

# AGENDA

## *COUNCIL WORKSHOP*

**Monday, November 18, 2019**

**5:00 p.m.**

**Committee Room, Municipal Hall**

**355 West Queens Road,**

**North Vancouver, BC**

**Council Members:**

Mayor Mike Little

Councillor Jordan Back

Councillor Mathew Bond

Councillor Megan Curren

Councillor Betty Forbes

Councillor Jim Hanson

Councillor Lisa Muri



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## **COUNCIL WORKSHOP**

**5:00 p.m.**  
**Monday, November 18, 2019**  
**Committee Room, Municipal Hall,**  
**355 West Queens Road, North Vancouver**

### **AGENDA**

#### **1. ADOPTION OF THE AGENDA**

##### **1.1. November 18, 2019 Council Workshop Agenda**

*Recommendation:*

THAT the agenda for the November 18, 2019 Council Workshop is adopted as circulated, including the addition of any items listed in the agenda addendum.

#### **2. ADOPTION OF MINUTES**

##### **2.1. October 22, 2019 Council Workshop**

**p. 7-9**

*Recommendation:*

THAT the minutes of the October 22, 2019 Council Workshop meeting are adopted.

##### **2.2. October 28, 2019 Council Workshop**

**p. 11-13**

*Recommendation:*

THAT the minutes of the October 28, 2019 Council Workshop meeting are adopted.

#### **3. REPORTS FROM COUNCIL OR STAFF**

##### **3.1. Reserve Funds and Utility Rates**

**p.17-32**

File No. Financial Plan/2020

Report: Manager – Business Planning & Decision Support, November 5, 2019

Attachment 1: Power Point Presentation

Attachment 2: Schedule A – Reserve Bylaw

Attachment 3: Combined Utility Rate

*Recommendation:*

THAT the November 5, 2019 memo of the Manager – Business Planning & Decision Support entitled Reserves and Utility Rates Workshop November 18 is received for information.

**4. PUBLIC INPUT**

(maximum of ten minutes total)

**5. ADJOURNMENT**

*Recommendation:*

THAT the November 18, 2019 Council Workshop is adjourned.

## MINUTES

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## **DISTRICT OF NORTH VANCOUVER COUNCIL WORKSHOP**

Minutes of the Council Workshop for the District of North Vancouver held at 5:03 p.m. on Tuesday, October 22, 2019 in the Committee Room of the District Hall, 355 West Queens Road, North Vancouver, British Columbia.

**Present:** Mayor M. Little  
Councillor B. Forbes  
Councillor J. Back  
Councillor M. Bond  
Councillor M. Curren  
Councillor J. Hanson  
Councillor L. Muri

**Staff:** Ms. C. Grant, Acting Chief Administrative Officer  
Mr. D. Milburn, General Manager – Planning, Properties & Permits  
Mr. A. Wardell, General Manager – Finance/CFO  
Mr. R. Danyluk, Manager – Financial Planning  
Mr. J. Gordon, Manager – Administrative Services  
Mr. S. Ono, Manager – Engineering Services  
Ms. S. Dale, Confidential Council Clerk

### **1. ADOPTION OF THE AGENDA**

#### **1.1. October 22, 2019 Council Workshop Agenda**

**MOVED by Councillor MURI**

**SECONDED by Councillor FORBES**

THAT the agenda for the October 22, 2019 Council Workshop is adopted as circulated, including the addition of any items listed in the agenda addendum.

**CARRIED**

### **2. ADOPTION OF MINUTES**

Nil

### **3. REPORTS FROM COUNCIL OR STAFF**

#### **3.1. Financial Plan Orientation**

File No. 05.1780/Financial Plan Process/2020

Mr. Rick Danyluk, Manager – Financial Planning, provided an overview of the five-year financial plan and advised that the plan is adopted annually. Mr. Danyluk highlighted the following:

- The fiscal environment;
- The long-term plan and priorities;
- Guiding principles and affordability;
- Capital, lands and funding; and,

- Next steps.

In response to a question from Council, staff advised that the draft 2020 to 2024 Financial Plan will be presented in January including provisions for Council priorities. It was noted that these provisions will be amended as the targeted OCP review and Council's white papers on housing, transportation, the economy and climate are completed.

In response to a question from Council, staff advised that the estimated increase in property taxes is four percent for 2020 and noted that these increases are similar to previous years.

In response to a question from Council, staff advised that as debt is retired, funding that had been allocated to debt servicing will be added to the infrastructure reserve in order to stabilize future costs of major infrastructure replacement.

In response to a question from Council, staff advised that the money available in the District housing fund is as follows:

- \$2.6 million available at end of 2018;
- \$500,000 new contribution in 2019; and,
- \$3.1 million total available this year.

In response to a question from Council, staff advised that an updated reserve funds bylaw is being proposed at the next Finance and Audit Committee meeting. The updated reserve funds bylaw will enable Council to see all of the District's reserves and their purpose in one place. It was further noted that staff are planning to bring back definitions for each reserve fund once the committee confirms the proposal.

In response to a question from Council regarding budget reserves and asset forecast, staff advised that it will be reflected in the long-term financial plan.

Council discussion ensued and the following comments and concerns were noted:

- When DCC fees may be waived for affordable housing projects;
- Continuing the 1% asset renewal policy and best practices for asset management; and,
- The long-term capital plan.

Public Input:

Mr. Peter Teevan, 1900 Block Indian River Drive:

- Spoke regarding regional growth and its increasing costs and demands;
- Requested information regarding the cost to run a municipality each year; and,
- Expressed concern about the perceived lack of engagement with the community and encouraged the District to be as transparent as possible.

Mr. Corrie Kost, 2800 Block Colwood Drive:

- Expressed concern regarding density bonusing;
- Commented on regional inflation;
- Questioned if the Province is providing funding to address the issue of reducing green house gas emissions; and,



- Requested that staff report back on infrastructure that is in poor condition and will need to be replaced.

A District Resident:

- Commented that DCC's are fees that local governments may choose to collect from new development to help pay for the costs of off-site infrastructure services that are needed to accommodate growth; and,
- Questioned how the District is managing staffing levels with regards to declining development activity.

**MOVED by Councillor MURI**

**SECONDED by Councillor BOND**

THAT the October 22, 2019 presentation of the Manager – Financial Planning is received for information.

**CARRIED**

#### **4. ADJOURNMENT**

**MOVED by Councillor MURI**

**SECONDED by Councillor BOND**

THAT the October 22, 2019 Council Workshop is adjourned.

**CARRIED**  
(6:16 p.m.)

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Mayor

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Municipal Clerk

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## DISTRICT OF NORTH VANCOUVER COUNCIL WORKSHOP

Minutes of the Council Workshop for the District of North Vancouver held at 6:03 p.m. on Monday, October 28, 2019 in the Committee Room of the District Hall, 355 West Queens Road, North Vancouver, British Columbia.

**Present:** Mayor M. Little  
Councillor B. Forbes  
Councillor J. Back  
Councillor M. Bond  
Councillor M. Curren  
Councillor J. Hanson  
Councillor L. Muri (6:09 pm)

**Staff:** Mr. D. Stuart, Chief Administrative Officer  
Ms. C. Grant, General Manager – Corporate Services  
Mr. G. Joyce, General Manager – Parks and Engineering  
Mr. D. Milburn, General Manager – Planning, Properties and Permits  
Mr. A. Wardell, General Manager – Finance and Chief Financial Officer  
Ms. T. Atva, Manager – Community Planning  
Mr. J. Gordon, Manager – Administrative Services  
Ms. S. Dale, Confidential Council Clerk  
Ms. S. Tejani, Community Planner

**Also in**

**Attendance:** Ms. Lisa Westerhoff, Integral Group  
Ms. Kerry Shaw, Integral Group

### 1. ADOPTION OF THE AGENDA

#### 1.1. October 28, 2019 Council Workshop Agenda

**MOVED by Councillor FORBES**

**SECONDED by Councillor BACK**

THAT the agenda for the October 28, 2019 Council Workshop is adopted as circulated, including the addition of any items listed in the agenda addendum.

**CARRIED**

Absent for Vote: Councillor MURI

### 2. ADOPTION OF MINUTES

#### 2.1. September 30, 2019 Council Workshop

**MOVED by Councillor FORBES**

**SECONDED by Councillor HANSON**

THAT the minutes of the September 30, 2019 Council Workshop are adopted.

**CARRIED**

Absent for Vote: Councillor MURI

### **3. REPORTS FROM COUNCIL OR STAFF**

#### **3.1. Community Energy and Emissions Plan (CEEP) – Actions to Meet 100% Emissions Reduction by 2050**

File No. 13.6770/ENV Energy DNV/File

Councillor MURI arrived at this point in the proceedings.

Ms. Lisa Westerhoff, Integral Group, provided an overview of the final IMPACT2050 noting that it is a comprehensive Community Energy and Emissions Plan (CEEP) and is the District of North Vancouver's response to this global challenge. Mr. Westerhoff advised that it has been designed to reflect the Climate Emergency declared by Council in July 2019 and help the District to meet its ambitious targets (45% by 2030 and 100% by 2050).

Ms. Westerhoff noted that while each action in IMPACT2050 is important, the most important actions the District must focus on in the short-term to ensure it will meet its targets include the following:

##### **Buildings & Energy:**

- Implement a widespread energy efficiency and fuel switching retrofit program for existing buildings;
- Aggressively adopt the BC Energy Step Code to improve energy efficiency in new buildings; and,
- Adopt greenhouse gas emission targets to move towards zero-emission new construction projects.

##### **Transportation & Land Use:**

- Design for complete, connected communities and town centres that rely heavily on active transportation and comfortable and efficient transit systems;
- Use Transportation Demand Management strategies to complement good land use planning policy in order to further reduce the number of car trips in the District;
- Support Metro Vancouver's efforts to reduce traffic congestion through the use of mobility pricing;
- Support the federal and provincial government's zero-emission vehicle mandates and low carbon fuel standards; and,
- Accelerate implementation of electric vehicle (EV) and electric bicycle charging infrastructure to support electrified mobility.

Timely and aggressive implementation of the CEEP is critical to meeting the District's targets and include:

- Education and awareness;
- Partnerships, lobbying and advocacy;
- Resourcing; and,

- Regular monitoring of targets.

Council discussion ensued and the following comments and concerns were noted:

- Commented on the need to enforce policies and regulations;
- Noted the importance of retaining greenspace;
- Spoke to the challenges of meeting these targets by 2050;
- Spoke to the magnitude of the climate and ecological emergency; and,
- Commented that education may create awareness.

In response to a question from Council, the consultant advised that carbon neutrality is defined as achieving net-zero emissions by balancing the amount of human-caused carbon emissions in the atmosphere with an equivalent amount of human-caused carbon emission removals over a specific period of time.

Council discussion ensued and the following comments and concerns were noted:

- Requested an update on the carbon budget;
- Expressed concern that nature-based solutions were not presented;
- Questioned if residents are prepared to pay more to achieve these targets;
- Commented about the modeling for Village and Town Centres and the volume of cars due to a lack of alternatives;
- Expressed concern about building materials and the reliance on concrete;
- Expressed concern about the form of housing and its sustainability;
- Requested a copy of the survey to show what the community did not support;
- Highlighted the connection between transportation, land use and climate;
- Suggested focusing on building support within the community;
- Opined that North Vancouver has a distinct character that needs to be preserved; and,
- Thanked the consultants and staff for their work and requested regular updates on progress being made.

In response to a question from Council, staff advised that the cost of implementing the plan will be identified in the budget process.

In response to a question from Council, staff advised that the final plan will be brought forward to a Regular Meeting of Council for approval.

#### **4. ADJOURNMENT**

**MOVED by Councillor MURI**

**SECONDED by Councillor FORBES**

THAT the October 28, 2019 Council Workshop is adjourned.

**CARRIED**  
(6:58 p.m.)

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Mayor

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Municipal Clerk

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## REPORTS

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## Memo

November 5, 2019  
File: Financial Plan/2020

**TO:** Mayor and Council

**FROM:** Rick Danyluk, Manager Business Planning and Decision Support

**SUBJECT:** Reserves and Utility Rates Workshop November 18

Please find attached the presentation for the upcoming workshop on reserves and utility rates, a draft reserve bylaw (attachment A) and proposed 2020 utility rates (attachment B).

This is the second in a series of Council workshops on the financial plan since the adoption of Council Directions 2019 - 2022 in September. The first workshop provided an orientation to the process. This workshop focuses on introducing a new reserve bylaw, aligning reserves with Council priorities, and the proposed utility rates and user fees for the coming year.

The Finance and Audit Committee received an update on reserves and utility rates on October 29 and recommended this information be brought back to Council for further direction at this workshop.

Staff will be seeking direction from Council at the workshop to prepare the 2020 utility rate and user fee bylaws, which must be adopted prior to year-end to take effect January 1, 2020.

Staff are also proposing that the draft reserve bylaw be brought back for adoption in the new-year as more time is required to estimate opening fund balances in support of the 2020 - 2024 financial plan.

Please contact me if you have any questions or concerns.



# Reserves and Utility Fees

Rick Danyluk, Manager Business Planning & Decision Support  
Council Workshop, November 18, 2019



## Agenda

- Reserves
- Utility Rates
- Other User Fees



## Financial Planning Timeline



## Priorities

- Transportation
- Housing
- Economy
- Climate
- Services and finances

These are the most important issues we will pursue...

## Guiding financial principles

- Sustainable service delivery
- Fairness in taxation and user fees
- Stable and competitive rates
- Growth management
- Rolling long term plan

Stewardship role,  
living within our means,  
paying our fair share,  
carefully managing growth,  
realizing long term goals



## Reserves





## Reserves

- Support resiliency
- Reflect priorities
- Measure funding gaps



Target reserve levels are based on risks and long term capital needs

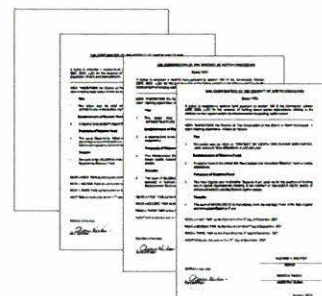
## Reserve Categories

- Risk management
- Renewal capital
- New capital
- Lands and housing

## Reserve Changes

- Single bylaw
- Reserve purpose defined
- See attachment A

No.	Reserve Fund Name	Reserve Fund Purpose
<b>A. Operating and Risk Management - to support general operating conditions, strategic initiatives and risk management.</b>		
1	Operating	To support the day-to-day operations of the City of North Vancouver, including the provision of services to residents and businesses.
2	General Fund	To provide for the general fund of the City of North Vancouver, including the provision of services to residents and businesses.
3	Strategic Planning	To provide for the strategic planning process, including the development of the City of North Vancouver's Strategic Plan.
4	Capital Projects	To provide for the capital projects of the City of North Vancouver, including the development of the City of North Vancouver's Capital Plan.
5	Emergency Response and Recovery	To provide for the emergency response and recovery efforts of the City of North Vancouver, including the development of the City of North Vancouver's Emergency Response and Recovery Plan.



## Highlights

- Emergency response and recovery
- Transportation and mobility
- Community health and safety
- Climate and innovation
- Tax growth
- Legacy lands

## Direction

- Staff to draft final version of proposed reserve bylaw and bring back to Council for adoption in early January



## Affordability

- Rate impacts on average home
- Comparability within region
- Target rates for 2020

Many factors influence  
affordability



## Utility Rates and User Fees



## Utility rates

- Target 4.5%
  - Long term planning and smoothing for WWTP
- Changes from target (now 4.6%)
  - Metro charges
  - Climate adaptation measures (storm water)
  - Attachment B – Proposed Utility Rates all classes





## Metro Vancouver Rates

	2020	2021	2022	2023	2024
Water rate	6.0%	6.1%	8.8%	9.9%	10.1%
Sewer levy (GVS&DD)	14.9%	12.2%	18.2%	13.1%	14.1%
Garbage tipping fee	4.6%	6.2%	5.8%	5.5%	5.2%
Organics tipping fee	5.3%				

*Advocate for a review of Metro Vancouver's funding model*



## Climate adaptation

- Storm water costs increase \$17.6m (next 5 years)
- Kilmer Creek, Gallant Avenue, and Maplewood ~\$9m
- Reviewing procurement strategy, scope, & grant opportunities



## Proposed Utility Rates

	<b>Total</b>	<b>Change \$</b>	<b>Change %</b>
Single Family	\$ 1,754.35	\$ 76.70	4.6%
Multi-family	\$ 1,236.10	\$ 56.95	4.8%

## User Fees and Charges

- Annual inflation adjustment
- Some exceptions
- Guideline for setting fees
  - Cost recovery
  - Benefits
  - Demand management
  - Financial assistance
  - Regular review

## Direction

- Staff bring back proposed utility rates and user fees and charges to Regular Council November 25



## Next Steps

- Utility and user fee bylaws Nov 25
- Financial plan amendment bylaw Nov 25
- Financial plan workshop Dec 2
- Reserve bylaw and 2020-2024 financial plan Jan



355 West Queens Road  
North Vancouver, BC  
V7N 4N5

604-990-2311





## "Schedule A –Reserve Bylaw"

No.	Reserve Fund Name	Reserve Fund Purpose
<b>A</b>	<b>Operating and Risk Management</b> – to support general operating conditions, strategic initiatives and risk management.	
	Operating	
1	General Surplus	To temporarily offset unexpected expenditures or revenue shortfalls, such as recession and one-time initiatives, to minimize fluctuations on the property tax levy and maintain service levels.
2	Working Capital	To fund operations and maintenance (O&M) costs incurred prior to collection of revenues. The target for this reserve is set based on the combined fund balance under the "Operating and Risk Management" category.
3	Strategic Planning	To keep key strategic and corporate plans current by refreshing them a minimum of every 5 years and integrating them into the long term corporate plan.
4	Partner Surplus	To provide boards and commissions the financial flexibility to pursue strategic initiatives.
	Risk Management	
5	Assessment Appeals	To manage tax risks from property assessment appeals including funding of consultants and legal.
6	Development Stabilization	To enable development related operating revenues to be reserved and brought forward to match future expenditures as projects often have multi-year financial impacts on operations.
7	Human Resources	To stabilize impacts from changes to pension and employment contract obligations and to provide the financial flexibility to transition, attract and retain talent as one of BC's top employers.
	Community Risk Management	
8	Emergency Response and Recovery	To manage risks from severe weather, accidents, emergencies and disasters. Reimbursement of costs from

## “Schedule A –Reserve Bylaw”

No.	Reserve Fund Name	Reserve Fund Purpose
		senior government for emergencies and disasters is assumed to be 100% for response and 80% for recovery.
<b>B.</b>	<b>Capital Renewal and Rate Stabilization</b> - for renewal of existing assets and rate stabilization. Projects are prioritized based on risk and target levels of service.	
9	Infrastructure and Amenities	To maintain sufficient funds to support existing capital assets in a state of good repair, including climate adaptation measures.
10	Utilities	To maintain sufficient funds to support existing utility capital assets in a state of good repair, including climate adaptation measures.
11	Fleet and Equipment	To fund vehicle and equipment replacement at current replacement costs.
<b>C.</b>	<b>New Capital and Growth Management</b> – for investments in new capital, innovation and growth related impacts on services.	
12	Transportation and Mobility	To accumulate funding for new transportation and mobility projects.
13	Community Health and Safety	To accumulate funding for new recreation, parks, culture, and safety projects.
14	Climate and Innovation	To fund climate mitigation measures that promote greenhouse gas reduction, energy conservation and carbon neutrality. Self-financed or “innovation projects” are also funded here to improve the financial flexibility of this reserve over time.
15	Development Cost Charges (DCC's)	To accumulate development cost charge or equivalent contributions for infrastructure projects (roads, parks and utilities) to ensure development pays for the impacts of growth. Projects will not proceed without available funds unless a clearly defined and attainable payback plan is in place or the Municipal Engineer deems the project necessary to reduce risk to the public.



## “Schedule A –Reserve Bylaw”

No.	Reserve Fund Name	Reserve Fund Purpose
16	Community Amenity Contributions (CAC's)	To accumulate community amenity contributions for amenity projects (civic and care facilities, public art, parks, public realm, and trails) to ensure development pays for the impacts of growth. Projects will not proceed without available funds.
17	Local Improvement	To finance the residents share of Local Area Service Works; repayments include interest at rates prescribed in related cost sharing bylaws. Projects will not proceed without available funds.
18	Tax Growth	To accumulate growth in the property tax base realized through the rezoning process to stabilize future impacts on services.
<b>D.</b>	<b>Lands and Housing – to take advantage of opportunities to invest in strategic lands, non-market housing and the preservation of the District's lands.</b>	
19	Legacy Lands	<p>To ensure the value of public lands improves over time and to enable the strategic acquisition and disposition of lands.</p> <p>Projects include planning, acquisition, disposition, remediation and other activities which improve long term land value.</p> <p>The value of the reserve includes the fund balance (cash), and any land holdings with land improvements (construction and landscaping). Land holdings projects must generate a reasonable return on investment.</p> <p>The fund also includes all lands owned by the District (notionally expressed in hectares of land and current assessed land values).</p> <p>Land dedications realized through the development process will also flow through the reserve and income from land holdings will serve as a source of income to the reserve.</p>
20	Non-market Housing	To accumulate funds, including property tax and developer contributions, to fund the District's share of non-market housing projects.

## COMBINED UTILITY RATES

2019			2020		
Total Rates			Total Rates	Change \$	Change %
Flat Rates					
Single Family	(W,S,G,O,R)	\$ 1,677.65	\$ 1,754.35	\$ 76.70	4.6%
Row House/Duplex	(W,S)	\$ 1,155.75	\$ 1,212.25	\$ 56.50	4.9%
Secondary Suite/Coach House	(W,S)	\$ 624.25	\$ 633.50	\$ 9.25	1.5%
Multi-family	(W,S,R)	\$ 1,179.15	\$ 1,236.10	\$ 56.95	4.8%
Rest Home (per bed)	(W,S)	\$ 563.00	\$ 694.50	\$ 131.50	23.4%
Retail/Office Commercial Base	(W,S)	\$ 1,372.50	\$ 1,439.50	\$ 67.00	4.9%
Retail/Office with Living Quarters	(W,S)	\$ 1,044.50	\$ 1,095.50	\$ 51.00	4.9%
Church	(W,S)	\$ 1,372.50	\$ 1,439.50	\$ 67.00	4.9%

### Metered Rates

Water monthly base rate (incl 1,000 cu ft)	\$ 64.08	\$ 67.30	\$ 3.22	5.0%
Water volume charge (per 100 cu ft)	\$ 3.97	\$ 4.17	\$ 0.20	5.0%
Sewer monthly base rate (incl 1,000 cu ft)	\$ 67.39	\$ 70.60	\$ 3.21	4.8%
Sewer volume charge (per 100 cu ft)	\$ 6.92	\$ 7.25	\$ 0.33	4.8%

W = Water  
S = Sewer  
G = Garbage  
O = Organics  
R = Recycling