



RESORT MUNICIPALITY OF WHISTLER

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STAFF REPORT TO COUNCIL

PRESENTED: January 21, 2025 **REPORT:** 25-005
FROM: Finance **FILE:** 3900-20-2465
SUBJECT: FIVE-YEAR FINANCIAL PLAN 2025 – 2029 BYLAW NO. 2465, 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 consider giving first, second and third readings to the “Five-Year Financial Plan 2025 – 2029 Bylaw No. 2465, 2025”

PURPOSE OF REPORT

The “Five-Year Financial Plan 2025 - 2029 Bylaw No. 2465, 2025” (Financial Plan Bylaw) sets out the proposed revenue sources and expenditures for the municipality for the period January 1, 2025 to December 31, 2029.

Information Report Administrative Report (Decision or Direction)

DISCUSSION

Background

The *Community Charter* requires municipalities to prepare a five-year financial plan to be adopted annually by bylaw prior to the adoption of the annual property tax bylaw (due before May 15 each year). Once adopted, the plan is in effect until it is replaced or amended and may be amended by bylaw at any time.

The Financial Plan Bylaw is included in the Council Package and reflects the following guidelines and associated direction as adopted at the December 17, 2024 Regular Council Meeting ([Administrative Report No. 24-106](#)):

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 8.25 per cent increase in property value taxes for the fiscal year 2025, through a reduction of \$513,000 to the General Capital Reserve contribution;
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;
5. include the project amounts as described in Appendix A and attached to Administrative Report No. 24-106; and
6. add \$50,000 of funding for the Pemberton Transit Commuter service and add \$25,000 of funding towards the Valley Bottom Gondola Feasibility Study in 2025 through a 0.15 per cent increase to the requisite 2025 property value tax.

Section 165 (3.1) of the *Community Charter* 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 Financial Plan Bylaw.

The municipality continues to pursue revenue diversification to minimize the overall percentage of revenue raised from property taxes wherever possible. The objective is to maintain a reasonably-sized tax requisition by maximizing other non-tax revenue sources, containing the cost of delivery for municipal services and shifting the burden to user fees and charges where feasible. Each of these will be addressed in turn below.

Recommendations from the Committee of the Whole

The Committee of the Whole (COTW) passed the following recommendations to Council:

- **September 24, 2024: That** COTW receive COTW Report W24-003 and the Budget Prioritization Survey Summary, attached as Appendix A.
- **October 22, 2024: That** the COTW recommend to Council that the proposed Operating Budget as generally 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.
- **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.

Analysis

Maximizing non-tax revenue sources

In 2024 the Resort Municipality of Whistler (RMOW) experienced a slowing in the post-pandemic tourism recovery that had been a driving force since 2022. While demand for community-facing operations and growth in the accompanying revenues (Meadow Park Sports Centre (MPSC)) admissions and transit fares for example) continued in 2024, growth in tourist-facing revenue streams (Municipal and Regional District Tax (MRDT) for example) slowed, and in many months showed year over year declines.

While the state of the economy is a key factor driving revenue results in any given year, across longer periods of time (five or more years) the most important thing is a growing mix and variety of revenue sources. The introduction of new, meaningful, non-tax revenue sources can over time have a

meaningful positive impact on ratepayer outcomes¹. One example is the introduction of parking fees for lots four and five. In the 10 years that followed this change, the amount of parking revenue now annually flowing into the RMOW grew by a total of \$3.4Mm. Absent this change, the tax requisition increase in **each** of those 10 intervening years would have needed to be +1.0 per cent higher.

Similarly, MRDT benefitted in 2018 from the additional one per cent levy (a two per cent charge on all local hotel stays became three per cent) and from the extension of the tax to Online Accommodation Providers. Together these changes have meant another \$5.8Mm in annual revenue to the RMOW, compared to 10 years ago. These funds must necessarily flow directly into tourist-facing projects and programs, and so there is no tax-rate-offset equivalent as there is with parking fees, but that's \$5.8Mm in things for the community of Whistler, that did not previously exist and would not have existed if not for the underlying changes at the revenue source.

Which brings us to one of the defining factors of this financial plan: the stage of the economic cycle and its unique set of strategic factors in play. The opportunity today exists for pay parking in previously free lots to come into effect in the coming years, although the timing and the revenue opportunity that such a change would represent is largely unknown and certainly not understood to the level where amounts can be included in the Financial Plan Bylaw. This absence of quantifiable new revenue opportunities coupled with headwinds that suggest ongoing mild contraction in the local economy in the coming year or years results in a situation where growth in the cost of service delivery will likely rely on the expansion of the tax requisition more so than in recent years when parking revenues were still growing meaningfully. If the potential for new pay parking becomes clearer and can be included within the Financial Plan Bylaw, then the required tax requisition would be smaller.

Containing the cost of service delivery

Price inflation was a meaningful factor driving the cost of municipal service delivery higher in 2022 and 2023. By 2024, annual price escalation was back to more historically normal levels; however, this does not mean that prices were down or anywhere near where they began in 2022, but that they were increasing less vigorously. Ongoing price increases, whatever their scale, coupled with increasing pressure on the RMOW to expand its suite of services, makes containing service delivery costs a significant challenge, in this and every year.

In the case of the Financial Plan Bylaw, these typical pressures are evident *and* are compounded by some large one-time cost step-ups in specific areas of operation.

- RCMP costs will increase by approximately \$2.3Mm between 2026 and 2028, due to an increase in the proportion of the RCMP service cost that must be paid by the municipality.
- Whistler Fire Rescue Service costs will increase by another \$1.2Mm between 2025 and 2027², due to an expectation that Spring Creek Fire Hall will be staffed 24hrs/day (compared to no staffing in 2023).
- Transit system net costs will increase by \$2.0Mm between 2026 and 2028, due to ongoing system expansion and the expiry of the \$1Mm annual cost offset currently being funded from the Safe Restart Grant.

¹ Assuming that low taxes for property owners is the primary goal.

² This is in addition to the \$800k in expenses added between 2023 and 2025

The fact that increases are large and are all expected to come into effect in a relatively short period is challenging. Thoughtful planning is required to ensure they are adequately funded and is an exercise that should consider multiple years at once. So, each of the five years in this Financial Plan Bylaw includes an adjustment for these factors. This means setting aside some extra funds in the early years of the plan (over-collecting on taxes, relative to a pay-as-you-go approach) and then consuming these set-aside funds in the later years (under-collecting on taxes). This is how the RMOW can chart a smooth financial path through the full five years. This is also how the RMOW can fulfill its commitment that taxes be as predictable and non-disruptive as possible given the circumstances.

Another important aspect of the RMOW's cost structure is reserve contributions. These contributions account for the natural wear and tear on the built infrastructure over time. Essentially, they ensure that the cost of annual asset degradation is fairly shared by property owners who benefit from the infrastructure during the tax year in which the degradation occurs. In addition to being an important part of the calculation of annual costs for the RMOW, reserve contributions help fund annual project spending, or in-year asset renewal. Any surplus funds are set aside in a reserve balance, which will help cover the cost of high-value, generational asset renewals when needed.

Over the past decade, the RMOW has made significant progress in understanding the approximate cost of annual asset degradation, and now has a clearer idea of what an appropriate reserve contribution should be, especially for assets funded by the General Capital Fund³. In the past, this was less clear.

The first step in managing this part of RMOW's cost structure is understanding the degradation amount and setting it as a target for reserve contributions. The second step is ensuring that the annual contributions from taxpayers align closely with this target. On this second step, there is work to be done. The General Capital Reserve (GCR) contribution included in the Plan for 2025 (\$8.1Mm) falls short of the amount currently considered appropriate (\$12 to \$13Mm per year⁴). It is only slightly higher than the amount budgeted for contribution in 2024 (\$8.0Mm). We can understand that this is a choice meant to reduce the tax bill for individuals in the community this year and understand that this is not an exercise in cost containment. These costs haven't been reduced they've simply been transferred to future ratepayers. The only way to reduce the cost of the built infrastructure is to retire assets, meaning take them entirely offline.

While 2025 GCR contributions are now just in line with 2024 amounts, the current Financial Plan Bylaw does include a plan to increase these amounts to nearly \$13Mm, by 2029. Whether these are the numbers that ultimately prevail will be a decision the community makes at that time.

Shifting the burden to user fees and charges

Some of the work of the RMOW is partially funded by fees paid directly by users of those services. Examples include:

- Recreational programs (Kids on the Go, Lost Lake Cross-Country skiing)
- Recreation facilities use & access (MPSC fitness, arena and pool)
- Transit
- Building and Planning

³ A comprehensive understanding of the status of utilities assets, and appropriate collections for these, have been in place for much longer.

⁴ Perhaps the easiest way to understand this number is to understand that built assets have a lifespan and that the average annual cost of these assets is their value/lifespan. Setting annual reserve contributions at a particular dollar value, against a known dollar value of assets, in turn assumes that the assets are going to last some number of years. An \$8Mm general capital contribution against general fund assets worth \$410Mm at historic costs (~\$600Mm at replacement costs) is a reasonable approach only if those assets have lifespans that average 78 years. At a target annual contribution rate of \$12.5Mm the assets are required to last a more reasonable (though still not realistic) 47 years on average.

A goal for the RMOW is ensuring that an appropriate balance is achieved between asking users to pay the cost of services they use and drawing funds from the broader ratepayer base. In none of the above cases is the *entire* cost of service delivery borne by the service users. Each requires some degree of support from general taxation and so the question becomes: *how much* of the cost of the service should the users pay? Likewise, to what extent can cost increases be passed through in the form of user fee increases, and how quickly? Cost recovery conversations necessarily include consideration for affordability and broad access. For example, care must be taken that the facility remains accessible when setting MPSC user fees. Many of these revenues are also different from non-tax revenues like parking, in that they are governed by bylaw. Changing the fee requires a change to the bylaw, which affects the timing of revenue increases.

Recent changes to user fees that are governed by bylaw – and are reflected in this Financial Plan Bylaw – are noted below:

- “Parks and Recreation Fees and Charges Bylaw No. 2420, 2023” (November 21, 2023 [Administrative Report No. 23-117](#)): proposed new fees for a variety of Parks and Recreation services offerings for 2024 and 2025. These new rates considered costs of operation of these programs and facilities, considered prevailing fees for similar services in other communities, and prioritized affordability and access considerations.
- “Building and Plumbing Regulation Amendment Bylaw (Fee Updates) No. 2425, 2024” (January 23, 2024 [Administrative Report No. 24-008](#)): proposed new building department fees based on cost considerations and a comparative analysis of prevailing fees in other communities.

Turning to Transit, the last adjustment to the cost of a single-ride transit fares happened in 2011. Adjustments in the Transit system since then have more frequently affected the prices of passes (6- and 12-month) and have also looked like expanded fare-free opportunities (free summer weekends, free passes for high school students, etc.). These changes, while not directly tied to single-ride fares, are a form of fare reduction and in that way mean that the net cost of the system, the amount funded through other sources including taxes, increases.

As is the case every year, this Financial Plan Bylaw captures the RMOW’s understanding of the “most likely” path forward. Should the operating environment or actual outcomes diverge materially from those described in this Financial Plan Bylaw, an amendment to the Financial Plan Bylaw may become necessary. Amending the budget when necessary is part of the organization’s commitment to transparency and accountability, as are the ongoing Quarterly Financial Updates that are presented regularly to Council and made available on whistler.ca/budget.

Projects

Planned RMOW project spending for the five years covered by this Financial Plan Bylaw totals \$282.2 million, of which \$32.5Mm is expected to be funded through external grants. Asset renewal, particularly related to the wastewater system, is a primary focus within this asset collection. Spending from the sewer fund totals \$54.9Mm, with \$16.3Mm of grant funding expected. At the same time, expansion of the water system to include a new treatment facility in South Whistler and associated system connection upgrades, is expected to amount to \$44.9Mm over the five years, with \$13.Mm of support from grant funding. Capital reserves in both cases are in appropriate shape to fund the bulk of this work, though it is expected that some new sewer system debt will be essential to this spending program. The size and timing of new debt will be shared with the community when it is more completely known.

On the GCR side, \$95.4Mm in spending is anticipated across the five years of the Financial Plan Bylaw, accompanied by \$7.5Mm in grant funding. Included in this collection of work are ongoing and meaningful upgrades to the Public Safety Building (a series of projects that are currently expected to cost \$7.3Mm in total), \$0.9Mm in tennis court upgrades and \$2.4Mm in Resort Municipality Initiative (RMI) funding for the Meadow Park Rejuvenation project. Additional RMI projects will be added to the Financial Plan Bylaw via an amendment once the Resort Development Strategy for the coming three years is finalized in collaboration with the province.

General capital asset renewal remains a focus within the RMOW's project work. In the case of this Financial Plan Bylaw, this work includes \$14.5Mm for MPSC renewal and climate resiliency upgrades between now and 2029, and another \$16.5Mm in spending across the collection of RMOW's other buildings. Many dozens of other works will advance initiatives as diverse as climate mitigation, ensuring continued vibrancy in our parks, and introducing improvements to existing infrastructure that serve the changing needs of the community.

The service delivery model and its associated costs are considered and adjusted where appropriate throughout the budget process. This happens in consultation with RMOW staff including senior management, Mayor and Council and the community. The budget presented includes best efforts at efficient and cost-effective service delivery across the five-year planning horizon.

The Financial Plan Bylaw includes a series of schedules, including:

Schedule A - Operating Summary

- Collects revenues and expenditures into key categories for each of the General, Water, Sewer and Solid Waste Funds; and
- Shows transfers to (from) statutory reserves that accompany planned operating activities.

Schedule B - Project Summary

- Captures planned project expenditures for each of the General, Water, Sewer and Solid Waste funds;
- Associated third-party funding which includes grants and anticipated repayments from third parties; and
- Resulting Transfers from (to) reserves.

Schedule C - Supplementary Information

- Summarizes funding sources for 2025 including property tax, parcel taxes, fees and other grants; and
- Outlines property tax requisition between property classes.

POLICY CONSIDERATIONS

Relevant Council Authority/Previous Decisions

[September 24, 2024, Report No. W24-003](#) – Early Budget Engagement Survey Report: the COTW was introduced to the RMOW's communication strategy to engage the community through the budget process.

[October 22, 2024, Report No. W24-007](#) – Draft 2025 Operating Budget Overview Report: the COTW was introduced to and discussed the Operation Budget portion of the Financial Plan Bylaw.

[November 19, 2024, Report No. W24-009](#) – Draft 2025 Projects Budget Overview Report: the COTW was introduced to and discussed the Projects Budget portion of the Financial Plan Bylaw.

[December 3, 2024, Administrative Report No. 24-106](#) – 2025 Budget Guidelines Report: Council was presented with a proposed budget and discussed options.

[December 17, 2024, 2025 Budget Guidelines Report Continued](#): Council directed the preparation of the Plan on the basis of the guidelines presented in.

The *Community Charter* requires municipalities to prepare a five-year financial plan to be adopted annually by bylaw prior to the adoption of the annual property tax bylaw before May 15. Once adopted, the financial plan is in effect until it is replaced or amended 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 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.

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."

OCP Goal 6.3 "Implement and monitor the Five-Year Financial Plan" speaks to the importance of ensuring that the budget considers the OCP and also broad economic indicators, as has been done.

OCP Goal 6.4 "Reduce reliance on property taxes" speaks to the importance of non-tax revenue streams, which in the case of the coming fiscal year are expected to contribute \$6.0 million in additional revenue to offset municipal expenditures.

BUDGET CONSIDERATIONS

The preparation of the Financial Plan Bylaw is entirely funded from within existing Finance Department operating budgets, and other budget considerations are outlined in the sections above.

LÍLWAT 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.

There are no specific considerations to include in this report.

COMMUNITY ENGAGEMENT

Level of community engagement commitment for this project:

Inform Consult Involve Collaborate Empower

A number of engagement approaches were used in support of the development of the Financial Plan Bylaw, 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 40 per cent of the residents who participated in the Budget Survey 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 community's responses were summarized for Council at the [COTW on September 24, 2024](#) (also see: [2025 Budget Survey Summary of Results](#)). The Budget Survey was introduced as a new tool in 2023 and in 2024 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.

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

REFERENCES

“Five-Year Financial Plan 2025-2029 Bylaw No. 2465, 2025” (Included in Council Package)

SUMMARY

The Financial Plan Bylaw sets out the proposed revenues, expenditures and transfers for the years 2025 through 2029. Consistent with the *Community Charter*, this Financial Plan Bylaw guides all municipal operating and capital spending across the organization. This Financial Plan Bylaw is being presented to Council for consideration of the first three readings.

SIGN-OFFS

Written by:

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