



Notes from Budget Information Meeting

January 31, 2019, 6:30-8:30 p.m.

West Vancouver Community Centre, Cedar Room

Total Attendees: 19 (16 residents, 3 staff)

Q: What is the Employer Health Tax (EHT)?

A: The Employer Health Tax is an annual tax calculated at 1.95 per cent on all amounts that are considered to be part of employment income running through payroll, including all casual and temporary salaries, and many taxable benefits.

Q: On the [2019 Assessment Change Heat Map](#), which properties have seen their assessments increase?

A: As a group, strata properties have gone up by about 4 per cent. Also, there are properties which are new to the tax roll, because they have just been constructed, and these are shown in red on the map.

Q: What are the factors that BC Assessment (BCA) uses to establish their assessed values?

A: BCA considers a property's unique characteristics, including location, size, layout, shape, age, finish, quality, carports, garages, sundecks and condition of buildings. Municipalities inform BCA of land title changes, building permit approvals and zoning adjustments, and BCA also has all of the real estate sales information for all property transactions. All of these factors are then used to assess property values. Much more information is available on their website at:

<https://info.bcassessment.ca/Services-products/Understanding-the-assessment-process>

Q: Does the [2019 Assessment Change Heat Map](#) include condos as well as single family dwellings?

A: Yes, condos are included in the heat map. Unfortunately, given the nature of the map, what is shown is the building, not the individual units. Staff at the District are happy to answer questions about assessment changes for individual units. You can contact us at taxinfo@westvancouver.ca or by calling 604-925-7032.

Q: Hypothetically, if the budget has increased by 4 per cent, does that mean taxes increase by 4 per cent?

A: Yes, as long as everyone's assessed values stayed exactly the same, then everyone would pay 4 per cent more in tax.

Q: Are there any reserves for asset maintenance?

A: Yes, the District has been increasing the asset levy since 2015 in order to reach an estimated \$14.5 million annual optimal investment for maintaining the assets. Each year, the asset levy funds are set aside into the asset reserves, which include the: Capital Facilities Reserve, the Capital Infrastructure Reserve, and the Capital Equipment Reserve. Also, the Water, Sewer & Drainage, and Solid Waste utilities each have their own asset reserves. The idea behind the asset reserves is to save up funds in years with lower maintenance requirements in order to have them for years requiring more costly maintenance investments. The problem the District currently has, is that due to the poor condition of so many of the assets, the entire amount available for maintenance is required to be spent every year, so nothing can be saved. Various options to solve this problem are being explored, but this situation, which has taken years to develop, will take many years to resolve.

Q: Are there any other reserves?

A: Yes. For example, the District has an Endowment Fund and an Affordable Housing Fund, but those funds are not used for asset maintenance.

Q: Where would the seawall fit into the asset list?

A: The seawall is a bit complicated as it does not belong, in total, to the District, and use and access to it are still being negotiated. However, it is clear that the seawall is under stress from climate change, and provisions for maintenance on it need to be considered carefully. In the long term, say twenty to fifty years, there are no guarantees that the seawall can be maintained in its current configuration.

Q: If residents would like Council to know that they believe that foreshore protection should be a priority, how do they do that?

A: Residents can attend a Coastal Marine Management Plan Working Group meeting and they can also write to Mayor and Council.

Q: Did a list of the District's assets exist prior to 2015?

A: Yes, there was a Tangible Capital Asset database which was used to create the 2015 list of assets in the [Fiscal Sustainability Review](#).

Q: Was asset maintenance being performed prior to 2015?

A: Yes, asset maintenance was being performed, but this was mainly managed at a departmental level, with differing priorities and funding levels depending on the department. This resulted in different levels of maintenance, and in some assets being left out entirely. That all changed in 2015 when the corporate asset management program was put in place.

Q: Can we conclude that there has been a deficit on maintenance for many years?

A: There was a period of time when Council decided on a zero per cent tax increase which resulted in delayed or postponed asset maintenance. However, it can also be said that, until recently, most municipalities in Canada and worldwide, did not have a coordinated asset management program in place.

Q: If the District returned to the policy of having the investment report forwarded to Council, are you prepared to do that?

A: Yes, of course. Quarterly investment reports are reviewed by the Finance Committee and then posted online, so it wouldn't be an issue to forward the reports to Council for their information.

Q: What's going on with fees and charges in relation to the budget?

A: The first step in looking at each year's budget is to look at non-tax revenues. Fees and charges, especially permit fees, are a key input to this process. Finance works with Planning and Permits staff to make permit revenue forecasts. In 2019, the forecast is for fewer permits to be issued for construction of single detached houses, but we anticipate that this will be offset by fees for a few larger developments. We don't expect any fall off on the revenue because we have been fairly conservative in the past.

Q: Can you confirm that the municipality isn't carrying any debt?

A: The District does have debt. The notes to the 2017 Financial Statements show \$34.2 million in outstanding loans, primarily borrowed to fund the construction of the new public safety building.

Q: Where do municipalities borrow from?

A: Municipalities borrow funds for community capital projects through the Municipal Finance Authority of British Columbia (MFA). <http://mfa.bc.ca/>

Q: Has Parks, Culture & Community Services considered lowering their rates in an effort to encourage more usage?

A: Yes. In setting rates, the division looks at rates for comparable services provided by other municipalities, at rates charged by the private sector, and at usage trends. Rates are always set at the lowest possible level that is reasonable.

Q: How much is being invested in creating a park at Brissenden?

A: The current budget for the Brissenden Park project is \$200,000. As of the end of 2018, approximately half of that (\$99,347) has been spent. More work will be done on the park in 2019.

Q: Is there a schedule in the Proposed 2019-2023 Five-Year Financial Plan that breaks out non-contract labour and contract labour?

A: The labour schedule is provided in the final version of the 2019-2023 Five-Year Financial Plan.

Q: Why doesn't the District consider a hiring freeze?

A: The District is undertaking an operational review in 2019 to determine, among other things, whether staffing levels are appropriate. However, it should be stated that all of the employees are there for provision of service. There is a direct link between staffing levels and service levels, and fewer staff will mean lower service levels.

Q: Are there any new positions in the budget?

A: There are no new positions being requested for 2019. In 2018, two positions were added during the year, a part time support position in the Mayor's Office, and a clerical position for land records coordination. Full-year funding for these two positions is included in the 2019 budget.

Q: What percentage of the budget is for labour?

A: It's between 70-80 per cent, depending on the division. The labour schedule will be included in the final version of the 2019-2023 Five-Year Financial Plan.

Q: Does the District have a policy on subcontracting?

A: I'm not aware of a policy on subcontracting. The District has many service contracts, and always does consider whether contracting for a specific service would be more cost effective than doing it in house. However, one trend we are seeing recently is that we often simply can't get contractors to come to the North Shore due to traffic congestion here, and their ability to get work more easily in other parts of the Lower Mainland. This was the case recently when the District had to hire traffic flaggers, as the company we had been contracting with could not reliably supply workers to the North Shore.

Q: To what extent does the District pursue grants?

A: The District is always looking for grants for which we might be eligible, because grants enable us to leverage District funds to accomplish more. We will compile a list of recent grants received, and post it here when available.

Q: Can you comment on the flood protection around the Silk Purse?

A: Every year since 2014, the District has been placing the tiger dam around the Music Box and Silk Purse. The install happens before the first king tide in winter (usually November) and removed after the last one (usually February). The benefit of using a water dam (Tiger is a brand name) is that they are relatively easy to install and remove as they use water as the filler. The District does not use sandbags at this location as sand bags require individual filling and placement which is labour intensive and also require a liner such as plastic sheeting which can be tricky to install to be effective. The Music Box and Silk Purse buildings are the only municipal-owned buildings that are deemed to be at high risk from a king tide event at this stage. These buildings were flooded by a king tide event in conjunction with a storm surge in December of 2012.

Q: Is the Additional School Tax (AST) going to general revenue and not education?

A: Yes, it's going to general revenue.

Q: When is the Speculation and Vacancy Tax (SVT) declaration deadline?

A: In order to claim an exemption, you must register your property by March 31, 2019.

Q: Has the Vancouver empty homes tax been successful?

A: Measuring the success of the tax is difficult as it's only been one year since implementation. That being said, it's estimated to have brought in close to \$38 million, so far, to the City of Vancouver for affordable housing initiatives.

Q: How is the CAC fund managed?

A: There are unrestricted and restricted CAC funds. The Horseshoe Bay project is an example of restricted CAC funds for that area. Unrestricted funds are spent only at the direction of Council; there must be a Council resolution for each CAC expenditure. This year, the public is also being asked to comment on proposed CAC expenditures on the budget survey.

Q: Has the District looked into moving Navy Jack House further away from rising sea levels?

A: Yes, it may be moved to a different location on the property. A determination was made that the house will need to be raised to meet new FCL requirements which may include potential relocation of the house on the site.

Q: If the proposed asset levy increase is approved, what would that accomplish?

A: It would bring asset maintenance funding up to the permanent level of funding required. The idea behind this is that, using the asset reserves, funds can be saved up in years with lower maintenance requirements in order to have them for years requiring more costly maintenance investments. Then the District would have to make up for the deficits that have been created. The problem the District currently has, is that due to the poor condition of so many of the assets, the entire amount available for maintenance is required to be spent every year, so nothing can be saved. Various options to solve this problem are being explored, but this situation, which has taken years to develop, will take many years to resolve.

Q: Does the District have a policy on asset management?

A: Yes, we have a [Capital Asset Management policy](#).

Q: Shouldn't the five-year financial plan reflect the issues with asset management?

A: The forecast for the financial plan does take these deficits into account, but it can only be as good as we can make it using projections based on the information on hand. Based on this information, staff are recommending that if we succeed in increasing the asset levy to \$14.5 million, this should be a sufficient permanent stream of funding for asset management. However, it does not solve the 'catching up' problem, which requires a different kind of solution, with a one-time 'push' to get the assets up to reasonable levels.

Q: How many properties are left to purchase in terms of the Ambleside Waterfront Plan?

A: There are two properties left to purchase.

Q: Could CAC funds be used to purchase the two remaining waterfront properties?

A: It would be an unusual use of CACs, but it could be done at Council's direction.

Q: If we can't get Council to commit to maintenance when they accept a new asset, can you suggest that they do so?

A: We do have a new [framework](#) in place which does exactly this, because a big part of asset management is that, before accepting or buying into anything, it should be clear under what terms this will take place. It's especially necessary to consider, up front, who is responsible to maintain and replace whatever it is, and how much that is likely to cost. This applies to every asset accepted into the public realm, from art in public places to zero waste recycling facilities and everything in between.

Q: Is there a tax credit for 'friends of' societies?

A: Municipalities can provide tax receipts for donations given directly to the municipality, and the District does routinely provide receipts for various donations. Some 'friends of' societies, if they register with CRA as a charity, can also issue their own tax receipts.

Q: What is the tax rate increase if we didn't have the asset levy?

A: The tax rate increase without the proposed asset levy would be 2.90 per cent.

Q: What was the increase on salaries for the past year?

A: It varies by employee groups, with an average of around 2 per cent. However, over 50 per cent of the costs are Police and Fire, and their salary increases were a bit higher.

Q: Do you anticipate receiving \$70 million in total tax revenue this year?

A: Yes, that is the approximate amount collected in taxes. Of this, around 93 per cent comes from residential and 7 per cent comes from business.

Q: Has the municipality increased business taxes for West Vancouver?

A: No, West Vancouver always strives to retain a very low rate for business taxes.

Q: Are the roads and sidewalks considered assets?

A: Yes, they are.

Q: How do you determine how much of the budget goes to support transportation, sidewalks, and cycling paths?

A: The budget is partly determined by required maintenance and partly by the type of grants provided. The asset managers in the Engineering division assess the required asset investments each year, and then the capital budget is developed from there. If grants are available for certain types of projects, such as cycling paths, this means that the District's capital investment can be leveraged, and this makes the projects easier to fund. It does not necessarily mean, however, that these projects take priority over other projects, which may be more urgently needed. Budgeting is always a balancing act between available funds and what is needed.

Q: Is there a way to get a greater breakdown of the water utility, for example?

A: Yes, here is a [link](#) to the information provided when the water utility rates for 2019 were set in the fall of 2018. Finance can also provide additional breakdowns if requested.

Q: On the capital amenity survey, why are respondents not required to list where they live?

A: There was some discussion about that, and it was decided to make this disclosure optional, so that people were encouraged but not required to fill in their postal codes. What will happen is that the survey results, when reported, will be separated into surveys completed by respondents who supplied West Vancouver addresses, surveys giving addresses outside West Vancouver, and surveys completed by respondents who chose not to include their address. The surveys are providing advice to Council, so Council will be able to evaluate these results by responses.

Q: How do you know that you are getting feedback from West Vancouver residents?

A: The survey is one avenue for feedback, and it has the characteristics indicated above. There are also the public budget information meetings, and many residents also write directly to Mayor and Council. The District has a Community Engagement Committee that helps out with community engagement strategies. There is a high level of involvement in this community.

Q: Did the \$16 million that the municipality received for selling the old police station go to the new police station?

A: Yes, in a circular sense. The proceeds of the sale were placed in the District's Endowment Fund, and the Endowment Fund is being used to repay the loan which paid for the new building.