AGENDA

COUNCIL WORKSHOP

Monday, November 23, 2026
7:00 p.m.
Committee Room, Municipal Hall
355 West Queens Road
North Vancouver, BC
Watch at https://dnvorg.zoom.us/j/64484156494

Council Members:
Mayor Mike Little
Councillor Daniel Anderson
Councillor Jordan Back
Councillor Mathew Bond
Councillor Jim Hanson
Councillor Lisa Muri
Councillor Catherine Pope

NORTH VANCOUVER
DISTRICT

www.dnv.org

THIS PAGE LEFT BLANK INTENTIONALLY

DISTRICT OF NORTH VANCOUVER

355 West Queens Road
North Vancouver, BC V7N 4N5
604-990-2311
DNV.org

COUNCIL WORKSHOP

7:00 p.m.
Monday, November 23, 2026
Committee Room, Municipal Hall,
355 West Queens Road, North Vancouver
Watch at https://dnvorg.zoom.us/j/64484156494

AGENDA

We respectfully acknowledge the original peoples of these lands and waters, specifically the səlilwətaɬ (Tsleil-Waututh), Sḵwx̱wú7mesh Úxwumixw (Squamish), and xʷməθkʷəy̓əm (Musqueam), on whose unceded ancestral lands the District of North Vancouver is located. We value the opportunity to learn, share, and serve our community on these unceded lands.

1. ADOPTION OF THE AGENDA

1.1. November 23, 2026 Council Workshop Agenda

Recommendation:
THAT the agenda for the November 23, 2026 Council Workshop is adopted as circulated, including the addition of any items listed in the agenda addendum.

2. ADOPTION OF MINUTES

3. REPORTS FROM COUNCIL OR STAFF

3.1. 2027 Budget and Financial Plan p.7-25

File No.

Report: Manager, Financial Planning and Reporting, November 10, 2026
Attachment 1: 2027 Budget and Financial presentation (this item will be distributed via agenda addendum)
Attachment 2: Municipal Services – 2027 Cost to the Average Home
Attachment 3: Budget Adjustments 2025-2027 (Scenario 2)
Attachment 4: Service Planning
Attachment 5: Capital reports returning to Council

Recommendation:
THAT the Committee of the Whole recommend that Council:

- Direct Administration to work towards Scenario 2 – Service Transition, targeting a 3.5% operating increase and 1.5% for asset renewal, for a combined property tax increase of 5%; and
- Direct Administration to advance a review of municipal services and capital priorities, and progressively bring forward options for service levels, funding and associated risks for Council's consideration, through the phased service planning process outlined in Attachment 4.

4. PUBLIC INPUT

(maximum of ten minutes total)

5. ADJOURNMENT

Recommendation:
THAT the November 23, 2026 Council Workshop is adjourned.

REPORTS

THIS PAGE LEFT BLANK INTENTIONALLY

DISTRICT OF NORTH VANCOUVER

REPORT TO COUNCIL

Dept. Manager	GM/ Director	CAO

Date: November 10, 2026 Meeting Date: November 23, 2026

AUTHOR: Jaskaran Gill, Manager Financial Planning and Reporting

SUBJECT: 2027 Budget and Financial Plan

RECOMMENDATION:

THAT the Committee of the Whole recommend that Council:

- Direct Administration to work towards Scenario 2 – Service Transition, targeting a 3.5% operating increase and 1.5% for asset renewal, for a combined property tax increase of 5%; and
- Direct Administration to advance a review of municipal services and capital priorities, and progressively bring forward options for service levels, funding and associated risks for Council's consideration, through the phased service planning process outlined in Attachment 4.

SUMMARY:

Staff recommend advancing Scenario 2 – Service Transition, targeting a property tax levy increase of 3.5% for operating costs and 1.5% for asset renewal, for a combined 5%. This closely aligns with Council's established benchmark of inflation plus 1.5% for asset renewal and advances its June 2026 direction to consider taxation, service levels, revenues and capital priorities together.

Rising costs mean that maintaining existing services is estimated to require a 7.5% operating property tax increase in 2027. Council's financial planning approach also provides 1.5% for asset management to support the long-term renewal and replacement of District infrastructure. Together, these bring the preliminary 2027 requirement to approximately 9%, before any new service requests.

Reaching the recommended 5% requires approximately $5.6 million in budget adjustments in 2027, bringing cumulative adjustments since 2025 to approximately $15.1 million. As these adjustments accumulate, financial and service risks increase, reducing the District's capacity to absorb emerging pressures. Some measures are also temporary or defer costs, creating pressures that may need to be addressed in future budgets.

The recommended 5% increase is therefore a transition, not a long-term solution. It provides a bridge to more fundamental decisions about services, service levels, capital priorities and sustainable funding, aligned with Council's strategic priorities. During 2027, Administration will develop the service-level, cost and risk information needed to support those decisions and longer-term financial planning.

Capital presents a related affordability challenge. The preliminary five-year capital plan identifies investment needs approximately $100 million above the current funding envelope. Administration will bring priorities and funding options forward so Council can determine which investments should proceed, be deferred, re-scoped or removed.

The Services and Budget Workshop is an early step in this transition, providing an overview of the District's services and financial position, seeking direction on the 2027 budget approach, and setting the foundation for more detailed service, capital and financial decisions in 2027.

PURPOSE:
To provide Council with an update on the 2027 Budget and Financial Plan, present the proposed service and budget scenarios, and seek direction on the preferred approach to advance through the 2027 financial planning process.

BACKGROUND:
The 2027 Budget builds on four recent reports and Council discussions that established the current financial, service, public engagement, and asset management context:

- 2025 Pre-Budget Engagement Community Feedback (November 2024) summarized the September 2024 survey on budget choices and tax tolerance.
- 2026 Budget Approval (April 13, 2026) adopted a 3.53% property tax increase, following operating budget reductions of approximately $4 million in 2025 and $5.1 million in 2026, with Service Impact Statements outlining the implications for service delivery[1].
- 2026 State of Assets Report (Finance and Audit Standing Committee, July 28, 2026) established an asset and renewal baseline, reporting $4.65 billion in infrastructure in fair overall condition and identifying ongoing renewal pressures.
- 2027 Budget Outlook workshop (June 29, 2026) identified a structural gap between ongoing revenue growth and the cost of maintaining services. Council directed staff to develop options combining taxation, service-level adjustments, and revenue measures, and to report back in the fourth quarter of 2026.

Together, these reports establish the need for an integrated approach to balancing affordability, service levels, infrastructure renewal and long-term financial sustainability.

ANALYSIS:

EXISTING POLICY:
The Financial Plan is guided by established financial principles supporting sustainable service delivery, responsible management of public resources and long-term financial sustainability.

[1] See Supplemental Information on the 2026 Budget (March 9, 2026) for the related Council report and Service Impact Statements.

An updated framework of foundational financial principles was presented to the Finance and Audit Standing Committee in March 2026 (March 9, 2026, report, page 9 of the agenda package) and is informing Administration's financial planning work.

The 2027 financial planning process builds on these principles through service-based planning, the Municipal Price Index, asset management information and the development of a 10-Year Rolling Financial Plan. Together, these tools will align service levels, operating and capital requirements, and available funding to support long-term financial sustainability.

These revised principles will be brought forward for Council consideration as part of the 2027 service and capital review.

FINANCIAL IMPLICATIONS:

Council's direction at this workshop will establish a planning target for development of the draft 2027–2031 Financial Plan; it does not authorize spending or establish final tax rates. The draft plan will quantify the implications of that direction for taxation, revenues, expenditures, reserves and debt, and distinguish ongoing impacts from temporary adjustments.

The current combined utility rate outlook is approximately 7.4%, with potential near-term relief as regional cost estimates are refined, although longer-term Metro Vancouver costs remain a significant financial pressure. The North Shore Wastewater Treatment Plant (NSWWTP) continues to be the main driver of utility rate increase. Capital requirements also exceed established funding limits by approximately $100 million, subject to final reconciliation.

OTHER IMPLICATIONS:

Environmental Scan:

The 2027 operating outlook has become more challenging since June as several cost pressures have increased or changed. Higher employee benefit and partner agency costs, changes in BC Hydro grants in lieu of property taxes, and rising debt costs have increased the projected property tax requirement.

Broader pressures include collective agreements, protective services, contracted services, construction and infrastructure costs, legislative requirements, growth and organizational capacity. Many of these pressures are externally driven or contractually constrained and cannot be materially changed in the short term.

The financial planning process distinguishes between ongoing and temporary pressures and identifies those within and outside Council's short-term control. This distinction helps determine which pressures require sustainable funding and which can be managed temporarily through the 2027 transition.

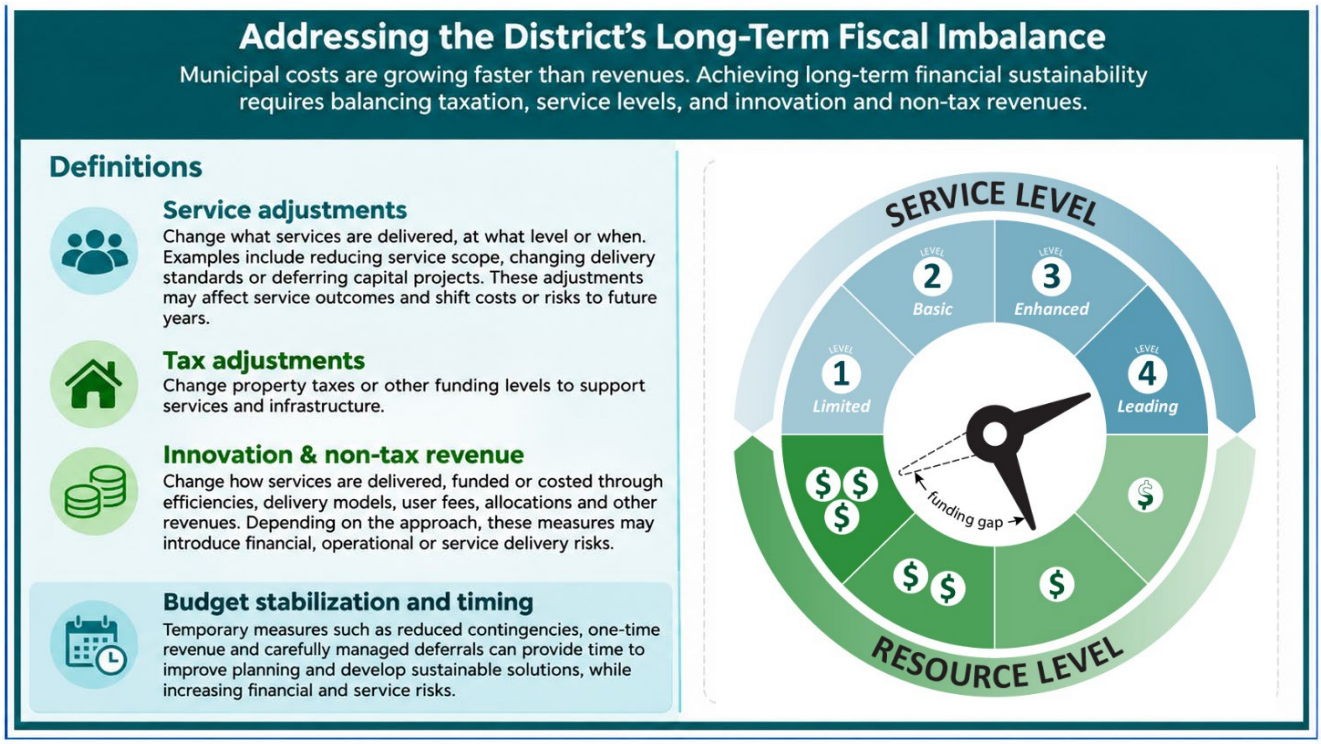
Budget Scenarios:

The following scenarios outline preliminary budget options and their implications. Staff recommend advancing Scenario 2, with final operating, utility and capital requirements subject to reconciliation. The draft Financial Plan will return to Council for consideration.

- **Scenario 1 – 3.5% Reduced Service Capacity.** Achieving this target requires approximately $5.6 million in budget adjustments (equivalent to 4.0 percentage points of the property tax levy). This requires also suspending the 1.5% asset renewal contribution or making additional service

adjustments of approximately $2.1 million. This scenario involves the most significant trade-offs in service levels, organizational capacity, infrastructure renewal and financial risk.

- **Scenario 2 – Service Transition: 3.5% Operating + 1.5% Asset Renewal (5.0% Total) – Recommended.** Maintains the 1.5% asset renewal contribution and requires approximately $5.6 million in budget adjustments (again, equivalent to 4.0 percentage points of the property tax levy). This provides a transition while Council undertakes strategic planning, supported by a comprehensive review of services and capital priorities commencing in 2027. Adjustments will require careful assessment of service impacts, organizational capacity and financial risk.
- **Scenario 3 - 9.0% Maintain Service Levels.** Reflects the estimated property tax increase required to maintain existing services while addressing inflation, growth and other obligations. This scenario places a higher financial burden on taxpayers with limited notice yet provides greater service stability for residents and reduces the need for immediate adjustments.



Municipal Price Index:

The Municipal Price Index (MPI) reflects the cost of delivering municipal services and provides a more representative measure than consumer inflation, given the District's expenditure mix of labour and benefits, contracted and partner-agency services, construction and infrastructure, fleet and equipment, debt servicing, regional charges and other municipal inputs. Many of these pressures are externally driven, contractually constrained or otherwise largely outside the District's short-term control.

The June 2026 Budget Outlook identified municipal cost pressures in the range of 6%–9%, compared with Council's existing Financial Plan benchmark of 3.5%, comprising 2.0% for operating cost-of-living and 1.5% for asset renewal. The preliminary October outlook now indicates that maintaining existing tax-supported

services requires an operating increase of approximately 7.5%, plus the 1.5% provision for asset renewal, for a combined property tax requirement of approximately 9%.

Scenario 3, the maintain-services outlook, reflects the net property tax funding requirement after assumed increases in user fees and other ongoing revenues. New service requests are excluded and will be considered separately through the 2027–2031 financial planning process.

The 2027–2031 financial planning process will progressively refine costs, funding requirements and ratepayer impacts by service. Improved service costing and cost allocation will provide a clearer understanding of the full cost of service delivery and support Council decisions on service levels, cost recovery, funding and affordability. Preliminary service-based financial information is provided in Attachment 2 – Municipal Services – 2027 Cost to the Average Home.

Operating Plan:

The 2027–2031 Operating Plan will identify the cost of maintaining existing services, including inflation, staffing, contracted services, partner-agency costs and revenue assumptions. The preliminary 2027 outlook indicates an operating property tax requirement of approximately 7.5%, plus 1.5% for asset renewal, for a combined increase of approximately 9%. The Plan will also reflect the ongoing impacts of budget adjustments introduced in 2025 (approximately $4.4 million) and 2026 ($5.1 million).

Under Scenario 2, approximately $5.6 million in adjustments are required to reduce the preliminary 9% requirement to the recommended 5% target. These measures combine short-term budget stabilization and service adjustments, including managed deferrals, to maintain service continuity while longer-term financial solutions are developed. They include:

- Reducing the budget adjustment contingency from prior years (1.0%);
- Pausing planned service enhancements, including affordable housing and policing (0.7%);
- Pausing planned funding contributions for new capital (1.3%); and
- Increasing budgeted investment income (1.0%), a temporary measure expected to reverse in 2028.

These measures reduce the immediate tax requirement but do not eliminate the underlying financial pressure. Some defer costs or rely on temporary measures, while cumulative adjustments reduce the District's capacity to absorb emerging pressures. This is why staff recommend treating the 2027 budget as a transition rather than a permanent solution.

As outlined in Attachment 4 – Service Planning, implementation will occur progressively over approximately three years, with initial service baselines, service-impact statements and proposed priorities returning to Council in the first quarter of 2027. This work will strengthen service costing, performance measures and capital planning, informing the 10-Year Rolling Financial Plan and supporting longer-term financial sustainability.

Capital Plan:

The Capital Plan will distinguish asset renewal, growth-related infrastructure and strategic investments. Approximately **$400 million in critical capital work** is expected to proceed through the Service Transition Budget, while other investments will be reviewed against Council's priorities and available funding.

The preliminary five-year plan identifies approximately $150 million in additional capital investment needs, against remaining funding capacity of approximately $50 million to $70 million, resulting in an estimated funding gap of approximately $100 million, subject to reconciliation.

The review will prioritize active projects and asset renewal, followed by upgrades and expansion. Staff will assess available reserves, debt capacity, external funding, operating impacts and updated financial forecasts, and identify the service and asset-risk implications of proceeding with, deferring, re-scoping or removing projects.

A supporting reconciliation will confirm the funding gap using consistent planning periods and funding assumptions. Deferring or re-scoping asset renewal may shift costs and infrastructure risks to future years and should be recognized as a service adjustment rather than a permanent solution to the funding gap.

Utility Rates:

The July 28, 2026 Finance and Audit Standing Committee presentation, *Utility Rates and Major Initiatives*, outlined regional cost pressures, preliminary rate projections and initiatives supporting long-term rate stability. The combined utility rate outlook is approximately 7.4%, with potential near-term reductions as Metro Vancouver updates its financial forecasts, including the impacts of the Acciona settlement. Longer-term regional costs and wet-weather pricing remain significant financial risks.

Updated utility rate recommendations, including household impacts, will be presented to Council on December 7, 2026, for consideration separately from the property tax budget.

Implementation and Timing:

Council's direction will guide preparation of the draft 2027–2031 Financial Plan. Staff will distinguish between decisions required for the initial 2027 budget, adjustments that could be considered through a subsequent Financial Plan amendment, and longer-term choices requiring further analysis and Council direction. The proposed 2027 public engagement on strategic priorities, together with the service and capital reviews, will help Council establish priorities and make informed choices about future service levels, capital investment and financial sustainability. Findings from this work, including proposed service-level adjustments, will be brought back to Council and incorporated into the 10-Year Rolling Financial Plan.

Liability/Risk:

If service levels, operating revenues, and infrastructure investment are not brought into alignment, the District may experience service erosion, reduced responsiveness, increased asset failures and emergency repairs, higher lifecycle costs, and greater legal, health and safety, financial, environmental, and reputational exposure. Deferring capital does not remove the underlying obligation; it can shift cost and risk to future years. Conversely, increasing taxes or fees without clearly demonstrating service value and affordability impacts may reduce public confidence.

Budget adjustments carry cumulative risk. Budget reductions of approximately $9.5 million were made in 2025 and 2026, and the 2027 Scenario 2 target adds a further $5.6 million, for a three-year total of $15.1 million (Attachment 3). As these adjustments compound, the District has less capacity to absorb cost pressures, emergencies, or the loss of a funding source. Some measures rely on time-limited agreements, one-time offsets, or revenue assumptions that may not be realized, and approximately $4.075 million of 2027 adjustment target is not yet allocated to specific measures. If these measures lapse or fall short, the shortfall

would need to be recovered through further service reductions, higher fees, or tax increases. Staff will track these risks and report on them through the service impact statements in January.

Alignment with Council Priorities:

The proposed approach advances Council's June 29, 2026 direction to develop budget options incorporating taxation, service-level adjustments and revenue measures. It also supports the Official Community Plan by aligning service delivery, infrastructure investment and financial resources with community priorities, affordability and long-term financial sustainability.

Climate and Environmental Impact:

Budget decisions may affect the District's capacity to manage climate risks, natural assets, drainage and flood protection, fleet and facility emissions, and other resilience initiatives. Deferring preventative maintenance or infrastructure renewal may increase future costs, environmental risks and service disruptions. Climate and environmental impacts will be considered in the 2027 service and capital review, including opportunities to strengthen resilience, reduce long-term costs and avoid transferring risks to future years.

Concurrence:

This report has been developed with input from senior management through the 2026 and 2027 budget processes. Finance will continue to coordinate operating, capital, asset-management, service-planning, communications, and legal input as scenarios are refined.

CONCLUSION:

The updated financial outlook highlights the need to balance affordability, service delivery, infrastructure renewal and financial risk. The preliminary scenarios provide Council with options ranging from reduced service capacity to maintaining existing service levels.

Staff recommend advancing Scenario 2 – Service Transition, targeting a 3.5% operating increase and 1.5% for asset renewal (5% combined). Achieving this target requires budget adjustments equivalent to approximately four percentage points of the property tax levy, with associated service, capacity and financial risks.
This approach provides a transition while Council advances strategic planning and a review of municipal services and capital priorities in 2027. Council's direction will guide refinement of the draft 2027–2031 Financial Plan and development of longer-term strategies to strengthen financial sustainability.

OPTIONS:

1. THAT the Committee of the Whole recommend that Council:
   - Direct Administration to work towards Scenario 2 – Service Transition, targeting a 3.5% operating increase and 1.5% for asset renewal, for a combined property tax increase of 5%; and
   - Direct Administration to advance a review of municipal services and capital priorities, and progressively bring forward options for service levels, funding and associated risks for Council's consideration, through the phased service planning process outlined in Attachment 4. (Recommended)

2. THAT the Committee of the Whole recommend that Council identify either Scenario 1 or 3 as the budget planning direction and direct Administration to work towards advancing the identified scenario, which includes undertaking further analysis or developing alternative service, revenue, tax, or capital scenarios before advancing the 2027 Budget.

Respectfully submitted,



Jaskaran Gill
Manager, Financial Planning and Reporting

ATTACHMENTS:

1. 2027 Budget and Financial Plan presentation (this item will be distributed via agenda addendum)
2. Municipal Services – 2027 Cost to the Average Home
3. Budget Adjustments 2025-2027 (Scenario 2)
4. Service Planning
5. Capital reports returning to Council

REFERENCES:

1. 2025 Pre-Budget Engagement Community Feedback (November 2024)
2. 2026 Budget Approval (April 13, 2026)
3. 2026 State of Assets Report (Finance and Audit Standing Committee, July 28, 2026)
4. 2027 Budget Outlook workshop report (June 29, 2026)

☐Corporate Services	☐Finance	☐Parks and Biodiversity
☐Planning, Properties and Permits	☐Engineering Infrastructure Services	☐Engineering – Public Works
☐Legal	☐Fire Services	☐Communications

2027 Budget and Financial presentation

Materials to be circulated via agenda addendum.

THIS PAGE LEFT BLANK INTENTIONALLY

Service-by-service operating cost increases, asset renewal funding, budget adjustments and the estimated impact of Scenario 2 on the average home. The operating outlook reflects the cost of maintaining existing services, net of assumed revenue increases, and excludes new service requests. Figures are in dollars per average home unless otherwise noted.

Table 1.1 Municipal Services – 2027 Cost to the Average Home[2]

Municipal Services	1. 2026 Budget[3]	2. Net Operating Increase[4]	3. Asset Renewal [5]	4. Adjustment Target[6]	5. Net Increase (2 + 3 + 4)	6. 2027 Budget (1 + 5)
Governance & Stewardship	$196	$27	$4	$-	$31	$227
Parks, Recreation, & Community Services	$1,086	$48	$26	$-	$74	$1,160
Community Planning & Development[7]	$12	$17	$2	$-	$19	$31
Community Protection & Safety	$1,348	$62	$6	$-	$68	$1,416
Social Services & Community Well-Being[8]	$80	$16	$2	$-	$18	$98
Transportation & Mobility	$283	$15	$6	$-	$21	$304
Provisions / Target		$40		($120)	($80)	($80)
Sub-total Tax Supported Services (average home)	**$3,005**	**$225/ 7.5%**	**$45 / 1.5%**	**($120) / (4.0%)**	**$150 / 5.0%**	**$3,155**
Utilities (townhouse)	$2,222	$164 / 7.4%	$-	$-	$164 / 7.4%	$2,386
Property Tax & Utility Bills[9]	**$5,227**	**$389**	**$45**	**($120)**	**$314/ 6.0%**	**$5,541**

[2] Figures are rounded to the nearest dollar. Totals are calculated using unrounded amounts and may differ slightly from the sum of the figures shown.
[3] The 2026 Budget is presented on a net basis to illustrate the portion of municipal property taxes supporting each service. Preliminary cost reallocations improve the attribution of costs to services and projects. These allocations will be refined as the District implements its full-cost service costing framework.
[4] The net operating increase reflects the estimated cost of maintaining existing service levels, including Municipal Price Index (MPI) cost pressures and assumed increases in user fees and other revenues. New service requests are excluded. Individual fee adjustments remain subject to Council direction, cost recovery objectives and applicable policies.
[5] The prior Council supported setting aside 1.5% for asset renewal over the next ten years to help close the capital funding gap. The additional $45 per average home is currently allocated to services based on their estimated annual asset replacement funding requirements. Council can revisit this funding through the transition budget and reallocate it once priorities are established.
[6] Budget adjustments are shown centrally pending confirmation of their allocation to individual services. Some measures are temporary or involve deferrals and increased financial or service risks.
[7] Community Planning and Development has a gross operating budget of $23.6 million and recovers most of its service costs through user fees.
[8] This budget does not reflect potential future obligations under affordable housing agreements (no funding set aside).
[9] The combined property tax and utility bill is illustrative, using the average home with utility charges for a townhouse. It excludes taxes levied by other taxing authorities.

Column 5 shows the net increase under Scenario 2 (columns 2 + 3 + 4), and column 6 shows the resulting 2027 amount (column 1 + column 5).

The preliminary outlook reflects the cost of maintaining existing service levels and excludes new service requests. Operating increases include adjustments to user-fee and other revenue assumptions, while budget adjustments are shown centrally until their allocation to individual services is confirmed.

Service-level baselines, full-cost allocations, asset renewal funding and utility impacts will be refined through the 2027–2031 financial planning process. Service-impact statements will support Council's consideration of any proposed service reductions or changes.

See Attachment 3 for budget adjustments from 2025 to 2027.

The confirmed 2025 and 2026 budget adjustments, together with the proposed 2027 Scenario 2 target, total approximately $15.1 million. These adjustments include expenditure reductions, revenue measures, deferrals and temporary budget stabilization. While some provide ongoing savings, others may need to be revisited as funding arrangements expire, revenues change or deferred expenditures return.

As adjustments accumulate, potential impacts include reduced service capacity and responsiveness, deferred maintenance and infrastructure investments, and less flexibility to respond to emerging pressures. Scenario 2 provides a transition period to improve service planning, establish priorities and develop longer-term financial solutions. Service-impact statements and further analysis will return to Council in 2027.

The municipal services below are being refined as part of the District's service-based planning, with an updated inventory returning to Council in Q1 2027. These services are currently reflected in the financial system and will provide a foundation for improved service costing, performance reporting and financial planning.

Table 2.1 Budget Adjustments 2025 – 2027

Municipal Services	2025	2026	2027 (Scenario 2)	Total
Governance & Stewardship				
Governance & Legislative Services	12,000	31,000		43,000
Administrative Services	702,000	729,553		1,431,553
Climate Action	100,000			100,000
Infrastructure & Project Delivery Services	384,000	318,110		702,110
Parks, Recreation, & Community Services				
Arts and Culture				-
Library Services	173,000	203,000		376,000
Museum & Archives	16,500	10,000		26,500
Parks and Natural Areas[10]	450,000	721,125		1,171,125
Recreation & Sport	287,361	850,853		1,138,214
Community Planning & Development				
Community Planning				-
Development Services	1,183,500	881,000		2,064,500
Economic Services	235,000			235,000
Land & Property Management				-
Community Protection & Safety				
Bylaw Services	90,000			90,000

[10] Parks pay parking revenue is reported under Parking and Curbside Management within Transportation & Mobility. Including pay parking revenue, Parks and Natural Areas budget adjustments total approximately $1.6 million over 2025 and 2026.

Attachment 3 – Budget Adjustments 2025-2027 (Scenario 2)

Municipal Services	2025	2026	2027 (Scenario 2)	Total
Emergency Services	12,038	5,093		17,131
Fire & Rescue	1,058,000	634,000		1,692,000
Police Protection	134,775	269,550		404,325
Social Services & Community Well-Being				
Affordable Housing		200,000		200,000
Child & Senior Care				-
Other Social Services				-
Transportation & Mobility				
Active Transportation				-
Parking and Curbside Management (Parks)[11]	425,000			425,000
Road Network	155,000			155,000
Transit				-
Utilities				
Liquid Waste Management				-
Solid Waste Management	100,000	75,000		175,000
Stormwater Management				-
Water Supply & Distribution	367,000	190,037		557,037
Implementation				
Contingency / Budget Stabilization	(1,525,000)		1,525,000	-
2027 Budget - Scenario 2				
2027 adjustments pending allocation			4,075,000	4,075,000
Total	**4,360,174**	**5,118,320**	**5,600,000**	**15,078,494**

Note: All amounts are in dollars. The proposed 2027 Scenario 2 adjustment target is $5.6 million, equivalent to approximately 4.0 percentage points of the property tax levy. This includes the $1.525 million reversal of the temporary contingency adjustment recorded in 2025, with the remaining $4.075 million pending allocation to the other proposed budget stabilization and service adjustments measures. Percentages presented to Council are approximate and may differ slightly from the underlying dollar amounts.

Sustainability and Risk Outlook

Not all confirmed 2025–2026 adjustments and the 2027 Scenario 2 target are equally durable. Some rely on time-limited agreements, one-time offsets, third-party funding, or revenue assumptions that may not be realized. If these items lapse or fall short, the savings will need to be replaced, either by returning the cost to

[11] Parks pay parking revenue was incorporated into the 2025 Financial Plan on a 50/50 basis: 50% was set aside for future Parks capital improvements and 50% reduced the overall property tax requirement. Parking revenue is reported under Parking and Curbside Management for service-planning purposes. Council may reconsider this allocation and other parking and curbside management options as part of the 2027 service and capital review.

the budget or by further service reductions. Risk therefore increases with each year the adjustments compound.

- **Time-limited revenue agreements.** The Marine Firefighting Agreement with Seaspan (Fire & Rescue) provides approximately $800,000 per year in net benefit and expires in 2029 unless extended or replaced. Renewal depends on Seaspan's agreement, and the Seaspan-funded Fire Training and Public Safety Captain positions would need to be reviewed if it ends. This net revenue may need to return to the budget as a pressure in 2029, and other measures in this table have similar characteristics.
- **One-time and temporary offsets.** Items such as the $1,525,000 contingency offset (2025, reversed in 2027), one-time equipment purchases funded through the Seaspan agreement, and donor-funded programs are timing or non-recurring in nature and will not provide ongoing savings.
- **Revenue and fee assumptions.** Measures relying on new or increased fees, leases, grants, or donations (for example re-inspection and plan review fees) are exposed to demand, collection, and approval risk, and may fall short of the amounts budgeted.
- **Cumulative service and capacity effects.** Reductions to staffing, response capacity, maintenance frequency, and training compound over time, leaving less flexibility to absorb cost pressures, emergencies, or the loss of a funding source.
- **2027 Scenario 2 adjustments.** The proposed $5.6 million target combines budget stabilization and service adjustments, including reduced contingencies, paused service enhancements, deferred contributions for new capital and increased budgeted investment income. Some measures are temporary or shift expenditures to future years. Together with the cumulative effects of earlier adjustments, they increase financial and service delivery risks and will require ongoing monitoring and further decisions as the District develops sustainable service and funding strategies.

Mitigation: Staff will track end dates and renewal windows for time-limited agreements, identify measures that will need to return to the budget, and report on them through the service impact statements in January and future financial plan updates.

What This Means for Residents

The cumulative effect of budget adjustments can reduce the District's capacity to maintain existing services and respond to emerging community needs. Actual impacts vary by service and depend on the nature of the adjustments implemented.

Further reductions could affect service frequency, responsiveness, maintenance standards, program availability and infrastructure renewal. The following examples illustrate potential service implications and risks that will be assessed through service planning and service-impact statements:

- **Parks and trails** (Parks and Natural Areas, $1.6M cumulative, including Parks pay parking revenue): reduced maintenance frequency, deferred improvements, and fewer seasonal staff.
- **Recreation and culture** (Recreation & Sport, $1.14M; Museum & Archives): potential program reductions, reduced hours, and increased user fees.
- **Library services** ($376,000): reduced hours, smaller collections, and fewer programs.
- **Road maintenance** (Road Network): deferred resurfacing and reduced snow and ice response levels.
- **Community safety** (Bylaw Services, Fire & Rescue, Police Protection): constrained bylaw enforcement, and reduced training and response capacity. Fire & Rescue depends in part on the Seaspan agreement, which expires in 2029 unless extended.
- **Community grants and social services:** Potential reductions in funding for non-profit partners serving vulnerable populations.

Services that pass costs through, such as Metro Vancouver utilities, RCMP contract policing, and regional levies, are rising regardless of District decisions. Savings therefore fall on the services the District delivers directly, which are a small and shrinking share of the budget, so every reduction may be felt by residents. Staff can provide non-tax revenue options (fees and charges, sponsorship, leases, economic development) to partially offset this.

Approach to developing service planning information

The District is implementing a phased, service-based planning framework over approximately three years to improve how municipal services are defined, costed, measured and evaluated. The framework will provide Council with clearer information on existing service levels, financial requirements, performance and risks, supporting decisions that balance community priorities, affordability and long-term financial sustainability.

Phase 1 (2027) will establish preliminary service baselines for priority services, identify key service pressures and assess the impacts of budget adjustments. Initial findings and service-impact statements will return to Council in the first quarter of 2027, ahead of budget approval.

Phase 2 (2027–2028) will strengthen service costing, performance measures and capital requirements, supporting Council's consideration of service-level targets and delivery alternatives.

Phase 3 (2028–2029) will further integrate Council-approved service targets, performance reporting and longer-term operating and capital requirements into the District's 10-Year Rolling Financial Plan, building on improvements introduced in earlier phases.

Future Council Direction by Service
As service planning information is developed, Administration will progressively return to Council with findings, recommendations and options for service priorities, service-level targets, funding and delivery approaches. These decisions will inform future budgets and the 10-Year Rolling Financial Plan.

THIS PAGE LEFT BLANK INTENTIONALLY

Council will consider critical work through the Service Transition Budget, then strategic planning will establish priorities, service targets and funding limits to guide decisions on other capital investments.

- **Critical work (December 15 Special Meeting):** Provide direction on critical work (Priority 1) moving forward in the Capital Plan.
- **Strategic planning (Nov/26–Q1/27):** Set priorities, preliminary service targets and funding limits to help guide future investment decisions.
- **Further investment decisions (Q1–Q3, after strategic planning):** Consider deferrals or re-scoping (Priority 2), growth-related infrastructure and amenities (Priority 3), and strategic investments (Priority 4).

The reports below will inform subsequent Council direction; inclusion does not mean an investment is approved.

Table 5.1 Reports by Municipal Service

Municipal Services	Council report / direction sought
Governance & Stewardship	**Corporate Buildings:** extend life / consider consolidation or relocation
Parks, Recreation, and Community Services	**Recreation Centres:** extend life / plan for future replacement and explore opportunities to consolidate facilities
	Parks Buildings Strategy: establish a strategy to guide the effective management of park building assets, addressing building renewal and changing service needs
	Libraries and Archive Facilities: extend life / plan for future needs
	Sport Fields: confirm need for future expansion (i.e. gravel to ATF field conversion)
	Leased Facilities: establish a lease policy, set rent based on market rates, facility maintenance, renewal and replacement, public benefit and appropriate subsidy levels.
Community Planning & Development	**Growth-related Infrastructure and Amenities:** update growth projections and required investment to maintain service levels.
Community Protection & Safety	**Fire Halls:** extend life where practical / confirm timing of replacement /or major renewal
Social Services and Community Well-Being	**Affordable Housing:** confirm service targets and sustainable funding strategies
Transportation & Mobility	**Near-term transportation priorities and capital investment considerations:** confirm near-term transportation priorities, including major policy work planned in the coming years, and consider whether any adjustments to near-term capital investment may be warranted

THIS PAGE LEFT BLANK INTENTIONALLY