



REPORT | ADMINISTRATIVE REPORT TO COUNCIL

PRESENTED: April 5, 2016
FROM: Corporate and Community Services
SUBJECT: FIVE-YEAR FINANCIAL PLAN 2016-2020

REPORT: 16-046
FILE: 4530

COMMENT/RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

That the recommendation of the General Manager of Corporate and Community Services division be endorsed.

RECOMMENDATION

That Council consider giving first, second and third readings to the Five-Year Financial Plan 2016-2020 Bylaw No. 2118, 2016.

REFERENCES

Appendix A – Five-Year Financial Plan 2016-2020 Bylaw No. 2118, 2016

PURPOSE OF REPORT

The Five-Year Financial Plan 2016-2020 sets out the proposed revenue sources and expenditures for the municipality for the period January 1, 2016 to December 31, 2020.

DISCUSSION

The *Community Charter* requires municipalities to approve a five-year financial plan bylaw each year prior to the adoption of the annual property tax bylaw before May 15. The attached bylaw and schedules reflect the following guidelines as presented at the March 15, 2016 regular council meeting:

1. To implement a 1.5% increase to property value taxes in 2016 (excluding non-market and property count changes);
2. To implement a 1.3% increase to water parcel taxes and user fees (excluding property count changes);
3. To implement a 1.2% increase to sewer parcel taxes and user fees (excluding property count changes); and
4. To include the project amounts as described in Appendix A to Administrative Report No. 16-032.

OTHER POLICY CONSIDERATIONS

Section 165 of the *Community Charter* requires municipalities to prepare a five-year financial plan to be adopted annually by bylaw. Once adopted, the plan is in effect until it is amended, and may be amended by bylaw at any time.

Section 165 (3.1) requires additional disclosure regarding the proportion of revenues from each source and the objectives and policies in relation to the distribution of property value taxes among the different classes. This information is provided in Schedule C of the bylaw.

COMMUNITY ENGAGEMENT AND CONSULTATION

Community engagement and consultation is an ongoing process throughout the year and includes the Community Life Survey, FE&A Oversight Committee, public meetings and online information.

Engagement and consultation specifically focused on financial planning has taken place at a separate public meeting.

On February 23, 2016 a public open house was held for community members to view budget information, provide comments and ask questions of staff and council. This provided an opportunity hear about community indicators, proposed projects and significant changes proposed for the 2016 operating budget.

An administrative report advising council of the proposed budget guidelines for 2016 and to obtain a council resolution for the guidelines to be used when preparing the 2016-2020 Five-Year Financial Plan was presented at the regular council meeting held on March 15, 2016.

All presentations, including videos, are available to the public on the municipal website. Comments may be provided by emailing budget@whistler.ca

SUMMARY

The financial plan bylaw sets out the proposed revenues, expenditures and transfers for the years 2016 through 2020 and must be adopted prior to adoption of the property tax bylaw and before May 15, 2016 and. This bylaw is being presented to council for consideration of the first three readings prior to adoption.

Respectfully submitted,

Ken Roggeman
DIRECTOR OF FINANCE
for
Norm McPhail
GENERAL MANAGER, CORPORATE AND COMMUNITY SERVICES

RESORT MUNICIPALITY OF WHISTLER

FIVE-YEAR FINANCIAL PLAN 2016-2020 BYLAW NO. 2118, 2016

A BYLAW TO ADOPT A FIVE-YEAR FINANCIAL PLAN FOR 2016-2020

WHEREAS the Council must have a financial plan pursuant to Section 165 of the *Community Charter*;

AND WHEREAS the Council deems it necessary and appropriate to adopt a five-year financial plan for the years 2016 to 2020;

NOW THEREFORE, the Municipal Council of the Resort Municipality of Whistler **ENACTS AS FOLLOWS**:

1. This Bylaw may be cited for all purposes as the "Five-Year Financial Plan 2016-2020 Bylaw No. 2118, 2016".
2. That Council adopt the Five-Year Financial Plan for the years 2016-2020 inclusive, for each year of the plan, as set out in Schedules A, B and C attached hereto and forming a part of this Bylaw as follows:

Schedule A – Consolidated Operating Summary
Schedule B – Consolidated Project Summary
Schedule C – Supplementary Information

GIVEN FIRST, SECOND, and THIRD READINGS this __ day of _____, _____.

ADOPTED this __ day of _____, _____.

Nancy Wilhelm-Morden,
Mayor

Laurie-Anne Schimek,
Municipal Clerk

I HEREBY CERTIFY that this is a true copy of "Five-Year Financial Plan 2016-2020 Bylaw No. 2118, 2016".

Laurie-Anne Schimek,
Municipal Clerk

**RESORT MUNICIPALITY OF WHISTLER
FIVE-YEAR FINANCIAL PLAN 2016 - 2020
CONSOLIDATED PROJECT SUMMARY**

**BYLAW 2118, 2016
SCHEDULE A**

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUE | | | | | |
| General Fund | | | | | |
| Property Taxes | 36,002,013 | 37,082,073 | 37,656,846 | 38,127,556 | 38,832,916 |
| Other Property Tax | 1,021,348 | 1,023,919 | 1,026,018 | 1,027,958 | 1,031,453 |
| Government Grants | 397,013 | 397,013 | 397,013 | 397,013 | 397,013 |
| Fees and Charges | 9,779,177 | 10,033,532 | 10,354,865 | 10,539,133 | 10,745,962 |
| Investment Income | 2,188,981 | 1,947,146 | 1,968,685 | 2,263,977 | 2,307,006 |
| RMI Grant | 8,390,945 | 6,685,888 | 6,685,888 | 6,685,888 | 6,685,888 |
| 2% MRDT | 4,840,907 | 4,913,521 | 4,962,656 | 5,012,282 | 5,062,405 |
| Works and Service Charges | 525,026 | 525,026 | 525,026 | 525,026 | 525,026 |
| Water Fund | | | | | |
| Parcel Taxes | 3,838,233 | 3,867,886 | 3,901,636 | 3,931,775 | 3,962,144 |
| Fees and Charges | 2,802,389 | 2,823,036 | 2,846,639 | 2,867,613 | 2,888,743 |
| Works and Service Charges | 59,980 | 59,980 | 59,980 | 59,980 | 59,980 |
| Sewer Fund | | | | | |
| Parcel Taxes | 3,959,103 | 4,003,150 | 4,047,711 | 4,088,943 | 4,130,614 |
| Fees and Charges | 3,556,340 | 3,596,740 | 3,637,604 | 3,675,337 | 3,713,464 |
| Works and Service Charges | 164,906 | 164,906 | 164,906 | 164,906 | 164,906 |
| Solid Waste Fund | | | | | |
| Parcel Taxes | - | - | - | - | - |
| Fees and Charges | 4,451,929 | 4,454,939 | 4,457,950 | 4,460,960 | 4,463,970 |
| Government Grants | 444,687 | 444,687 | 444,687 | 444,687 | 444,687 |
| | 82,422,975 | 82,023,443 | 83,138,110 | 84,273,034 | 85,416,177 |
| EXPENDITURE | | | | | |
| General Fund | | | | | |
| Payroll and Goods & Services | 46,785,234 | 47,833,370 | 48,795,320 | 49,757,270 | 50,719,221 |
| Debt Interest & Principal | 686,968 | 683,768 | 680,569 | 239,299 | 239,301 |
| Residents & Partners | 3,829,629 | 3,875,749 | 3,906,958 | 3,938,479 | 3,970,314 |
| Contingency | 557,753 | 570,311 | 581,146 | 591,976 | 602,792 |
| Water Fund | | | | | |
| Payroll and Goods & Services | 2,051,500 | 2,093,813 | 2,135,556 | 2,177,303 | 2,219,050 |
| Debt Interest & Principal | - | - | - | - | - |
| Sewer Fund | | | | | |
| Payroll and Goods & Services | 2,663,034 | 2,741,147 | 2,819,094 | 2,897,040 | 2,974,986 |
| Debt Interest & Principal | 1,403,786 | 1,403,786 | 1,403,786 | 1,403,786 | 1,403,786 |
| Solid Waste Fund | | | | | |
| Payroll and Goods & Services | 4,275,492 | 4,362,781 | 4,364,664 | 4,365,960 | 4,365,965 |
| Debt Interest & Principal | 838,861 | 647,311 | 510,490 | 510,490 | 510,490 |
| | 63,092,255 | 64,212,038 | 65,197,582 | 65,881,601 | 67,005,905 |

**RESORT MUNICIPALITY OF WHISTLER
FIVE-YEAR FINANCIAL PLAN 2016 - 2020
CONSOLIDATED OPERATING SUMMARY**

**BYLAW 2118, 2016
SCHEDULE A Cont'd**

| | 2016 | 2017 | 2018 | 2019 | 2019 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| TRANSFERS TO (FROM) | | | | | |
| OTHER FUNDS / RESERVES | | | | | |
| Interest Paid to Reserves | 1,866,267 | 1,607,829 | 1,532,713 | 1,663,432 | 1,801,769 |
| Recreation Works Charges Reserve | 278,578 | 278,578 | 278,578 | 278,578 | 278,578 |
| Transportation Works Charges Reserve | 216,056 | 216,056 | 216,056 | 216,056 | 216,056 |
| Employee Housing Charges Reserve | 30,392 | 30,392 | 30,392 | 30,392 | 30,392 |
| RMI Reserve | 3,577,045 | 1,871,988 | 1,871,988 | 1,871,988 | 1,871,988 |
| 2% MRDT Reserve | 616,348 | 642,840 | 660,767 | 678,873 | 697,160 |
| General Capital Reserve | 5,043,348 | 5,000,000 | 5,000,507 | 5,271,204 | 5,141,578 |
| Vehicle Replacement Reserve | 564,416 | 1,014,416 | 1,014,416 | 1,014,416 | 1,014,416 |
| Library | - | - | - | - | - |
| General Operating Surplus (Deficit) | 0 | (0) | (0) | (0) | (0) |
| General Operating Reserve | 946,504 | 884,825 | 925,298 | 957,086 | 953,788 |
| Water Works Charges Reserve | 59,980 | 59,980 | 59,980 | 59,980 | 59,980 |
| Water Capital Reserve | 3,020,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Water Operating Reserve | 487,617 | 499,860 | 504,897 | 505,931 | 502,474 |
| Water Operating Surplus (Deficit) | (0) | (0) | (0) | (0) | (0) |
| Sewer Works Charges Reserve | 164,906 | 164,906 | 164,906 | 164,906 | 164,906 |
| Sewer Capital Reserve | 1,922,690 | 1,922,690 | 1,922,690 | 1,922,690 | 1,922,690 |
| Sewer Operating Reserve | 386,574 | 385,561 | 387,907 | 384,754 | 380,344 |
| Sewer Operating Surplus (Deficit) | 0 | 0 | 0 | (0) | 0 |
| Solid Waste Capital Reserve | 150,000 | 200,000 | 300,000 | 300,000 | 300,000 |
| Solid Waste Operating Reserve | - | 31,484 | 69,433 | 71,147 | 74,153 |
| Solid Waste Surplus (Deficit) | (0) | 0 | 0 | 0 | (0) |
| | <u>19,330,720</u> | <u>17,811,405</u> | <u>17,940,528</u> | <u>18,391,432</u> | <u>18,410,272</u> |
| REVENUE LESS EXPENDITURE AND TRANSFERS | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |

**RESORT MUNICIPALITY OF WHISTLER
FIVE-YEAR FINANCIAL PLAN 2016 - 2020
CONSOLIDATED PROJECT SUMMARY**

**BYLAW 2118, 2016
SCHEDULE B**

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------|------------|------------|------------|------------|
| REVENUE AND OTHER SOURCES OF FUNDING | | | | | |
| General Fund | | | | | |
| Government Grants | 126,414 | 43,555 | 41,144 | 35,626 | 35,626 |
| Contribution from Developers | - | - | - | - | - |
| Equipment disposal proceeds | 155,000 | 155,000 | 155,000 | 155,000 | 155,000 |
| Debt Proceeds | - | - | - | - | - |
| Other Contributions | 155,035 | - | 62,174 | - | - |
| Water Fund | | | | | |
| Government Grants | 6,743 | 5,000 | 5,000 | 5,000 | 5,000 |
| Sewer Fund | | | | | |
| Government Grants | - | - | - | - | - |
| Solid Waste Fund | | | | | |
| Government Grants | - | - | - | - | - |
| | 443,192 | 203,555 | 263,318 | 195,626 | 195,626 |
| EXPENDITURE | | | | | |
| General Fund | | | | | |
| Non-capital Expenditure | 4,449,151 | 4,515,390 | 2,495,830 | 802,560 | 2,487,000 |
| Infrastructure Maintenance | 4,089,530 | 4,134,424 | 3,823,524 | 1,950,944 | 2,982,000 |
| Capital Expenditure | 13,431,618 | 7,313,176 | 5,849,921 | 2,186,928 | 3,229,957 |
| Water Fund | | | | | |
| Non-capital Expenditure | 287,600 | 244,000 | 2,069,000 | 130,000 | 48,000 |
| Infrastructure Maintenance | 706,134 | 2,490,000 | 480,000 | 630,000 | 350,000 |
| Capital Expenditure | 10,965,000 | 2,953,000 | 763,000 | 198,000 | 100,000 |
| Sewer Fund | | | | | |
| Non-capital Expenditure | 5,000 | - | 40,000 | 40,000 | 50,000 |
| Infrastructure Maintenance | 770,000 | 370,000 | 210,000 | 210,000 | 210,000 |
| Capital Expenditure | 920,000 | 2,940,000 | 1,940,000 | 270,000 | 270,000 |
| Solid Waste Fund | | | | | |
| Non-capital Expenditure | - | - | - | - | - |
| Infrastructure Maintenance | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Capital Expenditure | 1,315,000 | 1,615,000 | 30,000 | 730,000 | 30,000 |
| All Funds | | | | | |
| Depreciation | 10,516,471 | 11,049,103 | 11,345,527 | 11,517,185 | 11,584,883 |
| | 47,605,503 | 37,774,093 | 29,196,802 | 18,815,617 | 21,491,840 |

**RESORT MUNICIPALITY OF WHISTLER
FIVE-YEAR FINANCIAL PLAN 2016 - 2020
CONSOLIDATED PROJECT SUMMARY**

**BYLAW 2118, 2016
SCHEDULE B Cont'd**

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| TRANSFERS (TO) FROM OTHER FUNDS (RESERVES) | | | | | |
| RMI Reserve | 3,620,658 | 1,470,000 | 450,000 | 150,000 | 150,000 |
| 2% MRDT Reserve | 684,600 | 764,830 | 528,270 | 490,000 | 490,000 |
| General Capital Reserve | 11,664,196 | 8,305,144 | 6,703,261 | 2,345,374 | 4,485,953 |
| Recreation Works Charges | 262,986 | - | - | - | - |
| Parking Reserve | - | - | - | - | - |
| Parkland Reserve | - | - | - | - | - |
| Vehicle Replacement Reserve | 984,029 | 3,711,456 | 2,504,634 | 1,089,738 | 703,004 |
| Library Reserve | 151,039 | 45,000 | 60,000 | 45,000 | - |
| General Operating Reserve | 2,317,859 | 1,643,005 | 1,535,242 | 1,239,934 | 1,229,374 |
| Housing Works Charges | 2,200,000 | - | - | - | - |
| WVLC Surplus | - | - | - | - | - |
| Transportation Works Charges | 902,803 | 1,610,000 | 1,114,550 | 239,760 | 1,600,000 |
| Water Capital Reserve | 10,451,291 | 4,987,850 | 1,723,850 | 443,000 | 345,000 |
| Water Operating Reserve | 570,380 | 343,000 | 1,293,000 | 503,500 | 141,500 |
| Water Works and Service Charges | 903,600 | 308,250 | 84,750 | - | - |
| Sewer Capital Reserve | 1,784,500 | 3,261,900 | 1,514,400 | 480,000 | 480,000 |
| Sewer Operating Reserve | 32,900 | 6,000 | 46,000 | 46,500 | 56,500 |
| Sewer Works and Service Charges | - | - | - | - | - |
| Solid Waste Capital Reserve | 85,000 | 35,000 | - | - | - |
| Solid Waste Operating Reserve | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| | 36,645,841 | 26,521,435 | 17,587,957 | 7,102,806 | 9,711,331 |
| ADJUSTMENTS FOR NON CASH ITEMS AND CHANGES TO NET FINANCIAL ASSETS | | | | | |
| Depreciation | 10,516,471 | 11,049,103 | 11,345,527 | 11,517,185 | 11,584,883 |
| Increase (Decrease) in due from WHA | 5,000,000 | (5,000,000) | | | |
| (Increase) decrease MFA debt principal | (5,000,000) | 5,000,000 | | | |
| | 10,516,471 | 11,049,103 | 11,345,527 | 11,517,185 | 11,584,883 |
| REVENUE AND TRANSFERS LESS EXPENDITURE | (0) | - | - | - | - |

**RESORT MUNICIPALITY OF WHISTLER
FIVE-YEAR FINANCIAL PLAN 2016 - 2020
CONSOLIDATED PROJECT SUMMARY**

**BYLAW 2118, 2016
SCHEDULE C**

Proportion of total proceeds proposed to be raised from each funding source in 2016

| Funding Source | % of Total Revenue | Dollar value |
|-----------------------|---------------------------|---------------------|
| Property Taxes | 42% | 37,023,361 |
| Parcel Taxes | 9% | 7,797,336 |
| Fees and Charges | 24% | 21,339,747 |
| Investment income | 2% | 2,188,981 |
| Debt | 6% | 5,000,000 |
| Government Grants | 1% | 974,857 |
| Transfer taxes | 15% | 13,231,852 |
| Other | 0% | 310,035 |
| Total | 100% | 87,866,167 |

The municipality will continue to pursue revenue diversification to minimize the overall percentage of revenue raised from property taxes wherever possible. The objective is to maintain a reasonable tax burden by maximizing other revenue sources, lowering the cost of municipal services and shifting the burden to user fees and charges where feasible.

Proposed distribution of property tax revenue in 2016

| Property Class | % of Total Property Taxation | Dollar value, completed roll |
|--------------------------|-------------------------------------|-------------------------------------|
| Class 1 - Residential | 66.35% | 24,023,309.71 |
| Class 2 - Utilities | 1.62% | 578,650.93 |
| Class 5 - Light industry | 0.13% | 47,434 |
| Class 6 - Business other | 30.32% | 10,809,887 |
| Class 8 - Recreational | 1.57% | 542,015 |
| Total | 100% | 36,001,297 |

The municipality will continue to set tax rates to ensure tax stability by maintaining a consistent proportionate relationship between classes. The proposed distribution shown above is consistent with the prior year. In order to maintain the current share of taxation between property classes, minor adjustments are made to the tax ratios to account for market based assessment variation between the classes. This policy provides a balanced tax impact among property classes.

CONSOLIDATED PROJECT SUMMARY

As permitted by the Community Charter, council has granted exemptions from municipal property taxes for the following general purposes:

- * Land and improvements surrounding a statutorily exempt building for public worship.
- * Properties owned or held by a not-for-profit organization whose purpose is to contribute to the well-being of the community with the provision of cultural, social, educational or recreational services.

Permissive exemptions for municipal property taxes in 2016 are estimated to be \$609,731.