

# 2024 BUDGET HIGHLIGHTS

## GENERAL FUND BUDGET

Each year, Mayor and Council, the Municipal Manager and staff work together to develop an annual budget and a Five-Year Financial Plan. The budget is developed keeping in mind near-term risks while planning for long-term financial resilience and sustainability. Over the past few years, the District of West Vancouver (“District”) focused on resuming full operations post-pandemic while also attempting to increase capital investment that was substantially reduced in 2020 to keep the operating levy low. The reduced capital investment over the last few years contributed further to the deferred maintenance issue and it is further exacerbated by inflation. Significant capital investment is required to prevent further degradation of the assets.

# 2024 BUDGET HIGHLIGHTS

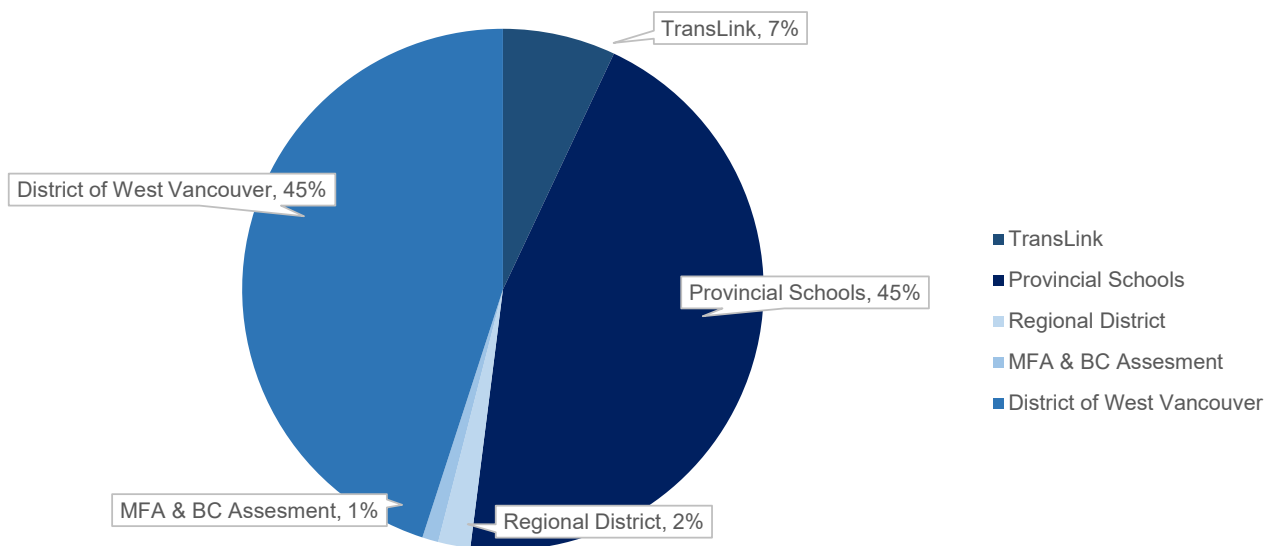
## PROPERTY TAX BILL

The General Fund budget is where the property tax level is determined.

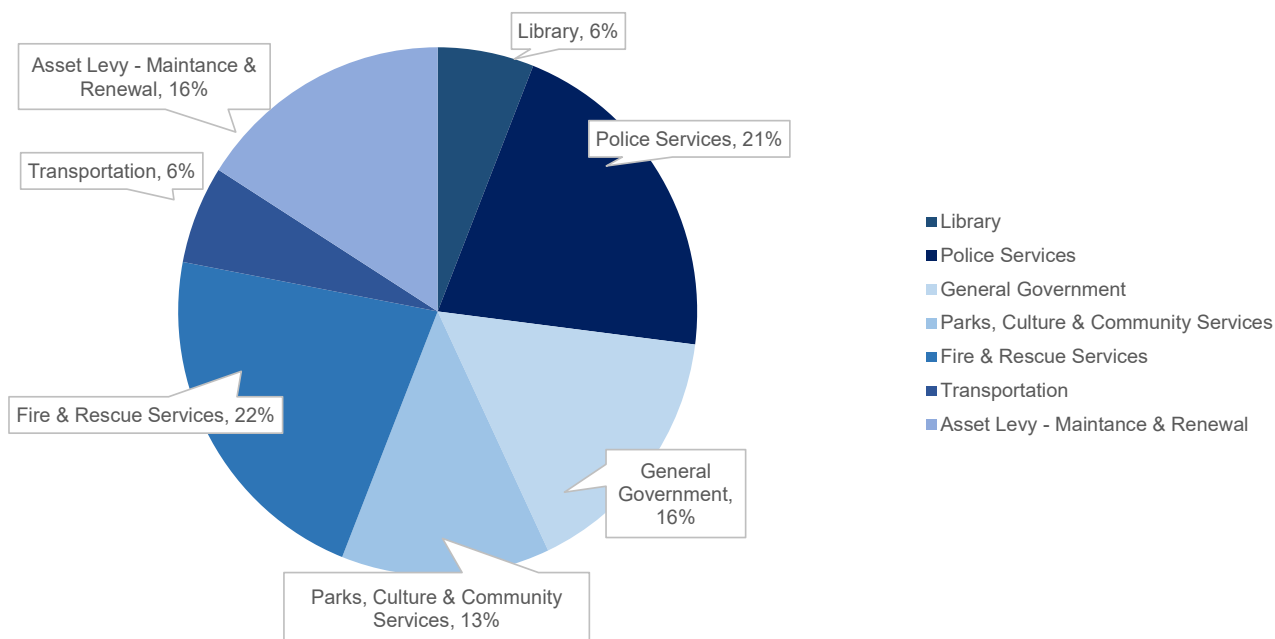
The property tax bill includes amounts collected on behalf of other taxing authorities. In 2023, your tax bill was allocated as illustrated in the two graphs:

“Property Tax Bill Allocation” and “Municipal Portion of Tax Bill”.

## PROPERTY TAX BILL ALLOCATION



## MUNICIPAL PORTION OF TAX BILL



# 2024 BUDGET HIGHLIGHTS

## 2024 BUDGET OPTIONS

Staff developed the following three budget options for discussion, and these contain varying service level choices.

	Minimum Budget		Preferred Budget		Best Practice Budget	
	Dollar Increase	Tax Increase	Dollar Increase	Tax Increase	Dollar Increase	Tax Increase
<b>Proposed Operating Levy Increase</b>	<b>\$3.22M</b>	<b>3.65%</b>	<b>\$3.42M</b>	<b>3.88%</b>	<b>\$4.21M</b>	<b>4.78%</b>
Proposed Asset Levy Increase	\$3.53M	4.00%	\$5.29M	6.00%	\$5.29M	6.00%
Proposed Environmental Levy Increase	\$0.00M	0.00%	\$0.00M	0.00%	\$0.44M	0.50%
<b>Total Tax Levy Increase</b>	<b>\$6.75M</b>	<b>7.65%</b>	<b>\$8.72M</b>	<b>9.88%</b>	<b>\$9.95M</b>	<b>11.28%</b>

## OPERATING LEVY

Besides taxes, investment income and building permits are the other major sources of revenue for the District. The District continually looks for opportunities for revenue generation and starting in early 2024, pay parking will be implemented in three destination parks. However, it remains to be seen how much revenue will be generated from that program.

West Vancouver faces certain obstacles unique to the area such as challenging geography, ongoing risks from climate change related weather events, and a high expectation of service levels from the community.

As we look to the 2024 budget year, the District also faces challenges from the inflationary pressure on both labour and non-labour costs, and the downloading of costs from other agencies like E-Comm 9-1-1.

The Minimum Budget, with a \$3.22 million increase from the 2023 budget or a tax increase of 3.65%, can be described as the “keeping the lights on” budget. It is essentially the baseline spend without any service improvements. The increase is to mainly fund uncontrollable cost pressures from contractual obligations, inflation, and downloaded costs.

The Preferred Budget, with a \$3.42 million increase or a tax increase of 3.88%, layers on additional support for community groups while also addressing safety, cleanliness, and accessibility concerns.

The Best Practice Budget, with a \$4.21 million increase or a tax increase of 4.78%, includes requests from various community groups to support the arts and incorporates staff’s recommendations to deliver services to meet the community’s expectations for recreation and cultural activities as well as technology investment to deliver services in a more effective and efficient manner.

The Minimum and Preferred Budget options are below the inflation rate of 4.7% (as reported in October) for Vancouver, while the Best Practice budget is just slightly over the inflation.

For more details, please refer to the [2024-2028 Budget Context Presentation](#).

# 2024 BUDGET HIGHLIGHTS

## ASSET LEVY

Over the next 20 years, a significant portion of District assets will require capital investment to maintain performance or undergo replacement. To avert assets failures, the District aims to invest an estimated \$396 million over this period, averaging \$19.8 million annually.

The Asset Levy, initiated in 2016, has increased each year since it was established. In 2019, a combined \$14.5 million from the operating budget contribution and the Asset Levy was available for optimal capital investment. However, due to the COVID-19 pandemic, there was no increase to the Asset Levy in 2020. The District prioritized keeping the operating levy low so that the operating budget contribution to capital was redirected towards balancing the operating budget. Since then, both the asset levy and operating budget contributions have risen annually to narrow the capital funding gap.

For the 2024 Capital Budget, the focus of the District is on replenishing the asset reserves to maintain all current assets at their optimal levels.

Staff present two increases regarding the Asset Levy for Council’s consideration.

The Minimum Budget proposes a 4.00% increase in the Asset Levy which will generate an additional \$3.5 million in capital funding. However, this option would still result in a \$1.7 million shortfall between available funding and the estimate for the average annual required optimal investment.

Alternatively, the Preferred and Best Practice Budget options propose a 6.00% increase in the Asset Levy, generating an additional \$5.3 million in capital funding. This would meet the average annual required optimal investment amount.

	Asset Levy % increase	Asset Levy Amount increase	Asset Levy	Operating Budget contribution	Amount available for capital investment	Estimate of required optimal investment	Shortfall / (Surplus)
<b>2015</b>	0.00%	\$0.0M	\$0.0M	\$7.4M	\$7.4M	\$13.9M	\$6.5M
<b>2016</b>	5.25%	\$3.1M	\$3.1M	\$7.4M	\$10.4M	\$13.9M	\$3.5M
<b>2017</b>	2.45%	\$1.6M	\$4.6M	\$7.4M	\$12.0M	\$14.1M	\$2.1M
<b>2018</b>	1.56%	\$1.1M	\$5.7M	\$7.4M	\$13.0M	\$14.5M	\$1.5M
<b>2019</b>	1.76%	\$1.5M	\$7.1M	\$7.4M	\$14.5M	\$14.5M	\$0.0M
<b>2020</b>	0.00%	\$0.0M	\$7.1M	\$0.7M	\$7.8M	\$14.5M	\$6.7M
<b>2021</b>	2.50%	\$2.4M	\$9.5M	\$1.2M	\$10.7M	\$16.9M	\$6.2M
<b>2022</b>	1.00%	\$0.8M	\$10.3M	\$2.1M	\$12.4M	\$16.3M	\$3.9M
<b>2023</b>	2.00%	\$1.7M	\$12.0M	\$2.6M	\$14.6M	\$17.7M	\$3.1M
<b>2024 Minimum</b>	4.00%	\$3.5M	\$15.5M	\$2.6M	\$18.1M	\$19.8M	\$1.7M
<b>2024 Preferred / Best Practice</b>	6.00%	\$5.3M	\$17.7M	\$2.6M	\$19.8M	\$19.8M	\$(0.1M)

# 2024 BUDGET HIGHLIGHTS

The 2024 preliminary capital budget, based on asset management plans, stands at \$22.7 million. The majority of spending will go toward preserving, maintaining, or replacing the District's existing assets, with a smaller portion earmarked for investing in new assets.

The Preferred and Best Practice budget options, which include the proposed 6.00% Asset Levy increase, will fund the majority of the 2024 capital program. Any additional funds from the Asset Levy that is not required for the 2024 capital program will remain in the asset reserves for future capital investments.

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%
	<b>Subtotal</b>	<b>\$21.7M</b>	<b>96%</b>
Investment in New Assets	Health & Safety	\$0.1M	0%
	Innovation	\$0.1M	0%
	Strategic Investment	\$0.8M	4%
	<b>Subtotal</b>	<b>\$1.0M</b>	<b>4%</b>
<b>Total</b>	<b>\$22.7M</b>	<b>100%</b>	

2024 Capital Funding			
Asset Reserves	2024 Asset Levy	\$16.3M	72%
	2024 Operating Budget Contribution	\$2.5M	11%
	<b>Subtotal</b>	<b>\$18.8M</b>	<b>83%</b>
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%
<b>Subtotal</b>	<b>\$3.9M</b>	<b>17%</b>	
<b>Total</b>	<b>\$22.7M</b>	<b>100%</b>	

# 2024 BUDGET HIGHLIGHTS

## ENVIRONMENTAL LEVY

There is no proposed increase to the Environmental Levy in the Minimum Budget and Preferred Budget options in order to wait until the development of a climate action strategy and workplan. However, in the Best Practice Budget option, an increase is proposed to build up funds knowing that programs tackling climate change are costly.

In the 2024 capital program, there are approximately \$1.3M in projects proposed to be funded from the Environmental Reserve. This includes paying for the one-time incremental costs to replace gas powered vehicles to full electric vehicles and for implementation of the community wildfire plan which is for fuel treatment works.

## WHAT DOES THIS MEAN TO YOU?

For an average single-family detached home assessed at \$3.74M and with a median single-family household utilities consumption, the three proposed tax rate increase options would result in the following financial impacts:

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
<b>Total Tax Levy</b>	<b>7.65%</b>	<b>\$447</b>	<b>9.88%</b>	<b>\$578</b>	<b>11.28%</b>	<b>\$660</b>
<b>Total Utility Fees</b>		<b>\$193</b>		<b>\$193</b>		<b>\$193</b>
<b>Total Dollar Increase</b>		<b>\$640</b>		<b>\$771</b>		<b>\$853</b>
<b>Monthly Amount</b>		<b>\$53</b>		<b>\$64</b>		<b>\$71</b>

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## WE WOULD LIKE TO HEAR FROM YOU!

Your comments are important to us.

You may provide feedback online at [westvancouverITE.ca/budget](https://westvancouverITE.ca/budget) from Wednesday, January 3, 2024 to Friday January 19, 2024 at 4 p.m.

All input received will be submitted to Council as part of the 2024 Budget review.

## ATTEND AN INFORMATION MEETING TO LEARN HOW THE 2024 BUDGET WILL SUPPORT COUNCIL'S STRATEGIC GOALS:

Join us at budget information meetings:

**1. Tuesday, January 16, 2024, 1-2:30 p.m.**

*West Vancouver Community Centre, Cedar Room, 2121 Marine Drive*

**2. Thursday, January 18, 2024, 6-7 p.m.**

*Virtual via Zoom*

For more information regarding the 2024 budget, please visit [westvancouverITE.ca/budget](https://westvancouverITE.ca/budget).