

OPEN MEETING OF FINANCE AND AUDIT STANDING COMMITTEE

9:00am

March 12, 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
Genevieve Lanz, Deputy Municipal Clerk
Rhonda Schell, Deputy Corporate Officer
Kaitlin Hebron, Confidential Council Clerk

Other Guests:

1. Adoption of the Agenda

March 12, 2026 Open Meeting Agenda

Recommendation:

THAT the agenda for the March 12, 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. Updated 2026 Workplan – Rick Danyluk p. 3

Recommendation:

THAT the Updated 2026 Workplan for the Finance and Audit Standing Committee be adopted.

3. 10-year Rolling Financial Plan Part 1 - Framework – Rick Danyluk p. 5

Recommendation:

THAT the report entitled "10-year Rolling Financial Plan (10YRFP) Part 1 - Framework", dated March 9, 2026, is received by the Finance and Audit Standing Committee for information and feedback.

Verbal Updates:
None

Regular / Information Reports:

4. Treasury Report – Q4, 2025 – Elio Iorio

p. 25

Recommendation:

THAT the report entitled “Treasury Report – Q4, 2025”, dated February 20, 2026, is received for information and feedback.

5. 2026 Completed Assessment Roll and Provincial Tax Policy Changes – Elio Iorio p. 31

Recommendation:

THAT the report entitled “2026 Completed Assessment Roll and Provincial Tax Policy Changes”, dated March 5, 2026, is received for information and feedback.

Draft Finance and Audit Committee 2026 Workplan

March 12, 2026	Open/Closed
Sponsorship Policy (return from November 28, 2025)	Closed
10-year Rolling Financial Plan Part 1 - Framework (Part 2 - Solutions in September)	Closed Open
Information Reports-for Consent	
2025 Treasury Report	Closed Open
2026 Completed Assessment Roll and Provincial Tax Policy Changes	Closed Open
Verbal Updates	
Legal & Risk Update	Closed
2025 Audit Update	Closed
MOVED: Property Tax Strategy Update (Ports Property Tax Act initiative)	
MOVED: Purchasing Policy	
April 24, 2026	
2025 Council Remuneration and Expenses Paid	Open
User Fee Policy	Open
2025 Statement of Financial Information	Closed
2025 Audited Consolidated Financial Statements	Closed
Discussion with Auditors (KPMG)	Closed
ADD: 10-year Rolling Financial Plan Update	Closed Open
ADD: Council Remuneration and Benefits Independent Review	Closed
Information Reports-for Consent	
Q1 Treasury Report	Closed Open
Q1 Financial Report	Closed Open
Verbal Updates	
Legal & Risk Update	Closed
July 23, 2026	
RESCHEDULED from March: Terms of Reference	Open
2026 State of the Assets Report – Engineering	Open
Utility Rate Study Phase 2 – Equitable Rates	Closed
2027 Budget Outlook	Closed Open
2026 Public Engagement Survey (biennial)	Closed Open
Information Reports-for Consent	
Q2 Treasury Report	Closed Open
Q2 Financial Report	Closed Open
2026 Tax & Utility Collections	Closed Open
Verbal Updates	
Legal & Risk Update	Closed
September 24, 2026	
Asset Management & Tangible Capital Asset Policy Updates	Open
Development Charges Update (DCC and ACC)	Closed
10-year Rolling Financial Plan Part 2 - Solutions	Closed Open
Information Reports-for Consent	
Affordability Analysis Update	Closed Open
Verbal Updates	
Legal & Risk Update	Closed

Draft Finance and Audit Committee 2026 Workplan

November TBD, 2026	
2027 Utility Rates	Open
2027 Fees and Charges	Open
2026 KPMG Audit Planning Report	Closed
2027 Priorities and Budget (to Council in December, introduce budget in new year)	Closed
2027 Committee Workplan review	Closed
Information Reports for Consent	
Q3 Treasury Report	Closed Open
Q2 Financial Report	Closed Open

AGENDA INFORMATION	
☐ Council Workshop	Date: _____
☒ Finance & Audit	Date: March 12, 2026
☐ Advisory Oversight	Date: _____
☐ Other:	Date: _____

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

March 9, 2026

File: Rolling Financial Plan

AUTHOR: Rick Danyluk, General Manager, Finance and CFO

SUBJECT: 10-Year Rolling Financial Plan (10YRFP) Part 1 – Framework

RECOMMENDATION:

THAT the report of the General Manager, Finance and CFO entitled “10-Year Rolling Financial Plan (10YRFP) Part 1 – Framework” is received for information and feedback.

REASON FOR REPORT:

This report provides an overview of the 10YRFP and lays out supporting financial principles, strategies, and policies to further develop and bring back to the committee in Q2 and Q3 of 2026.

SUMMARY:

The 10YRFP plays a critical role in realizing the Official Community Plan (OCP) vision, creating scenarios for the future that balance services, funding, risks, and affordability. While this work will take time to develop, a simplified framework can be used to produce scenarios for the future, including a “Service Dial Model” to introduce through the 2027 Financial Planning process.

Service targets will be derived from the OCP and based on the District’s community vision, overarching principles, and values. This information and financial policies will rest on a set of foundational financial principles (Attachment 1).

BACKGROUND:

In January 2021, a Council workshop on the 10YRFP framed the issues, risks, planned service level changes and fiscal imbalance over the next ten years. An important research paper from the Government Finance Officers Association (GFOA) and International City/County Management Association (ICMA) was circulated to senior staff at that time to provide a larger frame of reference; the [“Rethinking Budgeting”](#) paper identified current practices that need to change in order to make municipal budgeting efforts more responsive and innovative in current conditions.

At that time of the workshop, the fiscal imbalance was estimated at 18% (\$200 million) of the ten-year project plan (\$1.1 billion). This gap was last estimated at over \$350 million in 2024. Impacts from the current fiscal environment and the Province's new housing legislation require the plan to be extended to 20 years (2022-2041), reflect new demands on the District's infrastructure and services, and provide Council an update on the fiscal imbalance for 2027 – 2036.

EXISTING POLICY:

The 2026-2030 Financial Plan forms part of the 10YRFP, which provides a long-term strategy for achieving the objectives of the OCP. The plan incorporates ongoing services, programs and priorities and forecasts a financial position based on a set of financial principles, strategies and policies.

The plan confirms if there is adequate funding to achieve the OCP vision and develops strategies to resolve funding gaps to ensure we are financially resilient. When emerging needs arise, new strategies are developed following the guiding financial principles.

ANALYSIS:

To update the 10YRFP, information on the District's service levels, resource allocation levels, 10-year Outlook, and scenarios for the future will be developed over the next six months.

Scenarios for our Desired Future

The 10YRFP includes a "service model", which will be used to generate a scenario that maintains services as the community grows. This model will enhance Council's ability to make difficult decisions on services and affordability by:

- Providing the long-term financial impact of these decisions
- Identifying emerging trends earlier
- Understanding how and when decisions and/or events may change the organization's financial condition, and
- Understanding the trade-offs between the services

Utilizing this strategy helps assure ratepayers that Council and staff are taking a disciplined approach to managing services, funding, risk and affordability. As the model is built out, three scenarios will be produced for each service.

Scenarios

1. Maintain service (status quo): Cost to hold current service
2. Enhance service: What improves (and cost)
3. Reduce service: What degrades (and savings)

Service Dial Model

Once this information is developed, staff will aggregate it under the service scenarios and create a “Service Dial Model” to enable further discussion on the balancing of service levels and affordability.

In order to create a clear path forward, both the service delivery level and resource allocation level will be assessed. Ultimately, the desired service delivery level must be balanced with the resource allocation level, as illustrated by this graphic:



See “Attachment 2 – Scenarios for our Desired Future” for the full graphic.

Service Delivery Level

Service targets will be derived from the OCP and based on the District’s community vision, overarching principles, and values. As supporting plans are approved, targets will be adjusted, and the OCP will be amended.

The goals in the table on the right, may be adjusted as the organization refocuses on services, and aligns its planning with provincial and national standards and benchmarks.

GOALS & SERVICE TARGETS

- 1.** Enhance transportation & mobility
- 2.** Address the housing crisis & the community’s housing needs
- 3.** Achieve a balanced & fair economy
- 4.** Lead in climate emergency action & environmental management
- 5.** Foster community wellbeing, culture, & safety
- 6.** Foster a resilient organization

At this stage, the Service Delivery Level is envisioned to include this type of information to support building out the scenarios, and enable explicit trade offs:

Service Level	Description	Typical Outcomes	Cost Implication
Level 1 – Minimum	Meets legal obligations only	Reactive service, longer response times, higher risk	Low
Level 2 – Basic	Stable and predictable service	Meets most expectations, controlled risk, sustainable	Moderate
Level 3 – Enhanced	Improved quality or speed	Proactive service, higher satisfaction	Higher
Level 4 – Premium	Best practice or leadership level	Low risk, strongest outcomes	Highest

Additional information on the Service Dial Model can be seen in Attachment 4 – Scenario Builder.

Over the past two years, the District made modest reductions to services to address affordability concerns. As this information focused on reductions, Council has yet to see a full list of services and service levels to enable meaningful assessment of the potential trade-offs between the services and affordability. This model aims to address this issue.

As information on Service Delivery Levels is produced, the model will also incorporate impacts from recently updated plans, strategies, and bylaws, including recent changes to the OCP, Zoning, and Development Finance Bylaws. Recently approved plans and strategies and plans currently under development will also be incorporated (see Attachment 3 – Service Plans for the full list of plans).

Resource Allocation Level

The resource allocation level includes information on how resources can be adjusted to improve service planning and ensure alignment with the financial principles. The financial policy areas and limits will first be applied to the “maintain services” scenario, to recalculate the fiscal imbalance. See Attachment 5 – Financial Policy Areas and Limits for additional details.

FINANCIAL POLICY AREAS & LIMITS

1. Service planning to meet goals & service targets
2. Capital & lands planning to invest in services
3. Operations & risk management planning to support ongoing service delivery
4. Engagement & sharing of information to promote broad involvement & understanding

10-Year Outlook

Once the scenario to maintain services has been adjusted for changes to resource allocation, a 10-Year Outlook will be developed outlining funding sources and cost drivers by service.

Financial Plan 2027-2036

	Base Operating ¹	Projects & Initiatives ²
Money In		
• Property taxes ³	✓	
• Fees and service charges	✓	
• Other revenue	✓	
• Investment income	✓	✓
• Development charges		✓
• Grants and partnerships		✓
• Borrowing		✓
• Transfers in from reserves ⁴ (one-time funding)	✓	✓
Money Out		
• Operating expenses	✓	
• Allocations ⁵	✓	
• Debt servicing	✓	
• Transfers out to reserves ⁴ (sustainability, growth, risk)	✓	✓
• Capital and priority initiatives		✓
Net Funding ⁶ (Fiscal Imbalance)		

Notes

1. Base operating sustains existing services and includes transfer out for sustainable service delivery.
2. Incremental costs related to projects and priority initiatives, typically funded from reserves, grants, and borrowing.
3. Under the maintain service scenario, property taxes will be set at general inflation (Vancouver CPI, and Vancouver Non-residential Construction Index) +1.5% to address the infrastructure deficit.
4. Transfers out set aside funding in reserves to support future projects and initiatives to manage infrastructure, growth, and risk. Transfers in reflect funding brought into the financial plan from reserves as needed for those investments.
5. Support services (HR, IT, Finance, Facilities, etc.) will be allocated to show services at their full cost.
6. The combined net funding position had an estimated shortfall of over \$350 million.

As the District works to update the OCP and Zoning Bylaw by the end of this June, changes to the Capital Plan, development charges and other impacts will need to be integrated into the 10-Year Outlook. Scenarios for the future will then be developed to support Council decision making.

Timing / Approval Process

The following steps will be completed over the next six months:

Q1

- Update basic service information in the new planning and budgeting system.
- Produce asset management information by service (in addition to asset type).
- Allocate support services and infrastructure funding to the services.
- Calculate impacts from the emergent financial strategies (Attachment 6).

Q2

- Provide update to the committee (April).
- Benchmark the services against Canadian municipalities to better understand current service levels and delivery efficiency (MBN Canada).
- Update growth forecast to reflect the likely build out scenario under the OCP
- Identify opportunities for further adjustment against the financial policies, focusing on cost recovery, mandate, and demand trends.

Q3

- Produce scenarios using the above information and test the Service Dial Model.
- Bring back draft results to the committee (September).

Concurrence

This report has been developed with input from senior management through the 2026 budget process.

Steps are being taken to better coordinate senior staff discussions and activities to bring about deeper alignment and better collaboration in creating a fully funded 10YRFP (2027-2036) and to ensure we move jointly towards shared goals.

Financial Impacts:

As of 2024, the 10-year fiscal imbalance was estimated to exceed \$350 million (2024 dollars). This imbalance will be reassessed following the OCP update in Q3 2026. The 10YRFP will help guide service, funding, risk and affordability decisions

Liability/Risk:

Not addressing the current constraints will likely result in a slow deterioration of services over time.

Public Input

In September 2024, at Council's direction, staff undertook public engagement through an online survey to hear directly from interested community members regarding the budget, including about tax tolerance.

The public survey is scheduled to be held biennially, with the next survey scheduled for early in the next Council's term. Results are intended to provide a solid foundation for financial decisions throughout the term.

CONCLUSION:

As senior staff work together to complete this analysis, the 10YRFP Framework will be used to develop strategies and scenarios to realize the service vision of the future, results will be brought back to this committee in Q2 and Q3.

Respectfully submitted,



Rich Danyluk
General Manager, Finance and CFO

Attachments:

1. Foundational Financial Principles
2. Scenarios for our Desired Future, Mental Model
3. Service Plans (approved and under development)
4. Service Level Dial Model, Scenario Builder
5. Financial Policy Areas and Limits
6. Strategies to Achieve the Objectives of the OCP

REVIEWED WITH:					
☐ Community Planning	_____	☐ Clerk's Office	_____	External Agencies:	
☐ Development Planning	_____	☐ Communications	_____	☐ Library Board	_____
☐ Development Engineering	_____	☐ Finance	_____	☐ NS Health	_____
☐ Utilities	_____	☐ Fire Services	_____	☐ RCMP	_____
☐ Engineering Operations	_____	☐ ITS	_____	☐ NVRC	_____
☐ Parks	_____	☐ Solicitor	_____	☐ Museum & Arch.	_____
☐ Environment	_____	☐ GIS	_____	☐ Other:	_____
☐ Facilities	_____	☐ Real Estate	_____		
☐ Human Resources	_____	☐ Bylaw Services	_____		

Foundational Financial Principles

While service priorities may change from year to year, the financial principles guiding how services are funded remain constant over time. These principles, adapted from a recent GFOA policy paper¹, were supported by the DNV leadership team in 2025, are the fundamental building blocks for developing the annual budget and 10YRFP.

Uphold stewardship of public assets

First principle: public assets, liabilities, and resources are managed with integrity, prudence, and a focus on creating and maintaining a thriving community for future generations. Avoid structural deficits.

Measure: sustainable infrastructure funding



Create value with public money

First principle: processes and systems optimize the allocation of resources and achieve outcomes aligned with the public interest over the short and long term.

Measure: ability to achieve the service vision (fiscal imbalance).



Champion financial resiliency

First principle: plan and act with a long-term perspective, ensure policies and investments sustain public services and quality of life. Maintain flexibility to adapt to unforeseen challenges, capitalize on new opportunities, and smooth out volatility.

Measure: flexibility to address future capital needs and manage risk (debt and reserve levels).



Promote accountability and understanding

First principle: ensure accessible, understandable, timely and accurate reporting of financial information to the public and oversight bodies.

Measure: public engagement through the biennial public survey.



Ensure fairness

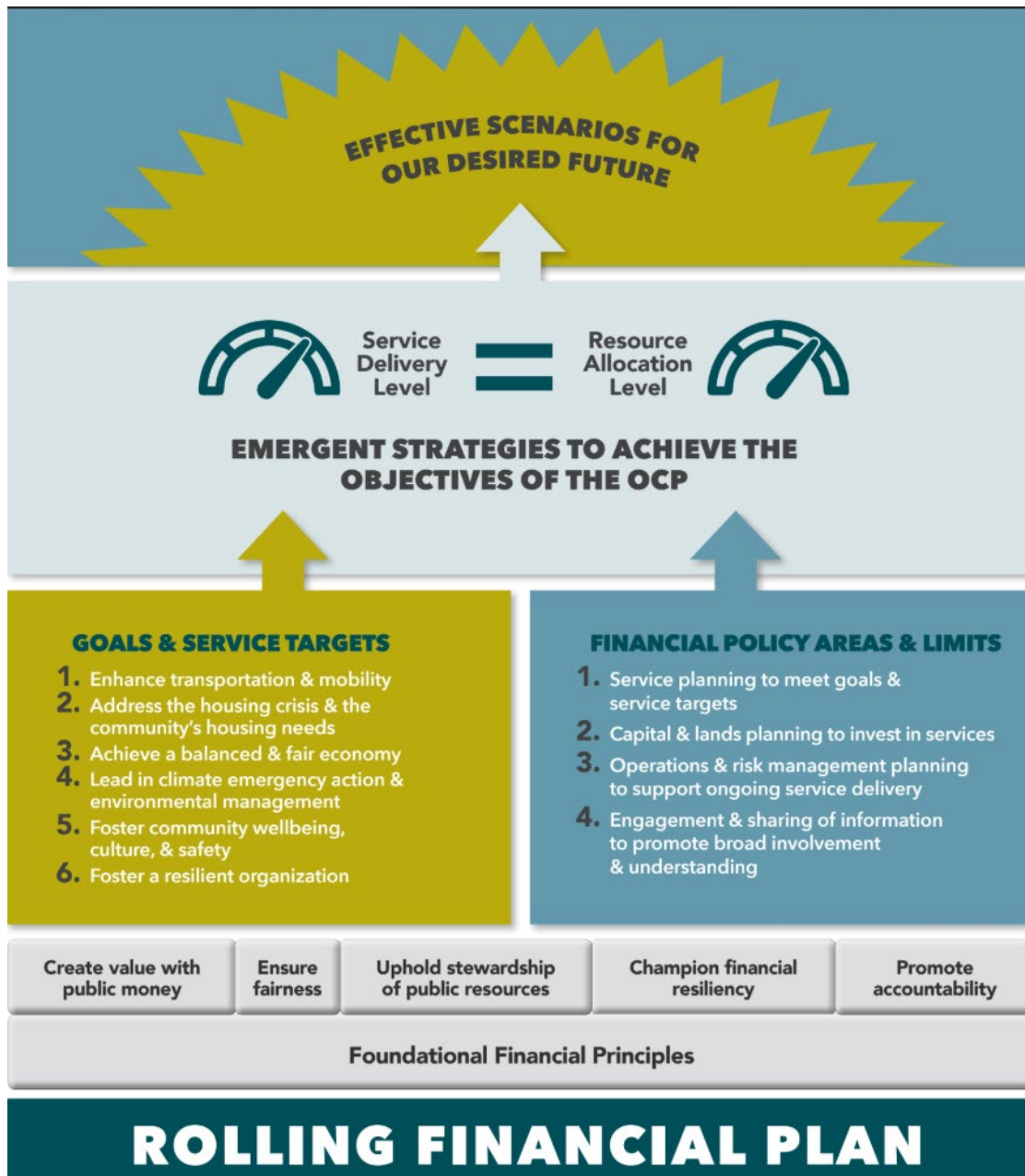
First principle: decision-making processes are perceived as fair, demonstrate respect, and ensure people feel heard. Financial policies and resource allocations respond to the needs, contributions, and circumstances of individuals and communities.

Measure: service accessibility.



¹ Governance Finance Officers Association (GFOA) – [First Principles of Public Finance](#), February 2025

Agreed upon community and agency goals, service targets, financial policies, and foundational financial principles will be used to develop strategies and scenarios to realize the service vision of the future.



Goals and Service Targets

The key planning documents and services listed below provide inputs into the Goals and Service Targets in the “mental model” in Attachment 2.

Community Plan

(Overarching plan, [OCP Update 2025](#), OCP Update 2026 – under development)

- Vision, Principles, Goals
- Implementation:
 - Indicators and Targets
 - Financial Statement (supported by 10-Year Rolling Financial Plan)

Council Directions

- [Corporate Plan 2023-2026](#)
 - Vision, Mission, Values, Goals
- [Financial Plan 2026 - 2030](#)
 - Municipal Services
 - Operating, Capital, and Utility Plans
- Annual Workplans

Municipal Services (and plans, where applicable)

- Environment and Utilities
 - Natural Systems and Biodiversity (Biodiversity Strategy-under dev.)
 - Solid Waste Collection (MV [Solid Waste Management Plan](#))
 - Stormwater Management ([Integrated Stormwater Management Plan](#))
 - Wastewater Management (MV [Liquid Waste Management Plan](#))
 - Water (MV [Drinking Water Management Plan](#))
- Governance and Administration
 - Climate Action ([Community Energy and Emissions Plan](#), [Climate Change Adaptation Strategy](#))
 - Corporate Services
 - Facilities and Fleet (Strategic Facilities Plan – under development)
 - Finance and General Government (Finance Strategic Plan)
 - Governance and Executive Services - Mayor and Council, CAO & Clerks
 - Technology ([Digital Transformation Strategy](#))
- Parks, Recreation and Culture
 - Library ([NV District Public Library 2024-2027 Strategic Plan](#))
 - Museum and Archives ([MONOVA 2020 – 2023 Strategic Plan](#))
 - Parks ([Parks and Open Spaces Strategic Plan-2012](#), [Natural Areas Trails Strategy](#), [People, Dogs and Parks Strategic Plan](#), [Outdoor Sports Courts Optimization Strategy](#), Council Closed Resolution on “Parks in Key Growth Centres”)

- Recreation and Culture ([New mandate & strategic plan for NVRC](#), Indoor and Outdoor Sport and Recreation Strategy – under development)
- Planning and Development
 - Development Services ([Development Approvals Process Review](#), [Development in Hazardous Areas](#), [Risk Tolerance Criteria](#))
 - Business and Economic Development ([Ec. Development Strategy 2024-2029](#))
- Protective Services
 - Bylaw Enforcement
 - Emergency Management (Disaster Resilient North Shore)
 - Fire and Rescue Services ([Fire and Rescue Strategic Plan](#))
 - Natural Hazards Management ([Community Wildfire Protection Plan](#), [10-Year Geohazard Risk Mitigation Update-2019](#), [Earthquake Ready Action Plan](#))
 - Police Protection ([RCMP Strategic Plan 2024 – 2027](#))
- Social Services and Housing
 - Accessibility ([Accessibility Plan](#))
 - Child Care ([Child Care Action Plan](#))
 - Community Grants and Facilities
 - Poverty Reduction ([Poverty Reduction Strategy](#))
 - Social Housing ([Rental and Affordable Housing Strategy](#))
- Transportation and Engineering
 - Engineering Planning and Design (Infrastructure Servicing Plans)
 - Parking ²
 - Project Delivery (Project Management Framework)
 - Transportation ³ (Community Transportation Plan -under development)

The most impactful service targets for the 10YRFP have been developed, are being refined, and will be included in the April and September updates this year.

² Delivered in coordination with Finance (revenue) and area-based services (e.g. park facility operations)

³ Including Active Transportation, Roads, and Transit

Service Level Dial Model — Scenario Builder (For Illustrative Purposes Only)

Affordability envelope
(Operating \$M) \$ 153.00

Notes

Envelope type Tax-supported

Use the dropdown in 'Target Level' to test scenarios. Savings show negative values.

Net change vs envelope (\$M)

0.1

Service	Base Level	Target Level	Base Cost (\$M)	Cost at Target (\$M)	Δ Cost (\$M)	Risk (down) ¹	Equity (down) ²	What changes
Service 1	2	3	10.0	11.0	1.0	Low	Neutral	Examples of how risks and equity change
Service 2	2	2	5.0	5.0	0.0	Med	Negative	" "
Service 3	3	2	9.0	8.1	(0.9)	Low	Neutral	" "
Others	various	various	129.0	129.0	0.0	Low	Neutral	" "

Totals	153.0	153.1	0.1
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Notes:

1. **Risk (down)** describes the **likelihood and severity of negative consequences** if the service level is *reduced* from the base level.

2. **Equity (down)** describes **who is disproportionately affected** if the service level is reduced.



Financial Policy Areas and Limits

Council has already taken significant steps to place the District on a more sustainable financial footing. Over the past two years, this has included a \$9 million adjustment to the operating budget, amendments to development charges, increased contributions toward infrastructure, and advocacy on behalf of the District to address equity issues related to regional services and provincial legislation.

Additional financial policies can be amended or introduced to further strengthen the District's financial position and improve the starting point for the "maintain services" scenario. The list below identifies the most impactful policies that could be advanced over the next 18 months.

Policy Area	Policy	Statement	Limits and Measures
Service planning	Balanced budget	Ongoing expenditures are funded by ongoing revenues, and one-time expenditures by one-time revenues. One-time revenues may temporarily support ongoing costs during downturns, with a plan to restore balance over the 10YRFP.	The 10-Year Financial Plan starts balanced and stays balanced over Council's four-year term.
Service planning	Growth Management	The OCP and Zoning bylaws guide how the community will grow over the next 15 years, including anticipated population, housing, and employment. As growth occurs, services will be maintained equitably, with growth-related revenue set aside to manage future service and asset impacts.	Service trends are monitored and benchmarked where possible. Growth reserves help stabilize operating impacts.
Service planning	Service baseline and priority budgeting	A services baseline is established, with projects and initiatives prioritized to achieve community outcomes. Scenarios consider maintaining, enhancing, or reducing services without affecting essential services. Budgets adjust for changes in demand, costs, and delivery approaches.	Scenarios consider maintaining, enhancing, or reducing services. Programs are monitored and budgets aligned with financial policies.

Policy Area	Policy	Statement	Limits and Measures
Service planning	Return on investment and innovation	Maximum public value at the lowest possible cost is demonstrated through a “business case light”. Alternatives are evaluated based on public benefits, risks and rate of return. Technology evaluated based on simple payback.	Benchmarks determining when a program / project proceeds.
Capital & lands	Asset management and capital planning	Assets are maintained in good repair, with investments supporting long-term economic, social, and environmental objectives. The asset baseline is updated annually to ensure financial sustainability and appropriate asset life.	A plan is in place to address the infrastructure deficit; investments support service level targets.
Capital & lands	Capital reserve funds	Contributions to capital reserves support target levels of capital investment and provide flexibility through periods of volatility.	Minimum fund balances are maintained.
Capital & lands	Debt management	Debt is used strategically to renew existing assets and deliver new assets where supported by a business case. Debt limits reflect emerging needs, intergenerational equity, and risk.	Debt service costs are limited to 10% of ongoing revenue.
Capital & lands	Development finance	Growth pays for its share of capital and future service costs. Development charges are adjusted annually for inflation and are updated biennially to ensure projects are current.	Development charges fund growth related capital.
Capital & lands	Operating impacts from new capital	Costs to operate, maintain, and replace new assets over their lifecycle are considered during approval of the Capital Plan.	Operating impacts from new capital are reflected in the Financial Plan.
Capital & lands	Lands and land reserve funds	Certain lands are designated as strategic to take advantage of opportunities and ensure the preservation of land value over time. Real estate holdings generate a return comparable to market and income is set aside for future investments in land.	The inventory and value of public lands is increasing.

Policy Area	Policy	Statement	Limits and Measures
Capital & lands	Housing reserve funds	Contributions support achieving social and supportive housing targets. Use of funds is limited to grants / waivers for project fees and charges or acquiring lands for future projects.	Municipal contributions to housing projects are funded.
Operations & Risk	Revenue	Adequate revenue is generated to meet expenditure obligations. Tax rates and user fees are stable, predictable, and regionally competitive. User fees are based on full - service costs and private benefits.	Taxation levels and cost recovery targets are set at the beginning of each Council term.
Operations & Risk	Expenses	Ongoing management and containment of costs to limit pressure on revenue requirements, maintain competitiveness and preserve capacity to maintain service levels.	A 1% efficiency target is included in the annual budget.
Operations & Risk	Operating Surplus	General surplus is allocated first to corporate risks, then the infrastructure deficit, and last to other corporate priorities. Excludes restricted funds and stand-alone entities, which close out to specific reserve funds.	General Surplus = year-end operating surplus after audit adjustments and required transfers.
Operations & Risk	Risk Management	Risks are reviewed monthly and reported out quarterly to ensure assessments are completed, mitigation steps are taken and funds are set aside to meet potential future obligations.	Sufficient funding for likely future obligations has been set aside in risk management reserves.
Engagement & Understanding	Advocacy and Municipal Finance Reform	Council, the CAO and CFO will lobby for changes to senior government funding of services to address inequities in the system. Efforts are organized regionally through Metro Vancouver and provincially through LGMA, GFOABC and the UBCM. Options and impacts are well researched, and findings are presented to UBCM each fall.	Annual value of inequities impacting ratepayers. Focus areas: transportation, housing, safety, climate action, utilities, and taxes.

Policy Area	Policy	Statement	Limits and Measures
Engagement & Understanding	Affordability	Ratepayer impacts, budget engagement results, and payment deferral programs are considered prior to seeking Council direction through the Budget Outlook in Q3	Benchmark tax rates, support for tax increase, use of deferral programs
Engagement & Understanding	Annual performance and financial reporting.	The annual report establishes our baseline for planning, sharing progress over the past year and objectives for the next three years, as we aim to realize the objectives in the OCP.	Annual report released in May and integrated into Budget Outlook in July.
Engagement & Understanding	Budget engagement and public input	A budget engagement with residents and business occurs every two years, starting with the first year of the new Council. Public input is considered throughout the year and a two-week public input period provides additional comments for Council's consideration prior to adoption of the budget.	Opportunities for engagement and input on the budget are accessible; results are representative of the whole community.

In addition to the financial policies, the following information will be defined incrementally through each budget cycle. Some service level targets are already in place and Finance will produce expense trends and cost recovery targets this year.

TABLE A: Performance and Priorities

Service	Priority	Outcome Measure	Service Level	Efficiency Measure	Demand Trend	Expense Trend	Cost Recovery	Over / Under Funding

TABLE B: Resources Managed

This information is being configured in the new budget and financial planning system (Questica).

Service	Annual Operating Budget					Capital Plan		
	A. Revenue <i>(Fees & Charges, Grants, Partners)</i>	B. Expense & Allocations	C. Financing <i>(Transfers Out and Debt Servicing)</i>	D. Property Tax	E. FTE's <i>(Staffing levels)</i>	A. Five Year <i>(2027-2031)</i>	B. Ten Year <i>(2027-2036)</i>	C. Flexibility <i>(2031, 2036, ending debt and fund balances)</i>



These strategies advance the OCP vision, guided by financial principles and policy limits. They will evolve as the 10-Year Rolling Financial Plan is developed. While informed by Vancouver's 2025 budget themes, the strategies are based on the District's analysis.

Clarify the District's role and advocate for its interests

- **Advocate for Municipal Finance Reform:** including work through the UBCM and the Province, and work on the Municipal Growth Framework through the Federation of Canadian Municipalities (FCM).
- **Set budget limits on social services and housing:** these services are primarily funded by senior government, clarifying government roles and limiting municipal funding to its role creates more certainty for ratepayers.

Operate with excellence:

- **Diversify revenue sources:** develop alternative revenue sources such as sponsorships, donations, gifts, and bequests. Update fees and charges for a curbside management strategy and outdoor sport and recreation fees framework. Adopt a user fee policy.
- **Moderate property tax increases:** increase contributions to address the infrastructure deficit update the property tax strategy to ensure tax rates are competitive and inequities are addressed and include an efficiency factor in the annual budget process.

Invest for the future

- **Asset portfolio optimization:** asset investments will be adjusted to realize the best value for money (i.e. adjust asset service levels up or down based on public benefits and costs).
- **Climate action investments:** making investments today that reduce the risk from climate change and leave the community better off over the long-term.
- **Development finance:** with the pace of development anticipated to increase over the next 15 years, the value of development charges is expected to exceed \$600 million. Updating these charges based on the OCP and Zoning Bylaw updates will be critical to ensuring growth pays for its impacts on the community.

- **Facility consolidation:** where appropriate, including opportunities to leverage other lands and co-locate services.
- **Financing capital assets:** policies are updated to extend the useful life of capital assets and ensure debt amortization is matched with the ratepayers benefitting from the investments.
- **Grants and partnerships:** opportunities are monitored and leveraged where there is alignment and shared benefits; including advancing key partnerships with TransLink, BC Housing, and the North Vancouver School District.
- **Maximize return on real estate holdings:** commercial entities will either serve a strategic purpose or generate a return on investment comparable to the market. The opportunity to establish a land development foundation to improve the return on land investments will be explored.
- **Regional resourcing strategy:** to address capital cost premiums on the North Shore, and in the region, and to develop strategies to address the threat from US tariffs.

In addition, emergent financial strategies will continue to be identified and integrated into the 10YRFP to help realize the objectives in the OCP.

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AGENDA INFORMATION	
☒ Finance and Audit	Date: March 12, 2026
☐ Advisory Oversight	Date: _____
☐ Other: _____	Date: _____

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

REPORT TO COMMITTEE

February 20, 2026

File:

AUTHOR: Elio Iorio, Manager, Financial Services

SUBJECT: Treasury Report – Q4 2025

RECOMMENDATION:

THAT the report of the Manager, Financial Services entitled “Treasury Report – Q4 2025” 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 December has exceeded budget, while surplus has been allocated to capital reserves and contingency to help offset rising construction costs and operating risks. Following earlier interest rate reductions, the Bank of Canada has paused further rate cuts at 2.5%. Based on this lower rate environment, the District has proceeded to complete the remaining authorized borrowing of \$27.8M to be funded by Metro in spring 2026.

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 cases. 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 December was \$353.1 million (2024 – \$363 million) and earned \$15.5 million (2024 – \$16.7 million). Total rate of return (ROR) is 4.15% (2024 – 4.84%). Investment income is above budget by \$6,264,167.

Considerable uncertainty continues to prevail in financial markets due to the U.S Administration's trade policy announcements. While discussions between the two countries are ongoing, market conditions remain unsettled. In this context, the Bank of Canada (BoC) is expected to maintain inters rates in stimulative territory as it continues to assess the economic impacts of global trade developments. 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.

2025 Investment Income

<u>Earned</u>		<u>Actual</u>		<u>Budget</u>		<u>Difference</u>
MFA	\$	14,220	\$	18,000	\$	(3,780)
BMO HISA		986,973		925,200		61,773
MFA PHISA		1,686,056		630,000		1,056,056
BlueShore Financial BISA		17,971		19,688		(1,717)
Liquid Investments		2,705,220		1,592,888		1,112,332
Brokerage/Term Deposits		12,786,098		7,634,263		5,151,835
Totals	\$	15,491,318	\$	9,227,151	\$	6,264,167

<u>Rates</u>		<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
MFA		2.84%		3.05%
BMO HISA		3.26%		3.06%
MFA PHISA		3.35%		3.00%
BlueShore Financial BISA		1.24%		1.24%
Brokerage/Term Deposits		4.40%		3.00%
Totals		4.15%		3.00%
				1.15%

Reasons for investment performance are primarily capital project timing and brokerage investment performance, which at 4.15% is above the risk-free overnight interest rate of 2.56%.

Benchmark Yields as of December 31, 2025 (Comparatives, September 30, 2025):

Canadian Bonds			CORRA ¹			Average GICs		
1-3 Year	2.55%	(2.47%)	Rate	2.30%	(2.56%)	1 Year	2.45%	(2.45%)
3-5 Year	2.90	(2.67)				3 Year	2.52	(2.67)

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.

SUBJECT: Treasury Report – Q4 2025

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5-10Year 3.24 (2.97)

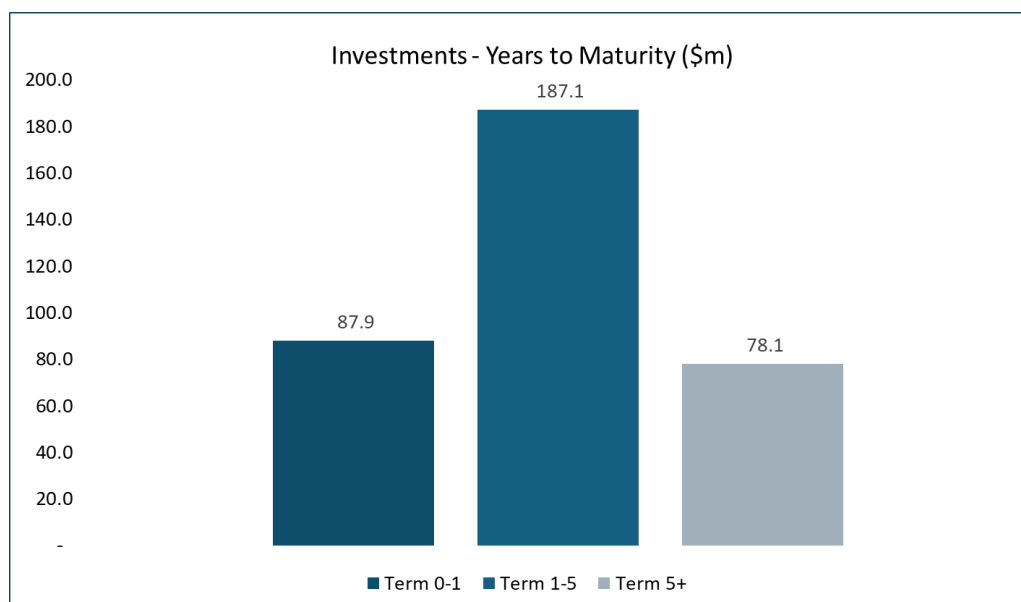
5 Year 2.75 (2.90)

Investments by type of institution and instrument:

- Municipal Finance Authority – PHISA (CIBC Pooled High Interest Savings Account) - \$12.1 million
- Bank of Montreal BMO – High interest savings account - \$21.3 million
- Credit Unions – high interest bank account & term deposits - \$26.8 million
- Major Canadian Banks – \$287.9 million
- Provincials – \$5 million

Investments by term (in millions)

The portfolio is structured with \$275 million in relatively liquid investments (0-5 years) and \$78.1 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 Authorities (MFA) fall 2024 long-term borrowing process receiving our first allocation of \$20 million funding in September 2024. The funding was sourced at 3.83% and allocated for payment of the Argyle Artificial Turf Field (\$2.8 million) with the remainder financing a portion of the Maplewood Fire and Rescue Centre. The loan authorization bylaw empowers the District to borrow up to \$47.8M for these two projects, with the remaining \$27.8M now requested for funding through the 2026 MFA Spring borrowing opportunity.

Based on the current lower interest rate environment, with the MFA 10-year borrowing rate at 3.73% for the 2025 fall funding period, the District has proceeded with funding the remainder of its borrowing. Metro Vancouver will issue the funds at the conclusion of the MFA spring borrowing program, typically by the end of April. Since the MFA interest rate generally aligns with reductions in the Bank of Canada’s policy rate, this timing allows the District to secure financing at the most favourable rates.

Projected rates:

	<u>2025 Q4</u>	<u>2026 Q1</u>	<u>2026 Q2</u>
BoC Policy Rate	2.25%	2.25%	2.25%
Canada 10-year Bond Rate	3.44%	3.40%	3.35%
MFA 10-year Lending Rate	3.73%	3.69%	3.64%

As we move forward, we remain vigilant in monitoring interest rate developments, particularly in light of the U.S. tariffs imposed on a broad range of Canadian goods, including energy exports and steel and aluminium products. The Bank of Canada has paused further rate cuts at 2.25% and continues to assess monetary conditions in light of evolving economic and trade developments. With interest rates remaining in stimulative range, we anticipate opportunities to optimize borrowing and achieve savings in interest costs, which will help to support operational stability and advance capital projects well into 2026.

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.



Debt levels planned are well within the District's ability to borrow² and current projections should reduce the cost of borrowing originally anticipated in the 5-year Financial Plan.

Economic Outlook

The Bank of Canada (BoC) has eased its monetary policy from the historical high of 5%, with the policy rate now at 2.25% as set as of October 29th, 2025. While additional easing had previously been anticipated, heightened global uncertainty has led the bank to adopt a more cautious, data-dependent approach. Interest rates are expected to remain in a stimulative range as the BoC assesses evolving economic conditions.

Inflation in Canada, which reached the BoC's 2% target in mid-2024 for the first time since 2021, is currently at 2.3% for the month of January (Vancouver CPI 2.1%). Recent inflation trends reflect a mix of moderating and persistent pressures. Lower consumer energy prices, supported in part by the removal of the consumer carbon levy have helped contain inflation, while prices for food purchased from grocery stores and prepared meals at restaurants remain elevated.

With many U.S. tariffs still in place and the potential for future trade actions remaining uncertain, the outlook for the Canadian economy continues to be unclear. The Bank of Canada's [Monetary Policy report](#)³, released on January 28, outlines scenarios that point to moderating economic growth but differing inflation paths, reflecting the balance between disinflationary forces and upward cost pressures associated with global trade disruptions.

Looking ahead, price levels, inflation trends and broader economic conditions will require continued monitoring as central banks evaluate whether existing policy settings remain sufficient to support economic stability amid prolonged global trade uncertainty.

² The Community Charter limits the cost servicing liabilities to 25% of total revenues for the previous year.

³ [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/>

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CONCLUSION:

Moving forward, the economic environment presents both challenges and opportunities. While a lower interest rate environment may result in declining investment income in 2026, it also creates opportunities to align investment strategies with borrowing and debt management plans in a manner that supports long-term financial sustainability.

Respectfully submitted,



Elio Iorio,
Manager, Financial Services

REVIEWED WITH:					
☐ Community Planning	_____	☐ Clerk's Office	_____	External Agencies:	
☐ Development Planning	_____	☐ Communications	_____	☐ Library Board	_____
☐ Development Engineering	_____	☐ Finance	_____	☐ NS Health	_____
☐ Utilities	_____	☐ Fire Services	_____	☐ RCMP	_____
☐ Engineering Operations	_____	☐ ITS	_____	☐ NVRC	_____
☐ Parks	_____	☐ Solicitor	_____	☐ Museum & Arch.	_____
☐ Environment	_____	☐ GIS	_____	☐ Other:	_____
☐ Facilities	_____	☐ Real Estate	_____		
☐ Human Resources	_____	☐ Bylaw Services	_____		

AGENDA INFORMATION	
☐ Council Workshop	Date: _____
☒ Finance & Audit	Date: March 12, 2026
☐ Advisory Oversight	Date: _____
☐ Other:	Date: _____

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

March 5, 2026

AUTHOR: Daniel So, Section Manager, Revenue & Taxation

SUBJECT: 2026 Completed Assessment Roll and Provincial Tax Policy Changes

RECOMMENDATION:

THAT the report of the Section Manager, Revenue & Taxation entitled “2026 Completed Assessment Roll and Provincial Tax Policy Changes” is received for information and feedback.

REASON FOR REPORT:

To provide information on 2026 Completed Assessment Roll and related Provincial updates.

SUMMARY:

This report updates the Finance & Audit Standing Committee on the following subjects:

- Year-over-year changes in property assessments
- Recent tax policy changes announced in the 2026 Provincial Budget

BACKGROUND:

On January 2, 2026, BC Assessment issued property assessment notices to District property owners. The assessments are an estimate of a property’s value as of July 1, 2025 and the physical condition as of October 31, 2025. The common valuation date ensures there is a fair and equitable property assessment base for property taxation.

ANALYSIS:

Roll – Summary

Overall, property assessment values for 2026 decreased 3.07%. This decrease is comprised of a -3.61% decrease in the real estate market and a lift of 0.54% in growth due to new construction, subdivisions and rezoning.

Year	Total Taxable Assessed Values	Market Change	Non-market Change
2025	\$63,638,489,396		
2026	\$61,684,373,467		
\$ Change	(1,954,115,929)		
% Change	-3.07%	-3.61%	0.54%

Roll – Property Class Review

Assessment valuations are classified under nine main property classes based upon a property's current use. Property classes with notable year to year assessment changes are detailed below:

Class 1 – Residential

Residential property values decreased slightly for the 2026 Completed Assessment Roll (July 1, 2025 valuation date). The average decrease for the residential class, excluding growth, is -3.43% (2025: 1.27%). The decline compared to the previous year is attributable to elevated mortgage interest rates, higher inventory levels and economic uncertainty related to tariffs. Since July 1, 2025 the pace of property value change remains subdued. For 2026, average single-family home values, excluding growth, decreased by -3.61% (2025: 1.56%) and strata units decreased by -1.46% (2025: 1.15%). Average values for the residential class, single family and strata homes are presented below.

Class Level

	2026	2025	Decrease
	\$	\$	%
Property assessed at	1,638,824	1,697,114	(3.43)

Single Family

	2026	2025	Decrease
	\$	\$	%
Home assessed at	2,194,628	2,276,791	(3.61)

Strata

	2026	2025	Decrease
	\$	\$	%
Home assessed at	992,685	1,007,406	(1.46)

Most single-family homes in the District experienced assessment changes between -10% to 0%. Approximately 94% of residential strata units had assessment changes between -10% to +5%.

Typical Assessment change by Property Type

Residential Property Type	Typical % Assessment Change	% of Properties in Range
Single Family Home	-10% to 0%	92%
Strata	-10% to +5%	94%

At the neighbourhood level, single family homes in the Seymour Heights area experienced the smallest assessment decrease at -0.8% compared to 2025. Properties near town centres remain attractive, while neighbourhoods that previously noted lower assessment increases see their values hold as prices normalize. The 5 neighbourhoods with the least assessment decline compared to the average (-3.61%) for single family homes are summarized below:

Neighbourhood	Assessment Change %
Seymour Heights	-0.8%
Deep Cove	-0.9%
Upper Lonsdale	-1.4%
Lynn Valley	-2.3%
Kilmer	-2.5%

While overall strata assessments remained relatively stable, these 5 neighbourhoods had the highest relative movement compared to other neighbourhoods at or near the average -1.46% decrease.

Top 5 Neighbourhoods by Market Change – Strata Units

Neighbourhood	Assessment Change due to Market%
Lynn Valley	0.9%
Seymour Heights	-0.2%
Delbrook	-0.3%
Norgate-Pemberton Heights	-1.0%
Boundary	-1.1%

Home Owner Grant (Threshold Increase)

For the 2026 tax year, the Province has set the Home Owner Grant threshold at \$2,075,000 (2025: \$2,175,000). This adjustment is intended to ensure that at least 92% of homeowners in the province remain eligible for the full grant.

The Home Owner Grant was introduced in 1957 at \$28 and gradually increased to \$570 by 2006. The current basic grant remains \$570 and while homeowners aged 65 or older may qualify for an additional grant of up to \$845. Since 2006, the grant amounts have remained unchanged. As property taxes have increased overtime, the relative impact of the grant as a property tax reduction tool has diminished.

The District anticipates that approximately 9,500 basic grants will be issued in 2026 (2025: 9,700). Similarly, the additional senior grant and grant for people with a disability are projected to decrease by approximately 150 to a total of 7,910 recipients.

Further the grant is prorated lower as property values increase beyond the \$2,075,000 threshold as follows:

- The basic grant reduces by \$5 for each \$1,000 of assessed value over \$2,075,000 and is fully eliminated at \$2,189,000.
- The additional senior grant and grant for people with a disability reduces by \$5 for each \$1,000 of assessed value over \$2,075,000 and is fully eliminated at \$2,244,000.

Class 6 – Business and Other

Business class valuations, excluding growth, decreased by -6.00% (2025: 1.37%). This decline is consistent with trends observed for Class 6 properties in other North Shore municipalities. The table below summarizes changes in assessment values within major commercial areas of the District.

Class 6 Assessment Changes in Major Commercial Areas

	Norgate - Pemberton Heights (Marine Dr / Lions Gate Town Centre)		Lynmour (Lynn Creek Town Centre)		Blueridge (Maplewood Village Centre)		Lynn Valley (Lynn Valley Town Centre)		Delbrook (Edgemont Village Centre)	
Total Assessment Change	Number of Properties	% of Area	Number of Properties	% of Area	Number of Properties	% of Area	Number of Properties	% of Area	Number of Properties	% of Area
> 10%	26	6%	171	46%	21	12%	0	0%	34	40%
5 - 10%	47	12%	22	6%	9	5%	0	0%	8	9%
0 - 5%	151	37%	52	14%	82	46%	1	2%	8	9%
-5 - 0%	65	16%	44	12%	23	13%	11	26%	9	10%
-10 - -5%	39	10%	41	11%	13	7%	20	48%	21	24%
< -10%	79	19%	45	12%	30	17%	10	24%	6	7%
Total	407	100%	375	100%	178	100%	42	100%	86	100%

Assessment values for storage and warehouse properties, including strata warehouses and older commercial spaces, have decreased at a rate greater than average in the Marine Drive and Lynn Valley neighbourhoods. These units are typically older and have not been renewed in some years. Conversely, retail storefronts and newer commercial strata lots in town centres have experienced above average increases in assessed value.

In the Delbrook neighbourhood, recent transactions involving retail and commercial strata lots have provided new market data, supporting increases in assessed values. In the Blueridge/Maplewood Village Centre, assessed values for commercial strata lots in business parks continue to increase above the District average due to their limited supply on the North Shore.

Notably, 167 of the properties in the Lynnmour area with greater than 10% assessment increase included the Holiday Inn Hotel. This marks the third consecutive year that the assessed value has increased by more than 10%, reflecting the higher income generated by hotel properties in the region due to higher room rates.

Development Potential Relief

In 2022, the Province amended the Community Charter to allow municipalities, through bylaw, to apply a reduced tax rate on the assessed land value of certain Class 5 and Class 6 properties. To qualify, a property must be occupied and have a land value representing at least 95% of its total assessed value. Properties that are exempt from municipal taxation, have restricted use, or are in other classes except Class 1 are not eligible. The tax relief can be applied for up to 5 consecutive years with the municipality having the ability to determine annually which properties are eligible and the applicable reduced tax rate each year. The intent of this program is to provide relief to businesses that occupy properties with development potential, by reducing their property tax burden.

Staff reviews the annual list of eligible properties provided by BC Assessment. This year, the number of eligible properties on the list declined, primarily due to BC Assessment rebalancing assessment value between land and improvements through their assessment process. As a result, some properties no longer qualify under the legislation. The list as provided by BC Assessment has 242 properties (2025: 270), 54 are within Town Centres. After removing big box stores, gasoline stations, and vehicle dealers, 9 properties are highlighted as possibly requiring assistance. In review, land assessment increased on average 2% from 2025 for these properties and does not indicate the inclusion of valuation for new development potential.

Class 5 – Light Industry

Light industrial property assessments excluding growth decreased by 10.04% (2025: 5.69%). This trend is consistent with the other municipalities in the region like Coquitlam, Richmond and Burnaby.

Class 4 – Major Industry

	2026	2025	
	Assessment	Assessment	
	\$	\$	%
Capped	\$223,844,000	\$217,040,000	3.13%
Noncapped	\$554,191,830	\$583,368,230	-5.00%
Total	<u>\$778,035,830</u>	<u>\$800,408,230</u>	-2.80%

The assessment value for the major industrial class has decreased by -\$22.4 million or -2.80% (2025: 24.33%).

The decrease is primarily due to a \$29.2 million decline in the market value of non-capped properties including Chemtrade, Seaspan, HTEC (previously Erco) and Midship Holdings. However, this decline is partially offset by the legislated inflation increases to land valuation for capped properties such as Fibreco, Pembina Pipelines and Western Stevedoring. Capped properties are designated through the Ports Property Tax Act and their municipal tax rate is capped at \$27.50 per \$1,000 of valuation.

In 2025, there was a resolution of multi-year assessment appeals involving both Midship Holdings and Seaspan.

Class 8 – Recreation/Non-Profit

Recreational property class assessment values have decreased -6.42% (2025: 2.31%). This trend is consistent with the other municipalities on the North Shore.

Class 3 – Supportive Housing

Annually, the Provincial Cabinet designates properties to be assessed as Class 3 Supportive Housing through an Order-in-Council. Eligible supportive housing properties must receive funding from the Province or a Health Authority. The housing includes onsite support for individuals who were previously homeless, or at risk of homelessness, including those affected by mental illness or substance use disorders or other barriers to housing. Class 3 properties are assessed at \$2, resulting in property taxes being reduced to a nominal amount.

In 2026, the District has 2 properties in this class (2025: 2 properties).

Transit-Oriented Areas (TOAs)

Provincial legislation has designated areas surrounding Phibbs Exchange and Capilano University as Transit-Oriented Areas (TOAs), where the Province has legislated minimum allowable densities and building heights. Development within these areas must be consistent with the District's Official Community Plan (OCP) as well as any related or subsidiary plans, policies, and guidelines. Staff will conduct an annual review of property assessments in TOAs and bring to the attention of the Committee any significant changes that may impact assessments and taxes payable in the Areas.

2026 BC Provincial Budget

The 2026 Provincial Budget introduced a couple changes to the tax system relating to property taxation.

Changes to Property Tax Deferment Program

The 2026 Provincial Budget introduced changes to the Property Tax Deferment Program. Beginning in 2026, deferred property taxes will transition from simple to compound interest. The new interest rate for 2026 and subsequent years will be set at prime plus 2% for both the Regular Program and Families with Children Program. Any taxes deferred prior to 2026 will retain their original simple interest rate terms.

	Interest rate: Regular program	Interest rate: Families with children program	Interest rate terms
Taxes deferred for 2025 and previous years (no change)	2.95% (Prime minus 2%)	4.95% (Prime)	Simple interest
Taxes deferred for 2026 and subsequent years	6.95% (Prime plus 2%)	6.95% (Prime plus 2%)	Compound interest

Note: Interest rates are set April 1 and October 1 every year. Current prime rate is 4.95%.

These changes are intended to align the lending terms of the Tax Deferment Program more closely with commercial lending. The higher interest rates may encourage home owners to reevaluate their need for deferring property tax payments and explore lower cost financing alternatives. The program continues to offer advantage of not requiring periodic repayments. The deferred taxes are only required to be repaid when selling the property, refinancing the property or changing registered owners on title (other than transfers between spouses).

A Home Equity Line of Credit (HELOC) is the commercial lending product most similar to the tax deferment loan. It provides variable interest rate and flexibility in borrowing amounts. Depending on financial capabilities, borrowers can currently secure rates as low as 5.45% (prime plus 0.5%). However, it is important to note that most HELOCs require periodic minimum interest payments.

In 2025, 3,607 home owners participated in the Regular Program, while 270 home owners participated in the Families with Children Program. The average property taxes deferred was \$6,050.

Increase to Additional School Tax Rate

Effective January 1, 2027, the Additional School Tax (AST) rates will increase from:

- 0.2% to 0.3% on the residential portion of assessed value between \$3 million and \$4 million, and
- 0.4% to 0.6% on the residential portion of assessed value over \$4 million

Currently, 2,039 residential properties in the District are subject to the AST. As a result of the rate increase, home owners with properties assessed between \$3 million and \$4 million will pay on average an additional \$390 in AST, while home owners with properties assessed above \$4 million will see an average increase of \$3,309.

<u>Assessed Value</u>	<u>Affected Properties</u>	<u>Current Average AST</u>	<u>Average AST Increase</u>
Between \$3 million and \$4 million	1,587	\$ 780	\$ 390
Over \$4 million	452	\$ 6,617	\$ 3,309

CONCLUSION:

The appeal deadline for 2026 assessment was January 31st. Formal appeals will be reviewed by the Property Assessment Review Panel until March 15th. The appeal process of the Completed Roll ensures an appropriate assessment base for taxation purposes is established through changes included in the Revised Roll. Staff actively review the Completed Roll and provide feedback to BC Assessment as appropriate. The Revised Assessment Roll is released at the end of March providing the valuations utilized in the creation of property tax notices that are issued in May each year. Staff will continue to assess the impacts of Provincial budget announcements on taxation and monitor potential implications for taxpayer affordability.

Respectfully submitted,



Daniel So
Section Manager, Revenue & Taxation

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

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