

From: ["Mochrie, Paul" <Paul.Mochrie@vancouver.ca>](mailto:Paul.Mochrie@vancouver.ca)  
To: ["Direct to Mayor and Council - DL"](#)  
Date: 12/5/2022 9:54:48 AM  
Subject: 2023 budget - response to Council questions

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Good morning Mayor and Council,

The attached memo provides responses to the questions posed by members of Council at the November 29, 2022 Council meeting and November 21, 2022 briefing on the 2023 Draft Current State Budget.

An additional memo will be sent with responses to questions from last week.

If you have further questions, please feel free to contact me or Patrice Impey.

Best,  
Paul

**Paul Mochrie** (he/him)  
City Manager  
City of Vancouver  
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x<sup>w</sup>məθk<sup>w</sup>əyəm (Musqueam), Sḵwəxwú7mesh (Squamish), and səlilwətał (Tsleil-Waututh) Nations.

## MEMORANDUM

December 5, 2022

TO: Mayor and Council

CC: Paul Mochrie, City Manager  
Armin Amrolia, Deputy City Manager  
Karen Levitt, Deputy City Manager  
Rosemary Hagiwara, Acting City Clerk  
Teresa Jong, Administration Services Manager, City Manager's Office  
Maria Pontikis, Chief Communications Officer, CEC  
Kareem Allam, Chief of Staff, Mayor's Office  
Trevor Ford, Director of Operations, Mayor's Office  
David Grewal, Senior Advisor, Mayor's Office  
Colin Knight, Director, City-wide Financial Planning and Analysis  
Sarah Kapoor, Director, Business Unit 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: Responses to Councillors' questions on the 2023 Draft Current State Budget –  
November 29<sup>th</sup> Council Meeting (Memo #1)

RTS # n/a

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Dear Mayor and Council,

The purpose of this memo is to provide responses to the questions posed by Councillors at the November 29, 2022 Council meeting and November 21, 2022 Council Briefing related to the 2023 Draft Current State Budget.

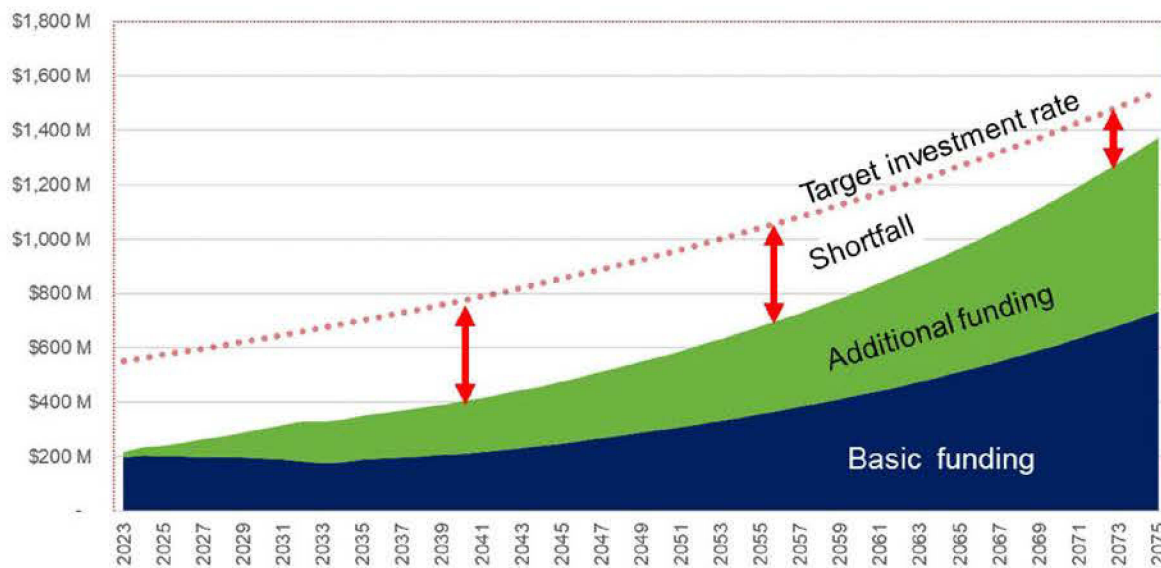
**Questions from the November 29<sup>th</sup>, 2022 Council meeting:**

**A. Multi-Year Planning & Current State Budget**

**1. What is the Infrastructure deficit? And how long will it take us to close the gap?  
(Councillor Kirby-Yung)**

The infrastructure deficit as presented in the 2023-2026 capital plan is a simplified assessment of the difference between the annualized cost to maintain and renew the City's existing asset base (replacement cost divided by effective average useful live) and the City's annual taxes & fees funding allocated to support asset management.

The targeted increase of ~1% for tax & ~5% for water & sewer fees in the City's financial capacity is dedicated for renewal & maintenance of existing assets. The effectiveness of this approach in addressing the infrastructure gap over time depends on various factors including the level of cost escalation associated with infrastructure renewal and expansion of the asset base. As well, senior government infrastructure funding programs will be a factor in closing the gap. Since 2019, a **1% property tax increase and 5% overall utility fee increase per year** has been dedicated towards asset renewal. The chart below represents the gap related to tax supported capital investments and reduction of the gap over time with this additional funding.



**2. What are the user fees required to balance the budget? Share the strategy around parking revenue. What would it look like if we were to increase fees? (Councillor Bligh)**

The City charges a number of user fees, including Program fees such as recreation fees, development permit fees, and licence fees and others. In previous years' budget consultation, residents and businesses have consistently expressed a preference for introducing new user fees or increasing existing user fees as a means to balance the budget. In the current state budget, fees are projected to increase by 3% -5% in line with cost recovery. In some areas,

such as Engineering fees, where service cost has increased by a greater amount, fee increases may be higher.

Pay parking is a tool used to manage curb space to help ensure there is parking available near destinations. This supports customers and businesses, and minimizes searching for parking and the associated congestion and air pollution.

Parking meter rates are initially set at \$1/hr in new areas, and then are adjusted annually up or down based on demand. Demand is determined on an individual block by block basis. If parking occupancy on a particular block is less than 60% full, the rates go down by \$1/hr. Conversely, if parking occupancy is over 85% full, the rates go up by \$1/hr. Parking occupancy data is collected throughout the year via in-person counts to inform these rate adjustments. Parking meter rate adjustments for 2023 are anticipated to generate an additional \$750,000 in revenue.

Structurally, on-street parking activity has not returned to pre-pandemic levels. With ongoing work from home and hybrid work models, there are fewer people going to in-person meetings or running errands during lunch or after work. The pandemic has also grown curbside pick-up and online delivery models, resulting in fewer trips to shop or eat at brick-and-mortar locations.

As pay parking rates already go up and down based on demand, increasing rates arbitrarily does not necessarily have a direct correlation to increased revenue as drivers do have other options (not owned by the city), and may choose to park further away or in cheaper locations. Opportunities for increasing revenue may be to:

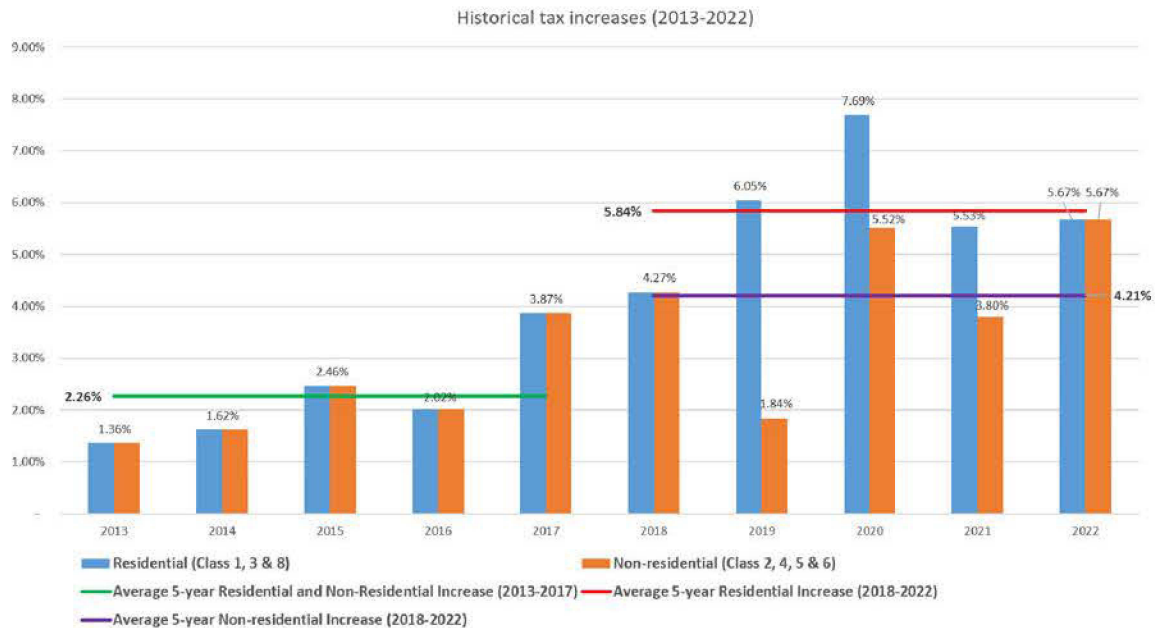
- Increase the cheapest pay parking rates from \$1/hr to \$2/hr. This could generate around \$9.5M in additional revenue, assuming parking usage/behaviour remains the same.
- Increase the Congestion and Curbside Management Permit fee, which is a fee charged on each ride hailing trip that picks up or drops off within the Metro core from 7am to 7pm. Currently the fee is \$0.15 to \$0.30; doubling this fee could generate around \$2M in additional revenue, assuming the number of ride hailing trips remains the same.
- Residential parking permit fees (outside of the west end) could be further increased, to be closer to market rates. West End permits have been increased in the past, but other areas are lower, relative to market rates. The cheapest permits are only \$50/year, which is significantly lower than the cost of renting a parking space within a building. A 10% increase could generate around \$100,000 in additional revenue and a 100% increase could generate around \$1M in additional revenue, assuming the number of permit holders remains the same.

### **3. What are the cost drivers for changes in property tax in the last 10 years? What's changed from historical increases of 2.0%-2.5% to current levels of 5.0%-7.0%? (Councillor Dominato and Mayor Sim)**

**From 2013 to 2017**, the City has seen an average property tax rate of 2.5%. The time from 2013-2017 followed on the financial crisis and was a period of economic recovery characterized by low inflation and the budget paralleled this environment. Wages were going up higher than



inflation. The City made a number of transformative changes through Vancouver Services Review (VSR) such as created shared services to standardize and reduce duplication, automation of processes and establishment of Supply chain management and Strategic procurement. The calculations of fees were updated to ensure fees were covering costs and not being subsidized by Property Taxes.



**From 2018-2022**, property tax has shown an increasing trend over the past 5 years, ranging from 4.3% to 7.0%. Wages were increasing above inflation. There were additional investments to address service gaps in public safety through additional staffing for the Vancouver Police Department and Vancouver Fire and Rescue Services, as part of the multi-year operational review implementation and to address the ongoing poisoned drug crisis through funding Fire medic 11, the Captain - strategic Health initiatives position and the Combined Overdoes Response team. Beginning with the 2019-2022 capital plan, Council approved an additional 1% property tax increase each year to fund infrastructure renewal as part of a long-term strategy to address the infrastructure deficit. Funding was provided to support the operating impact of new facilities that have been completed and now need to be operated and maintained on an ongoing basis as well as increased cost of services and staffing to achieve compliance with Living wage guidelines for staff and contracted services. In addition, investments were made to improve service levels and support improved street cleaning services to respond to increased demand, which includes litter pickup and street sweeping in the downtown core and tourist areas. There was growth in certain expenses at rates above CPI – public safety compensation costs and other fixed costs.

**Looking forward to 2023-2027**, If no adjustments are made, based on the City’s 5 year financial plan, Property tax increases are estimated to increase on average by 7% for the period 2023 to 2027 and utility rates are estimated to increase by 10% on average. The growth in property tax increases is mainly driven by the following factors:

- ~2% Public safety related costs such as funding for additional firefighters and police officers in the line with the original operational reviews for years 2024 to 2026 (not including the council motion for 100 officers and 100 nurses).
- ~1% additional funding for renewal and maintenance of infrastructure and public amenities to ensure they meet the needs of the public and remain in an appropriate state of good repair, as outlined in the 2023-2026 Capital Plan
- ~1% to build back the general stabilization reserve to a healthy level of 16% of non-utility revenue
- ~3% increased fixed cost funding across City services and risks around uncertain costs for the whole City

The City is focused on a multi-year strategic planning approach to enable a sustainable budget for future years whilst continuing towards long term efficiencies. The City must do this while considering the continued property tax pressures from the need to increase core City service like VPD and VFRS, additional funding for the renewal of infrastructure, increased operating costs to support increased assets, and the need to rebuild City reserves to healthy levels.

In addition, the City will continue to consider efficiencies and opportunities to increase revenues in order to achieve a property tax increase below 7% over the next few years, although service reductions may also be required to mitigate the indicated property tax increases. In January 2023, Council will have the opportunity to set priorities and its related financial impacts for the City with a multi-year and sustainable budgeting lens.

**5. What is the insurance Premiums breakdown and provide further detail on why it was so high? (Councillor Montague)**

Insurance premiums included in the 2023 Draft Current State Budget represents an overall increase of 12% in insurance premium rates. This increase is mainly driven by 10% increase for Property, Boiler & Maintenance, 28% increase to Liability premiums, 13% increase for Cyber Risk Insurance premiums. This translates to a \$0.8M increase from 2022 based on total insurance premium budget of ~\$7M as summarized below.

<b>Insurance premium budget (in \$ millions)</b>	<b>2022 Restated Budget</b>	<b>2023 Current State Budget</b>	<b>Net Change (\$)</b>	<b>Net Change (%)</b>
<i>Property &amp; Boiler and Maintenance</i>	\$ 5.80	\$ 6.39	\$ 0.59	10%
<i>Liability (incl AD&amp;D Volunteers &amp; Elected Officials)</i>	\$ 0.51	\$ 0.65	\$ 0.14	28%
<i>Cyber Risk Insurance</i>	\$ 0.18	\$ 0.20	\$ 0.02	13%
<i>Hull &amp; Machinery for Fireboats</i>	\$ 0.10	\$ 0.10	\$ 0.01	7%
<i>Hull &amp; Machinery for police boats</i>	\$ 0.03	\$ 0.04	\$ 0.01	26%
<b>Total Insurance Budget</b>	<b>\$ 6.61</b>	<b>\$ 7.38</b>	<b>\$ 0.77</b>	<b>12%</b>

\*excludes insurance for fleet vehicles

**6. Previous council had directed washrooms strategy, when that strategy might come to council and what they would look like? What the delay would look like if we don't earmark funds? (Councillor Boyle)**

Staff to provide an update to Council on the Access to Water & Washroom Strategy (response to Council Motion) in Q2 2023.

Currently emergency washroom access is funded through a UBCM Grant until end of July 2023, including Washroom Trailer Program and expanded hours/attendants at comfort stations (Victory Square/Main) and Pigeon Park Automated Public Toilet (APT). Staff will bring forward recommendations on any continuity considerations at the Q2 update.

**7. Why are some of the initiatives like the Dark horse project that were already approved by previous Council remain unfunded? (Councillor Kirby-Yung)**

The initial Darkhorse request was a five year plan from 2019-2023 for 122 positions over five years. While the previous Council had in principal accepted the need to increase staffing in VFRS, due to budget pressures from the pandemic, a portion of the 2021 plan and the 2022 plan were delayed. Overall, 55 of the 122 positions are not yet funded and approved. Given that staff presented the current state budget, only resources added in previous years are included i.e. of the 122 positions, 67 have been approved to date and are included in the current state.

The remaining 55 have been included as unfunded initiatives for 2023 as follows (and have been included in the 5 year financial plan):

Initiative Name	Initiative description and Service Impact	One Time or Ongoing	Total \$
<b>2021 - 2022 VFRS growth plan (33 postions)</b>	Darkhorse recomended 122 in a five year growth plan to address gaps in staffing for VFRS in 2019. 67 positions have been added in the last 5 years and 55 were deferred due to COVID- 19 and related budget pressures. 2022 VFRS growth plan (\$3.6M - 28 positions) and part of 2021 VFRS growth plan (\$0.7M - 5 positions) are pending from prior year budget approvals. In addition, VFRS was slated to recived 22 positions in 2023. The delay and deferral of the growth plan impacts response performance, inability to address risk exposure in under-served and growing parts of the city, and increases burnout.	Ongoing	\$ 4,270,000
<b>2023 VFRS Growth plan (22 positions)</b>	2023 VFRS Growth plan requires additional \$2.7M - 22 positions. Getting the additional suppression staff will help to address the ongoing overtime overspend and improve response performance.	Ongoing	\$ 2,700,000

**8. What is the list of neighbourhoods impacted if the initiative related to street cleaning is not funded? (Councillor Bligh)**

The affected area includes DTES and surrounding BIAs: Chinatown, Gastown, Yaletown, Hastings Crossing, Strathcona and Downtown Vancouver BIA. All these areas receive regular servicing on night shift, and the cost of this work is included in the ongoing 2022 street cleaning budget. The 2022 street cleaning budget also includes temporary funding for supplementary daytime cleaning of these areas. If this funding is not included again in 2023, these areas would lose the extra daytime service, which consists of the Feces Collection Pilot (grant program), Sanitation’s Enhanced Sidewalk Cleaning Pilot, mechanical flushing in DTES including Chinatown, and additional support for cleaning due to expanded patio program and in hotspot areas.



Breakdown:

- Feces Collection Pilot approx. \$100k.
- Sanitation Enhanced Cleaning Pilot approx. \$450k
- Sanitation daytime flushing and additional cleaning support for patios and hotspot response approx. \$120k

Partial funding can be used to restore parts of these programs above.

**9. For the 1% funding allocated for drug crisis, what are the initiatives and where is the budget for this allocated? (Councillor Montague)**

A 0.5% property tax increase was introduced in December 2016 to enhance funding supports for the City's opioid crisis by \$3.5 million. The \$3.5 million in funding is built into the city's base budget. Below is the allocation of funds starting in 2017, 2018, 2019 and 2020 budget onwards:

2017 Budget	2018 Budget	2019 Budget	2020 Budget and onwards	Opioid Response Initiative
2.1	2.0	2.0	2.0	Three-person medic unit in the Downtown Eastside and a mental health coordinator to support firefighters
0.4	0.4	0.4	0.4	Community Policing Centre (CPC) in Strathcona and additional funding for other CPCs across the city
1.0	-	-	-	One-time 23 high-impact community overdose response grants
-	0.7	0.1	0.2	Initial VPD Drug Containment Facility for safe and proper handling, and processing of drug exhibits and operating maintenance starting in 2019
-	0.3	0.3	0.3	Opioid crisis response resources
-	0.2	0.6	0.9	Micro Cleaning Grants in the Downtown Eastside
<b>\$ 3.5</b>	<b>\$ 3.5</b>	<b>\$ 3.5</b>	<b>\$ 3.8</b>	

There are many other areas of the city budget that continue to support response to the overdose crisis, although these costs can be difficult to fully measure because they are linked to mental health and other social issues.

## **B. Capital Plan**

### **1.a. What is the Gastown capital investment breakdown (Councillor Carr)?**

In response to Council's direction during the Capital Planning process, staff are prioritizing this important and urgent work in Gastown. The \$10 million capital budget will ensure both the immediate street repair needs are met and will advance the design for the permanent rehabilitation of Water Street and Maple Tree Square.

In 2023, the immediate street repair and restoration work in Gastown will begin (see table below). The public process for the permanent design of Water St and Maple Tree Square will be launched. In addition, a near term project with the Squamish Nation in connection to the removed Gassy Jack statue will be advanced and opportunities with the three Host Nations to enhance their visibility in the Gastown area will be scoped.

At the mid-term Capital Plan update in 2024, Council will be updated on progress and can determine what funds are needed to advance the work in the second half of the Capital Plan.

<b>Scope of work:</b>	<b>2023-2026 Capital Plan</b>	<b>2023 Capital Budget</b>	<b>Subsequent years</b>
Near term repairs & reconstruction at: <ul style="list-style-type: none"><li>• Trounce Alley Granite Rehab (Blood Alley Square to Carrall Street)</li><li>• Maple Tree Square interim roadway repairs and plaza refresh</li><li>• Targeted sidewalk repairs in Gastown area</li></ul>	\$4.5 million	\$4.5 million	nil
Projects to increase Host Nations visibility in the public realm	\$1.5 million	\$0.3 million	\$1.2 million
Water Street rehabilitation planning & design (consulting services for detailed design, archaeology, geotechnical studies, etc.)	\$4.0 million	\$1.0 million	\$3.0 million

### **1.b. Where does the \$35M from the motion that was passed related to Gastown Streets by the previous council, in the current budget? (Councillor Kirby-Yung)**

Currently, \$10 million for Gastown & Water Street has been included in the 2023-2026 Capital Plan. Once the permanent design progresses for Water Street and Maple Tree Square, staff will identify through the mid-term capital update (2024) if an initial phase of implementation can advance in the second half of the Capital Plan and what funding would be required to support this work. The 2023 capital budget includes \$5.8 million funding for ongoing design and construction work at Gastown and Water Street.

**2. NEU - We are forecasting approximately \$35M costs to the city over the next 4 years and it continues beyond 4 years and remains high. What is our current debt load associated with this project? (Councillor Klassen)**

NEU costs are recovered from rates charged to the NEU's customers and are not subsidized by the general tax levy. The NEU's rates are established to recover the system's cost over time, including a cost of capital, following a commercial utility model comparable to that used by regulated utilities like FortisBC or BC Hydro.

The City has invested approximately \$90 million in NEU capital up to and including the 2019-2022 Capital Plan with approximately \$70 million funded through debt and approximately \$20 million funded by external grants. Approximately \$56 million of debt remains outstanding at the conclusion of the 2019-2022 Capital Plan.

The 2023-2026 Capital Plan contemplates approximately \$40 million of additional NEU borrowing which represents ~5.4% of the \$735 million overall borrowing authority contemplated in the 2023-2026 Capital Plan. Plans for potential expansion of the NEU service area preserve flexibility for private sector investment in new renewable energy production to reduce City financing requirements associated with expansion.

**3. What are the projected child care spaces that we will expect to see through the capital plan? (Councillor Dominato)**

2019-2022 Capital Plan:

- 879 spaces approved/committed
  - 566 spaces for 0-4 year olds
  - 313 spaces of School Age Care (primarily through the School Age Care expansion Grant)
  
- Between 2019-22, 535 new City facilitated childcare spaces became operational.

Some major projects that are in-progress are: expanded Childcare spaces at Marpole Oakridge Community Centre, partnership projects with Vancouver School Board (David Lloyd George Elementary, Eric Hamber Secondary, Coal Harbor School, etc.), and other Childcare spaces at multiple locations (such as West Fraser Lands, Little Mountain Neighbourhood House, Oakridge Centre (in-kind delivered), etc

2023-2026 Capital Plan: The 2023-2026 Capital Plan includes various city-led and in-kind delivered projects aimed at renewing / expanding current childcare spaces or creating new spaces. The Capital Plan includes:

**Full day care (0-4 years):** The City delivers 0-4 childcare spaces either through city-led or in-kind delivered projects.

- In-kind projects: 253 new spaces (St Paul's hospital, 1444 Alberni Street, 427-477 West 49th Avenue, etc.)
- City-led projects: Total of net new ~375 spaces with major projects including:
  - Renewal and Expansion of spaces at Ray-Cam Community Centre



- New childcare spaces at various locations such as Vancouver Aquatic Centre, East Fraser Land Community Centre, West-End Centre, etc.
- Capital Grants to non-profit operators to support new ~100 spaces

### **Part-day Care (0-4 years)**

A total of 20 new spaces will be delivered through an in-kind project (St Paul's Hospital Phase 1)

### **School Age Care (5-12 years)**

A total of 65 new spaces are included in the 2023-26 Capital Plan, with major projects as follows (total \$3.3 M):

- Childcare at RayCam Community Centre: renewal & expansion of childcare spaces: Expansion from 55 existing spaces to 60 spaces (net new 5 spaces)
- Grants to support new school age (5-12) Partner spaces: 60 new Partner spaces

### **School Age Care (5-12 years)**

A total of 65 new spaces are included in the 2023-26 Capital Plan, with major projects as follows (total \$3.3 M):

- Childcare at RayCam Community Centre: renewal & expansion of childcare spaces: Expansion from 55 existing spaces to 60 spaces (net new 5 spaces)
- Grants to support new school age (5-12) Partner spaces: 60 new Partner spaces

### **Capital Plan – Projected Childcare Summary**

Program		New Full Day 0-4 Spaces	New Part Day 0-4 Spaces	New School Age Care Spaces	Total
City Led	Raycam CC	108		5	113
	EFL CC	74			74
	Urban Native Youth Centre	37			74
	Downtown South (Fire hall 8)	44			44
Developer (in-kind)	various	253	20		273
Conversion of part-day spaces to full day (0-4) care;	various	64			64
Grants to support new full day (0-4) Partner spaces;	various	37			100
Grants to support new school age (5-12) Partner spaces				60	60
<b>TOTAL</b>		<b>617</b>	<b>20</b>	<b>65</b>	<b>702</b>

In total, ~615 new spaces will be committed in the full-time 0-4 years category, and ~65 new School Age Care (5-12) spaces.

Two additional “potential” projects are identified in the 2023-26 Capital Plan:

- **West End Community Centre - 74 spaces (full time 0-4 years)**  
Design \$ allocated in this capital plan but will not begin construction until the next Capital Plan.
- **Vancouver Aquatic Centre Childcare – 74 spaces (full time 0-4 years)**  
Project is still undergoing feasibility and scoping.

#### **4. Reallocation of 220 Terminal modular housing in the Capital Plan. (Councillor Fry)**

The 220 Terminal Modular Pilot consists of 40 homes for low income tenants. The pilot project was constructed in 2017 to temporarily utilize a City site while the long term redevelopment is planned (which may include long term permanent housing). As a result, the building was intended to be relocated prior to the redevelopment of the City site. Staff are planning to relocate the modular building in 2025 to align with the current redevelopment timeline. Should the redevelopment timeline be extended, the relocation of the pilot project will be deferred. The capital budget includes the estimated capital cost for relocation. Other development costs, such as land and soft costs, will be funded from other capital budget line items.

## **C. Climate Change**

### **1. How much of the renewal investments already include climate initiatives (e.g., passive house standards when rebuilding and other co-benefits of other initiatives)**

The vast majority of renewal investments include climate initiatives. When the City renews its assets, climate change is almost always a consideration. New civic facilities, for example, are built to a low-carbon, high efficiency standard, which not only reduces carbon pollution but can also provide better indoor air quality, lower long-term energy usage, and avoid costly future retrofits. Replacement sewers are sized to accommodate the more intense rainfall events driven by climate change. Green infrastructure is often integrated to improve climate resilience (and also sequester carbon). The species of replacement street trees are selected with our future hotter, drier summers in mind. These climate considerations are important to ensure the City is future-ready and demonstrate climate leadership. But renewal projects alone are not sufficient for the City to meet its climate targets or to advance certain adaptation priorities (e.g., planning for sea level rise, or installing new trees in underserved neighbourhoods).

### **2. What are the impacts of cutting back on climate investments? (Councillor Boyle)**

When Council adopted the Climate Emergency Action Plan (CEAP) in 2020, staff included a financial framework. The financial framework estimated that roughly \$500M would need to be invested in climate action (specifically carbon reduction efforts) over the next five years (2021-2025) in order to put Vancouver on track to meet its 2030 targets. The financial framework estimated that the City's "business as usual" investment on climate action—based on the previous capital plan—was roughly ~\$270M over five years (including projects such as improving walking and cycling infrastructure and expanding EV charging). This left a \$230M "funding gap" over the next five years (i.e., there is not currently sufficient funding to hit our climate targets).

Vancouver is currently not on track to meet its climate targets, as reported last December in the 2021 CEAP Annual Report. Cutting funding would further exacerbate that. Council will receive the 2022 CEAP Annual Report in February and a staff briefing on climate is scheduled for January. Meanwhile, staff are investigating further gap-filling opportunities and will report back to Council later in 2023.

The City's Climate Change Adaptation Strategy (CCAS 2018) did not include CEAP-style investment projections. CCAS is expected to be updated in 2023; work will include the development of a financial framework with investment projections. However, it is anticipated a similar funding gap will exist, especially given the increasing urgency of adaptation. The National Adaptation Strategy released by the Federal Government last week also underscores the benefits of adaptation. The report estimates that every \$1 spent on adaptation measures can result in \$13-\$15 in total benefits. Further, climate change is expected to have the worst impacts on vulnerable populations—investing in adaptation measures now can help lessen those effects.

### **3. Could we include more information for each of the climate initiatives to be more public friendly? (e.g. what are we doing re: energy optimization) (Councillor Boyle)**

The capital budget is set up to describe the City's main service areas. As Climate is cross cutting it's not represented as a single service area. The City does provide this information as part of the annual Climate Emergency Action Plan annual report. In the 2023 Capital Budget proposal to Council, approximately \$60M has been allocated for projects that directly advance the Climate Emergency Action Plan and the Climate Change Adaptation Strategy. Of that, approximately \$30M focusses on CEAP carbon-reduction actions, both in the community and in City operations:

- replacing/repairing sidewalks, curb ramps, and signals for better access and walkability;
- improvements along bus priority routes to improve reliability, speed, bus shelter locations, and accessibility;
- targeted greenway improvements (e.g., Ontario Street, Seaside at Kits Beach Park, etc.);
- deployment of EV charging stations for the public and in rental buildings;
- supporting retrofits in homes through incentives and outreach;
- improving local green-building expertise through industry training programs;
- replacing City fleet vehicles with electric vehicles;
- retrofit of heating equipment in City facilities such as Queen Elizabeth Theatre (transition from natural-gas steam to electric heat pump); the Kerrisdale seniors centre and pool (where the new systems will harness waste heat from the pool to heat the rest of the buildings); and retrofit of three non-market housing sites to enable cooling (Granville Residence, Kingsway Residence, and Gresham Residence).
- Some CEAP actions also have secondary adaptation benefits (in particular, installing cooling in non-market housing).

Approximately \$20M focusses on actions that advance both CEAP (mitigation) and CCAS (adaptation) actions (e.g., both mitigation and adaptation), largely through parks and green infrastructure projects that improve our resilience and also sequester carbon emissions:

- converting park land to natural habitats;
- tree trenches to improve urban canopy and help capture and slow rainwater near the future Main and Arbutus subway stations;
- various green infrastructure improvements near Still Creek, the Jericho pump station, St George Greenway, Alberta St/Columbia St, Bute Greenway Plaza, etc.

Approximately \$10M focusses on CCAS climate-adaptation actions in City operations that, in turn, make us more resilient and able to maintain service levels to the community:

- repairing the Seawall and assessing it for future vulnerability so we can prioritize upgrades;
- planning for flood protection and drainage for better future flood resilience;
- installing new water meters;
- reducing potable water usage in park water features; and
- deploying water fountains for public access, especially during heat events.

In addition to the above, there are a number of projects in the capital budget that are primarily driven by other objectives (e.g., asset renewal, regulatory compliance) but provide secondary or indirect climate mitigation and/or adaptation benefits. Replacing a sewer pipe, for example, is driven by the need to replace aging infrastructure but the replacement pipe is sized to accommodate more intense rainfall caused by climate change.

The diagram depicts these projects as sitting outside the policy frameworks of CEAP and CCAS. In this way, much of the City's work includes climate as a consideration, but this does not replace the direct impacts of targeted actions within CEAP and CCAS.



#### **4. Detail on retrofits and how many civic buildings already have cool/heat to provide safe places during weather events. (Councillor Carr)**

The City has been demonstrating leadership with its facilities. To date, roughly 100 out of the City's 640 buildings have undergone targeted energy retrofits. This has resulted in a 27% reduction in carbon pollution compared to 2008.

In the 2022 capital budget, \$2M was allocated to help accelerate the addition of cooling, clean air and GHG reduction at key public facing facilities. This funding has been used to complete feasibility studies for retrofits at six public-facing facilities, including:

- Libraries (Renfrew and Kitsilano)
- Community Centers (Kitsilano, Kensington, and False Creek)
- Social Operations Center (Carnegie)

For 2023, detailed design and construction document development will be undertaken for the Renfrew Library and the Carnegie Centre site. Tender and construction will be advanced at one of the mentioned sites.

The Energy Optimization Program for the 2023 Capital Budget will facilitate contract award for:

- Kerrisdale Community Center (including the pool and seniors center): replacing the gas fired boilers and modifying the heating systems to heat the buildings with waste heat from the pool plus air source heat pumps;
- Queen Elizabeth Theatre: natural gas steam to heat pump heat conversation and chiller replacement; and
- Addition of cooling to three non-market housing sites: Granville Residence, Kingsway Residence and Gresham Residence.

Current retrofit projects related to cooling/heating that are either in progress or completed (Energy Optimization Program 2019-2022 Capital Plan) include:

- New rooftop unit for heating/cooling at the Vancouver Police Department Annex building, which is more energy efficient and reduces GHG emissions;
- Replacement of the natural gas fired boilers at Kitsilano Pool with an electric heat pump;
- Replacement of the natural gas fired boilers at Bloedel Conservatory with an electric heat pump; and

- Replacement of the natural gas fired boilers at New Continental Residence with an electric heat pump.

In terms of cooling spaces in civic facilities, 20 community centres and 19 libraries operated cooling rooms during the summer of 2022. The number of cooling spaces in community centres increased by 30% compared to 2021. The expansion of cooling centres targeted neighbourhoods based on several factors including concentration of emergency room visits during the 2021 heat events, areas of Vancouver with higher afternoon temperature, and areas of higher social and/or material deprivation. The City also operates several warming centres in various neighbourhoods.

## **5. Detail on public realm electrification (power kiosks for the film industry). Why are we investing only \$800K. (Councillor Carr)**

Over the 2019-2022 period, revenue from film permits contributed \$1.2M to the Public Realm Electrification Program (PREP). This funding has been allocated to install 7 film kiosks at three locations:

- Pacific & Carrall (3 kiosks): In final stages of commissioning and expected to be in service in early 2023
- The Crescent (2 kiosks): Design has been completed and awaiting start of implementation (target for completion by mid-2023)
- 5300 East Blvd. (2 kiosks): Currently in scoping stage, to assess financial feasibility. The installation would include co-located food truck power and public e-bike stations
- Note: An additional two film kiosks were completed at the Vancouver Art Gallery Plaza, prior to the PREP Program.

It is anticipated that a total of \$1.6M will be allocated for the installation of film power kiosks from the collected film and permit fees. For the 2023 capital budget, \$800,000 has been allocated to continue moving ahead with installing kiosks. As part of the PREP program, staff review film generator use data to help select the 2-3 priority areas for the following year; the team is currently working on identifying the highest priority areas for late 2023 and early 2024.

It is important to note that power requirements to support film charging stations is significantly higher than other public realm electrification uses, and so film kiosk locations require more in-depth site investigation and coordination with BC Hydro to determine their feasibility.

## **6. Could we get a summary of all the funding going towards initiatives that mitigate climate change (Councillor Carr)?**

In the 2023 Capital Budget proposal to Council, approximately \$50M has been allocated for projects that directly advance the Climate Emergency Action Plan, both in the community and in City operations.

These projects include:

Replacing/repairing sidewalk, curb ramps, and signals for better access and walkability;

Improvements along bus priority routes to improve reliability, speed, bus shelter locations, and accessibility;

- Targeted greenway improvements (e.g., Ontario Street, Seaside at Kits Beach Park);
- Deployment of EV charging stations for the public and in rental buildings;
- Supporting retrofits in homes through incentives and outreach;
- Improving local green-building expertise through industry training programs;
- Converting park land to carbon-sequestering natural habitats;



- Tree trenches for urban canopy and rainwater management near the future Main and Arbutus subway stations;
- Various green infrastructure improvements near Still Creek, the Jericho pump station, St George Greenway, Alberta St/Columbia St, Bute Greenway Plaza, etc.
- Replacing City fleet vehicles with electric vehicles;
- Retrofit of heating equipment in City facilities such as Queen Elizabeth Theatre (transition from natural-gas steam to electric heat pump); the Kerrisdale seniors centre and pool (where the new systems will harness waste heat from the pool to heat the rest of the buildings); and retrofit of three non-market housing sites to enable cooling (Granville Residence, Kingsway Residence, and Gresham Residence).

In addition to the above, there are a number of projects in the capital budget that are primarily driven by other objectives (e.g., asset renewal, regulatory compliance) but also provide secondary or indirect climate mitigation benefits. Replacing an aging civic facility with a new energy-efficient building is one such example that is driven by the need for asset renewal but has a secondary benefit of reducing emissions.

**7. Is there funding in the budget for EV charging infrastructure for those who don't have access or live in rental buildings that have EV charging stations? (Councillor Meiszner)**

Yes. The work to deploy an EV public-charging network specifically addresses those without home/rental access to charging. The EV Public Charging Network (\$4.25M over 4 years of the 2023-2026 capital plan) will provide an additional 12 Fast Chargers and 26 Level-2 chargers.

There is an additional \$0.5M annually (\$2M over 4 years) to fund public neighbourhood-level charging pilots (examples of this include lightpole-integrated chargers, charging at neighbourhood locations with underutilized overnight parking, such as places of worship, schools, etc.). This also includes City systems and process improvement to speed up processing for cord cover licence applications.

***More information about this budget can be found on Page C-11 of the Operating and Capital Budget document***

**8. Last year council made a decision to add an additional 1% property tax to fund climate change where is this in the current state budget? (Councillor Bligh)**

In December 2021, Council approved \$9M (equivalent to 1% in property tax funds) to further accelerate action on climate change in 2022, with a commitment that the total capital budget related to climate mitigation does not fall below \$9M/yr in property tax funding in future years. This Climate Emergency Action Dedicated Funding (CEADF) was disbursed amongst top-priority 2022 capital and operating projects (see table below).

The proposed 2023 Capital Budget includes approximately \$50M in investments that support the Climate Emergency Action Plan, which is similar to amounts committed in previous years.

## 2022 CEADF-Funded Capital/Operating Projects

CAPITAL - \$8.2M	Funding	YTD Spend	Forecast/Commit	YTD Outcomes/Milestones	Work to be Completed
<p><b><u>Building Retrofits/Cool/Air</u></b></p> <p>Libraries and Recreation Facilities retrofit to facilitate GHG reduction. Retrofit will also improve air quality and add cooling to these facilities.</p>	2,000,000	131,655	1,868,345	<p>In 2022:</p> <ul style="list-style-type: none"> <li>• 6 public facing facilities were identified and assessed (feasibility studies completed)                             <ul style="list-style-type: none"> <li>o Libraries (Renfrew and Kitsilano)</li> <li>o Community Centers (Kitsilano, Kensington, and False Creek)</li> <li>o Social Operations Center (Carnegie)</li> </ul> </li> </ul>	<p>In 2023</p> <ul style="list-style-type: none"> <li>• Detailed design and construction document development will be undertaken for the Renfrew Library and the Carnegie Centre sites</li> <li>• Tender, construction to be advanced at one of aforementioned sites</li> </ul>
<p><b><u>COV EV Fleet &amp; COV EV Infrastructure</u></b></p> <p>This funding will support the design and install of 82 level 2 charging stations, 4 DCFC charging stations, and additional electrical infrastructure future proofing work to support the transition of the City fleet to electric vehicles.</p>	2,000,000	573,180	1,426,820	<p>The climate funding fits into the overall EV charging program implemented by the fleet team. Accomplished work to date includes:</p> <p>Level 2 Chargers:</p> <ul style="list-style-type: none"> <li>- 8 at Evans</li> <li>- 5 at National</li> <li>- 1 at Manitoba</li> </ul> <p>DCFC Chargers:</p> <ul style="list-style-type: none"> <li>- 2 at Manitoba</li> </ul>	<p>Asset installation delays in 2022 incurred due to supply chain delays. Installations planned for 2023.</p>
<p><b><u>Public EV Infrastructure</u></b></p> <p>Program aims to deliver approximately 13-15 Level 2 charging stations.</p>	500,000	-	500,000	<p>Team installed 19 level two stations installed in 2022 as part of larger EV Infrastructure program. Costs are funded from both CEADF funding + Baseline Curbside Electrical Program</p>	<p>Q1 2023 targeting 13-15 level 2 stations with funding out of CEADF funding.</p>
<p><b><u>Transit Priority Corridor</u></b></p> <p>Program aims to improve bus travel times and reliability on various corridors or spot improvements.</p>	500,000	-	500,000	<p>Team installed 7 interim bulbs in 2022 and 4 temp bulbs in 2020 as part of the larger transit priority program. Future work involves:</p> <ol style="list-style-type: none"> <li>1) Bus bulbs on Commercial Dr - planning and design phase</li> <li>2) Bus bulbs on West 4th Ave - partially implemented</li> <li>3) Feasibility study for streetcar - commencing 2023</li> </ol>	<p>2023 primarily focused on streetcar study and bus priority on Commercial Drive</p>
<p><b><u>Slow Streets</u></b></p> <p>Program aims to slow down cars in targeted neighbourhoods, thereby making walking and cycling safer. 42 location improvements are targeted (barriers and signage). Signage and paint improvements at 38 schools</p>	350,000	-	350,000	<p>School improvements complete. Design and procurement completed for updates signage and barriers at 42 locations. Implementation underway. Completion anticipated by end of Q1 2023</p>	<p>Implementation of upgrades at 42 locations is underway and anticipated completion is in Q1 2023.</p>

<b>CAPITAL - \$8.2M</b>	<b>Funding</b>	<b>YTD Spend</b>	<b>Forecast/Commit</b>	<b>YTD Outcomes/Milestones</b>	<b>Work to be Completed</b>
<b>Walking &amp; Cycling-School</b> Program aims to provide new, expanded and improved walking, cycling, rolling infrastructure with a focus on schools. 16 locations/intersections identified for targeted work on curb ramps, sidewalks, and infrastructure improvement.	1,000,000	455,422	544,578	80% design work complete on 16 locations. total work entails (estimated): -2 curbs -11 ramps, -3 sidewalk sections -1 crosswalk -5 larger intersection upgrades -60k worth of survey work.	Contractor engaged and expected to implement all location in 2023.
<b>Big Move 6 Quick Starts</b> Suite of quick-start projects to develop carbon sequestration potential through restoration of natural areas in the City.	850,000	334,980	515,020	9 natural asset-related programs, including green infrastructure, planting and wetland restoration at locations across the city. Examples include Woodland/2nd Ave, Still Creek, and Lost Lagoon.	Implementation underway at all locations; some projects expected to extend into 2023.
<b>Urban Forest</b> Focus in 2022 is on tree-planting in hardscaped areas of downtown. This involves stump removal and subsequent planting in existing pits, and creation of new pits, particularly in the DTES.	500,000	119,883	380,117	Contracted hydro-vac and a stump removal team to remove stumps; planting into cut-outs as well as planting into new pits being created by Engineering in the 300 and 700 block of East Hastings. The costs associated with this and other tree planting in low canopy heat island areas as follows:  - \$250k for removal of stumps from cut-outs in low-canopy hyper-urbanized areas - \$175k for planting in the cut-outs that were stumped this year - \$25k for tree planting in new cut-outs on 300 and 700 block of East Hastings - \$50k residual for carry-forward to 2023	Contractor engaged and implementing at all locations now into 2023.
<b>Tree Pits</b> Program aims to install tree pits as part of sidewalk rehab work to improve shaded areas across the City.	500,000	-	500,000	-At the end of 2022, 34 new tree pits would have been installed on 600, 700 and 800 E Hastings and 1200 E Pender, as well as sidewalk rehab work adjacent to the new tree pits. Parks will be planting new trees at the end of November.	Estimated 185k of tree pits to be installed in 2023. Proposed location of new tree pits in the DTES and other vulnerable low tree canopy areas are currently being scoped and design will start in early 2023.
<b>Total</b>	<b>8,200,000</b>	<b>1,615,119</b>	<b>6,584,881</b>		



<b>Operating \$0.8M</b>	<b>Budget/ Funding</b>	<b>YTD Spend</b>	<b>Forecast/ Commit</b>	<b>Update</b>
<b>Parks Board Climate Manager</b>	150,000	-	150,000	Hiring scheduled for early 2023
<b>Climate Operating Contingency</b>	500,000	408,000	92,000	Funding allocated to emergent Climate Contingency priority projects: heat-response projects and planning work for green infrastructure in 2022
<b>Slow Streets Maintenance</b>	150,000	150,000	-	Funding used for ongoing maintenance of temporary barriers along 40km of Slow Streets.
<b>Total</b>	<b>800,000</b>	<b>558,000</b>	<b>242,000</b>	

## 9. Do we have funding to build more bike infrastructure? (e.g. Portside, Powell) (Councillor Dominato)

Greenways are high quality active transportation, recreation & public space corridors that support walking, biking, and rolling for people of all ages and abilities and identities. Staff are planning to improve the city's greenways through a mixture of major corridor improvements and minor spot improvements. The first major corridor improvement of the Capital Plan is the Portside Greenway. Staff are determining the second major corridor, reviewing feasibility of the East Side Crosscut Greenway or Kent Ave Greenway for the second half of the plan. Minor spot improvements may occur along any city greenway.

### Projects initiated in prior Capital Plans which will be delivered in 2023-2026 Capital Plan period:

- **Arbutus Greenway / King Edward** – \$2M to be spent (total project budget \$2M)  
Intersection improvements to improve safety for all users at King Edward
- **Granville Bridge Interim Connector** – \$16 M to be spent (total project budget 19M)  
Separated bike and pedestrian facilities and improvements and connections
- **Bute Greenway Phase 1** – \$1.4M to be spent (total project budget \$1.4M)  
Greenway portion through permanent Bute-Robson plaza

**2023-2026 Funding:** Active Transportation and Complete Streets Program - **\$38.4 M**  
(includes improvements on greenways and other active transportation improvements on corridors across the city)

- **Portside Greenway - \$0.3M in 2023**  
\$10 M allocated in capital plan to implement initial 3 km scope. 2023 focus on scoping, engagement and planning with construction scheduled for 2024-2025.
- **East Side Crosscut Greenway – approximately \$0.2M in 2023**  
Additional scoping work needed to determine specified funding allocation. Staff plan to implement an interim connection (primarily wayfinding) between Hastings St to Central Valley Greenway.
- **Kent Ave Greenway**  
Additional scoping work needed to determine specified funding allocation. Flood impact studies required prior to finalizing greenway alignment.

**2023-2026 Funding:** West End Public Space and Transportation Improvements - **\$10M** (improvements on commercial streets (ex. Davie and Robson) and spot improvements in the West End.)

- **Bute Greenway Phase 2 – \$1 M funding in 2023-2026 Capital Plan**  
Design and implementation of second phase of implementation, scoping cost sharing and coordination with adjacent projects.

**Additional Funding:**

Staff will continue to seek additional third party funding (e.g. TransLink competitive cost sharing programs, the Province’s Active Transportation Grant). If successful, staff will seek approval from Council to increase the capital plan for additional greenway projects.

**Questions from the November 21st, 2022 Briefing:**

**1. What is the framework for the Public Washrooms Strategy when can we expect that strategy be brought back so it can be incorporated?**

Currently, the City-wide Washroom Strategy is being lead by ACCS. The 2023 draft current state budget does not include funding for Public Washroom Strategy. Additional information will be provided in the report back to council in Q2 2023

The longer-term project has evolved from ‘Human Rights Water and Washroom Strategy’ to a comprehensive strategy with recommendations, which will come to Council before Q2/Q3 2023.

In the future, there are lots of areas to explore in the Washroom Strategy operations/capital that may impact our departments depending on approach we take. For example:

- ENG – Public Spaces, Road Right of Ways, Translink/Transportation locations
- PDS – CAC Policy, Business Districts
- Parks – Washroom/Park Resident Program. Community Centres
- ACCS – Social Operations Community Centres, Washroom Programs.

Furthermore, Parks and Recreation has its own washroom strategy that is being led by Park Board, but delivered through REFM. Linked [here](#)

Some of the recommendations that are already underway includes:

**New Washrooms & Fieldhouses, multi-year budget of \$3.5M (Carry Forward from 2019-2022 Capital Plan)**

- Columbia Park New Washroom Facility
- Tisdall Park New Washroom Facility
- Coopers Park New Washroom Facility
- Smithe & Richards Washroom Security
- West Fraser Lands Washroom/Fieldhouse

Renewals Washrooms & Fieldhouses Reno, multi-year budget for 2019-2022 Capital plan  
\$5.15M (carry-forward)

- VanDusen Glass House Deconstruction (complete)
- Winona Park
- Granville Park
- 2nd Beach
- Collinwood Park
- Van Tech Washroom (complete)
- Park Washrooms Accessibility Upgrades – various locations
- Crab Park

**2. How does each capital project have an operating impact? Report on the strategy on how capital affects operating.**

The operating budget provides funding for capital projects and programs, for example, pay as you go funding for renewal capital projects that are funded from property taxes or utility fees. The operating budget provides funding for debt interest and principal repayment, as well as funding for reserves for future capital replacements, such as fleet vehicles.

The capital projects, once complete, also impact the City's operating budget. In some cases, capital investment can help reduce operating cost, such as using energy-efficient LED street lights to replace incandescent lights. An estimate of the savings would be built into the business case for those capital investments, and incorporated into the annual operating budget and 5 year plan. For capital projects that result in creation of a net new City asset, there are typically ongoing costs required to operate the asset. For example, a new library would require ongoing funds for additional staffing, as well as ongoing operational costs such as heating, electricity and janitorial costs. These costs are identified as part of the capital project business case, and are reviewed as part of the annual budget process.

Usually on an average \$5-6 million annually is earmarked for operating impacts, but the actual operating budget request is determined by project schedule and completion which can vary due to various internal and external factors.

**Cost Drivers**

Following are the various cost drivers used to determine operating impacts corresponding to different type of assets:

City or In-Kind delivered Facilities (Childcare, Community Facilities, Library, etc.):

- Maintenance Costs: Includes costs to maintain the facilities such as janitorial, utilities, supplies, etc. Determined using a fixed maintenance rate (~\$10 per sq. foot)
- Staffing Costs: Includes ongoing full-time or part-time staff required to operate the facility (administration, security, facility specific staff, etc.)
- Start-up Costs: Includes one-time costs required to make the facilities ready to use (furniture and equipment, supplies, cleaning, etc.)

Parks: The type of cost drivers required to maintain and operate a newly constructed or upgraded Parks is similar to Facilities costs. However, maintenance costs for Parks include additional activities such as leaf picking, irrigation, mowing, etc.



Other Assets (new Greenway/Bikeway, Street Lighting, Street Activities, etc): The operating budget request includes costs for ongoing maintenance and repairs.

### **Funding Sources**

Depending on the type of capital projects, operating impacts would be funded through the following sources:

- Property Tax: Capital projects related to upgrade or new infrastructure/amenities (Housing, Childcare, Community Facilities, Sewer – Drainage and Public Safety) are funded through Property Tax.
- Utility Rates: Capital projects related to upgrade or new infrastructure/amenities (Water, Sewer – Sanitary component, and Solid Waste & NEU) are funded through the respective Utility Rates.

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,



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