

# **Virtual 2022 Budget Information Meeting**

## **Tuesday, January 25, 2022, 2-3:30 p.m.**

### **37 members of the public in attendance**

Q: Capital Budget does not include anything to do with Utilities? i.e., nothing to do with water & sewage?

A: The capital budget numbers that were presented are for the operating fund. Utilities, including drinking water, sewer, storm water, garbage, and green waste collection, operate as completely separate funds. By definition, only cost related to the utility service are included in the utility fund. The rates for each fund are established in the Fall of the previous year. When the utility rates are established they include a portion of funding for capital, so the rates which were presented in the Fall of 2021 included amounts for utilities capital. The utility rates reports are on the budget project webpage.

Q: As the impact of climate change continues, will the District be able to track the increased costs? I think it is important that we understand these new costs.

A: The District of West Vancouver ("District") is tracking the new costs where it is clear that they are related to climate change impacts. However, this is challenging because many impacts are related to the many weather events which have affected us recently (flooding, windstorms, and tidal surges). There have been many weather events in the past, but these seem to have greater impacts, so it is challenging to separate these costs from our overall cost of delivering services. Some costs are easier to separate, such as electrifying the District's fleet, which can be quantified. The District will also be able to track any spending against the Environmental Levy.

Q: Municipal Hall – when is the completion date, is the revised budget still \$18M or will it be exceeded and by how much? If the budget will be exceeded, where will the money come from?

A: Staff are preparing a Council Report with an update on the Municipal Hall project and expect to publish the Council Report to the public within one month. The update will also be available on the 2022 budget project webpage at <https://www.westvancouverite.ca/budget>.

Q: West Vancouver Sports Facility – the District committed \$2.5M to this project. The estimated costs for this project would be considerably more and more money would required or approved to be donated by West Vancouver. How much more is that and where will that money come from?

A: The District has committed to closing that funding gap. The District is not able to release the financial information at this time so that it doesn't affect our negotiation in the competitive contract market. A full disclosure will be available to the residents once the process is completed, or earlier if a way can be found to ease the impact on contract negotiations.

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Q: The general fund budget – it is up 2.5% from 2021. Last year’s budget included \$5M of COVID-19 relief spending. Removing the \$5M one-time funding from this year’s budget would actually increase the operating expenses by 7.7%. Where did that extra \$5M go this year? It seems that the \$5M was built into this year’s budget.

A: The \$5M grant from the Province arrived near the end of 2020 and was not part of the 2020 budget. In the 2021 budget it was shown as a government grant. It was almost fully allocated to projects but not spent. Thus it is included in the 2022 budget, not the full amount as there was some spending in 2021, but most of it has been carried forward to 2022. Finance will come back with comparable figures to show the comparison between the 2021 and 2022 budget in regards to this government grant, and this will be posted on the budget web page.

Q: Continuity schedule – looking at the 2021 assessment base, and keeping it the same for 2022, we would presumably see a 19% on average increase in that base. But that base would also change as a result of new properties being developed, new condo high-rises, less any properties that were removed from the portfolio. Could you give a sense of what the increase in the size of the assessment base is as a result of all of the development in West Vancouver? Can you project that for a few years forward?

A: This is called “Non-Market Change” or “Taxation on new construction” – the assessment authority does give a separate assessment for non-market change. Market change for existing properties is based on fair market sales but for all new properties, the Assessment Authority establishes a value based on the real estate market for the previous July, and a “state and condition” of the property for the previous October. The proposed budget does include an estimate of how much taxes would be raised from new construction. For 2022, the expected amount is \$220,000, which is included in the table on slide page #11 of the presentation under revenue: “Taxation on new construction.”

### [2022 Operating Budget - Highlights](#)

In the past, this number has not been very large for the District as most structures built in the District are residential property and in most cases replacement residential property. When one residential property replaces another, the change in value is not that great, because most of the value relates to the land, not the building. If West Vancouver was to build significant business properties, or industrial properties (which is unlikely), that is where the non-market change numbers are significant. Last year the taxes raised from non-market change in the District were less than \$500K. The District cannot project or calculate the numbers for future years, because this would depend upon future factors such as the amount and type of construction and the future value of that construction.

Q: Does the environment levy apply to environmental remediation costs – such as cleaning up the seawall / foreshore after the most recent super storm? If not where do those expenditures come out of?

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A: The District is looking at every source of funds for that remediation work. The first place is the Province through their emergency program. In regards to the seawall which is considered to be an amenity and not a required piece of infrastructure, the District is in discussion with the City of Vancouver as they also suffered significant damage to their seawall, and we are both looking for help from the Province. The District is also reaching out to our insurers. Some of the structures in Ambleside are listed on our insurance schedules, through MIA BC, the Municipal Insurance Co-op. The initial clean-up has been done by Municipal staff and if there are other remediation costs such as replacing the granite coping for parts of the seawall, then the District will look at using the maintenance and capital budgets. The environmental levy is more for additional strategies that the District would put in place rather than for remediation costs.

Q: We're all concerned about balancing financial budgets, of course. But now many municipalities – led by Edmonton – are looking at setting carbon budgets. This may be beyond your remit, but has the District or Council considered setting a carbon budget for the municipality?

A: This has been discussed with the Executive team and will be discussed with the Environmental Manager, once hired. Carbon budgets are an effective tool for making a commitment to meet the corporation's and the community's greenhouse gas (GHG) reduction goals. The District will aim to take the best ideas and measure ourselves against targets, and a carbon budget would be seriously considered as part of the GHG reduction strategy.

Q: Traditional energy costs such as oil and gas are increasing – but we also have renewable energy in our District from run of river to geothermal to heat pumps. Is there a cost point when the District will move to developing more renewable energy within our District, such as solar or wind? And mandating this for new builds?

A: The District is moving as quickly as possible to electrifying the fleet and consideration of other renewable energy sources is being given serious consideration, such as the use of heat pumps. Run of river projects is not something that has been considered but the District is looking at storm water management and how water flow can be managed better. Energy recovery could be part of this process, as renewables will certainly need to be part of any cost effective future solution.

Q: Environmental Manager – will this be a one person manager or will he/she have a team of staff?

A: This will be a one person senior position reporting directly to the CAO. The role will look at the strategy, and create a framework to be supported by the proposed environmental levy.

Q: The Environmental Manager sounds like Empire building – it sounds like this position should have an engineering degree and something in the biosphere realm. How is this manager going to succeed? Is he/she going to be there five years, ten

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years and how are you going to measure the success? Why don't you get a consulting company with cross-discipline skills to do this work?

A: The District assessed different options such as part-time, full-time or hiring a consultant but decided that to be successful this position requires an individual to be hired on a full-time basis to be embedded in the District and to drive this change. The position will lead organizational and community change, and hiring a consultant is not an effective way to do this. The position will succeed if the District has an effective and workable climate change response and natural asset enhancement strategy, and that strategy is embraced by the community.

Q: I attended a number of the budget meetings last year, and the environmental levy was proposed last year at 1.00% and it was reduced to .5%. Is that correct?

A: It was originally proposed at 1.00%, then it was reduced to .5% and then it was foregone due to COVID-19 pressures. However, the District now recommends that the environmental levy is reintroduced.

Q: How much of an increase 1.00% would be for the average West Vancouver resident? Last year I was hugely in favour of the 1.00% and most of what we are doing due to the lack of funds is mostly remediation, fixing what is already damaged. We are not doing a great deal related to preventing more carbon emissions. We need to start doing that, we needed to start doing that fifteen years ago. If this 1.00% will help us do things like that, and coordinate the Hall, the staff, so that they are all working towards this, then that is what we need to do.

A: The increase in taxes per resident would be \$65 per year (seen on slides 24 and 25 of the budget presentation).

Q: Environmental levy – I think we should come up with a plan before we start taxing taxpayers to pay for something that we don't know what we are going to do. Need very clear priorities as to what we want to do. Far more important to look at resilience of our infrastructure. Whatever we do to reduce GHG emissions needs to be cost effective. We need to focus on our waterfront and shoreline, our forests where we have houses adjacent to forests. Perhaps 1.00% is not the right amount, perhaps it should be .5% or 2.00%. The 1.00% worries me because there is not an actual plan to show how this money will be spent. We need to hit two or three priorities.

A: The District wants to invest in the environment and begin by slowly building up an environmental levy. The executive leadership team will steer this position and assess the projects and apply metrics to them. We need to put resources towards doing what we can to meet this challenge and we need a source of funds dedicated to this.

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