

**RESORT MUNICIPALITY OF WHISTLER**

4325 Blackcomb Way  
Whistler, BC Canada V8E 0X5  
whistler.ca

**TEL** 604 932 5535  
**TF** 1 866 932 5535  
**FAX** 604 935 8109

## STAFF REPORT TO THE COMMITTEE OF THE WHOLE

**PRESENTED:** November 19, 2024

**REPORT:** W24-009

**FROM:** Finance

**FILE:** 1630-20-2025

**SUBJECT:** DRAFT 2025 PROJECTS BUDGET OVERVIEW

### RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

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

### RECOMMENDATION(S)

**That** the Committee of the Whole (COTW) recommend to Council that the proposed Projects Budget as generally described in the COTW Report No. W24-009, including Appendix A, be brought forward for further consideration as part of the annual budget guidelines report at a future Regular Council Meeting.

### PURPOSE OF REPORT

The purpose of this report is to introduce the Committee of the Whole (COTW) to the draft 2025 Projects Budget for the municipality and seek preliminary input on the 2025-2029 Five-Year Financial Plan (FYFP) in preparation for Council's consideration of the 2025 budget guidelines in December.

### DISCUSSION

#### Background

The Resort Municipality of Whistler (RMOW) collects revenues from property taxes and fees and charges to provide programs and services, as well as manage infrastructure such as roads, water and sewer, facilities and parks and trails on behalf of the resort community. Managing infrastructure also includes creating long-term plans to guide the appropriate project expenditures to allow Whistler's infrastructure to continue to provide a high level of service for residents and visitors into the future.

The RMOW develops its annual and five-year budgets to manage day-to-day operations, projects and infrastructure investments and takes into consideration the longer-term strategy, challenges and vision for Whistler. Sound fiscal management remains a foundation of the RMOW's budget process. Preparation of the annual budget is guided by a wide range of plans and policies, including the [Official Community Plan](#) (OCP) and the [RMOW Corporate Plan](#). It is further informed by the work of committees as well as ongoing community surveys, relevant technical studies, and ongoing asset management work.

Staff have worked over the last four months to prepare a draft project budget that balances replacement and renewal spending on existing assets with the introduction of new assets and project work. The draft projects list has been selected from a much broader collection of work considered for advancement. This prioritization considers the urgency of the work and alignment with Council's strategic priorities. It also takes into consideration available funding (sourced through taxes and fees) and the capacity of each team to deliver on planned works.

The draft projects list includes \$38.5Mm in proposed projects. This amount is roughly in-line with the volume of work planned in budgets from the recent past.<sup>1</sup> Of the \$38.5Mm total project budget, \$18.4Mm relates to Utilities spending (Water, Sewer, Solid Waste) and \$2.6Mm relates to the Municipal and Regional District Tax (MRDT) spending. It is important to note that the draft projects list only includes Resort Municipality Initiative spending that is captured in the 2022-2024 Resort Development Strategy (RDS). When the new RDS is finalized, the projects considered in that plan will be brought forward to Council separately for consideration.

One area impacting the project budget this year is a sharp increase in planned spending on fleet vehicles. In the last five years, average annual spending on fleet was approximately \$1.5Mm which will increase to \$2.6Mm per year of the FYFP. This is being driven by: (i) increases in vehicle prices, (ii) costs related to the electrification of the fleet (where possible), and (iii) a meaningful renewal of the fire apparatus, with three trucks (of seven) planned for replacement in 2025 to 2027.

The full projects list is attached as Appendix A. The projects are being shared in a new way this year, grouped by the type of work they represent, rather than by the Division under which the work is planned to be delivered. The goal with this new presentation is to provide better insight into the question of "why this work?" and to allow the size of the effort behind various type of initiatives to be more visible.

### **Analysis**

Projects are funded from tax revenues. As opposed to the operating budget, there is no requirement that the amount of incoming funds related to projects (reserve contributions) match the amount of outgoing funds related to projects (project spending) in a year. Spending can at times exceed reserve contributions and at other times fall short. This is normal and keeping things in balance across a longer period than a single year, is a reasonable approach. While the budget-building process for projects can consider incoming and outgoing funds separately, it must also recognize that these two elements are interdependent.

The process of building a projects budget includes the following elements:

1. Identify how much reserve contribution is appropriate. This takes into consideration the RMOW's existing collection of built assets, and the annual cost of its degradation. Contribution levels should also consider the community's appetite for new amenities and the amount of funding required for this. The goal here is that the value of the reserve contribution remains relatively stable year to year and is set at levels that are suitable in the long run. The work of the [Long-Term Asset Management Plan](#) can (and has been) helpful here.
2. Identify which specific project works should be advanced in any given year. These can be understood as three different (broad) types of work.
  - a) Asset repair and replacement (R&R) must necessarily be the focus of the project budget and is prioritized based on the urgency of the work. The volume of R&R work that is possible in a year is limited not only by available financial resources but also by the capacity of the team that delivers this work, which is generally limited to the Facilities Construction and Maintenance

---

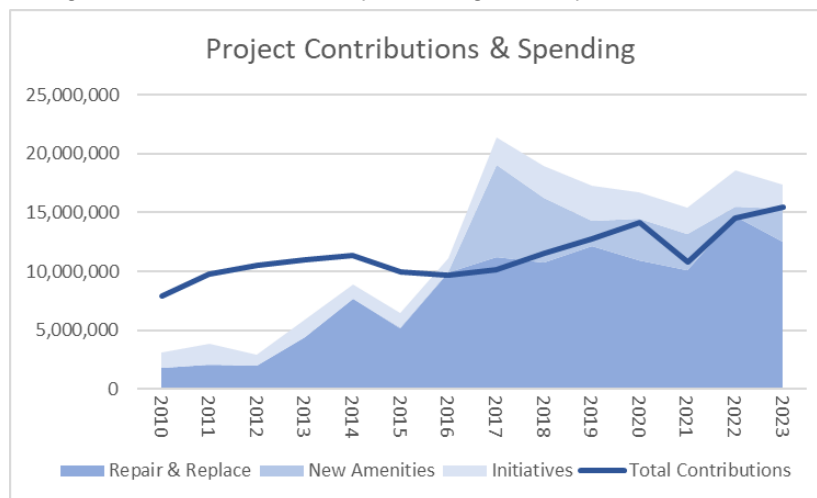
<sup>1</sup> 2024 = \$44.4Mm, 2023 = \$39.9Mm, 2022 = \$43.2Mm

department, and small teams of asset specialists at Meadow Park Sports Centre (MPSC), the Public Works Yard and the Whistler Wastewater Treatment Plant (WWTP). Fleet and equipment spending also falls largely into this bucket. Prioritizing this work falls primarily to the teams that manage the assets, guided by condition assessment reports for the various facilities.

- b) Project work that advances strategic or operational priorities. These are typically not capital in nature, meaning there is not a physical asset that results from this work, and instead aim to deliver specific outcomes for the community, such as a new bylaw, a better understanding of our assets or specific studies to assist decision making.
- c) New amenities, which can include community assets and tourist-facing amenities. These can be delivered by a much broader range of teams within the RMOW, compared to R&R. This type of work should necessarily be the most responsive to available funds, meaning when funding is tight (as is the case this year), a greater amount of scrutiny should be applied to this list. Prioritizing this work largely falls to staff and Council and should be done with the lens of urgency/new legislation, life-cycle costs, community betterment and available funds.

As outlined above, the work of building an organization-wide project budget ought to start with critical R&R work, then layer in spending on operational type work that advances key priorities and finally new amenities that make sense given the strategic goals and community context. This all must be done with an eye to the incoming funds, which serve not as a firm constraint but rather a guideline. Reserve contributions themselves can be adjusted (affecting taxes) in response to the size of planned projects work and so on.

The cumulative amount of project spending and the incoming funds can be different amounts in any given year and over a series of years, but must not stay out of balance for too long, or reserves and in turn the long-term health of the RMOW's assets, will be at risk. Recent data from RMOW's non-utility project spending appears below. Note that these amounts include spending from both the General and MRDT Funds and are approximate amounts. Periods of underspending contributions followed by periods of overspending contributions are okay, so long as they remain in balance.



Another important note about contributions is that over long periods of time they should always exceed, by some margin, the amount of spending. This is necessary for a few reasons:

- Construction costs and therefore asset replacement costs generally inflate over time, and this inflation is not always captured in the asset degradation calculation. The goal of the reserve is to create the ability to fund replacement of an existing asset (building, component, piece of equipment) when it reaches end-of-life. That end-of-life replacement cost cannot precisely be known, except to say that it will be higher. This “higher” needs to translate into excess reserve contributions.

- The asset collection generally grows over time. Already discussed is the need for the in-year cost of new amenities to be considered when determining reserve contributions. What also needs to happen is a recognition of the financial impact of these additions on future asset R&R work. This knock-on increase can only be funded through higher reserve contributions.
- The RMOW recognizes that the future cost of certain elements of its mandate (e.g. community greenhouse gas reduction targets) cannot yet be fully priced but may well be very costly. In addition, we know that the cost of delivering on the broader municipal mandate and continuing to deliver existing levels of service in light of a changing climate is also increasingly challenging, and likely to also be quite costly. Some of this climate adaptation & mitigation work has been captured in the current project list but much more of it remains out of view. Over time, the RMOW must consider setting aside additional funds (additional to the needs of the existing assets/R&R work, key strategic and priorities work, and to new community amenities) to recognize this reality. Limited room currently exists to set this in motion, but the urgency of this work will continue to escalate, and so it ought not to be delayed for long.

The 2025 Draft Projects Plan (2025 DPP), attached as Appendix A, encompasses the above-discussed principles and guidelines. In 2025, the proposed amount of R&R work is lower for many assets than what is understood to be a healthy amount appropriate to a good long-term outcome, but the proposed work plan makes good use of the existing team's capacity and the current available funds. Recognizing these realities, some projects have been delayed to 2026.

The 2025 DPP also proposes work on Strategic Priorities of Council, including Smart Tourism, Community Engagement and Climate Action, in ways that are captured neatly in individual projects (Appendix A). Climate Action can also be found embedded in additional projects, throughout the list. Appendix B shows where these climate actions and elements of non-climate work align.

The collection of projects also includes some new amenities and meaningful upgrades. These are things that fall outside the scope of R&R and either bring entirely new assets into being or create significant updates/improvements in existing amenities. These have been highlighted in the list.

The 2025 DPP has come together with the following in mind:

- Increases to the General Capital Fund contributions have been prioritized in the operating budget. This has been the case since 2022 and is a key element of the FYFP.
- Despite ongoing increases in contributions, General Capital Fund Reserves spending has been increasing as well and, in some years, more quickly. Reserve balances are forecast to decline over the coming five years, under the existing reserve contribution and planned spending outlook, which for reasons outlined above is unwise.
- The ability of the RMOW to further increase general reserve contributions is currently challenged by changes happening within operations. Until the pressure related to these "Big Rocks" eases (2028) it will be difficult to achieve a further increase in reserve allocations.

The task at hand this year is one of selection. What changes can be made to the 2025 DPP while still ensuring the strategic work of the RMOW can progress, and the community's long-term goals remain in reach? What changes would the community find acceptable? It is important to note that early budget feedback showed a growing number of survey respondents who prefer a focus on essential works and fiscal discipline. As such, careful consideration needs to be paid to the costs and benefits of each decision.

This consideration must also bear in mind the reality that projects are inevitably added through the course of the year, as new opportunities arise. So ideally there will be room within the list that is

finalized through the budget process to absorb these additional expenditures. While an underlying assumption throughout is that the amount of reserve contribution is fixed - is there room to consider a higher contribution level?

### **Utilities**

Much of the commentary above is focused on General Fund Reserves project work and contributions outside of the Utilities Funds. The 2025 DPP also includes a comprehensive plan for repair, replacement and upgrading of the RMOW's water, sewer and solid waste utility infrastructure.

Upgrades and improvements are planned to Whistler's water infrastructure, with a strong focus on water treatment, particularly pH correction (as required by our Provincial regulator). Key initiatives include reservoir optimization, well consolidation and treatment upgrades, distribution system enhancements and exploring water conservation strategies. Specific projects involve building new water treatment facilities, replacing and repairing aging infrastructure, implementing metering systems and exploring non-potable water use options.

For the sewer collections system, projects include repair and replacement of components of sewer lift stations, trunk mains, and manholes, as well as lining of the existing sewer trunk main to preserve existing infrastructure and address infiltration and inflow issues. These investments will address issues such as odour control and capacity constraints, while improving overall system performance and reducing environmental impact. Additionally, the budget allocates funds for WWTP upgrades, including improvements to primary treatment processes, energy efficiency measures and tertiary filtration.

Solid waste projects in the 2025 DPP include improvements to the Waste Transfer Station fire suppression system, repair and replacement of roll-up doors on the Composter buildings, design and construction of a replacement for the odour control system and exploration/ implementation of a reuseable coffee cup program.

---

## **POLICY CONSIDERATIONS**

### **Relevant Council Authority/Previous Decisions**

[October 8, 2024, Administrative Report No. 24-089 – “Five Year Financial Plan 2024 – 2028 Amendment Bylaw \(Transit, Invictus and WHA Equity\) No. 2453, 2024”](#): this financial plan will prevail until the new FYFP is adopted. This step, which also satisfy the RMOW's obligation under the *Community Charter* (Charter), is scheduled to take place early in 2025.

[October 22, 2024, Administrative Report No. W24-007 – Draft 2025 Operating Budget Overview](#): the work presented in this report and the attached appendices takes into consideration and builds upon the information already shared in regarding the 2025 Draft Operating Budget.

[September 24, 2024, COTW Report No. W24-003 – Budget Prioritization Survey](#): presented a summary of the pre-budget engagement survey conducted within the RMOW.

Section 165 of the *Community Charter* requires municipalities to prepare a FYFP to be adopted annually by bylaw.

Once adopted, the financial plan can be amended by bylaw at any time.

### **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

*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 OCP is the RMOW's most important guiding document that sets the community vision and long-term community direction. This report aligns with the OCP in the following ways:

- Goal 6.1 **“Provide effective and appropriate municipal infrastructure (including facilities and amenities) that minimize taxpayer costs and consider allocating the value of infrastructure replacement to future years.”** Reserve planning is critical to the fulfillment of this goal. Sizing reserve contributions to consider existing planned project works and the long-horizon needs of existing built assets is essential and the current budget includes steps in that direction.
- OCP Goal 6.3 **“Implement and monitor the FYFP”**. While largely administrative, the implementation of the budget requires that preceding steps including consultation and the integration of feedback, have been done well.
- OCP Goal 6.4 **“Reduce reliance on property taxes”**. Understanding opportunities to grow non-tax revenue streams is critical to the achievement of this goal. This can look like entirely new revenues (parks parking fees) or increased uptake on existing revenue-generating programs (particularly obvious in an economic recovery). The existing budget includes nearly \$1.4Mm in additional non-tax revenue in 2022 compared to 2021.
- OCP Policy 9.2.2.3 **“Work with external funders...for (Arts, Nature, and Heritage) infrastructure and programs in Whistler”** and Policy and 7.2.1.6 **“...seek provincial support and funding for Whistler's wildfire management programs”** both speak to the importance of external funding to the success of RMOW's initiatives. Sources of identified external funding for the coming fiscal years has been identified in the material attached to this report.

---

### BUDGET CONSIDERATIONS

This report continues the process of Council consideration of the 2025-2029 FYFP which will set the municipal revenue and expense plan for the next five years. This planning process will lead to formalized budget guidelines (planned for December) and ultimately the FYFP Bylaw and associated tax rate and utility fee bylaws early in 2025.

The 2025 DPP can be delivered without affecting the previously announced nine to 10 per cent tax increase for 2025 although this same level and mix of project delivery (i.e., a high volume of projects) over a longer period of time does put the reserve levels at some risk. Changing the volume and/or character of the projects on the draft list does not reduce the in-year tax increase and reducing the number of projects can lead to increased risk associated with unmaintained aging infrastructure. A careful balance is required between project delivery, health of assets and size of reserves.

---

## LÍŁWAT 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 planning on unceded territories, as currently managed by the provincial government; achieve mutual objectives; and enable participation in Whistler's resort economy.

Two specific projects (First Nations Relations and Cultural Awareness) earmark funds for relationship- and awareness-building works. In addition to these policy efforts, the RMOW engages with First Nations vendors on municipal works where possible.

---

## COMMUNITY ENGAGEMENT

Level of community engagement commitment for this project:

☐ Inform    ☒ Consult    ☐ Involve    ☐ Collaborate    ☐ Empower

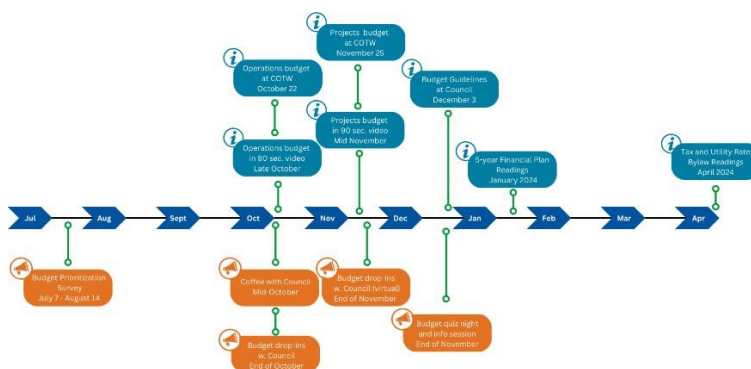
The municipal budget is not the most compelling engagement topic for a lot of citizens. This year staff have launched a number of initiatives to try and bring more people into the conversation. The goals of the budget engagement are to:

- Increase citizen understanding of municipal budgeting, spending and responsibilities – in addition to the RMOW's role in supporting Whistler's tourism economy;
- Increase engagement with citizens to receive early and ongoing input from the public to help inform department budgeting and planning and Council's decision-making;
- Test innovative engagement practices to increase public participation during the budget process;
- Create connection between the RMOW and community members to try to make budget season a little more fun and accessible for a broader demographic.

A pre-budget engagement survey was hosted on [engage.whistler.ca](https://engage.whistler.ca) that received over 350 responses. A summary of the responses were presented at the COTW on [September 24, 2024](#) (also see [Appendix A: 2025 Budget Survey Summary of Results](#)). In that survey, 80 per cent of respondents indicated their preference for financial decision-making was to “balance spending on needs of today, while saving for the future.” When asked to rank their preferred options for balancing the budget, the most preferred option by respondents was to “postpone projects for new amenities” (26 per cent).

Council has also hosted several face-to-face events related to the budget in October and November. Coffee with Council “Budget Edition” was held on October 10, an in-person “Drop-In Budget Office Hours with Council” session was held October 28, and an online “Drop-In Budget Office Hours” is scheduled for November 21, from 6:00 p.m. to 7:00 p.m. Finally, a budget and RMOW-related trivia night is planned on November 25. The “Cents and Sensibility Quiz Night: The Municipal Edition” will be held at the Crystal Lounge starting at 7:00 p.m. This is an opportunity for Council to have some fun with

All of the budget-related material will be posted to [engage.whistler.ca](https://engage.whistler.ca) so that community members can follow along with the process.



Appendix A – Draft 2025 Projects Budget Summary  
Appendix B – Draft Projects Climate Action Alignment Detail

As mentioned in the October 22, 2024 COTW presentation, the RMOW is facing sizeable operating cost increases in three service focus areas in the coming five years. The 2025 Draft Operating Budget has been built with these in mind. Pressures likewise exist within project planning. A large amount and value of work has been proposed for 2025.

Some areas of proposed spending are anticipated to be higher than average over the next three to five years (replacement of three firetrucks in the next three years, required water quality upgrades and wastewater treatment process improvements) but some of Whistler's infrastructure (like MPSC) will continue to need significant renewal for the foreseeable future. RMOw staff will continue to look for ways to complete this necessary work while mitigating the impact on the reserve balances with grant funding and non-tax revenue sources.

The 2025 DPP exceeds the amount of reserve contributions proposed within the operating budget and as such will result in lower reserve levels at year end 2025. While this approach (overspending reserve contributions in a single year) is not problematic in the same way that overspending the operating budget is, it is not an approach that works in the long run.

Council is being asked to consider the current version of the 2025 DPP (Appendix A) in a way that best satisfies the community's preferences and Strategic Priorities. We know from the early budget feedback that there is an appetite from some in the community for new amenities and also voices that believe we have enough. New amenities introduce costs not just in the year of their implementation (capital costs), but also in future years (ongoing operating costs).



Finally, a disciplined project budget is important not just from a fiscal responsibility perspective, but because the nature of reserves can to some extent allow overspending to persist and create risks that fall just out of view. Reserve balances aren't going to signal trouble ahead in the way we might wish they would. It falls to the budget process to create project spending discipline in a way that considers community priorities, and also embeds rigorous prioritization.

---

## **SIGN-OFFS**

### **Written by:**

Carlee Price,  
Chief Financial Officer

### **Reviewed by:**

Ted Battiston,  
General Manager of Corporate Services and  
Public Safety

James Hallisey,  
General Manager of Infrastructure Services

Karen Elliott,  
General Manager of Community Engagement  
and Cultural Services

Dale Mikkelsen,  
General Manager of Climate Action, Planning  
and Development Services

Virginia Cullen,  
Chief Administrative Officer