

2021 BUDGET HIGHLIGHTS

GENERAL FUND BUDGET

The proposed \$105 million general fund budget is needed to maintain and improve District services. The proposed budget includes a \$1.2 million tax levy increase, which equates to a proposed operational levy increase of 1.48%. In addition, an increase to the Asset Levy of 3.00% is proposed. This will provide an additional \$2.2 million for capital maintenance, which has been seriously impacted by the adjustments needed to respond to the COVID pandemic. The tax levy increase of 1.48% is below historic rates of inflation, and is the minimum required to respond to rising costs and to ensure the services most valued by our residents are continuously maintained and improved where necessary.

Each year, all non-taxation sources of funding are reviewed for further opportunities before resorting to taxation. In 2020, a complete base budget review was undertaken to ensure that all revenue and expenditure budgets reflected current realities. Significant impacts on revenues were identified, but significant expenditure reductions were also made as new, more efficient ways of providing services were put into place.

The District's current funding sources are quite limited with the majority of funding through property taxes. The District is limited in the diversification of its tax base, with 96.0% of properties falling into the residential class. The remaining percentage of properties are in the business class. There are no industrial properties, which are a major source of tax revenue in other municipalities.

Fees and charges, which supplement tax revenue, have been impacted by the COVID-19 pandemic, and the current budget assumes that this will continue at least until fall 2021. If there is a significant change to this, the budget will be revised.

The total amount of the property tax bill also includes amounts collected on behalf of other taxing authorities. In 2020, 50% of taxes collected in West Vancouver were transferred to other authorities.

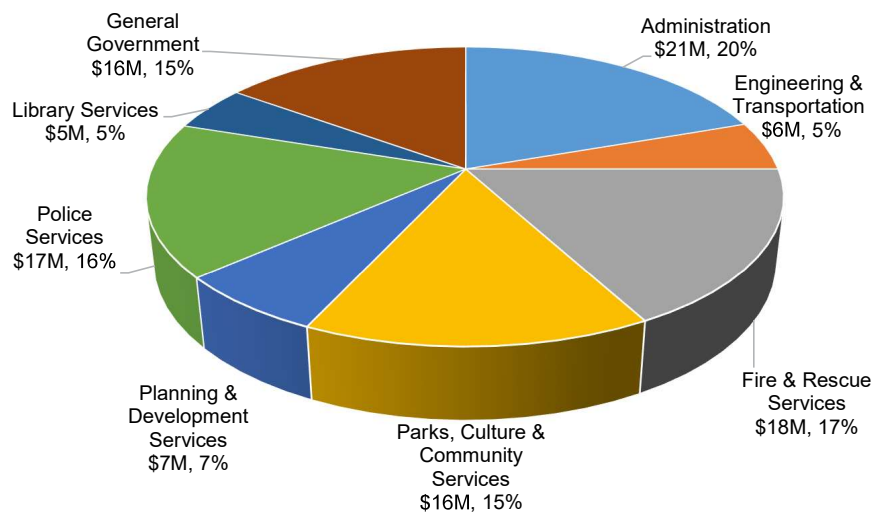
ASSET MANAGEMENT

The District currently owns close to \$736 million in general fund assets (estimated replacement costs) and, over the next 20 years, virtually all of these assets will require capital investment to maintain their performance or for replacement. The estimated cost of maintaining the General Fund assets is \$339 million over the next 20 years, which, on average, requires an ongoing \$16.9 million investment per year.

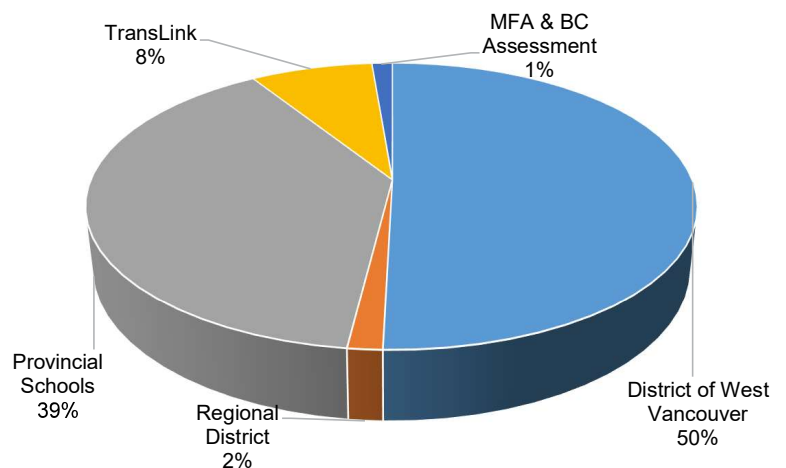
The proposed Asset Levy amount of \$11.2 million—which includes the proposed 3.00% increase—is not sufficient to support the average amount required for infrastructure needs and to prevent assets from failure resulting from deferred maintenance. It is anticipated that there will be funds available from prior years' projects that have completed under budget, and that these funds can be used to cover some of the shortfall. Use of the District's Endowment Fund (current balance \$20.8 million) is also proposed.

PROPOSED 2021 GENERAL FUND BUDGET ALLOCATIONS

General Fund Budget by Division



Property Tax Bill Allocation



CAPITAL BUDGET

The current estimate for capital expenditures required in 2021 totals \$19.1 million. The majority of the spending is for maintaining and replacing existing assets that the District owns, and a smaller portion is for investments in new assets.

In addition to ongoing annual maintenance in transportation infrastructure, parks, sports fields, and equipment and IT infrastructure, significant projects planned in 2021 include facilities renewal and upgrade projects at Municipal Hall.

Maintaining and replacing existing assets	Deferred maintenance	\$10.3M	54%
	Maintenance	\$6.0M	31%
	Subtotal	\$16.3M	85%
Investment in new assets	Strategic investment	\$2.3M	12%
	Innovation	\$0.5M	3%
	Subtotal	\$2.8M	15%
	Total	\$19.1M	100%

WHAT DOES THIS MEAN FOR YOU?

Staff are proposing an operational levy increase of 1.48% and an Asset Levy increase of 3.00%.

The increases together amount to an additional \$229 for the average single-family detached home (SFD) assessed at \$2.98 million and an extra \$105 for the average strata property assessed at \$1.37 million.

	Average SFD	Average Strata	Proposed Increase
Operational Levy increase	\$76	\$35	1.48%
Asset Levy increase	\$153	\$70	3.00%
Total proposed tax increase	\$229	\$105	4.48%

The table below summarizes the impact of proposed tax increases to property owners based on assessed value.

	Assessed Value	Average Strata Assessment	All Class 1 Properties	Average SFD Assessment	Assessed Value
Average Assessed Value 2021	\$1,000,000	\$1,366,887	\$2,608,594	\$2,977,283	\$4,000,000
Average Assessed Value 2020		\$1,414,850	\$2,525,961	\$2,855,051	
Change from 2020		-3.39%	3.27%	4.28%	
OPERATING LEVY (1.48%)					
Annual	\$25	\$35	\$66	\$76	\$102
Monthly	\$2	\$3	\$6	\$6	\$9
ASSET LEVY (3.00%)					
Annual	\$52	\$70	\$134	\$153	\$206
Monthly	\$4	\$6	\$11	\$13	\$17
MUNICIPAL TAX					
Annual	\$1,794	\$2,453	\$4,681	\$5,342	\$7,177
Monthly	\$150	\$204	\$390	\$445	\$598

WE WOULD LIKE TO HEAR FROM YOU!

Your comments and feedback are important to us. You can provide feedback online at westvancouver.ca/budget. All input received will be submitted to Council as part of the 2021 Budget review.

The deadline to provide your feedback is Tuesday, February 9, 2021 at 4 p.m.