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The Corporation of **THE CITY OF NORTH VANCOUVER**
FINANCE DEPARTMENT

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Leslie Garber, Acting Director of Finance

Subject: 2021 – 2030 FINANCIAL PLAN BYLAW

Date: March 17, 2021 File No: 05-1700-03-0001/2021

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION

PURSUANT to the report of the Acting Director of Finance, dated March 17, 2021, entitled “2021 – 2030 Financial Plan Bylaw”:

THAT “Financial Plan for the Years 2021 to 2030 Bylaw, 2021, No. 8822” be brought forward for consideration by Council.

ATTACHMENTS

1. Financial Plan for the Years 2021 to 2030 Bylaw, 2021, No. 8822 (CityDoc# 2028554)

SUMMARY

The purpose of this report is to seek Council approval for the 2021 – 2030 Financial Plan Bylaw.

The Community Charter requires the preparation and adoption of a Financial Plan covering at least five years, including both operating and capital items, prior to May 15 each year. For many years, the City has exceeded this requirement by producing a ten-year plan.

As well, it is a requirement that Council must undertake a process of public consultation regarding the proposed financial plan before it is adopted. During the City’s 2021 Financial Plan process, staff reports have been made available on the City’s website and the opportunity to provide public input online and at Council Meetings has been provided.

As required by the Province, the Financial Plan Bylaw also contains revenue and tax policy statements addressing the following issues:

1. Revenue Proportions by Funding Source
2. Distribution of Property Taxes among the Property Classes
3. Use of Permissive Tax Exemptions

FINANCIAL IMPLICATIONS

Financial implications have been addressed in detail during the 2021 – 2030 Financial Planning process which included separate discussions on utility rate setting (water, sewer, solid waste, etc.), 2021 Operating Plan, and the 2021 – 2030 Capital Plan.

INTER-DEPARTMENTAL IMPLICATIONS

The 2021 - 2030 Financial Plan Bylaw is a reflection of the policies of the City, and the work plans of all City departments. In developing this budget, Finance staff rely on their close working relationship with staff in other departments and the City's shared-cost agencies.

2021 will be a challenging year for the City, and the challenges facing the City are impacted in the City's budget process, requiring reconsideration of all that we do. Finance wishes to thank all the members of staff who are contributing so much of their time and effort to provide leadership and cooperation to this ongoing process.

STRATEGIC PLAN, OCP OR POLICY IMPLICATIONS

The preparation and approval of a Financial Plan Bylaw is consistent with the requirements of the Community Charter, with the 2021 Financial Plan Objectives, with several of the objectives of the City's 2014 Official Community Plan and was prepared with consideration of the 2018-2022 Council Strategic Plan.

RESPECTFULLY SUBMITTED:



Leslie Garber
Acting Director of Finance

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8822

Financial Plan for the Years 2021 to 2030

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as “**Financial Plan for the Years 2021 to 2030 Bylaw, 2021, No. 8822**”.
2. Schedule “A” attached hereto is the Financial Plan of The Corporation of the City of North Vancouver for the period commencing January 1, 2021, and ending December 31, 2030.

READ a first time on the 29th day of March, 2021.

READ a second time on the 29th day of March, 2021.

READ a third time on the 29th day of March, 2021.

ADOPTED on the 12th day of April, 2021.

“Linda C. Buchanan”

MAYOR

“Karla D. Graham”

CORPORATE OFFICER

**SCHEDULE "A" TO BYLAW NO. 8822
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2021 – 2030**

(1) 2021 – 2030 Financial Plan (000's)

For the year ended December 31	2021	2022	2023	2024	2025	2026-2030
Revenue						
Property Value Tax						
General Property Tax	68,989	71,118	73,305	75,552	77,860	401,160
Levies (Storm and Eco)	3,747	4,060	4,234	4,416	4,577	25,059
Revenue from Fees and Services	38,252	40,476	42,948	45,858	48,987	284,748
Revenue from Other Sources	3,690	3,573	3,609	3,645	3,681	18,590
	114,678	119,227	124,096	129,471	135,105	729,557
Transfers						
Collections for Other Governments	48,449	49,418	50,406	51,414	52,442	267,455
Transfer from Reserves	64,022	199,576	57,975	51,300	40,237	186,437
Proceeds from Debt	0	0	43,000	0	0	0
External Contributions	20,451	4,127	14,402	3,622	7,736	7,339
Transfer from Capital Assets	16,800	17,136	17,479	17,829	18,186	92,750
	149,722	270,257	183,262	124,165	118,601	553,981
Total Revenues	264,400	389,484	307,358	253,636	253,706	1,283,538
Expenditures						
Operating Expenses						
General Government	22,841	23,412	23,997	24,597	25,212	129,210
Transportation and Transit	7,244	7,425	7,611	7,801	7,996	40,980
Health, Social Services, Housing	2,834	2,904	2,977	3,051	3,127	16,025
Development Services	7,020	7,196	7,376	7,560	7,749	39,715
Protective Services	28,743	29,462	30,199	30,954	31,728	162,605
Parks, Recreation and Culture	22,777	23,347	23,931	24,529	25,142	128,855
Water	10,795	14,940	16,095	16,999	17,910	101,269
Sewer	11,090	16,626	18,927	21,543	23,873	137,554
Solid Waste	3,631	3,729	3,757	3,862	3,970	21,589
	116,975	129,041	134,870	140,896	146,707	777,802
Capital Expenditures	69,827	183,087	94,053	30,789	23,333	57,603
Transfers						
Collections for Other Governments	48,449	49,418	50,406	51,414	52,442	267,455
Equity	17,407	17,112	17,540	17,979	18,428	94,445
Reserves	11,742	10,826	10,489	10,779	11,017	77,338
Repayment of Debt	0	0	0	1,779	1,779	8,895
	77,598	77,356	78,435	81,951	83,666	448,133
Total Expenses	264,400	389,484	307,358	253,636	253,706	1,283,538

**SCHEDULE "A" TO BYLAW NO. 8822
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2021 – 2030**

(2) Revenue Proportions by Funding Source

(Excluding Transfers from Reserves and Collections for Other Agencies)

	(000's)									
	2021	%	2022	%	2023	%	2024	%	2025	%
Property Value Tax										
General Property Tax	68,989	60	71,118	60	73,305	59	75,552	58	77,860	58
Levies (Storm and Eco)	3,746	3	4,060	3	4,234	3	4,416	3	4,577	3
Revenue from Fees	38,253	34	40,476	34	42,948	35	45,858	36	48,987	36
Revenue from other Sources	3,690	3	3,573	3	3,609	3	3,645	3	3,681	3
Total Revenues	114,678	100	119,227	100	124,096	100	129,471	100	135,105	100

Background: Property Taxes are the City's major source of revenue. The City's reliance on property tax as a source of revenue has increased gradually over the past several years. This is partially due to the lack of access to other types of revenues. Where feasible, the City charges user fees for services, however this is not possible for many services. In preparing the 2021 Financial Plan, the City's goal has been to maintain the current percentage of revenue coming from property taxes; however the City continues to rely heavily on this source of revenue to fund a large portion of City services and infrastructure.

Policy: Under Council's direction, the City will continue to look for ways to reduce the overall percentage of revenue that comes from property tax, by pursuing alternate revenue sources, and remains committed to charging user fees for services where feasible.

(3) Distribution of Property Taxes among the Property Classes

Property Class and Description	Tax Allocation %	
	2020	2021
1 Residential	56.36%	56.27%
2 Utilities	0.49%	0.55%
4 Major Industry - Capped	9.90%	10.38%
4 Major Industry - Non capped	0.62%	0.60%
5 Light Industry	0.91%	0.93%
6 Business	31.68%	31.23%
8 Recreation/Non-Profit	0.04%	0.04%

Background: In 2008 City Council adopted a Long Term Property Tax Strategy which will shift taxes from the business and light industrial tax classes, to the residential tax class. The goal of this policy was to move the City's tax rates and tax rate multiples to a competitive position within the Metro Vancouver Region, while maintaining principles of fairness and equity.

Policy: The City will continue to review the distribution of property tax among the various property classes and consider other measures as a gauge of success.

**SCHEDULE “A” TO BYLAW NO. 8822
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2021 – 2030**

(4) Use of Permissive Tax Exemptions

Background: Council currently allows permissive tax exemptions to organizations within the City, based on eligibility criteria as defined under the Community Charter. This includes religious institutions, providers of social housing, not for profit societies and service organizations whose services and programs align with the City’s goals and objectives.

Policy: The City has adopted a policy along with a set of criteria which are based on linking taxation exemptions to desired community outcomes for the services provided. All existing permissive tax exemptions are reviewed each year and staff will continue to work with all organizations who receive a Permissive Tax Exemption to ensure that their services align with the goals and objectives of the City.

Council will continue to carefully consider the total amount of permissive exemptions granted each year, when reviewing the annual Property Tax Exemption bylaw, giving consideration to the equity of shifting the exempted tax burden to other property owners in the City.