

2024-2028 FIVE-YEAR FINANCIAL PLAN CONTEXT PRESENTATION

Council Meeting

December 11, 2023

Presentation Outline

1. 2024 Operating Budget
2. 2024 Capital Budget
3. Climate Action & Environment
4. Impact on Average Single-Family Home
5. Next Steps

1 2024 Operating Budget

Factors Affecting the Operating Budget

Ongoing Challenges

- Undiversified tax base: 97% residential, 3% business, no industrial
- Limited revenue sources
- Challenging geography
- Response and adaptation to climate change; protecting natural resources
- Public expectations for service levels

2024 Challenges

- Inflationary pressure on both labour and non-labour costs
- Downloading of costs from other agencies
- Funding Council's strategic plan

Operating Budget Options

Minimum Budget		Preferred Budget		Best Practice Budget	
Dollar Increase	Tax Impact	Dollar Increase	Tax Impact	Dollar Increase	Tax Impact
\$3.22 M	3.65%	\$3.42 M	3.88%	\$4.21 M	4.78%

Operating Budget Increases

	Minimum Budget		Preferred Budget		Best Practice Budget	
	Dollar Increase	Tax Impact	Dollar Increase	Tax Impact	Dollar Increase	Tax Impact
Collective Agreement Increase	\$4.55 M	5.16%	\$4.55 M	5.16%	\$4.55 M	5.16%
Uncontrollable Costs & Inflation	\$1.76 M	2.00%	\$1.76 M	2.00%	\$1.76 M	2.00%
Achieving Expected Service Levels	\$0.25 M	0.29%	\$0.32 M	0.36%	\$0.66 M	0.74%
Enhancing Service Levels	\$0.16 M	0.18%	\$0.30 M	0.34%	\$0.75 M	0.85%
Revenue Adjustments	(\$3.51M)	(3.98)%	(\$3.51M)	(3.98)%	(\$3.51M)	(3.98)%
Operating Levy Increase	\$3.22 M	3.65%	\$3.42 M	3.88%	\$4.21 M	4.78%

Achieving Expected Service Levels

	Minimum Budget		Preferred Budget		Best Practice Budget	
	Dollar Increase	Tax Impact	Dollar Increase	Tax Impact	Dollar Increase	Tax Impact
Achieving Expected Service Levels						
<i>Tree Management</i>	\$0.11 M	0.12%	\$0.11 M	0.12%	\$0.11 M	0.12%
<i>Provincial Standard for Electronic Disclosure</i>	\$0.09 M	0.11%	\$0.09 M	0.11%	\$0.09 M	0.11%
<i>Seniors' Outreach - Aging in Place</i>	\$0.05 M	0.06%	\$0.05 M	0.06%	\$0.05 M	0.06%
<i>Community Grants Program</i>	-	-	\$0.04 M	0.05%	\$0.04 M	0.05%
<i>Cleanup of Homeless Encampments</i>	-	-	\$0.02 M	0.02%	\$0.04 M	0.05%
<i>Trail Improvements</i>	-	-	-	-	\$0.11 M	0.13%
<i>Drought Relief for Municipal Trees and Shrubs</i>	-	-	-	-	\$0.05 M	0.06%
<i>Kay Meek & Arts Council Service Agreements</i>	-	-	-	-	\$0.10 M	0.11%
<i>Harmony Arts Festival</i>	-	-	-	-	\$0.05 M	0.06%
<i>Recruitment & Retention - Corporate Training</i>	-	-	-	-	\$0.01 M	0.02%
Total	\$0.25 M	0.29%	\$0.32 M	0.36%	\$0.66 M	0.74%

Enhancing Service Levels

	Minimum Budget		Preferred Budget		Best Practice Budget	
	Dollar Increase	Tax Impact	Dollar Increase	Tax Impact	Dollar Increase	Tax Impact
Enhancing Service Levels						
<i>Police Recruitment & Retention Initiative</i>	\$0.14 M	0.16%	\$0.14 M	0.16%	\$0.14 M	0.16%
<i>Inclusion & Assessability - Language Advertising</i>	\$0.02 M	0.02%	\$0.03 M	0.03%	\$0.05 M	0.05%
<i>National Indigenous Peoples Day</i>	-	-	\$0.01 M	0.01%	\$0.01 M	0.01%
<i>Fire & Rescue Emergency Response</i>	-	-	\$0.13 M	0.14%	\$0.25 M	0.28%
<i>Fire Prevention Inspections</i>	-	-	-	-	\$0.08 M	0.09%
<i>Digital Advancement & Technical Support</i>	-	-	-	-	\$0.22 M	0.25%
Total	\$0.16 M	0.18%	\$0.30 M	0.34%	\$0.75 M	0.85%

2 2024 Capital Budget

2024 Outlook

Ongoing Challenges

- Minimal reserves for major projects
- Challenging geography
- Response and adaptation to **climate change**; protecting natural resources

2024 Challenges

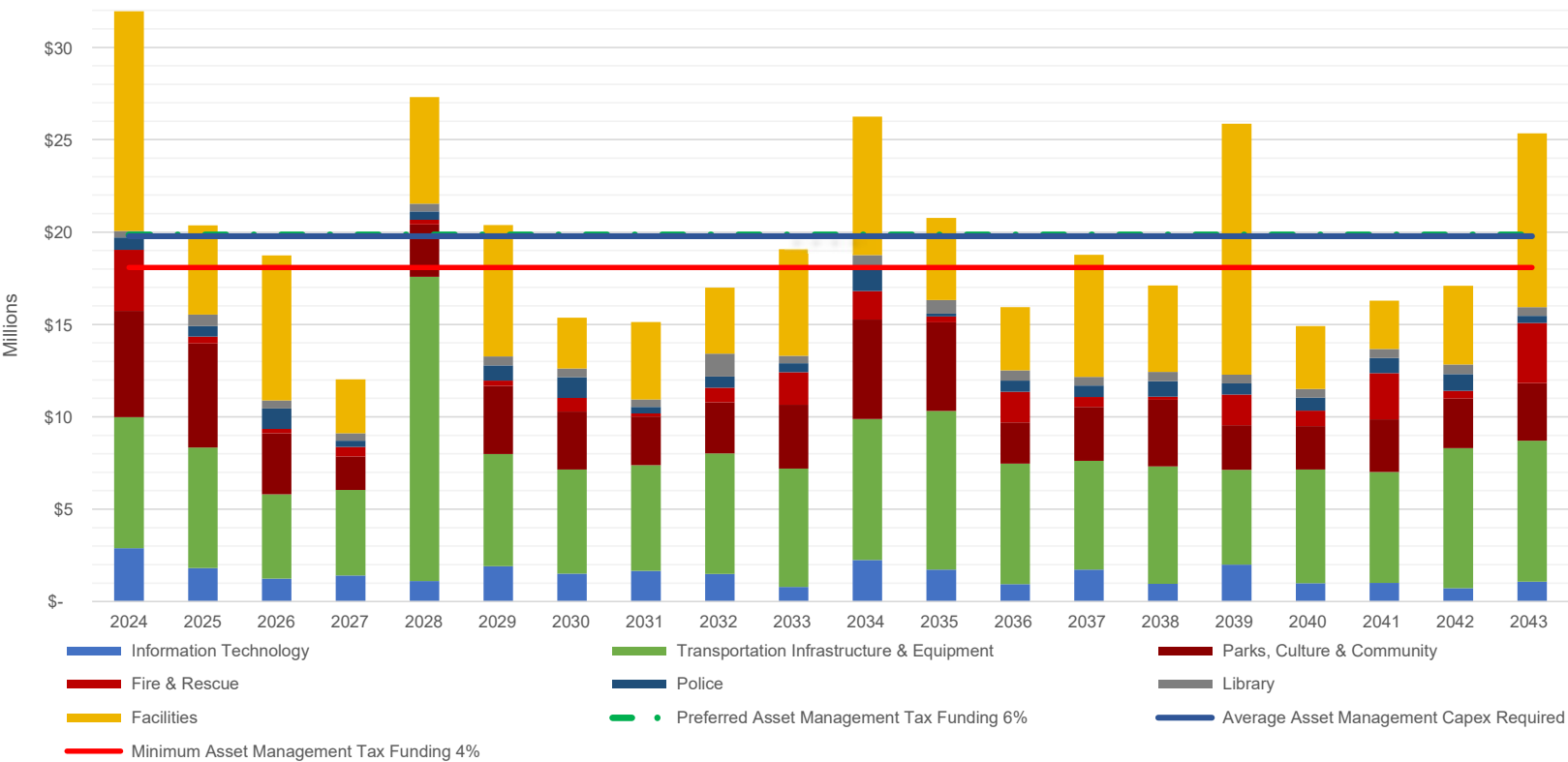
- **Inflation pressure** on both labour and non-labour costs
- 2024 deferred asset maintenance gap: **\$12.5M**
- Funding Council's **strategic plan**

Asset Levy Options

Minimum Budget		Preferred Budget		Best Practice Budget	
Dollar Increase	Tax Impact	Dollar Increase	Tax Impact	Dollar Increase	Tax Impact
\$3.5M	4.00%	\$5.3M	6.00%	\$5.3M	6.00%

20-Year Asset Management Plan

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 \$19.8 million.



Asset Levy

- Propose minimum 4.00% Asset Levy increase; preferred & enhanced at 6.00% increase

Annual Budget	Asset Levy Rate Increase (%)	Asset Levy Amount Increase (\$)	Asset Levy	Operating Budget Contribution	Amount Available for Capital Investment	Estimation of Required Optimal Investment	Shortfall / (Surplus)
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	\$16.3M	\$3.9M
2023	2.00%	\$1.7M	\$12.0M	\$2.6M	\$14.6M	\$17.7M	\$3.1M
2024 Minimum	4.00%	\$3.5M	\$15.5M	\$2.6M	\$18.1M	\$19.8M	\$1.7M
2024 Preferred	6.00%	\$5.3M	\$17.3M	\$2.6M	\$19.8M	\$19.8M	\$(0.1M)

2024 Capital Budget – Preferred 6.00% increase in Asset Levy

- Based on asset management plans

2024 Capital Requests			
Maintaining & Replacing Existing Assets	Asset Preservation	\$9.4M	41%
	Health & Safety	\$0.1M	0%
	Innovation	\$0.2M	1%
	Regular Asset Maintenance	\$10.6M	48%
	Strategic Investment	\$1.4M	6%
	Subtotal	\$21.7M	96%
Investment in New Assets	Health & Safety	\$0.1M	0%
	Innovation	\$0.1M	0%
	Strategic Investment	\$0.8M	4%
	Subtotal	\$1.0M	4%
Total		\$22.7M	100%

Please refer to Working Binder - Capital Budget Requests for project details.

2024 Capital Funding			
Asset Reserves	2024 Asset Levy	\$16.3M	72%
	2024 Operating Budget Contribution	\$2.5M	11%
	Subtotal	\$18.8M	83%
Other Reserves & External Funding	Environmental Reserve	\$1.3M	6%
	External Sources	\$0.8M	4%
	Development Cost Charges	\$0.3M	1%
	CAC - Community Serving	\$1.0M	4%
	UBCM Community Works Fund	\$0.4M	2%
	Artificial Turf Replacement Reserve	\$0.1M	0%
	Subtotal	\$3.9M	17%
Total Available for Capital Investment		\$22.7M	100%

3 Climate Action & Environment

Environmental Levy

Minimum Budget		Preferred Budget		Best Practice Budget	
Dollar Increase	Tax Impact	Dollar Increase	Tax Impact	Dollar Increase	Tax Impact
\$0.0M	0.00%	\$0.0M	0.00%	\$0.4M	0.50%

Environmental Levy

- No proposed increase until Climate Action Strategy and workplan developed in coordination with Environment Committee
- A 0.50% increase included in the best practice budget option
- 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
 - Community Wildfire Plan Implementation – Fuel Treatment
 - Community outreach programs

4 Impact on Average Single-Family Home

Impact on Average Single-Family Home

Levy	Minimum Budget		Preferred Budget		Best Practice Budget	
Operating Levy	3.65%	\$213	3.88%	\$227	4.78%	\$280
Asset Levy	4.00%	\$234	6.00%	\$351	6.00%	\$351
Environmental Levy	0.00%		0.00%		0.50%	\$29
Total Tax Levy *	7.65%	\$447	9.88%	\$578	11.28%	\$660
Total Utility Fees **		\$193		\$193		\$193
Total Dollar Increase		\$640		\$771		\$853
Monthly Amount		\$53		\$64		\$71

* BC Assessment – 2024 Preview Roll: 2024 Average Single-Family Detached (SFD): \$3.74M

** Median Single Family Household Utilities Consumption

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

5 Next Steps

Public Consultation

Budget Information Sessions

January 16, 2024 | 1:00 – 2:30 p.m. | Cedar Room, West Vancouver Community Centre (in-person)

January 18, 2024 | 6:00 – 7:00 p.m. | Virtual session

Online

Forum for the public to share comments and feedback from January 3 to 19, 2024

2024 Budget Timeline

December 11, 2023 – Council meeting

2024-2028 Five-Year Financial Plan Context presentation

January 3 to 19, 2024

Online public questions and comments

January 16 and 18, 2024

Public consultation meetings

January 29 and February 12, 2024 – Finance and Audit Committee meeting and Council meeting

Proposed 2024 Operating & Capital Budgets report

February 26 and March 4, 2024 – Finance and Audit Committee meeting and Council meeting

Proposed 2024-2028 Five-Year Financial Plan Bylaw and Proposed 2024 Phase 1 Capital Funding report

Thank You!
Questions?