



RESORT MUNICIPALITY OF WHISTLER

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STAFF REPORT TO COUNCIL

PRESENTED: December 3, 2024
FROM: Finance
SUBJECT: 2025 BUDGET GUIDELINES

REPORT: 24-106
FILE: 1630-20-2025

RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

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

RECOMMENDATION(S)

That Council direct the Chief Financial Officer to prepare the “Five-Year Financial Plan 2025-2029 Bylaw” based on these proposed guidelines to:

1. implement a 9.1 per cent increase to property value taxes in 2025;
2. implement an 8.0 per cent increase to sewer parcel taxes and user fees in 2025;
3. implement a 5.0 per cent increase to solid waste parcel taxes and fees in 2025;
4. implement a 4.0 per cent increase to water parcel taxes and user fees in 2025; and
5. include the project amounts as described in Appendix A and attached to Administrative Report No. 24-106.

PURPOSE OF REPORT

The purpose of this report is to obtain a Council resolution for the formal guidelines to be used when preparing the Five-Year Financial Plan 2025-2029 Bylaw (Plan).

Information Report Administrative Report (Decision or Direction)

DISCUSSION

Background

The draft 2025 budget (Draft Budget) has been prepared with the following guiding principles in mind:

- *Engagement.* Engage early and often with the community, in a variety of ways, with the goal of reaching and hearing from a varied cross-section of community voices. Incorporate community ideas and feedback in the process of budget development.
- *Rigor.* Ensure a high level of rigor applies throughout the budget process. For the Draft Budget, this has included a call to all departments to aim for zero growth in their non-payroll operating expenditures, relative to 2024.
- *Transparency.* Share information regarding planned spending clearly. Include industry and historic information for context.

This year, the budget process has challenged the Resort Municipality of Whistler (RMOW) in new ways and has asked the community to engage with the process in new ways as well. The practical impact of the approach and the context in which the RMOW finds itself have been:

- Limits to new services growth this year;
- Budgeted staff hours remain consistent with 2024 levels – with a few small exceptions; and
- Working to better align in-year costs (including projects) with in-year taxes. This element relates to equity: ratepayers should bear an appropriate amount of costs in each budget year, rather than pushing these off into the future.

The result is a Draft Budget that aims to constrain non-payroll operating expenditures in all departments outside of the three 'big rocks' noted below (Fire, RCMP and transit); proposes to continue on the path of increased reserve contributions, in recognition of the RMOW's vast collection of aging community amenities; and at each step has provided important context and comparisons to other communities, in order to make sense of what can feel like very large numbers and overwhelming amounts of detail.

Recommendations from the Committee of the Whole

Elements of the Draft Budget were shared with Council and the community at two different Committee of the Whole (COTW) Meetings. Details of the operating overview can be found in [Report No. W24-007](#) and for the proposed projects plan in [Report No. W24-009](#).

The COTW passed the following recommendations to Council on October 22, 2024:

That the COTW recommend to Council that the proposed Operating Budget as described in COTW Report No. W24-007, including Appendix A, be brought forward for further consideration as part of the annual Budget Guidelines Report at a future Regular Council Meeting. (Operating Recommendation)

The COTW passed the following recommendations to Council on November 19, 2024:

That the 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. (Projects Recommendation)

Council adopted the Operating Recommendation on November 5, 2024, and will consider the Projects Recommendation at the December 3 Regular Council Meeting.

Analysis

A successful budget includes meaningful community engagement and considers all five years in the Plan, not just the year ahead. Below are some of the particulars related to the Draft Budget.

Community Engagement

In addition to the COTW recommendations noted above, several new community events were designed into the Draft Budget. These included:

- Online early budget survey (Budget Survey) (open July 7 – August 15)
- Coffee with Council: Budget edition (Coffee with Council) (October 10)
- Drop-in with Council: Budget edition (Drop-In) (October 28)
- Borrow a Councillor (ongoing)
- Virtual drop-in with Council: Budget edition (Virtual Drop-In) (November 21)
- Cents and Sensibility Budget Quiz Night (Quiz Night) (November 25)

To ensure that a broad segment of the community is aware of and considers participating in these events, the RMOW promotes through a variety of channels including both traditional and social media. Additional information regarding engagement and a summary of key learnings can be found in the Community Engagement section below.

Operations Budget

Big Rocks

[Report W24-007](#) detailed the draft operating budget and described the context for this budget as one of effectively managing the 'big rocks'. Several large, one-time increases to the cost of three different municipal services are coming in the next five years. The size and value of these have only recently come into view, either because they were a) tied to recent Council decisions (staffing Fire Hall #3) or b) because the certainty related to the expense increase reached a critical threshold recently (population growth and RCMP funding tiers) or c) the depletion of the Safe Restart Grant for transit, which has been offsetting \$1Mm in annual expenditures, will soon become the responsibility of the taxpayer again and will result in a step-change increase in RMOW transit funding requirements.

Because these upcoming expenditure step-ups are relatively certain, RMOW incorporates them into the Plan.

Once the large expenses are understood and a plan for their funding is in place, the remaining municipal services are incorporated in and around them. The result is a Draft Budget for each of the five years in the planning horizon. This Draft Budget captures best available information while also acknowledging that the picture it paints is somewhat unrealistic. It constrains most of the RMOW to deliver only the work that's being done today, over this period. No new initiatives have been included and no unusual cost growth has been contemplated. To the extent that either costs of service or the municipality's mandate grow to any extent, the funding captured in this Draft Budget may be insufficient.

The RMOW's understanding of the fiscal and operating environment is constantly changing and so the five-year outlook in particular is subject to regular review and the numbers themselves will almost certainly change each time a new five-year plan is considered.

Smoothing

One of the ways in which the RMOW can be helpful to ratepayers is to ensure a high level of visibility and predictability when it comes to future taxes. It can be difficult for households and businesses to manage property tax costs that change significantly from year to year. For this reason, consistent tax increases are generally prioritized across the five-year horizon of any planning period. This is particularly important in this Plan given the size of the one-time changes that are forthcoming and the fact that they are generally expected to take effect in the same 15-month period (roughly the fourth quarter 2026 through first quarter 2028).

What this looks like in practical terms is an amount added to the budget in 2025 that is beyond what is required to fund in-year expenditures. Collecting this amount acknowledges that the reason for the cost increase (population growth for example) is already true, even if the tipping point that directly impacts expenditures has yet to be reached. This is a ratepayer equity issue. It also makes the transition to a higher-expense model more manageable from a requisition point of view. The funds collected in this manner move into an operating reserve and will in later years (2027) serve to reduce the amount of taxes required to a level that is below what actual expenditures in that year will otherwise be. Smoothing is an exercise that adds a bit of expense today but reduces expenses at a time when it would be more disruptive.

The 2025 tax increase could theoretically be lower if the entire amount of the expected expenditure step-ups were absorbed in a single year (2027), but the impact on ratepayers in that year would be significant. Depending on what the increases are in the years leading up to the big changes, the magnitude of the 2027 increase could easily approach +15 per cent.

Building Department

Building permit (BP) wait times are another area in which significant community and Council feedback has been received through the budget process and other channels throughout the year.

The 2024 budget included planned expansion and increased training for the Building Department staff, with the intent to better address the volume and complexity of permits that had been increasing for years. Shortly after this staffing plan was put into action, a fundamental shift occurred that significantly affected department revenues, but not volumes, and required a re-evaluation of planned expansion. Volumes remain the same, though the value of the work and the associated revenue flowing to RMOW from permits is down. The “Five Year Financial Plan 2024 – 2028 Amendment Bylaw (Transit, Invictus and WHA Equity) No. 2453, 2024”¹ (FYFP Amendment Bylaw), adopted on October 8, 2024 reduced BP revenue expectations for 2024 and the size of the planned staffing expansion². These new expectations (staffing and throughput) are where the department stands today and for 2025 budget purposes.

It is in this context that community feedback related to BP wait times must be considered. There continues to be a level of dissatisfaction in segments of the community around wait times. As detailed in a presentation to Council on November 19, 2024 ([Building Department Update](#)), the path to speeding up approvals involves staffing increases as well as significant process improvements and upgrades to critical technology. Unfortunately, these changes take time to implement. The changes include education and gradual behavioural changes among BP applicants, which is essential to the success of the initiative. The question around whether additional funding (to further increase staffing for example) might be effective in speeding wait time reductions, has been considered; however, access to additional staff with the appropriate qualifications remains a limiting factor. The recommendation and the approach embedded in the Draft Budget is to stay the course with the current 2024 staffing levels and planned process and technology improvements.

While likely disappointing to some in the community who would prefer to see radical change take hold faster, additional patience will be required as the process of gradual change unfolds. There is no easy or fast path to resolve what is both workflow complexity issue and a technology infrastructure issue. This is further complicated by the current structure of both building and zoning bylaws. A new Building Bylaw will be completed in 2025 and the Zoning Bylaw is planned to be re-written in 2026, coinciding with modernization of the “backend” technology piece for processing permits.

Appendix B includes a full summary of the forecasted expenses and revenues for all departments and divisions across the RMOW.

Projects Budget

Community amenities and project spending

It is easy to think that project spending does not impact taxes in the same way that spending on operating expenses does because the funding for planned projects does not flow directly from within the operations budget. This can be true for short periods of time; however, project spending might increase significantly in a single year. Community members can see lots of new and upgraded assets

¹ [Administrative Report No. 24-089](#)

² This was achieved by eliminating two as-yet unfilled staff positions from the financial plan.

introduced over a series of years and see little change on their tax bills. Over longer periods however, this dislocation is less likely to hold true. The spending to maintain, repair, and replace components of these assets grows, slowly at first and then quite quickly. It is here where taxes will truly need to catch up. Absent appropriate funding (tax-funded contributions to reserves) in the long term, the risk of asset failure increases and the community is faced with the choice to decommission certain community assets or to fund higher, emergency repair costs. This is the situation faced by a growing number of communities across North America³ and this is what the asset infrastructure deficit looks like in practical terms. The RMOW has to some extent been living on borrowed time and needs to prioritize asset care and maintenance now.

The RMOW's project list has long included a mix of repair and replace work (like-for-like), upgraded assets, as well as entirely new ones⁴. Combined spending on these different types of assets has grown over the years but has not been accompanied by similar growth in the reserve contributions. A period of correction is now in store. Key to the Plan is sustained, meaningful growth in the reserve contributions. This shift will ideally be paired with a change in composition in the projects collection, away from new things and upgrades to true like-for-like replacement work. In this way, the RMOW can ensure that the abundant and high-quality assets the community already enjoys can remain abundant and high-quality into the future, without requiring even sharper increases in future reserve set-asides. On this count, the Draft Budget is only partway there.

Additional prioritization of the project list to focus on key projects, rather than all proposed projects, can help ensure that the RMOW plans for 'net saving' years interspersed with occasional 'net spending' years. The current General Capital Fund (General Fund) plan for 2025 proposes to spend \$13.2Mm, but only contribute to reserves \$9.0Mm. While the reserve contribution is planned to increase over the planning horizon, so is spending. The net result is a drop in general capital reserve levels by year-end of 15 per cent over the five years of the Plan (assuming a project completion rate of 78 per cent).

Additional detail regarding the specific project plan, highlighting proposed timing and size of investments are included in Appendix A. Note that Appendix A includes two projects that were not included in the Projects List Booklet and at recent engagement activities (S056 and E204). The exclusion of these two projects was an administrative oversight and reflects the fact that these projects do not include planned 2025 spending, only spending in one or more years from 2026 – 2029.

2025 and Beyond

In total, the Draft Budget includes \$106.1Mm in operating spending and expenditures (including transfers to reserves). A total of \$56.1Mm of the revenue is expected to come from property tax. This amount is +9.1 per cent higher than what was included in the "Five-Year Financial Plan 2024 – 2028 No. 2424, 2024". Within operating expenditures is an \$8.5Mm contribution to the General Fund. By comparison, \$13.2Mm in planned project works will draw on the General Fund in 2025.

Finally, including the planned changes to service levels (transit and Fire) and cost share (RCMP), and constrained growth across the remainder of RMOW services, total expenditures in **2028** are expected to be in the \$130 to 135Mm range. The expected tax required to support planned spending at this scale will be \$75Mm. What is currently unknown is how or if non-tax revenue sources will grow to take up some of the forecasted additional spending. Staff are actively looking for ways to optimize processes and project work to constrain the budget beyond funds allocated for the big rocks identified.

³ See: water main break in Calgary, July 2024 and Osoyoos emergency utilities funding (also 2024).

⁴ An upgrade might look like the Cardio Room expansion at the Meadow Park Sport Centre, or a multi-million dollar fire truck. A like-for-like replacement would be replacing a 10-year-old Ford F-150 with a new Ford F-150. A true expansion would be a new section of the Valley Trail.

Moreover, a longer-term outlook on project spending aspires to include \$15Mm to 16Mm in annual replacement and renewal spending within the General Fund. Spending on meaningful upgrades and new amenities will put additional pressure on the RMOW's finances and will need to be funded in addition to the amounts described above.

POLICY CONSIDERATIONS

Relevant Council Authority/Previous Decisions

September 24, 2024, [Administrative Report No. 24-089](#) – FYFP Amendment Bylaw: 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, 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 the Draft Budget.

[November 19, 2024, Report No. W24-009](#) – Draft 2025 Project Budget Overview: the work presented in this report and the attached appendices takes into consideration and builds upon the information already shared in the Draft Budget.

Section 165 of the Charter requires municipalities to prepare a five-year financial plan to be adopted annually by bylaw. Once adopted, the plan is in effect and may 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. It sets the community vision and long-term community direction. This report aligns with the goals of the OCP in the following ways:

- OCP 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 in particular is critical to the fulfillment of this important 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 (more will follow) in that direction.

- OCP Goal 6.3 **“Implement and monitor the Five-Year Financial Plan”**. 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 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.

LÍŁWAT NATION & SQUAMISH NATION CONSIDERATIONS

The RMOW is committed to working with the Lílwat 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. This section identifies areas where RMOW activities intersect with these relationships.

The RMOW engages with Lílwat and Squamish 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 launched a number of initiatives to try and bring more people into the conversation by making budget season a little more accessible and more fun for a broader demographic of community members. The goals of the budget engagement were 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; and
- Test innovative engagement practices to increase public participation during the budget process.

As mentioned earlier in the report, a number of engagement approaches were used, including the Budget Survey, two COTW Meetings, Coffee with Council, Drop-in, Virtual Drop-In and Quiz Night. All budget material, as it became available, was posted to engage.whistler.ca (Engage) so that residents could follow along as the budget discussions progressed. It is interesting to note that of the residents who participated in the Budget Survey, 40 per cent indicated that a survey was the most effective way to engage the community on the municipal budget. For 15 per cent of the respondents, information sessions were thought to be the most effective, 13 per cent believe that a budget open house is the most effective, followed by Engage at 12 per cent (Quiz Night was not an option).

Engage has been seen over 2,500 times. The Budget Survey was hosted on Engage that received 239 responses to the full survey and 77 to the quick poll, compared to just 208 total responses last year. The summary of the community's responses were summarized for Council at the [COTW on September 24, 2024](#) (also see [Appendix A: 2025 Budget Survey Summary of Results](#)). The Budget Survey was introduced as a new tool in 2023 and this year staff worked to refine some of the questions and ensure that the community was able to provide input on our level of investment in various services, and how they would prefer Council and staff to balance the budget.

The face-to-face events provided opportunities for Council to connect with small numbers of people at Coffee with Council, Drop-In and Virtual Drop-In. These smaller events will be evaluated for their impact and usefulness for 2025. The Quiz Night drew a broader age demographic and was well attended by those who purposefully came to learn and have fun with Council, as well as by those who were already at the venue for social purposes and decided to join in. The Quiz Night was valuable in presenting a more approachable and friendly organization and enabled folks young and old to interact with their Council members and engage with what can seem to be a heavy topic in a more lighthearted way. Members of the public learned about different elements of the RMOW budget and operations through the Quiz Night questions.

The Budget Survey indicated that most people are only slightly familiar with the municipal budgeting process, so the combination of all of the engagement activities serve to connect and build understanding to empower people to engage with Council and staff on how their tax dollars are allocated through the operating budget, projects budget, utilities and reserves.

All of the budget-related material have been posted to Engage so that community members can access the materials received by Council at COTW and Regular Council Meetings.

REFERENCES

Appendix A – Proposed Project Spending by Division and Fund
Appendix B – Project Descriptions
Appendix C – Proposed Departmental Revenue and Expenditure Summary

SUMMARY

This report presents Council with staff's proposed budget guidelines to be used when preparing the Five-Year Financial Plan 2025-2029 bylaw, as well as the list of planned projects (each of which is reserve-funded) for the next five years. This budget is informed by a great deal of input from staff, Council, the community and the many active committees of Council. Pending approval of the budget guidelines from Council, staff will begin the process of building the Plan for Council consideration in January 2025.

SIGN-OFFS

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