



District of West Vancouver

Five-Year Financial Plan Bylaw No. 5111, 2021

Effective Date: March 8, 2021

District of West Vancouver

Five-Year Financial Plan Bylaw No. 5111, 2021

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District of West Vancouver

Five-Year Financial Plan Bylaw No. 5111, 2021

A bylaw to approve the Five-Year Financial Plan for the years 2021-2025.

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 2021-2025 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. 5111, 2021.

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Five-Year Financial Plan Bylaw No. 5075, 2020 (adopted on April 27, 2020) and the following amendment bylaw is hereby repealed:

Amendment Bylaw	Effective Date
Bylaw No. 5091, 2020	October 19, 2020

Part 4 Five-Year Financial Plan Bylaw

4.1 Property Tax Distribution

A 1.48% increase will be applied equally to all property classes. In support of the approved Asset Levy, an additional 2.50% increase will be applied equally to property classes 1 and 6, for a total of 3.98%.

4.2 Five-Year Financial Plan

The Council hereby adopts the Five-Year Financial Plan for the years 2021-2025 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 2021-2025

Schedule B – Revenue/Tax Distribution: Objectives and Policies

Schedules

Schedule A – Consolidated Five-Year Financial Plan for Years 2021-2025

Schedule B – Revenue/Tax Distribution: Objectives and Policies

READ A FIRST TIME on March 8, 2021

READ A SECOND TIME on March 8, 2021

READ A THIRD TIME on March 8, 2021

This bylaw was adopted on the same day that it was read a third time, pursuant to Ministerial Order No. M192 (issued by the Minister of Public Safety and Solicitor General on June 17, 2020).

ADOPTED by the Council on March 8, 2021.

[Original signed by Mayor]

Mayor

[Original signed by Corporate Officer]

Corporate Officer

Schedule A – Consolidated Five-Year Financial Plan for Years 2021-2025

	Five-Year Financial Plan (\$000's)				
	2021	2022	2023	2024	2025
REVENUE					
General Taxation	80,551	84,517	88,409	92,377	96,426
Parcel Taxes	7	5	3	0	0
Fees and Charges	55,391	58,122	61,515	64,896	69,307
Licences and Permits	7,301	7,301	7,301	7,301	7,301
Other Revenue	10,372	10,108	10,222	10,332	10,418
Government Grants	1,114	1,115	1,115	1,124	1,124
External Contributions & Partnerships	447	607	517	531	536
Land Sales	1,150	1,000	1,000	1,000	1,000
Transit Reimbursement	19,462	19,751	20,046	20,346	20,653
Business Improvement Area Levy	500	500	500	500	500
Levies Other Governments	78,750	83,000	87,000	91,000	96,000
	255,045	266,026	277,628	289,407	303,265
Transfers from Reserves					
Asset Reserves	15,856	12,697	11,553	11,465	13,548
Community Amenity Contributions	1,650	200	0	0	0
Land Reserve	40	0	0	0	0
Endowment Fund	1,324	1,324	1,324	1,324	1,324
Other Reserves	9,230	3,912	3,652	3,732	4,562
Development Cost Charges	901	950	900	850	350
Water Reserves	9,911	5,159	5,132	5,109	5,092
Sewer Reserves	13,411	5,946	6,055	6,165	6,274
Solid Waste Reserve	2,104	1,336	872	656	719
Prior Year Committed Funds	35,543	0	0	0	0
Provisional Reserve Transfers	63,728	64,736	68,645	74,250	78,457
	153,698	96,260	98,133	103,551	110,326
	408,743	362,286	375,761	392,958	413,591

EXPENDITURE

General Government	32,685	28,122	28,342	28,917	29,511
Public Safety	36,543	37,581	38,653	39,762	40,906
Engineering and Transportation	5,771	5,884	6,002	6,123	6,249
Planning and Development Services	6,936	7,124	7,318	7,518	7,725
Recreation and Library	20,516	21,060	21,621	22,200	22,799
General Fund Capital	19,183	14,454	12,970	12,846	15,184
General Fund Prior Year Approved Work in Progress	35,543	0	0	0	0
General Fund Provision for Reserve Expenditures	62,327	63,310	67,167	72,649	76,827
Cemetery	2,145	2,204	2,260	2,348	2,579
Golf	1,304	1,327	1,347	1,367	1,388
Transit	19,462	19,751	20,046	20,346	20,653
Water	26,053	22,063	22,970	23,951	25,002
Sewer	35,517	29,908	31,731	33,878	36,281
Solid Waste	5,659	5,249	5,176	5,389	5,924
Business Improvement Area Levy	500	500	500	500	500
Levies Other Governments	78,750	83,000	87,000	91,000	96,000
	<u>388,894</u>	<u>341,537</u>	<u>353,103</u>	<u>368,794</u>	<u>387,528</u>
Debt Service					
Debt Principal	1,027	1,027	1,027	1,027	727
Debt Interest	1,054	1,054	1,054	1,054	919
	<u>2,081</u>	<u>2,081</u>	<u>2,081</u>	<u>2,081</u>	<u>1,646</u>
Transfers to Reserves					
Asset Reserves	10,725	12,245	13,765	15,285	16,805
Endowment Fund	433	445	453	463	472
Land Reserve	1,000	1,000	1,000	1,000	1,000
Water Reserves	1,696	1,591	1,862	1,845	2,246
Sewer Reserves	834	605	663	551	1,047
Cemetery Development Reserve	12	24	52	122	29
Other Transfers	3,068	2,758	2,782	2,817	2,818
	<u>17,768</u>	<u>18,668</u>	<u>20,577</u>	<u>22,083</u>	<u>24,417</u>
	<u>408,743</u>	<u>362,286</u>	<u>375,761</u>	<u>392,958</u>	<u>413,591</u>
SURPLUS/SHORTFALL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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.

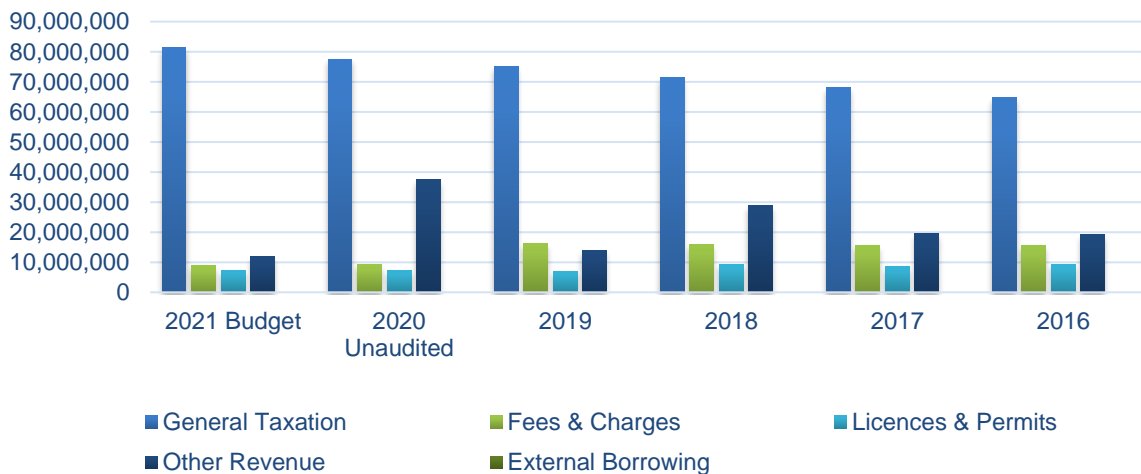
The Capilano View Cemetery also operates on a stand-alone basis, with a user rate structure sufficient to fund all expansions and improvements through the Cemetery Fund.

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, which sets service levels, establish budgets and reimburses all costs. The effects of the COVID-19 pandemic on these operations is yet to be determined.

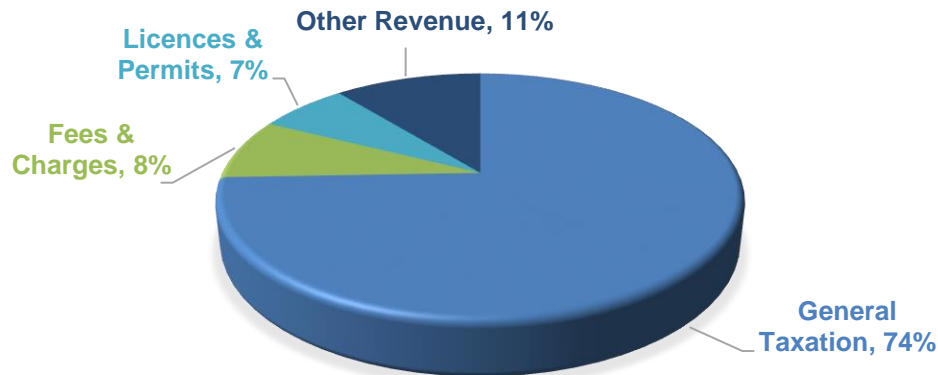
Revenue Sources

The following charts indicate the trend and relative distribution of each of the District's major ongoing general revenue sources for the General Fund (excluding transfers-in from operating reserves). Funding sources for the annual capital program are not presented here. The significance of property taxation to the District's operations as well as the relative stability of the proportions year over year is illustrated below.

GENERAL FUND: REVENUE



2021 BUDGET GENERAL FUND REVENUE



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 are established to cover all operating, capital and debt service costs.

Property Taxation

Property taxation is the District's most significant revenue source. Residential properties make up 97% of the assessed values and contribute 94% of the property taxes.

Business properties contribute approximately 6.00% of property taxes with other property types contributing less than 1.00%.

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 1.48% operational tax rate increase and 2.50% 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 2021 were approved by Council in July, 2020. The amount of taxation shifted due to permissive exemptions granted in 2021 is estimated at \$206,300.