

OPEN MEETING OF FINANCE AND AUDIT STANDING COMMITTEE

9:00am

April 24, 2026

Microsoft Teams Meeting

Committee Room - 355 West Queens Road, North Vancouver

Committee: Mayor Mike Little, Chair
Councillor Betty Forbes
Councillor Herman Mah

Other Attendees: Mike Fox, Chief Administrative Officer
Rick Danyluk, General Manager, Finance and CFO
Elio Iorio, Manager, Financial Services
Jaskaran Gill, Manager, Financial Planning and Reporting
Claire Prescott, Accounting Officer, Strategic Initiatives
Genevieve Lanz, Deputy Municipal Clerk
Rhonda Schell, Deputy Corporate Officer
Kaitlin Hebron, Confidential Council Clerk

Other Guests:

1. Adoption of the Agenda

April 24, 2026 Open Meeting Agenda

Recommendation:

THAT the agenda for the April 24, 2026 Open Meeting of the District of North Vancouver Finance and Audit Standing Committee be adopted as circulated, including the addition of any items listed in the agenda addendum.

2. Adoption of the Minutes

p. 215

Recommendation:

THAT the Minutes of the Finance and Audit Standing Committee Open Meeting held October 21, 2025 be adopted.

3. Request for Special Finance & Audit Standing Committee Meeting in June

Recommendation:

THAT the request for a Special Finance & Audit Standing Committee Meeting on June 3, 2026 (9:00am – 11:00am) be approved.

AND that the following agenda topic(s) be discussed:

- Independent Review of Council Remuneration and Benefits
- 10-year Rolling Financial Plan Update
- Financial Policy Updates
- Financial Report – Q1, 2026
- Budget Outlook – 2027 (V1)

4. 2025 Council Remuneration and Expenses Paid – Elio Iorio p. 217

Recommendation:

THAT the Finance and Audit Standing Committee recommend to Council:

THAT the report entitled “2025 Council Remuneration and Expenses” be approved.

5. Donation Policy – Claire Prescott p. 221

Recommendation:

THAT the report entitled “Draft Donation Policy” dated April 15, 2026 is received by the Finance and Audit Standing Committee for information and feedback.

AND THAT a final version of the Donation Policy be brought back to the Committee for consideration and recommendation to Council for approval at a subsequent meeting.

6. Procurement of Goods and Services Policy Update – Rick Danyluk p. 229

Recommendation:

THAT Administrative Policy Procurement of Goods and Services be updated to include a provision that prohibits the purchase of cash-like instruments.

Briefing Notes:

7. Independent review of Council Remuneration and Benefits – Rick Danyluk p. 255

Purpose:

To provide an update on the independent review of Council remuneration and benefits, and to outline the proposed scope, comparator group, timing, and reporting approach for Committee consideration and feedback.

8. 10-year Rolling Financial Plan Update – Rick Danyluk p. 261

Purpose:

To provide an update on the next steps identified in the 10-year Rolling Financial Plan report, introduced at the March 12 Standing Committee meeting.

Regular / Information Reports:

9. Treasury Report – Q1, 2026 – Elio Iorio p. 269

Recommendation:

THAT the report entitled “Treasury Report – Q1, 2026”, dated April 14, 2026, is received for information and feedback.

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

Minutes of the Finance and Audit Committee Meeting for the District of North Vancouver held at 10:38 a.m. on Tuesday, October 21, 2025. The meeting was held in a hybrid format in the Committee Room at 355 West Queens Road, with participants participating both in-person and virtually via video conference.

Committee: Mayor Mike Little, Chair
Councillor Betty Forbes

Absent: Councillor Herman Mah

Other Attendees: David Stuart, Chief Administrative Officer
Rick Danyluk, General Manager, Finance and Chief Financial Officer
Peter Cohen, General Manager, Engineering Infrastructure Services
Nicola Chevallier, General Manager, Engineering Public Works
Saira Walker, General Manager – Corporate Services
Caroline Jackson, General Manager, Climate Action & Parks
Genevieve Lanz, Director – Legislative Services and Corporate Officer
Elio Iorio, Manager, Financial Services
Rhonda Schell, Deputy Corporate Officer
Joanna Hall, Administrative Assistant, Finance, Finance Administration
Kaitlin Hebron, Confidential Council Clerk

Guest(s): KPMG Representatives

1. Adoption of the Agenda

MOVED by Councillor FORBES

SECONDED by Mayor LITTLE

THAT the agenda for the October 21, 2025 Open Meeting of the District of North Vancouver Finance and Audit Standing Committee is adopted as circulated.

CARRIED

2. Adoption of the Minutes

MOVED by Councillor FORBES

SECONDED by Mayor LITTLE

THAT the Minutes of the Finance and Audit Standing Committee Open Meeting held July 23, 2025 are adopted.

CARRIED

Verbal Updates:
None

Regular Reports:
None

3. Adjournment

MOVED by Councillor FORBES

SECONDED by Mayor LITTLE

THAT the October 21, 2025 meeting of the Finance and Audit Committee is adjourned.


CARRIED
(10:39 a.m.)

CERTIFIED CORRECT:

Chair

Committee Clerk

AGENDA INFORMATION	
<input type="checkbox"/> Council Workshop	Date: _____
<input checked="" type="checkbox"/> Finance & Audit	Date: April 24, 2026
<input type="checkbox"/> Advisory Oversight	Date: _____
<input type="checkbox"/> Other:	Date: _____

_____ Dept. Manager	 _____ GM/ Director	_____ CAO
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**The District of North Vancouver
REPORT TO COMMITTEE**

April 17, 2026
File:

AUTHOR: Elio Iorio, Manager, Financial Services

SUBJECT: 2025 COUNCIL REMUNERATION AND EXPENSES

RECOMMENDATION:

THAT the Finance and Audit Standing Committee recommend to Council:

THAT the report entitled “2025 Council Remuneration and Expenses” be approved.

REASON FOR REPORT:

Council must prepare a report on Council Remuneration and Expenses each year and make it available for public inspection at the Municipal Hall during its regular office hours until June 30, 2027.

The draft report “2025 Council Remuneration and Expenses” is attached for the Finance and Audit Committee’s review.

Respectfully submitted,



Elio Iorio
Manager, Financial Services

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

AGENDA INFORMATION	
<input checked="" type="checkbox"/> Regular Meeting	Date: <u>May 11, 2026</u>
<input type="checkbox"/> Other:	Date: _____

_____ Dept. Manager	_____ GM/ Director	_____ CAO
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The District of North Vancouver

REPORT TO COUNCIL

April 17, 2026

AUTHOR: Elio Iorio, Manager, Financial Services

SUBJECT: 2025 Council Remuneration and Expenses

RECOMMENDATION:

THAT the report “2025 Council Remuneration and Expenses” be approved.

REASON FOR REPORT:

Council must prepare a report on Council Remuneration and Expenses each year and make it available for public inspection at the Municipal Hall during its regular office hours until June 30, 2027. The Finance and Audit Committee has reviewed and recommends that the 2025 report be approved.

EXISTING POLICY:

Community Charter, Section 168(1) requires that:

- (1) At least once a year, a council must have prepared a report separately listing the following for each council member by name:
 - (a) the total amount of remuneration paid to the council member for the discharge of the duties of office, including any amount specified as an expense allowance;
 - (b) the total amount of expense payments for the council member made to the council member as reimbursement for expenses incurred by the council member or as an allowance that is not reported under paragraph (a);
 - (c) the total of any benefits, including insurance policies and policies for medical or dental services, provided to the council member or the member’s dependants;
 - (d) any contracts reported under Section 107 (disclosure of contracts with Council members and former Council members), including a general description of their nature.

ANALYSIS:

Council remuneration and expenses paid during 2025 are summarized in the table below.

Council Member	Total Amount of Remuneration Paid Under Sec. 168(1) (a)	Total Amount of Expenses Paid Under Sec. 168(1) (b)	Total Amount of Benefits Paid Under Sec. 168(1) (c)
Back, Jordan	\$ 72,510	\$ 7,527	\$ -
Forbes, Betty	72,510	-	-
Hanson, James A.	72,510	3,318	362
Little, Mike	171,435	5,030	905
Mah, Herman	72,510	3,365	362
Muri, Lisa A.	71,992	1,030	362
Pope, Catherine	72,510	8,182	362
Grand Total	\$ 605,977	\$ 28,451	\$ 2,353

No Section 107 contracts exist (section 107 of the Community Charter defines these contracts as contracts entered into by a municipality with council members or former council members).

Supplementary information

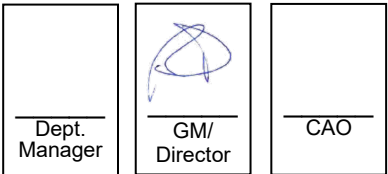
Starting in 2022, Council remuneration and expense paid for representation on Regional Boards and/or Committees is reported as supplementary information on the website, under the Statement of Financial Information (SOFI) section, as it comes available. This information is typically provided to the municipality prior to the summer break.

Respectfully submitted,

Elio Iorio
 Manager, Financial Services

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

AGENDA INFORMATION	
<input type="checkbox"/> Council Workshop	Date: _____
<input checked="" type="checkbox"/> Finance & Audit	Date: April 24, 2026
<input type="checkbox"/> Advisory Oversight	Date: _____
<input type="checkbox"/> Other:	Date: _____



The District of North Vancouver

REPORT TO COMMITTEE

April 15, 2026

AUTHOR: Claire Prescott, Accounting Officer, Strategic Financial Initiatives

SUBJECT: Draft Donation Policy

RECOMMENDATION:

THAT the report entitled “*Draft Donation Policy*” dated April 15, 2026 is received by the Finance and Audit Standing Committee for information and feedback.

AND THAT a final version of the Donation Policy be brought back to the Committee for consideration and recommendation to Council for approval at a subsequent meeting.

REASON FOR REPORT:

Through this policy, the District seeks to foster a culture of giving that enables residents and partners to contribute meaningfully to the long-term sustainability and enhancement of the community, while ensuring that all donations are managed responsibly, transparently, and in the best financial interests of the District. Also, to create a donation framework through this policy to enhance revenue for District services, facilities, programs and events, and to simplify donation procedures. Staff will incorporate Finance and Audit Committee feedback, consult with internal stakeholders, and present a recommended implementation plan and revised policy at the Committee’s next meeting.

SUMMARY:

The District recognizes donations as an important and strategic source of revenue to support public services, infrastructure, and community development. The District actively encourages individuals, corporations, and organizations to contribute through financial and asset-based donations, including cash, publicly traded shares, mutual funds, real property, and other valuable holdings. By accepting a wide range of donation types, the District aims to provide flexible and tax-efficient giving options that benefit both the donor and the community.

BACKGROUND:

Staff were asked to establish a *Donation Policy* to document existing donor opportunities, integrate a new *Donation Policy* with partner agency policies, and further develop philanthropic donation as an alternative revenue source for the District. Additionally, during the February 2026 Public Input process for the Draft Budget, resident comments suggested

creating a centralized donation link on the District website to make donations more accessible.

EXISTING POLICY:

District Administrative Policies:

Animal Shelter Donation Policy (2007 version is outdated, Shelter has ceased operations)
Sponsorship Policy (in Draft November 2025)

Library Board Policy:

Resource Development

This proposed *Donation Policy* has been created to complement and work in conjunction with the existing District and Partner Agency donation policies and procedures. In the future, the Donation framework could be expanded to include:

- Establishment of funds through agreement (ie. Deed of Gift) with the North Shore Community Foundation or other foundation arrangements
- Dedicated fundraising strategies
- Major donor campaigns
- Corporate partnership programs

ANALYSIS:

Timing/Approval Process:

Next steps include:

- broad consultation with internal stakeholders and partner agencies to ensure alignment of donation goals, policies and procedures;
- further research and product demonstrations from potential payment platform providers such as Canada Helps, Shopify, Tip Tap Pay, or other;
- communication with North Shore Community Foundation to clarify how their process works and how to establish potential new funds (i.e.. for near-term project funding, endowment/permanent funds, bequest/legacy funds, donor advised funds)
- review and complete privacy impact assessments
- creation of new easy-to-find, streamlined donation webpage on **dnv.org** outlining:
 1. areas to target donations, including links to further detail on established funds and initiative or project purpose;
 2. major fundraising partners such as the North Shore Community Foundation; and
 3. link to applicable payment platform such as Canada Helps etc.

Donation areas would include:

- Arts and Culture Donations
- Community Recreation Centre, Pool, Ice Arena and Tennis Centre Donations (through North Vancouver Recreation and Culture)
- Environmental Initiative Donations
- Fire and Rescue Donations (not including existing DNV Fire Charity which supports external community agencies)
- Library Donations (North Vancouver District Public Library)
- Parks Donations
- Youth Donations

Staff will incorporate Finance and Audit Committee feedback, consult with internal stakeholders and external service providers, and present a recommended implementation plan and revised policy at the Committee's next meeting (either special June meeting or regular July 2026 meeting).

Concurrence:

After consultation, Finance will request concurrence from Executive Leadership Team.

Financial Impacts:

Donations of securities, including shares and mutual funds, are particularly encouraged due to their potential tax advantages, allowing donors to contribute in a financially efficient manner while supporting municipal priorities. Gifts of real property, such as land or buildings, are also welcomed where they align with municipal needs or can be leveraged or sold to generate revenue. Cash donations remain a vital and accessible form of contribution and may be directed toward specific programs, infrastructure projects, or general municipal use.

To support donor participation, the District will issue official donation receipts in accordance with Canada Revenue Agency requirements, and may recognize contributions in a manner that is appropriate and respectful. Recognition opportunities, including public acknowledgements, may be offered for significant contributions, provided they do not imply endorsement or preferential treatment.

Liability/Risk:

All donations must be voluntary and free of conditions that could influence municipal decision-making or compromise the integrity of the District. The District reserves the right to decline any donation that presents legal, financial, or reputational risk, or that does not align with municipal objectives. Accepted donations may be retained for municipal use or liquidated, where appropriate, to maximize financial benefit.

Social Policy Implications:

Donations, gifts and bequests represent alternative revenue sources and a viable financial strategy to positively impact the District's services and funding for both current operating and

capital needs, as well as a long-term sustainable revenue source through establishment of endowment funds. If sufficient endowment funds exist, generated income could be used to replace base funded grants given to community organizations.

Conclusion:

A District *Donation Policy* provides a formal, consistent framework to support philanthropy and revenue generation through receipt of donations of cash, grants, securities/financial instruments, real property, in-kind contributions or bequests without expectation of a reciprocal benefit. Generating additional resources outside of existing funding will enhance District and partner agency programs and services and could provide a long-term funding source through the use of permanent endowment funds.

Respectfully submitted,

Claire Prescott

Claire Prescott
Accounting Officer, Strategic Financial Initiatives

Attachment 1 – Draft Donation Policy

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



CORPORATE POLICY

<i>Title</i>	DONATION POLICY (DRAFT)
<i>Section</i>	Finance

POLICY

The District supports the responsible solicitation and acceptance of donations as a means to enhance municipal revenues and improve services.

Donations shall:

- Support municipal priorities, programs, or infrastructure;
- Be accepted independently of any municipal decision-making process;
- Not compromise the District's integrity, impartiality, or public accountability.

This aligns with best practices in Canadian municipalities, where donation frameworks are designed to preserve ethical governance while enabling community contributions.

PURPOSE

The purpose of this policy is to establish a clear, consistent, and transparent framework for the solicitation, acceptance, management, and recognition of donations to the District.

This policy aims to:

- Generate additional revenue to support municipal services, infrastructure, and community initiatives;
- Ensure donations are accepted in a manner that maintains public trust and integrity;
- Comply with applicable legislation, including requirements under the Canada Revenue Agency for issuing donation receipts.

SCOPE

1) This policy applies to:

- All donations made to the District;
- All departments, staff, and elected officials involved in the solicitation, acceptance, or administration of donations;
- Monetary and non-monetary contributions from individuals, corporations, foundations, and other organizations.

- 2) This policy does not apply where there are existing District policies in place governing specific donations.
- 3) Further, this policy does not apply to the following:
 - a) North Shore Community Foundation;
 - b) North Shore Emergency Management (NSEM);
 - c) RCMP;
 - d) committees, foundations, and not-for-profit societies which have agreements with the District regarding Donations;
 - e) developer contributions of infrastructure;
 - f) Community Amenity Contributions; and
 - g) volunteer time.

PROCEDURE

Eligible Donations

The District may accept:

- Cash donations;
- Grants;
- Real property (land or buildings);
- Securities and financial instruments;
- In-kind contributions (equipment, materials, services);
- Bequests and legacy gifts (ie. life insurance beneficiary), subject to Council approval.

Where appropriate, non-cash donations may be liquidated to generate revenue.

Ineligible Donations

The District will not accept donations that:

- Violate federal, provincial, or municipal laws;
- Create real or perceived conflicts of interest;
- Are tied to influence over municipal decisions, approvals, or contracts;
- Pose undue financial, legal, or reputational risk;
- Include conditions that restrict municipal authority or operations.

The District reserves the right to decline any donation.

Revenue Generation Principles

To maximize financial benefit, the District will:

- Actively seek donations aligned with strategic priorities (e.g. parks, recreation, infrastructure);
- Develop fundraising initiatives and partnerships with private and community stakeholders;
- Leverage high-visibility projects for donor engagement opportunities;
- Encourage large-scale contributions through recognition programs.

All revenue generated through donations shall be allocated in accordance with Council-approved financial plans.

Authority and Approval

- Council retains authority over high-value, complex, or conditional donations;
- The Chief Administrative Officer (CAO) or designate may approve routine donations within established thresholds;
- Departments may solicit donations in accordance with this policy and approved plans.

Donation Receipts and Compliance

Where eligible, the District may issue official donation receipts in accordance with the Canada Revenue Agency requirements. Such donation receipts may be provided through a third party online platform such as Canada Helps.

Tax receipts will include required information such as donor details, amount, date, and reflect the fair market value of the donation.

Financial Management and Reporting

- All donations shall be recorded in the District's financial system;
- Funds shall be used only for their intended purpose (if specified);
- Annual reporting shall include total donations received and their allocation;
- Transparency and accountability shall be maintained through public financial disclosures.

Donor Recognition

The District may recognize donors through:

- Public acknowledgements;
- Signage, plaques, or digital recognition.

Recognition must remain appropriate and not imply endorsement or preferential treatment.

Ethical Considerations

- Donations must not influence, or appear to influence, municipal decision-making;
- Staff and elected officials must avoid conflicts of interest;
- All donation-related activities must uphold fairness, transparency, and accountability.

REVIEW

Review of this policy will be undertaken as required to ensure continued effectiveness and compliance with legislation and municipal priorities.

DEFINITIONS

“Charitable Tax Receipt” means a receipt issued for income tax purposes in compliance with Canada Revenue Agency regulations.

“Community Amenity Contributions (CACs)” mean cash or in-kind contributions provided by developers to ensure the community benefits from new development. CACs provide facilities or funds to be used for enhancing the attractiveness of a project or neighbourhood or provided to meet a range of social, cultural, recreational and infrastructure needs of the community, which an applicant or developer agrees to fund as part of a process seeking to intensify the use of a parcel of land.

“Council” means the Council of the District.

“CRA” means Canada Revenue Agency.

“District” means the Corporation of the District of North Vancouver.

“Donation” means a voluntary transfer of cash, goods, services, or property made without expectation of direct compensation or benefit. While most donors will expect recognition as a result of the gift, the recognition is minor in value relative to the value of the gift as defined by CRA.

“Donor”: means any individual or organization making a donation to the District.

“Employee” means any current permanent full-time, permanent part-time, temporary, auxiliary and contract employees of the District.

“Endowment Fund” means an investment fund set up by an institution in which regular withdrawals from the invested capital are used for ongoing operations or other specified purposes.

“Fair Market Value” is the price an item would bring on an open and free market between a willing buyer and seller who are operating independently of each other.


“Fundraising” means the process of receiving voluntary contributions of cash or other resources by requesting donations from individuals, businesses, charitable organizations or government agencies.

“In-kind donation” Non-monetary contributions such as land, equipment, materials, or services.

“Restricted Donation” means a donation that is for specific purposes where the donor designates a particular program, project or expense.

Approval Date:		Approved by:	
1. Amendment Date:		Approved by:	
2. Amendment Date:		Approved by:	
3. Amendment Date:		Approved by:	

AGENDA INFORMATION	
<input type="checkbox"/> Council Workshop	Date: _____
<input checked="" type="checkbox"/> Finance & Audit	Date: April 24, 2026
<input type="checkbox"/> Advisory Oversight	Date: _____
<input type="checkbox"/> Other:	Date: _____

_____ Dept. Manager	 _____ GM/ Director	_____ CAO
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The District of North Vancouver

REPORT TO COMMITTEE

April 16, 2026

AUTHOR: Larry Davis, Manager, Supplies & Risk Management

SUBJECT: Procurement of Goods and Services Policy Update

RECOMMENDATION:

THAT Administrative Policy *Procurement of Goods and Services* be updated to include a provision that prohibits the purchase of cash-like instruments.

REASON FOR REPORT:

To inform the Finance & Audit Committee of a proposed update to Administrative Policy 3-1220-2 *Procurement of Goods and Services* that addresses the purchase of cash-like instruments such as gift cards, preloaded credit cards, vouchers and other similar cash-like instruments.

SUMMARY:

The following clause to be added to the “**Prohibitions**” section of the policy:

The following activities and purchases are prohibited:

- “8) *The purchase of cash-like instruments, unless approved by the Chief Financial Officer (CFO). Stored value cards (e.g. gift cards, preloaded credit cards, etc), vouchers, and other cash-like instruments are considered cash equivalents and are prohibited unless expressly approved by the CFO or designate. Where approved, such items must be subject to enhanced controls, including secure custody, inventory tracking, and regular reconciliation.*”

BACKGROUND:

Stored value cards (e.g. gift cards, preloaded credit cards, etc), vouchers, and other cash-like instruments are considered cash equivalents and should have stricter controls around the procurement, storage and distribution of them. Without these controls, there is a heightened risk that these instruments could be used inappropriately and subject the District to unnecessary financial and reputational risk.

EXISTING POLICY:

Staff have reviewed the District’s purchasing policies and identified that they do not currently provide explicit direction on the acquisition and control of cash-like instruments.

To address this gap, staff are proposing the inclusion of language that prohibits the purchase of them without the approval of the Chief Financial Officer, and where approved, will be subject to enhanced controls.

ANALYSIS:

Timing/Approval Process:

It is recommended that this update be made as soon as possible.

Liability/Risk:

Without clear direction and controls over the purchase of cash-like instruments there is heightened financial and reputational risk to the District.

Conclusion:

It is recommended that the policy be amended as described in this report.

Options:

- Approve the proposed amendment to the policy; or
- Maintain the current policy “as is”.

Respectfully submitted,

Larry Davis

Larry Davis
Manager, Supplies & Risk Management

Attachment 1: Draft Procurement of Goods and Services Policy_redlined

Attachment 2: Draft Procurement of Goods and Services Policy_proposed

REVIEWED WITH:					
<input type="checkbox"/> Business and Economic	___	<input type="checkbox"/> Finance	___	External Agencies:	
<input type="checkbox"/> Bylaw Services	___	<input type="checkbox"/> Fire Services	___	<input type="checkbox"/> Library Board	___
<input type="checkbox"/> Clerk’s Office	___	<input type="checkbox"/> GIS	___	<input type="checkbox"/> Museum and Archives	___
<input type="checkbox"/> Climate and Biodiversity	___	<input type="checkbox"/> Human Resources	___	<input type="checkbox"/> NSEM	___
<input type="checkbox"/> Communications	___	<input type="checkbox"/> Integrated Planning	___	<input type="checkbox"/> NS Health	___
<input type="checkbox"/> Community Planning	___	<input type="checkbox"/> ITS	___	<input type="checkbox"/> NVRC	___
<input type="checkbox"/> Development Engineering	___	<input type="checkbox"/> Parks	___	<input type="checkbox"/> RCMP	___
<input type="checkbox"/> Development Planning	___	<input type="checkbox"/> Real Estate	___	<input type="checkbox"/> Other:	___
<input type="checkbox"/> Engineering Operations	___	<input type="checkbox"/> Review and Compliance	___		
<input type="checkbox"/> Environment	___	<input type="checkbox"/> Solicitor	___		



ADMINISTRATIVE POLICY

Title	Procurement of Goods and Services
Section	Purchasing

POLICY

The District of North Vancouver (“the District”), in the performance of the duties and responsibilities assigned to it, must engage in the procurement of goods and services. In achieving the maximum economy, efficiency and effectiveness in the performance of this function (*Best Value*), the District has endorsed certain fundamental principles it considers applicable to public purchasing.

PURPOSE

The purpose of this policy is to identify the Purchasing Principles and Best Practices guiding the procurement process in order to achieve *Best Value* for purchases while establishing an appropriate balance between fiscal controls and operational flexibility.

SCOPE

This policy applies to the procurement of goods and services by all District departments and North Shore Emergency Management.

OBJECTIVES

The objectives of this Policy are to ensure that purchases result in *Best Value* for the District and that *Best Practices* are utilized to engage the marketplace and in the awarding of contracts. *Best Value* is achieved when, in addition to the financial cost of a good and/or service, relevant *Total Cost of Ownership* factors are taken into account.

Examples of *Total Cost of Ownership* considerations are:

- a) acquisition cost, including administration costs;
- b) quality of goods or services offered;
- c) residual value;
- d) disposal cost;
- e) maintenance, ease of operation, ergonomics;
- f) delivery, shipping and payment terms;
- g) warranties;
- h) performance and service considerations;
- i) environmental and sustainability considerations;
- j) adherence to specifications, laws, regulations;

- k) costs/benefits of standardization; and
- l) life cycle replacement costs.

Interest costs on borrowing must be budgeted for, but will not be considered part of *Total Cost of Ownership* for procurement purposes. However, interest costs are relevant to 'buy versus lease' decisions which are covered under [Administrative Policy 5-2380-1 Equipment Leases](#).

PROCEDURE

The District's [Purchasing Procedures Manual](#) provides additional information to assist staff and affiliated agencies in the processes used for the procurement of goods and services by the District.

EXCEPTIONS

All procurement of goods and services by the District or any of its affiliated agencies are to be acquired in accordance with this Policy, unless authorized on an exception basis by the Chief Administrative Officer and the Chief Financial Officer. For procurement activities over \$75,000, refer to [Corporate Policy 3-1220-1 Contracting](#) for Council approval requirements.

Land acquisitions and legal services are **not** covered by this Policy.

Emergency purchases are permitted upon the declaration that the Disaster Plan or Emergency Plan is in effect under District of North Vancouver [Emergency Plan Bylaw No. 7304 \(2002\)](#). Upon declaration that a disaster is in effect under the Emergency Plan Bylaw, authority to expend municipal money reverts to the Emergency Plan Bylaw.

Authority to Act

Pursuant to the District's [Officers & Employees Bylaw 7052](#), District Officers (Chief Administrative Officer, Directors, Fire Chief, Municipal Clerk, Approving Officer, Chief Building Official and Municipal Engineer) have been granted the authority to make or enter into any contracts on behalf of the District for which funding has been provided in the District's Annual Financial Plan.

The Chief Financial Officer has further delegated Purchasing and Payment Approval Authorities under [Administrative Policy 3-1210-1 Purchasing & Payment Approval Authority](#) to other District staff.

PURCHASING PRINCIPLES AND BEST PRACTICES

This Policy is based on the following *Purchasing Principles* and *Best Practices* to ensure a minimum standard of performance for the procurement process:

- 1) Goods and/or services must be procured in a competitive environment, wherever possible and practical;
- 2) Competitive processes will be administered to the highest standard possible in order to promote fairness, consistency, and transparency;
- 3) Reasonable measures should be taken to obtain more than one quotation or proposal wherever possible. The Competitive Bidding Requirements outlined in this Policy must be followed;
- 4) Single or Sole Sourcing (*Direct Awarding*) a contract where competitive bidding is required is considered an exception to these approved *Purchasing Principles* and *Best Practices* and should

only be considered under specific circumstances as described in Section 8 of the [Purchasing Procedures Manual](#);

- 5) Goods and/or service requirements should be planned well enough in advance to allow for the necessary procurement processes to occur (i.e. creation of the competitive bid document, advertising, engaging the supply community, etc.);
- 6) To achieve *Best Value* for the District, relevant *Total Cost of Ownership* factors must be considered for the acquisition of goods and services;
- 7) Goods and services must be procured after giving due consideration to the District's commitment to encourage the use of environmentally sustainable products and services; and
- 8) Purchases of goods and/or services must comply with District policies and bylaws (eg. business licensing bylaw), the Local Government Act, the Community Charter, and all other Provincial and Federal laws, regulations and trade agreements that apply to the procurement of goods, services and construction by a municipality.

PROHIBITIONS

The following activities and purchases are prohibited:

- 1) Division of purchases to avoid the dollar limits or requirements specified within this Policy;
- 2) Committing the District to acquisitions or contracts without approved budget funding for the intended purchase(s) and/or without the appropriate authority to do so;
- 3) The release of a supplier's written or oral *Bid* information where it has been designated as confidential by the supplier. This practice is unethical and may be illegal as well as damaging to the District's competitive position. Requests of this nature are to be managed through the *Purchasing Section*;
- 4) Purchase by the District of goods and services solely for the personal use by or on behalf of any member of the District's Council, appointed officers, employees or their immediate families, with the exception of sanctioned purchase plans;
- 5) Purchase by the District of goods and services from any member of its Council, appointed officers, employees or their immediate families or from any other source that would result in a conflict of interest (refer to the District's [Administrative Policy 7-2585-1 Conflict of Interest](#));
- 6) The purchase of any District owned goods by a member of its Council, appointed officers, employees or their immediate families, unless it is goods the District is selling for profit (e.g., promotional items), is available to the general public or is deemed to have no commercial disposal value; and
- 7) The purchase (by bid, auction or any other means) of any District goods by an employee of the District or their immediate families if the District employee:
 - a) works at an auction run by the District for the disposal of goods;
 - b) is responsible for declaring goods surplus to the District's needs;
 - c) is responsible or involved in the maintenance of goods selected for disposal;
 - d) is a member of the District's *Purchasing Section*; or
 - e) is otherwise involved in the disposal of goods surplus to the District's needs.
- 8) The purchase of cash-like instruments, unless approved by the Chief Financial Officer (CFO). Stored value cards (eg. gift cards, preloaded credit cards, etc), vouchers, and other cash-like instruments are considered cash equivalents and are prohibited unless expressly approved by the CFO or designate. Where approved, such items must be subject to enhanced controls, including secure custody, inventory tracking, and regular reconciliation.

REVIEW

This policy will be reviewed every two (2) years or sooner if required.

DEFINITIONS

Basis of Award Form – the form utilized by a user department to document to the *Purchasing Section* the rationale for a chosen procurement decision, including the appropriate approvals. The form is found in Appendix A of the [Purchasing Procedures Manual](#) and on the District’s Intranet (District Junction) under the category of ‘Forms’.

Best Practices – generally includes promoting competition, avoiding *Single or Sole Sourcing* where possible, abiding by the legal obligations of competitive bidding and contract law, mitigating risk to the District, strategic use of procurement methods to engage the marketplace, treating all vendors fairly and equally and conducting fair, open and transparent processes.

Best Value – the process of considering all identifiable life cycle costs including disposal and environmental considerations, when purchasing goods and/or services, as opposed to simply considering the basic purchase price.

Bid – an offering received from a *Bidder* committing to provide goods and/or service for monetary consideration.

Bidder – a company, organization, person, entity, etc. that legally submits a *Bid*.

Construction Contracts – contracts for the construction or renovation of buildings or structures, municipal infrastructure, utilities, roadways, bridges, etc.

Consulting Services – engaging an expert in a particular field or discipline to assist with a project, acquisition, etc.

Direct Award Purchase – a purchase method that involves awarding a purchase contract without a competitive bidding or quotation process. There are two types of *Direct Award Purchases* – *Single Source* and *Sole Source*.

Invitation to Tender (ITT) – a method of competitive bidding, typically formal, where the expenditure is of a considerable size, and the District is able to define what is wanted, and where price is the primary determining factor of contract award (normally advertised widely).

Laws of Competitive Bidding – Canadian law that governs the competitive bidding process including the Contract “A” and Contract “B” relationship, the obligations of the Owner and Bidders during the bidding process, and other legal considerations in the bidding process.

Multi-Year Agreements – are agreements generally lasting longer than one year, but not more than five years. Examples would be service, operating, rental and lease agreements, but does not include employment agreements or contracts.

Non-Compliant Bid/Bidder – is a *Bid/Bidder* that has been disqualified from a competitive bidding process for failing to comply with the rules, terms, conditions, etc. of a competitive bidding process.

Purchase Order – a written document, usually containing terms and conditions that can either be an offering from the District to purchase goods and services for stated prices (contract to be validated when the vendor accepts the offer); or acceptance by the District to an offering received (validating the contract). *Purchase Orders* are also used to create a financial commitment in the District’s financial system.

Purchase Requisition – a document (including email) used by requesting departments to communicate specific purchase information such as quotations received, authorization, account codes, vendor information, taxes applicable, delivery terms & charges, required by date, etc. to the *Purchasing Section* for obtaining or issuing of a *Purchase Order*.

Purchasing Approval Authority – the authorized financial limit granted to a *Purchasing Officer* under [Administrative Policy 3-1210-1 Purchasing & Payment Approval Authority](#) to commit the District to the acquisition of goods and services.

Purchasing Officer – an employee of the District or partner agency assigned responsibility for purchasing goods and/or services, in accordance with [Administrative Policy 3-1210-1 Purchasing & Payment Approval Authority](#).

Purchasing Section – those individuals within the Supplies & Risk Management Department involved in the procurement of goods and services.

Request for Proposal (RFP) – a method of competitive bidding where the owner of a process generally knows what needs to be achieved in a project and there are many ways to achieve the end result. Monetary consideration or offering is not normally the primary deciding factor in awarding the contract.

Request for Quotation (RFQ) / Invitation to Quote (ITQ) – a method of obtaining competitive bids, generally a short document (one or more pages) that describes the goods and/or services and may state some terms and conditions and often takes place by mail, fax or email.

Single Source – awarding a contract where there is strong justification for a particular product, service or contractor and where there is at least one alternative source of supply that will largely satisfy the requirement.

Sole Source – awarding a contract where there is only one supplier for a product or service in the marketplace that will satisfy the requirement. The product or service must be substantially unique with no other like, or similar product or services available that will satisfy the requirement.

Total Cost of Ownership – in addition to the upfront cost of a purchase, all future costs in the use and maintenance of the equipment, device, or system considered, including, for example, sale/disposal at the end of its useful life, environmental/sustainability considerations, etc.

PART A – COMPETITIVE BIDDING

1) Competitive Bidding Requirements

a) **Purchases less than \$10,000:**

For purchases less than \$10,000 only one quotation is required. The purchaser is responsible for ensuring that *Best Value* has been obtained, and for retaining the appropriate justification supporting the decision.

b) **Purchases of \$10,000 to \$74,999 (Written Quotations):**

Purchases in this range should be made under competitive conditions. As a minimum, three (3) suppliers should be invited *in writing* to submit *written* quotations for the goods and/or services required. The written invitation may be by mail, facsimile or e-mail and the replies may be received the same way.

A public competitive bidding process provides added security and opens the opportunity to a wider market; therefore it may be more appropriate for some purchases in this range such as the acquisition of vehicles, major equipment, supply of services, supply & install contracts or any situation where detailed specifications must be met, to utilize a *Formal Competitive Bidding Process*. Whenever a *Formal Competitive Bidding Process* is utilized, the *Purchasing Section* must be involved.

When the minimum of three written quotations are not available due to limited interest from the supply community, there must be a written explanation of “Non-Compliance” provided to the *Purchasing Section* using the *Basis of Award* form or other acceptable means of written communication.

Any supporting documentation will be maintained by the *Purchasing Section* either in hardcopy or attached electronically to the *Purchase Order*.

Exceptions to Section b) of Competitive Bidding Requirements:

Single Sourcing is a form of *Direct Award Purchase* and is defined as those situations where there is strong justification for a particular product, service or supplier/contractor and where there is at least one alternative source of supply that will largely satisfy the requirement. *Single Sourcing* a purchase contract is considered an exception to the approved *Purchasing Principles* and *Best Practices* and will only be considered in limited circumstances (refer to Section 8 of the [Purchasing Procedures Manual](#) for acceptable *Single Sourcing* circumstances).

Sole Sourcing is a form of *Direct Award Purchase* and is defined as those situations where there is only one possible supplier for a product or service in the marketplace that will satisfy the requirement. The product or service must be substantially unique with no other like, or similar product or services available that will satisfy the requirement (refer to Section 8 of the [Purchasing Procedures Manual](#) for acceptable *Sole Sourcing* circumstances).

Single or Sole Sourced purchases require written justification clearly describing the reason(s) for not obtaining competitive bids, **and must be approved in advance as follows:**

- By the Supplies & Risk Management Manager for purchases up to \$50,000; and,
- By both the CAO and the CFO for purchases \$50,000 to \$74,999.

c) Purchases of \$75,000 or greater (Formal Competitive Bidding):

Purchases \$75,000 or greater must be competitively bid through a formal process such as *Request for Quotation, Invitation to Tender or Request for Proposals*, depending on the nature of the goods and/or services to be provided. This requirement for *Formal Competitive Bidding* can only be waived by District Council (see [Corporate Policy 3-1220-1 Contracting](#)). The *Purchasing Section* must be involved and will provide assistance in issuing the most appropriate *Formal Competitive Bidding* document.

Any supporting documentation will be maintained by the *Purchasing Section* either in hardcopy or attached electronically to the *Purchase Order*.

Once a purchase contract is ready to be awarded, a duly authorized *Purchase Requisition* is provided to the *Purchasing Section* for issuing a *Purchase Order* and/or appropriate purchase contract to the selected bidder, in accordance with the District's [Administrative Policy 3-1210-1 Purchasing & Payment Approval Authority](#).

2) Advertising of Bidding Opportunities

The District supports advertising of competitive bidding opportunities to encourage competition and *Best Value*. In order to comply with its requirements under legislative trade agreements, the District will advertise purchases using an electronic system (e.g. Province of British Columbia's BC Bid website www.bcbid.gov.bc.ca) where:

- a) the acquisition of goods and/or services are estimated to exceed \$75,000;
- b) *construction* projects are estimated to exceed \$200,000;
- c) advertising lesser dollar value purchases than noted above will likely benefit the District; and
- d) the supplier base is limited and advertising is likely to increase competition.

In addition to using an electronic system, other advertising methods such as local newspapers or trade directories (eg. Journal of Commerce), may also suit certain competitive bid situations. Departments are responsible for any advertising costs incurred.

PART B – PROCUREMENT AND CONTRACTING

AWARDING & EXECUTING OF PURCHASE CONTRACTS

The ability to award contracts for the procurement of goods and services is subject to the availability of sufficient funds in the appropriate accounts within Council's approved Annual Financial Plan, and the authority delegated to staff by the District's [Administrative Policy 3-1210-1 Purchasing & Payment Approval Authority](#).

In the normal course of business, the Supplies & Risk Management Manager and the appropriate District Officer will execute contracts jointly. However, when a resolution of Council is required to proceed with a contractual agreement, the Mayor and Municipal Clerk will act as signatories to the agreement.

PURCHASING METHODS AND PROCESSES

Purchasing methods and processes used by the District are found in Section 7 of the District's [Purchasing Procedures Manual](#).

OTHER PROCUREMENT CONSIDERATIONS

1) Consulting and Professional Services

Departments may engage consultants periodically to provide professional or technical services subject to approval of funding in the Division's budget and demonstration that the services required are deemed to be best provided by a contract relationship rather than through existing staff. Care must be taken to avoid employing anyone as a consultant if they meet one or more of the criteria used by Canada Revenue Agency to define an employee.

To be considered as a consultant rather than an employee for purposes of payment for goods and/or services, the consultant must:

- Have the work to be performed clearly spelled out in a measurable way in a formal contract that includes all relevant terms and conditions.
- Assume some responsibility and risk for successful completion of the work under contract.
- Be under contract for a fixed term or project.

Criteria for distinguishing a consultant from an employee:

- Control – Consultant determines how, when and by whom the work gets done.
- Financial Risk/Chance of Profit – Consultant assumes the risk of financial loss /chance of profit.
- Specific Result – Consultant is hired to perform a singular project that has a specific result.

None of these criteria is decisive on its own. Each serves as a focal point for analyzing the facts, and it is these facts, taken as a whole, that are decisive. Departments are responsible to first work with Human Resources and then with the *Purchasing Section* prior to making any commitment to a consultant to ensure that the liabilities and risk exposures of the District are properly protected and that the hiring of a consultant is not generating an employer/employee relationship.

Consulting and professional services contracts will be awarded on the basis of demonstrated competence and qualifications for the type of professional services required. The *Competitive Bidding Requirements* described in this Policy are to be followed in order to ensure *Best Value* to the District.

2) Cooperative Purchasing

The District may participate with other government agencies, public authorities or private organizations in co-operative acquisition ventures where it is in the best interest of the taxpayer to do so and may follow the procedures set out by the group responsible for the venture. Participation will be at the discretion of the Chief Financial Officer, the Supplies & Risk Management Manager or their respective delegates, and will follow the authority limits outlined in this Policy.

3) Disposal of Goods or Equipment

The *Purchasing Section* is responsible for the sale/disposal of surplus/obsolete goods and equipment (assets). Environmental impact considerations should be taken into account when disposing of surplus or obsolete goods. Disposal by the most appropriate means is at the discretion of the Supplies & Risk Management Manager.

4) Supporting Local Business

The District will follow recognized best practices in procurement, will adhere to any rules for participation in cooperative purchasing initiatives, and will comply with all Provincial and Federal laws, regulations and trade agreements applicable to the procurement of goods, services and construction by a British Columbia municipality. Once these obligations have been met, and where the quality, service and price between two or more suppliers are determined by the District to be equivalent, preference will be given to a local supplier with a business address located on the North Shore (District of North Vancouver, City of North Vancouver or District of West Vancouver).

5) Environmentally Sustainable Goods and Services

In order to increase awareness and support the development of environmentally sustainable goods and/or services, all District departments should review their contracts and specifications, ensuring that wherever possible and economically feasible, specifications are amended to favour environmentally sustainable goods and/or services.

The District as a whole endeavours to increase its use of products and services that are more responsible to the environment (for example, in the way that they are made, used, transported, stored, packaged and managed at the end of their useful lives). The District recognizes that there is a need to consider costs associated with purchasing environmentally sustainable goods and/or services with the benefits they may provide.

For further information on environmentally sustainable procurement, refer to the District's [*Administrative Policy 3-1220-3 Environmental Purchasing*](#).

6) Code of Ethics

The District supports and encourages the highest standards and code of ethics for all Officers and Employees for all procurement activities as published by the Supply Chain Management Association of Canada (SCMA). A copy of these ethics can be obtained by contacting Purchasing, or online at <http://scma.com/en/about-scma/join-scma/code-of-ethics>.

All District Officers and Employees must also abide by the District's [Administrative Policy 7-2585-1 Conflict of Interest](#) with respect to any procurement decisions made on behalf of the District.

Approval Date:	November, 2003	Approved by:	Chief Administrative Officer
1. Amendment Date:	April 7, 2011	Approved by:	Chief Administrative Officer
2. Amendment Date:	November 11, 2013	Approved by:	Chief Administrative Officer
3. Amendment Date:	February 22, 2018	Approved by:	Finance and Audit Committee
4. Amendment Date:		Approved by:	

APPENDIX A

RELATED POLICIES

The policies listed below **should be read in conjunction with** this Policy:

Corporate 3-1220-1	Contracting
Administrative 3-1210-1	Purchasing and Payment Approval Authority Policy
Administrative 5-2380-1	Equipment Leases
Administrative 3-1220-3	Environmental Purchasing
Administrative 6-2210-1	Legal Services – Requisitioning Requirements
Administrative 3-1200-1	Use of Purchasing Cards
<u>Administrative 4-1350-1</u>	<u>Computer Hardware/Software Acquisition and Use</u>

Note: The Chief Financial Officer or delegate is authorized to update this Appendix as required.



ADMINISTRATIVE POLICY

Title	Procurement of Goods and Services
Section	Purchasing

POLICY

The District of North Vancouver (“the District”), in the performance of the duties and responsibilities assigned to it, must engage in the procurement of goods and services. In achieving the maximum economy, efficiency and effectiveness in the performance of this function (*Best Value*), the District has endorsed certain fundamental principles it considers applicable to public purchasing.

PURPOSE

The purpose of this policy is to identify the Purchasing Principles and Best Practices guiding the procurement process in order to achieve *Best Value* for purchases while establishing an appropriate balance between fiscal controls and operational flexibility.

SCOPE

This policy applies to the procurement of goods and services by all District departments and North Shore Emergency Management.

OBJECTIVES

The objectives of this Policy are to ensure that purchases result in *Best Value* for the District and that *Best Practices* are utilized to engage the marketplace and in the awarding of contracts. *Best Value* is achieved when, in addition to the financial cost of a good and/or service, relevant *Total Cost of Ownership* factors are taken into account.

Examples of *Total Cost of Ownership* considerations are:

- a) acquisition cost, including administration costs;
- b) quality of goods or services offered;
- c) residual value;
- d) disposal cost;
- e) maintenance, ease of operation, ergonomics;
- f) delivery, shipping and payment terms;
- g) warranties;
- h) performance and service considerations;
- i) environmental and sustainability considerations;
- j) adherence to specifications, laws, regulations;

- k) costs/benefits of standardization; and
- l) life cycle replacement costs.

Interest costs on borrowing must be budgeted for, but will not be considered part of *Total Cost of Ownership* for procurement purposes. However, interest costs are relevant to 'buy versus lease' decisions which are covered under [Administrative Policy 5-2380-1 Equipment Leases](#).

PROCEDURE

The District's [Purchasing Procedures Manual](#) provides additional information to assist staff and affiliated agencies in the processes used for the procurement of goods and services by the District.

EXCEPTIONS

All procurement of goods and services by the District or any of its affiliated agencies are to be acquired in accordance with this Policy, unless authorized on an exception basis by the Chief Administrative Officer and the Chief Financial Officer. For procurement activities over \$75,000, refer to [Corporate Policy 3-1220-1 Contracting](#) for Council approval requirements.

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- 4) Single or Sole Sourcing (*Direct Awarding*) a contract where competitive bidding is required is considered an exception to these approved *Purchasing Principles* and *Best Practices* and should

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only be considered under specific circumstances as described in Section 8 of the [Purchasing Procedures Manual](#);

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Total Cost of Ownership – in addition to the upfront cost of a purchase, all future costs in the use and maintenance of the equipment, device, or system considered, including, for example, sale/disposal at the end of its useful life, environmental/sustainability considerations, etc.

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1) Competitive Bidding Requirements

a) **Purchases less than \$10,000:**

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A public competitive bidding process provides added security and opens the opportunity to a wider market; therefore it may be more appropriate for some purchases in this range such as the acquisition of vehicles, major equipment, supply of services, supply & install contracts or any situation where detailed specifications must be met, to utilize a *Formal Competitive Bidding Process*. Whenever a *Formal Competitive Bidding Process* is utilized, the *Purchasing Section* must be involved.

When the minimum of three written quotations are not available due to limited interest from the supply community, there must be a written explanation of “Non-Compliance” provided to the *Purchasing Section* using the *Basis of Award* form or other acceptable means of written communication.

Any supporting documentation will be maintained by the *Purchasing Section* either in hardcopy or attached electronically to the *Purchase Order*.

Exceptions to Section b) of Competitive Bidding Requirements:

Single Sourcing is a form of *Direct Award Purchase* and is defined as those situations where there is strong justification for a particular product, service or supplier/contractor and where there is at least one alternative source of supply that will largely satisfy the requirement. *Single Sourcing* a purchase contract is considered an exception to the approved *Purchasing Principles* and *Best Practices* and will only be considered in limited circumstances (refer to Section 8 of the [Purchasing Procedures Manual](#) for acceptable *Single Sourcing* circumstances).

Sole Sourcing is a form of *Direct Award Purchase* and is defined as those situations where there is only one possible supplier for a product or service in the marketplace that will satisfy the requirement. The product or service must be substantially unique with no other like, or similar product or services available that will satisfy the requirement (refer to Section 8 of the [Purchasing Procedures Manual](#) for acceptable *Sole Sourcing* circumstances).

Single or Sole Sourced purchases require written justification clearly describing the reason(s) for not obtaining competitive bids, **and must be approved in advance as follows:**

- By the Supplies & Risk Management Manager for purchases up to \$50,000; and,
- By both the CAO and the CFO for purchases \$50,000 to \$74,999.

c) Purchases of \$75,000 or greater (Formal Competitive Bidding):

Purchases \$75,000 or greater must be competitively bid through a formal process such as *Request for Quotation, Invitation to Tender or Request for Proposals*, depending on the nature of the goods and/or services to be provided. This requirement for *Formal Competitive Bidding* can only be waived by District Council (see [Corporate Policy 3-1220-1 Contracting](#)). The *Purchasing Section* must be involved and will provide assistance in issuing the most appropriate *Formal Competitive Bidding* document.

Any supporting documentation will be maintained by the *Purchasing Section* either in hardcopy or attached electronically to the *Purchase Order*.

Once a purchase contract is ready to be awarded, a duly authorized *Purchase Requisition* is provided to the *Purchasing Section* for issuing a *Purchase Order* and/or appropriate purchase contract to the selected bidder, in accordance with the District's [Administrative Policy 3-1210-1 Purchasing & Payment Approval Authority](#).

2) Advertising of Bidding Opportunities

The District supports advertising of competitive bidding opportunities to encourage competition and *Best Value*. In order to comply with its requirements under legislative trade agreements, the District will advertise purchases using an electronic system (e.g. Province of British Columbia's BC Bid website www.bcbid.gov.bc.ca) where:

- a) the acquisition of goods and/or services are estimated to exceed \$75,000;
- b) *construction* projects are estimated to exceed \$200,000;
- c) advertising lesser dollar value purchases than noted above will likely benefit the District; and
- d) the supplier base is limited and advertising is likely to increase competition.

In addition to using an electronic system, other advertising methods such as local newspapers or trade directories (eg. Journal of Commerce), may also suit certain competitive bid situations. Departments are responsible for any advertising costs incurred.

PART B – PROCUREMENT AND CONTRACTING

AWARDING & EXECUTING OF PURCHASE CONTRACTS

The ability to award contracts for the procurement of goods and services is subject to the availability of sufficient funds in the appropriate accounts within Council's approved Annual Financial Plan, and the authority delegated to staff by the District's [Administrative Policy 3-1210-1 Purchasing & Payment Approval Authority](#).

In the normal course of business, the Supplies & Risk Management Manager and the appropriate District Officer will execute contracts jointly. However, when a resolution of Council is required to proceed with a contractual agreement, the Mayor and Municipal Clerk will act as signatories to the agreement.

PURCHASING METHODS AND PROCESSES

Purchasing methods and processes used by the District are found in Section 7 of the District's [Purchasing Procedures Manual](#).

OTHER PROCUREMENT CONSIDERATIONS

1) Consulting and Professional Services

Departments may engage consultants periodically to provide professional or technical services subject to approval of funding in the Division's budget and demonstration that the services required are deemed to be best provided by a contract relationship rather than through existing staff. Care must be taken to avoid employing anyone as a consultant if they meet one or more of the criteria used by Canada Revenue Agency to define an employee.

To be considered as a consultant rather than an employee for purposes of payment for goods and/or services, the consultant must:

- Have the work to be performed clearly spelled out in a measurable way in a formal contract that includes all relevant terms and conditions.
- Assume some responsibility and risk for successful completion of the work under contract.
- Be under contract for a fixed term or project.

Criteria for distinguishing a consultant from an employee:

- Control – Consultant determines how, when and by whom the work gets done.
- Financial Risk/Chance of Profit – Consultant assumes the risk of financial loss /chance of profit.
- Specific Result – Consultant is hired to perform a singular project that has a specific result.

None of these criteria is decisive on its own. Each serves as a focal point for analyzing the facts, and it is these facts, taken as a whole, that are decisive. Departments are responsible to first work with Human Resources and then with the *Purchasing Section* prior to making any commitment to a consultant to ensure that the liabilities and risk exposures of the District are properly protected and that the hiring of a consultant is not generating an employer/employee relationship.

Consulting and professional services contracts will be awarded on the basis of demonstrated competence and qualifications for the type of professional services required. The *Competitive Bidding Requirements* described in this Policy are to be followed in order to ensure *Best Value* to the District.

2) Cooperative Purchasing

The District may participate with other government agencies, public authorities or private organizations in co-operative acquisition ventures where it is in the best interest of the taxpayer to do so and may follow the procedures set out by the group responsible for the venture. Participation will be at the discretion of the Chief Financial Officer, the Supplies & Risk Management Manager or their respective delegates, and will follow the authority limits outlined in this Policy.

3) Disposal of Goods or Equipment

The *Purchasing Section* is responsible for the sale/disposal of surplus/obsolete goods and equipment (assets). Environmental impact considerations should be taken into account when disposing of surplus or obsolete goods. Disposal by the most appropriate means is at the discretion of the Supplies & Risk Management Manager.

4) Supporting Local Business

The District will follow recognized best practices in procurement, will adhere to any rules for participation in cooperative purchasing initiatives, and will comply with all Provincial and Federal laws, regulations and trade agreements applicable to the procurement of goods, services and construction by a British Columbia municipality. Once these obligations have been met, and where the quality, service and price between two or more suppliers are determined by the District to be equivalent, preference will be given to a local supplier with a business address located on the North Shore (District of North Vancouver, City of North Vancouver or District of West Vancouver).

5) Environmentally Sustainable Goods and Services

In order to increase awareness and support the development of environmentally sustainable goods and/or services, all District departments should review their contracts and specifications, ensuring that wherever possible and economically feasible, specifications are amended to favour environmentally sustainable goods and/or services.

The District as a whole endeavours to increase its use of products and services that are more responsible to the environment (for example, in the way that they are made, used, transported, stored, packaged and managed at the end of their useful lives). The District recognizes that there is a need to consider costs associated with purchasing environmentally sustainable goods and/or services with the benefits they may provide.

For further information on environmentally sustainable procurement, refer to the District's [*Administrative Policy 3-1220-3 Environmental Purchasing*](#).

6) Code of Ethics

The District supports and encourages the highest standards and code of ethics for all Officers and Employees for all procurement activities as published by the Supply Chain Management Association of Canada (SCMA). A copy of these ethics can be obtained by contacting Purchasing, or online at <http://scma.com/en/about-scma/join-scma/code-of-ethics>.

All District Officers and Employees must also abide by the District's [Administrative Policy 7-2585-1 Conflict of Interest](#) with respect to any procurement decisions made on behalf of the District.

Approval Date:	November, 2003	Approved by:	Chief Administrative Officer
1. Amendment Date:	April 7, 2011	Approved by:	Chief Administrative Officer
2. Amendment Date:	November 11, 2013	Approved by:	Chief Administrative Officer
3. Amendment Date:	February 22, 2018	Approved by:	Finance and Audit Committee
4. Amendment Date:		Approved by:	

APPENDIX A

RELATED POLICIES

The policies listed below **should be read in conjunction with** this Policy:

Corporate 3-1220-1	Contracting
Administrative 3-1210-1	Purchasing and Payment Approval Authority Policy
Administrative 5-2380-1	Equipment Leases
Administrative 3-1220-3	Environmental Purchasing
Administrative 6-2210-1	Legal Services – Requisitioning Requirements
Administrative 3-1200-1	Use of Purchasing Cards
Administrative 4-1350-1	Computer Hardware/Software Acquisition and Use

Note: The Chief Financial Officer or delegate is authorized to update this Appendix as required.

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To: Finance and Audit Standing Committee

From: General Manager, Finance and CFO
General Manager, Corporate Services

Date: April 17, 2026

Subject: Independent review of Council Remuneration and Benefits

Purpose

To provide an update on the independent review of Council remuneration and benefits, and to outline the proposed scope, comparator group, timing, and reporting approach for Committee consideration and feedback.

The Council Remuneration Policy requires that an independent third-party review of Council remuneration and benefits be completed in the fourth year of Council's mandate, prior to the expiry of the sitting Council. This briefing outlines how that requirement is being met and identifies areas where additional information will be incorporated to support decision-making.

Scope of the Independent Review

The independent consultant will assess the appropriateness and competitiveness of Council remuneration and benefits by benchmarking against comparable municipalities.

Core remuneration elements

The review will examine for the Mayor and Councillors:

- Base annual remuneration
- Councillor remuneration as a percentage of Mayor remuneration
- Acting Mayor compensation
- Vehicle and transportation allowances
- Group benefits (including participation, opt-out practices, and comparability)
- Pension, retirement, or transitional allowances

Adjustments framework

The review will:

- Confirm the current approach for annual remuneration adjustments, and
- Assess whether alternative adjustment models are used by comparator municipalities.

Leave provisions

The review will consider current and emerging direction related to parental leave for elected officials, including:

- anticipated provincial minimum standards (up to 26 consecutive weeks),
- remuneration and benefit continuation during leave, and
- implications for Acting Mayor appointments and temporary role coverage.

Transparency and context

To strengthen governance and public accountability, staff will also provide contextual information on:

- the range of total Council compensation, including remuneration received through regional boards and / or committees

Comparator municipalities

The following municipalities have been selected based on population size, governance complexity, and regional relevance:

- City of Coquitlam
- Township of Langley
- City of Delta
- City of Maple Ridge
- City of New Westminster
- City of Port Coquitlam
- City of North Vancouver
- District of West Vancouver

Timing and Reporting

- The independent review has been initiated and is expected to complete by **late May**.
- Findings will be reported to the **Finance and Audit Standing Committee in June**.
- Staff will seek Committee direction to advance the recommended remuneration adjustments to Council, including any related policy refinements.

Timing has been structured to ensure independence from the sitting Council's term, to provide sufficient opportunity for Committee review and discussion, and transparency and defensibility of any recommended changes.

Attachments

1. Current Council remuneration and benefits
2. Council remuneration policy

Annual Remuneration and Benefits 2026 ^{1,2}

	Mayor	Councillor
Remuneration ³		
Base Remuneration ⁴	\$165,479	\$66,191
Acting Mayor Pay ⁵	-	\$3,890
Transportation Allowance	\$9,468	\$3,840
Life & Illness	\$882	\$236
Total Remuneration	\$175,828	\$74,158
Employer Paid Benefits		
CPP (statutory benefit)	\$4,646	\$3,597
Extended Health	\$3,913	\$2,936
Dental Care	\$3,123	\$1,441
Total Employer Paid Benefits	\$11,683	\$7,974
Total	\$187,511	\$82,132

Notes

1. All amounts shown are annual, per-person amounts.
2. The budget also includes a provision for Council expenses, which are not shown in the table above. Eligible expenses include attending annual events and engaging in municipal business.
3. Remuneration includes taxable allowances and taxable benefits.
4. Council base remuneration is currently 40% of Mayor remuneration, which was in the 75th percentile of comparator municipalities when the independent review last completed in 2022.
5. Acting Mayor Pay is paid to Councillors when acting in the Mayor role, which generally occurs two months per year (\$1,945 per month).



The Corporation of the District of North Vancouver

CORPORATE POLICY

Title	Council Remuneration
Section	Finance

POLICY

It is the policy of Council that Mayor and Council are provided annual remuneration.

Policy approved on: July 9, 2018

Policy amended on:

PROCEDURE

1. Remuneration and Benefits Review

Remuneration and benefits for Council will be reviewed by a qualified independent third party in the fourth year of a Council's mandate before the term of the sitting Council expires.

2. Remuneration for Council Members

2.1. Annual Remuneration

Annual remuneration paid to Council members for discharging the duties of their office is effective on January 1 of each calendar year.

2.2. Acting Mayor Remuneration

In a month in which a Councillor is appointed under Section 130 of the Community Charter and serves in the capacity of Acting Mayor, the Councillor shall be paid Acting Pay for that month. This is in addition to Annual Remuneration in 2.1 above.

2.3. RRSP Lump Sum Requests

At the Council member's request, from the annual remuneration in 2.1 above, an amount (calculated as the maximum allowable RRSP contribution in accordance

with the Income Tax Act) may be paid in a lump sum, on or before the last day in February in any given year, to enable the purchase of a Registered Retirement Saving Plan;

3. Annual Remuneration Adjustment

Effective January 1st, for any given year, during a sitting Council's term, annual remuneration, under 2.1 and 2.2 above, will be adjusted by the annual percentage change for the prior calendar year of the Statistics Canada All Items Consumer Price Index (CPI) for Vancouver.

4. Health and Welfare Benefits

The District of North Vancouver will pay the full cost of health and welfare benefit plans: including extended health; dental; group life insurance and accidental death and dismemberment (AD&D).

Enrolment will be effective the first of day of the month following election for members of Council who opt to join any of the plans. The provision of the benefits shall be subject to the requirements of the respective benefit plans.

AUTHORITY TO ACT

Policy Amendment - Retained by Council

Procedure Amendments – Chief Administrative Officer

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To: Finance and Audit Standing Committee

From: General Manager, Finance and CFO

Date: April 17, 2026

Subject: Update on 10-Year Rolling Financial Plan

Purpose

To provide a brief update on the next steps identified in the [10-year Rolling Financial Plan report](#), introduced at the March 12 Standing Committee meeting.

Next steps identified

The following items were identified for completion in Q1.

Next steps	Status
Update basic service information in the new planning and budgeting system.	First draft of the services circulated to the organization for review and update (Attachment 1).
Produce asset management information by service, in addition to asset type.	First draft of “Asset Portfolio by Service” complete (Attachment 2).
Allocate administrative services, facility space, and infrastructure funding to services.	Cost allocation methodology reviewed. Allocations policy and draft allocations to the services will be updated and brought back to the Committee in June.
Calculate impacts from the emergent financial strategies.	Initial assessment complete, additional analysis is “in progress”.

A further update on these items will be brought back to the Committee in June. A full update on the “Asset Portfolio by Service” will be brought back to the Committee through the “State of the Assets Report” in July.

Attachment

1. Draft List of Services
2. Asset Portfolio by Service - Presentation

The services listed below are now reflected in the financial planning and budgeting system and are being reviewed and confirmed by the organization. Support (indirect) service costs will be allocated out to the other services when financial information is brought back to the Committee in June.

Service Area	Service	Support Service
1. Environment and Utility Services	1 Natural Systems and Biodiversity	
	2 Liquid Waste (Sewer) Management	
	3 Stormwater (Drainage) Network	
	4 Solid Waste Collection	
	5 Water Supply and Distribution	
2. Governance and Administration	6 Climate Action	Y
	7 Corporate Finances	Y
	8 Corporate Services	Y
	9 Digital and Technology	Y
	10 Executive Services	Y
	11 Facilities & Fleet	Y
	12 Finance	Y
	13 Governance	
	14 Infrastructure Services	Y
	15 Project Delivery	Y
3. Parks, Recreation, and Culture	16 Library Services	
	17 Museum and Archives	
	18 Parks	
	19 Recreation and Culture	
4. Planning and Development	20 Community Planning	
	21 Development Services	
	22 Economic Services	
	23 Land and Property Management	
5. Protective Services	24 Bylaw Services	
	25 Emergency Management	
	26 Fire and Rescue	
	27 Natural Hazards	
	28 Police Protection	
6. Social Services and Housing	29 Affordable Housing	
	30 Child and Senior Care	
	31 Social Assistance & Cmty Grants	
7. Transportation Services	32 Parking & Parking Infrastructure	
	33 Transportation	

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Asset Management Update

2025 ASSET PORTFOLIO BY SERVICE



Purpose and Background

- To provide the Finance and Audit Standing Committee a *draft overview* of DNV's asset portfolio organized by service.
- The CAO initiated a service and budget review structured around seven service areas. A central objective is the production of financial tables by service on a full-cost basis, and the use of asset information to support service-based planning and budgeting.
- This presentation shares initial findings, including asset resource requirements by service.

ASSET PORTFOLIO BY SERVICE - SUMMARY

Key Figures

\$4.6B

Total Portfolio CRV

\$74.1M

Annual Lifecycle Cost

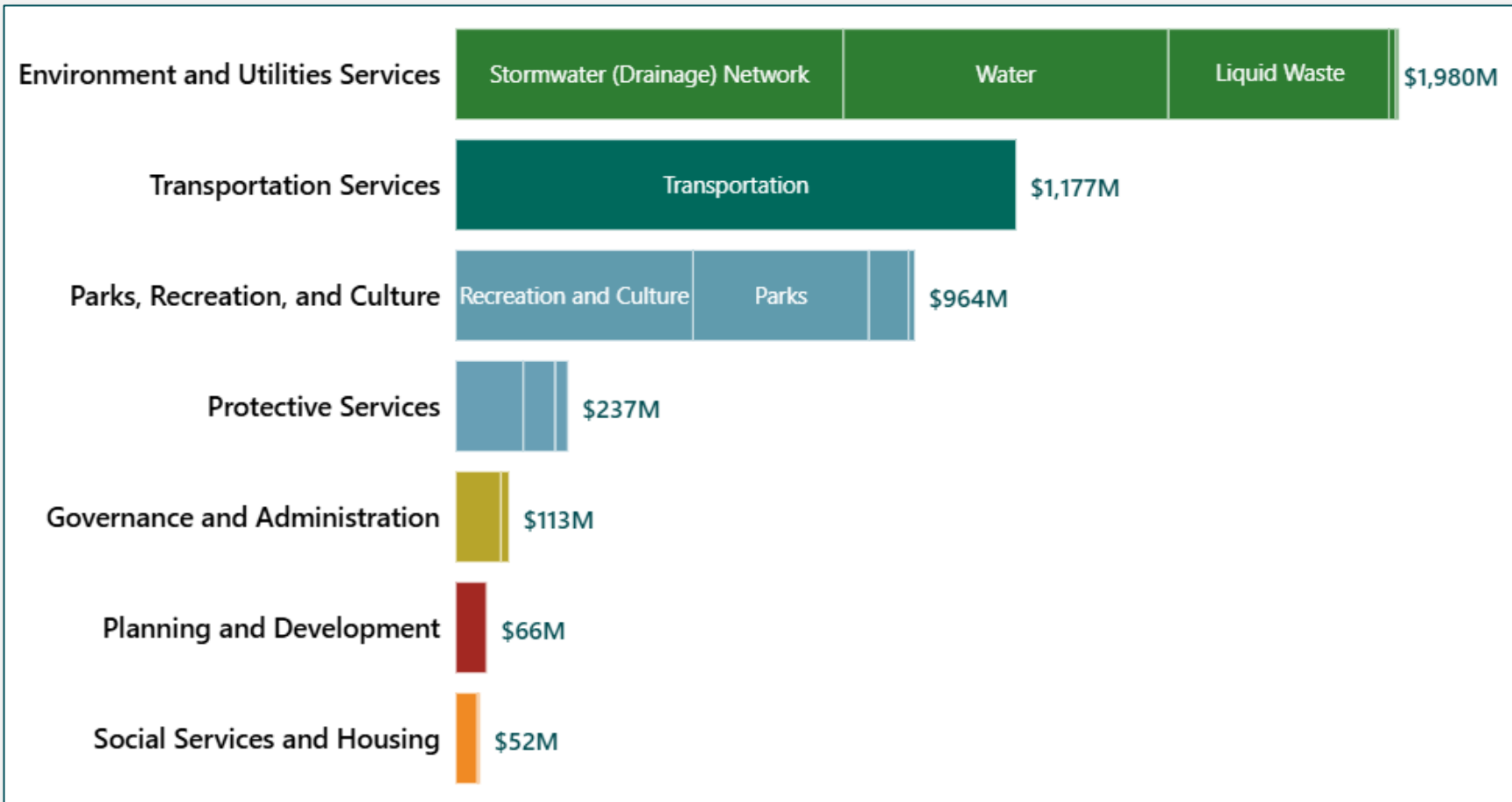
43.7%

Portfolio % Life Consumed

37,000

Asset Records

Current Replacement Value (CRV) by Service Area



DATA GAPS, LIMITATIONS & NEXT STEPS

Known Data Gaps and Limitations

Area / Asset Class	Known Data Gap or Limitation	Status / Next Step
Affordable Housing	There are 1,882 units of affordable housing secured under community leases. Affordable housing leases are tracked as community assets for asset management purposes but are not recorded as tangible capital assets for financial reporting.	Confirm data to include in inventory (e.g. units controlled, remaining lease term, implied land value foregone, replacement cost of service, renewal / expiry risk).
Buildings - Shared Allocation	Buildings supporting multiple services are proportionally allocated. Allocation percentages are in draft and subject to revision.	Allocation table to be confirmed with service owners.
Buildings - Site	Site CRV (\$45M) covers above-ground site assets and does not include underground utilities and services.	Ongoing capture of underground utilities and cost methodology in progress.
Buildings - Component Renewals	Annual sustainable funding for buildings reflects whole-of-asset replacement only. Interim component and system renewals (e.g. roofing, HVAC) are not included. Actual annual investment required may be higher than shown.	Lifecycle cost methodology development in progress.
Streetlight and Park Lights	CRV unit costs are based on inflated 2017 rates. Updated 2025 rates exist but are not yet integrated.	Integration planned for next AMP update
Traffic Signal Network	CRV applied only to GIS inventory captured from 2014. Asset file pending a major update.	Full inventory update in progress
Parks Assets	Significant progress made in identification and capture; some assets still being recorded. Portfolio CRV may increase modestly as inventory is completed.	Ongoing capture in progress
Area / Asset Class	Known Data Gap or Limitation	Status / Next Step
Natural Systems and Biodiversity	Asset inventory is limited to forestry resilience assets. Ecological assets (streams, habitat) are not currently valued. Natural assets more broadly are still being identified and assessed.	Scope to be confirmed with service and asset leads
Retaining Walls - Height Data	Unit cost refinement (from \$/m to \$/m2) is in progress pending field height data collection.	Progress data collection
Natural Hazards - CRV	Debris control structures are included but overall asset scope is incomplete.	Scope confirmation required
Condition Data	Condition ratings are incomplete for several asset classes.	267 Condition assessment program ongoing

Next Steps

May to July

Refine allocation factors and update asset data to reflect the finalized service hierarchy, including any service splits.

2025 State of Assets Report


Asset portfolio data will inform the State of Assets Report, which will be reported publicly by service area and service.

Asset Management Plans

Refresh on a service basis to support renewal forecasting and long-term financial planning.

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AGENDA INFORMATION	
<input checked="" type="checkbox"/> Finance and Audit	Date: April 24, 2026
<input type="checkbox"/> Advisory Oversight	Date: _____
<input type="checkbox"/> Other: _____	Date: _____

Dept. Manager	 GM/ Director	CAO
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The District of North Vancouver REPORT TO COMMITTEE

April 17, 2026
File:

AUTHOR: Elio Iorio, Manager, Financial Services

SUBJECT: Treasury Report – Q1 2026

RECOMMENDATION:

THAT the report of the Manager, Financial Services entitled “Treasury Report – Q1 2026” is received for information and feedback.

REASON FOR REPORT:

This report provides an overview of the District’s treasury management performance, challenges, and strategic direction for the current year. The treasury function plays a critical role in optimizing liquidity, managing risks, and supporting the organizations corporate strategic objectives.

SUMMARY:

Investment income to the end of March has exceeded budget, while surplus has been allocated to capital reserves and contingency to help offset rising construction costs and operating risks. The Bank of Canada has paused rate cuts at 2.25%, while recent market volatility has placed upward pressure on borrowing rates. The District has proceeded with the remaining \$27.8 million in authorized borrowing through the MFA Spring 2026 program; however, higher than anticipated rates may reduce expected financing savings.

EXISTING POLICY:

Investments are compliant with applicable legislation and focus on the preservation of capital followed by liquidity, then by rate of return. Investment income is allocated to operations and reserves based on average annual fund balances.

Debt is used strategically to augment steady state replacement of existing assets or to acquire new assets supported by business case. Early debt retirements that strengthen the District’s financial position are acted on and savings are redirected to capital reserves. Debt is currently amortized over 20 years.

ANALYSIS:

Investment Portfolio Performance

The investment portfolio at the end of March was \$384.8 million (2025 – \$337.5 million) and earned \$2.9 million (2025 – \$3.3 million). Total rate of return (ROR) is 4.10% (2025 – 4.10%). Investment income is above budget by \$858,746. Considerable uncertainty continues to prevail in financial markets due to the U.S Administration’s trade policy announcements, alongside escalating tensions in the Middle East. While discussions between trading partners are ongoing, market conditions remain unsettled. In this context, the Bank of Canada (BoC) is expected to maintain interest rates in stimulative territory as it continues to assess the economic impacts of global trade developments and broader geopolitical instability. Most of the surplus being generated from higher investment income at this time is being allocated to capital reserves and contingency to help offset rising construction costs and operating risks.

Investment Income to March 31, 2026

<u>Earned</u>	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
MFA \$	2,979 \$	3,663 \$	(684)
BMO HISA	129,807	129,600	207
MFA PHISA	193,880	146,700	47,180
BlueShore Financial BISA	4,466	4,950	(484)
Liquid Investments	331,132	284,912	46,220
Brokerage/Term Deposits	2,560,059	1,747,533	812,526
Totals \$	2,891,191 \$	2,032,445 \$	858,746

<u>Rates</u>	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
MFA	2.38%	2.50%	-0.12%
BMO HISA	2.80%	2.80%	0.00%
MFA PHISA	2.80%	2.80%	0.00%
BlueShore Financial BISA	1.25%	1.25%	0.00%
Brokerage/Term Deposits	4.38%	3.00%	1.38%
Totals	4.10%	3.15%	0.95%

Reasons for investment performance are primarily capital project timing and brokerage investment performance, which at 4.38% is above the risk-free overnight interest rate of 2.30%.

Benchmark Yields as of April 10, 2026 (Comparatives, December 31, 2025):

Canadian Bonds			CORRA ¹		Average GICs		
	Rate		Rate				
1-3 Year	2.76%	(2.55%)	2.30%	(2.30%)	1 Year	2.70%	(2.45%)
3-5 Year	3.02	(2.90)			3 Year	2.75	(2.52)
5-10Year	3.30	(3.24)			5 Year	2.75	(2.75)

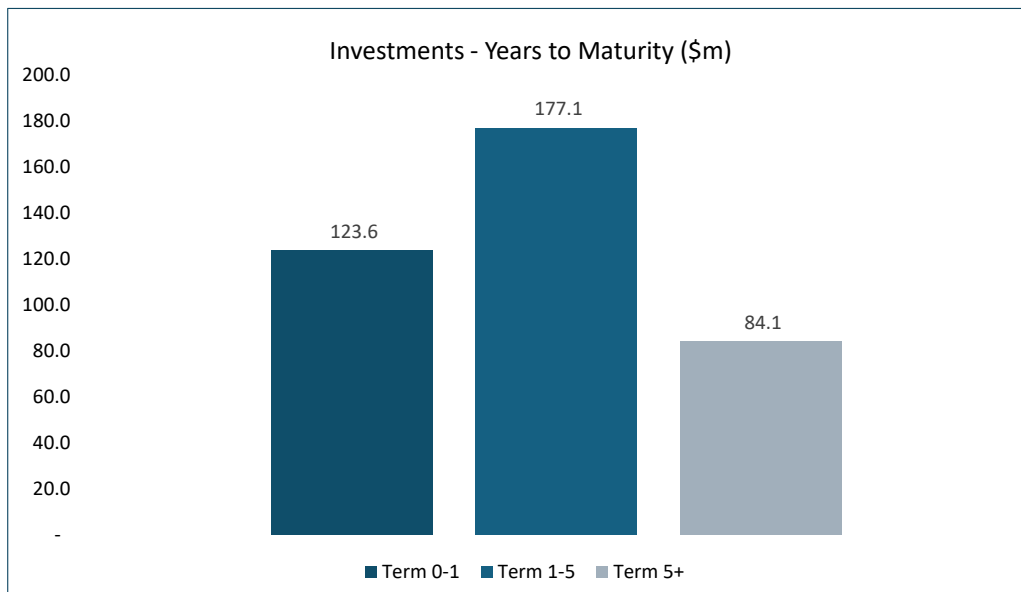
¹ CORRA – Canadian Overnight Repo Rate Average is the risk-free rate of interest used by banks to provide a reliable and transparent benchmark for overnight funding costs.

Investments by type of institution and instrument:

- Municipal Finance Authority – PHISA (CIBC Pooled High Interest Savings Account) - \$53.4 million
- Bank of Montreal BMO – High interest savings account - \$11.4 million
- Credit Unions – high interest bank account & term deposits - \$42 million
- Major Canadian Banks – \$273 million
- Provincials – \$5 million

Investments by term (in millions)

The portfolio is structured with \$300.7 million in relatively liquid investments (0-5 years) and \$84.1 million in limited longer-term opportunities (5+years). Liquid investments are structured to support the near term and medium-term cash flow requirements of the organization.



Investment Opportunities

Investments in the portfolio maturing within the term of 1 to 5 years continue to maximize rate of return. Major bank products that were once not as competitive in comparison to credit union products are being evaluated for their longer-term potential. We continue to evaluate MFA investment products for their applicability in balancing the portfolio and selectively look for opportunities to reposition the investment portfolio into longer periods. The District’s investment strategy is amenable to the opportunities now presenting themselves while the primary focus remains on the preservation of capital with greater diversification for an ongoing conservative risk profile. In future brokerage investment returns will start to decrease in the near term as investments from earlier years mature and are reinvested at declining market yields.

Debt Management

The District participated in the Municipal Finance Authority's (MFA) Fall 2024 long-term borrowing process, receiving an initial allocation of \$20 million in September 2024. The funding was secured at a rate of 3.83% and applied to the Argyle Artificial Turf Field (\$2.8 million), with the remainder supporting a portion of the Maplewood Fire and Rescue Centre. The loan authorization bylaw permits borrowing up to \$47.8M for these projects, with the remaining \$27.8M now requested for funding through the 2026 MFA Spring borrowing opportunity.

Based on the lower interest rate environment observed through 2025, when MFA 10-year borrowing rates were approximately 3.73% during the fall intake, the District proceeded with plans to complete its remaining borrowing. Metro Vancouver is expected to issue funds at the conclusion of the MFA spring borrowing program, typically by the end of April.

However, financial market conditions have become more volatile in early 2026, influenced in part by the geopolitical instability in the Middle East and resulting pressures on global energy markets. MFA borrowing rates have trended higher and are currently estimated at approximately 4.12% for the Spring issue. As a result, while borrowing will proceed as planned, anticipated interest cost savings relative to earlier projections may be reduced.

Projected rates:

	<u>2026 Q1</u>	<u>2026 Q2</u>	<u>2026 Q3</u>
BoC Policy Rate	2.25%	2.25%	2.25%
Canada 10-year Bond Rate	3.43%	3.45%	3.40%
MFA 10-year Lending Rate	4.12%	4.10%	4.05%

MFA has advised that not all debt issues can be included in the 10-year lending rate². We expect this issue to qualify as the original debt issue and this debt issue relate to the same asset. However, if it does not, the applicable rate would likely be 0.74% higher under the 20-year rate (currently 4.86%).

The District will continue to closely monitor interest rate developments and broader economic conditions. While rates remain within a relatively moderate range, increased uncertainty underscores the importance of prudent debt management and flexibility in financial planning as the District advances its capital program.

² The 10-year lending rate provides municipalities an opportunity to reset their lending rate after the first 10-years of a 20-year debt amortization.

Looking forward, the District’s use of debt will increase in the near term as we invest in active transportation, artificial turf fields and other Council priorities. The chart provided reflects this borrowing, with property tax funded debt rising from 3.5% of tax revenue in 2026 to 5.0% by 2030, before declining to 4.1% by 2035.



While debt levels planned are well within the District’s ability to borrow³, increased market uncertainty may reduce the extent of borrowing cost savings originally anticipated in the 5-year Financial Plan.

Economic Outlook

The Bank of Canada (BoC) has eased monetary policy from its historic peak of 5%, with the policy rate reduced to 2.25% as of October 29, 2025. While further easing had previously been expected, heightened global uncertainty has led the Bank to shift to a more cautious, data-dependent stance. In the near term, interest rates are expected to remain within a stimulative range as the BoC continues to assess evolving economic conditions. However, the possibility of rate increases later in the year has emerged should inflationary pressures re-intensify.

Inflation in Canada, which returned to the BoC’s 2% target in mid-2024 for the first time since 2021, has since moderated further to 1.8% as of February 2026 (Vancouver CPI: 2.0%). Recent inflation trends reflect a combination of easing and persistent pressures. Earlier declines in consumer energy prices—supported in part by the removal of the consumer carbon levy—helped temper inflation. More recently, rising global oil prices driven by geopolitical instability, including conflict involving Iran, have created renewed upward pressure on energy costs. At the same time, food prices at both grocery stores and restaurants remain elevated, continuing to contribute to affordability challenges. The broader economic outlook has become increasingly uncertain amid ongoing U.S. tariffs, the potential for additional trade actions, and escalating geopolitical tensions. In its January 28, 2026 [Monetary Policy report](#)⁴, the Bank of Canada outlined scenarios showing moderating economic growth with differing inflation paths, reflecting the balance between disinflationary forces and upward cost pressures associated with global trade disruptions.

³ The Community Charter limits the cost servicing liabilities to 25% of total revenues for the previous year.

⁴ [Monetary Policy Report—January 2026 - Bank of Canada](https://www.bankofcanada.ca/publications/mpr/mpr-2026-01-28/)
<https://www.bankofcanada.ca/publications/mpr/mpr-2026-01-28/>

Looking ahead, price levels, inflation trends, and overall economic conditions will require close monitoring. Heightened global uncertainty—particularly related to energy markets and trade—has increased the risk of renewed inflationary pressures. As a result, while monetary policy currently remains accommodative, there is a growing possibility that policy settings may need to adjust in response to changing economic conditions.

CONCLUSION:

Moving forward, the economic environment is increasingly uncertain. While a lower interest rate environment was anticipated, evolving geopolitical issues are creating the potential for renewed rate volatility. This underscores the importance of aligning investment, borrowing and debt management strategies to maintain flexibility and support long-term financial sustainability.

Respectfully submitted,



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