



Budget Guidelines - 2021

December 15, 2020

RESORT MUNICIPALITY OF WHISTLER

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Agenda

1. Budget process & supporting materials
2. Community Feedback
3. Clarifications
4. Budget Construction
5. Spending by Fund
6. Reserve & Debt Outlook
7. Sample outcomes for Taxpayers
8. Recommendations & Next Steps

1. Budget Process - Key Milestones



1. Budget Process: Recommendations 2021

General Municipal Tax increase: 1.08%

Parcel Tax & User Fees:

Sewer increase: 0%

Solid Waste increase: 0%

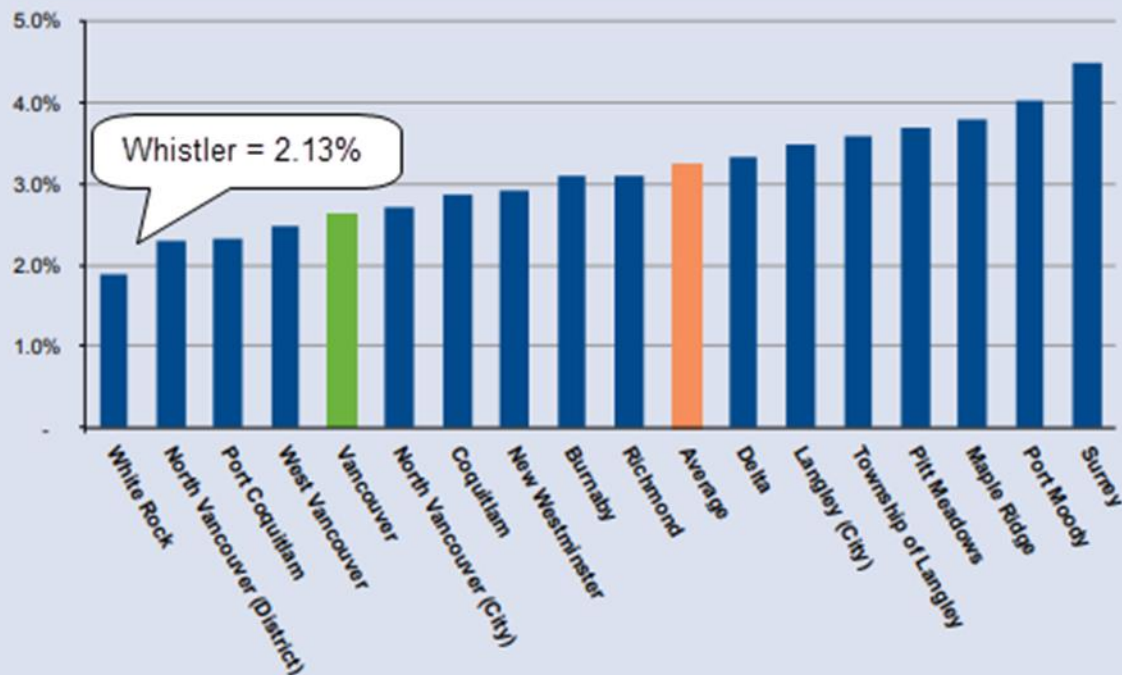
Water increase: 0%

Project amounts as described in Appendix A of
administrative report 20-XXX

1. Budget Process: long view tax rates

Vancouver vs Metro Vancouver 10-Year Average Property Tax Increase (2010-2019)

Comparing 10-year average property tax increase, Vancouver has been one of the lowest in the region.



Source: City of Vancouver 2020 Budget

1. Budget Process: Municipal Funds

General Municipal Property Tax

General

Parcel Tax & User Fees

Utilities

Water

Sewer

Solid
Waste

Provincial Hotel-Tax Transfers

RMI

MRDT

1. Budget Process: Council Focus Areas

- Community Balance

- ✓ Weighing competing interests across the community
- ✓ Supporting tourism recovery and community wellness
- ✓ Delivering new services where appropriate
- ✓ Low and stable tax rate increases
- ✓ Fiscal responsibilities are paramount

- Climate Action

- ✓ Increase spending on projects to drive climate outcomes
- ✓ Environmental Stewardship Operations spending up +78% vs 2018
- ✓ Associated projects spending up +116% over the same time
 - Western Toad Infrastructure, EV Chargers, Big Moves strategy

- Employee Housing

- ✓ Policy work
- ✓ Financial support to municipal corporations

1. Budget Materials: Projects

Appendix A: Proposed Projects Listing

Public Safety Building Upgrades

Funding Source(s)	Res - General Capital Reserve
Project	X162
Project Description	Public Safety Building Upgrades
Project Manager	Chalk, Timothy
Division	Resort Experience
Department	Resort Operations

Public Description

This request is intended to continue the Public Safety building spatial needs planning. To address the expanding services of the Fire and RCMP an analysis was completed to identify gaps in the current building footprint. This information will inform strategic planning and development of growth solutions. 2021 focus will also include PSB roof replacement. Current roof is failing in many areas and is no longer adequate. To be replaced with a standing seam metal roof product for durability and performance.

Budget

Sub Project	Category	2021	2022	2023	2024	2025
PSB Roof Replacement	PCB Contract Services	\$700,000	\$0	\$0	\$0	\$0
PSB Roof Replacement Project Management	PCB Contract Services	\$20,000	\$0	\$0	\$0	\$0
PSB Roof Replacement Contingency	PCB Contract Services	\$35,000	\$0	\$0	\$0	\$0
PSB Spatial Needs Analysis	PCB Contract Services	\$100,000	\$0	\$0	\$0	\$0

1. Budget Materials: Operations

Appendix B: Proposed Departmental Revenues and Expenditures

PROPOSED OPERATING BUDGETS, 2021

Resort Municipality Of Whistler

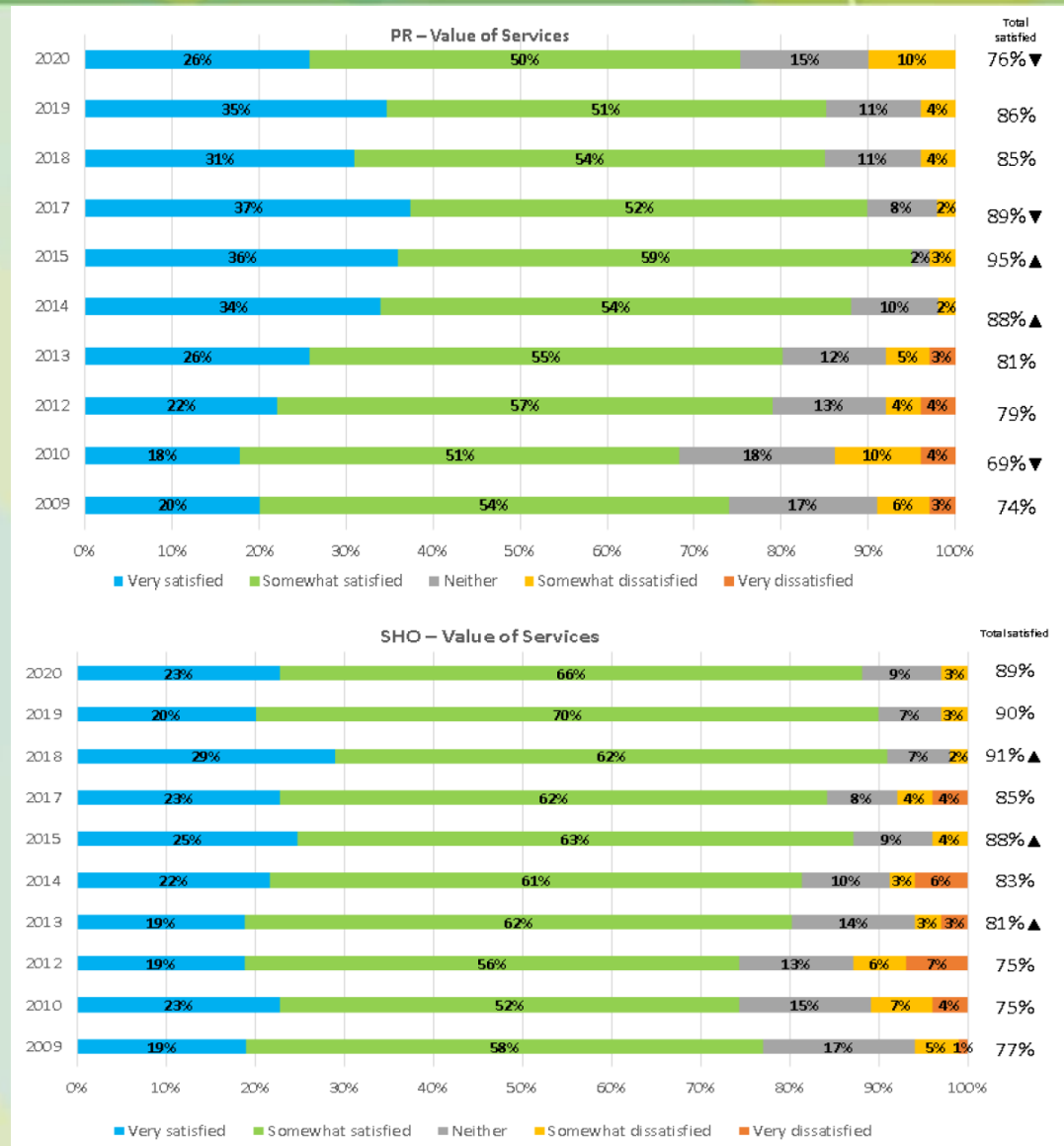
Comparative Summary of Department Operations

EXPENDITURES

Actual 9 months (unaudited) and Full-Year Budget

	Budget 2021	Budget 2020	Actuals 2020 First nine months	Actuals 2019 First nine months
Mayor & Council	461,289	489,403	339,612	351,977
Mayor and Council Total	461,289	489,403	339,612	351,977
Administrator	802,163	838,753	552,871	549,277
Communications	549,087	699,051	507,308	405,161
Policy & Program Development	-	-	-	-
Human Resources	1,065,594	1,007,336	737,906	743,006
CAO Office Total	2,416,843	2,545,139	1,798,085	1,697,443
Cultural Planning and Development	151,424	149,854	126,084	128,451
Village Events and Animation	3,762,020	3,620,491	1,163,682	2,753,129
Division Administration	332,028	302,054	219,823	284,194
Resort Operations	5,693,145	5,238,797	3,984,514	4,420,843
Facilities	2,770,984	2,506,952	1,576,587	1,601,611
Environment Stewardship	672,012	553,040	401,183	347,835

2. Community Feedback: Community Life

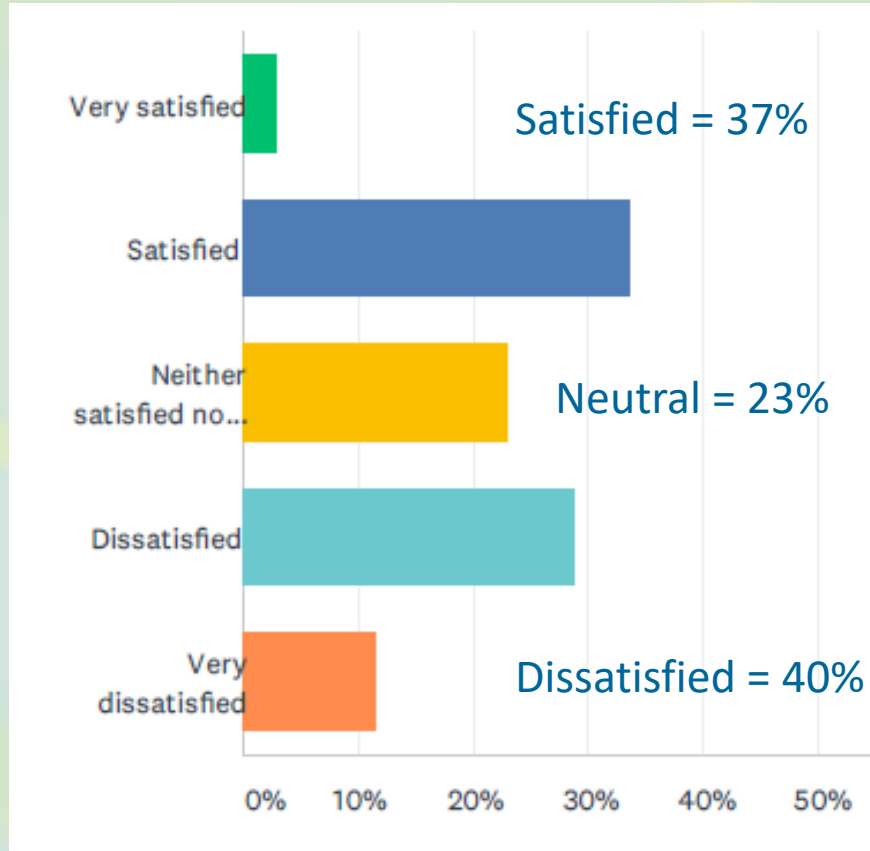


2. Community Feedback: Open House

- Virtual Budget Open House November 16
 - ✓ 45 community members attended
 - ✓ Live Q&A and 12 different breakout discussion
 - ✓ 104 responses to post-event online survey
 - ✓ Follow-on email comments & feedback
- Feedback themes:
 - ✓ Some businesses need the help of the municipality to survive
 - ✓ Some household finances are under pressure
 - ✓ Continue to move on Climate Action
 - ✓ Support for ongoing infrastructure spending
 - ✓ Clarity required on spending of hotel tax proceeds and on Local Area Services Taxes

2. Community Feedback: Open House

Whistler



Vancouver

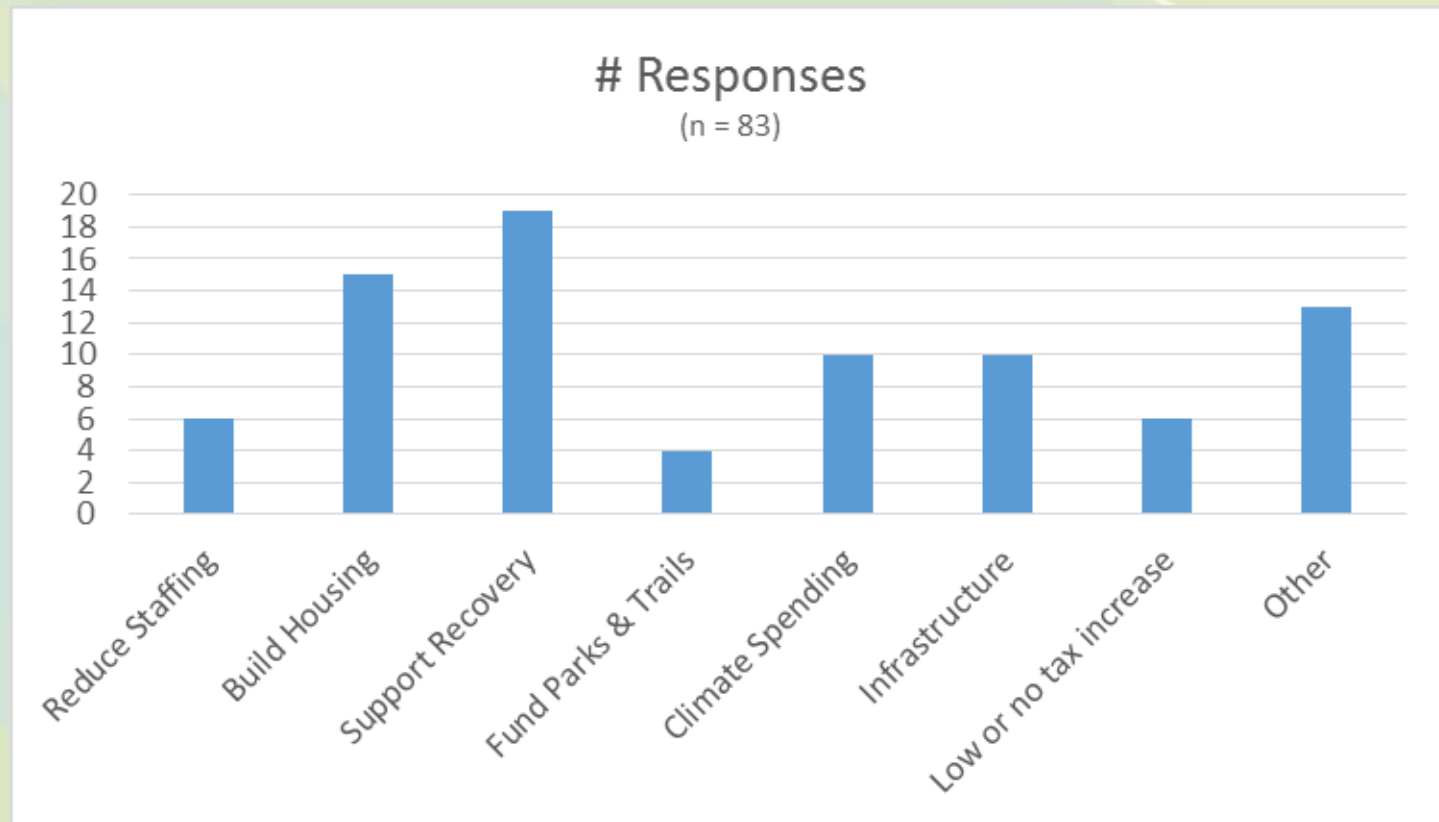


Source: City of Vancouver 2020 Budget

- Methodology is different from Community Life Survey

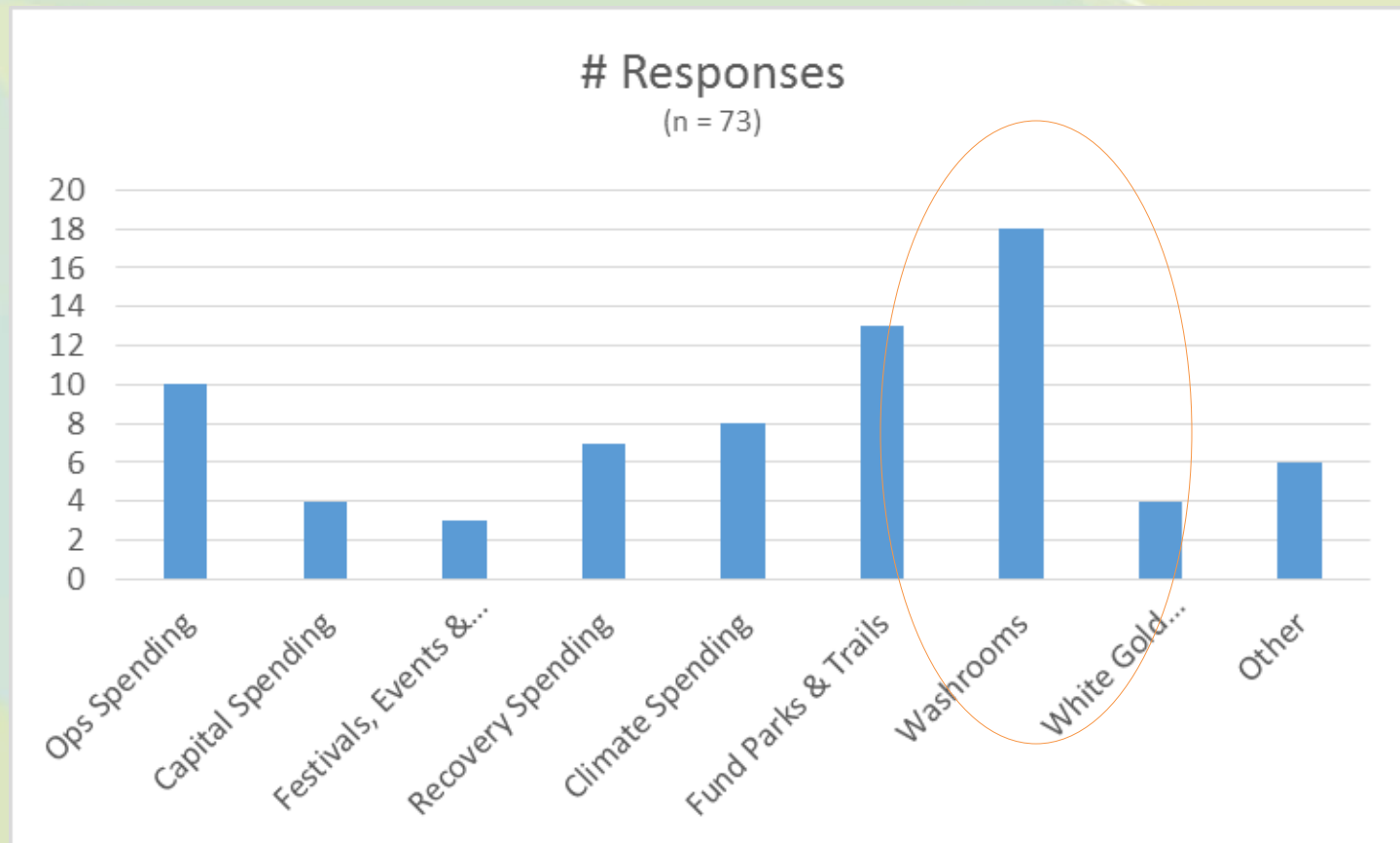
2. Community Feedback: Open House

- If RMOW staff and Council could only focus on one priority in the community right now, what would that priority be?*



2. Community Feedback: Open House

- If you were to choose something to leave out of the 2021 Budget, what would that be?*



3. Clarifications: RMI & MRDT

- **RMI & MRDT Funding**
 - ✓ Spending approved by province
 - Annually (MRDT) or every three years (RMI)
 - ✓ Money is to be spent; reserve balances should not be large
 - ✓ Total RMI spend in 5FYP = \$17.1MM including:
 - \$6.3Mm on Parks
 - \$3.0Mm Washrooms
 - \$2.8Mm on Valley Trail
 - \$0.9Mm on Other Trails
- **RMI/MRDT project changes do not affect taxes**
- **Funds must be spent on tourist-facing amenities**
 - ✓ Village and Park washrooms cannot be replaced with a project at Meadow Park for example

3. Clarifications:

Local Area Services & RMOW Supported Housing

- Represent projects with third-party guarantees
 - ✓ RMOW provides the capital up front
 - ✓ Money is recaptured over time from beneficiaries
 - ✓ Impact consolidated debt levels but not likely tax rate
- Local Area Services (eg. Utility Undergrounding)
 - ✓ Debt is guaranteed by a claim (tax lien) on participating properties
 - ✓ Regular repayments are included on annual tax bill for residents within the Local Area Service area
 - ✓ Extremely low risk of non-collection
- Employee Housing (eg. Cheakamus Crossing)
 - ✓ Debt is not guaranteed
 - ✓ Repayment from lot sales, rental building mortgage proceeds, ownership unit sales
 - ✓ Some risk of non-repayment

4. Budget Construction

- a) COVID impacts to 2020 budget
- b) Summary budget changes since Open House
- c) Operations changes details
- d) Project changes details
- e) Summary

4. a) Budget Construction: 2020 context

March 2020: COVID-19 effects begin to be felt

- Meaningful impact to RMOW non-tax revenues
- Impacts offset by revised spending plans

	2020 Original	2020 Revised	Change
Non-Tax Revenue	22,393,513	16,972,646	(5,420,867)
Reserve Contribution	8,410,707	6,211,234	(2,199,473)
Non-Payroll OpEx	24,805,357	23,583,807	(1,221,550)
Payroll	29,456,903	27,457,059	(1,999,844)

- COVID-19 Safe Restart Grant received in November
 - ✓ Allowable uses include offset for revenue declines
 - ✓ \$2.685Mm, moved into Operating Reserve
- Abnormal operating expenditure constraints persist
 - ✓ Much work being backlogged, deferred, rendered incomplete

4. b) Budget Construction: Changes

- Size of planned tax requisition at Budget Open House was **+4.89%** above 2020 amounts
- Size of tax requisition today **+1.08%** above 2020
 - ✓ Change is possible in part because of external COVID-related funding
 - ✓ Considers COVID impacts to community businesses and households
- Total change to tax requisition = **-3.81%** or **-\$1.5M**
- Change due to combination of higher anticipated revenues and lower expenditures
 - ✓ Includes incremental \$950k “BC Restart Funding for BC Transit”
 - ✓ Includes \$611k in non-tax, own-source revenue increases
 - ✓ Lower operating expenditures budgeted \$577k
 - **Payroll, contract services, contingency**
 - ✓ General Operating Reserve contribution up, and General Capital \$770k

4. b) Budget Construction: Changes

- Changes to revenues and operating spending
 - ✓ Updated understanding of how the economy might change in 2021
 - Timing of a return to normal operations affects revenue budget
 - ✓ Further reductions in payroll to account for vacancies
 - ✓ Some Contract Services work is deferred
 - ✓ Reduced contingency
- “BC Restart Funding for BC Transit” announcement
 - ✓ Incremental to expectations at time of Open House
 - ✓ In addition to “COVID-19 Safe Restart Grant” (\$2.7Mm) announced in 2020
- Changes to projects (\$856k)
 - ✓ Align project spending from operating reserves more closely with annual contributions to the reserves
 - Operating reserve should serve first to support operations
 - ✓ General fund projects deferred (\$280k)

4. c) Budget Construction: Operations

Operating Budget changes following Open House

Category	2021 Budget Version		Change	Detail
	16-Nov	15-Dec		
Property Tax	42,249,118	40,713,890	(1,535,228)	Change in tax requisition
Permits	902,560	984,696	82,136	Add a planner to increase permits volume
Parking Meter	2,427,879	2,767,879	340,000	Increased expectation for parking revenues
Sundry Sales & Services	342,247	432,203	89,956	Increased expectation for sundry revenues
Transit Fares	2,345,000	2,245,000	(100,000)	Increased fare expectations; reduced top-up
Admissions	313,054	314,951	1,897	Changed expectation for MPSC
Pass Sales	808,436	805,626	(2,810)	Changed expectation for MPSC
Total Change in Revenues			411,179	
Payroll	24,534,011	24,282,428	(251,583)	Changes to payroll
Overtime	507,400	505,400	(2,000)	Reduced overtime
Employer Labour Costs	6,373,542	6,308,575	(64,967)	ELC Associated with payroll changes
Contingency	577,437	400,000	(177,437)	Reduced contingency
Contract Services	16,207,060	14,876,060	(1,331,000)	BC Transit Restart Funding, reduced services
Transfer to General Operating Reserve	1,244,508	1,628,965	384,457	Captures increased daylot parking revenues
Transfer to General Capital Reserve	5,471,212	5,789,693	318,481	Small increase to General Capital contribution
Total Change in Expenditures			(1,124,049)	
Total Change in Revenues & Expenditures			(1,535,228)	

4. c) Budget Construction: Operations

- Revenue expectations adjusted
 - ✓ Some non-tax revenue accounts performed well in Sept/Oct
 - Added day lot parking revenues move into Operating Reserve
 - ✓ 4Q21 will likely look much more like 2019 than 2020
 - ✓ MPSC will remain capacity constrained until health orders change
 - ✓ *High level of uncertainty continues to exist, use best information*
- Adjustments to budgeted expenditures
 - ✓ Payroll includes specific role changes and a vacancy allowance
 - Similar to 2020 budget amendment that acknowledged vacancies
 - ✓ Contingency will fund recovery efforts but limited additional work
 - ✓ “BC Restart Funding for BC Transit” (\$1.25Mm net) replaces expected fare-box top-up (\$300k)
 - ✓ Small increase to General Capital Contribution, which remains vulnerable

4. d) Budget Construction: Projects

Project changes following Open House

		Funding Source	Effect on 2020	Five-Year Effect (net of grants)
Proposed Spending Changed				
X135	REX - BCA report Building Upgrades	General Capital	(150,000)	(150,000)
S018	Community Wildfire Protection	Gen Operating	(75,000)	(1,535,000)
I001	Computer Systems Replacement	General Capital	(30,000)	(30,000)
P100	EV Chargers	Gen Operating	(21,268)	75,107
X139	Village Stroll Light Replacement	RMI	(10,000)	(10,000)
Proposed Spending Deferred				
X119	WAG Kennel upgrades	General Capital	(140,000)	-
C070	Legislative Policy Development and Governance Priorit	Gen Operating	(35,000)	-
P086	Park Use Bylaw Update and E-Device Policy Adoption	Gen Operating	(5,000)	-
X067	WVLC Parkade Rehabilitation Program	General Capital	(100,000)	-
Total Changes to project budgets			(566,268)	(1,649,893)

Funding Source Changed				
P099	Village Square Paver Rejuvenation	Gen Cap > RMI	250,000	250,000
P089	Park and Trail Access Point Parking Congestion Improve	Gen Cap > RMI	50,000	50,000
P081	Recreational Trail Maps Upgrade and Web Maps	Gen Cap > RMI	-	75,000
Total Change General Funds 2021			(856,268)	
Total Change RMI 2021			290,000	

4. d) Budget Construction: Projects

- **X135 REX BCA Building Upgrades**
 - ✓ \$150,000 in planned 2021 spending eliminated
- **S018 Community Wildfire**
 - ✓ Planned scope of project reduced
 - ✓ Province meaningfully scaled back funding for this program in 2019
 - ✓ RMOW has not yet had the opportunity to secure own-source funding through higher taxes
 - ✓ Spending from reserves which are under significant pressure is difficult
- **I001 Computer Systems Replacement**
 - ✓ Spending on remote work equipment pulled into 2020
- **P100 EV Chargers**
 - ✓ Changes to locations & delivery timeline on chargers
- **Total change: \$566k in 2021, \$1.6Mm over 5 years**

4. Budget Construction

Important Note: 1% tax increases are not sustainable

In 2021, we are:

- ✓ Leveraging reserves
- ✓ Receiving support from grant funding
- ✓ Delaying planned project spending; affects performance of assets

5. Spending by Fund

General Municipal Property Tax

General

Parcel Tax & User Fees

Utilities

Water

Sewer

Solid
Waste

Provincial Hotel-Tax Transfers

RMI

MRDT

5. Spending by Fund: General Operations

- General Fund Operations are organized by types of expenditure, and by workgroup
- Spending in some categories decreases over time
 - ✓ Telecommunications, Printing & Postage, Office Supplies
- Volume of work, associated costs increases in others
 - ✓ YOY cost increases despite efficiency improvements
- **Example: Building Services**
 - ✓ Building Services captures operation & maintenance of RMOW buildings
 - ✓ Over \$1Mm annual expenditure, heavy on Contract Services
 - ✓ Buildings are getting older and need more upkeep
 - ✓ Expenditures have grown at ~7% annual pace for 10 years

5. Spending by Fund: General Projects

- General Operating projects
 - ✓ Elections, UBCM Convention, Mayor's Task Force on Resident Housing
 - ✓ Development of specific policies: Lakes, Reserves, Climate Action
- General Capital projects
- Example: Whistler Village Land Corporation Parkade Rehabilitation
 - ✓ Five-year, \$4.0Mm capital project first proposed in 2014
 - ✓ Important asset in the community with replacement value >\$20Mm
 - ✓ Project work completed in 2020
 - ✓ Total costs well aligned with initial estimates
- Included in proposed 2021 spend:
 - ✓ Ongoing building upgrades, Meadow Park Sports Centre Building Envelope Repairs, Natatorium HVAC

5. Spending by fund: RMI and MRDT

- How RMI & MRDT funding works
 - ✓ Provincial transfers: some but not all Hotel Tax receipts
 - MRDT payments received monthly, in line with tax collected
 - RMI is an annual program, mostly fixed over three-years
 - ✓ Spending plans require prior approval (1 year MRDT, 3 year RMI)
 - ✓ Mix of operational and project spending
- 2020 Outcomes
 - ✓ MRDT fell sharply in April, as did spending on Festivals, Events & Animation
 - ✓ RMI modestly affected both on revenues & spending
- 2021 Outlook
 - ✓ MRDT is expected to continue to recover, spending will as well
 - ✓ RMI spending proceeds as per approved spending plan
 - Washroom construction continues
 - Rainbow Park rejuvenation begins

5. Spending by fund: RMI Projects

- Village Washrooms

- ✓ Three separate structures: Passive House, Olympic Plaza, Gateway Loop
 - \$1.1Mm spent to date
 - \$3.0Mm budgeted in 2021; work anticipated to be largely complete

- Valley Trail extension

- ✓ West side connector, Millar Creek to Alpha Park, Nesters Crossing to Myrtle Philip
 - \$0.8Mm in 2021, \$2.7Mm in 2022, \$1.4Mm in 2023

- Parks strategy

- ✓ Rainbow Park \$2.4Mm in 2021
- ✓ Meadow Park \$2.3Mm in 2023
- ✓ Parkhurst \$1.0Mm in 2024-25
- ✓ Also: Geopark, Lost Lake Gateway, Millar Creek

5. Spending by fund: Utilities Projects

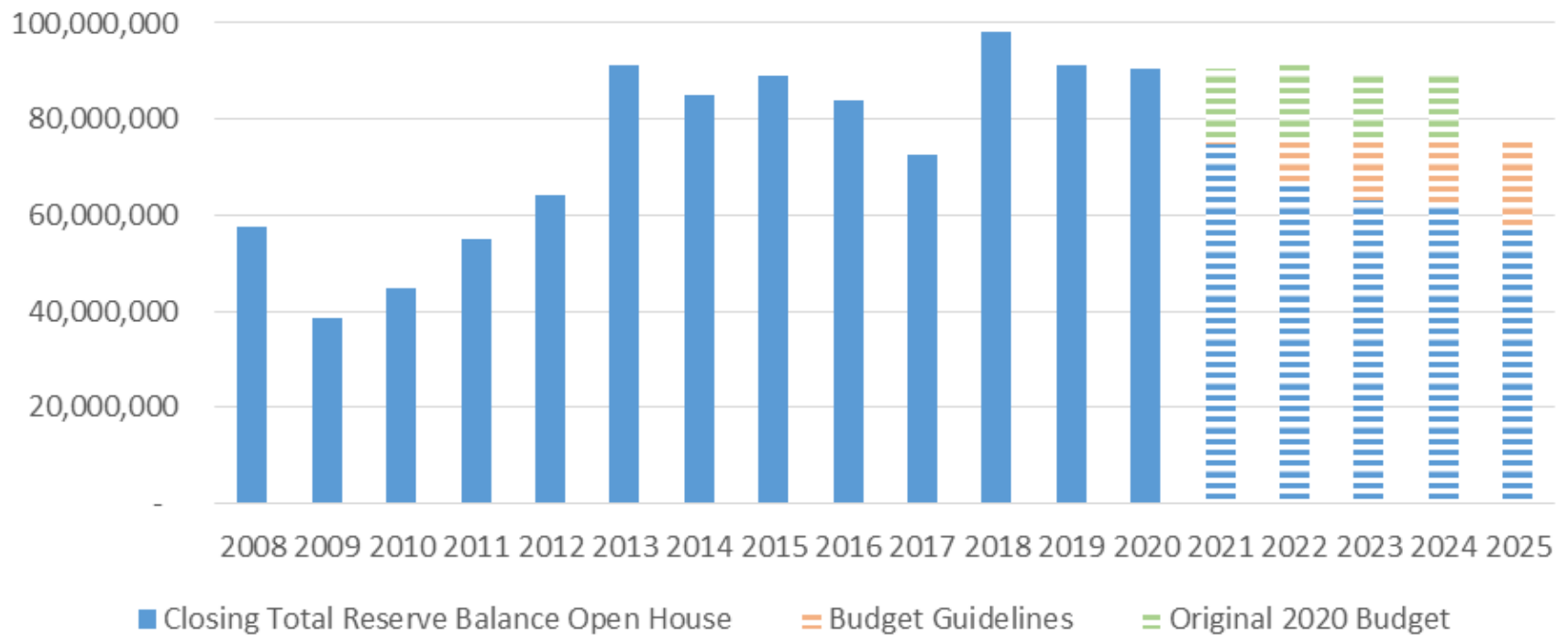
- Muted COVID effects
 - ✓ Bioreactor funding included in 2020 budget amendment
- Big increase in Utilities capital spending
 - ✓ Average capital spending last 7 years = \$4.8Mm
 - ✓ Average next 5 years = \$10.3Mm
 - ✓ Resulting Reserves drawdown through 2025 = \$10.4Mm
 - From \$17.8Mm to \$7.4Mm excluding “Utilities W&S” reserves
- Work focused on renewals & upgrades including:
 - ✓ Sewer lift station odor control upgrades (Spruce Grove, Crabapple, Nicklaus North)
- No planned increase in parcel taxes & fees for 2021
 - ✓ As with the General reserves, a period of reserve rebuild & associated funding should be expected starting 2022

6. Reserves and Debt Outlook

- Why are reserves important?

6. Reserve and Debt Outlook

Total RMOW Reserves Balance



6. Reserve and Debt Outlook

- RMOW consolidated LT debt was \$40Mm in 2019
- WHA: 2 properties complete in 2020, 1 in 2021
- Local Area Services: 3 contemplated in 5YFP
 - ✓ Fully debt-funded, with associated payments from local area residents
- WDC: undertakes Parcel A between 2021 – 2022
 - ✓ When an employee-restricted rental building is completed, a new/associated debt (a mortgage) is created
 - ✓ Incoming rental revenues cover the mortgage expense
 - ✓ Up to \$23Mm remainder mortgage debt is possible on Parcel A
- Debt declines over time and with payments
- RMOW consolidated debt balance will increase to between \$55Mm and \$93Mm by 2023

7. Sample Outcome for Taxpayer

2020 Tax & Fee amounts for sample Whistler property valued at \$1,000,000

OTHER GOVERNMENT TAXES			}	Provincial Charges	
PROVINCIAL SCHOOL TAX - RESIDENTIAL	1.13060	1,130.60			
Less: N&R Home Owner Grant					
BC ASSESSMENT AUTHORITY	0.04260	42.60			
REGIONAL HOSPITAL DISTRICT	0.02950	29.50			
MUNICIPAL FINANCE AUTHORITY	0.00020	0.20			
REGIONAL DISTRICT GENERAL	0.04610	46.10	}	Municipal Taxes & Fees	
NET OTHER GOVERNMENT TAXES		1,249.00			
MUNICIPAL TAXES & FEES					
MUNICIPAL GENERAL	1.55800	1,558.00			
SEWER - PARCEL TAX	283.40000	283.40			
WATER - PARCEL TAX	287.76000	287.76			
NET MUNICIPAL TAXES		2,129.16	}		
MUNICIPAL USER FEES					
BIOSOLID PROCESSING FEE	114.55000	114.55			
SOLID WASTE DEPOT OPERATIONS FEE	217.87000	217.87			
SEWER - USER FEE	180.25000	180.25			
WATER - USER FEE	120.88000	120.88			
NET MUNICIPAL USER FEES		633.55	}		
TOTAL NEW TAX LEVIES		4,011.71			

7. Sample Outcome for Taxpayer

MUNICIPAL TAXES & FEES

MUNICIPAL GENERAL	1.55800	1,558.00
SEWER - PARCEL TAX	283.40000	283.40
WATER - PARCEL TAX	287.76000	287.76
NET MUNICIPAL TAXES		2,129.16

MUNICIPAL USER FEES

BIOSOLID PROCESSING FEE	114.55000	114.55
SOLID WASTE DEPOT OPERATIONS FEE	217.87000	217.87
SEWER - USER FEE	180.25000	180.25
WATER - USER FEE	120.88000	120.88
NET MUNICIPAL USER FEES		633.55

TOTAL NEW TAX LEVIES		4,011.71
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- ✓ Fund water, sewer, and solid waste systems
- ✓ Single amount levied across all* properties
- ✓ Cover Operating and Capital Costs
- ✓ No change planned for 2021

7. Sample Outcome for Taxpayer

MUNICIPAL TAXES & FEES

MUNICIPAL GENERAL	1.55800	1,558.00
SEWER - PARCEL TAX	283.40000	283.40
WATER - PARCEL TAX	287.76000	287.76
NET MUNICIPAL TAXES		2,129.16

MUNICIPAL USER FEES

BIOSOLID PROCESSING FEE	114.55000	114.55
SOLID WASTE DEPOT OPERATIONS FEE	217.87000	217.87
SEWER - USER FEE	180.25000	180.25
WATER - USER FEE	120.88000	120.88
NET MUNICIPAL USER FEES		633.55

TOTAL NEW TAX LEVIES		4,011.71
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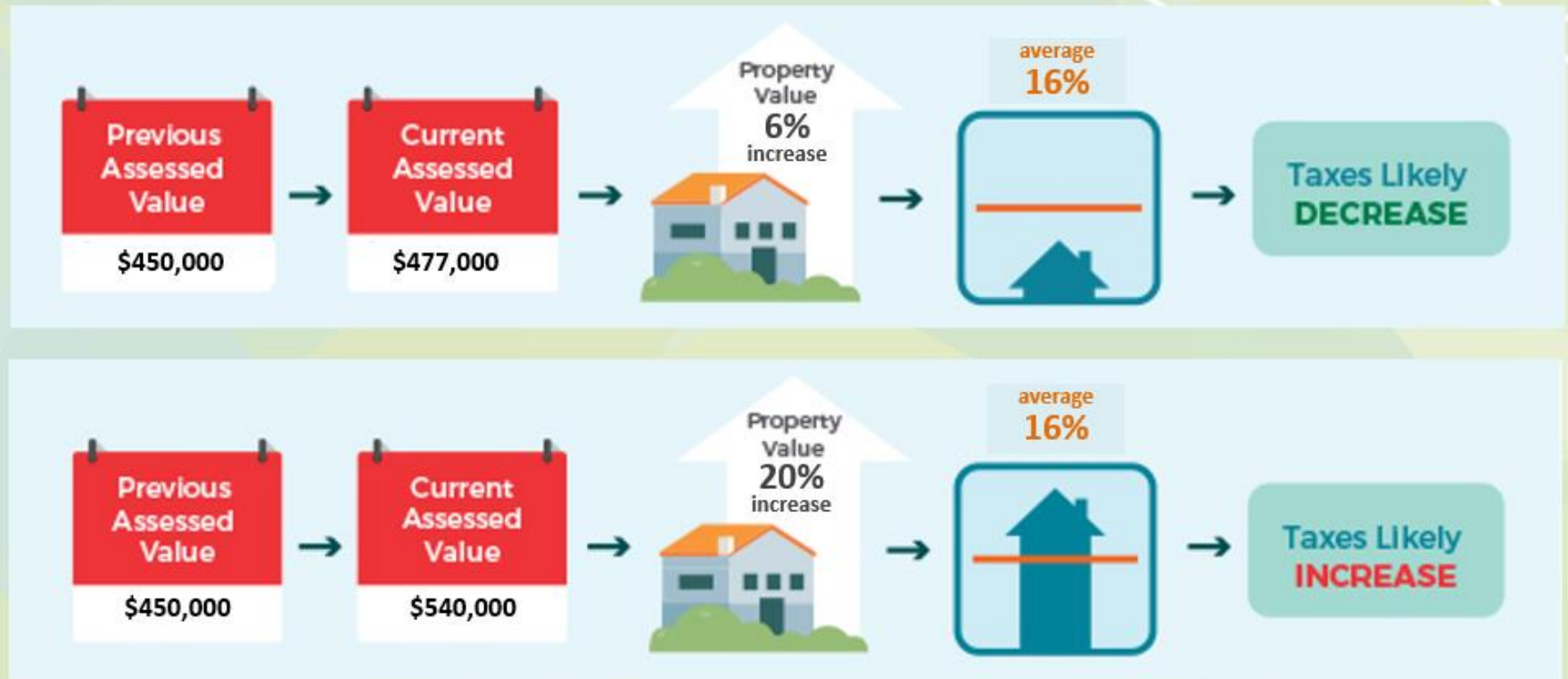
- ✓ Fund non-utility municipal expenses
- ✓ Value-based Tax
- ✓ Cover Operating and Capital Costs
- ✓ ~\$16.83 increase in 2021

**assuming assessment increase inline with average, before non-market increase*

7. Sample Outcome for Taxpayer

General Municipal Tax is a value-based tax.

Change in property assessment affect the amount of taxes you pay from year to year.



8. Recommendations for 2021 Budget

General Municipal Tax increase: 1.08%

Parcel Tax & User Fees:

Sewer increase: 0%

Solid Waste increase: 0%

Water increase: 0%

Project amounts as described in Appendix A of
administrative report 20-XXX

8. Next Steps

- Appendix A (projects) and Appendix B (revenue & expenditure) become the foundation of the *Five Year Financial Plan*
- *Five Year Financial Plan Bylaw* is scheduled for readings **January 5**
- *Tax Rate Bylaw* to follow in **April**
- Deadline for submission to province is **May 15**

8. Recommendations for 2021 Budget

That Council direct the Director of Finance to prepare the “Five-Year Financial Plan 2021-2025 Bylaw” based on these proposed guidelines:

1. To implement a 1.08 per cent increase to property value taxes in 2021;
2. To implement a 0 per cent increase to sewer parcel taxes and user fees in 2021;
3. To implement a 0 per cent increase to solid waste parcel taxes and fees in 2021;
4. To implement a 0 per cent increase to water parcel taxes and user fees in 2021; and
5. To include the project amounts as described in Appendix “A” and attached to Administrative Report to Council No. 20-129.

Thank You

The background of the slide is an abstract composition. The top and bottom edges are defined by a dark green band. The central area is filled with a complex pattern of overlapping, semi-transparent geometric shapes in various shades of green and yellow. In the upper right quadrant, there are several thin, white, curved lines that intersect to form a series of overlapping circles and arcs, resembling a stylized leaf or a modern logo element.