Maple Ridge

Council Report

TO:	His Worship Mayor Dan Ruimy and Members of Council	**MEETING DATE:**	July 23, 2024
FILE NO:		**MEETING:**	Workshop
SUBJECT:	2025 Business Planning Guidelines		

EXECUTIVE SUMMARY:

Over the next few months, staff will be business planning for 2025-2029, including developing work plans and the Financial Plan which will be presented to Council in December. The Business Planning Guidelines serve as direction to staff for the development of the operating budgets, the capital program and planning for the strategic initiatives to be undertaken in 2025.

The property tax increases adopted by Council may be different from those identified in the Guidelines depending on Council approved service level adjustments discussed during business planning sessions. However, for planning purposes, Guidelines have been developed in alignment with tax increases adopted as part of the 2024-2028 Financial Plan.

RECOMMENDATION:

That the Business Planning Guidelines, as listed in Attachment A, be approved.

DISCUSSION:

a) Background Context:

The *Community Charter* enables Council to offer services, enact laws, and address other issues for the community's benefit, while managing public finances, assets, and resources. Effective strategic planning in delivering City services is crucial for the appropriate and sustainable use of limited resources.

Council develops the Strategic Plan, which sets the high-level goals for the community. Business Plans are a planning tool for staff to accomplish the goals and objectives of Council while continuing to deliver on core services. Core services are guided by the Business Planning Priorities for each cycle. The Financial Plan, or Budget, is the mechanism by which resources are allocated to complete strategic and operational objectives.

The 2025 Business Planning Guidelines provide several benefits, including:

- Provide an open and transparent overview of the key assumptions used in the development of the Financial Plan.
- Provide the community with an early indication of proposed property and fee increases.
- Allow for a lengthy public input period, before Council receives the formal Financial Plan that will incorporate these guidelines.
- Provide guidance to staff so that the Financial Plan that is presented to Council in December aligns with Council direction.

The starting point for planning purposes is the property tax increases adopted in the 2024-2028 Financial Plan this past May. The proposed annual property tax increase is broken into the following elements for transparency:

- General Purpose: This covers the cost of existing services, and depending on how the assumptions of cost increases materialize, may provide a small amount to address Decision Packages.
- Protective Services: This increase enables the staff increases to Fire Protection and RCMP services that were approved during the 2024 budgeting cycle.
- Infrastructure Replacement: This increase goes towards the rehabilitation and replacement of the City's existing assets. Over the next few decades, this will close the infrastructure funding deficit. Our infrastructure is fairly new, but aging, and we are currently spending just over a third of what is required annually to maintain it.
- Parks, Recreation & Culture Improvements: This increase was introduced to fund the Parks & Recreation Master Plan and funds new parks and facilities that are not funded through development. These costs include capital, operating and debt servicing.

b) Desired Outcome:

That Council provide early guidance to staff for the development of the 2025-2029 business plans through the Guidelines included in Attachment A.

CONCLUSION:

A significant amount of work on Business Planning will be done over the coming months and into the fall. The Guidelines attached to this report will allow staff to develop a plan aligned with Council direction.

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Director of Strategic Development, Communications and Public Engagement

Approved by: **Trevor Thompson**

Director of Finance

Concurrence: **Scott Hartman**

Chief Administrative Officer

Attachments:

(A) 2025 Business Planning Guidelines

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Attachment A

Business Planning Guidelines

Business Plans

- Business Plans must be aligned with the Council Strategic Plan, Objectives and Key Results.

Operating Budgets

- Departments will identify external funding opportunities from other levels of government and the private sector.
- Budgets are to be prepared to maintain existing service levels in accordance with tax increases identified in Table 1.
- Costs related to pending priority initiatives such as the proposed Aquatics Facility are in addition to the increases proposed in Table 1.
- The increasing costs of maintaining current services at their existing levels must be acknowledged.
- Fees and Charges will be reviewed and increased where appropriate.

Current 2024-2028 Approved Financial Plan	2024	2025	2026	2027	2028
Property Tax increases					
General Purpose	3.85%	3.85%	3.35%	2.90%	2.90%
Fire & Police Additional Staffing	1.35%	1.35%	1.35%		
Infrastructure Replacement	0.80%	0.80%	1.00%	1.00%	1.00%
Parks and Recreation	0.30%	0.30%	0.60%	0.60%	-
Total Property Tax Increase	**6.30%**	**6.30%**	**6.30%**	**4.50%**	**3.90%**

Table 1 – Adopted Financial Plan

Growth Funding

- Growth is assumed to increase by 1.5% each year.

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Decision Packages

- Decision Packages are required when proposing a new service or increase to an existing service and should include a detailed business case.
- Examples of when a Decision Package is required include:
  - New services or increased service levels requiring an operating budget increase.
  - Studies or projects with a one-time funding implication.
- Decision Packages should consider how the change can be funded by a combination of:
  - Reduction in the cost of existing services. This may include a reallocation of resources from one area to another.
  - Increase in other revenues.
  - A further increase in taxes.
- Consideration of one-time costs related to new positions or increased service levels are to be included.
- New services and service-level increases should not be funded from non-renewable funding sources.

Capital Projects

- All capital project requests will explain and quantify the operational impact of capital projects.
- If a capital project is not approved, the related operating costs will be removed from the department's budget.

Business Planning Timelines

Date(s)	Description
July 2024	Business Planning Guidelines Approval
July – October	Budget & Business Plan Development
October 2024	Department business plan presentations
November 2024	Council business planning presentations
December 2024	Council Budget deliberations
December 2024	Adoption of Provisional Financial Plan
April 2025	Carry forwards incorporated into Financial Plan
May 2025	Adoption of Amended Financial Plan Adoption of Tax Rate Bylaw