



		
Department Manager	Director	CAO

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

REPORT

To: Mayor Linda Buchanan and Members of Council
From: Larry Sawrenko, Chief Financial Officer
Subject: 2024 – 2028 FINANCIAL PLAN BYLAW
Date: April 3, 2023 File No: 05-1700-03-0001/2024

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

RECOMMENDATION

PURSUANT to the report of the Chief Financial Officer, dated April 3, 2024, entitled “2024 – 2028 Financial Plan Bylaw”:

THAT “Financial Plan for the Years 2024 to 2028 Bylaw, 2024, No. 9016” be considered

ATTACHMENTS

1. Financial Plan for the Years 2024 to 2028 Bylaw, 2024, No. 9016 (CityDocs [#2487863](#))

SUMMARY

On March 11, 2024, Council endorsed CNV’s 2024 – 2028 Financial Plan, and directed staff to bring forward a Financial Plan Bylaw (2024 to 2028) that reflects an overall tax rate increase of 6.9%. The Community Charter requires Financial Plans to set out municipal objectives and policies in relation to the distribution of property taxes among the property classes that are subject to taxation. On April 8, 2024, Council endorsed an across the board property tax increase for each property class.

This report recommends adoption of a complete 2024 – 2028 Financial Plan Bylaw that incorporates Council’s March 11 and April 8 endorsements for further consideration.

BACKGROUND

The Community Charter requires the preparation and adoption of a Financial Plan covering five years prior to May 15 each year. The proposed 2024 – 2024 Financial Plan Bylaw (**Attachment 1**) includes several expenditures, all of which were endorsed by Council on March 11, 2024. These expenditures are summarized in Schedule 1, Part 1 of the draft Financial Plan Bylaw. Expenditures for 2024 total \$393.8 million and are presented below:

	2023	2024	Increase/ (Decrease)
Operating Budget	\$95.6	\$102.3	\$6.7
Capital Plan	71.2	141.4	70.2
Shipyards Budget	2.2	2.5	0.3
Water Budget	16.4	19.0	2.6
Sewerage and Drainage Budget	17.9	25.5	7.6
Solid Waste Budget	4.1	4.2	0.1
Cemetery Budget	0.6	0.6	-
Collection for Other Organizations	57.4	59.9	2.5
Other Items	36.0	38.4	2.4
Total	\$ 301.4M	\$ 393.8M	\$92.4M

Council endorsed a 2024 tax rate increase of 6.9% to fund the 2024 – 2028 Financial Plan and, on April 8, 2024, endorsed an across the board property tax increase for each property class.

DISCUSSION

The Community Charter requires Financial Plan Bylaws to include some additional disclosures, as described below:

1. Revenue Proportions by Funding Source

- Property Taxes are CNV's major source of revenue, accounting for 55% of total revenues, which is a reduction of 2% over 2023. The 2024 – 2028 Financial Plan projects the percentage of revenue coming from property taxes to decrease gradually, due to the assumptions in place surrounding growth of revenue from Fees and Services, particularly within Utilities where rate increases need to account for significant future Metro Vancouver costs. CNV will continue to look for ways to reduce the overall percentage of revenue that comes from property tax consistent with statements in the 2014 Official Community Plan but, for the purposes of this plan, no new material user fees are assumed.

2. Distribution of Property Taxes among the Property Classes

- It is the goal of CNV's Long Term Property Tax Strategy that CNV's business to residential tax rate ratio be at or below the median for the region. CNV's ratio has been near the regional median for the past few years and the Financial Plan assumes no material changes to the current tax distribution.

3. Use of Permissive Tax Exemptions ("PTE's")

- The Community Charter gives Council the authority to exempt certain lands and/or improvements in the City from municipal taxation. The Community Charter requires that a PTE policy statement be included in the Financial Plan. The summary statement included in the draft Bylaw reflects the current PTE Policy approved by Council.

FINANCIAL IMPLICATIONS

Financial implications have been addressed in detail during the financial planning process and throughout this report.

INTER-DEPARTMENTAL IMPLICATIONS

The 2024 – 2028 Financial Plan Bylaw is a reflection of CNV's policies and the work plans of all CNV departments. In developing this Bylaw, Finance staff rely on their close working relationship with staff in other departments and CNV's shared-cost agencies.

STRATEGIC PLAN, OCP OR POLICY IMPLICATIONS

The preparation and approval of a Financial Plan Bylaw is consistent with the requirements of the Community Charter, the 2024 – 2028 Financial Plan and tax distributions recently endorsed by Council, CNV's 2014 Official Community Plan, and CNV's PTE Policy.

RESPECTFULLY SUBMITTED:



Larry Sawrenko
Chief Financial Officer

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 9016

Financial Plan for the Years 2024 to 2028

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 2024 to 2028 Bylaw, 2024, No. 9016**”.
2. Schedule “A” attached hereto is the Financial Plan of The Corporation of the City of North Vancouver for the period commencing January 1, 2024, and ending December 31, 2028.

READ a first time on the 15th day of April, 2024.

READ a second time on the 15th day of April, 2024.

READ a third time on the 15th day of April, 2024.

ADOPTED on the 22nd day of April, 2024.

“Linda C. Buchanan”

MAYOR

“Peter DeJong”

ACTING CORPORATE OFFICER

**SCHEDULE "A" TO BYLAW NO. 9016
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2024 – 2028**

(1) 2024 – 2028 Financial Plan (\$000's)

For the year ended December 31	2024	2025	2026	2027	2028
Revenue					
Property Value Tax	80,951	83,576	86,276	89,053	91,910
Levies (Storm and Eco)	5,565	6,847	8,333	8,811	9,269
Revenue from Fees and Services	55,255	59,442	64,313	69,592	73,083
Revenue from Other Sources	4,187	4,058	4,099	4,140	4,181
	145,958	153,923	163,021	171,597	178,443
Transfers					
Collections for Other Governments	59,940	61,139	62,362	63,609	64,881
Transfer from Reserves	145,324	82,373	60,479	70,151	58,894
External Contributions	23,045	5,718	4,045	2,632	3,362
Transfer from Capital Assets	19,500	19,890	165,288	20,694	21,108
	247,809	169,120	292,174	157,086	148,245
Total Revenues	393,767	323,043	455,196	328,683	326,688
Expenditures					
Operating Expenses					
General Government	30,261	31,017	31,792	32,587	33,402
Transportation and Transit	10,753	11,022	11,298	11,580	11,870
Health, Social Services, Housing	8,133	8,336	8,544	8,758	8,977
Development Services	9,329	9,562	9,801	10,046	10,297
Protective Services	34,978	35,852	36,748	37,667	38,609
Parks, Recreation and Culture	29,836	30,582	31,347	32,131	32,934
Water	13,170	20,553	21,412	22,199	22,955
Sewer	14,643	26,306	30,539	34,174	36,593
Solid Waste	4,242	4,298	4,408	4,521	4,638
	155,345	177,528	185,889	193,663	200,275
Capital Expenditures	145,086	48,387	27,423	36,590	27,050
Transfers					
Collections for Other Governments	59,940	61,139	62,362	63,609	64,881
Equity	19,281	19,404	19,889	20,386	20,896
Reserves	12,117	11,179	43,060	10,840	9,991
Debt Servicing	1,998	5,406	116,573	3,595	3,595
	93,336	97,128	241,884	98,430	99,363
Total Expenditures	393,767	323,043	455,196	328,683	326,688

**SCHEDULE “A” TO BYLAW NO. 9016
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2024 – 2028**

(2) Revenue Proportions by Funding Source
(Excluding Transfers)

	(\$000's)									
	2024	%	2025	%	2026	%	2027	%	2028	%
Property Value Tax	80,951	55	83,576	54	86,276	53	89,053	52	91,910	52
Levies (Storm and Eco)	5,565	4	6,847	4	8,333	5	8,811	5	9,269	5
Revenue from Fees and Services	55,255	38	59,442	39	64,313	39	69,592	41	73,083	41
Revenue from Other Sources	4,187	3	4,058	3	4,099	3	4,140	2	4,181	2
Total Revenues	145,958	100	153,923	100	163,021	100	171,597	100	178,443	100

Background: Property Taxes are CNV’s major source of revenue. CNV’s reliance on property tax as a source of revenue has increased gradually over the past several years. This trend is partially due to the lack of access to other types of revenues. Where feasible, CNV charges user fees for services, however this is not possible for many services. The 2024 – 2028 Financial Plan projects the percentage of revenue coming from property taxes to decrease gradually, due to the assumptions in place surrounding growth of revenue from Fees and Services, particularly within Utilities where rate increases need to account for significant future costs from Metro Vancouver.

Policy: 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 %	
		2023	2024
1	Residential	56.68%	57.29%
2	Utilities	0.45%	0.43%
4	Major Industry	11.32%	11.11%
5	Light Industry	0.94%	0.95%
6	Business And Other	30.57%	30.18%
8	Recreation/Non-Profit	0.04%	0.04%

Background: Council adopted a Long Term Property Tax Strategy to shift taxes from the Business and Other and Light Industry tax classes to the Residential tax class. The goal of this strategy was to move CNV’s tax rates and tax rate ratios to a competitive position within the Metro Vancouver Region, while maintaining principles of fairness and equity. As CNV’s tax rates and tax rate ratios are now competitive within the region, Council endorsed an across the board tax rate increase for 2024.

Policy: CNV will continue to distribute property taxes among the various property classes to keep tax rates and tax rate ratios competitive within the Metro Vancouver Region, while maintaining the principles of fairness and equity.

**SCHEDULE “A” TO BYLAW NO. 9016
CITY OF NORTH VANCOUVER FINANCIAL PLAN
FOR THE YEARS 2024 – 2028**

(4) Use of Permissive Tax Exemptions

Background: Council currently allows Permissive Tax Exemptions to organizations within the City, in accordance with authority provided under the Community Charter. The Community Charter shows various types of institutions as eligible, including religious institutions, providers of social housing, and not for profit societies and service organizations.

Policy: CNV has adopted a policy that includes a set of criteria for approving Permissive Tax Exemptions. This criteria links taxation exemptions to desired community needs and outcomes. Applications are also assessed on whether or not uses are available to a significant portion of community residents, if there is ongoing involvement of community volunteers, if benefiting organizations have competent management, and if funding comes from multiple sources. Council also carefully considers the total amount of Permissive Tax 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.

All existing Permissive Tax Exemptions are reviewed each year and staff continue to work with all organizations who receive a Permissive Tax Exemption to ensure that their services align with Council’s strategy plan.