

AGENDA INFORMATION☐ Regular Meeting

Date: _____

☒ Other: Special

Date: February 17, 2026



 Dept.
Manager



 GM/
Director



 CAO

The District of North Vancouver REPORT TO COUNCIL

February 04, 2026

File: 2026 Budget

AUTHOR: Sacha Jones, Section Manager Financial Planning**SUBJECT:** 2026-2030 Draft Financial Plan Workbook**RECOMMENDATION:**

THAT this report and the 2026-2030 Draft Financial Plan Workbook be received for information.

REASON FOR REPORT:

To introduce the draft financial plan and begin the public input process prior to Council deliberations on March 9, 2026.

SUMMARY:

The 2026-2030 Draft Financial Plan contains the proposed operating budget, capital plan, and the proposed 3.5% property tax increase in 2026 (2.0% + 1.5% for asset renewal). The District of North Vancouver, like other municipalities across the region, continues to experience a challenging and changing fiscal environment from numerous external sources, highlighting the need for a long-term sustainable financial path.

The 2026 budget balances affordability for ratepayers with the community's needs for services as we seek to:

- Keep the tax rate as affordable as possible,
- Maintain important community services, and
- Implement Council's priorities as outlined in the 2023-2026 Corporate Plan.

BACKGROUND:

To support development of the 2026 budget, staff provided Council with an early outlook on the factors affecting the District's financial position and presented strategies to balance the budget. At a workshop on November 10, 2025, Council received this information, gave direction on potential budget adjustments, and identified its preferred budget scenario aligned with Council priorities.

To maintain existing services, the tax increase is estimated to be in the range of 7.5%, primarily due to increased protective services costs, impacts of collective agreements, downloaded regulations from senior levels of government, and the increased cost to renew,

adapt and expand our infrastructure for climate related impacts and growth. Due to concerns about affordability among ratepayers, efforts were made to identify strategies to reduce the tax burden.

Following the workshop in November, Council provided general support to continue to develop the budget using Budget Scenario 1: a 3.5% property tax increase based on key budget strategies and adjustments.

Staff also recommended options expected to generate the greatest financial impact with the least service impact. The following key strategies are expected to achieve \$5.09 million in operating budget reductions, lowering the property tax increase from 7.5% to 3.5% (2.0% plus 1.5% for asset renewal) and balancing the 2026 budget.

- Address the growing infrastructure deficit
- Achieve additional efficiencies, given the changing work environment
- Create more value out of District services and assets
- Adjust services to match demand and resources
- Respond to senior government downloading
- Pursue changes to legislation (ongoing)

At the February 3 workshop, Council directed staff to prepare the 2026-2030 Draft Financial Plan Workbook based on these key budget strategies and adjustments. The capital plan was also updated based on capital prioritization framework and affordability limits resulting from Budget scenario 1.

EXISTING POLICY:

The 2026-2030 Draft Financial Plan forms part of the 10-year Rolling Financial Plan (the plan) which provides a long-term strategy for achieving the objectives of the Official Community Plan (OCP). The plan incorporates ongoing programs and priorities and forecasts a financial position based on a set of guiding financial principles, strategies and policies.

The plan confirms if there is adequate funding to achieve the OCP vision and develops strategies to resolve funding gaps to ensure we are financially resilient. As the District works to update the OCP and Zoning Bylaw by the end of this June, changes to the Capital Plan, development charges and other impacts will need to be integrated into next year's Financial Plan.

ANALYSIS:

Operating Impacts

The budget reflects Council's direction to lower property taxes and deliver the services and infrastructure the community expects. The proposed 2026 tax increase of 3.5% (2.0% + 1.5% for asset renewal) is estimated to be \$102 increase on the average residential home. So, every 1% tax increase equates to \$29 on the average residential home¹.

It is worth noting that maintaining the same level of service is not sustainable: more than \$9 million in combined savings (\$4 million in 2025 and a further \$5.09 million in 2026) have been included to achieve the preferred 3.5% Budget Scenario 1. The challenging fiscal environment is expected to continue to impact property taxes, utility rates, and user fees beyond the 2026 Budget. Early estimates indicate that additional savings in the range of 1% to 2% (\$1.3-\$2.5 million) per year will be required in the coming years to maintain property taxes close to the inflation rate, plus 1.5% for asset renewal. Any new projects will need to be carefully considered as it may require an increase to the property tax rate or reduction to the plan to stay within affordability limits.

Change over 2025		Average Residential Home
Property Tax Increase	3.5%	\$ 102
Protective Services	2.9%	\$ 85
Other Services	3.1%	\$ 90
Infrastructure Deficit	1.5%	\$ 44
Target Savings	-4.0%	\$ (117)

There are a number of factors that place a significant weight on the municipality:

- External costs from other agencies such as Metro Vancouver,
- The rising costs of protective services, including right-sizing the RCMP workforce,
- Continued downloading of expenses and responsibilities from senior levels of government, and uncertainty around funding,
- The rising cost of infrastructure with additional future demands expected due to changes in housing legislation,
- Municipal investment in affordable housing, and
- The unknown impacts of climate change.

To balance all these factors and to create capacity to build a long-term sustainable financial path for the District, the Draft Financial Plan assumes a tax outlook of 4-6% per year, with further adjustments required to bring it down to 3.5%

	2025	2026	2027	2028-2030
Operations	8.0%	6.0%	4.1%	3.1%
Infrastructure deficit	1.0%	1.5%	1.5%	1.5%
Starting point to maintain services	9.0%	7.5%	5.6%	4.6%
Adjustments to achieve mandate	-3.5%	-4.0%	-2.1%	-1.1%
Property Tax Increase	5.5%	3.5%	3.5%	3.5%

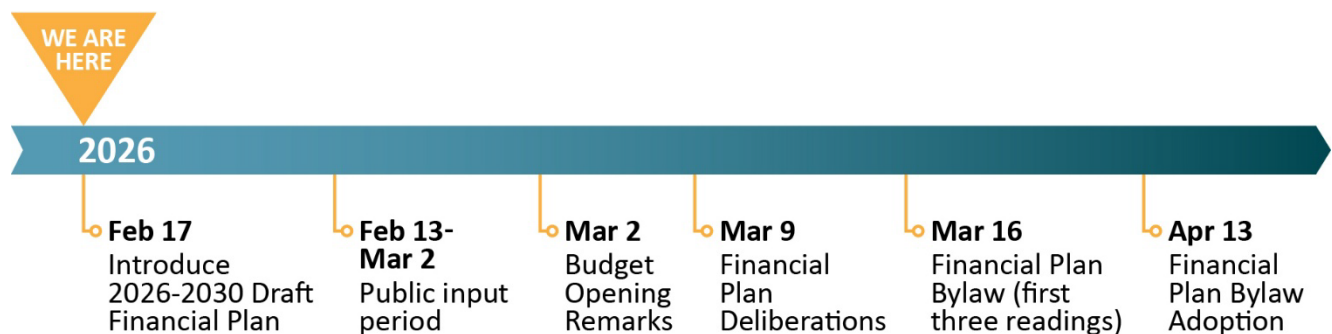
¹ Average of both single-family and multi-family residential homes

Capital Impacts

Capital spending was reduced by \$107 million. Most capital projects move forward in the near term with some projects slowed down or reduced in scope. The majority of adjustments were made in the outer years of the five-year plan to balance the plan.

Timing/Approval Process:

Following introduction of the financial plan workbook and public input, staff will be seeking direction from Council at the financial plan deliberations meeting on March 9, 2026, to prepare the financial plan bylaw for first three readings on March 16, 2026, and adoption on April 13, 2026.

**Concurrence:**

All departments and partner organizations participate in the financial planning process.

Public Input:

Last year, at Council's direction, a [public engagement survey](#) (starts on page 17) on the 2025 Budget was held in September 2024. The purpose was to hear directly from interested community members regarding the budget, including about tax tolerance.

The public survey is scheduled to be held biennially, with the next survey scheduled for the fall of 2026 in the next Council's term. Results will inform and provide a solid foundation for financial decisions throughout the term.

Public input to the 2026-2030 Draft Financial Plan opens on February 13, 2026, and closes March 2, 2026. Staff will compile a summary of the public's input for Council's consideration at its budget deliberations meeting March 9, 2026.

Conclusion:

The 2026-2030 Draft Financial Plan balances affordability through a lower tax rate increase while continuing to deliver the services the community needs. The District's long-term approach to planning will enable the financial plan to adapt and change as new information comes available. Staff look forward to answering any questions from Council and the public during the remaining process.

Respectfully submitted,



Sacha Jones

Section Manager, Financial Planning

Attachment 1: 2026-2030 Draft Financial Plan Workbook and Presentation

To be circulated via agenda addendum February 13, 2026

REVIEWED WITH:					
☐ Business and Economic	_____	☐ Finance	_____	External Agencies:	
☐ Bylaw Services	_____	☐ Fire Services	_____	☐ Library Board	_____
☐ Clerk's Office	_____	☐ GIS	_____	☐ Museum and Archives	_____
☐ Climate and Biodiversity	_____	☐ Human Resources	_____	☐ NSEM	_____
☒ Communications	_____	☐ Integrated Planning	_____	☐ NS Health	_____
☐ Community Planning	_____	☐ ITS	_____	☐ NVRC	_____
☐ Development Engineering	_____	☐ Parks	_____	☐ RCMP	_____
☐ Development Planning	_____	☐ Real Estate	_____	☐ Other:	_____
☐ Engineering Operations	_____	☐ Review and Compliance	_____		
☐ Environment	_____	☐ Solicitor	_____		
☐ Facilities	_____	☐ Utilities	_____		

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