

**RESORT MUNICIPALITY OF WHISTLER**

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STAFF REPORT TO COUNCIL

PRESENTED: September 24, 2024 **REPORT:** 24-089
FROM: Finance **FILE:** 3900-20-2453
SUBJECT: FIVE-YEAR FINANCIAL PLAN 2024-2028 AMENDMENT BYLAW
(TRANSIT, INVICTUS AND WHA EQUITY) 2453, 2024

RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

That the recommendation of the General Manager of Corporate Services & Public Safety be endorsed.

RECOMMENDATION(S)

That Council consider giving first, second and third readings to “Five-Year Financial Plan 2024- 2028 Amendment Bylaw (Transit, Invictus and WHA Equity) No. 2453, 2024”.

PURPOSE OF REPORT

This report seeks consideration of the first three readings of the “Five-Year Financial Plan 2024-2028 Amendment Bylaw (Transit, Invictus and WHA Equity) No. 2453, 2024” (Amendment Bylaw), a bylaw to amend the “Five-Year Financial Plan 2024-2028 Bylaw No. 2424, 2024” (Financial Plan) for the purposes discussed below.

Information Report Administrative Report (Decision or Direction)

DISCUSSION

Background

The purpose of this Amendment Bylaw is to update the Resort Municipality of Whistler’s (RMOW) Financial Plan to include current expectations around both revenues and expenditures related to Transit, the Building Department and Resort Municipality Initiative (RMI) programs and to add a project to capture planned spending on the Invictus Games initiatives. The total impact of these changes on Schedule A of the Financial Plan is an increase in total revenues of \$92,250, an increase to total expenditures of \$37,078 and an increase to reserve contributions of \$55,172. Schedule B shows an increase in outgoing funds of \$3.2 million, an increase in planned expenditures of \$892,071 and an increase in transfers from reserves of \$4.1 million.

Analysis

Transit

On [July 23, 2024](#), Council supported the following recommendations:

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That Council authorize the execution of the “2024-2025 Whistler Transit System Annual Operating Agreement – Effective April 1, 2024” between British Columbia Transit and the Resort Municipality of Whistler for the provision of Transit services, attached as Appendix A to Administrative Report No. 24-078; and

That Council direct staff to bring forward a budget amendment to adjust the "Five-Year Financial Plan 2024 - 2028 Bylaw No. 2424, 2024" to reflect the increases in the Whistler Transit System operating costs.

In addition to the changes to the volume of transit service available in Whistler, increased contribution from RMI funding has been approved for 2024 by the province as part of the process that governs the spending of RMI funds. More detail on the nature of and reasons for this increase follow in the section titled “RMI Changes” below.

The proposed changes to the Financial Plan for 2024 including both revenue and expenditures are as follows:

<i>Category</i>	<i>Change</i>	<i>Net Change</i>
Transit Revenues	(491,736)	
Transit Expenditures	633,000	
RMI Support for Transit	(151,000)	(9,736)

The amount of added costs that are not expected to be recovered through fares or through the increased RMI contributions (the net change in the table above \$9,736) will be offset by a decrease in the contribution to the General Operating Reserve.

Building Department

Changes are proposed to both revenue and expenditure budgets for the Building Department. At the time the budget was originally created, there was ongoing growth in demand for building permits and corresponding growth in revenue. In addition, the RMOW has committed to reducing permit wait times by 50 per cent¹ which required a significant expansion in staffing. The original budget reflected a sharp increase in revenues and a smaller increase in staffing and related expenditures.

Through the first eight months of 2024, the number of permit applications received has flattened relative to 2023. Four staff have been added (one of these at half-time), and wait times have in fact fallen, by 50 per cent or more in the case of commercial and multi-family residential, and over 40 per cent in the case of single-family residential. However, the nature of the work has fundamentally shifted. The shift has been away from higher-value, whole-home projects to lower-value renovation projects. Since the cost of the permit depends on the estimated value of the work, this has resulted in a decline in the revenues being generated per permit. Year-to-date results show a 27 per cent decline in value for the average permit in 2024 compared to 2023. In addition, the number of large payments related to large and complex individual projects has fallen. Combined, these factors translate into the first half of the fiscal year Building Department revenues that are -39.0 per cent lower in 2024 than for the same period in 2023.

Proposed is a new revenue budget for 2024 that considers the first half of 2024 outcomes and adds the assumption that the second half of 2024 shows only modest further declines in building permit volume and value relative to the first half of 2024. New revenue estimate is just over \$1.7 million.

¹ [January 9 COTW](#) meeting presentation by General Manager of Climate Action, Planning and Development Services, Dale Mikkelsen

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On the expenditure side, adjustments are being made both to staffing and to expenditures that are not payroll related. These have a combined total value of nearly \$450,000. In total, the proposed changes are:

<i>Category</i>	<i>Before</i>	<i>After</i>	<i>Change</i>	<i>Net Change</i>
Building Dept Revenues	(3,191,251)	(1,726,267)	1,464,984	
Building Dept Expenditures	2,294,227	1,844,912	(449,315)	1,015,669

The net effect of these changes of just over \$1.0 million is proposed to be paired with a reduction in the General Operating Fund contribution.

Whistler Housing Authority Equity support

On [July 23, 2024](#), Council supported the following recommendations:

That Council approve the allocation of \$3.2 million, from the Employee Housing Reserve Fund and contributions from Tourism Whistler to the Whistler Housing Authority Ltd. for the purchase of Cheakamus Crossing Phase 2, Lot 5, located at 1475 Mount Fee Road; and

That Council direct staff to prepare an amendment to the “Five-Year Financial Plan 2024-2028 Bylaw No. 2424, 2024” to capture this change.

The proposed changes to the Financial Plan for 2024 include:

- a) an adjustment on Schedule B to reflect the planned transfer of Employee Housing (EH) Reserve funds to Whistler Housing Authority (WHA) for this purpose (\$3.1 million), and
- b) a small reduction on Schedule A of incoming Municipal Regional District Tax (MRDT) revenues (\$100,000). This is due to the fact that a portion of Tourism Whistler’s commitment to employee housing will flow directly to WHA in support of their Lot 5 purchase, along with the contribution of EH Reserve funds from year-end 2023.

Invictus Games Contribution

On [July 23, 2024](#), Council supported the following recommendations:

That Council direct staff to use the MRDT reserve to support the Festival Events and Animation (FE&A) team’s investment in the Invictus Games Vancouver Whistler 2025; and

That Council direct staff to bring forward a budget amendment to adjust the “Five-Year Financial Plan 2024- 2028 Bylaw No. 2424, 2024” to reflect the amount and the source of funds for the FE&A program investment.

The proposed changes to the Financial Plan for 2024 include adjusting the planned spending from the MRDT Reserve on Schedule B to accommodate the new \$240,000 expenditure.

Resort Municipality Initiative (RMI) update

In 2024, an additional amount of RMI funding has been granted to the RMOW by the province on the basis of strong tourism performance in 2023. The added amount was just over \$1.1 million. 90 per cent of this amount will be received in 2024 and the balance in 2025.

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This added amount is proposed to be allocated to the following activities, with the remainder moving into the RMI Reserve:

<i>Changes to 2024 RMI funding</i>	<i>Resulting increase</i>	<i>New Budget</i>
RMI Revenue	1,029,498	
Alpine Ranger Program	4,400	66,671
Bear Awareness Program	10,000	30,000
Village Shuttle	151,000	1,106,000
Interpretive Panels	40,380	80,751
Rainbow Park	300,000	1,265,064
Recreational Trail Bridges	311,000	400,814
Reserve Transfer	212,718	

The effect of this change on Schedule A is an increase in Revenues of approximately \$1.0 million, an increase in operating spending of approximately \$150,000 and an increase in the transfer to the RMI reserve of \$880,000. Schedule B shows an increase in planned project spending, and planned transfers from the RMI Reserve of approximately \$650,000.

Debt Interest

Changes to budgeted amounts for 2024 interest payments on RMOW debt are required to reflect new rates of interest. The effective rate on Municipal Finance Authority (MFA) debt changes periodically and the direction and magnitude of the resulting change in the interest rate depends on a few factors, including when the rate was last reset. In this case, 2024 debt interest due from the Sewer Fund increases by \$210,000 and the Solid Waste Fund by \$84,000.

Offsetting reductions in the planned Capital Reserve contribution for each fund are proposed.

POLICY CONSIDERATIONS

Relevant Council Authority/Previous Decisions

Council considered and ultimately supported spending recommendations on Transit ([Administrative Report No. 24-078](#)), WHA Equity Support ([Administrative Report No. 24-081](#)), and the Invictus Games ([Administrative Report No. 24-080](#)) on July 23, 2024.

The Financial Plan was adopted on [January 23, 2024](#).

2023-2026 Strategic Plan

The 2023-2026 Strategic Plan outlines the high-level direction of the RMOW to help shape community progress during this term of Council. The Strategic Plan contains four priority areas with various associated initiatives that support them. This section identifies how this report links to the Strategic Plan.

Strategic Priorities

- Housing
 - Expedite the delivery of and longer-term planning for employee housing*
- Climate Action
 - Mobilize municipal resources toward the implementation of the Big Moves Climate Action Plan*
- Community Engagement

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Strive to connect locals to each other and to the RMOW

Smart Tourism

Preserve and protect Whistler's unique culture, natural assets and infrastructure

Not Applicable

Aligns with core municipal work that falls outside the strategic priorities but improves, maintains, updates and/or protects existing and essential community infrastructure or programs

Community Vision and Official Community Plan

The Official Community Plan (OCP) is the RMOW's most important guiding document that sets the community vision and long-term community direction. This section identifies how this report applies to the OCP.

Chapter 6 of the OCP addresses Economic Viability and includes the statement: "The municipality is committed to being fiscally responsible and at the same time must continue to invest in infrastructure, amenities and services, which are integral to the authentic Whistler Mountain experience."

The above proposed changes to the Financial Plan aim to deliver three specific investments in a fiscally responsible fashion and consider changing circumstances. Amendments to the Financial Plan are a key mechanism by which the RMOW ensures that the community remains current on the state of financial affairs, in a transparent fashion.

BUDGET CONSIDERATIONS

The Financial Plan sets the budget for the next five years and is prepared annually. It can be revised at any time by bylaw as is proposed.

The total impact of the changes described in this report amend the Financial Plan as follows:

- a) on Schedule A of the Financial Plan there is an increase in total revenues of \$92,250, an increase to total expenditures of \$37,078 and an increase to reserve contributions of \$55,172.
- b) Schedule B shows an increase in outgoing funds of \$3.2 million, an increase in planned expenditures of \$892,071 and an increase in transfers from reserves of \$4.1 million.

Relative to the original Financial Plan the changes are as follows:

- c) On Schedule A, an increase in total revenues of \$222,502, and increase in planned expenditures of \$587,338 and a decrease to reserve contributions of \$364,836
- d) Schedule B shows a decrease in total planned expenditures of \$1.3 million, and an increase in transfers from reserves excluding the Cheakamus Crossing Affordable EH Reserve of \$1.9 million.

LÍL'WAT NATION & SQUAMISH NATION CONSIDERATIONS

The RMOW is committed to working with the Líl'wat People, known in their language as *L'il'wat7úl* and the Squamish People, known in their language as the *Skwxwú7mesh Úxwumixw* to: create an enduring relationship; establish collaborative processes for Crown land planning; achieve mutual objectives; and enable participation in Whistler's resort economy.

There are no specific considerations to include in this report.

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COMMUNITY ENGAGEMENT

Level of community engagement commitment for this project:

Inform Consult Involve Collaborate Empower

REFERENCES

“Five-Year Financial Plan 2024- 2028 Amendment Bylaw (Transit, Invictus and WHA Equity) No. 2453, 2024” (included in Council Package)

SUMMARY

The total combined effect of these changes is a reduction of approximately \$940,000 in the contribution to the General Operating Reserve, which is being driven primarily by changes to expectations for building permit revenues as described above. Changes to Transit are largely neutral to the operating budget.

On the projects side, planned project spending across all reserves is proposed to increase by approximately \$890,000 (\$650,000 for RMI and \$240,000 for the Invictus Games).

Including the WHA transfer, the amount budgeted to be drawn from all reserves increases by \$4.1 million. Contributions to reserves are largely unchanged, with a higher amount moving into RMI and lower amounts into the General Operating, Sewer Capital and Solid Waste Capital reserves.

SIGN-OFFS

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