

# **Value for Services Working Group**

## **(Final Report)**

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***November 30<sup>th</sup>, 2011***

## **Value for Services Working Group**

# **REPORT – Background Information**

### **INTRODUCTION**

The Value for Services Working Group was formed “to review the cost realities associated with existing municipal services, conduct a public education process on the costs of municipal services, and conduct a public process on possible service level adjustments for the 2010 Budget, in combination with a Three Year Plan for 2010-2012.”

The duties of the WG comprised two phases:

- “Survey Phase” (July-September, 2009) – compiling and analyzing data on municipal services and costs, and distributing a survey to residents. This phase included development of the background material provided herein.
- “Recommendation Phase” (October-November, 2009) – developing recommendations for West Vancouver’s Mayor and Council on service level adjustments in future budgets, based on results of the survey and data analysis.

There are 15 charts on the following pages – ten tables and five graphs and two worksheets. The data source for each chart is indicated, and comments are provided for each of the tables. The graphs illustrate some of the information in the tables.

To create a picture of “cost realities”, the following information is provided:

- Costs of District services, including staffing and user fees (inputs);
- Recent trends;
- Comparisons with other municipalities;
- Measures of service levels (outputs).

The principal sources of data used include:

- BC Local Government Statistics, BC Statistics
- West Vancouver, 2008 Annual Report
- West Vancouver, 2009 Preliminary Budget
- Maclean’s Magazine Survey of 31 Canadian Cities (July 27, 2009)

Comparisons with other municipalities include Burnaby, Surrey, Vancouver, Richmond which ranked #1, #3, #4, #14 respectively in a recent Maclean’s Survey of 31 Canadian Cities (July 27<sup>th</sup>, 2009). Together with North Vancouver City, North Vancouver District, Oak Bay, Saanich, Victoria, they are considered to provide a reasonable “benchmarking” perspective.

## **CHARTS & WORKSHEETS**

1. These charts were prepared by the Value for Services Working Group in July-September, 2009, to assist in completing their assignment.
2. **The charts are NOT publications of the District of West Vancouver. They have been developed by the Working Group, who are totally responsible for their content.**
3. The charts are based on published data sources, as noted in each case.
4. Best efforts have been made to ensure that the information in the charts is accurate. However, it clearly cannot be guaranteed and should be treated with caution, as errors and anomalies are possible, both in the data sources and in the Working Group's compilations.
5. Additional background information is expected to be produced in the "Recommendation Phase".

**Questions or Comments – Please Contact Pascal Cuk:  
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## #1. Taxes & Charges on a "Representative House"

Municipality	2005	2008	% Annual Increase	% Paid by Residents
<b>West Vancouver</b>	<b>6,098</b>	<b>6,823</b>	<b>3.8</b>	<b>92.0</b>
North Vancouver - City	3,491	3,812	3.0	50.7
North Vancouver - District	3,990	4,704	5.6	70.0
Vancouver	4,092	4,562	3.7	47.8
Burnaby	3,544	3,820	2.5	68.7
Richmond	3,422	3,966	5.0	49.6
Surrey	3,137	3,597	4.7	47.9
Oak Bay	4,278	4,704	3.2	95.7
Saanich	3,146	3,307	1.7	80.2
Victoria	3,341	3,767	4.1	47.1
<i>British Columbia - All Municipalities</i>	<i>2,308</i>	<i>2,718</i>	<i>5.6</i>	<i>54.7</i>

BC Government - Municipal Statistics, 2008 - Schedules 704, 707.

- Of the taxes and charges levied against properties by West Vancouver, 92% is paid by residents and 8% by businesses.
- In a typical BC municipality, businesses pay 30-50% of such taxes and charges.
- The rate of increase in property taxes and charges has been lower in West Vancouver than in BC as a whole, from 2005-2008.
- The value of a "representative house" in West Vancouver was \$1.56 million in 2008.
- Charges and taxes are approximately proportional to assessed values.
- The 2006 Census reported 18,057 places of residence in West Vancouver.

## #2. Where the Payments for a "Representative House" Go

West Vancouver	2005	2008	% Annual Increase	Average Percent
Municipal Operations	2,799	3,178	4.3	46.3
Utilities (Water, Sewer, Garbage)	805	959	6.0	13.7
Schools	1,849	1,961	2.0	29.5
Regional District	91	102	3.9	1.5
Transit	554	623	4.0	9.1
<b>Total Payments</b>	<b>6,098</b>	<b>6,823</b>	<b>3.8</b>	<b>100.0</b>

BC Government - Municipal Statistics, 2008 - Schedules 703, 704.

- About 60% of property taxes & charges collected by West Vancouver are for the District's own operations, both general services and utilities.
- The remaining 40% are split – 30% for Schools, 9% for TransLink, and 1% for the Metro Vancouver Regional District (GVRD).

## #3. Revenues from Municipal Taxes & Services Only (\$/Capita)

('000)

Municipality	2005	2008	Increase %/Year	Population 2008
<b>West Vancouver</b>	<b>1,713</b>	<b>2,073</b>	<b>6.6</b>	<b>43</b>
North Vancouver - City	1,194	1,411	5.7	48
North Vancouver - District	1,249	1,439	4.8	86
Vancouver	1,529	1,700	3.6	615
Burnaby	972	1,141	5.5	218
Richmond	1,149	1,325	4.9	189
Surrey	687	785	4.6	434
Oak Bay	1,329	1,535	4.9	18
Saanich	934	1,123	6.3	113
Victoria	1,587	1,920	6.6	82
<i>British Columbia - All Municipalities</i>	<i>1,006</i>	<i>1,195</i>	<i>5.9</i>	<i>4,382</i>

BC Government - Municipal Statistics, 2008 - Schedule 401.

Excludes other revenues.

- West Vancouver's property taxes and charges for services are significantly higher than in most other BC municipalities, though only slightly higher than in Victoria.
- Their annual rate of increase at 6.6% over the past 3 years is also higher compared to other municipalities, and to the 5.9% rate for BC as a whole.
- West Vancouver's population in 2008 was estimated to be 42,853, representing an annual growth rate of 0.4% since 2004.

#### #4. Revenues from All Sources (\$ Millions)

West Vancouver	2005	2008	% Annual Increase	Average Percent
Property Taxes	43.9	50.1	4.5	47.2
Fees & Charges	8.6	10.5	6.9	9.5
Licenses & Permits	3.5	3.6	0.8	3.6
Other Revenue	4.4	7.3	18.1	5.9
Government Grants	1.0	1.2	7.6	1.1
Utilities (Water, Sewer, Garbage)	14.9	18.2	6.8	16.6
Transit Reimbursements	8.7	11.5	9.9	10.2
Sundry Financial	4.0	7.7	24.6	5.9
<b>Total Revenues</b>	<b>89.0</b>	<b>110.2</b>	<b>7.4</b>	<b>100.0</b>

West Vancouver - 2008 Annual Report.

- Property taxes account for about half of West Vancouver's revenues, excluding transit. That's comparable to other BC municipalities.

- West Vancouver is unique among BC municipalities in operating its own transit service, the Blue Bus. However, it is fully compensated for that cost by TransLink.

- Property taxes have increased more slowly (4.5% annually) than revenues from utilities and other sources.

#### #5. Where West Vancouver Spends Its Money (\$ Millions)

West Vancouver	2005	2008	% Annual Increase	Avg.% of Total
Administration	3.5	3.8	2.7	3.2
Financial Services	3.1	3.7	5.5	3.0
Police Services	9.7	11.8	6.9	9.5
Fire & Rescue Services	10.2	11.5	4.3	9.6
Engineering & Transportation	3.1	4.0	9.5	3.1
Planning & Lands	2.4	2.8	5.0	2.3
Parks & Community Services	14.5	16.7	4.8	13.7
Library Services	3.2	3.7	4.7	3.0
Utilities (Water, Sewer, Garbage)	13.1	15.1	4.7	12.4
Transit Operating	8.7	11.5	9.9	8.9
Sundry Financial	1.8	5.1	42.1	3.0
<b>Operating Expenditures</b>	<b>73.3</b>	<b>89.8</b>	<b>7.0</b>	<b>71.8</b>
Capital Expenditures	20.1	44.0	29.8	28.2
<b>Total Expenditures</b>	<b>93.4</b>	<b>133.7</b>	<b>12.7</b>	<b>100.0</b>

West Vancouver - 2008 Annual Report.

- The share of resources allocated to West Vancouver's various activities (excluding capital investments) has remained fairly constant in recent years.

- Since 2004, the District has completed several major capital projects: Gleneagles Community Centre (\$10M), universal water metering (\$7M), Eagle Lake water filtration plant (\$17 M), the new Community Centre (\$40M).

- Capital costs increased substantially in recent years, as the District completed its program of recreational facility investments, and upgraded its water supply system.

- The District's reserves at year-end 2008 totalled \$49 million.

## #6. Comparative Municipal Costs (\$/Capita) - 2008

Municipality	General Government	Protective Services	Development Services	Transport & Transit	Parks, Recr. & Culture	Water Services	Sewer Services	Solid Waste & Recycling	Other Services	Expenditures Excl. Capital
<b>West Vancouver **</b>	<b>197</b>	<b>567</b>	<b>64</b>	<b>144</b>	<b>495</b>	<b>121</b>	<b>136</b>	<b>43</b>	<b>58</b>	<b>1,825</b>
North Vancouver - City	198	384	76	68	352	92	103	35	45	1,354
North Vancouver - District	141	380	22	70	370	113	97	56	29	1,278
Vancouver	181	466	78	152	337	95	90	86	50	1,535
Burnaby	206	381	72	152	359	143	119	55	2	1,490
Richmond	173	340	51	147	235	118	112	39	0	1,357
Surrey	62	304	37	45	108	80	85	46	29	797
Oak Bay	191	384	0	152	539	131	31	60	0	1,488
Saanich	87	317	18	112	250	95	48	38	7	972
Victoria	288	660	26	188	329	112	20	74	0	1,697
<i>British Columbia - All Municipalities</i>	<i>144</i>	<i>321</i>	<i>46</i>	<i>137</i>	<i>219</i>	<i>83</i>	<i>76</i>	<i>47</i>	<i>47</i>	<i>1,184</i>

BC Government - Municipal Statistics, 2008 - Schedule 402.

\*\* EXCLUDES "Blue Bus" Costs of \$269, Fully Reimbursed by TransLink.

- The costs of most services in West Vancouver are significantly higher than in other BC municipalities.
- For example, costs per capita for Parks, Recreation and Culture are roughly double those costs in many other BC municipalities.
- The costs of protective services are also higher, except in Victoria.

## #7. Municipal Operating Costs & Total Costs (\$/Capita)

Municipality	Operating Costs Only			Total Costs Including Capital		
	2005	2008	%/Year	2005	2008	%/Year
<b>West Vancouver</b>	<b>1,787</b>	<b>2,095</b>	<b>5.4</b>	<b>2,165</b>	<b>2,912</b>	<b>10.4</b>
North Vancouver - City	1,181	1,354	4.7	1,457	1,971	10.6
North Vancouver - District	1,056	1,278	6.6	1,406	1,608	4.6
Vancouver	1,280	1,535	6.2	1,644	2,160	9.5
Burnaby	901	1,490	18.3	1,169	1,490	8.4
Richmond	976	1,357	24.5	1,213	2,552	28.1
Surrey	609	797	9.3	983	1,198	6.8
Oak Bay	1,216	1,488	6.9	1,411	1,488	1.8
Saanich	826	972	5.6	1,026	1,151	3.9
Victoria	1,424	1,697	6.0	1,778	2,050	4.8
<i>British Columbia - All Municipalities</i>	<i>889</i>	<i>1,184</i>	<i>10.0</i>	<i>1,246</i>	<i>1,655</i>	<i>9.9</i>

BC Government - Municipal Statistics, 2008 - Schedule 402.

INCLUDES "Blue Bus" Costs, \$269 (Reimbursed).

- West Vancouver's Operating Costs have increased at 5.4% per year over the past three years, which is considerably less than the 10% increase in Metro Vancouver and British Columbia as a whole.
- When capital costs are included, all three of these jurisdictions registered annual increases of 10%. In West Vancouver's case, this was largely due to the \$40 million cost of the new Community Centre, which completed the Districts major recreational facility building program.

## #8. West Vancouver Reserves & Debts (\$ Millions)

West Vancouver	2005	2008	2005-08 \$ Change	% Annual Change
Reserve Funds	35.6	25.9	-9.7	-10.1
Operating Surplus	5.1	2.1	-3.0	-25.6
Development Cost Charges	20.7	21.1	0.4	0.7
<i>Total Reserves</i>	<i>61.4</i>	<i>49.1</i>	<i>-12.3</i>	<i>-7.2</i>
Debt Principal Outstanding	9.2	35.2	26.0	56.2
<b>Net Balance</b>	<b>52.1</b>	<b>13.9</b>	<b>-38.3</b>	<b>-35.7</b>

West Vancouver - 2008 Annual Report.

- At year end 2008, West Vancouver's reserves totalled \$49 million.
- The District's outstanding debts of \$35 million represents \$817 per capita, roughly double the average for all BC municipalities.

## #9. Department Values - Financial Measures - 2009

West Vancouver Departments	\$ '000		Financial Measures	
	Cost	Revenue	% Recov.	Net \$/Cap.
1. Administration	3,899	390	10.0%	81.87
2. HR & Payroll	1,088	0	0.0%	25.39
3. Financial Services	4,159	31	0.7%	96.33
4. Police Services	12,182	1,080	8.9%	259.08
5. Fire & Rescue Services	11,902	522	4.4%	265.55
6. Engineering & Transportation	3,585	688	19.2%	67.60
7. Planning & Lands	3,450	3,637	105.4%	-4.36
8. Parks & Community Services	15,943	8,119	50.9%	182.58
9. Library Services	3,861	572	14.8%	76.75
10. <i>General Services - Total</i>	<i>60,069</i>	<i>15,038</i>	<i>25.0%</i>	<i>1,050.81</i>
11. Water **	4,196	7,190	171.3%	-69.86
12. Sewers **	5,840	6,574	112.6%	-17.14
13. Solid Waste **	1,850	2,245	121.3%	-9.21
14. Cemetery **	481	853	177.4%	-8.69
15. Golf **	855	1,314	153.7%	-10.72
16. Transit (TransLink) **	11,546	11,546	100.0%	0.00
17. Other **	6,960	8,145	117.0%	-27.64
18. <i>Utilities &amp; Other - Total **</i>	<i>31,727</i>	<i>37,867</i>	<i>119.3%</i>	<i>-143.26</i>
19. <i>District Total</i>	<i>91,796</i>	<i>52,905</i>	<i>57.6%</i>	<i>907.55</i>

2009 Preliminary Budget

\*\* 2008 Annual Report

Chart #9 shows the percentage of operating costs recovered through revenues by the District's General Services and Utility departments. Also shown are their net costs per capita.

- General Services departments recover 25% of their costs.
- All utilities generate surpluses, amounting to about 20% of overall operating costs.
- Excluding Transit and "other", the surpluses of utilities represented 37% their of their operating costs in 2008.

**#10. Activity Values - Financial Measures, Service Levels, Unit Costs - 2009**

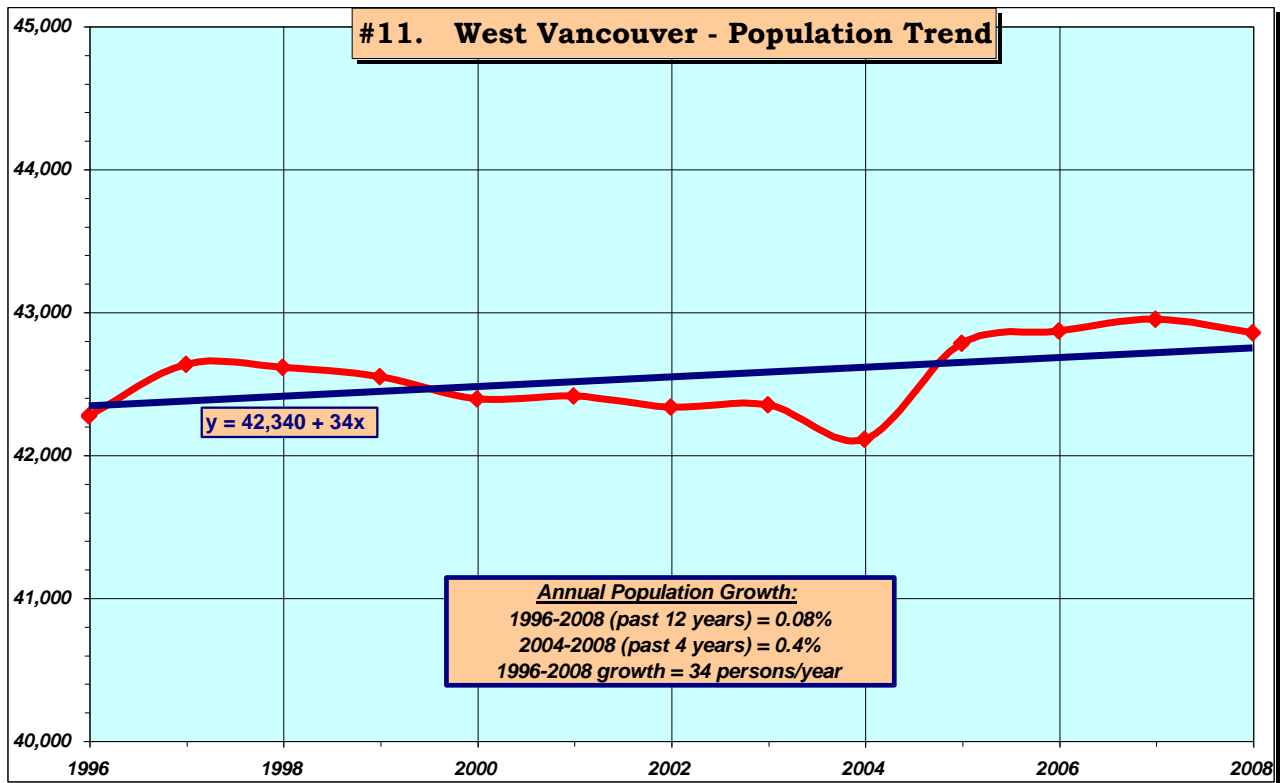
West Vancouver Activities	\$ '000		Financial Measures		Output Measures		
	Cost	Revenue	% Recov.	Net \$/Cap.	Description	Units	Net \$/Unit
1. Legislative Services	706	26	3.7%	15.88			
2. Communications	383	0	0.0%	8.94			
3. Environmental Services	174	15	8.6%	3.70			
4. Emergency Services	189	0	0.0%	4.41			
5. Financial Services	4,159	31	0.7%	96.33	Tax & Utility Transact.	49,000	84.24
6. HR & Payroll	1,088	0	0.0%	25.39	Number of FTE Staff	724	1,503
					Residents per Staff	59	
7. Library Services	3,861	572	14.8%	76.75	Patron Visits ('000)	520	7.43
					Circulation ('000)	1050	3.68
					Active Library Cards	32,000	121
8. Police Services	12,182	1,080	8.9%	259.08	Property Crime	1,350	
					Violent Crime	200	
					Motor Vehicle Accident	700	
9. Fire & Rescue	11,902	522	4.4%	265.55	Fire Calls	300	
					EMS/Rescue	1,600	
					Motor Vehicle Accident	400	
10. Cultural Services	1,322	349	26.4%	22.70	Attendance	360,000	2.70
11. - Culture	740	263	35.5%	11.14	Attendance	100,000	4.77
12. - Kay Meek	100	0	0.0%	2.33	Attendance	50,000	2.00
13. - Ferry Gallery	199	48	23.8%	3.54	Attendance	67,000	2.26
14. - Museum & Archive	248	35	14.0%	4.97	Attendance	12,000	17.75
15. - Festivals & Events	135	4	3.0%	3.05	Attendance	180,000	0.73
16. <i>Culture - Total</i>	<i>2,744</i>	<i>698</i>	<i>25.4%</i>	<i>47.73</i>	<i>Attendance</i>	<i>769,000</i>	<i>2.66</i>
17. Cent. Adm: Parks & Com. Ser.	398	0	0.0%	9.28			
18. Community Services	11,238	7,501	66.7%	87.21	Attendance	1,266,000	2.95
19. - Admin. & Social Services	538	285	52.9%	5.91			
20. - Community Centre	2,495	1,628	65.2%	20.23	Attendance	123,000	7.05
21. - Aquatic Centre	3,716	2,838	76.4%	20.48	Attendance	660,000	1.33
22. - Civic Site	140	0	0.0%	3.26	Attendance		
23. - Arena	638	426	66.7%	4.97	Attendance	105,000	2.03
24. - Seniors Centre	1,806	1,296	71.8%	11.89	Attendance	252,000	2.02
25. - Youth Centre	331	27	8.0%	7.11	Attendance	6,000	50.77
26. - Gleneagles Centre	1,574	1,017	64.6%	13.01	Attendance	120,000	4.64
27. Parks Maintenance	4,308	618	14.4%	86.09			
28. <i>Recreation - Total</i>	<i>27,182</i>	<i>15,635</i>	<i>57.5%</i>	<i>269.44</i>	<i>Attendance</i>	<i>2,532,000</i>	<i>4.56</i>

2009 Preliminary Budget

Chart #10 is a breakdown of Chart #9 into specific activities, and contains not only financial performance measures, but also output measures showing the levels of services delivered to residents. Cost recovery through revenues is shown, together with estimated costs per unit of the services delivered. For example:

- The Ferry Gallery recovers about 24% of its operating costs, for a net cost of \$2.26 per person visiting it.
- The Aquatic Centre recovers 76% of its operating costs, for a net cost of \$1.33 per attendee.
- A Library card is worth about \$120 per year, and the cost of borrowing a book or disc is \$3.68.





Government of BC: BC Statistics (Feb. 2009).

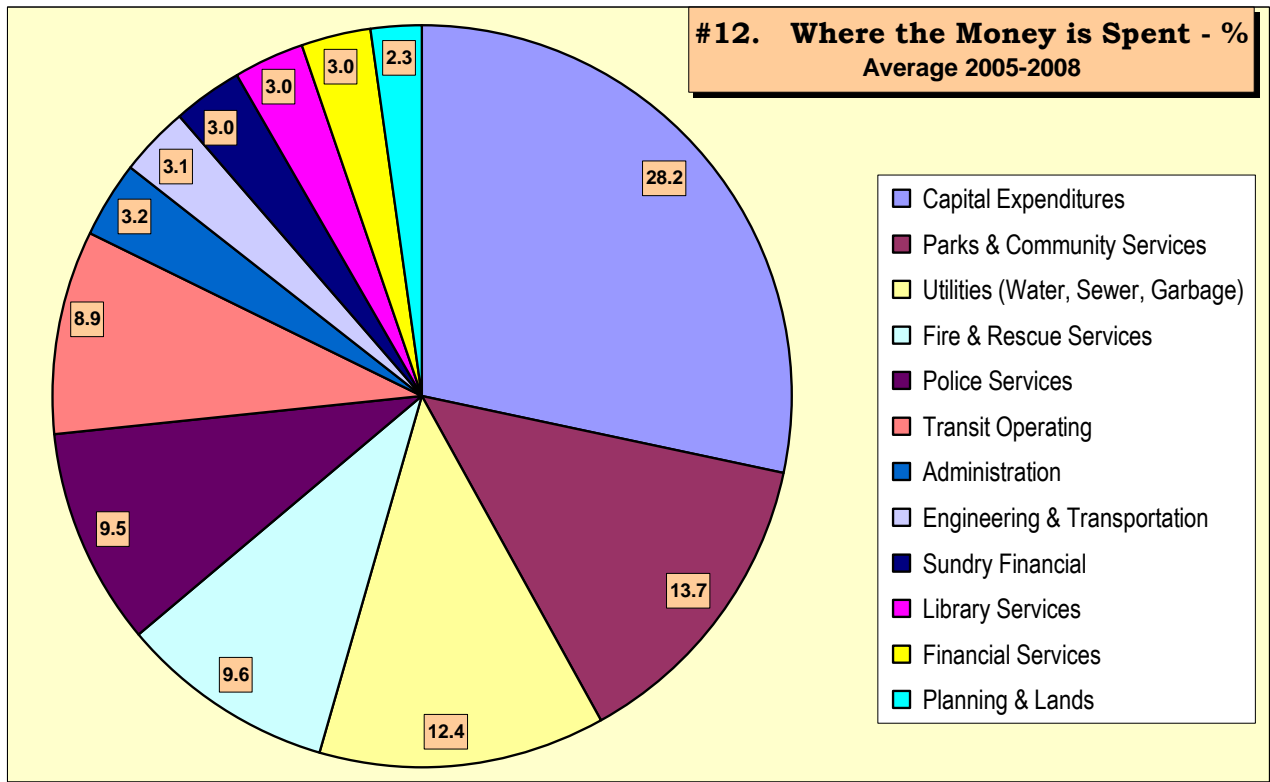
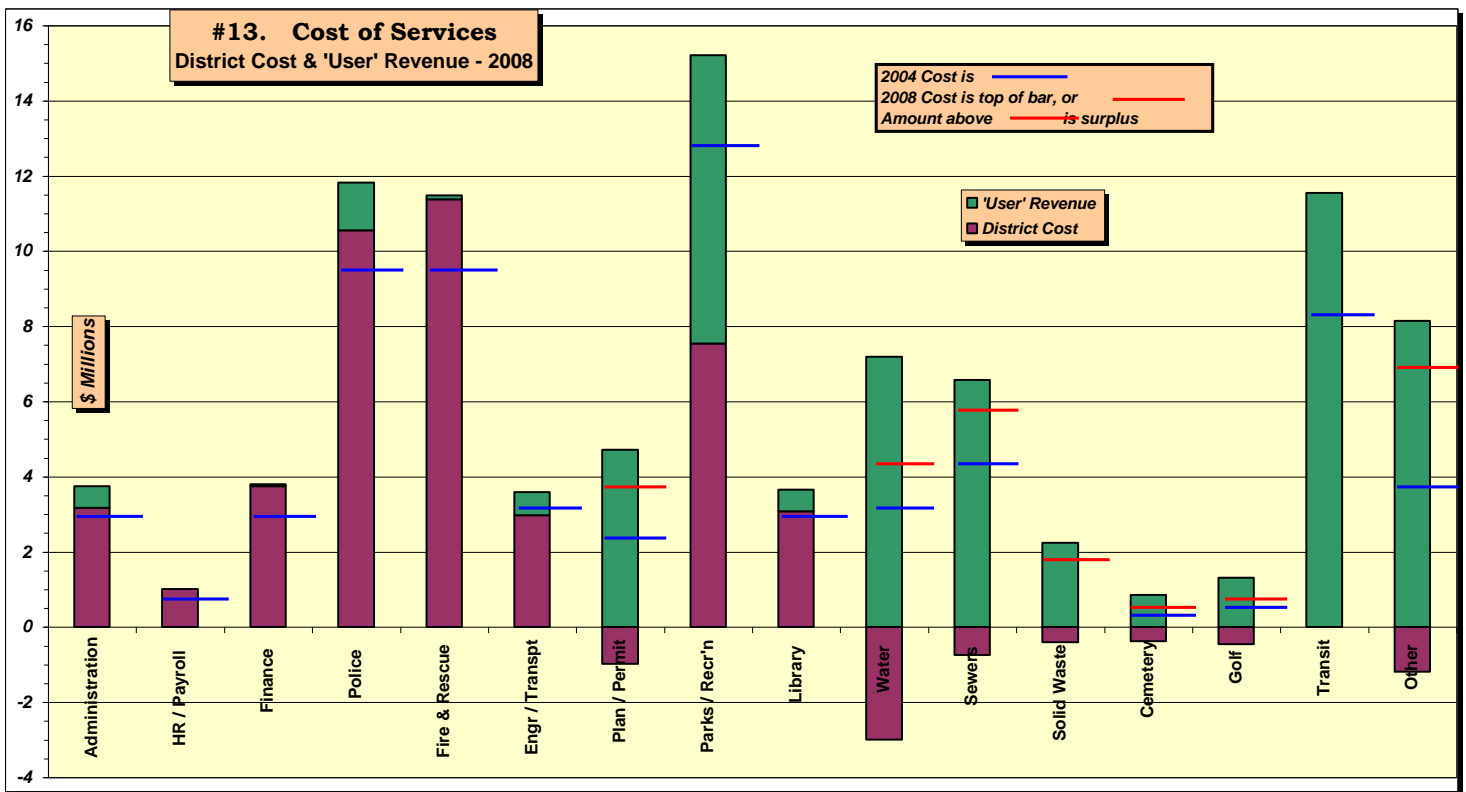


Chart #5: West Vancouver - 2008 Annual Report.



West Vancouver - 2009 Proposed Budget

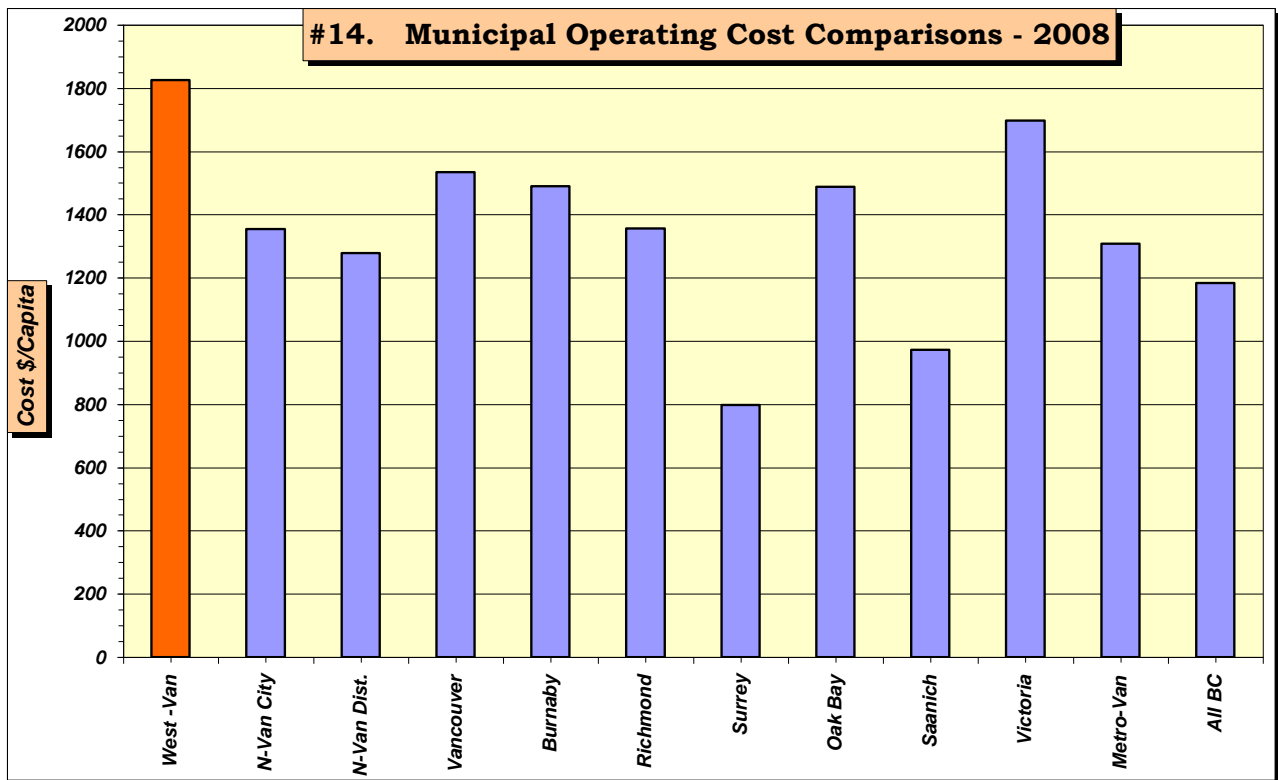


Chart #6: BC Government - Municipal Statistics, 2008 - Schedule 402.

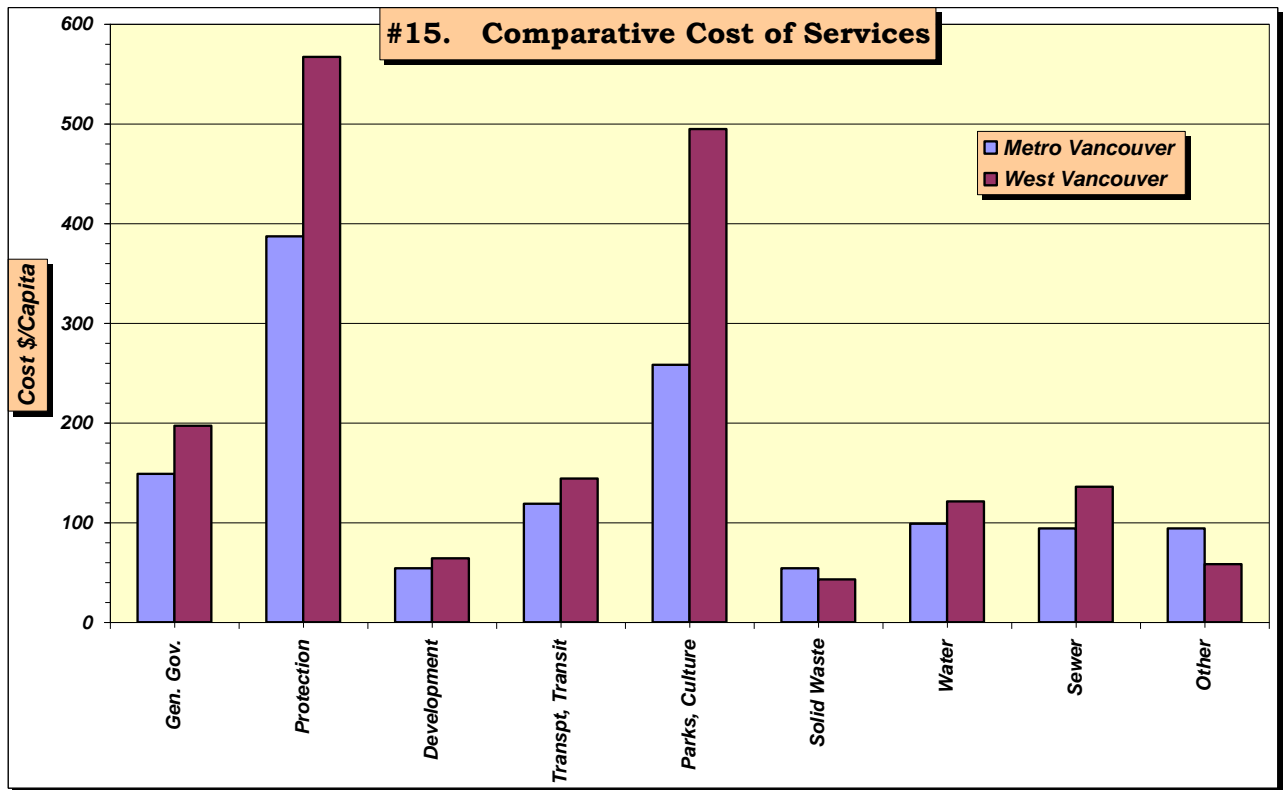
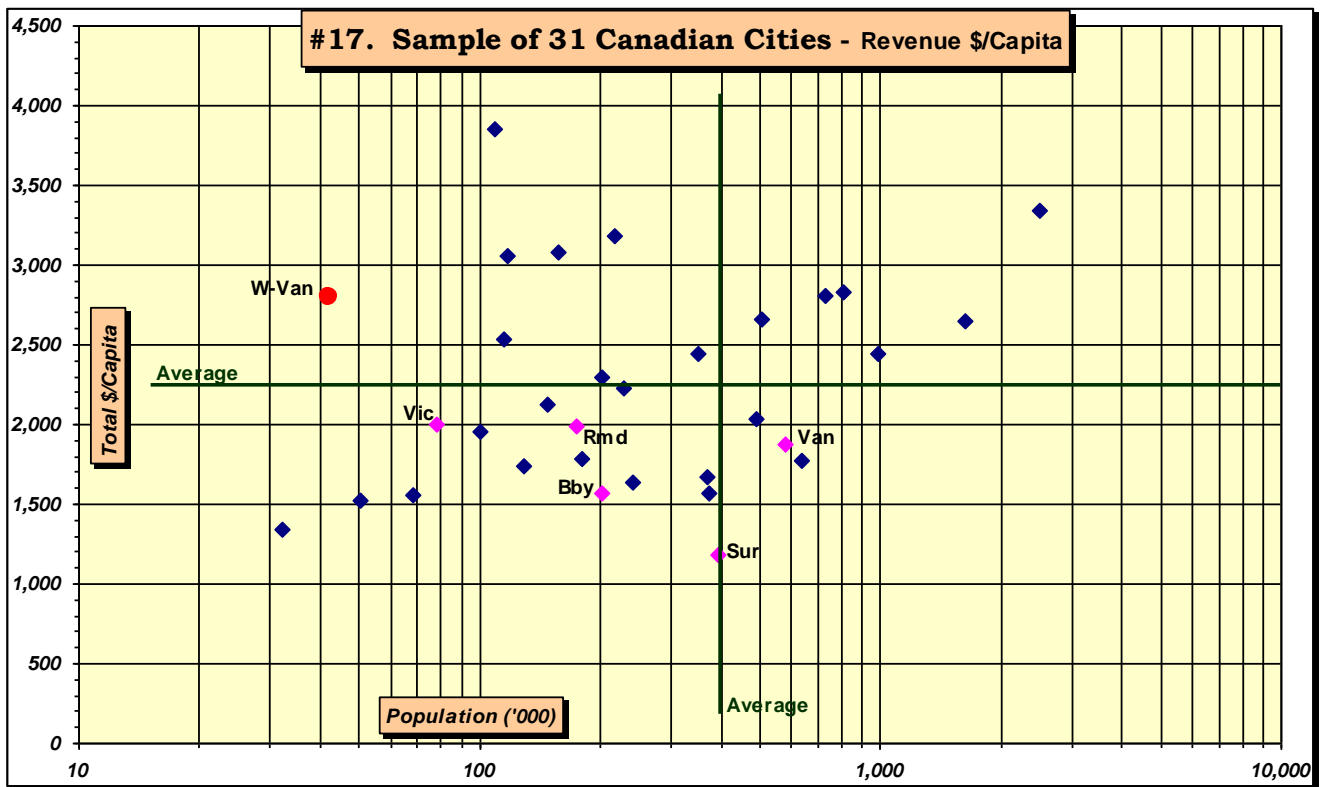


Chart #6: BC Government - Municipal Statistics, 2008 - Schedule 402.





UTILITIES, TRANSIT, OTHER		2004	2005	2006	2007	2008
<b>Water Utility</b>	- Costs	3,281,651	3,405,720	3,883,542	3,977,858	4,196,083
	- Revenue	4,949,740	5,644,597	6,140,112	8,859,616	7,189,779
	- Net Cost	-1,668,089	-2,238,877	-2,256,570	-4,881,758	-2,993,696
<b>Sewer Utility</b>	- Costs	4,561,391	4,978,397	5,193,472	5,484,746	5,839,860
	- Revenue	4,431,689	5,001,286	5,675,343	6,606,026	6,574,436
	- Net Cost	129,702	-22,889	-481,871	-1,121,280	-734,576
<b>Solid Waste</b>	- Costs	2,004,783	1,682,466	1,724,780	1,744,667	1,850,000
	- Revenue	2,054,783	2,156,995	2,119,196	2,303,172	2,244,787
	- Net Cost	-50,000	-474,529	-394,416	-558,505	-394,787
<b>Cemetery</b>	- Costs	367,016	392,937	467,679	520,632	480,884
	- Revenue	474,431	818,360	995,336	922,869	853,176
	- Net Cost	-107,415	-425,423	-527,657	-402,237	-372,292
<b>Golf</b>	- Costs	729,548	878,081	885,083	958,345	854,878
	- Revenue	1,204,558	1,283,392	1,236,849	1,189,684	1,314,215
	- Net Cost	-475,010	-405,311	-351,766	-231,339	-459,337
<b>Utilities - Total</b>	- Costs	10,944,389	11,337,601	12,154,556	12,686,248	13,221,705
	- Revenue	13,115,201	14,904,630	16,166,836	19,881,367	18,176,393
	- Net Cost	-2,170,812	-3,567,029	-4,012,280	-7,195,119	-4,954,688
<b>Transit - Total</b>	- Costs	8,271,564	8,700,651	9,784,434	10,443,275	11,545,526
	- Revenue	8,271,564	8,700,651	9,784,434	10,443,275	11,545,526
	- Net Cost	0	0	0	0	0
<b>Other - Total</b>	- Costs	3,543,206	3,564,452	5,053,821	4,680,526	6,960,243
	- Revenue	7,769,269	4,287,017	8,701,204	4,990,813	8,144,679
	- Net Cost					
Third Party Works	- Costs	1,108,492	919,647	1,272,756	1,282,943	2,136,305
Sundry Financial	- Costs	893,637	865,643	1,736,725	1,521,238	2,982,134
	- Revenue	7,769,269	4,287,017	8,701,204	4,990,813	8,144,679
Sundry Operating	- Costs	1,541,077	1,779,162	2,044,340	1,876,345	1,841,804
Garage						
Operations Centre						
Capital Maintenance						
<b>UTILITIES, TRANSIT, OTHER</b>	- Costs	22,759,159	23,602,704	26,992,811	27,810,049	31,727,474
	- Revenue	29,156,034	27,892,298	34,652,474	35,315,455	37,866,598
	- Net Cost	-6,396,875	-4,289,594	-7,659,663	-7,505,406	-6,139,124

STAFF, FTE	Exempt	Union	FTE Total
	1.75	8.75	10.50
	1.75	4.55	6.30
	0.50	0.20	0.70
	0.00	5.10	5.10
	0.00	6.80	6.80
	4.00	25.40	29.40
	4.00	115.65	119.65
	1.00	36.00	37.00
	0.00	9.00	9.00
	0.00	7.00	7.00
	1.00	5.30	6.30
	0.00	14.70	14.70
	9.00	177.05	186.05

CAPITAL EXPENDITURES	15,360,061	20,098,523	18,958,611	34,760,729	43,975,705
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STAFF, FTE	96.26	629.00	724.29
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REVENUES	- Fees	275,000	287,950	312,000	339,900	398,600
General Taxation		42,729,705	43,886,756	45,957,110	47,910,591	50,115,912
Fees & Charges		8,128,631	8,554,720	9,594,159	10,120,569	10,458,700
Licenses & Permits		3,485,633	3,508,877	3,390,022	3,755,470	3,590,607
Other Revenue		4,636,220	4,429,072	4,568,454	4,718,021	7,286,596
Government Grants		914,438	989,031	1,090,142	1,123,584	1,230,622
Utilities		13,115,201	14,904,630	16,166,836	19,881,367	18,176,393
Transit		8,271,564	8,700,651	9,784,434	10,443,275	11,545,526
Other		7,769,269	4,287,017	8,701,204	4,990,813	8,144,679
<b>REVENUES - TOTAL</b>	- Reven. 2009	88,775,661	88,972,804	98,940,361	102,603,790	110,150,435
	- Reven. 2008	88,775,661	88,972,804	98,940,361	102,603,790	110,150,435
	- Difference **	0	0	0	0	0
EXPENDITURES						
Departments		46,959,996	50,263,657	53,174,029	56,599,824	58,065,544
Utilities		10,944,389	11,337,601	12,154,556	12,686,248	13,221,705
Transit		8,271,564	8,700,651	9,784,434	10,443,275	11,545,526
Other		3,543,206	3,564,452	5,053,821	4,680,526	6,960,243
Capital		15,360,061	20,098,523	18,958,611	34,760,729	43,975,705
<b>EXPENDITURES - TOTAL</b>	- Costs 2009	85,079,216	93,964,884	99,125,451	119,170,602	133,768,723
	- Costs 2008	84,729,202	93,356,302	98,186,937	118,477,107	133,739,116
	- Difference **	350,014	608,582	938,514	693,495	29,607
<b>NET RESULT: Revenues - Costs</b>		4,046,459	-4,383,498	753,424	-15,873,317	-23,588,681

\*\* Different figures in 2008 Annual Report and 2009 Budget.

# WORKSHEET - B:

## Summary of Maclean's Survey of 31 Canadian Cities - July 27, 2009.

Municipality Maclean's Survey Average: 2005-2007	Population 2006 Census	1. Governance & Finance							2. Taxation						3. Safety & Protection				
		Revenue \$/ Capita	Gen. Gov. \$/ Capita	LT Debt \$/ Capita	Revenue User Fee %	Population / Staff	Population / Councillor	Voter Turnout %	T. Assess. \$/ Capita	Comm. Ass. \$/ Capita	% Comm	Res. Tax \$/ Dwelling	Comm. Tax \$/ Capita	Comm. Tax Rev. %	Police \$/ Capita	Fire \$/ Capita	Loss \$/ Fire	Fire Resp. Minutes	
1	Halifax Region, NS	372,679	1,569	237	1,013	18		15,528	48	64,912	14,844	23	1,319	234	16	190	314	24,370	
2	Saint John, NB	68,043	1,556	161	1,480			6,186	53	56,340	18,530	33	1,439	496	39	265	534	4,073	
3	Fredericton, NB	50,535	1,528	305	137	9	86	3,887	45	77,811	16,810	22	1,681	355	25	212	393	3,312	
4	Saint John's, NL	100,646	1,951	282	417	27		9,150	49	73,418	24,748	34	1,557	262	18		390		
5	Charlottetown, PE	32,174	1,337	141	1,431		169	2,925	60	60,294	14,366	24	1,346	345	27	169	175		
6	Gatineau, QC	242,124	1,638	212	1,859			13,451	61	63,569	13,732	22	1,068	290	18	180	206	96,505	
7	Laval, QC	368,709	1,675	170	1,889		155	16,760	31	70,230	14,274	20	1,906	542	37			10,216	5.74
8	Longueuil, QC	229,330	2,231	431	2,506			8,494	39	73,901	14,370	19	666	167	8	349	237		
9	Montreal, QC	1,620,693	2,645	327	4,369	3		24,934	44	79,025	20,219	26	1,783	892	39	297	372		
10	Quebec, QC	491,142	2,032	273	2,437			12,925	63	57,747	14,159	25	1,590	581	32	199	198	3,807	
11	Sherbrooke, QC	147,427	2,124	203	1,751		135	6,143	45	48,643	11,385	23				162	171		
12	Barrie, ON	128,430	1,736	129	130	21	142	11,675	41	81,986	14,153	17	2,057	245	14	252	381	15,177	
13	Guelph, ON	114,943	2,530	276	904	26	129	16,420	40	84,140	12,994	15	1,943	316	16	240	361	16,715	
14	Hamilton, ON	504,559	2,660	220	567	23	86	31,535	37	72,472	21,921	30	2,118	300	15	242	309	12,326	6.29
15	Kingston, ON	117,207	3,061	283	926	37	97	9,016	40	76,082	11,183	15	2,728	863	38	342	394	9,408	
16	London, ON	352,395	2,438	166	1,003		120	23,493	43	69,442	10,657	15	1,822	264	14	233	315	11,914	5.88
17	Ottawa, ON	812,129	2,827	232	602	30	60	33,839	54	100,728	23,775	24	2,088	376	17	251	372	25,479	
18	Sudbury Region, ON	157,857	3,079	222	297	32	86	12,143	38	50,003	9,472	19	1,693	313	17	259	307	12,990	9.43
19	Thunder Bay, ON	109,140	3,851	285	1,994	22	52	8,395	39	55,260	10,976	20	1,752	807	28	291	414	9,718	
20	Toronto, ON	2,503,281	3,340	232	1,282	29	61	55,628	39	120,907	23,599	20	1,779	535	21	359	355	15,447	6.29
21	Windsor, ON	216,473	3,184	410	602	29	87	19,679	38	68,058	14,422	21	1,639	660	28	336	394	31,172	5.44
22	Winnipeg, MB	633,451	1,771	164	663	37	73	39,591	38	46,397	12,464	27				249	298		
23	Regina, SK	179,246	1,781	226	254	32		16,295	36	44,175	17,537	40	1,050	937	61	262	340	14,758	
24	Saskatoon, SK	202,340	2,298	120	220	47	76	18,395	37	39,474	11,842	30	776	153	7	250	295	3,857	
25	Calgary, AB	988,193	2,448	213	1,501	35	78	65,880	25	131,024	28,699	22	865	553	28	249	331	13,856	
26	Edmonton, AB	730,372	2,802	278	813	30	69	56,182	27	92,010	20,494	22	952	425	23	289	343		
27	Burnaby, BC	202,799	1,564	148	0			22,533	26	153,758	29,356	19	851	378	26	164	326	1,241	
28	Richmond, BC	174,461	1,984	173	360	15		19,385	26	164,128	34,649	21	962	346	21				
29	Surrey, BC	394,976	1,180	354	0			43,886	35	119,647	13,748	11	777	115	10	187	283	39,915	
30	Vancouver, BC	578,041	1,873	243	1,359			52,549	32	194,468	32,428	17	890	566	32	308	313	12,714	4.50
31	Victoria, BC	78,057	2,004	323	635	37	107	8,673	26	155,748	37,178	24	802	513	26				
32	West Vanc. 2008	42,131	2,570	197	821	46	59	7,140	32	534,700	18,900	4	2,496	91	8	276	270	6,164	4.50
	Average	416,189	2,216	240	1,069	27	98	21,647	40	99,391	18,371	22	1,480	431	24	252	324	17,180	6.22
	Minimum	32,174	1,180	120	0	3	52	2,925	25	39,474	9,472	4	666	91	7	162	171	1,241	4.50
	Maximum	2,503,281	3,851	431	4,369	47	169	65,880	63	534,700	37,178	40	2,728	937	61	359	534	96,505	9.43
			Efficiency				Effectiveness			Effectiveness			Efficiency			Efficiency		Effectiveness	

Maclean's Survey of 31 Canadian Cities - July 27, 2009.

RANKINGS: Burnaby #1, Surrey #3, Vancouver #4, Richmond #14, Victoria unranked.

Municipality Maclean's Survey Average: 2005-2007	4. Transportation				5. Environmental Health			6. Economic Development						7. Recreation & Culture						
	Roads	Transit	Ridership	Trans-Work	Water	Solid Waste	Sewage	Econ. Dev.	Infrastruc.	Construct.	Pop. Chge.	Real GDP	Cap.Assets	Recreation	Recreation	Culture	Culture	Library	Lib. Cards	
	\$/Lane-km	\$/Capita	/Capita-yr	La-Force %	\$/km-Main	\$/Dwell.	\$/km-Main	\$/Capita	\$/Capita	\$/ \$M Ass.	2001-06 %	\$/Capita	2005-07 %	\$/Capita	2005-07 %	\$/Capita	2005-07 %	Visits / Cap	% / Capita	
1	Halifax Region, NS	11,250	167	58	12	23,259	635	24,788	53	488	27,679	4	33,087		68	25	63	27	10	49
2	Saint John, NB	14,891	56	25	8	17,947	101	19,165	124	446	43,392	-2	52,526	5	101	5	18	8	3	38
3	Fredericton, NB	22,415	62	23	5	11,140	75	11,504	87	472	28,697	6		11	66	28	24	8	4	85
4	Saint John's, NL	16,958	9	26	5	61,906	123	2,766	43	626	33,502	1	68,080	7	191	37	17	21		
5	Charlottetown, PE	15,009	20	4	1	1,091		22,407	206	1,038		0		9	136	23				
6	Gatineau, QC	12,834	102	64	16		161		39	324	7,374	7	42,160	7	76	-15	45	6	3	25
7	Laval, QC	31,968		52	14				34	702	32,001	7	54,277	6				3	3	19
8	Longueuil, QC	22,107	184		22		184		77	471		2	54,277	-2	137	-12	72	-22	3	35
9	Montreal, QC	50,861	231		35		181		126	397	16,694	2	54,277	9	210	-6	82	8	3	31
10	Quebec, QC	25,485	125		13	14,317	176	14,542	132	428		3	48,925	9	121	7	80	8		
11	Sherbrooke, QC	21,259	59		6	9,183	84	15,438	102	299		6	34,211	5	122	9	32	9	2	19
12	Barrie, ON	30,389	128		5	47,153	198	35,056	26	603	43,500	24			244	31	39	10	6	67
13	Guelph, ON	29,092	184		7	43,730	367	39,856	43	485	34,618	8		4	166	22	81	7		6
14	Hamilton, ON	24,391	175	48	9	49,519	340	71,458	79	545	18,704	3	54,626	9	147	1	101	6	7	48
15	Kingston, ON	19,588	137	28	5	9,971	309	28,595	127	960		3	43,359	5	359	77	80	1	7	
16	London, ON	22,035	168	58	9	39,396	132	60,248	87	457	29,298	5	50,067	8	132	6	80	3	8	43
17	Ottawa, ON	15,004	511		22	47,025	205	57,060	53	595	13,167	5	42,160	2	157	12	68	18	5	36
18	Sudbury Region, ON	16,878	123	32	5	33,539	253	32,005	90	425	27,948	2	35,912	1	155	4	47	3	7	
19	Thunder Bay, ON	13,147	145	27	3	46,027	165	40,863	71	644	16,925	0	39,121		231	3	100	4	6	35
20	Toronto, ON	36,957	631	164	34	96,371	317	108,907	45	601	15,710	1	86,416	4	183	15	134	9	7	50
21	Windsor, ON	26,633	146	28	4	44,539	234	33,165	88	676	22,855	3	54,198	5	250	34	72	-1	5	45
22	Winnipeg, MB	42,577	1	67	14	40,809	80	23,858	119	429	26,474	2	37,899	71	110	5	132	8	5	67
23	Regina, SK	16,466	130	19	5	22,343	144	27,736	25	274	33,495	1	41,472	11	28	4	1	8	8	51
24	Saskatoon, SK	7,834	88	295	4	30,204	69	32,255	92	797	37,927	3	43,885	41	57	5	20	5	8	68
25	Calgary, AB	25,283	309	87	17	34,983	131	26,034	83	845	38,432	12	61,933	9	120	5	55	16	6	50
26	Edmonton, AB	30,077	411		13	15,233	230	15,233	66	828	36,227	10	66,746	14	177	14	88	11	7	47
27	Burnaby, BC	14,543	398		25	31,600	123	20,548	60	351	22,736	5		13	38	-1	20	3	9	81
28	Richmond, BC	19,248	435		12	36,208	140	13,312	68	476	22,770	6		8				10	10	79
29	Surrey, BC	17,325	257	44	11	73,863	110	17,436	35	380	29,910	14		8	23	10	8	10	6	67
30	Vancouver, BC	15,130	507		25	46,330	160	39,378	106	428	17,812	6	135,967	16	275	6	183	33	10	48
31	Victoria, BC	27,589		64	13	29,957	134	7,166	23	332	19,554	5	142,174	8				24	24	59
32	West Vanc. 2008	12,875	269	90		12,910	102	9,750	64	1,260	12,163	0.4		60	634	6	64		12	65
	Average	22,128	206	61	12	35,382	189	30,376	77	565	26,280	5	57,406	13	163	12	65	8	7	49
	Minimum	7,834	1	4	1	1,091	69	2,766	23	274	7,374	-2	33,087	-2	23	-15	1	-22	2	6
	Maximum	50,861	631	295	35	96,371	635	108,907	206	1,260	43,500	24	142,174	71	634	77	183	33	24	85
	Efficiency			Effectiveness		Efficiency		Efficiency		Efficiency		Effectiveness		Efficiency		Effectiveness		Efficiency		Effectiveness

Maclean's Survey of 31 Canadian Cities - July 27, 2009.

RANKINGS: Burnaby #1, Surrey #3, Vancouver #4, Richmond #14, Victoria unranked.

# Value for Services Working Group

## RECOMMENDATIONS

The Conclusions and Recommendations of the Value for Services Working Group are summarized in this Report. There are two Appendices containing a great deal of detailed information:

1. **Background Information** prepared by the Working Group, and posted on the District's website in support of the Value for Services Survey of District residents;
2. Results of the **Value for Services Survey** prepared by Synovate (Western Canada) Ltd.

This was a complex project, made more challenging by the extremely short time frame available for its completion. While this Report and its Appendices provide a large amount of information, they are also likely to raise questions. The Working Group would be pleased to respond to such questions.

### Introduction

The Value for Services Working Group was formed *"to review the cost realities associated with existing municipal services, conduct a public education process on the costs of municipal services, and conduct a public process on possible service level adjustments for the 2010 Budget, in combination with a Three Year Plan for 2010-2012"* (Terms of Reference).

The activities of the Working Group comprised two phases:

- "Survey Phase" (July-September, 2009) – compiling and analyzing data on municipal services and costs, to provide a factual basis for undertaking a Value for Services Survey of Residents. It should be noted that, due to time constraints, the public education process was limited to the four-page brochure accompanying the Survey, and the posting of background information on the District's website.
- "Recommendation Phase" (October-November, 2009) – *"recommending service level adjustments in future budget deliberations."*

The data sources used in this project include:

- BC Local Government Statistics, BC Statistics  
[http://www.cd.gov.bc.ca/lgd/infra/statistics\\_index.htm](http://www.cd.gov.bc.ca/lgd/infra/statistics_index.htm)
- West Vancouver, 2008 Annual Report  
<http://www.westvancouver.net/Government/Level3.aspx?id=3286>
- West Vancouver, 2009 Preliminary Budget
- Maclean's Magazine Survey of 31 Canadian Cities (July 27, 2009)



## **Survey of Residents**

*The Working Group wishes to highlight the following findings from the Value for Services Survey of West Vancouver residents.*

1. The Survey is not statistically representative. Although there were 610 respondents, a good sample size for many surveys, this group was self-selected and is not a random sample.
2. The Working Group believes that the Survey provides a reasonable reflection of the attitudes of residents for the purposes of the Working Group's mandate. This is supported by the overall consistency of the responses to Q1 (overall satisfaction), with previous random surveys of residents conducted by the District in recent years.
3. The Survey results should be considered directional rather than definitive and, as such, can serve to help point the District to areas for further consideration and investigation, and indicate where residents are likely to support or oppose certain initiatives.
4. Overall, the Survey results show that satisfaction with the District's services is positive.
5. The Survey results provide no clear indication for reducing or enhancing any particular service.
6. The Survey results indicate that respondents favour options of reducing spending, finding efficiencies, and increasing user fees. This is indicated by the low level of satisfaction and value with General Government, the high rate of mentions allocating funds from General Government to other service areas, and the frequency of specific comments and suggestions aimed at reducing costs and finding efficiencies.
7. Responses to Q9 (suggestions for improvement) indicate that 40% of Survey respondents recommended cost reductions or improved efficiencies. This is particularly significant, and should be highlighted, because respondents made the effort to write down something in response to the question.
8. There is a curious disconnect in the results. On the one hand respondents say that, overall, they greatly appreciate the services they get from the District, and don't want to see significant reductions. On the other hand, they don't want to pay more for these services – they want the District to hold the line and, if anything, incrementally reduce the costs of delivery.
9. Responses to Q3 (perceived value of the municipal share of property taxes) indicate that 18% of respondents see "very good value", 54% "somewhat good value", and 28% see the value as "somewhat poor or very poor". In other words, 82% of respondents see room for improvement, and a significant minority see a lot of room for improvement.
10. Respondents have very little interest in new services if higher taxes are involved. Only 6% would support this.
11. Responses to Q8 (acceptable tax increase) indicate that 63% of respondents would find a 1% tax increase acceptable, while only 19% would find a 3% increase acceptable.
12. Respondents generally support user fees.

## **Recommendations**

*The following recommendations reflect the findings and deliberations of the Working Group, including results of the Survey of residents, the analysis of financial and operational data from West Vancouver and other municipalities, and discussions at meetings of the Group.*

*The members of the Working Group, and their Council and Staff liaisons, see the current work as “the end of the beginning” – a reasonable “first step” in assisting the District to chart a sustainable operational and financial future for West Vancouver.*

1. Council should establish a clear commitment to financial restraint, with a simple, high level, and high profile statement of commitment. Such a statement appears to be lacking currently. Further:
  - Employee performance measurement indicators should capture this commitment;
  - Council should adopt a target level of tax increases relative to core inflation, or use the rate of inflation as the maximum acceptable increase.
2. Service level enhancements that result in higher taxes, whether from capital expenditures or operating costs, should be carefully evaluated, and approved only if they are in the public interest and respond to documented resident demand.
3. Since labour costs are the largest component of expenditures and expenditure increases, a focused effort should be placed on increasing efficiencies through:
  - Alternative delivery methods;
  - Increased employee productivity.
4. A comprehensive review of user fees should be undertaken, with a set time frame to deliver a report and recommendations to Council. The Survey results of Q6 (support for user fees) should be used for general guidance.
5. Similarly, a review of all leases to the private sector or private individuals of municipal lands or assets should be undertaken, with a view to moving to market rates.
6. Investigation should be undertaken to determine and address the underlying causes of the relatively low level of satisfaction with Engineering and Transportation, and with Planning, Lands and Permits.
7. The Survey results and the information provided to Council by the Value for Services Working Group are directional rather than definitive. Therefore, the Working Group recommends that the District consider further investigations of the attitudes and opinions of residents through working groups and other avenues.

## **Addendum – Findings from the Data Analysis**

The items below illustrate the contents of the Background Information posted on the District’s website, which forms part of this Report. It contains financial data about District activities from 2005-2008, comparisons with other municipalities, and “value for service measures” (Tables 9, 10).

Additional background data, which may be useful in the District’s Budget deliberations, is contained in two spreadsheets:

- “A” – Value for Service Evaluation Matrix, summarizing District financial data from 2004-2009;
- “B” – Summary of the Maclean’s survey of 31 Canadian cities (July, 2009) showing three dozen performance variables for each, with corresponding data for West Vancouver added.

1. Compared to BC municipalities and to the Maclean’s survey of 31 Canadian cities, costs and staffing levels are significantly higher in West Vancouver.
2. Taxes and charges in 2008 on an average single-family house amounted to \$6823 in West Vancouver, compared to \$4704 in North-Van. District, \$4562 in Vancouver, and \$3812 in North-Van. City.
3. Municipal operating costs for West Vancouver in 2008 were \$1825 per capita, compared to \$1300 in North Vancouver (City and District) and \$1200 for all BC municipalities.
4. West Vancouver’s staffing level amounts to one employee per 59 residents, compared to a 98 average in the Maclean’s survey. Access to comparative municipal data for BC could not be obtained.
5. West Vancouver’s revenues from municipal taxes and charges have increased at an annual rate of 6.6% from 2005-2008. The average for all BC municipalities was 5.9%.
6. In recent years, West Vancouver’s capital expenditures have been its single largest budget item. They averaged 28% over the past four years – the next largest item was Parks & Community Services at 14%.
7. West Vancouver obtains 46% of its revenue from user fees and charges, compared to an average of 27% and a maximum of 47% in the Maclean’s survey of Canadian cities.
8. For example, the Aquatic Centre recovers a high 74% of its operating costs through user fees, with the remaining 26% costing \$20/capita annually.
9. Parks & Community Services recover 58% of their operating costs through user fees, and Cultural Services 25%.
10. A library card is worth \$120 per year, and the cost of borrowing an item is \$3.70.
11. The District’s utilities have been generating operating surpluses, averaging \$5 million annually in the past four years.
12. West Vancouver’s population has been growing slowly – 170 residents (0.4%) per year in the past four years, and an annual average of only 34 over the past 12 years.
13. The relative acceptability of different levels of tax increases is illustrated in the chart below, by means of a cumulative representation of the responses to Q8 of the Survey (acceptable tax increase). It shows that a tax increase of 1% would be acceptable to 63% of respondents, while this would drop to 19% for a 3% increase.

