

From: **"Mochrie, Paul"** <Paul.Mochrie@vancouver.ca>

To: **"Direct to Mayor and Council - DL"**

Date: 11/18/2021 5:40:33 PM

Subject: **Responses to Councillors' questions - Draft 2022 Budget #3**

Attachments: **FRS - Memo #3 to Mayor Council - 2022 Budget - 2021-11-18.pdf**

Dear Mayor and Council,

The attached memo is the 3rd set of responses to questions posed by Councillors regarding the 2022 budget.

Additional responses to Councillors' questions will be shared as they become available. Please continue to send any questions you may have.

Best,
Paul

Paul Mochrie (he/him)
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City of Vancouver
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x^wməθk^wəyəm (Musqueam), Skwxwú7mesh (Squamish), and səlilwətał (Tsleil-Waututh) Nations.

MEMORANDUM

November 18, 2021

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Karen Levitt, Deputy City Manager
Katrina Leckovic, City Clerk
Lynda Graves, Administration Services Manager, City Manager's Office
Maria Pontikis, Director, Civic Engagement and Communications
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Colin Knight, Director, City-wide Financial Planning and Analysis
Pragya Grewal, Associate Director, City-wide Financial Planning and Analysis
City Leadership Team

FROM: Patrice Impey
General Manager, Finance, Risk and Supply Chain Management

SUBJECT: Draft 2022 Budget - Responses to Councillors' questions (Memo #3)

Dear Mayor and Council,

The purpose of this memo is to provide responses to the questions posed by Councillors by email and at the November 2, 2021 Council meeting related to Draft 2022 Budget – Tax Scenarios and Options.

Additional responses to Councillors' questions will be shared as they become available.

Responses to Questions:

Questions from the November 2nd Meeting:

- 1. In regards to Community Policing Centres (CPC), how much funding is related to rent? Of the \$250k not included in the 5%, what does that mean for Community Policing Centres (CPC) offices?**

There are 11 CPCs of which nine are independent not-for-profit organizations and two are managed directly by the VPD. Depending on the location of the CPC, rent can equate to approximately 50% of the total CPC funding received.

The nine not-for-profit CPC's receive an annual amount of \$172,947 and the two VPD managed CPCs receive \$113,636.

In order to continue to provide the necessary service levels, and pay their employees a living wage, since the CoV is a living wage employer, each CPC must raise extra money through fundraising and various grant applications. However, COVID has significantly impacted fundraising efforts and their annual funding has been further exacerbated.

- 2. Engineering and Parks pay police for their work on Street sweeps and in parks (with people who are homeless). Can we find out how much is spent on each of these by the city?**

From 2019 – 2021, the VPD incurred approximately \$970,000 of overtime costs to ensure public safety at various encampments, assist park rangers, and as requested by City Engineering, accompany their staff when cleaning the streets. Of the total overtime cost incurred over three years, the City funded a total of \$590,000 and the remaining amount of \$378,000 was unfunded overtime costs and had to be managed within VPD existing budgets.

In addition to the incremental costs listed above, the VPD re-directed on-duty staff to ensure public safety and the approximate amount is \$515,000. Re-directing on-duty staff to these locations meant that other areas within Vancouver did not have police presence or did not respond to lower priority calls for service.

- 3. Address all the possibilities of funding strategies for childcare that will incorporate the various motions from last years in one report.**

ACCS will be bringing forward a Childcare Strategy in 2022 that consolidates the two existing Council motions and brings forward recommendations for actions to address the childcare gap, including recommendations for approaches to City financial support, senior government partnerships, and incentives for the development of childcare. Strategy is planned to be presented to Council in Q2 of 2022.

4. A. Follow up on service delivery for front lines, there was request for FTEs and policy work - how can we accomplish this without the financial challenges - how can it be embedded with the existing staff?

With regard to the Nighttime Economy Strategy, ACCS staff are working beyond capacity at the moment and so asking staff to take on the development of a new strategy without additional staff resources would require clear Council direction on what they should stop working on to enable that new focus. Additionally, ACCS does not have unallocated strategy development funds to support community engagement, research, etc. and so would require additional funds to conduct these activities to support the development of a new strategy. Not noted at the public Council meeting, is staff advise against initiating the nighttime economy strategy at this time – the sectors are still adjusting to COVID and this strategy should nest within a larger economy strategy.

B. What are the VEC items under the Council priority to *protect and build a resilient local economy*?

The following is to provide background information relevant to VEC-related questions raised by Mayor and Council at the November 2, 2021 council meeting on the City of Vancouver's 2022 Budget. These questions relate to the VEC items under the Council priority to protect and build a resilient local economy presented as outlined in the additional supporting document, sheet 1.

Executive Summary

For the last six years, COV has provided core funding to VEC of \$3.1m per annum, without any inflationary increase. In 2020-2021, VEC significantly reduced expenditures and the team size to be able to operate within the same core budget for 2022. This included accommodating cost inflation, cost reductions in non-core costs, fair salary adjustments in line with COV, a significantly reduced lease, a 25% reduction in full time equivalent employees, and the establishment of a capital replacement and business contingency reserve.

VEC acknowledges COV's significant funding challenges. The table below outlines where VEC can progress some of this work in the event that additional COV funding is not secured. VEC significantly values all of these priorities and are committed to progressing those we can, as part of our core funding or alternative funding sources. However, VEC will be constrained, as COV funding and both COV and VEC staff capacity is essential to progress them in a meaningful way.

Protect and Build a Resilient Local Economy:

Initiative Name	Total \$	VEC 2022 focus within current core budget
Vancouver Economy Strategy 2030 (Year 1 costs)	\$100k	VEC would begin with defining a 3-5 year vision for VEC with specific VEC corporate metrics and progressive economic metrics for the City of Vancouver. This would include engagement with key stakeholder groups. The full Economic strategy could then follow in 2023. Note the current Vancouver Economy Strategy was published in 2011
Circular Economy Strategy (Year 1 costs)	\$150k	VEC will continue to progress the following initiatives in-lieu of a comprehensive circular economy strategy: <ul style="list-style-type: none">• business incubator for circular economy ventures,• Greater Vancouver Circular Economy Network convening series and establishing a Community of Practice,• Circular Economy of Food Study,• Circular Food Innovation Lab,• supporting the Green Industrial Innovation District,• advising the Just Circular Recovery and Transition program, and• participation in the Canadian Circular Cities and Regions program.
Night Time Economy Strategy (Year 1 costs)	\$300k	N/A - On-hold unless funding for additional COV and VEC resources and stakeholder engagement is available

Note that VEC seeks and secures non-COV funding, enters into partnerships, and secures additional staffing through student and intern programs, all with the focus to be able to deliver more. Note core operating costs for VEC are rarely eligible from these alternative fundings sources.

5. Confirm the date when Auditor General will be presenting to Council for approval of their budget.

The Auditor General will provide a presentation on the proposed 2022 budget for the Office of the Auditor General on Nov. 26th to the Auditor General Committee. The budget recommendation of the Auditor General Committee will then be forwarded to Council for Council's consideration as part of the draft 2022 budget.

6. Report on core vacancies for firefighters and how does that compare to the Dark Horse review? Provide information on the 5-year growth plan of staff before COVID.
(Revised response from Memo #1)

The Dark Horse growth plan originally approved included an increase of 122 positions over five years (2019-2023). 100 of these positions were to be frontline suppression fire fighters. As a result, of financial challenges due to COVID and Council's direction to limit property taxes above 5%, the first three years of the growth plan have included funding for 40 positions. The proposed 5% budget scenario further reduces the growth plan additions to 35 positions that are fully funded.

VFRS Growth Plan	2019	2020	2021	2022	2023	Total
Original proposed Darkhorse	22	27	24	27	22	122
Council approved and deferred 2019	7	35	30	28	22	122
Council approved and deferred 2020	5	35	0	60	22	122
Proposed 2022 budget 5%	5	30	0	0	87	122

Councillor Swanson's questions

7. What is the vacancy tax reserve and how much is in it, and what is it reserved for?

The Vacancy tax reserve is also known as Empty Homes Tax (EHT) reserve. Use of EHT funds is outlined in the Vancouver Charter which states that the city may use monies raised from a vacancy tax only for the purposes of 'initiatives' respecting affordable housing and for the administration and collection of the vacancy tax.

An initiative would include projects that have specific objectives with measurable outputs and a definitive time horizon to deliver the objectives. The best example of EHT funding initiatives are one-time funding and/or capital where it creates new housing unit. The EHT revenue is not a predictable and permanent revenue source as the main objective of the EHT is to improve rental vacancy rates to healthier levels of (3-5%) from the average observed levels of 1% (temporary 2% during COVID lock-down) and the EHT would diminish as it achieves its objective. As such, aside from EHT funding for administration and collection of the vacancy tax, as outlined specifically in the Vancouver Charter, ongoing costs must be funded by other ongoing revenue sources.

The revenue collected from EHT since inception was \$106 million, and \$80 million has been spent or fully committed to support CHIP Grants, property and land acquisition and a variety of programs and initiatives supporting maintenance and/or access of affordable housing. Additional \$26 million was collected since the last budget cycle and staff has put forward a full allocation of \$26 million in the upcoming budget (operating and capital) proposal and if approved by Council, will fully commit all EHT revenue dollars collected so far.

Council will be receiving the annual EHT report shortly with details on the allocation of the revenue collected in 2021.

8. Could we give \$s for Community Policing Centres (CPC's) directly to the centres and not have it flow through the police?

City staff and the Vancouver Police Department (VPD) worked together to determine the best avenue for the CPCs to receive funding. A flow-through in the VPD's budget would ensure guaranteed funding for each of the CPCs. Otherwise, each CPC would need to apply for a grant on an annual basis, and funding would not be guaranteed.

It was agreed that it would be a flow through in the VPD's budget to provide sustainable operational funding for CPCs who partnered with the VPD to improve community livability and security for our citizens. The VPD would oversee it as part of a service level expectations from each of the CPCs.

On March 3, 2005 (RTS 4813), an agreement between the Vancouver Police Board, City of Vancouver, and CPC Societies that merges services and indemnity into one was entered into (Community Policing Centre Operations and Indemnity Agreement). In general, the agreement encompasses funding; universal requirements for operation; core activities; Neighbourhood Police Officer assignment; security and training of staff; performance reviews; indemnification; termination clauses and notices; and, general information regarding operations and financial accountability.

To change the current flow of funds, the VPD would require another city department to determine the appropriate funding mechanism.

Further history of the CPCs operations can be found in the link below and the attached pdf. [Community Policing Initiatives and Funding - January 11, 2005 \(vancouver.ca\)](#)

9. What is the \$1.5 million for tiny houses for? Is it just another report or would it actually result in some tiny houses being set up?

Staff will be sharing a memo with Council shortly on next steps to create a tiny shelter pilot.

10. What is the \$300K for the MMIWG and RWR reports for? Would it actually implement anything or just another report?

Early actions include funding to Moccasin Mafia, a grassroots group of Indigenous Elders and women who do outreach in the DTES and other neighbourhoods to connect with Indigenous women, provide food, and connect to housing, services and supports, including those related to safety.

(Please see Memo #1 Question 14 for additional information)

11. Motion - That the City of Vancouver reassign a dedicated full-time planning position to focus on older adults across city departments and liaise with external agencies.

Could staff say whether its likely that a staff person could be reassigned as is asked for in this motion from the seniors committee? And if so, what the reassigned staff person would not be doing cause they would be doing senior stuff?

Should Council direct staff to re-assign a planner to take on this work, other priority work that Council has directed or is important to Council would need to stop. This could result in a reduction in work on the urban health issues such as drug policy, poverty reduction, sex worker safety initiatives, community economic development efforts (e.g., street vending), or significantly reduce our ability to administer social grants. Staff requests Council to either provide direction as to what work should stop in order to take on the work described or assign funds to support the creation of a new position.

12. In regards to Vancouver Plan \$2.8M for development of the plan and implementation, what does that look like? Provide specific details on the Vancouver plan.

The 2021 base budget for Vancouver Plan was \$0.8M. The 2022 incremental budget included in the 5% scenario to deliver Vancouver Plan is \$2.8M, for a total of \$3.6M in 2022.

The majority of the incremental \$2.8M Budget is for staffing (61%), Partnerships (MST & MVEAC (7%)), Consultation and Communications (23%), Consulting and Technical analysis (9%).

Of the total \$3.6M budget for 2022, \$3.0M is for delivery of the plan and \$0.6M is for preliminary implementation.

The \$3.6M budget for 2022 is required for the following major deliverables:

- **Draft Plan (Report Reference to Council): March**
 - Draft city-wide Land Use Plan reflecting feedback from the public during the Fall 2021 engagement
 - Supporting directions and policies as heard from the public during the Fall 2021 public engagement
 - Technical analysis by consultants (e.g. growth projections) to support directions and policies
- **Spring Public Engagement on Draft Plan: March – April**
 - Robust engagement with First Nations, broad public, stakeholders and other governments on Draft Plan – in person and virtual
 - Marketing campaign to support public engagement activities
 - Consultant to help deliver the engagement activities
- **Vancouver Plan delivered to Council for consideration – June/ July**
 - High level Land Use Plan reflecting feedback from the Spring 2022 public engagement

- Comprehensive set of policies refined from the Spring 2022 public engagement
- Broad Implementation Framework with recommendations for the Implementation Strategy Phase for Vancouver Plan
- **Implementation Timeline and Strategy : July – Dec**
 - Equity Strategy for Land Use Planning and Decision Making
 - Land Use Plan Implementation Strategy
 - Framework for new area planning, updating plans, streamlining policy plans
 - Public Investment Strategy
 - Metrics and Monitoring Strategy

Additional funding required for the implementation, for example to advance area and infrastructure plans and bylaws for affordable housing, will be requested as part of the 2023 Budget Process.

13. What is the \$423K for technology services? Is this part of trying to make permitting more efficient and how does it relate to the \$1M set aside for this?

The \$423K investment request is for technical consultancy and is expected to deliver a detailed assessment of how PDS can best leverage the appropriate City's technology platforms (e.g. POSSE, ESRI etc.). This includes an assessment of PDS' data needs; corporate requirements/expectations, a best practice review, a review of current policy/data management procedures and processes and a clear understanding of what's needed to bring the usage of the City's technology platforms by the PDS department up to standard and in-line with other comparable cities, an implementation timeline and a high level cost to implement sufficient to inform a future budget request. Included is a resource request to project manage this consultancy and ensure timely delivery of COV inputs. This request is not related to the \$1.0M approved for the permitting task force.

With respect to the \$1M in funding for Permit and Licensing Modernization, the proposed spend plan will focus on the following areas: temporary resource support, enhanced customer facing digital service experiences and digital foundation work. Expected outcomes or accomplishments expected from these spends include:

- Continued ability to deliver on prioritized Task Force opportunities
- Continued improvement of customer inquiry response and update times
- Introduction of new digital service offerings (areas under assessment include: online application for new business licenses, multi party digital collaboration of electronic plans (ePlan enhancement), use of pre-approved artefacts to simplify related permitting processes)
- Design and initial iterations of the Digital Transformation program's foundational digital architecture (supports IDDA related work)

The City has also received \$500K in funding for its proposal of an Interactive Digital Development Application (IDDA) journey. IDDA will bring together digital regulations, business rules and conditions with existing geo-spatial data and digital journeys to provide timely, accurate, predictable and consistent experiences for customers and staff.

Councillor Boyle's questions

- 14. Sheet 2 lists a number of vacancy savings from Park Board (including \$459,000 focused on cleanliness and safety in speciality and neighbourhood parks) – wouldn't it make more sense to reinstate these vacancies before adding new funds to Park Board?**

The 2022 budget process came with some difficult trade-offs within the Park Board Budget. All departments are required to hold vacancies in order to balance the Citywide budget (Park Board \$1.1M). Staff recommend Council add these vacancy savings back to the base budget as a first priority. In addition, Park Board has some high priority requests in critical areas that need to be raised and considered as part of the 2022 budget and have been included in the +5% list (e.g. Park Rangers).

- 15. On Sheet 1, under Core Business, why is the Britannia Youth Worker position listed here? It seems like such a small amount. Is it just that there was a vacancy and so it was an easier position to leave un-filled? Or is there other context here we should know? This seems like a worthwhile position, and relevant to our equity and Reconciliation work.**

In the 2022 Draft budget 5% scenario, Britannia will continue to hold core vacancies by leaving the youth worker position unfilled (\$0.05M) and phasing down of the 'ambassador' program (\$0.3M). The service implication of leaving the youth work position unfilled is the lower engagement in one of Vancouver's poorest neighbourhood with highest proportion of Indigenous and vulnerable youth and relevant to our high priority work on equity and reconciliation.

- 16. On Sheet 1, under Core Business, the \$672,088 listed for Enhanced Street Cleaning is a very specific number. Could staff outline what we have spent on street cleaning over the past few years (has the total been going up), and what is proposed within the 5% scenario already? (On Sheet 2 it looks like there is \$150,000 for micro-cleaning grants in the 5%.) And is there an option to do this as a one-time expense, or to partially fund this line item?**

In the 5% scenario, the city is proposing a \$11.6 M budget in 2022 for Street Cleaning which is slightly higher than the 2021 budget of \$11.3 M as a result of increase in fixed costs to manage Street Cleaning operations. The \$0.1M in micro-cleaning grants is also included in the 5% scenario.

The current 2021 service level for street cleaning reflects this \$0.67 M in temporary funding. The 2022 budget does not include the continuation of the one-time Street Cleaning investment of \$672,088 approved by Council in December 2020.

The expiration of this one-time funding will lead to a reduction in the City's current service levels, which were expanded to address ongoing encampment, transient and homelessness related challenges in the downtown core, downtown Eastside, Chinatown and the surrounding BIAs. Funds were used to provide additional support in a number of service

areas including flushing, street sweeping, litter collection, abandoned waste pick up and clean up in hotspots around the downtown and surrounding areas.

If council considers to fund the one-time Street Cleaning investment of \$0.67M in the 2022 budget, the City's will be able to maintain the current service levels associated with encampments, transients and homeless impacts; which otherwise would have been reduced by approximately 50%.

Background on 2021 funding decisions:

During the 2021 Budget process, staff proposed a total of \$1.55 M ongoing and \$0.67 M one-time funding request in City's Street Cleaning programs to address the challenges in maintaining public realm cleanliness. Out of the total funding request, the Council approved \$1.4 M ongoing funding and \$0.82 M one-time funding.

Further breaking down the approved \$0.82 M one-time funding: \$0.15 M was allocated towards micro-cleaning grants with the remaining \$0.67 M to address enhanced sidewalk cleaning, encampments, homelessness, street camping and vending in the DTES, Strathcona, Chinatown, Yaletown, Gastown, Hastings & Broadway area, and to support a feces removal pilot under the grant program.

The \$0.15 M funding request has been included as part of the 5% scenario to align with the original intent of ongoing funding of the micro-cleaning grants. The \$0.67 M was requested as a one-time funding in 2021; given this level of service has been implemented in 2021, the discontinuation of this funding in 2022 is likely to result in increased challenges with maintaining public realm cleanliness to levels now expected. This \$0.67 M has been included as a request in the +5% scenario for consideration of on-going funding in the 2022 budget.

Street Cleaning Budget Trends:

The following table outlines the 2017-2021 budget along with the percentage of budget spend in the given year for Street Cleaning. Over the past 5 years, on average the City has spent approximately 91% of its expenditure budget.

(\$ M)*	2017	2018	2019	2020	2021**
Budget***	\$9.25	\$9.49	\$10.22	\$10.99	\$11.30
\$ Spent and % of Budget	\$7.77 84%	\$9.58 101%	\$9.91 97%	\$8.79 80%	\$10.28 91%

*Figures agreed to the 2017-2021 budget numbers Engineering Service Plan section of the 2022 Budget Book.

**2021 Budget is represented on a reinstated basis and does not include the one-time \$0.82M funding approved by Council for additional Street Cleaning investment

***The budgeted amounts do not include the transfers to fund future replacement of Street Cleaning fleet

Following are the main reasons for underspend in previous years:

- 1) 2021:
 - a. Staff Shortage: For the first 8 months of 2021, there was significant staff shortages due to challenges in recruiting staff to fill vacant and new positions. This resulted in an underspend in the 2021 labour budget.

- b. Equipment Savings: Due to delays in receiving some of the new equipment, the forecasted expenditure for equipment is lower than budgeted.

Since these issues have been resolved in the latter half of 2021, the City should be able to achieve its intended spend for 2021.

- 2) 2020: Underspend due to the impacts of COVID-19 pandemic which resulted in challenges with hiring relief staff for the peak periods from April to September.
- 3) 2018 & 2019: Expenditure was on target.
- 4) 2017: The primary driver of the lower spend was delays in receiving new equipment to support expanded Street Cleaning operations that were implemented when recycling was turned over to RecycleBC.

Councillor Hardwick's questions

- 17. Sheet 6 indicates that collective agreement costs associated with Police and Fire contracts are NOT included in the budget as presented, how does staff propose to account for these costs in the budget. What will that mean for the indicated tax increase, i.e. How much will a 1% increase in salary costs increase taxes beyond the 5%?**

In the 5% scenario for the 2022 Draft Operating Budget, the City has included a contingency funding for likely but unknown items such as outstanding collective agreements, if concluded in 2022.

For Police and Fire unions, a 1% wage increase per year is estimated at \$3.5 million, which is equivalent to 0.4% tax rate increase.

- 18. How many positions are being held vacant now, what are their associated budget costs and when will staff propose they be added back to the budget? Given that one-time reductions proposed in Sheet 2 are temporary and the expectation is that they will be added back in the future, it would be useful to understand the potential liability being created. A similar issue applies to all of the other one-time reductions of ongoing costs in the Sheet 6 budget.**

In the Draft 2022 Operating Budget, departments will continue to hold core business vacancies ranging between 0.5% - 2%, equalling \$8.7 million and an additional \$2.5 million in deferred investments. The expectation is that any one-time reductions or deferrals will require ongoing funding in the 2023 budget including building back vacancies, capital transfers to support infrastructure renewals, replenishing reserves, etc.

The estimated tax impact of the one-time reductions or deferrals is 1.3% property tax increase in 2023. Staff will continue to monitor all other revenues returning to pre-pandemic levels to help offset some of this tax impact.

- 19. Given the one-time budget reductions and the liability for those that have been carried forward from 2021, what is the impact of using any of the \$5.5 million in unallocated funding for new ongoing expenditures rather than limiting its use to one time items. Or perhaps, given all of the one-time reductions in the budget (from prior year or the current proposal) what is the cost liability that we will face in future budgets and the tax implications?**

Of the \$5.5 million, \$4.5 million is one-time and \$1.0 million is ongoing. There will be no tax impact in 2023 when the \$1.0 million is allocated to ongoing expenditures. However, if all or part of the \$4.5 million is allocated to ongoing initiatives, it would create an additional impact of upto 0.5% property tax increase in 2023.

Councillor Dominato's Questions

- 20. With respect to the \$5.5M unallocated by staff:**

As noted above, Council can consider allocating \$10M available including \$9M for one-time funding and \$1M as ongoing funding.

- **\$4.5M for one-time initiatives – is this referring to operating (e.g. one-time grants) and/or capital expenditures?**

Based on council direction, \$4.5M can be used for operating and capital initiatives. The options include:

- a) Address core service gaps by filling outstanding vacancies and adding back savings shown in "Sheet 2 - Included in 5%"
- b) Use to fund additional council priority initiatives and new council motions included in "Sheet 1: 2022 Prioritized list of initiatives - not included in the 5% base scenario"
- c) Use to reduce the tax increase in 2022 from 5% to 4.4% (primarily one time)
- d) Transfer to stabilization reserve
- e) Transfer to capital to support infrastructure renewal
- f) Or a combination of the above

- **Can the entire \$5.5M be transferred to capital (as we already do) and applied as pay-as-you-go financing against capital projects? Or just \$4.5M?**

The entire \$10M could be transferred to capital based on Council direction.

- **Reducing the tax increase to 4.4% - does this assume the entire \$5.5M unallocated funds?**

If Council were to allocate the \$5.5M available towards a lower tax increase, the 2022 property tax rate increase will equate to 4.4%. However, this helps lower the tax as a one-time measure for 2022 and will create pressure for 2023. 1% increase in tax rate is equivalent to \$9 million.

Staff will continue to work on the remaining responses to Councillors' questions and will be shared as they become available.

Should you have any questions regarding the above, please feel free to contact me at patrice.impey@vancouver.ca or (604) 873-7610.

Best Regards,

A handwritten signature in black ink, appearing to read 'Patrice Impey', with a stylized, cursive script.

Patrice Impey
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Appendix

MEMO #1 Responses to Questions – November 12th:

Questions from the November 2nd Meeting:

1. What is the utility increase versus property tax increase comparison? Provide an updated chart that shows utility and property tax increases.

The total property tax and utility increase for 2022 will equate to \$241 for a median single family home and \$347 for a median business property.

The blended utility rates for 2022 are increasing by 6%, which represent a \$104 increase in the utility bill for an average representative household. The rate increase corresponds to an increase in the Sewer rates by 12.5%, Water rates by 2.0% & Solid Waste rates by 4.5%. The utility rate increase for 2022 is largely driven by higher Metro Vancouver utility costs for Sewer and Water along with the increase in capital & operating expenditures required to maintain and replace the aging City infrastructure and assets.

More information will be included in the detailed budget document to be released online on November 23rd.

Indicative City Property Tax and Utility Fee Impact of Draft 2022 Budget*

	Median Single-Family Home \$1,717,000		Median Business Property \$1,024,000	
	ESTIMATED 2022 TAX BILL (CoV PORTION)	CHANGE OVER 2021	ESTIMATED 2022 TAX BILL (CoV PORTION)	CHANGE OVER 2021
Property taxes (Including 5% increase)	\$2,883	\$137	\$5,195	\$247
Water	\$810	\$17	\$750	\$15
Sewer	\$653	\$72	\$667	\$74
Solid Waste	\$356	\$15	\$267	\$11
Subtotal Utility fees	\$1,819	\$104	\$1,684	\$100
Combined	\$4,702	\$241	\$6,879	\$347

2. What is the breakdown of fixed cost increases and revenue increases including salary costs?

a. Fixed costs related to the City's ongoing services increased by \$45 million primarily due to:

Salary and benefit increases around \$40 million including:

- Salary increments for existing staff and wage increases related to collective bargaining settlements and fringe benefit rate increases. At the end of 2019, all collective agreements between the City, its related Boards and its certified unions expired. In 2021, bargaining for several agreements has been completed. The 2022 Budget includes increases arising from negotiated or arbitrated settlements.
- The impact of a Canada Pension Plan rate increase. The federal government has started phasing in increases to the Canada Pension Plan contribution rate over a multi year period from 2019 to 2024. The 2022 Budget includes an estimated \$2 million increased cost to the City in 2022, and an additional \$2 million to \$3 million per year is expected each year from 2023 to 2024.
- An increase in WorkSafeBC premiums in 2022 of approximately \$5 million. The City has recently seen significant increases in premiums resulting from increases in claim rates, particularly in the area of public safety.

Other external fixed costs increases including:

- Tax funded portion of Sewer utilities for the operating expenditures to support the maintenance of aging infrastructure of approximately \$2.5 million.
- Building occupancy increased costs as a result of a 2.6% rate increase from BC Hydro and a forecasted 6.0% rate increase for natural gas. In addition, an increase in supply and usage of bio methane due to lifting the FortisBC curtailment, partially offset by lower natural gas consumption.
- Rental and lease increased costs including the full year rent of 510 West Broadway, new lease renewed at a higher rate at the Richards, Crossroads and Cambie Police Stations, in addition to annual maintenance costs related to existing facilities. These increased lease costs are partially offset by savings related to workspace consolidation and the sublease of Marine Gateway.
- Equipment and fleet higher costs for replacement and maintenance, in addition to an increase in fuel prices, partially offset by a one time insurance discount by ICBC.
- Insurance premiums equivalent to an average of 35% increase for the City's July 1 insurance renewals due to the continual hardening of the insurance market, especially with respect to property type insurance coverage.
- Other increases including E-comm. inflationary costs, Grants 1% inflationary increase

More information will be included in the detailed budget document to be released online on November 23rd.

b. Major revenue drivers and rate increases in the revenue estimates include the following:

- **Property taxes:** The 2022 Budget includes funding for fixed cost increases in existing services as well as initiatives aligned to the Council priorities. As a result, the total tax increase for 2022 is 5% or, on average, \$95 additional per year for median residential property owners and \$247 per year for median businesses.
- A **water utility rate** increase of 2% will provide funding for water capital projects as outlined in the approved 2019-2022 Capital Plan, and higher Metro Vancouver (regional) water rates to fund infrastructure improvements throughout the region and investments to address the maintenance of aging infrastructure. The rate is higher than the 2021 rate of 1% primarily because of high water rate projections from Metro Vancouver.
- A **sewer utility rate** increase of 12.5% will (1) reflect the increase in Metro Vancouver (regional) rates, (2) provide pay-as-you-go funding for sewer capital projects, as outlined in the approved 2019-2022 Capital Plan, (3) cover debt-servicing costs to support the replacement and separation of sewer infrastructure to support the City's goal to eliminate combined sewer overflows by 2050, and (4) allow for fixed cost increases in operating expenditures. This rate is higher than the sewer utility rate forecast from the 2021 Budget because of increases to Metro Vancouver rates.
- A **solid waste utility fee** increase of 4.5% is required for sanitation equipment operating costs and capital expenditures, as outlined in the approved 2019-2022 Capital Plan.
- **Licence and development fees:** increase of 5% and higher application volumes for business licences, permits and rezoning services are partially returning in 2022 and are expected to improve back to pre-pandemic levels in 2023.
- **Parking** meter rate is tied to demand for available parking spaces, supporting local businesses and helping to manage parking demand in neighbourhoods. Parking revenue in 2022 is projected to improve back to pre-pandemic levels.
- **Parks and Recreation** user fees are expected to improve back to pre-pandemic levels, in line with removal of public health restrictions on capacity. The revenue budget also includes increases in user fees for various Parks and Recreation services to cover cost increases.

More information will be included in the detailed budget document to be released online on November 23rd.

3. What is the status of the one-time funded ACCS initiatives in the 2021 budget (i.e. parks cleanliness, etc.)? Report on how these items were utilized and incorporated into the 2022 budget.

The status of ACCS one-time initiatives is summarised as below:

- Murdered and Missing Indigenous Women and Girls Callas for Justice: Memo update in mid-November with final report planned for Council by June 2022.
- Anti-Black Racism recommendations: Report by June 2022.
- Anti-racism Action Plan: Report planned for spring 2022.
- Accessibility Strategy: Final report by June 2022
- Apology for Historic Discrimination to South Asian Community: Report by June 2022.
- UN Safe Spaces for Women and Girls: Report planned for spring 2022.

4. What is the status of the fleet account? Is there a surplus to be transfer to reserve and is there an increase in the life of fleet vehicles? Is there a surplus that could be transferred to the operating budget and can the life of the fleet be extended to reduce equipment rates? Provide additional details to answer these questions.

Replacing the City's fleet on a regular and timely basis is a critical component of maintaining many of the City's core services. The balance of the reserve is forecasted to be \$42 million at the end of 2021 and these funds have been committed to vehicle purchases in the near future to continue to support city operations. Staff would not recommend depleting or reallocating funds from the fleet account to address short term operating impacts due to the significant impacts to the City's ability to provide adequate core services to the public.

The list of the units in the fleet to be replaced in each year is determined based on the individual fleet unit's condition index, which takes into account factors such as age, mileage, usage and repair history. In some cases, vehicles that are in good shape can be held for longer periods of time while in other cases, due to heavy use, high downtime and repair costs coupled with negative impacts on servicing, vehicles may need an earlier replacement. Holding vehicles beyond when they need to be replaced results in significant impacts on the operating budgets of not only Fleet and Manufacturing Services but also on the user departments who are faced with higher amounts of downtime, increased maintenance costs and negative impacts on their ability to provide services to the public.

The average age of units in our fleet is 7 years. As mentioned above, delays in replacing units would result in units being replaced beyond their useful life, resulting in a further deterioration in fleet condition, more costly repairs, and more frequent interruptions in service.

In addition, as we move forward adding more zero emission vehicles to the fleet there is additional impacts on the Fleet account in terms of extra costs. The premium on smaller electric vehicles for example is generally 30-50% over and above traditional vehicle costs and heavy vehicles can be up to double the cost.

5. **What is the surplus from 2021 budget in regards to one time increase to accommodate veterans parking? Where does the surplus currently sit? Provide details.**

There was no expenditure increased by Council for this item. Rather, it was recognized that in not charging veterans for parking, the City's revenue budget would need to be reduced accordingly. A rough estimate in 2020 of \$0.5M was made (and was subsequently refined to \$200,000 to \$350,000), and the City's budgeted revenues for 2021 were reduced accordingly.

The parking revenue budget was set at a lower level for 2021; however, overall actual parking revenues are currently tracking to be \$7 M below this (lower) budget, as the pandemic continues to negatively impact the City's revenues.

6. **Report on core vacancies for firefighters and how does that compare to the Dark Horse review? Provide information on the 5-year growth plan of staff before COVID.**

The Dark Horse growth plan originally approved included an increase of 122 positions over five years (2019-2023). 100 of these positions were to be frontline suppression fire fighters. As a result of financial challenges due to COVID and Council's direction to limit property taxes above 5%, the first three years of the growth plan have included funding for 40 positions. The proposed 5% budget scenario further reduces the growth plan additions to 35 positions that are fully funded.

VFRS Growth Plan	2019	2020	2021	2022	2023
Original proposed Darkhorse	22	27	24	27	22
Council approved and deferred 2019	7	35	30	28	22
Council approved and deferred 2020	5	35	0	60	22
Proposed 2022 budget 5%	5	30	0	0	87

*Note – Revised in Memo # 3. Please refer to Q4.

7. **With regards to climate emergency actions, how much are we contributing in the 2022 budget? Provide a list of priorities related to climate emergency actions and report on the amount of money needed to implement the emergency action plan, specifically the top priorities regarding reducing green house emissions.**

A separate memo will be sent to Council that provides details on what is included in the 5% tax scenario on Accelerating Action on Climate Change.

8. **What is the impact on holding vacancies on staff health and morale? Are there any departments being affected more than others are?**

Long term effects of vacancies would negatively impact staff morale and existing service levels including: slower response times to emergency calls, reduced service levels to

citizens and businesses, limited ability to respond to non-emergency calls, greater risk of unsolved crimes and cases being lost in court, etc. Ongoing increased workload without accompanying resources could lead to staff burnout and additional impact on staff morale.

Draft 2022 Operating Budget assumes continuing to hold vacancies at 0.5% - 2% of core business equalling \$8.7 million and an additional \$2.5 million in deferred investments. Staffing vacancies related to Vancouver Fire and Police Departments are held at the 0.5% rate to minimize impact on public safety.

The following chart, included in the supporting information provided to council on November 2nd, summarizes vacancies by Departments and its impact on core businesses and deferred investments:

Department	Core Business Vacancy (\$ in millions)	Core Business %	Deferred investments	2022 Vacancy Savings
Arts, Culture & Community Services	(\$ 0.4)	1.3%		(\$ 0.4)
City Clerks & City Manager	(\$ 0.5)	2.4%		(\$ 0.5)
Civic theatres	(\$ 0.1)	1.7%		(\$ 0.1)
Engineering PW	(\$ 1.4)	1.3%	(\$ 1.3)	(\$ 2.7)
Engineering Utilities	(\$ 0.5)	0.9%		(\$ 0.5)
FRS	(\$ 0.6)	1.5%		(\$ 0.6)
HR	(\$ 0.2)	2.1%		(\$ 0.2)
Legal	(\$ 0.2)	1.9%		(\$ 0.2)
PDS	(\$ 0.4)	1.5%	(\$ 1.0)	(\$ 1.4)
REFM	(\$ 0.6)	1.5%		(\$ 0.6)
Technology Services	(\$ 0.5)	1.5%		(\$ 0.5)
Library	(\$ 0.1)	0.2%		(\$ 0.1)
Parks and Recreation	(\$ 1.1)	1.3%		(\$ 1.1)
VFRS	(\$ 0.6)	0.5%	(\$ 0.3)	(\$ 0.9)
VPD *	(\$ 1.4)	0.5%		(\$ 1.4)
Britannia	(\$ 0.05)	0.9%		(\$ 0.05)
Total	(\$ 8.7)		(\$ 2.5)	(\$ 11.3)

**This is in addition to the \$3.14M vacancy savings that were included in the 2021 Budget that is currently pending Provincial decision on Police Budget Appeal*

9. In the 3% and 4% budget tax scenarios, there were some anticipated cut in medic 11 services. Provide a report on Dec 1 on which neighbourhoods were affected.

Taking Medic 11 out of service will affect our ability to provide vital services to vulnerable citizens in the downtown eastside.

Medic 11 was put into service on July 31, 2020 and for the year of 2020 it responded to an average of 4 incidents per day, for a total of 571. Of the 571, 53% were medical and of the medical 32% were overdose related. Medic 11 was first on scene for 77% of those incidents.

In 2021, we have seen the demand and need for medic 11 increase. As at the end of Q3, medic 11 has responded to 2,741 incidents, which is an increase to 9 incidents per day. Of these total incidents, 69% were medical and of the medical, 40% were overdose related. VFRS is seeing a large increase in incident volume and incident durations Citywide. This adds to the increasing busyness and burnout of our staff.

Due to the busyness of this response district, this will reduce the reliability of other fire apparatus being available to respond to fire, rescue or medical incidents. Either a ladder or engine (our primary fire response vehicles) will be unavailable for major incidents in their districts. This can result in increased loss to citizen's property or life, unsafe working conditions for our staff due to shortage of on scene staff in recommended time frames and increased exposure to smoke and fire. This limits how quickly our staff can perform the critical tasks that are required to control and extinguish a fire.

10. In each of the 5%, 3% and 4% property tax increase scenario, provide details as to how this will impact Vancouver Public Library operations (i.e. impact on hours, # of branches)?

- 5.0% Scenario: Reduce branch hours at 6 smaller locations (total reduction 57.5 hours/week) - reduced branch hours at 6 branches to 7 hours/day, which can be staffed in a single full-time shift. This will spread the impact across neighbourhoods rather than concentrating the service reduction in one area. In addition, delay implementation of increasing hours to full day on Sundays at one of the four branches where this had not yet been implemented due to the COVID-19 pandemic (2020 investment funding) – this branch is currently open 1-5pm.
- 4.0% Scenario - if Council decides to approve a property tax increase of less than 5%, additional reductions to open hours will be required. To meet a 4% tax scenario, the reductions under the 5% scenario will be required (61.5 hours per week total), along with additional reductions of open hours by another 50-60 hours/week, through a combination of closing a small branch, and either closing Central Library one evening per week, or closing additional Mondays at 7-day branches, or reducing branch evening hours.
- 3.0% Scenario - a 3% tax scenario would require even further cuts to services that are already being negatively impacted. It requires a reduction to open hours by approximately 100-120 hours/week (230,000+ public visits & 19 FTE affected). This would be achieved by reducing hours across many locations and/or the closure of two small branch libraries.

Questions from Councillor Swanson

11. Staff will come up with some recommendations regarding the decriminalizing poverty motion but that might not happen until next year. Is there a way to get money in the budget to implement these recommendations without waiting till 2023?

Council has a contingency allocation it could use to fund priorities arising mid-year or Council could decide to earmark some funding for allocation in anticipation of recommendations.

As per the November 4th *“Decriminalizing Poverty and Prioritizing Community-Led Safety Initiatives” (RTS 14410)*” memo sent to Council, staff are proceeding as Action While Planning steps with initial exploration related to diversion of calls and also interactions with people experiencing homelessness or inadequate housing when cleaning the public realm. While there is no current 2022 funding request in for these exploration discussions, it is possible some costs may arise and staff will need to consider that at the time.

12. How can we ensure that the \$500K for implementation of the upcoming SRO vacancy control report is included in the budget?

The implementation of SRO vacancy control is not currently included in the 5% budget scenario and has been submitted as one of the options for Council to consider adding to 2022 Draft budget 5% scenario. Council could choose to allocate some of the available funding to support this initiative or other service reductions equivalent to \$500K would need to be found from within the balanced 2022 Budget.

Questions from Councillor Boyle

13. On Sheet 8, line 16, related to UNDRIP, it says that this motion is included in the 2022 Budget 5% scenario. But on Sheet 1, under Increase Focus on Equity and Critical Social Issues it lists \$200,000 not included in the 5% scenario related to UNDRIP. Is there some portion of UNDRIP that is a new investment within the 5%? Or is it referring to current staff being maintained to work on UNDRIP within the 5%? Just want to get a sense of what is already funded and what is still needed.

Funding for an additional internal resource to both assist in the implementation of the UN Declaration on the Rights of Indigenous Peoples and to meet the demand's of the City's evolving Indigenous-relations work is not included in the 2022 Budget. Council can choose to allocate the available funding towards UNDRIP.

On Sheet 8, line 19, the implementation of the Council's motion to establish an advisory committee (Task Force on Implementing UNDRIP in the City of Vancouver) is included the 5% scenario.

14. On Sheet 1, under Increase Focus on Equity and Critical Social Issues, there is \$300,000 listed to enable implementation of early start actions on the MMIWG / RWR Report. Do we have an idea of what those early actions are? Are they connected to the ask from community groups related to the Decriminalizing Poverty motion around a Diversion of Calls pilot?

Early actions include funding to Moccasin Mafia, a grassroots group of Indigenous Elders and women who do outreach in the DTES and other neighbourhoods to connect with Indigenous women, provide food, and connect to housing, services and supports, including

those related to safety. This is not connected to the Decriminalizing Poverty motion around the diversion of calls pilot.

- 15. On Sheet 1, under Increase Focus on Equity and Critical Social Issues, the \$200,000 listed related to the Water as a Human Right motion lists resources to contribute the a washroom strategy. Are there any other resources currently focused on a water strategy? Or is this funding what would make that strategy happen or not happen?**

This funding is to do the work needed to create the Water as a Human Right strategy, which will include washrooms. Funding will go towards staffing and/or consultancies & engagement costs.

- 16. On Sheet 1, under Core Business, there is \$500,000 listened to retain and maintain the 36 new plazas and parklets. If this isn't funded, what happens to those public spaces? Do they get removed? Is there a way to half fund this?**

Some number of these new public spaces created in 2020/2021 would need to be removed if we don't have ongoing operating funds to cover basic micro-cleaning and maintenance.

\$500,000 covers the basic City costs for all of these new public spaces – equating to \$10,000 - \$15,000 per space for a year. If we received \$250,000, we would need to consider a combination of removing some spaces and/or lowering levels of the basic services the City offers. Further, we would want to consider the lowered maintenance levels when planning for any potential minor upgrades of materials within these new public spaces.

We already heavily rely on our steward partners a great deal for daily management of these spaces, but some may be willing to take on additional duties for the overall benefit of having a public outdoor space. This could be more of an impactful ask to the social service parklet partners.

- 17. On Sheet 1, under Core Business, is \$400,000 listed for improving and maintaining Slow Streets. My understanding from conversation with Engineering is that we might be able to do this as a one-time expense to be maintaining the temporary barriers while transitioning many of them into low-intervention permanent infrastructure. Could we get more info from engineering on whether that cost (\$400k) would remain the same, but just be one-time instead of ongoing?**

The identified \$400,000 for the slow streets program in 2022 is expected to be a one-time cost to maintain the existing network while implementing a revised 'long-term' slow street network. It is anticipated that this network would still require some ongoing maintenance, but significantly less.

More details on the Slow Street program:

Based on ongoing public support for the program and concerns with the potential for removals, staff expect to maintain the current network of slow streets through the winter as an unfunded program. This is being presented to council as part of the 2022 operating

budget. If operating funds are not secured for next year, Engineering would likely seek to wind down the slow streets program so as to eliminate the ongoing expenditure for maintenance. It would not be advisable to forgo or substantially reduce maintenance as this would create potential safety issues with misplaced barriers, and cleanliness issues due to graffiti and damage to barriers. Maintenance costs to monitor, replace, clean and reset barriers are currently about \$25,000 to \$30,000 per month.

Other maintenance models like community stewardship of barriers have been considered as an interim solution, however there are challenges with coordination across the large network of slow streets, staff resources required to develop and manage the network of stewards, and safety considerations that would result from asking residents to manage equipment in the street.

Staff are exploring a number of options to capture the benefits of the Slow Streets program in the long term while reducing ongoing maintenance costs (for example, by using concrete barriers). Staff will provide an update on the plans for the future of Slow Streets as part of a Council update in Q1 2022.

Questions from Councillor Hardwick

18. Does Sheet 6 include the items detailed in Sheet 2?

Yes, Sheet 6: 2022 Draft budget table includes all initiatives shown on Sheet 2. Sheet 2 highlights reductions and increases in revenues and expenditures included in 5% scenario.

19. On Does Sheet 6 include the unallocated \$5.5 million?

Yes, Sheet 6 – 2022 Draft budget table includes \$5.5 million that is available for council to:

- g) Address core service gaps by filling outstanding vacancies and adding back savings shown in "Sheet 2 - Included in 5%"
- h) Use to fund additional council priority initiatives and new council motions included in "Sheet 1: 2022 Prioritized list of initiatives - not included in the 5% base scenario"
- i) Use to reduce the tax increase in 2022 from 5% to 4.4% (primarily one time)
- j) Transfer to stabilization reserve
- k) Transfer to capital to support infrastructure renewal
- l) Or a combination of the above

20. If Council chooses not to allocate the \$5.5 million (or any portion of it), that amount can be used to further reduce the tax increase, consider additional items from Sheet 1, or add other items to the budget?

Please see response above.

21. If Council decides NOT to fund some or all of the items in Sheet 2, the associated funding can be added to the \$5.5 million of currently unallocated funding?

Council can choose to reallocate funding from initiatives included in the Draft 2022 Budget. "Sheet 2: Expenditure budget (reductions)/ increases and revenue budget reductions/ (increases) included in 5% scenario" highlights savings/deferrals and increases to the Draft

budget. A large proportion of initiatives shown on sheet 2 are savings and deferrals required to balance the budget with a 5% property tax increase. A small number of initiatives are additions to the 2022 budget which are direct costs for revenues, regulatory investments etc.

22. Does Sheet 6 make provision for the potential costs of an adverse decision on the VPD's appeal to the Police Commissioner? If not, how will these costs be accounted for and what will be their tax impact?

The impact VPD's budget appeal is not included in the 2022 Draft budget. If approved, the budget impact would equate to \$5.6 million or 0.62% additional property tax increase above the 5%. If the \$5.6 million were to be approved, the Vancouver Police Department expenditures budget would increase by \$11.9 million or 3.5% over 2021 budget.

MEMO #2 Responses to Questions – November 15th:

Questions from Councillor Hardwick:

1. What is the status of insurance reserve and liability review?

The insurance reserve for the liability is projected to have an ending balance of approximately \$18M by end of 2021.

Based on an actuarial review conducted last year, considering the city's historic experience, it was recommended that the City keeps the reserve at minimum \$15M, contingent on material changes to the risk profile.

This reserve is funded by allocations from city departments to fund insurance premiums and liabilities. These allocations have been held at historical levels for the past several years and are below the annual amount needed to fully fund the insurance premiums and costs thus drawing down on this reserve each year. We anticipate the \$3M above the minimum reserve level will be drawn down within 2 years, at which point allocations to departments will need to be increased, which will be a budget pressure on departments at that time.

Questions from Councillor Swanson:

2. Could we get the \$500,000 for SRO vacancy control implementation out of the EHT?

The vacancy control program would not be funded by EHT. The use of EHT funds is outlined in the Vancouver Charter which states that the city may use monies raised from a vacancy tax only for the purposes of 'initiatives' respecting affordable housing and for the administration and collection of the vacancy tax. An initiative would include projects that have specific objectives with measurable outputs and a definitive time horizon to deliver the objectives. The best example of EHT funding initiatives are one-time funding and/or capital where it creates new housing unit. The EHT revenue is not a predictable and permanent revenue source as the main objective of the EHT is to improve vacancy rates to healthier levels of (3-5%) from the average observed levels of 1% (temporary 2% during COVID lock-down) and the EHT would diminish as it achieves its objective. As such, aside from EHT funding for administration and collection of the vacancy tax, as outlined specifically in the Vancouver Charter, ongoing costs should be funded by other ongoing revenue sources.

The costs of the SRO vacancy program will be ongoing and not a one time initiative, and therefore, it would be funded by a regular ongoing funding source and not EHT. We do use EHT for one time implementation costs of programs where appropriate - in this case the one time costs are very minor (~\$3k) relative to the ongoing program costs of \$497k.

Currently, the available EHT funds are fully allocated (contingent on budget approval) to projects that support these EHT funding criteria.

Questions from Councillor Carr:

- 3. What are the equivalent tax increases (beyond 5%) of \$600,000 (VFRS restoring core business vacancies) and of \$3.3M (VFRS growth plan-2021 operational review)?**

The equivalent tax increase for restoring core business vacancies will be 0.1% and for VFRS growth plan – 2021 operations review will be 0.4%. 1% property tax increase is equivalent to \$9 million.

- 4. Office of the AG: What is the base budget/staffing levels? What exactly is the \$1.2M to be used for? If it's partly start-up work - could some of that work be done with one-year contracts to set up the office?**

The \$1.2 million increase to the Auditor General's budget was provided as a placeholder pending presentation of his budget to the Auditor General Committee. As called for under the Auditor General Bylaw, the Auditor General's budget is considered separately from the City's budget. The Auditor General will provide a presentation on the proposed 2022 budget for the Office of the Auditor General on Nov. 26th to the Auditor General Committee. That presentation will confirm the budget amount being requested and the uses of funds, both for one-time start up and ongoing costs. The budget recommendation of the Auditor General Committee will then be forwarded to Council for Council's consideration as part of the draft 2022 budget. Any specific questions should be sent to the Chair of the Auditor General Committee.

- 5. Library Fine-Free – Can we do fine-free for one-time again? What was the 2021 cost?**

Undertaking an annual fine forgiveness campaign is not recommended given the heavy demand on resources combined with the short-lived benefits of a time limited event.

- Even though we saw strong participation in the two-week event (22k patrons had debt forgiven, totally \$505k), there are still approximately 50k patrons who continue to be blocked from using the library due to outstanding charges. While many patrons benefited from having their accounts cleared, a one-time event does not address the systemic barriers that fines create. As soon as the event is over, many patrons are faced with new debt accruing. This prospect prevents many from returning to the library on a regular basis.
- Developing and implementing the two-week campaign required significant resources and effort from VPL staff. The 2021 campaign cost approximately \$102k (staff time of \$42k, and hard costs for marketing and promotion of \$60k). An annual campaign is expected to cost at least \$75k. This would be better applied to offsetting the fines through a permanent fine free model.

Going permanently fine free would also enable VPL to eliminate credit card processing at all self-service checkout stations system wide, saving technology costs of over \$100k every two to three years.

6. ACCS Council Motion MMIWG/RWR – Can we do one-time specifically for early quick start actions, noted as one of the deliverables?

ACCS has included this request in the +5% prioritised list of initiatives for council consideration to support two quick start items in advance of the final report out to Council, currently scheduled for June 2022. We are currently recommending one-time funding for 2022, anticipating that the final report back will likely see some recommendations that require multi-year funding. A memo describing the quick starts should be received by Council by the end of this week.

7. Park Board Park Rangers and Supplies – Can we do one-time for supplies? Is it possible to either do 16 rangers for 1 year or 8 for 2 years?

Supplies for park rangers is considered one time and is \$0.1 million of the \$1.0 million request for 2022. The total \$1.8 million request for funding is phased over 2 years with \$1.0 m in 2022 and the remaining \$0.8m to be requested in 2023. The plan is to hire 8 regular full time rangers in 2022 and the remaining 8 in 2023. Given these staff are regular full time, ongoing funding is required.

8. City Clerk 19 month TFT assistant to Council Committees – Is this necessitated by some Clerking Staff moving to election duty?

No, this initiative is not related to staff moving to election duty. Additional funding is required to staff this position due to a temporary staff accommodation as per CUPE 15 collective agreement.

9. Core Business – FRS Financial Reporting – this seems to be required by PSAB and thus seems essential, so why is it not included in the 5% base?

This would be a new position for 2022. The 5% base budget does not include any net new additions over 2021 and these were instead included on the +5% prioritisation list for council consideration. If this position is not approved, the department would need to backfill this critical work through reassignment of existing resources which would in-turn create pressures and risks in other areas of financial reporting.

10. Re: PDS Housing Policy FTE position for 2 years: Could this be a one-time (2022) position in order to achieve data, metrics, refreshing of Housing Vancouver plan pre-election?

These two positions are existing RFT positions that were transferred to PDS without a funding source. We are not asking for additional (new) positions, but rather for a source of funds to maintain current staffing levels. Funding the positions for a short period of time to undertake specific work items does not address this issue.

The loss of these positions from the Housing Policy and Regulation Division would have significant impacts on our ability to deliver on our core functions, most notably research,

data collection, monitoring and reporting functions that are key to the success of any housing policy group.

If one time funding would be approved for this initiative, it would address the issue for 2022 only. However, ongoing funding will be required for 2023.

11. Have we had discussions with Vancouver Coastal Health providing specific funding for the VFRS permanent overdose outreach captain? If so, what is their response? If not, can we ask?

We have not had any discussion with Vancouver Coastal Health. Overdose Response Team is already a joint approach with City funds for one staff and Vancouver Coastal Health fund for their one staff. The Overdose Captain position was the Mayor's initiative and was added to 2021 budget at the very last stage. Coastal Health's Overdose Outreach Team has matched VFRS' ability to staff this team, and will allocate resources as needed if VFRS can increase its commitment.

12. Engineering PW/Neighbourhood Transportation – can we do this one-time, focusing on improvements in priority/targeted neighbourhoods – almost like a pilot?

The funding for the Neighborhood Traffic Management program is intended as a pilot on the Adanac overpass and the surrounding area, as well as Strathcona, with a focus on the rail crossing. In early 2022, Transportation will present to Council a strategy that addresses the longer term. Funding could be one-time but will require more funding in 2023 if the neighbourhood transportation initiative is to continue.

13. Engineering asked for \$150,000 ongoing for Film and Special Events. Are these increasing? What is the need beyond what staff have been doing?

In 2021, the staffing was decreased from usual levels, due to public health restrictions. In the 2022 budget, majority of the funding, \$1.9 million has been reinstated and this additional amount would restore it to pre-covid levels. This amount is needed with the projected comeback of events in 2022, and will restore funding and staffing to the levels that were in place in pre-Covid, before the public health restrictions were imposed.

14. Engineering Enhanced Street Cleaning – Can we do one-time, especially focused on DTES grants and the feces pilot?

Yes, this can be one-time, as it was in 2021, but current levels of cleaning are predicated on one-time funding, and will require funding again in 2023, should the need to maintain current levels continue past the one-time funding timeline.

15. Re: Engineering Utilities Superintendent Landfill/Transfer Stations: Is this a new fulltime permanent union position, or is it replacing currently unionized staff in acting positions? Can this be a one-time (2022) position?

The positions are new exempt position to replace currently unionized staff in acting positions. These positions address unionized staff acting in superintendent roles, and the funding would be ongoing.

Due to current shortfall of supervisory roles, the Landfill and Transfer Station operating budget is seeing an increase in overtime done by other staff to provide management and supervisory support at Vancouver Landfill and Transfer Station in order to maintain current level of operations and service levels. The salary for these 2 positions (\$240K) will be offset by the reduction in overtime required (\$100K) resulting in the net budget request of \$140K. The budget request will be funded through User Fees (Tipping Fee revenues) out of which 50% will be recovered through Metro Vancouver as per the revenue and cost sharing agreement

16. Re: Vancouver Plan - Sheet 2: Expenditure budget (reductions/increases) included in 5% scenario notes a \$2.8 million 2022 budget for the Vancouver Plan, but in the notes state that 2021 YTD expenditures are \$2M out of a \$4.1M budget, with of number of engagement items panned for the fall and a projection to spend the remaining budget by year-end. I note also that the planned December engagement has been delayed to Spring, 2022. Will that delay result in excess budget for 2021 and, given that, as well as the expectation of a Spring, 2022 final plan report to Council, create an opportunity to reduce the \$2.8M budget for 2022. If so, reasonably by how much?

Staff are not aware of a delay in engagement (Dec 2021 – spring 2022) as noted above:

- The 2021 YTD expenditures of \$2M as of August, before the Fall Engagement expenditures were incurred.
- Vancouver Plan's Fall Engagement launched October 25 and will run until November 25 and the remaining 2021 budget will be allocated to support this, along with technical analysis and staffing. The fall engagement has included extensive on-line and in-person events and media and all budget is anticipated to be spent.
- The 2022 budget request of \$2.8 million will support delivery of a draft plan in March, spring engagement, final plan in mid-2022 followed by early implementation scoping in the last quarter.
- The technical work and spring engagement to support the Draft Plan along with staffing are included in the \$2.8 million request, which has already been trimmed significantly from our original budget.
- Along with the deliverables of the proposed Vancouver Plan (mid 2022) and scope of the implementation framework in late 2022, the budget request of \$2.8 million is considered lean to deliver the four deliverables in 2022.

17. What impact does the failure of the recent Council vote on the Climate Emergency Parking Plan have on the budget and planned activities for CEAP in 2022? The parking plan report estimated it would have generated c. \$20M/year). Are we making up for that loss in other ways?

In 2022, CEPP was anticipated to generate 6.4M to 9.6M in net revenue.

An example bundle of projects that could have been completed with this revenue in 2022 is (these amounts are approximate and can be scalable based on available funding):

Install 5 – 10 new pedestrian signals to provide safer crossing opportunities that will encourage walking
Install 5-10 fast charging stations that provide fast and easy public charging opportunities for hybrid and electric vehicles
Install 100 – 150 Level II charging stations with an emphasis on rental buildings
Infill 50-100 missing curb ramps to improve accessibility and the walking experience for all

Revenue collected in 2022 could also have been set aside to fund other projects in later years that may require more planning and lead time such as implementing special priority lanes for buses, improving infrastructure for walking and cycling, planting trees in underserved neighbourhoods, and improving pedestrian and cycling connections to rapid transit stations.