

2022 BUDGET INFORMATION MEETINGS PRESENTATION

Budget Information Meetings

January 25-26, 2022

Presentation Outline

1. 2022 Outlook
2. Implications of 5th Wave of COVID-19 Pandemic
3. 2022 Budget
4. Environmental Levy
5. Property Assessments
6. Property Taxes
7. Next Steps

1 2022 Outlook

2022 Outlook

Ongoing Challenges

- Undiversified tax base: 97% residential, 3% business, no industrial
- Minimal cash reserves available for major projects
- Limited revenues sources
 - Reliance on building permit fees
- Geography
 - Higher infrastructure and service-delivery costs

Challenges for 2022

- COVID-19 pandemic recovery
- Rising costs of services and materials
- Deferred asset maintenance
 - Significantly reduced capital investment
- Impacts of climate change

2 Implications of 5th Wave of COVID-19 Pandemic

Implications of 5th Wave of COVID-19 Pandemic

Public Health Order (PHO) order on gatherings and events – updated on December 22, 2021

- Mainly affected Community Services' revenues
 - Passes and drop-ins to gym
 - Winter term programming
 - Fitness programs – class cancellations
 - Non-fitness programs - decline in participation, withdrawals and refunds
 - Facility rentals
- Some off-setting reduction in expenditures
 - Cost avoidance in staff salaries and non-labour costs
 - Reducing customer services hours
 - Not reopening on Sundays and statutory holidays until after Labour Day
 - Holding staff vacancies

Implications of 5th Wave of COVID-19 Pandemic

Staff shortages caused by record number of infections

- District monitoring situation and where possible staff are working from home to minimize exposure risks
- Potentially will incur significant overtime costs in areas where staff is required such as first-responder services
- Current plan is to monitor and reassess after the first quarter to see if budget needs to be amended mid-year
- District established a COVID-19 contingency reserve in 2020 to address financial implications of restart and possible future waves

3 2022 Budget

2022 General Fund Budget

“Minimum spending” Budget

- Maintain existing services within financial constraints
- Only includes uncontrollable costs
 - Collective agreement increases
 - Contractual obligations
 - Externally driven cost increases
- Attain efficiencies to reduce costs or prevent cost increases

COVID-19 Recovery

- Restart of community services’ programs that were cutback due to provincial health order restrictions
- Restore service levels that were trimmed to balance 2020/2021 budget
- Replenish capital investment that was severely reduced

No new programs except to comply with Provincial government legislation

2022 Preliminary Budget Changes Since December 2021

Community Services

- PHO orders - closure of gyms and fitness centres
 - Net revenue loss of **\$250K**
 - Offset by funding from District's COVID-19 contingency reserve
- Market assumption change – Harry Jerome Community Recreation Centre to remain open
 - Revenue loss of **\$95K**
 - Offset by reducing operating budget contribution to capital investment

Parks

- Hazard Trees Assessment & Mitigation
 - Additional **\$50K** expense
 - Offset by reducing operating budget contribution to capital investment

2022 Operating Budget

	Jan-2022			2021 Approved Budget	Change	Explanation	Dec-2021
	Annual Budget	Dollar Increase	% Increase from 2021				2022 Preliminary Annual Budget
REVENUE							
General Taxation	83,371,453	2,312,849	2.9%	81,058,604	-		83,371,453
Fees and Charges	13,890,495	5,493,941	65.4%	8,396,554	(345,300)	Revenue loss due to PHO restrictions and Harry Jerome Recreation Centre	14,235,795
Licences and Permits	7,902,355	601,448	8.2%	7,300,907	-		7,902,355
Other Revenue	9,563,245	(653,295)	-6.4%	10,216,540	-		9,563,245
Government Grants	1,257,257	143,464	12.9%	1,113,793	-		1,257,257
Other Transfers	6,361,315	(3,902,580)	-38.0%	10,263,895	250,300	District COVID-19 Contingency Reserve	6,111,015
Extraordinary Items	250,000	(900,000)	-78.3%	1,150,000	-		250,000
	122,596,119	3,095,826	2.6%	119,500,293	(95,000)		122,691,119
EXPENSES							
Office of the CAO, Community Relations & Communications, Legislative Services	3,516,898	(330,164)	-8.6%	3,847,062	-		3,516,898
Corporate Services	11,414,412	221,676	2.0%	11,192,737	-		11,414,412
Engineering & Transportation	6,041,320	270,760	4.7%	5,770,560	-		6,041,320
Financial Services	3,504,599	107,544	3.2%	3,397,055	-		3,504,599
Fire & Rescue Services	18,434,161	536,869	3.0%	17,897,292	-		18,434,161
Human Resources	2,105,846	(70,225)	-3.2%	2,176,071	-		2,105,846
Parks, Culture & Community Services	21,460,394	5,940,935	38.3%	15,519,459	50,000	Hazard tree assessment and mitigation	21,410,394
Planning & Development Services	6,979,994	43,965	0.6%	6,936,030	-		6,979,994
Police Services	18,088,335	716,392	4.1%	17,371,943	-		18,088,335
West Vancouver Memorial Library	5,147,273	150,556	3.0%	4,996,718	-		5,147,273
General Government	14,046,614	(4,623,736)	-24.8%	18,670,350	-		14,046,614
	110,739,846	2,964,570	2.8%	107,775,276	50,000		110,689,846
Transfer to Asset Reserves	12,394,059	1,669,042	15.6%	10,725,017	(145,000)	Reduction in operating contribution to capital	12,539,059
Environmental Levy Transfer to Reserve	800,000	800,000	0.0%	-	-		800,000
Extraordinary Items							
Net Land Sales Transfer to Land Reserve	94,418	(905,582)	-90.6%	1,000,000	-		94,418
	124,028,323	4,528,030	3.79%	119,500,293	(95,000)		124,123,323
YEAR END (DEFICIT) / SURPLUS	(1,432,204)	(1,432,204)					(1,432,204)
Proposed Operating Tax Levy Increase		1.79%					1.79%

2022 Operating Budget - Highlights

	Jan-2022	Change	Dec-2021	
Revenue	Amount		Amount	
Building and development permit fees	-\$0.57M		-\$0.57M	
Taxation on new construction	-\$0.22M		-\$0.22M	
Lease revenues	-\$0.22M		-\$0.22M	
Licences and miscellaneous	-\$0.19M		-\$0.19M	
Police grant and traffic fine revenue sharing	-\$0.14M		-\$0.14M	
District COVID-19 Contingency Reserve	-\$0.25M	-\$0.25M		
Harry Jerome Recreation Centre remaining open	\$0.10M	\$0.10M		
	<u>-\$1.50M</u>	<u>-\$0.16M</u>	<u>-\$1.34M</u>	
Expense				
Labour cost increases	\$1.97M		\$1.97M	
Operating budget contribution to capital investment	\$0.51M	-\$0.15M	\$0.65M	
Uncontrollable costs	\$0.40M		\$0.40M	
COVID-19 recovery	\$0.48M		\$0.48M	
Provincial government legislation - Bill 22	\$0.09M		\$0.09M	
Additional hazard tree assessment and mitigation	\$0.05M	\$0.05M		
Savings and efficiencies	-\$0.16M		-\$0.16M	
	<u>\$3.34M</u>	<u>-\$0.10M</u>	<u>\$3.44M</u>	
Community Services COVID-19 Recovery				
Program revenue	-\$5.28M	\$0.25M	-\$5.53M	Revenue loss due to PHO restrictions
Program expenditures	\$4.87M		\$4.87M	
Net Revenue	<u>-\$0.41M</u>	<u>\$0.25M</u>	<u>-\$0.66M</u>	
2022 Budget Shortfall	<u>\$1.43M</u>	<u>\$0.00M</u>	<u>\$1.43M</u>	
Operating Levy Increase	1.79%		1.79%	

2022 Capital Budget

- Proposed Asset Levy increase 1.00%
 - to prevent assets from failure resulting from deferred maintenance
- COVID-19 pandemic cutbacks
 - Significantly reduced capital investment in 2020 and 2021

	Asset Levy % Increase	Asset Levy Amount Increase	Asset Levy	Operating Budget Contribution	Amount Available for Capital Investment	Estimate of Required Optimal Investment	Shortfall
2015	0.00%	\$0.0M	\$0.0M	\$7.4M	\$7.4M	\$13.9M	\$6.5M
2016	5.25%	\$3.1M	\$3.1M	\$7.4M	\$10.4M	\$13.9M	\$3.5M
2017	2.45%	\$1.6M	\$4.6M	\$7.4M	\$12.0M	\$14.1M	\$2.1M
2018	1.56%	\$1.1M	\$5.7M	\$7.4M	\$13.0M	\$14.5M	\$1.5M
2019	1.76%	\$1.5M	\$7.1M	\$7.4M	\$14.5M	\$14.5M	\$0.0M
2020	0.00%	\$0.0M	\$7.1M	\$0.7M	\$7.8M	\$14.5M	\$6.7M
2021	2.50%	\$2.4M	\$9.5M	\$1.2M	\$10.7M	\$16.9M	\$6.2M
2022	1.00%	\$0.8M	\$10.3M	\$2.1M	\$12.4M	\$16.4M	\$4.0M

2022 Capital Budget

- Capital budget based on asset management plans

2022 Preliminary Capital Budget		
Maintaining and replacing existing assets	Asset Preservation	\$6.9M
	Regular Asset Maintenance	\$9.0M
	Health & Safety	\$0.4M
	Subtotal	\$16.3M
Investment in new assets	Strategic Investment	\$1.2M
	Innovation	\$0.3M
	Subtotal	\$1.5M
Total		\$17.8M

2022 Preliminary Capital Funding	
2022 Asset Levy	\$10.3M
Operating Budget Contribution	\$2.1M
Development Cost Charges	\$0.7M
Union of BC Municipalities - Community Works Fund	\$0.8M
Environmental Levy	\$0.2M
External Sources	\$0.9M
Subtotal	\$15.0M
Asset Reserves	\$2.8M
Total	\$17.8M

4 Environmental Levy

Environmental Levy

Strategic Goal: Protect our natural environment, reduce our impact on it and adapt to climate change.

- Proposed Environmental Levy of 1.00% (~\$800K)
- Examples of possible projects to be funded from this levy:
 - Additional electric vehicle charging stations at District facilities
 - Incremental cost to convert from gas powered vehicles to full electric vehicles
 - Further shoreline protection works
 - Programs to reduce community and corporate waste for destination parks
 - Incentive programs (e.g. Heat pumps, e-bikes)
- New program area to be developed

5 Property Assessments

Property Assessment Relative to Property Taxes

Here is what could happen to your property taxes:

	Your Property's Value Change	Property Tax Impact
1.	 LOWER than Average Change for Property Class	Taxes Likely DECREASE*
2.	 SIMILAR to the Average Change for Property Class	Taxes Likely DO NOT CHANGE*
3.	 HIGHER than Average Change for Property Class	Taxes Likely INCREASE



* assumes no changes in budget needs for your local government or other taxing authorities

2022 Property Assessment Notice

Property Location & Description

1234 ANYWHERE STREET

LOT 5, PLAN VIP4888, SECTION 98, LAKE LAND DISTRICT
PID: 012-345-678

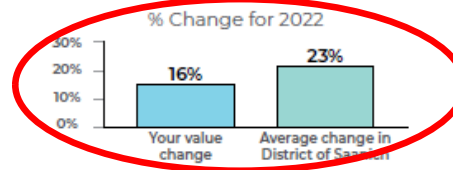
This is not a tax notice. Tax notices are issued by local governments and taxing authorities.

This notice contains important information about your property. Please review and keep for your records. No action is required unless you disagree with your assessment.

2022 Assessment – represents your property value as of **July 1, 2021**

Assessed Value	Value	Class
Land	112,000	
Buildings	200,000	
2022 Assessed Value	\$312,000	Residential
2022 Taxable Value	\$312,000	

YOUR PROPERTY VALUE CHANGE



The graph above shows average change for multiple property types, and is for informational purposes only.

Visit bcassessment.ca/marketmovement for information on individual property types.

YOUR PROPERTY VALUE HISTORY

2022	+16%	\$312,000
2021	-9%	\$268,000
2020	+8%	\$295,000
2019	+7%	\$273,000

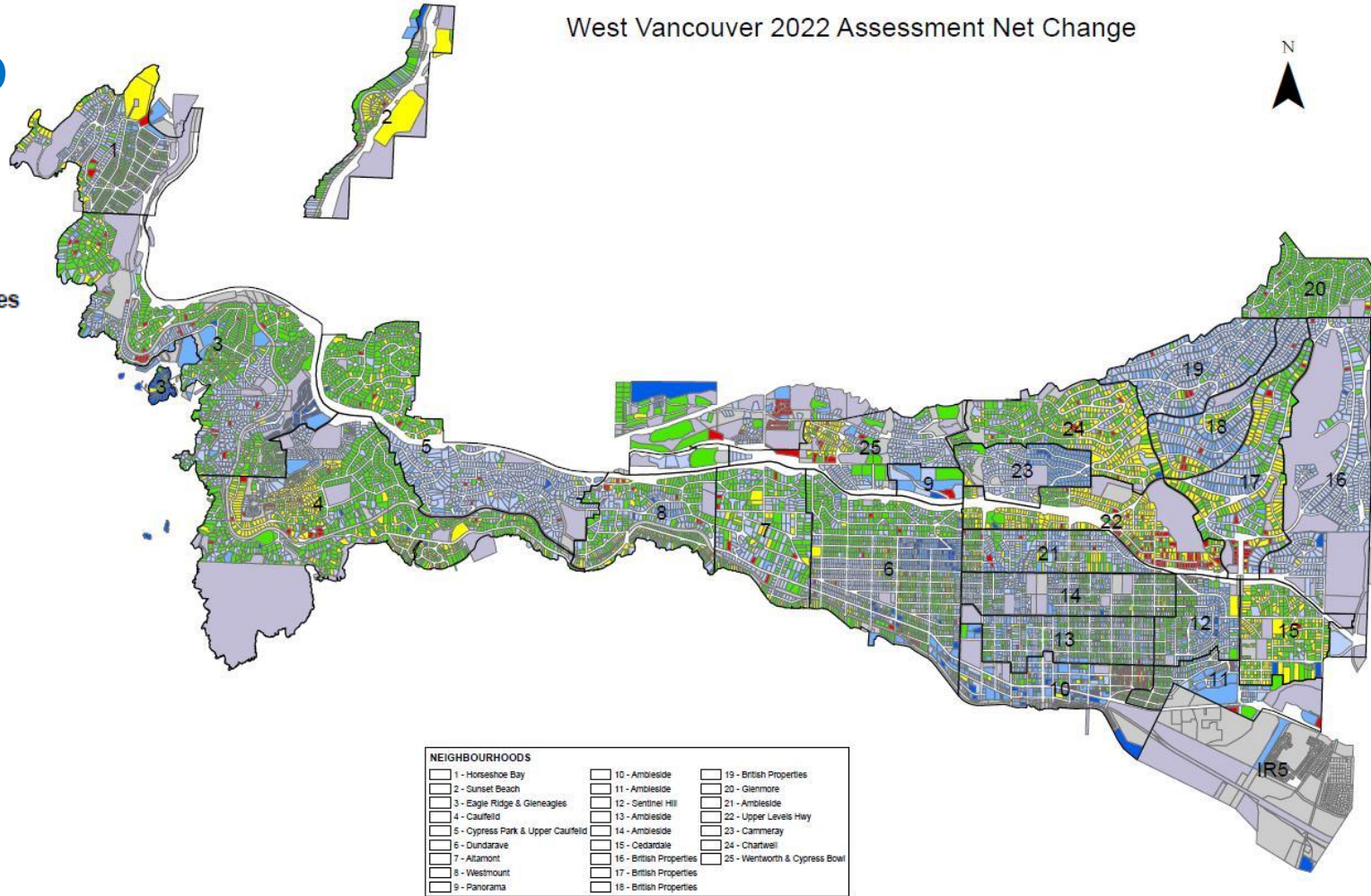
DWV % Change due to Market

Class 1 (all residential): 19.0%
Residential: 19.4%
Strata: 11.0%

Important messages about your 2022 Assessment

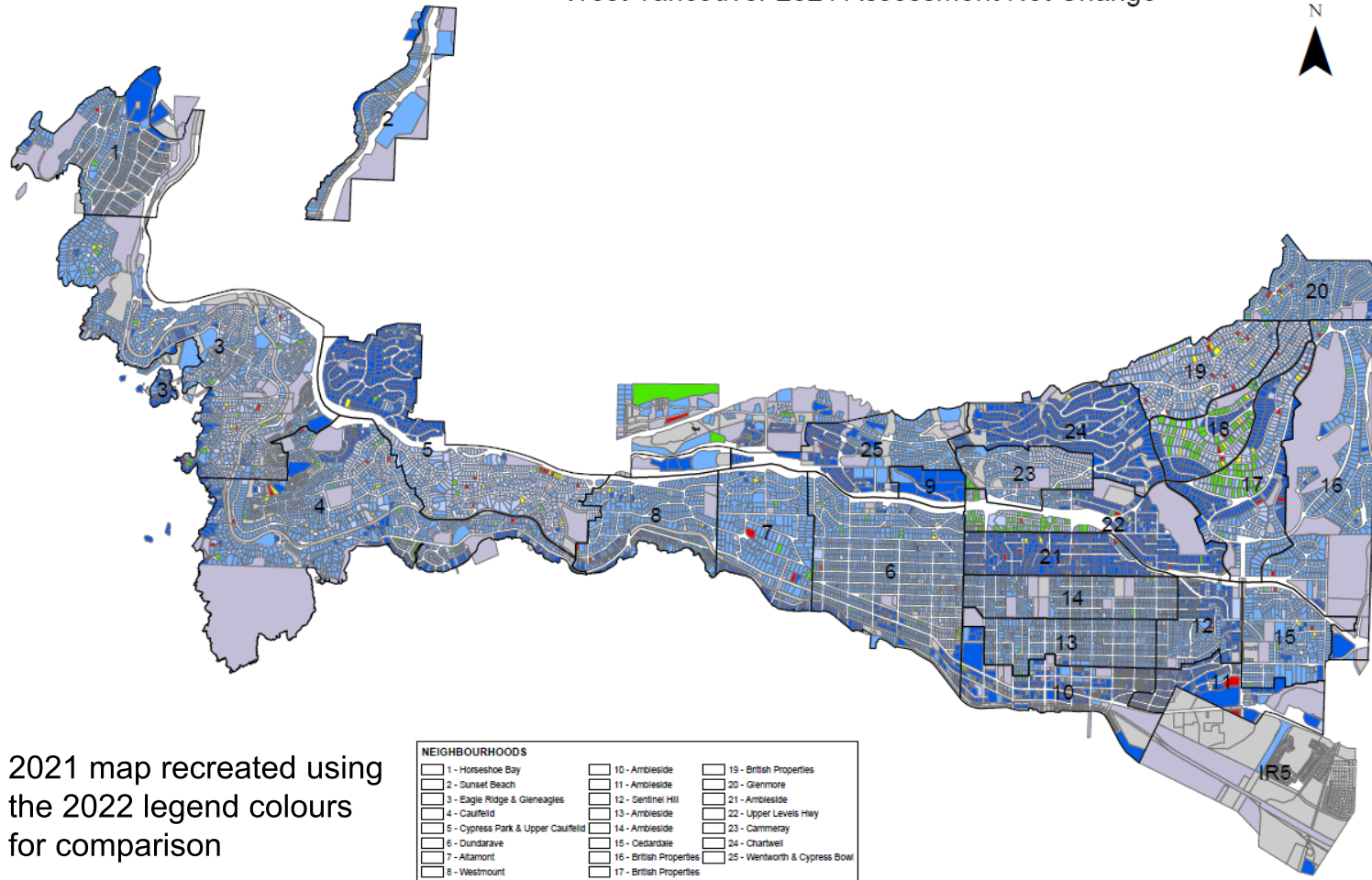
2022 Heat Map

West Vancouver 2022 Assessment Net Change



2021 Heat Map

West Vancouver 2021 Assessment Net Change



- 2021 map recreated using the 2022 legend colours for comparison

Effects of 2022 Property Assessment

Additional School Tax – Province of British Columbia

Applies only on the portion valued **over \$3 million**. This rate is not applied to the first \$3 million in value.

Assessment Value	AST Rate	2021 Assessment # of Properties	%	2022 Assessment # of Properties	%	Change
< \$3,000,000	0.0%	11,812	72%	9,905	61%	(1,907)
\$3,000,000 - \$4,000,000	0.2%	2,228	14%	2,910	18%	682
> \$4,000,000	0.4%	2,273	14%	3,498	21%	1,225
Total Class 1 Properties		16,313	100%	16,313	100%	0

Effects of 2022 Property Assessment

Home owner grant – Province of British Columbia

The grant threshold for 2022 is **\$1,975,000**.

Assessment Value	2021 Assessment # of Properties	%	2022 Assessment # of Properties	%	Change
< \$1,975,000	6,514	40%	4,200	26%	(2,314)
>= \$1,975,000	9,799	60%	12,113	74%	2,314
Total Class 1 Properties	16,313	100%	16,313	100%	0

6 Property Taxes

Proposed Total Tax Levy

Target for property tax increase of no more than inflation

- Consumer Price Index (CPI) for British Columbia: 3.8%

Levy Type	Proposed Increase	2021 Taxes	Proposed 2022 Taxes	Increase for SFD \$3.67M	2021 Taxes	Proposed 2022 Taxes	Increase for Strata \$1.61M
Operating Levy	1.79%	\$6,535	\$6,652	\$117	\$2,861	\$2,912	\$51
Asset Levy	1.00%	Included above	\$65	\$65	Included above	\$29	\$29
Environmental Levy	1.00%	\$0	\$65	\$65	\$0	\$29	\$29
Total Taxes	3.79%	\$6,535	\$6,782	\$247	\$2,861	\$2,970	\$109

Single Family Dwelling (SFD) average assessment: \$3.67M

Strata average assessment: \$1.61M

Example of Tax and Utilities Increases – DWV Levies

Single Family Dwelling assessed at \$3.67M

Annual Water Consumption: 310 m³

Basis of Calculation	Levy / Charge	Proposed Increase	2021	2022	Increase Amount
Assessment Value	Operating Levy	1.79%	\$6,535	\$6,652	\$117
Assessment Value	Asset Levy	1.00%	Included above	\$65	\$65
Assessment Value	Environmental Levy	1.00%	\$0	\$65	\$65
	Sub-total Taxes		\$6,535	\$6,782	\$247
Consumption	Water	6.00%	\$801	\$851	\$50
Consumption	Sewer & Drainage	5.00%	\$1,327	\$1,438	\$111
Flat Rate	Solid Waste	9.00%	\$252	\$275	\$23
	Sub-total Utilities		\$2,380	\$2,564	\$184
	Total Costs		\$8,915	\$9,346	\$431

* Does not include other taxing authorities' levies (school district, transit, regional district)

Budget Options

Options for the % increase for the Asset Levy and Environmental Levy

Option 1		Average SFD	Average Strata
Operating Levy	1.79%	\$117	\$51
Asset Levy	1.00%	\$65	\$29
Environmental Levy	0.50%	\$33	\$14
Total Tax Levy	3.29%	\$215	\$94

Option 2		Average SFD	Average Strata
Operating Levy	1.79%	\$117	\$51
Asset Levy	0.50%	\$33	\$14
Environmental Levy	0.50%	\$33	\$14
Total Tax Levy	2.79%	\$183	\$79

7 Next Steps

Next Steps

Public Consultation

Website form for the public to share comments and feedback.
Available until January 28, 2022 at 4 p.m.

Revise Budget and Present to Council

February 14, 2022: Proposed 2022 Operating and Capital Budgets

Develop Five-Year Financial Plan; Request for Capital Funding Appropriations

March 28, 2022 : Proposed 2022-2026 Five-Year Financial Plan Bylaw

March 28, 2022 : Proposed 2022 Phase 1 Capital Funding Report

Present Tax Rate Bylaw to Council

April 11, 2022: Proposed 2022 Annual Tax Rates Bylaw

Thank You!
Questions?