



Reserves and Utility Fees

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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

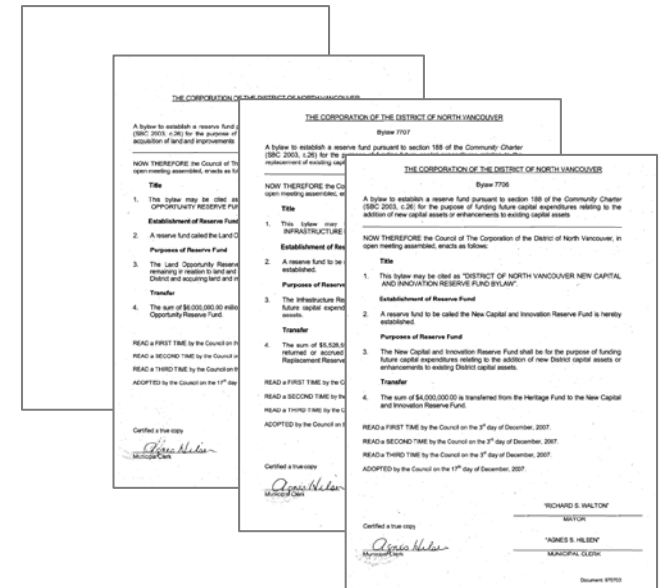
Reserve Categories

- 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
A	Operating and Risk Management – 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 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.
	Corporate Risk Management	
5	Assessment Appeals	To manage risks from property tax and related 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



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

	Total	Change \$	Change %
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

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