

Anmore South | Finance Committee

Response to Outstanding Questions | May 6th 2025

- **Clarify the changes to property tax revenue assumptions between March + April Deloitte reports**

Between the March and April iterations of Deloitte's Fiscal Impact Analysis for the Anmore South Neighbourhood Plan, the principal revision was to realign the fiscal model with the Village of Anmore's 2024 adopted Financial Plan. This entailed updating both expenditures and revenue assumptions to reflect the latest budget and property tax rates, thereby ensuring internal consistency across the model and adherence to current-year policy settings. This approach reduces forward-looking uncertainty by analyzing the net fiscal impact as if Anmore South were fully built and operational under today's conditions - a standard practice in municipal fiscal modeling, consistent with Deloitte's prior analyses for Anmore in 2019 and 2021.

As part of this recalibration, estimated property tax revenues were derived using 2024 MLS sales data from Port Moody, adjusted by a 5% discount for apartment units to reflect Anmore's relative distance from rapid transit infrastructure. No such discount was applied to townhouses. Notably, while the April report incorporated these updated unit values for the first time, an earlier increase in projected revenues between the fall draft and the March version was exclusively attributable to an increase in the total number of units. This clarification is crucial, as it addresses potential misconceptions among stakeholders who may have inferred a dual escalation—both in unit count and unit value. In reality, the values were revised only once, and all revenue increases prior to April stemmed solely from the higher unit total.

This refined modeling enhances the accuracy and defensibility of the projected fiscal impacts, providing a robust framework for decision-making as the Village evaluates the financial implications of accommodating future growth.

- **Confirm assumptions on maintenance and refurbishment costs for roads and other infrastructure lifecycle costing methodology**

The analysis does not project capital replacement costs on a one-time basis. An "average annual lifecycle cost" approach was used, which reflects both maintenance (operational) and refurbishment (capital renewal) expenses.

This method amortizes expected costs over the useful life of each asset class (e.g., roads, water pipes, storm sewers) to estimate a steady annual financial impact.

The total annualized cost for new local government-owned infrastructure, specifically roads, water and storm infrastructure in Anmore South is estimated at \$813,000 per year. This figure is designed to reflect long-term refurbishment/replacement needs over time.

- **Confirm Local Service Area assumptions for Anmore South sewer system costs**

Due to new sewer infrastructure being confined within the physical boundaries of Anmore South, it is assumed the most equitable cost recovery approach is to institute a local area service tax that is levied only on Anmore South properties that benefit from the new infrastructure.

Due to these revenues and costs being localized to Anmore South and not affecting Village finances overall, they were excluded from the fiscal impact analysis. Detailed cost assumptions were not required for the analysis and were not prepared. It is assumed that however those costs are calculated, they are fully covered by the local area service tax.

- **Given Provincial Bill 44 legislation and planned development in Anmore, when might the Village population exceed 5,000 regardless of Anmore South?**

It is hard to predict what the impact of Bill 44 will have on Anmore. According to the population forecast provided, the Village of Anmore is expected to surpass the 5,000-resident threshold in the year 2043. If you look at the growth according to Stats Can, Anmore grew at 6.6% between 2016 – 2021. The projection is based on a detailed breakdown of population growth across multiple sources, including existing growth trends, contributions from the Hillside development, and incremental additions from the Anmore South neighbourhood plan.

- **Understanding the Components of Growth**

1. Baseline Village Population – This includes organic growth from existing neighbourhoods in Anmore. Between 2016 and 2021, the population increased from 2,210 to 2,355, reflecting a modest growth rate.
2. Hillside Development Contribution – If the project starts in 2027, it will add 874 residents, then assume that this will be built out over 10 years,
3. Anmore South Development Contribution – Starting in 2030, the Anmore South Neighbourhood Plan adds 180 residents, with this number held constant through each subsequent interval in the model. This likely reflects phased residential buildout over time.

	2016	2021	2025	2030	2034	2039	2043	2048
Total Pop	2210	2355	2510	4013	4656	4904	5168	5450

- **Should all the police cost impacts be assigned to Anmore South?**

The fiscal impact analysis uses a conservative approach that assigns 100% of the increase in policing costs to Anmore South. It could alternatively be argued that community growth is occurring in multiple areas that jointly contribute to Anmore eventually exceeding a population of 5,000. Sharing the impact of policing cost increases across the various contributors, including Hillside, smaller developments, infill, and additional units permitted by Bill 44, would reduce the cost impact associated with Anmore South. This would increase the net financial benefit to the municipality from the project.

Anmore South will contribute significantly to the Village's tax base and provide critical revenue that helps offset the increased costs associated with growth, including those related to policing.

- **Reconciling the estimated increase in employees with the assumed increase in operating costs.**

A committee member accurately noted an inconsistency between the Economic Impact Analysis and the Fiscal Impact Analysis. To resolve this, the employment estimates in the Economic Report should be revised to align with the Fiscal Report; no adjustments to the Fiscal Analysis are required.

The increase in operating costs associated with new development in Anmore South does not scale linearly with population or employee growth due to economies of scale and the efficient design of the proposed community.

As Anmore grows, many fixed costs—such as Village Hall operations, administrative staffing, and the core road network—remain unchanged. These essential services and infrastructure are already in place and do not require significant expansion to support a larger population. Similarly, core leadership positions like the Mayor, Council members, CAO, or department directors (e.g., Director of Engineering) do not need to increase simply because the population has grown by 10%.

Where growth does occur, it tends to be incremental and strategic—focused on operations, public works, or administrative support roles. Even in those areas, growth in costs is tempered by increased service delivery efficiency. For instance, a 10% increase in population might only require a 5% increase in staffing. Services such as governance, communications, and planning benefit from scale, technology, and streamlined workflows.

Additionally, Anmore South's compact, urban-style neighbourhood delivers further cost-efficiencies. Denser development means fewer roads, sidewalks, and utility lines per capita, which lowers maintenance and replacement costs. A clear example is snow clearing: 15 single-family homes on one-acre lots typically require about 1,500 feet of road frontage. The same number of townhouses can be served with just 200 feet of shared frontage—making snow clearing operations 7.5 times more efficient. This efficiency translates into significant savings in staff time, equipment use and fuel.

Similar benefits apply to waste collection, utility servicing, and infrastructure lifecycle management, where compact development reduces the physical footprint and service demand on a per-resident basis.

These efficiencies were confirmed by the fiscal impact analysis prepared by Deloitte, which concluded that Anmore South can generate substantial revenue increases for the Village without requiring a proportionate increase in costs. The Village's ability to absorb population growth while maintaining high service standards - and improving its financial sustainability - is a direct result of these combined efficiencies in governance, infrastructure, and land use.

- **Clarify fire service costs to ensure no changes are required.**

Both operating and capital costs associated with firefighting were reviewed in reference to the 2022 report by Dave Mitchell & Associates that assessed the impact of Anmore South on the Sasamat Volunteer Fire Department (SVFD).

The report identifies the requirement for an aerial apparatus to fight fires in taller buildings, the cost of which is estimated at \$1.5 million to \$2 million. The current fiscal report uses \$1.25 million. The report further states that a typical lifespan for such assets is 15 years. The current fiscal report uses 10 years.

The upfront capital cost of purchasing the apparatus will be borne by the developer so the issue for the fiscal impact analysis is whether a change is required in the estimated annual lifecycle replacement cost. The current fiscal report uses \$125,000 per year (\$1.25 million over 10 years), of which only 50% is assigned to Anmore per the cost-sharing formula for SVFD capital with the Village of Belcarra. Using the updated figures from the Mitchell report, the annual cost would be approximately \$133,000 (\$2 million spread over 15 years).

The approach throughout the fiscal analysis is to assume that current cost structures remain in place, but this may be unfair to Belcarra in the case of increased fire service costs. If the full capital cost replacement of \$133,000 is assigned to Anmore, this would exceed the current estimate of \$62,500 per year, a difference of \$70,500 per year.

Additional discussion of fire service impacts are provided in a later response.

- **Identify whether there will be any savings associated with water being supplied by Metro rather than Port Moody.**

Transitioning Anmore South's water supply from the City of Port Moody to Metro Vancouver offers several strategic advantages. First, it would displace the current intermunicipal arrangement, eliminating associated fees or markups that Port Moody may charge—resulting in direct savings for the Village or for a future Local Area Service district, depending on how the servicing is structured. In addition to cost savings, this shift would enhance Anmore's infrastructure independence by reducing reliance on neighbouring municipalities for critical utilities. This independence allows for more resilient operations, better long-term service planning, and a self-contained utility model tailored to the community's needs. Furthermore, Metro Vancouver's regional water system is engineered for urban-scale service delivery, offering improved pressure management, higher fire flow capacity, and greater system redundancy—factors particularly important for hillside and higher-density developments like Anmore South.

That said, further engineering work will be required to determine the most effective way to integrate the new Metro Vancouver water connection into Anmore's existing water network. This integration analysis falls outside the current scope of the Anmore South neighbourhood planning process.

- **Is there a need to understand phased financial impacts year by year instead of just looking at full build-out?**

The request to understand phased financial impacts on a year-by-year basis falls outside the scope of what was outlined in the Council-approved Terms of Reference. The analysis completed to date was based on a full build-out scenario, as specifically requested by the Village. Producing a detailed, phased financial model would require a substantial amount of additional work and resources.

- **Why is there a 60% increase in staff in Economic Report but only a 20% increase in staff costs in Fiscal Report?**

This discrepancy has been correctly identified as an internal inconsistency between the Economic Impact Report and the Fiscal Impact Analysis. The issue can be addressed by making a slight adjustment to the employment estimates in the Economic Impact Report to better align with the assumptions used in the Fiscal Analysis. There is no need to revise the Fiscal Impact Analysis itself, as its staffing cost projections remain accurate and internally consistent with its overall methodology.

- **Clarify fire service cost assumptions – they appear low as there is a need for new training and equipment to address 6-storey wood frame buildings.**

We accounted for the new requirements by increasing per-household costs by 25%. More specific guidance on the size of the necessary cost increase was not provided in the Mitchell report.

The need for new training and equipment to address 6-storey wood-frame buildings is acknowledged in the Fire Impact Assessment Addendum prepared for the Anmore South OCP Amendment. Key points from the report include:

Current Service Level: The Sasamat Volunteer Fire Department (SVFD) currently operates at an Exterior Operations level, which restricts firefighting to outside the structure.

- **Upgrading Requirements:** With population growth and increased building density—especially with structures over three storeys—there is a recognized need to upgrade to Interior Operations or even Full-Service levels. This upgrade requires:
 - New firefighter training,
 - Enhanced safety protocols,
 - Expanded response planning, and
 - New operational guidelines.
- **Building Height & Equipment Needs:** The plan includes multiple buildings up to 6 storeys, which triggers the requirement under Fire Underwriters’ standards for an aerial apparatus (ladder truck) once more than five buildings exceed three storeys. A fully equipped ladder truck (Type 1 fire engine) is estimated to cost between \$1.5–\$2 million.
- **Recruitment Challenges:** The volunteer nature of the SVFD presents recruitment and retention challenges, especially given the increased demands. Some municipalities have mitigated this by offering firefighter housing or affordability supports. Icona has addressed this by offering to provide accommodations for firefighter in Anmore South.

- **Clarify fire engine cost - it is higher in the Phase 1 Fire Impact Analysis than the Fiscal Impact Analysis.**

According to the Phase 1 Fire Impact Assessment prepared by Dave Mitchell & Associates, the estimated cost of a new fully-equipped “Type 1” fire engine with aerial apparatus is between \$1.5 million and \$2 million. This is a more accurate reflection of current market conditions for this type of apparatus, especially considering the specialized equipment and functionality required to service buildings up to 6 storeys.

Importantly, this capital cost is expected to be covered by the developer as part of their Community Amenity Contributions (CACs). This is consistent with how capital contributions are typically negotiated during the rezoning and development approval processes.

Moreover, the introduction of this new aerial fire truck, along with the associated training and upgrades to service level (moving from “Exterior Operations” to “Interior” or potentially “Full-Service”), will significantly enhance fire protection and emergency response capabilities. This investment won’t only benefit the new Anmore South neighbourhood—it will improve overall emergency service levels for all residents of Anmore, helping ensure a safer, more resilient community.

- **Belcarra will not support paying their share of higher fire service cost.**

The current cost-sharing formula between Anmore and Belcarra for fire services was maintained in the most recent version of the fiscal analysis. However, it's important to note that earlier drafts of the study had conservatively assigned 100% of future fire service cost increases to Anmore, specifically to reflect the anticipated impact of the Anmore South development.

The decision to revert to the current shared formula followed feedback from the Village review. However, given Belcarra’s clear indication that it will not support an increased financial share, and to avoid any overestimation of shared contributions, it may be prudent to revert to the more conservative approach. That would mean assigning all incremental fire service costs related to Anmore South exclusively to Anmore, aligning the analysis with political and practical realities.

- **Clarify Police Service costs assumptions – they appear low as the police service tax only covers officers, not equipment, jails, etc.**

Once the Village surpasses 5,000 residents, expected around 2043, it will transition to a municipal policing model. The financial impact of this transition has already been comprehensively analyzed in the Fiscal Impact Report, which models the cost of policing under a post-5,000 population scenario using data from comparable municipalities across British Columbia. The projected cost increase is from \$313,000 today to approximately \$1.08 million annually. It is correct the current fiscal report did not specifically address overhead costs, other than noting that due to sharing a detachment with Coquitlam and Port Coquitlam, Anmore’s proportional share of costs would be very small.

Attempting to forecast the precise nature and cost of policing in 2043, however, remains highly speculative. Future costs will depend on multiple evolving factors: the renegotiation of a new national RCMP contract, potential infrastructure changes (such as the need for a new or expanded RCMP detachment in Coquitlam and Port Coquitlam), technological advancements, and regional growth initiatives.

What is clear, though, is that having a more diverse and stable tax base will place Anmore in a stronger position to manage these future responsibilities. The planned growth under the Anmore South Neighbourhood Plan will provide the financial resilience and flexibility needed to absorb these increased costs without disproportionately burdening current residents.

- **Spallumcheen is not a fair comparison for police costs, the population density is too low.**

Dismissing Spallumcheen as a comparator based solely on that factor overlooks key considerations in how policing costs are structured and managed in small municipalities. In lower-density communities, the geographic spread of residents can result in longer response times, increased travel distances, and higher per capita operational costs. In contrast, higher-density urban settings can benefit from greater efficiency in service delivery.

However, policing costs are not determined by density alone. More relevant comparators are municipalities that, like Anmore, operate independently of regional police services and manage community-scale services with limited administrative resources. Spallumcheen, despite its low density, shares this governance structure and thus provides a meaningful benchmark for assessing fiscal and service planning implications for a municipality of Anmore's scale.

Additionally, Spallumcheen provides a useful precedent for understanding the implications when a municipality surpasses the 5,000-resident threshold. Currently, policing in Anmore is funded through a provincial formula applied by the Solicitor General's office for municipalities under 5,000, and service levels are largely dictated by that framework. Once Anmore crosses that threshold, the Village will assume direct responsibility for policing costs and gain the ability to determine service levels locally.

It's also important to note that Anmore currently benefits from being part of the Coquitlam RCMP detachment. This arrangement arguably results in a level of subsidization, as policing resources are drawn from a broader, urban detachment without a direct cost recovery model specific to Anmore's usage.

- **Why didn't you ask Coquitlam what police costs are?**

The fiscal impact analysis relied on publicly available and standardized data sources to ensure consistency and comparability across municipalities. This approach avoids the variability and potential inconsistency that can arise from relying on informal or anecdotal primary research. While direct inquiry to the City of Coquitlam could be undertaken in the future, it may not provide particularly useful benchmarks for Anmore's planning purposes.

Coquitlam's policing needs and associated costs are shaped by factors that are significantly different from those in Anmore. These include the presence of rapid transit infrastructure (SkyTrain), large commercial and industrial zones, and a substantially larger population spread over a broader geographic area. As a result, the scale, complexity, and service model of the Coquitlam RCMP detachment do not offer a direct or scalable comparison to what Anmore is likely to face—even after crossing the 5,000-resident threshold.

Instead, the analysis focused on small municipalities with similar governance structures, service levels, and rural or semi-rural characteristics, which provide a more appropriate basis for forecasting Anmore's future policing responsibilities.

- **Anmore will still pay Port Moody for water since the water system connects for looping. Anmore can't get water to the reservoir as inexpensively as Port Moody.**

See previous answer.