Agenda

• Reserves
• Utility Rates
• Other User Fees
Financial Planning Timeline

2019
- JAN: Council Directions
- SEPT: Financial Orientation
- OCT: Reserves and Utility Fees Workshop
- NOV: Financial Plan Amendment

2020
- DEC: Financial Plan Workshop
- JAN: Introduction of Financial Plan

2021
- SPRING & FALL: Long-term Plan
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

<table>
<thead>
<tr>
<th>No.</th>
<th>Reserve Fund Name</th>
<th>Reserve Fund Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Operating and Risk Management - to support general operating conditions, strategic initiatives and risk management.</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>General Reserve</td>
<td>To temporarily offset unexpected expenditures or revenue shortfalls, such as unexpected and one-time initiatives, to maintain operations on the property for any and in the event of any emergency</td>
</tr>
<tr>
<td>2</td>
<td>Working capital</td>
<td>To fund operations and maintenance (OS&amp;M) costs incurred prior to receipt of revenues, this reserve is set based on the combined fund balance under the &quot;Operating and Risk Management&quot; category.</td>
</tr>
<tr>
<td>3</td>
<td>Strategic Planning</td>
<td>To keep key strategic plans current by refreshing them a minimum of every 5 years and integrating them into the long-term corporate plan</td>
</tr>
<tr>
<td>4</td>
<td>Partner Scatola</td>
<td>To provide boards and commissions the financial flexibility to pursue strategic initiatives</td>
</tr>
<tr>
<td></td>
<td>Corporate Risk Management</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Assessment Appeals</td>
<td>To manage risks from property tax and related appeals including handling of consultants and legal</td>
</tr>
<tr>
<td>6</td>
<td>Development Stabilization</td>
<td>To enable development related operating revenues to be reserved and brought forward to match future expenditures as projects often have significant financial impacts on operations</td>
</tr>
<tr>
<td>7</td>
<td>Human Resources</td>
<td>To stabilize impacts from changes to personnel and employment contract obligations and to provide the financial flexibility to transition, attract and retain talent as one of the key enhancements</td>
</tr>
<tr>
<td></td>
<td>Community Risk Management</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Emergency Response and Recovery</td>
<td>To manage risks from severe weather, accidents, emergencies and disasters, reimbursement of costs from</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water rate</td>
<td>6.0%</td>
<td>6.1%</td>
<td>8.8%</td>
<td>9.9%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Sewer levy (GVS&amp;DD)</td>
<td>14.9%</td>
<td>12.2%</td>
<td>18.2%</td>
<td>13.1%</td>
<td>14.1%</td>
</tr>
<tr>
<td>Garbage tipping fee</td>
<td>4.6%</td>
<td>6.2%</td>
<td>5.8%</td>
<td>5.5%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Organics tipping fee</td>
<td>5.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Change $</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>$1,754.35</td>
<td>$76.70</td>
<td>4.6%</td>
</tr>
<tr>
<td>Multi-family</td>
<td>$1,236.10</td>
<td>$56.95</td>
<td>4.8%</td>
</tr>
</tbody>
</table>
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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