

NVCAN Special Meeting - DNV Budget Presentation

February 15, 2023 (virtual)

Present:

1. John Miller (Host),
2. Babs Perowne (co-host) (Woodcroft)
3. Rick Danyluk (DNV)
4. Sacha Jones (DNV)
5. Susan Hyam
6. Eric Skrowronek
7. Louise Nagle
8. Barry Fenton (Blueridge)
9. Christine Miller (Seymour)
10. Corrie Kost (Edgemont)
11. Cyndi Gerlach
12. Eric Godot Andersen
13. Irene Davidson (Norgate)
14. Karen Barnett
15. Katherine Fagerlund (Deep Cove)
16. Lyle Craver
17. Peter Teevan (Seymour)
18. Gillian Konst (LVCA)

Agenda:

1. Introductions
2. Summary of Budget Process
3. Top of Mind Questions
4. Budget Presentation
5. Additional Questions/Comments

Meeting Minutes

Meeting opened with introductions, a summary of where we are in the process and an invitation by Rick Danyluk (RD) to ask “top of mind” questions.

Top of Mind Questions

Corrie Kost:

1. 2013 FTEs (including auxiliary positions) was 943.8, how many FTE’s are in 2023-2027 budget?

RD estimated it to be approximately 800, excluding auxiliary, so not a direct comparison to 2013.

2. What percentage of the capital budget is funded externally.

Action: DNV to confirm

Follow-up: Approximately 7.5% (\$5.5m) of the 2023 capital budget is funded through regional and senior government funding. The DNV routinely applies for available grants, however it should be noted that these external funding sources are not always available for every initiative undertaken by the DNV, and they each have their own specific criteria.

3. Requested an asset summary report (similar to what was included in the 2013 report), and how much money is required to maintain and replace existing assets.

RD commented that this information is typically included in the annual report, Corrie to wait for the annual report.

Babs Perowne:

1. Concerned about debt and wondering how funding and new projects will add additional future costs, especially as interest rates are rising?

RD commented that we look to fund any new projects through reserves, or leverage existing contributions to raise debt, DNV has the money in place already to pay that debt. The Municipal Finance Authority are indicating that long term rates are coming down, we expect them to settle by mid-year next year which is when we expect to raise additional debt.

2. What about replacement costs?

RD commented that the District has an asset management plan, we estimate the replacement, maintenance, and operating costs, and we make provisions for new assets based on what we know from existing assets. The DNV sets aside funds through growth revenue.

3. Artificial Turf Fields (ATF) don't last as long as you'd think, not 40 years as you'd think. Given the high cost, is there consideration to keep/go back to grass, is it a good investment given the cost?

RD commented that from a user perspective more play is possible on ATF. From per-use perspective it is a better return-on-investment.

John Miller commented that it is possible to recycle, however only in the US.

4. With the housing situation and increasing population, do we factor in estimated growth projections in the budget?

RD confirmed that growth projections are integral to the development of the budget.

5. Does the DNV outsource to fill vacancies and how consistent is resource planning?

RD responded that the DNV is exploring outsourcing. Typically, if a specialty skill/resource is required then the DNV will seek external resourcing, otherwise the DNV's strategy has been to try retain internal resources. The DNV does have a talented HR department and was recently named one of BC's top employers.

Susan Hyam:

1. Is the District considering metering households? Is it likely to happen?

RD commented the last time this was considered the recommendation was to go to zone metering and education. Installing meters would add approximately 10% on costs. However, DNV recognizes that there are also environmental and equity concerns and so may consider revisiting again in the future.

Action: Confirm with the Utilities Department whether there are plans to revisit metering.

Follow-up: The DNV Utilities Department has confirmed that there are currently no plans to implement metering on single family homes, however that this current philosophy could be revisited in the future.

2. Who's responsibility is it to remove and dispose of artificial turf installed for residential use?

Action: Follow-up with DNV Solid Waste, Environment Office and Parks department for comment.

Follow-up: The Solid Waste department provided the following response:

Artificial turf field material can be recycled or disposed via the company who manufactures the turf, or, if the material is in good condition, it can be repurposed. A typical lifespan for ATF is 10-12 years before they need to be resurfaced.

For residential artificial turf used in place of a grass lawn, it is also best to contact an artificial turf company for disposal and recycling options. Alternatively, small amounts can be disposed as garbage, but as it must be treated like carpet, it should not be disposed curbside but rather taken to the North Shore Recycling and Waste Centre at 30 Riverside Dr. It is best to call the facility prior to visiting (604-984-9730). Small amounts may also be donated for reuse.

3. Susan commented that there is nowhere on the North Shore to remove of hazardous materials.

Action: Follow-up with Solid Waste / Environment Office

Follow-up: The Solid Waste department provided the following response:

ProductCare Recycling accepts items defined as “Household Hazardous Waste (HHW)” from participating depots throughout BC for free. Accepted items include: liquid, solid, and aerosol pesticides, household paint and empty paint containers, and liquid and aerosol flammables. A full list can be found at productcare.org. For safety reasons, all products must be in their original container and have their original label intact to be accepted by the program. Products may not be leaking or improperly sealed. These items are accepted at the North Shore Recycling and Waste Centre located at 30 Riverside Drive, North Vancouver.

Used motor oil, oil filters, and antifreeze are also accepted at the North Shore Recycling and Waste Centre, which is owned and managed by Metro Vancouver.

Residents can search for items using the Metro Vancouver Recycles tool ([Metro Vancouver Recycles](#)) to search for specific items and find proper disposal options.

The BC Recycling Hotline managed by the Recycling Council of BC is another tool that can be used to find out up-to-date information on disposal options for problem items: 604-732-9253 in the Lower Mainland or toll-free across BC at 1-800-667-4321.

Some items will need to be managed by private companies if they are unlabelled or not in their original container, as they need to be tested prior to disposal.

Eric:

Eric commented on inflation and increasing taxes. Concerned that it won't be long before the taxes on an average house will be \$10,000 and that property taxes should be considered as part of the housing costs.

RD commented that the DNV is mindful of what is driving costs. The DNV is very infrastructure intensive, currently construction prices are out stripping general inflation, in addition there is premium to build on the North Shore, it has an impact on the DNV's cost structure. At a regional

level, there is a lot of discussion about municipal reform, recognizing that living in the region is expensive. The DNV is committed to doing its best to ensure rate payers are treated fairly and to be transparent.

Gillian Konst:

1. Confirm the DNV will be taking out more debt?

RD confirmed that the DNV will be taking on more debt for Maplewood Fire and ATFs.

2. Government doesn't have its own money, now you say we are going to be borrowing so that will affect my children who already cannot afford to live here. Fire is essential, however we cannot have everything, we shouldn't do it if we can't afford it.

RD commented that most municipalities are very conservative. Under 3% of the DNV's tax revenue is set aside to service debt. Using debt to finance a 50-year building, although at an extra cost, is a better match of use and costs, debt allows the smoothing out of costs and benefits. RD acknowledged that in the current environment, the DNV doesn't have the ability to do it all, the proposed tax increase of 4.5% is one of the lowest in the region and the DNV is mindful to keep taxes affordable.

John Miller:

1. The Five-Year Capital Details schedule (on page 56 of the Draft Workbook) includes the carryover however it doesn't show what was intended to be carried over and what wasn't. What effect have the resource constraints had on delivery of projects?

RD acknowledged that the resource constraints have been a challenge, the Engineering team is committed to improving project delivery and reducing the capital carryover. It is estimated that the DNV will be carrying over \$80m into 2023, when typical spend is between \$60-80m per year.

John commented that in the most sectors you would not schedule work that you could not get done.

Cyndi Gerlach:

Cyndi commented on the lack of housing and amenities for the disabled community, and that although there is a lot of discussion on social housing, that they are concerned that it isn't typically intended for the group that Cyndi represents (e.g., the autistic community). They feel there is a lack of understanding of the spectrum of disability: from mental disability to those that require 24-hour care.

They encouraged the DNV to think about inclusion throughout the budget, especially as the number of people with disabilities grow, and to include statistics that highlight the issues.

RD commented that the OCP action plan was developed with two new lenses, the Climate Action Lens and the Social Equity Lens. However, acknowledged that the DNV still has “a ways to go” but is making progress for example the North Vancouver District Public Library and the North Vancouver Recreation and Culture Commission both have Diversity, Equity and Inclusion initiatives within their operations. Council has also been looking to increase social services. The DNV Engineers are looking at accessibility of infrastructure. The budget workbook could be improved to speak more directly to these issues, including additional statistics.

Rick Danyluk shared the Draft 2023-2027 Budget presentation.

Additional questions/comments:

- Susan Hyam asked to confirm that families with you children can also defer their taxes.

Sacha Jones (SJ) commented that this was their understanding but would confirm with the Tax Department.

Action: Confirm with the Tax Department.

Follow-up: This has been confirmed with the Tax Department. Families with children under the age of 18, and who meet the other eligibility requirements, can apply to defer their taxes. More details can be found [here](#)).

- Corrie Cost shared a comparison of the 2013 budget to the 2023 budget, which indicated a 156% increase in capital.

RD commented that the timing of capital is a key consideration and that taking a 2013 snapshot versus 2023 is most likely not comparable as more recent capital budgets will include the impacts of the OCP growth.

- Corrie Cost enquired about the source of the Household Statistics for owner/renter proportions, included in the budget workbook on page 6.

SJ commented that they were most likely from the most recent census data and so would be based on survey data rather than on the number of units.

Action: Confirm with the Community Planning Department

Follow-up: The Community Planning Department has confirmed that the split is based on the 2021 census data. A sample of approximately 25% of Canadian households received a long-form questionnaire. All other households received a short-form questionnaire. This is one of the questions on the long-form questionnaire, so the figures are based on a 25% sample.

- Barry Fenton observed that deferring the 1% and maintaining the utility rate increase is akin to deferring costs to a future generation.

RD acknowledges that deferring our usual 1% policy is not ideal, however the DNV has had this policy in place for 15 years and it has served us well, it puts us in a strong position to weather more fiscally challenging times. The DNV will be looking to continue once we are through these challenging times.

With regards to Utility rates and the Metro Vancouver increase, the DNV has in fact been preparing for these increases for some time. The DNV anticipated these increases and began putting money away to stabilize our rates since 2013. However, there is a lot of uncertainty with projects of this size.

- Barry Fenton inquired whether there is likely to be any impact on DNV residents for the construction of Harry Jerome.

RD commented that the municipality that owns the building pays for the construction. However, the operating costs are split based on a formula that considers both population and usage.

- Barry Fenton asked what the expected growth is for 2050 and whether there is likely to be pressure from the Province to encourage more housing.

RD commented that the Provincial changes to housing and their effect on the DNV, are unknown at this time.

- Corrie Cost commented that the 1% policy delay should only be done for 1 year since inflation is expected to go back down to 3% (per the chart on page 7 of the Draft Budget Workbook).

RD responded that the 2023 budget is catching up with hyperinflation that occurred in 2022 and that the 1% policy delay may be needed for two years to ensure stability.

- John Miller commented that with the carry-over, it may take longer to catch-up (*than the proposed two years*). There are only a limited number of companies that bid on municipal projects and as the requests go up so do the bid amounts.
- Lyle Craver commented on the WasteWater Treatment Plant.

RD we're still waiting for an official update on costs.