

2025-2029 FIVE-YEAR FINANCIAL PLAN CONTEXT PRESENTATION

District of West Vancouver (District)
Council Meeting

December 16, 2024

Presentation Outline

1. **2025 Operating Budget**
2. **2025 Capital Budget**
3. **Climate Action & Environment**
4. **Household Impact**
5. **Next Steps**

1 2025 Operating Budget

2025 Budget Outlook

Ongoing Challenges

- Undiversified, slow growing tax base: 97% residential, 3% business, no industrial: <https://www.nsnews.com/in-the-community/north-shore-population-growth-continues-to-lag-behind-metro-vancouver-average-8807064>
- Minimal cash reserves
- Limited revenue sources
- Challenging geography (infrastructure costs/maintenance)
- Climate change (wear and tear, weather threats, costs to mitigate/respond/recover)
- Protecting natural resources
- Public demands for service levels versus costs

2025 Challenges

- Regional collective agreement patterns, labour relations, and legal decisions influencing salaries and benefits
- Acceleration of inflation
 - Impact of inflation - delayed effects on costs
 - Construction-related inflation pressure
- Current decrease in interest rates negatively impacting investment income
- Imposed costs from other agencies/partners where we are contractually bound
- Deferred asset maintenance gap
- Funding Council's Strategic Plan beyond core services

Preliminary Tax Rates

	Approved 2024	Preliminary Review 2025	Base Budget Current Levy 2025	Continue Asset Levy 2025
Operating Levy	3.54%	6.89%	5.52%	5.52%
Asset Levy	4.00%	1.00%	0.00%	1.00%
Environmental Levy	0.00%	0.00%	0.00%	0.00%
Total District Levies	7.54%	7.89%	5.52%	6.52%
			2.02% lower than last year	1.02% lower than last year

Tax Levy Increases

Year	Operating Levy	Asset Levy	Environmental Levy	Total
2025	5.52%	1.00%	-	6.52%
2024	3.54%	4.00%	-	7.54%
2023	2.14%	2.00%	-	4.14%
2022	1.79%	1.00%	1.50%	4.29%
2021	1.48%	2.50%	-	3.98%
2020	2.00%	-	-	2.00%
2019	2.19%	1.76%	-	3.95%
2018	2.09%	1.56%	-	3.65%
2017	2.00%	2.45%	-	4.45%
2016	1.62%	5.25%	-	6.87%

2025 Preliminary Budget

	2025	
	Dollar Change	Tax Impact
Revenue	\$58K	(0.06%)
Expense		
Committed Costs	\$5,787K	6.07%
Services Levels	\$427K	0.45%
Cost Savings	(\$897K)	(0.94%)
	\$5,317K	5.58%
Operating Levy Increase	\$5,259K	5.52%

Revenue – Details

	2025	
	Dollar Change	Tax Impact
Increase		
Taxation from Non-Market Change	\$538K	(0.56%)
Destination Parks Pay Parking - Phase 1 Net Revenue	\$491K	(0.51%)
Community Services Net Revenue	\$225K	(0.24%)
Permit & Development Application Fees	\$215K	(0.23%)
Facility Lease Revenue - Profit Sharing	\$187K	(0.20%)
Fixed Fee for Signage	\$40K	(0.04%)
Police Information Checks	\$40K	(0.04%)
Other Adjustments	\$46K	(0.05%)
Decrease		
Interest Revenue on Investments	(\$1,638K)	1.72%
Transfer Business Licence Function to Squamish Nation	(\$70K)	0.07%
Traffic Fine Sharing Revenue Grant	(\$16K)	0.02%
Revenue Total	\$58K	(0.06%)

Revenue - Destination Parks Pay Parking

Council at its May 8, 2023, regular meeting, passed the following resolution:

THAT net revenues from this program be used for maintenance of the subject parks.

- Pay parking revenue transferred to dedicated reserve (Lighthouse Park separate) to fund parks maintenance
- Existing parks maintenance operating budget reduced

Council at its November 18, 2024, regular meeting, passed the following resolution:

THAT net revenues from the pay parking program be used to support District Parks, Culture, and Community Services.

- In addition to parks maintenance, operating budgets in culture and community services could be reduced

Pay parking expansion to Cypress Falls Park, Seaview Walk, Ambleside Park, John Lawson Park, and Dundarave Park still **under consideration**

- Anticipate gross revenues of **\$1M** (*not included in 2025 preliminary budget*)
- **Additional resources** for administration, planning, implementation and program development would be required (fund from pay parking revenue)

Expense - Details

	2025	
	Dollar Change	Tax Impact
Committed Costs	\$5,787K	6.07%
Labour Agreements for Existing Staff	\$4,907K	5.15%
Imposed External Agency Costs	\$668K	0.70%
Contractual Obligations & Inflation	\$212K	0.22%
Enhance/Add to Services Levels	\$427K	0.45%
Enhancing Service Levels	\$118K	0.12%
Providing New Services	\$309K	0.33%
Cost Savings	(\$897K)	(0.94%)
Reduction of Discretionary Expenses	(\$412K)	(0.43%)
Reorg Savings	(\$310K)	(0.33%)
Interest Paid on Tax Prepayments	(\$143K)	(0.15%)
Efficiency Savings	(\$32K)	(0.03%)
Expense Total	\$5,317K	5.58%

Expense – Committed Costs

	2025	
	Dollar Change	Tax Impact
Labour Agreements for Existing Staff	\$ 4,907K	5.15%

- District negotiates a collective agreement with each of the unions that represent employees
- There are five collective agreements and three unions (excluding Transit) with varying terms of renewal
- Estimate for collective agreement increases range from 3.0 to 5.0%
- Slight increase to fringe costs (WorkSafeBC, CPP, EI, extended medical/dental)
- Typically, a pattern of wages and benefits has been established in the Metro Vancouver region and West Vancouver aligns with this pattern to ensure that staff are compensated competitively

Expenses – Committed Costs

Almost all
public safety-
related

		2025	
		Dollar Change	Tax Impact
Imposed External Agency Costs			
Police: E-Comm 911 Annual Increase		\$347K	0.36%
Police: Integrated Teams Fee Increase		\$112K	0.12%
Police: Managed Detection & Response (MDR) to meet RCMP Requirements		\$66K	0.07%
Police: Private Subnetwork for Mobile Data Terminals to Meet Secure Connection Standard		\$11K	0.01%
	Sub-total Police Services	\$535K	0.56%
Fire: E-Comm 911 Annual Increase		\$78K	0.08%
Fire: Surrey Dispatch Contract Annual Increase		\$46K	0.05%
Fire: Marine Fire Protection Contract Increase		\$5K	0.01%
	Sub-total Fire & Rescue Services	\$129K	0.14%
North Shore Emergency Management (NSEM)		\$4K	0.00%
		\$668K	0.70%

Expenses – Committed Costs

	2025	
	Dollar Change	Tax Impact
Contractual Obligations & Inflation		
IT: Software Maintenance and Subscription Contract Increases	\$60K	0.06%
Police: Operational Cost Increases	\$58K	0.06%
Police: Fleet Maintenance Inflation Increases	\$38K	0.04%
Fire: Fleet Maintenance Inflation Increases	\$30K	0.03%
Facilities: BC Hydro Rate Increases	\$27K	0.03%
	\$212K	0.22%

Requests to Enhance/Add to Service Levels

	2025	
	Dollar Change	Tax Impact
Enhancing Service Levels	\$118K	0.12%
Planning: Contracted General - Hazard Trees Cutting	\$84K	0.09%
Operating Costs of New and Replacement Fleet Vehicles	\$16K	0.01%
Operating Costs of Data Line Fees for Police Phone System Migration to the Cloud	\$18K	0.02%
Providing New Services	\$309K	0.33%
IT: Managed Detection & Response 24/7 Cyber Security Services	\$169K	0.18%
Self-Insurance to Mitigate for Cyber Security Risks	\$100K	0.10%
Operating Cost of Capital Requests - Police body worn cameras, in-car cameras and automated licence plate readers	\$25K	0.03%
Comms: Personal Safety and Emergency Preparedness Translation Services	\$15K	0.02%
	\$427K	0.45%

Cyber Risk Exposure

- District's technologies and systems are under constant threat of cyber attacks
 - Automated "bots" are perpetually proving and testing the defenses of organizations
 - Requires constant vigilance in monitoring and response
 - In a seven-day period:
 - District firewalls blocked over 1M threat activities against systems
 - Email security systems blocked over 350K malicious and spam messages
- Municipal Insurance Association BC (MIABC) requires a Managed Detection Response (MDR) solution for cyber security insurance

Cyber Security Risk Management Strategies

- Managed Detection & Response (MDR) Solution
 - Cyber security service provides continuous (24/7/365) monitoring and analysis of logs and security information feeds from its customers
 - Enable the provider to detect, respond to, and remediate potential threats in real time, notifying the customer at the first signs of a security breach
 - Minimizes risk, increases operational efficiency and provides unparalleled visibility into security systems' logs and events
- Self-Insurance to Mitigate for Cyber Security Risks
 - Coverage from MIABC up to \$1M
 - Establish a Cyber Security Reserve beyond the \$1M coverage to help prevent or recover from the impacts of a major cyberattack

Expenses – Cost Savings

	2025	
	Dollar Change	Tax Impact
Cost Savings		
Reduction of Discretionary Expenses	(\$412K)	(0.43%)
Reorg Savings	(\$310K)	(0.33%)
Interest Paid on Tax Prepayments	(\$143K)	(0.15%)
Efficiency Savings	(\$32K)	(0.03%)
	(\$897K)	(0.94%)

2 2025 Capital Budget

Asset Levy

2025

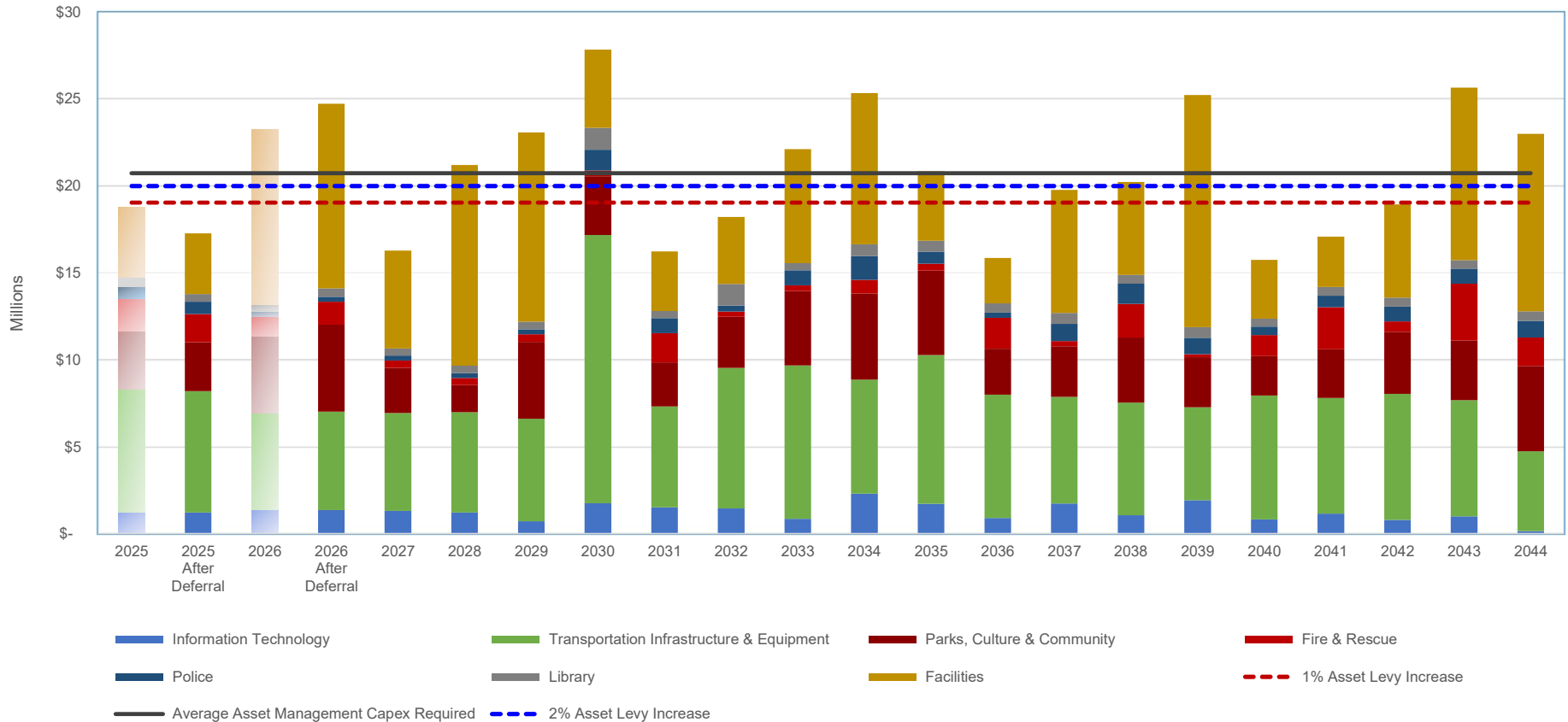
Asset Levy

1.0%

- Best practice is to continue building up reserves for asset maintenance
- Deferred maintenance gap remains
- 20-year asset management plans updated each year

20-Year Asset Management Plan

Over the next 20 years, to prevent assets from failure resulting from deferred maintenance, the estimated average annual cost of maintaining the general fund assets is **\$20.7M**.



Asset Levy

Year	Asset Levy % Increase	Asset Levy	Operating Budget Contribution	Available Capital Funds	Estimate of Optimal Investment	Shortfall/ (Surplus)
2025	2.00%	\$ 17.4M	\$ 2.6M	\$ 20.0M	\$ 20.7M	\$ 0.7M
2025	1.00%	\$ 16.5M	\$ 2.6M	\$ 19.0M	\$ 20.7M	\$ 1.7M
2024	4.00%	\$15.5M	\$2.6M	\$18.1M	\$19.8M	\$1.7M
2023	2.00%	\$12.0M	\$2.6M	\$14.6M	\$17.7M	\$3.1M
2022	1.00%	\$10.3M	\$2.1M	\$12.4M	\$16.3M	\$3.9M
2021	2.50%	\$9.5M	\$1.2M	\$10.7M	\$16.9M	\$6.2M
2020	0.00%	\$7.1M	\$0.7M	\$7.8M	\$14.5M	\$6.7M
2019	1.76%	\$7.1M	\$7.4M	\$14.5M	\$14.5M	\$0.0M
2018	1.56%	\$5.7M	\$7.4M	\$13.0M	\$14.5M	\$1.5M
2017	2.45%	\$4.6M	\$7.4M	\$12.0M	\$14.1M	\$2.1M
2016	5.25%	\$3.1M	\$7.4M	\$10.4M	\$13.9M	\$3.5M
2015	0.00%	\$0.0M	\$7.4M	\$7.4M	\$13.9M	\$6.5M

Over last 10 years gap is closing

* Minor rounding differences

Capital Summary

Stage	Sources of Funds	Estimate of Funding Available	2025 Capital	Reserve Balance
Preliminary	Asset Reserves	\$20.1M	\$20.5M	(\$0.4M)
	Other Reserves	\$19.5M	\$2.4M	\$17.1M
			\$22.9M	
Revised	Asset Reserves	\$20.4M	\$17.9M	\$2.6M
	Other Reserves	\$19.3M	\$1.7M	\$17.6M
			\$19.6M	

* Might not sum up due to rounding differences

Funding Sources - Reserve Projections

GENERAL FUND RESERVES	2025 Estimated Funding Available	2025 Capital Requests	2025 Reserve Balance
Asset Reserves	\$ 20.4M	\$ (17.9M)	\$ 2.6M
<i>Statutory</i>			
Capital Facilities Reserve	\$ 4.2M	\$ (3.3M)	\$ 0.9M
Capital Infrastructure Reserve	\$ 8.6M	\$ (7.7M)	\$ 0.9M
Capital Equipment Reserve	\$ 4.8M	\$ (4.2M)	\$ 0.6M
<i>Non-Statutory</i>			
Operational Reserve	\$ 2.8M	\$ (2.6M)	\$ 0.2M
Non-Restricted Amenity Contributions Fund	\$ 9.9M	\$ (0.2M)	\$ 9.7M
CAC-Community Serving	\$ 5.8M	\$ (0.2M)	\$ 5.6M
CAC-Neighbourhood Serving	\$ 4.1M	\$ 0.0M	\$ 4.1M
Environmental Reserve Fund	\$ 2.7M	\$ (0.0M)	\$ 2.7M
Union of British Columbia Municipalities (UBCM) Community Works Fund	\$ 0.2M	\$ (0.1M)	\$ 0.1M
Development Cost Charges (DCC) - Parks & Open Space	\$ 5.2M	\$ (0.2M)	\$ 5.0M
Major - Interest	\$ 0.5M	\$ 0.0M	\$ 0.5M
Local - Principal	\$ 4.2M	\$ 0.0M	\$ 4.2M
Local - Interest	\$ 0.5M	\$ (0.2M)	\$ 0.3M
External Sources / Donations	\$ 1.2M	\$ (1.2M)	\$ 0.0M
TOTAL	\$ 39.7M	\$ (19.6M)	\$ 20.1M

* Might not sum up due to rounding differences

2025 Capital Budget

2025 CAPITAL REQUESTS		FUNDING SOURCES						Total	%
		Asset Reserves	External Sources/ Donations	CAC Community Serving	Development Cost Charges	Environmental Reserve	UBCM Community Works Fund		
Maintaining & Replacing Existing Assets	Asset Preservation	\$1.2M	-	-	\$0.2M	-	-	\$1.4M	7%
	Health & Safety	\$0.2M	-	-	-	-	-	\$0.2M	1%
	Innovation	\$1.0M	\$0.1M	-	-	-	\$0.1M	\$1.2M	6%
	Regular Asset Maintenance	\$12.7M	\$0.4M	\$0.2M	-	-	-	\$13.3M	68%
	Strategic Investment	\$1.4M	\$0.0M	-	-	-	-	\$1.4M	7%
	Subtotal	\$16.5M	\$0.5M	\$0.2M	\$0.2M	\$0.0M	\$0.1M	\$17.5M	89%
New Assets	Health & Safety	\$0.2M	\$0.2M	-	-	-	-	\$0.4M	3%
	Innovation	\$0.2M	\$0.0M	-	-	-	-	\$0.2M	1%
	Strategic Investment	\$1.0M	\$0.5M	-	-	-	-	\$1.5M	8%
	Subtotal	\$1.4M	\$0.7M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$2.1M	11%
Total	\$17.9M	\$1.2M	\$0.2M	\$0.2M	\$0.0M	\$0.1M	\$19.6M	100%	

* Might not sum up due to rounding differences

Low Use Poor Condition Assets

Service Area	Asset	Maintenance Cost (over next 20 years)
Engineering	Nelson Creek Bridge (rehabilitation cost estimate)	\$3.5M
Facilities	Whytecliff Park Concession Building	\$0.1M
Facilities	Lighthouse Park Sk'iwitsuit Hut & Phil Mundy Building, and other buildings	\$1.2M
Facilities	Stonehedge - 775 15th Street	\$0.6M
Facilities	Anderson Residence - 791 15th Street	\$0.6M
Facilities	1538 Fulton Avenue - Structure	\$0.9M
Facilities	Ambleside Park Pump House	\$0.2M
Facilities	Klee Wyck Park Caretaker Cottage	\$0.7M
Parks	Tennis Courts – Burley Drive, Caulfeild Elementary, Cedardale, Westridge	\$0.8M
TOTAL		\$8.6M

Funded Council Requests – New Assets

(in progress/near completion)

Project	Budget	Maintenance Costs
St. Francis-in-the-Woods Church Roadway and Parking Lot	\$50K	TBD
Municipal Hall Coffee Kiosk	\$100K	TBD
Municipal Hall Patio	\$50K	TBD
Keen Lau Fitness Circuit at Ambleside Park	\$285K	TBD
Pickleball at Ambleside Park	\$350K	TBD
Place for Sports	\$17,750K	TBD
TOTAL	\$18,585K	TBD

Council Strategic Plan Items for Future Budgets

Require resources over next couple of years

- Enhanced cycling safety through additional bike lanes
- Expanded 30km/hr street initiative to more neighbourhoods
- Continued implementation of climate action plan, coastal marine management plan & urban forest management plan, Community Wildfire Protection Plan
- Framework for the collection of historical objects and designation of historical sites

3 Climate Action & Environment

Environmental Levy

2025

Environmental Levy 0.0%

- Existing Environmental Levy along with various grant funding opportunities should be sufficient to continue implementing the Environment and Climate Change objectives of Council's Strategic Plan within the next couple of years
- Increase Environmental Levy starting 2027 for sea level rise adaptation management and continued implementation of the District's Climate Action Strategy (pending Council approval)

4 Household Impact

Breakdown of Total Tax Levy – Average Single-Family

Levy	2024	Increase with 1% Asset Levy			Increase with 2% Asset Levy			2024
		% Increase	\$ Increase	Total \$	% Increase	\$ Increase	Total \$	
Operating Levy	\$6,080	5.52%	\$336	\$6,416	5.52%	\$336	\$6,416	3.54%
Asset Levy	Included above	1.00%	\$61	\$61	2.00%	\$122	\$122	4.00%
Environmental Levy	Included above	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%
Total Tax Levy	\$6,080	6.52%	\$397	\$6,477	7.52%	\$458	\$6,538	7.54%

BC Assessment – 2025 Preview Roll

- 2025 Average Single-Family Detached (SFD): \$3.66M

Breakdown of Total Tax Levy – Average Strata

Levy	2024	Increase with 1% Asset Levy			Increase with 2% Asset Levy			2024
		% Increase	\$ Increase	Total \$	% Increase	\$ Increase	Total \$	
Operating Levy	\$2,802	5.52%	\$155	\$2,957	5.52%	\$155	\$2,957	3.54%
Asset Levy	Included above	1.00%	\$28	\$28	2.00%	\$56	\$56	4.00%
Environmental Levy	Included above	0.00%	\$0	\$0	0.00%	\$0	\$0	0.00%
Total Tax Levy	\$2,802	6.52%	\$183	\$2,985	7.52%	\$211	\$3,013	7.54%

BC Assessment – 2025 Preview Roll

- 2025 Average Strata: \$1.69M

5 Next Steps

Timeline & Engagement Strategy

December 16, 2024 – Council meeting

2025-2029 Five-Year Financial Plan Context Presentation

January 13 - 31, 2025 – Budget Public Engagement

Preliminary budget book posted on District website

Online public questions and comments

January 21 & 22, 2025 – Budget Open Houses

February 2025 – Finance and Audit Committee meeting and Council meeting

Proposed 2025 Operating and Capital Budgets Report

March 2025 – Finance and Audit Committee meeting and Council meeting

Proposed 2025-2029 Five-Year Financial Plan Bylaw and Proposed 2025 Phase 1 Capital Funding report

April 2025 – Council meeting

Proposed 2025-2029 Five-Year Financial Plan Bylaw and Proposed 2025 Phase 1 Capital Funding Report (adoption)

April 2025 – Council meeting

Proposed 2025 Annual Tax Rates Bylaw (3 readings & adoption)

Thank You!
Questions?