

Financial Plan Workbook

2017-2021



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Updated December 2016

About the 2017 – 2021 Draft Financial Plan

The 2017 – 2021 Draft Financial Plan has been prepared for Council's consideration. Following a public input period, it's anticipated that Council deliberations and adoption of the plan will take place in January 2017. This is much earlier than prior years and moves us closer to the best practice of adoption in advance of the five year period.

The Province of British Columbia's Community Charter requires municipalities to adopt an annual five-year Financial Plan, including revenue and tax policy disclosure. The Draft Financial Plan sets out proposed expenditures and funding sources for the five year planning period starting in 2017. Financial information shown in this workbook for prior years has been restated to include the impacts from a 2016 financial plan amendment which was adopted by Council in November 2016. As a result, figures shown in this financial plan workbook may vary from those reported last year.

This Draft Financial Plan includes the operations of the District of North Vancouver, the North Vancouver District Public Library, North Shore Emergency Management, North Vancouver Recreation and Culture Commission, and North Vancouver Museum and Archives.

This workbook has been simplified from prior years to tell the budget story more succinctly from a program and service perspective. The change in format moves us toward a Government Finance Officers Association best practice that better informs the reader about the resources required to sustain levels of service over time, including the impacts from growth.

A summary of the Corporate Plan priorities and financial policies supporting resource allocations is included in the Financial Planning Policy Framework section of this workbook.



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Chief Administrative Officer's Message

I am pleased to present the 2017 - 2021 Draft Financial Plan for consideration by Council and the community. The Plan is presented in a new format that illustrates our revenue, expenditures and priorities by service area. We have also moved up the budget preparation cycle to enable Council to review and approve the budget by the end of January. This early approval will enable us to commence work on our capital projects earlier and complete them within the annual budget cycle.

Over the last decade the District has been focused on ensuring that we can plan for and finance steady renewal of our infrastructure such as roads and utilities. As a result of this attention to asset management we are well positioned to start to focus on more significant projects and new infrastructure. In the coming years revenue from development and grants from senior levels of government will assist us in delivering much needed improvements to our storm water management system, highway interchanges, transit exchanges, cycling routes, wastewater treatment, parks and recreational facilities. As our Town Centres take shape and add vibrant new places to live, work and play in the District there is no question that with change comes the challenge of managing it.

The Draft Financial Plan continues our legacy of allocating resources in a responsible manner, providing capacity where it is required to help us manage the impacts of the changes that are occurring in the community. Transportation and Parks are two areas receiving particular attention. We will also continue to balance preserving our past investments with building towards the vision described in the Official Community Plan. Our mission as an organization is to provide leadership and exemplary service that supports our communities needs today and aspirations for tomorrow and this Draft Financial Plan works towards achieving just that.

David Stuart

Chief Administrative Officer



Chief Financial Officer's Message

The 2017 - 2021 Draft Financial Plan builds on the strong foundation we have achieved over the past decade. The careful results of our efforts are reflected in a proposed 2017 tax levy increase of 3 percent: 2 percent towards the cost of District services plus 1 percent to fund maintenance and renewal of assets. Within the context of our long term focus there are pressures not addressed that will be referred to the long term funding strategy in the Spring of 2017.

This year's financial plan workbook focuses on the services we deliver to you and less on traditional organizational structures. Our approach brings greater alignment between our services and the financial planning policy framework. The capital plan includes all identified asset renewal requirements over the next five years as well as select upgrade and expansion projects supported by key plans or with prior direction from Council.

The District is well down the sustainable service delivery best practice continuum focusing on the people, assets and financial resources required to maintain municipal levels of service. New requirements set by Federal and Provincial grant programs set the expectation that all local governments demonstrate progress towards the integration of risk management, asset management and long term financial planning.

We see that as positive confirmation of our efforts, enhancing the potential for leveraging these programs. These best practices ensure that we take a long term view toward delivering community services in social, economic, and environmentally responsible ways that do not compromise the ability of future generations to meet their needs.

Andy Wardell

Acting General Manager,
Finance and Information Technology & Chief
Financial Officer



INTRODUCTION

Budget in Brief

The 2017 Draft Budget proposes an overall property tax increase of 3.0%, with 2.0% to fund municipal operations and 1.0% to support funding for asset renewal. Operational savings achieved in prior years are still being realized in this budget despite higher levels of activity.

Official Community Plan related activity in the town centres and the natural renewal of aging housing stock in single family neighbourhoods are contributing to the changing face of the community. Organizational pressures continue to be managed as construction activity continues, several large projects are underway and we make further investments in our parks, recreation and transportation services.

Net Operations	2.0%
Asset Renewal*	1.0%
Total	3.0%
*Add 1% each year to close the funding gap (policy)	

Table 1: Municipal Property Tax Increase

The 2017 operating expenditures, totalling \$152.3 million, reflect these circumstances. Maintenance, renewal, and expansion of capital assets are achieved through a \$49.2 million capital budget. The District's long term funding strategy balances the costs of the District's current and future operations with its revenue sources and financing opportunities.

Tax Rates:

After incorporating a conservative estimate of new revenue from development and other sources, and operational adjustments, the proposed tax increase of 3.0%, or \$62 on the average home, is realized.

Capital Plan:

Highlights in this year's plan include initial investments in the new Maplewood Fire Facility, design works for the new Lions Gate and Lynn Creek Community Recreation Centres, Kirkstone Artificial Turf Field, Belle Isle Park, Ross Road Bridge replacement and flood mitigation works.

The District continues to refine a comprehensive suite of asset management plans, which inform the extent and timing of asset renewal, upgrade and expansion. These plans identify physical, demand, and functionality conditions of existing assets and risk management considerations, and form the basis of our strategies to align infrastructure with long term financial and planning directions.

While a number of major projects are included in the draft capital plan, specific funding provisions have not been finalized pending further direction from Council and negotiations with senior levels of government. An example of this is the District's contribution to the Lower Lynn Interchange improvements.

Utility Rates:

Council approved a 1.0% overall utility rate increase in November reflecting inflationary pressures, operational adjustments, and a net increase in most capital and reserve contributions. The risk of significant future rate increases continues as uncertainty remains regarding Metro Vancouver's ten-year capital plan, and in particular the cost of the new sewage treatment plant. Metro's charges currently represent 43% of the combined utility budget in 2017.

For an overview of utility rates refer to the November 21, 2016 Council Public Meeting reports.

INTRODUCTION

Reserves

Operating reserves are maintained to mitigate risk and enable an appropriate response to adverse events, while utility and asset reserves enable the District to maintain asset service levels at the lowest lifecycle cost. The Land Opportunity fund preserves the value of the District's land inventory and allows Council to take advantage of opportunities or designate certain lands for strategic long-term benefits.

Development revenues have been projected and included in this plan with some major expenditures still subject to Council direction on a new ten year capital plan.

Reserve use must be Community Charter compliant and is restricted to the purpose for which the reserves are intended. All appropriations from reserves are included in the Financial Plan Bylaw.



INTRODUCTION

Financial Summary (000's) - Consolidated

	2016	2017	2018	2019	2020	2021
Revenue						
Taxation	\$94,706	\$98,085	\$101,442	\$104,855	\$108,370	\$111,989
Sales, Fees, and Other User Charges	83,547	85,537	87,626	90,396	93,043	95,780
Developer Contributions	6,541	19,631	11,446	34,093	36,890	20,732
Grants and Other Contributions	4,043	5,175	5,439	4,372	2,637	2,291
Investment Income	3,670	3,587	3,896	4,326	5,369	6,207
Penalties & Interest on Taxes	705	705	719	733	748	763
	193,212	212,720	210,568	238,775	247,057	237,762
Proceeds from Debt	-	-	-	-	-	-
Transfers In from:						
Operating Reserves & Surplus	6,901	7,506	1,373	457	590	288
Capital Committed Funds	19,512	110	-	-	-	-
Reserve Funds	26,872	43,852	64,412	58,574	36,451	39,355
	53,285	51,469	65,785	59,031	37,040	39,643
Source of Funds	\$246,497	\$264,189	\$276,353	\$297,806	\$284,097	\$277,405
Operating Expenditures						
Community Services	\$34,123	\$35,348	\$35,734	\$36,426	\$37,597	\$38,791
Planning and Development	9,987	10,514	10,472	10,534	10,693	10,854
Transportation and Engineering	7,589	7,956	7,758	7,940	8,090	8,239
Protective Services	39,839	40,310	41,779	42,970	43,803	44,681
Utilities	40,174	41,960	44,357	46,991	49,979	51,428
Governance and Admin	15,700	16,209	12,957	13,280	14,152	14,781
	147,411	152,298	153,057	158,141	164,313	168,774
Capital Expenditures	72,244	49,209	68,492	61,763	38,001	40,482
Debt Service	5,267	4,206	3,982	2,927	2,927	2,927
Transfers Out to:						
Operating Reserves & Surplus	185	605	583	591	599	607
Reserve Funds	21,390	57,870	50,239	74,384	78,258	64,614
	21,575	58,475	50,822	74,975	78,857	65,222
Use of Funds	\$246,497	\$264,189	\$276,353	\$297,806	\$284,097	\$277,405

INTRODUCTION

Capital Plan (000's)

	BUDGET	PLAN				5 YR
	2017	2018	2019	2020	2021	TOTAL
Asset Type						
Buildings	11,104	29,864	23,372	4,922	11,413	80,675
Drainage	6,229	4,603	7,812	4,216	4,344	27,204
General	684	561	884	584	920	3,633
Land	200	-	-	-	-	200
Library Collection	577	589	600	612	625	3,003
Natural Hazards	610	469	479	488	38	2,084
Parkland	6,074	5,974	2,107	2,570	1,994	18,719
Sanitary	2,063	2,528	2,736	3,508	2,933	13,768
Technology	2,520	929	418	1,501	1,524	6,892
Transportation	10,007	12,924	14,313	9,910	7,165	54,319
Vehicles & Equipment	2,919	2,886	2,244	2,073	2,485	12,607
Water	6,222	7,165	6,798	7,617	7,041	34,843
	49,209	68,492	61,763	38,001	40,482	257,947
Funding Source						
Infrastructure Reserve	17,699	27,125	25,244	17,709	21,448	109,225
Utilities Reserve	10,802	11,727	14,204	12,564	11,729	61,026
New Capital & Innovation	2,734	1,112	3,324	1,272	460	8,902
Land Opportunity	1,928	-	-	-	-	1,928
Reserve/ Surplus	5,560	3,767	2,423	2,468	3,165	17,383
Operating	421	599	559	447	678	2,704
Developer	6,643	20,583	13,503	2,777	2,591	46,097
Grants/ Others	3,422	3,579	2,506	764	411	10,682
	49,209	68,492	61,763	38,001	40,482	257,947



Strategic Framework

The District takes an integrated approach to planning, resource allocation and reporting, which includes a number of plans and key documents. This approach begins with the Official Community Plan which provides the overarching context within which the District delivers services. Next, the Corporate Plan translates OCP goals into strategic priorities and actions over a four-year horizon. The Corporate Plan is carefully crafted by staff and Council at the beginning of Council's term to ensure that the District is simultaneously working towards its OCP vision while responding to resident concerns, addressing organizational challenges, and adjusting to external influences. Together with the Financial Plan, the Corporate Plan informs divisional work plans to deliver the programs and services required to meet the needs of the community. Finally, detailed strategic planning documents, such as Asset Management Plans, Transportation and Parks Plans, support the higher-level documents. The cycle is completed by annual reporting referencing the OCP, Financial and Corporate Plans (depicted in Chart 1).

FINANCIAL PLANNING POLICY FRAMEWORK

Corporate Plan

The District has entered an era of change on a scale not experienced for decades; accordingly, the 2015 - 2018 Corporate Plan's priorities represent the necessary steps to steward the District through this transition. These priorities ensure that the District will move towards completing the vision set out in the OCP while simultaneously managing the impacts of change and safeguarding the District's character.

To develop the Corporate Plan, staff and Council examined the community's initial experiences with implementing the OCP, assessing the impacts of changes both within the community and on District resources. This process informed the Plan's 11 strategic priorities, which are organized into three focus areas:

- Achieving the community vision of the OCP
- Providing strong governance and service
- Protecting and enhancing the environment and building resilience

The Plan's priorities have and will continue to evolve as milestones are achieved, and the organization moves closer to achieving the community vision.



Chart 1: Strategic Planning Framework

FINANCIAL PLANNING POLICY FRAMEWORK



Priorities, Goals and Resources

The District's strategic planning framework ensures continuity in goals and priorities year-to-year while allowing the organization to be adaptable. For example, the District continues to advance on a number of major multi-year projects, including the delivery of the new Delbrook Recreation Community Centre and the Keith Road Bridge. To facilitate the delivery of capital and infrastructure projects now and in the future, the District has shifted significant resources to project delivery. These investments and our continued focus on asset management ensure that the District will maintain its position as a leader in best practices for infrastructure management and renewal.

Similarly, Planning and Development Services is helping create the community vision outlined in the 2011 OCP. The District's attention is focused on our Town and Village Centres, including advancing the Maplewood Town Centre plan. To mitigate the community impact associated with development, the District has dedicated resources to managing traffic and construction activity.

While these goals represent an increase in activity as well as some significant departures from past practices, as with previous years it does not generate a marked impact in the Financial Plan. Most of the development- and change- related pressures impacting the operating budget are being funded by development revenue and the reallocation of existing resources to priority activities. Additionally, the District continues to be a leader in sustainable funding for capital projects. Funding for these types of major projects can include external sources and reserves, whereas most development-related work is funded by fees, and renewal work across the District is life cycle managed and paid for with funds set aside for renewal capital. Together with our OCP and Corporate Plan, the Financial Plan ensures that the District is working towards the kind of community its residents envisioned in a liveable and sustainable manner.

FINANCIAL PLANNING POLICY FRAMEWORK

Achieving the Community Vision of the OCP

- 1 Manage the impacts of development and change
- 2 Improve transportation and mobility
- 3 Systematically monitor progress on community goals
- 4 Manage outdoor recreation with an integrated approach
- 5 Focus on OCP objectives related to social well-being, the Maplewood area, and strategies supporting town centres:
 - Advance the social well-being objectives of the OCP
 - Plan for Maplewood with a jobs/housing balance
 - Complete policies that support town centre and OCP implementation strategies

Providing Strong Governance and Service

- 6 Sustain financial health and resilience
- 7 Foster an engaged and nimble public service
- 8 Ensure strong administrative foundations for continued service excellence

Protecting and Enhancing the Environment and Building Resilience

- 9 Create new and updated strategies to support OCP environmental goals
- 10 Take action on climate change by reducing GHGs and developing a Climate Change Adaptation Strategy
- 11 Continue to build community resilience through planning, response, recovery, training and education

Chart 2: Corporate Plan Priorities

LONG TERM FINANCIAL PLAN

Other planning tools assist in meeting community needs and ensuring quality of life over time while continually balancing services and affordability.

The Long Term Financial Plan (LTFP) incorporates impacts from all plans and forecasts a financial position based on assumptions, strategies, and policies that support long term financial resiliency. The LTFP is a partner to other District plans which are guided by the Official Community Plan (OCP). The OCP describes the service vision and the LTFP describes if there is adequate funding to achieve the vision. This five year financial plan begins to include the impacts of growth but is largely silent on new amenities, infrastructure and affordable housing pending direction from Council through the Long Term Funding Strategy workshop planned for Spring 2017.

Long Term Funding Strategy

A Long Term Funding Strategy for municipal and utility services provides the basic framework for the Long Term Financial Plan.

The current 10-year strategy for services paid through the municipal tax levy identifies these remedies to address any funding imbalance:

- Increase taxation and user fee revenue at the rate of inflation
- Implement new fees and charges for private benefits
- Add 1% for asset renewal until sustainment level is reached
- Reduce net operating costs by the equivalent of 0.5% on the tax levy through annual adjustments
- Strategic use of debt

These solutions are designed to achieve a balance between revenue and expense, lay the policy foundation for future budgets and achieve financial resiliency. The model is revisited every year and adjusted to reflect new circumstances and economic assumptions. For 2017 new revenues related to increases in development and bylaws activity are reinvested in service capacity.



Chart 3: Long Term Funding Strategy

LONG TERM FINANCIAL PLAN

Growth Management Model

The growth management model stabilizes the impacts from growth by reserving tax revenue from new units and land appreciation to fund future impacts on services.

Effective 2013, amounts related to this growth revenue have been transferred to a reserve. Since 2014, Council has allocated a portion of the revenue to offset the impacts of growth on services. Ongoing contributions to the reserve are projected to reach \$1.47 million in 2017.

Asset Management

Asset Management ensures that current community services are delivered in a social, economic, and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs. Using international best practices, we measure the sustainability of our infrastructure including impacts from growth. Asset Management Plans are updated annually for each asset group on a full life cycle cost basis, reporting on asset condition, levels of service, risk management and replacement values.

Asset condition categories range from "Very Good" to "Very Poor". Based on physical condition, infrastructure in "Poor" and "Very Poor" condition is estimated at \$100 million (5% of our total asset base). Funding this "backlog" is addressed through the "1% Asset Renewal" policy and progress can be measured through the "Operating Surplus Ratio" shown below. Our actual performance over the last three years is now within the best practice range and continuing the 1% policy through 2021 will enable the District to reduce its infrastructure backlog and replenish its reserves. Additional project management resources are also required to implement major projects and this plan addresses those requirements by included additional resources in the facilities and engineering areas.

(000's)	2017	2016	2015	2014
Growth revenue	1,747	1,536	960	359
Service allocation	(276)	(226)	(222)	(169)
Reserve	1,471	1,310	738	190

Table 2: Growth Management Model

	2015	2014	2013	2009-12
Target maximum	15%	15%	15%	15%
Target minimum	0%	0%	0%	0%
Actual performance	5%	5%	0%	-7%

Table 3: Operating Surplus Ratio: the percentage by which controllable revenue varies from expenses. Formula: controllable revenue / controllable expenses (using replacement value depreciation).

LONG TERM FINANCIAL PLAN

Policies Guiding This Financial Plan

These general policies were followed in the preparation of this workbook.

Long-Range Plan: an annual five year plan is prepared including major capital projects and related operating impacts. Each year this plan is rolled into a ten year Financial Plan for consideration at Council's Long Term Funding Strategy workshop (planned for Spring 2017).

Tax Strategy: tax rates are aligned with regional averages. We have a number of tools available to support this strategy including shifting taxes between classes and reinvesting taxable improvements within a class, as is currently the case with heavy industry.

Balanced Budget: ongoing net operating expenditures and asset renewal will be funded through taxation and stabilized through reserves.

Growth Management: development will pay for its impacts on the community including funding its share of investment in asset upgrades and expansion as well as net operating impacts to maintain levels of service. Most development-related assets anticipated over the next five years are excluded from the Financial Plan pending further direction from Council.

Revenue: is adjusted annually for the effects of inflation. Fees and charges are adjusted based on cost of service and private benefits. The user fee rate increases for 2017 averages 2.0%.

Surplus: general operating surplus is maintained at a minimum of 5% of the prior year's revenue from taxation. Surplus in any given year can be used as a funding source for one-time items, not as an offset to the tax levy. After adjusting for operating risks, any remaining surplus is contributed to the Infrastructure Replacement Reserve.

Reserves: are used for the purpose for which they are intended. Asset reserves are maintained at levels that reflect expected asset life and support the lowest lifecycle cost. Investment income is allocated to reserves to sustain purchasing power.

Investments: shall be Community Charter compliant focusing on preservation of capital followed by liquidity, then by rate of return.

Debt Management: debt is a financing tool the District uses strategically to augment steady state replacement of assets or to acquire new assets supported by business cases. Early debt retirements that strengthen the District's long term financial position are acted on and savings are redirected to the Infrastructure Replacement Reserve or future debt servicing.

Budget Adjustments: the District practices demand management and cost containment, including a 0.5% efficiency factor in the budget after adjusting costs for inflation. For 2017, new development revenue is re-invested in service capacity to keep up with work volumes and improve related business processes.

Asset Management Plans: provide information on asset renewal, upgrade, expansion, and decommissioning decisions and support the creation of a ten year Capital Plan for Council prioritization.

Asset Renewal Funding Gap: 1% of the previous year's tax levy is added each year for asset renewal until the sustainment level is reached.

LONG TERM FINANCIAL PLAN

Financial Plan Schedule

Date	Meeting Purpose	Time / Location	Comments
Monday, December 5	Budget presentation and introduction of the Draft Financial Plan Workbook	Council Chamber 7:00pm	Regular Meeting of Council - overview of budget highlights
Wednesday, January 4	Community Associations briefing	Committee Room 7:00 - 9:00pm	Financial Plan Meeting
Monday, January 9	Receive public input and Council opening remarks	Council Chamber 7:00pm	Regular Meeting of Council - Financial Plan
Monday, January 16	Financial Plan deliberations	Committee Room 5:00 - 7:00pm	Workshop
Tuesday, January 17	Financial Plan deliberations (if required)	Committee Room 6:00 - 7:00pm	Workshop
Monday, January 30	Proposed date for first three readings of Financial Plan Bylaws	Council Chamber 7:00pm	Regular Council Meeting
Monday, February 6	Proposed date for final adoption of Financial Plan Bylaws	Council Chamber 7:00pm	Regular Council Meeting
Monday, April 10	Tax Distribution Workshop	Committee Room 5:00 - 7:00pm	Workshop
Monday, May 1	Proposed date for first three readings of Tax Rate Bylaw	Council Chamber 7:00pm	Regular Council Meeting
Monday, May 8	Proposed date for final adoption of Tax Rate Bylaw	Council Chamber 7:00pm	Regular Council Meeting

MUNICIPAL SERVICES

This section organizes municipal activities into service themes to provide an overview of services, strategic priorities, and projects and initiatives for the coming year. The financial summary aligns services with financial policy and informs the reader about the resources required to sustain levels of service over time. The operating budget summaries presented for tax supported services currently exclude transfers to capital reserves, debt service, and allocations of administrative support costs which are held centrally for this version of the financial plan workbook.

Community Services

Community services are provided across several municipal departments and partner agencies.

Parks provides services that support the public enjoyment of over 16,000 hectares of parks and green spaces. Services include: forestry and wildlife stewardship, trail and habitat enhancement, horticulture and street tree maintenance, sport fields, sport courts and playground maintenance, park litter collection and recycling, park buildings and structures repairs, signage and graphics. There is a Park Ranger program for public safety, rescue and security in our parks, trails and alpine areas. Parks strives to create a sense of pride and community identity through beautification, support for community events, park interpretation, environmental education, agriculture heritage preservation and sustainability education, as well as public and stakeholder volunteer participation.

Park users can hike, bike and walk over 200 km of trails and pathways which interconnect the District, run across mountains and go from sea to sky. The District's mountainous surroundings offer opportunities for mountain biking, hiking and interacting with nature. Waterfront parks offer swimming, kayaking, rowing, and boating activities. Residents and visitors can enjoy the District's 61 playgrounds, 50 tennis courts, 35 sport fields, 39 ball diamonds, five sport courts, and three skate parks. The park system offers opportunities for outdoor activities that attract visitors from

the Lower Mainland and tourists from around the world.

Recreation and Cultural services are led by the North Vancouver Recreation and Culture Commission (NVRCC) providing a wide variety of recreation and cultural services on behalf of the District and City of North Vancouver. The Commission ensures that an appropriate range of leisure opportunities is available to meet the needs of citizens regardless of their age, gender, ability or economic status. Community recreation centres include many public amenities such as swimming pools, art spaces, fitness studios, weight rooms, youth centres, ice arenas, gymnasiums, sport courts, multi-purpose rooms and meeting rooms.

Connecting people in a welcoming, creative, active and safe environment is a goal of the NVRCC. The Commission strives to offer accessible, diverse and innovative programs and services as well as encourage residents to take responsibility for their own health and well-being through participation in recreation and cultural activities. In partnership with community groups and corporate partners, the NVRCC aims to improve the health and well-being of all North Vancouver residents.

The Commission operates 10 community recreation centres, the North Vancouver Tennis Centre and Centennial Theatre, and also manages community events and the municipal public arts and culture grant program.



MUNICIPAL SERVICES

Library Services go beyond the space of traditional libraries and enrich our community by connecting community members, fostering knowledge and inspiring stories. North Vancouver District Public Library (NVDPL) continues to be one of the best used public libraries of its size in Canada and holds the highest per capita percentage of participants in the annual Summer Reading Club in British Columbia.

North Vancouver District Public Library offers an extensive collection of books and digital items, including eBooks, magazines, newspapers, DVDs, and CDs. In addition to the collections, NVDPL offers a full range of information services and 21st century learning opportunities to cultivate and enrich lifelong learning. The Library supports social well-being through the offering of unique and innovative adult and children's programs to residents, as well as by providing community meeting and study space. Resources and services to support children and families, seniors, homebound residents, new immigrants, and job seekers are also provided by the professional staff.

Residents are served by three library branches: Capilano Library which provides service to the western portion of the District; Parkgate Library, which serves the District's eastern communities from Seymour to Deep Cove; and the Lynn Valley Library which serves its immediate community.

The Library is an active member of the Public Library InterLINK Federation providing our residents with access to Libraries across British Columbia. The Library is also an active member of the BC Libraries Cooperative, a 100% Canadian, community enterprise focussed on the delivery of shared operational infrastructure and resources for over 200 member institutions and organizations across Canada. Their mission is to help libraries help people, by making it easier and more affordable for libraries to access the technology, ideas, content and expertise they need to deliver services to users. North Shore libraries work collaboratively coordinating the North Shore Writers' Festival, conducted joint staff training opportunities, worked collectively on joint technology projects, and have harmonized the majority of fees, charges and related policies.

Museum & Archive Services engages, strengthens and inspires our community and its visitors by exploring history, connecting people and sharing ideas. The North Vancouver's Museum and Archives (NVMA) is the sole custodian of the community's cultural, archival and museum collections. The NVMA brings our community's history to life by preserving historically valuable community records, organizing exhibitions, delivering educational programs for local schools, caring for collections, documenting local history, and providing access to archival information. Activities, resources and events are offered for people of all ages and backgrounds. Users include school groups, families, both new and long-time residents, tourists, genealogists, heritage researchers, and representatives of businesses, municipalities, and community organizations.

The Archives in Lynn Valley's Community History Centre contain an extensive collection of publicly accessible municipal, business, and personal records, historical photographs, maps, books, oral histories and other significant documents relating to North Vancouver. Reference and reproduction services are provided to the public on-site and by telephone, mail, and email.

The Museum is currently located at Presentation House and moving to a new location on the 100 block of West Esplanade in the City in 2019. Federal funding in the amount of \$3 million has been established for the new museum. Museum exhibits encapsulate 150 years of local history. Changing temporary exhibits are displayed at the Museum, at the Archives building in Lynn Valley and in community facilities. New online content is regularly added to the website (www.nvma.ca) which includes an online search component for archival records.

Specialized educational programs are offered to school children and teachers through Museum tours, in-school programs, outreach kits, and over the internet. Displays and activities are also presented at community events throughout the year.

MUNICIPAL SERVICES

Strategic Priorities

- Continue to implement plans for Community Services including Parks & Open Space, Library and Museum & Archive Services
- Facility plan refresh for recreation and cultural facilities
- Examine options for integrated outdoor recreation planning models
- Implement actions in approved plans to improve access points, including:
 - Fromme Mountain parking/staging
 - Braemar parking/staging
 - Short-term measures identified in the Deep Cove Parking and Access study and rehabilitation of Quarry Rock trail
- Establish a framework for systematic review of environmental impact and usage of trail networks in Grouse, Fromme and Seymour systems
- Identify trail management resource needs, capacity and options
- Review and update sport fields needs assessment

Financial Information (000's)

Highlights - Operating

Recreation and Culture operating has been adjusted for revenue and programming costs related to the new Delbrook Recreation Centre and other operational adjustments (net tax levy \$9.5m). Parks and Open Spaces is adjusted to reflect arborist resources required for the hazard tree program and allocations to park capital projects. Library services are adjusted for reduced property maintenance costs and changes in the delivery of technology services (net tax levy \$5.03m).

One time operating initiatives total \$244k and include for example: additional resources for the Ranger and Graffiti Management programs, trail maintenance funding, a Facility Needs Assessment reviewing current and future requirements, a Museum storage consolidation project, and funding for a Homeless Outreach worker shared with the City of North Vancouver.

Transfers to capital now flow through the reserve section of the workbook resulting in the change in Transfers Out.

Operating	2016 Budget	2017 Budget	Y:Y
Revenue			
- Government Grants	214	214	-
- Sales, Fees, and User Charges	12,711	13,115	404
	12,925	13,329	404
Transfers in	309	623	314
Source of Funds	13,234	13,952	718
Costs			
- Community Facilities	164	244	80
- Community Grants	1,183	1,157	(26)
- NV Museum & Archives	524	535	11
- NV Public Library Services	5,509	5,479	(30)
- NV Recreation & Culture	17,021	17,953	932
- Parks and Open Spaces	7,561	7,752	191
- Public Golf	2,208	2,259	51
- Operating Initiatives	259	244	(15)
	34,429	35,623	1,194
Transfers Out	1,686	1,019	(667)
Use of Funds	36,115	36,642	527
Tax Levy	22,881	22,690	(191)
% Costs recovered by Revenue	37.5%	37.4%	-0.1%

Table 4: Community Services - Operating Budget

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Highlights – Capital

In addition to annual renewal works required to sustain services, new capital projects are highlighted below:

- Community Facilities primarily relates to Seylynn Village Daycare (\$900k, funded by CAC), Pemberton Heights Community Building renewal, and a general provision for facility renewal.
- Lynn Valley Library “Story Lab” to develop and showcase personal stories and other creative content (contingent on grant funding)
- Public Golf includes the structural repair of the Northlands Golf Clubhouse
- Design works for community recreation centres in Lions Gate and Lynn Creek (\$400k funded CAC, total project costs \$26m)
- Roof replacement and energy retrofit work at Ron Andrews Community Recreation Centre
- Conversion of Kirkstone Sports Field to an artificial turf field at a cost of \$1.2 million (\$500k grant funding)
- Fromme Mountain parking lot phase 2 \$400k (total project \$980k)
- Belle Isle parkland acquisition

Capital	Cost	Reserves/ Fees	Developer	Grants/ Others
Community Facilities	1,764	464	900	400
Library Collections	577	577	-	-
Library Facilities & Equipment	88	88	-	-
Library Innovation & Learning	560	407	-	153
Museum Facilities & Equipment	10	10	-	-
Natural Parkland	30	30	-	-
Public Art	50	50	-	-
Public Golf	464	464	-	-
Recreation Equipment	169	169	-	-
Recreation Facilities	1,404	1,016	388	-
Recreation Technology	105	105	-	-
Sportsfields	1,334	834	-	500
Trails	1,298	1,248	-	50
Urban Parkland	3,631	1,006	2,625	-
Total	11,484	6,468	3,913	1,103

Table 5: Community Services - Capital Budget

Planning and Development

Planning and Development includes Community Planning, Development Services, and Real Estate and Properties.

Community Planning is responsible for long range, integrated community planning and environmental management. Principal work includes the District's Official Community Plan (OCP) and its implementation through town/village centre plans and strategies to advance policies in areas of housing, transportation, energy and greenhouse gas emissions reduction, social well-being, and the environment. Through the social planning program, community service grants and funding are allocated in accordance with Council policy objectives to sustain quality of life for all District residents. The environmental program delivers policy and regulatory measures as well as technical support to other departments. Community energy and climate action planning are part of the environmental portfolio. Meaningful and ongoing community engagement and consultation are integral to these services. Comprehensive monitoring of community profiles, statistics and indicators towards achievement of policy goals and targets is provided.

Development Services is responsible for the review of a variety of land use applications including OCP amendments, rezonings, subdivisions, development permits and development variance permits. In addition, the related departments processes various technical permits including building, electrical, mechanical and sign permits, as well as liquor licence applications and business licensing. Permits and licences performs inspections at various stages of construction, monitoring work to ensure buildings are safe, compliance with a variety of bylaws, and works to inform, educate and, where necessary, enforce a variety of regulatory bylaws. These departments provide a high level of customer service to their clients including homeowners, builders, developers, real estate agents, residents and the community at large related to building and development planning matters. The group also supports Council and

Executive in the development and implementation of a number of policy areas including land use, development policy and health and safety.

Real Estate and Properties Services provides a variety of real estate services for District owned properties such as property management, community leases, negotiation, valuation, and marketing. These services can involve valuating, marketing and negotiating to sell, lease, license, assemble, exchange and acquire land, and interests in land, such as rights of ways, easements or covenants. The department also conducts and arranges for Land Title Office and Court Registry searches for District staff.

Strategic Priorities

- Actively monitor the pace of development and assess impacts on community livability. Consider interrelated factors and development mechanisms to facilitate Council decision making and communication
- Review single-family residential development regulations and assess impacts on neighbourhoods
- Focus on housing affordability in the District addressing regulatory and policy tools to ensure a future supply of affordable housing. Include options such as:
 - Property acquisition
 - Utilization of District properties
 - Rental property management and partnership models
- Identify any options that may exist to provide temporary relief to displaced renters. Consider financial and human resource capacity to support such initiatives
- Complete an integrated plan for the Maplewood area (including Maplewood Village and Maplewood North) that includes strategies to address industrial land, jobs, housing and environment considerations
- Complete the Lynn Creek Town Centre Special Study Area to plan for land uses that consider potential highway redevelopment and impacts on surrounding properties

MUNICIPAL SERVICES

- Determine future land use for the existing Delbrook Community Recreation Centre site
- Continue a high level review of our OCP to determine if adjustments to our implementation strategies are necessary as a result of unexpected changes or unanticipated consequences since approval of the OCP five years ago

Operating	2016 Budget	2017 Budget	Y:Y
Revenue			
- Government Grants	-	-	-
- Sales, Fees, and User Charges	10,269	11,893	1,624
Transfers in	793	332	(461)
Source of Funds	11,062	12,225	1,163
Costs			
- Community Planning	2,189	2,338	149
- Development Services	5,845	6,380	535
- Real Estate and Properties	1,446	1,464	18
- Operating Initiatives	509	332	(177)
	9,989	10,514	525
Transfers Out	1,686	1,921	235
Use of Funds	11,675	12,435	760
Tax Levy	613	210	(403)
% Costs recovered by Revenue	102.8%	113.1%	10.3%

Table 6: Operating Budget - Planning and Development

Financial Information (000's)

Highlights – Operating

Growth and development continue to be guided by the OCP. A high level OCP review will take place in 2017. Increases to development services reflect adjustments in staff capacity to meet higher activity levels and are funded from development revenue.

One time operating initiatives include funding to support digitization of planning, permits, and property records, and a groundwater study in support of building permit applications.

Highlights – Capital

Maintenance for the Lynn Valley Village.

In addition, strategic property acquisitions will continue as appropriate to ensure long-term preservation of the District's land inventory.

Capital	Cost	Reserves/ Fees	Developer	Grants/ Others
Land Opportunity	200	200	-	-
Lynn Valley Village	819	819	-	-
Total	1,019	1,019	-	-

Table 7: Capital Budget - Planning and Development

Transportation and Engineering

Transportation and Engineering includes the following services:

Engineering Services coordinates technical design and project management for capital projects, as well as planning, operational and maintenance management for the District's transportation infrastructure. Other services include development support and customer service for the division.

The road network consists of 356 centre-lane kilometres (3.3 million square metres) of road surface over road base, 42 bridges, 3,000 street lights, traffic signals (including 70 controllers, 324 poles and about 8 kilometres of conduit and wiring) and 170 kilometres of sidewalks. The current replacement value of transportation infrastructure is \$676 million. Road surfaces are replaced on a steady state basis. Assets such as bridges and traffic network signals are priority assets. The overall physical condition target for the road network is "Fair". Assets with higher criticality such as bridges and traffic signal network have an overall physical condition target of "good".

Project Delivery is responsible for coordinating engineering review of development applications, construction traffic management regulation, and project management of large, complex, multi-agency civil projects.

Strategic Priorities

- Work with the Province and other jurisdictions to better understand transportation issues and opportunities
- Work with the Province and community to advance Ironworkers Memorial bridgehead improvements and related projects, such as Mountain Highway interchange, Fern Street and Phibbs Exchange
- Identify opportunities to expand east-west movement across the District independent of Highway 1

Operating	2016 Budget	2017 Budget	Y:Y
Revenue			
- Government Grants	700	710	10
- Sales, Fees, and User Charges	344	542	198
	1,044	1,252	208
Transfers In	335	305	(30)
Source of Funds	1,379	1,557	178
Costs			
- Engineering Services	1,610	1,636	26
- Project Delivery	868	910	42
- Transportation Services	4,900	5,105	205
- Operating Initiatives	210	305	95
	7,588	7,956	368
Transfers Out	300	306	6
Use of Funds	7,888	8,262	374
Tax Levy	6,509	6,705	196
% Costs recovered by Revenue	13.8%	15.7%	2.0%

Table 8: Operating Budget - Transportation and Engineering

- Develop and implement construction and traffic management tools for better planning, coordination and communication among partners and the public
- Review the District's Transportation Plan (2012) in the context of OCP implementation, including assessment of cycling, pedestrian and other programs and investments that reduce reliance on automobile use
- Complete the District's portion(s) of the Spirit Trail route
- Complete Keith Road Bridge infrastructure project

MUNICIPAL SERVICES

Financial Information (000's)

Highlights – Operating

Service costs have been adjusted for additional resources required in construction traffic management, traffic engineering, and capital project services. These resources are required to actively manage the transportation network and implement a growing capital program and are offset by increased development fees and allocations to capital projects.

Staff provided Council an update on transportation priorities in the fall of 2016. One time operating initiatives and capital investments for 2017 projects are noted below.

One Time Initiatives for the coming year include parking and transportation strategies for Lynn Creek, start-up costs for a traffic signal control system upgrade, and on-street activity tracking and coordination software.

Highlights – Capital

In addition to maintaining and renewing the existing transportation network, new capital projects are highlighted below.

- Active transportation includes \$475k for minor upgrade and expansion projects outside of town centres and \$100k for the design of a new multi-use path between City of North Vancouver border and Keith Road (funded by amenity contributions).
- Local improvement projects are planned with at least 50% funding from local residents.
- A concrete underpass structure under re-aligned Mountain Highway is a major project planned for \$1.7 million and intended to be funded through a land exchange related to the highway interchange projects.
- Street Lighting includes \$550k for the first phase of a conversion to LED's (year 1 of a 3 year program).

For the road network:

- The two vehicle bridges on Ross Road will be replaced over the next 3 years with estimated \$4 million budget.
- \$200k is included for slope stabilization of Intake Road, \$125k for lane millings, and \$200k for the design of Ross Road bridge replacement.

Capital	Cost	Reserves/ Fees	Developer	Grants/ Others
Active Transportation	1,050	900	100	50
Local Improvements	585	68	-	517
Major Transportation Projects	1,728	1,728	-	-
Road Network	5,493	5,163	-	330
Street Lighting	667	667	-	-
Traffic Operations	484	484	-	-
Total	10,007	9,010	100	897

Table 9: Capital Budget - Transportation and Engineering



Protective Services

District protective service focus on ensuring our community is safe. Working within their unique mandates and jointly supporting resiliency, response and recovery services the RCMP, fire services, bylaw enforcement, natural hazard management services and North Shore Emergency Management together help make the District one of the safest communities in Canada.

Bylaw Services provide education and enforcement of District's public safety regulations that support our quality of life and community. Focus areas for Bylaw Officers include busy school zones ensuring pedestrian safety and traffic flow, speaking with dog owners in parks, taking sound measurements, working with neighbourhoods on proper waste management techniques to prevent wildlife conflicts and ensuring water conservation.

Emergency Management is led by North Shore Emergency Management (NSEM) and is responsible for planning and preparedness, response and recovery activities, stakeholder engagement, volunteer management and other activities that will increase the municipality's capability to respond and recover from major emergencies and disasters and meet legislated responsibilities.



Fire and Rescue Services responds to an average of 4,200 calls each year. Services include fire response to residences and business plus an array of emergency services including structural and wild land urban interface firefighting, motor vehicle accident rescue, high angle rescue, tower crane rescue, swift water rescue, hazardous materials response, pre-hospital medical response and marine firefighting (in partnership with other port adjacent fire departments). Support services in place for the department either internally or through contract for service include: dispatch, training, public education, fire inspection, and fleet maintenance.

Natural Hazard Management Services assesses and reduces risks arising from natural hazards such as wildfire, landslides, debris flooding, earthquakes, etc. This technical work helps inform how NSEM leads our emergency planning, response and recovery for emergencies and disasters. This section also coordinates the climate change adaptation program.

The RCMP North Vancouver Detachment (City and District) strive to maximize the safety and security of community members by preventing and reducing the opportunities for, as well as the social and economic factors contributing to, criminal activity. Services include investigation, enforcement, crime prevention and services to victims of crime. The Detachment is committed to preserving the peace, upholding the law, and providing quality services in partnership with the community.

Strategic Priorities

- Update the RCMP cost sharing agreement with City of North Vancouver
- Determine the location of Fire Hall #2 and Fire Training Centre
- Plan for Animal welfare move into a new facility in late 2018 or early 2019
- NSEM continue planning, response and recovery services focusing on enhanced municipal readiness in 2017

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Operating	2016 Budget	2017 Budget	Y:Y
Revenue			
- Government Grants	958	856	(102)
- Sales, Fees, and User Charges	1,027	1,257	230
	1,985	2,113	128
Transfers In	806	448	(358)
Source of Funds	2,791	2,561	(230)
Costs			
- Bylaw Enforcement	1,383	1,501	118
- North Shore Emergency Management	415	435	20
- Fire & Rescue	19,902	19,973	71
- Natural Hazard Management	220	230	10
- Police Protection	17,955	18,152	197
- Operating Initiatives	-	48	48
	39,875	40,339	464
Transfers Out	400	458	58
Use of Funds	40,275	40,797	522
Tax Levy	37,484	38,236	752
% Costs recovered by Revenue	5.0%	5.2%	0.3%

Table 10: Operating Budget - Protective Services

Financial Information (000's)

Highlights – Operating

During 2017, Fire and Rescue will focus on expansion of fire inspections. Police costs reflect the Provincially negotiated contract and an upward trend in the detachment complement. Provincial traffic fine revenues are forecast to be lower than prior years (government grants).

Additional resources for bylaw and fire inspection services support increased activity levels and are offset by user fees.

The one time operating initiative provides an additional Police support staff member to develop a communications strategy liaising with external agencies.

Highlights – Capital

A new fire facility in Maplewood is planned for \$14 million over 2017 to 2019 (with \$2.4 million budgeted in 2017).

Natural hazard management works include wildfire mitigation (with grant funding) and assessment of higher risk creek escarpments.

Capital	Cost	Reserves/ Fees	Developer	Grants/ Others
Fire Facilities & Equipment	3,776	3,776	-	-
Natural Hazard Management	610	270	-	340
Police Facilities & Equipment	250	250	-	-
Total	4,636	4,296	-	340

Table 11: Capital Budget - Protective Services

Utility Services

The District takes pride in providing quality, reliable, efficient and safe utilities that support the public health of our community. Utilities include the Water Utility, Sewer and Drainage Utility, and Recycling and Solid Waste Utility. Each Utility is completely self-financed, with funding primarily provided through user charges and fees. The District replaces linear asset networks on a steady state replacement basis each year focusing on assets at the end of their life cycles.

Water Utility

The water network consists of 7 water pump stations, 7 water reservoir locations containing 11 reservoirs, 36 pressure reducing valve stations, 942 water meters, 364 kilometers of water mains, and 21,250 water services. Total current replacement value is \$389 million. To date, the overall condition of District owned water distribution system is considered to be Good. Water quality starts at the source with Metro Vancouver's state of the art filtration plant. The District augments this with a vigorous water quality testing program.

Sewer and Drainage Utility

The sanitary network consists of 33 lift stations, and 386 km of sanitary sewers, and about 21,400 sewer services. The current replacement value of the system is \$238 million. To date, the overall condition of District owned sanitary collection system is considered to be Good.

The drainage network consists of more than 300 culverts, 7 natural hazard mitigation structures, and 360 kilometres of storm mains and other natural or artificial water courses that provide critical drainage and storm water control to protect District and private property from flood damage. These assets have a total current replacement value of \$296 million. To date, the overall physical condition of the drainage network is considered to be Good. District studies, such as hydraulic modeling, the Integrated Storm water Management Plan and debris flow assessment, help assess the condition of the drainage assets.

Recycling and Solid Waste Utility

The Solid Waste Program provides weekly collection and disposal of household waste and yard trimmings within the District of North Vancouver. With waste reduction and recycling deeply integrated into mainstream culture, the District has revisited how it manages the Recycling Program and will be rolling out a new Cart program during 2017.

Strategic Priorities

- Steady state replacement of water and sanitary networks based on Asset Management Plans
- Rate stabilization through reserves to support capital plans and regional charges, including the new Lions Gate Waste Water Treatment Plant
- Waste cart standardization in 2017 and differential pricing based on cart size in 2018, the first full year of the new program. Program phase in January – May
- Natural hazard improvements based on latest assessment data, including culvert upgrades in higher risk areas of the District
- Collaborating with Metro Vancouver on regional 10 year capital plan and impacts on District rate payers arising from construction of a new waste water treatment plant

Financial Highlights (000's)

Single family residential utility rates increase 1% or \$15 on a combined basis for 2017 (total charges \$1,542).

The total revenue requirement for utilities is \$57 million based on the cost of service shown on the next page. The revenue requirement determines the total dollar amount to be collected by charging user fees to each household and business in the District. The total dollar amount required is distributed between classes of users of the service.

For 2017, Council approved user fee increases of 2% for Water, 5% for Sewer, and 2% for Solid Waste along with a 34% decrease to Recycling. The increase in Water includes adjustments to reserve and water purchase

MUNICIPAL SERVICES

cost to reflect current consumption patterns. The increase in Sewer is related to culvert improvements and future rate stabilization requirements. The decrease in Recycling passes on savings and incentives realized through Multi-Material BC (MMBC).

Metro Vancouver charges increase in 2017 for both water purchase rates (3.2%) and sewer levy (4.3%) which includes design costs for the Lions Gate Waste Water Treatment Plant.

Highlights - Capital

Utilities continue to implement its Asset Management Plans which ensure the assets are maintained to an acceptable condition. The following highlight the 2017 initiatives:

Water

- Watermain Replacement (~5 km / year)
- Pressure Reducing Valve Stations
- Water Pumping Stations
- Water Storage Reservoirs

Sewer

- Network Condition Assessments
- Sanitary Sewer Main and Lateral Remediation
- Sewage Lift Station Upgrade
- Inflow and Infiltration Reduction Program

Drainage / Storm

- Culvert replacements and improvements in various locations for flood mitigation
- Design and construction of Seymour River dyke is planned from 2017 to 2019 and estimated to cost \$2.2 million. 2017 includes \$75k for design work.
- Daylighting Kilmer Creek at Fromme Rd is planned for \$1.6 million over 2017 to 2019, with \$120k planned in 2017 for design work.
- Continuation of McKay dyke building from 2016 of which 2/3 is funded by grant. Included in this year's budget is \$830k.

	Water	Sewer & Drainage	Recycling & Solid Waste	Total 2017 Budget	Total 2016 Budget
District Operations	6.9	4.9	5.7	17.5	17.3
Regional Charges	13.2	9.3	2.0	24.5	22.9
Capital & Reserves	5.2	8.5	1.3	15.0	16.7
	25.3	22.7	9.0	57.0	56.9

Table 12: Cost of Service (m\$) - Utility Services

Capital	Cost	Reserves/ Fees	Developer	Grants/ Others
Lift Stations	683	559	124	-
Pump Stations & Reservoirs	608	498	110	-
Sewer Mains	1,380	1,128	252	-
Special Watercourses	5,557	3,463	1,012	1,082
Storm Sewers	672	550	122	-
Water Equipment & PRVs	416	353	63	-
Water Mains	5,198	4,251	947	-
Total	14,514	10,802	2,630	1,082

Table 13: Capital Budget - Utility Services



Governance and Administrative Services

Governance and Administrative Services support the array of District services our citizens and businesses experience daily.

Mayor and Council include the Mayor, Council and Clerk's Office. Council leadership sets strategic directions and priorities that fulfill our community's vision of a sustainable future. The Clerk's office supports Council with statutory requirements and advice.

Executive Services encompasses the Chief Administrative Office (CAO) and Human Resources. Service areas include strategic planning, leadership, human resources and overall corporate governance to ensure Council direction is supported and corporate accountabilities are met. The CAO implements Council's directions through the overall administration of the District organization. The CAO leads the Executive Committee overseeing all District operations and services and setting direction for work plans that support short and long term goals.

Corporate Services include corporate planning, internal audit, business improvement, legal, communications and business relations services. Key relationships include working with First Nations partners, various levels of governments including agencies and other local governments.

Finance and Information Technology Services focuses on strong financial management, business support, policy development, and analysis for decision making. It is dedicated to effective, efficient business transformation and the development of long term strategies for service delivery and financial health. Development and management of long term financial and technology plans, and reporting on a wide array of financial and technology matters ensures accountability and transparency in all District business.

Provisions and Allocations can include amounts for outstanding labour contract settlements and risk based contingencies that support rapid response in the event of major events such as emergencies or disasters. Due to the nature and timing of negotiated settlements and diverse nature of events, emergencies or disasters there can be significant variation in these provisions from year to year. Allocations include facility and fleet services and related allocations to services they support.

Debt Servicing Costs generally support the renewal of existing assets, upgrade of assets and new assets. The District uses debt strategically to ensure that major capital expenditures can be undertaken when the total costs are materially beyond our reserve capacity. Current debt servicing costs are for Community Services (the Lynn Valley Library and Town Centre, the new Delbrook Community Centre, and a number of Parks projects).

Strategic Priorities

- Systematically Monitor Progress on Community Goals
 - Create and endorse an OCP measuring framework, including a comprehensive set of targets and measures
 - Maintain and improve ongoing opportunities for public input to the monitoring process
 - Initiate public reporting of progress towards targets and address overall performance at regular intervals as indicated in the OCP
 - Undertake research and explore options for community dialogue towards the long-term goal of reuniting North Vancouver District and City
- Sustain Financial Health and Resilience
 - Monitor development models including reserves, Community Amenity Contributions, Development Cost Charges and related bylaw updates and policy frameworks.
 - Update long-term financial model and related strategies annually
 - Work with stakeholders on equitable financing for the North Shore Sewage Treatment Plant

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- Critically assess existing shared service delivery arrangements and identify options that enhance equity in funding and delivery including Recreation (administration) and Police Services
- Foster an Engaged and Nimble Public Service
 - Develop strategies for employee succession and retention
 - Create and adopt a flexible framework for community engagement to respond to a range of issues, needs and community preferences for involvement
- Ensure Strong Administrative Foundations
 - Continue ECLIPS (Electronic Civic Management, Licenses, Inspections, Permits, Services) implementation
 - Expand online services: e-tax bill, e-inspection, e-plan review
 - Continue fibre optic network expansion, based on review of progress, goals and options for implementation
- Continue to assess the strategic use of debt in support of District capital priorities in the current lower interest rate environment.



MUNICIPAL SERVICES

Financial Information (000's)

Highlights - Operating

As the District responds to our community's changing priorities, the Governance and Administrative Services considers the overall impact on operations and resources.

As such, one time initiatives include developing a strategy for the District's aging workforce by addressing health issues affecting our workforce, facilitating staff transitions, and creating an approach to attract, engage and develop a highly skilled workforce. Other initiatives include seeking alternative approaches to engage a broader audience when obtaining public input.

The reduction in debt service relates to debt issue #97 which was paid out in April 2016.

Transfers Out support the renewal and expansion of our asset base through contributions to the Infrastructure and New Capital Reserves.

Highlights – Capital

In addition to renewal provisions to maintain District facilities, the District Hall will be reconfigured for work space and mechanical systems upgrades. Information Technology will replace all the desktop computers in 2017 and continue the development of ECLIPS project.

Capital	Cost	Reserves/ Fees	Developer	Grants/ Others
Facilities & Energy Management	3,727	3,727	-	-
Fleet Services	1,349	1,349	-	-
Information Technology	1,839	1,839	-	-
Overhead	634	634	-	-
Total	7,549	7,549	-	-

Table 14: Capital Budget - Governance and Administrative Services

Fleet capital costs are shown here for information; however they are included under provisions and allocations in the Operating table below as they are allocated out across all the services

Overhead is held centrally. These costs will be allocated out to capital programs when the capital budget is approved.

Operating	2016 Budget	2017 Budget	Y:Y
Revenue			
- Government Grants	51	51	-
- Investment Income	2,057	2,057	-
- Penalties & Interest on Taxes	705	705	-
- Sales, Fees, and Other User Charges	1,653	1,873	220
	4,466	4,686	220
Transfers in	6,023	4,548	(1,475)
Source of Funds	10,489	9,234	(1,255)
Costs			
- Corporate Services	3,026	3,074	48
- Executive Services	1,933	1,938	5
- Finance & Technology	6,908	6,975	67
- Mayor and Council	589	592	3
	12,456	12,579	123
- Provisions and Allocations	2,443	3,129	686
- Operating Initiatives	839	542	(297)
	15,738	16,250	512
Debt Service	5,267	4,206	(1,061)
Transfers Out	16,702	19,023	2,321
Use of Funds	37,707	39,479	1,772
Tax Levy	27,218	30,245	3,027
% Costs recovered by Revenue	28.4%	28.8%	0.5%

Table 15: Operating Budget - Governance and Administrative Services

General Reserves

Reserves are required for the sustainment of services and assets over the long term.

Appropriations from Reserves are made for capital renewal, upgrade and expansion where the asset plan and business case support it.

Contributions to Reserves support capital and risk management requirements ensuring reserve levels are optimized.

Strategic Priorities

- Continue to manage reserves at levels that support sustainable service delivery best practices for both services and assets.
- Work with agencies and partner organization on climate change events and earthquake readiness.

Financial Information (000's)

Highlights

- Developer contributions reflect the latest forecast
- Funding for Infrastructure and Utilities moves through the reserves for the first time this year, resulting in large swings in comparison to 2016
- Appropriations from reserves total \$43.9 million and support the 2017 capital plan
- Contributions to reserves total \$57.9 million, including \$20 million from development

Operating	2016 Budget	2017 Budget	Y:Y
Revenue			
- Developer Contributions	6,541	19,631	13,090
- Investment Income	1,612	1,530	(82)
- Sales, Fees, and Other User Charges	226	138	(88)
	8,379	21,299	12,920
Transfers in			
- Development Reserves	3,058	6,693	3,635
- Equipment Reserves	1,925	2,922	997
- Infrastructure Reserve	10,736	18,705	7,969
- Land Opportunity Reserve	4,987	1,928	(3,059)
- New Capital & Other	1,184	2,802	1,618
- Utility Reserves	4,982	10,801	5,819
Appropriations from Reserves	26,872	43,851	16,979
- Interfund Transfers (between funds)	13,011	36,572	23,561
	39,883	80,423	40,540
Source of Funds	48,262	101,722	53,460
Transfers Out			
- Development Reserves	6,941	20,062	13,121
- Equipment Reserves	2,301	2,185	(116)
- Infrastructure Reserve	3,685	17,688	14,003
- Land Opportunity Reserve	151	43	(108)
- New Capital & Other	1,677	2,469	792
- Utility Reserves	6,634	15,424	8,790
Contributions to Reserves	21,389	57,871	36,482
- Interfund Transfers (between funds)	26,873	43,851	16,978
Use of Funds	48,262	101,722	53,460
Tax Levy	-	-	-

Table 16: Operating Budget - General Reserves

SUPPLEMENTAL INFORMATION

Consolidated Financial Plan 2017 (000's) - Table A

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
	Community Services	Planning & Development	Transportation & Engineering	Protective Services	Governance & Admin	Tax Supported (A-E)	Utility Services	General Reserves	Total (F-H)	Interfund Eliminations	Intercompany Sales	Consolidated (I-K)
Non-Tax Revenue	14,432	11,893	2,150	2,453	4,686	35,614	58,066	21,299	114,979	-	(344)	114,635
Proceeds from Debt	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In	16,034	1,351	9,414	4,744	12,097	43,640	13,432	80,423	137,495	(80,998)	-	56,497
Source of Funds	30,466	13,244	11,564	7,197	16,783	79,254	71,498	101,722	252,474	(80,998)	(344)	171,132
						-			-			-
Operating Expenditures	35,623	10,514	7,956	40,339	16,250	110,682	41,960	-	152,642	-	(344)	152,298
Capital Expenditures	11,484	1,019	10,007	4,636	7,549	34,695	14,514	-	49,209	-	-	49,209
Debt Service	-	-	-	-	4,206	4,206	-	-	4,206	-	-	4,206
Transfers Out	6,049	1,921	306	458	19,022	27,756	15,023	101,722	144,501	(80,998)	-	63,503
Use of Funds	53,156	13,454	18,269	45,433	47,027	177,339	71,498	101,722	350,559	(80,998)	(344)	269,217
	22,690	210	6,705	38,236	30,244	98,085	-	-	98,085	-	-	98,085
Tax Levy ⁽¹⁾	22,690	210	6,705	38,236	30,244	98,085	-	-	98,085	-	-	98,085
Balanced Budget	-	-	-	-	-	-	-	-	-	-	-	-

SUPPLEMENTAL INFORMATION

Capital Detail

Renewal costs maintain existing assets to its original service level while upgrade/expand costs provide a notable increase to the level of service or provide a new service to users. See Glossary on page 39. Program descriptions in italics provide details on the upgrade / expand components.

Program	COST			FUNDING								
	Total cost	Renewal	Upgrade/ Expand	Total Funding	Infra Reserve	Utilities Reserve	New Capital	Land Opportunity	Reserve/ Surplus	Operating	Developer	Grants/ Others
Buildings												
Community Facilities <i>\$1,030 for: Seylynn Village daycare (\$900k) and provision for facility upgrades (\$130k)</i>	1,764	734	1,030	1,764	334	-	130	-	-	-	900	400
Facilities & Energy Management <i>\$699k for: District Hall work space reconfiguration (\$330k), mechanical systems (\$232k) and other improvements (\$137k)</i>	3,727	3,028	699	3,727	2,702	-	475	-	550	-	-	-
Fire Facilities & Equipment <i>\$1.4m for: Maplewood Fire Hall (\$1.3m) and Fire facilities fob security system (\$50k)</i>	2,574	1,193	1,381	2,574	2,524	-	-	-	50	-	-	-
Library Facilities & Equipment	58	58	-	58	58	-	-	-	-	-	-	-
Lynn Valley Village	819	819	-	819	819	-	-	-	-	-	-	-
Police Facilities & Equipment	250	250	-	250	-	-	-	-	250	-	-	-
Public Golf	200	200	-	200	-	-	-	-	180	20	-	-
Recreation Facilities <i>\$775k for: retrofit of Ron Andrews (\$250k) and Karen Magnussen (\$75k), and design of Lions Gate Cmnty Centre (\$250k) and Lynn Creek Cmnty Centre (\$200k)</i>	1,404	629	775	1,404	691	-	325	-	-	-	388	-
Urban Parkland <i>\$75k for Ecology Centre conceptual design</i>	308	233	75	308	233	-	-	-	75	-	-	-
	11,104	7,144	3,960	11,104	7,361	-	930	-	1,105	20	1,288	400
Drainage												
Special Watercourses <i>\$2.3m for: McKay dyke (\$830k), Mission Creek (\$500k), Gallant Creek (\$450k), Thames Creek (\$320k), Kilmer Creek (\$120k), and Seymour River dyke design (\$75k)</i>	5,557	3,262	2,295	5,557	-	3,463	-	-	-	-	1,012	1,082
Storm Sewers	672	672	-	672	-	550	-	-	-	-	122	-
	6,229	3,934	2,295	6,229	-	4,013	-	-	-	-	1,134	1,082

SUPPLEMENTAL INFORMATION

Capital Detail

Program	COST			FUNDING								
	Total cost	Renewal	Upgrade/ Expand	Total Funding	Infra Reserve	Utilities Reserve	New Capital	Land Opportunity	Reserve/ Surplus	Operating	Developer	Grants/ Others
General												
Overhead	634	634	-	634	634	-	-	-	-	-	-	-
Public Art	50	50	-	50	-	-	-	-	50	-	-	-
	684	684	-	684	634	-	-	-	50	-	-	-
Land												
Land Opportunity \$200k for land acquisition consulting	200	-	200	200	-	-	-	200	-	-	-	-
	200	-	200	200	-	-	-	200	-	-	-	-
Library Collections												
Library Collections	577	577	-	577	577	-	-	-	-	-	-	-
	577	577	-	577	577	-	-	-	-	-	-	-
Natural Hazards												
Natural Hazard Management \$610k for: wildfire mitigation (\$460k) and Virginia Crescent escarpment assessment (\$150k)	610	-	610	610	-	-	-	-	270	-	-	340
	610	-	610	610	-	-	-	-	270	-	-	340
Parkland												
Natural Parkland	30	30	-	30	30	-	-	-	-	-	-	-
Public Golf	89	89	-	89	-	-	-	-	-	89	-	-
Sportsfields \$1.1m for Kirkstone Park field conversion to artificial turf field	1,334	232	1,102	1,334	232	-	602	-	-	-	-	500
Trails \$485k for: Fromme Mtn/Braemar parking lots (\$400k), and Lynn Valley loop trail (\$85k)	1,298	813	485	1,298	813	-	400	-	35	-	-	50
Urban Parkland Park acquisitions	3,323	698	2,625	3,323	698	-	-	-	-	-	2,625	-
	6,074	1,862	4,212	6,074	1,773	-	1,002	-	35	89	2,625	550

SUPPLEMENTAL INFORMATION

Capital Detail

Program	COST			FUNDING								
	Total cost	Renewal	Upgrade/ Expand	Total Funding	Infra Reserve	Utilities Reserve	New Capital	Land Opportunity	Reserve/ Surplus	Operating	Developer	Grants/ Others
Sanitary												
Lift Stations	683	683	-	683	-	559	-	-	-	-	124	-
Sewer Mains \$380k for: Clean out installation (\$200k), town centres sewer mains upgrades (\$100k), and emergency work (\$80k)	1,380	1,000	380	1,380	-	1,128	-	-	-	-	252	-
	2,063	1,683	380	2,063	-	1,687	-	-	-	-	376	-
Technology												
Fire Facilities & Equipment \$16k for modem upgrades on Fire apparatus	16	-	16	16	-	-	-	-	16	-	-	-
Information Technology \$130k for Fire Command enhancement (\$50k), wi-fi expansion (\$40k), application software (\$25k), and computers/monitors (\$15k)	1,839	1,709	130	1,839	1,113	-	40	-	686	-	-	-
Library Innovation & Learning \$305k for innovation lab	560	255	305	560	255	-	-	-	152	-	-	153
Recreation Technology	105	105	-	105	-	-	-	-	105	-	-	-
	2,520	2,069	451	2,520	1,368	-	40	-	959	-	-	153
Transportation												
Active Transportation \$575k for: road safety improvements (\$475k), and Spirit Trail design (\$100k)	1,050	475	575	1,050	475	-	425	-	-	-	100	50
Local Improvements \$585k for local improvements	585	-	585	585	-	-	-	-	68	-	-	517
Major Transportation Projects \$1.7m for Mtn Hwy underpass construction	1,728	-	1,728	1,728	-	-	-	1,728	-	-	-	-
Road Network \$62k for lane millings	5,493	5,431	62	5,493	4,595	-	62	-	200	306	-	330
Street Lighting \$275k for LED street lighting	667	392	275	667	392	-	275	-	-	-	-	-
Traffic Operations	484	484	-	484	484	-	-	-	-	-	-	-
	10,007	6,782	3,225	10,007	5,946	-	762	1,728	268	306	100	897

SUPPLEMENTAL INFORMATION

Capital Detail

Program	COST			FUNDING								
	Total cost	Renewal	Upgrade/ Expand	Total Funding	Infra Reserve	Utilities Reserve	New Capital	Land Opportunity	Reserve/ Surplus	Operating	Developer	Grants/ Others
<u>Vehicles & Equipment</u>												
Fire Facilities & Equipment \$184k for: wildland fire gear (\$70k), exhaust extraction (\$33k), radio installation (\$20k), chest compression system (\$19k), support vehicle modification (\$15k), and minor equip (\$27k)	1,186	1,002	184	1,186	-	-	-	-	1,186	-	-	-
Fleet Services \$9k for survey equipment	1,349	1,340	9	1,349	-	-	-	-	1,349	-	-	-
Library Facilities & Equipment	30	30	-	30	30	-	-	-	-	-	-	-
Museum Facilities & Equipment	10	10	-	10	10	-	-	-	-	-	-	-
Public Golf	175	175	-	175	-	-	-	-	169	6	-	-
Recreation Equipment	169	169	-	169	-	-	-	-	169	-	-	-
	2,919	2,726	193	2,919	40	-	-	-	2,873	6	-	-
<u>Water</u>												
Pump Stations & Reservoirs \$300k for seismic upgrades of pump station and reservoir	608	308	300	608	-	498	-	-	-	-	110	-
Water Equipment & PRVs \$55k for double block and bleed (\$50k), and technology equipment (\$5k)	416	361	55	416	-	353	-	-	-	-	63	-
Water Mains	5,198	5,198	-	5,198	-	4,251	-	-	-	-	947	-
	6,222	5,867	355	6,222	-	5,102	-	-	-	-	1,120	-
TOTAL CAPITAL BUDGET	49,209	33,328	15,881	49,209	17,699	10,802	2,734	1,928	5,560	421	6,643	3,422

GLOSSARY

Capital Renewal - capital projects that return the service capability of an existing asset to its original level.

Capital Upgrade / Expansion - capital projects including the acquisition and construction of new assets, or those that provide a notable increase to the level of service or provide a new service to users.

Community Amenity Contribution - community amenity contribution or “CAC” means a community amenity contribution as set out in the Corporate Policy Manual (8-3060-2). The policy ensures that the community obtains benefits from new development through a fair and equitable approach and provides opportunities to achieve community improvements and innovation through development.

Development Cost Charge - a development cost charge or “DCC” is a fee collected under Bylaw 7135 by class of land use on a dwelling unit or square metre basis to ensure development pays for its impacts on infrastructure (transportation, parks, and utilities).

Government Finance Officers Association (GFOA) - the GFOA’s purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training and leadership.

Long Term Funding Strategy - a 10-year strategy to achieve a balance between revenues and expenditures, lays the policy foundation that will drive the preparation of future budgets, and achieve financial sustainability by building resiliency and capacity.

Official Community Plan (OCP) - a key strategic planning document. It establishes the fundamental economic, social and environmental goals and objectives that apply to the District as a whole. The OCP is supported by Centres Implementation Plans, Neighbourhood Infill Plans, Strategic Action Plans, and the Long Term Financial Plan.

Program - a set of activities producing a result for a defined set of customers. A program identifies who it serves, what it accomplishes, and the resources required.

Project - a specific plan supporting a program, involves systematic actions from staff and other stakeholders. Each plan has its own beginning and end.

Replacement Value Depreciation - a method of allocating the cost of a tangible capital asset over its useful life which uses current replacement values rather than historical cost.

Sustainable Service Delivery - following Asset Management for Sustainable Service Delivery: A BC Framework, sustainable service delivery ensures that current community services are delivered in a social, economic, and environmentally responsible manner that does not compromise the ability of future generations to meet their own needs.

Transfers In / Out - represent contributions to and appropriations from reserves as well as the movement of funds amongst the operating, capital and reserve funds of the District.



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