



**AGENDA FOR THE REGULAR MEETING OF COUNCIL,
IN THE CAO MEETING ROOM, CITY HALL,
141 WEST 14TH STREET, NORTH VANCOUVER, BC, ON
MONDAY, MAY 4, 2020 AT 5:30 PM**

“Live” Broadcast via City Website www.cnv.org/LiveStreaming
Complete Agenda Package available at www.cnv.org/CouncilMeetings

CALL TO ORDER

APPROVAL OF AGENDA

1. Regular Council Meeting Agenda, May 4, 2020

ADOPTION OF MINUTES

2. Regular Council Meeting Minutes, April 27, 2020

CITY CLERK’S RECOMMENDATION

THAT Council recess to the Committee of the Whole, Closed session, pursuant to the *Community Charter*, Section 90(1)(l) [annual report].

PROCLAMATIONS

Neighbourhood House Week – May 3-9, 2020

Mental Health Week – May 4-10, 2020

MS Awareness Month – May 2020

National Missing Children’s Month – May 2020

CONSENT AGENDA

Items *3 and *4 are listed in the Consent Agenda and may be considered separately or in one motion.

BYLAWS – ADOPTION

- *3. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2020, No. 8747”
(Mike Fournogerakis / B.P.Y.A. 1163 Holdings Ltd., 1433 Lonsdale Avenue,
CD-124 Text Amendment)
- *4. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2020, No. 8750”
(Quantum 1 Cannabis / Russ Rossi, 820 Marine Drive, CD-725)

REPORTS

5. 2019 Audited Consolidated Financial Statements
6. 2020 Tax Rates Bylaw

Items 7 and 8 refer.

BYLAW – FIRST, SECOND AND THIRD READINGS

7. “Tax Rates Bylaw, 2020, No. 8772”

BYLAW – ADOPTION

8. “Tax Rates Bylaw, 2020, No. 8772”

COUNCIL INQUIRIES

NEW ITEMS OF BUSINESS

NOTICES OF MOTION

CITY CLERK’S RECOMMENDATION

THAT Council recess to the Committee of the Whole, Closed session, pursuant to the Community Charter, Sections 90(1)(e) [land matter], 90(1)(g) [legal matter], 90(1)(j) [information privacy] and 90(1)(k) [contract negotiations].

REPORT OF THE COMMITTEE OF THE WHOLE (CLOSED SESSION)

ADJOURN

CALL TO ORDER

APPROVAL OF AGENDA

1. Regular Council Meeting Agenda, May 4, 2020

ADOPTION OF MINUTES

2. Regular Council Meeting Minutes, April 27, 2020

CITY CLERK'S RECOMMENDATION

THAT Council recess to the Committee of the Whole, Closed session, pursuant to the *Community Charter*, Section 90(1)(l) [annual report].

PROCLAMATIONS

Neighbourhood House Week – May 3-9, 2020

Mental Health Week – May 4-10, 2020

MS Awareness Month – May 2020

National Missing Children's Month – May 2020

CONSENT AGENDA

Items *3 and *4 are listed in the Consent Agenda and may be considered separately or in one motion.

RECOMMENDATION:

THAT the recommendations listed within the "Consent Agenda" be approved.

START OF CONSENT AGENDA

BYLAWS – ADOPTION

- *3. "Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2020, No. 8747"
(Mike Fournogerakis / B.P.Y.A. 1163 Holdings Ltd., 1433 Lonsdale Avenue, CD-124 Text Amendment)

RECOMMENDATION:

THAT "Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2020, No. 8747" (Mike Fournogerakis / B.P.Y.A. 1163 Holdings Ltd., 1433 Lonsdale Avenue, CD-124 Text Amendment) be adopted, signed by the Mayor and City Clerk and affixed with the corporate seal.

CONSENT AGENDA – Continued

BYLAWS – ADOPTION – Continued

- *4. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2020, No. 8750”
(Quantum 1 Cannabis / Russ Rossi, 820 Marine Drive, CD-725)

RECOMMENDATION:

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2020, No. 8750”
(Quantum 1 Cannabis / Russ Rossi, 820 Marine Drive, CD-725) be adopted,
signed by the Mayor and City Clerk and affixed with the corporate seal.

END OF CONSENT AGENDA

REPORTS

5. 2019 Audited Consolidated Financial Statements – File: 05-1680-04-0001/2019

Report: Director, Finance, April 27, 2020

RECOMMENDATION:

PURSUANT to the report of the Director, Finance, dated April 27, 2020, entitled
“2019 Audited Consolidated Financial Statements”:

THAT, in accordance with Section 167 of the *Community Charter*, Council accept
the City of North Vancouver Consolidated Financial Statements for the year
ended December 31, 2019.

6. 2020 Tax Rates Bylaw – File: 05-1970-05-0005/2020

Report: Director, Finance, April 28, 2020

RECOMMENDATION:

PURSUANT to the report of the Director, Finance, dated April 28, 2020, entitled
“2020 Tax Rates Bylaw”:

THAT “Tax Rates Bylaw, 2020, No. 8772” be considered.

Items 7 and 8 refer.

BYLAW – FIRST, SECOND AND THIRD READINGS

7. “Tax Rates Bylaw, 2020, No. 8772”

RECOMMENDATION:

THAT “Tax Rates Bylaw, 2020, No. 8772” be given first, second and third
readings.

BYLAW – ADOPTION

8. “Tax Rates Bylaw, 2020, No. 8772”

RECOMMENDATION:

THAT “Tax Rates Bylaw, 2020, No. 8772” be adopted, signed by the Mayor and City Clerk and affixed with the corporate seal.

COUNCIL INQUIRIES

NEW ITEMS OF BUSINESS

NOTICES OF MOTION

CITY CLERK’S RECOMMENDATION

THAT Council recess to the Committee of the Whole, Closed session, pursuant to the *Community Charter*, Sections 90(1)(e) [land matter], 90(1)(g) [legal matter], 90(1)(j) [information privacy] and 90(1)(k) [contract negotiations].

REPORT OF THE COMMITTEE OF THE WHOLE (CLOSED SESSION)

ADJOURN

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MINUTES OF THE REGULAR MEETING OF COUNCIL, HELD IN THE CAO MEETING ROOM, CITY HALL, 141 WEST 14TH STREET, NORTH VANCOUVER, BC, ON **MONDAY, APRIL 27, 2020**

PRESENT

COUNCIL MEMBERS

Mayor L. Buchanan
Councillor H. Back*
Councillor D. Bell*
Councillor A. Girard*
Councillor T. Hu*
Councillor J. McIlroy*
Councillor T. Valente*

**Participated electronically*

STAFF MEMBERS

L. McCarthy, CAO*
K. Graham, City Clerk
C. Baird, Deputy City Clerk
H. Granger, City Solicitor*
H. Reinhold, Deputy Director, Strategic and Corporate Services*
B. Themens, Director, Finance*
M. Epp, Director, Planning and Development*
R. Skene, Director, Community and Partner Engagement*
D. Pope, Director, Engineering, Parks and Environment*
G. Schalk, Fire Chief*

The meeting was called to order at 6:00 pm.

APPROVAL OF AGENDA

Moved by Councillor Bell, seconded by Councillor Girard

1. Regular Council Meeting Agenda, April 27, 2020

CARRIED UNANIMOUSLY

ADOPTION OF MINUTES

Moved by Councillor Girard, seconded by Councillor Valente

2. Regular Council Meeting Minutes, April 20, 2020

CARRIED UNANIMOUSLY

PROCLAMATIONS

Mayor Buchanan declared the following proclamations:

Youth Week – May 1-7, 2020

Day of Mourning – April 28, 2020

REPORT

3. 2020–2029 Financial Plan Bylaw – File: 05-1700-03-0001/2020

Report: Director, Finance, April 21, 2020

Moved by Councillor Bell, seconded by Councillor McIlroy

PURSUANT to the report of the Director, Finance, dated April 21, 2020, entitled “2020–2029 Financial Plan Bylaw”:

THAT “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771” be considered.

CARRIED UNANIMOUSLY

BYLAW – FIRST, SECOND AND THIRD READINGS

4. “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771”

Moved by Councillor Bell, seconded by Councillor McIlroy

THAT “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771” be given first and second readings.

CARRIED UNANIMOUSLY

Moved by Councillor Bell, seconded by Councillor McIlroy

THAT “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771” be given third reading.

CARRIED UNANIMOUSLY

BYLAW – ADOPTION

5. “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771”

Moved by Councillor Bell, seconded by Councillor McIlroy

THAT “Financial Plan for the Years 2020 to 2029 Bylaw, 2020, No. 8771” be adopted, signed by the Mayor and City Clerk and affixed with the corporate seal.

CARRIED UNANIMOUSLY

PRESENTATION

2020 Property Tax Increase Distribution Options – Director, Finance

The Director, Finance provided a PowerPoint presentation regarding the “2020 Property Tax Increase Distribution Options” and responded to questions of Council.

REPORTS

6. 2020 Property Tax Increase Distribution Options – File: 05-1970-05-0005/2020

Report: Director, Finance, April 21, 2020

Moved by Councillor McIlroy, seconded by Councillor Back

PURSUANT to the report of the Director, Finance, dated April 21, 2020, entitled “2020 Property Tax Increase Distribution Options”:

THAT 2020 Property Tax Increase, Option 1 (2% Across the Board Tax Impact) be endorsed;

AND THAT staff bring forward a Tax Rate Bylaw (2020) for adoption before May 15, 2020, in accordance with the *Community Charter*.

CARRIED

Councillor Bell and Councillor Valente are recorded as voting contrary to the motion.

7. Funding Reallocation – 115 West Esplanade Community Amenity Space
– File: 02-0800-30-0001/1

Report: Deputy Director, Strategic and Corporate Services, April 14, 2020

Moved by Councillor Bell, seconded by Councillor Valente

PURSUANT to the report of the Deputy Director, Strategic and Corporate Services, dated April 14, 2020, entitled “Funding Reallocation – 115 West Esplanade Community Amenity Space”:

THAT \$124,000 of existing funding, approved from the General Reserve Fund for 2020 Civic Centre Improvements, be reallocated to fund property tax and strata fees for the Community Amenity Space at 115 West Esplanade.

CARRIED UNANIMOUSLY

8. COVID-19 – Considerations for Public Hearings/Meetings and Public Consultation Process – File: 13-6630-01-0001/2020

Report: Director, Planning and Development, and Corporate Officer, April 21, 2020

Moved by Mayor Buchanan, seconded by Councillor Back

PURSUANT to the report of the Director, Planning and Development, and the Corporate Officer, dated April 21, 2020, entitled “COVID-19 – Considerations for Public Hearings/Meetings and Public Consultation Process”:

THAT staff be directed to bring forward development applications for Council consideration (first and second readings of bylaws) (Option B);

REPORTS – Continued

8. COVID-19 – Considerations for Public Hearings/Meetings and Public Consultation Process – File: 13-6630-01-0001/2020 – Continued

THAT development applications given consideration by Council be placed in a queue for Public Hearing once a modified process for all application types is developed and enacted (Option B);

AND THAT staff be directed to develop and implement alternative methods of gathering public feedback on development applications.

CARRIED UNANIMOUSLY

NOTICES OF MOTION

9. City of North Vancouver and School District No. 44 – Collaborative Working Relationship – File: 01-0400-80-0001/2020

Submitted by Mayor Buchanan

Moved by Mayor Buchanan, seconded by Councillor Bell

WHEREAS the City of North Vancouver and School District No. 44 have a good history of cooperative effort and planning to create the best potential for success;

WHEREAS the City of North Vancouver, through its policies, has retained and attracted families with school age children to the City;

WHEREAS School District No. 44 schools within the City of North Vancouver are near or at capacity and the updated Long Range Facilities Plan (2018) names 6 City schools for expansion or replacement;

AND WHEREAS City school sites play an important role within neighbourhoods beyond the public school use for a variety of formal and informal uses;

THEREFORE BE IT RESOLVED that the City of North Vancouver and School District No. 44 continue to work together more formally through annual meetings of City Council and the Board of Education;

AND FURTHER THAT staff be directed, through a formal working committee reporting to these governing bodies, to consider and develop options which may include other related partnerships that benefit the children, families and community of the City of North Vancouver.

CARRIED UNANIMOUSLY

NOTICES OF MOTION – Continued

10. COVID-19 Provincial Action in Support of Homeowners – Expansion of Property Tax Deferment Program – File: 05-1970-06-0001/2020

Submitted by Councillor Valente

Moved by Councillor Valente, seconded by Councillor Bell

WHEREAS COVID-19 is impacting the economic well-being of all City of North Vancouver and Metro Vancouver residents, who have already faced an ongoing housing affordability crisis for more than a decade that has created substantial financial pressure;

WHEREAS Mayor Buchanan and Metro Vancouver Mayors have sent a letter in which they called for expansion of the existing Provincial Property Tax Deferment Program to include all property owners, including residential, business and non-profits;

WHEREAS many homeowners, including those in strata buildings, in the City of North Vancouver, face accelerating insurance rates and increasing costs to maintain their homes, which are an important part of a healthy housing mix;

AND WHEREAS the Province has a model program already in existence that allows the deferral of property tax (BC Property Tax Deferment Program / Families with Children Property Tax Deferment Program) that offers a low interest deferment program for qualifying British Columbia homeowners who are aged 55 or older, surviving spouses, persons with disabilities or those supporting dependent children under age 18, for assistance in paying the annual property taxes on their homes;

THEREFORE BE IT RESOLVED THAT Council call on other British Columbia local governments, UBCM, LMLGA and the Province of BC to act swiftly and decisively to expand the Property Tax Deferment Program to all British Columbians requiring assistance for the 2020 taxation year and that this motion be forwarded to all local MLAs and MPs.

Moved by Mayor Buchanan, seconded by Councillor Hu

THAT the active clause be deleted and replaced with the following:

THEREFORE BE IT RESOLVED THAT the Mayor, on behalf of Council, write to the Provincial government requesting that a Financial Hardship Program be added to the Provincial Property Tax Deferment Program for a limited time, similar to what was introduced in 2009;

AND BE IT FURTHER RESOLVED THAT a copy of this resolution be forwarded to all BC local governments, UBCM, LMLGA and North Shore MLAs and MPs.

Amendment motion, **CARRIED UNANIMOUSLY**

Main motion, as amended, **CARRIED UNANIMOUSLY**

COUNCIL REPORT

- Mayor Buchanan reported on writing a letter to the Lions Gate Rotary Club regarding cancellation of this year's Canada Day celebration planned at Waterfront and looking at alternate ways to celebrate Canada Day. She also reported that she will write to the Premier of BC, Prime Minister of Canada and local MLAs and MPs regarding an urgent call on regional transportation for emergency relief funding for TransLink.

COUNCIL INQUIRIES

Nil.

NEW ITEMS OF BUSINESS

Nil.

NOTICES OF MOTION

For consideration at the next Regular meeting of Council.

Submitted by: Councillor Bell

City of North Vancouver and Squamish Nation Collaborative Working Relationship

That, in the spirit of reconciliation, the City invite the Council of the Squamish Nation to continue to work together more formally through scheduled meetings of the two Councils to explore opportunities for greater cooperation and understanding that would benefit both communities.

ADJOURN

Moved by Councillor Girard, seconded by Councillor Back

THAT the meeting adjourn.

CARRIED UNANIMOUSLY

The meeting adjourned at 9:02 pm.

"Certified Correct by the City Clerk"

CITY CLERK



Office of the Mayor
CITY OF NORTH VANCOUVER
BRITISH COLUMBIA

Proclamation

NEIGHBOURHOOD HOUSE WEEK

- WHEREAS** North Shore Neighbourhood House opens its doors to help create safe, inviting places where people from all backgrounds and walks of life are welcomed and included;
- WHEREAS** Neighbourhood House helps to create vibrant neighbourhoods by providing innovative programs that engage people to live healthy, full lives;
- AND WHEREAS** Neighbourhood House offers a range of services and supports to strengthen this community: childcare, newcomer support, youth leadership, adult literacy, supports for seniors and elders, community meals, cultural events, volunteer opportunities – and so much more. NSNH helps improve quality of life and prevent social problems by making our communities stronger, more socially aware and more participative;
- NOW THEREFORE** I, Linda Buchanan, Mayor of the City of North Vancouver, do hereby proclaim **May 3 to 9, 2020** as **NEIGHBOURHOOD HOUSE WEEK** in the City of North Vancouver, the traditional territories of the Squamish and Tsleil-Waututh Nations.

So proclaimed on Monday, May 4, 2020

Mayor Linda Buchanan



Office of the Mayor
CITY OF NORTH VANCOUVER
BRITISH COLUMBIA

Proclamation

MENTAL HEALTH WEEK

- WHEREAS** Mental Health Week has become an important awareness event in Canada, helping to end the discrimination, stigma and shame surrounding mental illness;
- WHEREAS** we can all benefit from promoting and acknowledging the role that good mental health plays in living a full and meaningful life;
- AND WHEREAS** Mental Health Week is a celebration of mental health and an opportunity to raise awareness;
- NOW THEREFORE** I, Linda Buchanan, Mayor of the City of North Vancouver, do hereby proclaim **May 4-10, 2020** as **MENTAL HEALTH WEEK** in the City of North Vancouver, the traditional territories of the Squamish and Tsleil-Waututh Nations.

So proclaimed on Monday, May 4, 2020

Linda C. Buchanan

Mayor Linda Buchanan



Office of the Mayor
CITY OF NORTH VANCOUVER
BRITISH COLUMBIA

Proclamation

MS AWARENESS MONTH

WHEREAS Multiple Sclerosis (MS) is a chronic, often disabling neurological disease for which there is no known cause, prevention or cure and symptoms may include problems with numbness, coordination, vision and speech, extreme fatigue and even paralysis;

WHEREAS an estimated one in 340 Canadians and more than 12,000 British Columbians live with MS, and BC continues to lead the way in MS research;

AND WHEREAS the Multiple Sclerosis Society of Canada, founded in 1948 is the only national voluntary organization in Canada that supports both MS research and services to enhance quality of life and to find a cure for people living with MS;

NOW THEREFORE I, Linda Buchanan, Mayor of the City of North Vancouver, do hereby proclaim **May 2020** as **MS AWARENESS MONTH** in the City of North Vancouver, the traditional territories of the Squamish and Tsleil-Waututh Nations.

So proclaimed on Monday, May 4, 2020

Mayor Linda Buchanan



Office of the Mayor
CITY OF NORTH VANCOUVER
BRITISH COLUMBIA

Proclamation

NATIONAL MISSING CHILDREN'S MONTH

- WHEREAS** National Missing Children's Month is to educate children and adults about abduction prevention; to promote awareness of the problem of missing children, and to assist in the location of missing children;
- WHEREAS** the most recent reporting from the RCMP show that over 6,800 cases of missing children were reported in British Columbia and over 40,000 cases in Canada;
- AND WHEREAS** citizens are encouraged to wear a green ribbon as a symbol of Hope for the recovery of all missing children and to remain vigilant in our common desire to protect and nurture the youth of our Province;
- NOW THEREFORE** I, Linda Buchanan, Mayor of the City of North Vancouver, do hereby proclaim **MAY 2020** as **National Missing Children's Month** in the City of North Vancouver, the traditional territories of the Squamish and Tsleil-Waututh Nations.

So proclaimed on Monday, May 4, 2020

Linda C. Buchanan

Mayor Linda Buchanan

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8747

A Bylaw to amend “Zoning Bylaw, 1995, No. 6700”

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 **“Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2020, No. 8747” (Mike Fournogerakis / B.P.Y.A. 1163 Holdings Ltd., 1433 Lonsdale Avenue, CD-124 Text Amendment)**.
2. Part 11 of Division V: Comprehensive Development Regulations of Document “A” of “Zoning Bylaw, 1995, No. 6700” is hereby amended by:
 - A. In the CD-124 Zone, adding (m) to section (1) as follows:
 - (m) Maximum of one Cannabis Sales Retail Store;

READ a first time on the 10th day of February, 2020.

READ a second time on the 10th day of February, 2020.

READ a third time on the 24th day of February, 2020.

RECEIVED APPROVAL FROM THE LIQUOR AND CANNABIS REGULATION BRANCH on the 22nd day of April, 2020.

ADOPTED on the <> day of <>, 2020.

MAYOR

CITY CLERK

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THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8750

A Bylaw to amend “Zoning Bylaw, 1995, No. 6700”

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 **“Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2020, No. 8750” (Quantum 1 Cannabis / Russ Rossi, 820 Marine Drive, CD-725)**.
2. Division VI: Zoning Map of Document “A” of “Zoning Bylaw, 1995, No. 6700” is hereby amended by reclassifying the following lots as henceforth being transferred, added to and forming part of CD-725 (Comprehensive Development 725 Zone):

Lots	Block	D.L.	Plan	
E	D	265	20898	from CS-1

3. Part 11 of Division V: Comprehensive Development Regulations of Document “A” of “Zoning Bylaw, 1995, No. 6700” is hereby amended by:
 - A. Adding the following section to Section 1100, thereof, after the designation “CD-724 Comprehensive Development 724 Zone”:

“CD-725 Comprehensive Development 725 Zone”
 - B. Adding the following to Section 1101, thereof, after the “CD-724 Comprehensive Development 724 Zone”:

“CD-725 Comprehensive Development 725 Zone”

In the CD-725 Zone, permitted Uses, regulations for permitted Uses, regulations for the size, shape and siting of Buildings and Structures and required Off-Street Parking shall be as in the CS-1 Zone, except that:

- (1) In addition to the Principal Uses permitted in the CS-1 Zone, one Cannabis Sales retail store may be permitted.

READ a first time on the 10th day of February, 2020.

READ a second time on the 10th day of February, 2020.

READ a third time on the 24th day of February, 2020.

RECEIVED APPROVAL FROM THE LIQUOR AND CANNABIS REGULATION BRANCH on the 24th day of April, 2020.

ADOPTED on the <> day of <>, 2020.

MAYOR

CITY CLERK



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

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Ben Themens, Director of Finance

Subject: 2019 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Date: April 27, 2020 File No: 05-1680-04-0001/2019

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

RECOMMENDATION:

PURSUANT to the report of the Director of Finance, dated April 27, 2020, entitled "2019 Audited Consolidated Financial Statements":

THAT in accordance with Section 167 of the *Community Charter*, Council accept the City of North Vancouver Consolidated Financial Statements for the year ended December 31, 2019.

ATTACHMENTS:

1. The Corporation of the City of North Vancouver Draft 2019 Audited Consolidated Financial Statements

BACKGROUND:

Under the provisions of the *Community Charter*, the annual financial statements of the municipality must be presented to and accepted by Council. The statements have been audited by the City's appointed auditors, BDO Canada LLP, Chartered Accountants. In accordance with the latest recommendations of the Accounting Standards Board, signatures by the auditors on the audit report and by the Director of Finance on the statements will be added after acceptance of the statements by Council.

The City's 2019 audited consolidated financial statements are provided as Attachment 1 to this report.

SUMMARY:

The financial results for 2019 continue to reflect Council and staff's commitment to sound financial management. With COVID-19 there is a risk of delays or non payment of revenue, however the City is taking steps to mitigate these risks. The 2019 consolidated financial statements show that:

- The City is in a strong financial position, indicated by positive net financial assets that are consistent with 2018. Positive net financial assets indicate sustainability and flexibility, as explained in the Discussion section below.
- The City continues to have no debt.
- The City has a healthy amount of reserve funds set aside for specific purposes.
- The City is setting aside funds for capital projects and other infrastructure needs each year.

Included in the City's audited consolidated financial statements are:

- All the funds of the City of North Vancouver (including storm, water and sewer utilities)
- The accounts of the North Vancouver City Library
- The City's 33.33% share of the North Vancouver Recreation and Culture Commission
- The City's 50% share of the North Vancouver Museum and Archives Commission
- The funds formerly held under the NMC Society for the Pacific and Arctic Trust
- The City's equity in Lonsdale Energy Corp. (LEC), under the modified equity method.

With regard to the latter, the initial \$2 million equity investment in LEC has, for the second year, a book value that exceeds the initial investment. As per note 4 of the consolidated financial statements, LEC's shareholder equity is estimated at \$2,709,000. The statements also indicate that the City has a loan receivable balance of \$25.6 million from LEC and received \$649,000 in interest payments and dividends of \$30,000 in 2019.

The Cemetery Trust which is administered by the City is not included in the consolidated statements.

Results of the City's consolidated operations for 2019 and 2018 are as follows (in millions of dollars):

	2019	2018
Revenue	\$ 131.0	\$ 158.5
Expenses	118.4	111.0
Annual Surplus	12.6	47.5
Accumulated Surplus beginning of year	562.7	515.2
Accumulated Surplus end of year	<u>\$ 575.3</u>	<u>\$ 562.7</u>

The City had a surplus in 2019 of \$12.6 million which adds to the City's total equity.

The annual and accumulated surpluses are not totally made up of liquid assets. The accumulated surplus is made up of the following broad categories, including both liquid and non-liquid assets:

- Tangible capital assets of \$414.1 million (2018 - \$402.5 million), including civic, protective services and recreational and culture buildings, and streets, sewer, and water infrastructure.
- Funds of approximately \$41.8 million (2018 - \$38.1 million) appropriated for specific purposes, such as capital, water, sewer and other projects.
- Statutory reserves of \$107.5 million (2018 - \$112.1 million) which are authorized by the *Community Charter* or City Bylaw and include funds for machinery and equipment, buildings and other specific purposes and initiatives.
- Funds not designated for a specific purpose of approximately \$11.9 million (2018 - \$9.9 million).

The above funds are the City's equity. This equity is reflected in various forms on the City's consolidated statement of financial position, such as investments and other assets and liabilities.

DISCUSSION:

Assessment of Financial Condition:

As indicated above, the City is in a good financial position. Assessing the financial condition of the City includes several elements; among them are sustainability, flexibility and vulnerability.

- **Sustainability** refers to maintaining existing financial and service level commitments while balancing the need to incur debt or increase tax burden relative to the local economy.
- **Flexibility** refers to the amount of room available to change its tax burden in relation to the local economy it operates in, to be able to meet its service and financial commitments.
- **Vulnerability** refers to the degree that the City is dependent on sources of revenue which are beyond its control or influence that could impair the ability to meet service and financial commitments. An example of this type of revenue would be grants from other levels of government.

The following ratios have been used to assess the City's current financial condition as of December 31, 2019 and are stated in thousands of dollars. Discussion of the relevance of each ratio is included.

1. General Municipal Taxes / Total Revenue

This ratio is a measure of the diversification of revenues and also a measure of sustainability and flexibility. A high ratio indicates a reliance on property taxes while a low ratio illustrates a greater range of revenues.

2016 Actual	2017 Actual	2018 Actual	2019 Actual
$\frac{53,684}{123,200}$ 43.6%	$\frac{56,218}{146,514}$ 38.4%	$\frac{58,775}{158,504}$ 37.1%	$\frac{62,521}{131,007}$ 47.7%

The City's ratio indicates a higher reliance on property taxes when compared to other revenue sources. The risk this creates is mitigated by the fact that property taxes are considered a relatively stable and reliable source of revenue, and that the City's property tax base is diversified (i.e., unlike some municipalities, we have a strong business and industrial base).

The 2017 and 2018 ratios are lower than 2016 and 2019 due to higher gains on asset disposals and developer contributions included in total revenue for those years. It should be noted that these are non-cash transactions and as such do not add significantly to the City's financial strength. The 2019 ratio excluding developer contributed tangible capital assets and gains on asset disposal would have been 49.5% (2018 48.2%, 2017 49.1%).

2. Current Ratio (Current Assets / Current Liabilities)

This ratio is a measure of liquidity and also indicates how sustainable current financial practices are. A high ratio (>1 to 1) indicates a greater ability to respond to and meet budgeted and unexpected expenditures, while a lower ratio might indicate a financial trend which becomes less sustainable.

2016 Actual	2017 Actual	2018 Actual	2019 Actual
$\frac{74,468}{57,088}$ 1.3 to 1	$\frac{78,183}{57,594}$ 1.4 to 1	$\frac{79,193}{55,294}$ 1.4 to 1	$\frac{88,994}{65,553}$ 1.4 to 1

The City continues to maintain a favourable position in its ability to meet its obligations. The City's current ratio has been stable due to an active cash management program to match current assets to current liabilities.

The 2016 ratio was lower due to an increase in accounts payable and accrued liabilities.

3. Financial Assets / Liabilities

A ratio lower than one indicates that liabilities are greater than financial assets (net debt) and that future revenues will be required to pay for past transactions and events. A result

higher than one indicates that financial assets exceed liabilities and that financial resources are on hand that can finance future operations.

2016 Actual	2017 Actual	2018 Actual	2019 Actual
$\frac{197,181}{85,089}$ 2.3 to 1	$\frac{217,372}{86,216}$ 2.5 to 1	$\frac{244,503}{86,592}$ 2.8 to 1	$\frac{256,595}{97,710}$ 2.6 to 1

The City's ratio decreased slightly to 2.6 to 1 and continues to indicate that the City has the financial resources on hand to finance future operations. The decrease is due to the greater increase in liabilities over assets. The decrease is driven primarily by an increase in the timing of liabilities (i.e. accounts payable accrued liabilities and deferred revenue).

4. Net Book Value (NBV) of Capital Assets / Cost of Capital Assets

This ratio indicates the extent to which the estimated useful lives of a government's tangible capital assets are available to provide its products and services. A ratio greater than 50% indicates that the assets have more than half of their useful life remaining. As the ratio decreases it may eventually reduce an organization's flexibility because of the impending future costs of capital asset replacement, repair and maintenance.

2016 Recast Actual	2017 Actual	2018 Actual	2019 Actual
$\frac{359,066}{522,041}$ 68.8%	$\frac{381,939}{555,685}$ 68.7%	$\frac{402,540}{588,824}$ 68.4%	$\frac{414,093}{615,128}$ 67.3%

With capital asset replacements over the years, the City's ratio has remained relatively constant. It is the City's long-standing policy to place maintenance of existing infrastructure as a first priority, and to only take on new facilities and programs once maintenance and replacement projects have been funded. During 2017, the City revised its valuation for sidewalk assets included in the infrastructure and land improvements categories of tangible capital assets. As a result the 2016 tangible capital assets were recast to reflect this.

5. Accumulated Unappropriated Surplus / Total Operating Revenues

Accumulated Unappropriated Surplus levels are an indicator of financial strength since these reserves (as distinguished from Statutory and Appropriated Reserves shown in Note 9) provide the ability to meet unforeseen expenditures or revenue losses.

2016 Actual	2017 Actual	2018 Actual	2019 Actual
$\frac{7,012}{101,313}$ 6.9%	$\frac{9,087}{109,007}$ 8.3%	$\frac{9,897}{114,667}$ 8.6%	$\frac{11,888}{118,529}$ 10.0%

The City's Reserves and Accumulated Surplus Policy (Policy) requires the maintenance of an accumulated operating surplus of between 5% and 10% of total annual operating

revenues, in order to meet emergency expenditures such as major flooding, earthquakes, etc. The City has exercised sound financial management so that the accumulated unappropriated surplus remains adequate and within policy requirements.

FINANCIAL IMPLICATIONS:

Addressed throughout the report and additional materials provided.

INTERDEPARTMENTAL IMPLICATIONS:

This report and draft statements summarizes the financial implications of the activities of the whole corporation.

STRATEGIC PLAN IMPLICATIONS:

The financial results for 2019 reflect the City's Strategic Plan long term financial goal of ensuring financial sustainability. These results also reflect *Community Charter* requirements to manage within a balanced budget framework and support the Community Vision of the OCP which states "In 2031, the City of North Vancouver will be a vibrant, diverse, and highly livable community that is resilient to climate or other changes, and sustainable in its ability to prosper without sacrifice to future generations."

The City's favourable financial position is based on a commitment to these goals, and reflects each department's cooperation and participation in sound financial management.

RESPECTFULLY SUBMITTED:



Ben Themens
Director, Finance

**The Corporation of the City of
North Vancouver**
Consolidated Financial Statements
For the year ended December 31, 2019

Statement of Management Responsibility

The Council of the Corporation of the City of North Vancouver (“City”) has delegated the responsibility for the integrity and objectivity of the financial information contained in the consolidated financial statements to the management of the City. The consolidated financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are executed and recorded in accordance with authorization, and that financial records are reliable for preparation of financial statements.

The Mayor and Council oversee management's responsibilities for the financial reporting and internal control systems. Council annually reviews and approves the consolidated financial statements.

The City's independent auditors, BDO Canada LLP, are engaged to express an opinion as to whether the City's consolidated financial statements present fairly in all material respects the financial position of the City as at December 31, 2019, and the results of operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted auditing standards.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards.

Director of Finance

May 4, 2020

Independent Auditor's Report

To the Mayor and Council of the Corporation of the City of North Vancouver

Opinion

We have audited the consolidated financial statements of Corporation of the City of North Vancouver and its controlled entities (the "City"), which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statement of operations, the consolidated statement of changes in net financial assets and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2019, and its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements,

whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the City audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia

[Date of Council Approval]

**The Corporation of the City of North Vancouver
Consolidated Statement of Financial Position
As at December 31, 2019 with comparative figures for 2018
(in thousands of dollars)**

	<u>2019</u>	<u>2018</u>
FINANCIAL ASSETS		
Cash	\$ 9,929	\$ 6,796
Temporary investments (note 3(a))	52,994	43,918
Portfolio investments (note 3(b))	139,269	139,902
Investment in Lonsdale Energy Corp. (note 4)	2,709	2,114
Due from other governments	4,561	3,542
Accounts receivable	8,365	10,727
Loan to Lonsdale Energy Corp. (note 5)	25,623	23,294
Interest receivable	13,145	14,210
	<u>256,595</u>	<u>244,503</u>
LIABILITIES		
Accounts payable and accrued liabilities	24,888	17,066
Deferred revenue	30,218	27,735
Deferred development cost charges	23,323	22,282
Long-term debt (note 6)	684	895
Employee future benefits (note 7)	8,150	8,121
Advances and other liabilities	10,447	10,493
	<u>97,710</u>	<u>86,592</u>
NET FINANCIAL ASSETS	<u>158,885</u>	<u>157,911</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	414,093	402,540
Inventories	631	656
Prepaid expenses	1,745	1,619
	<u>416,469</u>	<u>404,815</u>
ACCUMULATED SURPLUS (note 9)	<u>\$ 575,354</u>	<u>\$ 562,726</u>

Commitments and contingencies (note 10)
See accompanying notes to the consolidated financial statements

Director of Finance

The Corporation of the City of North Vancouver
Consolidated Statement of Operations
Year ended December 31, 2019 with comparative figures for 2018
(in thousands of dollars)

	2019 Budget	2019	2018
	(notes 2(h) and 14)		
REVENUE			
Property value tax	\$ 62,557	\$ 62,521	\$ 58,775
Parcel taxes	3,160	3,204	2,940
Licences and permits	4,572	4,856	6,493
Fines and fees	4,840	5,157	6,418
Rent	1,491	2,191	2,213
Interest, dividends and penalties	2,119	6,477	5,924
Sale of services	27,947	29,896	27,767
Rebate and recoveries	85	58	62
Grants and other	7,116	11,276	10,850
Developer contributions and other transfers	269	5,203	34,856
Gains on disposition of assets	-	(427)	1,626
Lonsdale Energy Corp. income (note 4)	-	595	580
	<u>114,156</u>	<u>131,007</u>	<u>158,504</u>
EXPENSES			
General government	18,999	19,818	19,293
Transportation and transit	6,109	8,279	7,173
Health, social services and housing	2,663	2,685	2,637
Development services	6,009	6,340	5,926
Protective services	27,489	27,259	25,319
Parks, recreation and culture	28,422	30,210	27,790
Water utilities	10,337	9,964	9,618
Sewer utilities	9,272	9,598	9,139
Solid waste	4,396	4,226	4,151
	<u>113,696</u>	<u>118,379</u>	<u>111,046</u>
Total expenses (note 12)			
Annual surplus	460	12,628	47,458
Accumulated surplus beginning of year	<u>562,726</u>	<u>562,726</u>	<u>515,268</u>
Accumulated surplus end of year	<u>\$ 563,186</u>	<u>\$ 575,354</u>	<u>\$ 562,726</u>

See accompanying notes to the consolidated financial statements

The Corporation of the City of North Vancouver
Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2019 with comparative figures for 2018
(in thousands of dollars)

	2019 Budget	2019	2018
	(notes 2(h) and 14)		
Annual surplus	\$ 460	\$ 12,628	\$ 47,458
Acquisition of tangible capital assets	(78,542)	(26,315)	(32,071)
Non-cash developer contributed assets and found assets	-	(1,085)	(3,918)
Proceeds on sale of tangible capital assets	-	70	2,187
Depreciation of tangible capital assets	15,100	15,350	14,827
Loss (gain) on disposition of tangible capital assets	-	427	(1,626)
	<u>(63,442)</u>	<u>(11,553)</u>	<u>(20,601)</u>
Acquisition of inventories		(1,347)	(1,243)
Acquisition of prepaid expenses	-	(1,707)	(1,693)
Use of inventories	-	1,372	1,280
Use of prepaid expenses	-	1,581	1,554
	<u>-</u>	<u>(101)</u>	<u>(102)</u>
Increase (decrease) in net financial assets	(62,982)	974	26,755
Net financial assets, beginning of year	<u>157,911</u>	<u>157,911</u>	<u>131,156</u>
Net financial assets, end of year	<u>\$ 94,929</u>	<u>\$ 158,885</u>	<u>\$ 157,911</u>

See accompanying notes to the consolidated financial statements

The Corporation of the City of North Vancouver
Consolidated Statement of Cash Flows
Year ended December 31, 2019 with comparative figures for 2018
(in thousands of dollars)

	<u>2019</u>	<u>2018</u>
Cash provided by (used for):		
Operating Transactions		
Annual surplus	\$ 12,628	\$ 47,458
Items not involving cash:		
Depreciation expense	15,350	14,827
Loss (gain) on disposal of tangible capital assets	427	(1,626)
Non-cash developer contributed assets and found assets	(1,085)	(3,918)
Lonsdale Energy Corp. income	(595)	(580)
Changes in non-cash operating items:		
(Increase) decrease in due from other governments	(1,019)	311
Decrease (increase) in accounts receivable	2,362	(1,773)
Increase in loan to Lonsdale Energy Corp.	(2,329)	(4,052)
Decrease (increase) in interest receivable	1,065	(1,469)
Increase (decrease) in accounts payable and accrued liabilities	7,822	(2,032)
Increase increase in deferred revenue	2,483	11
Increase in deferred development cost charges	1,041	3,016
Increase (decrease) in accrued employee future benefits	29	(137)
Decrease in advances and other liabilities	(46)	(279)
Decrease in inventories	25	37
Increase in prepaid expenses	(126)	(139)
	<u>38,032</u>	<u>49,655</u>
Capital Transactions		
Cash used to acquire tangible capital assets	(26,315)	(32,071)
Proceeds from sale of tangible capital assets	70	2,187
	<u>(26,245)</u>	<u>(29,884)</u>
Investing Transactions		
Decrease (increase) in temporary investments	(9,076)	970
Increase in portfolio investments	633	(21,489)
	<u>(8,443)</u>	<u>(20,519)</u>
Financing Transactions		
Repayment of long-term debt	(211)	(203)
(Decrease) increase in cash	3,133	(951)
Cash, beginning of year	<u>6,796</u>	<u>7,747</u>
Cash, end of year	<u>\$ 9,929</u>	<u>\$ 6,796</u>

See accompanying notes to the consolidated financial statements

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

1. OPERATIONS

The City of North Vancouver (the "City") was incorporated in 1907 and operates under the provisions of the Community Charter and the Local Government Act of British Columbia. The City's principal activity is the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water and sanitary services.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City have been prepared in accordance with Canadian public sector accounting standards, as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada. The significant accounting policies are summarized below:

(a) Basis of Presentation

The consolidated financial statements include the accounts of all the funds of the City, the accounts of the North Vancouver City Library, which is controlled by the City, the City's 33% proportionate share of the operations of the North Vancouver Recreation Commission, and the City's 50% proportionate share of the operations of the North Vancouver Museum and Archives Commission. The City's investment in Lonsdale Energy Corporation ("LEC"), a wholly owned government business enterprise, is accounted for using the modified equity method.

The City participates with the District of North Vancouver in the operation and management of the North Vancouver Recreation Commission, and the City includes its proportionate share in the City's consolidated financial statements. The current agreement specifies that the operating costs shall be paid 33% (2018 – 33%) by the City and 67% (2018 – 67%) by the District of North Vancouver. Each municipality is responsible for its own facilities and pays 100% of all capital costs relating to improvement, expansion and replacement of buildings or facility equipment.

The City also participates with the District of North Vancouver in the operation and management of the North Vancouver Museum and Archives Commission, and the City includes its proportionate share in the City's consolidated financial statements. The current agreement specifies that the operating costs shall be paid 50% (2018 – 50%) by the City and 50% (2018 – 50%) by the District of North Vancouver. Each municipality is responsible for its own facilities and pays 100% of all capital costs relating to improvement, expansion and replacement of buildings or facility equipment.

(b) Basis of Accounting

Revenue is recorded on an accrual basis and recognized when earned. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(c) Revenue Recognition

Taxes are recognized as revenue in the year they are levied. Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded. Any additional adjustments required over that estimated are recognized at the time they are awarded. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Levies imposed for Regional District services and other taxing authorities are not included.

Charges for sewer, water and solid waste usage are recorded as user fees. Connection fees revenues are recognized when the connection has been established.

Sale of service and other revenue are recognized on an accrual basis.

(d) Deferred Revenue

Deferred revenue consists of prepaid property taxes, prepaid business licenses, and fees paid in advance for services yet to be provided.

(e) Development Cost Charges

Development cost charges collected to pay for future capital projects are deferred upon receipt and recognized as revenue when the capital costs for which they were collected are incurred.

(f) Temporary Investments

Temporary investments include bank issued notes and bonds and provincial bonds and debentures maturing in the subsequent year and are valued at the lower of cost or market value.

(g) Portfolio Investments

Portfolio investments include bank issued notes and bonds and provincial bonds and debentures maturing after the subsequent year end. Securities are recorded at their cost and written down to reflect losses in value that are other than temporary.

(h) Budget Figures

The budget figures are based on the ten year financial plan adopted on April 8th, 2019.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(i) Government Transfers

Unrestricted government transfers are recognized as revenue in the year that the transfer is authorized by the issuing government and any eligibility criteria have been met. Restricted government transfers, in the way of grants or other transfers, are recognized as revenue in the year in which any stipulations that create liabilities are met.

(j) Employee Future Benefits

The City and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer plan, contributions are expensed as incurred.

Sick leave and post-employment benefits also accrue to the City's employees. The liabilities related to these benefits are actuarially determined based on services and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefits plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(k) Long-term Debt

Long-term debt is recorded in the consolidated financial statements net of repayments and sinking fund adjustments.

(l) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They may have useful lives extending beyond the current year and are not intended for sale in the ordinary course of business.

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost less residual value of the tangible capital assets, excluding land, is amortized on a straight line basis over their estimated useful lives as follows:

Land improvements	Straight line over useful life of each asset unit	10 – 100 years
Parks	Straight line over useful life of each asset unit	10 – 75 years
Buildings	Straight line over useful life of each asset unit	10 – 100 years
Machinery & equipment	Straight line over useful life of each asset unit	3 – 25 years
Vehicles	Straight line over useful life of each asset unit	6 – 25 years
Infrastructure	Straight line over useful life of each asset unit	7 – 100 years
Library materials	Straight line over useful life of each asset unit	2 – 5 years
Work in progress	Not depreciated until put into use	

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

(l) Non-Financial Assets (cont'd)

(ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions or transfers from developers are recorded at their estimated fair value at the date of receipt and also are recorded as revenue.

(iii) Works of Art and Historic Assets

Works of art and historic assets are not recorded as assets in these consolidated financial statements.

(iv) Natural Resources

Horticultural assets such as treed areas, grassy areas and gardens are not recognized as assets in the consolidated financial statements.

(v) Interest Capitalization

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(vi) Leased Tangible Capital Assets

Leases that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the payments are charged to expenses as incurred.

(vii) Inventories

Inventories held for consumption are recorded at the lower of weighted average cost and replacement cost.

(m) Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and the disclosure of contingent liabilities. Areas requiring significant estimation are post-employment benefits, compensated absences and termination benefits and estimated useful life of tangible capital assets. Actual results could differ from these estimates.

(n) Segment Disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information related to expenses. See note 12.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

2. SIGNIFICANT ACCOUNTING POLICIES (con't)

(o) Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use or an unexpected event has occurred and the following criteria are met:

- i) An environmental standard exists;
- ii) Contamination exceeds the environmental standard;
- iii) The City is directly responsible or accepts responsibility;
- iv) It is expected that future economic benefits will be given up; and
- v) A reasonable estimate of the amount can be made

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

3. INVESTMENTS

(a) Temporary Investments

The fair value of temporary investments at December 31, 2019 was \$54,943,973 (2018 - \$46,769,729). These investments range in maturity date from January 2, 2020 to December 16, 2020, and range in yield from 2.05% to 5.16%.

(b) Portfolio Investments

The fair value of portfolio investments at December 31, 2019 was \$151,360,972 (2018 - \$149,587,369). These investments range in maturity from January 7, 2021 to May 15, 2031, and range in yield from 2.01% to 7.52%.

4. INVESTMENT IN LONSDALE ENERGY CORPORATION ("LEC")

The City owns all the issued and outstanding shares of LEC, which was incorporated under the British Columbia Company Act on July 7, 2003. LEC operates a district energy system providing hydronic energy to residential, institutional and commercial buildings in the Lonsdale and Marine Drive – Harbourside areas of the City of North Vancouver.

Summarized financial information relating to LEC is as follows:

	2019	2018
Cash and accounts receivable	\$ 2,230	\$ 1,874
Tangible capital assets	34,762	31,777
Other assets	659	612
Total assets	<u>\$ 37,651</u>	<u>\$ 34,263</u>
Accounts payable and accrued liabilities	\$ 1,346	\$ 1,449
Deferred contributions	7,289	6,511
Debt	26,307	24,189
Total Liabilities	<u>\$ 34,942</u>	<u>\$ 32,149</u>
Shareholder's equity	<u>\$ 2,709</u>	<u>\$ 2,114</u>
Total revenue	\$ 5,964	\$ 4,770
Total expenses	5,369	4,190
Net income	<u>\$ 595</u>	<u>\$ 580</u>

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

4. INVESTMENT IN LONSDALE ENERGY CORPORATION (“LEC”) (con’t)

Included in the City’s consolidated statement of financial position is “Investment in Lonsdale Energy Corp.” in the amount of \$2,709,000 (2018 - \$2,114,000) and a loan receivable, see note 5. Also, included in accounts receivable in the City’s consolidated statement of financial position are receivables from LEC in the amount of \$522,000 (2018 - \$559,000).

5. LOAN TO LONSDALE ENERGY CORPORATION (“LEC”)

The loan receivable balance of \$25,623,086 (2018 - \$23,293,926) consists of the following interest bearing promissory notes:

On August 1, 2018, the City converted amounts due from LEC whereby LEC issued a 5 year promissory note to the City in the amount of \$33,661,966 bearing interest at 2.65%. The promissory note to the City has been partially drawn upon with a balance owing at December 31, 2019 of \$25,623,086 (2018 - \$23,293,926).

All loans are due on demand and bear interest at 2.65% (2018 – 2.65%). Interest revenue of \$648,777 (2018 - \$492,448) and Dividend revenue of \$30,100 (2018 - \$0) has been included in the consolidated statement of operations.

At the maturity date of the loan to LEC, the City may, at its discretion, extend the terms of the loan in whole or in part or LEC may repay the loan in whole or in part using either internal or external financing.

6. LONG-TERM DEBT

The City has financed the expansion of LEC by assuming debt on behalf of LEC through the Municipal Finance Authority in accordance with the Community Charter. Debt principal is reported net of repayments and actuarial adjustments. The City carries no other long-term debt. The total debt issued and outstanding as at December 31, 2019 was \$684,288 (2018 - \$895,067).

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

6. LONG-TERM DEBT (con't)

Future principal re-payments and actuarial adjustments on net outstanding debt over the next five years are as follows:

	<u>2019</u>
2020	\$ 219,210
2021	227,979
2022	<u>237,099</u>
	<u>\$ 684,288</u>

Interest expense of \$6,000 (2018 - \$6,000) has been included in the Consolidated Statement of Operations. The interest rate on long-term debt is 0.3% per annum.

7. EMPLOYEE FUTURE BENEFITS

(a) Sick and Severance

Employees of the City are entitled to payments related to unused sick leave and severance upon retirement or resignation after ten years of service. The amount recorded for these benefits is based on an actuarial valuation done by an independent firm of actuaries using a projected benefit actuarial valuation method pro-rated on services. The most recent actuarial valuation of the City's future benefits was completed as at December 31, 2019.

Information regarding the City's obligations for these benefits, including its proportionate share of the North Vancouver City Library, North Vancouver Recreation Commission, and North Vancouver Museum and Archives Commission, is as follows:

	<u>2019</u>	<u>2018</u>
Benefit obligation - beginning of the year	\$ 7,604	\$ 7,862
Add: Current service costs	646	655
Interest on accrued benefit obligation	257	239
Less: Actuarial (gain) loss	130	(154)
Benefits paid	<u>(822)</u>	<u>(998)</u>
Benefit obligation - end of the year	\$ 7,815	\$ 7,604
Add: Unamortized actuarial gain	<u>335</u>	<u>517</u>
Accrued benefit liability - end of the year	<u>\$ 8,150</u>	<u>\$ 8,121</u>

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

7. EMPLOYEE FUTURE BENEFITS (con't)

The significant actuarial assumptions adopted in measuring the City's accrued benefit liability are as follows:

	2019	2018
Discount rates	2.70%	3.30%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.58% to 4.63%	2.58% to 4.63%

The unamortized actuarial gain is amortized over a period equal to the employees' average remaining service lifetime of ten years for the City.

(b) Council Retirement Stipend

Starting 2005, Council Members are entitled to a retirement stipend based on 9.97% of the individual's total indemnity received subsequent to 2002. These amounts are accrued as earned and recorded in accounts payable and accrued liabilities.

8. TANGIBLE CAPITAL ASSETS

2019	Land	Land Improvements	Parks	Buildings	Machinery & Equipment	Vehicles	Infrastructure	Library Materials	Work in Progress	Total
Cost										
Balance as at December 31, 2018	\$ 38,909	\$ 63,348	\$ 49,700	\$ 125,709	\$ 19,708	\$ 10,901	\$ 232,731	\$ 930	\$ 46,888	\$ 588,824
Additions	-	12,753	657	1,262	1,232	899	7,913	233	49,339	74,288
Disposals	-	-	-	286	(644)	473	770	211	46,888	47,984
Balance as at December 31, 2019	\$ 38,909	\$ 76,101	\$ 50,357	\$ 126,685	\$ 21,584	\$ 11,327	\$ 239,874	\$ 952	\$ 49,339	\$ 615,128
Accumulated Depreciation										
Balance as at December 31, 2018	\$ -	\$ 12,219	\$ 14,126	\$ 57,170	\$ 13,644	\$ 5,944	\$ 82,721	\$ 460	\$ -	\$ 186,284
Depreciation expense	-	2,103	1,703	4,925	1,483	546	4,374	216	-	15,350
Disposals	-	-	-	283	(644)	402	347	211	-	599
Balance as at December 31, 2019	\$ -	\$ 14,322	\$ 15,829	\$ 61,812	\$ 15,771	\$ 6,088	\$ 86,748	\$ 465	\$ -	\$ 201,035
Net Book Value										
December 31, 2019	\$ 38,909	\$ 61,779	\$ 34,528	\$ 64,873	\$ 5,813	\$ 5,239	\$ 153,126	\$ 487	\$ 49,339	\$ 414,093
2018										
Cost										
Balance as at December 31, 2017	\$ 35,365	\$ 55,813	\$ 42,766	\$ 123,057	\$ 19,225	\$ 11,082	\$ 227,567	\$ 936	\$ 39,874	\$ 555,685
Additions	4,467	7,535	6,934	2,657	1,005	410	6,671	219	46,888	76,786
Disposals	923	-	-	5	522	591	1,507	225	39,874	43,647
Balance as at December 31, 2018	\$ 38,909	\$ 63,348	\$ 49,700	\$ 125,709	\$ 19,708	\$ 10,901	\$ 232,731	\$ 930	\$ 46,888	\$ 588,824
Accumulated Depreciation										
Balance as at December 31, 2017	\$ -	\$ 10,458	\$ 12,513	\$ 52,352	\$ 12,427	\$ 5,859	\$ 79,666	\$ 471	\$ -	\$ 173,746
Depreciation expense	-	1,761	1,613	4,823	1,739	587	4,090	214	-	14,827
Disposals	-	-	-	5	522	502	1,035	225	-	2,289
Balance as at December 31, 2018	\$ -	\$ 12,219	\$ 14,126	\$ 57,170	\$ 13,644	\$ 5,944	\$ 82,721	\$ 460	\$ -	\$ 186,284
Net Book Value										
December 31, 2018	\$ 38,909	\$ 51,129	\$ 35,574	\$ 68,539	\$ 6,064	\$ 4,957	\$ 150,010	\$ 470	\$ 46,888	\$ 402,540

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

8. TANGIBLE CAPITAL ASSETS (con't)

(a) Work in Progress

Work in progress having a value of \$ 49,339,000 (2018 - \$46,888,000) has not been amortized. Amortization of these assets will commence when the asset is in service.

(b) Developer Contributed Tangible Capital Assets and Other Transfers

Developer contributed tangible capital assets and other transfers have been recognized at their estimated fair value at the date of contribution. Developer contributed tangible capital assets and other transfers of \$1,085,000 (2018 - \$4,841,000) have been recognized during the year.

(c) Works of Art and Historic Assets

The City manages and controls various works of art and non-operational historic assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded in the consolidated financial statements of the City.

(d) Write-Down and Write-Up of Tangible Capital Assets

There were no write-downs during the current or prior year. Write-ups of tangible capital assets during the current year relate to software still in active use.

9. ACCUMULATED SURPLUS

	2019	2018
Current Funds – general, water and sewer	\$ 36,718	\$ 35,877
Reserve fund	107,552	112,153
Capital fund	431,084	414,696
Accumulated surplus, end of year	\$ 575,354	\$ 562,726

(a) Current Funds – general, water and sewer

	2019	2018
Appropriated:		
General funds	\$ 13,298	\$ 14,162
Water fund	1,857	1,096
Sewer fund	9,675	10,722
Unappropriated:		
General funds	10,722	9,128
Sewer funds	476	745
Water fund	690	24
	\$ 36,718	\$ 35,877

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

9. ACCUMULATED SURPLUS (con't)

(b) Reserve Funds

	Balance December 31, 2018	Contributions & Transfers	Earnings	Less Expenditures	Balance December 31, 2019
Machinery and Equipment					
Engineering	\$ 3,914	\$ 437	\$ 166	\$ 655	\$ 3,862
Fire	704	350	32	213	873
General	99	-	4	8	95
Computer	561	38	11	409	201
Building	539	-	12	225	326
Local Improvements	805	5	23	5	828
Affordable Housing	4,868	396	140	508	4,896
Tax Sale Lands	34,928	-	1,190	877	35,241
Waterworks	6,044	-	151	1,639	4,556
Parking	190	-	8	159	39
Civic Amenity	54,771	4,185	2,287	9,358	51,885
Justice Administration Accommodation	142	-	4	23	123
Streets DCC	-	2,027	-	2,027	-
Parks DCC	-	4,543	-	4,543	-
Lower Lonsdale Amenity	70	-	-	-	70
Lower Lonsdale Legacy	2,660	-	76	76	2,660
Infrastructure	332	-	734	428	638
Public Art	502	85	15	55	547
Marine Drive Community Amenity	346	-	-	156	190
Sustainable Transportation	349	88	8	167	278
Carbon Fund	329	65	8	158	244
Water DCC	-	-	-	-	-
Sanitary DCC	-	-	-	-	-
Drainage DCC	-	-	-	-	-
Total	\$ 112,153	\$ 12,219	\$ 4,869	\$ 21,689	\$ 107,552

(c) Capital Fund

	2019	2018
Capital fund		
Invested in tangible capital assets	\$ 414,093	\$ 402,540
Appropriated Capital funds	16,991	12,156
	<u>\$ 431,084</u>	<u>\$ 414,696</u>

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

10. COMMITMENTS AND CONTINGENCIES

(a) Property Taxes

The City is obliged to levy, collect and remit property taxes on behalf of, and to finance the arrears of property taxes of, other bodies as follows:

Collections for and remittances to other bodies	2019	2018
Provincial Government - Schools	\$ 39,123	\$ 36,026
Greater Vancouver Regional District	1,460	1,340
Greater Vancouver Transportation Authority	8,917	7,992
British Columbia Assessment Authority	1,448	1,367
Municipal Finance Authority	7	6
BIA Lower Lonsdale Society	498	498
	<u>\$ 51,453</u>	<u>\$ 47,229</u>

(b) Pension Liability

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$4,259,000 (2018 - \$4,112,000) for employer contributions to the plan in fiscal 2019.

The next valuation will be as at December 31, 2021, with results available in 2022.

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

(b) Pension Liability (con't)

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

(c) Contingent Liabilities

The City is currently engaged in or party to certain legal actions, assessment appeals and other existing conditions involving uncertainty which may result in material loss. A reasonable estimate of these future liabilities has been made where possible and is recorded in the financial statements as a liability. Where the outcomes of amounts or losses are uncertain, no amounts have been recorded.

(d) E-Comm

The City is a member of Emergency Communications for British Columbia, Incorporated ("E-Comm"), an organization comprised predominately of member municipalities, for the purpose of providing emergency dispatch services. The City is represented on the board and as a class "A" shareholder has voting rights should the organization want to incur additional debt.

The E-Comm facility was constructed using debt as a financing mechanism and members are liable for a proportionate share of that debt. This debt is repaid by members through annual fees charged by E-Comm. Should E-Comm dissolve, the members would be liable for a proportionate share of any residual debt. Alternatively, should members choose to opt out of E-Comm they would be liable for a proportionate share of debt at the time of withdrawal.

The City holds 2 class "A" shares and one class "B" share.

(e) Contractual Obligations

During 2014 the City, in conjunction with the District of North Vancouver and the District of West Vancouver, entered into a new contract for recyclables collection for a period of five years commencing July 1, 2015. The City's portion of the annual contract costs is expected to be approximately \$1,100,000 for the years from 2015 to mid 2020. The City is also eligible to receive an incentive from Multi-Materials BC (MMBC) of approximately \$65,000 per month (\$780,000 annually). This will not be renewed as commencing July 2020, RecycleBC will be responsible for providing residential recycling services in the City.

As at December 31, 2019 the City had entered into various construction contracts for a total outstanding value of \$19,6M

(f) Construction Loan Guarantee

On February 14, 2017 the City entered an agreement as a loan guarantor, for the British Columbia Photography and Media Society, for a demand construction bridge loan to a maximum of \$5M not to exceed five years.

**The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)**

11. TRUST FUNDS

Certain assets have been conveyed or assigned to the City to be administered as directed by an agreement or statute. The City holds the assets for the benefit of, and stands in a fiduciary relationship to, the beneficiary. The Cemetery Trust Fund, totaling \$3,045,000 (2018 - \$2,918,000), which is administered by the City, has not been included with the City's accounts.

12. SEGMENTED INFORMATION

The City is a diversified municipal government entity in the Province of British Columbia that provides a wide range of services to its citizens. Certain functional areas have been combined and separately disclosed in the segmented information. The segments and the services they provide are as follows:

General Government

General Government provides the administrative and legislative services that support the various sectors of the City. Functions include financial planning and reporting, economic development and legislative services.

Transportation and Transit

The Transportation department aims to provide enhanced access to public transit, safe pedestrian and cyclist routes, enable accessible transportation for people with limited mobility and maintain existing infrastructure. These goals are achieved through street design, traffic signals and signs, street lighting and road maintenance activities.

Health, Social Services and Housing

Health, Social Services and Housing encompasses a wide variety of City funded initiatives aimed at supporting the social structure and sustainability of the community. Included are cemetery operations, youth and family support services, seniors programs and homeless prevention initiatives.

Development Services

Development Services' focus is community planning, which includes land use guidelines, the management of City owned lands, heritage planning and development of the City's official community plan.

Protective Services

Protective Services is comprised of the North Vancouver RCMP detachment, the North Vancouver City Fire Department and bylaw enforcement. The North Vancouver RCMP detachment plays an integral role in the protection of North Vancouver residents and their property through crime prevention and detection, emergency response and victim services. The North Vancouver City Fire Department is responsible to provide fire suppression service, fire prevention services and fire safety education.

Parks, Recreation and Culture

Parks, Recreation and Culture provides access to recreation facilities, the operation and maintenance of the City's many parks and trails, the North Vancouver City Library and the City's participation in the North Vancouver Museum and Archives and the North Vancouver Office of Cultural Affairs.

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

12. SEGMENTED INFORMATION (con't)

Water Utilities

The Water Utility, in conjunction with Metro Vancouver, provides safe, clean, reliable water to the residents and businesses of the City of North Vancouver.

Sewer Utilities

The Sewer Utility collects waste water and transports it to trunk water mains and wastewater treatment plants operated by Metro Vancouver. In addition to the collection of wastewater, the Sewer Utility also manages the City's 150km storm sewerage system which diverts rainfall runoff from private property with an emphasis on flood prevention.

Solid Waste

The Solid Waste department provides curbside garbage, recycling and yard trimmings collection to the residents of the City of North Vancouver.

	Revenues	Expenses					Total	Annual Surplus(Deficit)
		Wages & Benefits	Goods & Supplies	Services	Depreciation	Capitalized		
General government	\$ 81,436	\$ 13,801	\$ 4,465	\$ 3,538	\$ 4,435	\$ (6,421)	\$ 19,818	\$ 61,618
Transportation and transit	2,294	2,773	1,207	5,853	3,029	(4,583)	8,279	(5,985)
Health, social services and housing	377	400	98	2,236	-	(49)	2,685	(2,308)
Development services	5,991	6,094	35	211	-	-	6,340	(349)
Protective services	1,621	18,675	815	7,346	664	(241)	27,259	(25,638)
Parks, recreation and culture	9,820	14,715	1,394	15,036	5,674	(6,609)	30,210	(20,390)
Water utilities	12,495	2,350	7,874	2,467	786	(3,513)	9,964	2,531
Sewer utilities	13,184	1,928	583	11,235	751	(4,899)	9,598	3,586
Solid waste	3,789	1,490	34	2,691	11	-	4,226	(437)
2019	\$ 131,007	\$ 62,226	\$ 16,505	\$ 50,613	\$ 15,350	\$ (26,315)	\$ 118,379	\$ 12,628
2018	\$ 158,504	\$ 58,133	\$ 13,771	\$ 56,167	\$ 14,827	\$ (31,852)	\$ 111,046	\$ 47,458

13. CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. As at December 31, 2019 the significant contractual rights of the City consisted of developer contributions. These rights exist as the City has entered into a number of public works development agreements which require the developers to contribute various infrastructure assets to the City, including roads and underground utilities. The timing and extent of these future contributions vary depending on development activity and fair value of the assets received at time of contribution. The contributions will be recorded as revenue based on the fair value of the assets received at the time that the City assumes the risks and responsibilities related to the assets.

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

14. BUDGET FIGURES

The budget figures presented in these consolidated financial statements are based upon the financial plan approved by Council as the Financial Plan for the Years 2019 to 2028 Bylaw, 2019, No. 8703 April 8th, 2019. The table below reconciles the approved budget to the budget figures reported.

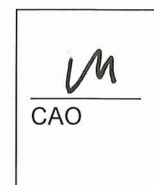
		Financial Plan Bylaw
Revenue per Statement of Operations		\$ 114,156
Less:		
Budget Adjustments for Consolidation	(144)	
Transfers from Reserve	(3,467)	
Interagency Funds	<u>(4,926)</u>	(8,537)
Revenue per financial plan bylaw 8637		<u>105,619</u>
Expenses per Statement of Operations		113,696
Add:		
Transfer to other funds		(5,314)
Less:		
Budget Adjustments for Consolidation	4,003	
Interagency payments	<u>(4,926)</u>	(923)
Expenses per financial plan bylaw 8637		<u>107,459</u>
Deficit for the year		(1,840)
Reserves and capital:		
Capital expenditures		(78,542)
Depreciation		15,100
Equity		(9,424)
Transfers from reserves		54,298
External contributions		<u>20,408</u>
Annual budgeted Surplus per financial plan bylaw		<u>\$ -</u>

The Corporation of the City of North Vancouver
Notes to Consolidated Financial Statements
Year ended December 31, 2019
(tabular amounts in thousands of dollars)

15. COVID-19 IMPACT

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be specific impact on the City, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the City's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the City is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The City's ability to continue delivering non-essential services and employ related staff will depend on the legislative mandates from the various levels of government. The City will continue to focus on collecting receivables, managing expenditures, and, if necessary, leveraging existing reserves and available credit facilities. A revenue anticipation borrowing bylaw, 2020, No. 8749 was also authorized to borrow up to \$35M to ensure it is able to continue providing essential services to its citizens.

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

REPORT

To: Mayor Linda Buchanan and Members of Council
From: Ben Themens, Director of Finance
Subject: 2020 TAX RATES BYLAW
Date: April 28, 2020 File No: 05-1970-05-0005/2020

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

RECOMMENDATION:

PURSUANT to the report of the Director of Finance, dated April 28, 2020, entitled "2020 Tax Rates Bylaw":

THAT "Tax Rates Bylaw, 2020, No. 8772 be brought forward for consideration by Council.

ATTACHMENT:

1. Tax Rates Bylaw, 2020, No. 8772 (City Docs #1904856)

DISCUSSION:

The purpose of this report is to seek Council approval for the 2020 Tax Rates Bylaw.

The Community Charter requires the preparation and adoption of a Tax Rates Bylaw, after adoption of the financial plan but before May 15 each year. The property tax rates are set each year to enable the City to collect the tax levy that is required in the Financial Plan.

The Tax Rate Bylaw presented for endorsement reflects the 2.0% tax rate increase approved by Council at the April 20, 2020, Regular Council meeting and the tax rate

distribution Option 1 (2% Tax Increase Across the Board) endorsed by Council at the April 27, 2020, Regular Council meeting.

The 2020 Tax Rates Bylaw contains the following schedules:

Schedule A - Rates required for the City's total general municipal tax revenue

Schedule B - Rates required for the City's storm drainage levy

Schedule C - Rates required for the City's eco levy

Schedule D - Rates required for the Metro Vancouver Regional District tax

Note that the other governmental agencies (School, TransLink, BC Assessment and Municipal Finance Authority) will set their own respective rates.

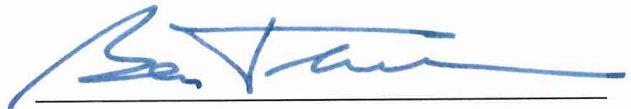
FINANCIAL IMPLICATIONS:

Financial implications have been addressed in detail during the 2020 – 2029 Financial Planning process.

STRATEGIC PLAN IMPLICATIONS:

The preparation and approval of a Tax Rates Bylaw is a critical step in the City's financial planning process. The property taxes collected through the bylaw will provide funding for programs and projects in support of the vision and priorities of the 2018-2022 Council Strategic Plan.

RESPECTFULLY SUBMITTED:



Ben Themens
Director of Finance

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8772

**A bylaw for imposing property value taxes on land and improvements
in the City of North Vancouver for the year 2020.**

WHEREAS it is provided under Section 197(1) of the *Community Charter* being, that the Council must, each year after adoption of the financial plan but before the 15th day of May, subject to the provisions and restrictions of the *Community Charter* contained, pass a bylaw to impose property value taxes on all land and improvements according to the assessed value thereof, for the purpose enumerated and set forth in Section 197(1) of the *Community Charter*;

WHEREAS the Council of The Corporation of the City of North Vancouver deems it necessary and expedient to pass a bylaw for imposing a property value tax on all taxable land and improvements, according to the assessed value thereof, on the last Revised Assessment roll for The Corporation of the City of North Vancouver, the rates thereafter imposed and levied for purpose hereinafter stated;

WHEREAS for General and Debt purposes, according to the last Revised Assessment Roll of the City, the amount of the assessed value of the taxable land and taxable improvements is \$25,437,241,454;

AND WHEREAS for the Regional Hospital purposes, according to the last Revised Assessment roll of the City, the amount of the assessed value of the taxable land and taxable improvements is \$25,459,953,354;

NOW THEREFORE 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 “**Tax Rates Bylaw, 2020, No. 8772**”.
2. The following rates are hereby imposed and levied for the year 2020:
 - A. For all lawful general purposes of the municipality on the assessed value of land and improvements taxable for general municipal purposes, rates appearing on Schedule “A” attached hereto and forming a part hereof.
 - B. For the storm drainage purposes on the assessed value of land and improvements taxable for general municipal purposes, rates appearing on Schedule “B” attached hereto and forming a part hereof.
 - C. For the eco levy purposes on the assessed value of land and improvements taxable for general municipal purposes, rates appearing on Schedule “C” attached hereto and forming a part hereof.
 - D. For the City’s appropriate share of the monies required for the operating fund of the Metro Vancouver Regional District for the year 2020, on the assessed value of land and improvements taxable for Regional Hospital District purposes, rates appearing on Schedule “D” attached hereto and forming a part hereof.

3. The minimum amount of taxation upon a parcel of real property shall be One Hundred Dollars (\$100.00) for property owners 65 years of age and over and Three Hundred and Fifty Dollars (\$350.00) for property owners under 65 years of age.

READ a first time on the <> day of <>, 2020.

READ a second time on the <> day of <>, 2020.

READ a third time on the <> day of <>, 2020.

ADOPTED on the <> day of <>, 2020.

MAYOR

CITY CLERK

SCHEDULE "A"

2020 Tax Rates (\$'s of tax per \$1,000 taxable value)

Property Class	Municipal General
1. Residential	1.77764
2. Utilities	37.98263
4. Major Industry	26.11306
4. Major Industry (With Provincial Cap)	26.11306
4. Major Industry (With Provincial Cap for new investment)	21.36523
5. Light Industry	5.00961
6. Business	5.00961
8. Recreation/Non Profit	1.61305

SCHEDULE "B"

2020 Tax Rates (\$'s of tax per \$1,000 taxable value)

Property Class	Storm Drainage
1. Residential	0.06483
2. Utilities	1.38524
4. Major Industry	0.95235
4. Major Industry (With Provincial Cap)	0.95235
4. Major Industry (With Provincial Cap for new investment)	0.77920
5. Light Industrial	0.18270
6. Business	0.18270
8. Recreation/Non Profit	0.05883

SCHEDULE "C"

2020 Tax Rates (\$'s of tax per \$1,000 taxable value)

Property Class	Eco Levy
1. Residential	0.02958
2. Utilities	0.63213
4. Major Industry	0.43459
4. Major Industry (With Provincial Cap)	0.43459
4. Major Industry (With Provincial Cap for new investment)	0.35558
5. Light Industry	0.08337
6. Business	0.08337
8. Recreation/Non Profit	0.02685

SCHEDULE "D"

2020 Tax Rates (\$'s of tax per \$1,000 taxable value)

Property Class	Metro Vancouver Regional District
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1. Residential	0.05225
2. Utilities	0.18287
4. Major Industry	0.17764
5. Light Industry	0.17764
6. Business	0.12801
8. Recreation/Non Profit	0.05225
