



Notes from Budget Information Meeting

January 29, 2019, 6–8 p.m.

West Vancouver Memorial Library, Welsh Hall West

Total Attendees: 18 (13 residents, 5 staff)

Q: Our property assessment dropped by 1/3, what will that decrease do to my taxes?

A: If your property assessment decreased more than the average, then the taxes will shift to other properties. The average drop in assessment in 2019 in West Vancouver was 9.4%. If a property went down by 1/3, then taxes will shift off of this property. BC Assessment (BCA) has produced an excellent short video further explaining this concept, which can be viewed at:
<https://info.bcassessment.ca/Services-products/Understanding-the-assessment-process>.

Q: What do the light green areas in the [2019 Assessment Change Heat Map](#) signify?

A: The light green areas in the heat map signify decreases of 11%-30% in net assessment change. The electronic version of the heat map is available at:
<https://mapping.westvancouver.ca/portal/apps/webappviewer/index.html?id=2ab01d6257764e90a815f161a7880ac2>

Q: Why are entire neighbourhoods mostly the same colour in the [2019 Assessment Change Heat Map](#)?

A: BC Assessment takes many factors into consideration when making their assessments, but the most important of these is probably sales transactions in the real estate market. Similar to the way real estate agents establish selling prices, BC Assessment looks at neighbourhoods where transactions are taking place, and uses these to establish values for all houses in the neighbourhood.

Q: Can you explain the huge spike in 2020 in the 20 Year Lifecycle Replacement & Maintenance graph?

A: There are a number of facilities that haven't had a lot of investment in terms of maintenance, and we're starting to experience some asset failure. Some of the facilities requiring investment include the Ice Arena, Seniors' Activity Centre, West Vancouver Memorial Library, Fire Halls #1, and 4, and the older section of Municipal Hall.

Q: How does the District plan to pay for asset maintenance in the spike years in the 20 Year Lifecycle Replacement & Maintenance graph?

A: Funding sources could include the new taxes available from new construction, or funds from land sales or leases, or borrowed funds. Also, it is very likely that some of the required investments that have been identified will need to be postponed.

Q: Considering Municipal Hall is approximately 50 years old, why would you spend money on a seismic upgrade?

A: If the investment is made on a seismic upgrade, the building envelope can sustain prolonged life. The structure has been evaluated professionally, and it has been recommended to proceed with investment in the current building as being more cost-effective than building new.

Q: Isn't the proposed property tax rate increase and asset levy increase counter-productive to Council's objective of making the District more affordable for the work force?

A: The proposed asset levy increase is based on assets that exist right now and the maintenance that is required on those assets in order to continue to provide current service levels. If the asset levy increase is delayed, there is further deterioration of the assets and the problem is exacerbated. Council is considering options for using the land at 22nd Street and Gordon Avenue to create housing for the work force.

Q: Was the \$13,000,000 available for capital investment in 2018 spent on maintaining the assets?

A: Yes, it was.

Q: How much will the new Employer Health Tax (EHT) cost the District?

A: Approximately \$1.2 million.

Q: Has there been any consideration to reducing the number of employees at the District? We are told that the population in West Vancouver is declining, shouldn't staff be decreasing as well?

A: The number of employees can be reduced, but all of the employees at the District are engaged in providing services. If the community is willing to accept a reduced level of service, then employees can be reduced.

Q. Why are there so many employees sitting behind the new counter area in Municipal Hall?

A. This is the new Municipal Services Centre, which combines staff from land development, permits, bylaw, and tax and utilities, that used to be spread all over the building. The purpose of the Service Centre is to provide better service to the public, so they no longer have to go to several different counters in the building to get information or make payments. Also, these staff are not just taking payments, but are processing permits and doing other work when not providing service at the counter.

Q: How do you start the budget?

A: We never use inflationary increases applied across the board, instead, we use a zero based methodology, which involves predicting costs for each expenditure. For salaries and wages, we use a labour model which lists each funded position; we then look at energy costs, construction materials forecasts, etc. The municipality is in about 50 lines of business and we try to look at the cost drivers for each one of them.

Q: Have you adjusted for construction revenue declines?

A: Our budget starts with our best predictions for non-tax revenue. Construction-related revenues are one of the areas we give a lot of time to, taking a detailed look at development forecasts and expected construction activity. We sit down with the director of planning and development services to prepare a forecast of expected activity. So far, in 2019, we are predicting less activity in single detached dwellings, but more in multi-unit buildings.

Q: Are labour costs increasing in Police Services and Fire & Rescue Services?

A: Yes, they are increasing. In the 2019 budget, we are forecasting increases in both Police and Fire contracted salaries.

Q: What was the number last year for new construction?

A: Approximately \$700,000.

Q: Are First Nations paying the same tax as West Vancouver businesses?

A: The District has a servicing agreement with the Squamish Nation in which they agree to pay for certain municipal services, but not for others. Properties leased from the Squamish Nation, such as those at Park Royal, pay tax to the District of West Vancouver at 75% of the assessed value on the tax roll.

Q: Is the land in Cypress Village assessed by BC Assessment?

A: Once the land is subdivided, it will be assessed by BC Assessment. Right now, if it does not have a folio number, it does not appear on the West Vancouver tax roll. It may be considered unorganized land, and appear on a different tax roll managed directly by the Province. Its unlikely that the raw land is tax free, but certainly, considerably more value is added when the land is zoned, and again when construction takes place on the land.

Q: How does the \$700,000 in new construction compare to the other North Shore municipalities?

A: The value of new construction in the other municipalities is not the same as West Vancouver. There is a lot of development in the City of North Vancouver, however, the District of North Vancouver has seemed to slow the growth of development recently.

Q: Is the mill rate the same for the North Shore municipalities?

A: Not for municipal taxes. Each municipality establishes its own mill rates. There are regional mill rates for TransLink, and the province establishes a different rate for basic school taxes for each school district.

Q: What is the \$250,000 investment in non-district assets?

A: This is an amount for the proposed Place for Sport, which is a combined running track and artificial turf field project proposed to be built on West Vancouver School District lands. The \$250,000 contribution from the municipality is contingent on the School District being able to provide the balance of the required funds.

Q: Do you know what the full cost is for the Place for Sport?

A: The project budget is \$4.8 million. A fundraising campaign for the project is going to be launched in the very near future.

Q: Can you explain land, amenity and external funds?

A: Funds for asset maintenance can come from external funds and grants, which are outside of the asset levy. Council could also use funds from the Land Fund (i.e. land sales proceeds) for asset maintenance.

Q: Can the Additional School Tax (AST) be deferred?

A: Yes, it can.

Q: Can you provide an example of Additional School Tax exemptions of vacant land?

A: The provincial website (<https://www2.gov.bc.ca/gov/content/taxes/property-taxes/annual-property-tax/school-tax>) seems to indicate that there are some circumstances under which vacant residential land will be exempted from AST. We think maybe this will apply if the land is considered residential but can't be built on, such as a cliff. However, we have not been able to confirm this with the Province.

Q: Is the vacant land owned by British Pacific Properties exempt from Additional School Tax?

A: No, vacant land owned by BPP will pay the Additional School Tax if the properties have an assessed value above \$3M.

Q: Will the Additional School Tax be assessed on our West Vancouver property tax bill?

A: The municipality has nothing to do with assessing the tax, but the tax amount will show up as a line item on the municipal tax bill, along with other regional and provincial levies such as TransLink, the regional district, and the provincial basic school tax.

Q: Is the money from the Additional School Tax going to supportive housing in the region, not necessarily in West Vancouver?

A: As far as we can determine, the funds for the Additional School Tax are going into general revenue. However, according to the Province, the funds for the Speculation and Vacancy Tax are going to be placed in a special account to be used solely for supportive housing in the region the funds came from.

Q: Will the District help residents with the Speculation and Vacancy Tax (SVT) declaration form?

A: District staff will try to be of some assistance, but without some direction from the Province, we can't advise residents as to how to fill in a provincial form. We are asking the Province to provide us with some simple directions on how to fill out the form, so we can give these to people who need them. Further information can be found on their website: <https://www2.gov.bc.ca/gov/content/taxes/property-taxes/speculation-and-vacancy-tax>

Q: Why is there a rate increase for water?

A: The \$63 increase represents a 10% lift to the water rates for the average household. This is based on the need to pay increased amounts for water purchased regionally, as well as the need to build up additional asset reserves for infrastructure replacement. A full report on the 2019 rate increases is available here: <https://westvancouver.ca/sites/default/files/dwv/council-agendas/2018/sep/17/18sep17-4.pdf>

Q: Do you know how much it will cost to upgrade the dams around Eagle Lake?

A: There are many things under consideration for Eagle Lake. The District does not have any figures yet in place for dam upgrades. No business case has been developed, but the dams are being looked at.

Q: What is the Province's haul on the Speculation and Vacancy Tax?

A: The District does not have that information. The provincial website may eventually provide some information on how much SVT has been collected, after they have collected the tax. They will not know how much is payable until they see how many property owners claim exemptions.

Q: What's the magnitude of the Additional School Tax?

A: Unlike the SVT, the District has been able to calculate a number for AST, by using BC assessment data. The AST collected from West Vancouver is expected to be between \$30 and \$32 million. The basic school tax is also still payable. In 2018, the basic school tax paid in West Vancouver was \$48 million. All of the money collected by the District is sent directly to the Province. The Province then applies a formula based on the number of students and other factors to decide how much money is returned to each school district.

Q: Is it true that 25% of the Additional School Tax money generated is coming from West Vancouver?

A: About 17% of the total number of properties paying AST are in West Vancouver. As far as the percentage share of what is paid, the Finance department cannot verify that, because we don't have a number for the expected amount to be collected across the province in total. We know that the number of \$200 million was used in discussion at Council, and if that number were correct, then 32/200 would be about 16%. But the \$200 million number may or may not be correct.

Q: The Ferry Building has been on the restoration list for years, it was estimated to cost \$1 million, but on the projects proposed for CAC funding list the estimated cost is \$2 million – which number is correct?

A: The \$2 million dollar figure is the cost of building restoration today. If the project proceeds, the cost will be funded over two years. Also, the District is applying for grant funding for this project, which if successful, will cover up to 70% of the project costs. If the grant application is not successful, the project may be reconsidered.

Q: Why does Navy Jack House need to be moved?

A: A determination was made that the house will need to be raised to meet new Flood Construction Level (FCL) requirements and this may include potential relocation of the house on the site. No final decision has yet been made.

Q: The costs for restoration of Navy Jack House and the Ferry Building are extreme. Is there any consideration to demolishing and rebuilding instead?

A: There is historic significance to the buildings. Please fill out the survey and provide your feedback to Council.

Q: What's the most important Community Amenity Contribution (CAC) project on the list? These look like 'nice to haves'.

A: Yes, they are all 'nice to have' projects, which are not basic infrastructure, but will enhance the community. We are seeking your feedback on the projects as a way for Council to gauge community interest.

Q: How are the numbers derived on the CAC project list?

A: They are budget submissions with reasonable contingencies built into these numbers.

Q: What happened to the Kay Meek elevator project in 2018?

A: It was funded and is under construction.

Q: Who is the chair of the Finance Committee?

A: Councillor Cameron co-chairs the Finance Committee along with a volunteer community member.

Q: Is there any discussion about what to do with Klee Wyck?

A: The Klee Wyck property was left to the District in trust for cultural and recreational uses, so there is a lot of thought and discussion taking place about the best thing to do with it. The structures on the land are in poor shape and not salvageable. There has been some discussion about artist housing on the property.

Q: Are you able to speak to the Gordon Avenue property?

A: There is public consultation coming soon for this site, which will provide information on several options for affordable housing. Other uses for the site may also be discussed. If you are interested in the uses on the site, please attend the public meetings on it and provide your input.

Q: Are there FTE changes in the proposed 2019-2023 Five-Year Financial Plan?

A: There were two FTE changes made in 2018, a new 0.6 position was created for an Assistant to the Mayor, and Finance re-organized its budget to create a new Senior Accountant position which was funded without a budget increase. These are noted in the preliminary budget book. There are no new FTE positions proposed for the 2019-2023 Five-Year Financial Plan. A full schedule of District FTEs will be included in the final budget book.

Q: Council never explained how much of an increase in revenue would come from the Beach House renovation project. Are the occupants of the Beach House paying tax?

A: Yes, although the District owns the property, the Beach House occupants are paying both tax and a percentage of revenue as a condition of their lease. It is a business, and all business uses are taxable.

Q: Does the Hollyburn Sailing Club pay tax?

A: The sailing club is not paying tax because they are a non-profit society in a municipal facility delivering a recreational service. The rugby club and squash clubs in Klahanie Park, and some others, are in a similar position.

Q: Who paid for the new black fence around the Hollyburn Sailing Club?

A: The fence was constructed as part of the Ambleside Park Plan and was paid for by the District.