

From: ["Mochrie, Paul" <Paul.Mochrie@vancouver.ca>](mailto:Paul.Mochrie@vancouver.ca)

To: ["Direct to Mayor and Council - DL"](#)

Date: 11/30/2021 11:50:45 AM

Subject: [Responses to Councillors' questions - Draft 2022 Budget #6](#)

Attachments: FRS - Memo #6 to Mayor Council - 2022 Budget - 2021-11-29.pdf

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Dear Mayor and Council,

The attached memo is the 6<sup>th</sup> 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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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səliłwətał (Tsleil-Waututh) Nations.

## MEMORANDUM

November 30, 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 #6)

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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 22<sup>nd</sup> Council briefing related to 2022 Draft Budget – Tax Scenarios and Options.

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

## Responses to Questions:

### Questions from the November 22<sup>nd</sup> Briefing:

1. **How much of the 2019-2022 Capital Plan Land acquisition budget have we spent and what is remaining?**

The 2019-2022 Capital budget for Land Acquisition was \$119M. We have spent \$75 M to complete 7 land acquisitions. The remaining \$44M is encumbered for a variety of designated projects.

2. **What would it take to update the Healthy City Strategy (MC)**

We would need to fill the vacant Healthy City Planner position at \$130K annually. We would also need some one time funding for community engagement and research. Estimated one-time costs would be: \$250K to support research, engagement and writing.

3. **Quick stats on Decrim poverty – what would it cost – are completing initial scoping and would report on next steps – which would include?**

In order to complete initial scoping, \$50K would be required as one-time funding to support coordination.

For next steps, it is dependant on the outcome of the initial scoping and will report at the time of results. There will likely be costs to implement the next phases, but we do not have a sense of that amount. Council could set aside contingency funds for this purpose.

4. **Partner contributions – why the decrease in 2022? There was a large amount in 2021 for RHI funding.**

The decrease in Partner Contributions from 2021 to 2022 is related to the timing of receipt of Rapid Housing Initiative (RHI) funding. The 2021 Capital Budget allocation was \$85.06M in Partner contributions which included \$51.5M RHI funding, and other partners' funding such as Translink, ICBC, Metro, UBCM, FCM, etc. The 2022 Capital Budget allocation reflects \$18.27M in Partner contributions, which includes \$13.3M from Translink, \$2.75M from Province/childcare MOU, \$1.7M from ICBC, \$0.5M from others.

Partner Contributions in Capital Budget can be amended throughout the year and are reflected into the approved Capital Budget via a standalone or quarterly capital budget adjustment report.

## **Councillor Boyle's Questions**

**5. Can staff break down the \$3,300,000 line item for the for the 2021 VFRS growth plan? How much of that would it cost to fund the 25 new fire fighter spots?**

The \$3.3M reflect the 2021 needs that were identified in the Darkhorse reports as third-year additions of 25 firefighters, two fire prevention officers, one assistant chief of diversity and outreach, one diversity and outreach officer, and one analytics support professional. The 2021 resource requirements were meant to help VFRS address increasing risk in Vancouver, including challenges related to the increasing frequency and severity of fires, providing effective community outreach and public education to a diverse city, and the overdose crisis. As a result of the financial challenges due to the pandemic, these staffing needs were deferred to future years as part of the Five-Year Financial Plan and were not reflected in the 2021 Operating Budget. Total budget to fund new 25 firefighters in 2022 is \$2.9M of the \$3.3M.

**6. What is currently being spent on the VanPlan? What is the current staffing head count on VanPlan? The \$2.8M proposed seems like a very large increase for the final year of planning. Will staff currently working on the planning process pivot to work on implementation after the plan is complete? Is it possible for any of that \$2.8M proposed to be one-time, to complete the plan?**

- The forecasted spend for Vancouver plan in 2021 is \$4.1 million.
- We are currently funding 21 FTES. This includes staff from PDS, Engineering, ACCS and Finance.
- To ensure delivery of the Vancouver Plan (mid-year 2022) and advancing early implementation work (Fall 2022), salaries within the \$2.8M are for Jan to Dec 2022.
- The Implementation scope (e.g. to deliver policy through phasing, area plans, bylaws/ tools along with a financial strategy) will be presented for Council's approval in June 2022 as part of the Plan. Staff efforts will pivot to focus on implementation after delivery of the Vancouver Plan to Council mid-year.
- Overall, the \$2.8M incremental funding included in 2022 Draft Budget (less than 2021 budget \$4.1M) includes staffing, partner agreements, engagement and communications and technical consulting.

The \$2.8 million has been included in the 2022 Draft Budget as one-time funding to complete the Plan. The Implementation phase will be subject to Council approval for scope in June and 2023 budget in December 2022.

**7. Given there are often questions about the communications department every time a new budget comes out, can staff speak to the work that our comms team does on engagement and outreach? And what the impacts would be if we shrunk the staff size of that team?**

Past commentary by media and others on the size/number of staff in the Civic Engagement and Communications department may have been based on misunderstanding of, or



assumptions about, the different roles and specialties within the team. Some media and members of the public have also misrepresented the centralization of communications into one department several years ago (as a result of the Vancouver Services Review) as significant growth in the total number of staff, versus a consolidation of staff across City departments as part of that review.

Vancouver's communications and civic engagement function is not large for a city of its size and breadth of operations. For example, the City of Calgary has 100 communications staff. It should also be noted that other Canadian cities have separate departments and staff for functions such as marketing, community relations, public engagement, etc. which make direct comparisons difficult.

Below is an overview of the teams within the department and their work.

### **Civic Engagement**

CEC's civic engagement team is comprised of a manager, three regular full-time staff and one temporary staff (five total). As context, most Canadian cities operating at a similar level have engagement teams of 10-20 people, with for example, the City of Calgary employing 20 engagement staff and an additional 6 staff devoted to research. Engagement core services are: Strategic engagement planning – helping project teams develop engagement plans; overseeing the City's digital engagement hub, Shape Your City; survey design and programming; market research support; and language accessibility/translation support. In 2021 to date, the team has supported approximately 80 planning and community-related engagement projects, in addition to supporting VEMA and others on translation and outreach to vulnerable groups.

### **Media Relations and Issues Management**

CEC's media relations team is comprised of one manager and one senior and one junior staff, one of whom focuses on tracking and reporting on media coverage. The volume and frequency of the City's outgoing communications is significantly higher than other local municipalities and most other large organizations (between 250 to 300 announcements or media events each year, and roughly 2,500 media inquiries per year, 7 days a week). This team also supports all Protocol activities, such as Remembrance Day, PRIDE, other days of notes, the City Hall Weddings program, etc. and VEMA's programs and announcements.

### **Graphic Design and Videographer**

We have three on-staff graphic designers who support all design requests from across the City, and one videographer/photographer who supports City and Mayor/Council video needs for e.g., protocol-related events. By the end of 2021, we expect to have completed more than 750 designed items. The videographer position had been held as a vacancy through mid-2021; the new videographer has been in place for 8 months and to date has produced 20+ video projects and 24+ photoshoots.

### **Internal Communications**

There is one manager and two communication specialists creating all city-wide updates for our entire staff base including daily intranet content updates, regular all-staff and all-manager communications, both planned, and responsive to issues as they arise. One additional staff provides dedicated support for the City's intranet including our 120-member

content network. The pandemic has highlighted for the City the critical importance of keeping staff updated with timely and relevant information. For example, there has been significantly increased work related to sharing health and safety information, and changes to operations from public health orders (e.g. masks, vaccination status for patrons and staff). In addition, this team provides employee communications for the relatively new Equity Office at the City, which will continue to require increased support to share information with staff in this critical and expanding area of the City's work.

### **Social Media**

One junior and one senior social media staff report to the Media Manager. In comparison to other cities, this function is critically understaffed, especially with the growth in social media as a preferred channel by the public and the news media. These two staff positions oversee all of the City's social media channels (Twitter, Facebook, Instagram, Reddit, YouTube, LinkedIn) and the City's accounts to ensure that the frequency and tone of messaging is coordinated and that we are following ever-changing best practices. These accounts need to be constantly monitored and comments/questions responded to as needed, and this includes training and support for 3-1-1 staff who handle service requests from social media. Social media staff are also responsible for developing and programming social media advertising campaigns, as the City's central communications group employs no dedicated marketing or advertising staff.

In addition to the core "City of Vancouver" accounts there are multiple other accounts these staff oversee (e.g. Vancouver City Clerks, Greenest City, Vancouver Plan, Engaged City). City of Vancouver social accounts have more than 830,000 followers, and in 2020 we posted 24,000 times generating over half a million engagements.

### **Service Delivery Portfolio Support**

We have three small teams of communications managers and specialists who provide dedicated support to the key service delivery areas across the City - Engineering, ACCS and PDS/DBL. The Associate Director provides support for the corporate functions such as Finance (Budget, EHT) and REFM with one regular full-time and one temporary staff person assisting. These staff are responsible for communications plans for all announcements, campaigns, engagement opportunities, Council decisions, and issues management, with tactics including but not limited to: news bulletins, web page content, paid and organic social media content and campaigns, posters, advertising, newsletters, e-newsletters, fact sheets, videos, publications, etc. These are also the teams responsible for responding to all media inquiries.

It should be noted that for all of 2020 and the majority of 2021, the department has been running with vacancies, which has put extra workload and pressure on staff, particularly due to the significantly increased workload due to the pandemic. Reducing staffing would be a further strain on this group and likely result in further unplanned departures.

Reducing Communications staffing overall would impact public education, awareness and understanding of the City's - and Council's - important work, and the ability for City staff to be kept up to date and do their jobs effectively.

The implications of reducing staff on the Civic Engagement team would mean pausing equity-focused engagement initiatives, including work on language accessibility and ethnocultural outreach directly related to the City's Equity Framework. It would also necessitate a reduction in online engagement activities (e.g. number of consultations on Shape Your City), as two of the five positions currently focus on digital engagement.

### **Councillor Carr's Questions**

- 8. If Council were to allocate to our Climate Emergency Plan some or all of an additional \$4.5M that staff indicated we could allocate based on Q3 income this year, could you please find out what projects sustainability staff would prioritize (and their line item costs)...especially ones that bring down GHGs, embed equity, and would be popular with Vancouver residents? Would they all have to be one-time expenditures?**

**Could you please ask sustainability to provide some other measures with that, and equity, in mind, perhaps related to the upcoming report from CEAP on building retrofits? I'd also love to know the ranking/outcomes in terms of climate mitigation/GHG reductions.**

Below is a list of projects in priority order that could be advanced with additional funding. All of the projects will reduce GHGs, but they also have a strong equity lens and should generally have good public support.

- 1) Building retrofit support - \$0.1M to explore the viability of developing an incentive program to retrofit apartment buildings, condominiums, coops, and non-market housing with heat pumps to reduce carbon pollution *while also providing cooling for common areas and corridors to help protect residents during extreme heat events*. (Note that if this incentive program is feasible, a portion of the requested 2022 capital budget for MURB retrofits could be used for these incentives).
- 2) Active transportation - \$0.4M to implement a longer-term slow streets program.
- 3) EV support - \$0.5M to support retrofitting of rental buildings for EV charging (delivered in partnership with the province), support charging for car-share vehicles, and moving forward with neighbourhood charging pilot projects.
- 4) Active transportation - \$3.5M for quick implementation of walking, rolling and cycling improvements (similar to Smithe Street and the Central Valley Greenway being delivered currently), as well as new pedestrians crossing in priority locations.
  - The exact improvements delivered would be dependent on engagement, outcomes of the slow street permanent implementation, and competitive funding applications through TransLink, which are underway.

## **Councillor Swanson's Questions**

9. In this morning's batch of answered questions, it says "PDS has been working to maintain or decrease staffing levels across all divisions and programs."

But p 294 (C-131) of the budget says Planning, Urban Design & Sustainability:

Forecast Regular (including Part-time) Full-time Equivalents\* 194.4 199.4 202.2.  
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents\* 212.9  
222.6 225.4

\* excluding overtime

So it looks like planning has about 12 more staff now than in 2020. These two answers seem to contradict each other?

The response on Council memo #4, question 5 mentions staffing levels for Vancouver Plan only, and does not highlight staffing levels for the overall PDS department. The table below provides a summary of 2020 Actual FTE (which can be lower than budgeted FTE), versus 2021 and 2022 forecast FTE. Overall, PDS staffing increased by 12.5 FTEs from 2020 to 2022 as summarized in the table below:

Employee trend table

Planning, Urban Design & Sustainability	2020 Actuals	2021 Forecast	2022 Forecast
Regular (including Part-time) Full-time Equivalents*	194.4	199.4	202.2
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	212.9	222.6	225.4

\* excluding overtime

2020 Actuals to 2022 Forecast FTE changes:

- 5.0 FTEs relate to Housing Policy and Projects positions transferred from ACCS to PDS
- 5.1 FTEs relate to filling vacancies to support: Vancouver Plan (2.5), Sustainability (2.2) and Regulation Redesign (0.4)
- 2.4 FTEs to support developer funded projects (not tax supported)

10. A. P 294: the planning dept budget is up 16% 2021 to 2022 if we accept this budget. Is that right?

The 2022 PDS budget increase primarily consist of:

- 10% investments to continue work on the Vancouver Plan
- 4% compensation and benefit expenses arising from negotiated settlements for existing staff positions

- 3% new office rent to relocate PDS from 515 West 10<sup>th</sup> Avenue to 510 West Broadway
- (1%) reduction in consultation and engagement budget

**B. P. 306: DBL budget is up 7.2%. is that right?**

The 2022 DBL budget increase primarily consist of:

- 3% primarily increases in compensation and benefit expenses arising from negotiated settlements for existing staff positions.
- 2% DBL will not be required to hold vacancies as part of the 2022 Budget in order to address permitting wait times and business licence backlogs.
- 1% Primarily reflects shared support increases for staff in other City departments who provided services to DBL, e.g. Technology Services, 311, Finance, Communications and HR etc.
- 1% Council approved new staffing resources funded from 2022 business licence fees to enable the City to address the licensing backlog and respond to business licence-related enquiries from the public
- 1% Council approved staffing resources funded from patio permit fees to support the permanent summer patio program

**C. Could we cut a bit out of these two to get things like fire and vacancy control**

It would be extremely challenging for the PDS or DBL departments to cut their budgets in order to fund things like fire and vacancy control. Depending on the magnitude of the cuts, operational impacts would be similar to the 4% and 3% options presented to Council for PDS. For example for PDS, the 4% impacts would further reduce the Planning Consulting & Engagement budget thereby impacting the Broadway Plan engagement initiatives, in addition postage budget would be reduced which would result in a reduced reach into the community. Permits are cost recovery, so reducing costs in the permitting area would result in reduced fees, not additional funding for vacancy control. It would also result in longer processing times and could put transformational progress at risk.

**11. Looking at the second to last page in the binder:**

**Planning is up 11.5% from 2021 from \$29 to \$32M**  
**REFM is up 10.4% from \$35 to 38M**

**On last page: corporate support is up 48 FTE's in one year.**

**I'm wondering what the impact would be if we cut back in any of these 3 areas to get \$ for other priorities.**

The expenditure increase for Planning, Urban Design and Sustainability reflects reductions such as holding vacancies offset by increases primarily driven by compensation and benefit increases for existing staff, an investment for Vancouver Plan as well as new office rent for the relocation of the department. Any reductions to the budget could reduce the consulting

and engagement budget (impacting things like the Broadway Plan as well as reduced reach to the community on important planning initiatives) and the inability to advance initiatives (such as Rupert Renfrew Area plan). It could also impact the ability to deliver the Vancouver Plan as planned.

The expenditure increase for Real Estate and Facilities Management is primarily fixed in nature, driven by compensation and benefit increases for existing staff and reflects increases in costs to ensure the City's aging infrastructure is maintained to meet safety and compliance standards. It also includes operating impacts of recently completed capital projects (e.g. new childcare, affordable housing projects, a firehall and for various other Civic Facilities). Any reductions to the budget will reduce building related budgets which will mean slower response times to some repair/maintenance requests, and security issues. In some cases, repair work not related to safety could be delayed which would become more visible to the public and could impact the usage of the building. In addition reduced maintenance and repairs will contribute to deteriorating assets that would eventually require additional budget to be brought back to a state of good repair (e.g. significantly more investment in the future).

The FTE tables reflect forecast FTE for 2021 at a point in time and planned/forecast FTE for 2022 based on budget. The increase in Corporate Support FTE is primarily driven by an increase due to the election; filling some positions in Real Estate and Facilities Management, Legal, and HR while maintaining vacancy savings targets to meet the 5% tax increase; some FTE changes in City Managers office due to a staff coming back from maternity leave, as well as the hiring of a second Deputy City Manager. Cut backs in Corporate Services would have impacts for these departments described in the 4% and 3% scenarios including the ability to adequately support the business units in delivering services. Staff layoffs would be required.

## **12. Vacancy tax – What is the allocation amount for 2020?**

The 2020 EHT annual report will be published shortly and includes the following summary for the allocation of fund:

\$26.2 million is available and fully allocated in this reporting period to fund new affordable housing. Council approval of the proposed funding allocation includes:

- \$12 million to support additional Community Housing Incentive Program (CHIP) grants. The CHIP supports our non-profit and co-op partners to deepen affordability in new social/co-op housing projects, and deliver on the affordability targets set out in the Housing Vancouver strategy.
- \$8.3 million will be added to the Housing capital budget to enable more housing on City land to support the delivery of the Housing Vancouver strategy priorities and targets.
- \$4.3 million for staffing resources to work on affordable housing projects.
- \$1.6 million for emerging priorities, such as a Tiny Homes pilot project, contingent on Council's approval of the pilot project.

**13. The answer to my question about the EHT is that is for “initiatives respecting affordable housing”. Vacancy control in SROs is an initiative. We haven’t done it before. And its purpose is to preserve affordable housing. Doesn’t that mean vacancy control in SROs could qualify for EHT funding? The EHT is predicted to decline over the years and vacancy control in sros will be reviewed in 4 years. So why not start with funding vacancy control out of EHT?**

Staff have developed an EHT funding policy to assist Council in determining how the EHT funds should be spent. The Law Department also supports a consistent approach to funding initiatives with EHT monies.

The Vancouver Charter outlines the following regarding EHT:

*Monies raised by the Empty Homes Tax (EHT) can only be spent in accordance with section 616(4) of the Vancouver Carter, which reads:*

*“(4)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.”*

The EHT funding policy outlines the definition of initiative as:

Projects and programs to provide for affordable housing, that have specific objectives with measurable outputs and a definitive time horizon to deliver the objectives.

And the definition of affordable housing as:

Housing options that are primarily targeted to low and moderate income households

From a financial planning perspective, because EHT is designed to produce declining revenues, and is not a stable and predictable source of funding, the policy states that EHT monies should be used for capital expenditures (eg: land acquisition) or one-timing funding initiatives (eg: CHIP grants) without long term commitments.

If an initiative relates to an ongoing program requiring ongoing funding, it would not be an appropriate candidate for EHT due to the nature of EHT as an unpredictable revenue source.

In situations where an initiative has a short term time limit (2 years) requiring capital and/or operating funds, with a clear end date and deliverables and would not be ongoing, it may qualify for EHT funding.

EHT has been used in a few cases where capital and/or operating funds are required for a short term in advance of 3<sup>rd</sup> party funding. This will be re-evaluated at 2 years to ensure 3<sup>rd</sup> party funding is received or pending.

The proposed program of SRO vacancy control requires on-going operating funding for staff to administer it, and as such is not suitable for EHT funding. While it may qualify as an initiative respecting affordable housing, there are financial policy reasons why it should not be funded with EHT funds given EHT funding is not a stable, predictable funding source for ongoing operation expenses. If the EHT meets the goals of the program, the number of vacant homes and associate revenue will continue to decrease.

## **Councillor Kirby-Yung's Question:**

### **14. How does Vacancy Control compare to the Renters office for funding?**

The Renter's Office initial funding was provided through EHT as it was considered to be a start-up pilot service with staff assessing the ongoing operational needs prior to the final year. Expenses were largely related to capital or one-time set up expenditures (grants, tenant improvements, program development, etc.) as well as some operating costs, though some support for the Renter's Office services was anticipated to transition to a third party organization within the pilot timeframe.

Following the 3 year pilot, any remaining portion of ongoing cost to the city would not meet the requirements for EHT funding and the EHT would not be appropriate as it is not a stable and predictable ongoing revenue source for ongoing costs. Because it took time to hire positions and get the project started, discussions on ongoing funding requirements are expected for the 2023 budget process.

The Vacancy control program is an ongoing program requiring ongoing operating funding. As such, it does not meet the criteria for EHT funding as outlined in the EHT funding policy (noted in question 13),

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

Best Regards,



Patrice Impey  
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# Appendix 1

## MEMO #1 Responses to Questions – November 12<sup>th</sup>:

### Questions from the November 2<sup>nd</sup> 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 23<sup>rd</sup>.

### 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 23<sup>rd</sup>.

**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 23<sup>rd</sup>.

**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.

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

**\*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 2<sup>nd</sup>, 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)
<b>Total</b>	<b>(\$ 8.7)</b>		<b>(\$ 2.5)</b>	<b>(\$ 11.3)</b>

*\*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 4<sup>th</sup> *“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:

- 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

- 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 15<sup>th</sup>:**

### **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. 26<sup>th</sup> 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 <b>5 – 10 new pedestrian signals</b> to provide safer crossing opportunities that will encourage walking
Install <b>5-10 fast charging stations</b> that provide fast and easy public charging opportunities for hybrid and electric vehicles
Install <b>100 – 150 Level II charging stations</b> with an emphasis on rental buildings
Infill <b>50-100 missing curb ramps</b> 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.

## **MEMO #3 Responses to Questions – November 18<sup>th</sup>:**

### **Questions from the November 2<sup>nd</sup> Meeting:**

**15. 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.

**16. 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.

**17. 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.

**18. 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: <ol style="list-style-type: none"> <li>1. business incubator for circular economy ventures,</li> <li>2. Greater Vancouver Circular Economy Network convening series and establishing a Community of Practice,</li> <li>3. Circular Economy of Food Study,</li> <li>4. Circular Food Innovation Lab,</li> <li>5. supporting the Green Industrial Innovation District,</li> <li>6. advising the Just Circular Recovery and Transition program, and</li> <li>7. participation in the Canadian Circular Cities and Regions program.</li> </ol>
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.

**19. 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. 26<sup>th</sup> 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.

**20. 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.

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

**Councillor Swanson's questions**

**21. 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.

**22. 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 \(vancouver.ca\)](#)

**23. 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.

**24. 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)

**25. 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.

**26. 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:

**1. Draft Plan (Report Reference to Council): March**

- a. Draft city-wide Land Use Plan reflecting feedback from the public during the Fall 2021 engagement
- b. Supporting directions and policies as heard from the public during the Fall 2021 public engagement
- c. Technical analysis by consultants (e.g. growth projections) to support directions and policies

**2. Spring Public Engagement on Draft Plan: March – April**

- a. Robust engagement with First Nations, broad public, stakeholders and other governments on Draft Plan – in person and virtual
- b. Marketing campaign to support public engagement activities
- c. Consultant to help deliver the engagement activities

**3. Vancouver Plan delivered to Council for consideration – June/ July**

- a. High level Land Use Plan reflecting feedback from the Spring 2022 public engagement

- b. Comprehensive set of policies refined from the Spring 2022 public engagement
- c. Broad Implementation Framework with recommendations for the Implementation Strategy Phase for Vancouver Plan

#### **4. Implementation Timeline and Strategy : July – Dec**

- a. Equity Strategy for Land Use Planning and Decision Making
- b. Land Use Plan Implementation Strategy
  - i. Framework for new area planning, updating plans, streamlining policy plans
- c. Public Investment Strategy
- d. 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.

#### **27. 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:

1. Continued ability to deliver on prioritized Task Force opportunities
2. Continued improvement of customer inquiry response and update times
3. 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)
4. 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**

- 28. 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).

- 29. 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.

- 30. 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:

1. 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.

2. **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**

- 31. 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.

- 32. 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.

**33. 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**

**34. 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:

- 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

- **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.

## **MEMO #4 Responses to Questions – November 22<sup>nd</sup>:**

### **Questions from the November 2<sup>nd</sup> Meeting:**

- 1. When has staff gone through and compared the charter and other municipalities' core services?**

Please refer to privileged legal memo from the city solicitor to Mayor and Council issued on November 30, 2020.

- 2. 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 managed by their own Board and two are managed directly by the VPD. Of the \$700k that was initially requested in 2019, rent has increased approximately 40% from 2007 – 2019 and is only anticipated to increase again in the upcoming years. Depending on the location of the CPC, rent can equate to approximately 50% of the total CPC funding received.

For 2021, the nine not-for-profit CPC's receive an annual amount of \$172,947 for each CPC and the two VPD managed CPCs each 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.

**Note\*** - This response was included in Memo #3, and has been revised to add clarification around CPC's budget.

- 3. Why do CPCs managed directly by VPD get 57K each and those managed as non profits get 19K each?**

There are 11 CPCs - 9 are non-profits and managed by their own Boards and 2 are directly managed by the VPD. For 2021, the 9 non-profit CPCs each receive \$172,947 and the 2 VPD managed CPCs each receive \$113,636.

In 2021, City Council approved an increase of \$300,000 for the CPCs of which \$31,111 was allocated to each of the 9 non-profit CPCs and \$10,000 to each of the 2 VPD-managed CPCs.

**4. What is the total number of sworn fire fighters and sworn police officers in 2020 & 2021 compared to changes in the proposed 2022 budget?**

**Fire:**

In February of 2018, Vancouver Fire and Rescue Services (VFRS) engaged Darkhorse Analytics for a Current and Future State Needs Analysis and at that time there were 731 suppression firefighters. The original endorsed growth plan was to add 100 firefighters over 5 years which would have brought the total to 831.

Based on Council approvals, 5 additional firefighter positions were added in 2019 and 30 additional firefighter positions in 2020, bringing the total number of suppression firefighters to 766 in 2020.

In 2021, the recommended 25 fire fighter positions were deferred to future years and the total suppression fire fighter staff remained unchanged at 766.

The 2022 Budget and the 5% scenario requires VFRS to hold 5 suppression firefighter positions vacant which would reduce suppression firefighters to 761. The table below provides a summary of the original endorsed VFRS Growth Plan.

<b>VFRS Growth Plan</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
<b>Original proposed Darkhorse</b>	22	27	24	27	22	122*

**Police:**

In 2009, the Vancouver Police Department was fully staffed with an authorized sworn strength of 1,327 sworn officers. In response to persistent budgetary pressures faced by the City leading up to the 2010 Olympic Games due to the global economic downturn of 2009, the VPD agreed to carry 42 sworn vacancies to be phased-in throughout 2010 and 2011. While these vacancies were intended to be temporary, they quickly became permanent and actually increased in the following years, such that at the end of 2011, the VPD carried 57 sworn vacancies and by 2015, the VPD was compelled to carry a total of 59 sworn vacancies. The funded strength of the VPD effectively decreased to 1,268 sworn officers (4.4% below 2009 staffing levels).

In 2017, a second comprehensive Operational Review examined every aspect of the VPD in a detailed manner. The 2017 Operational Review concluded that the addition of at least 120 sworn officers and 52 civilian staff was needed at the VPD. The Operational Review recommendations were approved by the VPD Executive, Police Board, City Manager, and two successive Councils (including current Council in 2018). A five-year implementation plan was developed and approved by same.

Operational Review years 1-2-3 were implemented in 2018, 2019 and 2020 for a total of 80 additional sworn officers. However, because of the 59 sworn vacancies that were never filled, the VPD only saw a net increase of an additional 21 sworn officers.

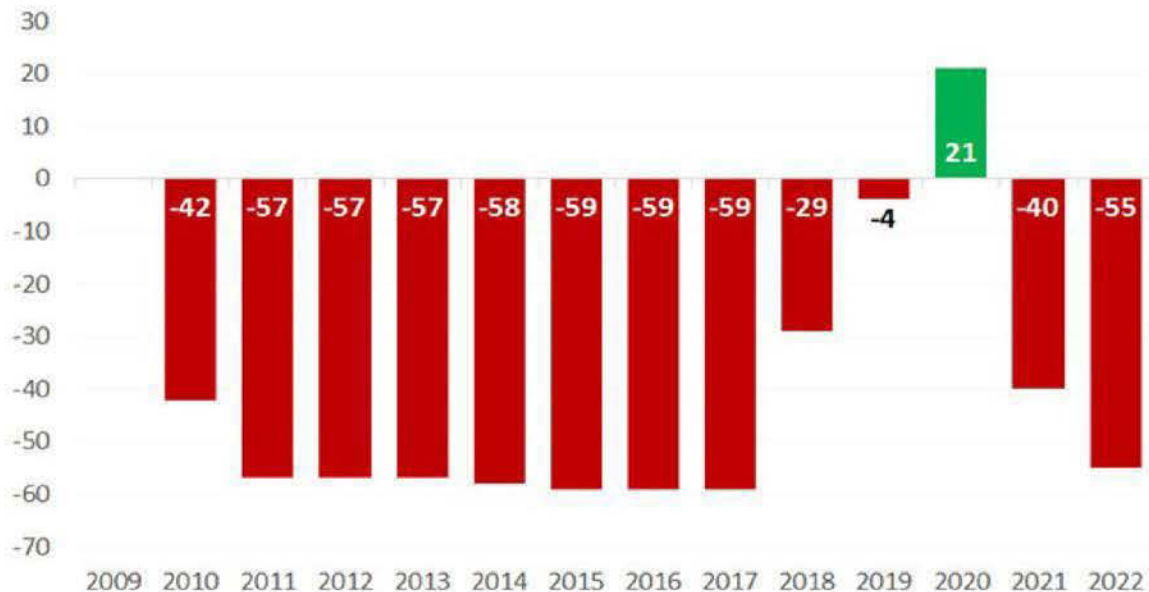
In 2020, the VPD's authorized strength reached 1,348 sworn officers. This marked the first time since 2009 that the VPD was funded to have more than 1,327 sworn officers.

For 2021, the VPD budget approved by City Council left a shortfall of approximately \$5.7 million. This budget shortfall was equivalent to 61 fewer recruits. This means that the VPD was funded to have fewer officers than it had back in 2009.

The 2022 draft budget includes \$1.4 million worth of additional vacancies, which is equivalent to 15 fewer sworn recruit officers. This would increase the staffing gap to 55 vacancies and would erase all the gains achieved subsequent to the recommendations from the Operational Review. VPD and Police Board do not agree with this reduction.

Please see the below table outlining the various vacancies:

**Figure – VPD sworn vacancies from 2009 to 2022 budget proposed by City staff.**



## **Councillor Swanson's questions**

### **5. Is there any leeway in the 2.8M for Vancouver Plan? Could we divert a little of that to a seniors planner like the Seniors Advisory Committee wants?**

1. The incremental \$2.8M budget for 2022 for Vancouver Plan is tightly allocated to fund the existing staff team, partnerships with First Nations, technical studies, preparing communications materials, and conducting engagement.
2. Proposed budget does not include funding for new staff. Rather, PDS has been working to maintain or decrease staffing levels across all divisions and programs.
3. PDS staff will continue to work with ACCS staff and other departments concerning seniors' needs as part of policy development and implementation phase.

## **Councillor Carr's Questions**

### **6. Is it possible to achieve savings for CPCs through smaller/less expensive/shared office space?**

It is unclear if shared office space refers to sharing with another CPC or share office space with other businesses that are unrelated to the CPCs.

The City of Vancouver consists of many unique communities and each CPC is situated in their respective neighbourhoods to serve the needs of the people who live there. Each CPC is run by board members from those neighbourhoods and will make decisions on what initiatives and activities the office will participate in. This will help direct resources to address the concerns and needs of each community. Moving or merging CPCs into a shared office space would defeat the purpose of community or neighbourhood policing centers.

The current office spaces are maximized considering there are many volunteers among the eleven CPCs. These volunteers may work in small or large groups depending on the activity. Space is needed to accommodate these volunteers as they prepare for an event or train for a new activity. In 2018, approximately 1000 volunteers contributed over 60,000 hours to the City.

Storage for equipment is also required for volunteer events and outreach. High visibility jackets, garbage pickup equipment, equipment to paint over graffiti, stationary containing safety information, bicycles, and secure storage for found property are brought into the office.

Quiet office space is sometimes used to bring in vulnerable people who are looking for advice or wanting to connect with other services. Citizens need a reception area to report suspicious activity or safety issues in their neighborhood. The front of each CPC must be professional, clean and practical allowing for the public to easily access services provided by the office in a private and confidential environment. To share office space with other societies or businesses is unpractical, confusing and limited. Access to the office is



restricted for security reasons and to share space would be difficult as the entity sharing space must be appropriate.

**7. What is the \$1.4M one-time for VPD “to restore 0.5% of core business vacancy savings”? What particular positions would be funded?**

The Draft 2022 Budget includes vacancy savings for VPD of .5% (\$1.4 million) to balance the budget at a 5% property tax increase. It should be noted that the VPD and the Police Board are not in agreement with this adjustment.

This \$1.4M reduction is in addition to the \$5.7M funding shortfall from 2021, which equated to 61 fewer police recruit hires. By adding back the \$1.4M to the police budget would mean that the VPD would not have to further delay the hires of 15 police officer recruits. The VPD is holding many vacancies and cannot continue to hold these vacancies moving forward. If the VPD is required to operate with a budget that is inadequate, then non-core, community-based programs and positions may be impacted.

### **Councillor Bligh’s Questions**

**8. In addition to the philosophical reasons, it would be helpful to see a business case for fine free, and to further understand why an annual event is not the right solution.**

Developing and implementing the two-week campaign in 2021 cost approximately \$102K (staff time of \$42K, and hard costs for marketing and promotion of \$60K). Council provided \$150K to fund fine forgiveness. For VPL to undertake an annual campaign in future would cost at least \$75K, leaving only \$75K for the actual waiving of fines annually.

The Library waived \$505K in fines during the 2021 event. Although staff never expect to collect all of the fines that are incurred, the \$505K waived is actually more than our total annual budgeted fine revenue of \$475K. It was possible to take this risk because of staff savings due to COVID restrictions, but this contingency will not be present in future years. An annual event creates a high risk that the Library would miss its revenue targets by \$200K or more every year, exceeding our annual budget. Importantly, it also leaves the systemic barrier of fines in place for patrons, and many of them avoid the library altogether for fear of incurring charges.

In comparison, if the Library’s revenue is increased by \$475K permanently, we can establish an ongoing fine free service model. Without fines, the Library saves money and effort dedicated to handling fines, representing thousands of individual transactions every year and significant infrastructure costs. By removing Moneris PIN pads at self-checkout machines, we estimate that we could avoid approximately \$100K in capital costs for upgrades every few years, as well as \$18K in annual operating costs for the PIN pads. Our efforts for PCI compliance would be reduced as a result of fewer transactions, freeing up IT staff time for the many new demands of the digital environment (currently unfunded), and giving front line staff the capacity to support patrons with technology access and library services, instead of dealing with fines and the conflicts that arise from them. While it is difficult to quantify staff savings, it is likely that after the communication required in year one,

staffing of 0.5 FTE at Central Library to support fine-related transactions could be reallocated to support other equity priorities. We would examine this aspect after implementation.

## **Councillor Hardwick's Questions**

### **9. Is there evidence that a library being fine free increases material return?**

Staff have reviewed research reports gathering information from libraries that moved to fine free prior to 2019, and conducted a survey of libraries to gather more recent data in early 2020. The rate of material return can be understood through three different library statistics: circulation, waitlist time, and recovered items that are long overdue. Because many libraries across Canada implemented fine free in 2019 and 2020, the library closures due to COVID mean that data for these libraries cannot be analyzed in a meaningful way. This reduces the number of systems that are reporting changes.

The most commonly gathered statistic across libraries is library circulation. Most libraries report increases following a move to fine free; some report no change. It should be noted that libraries often report an increase in patrons/library card registration with the move to fine free, and this would also increase circulation. In order for circulation to increase, books must be available to borrow – therefore they must be returned.

One of the early examples of fine free libraries is Stark County District Library (Ohio), where they waived overdue fees in 2014 and saw an 11% increase in circulation within one year and an increase in the number of visitors: <https://www.aboutstark.com/life-style/ask-todd-about-library-fines/>. At Salt Lake Public Library, one year after implementing fine free service in 2016, they saw the number of items checked out increase 16% from the previous year, and they signed up 26,000 new cardholders: <https://slcpl.medium.com/the-fine-free-library-one-year-later-d28c69743c15>. In 2019 the City of San Francisco surveyed library systems that had eliminated fines, with seven reporting back. Of these, five saw increases in circulation and four saw an increase in the number of patrons using the library. (City and County of San Francisco, 2019. <https://sfpl.org/sites/default/files/2020-02/Fine-Free-Report011719.pdf> ).

Another statistic that some libraries are able to report is the rate of lost/not returned material before and after moving to fine free. The City of North Vancouver Library saw a 60% increase in overdue material returned or paid for after moving to fine-free in May 2020, as well as a drop in blocked borrowers from 10% to 2%, and an increase in active cardholders. Kansas City and Columbus report that more items have been returned/recovered.

Average waitlist times are another measurement, however, these tend to vary widely depending on the item and the library's policies related to acceptable waitlists. A few results follow.

VPL staff undertook a survey in early 2020 of libraries that had implemented fine free for at least one year to learn of their findings. Among the six libraries surveyed:

- Denver waitlisted times fell 1%
- Salt Lake City waitlist times did not change; there was a 10.9% increase in circulation and a 10.8% increase in borrowers.
- Kansas City more items were returned; there were no significant changes in circulation
- Saint Paul circulation was up 1.8% with increases up to 13.2% at specific locations; active users were up 1.9% after multi-year declines
- San Francisco saw no significant impact on waitlists or circulation.
- Columbus saw overdue items increase, but more materials are being recovered

You can see a map of urban libraries in North America that are fine free here:

<https://www.urbanlibraries.org/resources/fine-free-map> and a list of Canadian libraries here:  
<https://librarianship.ca/features/fine-free-libraries-in-canada/>

## **MEMO #5 Responses to Questions – November 24<sup>th</sup>:**

### **Questions from the November 2<sup>nd</sup> Meeting:**

- 1. In regards to Park Rangers and the work that has been undertaken this year for encampments, how many calls are related to encampments? What are the impact on future encampments for VPD and how do we absorb potential cost of encampments in the budget?**

With respect to the Park Rangers, the total number of calls received in 2020 was 22,010 of which 16,692 (76%) were related to encampments.

The construct of encampments generally do not and should not involve police resources or require police attendance. Most encampments that exist throughout Vancouver seldom require police response. The VPD attends encampments where there are identified public safety concerns, criminality, or as a call for service. For instance, a call involving a domestic assault incident at an encampment is not an illustration of policing homelessness, but rather characterizes intimate partner violence. This is similar to crime-types associated to a specific demographic, the demographic is never identified by the crime type, nor should they be for obvious reasons.

VPD attends encampments usually at the request of partners, (e.g. Park Rangers, BC Housing, COV outreach teams, VFRS), who feel unsafe to attend and deliver services without a police attendance.

VPD may also be involved in encampments when an injunction is obtained and with a court order to de-camp a specific location. This becomes a court imposed responsibility of the police to respond to the direction of a justice.

The following represents the high-profile encampments (Strathcona & Crab Park) in 2021, it should be noted that there are encampments at many locations throughout the city:

From January to October 31, 2021, the VPD had approximately 350 calls for service from Strathcona or Crab Park, which is roughly one call per day. This only represents the number of calls received by E-COMM 9-1-1 and does not account for instances that were attended to as a result of pre-scheduled police officers dedicated to these locations.

The VPD accommodates these pre-scheduled deployments by diverting other dedicated operational resources away from existing duties to support Park Rangers at encampments.

The impacts of encampments do not end for the VPD once individuals are moved to hotels purchased to house them. Calls for service and public complaints spike in inadequately staffed, supportive housing buildings that were not designed to safely house large numbers of individuals who often have significant addictions and mental health concerns. For instance the Luugat Hotel (1176 Granville Street, previously the Howard Johnson Hotel, has accounted for over 1500 police calls for service since May of 2020. Whereas, in 2019 this same location operating as the Howard Johnson, accounted for only 65 police calls for service.

## **Councillor Swanson's Questions**

- 2. Could we shift the business tax back off residential. If we did this, how much extra could it give us for essential spending?**

Tax redistribution between residential and business is revenue neutral to the City – one group pays more then the other group pays less. Council's decision in December is to approve the scope and level of services to be supported by the annual budget and how much tax levy to collect to support the budget. Council can choose to increase fees and/or property tax to fund more essential spending.

Tax distribution decision will be brought forward separately for Council's consideration in April.

- 3. Would it be possible to allocate some of the \$10M one time funding available over several years to one project, for example, \$500K for 5 years to Vacancy Control in SROS for a total of 2.5M?**

Yes, it is possible to allocate funding to one project over multiple years. \$2.5 million of the \$9 million available one-time funding would be set aside to be accessed over the 5 years. This is appropriate to fund one-time projects which need multiple years of funding.

Vacancy control is an ongoing program, so it should be funded by ongoing funding sources. Otherwise, the program would be cancelled at the end of 5 years, or would need to be funding in future years, creating a funding pressure for future councils.

## **Councillor Boyle's Questions**

- 4. Is Council able to direct funding specifically to CPCs, including the ones where funding flows through the VPD budget? Or do we just determine the overall VPD budget, and the VPD then decides what it allocates to these CPCs? And related to that, is the VPD able to reduce the budget of CPCs, independent of Council direction?**

Community Policing Centres (CPCs) are operated, staffed, and governed independently by members of the community. While the funding CPCs receive from the City is embedded within the VPD budget (refer to RTS 5991, July 18, 2006), the funds are "fenced off" within the VPD's overall budget and flow directly to each CPC. The VPD is only an intermediary between Council and independently managed CPCs. In practice, police operations do not benefit directly from this funding.

To support community policing, however, the VPD currently has full-time Neighbourhood Policing Officers assigned to and embedded within each CPC. While these officers support the work that the CPCs are doing, their salaries are not part of the funding allocated by City Council to each CPC. Further budget cuts to VPD would have an impact on its ability to provide dedicated police officers to each individual CPC. The scope of work undertaken by the Neighbourhood Policing Officers extends well beyond the CPCs.

**5. Why do the not-for-profit CPCs received so much less funding per CPC than the ones funded directly through the VPD? Is there a difference in staffing, or wages, or services?**

There are 11 CPCs - 9 are non-profits and managed by their own Boards and 2 are directly managed by the VPD. For 2021, the 9 non-profit CPCs each receive \$172,947 and the 2 VPD managed CPCs each receive \$113,636.

In 2021, City Council approved an increase of \$300,000 for the CPCs of which \$31,111 was allocated to each of the 9 non-profit CPCs and \$10,000 to each of the 2 VPD-managed CPCs.

For additional information, please refer to memo #4 – response 2 and 3.

**6. What was the total city budget for 2020 (~1.6)? Could that be included for comparison in the slide that lists the total 2021 budget (\$1.592) and 2022 budget (\$1.735)?**

Total operating budget for the city in 2020 was \$1.6 billion. The information will also be added to the Dec 1<sup>st</sup> Council presentation.

City of Vancouver (\$ in million)	2020 Budget	2021 Budget	2022 Draft Budget	\$ Change over 2021	% Change over 2021
Revenues	1,615	1,592	1,735	144	9.0%
Expenditures and Transfers	1,615	1,592	1,735	144	9.0%
Net Budget	-	-	-	-	

**Questions from November 22<sup>nd</sup> Council Briefing**

**7. Report back on the analysis of potential risk of increasing fire risks, heat wave, strong wind, etc.**

The recent catastrophic climate events has impact on VFRS resources in some ways:

- Need to build climate resilient infrastructure – Prevention/building code
- Greater support needed for Wildland Urban Fire Fighting
- VFRS protects over 1200ha (3000 acres), our forests will burn too. Challenging fire behaviour, fire fighter fatigue in heat and more resources at fires would help ensure health and wellness of our firefighters/front line staff
- Fire service is the frontline of any emergency including environmental emergencies, made worse by climate change. A strong fire service is our first line of defence in a climate mitigation strategy
- Fire spread with outdoor fires, wind driven fires and dry fuel

- Example, during the June 'Heat Dome'. 99 lives were lost, environmental emergency significantly impacted fire service, and left us severely under-resourced to do our job protecting the city from fire and other emergencies
- Greater severity of these environmental emergencies, wind events (UBC tornado), rain, snow. Direct impacts to citizen safety

#### 8. Can staff provide data on revenue and expenses from previous years?

In 2019, EY was engaged by the City of Vancouver to undertake an external review of the City's baseline financial position and identify modernization initiatives to build financial capacity for the future through improvements in service delivery and revenue models.

The E&Y report on the baseline review directed by Council includes information and trend analysis on revenue and expenses from 2008 to 2018. See attached section 3, pages 24-36

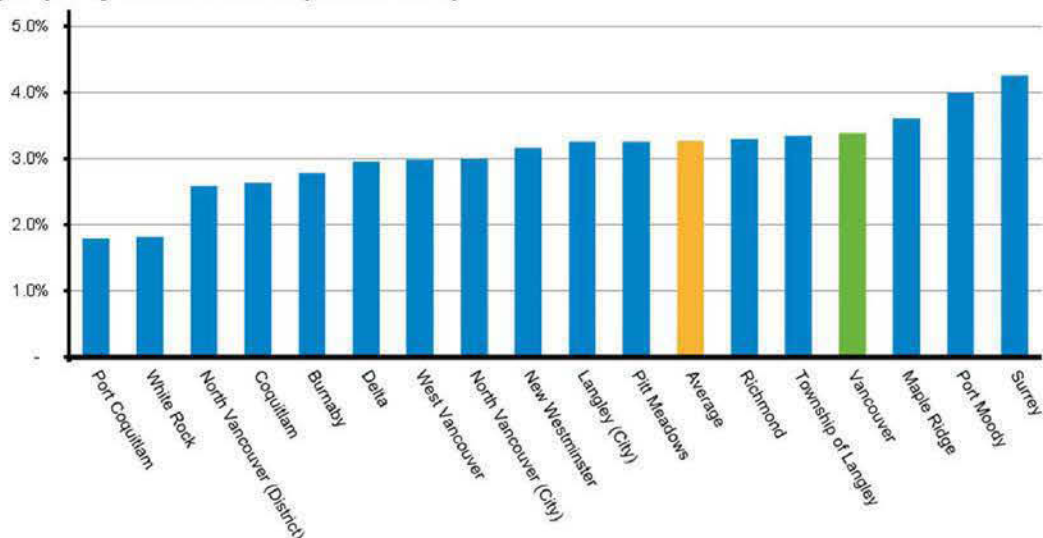
<https://vancouver.ca/files/cov/vancouver-baseline-financial-review-phase-a.pdf>

Can staff provide data on revenue and expenses from previous years

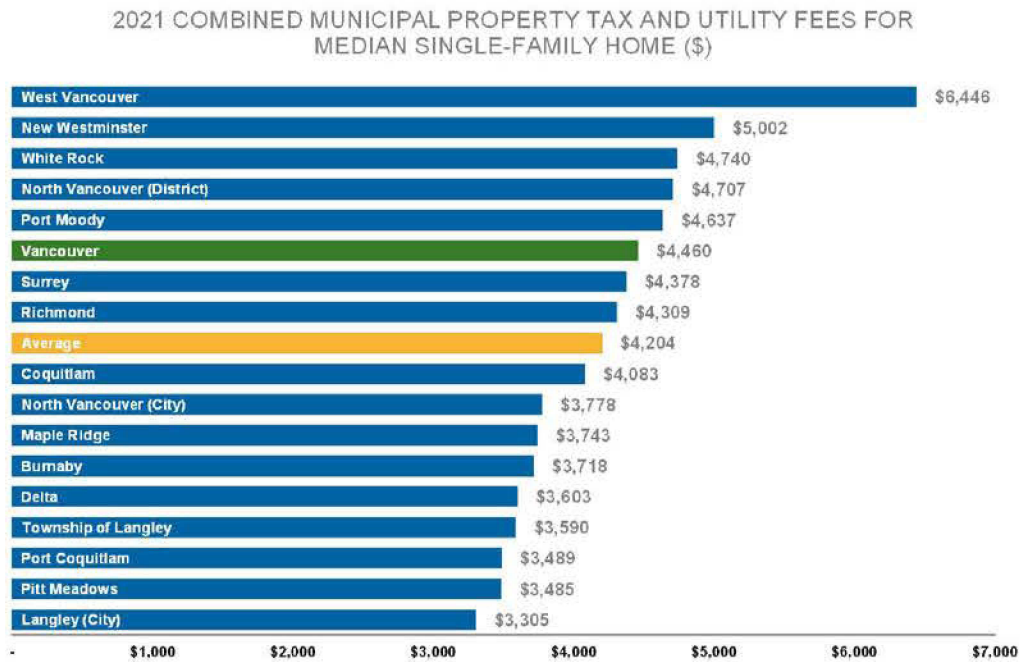
#### 9. Can we get more details on property tax rate increase in comparison to other municipalities?

Over the last 10 years, Vancouver's property tax increases have been comparable with the average increase across most municipalities in Metro Vancouver.

**Vancouver vs. Metro Vancouver 10-year average property tax increase (2012-2021)**



The graph below that highlights property tax increase for the City in comparison to other municipalities. This information has been included in the 2022 Draft Budget Document and the Dec 1<sup>st</sup> public presentation on 2022 Draft Budget.





## Appendix 2

### MEMO - 2022 Draft Budget - Council Priorities Summary:

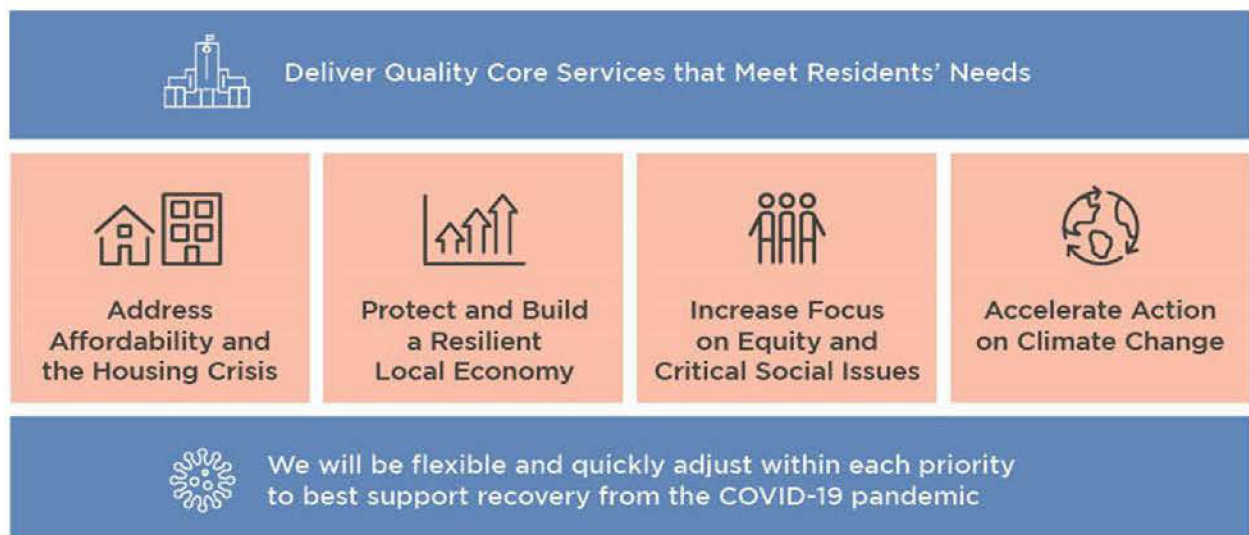
#### COUNCIL PRIORITIES

The purpose of this document is to provide Council with an overall summary of the City's existing and proposed investments included for consideration as part of the Draft 2022 budget related to the four Council priority areas, as a follow up item of the November 2 Council briefing session.

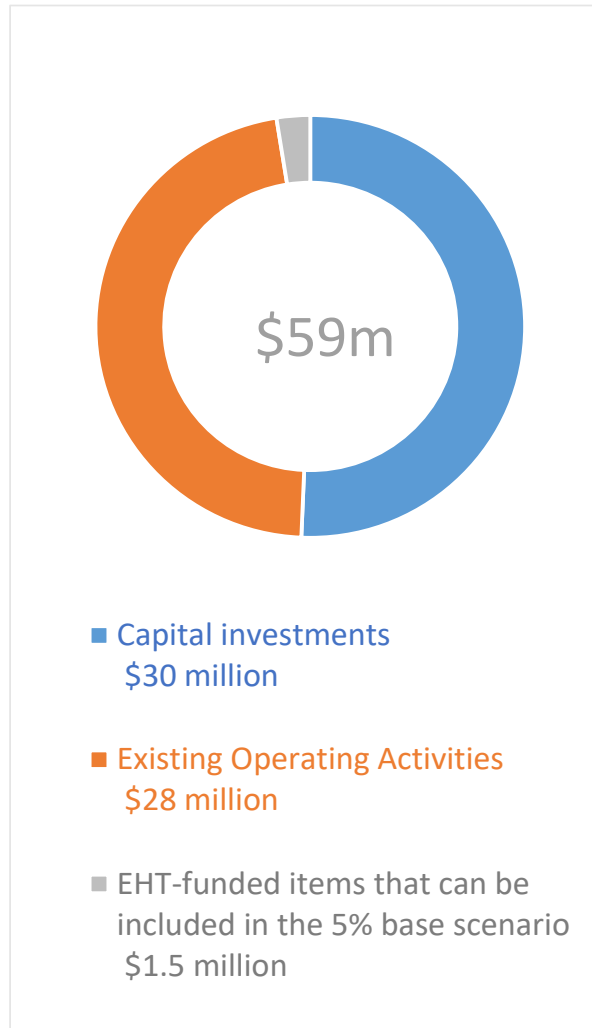
In 2019, City Council established a set of priorities to focus the City's work on the issues and opportunities most important to the people of Vancouver. The public's priorities are re-evaluated each year as part of the annual public engagement for the budget. Our primary priority is to maintain and improve the core services that meet the needs of residents every day – a goal Vancouver has in common with other municipalities.

The four additional priorities shown below have helped City staff make decisions about which projects, initiatives and service improvements will best advance our work to address the key issues in our City, and these are reflected in the departmental service plans and budgets proposed for 2022. In 2020, Council also added a statement to reflect the importance of economic and community recovery from the COVID-19 pandemic.

On the following pages, we have summarized by total dollar investment by priority included in the 5% base scenario in both the operating and capital draft budgets, along with some background of each priority. Initiatives from the prioritized list not included in the base 5% scenario are also listed. These investments would be prioritized for execution in future years or if revenues improve, or they can be added to the budget at Council's direction by increasing the tax rate or adjusting service levels (for ongoing initiatives), or by using funding from deferred capital projects or other one-time funding sources such as EHT (for one-time initiatives).



## ADDRESS AFFORDABILITY AND THE HOUSING CRISIS



Overall, our goal is to ensure that living in Vancouver supports residents of all incomes now and into the future. While the area of Affordability includes items such as Housing, Childcare, Transportation and costs such as user fees for city services, including parks and recreation and library services, this document focuses primarily on further details regarding Housing as requested by Council.

We have taken significant action in recent years to address the affordability crisis in our city, and to address issues of homelessness. This has included the implementation of the Empty Homes Tax, with all net revenue from the program allocated to affordable housing initiatives. Delivery of more housing, including social and low-income housing, is a collaborative effort across the City's operations and there are dependencies on financial support from other levels of government. The housing affordability and homelessness crisis is more pronounced during the COVID-19 pandemic.

The purpose of this document is to provide a comprehensive list of existing spend/budget and investments not included in the 5% base 2022 Draft operating budget (for council consideration) to address Affordability and the housing Crisis, as a follow up item of the November 2 Council briefing session.

City's investment of \$59 Million to Address Affordability and the Housing Crisis. The investment includes specific initiatives and their associated costs that have been included for consideration as part of the Draft 2022 Budget and are directly aligned to this priority. These amounts are in addition to \$474 million in previously approved capital project funding which will continue to be delivered in 2022, as part of the \$690 million in city capital contributions in the 2019-2022 capital plan. It is important to recognize that there is additional ongoing work across the City's entire operations that can be difficult to capture but also reflects the increased focus on this priority. \$2.5 million in new operating budget investments aligned to Address Affordability & Housing Crisis of which \$1.5 million is EHT funded and \$1.0 million is property tax funded are included in table 3 for council consideration.

## **BACKGROUND AND CONTEXT:**

The City's Housing Vancouver strategy was developed to address the Housing Crisis in Vancouver, and the Departmental service plans and the 2022 budgets directly reflect the actions associated with this strategy and the ongoing work within the departments. The Housing Vancouver strategy outlines the key deliverables for housing particularly related to the delivery of housing for households with low and moderate incomes that cannot afford market housing. The City's regulatory functions protect existing affordable housing stock and enables new housing to be delivered. These approaches are targeted to serve households in the middle income ranges. Advocacy to senior governments and partnerships across sectors are key factors in delivering housing at the lower income levels.

In 2022, investments through the Operating and Capital Budget are focused on initiatives to address homelessness and housing insecurity, enhance supports to renter households and coordinate with senior government housing programs to attract as much investment from partners as possible.

The proposed 2022 Operating Budget allocates \$27.8 million to support City initiatives across three City Departments. This Budget enables Arts, Culture and Community Services to support VAHA and ACCS/VAHEF deployment of City assets for housing delivery will continue. ACCS will continue to provide supports for renters and for people experiencing homelessness, including supporting BC Housing to increase shelter capacity by launching the new navigation centre and working with both levels of senior government on an SRO revitalization strategy. PDS and DBL will continue to prioritize and expedite the approval and permitting of affordable housing projects through the City's regulatory approvals process. Housing Policy and Regulation functions, led by PDS, will focus on alignment and advancement of the City's response to the Housing Crisis through significant planning programs, including the Vancouver Plan and the Broadway Plan.

The Empty Homes Tax (EHT) provides a source of funding that does not impact the property tax rate. While the majority of EHT funding is allocated to support the acquisition and delivery of non-profit housing, a modest amount of EHT funding is available to support City initiatives. For 2022, the proposed budget includes \$2.5 million in EHT funding to support additional initiatives (e.g. Regent & Balmoral).

The focus of EHT capital funding continues to be grant allocations to non-profit partners to support community-based housing projects. Community Housing Incentive Program (CHIP) was approved by Council in October 2019. The program supports development and deepens affordability of social housing projects led by non-profit and co-op societies. It is anticipated that additional EHT funding will be added to the CHIP budget in 2022. In addition to making important contributions to deeply affordable housing projects, funding the City's housing grant programs through EHT enables more traditional Capital Plan funding sources (e.g. DCL revenue) to be dedicated to land acquisition through the Capital Budget.

The proposed 2022 City investments to address Affordability and the Housing Crisis are significant. It is anticipated that these investments will leverage many times this investment in senior government housing financing and funding, and in projects initiated by the community-based housing sector and the private sector.

## Operating Budget:

Many City departments were already addressing Affordability & Housing crisis in their existing 2022 budgets.

- Please refer to Appendix D in the 2022 Draft Budget Book for a comprehensive list of Priority Plans by service and Council priorities
- 2022 Draft Operating budget – existing spend /budget aligned to Affordability & Housing Crisis (see table 1)
- Not included in 5% base 2022 Draft Operating budget - aligned to Affordability & Housing Crisis for Council consideration (see table 3)

## Capital Budget:

- 2022 Existing Capital projects are identified in table 2

**Table 1 – 2022 Draft Operating budget – existing spend /budget aligned to Affordability & Housing Crisis**

Department	2022 Existing \$ in millions	Examples of priority plans
Arts, Culture & Community Services	8.0	Non market housing Operated by the City, Childcare grants
Development, Buildings & Licensing (DBL)	10.1	Affordable housing (full end-to-end development process)
Parks and Recreation	1.5	-The Leisure Access Program (LAP) provides low-income Vancouver residents with access to basic recreation programs and services at Park Board facilities at a reduced cost.
Planning, Urban Design & Sustainability	7.6	<ul style="list-style-type: none"><li>• Housing Vancouver implementation</li><li>• Align the work of the Housing Policy and Regulation Division with the Vancouver Plan</li><li>• Affordable and priority housing teams</li></ul>
Real Estate & Facilities Management	0.6	<ul style="list-style-type: none"><li>• Developer-delivered Community Facilities</li></ul>
Affordability and the Housing Crisis	27.8	



**Table 2 – 2022 Capital budget aligned to Address Affordability and the Housing crisis**

Council Priority: Address Affordability and the Housing crisis (\$ millions)				Multi-Year Capital Budgets		
Service Category 1	Service Category 2	Service Category 3	Capital Budget Project & Program Name	Previously Approved	Draft 2022	Total Open Project Budget
Affordable Housing	Implementation & Research	Implementation & Research	2015-2018 Planning & Research - Non-Market Housing	2.4		2.4
			2019-2022 Affordable Housing Planning & Studies	2.5	0.7	3.1
			Affordable Housing Staff Research	1.6		1.6
	Non-Market Rental	City-Owned & City-Operated	2019-2022 Furniture, Fixtures and Equipment for Non-Market Housing	0.0		0.0
			Replacement of City-Operated Housing Residences	0.0		0.0
			Renewal and Expansion of Grandview Fire Hall	5.0		5.0
		City-Owned & Partner-Operated	Coal Harbour - Housing	36.5		36.5
			Little Mountain Neighbourhood House: Housing Development	11.3		11.3
			Pilot Housing Initiative - July 2016	4.0		4.0
		Non-City Housing City-Owned Land	Redevelopment of Roddan Lodge & Evelyn Saller Center	58.3		58.3
			2015-2018 Housing Land Acquisition	8.5		8.5
			2019-2022 Housing Land Acquisition	118.9		118.9
			Contribution for Social Housing Site - November 2017	13.0		13.0
			Contribution to Property Endowment Fund (PEF) for Social Housing Site - November 2017	0.3		0.3
			Co-op Lease Grant Program	8.0		8.0
			Housing Property Acquisition - July 2018	12.6		12.6
			Land Acquisition - March 2016	4.0		4.0
			Land Preparation Costs - Vancouver Affordable Housing Agency	1.4		1.4
			Non-Market Housing Building Rehabilitation - December 2018	0.0		0.0
			Payment for Affordable Housing (Stainsbury)	4.9		4.9
			Purchase of 1050 Expo Boulevard	2.7		2.7
			Remediation - Land Acquisition 1 - March 2016	0.2		0.2
			Remediation - Land Acquisition 1 - May 2016	0.3		0.3
			Remediation - Land Acquisition 2 - March 2016	0.0		0.0
			Vancouver Affordable Housing Agency - New Rental Housing Units	16.7		16.7
			Vancouver Affordable Housing Agency Prelim Funding	11.8		11.8
			2019-2022 Chinatown Housing Partnership Program	0.4	1.2	1.6
			2019-2022 Community Housing Incentive Program	26.7		26.7
			Affordable Housing Grant - July 2019	2.0		2.0
			Capital Contribution - Jubilee Rooms	0.2		0.2
			Grant - Abira (420 Hawks)	0.4		0.4
			Grant - Urban Native Youth Association	0.3		0.3
			Grant - Urban Native Youth Association (Temporary Relocation)	0.5		0.5
			Grants - NPO Lease Renewal Program	0.5		0.5
			Non Market Housing Grant Program	0.4		0.4
			Grants for Rental Protection & Relocation	1.5		1.5
			2019-2022 Single Room Occupancy (SRO) Upgrade Granting Program	1.5	4.5	6.0
			Single Room Occupancy (SRO) Grants - Privately owned SRO stock	2.0		2.0
			2019-2022 Supportive Housing Grant Program	0.5	0.5	0.9
	Supportive Housing	Supportive Housing	Feasibility - Permanent Modular Supportive Housing Initiative (PMShI)	1.1		1.1
			Permanent Modular Housing - Site Preparation	0.4		0.4
			Temporary Modular Housing - Site Preparation Costs	4.0		4.0
Childcare	Infant, Toddler & Preschool (0-4 Years Old)	City-Owned	2012-2014 Kensington Childcare	6.8		6.8
			2019-2022 Renovations - Childcare Facilities (0-4 Years)		0.2	0.2
			Childcare at Gastown Parkades	17.0		17.0
			Childcare At Marpole Library - Design	3.5		3.5
			Grant - Childcare at 321 Princess Avenue	1.0		1.0
			Little Mountain Neighbourhood House: Childcare	2.3		2.3
			New Childcare at Marpole-Oakridge - Design	0.4		0.4
			Renewal of Marpole Oakridge Childcare	1.0		1.0
			Vancouver School Board / City Childcare Partnership Project	12.7		12.7
			Vancouver School Board / City Childcare Partnership Project - Coal Harbour - Childcare	12.7		12.7
			Vancouver School Board / City Childcare Partnership Project - David Lloyd	9.3		9.3
			Vancouver School Board / City Childcare Partnership Project - Eric Hamber	10.8		10.8
			Vancouver School Board / City Childcare Partnership Project - Fleming	8.6		8.6
			Vancouver School Board / City Childcare Partnership Project - Lord Nelson	7.5		7.5
			Vancouver School Board / City Childcare Partnership Project - Tennyson	8.8		8.8
			West Fraser Lands Childcare	2.5	11.5	14.0
			2019-2022 Planning & Research - Childcare Facilities	0.1		0.1
			2019-2022 Planning & Research - Market Housing	0.1		0.1
			2019-2022 Planning & Research - Non-Market Housing	0.3		0.3
			Little Mountain Neighbourhood House: Social Housing	2.0		2.0
One Water	Sewerage & Drainage	Sewer Network *	2019-2022 Affordable Housing Related Sewer Upgrades		11.6	11.6
Total Address Affordability and the Housing crisis				474.3	30.1	504.4

\* Service Category name updated Nov 26, 2021

**Table 3 – Not included in 5% base 2022 Draft Operating budget - aligned to Affordability & Housing Crisis for Council consideration**

Department	Initiative Detailed Description	Onetime/ Ongoing	2022 Impact \$ Millions	Funding Source
Arts, Culture & Community Services	Non market housing operations - Additional support for cleaning and staff to manage incidents when buildings have positive Covid cases.	Ongoing	0.5	Tax
Arts, Culture & Community Services	Tiny home motion implementation (Priority dependant on Council direction in Feb 2022)	Onetime	1.5	Reserve
Arts, Culture & Community Services	SRO Vacancy Control *	Ongoing	0.5	Tax
Affordability and the Housing Crisis			2.5	

\* Approved by Council November 17th subject to council budget approval on Dec 7th (not in original +5% distributed list)

## PROTECT AND BUILD A RESILIENT LOCAL ECONOMY



Vancouver has a diverse and thriving local economy, and the City of Vancouver is working to provide the services, investment and support, land-use plans and regulatory environment that will promote and build resilience for local businesses and the economy. We also are working to make the city an attractive destination for new businesses, capital and talent. In response to the significant impacts to local businesses that had to suspend or modify their operations due to the pandemic, the City established dedicated support and liaison resources for businesses, collaborated with the VEC in advocacy to all levels of government, and will continue to support business recovery in 2022 and beyond.

The purpose of this document is to provide a comprehensive list of existing spend/budget and investments not included in the 5% base 2022 draft operating budget (for Council consideration) to address Council's Protecting and Building a Resilient Local Economy priority as a follow up item of the November 2 Council briefing session.

The total capital budget associated with this in 2022 is approximately \$5.0 million and the total operating budget is approximately \$32 million. \$0.9 million in new operating budget investments aligned to Protect and Build a Resilient Local Economy are included in table 3 and for Council consideration.

### BACKGROUND AND CONTEXT

Protecting and Build a Resilient Local Economy requires integrated initiatives and a focused approach. Departments across the City, the Vancouver Economic Commission (VEC), our local partners, and external agencies play a significant role in supporting and advancing a healthy economy. In 2022, coordinated efforts will be critical to our success.

Continuing to focus on City Council's priorities will reinvigorate Vancouver's economy by streamlining and facilitating development permitting, furthering affordable and rental housing initiatives, progressing commitments on the Climate Emergency Action Plan, and advancing major land use planning efforts such as the Broadway Plan, Vancouver Plan, Rupert/Renfrew station and the Jericho Lands Planning Program. Other key initiatives included in the priority plans provide immediate and sustained support to BIAs, local business and partnership programs, cultural industry support, VEC's work, further process improvements, efficiencies and program development in response to evolving federal and provincial regulations (e.g. cannabis production and ride hailing); maintaining temporary plazas, enhance patio

program and collaborating with the motion picture industry. These programs, projects and initiatives will create a strong economy focus for the City throughout 2022.

Highlighted key initiatives within the 5% tax scenario:

- Economic and employment lands policy — In partnership with the VEC, PDS will lead the economic development planning components of the Vancouver Plan process with an emphasis on industrial lands. We will develop, refine and implement policies and plans to support equitable and inclusive economic growth in Vancouver, including implementation of zoning and regulatory changes identified through the Employment Lands and Economy Review.
- Small business policy and recovery initiatives — Extend current work to include coordinating and linking small business initiatives (e.g., split tax assessment, commercial tenant protection, Digital Main Street, the Commercial Renovation Centre, BIA maintenance, safety and security programs, and pandemic-related on-street programs like temporary patios and room to queue) across the organization. This program links with various economic recovery item actions.
- Development contribution monitoring and revenue protection forecasting — We will continue to assess and provide increased analysis and monitoring of development contributions (e.g. Comprehensive DCL Update), market conditions/forecasting, and enhanced process for anticipating revenue projections from development (e.g., DCL Pipeline review). We will build on the enhanced process to monitor the pandemic market conditions and inform the City's capital budgeting processes and Capital Delivery Oversight Committee decision-making.
- Vancouver Plan: Planning Vancouver Together is a robust engagement process that aims to reflect the diversity of our population in creating a long-term, strategic and actionable Vancouver Plan. The process launched in the fall of 2019 and is currently in the third of four phases to deliver the proposed Vancouver Plan for Council's consideration in Q2/3 of 2022. The plan will include a comprehensive community vision, goals, policies and a land use plan to guide how we grow and develop looking to 2050. The plan will align with long-range regional growth updates (Metro 2050) and transportation plans (Transportation 2050) concurrently underway. The Vancouver Plan will build on a foundation of, and advance core principles of equity, reconciliation and resiliency. Key to the engagement process has been working with Musqueam, Squamish and Tsleil Waututh First Nations, urban Indigenous, and equity-denied communities through supportive partnership arrangements. Community engagement over phase 1 and 2 has involved over 25,000 specific inputs and many more thousands of touchpoints that have shaped plan goals, emerging directions and big ideas that are currently subject of phase 3 engagement. The draft plan, based on community feedback received to date and ongoing technical analysis (e.g. growth, infrastructure, amenities), will be ready for public consultation in early 2022. It will be refined and presented to Council to consider adopting in mid-2022. The next phase includes an implementation strategy that will include regular updating and monitoring of the plan, phased area planning and a financial framework. We will initiate this in late 2022 and ensure ongoing and effective implementation of the plan.



These highlighted programs include collaboration across City Departments and with the VEC and the proposed operating budget allocates \$32 million to support these City initiatives across eight City departments, accommodated within the 5% scenario.

Work not included in the baseline 5%, however, funding is available for Council to re-allocate to some or all of the itemized actions below. The following items rely on an additional funding:

1. **Vancouver Economy Strategy 2030** - Large data, policy issues and engagement exercise that will require communications outreach and consultants. Will be an update to the outdated 2011 Vancouver Economy Strategy.
2. **Culture|Shift Operating Investments** - Phased Reconciliation, Redress, and Equity Investments. This commitment will ensure non-profit organizations' ability to adapt by finding new ways to collaborate, pivot, and respond to immediate community needs, mobilizing resources, shifting approaches in service delivery, supporting equity within the context of racial justice, and promoting community connectedness. These operating investments are also in support of key Vancouver Plan deliverables ensuring the move from social isolation to social resilience, and include vital music sector funding, as well as other essential programs that continue to contribute heavily to rebuilding the social, cultural, and economic life of the city.
3. **Circular Economy Strategy** – Response to the 2020 improving the [Circularity of Vancouver's Economy council motion](#) that is currently on-hold until 2023. VEC and the City co-create, with stakeholder engagement, a comprehensive circular economy vision and action plan with “doughnut economics” principles at its heart.
4. **Night Time Economy** - Response to the 2019 [A Comprehensive Strategy for Realizing the Full Potential of the Nighttime Economy in the City of Vancouver](#), which is currently on-hold until 2023. ACCS and VEC to co-create a nighttime economy vision, strategy and action plan including public and stakeholder engagement.

The economic health of the city requires an integrated and collaborative approach. The work is interdepartmental and includes close partnerships with external groups and agency partners like VEC. It involves broad stakeholder engagement and consultation. It requires diverse policies to work effectively together in order to support and deliver a healthy, resilient, equitable economy.

### Operating Budget:

Many City departments were already addressing Protect and Build a Resilient Local Economy in their existing 2022 budgets.

- Please refer to Appendix D in the 2022 Draft Budget Book for a comprehensive list of Priority Plans by service and Council priorities
- 2022 Draft Operating budget – existing spend /budget aligned to Protect and Build a Resilient Local Economy (see Table 1)
- Not included in 5% base 2022 Draft Operating budget - aligned to Protect and Build a Resilient Local Economy for Council consideration (see Table 3). These investments would be prioritized for execution in future years or if revenues improve.

### Capital Budget:

- 2022 Existing capital projects are identified in Table 2

**Table 1 – 2022 Draft Operating budget – existing spend /budget aligned to Protect and Build a Resilient Local Economy**

Department	2022 Existing \$ in millions	Examples of priority plans
Planning, Urban Design & Sustainability	5.6	Vancouver Plan: • Phase 3: Draft Emerging Policy and Land Use Directions (Q3 2021 – Q4 2021), Phase 4: Draft Policy and Land Use Final Plan (Q1 202 – Q3 2022), Implementation (2022+) DCL Update, Employment Lands and Economy Review, Small business policy and recovery initiatives
Development, Buildings & Licensing (DBL)	10.9	- Permitting - Ride hailing - Business licensing (includes Cannabis production and EV Charging Stations)
Vancouver Economic Commission	3.1	VEC's mandate is to build a prosperous, inclusive and resilient economy for Vancouver, its businesses and its citizens
Engineering	3.8	- Maintaining temporary plazas - Expanded summer patio program - Motion Picture Industry Collaboration
Vancouver Civic Theatres	0.2	Supporting the Arts and Culture Community
Arts, Culture & Community Services	3.7	Cultural services support for the Arts and Cultural community,
Parks and Recreation	4.7	- Maintaining Parks in key destination areas including Stanley Park and other downtown core parks. SP 65330 & DTB 65320
<b>Protect and Build a Resilient Local Economy</b>	<b>32.0</b>	

**Table 2 – 2022 Capital budget aligned to Protect and Build Resilient Local Economy**

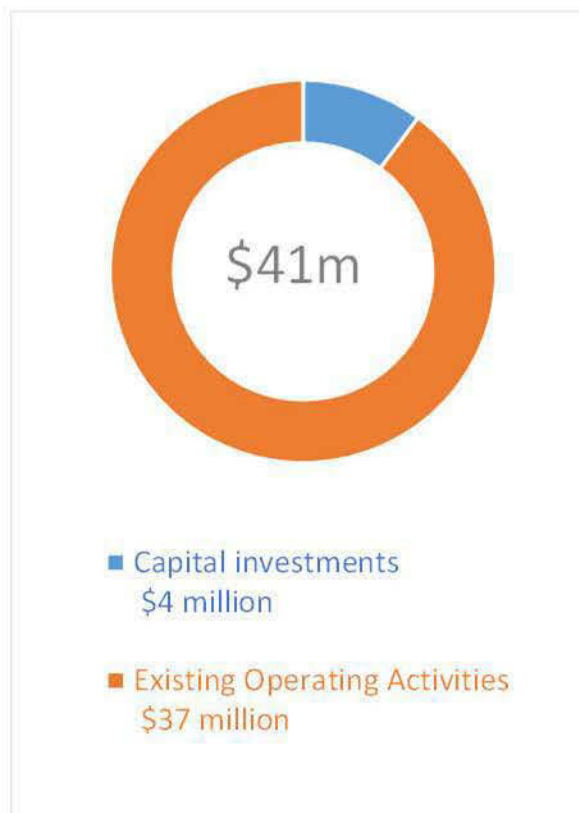
Council Priority: Protect and Build a Resilient Local Economy (\$ millions)				Multi-Year Capital Budgets		
Service Category 1	Service Category 2	Service Category 3	Capital Budget Project & Program Name	Previously Approved	Draft 2022	Total Open Project Budget
■ Arts & Culture	□ Cultural Facilities	≡ City-Owned	2015-2018 Cultural Planning and Research	0.1		0.1
			Audio/Video Equipment Upgrade - Queen Elizabeth Theatre	0.4		0.4
			CCTV Cameras - Civic Theatre Venues	0.2		0.2
			Orpheum Theatre - Digital Bar Signs	0.1		0.1
			Queen Elizabeth Theatre - Base Building Improvements	0.5		0.5
			Queen Elizabeth Theatre - Office Renovations	0.1		0.1
			Queen Elizabeth Theatre Audio & Lighting Package	0.7		0.7
			Queen Elizabeth Theatre Furniture	0.1		0.1
			Queen Elizabeth Theatre Seat Cup Holders & Mobile Ordering	0.1		0.1
			Queen Elizabeth Theatre/Vancouver Playhouse - Video Package	0.4		0.4
			Vancouver Civic Theatres - Electronic Booking System	0.1		0.1
			Vancouver Civic Theatres - Lights Replacement	0.6		0.6
			Vancouver Civic Theatres - Marquee Signs	0.4		0.4
			Vancouver Civic Theatres - Theatre Lighting Upgrades	0.2		0.2
			Vancouver Playhouse - Future Study and Renovation Planning	0.2		0.2
			Vancouver Playhouse Capital Maintenance	0.1		0.1
		≡ Non-City Owned	2012-2014 Cultural Infrastructure Grant Program	0.8		0.8
			2015-2018 Cultural Infrastructure Grant Program	4.3		4.3
			2019-2022 Cultural Capital Grants		1.8	1.8
			2019-2022 Cultural Infrastructure Grant Program	4.2		4.2
			Grant - Satellite Video Exchange VIVO & C-Space (Rize)	2.3		2.3
			Grant - Vancouver Cultural Spaces Fund - BC Artscape Society (BCA)	1.6		1.6
	□ Entertainment & Exhibition Facilities	≡ Entertainment & Exhibition Facilities	HP-PNE Master Plan: Infrastructure Implementation	2.2		2.2
			2019-2022 Heritage Facade Rehabilitation Program	0.6	0.4	1.0
	□ Heritage	≡ Heritage	2019-2022 Heritage Incentive Program - Vancouver Heritage Foundation (VHF)	0.9	0.3	1.2
			2019-2022 Heritage Incentive Program Grants	13.8	1.7	15.5
			Chinatown Memorial Square Redesign	1.0		1.0
	≡ Public Art	≡ Public Art	2019-2022 Capital Maintenance - Existing Public Art	1.0	0.0	1.0
			2015-2018 Façade Rehabilitation Grants	0.3		0.3
■ Community Facilities	□ Social Facilities	≡ Non-City	2019-2022 Downtown Eastside Capital Grant program	0.9		0.9
			2019-2022 Downtown Eastside Special Enterprise Program		0.3	0.3
			Chinese Society Building Grant Program	0.9		0.9
			Community Economic Development	0.8		0.8
			Facade Grant - 265 Carrall St	0.1		0.1
			2019-2022 City-Wide Overhead - Pacific National Exhibition Hastings Park	0.8		0.8
			Community Gardens - New/Improvements at Arbutus Ridge/Kerrisdale/Shaghnessy (ARKS) area	0.0		0.0
≡ Overhead	≡ Overhead	≡ Overhead				
≡ Parks & Open Spaces	≡ Park Amenities	≡ Park Development				
≡ Transportation & Street Use	≡ Managing Transportation Network	≡ Street Lighting Management	Film Power Kiosk Network	0.4		0.4
<b>Total Protect and Build a Resilient Local Economy</b>				<b>40.8</b>	<b>4.5</b>	<b>45.3</b>

**Table 3 – New Operating Budget Investments aligned to Protect and Build Resilient Local Economy for Council consideration (not included in 5% base scenario)**

Department	Initiative Detailed Description	Onetime/ Ongoing	2022 Impact \$ Millions	Funding Source
Vancouver Economic Commission	Vancouver Economy Strategy 2030	Onetime	0.1	Tax
Arts, Culture & Community Services & Planning and Development Services	Culture Shift Year 3 - Economy commitments	Ongoing	0.3	Tax
Vancouver Economic Commission	Circular Economy Strategy *	Onetime	0.2	Tax
Vancouver Economic Commission	Night Time Economy Strategy *	Onetime	0.3	Tax
Protect and Build a Resilient Local Economy			0.9	

\* The Circular Economy Strategy and Night Time Economy Strategy will be developed subsequent to the Vancouver Economy Strategy and as such, a decision has been made to place them on hold until 2023.

## INCREASE FOCUS ON EQUITY & CRITICAL SOCIAL ISSUES



The City of Vancouver has a longstanding history of investing in and supporting equity focused initiatives and infrastructure, from the initial creation of the Vancouver Public Library and its City-supported growth over the last century, to the decades long investments in the growth of publicly owned recreation services, to the establishment of the Carnegie Centre, Evelyne Saller Centre, and the Gathering Place, to the millions of dollars of social grants distributed each year to support the hundreds of non-profits that work to support critical social needs and equity seeking communities. The adoption of the Equity Framework in 2021 by Council further solidified the commitment toward equity and articulated the specific orientation to this work across departments.

The purpose of this document is to provide a comprehensive list of existing spend/budget and investments not included in the 5% base 2022 Draft operating budget (for council consideration) to address Equity and Critical Social Issues, as a follow up item of the November 2 Council briefing session.

As noted above, many City departments are already addressing Equity and Social Issues in their existing budgets (operating and capital) and some Departments exist entirely for this purpose, such as the public library, Social Operations, Homelessness Services, and Social Policy and Projects. A key dynamic to note is that many of the critical social issues we contend with in Vancouver and across Canada – such as homelessness and the overdose crisis – are, in fact, the direct outcome of systemic inequities or structural (e.g., program) failures many of which are within senior government jurisdiction. The COVID pandemic brought these structural gaps and systemic inequities to the forefront, turning what were previously articulated as “cracks” in our social systems and structures to crevices. To some extent, this category articulates a priority to address both the underlying illness and the symptoms of our deepening equity crisis.

The total capital budget associated with this in 2022 is approximately \$4 million and the total operating budget is approximately \$37 million. \$2 million in new operating budget investments aligned to Increase Focus on Equity and Critical Social issues are included in table 3 and for council consideration.

Many of the City’s core services help increase focus on equity and critical social issues, however, these core service-related costs are not summarized here and more details on core service costs will be provided in the Draft Budget service plans.



## BACKGROUND AND CONTEXT

As humans, we all desire and deserve to live and thrive, having the ability to access opportunities and resources to help us fulfil our needs and aspirations. However, interlocking systems of oppression such as colonialism, classism, racism, capitalism, and patriarchy bestow privilege and marginality differently, impacting the ability of various groups to access opportunities and resources. The idea of equity acknowledges that these inequalities exist that limit the participation of some people and groups in the civic, cultural, economic and social life of our community. Equity recognizes that not everyone starts with the same advantages, has the same opportunities, or enjoys the same or similar access to education, employment, resources or goods, facilities, and services.

In short, not everyone benefits equally from living or working in Vancouver. The Equity Framework provides the following definitions:

*Equity as an outcome is the condition that would be achieved if one's identity no longer predicted how one fares.*

*Equity as a process is the replacement of policies, practices, attitudes and cultural messages that reinforce differential outcomes or fail to eliminate them.*

*By framing the work of the City around equity [as opposed to 'equality'] the Framework clarifies that targeted differential treatment is valid and even necessary in some circumstances, because people and communities are situated differently from each other.*

The City has a long-standing, wide-ranging and necessarily evolving commitment to equity and diversity. This work extends back decades and across Councils and administrations. With each successive generation of leadership's — both elected governance and operational — confirmation of the importance of this work, the City as an organization has the opportunity to learn more, deepen understanding, apply new lenses, and become more nuanced.

Like all public policy work on complex issues, perspectives evolve over time. As we hear from people with lived experience and other stakeholders, connect with community organizations, liaise with other jurisdictions, learn from new research, and see the impact of previous decisions, the lenses we turn on our present situation and challenges sharpen, as does our reflection of both our distant and recent histories.

Our work on equity at the City is both external and internal: external as we work with communities on public impact initiatives and strategies and internal as we look to our own practices as local government and as an employer. Council's recent decision around representation on Council Advisory Committees is an excellent example of a critical governance rethink about diverse representation on these important leadership vehicles for civic engagement.

Other current initiatives include Council's direction to authentically engage with the spirit of being a City of Reconciliation, the commitment around Chinatown transformation as an outcome of the apology on historical discrimination, in the work with Hogan's Alley Society to restore a critical community presence and identity. The Park Board recently approved VanPlay, the 25-year Parks and Recreation Services Plan,

which includes equity as a strategic move and the creation of Initiative Zones to assist in prioritizing delivery of parks and recreation resources to historically under-served areas of the City.

The City's Equity Framework brings consistency to the City's operational approach and promotes the application of four lenses – Indigenous rights, racial justice, intersectionality, and system thinking – to the City's work. Fundamentally, equity was also at the root of the now six-year-old Healthy City Strategy's commitment to building a "Healthy City for All" and is now a commitment in the early work related to the development of the City's long-range community plan: The Vancouver Plan.

#### **2022 Budget: Beyond the Base**

The list of initiatives ranges from Reconciliation investments to equity and anti-racism interventions, to access to basic needs for those living in poverty, and support for community organizations who support neighbourhood cohesion.

The list was prioritized by a group of interdepartmental representatives and some very difficult discussions were had regarding priorities. Critical to the consideration of equity is that equity does not mean equal or the same – we look to the work that is addressing those most at risk, those most marginalized, those most unheard. The team also looked to recommend and prioritize investments that could result in systems change and that had the potential for broad impact across the city or resources needed to complete work already initiated. The staff group also tried to look at sequencing: for example, in order for a Department to develop a Reconciliation Strategy, they first need an Indigenous Planner. Likewise, in recognition of the importance of seeing equity work happen across the City and recognizing the need for systems change, the group attempted to ensure that key and impactful investments were recommended across all Departments.

#### **Operating Budget:**

Many City departments were already addressing Focus on Equity and Critical Social Issues in their existing 2022 budgets.

- Please refer to Appendix D in the 2022 Draft Budget Book for a comprehensive list of Priority Plans by service and Council priorities
- 2022 Draft Operating budget – existing spend /budget aligned to Focus on Equity and Critical Social Issues (see table 1)
- Not included in 5% base 2022 Draft Operating budget - aligned to Focus on Equity and Critical Social Issues for Council consideration (see table 3).

#### **Capital Budget:**

- 2022 Existing Capital projects are identified in table 2

**Table 1 – 2022 Draft Operating budget – existing spend /budget aligned to Increase Focus on Equity and Critical Social issues**

Department	2022 Existing \$ in millions	Examples of priority plans
Arts, Culture & Community Services	27.5	Social grants, Operations of Gathering place, Carnegie and Evelyn Saller center
Fire and Rescue Services	2.3	- Deputy Chief Diversity and Inclusion position: \$167K - Funding for Overdose Outreach Captain position: \$152K - Medic 11 \$1.96M
Parks and Recreation	2.8	-Continue implementing reconciliation actions - Continue to improve access and inclusion to recreation (e.g. youth services and inclusion office) -Community engagement in parks - Park Rangers are the front-line ambassadors in parks and public spaces. They support a broad range of events and activities, and assist with issues in Parks.
Planning, Urban Design & Sustainability	2.9	DTES plan: <ul style="list-style-type: none"> <li>• Manage development and support redress and reconciliation with different communities through the Downtown Eastside Plan.</li> <li>• Work with the community to begin implementation of the Chinatown Heritage Assets Management Plan to retain and enhance the rich cultural heritage of Chinatown for the purpose of pursuing UNESCO World Heritage status.</li> <li>• Support the provincial government efforts to locate a permanent site for the museum in Chinatown.</li> </ul> Vancouver Heritage program: <ul style="list-style-type: none"> <li>• Work to expand the meaning and understanding of heritage to embrace diverse cultural heritage as often manifested through both tangible and intangible aspects.</li> <li>• Support self-expressed histories and heritage of the Musqueam, Squamish and Tsleil-Waututh First Nations and urban Indigenous peoples.</li> </ul>
Development, Buildings & Licensing (DBL)	1.7	- Support Other City departments
Engineering	2.1	- Street cleaning grants
CMO	1.2	Adoption of UNDRIP (subject to council approval) Alignment of equity-related strategies, identify and advance changes that would enable systemic shifts toward equity and decolonization ,Tracking system and accountability structures.
<b>Increase Focus on Equity and Critical Social Issues</b>	<b>37.1</b>	



**Table 1 (continued) - 2022 Draft Operating budget – existing spend /budget aligned to Increase Focus on Equity and Critical Social issues**

Department	2022 Existing \$ in millions	Examples of priority plans
Arts, Culture & Community Services	27.5	Social grants, Operations of Gathering place, Carnegie and Evelyn Saller center
Fire and Rescue Services	2.3	<ul style="list-style-type: none"> <li>- Deputy Chief Diversity and Inclusion position: \$167K</li> <li>- Funding for Overdose Outreach Captain position: \$152K</li> <li>- Medic 11 \$1.96M</li> </ul>
Parks and Recreation	2.8	<ul style="list-style-type: none"> <li>-Continue implementing reconciliation actions</li> <li>- Continue to improve access and inclusion to recreation (e.g. youth services and inclusion office)</li> <li>-Community engagement in parks</li> <li>- Park Rangers are the front-line ambassadors in parks and public spaces. They support a broad range of events and activities, and assist with issues in Parks.</li> </ul>
Planning, Urban Design & Sustainability	2.9	<p>DTES plan:</p> <ul style="list-style-type: none"> <li>• Manage development and support redress and reconciliation with different communities through the Downtown Eastside Plan.</li> <li>• Work with the community to begin implementation of the Chinatown Heritage Assets Management Plan to retain and enhance the rich cultural heritage of Chinatown for the purpose of pursuing UNESCO World Heritage status.</li> <li>• Support the provincial government efforts to locate a permanent site for the museum in Chinatown.</li> </ul> <p>Vancouver Heritage program:</p> <ul style="list-style-type: none"> <li>• Work to expand the meaning and understanding of heritage to embrace diverse cultural heritage as often manifested through both tangible and intangible aspects.</li> <li>• Support self-expressed histories and heritage of the Musqueam, Squamish and Tsleil-Waututh First Nations and urban Indigenous peoples.</li> </ul>
Development, Buildings & Licensing (DBL)	1.7	- Support Other City departments
Engineering	2.1	- Street cleaning grants
CMO	1.2	<p>Adoption of UNDRIP (subject to council approval)</p> <p>Alignment of equity-related strategies, Identify and advance changes that would enable systemic shifts toward equity and decolonization ,Tracking system and accountability structures.</p>
<b>Increase Focus on Equity and Critical Social Issues</b>	<b>37.1</b>	

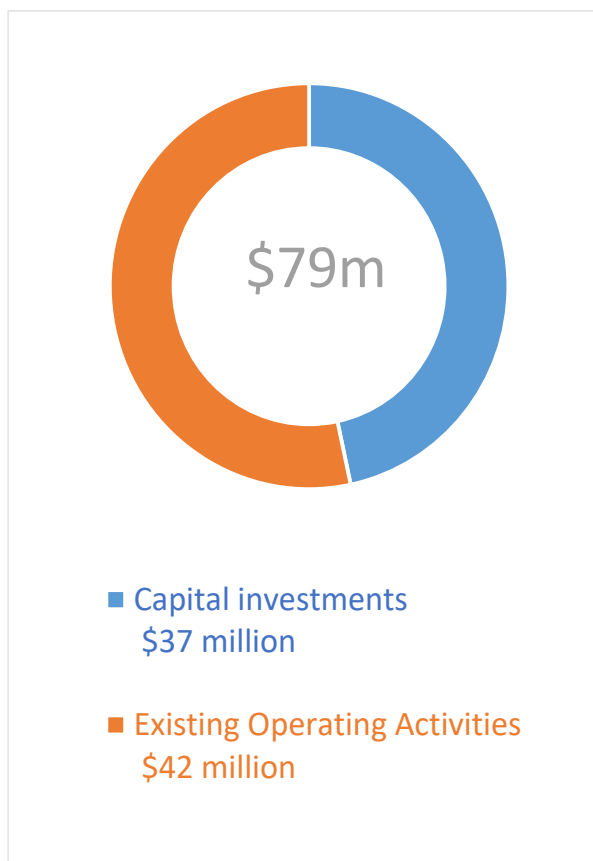
**Table 2 – 2022 Capital budget aligned to Increase Focus on Equity and Critical Social Issues**

Council Priority: Increase Focus on Equity and Critical Social Issues (\$ millions)				Multi-Year Capital Budgets		
Service Category 1	Service Category 2	Service Category 3	Capital Budget Project & Program Name	Previously Approved	Draft 2022	Total Open Project Budget
Arts & Culture	Cultural Facilities	City-Owned	First Nations Signage For ʔəxʷəlxən XwtʼA7Shn And ʔəxʷəlxən XwtʼE7ENk Square		0.9	0.9
		Non-City Owned	Chinatown Museum Spoke #2		0.1	0.1
			Chinese Cultural Centre Renovations		0.2	0.2
			Sun Yat-Sen Garden Capital Maintenance		0.2	0.2
	Public Art	Public Art	2015-2018 New Public Art Installations	2.9		2.9
			2015-2018 Public Art Boost - Capital	1.0		1.0
			2019-2022 New Public Art Installations	3.2	0.8	4.0
			Public Art - Centennial Pole Restoration	0.5		0.5
Childcare	Implementation & Research	Implementation & Research	2012-2014 Child Care Project Management	0.2		0.2
			2019-2022 Planning & Research - Childcare Facilities	1.6	0.5	2.1
	Infant, Toddler & Preschool (0-4 Years Old)	City-Owned	Kits Montessori - Decommissioning of Former Site	0.5		0.5
Community Facilities	School Age (5-12 Years)	City-Owned	2012-2014 Vancouver School Board Community Partnership Program	0.2		0.2
	Social Facilities	All Social	2019-2022 Social Facilities Planning/Research	1.3	0.5	1.8
			Equity Related Initiatives	2.7	0.3	3.0
			Kingsway Drop-In Centre	1.5		1.5
		City-Owned	Indigenous Healing and Wellness Center Tenant Improvements	0.7		0.7
			Indigenous Social Enterprise	2.0		2.0
			Qmunity Facility	8.5		8.5
		Non-City	2011 Capital Grants	0.1		0.1
			2012-2014 Social Infrastructure Grants	0.2		0.2
			2015-2018 Social Policy Small Capital Grants	0.4		0.4
			2019-2022 Downtown Eastside Capital Grant program	2.0		2.0
			2019-2022 Downtown Eastside Plan Implementation Matching Grant		0.3	0.3
			2019-2022 Downtown Eastside Strategic Grants		0.1	0.1
			2019-2022 Social Policy Capital Grants	1.3	0.1	1.4
			2019-2022 Social Policy Small Capital Grants	0.1		0.1
			Downtown Eastside Capital Grant program	1.2		1.2
			Downtown Eastside Community Asset Management	1.0		1.0
			Downtown Eastside Neighbourhood Improvements	0.7		0.7
			Grant - 411 Seniors Centre Society	0.8		0.8
			Grant - Atira (420 Hawks Amenity Space)	0.1		0.1
			Grant - Qmunity	0.2		0.2
			Grant - Urban Native Youth Association (Native Youth Centre Project Development)	0.0		0.0
Overhead	Overhead	Overhead	Memorial Gift to West End Students	0.0		0.0
Parks & Open Spaces	General Features & Infrastructure	Vehicle Access	Mountain View Cemetery Road Repair	0.3		0.3
	Park Amenities	Park Development	2019-2022 Park Universal Access Improvements		0.3	0.3
	Programmed Activity Areas	Fields	Cemetery - Perimeter Entry & Wayfinding	0.4		0.4
<b>Total Increase Focus on Equity and Critical Social Issues</b>				<b>35.6</b>	<b>4.2</b>	<b>39.8</b>

**Table 3 – New Operating Budget Investments aligned to Increase Focus On Equity and Critical Social issues for Council consideration (not included in 5% base scenario)**

Department	Initiative Detailed Description	Onetime/ Ongoing	2022 Impact \$ Millions	Funding Source
City Manager	<p>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. This new FTE is an important resource urgently required to meet the demands of the City's evolving Indigenous-related work.</p> <p>Not properly resourcing this function puts the City's relationship with the MST nations at risk, creates attraction/retention issues for the IGR Manager, Indigenous Relations as workload makes the role unattractive/untenable.</p>	Ongoing	0.2	Tax
City Manager	<p>Staff position to implement Language Access Policy (translation of City communications to the public) including:</p> <ul style="list-style-type: none"> <li>• Supporting VEMA and vulnerable Vancouver populations</li> <li>• Supporting equitable engagement framework (policy directions committee)</li> <li>• Aligns with stated and Council-endorsed Equity Framework and priority of better resourcing equity-related work at the City</li> </ul>	Ongoing	0.1	Tax
VFRS	Permanent funding for Overdose Outreach Captain position	Ongoing	0.2	Tax
Library	Link to VPL fine-free report: <a href="http://www.vpl.ca/sites/vpl/public/NewInvestmentRequesFreeServices.pdf">http://www.vpl.ca/sites/vpl/public/NewInvestmentRequesFreeServices.pdf</a>	Ongoing	0.5	Tax
Arts, Culture & Community Services	Culture Shift Year 3 - Equity commitments	Ongoing	0.4	Tax
Arts, Culture & Community Services	Work with community to have apology ready for Oct 2022 Italian Heritage Month. Note: given the tight timeline, all that can be done is the research, Apology, and the event planning.	Onetime	0.1	Tax
Parks and Recreation	Funding for 3 RFT positions to support community development and outreach for Adapted and 2SLGBTQ+ recreation programming	Ongoing	0.2	Tax
Arts, Culture & Community Services	Enable MMIWG/RWR implementation of early start actions as staff work on final report.	Ongoing	0.3	Tax
Arts, Culture & Community Services	Accessibility Strategy, Phase I – Action While Planning Early Starts	Ongoing	0.2	Tax
Arts, Culture & Community Services	Resources to contribute to development of water and washroom strategy as per Council motion	Onetime	0.2	Tax
Increase Focus on Equity and Critical Social Issues			2.2	

## ACCELERATE ACTION ON CLIMATE CHANGE



City Council, along with more than 2,000 jurisdictions around the globe, has declared a climate emergency signaling an urgent need to accelerate action on the climate crisis. Vancouver is building on a strong foundation of environmental action from the Greenest City Action Plan, which advanced contributions to climate solutions locally.

The purpose of this document is to provide a comprehensive list of existing spend/budget and investments not included in the 5% base 2022 draft operating budget (for Council consideration) to address Accelerate Action on Climate change, as a follow up item of the November 2 Council briefing session.

Many City departments are already addressing climate change in their existing budgets (operating and capital). These initiatives include transportation improvements, electric vehicle infrastructure, green buildings, and climate adaption measures. Upon approval of the 2022 Capital Budget, the total multi-year capital budget associated with climate emergency priorities will be \$225 million, which includes \$188 million previously approved multi-

year capital budgets as well as \$37 million new capital funding requested in 2022. The total 2022 operating budget is approximately \$42 million and \$0.1 million in new operating budget investments aligned to Accelerate Action on Climate Change, included in Table 3 and for Council consideration.

### BACKGROUND AND CONTEXT:

The City of Vancouver has been investing in climate change mitigation for many years and along with reduced carbon pollution, we have seen significant social benefits in the form of improved transportation infrastructure, less pollution and lower energy costs. We have also seen strong economic growth in Vancouver in part due to our green reputation.

As part of the 2020 budget, Council approved new funding to accelerate action on climate change and in September 2020, Council approved the recalibrated 2019-2022 Capital Plan that allocated \$12 million of planned funding to support the City's Climate Emergency Response. This new funding was reduced to \$12 million from the original ask of \$35 million due to COVID-19, but will enable staff to begin moving forward with priority actions in the Climate Emergency Action Plan. This includes the "game changers", to demonstrate leadership in our own operations, particularly in our buildings. This initial planned funding is a critical first step to ramping up our ability to hit our 2030 climate targets.

However, to achieve our climate targets, approved in November 2020 by Council, we need to increase our efforts to reduce carbon pollution in Vancouver. This will require additional sustained investment by the City, as well as from senior government and partner organizations. An encouraging example of increased investment by senior government is the recent announcement by the Canada Infrastructure Bank of \$2.5B in financing for building retrofits. The additional investment required from the City and others will enable new and accelerated work on pedestrian and cycling infrastructure, zero emission buildings, transit priority corridors, and electric vehicle infrastructure, amongst other climate actions. The benefits will go far beyond reductions in carbon emissions and will include improved community health, long-term financial savings, new job opportunities and a more resilient city.

As requested by Council, the cost estimates for each of the climate emergency actions are presented in Table 3 (at the end of this memo), along with the expected carbon pollution savings and a description of the co-benefits that the Big Moves will provide. As outlined in the Climate Emergency Action Plan's financial framework, over the next five years, the total required investment by the City is estimated to be \$500M to meet the 2030 climate goal. Of that, slightly more than half can be described as "business as usual"—this is based on the funding level in the current capital and is work that the City has historically been doing, such as improving our walking and cycling infrastructure and expanding EV charging. The remainder—roughly \$230M over five years—is referred to as the "funding gap".

As described in the Council briefing, there are four proposed approaches to close the "gap" and achieve the required funding level over the 5-year term of the CEAP:

1. Using interim, cost-effective approaches - building on the success of programs like Room to Move and Slow Streets to further expand our walking, rolling and cycling infrastructure using less costly treatments.
2. Harnessing new revenue – The Climate Emergency Parking Program was intended to provide this new revenue but it is no longer proceeding. Staff are exploring other opportunities and will share them as they are identified.
3. Leveraging senior government and partner organizations – approval of the Climate Emergency Action Plan positions the City to secure external funding from the provincial and federal governments.
4. Embedding climate action as a key priority for the City - there is an opportunity to increase financial support for the CEAP by making climate action a key priority and reprioritizing support across existing programs, in particular for the next capital plan.

It is important to note that City budgets, sources of funding, and estimated costs may change significantly over the life of CEAP. The financial framework is meant to serve as a roadmap and will need to be revised and adjusted as we move forward, particularly given current financial uncertainties.

#### Climate Funding (Included in baseline)

The 5% baseline includes \$6M approved for climate emergency projects under "emerging priorities" in the mid-term capital plan update (the total new funding approved for CEAP in the MTU was \$12M). This \$6M includes \$1.9M to advance Big Moves 4 and 5 (building retrofits and reductions in embodied carbon) and \$4.1M to support Big Moves 2 and 3 (EV charging, eliminating parking minimums, active transportation work, dedicated bus lanes, advancing the city-wide parking permit program and

transport pricing, including public engagement). The 5% also includes \$4M, which was approved in the 2020 budget as an ongoing item, for continuing to advance our green buildings work, both in the privately owned building and civic facilities. Lastly, the 5% includes a number of other projects that are in the current capital plan that support the climate emergency, that could be described as “business as usual”—these would be projects such as sidewalk and protected bike lane improvements and neighbourhood energy utilities expansion, for example. A rough estimate of the budget is that approximately \$37M in capital is going towards projects that directly advance the Climate Emergency Action Plan.

#### Climate Funding (Not included in baseline)

Work not included in the baseline 5% but included if Council decides to increase the tax base beyond 5% would be more transportation-related improvements, including walking and cycling infrastructure, as well as additional rapid bus corridors, additional funding for EV charging, and acceleration of other aspects of CEAP. The current amount dedicated to CEAP in 2021/22 is not enough to meet our targets, meaning that we will need more funding in the next capital plan if we intend to meet our targets. This is summarized in Table 3.

#### Operating Budget:

Many City departments are already addressing Accelerate Action on Climate change in their existing 2022 budgets.

- Please refer to Appendix D in the 2022 Draft Budget Book for a comprehensive list of Priority Plans by service and Council priorities
- 2022 Draft operating budget – existing spend /budget aligned to Accelerate Action on Climate change (see Table 1)
- Not included in 5% base 2022 Draft operating budget - aligned to Accelerate Action on Climate change for Council consideration (see Table 3). These investments would be prioritized for execution in future years or if revenues improve.

#### Capital Budget:

- 2022 multi-year Capital projects are identified in Table 2
- City’s investment for Five-Year Action plan are identified in Table 4

**Table 1 – 2022 Draft Operating budget – existing spend /budget aligned to Accelerate Action on Climate change**

Priority	Department	2022 Existing Spend \$ in millions	Examples of priority plans
Accelerate Action on Climate Change	Planning, Urban Design & Sustainability	7.5	<ul style="list-style-type: none"> <li>• Climate Emergency Action Plan (CEAP) — Implement the CEAP to cut Vancouver's carbon pollution in half by 2030.</li> <li>• Climate Change Adaptation Strategy — Implement high-priority core and enabling actions, with a focus on sea level rise.</li> </ul>
	Engineering	33.9	<ul style="list-style-type: none"> <li>- Transition to renewable diesel fuel option</li> <li>- Replacement of combustion engine vehicle with electric vehicle</li> <li>- Production and application of recycled asphalt</li> <li>- Landfill gas collection</li> <li>- Organics collection</li> <li>- Develop roadmap for the NEU</li> <li>- Transition to Active Transportation mode (PBS)</li> <li>- Zero waste outreach and education</li> </ul>
	Development, Buildings & Licensing (DBL)	0.7	<ul style="list-style-type: none"> <li>- Supporting Other City departments in addressing climate change through the permitting process.</li> </ul>
Accelerate Action on Climate Change total	Accelerate Action on Climate Change	42.1	



**Table 2 – 2022 Capital budget aligned to Accelerate Action on Climate Change**

Council Priority: Accelerate Action on Climate Change (\$ millions)					Multi-Year Capital Budgets			
Service Category 1	Service Category 2	Service Category 3	Capital Budget Project & Program Name	Previously Approved	Draft 2022	Total Open Project Budget		
Civic Facilities & Equipment	Administrative Facilities	City-Owned	2015-2018 Energy Optimization Program	1.8		1.8		
	All City Facilities	All City Facilities	2019-2022 Energy Optimization Program	7.5		7.5		
Community Facilities	Recreation Facilities	Programs	2015-2018 Energy Optimization Program	0.7		0.7		
Parks & Open Spaces	General Features & Infrastructure	Park Infrastructure	Parks - Green Infrastructure	0.9		0.9		
			Parks Green Operations	0.3		0.3		
	Park Land	Park Land	2019-2022 Park Land Acquisition	7.1		7.1		
	Seawall & Waterfront	Seawall	Climate Adaptation Strategy	0.4		0.4		
	Urban Forest & Natural Features	Restoration & Maintenance	Hastings Park Stream and Wetland Creation	0.2		0.2		
			Trees	2019-2022 Park and Street Trees	6.3	2.3	8.6	
			Urban Forest Tree Inventory	0.3		0.3		
Renewable Energy	Building Retrofits	Non-City Owned	2019-2022 Neighbourhood Charging Strategy Pilots		0.2	0.2		
			Carbon Sequestration		0.2	0.2		
			Deep Emission Building Retrofits Program	9.6	5.7	15.3		
			Electrical Vehicle Infrastructure	3.5	0.5	4.0		
	EV Infrastructure	EV Infrastructure	EV Electric Vehicle Ecosystem Strategy Pilot	0.0		0.0		
			2019-2022 Neighbourhood Energy Utility (NEU) System					
			Extension	9.3	3.3	12.6		
			Neighbourhood Energy Utility (NEU) Flood-Related Repairs/Upgrades	0.7		0.7		
	SEFC NEU	Distribution	New Neighbourhood Energy Utility (NEU) Service Connections & Energy Transfer Stations	4.1	0.6	4.7		
			Renewable Energy Supply Strategy	0.2		0.2		
			2019-2022 Neighbourhood Energy Utility (NEU) - New Satellite Energy Generation	2.2	1.0	3.2		
			Neighbourhood Energy Utility (NEU) Waste Heat Recovery Expansion	14.2		14.2		
	Planning	Planning	Neighbourhood Energy Utility (NEU) System Planning	1.3	0.7	2.0		
			10th Avenue Street Improvement - Health Precinct Phase II (From Ash Street to Willow Street)	6.0		6.0		
	Transportation & Street Use	Expand Sustainable Transportation	Active Transportation	2015-2018 Active Transportation Corridors	22.5		22.5	
				2015-2018 Sidewalks New Construction	2.1		2.1	
				2019-2022 Active Transportation Corridors & Spot Improvements	11.3	6.1	17.4	
2019-2022 Active Transportation Design Staffing				3.0	1.0	4.0		
2019-2022 Active Transportation Planning Staffing				3.0	1.0	4.0		
2019-2022 New Sidewalks				5.6	1.2	6.8		
Active Transportation Master Plan for West End Waterfront								
Parks and Beach Avenue				0.3		0.3		
Detailed Design for Arbutus Greenway - Zone 3 and 8				6.5		6.5		
Drake Green Complete Street Improvements				4.4		4.4		
Granville Bridge Greenways				14.5	0.0	14.5		
Nanaimo Street Active Transport Improvements				2.8		2.8		
Richards Green Complete Street Improvements				11.6		11.6		
Still Creek Viewing Platform				0.2		0.2		
West End Active Transportation Improvements				1.6	1.4	3.0		
Climate Emergency Response				Climate Emergency Response	Climate Emergency Response - Curbside Electrical Power Supply		1.8	1.8
					Climate Emergency Response - Electric Vehicle Charging Station Deployment	0.5		0.5
					Climate Emergency Response - Transportation Initiatives		1.8	1.8
					2019-2022 Transit Related Improvements		0.3	0.3
Other Transit				Other Transit	Broadway Subway Project Office		1.1	1.1
		2019-2022 Transportation Monitoring and ITS (Intelligent Transportation Systems) Planning			0.8	0.8		
Managing Transportation Network		Planning & Monitoring	2019-2022 Transportation Planning Studies	1.8	0.6	2.5		
			2019-2022 Neighbourhood Safety Improvements	1.9	0.2	2.2		
			2019-2022 New Pedestrian & Bicycle Signals	3.7	1.2	4.9		
			2019-2022 Trolley Route Rerouting	5.1		5.1		
Surface Management		Surface Management	2019-2022 Pedestrian Curb Ramp Program	4.1	0.9	5.0		
			Design for Robson & Alberni Street Improvements	5.0	3.0	8.0		
Public Space Projects		Public Space Projects						
Total Accelerate Action on Climate Change				188.1	36.8	224.8		



**Table 3 – New Operating Budget Investments aligned to Accelerate Action on Climate Change for Council consideration (not included in 5% base scenario)**

Department	Initiative Detailed Description	Onetime/ Ongoing	2022 Impact \$ Millions	Funding Source
Parks and Recreation	This role provides focused Park Board management oversight of Climate Emergency + Resilience, Biodiversity Strategy, Access to Nature, Vancouver Plan – Ecological City, One Water and MST environmental and restoration / stewardship	Ongoing	0.1	Tax
Accelerate Action on Climate Change			0.1	

**Table 4 – City Investments for the Five-Year Action Plan (per Climate Emergency Action Plan, approved in November, 2020)**

Proposed Action	Annual Carbon Pollution Savings by 2030 (CEAP + CleanBC Scenario)	Description/Outcomes	Current Capital Plan Spend in 2021 (\$M)	Required Capital Spend Over 5 Years (\$M)	Annual Operating Impacts of Capital in 2025 (\$M)	Health	Equity	Economy	Resilience
BIG MOVE 1: BY 2030, 90% OF PEOPLE LIVE WITHIN AN EASY WALK/ROLL OF THEIR DAILY NEEDS.									
	TBD		0.0	70.0	-				
1. Reduce Reliance on Motor Vehicles in the Broadway Plan and Other Planning Areas		Create a network of complete streets within the Broadway Plan Area, including reconstructing and repaving numerous streets in support of walking, cycling and transit. Neighbourhood traffic calming plans in each neighbourhood area and delivery of each neighbourhood's most urgent safety and comfort walking and cycling improvements. Reconstruct ten blocks of Broadway as a Great Street, with wider sidewalks, pedestrian amenities, and support for transit.		70	-	When comparing walkable neighbourhoods and car-dependent neighbourhoods, a recent study found those who live in a walkable neighbourhood are 45% more likely to walk for transportation, and 17% more likely to meet the weekly recommended level of physical activity, and 39% less likely to have diabetes.	When comparing walkable neighbourhoods and car-dependent neighbourhoods, a recent study found those who live in a walkable neighbourhood are 47% more likely to have a strong sense of community belonging. Other existing policies directly contribute to complete walkable communities (e.g., new Secured Rental Housing Policy to provide rental housing in proximity to schools, parks and shops and identify longer-term actions for expanded housing choice in neighbourhoods).	Complete walkable neighbourhoods support local businesses.	Walkable, complete neighbourhoods increase social connectedness and resilience, and improve physical and mental health.
BIG MOVE 2: BY 2030, TWO THIRDS OF ALL TRIPS IN VANCOUVER WILL BE MADE ON FOOT, BIKE OR TRANSIT.									
	\$2,000		33.0	288.4	6.4				
1. Implement Transport Pricing in the Metro Core		Develop preferred transport pricing strategy option; identify required technological resources; develop financial plan.		1.6	0.5	Walking/rolling and cycling are pollution-free and they help people maintain better health by staying active, while all ages and abilities cycling infrastructure is designed to reduce the risk of collisions and keep people safer. Similarly, transit riders typically lead more active lifestyles than people more reliant on driving. Clean air and quieter streets are important for the health of everyone, yet even more so for vulnerable residents and those who have respiratory issues.	Walking, cycling and transit can inherently be more equitable forms of transportation given that they are far cheaper than owning and operating a private vehicle. Walking infrastructure, such as new curb ramps, opens up access for people using wheelchairs and mobility aids. Other features, such as tactile warning strips and audible crossings, help people with limited vision.	Improvements to transportation and COVID-19-related updates to street use, which enable consumers to walk, cycle, shop and dine with safe physical distancing, help facilitate economic activity and decrease the carbon footprint of our local economy. Continued investment in walking will support local businesses as we shift into recovery from the COVID-19 pandemic.	Healthier residents more resilient to shocks e.g., COVID-19 pandemic and climate impacts: e.g., death rates are 12 times higher for COVID-19 patients with chronic illnesses than for others who become infected (source: US CDC). With more active and healthier residents, we can reduce future strains on our health system and frontline health care workers.
2. Expand and Improve Our Walking/Rolling, Biking Network		Delivering approximately 50 to 60km of new active transportation corridors and upgrades, connecting more people to their daily destinations across the city. Substantial additional new pedestrian signals, accessible curb ramps and sidewalks to better address gaps in the pedestrian network, increasing access to transit and destinations.		257.0	5.5				
3. Improve Bus Speed and Reliability		Implement transit priority measures on five key corridors across the city, to provide faster and more reliable transit.		13.7	0.3				
4. Encourage More Walking, Biking and Transit Use		Promote active transportation options; develop School Active Travel initiative; local-business and tourism initiatives encouraging sustainable travel; e-bike share pilot program.		13.4	-				
5. Promote Remote and Flexible Work Options		Promote and provide tools to encourage workplaces across the City to maintain a certain portion of their workforce working remotely, to reduce vehicle commuting.		0.0	-				
6. Eliminate Parking Minimums in New Developments		Expand transportation demand management requirements; revise parking minimums in Parking By-Law; develop parking maximums.		0.3	0.1				
7. Implement Residential Parking Permits City-Wide		Expand the current residential parking permit program to a city-wide program, with the long-term aim of a market-based system with considerations for income, disability, and other equity-focused factors.		0.0	-				
8. Demonstrating corporate leadership through sustainable commuting program		Accelerating the City's sustainable commuting program through initiatives such as improved end-of-trip facilities		2.6	-				
BIG MOVE 3: BY 2030, 50% OF THE KILOMETRES DRIVEN ON VANCOUVER'S ROADS WILL BE BY ZERO EMISSIONS VEHICLES.									
	233,000		1.0	77.9	1.2				

**Table 4 (continued) – City Investments for the Five-Year Action Plan**

Proposed Action	Annual Carbon Pollution Savings by 2030 (CEAP + CleanBC Scenario)	Description/Outcomes	Current Capital Plan Spend in 2021 (\$M)	Required Capital Spend Over 5 Years (\$M)	Annual Operating Impacts of Capital in 2025 (\$M)	Health	Equity	Economy	Resilience
1. Implement a Carbon Pollution Surcharge on Residential Parking Permits		Establish gas-/diesel vehicle surcharges as part of the city-wide residential permit parking system.		7.0	0.6				
2. Increase EV Charging on Private Property		Develop construction standards/compliance mechanism; charging retrofit program in multi-unit rental buildings; develop long-term residential charging retrofit strategy		1.9	0.02				
3. Expand Public Charging Network		Pilot near-home off-street EV charging; pilot film-industry power kiosks; develop Neighbourhood Charging Strategy; continue DC fast-charging and Level 2 network deployment.		14.0	-				
4. Support Charging Infrastructure for Passenger Fleets		Develop public charging infrastructure and home-charging retrofit action plan supporting passenger fleet industry		2.5	0.05				
5. Demonstrating corporate leadership through EV fleet transition		Accelerate the transition of the City fleet to electric vehicles beyond the current rate of replacement.		52.5	0.5				
<b>BIG MOVE 4: BY 2030, CARBON POLLUTION FROM BUILDINGS IN VANCOUVER WILL BE REDUCED BY 50% BELOW 2007 LEVEL</b>									
	299,000		20.0	56.6	1.6				
1. Set Carbon Pollution Limits and Streamline Regulations		Set 2025 carbon pollution limits; streamline permitting and energy-upgrade requirements; implement energy benchmarking requirement.		5.8	1.00				
2. Build Industry Capacity		Improve industry clarity around future regulations; trades incentives/requirements for heat pump installations; launch LC3 Zero Carbon Centre; implement BC Building Electrification Roadmap.		0.6	0.15				
3. Support Early Owner Action		Create decision-support and financing tools; equipment incentives; support demonstration projects; establish Retrofit Accelerator Centres.		16.2	0.25				
4. Facilitate Access to Renewable Energy		Working with utility partners and senior government: reduce barriers to service-connection upgrades; grow supply of renewable energy. Evaluate and set NEU renewable energy target; continue service-area expansion.		14.0	0.20				
5. Demonstrating corporate leadership through new civic facilities and retrofits achieving zero emissions		Accelerating the replacement of gas boilers with electric heat pump and making related emergency upgrades to City-owned buildings		20.0	-				
<b>BIG MOVE 5: BY 2030, THE EMBODIED EMISSIONS FROM NEW BUILDINGS WILL BE REDUCED BY 40% COMPARED TO A 2018 BASELINE.</b>									
	n/a[2]		0.3	3.2	-				

**Table 4 (continued) – City Investments for the Five-Year Action Plan**

Proposed Action	Annual Carbon Pollution Savings by 2030 (CEAP + CleanBC Scenario)	Description/Outcomes	Current Capital Plan Spend in 2021 (\$M)	Required Capital Spend Over 5 Years (\$M)	Annual Operating Impacts of Capital in 2025 (\$M)	Health	Equity	Economy	Resilience
1. Set Embodied Carbon Pollution Limits for New Buildings		Set embodied carbon limits for building materials and construction practices in new buildings.		0.0	-	Our actions should promote health in construction and the built environment by encouraging a shift to natural and safe, simple and reusable materials, assemblies, and finishes. Materials that are safe and non-toxic do not impact the health of those who handle them or live with them, and are safe to reuse at the end of their life.	Policy updates encourage best practices in equitable sourcing of building materials and products (e.g., wood products from certified sustainable forestry and Indigenous-managed territory; Just, B Corp, and other labels and certifications for equitable sourcing for organizations, sourcing from workers and owners from equity-seeking groups, including recognition of community benefit agreements).	Constructing with mass timber reduce the carbon pollution associated with construction materials, and relies on materials and expertise from B.C.'s forestry sector. There are opportunities to link the CEAP with B.C.'s resource industries in ways that can help expand economic opportunity in rural communities.	Using engineered wood columns and floor panels, known as mass timber, industry can now build high-rise buildings out of wood that are safe, strong, fire-resistant, and seismically resilient.
2. Make It Easier and Less Expensive to Use Lower-Carbon Materials in New Buildings		Remove planning and policy barriers to using low-carbon construction materials and practices in new buildings.		1.4	-				
3. Support the People Using Low-Carbon Materials in New Buildings		Develop resources, guides, training and networks; partnerships; regional and provincial advocacy		0.5	-				
4. Demonstrating corporate leadership through lower embodied carbon in new civic facilities		Coordinate with key City strategies, policies and plans		1.3	-				
<b>GENERAL CEAP SUPPORT</b>	n/a		0.2	0.35	0.20				
1. Support for CEAP indicators and reporting		Develop new and improve existing data methods and sources in support of Indicators Framework, including novel equity analyses and indicator development.	0.05	0.15	0.1				
2. Support for CEAP Equity Actions		Develop and implement Climate Justice Charter: equity indicators; targeted economic benefits; equity lens for budget analysis. Continuation of Climate & Equity Working Group. Deeper exploration of transportation equity impacts.	0.15	0.45	0.1				
<b>TOTALS</b>	614,000		55.0	496	9				