

Budget 2016 Open House
Jan 27, 6:30 – 8:30pm
Gleneagles Community Centre, Seaview Room

Total attendees: 31
Total residents: 18
Total staff: 13

West Vancouver residents were presented with information about the 2016 Budget and options to fund an asset levy; a question period followed the presentation.

Summary of Questions and Answers

Q: Is the \$354 asset levy per household annual or one time only? Will the money just sit in the reserves?

A: The \$354, if supported, would be collected each year and allocated among the three asset management reserves. The money would not sit in the reserves, but would be expended by resolution of Council on specific asset management projects. If the projects are completed under budget, the balance would be returned to the reserves.

Q: How can you ask for more money during tough economic times?

A: It raises the question - Does the community want to spend the money on maintaining the assets? We are also doing a core service review right now and at that point we will be asking the community what services are deemed necessary.

Q: Why was there no contingency?

A: Recently, West Van has been running without a contingency. Money that the district had was used to fund asset acquisition.

Q: Could Council make a special proposal and spend the asset reserves?

A: The system of statutory reserves would make this difficult, because each reserve is quite specific about what the money can be spent on. Council can only take the money out by resolution for specific purposes, which are limited by the bylaw to asset maintenance investments.

Q: Has staff looked at revenue generation through promotion of business along Marine Drive? Businesses along Marine Drive haven't improved like the businesses in Edgemont Village.

A: A Business Improvement Area (The Ambleside/Dundarave BIA) has recently been introduced specifically to tax businesses in these areas to raise money to improve the business district. This is similar to what was done in Edgemont Village, where the local businesses organized to improve the area.

Q: Could you explain how taxation of businesses at Park Royal is handled?

A: Part of Park Royal is on Squamish Nation lands. Through an agreement, the Squamish Nation pays the District an amount equivalent to 75% of taxes that would otherwise be payable. Since the asset levy is a form of tax, based on assessment, it would presumably be included; however, this is not certain.

Q: Is the levy one time only or spread over a number of years?

A: \$13.9 Million needs to be invested annually, but only \$7.4M is currently available. The shortfall of \$6.5M can be made up in one year by adding a \$354 levy to the tax bill, in 2016 and in every future year as well. It's an annual amount. Or, a lesser levy could be added, but it would need to be higher the following year, to build up to the required amount.

Q: Would everyone pay the \$354?

A: That number is based on the value of an average house in the District; some would pay more and others pay less.

Q: Shouldn't staff review the assets, create a plan and then make decisions about not maintaining some of the assets before building up a reserve?

A: It is unlikely that the District can do without many of the assets, but the asset portfolio will certainly be reviewed. The District has a lot of catching up to do., and may, in the end, decide that some assets are too expensive to maintain.

Q: Are there examples of assets that could be privatized?

A: No specific examples have yet been developed – this needs to be looked at carefully, as all the assets are providing services in some way. It ties back to what level of service the citizens of West Vancouver want to support.

Q: Municipal spending has increased exponentially; shouldn't the municipality find the funds in its own budget? An operational review should find the money.

A: An operational review is underway, and will be looking at the costs of all services at the District on a program basis. If cost savings are available they will be identified.

Q: How critical are the items in the capital asset request listing? If we don't spend the funds, is the library going to fail?

A: There are two kinds of critical assets in the current capital listing – assets that are at risk of physical failure, and assets that are not at risk of physical failure, but are critical to the community. As the elected representatives of the community, Council decides whether funding should be provided for these items.

Q: How are the numbers generated on the critical list? Are they estimates?

A: The amounts for each item are the best available estimates for the cost of each item. In many cases, quotes have been obtained or other market research has been done. A business case supporting each item has been prepared, and is available at District Hall.

Q: Has staff considered increasing the user fees at the Rec Centres?

A: Every year the fees and charges are reviewed, and are set at the maximum amount that staff feel is appropriate. Fees must take into consideration the ability to pay, and staff try not to set them so high that they become a barrier to access for members of the community.

Q: Why is Council spending funds on new traffic lights, flower boxes and walkways?

A: Council makes decisions based on resident feedback. Decisions are made based on public priorities and desires.

Q: Could you explain the basis for the asset levy?

A: The billion dollar number is for total replacement of all of the assets for 50 years, not including the utilities. The \$300M is for replacement costs for 20 years.

Q: How do the two numbers differ from the TCA?

A: TCA, or Tangible Capital Assets, are based on historical cost, which serves an accounting purpose, but is not useful for asset management. Asset management planning depends on replacement costs, which can be quite different from historical costs. A historical cost looks backward, but replacement costs look forward, so a vehicle which cost \$8,000 ten years ago may cost \$15,000 to replace today.

Q: How is resident feedback being reported to Council?

A: Council will be provided with all of the feedback from the public budget meetings, as well as any feedback received via email or online at the budget forum on westvancouver.ca. Staff are preparing a report for the February 22nd meeting to provide all of the feedback and asset levy options to Council.

Q: If the asset levy is not established, how will the \$7.4 from last year be spent?

A: That decision has not yet been made, but the critical list would be re-worked to make it fit.

COMMENTS:

I think taxpayers want Council to know that they believe Park Royal should contribute its fair share to the asset tax levy.

It's true that West Vancouver, per household, is more expensive to operate. Management is trying to be more focused. In recent years, Council has been focused on saying there is a 0% tax increase, meanwhile asset maintenance hasn't been completed. It's the optics that Council should take under advisement.

You are asking us for a 2.1% increase this year, last year it was 1.6%, and you are asking for another 10% for infrastructure. I'm leery about that request given what's on the detailed listing of critical assets. I'll grant you the lowest, not the highest, until I see something that really strikes me as extremely critical. I suggest that we go no further than 3% and that, this year, staff work diligently to provide a better basis for the ask next year.