



Notes from Budget Information Meeting













January 30, 2019, 12:45-2:45 p.m.

Seniors' Activity Centre, Learning Studio

Total Attendees: 33 (27 residents, 6 staff)

Q: *What's the significance of the difference in colours on the [2019 Assessment Change Heat Map](#)?*

A: Each colour represents a net change in assessment as indicated below:

| | |
|---|---------------------------|
|  | Greater than 30% decrease |
|  | 21% to 30% decrease |
|  | 11% to 20% decrease |
|  | 1% to 10% decrease |
|  | 0% |
|  | 1 to 10% increase |
|  | 11% to 20% increase |
|  | 21% to 30% increase |
|  | 31% to 40% increase |
|  | 41% to 50% increase |
|  | Greater than 50% increase |
|  | N/A |

Q: *Can you explain the fluctuation in assessments?*

A: BC Assessment (BCA) establishes these figures by looking at the fair market value of the property through real estate transactions, permit information and other factors.

Q: *Should West Vancouver residents question the way that assessments are performed in BC?*

A: BC Assessment is an independent provincial agency that provides a fair market value assessment for every property in BC. These assessments are updated every year, and are based on many factors, including sales data, building permits, and physical property inspections. Residents can appeal their property assessments, and BC Assessment are always happy to talk to residents about their assessments and the assessment system. More information on the assessment system is available on their website at <https://www.bcassessment.ca/>.

Q: *How can I determine if my property assessment has decreased?*

A: West Vancouver property owners can determine changes in property assessment by hovering over their property on the [2019 Assessment Change Heat Map](#). Property owners may also contact BC Assessment for further information.

Q: Is there any recourse for property owners who would like to dispute their assessment?

A: There is an assessment appeal procedure available; for more information please see <https://info.bcassessment.ca/Services-products/appeals>.

Q: What progress has the District made since the Fiscal Sustainability Review in 2015?

A: A great deal of progress has been made since 2015. Every year since 2015, the District has updated its list of assets and created a new twenty-year investment schedule. The District has a new asset management policy and procedure which ensures that asset management is now a key function in all District divisions. The asset levy has also been established and continues to be built up each year, and is now very close to where it needs to be to support ongoing maintenance. The “low use, poor condition” assets have been identified, and are being dealt with. The District is now in the process of integrating risk assessment into its asset management processes, and managing assets using the Maintenance Connection system.

What remains to be done, and this is a big task, is to ‘catch up’ on the maintenance that has been postponed in the past. Some assets have gone beyond the point where they can be effectively maintained, and these need to be replaced. Other assets may need additional investment to bring them back up to serviceable levels. The District is in the process of looking at asset options, and considering what is best to be done. As this is a separate process for each type of asset, this will take some time, but it is underway.

Q: Are the proceeds from the Employer Health Tax (EHT) going to healthcare or to general revenue?

A: They’re going to general revenue, but to be fair, approximately 50% of the provincial budget goes to health care.

Q: Does this operating budget include Police, Fire, and Library?

A: Yes, it does.

Q: Where is the FTE schedule in the draft 2019-2023 Five-Year Financial Plan?

A: This is the preliminary budget book, which does not have all of the information contained in the final budget book. The complete FTE schedule will be included in the final budget book to be published in the spring.

Q: Are the assets included in the projects proposed for Community Amenity Contributions (CAC) funding list, new assets?

A: No, they are not specifically new District assets, but they are new in the sense that they are proposed significant improvements or enhancements to existing community assets.

Q: Have you asked the community about which projects should be funded using CACs in the past, or is this new?

A: Asking the community to comment on proposed CAC spending was done for the first time in the 2018 budget year; this year is the second time this has been done. The CACs that are proposed to be used for these projects are non-designated CACs. Non-designated CACs can be used for projects at Council's discretion and there is no policy that states that they should be used in the specific area they came from. In this case, Council agreed to ask the community what projects they support for CAC funding.

There are also designated CACs tied to specific purposes and locations, such as the Horseshoe Bay streetscape and park. These are held separately, and are not part of the community survey.

Q: Is anyone pursuing fundraising for the Navy Jack Nature House restoration project?

A: There are a number of fundraising efforts for projects in West Vancouver. The District is unaware of a specific campaign underway for Navy Jack House, but it could be done without informing the District.

Q: What happens when you defer your taxes?

A: The province pays the property taxes to the municipality, and then they register a lien on the property to have the money returned when the house is sold.

Q: What's the spike in year 2020 in the 20 Year Lifecycle Replacement & Maintenance graph?

A: The spike is mostly made up of a major fire truck replacement and facilities maintenance projects including the mechanical systems and roof at the Operations Centre, Municipal Hall seismic upgrade, and the Seniors' Activity Centre mechanical systems and carpets.

Q: The ice equipment in the Ice Arena was fixed using CACs, how is that reflected in the 20 Year Lifecycle Replacement & Maintenance graph?

A: The graph is redone every year. The funding that was in the 20 year cycle for ice equipment replacement is not included any more, as the equipment is now new. However, the rest of the systems in the arena are still in need of replacement, and these costs are still in the twenty year plan.

Q: What happened to the "low use, poor condition" assets?

A: An update on the low use, poor condition assets was provided to Council as part of the Asset Management Update on December 3, 2018. Here is a link to that report: <https://westvancouver.ca/sites/default/files/dwv/council-agendas/2018/dec/03/18dec03-5.pdf>

Q: Can you comment on the impact of the new North Shore Wastewater Treatment Plant on taxes?

A: There is no impact on property taxes. The cost of the treatment plant is built into the regional costs on the utility bill.

Q: How did West Vancouver fall behind in asset management?

A: When a municipality doesn't keep up with inflation and continues to do labour contracts, the amount of money needed for operations gets pushed up without any corresponding increase to revenues. The budget is required to balance, so what usually gets cut is maintenance, especially maintenance of assets which are a bit less visible. That's how a municipality gets down to a low level of capital investment. Often assets are fixed on the surface but any assets out of sight are ignored.

Q: If there is always a shortfall, why are we talking about park revitalization in Horseshoe Bay?

A: There are dedicated CAC funds available for the Horseshoe Bay project. However, there is not enough money in the Horseshoe Bay dedicated CAC funds to do everything that may be required or desired to upgrade the park and streetscape.

Q: According to the Fraser Institute's Comparing Municipal Government Finances in Metro Vancouver, 2018 report, residential taxes are disproportionately high in West Vancouver. Is there one thing that you can identify that would explain why?

A: In the other two North Shore municipalities, 40% of taxes are paid by industry and business, West Vancouver doesn't have that tax base. It has beautiful natural features and a waterfront free of industry. This means that the tax base is primarily residential and residents have to pay the full cost for those features and services that make West Vancouver an attractive place to live. The report also mentioned an average rate per person, but in the municipal world the rates are measured by household because services are delivered to households. This is especially true for linear services like roads and pipes, but also for things like parks, police protection, and fire coverage.

The geography in West Vancouver is also a challenge when supplying services. Roads have to be constructed up the sides of the mountain and down to beaches, and these are expensive to maintain. Another factor is density. West Vancouver has some of the most spread out, low-density single family housing in the region and it's much more expensive to service.

Q: Does the net new revenue from the Employer Health Tax to the province exceed the loss on the individual premiums?

A: The province is reducing MSP premiums to zero and replacing this revenue in the provincial budget with the Employer Health Tax. From the province's point of view, the two revenue sources should be equivalent. The problem is that the EHT funds are collected in a different manner from MSP, which was being paid primarily by individuals and employee groups. EHT applies instead to all payroll dollars over \$500,000, resulting in thousands of dollars of increased costs to the District. These increased costs must be included in the budget and funded by property taxes, so they are just another form of hidden taxation.

Q: What kind of return does West Vancouver get on the Additional School Tax (AST)?

A: There is currently no plan to return any of the AST collected funding to West Vancouver. However, Council debated two motions to direct the Mayor to write to the province on the AST and the Speculation and Vacancy Tax at the January 28, 2019 Council meeting, requesting that the province give some assurance that some of this funding will be returned to West Vancouver for supportive housing.

Q: Why can't CACs be used to balance the budget?

A: CAC funds are restricted to creating community amenities. The budget is about funding for operations and basic capital maintenance.

Q: Two years ago assessments were high, why didn't the property taxes at that time pull in tax revenue which could be put away for a rainy day?

A: The amount of property tax collected by the District does not go up and down with assessment values. Let's say we need to collect \$70 million to provide services. That \$70 million is distributed across the community. The assessment values are used to determine what share of the total each property pays. When the assessment values shot up in 2017, it didn't mean that the taxes shot way up. The taxes are not tied to the assessments, they are tied to the budget.

Q: Why is the mill rate for businesses low in West Vancouver?

A: In order to encourage small business, the District's tax policy is to keep the mill rate for business among the lowest in Metro Vancouver. In 2018, the rate was the second-lowest, the lowest being in White Rock. This is done primarily to encourage the small business communities in Ambleside, Dundarave and Horseshoe Bay.

Q: What is the \$2,030,000 total in the 2019 preliminary operating budget?

A: It's the calculated value that taxes need to increase in 2019 to balance the proposed budget.

Q: Where are the questions and answers from the 2019 Budget Information meetings posted online?

A: They will be posted on the 2019 Budget page located at <https://www.westvancouverite.ca/budget>.

Q: Is Klee Wyck on the "low use, poor condition" asset list? Does the District own the entire property or just the house?

A: The District of West Vancouver owns the buildings and the property. The Klee Wyck property was left to the District as a trust for recreational and cultural purposes. The buildings on the property are in low use and poor condition, but there is active consideration on what to do with the property. Whatever is done must be in keeping with the trust requirements.

Q: Where is Klee Wyck?

A: It's on the boundary between the Districts of North and West Vancouver, bordering the western bank of the Capilano River.

Q: *Where is the Gordon Avenue property?*

A: It's located at 2195 Gordon Avenue.

Q: *This year we've had a mild winter, is it possible that the money that's saved on snow removal could be allocated to fix the pot holes on Marine Drive?*

A: Snow removal is paid from a contingency fund. Since we don't know how much money it's going to cost for snow removal in any given year, we put a base amount into the budget. If those funds aren't used, we set them aside for the heavy snow year when we will need them.

Q: *Did the Nelson Creek Bridge come from the provincial government?*

A: Yes, it was devolved from the provincial government. A suggestion was made that we should approach the provincial government to ask for funding for demolition and replacement. The province responded that since the municipality accepted ownership of it in 1974, there would be no funding contribution from the province.

Q: *Can you provide a complete list of the proposed projects using CAC funds?*

A: The following is a list of projects in need of funding:

1. Navy Jack Nature House restoration | \$2,050,000
2. Ferry Building Gallery restoration & washrooms | \$2,000,000
3. Library infrastructure | \$706,000
4. Memorial Park cenotaph accessible ramp | \$75,000
5. Garrow Bay east trail and stair replacement | \$57,000
6. Civic Centre Great Lawn fencing | \$45,000
7. Rutledge Field stairs and railings | \$25,000
8. Lighthouse Park: Juniper Loop accessibility | \$10,000

More information on each of these projects is available on the budget survey site:

https://www.westvancouverite.ca/budget/survey_tools/budget-feedback

Q: *The proposed increase of 2.9% for operations and 2.16% for the asset levy is less than what is needed for West Vancouver's deteriorating infrastructure and facilities. Can the Finance department propose new figures for a balanced budget and present it to residents to help decide the budget increase?*

A: We will provide options to Council in March, with choices about how the budget can be balanced. The asset levy increase we are recommending is sufficient to reach the level of ongoing funding needed to maintain the assets. What is needed in addition is not more asset levy funding, but some one-time investment to bring the assets up to a maintainable level. Staff will provide Council with some options for doing this.

Q: *Why did Council designate \$60 million of taxpayer money for subsidized housing in West Vancouver?*

A: The District has an Affordable Housing fund with a balance of approximately \$4 million in it. These are the only funds dedicated to affordable housing right now.