

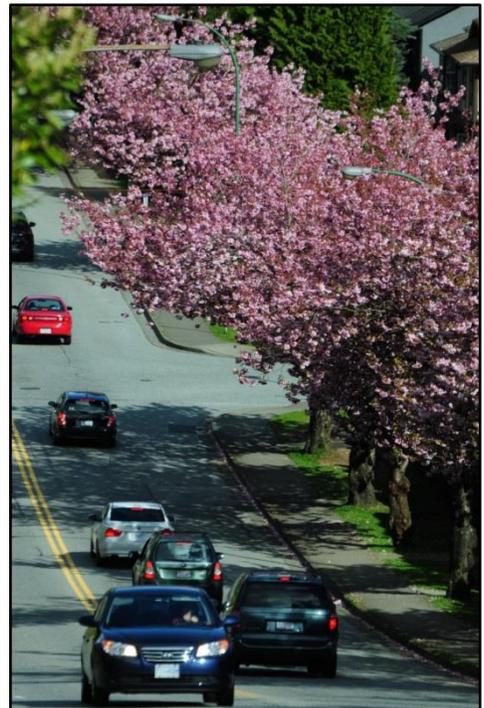


# 2015 Annual Report

# ***About the District of North Vancouver***

***Inspired by nature. Enriched by people.*** Located on the north shore of Burrard Inlet, the District of North Vancouver extends from Capilano River to Indian Arm and from Burrard Inlet north to include Grouse, Fromme and Seymour Mountains. With a total land area of just over 16,000 hectares (63 square miles), the District is the largest of the North Shore municipalities.

With its naturally beautiful surroundings, high quality of life, and close proximity to downtown Vancouver, North Vancouver District is one of the world's most desirable places to live, work and play. The District's unique characteristics provide residents, business owners and visitors alike the benefits of being part of a dynamic metropolitan region along with the appealing attributes of a smaller community.



# Introduction

Welcome to the District of North Vancouver's 2015 Annual Report. The format, statutory content and activity measures presented here are consistent with past years as we continue to use the Corporate Plan as the basis for reporting on past and future District objectives. However, with Council now elected for a four-year term, the strategic planning horizon of the 2015-2018 Corporate Plan is likewise extended to four years. In this changing context, we anticipate performance measures will be reconsidered and likely to evolve in future years.

The 2015 Annual Report provides all of the elements of annual reporting as outlined in the Community Charter, which include: audited financial statements, permissive tax exemptions, progress reporting on previously stated objectives, a statement of objectives that will measure performance for the current and following year, and information on municipal services and operations. The Community Charter also requires reporting of any declarations of disqualifications of Councillors, if any had occurred, made in the previous year.

This year's Annual Report is offered in PDF format. In future, our goal is to present the report in more interactive formats. This report is also available for review at District Hall and at all three District Public Library branches, through public access terminals and in print form.



*Richard Walton*

# Message from the Mayor

The District of North Vancouver had a busy year in 2015 as it continues to work towards achieving its Official Community Plan while responding to quickly changing regional challenges such as rising housing costs and needs for transit.

The District's Official Community Plan (2011) identified well the key issues facing us in the second decade of the twenty-first century, along with a range of strategies to address them.



However, the global growth of cities and the need for resilient planning and investment to provide for the needs of the millennial generation are creating an urgency not experienced since the post-World War II baby boom years.

North Vancouver, as an inner suburb of Canada's most prosperous region, Metro Vancouver, is feeling acutely the pressures associated with regional growth. Two primary symptoms of issues relating to regional growth are increasing volumes of traffic and rising land values. Recent acceleration of single family residential re-development, and the increase in the number of key service workers commuting from off the North Shore to work here, have changed commuter patterns on and off the North Shore and deleteriously affected quality of life.

Indeed, a May 2016 Angus Reid poll shows North Shore residents now have the highest concerns within the Metro Vancouver region over traffic. The Upper Levels Highway and Ironworkers Bridge have provided an adequate east-west link across the North Shore communities from Lions Bay to Burnaby since 1960. Since 2013 increases in volume have occurred that extend commuter backups and harm connectivity from the Seymour area to the rest of the North Shore.

Furthermore, ongoing escalation of land prices within the Region, especially in areas of close proximity to downtown Vancouver, continue to push up the cost of new housing, including that of new rental housing being built to replace the aging wood frame rental walk-ups constructed when land was relatively cheap. This pattern is impacting communities all over the region, including North Vancouver District, where the community's OCP seeks to protect the low density neighbourhoods – traditionally home to 70% of our residents – by cautiously accepting height and density in certain areas. Increasingly, we are seeing that the 'missing generation' of 20-40 year olds cannot return to

or remain in the District given the cost of the housing stock that meets their needs. This issue is compounded for lower income renters.

In response to these challenges, Council began in 2015 to shift its focus beyond articulation of the implementation plans for the town centres, toward policy definition to ensure the provision of rental and non-market housing for lower income residents. The 'green paper' on affordable and rental housing produced at Council's direction provides the foundation for a fulsome strategy that will be completed in 2016 and which frames Council's efforts to seek partnerships for developing affordable housing within the emerging town centres. Council also initiated work on a series of connected policies to provide more certainty for the development community about expectations for community amenity charges and the inclusion of affordable housing in redevelopment submissions. Removing some of the uncertainty surrounding the economics of redevelopment should allow providers of District housing to become more responsive for middle and lower income residents.

In terms of improving mobility, the District is working closely with the Ministry of Transportation and the development community to improve the traffic flow in the Lynnmour area. The District has invested heavily in the Keith Road and Mountain Highway key corridors, which in turn has acted as a catalyst for the provincial Ministry to accelerate its redesign and construction of the Mountain Highway and Fern Street overpasses. And while 2015 unfortunately saw the defeat of the regional plebiscite designed to increase investment in transit, discussions continue between levels of government which will result in more robust transit service increases within the region, providing some relief to our highway and bridge system.

At all levels, North Vancouver continues to invest in community infrastructure to promote health and livability for those who live, work and play here. Significant progress has been made on the new Keith Road Bridge, Philip Avenue Overpass, and the Delbrook Community Recreation Centre, all of which are scheduled for completion in 2016. With a view to our long term resilience, funding was secured for important wildfire risk and debris hazard mitigation works across the community and attention brought to the development of Integrated Stormwater Management Plans and a Climate Change Adaptation Strategy. While painting a realistic picture of the challenges facing our community, I am also confident that Council and staff working together will continue to steward District resources effectively and, with the community, identify solutions that help us achieve the vision of a healthy, resilient community articulated by the Official Community Plan.

*Richard Walton*

*Mayor*

*District of North Vancouver*

# District of North Vancouver Council

*(Elected November 2014)*



**(l to r):** *Jim Hanson, Robin Hicks, Roger Bassam, Mayor Richard Walton,  
Lisa Muri, Doug MacKay-Dunn, Mathew Bond.*

*David Stuart*

# **Message from the Chief Administrative Officer**

On behalf of the Executive Team, I am pleased to present our 2015 Annual Report. With a newly-elected Council in place, a new Corporate Plan was created in 2015, setting out our



priorities for the 2015-2018 term. The five-year Financial Plan and the Corporate Plan form the foundation upon which we report our progress in the Annual Report.

Work on infrastructure and emergency preparedness continued in 2015 with work on the new rail overpass at Philip Avenue and replacement of the Keith Road Bridge, both scheduled for completion in 2016. Considerable work was also carried out with the Province advancing the improvements to the Second Narrows Bridgehead Interchanges with construction work to commence in late 2016. The new Delbrook Community Recreation Centre

continued to visibly take shape and will also open its doors to the public in late 2016. On a different scale, the Fromme Mountain parking and staging area opened for use in 2015 and is proving to be very popular for those wishing to access the trail network.

With federal funding support, the District embarked on significant debris hazard mitigation works across our creek and storm water system to ensure we are increasingly prepared for extreme weather events. A District-wide earthquake risk assessment, one of the first in Canada, was undertaken in collaboration with the University of British Columbia and National Resources Canada, along with a plain language guide, *When the Ground Shakes*, to improve resident and business awareness and preparedness for earthquakes. The District continued to demonstrate our leadership in reducing the risk of interface fires through our program of treating the forest interface area. The plan is to have treated all of our high risk areas by 2020.

These efforts are increasingly important as the community grows and changes. The implementation of the Official Community Plan (OCP) and supporting plans continue and with new housing and employment opportunities, also come impacts and challenges which must be well-managed to preserve and ensure livability. To this end, Council endorsed a

systematic approach for monitoring and reporting on OCP implementation and initiated research and discussion on the development of an affordable and rental housing strategy. Efforts continue throughout the organization to implement systems and tools to better manage development and transportation related impacts as community building activity defines the foreseeable future.

Our Financial Plan, and related strategies and policies, continue to provide a stable foundation for all our capital and operational undertakings. We proactively monitor the long term funding strategy in relation to growth management, regional influences and best practices to ensure both the District's financial resilience, and the ability to respond to opportunities for collaboration with private and public partners. In this vein, 2015 also saw progress on regional projects such as the Capilano Watermain replacement. With the Federal Government announcing funding for local and regional government infrastructure, both District and Metro Vancouver leadership see opportunities to move forward on the North Shore Wastewater Treatment facility and the TransLink Mayors Council Transit Plan, the latter of which features long awaited improvements to the Phibbs Exchange, rapid transit bus services on the North Shore, and additional SeaBus capacity.

Looking back on our 2015 accomplishments and ahead to the opportunities and challenges that 2016 will bring, I am confident in our ability to thrive and change, to deliver the level of services this community expects and enjoys.

*David Stuart*  
*Chief Administrative Officer*

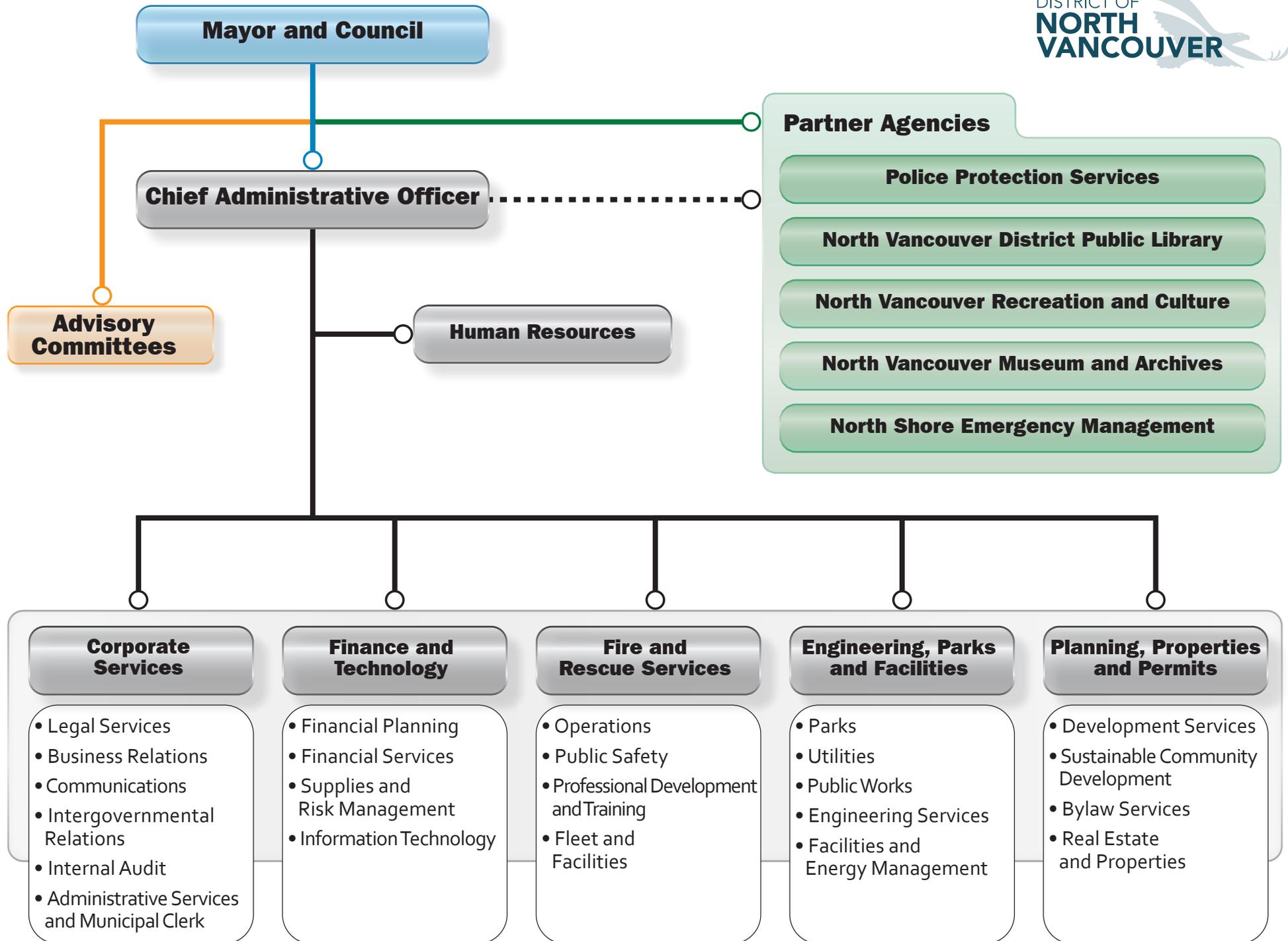
# Executive Team



**Back Row (l to r):** Nancy Kirkpatrick, Director, North Vancouver Museum & Archives; Cindy Rogers, Manager, Human Resources; Heather Turner, Director, Recreation & Culture.

**Centre Row (l to r):** Brian Bydwell, General Manager, Planning, Properties & Permits; Dorit Mason, Director, North Shore Emergency Management; Jacqueline van Dyk, Director, Library Services; Gavin Joyce, General Manager, Engineering, Parks & Facilities.

**Front Row (l to r):** Chris Kennedy, Superintendent, RCMP; Charlene Grant, General Manager, Corporate Services; David Stuart, Chief Administrative Officer; Nicole Deveaux, General Manager, Finance & Technology and Chief Financial Officer; Victor Penman, Chief, Fire & Rescue Services.



*Nicole Deveaux*

# **Message from the Chief Financial Officer**

***Mayor Richard Walton and Members of Council  
District of North Vancouver***

*Your Worship and Members of Council:*

It is my pleasure to submit the Corporation of the District of North Vancouver's ("District") audited Consolidated Financial Statements (the "Financial Statements") for the year ended December 31, 2015.

The preparation and presentation of the Financial Statements and related information in the 2015 Annual Report is the responsibility of the Finance and Technology Division. These



Financial Statements have been prepared in accordance with Canadian public sector accounting standards. The Financial Statements have been audited by KPMG LLP, Chartered Professional Accountants who have expressed an unqualified audit opinion on the fairness of the financial information being presented.

The Financial Statements are prepared on an entity basis. The reporting entity is comprised of all organizations accountable to the District for the administration of their affairs and resources, and are owned or controlled by the District. These Financial Statements include the entire

operations of the Municipality and the Municipal Public Library and a proportionate interest in a number of joint service agreements with other North Shore municipalities. The District shares in the provision of services where it makes economic or operational sense. Services such as recreation and culture, museum and archives and emergency preparedness are not under the sole control of the District but have multiple accountability and reporting lines and funding partners. The Financial Statements reflect the District's share of these arrangements.

The Notes to the Financial Statements are an integral part of the District's financial information and as such, I encourage you to read them thoroughly. The Notes describe the

accounting policies followed by the District and provide additional disclosure of the more significant financial statement items, commitments and contingencies.

The District maintains a system of internal controls designed to provide reasonable assurance for the safeguarding of assets and the reliability of financial records. This system is routinely evaluated and revised to ensure effective controls are operating as intended. The monitoring and assessment of the system of internal controls is a joint effort between the Chief Financial Officer, the Internal Auditor and the External Auditor within the scope of their engagement.

### **Financial Results**

The Consolidated Statement of Financial Position shows net financial assets of \$99.3 million (an increase of \$4.4 million over 2014). This increase is primarily attributable to the growth of our investment portfolio which totals \$216.7 million, an increase of \$37.4 million since 2014. As revenues are collected and long-term debt proceeds received, the size of the investment portfolio varies with the timing of capital projects, the influence of strategic priorities, operational capacity and external constraints. Increases in accumulated surplus are also attributable to expenditure timing on capital projects and can be seen in the Committed Capital fund Note 10 c) of the Financial Statements.

The Consolidated Statement of Operations reports a surplus of \$55 million. This surplus is a matter of financial presentation. The District raises revenues based on the current replacement value on its existing assets while expenses reflect the depreciation of these assets at historical cost. For the most part, it is this surplus that funds the renewal, upgrade and new assets within our capital plans.

Revenues are higher than budget by \$22.8 million due to funding from senior levels of governments for construction of the Philip Avenue Overpass and sale of the old Lynn Valley Library site. Actual expenses, excluding depreciation of \$15.4 million, are lower than budget by \$2.5 million. The District budget is based upon Provincial legislation that excludes asset depreciation. Canadian public sector accounting standards however require depreciation. Note 16 to the Financial Statements explains further the reconciling items between the District's budget based on Provincial legislation and the budget reported following Canadian public sector accounting standards.

### ***Accumulated Surplus (Note 10)***

#### *Operating Fund*

The Operating fund balance is comprised of general surplus and operating reserves which are discretionary appropriations of surplus for specific purposes. The amount to retain in reserves is determined based on risk analysis, historical claim patterns and existing

uncertainty with respect to operating contingencies. The 2015 operating reserves have increased \$5.1 million from 2014 in response to increased risk provisions, growth in community amenity contributions and the creation of a development reserve to mitigate impacts on the community.

#### *Reserve Fund*

The District uses three major reserves for the management of its infrastructures, facilities and land base. The “Infrastructure Replacement”, the “New Capital and Innovation”, and the “Land Opportunity” reserve funds are the mechanisms by which the District replaces and acquires new capital and land assets. The principles embodied in this framework are the preservation of the value of our land base, the prioritized replacement of existing assets and the careful consideration of any new asset additions to our portfolio. Compared to last year, the total reserve fund has decreased by \$2.6 million. The total reserve balance of \$48.3 million is available with the focus on asset renewal and long term sustainable service delivery of District services.

#### *Committed Capital Fund*

The balance in the Committed Capital fund is driven by the level of asset acquisition and construction activity during the year. It represents allocated funding for capital spending at a point in time. Given the fact that the District is in a period of growth combined with an ambitious asset renewal cycle, we anticipate the amount of capital funds committed will be fairly significant over the next few years.

#### ***Tangible Capital Assets (Note 9)***

The historical value of the District’s tangible capital assets represents our investment in infrastructure and facilities over time. Historical value is \$861 million with accumulated depreciation of \$306 million for a net book value of \$555 million. The District owns 96% of its tangible capital assets free of debt.

#### ***Investment Portfolio (Note 3)***

Our investment portfolio (\$216.7 million – 2015, \$179.3 million – 2014) increased due to proceeds from debt issue, the earning of interest on invested funds and capital project timing.

The soft market conditions of the last few years continue to adversely impact the renewal of maturing long-term investments as these funds are re-invested at rates much lower than past investment opportunities. Average yield on investments was 2.09% (2.31% in 2014). Economic uncertainty continues to push out growth in interest rates into future years. The District continues to budget lower interest rates for the short to mid-term horizon.

## ***Current Developments***

The following new Accounting Standards have been approved by PSAB:

- “Liability for Contaminated Sites PS 3260” is now in effect. This standard requires that Governments recognize a liability for contaminated sites when they are responsible for, or accept responsibility for, contamination when the contamination exceeds environmental standards. The District has reviewed its site inventory and has concluded that no liabilities need to be recorded under this standard. KPMG has reviewed management’s conclusion and no liabilities currently exist.
- “Financial Instruments PS 3450” will be effective for the fiscal year ending December 2020. There is no impact on the District’s investment portfolio. The standard supports the District’s current accounting policies for investments.
- “Foreign Currency Translation PS2601” will be effective for the fiscal year ending December 2020. As the District occasionally enters into contracts with US corporations, the standard might be relevant. Finance staff is reviewing this standard to assess potential impacts.

In conclusion, I would like to acknowledge the members of the Finance and Audit Standing Committee of Council, all municipal staff and in particular the staff of the Finance and Technology Division for their due diligence in governing and managing the financial affairs of the municipality. The Financial Statements are a useful tool in understanding the past performance of the municipality and assessing its challenges. It is our goal to make them accessible and informative to the reader.

*Nicole Deveaux, B.A., B.B.A., C.P.A., C.A.*

*Chief Financial Officer and General Manager of Finance and Technology*

# Consolidated Financial Statements

The Consolidated Financial Statements are prepared on an entity basis. The reporting entity is comprised of all organizations accountable to the District for the administration of their affairs and resources, and are owned or controlled from the District. These financial statements include the entire operations of the Municipality, the Municipal Public Library and a proportionate interest in a number of joint service agreements with other North Shore municipalities. The Municipality shares in the provision of services where it makes economic or operational sense. Services such as recreation and culture, museum and archives, emergency preparedness, and recycling are not under the sole control of the District but have multiple accountability reporting lines and funding partners. These consolidated statements reflect the District's share of these arrangements.



**District of North Vancouver  
Consolidated Financial Statements  
December 31, 2015**

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KPMG LLP  
Metro Tower I  
4710 Kingsway, Suite 2400  
Burnaby BC V5H 4M2  
Canada  
Telephone (604) 527-3600  
Fax (604) 527-3636

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Councilors

We have audited the accompanying consolidated financial statements of the Corporation of the District of North Vancouver, which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the District of North Vancouver as at December 31, 2015, and its consolidated results of operations, its consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants  
May 2, 2016  
Burnaby, Canada

**District of North Vancouver**  
**Consolidated Statement of Financial Position**  
**December 31**

	2015	2014
Financial assets		
Cash	\$ 7,182,490	\$ 7,205,307
Taxes receivable	3,938,742	4,384,198
Accounts receivable	3,873,459	4,628,718
Due from governments (Note 2)	4,446,404	6,374,237
Investments (Note 3)	216,749,996	179,267,726
MFA debt reserve deposit	808,145	509,674
Inventories held for resale	113,986	120,986
	<u>237,113,222</u>	<u>202,490,846</u>
Financial liabilities		
Accounts payable and accrued liabilities	20,599,324	16,118,139
Due to governments (Note 4)	10,791,045	11,173,049
Restricted revenues (Note 5)	14,785,347	16,125,328
Deferred revenues (Note 6)	22,196,205	21,154,412
Long-term debt (Note 7)	46,650,352	20,377,710
Post-employment benefits (Note 8)	9,752,464	9,609,640
Deposits and other liabilities	13,007,298	12,998,509
	<u>137,782,035</u>	<u>107,556,787</u>
Net financial assets	99,331,187	94,934,059
Non-financial assets		
Prepaid expenses	1,262,368	1,071,757
Inventories held for consumption	934,517	978,887
Tangible capital assets (Note 9)	554,748,931	504,374,145
Other assets	284,327	230,945
	<u>557,230,143</u>	<u>506,655,734</u>
Accumulated surplus (Note 10)	<u>\$ 656,561,330</u>	<u>\$ 601,589,793</u>
Commitments and contingencies (Note 13)		

  
 Andy Wardell, CPA, CGA, MA  
 Chief Financial Officer

**District of North Vancouver  
Consolidated Statement of Operations  
Year Ended December 31**

	2015 Budget (Note 16)	2015	2014
<b>Revenues</b>			
Taxation (Note 11)	\$ 89,925,350	\$ 90,817,647	\$ 88,353,663
Sales, fees, and user charges			
Water	23,923,638	24,182,645	23,871,865
Sewer	20,659,812	21,376,578	19,723,460
Solid waste	8,301,255	8,190,802	8,216,518
Parks, recreation and culture	12,278,468	12,212,830	11,922,127
Other	23,074,991	27,031,708	23,504,769
Transfer from governments	8,288,422	14,609,468	11,295,293
Investment income	2,962,752	4,151,143	4,020,338
Land sales and other contributions	4,242,409	13,914,331	4,273,453
	<u>193,657,097</u>	<u>216,487,152</u>	<u>195,181,486</u>
<b>Expenses (Note 12)</b>			
General government	22,299,689	34,612,358	32,796,779
Protective services	40,801,092	39,992,939	38,729,227
Solid waste removal services	8,011,972	7,902,534	8,127,547
Social services	2,423,429	2,690,523	2,214,237
Development services	3,815,735	3,320,252	2,778,428
Transport and other services	7,121,022	6,776,267	7,065,918
Parks, recreation and cultural services	33,662,221	33,495,105	32,906,655
Water utility services	16,781,204	17,305,338	15,971,805
Sewer utility services	13,634,039	15,420,299	14,401,003
	<u>148,550,403</u>	<u>161,515,615</u>	<u>154,991,599</u>
Annual surplus	<u>\$ 45,106,694</u>	<u>54,971,537</u>	<u>40,189,887</u>
Accumulated surplus, beginning of year		<u>601,589,793</u>	<u>561,399,906</u>
Accumulated surplus, end of year		<u>\$ 656,561,330</u>	<u>\$ 601,589,793</u>

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**District of North Vancouver**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31**

	2015	2014
Operating transactions		
Annual surplus	\$ 54,971,537	\$ 40,189,887
Non-cash items:		
Depreciation	15,372,913	15,133,562
(Gain) loss on disposal of tangible capital assets	(8,561,929)	407,099
Amortization of other assets	64,521	69,073
Contributed tangible capital assets	(4,262,043)	(684,901)
Changes in non-cash assets and liabilities	6,525,539	88,143
Cash provided by operating transactions	<u>64,110,538</u>	<u>55,202,863</u>
Capital transactions		
Proceeds on sale of tangible capital assets	9,993,064	411,949
Cash used to acquire tangible capital assets	(62,916,791)	(46,161,607)
Cash applied to capital transactions	<u>(52,923,727)</u>	<u>(45,749,658)</u>
Investing transactions		
Proceeds from portfolio investments	317,017,730	249,619,197
Portfolio investments acquired	(354,500,000)	(256,500,000)
Cash used by investing transactions	<u>(37,482,270)</u>	<u>(6,880,803)</u>
Financing transactions		
Proceeds from debt	28,000,000	1,000,000
Debt repayment	(1,727,358)	(1,501,108)
Cash provided by (applied to) financing transactions	<u>26,272,642</u>	<u>(501,108)</u>
Increase (decrease) in cash	(22,817)	2,071,294
Cash, beginning of year	<u>7,205,307</u>	<u>5,134,013</u>
Cash, end of year	<u>\$ 7,182,490</u>	<u>\$ 7,205,307</u>

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See accompanying notes to consolidated financial statements

**District of North Vancouver**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31**

	2015 Budget	2015	2014
	(Note 16)		
Annual surplus	\$ 45,106,694	\$ 54,971,537	\$ 40,189,887
Contributed tangible capital assets (Note 9(a))		(4,262,043)	(684,901)
Acquisition of tangible capital assets	(63,413,600)	(62,916,791)	(46,161,607)
Depreciation of tangible capital assets		15,372,913	15,133,562
(Gain) loss on disposal of tangible capital assets		(8,561,929)	407,099
Proceeds on disposal of tangible capital assets	4,000,000	9,993,064	411,949
Amortization of other assets		64,521	69,073
	<u>(59,413,600)</u>	<u>(50,310,265)</u>	<u>(30,824,825)</u>
Acquisition of other assets		(117,903)	(63,378)
Acquisition of inventories held for consumption		(934,517)	(978,887)
Acquisition of prepaid expenses		(1,262,368)	(1,071,757)
Use of inventories held for consumption		978,887	990,427
Use of prepaid expenses		1,071,757	1,185,178
	<u>-</u>	<u>(264,144)</u>	<u>61,583</u>
Change in net financial assets	<u>\$ (14,306,906)</u>	4,397,128	9,426,645
Net financial assets, beginning of year		<u>94,934,059</u>	<u>85,507,414</u>
Net financial assets, end of year		<u>\$ 99,331,187</u>	<u>\$ 94,934,059</u>

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**1. Significant accounting policies**

**a) Basis of presentation**

The consolidated financial statements of the District of North Vancouver (the District) are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as prescribed in the CPA Canada Public Sector Accounting Handbook.

**b) Basis of consolidation**

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in net financial assets and the financial position of the reporting entity.

The reporting entity is comprised of all organizations that are controlled by the District. The financial statements reflect the consolidation of the District's funds with the financial position and results of operations of the District of North Vancouver Municipal Public Library and the District's proportionate interest in the North Vancouver Recreation and Culture Commission, North Vancouver Museum and Archives Commission, North and West Vancouver Emergency Management Office and North and West Vancouver Recycling Services. Inter-organizational transactions and proportionate balances have been eliminated.

**c) Segment disclosures**

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. Consolidated statements report financial activities by major service. Segment disclosures provide information on the District's services delivered by external entities.

**d) Revenue recognition**

Revenue is recorded on the accrual basis and is recognized when it is earned. Unearned revenue is reported on the statement of financial position as either deferred revenues or deposits and other liabilities. Property tax revenue is recognized on the accrual basis using the approved mill rates and the assessment related to each year.

**e) Expense recognition**

Expenses are recognized on an accrual basis by the receipt of goods and services or the creation of an obligation to pay.

**f) Fund accounting**

Funds within the consolidated financial statements consist of operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. All interfund assets and liabilities and financial operations have been eliminated in the consolidated financial statements. The funds consist of the following:

**i) Operating fund**

These funds include the General, Water and Sewer Operating funds as well as the operating fund of the District of North Vancouver Municipal Public Library and the District's interest in the operating fund of the North Vancouver Recreation and Culture Commission, North Vancouver Museum and Archives Commission, North and West Vancouver Emergency Management Office and North and West Vancouver Recycling Services. They are used to record the operating assets, liabilities, revenues and expenses of the District.

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**1. Significant accounting policies, continued**

**ii) Reserve fund**

Under the Community Charter of British Columbia, Council may, by bylaw, establish reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended only for the purpose for which the fund was established or as is otherwise permitted by the Community Charter.

**iii) Capital fund**

These funds include the General, Water and Sewer Capital funds as well as the Capital fund of the District of North Vancouver Municipal Public Library. They are used to record the acquisition and construction costs of tangible capital assets and any related debt outstanding.

**g) Other taxing jurisdictions**

The assets, liabilities, taxation, other revenues and expenses with respect to the operations of other taxing jurisdictions including the provincial school system and the Greater Vancouver Regional District are not reflected in these financial statements.

**h) Investments**

Investments are recorded at cost plus accrued interest receivable and net of amortized discounts or premiums.

**i) Inventories held for resale**

Inventories held for resale are valued at the lower of cost or net realizable value. Cost is determined on a weighted average basis.

**j) Restricted revenues**

Revenues which are restricted by the legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenue. When qualifying expenses are incurred, restricted revenue is recognized as revenue at amounts equal to the qualifying expenses.

**k) Deferred revenues**

Revenues received in advance of services to be provided are deferred until they are earned by the provision of those services.

**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 have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. They include prepaid expenses, inventories held for consumption, tangible capital assets and other assets.

**i) Inventories held for consumption**

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost. Cost is determined on a weighted average basis.

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
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**1. Significant accounting policies, continued**

**ii) Tangible capital assets**

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

<u>Asset Category</u>	<u>Useful Lives (Years)</u>
Land improvements	5 - 100
Buildings and building improvements	15 - 40
Vehicles	3 - 25
Furniture and equipment	2 - 30
Water and waste water infrastructure	15 - 100
Road infrastructure	
- Base	75
- Surface	16 - 80
- Other infrastructure	12 - 100
Library Collection	2 - 10

Assets under construction are not depreciated until the asset is placed in service.

**a) Contributions of tangible capital assets**

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt and also are recorded as revenue when received.

**b) Natural resources**

Natural resources that have not been purchased are not recognized as assets in the financial statements.

**c) Works of art and historic assets**

The District manages and controls various works of art and non-operational historical cultural assets including artifacts, paintings and sculptures located at District sites and public display areas. These assets are not recorded as tangible capital assets and are not depreciated.

**d) Leased tangible capital assets**

Leases which transfer substantially all 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 related payments are charged to expenses as incurred.

**iii) Other assets**

Commissions, free rent and lease inducements are deferred and amortized over the first term of the lease agreement, which is typically five years. Any expenses related to a tenant that vacates prior to the end of their lease are written off immediately.

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**1. Significant accounting policies, continued**

**m) Capitalization of interest**

Interest is capitalized whenever external debt is issued to finance the construction of assets. When internal funds are utilized as an interim measure prior to issuing the authorized debt, interest is capitalized based on a weighted average cost of borrowing.

**n) Use of accounting estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of post-employment benefits, allowance for doubtful accounts receivable, useful lives of tangible capital assets, and provision for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the financial statements in the year that the change in estimate is made, as well as in the year of settlement if the amount is different.

**o) Contaminated Sites**

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- i. An environmental standard exists;
- ii. Contamination exceeds the environmental standard;
- iii. The District 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.

**p) Adoption of new accounting policy**

On January 1, 2015, the District adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis to January 1, 2014 and did not result in any adjustments to the financial liabilities, tangible capital assets, or accumulated surplus to the District.

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**2. Due from governments**

	2015	2014
Due from Federal Government	\$ 2,775,923	\$ 2,872,870
Due from Provincial Government	1,175,489	2,532,238
Due from Regional Governments	494,992	969,129
	<u>\$ 4,446,404</u>	<u>\$ 6,374,237</u>

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**3. Investments**

	<u>2015</u>	<u>2014</u>
Investments consist of:		
(average rate of return 2.09% (2014 - 2.31%))		
Municipal Finance Authority	\$ 414,124	\$ 410,616
Business Investment Savings Account	15,805,454	14,957,837
Bank and Credit Union notes & deposits	200,530,418	163,899,273
	<u>\$ 216,749,996</u>	<u>\$ 179,267,726</u>

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**4. Due to governments**

	<u>2015</u>	<u>2014</u>
Due to Federal Government	\$ 4,315,306	\$ 4,185,298
Due to Provincial Government	932,250	892,208
Due to Regional Governments	5,543,489	6,095,543
	<u>\$ 10,791,045</u>	<u>\$ 11,173,049</u>

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**5. Restricted revenues**

Restricted revenues are comprised mainly of Development Cost Charges that are collected to pay for the general capital and utility expenses due to development. In accordance with the Community Charter, these funds are deposited into separate accounts. When the related expenses are incurred, the Development Cost charges are then recognized as revenue.

	<u>2015</u>	<u>2014</u>
Development cost charges		
Water	\$ 911,421	\$ 960,166
Sewer	759,750	337,886
Drainage	648,547	257,562
Roads	132,297	2,925,225
Parks	8,590,209	8,025,416
	<u>11,042,224</u>	<u>12,506,255</u>
Restricted donations and other	3,051,490	2,964,528
Community amenity contribution	430,416	398,676
Developer parkland reserve contributions	261,217	255,869
	<u>\$ 14,785,347</u>	<u>\$ 16,125,328</u>

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**5. Restricted revenues, continued**

Development cost charges:

In accordance with section 569 of the Local Government Act 2015 Annual Development Cost Charges include the following, reported for each purpose under section 559 (2) and (3) for which the local government imposes the Development Cost Charges in the applicable year:

- i. The amount of development cost charges received;
- ii. The expenditures from the development cost charge reserve funds;
- iii. The balance in the development cost charge reserve fund at the start and at the end of the applicable year;
- iv. Any waivers and reductions under section 533 (2).

	Roads	Parks	Water	Sewer	Drainage	Total
Balance, Beginning of year	\$ 2,925,225	8,025,416	960,166	337,886	257,562	\$ 12,506,255
Add:						
Interest Income	31,621	171,838	19,356	10,536	9,371	242,722
Dev Cost Charges collected	1,122,289	418,312	432,395	464,412	425,362	2,862,770
Deduct:						
Acquisition of tangible capital assets	3,946,838	25,357	500,496	53,084	43,748	4,569,523
Balance, End of year	\$ 132,297	8,590,209	911,421	759,750	648,547	\$ 11,042,224
<b>DCC Waivers (Bylaw 8015)</b>	\$ 6,035	3,361	3,962	2,574	3,563	\$ 19,495
<b>DCC Waivers (Bylaw 8046)</b>	\$ 4,571	2,079	2,450	4,202	2,205	\$ 15,507

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**6. Deferred revenues**

	2015	2014
Prepaid taxes	\$ 16,004,518	\$ 15,999,238
Contributions for future use	1,444,967	1,447,513
Memberships, fees and other revenues	4,746,720	3,707,661
	<u>\$ 22,196,205</u>	<u>\$ 21,154,412</u>

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**7. Long-term debt**

The District finances certain tangible capital acquisitions through the Municipal Finance Authority in accordance with the Community Charter. The District makes payments to sinking funds related to its debt. Sinking fund balances, managed by the Municipal Finance Authority, are netted against related long-term debt.

Debt principal is reported net of sinking fund balances. The District carries no debt for others. The total debt issued and outstanding, net of sinking fund balance as at December 31, 2015 was \$46,650,352 (2014 - \$20,377,710).

Future payments on net outstanding debt over the next five years and thereafter are as follows:

<u>Year</u>		
2016	\$	4,366,645
2017		4,366,645
2018		4,366,645
2019		3,311,334
2020		3,311,334
Thereafter		53,563,716
Principal and interest payments		73,286,319
Amount representing interest		(26,635,967)
Total debt owing	\$	<u>46,650,352</u>

The District paid \$2,117,153 (2014 - \$1,643,132 net of interest capitalized) in interest on long-term debt during the year. Interest rates on long-term debt range from 2.20% to 5.77%.

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**8. Post-employment benefits**

As per the terms of the various Collective Agreements and compensation policies, the District provides its employees with sick days and certain employee benefits on termination and retirement. These include service severance pay based on years of service and a full year's vacation entitlement in the year of retirement.

The District uses an actuarial valuation to determine the estimated value of post-employment benefits. The most recent full actuarial valuation was completed as at December 31, 2014 and has been updated to December 31, 2015.

	2015	2014
Accrued benefit obligation:		
Balance, beginning of year	\$ 9,976,204	\$ 9,419,432
Current service cost	783,072	749,639
Interest Cost	317,402	389,503
Benefits paid	(1,004,540)	(783,538)
Actuarial gain	(53,836)	201,168
Balance, end of year	<u>\$ 10,018,302</u>	<u>\$ 9,976,204</u>

Actuarial gains and losses are amortized over 8 - 10 years, being the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises.

	2015	2014
Accrued benefit obligation:		
Liability, end of year	\$ 10,018,302	\$ 9,976,204
Unamortized actuarial gain	(384,998)	(471,867)
Other employee benefit liabilities	119,160	105,303
Accrued benefit liability, end of year	<u>\$ 9,752,464</u>	<u>\$ 9,609,640</u>

The significant actuarial assumptions used in estimating the District's accrued benefit obligation are as follows:

	2015	2014
Discount rate	3.10%	3.10%
Expected future inflation rates	2.50%	2.50%
Expected wage increases	2.58 - 4.63%	2.58 - 4.63%

**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
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**9. Tangible capital assets**

Cost	Balance as at December 31, 2014	Additions	Disposals	Balance as at December 31, 2015
Land and improvements	\$ 133,827,115	\$ 13,031,765	\$ (1,367,643)	\$ 145,491,237
Buildings	142,111,040	1,784,142	(1,342,527)	142,552,655
Furniture, equipment and vehicles	32,396,916	3,973,984	(1,083,179)	35,287,721
Roads	175,435,169	8,653,832	(2,611,661)	181,477,340
Water	110,951,034	4,951,446	(194,255)	115,708,225
Sewer	64,008,598	559,140	-	64,567,738
Drainage	106,037,601	1,054,651	(12,347)	107,079,905
Library collection	4,375,111	470,586	(394,419)	4,451,278
Assets under construction, net of transfers	31,566,123	32,699,288	-	64,265,411
<b>Total</b>	<b>\$ 800,708,707</b>	<b>\$ 67,178,834</b>	<b>\$ (7,006,031)</b>	<b>\$ 860,881,510</b>

Accumulated depreciation	Balance as at December 31, 2014	Expense for the year	Disposals	Balance as at December 31, 2015
Land and improvements	\$ 30,064,649	\$ 1,862,038	\$ (690,824)	\$ 31,235,863
Buildings	63,884,739	3,368,361	(1,299,793)	65,953,307
Furniture, equipment and vehicles	20,172,857	2,224,453	(858,486)	21,538,824
Roads	91,724,851	4,048,604	(2,272,387)	93,501,068
Water	23,867,066	1,262,199	(121,796)	25,007,469
Sewer	26,034,468	898,541	-	26,933,009
Drainage	37,482,905	1,262,069	(6,966)	38,738,008
Library collection	3,103,027	446,648	(324,644)	3,225,031
Assets under construction net of transfers	-	-	-	-
<b>Total</b>	<b>\$ 296,334,562</b>	<b>\$ 15,372,913</b>	<b>\$ (5,574,896)</b>	<b>\$ 306,132,579</b>

Net book value	December 31, 2014	December 31, 2015
Land and improvements	\$ 103,762,466	\$ 114,255,374
Buildings	78,226,301	76,599,348
Furniture, equipment and vehicles	12,224,059	13,748,897
Roads	83,710,318	87,976,272
Water	87,083,968	90,700,756
Sewer	37,974,130	37,634,729
Drainage	68,554,696	68,341,897
Library collection	1,272,084	1,226,247
Assets under construction net of transfers	31,566,123	64,265,411
<b>Total</b>	<b>\$ 504,374,145</b>	<b>\$ 554,748,931</b>

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**9. Tangible capital assets, continued**

**a) Contributed tangible capital assets**

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is as follows:

	2015	2014
Land	\$ 2,171,370	\$ 107,300
Roads	1,573,235	97,633
Water	199,030	35,000
Sewer	103,525	443,368
Drainage	214,883	1,600
	<u>\$ 4,262,043</u>	<u>\$ 684,901</u>

**b) Tangible capital assets disclosed at nominal value**

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

**c) Write-down of tangible capital assets**

The write-down of tangible capital assets during the year was \$nil (2014 - \$nil).

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**10. Accumulated surplus**

**a) The Operating fund is comprised of the following:**

	2015	2014
Operating reserves:		
Working capital	\$ 2,734,294	\$ 3,417,524
Assessment appeal and property tax	3,183,000	2,483,000
Protective services emergency reserve	2,887,129	2,698,850
Future expenditures	3,813,708	3,397,847
Auto, fire and liability insurance	2,070,483	1,955,661
Recycling and sanitation stabilization	3,568,815	2,013,322
Community amenity contributions	3,857,164	2,939,099
Development stabilization reserve	2,000,000	-
District of North Vancouver Municipal Public Library	246,650	317,278
North Vancouver Recreation & Culture Commission	73,336	73,335
North Vancouver Museum and Archives	(43,627)	44,008
North Shore Emergency Management Office	103,920	95,698
Total operating reserves	<u>24,494,872</u>	<u>19,435,622</u>
Surplus contributed from:		
General municipal operations	4,773,769	5,581,982
Water utility operations	5,638,982	5,148,019
Sewer utility operations	8,214,803	4,098,704
District of North Vancouver Municipal Public Library	397,523	397,523
Total operating surplus	<u>19,025,077</u>	<u>15,226,228</u>
Equity in tangible capital assets	<u>535,347,964</u>	<u>483,996,435</u>

**b) The Reserve fund is comprised of the following:**

Land opportunity	7,929,814	8,456,062
New capital and innovation	3,963,777	3,372,927
Infrastructure replacement	23,333,673	26,102,118
Local improvement	3,743,031	3,807,020
Equipment replacement	8,886,376	8,833,000
Public art	293,572	213,282
Trails	137,893	133,134
Traffic management	2,398	2,349
Total reserve funds	<u>48,290,534</u>	<u>50,919,892</u>

**c) The Committed Capital fund is comprised of the following:**

Land and improvements	1,271,059	1,734,117
Buildings	2,826,148	13,265,883
Furniture, equipment and vehicle	3,786,061	3,220,750
Roads	9,730,149	2,330,296
Water	2,505,606	1,939,760
Sewer	1,156,582	1,936,999
Drainage	1,382,613	583,975
Future major repair and maintenance	6,330,892	6,636,064
Other	413,773	363,772
Total capital funds	<u>29,402,883</u>	<u>32,011,616</u>
Accumulated surplus	<u>\$ 656,561,330</u>	<u>\$ 601,589,793</u>

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**11. Taxation**

In addition to levying and collecting property tax for municipal purposes, the District is required to levy and collect taxes on behalf of other jurisdictions.

	2015 Budget	2015 Actual	2014 Actual
Gross taxes levied on property	\$ 152,095,497	\$ 152,906,236	\$ 149,171,903
Deduct:			
Taxes levied and collected on behalf of other jurisdictions			
Province of B.C. – school taxes	50,437,124	50,418,871	49,190,594
Translink	11,464,687	11,460,450	11,334,513
B.C. Assessment	2,019,356	2,018,775	1,974,931
GVRD	1,810,354	1,809,915	1,739,335
Municipal Finance Authority	6,352	6,350	5,984
	<u>65,737,873</u>	<u>65,714,361</u>	<u>64,245,357</u>
Add:			
Payment in lieu of taxes	3,567,726	3,625,772	3,427,117
Net taxes for municipal purposes	<u>\$ 89,925,350</u>	<u>\$ 90,817,647</u>	<u>\$ 88,353,663</u>

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**12. Expenses by object**

Expenses by object were comprised of the following:

	2015 Budget	2015 Actual	2014 Actual
Salaries and benefits	\$ 72,101,952	\$ 72,983,408	\$ 68,990,367
Goods and materials	4,218,928	4,967,368	4,416,350
Building and grounds	8,373,530	8,208,998	7,829,214
Equipment costs	2,530,149	3,657,295	2,895,415
Service costs	658,936	575,579	635,004
Administrative costs	13,686,151	10,081,161	8,648,917
Contract services	43,088,809	41,740,680	43,203,847
Grants	2,224,559	1,811,060	1,595,791
Debt interest	1,667,389	2,117,153	1,643,132
Depreciation	-	15,372,913	15,133,562
	<u>\$ 148,550,403</u>	<u>\$ 161,515,615</u>	<u>\$ 154,991,599</u>

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**13. Commitments and contingencies****a) Contingent liabilities**

The District, as a member of the Greater Vancouver Regional District, the Greater Vancouver Sewerage and Drainage District and the Greater Vancouver Water District is jointly and severally liable for the net capital liabilities of these Districts. Any liability which may arise as a result will be accounted for in the period in which the required payment is made.

**b) Pension liability**

The District 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 the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2014, the plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 830 contributors from the District.

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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as of December 31, 2012, indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2015 with results available in 2016. 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.

The District paid \$5,612,498 (2014 - \$5,366,860) for employer contributions to the plan in fiscal 2015.

**c) Third party claims and property tax appeals**

Several claims have been initiated against the District in varying or unspecified amounts. In addition, several property tax appeals have been filed with BC Assessment and are pending at December 31, 2015. Any amounts payable in addition to the accrued amounts, if any, arising from the claims and the appeals will be recorded in the year in which the amount is determinable. Reserves have been established to fund potential additional unfavourable results.

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
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**13. Commitments and contingencies, continued****d) Insurance**

Effective January 1, 2002, "errors and omissions" insurance coverage for damages resulting from water penetration into buildings inspected by municipal staff is no longer available. Claims presented to the District prior to January 1, 2002 are covered under the insurance policy in effect at the time of the claim. The District's exposure to these claims will not exceed the aggregate of its deductible limit of \$100,000 per occurrence. The District's exposure to any future claims of this nature cannot reasonably be determined at this time. Accordingly, no liability has been recorded in the accounts for those potential future actions. The amount of the loss, if any, arising from these potential claims will be recorded in the year in which the loss is realized.

**e) Contractual obligations**

The District has entered into an agreement with a facility manager to manage a recreational facility for a period of 5 years commencing September 1, 1998 and renewable at the option of the facility manager for further 5-year terms to August 31, 2048. As part of the agreement the District has committed to the payment of 2,800 hours of facility rental for each year ended August 31st. For the year ended December 31, 2015, the District's liability is estimated at \$581,102. For succeeding years, this amount will be adjusted by any change in the Vancouver average all-in consumer price index for the previous year.

**f) Municipal Finance Authority demand notes**

The District issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Municipal Finance Authority as a debt reserve deposit. The District also executes demand notes in connection with each debenture whereby the District may be required to lend certain amounts to the Municipal Finance Authority. Demand notes have been executed in the amount of \$1,554,123 (2014 - \$1,031,068). These demand notes are contingent in nature and are therefore not recorded as liabilities.

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**14. Performance deposits**

In addition to cash deposits, the District is holding irrevocable Letters of Credit in the amount of \$17,482,655 (2014 - \$14,949,975), which were received from depositors to ensure their performance of works to be undertaken within the District. These amounts are not reflected in these financial statements.

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**15. Segment disclosures**

The District has adopted a basis of segmentation that reflects the different accountability and control relationships between itself and a number of external entities that deliver municipal services on its behalf. The results of operations of the external entities are presented on a 100% basis to disclose the entire cost of providing the service with the District's municipal share shown separately in the narrative.

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
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**15. Segment disclosures, continued****a) Water and Sewer and Drainage Utilities**

The services for the Water and Sewer and Drainage Utilities were established by Bylaws 2279 and 6656 respectively. Utilities are operating self-funding entities based on a fee for service model. The District collected \$44,136,477 (2013 - \$41,611,941) in fees for the provision of water and sanitation services.

**b) District of North Vancouver Municipal Public Library**

The District of North Vancouver Municipal Public Library (Library) was established under the Library Act of British Columbia in 1963. The Library is governed by a Board of Trustees appointed by Council. The Library operation is entirely funded by the District of North Vancouver. In 2015, the District's contribution to library services was \$5,742,324 (2014 - \$5,476,225).

**c) North Vancouver Recreation & Culture Commission**

The North Vancouver Recreation & Culture Commission (NVRC) was established under an agreement between the District and the City of North Vancouver in 1970. The agreement was approved as Bylaw 4044 which enacts the structure of the NVRC. The NVRC operation is funded by both municipalities based on an allocation formula which approximates facility usage by the residents. In 2015, the District's net contribution to recreation was \$8,440,378 (2014 - \$8,294,995).

**d) North Vancouver Museum and Archives Commission**

The North Vancouver Museum and Archives Commission (M & A) was established by agreement between the District and City of North Vancouver in 1995. The agreement created a joint civic properties commission to serve as a custodian of both municipalities' cultural, archival and museum collection. The M & A operation is funded equally by both municipalities. In 2015, the District's net contribution to museum and archive services was \$522,194 (2014 - \$522,535).

**e) North and West Vancouver Emergency Program**

The North and West Vancouver Emergency Program, commonly known as the North Shore Emergency Management (NSEM), was established under the Emergency Program Act in 1988. The agreement between the Districts of North Vancouver and West Vancouver and the City of North Vancouver was approved as Bylaw 6093. The NSEM is funded by all three municipalities in proportion to their population as determined by census. In 2015, the District's net contribution to emergency preparedness was \$406,823 (2014 - \$400,858).

**f) North Shore Recycling Program**

The North Shore Recycling Program was a tri-municipal agency that planned and administered all residential recycling and waste reduction programs for the Districts of North and West Vancouver and the City of North Vancouver that was wound up on December 31, 2015. In 2015, the District's net contribution to the recycling program resulted in a net surplus of \$279,113 (2014 - \$18,462). The three municipalities will still continue to collaborate with respect to the recycling depot and administration of the residential recyclables collection.

**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

**15. Segment disclosures, continued**

**Statement of Segmented Operations:**

	Revenues	Expenses				Annual Surplus (Deficit)
		Salaries & Benefits	Other Expenses	Depreciation	Total	
Municipal Operation	\$ 162,633,835	\$ 51,258,658	\$ 54,395,431	\$ 11,148,499	116,802,588	\$ 45,831,247
Utilities	46,669,386	5,297,370	27,427,727	3,494,218	36,219,315	10,450,071
Library	6,216,226	4,478,300	1,175,607	576,747	6,230,654	(14,428)
NVRC	24,617,713	18,828,235	5,757,215	-	24,585,450	32,263
M & A	1,182,447	797,700	403,114	-	1,200,814	(18,367)
NSEM	875,453	572,510	268,428	11,139	852,077	23,376
Recycling	5,490,275	952,668	4,537,607	-	5,490,275	-
Eliminations	(31,198,183)	(9,202,033)	(20,805,835)	142,310	(29,865,558)	(1,332,625)
2015	<u>\$ 216,487,152</u>	<u>\$ 72,983,408</u>	<u>\$ 73,159,294</u>	<u>\$ 15,372,913</u>	<u>\$ 161,515,615</u>	<u>\$ 54,971,537</u>
2014	<u>\$ 195,181,486</u>	<u>\$ 68,990,367</u>	<u>\$ 70,867,670</u>	<u>\$ 15,133,562</u>	<u>\$ 154,991,599</u>	<u>\$ 40,189,887</u>

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**District of North Vancouver**  
**Notes to Consolidated Financial Statements**  
**December 31, 2015**

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**16. Budget figures**

The operating and capital budget figures, presented on a basis consistent with that used for actual results, were approved by Council as the 2015 - 2019 Financial Plan Approval Bylaw No. 8120. Depreciation was not included on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget
Revenues	
Operating budget	\$ 225,977,667
Capital budget	8,198,571
Proceeds from debt	-
Total revenue per approved budget	<u>234,176,238</u>
Less:	
Transfers from other funds	(36,646,274)
Development cost charges funding not recognized current year	2,085,844
Inter-agency eliminations	4,041,289
Proceeds from debt	<u>(10,000,000)</u>
Total revenues, as reported	<u>193,657,097</u>
Expenses	
Operating budget	165,059,546
Capital budget	<u>69,115,442</u>
Total expenses per approved budget	234,174,988
Less:	
Transfers to other funds	(20,855,000)
Inter-agency eliminations	(262,839)
Capital expenses, including major repair and maintenance	(69,115,442)
Debt principal repayment	(1,093,146)
Operating repair and maintenance funded as capital expenses	<u>5,701,842</u>
Total expenses as reported	<u>148,550,403</u>
Annual surplus, per Consolidated Statement of Operations	<u><u>\$ 45,106,694</u></u>

Council approved an amended budget Bylaw 8146 on November 23, 2015 which increased approved funding for various capital projects funded from reserves and surplus in the amount of \$6,052,235.

# Permissive Tax Exemptions

The Community Charter provides municipalities with the authority to exempt certain lands and/or improvements from municipal property taxation as part of a broader strategy to advance the values of the community. An independent committee comprised of District staff and citizens make the recommendation for eligibility based on guidelines endorsed by Council. Among the numerous factors considered are the non-profit status of the applicant, its targeting of services to the residents of the municipality, volunteer participation, financial accountability, and the ability of the organization to attract funding from other sources. The municipal Annual Report must provide a listing of these exemptions, including the amount of property tax that would have been imposed had the exemption not been granted.



DISTRICT OF NORTH VANCOUVER  
 PERMISSIVE TAX EXEMPTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

APPLICANT	ADDRESS	2015 MUNICIPAL TAXES EXEMPT PORTION
Aga Khan Foundation Canada	1150 Gladwin Drive	\$48,551
Canadian Mental Health Association	1573 Arborlynn Drive	2,009
Canadian Mental Health Association	1198 Harold Road	1,790
Capilano Tennis Club	2500 Capilano Road	7,382
Capilano United Church	2260 Philip Avenue	9,833
Change the World Foundation (Harvest Project)	1071-1091 Roosevelt Crescent	15,258
Community Living Society	2985 Newmarket Drive	3,668
Community Living Society	4537 Capilano Road	2,221
Community Living Society	3091 Paisley Road	2,883
Community Living Society	3660 Maginnis Avenue	2,074
Community Living Society	1075 Frederick Road	1,859
Community Living Society	1680 Ross Road	2,091
Community Living Society	3636 Norwood Avenue	2,458
Deep Cove Cultural Society	4360 Gallant Avenue	15,572
Deep Cove Parent Participation Preschool Society	1204 Caledonia Avenue	392
Deep Cove Rowing Club	2156 Banbury Road	4,280
Delbrook Partnership for Quality Childcare Association	3111 Stanley Avenue	596
Family Services of the North Shore	399 Seymour River Place	3,532
Greater Vancouver Community Services Society	3403 Mount Seymour Parkway	1,963
Greater Vancouver Community Services Society	1693 Coleman Street	2,094
Greater Vancouver Water District	Capilano River Regional Park	18,207
Highlands Out-of-School Care Society	3150 Colwood Drive	157
Hollyburn Family Services Society	That portion of Lot A, Block 7, District Lot 193, Plan 12218, PID: 005-411-483	2,490
Hollyburn Family Services Society	3212 Mount Seymour Parkway	1,869
Hollyburn Family Services Society	3218 Mount Seymour Parkway	2,027
Kiwanis Seniors Citizens Homes Ltd.	2555 Whiteley Court	76,568
La Pre-Maternelle Francophone Trottin-Trotinette	380 West Kings Road	850
Lowland Senior Citizens Housing Society	1335 East 27th Street	22,313
Lynn Valley Parent Participation Preschool	3220 Mountain Highway	779
Lynn Valley Services Society, Mollie Nye House	940 Lynn Valley Road	2,074
North Shore Connexions Society	2490 Edgemont Boulevard	2,198
North Shore Connexions Society	4410 Capilano Road	2,393
North Shore Connexions Society	1240 Barlynn Crescent	2,452
North Shore Connexions Society	1904 Peters Road	2,326
North Shore Crisis Services Society	That portion of Lot 2, District Lot 2087, Plan LMP 24090, PID: 023-125-578	3,233
North Shore Disability Resource Centre Association	3158 Mountain Highway	1,837
North Shore Disability Resource Centre Association	3140 Mountain Highway	8,494
North Shore Disability Resource Centre Association	5793 Nancy Greene Way	2,645
North Shore Disability Resource Centre Association	4060 Shone Road	2,388
North Shore Disability Resource Centre Association	4338 Quinton Place	3,803

DISTRICT OF NORTH VANCOUVER  
 PERMISSIVE TAX EXEMPTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

APPLICANT	ADDRESS	2015 MUNICIPAL TAXES EXEMPT PORTION
North Shore Neighbourhood House	1230 West 20th Street	348
North Shore Neighbourhood House	1255 Eldon Road	323
North Shore Neighbourhood House	3361 Mountain Highway	1,624
North Shore Winter Club (Curling Portion)	1325 East Keith Road	2,759
North Vancouver Community Players	815 East 11th Street	10,213
North Vancouver Museum and Archives (Warehouse Facility)	1480 and 1482 Columbia Street	10,141
Novaco Day Care Centre Society	1370 Redwood Street	1,997
Parkgate Community Health Centre	3625 Banff Court	20,349
Parkgate Community Services Society	949 Lytton Street	9,388
RNB Dance & Theatre Arts Society	3355 Mountain Highway	16,541
Seymour Heights Parent Participation Preschool Association	800 Lytton Street	714
St Pius X Church	1150 Mount Seymour Road	21,369
St Stephen's Church	1330 East 24th Street	5,164
St. John Society (B.C. and Yukon)	106/107 - 223 Mountain Highway	7,832
St. John Society (B.C. and Yukon)	108 - 223 Mountain Highway	2,359
The Corporation of the District of West Vancouver	Parkland	9,546
The Corporation of the District of West Vancouver	Parkland	3,796
The Corporation of the District of West Vancouver	Parkland	1,871
The Royal Canadian Legion Branch 114 Lynn Valley	1630 Lynn Valley Road	15,763
Turning Point Recovery Society	2670 Lloyd Avenue	2,258
Vancouver Waldorf School Society	2701 St Christophers Road	4,677
Vancouver Waldorf School Society	2725 St Christophers Road	9,235
WBT - Wild Bird Trust of British Columbia	2649 Dollarton Highway	1,941
<b>TOTAL</b>		<b>\$449,817</b>

# Supplemental Financial Information

The Supplemental Financial Information section reports on the financial health of North Vancouver District. It includes graphs, charts and narratives and complements the financial statements by displaying results over a broader time frame. Specific measures identify trends and provide perspective on how the organization has evolved financially over time. The narratives which accompany each illustration enhance understanding by interpreting the measure. Information regarding results from operations, capital planning, debt financing, reserve funds and taxation can also be found in this section.



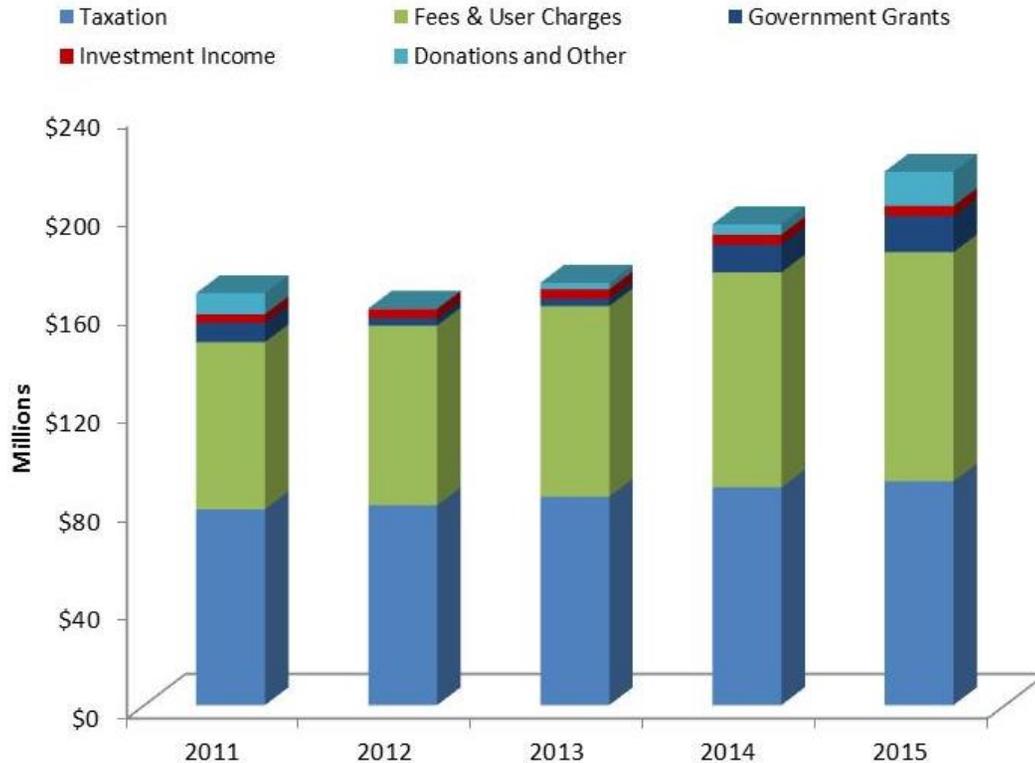
## Supplemental Information

The supplemental section provides information about the financial health of the District of North Vancouver. It includes graphs, charts and narratives that complement the financial statements by illustrating results over a broader time horizon. Select measures identify trends and provide perspective on how the financial resiliency of the organization has changed over time. The narratives accompanying each illustration enhance the readers understanding by telling the 'story' for each selected measure.

# RESULTS FROM OPERATIONS

## Revenues By Source 2011 - 2015

Source: Audited Financial Statements



The District of North Vancouver maintains diverse revenue streams with taxation and other revenue sources such as government grants and related investment income supporting public services, while user fees target private consumption of services. Taxation and User fees are the largest sources of revenue and together account for almost 85% of the District's revenues.

Taxation continues to include an annual lift of 1% for asset renewal per Council policy. This asset renewal lift, the property tax levy inflation increase, and growth in the tax base has resulted in taxation revenue increasing at an average of 3.5% per year over the past five years. Growth in the tax base from new housing units is held in a reserve as the impact on future services is assessed.

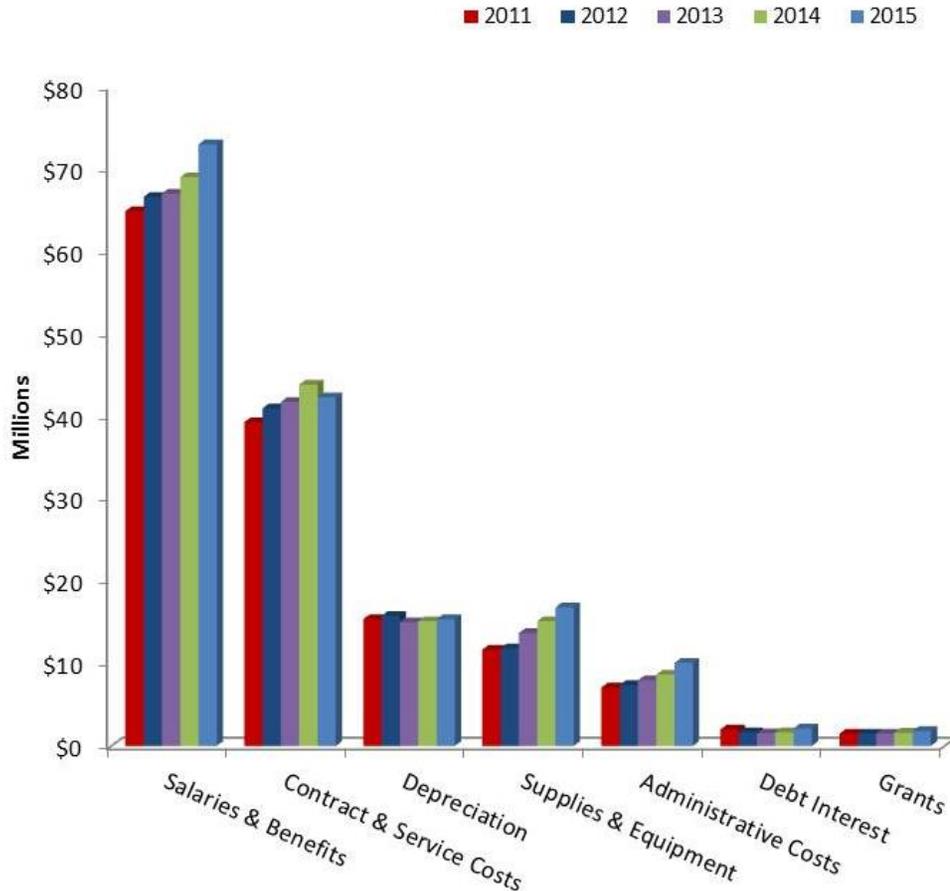
User fees have grown at an average of 8% per year over the past five years reflecting increased development activity and utility rates over the last few years. Utility fees are set in alignment with the recommendations of the 2012 utility study.

Gains on the sale of land and other assets are reflected within the Donations and Other category and can fluctuate significantly from year to year. In 2015, there was a large increase over the prior year mainly due to the sale of the old Lynn Valley Library site for \$8 million. Government grants also vary annually as senior government funding for capital projects is recognized, as it was for both 2014 and 2015 for the Philips Avenue Overpass.

# RESULTS FROM OPERATIONS

## Expenses by Object 2011 - 2015

Source: Audited Financial Statements



Consistent with prior years, Salaries and Benefits is the District's largest expense (45%) followed by Contract and Service costs (26%).

Increases in Salaries & Benefits for 2015 reflect the negotiated labour and benefit rates applicable for 2015 as per the collective agreement. In addition, the fire labour contract negotiations recently concluded and estimated increases since the contract expiry in 2011 were applied. An increase in staff capacity to support higher levels of activity also contributed to the increase over the prior year.

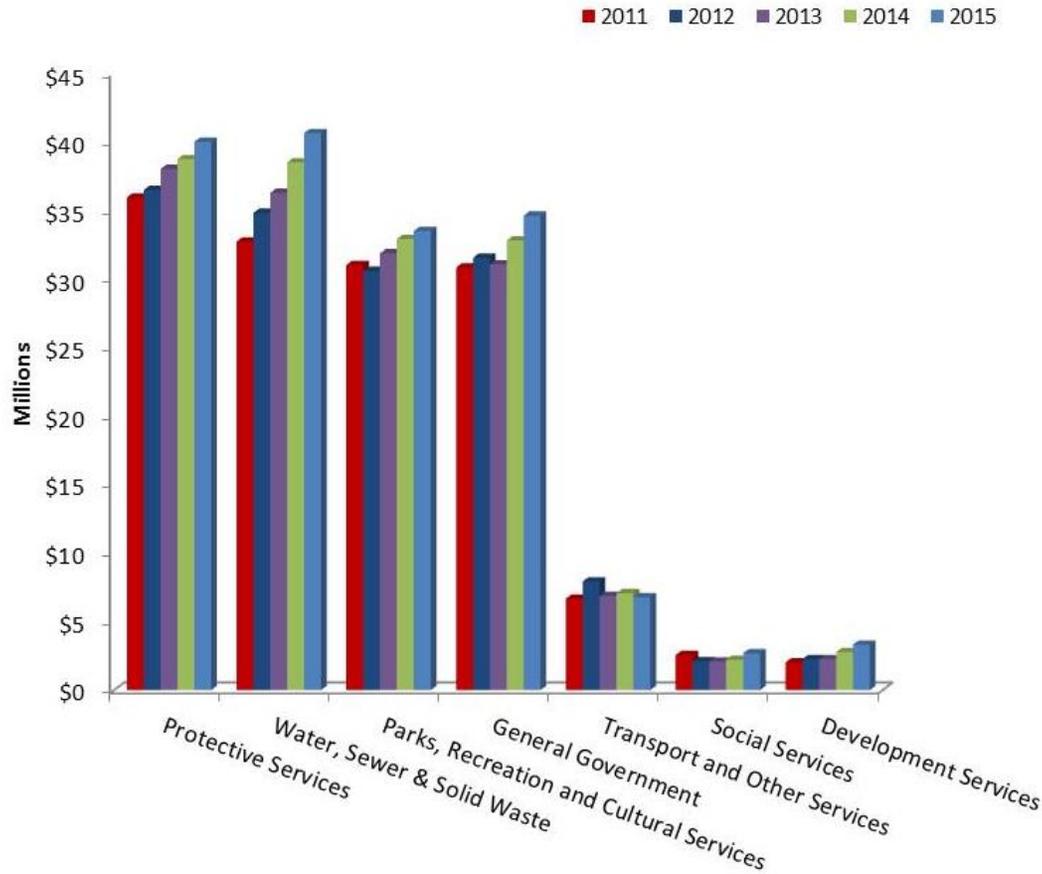
A significant portion of Contract and Service costs are externally driven and include the water purchases and tipping fees paid to Metro Vancouver as well as the costs associated with the RCMP policing contract. Contract and Service costs have increased 8% since 2011 with 2015 experiencing a slight reduction in policing costs due to timing of recruitments in the North Vancouver RCMP detachment.

The Supplies & Equipment category is influenced by a number of variables, including inflation, fuel costs, and other operational items. Major asset maintenance costs in support of sustaining current levels of service have been the primary driver.

# RESULTS FROM OPERATIONS

## Expenses by Function 2011 - 2015

Source: Audited Financial Statements



Protective Services and Utilities are the District's largest expenditures, each representing 25% of total 2015 expenses. Protective Services is comprised of Fire and Rescue, Police Services, North Shore Emergency Management, and Municipal Bylaws Enforcement.

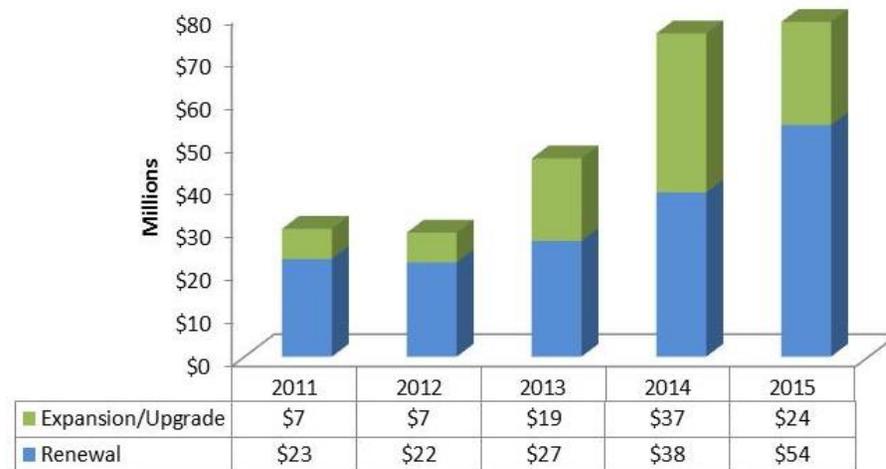
The Water Utility operates, maintains, replaces and upgrades the water distribution system. The Sewer and Drainage Utility provides for trouble free collection of sanitary sewage and storm water. The Solid Waste and Recycling Utility provide weekly collection and processing of solid waste, organics and recyclables. On a combined basis, utility service costs increased at an average rate of 6% per year over the past five years as a result of regional and external costs and the District's policy of building financial resilience for the replacement of utility infrastructure.

General Government expenditures increased due to several items: new debt servicing costs related to the new Delbrook Community Recreation Centre, increased costs associated with five emergency response events, and more projects being undertaken than in the prior year such as the Deep Cove Public Engagement, Phibbs Exchange cost sharing, and the website redevelopment. The depreciation of tangible capital assets, representing 44% of the General Government expenditures, averages \$15 million per year.

# CAPITAL PLANNING

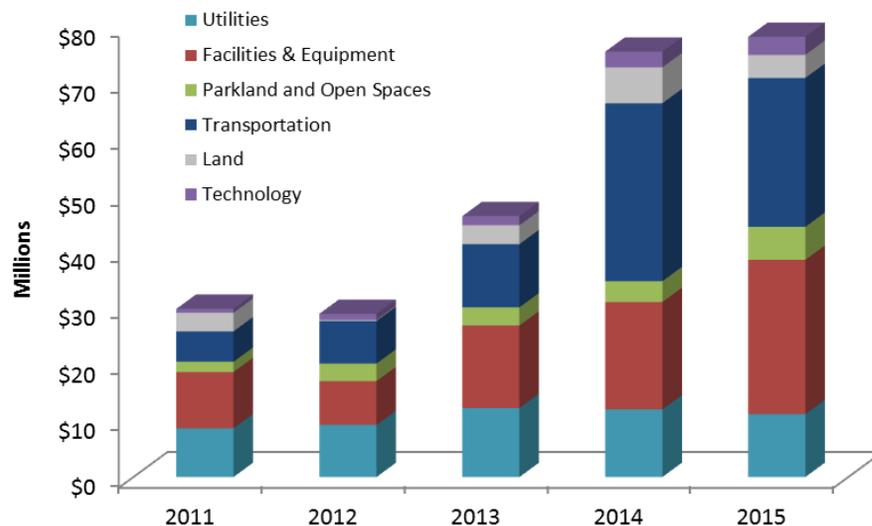
## Capital Budgets 2011 - 2015

Source: Financial Plan Bylaw



## Capital Budget by Expenditure Type 2011 - 2015

Source: Financial Plan Bylaw



Renewal capital spending steadily increased over the past five years supported by Council's 1% policy for asset renewal. Both 2014 and 2015 show marked increases. In 2015, \$9.4 million in reserves was allocated to construction of the new Delbrook Community Recreation Centre. Expansion / upgrade capital varies from year to year and is largely driven by approved major projects and availability of external funding from senior government grants and development. Phillip Avenue Overpass is a multi-year project that completes in 2016. The 2015 budget increment of \$6 million completed the funding for the project (\$24 million in 2014). The 2015 budget also includes \$5.3 million for the expansion of Keith Road Bridge.

Asset Management Plans are updated annually for full life cycle costs, asset condition, service levels, risk management and replacement values. This information forms the foundation for the Capital Budget which responds to priorities through a process of lifecycle replacement planning, risk mitigation and an assessment of business and strategic criteria.

The Capital Budget by Expenditure Type shows increasing expenditures related to Facilities & Equipment mainly due to the new Delbrook Community Recreation Centre. In addition, land purchases increased over the past few years in support of Official Community Plan objectives.

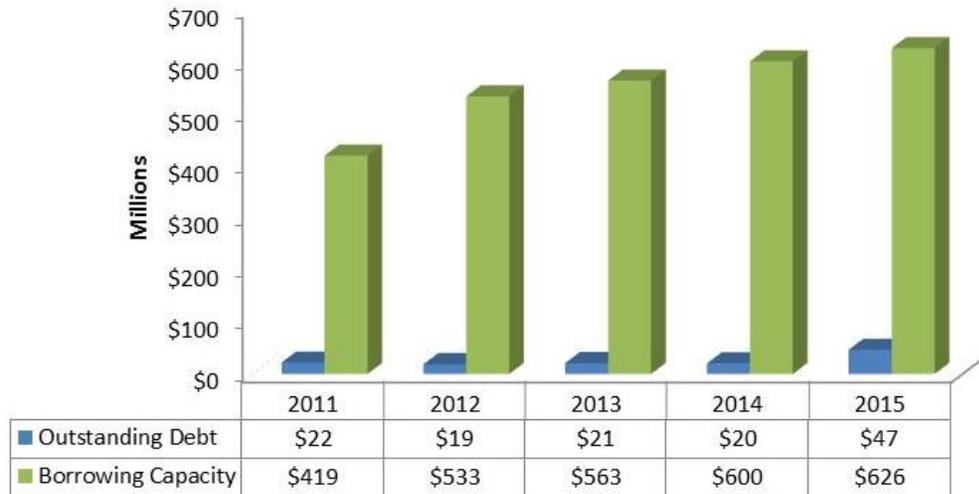
Increased capital spending over prior years is mainly due to construction of the new Delbrook Community Recreation Centre, Keith Road Bridge and Philip Overpass projects.

For 2015, the capital budget accounted for 30% or \$78 million of the total use of funds in the Financial Plan Bylaw.

# DEBT FINANCING

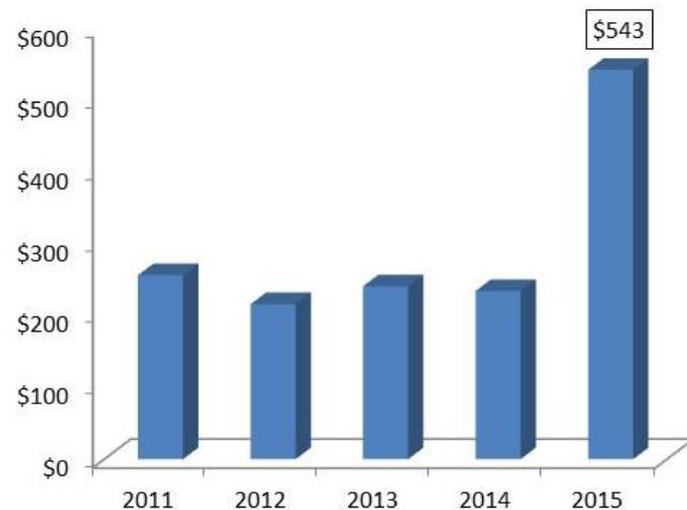
## Outstanding Debt Relative to Borrowing Capacity 2011 - 2015

Source: Local Government Data Entry Filing (LGDE)



## Outstanding Debt per Capita 2011- 2015

Source: Finance Department



The District maintains significant borrowing capacity to ensure its continued ability to meet expenditure requirements. The District uses debt strategically as one of several tools to fund its diverse infrastructure. Leveraging favourable market conditions the District has both retired debt to reduce high interest rate costs and issued new debt at lower interest rates.

During 2015, the District borrowed the \$28 million at 2.2% to support replacement of the new Delbrook Community Recreation Centre. As part of the District's sustainable service delivery strategies, the debt servicing costs of this debt did not require any increase to the tax levy.

In 2015, outstanding debt totalled \$47 million or 7.5% of borrowing capacity which translated to \$543 of outstanding debt per capita. As Council's 1% policy on renewal capital is applied and reserve fund balances optimize, the need for debt financing will diminish. When this occurs the District will have achieved its goal of steady state replacement of infrastructure.

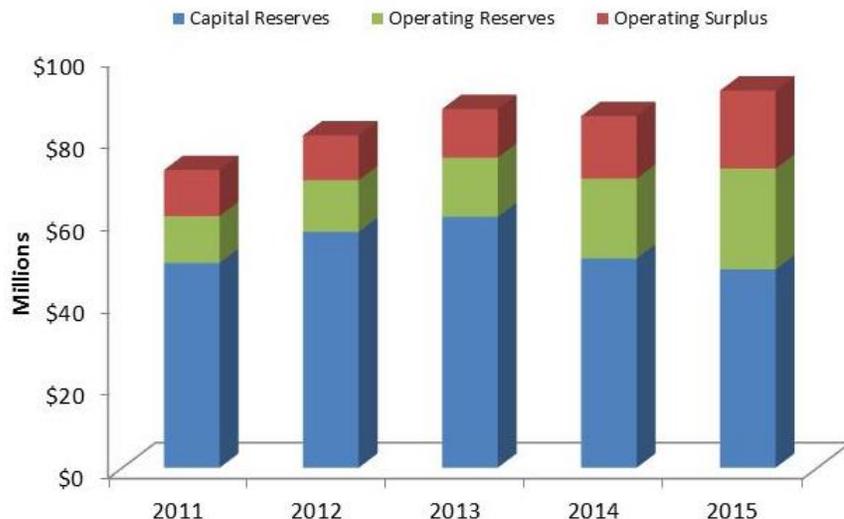
Debt servicing costs represent 2% of total annual expenditures in 2015.

\* Note: Per Capita amounts have been restated for 2011 – 2014, due to updated population estimates from BC Statistics

# RESERVE FUNDS

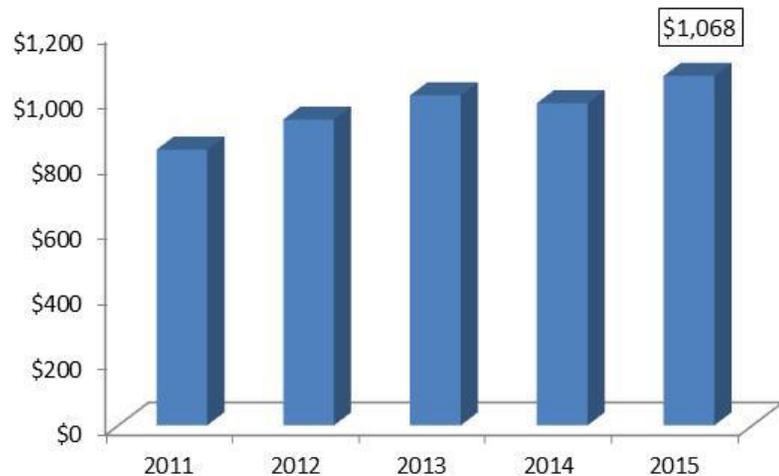
## Reserve and Surplus Funds 2011 - 2015

Source: Audited Financial Statements



## Reserve and Surplus Funds per Capita 2011-2015

Source: Audited Financial Statements and BC Statistics



The management of reserves is based upon strategic planning decisions that support asset management reserve optimization requirements and the Official Community Plan. Over the past five years, the District's reserve and surplus funds have shown an increasing trend. In 2015, the District's reserve and surplus funds total \$92 million, increasing \$6 million from 2014. The increase is primarily due to surplus contributed from utility operations, land sales, community amenity contributions, and is partially offset by funds used for infrastructure replacement as well as land acquisitions.

Reserve and surplus funds support long term steady state replacement of existing infrastructure, risk mitigation and are a key financial resiliency measure. Funds are also set aside for contingent events and future financial commitments sourced from planned contributions, operational surplus, and interest income.

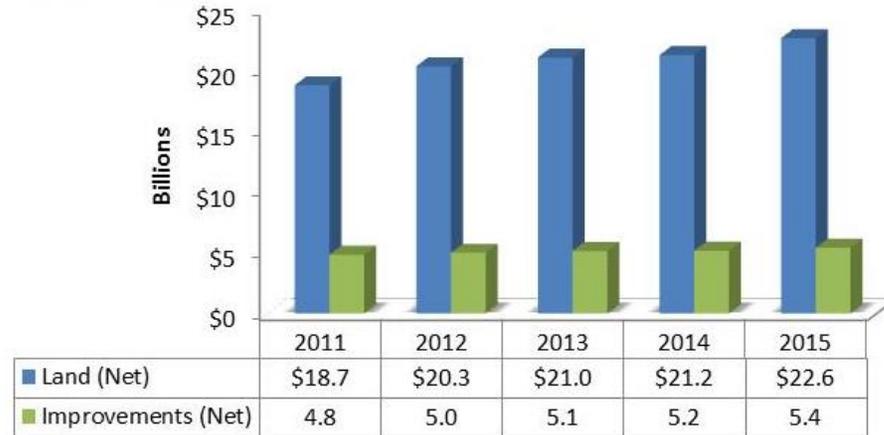
Fund balances vary depending upon the District's capital and operational requirements and risk profile assessments. Prudence requires minimum thresholds be maintained at all times to ensure the organization's capacity to react to unforeseen events, sustain levels of service to the community and ensure the long term financial viability of the District. Sound judgement, trend analysis and best practices are followed to establish a reasonable provision.

Reserve and surplus funds on a per capita basis are \$1,068 at the end of 2015.

# TAXATION

## Assessed Value of Land & Improvements 2011 - 2015

Source: BC Assessment

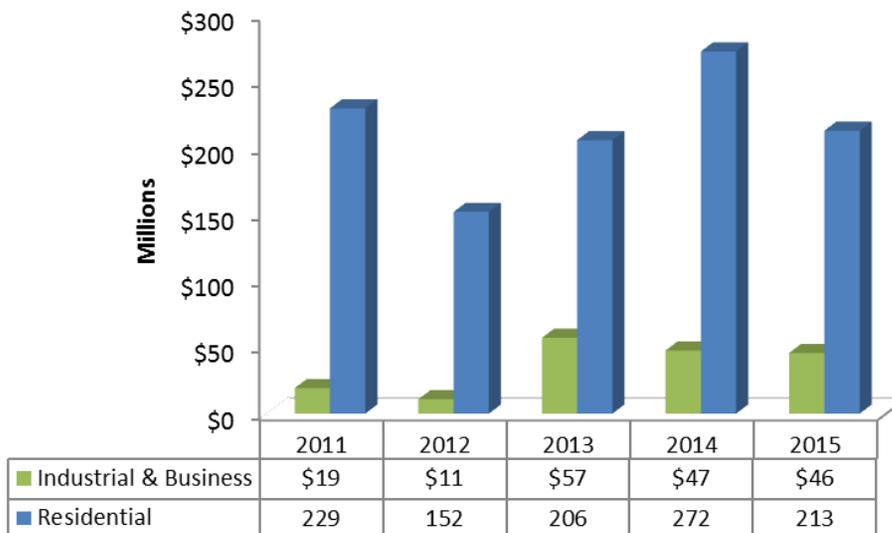


The market values of land and improvements are determined by BC Assessment, independently of the District. Property tax rates approved by Council and other taxing jurisdictions are then applied to these assessed values.

The assessed value of land has steadily increased over the past five years, with a slight levelling in 2013 and 2014. In 2015, the net value of land increased to \$22.6 billion and improvements (buildings) increased to \$5.4 billion (total \$28 billion). Total assessed value for 2015 increased 6% or \$1.6 billion over 2014.

## Assessed Value New Construction 2011 - 2015

Source: BC Assessment



New construction is an essential component and a good indicator of the economic vibrancy of a municipality. Over the past five years there has been significant investment in new construction. The value of new construction increases as the community renews itself and new developments are completed. During 2015, no new residential developments were completed resulting in a lower assessed value for new construction than 2014.

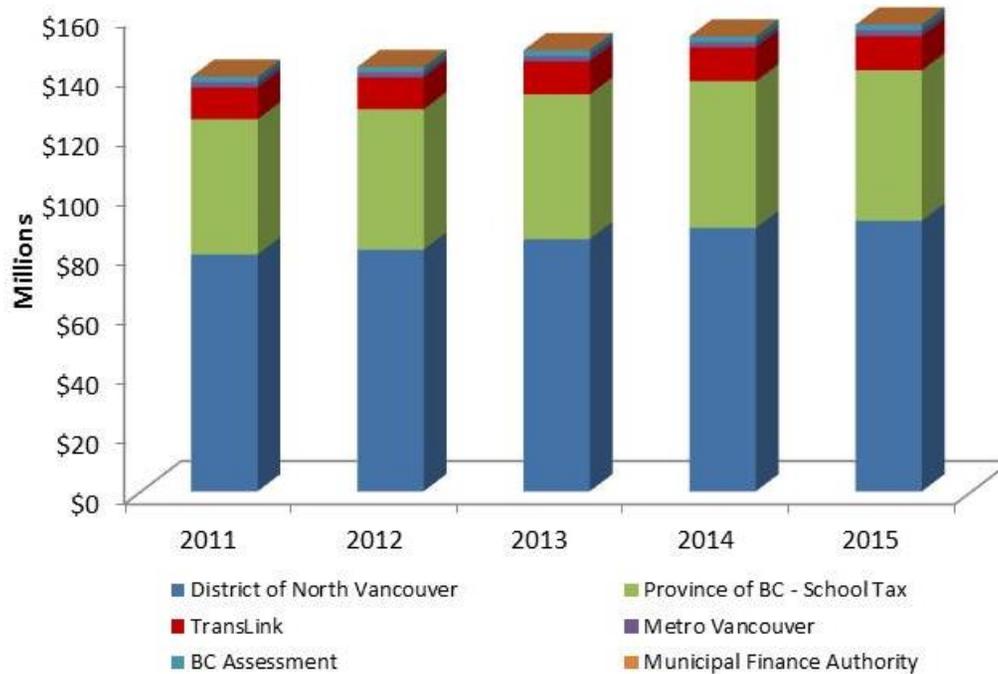
The value for new construction by BC Assessment shown here is based on the actual percentage of completion and reflects the increase in the number of new units being brought online.

# TAXATION

## Municipal Property Taxes & Taxes Collected for Other Jurisdictions

2011 - 2015

Source: DNV Audited Financial Statements



Over the past five years, the average annual increase in taxation revenue for the District has been 3.5%. This increase includes the impacts from Council's 1% policy for asset renewal and growth in taxation revenue from new construction.

In 2015, 42% of property taxes collected were on behalf of other taxing authorities, of which 77% was levied on behalf of, and paid to, the Province for School Taxes.

# Corporate Performance

The Community Charter requires that the municipal annual report describes progress in relation to objectives established for the previous year and that it provides a statement of municipal objectives and measures for the current and following year. This means reviewing 2015 accomplishments against set goals and updating objectives for 2016 and 2017. For consistency and continuity in tracking priorities over the term of Council's mandate, our practice is to reference the multi-year Corporate Plans established by Council. The 2015-2018 Corporate Plan was endorsed by Council in November 2015.



# Corporate Objectives

## ***2015-2018 Corporate Plan and Strategic Framework***

The purpose of the Corporate Plan is twofold: to set strategic directions that move the District closer to the shared vision of the community expressed in the Official Community Plan (OCP), and to fulfill the District organization’s mission for service and leadership.

The vision for our community, identified in the OCP, is the context within which the District organization works. Guided by the OCP, the District sets its mission and defines its values. Council and staff then identify strategic priorities to create the Corporate Plan, which in turn directs the District’s work over a four-year horizon. Together with the Financial Plan, the Corporate Plan informs departmental and divisional work plans to deliver programs and services and meet the needs of the community we serve.



In the 2014 Annual Report, we identified draft objectives aimed at managing the impacts of growth and change, sustaining financial health and resilience, and taking action on climate change. To set a course for 2015 to 2018, Council and staff contemplated how best to achieve the community’s vision in the context of a range of influences external to the community, organizational considerations and other concerns. Eleven strategic issues were

identified by Council as priorities for action. These are organized within a framework of three fundamental purposes, consistent with previous corporate plans, as set out below.



## **2015 Progress**

Objectives for the planning cycle beginning in 2015 were developed by considering ongoing service and program needs, the aspirations of a newly-elected Council and, in particular, the experiences and impacts associated with the unprecedented level of activity and change in the community and the organization. From this perspective, much work in 2015 was directed to creating foundations for the goals aimed at achieving the community vision of the OCP. For example, research and collaboration with other North Shore municipalities and the Ministry of Transportation, along with advancing options for Highway 1 interchanges and east-west access, was pursued in order to shape future options for increasing mobility. Similarly, Council endorsed the OCP Implementation Monitoring Report approach, which will enable data-driven measurement of progress towards community goals in a transparent fashion. To address OCP objectives and Council's deep concern for affordability, a 'green paper' on affordable and rental housing was developed to anchor fulsome dialogue leading to a District Affordable and Rental Housing Strategy.

On the ground, construction of the Philip Avenue overpass and Keith Road Bridge continued as planned and are anticipated to be complete in the Spring and Fall of 2016, respectively.

The Fromme Mountain parking and staging area opened in July 2015 and has been fully subscribed since. The District continues to obtain senior government funding in the realm of natural hazard management. This has supported the multi-year effort to mitigate wildfire risk by reducing ladder fuels, and through the Building Canada Fund, to facilitate debris hazard mitigation works.

In support of continued strong governance and service delivery, work progressed in 2015 on the comprehensive upgrade of licensing, inspection and permitting systems. With a view to community resilience and sustainability, a five-stage process to develop a Climate Change Adaptation Strategy was initiated and a District-wide earthquake risk assessment and accompanying plain-language guide were released. Progress to date on all Corporate Plan objectives can be viewed in the Corporate Plan 2015 Summary.

### ***Looking Ahead: 2016 to 2018***

The objectives and actions for future years set out in the Corporate Plan relate to our local government mandate, strategic issues identified by Council and to plans, funding and capacity to conduct the work. The four-year horizon of the 2015-2018 Corporate Plan is longer than that of past plans and comes at a time of significant change. As such, adjustments are anticipated and will be identified through regular review.

Many of the objectives require action over several years. For example, systematic monitoring of OCP implementation, mobility strategies, natural hazard management and taking actions to mitigate and adapt to the effects of climate change are all long term undertakings, with actions expected in 2016, 2017 and beyond.

Other pursuits, as they are currently understood, will be substantially completed in 2016 and 2017. Completion of Town Centre guidelines and supporting policy, development of a flexible framework for community engagement and delivering improved on-line services are illustrative of these mid-horizon objectives.

Corporate objectives and anticipated deliverables for 2016 include, for example, completion of the new Delbrook Community Recreation Centre, a review of the District's 2012 Transportation Plan, implementing actions in approved plans to improve access to recreational areas and determination of future land uses in relation to the Delbrook lands and Fire Hall #2.

Details on the timing of all corporate objectives can be found in the 2015 – 2018 Corporate Plan.

# Achieving the Community Vision of the OCP

PRIORITY	GOALS	ACTIONS	2015 PROGRESS
<b>1</b> Manage the impacts of development and change	Proactively, and with partners, manage projects and other construction activity to minimize negative impacts on existing residents, visitors and businesses, while making progress towards the OCP vision and targets	Actively monitor the pace of development and assess impacts on community livability. Consider interrelated factors and develop mechanisms to facilitate Council decision making and communication  Review single-family residential development regulations and assess impacts on neighbourhoods	<ul style="list-style-type: none"> <li>Public Workshop Jan 20 presented analysis of pace of growth</li> <li>Quarterly development report and early input opportunities provided at council workshops (Nov, Apr, July)</li> </ul>
<b>2</b> Improve transportation and mobility	Work with all partners for a comprehensive understanding of regional and local transportation issues and to implement decisions that improve transportation and mobility in the long term	Work with the Province and other jurisdictions to better understand transportation issues and opportunities  Work with the Province and community to advance Ironworkers Memorial bridgehead improvements and related projects, such as Mountain Highway interchange, Fern Street and Phibbs Exchange  Identify opportunities to expand east-west movement across the District independent of Highway 1  Develop and implement construction and traffic management tools for better planning, coordination and communication among partners and the public  Review the District's Transportation Plan (2012) in the context of OCP implementation, including assessment of cycling, pedestrian and other programs and investments that reduce reliance on automobile use  Complete the District's portions(s) of the Spirit Trail route  Deliver Philip Avenue Overpass and Keith Road Bridge infrastructure projects	<ul style="list-style-type: none"> <li>Initiated discussion on Single Family redevelopment impacts (Oct 5) to identify range of interrelated issues for further examination in 2016</li> <li>Ongoing consultation and research with MOTI and consultants re: understanding Highway 1 traffic (Feb, June)</li> <li>Updated analysis of collector/distributor concept for Lower Lynn interchanges anticipated mid-2016</li> <li>Initiated North Shore integrated transportation planning efforts; municipal staff working group and workshops (Jan, March)</li> <li>Refinement of options in conjunction with MOTI continued throughout 2015 (Nov 9, COW) and will continue in 2016</li> <li>See 2b above</li> <li>Construction and Traffic Management program was instituted with semi-annual updates (Feb 23) and included strengthening Highway Use Permits, coordination and monitoring</li> <li>Regulation of activity on local roads enhanced in 2015</li> <li>Initial review of transportation priorities outside of centres with Council (Nov 23)</li> <li>Funding for active transportation improvements program submitted to 2016 budget</li> <li>Concept for Lynn Creek Spirit Trail Bridge and route alignment for central section presented to Council in fall 2015</li> <li>Both projects progressed according to plans in 2015. Philip Ave completion anticipated June 2016; Keith Road Bridge completion expected Fall, 2016</li> </ul>
<b>3</b> Systematically monitor progress on community goals	Design and implement a comprehensive measuring and reporting system that communicates progress towards achieving the OCP vision that is transparent and responsive to changes in the community	Create and endorse an OCP monitoring framework, including a comprehensive set of targets and measures  Maintain ongoing opportunities for public input to the monitoring process  Initiate public reporting of progress towards targets and address overall performance at regular intervals as indicated in the OCP	<ul style="list-style-type: none"> <li>OCP Progress Monitoring Report Implementation approach endorsed by Council (Dec 14, 2015)</li> <li>See above</li> <li>Format to be developed in 2016</li> </ul>
<b>4</b> Manage outdoor recreation with an integrated approach	Develop a comprehensive framework for managing outdoor recreation, considering the range of activities, existing assets, community expectations, user trends and competing resource demands	Examine options for integrated outdoor recreation planning models  Implement actions in approved plans to improve access points, including: <ul style="list-style-type: none"> <li>Fromme Mountain parking/staging</li> <li>Braemar parking/staging</li> <li>Short-term measures identified in the Deep Cove Parking and Access study and rehabilitation of Quarry Rock trail</li> </ul> Establish a framework for systematic review and update of environmental and usage assessments of trail networks in Grouse, Fromme and Seymour systems  Identify trail management resource needs, capacity and options  Review and update sport fields needs assessment	<ul style="list-style-type: none"> <li>This research will span 2016 and 2017</li> <li>Deep Cove Parking and Access Implementation Plan endorsed by Council (April 21). 2015 actions included agreement to use school parking, improved wayfinding, creation of additional parking at Rockcliff lot, additional bike racks, new regulations and increased enforcement</li> <li>Parking lot and staging area for Fromme Mountain trail users opened July, 2015</li> <li>Updated Fromme Mountain trails assessment completed (Feb 24 Workshop)</li> <li>See above re: recreational trail update for Fromme</li> <li>Ongoing in 2016</li> </ul>

## Achieving the Community Vision of the OCP

PRIORITY	GOALS	ACTIONS	2015 PROGRESS	
5	<p>Focus on OCP objectives related to social well-being, the Maplewood area, and strategies supporting town centres:</p> <ul style="list-style-type: none"> <li>• Advance the social well-being objectives of the OCP</li> <li>• Plan for Maplewood with a jobs/housing balance</li> <li>• Complete policies that support town centre and OCP implementation strategies</li> </ul>	<p>Advance the social well-being objectives of the OCP</p>	<p>Prepare a discussion paper on housing affordability in the District that addresses regulatory and policy tools to ensure a future supply of affordable housing. Include options such as:</p> <ul style="list-style-type: none"> <li>• Property acquisition</li> <li>• Utilization of District properties</li> <li>• Rental property management and partnership models</li> </ul> <p>Identify any options that may exist to provide temporary relief to displaced renters. Consider financial and human resource capacity to support such initiatives</p>	<ul style="list-style-type: none"> <li>• ‘Green Paper’ outlining affordable and rental housing strategy considerations completed (Nov 2)</li> <li>• Series of workshops commenced to refine strategy (Dec 1, 8) and continuing in 2016</li> <li>• Initiated research on tenant assistance options that will be completed in 2016</li> </ul>
		<p>Plan for Maplewood with a jobs/housing balance</p>	<p>Complete an integrated plan for the Maplewood area (including Maplewood Village and Maplewood North) that includes strategies to address industrial land, jobs, housing and environmental considerations</p>	<ul style="list-style-type: none"> <li>• Council direction to commence development of an Implementation Plan for the Maplewood Area and Village Centre (July 6)</li> <li>• Process will continue through 2016</li> </ul>
		<p>Complete policies (land use, development, communications, financial and administrative) that support town centre and OCP implementation strategies</p>	<p>Complete the Lower Lynn Town Centre Special Study Area to plan for land uses that consider potential highway redevelopment and impacts on surrounding properties</p>	<ul style="list-style-type: none"> <li>• Highway 1 interchange study work continues</li> <li>• Public Realm Design Guidelines completed (Dec)</li> <li>• “Lower Lynn Centre Special Study Area” work planned for 2016 and 2017</li> </ul>
			<p>Determine the relocation of Fire Hall #2 and Fire Training Centre</p>	<ul style="list-style-type: none"> <li>• Site analyses continued in 2015</li> </ul>
			<p>Determine future land use for the existing Delbrook Community Recreation Centre site, scheduled for closure in 2016</p>	<ul style="list-style-type: none"> <li>• Council endorsed the engagement strategy to help determine the future use of the Delbrook lands (Sept 28)</li> <li>• Delbrook ideas forum and deliberative dialogue planned for 2016</li> </ul>

## Providing Strong Governance and Service

PRIORITY	GOALS	ACTIONS	2015 PROGRESS
6	<p>Sustain financial health and resilience</p> <p>Successfully adapt the long-term financial plan and strategies to ensure financial resilience in an evolving context of unprecedented physical and revenue growth</p>	<p>Monitor the growth management model to support tax revenue reserve decisions and make adjustments as necessary</p>	<ul style="list-style-type: none"> <li>• In 2015 continued to stabilize impacts from growth by reserving growth revenue and allocating a portion to reduce impacts caused by growth and construction</li> </ul>
		<p>Update and expand the long-term financial model and related strategies to include a focus on facilities and transportation over the course of the 2015–2018 Corporate Plan</p>	<ul style="list-style-type: none"> <li>• Major projects identified. Funding strategies and financial impacts analysis in progress</li> </ul>
		<p>Advocate for an equitable financing formula for the North Shore Sewage Treatment Plant</p>	<ul style="list-style-type: none"> <li>• Continued to monitor Metro Vancouver processes for determining funding of the Lions Gate Wastewater Treatment Plan</li> </ul>
		<p>Complete the Community Amenity policy framework and bylaw</p>	<ul style="list-style-type: none"> <li>• Research and stakeholder consultation was completed in 2015</li> <li>• Proposed policy to come forward in 2016</li> </ul>
		<p>Critically assess existing shared service delivery arrangements and identify options that enhance equity in funding and delivery among:</p> <ul style="list-style-type: none"> <li>• Recreation (administration)</li> <li>• Police Services</li> <li>• Museum and Archives</li> <li>• Other arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Collection clean-up, deaccessioning and disposal program continued in 2015 while City of North Vancouver processes for a new museum continued</li> </ul>
		<p>Undertake research and explore options for community dialogue towards the long-term goal of reuniting North Vancouver District and city</p>	<ul style="list-style-type: none"> <li>• Public workshop review of North Shore Reunification Committee Report</li> <li>• Detailed research to continue in 2016</li> </ul>

## Providing Strong Governance and Service

PRIORITY	GOALS	ACTIONS	2015 PROGRESS
7	Foster an engaged and nimble public service  Create conditions that allow the organization to meet the community's needs in responsive, confident and innovative ways, with knowledge, professionalism and accountability	Based on workforce and market analysis, develop strategies for employee succession and retention, beginning with areas facing greatest change	<ul style="list-style-type: none"> <li>Preliminary assessments of capacity needs completed in 2015 for input to the 2016 financial planning process</li> <li>Development of retention and succession strategies is ongoing</li> </ul>
		Create and adopt a flexible framework for community engagement to respond to a range of issues, needs and community preferences for involvement	<ul style="list-style-type: none"> <li>Development of the framework will be ongoing in 2016</li> </ul>
8	Ensure strong administrative foundations for continued service excellence  Complete comprehensive updates to major systems that support all service delivery processes and contribute to consistent good management and community satisfaction	Complete ECLIPS (Electronic Civic Management, Licenses, Inspections, Permits, Services) Implementation <ul style="list-style-type: none"> <li>Phase 1, Permits and Inspections</li> <li>Phase 2, Licencing and Renewals</li> <li>Phase 3, Planning, Bylaw, Other processes</li> </ul>	<ul style="list-style-type: none"> <li>Work continued in 2015 on Phase 1, Permits and Inspections; implementation of this Phase, including the mobile inspection app, anticipated in 2016</li> </ul>
		Pilot priority online services: e-tax bill, e-inspection–e-plan review	<ul style="list-style-type: none"> <li>On-line tax bills available to the public in 2015</li> <li>Implementation of on-line services customer self-service portal for permits and inspections anticipated in 2016</li> </ul>
		Continue fibre optic network expansion, based on review of progress, goals and options for implementation	<ul style="list-style-type: none"> <li>Expansion of fibre optic network in 2015 completed north-south connectivity</li> <li>80% of District buildings now connected; remaining 20% will be connected in 2016</li> </ul>

## Protecting and Enhancing the Environment and Building Resilience

PRIORITY	GOALS	ACTIONS	2015 PROGRESS
9	Create new and updated strategies to support OCP environmental goals  Develop new strategies and update existing strategies that support the environmental goals in the OCP	Create and implement Integrated Storm Water Management Plans (ISMPs), including a District-wide drainage model to assess OCP and climate change scenarios	<ul style="list-style-type: none"> <li>Work on ISMP is ongoing with targeted completion by end of 2016. Rainfall intensity curves have been updated, watershed health baseline reports have been completed, prescriptions and prioritised action plans are being prepared</li> </ul>
		Develop and implement strategies for energy and water conservation	<ul style="list-style-type: none"> <li>In 2015, we continued to implement strategies to reduce our water consumption in all our facilities, through sprinkling, water use and proactive leak detection plans, as well as education and awareness with a water conservation officer</li> <li>Ongoing Energy Management initiatives include Karen Magnussen Recreation Center retrofit completion expected in fall 2016</li> </ul>
10	Take action on climate change by reducing GHGs and developing a Climate Change Adaptation Strategy  Prepare for the effects of climate change by reducing greenhouse gas emissions (GHGs) and developing and implementing a Climate Change Adaptation Strategy	Complete a Climate Change Adaptation Strategy that includes: <ul style="list-style-type: none"> <li>Assessment of vulnerabilities</li> <li>Range of proactive management opportunities</li> <li>Awareness and capacity building measures</li> <li>Community engagement approach</li> </ul>	<ul style="list-style-type: none"> <li>Initiated Climate Change Adaptation Strategy development using a comprehensive five-step process (Dec 7 Workshop)</li> <li>Work will continue through 2016</li> </ul>
		Implement the Climate Change Adaptation Strategy and integrate measures with the financial and corporate strategic planning processes	<ul style="list-style-type: none"> <li>Implementation will commence in the 2016-2018 time period</li> </ul>
11	Continue to build community resilience through planning, response, recovery, training and education  Continue to deliver and expand emergency management planning, response, recovery, training and education efforts collaboratively with North Shore partners, Metro Vancouver and other agencies	Review and update emergency management planning, response and recovery activities with Metro Vancouver, other partners and jurisdictions; in 2015, include monitoring and follow-up to address the impacts of the 2014 Seymour River Rockslide	<ul style="list-style-type: none"> <li>2015 initiatives included               <ul style="list-style-type: none"> <li>Tri-municipal simulation/training exercise</li> <li>Release of a comprehensive District wide earthquake risk assessment and When the Ground Shakes, a plain language guide regarding earthquake risk and preparedness</li> </ul> </li> <li>Provided in kind support to Metro Vancouver Seymour River Hatchery and salmonid society to sustain salmon lifecycle health in response to the Seymour River rock slide</li> </ul>
		Within the context of the District Natural Hazards Program, pursue external funding (Build Canada) to implement a three-year program to upgrade stream and flood mitigation works	<ul style="list-style-type: none"> <li>Obtained Building Canada Fund grants for debris hazard mitigation works</li> <li>Treated three areas to remove ladder fuels and reduce wildfire risk in 2015. Projects are ongoing in 2016 and 2017</li> </ul>

# Services and Operations

The Services and Operations section reports on divisional activities that illustrate the operational priorities and range of services delivered by the District and its partner agencies.

For 2015, we continue to report on a consistent set of measures, showing five years of data and comparable year over year. These measures are organized by service categories which align with other provincial reporting requirements to provide additional consistency and relevance for readers. Areas of reporting include: Library, Parks, Recreation and Culture, Development and Land Use Planning, Protective Services, Transportation, Governance and Corporate Management, Utility Services, and Recycling and Solid Waste.

The Performance and Activity Measures section includes descriptions of each service area, a consistent set of measures, and additional explanatory comments.



# Community Services – Activity Measures

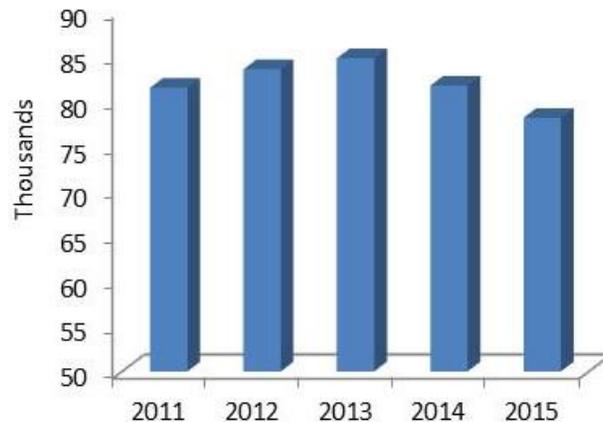
(Recreation, Arts, Culture, Parks, Library, Museum and Archives)

## North Vancouver Recreation and Culture Commission

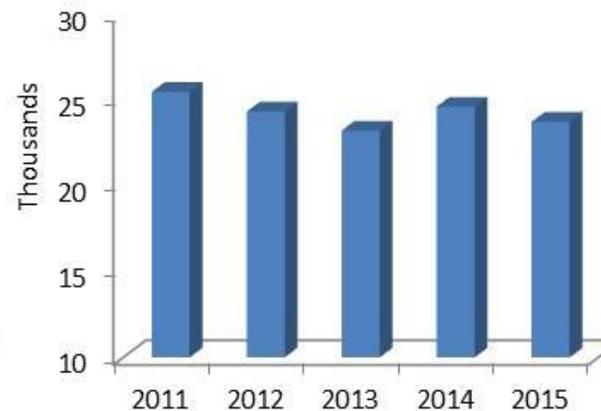
*The North Vancouver Recreation & Culture Commission (NVRCC) offers a wide range of opportunities for individuals and families to be active, engaged and inspired through recreation and culture services and events.*

*Statistical results for 2015 now reflect a full year of operations with one less core recreation facility, the William Griffin Community Recreation Centre. With less space, the opportunity for the community to drop-in and participate at previous levels was impacted and we see that across all measures; program registrations, fitness memberships and public admissions. The unseasonably warm spring, summer and fall of 2015 was also more conducive to outdoor recreational pursuits such as road and mountain biking, trail hiking and trail running. The opening of the new Delbrook Community Recreation Centre in fall 2016 is expected to have a positive impact on these measures during 2017.*

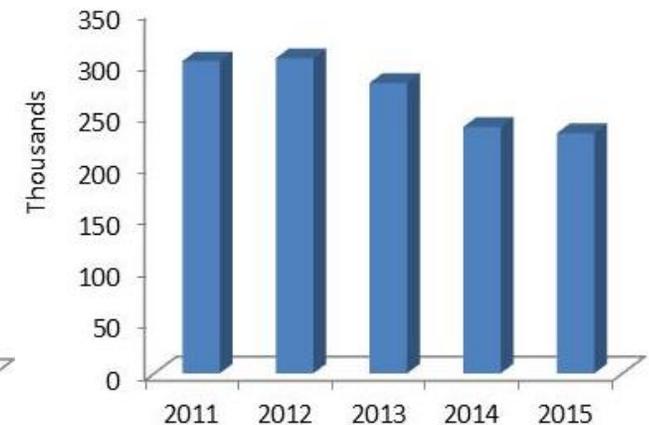
### Program Registrations



### Fitness Memberships



### Public Admissions & Drop-ins



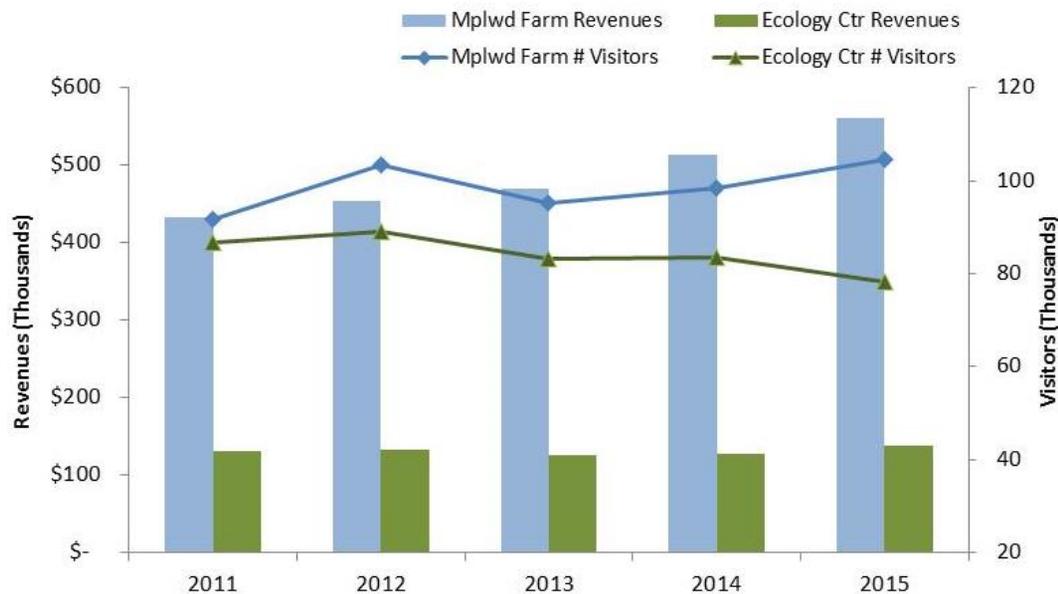
*Note: 2014 and 2015 data reflects the closure of the William Griffin Community Recreation Centre*

# Community Services – Activity Measures

(Recreation, Arts, Culture, Parks, Library, Museum and Archives)

The District's Parks Department is responsible for the planning and construction of parks and natural parkland amenities; the maintenance of urban park grounds, medians and boulevards; street trees, park facilities, and fields and courts. The department also operates visitor attractions such as Maplewood Farm and the Ecology Centre and maintains the District's forests, greenbelts, trails and manages wildlife and habitat issues.

## Maplewood Farm and Ecology Centre: Revenues & Visitors



Maplewood Farm recovered 81% of operating costs in 2015 and revenues continue to grow with new marketing initiatives and recent facility improvements. In 2015, improvements included a new roof on the south slope of the livestock barn, the addition of a rain barrel system to collect storm water from all main roofs on the property, a revitalization of the farm's playground, new memorial benches and programs – all of which have attributed to steady growth in attendance with positive feedback received on all attractions. In 2015, Maplewood Farm experienced a record year since 2000 with 104,536 visitors.

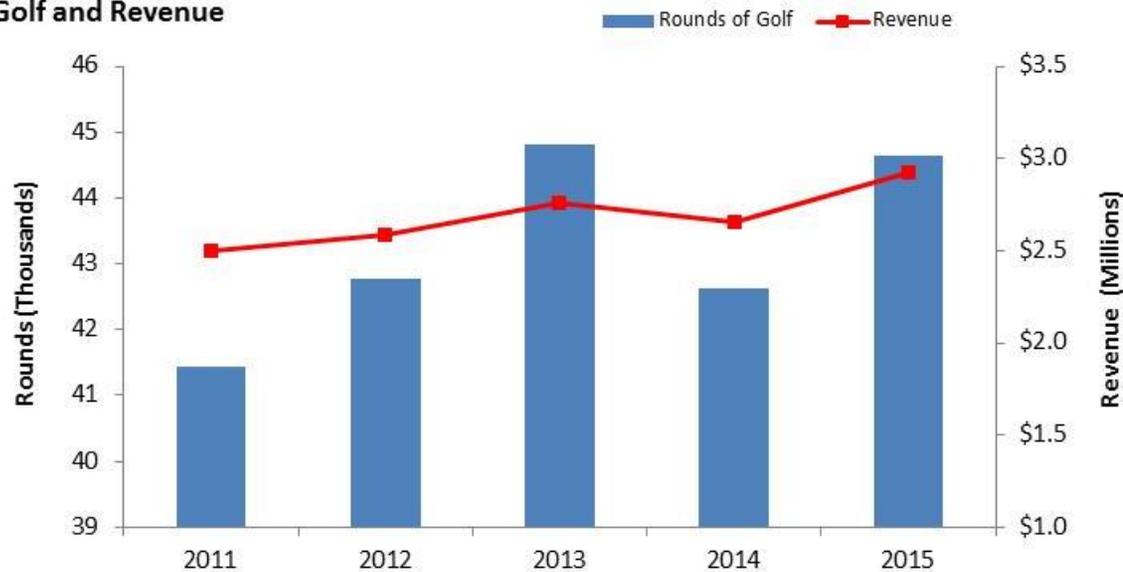
The Ecology Centre provides educational opportunities to the community by hosting outdoor programs on a wide variety of topics. Revenues remained consistent with prior years with the recovery of 39% of its operating costs. Over 480 community and school groups took part in educational programs designed to enrich their curriculum and contribute to their awareness of local ecosystems. The Centre also partnered with community agencies including The Edible Garden Project and North Shore Recycling to offer Garden Smart Programs for novice and expert gardeners.

# Community Services – Activity Measures

(Recreation, Arts, Culture, Parks, Library, Museum and Archives)

*Northlands Golf Course benefited from a very warm and dry year resulting in higher revenues in 2015. Rounds of golf during the first half of the year were at historic highs due to the dry conditions while the second half of the year experienced some variability. Summer results were mixed, with extreme heat, smoke and Level 3 water restrictions negatively impacting rounds of golf played in July. In August, Northlands served as the host venue for the successful BC 55+ Games and in September there was higher than average rainfall, both negatively impacting revenue and rounds. Although October to December similarly experienced above average rainfall, revenue targets were met. The golf program continues to be supported by the popular Northlands loyalty program which experienced a 15% increase in the number of participants in 2015 over 2014.*

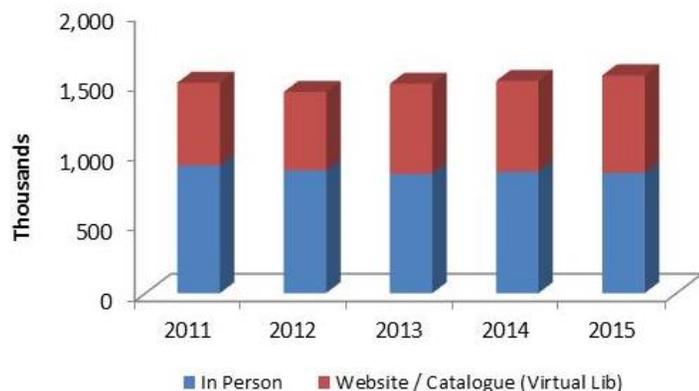
**Northlands Golf Course - Rounds of Golf and Revenue**



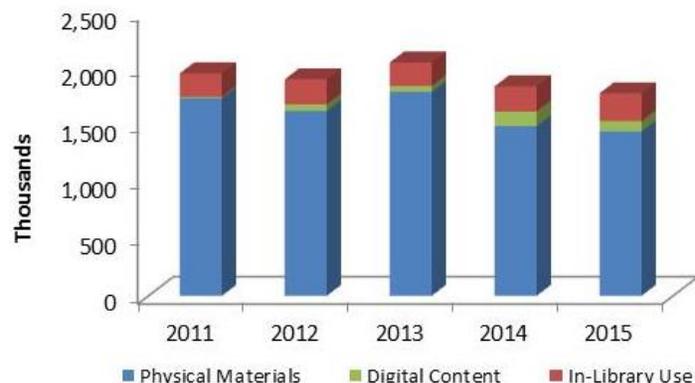
# Community Services – Activity Measures

(Recreation, Arts, Culture, Parks, Library, Museum and Archives)

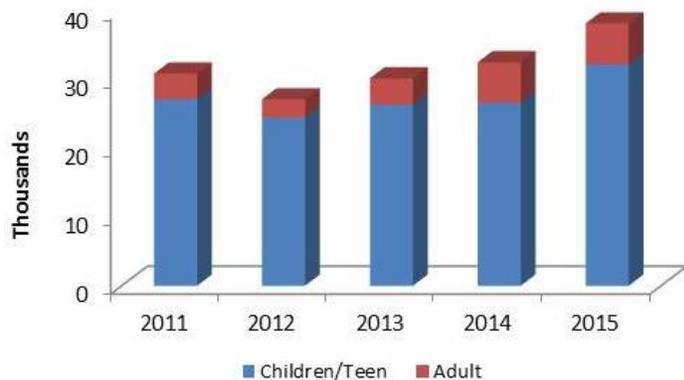
## Library Visits



## Circulation



## Program Attendance



Visits to the Library climbed again in 2015, with a 7% increase in patrons choosing to access resources through the Virtual Library. The Library Collection reflects patron demand for both physical and digital materials, and an upward trend in figures for the In-Library use of materials parallels the Library’s active commitment to create welcoming and engaging community spaces. Circulation of digital materials is down due primarily to a transitional phase in service direction, as the Library strives to ensure that digital materials and services meet and exceed expectations.

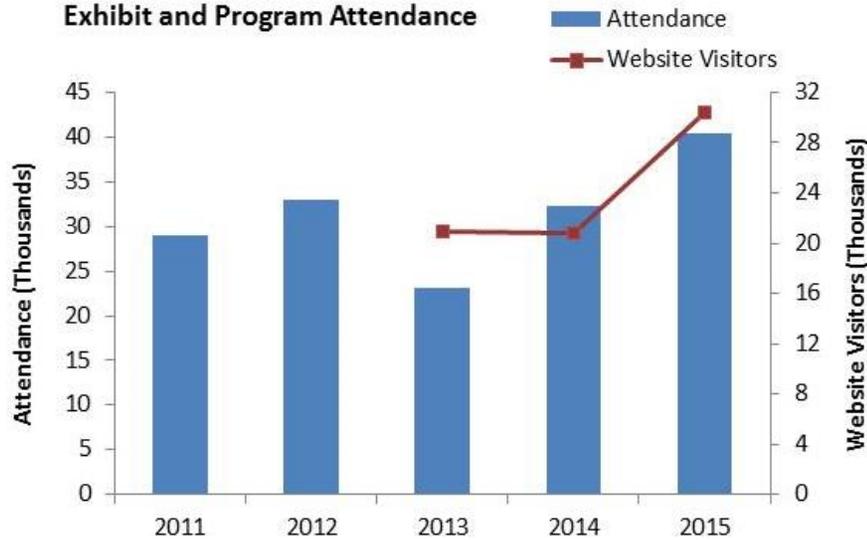
Public programs have diversified beyond the view of a traditional library. A 14% increase in program attendance in 2015 reflects: a significant increase in children’s programs; the popularity of English Language Learning programs and events for Newcomers; and innovative adult programs including Truth and Reconciliation programs, TED Talk streaming, and Massive Open Online Courses.

The Library continued to build on the foundation of its Strategic Framework to ensure that the North Vancouver District Public Library reflects and responds to the expectations and diversity of its growing and evolving patronage.

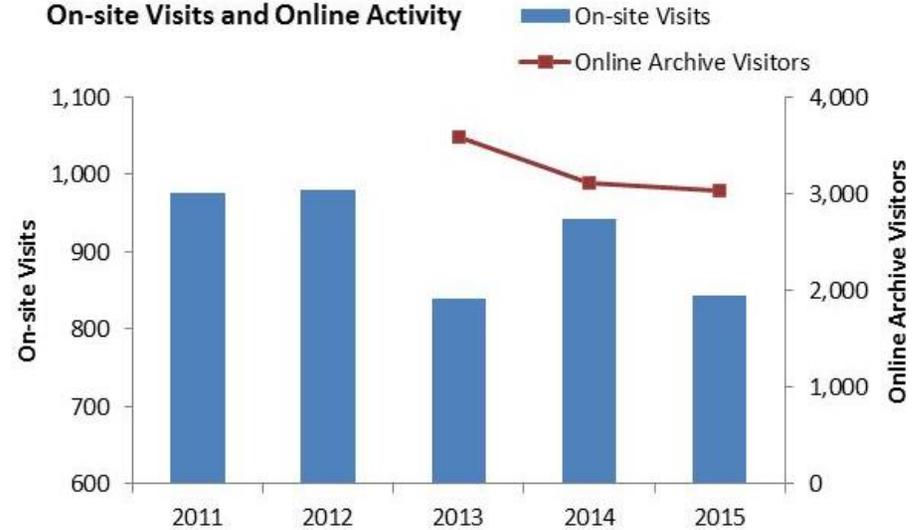
# Community Services – Activity Measures

(Recreation, Arts, Culture, Parks, Library, Museum and Archives)

**Museum:  
Exhibit and Program Attendance**



**Archives:  
On-site Visits and Online Activity**



*Despite the continued closure of Presentation House, North Vancouver Museum and Archives (NVMA) grew its outreach activities through the use of offsite venues. In 2015, an NVMA exhibit about the North Shore’s Canadian-Iranian community was presented at the Vancouver Public Library and resulted in a significant increase in exhibit attendance. The website and virtual exhibits also continue to generate strong visitation. Online activity included 30,394 unique website visitors to the NVMA website (nvma.ca) generating 70,939 page views and a 250% increase in Facebook followers.*

*Note: Statistics for Online Website Visitors are not available prior to 2013*

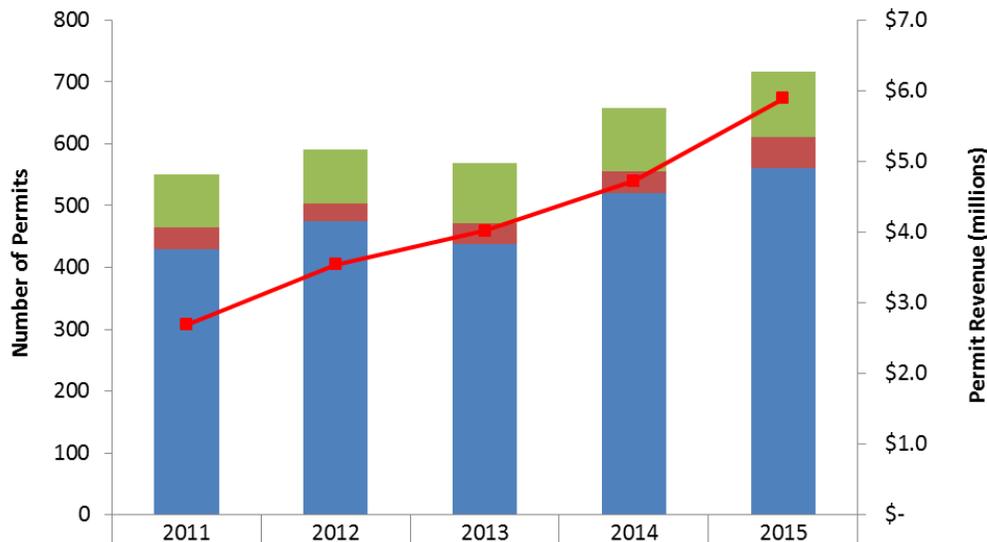
*On-site visits to the NVMA generally fluctuate annually, as reflected above. Demand for online access to the North Vancouver Museum and Archives (NVMA’s) database remained strong in 2015, with 3,040 unique database visitors generating 63,686 page views. Of these visitors, 39% were new to the site. Traditional reference services remained stable in comparison with past years. Archival descriptions for 283 new items, and hundreds of newly digitized images were uploaded to the database.*

*Note: Statistics for Online Archive Visitors are not available prior to 2013*

# Development & Land Use Planning – Activity Measures

*Development and land use planning services involve the creation of long-term, integrated community policy, land use, environment, and social plans. The District provides advisory and support services through management of the development process. Services that help shape the process include community planning, development services, and public lands management.*

## Building Permits and Revenue



Commercial/Industrial	85	87	96	103	107
Multifamily	36	28	34	35	50
Single Family	429	475	438	520	560
Permit Revenue	\$2.69	\$3.54	\$4.02	\$4.72	\$5.89

*Note: Graph excludes permits issued for assembly use and demolitions*

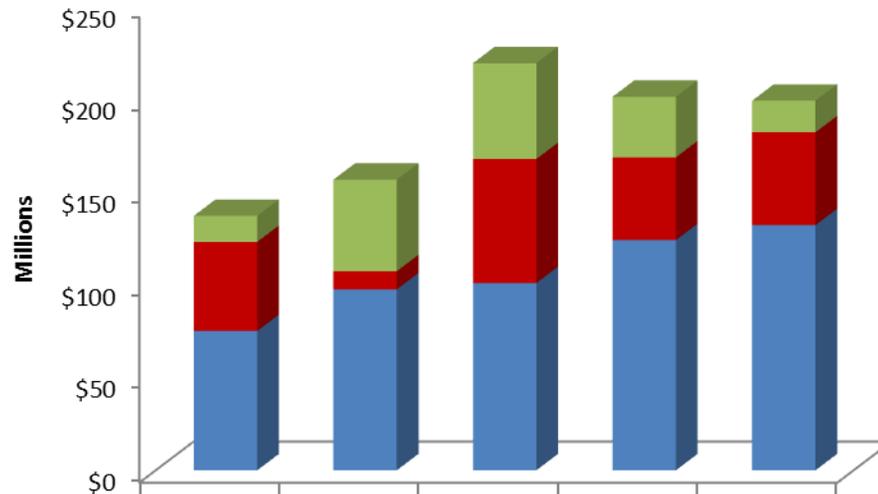
*Building Permits are required for any new construction, alteration, demolition, or addition to a structure in the District of North Vancouver. The majority of building permits issued is for single family construction.*

*The total number of permits issued increased by 9% in 2015 (2014: 16%). While development remained focussed in the town centres in alignment with the Official Community Plan, the renovation and redevelopment of existing single family homes outside of town centres was the primary driver for the increased permit activity in 2015. This in turn contributed to the increase in permit revenue.*

# Development & Land Use Planning – Activity Measures

## Value of Construction 2011 - 2015

Source: DNV, Permits, Planning & Bylaws



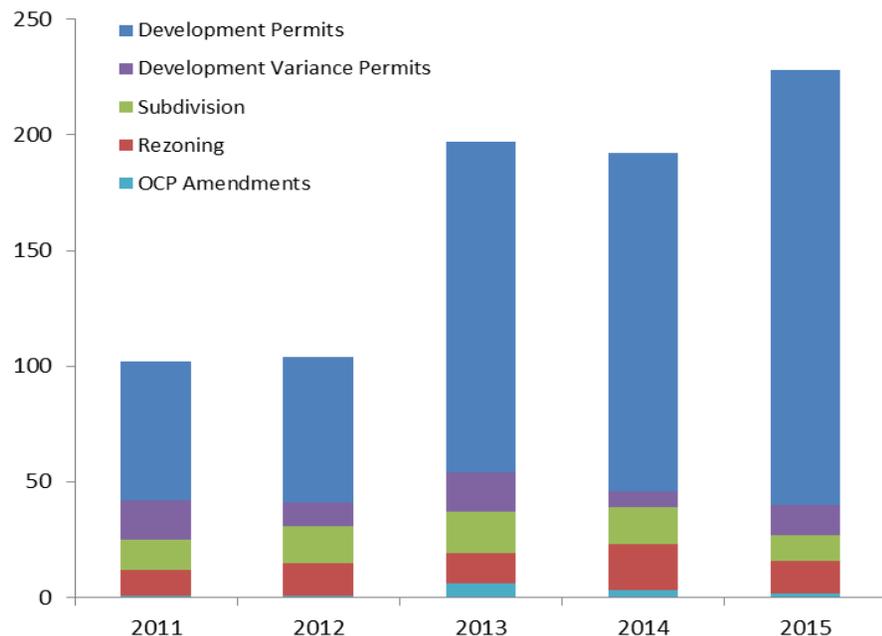
	2011	2012	2013	2014	2015
Commercial/Industrial	\$14	\$49	\$52	\$33	\$17
Multi Family	\$48	\$10	\$67	\$45	\$50
Single Family	\$75	\$97	\$101	\$124	\$132

*Building permit numbers and construction values remained strong in 2015 compared to recent years.*

- *Permit volumes and construction values were higher for single-family residential in 2015, continuing a trend from prior years.*
- *Significant developments included: Edgemont Senior's Living; Mill House (75 unit apartment building) in Lynn Valley; Oxford Flats (98 unit rental building) in Lynn Creek; and the Seylynn rental, amenity, and daycare building (70 affordable rental units) in Lynn Creek.*

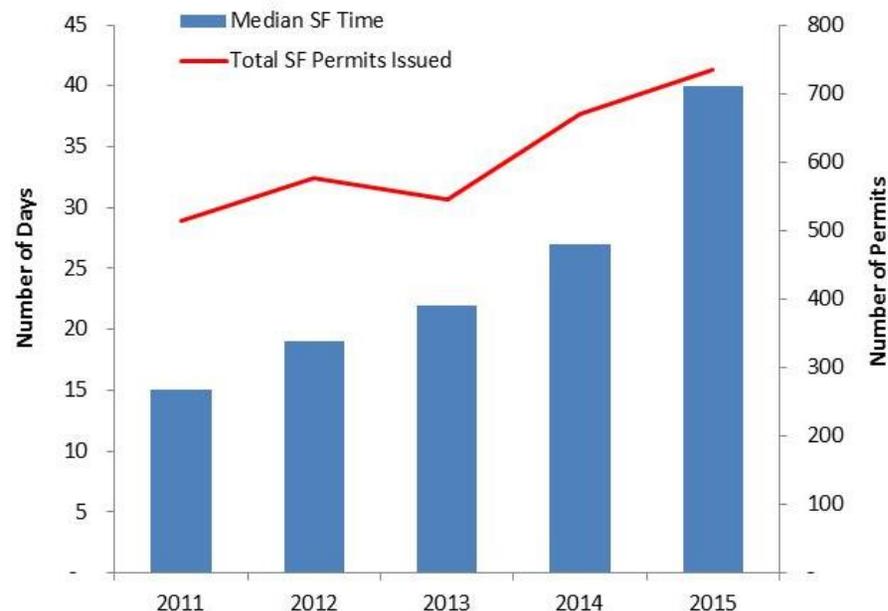
# Development & Land Use Planning – Activity Measures

### Number of Planning Applications



*The number of planning applications continues to rise with the increase in development along with the adoption of new Development Permit Areas in 2012 for the protection of the natural environment and hazardous areas.*

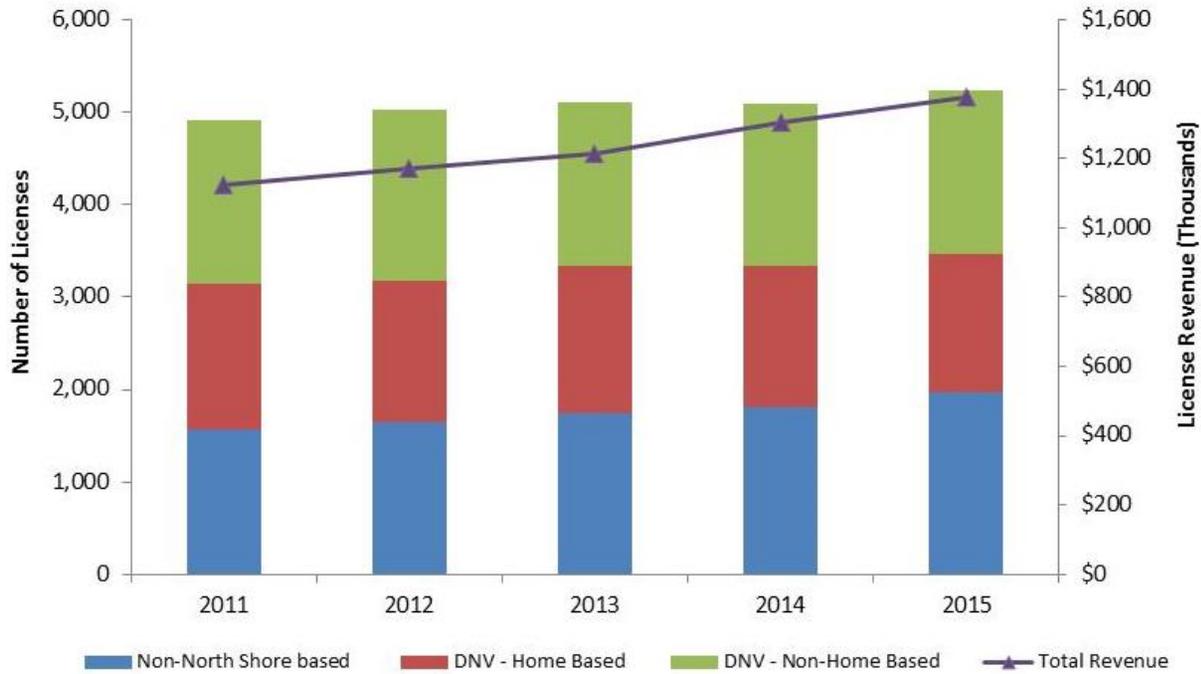
### Single-Family Building Permits Processing Time



*Having increased steadily in line with building permit volumes in the past 5 years, 2015 showed a significant increase in median processing time for single-family residential building permits. The processing time was influenced by a number of factors including an ongoing increase in the volume of requests for permits, staffing challenges, and the development of a new permit management system. It is anticipated that the launch of the new permit management system and staffing initiatives undertaken in 2016 will improve internal efficiencies and capacity to address customer service needs and reduce processing time in the coming years.*

# Development & Land Use Planning – Activity Measures

## Business Licences



While the total number of business licenses issued has increased steadily since 2010, related revenues have grown at an average rate of 4% over the past five years. Non-North Shore based licenses have also shown consistent growth each year compared to the DNV-based business licenses issued.

Since 2013, an annual 5% service realignment was implemented to recover the costs associated with fulfilling inspections. 2015, the last year of this service realignment, incorporates the cost of these inspections within the annual business licence fee.

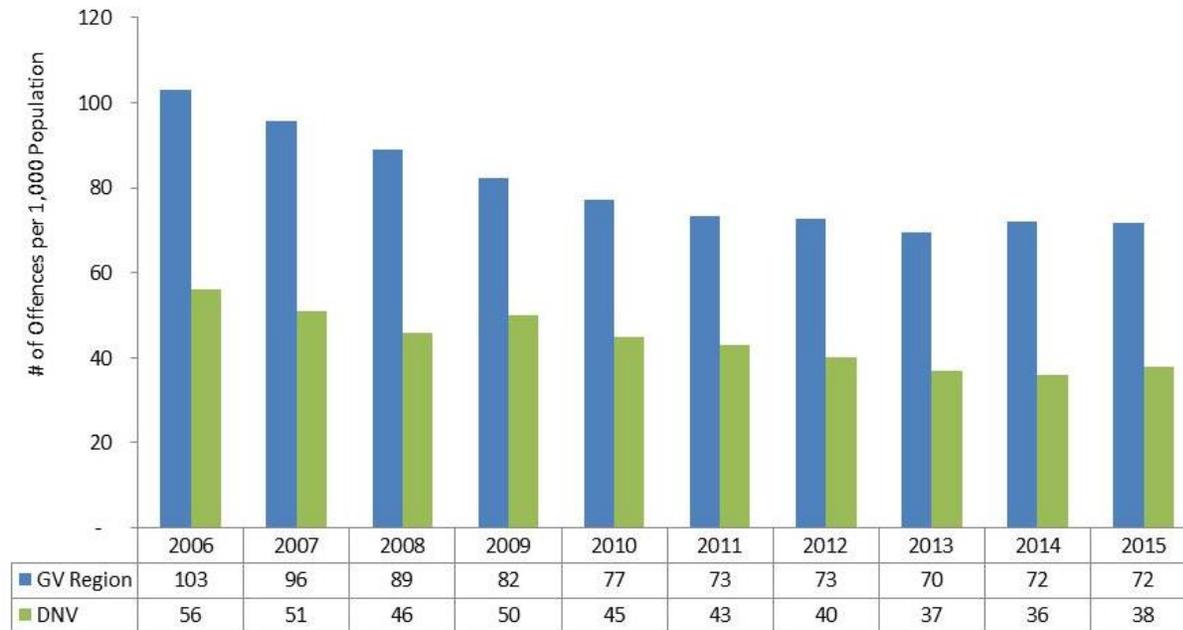
# Protective Services– Performance Measure

(Fire, Police, Emergency Management, Bylaws)

*Ensuring the safety and well-being of our community is essential. The range of services provided by the District includes: first responder/emergency medical services, fire prevention education and inspections, general policing duties, emergency and natural hazards management, and general animal welfare services.*

## Crime Rate 2006 - 2015

Source: RCMP Strategic Services Section

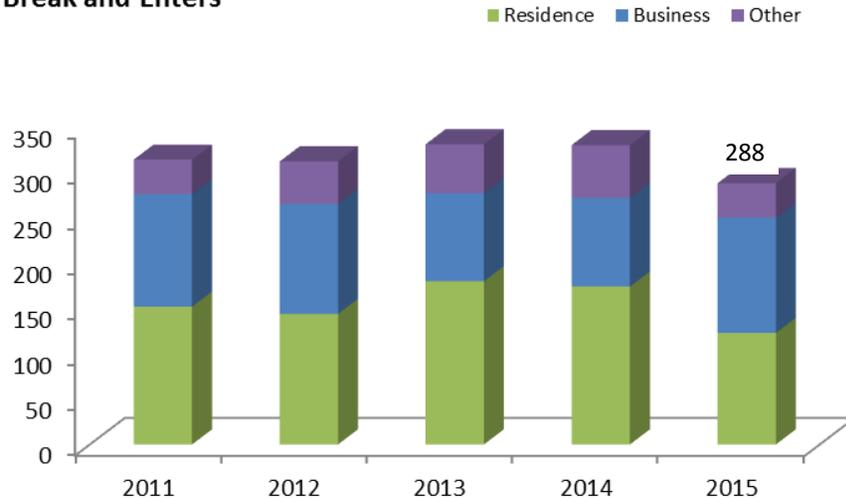


*The Crime Rate for the DNV not only continues to be significantly lower than that of the Greater Vancouver Region but has been on a downward trend over the last 10 years. Crime Rate is defined as the number of offences per 1,000 population. The population figures utilized in the rate calculations are based upon Census results and represent the permanent residential or “late night” population of a municipality and do not include part-time populations, such as commuters, students, tourists and other part-time residents.*

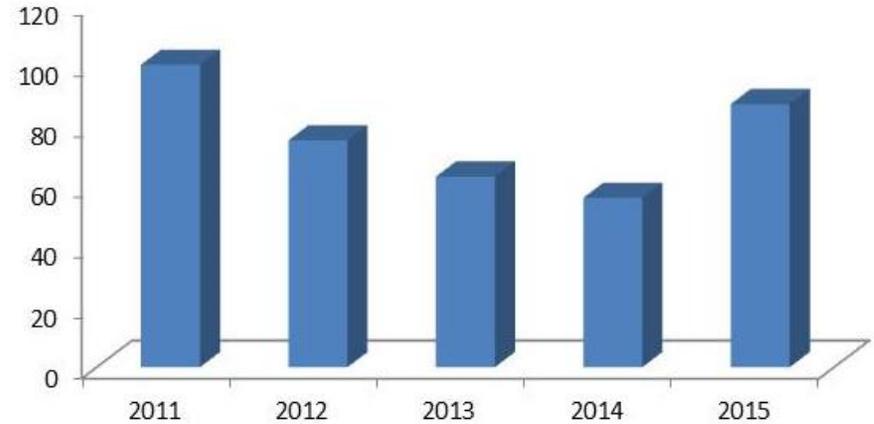
# Protective Services – Activity Measures

(Fire, Police, Emergency Management, Bylaws)

## Break and Enters



## Automobile Thefts



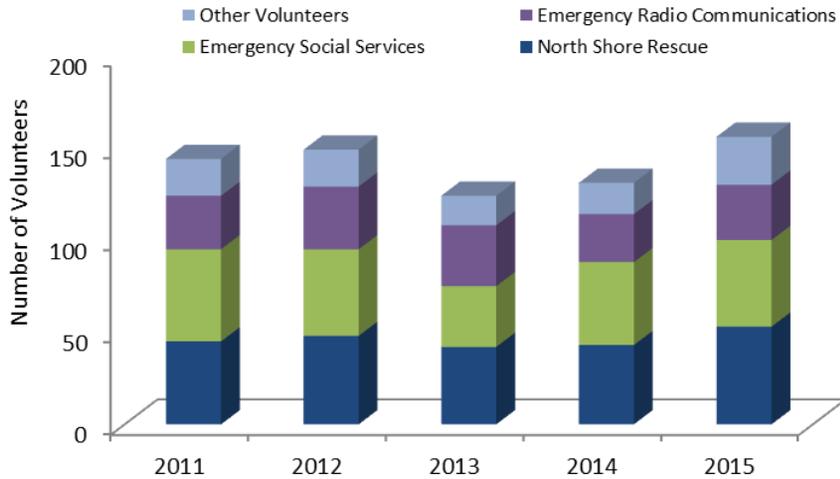
*Total Break and Enters in 2015 dropped to 288, declining an average of 1.7% annually since 2011. Despite the increase in 2015, automobile thefts also declined an average of 2.8% annually over the last five years. The increase in 2015 is consistent with the experience in other lower mainland municipalities. An ongoing focus on crime reduction strategies at the North Vancouver RCMP Detachment is reflected in the two charts above.*

*The RCMP is critical to providing safety and security for Canadians by tackling crime at the municipal, provincial/territorial, federal and international levels. The Detachment provides various services including crime prevention and investigation, maintaining peace and order, enforcing laws, ensuring the safety of visiting dignitaries and officials, while providing operational support services to other police and law enforcement agencies.*

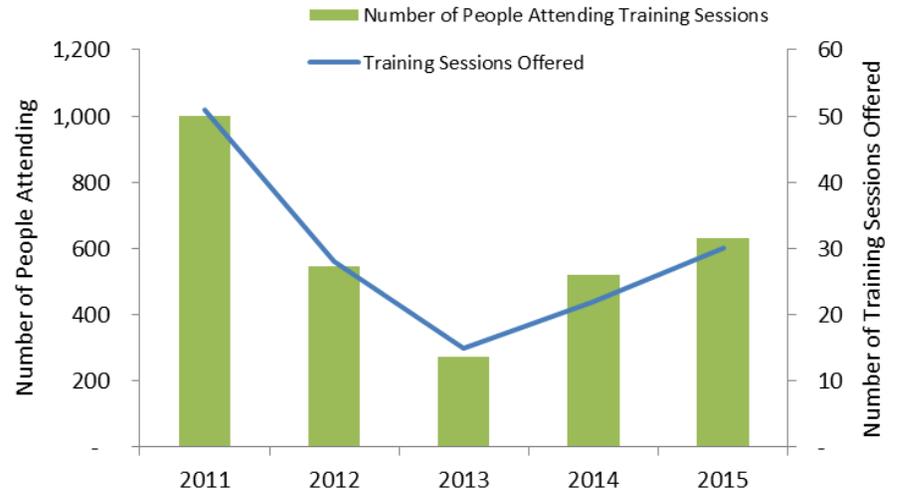
# Protective Services – Activity Measures

(Fire, Police, Emergency Management, Bylaws)

## Number of Volunteers



## Emergency Training Offered to the Public



*North Shore Emergency Management (NSEM) provides an extensive range of services to the North Shore municipalities, including emergency support services, search and rescue, and emergency communications with the vision of being a “disaster resilient North Shore”.*

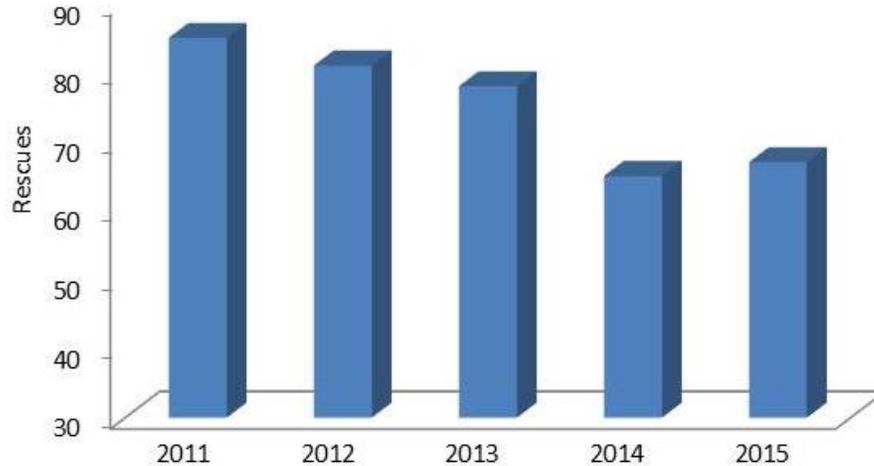
*NSEM has been offering free personal preparedness training to the public for over two decades. In recent years NSEM has enhanced their online presence and now offers residents extensive information on a wide range of emergency management topics through their website [nsem.info](http://nsem.info). Whether it is information on personal preparedness, natural hazards, or emergency response and recovery, NSEM’s website provides a wealth of information in convenient, accessible formats (videos, fact sheets, etc.). NSEM’s social media channels (Twitter and Facebook) provide topical updates to residents. They also maintain RapidNotify, a North Shore wide emergency notification system which residents can sign up for to receive emergency alerts.*

*In 2015, NSEM supported the municipalities in a number of emergency responses ranging from house and apartment fires to the significant marine oil spill in English Bay which impacted the North Shore beaches. NSEM also increased public outreach by participating in numerous community events to engage attendees in taking steps to become personally prepared.*

# Protective Services – Activity Measures

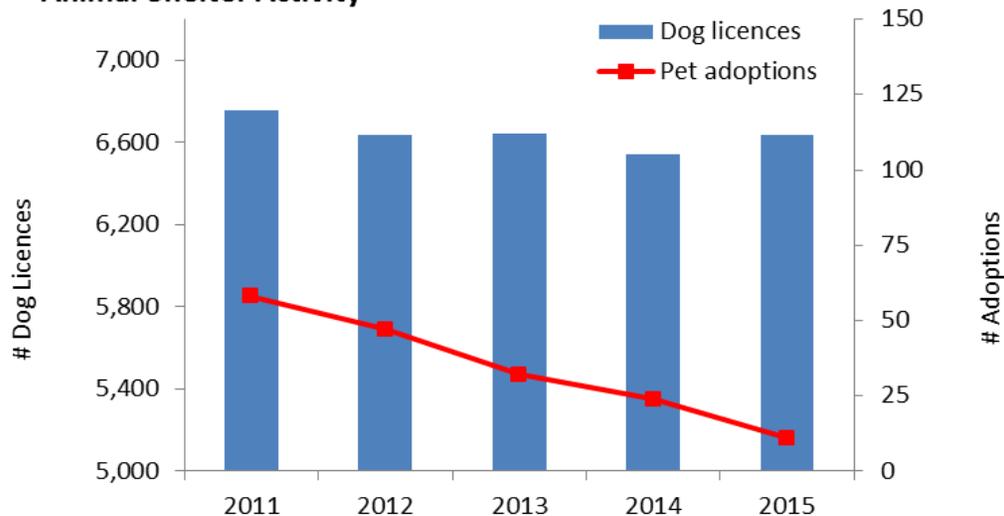
(Fire, Police, Emergency Management, Bylaws)

## Technical Rescues



*North Vancouver District Fire and Rescue Services continue to train extensively throughout the year in preparation for Technical rescues, including high angle, mountainous terrain, and swift water. The number of technical rescues continues to decrease from a high in 2011 and can be attributed to the ongoing initiatives promoting safe practices and education of all those who seek to enjoy the natural beauty of the North Shore.*

## Animal Shelter Activity

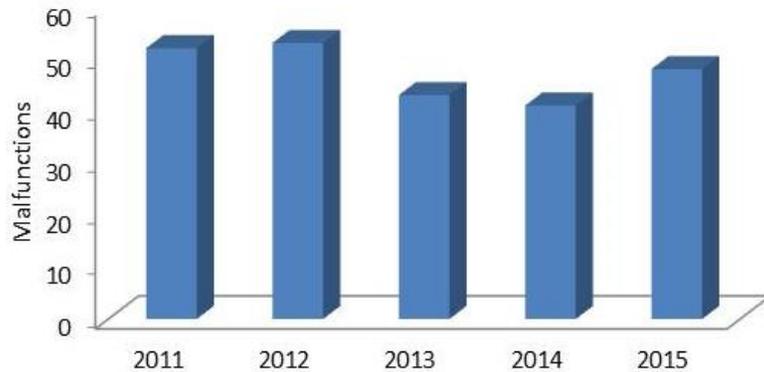


*Animal Welfare Shelter & Services of the District of North Vancouver provides a temporary home for animals until they are reunited with their owners or a new home is found. Years of public outreach and education, combined with a committed community and responsible pet guardians have created a situation where there are fewer animals in the shelter kennels reflective of the downward adoption trend. Dog licence fees continue to remain stable and help to offset the costs of this program.*

# Transportation – Activity Measures

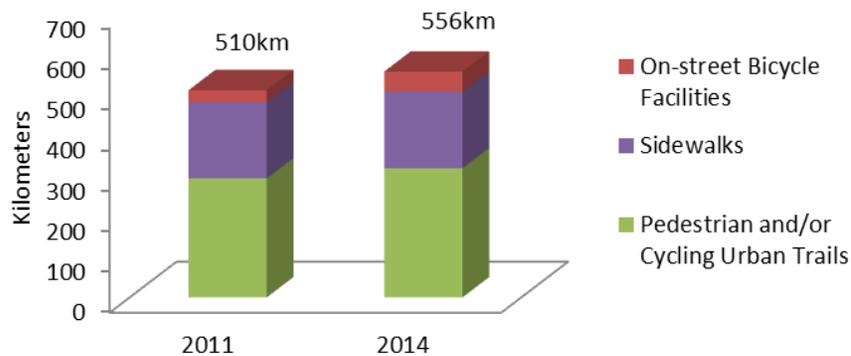
*In addition to pavement resurfacing, road repairs/cleaning, snow and ice control, the District's Engineering Department delivers a variety of transportation and alternative transportation services including planning transportation routes for new town centres, managing traffic flow, cycling infrastructure, traffic calming and pedestrian improvements, as well as signage and street lighting.*

## Traffic Signal Malfunctions



*The occurrence of traffic signal malfunctions have levelled off in recent years as many traffic controllers and intersections that were beyond their life cycle have now been upgraded.*

## Length of Pedestrian & Cycling Network



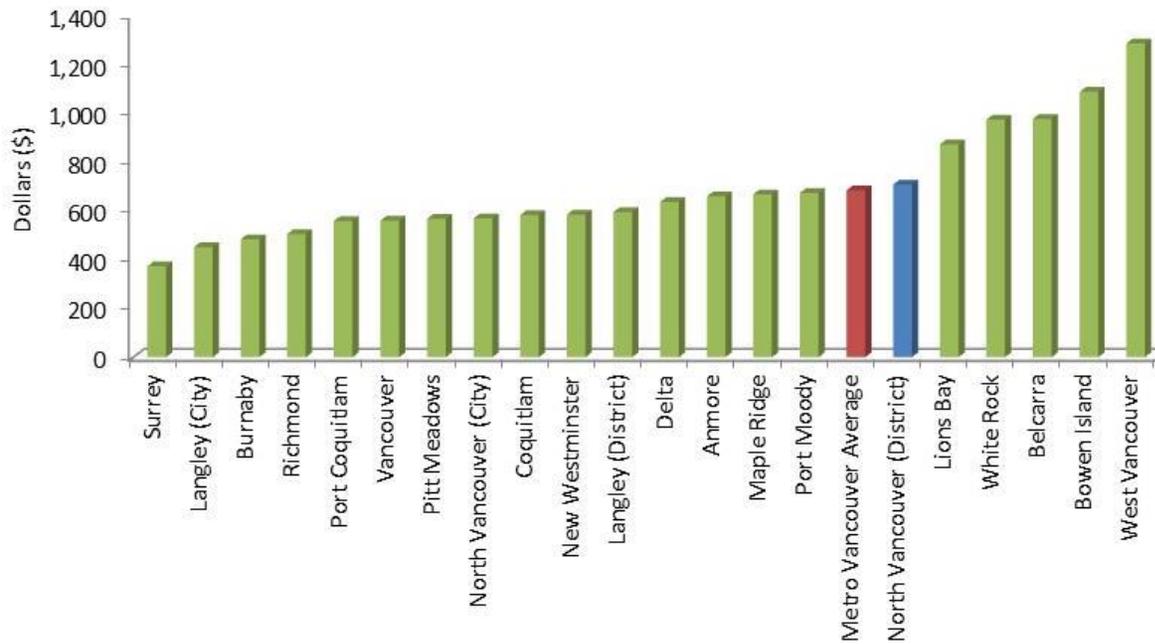
*In 2014, the linear length of the pedestrian & cycling network increased by 46km since 2011 as capital improvements were undertaken often coordinated with other agencies. As opportunities arise, the District will aim to complete a continuous sidewalk and trail network.*

# Governance & Corporate Management – Performance Measures

Governance and corporate management services relate to the business of managing the District as an organization. While these services are not necessarily visible to the public, their impacts can be seen through financial reporting and property tax notices, communications with residents, and service delivery.

## 2015 Municipal Residential Taxes per Capita

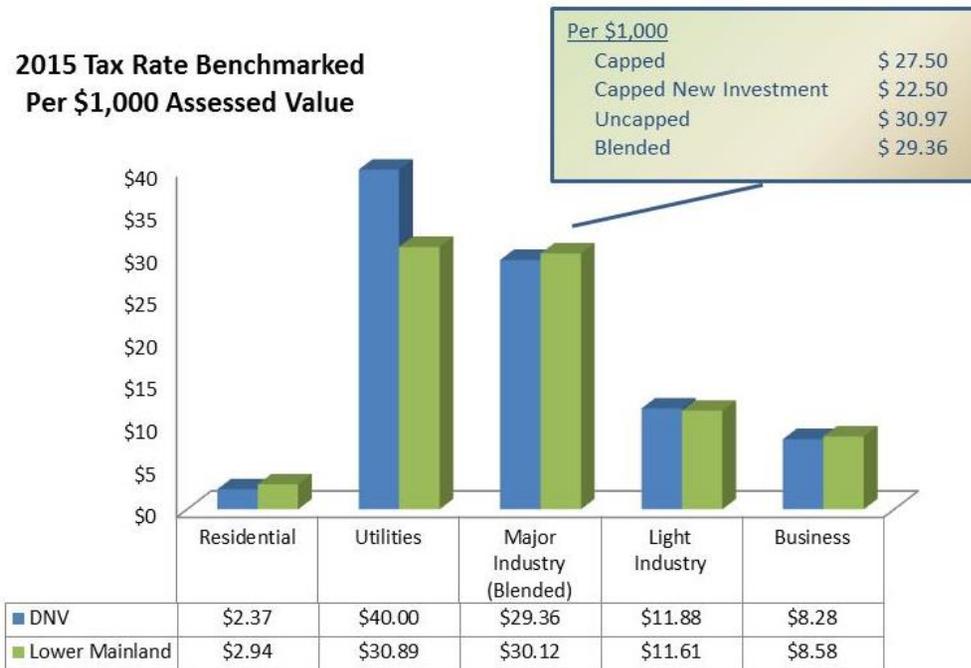
Source: Ministry of Community and Rural Development, Local Government Department



This graph compares the 2015 net municipal residential tax levy for Metro Vancouver communities. The per capita comparison is calculated by dividing municipal residential taxes by the population base for each municipality represented. Many factors influence this per capita result including: levels of service, service delivery efficiency, revenue policy (e.g. tax distribution and user fees), geography, population growth and density.

# Governance & Corporate Management – Performance Measures

## 2015 Tax Rate Benchmarked Per \$1,000 Assessed Value



The District of North Vancouver’s objective is to distribute the tax burden between property classes based on the principles of equity, fairness and responsiveness to community goals. Council has approved a tax strategy based on rate competitiveness designed to attract and retain its industrial and commercial base. Its main elements are:

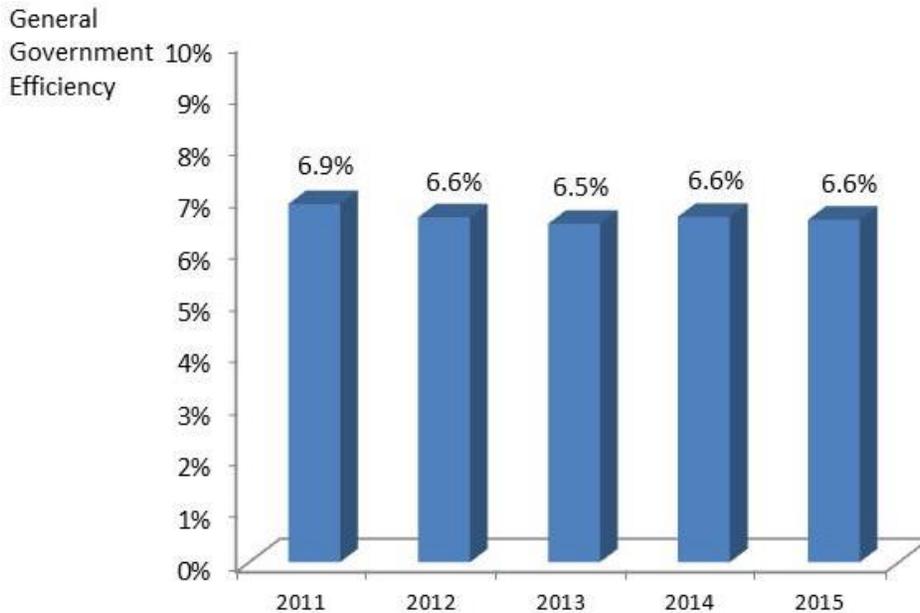
- Harmonize tax rates with averages for the region or the Ports Property Tax Act capped rate of \$27.50 (if applicable);
- Shift taxes between classes where the tax base for a property class is too small to be corrected by investment alone.

Note: the District is one of a handful of municipalities impacted by provincial legislation that imposes capped rates under the Ports Property Tax Act for some of its major industrial taxpayers. The District’s average (blended) rate for Major Industry was \$29.36 in 2015, compared with \$30.12 for the Lower Mainland.

Since being implemented in 2009, tax strategy outcomes have led to a continued rate reduction for both the light and major industrial classes resulting in tax rates closer to the regional averages. Light Industry tax rates have decreased from \$25.28 in 2009 to \$11.88 per \$1,000 in 2015, while uncapped rates for Major Industry have fallen from \$47.62 in 2009 to \$30.12 per \$1,000 in 2015.

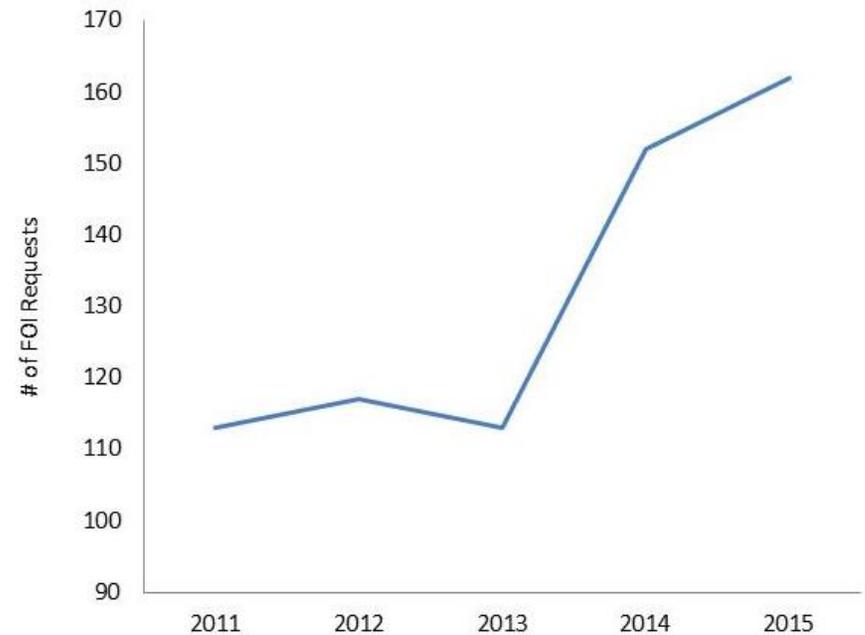
# Governance & Corporate Management – Performance Measures

## Operating Costs For Governance and Corporate Management



*Consistent with prior years, the costs of governance and corporate management (GCM) accounted for 6.6% of the 2015 municipal operating budget. From 2011 to 2013, GCM costs declined as a percent of total operating expenditures due to a multi-year strategy for service adjustments.*

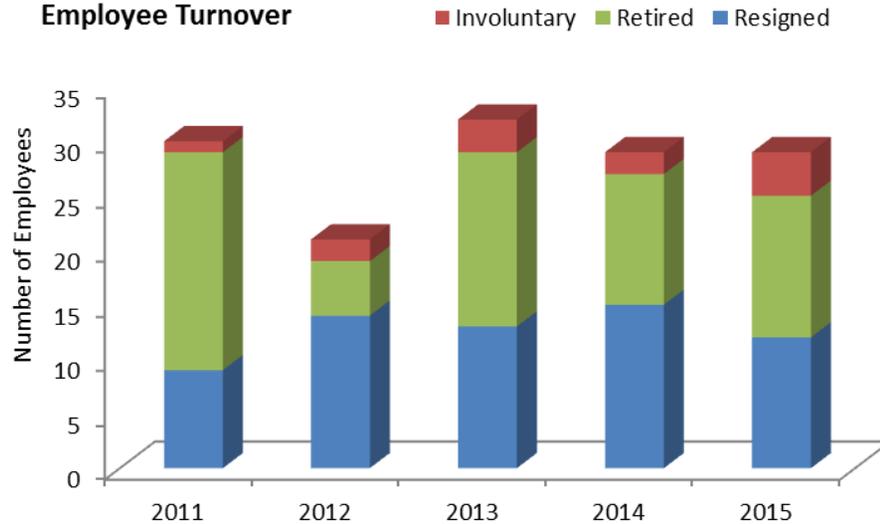
## Number of FOI Requests



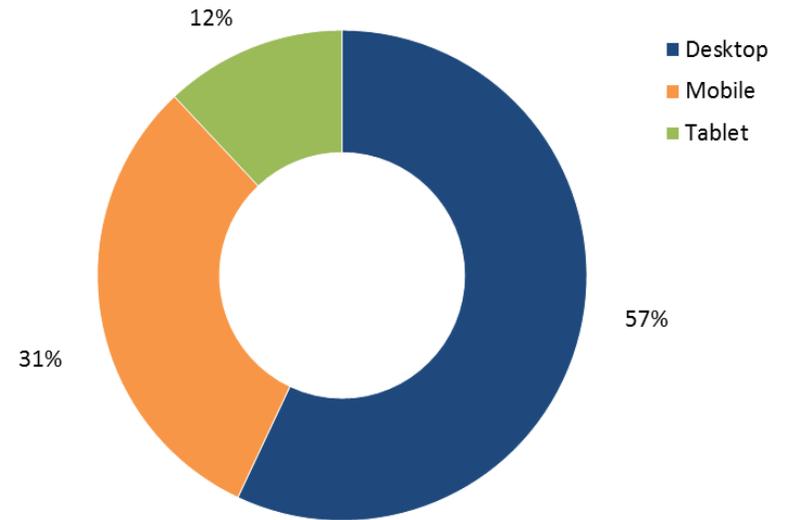
*There continues to be an increase in the number of FOI requests due to heightened awareness by the public of their rights and access to information.*

# Governance & Corporate Management – Activity Measures

**Employee Turnover**



**Website Usage by Device Type**



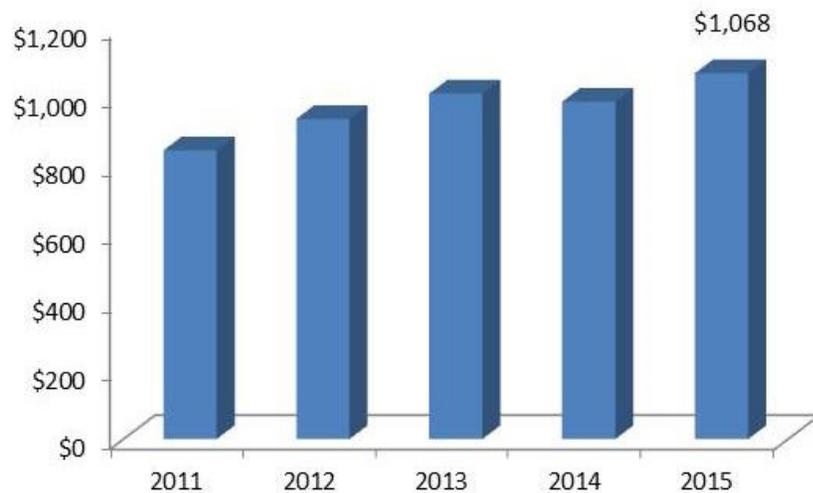
*Our workforce continues to evolve to meet the growing demands on infrastructure and increased development activity within the District. Workforce stability remains strong with 2015 turnover rates closely reflecting 2014 rates. As the workforce ages, an increase in the retirement rate is anticipated.*

*In August, 2015, the District launched the all-new DNV.org, our "virtual front desk." The new website was developed following mobile-first best practices, and delivers a seamless experience for those visitors who use smart phones and tablets. In December 2015, 43% of all visits to DNV.org were from mobile devices and tablets, and we expect that number to be closer to 50% by the end of 2016. The new site was also built using an industry leading content management system (CMS), which improved performance (more reliable search results, greater accessibility, enhanced speed), and more accurately measures how visitors interact with the site, allowing us in turn to make continuous, ongoing improvements based on data analysis.*

## Governance & Corporate Management – Activity Measures

### Reserve and Surplus Funds per Capita 2011-2015\*

Source: Audited Financial Statements and BC Statistics



\* Note: This graph now includes operating surplus generated from municipal, water, sewer, and library operations. 2011 – 2013 figures have been restated for revised amounts and updated population estimates from BC Statistics

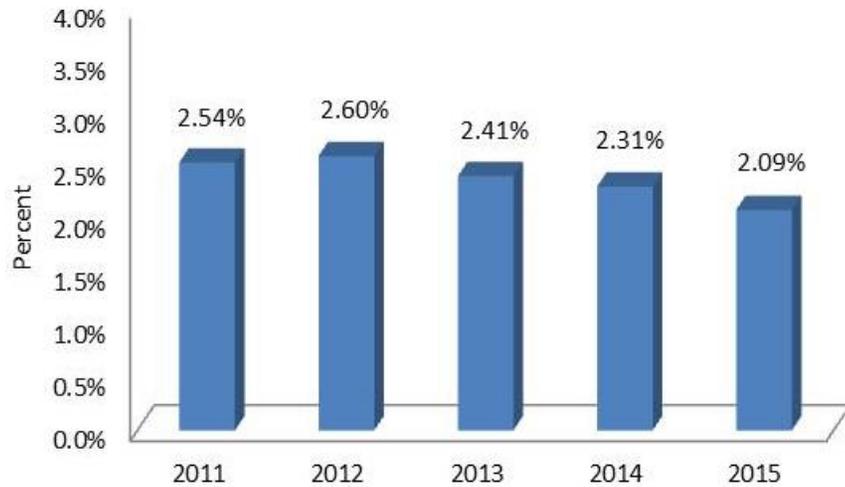
*In 2015, the District's reserve and surplus funds total \$92 million, increasing \$6 million from 2014. The increase is primarily due to surplus contributed from utility operations, land sales, and community amenity contributions, partially offset by funds used for infrastructure replacement as well as land acquisitions.*

*Reserve and surplus funds support long term steady state replacement of existing infrastructure, risk mitigation and are a key financial resilience measure. Funds are also set aside for contingent events and future financial commitments sourced from planned contributions, operational surplus, and interest income.*

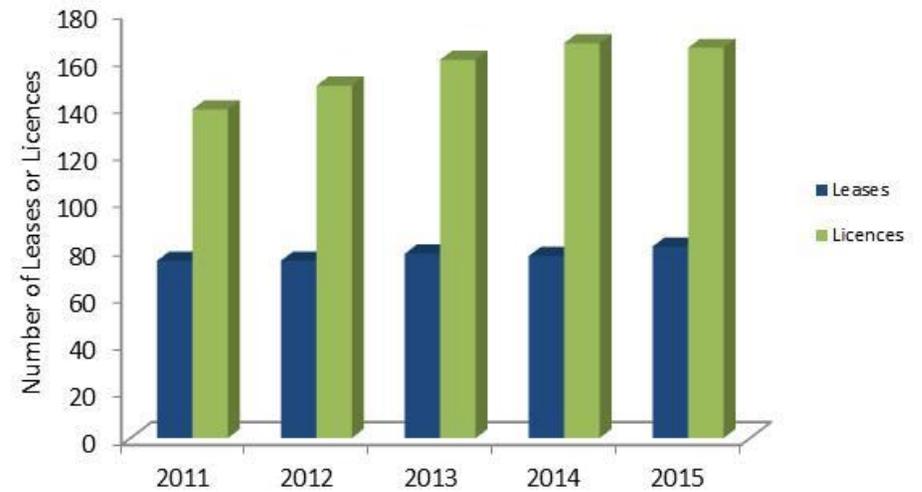
*Fund balances vary depending upon the District's capital requirements and its operational risk profile at any given time. Prudence requires minimum thresholds be maintained at all times to ensure the organization's capacity to react to unforeseen events, sustain levels of service to the community and ensure the long term financial viability of the District. Sound judgement, trend analysis and best practices are followed to establish a reasonable provision.*

# Governance & Corporate Management – Activity Measures

### Average Rate of Return on Investments



### Leases and Licences Administered



*Market conditions over the past 5 years have not been conducive to strong rates of return, and are reflected in the downward trend above.*

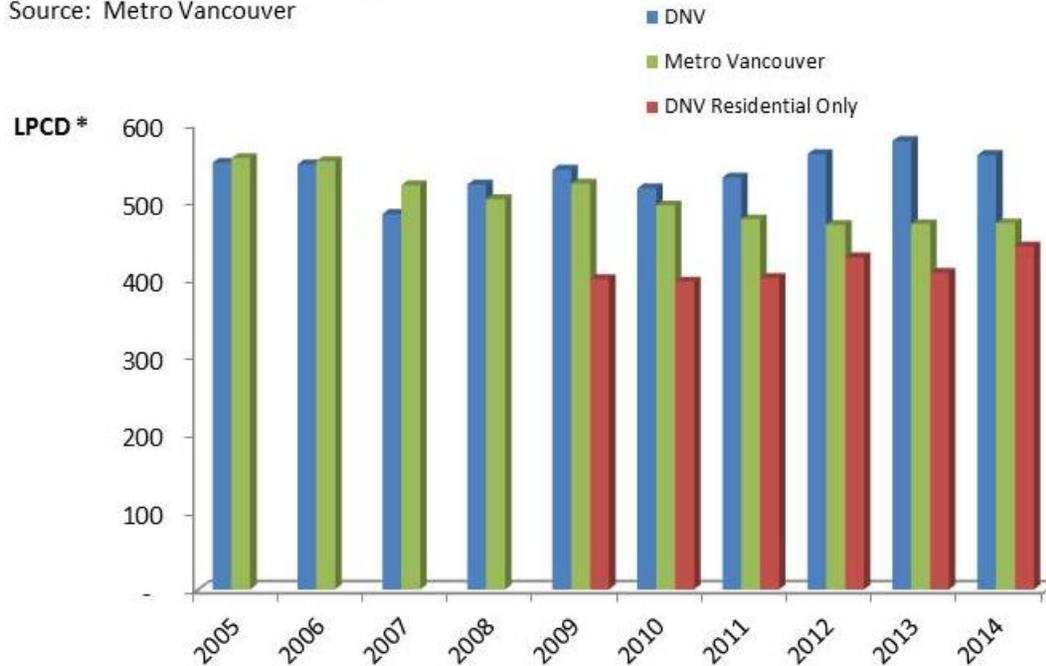
*The District invests with a focus on preservation of capital as a top priority, followed by liquidity and then rate of return. All investments are compliant with the Community Charter.*

# Utility Services, Water- Performance Measure

The provision of water services contributes to District residents' health and well-being by providing a safe, adequate, and trouble-free supply of potable water. The District manages, maintains, and upgrades its network of pipes, pump stations and connections to supply water to its residents from the Capilano and Seymour Watersheds managed by Metro Vancouver.

## Water Consumption Per Capita

Source: Metro Vancouver



\*LPCD = average litres of water consumed per capita per day

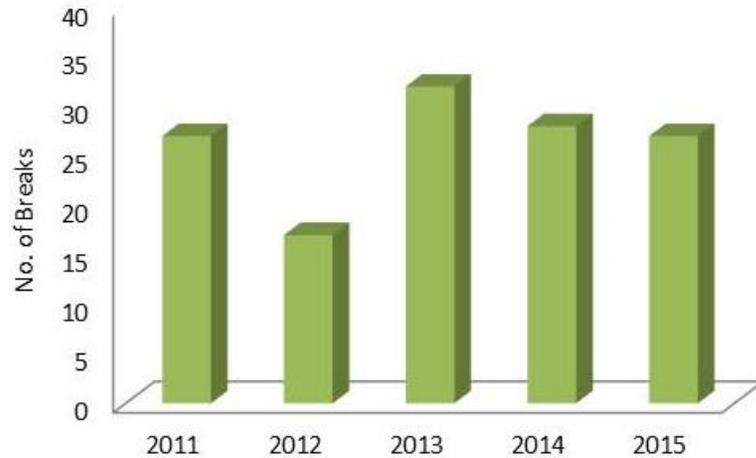
Note: Water Consumption data is provided by Metro Vancouver one year following the reported year of operations

This graph illustrates District water consumption compared to that of Metro Vancouver as a whole, based upon Greater Vancouver Water District (GVWD) data for total water consumption by all users, including commercial users. Residential consumption increased in 2014 in response to a warmer and dryer summer season. Metro Vancouver imposed Stage 1 water restrictions throughout the season. The District's Water Conservation Program continued into its 9th year with an emphasis on public education. We continue to develop our proactive leak detection system and a leak repair protocol to minimise water loss from the system.

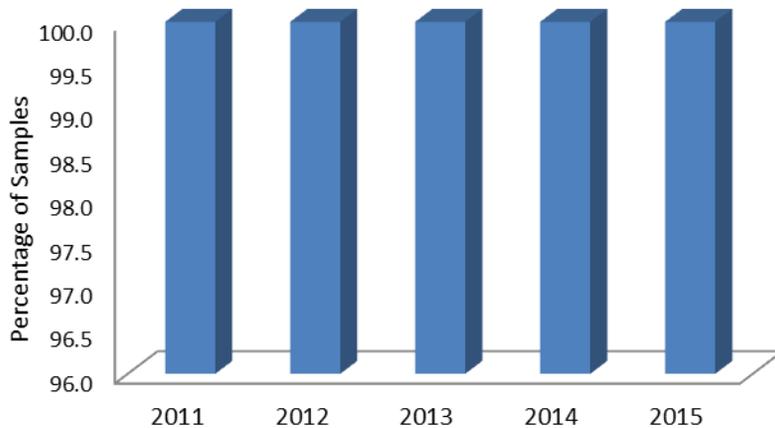
The District continues to refine its monitoring process for water consumption by user, time of year, and other considerations.

# Utility Services, Water- Activity Measure

## Watermain Breaks



## Percentage of Water Quality Samples Meeting Bacteriological Standards



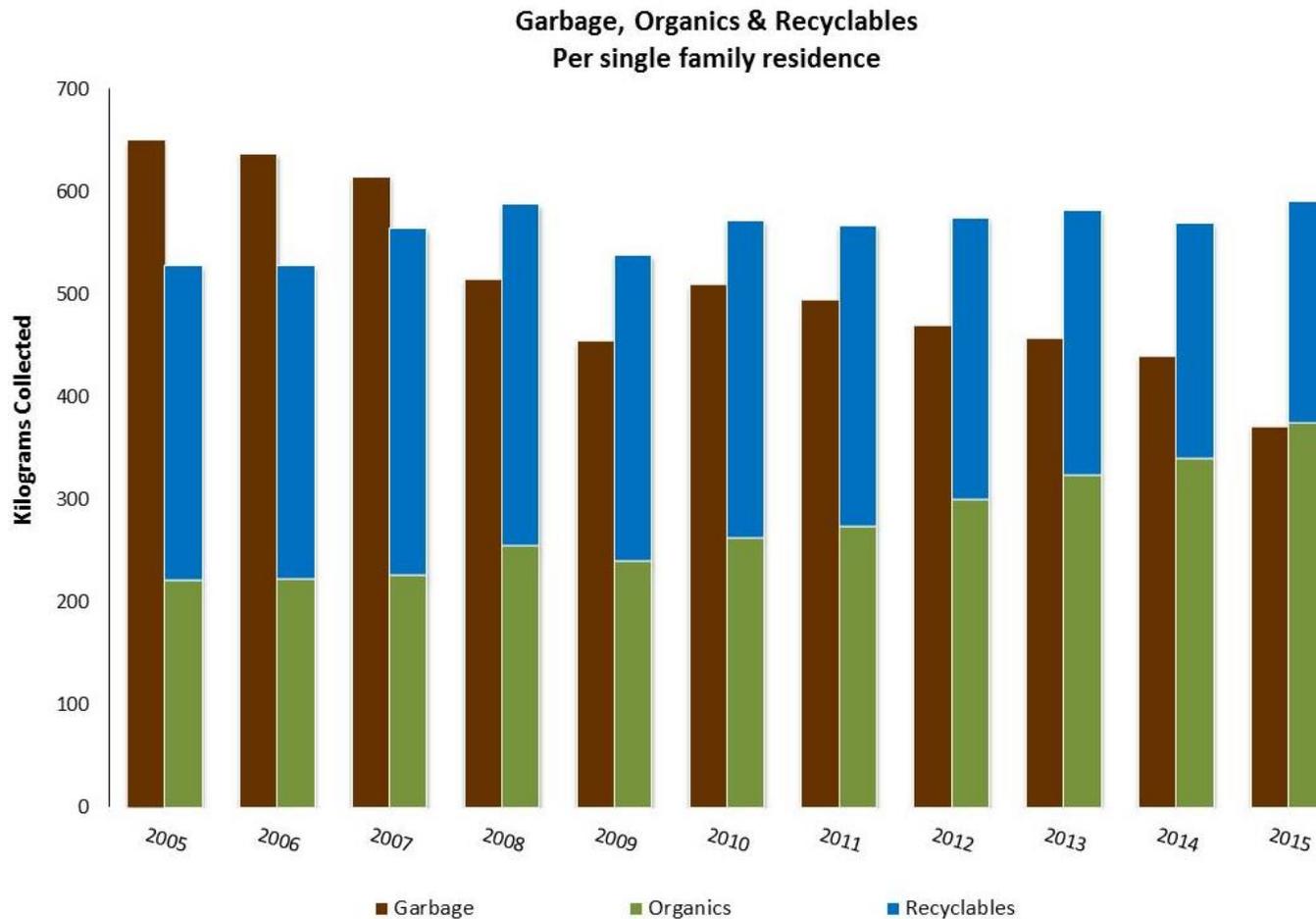
*A proactive replacement strategy was implemented in the mid-1990s when breaks had reached 50 per year. Yearly fluctuations in the number of water main breaks are due largely to seasonal weather variations and to changes in Metro Vancouver’s operational system. In 2015 there were 27 water main breaks, a rate which is considered normal for our system. Water main breaks continue to heavily influence annual water main replacement selection and priority.*

*Water quality in the District continues to be exceptional. 100% of water samples in 2015 have met bacteriological standards, continuing an unbroken trend since 2009.*

*2015 marks a significant milestone as the first year in which 100% of all water supplied to the District was treated through Metro’s Seymour Capilano Filtration Plant. Metro’s achievement of bringing this improved supply system into full operation results in improvements in water supply reliability and quality.*

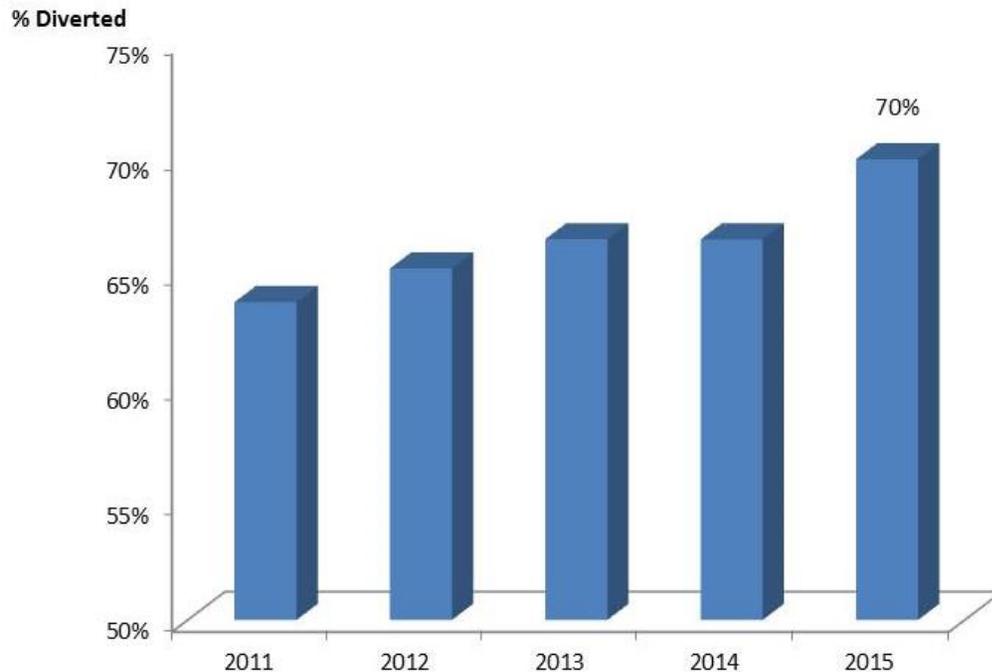
## Recycling & Solid Waste – Performance Measure

*Recycling and solid waste services include the collection, processing and disposal of household waste for both residential and commercial customers. The District also provides Green Can (organics) collection for residents. Single and multi-family recycling collection is provided through a shared contract between the District of North Vancouver and City of North Vancouver. The District's efforts continue to influence lower garbage collection as residents place greater emphasis on organics segregation and collection.*



# Recycling & Solid Waste – Activity Measure

## Total Solid Waste Diversion Rate



2015 represented a landmark year in the District's efforts to divert residential garbage. As the first year in which organics collected had exceeded garbage collected from single-family residences, the District had successfully diverted nearly 70% of waste from its garbage stream to meet the Metro Vancouver regional diversion target. In addition, over 900 tonnes of recyclables were collected through the multi-family blue box program and over 1,000 tonnes were collected through the Depot in 2015. Nearly 35,000 tonnes of recyclables were diverted from the District's garbage stream over the past 5 years.

In 2015, approximately 7,760 tonnes of garbage (371 kgs per single family residence) was collected, a 14% decrease (1,242 tonnes) from 2014. Approximately 7,700 tonnes of organics (375 kgs per single family residence) was collected in 2015; a 10% or 679 tonne increase over 2014.

The increase in organics collection has resulted in a 4% year-over-year reduction in Metro Vancouver disposal costs in 2015, as the costs of disposing organic versus garbage waste is less on a per tonne basis (\$71 vs. \$100 per tonne).

# **Divisional Areas of Responsibility**

## **Executive Services**

Executive Services includes the Chief Administrative Officer, Mayor, and Council, who define strategic directions and priorities that support the District's vision of a sustainable future. Service areas include strategic planning, leadership, human resources and overall corporate governance to ensure Council direction is supported and corporate accountabilities are met.

## **Corporate Services**

Corporate Services provides internal services and plays a liaison role in relations with other governments, agencies and partners. Corporate planning, internal audit, business improvement, legal, communications, and business relations services, along with the activities of the Clerk's office, are all provided by the Corporate Services group.

## **Finance and Information Technology Services**

Finance and Information Technology Services focuses on business support, policy development, and analysis for decision making. It is dedicated to effective, efficient business transformation and the development of long term strategies for both service delivery and financial health.

## **Fire and Rescue Services**

Fire and Rescue Services works closely with its partner agencies on the North Shore to deliver a diverse set of emergency services including structural and wild land urban interface firefighting, motor vehicle rescue, high angle rescue, tower crane rescue, swift water rescue, hazardous materials response, pre-hospital medical response and in partnership with Vancouver Fire Department, marine firefighting.

## **Engineering, Parks and Facilities**

Engineering, Parks and Facilities consists of three major groups, each providing distinct services -- Engineering and Facilities, Parks, and Utilities. The Division:

- plays a key role in the development process through the review of development applications, maintenance of development related infrastructure bylaws, and the provision of project services
- provides park services supporting public enjoyment of parks and green spaces
- makes sport fields and sport courts available for recreational use
- provides transportation services including infrastructure supporting the movement of people and goods
- provides utility services including water, liquid and solid waste, recycling and energy
- provides operational services including streets, construction, survey and fleet
- provides a number of central support services to other divisions and partners including facility, fleet and project services

## **Planning, Properties and Permits**

Planning, Properties and Permits consists of four groups:

- Sustainable Community Development is responsible for long range, integrated community planning and environmental management
- Development Services is responsible for the review of a variety of land use applications including OCP amendments, rezonings, subdivisions, development permits and development variance permits
- Bylaw Services provides enforcement and public education about the District's regulations to support public safety, quality of life and community sustainability
- Real Estate and Properties provides a variety of real estate services such as property management, community leases, negotiation, valuation, marketing and Land Title Office and Court Registry

## **Partner Agencies**

### **Police Protection Services (RCMP)**

The North Vancouver RCMP Detachment provides policing services to citizens of both the District and City of North Vancouver. These services include investigation, enforcement, crime prevention and services to victims of crime. The detachment is committed to preserving the peace, upholding the law, and providing quality services in partnership with the community. The Community Policing program provides an important bridge to local communities through the Auxiliary Constables, Block Watch, Business Watch, and Youth Intervention Unit programs.

### **North Vancouver District Public Library**

Connecting Community, Fostering Knowledge, and Inspiring Stories. The library system offers a full range of information services and learning opportunities, including an extensive collection of books and digital collections, a variety of online resources through the library website, and innovative programs for both children and adults. The District is served by three library branches: Capilano, Lynn Valley, and Parkgate.

### **North Vancouver Recreation and Culture**

The North Vancouver Recreation and Culture Commission (NVRCC), established and supported by the District and City of North Vancouver, provides a wide variety of recreation and cultural services for North Vancouver residents. Services are delivered in community recreation centres and other indoor/outdoor venues and include social, active and creative services for people of all ages, gender, abilities and economic status. In addition, the Commission is responsible for the allocation of arts and culture grants, coordination of the public art programs, booking of many public spaces, and supporting community events. The Commission is also responsible for community recreation centres which include such spaces as pools, art rooms, fitness spaces, multi-purpose spaces, public gathering spaces, youth centres, seniors' spaces, ice arenas, gymnasiums, sport courts, and meeting rooms.

## **North Vancouver Museum and Archives**

North Vancouver Museum and Archives (NVMA) is a shared service with the City of North Vancouver that explores our community's collective past and shares its history with students, residents and visitors. NVMA preserves unique and historically valuable community records, stories and artifacts that the public can access at the Archives in Lynn Valley's Community History Centre, the Museum in Presentation House, and through an online collection database at [nvma.ca](http://nvma.ca). Special exhibits, walking tours, and programs celebrating unique aspects of North Vancouver are offered throughout the year.

## **North Shore Emergency Management**

North Shore Emergency Management (NSEM) is the shared emergency management for the District of North Vancouver, City of North Vancouver and District of West Vancouver. NSEM's vision is "A Disaster Resilient North Shore". NSEM provides planning, training, exercises, public education, volunteer management, stakeholder engagement and an operationally ready, centralized Emergency Operations Centre which is activated during emergencies. The team also provides emergency response and recovery support thereby increasing community resiliency.



# Feedback

The District believes in continuous improvement and your comments are appreciated. Send us your thoughts at [annualreportfeedback@dnv.org](mailto:annualreportfeedback@dnv.org).

You can also connect with us on social media - Twitter @NVanDistrict - Facebook NVanDistrict, and via our web site at [dnv.org](http://dnv.org)

Thank-you.





NORTH VANCOUVER DISTRICT

# Annual Report 2015

355 West Queens Road  
North Vancouver, BC V7N 4N5

604-990-2311

[dnv.org/annualreport2015](http://dnv.org/annualreport2015)

[annualreportfeedback@dnv.org](mailto:annualreportfeedback@dnv.org)



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