!	#DIV/0!	4.89%	2.47%	3.67%	3.27%			
Estimated $ For Average Single Family Property	(0.15)	0.86	4.25	3.01	3.62	2.69	7.23	(7.67)	28.32	0.99	3.31	-	14.73	(0.47)	7.21	1.51	5.33	0.20	1.46	15.13	3.25	0.67	-	-	95.50	64.47	20.00	3.66			183.63
% Estimated Tax Increase	(0.005%)	0.03%	0.13%	0.09%	0.11%	0.08%	0.22%	(0.24%)	0.88%	0.03%	0.10%	0.00%	0.46%	(0.01%)	0.22%	0.05%	0.16%	0.01%	0.05%	0.47%	0.10%	0.02%	0.00%	0.00%	2.95%	1.99%	0.62%	0.11%			5.68%