



District of West Vancouver

# **Five-Year Financial Plan Bylaw No. 5075, 2020**

Effective Date: April 27, 2020

# Five-Year Financial Plan Bylaw No. 5075, 2020

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District of West Vancouver

# Five-Year Financial Plan Bylaw No. 5075, 2020

A bylaw to approve the Five-Year Financial Plan for the years 2020-2024.

WHEREAS the Council of The Corporation of the District of West Vancouver deems it expedient to provide for a Five-Year Financial Plan for the period 2020-2024 inclusive;

NOW THEREFORE, the Council of The Corporation of the District of West Vancouver enacts as follows:

## Part 1 Citation

1.1 This bylaw may be cited as Five-Year Financial Plan Bylaw No. 5075, 2020.

## Part 2 Severability

2.1 If a portion of this bylaw is held invalid by a Court of competent jurisdiction, then the invalid portion must be severed and the remainder of this bylaw is deemed to have been adopted without the severed section, subsection, paragraph, subparagraph, clause or phrase.

## Part 3 Previous Bylaw Repeal

3.1 Five-Year Financial Plan Bylaw No. 5016, 2019 (adopted on April 15, 2019) and the following amendment bylaw is hereby repealed:

<b>Amendment Bylaw</b>	<b>Effective Date</b>
Bylaw No. 5035, 2019	October 28, 2019

## **Part 4 Five-Year Financial Plan Bylaw**

### 4.1 Property Tax Distribution

A 2.00% increase will be applied equally to all property classes.

### 4.2 Five-Year Financial Plan

The Council hereby adopts the Five-Year Financial Plan for the years 2020-2024 inclusive, for each year of the plan, as set out in Schedules A and B, attached to this bylaw and forming a part thereof, as follows:

Schedule A – Consolidated Five-Year Financial Plan for Years 2020-2024

Schedule B – Revenue/Tax Distribution: Objectives and Policies

## **Schedules**

Schedule A – Consolidated Five-Year Financial Plan for Years 2020-2024

Schedule B – Revenue/Tax Distribution: Objectives and Policies

READ A FIRST TIME on April 20, 2020

READ A SECOND TIME on April 20, 2020

READ A THIRD TIME on April 20, 2020

ADOPTED by the Council on April 27, 2020

*[Original signed by Mayor]*

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Mayor

*[Original signed by Corporate Officer]*

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Corporate Officer

## Schedule A – Consolidated Five-Year Financial Plan for Years 2020-2024

	5 Year Financial Plan \$000's				
	2020	2021	2022	2023	2024
<b>REVENUE</b>					
General Taxation	76,818	80,778	83,104	85,480	87,935
Parcel Taxes	7	6	6	3	0
Fees and Charges	53,252	62,823	65,914	69,142	72,523
Licences and Permits	5,841	7,775	7,892	8,010	8,130
Other Revenue	10,591	13,293	13,413	13,550	13,670
Government Grants	1,246	1,052	1,061	1,061	1,070
External Contributions & Partnerships	819	385	390	395	401
Land Sales	2,860	5,000	1,000	1,000	1,000
Transit Reimbursement	18,292	18,634	18,982	19,336	19,698
Business Improvement Area Levy	500	500	500	500	500
Levies Other Governments	97,650	103,000	108,000	113,000	119,000
	267,877	293,246	300,262	311,478	323,927
<b>Transfers from Reserves</b>					
Asset Reserves	8,738	17,132	14,819	14,819	13,229
Community Amenity Contributions	0	0	0	0	0
Land Reserve	106	0	0	0	0
Endowment Fund	9,674	1,324	1,324	1,324	1,324
Other Reserves	2,269	805	860	650	1,380
Development Cost Charges	1,640	1,011	925	750	138
Water Reserves	6,912	4,370	4,336	4,309	4,286
Sewer Reserves	11,971	6,192	6,274	6,355	6,437
Solid Waste Reserve	2,838	2,130	1,644	1,243	948
Cemetery Development Reserve	307	0	0	0	366
Golf Development Fund	0	0	0	0	0
Prior Year Committed Funds	27,120	0	0	0	0
Provisional Reserve Transfers	47,217	45,553	46,200	46,828	47,867
	118,792	78,518	76,381	76,278	75,974
	<b>\$386,669</b>	<b>\$371,764</b>	<b>\$376,643</b>	<b>\$387,756</b>	<b>\$399,900</b>

## EXPENDITURE

General Government	27,102	24,730	25,433	25,648	26,297
Public Safety	35,229	36,990	38,180	39,410	40,681
Engineering and Transportation	4,442	5,401	5,532	5,665	5,802
Planning and Development Services	6,221	6,615	6,796	6,982	7,173
Recreation and Library	20,652	26,756	27,471	28,205	28,960
General Fund Capital	93,315	62,756	60,833	61,169	61,026
Cemetery	2,560	2,345	2,536	2,745	2,921
Golf	247	1,036	1,050	1,063	1,077
Transit	18,292	18,634	18,982	19,336	19,698
Water	22,940	21,091	21,494	22,269	23,129
Sewer	32,137	28,290	30,356	32,167	34,305
Solid Waste	7,895	5,540	5,257	5,073	5,006
Business Improvement Area Levy	500	500	500	500	500
Levies Other Governments	97,650	103,000	108,000	113,000	119,000
	369,184	343,684	352,419	363,231	375,576
Debt Service					
Debt Principal	1,027	1,027	1,027	1,027	1,027
Debt Interest	1,274	1,274	1,274	1,274	1,274
	2,302	2,302	2,302	2,302	2,302
Transfers to Reserves					
Asset Reserves	7,828	14,869	14,869	14,869	14,869
Endowment Fund	407	438	447	455	465
Land Reserve	2,710	4,825	850	850	850
Water Reserves	763	936	1,410	1,573	1,680
Sewer Reserves	855	535	290	329	187
Cemetery Development Reserve	0	186	151	172	0
Other Transfers	2,621	3,989	3,906	3,975	3,972
	15,184	25,778	21,923	22,223	22,023
	<b>\$386,669</b>	<b>\$371,764</b>	<b>\$376,643</b>	<b>\$387,756</b>	<b>\$399,900</b>
SURPLUS / SHORTFALL	0	0	0	0	0

## **Schedule B – Revenue/Tax Distribution: Objectives and Policies**

The *Community Charter* requires, as part of the consideration and adoption of the five-year financial plan, the disclosure of municipal objectives and policies regarding each of the following:

- the proportion of total revenue proposed to come from property taxes, parcel taxes, fees, other sources and proceeds of debt;
- the distribution of property taxes among the property classes; and
- the use of permissive tax exemptions.

The District of West Vancouver's financial planning objectives and policies can be summarized as:

- user pay is a focus within the District and is maximized where appropriate;
- erosion of the assessment base through permissive exemptions is minimized wherever possible;
- although property taxation is by far the largest proportion of ongoing revenues, annual rate increases are a revenue of last resort in order to balance budgets; and
- in order to encourage small business, business property tax class multiples in West Vancouver shall remain among the lowest in Metro Vancouver.

### **Fund Structure**

West Vancouver's financial framework is organized around several high-level functional units, called 'funds'. Each fund is a stand-alone business entity that engages in specific service activities and has its own revenues, expenditures, reserves, and capital program. Each fund also has its own particular approach to budgeting and rate setting.

The General Fund encompasses all activities not assigned to a specific stand-alone fund. The General Fund has a diverse range of operating and capital activities which include: General Government; Public Safety; Engineering and Transportation; Planning and Development Services; and Recreation and Library. It is within this fund that property tax rates are determined as they are the most significant revenue source for the provision of services.

Utility funds comprise the Water Utility, the Sewer and Drainage Utility and the Solid Waste Funds. The Water Utility Fund supplies all residents with potable water on a metered user-pay basis. The Sewer and Drainage Utility Fund provides for the collection and treatment of liquid waste on a user-pay basis. The Solid Waste Fund administers the garbage and recycling contracts on a user-pay basis.

Other stand-alone funds include the Cemetery Fund, the Golf Fund and the Blue Bus Transit operation.

The Capilano View Cemetery also operates on a stand-alone basis, with a user rate structure sufficient to fund all expansions and improvements through the Cemetery Fund. The COVID-19 pandemic is not expected to materially affect the cemetery's costs.

Ambleside Par 3 and Gleneagles Golf Course are self-contained businesses that ordinarily generate a bottom line sufficient to fund golf course operations from the Golf Fund. The Blue Bus service is operated on a contract basis for TransLink, who set service levels, establish budgets and reimburse all costs. The effects of the COVID-19 pandemic on these operations is yet to be determined.

**Revenue Sources**

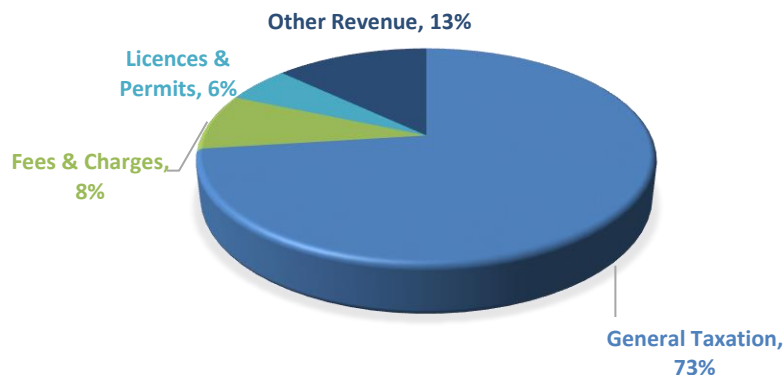
All revenue sources are reviewed annually for potential rate adjustments. In the current budget, expected revenues have been adjusted to reflect reductions due to current conditions. In the case of sewer, water and solid waste utilities, annual user rates previously established to cover operating, capital and debt service costs have not been further adjusted.

**Property Taxation**

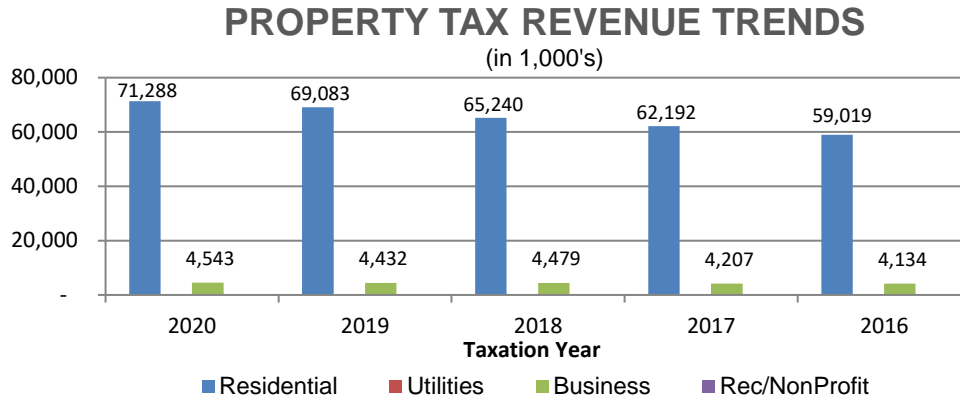
Property taxation is the District's most significant revenue source. Residential properties make up 96% of the assessed values and contribute 94% of the property taxes.

Business properties contribute approximately 6% of property taxes with other property types contributing less than 1%.

**2020 BUDGET GENERAL FUND REVENUE**







The increase in general taxation since 2015 has been primarily due to the implementation of an asset levy for maintenance of the District's capital assets. The current budget incorporates a 2.00% operational tax rate increase, but no increase to the asset levy.

### Permissive Tax Exemptions

The *Community Charter* makes provisions for exempting, at Council's discretion, certain categories of property from taxation. In West Vancouver, such exemptions have been tightly controlled in order to avoid shifting an additional tax burden onto residential taxpayers.

Current policy allows for exemptions only for:

- property owned by certain non-profit organizations; and
- land and other necessary ancillary structures surrounding buildings for public worship

Permissive tax exemptions for 2020 were approved by Council in October, 2019. The amount of taxation shifted due to permissive exemptions granted in 2020 is estimated at \$202,000.