



Draft 2023 – 2027 Budget

January 30, 2023

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CFO

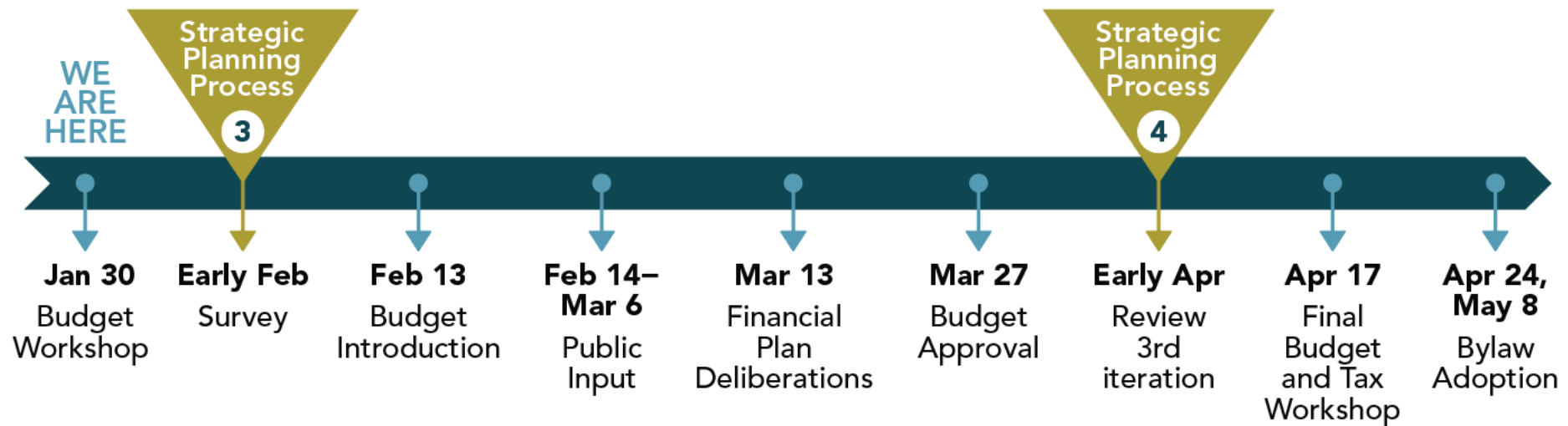
Changes Since Dec 12

- ✓ Integrated timeline with Strategic Planning
- ✓ Added community and economic statistics
- ✓ Highlighted “financial prudence” in guiding principles
- ✓ Reduced proposed municipal tax increase to 4.5% from 5.5%
- ✓ Aligned capital plan with fiscal environment and capacity to deliver
- ✓ Added information showing how services and projects are funded
- ✓ Aligned projects with goals and draft priorities

Agenda

- Budget timeline
- Community statistics
- Fiscal environment and challenges
- Guiding principles and paying for services
- Priorities and budget
- Next steps

Budget Timeline



Community statistics

- Population increased by 2,519 people to 88,168 (2.9%)
- Average age of people living in the District is increasing, Seniors up 12.4%
- Median household income in 2020 \$123,000, up 16.8% since 2015
- Share of households with incomes of \$200,000 and over is 26.6%
- Share of households earning less than \$70,000 is 26.4%

Per Information Reports to Council on the 2021 census. Additional information on the community profile will be included in the 2023 budget workbook.

Fiscal environment

↑ Risk of recession

↑ Assessments values (July/22)

↑ BOC interest rate (4.5%)

↑ Investment income (~5.3%)

↑ Reserve fund balances
(~\$25m)

↓ Economy slowing

↓ Home prices (-2.6%)

↓ Inflation (6.4%)

↓ Borrowing rate (3.83%)

↓ Project carryover (~\$80m)

Responding to challenges

- Adjusting to new normal
 - Organizational changes to meet current and future service levels (e.g., parks, cyber risk and customer-facing digital transformation)
- Inflation and capacity
 - 4.5% tax increase, other changes within existing financial framework
- Regional decisions and emerging needs
 - Rapid transit planning, municipal finance reform, housing changes, funding climate action, emergency response times
- Financial flexibility
 - Council priorities, increased reserve funds, reduced borrowing, monitoring risks

Guiding principles



Sustainable service delivery



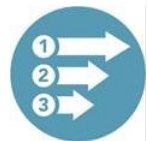
Fairness in taxation and user fees



Stable and *predictable* rates



Growth management



Rolling plan *and financial prudence*



Emerging
Needs

Priorities

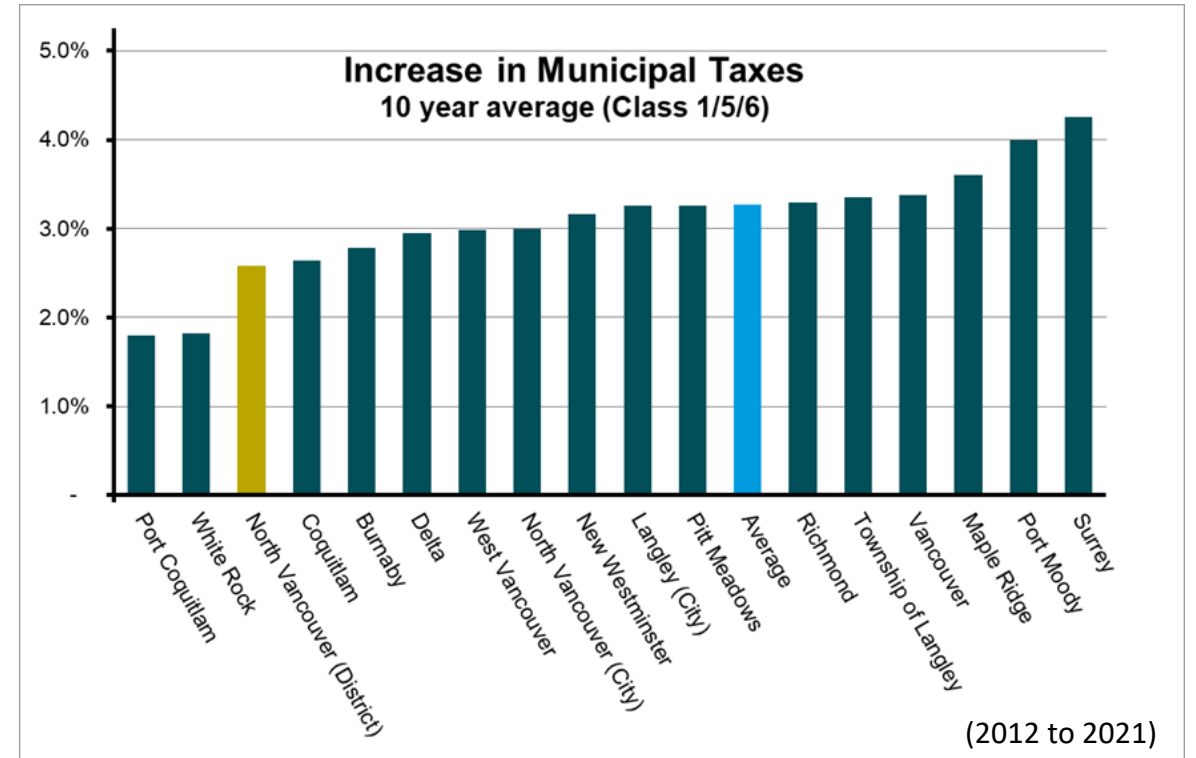
- Enhance transportation and mobility
- Address the community's housing needs
- Achieve a balanced and fair economy
- Lead in climate emergency action and environmental management
- Foster community wellbeing, culture and safety
- Foster a resilient organization



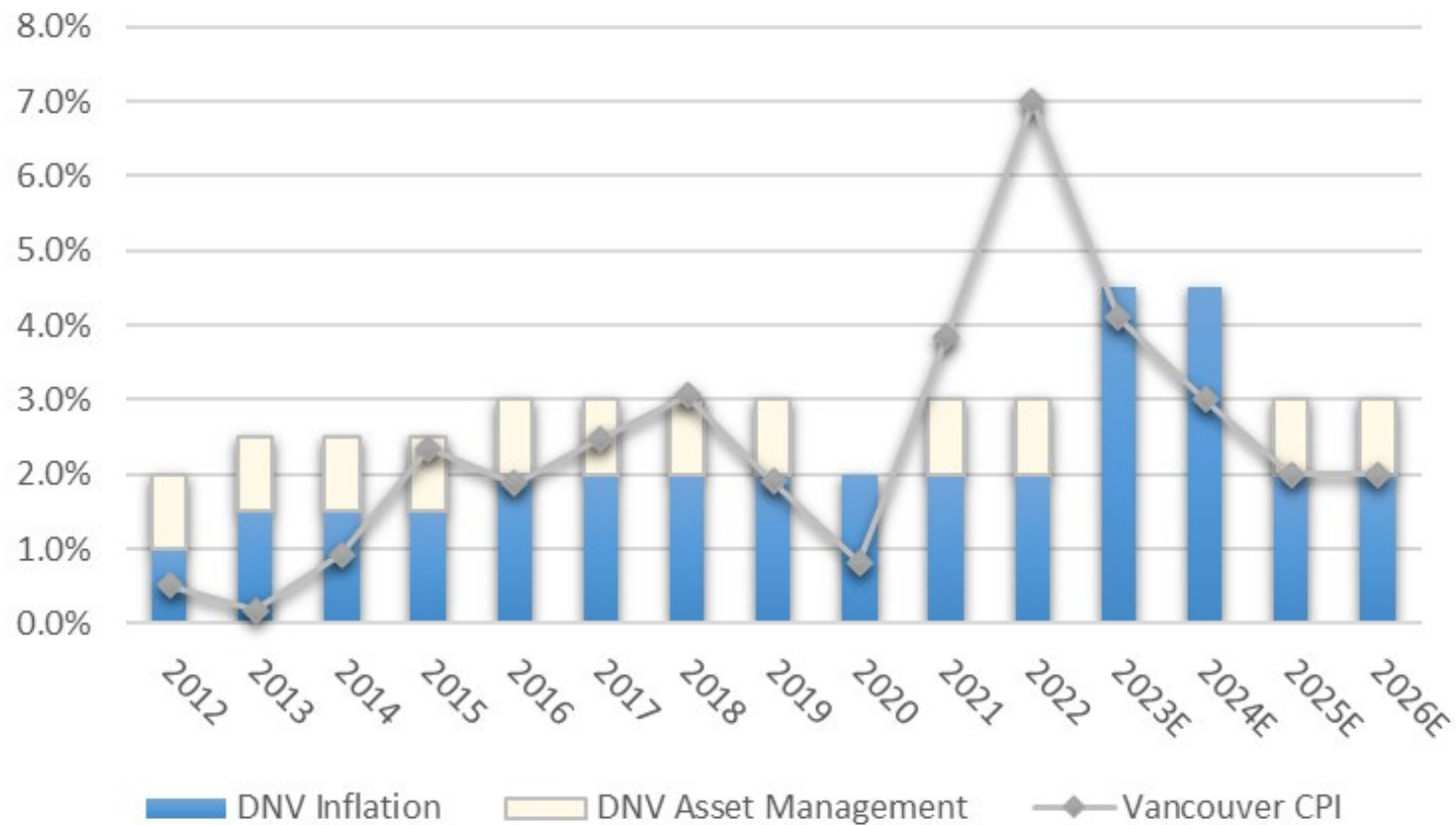
Municipal tax increase

Average Residential Home	Change Over 2022	
Net Operations	4.5%	\$ 113
Asset Management	0.0%	\$ -
Total Property Tax Increase	4.5%	\$ 113

57% of your property tax bill funds the municipal budget



Inflation and taxes



Operating Budget

- Reductions to achieve 4.5% property tax increase
 - Contribution to reserves (\$0.7m)
 - Capitalization of project management costs (\$0.3m)
- Stabilization
 - Increase investment income (\$1m)
 - Police vacancy allowance 8% (\$0.7m)
 - General vacancy allowance increased to 3% from 2.5% (\$0.2m)

Capital Plan 2023 – 2027 alignment

(millions \$)	Existing Capital	New Capital	Total
Affordable Housing *	0.2	85.2	85.4
Child and Seniors Care	1.8	-	1.8
Civic Facilities and Equipment	26.2	1.5	27.6
Climate Action	-	20.9	20.9
Comm Facility, Arts & Culture	24.4	14.4	38.8
Contingency & Overhead	(4.7)	12.3	7.6
Lands and Real Estate	9.9	-	9.9
Parks and Open Spaces	20.1	22.2	42.4
Public Safety	9.1	24.1	33.2
Technology	13.5	1.8	15.2
Transportation	34.3	77.4	111.8
Utilities	86.1	15.8	101.9
Total	221.0	275.6	496.6

\$64 million in project work deferred

~\$80 million in projects carryover from 2022 (not shown)

* Reflects the value of the contribution to housing, including District lands

Service and project funding

- Limited new funding under our control in short term
- Balance affordability, fairness and benefits
- Maintain appropriate reserve levels
- Update development program
- New financial strategies

Service funding

- “Public good” paid by property taxes, “private good” paid by user fees
- Table shows where some services currently reside in the continuum between public and private good
- Opportunities for change through the user fee policy and bylaw

100% Taxes	75% Taxes	50% Taxes	25% Taxes	0% Taxes
0% User Fees	25% User Fees	50% User Fees	75% User Fees	100% User Fees
Affordable Housing /Childcare	Community Planning	Fire Inspections	Climate Action	Building / Development
Arts & Culture*, Libraries	Engineering	Recreation*		Liquid Waste **
Emergency Planning *	Parks			Solid Waste Collection **
Fire				Water**
General Government				
Police *				
Transportation **				

* Shared with other North Shore municipalities

** Responsibility shared with Metro Vancouver / Translink

Five-year project funding

- District sources fund 74% of the project plan
- External sources fund 26% of the project plan
- New financial strategies are being developed to support priorities

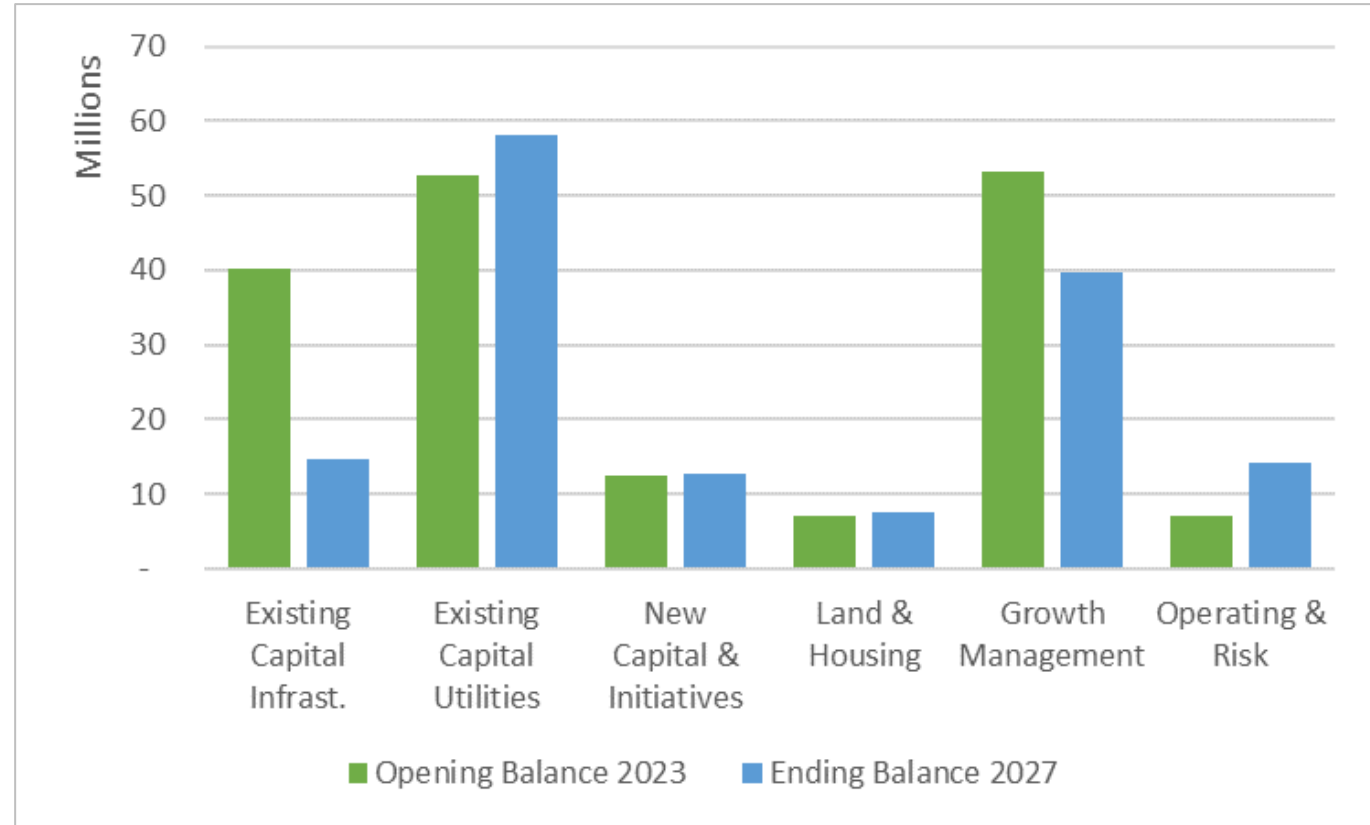
(millions \$)

	Existing Capital	New Capital	Operating	Total	%
DNV Reserves	198.6	70.2	3.0	271.8	54%
DNV Land	-	70.3	-	70.3	14%
DNV Borrowing	-	27.1	-	27.1	5%
Growth / Development *	8.2	92.1	1.3	101.6	20%
Grants / Private *	14.2	15.8	-	30.0	6%
Total	221.0	275.6	4.3	500.9	100%

**subject to development activity and partnerships*

Reserve fund balances

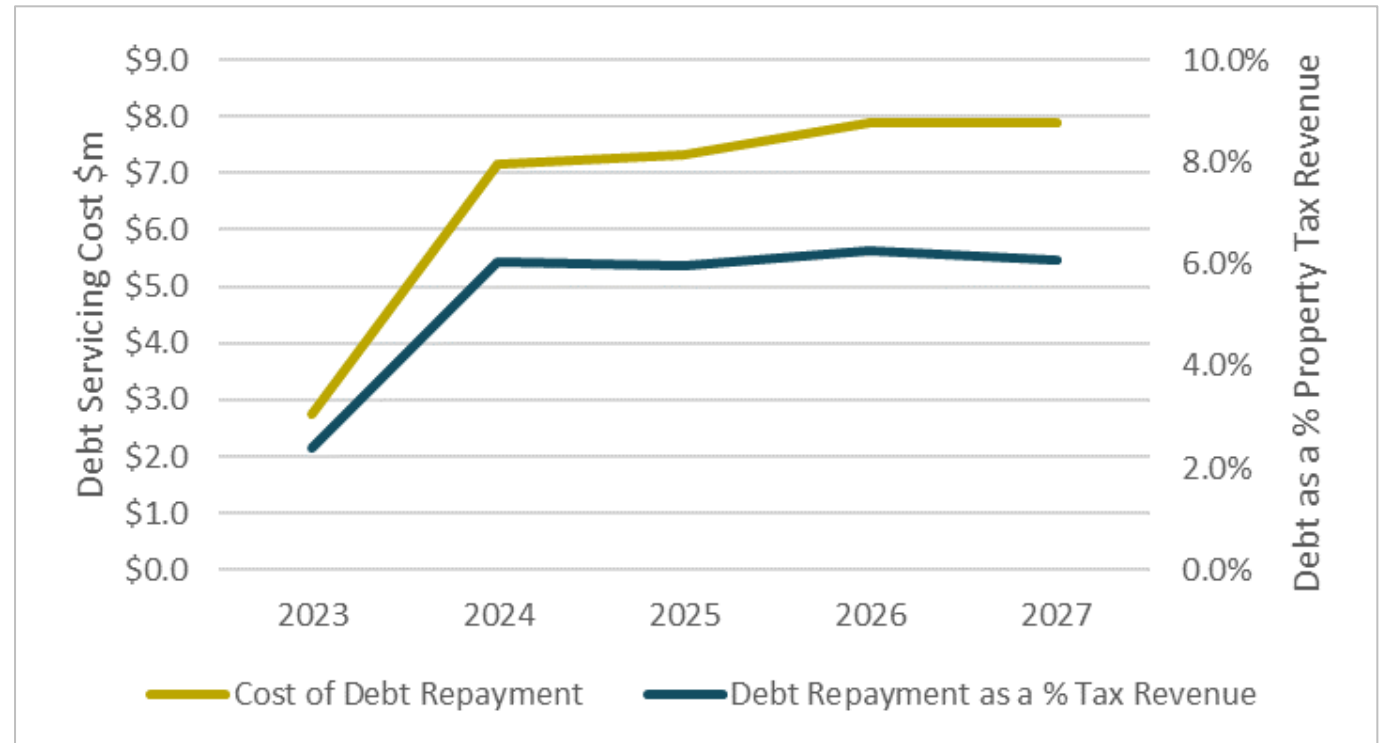
- Support resiliency and flexibility
- Funding levels set based on risk and priorities
- Project deferrals improved some opening balances



Note: Opening balances will be confirmed through the year-end audit

Borrowing

- Strategic use of debt
- Explore debt limits and amortization



Project highlights by goal and priority

- Projects are grouped with the priority they contribute to most
- Several projects are deferred to show financial prudence amid high inflation
- Projects are prioritized by strategic plan then corporately based on benefits, costs and risks





Transportation and Mobility

Priority	Program / Project	Cost m\$
Proceeding		
1a. Address environmental impacts of transportation and implement the "Transportation Mode Shift"	o Refresh Transportation Master Plans	0.9
	c Capilano Road Cycling Link	0.7
	c Dollarton Hyw 3168 Driveway	0.3
	c Pemberton Heights & Norgate Sidewalks	1.7
	c Deep Cove Area Sidewalks	3.4
	c Naughton Detour Walking Path	0.2
	c Livable Deep Cove	3.3
1b. Enhance transportation connections across the North Shore and Burrard Inlet.	c Lions Gate / Marine Transit Corridor	4.8
	c Maplewood Transit Corridor	6.9
	c Phibbs Exchange Upgrade	2.1
	c Bridge: Canyon over Mackay	2.9
	c Bridge: Edgemont Boulevard over Mackay	2.5
	c Dollarton Widening Project	7.3

o = operating, c = capital



Transportation and Mobility

Priority	Program / Project	Cost m\$
Deferred		
1a. Address environmental impacts of transportation and implement the "Transportation Mode Shift"	o E-Bike Grant Program	0.2
	c LVTC to LCTC Cycling Route	1.2
	c LGV to CNV Cycling Route	0.8
	c Mountain Hwy Cycling Route	1.4
	c Main Street Cycling Route	1.1
	c Marine Drive Cycling Route	0.3
	c LVTC to LCTC Cycling Route (middle link)	2.4
	c Lynn Valley Road Peters to Dempsey	1.5
	c Montroyal & Prospect Sidewalks	2.8
	c Norwood, Queens, Highland & Capilano Neighbourhood Sidewalks	4.4
	c Deep Cove Road and Sidewalk upgrades	2.5
c Spirit Trail Maplewood to Deep Cove	6.9	
1b. Enhance transportation connections across the North Shore and Burrard Inlet.	c Bridge: Montroyal over Mackay	4.5

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Community Housing Needs

Priority	Program / Project	Cost m\$
Proceeding		
2a. Provide housing options, including rental, supportive, and affordable housing	c Affordable and Supportive Housing Provisions	85.2
	o Development Approvals Process Review	0.2
	o Engagement for Housing Options	<0.1
	o Town and Village Centre Surveys	0.1
2d. Address homelessness	o North Shore Homelessness Response Protocol	<0.1

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Balanced and Fair Economy

Priority	Program / Project	Cost m\$
Proceeding		
3a. Advocate for fairness in taxation and fees	o Utility Rate Study Refresh	0.2
3b. Explore and leverage funding opportunities to achieve community improvements	c Lynn Valley Trunk Sewer	14.1
3c. Pursue employment and economic opportunities with attention paid to local impact	o Economic Development Strategy	0.2
	o Marine Drive Corridor Retail Study	<0.1

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Climate Emergency Action and Environmental Management

Priority	Program / Project	Cost m\$
Proceeding		
4a. Protect & enhance the environment through mgmt programs and policy	o Climate Action Capacity	1.0
	c Biodiversity Program	0.6
4b. Strengthen community resiliency and prepare for a changing climate	o Integrated Natural Hazards Framework	0.2
	o Landslide Risk Assessment	0.2
	c Galves Creek Debris Basin	1.5
	c Percy Creek Channelization	2.5
	c Mackay Creek Culvert Replacement	2.2
	c Cleopatra Creek Debris Hazard Mitigation	3.3
	c Wildfire Mitigation Program	2.1
4c. Engage community to reduce impact	c E-Vehicle Charging Network	1.8
	o Waste Reduction Initiatives	0.2
	o Heat Pump Rebate Program	0.6
Deferred		
4b. " "	c Daylighting Kilmer Creek Phase 2	3.6

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Community Wellbeing, Culture & Safety

Priority	Program / Project	Cost m\$
Proceeding		
5a. Provide childcare options while maintaining quality, and affordability	o Child Care Grants Increase	0.1
5b. Deliver relevant and high-quality museum and library programming	c Parkgate, Lynn Valley and Capilano Libraries Refresh	8.9
5d. Enhance recreation facilities and outdoor recreation	o Parks Master Plan	0.2
	o Dog Management Strategy	0.1
	o Parks Capacity to meet Changing Demand	4.5
	c Parkgate Rec Centre Mechanical Upgrades	2.8
	c Lynn Creek Community Centre Fit-out	7.8
	c Lions Gate Belle Isle Park	2.7
	c Seylynn Park Phase 2	3.1
	c Paid Parking in Parks	1.0
	c Argyle, William Griffin and Windsor ATF	7.5
c Tennis/Pickle Ball Court Conversions	0.3	

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Community Wellbeing, Culture & Safety

Priority	Program / Project	Cost m\$
Proceeding		
5e. Further equity, diversity, and inclusion	o Core Grants / Community Service Grants Increase	0.8
5f. Pursue reconciliation and establish mutually beneficial relationships with First Nations	o First Nations Archaeological Study	0.1
5g. Enhance emergency services	o Building Safer Communities Fund	1.8
	o Emergency Planning Capacity	0.2
	o Emergency Response Times / Fire Deployment Strategy (Pilot)	0.5
	c Firehall #4 Refurbishment	3.0
	c Maplewood Fire and Rescue Centre	28.1
Deferred		
5a. Provide childcare options while maintaining quality, and affordability	c Eldon Park Washroom and Childcare	5.4

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Community Wellbeing, Culture & Safety

Priority	Program / Project	Cost m\$
Deferred		
5d. Enhance recreation facilities and outdoor recreation	c New Delbrook Lands Park and Washroom	5.9
	c Inter River ATF, Surrounds, South Washroom and North Fieldhouse	5.6
	c Gravel Field conversions Myrtle & Kilmer	3.3
	c Cates Park Washroom and Concession	5.3
	c Park Washrooms (Sowden, Princess, Viewlynn, Kirkstone, Kilmer, Cates East, Blueridge)	10.6
	c Seymour Community Hub / Ron Andrews	40.6
	c Karen Magnussen Expansion	22.1
5f. Pursue reconciliation and establish mutually beneficial relationships with First Nations	c Whey-ah-wichen Cates Parks Upgrades	3.8
5g. Enhance emergency services	c Firehall #1 Lynn Valley	10.2
	c Firehall #5 Norgate	14.7

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Resilient Organization

Priority	Program / Project		Cost m\$
Proceeding			
6b. Foster an engaged public service	c	Operations Centre & Parks Headquarters Design	2.8
6c. Provide strong governance	c	Capital Planning and Design Provision for Deferred Projects	3.0
6d. Enhance digital infrastructure and systems	o	Cyber Risk and Digital Transformation	3.3

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Next Steps

- Budget Introduced Feb 13
- Public Input Feb 14 – March 6
- Budget Deliberations March 13
- Budget Approval March 27
- Strategic Planning Input #3
- Final Budget April 17

Discussion