

**DISTRICT OF NORTH VANCOUVER  
COUNCIL WORKSHOP**

Minutes of the Council Workshop for the District of North Vancouver held at 5:04 p.m. on Monday, November 18, 2019 in the Committee Room of the District Hall, 355 West Queens Road, North Vancouver, British Columbia.

**Present:** Mayor M. Little  
Councillor J. Back  
Councillor M. Bond (5:20 p.m.)  
Councillor M. Curren  
Councillor B. Forbes  
Councillor J. Hanson  
Councillor L. Muri

**Staff:** Mr. D. Stuart, Chief Administrative Officer  
Ms. C. Grant, General Manager – Corporate Services  
Mr. S. Ono, Acting General Manager – Engineering, Parks & Facilities  
Mr. D. Milburn, General Manager – Planning, Properties & Permits  
Mr. A. Wardell, General Manager – Finance/CFO  
Mr. R. Danyluk, Manager – Business Planning & Decision Support  
Mr. J. Gordon, Manager – Administrative Services  
Mr. L. Jensen, Manager – Engineering Operations  
Mr. C. Alexander, Section Manager, Utilities Maintenance & Construction  
Ms. A. Reiher, Confidential Council Clerk

**1. ADOPTION OF THE AGENDA**

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

**MOVED by Councillor CURREN**

**SECONDED by Councillor FORBES**

THAT the agenda for the November 18, 2019 Council Workshop is adopted as circulated.

**CARRIED**

Absent for Vote: Councillor BOND

**2. ADOPTION OF MINUTES**

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

**MOVED by Councillor MURI**

**SECONDED by Councillor BACK**

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

**CARRIED**

Absent for Vote: Councillor BOND

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

**MOVED by Councillor MURI**

**SECONDED by Councillor BACK**

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

**CARRIED**

Absent for Vote: Councillor BOND

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

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

File No. Financial Plan/2020

Mr. Rick Danyluk, Manager – Business Planning & Decision Support, provided an overview of reserve funds and utility rates and the history of the financial planning timeline. He discussed the financial orientation workshop held in October 2019 where the long-term planning framework and challenges were introduced. The Finance and Audit Committee discussed the proposed reserve funds bylaw and proposed utility rates. He discussed the upcoming 2020 utility rates and user fees as well as the 2019 financial plan amendment.

Mr. Danyluk spoke about the financial priorities previously identified by Council, including:

- Transportation;
- Housing;
- Economy;
- Climate;
- Opening balances and ongoing funding; and,
- Revenue including taxation, user fees and alternative revenue sources.

Mr. Danyluk discussed the long-term guiding financial principles that were introduced to Council in April 2019 including:

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

Mr. Danyluk provided an overview of the proposed reserve funds bylaw and reported that it supports the guiding financial principles by providing clear funding sources for renewing assets for impacts of climate change, managing risk and stabilizing property tax and user fee rates, ensuring growth pays for growth, investing in new capital and housing, and preserving the value of public lands. The proposed bylaw will assist in identifying funding gaps in the long-term financial plan and provide structure for staff to develop options for financing the community vision.

Mr. Danyluk commented on risk management best practices, the renewal of infrastructure and amenities, and the preservation of lands. He advised the reserve fund categories are:

- Risk Management – which supports general operating conditions and risk management;
- Renewal capital – which includes reserve funds that support the maintenance of over \$2 billion in assets, including adaptation measures for climate change;
- New capital – which includes investments in new capital, innovation and growth-related impacts; and,
- Lands and Housing – which allows for investment opportunities for strategic lands and social and supportive housing and the preservation of the value of District lands.

Mr. Danyluk reported that the proposal is for a single bylaw including both existing reserves and establishing new reserves. Examples include:

- Emergency response and recovery to focus on risk management for the community;
- \$1.8 Million in ongoing funding for transportation and mobility;
- New investments in community health and safety;
- Funding for climate mitigation measures that promote greenhouse gas reduction, energy conservation and carbon neutrality;
- Growth in the property tax base; and,
- Legacy lands reserve to maintain a clear inventory of District lands.

Councillor BOND arrived to the meeting at this point of the proceedings. (5:20 p.m.)

In response to a question from Council, staff advised that the CEEP financial plan will be included in the January 2020 budget.

In response to a question from Council regarding why there are three distinct reserve bylaws, staff advised that it was a dated approach for the development of asset management plans where the focus was on renewal, innovation and land preservation.

In response to a question from Council, staff advised that fund balances have a ten-year view on priorities.

In response to a question from Council, staff advised that it may be beneficial to provide a column outlining funding sources. Best practises for asset management are being followed and a partner reserve policy will be presented to the Finance and Audit Committee at an upcoming meeting

In response to a question from Council regarding Development Cost Charges (DCC's), staff advised that if these funds are no longer required for the original purpose, they may be reallocated to a list of projects attached to a DCC fund. There may also be internal borrowing between DCC funds but must be paid back with interest.

In response to a question from Council regarding trails, staff advised that the definition for a Community Amenity Contribution reserve fund will be reviewed with regard to urban trails and trail connectors.

In response to a question from Council, staff advised that initial funding levels for the non-market housing reserve were set based on the memorandum of understanding with BC Housing. New funding levels for the reserve would be dependant on the ten-year plan and amount of housing required.

Mr. Danyluk provided an overview of the proposed 2020 utility rates and user fees and the factors that influence affordability such as service levels, financial policies, property assessments, geography and Metro Vancouver charges. He noted that the long-term financial plan calls for an average rate increase of 4.5% over the next ten years due in part to a move to tertiary treatment of waste water in the region.

Mr. Danyluk commented about Metro Vancouver rate increases over the next five years which are the main drivers behind increases in the District's utility rates. He reported that the District has prepared for the rate increases since 2013 and are mitigating some of the impact through the reserve fund. He reported that staff are advocating for a review of Metro Vancouver funding models to address the inequities in their current system, including introducing a water DCC charge to ensure growth pays for its impacts in the region.

Councillor FORBES left the meeting at 5:39 p.m.

Mr. Danyluk commented about climate adaption and an associated increase in storm water costs as the District adapts infrastructure for the impacts of climate change and heavier rainfall. He reported that staff are reviewing options for cost containment including timing of the work and grant opportunities.

Councillor FORBES returned to the meeting at 5:43 p.m.

Mr. Danyluk commented about the current practise for setting user fees and charges which are based on cost recovery and include an annual inflation adjustment. He discussed the next steps and upcoming dates for the financial plan discussions.

In response to a question from Council in regards to water metering, staff advised that other municipalities meter water and that universal metering is being reviewed for the region. The challenges are the installation cost per connection given that there are 23,000 connections across the District, as well as the operating cost for reading meters and billing.

In response to a question from Council regarding utility rates prices, staff advised that they are being raised due to rising costs at Metro Vancouver.

Public Input:

Mr. Peter Teevan, 1900 Block Indian River Crescent:

- Expressed concern about the rate increase for water, sewer and garbage by Metro Vancouver; and,
- Requested that the District work with Metro Vancouver to evaluate the rate increases.

Mr. Corrie Kost, 2800 Block Colwood Drive:

- Stated that it would be beneficial to see data on user fees increases over the last five years;
- Queried why utility rates increased for a single bed in a care facility; and,
- Stated that \$150 million for affordable housing approved in a 2018 referendum has not been included and queried how this may be addressed in the funding model or policies.

Council discussion ensued and the following comments were noted:

- Spoke favourably about the reserves and how the totals will be reflected in a simple manner;
- Stated the preference for a column showing funding sources;
- The water metering practise in the District of West Vancouver and usage trends seen;
- Commented about the costing of tertiary wastewater treatment plants;
- Expressed concern about the funding process for Metro Vancouver projects;
- Commented about Metro Vancouver rates, a dollar value audit that was requested, and concerns and issues that have been brought to the attention of the Metro Vancouver Board and Commissioner;
- The importance of putting a dollar value rather than a percentage value in future financial charts; and,
- Spoke about the Provincial Personal Preparedness Survey and encouraged District staff to participate in the survey.

**4. ADJOURNMENT**

**MOVED by Councillor MURI**

**SECONDED by Councillor HANSON**

THAT the November 18, 2019 Council Workshop is adjourned.

**CARRIED**  
(6:01 p.m.)

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Mayor

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Municipal Clerk