

**MEETING OF FINANCE & AUDIT STANDING COMMITTEE**

**2:30pm  
Tuesday, January 16, 2018  
Committee Room  
355 West Queens Road, North Vancouver**

**Councillor Robin Hicks, Chair  
Councillor Doug MacKay-Dunn  
Councillor Roger Bassam  
Mayor Richard Walton**

**Other Attendees:** **Andy Wardell**, Acting General Manager, Finance & Technology  
**David Stuart**, Chief Administrative Officer  
**Elio Iorio**, Manager, Revenue & Taxation  
**Rita Bittel**, Audit & Business Process Advisor  
**Gavin Joyce**, General Manager, Engineering, Parks & Facilities  
**Steven Ono**, Manager, Engineering Services/Deputy GM  
**Stephen Bridger**, Section Manager, Engineering, Planning & Design  
**David Desrochers**, Manager Engineering, Projects & Dev Services, Parks & Facilities  
**Larry Davis**, Supplies & Risk Management Manager  
**Michael Senior**, Manager, Information Technical Services  
**Linda Brick**, Deputy Municipal Clerk  
**Adriana Reiher**, Confidential Council Clerk/Admin Assistant to Council

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**1. ADOPTION OF THE AGENDA**

January 16, 2018 Meeting Agenda

*Recommendation:*

THAT the agenda for the January 16, 2018 Meeting of the District of North Vancouver Finance and Audit Standing Committee be adopted as circulated, including the addition of any items listed in the agenda addendum

**2. Adoption of the Minutes**

THAT the Minutes of the Finance and Audit Standing Committee Meeting held November 21, 2017, be adopted. **p. 3**

**3. Implications of a Buy Local Procurement Policy – Larry Davis **p. 5****

**4. ITS Services Update – Mike Senior **p. 11****

**5. Assessment Update (to be distributed at the meeting) – Elio Iorio/Councillor Robin Hicks**

**6. Local Improvement Process Refinements – David Desrochers **p. 15****

7. Parkland Acquisition Through Development – Stephen Bridger

**p. 31**

Verbal Updates:

NONE

Regular Reports:

8. Investment Report – December 31, 2017

**p. 41**

9. Resolution re: Exclusion of the Public pursuant to s.90 of the *Community Charter*

THAT the Finance & Audit Standing Committee hereby declares that the meeting to be held on Tuesday, January 16, 2018, is to be closed to the public and that the basis of this closure is that the items on the agenda of this meeting comply with the criteria specified in section 90 of the *Community Charter* as follows:

90. (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to one or more of the following:
- (g) litigation or potential litigation affecting the municipality;
  - (n) the consideration of whether a council meeting should be closed under a provision of this subsection or subsection (2).
- (2) A part of a council meeting must be closed to the public if the subject matter being considered relates to one or more of the following:
- (b) the consideration of information received and held in confidence relating to negotiations between the municipality and a provincial government or the federal government or both, or between a provincial government or the federal government or both and a third party.

**DISTRICT OF NORTH VANCOUVER  
FINANCE & AUDIT COMMITTEE**

Minutes of the Finance and Audit Committee Meeting for the District of North Vancouver held at 4:38 p.m. on Tuesday, November 21, 2017 in the Committee Room of the District Hall, 355 West Queens Road, North Vancouver, British Columbia.

**Present:** Councillor Robin Hicks, Chair  
Councillor Roger Bassam  
Councillor Doug MacKay-Dunn

**Staff:** Mr. David Stuart, Chief Administrative Officer (via telephone)  
Mr. Andy Wardell, Acting General Manager – Finance & Technology  
Mr. Rick Danyluk, Manager – Financial Planning  
Ms. Linda Brick, Deputy Municipal Clerk  
Ms. Cheryl Archer, Confidential Council Clerk

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**1. Adoption of the Agenda**

**MOVED by Councillor BASSAM**

**SECONDED by Councillor MACKAY-DUNN**

THAT the agenda for the November 21, 2017 Meeting of the District of North Vancouver Finance and Audit Committee be adopted as circulated.

**CARRIED**

**2. Adoption of the Minutes**

**MOVED by Councillor BASSAM**

**SECONDED by Councillor MACKAY-DUNN**

THAT the Minutes of the Finance and Audit Committee Meeting held October 17, 2017, be adopted.

**CARRIED**

**3. Council Remuneration Review – Terms of Reference**

The Committee discussed the timeline of the Council Remuneration Review and inquired if the process could be fast-tracked to March 31, 2018, with final consideration by Council in May 2018.

**MOVED by Councillor BASSAM**

**SECONDED by Councillor MACKAY-DUNN**

THAT the Finance and Audit Committee recommend to Council:

THAT the District tender for the services of a qualified firm to review Council remuneration and report back to Council with recommendations by June 30, 2018.

**CARRIED**

**4. Credit Union Deposit Insurance Review**

This item was deferred.

**5. Adjournment**

**MOVED by Councillor BASSAM**

**SECONDED by Councillor MACKAY-DUNN**

THAT the November 21, 2017 Meeting of the District of North Vancouver Finance and Audit Committee be adjourned.

**CARRIED**  
(4:40 pm)

CERTIFIED CORRECT:

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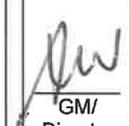
Chair

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Committee Clerk

**AGENDA INFORMATION**

- Council Workshop                      Date: \_\_\_\_\_
- Finance & Audit                              Date: \_\_\_\_\_
- Advisory Oversight                          Date: \_\_\_\_\_
- Other:    Date: \_\_\_\_\_

	 GM/ Director	CAO
Dept. Manager		

**The District of North Vancouver  
REPORT TO F&A COMMITTEE**

January 3, 2018

File:

**AUTHOR:** Larry Davis, Supplies & Risk Management Manager

**SUBJECT:** Implications of a Buy Local Procurement Policy

**RECOMMENDATION:**

THAT this report be received for information.

**REASON FOR REPORT:**

A Council resolution on November 27, 2017 directed staff to investigate if a “buy local” purchasing policy could be implemented at the District in order to support local business.

**9.4. Buy Local Policy**

*File No. 01.0530/Council General/File*

**MOVED by Councillor HANSON**

**SECONDED by Councillor MURI**

*THAT staff be directed to investigate if a 'buy local' purchasing policy could be implemented in order to support local business, while still complying with a local government's obligations for open, transparent and non-discriminatory procurement practices under provincial, federal and international trade agreements.*

This report is for information and discussion purposes.

**SUMMARY:**

Implementing a ‘buy local’ policy is problematic for any Canadian local government, and in particular local governments in BC, Alberta, Saskatchewan and Manitoba, due to language in various trade agreements specifically prohibiting such a practice. The intention of the trade agreements prohibiting such a practice is to ensure that procurement (and other business) conducted by any level of government is done in a way that is:

1. Non-discriminatory
2. Open & transparent; and
3. Reflects a commitment to the effective management of public resources

Implementing a policy whereby a business is given a preference based upon its physical location would go against procurement best practices as well as the trade agreements' principle of being non-discriminatory. In a case where physical location is important to the municipality's service or technical requirements (such as service level response time) then this requirement would be stated as a criteria in the tender or RFP, and each vendor would be evaluated on this item accordingly.

In general terms, competitive forces within the market tend to favour businesses within geographic proximity to the District with the decision to compete left with any particular business. Analysis of recent District procurement shows that 'local' businesses within the **Lower Mainland area** are already the beneficiary of contracts totalling over 80% of District procurement handled through standard procurement processes and without there being a 'buy local' preference in the policy (reference *Table T-1*).

Furthermore, the District is a participating member of two significant local cooperative purchasing groups whose goal is to leverage the participants' collective purchasing power in order to gain the best possible price in supply agreements. By implementing a 'buy local' policy, the District likely would not be able to continue as a participant given that other members would likely not agree to allow such a policy in the cooperative group's tenders and RFP's.

## **BACKGROUND:**

### *Trade Agreements:*

The trade agreements apply to all levels of government for procurement over a certain dollar threshold, and the thresholds vary depending on the specific trade agreement (see *Appendix A* for a summary of each trade agreement procurement threshold). There are three main trade agreements applicable to the District, as follows:

- *New West Partnership Trade Agreement* (NWPTA, formerly TILMA) amongst the provinces of BC, Alberta, Saskatchewan & Manitoba
- *Canadian Free Trade Agreement* (CFTA, formerly AIT) amongst all provinces & territories within Canada
- *Canada – European Union Comprehensive Economic & Trade Agreement* (CETA) between Canada and the European Union

While the *North American Free Trade Agreement* (NAFTA) is probably the most commonly known trade agreement applicable to Canada, it does not currently impose the type of procurement obligations onto local government that the other ones do. This may change as

a result of ongoing trade agreement negotiations between Canada, the US and Mexico, but for now it is not an issue.

Since each trade agreement has different procurement thresholds, the District's current procurement policy is designed to meet the **lowest** thresholds applicable to the District, that being those contained in the *NWPTA* amongst the provinces of BC, Alberta, Saskatchewan and Manitoba. This ensures that, by following its own policy, the District will always comply with any of the applicable trade agreement procurement thresholds.

If the District were to adopt a 'buy local' preference, then the following factors and limitations would need to be considered:

- It could only apply to procurement that fell below the thresholds specified in the *NWPTA* (ie. \$75,000 for procurement of goods & services, and \$200,000 for procurement of construction).
- A clear understanding of what "local" means to the District would need to be determined. For example, local could mean vendors only located in North Vancouver District; or only on the North Shore; or only in the Lower Mainland area; or only in BC, etc.
- A decision would need to be made as to what factor(s) will be considered in order to apply the policy. For example:
  - Would the District be willing to pay a price premium (eg. 10%) in order to award a procurement opportunity to a local vendor rather than to a lower-priced, but non-local vendor? This may also have the unintended consequence whereby non-local vendors may opt out of offering their services allowing the local vendor to raise its prices knowing they get preferential consideration and are likely to be the only bidder.
  - If paying a premium is not desirable, the policy might be structured as "all things being equal" whereby in a situation where bids are equivalent between a local (or domestic) vendor and a non-local/international vendor, the award is then made to the local vendor (eg. as a "tie-breaker"). In reality, getting true equivalent bids is rare, and there would still be a risk that the non-local vendor could challenge the District as undertaking a discriminatory practice.

*District Procurement Spend by Region:*

Analysis of District procurement for the period January – November 2017 shows that the vast majority of spend is already being made with local vendors:

**Table T-1:**

Vendor Location	Annual Spend (\$)	% of Total Spend	Aggregate %
Lower Mainland (LM)	31,968,248.26	54.0273%	54.0273%
North Shore (excl. LM)	15,402,603.41	26.0309%	80.0582%
BC, other (excl. LM & NS)	1,498,737.18	2.5329%	82.5911%
Alberta	1,854,000.98	3.1333%	85.7244%
Saskatchewan	57,971.71	0.0981%	85.8225%

Manitoba	5,527.67	0.0093%	85.8318%
Ontario **	7,494,485.82	12.6659%	98.4977%
Quebec	642,363.85	1.0856%	99.5833%
Nova Scotia	14,523.47	0.0245%	99.6078%
USA	217,627.98	0.3678%	99.9756%
Europe	14,479.37	0.0245%	100.0000%
<b>TOTALS:</b>	<b>59,170,569.70</b>	<b>100.0%</b>	<b>100.0000%</b>

\*\* includes \$3.1M paid to Schaefer Systems International for garbage & organic waste carts

Procurement spend with vendors that would be considered local (if 'local' is defined as being within the Vancouver Lower Mainland area) accounted for just over 80% of the District's total spend during this period.

*Garbage & Organic Waste Carts:*

A recent purchase by the District of garbage and organic waste carts was made from Schaefer System International Ltd (Schaefer), an international company that manufactured the carts in the United States. While the District did award the contract to Schaefer for the entire supply, assembly & distribution of these carts, a significant portion of the overall cost (approx. 48%) was contracted out by Schaefer to two local vendors – Rollins Machinery Ltd (Langley, BC) who assembled the carts and supplied the wildlife resistant locking mechanism, and Smithrite Disposal Ltd (Coquitlam, BC) who were responsible for the logistics of delivering the finished carts to District residents. Payment of the contract was made in Canadian dollars to Schaefer's Canadian operation in Ontario. Based upon the original tendered quantities, a breakdown of how the total cart cost was attributed to each vendor is as follows:

<b>Cart Supply Function</b>	<b>Vendor</b>	<b>Cost Breakdown</b>
Manufacture Carts	Schaefer	\$1,915,224
Assemble Carts (wheels & lids)	Rollins (local)	Included in above
Supply/Install Wildlife Resistant Hardware	Rollins (local)	\$1,620,369
Cart Logistics	Smithrite Disposal (local)	\$146,750
<b>TOTAL:</b>		<b>\$3,682,343 **</b>

\*\* based on original tendered quantities. Subsequent to original contract award, additional carts have been purchased.

Investigation by the Purchasing Department prior to issuing of the RFP concluded that there are no local vendors for the type of waste carts that were required by the District, and the responses to the RFP confirmed this. While the District's RFP was openly & publically advertised on BC Bid, and six vendors known to supply these types of waste carts were specifically invited to submit proposals, only two firms actually responded with proposals – Schaefer (with its North American headquarters located in Charlotte, NC) and IPL Plastics (with its headquarters located in St. Damien, QC). As such, there was no opportunity to even consider a local manufacturer for these carts.

*Purchasing Cooperatives:*

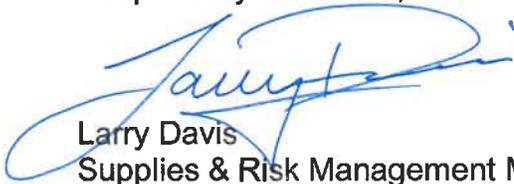
As previously mentioned, the District is a participant in two significant local purchasing cooperatives:

1. The *Vancouver Regional Cooperative Purchasing Group (VRCPG)*, which is made up of most Lower Mainland area municipalities and consists of supply agreements for a wide variety of commodities including sewer & water pipe, castings, cement, lighting products, street sign materials, water meters, valves & hydrants, office supplies, etc.
2. The *BC Petroleum Products Buying Group (BCPPBG)* which includes members of the VRCPG as well as other non-Lower Mainland municipalities and school districts within BC, and which purchases large volumes of gasoline, diesel and lubricants.

Participating members of these groups each have responsibility to take the lead on at least one commodity category and tender the collective group's requirements on all participants' behalf. If the District were to adopt a 'buy local' policy, it is probable that we would have to back out of these purchasing cooperatives, as other municipalities would likely not be willing to adopt the District's buy-local preference, and we could not tender with one set of rules applicable to the District and one set of rules applicable to others. As well, collectively the *NWPTA* thresholds would be reached therefore disallowing a buy local preference in any event.

The collective purchasing power of these two groups accounts for hundreds of millions of dollars in annual procurement which the District likely would not be able to take advantage of if it were to implement a 'buy-local' policy.

Respectfully submitted,



Larry Davis

Supplies & Risk Management Manager

REVIEWED WITH:		
<input type="checkbox"/> Sustainable Community Dev. _____	<input type="checkbox"/> Clerk's Office _____	External Agencies:
<input type="checkbox"/> Development Services _____	<input type="checkbox"/> Communications _____	<input type="checkbox"/> Library Board _____
<input type="checkbox"/> Utilities _____	<input type="checkbox"/> Finance _____	<input type="checkbox"/> NS Health _____
<input type="checkbox"/> Engineering Operations _____	<input type="checkbox"/> Fire Services _____	<input type="checkbox"/> RCMP _____
<input type="checkbox"/> Parks _____	<input type="checkbox"/> ITS _____	<input type="checkbox"/> NVRC _____
<input type="checkbox"/> Environment _____	<input type="checkbox"/> Solicitor _____	<input type="checkbox"/> Museum & Arch. _____
<input type="checkbox"/> Facilities _____	<input type="checkbox"/> GIS _____	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Human Resources _____	<input type="checkbox"/> Real Estate _____	

## Appendix 'A'

### Scope - Thresholds

	Ministries	Crown corporations	MASH
<b>NWPTA</b>			
Goods	\$10,000	\$25,000	\$75,000
Services	\$75,000	\$100,000	\$75,000
Construction	\$100,000	\$100,000	\$200,000
<b>CANADIAN FREE TRADE AGREEMENT / AIT</b>			
Goods	\$25,000	\$500,000	\$100,000
Services	\$100,000	\$500,000	\$100,000
Construction	\$100,000	\$5,000,000	\$250,000
<b>CETA (as of Sept 21, 2017) in Canadian Dollar Amounts</b>			
Goods	\$340,600	\$604,700	\$340,600
Services	\$340,600	\$604,700	\$340,600
Construction	\$8,500,000	\$8,500,000	\$8,500,000
<b>WTO GPA (next update January 2018)</b>			
Goods	\$604,700	Not covered	
Services	\$604,700		
Construction	\$8,500,000		

# IT Services Update Finance & Audit Committee

January 2018

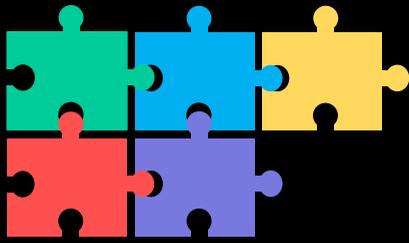
**Optimize  
Technology  
Investments**

**Improve  
Access to  
Information**

**Integrate  
Data and  
Processes**

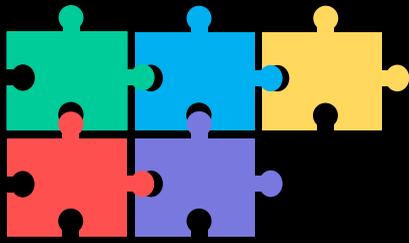
**Superior  
Customer  
Service**

**Enhance  
On-line  
Capabilities**



# 2017 Accomplishments

- ECLIPS Phase 2 – Planning
- PC Hardware Refresh
- Network Hardware Refresh
- Wifi Redesign & Expansion
- EnerGov 2016.2 Upgrade
- Payroll and Time Entry Review
- Managed Print Services
- GIS Right of Ways & Easements
- District 10Gb Fibre Optics Network Expansion

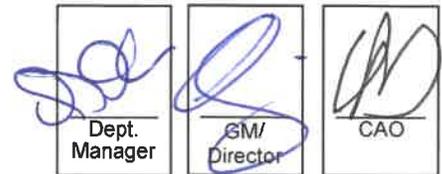


# 2018 Projects

- ECLIPS Phase 3 – Citizen Self-Service & Request for Service
- FireCommand / GeoTools / GeoWeb Redesign
- Digital Strategy
- Payroll and Time Entry Review
- Tempest Upgrade
- Space Planning Support
- NSEM IT Services Transition
- Data Analytics POC
- Enterprise Video Conferencing

**AGENDA INFORMATION**

- |   |             |
|---|-------------|
| <input type="checkbox"/> Committee of the Whole     | Date: _____ |
| <input checked="" type="checkbox"/> Finance & Audit | Date: _____ |
| <input type="checkbox"/> Advisory Oversight         | Date: _____ |
| <input type="checkbox"/> Other:                     | Date: _____ |



**The District of North Vancouver  
REPORT TO COMMITTEE**

January 3, 2017  
File: 11.5320.20

**AUTHOR:** David Desrochers, P. Eng.  
Manager, Engineering Projects & Planning

**SUBJECT:** Local Improvement Process Refinements

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**RECOMMENDATION:**

THAT the Finance and Audit Committee recommend to Council:

THAT the Local Improvement petition format for the establishment of Local Area Service Taxes be modified to provide an option to sign in opposition of the proposed work; AND

THAT the notification letter that precedes the circulation of the petition be modified to allow direct written communication to the District for opposition of the proposed work.

**REASON FOR REPORT:**

**1. Recording opposition to a proposed Local Area Service**

Recently, there have been concerns that the voices of those opposed to a proposed Local Improvement project are not officially heard or registered.

**2. Threshold of support for certifying a proposed Local Area Service.**

Additionally, there have been some concerns raised regarding the fairness of the threshold for certifying a local area service petition valid and sufficient as defined in the Community Charter and have requested staff to investigate this support threshold.

## **SUMMARY:**

### **1. Recording opposition to a proposed Local Area Service**

Currently a property owner who is in support of the project takes a formal petition form door-to-door, seeking neighbours' approval. This form is created by District staff and only provides the options of supporting the project by signature or remaining silent on the matter. Currently, there is no option provided on the form to indicate opposition to the project. Furthermore, the door-to-door nature of the petition introduces the potential that those who are not assertive may feel undue pressure to sign in favour, when they may not be in favour of the project.

The following is a summary of the **existing process** for Local Improvement projects:

1. A property owner submits a request for a proposed Local Improvement Project.
2. The District asks that the resident do an informal petition and collect signatures for support for the proposed work. District staff do not proceed with design/estimating work unless the petitioner can obtain signatures in support of the work from more than 50% of the affected property owners.
3. If adequate funding is available for Local Area Services, and the District has confidence that the neighbourhood does indeed have an appetite for the project work, the District completes the engineering design and associated cost estimate.
4. A letter is then mailed to affected property owners notifying them that a petitioner will be canvassing the neighbourhood to obtain signatures in support of the work.
5. A formal petition is put together that identifies the registered property owner(s), the scope of work, and the estimated costs for each property.
6. A petitioner then circulates this formal petition around their neighbourhood to register support for the proposed project work, where, for potential Council approval under the Community Charter:
  - a. the petition must be signed by the owners of over 50% of the properties that would be subject to the local area service tax; and,
  - b. the persons signing must be the owners of properties that in total represent over 50% of the assessed value of land and improvements that would be subject to the local area service tax.
7. If the official petition is validated by the Municipal Clerk, a bylaw requisitioning the works is prepared and the bylaw is put before Council for their review and approval.
8. If Council approves the work, Engineering schedules construction.

Staff investigated ways to ensure that opposing or non-supportive voices are heard without placing an unduly administrative process on staff. Staff suggest two improvements to this process and recommend the following:

1. Changing the formal petition format (attached) to clearly provide an option to sign in opposition of the proposed work; and
2. Revising the notification letter (attached) that is sent to the affected property owners in advance of the circulation of the formal petition to indicate the option of direct written communication to the District for opposition of the proposed project work.

Improvement #2 above is in response to the possible situation in which a property owner may feel pressure from the petitioner to support the project, but would really like to oppose the project without confronting the petitioner.

The following is a summary of the **proposed process** for Local Improvement projects:

1. A property owner submits a request for a Local Improvement.
2. The District asks that the resident do an informal petition and collect signatures for support for the proposed work. District staff do not proceed with design/estimating work unless the petitioner can obtain signatures in support of the work from more than 50% of the affected property owners.
3. If adequate funding is available for Local Area Services and the District has confidence that the neighbourhood does indeed have an appetite for the project work, the District completes the engineering design and associated cost estimate.
4. A letter (attached) is then mailed to affected property owners notifying them of pending petitioner. **The proposed letter includes a clear and concise method to express to the District the resident's opposition of the work.**
5. A formal petition (attached) is created by District staff that identifies the registered property owner(s), the scope of work, and the estimated costs for each property. **The proposed formal petition presents an easy and clear option to the homeowner to sign either in support, or in opposition of the proposed work.**
6. A petitioner then circulates this formal petition around their neighbourhood to register both support and opposition for the proposed project work, where, for potential Council approval under the Community Charter:
  - a. the petition must be signed by the owners of over 50% of the properties that would be subject to the local area service tax; and,
  - b. the persons signing must be the owners of properties that in total represent over 50% of the assessed value of land and improvements that would be subject to the local area service tax.
7. If the petition is validated by the Municipal Clerk, the petition is put before Council who have final approval as to whether to proceed with the project or not.
8. If Council approves the work, Engineering schedules construction.

Staff believes that this modified Local Improvement process will result in a clearer indication of the number of properties supporting, opposing or staying silent or undecided on a project. The addition of the opposition vote will isolate non-respondents from non-supporters, providing additional data for Council's consideration.

The table below illustrates how this additional data could improve decision-making. Additional examples can be found in Appendix A.

Example Petition	Total number of Properties	Support Project	No Response	Oppose Project	Support Percentage All Properties	Support Percentage Petition Respondents
<b>Example 1</b>						
Before petition format change	27	14	13	N/A	14 for of 27 total = <b>52%</b>	N/A
After petition format change	27	14	10	3	14 for of 27 total = 52%	14 for out of 17 respondents = <b>82%</b>

With this change, Staff will monitor and report the number of non-responding properties, as well as those in support and opposition, on each future local improvement project.

## **2. Threshold of support for certifying a proposed Local Area Service.**

Staff believe that the additional data obtained from the above-suggested changes to the petition process will significantly improve Council's ability to ascertain a community's sentiment towards a proposed Local Area Service. Council has the freedom to establish a higher threshold of support when contemplating any one Local Area Service – and therefore changing policy to require a higher threshold is thought not necessary at this time.

Rather, staff recommend that the District monitor the results of these changes over the next few years. If, after obtaining this additional information, Council believes that the 50% threshold of support required is inadequate, they are free to mandate a higher threshold for all Local Area Services, or select ones, at any time – as discussed below in Existing Policy.

### **EXISTING POLICY:**

#### *Establishing Local Service Taxes:*

Local Service Taxes are established by the BC Community Charter and are used to pay for Local Area Services, also known as Local Improvements. Division 5 – Local Service Taxes, of Part 7 of the BC Community Charter, details the circumstances under which a Local Service Tax may be established. Division 1 of Part 7 of the BC Community Charter explicitly states that: "A municipality may not impose fees or taxes except as expressly authorized under this or another Act".

If Council wants to establish a higher threshold of supporting property owners, they may do so when considering each project; however they may not reduce the threshold below 50%.

The division of costs between the District and affected residents is governed by Bylaw 3711, General Local Improvement Cost-Sharing Bylaw.

#### *Petition for Local Improvement:*

The vast majority of Local Improvement projects in the District are initiated by one or more members of the community in which they will be built.

#### *Local Improvement on Council initiative:*

Although the District has not initiated a local improvement project in many years, it is possible to do so. Under the Community Charter, the District is required to notify the neighbourhood of the proposed project and provide a 30 day window in which the neighbourhood may submit a petition against the proposed service.

**ANALYSIS:**

It is the opinion of the Municipal Solicitor, that Mayor and Council are not legally able to change the parameters of the establishment of Local Service Taxes. Mayor and Council are however free to reject or enact any proposed bylaw presented to them on a number of bases, including requiring a higher number of supporting affected properties. They could not, however, approve a project that has not met the statutory requirement of over 50 % of the affected properties and that represent over 50% of the assessed value of land and improvements that would be subject to the local service tax.

**Concurrence:**

Engineering, Finance, and the Clerks Office have worked together on this report's recommendations.

**Financial Impacts:**

No change.

**Liability/Risk:**

No change.

**SUBJECT: Local Improvement Process**

January 3, 2018

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**Conclusion:**

The Finance and Audit Committee have instructed staff to investigate ways to record the opposition to Local Improvement projects and subsequent Local Area Service Taxes.

Staff recommend that the Local Improvement petition format for the establishment of Local Area Service Taxes be modified to provide an option to sign in opposition of the proposed work. Furthermore, staff recommend modifying the notification letter that precedes the circulation of the petition to allow direct written communication to the District to express opposition of the proposed project work.

Respectfully submitted,



David Desrochers, P.Eng.  
Manager Engineering Projects & Planning

**Attached:**

- Appendix A: Petition – Sample
- Appendix B: Petition Notification Letter – Sample
- Appendix C: Petition Results Examples (Fiction)

<b>REVIEWED WITH:</b>					
<input type="checkbox"/> Sustainable Community Dev.	_____	<input type="checkbox"/> Clerk's Office	✓ _____	<b>External Agencies:</b>	
<input type="checkbox"/> Development Services	_____	<input type="checkbox"/> Communications	_____	<input type="checkbox"/> Library Board	_____
<input type="checkbox"/> Utilities	_____	<input type="checkbox"/> Finance	✓ _____	<input type="checkbox"/> NS Health	_____
<input type="checkbox"/> Engineering Operations	✓ _____	<input type="checkbox"/> Fire Services	_____	<input type="checkbox"/> RCMP	_____
<input type="checkbox"/> Parks	_____	<input type="checkbox"/> ITS	_____	<input type="checkbox"/> NVRC	_____
<input type="checkbox"/> Environment	_____	<input type="checkbox"/> Solicitor	_____	<input type="checkbox"/> Museum & Arch.	_____
<input type="checkbox"/> Facilities	_____	<input type="checkbox"/> GIS	_____	<input type="checkbox"/> Other:	_____
<input type="checkbox"/> Human Resources	_____	<input type="checkbox"/> Real Estate	_____		

**Appendix A: Petition – Sample**

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**District of North Vancouver  
PETITION FOR LOCAL AREA SERVICE**

**TO:** THE CORPORATION OF THE DISTRICT OF NORTH VANCOUVER, 355 West Queens Road, North Vancouver, B.C. V7N 4N5 (the "District")

**WHEREAS:**

- A. We, the undersigned, hereby petition the District to establish a local service consisting of: **Installation of Storm Sewers and Lane Paving 1900 Block Pemberton Avenue between West 20th Street and West Keith Road and 1200 Block West Keith Road and West 20th Street between Bridgman Avenue and Pemberton Avenue** (the "Service")
- B. The local service area is all residential properties that have frontage **West of 1900 Block Pemberton Avenue between West 20th Street and West Keith Road, South of 1200 Block West 20th Street between Bridgman Avenue and Pemberton Avenue and Northeast of 1200 Block West Keith Road between Bridgman Avenue and Pemberton Avenue** (the "Local Service Area");
- C. We are owners/occupiers of parcels within the Local Service Area;
- D. parcel tax imposed only on the parcels within the Local Service Area based on the taxable frontage of each parcel. The parcel tax will be spread over a 5 (five) year period. The current interest rate is **5.24%\***

**NOW THEREFORE** we, by our signatures below, each hereby petition for the Service pursuant to section 212 of the *Community Charter*.

Folio Number	Legal Description	Frontage		Owner's Share		Owner's Name and Address	YES - In Favour of Local Area Service		NO - In Opposition of Local Area Service	
		Actual	Taxable	Commuted Cost	Annual Cost		1	2	1	2
0167-6800-0	LOT 1 BLOCK 30 DISTRICT LOT 552 PLAN 4684	53.188	53.188	\$5,736.48	\$1,267.37	O,PAMEL A GUENTHER,STEVEN 1299 20TH ST W NORTH VANCOUVER BC V7P 2B8	1 PRINTED NAME OF ALL AUTHORIZED SIGNATORIES	2	1 PRINTED NAME OF ALL AUTHORIZED SIGNATORIES	2
							1 SIGNATURE OF ALL AUTHORIZED SIGNATORIES (INCLUDE DATE)	2	1 SIGNATURE OF ALL AUTHORIZED SIGNATORIES (INCLUDE DATE)	2
0167-6900-7	LOT 2 BLOCK 30 DISTRICT LOT 552 PLAN 4684	17.727	17.727	\$1,911.91	\$422.40	OSENTON,NICOLAS S BACIGALUPO,ROCHELLE E 1273 20TH ST W NORTH VANCOUVER BC V7P 2B8	1 PRINTED NAME OF ALL AUTHORIZED SIGNATORIES	2	1 PRINTED NAME OF ALL AUTHORIZED SIGNATORIES	2
							1 SIGNATURE OF ALL AUTHORIZED SIGNATORIES (INCLUDE DATE)	2	1 SIGNATURE OF ALL AUTHORIZED SIGNATORIES (INCLUDE DATE)	2
0167-7000-5	LOT 5 BLOCK 30 DISTRICT LOT 552 PLAN 4684	17.727	17.727	\$1,911.91	\$422.40	JONES,ELIZABETH A 1243 20TH ST W NORTH VANCOUVER BC V7P 2B8	1 PRINTED NAME OF ALL AUTHORIZED SIGNATORIES	2	1 PRINTED NAME OF ALL AUTHORIZED SIGNATORIES	2
							1 SIGNATURE OF ALL AUTHORIZED SIGNATORIES (INCLUDE DATE)	2	1 SIGNATURE OF ALL AUTHORIZED SIGNATORIES (INCLUDE DATE)	2

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**Appendix B: Petition Notification Letter – Sample**



March 6, 2014  
File: 5320-30

Affected Resident  
1234 West Keith Road  
North Vancouver, BC V7P 1Y8

Dear Ms Affected:

**Re: Local Area Service Petition for Paving of the Lane North of 1900 Block Pemberton Avenue between W. Keith Road and W. 20<sup>th</sup> Street**

This letter is to inform you that a “Local Area Service Petition” form has been sent to your local area’s petitioner:

*Area Petitioner*  
9876 West Keith Road  
North Vancouver, BC V7P 1Y8

The intent of a Local Area Service is to construct or upgrade municipal services in a neighbourhood, with the costs shared between the District and the benefiting property owners. If a majority of the property owners are interested in the Local Area Service works (as indicated by the signatures collected on the petition forms), Council may approve funding the District’s share of the costs and the project(s) will proceed.

For lane paving projects, the costs are shared 50-50 between the District and the benefiting property owners.

Your area’s petitioner will ask you to sign the petition. **If you support the proposed works you must sign the petition. If you oppose the proposed works you may sign the petition in the column indicating your opposition, and/or express your opposition in writing to INSERT EMAIL ADDRESS.”**

Please read the information on the following pages carefully before signing the petition.

**Location of Proposed Local Area Service Project:**

Enclosed is a map (ATTACHMENT 1) showing the boundaries of the affected properties with frontage on the actual local service area, which will benefit from the proposed improvements.

**Description of the Works:**

The scope of the works includes:

- Supply and install approximately 70 metres (230 ft.) of 250mm (10 inch) diameter storm sewer pipe, including drainage catch basin and manhole appurtenances.
- Grade and compact the existing granular base materials to the required profile.
- Supply and place 75mm (3 inches) thick asphalt to cover approximately 1250 square metres (13,455 sq. ft.) of lane surface area. The average width of lane to be paved will be approximately 3.4 metres (11 ft).
- Supply and place a minimum 0.60 metre (2 ft.) wide asphalt ramp across existing driveway width at each driveway entrance.
- Supply and place 65mm (2 1/2 inches) to 75mm (3 inches) high asphalt curbing (one side of the lane only) and granular base materials for shouldering.

Where existing driveways having a hard surface (e.g. concrete or asphalt) which extend to within 1.0 metre (3.3 ft.) from the edge of the proposed lane paving, the driveway will be tied into the lane with asphalt pavement at no extra cost. Otherwise, a 0.6 metre (2 ft.) wide asphalt ramp across the width of the existing driveway entrance will be installed for later tie-in by the property owner at their own extra cost.

**Petition:**

A petition to Council for local area service is not valid unless the following requirements are met:

- a) the petition must be signed by the owners of at least 50% of the parcels that would be subject to the local area service tax;
- b) the persons signing must be the owners of parcels that in total represent at least 50% of the assessed value of land and improvements that would be subject to the local area service tax;
- c) a description of the parcel owned by each petitioner must be set out in the petition.

Only the signatures by the registered property owners, as documented in the property registration records of the Manager, Revenue and Taxation, will be accepted. If the property is held by two or more persons, they are not entitled to petition unless a majority of them concurs. Unless a petition is signed by a majority of them, their signatures must be disregarded in determining whether the petition is sufficient. Thus, if the property is held by two owners, both owners must sign the petition.

Signatures on behalf of a business firm, society, etc., must be of the appropriate officers and must show their position and the name of the firm or society as it appears in the property records of the Manager, Revenue and Taxation.

**Payment:**

Local area service charges may be paid with interest at 5.24% in five (5) annual instalments levied on your tax notice, or you may pay in full without interest. The Manager, Revenue and Taxation, must be notified within thirty (30) days after receipt of the "Frontage Tax Assessment Notice" if you plan to pay the local area service charges in full. The "Frontage Tax Assessment Notice" will be mailed to each of the owners of the affected properties in the early part of the year, following the year in which the local area service project is completed or substantially completed.

**Cost:**

The estimated cost to be assessed against your property at 1234 West Keith Road is summarized in the table below:

<b>Petition Description</b>	<b>Estimated Lump Sum Amount Payable Upon Completion</b>	<b>Estimated Annual 5-Year Installment including interest at 5.24%</b>
Lane Paving (50-50 cost sharing)	\$289.26	\$63.91

Note: Owners are charged based on the actual cost of the completed works, however, the final cost is not expected to exceed 10% of the total estimated cost.

While funds are available in the District's 2014 Financial Plan for local area service projects (for lane paving only), no guarantee can be made that the project will proceed (even if the petition is validated), except with Council's approval.

If you have any questions regarding the above petitions, please call the undersigned at 604-990-2395 or e-mail at [bernierm@dnv.org](mailto:bernierm@dnv.org) .

Yours truly,

Marcel Bernier, P. Eng.,  
Senior Project Engineer  
MLB/ajs

cc: Elio Iorio, Manager, Revenue & Taxation  
Jim Gordon, Municipal Clerk  
Steve Ono, Manager, Engineering Services / Deputy GM

### Appendix C: Petition Results Examples (Fiction)

Example Petition	Total number of Properties	Support Project	No Response	Oppose Project	Support Percentage <b>All Properties</b>	Support Percentage <b>Petition Respondents</b>
<b>Example 1 – High Percentage of non-respondents</b>						
Before petition format change	20	11	9	N/A	$11/20 = 56\%$	N/A
After petition format change	20	11	8	1	$11/20 = 56\%$	$11/12 = 92\%$
<b>Example 2 – High percentage of non-respondents in opposition</b>						
Before petition format change	60	30	30	N/A	$30/60 = 50\%$	N/A
After petition format change	60	30	3	27	$30/60 = 50\%$	$30/57 = 53\%$
<b>Example 3 – Equal percentage ratio of non-respondents to opposition</b>						
Before petition format change	30	20	10	N/A	$20/30 = 66\%$	N/A
After petition format change	30	20	5	5	$20/30 = 66\%$	$20/25 = 80\%$

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Info Package

Date:

Dept.  
Manager

GM/  
Director

CAO

**The District of North Vancouver**  
**CONFIDENTIAL**  
**INFORMATION REPORT TO COUNCIL**

*COPY - ORIGINAL  
SENT TO COUNCIL*

December 29, 2017

File: 11.5240.02/004.000

**AUTHOR:** Steven T. Ono, P.Eng.  
Manager, Engineering Services/Deputy GM

**SUBJECT:** Parkland Acquisition Through Development

---

**REASON FOR REPORT:**

During the December 4, 2017 meeting of Council, information was requested about the details of Parkland Acquisition through Development Cost Charges and through direct developer contribution in Town Centres. This report provides that information.

**SUMMARY:**

Parkland acquisition in Town Centres is guided by the principle that 'development pays for development'. The amount of parkland needed in Town Centres is derived from the Parks and Open Space Strategic Plan which, amongst other things, identifies the park deficient areas.

**BACKGROUND:**

The Development Cost Charge (DCC) Bylaw last had a major update in 2013. Best practice suggests DCC's should be updated at least every 5 years so it is time for an update. Parkland acquisition is a key component of DCC rates.

**EXISTING POLICY:**

The Parks and Open Space Strategic Plan, and various Town Centre Implementation Plans directly support the Official Community Plan.

**ANALYSIS:**

Planning, Parks, Engineering, Properties, and Finance staff have worked closely together to create a strategy for needed parkland to support implementation of the Town Centres through a combination of direct developer contribution and purchase using DCC revenues. As presented in the November 2017 DCC Bylaw Review and Update Background Report (excerpt in Attachment 1), 1.42 acres of parkland is to be acquired using DCC's while an additional 2.00 acres is to be acquired through direct developer contribution. Specific park

needs and the acquisition strategy within the Town Centres are shown on the attached maps (Attachment 2).

Neighbourhood parks in town centres provide convenient access to active and passive parkland such as playgrounds and greenspace for activity, rest and relaxation in park deficient areas.

**Timing/Approval Process:**

The DCC Bylaw update received first reading December 4, 2017 and a consultation process with the development industry has commenced. The Bylaw will be returned to Council early in 2018 for consideration of second and third reading by Council. If Council endorses third reading, the DCC Bylaw will then be sent for approval by the Inspector of Municipalities. Upon approval the DCC Bylaw will be returned to Council in spring 2018 for adoption.

Adoption of the DCC Bylaw with the new rates, will allow collection of sufficient DCC's from new development applications not yet "in stream" to help finance necessary parks and public infrastructure to support the needs of the new residents.

**Concurrence:**

Engineering, Parks & Facilities, Planning, Properties & Permits and Finance collaborated on the DCC Bylaw update.

**Financial Impacts:**

The DCC program is a key revenue stream of the long term financial plan, helping to offset the infrastructure expenditures needed to service new development.

**Liability/Risk:**

n/a

**Social Policy Implications:**

Sufficient park and open space within town centres is essential for the well-being of residents.

**Environmental Impact:**

Parks and open space can be beneficial to the environment, mitigating the urban heat island effect, hosting greenspace and promoting bio-diversity as well as providing opportunity for stormwater infiltration, groundwater recharge and improved water quality.

**Public Input:**

Outreach to the development industry is in progress.

**Conclusion:**

Acquisition of Parkland in Town Centres through a combination of DCC's and direct developer contribution ensure 'development pays for development' as the Parkland needed to support growth in accordance with the Parks and Open Space Strategic Plan is achieved.

Respectfully submitted,

Steve Ono, P.Eng.  
Manager, Engineering Services/Deputy GM

REVIEWED WITH:		
<input type="checkbox"/> Sustainable Community Dev. _____	<input type="checkbox"/> Clerk's Office _____	External Agencies:
<input type="checkbox"/> Development Services _____	<input type="checkbox"/> Communications _____	<input type="checkbox"/> Library Board _____
<input type="checkbox"/> Utilities _____	<input type="checkbox"/> Finance _____	<input type="checkbox"/> NS Health _____
<input type="checkbox"/> Engineering Operations _____	<input type="checkbox"/> Fire Services _____	<input type="checkbox"/> RCMP _____
<input type="checkbox"/> Parks _____	<input type="checkbox"/> ITS _____	<input type="checkbox"/> NVRC _____
<input type="checkbox"/> Environment _____	<input type="checkbox"/> Solicitor _____	<input type="checkbox"/> Museum & Arch. _____
<input type="checkbox"/> Facilities _____	<input type="checkbox"/> GIS _____	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Human Resources _____	<input type="checkbox"/> Real Estate _____	

# ATTACHMENT 1

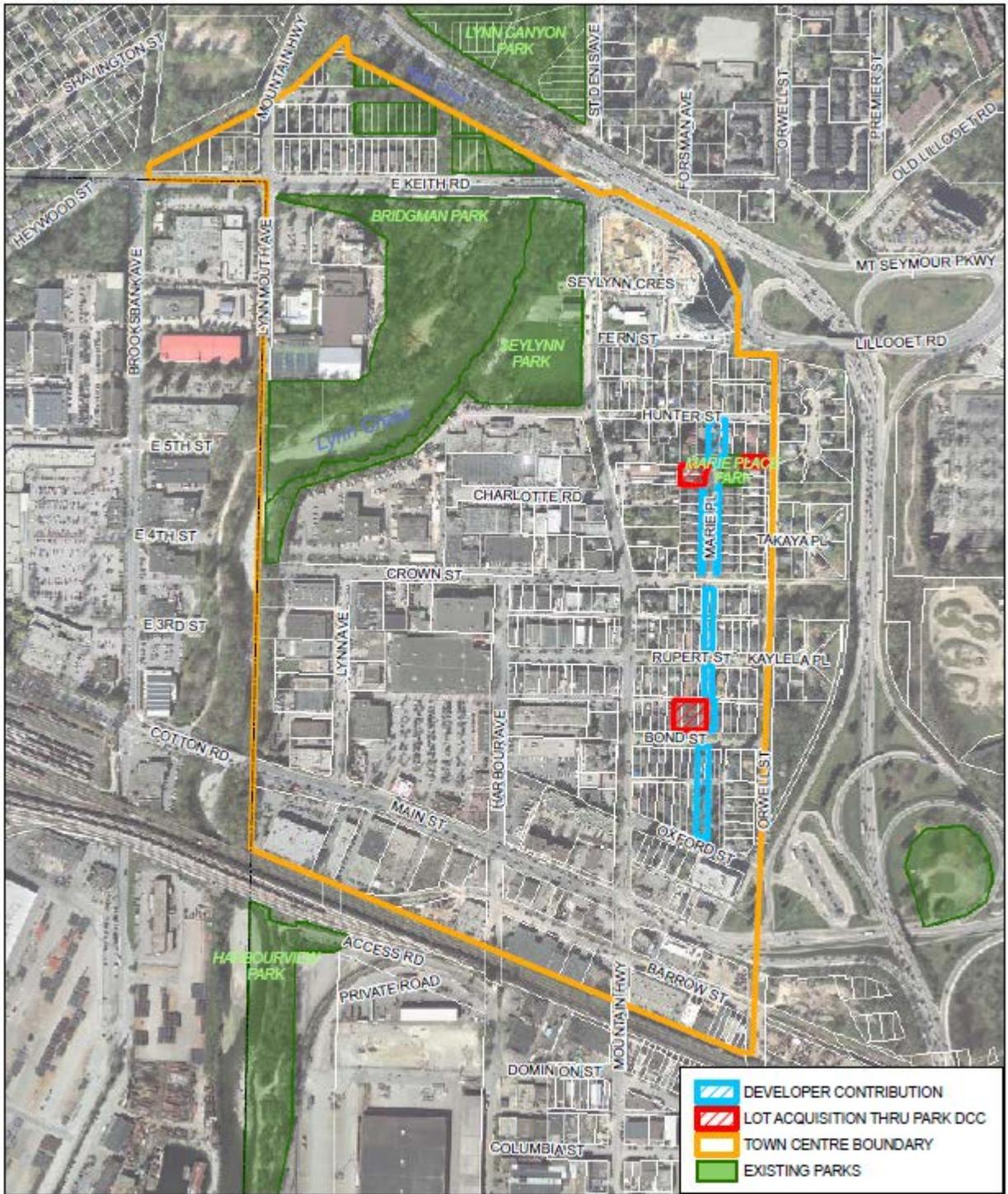
Excerpt from DCC Bylaw Review and Update Background Report, November 2017

## 9.2 Parkland Acquisition Requirements

The intent of the criteria is to ensure that the District acquires properties and to augment parks in areas where new development will increase the demand on our facilities. Based on recent analysis carried out by the District's Parks and Planning staff, Table 19 summarizes the anticipated neighbourhood parkland needs for the four major growth areas of the community and the land that is to be acquired using DCCs collected.

Parkland Requirements by Major Growth Centre	Park Acquisition through DCCs (acres)	Park Acquisition by Developer Negotiations (acres)	Total Parkland Acquisition (acres)
Lynn Valley Town Centre	0.00	2.00	2.00
Lions Gate Village Centre	0.21	0.00	0.21
Lynn Creek Town Centre	0.66	0.00	0.66
Maplewood Village Centre	0.55	0.00	0.55
<b>Totals</b>	<b>1.42</b>	<b>2.00</b>	<b>3.42</b>

**ATTACHMENT 2**  
**Town Centre Parkland Acquisition Maps**



-  DEVELOPER CONTRIBUTION
-  LOT ACQUISITION THRU PARK DCC
-  TOWN CENTRE BOUNDARY
-  EXISTING PARKS



**GIS DEPARTMENT**  
GEOGRAPHIC INFORMATION SYSTEMS  
854-660-2311 www.gisweb.dnv.org gis@dnv.org

### LYNN CREEK TOWN CENTRE



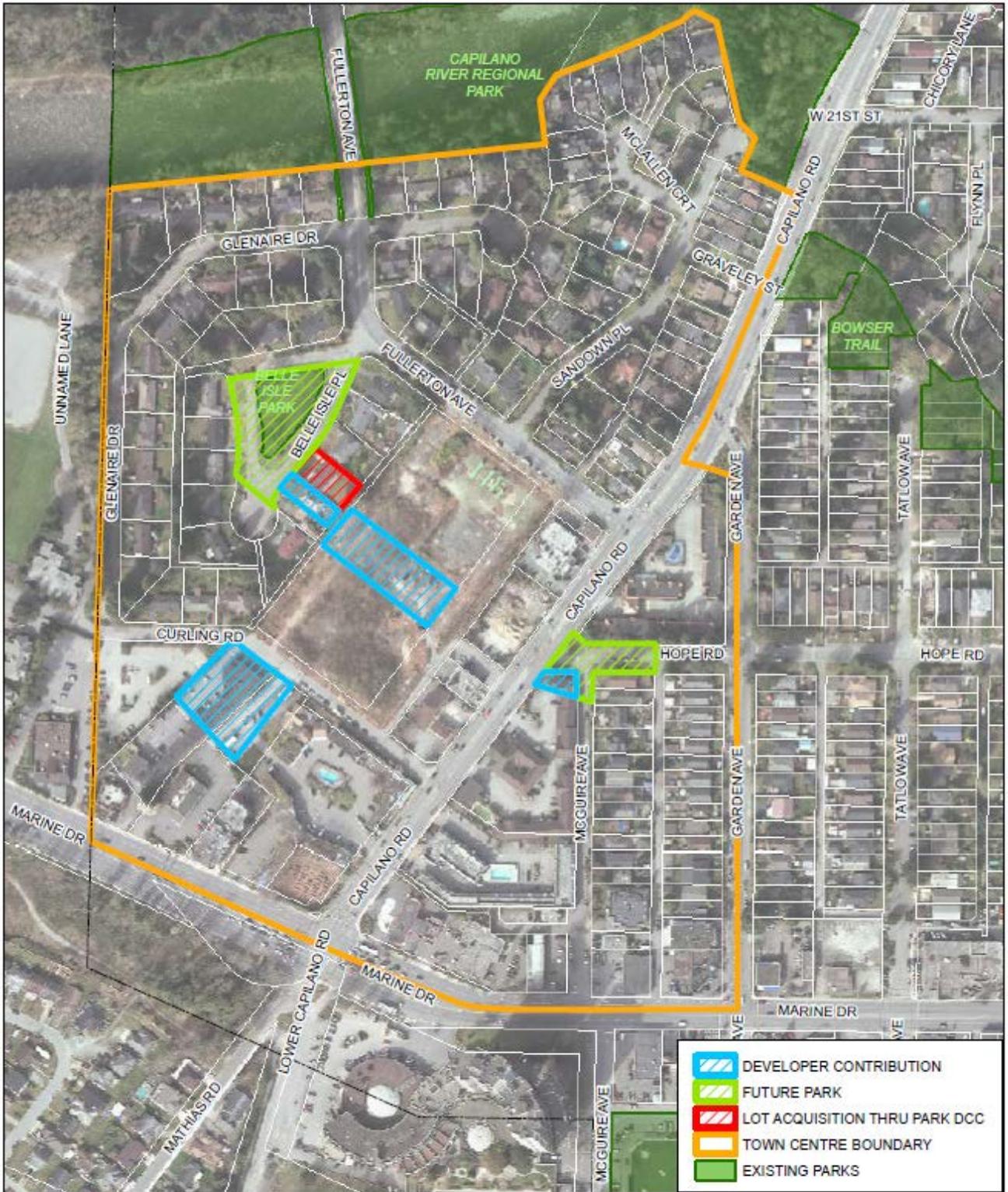
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Published: December 19, 2017







  
 NORTH VANCOUVER  
**GIS DEPARTMENT**  
 GEOGRAPHIC INFORMATION SYSTEMS  
 604-660-2311 www.geoweb.dmv.org gis@dmv.org

**LIONS GATE VILLAGE CENTRE**

0 10 20 40 60 80  
 Meters  
 Scale: 1:3,100

  
 N

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Published: January 11, 2018

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**AGENDA INFORMATION**

<input type="checkbox"/> Committee of the Whole	Date: _____
<input type="checkbox"/> Finance & Audit	Date: _____
<input type="checkbox"/> Advisory Oversight	Date: _____
<input type="checkbox"/> Other:	Date: _____

	 GM/ Director		CAO
Dept. Manager			

## The District of North Vancouver REPORT TO COMMITTEE

January 10, 2018

File:

**AUTHOR:** Andy Wardell, Acting General Manager, Finance & Technology

**SUBJECT:** Investment Portfolio Performance – December 31, 2017

### Overview

The investment portfolio as at December 31<sup>st</sup> is \$244.9 million (2016 - \$219.3 million) and has earned \$4.6 million (2016 - \$4.5 million). Total rate of return (ROR) is 1.92% (2016 – 1.96%). Investment income is ahead of budget by \$984,000.

<b><u>Earned</u></b>		<b><u>Actual</u></b>		<b><u>Budget</u></b>		<b><u>Difference</u></b>
	MFA	\$ 4,065	\$	3,471	\$	594
	NSCU BISA	273,447		116,550		156,897
	Liquid Investments	277,512		120,020		157,490
	Brokerage/Term Deposits	4,366,022		3,539,091		826,932
	<b>Totals</b>	<b>\$ 4,643,534</b>	<b>\$</b>	<b>3,659,111</b>	<b>\$</b>	<b>984,422</b>

<b><u>Rates</u></b>		<b><u>Actual</u></b>		<b><u>Budget</u></b>		<b><u>Difference</u></b>
	MFA	0.97%		0.82%		0.15%
	NSCU BISA	1.06%		1.06%		0.00%
	Brokerage/Term Deposits	2.03%		1.75%		0.28%
	<b>Totals</b>	<b>1.92%</b>		<b>1.72%</b>		<b>0.20%</b>

	<b><u>Volume</u></b>		<b><u>Rate</u></b>		<b><u>Fav (Unfav)</u></b>
Short Term	157,160	\$	330	\$	157,490
Brokerage/Term Deposits	817,186		9,745		826,932
	<b>\$ 974,346</b>	<b>\$</b>	<b>10,076</b>	<b>\$</b>	<b>984,422</b>

Reasons for investment performance growth are primarily cash flow timing including:

- o Accumulated surplus associated with capital project timing and reserve growth.
- o Higher development revenues and new unit tax growth reserved for development and growth related service adjustments.

- Actual year over year performance is down slightly due to the eminent completion of the New Delbrook Community Recreation Centre (at \$53.5 million for the building).
- Brokerage investment performance is 2.03% (slightly favourable to budget). This places yield performance near the quoted Community Charter eligible Canadian bond yields of 2.09% in the long end.

Benchmark Yields (as at January 9, 2018):

<u>Canadian Bonds</u>	<u>Banker's Acceptances</u>	<u>Average GICs</u>
1-3 Year 1.76 %	1 Month 1.36%	1 Year .73%
3-5 Year 1.92	3 Month 1.45	3 Year 1.35
5-10 Year 2.09		5 Year 1.60

The District investment strategy focuses first on preservation of capital, liquidity and then on rate of return. All investments are made in compliance with the Community Charter Section 183 – Investment of Municipal Funds.

## **Portfolio Diversification**

Short term funds create opportunities for debt reduction, financing major projects and land acquisition. Interest rate trends are monitored and long term investment opportunities are considered as they present themselves.

The District continues to leverage the 100% deposit insurance guarantee by the Credit Union Deposit Insurance Corporation of British Columbia (CUDIC) for deposits with credit unions to take advantage of the higher rates they offer compared to banks. BC credit unions are regulated by the Financial Institutions Commission (“FICOM”) in accordance with the Financial Institutions Act. This legislation requires BC credit unions to operate in a safe and sound manner and provides FICOM the authority to ensure financial stability and prudent operations. The CUDIC maintains a fund to guarantee 100% of credit union deposits in the unlikely event of a credit union failure. Credit unions hold \$205 million of the District’s funds.

Alberta credit unions also have these guarantees in place via the Credit Union Deposit Guarantee Corporation Alberta.

We also continue to seek diversification across major Canadian banks when investment instruments provide reasonable risk/reward compared to Credit Union opportunities. We also see diversification opportunities with Provincial guaranteed investment products that have been gaining strengths not seen in a decade.

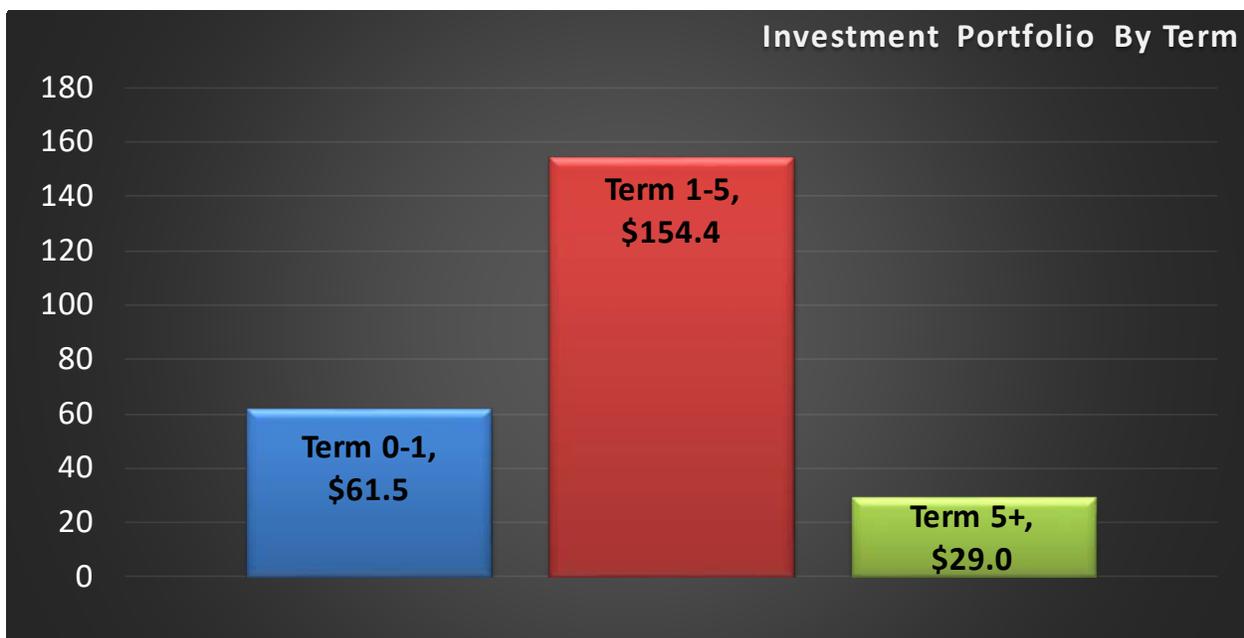
### Investments by type of institution and instrument:

- Municipal Finance Authority – money market fund - \$421k
- Provincially Guaranteed - \$9.8 million
- Credit Unions – high interest bank account & term deposits - \$205.3 million
- Banks – instruments that are guaranteed by a chartered bank - \$29.3 million

### Term Length

For liquidity requirements the District currently holds \$61.5 million in highly liquid investments (BISA, terms deposits, MFA). Short term investment performance at credit unions remains well above most opportunities currently offered by larger banks.

### Investment by term (in millions):



Under Division 4 of the Community Charter, reserves established by bylaw must hold funds plus interest, only for that purpose. At December 31<sup>st</sup>, 2016, the draft audited financial statements report the District had reserves of \$45 million and \$41 million committed to capital projects. In addition, the District has \$27.7 million in non-statutory operating reserves (appropriated accumulated surplus). The District strives to maintain its minimum cash and investments balance at a level equivalent to these reserves.

## **District Investment Opportunities**

The District's strategy of investing in credit union products will continue to maximize rate of return. These short term investment strategies have continued to outperform typical MFA investment pool options. Staff actively negotiate rates to maximize rate of return.

As our longer term portfolio matures we selectively look for opportunities to reposition part of the investment portfolio into longer time frames. To this end we have placed select step-up note investments with the National Bank of Canada. These help diversify risk and help renew our long term position at average rates above 2.5%.

We also see a limited number of provincial opportunities arising as interest rates start to rise in Canada.

## **Provincial Outlook – RBC Economics/Research (December 2017)**

There's much to be impressed with when it comes to British Columbia's economy. Growth has been strong—averaging 3.5% annually in the past four years—broadly based across economic sectors and resilient in the face of turbulence in the provincial housing market last year. British Columbians enjoy some of the brightest job prospects in the country and feel confident because of it. We think that we'll be impressed again in 2018, although we're lowering our growth expectations somewhat because a number of headwinds. We expect that rising interest rates will cool consumer spending and housing market activity. Economic recovery in Alberta is poised to temper the flow provincial migrants moving to British Columbia and restrain overall population growth. We forecast GDP growth to moderate from 3.2% in 2017 to 2.2% in 2018. We see the moderation continuing into 2019 with growth easing to 1.9%.

- The BC labour market's performance in the past two years has been nothing short of stellar. Employment growth averaged 3.4% annually, which is something we haven't seen in the province since the mid-1990s. The unemployment rate dipped to 4.8% by the late stages of 2017—a nine-year low point.
- We project employment to grow in British Columbia in 2018 but at the more moderate pace of 1.0%. This would be sufficient to keep the unemployment rate historically low at 5.0% overall in 2018—the lowest rate among the provinces.
- BC retail sales rose by 7.4% in 2016 and are set to increase by 9.3% in 2017—a record for BC and the strongest rate seen in any province since 2008. More moderate job growth will also take some of the steam off homebuyer demand in the province.
- We think that rising interest rates and more stringent mortgage lending rules potentially will be larger influences acting to cool the housing market and homebuilding activity.
- Although British Columbia is the province least dependent on the US market (the destination of approximately 50% of BC exports, which is still substantial), we expect

rising protectionist sentiments south of the border and uncertainty about the fate of NAFTA to weigh on international trade.

**Toronto Dominion – Provincial Economic Forecast (December 2017)**

British Columbia’s economy is enjoying an extended economic boom, with growth expected to top 3% for a fourth straight year in 2017. Household spending has remained a linchpin for growth, supported by strong job gains of over 3%, which have driven the unemployment rate down to a 9-year low of 4.8%. Robust migration inflows have helped to fan the flames of hiring and spending, though labour market shortages are becoming increasingly evident in the province.

Manufacturing, wholesale trade and exports have also recorded solid gains this year, while the housing market has been the weak spot. Following last year’s surge, new home construction took a breather over the first three quarters of the year and sales are sitting 16% below their 2016 peak. That said, the housing market has been gaining traction recently, with sales rising above year-ago levels and housing starts surging to a record high in October. This respite is unlikely to last, however, as the highly unaffordable market faces higher rates and new B-20 measures (OSFI (Office of the Superintendent of Financial Institutions) guidelines – Residential Mortgage Underwriting Practices and Procedures). The final decision on softwood lumber tariffs in the U.S. will be a challenge for the province’s forestry sector, although U.S. demand should remain strong and some companies have indicated their intent to increase shipments elsewhere. Despite these headwinds, a stronger-than-expected handoff into 2018 has led us to upgrade the forecast for next year to 2.7%, keeping B.C. at the upper end of the provincial leader-board.

Respectfully submitted,



Andy Wardell  
Acting General Manager, Finance & Technology

REVIEWED WITH:		
<input type="checkbox"/> Sustainable Community Dev. _____	<input type="checkbox"/> Clerk’s Office _____	External Agencies:
<input type="checkbox"/> Development Services _____	<input type="checkbox"/> Communications _____	<input type="checkbox"/> Library Board _____
<input type="checkbox"/> Utilities _____	<input type="checkbox"/> Finance _____	<input type="checkbox"/> NS Health _____
<input type="checkbox"/> Engineering Operations _____	<input type="checkbox"/> Fire Services _____	<input type="checkbox"/> RCMP _____
<input type="checkbox"/> Parks & Environment _____	<input type="checkbox"/> ITS _____	<input type="checkbox"/> Recreation Com. _____
<input type="checkbox"/> Economic Development _____	<input type="checkbox"/> Solicitor _____	<input type="checkbox"/> Museum & Arch. _____
<input type="checkbox"/> Human resources _____	<input type="checkbox"/> GIS _____	<input type="checkbox"/> Other: _____

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