



Notes from Budget Information Meeting

January 15, 2018, 6–8 p.m.

West Vancouver Memorial Library, Welsh Hall West

Total Attendees: 17 (8 residents, 9 Councillors/staff)

Q: How accurate is Citizen Budget in terms of allocating taxes to services after plugging in your assessment?

A: The allocations calculated by Citizen Budget should be accurate.

Q: The BC Assessment website states that the average change in assessment was 1.12% for West Vancouver, is that correct? Could I have the assessment data for West Vancouver?

A: Yes, we can provide assessment information/data for properties in West Vancouver. If you contact Financial Services, we can provide you with assessment data for your property as well as an estimate of your 2018 taxes.

Q: Are utilities included in the property taxes collected by the District?

A: No. Utilities are funded by rates set by Council and based on the amount of service consumed. Taxes are not based on services consumed; instead, they are based on property values.

Q: Can you explain the decline of the mill rate in West Vancouver?

A: Taxes are a set amount of money. The amount of overall taxes do not change from year to year unless Council approves a change. They are calculated by multiplying the mill rate by the property assessment. Therefore, as property value assessments go up, mill rates go down. Because property values have continued to increase, for many years, the mill rate has been adjusted downwards. Each year, the first thing Finance does is adjust the mill rate downwards to what it would be to collect the same amount of taxes as the previous year. Then, if Council adjusts the tax amount to be collected, then the mill rate is adjusted to reflect that.

Q: Where can I find the assessment net change map on the website?

A: The map can be found at this [link](#) under 2018 Budget & Taxes.

Q: How many people formally appeal their property assessments?

A: BC Assessment has supplied the following figures:

Year	Assessment Appeals
2013	471
2014	157
2015	148
2016	218
2017	391

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Q: Do the assets in the asset management program include land?

A: No, these assets are purely infrastructure assets. Land is not an asset that needs to be maintained through asset management.

Q: Has there been any divestment of assets?

A: Not yet. We have identified a group of “Low Use” assets, which staff are looking at. Some of these assets may indeed be divested, but there is a constituency of interest around each asset, which makes it difficult to make the decision to divest.

Q: Does the annual asset investment gap mean that we are not maintaining our assets? Or are we taking the asset maintenance funds from the capital budget?

A: Before the asset levy was brought in, asset maintenance was being paid for out of the overall budget. Because operating needs are current, this meant that capital needs were often postponed. Over time, it can mean that assets become more and more obsolete, and the gap between what should be invested in asset maintenance, and what is actually invested, grows. This happened in the District, and in most other jurisdictions as well. The asset levy system separates the operating and capital budgets so that paying for operations no longer affects the resources available for asset maintenance.

Q: What depreciation method do you use?

A: We depreciate District assets over their useful life, using the straight line method. Depreciation is an expense that we show on the income statement for each asset. The 20 year life-cycle asset maintenance graph is about infrastructure maintenance, which is actually a different concept from depreciation expense. It’s entirely possible to record depreciation without investing anything in asset maintenance.

Q: When does the Lighthouse Park lease expire?

A: The current lease runs through 2026, but is expected to be renewed before it expires.

Q: What is the purpose of the water line on the Nelson Creek Bridge?

A: The water main on the Nelson Canyon Bridge provides water to the areas of the District above the highway and west of Westport Road.

Q: Has the new Framework for Evaluating Community Proposals been used?

A: It has not been used yet, but the Evergreen Squash Club of West Vancouver has a proposal before Council. If Council accepts their proposal, it will be the first through the framework evaluation.

Q: If the Lighthouse Park toilet facilities capital project is moved forward, will it include cleaning costs?

A: Yes, those costs will be included in future years’ operating budgets. They have been identified.

Q: *Can you recall what staff recommended for the asset levy last year?*

A: In 2017, staff recommended, and Council supported, a 2.45% tax rate increase specifically for the asset levy, to add an additional \$1.6M to the asset levy funds. This was based on the assumption that the asset funding gap could be eliminated over 2 years.

Q: *Do you have any idea what the other taxing authorities will do?*

A: We are not privy to what they are going to do. We get their requisitions, and then allocate to them to the tax bills, and remit the funds to them, so we are just collecting agents for these other taxing authorities.

Q: *When do the requisitions from the other taxing authorities come in?*

A: In April, shortly before the tax bills are sent.

Q: *Do our property taxes go toward maintaining school district assets?*

A: No, the school district maintains its own assets. The only exception would be if the District of West Vancouver has a specific Joint Use Agreement with the School District for field use, for instance, and the Agreement includes some funding of maintenance.

Q: *Is regular asset maintenance funded from the asset levy?*

A: There are some things that relate to daily operating maintenance and others that relate to asset maintenance. Daily maintenance is an operating expense, but anything beyond daily maintenance is funded through the asset levy.

Q: *Would the asset levy be used to replace a vehicle or equipment?*

A: Replacement of major pieces of equipment is funded through the asset levy. A vehicle would be considered a major piece of equipment.

Q: *Can you expand on the new construction figure as a factor affecting the 2018 Budget?*

A: When a building is torn down, the building that is subsequently constructed is generally more valuable. Because these new buildings appear on the tax roll, they are extra additions to the taxes collected. That is why they show up as an item which lowers the overall tax increase.

Q: *Why is there no slider in the General Government section of the budget simulator?*

A: General Government includes many support services, for that reason, we didn't have the ability to provide sliders for all of those numbers. Support services, such as facility maintenance, human resources, and finance, are support functions that the public don't necessarily see in action. This makes it hard for the public to judge whether they are needed or not, or what the effect of cutting them would be. We included the numbers for General Government on the survey to make it complete, but, on reflection, since they weren't able to be adjusted, it was probably confusing to include them.

Q: Squamish Nation pays about \$3M per year to the District, what are they paying for?

A: The District have an agreement with the Squamish Nation which covers an entire suite of municipal services, including Fire protection, Police services, permits, inspections, and road and traffic system maintenance.

Q: Is \$1.4M required to balance the budget?

A: Yes, the 2018 Budget must balance. If the proposed tax rate increase is not approved, then we will need to find more revenue or reduce costs.

Q: What is a critical operating item?

A: Items such as hazardous trees, winter maintenance, etc.

Q: What happened to the revenue generated by the sale of the old police building?

A: The revenue went into the Endowment Reserve Fund. All land sales proceeds are required to be placed in a reserve fund. The Community Charter (provincial legislation under which municipalities operate) doesn't allow the municipality to use land sales to fund operations.

Q: How is the Endowment Fund allocated?

A: Council directs the expenditures from the Fund. Currently, it's being used to pay back the money borrowed to fund the new Police building.

Q: What is on the note in the financial statements regarding the CN issue?

A: There is a contingency note on the 2016 financial statements. It states that the outcome of the CN issue is not able to be determined at this time. At this point, it's still difficult to say what the outcome will be, so there will likely be a very similar note on the 2017 financial statements.

Q: Are you allowing for some contingency for this issue in the budget?

A: We are putting some funding in for legal expenses. There is no provision in the budget for making a payment to CN, as there is no amount we can quantify.

Q: Is the labour increase number correlated with inflation?

A: The labour increase is a result of the contracts that are negotiated with the staff unions. One of the factors that is taken into consideration in negotiations is inflation, in terms of cost of living.

Q: Are there any plans to increase the police force?

A: The police report to the Police Board, the Board then reports to Council. This year, there are no increases requested by the Board to the members of the force. There is a request for a civilian position related to victim support.

Q: Are there plans to increase the work force in other departments?

A: There is one staffing request from Fire & Rescue Services.

Q: Does the police budget include maintenance numbers?

A: The new police building is combined with Municipal Hall, and it is therefore maintained as a single building by the municipality. Cost of the maintenance is part of the Facilities budget. Maintenance costs for the new building are expected to be lower, but the District was not making repairs in the old building except for staff safety reasons, so costs may even out. The new building is a post-disaster building and there are more complicated systems involved which could require additional maintenance, but the District put in some extra investment up front, which should help to manage maintenance costs over time.

Q: Is the tax rate increase going up because property values are increasing?

A: When property assessments go up, the mill rate is lowered in order to collect the same amount of taxes. The proposed tax rate increase is the result of an increase in the cost of providing services.

Q: Do you look for efficiencies in the budget?

A: We do look continually for efficiencies. Each major department has a business manager, and one of their jobs is to monitor costs against budgets and look for efficiencies. The service level at the District and the expectation of the service level is quite high. Given the level of service provided, we are operating very efficiently.

Q: How many FTE were added this year?

A: You can find a staffing summary on page 19 of the [Proposed 2018-2022 Five-Year Financial Plan](#). Page 20 shows all staffing changes and the reasons for them.

Q: Could the District find savings in the budget by requesting less staff reporting to Council?

A: Staff must write reports in order to assist Council with decision making. Many of the issues are complex. It is unlikely that fewer reports would result in savings, and it might actually cost more because decisions would not be as well-informed.

Q: Has there been any discussion about improving traffic flow or is there any allocation in the budget for transportation?

A: Transportation is one of Council's eight major priorities. There was discussion at the January 8, 2018 Council meeting regarding an Integrated North Shore Transportation Planning Project, involving all three North Shore municipalities and the Province, and this project is moving forward. Hopefully, some long-term solutions to the North Shore's traffic issues will be found.

In terms of day-to-day traffic flow, a large portion of the Engineering budget goes toward transportation and managing the District's system of roads, traffic signals, and other traffic-related infrastructure such as signage.

Q: How much of the 257 bus line is funded by TransLink?

A: All of the bus service in West Vancouver is funded by TransLink.

Q: Is it possible to defer utilities?

A: Tax deferment is a Provincial program. District finance staff have asked the Province whether utility charges can be deferred, but they say “No”. Their position is that Water, Sewer, and Refuse charges are a fee for service based on amount consumed, and are therefore not eligible for deferment.

Q: What is the new housing permits projection for the District?

A: New housing permits appear to be falling off a little. 2016 was the peak, and 2017 was a little lower. There is a lag between the granting of the permit, the building of the house, and the house appearing on the tax roll. What we are seeing on the tax roll now was probably built in 2015.