

# 2023 BUDGET INFORMATION MEETINGS PRESENTATION

Budget Information Meetings










January 24 – 26, 2023

# Presentation Outline

1. Budget Overview
2. 2023 Budget
3. Property Assessments and Taxes
4. Budget Process

# 1 Budget Overview

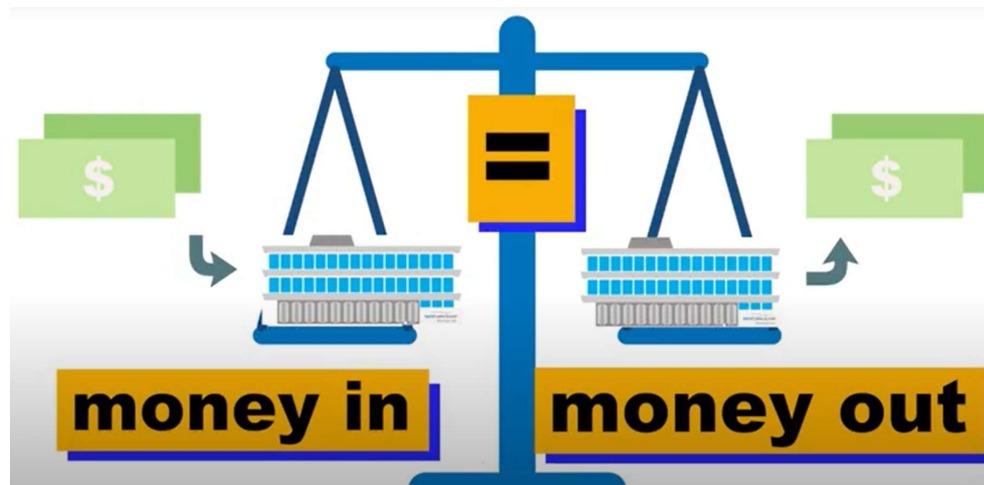
# Fund Structure

DISTRICT BUDGET	<b>GENERAL FUND</b>
	 The General Fund funds administration and support to Council, public safety, recreation, culture, community planning, business regulation, traffic, roads, parks, and environment.
	 It is within this fund that property tax rates are determined.
	
	<b>UTILITY FUNDS</b>
	 <b>WATER UTILITY FUND:</b> This fund supplies all residents with high-quality water on a metered-pay basis.
	 <b>SEWER &amp; DRAINAGE UTILITY FUND:</b> This fund deals with collection and treatment of liquid waste, on a user-pay basis.
	 <b>SOLID WASTE &amp; RECYCLING FUND:</b> This fund administers the garbage and public realm waste collection on a user-pay basis.
	<b>OTHER STAND-ALONE FUNDS</b>
	 <b>CEMETERY FUND:</b> Capilano View Cemetery operates on a stand-alone basis, with a user rate structure sufficient to fund all expansions and improvements.
	 <b>GOLF FUND:</b> Ambleside Par 3 and Gleneagles Golf Course are self-contained businesses where user fees cover operating expenditures.
	 <b>BLUE BUS TRANSIT FUND:</b> The Blue Bus service is operated on a contract basis for TransLink, which sets service levels, establishes the budget, and reimburses all costs.

# Balanced Budget

## Money In

- General Taxation
- Fees and Charges
- Other Revenue
- Reserves
- Borrowing



## Money Out

- Operating
  - Labour
  - Non-labour
- Capital
  - Asset maintenance
  - Asset replacement
  - New assets

# 2 2023 Budget

# 2023 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

## Challenges for 2023

- Inflation pressure on both labour and non-labour costs
- Global supply chain disruption
- Impacts of climate change
- Deferred asset maintenance

# 2023 General Fund Budget

## Operating Budget

- Services resume to pre-COVID-19 levels
- Increase in interest revenue from investments
- Additional taxation revenue from new construction
- Housing market slowdown affecting building permit revenue
- Cost pressures from uncontrollable costs
- Cost pressures to achieve expected service levels
  - includes addressing climate change impacts
- New program requests to enhance service levels and provide new programs

## Capital Budget

- Catch up on deferred maintenance
- Perform regular asset maintenance
- Increase Asset Levy to reduce gap between funding and optimal level of investment



# 2023 Operating Budget

	2023			2022
	Annual Budget	Dollar Increase	% Increase	Approved Budget
<b>REVENUE</b>				
General Taxation	87,524,653	2,320,997	2.7%	85,203,656
Fees and Charges	13,184,695	422,780	3.3%	12,761,915
Licences and Permits	7,417,127	(485,228)	-6.1%	7,902,355
Other Revenue	18,410,754	8,192,659	80.2%	10,218,095
Government Grants	1,225,257	(65,000)	-5.0%	1,290,257
Other Transfers	8,336,752	(3,213,410)	-27.8%	11,550,162
Extraordinary Items	250,000	-	0.0%	250,000
	<b>136,349,238</b>	<b>7,172,798</b>	<b>5.6%</b>	<b>129,176,440</b>
<b>EXPENSES</b>				
Office of the CAO, Community Relations & Communications, Legislative Services	4,586,506	623,458	15.7%	3,963,048
Corporate Services	12,410,154	999,884	8.8%	11,410,270
Engineering & Transportation	6,671,736	(64,584)	-1.0%	6,736,320
Financial Services	3,650,960	137,219	3.9%	3,513,741
Fire & Rescue Services	19,578,899	1,144,738	6.2%	18,434,161
Human Resources	2,113,289	13,944	0.7%	2,099,345
Parks, Culture & Community Services	22,374,635	1,354,271	6.4%	21,020,364
Planning & Development Services	8,253,275	1,273,280	18.2%	6,979,995
Police Services	19,788,349	1,700,015	9.4%	18,088,334
West Vancouver Memorial Library	5,352,154	204,881	4.0%	5,147,273
General Government	19,242,646	1,146,835	6.3%	18,095,811
	<b>124,022,603</b>	<b>8,533,941</b>	<b>7.4%</b>	<b>115,488,662</b>
Transfer to Asset Reserves	14,443,360	2,050,000	16.5%	12,393,360
Environmental Levy Transfer to Reserve	1,619,000	419,000	34.9%	1,200,000
Net Land Sales Transfer to Land Reserve	94,418	-	0.0%	94,418
	<b>140,179,381</b>	<b>11,002,941</b>	<b>8.52%</b>	<b>129,176,440</b>
<b>YEAR END (DEFICIT) / SURPLUS</b>	<b>(3,830,143)</b>	<b>(3,830,143)</b>		<b>-</b>
Proposed Property Tax Increase		<b>4.57%</b>		

# 2023 Operating Budget – Highlights

<b>Revenue</b>	<b>FTE</b>	<b>\$</b>	<b>%</b>
Increase in interest revenues		-\$3.18M	-3.79%
Taxation on new construction		-\$1.00M	-1.19%
Net lease revenues		-\$0.11M	-0.13%
Miscellaneous revenues		-\$0.05M	-0.06%
Building and development permit fees		\$0.52M	0.62%
Traffic fine revenue sharing grant		\$0.10M	0.12%
		<u>-\$3.72M</u>	<u>-4.44%</u>
<b>Expense</b>			
Labour cost increases		\$3.17M	3.78%
Uncontrollable costs		\$1.36M	1.63%
Cost pressure to achieve expected service levels	4.00	\$0.79M	0.94%
	<u>4.00</u>	<u>\$5.32M</u>	<u>6.35%</u>
<b>Community Services COVID-19 Recovery</b>			
Program revenue		-\$0.50M	-0.60%
Program expenditures		\$0.33M	0.39%
		<u>-\$0.17M</u>	<u>-0.21%</u>
<b>Contribution to Capital</b>		<u>\$1.21M</u>	<u>1.45%</u>
<b>New Program Requests</b>	<u>10.00</u>	<u>\$1.19M</u>	<u>1.42%</u>
<b>2023 Budget Shortfall</b>	<u>14.00</u>	<u>\$3.83M</u>	<u>4.57%</u>
<b>Operating Levy Increase</b>		<b>4.57%</b>	

## 2023 – New Program Requests (details)

<b>Enhancing Service Levels &amp; Providing New Services</b>	<b>FTE</b>	<b>\$</b>	<b>%</b>
<i>Fire Tower Truck Staffing</i>	2.00	\$0.21M	0.25%
<i>Deputy Corporate Officer - Commissions/Committees</i>	1.00	\$0.16M	0.19%
<i>Electronic Information Governance Program</i>	1.00	\$0.09M	0.11%
<i>Business Systems Analyst</i>	1.00	\$0.13M	0.16%
<i>Business Analyst</i>	1.00	\$0.13M	0.16%
<i>Senior Community Planner</i>	1.00	\$0.13M	0.16%
<i>Planning &amp; Development Clerk</i>	1.00	\$0.07M	0.08%
<i>Indigenous Relations Manager</i>	1.00	\$0.11M	0.13%
<i>Aging in Place Program Coordinator</i>	1.00	\$0.09M	0.11%
<i>Foreign Languages Social Media/Advertising Programs</i>	-	\$0.05M	0.06%
<i>National Indigenous Peoples Day</i>	-	\$0.01M	0.01%
	<b>10.00</b>	<b>\$1.19M</b>	<b>1.42%</b>

# 2023 Capital Budget

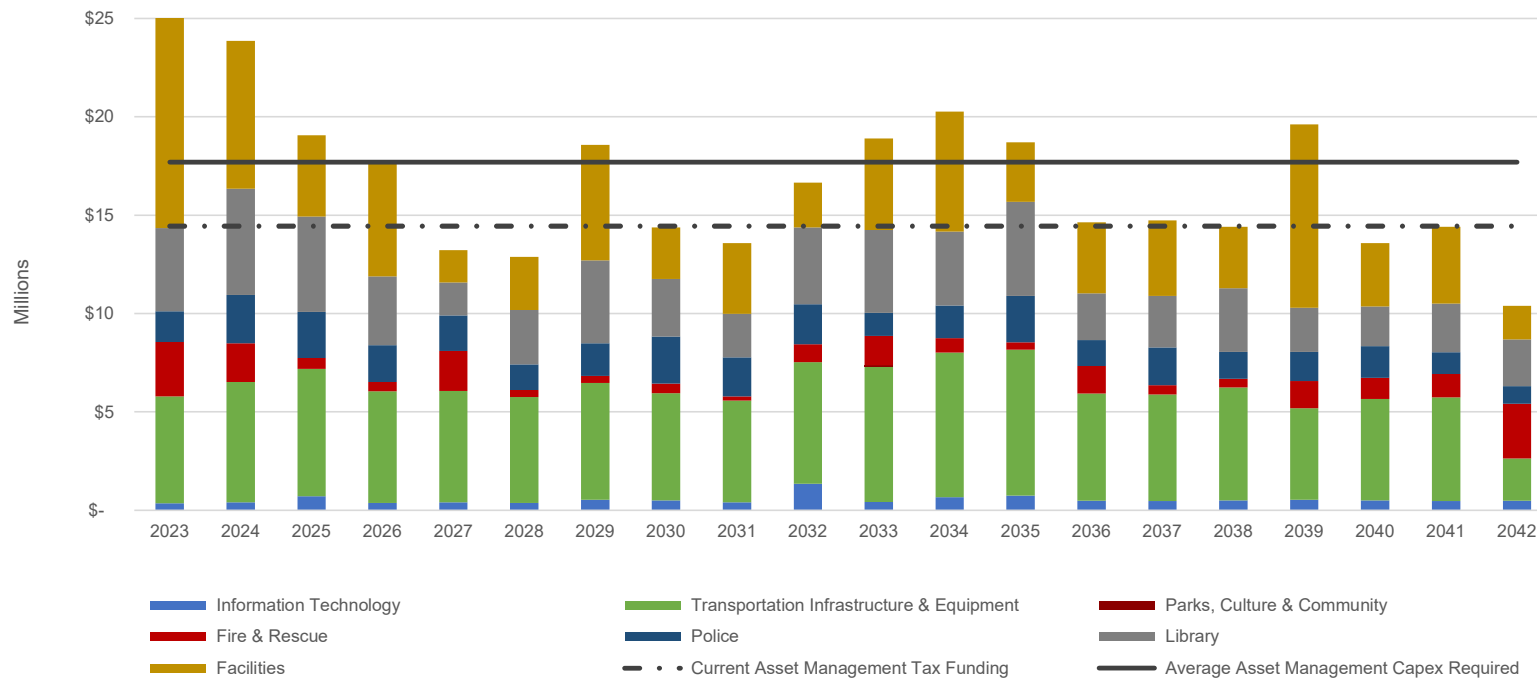
- Based on asset management plans

2023 Capital Requests			
Maintaining and replacing existing assets	Asset Preservation	\$10.5M	45%
	Regular Asset Maintenance	\$8.9M	38%
	Health & Safety	\$1.1M	5%
	<b>Subtotal</b>	<b>\$20.5M</b>	<b>87%</b>
Investment in new assets	Strategic Investment	\$2.8M	12%
	Innovation	\$0.2M	1%
	<b>Subtotal</b>	<b>\$3.0M</b>	<b>13%</b>
<b>Total</b>		<b>\$23.5M</b>	<b>100%</b>

2023 Capital Funding			
Asset Reserves	2023 Asset Levy	\$11.2M	48%
	2023 Operating Budget Contribution	\$3.3M	14%
	Funding from Prior Years	\$6.8M	29%
	<b>Subtotal</b>	<b>\$21.3M</b>	<b>91%</b>
Other Reserves & External Funding	Environmental Reserve	\$0.5M	2%
	External Sources	\$0.6M	2%
	Development Cost Charges	\$0.3M	1%
	Community Amenity Contributions-Community Serving	\$0.8M	3%
	<b>Subtotal</b>	<b>\$2.2M</b>	<b>9%</b>
<b>Total</b>		<b>\$23.5M</b>	<b>100%</b>

# Asset Maintenance Cost Projection

Over the next 20 years, to prevent assets from failure resulting from deferred maintenance, the estimated average annual cost of maintaining the general fund assets is \$17.7 million.



# Capital Investment

- Proposed Asset Levy increase 1.00%
  - to prevent assets from failure resulting from deferred maintenance

	Asset Levy Increase (%)	Asset Levy Amount Increase	Asset Levy	Operating Budget Contribution	Amount Available for Capital Investment	Estimation 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
2023	1.00%	\$0.8M	\$11.2M	\$3.3M	\$14.4M	\$17.7M	\$3.2M

# Environmental Levy

- Propose 0.50% increase
- Further support goal to protect natural environment, mitigate and adapt to climate change
  - Incremental cost to convert from gas powered vehicles to full electric vehicles
  - Further shoreline protection works
  - Incentive programs (such as heat pumps)
  - Community outreach programs

# 3 Property Assessments and Taxes



# Property Assessment Relative to Property Taxes

Here is what could happen to your property taxes:

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

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

# 2023 Property Assessment Notice

## Property Location & Description

**1234 ANYWHERE STREET**  
LOT 5, PLAN VIP4888, SECTION 98, LAKE LAND DISTRICT  
PID: 012-345-678

2023 Assessment – represents your property value as of **July 1, 2022**

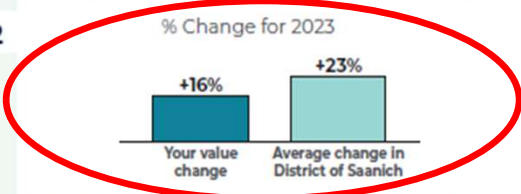
Assessed Value	Value	Class
Land	112,000	Residential
Buildings	200,000	
<b>2023 Assessed Value</b>	<b>\$312,000</b>	
<b>2023 Taxable Value</b>	<b>\$312,000</b>	

Important messages about your 2023 Assessment

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.

## YOUR PROPERTY VALUE CHANGE



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

Visit [bcassessment.ca/marketmovement](https://bcassessment.ca/marketmovement) for information on individual property types.

## YOUR PROPERTY VALUE HISTORY

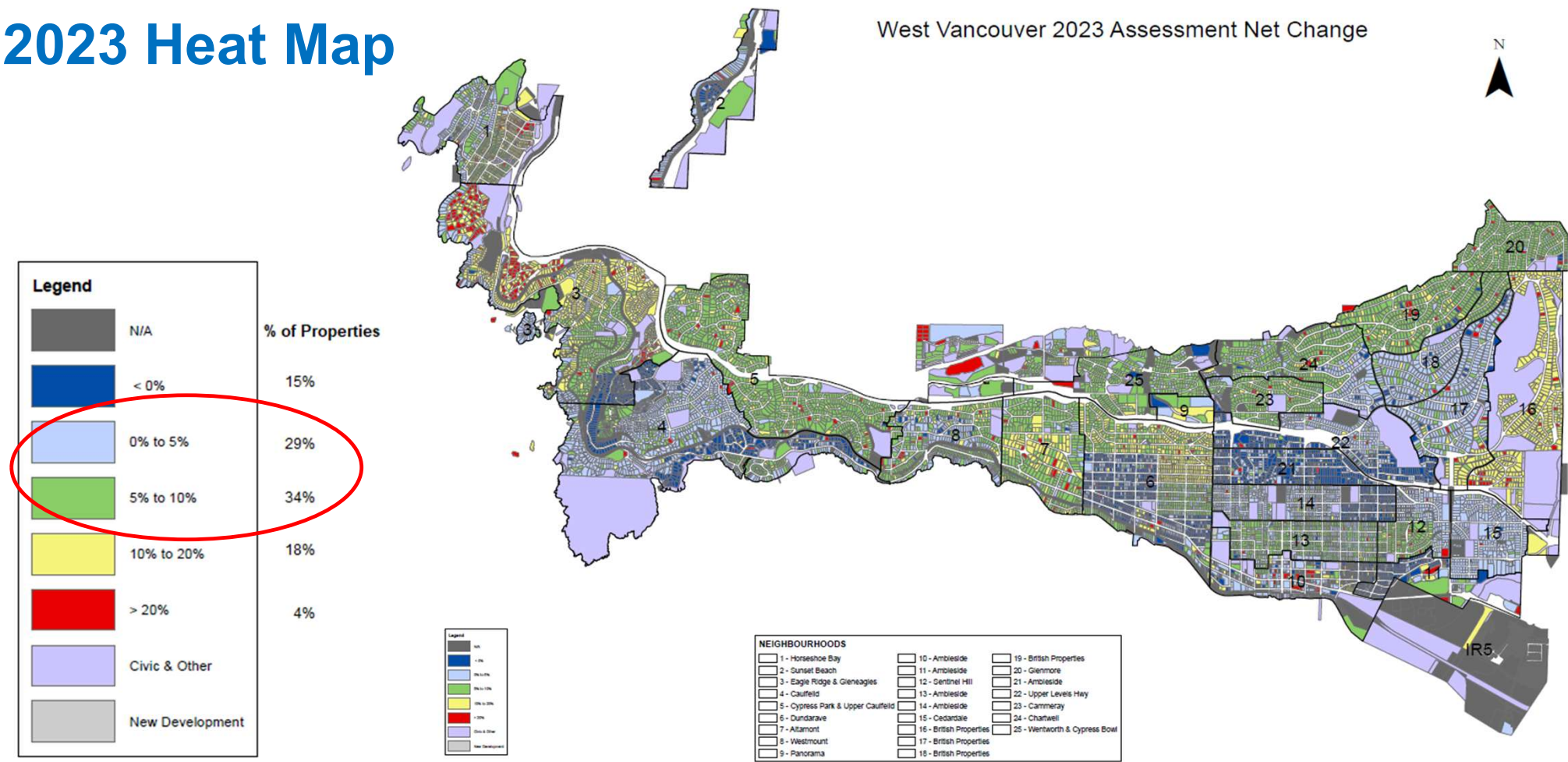
2023	+16%	\$312,000
2022	-9%	\$268,000
2021	+8%	\$295,000
2020	+7%	\$273,000

## District of West Vancouver (DWW) % Change due to Market

Class 1 (all residential): 5.2%  
Single Family: 5.0%  
Strata: 5.6%

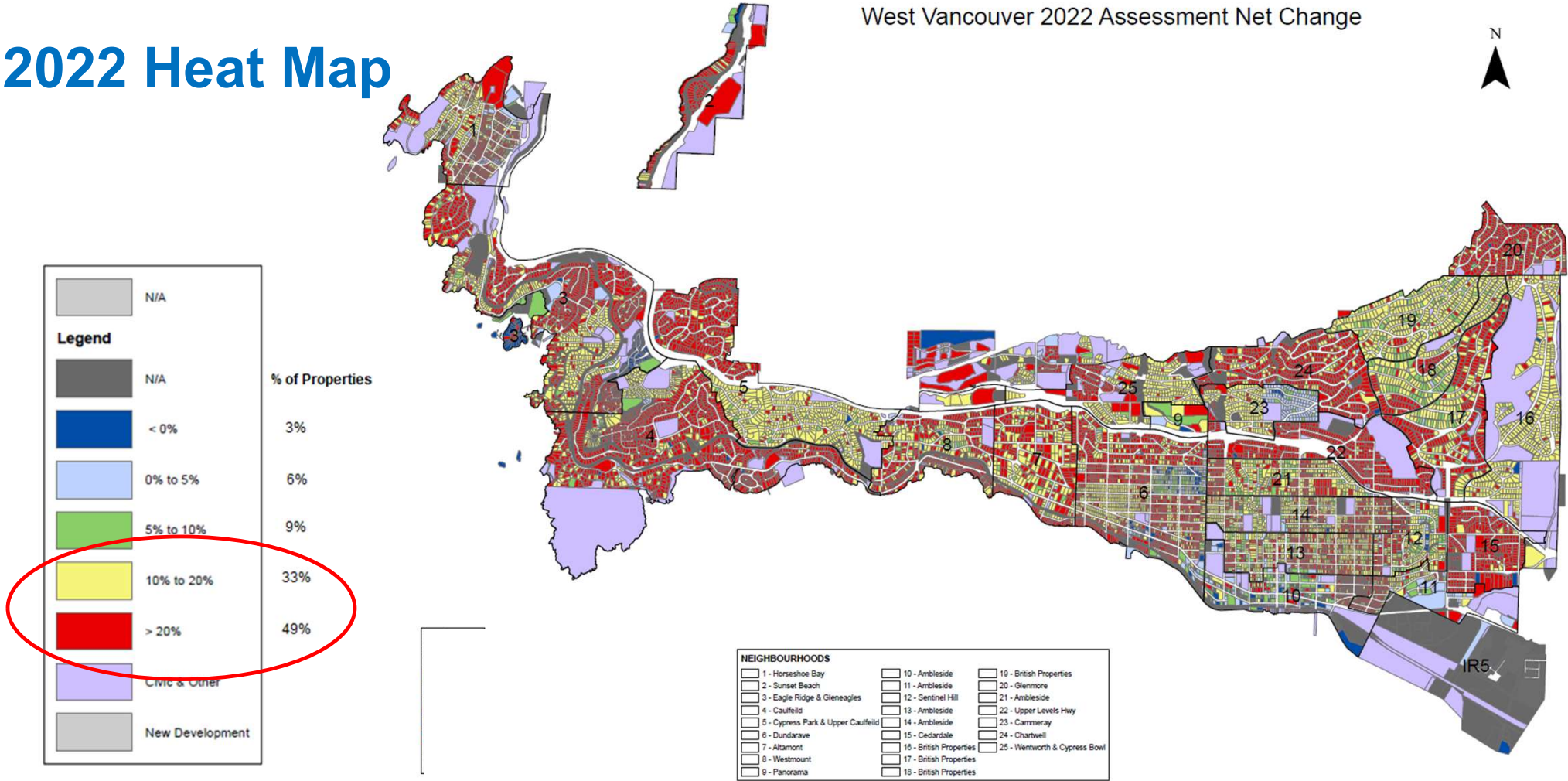
# 2023 Heat Map

West Vancouver 2023 Assessment Net Change



# 2022 Heat Map

West Vancouver 2022 Assessment Net Change





# Effects of 2023 Property Assessment

## Additional School Tax (AST) – 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	2022 Assessment # of Properties	%	2023 Assessment # of Properties	%	Change
< \$3,000,000	0.0%	10,195	61%	11,340	61%	1,145
\$3,000,000 - \$4,000,000	0.2%	2,928	18%	3,207	17%	279
> \$4,000,000	0.4%	3,551	21%	4,043	22%	492
Total Class 1 Properties		16,674	100%	18,590	100%	1,916

# Effects of 2023 Property Assessment

## Home owner grant – Province of British Columbia

The grant threshold for 2023 is **\$2,125,000**

Assessment Value	2022 Assessment # of Properties	%	Assessment Value	2023 Assessment # of Properties	%	Change
< \$1,975,000	4,200	26%	< \$2,125,000	5,606	30%	456
>= \$1,975,000	12,113	74%	>= \$2,125,000	12,984	70%	1460
Total Class 1 Properties	16,313	100%	Total Class 1 Properties	18,590	100%	1916

# Proposed Total Tax Levy

Target for property tax increase of no more than inflation

- Consumer Price Index (CPI) for British Columbia: 7.2% (November 2022)

	Proposed Increase	Average SFD	Average Strata
Operating Levy	4.57%	\$263	\$119
Asset Levy	1.00%	\$ 58	\$ 26
Environmental Levy	0.50%	\$ 29	\$ 13
<b>Total Tax Levy</b>	<b>6.07%</b>	<b>\$350</b>	<b>\$158</b>

## Assessments

- Average Single Family Detached (SFD): \$3.76M
- Average Strata: \$1.70M

# Example of Tax and Utilities Increases – DWV Levies

Single Family Dwelling assessed at \$3.76M

Median Single Family Household Utilities Consumption

Basis of Calculation	Levy / Charge	Proposed Increase	2022	2023	Increase Amount
Assessment Value	Operating Levy	4.57%	\$5,758	\$6,021	\$263
Assessment Value	Asset Levy	1.00%	Included above	\$58	\$58
Assessment Value	Environmental Levy	0.50%	Included above	\$29	\$29
	<b>Sub-total Taxes</b>		<b>\$5,758</b>	<b>\$6,108</b>	<b>\$350</b>
Consumption	Water	5.00%	\$841	\$884	\$43
Consumption	Sewer & Drainage	7.30%*	\$1,339	\$1,426	\$87
Flat Rate	Solid Waste	13.00%	\$275	\$309	\$34
	<b>Sub-total Utilities</b>		<b>\$2,455</b>	<b>\$2,619</b>	<b>\$164</b>
	<b>Total Costs</b>		<b>\$8,213</b>	<b>\$8,727</b>	<b>\$514</b>

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

\* This percentage is overall rate increase for regional and local sewer levy.



# 4 Budget Process

# Public Consultation

## Budget Information Sessions

January 24, 2023 | 2:00 – 3:00 p.m. | Marine Room, Seniors' Activity Centre (in-person)

January 24, 2023 | 6:00 – 7:00 p.m. | Cedar Room, West Vancouver Community Centre (in-person)

January 26, 2023 | 1:00 – 2:00 p.m. | Virtual session

## Online

Preliminary Financial Plan 2023 document

Forum for the public to share comments and feedback from January 18 to February 3, 2023

## Next Steps

### **Present the Proposed 2023 Budget to Council**

February 27, 2023: Proposed 2023 Operating and Capital Budgets

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

March 27, 2023 : Proposed 2023-2027 Five-Year Financial Plan Bylaw and Proposed 2023 Phase 1 Capital Funding Report

### **Present Tax Rate Bylaw to Council**

April 17, 2023: Proposed 2023 Annual Tax Rates Bylaw for three readings

April 24, 2023: Proposed 2023 Annual tax Rates Bylaw adoption

**Thank You!**  
**Questions?**