

**DISTRICT OF NORTH VANCOUVER  
COUNCIL WORKSHOP**

Minutes of the Council Workshop for the District of North Vancouver held at 5:01 p.m. on Monday, February 24, 2020 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 (5:16 pm)  
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. D. Milburn, General Manager – Planning, Properties & Permits  
Mr. A. Wardell, General Manager – Finance/CFO  
Mr. S. Ono, Deputy General Manager – Engineering, Parks & Facilities  
Mr. R. Danyluk, Manager – Business Planning and Decision Support  
Mr. J. Gordon, Manager – Administrative Services  
Mr. E. Iorio, Manager – Financial Services  
Ms. C. Archer, Confidential Council Clerk  
Ms. S. Dale, Confidential Council Clerk  
Ms. J. Simpson, Confidential Council Clerk

**1. ADOPTION OF THE AGENDA**

**1.1. February 24, 2020 Council Workshop Agenda**

**MOVED by Councillor BACK**

**SECONDED by Councillor HANSON**

THAT the agenda for the February 24, 2020 Council Workshop is adopted as circulated.

**CARRIED**

**2. ADOPTION OF MINUTES**

**2.1. January 27, 2020 Council Workshop**

**MOVED by Councillor CURREN**

**SECONDED by Councillor BACK**

THAT the minutes of the January 27, 2020 Council Workshop are adopted.

**CARRIED**

## **2.2. February 3, 2019 Council Workshop**

**MOVED by Councillor CURREN**

**SECONDED by Councillor BACK**

THAT the minutes of the February 3, 2019 Council Workshop are adopted.

**CARRIED**

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

### **3.1. Reserve Funds Bylaw 8418**

File No.

Mr. Rick Danyluk, Manager, Business Planning and Decision Support, provided an overview of the proposed Reserve Funds Bylaw 8418, noting that the original Reserve Fund establishing bylaws were adopted more than 70 years ago. The bylaw will provide the following benefits:

- Resources are directly linked to Council priorities;
- Social, ecological and economic benefits
- All reserve funds will be in one bylaw for easier reference;
- The Financial Plan Bylaw will include a schedule showing funds received and used in each fund;
- Contributions may be amended, though once contributions have been made to a specific reserve fund, they must be used for the purposes of that fund; and,
- A regular review process is established.

Mr. Danyluk advised that changes made since the bylaw was originally proposed include removing the Operating and Risk category, which will be further reviewed, and the addition of definitions to clarify the purposes of specific reserve funds. The reserve funds are under three broad categories: existing capital; new capital, initiatives and growth; and lands and housing, with an estimated total of \$421 million available over the five year financial plan, subject to 2019 surplus from operations.

Mr. Danyluk advised the next steps in the process are consideration of three readings of the bylaw scheduled for March 9 and consideration of adoption on March 23.

In response to a question from Council, staff advised that sale and acquisition of both land and parkland are linked under the *Community Charter*, with funds from the sale of municipal land available only for the acquisition of land and the sale of parkland only available for the acquisition of parkland. The name of the reserve funds can be changed if the words "sale" and "acquisition" are objectionable to Council.

In response to a question from Council, staff advised that the definitions for capital included in the bylaw are being incorporated into provincial reporting requirements.

Councillor BOND arrived at this point in the proceedings (5:16 p.m.).

In response to a question from Council, staff advised that the *Community Charter* requires the separation of accounts.

In response to a question from Council, staff advised that affordable housing is under a separate category from land. Council noted that affordable housing projects could draw from multiple reserve funds, including the Land fund. It was noted that funding opportunities for affordable housing from other levels of government have only become available in recent years.

In response to a question from Council, staff advised that CAC's go into a specific reserve fund and, if further restricted, would be tracked.

In response to a question from Council, staff advised that some sources of funding for active transportation are anticipated to come from future grants from other levels of government.

Public Input:

Mr. Peter Teevan, District Resident:

- Expressed concern regarding the Tax Growth reserve fund being used in the future as a slush fund;
- Queried the number of years a build would be considered new for the purposes of directing funds to this specific reserve fund; and,
- Suggested a time limit and restrictions on future redirection of the resources in this fund be added to ensure they are not misused.

Staff clarified that the purpose of the Tax Growth reserve fund is to insulate existing residents from the impacts of new construction, noting that new construction impacts future expenses and the resources directed to the reserve fund align with these costs.

In response to a question from Council, staff advised that the amount to be directed to the Tax Growth reserve fund in 2020 is approximately \$2 million. Council has the discretion to change how much is directed to the reserve fund, stop contributions or make other changes such as expanding the purposes. A preliminary analysis shows an estimated \$6 million balance in the Tax Growth reserve fund after five years, with incremental revenue and incremental expenses very close beyond that point and future obligations still being assessed.

In response to a question from Council, staff advised that tax growth from increases in value due to single-family redevelopment were previously directed to transportation and, under the new Reserve Funds Bylaw would be directed to Council priorities as set and revised over time.

In response to a question from Council, staff clarified that the estimates for the Tax Growth reserve fund are based on already approved development as well as projected approvals.

In response to a question from Council, staff advised that asset management considers the life cycle and replacement of long-term assets such as buildings and infrastructure, as well as climate change adaptation.

Staff further advised that Council will have the opportunity to have in-depth discussions on financial questions such as what is funded by taxation or by user fees, including capital and operating costs.

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

- Requested more clarity on the concept that “development pays for development,” including specific examples;
- Queried if the District paid for paving and the installation of utilities early in its history through land sales;
- Commented that the price of land was much lower at the time much of the District was built and some community amenities were built by the Federal Government;
- Recommended considering the total number of existing recreational facilities across the entire North Shore when assessing the community’s future recreation needs;
- Noted that the District is an industry leader in asset management and more resources are expected to be added to reserve funds when new capital assets such as recreation centres are built to account for depreciation and replacement costs; and,
- Commented that the amenities received as Community Amenity Contributions (CAC’s) may be replaced by something different in the future as community needs and wants change, with higher replacement costs than anticipated.

Staff confirmed that capital planning takes into account estimated operating and replacement costs of new assets at the time they are added, taking into account all major components and the possibility of component replacement to extend the lifecycle of the asset.

In response to a question from Council, staff advised that having all the reserve funds in one bylaw allows easier tracking and transparency than if each reserve is established in a separate bylaw. Staff further advised that the proposed bylaw provides a foundation for discussing efficiency and the availability of funds for specific projects.

#### Public Input

Mr. Corrie Kost, District Resident:

- Commented regarding the relative contributions to community assets of long-time residents and newcomers; and,
- Queried if funds in the Land reserve funds could be used to support affordable housing.

Staff clarified that resources in the Land reserve fund may only be used to acquire land.

Mr. Jon Carrodus, District Resident:

- Commented regarding the resources allocated to the Climate and Innovation reserve fund; and,
- Queried if resources for energy retrofits for existing buildings could be drawn from other reserve funds.

Staff advised that investments in facility retrofits could be drawn from reserve funds for existing assets and that the purpose of the Climate and Innovation reserve fund is to reduce the District's emissions and carbon footprint. It was noted that energy retrofits have been performed on District facilities for several years.

Staff advised that they will change the names of the two reserve funds as directed by Council to from Land Sale to Land and Parkland Acquisition to Parkland in the bylaw before bringing it forward for Council consideration.

Ms. Kelly Bond, District Resident:

- Queried when CAC's are allocated to projects.

Staff advised that appropriations from reserve funds and allocations to specific projects are made in the Financial Plan Bylaw each year and may be amended by Council. Finance tracks items and combines them in two annual amending bylaws to the current Financial Plan Bylaw in the spring and fall.

In response to a question from Council, staff advised that resources from the Land reserve fund may be needed to acquire land to build affordable housing.

#### 4. ADJOURNMENT

**MOVED by Councillor MURI**

**SECONDED by Council FORBES**

THAT the February 24, 2020 Council Workshop is adjourned.

**CARRIED**  
(6:09 p.m.)

Mayor



Municipal Clerk

