



Virtual budget information meeting: January 29, 2021, 1–2:15 p.m.

16 members of the public in attendance

Q: I would like a better understanding of the money spent for the arts facility. Why are we not utilizing the existing facility and our partnership with the school board to make more effective use of existing facilities?

A: We are following Council's direction, going out to the community to public consultation. The District will ask the community what they think of two public sites, and one private site. We were intending to go out to the community last March but then COVID happened so we are a year behind in that. We will be going out to the community in the spring, and coming back to Council before Council breaks for the summer with the results from the community consultation, so this is when the community will have the opportunity to comment on questions that you are asking right now.

Q: Have you considered sharing facilities with the School District to save costs?

A: The District has regular meetings with the School Board and their staff, and we have in the past discussed the possibility of sharing facilities with the School District. We've discussed that with respect to a possible operations centre in the future. The School District's current operation centre is already at maximum, and a relatively new facility for them, and then with respect to their administrative offices, those are at a maximum right now. I don't believe they are looking at any imminent changes to their current administrative site. Also, shared services may not save as much money as expected due to the very high cost to administer such services. In house services are much easier to control, in terms of service delivery levels and methods, and to support.

Q: Why did District labour charges go up? Most companies that we know are reducing labour costs. Would it not be more responsible to trim the head count to align with the pandemic reality we all face?

A: Many District positions are governed by Collective Agreement language which is tied in to the majority of the Municipalities across Metro Vancouver. Many of

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the labour cost increases occur annually, and are governed by these contractual obligations. The District doesn't have a lot of ability to contract out these obligations. In terms of trimming costs, the District still has a number of individuals laid off, due to closures of various facilities, reductions in programming due to the COVID situation that we've been facing.

Also, the salary budget includes a vacancy allowance so we have actually provided reductions in salaries based on the fact that not all positions are filled at all times. This provides savings as well. Many of the services provided by the District have regulated numbers of people that have to be there to provide them. The District is not able to reduce, for example, fire crews because there are regulations from the Fire Commissioner which say that certain crews, certain numbers of fire crew must be at certain types of incidents, otherwise they're not able to effectively respond to the incident. Other public safety areas have similar kinds of regulations.

When the District has opportunities to use casual staff, we do in fact use them. We have budgets for casual staff and that is, casual by definition means that we do not have the same kind of permanent employment relationship with those staff, and so that is another way that the District looks to manage costs. This question comes up over and over again regarding why are there so many people working at the District – and the necessity to deliver services over the geography that we have at the city and at the level expected by this community means that these levels of staff are required. We cannot deliver this level of service in this community without the staff. And if we do reduce the staff complement then the service levels and achievement of the strategic objectives are definitely going to be impacted. That is the reason that we are asking for additional staff because we know that if we do not get this additional expertise that we will not be able to move those things forward.

Q: The Community Charter requires a public consultation process for the Five-Year Financial Plan. It does not appear that you have provided for that process this year. The documentation provided so far this month relates to Plan Year 2021's Operating budget.

A: The Five-Year Financial Plan will be posted as usual two weeks ahead of time before Council considers it and the public may come forward to ask questions during that period and to come forward at the open Council meeting where Council considers this. There is a requirement for public consultation in the legislation, but in consultation with the Ministry they have always said that the public consultation, in terms of what level, and what type of consultation takes place, is up to the individual municipality. Almost all communities focus public consultation on the upcoming budget year. For the four subsequent years, which are there in the financial plan, the consultation is not as focused on those, and that two week publication period, with opportunity to respond,

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and opportunity to respond at the open Council meeting, is considered sufficient. Some communities do not hold public meetings like this one, do not have a budget webpage, and do not have a published Q&A mechanism for posting the answers to questions. The District of West Vancouver does provide all of these opportunities, which is much more than most other communities provide.

Q: Please explain more specifically the \$12 million dollar drop in revenue last year, and in light of that, how can the District rationalize adding 13 more staff for a total of \$1.4 million?

A: The \$12 million drop in revenue happened because COVID affected many different facets of our operations. The biggest impact was in Parks, Culture & Community Services where many of the services that had been revenue producing, had to be closed down and then even when opened up again, were provided in a very greatly curtailed manner. An example of that would be the public swimming pool, the Aquatic Centre. In prior years, every effort was made to program it so that it was filled to capacity, and the revenue generated by this went to help maintain the pool. While the pool was closed, of course there was no revenue, and even now there is very limited revenue. But whether you have no one in the pool or 100 people in the pool you still have to maintain the pool otherwise the pool starts to deteriorate. Similar adjustments happened throughout our operations. For instance, we also had revenue coming in from parking tickets but that has been greatly reduced during COVID. At the same time the bylaw officers were taken off parking duties and switched to manage “COVID-related behaviour” in the parks and outdoor spaces. Labour was basically re-deployed. And the parking problem kind of shifted itself from the streets to streets that were close to the parks and that became a whole different issue that we had to deal with. Costs continued and revenues fell off.

Revenues from development and permits also decreased but did come back somewhat. When we did the third budget in 2020, the budget revision, some of the funding had returned and projections for this to continue have been built into the current budget. Most of it has not returned and we do not know whether we will ever go back to the levels of revenue that we were receiving prior to COVID. People’s behaviour has changed, many people have moved their fitness and recreation activities outdoors versus attending the gym for example. The District needs to look carefully for trends in the future in terms of where we’re getting revenue and how we were allocating that revenue to the services.

The 13 staff have been requested to fulfill the strategic plan objectives that Council have asked the District to carry on with. A large number of the positions relate to the Planning and Permits function. The West Vancouver business community has voiced concerns that permit processing at the District needs to be done far faster and that requires staff. There is also a business manager requested there for the Planning and Permits area

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and Corporate Services which we have budgeted to be a revenue neutral position. Providing efficiency in that area will in fact boost revenue, thus each one of those positions is required and justified.

Q: I would have expected a tax rate option that at the low end (option one) would be a no tax increase option. Have you considered a 3.00% decrease in the operational levy to offset the 3.00% Asset Levy? Lots of opportunities exist. Thank-you.

A: We have reduced the operational levy to a minimum. It is far lower than any of our neighbours, and far lower than historical rates of inflation. We have identified non-labour costs savings and labour cost savings. The labour cost savings didn't result in actual reductions but the budgeted labour costs are much lower than they would have been without considering all of these options.

Regarding a possible 3.00% reduction in operations by transferring those funds to capital, we will transfer as much operational money to capital as we can, but first operational requirements must be funded in order to carry on with services. The Proposed 2021 budget has considered all of those things and these are the numbers that we have come up with. Further operational cost cuts will result in service reductions. All of the Directors, the Fire Chief, the Police Chief, and everyone has reviewed numbers and staff has done a tremendous job going through all of this.

Q: I like how the costs of program are tied to the Strategic Plan of the District. Is that information clearly laid out somewhere for the public to see?

A: We have information attached to each of the program requests. We are looking at acquiring an inexpensive piece of technology that will allow us to list each strategic objective and each program under that objective and provide accountability to Council and the public on a monthly or possibly bi-weekly basis to show progress made towards achieving those goals and what resources are tied to that.

Q: The info I initially saw included for about seven new positions. Are those still in the plan?

A: We have included requests for 13 new positions and the information on each of those is on the budget webpage.

Q: For the added staff, is there a way that we can add them on a contract basis? It would be great to know that you can change your mind about a staff addition in case the pandemic causes a longer time to get our economy recovered.

A: The type of work at the District requires an understanding of the priorities of Council, and an ability to have internal relationships that facilitate a general move towards

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achieving those strategic priorities. Hiring contracted staff is appropriate in a few specific types of situations, for example, a contract to study something or a consultants report on a particular type of issue requiring specialized expertise. For instance, we routinely hire geotechnical consultants when we face issues like landslide activity. However, once we require specialized expertise on an ongoing basis, such as for managing the District's environmental programs and initiatives, it becomes much less expensive to hire that in house.

For instance, The District employs people with expertise such as planners. In the past when we have tried to hire the type of people that we need on contract we have not been successful. These highly-skilled people are in high demand, we want to get the best that we can. Much of what we do, we work very closely together, the departments are closely integrated, and those relationships are really key. And the development of those with a consultant is not necessarily going to happen for this type of work, but we do hire many people on contract for special kinds of projects that are term-limited. At the moment, we are working with a records manager who has expertise and certification in the legal requirements for retention of records and is able to tell us what records we need to keep, for how long, and when we should be letting those records go and how to accomplish that. Once the records manager consultant has developed an updated records plan the contract will end. The District doesn't need a permanent records management person, instead we need someone who will develop and update the records plan, which we can then follow to keep us on track.

For the many District positions that are unionized, the terms of our collective agreement require that we hire unionized staff as District employees. We do also find that in all types of positions, District staff understand the long term strategic priorities of the District and are better able to meet them.

Q: Do you have a good handle on what is has cost the District last year for COVID related costs? And does the COVID Safe Restart \$5M Plan include anything for the District for covering any of those related costs such as the obvious things, like PPE, plexiglass of all the installations and things like that.

A: That's an excellent question. We do have separate accounting for all COVID response costs which include such costs as PPE, plexiglass, extra hand sanitizer and deep cleaning costs related to any type of exposure incident. These are all tracked separately in a "COVID fund" that was set up in the 2020 budget. Some of the funding removed from other parts of the budget was placed there in order to be able to cover these types of pandemic-related costs. There is also the tri-municipal Emergency Management Office which was opened during COVID and we have staff working there on overtime at the beginning of the pandemic.

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We accounted for all of the costs separately because through the Provincial Emergency Program a certain amount of reimbursement is made by the Province. The Province is in control of that, we submit our expenses and they decide on whether they are appropriate to reimburse or not. The Provincial Emergency program will indemnify municipalities for some of those costs such as PPE, plexiglass, possibly some of the cleaning, but there are other costs they are not going to pay for. Our COVID fund will have to pay for those and we will continue to have a 2021 COVID fund because of the ongoing pandemic costs.

The COVID Restart Fund is not for those kinds of costs. It is to replenish lost revenues and reserves that might have been drawn down to pay those costs and to allow municipalities to pick up programs that were dropped or put on the “back burner” in order to respond to COVID. At this point we are tracking three pools of costs, one that we hope feel the Province will reimburse us for, one that we feel we are going to have to absorb ourselves, and then these Restart costs.

Q: How can the \$312,000 for the Art Centre site planning be considered in any way related to a COVID restart?

A: The Province indicated to us that we should reinvigorate, refund and re-pickup, and move forward all of the projects that we had to drop when COVID hit.

As our Parks Director said yesterday, one of the projects that was moving forward was the work on the Arts Centre. Last March the project was at the stage of going to public consultation, this however, became impossible due to the pandemic. Now, almost one year later, we are able to conduct electronic public consultations. These are the kinds of projects that the COVID Restart fund is meant to reinvigorate.

Q: The Endowment Fund balance is \$20.5 million. Your proposed withdrawal from the Fund is \$3.2 million. The threshold value is \$18.0 million. Your proposed drawdown takes the Fund below the threshold value. Comment please?

A: Either more money will need to be put in the fund which doesn't make sense because we are trying to fund something, or Council will have to reconsider both the threshold and the future of the fund. At the moment that fund is dedicated to loan repayment. A consideration to use the Endowment fund will need to be discussed with both the Finance Committee and with Council. At this point, it's a proposal, and there are a number of changes that would need to be made to the Endowment Fund in order for this proposal to move forward. One option will be to not draw that much money from the Endowment Fund if funding can be found elsewhere.

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Q: For safe restart grant monies, I don't see the repair of trails or the refurbishing of soccer fields or assistance to getting the west van high track project started. Is that somewhere else in the budget?

A: Under the COVID Restart grant fund we do have some projects related to “catching up” on work that we were not able to do during COVID due to staff cutbacks. There are some major trail refurbish grants that have been applied for and we are hoping for grant funding for some of that work and in the capital budget there is also funding for some trail refurbishment.

The track project for West Van High is being dealt with separately. That is a complex project. It's on School District land so it would be a joint-use project. It doesn't really qualify for COVID Restart funding, however, there is consideration in other parts of the budget for moving the project forward.

Q: How do you justify an increase in costs that is five to six times higher than inflation?

A: Costs reflected in the budget are established with reference to the services provided. The requested tax rate increase to fund these costs is a 1.48% increase, which is below the historic rate of inflation, and well below the tax rate increase proposed by other municipalities in the region.

Q: Please explain the following terms in the "preliminary capital budget: Regular Asset Maintenance, Strategic Investments, Health & Safety, Asset Preservation and Innovation.

A:

- **Regular Asset Maintenance** reflects standard operational requirements associated with the ownership of a given asset. For example, they may involve the replacement of a certain component within a larger piece of equipment, when its regular replacement is required by the manufacturer.
- **Strategic Investments** address the acquisition or enhancement of assets related to the long-term policy goals of the District. For example, the expansion of an important facility with a limited capacity may be included in this category.
- **Health & Safety** projects aim to protect the residents, staff and other stakeholders (e.g. visitors) from known and potential risks. For example, the acquisition of equipment necessary to provide enhanced cleaning of District's facilities/assets would be a Health & Safety project.
- **Asset Preservation** describes the measures necessary in order to prevent foreseeable deterioration of certain capital assets. For example, if a roof on a building starts leaking, its replacement is a necessary part of asset preservation.

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- **Innovation** initiatives are aimed at enabling incremental efficiencies and enhancing District’s capabilities – lowering the cost/complexity of providing current services and/or allowing the District to develop new programs & services. For example, the implementation of an IT solution eliminating the need for complex recurring manual operations enables the District to reduce costs and focus its resources on high-value services.

Q: Please provide the sources for each of the five categories in the 2021 Preliminary Capital Budget.

A: Staff created these classifications in order to present the capital budget based on requirements rather than by department, as the departmental classification did not reflect Council initiatives.

Q: What were the Finance Committee’s input for this budget?

A: The Finance Committee did not provide specific input for the preliminary budget, as the budget is reviewed first by Council, and then goes to public consultation. The Finance Committee will provide a review at its meeting on February 17, 2021.

Q: What is the source of the debt service of the Municipal Hall and Police Department? Project? This year? Next year?

A: Payments for the District’s debt related to this project are funded from the Endowment Fund.

Q: When did the Finance Committee meet and provide input on this budget?

A: The role of the Finance Committee is to “review the Five-Year Financial Plan.” This review will be part of the agenda for February 17, 2021. The Finance Committee’s Terms of Reference is [available online](#).