



2018

ANNUAL REPORT

DISTRICT OF
**NORTH
VANCOUVER**



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ABOUT THE DISTRICT OF NORTH VANCOUVER

Inspired by nature.

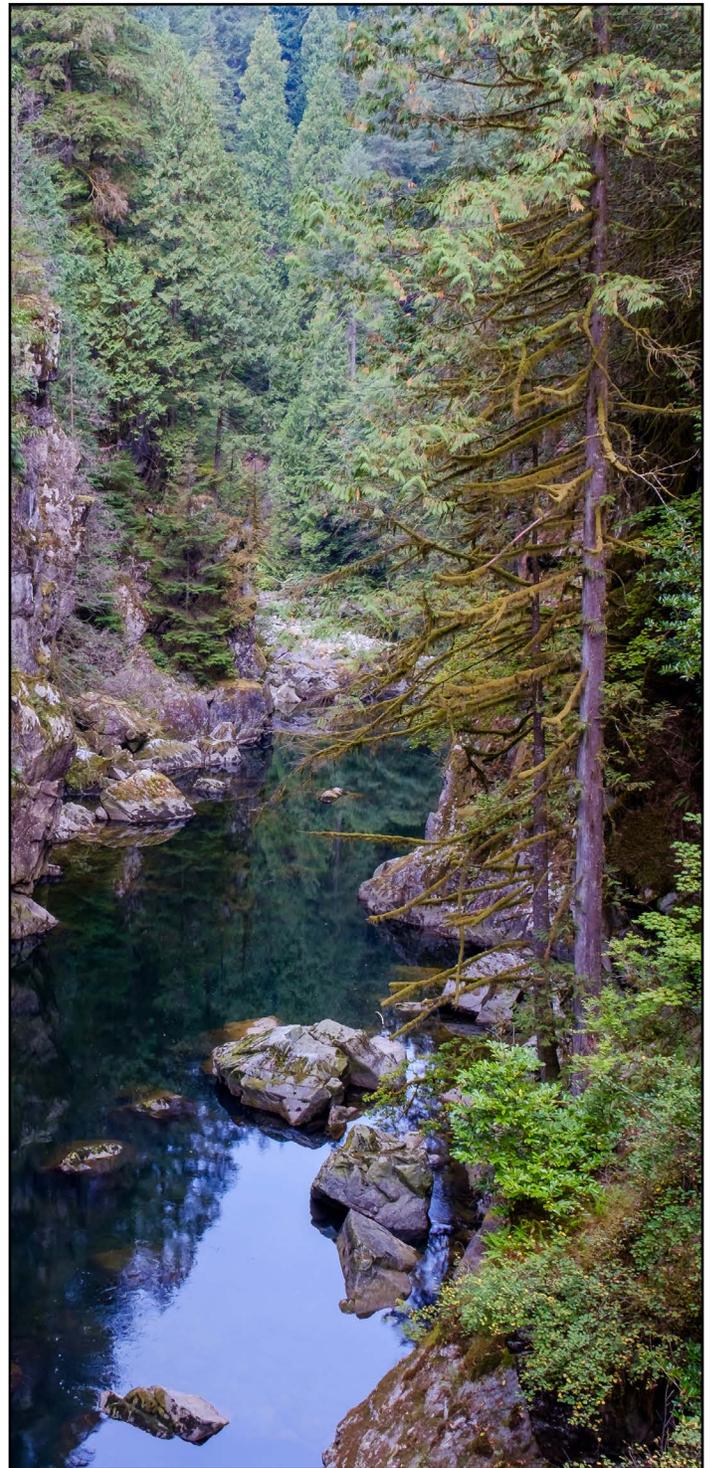
Enriched by people.

Located on Metro Vancouver's North Shore, the District of North Vancouver extends from the Capilano River in the west, to Indian Arm in the east, and from Burrard Inlet northwards to the Coast Mountains.

With a population of just over 85,000 and a total land area of just over 16,000 hectares (63 square miles), the District is the largest of the three North Shore municipalities.

With its naturally beautiful surroundings, high quality of life, and close proximity to downtown Vancouver, it is one of Canada's most desirable places to live, work and play.

The District's unique geography and location combine to offer the benefits of simultaneously being part of a dynamic metropolitan region, while living next door to a vast natural wilderness.



INTRODUCTION

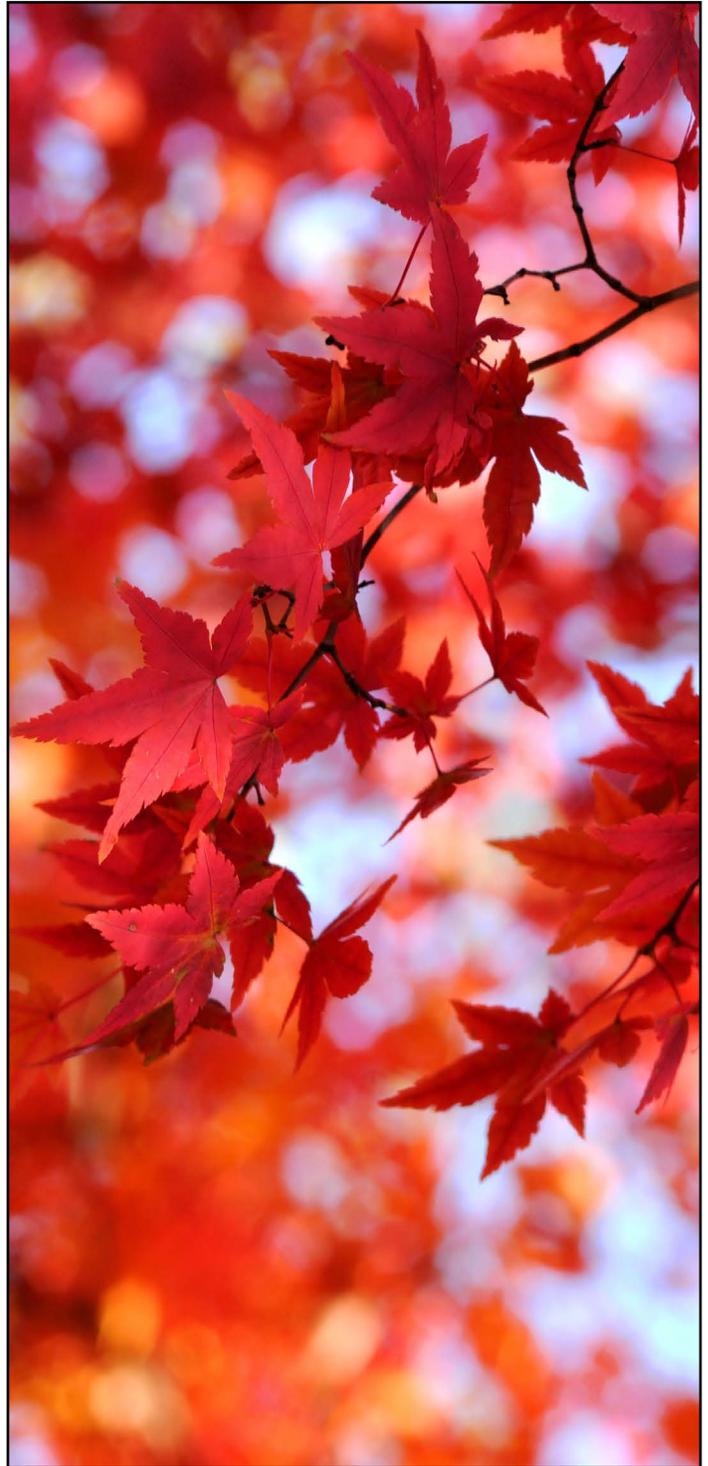
Welcome to the District of North Vancouver's 2018 Annual Report.

As required by the Community Charter, the 2018 Annual Report provides all of the elements of annual reporting 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.

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.

This year's Annual Report is offered online in PDF format, and is also available for review at District Hall and at all three District Public Library branches, through public access terminals, and in print form.



MESSAGE FROM THE MAYOR



Mike Little

This past year was a year of change and transformation for many municipalities across Metro Vancouver. The 2018 municipal elections were an opportunity to hear from residents throughout the region and here at home about what issues matter most to them. While there has been significant change at the political level, we are all still feeling the same pressures associated with living and moving within a growing region.

Having been elected late into the year, reflecting on the entirety of 2018 may be difficult. Throughout the election, however, I heard time and time again from residents about the excellent service our municipality provides and the pride our residents have in their community. This appreciative feedback reiterates the importance of providing good service and ensuring we continue to adapt to the needs of our community.

This past year we made progress addressing many of the issues that matter most to our community including transportation improvements and steps toward relieving congestion, upgrades to major infrastructure, and a focus on building community resiliency in the face of a changing climate.

These achievements could not have been reached without the stewardship and guidance of our preceding Council, and I would like to take this opportunity to thank them for their thoughtful leadership throughout that time.

Today, it is now our commitment as Council to provide leadership as we steer the community toward financial, environmental, and social resiliency. I look forward to this time next year and reporting on the progress we made working collaboratively toward our community's shared vision.

DISTRICT OF NORTH VANCOUVER COUNCIL



Left to right: Jordan Back, Lisa Muri, Mathew Bond, Betty Forbes, Mayor Mike Little, Megan Curren, Jim Hanson

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER



David Stuart

I am pleased to present the District's 2018 Annual Report. The Annual Report is a statutory exercise for municipalities that more importantly allows us to share with the community the progress made toward

achieving the goals and priorities set out in our 2015 – 2018 Corporate Plan. As 2018 represented a transition time with the election of a new Council in October and the beginning of a new business planning term, now is an opportune time to focus not just on 2018 but on progress made over the last four years.

While traffic continues to be a source of frustration for many on the North Shore and throughout the region, progress is being made with the creation of a North Shore transportation planning committee, construction improvements to the Ironworkers Memorial bridgehead, replacement of the Keith and Montroyal bridges, additions to our cycling network, and the commencement of work to enhance Phibbs Exchange and our transit capacity.

Over the past four years we have made significant investments in our parks and recreation offerings, opening Delbrook Community Recreation Centre to great success in 2017, and initiating construction of two more facilities in the new Lions Gate Village and Lynn Creek Town Centres. The Seymour area saw the addition of an artificial turf field, and work has commenced on new fields at Argyle Secondary and Inter River Park. We continue to make improvements to our world-class trail systems and, due to the popularity of our parks, we introduced demand management programs to better accommodate the number of visitors and manage impacts on surrounding neighbourhoods.

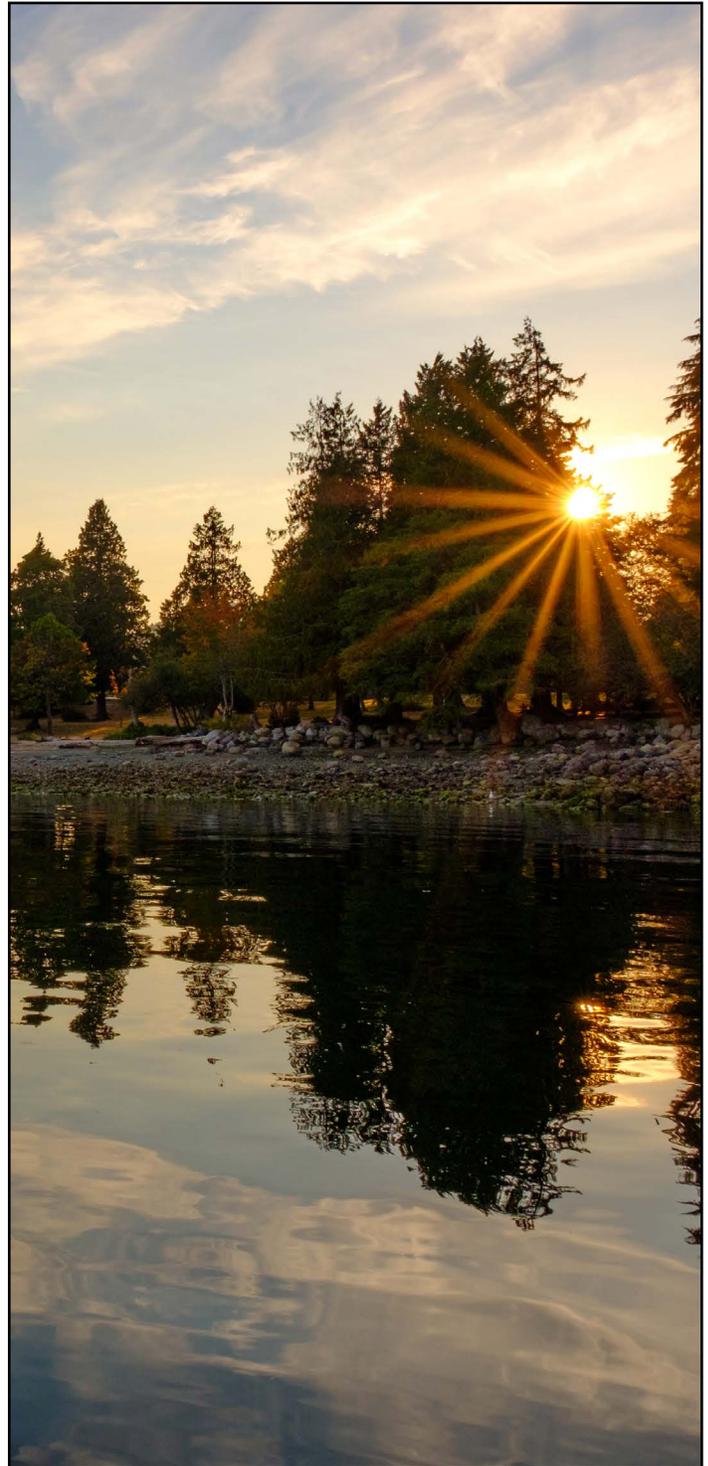
Affordability and growth are challenges faced throughout the Lower Mainland. In order to manage growth in our town centres, we have delivered considerable policy and organizational work, with specific consideration given to the loss of older affordable housing and the need to replace and increase the supply of affordable units. The pressures of affordability, including redevelopment and increasing assessment values, have also made it ever-more challenging for businesses both big and small to stay and thrive on the North Shore. We continue to work with our partners and the business community to mitigate these challenges.

We have made considerable progress on natural hazards management, earthquake planning and preparation, energy management, and climate

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

change adaptation and mitigation. This progress includes significant capital improvements to our stormwater management systems to reduce the risk of flooding. The District is continuing work in our forest interface areas to reduce the potential impact of wildfires that are a growing threat in the province due to warmer, drier summers.

Our success over these last four years is a testament to the commitment and professionalism of the people in the organization who work every day to serve the community. While like many organizations, we have experienced significant staffing changes in a competitive employment environment, we continue to attract great young talent. This is in part because of being recognized as one of the Top Employers in BC for the second year in a row. Our work is also supported by a strong foundation of financial policies and decision-making practices which in turn enable us to enjoy the strong financial results conveyed in this report. I look forward to working with the new Council as together we pursue the community's vision for the future while providing exceptional services today.



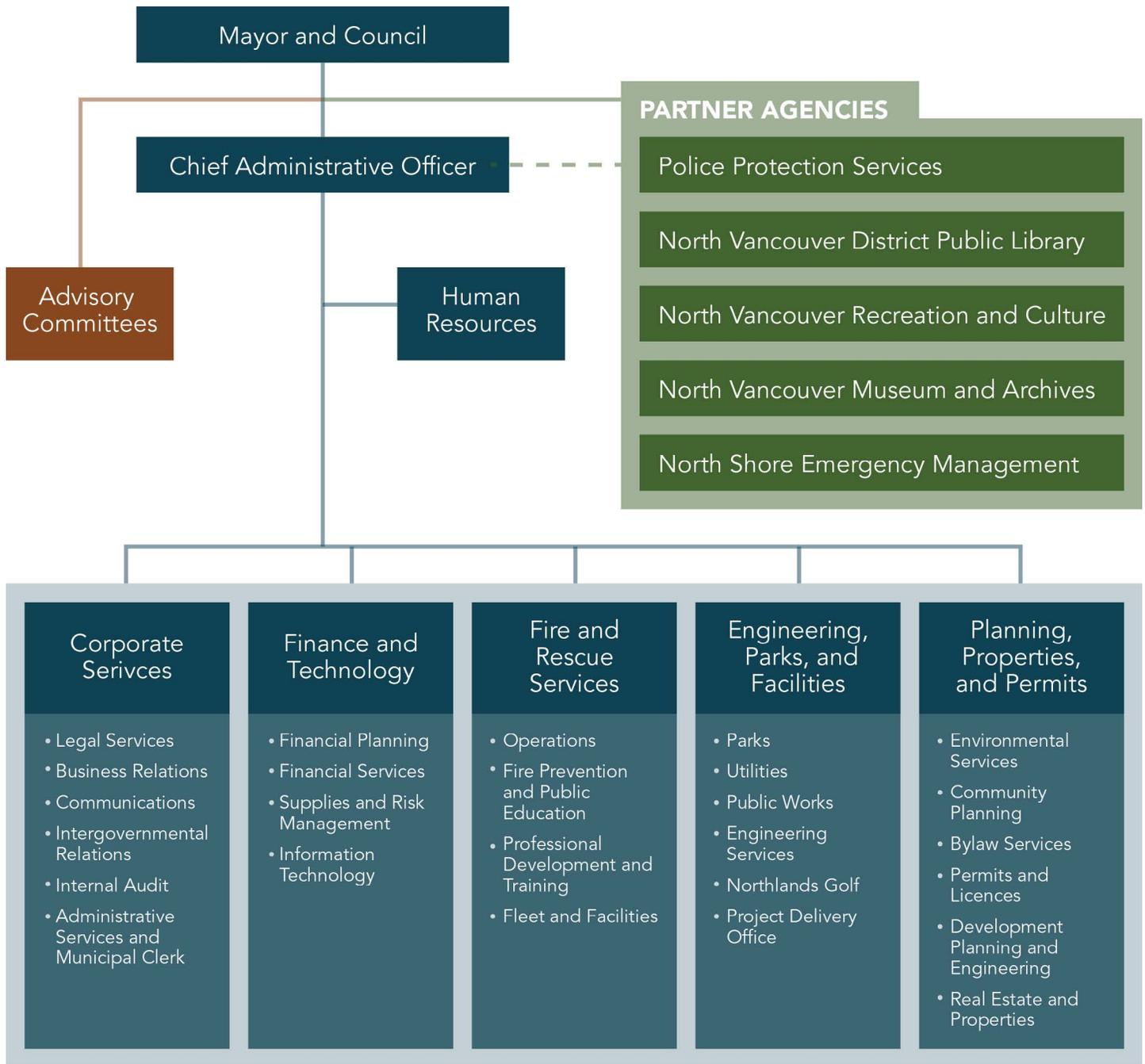
EXECUTIVE TEAM



Left to right:

Mike Bhatti, Inspector, RCMP
Charlene Grant, General Manager, Corporate Services
Dan Milburn, General Manager, Planning, Properties & Permits
Saira Walker, Manager, Human Resources
Gavin Joyce, General Manager, Engineering, Parks & Facilities
Heather Turner, Director, Recreation & Culture
Fiona Dercole, North Shore Emergency Management
Andy Wardell, Chief Financial Officer
Jacqueline van Dyk, Director, Library Services
David Stuart, Chief Administrative Officer
Nancy Kirkpatrick, Director, North Vancouver Museum & Archives
Brian Hutchinson, Chief, Fire & Rescue Services

ORGANIZATIONAL CHART



MESSAGE FROM THE CHIEF FINANCIAL OFFICER

Mayor Mike Little and Members of Council

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, 2018.

The preparation and presentation of the Financial Statements and related information in the 2018 Annual Report is the responsibility of the Finance 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 services 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 accountabilities, 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



Andy Wardell

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

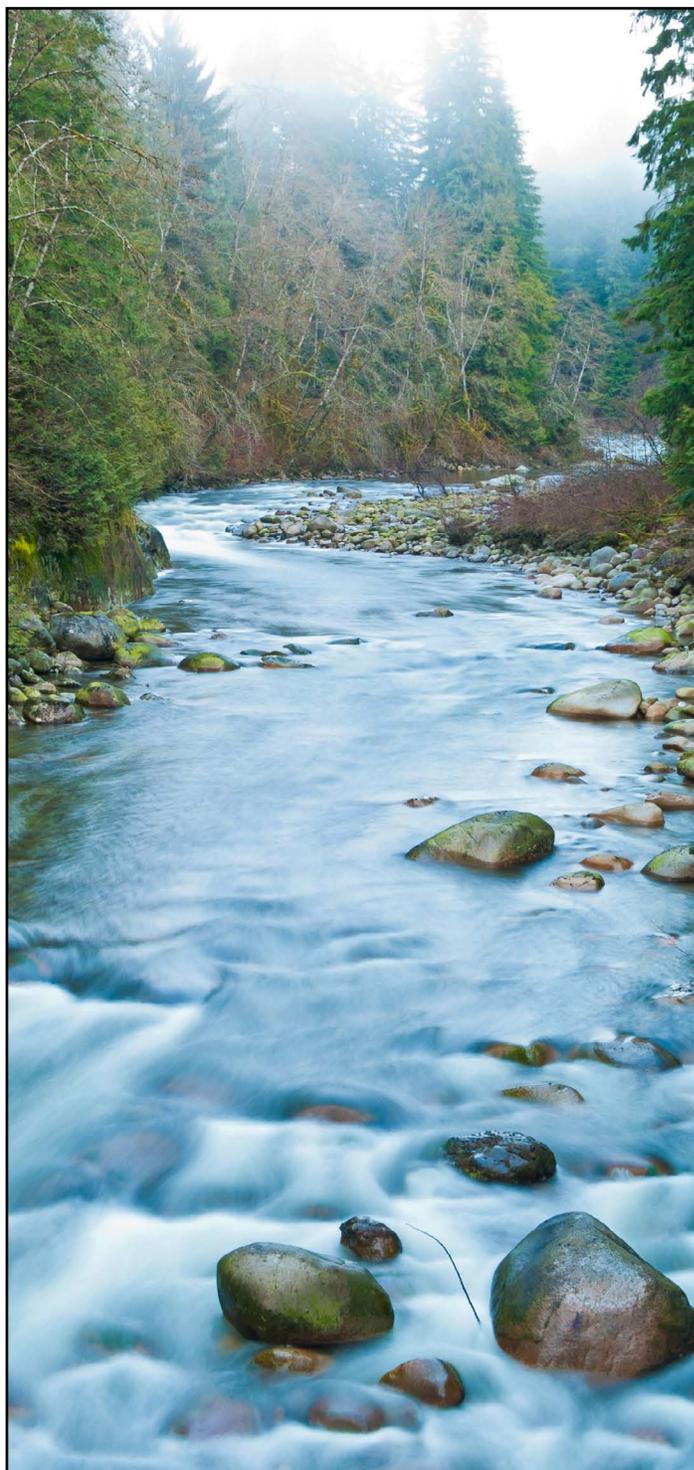
Chief Financial Officer, the Internal Auditor and the External Auditor within the scope of their engagement.

Financial Results

The Consolidated Statement of Financial Position shows net financial assets of \$139.7 million (an increase of \$32.0 million over 2017). This increase is primarily attributable to development activity, land sales and reserve growth due to capital project timing.

The Consolidated Statement of Operations reports a surplus of \$56.2 million. This surplus is a matter of financial presentation. First, the District raises revenues based on the current replacement value of assets while expenses reflect depreciation of existing assets at historical cost. It is this surplus that funds renewal, upgrade and new assets within our capital plans.

Revenues are higher than budget by \$23.4 million due to higher development revenues, land sales, tax growth, and grants received in support of capital projects completed during the year. Actual expenses, excluding depreciation of \$19.0 million, are lower than budget by \$6.7 million. The District budget is based upon Provincial legislation that excludes asset depreciation. Canadian public sector accounting standards however require depreciation. Note 18 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.



MESSAGE FROM THE CHIEF FINANCIAL OFFICER

Accumulated Surplus (Note 11)

Operating and Risk Management

The Operating and Risk Management reserve 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 2018 Operating and Risk Management reserve balance has increased \$6.9 million from 2017 as a result of risk assessments related to property tax assessment appeals, growth and development activity and to mitigate future impacts on the community.

Capital Renewal and Rate Stabilization

The District uses these major reserves for the management of infrastructure, equipment, and utilities. The "Infrastructure Replacement", the "Equipment replacement", the "Sewer and drainage utility", and the "Water utility" reserve funds are the mechanisms by which the District replaces and acquires new capital assets, and stabilizes future rates. The principles embodied in this framework are the prioritized replacement of existing assets, the careful consideration of any new asset additions to our portfolio and providing services at stable rates. Compared to last year, the total Reserve fund has increased by \$12.1 million. The total reserve balance of \$76.8 million is focused on long term sustainable delivery of District services.

New Capital and Growth Management

New Capital and Growth Management reserves have been established for the management of community growth and development related impacts in the District. These include Local improvement and Community amenity contributions which will be used to fund future capital improvements in the community and major town centres. The total fund balance has decreased by \$3.2 million which is largely related to the use of funds on approved projects from the New Capital and Innovation Reserve.

Land and Housing

Land and Housing reserves are used by the District to replace and acquire land assets and address future social housing needs. Careful considerations are made of any new asset additions to our portfolio and the preservation of the value of our land base. This reserve fund has decreased by \$1.1 million which is the net impact of various land sales and purchases.

Capital Projects in Progress (Committed Capital)

Committed Capital 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 continue to be fairly significant over the next few years.

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

Tangible Capital Assets (Note 10)

The historical value of the District's tangible capital assets represents our investment in infrastructure and facilities over time. Historical value is \$1,017.5 million with accumulated depreciation of \$342.3 million for a net book value of \$675.2 million. The District owns 94% of its tangible capital assets free of long term debt.

Investment Portfolio (Note 4)

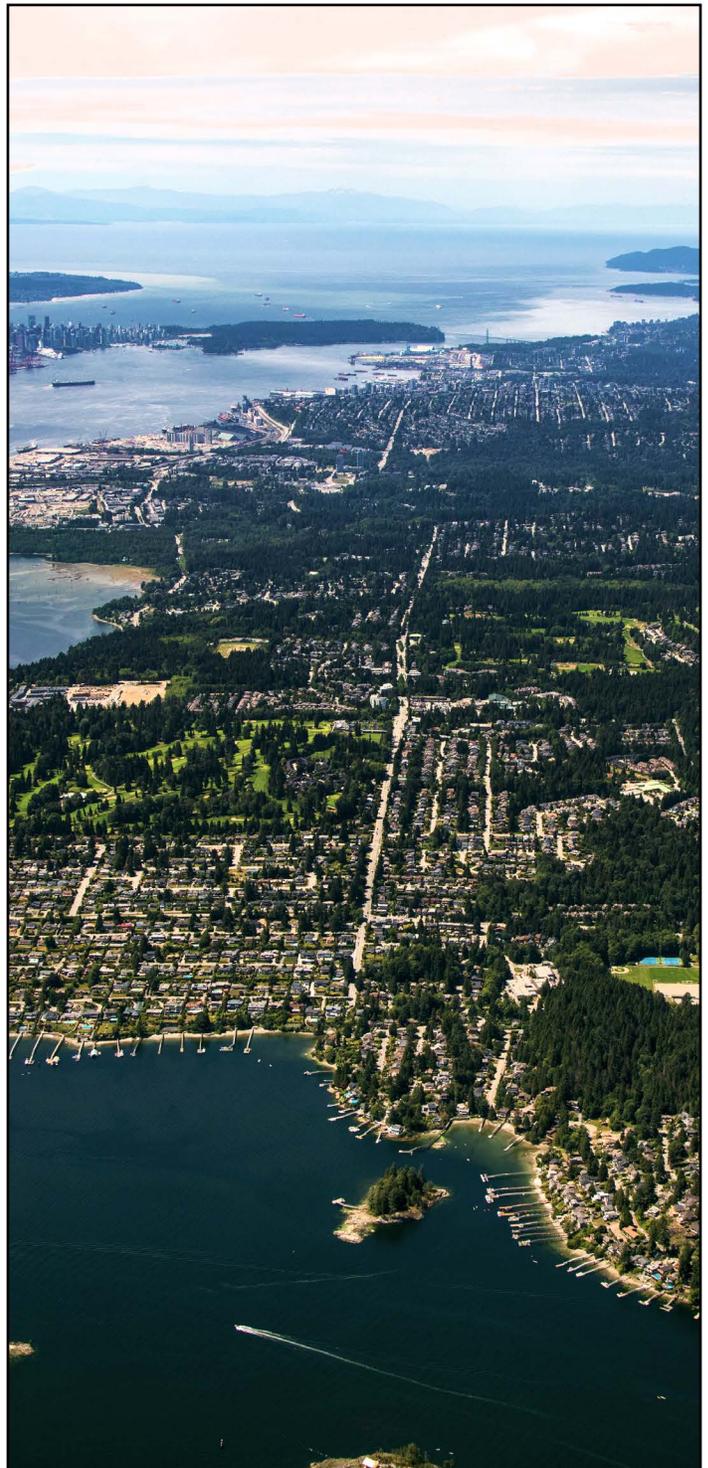
The investment portfolio totals \$253.8 million (2017 - \$231.1 million) and increased due to development activity, land sales and reserve growth.

Investment market conditions see improving investment performance with average yield on investments at 2.35% (2017 – 1.90%).

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 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.

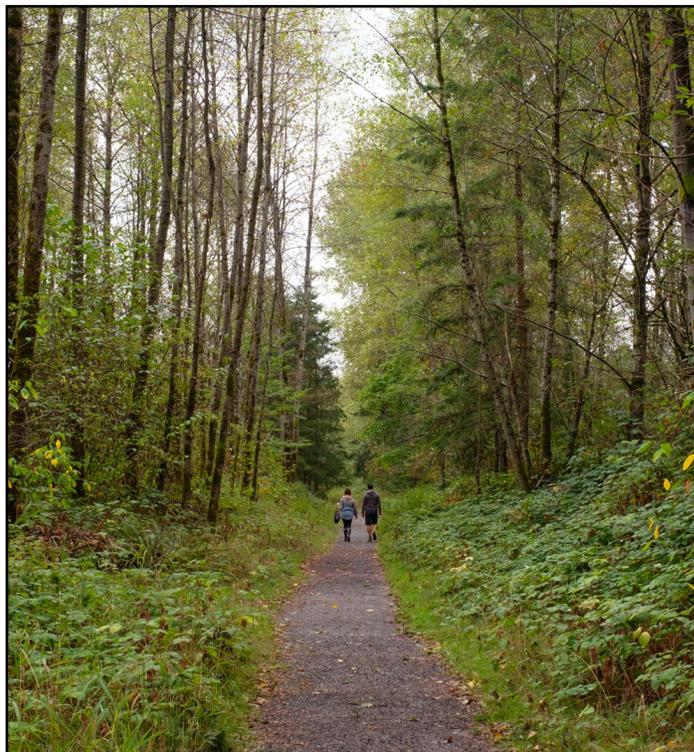
Andy Wardell, CPA CGA, MA

General Manager of Financial Services
and Chief Financial Officer



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 services 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 and emergency preparedness 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.



CONSOLIDATED FINANCIAL STATEMENTS

**The Corporation of the District of North Vancouver
Consolidated Financial Statements
December 31, 2018**

CONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of the Corporation of the District of North Vancouver

Opinion

We have audited the consolidated financial statements of the Corporation of the District of North Vancouver ("the "Entity"), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2018 and its consolidated results of operations, its consolidated changes in net financial assets, and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



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

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report and includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.

CONSOLIDATED FINANCIAL STATEMENTS



The Corporation of the District of North Vancouver
Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a matter that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 7, 2019

CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Consolidated Statement of Financial Position December 31, 2018

	2018	2017
Financial assets		
Cash and cash equivalents (Note 2)	\$ 28,090,065	\$ 19,868,249
Taxes receivable	5,222,978	4,569,022
Accounts receivable	5,029,636	3,738,846
Due from governments (Note 3)	4,697,064	3,078,837
Investments (Note 4)	253,751,944	231,102,984
MFA debt reserve deposit	570,233	817,439
Inventories held for resale	166,159	164,256
	<u>297,528,079</u>	<u>263,339,633</u>
Liabilities		
Accounts payable and accrued liabilities	20,386,912	21,632,531
Due to governments (Note 5)	16,518,231	16,223,206
Restricted revenue (Note 6)	21,702,382	23,292,450
Deferred revenue (Note 7)	23,687,537	23,069,419
Debt (Note 8)	37,033,861	39,824,109
Post-employment benefits (Note 9)	10,830,540	10,277,167
Deposits and other liabilities	27,682,126	21,272,462
	<u>157,841,589</u>	<u>155,591,344</u>
Net financial assets	139,686,490	107,748,289
Non-financial assets		
Prepaid expenses	1,157,740	1,229,876
Inventories held for consumption	1,194,520	1,046,858
Tangible capital assets (Note 10)	675,169,821	650,929,365
Other assets	149,207	188,042
	<u>677,671,288</u>	<u>653,394,141</u>
Accumulated surplus (Note 11)	\$ 817,357,778	\$ 761,142,430
Commitments and contingencies (Note 14)		


 Andy Wardell, CPA, CGA, MA
 GM, Finance & CFO

See accompanying notes to consolidated financial statements

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CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Consolidated Statement of Operations Year Ended December 31

	2018 Budget (Note 18)	2018	2017
Revenue			
Taxation (Note 12)	\$ 102,882,157	\$ 106,718,133	\$ 98,230,902
Sales, fees, and user charges			
Water	26,277,876	26,852,133	25,640,902
Sewer	23,909,827	23,711,583	23,092,001
Solid waste	7,474,340	7,401,613	7,354,381
Parks, recreation and culture	13,153,906	13,734,483	12,870,838
Other	26,878,191	32,340,613	26,532,860
Transfer from governments	3,053,504	6,843,568	6,401,214
Investment income	4,416,927	5,600,144	4,216,959
Land sales and other contributions	9,301,103	17,563,550	36,858,477
	<u>217,347,831</u>	<u>240,765,820</u>	<u>241,198,534</u>
Expenses (Note 13)			
General government	26,450,246	39,439,147	35,791,897
Protective services	47,767,796	47,085,213	45,452,877
Solid waste removal services	8,019,896	7,818,025	7,332,773
Social services	2,995,003	2,926,204	2,574,728
Development services	5,298,115	4,720,610	4,352,863
Transport and other services	9,185,994	9,922,774	10,546,023
Parks, recreation and cultural services	37,488,419	37,338,349	34,989,524
Water utility services	18,866,821	18,973,998	18,546,476
Sewer utility services	16,153,973	16,326,152	15,484,724
	<u>172,226,263</u>	<u>184,550,472</u>	<u>175,071,885</u>
Annual surplus	<u>\$ 45,121,568</u>	<u>56,215,348</u>	<u>66,126,649</u>
Accumulated surplus, beginning of year		<u>761,142,430</u>	<u>695,015,781</u>
Accumulated surplus, end of year		<u>\$ 817,357,778</u>	<u>\$ 761,142,430</u>

See accompanying notes to consolidated financial statements

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CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Consolidated Statement of Cash Flows Year Ended December 31

	2018	2017
Operating transactions		
Annual surplus	\$ 56,215,348	\$ 66,126,649
Non-cash items:		
Depreciation	19,034,478	17,175,615
Gain on disposal of tangible capital assets	(8,225,890)	(7,650,811)
Amortization of other assets	53,835	71,229
Contributed tangible capital assets	(1,564,346)	(26,522,617)
Changes in non-cash assets and liabilities	<u>1,632,297</u>	<u>12,734,542</u>
Cash provided by operating transactions	67,145,722	61,934,607
Capital transactions		
Proceeds on sale of tangible capital assets	9,020,839	8,169,187
Cash used to acquire tangible capital assets	<u>(42,505,537)</u>	<u>(42,571,844)</u>
Cash applied to capital transactions	(33,484,698)	(34,402,657)
Investing transactions		
Net change in investments	<u>(22,648,960)</u>	<u>(25,846,485)</u>
Cash used by investing transactions	(22,648,960)	(25,846,485)
Financing transactions		
Debt repayment	<u>(2,790,248)</u>	<u>(2,834,373)</u>
Cash applied to financing transactions	(2,790,248)	(2,834,373)
Increase (Decrease) in cash and cash equivalents	8,221,816	(1,148,908)
Cash and cash equivalents, beginning of year	<u>19,868,249</u>	<u>21,017,157</u>
Cash and cash equivalents, end of year	<u>\$ 28,090,065</u>	<u>\$ 19,868,249</u>

See accompanying notes to consolidated financial statements

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CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Consolidated Statement of Changes in Net Financial Assets Year Ended December 31

	2018 Budget	2018	2017
	(Note 18)		
Annual surplus	\$ 45,121,568	\$ 56,215,348	\$ 66,126,649
Contributed tangible capital assets (Note 10(a))	-	(1,564,346)	(26,522,617)
Acquisition of tangible capital assets	(55,536,775)	(42,505,537)	(42,571,844)
Depreciation of tangible capital assets	-	19,034,478	17,175,615
(Gain) on disposal of tangible capital assets	-	(8,225,890)	(7,650,811)
Proceeds on disposal of tangible capital assets	-	9,020,839	8,169,187
Amortization of other assets	-	53,835	71,229
	<u>(55,536,775)</u>	<u>(24,186,621)</u>	<u>(51,329,241)</u>
Acquisition of other assets	-	(15,000)	(14,237)
Acquisition of inventories held for consumption	-	(1,194,520)	(1,046,858)
Acquisition of prepaid expenses	-	(1,157,740)	(1,229,876)
Use of inventories held for consumption	-	1,046,858	1,022,064
Use of prepaid expenses	-	1,229,876	1,866,719
	<u>-</u>	<u>(90,526)</u>	<u>597,812</u>
Change in net financial assets	<u>\$ (10,415,207)</u>	31,938,201	15,395,220
Net financial assets, beginning of year		<u>107,748,289</u>	<u>92,353,069</u>
Net financial assets, end of year		<u>\$ 139,686,490</u>	<u>\$ 107,748,289</u>

See accompanying notes to consolidated financial statements

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CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2018

The Corporation of the District of North Vancouver (the District) was incorporated in 1891 and operates under the provision of the Community Charter and the Local Government Act of British Columbia. The District's principal activities include the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water and sewer services.

1. Significant accounting policies

a) Basis of presentation

The consolidated financial statements have been prepared in accordance with the Canadian public sector accounting standards.

b) Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in net financial assets 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 & Culture Commission, North Vancouver Museum and Archives Commission, North Shore Emergency Management Office. 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 consolidated 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 the 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 & Culture Commission, North Vancouver Museum and Archives Commission, North Shore Emergency Management Office. They are used to record the consolidated operating assets, liabilities, revenue and expenses of the District.

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CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2018

f) Fund accounting, continued

ii) 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.

iii) 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.

g) Other taxing jurisdictions

The assets, liabilities, taxation, other revenue 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 consolidated financial statements.

h) Cash and cash equivalents

Cash and cash equivalents consist of cash, highly liquid money market investments and short-term investments with maturities of less than 90 days from the date of acquisition.

i) Investments

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

j) 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.

k) Restricted revenue

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.

l) Deferred revenue

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

m) 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.

CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2018

m) Non-financial assets, 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 value at the date of receipt and also are recorded as revenue when received.

b) Natural resources

Natural resources are not recognized as assets in these consolidated 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 of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the 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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**The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2018**

1. Significant accounting policies, continued

n) 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.

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. As at December 31, 2018, no liability for contaminated sites was recognized.

p) Government Transfers

Government transfers that are restricted are deferred and recognized as revenue as the related expenditures are incurred or the stipulations in the related agreements are met. Unrestricted transfers are recognized as revenue when received or if the amount to be received can be reasonably estimated and collection is reasonably assured.

q) Post-employment benefits

Post-employment benefits also accrue to the District's employees. The liabilities related to these benefits are actuarially determined based on the service and best estimates of retirement ages and expected future salary and wages increases. The liabilities under these benefits plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits.

r) Pension fund liability

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

s) Use of accounting estimates

The preparation of the consolidated 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 consolidated 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.

CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2018

2. Cash and cash equivalents

	<u>2018</u>	<u>2017</u>
Cash	\$ 12,799,727	\$ 6,118,294
Business Investment Savings Account	1,326,162	13,749,955
MFA Pooled High Interest Saving	13,964,176	-
	<u>\$ 28,090,065</u>	<u>\$ 19,868,249</u>

3. Due from governments

	<u>2018</u>	<u>2017</u>
Due from Federal Government	\$ 2,253,041	\$ 1,644,877
Due from Provincial Government	1,520,916	571,804
Due from Regional Governments	923,107	862,156
	<u>\$ 4,697,064</u>	<u>\$ 3,078,837</u>

4. Investments

	<u>2018</u>	<u>2017</u>
Investments consist of:		
(average rate of return 2.35% (2017 - 1.90%))		
Municipal Finance Authority	\$ 428,434	\$ 421,480
Bank and Credit Union notes & deposits	243,472,329	220,857,599
Provincial Government Notes	9,851,181	9,823,905
	<u>\$ 253,751,944</u>	<u>\$ 231,102,984</u>

5. Due to governments

	<u>2018</u>	<u>2017</u>
Due to Federal Government	\$ 7,852,748	\$ 8,206,417
Due to Provincial Government	997,125	1,378,393
Due to Regional Governments	7,668,358	6,638,396
	<u>\$ 16,518,231</u>	<u>\$ 16,223,206</u>

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CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2018

6. Restricted revenue

- (a) Restricted revenue are comprised mainly of Development Cost Charges (DCC) 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.

	2018	2017
Development cost charges (a)		
Water	\$ 1,328,548	\$ 1,605,991
Sewer	2,184,257	1,860,318
Drainage	879,126	1,204,559
Roads	2,918,899	3,450,469
Parks	<u>10,241,982</u>	<u>11,111,549</u>
	17,552,812	19,232,886
Restricted donations and other	3,379,373	3,312,051
Community amenity contribution	492,422	476,116
Developer parkland reserve contributions	<u>277,775</u>	<u>271,397</u>
	<u>\$ 21,702,382</u>	<u>\$ 23,292,450</u>

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	\$ 3,450,469	11,111,549	1,605,991	1,860,318	1,204,559	\$ 19,232,886
Add:						
Interest income	73,971	247,990	34,080	46,972	24,199	427,212
DCC collected	1,218,552	616,818	738,821	626,696	527,068	3,727,955
Deduct:						
Acquisition of tangible capital assets	1,824,093	1,734,375	1,050,344	349,729	876,700	5,835,241
Balance, End of year	<u>\$ 2,918,899</u>	<u>10,241,982</u>	<u>1,328,548</u>	<u>2,184,257</u>	<u>879,126</u>	<u>\$ 17,552,812</u>

DCC Waivers - None in 2018

CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2018

7. Deferred revenue

	<u>2018</u>	<u>2017</u>
Prepaid taxes	\$ 16,302,987	\$ 16,050,996
Contributions for future use	2,288,233	1,965,123
Memberships, fees and other revenue	5,096,317	5,053,300
	<u>\$ 23,687,537</u>	<u>\$ 23,069,419</u>

8. Debt

The District finances certain tangible capital asset 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 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, 2018 was \$37,033,861 (2017 - \$39,824,109).

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

<u>Year</u>	
2019	\$ 2,761,744
2020	2,761,744
2021	2,761,744
2022	2,761,744
2023	2,761,744
Thereafter	<u>38,808,903</u>
Principal and interest payments	52,617,623
Amount representing interest	<u>(15,583,762)</u>
Total debt owing	<u>\$ 37,033,861</u>

The District paid \$1,615,058 (2017 - \$2,158,198) net of interest capitalized in interest on debt during the year. Interest rates on debt range from 2.20% to 5.77%.

CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2018

9. 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, 2017 and has been updated to December 31, 2018.

	2018	2017
Accrued benefit obligation:		
Balance, beginning of year	\$ 10,805,903	\$ 10,103,500
Current service cost	889,873	820,439
Interest Cost	318,601	342,469
Benefits paid	(742,468)	(1,004,613)
Actuarial (gain) loss	(898,541)	544,108
Balance, end of year	<u>\$ 10,373,368</u>	<u>\$ 10,805,903</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.

	2018	2017
Accrued benefit obligation:		
Liability, end of year	\$ 10,373,368	\$ 10,805,903
Unamortized actuarial gain / (loss)	379,772	(616,036)
Other employee benefit liabilities	77,400	87,300
Accrued benefit liability, end of year	<u>\$ 10,830,540</u>	<u>\$ 10,277,167</u>

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

	2018	2017
Discount rate	3.20%	2.90%
Expected future inflation rates	2.50%	2.50%
Expected wage increases	2.58 - 4.63%	2.58 - 4.63%

CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2018

10. Tangible capital assets

Cost	Balance at December 31, 2017	Additions	Disposals	Balance at December 31, 2018
Land and Improvements	\$ 181,922,151	\$ 10,270,428	\$ (180,501)	\$ 192,012,078
Buildings	196,434,114	1,939,605	-	198,373,719
Furniture, Equipment and vehicles	39,294,603	8,374,163	(2,100,269)	45,568,497
Roads	230,582,615	13,936,387	(1,992,565)	242,526,437
Water	128,086,016	8,257,049	(392,674)	135,950,391
Sewer	66,620,872	802,756	(13,249)	67,410,379
Drainage	112,096,917	2,426,686	(52,851)	114,470,752
Library Collection	4,386,056	583,569	(513,084)	4,456,541
Assets Under Construction, net of transfers	19,267,166	(2,520,760)	-	16,746,406
Total	\$ 978,690,510	\$ 44,069,883	\$ (5,245,193)	\$ 1,017,515,200

Accumulated depreciation	Balance at December 31, 2017	Depreciation for the year	Disposals	Balance at December 31, 2018
Land and Improvements	\$ 34,720,808	\$ 1,996,644	\$ (107,651)	\$ 36,609,801
Buildings	70,162,899	4,628,631	-	74,791,530
Furniture, Equipment and vehicles	23,874,998	2,727,861	(1,787,432)	24,815,427
Roads	99,069,500	5,520,474	(1,783,113)	102,806,861
Water	27,130,031	1,481,227	(271,610)	28,339,648
Sewer	28,637,591	951,812	(7,873)	29,581,530
Drainage	41,169,140	1,340,875	(52,851)	42,457,164
Library Collection	2,996,178	386,954	(439,714)	2,943,418
Assets Under Construction, net of transfers	-	-	-	-
Total	\$ 327,761,145	\$ 19,034,478	\$ (4,450,244)	\$ 342,345,379

	Net book value, December 31, 2017	Net book value, December 31, 2018
Land and Improvements	\$ 147,201,343	\$ 155,402,277
Buildings	126,271,215	123,582,189
Furniture, Equipment and vehicles	15,419,605	20,753,070
Roads	131,513,115	139,719,576
Water	100,955,985	107,610,743
Sewer	37,983,281	37,828,849
Drainage	70,927,777	72,013,588
Library Collection	1,389,878	1,513,122
Assets Under Construction, net of transfers	19,267,166	16,746,406
Total	\$ 650,929,365	\$ 675,169,821

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CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2018

10. Tangible capital assets, continued**a) Contributed tangible capital assets**

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

	2018	2017
Land	\$ 1,059,770	\$ 24,375,300
Roads	479,476	839,927
Water	3,500	1,041,911
Sewer	-	209,429
Drainage	21,600	56,050
	<u>\$ 1,564,346</u>	<u>\$ 26,522,617</u>

b) Tangible capital assets disclosed at nominal value

Where an estimate of fair value can not be made, the tangible capital asset is recognized at a nominal value.

c) Write-down of tangible capital assets

The write-down of tangible capital assets during the year was \$nil (2017 - \$nil).

CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2018

11. Accumulated surplus

a) Reserves are comprised of the following:

	2018	2017
Operating and Risk Management:		
Assessment appeal and property tax	\$ 7,281,637	\$ 3,473,000
Development stabilization	6,600,133	5,796,794
General municipal operations	4,686,664	4,589,986
Human resources	1,155,030	700,000
Insurance	1,037,327	1,032,260
Operating projects in progress (future expenditures)	2,571,643	1,515,977
Protective services	3,022,514	2,155,222
Working capital	2,642,162	2,569,294
Partner Organizations:		
District of North Vancouver Municipal Public Library	268,548	473,219
North Vancouver Recreation & Culture Commission	98,005	100,005
North Vancouver Museum and Archives	36,002	69,542
North Shore Emergency Management Office	74,543	76,119
	<u>29,474,208</u>	<u>22,551,418</u>
Capital Renewal and Rate Stabilization:		
Infrastructure replacement	32,457,566	26,032,888
Equipment replacement	8,461,007	9,992,465
Public golf	1,085,791	1,152,184
Recycling and solid waste utility	3,099,766	1,947,067
Sewer and drainage utility	22,664,536	18,137,727
Water utility	9,030,216	7,418,780
	<u>76,798,882</u>	<u>64,681,111</u>
New Capital and Growth Management:		
Community amenity contributions	10,880,984	11,388,734
Other development contributions	387,876	-
Local improvement	4,001,271	3,872,096
New capital and innovation	599,992	3,736,015
Public art	309,236	351,562
Trails and traffic management	149,184	145,759
	<u>16,328,543</u>	<u>19,494,166</u>
Land and Housing:		
Land opportunity	5,893,022	9,565,191
Housing	2,611,750	-
	<u>8,504,772</u>	<u>9,565,191</u>
b) Capital projects in progress:		
Land and improvements	15,771,561	1,935,744
Buildings	12,480,658	6,396,832
Furniture, equipment and vehicle	7,282,767	5,566,562
Roads	2,349,969	7,515,533
Water	500,062	1,855,528
Sewer	1,333,721	685,748
Drainage	3,572,278	3,042,263
Future major repair and maintenance	4,454,006	6,081,850
Other	369,834	664,652
Total capital funds	<u>48,114,856</u>	<u>33,744,712</u>
c) Equity in tangible capital assets:		
Equity in tangible capital assets	638,136,517	611,105,832
Accumulated surplus	<u>\$ 817,357,778</u>	<u>\$ 761,142,430</u>

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CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2018

12. 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.

	2018 Budget	2018 Actual	2017 Actual
Gross taxes levied on property	\$ 175,149,425	\$ 179,032,989	\$ 168,293,046
Deduct:			
Taxes levied and collected on behalf of other jurisdictions			
Province of B.C. – school taxes	58,787,804	58,775,238	56,878,995
Translink	13,299,821	13,297,299	12,478,552
B.C. Assessment	2,453,058	2,452,688	2,313,839
GVRD	2,345,611	2,345,430	2,080,154
Municipal Finance Authority	10,776	10,774	9,807
	<u>76,897,070</u>	<u>76,881,429</u>	<u>73,761,347</u>
Add:			
Payment in lieu of taxes	4,629,802	4,566,573	3,699,203
Net taxes for municipal purposes	<u>\$ 102,882,157</u>	<u>\$ 106,718,133</u>	<u>\$ 98,230,902</u>

13. Expenses by object

Expenses by object were comprised of the following:

	2018 Budget	2018 Actual	2017 Actual
Salaries and benefits	\$ 82,441,814	\$ 83,105,009	\$ 78,324,550
Goods and materials	4,536,473	4,944,888	5,623,635
Building and grounds	13,994,829	10,148,947	8,044,195
Equipment costs	3,839,842	4,064,716	4,032,332
Service costs	709,555	670,242	673,462
Administrative costs	15,827,405	11,792,935	11,436,197
Contract services	47,231,710	47,368,945	45,869,948
Grants	1,899,715	1,833,547	1,856,679
Debt interest	1,744,920	1,586,765	2,035,272
Depreciation	-	19,034,478	17,175,615
	<u>\$ 172,226,263</u>	<u>\$ 184,550,472</u>	<u>\$ 175,071,885</u>

**The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2018**

14. Commitments and contingencies

a) Contingent liabilities

As a member of the Greater Vancouver Regional District, the Greater Vancouver Sewerage and Drainage District and the Greater Vancouver Water District, the 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) Municipal Pension Plan

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 assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 891 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as of December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged. The next valuation will be as at December 31, 2018, with results available in 2019. 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 the individual employers participating in the plan.

The District paid \$6,421,062 (2017 - \$6,206,592) for employer contributions to the plan in fiscal 2018.

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, 2018. 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.

d) Insurance

In the ordinary course of business, claims are asserted or made against the District, and the District is currently involved in various legal actions. The outcome of these actions cannot be determined at this time. A provision has been made in the accounts for any possible unfavourable outcome of these actions. The amount of any loss in excess of the provision and insurance coverage will be recorded when determinable.

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The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2018

14. Commitments and contingencies, continued**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, 2018, the District's liability is estimated at \$556,201. 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 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 \$1,099,485 (2017 - \$1,493,941). These demand notes are contingent in nature and are therefore not recorded as liabilities.

g) E-Comm Emergency Communications for Southwest British Columbia Incorporated ("E-Comm")

The District is a shareholder of the E-Comm whose services provided included: regional 9-1-1 call centre for the Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The District has 1 Class A share and 1 Class B share (of a total 32 Class A and 21 Class B shares issued and outstanding as at December 31, 2018). As a Class A shareholder, the District shares in both funding the future operations and capital obligations of E-Comm (in accordance with the cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date.

15. Related parties

Transactions of all organizations that are controlled by the District are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The exchange amount is equivalent to fair value.

16. Performance deposits

In addition to cash deposits, the District is holding irrevocable Letters of Credit in the amount of \$83,119,183 (2017 - \$60,029,930), 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.

**The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2018**

17. 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.

a) Water and Sewer and Drainage Utilities

The services for the Water and Sewer & 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 \$51,647,915 (2017 - \$49,008,400) 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 substantially funded by the District of North Vancouver. In 2018, the District's contribution to library services was \$6,135,163 (2017 - \$5,996,607).

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 NVRC. The NVRC operation is funded by both municipalities based on an allocation formula which approximates facility usage by the residents. In 2018, the District's net contribution to recreation was \$10,137,032 (2017 - \$9,887,596).

d) North Vancouver Museum and Archives Commission

The North Vancouver Museum and Archives Commission (NVMA) 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 NVMA operation is funded equally by both municipalities. In 2018, the District's net contribution to museum and archive services was \$555,403 (2017 - \$541,566).

e) North Shore Emergency Management Office

The North Shore Emergency Management Office (NSEMO), commonly known as the North Shore Emergency Management (NSEM), was established under the Emergency Program Act in 1988. The agreement between the District of North Vancouver, the District of West Vancouver and the City of North Vancouver was approved as Bylaw 7303. The NSEM is funded by all three municipalities in proportion to their population as determined by census. In 2018, the District's net contribution to emergency preparedness was \$469,530 (2017 - \$409,711).

CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver Notes to Consolidated Financial Statements December 31, 2018

17. Segment disclosures, continued

	Revenue	Expenses			Annual Surplus (Deficit)	
		Salaries & Benefits	Other Expenses	Depreciation		Total
Municipal Operation	\$ 172,291,440	\$ 58,456,436	\$ 61,355,518	\$ 14,622,022	\$ 134,433,976	\$ 37,857,464
Utilities	52,087,556	5,277,619	30,022,531	3,899,587	39,199,737	12,887,819
Library	6,641,544	4,651,196	1,168,389	507,474	6,327,059	314,485
NVRC	29,310,311	21,042,018	7,085,798	-	28,127,816	1,182,495
M & A	1,239,932	784,078	522,933	-	1,307,011	(67,079)
NSEM	1,063,794	628,936	295,517	11,383	935,836	127,958
Eliminations	(21,868,757)	(7,735,274)	(18,039,701)	(5,988)	(25,780,963)	3,912,206
2018	<u>\$ 240,765,820</u>	<u>\$ 83,105,009</u>	<u>\$ 82,410,985</u>	<u>\$ 19,034,478</u>	<u>\$ 184,550,472</u>	<u>\$ 56,215,348</u>
2017	<u>\$ 241,198,534</u>	<u>\$ 78,324,550</u>	<u>\$ 79,571,720</u>	<u>\$ 17,175,615</u>	<u>\$ 175,071,885</u>	<u>\$ 66,126,649</u>

CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2018

18. 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 2018 - 2022 Financial Plan Approval Bylaw No. 8294. 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 consolidated financial statements.

	Budget
Revenue	
Operating budget	\$ 273,889,981
Capital budget	<u>15,438,282</u>
Total revenue per approved budget	289,328,263
Less:	
Transfers from other funds	(71,916,214)
Capital funding less repair and maintenance	
Inter-agency eliminations	<u>(64,218)</u>
Total revenues, as reported	<u>217,347,831</u>
Expenses	
Operating budget	223,437,507
Capital budget	<u>65,890,756</u>
Total expenses per approved budget	289,328,263
Less:	
Transfers to other funds	(58,775,776)
Inter-agency eliminations	(670,366)
Capital expenses, including major repair and maintenance	(65,890,756)
Debt principal repayment	(2,119,083)
Operating repair and maintenance funded as capital expenses	<u>10,353,981</u>
Total expenses as reported	<u>172,226,263</u>
Annual surplus, per Consolidated Statement of Operations	<u>\$ 45,121,568</u>

Council approved an amended budget Bylaw 8370 on December 03, 2018 which increased approved funding for various capital projects funded from reserves and surplus in the amount of \$36,744,000.

CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the District of North Vancouver
Notes to Consolidated Financial Statements
December 31, 2018

19. Contractual rights

The District has entered into contracts or agreements in the normal course of operations that it expects will result in the realization of revenue and assets in future fiscal years. The District's contractual rights arise because of contracts entered into for leases, and various agreements. The following table summarizes the expected revenue from the contractual rights of the District for future assets for the next four years:

	2019	2020	2021	2022	Total
Development Agreements	\$ 16,559,525	\$ 8,167,773	\$ 2,115,801	\$ 4,908,656	\$ 31,751,755
Leases	2,636,782	936,147	864,188	795,983	5,233,100
	<u>\$ 19,196,307</u>	<u>\$ 9,103,920</u>	<u>\$ 2,979,989</u>	<u>\$ 5,704,639</u>	<u>\$ 36,984,855</u>

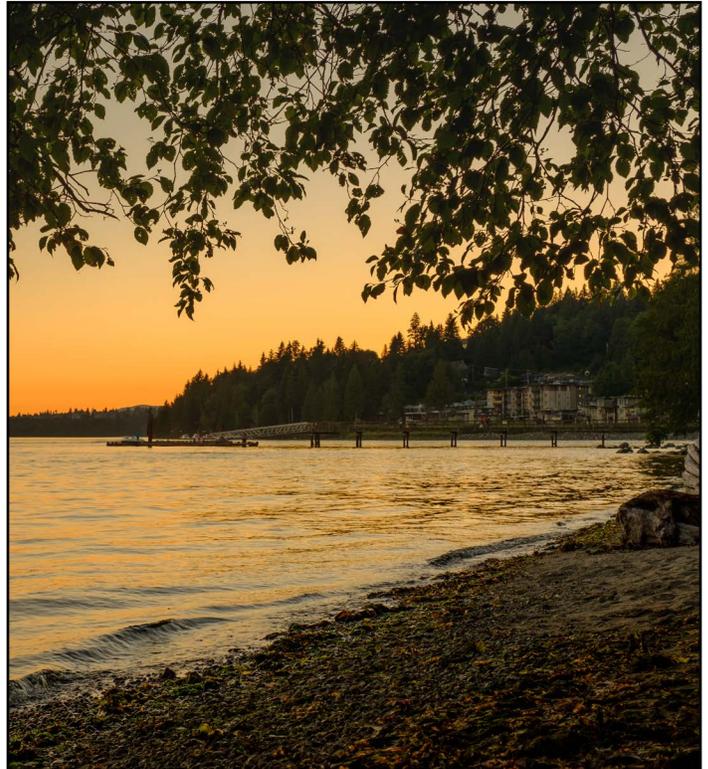
20. Comparative figures

Certain 2018 comparative figures have been reclassified to conform with the consolidated financial statement presentation adopted in the current year.

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 recommendations 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.



PERMISSIVE TAX EXEMPTIONS

DISTRICT OF NORTH VANCOUVER
 PERMISSIVE TAX EXEMPTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2018

APPLICANT	ADDRESS	2018 MUNICIPAL TAXES EXEMPT PORTION
18th Street Society	1063 Hendecourt Rd	\$2,467
18th Street Society	821 E 29th St	2,507
Aga Khan Foundation Canada	1150 Gladwin Drive	46,235
Canadian Mental Health Association	1573 Arborlynn Drive	2,245
Canadian Mental Health Association	1198 Harold Road	1,924
Capilano Tennis Club	2500 Capilano Road	6,253
Change the World Foundation (Harvest Project)	1071-1091 Roosevelt Crescent	17,531
Community Living Society	2985 Newmarket Drive	4,217
Community Living Society	4537 Capilano Road	2,515
Community Living Society	3091 Paisley Road	3,080
Community Living Society	3660 Maginnis Avenue	2,277
Community Living Society	1075 Frederick Road	2,040
Community Living Society	1680 Ross Road	2,289
Community Living Society	3636 Norwood Avenue	2,669
Deep Cove Cultural Society	4360 Gallant Avenue	14,054
Deep Cove Rowing Club	2156 Banbury Road	3,679
Family Services of the North Shore	399 Seymour River Place	2,962
Greater Vancouver Community Services Society	3403 Mount Seymour Parkway	2,013
Greater Vancouver Community Services Society	1693 Coleman Street	2,317
Greater Vancouver Water District	Capilano River Regional Park	16,823
Hollyburn Family Services Society	That portion of Lot A, Block 7, District Lot 193, Plan 12218, PID: 005-411-483	2,615
Hollyburn Family Services Society	3212 Mount Seymour Parkway	3,852
Hollyburn Family Services Society	3218 Mount Seymour Parkway	5,770
Hollyburn Family Services Society	1543 Hunter Street	5,182
Kiwanis Seniors Citizens Homes Ltd.	2555 Whiteley Court	27,755
Lowland Senior Citizens Housing Society	1335 East 27th Street	31,383
Lynn Valley Parent Participation Preschool	3220 Mountain Highway	575
Lynn Valley Services Society, Mollie Nye House	940 Lynn Valley Road	1,877
North Shore Connexions Society	2490 Edgemont Boulevard	2,535
North Shore Connexions Society	4410 Capilano Road	2,736
North Shore Connexions Society	1240 Barlynn Crescent	2,680
North Shore Connexions Society	1904 Peters Road	2,620

PERMISSIVE TAX EXEMPTIONS

DISTRICT OF NORTH VANCOUVER
 PERMISSIVE TAX EXEMPTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2018

APPLICANT	ADDRESS	2018 MUNICIPAL TAXES EXEMPT PORTION
North Shore Crisis Services Society	That portion of Lot 2, District Lot 2087, Plan LMP 24090, PID: 023-125-578	3,572
North Shore Disability Resource Centre Foundation	3158 Mountain Highway	2,460
North Shore Disability Resource Centre Foundation	3140 Mountain Highway	11,170
North Shore Disability Resource Centre Association	5793 Nancy Greene Way	2,867
North Shore Disability Resource Centre Association	4060 Shone Road	2,562
North Shore Disability Resource Centre Association	4338 Quinton Place	4,311
North Shore Disability Resource Centre Association	104-3205 Mountain Hwy	223
North Shore Disability Resource Centre Association	204-3205 Mountain Hwy	223
North Shore Disability Resource Centre Association	304-3205 Mountain Hwy	223
North Shore Disability Resource Centre Association	404-3205 Mountain Hwy	223
North Shore Disability Resource Centre Association	951 Hendry Ave	2,768
North Shore Disability Resource Centre Association	750 W 23rd St	3,050
North Shore Disability Resource Centre Association	2000 Rufus Dr	2,454
North Shore Neighbourhood House	3361 Mountain Highway	1,748
North Vancouver Community Players	815 East 11th Street	11,211
North Vancouver Museum and Archives (Warehouse Facility)	1480 and 1482 Columbia Street	12,010
Parkgate Community Health Centre	3625 Banff Court	15,358
Parkgate Community Services Society	949 Lytton Street	9,423
RNB Dance & Theatre Arts Society	3355 Mountain Highway	20,017
RNB Dance & Theatre Arts Society	151/155 - 1233 Lynn Valley Road	8,270
School District No. 64	1390 West 22nd Street	7,497
Seymour Heights Parent Participation Preschool Association	800 Lytton Street	713
St Pius X Church	1150 Mount Seymour Road	9,376
St Stephen's Church	1330 East 24th Street	6,337
St. John Society (B.C. and Yukon)	106/107 - 223 Mountain Highway	8,673
St. John Society (B.C. and Yukon)	108 - 223 Mountain Highway	2,592
The Corporation of the City of North Vancouver - parkland	DL 1620	32,023
The Corporation of the District of West Vancouver	Parkland	8,135
The Corporation of the District of West Vancouver	Parkland	3,188
The Corporation of the District of West Vancouver	Parkland	2,156
The Royal Canadian Legion Branch 114 Lynn Valley	1630 Lynn Valley Road	18,741
Turning Point Recovery Society	2670 Lloyd Avenue	4,190
Turning Point Recovery Society	2431 Burr Place	3,217
WBT - Wild Bird Trust of British Columbia	2649 Dollarton Highway	1,412
TOTAL		\$452,070

SUPPLEMENTAL FINANCIAL 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 understanding by telling the story for each selected measure.



RESULTS FROM OPERATIONS

Revenues

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 fees and user charges target private consumption of services. Taxation along with fees and user charges account for 88% of the District's revenues.

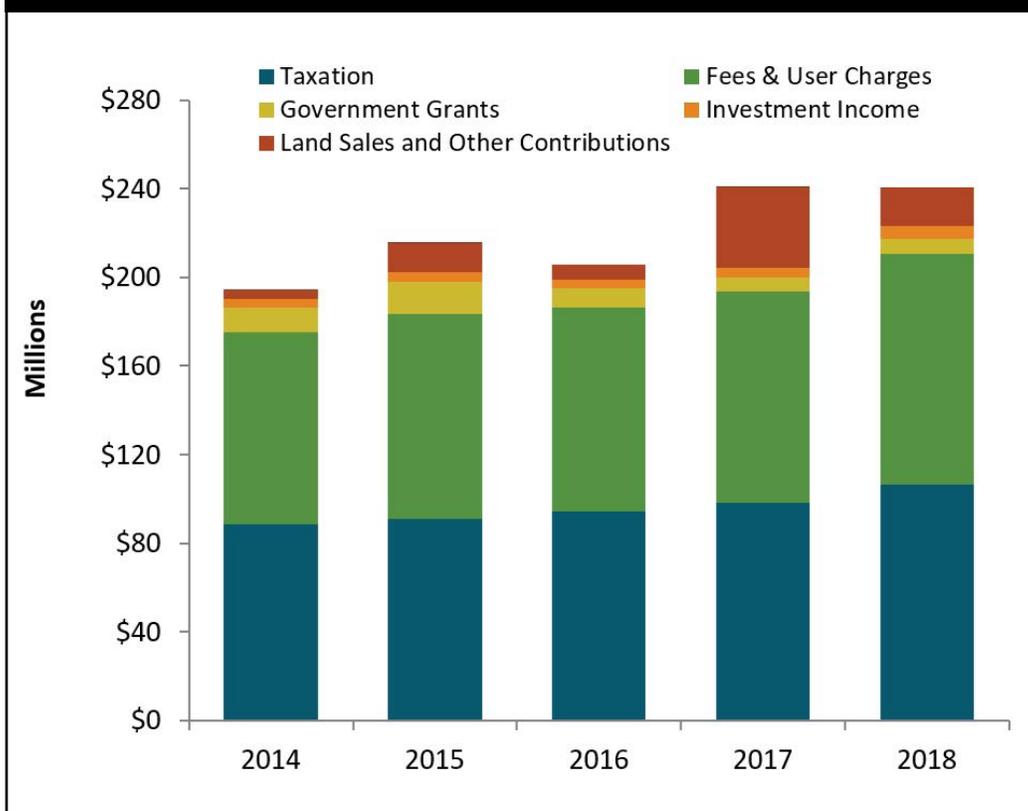
Taxation continues to include an annual lift of 1% for asset renewal per Council policy. This asset renewal lift along with growth in the tax base and property tax levy inflation of 2% have all contributed to taxation increasing at an average of 4.1% per year over the past five years. The 4.1% increase excludes a 2018 levy of \$3.4 million on the major industrial class (non-capped) that increased reserves to address current risks related to tax assessment appeals. Growth in the tax base from new housing units are held in a reserve to support growth related impacts on services.

The average annual rate of growth for fees and user charges over the past five years was 6.1%, increasing 0.6% from 2017 as development activity begins to stabilize.

The increase in Fees and User Charges includes \$1.0 million collected under the new Complex Site Rezoning fee to increase resources for work related to large developments, a \$3.1 million increase in

Revenues By Source 2014 - 2018

Source: Audited Financial Statements



SUPPLEMENTAL FINANCIAL INFORMATION

DCCs utilized to fund development related capital projects, and a \$2.0 million increase in permit revenue related to large developments in Lynn Valley, Hunter St, Capilano and Mountain Highway.

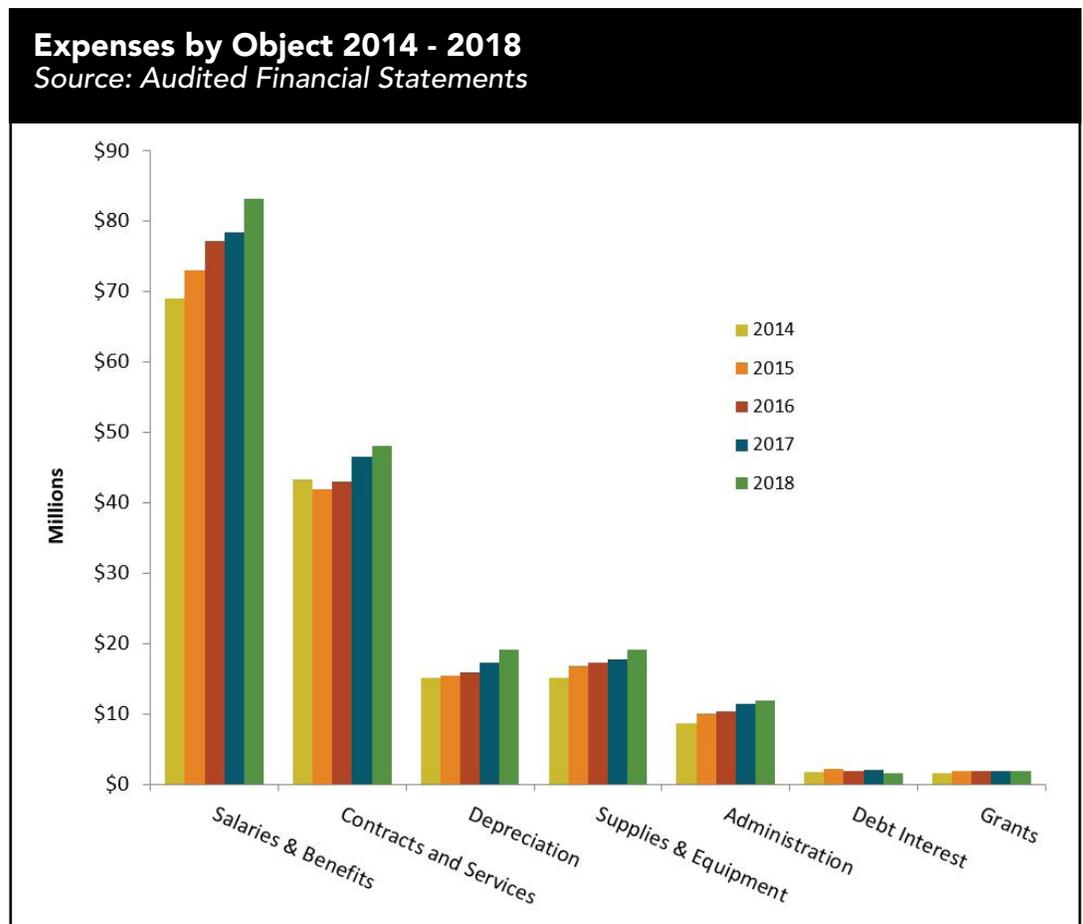
Although there were a number of land sales in 2018, the amount was significantly lower than 2017 when the District received an air space parcel valued at \$24.4 million through the Seylynn development in Lynn Creek.

Expenses by Object

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 2018 reflect increased staff capacity due to higher levels of activity as well as negotiated labour and benefit rate increases for District employees.

A significant portion of Contracts and Services are externally driven and include water purchases, sewer charges and tipping fees paid to Metro Vancouver as well as costs associated with the RCMP policing contract. Contracts and Services increased an average of 2.8% annually over the past five years, with Utilities accounting for the majority of this increase. In 2018, the increase in water consumption was primarily due to very low precipitation during the summer months, increasing demand from development activity, and residents moving into completed developments in the District. Metro Vancouver charges account for the balance of the increase with large projects on the



SUPPLEMENTAL FINANCIAL INFORMATION

go to replace aging sewer systems which in turn results in higher charges to municipalities.

Expenses by Function

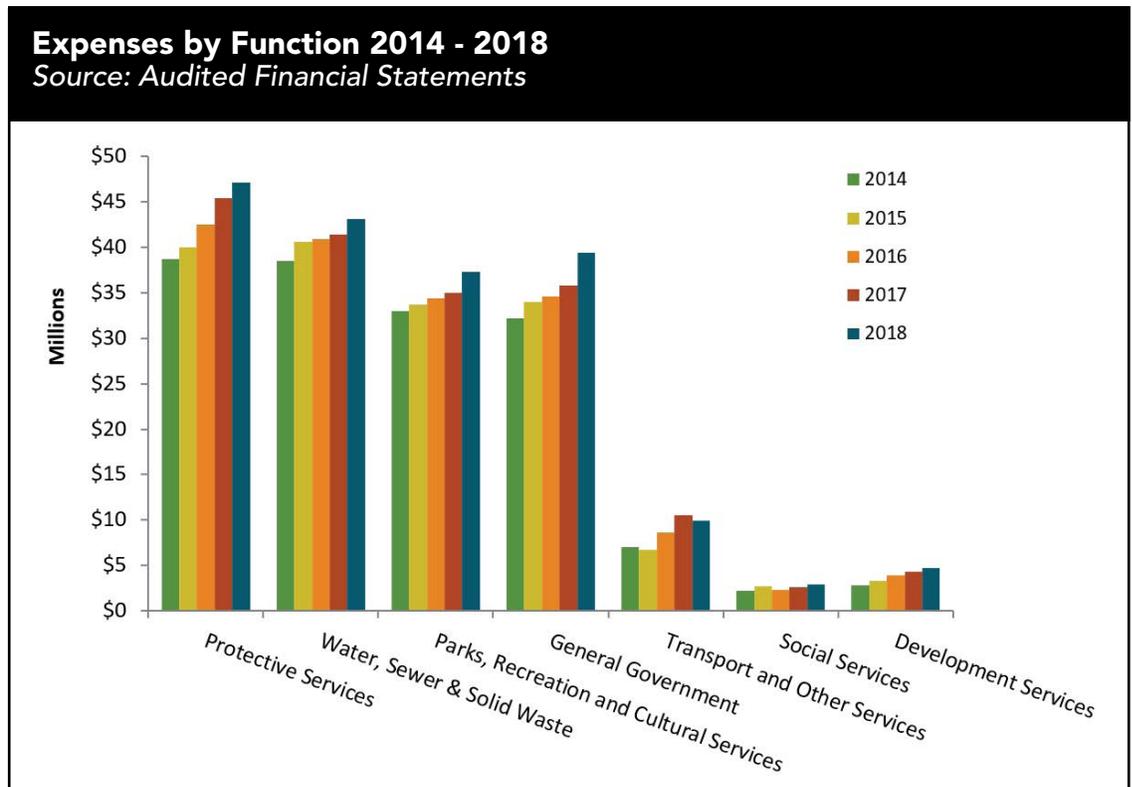
Protective Services and Utilities are the District's largest expenditures and account for nearly 50% of total 2018 expenses.

Protective Services is comprised of Fire and Rescue, Police Services, North Shore Emergency

Management, and Municipal Bylaw Enforcement. The increase in Protective Services is primarily due to the Fire Department's deployment to fight wildfires in the interior of British Columbia and climate change related emergency events.

The District provides an extensive utility service in three areas. The Water Utility operates, maintains, 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 provides weekly collection and processing of solid waste, organics and recyclables. On a combined basis, utility service costs increased at an annual average rate of 3.5% over the past five years as a result of regional and external pressures as well as the District's policy of building financial resilience for the replacement of utility infrastructure including the North Shore Waste Water Treatment Plant.

Parks, Recreation and Cultural Services as well as General Government each represent 20% and 21% respectively of total expenses. Parks, Recreation and Cultural Services increased at an annual average rate of 3% over the past five years while General Government increased by almost 5%. The growth within General Government is largely due to increased capital maintenance spending on corporate



SUPPLEMENTAL FINANCIAL INFORMATION

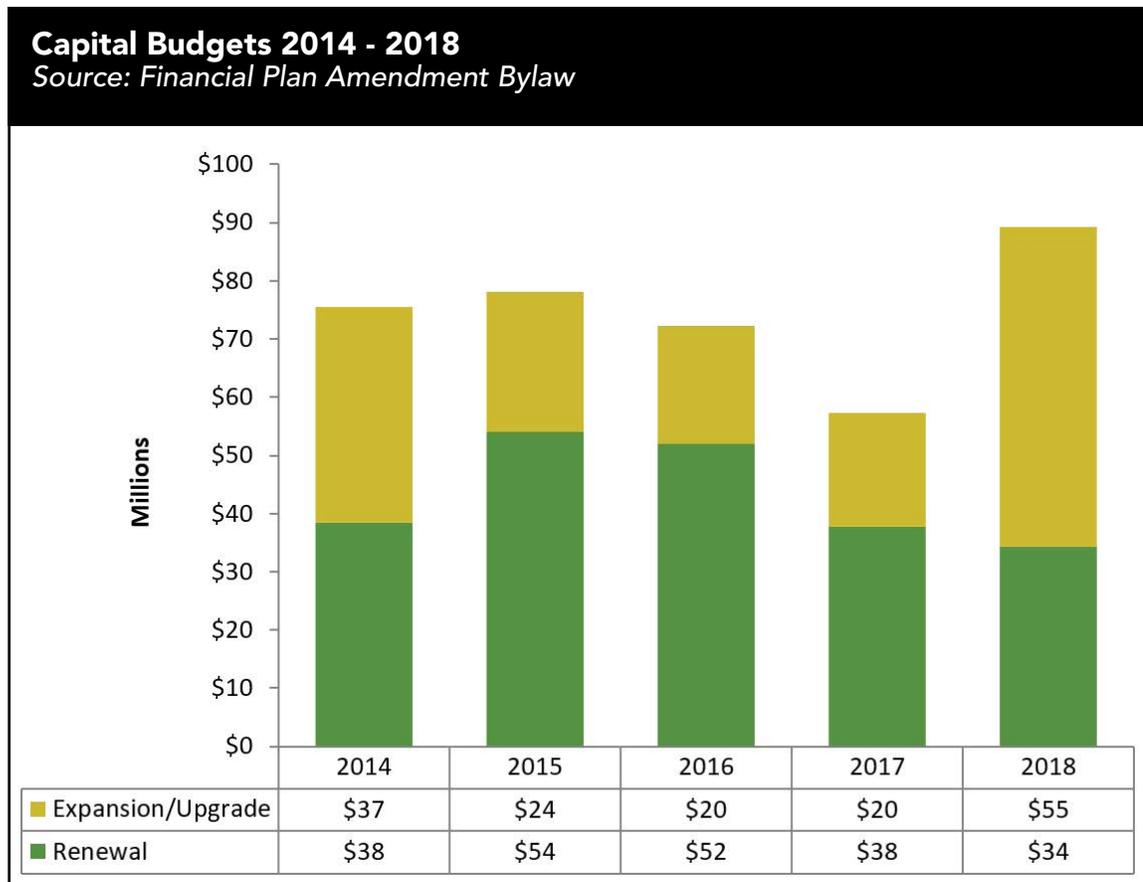
buildings in 2018 compared to 2017. General Government also includes \$19 million for depreciation of the District’s tangible capital assets accounting for 48% of the General Government expenditures in 2018. The \$2 million increase in depreciation is directly related to capital asset additions during the year.

Changing weather conditions resulting in less significant snow and ice events are reflected in the lower cost of Transportation and Other Services. Staff capacity continues to be adjusted for development activity inside and around the Town Centres.

CAPITAL PLANNING

In 2018, the capital plan reached its highest level over the five year period totaling \$89.3 million and representing 27% of the total use of funds in the Financial Plan Amendment Bylaw. The 2018 plan includes transportation initiatives that alleviate traffic congestion and provide safer transportation

options for the public, the largest of which is the plan to acquire lands supporting the highway interchange project. This initiative along with other mobility projects are shaping the future of transportation on the North Shore.



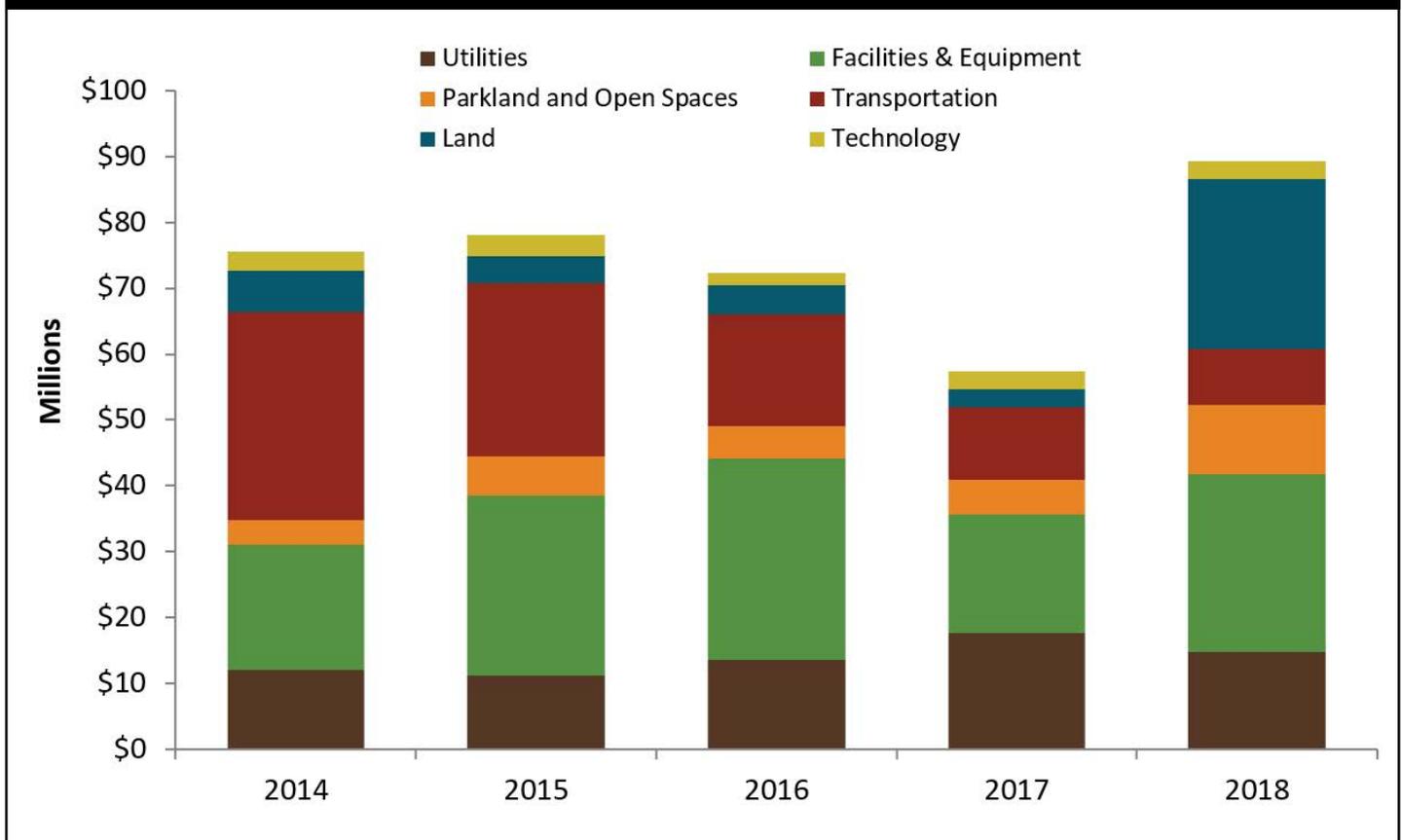
SUPPLEMENTAL FINANCIAL INFORMATION

The 2018 capital plan is unusual compared to prior years in terms of the allocation between expansion/upgrade and renewal. Prior years show a much larger percentage of the capital plan attributed to asset renewal. In 2018, however, expansion/upgrade expenditures represented 62% of the capital plan and exceeded renewal expenditures by more than \$20 million. This trend is anticipated to continue over the next few years as development related capital assets are placed in service.

Notable items for 2018 include the new Lions Gate Community Centre, Maplewood Fire Facility, improvements to Seylynn, Inter River, and Lynn Canyon parks, and the acquisition of the Lynn Creek Connectivity Lands.

Capital Budget by Expenditure Type 2014 - 2018

Source: Financial Plan Amendment Bylaw



SUPPLEMENTAL FINANCIAL INFORMATION

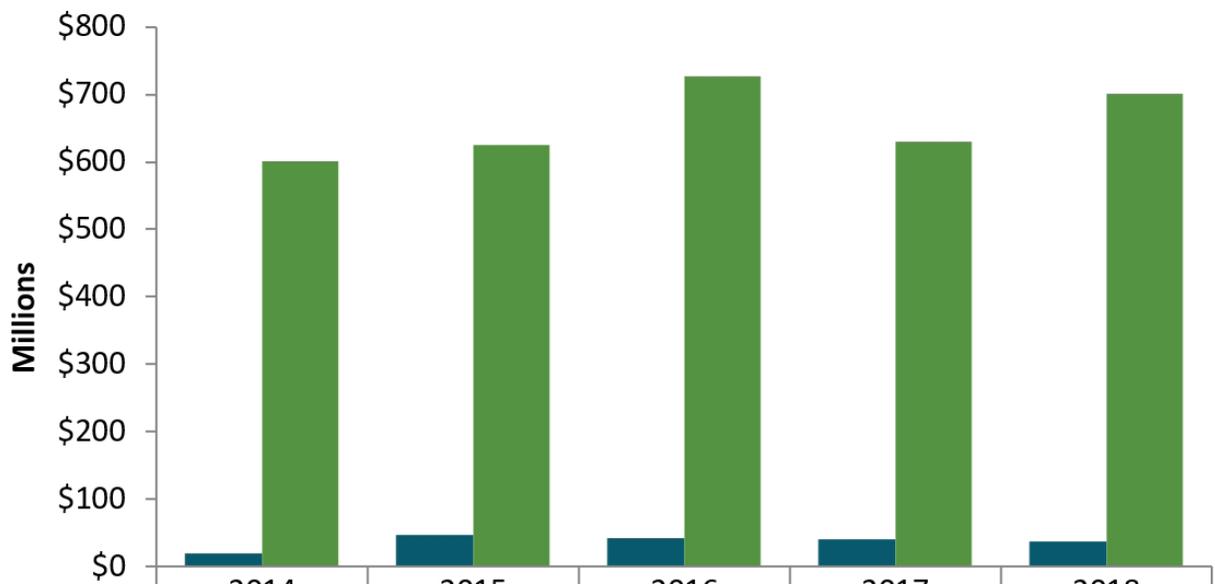
DEBT FINANCING

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.

No debt was issued or retired in 2018.

Debt Borrowed Relative to Borrowing Capacity 2014 - 2018

Source: Local Government Data Entry Filing (LGDE)



■ Debt Borrowed	2014	2015	2016	2017	2018
	\$20	\$47	\$43	\$40	\$37
■ Borrowing Capacity	\$600	\$626	\$726	\$630	\$700

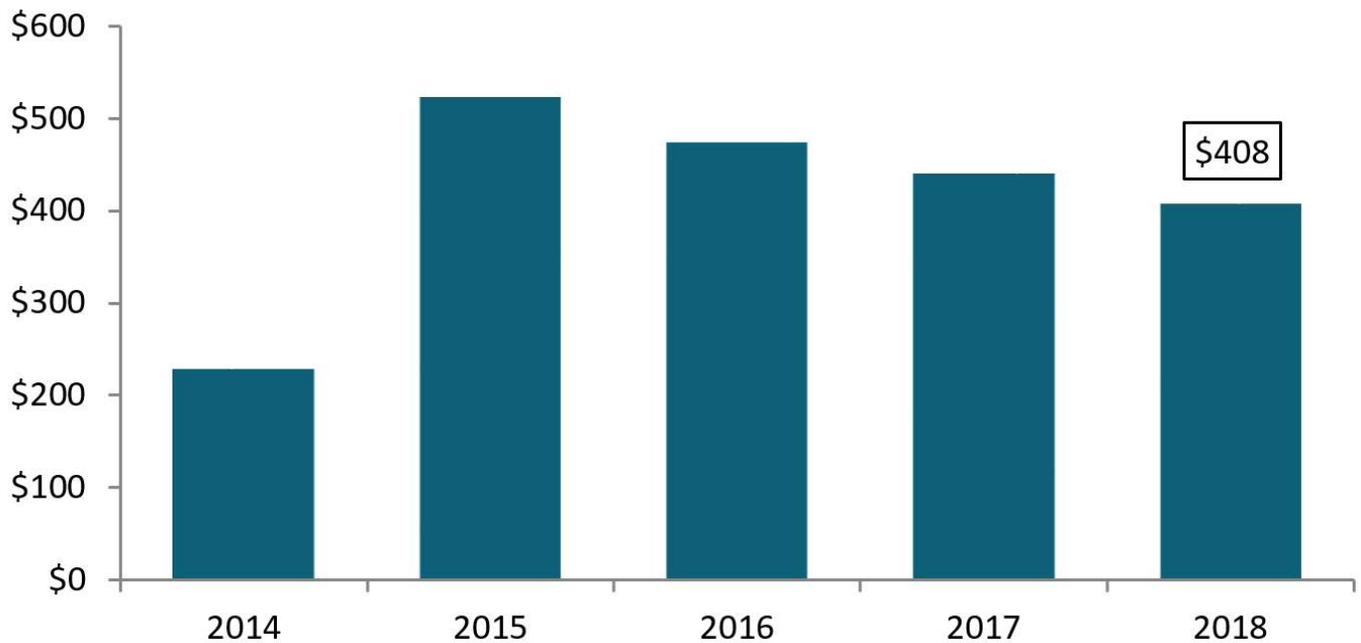
SUPPLEMENTAL FINANCIAL INFORMATION

In 2018, debt borrowed totalled \$37 million or 5.3% of borrowing capacity which translates to debt of \$408 per capita. Total debt borrowed was for the Delbrook Community Recreation Centre and the Lynn Valley Library and Town Centre. Debt repayments and retirements gradually reduce the total debt balance. Correspondingly, debt servicing costs have also declined and now represent 1.9% of total annual expenditures.

Following the principle of sustainable service delivery, debt is used strategically for select major capital projects in support of steady state funding for renewal and replacement of infrastructure.

Debt Borrowed per Capita 2014 - 2018

Source: Finance Department



Note: Per Capita amounts have been restated for 2014 – 2017, due to updated population estimates from BC Statistics

RESERVE FUNDS

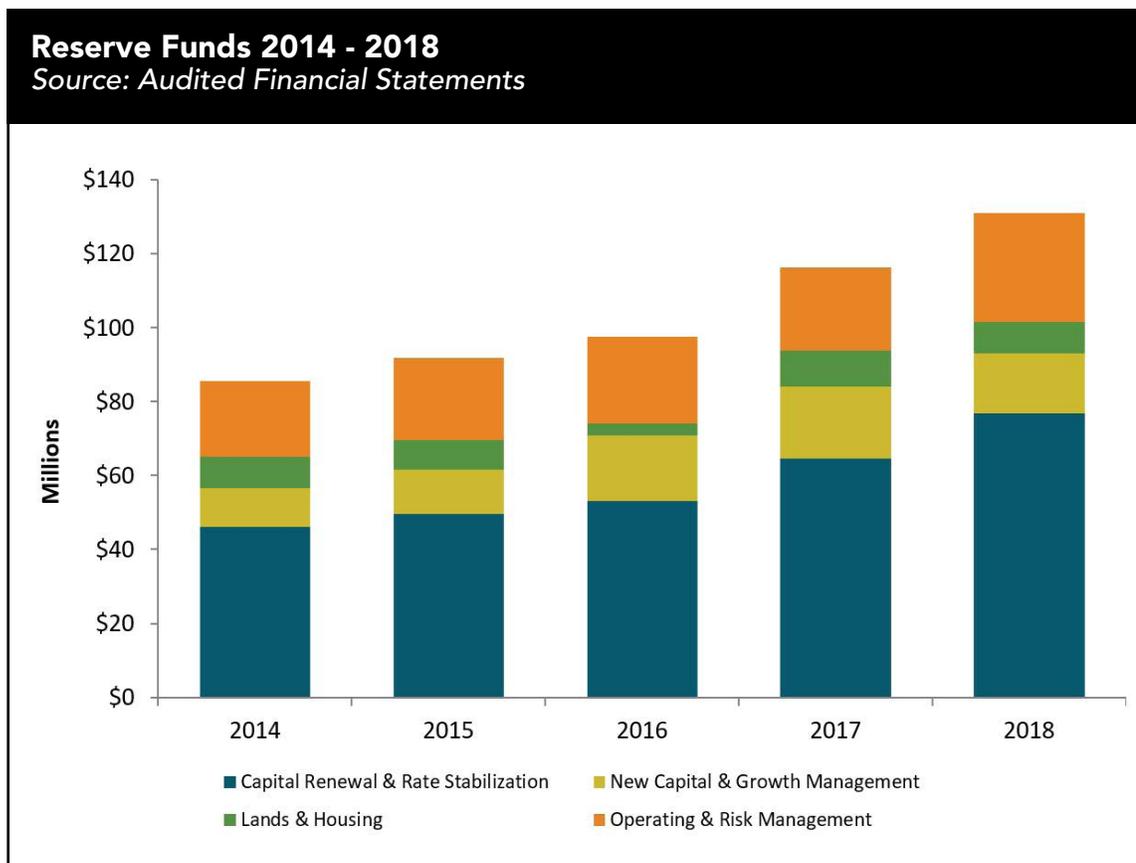
Reserves are a critical element in providing long term sustainable service delivery, steady state replacement of existing infrastructure and risk mitigation. The management of reserves is based upon strategic planning decisions that support asset management and the Official Community Plan. In 2018, the presentation of the District’s Reserve Funds has been changed to better reflect the purpose and the policy area supported.

In 2018, the majority of the District’s Reserve Funds (59%) are for capital renewal and rate stabilization. These funds return existing capital assets to their original service capability or replace them with ‘like for like’ or ‘modern day equivalents’. In addition to renewing existing assets, these reserves also help to smooth rate increases so they are stable and predictable over time.

Operating and risk management reserves are the next largest category (22%). These reserves are

reviewed and adjusted annually after careful assessment of operating needs and an analysis of major categories of risk.

New capital and growth management reserves include funds set aside for the management of community growth and development related impacts in the District.



SUPPLEMENTAL FINANCIAL INFORMATION

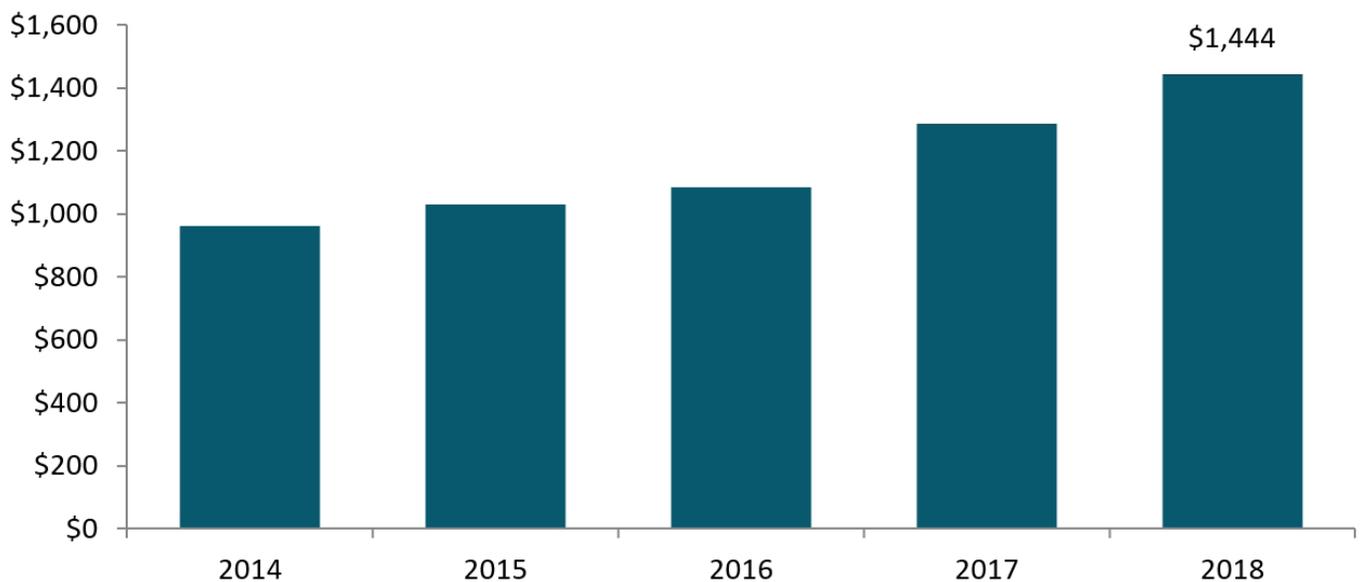
Land and housing reserves support the long term preservation and enhancement of District lands or the addition of new social housing, which in some cases results in improvements to District owned lands.

Over the past five years, reserve funds have trended upwards totalling \$131.1 million in 2018. This trend is anticipated to change in the near term as planned major capital projects place pressure on reserve fund balances over the next five years.

Fund balances vary depending upon the timing of the District's capital and operational requirements and risk 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 funds on a per capita basis have grown to \$1,444 in 2018 and reflects a 12% increase over the prior year. Higher reserve fund balances along with population levels contribute to this increase.

Reserve Funds per Capita 2014 - 2018

Source: Audited Financial Statements and BC Statistics



Note: Per Capita amounts have been restated for 2014 – 2017, due to updated population estimates from BC Statistics

SUPPLEMENTAL FINANCIAL INFORMATION

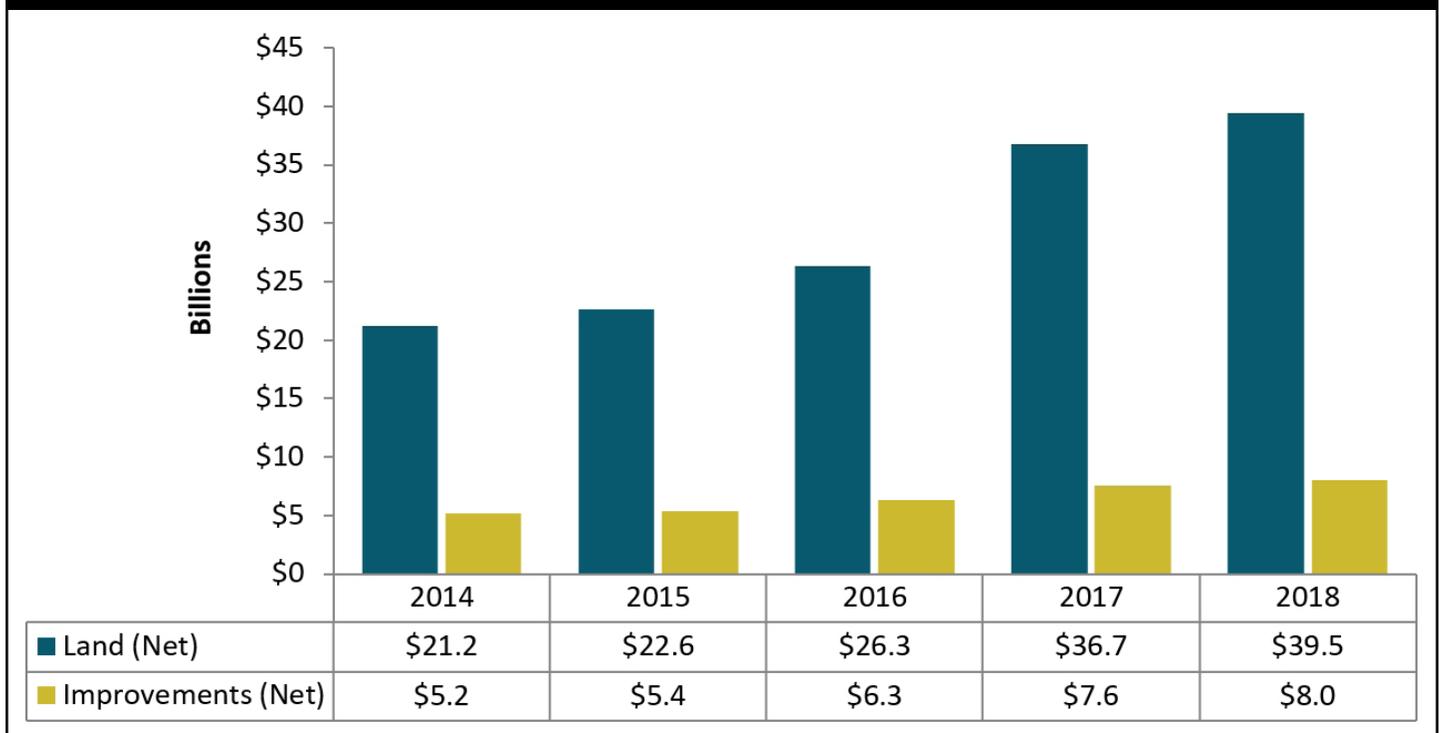
TAXATION

Assessed Value of Land and Improvements

The values of land and improvements are independently determined by BC Assessment. Property tax rates approved by Council and other taxing jurisdictions are then applied to these assessed values. Total net assessed value for 2018 is \$47.5 billion, an increase of \$3.2 billion or 7.2% over 2017. The net value of land increased to \$39.5 billion and improvements (buildings) increased to \$8 billion. This is a reflection of the continuing increase in land valuation experienced in the lower mainland real estate market.

Assessed Value of Land & Improvements 2014 - 2018

Source: BC Assessment



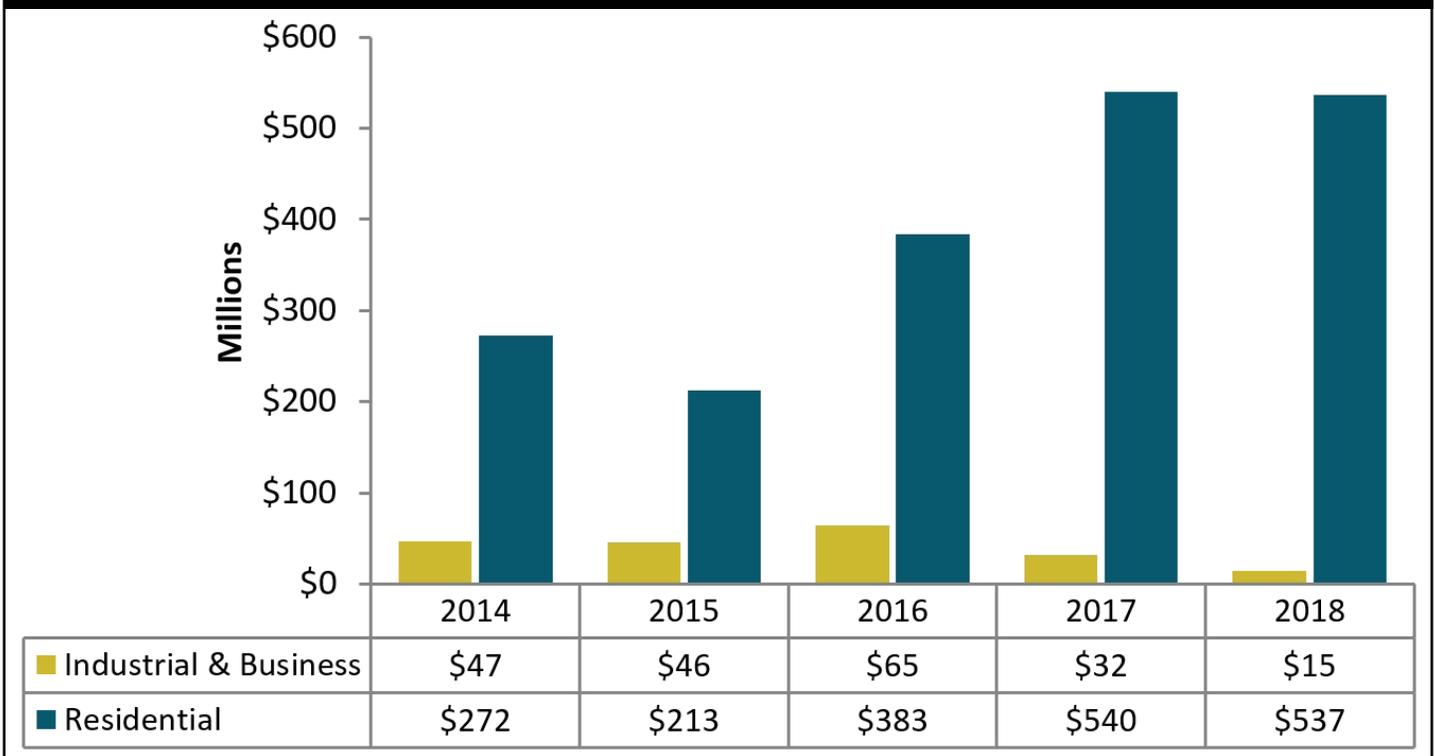
SUPPLEMENTAL FINANCIAL INFORMATION

Assessed Value of New Construction

The addition of newly built structures within a community is an essential component and a useful indicator of the economic vibrancy of a municipality. Over the past five years there has been significant investment in new development as the community renews itself and growth is realized in accordance with the Official Community Plan (OCP). Completion of new mixed use developments in town and village centres provides for the continued stable growth within the community. The value for new construction supplied by BC Assessment is based on actual percentage of completion and is closely monitored to ensure new tax revenue supports the District's growth management objectives.

Assessed Value of New Construction 2014 - 2018

Source: BC Assessment



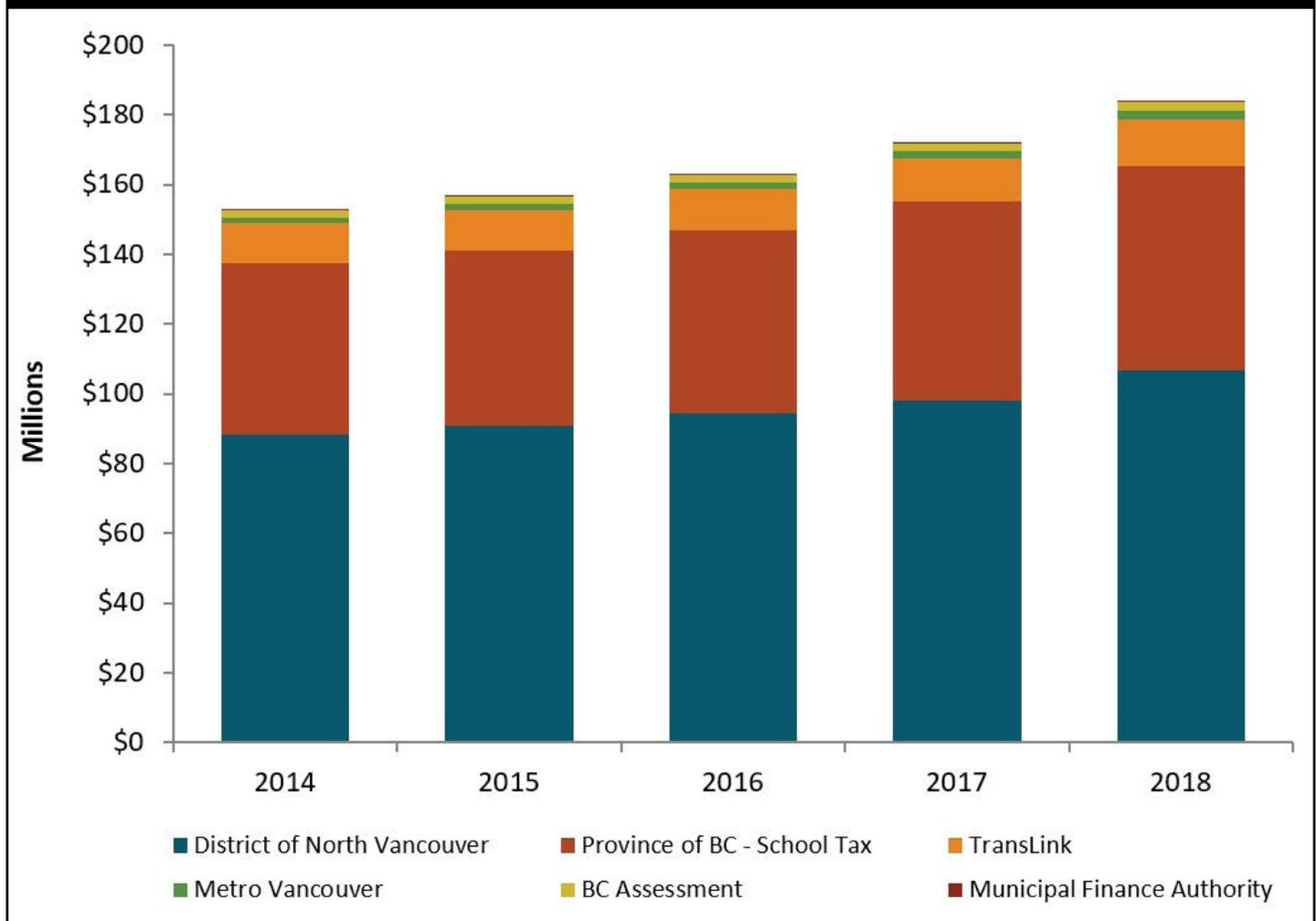
SUPPLEMENTAL FINANCIAL INFORMATION

Municipal Property Taxes and Other Taxing Authorities

Over the past five years, taxation revenue for the District has increased at an average annual rate of 4.1% including inflation of 2%, the impacts from Council's 1% policy for asset renewal, and growth from new construction, and excluding the 2018 levy of \$3.4 million on the major industrial class (non-capped). In 2018, 42% of property taxes collected were on behalf of other taxing authorities, of which 76% was levied on behalf of, and paid to, the Province for School Taxes.

Municipal Property Taxes & Taxes Collected for Other Jurisdictions 2014 - 2018

Source: DNV Audited Financial Statements



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 2018 accomplishments against set goals, and updating objectives for 2019 and 2020. To consistently track priorities over the course of a Council term, our practice is to refer to objectives in the multi-year Corporate Plan established by Council. The 2018 annual report will be the last reference to the 2015 – 2018 Corporate Plan, which was endorsed by Council in November 2015, and which is available at DNV.org/corporate-plan

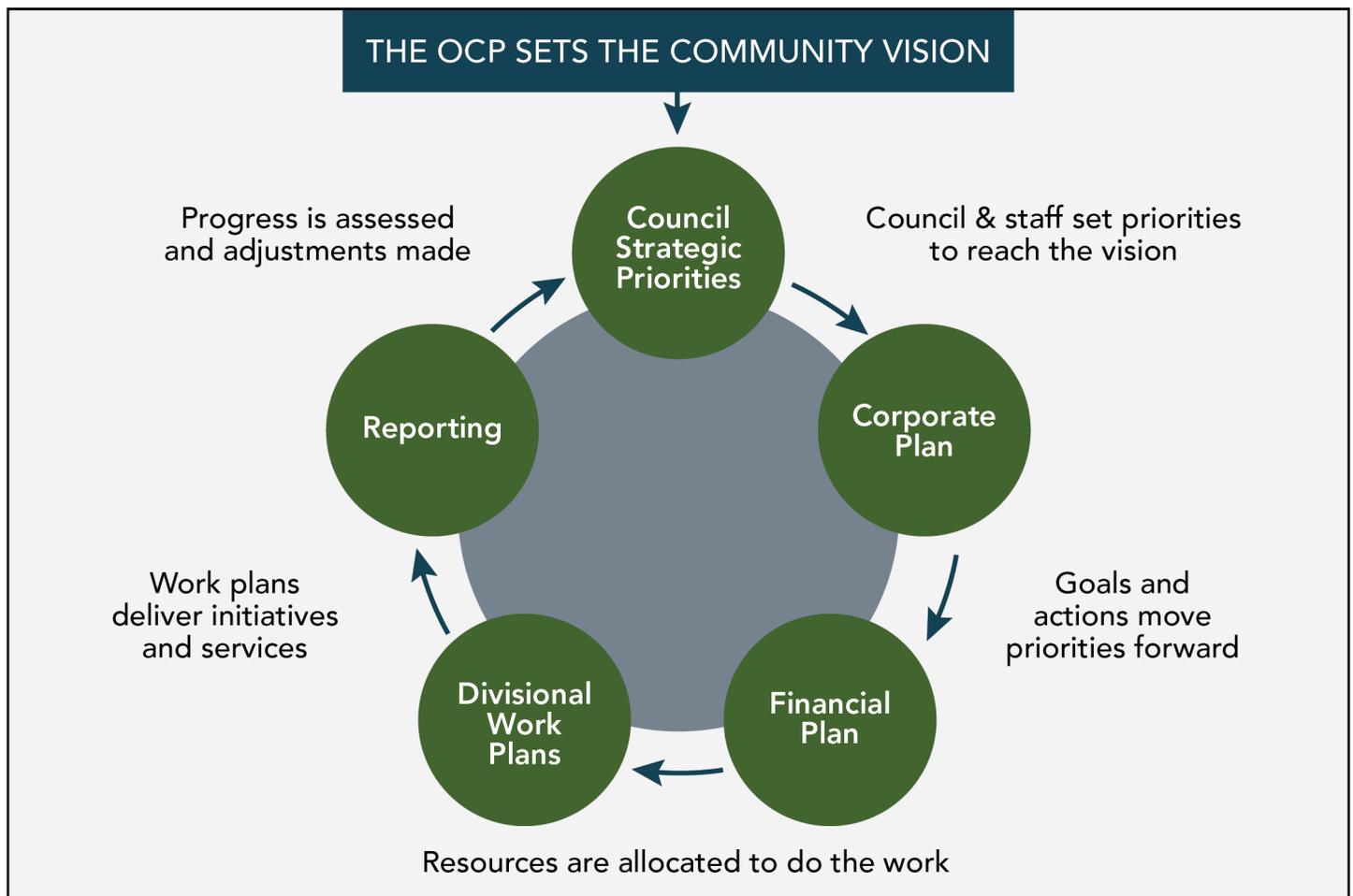


CORPORATE OBJECTIVES

The 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, provides the context within which the District organization works. Council and staff identify strategic priorities that advance the goals of the OCP and 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.



CORPORATE OBJECTIVES

To set the course for 2015 to 2018, Council and staff considered a range of external influences, organizational resources and other constraints and opportunities. Eleven strategic directions were then identified by Council as priorities. These are organized within a framework of three fundamental purposes, consistent with previous plans, namely: achieving the community vision of the OCP, providing strong governance and service, and protecting and enhancing the environment and building resilience. This approach is summarized in the table, below.

2015–2018 CORPORATE PLAN PRIORITIES

Achieving the Community Vision of the OCP

- 1** Manage the impacts of development and change
- 2** Improve transportation and mobility
- 3** Systematically monitor progress on community goals
- 4** Manage outdoor recreation with an integrated approach
- 5** Focus on OCP objectives related to social well-being, the Maplewood area, and strategies supporting town centres:
 - Advance the social well-being objectives of the OCP
 - Plan for Maplewood with a jobs/housing balance
 - Complete policies that support town centre and OCP implementation strategies

Providing Strong Governance and Service

- 6** Sustain financial health and resilience
- 7** Foster an engaged and nimble public service
- 8** Ensure strong administrative foundations for continued service excellence

Protecting and Enhancing the Environment and Building Resilience

- 9** Create new and updated strategies to support OCP environmental goals
- 10** Take action on climate change by reducing GHGs and developing a Climate Change Adaptation Strategy
- 11** Continue to build community resilience through planning, response, recovery, training and education

STRATEGIC DIRECTIONS

The Community Charter requires that the annual report articulate objectives for the upcoming two years; namely for 2019 and 2020. As previously noted, our approach is to use the strategic directions determined by Council for their term of office to craft objectives into a Corporate Plan. We then report against those objectives in the annual report. With municipal elections having taken place in October 2018, the new Council will establish their mandate and priorities early in 2019. To satisfy legislated reporting requirements at this juncture, we can identify general issues that will shape objectives for 2019 and 2020, but know that these will be further refined in the future 2019 annual report. These general priorities will include:



- **Continued Focus on Transportation, Traffic Congestion and Mobility:** including completion of major in-stream projects like the Highway 1 Interchanges, continuing our commitment to a collaborative approach across levels of government and advancing local improvements for cycling and pedestrians
- **Ongoing Efforts to Address Housing Needs:** including identifying priority actions, targets, and partners, to access available funding and meet the community's most pressing needs
- **Review and Assessment of OCP Implementation:** including analysis and potential adjustments to targets, pace and focus areas for implementation
- **Building Resilience:** strategies for adapting to climate change will be in the forefront of our planning, management approaches and responses
- **Sustaining a Healthy and Responsive Organization:** with service excellence top of mind, we will plan for succession and a multi-generational team inspired by possibilities and innovation

CORPORATE PLAN SUMMARY

Achieving the Community Vision of the OCP

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	2018 Progress
1 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	Public Workshop Jan 20 presented analysis of pace of growth Quarterly development report and early input opportunities provided at council workshops (Nov, Apr, July)	Launched traffic impacts map on DNV website	Updated Development Servicing Bylaw 8145, adopted June 19, 2017	Coordinated construction projects in Town Centres Implemented construction timing restrictions as appropriate through development covenants Continued installation of traffic cameras to monitor construction sites and current traffic conditions Implemented use of 8 "changeable message" boards Continued to require detailed Construction Traffic Management Plans prior to issuance of construction permits Levying of special permit fees for breaches of highway use permit conditions
		Review single-family residential development regulations and assess impacts on neighbourhoods	Initiated discussion on Single Family redevelopment impacts (Oct 5) to identify range of interrelated issues for further examination in 2016	Completed public input on single family renewal issues (June) Completed Small Lot Infill Areas (SLIA) study, including public input (July workshop)	Initiated process to amend single family zone (RS1) in the Zoning Bylaw to limit size of principal dwelling unit	Implemented of new Construction Bylaw 8271 Continued to require pre-construction meeting for construction of new single family homes Initiated requirement for construction notice on-site for new single family home construction projects Continued to require detailed shoring plan from a registered professional engineer prior to issuance of a permit for construction of a new single family home Implemented strengthened environmental controls

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	2018 Progress
2 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	Ongoing consultation and research with MOTI and consultants re: understanding Highway 1 traffic (Feb, June) Updated analysis of collector/distributor concept for Lower Lynn interchanges anticipated mid-2016 Initiated North Shore integrated transportation planning efforts; municipal staff working group and workshops (Jan, March)	Continued work with Metro Vancouver, Translink, and the other north shore municipalities on Marine-Main B-Line corridor study	Participated in a senior staff group from the three North Shore municipalities to collectively address transportation needs	Played a foundational role in the establishment of the Integrated North Shore Transportation Planning Project (INSTPP) Continued advocacy and work with partners through INSTPP
		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	Refinement of options in conjunction with MOTI continued throughout 2015 (Nov 9, COW) and will continue in 2016	Continued to collaborate on design options and process with MOTI on Lower Lynn interchange improvements and design throughout 2016	Continued advocacy and collaboration resulting in funding approval for additional (4th) phase of work to include a westbound collector-distributor system from Mount Seymour Parkway to Mountain Highway 4th phase will include two new bridges at Lynn Creek, an eastbound on-ramp at Mountain Highway, and improvements to pedestrian and cycling infrastructure Advanced concept development of the Dollarton Interchange and Phibbs Transit Exchange	Phase 1 of Lower Lynn Improvement project reached final stages Phases 2 and 4 of project tendered Phase 3 of project in design
		Identify opportunities to expand east-west movement across the District independent of Highway 1	See above	See above	See above	Worked with Translink, MOTI, City of North Vancouver, and District of West Vancouver to finalize B-Line design with construction planned for 2019

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	2018 Progress
		Develop and implement construction and traffic management tools for better planning, coordination and communication among partners and the public	Construction and Traffic Management program was instituted with semi-annual updates (Feb 23) and included strengthening Highway Use Permits, coordination and monitoring Regulation of activity on local roads enhanced in 2015	Added dedicated staff to traffic management in 2016 with emphasis on single-family development Improved noise regulation bylaw system resulting in better compliance	Increased enforcement actions for compliance with permit conditions commensurate with additional resources	Added additional dedicated staff and additional vehicle to traffic management unit Initiated weekly traffic bulletin published online and to key stakeholders Record number of Special Highway Use Permits issued
		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	Initial review of transportation priorities outside of centres with Council (Nov 23) Funding for active transportation improvements program submitted to 2016 budget	Initiated update of the North Shore sub-area transportation model Commenced construction of Lynn Valley Road Bike lane extension from Molly Nye to Morgan complete with post delineator separation from motor vehicles	Developed Vissim traffic simulation model for the Main/Marine corridor in preparation for B-line planning Updated the traffic data collection program including application of Centrac's traffic control system capabilities to support transportation planning Updated the Synchro traffic model for traffic signal timing plan optimisation Coordinated traffic operations with CNV and MoTI Increased inventory of Vision Cameras at traffic signals to allow for improved data collection	Added additional staff resources for Traffic Demand Management Began work on joint E-bike sharing program with City of North Vancouver and District of West Vancouver Continued data collection and transportation modelling through Centrac's and Vissim tools
		Complete the District's portion(s) of the Spirit Trail route	Concept for Lynn Creek Spirit Trail Bridge and route alignment for central section presented to Council in fall 2015	Completed conceptual study for bridge at Hunter St.	Included the plan for Spirit Trail central section route in Seylenn/Bridgman Park plan	Received grant money for completion of Spirit Trail route
		Deliver Philip Avenue Overpass and Keith Road Bridge infrastructure projects	Both projects progressed according to plans in 2015. Philip Ave completion anticipated June 2016; Keith Road Bridge completion expected Fall, 2016	Keith Road Bridge completed and open to traffic December 2016 (final paving and line painting early 2017) Philip Avenue Overpass completed and opened July 2016	Complete	Complete

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	2018 Progress
3 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	OCP Progress Monitoring Report Implementation approach endorsed by Council (Dec 14, 2015)	Initial directions on proposed scope of OCP implementation review to be completed in early 2017 (November 2016)	Presented results of the OCP Implementation Review (2011 – 2016) at the April 18, April 24, and May 2 Council workshops	Staff regularly monitor internal and external data sources Environmental indicators related directly to community emissions received a comprehensive update to inform the Community Energy & Emissions Plan actions
		Maintain ongoing opportunities for public input to the monitoring process	See above	See above. Initial directions on proposed scope of OCP implementation review (to be completed in early 2017) included consideration of an implementation monitoring group, to be further defined	Council appointed the OCP Implementation Monitoring Committee (OCP IMC) on September 18	Established the community-based OCP Implementation Monitoring Committee (OCP IMC) which undertook a year long review process from October 2017-October 2018 Members received recent and relevant data from the OCP Implementation Review (2011-2016) and provided recommendations to Council to revise current OCP policies based on the data presented
		Initiate public reporting of progress towards targets and address overall performance at regular intervals as indicated in the OCP	Format to be developed in 2016	Continued work on developing appropriate framework and reporting tools for progress measurement	Council approved OCPIMC ToR on June 19; requires quarterly reporting to Council Committee members developed a workplan including a review of the priority policy areas in the OCP as well as a review of targets, indicators, and the monitoring program	The OCP IMC presented their findings to Council three times in 2018 to provide their feedback on changes to existing OCP policies as well as recommendations to revise established targets and monitoring framework

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	2018 Progress
4 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	This research will span 2016 and 2017	Ongoing research and analysis of trends and priorities including review of policy re: commercial uses	Continued to collect user volume data for key trails in Deep Cove, Fromme and Lynn Canyon Conducted an inventory and condition assessment of DNV Seymour trails	Continued to collect annual user data for comparative purposes and to identify shifts in trends
		Implement actions in approved plans to improve access points, including: Fromme Mountain parking/staging Braemar parking/staging Short-term measures identified in the Deep Cove Parking and Access study and rehabilitation of Quarry Rock trail	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 Parking lot and staging area for Fromme Mountain trail users opened July, 2015	Ongoing monitoring of Fromme staging usage Conceptual design work completed for Braemar parking/staging for implementation in 2017 Rehabilitation of quarry rock trail (boardwalk) completed and park ranger presence enhanced	Planned Braemar detailed design work to take place in 2018 Explored demand management options for implementation in 2018 Enhanced Seasonal Ranger Program to provide public presence on trails	Under 2018 Council direction, Parks & Transportation implemented demand management initiatives at Deep Cove and Lynn Canyon including traffic control, restricted bus access and parking restrictions to manage volume. Expanded seasonal Ranger Program continued to support demand management and Deep Cove liaison
		Establish a framework for systematic review and update of environmental and usage assessments of trail networks in Grouse, Fromme and Seymour systems	Updated Fromme Mountain trails environmental assessment completed (Feb 24 Workshop)	Continue to implement recommendations for bridge and boardwalk improvements to enhance environmental protection	Upgraded or constructed multiple bridges and boardwalks to improve creek sustainability and public safety NSMBA partnership continued to assist in ensuring sustainability of trail surfacing	Under the parks capital program, continued to replace creek bridges to address any risk management concerns Updated the Baden Powell Trail signage for user safety and updated Fromme Mtn Trail Map Engaged a seasonal Parks Alpine crew to focus on trail maintenance for hiking
		Identify trail management resource needs, capacity and options	See above re: recreational trail update for Fromme	Ongoing	Continued ongoing bridge and trail upgrades, decommissioning unsuitable trails, and relocation of unsustainable trail locations	Decommissioned unsustainable trails Continued restoration plantings Installed riparian fencing to protect creeks

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	2018 Progress
		Review and update sport fields needs assessment		Council workshops held January 19, 2016 and October 24, 2016. Review expected to be complete in early 2017	Reviewed Sportsfield Needs Assessment and Program with Council Completed Kirkstone Park Artificial Turf Field	Council approved the Inter River Park south Artificial Turf Field project and the Argyle School Artificial Turf Field project, both slated for construction in 2021
5 Focus on OCP objectives related to social well-being, the Maplewood area, and strategies supporting town centres:	Advance the social well-being objectives of the OCP	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: <ul style="list-style-type: none"> • Property acquisition • Utilization of District properties • Rental property management and partnership models 	'Green Paper' outlining affordable and rental housing strategy considerations completed (Nov 2) Series of workshops commenced to refine strategy (Dec 1, 8) and continuing in 2016	Completed new Rental and Affordable Housing Strategy, which was approved in November 2016	Council approved a workplan to develop a non-market housing strategy in fall 2017 Developed housing continuum guide in December 2017 Initiated short term rentals strategy	Work initiated on developing a DCC Waiver Bylaw for Non-Market Housing Continued work on the Non-Market Housing Land Acquisition Strategy Continued work on the development of a Short Term Rental bylaw Continued work on a CAC Strategy for Non-Market Housing
		Identify any options that may exist to provide temporary relief to displaced renters. Consider financial and human resource capacity to support such initiatives	Initiated research on tenant assistance options that will be completed in 2016	Completed analysis of tenant assistance May 2016 (May 3rd workshop) Policy approved November 28, 2016	Initiated tenant relocation assistance policy update	Amendments to the Residential Tenant Relocation Assistance Policy approved by Council in March of 2018
		Plan for Maplewood with a jobs/housing balance	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	Council direction to commence development of an Implementation Plan for the Maplewood Area and Village Centre (July 6) Process will continue through 2016	Held an open house for public input on Maplewood charrette, October 2016 Completed charrette for Maplewood November 2016 Further policy and plan development to follow in 2017	Council adopted Maplewood Village Centre and Innovation District Implementation Plan & Design Guidelines November 6th, 2017

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	2018 Progress
	Complete policies (land use, development, communications, financial and administrative) that support town centre and OCP implementation strategies	Complete the Lower Lynn Town Centre Special Study Area to plan for land uses that consider potential highway redevelopment and impacts on surrounding properties	Highway 1 interchange study work continues Public Realm Design Guidelines completed (Dec) "Lower Lynn Centre Special Study Area" work planned for 2016 and 2017	Workshop to discuss the scope of the Lynn Creek Town Centre (formerly Lower Lynn) Special Study Area scheduled for fall 2017	Work will continue in 2018-19	Work continued on this through 2018
		Determine the relocation of Fire Hall #2 and Fire Training Centre	Site analyses continued in 2015. Council approved consolidation of fire facilities in Maplewood.	Continued work in 2016 in conjunction with Maplewood Village Centre planning.	Site confirmed for the Maplewood Fire and Rescue Center Schematic design in conjunction with Maplewood Centre Plan anticipated in 2018	Approval to proceed to final design phase received. Timeline anticipates construction/site clearing late 2019 Further community engagement planned for mid-2019
		Determine future land use for the existing Delbrook Community Recreation Centre site, scheduled for closure in 2016	Council endorsed the engagement strategy to help determine the future use of the Delbrook lands (Sept 28) Delbrook ideas forum and deliberative dialogue planned for 2016	Council endorsed the engagement strategy to help determine the future use of the Delbrook lands (Sept 28) Deliberative Dialogue event June 25, 2016 Deliberative Dialogue results presented to Council in September Analysis of community recommendations conducted Fall 2016	Community Ideas Workshop co-hosted with SFU Centre for Dialogue January 28, 2016 Deliberative Dialogue event June 25, 2016 Deliberative Dialogue results presented to Council in September Analysis of community recommendations conducted Fall 2016	Established policy directions to identify partners and site uses: neighbourhood parkland, non-market housing, and community services

CORPORATE PLAN SUMMARY

Providing Strong Governance and Service

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	2018 Progress
6 Sustain financial health and resilience	Successfully adapt the long-term financial plan and strategies to ensure financial resilience in an evolving context of unprecedented physical and revenue growth	Monitor the growth management model to support tax revenue reserve decisions and make adjustments as necessary	In 2015 continued to stabilize impacts from growth by reserving growth revenue and allocating a portion to reduce impacts caused by growth and construction	Continued reserving growth revenue in 2016 including tax growth for future impacts on services, development surplus to stabilize operations from changes in construction activity and to help facilitate the development planning process	Continued applying the growth management model	Continued applying the growth management model
		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	Major projects identified. Funding strategies and financial impacts analysis in progress	Revised ten-year Capital Plan based on latest Strategic Plans, refreshed development forecast including community amenity contributions (CAC's), and completed fund balance analysis Presented the 2017 to 2021 five-year Financial Plan to Council in December 2016	Refreshed growth projections, ten-year Capital Plan, and fund balance analysis Presented the 2018 to 2022 five-year Financial Plan to Council in December 2017	Refreshed growth projections, ten-year Capital Plan, and fund balance analysis Presented the 2019 to 2023 five-year Financial Plan to Council in September 2018
		Advocate for an equitable financing formula for the North Shore Sewage Treatment Plant	Continued to monitor Metro Vancouver processes for determining funding of the Lions Gate Wastewater Treatment Plan	Continued monitoring procurement process	Continued monitoring procurement process and work with Metro Vancouver to confirm fee structure Proponent commenced site preparation in 2017	Proponent continued site work in 2018
		Complete the Community Amenity policy framework and bylaw	Research and stakeholder consultation was completed in 2015 Proposed policy to come forward in 2016	Amended policy with new community amenity rates approved in January and came into force in August	Completed	Completed market research for each of the town centres and will evaluate options for Council in the Q3 2019

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	2018 Progress
		<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"> • Recreation (administration) • Police Services • Museum and Archives • Other arrangements 	Collection clean-up, deaccessioning and disposal program continued in 2015 while City of North Vancouver processes for a new museum continued	<p>Museum and Archives deaccessioning and disposal program continued in 2016</p> <p>New museum location and funding approved by City of North Vancouver (December, 2016), with opening anticipated in 2019</p>	<p>Police funding review complete</p> <p>Continued recreation cost sharing review</p> <p>Completed TWN development servicing agreement</p>	Continued ongoing recreation cost sharing review and provided update to Council
		Undertake research and explore options for community dialogue towards the long-term goal of reuniting North Vancouver District and city	<p>Public workshop review of North Shore Reunification Committee Report</p> <p>Detailed research to continue in 2016</p>	<p>Completed a preliminary report on the issue of North Vancouver reunification in January 2016</p> <p>Council endorsed a research plan to continue work on the issue throughout 2017 and 2018</p>	Implemented research plan through 2017	<p>Conducted a professional survey and online survey to gauge public opinion</p> <p>Council approved a ballot question asking if voters supported the establishment and funding of a citizens' advisory committee to examine the costs and benefits of reunification</p> <p>79% of voters were in favour of creating and funding citizens' committee</p>
7	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	<p>Preliminary assessments of capacity needs completed in 2015 for input to the 2016 financial planning process</p> <p>Development of retention and succession strategies is ongoing</p>	<p>Strengthened employee engagement through the launch of DNV culture dialogue to assess existing corporate values</p> <p>Conducted a review of best in class employers to align DNV programs with HR best practices</p> <p>Developed a framework for building organizational capacity through leadership development and training</p>	Completed culture and values dialogue with staff and produced draft values	<p>Launched new corporate values</p> <p>With staff input, identified actions to embed new values into corporate culture</p> <p>Achieved Top Employer in BC designation (2nd year running)</p> <p>Developed framework for pilot program to identify and develop high performing leaders capable of meeting the present and future needs of DNV</p>

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	2018 Progress
		Create and adopt a flexible framework for community engagement to respond to a range of issues, needs and community preferences for involvement	Development of the framework will be ongoing in 2016	Completed background research in 2016 including: Review of industry best practices Consultation and needs assessment with staff Survey of resident preferences for engagement methods	Completed engagement framework aligned with international best practice standards and commenced rollout to staff	Completed rollout of engagement framework to staff and partner organizations, and presented at conferences in BC
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"> Phase 1, Permits and Inspections Phase 2, Licencing and Renewals Phase 3, Planning, Bylaw, Other processes 	Work continued in 2015 on Phase 1, Permits and Inspections; implementation of this Phase, including the mobile inspection app, anticipated in 2016	Implemented (went live with) Phase 1 in 2016: permits and inspections Planning, bylaw, and other services moved to Phase 2, with anticipated implementation in 2017 Licencing and renewals moved to Phase 3 to allow for review of business license processes	Implemented ECLIPS Phase 2, Planning, in 2017 Phase 3 - Bylaws and licencing anticipated go live in 2018	Business licenses live in 2018 <i>Report a Problem</i> anticipated in 2019 Bylaw enforcement dependent on <i>Report a Problem</i>
		Pilot priority online services: e-tax bill, e-inspection—e-plan review	On-line tax bills available to the public in 2015 Implementation of on-line services customer self-service portal for permits and inspections anticipated in 2016	On-line customer self-service portal under development in collaboration with the vendor in order to enhance information privacy controls	Substantially completed online customer self-service portal information privacy control enhancements	Online customer self-service portal deferred for customer service review
		Continue fibre optic network expansion, based on review of progress, goals and options for implementation	Expansion of fibre optic network in 2015 completed north-south connectivity 80% of District buildings now connected; remaining 20% will be connected in 2016	Completed remaining connections to District buildings including communication infrastructure connecting District Fire Hall #1 to the District Operations Centre. All DNV network serviced buildings are now on the District's own fibre network and are self-sufficient, with no added operating costs as demand continues to grow.	Business continuity redundancy loop initiated; work anticipated to continue in 2018	Fibre optics segment completed from Edgemont to Capilano Road Capilano Road to Marine Drive segment pending Lions Gate development with access to new community centre Mountain Highway overpass scheduled for re-route with MOTI work

CORPORATE PLAN SUMMARY

Protecting and Enhancing the Environment and Building Resilience

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 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	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	Completed District-wide drainage model in 2016 Continued work on ISMP framework and objectives for Council consideration in 2017	Council endorsed ISMP Framework and Objectives July 10, 2017 Continued work on ISMPs with completion expected in 2019
		Develop and implement strategies for energy and water conservation	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 Ongoing Energy Management initiatives include Karen Magnussen Recreation Center retrofit completion expected in fall 2016	Enhanced Public Education and communication programs in 2016 DNV contributed to the significant revision to Metro's Water Shortage Response Plan Karen Magnussen Recreation Centre energy retrofit completed December 2016, resulting in 40% greenhouse gas reduction and 25% electricity savings Began design for energy retrofit measures for District Hall, Operations Centre, and Ron Andrews Community Recreation Centre Piloted LED streetlight conversion project on Mount Seymour Parkway and Dollarton Highway; expansion planned for 2017	Updated Strategic Energy Management Plan (SEMP) for corporate energy and GHG emission reductions Began energy retrofits at Ron Andrews Community Centre, District Hall, Operations Centre LED Streetlights installed on collector and arterial roads throughout the District (approx. 1,000 fixtures upgraded) Designed LED Lighting Upgrades for 5 sites, including the Ron Andrews Pool Chamber Participated in LGTP effluent heat recovery diversion to LEC energy generation negotiations

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	
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"> • Assessment of vulnerabilities • Range of proactive management opportunities • Awareness and capacity building measures • Community engagement approach 	Initiated Climate Change Adaptation Strategy development using a comprehensive five-step process (Dec 7 Workshop) Work will continue through 2016	Draft Climate Change Adaptation Strategy completed and will be presented to Council in 2017	Climate Changed Adaptation Strategy adopted by Council July 24th, 2017 Initiated Community Energy and Emissions Plan with grant funding from FCM Awarded a grant from FCM for sea level rise risk assessment; work anticipated to begin 2018	Continued with priority action items as identified in the Climate Change Adaptation Strategy including: update to the Community Wildfire Protection Plan; fuel treatment and forest health restoration planting; and infrastructure improvements to reduce vulnerability
		Implement the Climate Change Adaptation Strategy and integrate measures with the financial and corporate strategic planning processes	Implementation will commence in the 2016-2018 time period	The Implementation section of the Draft Climate Change Adaptation Strategy includes specific steps to integrate actions into the long-range financial plan, asset management plan and OCP	Began interface wild fire fuel treatment 2017-18 for Mountainview Park, Braemar Park, Kirkstone Park and Mountain Highway	Commenced North Shore Sea Level Rise Risk Assessment and Adaptive Management Strategy supported by grant funding from the Federation of Canadian Municipalities Collaborated on the strategy with the City of North Vancouver, District of West Vancouver, Port of Vancouver, Squamish Nation, and NSEM

CORPORATE PLAN SUMMARY

Priority	Goals	Actions	2015 Progress	2016 Progress	2017 Progress	
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	2015 initiatives included: <ul style="list-style-type: none"> • Tri-municipal simulation/ training exercise • Release of a comprehensive District wide earthquake risk assessment and When the Ground Shakes, a plain language guide regarding earthquake risk and preparedness • 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 	2016 initiatives included: <ul style="list-style-type: none"> • Tri-municipal wildfire response exercise • Seymour River rockslide remediation work commenced, with additional work planned for 2017 • Prepared post-earthquake inspection procedures for District facilities • Geotechnical assessment of access road into Lynn Headwaters Regional Park delivered, resulting in road closure due to stability concerns • 1300 residents trained across 60 free emergency preparedness training sessions. 	Completed Lynn Headwaters access road slope stabilisation and reopened road to public Completed District wide Debris Geohazard Risk and Risk Control Assessment May 31, 2017 Participated in development of a Joint Municipal Regional Disaster Debris Management Operational Plan and validation exercise	Trained and certified District Environment staff as Shoreline Cleanup & Assessment Technique practitioners Received grant funding for the District's Community Wildfire Protection plan to treat the last remaining pocket of high risk fuel type. Received funding to update the Community Wildfire Protection Plan following conclusion of high risk fuel type treatment
		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	Obtained Building Canada Fund grants for debris hazard mitigation works Treated three areas to remove ladder fuels and reduce wildfire risk in 2015. Projects are ongoing in 2016 and 2017	Completed debris flood mitigation project at Kilmer Creek	Completed debris flood mitigation project at Thames Creek Completed design for flood mitigation project at Gallant Creek for 2018 construction	Obtained funding for component of 10-year debris hazard mitigation program

SERVICES AND OPERATIONS

The Services and Operations section provides activity measures that illustrate the operational priorities and range of services delivered by the District and its partner agencies.

We continue to report on a consistent set of measures, showing five years of data year over year, in most cases. 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: Community Services (library, parks, recreation and culture), Development and Land Use Planning, Protective Services, Transportation, Governance and Corporate Management, Utility Services, and Recycling and Solid Waste.



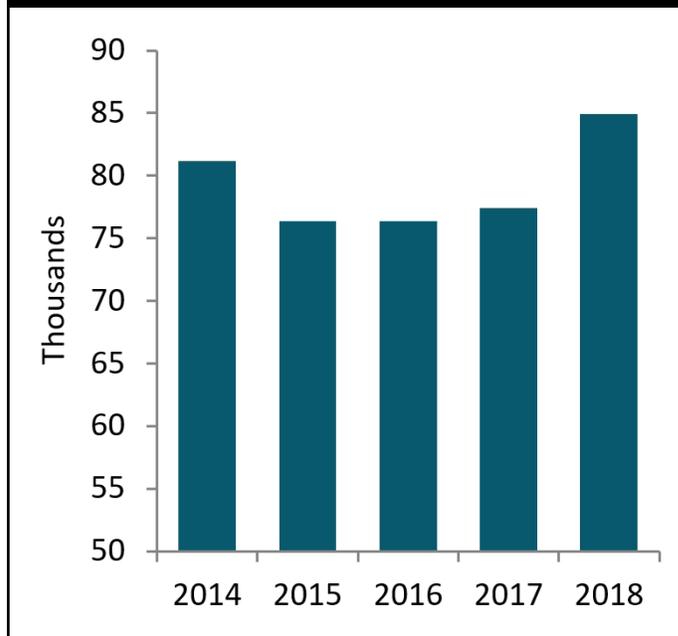
COMMUNITY SERVICES – ACTIVITY MEASURES

North Vancouver Recreation and Culture Commission

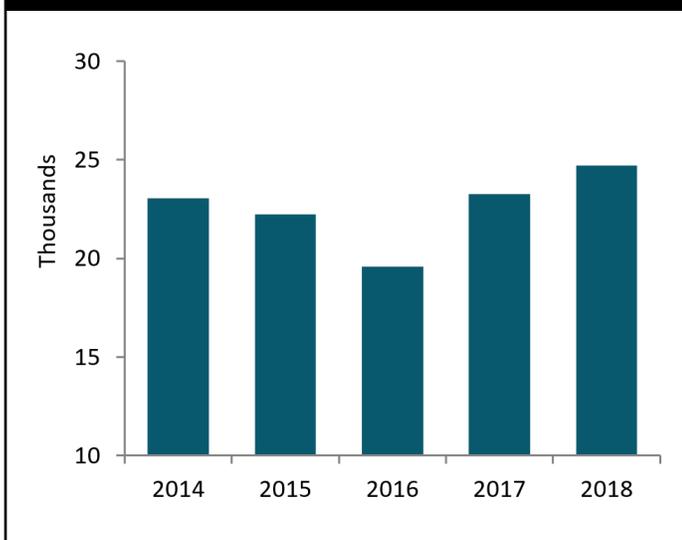
The North Vancouver Recreation & Culture Commission (NVRCC) offers a wide range of opportunities for individuals and families to be active, engaged and inspired through recreation and culture services and events.

Our activity measures for Program Registration, Fitness Memberships and Public Admissions & Drop-ins are at a five-year high in 2018. This success is in large part due to Delbrook Community Recreation Centre offering increased capacity for swimming, sports, performing arts and fitness programs and services. Innovative participation incentives such as the Children’s “Pool and Play Pass” and the “Flex 10” fitness membership also resulted in increased participation in fitness.

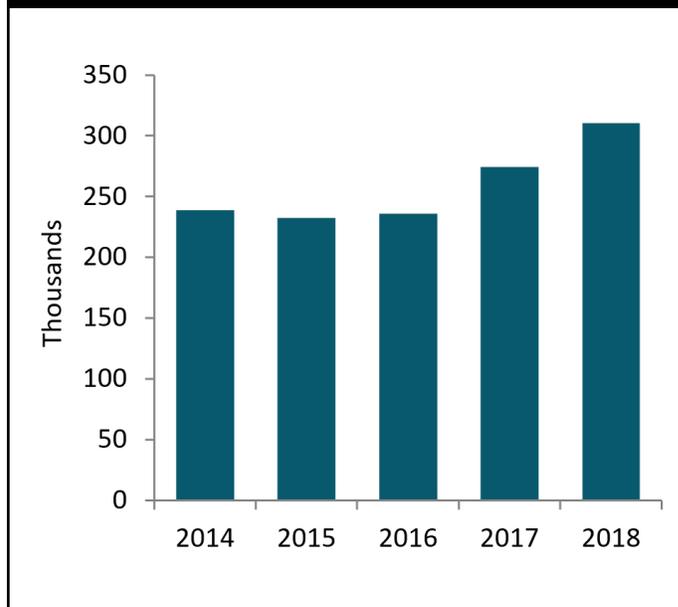
Program Registrations



Fitness Memberships



Public Admissions & Drop-ins



COMMUNITY SERVICES – ACTIVITY MEASURES

Parks Department

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

Maplewood Farm provides a unique education-based tourist attraction, which is home to over 200 domestic animals and birds. Although the hot and smoky summer of 2018 negatively impacted attendance, 2018 admissions and retail revenues nevertheless grew to \$622,877. Improvements included the construction of a new aviary and reconfiguration of the farm store. New marketing initiatives continue to be explored. 96,616 visitors experienced Maplewood Farm in 2018, down 3% from the previous year.

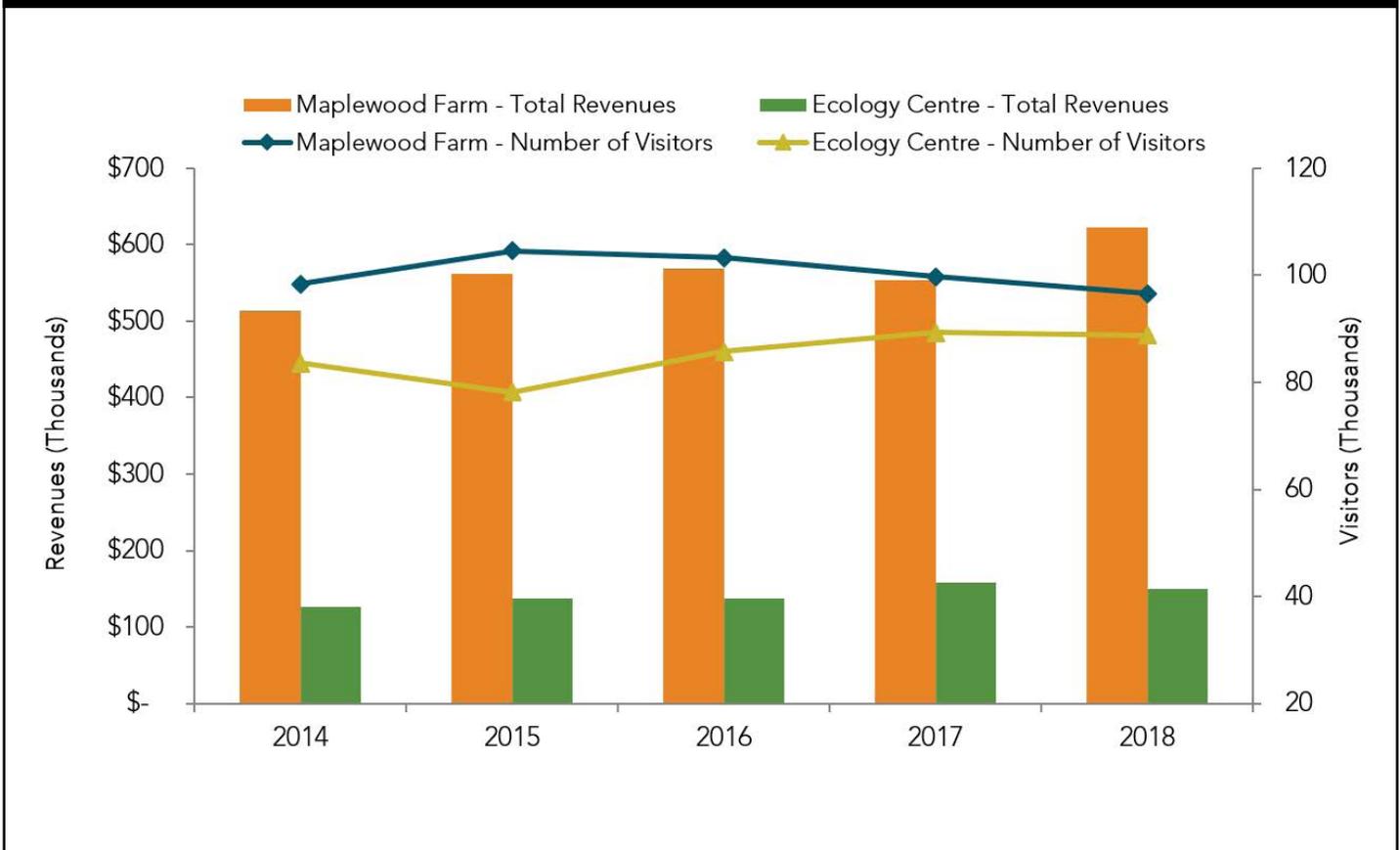
COMMUNITY SERVICES – ACTIVITY MEASURES

Lynn Canyon Ecology Centre

The Ecology Centre received 88,781 visitors in 2018, remaining steady from the previous year. Visitors from across Metro Vancouver and around the world came to learn about the park and local natural history. Staff delivered 381 educational programs to families, schools and community groups, an increase over 2017.

The Centre had another strong year with combined revenues from sales, programs, and buses totalling \$150,085. This total is slightly lower than 2017 in part due to the discontinuation of the bus fees during the year.

Maplewood Farm and Ecology Centre: Revenues & Visitors

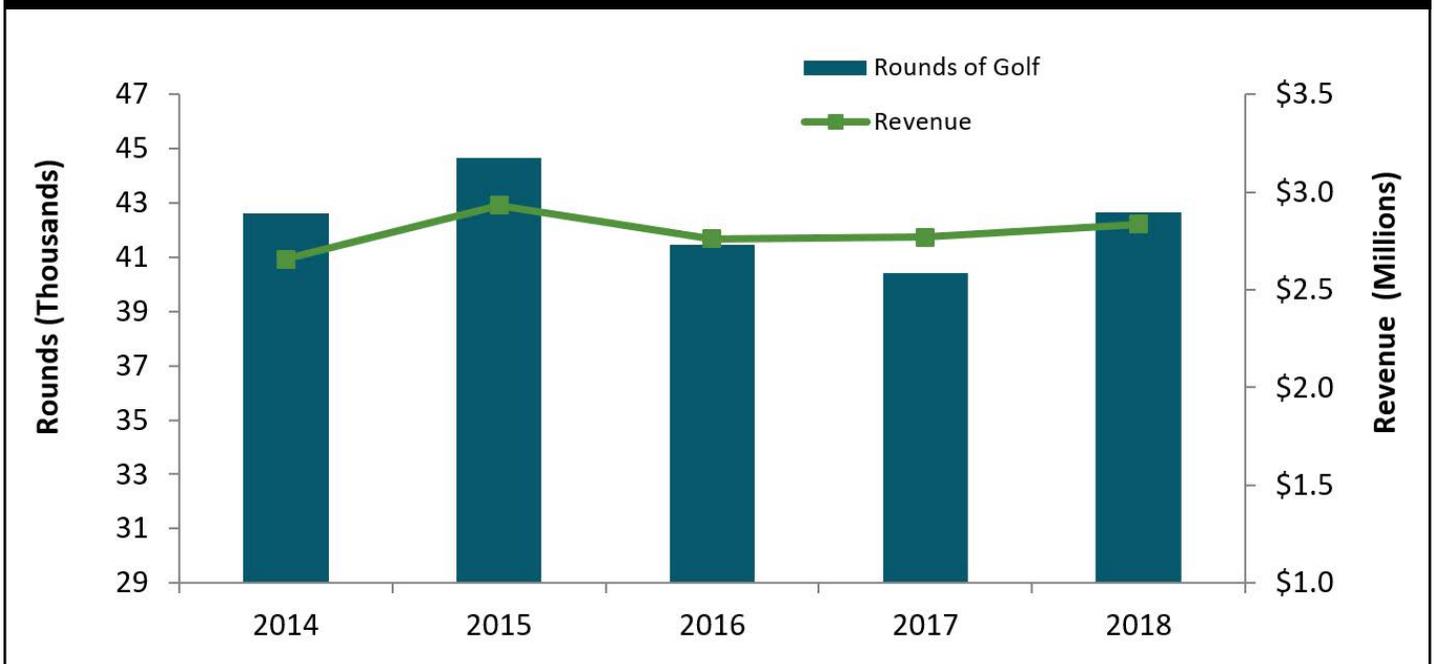


COMMUNITY SERVICES – ACTIVITY MEASURES

Northlands Golf

2018 saw a minor increase in the rounds of golf played, increasing to 42,656 rounds and generating \$2.8 million in revenues. Overall, golf play and revenues have stabilized at current levels, although fluctuations do occur from year-to-year due to changing weather conditions. Golfing within Metro Vancouver has remained stagnant in recent years, and this is reflected in green fees across the region. Northlands increased its green fees by \$3 to offset increasing operational costs, while offering loyalty members a \$3 discount on every round. This has proven to be an effective tool to encourage more players to join our loyalty program and provides some resilience to annual revenues.

Northlands Golf Course: Rounds of Golf & Revenue



Library System

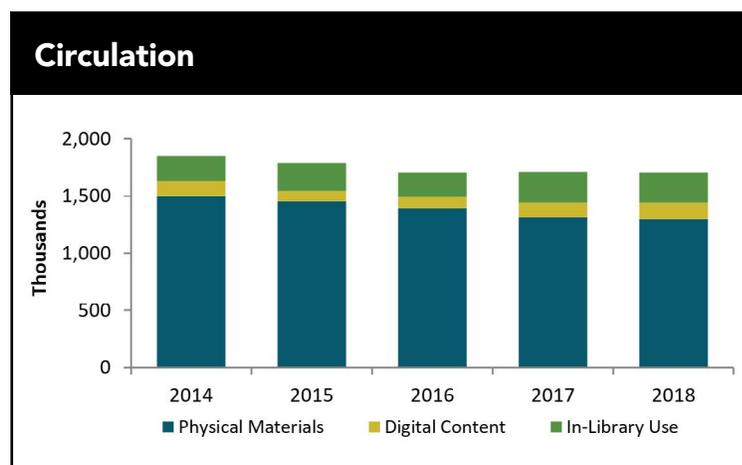
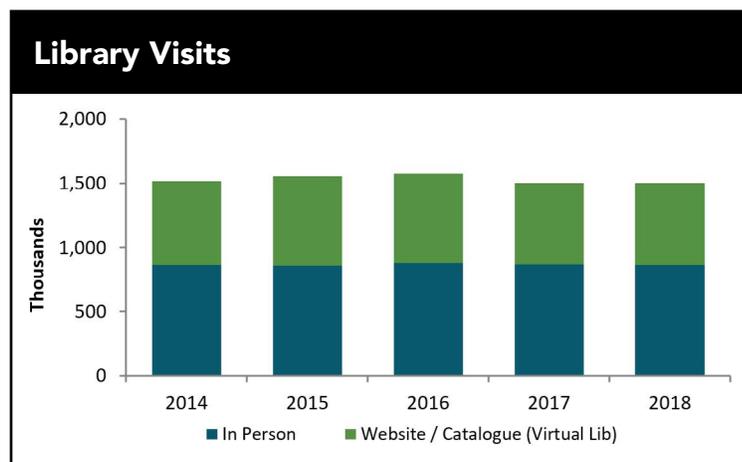
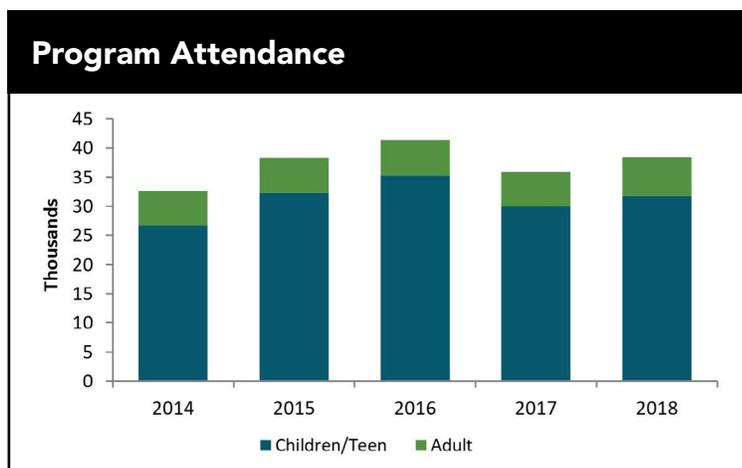
North Vancouver District Public Library offers a full range of information services and learning opportunities, including an extensive collection of books and digital collections, a variety of online resources through the Library website, and innovative programs for both children and adults. The Library serves the community through its three branches at Capilano, Lynn Valley, and Parkgate, and through around-the-clock access to its digital resources.

COMMUNITY SERVICES – ACTIVITY MEASURES

Public Program Attendance figures in 2018 indicate an overall upward trend. An increase of nearly 7% over 2017 resulted from a greater focus on Adult Programs, and Teen and Children’s Events, which offset the reduced availability of program space at Capilano Library due to the need for remedial facility improvements. The Library’s third annual Summer Reading Club Medal Ceremony was the most successful to date, attracting a crowd of over 1,000 at Lynn Valley Village for the award of over 500 medals to eager summer readers.

The Library Collection reflects the popularity of both physical and digital materials, and strives for balance, recognizing the growth in demand for digital resources and the value that patrons place on traditional materials. In 2018, the circulation of digital materials increased by more than 13 per cent over 2017. The sustained upswing in this area is due to a combination of factors, fuelled by the Library’s strategic focus and ongoing commitment to increasing and promoting access to digital resources. Virtual Library Visits increased slightly in 2018, after reaching a five-year high in 2016.

The North Vancouver District Public Library’s 2017-2019 Strategic Plan includes three strategic priorities: to collaborate with our community; to transform our digital environment; and to expand community learning. For more information, please visit the Library’s website at nvdpl.ca.

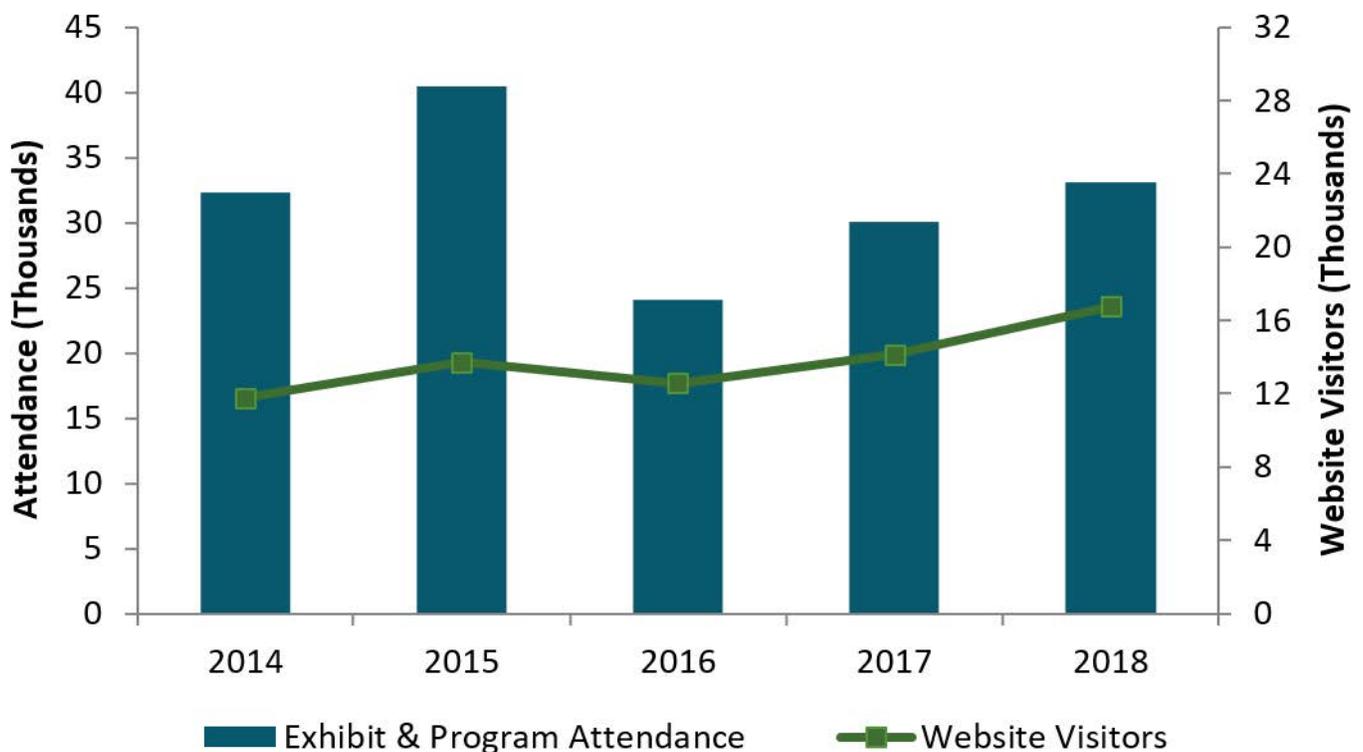


COMMUNITY SERVICES – ACTIVITY MEASURES

Museum

The Museum in Presentation House closed in May 2018 in preparation for the opening of a new Museum in 2020, currently under construction on West Esplanade in North Vancouver. Attendance at Museum exhibits and programs remained strong due to outreach activities including a dramatic increase (114%) in participants for Waterfront Productions walking tours, the display of NVMA's Chief Dan George exhibit at the U'mista Cultural Centre (Alert Bay), Indigenous school program initiatives and the mobile exhibit program. Social media activity continues to expand with Facebook (36%), Twitter (30%) and Instagram (177%) referrals to **nvma.ca** all up significantly over 2017.

Exhibit & Program Attendance



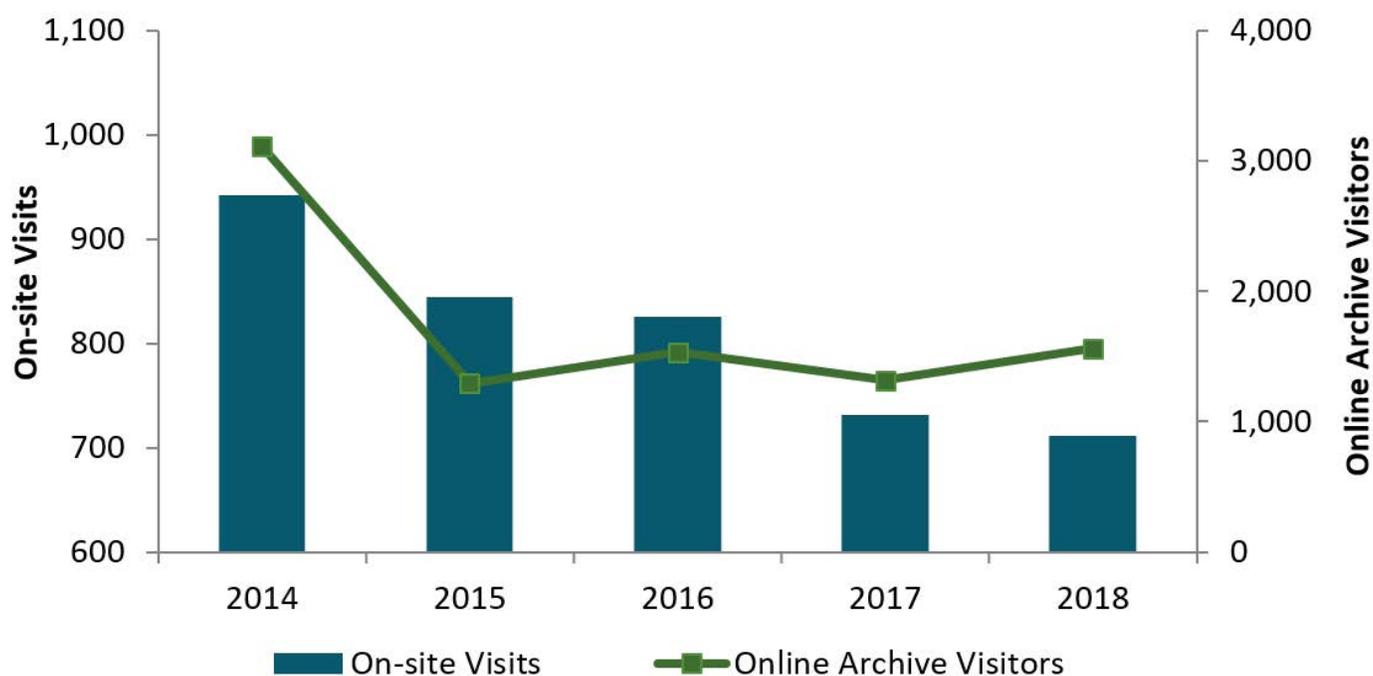
NOTE: Attendance and visitor data have been restated for 2014-2017 due to the introduction of the General Data Protection Regulation (GDPR) in 2018

COMMUNITY SERVICES – ACTIVITY MEASURES

Archives

On-site visits to the Archives held steady, despite 2018 being the first full year of restricted public service hours (17 hours/week and by-appointment at 35 hours/week). Online visitors increased 19% due to upgrades to the interface and enhancements to searching, as well as the inclusion of image permalinks in social media posts. Database page views decreased, possibly due to increased accuracy in search results (i.e., patrons finding what they need faster due to the new search screen). In addition, the award-winning Walter Draycott website (greatwarchronicle.ca) had 8,117 page views. In 2018, 2,765 archival photographs were scanned and a large-format scanning program for maps and drawings was created. Thirty-seven new acquisitions were added to the Archives, including log books of the District of North Vancouver Fire and Rescue Services (DNVFRS); 94 new archival descriptions were added to the database; and 255 revisions were made to existing descriptions.

On-site Visits & Online Activity



NOTE: Attendance and visitor data have been restated for 2014-2017 due to the introduction of the General Data Protection Regulation (GDPR) in 2018

DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

Development and land use planning services involves the creation of long-term, integrated community, land use, environment, and social policy and 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.

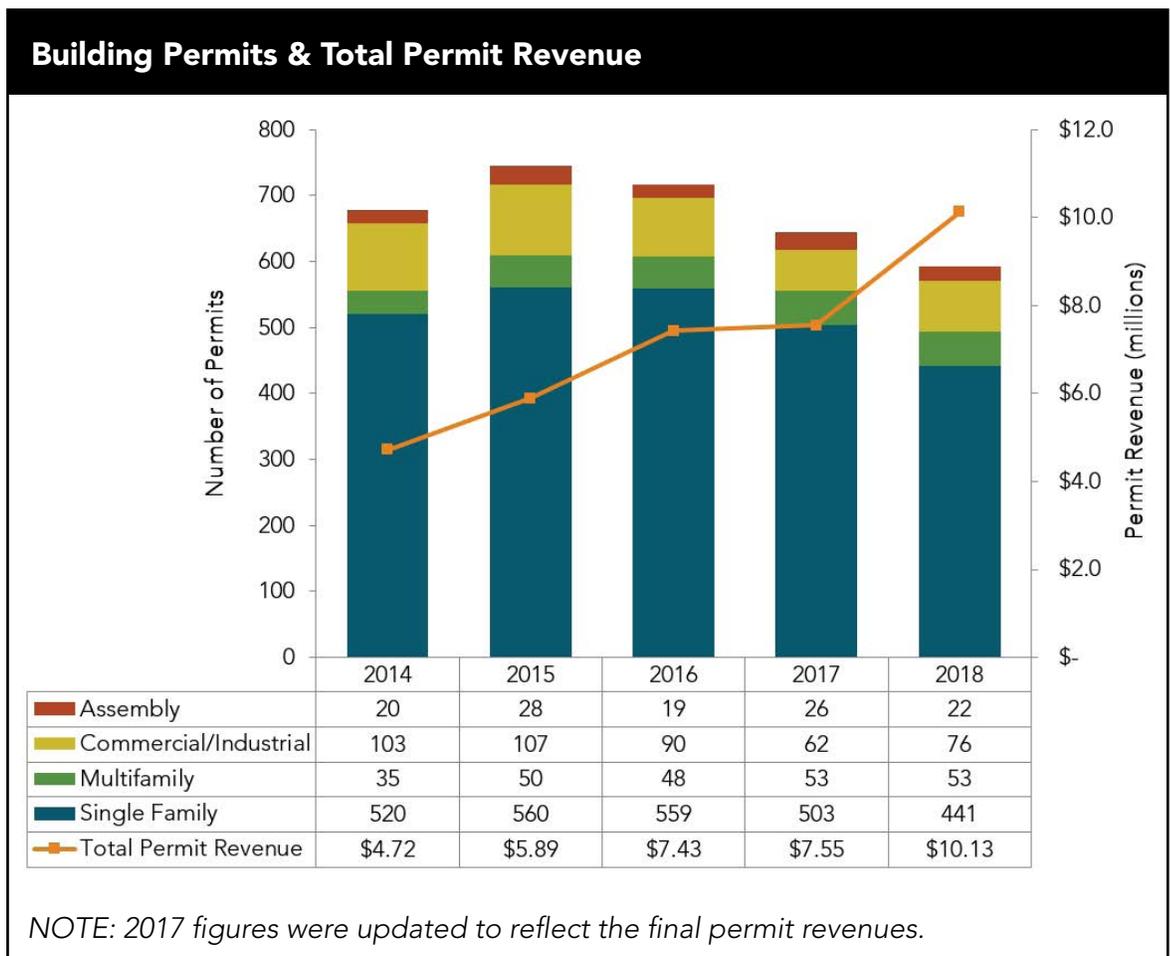
Building Permits

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 are for single family construction.

Over the past five years, the average number of permits issued is 675. The reduction in permits since 2015 is primarily due to the change in single family numbers which coincides with changes in market demand for single family housing.

Despite this reduction, total permit revenues remain strong due to larger scale projects in town centres as the Official Community Plan is realized.

Permit figures relate to new construction and alteration/additions for Single Family, Multi-family, Commercial, Industrial, and Assembly uses.



DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

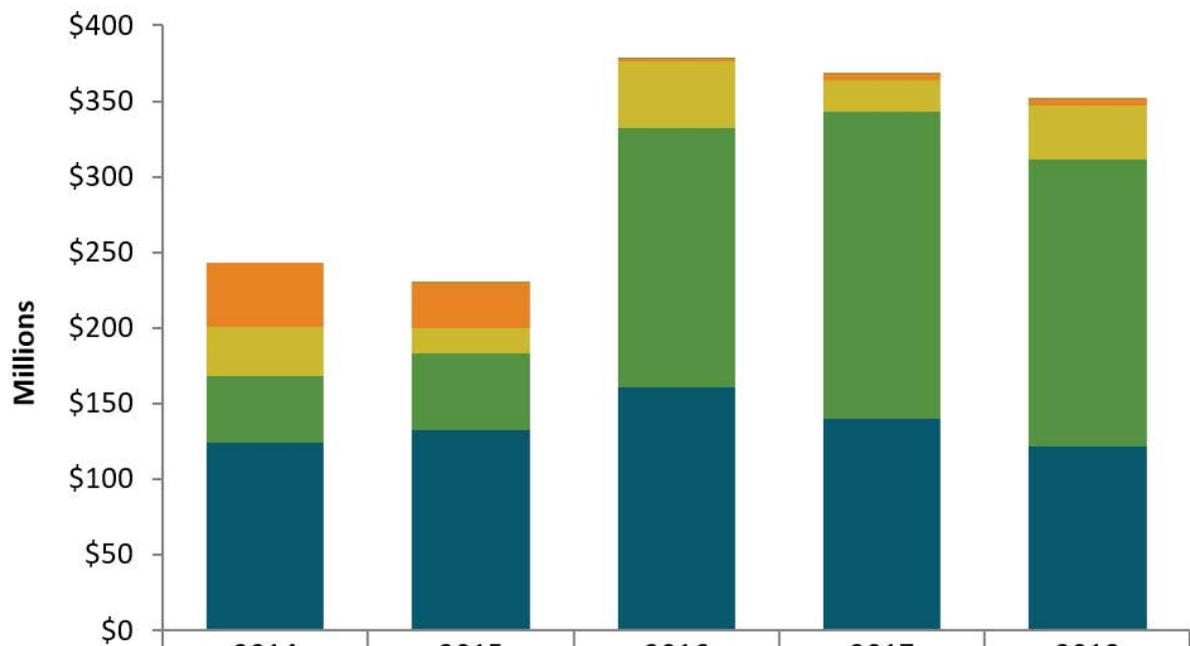
Construction Values

Construction values remained strong in 2018 at \$352 million. Major projects approved for construction included:

- **Bosa Lynn Valley, Phase 2:** mixed use development in Lynn Valley including 244 market residential units, a grocery store, and commercial units.
- **Mountain Court, Phase 2:** 178 market residential units in Lynn Valley.
- **Creekstone Care Centre:** seniors care centre in Lynn Creek, consists of 150 non-market and 30 market rental beds.

Value of Construction 2014-2018

Source: DNV, Permits, Planning & Bylaws

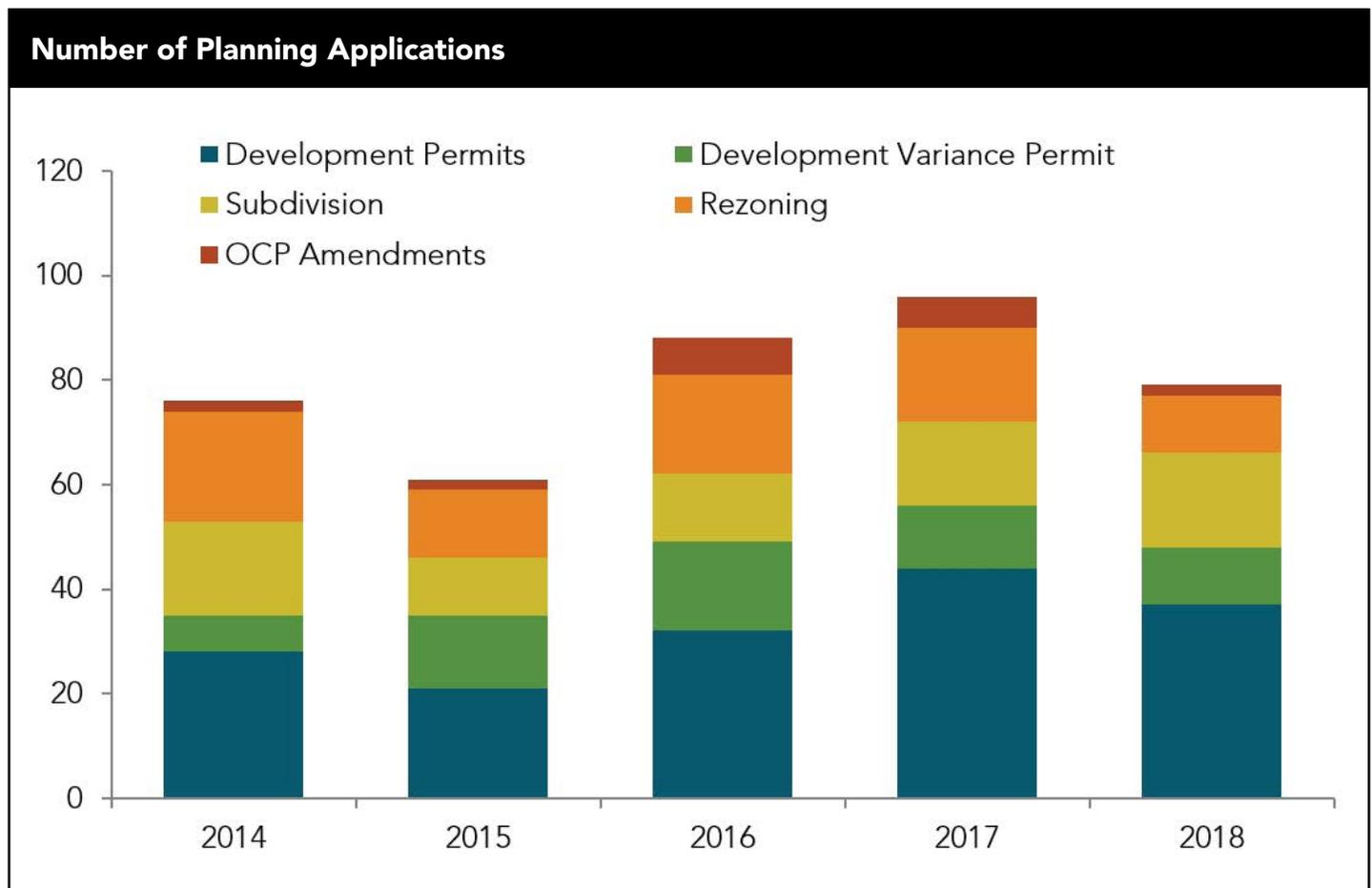


	2014	2015	2016	2017	2018
Assembly	\$42	\$31	\$3	\$5	\$5
Commercial/Industrial	\$33	\$17	\$44	\$21	\$36
Multi Family	\$45	\$50	\$171	\$203	\$189
Single Family	\$124	\$133	\$161	\$140	\$122

DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

Planning Applications

The chart below shows the number of detailed development planning applications received each year for OCP Amendments, Rezoning, Subdivision, Development Variance Permits, and Development Permits. The total planning applications received in 2018 declined after two years of significant growth.

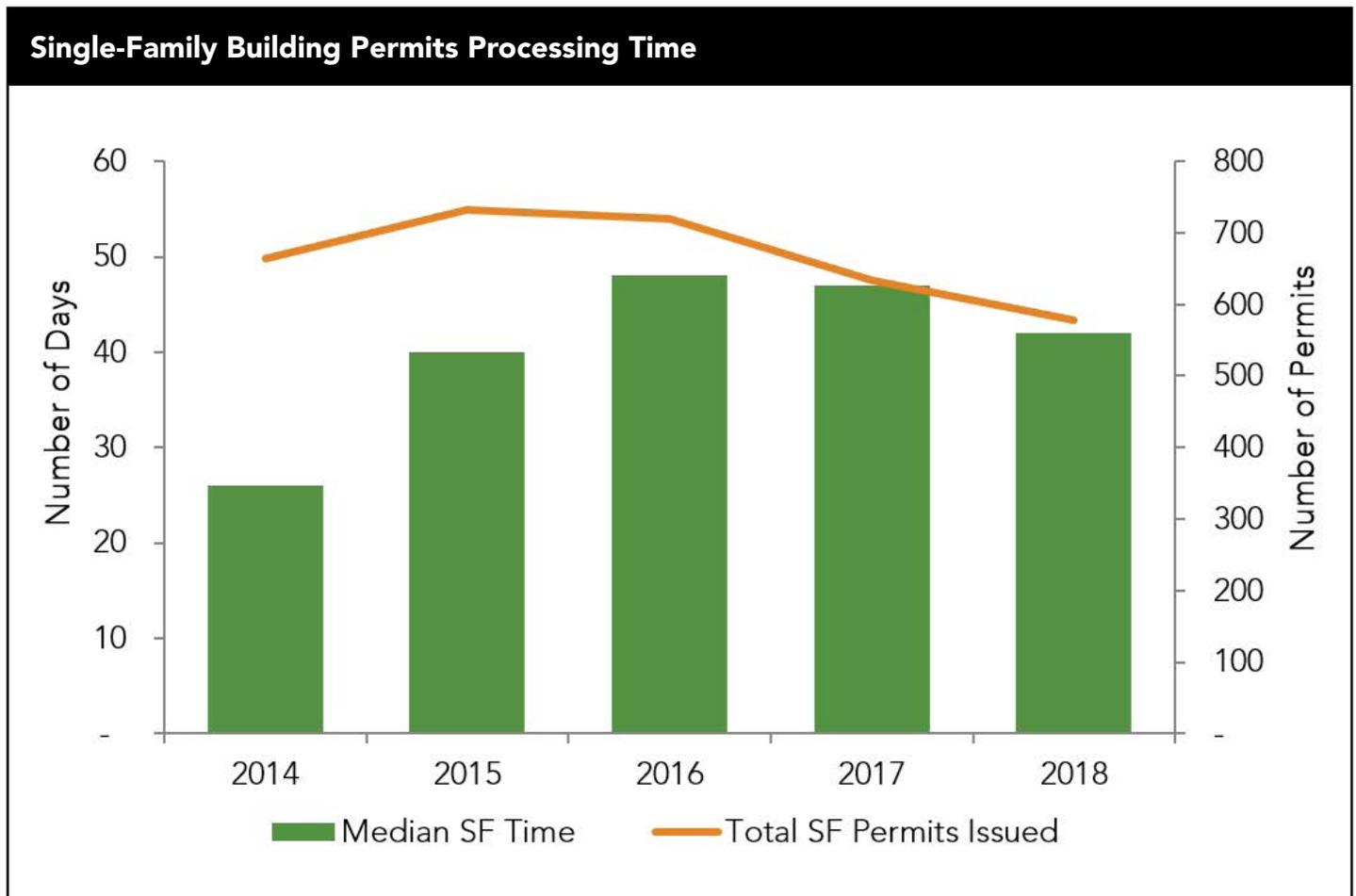


DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

Single-Family Building Permits

The majority of building permits processed and issued by the District relate to single family homes and related structures. The graph below shows the number of single family building permits issued, the median processing times and trends over the last 5 years.

The reduction in median processing times in 2018 from 47 days to 42 days corresponds with a reduction in the number of single family permits issued. This reduction in permit processing time was achieved despite the amount of time invested in implementing substantial business process changes throughout the year. These changes included a new enterprise management system, the new Construction Bylaw, and heightened standards with the Step Code.



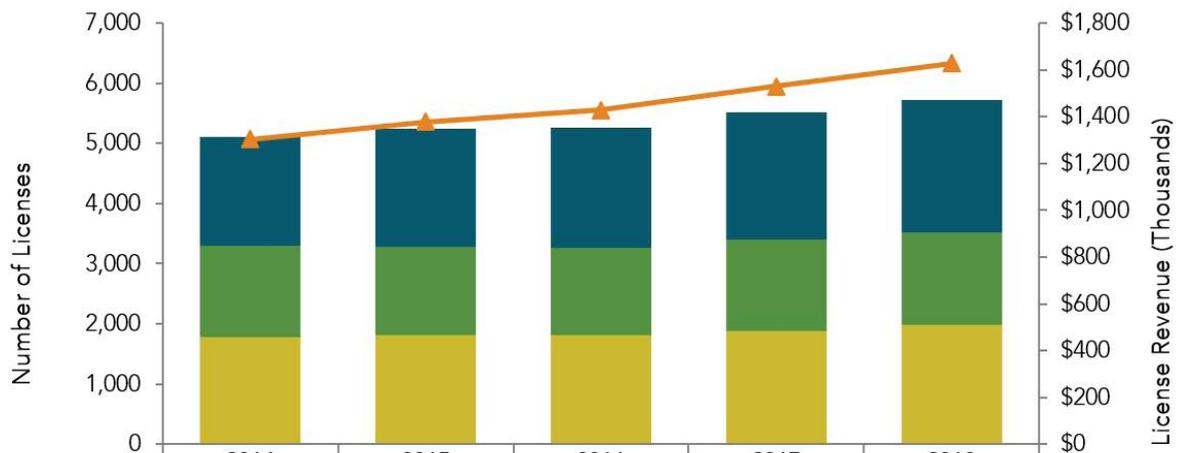
DEVELOPMENT & LAND USE PLANNING – ACTIVITY MEASURES

Business Licenses

There has been an increasing trend in the number of business licenses issued over the past five years due in part to increased tracking and enforcement. In particular, licenses issued to businesses outside of the District grew 5% on average each year. Revenues correspondingly increased on average 6% a year during this period due to the increased volume of licenses issued and an inflationary increase in rates.



Business Licenses



PROTECTIVE SERVICES – PERFORMANCE MEASURE

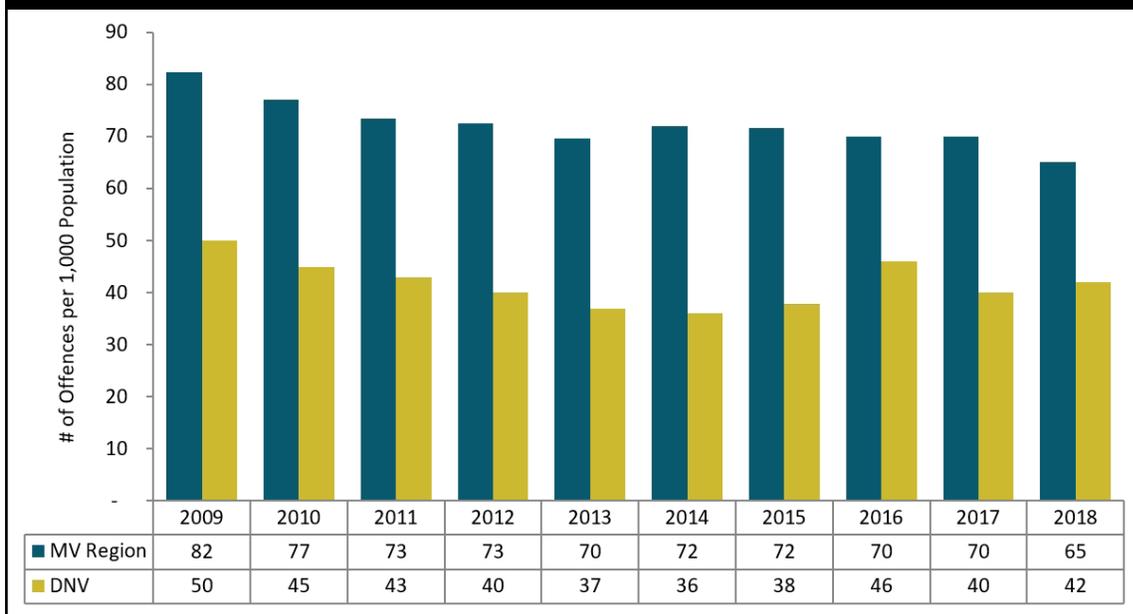
Ensuring the safety and well-being of our community is essential. The range of services provided by the District includes: first responder/emergency medical services, fire prevention education and inspections, general policing duties, and emergency and natural hazards management.

Crime Rate

Crime Rate is defined as the number of offences per 1,000 population. The population figures used 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.

Crime Rate 2009 - 2018

Source: RCMP Strategic Services Section



In 2018, the Crime Rate in the District climbed slightly to 42 offences per 1,000, while the regional rate for Metro Vancouver declined to 65. According to a 2018 survey conducted by Maclean’s*, the District of North Vancouver is one of the safest communities in Canada, ranking 11th out of 229 communities with a Violent Crime Severity Index of 19 (national average is 75.25).

Break and Enters & Automobile Thefts

In 2018, the District experienced decreases in Break and Enters and Auto Theft. Several factors contributed to this reduction in property crime. North Vancouver RCMP continued a tailored patrol response based on recommendations provided by the Detachment Crime Analyst, who produces a bi-weekly bulletin highlighting “hot spot” locations and persons of interest. Criminology research

*<https://www.macleans.ca/canadas-most-dangerous-places/>

PROTECTIVE SERVICES – PERFORMANCE MEASURE

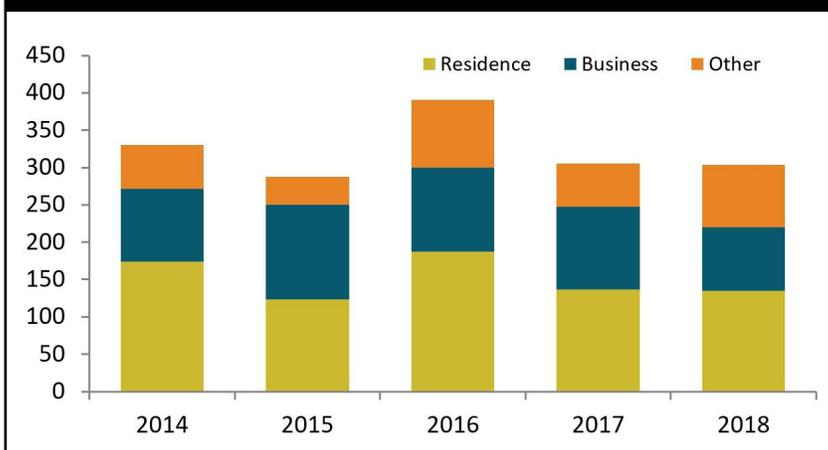
has shown that a relatively small number of offenders are responsible for committing the majority of property-related offences. Using intelligence-led policing to target this small segment of highly active offenders yields the greatest crime preventative benefits for the community.

Another significant Detachment initiative was the creation of the Uniform Crime Reduction Team in 2017. This team is responsible for implementing a prolific and priority offender management program, conducting focused patrols in “hot spots” and transit routes, and undertaking minor drug trafficking investigations.

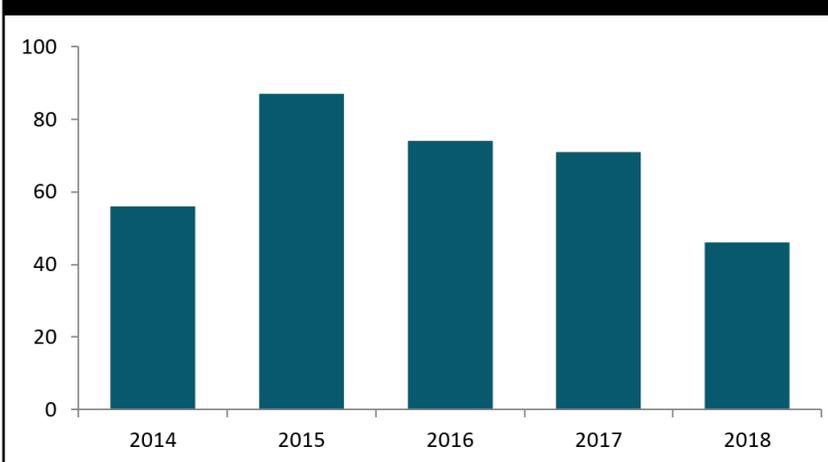
2018 saw a decline in Automobile Thefts within the District, a trend that is consistent throughout the Lower Mainland. The establishment of a multi-jurisdictional offender intelligence-sharing group comprised of Lower Mainland policing agencies has been a significant factor in targeting automobile crime in 2018. Analysts and property crime units now regularly share information about active and known offenders in an effort to address automobile crime at a regional level.

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.

Break & Enters



Automobile Thefts



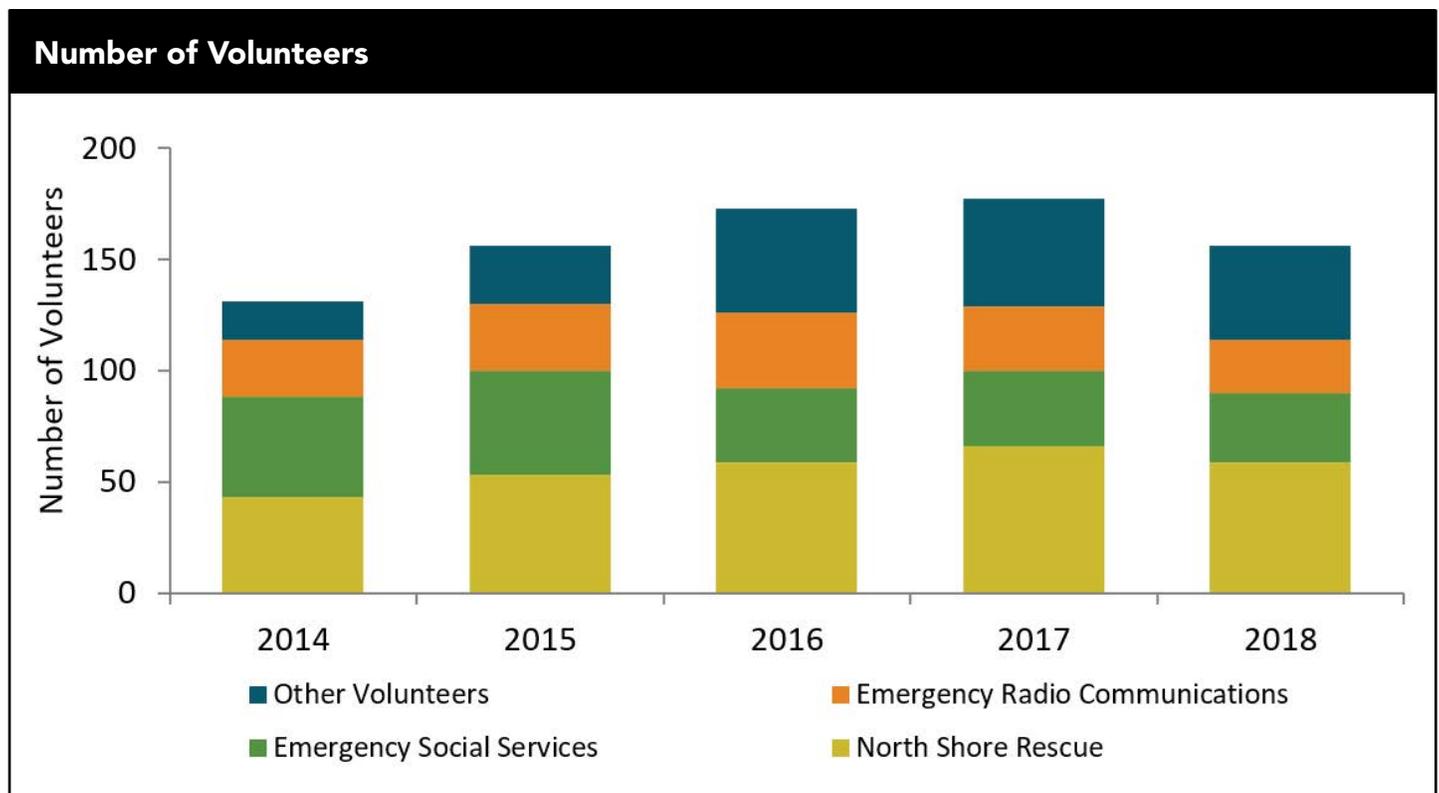
PROTECTIVE SERVICES – PERFORMANCE MEASURE

North Shore Emergency Management

North Shore Emergency Management (NSEM) provides an extensive range of services to ensure that the three North Shore municipalities are resilient and ready to respond to emergencies and disasters.

This work includes facilitating emergency planning for natural and industrial hazards, maintaining an operationally-ready Emergency Operations Centre (EOC), and conducting training and exercises for municipal staff and other stakeholders. NSEM also manages a large team of volunteers and provides education to residents and businesses on emergency preparedness.

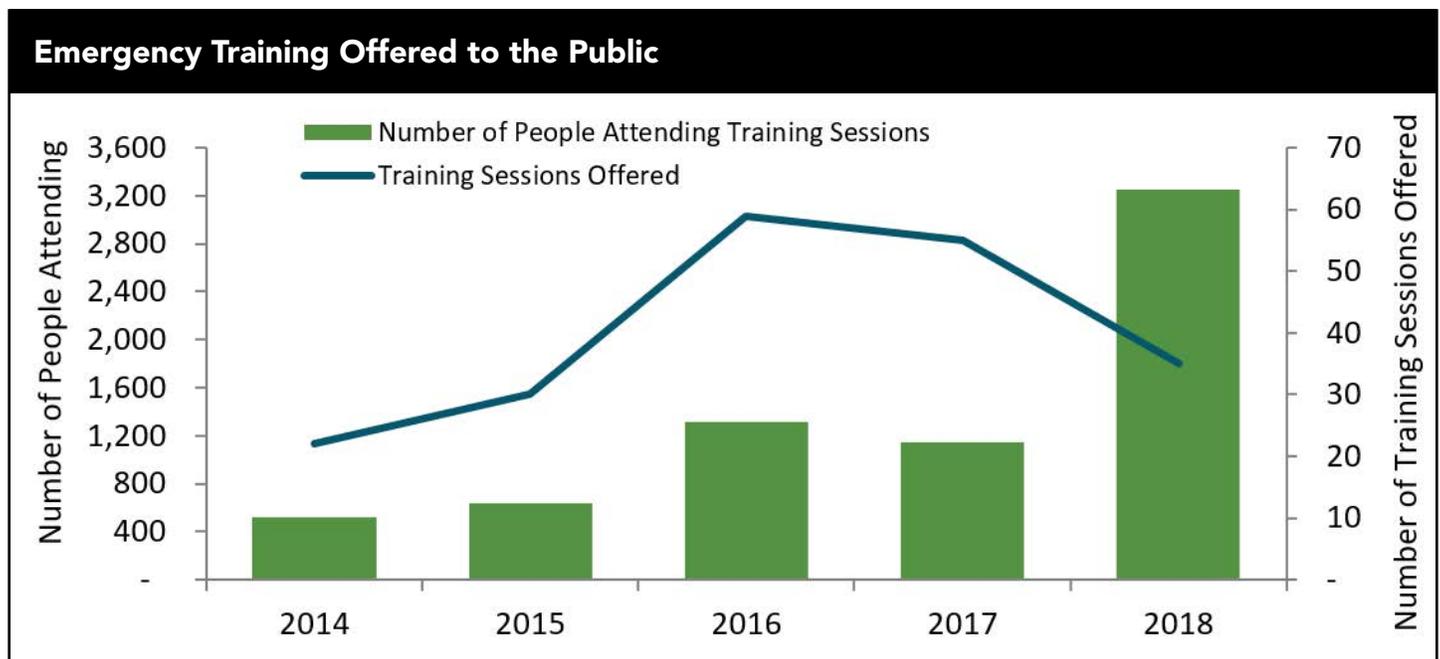
During 2018, NSEM staff and volunteers assisted North Shore residents recovering from four major apartment fires; an urban-wildland interface fire required cooperation from multiple agencies; and a windstorm near Christmas caused widespread power outages.



PROTECTIVE SERVICES – PERFORMANCE MEASURE

Municipal staff and volunteers from all three municipalities participated in Incident Command System, Emergency Operations Center, and Shoreline Cleanup & Assessment training. Reception Center guidelines were developed to aid volunteers receiving displaced residents. An Operational Readiness Strategy was developed with implementation anticipated by 2021.

In 2018, emergency preparedness education was provided to the public at free workshops and community events. By specifically targeting popular community events, NSEM was able to reach a much larger audience than in previous years.



PROTECTIVE SERVICES – PERFORMANCE MEASURE

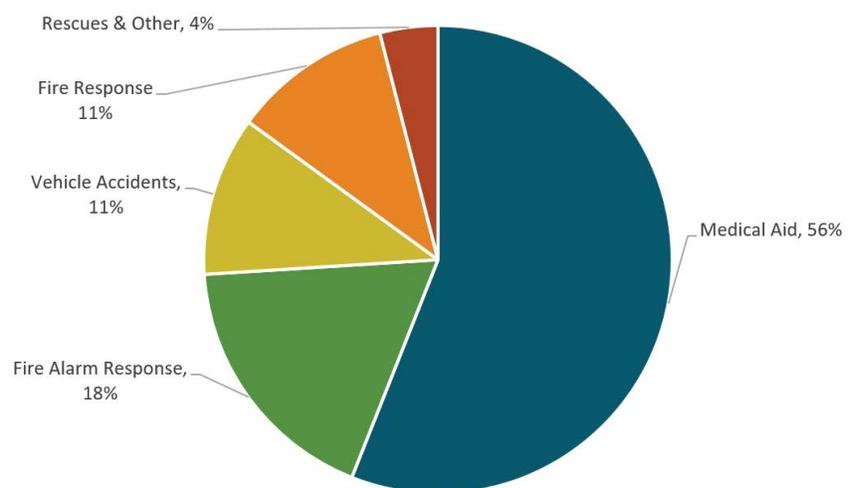
Fire & Rescue Incidents & Responses

The District of North Vancouver Fire & Rescue Services (DNVFRS) is a mission-oriented emergency services agency focused on ensuring the health, safety, and well-being of our citizens.

Each and every day our members provide caring and compassionate service to our citizens and visitors to the North Shore who may be experiencing difficult or trying circumstances. We deliver our services through an integrated approach, encompassing emergency and non-emergency response, fire & life safety outreach, and fire prevention/investigation. Our Fire & Rescue Services maintain a high level of expertise and proficiency in a broad span of disciplines, though most notably in the area of Technical Rescue incorporating both High-Angle Rope Rescue and Swiftwater Rescue.

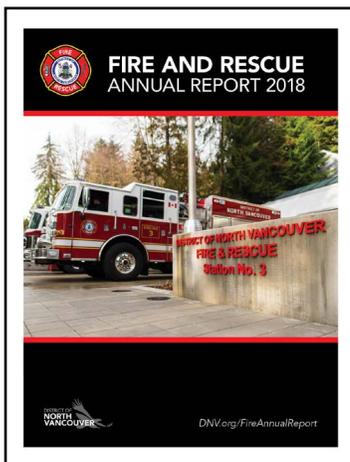
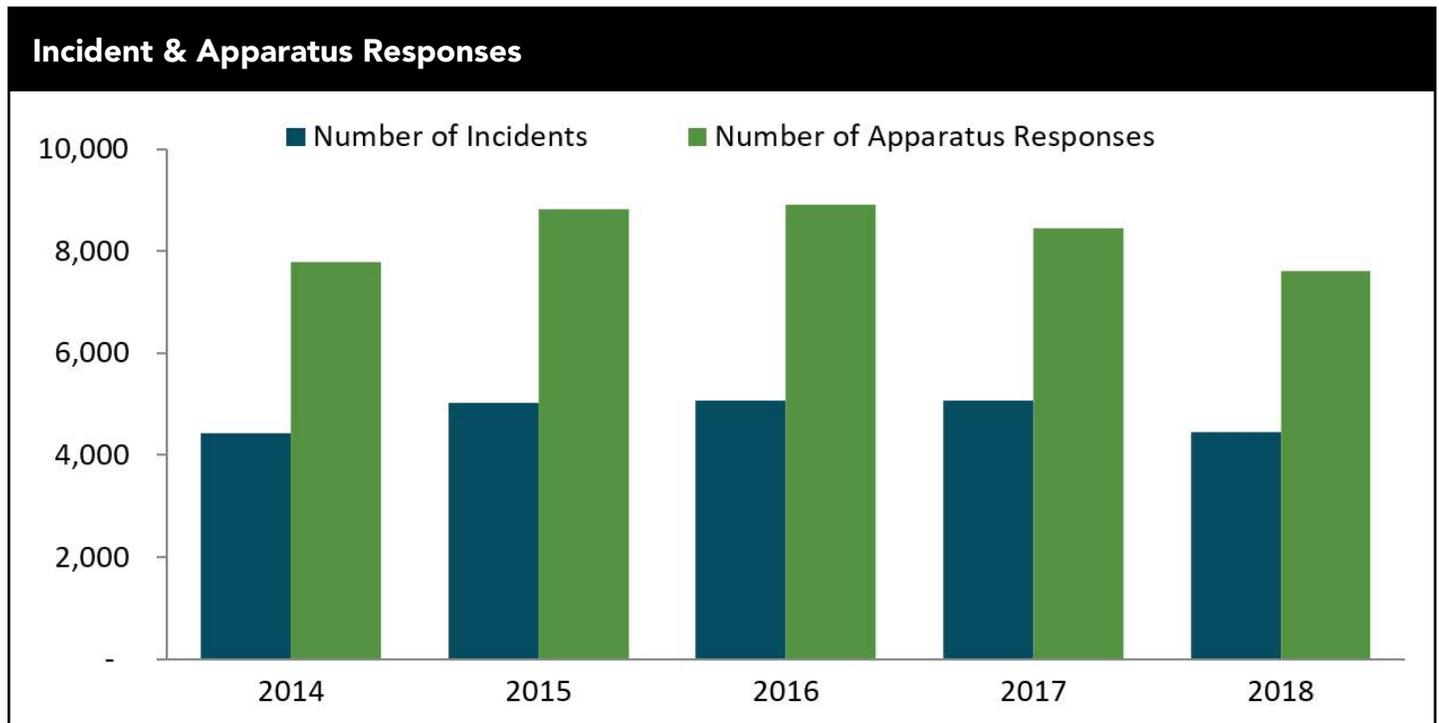


Incident Types



PROTECTIVE SERVICES – PERFORMANCE MEASURE

The apparatus response figures below reflect the number of units assigned to each incident. To ensure appropriate resources respond based on the hazard associated with each incident, we assign multiple pieces of fire apparatus to incidents such as, but not limited to: Residential Fires, Motor Vehicle Accidents, Rescues, and Commercial Fire Alarms.



In 2018, DNVFRS published a dedicated Annual Report to summarize our achievements in 2018 as well as provide additional useful performance measures.

Please visit DNV.org/FireAnnualReport for further information.

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

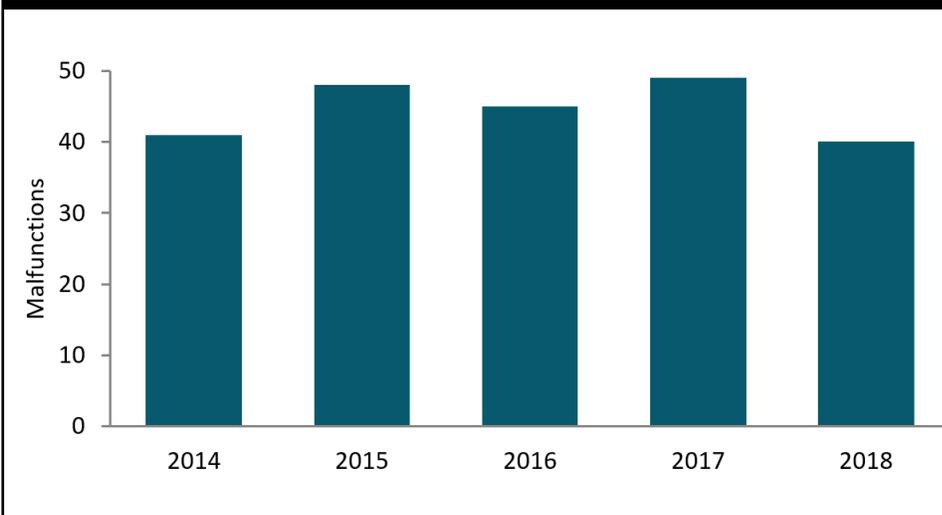
Traffic signals can be affected by poor weather or faulty equipment, both of which create variability in the results and are difficult to forecast. The occurrence of traffic signal malfunctions have leveled off in recent years as many traffic controllers and intersections have been upgraded.

Pedestrian and Cycling Network

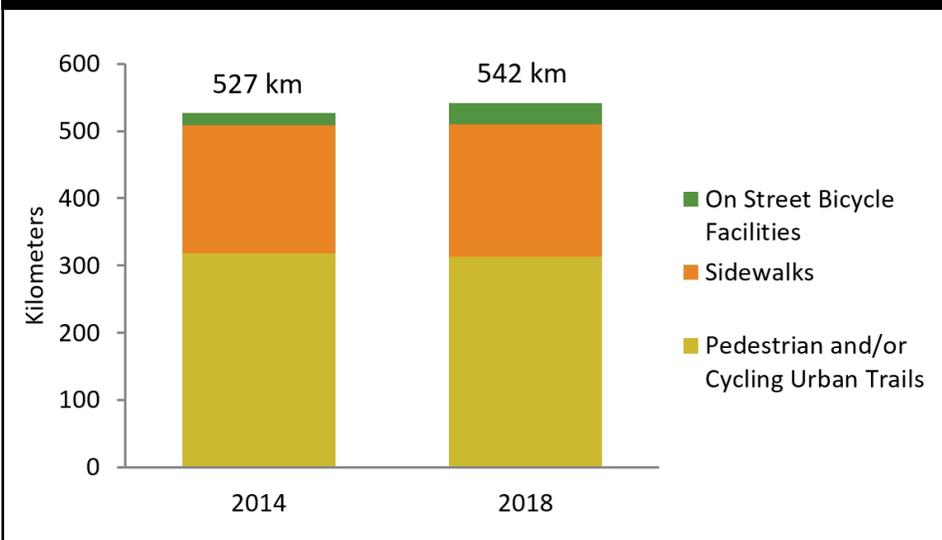
The total pedestrian and cycling network has marginally increased with the District coordinating with other agencies as opportunities arise. The bicycle network continues to be refined as trail surveys and new information is received. As such, prior years' data has been restated.

A number of ongoing mobility improvements are planned and in progress as the District continues to improve conditions for pedestrians and cyclists.

Traffic Signal Malfunctions



Length of Pedestrian & Cycling 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.

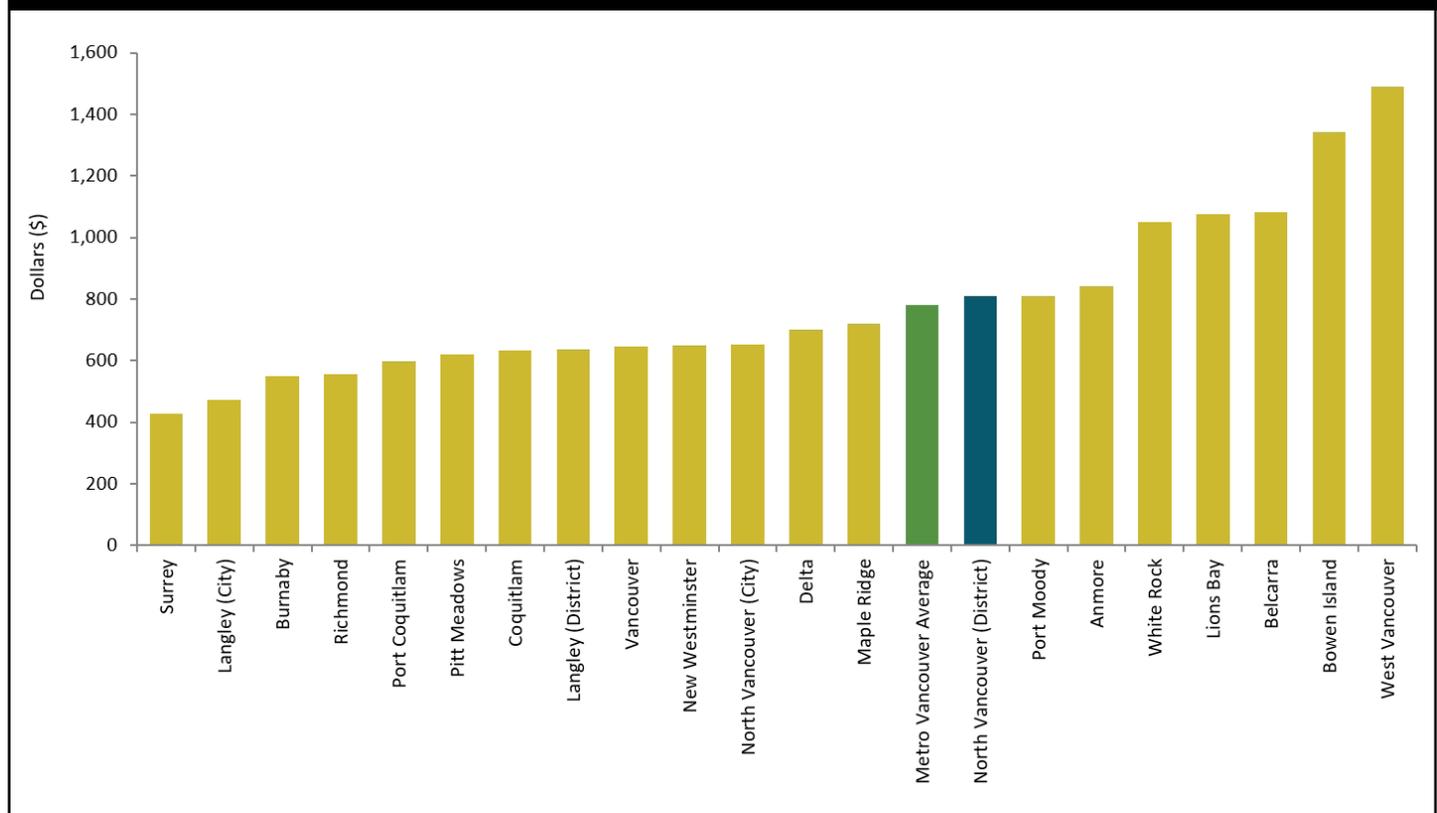
Residential Taxes

This graph compares the 2018 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, size of the business community, revenue policy (e.g. tax distribution and user fees), geography, population growth and density.

2018 Municipal Residential Taxes per Capita

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



2018 Tax Rate benchmarked per \$1,000 Assessed Value

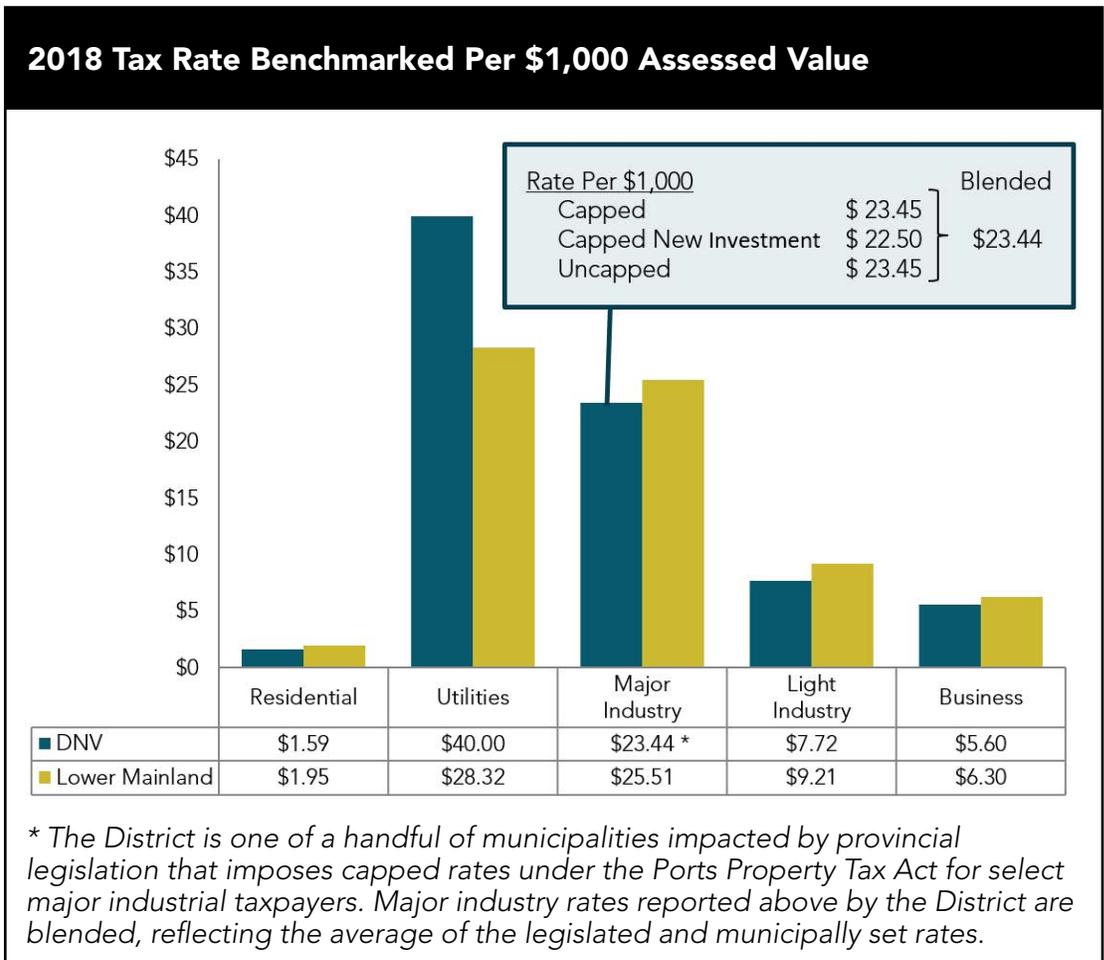
The District’s objective in allocating the tax requirement is to distribute the tax burden between property classes based on the principles of equity, fairness and responsiveness to community goals. Council approved a tax strategy based on rate competitiveness designed to attract and retain its industrial 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.

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 better than the regional averages.

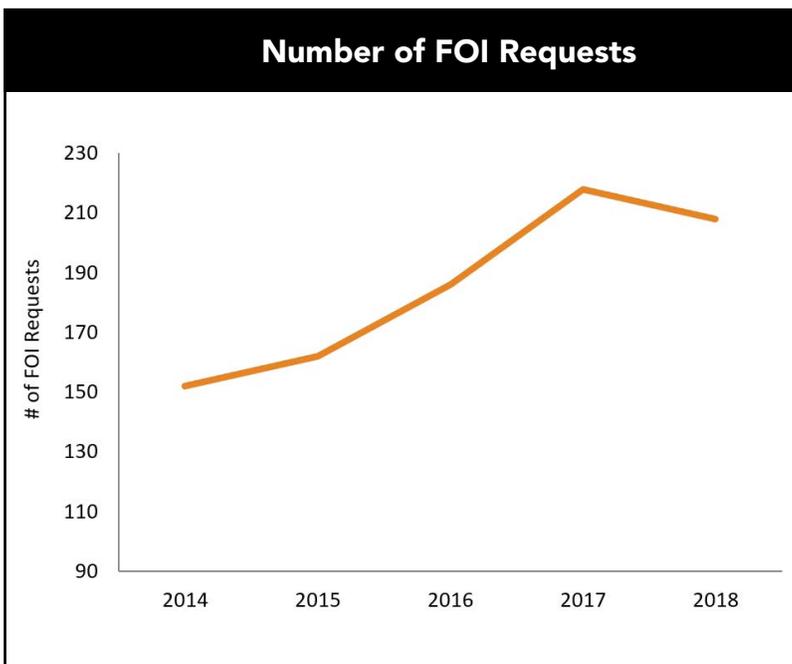
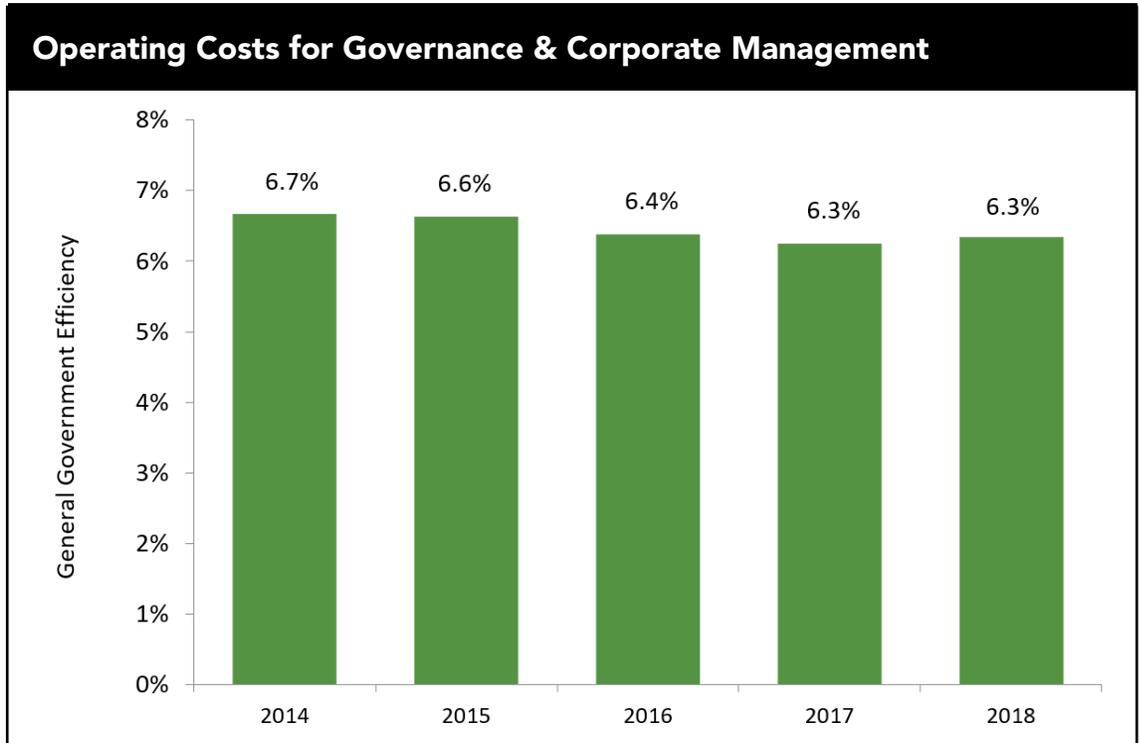
Light Industry tax rates have decreased from \$25.28 in 2009 to \$7.72 per \$1,000 in 2018, while uncapped rates for Major Industry have fallen from \$47.62 in 2009 to \$23.45 per \$1,000 in 2018.

In 2018, the District’s average (blended) rate for Major Industry was \$23.44, compared with a \$30.06 regional average for lower mainland municipalities with heavy industries adjacent to accessible waterways.



Operating Costs for Governance and Corporate Management

The cost of governance and corporate management (GCM) has remained consistent with prior years and in 2018 accounted for 6.3% of the municipal operating budget.



Freedom of Information requests

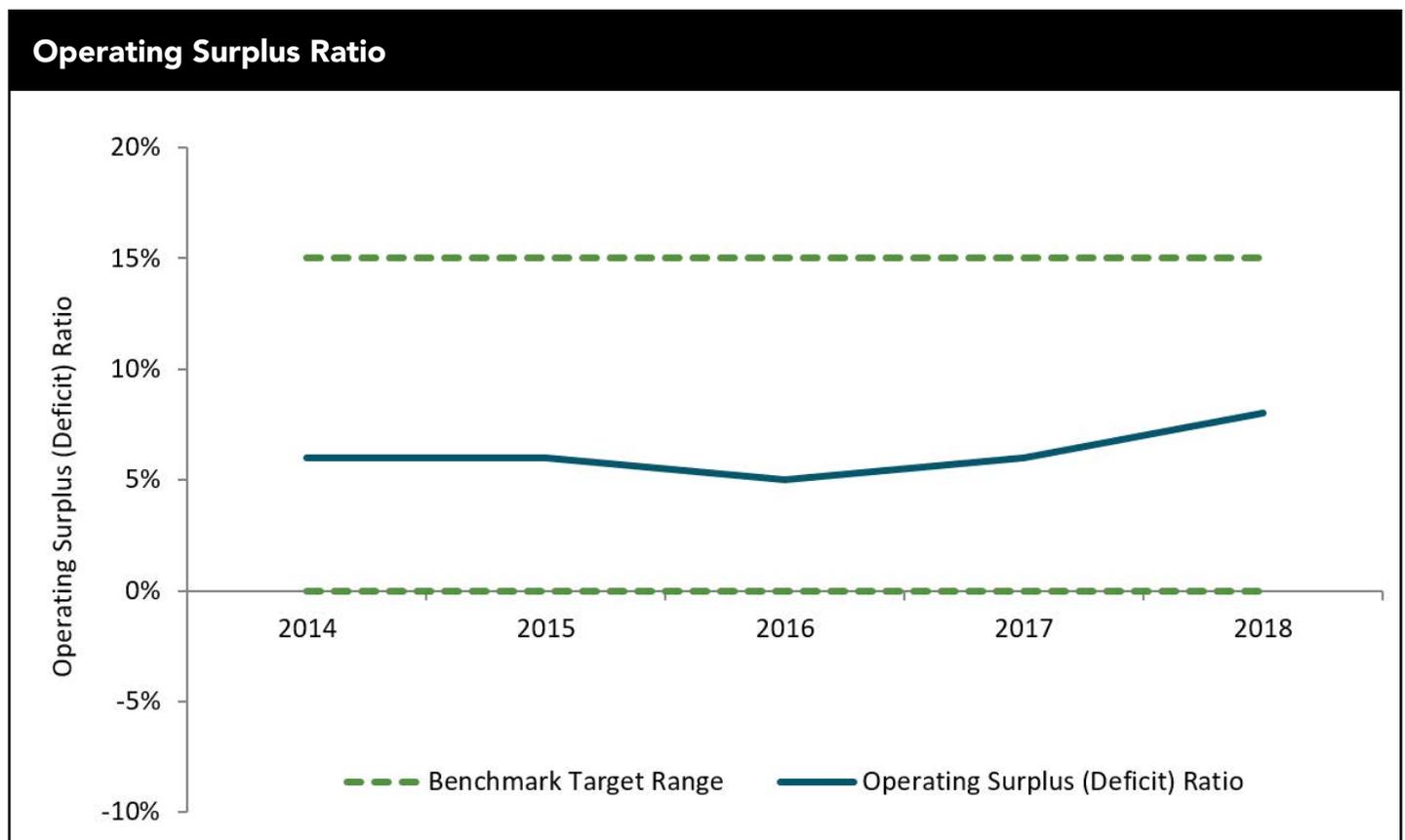
Public awareness and an increase in property development continue to drive the high number of Freedom of Information (FOI) requests.

Asset Sustainability Indicators

Operating Surplus Ratio

When recurring revenues exceed recurring operating expenses, this ratio indicates if there is reasonable flexibility in funding to support the renewal of ageing infrastructure.

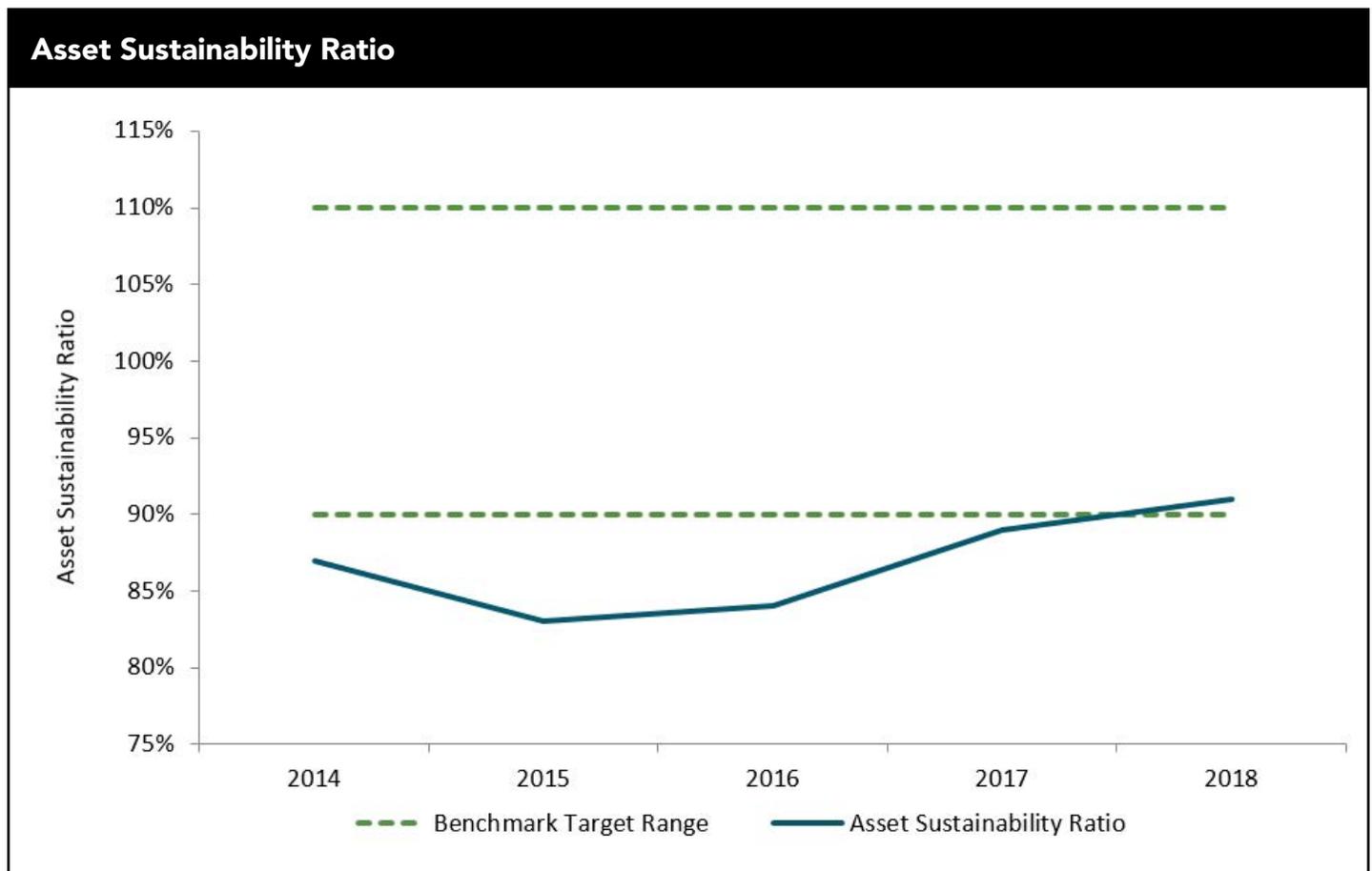
A positive operating surplus ratio is a strong indicator of long-term financial sustainability. The District aims for a small surplus each year in order to achieve a ratio that falls within the benchmark target range of 0% and 15%. This target has been met since 2013, averaging 6% over the past 5 years. For 2018, the operating surplus ratio is 8% of operating expenses.



Asset Sustainability Ratio

This ratio assists in measuring progress on the renewal of ageing infrastructure. It expresses actual net capital expenditures on renewal and replacement of existing assets as a percentage of optimal levels calculated in the District's Asset Management Plans. The District's minimum target is 90%.

In 2018, the asset management ratio reached 91% and represents the first year the ratio has exceeded 90% and now falls within the benchmark target range. The asset sustainability ratio for the water utility specifically has exceeded the minimum target since 2013 primarily due to a Council-directed program requiring accelerated replacement of asbestos water mains.



Employee Turn-over

The period 2015-2018 showed an increase in the number of retirements from the organization over previous years. However, the District experienced a decrease in attrition in 2018, with fewer people exiting the organization. As Boomers age out of the work force, we can expect this attrition to continue. As the competition for talent in the external labour market increases, we continue to expect District employees to be potential recruits for private industry and other public sector employers.

The District was selected as one of BC's Top Employers in 2018. Key strategies to attract and retain staff continue to be a top priority, including being designated as an employer of choice on the North Shore.

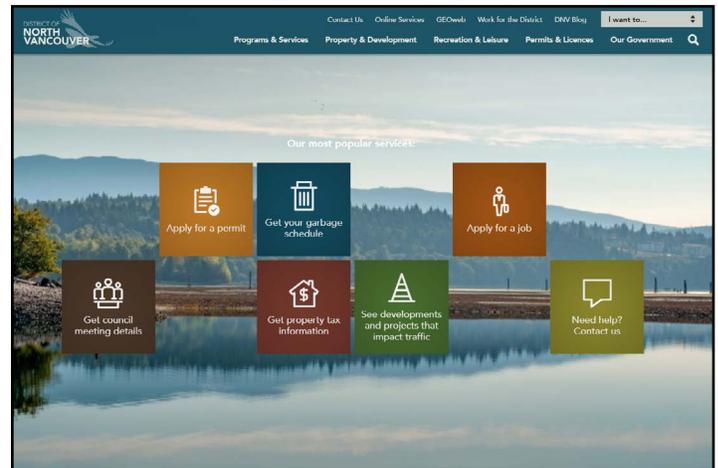
While our turnover rate appears to be below the industry average, we remain challenged by commuting distances, traffic congestion and the cost of real estate on the North Shore. Employees cited commuting, opportunities closer to home, promotions, private sector salaries, retirement, and personal and family reasons for exiting the organization.



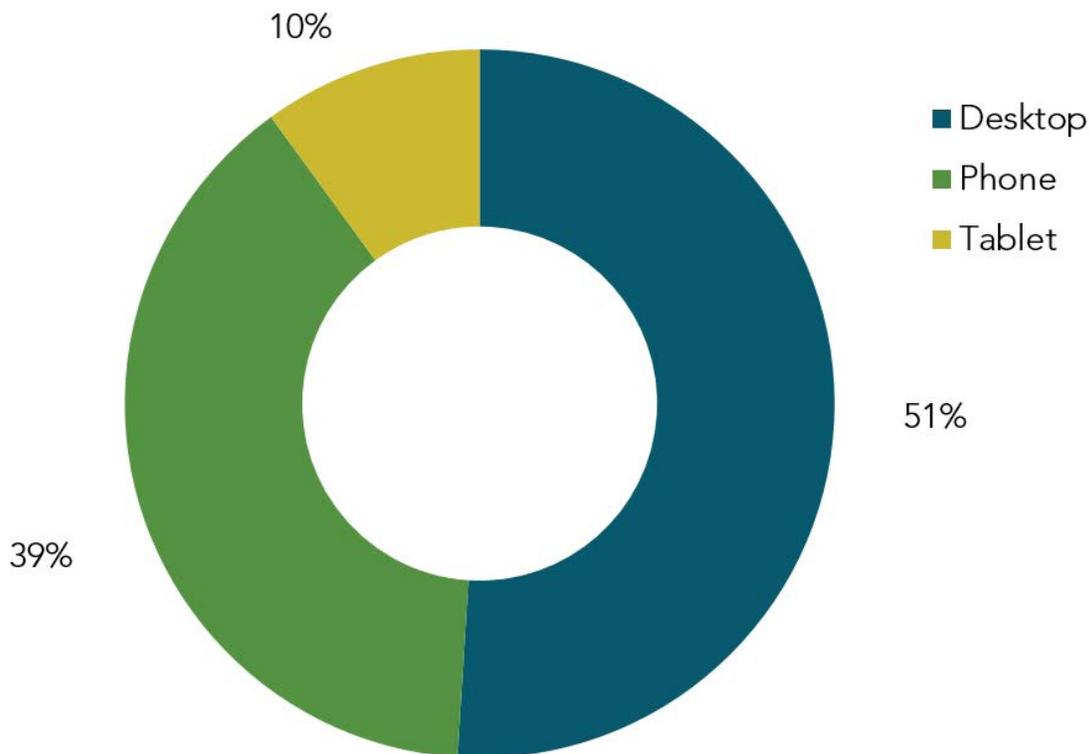
GOVERNANCE & CORPORATE MANAGEMENT – PERFORMANCE MEASURES

Website Visits

Visits to **DNV.org** by mobile device continued to climb, with 49% of all visits in 2018 coming from either a smartphone or tablet (compared to 46% in 2017). Since our new mobile-friendly site launched in 2016, visits by mobile devices have increased steadily. We anticipate that mobile usage will exceed desktop usage by 2019, as we continue our efforts to make the information and services we provide through **DNV.org** accessible to anyone, from anywhere, at any time.



Website Usage by Device Type



Reserve and Surplus Funds

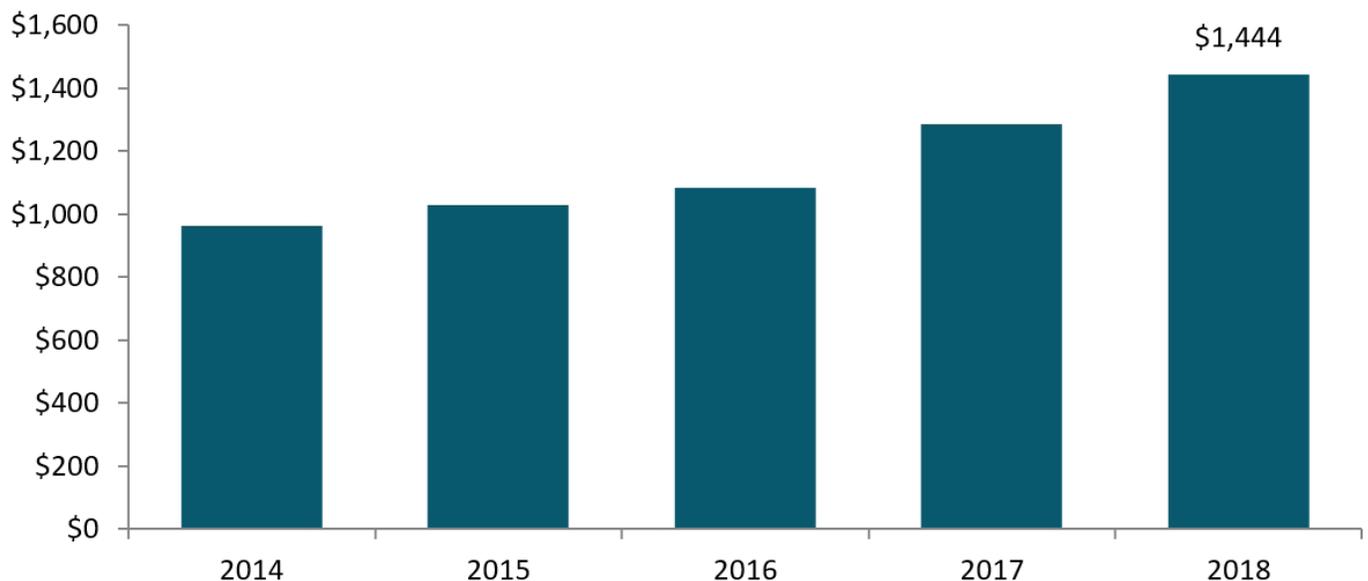
Reserves are a critical element in providing long term sustainable service delivery, steady state replacement of existing infrastructure and risk mitigation.

Over the past five years, reserve funds have trended upwards totalling \$131 million in 2018. This trend is anticipated to change in the near term as major capital projects place pressure on reserve fund balances over the next five years.

Fund balances vary depending upon the timing of the District's capital and operational requirements and risk 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 funds on a per capita basis have grown to \$1,444 in 2018 and reflects a 12% increase over the prior year. Higher reserve fund balances along with population levels contribute to this increase.

Reserve & Surplus Funds per Capita 2014-2018

Source: Audited Financial Statements and BC Statistics



NOTE: Per capita amounts have been restated for 2014-2017 due to updated population estimates from BC Statistics

Return on Investments

Market conditions over the past 5 years have not been conducive to strong rates of return. In 2018, however, the District earned a higher average rate of return of 2.35% on its investments as interest rates climbed during the year.

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.

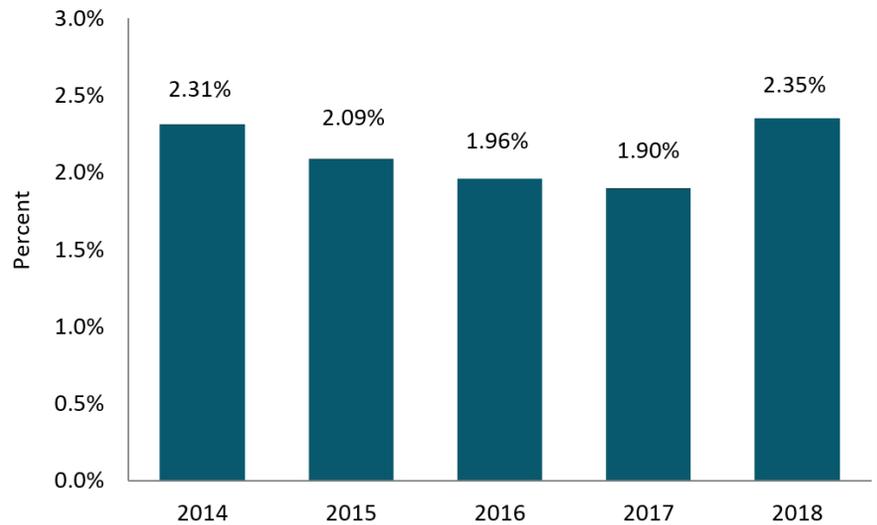
Leases and Licences

The District enters into both lease and licence agreements with third parties to allow either exclusive possession and/or use of a District asset for a specific period in exchange for payments.

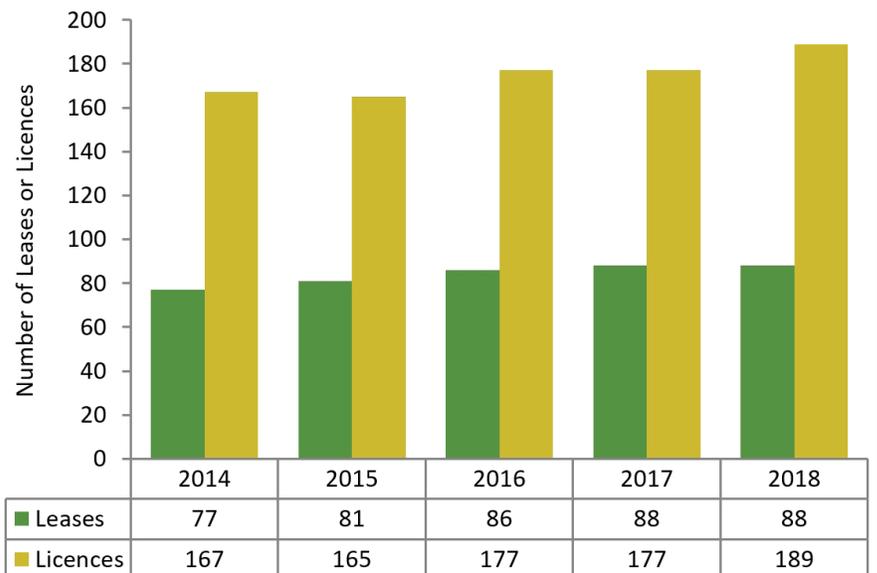
The lease agreement creates an interest in land whereas a licence only grants a contractual right and can generally be terminated on short-term notice.

Leases and licences remained strong in 2018 with a number of new short-term licences for awning encroachments, presentation centres and temporary rentals.

Average Rate of Return on Investments



Leases & Licences Administered



UTILITY SERVICES, WATER – PERFORMANCE MEASURE

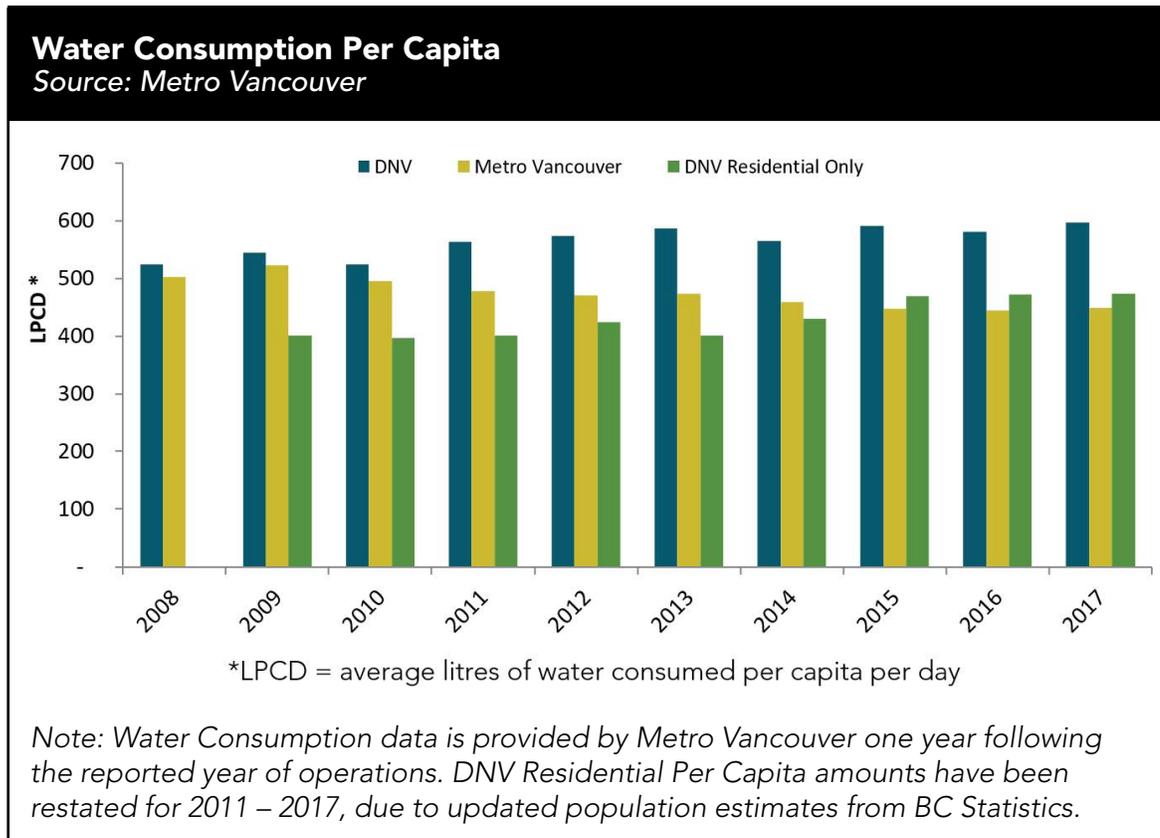
The provision of water services contributes to District residents’ health and well-being by providing a safe, adequate, and trouble-free supply of potable water. The District manages, maintains, and upgrades its network of pipes, pump stations and connections to supply water to its residents from the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

Water Consumption

This graph compares the District’s water consumption to that of Metro Vancouver as a whole. It is based upon data from the Greater Vancouver Water District for total water consumption by all users, including commercial users. In 2017, residential consumption marginally increased over 2016 primarily in response to warm temperatures and dry weather, partially mitigated by water conservation efforts in place. The District’s relatively large proportion of single-family residential customers creates a use pattern that heavily influences residential water use.

The District’s Water Conservation Program continued into its 11th year with an emphasis on public education. Under Metro Vancouver’s new 2018 Water Conservation Plan, water restrictions now take

effect earlier on May 1st of each year, versus May 15th in 2017 and 2016, which in turn was 2 weeks earlier than in 2015. The chart above shows an increase in the District’s water consumption over the past decade, however total water consumption



UTILITY SERVICES, WATER – PERFORMANCE MEASURE

was under-reported prior to 2011 due to faulty meters in high-use areas. Once rectified, a “rise” in water consumption was subsequently noted. Additional measures to develop our proactive leak detection system and a leak repair protocol helped to minimize water loss from the system.

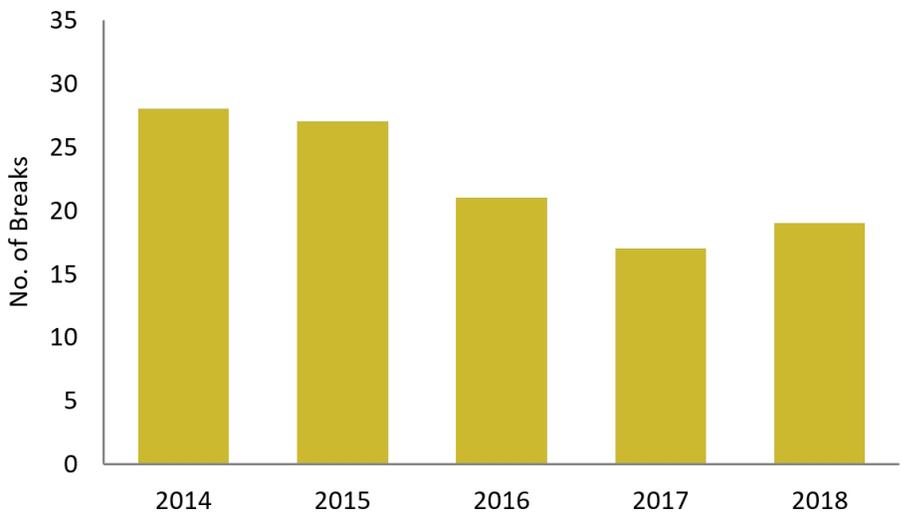
The District continues to refine its monitoring process for water consumption by user, time of year, and other considerations.

Watermain Breaks

A proactive accelerated replacement strategy was implemented in the mid-1990s. Yearly fluctuations in the number of water main breaks are due largely to seasonal weather variations and operational fluctuations. In 2018 there were 19 water main breaks in the District, below the 5-year annual average of 22. Water main breaks continue to heavily influence annual water main replacement selection and priority.



Watermain Breaks



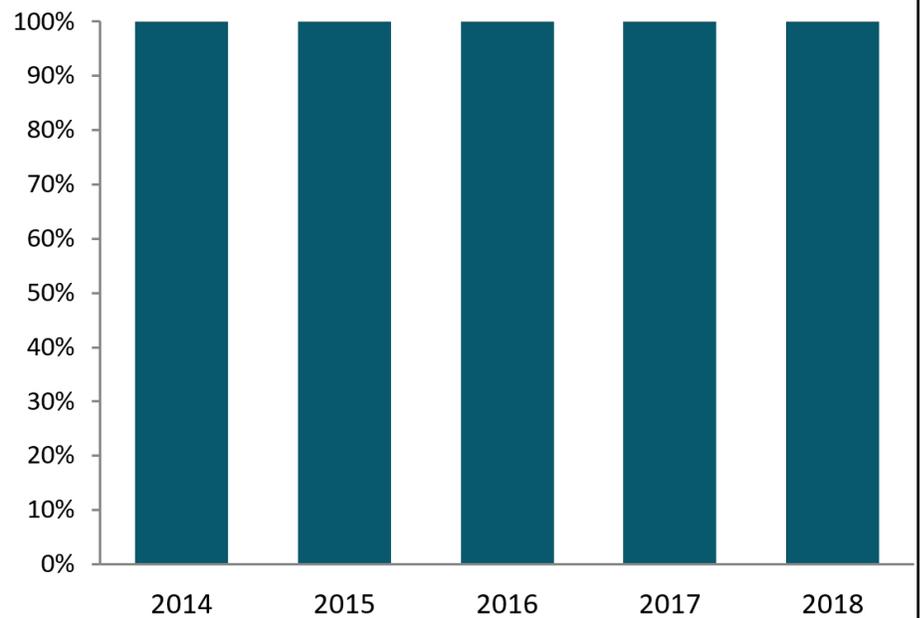
UTILITY SERVICES, WATER – PERFORMANCE MEASURE

Water Quality

Water quality in the District continues to be exceptional. One hundred percent of water samples in 2018 met bacteriological and aesthetic standards, continuing an unbroken trend since 2009. We received one hundred percent of our water from the Seymour Capilano Filtration Plant. The water quality sampling program included over 1,200 samples taken from 39 stations strategically distributed across the District to represent all areas of the system. Our 'Drinking Water Annual Report' is submitted annually to Vancouver Coastal Health and available to the public on the DNV website at [DNV.org/drinking-water-quality](https://www.dnv.org/drinking-water-quality).



Percentage of Water Quality Samples Meeting Bacteriological Standards

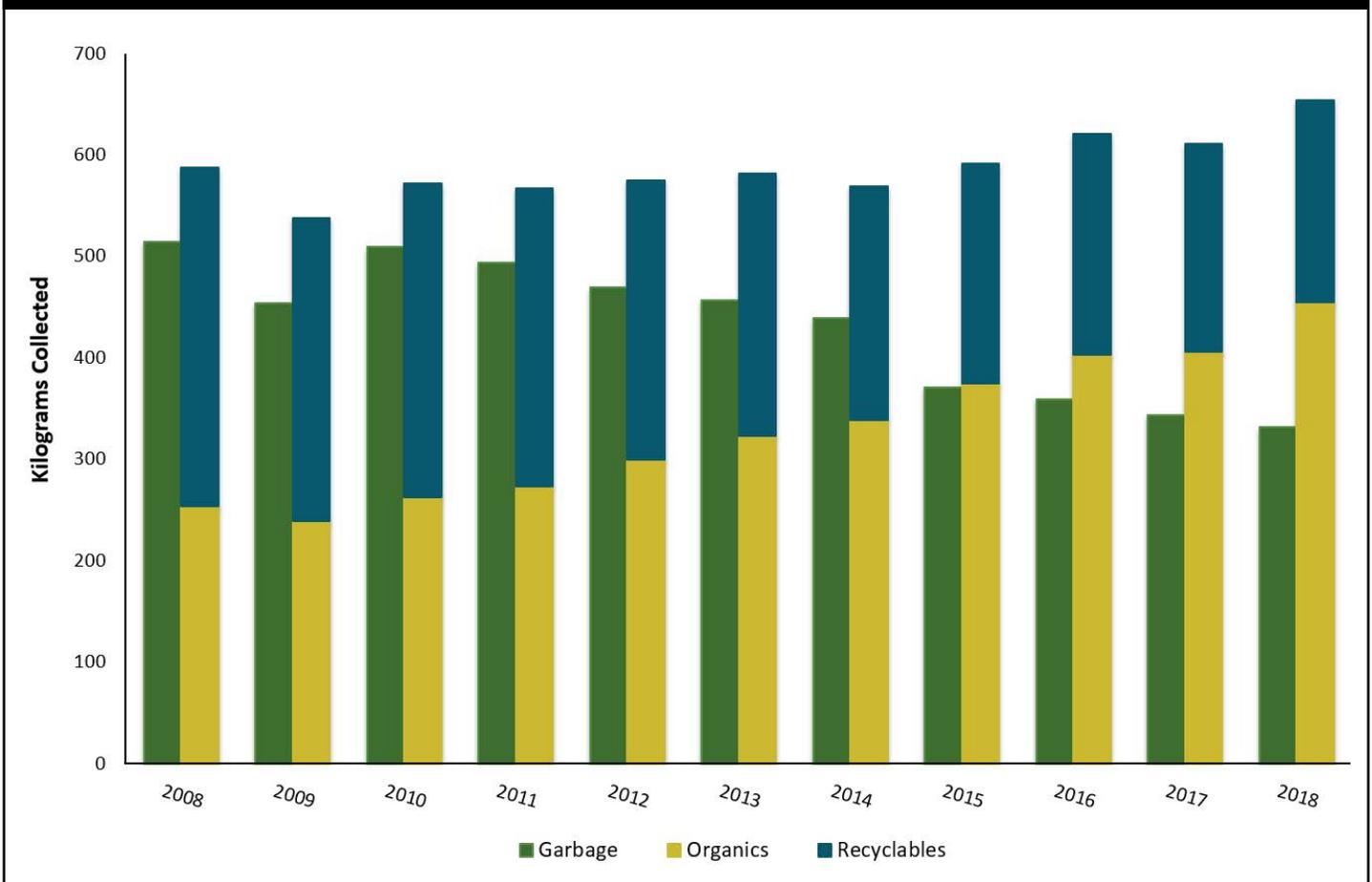


RECYCLING & SOLID WASTE – PERFORMANCE MEASURE

Recycling and solid waste services include the collection, processing, and disposal of household waste for both residential and commercial customers. The District also provides organics (food and yard waste) collection for residents. The municipality recognizes that residents value waste diversion initiatives in their community and will continue to develop programs which reduce garbage and promote recycling within the District. There is also a general push towards Zero Waste with manufacturers reducing packaging and residents becoming more aware of what they purchase with the intention of minimizing waste.



Garbage, Organics, & Recyclables Collected per single family residence

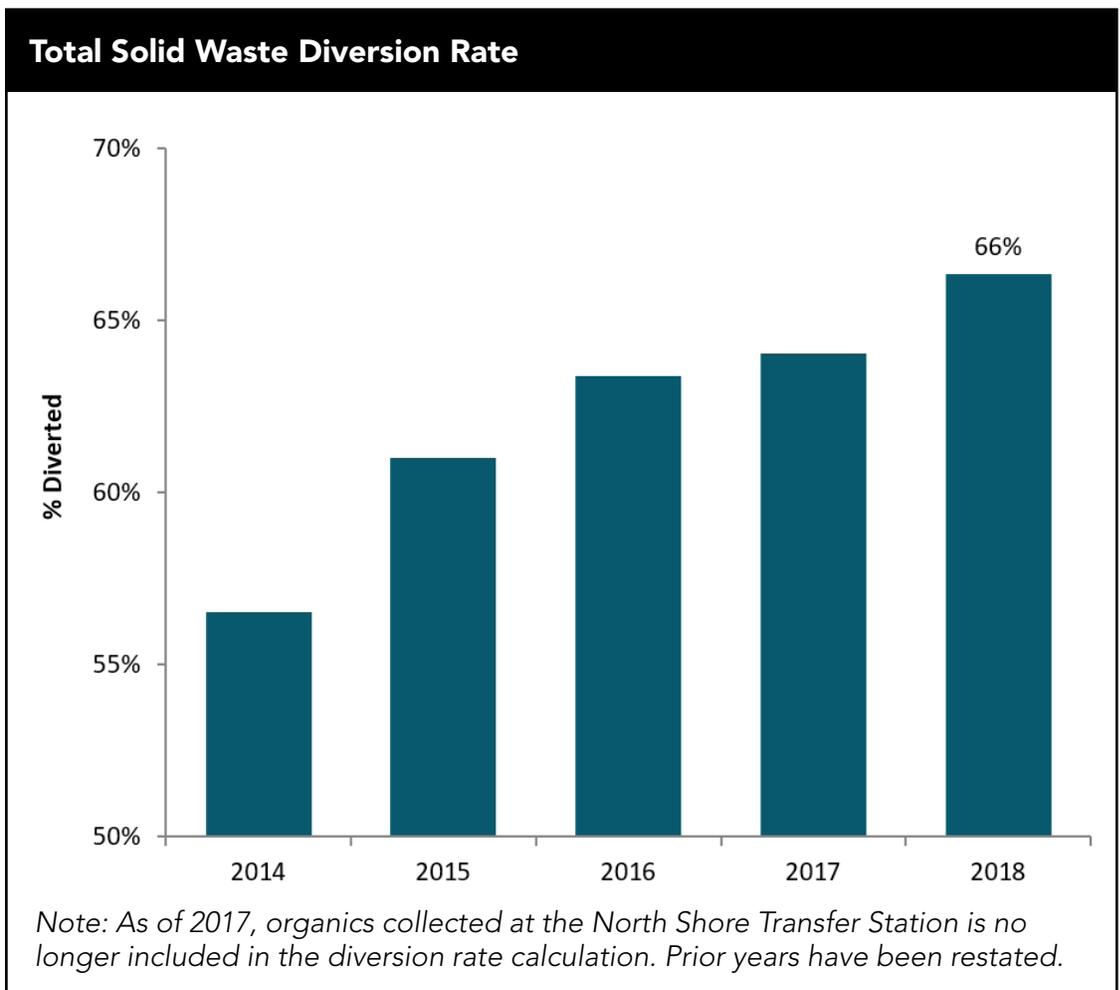


RECYCLING & SOLID WASTE – PERFORMANCE MEASURE

The District diverted 66% of curbside recyclable and compostable material from the municipal garbage stream in 2018. In addition, approximately 692 tonnes of recyclables were collected through the multi-family blue cart program. The District's overall goal is to divert 80% of waste away from landfill by 2020 which aligns with Metro Vancouver's regional diversion target.

In 2018, approximately 7,100 tonnes of garbage (332 kgs per single family residence) was collected representing a reduction of 3.2% or 233 tonnes over the prior year. In addition, approximately 9,800 tonnes of organics (455 kgs per single family residence) was collected in 2018 and reflects a 12.3% or 1,074 tonne increase from 2017.

In 2019, the District will continue to focus on waste in public spaces following the success of the pilot for compacting waste containers (which utilize smart technology to increase waste collection efficiency). The next phase of the pilot will involve the trial of public space recycling containers. During the recycling pilot, different types of multi-stream containers will be tested in order to divert waste in municipal public spaces while limiting contamination in each recycling stream.



DIVISIONAL AREAS OF RESPONSIBILITY

Executive Services

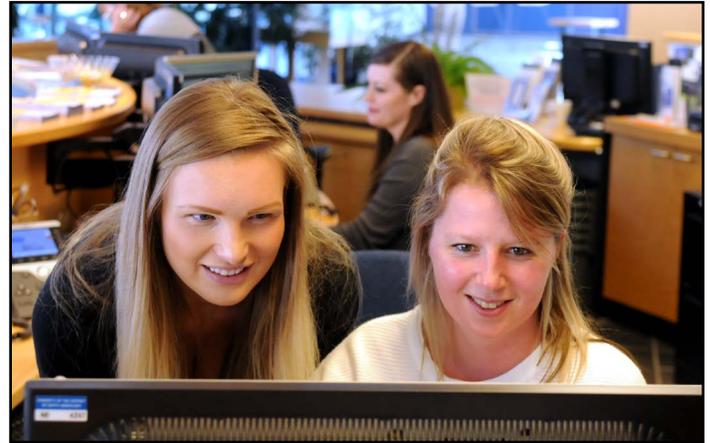
Executive Services includes the Chief Administrative Officer, Mayor, and Council, who define strategic directions and priorities that support the District's vision of a sustainable future. Service areas include strategic planning, leadership, human resources and overall corporate governance to ensure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

DIVISIONAL AREAS OF RESPONSIBILITY

Engineering, Parks and Facilities

Engineering, Parks and Facilities consists of several distinct service groups including: Parks, Utilities, Public Works, Engineering Services, Project Delivery Services and Northlands Golf.

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 is comprised of these groups:

- Community Planning is responsible for long range, integrated community planning, as well as heritage and social planning functions
- Development Planning and Engineering is responsible for the review of a variety of land use applications including OCP amendments, rezonings, subdivisions, development permits and development variance permits and ensures comprehensive assessment of development, including engineering, transportation, planning and regulatory considerations
- Environmental Services is responsible for both regulatory and proactive environmental planning functions to protect and enhance the natural assets of the District
- 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
- Permits and Licences is responsible for inspection and compliance monitoring for the demolition, construction, alteration, and addition of buildings and structures

DIVISIONAL AREAS OF RESPONSIBILITY

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.



DIVISIONAL AREAS OF RESPONSIBILITY

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. 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.



NSEM staff and volunteers stocking the pilot container at DNV Firehall #4

FEEDBACK

The District believes in continuous improvement and your comments are appreciated.

You can reach us at:



annualreportfeedback@dnv.org



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Annual Report 2018

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