


<u>COUNCIL AGENDA/INFORMATION</u>		
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Director	CAO

9

DISTRICT OF WEST VANCOUVER

750 – 17TH STREET, WEST VANCOUVER, BC V7V 3T3

COUNCIL REPORT

Date: January 5, 2010 File: 0117-20-VALSR
 From: Grant McRadu, Chief Administrative Officer
 Subject: Value for Services Working Group – Final Report

RECOMMENDED THAT:

1. Council accept the following recommendations of the Value for Services Working Group which have been incorporated into the District of West Vancouver Strategic Plan, specifically the Balanced Scorecard where performance measurements for accomplishing these initiatives can be monitored.
2. The Survey results (attached as Appendix A) and the information provided to Council by the Value for Services Working Group (attached as Appendix C) be received and considered.
3. Council accept that within the Strategic Plan there is a strong commitment to financial restraint and that employee performance measurement indicators are contained within the Balanced Scorecard.
4. Council's approval of capital expenditures and service level enhancements must be subject to careful review to determine if they are in the public interest and respond to documented resident demand.
5. Since labour costs are the largest component of expenditures and expenditure increases, a focused effort should be placed on increasing efficiencies through:
 - i. alternative delivery methods; and
 - ii. increased employee productivity.
6. A comprehensive review of user fees be undertaken in 2010.
7. A review of all leases to the private sector or private individuals of municipal lands or assets be undertaken, with a view to moving to market rates.
8. Staff analyze and address the apparent discrepancy of resident satisfaction for various District services.

Purpose

The purpose of this report is to evaluate how the Value for Services Working Group recommendations can be best incorporated into the District's work programs and policy documents. The survey results and information provided to Council by the Value for Services Working Group are directional rather definitive (i.e. the survey responses and recommendations should be considered as information). Therefore, the Working Group recommends that the District consider further investigations of the attitudes and opinions of residents.

Background

The Terms of Reference for the Value for Services Working Group was approved by Council on June 1, 2009. The Working Group commenced on July 14, 2009 and met weekly through the Summer and Fall. The Term for the Working Group was approved to begin on May 1, 2009 and conclude by the end of October in order to have the recommendations completed in sufficient time to be considered for the 2010 budget.

The purpose of this Working Group was 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 the 3 year financial plan."

The duties were identified as "the members of the Working Group will review existing District service levels and their costs, and will conduct a process for public review of the relative support for existing service levels, with a view to recommending service level adjustments in future budget deliberations."

The Working Group was also advised to consider the work of the 2006 Fiscal Sustainability Task Force Report. In addition, the District has been developing its Strategic Plan throughout 2009.

At the initial meetings of the Working Group, there was considerable discussion as to how best to fulfill the mandate. It was decided to proceed and consider this as a first attempt to provide information and obtain feedback on these topics from the community.

Given the very short window for completion and a limited budget, the Working Group decided to develop a concise information package of four pages and a two-page questionnaire. This package was to be delivered to every West Vancouver mail box, thus satisfying the two main purposes as identified above. Recipients were given the option of completing the enclosed survey or completing the same survey online. Additional background information was also posted on the District website. Since the survey would be completed by residents who had an interest in doing so, the Working Group understood that the survey results would not be statistically valid and thus the results could only be indicators. However, the contained results were sufficient to develop and support seven recommendations. (See Appendix C)

As noted above, this work was proceeding as the District was conducting the community based Strategic Plan. It is clear from the following analysis that the themes being explored by the Working Group were also being considered within the strategic planning process and many have been incorporated as strategic initiatives within that plan.

Policy

As Council moves from the recommendations above to further consideration of initiatives within the Strategic Plan, these recommendations will guide policy and will be embedded in District work plans.

Analysis

Synovate, a market research company was commissioned to assist the Working Group to design the questionnaire, develop the online survey, process the completed surveys and report on the results. 18,000 surveys were mailed on October 5, 2009 with a Value for Services information newsletter. The consultant's report, which qualified the results as directional and not necessarily representative of all West Vancouver citizens, included an explanation of their methodology, an Executive Summary of their findings and a graphical representation of survey results (see Appendix B).

Through analysis of the Synovate report and research conducted independently, the Working Group developed a report (Appendix C). The Working Group had considerable discussion on how to interpret the responses and were assisted by Synovate who pointed out that the perceived drop in the overall satisfaction shown in the survey was possibly due to the methodology used in the survey and the fact that the survey was responded to by a self-selecting portion of residents.

Attached as Appendix D is the Value for Services Working Group Survey. Further information regarding the Survey and background information can be found at www.westvancouver.ca/valueforservices

The following provides an analysis of how District staff believes those recommendations can be best incorporated into our work and, as suggested above, embedded into the work of the Strategic Plan. The following analysis references the strategic planning tools put in place where several of these recommendations will be embedded as performance obligations of the District. Specifically, the Balanced Scorecard commits to and tracks progress on initiatives and processes. This tool is referenced below as the way several of these recommendations will be implemented.

Financial Restraint: The first recommendation of the Working Group is that Council establish a clear commitment to financial restraint. The District Strategic Plan was devised to create a system to evaluate and exercise financial restraint, acumen and management. The Balanced Scorecard has been adopted to ensure this and to ensure that "employee performance measurement indicators capture this commitment."

The second bullet of this recommendation states “Council adopt a target level of tax increase relative to core inflation or use the rate of inflation as the maximum acceptable increase.” Limiting tax increases to the rate of inflation could become a goal but any increase needs to be accompanied by an analysis of all cost drivers and services provided which was one of the intended outcomes of this survey.

One of the main purposes of completing the Strategic Plan was to provide clarity of what services and additional initiatives cost so they can be pursued, deferred or eliminated by Council. The Balanced Scorecard tool will allow Council to cut back or accelerate initiatives thereby altering budget targets that Council determines is appropriate. Ultimately it will be Council’s decision, acting on behalf of the community, to decide the level of financial constraint the District chooses to exercise. Over the coming year, the Finance Committee of Council will be investigating a number of initiatives and undertaking a review of various cost drivers facing West Vancouver.

Service Level Enhancements: The District aligns with the recommendation “Service level enhancements that result in higher taxes, whether from capital expenditure or operating costs, should be carefully evaluated and approved only if they are in the public interest and respond to documented resident demand.” The District has historically followed this practice through various Official Community Plans, studies and public process and has over the past few years been involved with benchmarking services with the two North Shore municipalities. Unfortunately, as the Working Group has also pointed out, the District has not communicated this work as well as we should have. Now with the new Strategic Plan and the introduction of the Balanced Scorecard, the District will commit to expand its benchmarking of our various services and be more transparent in our reviews.

Labour Costs: “Since labour costs are the largest component of expenditures and expenditure increases, a focused increase should be placed on increasing efficiencies through: alternative delivery methods and increased productivity.”

The District’s Balanced Scorecard specifically targets alternate service delivery. The central objective of this tool is to increase employee productivity; hence this recommendation is fully aligned with our workplan. The Balanced Scorecard is a management system that links corporate objectives, initiatives, and measures to an organization’s Mission. The District has moved to utilizing contracted services where it is more cost effective to do so and we are continuing to utilize volunteers to assist the effective delivery of services.

User Fees: “A comprehensive review of user fees should be undertaken, with a time frame to deliver a report and recommendations to Council”. The Survey results of Question 6 of the Survey that support user fees should be used for general guidance. The consideration of expanded user pay fees is a specific strategic initiative that staff has included in the Balanced Scorecard and includes scope, schedule and budget for possible implementation.

Lease Review: “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.” Again, there is a specific strategic initiative for this item in the Balanced Scorecard. It is a specific goal of Council to review all income streams and move to market rates. Council's recent resolution for permit fee increases for the Hollyburn Ridge Cabins is a clear example of this resolve.

Engineering and Transportation, Planning, Lands and Permits, and General Government Satisfaction Levels: The Working Group notes “Investigation should be taken to determine and address the underlying causes of the relatively low level of satisfaction with Engineering and Transportation and with Planning.” While it is noted by Synovate that the perceived drop in satisfaction was likely due to the methodology used and the fact that the survey was responded to by a self-selecting portion of residents, staff have taken these comments seriously and have devoted time to analysing these results. Staff are looking at internal processes and how we interact with the public, how we communicate and the methods and frequency in which we communicate.

The District acknowledges that these front line legislative functions that interface with the public can cause friction (i.e. waiting while permits are processed, addressing bylaw infractions, awaiting snow ploughs or negotiating public works field works). Water metering, water supply, infrastructure replacement planning, integrated resource management, foreshore protection, and a model land use planning discipline, suggest progressive work coming from these disciplines; however, efforts must be made to ensure greater overall resident satisfaction. To this end there are several strategic initiatives in the Balanced Scorecard that target and address service levels (i.e. initiative 2.2.1 which speaks to measuring our service levels and tracking them over time). The Balanced Scorecard will allow effective evaluation, implementation and monitoring of these issues.

Extending the thrust of the Working Group: The Working Group notes “The Survey results and 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 groups.” The Balanced Scorecard acknowledges within the *Financial Perspective: 4.3 Measure Service Costs: Demonstrate Value for Money in all our Service Areas* and the specific milestone is to **develop performance metrics** and *incorporate a Value for Service section in the Annual Financial Report.*

Date: January 5, 2010
From: Grant McRadu, Chief Administrative Officer
Subject: **Value for Services Working Group – Final Report**

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Summary:

Through many meetings, discussion and analysis, the Value for Services Working Group were able to determine that the 610 respondents, though not statistically representative, show that satisfaction with the District's services is positive. The Working Group believes that while the results should be considered directional, the respondents do favour reduced spending, finding efficiencies and increasing user fees. These are all issues that Council has been focusing on and which are embraced within and extended by the Strategic Plan and the Balanced Scorecard.

As the Strategic Plan is ratified by Council, we anticipate that the District's financial and management discipline will become more deeply engrained and more transparent. Through this process we anticipate the Community's perception of the value and quality of the service they receive will be enhanced.

Author: _____

Concurrence
(optional) _____

Appendices:

Appendix A: Value For Services Survey Results

Appendix B: Synovate - Executive Summary

Appendix C: Value for Services Working Group Report (November 10th, 2009)

Appendix D: Value for Services Working Group Survey, Fall, 2009

Note:

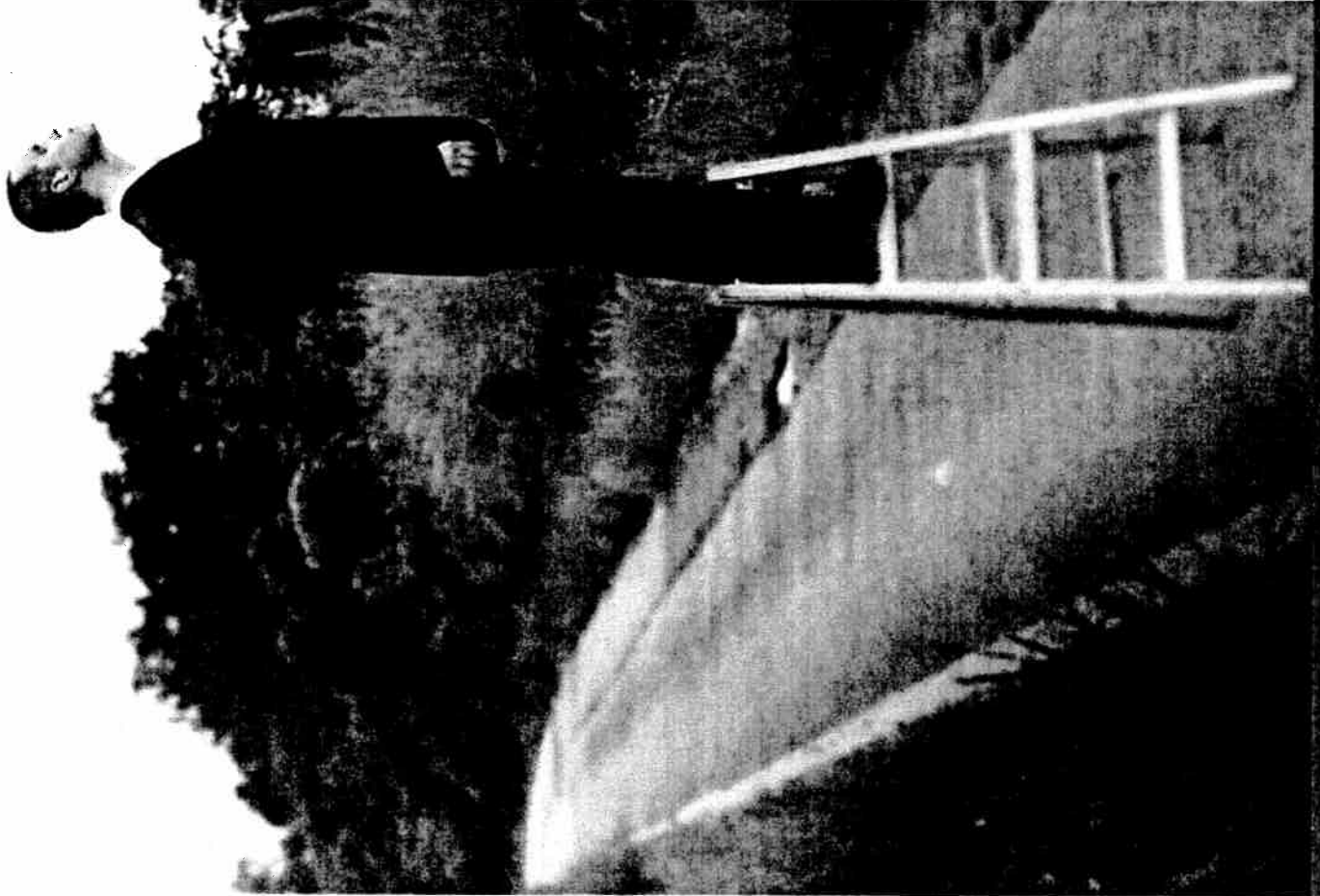
Additional information provided by the Value For Services Working Group can be found at www.westvancouver.ca.

APPENDIX: A



West Vancouver Value For Services Survey 2009

- Presented By: Julie Winram
- Presented On: November 2, 2009
- Job #09-0324



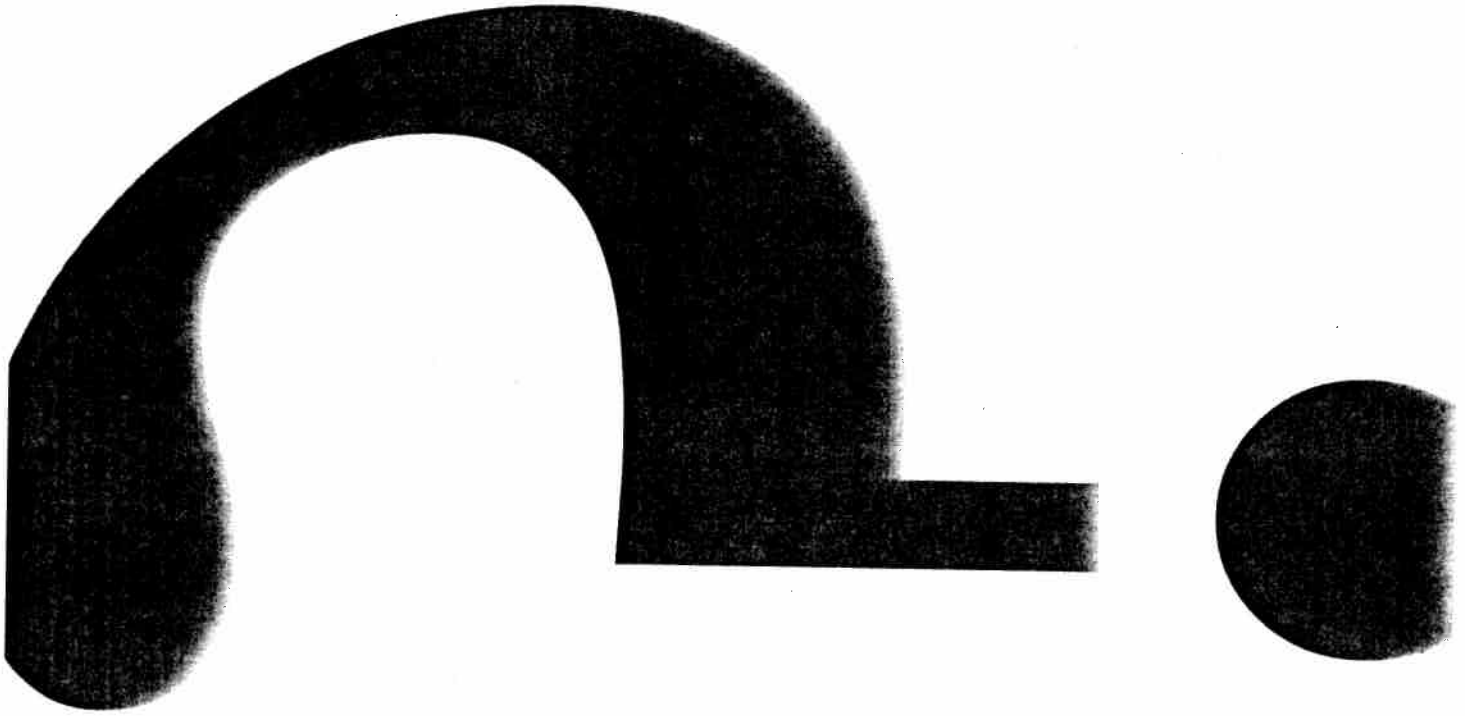


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- Background & Objectives
- Methodology
- Executive Summary
- Summary Of Findings

- Appendix
 - Newsletter
 - Data Tables
 - Questionnaire

Background & Objectives



Background & Objectives

- The District of West Vancouver has embarked on a public process to inform and consult with respondents on the costs of providing municipal services.
- Part of this process involved District Council striking a working group of seven tax paying respondents. This group was tasked with determining resident perceptions and preferences regarding service levels and value for taxes.
- Synovate was commissioned to design and format the questionnaire, program the online survey, process the completed surveys and report on the results.
- The survey covered the following topic areas:
 - Satisfaction with District services (overall and on specific areas)
 - Perceived value of services for municipal taxes (overall and for specific services)
 - Preferences for funding possible service improvements, including areas most suitable for new or additional user fees.
 - Acceptable rate of tax increase for the coming year
- This report covers the findings from the survey. The questionnaire, newsletter and data tables can be found in the appendix.

Methodology

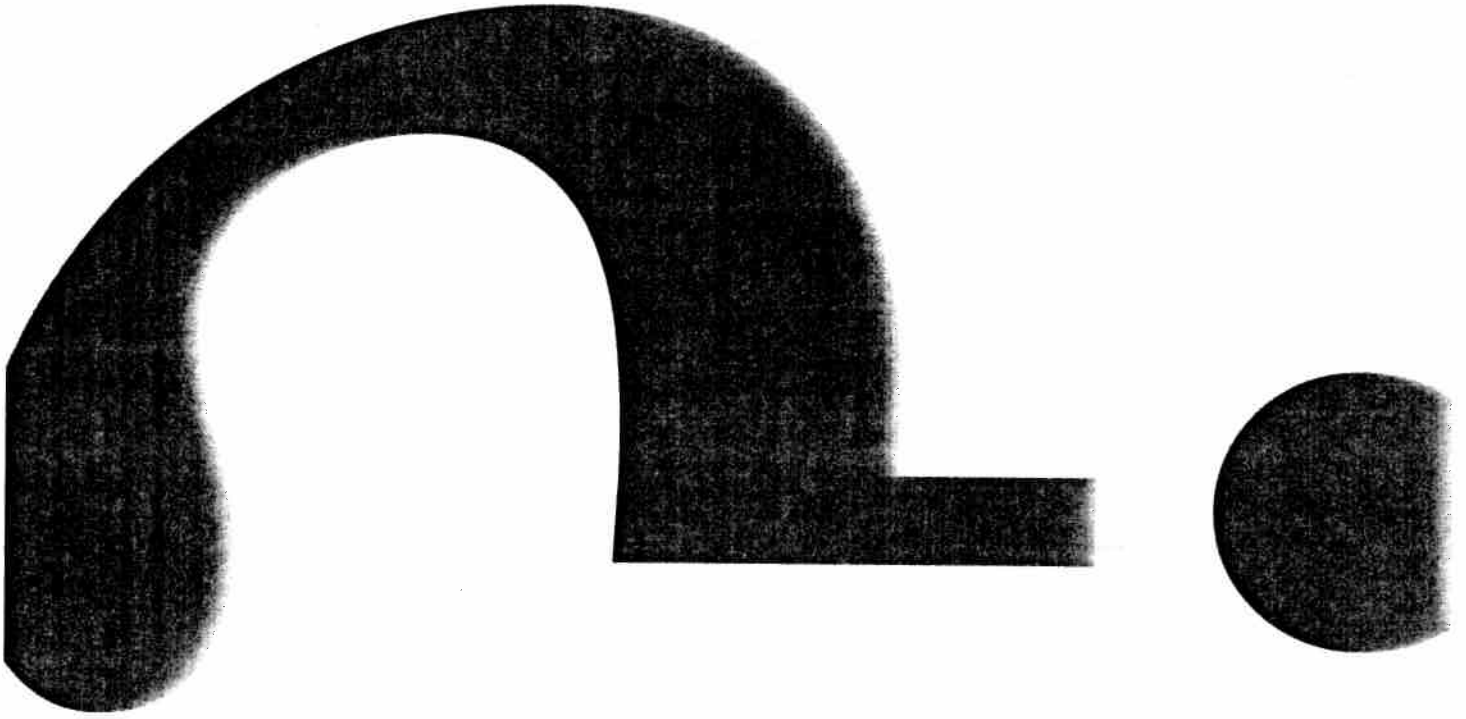
- For this study, the survey was mailed out with the Value For Services Information newsletter to all 18,000 West Vancouver households.
- Residents were presented with several options to complete the survey:
 - Fill it out on paper and mail it back to the District;
 - Fill it out on paper and drop it off at (1) Municipal Hall, (2) the main West Vancouver Community Centre or (3) the Gleneagles recreation Community Centre; or
 - Complete the survey online at www.websurveys.ca/westvan
- The Value For Services Information newsletter and survey package was mailed out to households between October 5th and 7th, 2009, with the deadline of October 19th, 2009. However, all surveys received by October 20th, 2009 were processed.
- Out of the 18,000 surveys distributed to West Vancouver households, 610 surveys were submitted, resulting in a 3.4% response rate. Among the 610 returned surveys, 382 were filled out on paper and 228 were completed online.

- To ensure the final sample of returned surveys was regionally representative of the distribution of dwellings in the District, mathematical weighting was applied during data analysis stage. (Regions were redefined with this survey to follow FSAs for the District.)

<u>Region</u>	<u>Unweighted Sample</u>	<u>Weighted Sample</u>
Upper (V7S)	79	123
East (V7T)	101	129
Central (V7V)	238	218
West (V7W)	<u>158</u>	<u>106</u>
Total	610	610

- Margins of error do not apply for self selected samples, as the results cannot be projected to the total target population. Hence the responses to this survey should be viewed as directional feedback and not be relied on for statistical accuracy.
- Applicable results from historical West Vancouver Community Surveys are shown for reference only. Respondents in those studies were obtained through random sampling and therefore the results are not directly comparable. Differences between this study and previous studies more likely stem from the methodological change than to an actual shift in opinions.

Executive Summary



Executive Summary



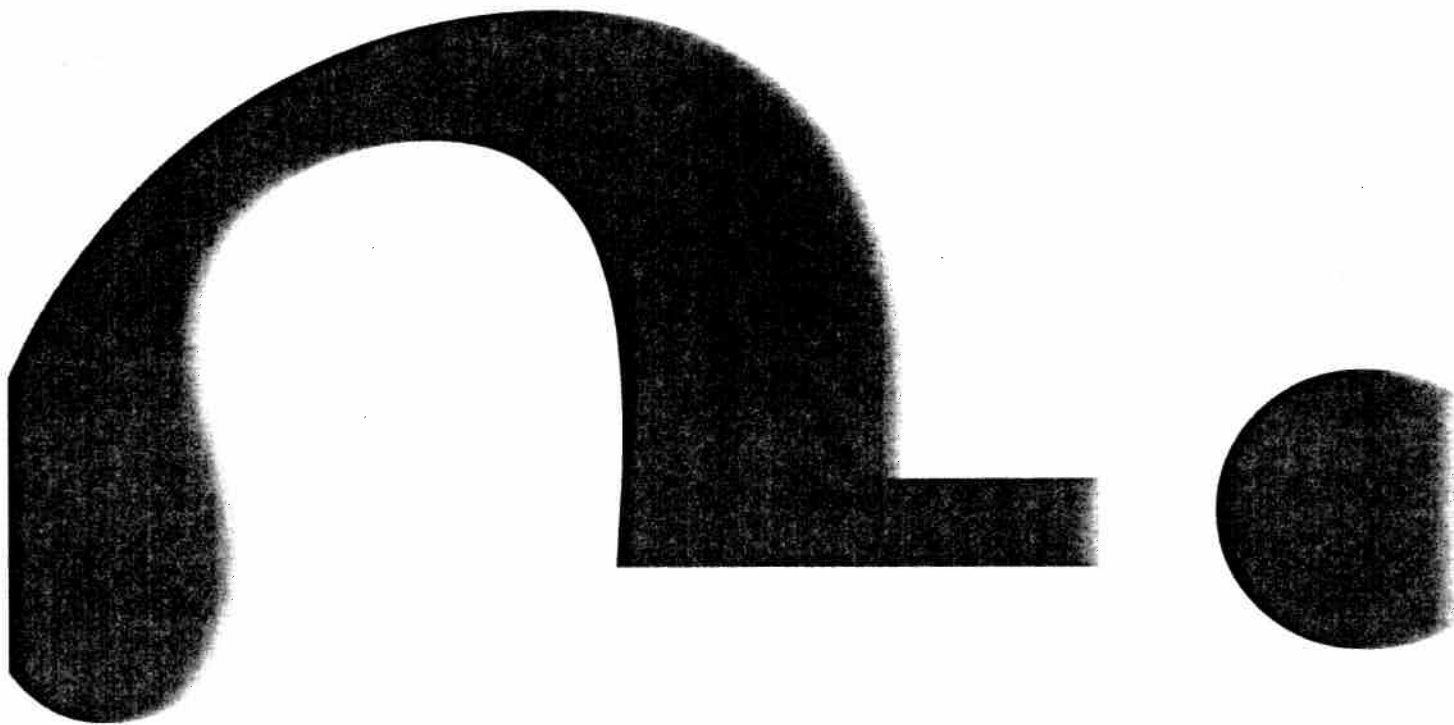
synovate

Research reinvented

- *Note that the sample for this survey was self-selected and those results should be interpreted as directional feedback and not be relied on as representative of all West Vancouver residents.*
- Overall, survey respondents are very or somewhat satisfied with the overall services (88%) and most believe they receive very or somewhat good value for the taxes they pay (72%).
- The disparity between satisfaction versus value scores (88% versus 72%) indicates that while respondents broadly consider service levels to be high, some of them feel that there may be ways to be more efficient.
- In particular, 19% are satisfied with services overall, but feel they are receiving poor value for the money spent.
- While respondents have a general sense that they are receiving high levels of service and nearly as high levels of value, when asked about each specific spending area this disparity in perceptions virtually disappears.
- Eight in ten respondents score most of the areas highly in terms of both service levels and value.
- 3 areas attract relatively lower levels of satisfaction with respect to both service levels and value -- General Government, Engineering & Transportation and Planning, Lands and Permits. Each of these areas receive satisfaction and good value scores from just over six in ten respondents. More communication of the role and functions of these departments may be in order.

- If services are to be improved, respondents would prefer to see funding come more from user fees and from reallocating from other areas than from tax increases.
- If the District is to introduce new, additional or increased user fees, respondents are most supportive of adding out-of-District surcharges for non-resident use of services, followed by fees for park usage, police/fire/rescue false alarm fees and facility rentals.
- Those favouring funding reallocation tend to want to shift funds from general government, arts/culture, parks/recreation or engineering/transportation and move them to parks/recreation, engineering/transportation, fire/rescue or police services.
- When presented with the trade-off between tax and service levels for the coming year, the majority of respondents either want to see tax increases only as needed to maintain current service levels (36%) or taxes maintained, even at the expense of cutting services (31%).
- When asked to name a tax increase that they would consider acceptable, respondents typically noted either no increase or an increase of 2-3%.

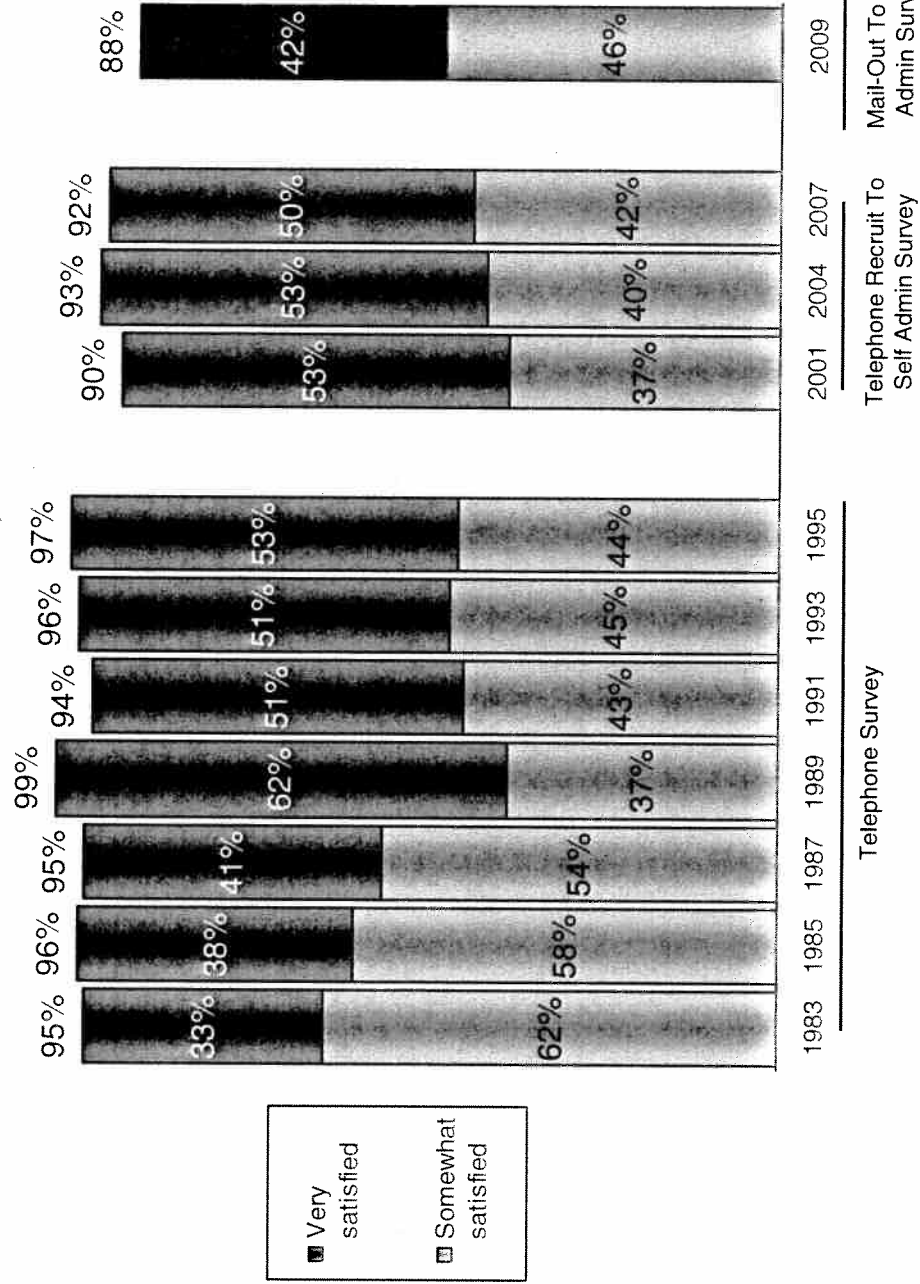
Summary Of Findings



Overall Satisfaction With Municipal Services

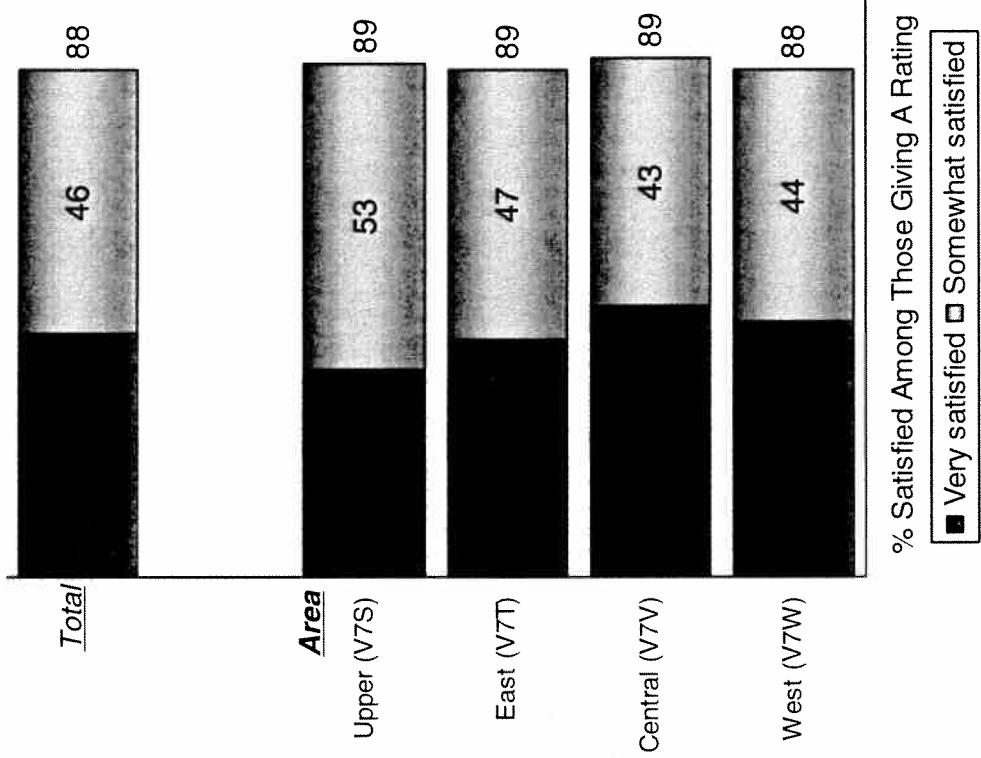
The following provides a breakdown of services such as water, trash, fire, police, roads, and parks. Satisfaction is based on a five-point scale with the following percentages: 5 = very satisfied, 4 = somewhat satisfied, 3 = neutral, 2 = somewhat dissatisfied, 1 = very dissatisfied.

- Among Those Giving A Rating -



- Overall satisfaction with municipal services is high. Only 12% of respondents express dissatisfaction with the services they are receiving from the District.
- The random sample surveys conducted in the past show even higher levels of satisfaction.

Overall Satisfaction With Municipal Services

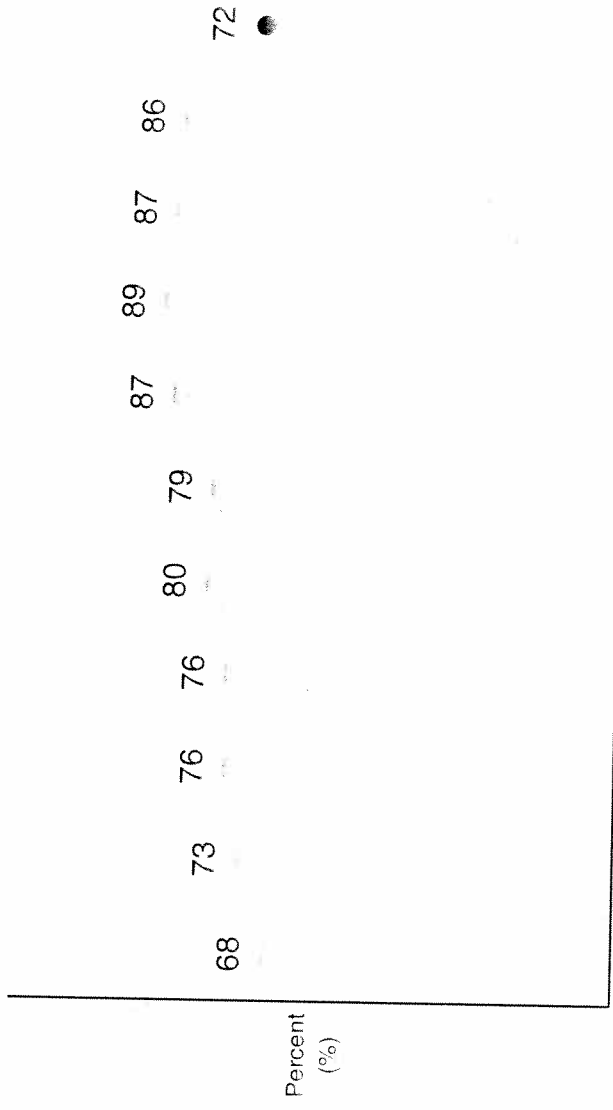


- Overall satisfaction with District services is similar across the various regions.

Perceived Value For Property Taxes

Q3. Overall, how do you feel about the municipal share of the property taxes that you paid on your residence last year? [The average West Van house valued at \$1.4 million paid a total of \$5,539, of which \$2,998 was municipal taxes – the rest of the property taxes (i.e. \$2,541) went to the School District, TransLink, Metro Vancouver, BC Assessment & MFA]

- Percent Perceiving Good Value* -

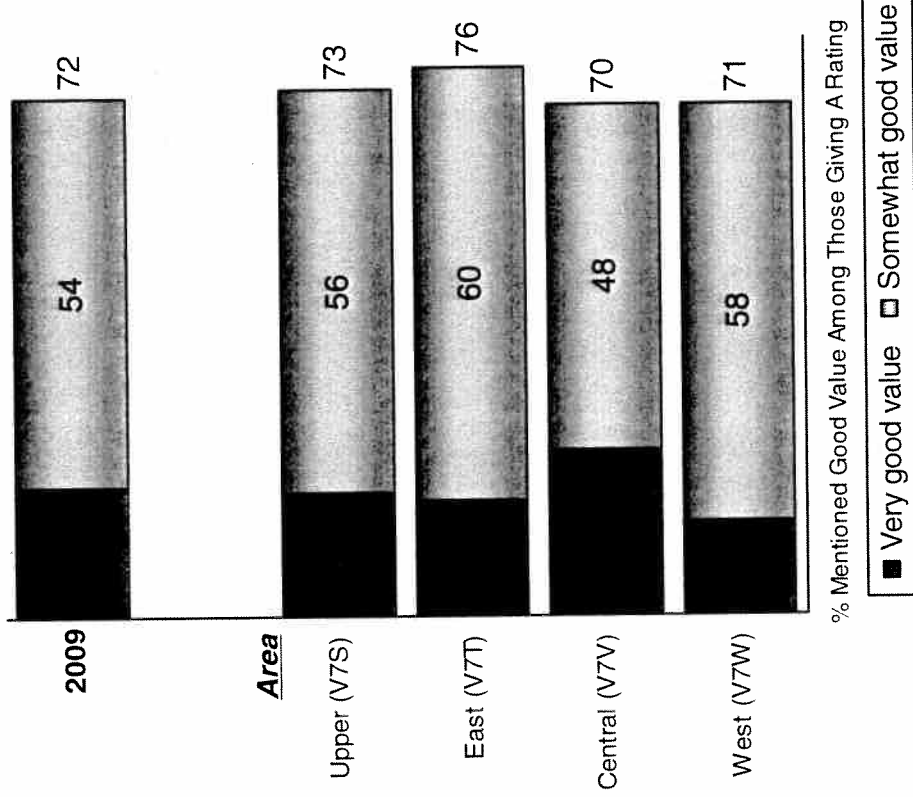


- The majority of West Vancouver respondents feel they receive very or somewhat good value for the municipal share of the property taxes they paid last year.
- Just over one-quarter of respondents feel they received poor value.
- Previous years saw higher perceptions of value for services, however, this is likely due to the random sampling method used in those past studies.

*Among homeowners giving a rating. 2007 Wording: How do you feel about the municipal share of the property taxes that you paid on your residence last year? [The average West Van house valued at \$1,229,000 paid \$2,755 in municipal taxes – the rest of the property taxes (i.e. \$2,357) went to the school district, to GVRD, etc.]

Perceived Value For Property Taxes

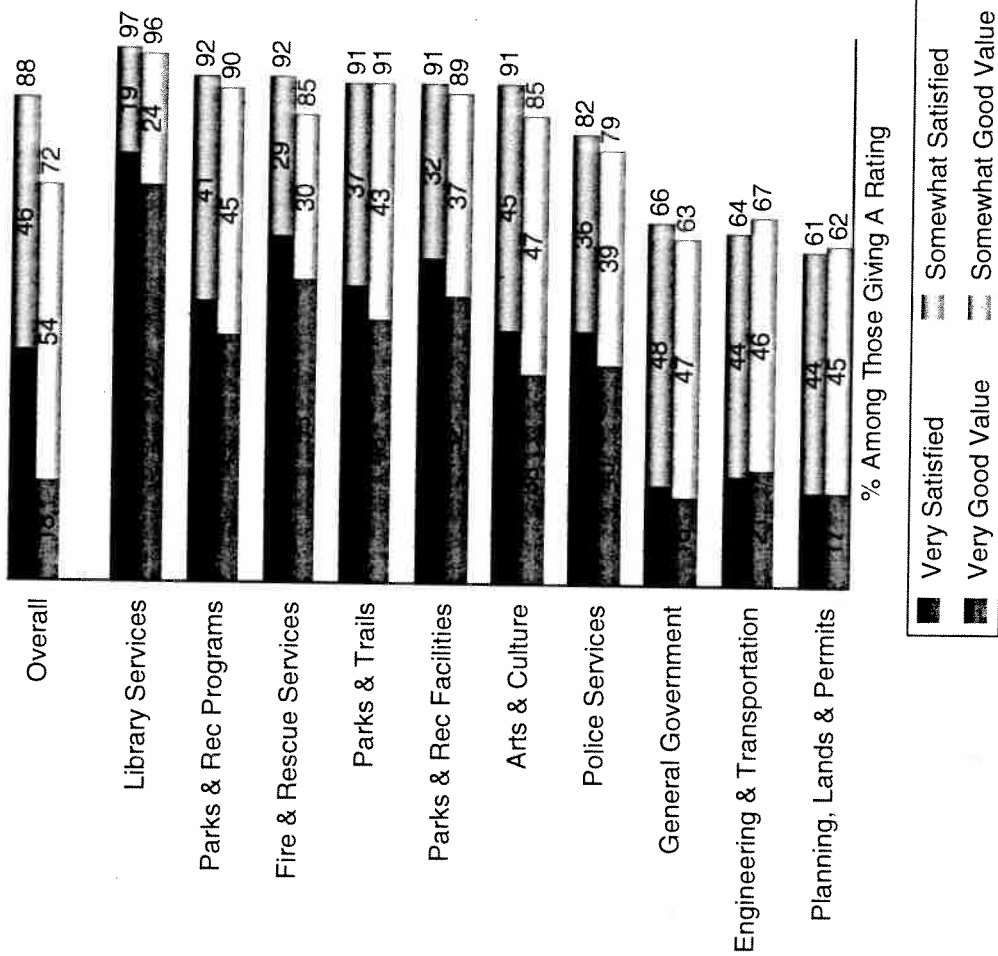
Q3. Overall, how do you feel about the municipal share of the property taxes that you paid on your residence last year? [The average West Van house valued at \$1.4 million paid a total of \$5,539, of which \$2,998 was municipal taxes – the rest of the property taxes (i.e. \$2,541) went to the School District, TransLink, Metro Vancouver, BC Assessment & MFA]



- There are only slight regional variations in the perceived value of West Vancouver property taxes.

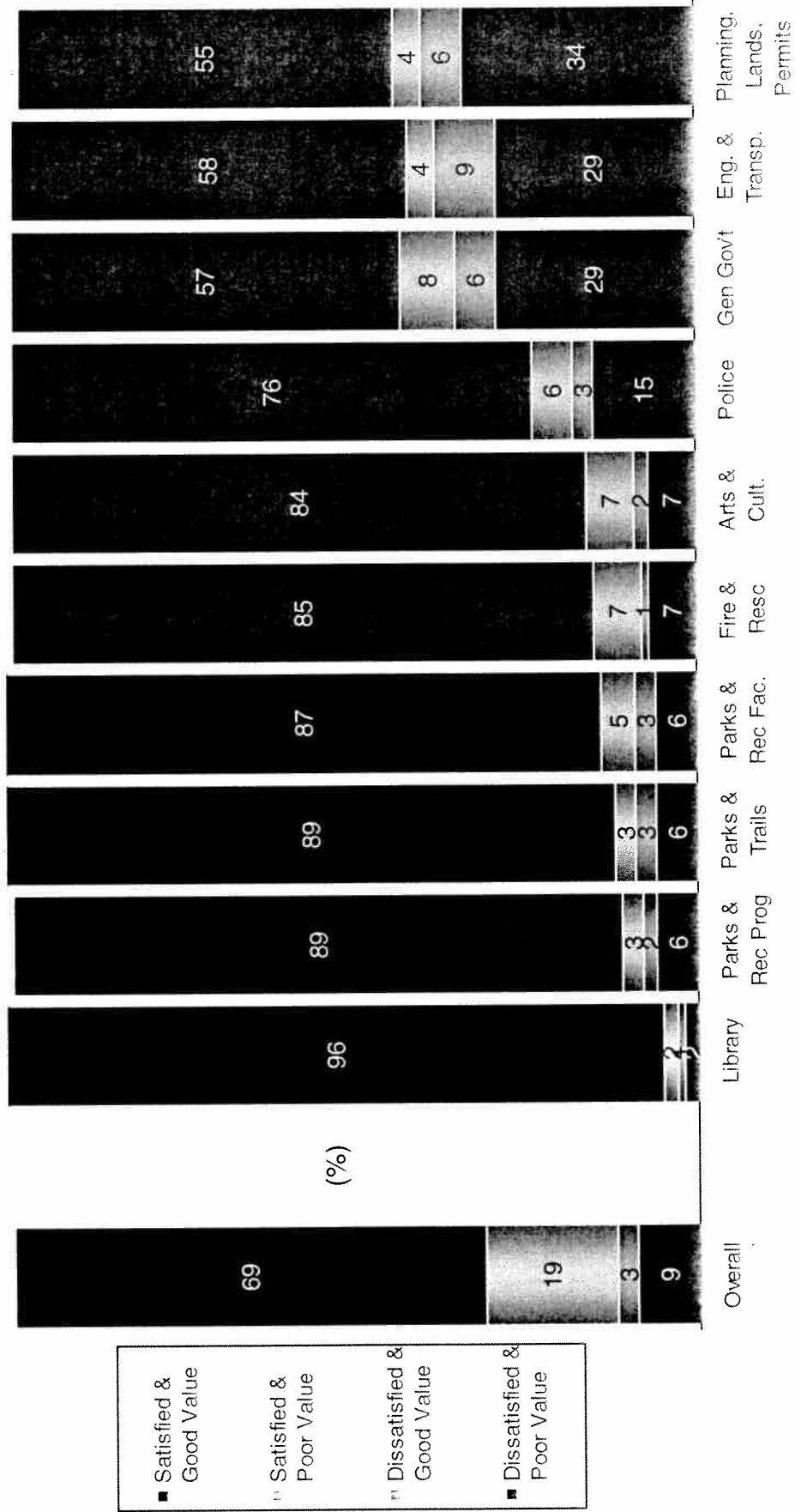
% Mentioned Good Value Among Those Giving A Rating

Municipal Services: Satisfaction & Value For Money



- Overall, service satisfaction exceeds value perceptions. In particular, respondents are more inclined to be very pleased with services (42%) than to feel very good about the value received (18%).
- However, when we drill down to specific service areas, satisfaction and value perceptions are generally in line with each other.
- The exception to this would be fire and rescue services. There is a slight tendency to be more satisfied with this service than with the value for money.
- Services that respondents see and use most often – the library, parks, recreation and trails, and arts and culture - tend to be rewarded with the highest satisfaction and value scores.

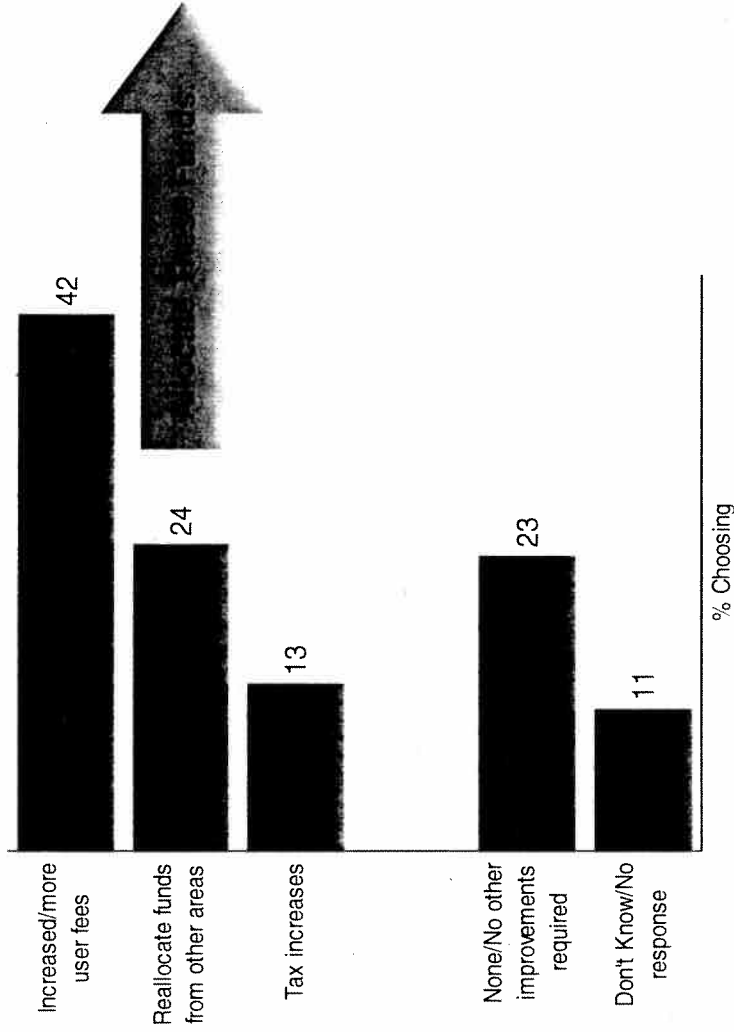
Municipal Services: Satisfaction & Value For Money



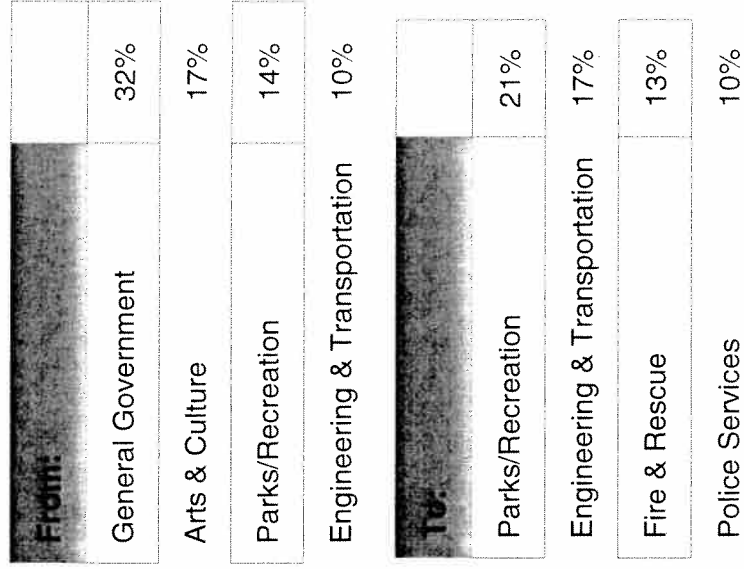
Municipal Services: Satisfaction & Value For Money

- While the large majority of respondents are satisfied with and feel they receive good value for most specific District services, three service areas (General Government, Engineering & Transportation and Planning, Lands and Permits) are not as positively assessed. For all three, approximately three in ten respondents are dissatisfied with the service and feel they receive poor value.
- When it comes to overall satisfaction and value of District services, positive opinions are not scored as highly as they are on the individual service areas. There is a notable segment of respondents (19%) who are satisfied with District services in general, but feel the value of the services is poor.

Funding Service Improvements



Main Mentions Only

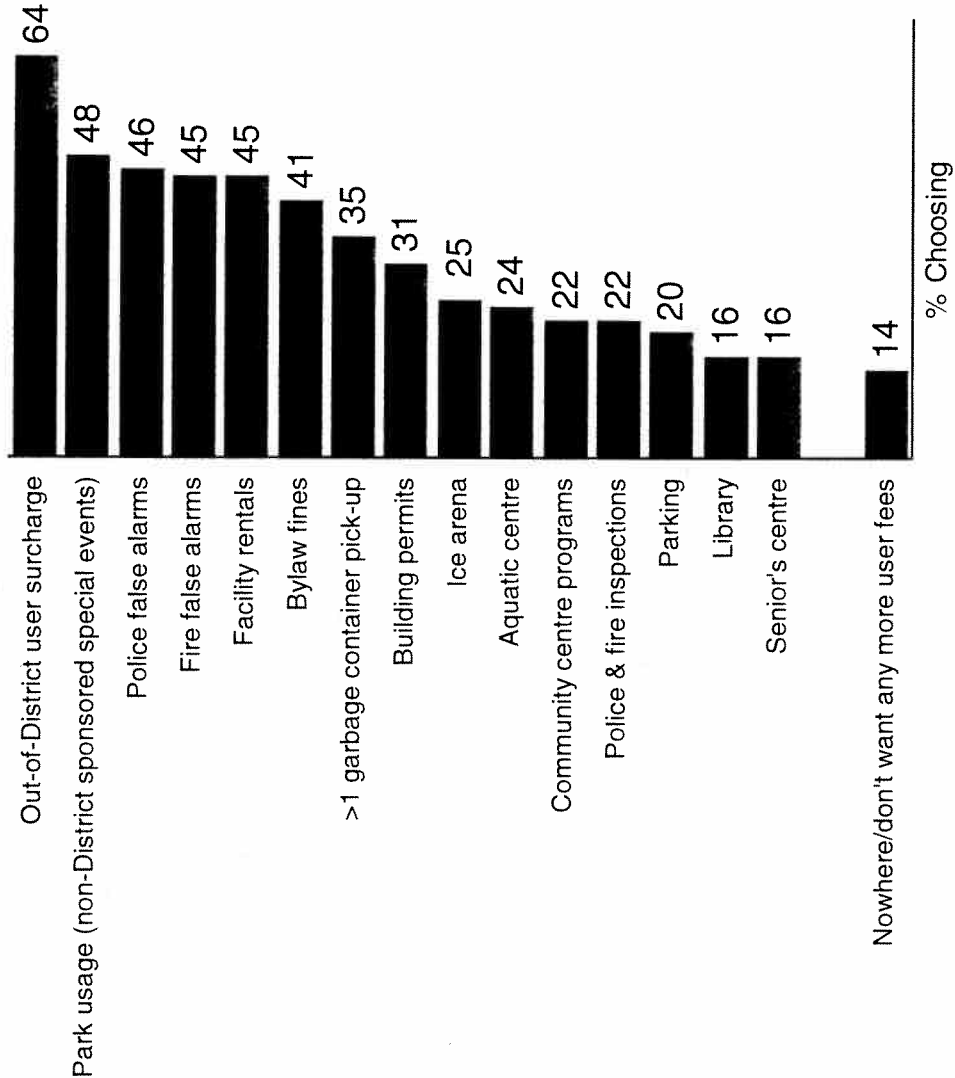


- There is no clear consensus on how to fund possible service improvements. The most popular option is user fees, followed by reallocating funds from other areas. Least popular is raising taxes.
- The top suggestions from those favouring funding reallocation is to shift funds from general government, arts/culture, parks/recreation or engineering/transportation to parks/recreation, engineering/transportation, fire/rescue or police services.

Support For Increased/Additional/ New User Fees

Overall 86% of respondents identified one or more areas that they would like to see increased or additional/new user fees.

Top 15 Areas

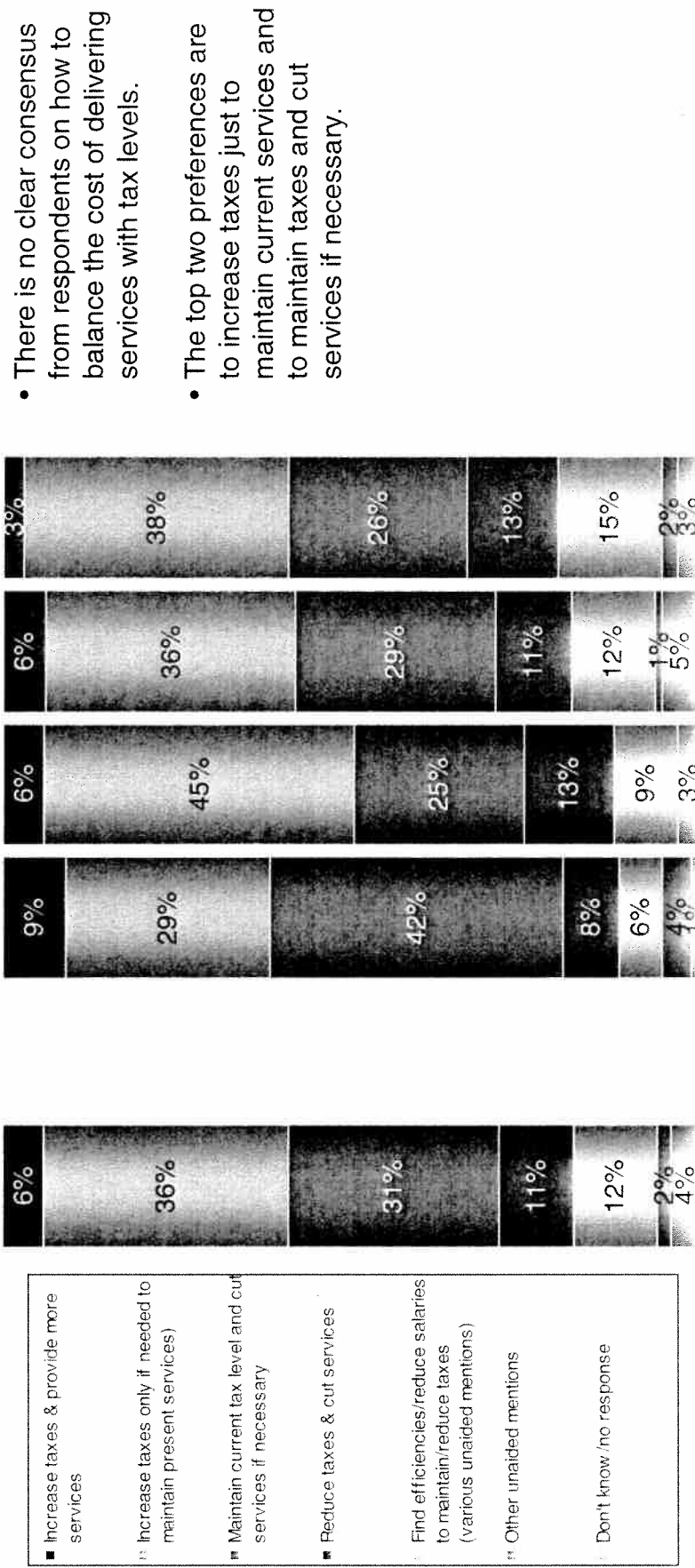


- Overall 86% of respondents identified one or more areas that they would like to see increased or additional/new user fees.
- The top suggest areas for fees are for non-resident use of District services, park usage, police/fire alarms and facility rentals.



Tax & Service Preference For The Coming Year

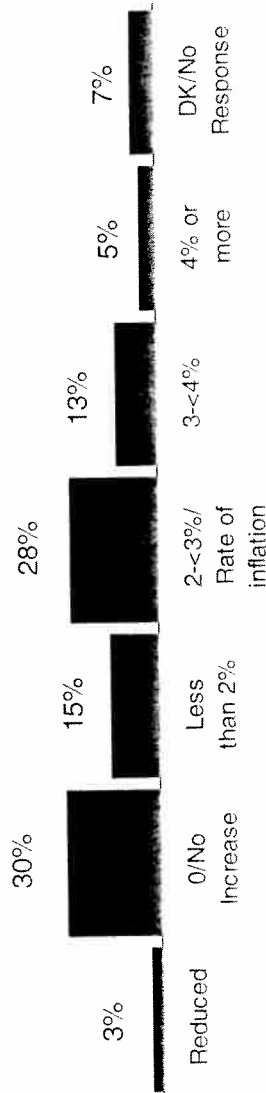
Q7. The District first looks at ways to improve efficiencies and provide the best service with the funds available. Given this and thinking about the municipal share of your residential property taxes for the coming year, would you prefer the District to....?



- There is no clear consensus from respondents on how to balance the cost of delivering services with tax levels.
- The top two preferences are to increase taxes just to maintain current services and to maintain taxes and cut services if necessary.

Acceptable Tax Increase For Next Year

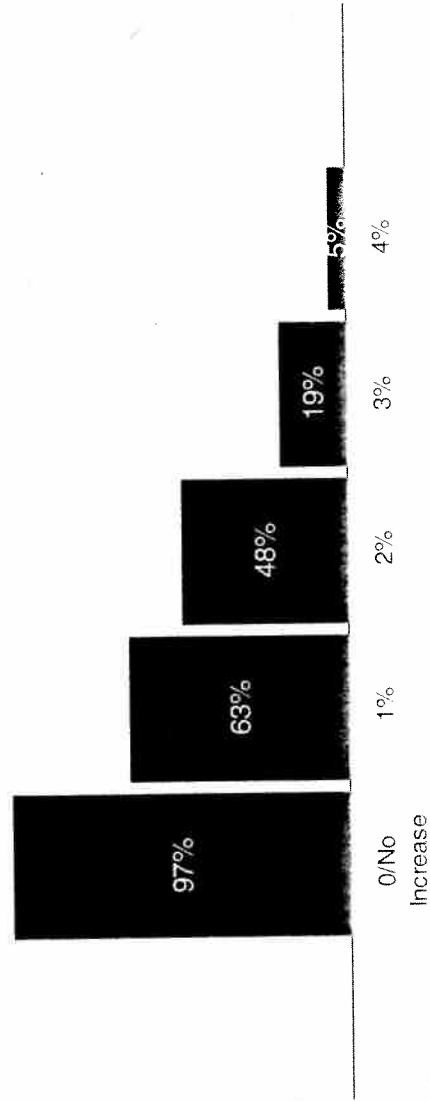
- When asked what would be an acceptable tax increase for the coming year, respondents are split between wanting no increase and an increase of about 2-3%.



- The bottom chart on the left shows the cumulative percentage that find each tax rate acceptable, based on the assumption that respondents would be amenable to a tax increase either at or below what they had personally stated was acceptable.

- Note that pricing and rate thresholds are typically tested by asking respondents whether they would accept or pay for something at a specific price or rate point. Asking respondents to name their own figure tends to elicit a lower threshold.

Cumulative Acceptance
Percent Accepting Each Percentage Level Of Tax Increase
(Among Those Giving An Answer)



Suggestions For Improving Services/ Value For Money

Base	610 %
Reduce costs/services (NET)	30
Reduce/re-examine salaries/benefits/executive pay levels	8
Decrease spending on traffic control/roundabouts/sidewalk bulges	7
Decrease staffing levels	6
Combine North Shore municipal services	4
Reduce spending on capital projects/expensive community centres	3
Decrease spending on gardens/flowers	3
Reduce Police budget/spending/severances	3
Contract out/privatize services	2
Reduce payments to TransLink/GVRD	2
Reduce Fire Dept/budget/staffing	2
Be more efficient/ reduce spending/assess current processes (general)	10
Increase/maintain services (NET)	13
Roads/traffic improvements/sidewalks/street lighting	6
Police/traffic enforcement	4
Parks/recreation/trails/bike paths	3
Fire dept	1
Snow removal	1
Library/arts/culture	1
Enforce bylaws	3
Institute out of district surcharges/user fees	3
Institute user fees	2
Good work/happy with the way things are	2
Reduce taxes/ property taxes	2
Need more/comparative information	1
Other	21
Nothing in particular/no response	37

- Respondents typically call for reducing specific costs and/or services (30%) or generally finding efficiencies (10%).
- A smaller proportion singled out specific services that they want to see enhanced or maintained (13%).
- Note that open-ended suggestions do not fully capture or reflect current preferences nor satisfaction levels. While only 13% spontaneously mentioned that they would like to see specific services protected, most respondents noted at the outset of the survey that they are pleased with both the services and value they receive from the District.



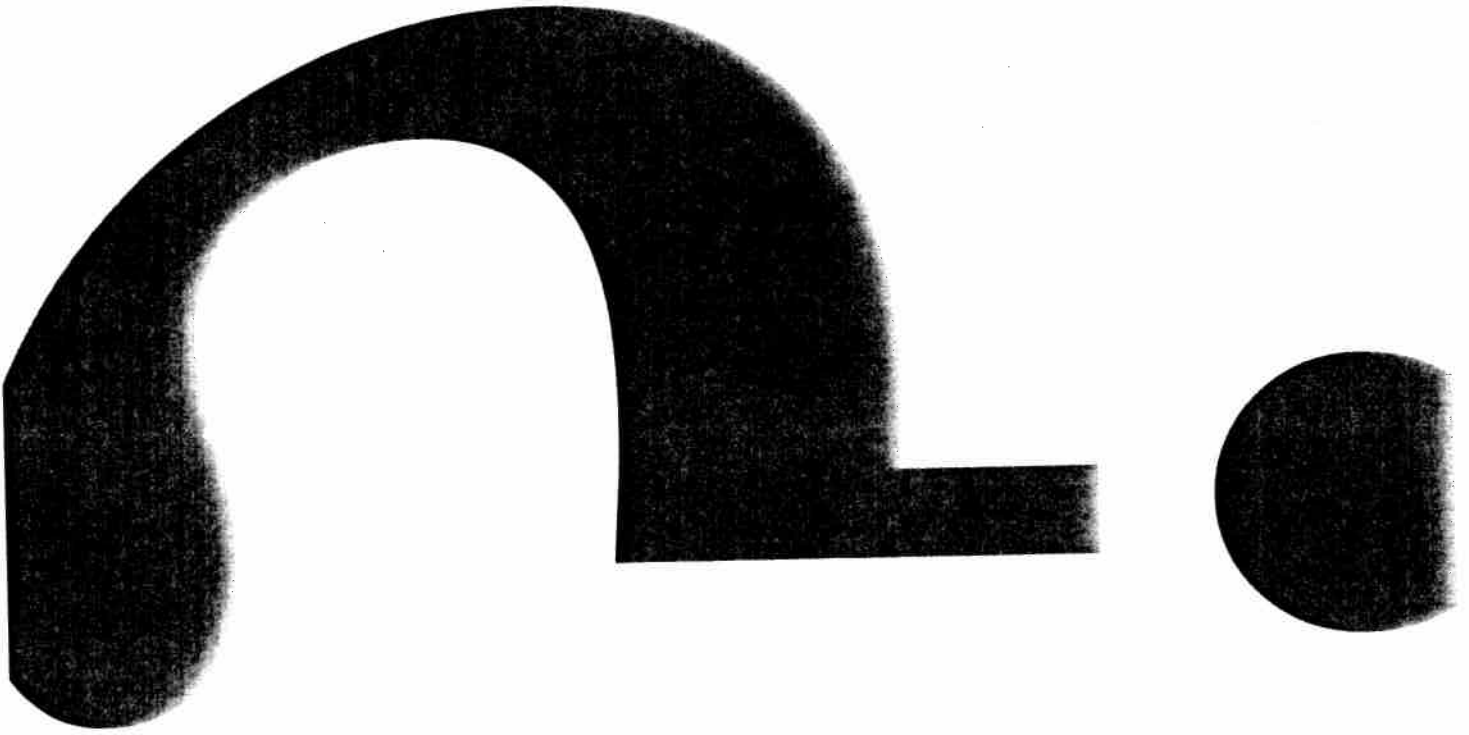
Profile

	Region					
	Total	Upper (V7S)	East (V7T)	Central (V7V)	West (V7W)	
Base	610	79	101	238	158	
	%	%	%	%	%	%
Community Participation (Past 3 Years) (% Yes)						
Volunteered at any District service (library, rec centre, etc)	18	20	21	18	15	
Served on a District committee/panel/advisory board	10	5	15	8	11	
Volunteered/coached/managed West Van sports team	8	8	12	6	8	
Worked for the District	4	4	7	3	3	
Other	7	13	2	7	9	
None of the above/No response	64	61	59	66	65	
Willingness To Provide Additional Feedback						
Yes	40	53	35	36	49	
No	50	44	51	55	44	
No response	9	3	14	10	8	
Region:						
Upper V7S	20	100	n/a	n/a	n/a	
East V7T	21	n/a	100	n/a	n/a	
Central V7V	36	n/a	n/a	100	n/a	
West V7W	17	n/a	n/a	n/a	100	

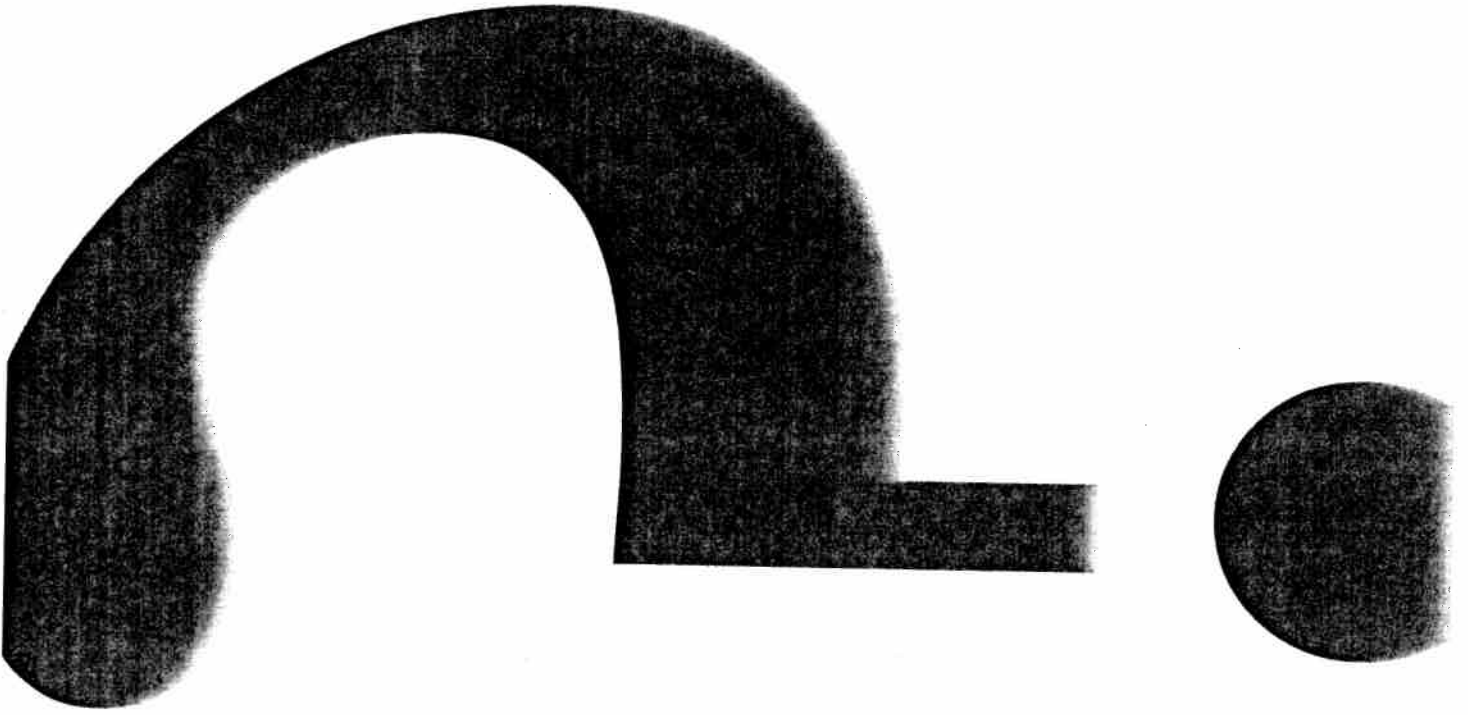
Appendix

- Newsletter
- Data Tables
- Questionnaire

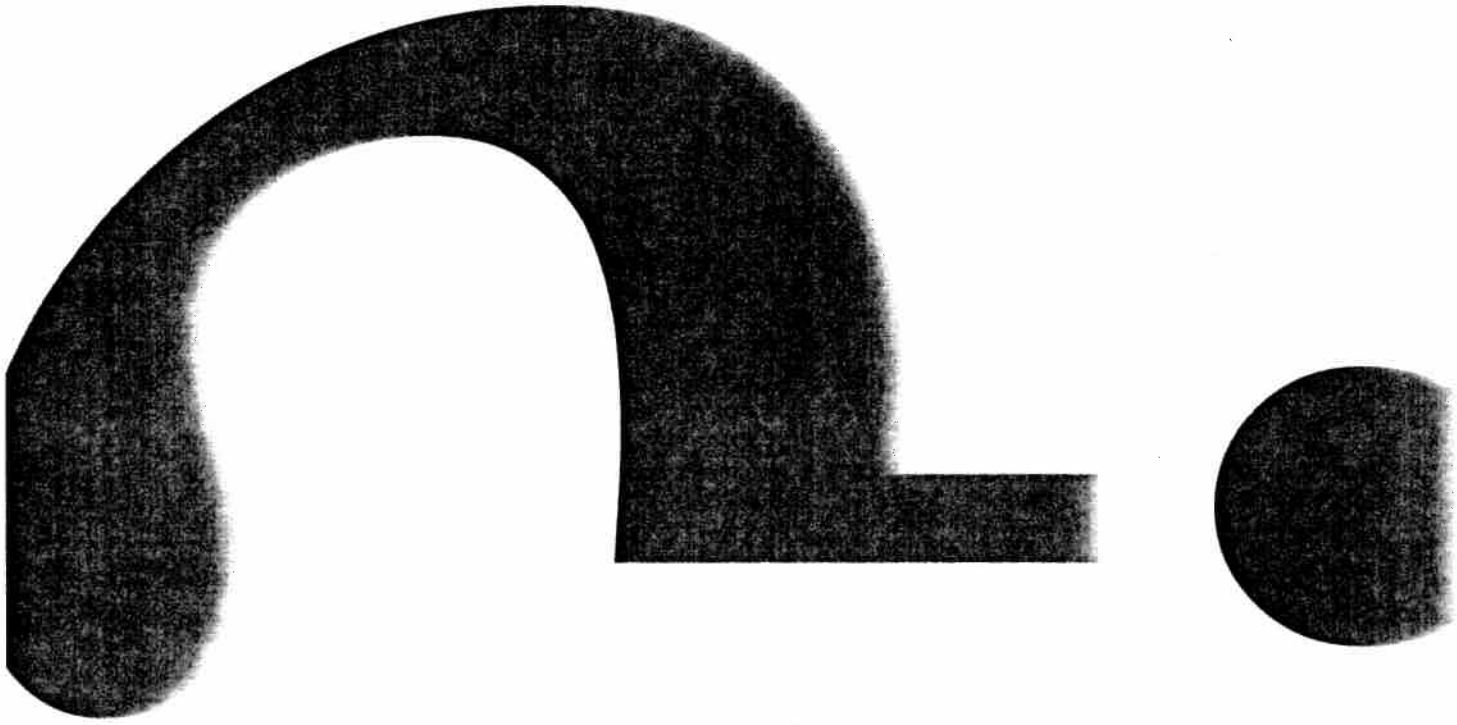
Newsletter



Data Tables



Questionnaire



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Executive Summary

APPENDIX: B



synovate

Research reinvented

- West Vancouver residents are generally positive about the services they receive from the District and the value they receive for their municipal tax dollars.
- Overall satisfaction with services stands at 88%, while good value for municipal tax dollars stands at 72%.
- The slight disparity between satisfaction versus value scores (88% versus 72%) indicates that while residents broadly consider service levels to be high, some of them feel that there may be ways to be more efficient.
- In particular, 19% of residents are satisfied with services overall, but feel they are receiving poor value for the money spent.
- While residents have a general sense that they are receiving high levels of service and nearly as high levels of value, when asked about each specific spending area this disparity in perceptions virtually disappears.
- However, there are three areas that residents are less satisfied with both the service levels and the value for money -- general government, engineering and transportation and planning, lands and permits. Each of these areas receive satisfaction and good value scores from just over six in ten residents.
- All other areas receive high scores for both service levels and value for money from at least eight in ten residents.
- If services are to be improved, residents would prefer to see funding come more from user fees and from reallocating from other areas than from tax increases.
- If the District is to introduce new, additional or increased user fees, residents are most supportive of adding out-of-District surcharges for non-resident use of services, followed by fees for park usage, police/fire/rescue false alarm fees and facility rentals.
- Those favouring funding reallocation tend to want to shift funds from general government, arts/culture, parks/recreation or engineering/transportation and move them to parks/recreation, engineering/transportation, fire/rescue or police services.
- When presented with the trade-off between taxes and services levels for the coming year, the majority of residents either want to see tax increases only as needed to maintain current service levels (36%) or taxes maintained, even at the expense of cutting services (31%).
- On average West Vancouver residents would support a tax increase of 1.5%.

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TO: Mayor and Council – District of West Vancouver
FROM: Value for Services Working Group
DATE: November 10th, 2009

REPORT – Value for Services Working Group

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
- West Vancouver, 2008 Annual Report – <http://www.westvancouver.net/Government/Level3.aspx?id=3286>
- West Vancouver, 2009 Preliminary Budget – <http://www.westvancouver.net/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=5244>
- Maclean's Magazine Survey of 31 Canadian Cities (July 27, 2009) – <http://www2.macleans.ca/2009/07/16/canadas-best-and-worst-run-cities/>

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.

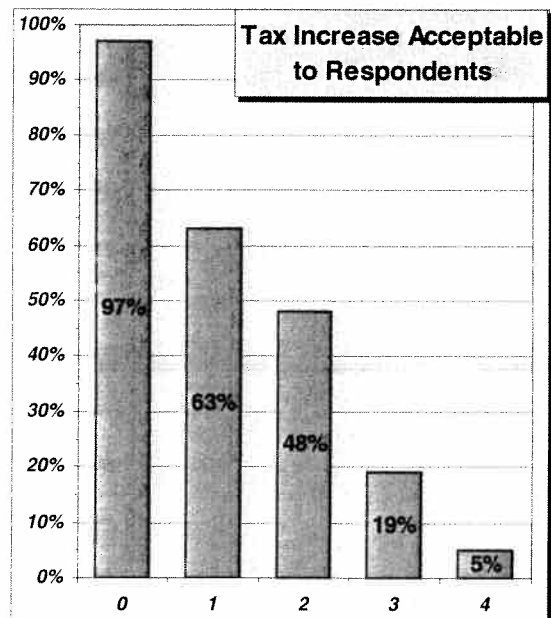
Addendum – Findings from the Data Analysis

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.



Value for Services Survey

APPENDIX D

Fall 2009

District of West Vancouver Strategic Plan

West Vancouver is a community with high aspirations, yet like most other government bodies, it is challenged by an economy in recession. To bring the community's realities into focus, a vision needs to be articulated and goals need to be set.

Throughout 2009, the District of West Vancouver has been working to develop a community-based Strategic Plan. Community consultation has identified "Economic Stability" as one of the key themes for the Strategic Plan. This means achieving a long-term sustainable approach to funding the District's priorities in order to achieve the community's vision, and balance the effective, long-term use of resources for current and future generations.

The Challenge

West Vancouverites constantly cite quality of life as the main reason we live here, and have generally supported and expected high quality service. However, costs to support municipal services are rising faster than the rate of inflation and our current economy has dramatically affected our citizens and the District's revenue streams.

Getting There: Value for Services Working Group

A group of seven fellow West Vancouver citizens have been asked to take on this challenge. Their mandate is to review the cost realities associated with existing municipal services, begin a public education process on these costs, and conduct a survey this fall. Survey results will be provided to Council as part of their 2010 Budget deliberations.

How You Can Help

Council needs your input before making some difficult choices. The goal is to ensure that Municipal services match your expectations, and that you are a part of the decision-making process.

The enclosed survey is the result of the Working Group's efforts. Inside this newsletter you will also find relevant information on what sets West Vancouver apart from other communities; high-level data and highlights of West Vancouver's consolidated budget; and the specifics of the impacts of the 2009 Budget on individual taxpayers.

For additional information, visit westvancouver.ca/valueforservices

Resident Survey

We encourage residents to get involved in the 2010 Budget process by providing us with your opinion. **Please** take a few minutes to complete the attached survey by October 19, 2009 and return it to:

- Municipal Hall, 750 17th Street
- West Vancouver Community Centre, 2121 Marine Drive
- Gleneagles Community Centre, 6262 Marine Drive

or mail it to:

West Vancouver Municipal Hall,
750 17th Street, West Vancouver,
V7V 3T3

or complete the survey online at:
www.websurveys.ca/westvan

Thank you for participating!

Data Sources:

- DWV Budget Documents
- DWV Annual Reports
- Province of BC Municipal Statistics



Financial Information

The following charts and tables are intended to provide complex financial information in an understandable format—linking the gross expenditure budget all the way down to impacts to individual residents, with some higher level comparisons to selected municipalities.



District of West Vancouver – 2009 What the Property Tax Bill Pays For

This chart indicates the extent to which District operating expenditures are recovered through fees, charges and other general revenues, and the proportions by category of service that remain to be recovered from residents through property taxation. It also indicates the proportion of the total property tax bill controlled by other agencies—the District levies and collects these amounts on their behalf.

District of West Vancouver 2009 General Services Budget

	Millions of Dollars			Average Annual Increase 2004-09	Average Taxpayer Pays		
	Gross Operating Costs	Offsetting Revenues & Recoveries	Net Taxation		Dollars	% Total	
General Government – Council administration, legal, communications, human resources, financial services, technology, purchasing, cultural services, museum and archives, environmental protection, strategic planning, emergency planning, partnerships.	\$9.1	\$1.5	\$7.6	7.51% see note	\$439	7.93%	← The average residential assessed value for 2009 was \$1.4 million
Police Services – Security, protection, crime prevention, enforcement.	12.2	2.5	9.7	4.15%	559	10.09%	} Over 20% of the entire tax bill (or 38% for the municipal portion alone) is for public safety
Fire & Rescue Services – Fire suppression, medical/rescue, emergency response, fire prevention, education and safety.	11.9	2	9.9	3.23% see note	572	10.33%	
Engineering & Transportation – Construction and maintenance of roads, bridges and sidewalks; traffic planning and management; GIS mapping.	3.6	1.1	2.5	0.70%	146	2.64%	
Planning, Lands, & Permits – Community and land use planning, management of building and development in accordance with legislation, building permits and inspections; heritage conservation, bylaw enforcement.	3.5	3.6	-0.1	-167.59%	-11	-0.20%	← Costs relating to development approvals, and bylaw services, are fully recovered through user fees & other revenues
Parks & Community Services – Parks and trails, recreation facilities and programs, social services, nursery, sports fields.	15.9	9.1	6.8	0.19% see note	394	7.11%	← Over 57% of recreation costs are recovered from user fees & other revenues
Library Services – Collections, events, gallery displays, cultural and educational programs, literacy.	3.9	1	2.9	3.41%	165	2.98%	
Capital and Other Transfers – Infrastructure maintenance; capital projects; transfers to reserve accounts; debt service.	14.6	1.9	12.7	6.83%	734	13.25%	
TOTAL	74.7	22.7	52	3.97% see note	2,998	54.13%	← Taxes for District Services increased by 2.95% over 2008

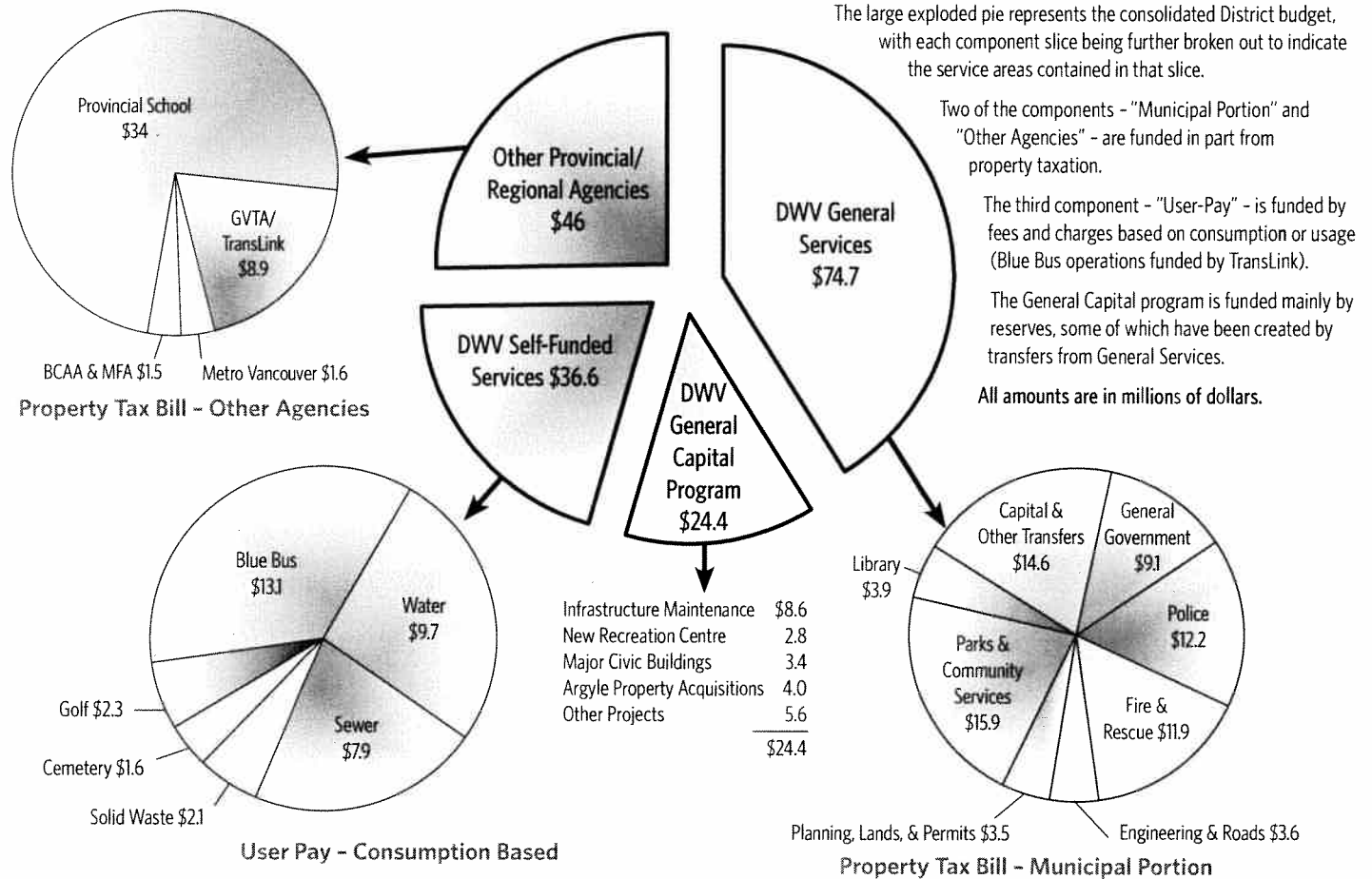
Notes for the chart above:

1. The 2009 increase in General Government is offset by a decrease in Parks & Community Services reflecting the 2009 transfer of cultural and environmental services.
2. During 2009, significant overtime reductions in Fire & Rescue were implemented, as well as the introduction of new revenue recoveries.
3. Of the 3.97% average annual increase, an average of 110% was collected from new construction on the tax roll and 2.87% was collected from existing tax payers.

Collected for Other Agencies

	Net Taxation	Average Taxpayer Pays		
Provincial School	\$34.0	\$1,832	33.07%	} Over 45% of the total tax bill is outside of Council's control
GVTA/TransLink	8.9	523	9.44%	
Metro Vancouver	1.6	94	1.70%	
BC Assessment Authority/Municipal Finance Authority	1.5	92	1.66%	
TOTAL	98.0	5,539	100.00%	

District of West Vancouver - 2009 Consolidated Expenditures Budget
\$181.7 Million



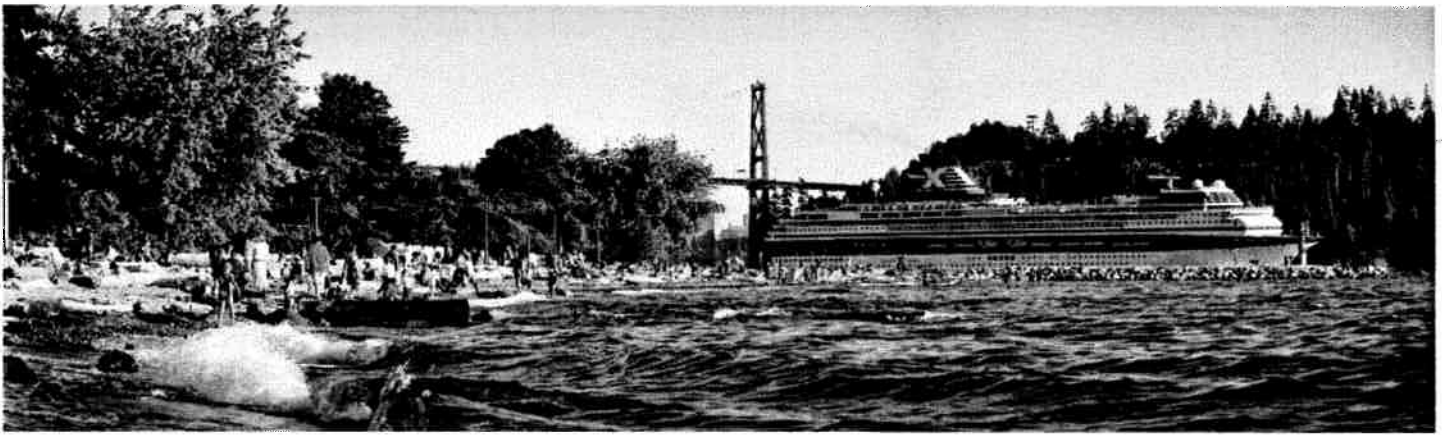
Comparisons with other BC Municipalities (see notes below)

	Per Capita Expenditure		Tax Revenue Proportions		Residential Taxation		Average Tax Rate Increase 2004-09	
	Population 2008	Gross Expenditures for General Services	Net Amount Recovered Through Taxation	Business & Other	Residents	Average Assessment		Municipal Taxes
West Vancouver	44,272	\$1,407	\$1,106	8%	92%	\$1,558,123	\$3,178	2.87%
North Vancouver District	87,518	881	799	30%	70%	843,494	1,979	4.38%
North Vancouver City	49,248	967	786	49%	51%	754,182	1,720	4.03%
Oak Bay	18,059	1,129	822	4%	96%	841,465	2,275	3.47%
Saanich	110,737	771	695	20%	80%	565,487	1,755	3.62%
Victoria	78,659	1,435	1,106	53%	47%	526,175	1,759	4.59%

Comparisons amongst municipalities are fraught with difficulty due to the many significant differences in the way that each municipality structures itself as to services offered, quality of services, cost recovery regimes, and in some cases accounting and presentation practices. With that caveat, the above table provides some high-level comparisons between a group of somewhat similar municipalities with regard to expenditure levels and residential taxation. This grouping includes the three north shore municipalities, and also includes two other municipalities that have their own police force (Saanich and Victoria).

Notes for the chart above:

- Gross expenditures are for general services only - utilities and other user-pay business units are excluded.
- Capital is excluded as noted above.
- The amount recovered through taxation represents the balance, after offsetting fees, charges and other revenues, that must be recovered from the property tax base.
- Residential taxation is the municipal portion only - the amount that municipalities have control over - and excludes the amounts charged by other government agencies on the property tax bill.
- For comparability "Average Assessment" is the provincial definition, and includes vacant land and rental apartment buildings. In other analyses, West Vancouver includes only detached residences and stratified multifamily buildings as the more meaningful average.
- Population and taxation data are for 2008; expenditure data are 2007 - in both cases the most recent available.



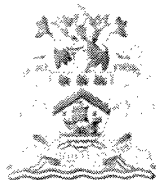
Our Waterfront Community

The uniqueness of West Vancouver is not just a result of its waterfront and mountainous setting, it is also the result of residents' desire to preserve a village-style community, and the District's supporting policies and Council's financial decisions. Some aspects of that uniqueness and related financial impacts are:

- An emphasis on remaining a predominantly residential community, which means that in the absence of an industrial tax base, homeowners are responsible for 92% of the total tax requirement, compared to 8% by business. In a typical BC community, business pays 30% - 50%.
- About 54% of the property taxes and fees collected go towards the District's own operations. The remaining 46% are split: 33.07% to Schools, 9.44% to TransLink, 1.70% to Metro Vancouver (GVRD) 1.64% to BC Assessment, 0.02% to Municipal Finance Authority.
- During the period 2004 through 2008, growth in population has been at an average annual rate of 0.4%. This growth rate minimizes growth of the tax base.
- Our most fundamental cost driver, impacting 80% of general departmental operating expenditures, and 66% of consolidated operating expenditures, is the regional trend in annual labour settlements. Recent contract settlements have been in the range of 3.5% - 4% for police and fire, and 3% - 3.5% for other bargaining units.
- West Vancouver has implemented a major capital program of award-winning facility expansion and renewal, including the Gleneagles Community Centre (\$10M), the West Vancouver Community Centre (\$40M), Eagle Lake Membrane Filtration Facility (\$17M).
- West Vancouver has pursued innovative partnerships with organizations such as Vancouver Coastal Health Authority, which resulted in funding towards the new Community Centre.
- An increasing emphasis on user-pay services, has enabled the District to manage property tax increases that are among the lowest in the region—an average of 2.53% since 2000.
- Recent general capital programs have been carried out on a pay-as-you-go basis with resources from the Endowment Fund. This has resulted in West Vancouver having no tax-supported debt.

Measures of Services Levels 2008

- In 2008, the Fire Department responded to 310 fire calls, 1620 medical/rescue calls, and 410 motor vehicle accidents. Its average response time was 4.5 minutes, about the same as for Vancouver, and among the best in Canada per capita.
- In 2008, the Police Department investigated 1129 property crimes, 189 violent crimes, 670 motor vehicle accidents, and arrested 267 suspects.
- The Memorial Library had 520,000 patron visits in 2008 (12 per capita) and lent out over one million items (23 per capita). Over 24,000 residents (56%) have active library cards.
- Recreational participation at District facilities exceeds 1.3 million annually. That includes: 660,000 visits to the Aquatic Centre; 100,000 each to Cultural facilities and the Ice Arena; and 250,000 each to the Seniors' Centre and the combined Community Centres.
- Participation at special events, including Harmony Arts, was 150,000.
- The Roads and Transportation Department maintains more than 500 lane-kilometers of paved roadways and 18 bridges.
- The Parks Department manages and maintains more than 130 parks (445 hectares) and more than 140 km of urban and wilderness paths and trails to connect the community with the waterfront, open spaces, parks, and forests of the Upper Lands.



Value For Services Survey, Fall 2009

Please complete the survey below and mail to Municipal Hall (750 17th St., West Vancouver, BC, V7V 3T3); or drop off at the West Vancouver Community Centre (2121 Marine Dr.) or Gleneagles Community Centre (6262 Marine Dr.); OR you can complete the survey online at www.websurveys.ca/westvan. Additional information about the topics in this survey can be found at www.westvancouver.ca/valueforservices or you can phone the District at 604-925-7000.

Please return or complete your online survey by October 19, 2009.

Q1. The District provides a number of services such as recreation, library, fire, police, roads, and parks. Overall, how satisfied are you with the municipal services you receive in West Vancouver?

- Very Satisfied, Somewhat Satisfied, Somewhat Dissatisfied, Very Dissatisfied, Don't Know

Q2. How satisfied are you with each of the following service areas in West Vancouver?

Table with 5 columns: Very Satisfied, Somewhat Satisfied, Somewhat Dissatisfied, Very Dissatisfied, Don't Know / Don't Use. Rows include General Government, Arts & Culture, Police Services, Fire & Rescue Services, Engineering & Transportation, Planning, Lands & Permits, Parks & Recreation Facilities, Parks & Recreation Programs, Parks & Trails, Library Services.

Q3. Overall, how do you feel about the municipal share of the property taxes that you paid on your residence last year? [The average West Van house valued at \$1.4 million paid a total of \$5,539, of which \$2,998 was municipal taxes – the rest of the property taxes (i.e. \$2,541) went to the School District, TransLink, Metro Vancouver, BC Assessment & MFA]

- Very Good Value, Somewhat Good Value, Somewhat Poor Value, Very Poor Value, Don't Know/ Not Applicable

Q4. How would you rate the value for money (operating efficiently for reasonable cost or fee) of the following service areas in West Vancouver?

Table with 5 columns: Very Good, Somewhat Good, Somewhat Poor, Very Poor, Don't Know. Rows include General Government, Arts & Culture, Police Services, Fire & Rescue Services, Engineering & Transportation, Planning, Lands & Permits, Parks & Rec Facilities, Parks & Rec Programs, Parks & Trails, Library Services.

Q5. Which of these ways, if any, would you prefer to fund service improvements in the District? check those that apply.

<input type="radio"/> ¹ Tax increases	<input type="radio"/> ⁴ Don't know
<input type="radio"/> ² Increased/more user fees	<input type="radio"/> ⁵ None/no service improvements required
<input type="radio"/> ³ Reallocate funds from other areas → transfer funds from _____ to _____ (program/service to reduce) (program/service to enhance)	

Q6. Where, if at all, would you support increased or additional/new user fees? check those that apply.

<input type="radio"/> ¹ Police False Alarms	<input type="radio"/> ¹⁰ Community Centre Programs
<input type="radio"/> ² Fire False Alarms	<input type="radio"/> ¹¹ Seniors' Centre
<input type="radio"/> ³ Police and Fire Inspections	<input type="radio"/> ¹² Out of District user surcharge (non-residents)
<input type="radio"/> ⁴ Building Permits	<input type="radio"/> ¹³ Parking
<input type="radio"/> ⁵ Bylaw fines	<input type="radio"/> ¹⁴ Facility Rentals (meeting rooms, etc.)
<input type="radio"/> ⁶ More than one garbage container pick-up	<input type="radio"/> ¹⁵ Park Usage (non-District sponsored special events)
<input type="radio"/> ⁷ Aquatic Centre	<input type="radio"/> ¹⁶ Other (please specify): _____
<input type="radio"/> ⁸ Ice Arena	<input type="radio"/> ¹⁷ Nowhere/do not want any more user fees
<input type="radio"/> ⁹ Library	

Q7. The District first looks at ways to improve efficiencies and provide the best service with the funds available. Given this and thinking about the municipal share of your residential property taxes for the coming year, would you prefer the District to... check one only

<input type="radio"/> ¹ Increase taxes and provide more services
<input type="radio"/> ² Increases taxes only if needed to maintain present services
<input type="radio"/> ³ Maintain current tax level and cut services if necessary
<input type="radio"/> ⁴ Reduce taxes and cut services
<input type="radio"/> ⁵ Other _____
<input type="radio"/> ⁶ Don't know

Q8. What do you consider to be an acceptable tax increase for the municipal share of your property taxes next year? [NOTE: In 2009, the overall tax increase in West Vancouver was 2.95%.]

_____ % (write in number)

Q9. Do you have any comments or specific suggestions for improving West Vancouver's services or value for money?

Q10. In the past 3 years have you... check those that apply

<input type="radio"/> ¹ Served on a District committee/panel or advisory board
<input type="radio"/> ² Volunteered at any District recreation centre, library or other facility
<input type="radio"/> ³ Volunteered, coached or managed an organized West Vancouver sports team
<input type="radio"/> ⁴ Worked for the District (any department)
<input type="radio"/> ⁵ Other _____
<input type="radio"/> ⁶ None of the above

Q11. Would you be willing to provide additional feedback, such as in a follow-up survey or focus group?

¹ Yes → Please provide your email address: _____ @ _____
² No

Q12. So that we can group your responses by neighbourhood, please enter your full postal code: _____

Thank you for completing the survey! Please submit by October 19, 2009.