

VANCOUVER BUDGET 2022

BUILDING THE BUDGET



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Vancouver
British Columbia**

For the Fiscal Year Beginning

January 01, 2021

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Executive Director

The Government Finance Officers Association (GFOA) of the United States and Canada presented a Distinguished Budget Presentation Award to the City of Vancouver, British Columbia for its annual budget for the fiscal year beginning January 1, 2021.

The Distinguished Budget Presentation Award encourages and assists local governments to prepare budget documents of the very highest quality that reflect best practices guidelines. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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Purpose of the document

The purpose of this document is to provide information regarding the City of Vancouver's 2022 Budget, five-year financial plan and departmental service plans. This comprehensive budget document includes the 2022 Operating Budget, the Property Endowment Fund operating budget, the Capital Budget and the Consolidated Budget.

Based on Council's approval of the 2022 Budget, City staff have the authority to proceed with operating and capital expenditures to manage the timely delivery of quality core services to the public. The budget is important in fostering and maintaining public accountability and transparency by providing detailed information on budgets by revenue and cost category, funding sources and services. The City's budget process has been developed to ensure revenue and expenditures are managed comprehensively, with fiscal responsibility and transparency, in a manner that ensures the City is achieving value for money and using staff resources efficiently.



FISCAL RESPONSIBILITY

Vancouver, like other Canadian cities, offers a broad range of services but has limited revenue sources. The City adheres to prudent fiscal stewardship with careful financial planning that balances short-term operating needs with long-term infrastructure and amenity requirements. The City's financial planning process is guided by a set of financial sustainability guiding principles and financial health targets.

Financial sustainability guiding principles

Fiscal prudence

- Live within our means
- Consider long-term implications in all decisions
- Maintain a stable and predictable revenue stream
- Keep debt at a manageable level
- Build in flexibility and contingencies for emerging priorities and opportunities

Affordability and cost-effectiveness

- Deliver services that are relevant and result in desired public outcomes
- Ensure value for money through productivity and innovation
- Keep property tax and user fees affordable and competitive

Asset management

- Maintain assets in a state of good repair
- Optimize operating and capital investments to meet public and economic needs while achieving value for the investment

Funding strategy for capital investments

The City funds capital investments from a range of sources (who pays) using a balanced mix of payment methods (when to pay). Throughout the four years, the Capital Plan will be updated as additional funds are secured to undertake emerging priority work.

Funding sources

- **Property tax and user fees** — Operating revenues (e.g., property tax, water and sewer fees, parking revenue) typically fund most capital renewal work.

- **Development contributions** — Consistent with the City's Financing Growth Policy, new and expanded infrastructure and amenities to support growth are funded in part through development contributions such as Development Cost Levies (DCLs), voluntary Community Amenity Contributions (CACs), density bonus contributions and utility connection charges.
- CACs are voluntary public benefit contributions offered by a rezoning applicant to address the impacts of rezoning. Allocation of CACs by the City is generally guided by community plans and public benefit strategies, and applicable Council and Board strategies in areas such as housing, childcare, community facilities and heritage. CACs typically come in two forms: in-kind amenities and cash contributions.
- **Partner contributions** — The City receives funding from provincial and federal governments, from TransLink for road work, and from non-profit agencies, foundations and philanthropists, particularly in the area of affordable housing.

Payment methods

- **Pay in advance** — The City sets aside current revenues and other funding in capital reserves to fund future capital investments.
- **Pay-as-you-go** — The City uses current revenues, user fees and other sources to fund capital investments to ensure residents and businesses contribute on an ongoing basis, and to preserve the City's borrowing capacity for significant, large-scale capital investments that are too costly to be funded on a pay-as-you-go basis.
- **Pay over time** — Like most major Canadian cities and senior levels of government, the City uses debt to finance capital investments. This allows payment to be made over a longer time frame and enables residents and businesses that benefit from the capital investments to participate in paying for them over time. When used strategically, and within best practices for responsible borrowing, debt financing allows the City to continue to renew its infrastructure and amenities on a regular basis while maintaining its fiscal health.

The City takes a very careful approach to its use of debt, funding repayment over 10 years while ensuring a balanced operating budget. The City's consistently strong credit ratings and favourable borrowing rates reflect this careful approach.

Long-term financial plan

When developing its long-term financial plan, the City has maintained a commitment to strong financial discipline and continued management of debt to ensure that capital investments will not unduly burden the Operating Budget through debt servicing, operating costs and asset lifecycle costs. Both Moody's and Standard & Poor's credit rating agencies have acknowledged the City's efforts by awarding it with the highest credit rating (Aaa/AAA).

Keep debt at a manageable level

The City determines its long-term borrowing capacity by limiting the ratio of annual debt servicing to operating revenue at a maximum of 10%. This is to ensure that the City does not accumulate debt at unacceptable levels, and that annual debt servicing does not put undue pressure on the annual budget. As part of the long-term debt management strategy, the Water utility has transitioned its infrastructure lifecycle replacement programs from debt financing to pay-as-you-go. A similar strategy is being undertaken with the Sewer utility. This will help lower the City's overall debt and save interest costs over the long term. Looking ahead, the City will continue to explore opportunities, where appropriate, to optimize capital investments through balancing pay-as-you-go and debt financing to improve the City's long-term debt profile and maintain its credit ratings.

When developing its long-term financial plan, the City has maintained a commitment to strong financial discipline and continued management of debt.

The total net external debt outstanding at the end of 2020 was \$595.9 million, comprising \$1,054.6 million of gross debt outstanding, less \$458.7 million of Sinking Fund reserves. The following table shows principal and interest commitments as of that date:

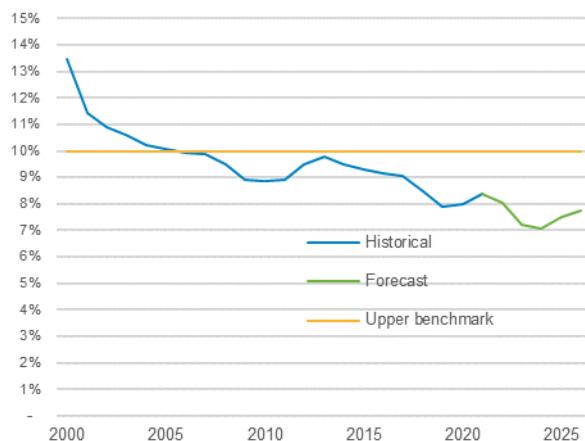
<i>\$ millions</i>	Principal	Interest	Total
2021	\$140.7	\$32.0	\$172.7
2022	\$0.7	\$27.1	\$27.8
2023	\$110.8	\$27.1	\$137.9
2024	\$105.8	\$23.0	\$128.8
2025	\$90.8	\$19.7	\$110.5
2026 & thereafter	\$582.9	\$242.2	\$825.1
Unamortized premium	\$22.9	(\$22.9)	\$ -
Overall	\$1,054.6	\$348.2	\$1,402.8

Note: Debentures are issued for Capital Fund expenditures. Principal payments or Sinking Fund instalments and interest payments are budgeted through the Revenue Fund.

Financial health indicators

For long-term financial planning purposes, the City tracks a number of metrics to provide an indication of its financial health and long-term borrowing capacity, which informs both the operating and capital planning process. Following are two key financial health metrics and trends:

Debt service as percentage of operating revenue



Net debt per capita (2021 \$)



In developing the City's Capital Plan, a key constraining factor is the impact on the operating budget and property tax. It is expected that the Capital Plan will continue to grow over the next decade to renew the City's aging infrastructure and amenities.

The projected growth in net debt per capita reflects a thoughtful, gradual increase in both operating and capital investments to renew and upgrade the City's infrastructure and amenities. The trajectory could reverse should future Councils choose to transition more capital work from debt financing to pay-as-you-go sooner. Lowering debt financing would achieve long-term interest savings but result in higher property tax, utility rates and fee impacts during transition years. The City will continue to monitor and adjust its financial strategy to strike a balance between debt financing and pay-as-you-go.

Maintain strong credit ratings and access to low borrowing costs

The City's strong credit ratings (Aaa/AAA) are among the best for Canadian cities and are supported by a diverse economy and a strong and stable tax base. Continued management of debt within target levels is critical to maintaining the City's credit ratings. A strong credit rating reflects the City's prudent financial management and its capacity to adjust to changes in the economic environment. It is estimated that long-term borrowing costs would increase by 3 to 5 basis points for each level of downgrade, or approximately \$0.5 million in additional interest over the term of each \$100-million debenture issue.

Keep property tax and fees affordable and competitive

The growing need for asset renewal and new infrastructure and amenities to support growth will put further pressure on the City's budget. Understanding the long-term impacts on tax and fee payers arising from both the City's operating and capital investment decisions, including debt servicing, ongoing operating costs and asset lifecycle costs, is a key consideration in developing the City's Capital Plan.

Maintain assets in a state of good repair

Maintaining core infrastructure and amenities in a state of good repair is critical to the City's long-term financial health and resilience, and helps ensure asset management obligations are not deferred and infrastructure deficits do not accumulate to unacceptable levels — one of the key factors that credit rating agencies consider as part of rating reviews. The City has developed service-centric facilities asset management, which ensures that the City's core service needs inform long- and short-term decisions for new and existing facilities, including redevelopment, retrofits, and level of investment in capital maintenance.

Optimize facilities investments

Before adding new facilities, the City will consider optimizing partnerships with other levels of government, non-profits and private partners as well as repurposing and right-sizing existing facilities, and will continue to pursue co-location and functional integration of services to enhance customer service and operational efficiency. All new facilities will be designed with flexible, adaptable and expandable spaces to accommodate changing demographics and future growth.

Economic fallout from COVID-19

The pandemic has posed a significant financial strain on the City, Vancouver's business community, non-profit partners and residents. Extensive work was undertaken in 2020 to recalibrate the Capital Plan to reflect the fiscal reality while maintaining a keen focus on maintaining the City's infrastructure and amenities in a state of good repair as well as to advance Council priorities on the Climate Emergency Response, equity and resilience.

Recalibration of the Capital Plan was guided by the following funding principles:

- Preserve the limited property tax funding to maintain infrastructure and amenities in a state of good repair, and explore cost savings opportunities (target of approximately 5% of cost) through transformation, value engineering and scope reduction.
- Align growth-related projects with pace of development, and explore opportunities to defer or phase growth-related capital work to reflect the anticipated decline in development contributions.
- Continue to leverage senior government infrastructure funding and other partnership opportunities.

Through a comprehensive review of the major programs and projects across all service categories, approximately \$288 million worth of City-led capital work was identified for scaling back and/or deferral to future Capital Plans, and approximately \$16 million worth of capital investment was added to generate significant ongoing budget savings in future years.

While deferring some work components to future years will address the City's short-term funding challenges, this will put further pressure on the next few Capital Plans because of the growing need to renew aging infrastructure and amenities, a rapidly expanding asset base, and the uncertainty of the pace of post-COVID-19 economic recovery. The City is actively exploring transformative ways to deliver the capital programs and projects, with the main goal to lower both upfront and ongoing costs while achieving similar outcomes to create capacity and long-term savings.

Municipal finance reform

Local governments and their representative organizations, the Federation of Canadian Municipalities (FCM) and Union of BC Municipalities (UBCM), have noted for over a decade that the current municipal funding model and the overreliance on property taxes are neither sustainable nor resilient.

The COVID-19 pandemic has highlighted the fragility of the current model and elevated the need for a thorough review and reform of how infrastructure, public amenities and services should be funded in the future. Municipalities across Canada have experienced significant financial strain as a result of the shutdown and the uncertainty of the pace of recovery for the next 12 to 24 months. As noted in an [FCM](#) report calling on the federal government for financial assistance, "This crisis exposes the cracks in an outdated model that is fundamentally misaligned with the modern reality of the role of local governments."

To deliver their expanded mandates, local governments need appropriate funding sources that are sustainable, predictable and reliable. Consideration should also be given to address the evolving economic activities (e.g., e-commerce, sharing economy) that rely less and less on bricks-and-mortar businesses, on which property taxes are based. As part of the COVID-19 recovery, restart and rebuild program, City staff will continue to work with the FCM, UBCM and Metro Vancouver municipalities to explore additional funding tools that are appropriate and necessary to fund the broad spectrum of critical infrastructure, public amenities and services to support economic growth and the health and well-being of those who live or work in Vancouver.

In August 2021, UBCM released the report [*Ensuring Local Government Financial Resiliency: Today's Recovery and Tomorrow's New Economy*](#). The report provides 20 recommendations under two broad categories:

- Moving Forward: Building on Strong Fiscal Futures and Preparing for the New Economy
- Addressing Cost Drivers: Attainable Housing, Community Safety and Climate Change

The report also recognizes that none of these challenges can be addressed by any level of government individually, and solutions must be anchored in shared provincial/local government goals, objectives and priorities. City staff have committed to working with Metro Vancouver, UBCM and the provincial government to address these challenges.

Having a resilient funding framework for local governments that aligns appropriate revenue sources with programs and services will ensure critical priorities are addressed in a cohesive fashion to rebuild the City's economy and create a more equitable society.

Financial policies

Balanced budget

Under legislation, the City must prepare a balanced operating budget where expenditures are equal to revenues.

Basis of financial reporting

The City's annual financial statements are prepared using the accrual method as prescribed by the Public Sector Accounting Board (PSAB) under generally accepted accounting principles (GAAP). The accrual method recognizes revenues as they are earned and expenditures as they are incurred, not when cash is received or paid.

Basis of budgeting

The City budgets its funds on a cash basis to include capital additions, debt transactions and transfers and to exclude depreciation. Upon consolidation, adjustments are made to present the City's consolidated budget on an accrual basis consistent with the presentation of the annual financial statements.

Long-term planning

Operating — The City has a five-year financial planning framework that is based on a set of financial sustainability guiding principles and financial health targets. The framework is used to guide the allocation of resources needed to fund annual and multi-year budgets. The framework helps achieve long-term goals, ongoing financial sustainability and resilience, balanced operating forecasts, and alignment with Council and Board (Park, Library, Police) priorities.

Capital — The City has a broad range of long-term plans and service strategies (e.g., community plans and public benefit strategies, Housing Vancouver, Transportation 2040) that span 10-25 years. These plans and strategies serve to guide the City's 10-year Capital Strategic Outlook, which presents the long-term vision with regard to strategic capital investments in critical infrastructure and amenities. It provides the foundation for the City's long-term service and financial planning.

The City also has a four-year Capital Plan that establishes the financial and debt capacity in addition to the funding strategy for the capital investment priorities over the course of the plan. It informs the City's short-term service and financial planning, striking a strategic balance with the City's need to maintain critical assets in a state of good repair, enhance its network of infrastructure and amenities to support growth and economic development, and advance Council, Board and community priorities within the City's long-term financial capacity.

Revenue

The City estimates revenues conservatively, maintaining a stable and diverse mix of funding sources to support services. It is current Council policy that fees and charges be established either on the basis of the cost of providing the associated services or at market level where the service is provided in a market environment.

Expenditures

Operating expenditures are budgeted not to exceed revenues. The City uses an enterprise resource planning system to report and monitor expenditures against the budget on a monthly basis. Quarterly financial updates are posted on the City's website.

Cash and investment

The City seeks to make investments that preserve principal in its portfolio while obtaining liquidity to meet anticipated cash flow needs. The portfolio is structured to maximize a rate of return that is consistent with fiscal prudence and liquidity requirements.

Awards and recognition

As a result of the budgeting practices previously mentioned, the City has been recognized by numerous external organizations.

In 2021, the Government Finance Officers Association, an association for public sector finance professionals, named Vancouver as a recipient of the Distinguished Budget Presentation Award. The award recognizes organizations whose budget documents explain complex information in a clear and engaging way.

The City's strong financial management practices have also been acknowledged by credit rating agencies, including Moody's and Standard & Poor's, with the highest rating of Aaa/AAA. Vancouver also received one of the top rankings among Canadian municipalities of A+ in the C.D. Howe Institute's 2020 municipal fiscal accountability report card.



ECONOMIC CONTEXT

A resilient economy fosters dynamic businesses and sustainable employment, and helps attract and retain professionals, families and individuals to live and work in our city. When developing the short- and mid-term financial plan, the City considers national, regional and local economic factors. Understanding these constantly changing factors allows the City to manage near-term risks and uncertainties while planning for long-term financial resilience and sustainability.

While the effects of the pandemic resulted in a significant drop in economic activity in 2020, a strong recovery in 2021 and 2022 is expected to bring economic activity in Metro Vancouver to higher than pre-COVID-19 levels. In 2020, Metro Vancouver real GDP fell by 4.0% from 2019 as a result of COVID-19. In 2021, real GDP is forecast to grow by 7.0%, exceeding pre-COVID-19 levels. By 2022, Metro Vancouver real GDP will exceed 2019 levels by an estimated 4.1%. In their respective 2021 budgets, both the provincial and federal governments project that real GDP growth in 2021 and 2022 will more than offset revenues due to COVID-19, although different sectors of the economy will experience different recovery paths, and some activities, such as daily commuting for office work, may see permanent shifts.

The Consumer Price Index (CPI) for Metro Vancouver increased by 0.6% in 2020, and is forecast to increase by 2.4% in 2021 and 2.3% in 2022, for an average of 1.8% since 2019. As of September, inflation for BC as a whole increased by 3.5% from the previous September, which is a higher level of inflation than has been seen in a number of years. However, some components of inflation are expected to be transitory. The increase in inflation in 2021 and 2022 is driven mainly by energy, metal and food price increases due to growth in commodity raw material prices in industries such as the petrochemical, metal, semiconductor and agriculture industries. There have been supply chain disruptions that sent industrial production and distribution costs soaring, such as the February 2021 storm in Texas that affected electricity supply and forced refineries and businesses to shut down. Shortages of shipping containers, due to unloading congestion at ports and strong restocking demand, sent container freight rates to a historic level to bring products manufactured in Asia to North America. Additionally, the re-opening of the economy increases demand of products and services, which generates additional underlying inflation pressures.

Construction materials such as lumber, cement and concrete have seen considerable price increases year over year and continue to look to be firming as construction and housing remain heated markets. Products used heavily by the City, such as PVC pipes and fittings or electrical conduit, have been scarce in the market with increased prices due to shortages of raw material resins used for their production. Other high-use products, such as ductile iron and copper pipes and fittings, electrical supplies, wire and cabling, waterworks brass fittings, mechanical

couplings and steel street lighting poles, are anticipated to have price increases associated with inflation in international metal prices.

In line with the above economic recovery scenarios, the City of Vancouver 2022 Budget and Five-Year Financial Plan revenue projections assume that revenues linked to economic activity, such as parking and recreation, will recover to 2020 budget levels by 2022. However, there is still uncertainty about the recovery of tourism and office work that may result in continued impacts to these revenue streams. Revenues will be monitored throughout 2022, and reserves have been set aside for potential revenue risks.



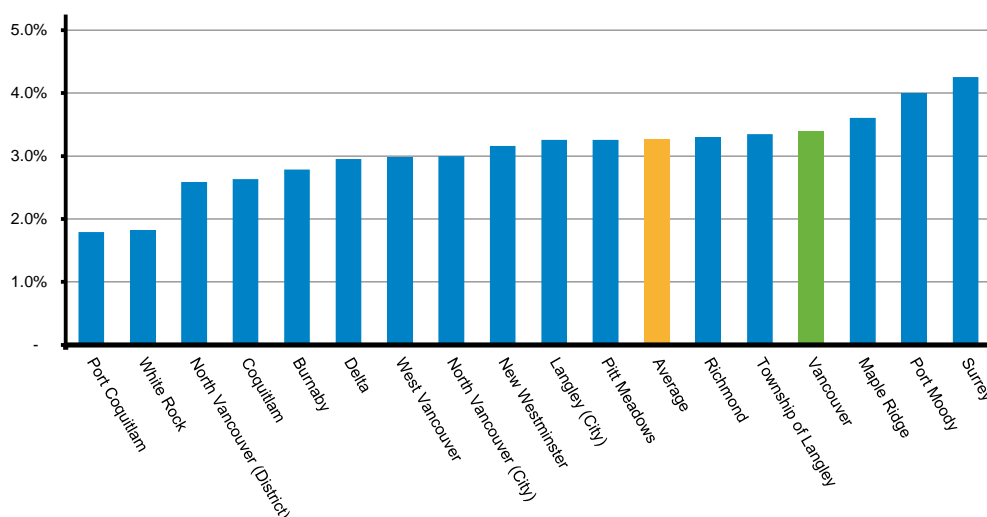
COMPETITIVE PROPERTY TAXES AND FEES FOR BUSINESSES AND RESIDENTS

To enable a thriving business environment and build a world-class, sustainable community, the City strives to balance the affordability and competitiveness of property taxes, utility fees and user fees while sustaining the breadth and quality of infrastructure, public amenities and services for businesses and residents. While more businesses and residents add to the city's economic and social vitality, the City needs to address the growing demand for services as well as partner with senior levels of government to resolve housing, mental health, public safety, and other emerging priorities such as climate emergency response, seismic protection, equity and resilience.

When developing the mid- to long-term financial and capital plans and the annual budget, the City carefully considers the impact of property taxes, utility fees and user fees on businesses and residents. Within the limited financial capacity, the City has made significant progress in advancing Council and Board priorities, transforming the way services are delivered, maintaining or increasing the breadth and quality of services, and demonstrating leadership as a sustainable and livable city.

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 2022 Budget includes fixed cost increases to maintain the existing service levels, new investments to address risks and service gaps, and potential new investments to advance Council priorities. The property tax impact of each of these items is discussed in the Operating Budget section.

Property taxes

The City's property taxes fund approximately 58% of the Operating Budget. The City also collects taxes on behalf of other taxing authorities, including the provincial government (regular school tax as well as the additional school tax on homes valued above \$3 million), TransLink, BC Assessment, Metro Vancouver, and the Municipal Finance Authority of BC.

About half the property tax paid by Vancouver taxpayers goes toward funding City services, while the other half goes to provincial and regional taxing authorities to fund regional services, schools, transit, and property assessment services.

Municipal property tax

The City does not generate higher property tax revenue as a result of rising property values, as the total tax levy to be collected is determined by Vancouver City Council as part of the annual budget. To establish the City's tax rates, Vancouver City Council divides the tax levy by the assessment base provided by BC Assessment for each property class. Under this approach, property tax increases are driven by the City's funding requirement to support the annual budget, not by rising property values.

The City does not generate higher property tax revenues as a result of rising property values.

When comparing municipal property taxes and fees across Metro Vancouver municipalities, it is important to keep in mind that Council priorities and community expectations vary across municipalities. As such, property taxes and fees may vary from city to city in order to support the provision of a desired level of services, infrastructure and amenities, and to address unique challenges faced by individual municipalities.

Similar to other major Canadian cities, the City of Vancouver has assumed a leading role within the region in economic development, innovation, livability, equity, resilience and climate emergency response. The City has also become increasingly active in addressing needs that fall within the traditional mandate of senior levels of government. In this regard, significant investments have been made in public safety and emergency response, affordable housing,

social services, mental health and addictions, childcare, and other services that serve both the city and the Metro Vancouver region.

The City has also been a leader in supporting community partners through financial and in-kind contributions. In 2020, the City contributed approximately \$98 million in the form of property tax exemptions and grants to healthcare and educational institutions and to charitable and not-for-profit organizations — equivalent to \$141 per capita.

Municipalities interact directly with businesses and residents on a daily basis, and they are front and centre in providing much-needed services to the public in partnership with senior levels of government. With growing responsibilities, the City needs appropriate funding sources that are sustainable, predictable and reliable. Consideration should also be given to address the evolving economic activities (e.g., e-commerce, sharing economy) that rely less and less on bricks-and-mortar businesses, on which property taxes are based. The City will continue to work in collaboration with the Federation of Canadian Municipalities, the Union of British Columbia Municipalities (UBCM), Metro Vancouver municipalities and the provincial government to modernize the municipal funding framework and explore additional appropriate funding tools to address growing and evolving demands for public services at the municipal level as well as core infrastructure and amenities that support the local, regional and nation-wide economy and the health and well-being of those who live or work in Vancouver.

Over the past decade, the City enhanced its network of amenities and infrastructure in the areas of housing, community services and public safety, and it has invested in core infrastructure such as sewer separation and renewal and upgrading of transportation infrastructure for walking, cycling and driving.

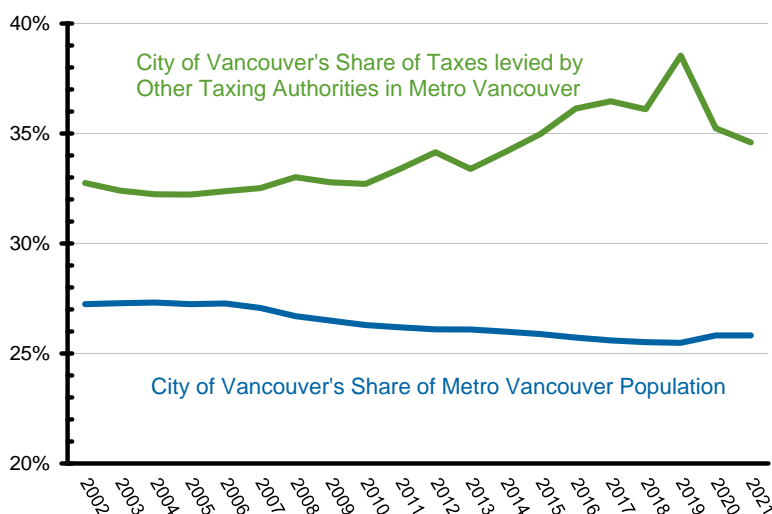
Looking ahead, the growing need for asset renewal and new infrastructure and amenities to support growth, as well as the need to support critical environmental sustainability investments, will put further pressure on the City's budget.

Other taxing authorities

Over the last decade, property taxes levied by the provincial government and regional taxing authorities to fund regional services, schools, transit and property assessment services have increased substantially. Vancouver City Council has no control over how much other taxing authorities charge or how they distribute those levies across the region. As property values in Vancouver continue to be higher than those in other Metro Vancouver municipalities, the amount of provincial and regional property taxes paid by Vancouver businesses and residents is typically higher than those in the rest of the region.

The following chart illustrates that Vancouver's share of property taxes levied by other taxing authorities has been increasing, while its share of population within Metro Vancouver has been slightly decreasing over the past decade.

City of Vancouver's share of taxes levied by other taxing authorities vs. the City's share of Metro Vancouver population

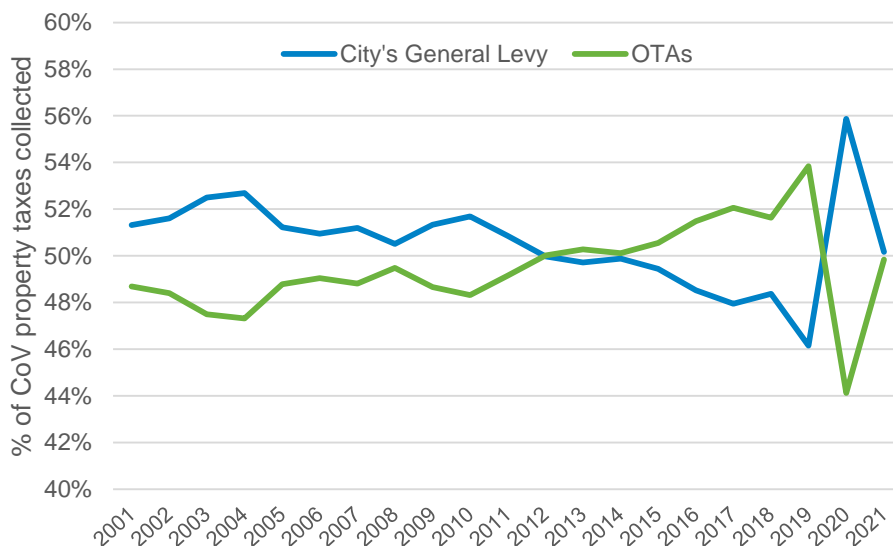


The implementation of the additional school tax on high-valued residential properties, which applied a tax rate of 0.2% on property values between \$3 million and \$4 million and 0.4% on property values over \$4 million, generated \$72 million in Vancouver in 2021, compared with \$68 million in 2020, which represents almost half of the additional school tax revenue across BC.

In April 2020, the provincial government effected a number of tax relief measures to address the economic impacts of the pandemic. In particular, the school tax rates were lowered for all industrial, business and recreation/non-profit properties to achieve approximately 25% reduction in the total tax bill. Given the relatively high average property assessments in the city, Vancouver businesses benefited significantly from this measure during this challenging economic environment.

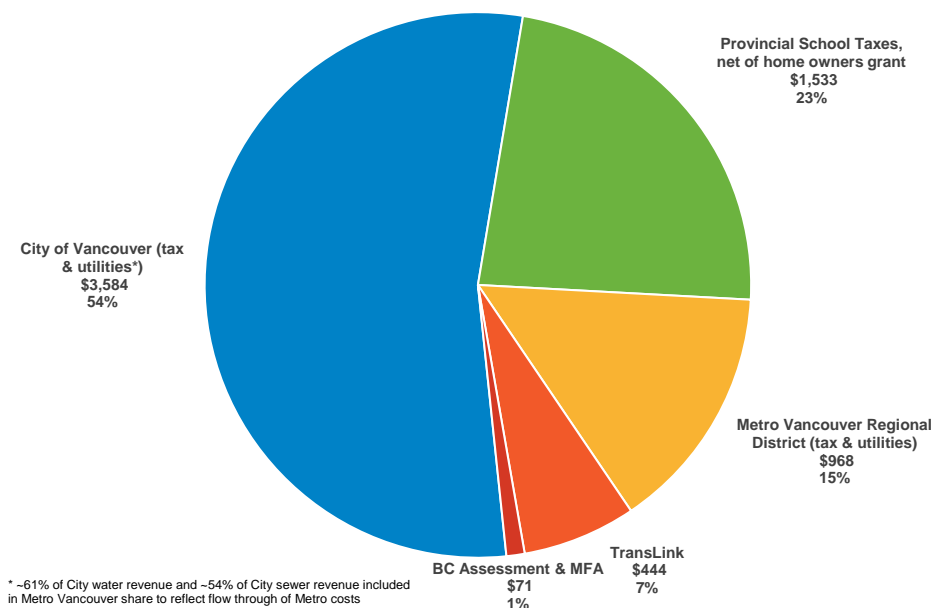
The following chart presents the relative share of the City's general levy and other taxing authorities (OTA). It demonstrates that the OTA share had increased significantly over the last decade, including the introduction of the additional school tax in 2019. The trend reversed in 2020 due to the above-mentioned one-time school tax relief. The provincial government did not extend this tax relief in 2021, and as such, the OTA share increased from 44% to 50% of the overall tax levies.

Proportion of property taxes collected for the City's general levy vs. other taxing authorities



As presented in the chart that follows, the levies from other taxing authorities, including the charges from Metro Vancouver related to the provision of their component of water and sewer services, represent approximately 46% of the taxes and fees for a median single-family home.

2021 Distribution of Taxes and Fees for Median Single-Family Home



Note: The annual home owner grant threshold can change the distribution of taxes for the median single-family home. In 2021, the median single-family home could qualify for a grant of \$125, compared with \$360 in 2020.

Businesses

Over the past decade, Vancouver City Council twice engaged the Property Tax Policy Review Commission to review the impact of property tax on businesses. In 2007, the commission recommended shifting \$23.8 million in property taxes from non-residential to residential property classes at a rate of 1% of tax levy per year to achieve a target distribution of 52% residential and 48% non-residential. It also recommended holding the target tax share for five years unless the business tax differential between the City and its neighbouring municipalities widened considerably, or the balance of business investment tilted away from Vancouver to other parts of Metro Vancouver. The program was completed in 2012.

In 2013, Vancouver City Council reconvened the commission to provide an updated assessment of the City's property tax policy. In 2014, the commission concluded there was no evidence of an increasing business tax differential between Vancouver and other Metro Vancouver municipalities or of business investment moving from Vancouver to neighbouring municipalities. As a result, the commission recommended no change to the tax share for business property classes and recommended the use of metrics to help guide future tax distribution decisions.

In 2019, Council approved a 2% tax shift (\$15.8 million) from non-residential to residential properties over three years, at a rate of 1% in 2019, 0.5% in 2020 and 0.5% in 2021.

In BC, real estate properties are assessed by BC Assessment at their highest and best use (or full market value) in accordance with the Assessment Act, and property taxes are allocated to individual properties based on those values. For underdeveloped properties, the unrealized development potential could result in significant property tax implications.

This issue has become more acute given the active commercial real estate activities experienced in Metro Vancouver in recent years. It is extremely challenging for independent small businesses, as well as the arts, culture and non-profit sectors, to afford the high rents and taxes and still remain viable in their neighbourhoods. Despite the uncertainty in the real estate market and anticipated slight retreat in property values in recent months, the cumulative impact over the past years has been significant.

Through triple net leases, landlords pass on the entire tax burden to tenants. This results in tenants having to pay taxes on the space they rent as well as taxes on the development potential. While tenants shoulder the entire tax burden, only property owners benefit from the increase in market value upon rezoning, redevelopment or sale of the property.

Even though the City does not generate higher tax revenue as a result of rising property values, differential assessment increases for individual properties could shift the tax burden from one property to another in any given year.

Prior to 2015, the City used *across-the-board, three-year land assessment averaging*, which had been in effect since 1993. Since 2015, the City has used *targeted three-year averaging* to provide short-term relief to "hot" properties (defined as those that have experienced significant year-over-year increases in property values above the "threshold" set by Vancouver City

Council) as recommended by the commission in 2014. In 2019, the City transitioned from three-year to five-year averaging.

To date, Vancouver is the only municipality in BC that uses averaging to phase in significant assessment increases at a city-wide level. For residential properties, this program complements other provincial tax relief measures, such as property tax deferment and the home owner grant. For commercial properties, however, targeted averaging is the only mitigation currently available.

It is important to note that the affordability challenge arising from real estate speculation is a regional issue impacting most Metro Vancouver municipalities, not just Vancouver. Given the limited authority and policy tools available to municipalities to address property assessment and taxation issues, Vancouver City Council submitted a written request to the provincial government in February 2018 to initiate an intergovernmental working group to:

- Address assessment and classification issues relating to development potential
- Identify viable policy options to support small businesses

An Intergovernmental Working Group (IWG) was established in November 2018, with support from Metro Vancouver in a July 2018 letter and an endorsement from the Union of BC Municipalities in September 2018, to identify viable policy tools to provide targeted and time-limited tax relief to properties that are impacted by development potential. The IWG is composed of:

- Senior staff from the Ministry of Municipal Affairs and Housing and the Ministry of Finance
- Senior staff from BC Assessment
- Chief Financial Officers (CFOs) and designates from a subgroup of Metro Vancouver municipalities delegated by Metro Vancouver Regional CFOs

Based on policy analysis, the IWG submitted a set of written recommendations to the provincial government, the most impactful being **split assessment through a new commercial subclass**. This approach allows the splitting of the “development potential” value from the “existing use” value for underdeveloped properties that meet certain eligibility criteria, and capturing the “development potential” value in the new commercial subclass.

With the new commercial subclass, municipalities could:

- Define eligibility criteria for split assessment
- Set a lower tax rate on “development potential”
- Limit the duration of such relief

There is strong support for split assessment through a new commercial subclass from the business, art, culture and non-profit sectors as:

- It provides the most targeted approach to address the taxation impacts arising from development potential.

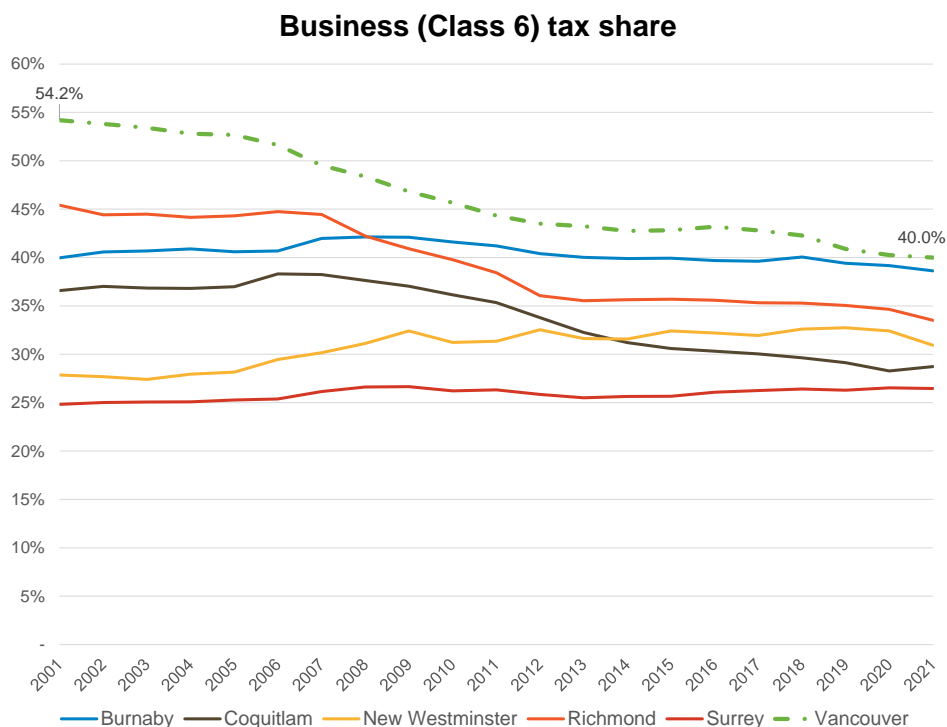
- It offers a common platform for municipalities while allowing for a high degree of flexibility, scalability and customization. Municipalities decide whether they want to apply the tool, and they determine eligibility requirements, tax rates and the duration of tax relief by by-laws.

In spring 2020, the provincial government enacted the Interim Business Property Tax Relief Exemption legislation; however, the interim solution does not address the core issue of development potential. This legislation poses significant implementation challenges:

- The timing of the legislation does not allow sufficient time to engage stakeholders in a meaningful way, or to put processes in place to implement the legislation.
- The data required to address the criteria of the legislation is not readily available.
- There could be unintended consequences such as businesses receiving tax relief for the wrong reasons, and struggling businesses and organizations ending up paying higher taxes.

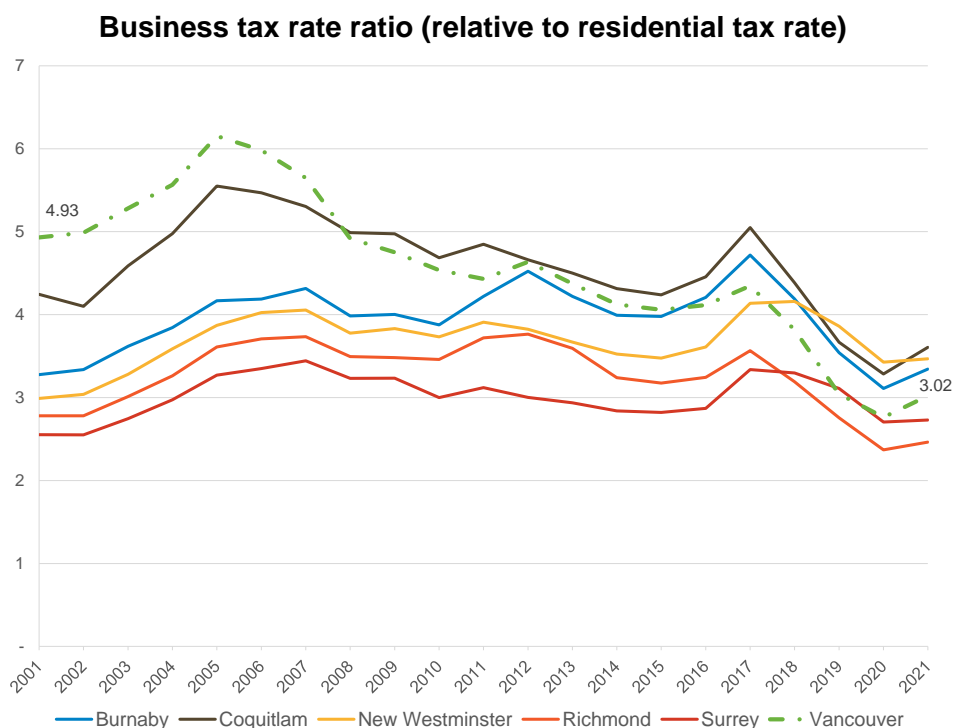
To date, there has been no uptake from any Metro Vancouver municipalities.

The following charts compare Vancouver with other Metro Vancouver municipalities that have substantial commercial sections — Burnaby, Coquitlam, New Westminister, Richmond and Surrey.



Source: www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden

As a result of tax shift decisions made by consecutive Vancouver City Councils over the last two decades, including the most recent program to shift 2% of overall municipal general purpose tax levy (up to \$15.8 million) from non-residential to residential property classes over three years starting 2019, Vancouver's business tax share has substantially decreased from 54.2% in 2001 to 40.0% in 2021, and its business tax rate ratio has improved — from 4.9 in 2001 to 3.0 in 2021.



Source: www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/tax-rates-tax-burden

It is important to note that market forces beyond Vancouver City Council's control impact the tax rate ratio. For instance, if the value of residential property appreciates at a much faster pace than that of non-residential property, the tax rate ratio will increase even though the business tax share is decreasing. As such, it could be misleading to rely on the tax rate ratio alone to gauge tax equity among property classes without considering other complementary metrics.

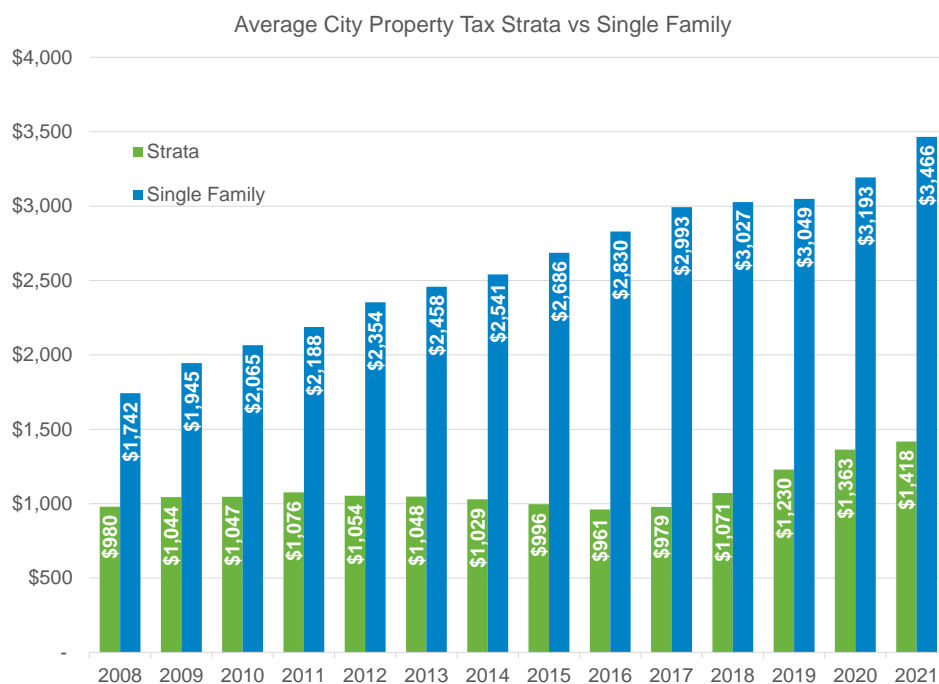
Residents

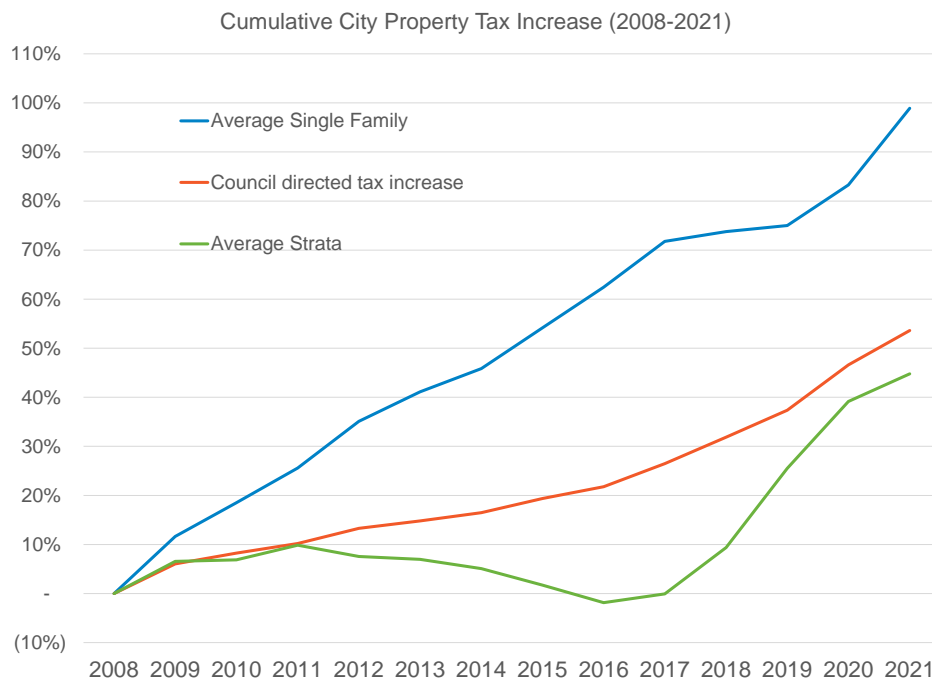
In 2021, approximately 41% of residential properties in Vancouver are single-family homes, approximately 55% are strata units, and the remaining 4% are other forms of residential housing.

While the Council-directed property tax increase applies to the overall tax levy, the extent of change, year over year, in an individual property's tax is determined primarily by how that property's assessed value has changed relative to the average change within its property class. Properties with a higher increase in value relative to the average change of their class could experience a much higher increase in property tax beyond the Council-directed increase, while

properties with a lower increase in value could experience no change or a reduction in property tax.

The following chart shows how the differential increase in assessed values impacts property tax across different residential property types. As the value of single-family homes had increased at a much faster pace than that of strata condominiums in most of the last decade, single-family homes had experienced a rise in property tax above the Council-directed increase, while strata condominiums had experienced a much lower increase, and at times a reduction, in property tax.



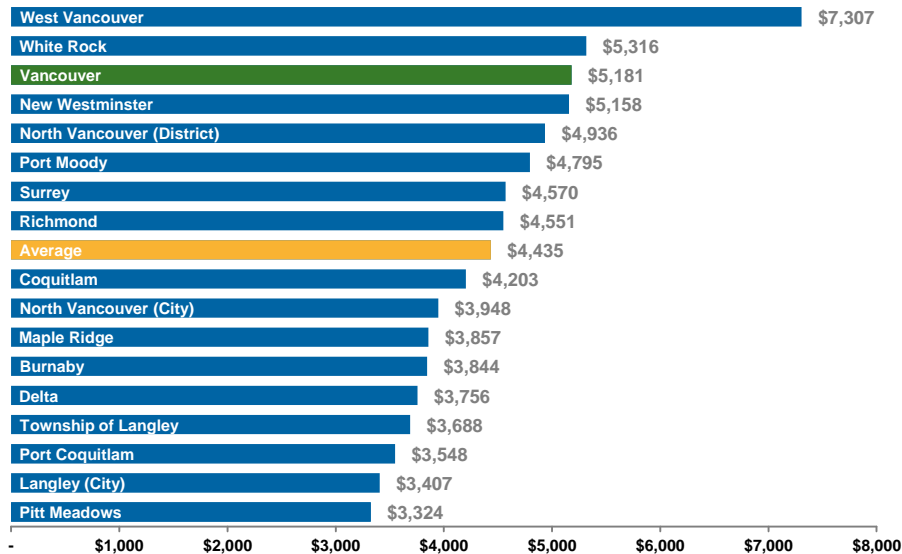


In addition to the City's targeted averaging program, the following provincial tax relief measures are also available to residential property owners and can be applied independently or in combination to alleviate some taxation impact.

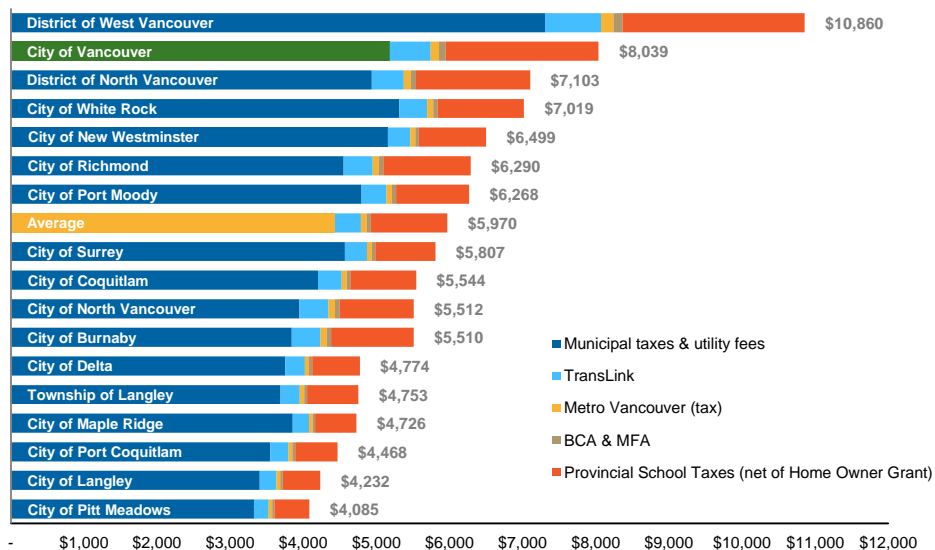
- **Assessment Act s19(8)** — Available to property owners who have continuously occupied their principal residence for at least 10 years. If eligible, and assessment is based on current zoning rather than anticipated zoning or development potential.
- **Property tax deferment** — Available to property owners 55 years of age or older who occupy their principal residence. Also available for families with children under 18 years of age.
- **Home owner grant** — Available to property owners occupying their principal residence, as long as the value falls within the qualifying range.

The following charts compare the 2021 property taxes and utility fees for an **average** single-family home in Vancouver with those in other Metro Vancouver municipalities.

2021 COMBINED MUNICIPAL PROPERTY TAX AND UTILITY FEES FOR
THE AVERAGE SINGLE-FAMILY HOME (\$)

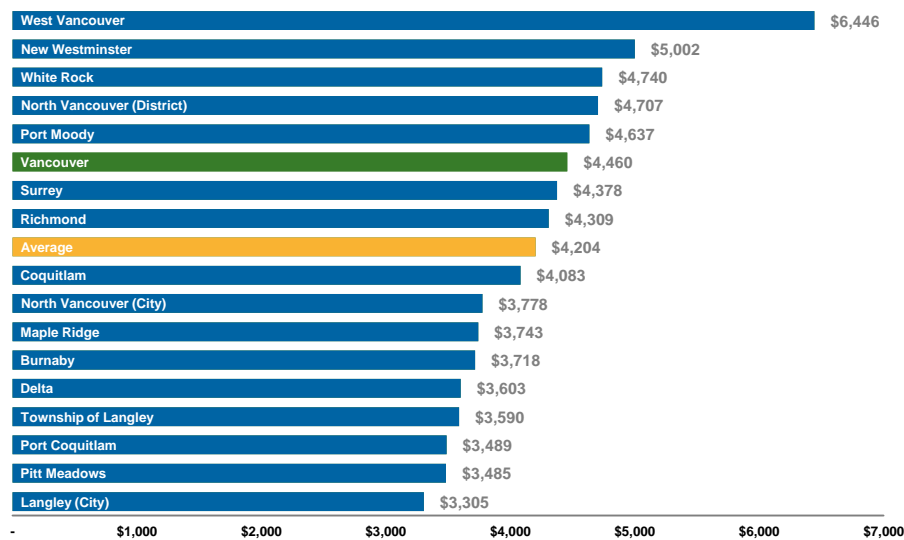


2021 COMBINED PROPERTY TAX AND UTILITY FEES, INCLUDING OTAs FOR
AVERAGE SINGLE-FAMILY HOME (\$)

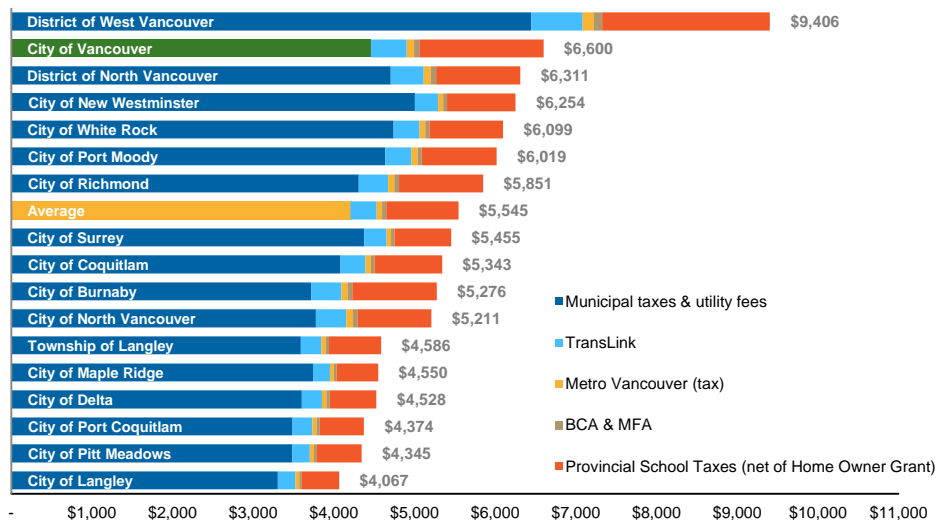


The following charts compare the 2021 property taxes and utility fees for a **median** single-family home in Vancouver with those in other Metro Vancouver municipalities.

2021 COMBINED MUNICIPAL PROPERTY TAX AND UTILITY FEES FOR
MEDIAN SINGLE-FAMILY HOME (\$)



2021 COMBINED PROPERTY TAX AND UTILITY FEES, INCLUDING OTAs
FOR MEDIAN SINGLE-FAMILY HOME (\$)



Utility fees

The City collects utility fees to fund water, sewer and solid waste services, accounting for approximately 20% of the City's annual Operating Budget.

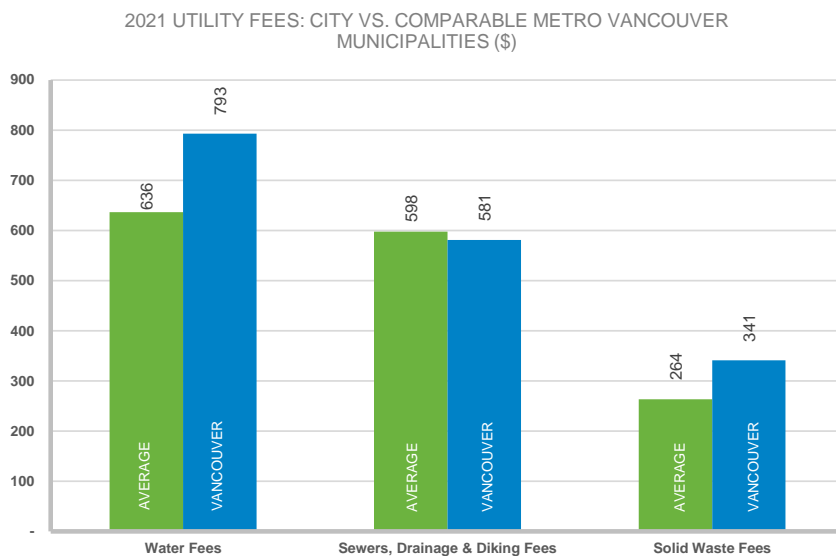
Approximately 45% of the utility budget represents water and sewer charges levied by Metro Vancouver, while the remaining 55% represents a combination of the City's capital maintenance, renewal and operation of the utility infrastructure.

As part of the City's long-term debt management strategy, the Water utility has transitioned its infrastructure lifecycle replacement programs from debt financing to pay-as-you-go to help lower the City's overall debt and save interest costs over the long term. The rates include investments that support the Greenest City Action Plan through the ongoing water conservation program.

In 2015, the Sewer utility introduced a modest level of pay-as-you-go funding. The transition from debt financing to pay-as-you-go is accelerating in the 2019-2022 Capital Plan, and the pace of transition will depend in part on the fee increases passed on from Metro Vancouver and the overall fee impact on businesses and residents. The ongoing infrastructure renewal program, which includes sewer separation as well as construction of the future secondary treatment plant at Iona Island, will continue to put upward pressure on future sewer rates.

The chart that follows compares the City's utility fees with the average charges in comparable Metro Vancouver municipalities. Overall, the City's aggregate utility fees are \$1,819, which is above average charges of \$1,498 across most Metro Vancouver municipalities. Comparison by utility type reflects the following:

- **Water** — The City continues to renew aging water infrastructure and delivers a water conservation program in support of the Greenest City Action Plan and the One Water approach.
- **Sewer and Drainage** — The City continues advancing sewer renewal and separation work, and will integrate climate change forecasts and future planning with the Rain City Strategy and the One Water approach to amplify the outcomes of investments made.
- **Solid Waste** — Solid waste services and service levels can vary significantly between municipalities. In addition to garbage and Green Bin services, the City's Solid Waste utility recovers a general street cleaning fee to support public realm cleanliness programs.

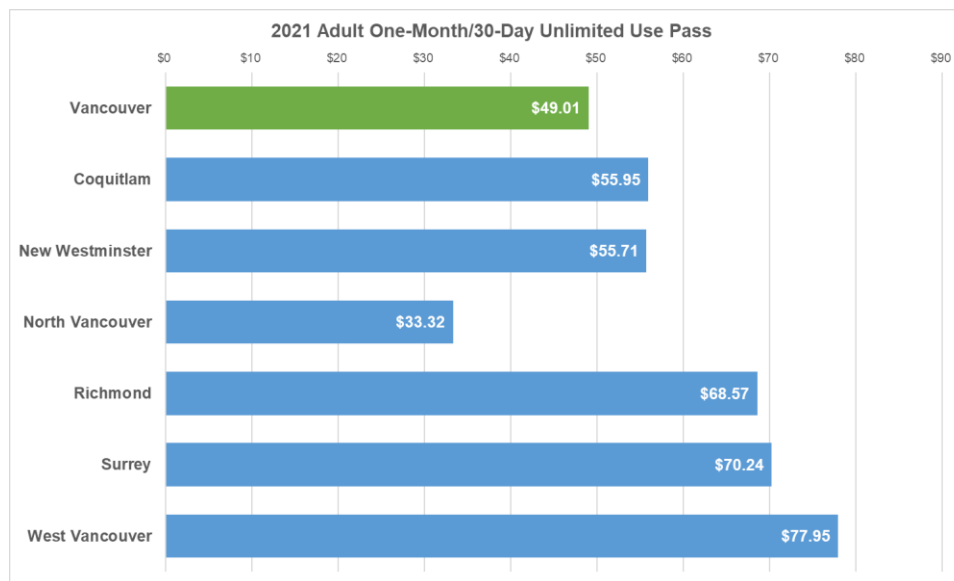
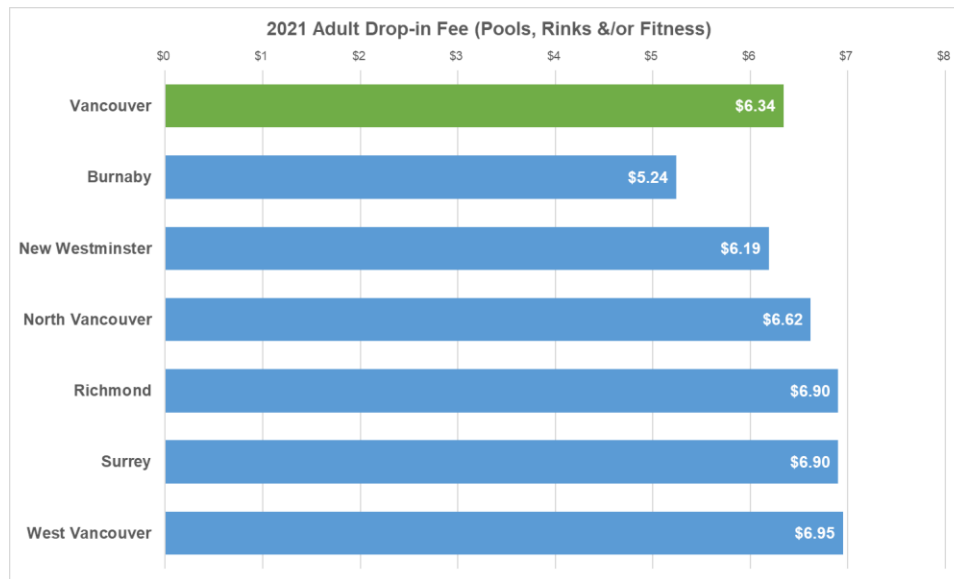


Utility rates are expected to increase an average of 8.9% annually over 2022 to 2026, driven primarily by forecasted increases in regional utility charges from Metro Vancouver and increased investments in infrastructure renewal as part of the 2019-2022 Capital Plan.

User fees

In addition to property taxes and utility fees, the City collects user fees for on-street parking and use of recreational facilities (such as fitness centres, swimming pools and ice rinks). Fees are typically set to recover some or all costs associated with delivering these services, taking into consideration users' ability to pay and pricing competitiveness relative to similar private and public service providers.

The two charts that follow compare various user fees for fitness centres, swimming pools and ice rinks across Metro Vancouver municipalities. Charges at Vancouver facilities remain very competitive in the region.





Introduction

The 2022 Budget and Five-Year Financial Plan has been prepared to provide City Council with context for the opportunities and challenges in the city, and alignment of City activities and spending with Council's priorities.

Despite financial challenges and uncertainty going into 2022, and the increased effort and costs involved in responding to the pandemic, the City continues to deliver important services that residents and businesses expect every day. The City will continue to take measures to manage costs while balancing this with the need to protect core services.

The 2022 Operating Budget outlines potential revenue and expense changes, for a total 2022 Operating Budget of \$1.747 billion, which is an increase of 9.8% or \$156 million from the 2021 Budget. The 2022 Operating Budget reflects a property tax increase of 6.35 per cent that includes additional funding for public safety—Vancouver Police Department (VPD) and Vancouver Fire and Rescue Services (VFRS)—and other initiatives including additional park rangers, street cleaning, and a budget for the new auditor general position previously approved by Council. An additional \$9 million is included in the 2022 Budget to support new climate-related investments to advance the City's Climate Emergency Action Plan.







Revenues reflect changes to property tax and user fee rates as well as recovery of revenues that were impacted by the pandemic, including parking and recreation revenues. Expenses changes reflect the costs to deliver services, including increases in fixed costs, and direct costs related to the recovery of revenues. The general revenue stabilization reserve was used to offset revenue declines in 2021 and 2020; since the majority of the revenues are expected to return to pre-pandemic levels, the reliance on the reserve in 2022 is expected to be reduced.


Highlights of the 2022 Operating Budget, including the changes noted above, are described in greater detail in this section, outlining the drivers of revenues and costs.

Well-being budget

The City of Vancouver is applying a well-being lens to the 2022 Budget with an overarching principle that prioritizes investment in areas aligned to Council's priorities. Investments in these priorities are linked to measures of well-being to create conditions to ensure well-being now and for future generations.

The table that follows highlights the seven well-being categories identified, with examples of indicators and key City initiatives. Indicators based on census data and the Vancouver Homeless Count remain unchanged from the 2021 Budget. For details on initiatives, see Priority Plans in Department Service Plans or Appendix D.

Well-Being Category	Indicators (examples)	Key Long-Term Initiatives (examples)
Housing crisis 	<ul style="list-style-type: none"> Household income needed to afford the monthly mortgage for a two-bedroom condo increased by 40% from 2015 to 2020 2,095 people identified as homeless in 2020 	<ul style="list-style-type: none"> Deliver affordable housing units via Housing Vancouver strategy and Vancouver Affordable Housing Endowment Fund (VAHEF) Work with BC Housing to increase crisis shelter capacity in Vancouver
Improving state of the environment 	<ul style="list-style-type: none"> Restored and enhanced 2.4 hectares of natural areas in 2020 Mode share (trips made by foot, bike or transit) by Vancouver residents increased to 44% in 2020 	<ul style="list-style-type: none"> Active transportation corridors: continue to improve local streets, bikeways and greenways Advance city-wide and regional long-term plans: develop an integrated transportation and land use plan
Mental health 	<ul style="list-style-type: none"> 64% of the September 2020 COVID-19 Pulse Survey respondents stated their mental health had worsened during the pandemic 45% of homeless people declare mental health issues (2020 Homeless Count) 	<ul style="list-style-type: none"> Support youth development and target youth mental health and wellness Build Navigation Centre, Healing and Wellness Spaces
Overdose crisis 	<ul style="list-style-type: none"> Vancouver recorded 246 and 413 overdose deaths in 2019 and 2020, respectively 	<ul style="list-style-type: none"> Provide ongoing overdose response in context of the dual public health emergency Provide effective community outreach and public education through a multi-year growth plan
Strengthening our diverse community 	<ul style="list-style-type: none"> The employment rate of people with Indigenous identity is 9% lower relative to the overall population¹ Proportion of women in management positions in BC relative to men is 35.5:64.5 	<ul style="list-style-type: none"> Reconciliation and decolonization Indigenous inclusion and relations: strengthen relationships with the three First Nations governments and Vancouver's urban Indigenous community
Supporting our local economy 	<ul style="list-style-type: none"> Income of Vancouver households increased by 16% from 2010 to 2015 Vancouver residents employed increased by 8% from 2011 to 2016 	<ul style="list-style-type: none"> Culture Shift, Making Space for Arts and Culture, and Vancouver Music Strategy Broadway Subway Project for Vancouver's second-largest employment area

Well-Being Category	Indicators (examples)	Key Long-Term Initiatives (examples)
COVID-19 pandemic 	<ul style="list-style-type: none"> 2,062,639 COVID-19 vaccine doses administered in the Vancouver Coastal Health region² 97% recovery rate on total COVID-19 cases in the Vancouver Coastal Health region² 	<ul style="list-style-type: none"> Ongoing COVID-19 response and recovery efforts Implement lessons-learned actions from COVID-19 pandemic response

¹ Source: Statistics Canada, Vancouver [CMA], ages 25-64.

² Vancouver Coastal Health Region, Totals, status Oct. 14, 2021.

Equity budgeting

The idea of equity acknowledges that 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.

Canada Council for the Arts has described equity succinctly in their articulated fundamental policy shift by stating that:

Equity is a principle and process that promotes just conditions for all persons to fully participate in society. It recognizes that while all people have the right to be treated equally, not all experience equal access to the same resources, opportunities or benefits. Achieving equality is not simply about treating individuals or groups in the same way, but may require the use of specific measures to ensure fairness.

Equity asks us to better understand “who benefits?” and “who is excluded?” from the policies, programs and investments we establish and deliver in Vancouver. Equity also asks us to examine who is at the table to inform decision-making and who has influence and authority over decision-making. Intersectionality calls on us to recognize the interconnected nature of social identities — such as race, class and gender — and how they may compound discrimination or disadvantage. An appreciation for and a focus on intersectionality has become central to our understanding of equity at the City in this moment in time.

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 governance and operational — confirmation of the importance of this work, the City as an organization could 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. In 2020, a formal Equity Office was established at the City of Vancouver, and a Chief Equity Officer was hired. Also that year, Council approved an Equity Framework — a City-wide initiative that will help us transform our internal structures in order to equitably serve our diverse communities. This work is grounded on the priority actions identified in the Healthy City Strategy and the City of Reconciliation Framework, and takes an Indigenous-centred, race forward and intersectional approach to embedding equity in our policies, practices and processes. In addition to advancing staff awareness and education, the Equity Framework includes resources and tools such as an equity decision-making tool that includes questions for staff to consider in making decisions or taking action on a project, program, policy or service. The questions focus on addressing barriers, examining effects, ensuring alignment and partnership, and providing opportunity and accountability in all aspects of our work.

Fundamentally, equity was at the root of the 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.

Importantly, as we consider intersectionality in equity work, considering the diversity of Vancouver's population and the City's overarching equity priorities, applying a comprehensive equity lens, which includes but is not limited to gender, will provide more comprehensive and valuable information and a more thoughtful and nuanced approach.

Furthering the equity budgeting lens to the City's 2022 Operating Budget

Municipal budgets reflect essential services, priorities and trade-offs and have profound effects on the livability of our city and the well-being of people and communities. These effects privilege some people over others, often unintentionally and at times with unintended consequences that compound inequities.

Embedding equity considerations in the City's budget processes and decision-making can contribute to the successful implementation of equity priorities and will also enhance performance of the City as a public entity intended to support the whole community. There are various models of equity budgeting, and it is a useful tool to respond to the widely accepted and documented reality that inequality has both an economic cost (e.g., productivity, health impacts, reliance on social supports and programs) and a social cost (e.g., social cohesion, quality of life).

Equity budgeting has been adopted by various governments as a valuable tool to both meet equity priorities and enhance performance. Most recently, the Government of New Zealand released its 2019 budget as an equity-inspired well-being-based budget, and San Antonio developed an equity budget for its 2017 City budget. Closer to home, the City of Toronto has adopted an equity lens on its budget, and the federal government calls for a gender lens on budget. Learning from other governments who are farther along this path is a good way to accelerate our own learning and application in Vancouver. Accordingly, the City is pursuing a

membership with the Canadian Centre for Diversity and Inclusion, it holds a membership with the Government Alliance on Race and Equity, and these policy-making networks will provide valuable tools to the City as it seeks to implement an equity lens on the City budget.

As equity budgeting practices evolve, increasing and consistent analysis of how various budget decisions may impact different equity-seeking groups and how the barriers faced by equity-seeking groups are being increased, decreased or unchanged will provide Council, staff and the public with information that can support informed budget debates and decisions. As the City incorporates the concept of equity into its budget process, it is aligning with and responding to the changing provincial and federal landscape, recognizing the diverse needs and experiences of Vancouverites, acknowledging historical inequities in resource allocation, increasing its capacity for performance and service improvement, and strengthening its ability to make evidence-based decisions.

2022 Operating Budget: equity investments

As part of the 2022 budget development process, in response to financial challenges from COVID-19, staff have reviewed ongoing initiatives to prioritize for limited 2021 funding. As part of this review, staff considered the potential impact on equity-seeking groups, particularly those at multiple intersections who are most marginalized in our society, using an equity decision-making tool. Some examples of initiatives that have been prioritized for consideration as part of the 2022 Budget include:

- **Culture|Shift: blanketing the city in arts and culture**
 - The approved 10-year culture plan has equity and reconciliation embedded as core commitments, seeking to level the playing field for under-represented artists and groups and making more visible on the land the presence of local First Nations whose cultures were erased through colonization.
- **Homelessness and low-income housing**
 - The Community Housing Incentive Program will offer grants to deepen affordability in non-profit projects, focused on shelter and Housing Income Limit rate units.
 - The Renter Services team continues to support renters through the implementation of the Tenant Relocation and Protection Policy, in addition to opening the new Renter Centre.
 - Recently approved projects such as the Women Deliver Legacy Project, the City's partnership on the UNYA (Urban Native Youth Association) redevelopment, and other similar initiatives all connect to a deep commitment to equity and reconciliation.
 - Additional resources to accelerate and amplify the City's work on preserving and managing the redevelopment of private SROs as low-income housing, to increase shelter capacity to bring people inside while new social and supportive housing is being developed, and to better support inter-jurisdictional response to homelessness are all continuing in the 2022 Budget.

- **Addressing ongoing health and safety-related inequities**

- Responding to the overdose crisis, the City will continue to provide ongoing support to the Mayor’s Overdose Emergency Task Force by implementing proactive programs such as the community outreach response team to respond to people with addictions who are overdosing from an unsafe and toxic drug supply. As well, Social Policy staff will continue to implement the directions arising from the Mayor’s Overdose Emergency Task Force.
- Recognizing that a disproportionate number of people experiencing homelessness and being impacted by the overdose crisis in Vancouver are of Indigenous descent, this budget includes recommended allocation of funds to support work with Indigenous partners on healing and wellness strategy development.
- Further, in 2022 City staff will continue to work collaboratively with the Indigenous community groups and members to review and identify the City’s response to the Calls for Justice arising from the National Inquiry into Missing and Murdered Indigenous Women and Girls.

- **Reconciliation and redress**

- The 2022 Budget continues support for reconciliation with Indigenous Peoples, such as language revitalization and heritage policy review.
- As well, funds are prioritized to continue ongoing work related to racial redress, such as Chinatown Transformation Team, South Asian apology, and anti-Black racism work identified out of the Hogan’s Alley community engagement. The 2022 Budget includes funds to begin to implement the Equity Framework across the City. This work will include the creation of departmental priorities, internal goals, benchmarks and metrics, so that we can begin to measure how well we are positioning and supporting the City’s workforce in serving diverse communities in every decision and interaction.

As noted above, an equity lens on budgeting includes both targeted and intentional investments to address inequities as well as applying a consistent lens on investment decisions to understand whether those investments are increasing barriers to societal participation and equity, decreasing barriers, or leaving them unchanged.

As the City learns more from external consultants and other jurisdictions, our approach will both broaden and sharpen. For now, the Finance team will continue to connect with the work to develop the Equity Framework, including increasing the team’s understanding of equity, intersectionality, and opportunities for positive impact for equity-seeking groups.

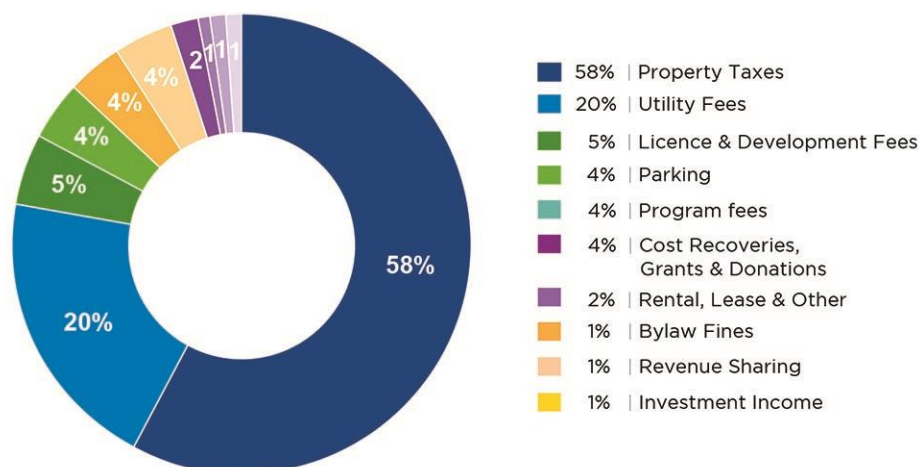
2022 Operating revenues

The City generates revenue from a number of sources including Property Tax, Utilities, Licence and Development fees, other user fees, parking, and investment income among others. Revenue changes outlined in the 2022 Budget reflect rate changes as well as changes in volume or usage.

Because of COVID-19, revenues decreased significantly in 2020 and 2021, largely driven by service interruptions, facility closures and event cancellations caused by public health restrictions. As of Q3 2021, the City has seen improvement in revenues coinciding with the loosening of these public health restrictions and continued economic growth. The majority of 2022 Budget revenues, including parking and program fees, are expected to return to pre-pandemic levels.

The following section highlights major changes in the 2022 Operating Revenue Budget as compared with that of 2021.

2022 Operating Revenues (\$1,747 million)



Property tax is the largest source of the revenue budget, and it accounts for 58% of total revenues and is budgeted to increase by \$65.9 million in 2022. The projected increase is driven by a 6.35% property tax increase, additional property tax revenue related to new construction added to the property tax roll, and adjustments to local improvement taxes and payments in lieu of taxes, which reflect historical trends.

Utility fees make up 20% of total operating revenues. Utility fees are based on full cost recovery of utility expenditures. In 2022, water rates will increase by 2.0%, sewer rates will increase by 12.5%, solid waste rates will increase by 4.5%, and Neighbourhood Energy Utility (NEU) rates will increase by 3.2%.

Development-related fees will increase by 5% in most categories to cover fixed cost increases and improve alignment of program costs with revenues, while a small number of rezoning fees will increase because of the complexity of those associated services.

Other revenue increases to pre-COVID-19 levels include parking and by-law fines as well as recreation and theatres revenue. Investment income is also higher than in 2021, consistent with implementation of the Treasury Services investment strategy and the current increasing interest rate environment.

Revenue highlights

The 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 6.35% or, on average, \$120 additional per year for median residential property owners and \$314 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 as a result 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:** 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.

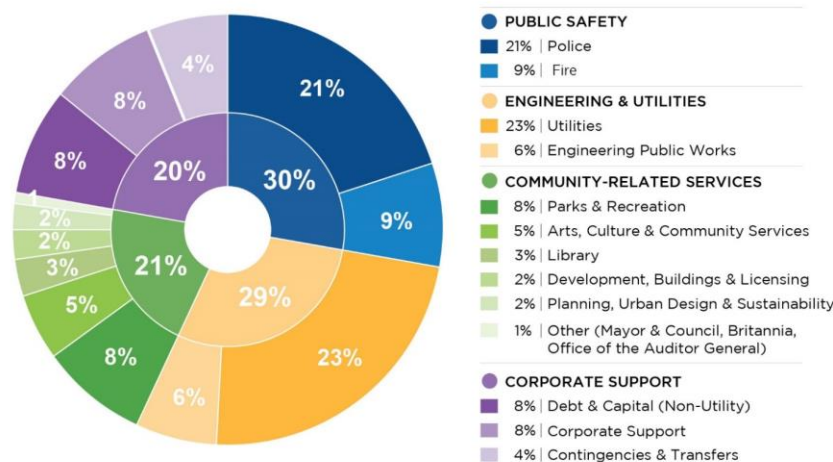
- **Empty Homes Tax** revenue for the 2021 declaration year has not been built into the budget, as estimates of 2021 declaration year revenue will not be known until declarations have been submitted in February 2022. Initiatives to support affordable housing, funded from Empty Homes Tax revenue, will be brought forward to Council for approval during 2022 once revenue estimates are known.

2022 Operating expenditures

The 2022 Expenditures Budget is increasing by \$156 million as a result of fixed cost increases to operate existing City services, wage increases related to collective bargaining settlements and additional costs for utilities that reflect regional costs from Metro Vancouver to support ongoing services. The budget also includes the operating impacts of previously approved capital projects.

The following section provides an overview of the main factors impacting the 2022 Operating Budget as compared with those of 2021. Detailed service budgets for each City department are outlined in Part II, Department Service Plans.

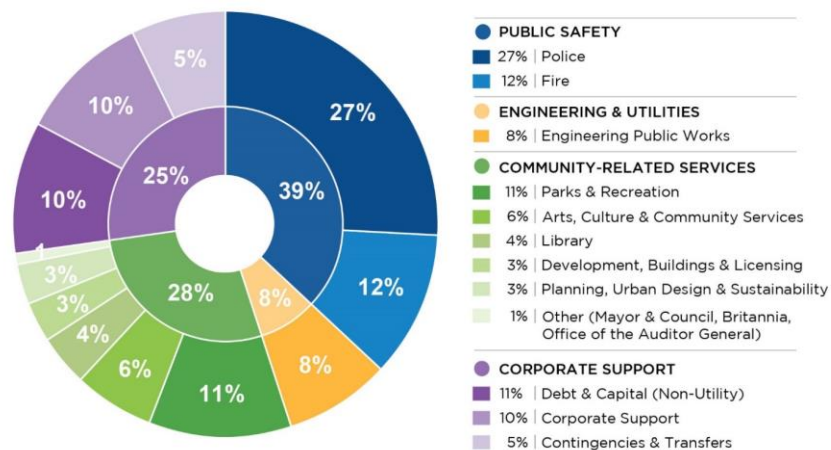
**2022 Operating Expenditures, Debt & Transfers
by Service Area (\$1,747 million)**



Public safety (Vancouver Police Department, Vancouver Fire and Rescue Services) has historically been the largest component of the Operating Budget and makes up 30% of total expenditures in the 2022 Operating Budget. Engineering (Utilities and Public Works) makes up 29% of total operating expenditures. Utility expenditures, which are primarily driven by costs from Metro Vancouver that the City does not control, will increase in 2022. Community-related services make up 21% of the budget (Parks and Recreation; Arts, Culture and Community Services; Vancouver Public Library; Planning, Urban Design and Sustainability; Development, Buildings and Licensing). Corporate activities, including debt costs and contributions to capital projects, make up the remaining 20%.

Total operating expenditures outlined in the 2022 Operating Budget have increased by 9.8% (\$156 million) over 2021 based on the costs included in the 2022 Budget.

2022 Operating Expenditures, Debt & Transfers Excluding Utilities (\$1,340 million)



Utilities are funded primarily from utility rates, which are set to recover the cost of providing services to ratepayers. Excluding utilities, the 2022 Budget, supported by taxes and other fees, is \$1,340 million. Public safety expenditures are 39% of the tax- and fee-supported budget, and even a small percentage increase in cost in these areas can result in a large increase in the Operating Budget. Recent trends of wage growth above inflation in public safety, in addition to growth in fixed costs, have resulted in significant pressure on property taxes. However, this has been somewhat mitigated in past years through reprioritization of resources and increased fee revenues in other areas.

Utility cost increases

Utility expenditures are increasing by 5%, due in part to increasing regional utility charges passed on to the City by Metro Vancouver to support infrastructure renewal as per the 2019-2022 Capital Plan. Details of utility expenditure increases will be outlined in separate utility rate reports to Council to be presented at the same time as the 2022 Budget.

2022 Investments

The City regularly realigns existing resources and spending levels in response to changes in demand for services and to address risk and compliance requirements. The 2022 Budget includes \$19.3 million of investments in new initiatives that are required to fill service gaps and address risk. These investments are funded from general tax increase, postponement of other initiatives and reallocation of Council contingencies.

For 2022, these investments are focused on the following key areas and as detailed in the table below:

- \$9.0 million in funding to support new climate-related investments to advance the City's Climate Emergency Action Plan focusing on Electric Vehicle (EV) infrastructures, supporting Complete Communities including transit infrastructure, slow street maintenance and improvements, address Natural Climate Solutions and investments in building retrofits for Vancouver civic facilities
- \$7.6 million for maintenance and improvement to core operations and service levels
- \$2.7 million to support initiatives related to affordability and housing crisis, protecting and building a resilient local economy and increasing focus on equity and critical social issues

2022 New Investments	\$000s
Accelerate Action on Climate Change	9,000
Climate-related investments to advance the City's Climate Emergency Action Plan	9,000
Affordability and the Housing Crisis	500
Implementation of Vacancy Control in Single Room Accommodation	500
Increase Focus on Equity and Critical Social Issues	1,870
Investment in Community Safety Initiatives	600
MMIWG/RWR Report Implementation*	300
Expansion of fine free services for Vancouver Public Library	270
Alignment of City-wide Washroom Strategy	200
Additional resources for implementation of the UN Declaration on the Rights of Indigenous Peoples and to meet the demands of the City's evolving Indigenous-relations work	200
Accessibility Strategy Priority Actions While Planning	200
Additional resources for Language Access Policy	100
Protect and Build a Resilient Local Economy	300
Cultural Shift Year 3 Initiatives	300
Maintain and improve core operations and service levels	7,627
Additional funding to Vancouver Police Department for nursing services in the Vancouver Jail and mandatory training standards	2,557
Implementation of Vancouver Fire Rescue Services' Growth plan - 2021 Operational Review	2,500
Additional funding for the Office of the Auditor General for support of Office operations	1,200
Investment in Enhanced Street Cleaning and maintenance of plazas and parklets	920
Additional support for Park Rangers Program	300
Vancouver Economic Commission (VEC) Economy Strategy	150
Total	19,297

Note: Totals may not add due to rounding

* MMIWG refers to Murdered and Missing Indigenous Women and RWR refers to Red Women Rising

Furthermore, the 2022 Operating Budget includes over \$142 million that supports the advancement of Council's priorities, including ongoing initiatives such as the Vancouver Plan, Housing Vancouver, Climate Emergency Action Plan and Culture|Shift.

Expense highlights

Fixed costs related to the City's ongoing services increased by \$50 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.
- A 35% increase in insurance premiums 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.
- Higher costs for replacement and maintenance of fleet, in addition to an increase in fuel prices, partially offset by a one-time insurance discount by ICBC.
- Increased building occupancy 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.
- Increased rental and lease 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.
- Additional costs for utilities that reflect (1) regional costs from Metro Vancouver to support ongoing services and infrastructure improvements, (2) funding to support the approved 2019-2022 Capital Plan, and (3) operating expenditures to support the maintenance of aging infrastructure.
- 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. The City has recently seen significant increases in premiums resulting from increases in claim rates, particularly in the area of public safety.

Offsetting savings and reprioritization

- Considering the financial challenges and the increased efforts and costs involved in responding to the pandemic, the City is continuing to take measures to reduce costs while balancing this with the need to provide core services.
- To balance the 2022 Budget, staff identified approximately \$45 million in savings, efficiencies, and deferred initiatives.
- The City will continue to hold vacancies (at the 0.5%-2.0% core business level) and incur associated service level reductions.
- The renewal of capital projects as per the Capital Plan recalibration has been deferred.
- The 2022 new staffing for VPD and VFRS planned as part of the multi-year operational reviews have been deferred to future years.
- Other deferrals include reserve replenishment and delayed projects.

To alleviate pressure on property tax and fee revenue sources, the budget has been developed taking into account an ongoing review of City service levels, opportunities for innovation in program delivery (including strategic partnerships with private sector, not-for-profit and other levels of government), process improvements, business and technology transformation, and new revenue sources.

Revenue stabilization reserve

Reserves are a one-time funding source, and a balance needs to be maintained to respond to potential future events. The target balance for the revenue stabilization reserve is between 8% and 16% of non-utility revenues. The planned reserve requirement to balance the 2021 Budget was \$57 million. The most recent quarterly forecast for 2021 shows an improvement in the City's year-end operating position primarily as a result of lifting COVID-19 restrictions. In addition to continuous process improvement projects, the City has also engaged in other transformation projects that contributed to reducing costs or has enhanced operational capacity. A few areas of focus are (1) building capacity through operational reviews and creating efficiencies in the pathways between departments, (2) improving digital platforms such as the launch of the public VanMap portal, expanded digital collections, and a ticketing app for outdoor pools, and (3) streamlining internal processes such as implementation of online reporting. The 2022 Operating budget includes \$4.5 million transferred from the reserve for one-time initiatives aligned with Council priorities, as mentioned above.

Detailed Operating Budget table

This section provides a detailed breakdown of the 2022 Operating Budget, outlining each major revenue and expense category. The budget schedule shows the year-over-year impact of changes by revenue type and department expenditure. Significant changes are outlined in the notes at the end of the detailed budget. Departmental budget changes are explained in Part II, Department Service Plans. This detailed budget reflects all the items discussed above.

The 2021 budget has been restated so that 2021 and 2022 are comparable. There is no net impact of these restatements on the City's total Operating Budget. The restated budget for 2021 reflects the following adjustments:

- **Interdepartmental reorganizations** — Where activities and costs have moved between departments, the original budget has been restated to reflect an appropriate year-over-year comparison.
- **Changes in shared support services policy** — The costs of corporate shared support services directly attributable to an individual department (e.g., dedicated staff and resources in corporate service areas such as Finance, Technology Services, and Procurement, building occupancy costs and 3-1-1) are shown in department budgets; this aligns with best practices and more accurately reflects the cost of service. The shared support services allocation is reviewed annually, and prior year budgets are restated in alignment with allocation policy changes for comparability.
- **One-time initiatives** — Adjustments for material one-time items, such as the election, for comparability.

City of Vancouver
Operating Budget (\$000)

Revenue (\$000)	2021 Restated Budget	2022 Approved Budget	Net Change (\$)	Net Change (%)	Notes
Property taxes					
General Levy	892,325	954,277	61,952	6.9%	1
Business Improvement Association levies	15,154	15,255	101	0.7%	
Other property tax related	34,719	38,553	3,834	11.0%	2
Empty Homes Tax	-	-	-	-	
Total Property taxes	942,198	1,008,085	65,887	7.0%	
Utility fees					
Water revenue					
Metered water charges	80,316	81,972	1,656	2.1%	
Flat-rate water charges	59,617	59,811	195	0.3%	
Meter charges	4,679	4,787	108	2.3%	
Fire line charges	3,468	3,548	80	2.3%	
Other water revenue	529	542	13	2.4%	
Total Water revenue	148,609	150,659	2,051	1.4%	3
Sewer revenue					
Metered sewer charges	60,648	68,129	7,481	12.3%	
Flat-rate sewer charges	43,806	48,488	4,682	10.7%	
Industrial waste water fees	1,099	1,125	25	2.3%	
Other sewer revenue	863	881	18	2.1%	
Total Sewer revenue	106,418	118,623	12,206	11.5%	4
Solid Waste revenue					
Collection revenue	37,202	37,815	614	1.6%	
Disposal revenue					
Tipping fees	26,775	26,934	159	0.6%	
Metro & Delta's revenue sharing	11,318	12,556	1,238	10.9%	
Other disposal revenue	2,289	2,315	26	1.1%	
Subtotal Disposal revenue	40,381	41,804	1,423	3.5%	5
Total Solid Waste revenue	77,583	79,619	2,037	2.6%	
Neighbourhood Energy revenue					
NEU fixed levy	4,144	4,385	240	5.8%	
NEU energy charge	3,168	3,235	67	2.1%	
NEU connection charge	-	-	-	-	
Total Neighbourhood Energy revenue	7,313	7,620	308	4.2%	6
Total Utility fees	339,922	356,522	16,601	4.9%	

Note: Totals may not add due to rounding

**City of Vancouver
Operating Budget (continued)**

Revenue (\$000)	2021 Restated Budget	2022 Approved Budget	Net Change (\$)	Net Change (%)	Notes
Program Fees					
Parks & Recreation program fees					
Recreation revenue					
Admissions	5,446	11,446	6,000	110.2%	
Programming	2,339	4,825	2,486	106.3%	
Recreation facility rentals	2,979	4,488	1,508	50.6%	
Other recreation revenue	79	194	114	144.3%	
Subtotal Recreation revenue	10,843	20,952	10,108	93.2%	7
Golf revenue	9,175	11,594	2,420	26.4%	
VanDusen Botanical Gardens	1,218	4,461	3,243	266.3%	
Stanley Park Train	200	2,154	1,954	977.1%	
Bloedel Conservatory	365	1,066	701	191.9%	
Concession revenue	2,015	3,422	1,407	69.9%	
Event permits & other revenue	711	988	278	39.1%	
Total Parks & Recreation program fees	24,526	44,637	20,111	82.0%	8
Civic Theatres program fees					
Theatre facility rentals	3,751	7,609	3,858	102.9%	
Concession revenue	1,291	2,743	1,452	112.5%	
Ticket surcharges	756	1,889	1,134	150.0%	
Other Civic Theatres revenue	92	173	81	87.5%	
Total Civic Theatres program fees	5,890	12,414	6,524	110.8%	9
Community Services program fees					
Mountain View Cemetery revenue	2,805	2,861	56	2.0%	
Community Kitchen revenue	1,690	1,690	(0)	0.0%	
Total Community Services program fees	4,495	4,551	56	1.2%	
Library program fees					
Fines & penalties	641	371	(270)	-42.1%	
Other library revenue	455	455	-	0.0%	
Total Library program fees	1,096	826	(270)	-24.6%	
Britannia program fees	695	1,058	363	52.2%	10
Other Department program fees	3,281	4,511	1,230	37.5%	11
Total Program fees	39,982	67,996	28,014	70.1%	

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Revenue (\$000)	2021 Restated Budget	2022 Approved Budget	Net Change (\$)	Net Change (%)	Notes
Licence and development fees					
Trade permit fees					
Plumbing inspection fees	5,373	5,738	365	6.8%	
Electrical inspection fees	6,826	6,857	31	0.5%	
Gas permit fees	906	896	(11)	-1.2%	
Other trade permit fees	768	935	168	21.9%	
Total Trade permit fees	13,873	14,426	553	4.0%	
Licence fees					
Business licence fees	19,042	19,952	910	4.8%	
Dog and other licence fees	909	943	35	3.8%	
Total Licence fees	19,951	20,895	944	4.7%	
Development permit fees					
Development permit fees	11,281	14,960	3,679	32.6%	
Building permit fees	14,653	18,225	3,572	24.4%	
Rezoning fees	5,175	5,914	740	14.3%	
Subdivision fees	1,360	1,273	(87)	-6.4%	
Other development fees	26	26	-	0.0%	
Total Development permit fees	32,494	40,399	7,905	24.3%	
Engineering fees & charges					
Anchor rod fees	2,267	4,790	2,523	111.3%	
Street furniture revenue	2,497	2,497	(0)	0.0%	
Encroachment fees	901	901	0	0.0%	
Sidewalk café fees	500	1,480	980	196.0%	
Garbage container fees	889	889	-	0.0%	
Films/event fees	137	137	-	0.0%	
Other Engineering fees	3,509	2,762	(747)	-21.3%	
Total Engineering fees & charges	10,699	13,455	2,756	25.8%	
Misc. and other fees	1,514	1,787	273	18.0%	
Ride Sharing IMBL	-	500	500	-	
Total Licence and development fees	78,531	91,461	12,930	16.5%	12
Parking revenue					
On-street parking revenue	53,964	62,508	8,544	15.8%	
Parking permit fees	1,399	1,749	350	25.0%	
Parks & Recreation parking revenue	7,443	8,492	1,049	14.1%	
Civic Theatres parking revenue	388	971	583	150.0%	
Other parking revenue	753	1,634	881	117.0%	
Total Parking revenue	63,949	75,355	11,406	17.8%	13

Note: Totals may not add due to rounding

**City of Vancouver
Operating Budget (continued)**

Revenue (\$000)	2021 Restated Budget	2022 Approved Budget	Net Change (\$)	Net Change (%)	Notes
Cost recoveries, grants and donations					
Police Services recoveries, grants and donations	22,079	22,933	855	3.9%	
Fire & Rescue Services recoveries	8,685	9,112	427	4.9%	
General Government recoveries	1,802	1,802	-	0.0%	
Parks & Recreation recoveries, grants and donations	4,570	4,613	44	1.0%	
Community Services recoveries	3,788	3,788	-	0.0%	
Library recoveries, grants and donations	2,488	2,488	-	0.0%	
Planning, Urban Design & Sustainability recoveries	1,300	100	(1,200)	-92.3%	
Engineering recoveries	5,755	6,056	301	5.2%	
Other department recoveries	5,992	10,483	4,492	75.0%	
Total Cost recoveries, grants and donations	56,459	61,377	4,918	8.7%	14
Revenue sharing					
Traffic fine revenue sharing	7,300	12,000	4,700	64.4%	
Gaming revenue sharing	-	2,644	2,644	-	
Total Revenue sharing	7,300	14,644	7,344	100.6%	15
Investment income	12,087	13,830	1,743	14.4%	16
Rental, lease and other					
Civic property rental revenue	12,066	11,803	(263)	-2.2%	
Engineering revenue					
Street Maintenance revenue	113	113	-	0.0%	
Street Use revenue	3,969	3,169	(800)	-20.2%	
Parking Operations revenue	2,051	1,851	(200)	-9.7%	
Other Engineering revenue	657	655	(1)	-0.2%	
Total Engineering revenue	6,791	5,789	(1,001)	-14.7%	
Lease income	1,195	1,195	-	0.0%	
Non-market housing rentals	-	-	-	-	
Miscellaneous Citywide revenue	3,445	3,585	140	4.1%	
Police Services revenue	207	207	-	0.0%	
Other department revenue	3,758	6,236	2,479	66.0%	
Parks and Recreation Revenue	6,293	7,755	1,463	23.2%	
Total Rental, lease and other	33,754	36,571	2,817	8.3%	17
Bylaw fines					
Parking fine revenue	17,604	21,604	4,000	22.7%	
Other Bylaw fines	(83)	(27)	56	-67.5%	
Total Bylaw fines	17,521	21,577	4,056	23.1%	18
Total Revenues	\$ 1,591,701	\$ 1,747,418	\$ 155,716	9.8%	

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Expenditures & Transfers (\$000)	2021 Restated Budget	2022 Approved Budget	Net Change (\$)	Net Change (%)	Notes
Utilities					
Water					
Water purchases (Metro)	90,837	93,780	2,943	3.2%	
Water operations	12,955	13,322	368	2.8%	
Capital program & other transfers					
Debt service charges	10,334	7,454	(2,881)	-27.9%	
Pay-as-you-go funding	31,263	26,128	(5,135)	-16.4%	
Rate stabilization & other reserve transfer	1,386	7,927	6,541	472.0%	
Subtotal Capital program & other transfers	42,983	41,509	(1,475)	-3.4%	
Shared support services	2,010	2,229	218	10.9%	
Total Water	148,786	150,840	2,054	1.4%	
Sewer					
GVS&DD levy (Metro)	82,672	86,819	4,147	5.0%	
Sewer operations	9,490	10,497	1,007	10.6%	
Capital program & other transfers					
Debt service charges	43,501	47,398	3,897	9.0%	
Pay-as-you-go funding	13,704	19,105	5,401	39.4%	
Rate stabilization & other reserve transfer	2,764	2,908	144	5.2%	
Subtotal Capital program & other transfers	59,968	69,412	9,443	15.7%	
Shared support services	1,695	1,809	114	6.7%	
Total Sewer	153,825	168,537	14,712	9.6%	
Solid Waste					
Collections	25,448	27,589	2,141	8.4%	
Landfill	24,797	25,458	661	2.7%	
Transfer station	8,641	9,433	792	9.2%	
Capital program & other transfers					
Capital Financing Fund loan payments	1,868	1,354	(514)	-27.5%	
Pay-as-you-go funding	11,950	8,967	(2,983)	-25.0%	
Solid Waste Reserve & other transfer	3,146	5,177	2,031	64.6%	
Subtotal Capital program & other transfers	16,964	15,497	(1,467)	-8.6%	
Shared support services	2,050	2,072	22	1.1%	
Total Solid Waste	77,901	80,049	2,148	2.8%	
Neighbourhood Energy					
NEU operations	3,717	4,034	317	8.5%	
Capital program & other transfers					
Debt service charges	4,862	2,860	(2,002)	-41.2%	
Rate stabilization & other reserve transfer	(1,267)	726	1,993	-157.3%	
Subtotal Capital program & other transfers	3,595	3,586	(9)	-0.2%	
Total Neighbourhood Energy	7,313	7,620	308	4.2%	
Total Utility	387,824	407,046	19,222	5.0%	19

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Expenditures & Transfers (\$000)	2021 Restated Budget	2022 Approved Budget	Net Change (\$)	Net Change (%)	Notes
Department					
Engineering					
Public Works					
Street Maintenance	25,872	27,709	1,837	7.1%	
Parking Operations	17,536	17,392	(144)	-0.8%	
Street Use	13,543	15,228	1,685	12.4%	
Street Cleaning	11,320	11,978	658	5.8%	
Street Lighting	7,014	6,534	(479)	-6.8%	
Transportation	3,842	4,415	573	14.9%	
General Public Works	7,861	8,472	611	7.8%	
Shared support services	10,984	10,566	(418)	-3.8%	
Transfers to / (from) reserves & other funds	(19,586)	(18,293)	1,293	-6.6%	
Subtotal Public Works	78,386	84,001	5,615	7.2%	
Department Services					
Equipment Service Operations	(5,691)	(3,145)	2,546	-44.7%	
Equipment Management Group	3,176	1,986	(1,190)	-37.5%	
Construction Supplies & Services	(987)	(948)	38	-3.9%	
Operations Safety & Support	2,206	1,977	(228)	-10.3%	
Shared support services	86	89	2	2.7%	
Transfers to / (from) reserves & other funds	25,772	26,936	1,164	4.5%	
Subtotal Department Services	24,563	26,895	2,332	9.5%	
Total Engineering	102,948	110,895	7,947	7.7%	20
Police Services					
Vancouver Police Board	261	297	36	13.6%	
Office Of Chief Constable	1,894	1,865	(29)	-1.5%	
Operations	123,014	129,184	6,170	5.0%	
Investigations	60,405	62,939	2,534	4.2%	
Support Services	133,675	142,662	8,987	6.7%	
E-Comm allocation	18,008	18,834	826	4.6%	
Shared support services	7,151	7,243	92	1.3%	
Transfers to / (from) reserves & other funds	3,710	3,914	203	5.5%	
Total Police Services	348,119	366,938	18,820	5.4%	21
Fire & Rescue Services					
Fire & Rescue Services					
Fire Suppression & Medical	123,156	128,773	5,617	4.6%	
Prevention	4,414	4,399	(14)	-0.3%	
Training & Administration	5,623	5,570	(52)	-0.9%	
E-Comm allocation	5,024	5,234	210	4.2%	
Shared support services	2,647	2,794	147	5.5%	
Transfers to / (from) reserves & other funds	6,478	6,739	261	4.0%	
Total Fire & Rescue Services	147,342	153,511	6,169	4.2%	22

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Expenditures & Transfers (\$000)	2021 Restated Budget	2022 Approved Budget	Net Change (\$)	Net Change (%)	Notes
Department (continued)					
Parks & Recreation					
Recreation	54,367	54,497	130	0.2%	
Park maintenance & operations	40,723	41,876	1,153	2.8%	
Golf	6,704	7,445	742	11.1%	
VanDusen Botanical Gardens	2,792	4,208	1,416	50.7%	
Stanley Park Train	665	1,462	796	119.6%	
Bloedel Conservatory	860	1,132	271	31.5%	
Concessions	1,780	2,521	741	41.6%	
Parking	1,578	1,697	120	7.6%	
Marinas	1,988	1,997	9	0.5%	
Business Services Support	3,225	3,274	49	1.5%	
Strategic Operations & Board Relations	5,694	7,091	1,397	24.5%	
Decolonization, Arts & Culture	1,243	1,281	37	3.0%	
Planning & Park Development	867	1,047	180	20.8%	
Shared support services	10,277	10,630	353	3.4%	
Transfers to / (from) reserves & other funds	2,835	3,455	620	21.9%	
Total Parks & Recreation	135,598	143,612	8,014	5.9%	23
Library					
Public Services	45,170	46,754	1,584	3.5%	
Administrative Services	7,468	8,437	969	13.0%	
Shared support services	2,481	2,502	22	0.9%	
Transfers to / (from) reserves & other funds	74	112	38	51.5%	
Total Library	55,193	57,806	2,613	4.7%	24
Britannia Community Services Centre	6,207	6,019	(188)	-3.0%	25
Civic Theatres					
Civic Theatre operations	7,387	10,404	3,016	40.8%	
Shared support services	3,179	3,214	34	1.1%	
Transfers to / (from) reserves & other funds	473	1,256	783	165.6%	
Total Civic Theatres	11,040	14,874	3,834	34.7%	26
Community Services					
Social Support	16,018	16,426	408	2.5%	
Housing	2,269	3,250	981	43.2%	
General & Projects	4,953	5,296	342	6.9%	
Social Policy	6,074	5,830	(244)	-4.0%	
Culture	3,910	4,082	172	4.4%	
Mountain View Cemetery	2,326	2,312	(14)	-0.6%	
Shared support services	2,790	3,507	716	25.7%	
Transfers to / (from) reserves & other funds	1,972	2,399	427	21.6%	
Total Community Services	40,313	43,101	2,788	6.9%	27
Grants					
Cultural	13,573	13,958	385	2.8%	
Social Policy	7,388	7,554	166	2.3%	
Childcare	2,196	1,669	(526)	-24.0%	
Other grants	318	320	2	0.8%	
Total Grants	23,474	23,501	27	0.1%	

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Expenditures & Transfers (\$000)	2021 Restated Budget	2022 Approved Budget	Net Change (\$)	Net Change (%)	Notes
Department (continued)					
Planning, Urban Design & Sustainability					
Current Planning	10,383	10,746	362	3.5%	
Long Range & Strategic Planning	14,266	13,978	(288)	-2.0%	
General	5,619	8,145	2,526	45.0%	
Shared support services	444	1,372	929	209.3%	
Transfers to / (from) reserves & other funds	(1,777)	(1,475)	303	-17.0%	
Total Planning, Urban Design & Sustainability	28,935	32,767	3,832	13.2%	28
Development, Buildings & Licensing					
General & Projects	1,033	1,027	(6)	-0.6%	
Inspections & Bylaw Services	16,817	17,661	844	5.0%	
Digital Business Services	1,438	1,471	33	2.3%	
Permitting Services	16,661	17,923	1,262	7.6%	
Licensing & Policy	2,073	2,404	331	16.0%	
Shared support services	2,470	2,735	266	10.8%	
Transfers to / (from) reserves & other funds	23	14	(9)	-37.7%	
Total Development, Buildings & Licensing	40,514	43,236	2,722	6.7%	29
Mayor & Council					
Mayor	1,112	1,183	71	6.4%	
Council	2,300	2,384	85	3.7%	
Total Mayor & Council	3,412	3,568	156	4.6%	30
Office of the Auditor General	400	1,600	1,200	300.0%	31
Corporate Support Service					
Real Estate & Facilities Management					
Real Estate & Facility planning & development	3,222	3,254	32	1.0%	
Facility operations	51,481	55,310	3,829	7.4%	
Strategic Operations	7,617	8,383	766	10.1%	
Shared support services	(31,083)	(32,102)	(1,018)	3.3%	
Transfers to / (from) reserves & other funds	3,496	3,506	10	0.3%	
Subtotal Real Estate & Facilities Management	34,733	38,352	3,619	10.4%	32
Finance, Risk & Supply Chain Management					
Training & Administration	854	786	(67)	-7.9%	
Finance & Supply Chain Management	32,483	33,537	1,055	3.2%	
Shared support services	(10,371)	(10,608)	(237)	2.3%	
Transfers to / (from) reserves & other funds	(3,318)	(3,122)	196	-5.9%	
Subtotal Finance, Risk & Supply Chain Management	19,647	20,594	946	4.8%	33
Technology Services					
Information Technology	38,595	41,244	2,649	6.9%	
3-1-1 Contact Centre	7,796	8,055	260	3.3%	
Digital Services	2,325	2,422	97	4.2%	
Shared support services	(9,150)	(9,432)	(282)	3.1%	
Transfers to / (from) reserves & other funds	(193)	(193)	-	0.0%	
Subtotal Technology Services	39,372	42,096	2,724	6.9%	34

Note: Totals may not add due to rounding

**City of Vancouver
Operating Budget (continued)**

Expenditures & Transfers (\$000)	2021 Restated Budget	2022 Approved Budget	Net Change (\$)	Net Change (%)	Notes
Department (continued)					
Other support services					
Equity and Diversity Office	485	718	233	48.0%	
Human Resources	12,083	12,871	788	6.5%	35
City Manager's Office	2,527	2,759	232	9.2%	36
Legal Services	6,668	6,806	138	2.1%	
City Clerk	5,641	6,068	427	7.6%	
Civic Engagement and Communications	3,191	3,396	206	6.4%	
Sport Hosting	896	502	(394)	-44.0%	37
VEMA	1,926	1,964	38	2.0%	
Internal Audit	816	814	(2)	-0.2%	
Shared support services	(4,903)	(5,856)	(953)	19.4%	
Transfers to / (from) reserves & other funds	0	0	-	0.0%	
Subtotal Other support services	29,328	30,040	712	2.4%	
Total Corporate Support Service	123,081	131,082	8,001	6.5%	
General Government					
Business Improvement Association grants	15,154	15,255	101	0.7%	
Contingency	2,000	-	(2,000)	-100.0%	
Vancouver Economic Commission	3,100	3,100	-	0.0%	
General Government expenses	38,133	58,345	20,212	53.0%	
Shared support services	799	762	(37)	-4.6%	
Transfers to / (from) reserves & other funds	(56,486)	(9,078)	47,408	-83.9%	
Total General Government	2,699	68,383	65,685	2434.0%	38
Total Department	1,069,275	1,200,893	131,618	12.3%	
General debt & Transfers to Capital Fund					
Debt charges (non-utility)	77,565	72,241	(5,324)	-6.9%	39
Transfers to Capital Fund	57,037	67,237	10,200	17.9%	
Total General debt & Transfers to Capital Fund	134,602	139,478	4,876	3.6%	
Total Expenditures & Transfers	\$ 1,591,701	\$ 1,747,418	\$ 155,716	9.8%	
Net Operating Budget					
	-	-	-	-	

Note: Totals may not add due to rounding

Notes to Operating Budget table

The following notes explain select changes to the budget. For further explanations of these changes, see Part II, Department Service Plans.

1. **General tax levy** — In 2022, the budget for the property tax general levy increases by \$62.0 million. This reflects an increase of \$57.0 million based on a total tax increase of 6.35% as well as additional revenue of \$5.0 million (related to new construction) added to the property tax roll. On average, this would amount to \$120 additional per year for median residential property owners and \$314 per year for median businesses.
2. **Other property tax related** — Increase in payment in lieu of taxes (PILs) by 6.35% based on property tax rate increase. In addition, higher penalty taxes and interest revenues due to increased late property tax payments.
3. **Water utility revenue** — The 2022 Operating Budget reflects an increase in water revenues by 1.4% primarily due to a proposed 2.0% increase to the metered and flat rate revenues.
4. **Sewer utility revenue** — The 2022 Operating Budget reflects an increase in sewer metered and flat-fee rates. These increases are primarily due to a proposed increase of 12.5% in the sewer utility rate.
5. **Disposal revenue** — The increase is mainly due to higher net cost recoveries anticipated from Metro Vancouver and City of Delta related to a decrease in volume of commercial garbage.
6. **Neighbourhood Energy Utility (NEU) revenue** — The 2022 Operating Budget reflects a 3.2% increase in customer rates and the expansion of the NEU customer base. This revenue increase corresponds with an increase in operating budget expenditure due to system expansion.
7. **Recreation revenue** — The 2022 Operating Budget reflects an increase in admissions revenue due to the return to pre-COVID-19 capacity levels for indoor recreation facilities, and increased revenue to cover the additional costs for increased deck staff levels at indoor pools as recommended in an audit done by the Lifesaving Society.
8. **Parks and Recreation program revenue** — The 2022 Operating Budget reflects an increase in Parks and Recreation program revenue driven by removal of public health restrictions on capacity plus 2% for anticipated 2022 fee increases to cover program cost increases. In addition, the budget includes \$1.3 million in increased revenues mainly related to golf.
9. **Civic Theatres program revenue** — The 2022 Operating Budget reflects an increase in Civic Theatres program revenues due to a return to 2020 budget levels, anticipating the ability of Vancouver Civic Theatres to operate at full capacity.
10. **Britannia program fees** — The 2022 Operating Budget reflects an increase in revenues driven by higher admissions due to a return to pre-COVID-19 revenue levels.

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- 11. Other Department program fees** — The 2022 Operating Budget reflects an increase in new latecomer agreements, in addition to increasing program revenues to 2020 levels.
- 12. Total Licence and development fees** — The 2022 Operating Budget reflects an increase in revenues as application volumes for business licences, permits and rezoning services partially return in 2022. These revenues are expected to improve back to pre-pandemic levels by 2023. As part of the 2022 resource and fee review, most fees are being increased by 5%.
- 13. Total Parking revenue** — The 2022 Operating Budget reflects an increase in revenues projected to return to pre-pandemic levels driven by an increase in fees related to the residential parking permit program, plus an additional increase in parking revenues within parks.
- 14. Total Cost recoveries, grants and donations** — The 2022 Operating Budget reflects an increase due to expected additions from TransLink recoveries returning to pre-pandemic levels. This increase is partly offset by the provincial government's cancellation of grants offered through the Climate Action Revenue Incentive Program (CARIP).
- 15. Total Revenue sharing** — The 2022 Operating Budget reflects an increase in provincial traffic fines expected to return to pre-pandemic levels. Casino gaming revenues projected to partially return to 35% of the 2020 levels.
- 16. Investment income** — The 2022 Operating Budget reflects an increase in revenues due to positive interest rate effect on the portfolio.
- 17. Rental, lease and other revenue** — The 2022 Operating Budget reflects an increase in rental revenue levels for restaurant leases to return to pre-pandemic levels in 2022. This increase is partly offset by lower revenue in digital advertising and reduced car-share fees in Parking management.
- 18. By-law fine revenue** — The 2022 Operating Budget reflects an increase in fine revenues due to a return to pre-pandemic levels.
- 19. Total Utility** — The 2022 Operating Budget reflects a \$19.2 million increase in expenditures due to a 4.1% increase in the water levy and a 5.0% increase in the sewer levy charged by Metro Vancouver. Further to this, there is an increase in the pay-as-you-go contributions to fund Sewer capital projects per the approved 2019-2022 Capital Plan.

- 20. Total Engineering** — The 2022 Operating Budget reflects an increase in expenses due to (1) compensation and benefit expenses arising from negotiated settlements for existing staff, (2) the latecomer agreement and implementation/operation of the summer patio program, (3) increase in insurance costs and other fixed operating expenditures to operate Fleet and Manufacturing Services facilities as well as higher cost to procure materials used in maintenance of the City fleet, and (4) continuance of the funding to meet experiencing homelessness city-wide, with focused efforts on Strathcona Park, the downtown core, Downtown Eastside, Yaletown, Gastown and Chinatown. These increases are partly offset by other productivity savings in Streets division due to parking meter replacement project, in addition to decreased utility expenditures as the rollout of the LED street lighting moves forward and reduction of shared City costs mainly driven by the building cost allocation. The savings from LED replacement and parking meter replacement projects will continue to support the capital investment in the coming years.
- 21. Police Services** — The 2022 Operating Budget reflects an increase in expenses driven by (1) arbitrated compensation for the Vancouver Police Union for 2020, 2021 and 2022, (2) fixed and contractual costs such as fleet charges, insurance, salary increments and employer payroll deduction rates, and jail nursing contract (3) third party costs related to dispatch services provided by E-Comm 9-1-1, and (4) funding for current and evolving mandatory training standards. Additional funding is required for a new provincial Digital Evidence Management System (DEMS) for all BC policing agencies that will be mandated by the Ministry of Public Safety and Solicitor General.
- 22. Vancouver Fire and Rescue Services** — The 2022 Operating Budget reflects the permanent investment in staff resources to support the suppression portion of the 2021 recommendations in the Darkhorse operational review. Expenditures also include increase in compensation and benefit expenses arising from contractual increases, higher WorkSafeBC rates, and fleet charges and higher E-comm allocation. Collective agreement bargaining was completed in late 2021 and the 2020 and 2021 impact were included in the 2021 and 2022 operating budget.
- 23. Parks and Recreation Board** — The 2022 Operating Budget reflects an increase in fixed cost changes including compensation and benefit expenses arising from negotiated settlements for existing staff, equipment, insurance and utilities, increases in direct costs to generate pre-COVID-19 revenue levels, increases for the operating cost of approved capital projects, and approved investments for a Manager of Environment and Sustainability and partial funding for parks rangers. The budget also includes holding vacancy savings.
- 24. Library** — The 2022 Operating Budget reflects increases in fixed costs related to rent, energy, insurance, equipment services (EQS), collections and salaries, in addition to increases to salary and benefit expenses for wage agreement settlements. These increases are partly offset by vacancy savings. Please refer to the Service Plan for Vancouver Public Library for further details on initiatives.

- 25. Britannia Community Services Centre** — The 2022 Operating Budget reflects a decline in expenses due to (1) phasing down of the ambassador program, and (2) savings from fixed costs, partly offset by an increase to compensation and benefit expenses arising from negotiated settlements for existing staff and funding for Britannia Community Youth Worker.
- 26. Civic Theatres** — The 2022 Operating Budget reflects increases in expenditures due to the mix of fixed and variable costs related to events and continuing to hold vacancies into 2022. Regardless of audience size, the full venue space needs to be open and staffed to ensure the health and safety of the staff and patrons attending the shows. The 2022 higher budget also reflects an increase in compensation and benefit expenses arising from negotiated settlements for existing staff.
- 27. Arts, Culture and Community Services** — The 2022 Operating Budget reflects continuing to hold vacancies into 2022 and increases in compensation and benefit expenses arising from negotiated settlements for existing staff. Additional costs are due to (1) funding added for the single room accommodation vacancy control, (2) work to address Murdered and Missing Indigenous Women, (3) funding for washroom strategy. Please refer to the Service Plan for Arts, Culture and Community Services for further details on initiatives.
- 28. Planning, Urban Design and Sustainability** — The 2022 Operating Budget reflects continuing to hold vacancies in 2022 and increases in (1) compensation and benefit expenses arising from negotiated settlements for existing staff positions, (2) investments to continue work on the Vancouver Plan, and (3) new office rent to relocate Planning, Urban Design and Sustainability from 515 West 10th Avenue to 510 West Broadway, and (4) investments to continue the climate priority work as a result of the loss of provincial CARIP grant (part of climate levy). The increase is offset by \$1.2 million reduction to the climate and ecological budget due to the provincial government's cancellation of the CARIP grant program. There is adequate funding in reserves to continue planned programs through 2022, and there is a possibility the provincial government will replace CARIP in January 2022. Staff will continue monitoring the situation to ensure Vancouver's climate priorities stay on track and will report back to Council if new funding is required.
- 29. Development, Buildings and Licensing** — The 2022 Operating Budget reflects increases in (1) compensation and benefit expenses arising from negotiated settlements for existing staff positions, (2) approved staffing resources funded from patio permit fees to support the permanent summer patio program, and (3) 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. The increase is partially offset by removal of one-time staffing resources for the water regulatory certification initiative.
- 30. Mayor and Council** — The 2022 Operating Budget reflects an increase in salaries and benefits based on Mayor and Council remuneration by-laws.

- 31. Office of the Auditor General** — The 2022 Operating Budget reflects increases in expenses as Office of the Auditor General completes its inaugural full-year of operations including hiring for new positions, contracted services, and one-time costs related to setting up the office.
- 32. Real Estate and Facilities Management** — The 2022 Operating Budget reflects increases in costs to ensure that the City's aging infrastructure is maintained to meet safety and compliance standards, and to satisfy the expanding needs of citizens and businesses. Additional costs are due to (1) funding added for operating impacts of new childcare, affordable housing projects, a firehall and for various civic facilities, including new Parks and Recreation facilities that have recently been completed, (2) compensation and benefit expenses arising from negotiated settlements for existing staff, (3) maintenance costs of Library Square/Federal Office Tower building (fully offset with cost recovery revenue from third party) and (4) increase in costs related to new regulatory requirements for *Legionella* bacteria permits and testing. The increase is partially offset by savings from reducing cooling set points for civic buildings, in addition to savings from removal of funding for City's protective services to provide support for the restart of City Hall and Council meetings.
- 33. Finance, Risk and Supply Chain Management** — The 2022 Operating Budget reflects increases in compensation and benefit expenses arising from negotiated settlements for existing staff. The budget also includes continuing to hold vacancies in 2022.
- 34. Technology Services** — The 2022 Operating Budget reflects increases in expenses driven by an increase in compensation and benefit expenses arising from negotiated settlements for existing staff, and additional funding for operating impact of previously approved capital projects that now need to be operated and maintained on an ongoing basis. The budget also includes holding 1.5% vacancy savings, a reduction in discretionary spending, and the exclusion of the annual inflationary impact to technology costs.
- 35. Human Resources** — The 2022 Operating Budget reflects increases in compensation and benefit expenses arising from negotiated settlements for existing staff. These increases are partially offset by deferred work related to employee engagement and reduction in safety training budget. The budget also includes continuing to hold vacancies in 2022.
- 36. City Manager's office** — The 2022 Operating Budget reflects increases due to the inclusion of exempt salary adjustments coupled with the addition of new ongoing funding to support implementation of The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).
- 37. Sport Hosting** — The 2022 Operating Budget reflects a decline driven by a one-time reduction in the City's contribution to the Sport Tourism Development Fund, administered by Tourism Vancouver.

38. General Government — The 2022 Operating Budget reflects changes primarily due to (1) removal of funding set aside which Council has allocated to fund one-time and ongoing 2022 investments (2) removal of contingency to partially fund ongoing 2022 investments (3) 2022 one-time draw on the stabilization reserve to partially fund 2022 investments (4) funding for 2022 investments to address new Climate Emergency Action-related items and to improve core business services i.e. Vancouver Economic Strategy, (5) re-allocation of budget from contingency to partially fund arbitrated compensation increases for the Vancouver Police Union, (6) reinstatement of funding for the special events policy implementation and Celebration of Lights in anticipation of events returning in 2022, (7) increases in contingency due to emerging risks and other uncertainties (e.g., flexible work program costs, collective bargaining agreements, E-Comm 9-1-1 risk), (8) one-time removal of Election reserve transfer, (9) and removal of 2021 one-time draw on the stabilization reserve.

39. Debt charges (non-utility) — The 2022 Operating Budget reflects a decline in debt charges mainly due to lower transfer to Debt Stabilization reserve for 2022 Budget based on the long-term debt financing model.

Impact on property taxes and utility fees

The following table summarizes the impact of a 6.35% municipal property tax increase on median residential and business properties, should Council approve the elements included in this budget document. It does not include property taxes levied by other taxing authorities, as such information was not available at the time of writing this document. Council has no control over the amounts collected by these other taxing authorities.

The 2022 Municipal Tax Levy estimates in this document incorporate preliminary 2021 appeal adjustments and new construction estimates available in September 2021 as well as a municipal property tax increase of 6.35% reflecting the fixed costs and new investments outlined in this document. BC Assessment will finalize new construction and other non-market changes, and the final 2022 Assessment Roll will be completed in March 2022. The impact on individual properties will vary, depending on the relative change in value of a property (compared with other properties in the same class) as well as the impact of mitigating measures to be adopted by Council for the 2022 tax year.

The majority of single-family homes are charged a flat fee for utilities; newly constructed single-family homes and business properties are metered. Rate of increases in water and sewer charges for businesses are the same as those for residential properties.

Indicative City Property Tax Impact of 2022 Budget

Assessed Value of Property (without Land Assessment Averaging)	Estimated 2022 Tax Bill (CoV Portion)	Change over 2021
Median residential strata unit assessed at \$711,000	\$1,209	\$72
Median overall residential unit assessed at \$1,183,100	\$2,012	\$120
Median single-family home assessed at \$1,717,000	\$2,920	\$174
Median business property assessed at \$1,024,000	\$5,262	\$314

* Note that the 3-year tax shift program from non-residential properties to residential properties was completed in 2021, at a rate of 1% in 2019, 0.5% in 2020 and 0.5% in 2021.

All residential single-family homes receive garbage, yard and food waste collection, and a small number of commercial and institutional properties receive garbage collection services from the City. The remainder of commercial and institutional properties have collection services provided by private collectors.

Indicative City Property Tax and Utility Fee Impact of 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 6.35% increase)	\$2,920	\$174	\$5,262	\$314
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	\$4,739	\$278	\$6,946	\$414

* Note that the 3-year tax shift program from non-residential properties to residential properties was completed in 2021, at a rate of 1% in 2019, 0.5% in 2020 and 0.5% in 2021.

Five-year financial plan

The purpose of the five-year financial plan is to provide a longer-term projection of the City's revenue and expense direction as well as insights on potential pressures and risks. Many decisions have multi-year impacts. A five-year operating plan allows for more informed planning and decision-making.

A high level of uncertainty remains as to the duration of the pandemic and the economic recovery. In building the five-year plan, the economic recovery scenarios presented in the Economic Context section of this document were considered. The five-year plan in this section was developed from the scenario in which economic activity returns to pre-pandemic levels in 2022; however, there is a risk that revenues may take longer to recover. The five-year plan also considers the need to replenish the general revenue stabilization reserve for the amounts drawn down as a result of COVID-19 and to continue to fund infrastructure renewal and public safety growth plans once revenues recover. As such, balancing the five-year outlook represents a significant challenge for the City, and will require ongoing process improvements, leveraging of technology, and new ways of doing business. Without these, the five-year plan would result in property tax increases in the 6%-10% range each year or in service level adjustments in order to balance. As part of the Rethink/Rebuild program, the City will look to build capacity for the future, in combination with advocacy for municipal financial reform.

The five-year financial plan is based on the City's Long-Term Financial Sustainability Guidelines and reflects the impacts of the 2019-2022 Capital Plan. The five-year plan is an outlook for the future to guide decisions in the 2022 Budget; Council does not approve the budgets or tax increases as part of the 2022 Budget approval, and those will be brought forward for Council consideration as part of future annual budget processes.

Revenue

Operating revenue is projected to increase by an average of 7% from 2022 to 2026. This increase is driven primarily by the following broad financial assumptions, in line with the Long-Term Financial Sustainability Guidelines:

- Property tax increases are on average 8% for the period of 2022 to 2026. This is consistent with the prior five-year plan and increases related to fixed costs, 1% infrastructure renewal increases from 2023 to 2026, the investment in staffing related to the Fire and Police operational reviews, and for building the stabilization reserve back to a healthy level.
- Increases to sewer rates are expected to be 12.5% in 2022 (2023 to 2026, 15.0% per year). These are driven primarily by Metro Vancouver forecasted regional utility charge increases and costs associated with the Iona Island Wastewater Treatment Plant.

- Increases to water rates are expected to range from 2% to 8% per year (2022, 2%; 2023 to 2026, 7.6% average per year). These are driven primarily by Metro Vancouver forecasted regional utility charge increases to fund regional infrastructure improvements, costs associated with the planned Second Narrows Waterworks Tunnel, and transition to pay-as-you-go funding to support the delivery of the approved 2019-2022 Capital Plan.
- Increases to solid waste rates are expected to be 4.5% in 2022 (2023, 3.5%; 2024, 2.5%; 2025 to 2026, 2.0% per year). These rates are driven by items from the approved 2019-2022 Capital Plan, which are paid on a pay-as-you-go basis, as well as ongoing inflationary increases to the operating expenditures. Revenues will increase to accommodate increases in the amount of garbage being disposed and costs to maintain labour and equipment levels to manage service requirements.
- Other revenues such as program fees, trade and development fees, parking and by-law fees are projected to return to 2020 levels starting in 2022. The City will continue to monitor the revenue trends and adjust its estimates accordingly.

Expenditures

Operating expenditures are projected to increase by an average of 7% per year from 2022 to 2026. This is a projection based on fixed cost trends and costs related to existing service levels. This is driven primarily by the following assumptions:

- Increases in department budgets, in line with forecasted inflation over five years, will result in fixed cost increases.
- Increases to regional utility charges are assessed by Metro Vancouver to fund regional infrastructure improvements, including costs associated with the Iona Island Wastewater Treatment Plant site preparation for secondary treatment.
- The 2022-2026 plan includes (1) necessary 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 2019-2022 Capital Plan, (2) operating impacts of previously approved capital projects, (3) multi-year impacts of implementing the Vancouver Police Department and Fire and Rescue Services Operational Review recommendations, and (4) rebuilding the reserve level by equivalent of 1% property tax to within best practice targets of 8% by the year 2026.

Over the past decade, the City has become increasingly active in addressing needs that have traditionally been the jurisdiction and mandate of the provincial government. Significant investments have been made, particularly in public safety and emergency response, social housing and social services, addressing issues related to mental health and addiction, childcare, and other core services that serve both the city and the Metro Vancouver region.

Similar to other Canadian municipalities, the City is constrained by limited revenue sources. The City's primary revenue sources are intended to support traditional municipal services and infrastructure programs. These sources are proving to be insufficient as the responsibility for new services has expanded. The City plans to work with the provincial government for

opportunities to leverage senior government funding and to explore new revenue tools, including sharing of revenues from various provincial tax categories and modernizing the City's property tax structure, to deliver on growing demands for public services at the municipal level.

Risks and opportunities

Costs for maintaining existing services are rising faster than inflation in a number of areas.

Risks to the five-year financial plan include:

- Collective agreement risk.
- Unanticipated costs downloaded to the City from other levels of government.
- New regulatory and compliance requirements.
- Costs for unforeseen events such as public emergencies and issues related to climate change and unusual weather events.
- Costs for higher water consumption during periods of low rainfall, costs for flooding and wind damage, and higher costs for snow and ice removal in periods of high winter storm activity.
- Potential levy increases imposed by Metro Vancouver for Water and Sewer utility to fund ongoing services and infrastructure improvements throughout the region.
- Strong demand for construction services in the region as a result of Vancouver's strong economic rebound and increases in development activity. Increases in construction costs, other procurements resulting from COVID-19-related supply chain disruptions, or changes in the Canadian-US exchange rate may influence future costs.
- The City maintains a varied portfolio of more than \$25 billion in assets (at replacement value, excluding land) and regularly reviews asset maintenance and renewal requirements to maintain facilities and infrastructure in a state of good repair. Asset renewal represents additional pressure on the five-year plan that will be reviewed as part of the Capital Strategic Outlook and 2023-2026 Capital Plan process.
- Any significant increase in interest rates will increase the City's debt servicing on new debt and will limit future borrowing capacity.
- Canada's economic recovery to pre-pandemic level is estimated to take approximately one to four years, with the possibility that the recovery timeline could extend between 2022 and 2024.

FIVE YEAR FINANCIAL PLAN - REVENUES

City of Vancouver (\$000)	2022 Approved Budget	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2022 Change		2023 Change		2024 Change		2025 Change		2026 Change	
						(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Revenues															
Property tax	1,008,085	1,103,418	1,183,450	1,273,739	1,354,202	65,887	7.0%	95,333	9.5%	80,032	7.3%	90,289	7.6%	80,464	6.3%
Utility Fees															
Water revenue	150,659	159,510	169,565	181,148	193,547	2,051	1.4%	8,851	5.9%	10,055	6.3%	11,582	6.8%	12,399	6.8%
Sewer revenue	118,623	135,237	154,182	175,886	200,506	12,206	11.5%	16,614	14.0%	18,944	14.0%	21,705	14.1%	24,619	14.0%
Solid Waste revenue	79,619	82,040	85,243	85,668	87,391	2,037	2.6%	2,421	3.0%	3,202	3.9%	425	0.5%	1,723	2.0%
Neighbourhood Energy revenue	7,620	8,049	8,875	10,336	11,822	308	4.2%	429	5.6%	826	10.3%	1,461	16.5%	1,487	14.4%
Utility Fees Total	356,522	384,837	417,864	453,038	493,265	16,601	4.9%	28,315	7.9%	33,027	8.6%	35,173	8.4%	40,228	8.9%
Program Fees	67,996	69,354	70,739	72,152	73,593	28,014	70.1%	1,358	2.0%	1,385	2.0%	1,413	2.0%	1,441	2.0%
Licence & Development fees	91,461	94,045	95,880	97,752	99,661	12,930	16.5%	2,583	2.8%	1,835	2.0%	1,872	2.0%	1,909	2.0%
Parking revenue	75,355	75,355	75,355	75,355	75,355	11,406	17.8%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Cost recoveries, grants & donations	61,377	61,377	61,377	61,377	61,377	4,918	8.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Revenue sharing	14,644	16,744	16,744	16,744	16,744	7,344	100.6%	2,100	14.3%	-	0.0%	-	0.0%	-	0.0%
Investment income	13,830	13,830	13,830	13,830	13,830	1,743	14.4%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other revenue	36,571	36,571	36,571	36,571	36,571	2,817	8.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Bylaw fines	21,577	21,577	21,577	21,577	21,577	4,056	23.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Revenues	1,747,418	1,877,107	1,993,386	2,122,133	2,246,175	155,716	9.8%	129,689	7.4%	116,280	6.2%	128,747	6.5%	124,042	5.8%

Note: Totals may not add due to rounding

FIVE YEAR FINANCIAL PLAN - EXPENDITURES

City of Vancouver (\$000)	2022 Approved Budget	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast	2022 Change		2023 Change		2024 Change		2025 Change		2026 Change	
						(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Expenditures & Transfers															
Utilities															
Water	150,840	159,691	169,746	181,328	193,727	2,054	1.4%	8,851	5.9%	10,055	6.3%	11,582	6.8%	12,399	6.8%
Sewer	168,537	188,155	213,209	249,480	286,327	14,712	9.6%	19,618	11.6%	25,054	13.3%	36,271	17.0%	36,847	14.8%
Solid Waste	80,049	82,470	85,672	86,098	87,820	2,148	2.8%	2,421	3.0%	3,202	3.9%	425	0.5%	1,723	2.0%
Neighbourhood Energy	7,620	8,049	8,875	10,336	11,822	308	4.2%	429	5.6%	826	10.3%	1,461	16.5%	1,487	14.4%
Utilities Total	407,046	438,365	477,502	527,241	579,697	19,222	5.0%	31,319	7.7%	39,137	8.9%	49,739	10.4%	52,455	9.9%
Department															
Engineering	110,895	113,685	116,369	118,976	121,579	7,947	7.7%	2,789	2.5%	2,684	2.4%	2,607	2.2%	2,603	2.2%
Police Services	366,938	379,172	391,374	402,545	411,340	18,820	5.4%	12,233	3.3%	12,203	3.2%	11,171	2.9%	8,794	2.2%
Fire and Rescue Services	153,511	160,076	167,126	173,632	177,342	6,169	4.2%	6,566	4.3%	7,049	4.4%	6,506	3.9%	3,710	2.1%
Parks & Recreation	143,612	148,206	152,866	157,538	162,303	8,014	5.9%	4,593	3.2%	4,660	3.1%	4,672	3.1%	4,765	3.0%
Library	57,806	59,073	60,368	61,692	63,045	2,613	4.7%	1,267	2.2%	1,295	2.2%	1,324	2.2%	1,353	2.2%
Britannia Community Services Centre	6,019	6,150	6,285	6,422	6,562	(188)	-3.0%	131	2.2%	134	2.2%	137	2.2%	140	2.2%
Civic Theatres	14,874	15,201	15,535	15,877	16,226	3,834	34.7%	327	2.2%	334	2.2%	342	2.2%	349	2.2%
Community Services	43,101	44,049	45,018	46,007	47,016	2,788	6.9%	948	2.2%	968	2.2%	989	2.2%	1,010	2.2%
Grants	23,501	23,971	24,499	25,038	25,589	27	0.1%	470	2.0%	527	2.2%	539	2.2%	551	2.2%
Planning, Urban Design & Sustainability	32,767	33,476	34,202	34,943	35,701	3,832	13.2%	710	2.2%	725	2.2%	741	2.2%	758	2.2%
Development, Buildings & Licensing (DBL)	43,236	44,187	45,159	46,152	47,168	2,722	6.7%	951	2.2%	972	2.2%	993	2.2%	1,015	2.2%
Mayor & Council	3,568	3,646	3,726	3,808	3,892	156	4.6%	78	2.2%	80	2.2%	82	2.2%	84	2.2%
Office of the Auditor General	1,600	1,635	1,671	1,708	1,746	1,200	300.0%	35	2.2%	36	2.2%	37	2.2%	38	2.2%
Corporate Services	131,082	133,904	140,169	143,922	147,527	8,001	6.5%	2,822	2.2%	6,265	4.7%	3,753	2.7%	3,604	2.5%
General Government	68,383	107,177	132,368	163,915	194,467	65,685	2434.0%	38,793	56.7%	25,191	23.5%	31,547	23.8%	30,552	18.6%
Department Total	1,200,893	1,273,609	1,336,735	1,402,177	1,461,502	131,618	12.3%	72,716	6.1%	63,126	5.0%	65,442	4.9%	59,325	4.2%
General debt & Transfers to Capital Fund	139,478	165,133	179,149	192,715	204,976	4,876	3.6%	25,655	18.4%	14,017	8.5%	13,566	7.6%	12,261	6.4%
Total Expenditures & Transfers	1,747,418	1,877,107	1,993,386	2,122,133	2,246,175	155,716	9.8%	129,689	7.4%	116,280	6.2%	128,747	6.5%	124,042	5.8%
Net Operating Budget	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: Totals may not add due to rounding

Long-term trends

As noted above, over the past decade, the City has become increasingly active in addressing needs that have traditionally been the jurisdiction and mandate of the provincial government. In July 2021, Council directed staff to report back on the costs and revenues related to downloaded services. Further detail will be provided in a memo to Council prior to the presentation of the 2022 Budget. Some examples of estimated costs of the City's contribution to these areas of senior government mandates include:

- **Housing** — The City has approximately \$99.1 million in housing budget in 2022 from the Operating and Capital budgets. This consists of \$25.1 million from the Operating Budget and \$74 million from the Capital Expenditure Budget. In addition, the City supports housing through in-kind Community Amenity Contributions (CACs) directed to housing, Development Cost Levy (DCL) waivers for rental, or density for social housing.
- **Homelessness** — Effects of the COVID-19 pandemic have magnified and disproportionately affected vulnerable people experiencing homelessness or at risk of homelessness, and supportive social services and emergency shelters that serve these populations have had to reduce capacity due to COVID-19.
- **Mental health and addiction** — \$2.3 million of the total Vancouver Fire and Rescue Services budget continues to support overdose response. Each year this crisis continues, and there is a substantial impact to City resources.
- **Public safety** — DNA costs of \$0.6 million; costs of implementing digital evidence management and other costs imposed through changes in the provincial court system.
- **Childcare** — Approximately \$2 million of Operating Budget is directed to supporting childcare as well as \$27 million of Capital Expenditure Budget, for which the City has received funding support from senior government.

As the centre of a metropolitan region, the City supports a number of regional activities. Revenue associated with these events accrues to the provincial government as corporate income tax and provincial sales tax (PST), for example:

- Support for the City as a regional cultural centre, including Vancouver Civic Theatres and support for cultural facilities and culture grants.
- Statutory exemptions and grants to non-profits that play a regional role.
- Events such as Celebration of Light, sport and cultural events, and sport hosting.
- Costs of streets, bridges and other renewal to support regional traffic.
- Support for local economic development that benefits the region led by the Vancouver Economic Commission.

While many of these regional activities and events were reduced in scope in 2021 because of COVID-19, it is expected that they will play an important role in regional economic recovery as they are able to resume. In addition, COVID-19 brought some challenges that are felt more acutely by regional centres across the country, including greater declines in revenue and social issues exacerbated by the crisis.

In 2019, at Council's direction, the City completed a review of historical drivers of spending growth over the past 10 years. These areas, noted below, continue to be factors in the 2022 Budget and five-year plan. Key drivers of expense growth over the past 10 years have been:

- Above-inflation wage growth in public safety in part due to arbitration rules — 19% above inflation over the past 10 years.
- Metro Vancouver charges related to increased investment in sewer and water treatment.
- Increases in pay-as-you-go funding to support infrastructure renewal to address the City's growing portfolio of aging infrastructure and amenities in a financially sustainable and resilient manner.
- Additional staff needed to support the significant increase in volume of applications and the growing complexity of development in Vancouver.
- Additional resources needed to respond to issues that have traditionally been the role of other levels of government as noted in the section above.
- Expense increases passed on by other levels of government and government agencies, including the Employer Health Tax (a \$15-million cost to the City) and above-inflation increases in BC Hydro charges.

Over the next 10 years, we can expect these pressures to continue, which will make it increasingly difficult to balance the budget with a reasonable level of tax and fee increases. Municipal finance reform is needed to equip municipalities with appropriate financial tools to respond to these long-term trends.

Participatory budgeting

Participatory budgeting (PB) is a democratic engagement process where residents propose and vote on community investment projects, funded through a pre-determined budget. Once a community votes, the selected projects are typically adopted and implemented with the support of the government. PB has been implemented in dozens of cities across the United States, South America, Latin America, Europe and Canada (City of Victoria, Toronto and Guelph).

In December 2017, Council authorized the Director of Civic Engagement and Communications and the General Manager of Finance, Risk and Supply Chain Management to undertake a PB pilot, with the revenue from the West End Parking Strategy, and requested that staff report back on the results.

In September 2018, the City of Vancouver convened members of the West End community to decide how \$100,000 of revenue generated in their community should be spent as part of the

City's first-ever PB program. They were invited to learn about PB and the guidelines for the pilot, and to establish a stewardship committee (the WE Choo\$e Impact Team).

The process has involved working closely with residents, including community leaders, who have been supported by City staff and the Participatory Budgeting Project (a non-profit agency based in New York City) to lead the PB process. Since then, the PB pilot has gone through several phases:

Public Brainstorming and Ideation (January – February 2019)

- The Impact Team launched the idea collection phase of the process. Members of the community submitted their ideas on how the \$100,000 should be spent online or at one of six public information sessions, which included pop-up events and community assemblies that included a presentation and an ideation session. More than 1,700 ideas were collected from the West End community for the Impact Team and its subcommittees to deliberate.

Proposal Development (April – October 2019)

- Taking all the ideas submitted, the Impact Team worked with project/idea proponents, consultants and City staff to develop, through a predetermined criterion, meaningful, actionable proposals and to cost them in preparation for voting. Individual proposed projects could request funding ranging from \$10,000 to \$50,000, allowing multiple projects to be selected.

Community Voting (January 25 – February 4, 2020)

- The Impact Team led a community vote, with the support of City staff, and provided voting opportunities both online via Talk Vancouver and in person at 15 pop-up locations throughout the West End. The community vote was promoted through community partners, local media outlets and on-the-ground canvassing to encourage members of the community to have their say in selecting the local projects to be funded.

Results of WE Choo\$e Participatory Budgeting Community Vote

More than 8,500 individuals who live, work or volunteer in the West End voted, either online or in person, between Jan. 25 and Feb. 4, 2020, on their preferred projects from a short list of 14. The voting process asked people to rank their top four projects, and the projects that received the most weighted votes and fit within the \$100,000 funding budget were recommended for implementation. Three project recommendations came from this process:

- West End Calisthenics Park — \$50,000
- Sidewalk Improvements (beyond typical City repairs) — \$30,000
- Christine Fretwell and Kathryn Gibbons Memorial Gift to West End Students — \$20,000 in grants

Results of the Participatory Budgeting Pilot

The West End community generally expressed positive feedback toward PB as a process during the pilot. The three projects selected by the community will be completed within the 18-month commitment timeframe, demonstrating tangible benefits available from the PB process. The community improvement projects completed to date include two \$10,000 grants (for a total of \$20,000) to local schools to conduct their own “mini-PB process” for fitness equipment and \$30,000 for sidewalk improvements. The third project, a \$50,000 calisthenics park, is expected to be completed by October 2021.

These benefits, however, are offset by the resources required to run the PB process, where the costs required to support the community engagement in running the West End pilot of approximately \$107,000 exceeded the value of funds disbursed to the community (\$100,000). In addition, significant community capacity in the form of volunteer and community leadership time was required as well as significant City staff time from various departments not quantified in the figure above. The high resource requirement to implement a successful community participatory budgeting process is consistent with findings from other jurisdictions who have also implemented participatory budgeting.

Consequently, staff did not recommend implementing a PB process in the West End on an annual basis. Instead, staff would recommend considering a modified PB process or another type of more efficient community engagement for the neighbourhood between 2023 and 2025, when parking revenues of \$0.5 million to \$1 million would have been accumulated to create a larger budget to offset administrative costs.

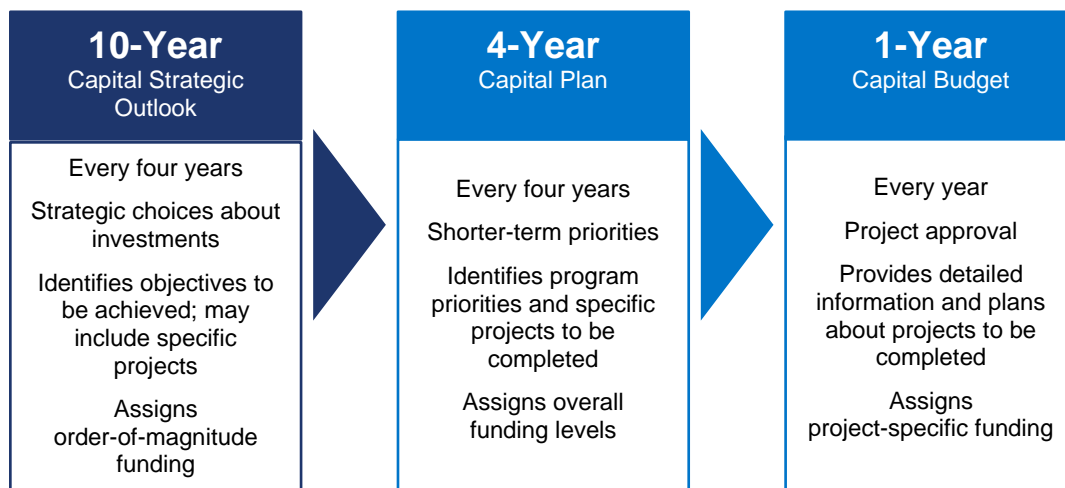
The West End was an ideal community for the PB trial due to manageable geographic size and strong community networks to undertake localized community engagement within the City of Vancouver. To assess the effectiveness of the PB process as a policy to be applied city-wide on various projects, additional pilot projects that involve communities with different community capacity and larger capital budgets to distribute are required. City staff would not recommend adopting a city-wide PB process until further trials and study have been completed.

To implement additional PB pilots, resources would need to be added for internal staff in the form of additional full-time equivalents and/or budget for external consultants. Due to current resource constraints, it is recommended to defer initiating new PB pilots at this time. The City’s recently developed Equity Framework includes embedding an equity lens into budget decisions as a category of action. Staff would recommend including equity considerations, particularly about the neighbourhoods and participants identified, into future PB trials to advance equity goals and ensure a diversity of neighbourhoods and voices are included.

CAPITAL PLAN AND CAPITAL BUDGET

Introduction

The City's capital framework consists of a 10-year Capital Strategic Outlook, four-year Capital Plan and one-year Capital Budget. Moving along in the timeline of the framework, the capital investments denote more specificities in terms of funding and project details. The current Capital Plan covers the period from 2019 to 2022. The 2022 Budget, as the final budget of the current plan period, is focused on continuing to deliver ongoing programs, such as water and sewer infrastructure renewal, and bringing forward new budgets for key projects progressing to the construction or implementation phases, including West Fraser Lands Childcare, Grandview Firehall, deep emission building retrofits and other accelerated actions on climate change, data centre security and resilience, and renewal of the sewer infrastructure from a combined system (single pipes that carry stormwater and sewage mixed together) to a separated system (separate storm pipes and sanitary pipes). Planning for the 2023-2026 Capital Plan will begin in early 2022 and will be guided by direction from Council and engagement with the public.



Capital planning principles

The following overarching goals are associated with the 2019-2022 Capital Plan:

- Increase funding to maintain the City's critical infrastructure and amenities in a state of good repair.
- Optimize the City's network of infrastructure and amenities to support growth and economic development.
- Advance Council and Board priorities from city-wide strategies and community plans in a financially sustainable and resilient manner.

As part of the COVID-19 response and recovery, the City conducted a comprehensive review of the major programs and projects of the various service categories to address COVID-19-related financial pressures and presented Council with a recalibrated Capital Plan. Reflecting significant adjustments, the recalibrated 2019-2022 Capital Plan was approved by Council in September 2020 with the focus on maintaining the City's infrastructure and amenities in a state of good repair, aligning growth-related projects with the slower pace of development, and advancing Council priorities on the Climate Emergency Response, equity and resilience.

Capital Budget

The City's capital budget process has been developed to ensure assets and investments are managed comprehensively, with rigour and transparency, in a manner that ensures the City is achieving value for money and that staff resources are used efficiently. The objective of the Capital Budget is to ensure consistency with the 2019-2022 Capital Plan and capital planning principles, and with policies and procedures for the Capital Budget.

The Capital Budget consists of detailed project information and provides the authority to proceed with specific capital programs and projects. It defines both the multi-year Capital Project Budget and the Annual Capital Expenditure Budget for all approved work. Council may choose to make changes to the budget as part of the deliberation on the 2022 Budget.

Senior government partnership and external funding

With its limited funding sources, it is not possible for the City to address critical infrastructure and community needs in a meaningful way without strategic intergovernmental partnerships and a predictable, long-term funding arrangement. Over the past several years, there has been a significant increase in senior government funding in areas such as housing and childcare.

The 2019-2022 Capital Plan has seen an increase of nearly \$150 million in partner funding contributions, including \$51.5 million from the Government of Canada's Rapid Housing Initiative for the purchase of Days Inn and Best Western hotels to deliver social and supportive housing, and \$33 million has been committed by the BC Government for childcare.

Proposed Capital Plan changes

As part of the 2020 Capital Plan recalibration, significant adjustments were made to the Capital Plan in response to COVID-19-related financial pressures, a reduction of approximately \$157 million in developer-funded capital projects as a result of a forecasted slowdown in development, and a reduction of \$10 million in tax-funded capital projects to offset property tax

increases. Subsequent to the Capital Plan recalibration, additional adjustments are included as part of the 2022 Capital Budget to reduce the 2019-2022 Capital Plan by approximately \$43 million in City-led funding, related primarily to a further forecasted slowdown in development cost levies.

After the 2022 Capital Budget and including the Capital Plan adjustments previously noted, the majority of the current plan (86%) will have been allocated to a Capital Budget for delivery. A portion of the plan (14%) will remain unallocated for projects that are expected to be brought forward for inclusion in 2022 or will be held as contingency for cost escalation and as a way to opportunistically leverage partner funding from senior government. Any funding not allocated in 2022 will be considered as part of the planning cycle for the 2023-2026 Capital Plan.

Capital Plan in-kind projects

In addition to City-led programs and projects, the 2019-2022 Capital Plan includes in-kind projects that are delivered by developers. In-kind capital projects are one of the two forms of voluntary public benefit contributions (in-kind amenity and cash contributions) offered by a rezoning applicant to address the impact of rezoning. In the 2019-2022 Capital Plan, developer-led in-kind projects are a key component of the overall investment in growth-related capital amenities, which include affordable housing, childcare, arts and culture, and community facilities. The original Capital Plan anticipated that approximately \$574 million worth of in-kind amenities would be delivered by developers between 2019 and 2022. Based on current estimates, approximately \$400 million worth is expected to be delivered, with approximately \$150 million for affordable housing and approximately \$15 million for childcare expected to be delayed because of general industry conditions and slowdowns related to COVID-19. Details of in-kind projects are included throughout this section.

2019-2022 Capital Plan and 2022 Capital Budget

The following table summarizes the 2019-2022 Capital Plan, changes to the Capital Plan, the 2022 Capital Budget and the corresponding funding sources. Please refer to Appendix A for service category details.

\$ millions	2019-2022 Capital Plan				Devt. led	City led			
	Original	Changes to date	Draft 2022B changes	Revised Plan	Revised Plan	Revised Plan	Previously approved	Draft 2022 Budget	Remaining
City-wide	A	B	C	D=A+B+C D=E+F	E	F = G+H+I	G	H	I
Affordable Housing	540.1	149.5	0.0	689.6	400.0	289.6	250.5	8.0	31.1
Childcare	123.4	31.9	(1.2)	154.1	37.5	116.6	44.5	11.0	61.1
Parks & Open Spaces	264.5	(35.7)	(13.1)	215.7	-	215.7	172.0	21.5	22.3
Arts & Culture	174.0	(36.4)	(5.6)	131.9	47.6	84.3	59.9	7.9	16.5
Community Facilities	245.1	12.1	1.3	258.5	89.3	169.2	88.5	6.1	74.6
Public Safety	47.6	42.2	2.5	92.3	-	92.3	46.2	38.5	7.6
Civic Facilities & Equipment	108.4	0.2	(2.1)	106.6	-	106.6	86.0	7.2	13.3
Transportation & Street Use	310.7	26.2	(3.5)	333.4	-	333.4	272.4	55.4	5.6
One Water	615.8	(112.2)	(11.0)	492.5	-	492.5	359.8	92.3	40.4
Solid Waste	92.2	6.4	-	98.6	-	98.6	77.4	6.4	14.8
Renewable Energy	41.5	10.2	-	51.6	-	51.6	39.6	12.0	0.0
Technology	100.0	4.8	-	104.8	-	104.8	81.2	22.5	1.0
Overhead	20.0	6.9	-	26.9	-	26.9	26.4	-	0.6
Emerging Priorities	88.0	(65.0)	(10.0)	13.0	-	13.0	-	-	13.0
Total	2,771.2	41.1	(42.8)	2,769.6	574.4	2,195.2	1,604.5	288.9	301.8
City contributions	1,049.0	57.7	(9.7)	1,097.0	-	1,097.0	812.9	211.3	72.8
Devt. contributions	1,614.9	(165.5)	(34.7)	1,414.8	574.4	840.4	577.3	59.3	203.8
Partner contributions	107.2	149.0	1.6	257.8	-	257.8	214.4	18.3	25.2

Note: The development-led amounts in column E are based on the original 2019-2022 Capital Plan estimates. As noted in the previous section, approximately \$150 million for housing and \$15 million for childcare may be delayed because of timing.

2022 Multi-Year Capital Budget and Capital Expenditure Budget

Unlike operating expenses in the Operating Budget, a capital project, such as the construction of a new community centre or firehall, can span multiple years. The multi-year Capital Project Budget reflects this longer time frame and represents the total estimated cost and associated funding for the overall project or project phase, regardless of whether the related expenditures will occur within only one year or over multiple years. The Multi-Year Capital Budget represents the aggregate of all approved multi-year capital project budgets. The Annual Capital Expenditure Budget presents the expenditures planned and forecast for a given year that include the current year's expenditure portion of the multi-year capital project budgets and the City's previously approved capital expenditures to be spent in the budget year.

The 2022 Multi-Year Capital Budget represents new capital projects and increases to previously approved capital projects that have been prioritized through the capital budget process based on various factors, including funding availability, readiness to proceed and the City's capacity to deliver. For 2022, a total of \$285 million is to be added to the aggregate 2022 Multi-Year Capital Budget. This comprises \$289 million allocated from the 2019-2022 Capital Plan offset by a reduction of \$4 million from the previously approved Capital Plan.

The 2022 Capital Expenditure Budget outlined in the 2022 Capital Budget is \$683 million, and it comprises \$493 million in budgeted expenditures in 2022 for previously approved multi-year capital projects and \$190 million for 2022 expenditures on new multi-year capital projects outlined in the 2022 Capital Budget.

In the 2022 Multi-Year Capital Project Budget, \$8.0 million in new capital funding for affordable housing includes \$4.5 million to support the SRO Upgrade Granting Program. This \$8.0-million request is in addition to continuing previously approved funding for affordable housing projects, including land acquisition and City-owned non-market rental housing of \$386.0 million.

Some of the significant areas of investment in the budget include West Fraser Lands Childcare, Grandview Firehall, deep emission building retrofits and other accelerated actions on climate change, increased security and resilience of the City's data centre infrastructure, and renewal of the sewer infrastructure from a combined system (single pipes that carry stormwater and sewage mixed together) to a separated system (separate storm pipes and sanitary pipes). Investments for climate are focused on active transportation and in renewable energy. Equity-related projects are focused in community facilities as well as in other service areas. The details are included throughout the following service categories section and are summarized in more detail in Appendix B.

Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure timelines over the next five years.

\$ millions City-wide	Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Affordable Housing	385.7	8.0	393.8	134.7	73.6	16.8	-	-
Childcare	108.1	11.0	119.1	26.8	24.1	5.8	1.1	-
Parks & Open Spaces	222.5	19.9	242.4	54.3	34.6	2.4	0.2	-
Community Facilities	166.0	6.1	172.0	35.7	35.4	28.4	8.9	7.4
Arts & Culture	79.4	7.9	87.3	23.2	12.8	7.7	2.9	2.9
Public Safety	93.5	38.5	132.1	21.3	31.1	17.1	-	-
Civic Facilities & Equipment	170.7	7.2	177.9	31.7	14.5	5.4	-	-
Transportation & Street Use	335.9	53.4	389.3	133.2	8.2	-	-	-
One Water**	317.2	92.3	409.5	140.0	29.5	-	-	-
Renewable Energy	45.1	12.0	57.1	18.0	13.5	0.5	2.8	-
Solid Waste	117.0	6.4	123.4	28.0	12.6	-	-	-
Technology	67.1	22.5	89.6	31.2	-	-	-	-
Overhead	26.2	-	26.2	5.3	-	-	-	-
Emerging Priorities	-	-	-	-	-	-	-	-
Total Approved Projects	2134.4	285.3	2419.7	683.4	290.0	84.2	15.9	10.3
<i>Forecast projects from 2023-2026 Capital Plan</i>				<i>n/a</i>	<i>320.0</i>	<i>525.8</i>	<i>604.1</i>	<i>609.7</i>
Forecast expenditures				683.4	610.0	610.0	620.0	620.0

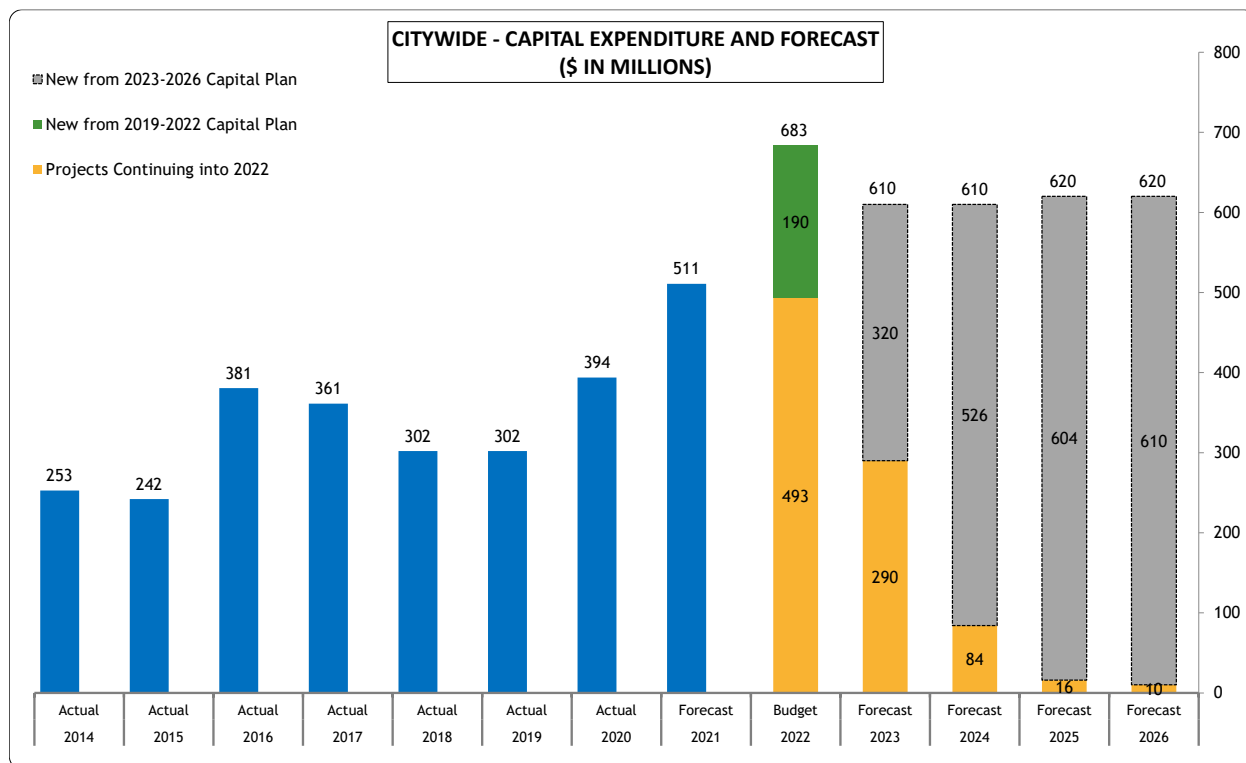
**2022 multi-year capital budget for Connections reflects revenues received to date for 2022 work requests; as further revenues are received, this budget will be adjusted through the quarterly capital budget adjustment process

Capital Expenditure Budget trending and Five-Year Financial Plan

While the Multi-Year Capital Budget represents the aggregate of all approved multi-year capital project budgets, the Annual Capital Expenditure Budget represents the portion of the Multi-Year Capital Budget that is planned to be spent in the budget year.

The 2022 Capital Expenditure Budget includes a high amount of previously approved projects continuing into 2022, reflecting a catch-up of delayed work, progress of some major projects to detailed design and construction phases, and advancement of priority initiatives and Council motions.

The Five-Year Financial Plan provides an estimate of capital expenditure forecasts for the next five years. Compared with the actual capital expenditures in prior years, the five-year capital expenditure forecast is indicative of the significant ramp-up of capital work that will be required to meet expected requirements for infrastructure renewal and new-growth amenities over the next five years. However, it is important to note that these amounts for 2023 and beyond do not reflect approved budgets. The 2023-2026 Capital Plan and future budgets will be developed with direction from Council and engagement with the public.



Capital Budget by service category

Affordable Housing

The City has a portfolio of assets that deliver affordable housing in Vancouver. This portfolio consists primarily of three different asset types that require capital funding, including land leased to community housing partners that has been developed to deliver affordable housing; turnkey assets secured from developers as voluntary public benefit contributions; and some buildings owned by the City to deliver affordable housing, including single room occupancy hotels (SROs). The City requires capital to maintain these assets, advance the development of new affordable housing, and provide capital grants to community housing partners to advance developments of their own housing assets.

2019-2022 Capital Plan and 2022 Capital Budget

In the 2019-2022 Capital Plan, affordable housing funding comes primarily from development contributions, the Empty Homes Tax and senior government (e.g., Canada Mortgage and Housing Corporation). The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for Affordable Housing, broken down by service subcategories and Capital Plan projects or programs.

\$ millions			2019-2022 Capital Plan				Devt. led	City led		
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan	Revised Plan	Revised Plan	Previously approved	2022 Budget
			A	B	C	D=A+B+C D=E+F	E	F = G+H+I	G	H
Affordable Housing										
Implementation & research	Implementation & research	Planning & studies for non-City housing on City-owned land	1.5	-	-	1.5	-	1.5	1.5	-
		Planning & studies for other affordable housing	3.2	-	-	3.2	-	3.2	2.6	0.7
Subtotal			4.7	-	-	4.7	-	4.7	4.1	0.7
Non-Market Rental	City-owned & City-operated	Capital maintenance program	2.0	2.8	0.0	4.7	-	4.7	4.1	0.7
		Housing - Grandview Fire Hall	-	5.0	-	5.0	-	5.0	5.0	-
		Renovations to keep facilities functional & efficient	1.0	-	-	1.0	-	1.0	0.9	0.1
		Replacement of City-operated residences	12.0	(1.5)	-	10.5	-	10.5	6.5	-
		Seismic evaluation of existing facilities	0.5	-	-	0.5	-	0.5	-	0.5
	City-owned & Partner-operated	Housing - Coal Harbour	-	36.5	-	36.5	-	36.5	36.5	-
		Housing - Marpole Civic Centre	-	4.0	-	4.0	-	4.0	-	4.0
		Little Mountain housing	-	11.3	-	11.3	-	11.3	-	-
		New units delivered through development	400.0	-	-	400.0	400.0	-	-	-
		Roddan Lodge	-	1.4	-	1.4	-	1.4	1.4	-
	Non-City Housing City-Owned Land	Acquisition of new land for affordable housing	75.0	67.4	-	142.4	-	142.4	126.4	-
		Predevelopment funding for VAHA projects	-	3.2	-	3.2	-	3.2	3.2	-
		Preservation of existing non-market & co-op housing	15.0	-	-	15.0	-	15.0	8.0	-
	Non-City Housing Non-City Land	Acquisition of new land for affordable housing	-	3.8	-	3.8	-	3.8	3.8	-
		Chinatown housing partnerships	1.6	-	-	1.6	-	1.6	0.4	1.2
		Infrastructure granting program for new social housing	20.0	9.0	-	29.0	-	29.0	-	-
Subtotal			527.1	142.8	0.0	669.9	400.0	269.9	236.4	2.4
Purpose-Built Rental and Other	Purpose-Built Rental and Other	Rental protection & relocation and other programs	1.5	-	-	1.5	-	1.5	1.5	-
Subtotal			1.5	-	-	1.5	-	1.5	1.5	-
SROs	SROs	SRO upgrade granting program	6.0	-	-	6.0	-	6.0	1.5	4.5
Subtotal			6.0	-	-	6.0	-	6.0	1.5	4.5
Supportive housing	Supportive housing	Permanent Modular Housing Program	-	1.5	-	1.5	-	1.5	1.5	-
		Supportive housing granting program	0.9	-	-	0.9	-	0.9	0.5	0.5
	Temporary Modular Housing	Temporary Modular Housing Program	-	4.0	-	4.0	-	4.0	4.0	-
Subtotal			0.9	5.5	-	6.4	-	6.4	6.0	0.5
Prior Capital Plan Items			-	1.1	-	1.1	-	1.1	1.1	-
Total Affordable Housing			540.1	149.5	0.0	689.6	400.0	289.6	250.5	8.0
City contributions			3.5	36.9	0.0	40.4	-	40.4	39.1	1.2
Devt. contributions			536.7	54.8	-	591.4	400.0	191.4	153.6	6.8
Partner contributions			-	57.8	-	57.8	-	57.8	57.8	-

2022 Multi-Year Capital Budget and Capital Expenditure Budget

The following table summarizes the 2022 Affordable Housing Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget, the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Of note, the 2022 budget will be focused on the delivery of more than \$385.0 million in previously approved housing capital projects as well as the addition of \$8.0 million in new multi-year capital project budgets, including \$4.5 million for SROs to support the annual SRO grant requests for 2022, \$1.2 million to support 2022 requests for funding for the Chinatown Housing Partnership Program, and \$0.7 million to support planning and research for affordable housing delivery. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

Affordable Housing (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Implementation & Research	Implementation & Research	6.4	0.7	7.1	5.5	-	-	-	-
Subtotal		6.4	0.7	7.1	5.5	-	-	-	-
Non-Market Rental	City-Owned & City-Operated	17.9	1.2	19.2	12.3	4.4	-	-	-
	City-Owned & Partner-Operated	110.1	-	110.1	19.6	14.0	14.0	-	-
	Non-City Housing City-Owned Land	208.9	-	208.9	58.4	51.9	-	-	-
	Non-City Housing Non-City Land	31.5	1.2	32.7	31.1	0.6	0.6	-	-
Subtotal		368.4	2.4	370.9	121.4	70.8	14.6	-	-
Purpose-Built Rental & Other	Purpose-Built Rental & Other	1.5	-	1.5	1.4	-	-	-	-
Subtotal		1.5	-	1.5	1.4	-	-	-	-
SROs	SROs	3.5	4.5	8.0	3.0	2.5	2.0	-	-
Subtotal		3.5	4.5	8.0	3.0	2.5	2.0	-	-
Supportive Housing	Supportive Housing	2.0	0.5	2.4	1.4	0.3	0.2	-	-
	Temporary Modular Housing	4.0	-	4.0	2.0	-	-	-	-
Subtotal		6.0	0.5	6.4	3.4	0.3	0.2	-	-
Total Affordable Housing		385.7	8.0	393.8	134.7	73.6	16.8	-	-

Major projects and programs included in the 2022 budget

Capital maintenance of City and Vancouver Public Housing Corporation-owned buildings

The City owns a number of social housing buildings, including assets owned by the Vancouver Public Housing Corporation, a corporation wholly owned by the City, and these buildings require ongoing capital maintenance. These works will consist of smaller capital projects throughout the year.

Housing granting program

The program consists of a range of granting programs that enable partners to upgrade existing affordable housing and build new affordable housing that is not on City land. Examples include the SRO Upgrade Granting Program, supportive housing grants, Chinatown Housing Partnership Program and the Community Housing Incentive Program for new social housing.

In-kind Capital Plan projects

The 2019-2022 Capital Plan has also included in-kind projects that are delivered by developers. In-kind capital projects are one of the two forms of voluntary public benefit contributions (in-kind amenity and cash contributions) offered by a rezoning applicant to address the impact of rezoning. For Affordable Housing, staff estimated that 1,200 to 1,600 new non-market rental housing units would be delivered, or at least be under construction, during the span of this

Capital Plan. One example of a project completed in the 2019-2022 capital planning period is the xʷłəpícən, located at 4105 Arbutus Street on Vancouver's west side, which added 125 new units of affordable homes for residents on low and moderate incomes. It is anticipated that approximately 300 in-kind social housing units will be completed in 2022, and construction will begin on another 700 units. Because of timing delays in developer-led projects, the dollar value of affordable housing in-kind amenities delivered by the end of 2022 will be approximately \$150 million less than estimated in the original Capital Plan. However, these amenities will continue to be delivered over a longer time frame in the next Capital Plan.

Childcare

Childcare includes programs for infants, toddlers and preschoolers aged 0 to 4 years and school-age childcare programs for children aged 5 to 12 years before and after school. Childcare continues to be a top priority, and the City has been working with developers, the Vancouver School Board (VSB) and senior levels of government to address the existing service gaps in childcare and increase the number of licensed spaces. Childcare facilities are owned by the City, other government agencies (e.g., VSB), non-profit agencies and private building owners. The childcare four-year Capital Plan is informed by the guiding principles to:

- Maintain existing childcare facilities in a state of good repair.
- Ensure no net loss of childcare spaces by retaining, replacing or expanding existing childcare facilities.
- Increase the supply of licensed childcare by working with the federal and provincial governments, VSB and non-profit operators.
- Locate new childcare facilities in convenient and accessible locations.

Because of timing delays in developer-led projects, the dollar value of childcare in-kind amenities delivered by the end of 2022 will be approximately \$15 million less than estimated in the original Capital Plan. However, these amenities will continue to be delivered over a longer time frame.

2019-2022 Capital Plan and 2022 Capital Budget

In the 2019-2022 Capital Plan, childcare maintenance and renewals are funded by city funding, primarily from property tax and some reserves. New childcare spaces are generally funded by development contributions and senior government funding. In 2019, the City and the provincial government signed a multi-year agreement whereby the Government of BC would invest \$33 million (\$28 million more than originally estimated in the Capital Plan) to deliver additional childcare in Vancouver, which has enabled a significant increase in funding capacity to deliver needed new childcare spaces. Delivery of the spaces within this Capital Plan continues to be a challenge as a result of difficulty identifying suitable locations and delays related to partner timelines.

The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for Childcare, broken down by service subcategories and Capital Plan projects or programs.

\$ millions			2019-2022 Capital Plan				Devt. led	City led			
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan D=A+B+C D=E+F	Revised Plan E	Revised Plan F = G+H+I	Previously approved G	2022 Budget H	Remaining I
Childcare			A	B	C						
Implementation & research	Implementation & research	Planning & overhead	0.6	1.5	-	2.1	-	2.1	1.6	0.5	-
Subtotal			0.6	1.5	-	2.1	-	2.1	1.6	0.5	-
Infant, Toddler & Preschool (0-4 Yrs) City-Owned		Capital maintenance program	0.3	0.0	(0.1)	0.3	-	0.3	0.3	-	-
		Childcare - 321 Princess	-	1.0	-	1.0	-	1.0	1.0	-	-
		Childcare - Coal Harbour	-	12.7	-	12.7	-	12.7	12.7	-	-
		Childcare - David Lloyd George School	-	3.0	-	3.0	-	3.0	3.0	-	-
		Childcare - Fleming Elementary School	-	0.1	-	0.1	-	0.1	0.1	-	-
		Childcare - Gastown Parkades	-	4.7	-	4.7	-	4.7	4.7	-	-
		Childcare - Henry Hudson School	-	12.7	-	12.7	-	12.7	12.7	-	-
		Childcare - Lord Nelson Elementary	-	0.3	-	0.3	-	0.3	0.3	-	-
		Childcare - Marpole Civic Centre	-	3.5	-	3.5	-	3.5	3.5	-	-
		Childcare - Marpole Oakridge CC expansion	-	0.4	-	0.4	-	0.4	0.4	-	-
		Childcare - Tennyson Elementary School	-	0.3	-	0.3	-	0.3	0.3	-	-
		Childcare - West Fraser Lands	-	2.5	11.5	14.0	-	14.0	2.5	11.5	-
		Little Mountain childcare	-	6.6	-	6.6	4.3	2.3	2.3	-	-
		New 0-4 spaces delivered by development	37.5	(4.3)	-	33.2	33.2	-	-	-	-
		New 0-4 spaces delivered by the City or partners	75.0	(13.2)	(11.5)	50.3	-	50.3	-	-	50.3
		Renewal of the Marpole-Oakridge Community Centre childcare	6.8	-	-	6.8	-	6.8	1.0	-	5.8
		Renovations to keep facilities functional & efficient	0.8	-	-	0.8	-	0.8	0.6	0.2	-
Subtotal			120.3	30.3	(0.1)	150.5	37.5	113.0	45.3	11.7	56.1
School age (5-12 years old)	City-Owned	New or upgraded space to provide 5-12 spaces	2.5	2.5	-	5.0	-	5.0	-	-	5.0
Subtotal			2.5	2.5	-	5.0	-	5.0	-	-	5.0
Prior Capital Plan Items			-	(2.4)	(1.2)	(3.5)	-	(3.5)	(2.4)	(1.2)	-
Total Childcare			123.4	31.9	(1.2)	154.1	37.5	116.6	44.5	11.0	61.1
City contributions			8.4	(0.1)	(1.2)	7.1	-	7.1	2.3	(1.0)	5.8
Devt. contributions			110.0	3.0	-	113.0	37.5	75.5	27.1	9.3	39.2
Partner contributions			5.0	29.0	-	34.0	-	34.0	15.2	2.8	16.1

2022 Multi-Year Capital Budget and Capital Expenditure Budget

The following table summarizes the 2022 Childcare Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget and the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Of note, the 2022 budget will be focused on the delivery of more than \$108 million worth of previously approved childcare capital projects and the addition of \$11 million in new multi-year capital project budgets, mainly for the construction phase of West Fraser Lands Childcare. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

Childcare (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Implementation & Research	Implementation & Research	1.8	0.5	2.3	1.4	-	-	-	-
Subtotal		1.8	0.5	2.3	1.4	-	-	-	-
Infant, Toddler & Preschool (0-4 Years Old)	City-Owned	106.2	10.5	116.7	25.2	24.1	5.8	1.1	-
Subtotal		106.2	10.5	116.7	25.2	24.1	5.8	1.1	-
School Age (5-12 Years)	City-Owned	0.2	-	0.2	0.1	-	-	-	-
Subtotal		0.2	-	0.2	0.1	-	-	-	-
Total Childcare		108.1	11.0	119.1	26.8	24.1	5.8	1.1	-

Major projects and programs

New childcare spaces delivered by the City or partners

The provincial government funding of \$33 million (a multi-year agreement signed in 2019) has increased the number of 0-4 years old childcare spaces and 5-12 years old school-age childcare spaces as outlined in the original Capital Plan from 500 to 1,000 and from 250 to 1,000, respectively. Staff have already identified sites that could deliver approximately 400 0-4 spaces, including Henry Hudson Elementary School, Coal Harbour, West Fraser Lands, Marpole-Oakridge Community Centre, Eric Hamber Secondary School, Oakridge Civic Centre, Britannia Community Centre, Ray-Cam Community Centre and West End Community Centre, and approximately 200 5-12 spaces.

Staff are working to explore additional sites and new opportunities, such as outdoor-based school-age childcare, renewal of existing spaces and the addition of 37 new 0-4 years old childcare spaces at the Cedar Cottage Neighbourhood House. Staff have also successfully strategized the addition of a 30-space multi-purpose room at Henry Hudson Elementary School for children aged 5-12 years, in addition to the 69-space childcare for children 0-4 years old.

Recognizing the need to deliver childcare spaces in new and innovative ways, staff are currently developing a proposed new funding program that will provide capital contributions toward the creation of childcare facilities that will be owned and maintained by public or non-profit organizations. Staff expect to seek formal Council endorsement of the funding program in early 2022.

In-kind Capital Plan projects

Notable in-kind childcare projects currently under construction include:

- A childcare facility at South Vancouver Neighbourhood House annex space — A new neighbourhood house annex space located at Fraser Street and Marine Drive, co-located with 37 new childcare spaces for children 0-4 years old. This project is currently under construction and is expected to be completed by the end of 2021.
- Oakridge Centre 69-space childcare facility — This project is currently under construction.
- A childcare facility at Little Mountain Neighbourhood House — A renewed and expanded neighbourhood house to be located at Main Street and West 36th Avenue (relocated from Main Street and West 24th Avenue), co-located with social housing and a 69-space childcare centre. The new facility will double in size, growing from 6,000 square feet to 12,000 square feet. This project is currently at the development permit stage and is scheduled to proceed to the construction phase in 2022. It is recommended that \$4.3 million worth of development in-kind contributions and \$2.3 million worth of development cash contributions be allocated to the childcare component at Little Mountain Neighbourhood House.
- The Pearson Dogwood (69 spaces) and 1444 Alberni Street (56 spaces) childcare projects will be in the next Capital Plan (2023-2026).

Parks and open spaces

Vancouver's network of parks and open spaces includes more than 300 sites distributed across the city. These open spaces vary in size (from small urban plazas and mini-parks to major parks like Stanley Park) and function (e.g., for sports and recreation, leisure activities or public gatherings, or natural areas). The parks and open spaces four-year capital planning is informed by VanPlay, the Board's Parks and Recreation Services Master Plan. VanPlay's key directions are to:

- Deliver Services Equitably: A fair and effective parks and recreation system
- Weave the City Together: Parks, recreation, nature and culture integrated into everyday life
- Welcome Everyone: Parks and recreation experiences that improve quality of life and meet the needs of a growing population

2019-2022 Capital Plan and 2022 Capital Budget

In the 2019-2022 Capital Plan, parks and open spaces maintenance and renewals are funded primarily by property tax. Growth-related new and expanded facilities are funded by development contributions. The recalibrated Capital Plan included adjustments to reflect a shortfall in Development Cost Levy (DCL) revenue as a result of development industry conditions, and staff anticipate a further shortfall in development contributions. Therefore, additional adjustments are proposed as part of the 2022 Capital Budget to reduce \$12.1 million in DCL in the 2019-2022 Capital Plan. The changes reflect deferrals in track and field and synthetic-turf field programs to have a holistic plan in the next Capital Plan. However, the 2022 Capital Budget includes significant City-led investment in parks and open spaces renewal, with \$19.9 million in new multi-year capital project budget requested to support a variety of areas, including new and replacement trees, park renewals (e.g., Joyce-Collingwood, Oak), and renewal and upgrades of playgrounds, washrooms, fieldhouses and concessions.

The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for Parks and Open Spaces, broken down by service subcategories and Capital Plan projects or programs.

\$ millions			2019-2022 Capital Plan				Devt. led	City led					
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan D=A+B+C D=E+F	Revised Plan	Revised Plan F = G+H+I	Previously approved	2022 Budget	Remaining		
			A	B	C		E		G	H	I		
Parks & Open Spaces													
General Features & Infrastructure	Other features	Community garden upgrades	0.4	-	-	0.4	-	0.4	0.3	0.1	-		
	Park infrastructure	Irrigation systems & water conservation	1.3	-	-	1.3	-	1.3	1.3	-	-		
		Green infrastructure & drainage	1.5	-	(0.5)	1.0	-	1.0	0.9	0.1	-		
		Maintenance & upgrades to electrical systems	0.6	-	-	0.6	-	0.6	0.5	0.2	-		
		Rehabilitation of park infrastructure	0.3	-	-	0.3	-	0.3	0.3	-	-		
		Rehabilitation of paved surfaces	0.4	-	-	0.4	-	0.4	0.4	-	-		
	Pedestrian access	New & improved pathways	1.5	-	(0.7)	0.8	-	0.8	0.8	-	-		
		Rehabilitation of pedestrian bridges	3.5	-	-	3.5	-	3.5	2.2	1.3	-		
Vehicle access	Rehabilitation of paved surfaces	1.5	(0.1)	-	1.4	-	1.4	1.4	-	-			
Subtotal			10.9	(0.1)	(1.2)	9.6	-	9.6	8.0	1.7	-		
Park amenities	Other	Dog parks & amenities	2.0	-	(0.6)	1.4	-	1.4	1.3	0.2	-		
	Park development	Skate & bike facilities/tracks	2.4	-	(1.4)	1.0	-	1.0	1.0	-	-		
		New park - Burrard Slopes	-	1.4	-	1.4	-	1.4	1.4	-	-		
		New park - EFL Area 1	-	16.0	-	16.0	-	16.0	12.3	-	3.7		
		New park - Little Mountain Plaza	-	1.0	-	1.0	-	1.0	1.0	-	-		
		New park - Mt. Pleasant	-	2.0	-	2.0	-	2.0	2.0	-	-		
		New park - SEFC East	-	2.0	-	2.0	-	2.0	1.5	-	0.5		
		New park - Smithe & Richards	-	6.0	-	6.0	-	6.0	6.0	-	-		
		New park - Wedge Park	-	-	-	-	-	-	-	-	-		
		Other new parks	43.5	(42.5)	0.5	1.6	-	1.6	1.1	0.5	-		
		Park renewal - Barclay Square	-	1.0	-	1.0	-	1.0	0.3	-	0.7		
		Park renewal - Delamont	-	0.8	-	0.8	-	0.8	-	0.2	0.6		
		Park renewal - John Hendry Park	-	2.0	-	2.0	-	2.0	1.7	0.3	-		
		Park renewal - Jonathan Rogers Park	-	1.8	(1.1)	0.7	-	0.7	0.4	0.4	-		
		Park renewal - Joyce Collingwood	-	2.0	-	2.0	-	2.0	0.5	1.6	-		
		Park renewal - Oak Park	-	2.4	-	2.4	-	2.4	0.7	1.7	-		
		Park renewal - QE Park Master Plan	-	2.2	-	2.2	-	2.2	1.5	0.7	-		
		Park renewal - West End Park Redevelopment	-	3.5	-	3.5	-	3.5	3.5	-	-		
		Park upgrades - Brewers / Clinton	-	2.3	-	2.3	-	2.3	2.3	-	-		
	Park upgrades - Crab park	-	1.0	-	1.0	-	1.0	1.0	-	-			
	Renewal & upgrades of existing parks	29.2	(27.7)	-	1.5	-	1.5	-	-	1.5			
	Renewal & upgrades of playgrounds, spray pads, etc.	9.0	0.5	-	9.5	-	9.5	7.4	2.1	-			
	Universal access improvements	0.6	-	-	0.6	-	0.6	0.4	0.3	-			
	Planning & overhead	West End - Lord Roberts Elementary	-	0.5	-	0.5	-	0.5	-	-	0.5		
		West End Calisthenics Parks	-	0.1	-	0.1	-	0.1	0.1	-	-		
		Parks & recreations studies	2.7	0.1	-	2.8	-	2.8	2.5	0.3	-		
		Project management	16.0	-	-	16.0	-	16.0	12.0	4.0	-		
		Subtotal			105.4	(21.7)	(2.5)	81.2	-	81.2	61.5	12.2	7.5
		Park buildings	Capital maintenance program	4.0	(0.3)	(1.0)	2.7	-	2.7	2.0	0.7	-	
		New washrooms & fieldhouses	8.7	-	-	8.7	-	8.7	3.5	-	5.2		
		Renewal & upgrades of washrooms, fieldhouses & concessions	8.3	-	-	8.3	-	8.3	5.3	1.2	2.1		
	Subtotal			21.0	(0.3)	(1.0)	19.7	-	19.7	10.5	1.9	7.3	
	Park land	Park land	Park land - Burrard Slopes	80.0	(37.3)	-	42.8	-	42.8	42.8	-	-	
			Park land - John Hendry Park (2930 Victoria)	-	1.9	-	1.9	-	1.9	1.9	-	-	
Park land - Other			-	7.1	-	7.1	-	7.1	7.1	-	-		
Park land - W.C. Shelley Park (1552-76 E 8th)			-	15.2	-	15.2	-	15.2	15.2	-	-		
Subtotal			80.0	(13.1)	-	67.0	-	67.0	67.0	-	-		
Programmed activity areas	Fields	Field lighting renewals & upgrades	0.2	-	-	0.2	-	0.2	0.1	0.1	-		
		Golf course improvements	0.5	-	-	0.5	-	0.5	0.5	-	-		
		Grass field renewals & upgrades	1.5	0.6	-	2.1	-	2.1	2.1	-	-		
		New synthetic turf field	5.4	-	(0.1)	5.3	-	5.3	0.1	(0.1)	5.3		
		Renewal & upgrades to ball diamonds & cricket program	0.5	-	-	0.5	-	0.5	0.4	0.1	-		
		Synthetic field renewals & upgrades	4.0	-	(0.8)	3.2	-	3.2	-	1.2	2.0		
	Other sport amenities	Renewal & upgrades of courts	1.0	-	-	1.0	-	1.0	1.0	-	-		
		Tracks	New competitive track & field training facility	10.0	-	(7.5)	2.5	-	2.5	2.5	-	-	
		Renewals & upgrades of running tracks	1.3	-	-	1.3	-	1.3	0.9	0.5	-		
	Subtotal			24.4	0.6	(8.4)	16.6	-	16.6	7.5	1.8	7.3	
Seawall and waterfront	Seawall	Seaside greenway	2.0	0.1	-	2.1	-	2.1	2.1	-	-		
		Seawall maintenance & renewal	1.7	0.5	-	2.2	-	2.2	1.8	0.4	-		
		Shoreline maintenance	0.2	-	-	0.2	-	0.2	0.2	-	-		
	Waterfront & marine structures	Jericho pier	1.5	(0.7)	-	0.8	-	0.8	0.3	0.5	-		
		Renewal & upgrade of bridges, boardwalks & piers	3.0	0.7	-	3.7	-	3.7	3.7	-	-		
		Subtotal			8.4	0.6	-	9.0	-	9.0	8.1	0.9	-
Urban Forest and Natural Features	Biodiversity	Biodiversity projects	3.7	0.0	-	3.7	-	3.7	3.0	0.7	-		
		Restoration & maintenance	Hastings Park stream & Wetland Creation	1.6	(1.3)	-	0.3	-	0.3	0.2	-	0.2	
		Stanley Park cliff scaling	0.5	0.0	-	0.5	-	0.5	0.4	0.1	-		
	Trees	New & replacement trees	8.6	-	-	8.6	-	8.6	6.3	2.3	-		
Subtotal			14.4	(1.3)	-	13.1	-	13.1	9.9	3.1	0.2		
Prior Capital Plan Items			-	(0.4)	-	(0.4)	-	(0.4)	(0.4)	-	-		
Total Parks & Open Spaces			264.5	(35.7)	(13.1)	215.7	-	215.7	172.0	21.5	22.3		
City contributions			30.5	0.4	(1.0)	30.0	-	30.0	21.1	17.7	(8.9)		
Devt. contributions			234.0	(37.5)	(12.1)	184.3	-	184.3	149.4	3.8	31.1		
Partner contributions			-	1.4	-	1.4	-	1.4	1.4	-	-		

2022 Multi-Year Capital Budget and Capital Expenditure Budget

For 2022, a total of \$19.9 million is to be added to the aggregate Parks and Open Spaces Multi-Year Capital Budget. The 2022 Capital Expenditure Budget is \$54.3 million, and it is set up to complete or advance progress on a number of ongoing and new multi-year capital projects. The expenditure budget comprises \$39.6 million for previously approved multi-year capital projects with budgeted expenditures in 2022 and \$14.6 million for 2022 expenditures on new multi-year capital projects outlined in the 2022 Capital Budget.

The following table summarizes the 2022 Parks and Open Spaces Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget and the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

Parks & Open Spaces (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
General Features & Infrastructure	Other Features	1.6	0.1	1.7	0.7	-	-	-	-
	Park Infrastructure	2.2	0.3	2.5	1.5	-	-	-	-
	Pedestrian Access	3.4	1.3	4.7	2.6	0.9	-	-	-
	Vehicle Access	1.4	-	1.4	0.2	-	-	-	-
Subtotal		8.7	1.7	10.4	5.0	0.9	-	-	-
Park Amenities	Other	3.3	0.2	3.4	2.3	-	-	-	-
	Park Development	71.8	7.7	79.5	15.1	20.2	-	-	-
	Planning & Overhead	15.1	4.3	19.4	5.4	-	-	-	-
Subtotal		90.1	12.2	102.3	22.8	20.2	-	-	-
Park Buildings	Park Buildings	10.7	1.9	12.6	4.6	3.9	2.4	0.2	-
Subtotal		10.7	1.9	12.6	4.6	3.9	2.4	0.2	-
Park Land	Park Land	52.1	-	52.1	7.7	0.5	-	-	-
Subtotal		52.1	-	52.1	7.7	0.5	-	-	-
Programmed Activity Areas	Fields	10.7	(1.5)	9.3	1.5	-	-	-	-
	Other Sport Amenities	8.9	-	8.9	1.2	0.8	-	-	-
	Playfields	-	1.2	1.2	1.2	-	-	-	-
	Tracks	3.9	0.5	4.4	0.9	2.1	-	-	-
Subtotal		23.5	0.2	23.7	4.9	2.8	-	-	-
Seawall & Waterfront	Seawall	19.1	0.4	19.5	2.7	1.6	-	-	-
	Waterfront & Marine Structures	5.6	0.5	6.1	2.7	0.5	-	-	-
Subtotal		24.7	0.9	25.6	5.4	2.1	-	-	-
Urban Forest & Natural Features	Biodiversity	5.0	0.7	5.7	1.8	1.5	-	-	-
	Restoration & Maintenance	0.9	0.1	1.0	0.5	-	-	-	-
	Trees	6.6	2.3	8.9	1.7	2.8	-	-	-
Subtotal		12.6	3.1	15.7	4.0	4.3	-	-	-
Total Parks & Open Spaces		222.5	19.9	242.4	54.3	34.6	2.4	0.2	-

Major projects and programs

New park and street trees

Trees will be planted in parks and reforestation areas, on streets and boulevards, and in other locations to support the growth of the urban forest canopy. In 2022, there will be an increased focus to plant trees on identified urban heat islands to help address climate change.

Burrard Slopes Park expansion

The original Capital Plan for this project involved preparation of concept plan, design and construction of Burrard Slopes Park at Fir Street and West Fifth Avenue with an expansion of 0.63 hectares, including integration with the Arbutus Greenway. As a result of the Capital Plan recalibration, the construction is deferred to the 2023-2026 Capital Plan, and the funding is reduced from \$8.4 million to \$1.4 million to sufficiently cover the costs of the planning and design phase.

East Fraser Lands parks and green space

This portfolio of projects encompasses the delivery of 10 hectares of new parks and green space in the East Fraser Lands neighbourhood in southeast Vancouver. The next year will see the advancement of South Kinross Park through conceptual design, the implementation of the Foreshore Park control works along the Fraser River, and a detailed design and tender for the new park at Sawmill Crescent. Planning is also underway for Avalon Park, located on the east side of the East Fraser Lands neighbourhood.

New and renewed washrooms

New park washrooms include those in Coopers' Park, Crab Park, Tisdall Park, and the grass field near West Fraser Lands Childcare. Renewals include Collingwood Park, Oak Park and Vancouver Technical Secondary School.

In addition to the noted capital projects, staff assessed other major projects during the Capital Plan recalibration. Major parks and open spaces programs are recommended to proceed with the current level of funding as set out in the Capital Plan, including in multiple areas for renewals, upgrades, maintenance or new buildings.

As a result of the Capital Plan recalibration, certain parks and open spaces projects and programs are recommended to reduce funding to reflect deferral of some scope to the next Capital Plan. Examples include the parkland acquisition program, new park development of East Park in Southeast False Creek, and park renewals and upgrades to West End Waterfront Park and Queen Elizabeth Park.

Arts and culture

Arts and culture services include cultural facilities, entertainment and exhibition facilities, public art, and heritage. The arts and culture four-year capital planning is informed by Vancouver's culture strategy, Culture|Shift. Culture|Shift is guided by the principles to:

- Prioritize cultural heritage, equity and accessibility for self-determined xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish) and səliłwətaʔt (Tsleil-Waututh) First Nations and urban Indigenous Peoples.
- Preserve, enhance and develop new arts and cultural space and public art.
- Support community-led initiatives and projects within arts and culture.
- Renew and revitalize both City- and community-owned aging cultural and entertainment facilities and public artworks.

2019-2022 Capital Plan and 2022 Capital Budget

The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for Arts and Culture, broken down by service subcategories and Capital Plan projects or programs. As a result of a lower forecast for Community Amenity Contributions (CACs), the Heritage Incentive Program was reduced as part of the 2020 recalibrated Capital Plan.

\$ millions			2019-2022 Capital Plan				Devt. led	City led			
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan	Revised Plan	Revised Plan	Previously approved	2022 Budget	Remaining
			A	B	C	D=A+B+C D=E+F	E	F = G+H+I	G	H	I
Arts & Culture											
Cultural Facilities	City-Owned	Capital maintenance program	13.3	(0.2)	2.3	15.3	-	15.3	14.0	1.3	
		Civic theatre upgrades	-	5.4	-	5.4	-	5.4	3.5	-	1.9
		First Nations Signage for ʔəwəʔəxən Xwtʔaʔshn and ʔəwəʔəneq Xwtʔeʔenʔ Square	-	-	0.9	0.9	-	0.9	-	0.9	-
		New cultural amenity space at 1616 W 7th Ave	-	5.6	-	5.6	5.6	-	-	-	-
		New cultural hub at 801 Pacific	16.0	-	-	16.0	16.0	-	-	-	-
		New performance space at Oakridge Centre	15.0	-	-	15.0	15.0	-	-	-	-
	Non-City owned	New production space at Main & 2nd	1.0	-	-	1.0	1.0	-	-	-	-
		Renovations to keep facilities functional & efficient	0.8	-	-	0.8	-	0.8	0.8	-	-
		Chinatown cultural partnerships	5.0	(5.0)	-	-	-	-	-	-	-
		Chinatown Museum hub	-	-	-	-	-	-	-	-	-
		Chinatown Museum spoke #1 (27 E Pender)	-	0.5	-	0.5	-	0.5	0.5	-	-
		Chinatown Museum spoke #2 (tbd)	-	0.1	-	0.1	-	0.1	-	0.1	-
		Chinese cultural centre renovations	-	0.2	-	0.2	-	0.2	-	0.2	-
		Cultural capital grant programs	6.0	2.4	-	8.4	-	8.4	6.6	1.8	-
		Sun Yat-Sen Garden capital maintenance	-	0.2	-	0.2	-	0.2	-	0.2	-
		Subtotal		57.1	9.2	3.2	69.5	37.6	31.9	25.4	4.5
Entertainment & Exhibition Facilities	Entertainment & Exhibition Facilities	Capital maintenance program	6.8	(0.5)	(1.8)	4.4	-	4.4	4.2	0.2	-
		Ongoing implementation of Hastings Park Master Plan	10.0	6.0	-	16.0	-	16.0	10.8	-	5.3
		Renovations to keep facilities functional & efficient	0.3	-	-	0.3	-	0.3	0.3	-	-
Subtotal		17.0	5.5	(1.8)	20.7	-	20.7	15.2	0.2	5.3	
Heritage	Heritage	Heritage incentive program (CAC & DBZ)	72.0	(47.0)	-	25.0	-	25.0	13.8	1.7	9.5
		Redesign of Chinatown Memorial Plaza (planning/design)	3.5	(2.5)	-	1.0	-	1.0	1.0	-	-
		Tax funded heritage incentive programs	2.4	(0.2)	-	2.2	-	2.2	1.5	0.7	-
Subtotal		77.9	(49.7)	-	28.2	-	28.2	16.3	2.4	9.5	
Public Art	Public Art	Maintenance of existing public art	2.0	-	(1.0)	1.0	-	1.0	1.0	0.0	-
		New public art delivered by development	10.0	-	-	10.0	10.0	-	-	-	-
		New public art delivered the City or partners	10.0	-	(6.0)	4.0	-	4.0	3.2	0.8	-
Subtotal		22.0	-	(7.0)	15.0	10.0	5.0	4.2	0.8	-	
Prior Capital Plan Items			-	(1.4)	-	(1.4)	-	(1.4)	(1.2)	-	(0.2)
Total Arts & Culture			174.0	(36.4)	(5.6)	131.9	47.6	84.3	60.0	7.9	16.5
City contributions			38.3	9.9	(0.2)	47.9	-	47.9	38.1	2.8	7.0
Devt. contributions			131.2	(43.9)	(5.4)	81.9	47.6	34.3	19.7	5.1	9.5
Partner contributions			4.5	(2.4)	-	2.1	-	2.1	2.1	-	-

2022 Multi-Year Capital Budget and Capital Expenditure Budget

As the last budget of the current Capital Plan, the 2022 Capital Budget is focused on the delivery of more than \$79 million worth of previously approved projects and the addition of \$8 million in new multi-year capital project budgets, mainly for the Heritage Incentive Program, cultural capital grants, new public art programs to support artist-initiated public art projects, and First Nations signage and audio installations for ʔxwʔexən Xwtl'a7shn and ʔxwʔənəq Xwtl'e7énk Square to support the naming announcement. The following table summarizes the 2022 Arts and Culture Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget and the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

Arts & Culture (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Cultural Facilities	City-Owned	18.2	2.2	20.4	5.2	1.8	-	-	-
	Non-City Owned	13.2	2.3	15.5	6.9	0.8	0.4	-	-
Subtotal		31.4	4.5	35.9	12.1	2.5	0.4	-	-
Entertainment & Exhibition Facilities	Entertainment & Exhibition Facilities	23.1	0.2	23.3	7.8	1.8	3.4	2.9	2.9
Subtotal		23.1	0.2	23.3	7.8	1.8	3.4	2.9	2.9
Heritage	Heritage	16.3	2.4	18.7	1.6	6.2	3.8	-	-
Subtotal		16.3	2.4	18.7	1.6	6.2	3.8	-	-
Public Art	Public Art	8.6	0.8	9.4	1.7	2.3	0.3	-	-
Subtotal		8.6	0.8	9.4	1.7	2.3	0.3	-	-
Total Arts & Culture		79.4	7.9	87.3	23.2	12.8	7.7	2.9	2.9

Major projects and programs

Heritage Incentive Program

This granting program supports conservation of heritage buildings and has allocated \$1.7 million in the 2022 Capital Budget. It includes three programs:

- The Heritage Incentive Program offers substantial grants to eligible conservation projects. The program is funded by development contributions, and the original estimate in the current Capital Plan was \$72 million. However, the realized CAC revenue is accumulating more slowly than anticipated, and the recalibrated Capital Plan revised it to approximately \$25 million. This reduced the number of conservation projects from 20-30 to 8-12.
- The Heritage Facade Rehabilitation Program offers smaller grants of up to \$50,000 per eligible building. This program is tax-funded.
- The annual grant to Vancouver Heritage Foundation, a non-profit partner, for dissemination through its Heritage House Conservation Program to promote the appreciation and conservation of Vancouver's historical places for current and future generations. The grant is tax-funded.

The Chinatown programs

The Chinatown cultural partnership program will address 2022 grant program needs as part of the Chinatown Museum Spoke and Hub Projects, Chinese cultural centre renovations and Dr. Sun Yat-Sen Classical Chinese Garden capital maintenance and will have a total of \$0.5 million allocated in the 2022 Capital Budget. There are three programs for Chinatown revitalization initiatives: the Chinatown cultural partnership program, the Chinese Society Building Grant Program and the Chinatown Memorial Square redesign; these programs are progressing more slowly than initially anticipated. The bulk of construction and renovation work related to these revitalization programs is now anticipated to occur during the 2023-2026 Capital Plan. Partner funding initially anticipated for the 2019-2022 Capital Plan is now deferred and anticipated for the next Capital Plan.

In-kind Capital Plan projects

For arts and culture, the following in-kind capital projects are anticipated to be delivered or move into the construction stage over the 2019-2022 capital planning period:

- Main Street and West Second Avenue arts production space has been completed.
- A cultural hub facility at 801 Pacific Street has been completed.
- Oakridge Centre theatre and studio spaces are under construction.
- Fir Street and West Seventh Avenue music production space is currently at the development permit stage.

Community facilities

Community facilities include recreational facilities such as ice rinks, indoor and outdoor pools; social facilities such as community centres, seniors centres and neighbourhood houses; libraries; and archive facilities. The community facilities four-year capital planning is informed by the guiding principles to:

- Create a healthy city for all by supporting people and communities.
- Maintain and renew community facilities to meet today's needs.
- Accommodate community needs as Vancouver grows.

2019-2022 Capital Plan and 2022 Capital Budget

The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for Community Facilities, broken down by service subcategories and Capital Plan projects or programs.

\$ millions			2019-2022 Capital Plan				Devt. led	City led				
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan	Revised Plan	Revised Plan	Previously approved	2022 Budget	Remaining	
			A	B	C	D=A+B+C D=E+F	E	F = G+H+I	G	H	I	
Community Facilities												
Libraries and archives	Archives	Relocation & renewal of archives	18.0	(3.1)	-	14.9	-	14.9	2.0	-	12.9	
		Renovations to keep facilities functional & efficient - VPL	0.4	-	-	0.4	-	0.4	0.4	-	-	
	Libraries	Capital maintenance program	5.4	0.2	2.1	7.7	-	7.7	6.3	1.4	-	
		Renewal & expansion of Marpole library	23.8	(19.3)	-	4.5	-	4.5	4.5	-	-	
		Renewal & expansion of Oakridge library	37.4	-	-	37.4	35.0	2.4	-	-	2.4	
		Renovations to keep facilities functional & efficient	-	0.6	-	0.6	-	0.6	0.6	-	-	
		Renovations to keep facilities functional & efficient - VPL	0.4	-	-	0.4	-	0.4	0.2	0.2	-	
Subtotal		85.3	(21.7)	2.1	65.7	35.0	30.7	14.0	1.5	15.3		
Recreation facilities	Community centres, rinks & pools	Continued design for 1st phase of Britannia renewal	5.0	-	-	5.0	-	5.0	-	-	5.0	
		Master plan & design of 1st phase of West End Community Centre	10.0	(8.0)	-	2.0	-	2.0	1.8	0.2	-	
		New Marpole outdoor pool	15.0	-	-	15.0	-	15.0	2.0	-	13.0	
		New Oakridge community centre	40.0	-	-	40.0	40.0	-	-	-	-	
		Planning for renewal of RayCam community centre	2.0	-	-	2.0	-	2.0	0.5	1.5	-	
	Programs	Renewal of Marpole-Oakridge community centre	38.6	-	-	38.6	-	38.6	6.3	-	32.3	
		Capital maintenance program	12.8	0.1	(1.1)	11.7	-	11.7	10.3	1.5	-	
		Renovations to keep facilities functional & efficient	2.3	0.4	-	2.7	-	2.7	2.6	0.1	-	
		Subtotal		125.7	(7.5)	(1.1)	117.0	40.0	77.0	23.4	3.3	50.3
		Schools	School - Coal Harbour	-	31.7	-	31.7	-	31.7	31.7	-	-
Subtotal		-	31.7	-	31.7	-	31.7	31.7	-	-		
Social facilities	All social	Equity related initiatives	-	4.5	-	4.5	-	4.5	4.2	0.3	-	
		Planning & overhead	1.8	-	-	1.8	-	1.8	1.3	0.5	-	
	City-Owned	Arbutus Village neighbourhood house & adult day centre	5.7	1.4	-	7.1	7.1	-	-	-	-	
		Capital maintenance program	1.3	0.5	1.6	3.5	-	3.5	2.7	0.8	-	
		Indigenous Social Enterprise Centre	-	2.0	-	2.0	-	2.0	2.0	-	-	
		Little Mountain neighbourhood house	7.4	0.8	-	8.2	6.2	2.0	2.0	-	-	
		Qmunity	-	1.5	-	1.5	-	1.5	1.5	-	-	
		Renovations to keep facilities functional & efficient	1.5	0.4	-	1.8	-	1.8	1.7	0.2	-	
		Social / Cultural space @ new Marpole Civic Centre	-	4.0	-	4.0	-	4.0	-	-	4.0	
	Non-city	South Vancouver neighbourhood house annex	1.0	-	-	1.0	1.0	-	-	-	-	
		Sunset Seniors Center	-	3.5	-	3.5	-	3.5	-	-	3.5	
		Chinese Society Legacy Program	10.0	(9.1)	-	0.9	-	0.9	0.9	-	-	
		Downtown Eastside capital grant programs	4.0	(0.5)	-	3.5	-	3.5	2.9	0.6	-	
		Social capital grant programs	1.5	-	-	1.5	-	1.5	1.4	0.1	-	
		Subtotal		34.2	9.1	1.6	44.9	14.3	30.6	20.5	2.5	7.5
Prior Capital Plan Items		-	0.5	(1.2)	(0.7)	-	(0.7)	(1.0)	(1.2)	1.6		
Total Community Facilities		245.1	12.1	1.3	258.5	89.3	169.2	88.5	6.1	74.6		
City contributions		62.9	(0.5)	1.3	63.7	-	63.7	39.7	5.4	18.6		
Devt. contributions		163.3	(13.0)	-	150.3	89.3	61.0	12.3	0.7	48.0		
Partner contributions		19.0	25.5	-	44.5	-	44.5	36.5	-	8.0		

2022 Multi-Year Capital Budget and Capital Expenditure Budget

For 2022, a total of \$6.1 million is to be added to the aggregate Community Facilities Multi-Year Capital Budget. The 2022 Capital Expenditure Budget outlined in the 2022 Capital Budget is \$35.7 million, and it is set up to complete or advance progress on a number of ongoing and new multi-year capital projects. The expenditure budget comprises \$29.9 million for previously approved multi-year capital projects with budgeted expenditures in 2022 and \$5.8 million for 2022 expenditures on new multi-year capital projects outlined in the 2022 Capital Budget.

The following table summarizes the 2022 Community Facilities Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget and the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

Community Facilities (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Libraries & Archives	Archives	6.3	-	6.3	1.2	0.5	0.1	-	-
	Libraries	30.6	1.5	32.2	3.3	3.5	1.0	1.0	1.3
Subtotal		36.9	1.5	38.5	4.4	4.0	1.1	1.0	1.3
Recreation Facilities	Community Centres, Rinks & Pools	42.4	0.5	42.9	7.0	8.8	7.0	6.8	6.1
	Programs	20.1	1.5	21.6	3.9	3.1	2.8	-	-
Subtotal		62.5	2.0	64.5	10.9	12.0	9.8	6.8	6.1
Schools	Schools	31.7	-	31.7	7.0	12.0	12.1	-	-
		31.7	-	31.7	7.0	12.0	12.1	-	-
Social Facilities	All Social	5.5	0.9	6.3	5.0	-	-	-	-
	City-Owned	18.3	1.0	19.3	3.3	7.1	5.5	1.1	-
	Non-City	11.1	0.7	11.8	5.2	0.4	-	-	-
Subtotal		34.9	2.5	37.4	13.5	7.4	5.5	1.1	-
Total Community Facilities		166.0	6.1	172.0	35.7	35.4	28.4	8.9	7.4

Major projects and programs

Advancement of equity-related initiatives program

As a top City priority, \$4.5 million of emerging priorities funding was added to the 2019-2022 Capital Plan to support planning and delivery of equity-based projects. The equity-related initiatives program consists of three aspects: the Saa'ust Centre, Kingsway Community Resource Centre, and a planning and research program.

The 2021 Capital Budget secured \$3.5 million to fund social serving program sites, including the Saa'ust Centre, which formed a partnership with the Aboriginal Land Trust Society to create a multi-agency Indigenous healing and wellness centre, and the Kingsway Community Resource Centre, which will increase access to referrals, employment and basic human needs.

In 2022 the remaining \$325,000 of the \$1.0 million in planning and research funding has been included in the Capital Budget for staff and consultants to support the completion of three priority projects: the Kingsway Community Resource Centre, Saa'ust Centre, and the 501-533 Powell Street Community Economic Development Hub.

Marpole-Oakridge Community Centre and outdoor pool

The current community centre at Oak Park is approximately 29,000 square feet and will be renewed and expanded to approximately 40,000 square feet. As part of this project, the existing 45 childcare spaces will be renewed and increased to 69 childcare spaces. The expanded

facility will include a new outdoor pool. Construction is anticipated to start in spring 2023 and be completed in 2026. To reflect this, a budget of approximately \$10 million for planning and design was included in the Capital Budget from the 2019-2022 Capital Plan, and work on this will be continuing in 2022. As additional time is needed to complete design and update the cost estimate, budget for the construction phase will be brought forward for Council consideration in a future report to Council or as part of the 2023-2026 capital planning process.

Marpole Civic Centre

The Marpole Civic Centre will provide multiple services, including a library, social and cultural facilities, childcare and housing. The facility will be located at Granville Street and West 67th Avenue in the Marpole neighbourhood.

The project includes the renewal of the approximately 3,500-square-foot library, which will be expanded to approximately 17,000 square feet. The expansion includes a new social/cultural space, 111 new childcare spaces, and new social and non-market housing. The project will include public engagement with a revised schedule to reflect a longer planning phase to ensure appropriate engagement with the Musqueam Indian Band. Completion of a detailed design is planned for 2022.

In-kind Capital Plan projects

For community facilities, the following in-kind capital projects are anticipated to be delivered or move into the construction stage over the 2019-2022 capital planning period.

- South Vancouver Neighbourhood House annex space — A new neighbourhood house annex space located at Fraser Street and Marine Drive and co-located with childcare spaces. This project is under construction and is expected to be completed by the end of 2021.
- Oakridge Community Centre and Library — A new community facility located at Oakridge Centre, including a community centre, seniors centre, youth centre and performance space and co-located with an expanded and renewed library and a new childcare centre. This project is currently under construction.
- Little Mountain Neighbourhood House — A renewed and expanded neighbourhood house located at Main Street and West 36th Avenue (relocated from Main Street and West 24th Avenue) and co-located with social housing and a 69-space childcare centre. The new facility will double in size, growing from 6,000 square feet to 12,000 square feet. This project is scheduled to proceed to the construction phase in 2022, and per the rezoning agreement, the City's cash contribution toward the project is \$2 million. This project is currently at the development permit stage.
- Arbutus Neighbourhood House and adult day centre — A renewed and expanded neighbourhood house located near Arbutus Street and West King Edward Avenue, co-located with an adult day centre. This project is currently at the development permit stage.

Public safety

Public safety includes police, fire and rescue, and animal control facilities and vehicles. Renewing and maintaining public safety assets have always been top priorities, especially in the context of resilience. The public safety four-year capital planning is informed by the guiding principles to:

- Maintain public safety facilities and equipment in a state of good repair, as they provide core public services on a daily basis.
- Ensure sufficient capacity for future expansion to support growth.
- Increase the resilience of public safety facilities, as a significant portion of the portfolio will likely be inoperable after a major event.

2019-2022 Capital Plan and 2022 Capital Budget

Public safety maintenance and renewals are funded from the Operating Budget through property tax and certain reserves. A priority project has been initiated for the renewal and expansion of Firehall No. 9 in Grandview-Woodland. The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for Public Safety, broken down by service subcategories and Capital Plan projects or programs.

\$ millions			2019-2022 Capital Plan				Devt. led	City led			
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan	Revised Plan	Revised Plan	Previously approved	2022 Budget	Remaining
			A	B	C	D=A+B+C D=E+F	E	F = G+H+I	G	H	I
Public Safety											
Animal control	Animal control	Capital maintenance program	0.2	-	(0.2)	-	-	-	-	-	-
		Renovations to keep facilities functional & efficient	0.0	-	-	0.0	-	0.0	0.0	-	-
		Vancouver Animal Shelter Redevelopment	-	-	2.4	2.4	-	2.4	-	2.4	-
Subtotal			0.2	-	2.2	2.4	-	2.4	0.0	2.4	-
Fire & rescue	Fire halls	Capital maintenance program	1.7	0.4	(0.0)	2.0	-	2.0	2.0	0.0	-
		Renewal & expansion of Fire hall #9 in Grandview Woodland	3.0	40.0	-	43.0	-	43.0	8.0	34.0	1.0
		Renovations to keep facilities functional & efficient	0.5	0.2	-	0.7	-	0.7	0.7	-	0.0
		Seismic upgrade to Fire hall #12 in Kitsilano	6.0	(0.2)	-	5.8	-	5.8	5.8	-	-
	Fire trucks	Renewal of VFRS vehicle & equipment	15.2	-	-	15.2	-	15.2	11.5	1.8	1.9
		Subtotal			26.4	40.5	(0.0)	66.8	-	66.8	28.1
Police	Police cars	Renewal of VPD vehicle & equipment	18.2	0.5	-	18.7	-	18.7	14.0	0.1	4.7
	Police facilities	Capital maintenance program	1.3	0.7	0.3	2.3	-	2.3	2.1	0.3	-
		Renovations to keep facilities functional & efficient	1.5	(0.2)	-	1.3	-	1.3	1.3	-	-
Subtotal			21.0	1.0	0.3	22.3	-	22.3	17.3	0.4	4.7
Prior Capital Plan Items			-	0.8	-	0.8	-	0.8	0.8	-	(0.0)
Total Public Safety			47.6	42.2	2.5	92.3	-	92.3	46.2	38.5	7.6
City contributions			46.6	41.5	2.5	90.5	-	90.5	45.4	38.5	6.6
Devt. contributions			1.0	0.8	-	1.8	-	1.8	0.8	-	1.0
Partner contributions			-	-	-	-	-	-	-	-	-

2022 Multi-Year Capital Budget and Capital Expenditure Budget

For 2022, a total of \$38.5 million is to be added to the aggregate Public Safety Multi-Year Capital Budget. The 2022 Capital Expenditure Budget is \$21.3 million, and it is set up to complete or advance progress on a number of ongoing and new multi-year capital projects. The expenditure budget comprises \$20.0 million for previously approved multi-year capital projects with budgeted expenditures in 2022 and \$1.3 million for 2022 expenditures on new multi-year capital projects outlined in the 2022 Capital Budget.

The following table summarizes the 2022 Public Safety Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget and the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

Public Safety (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Animal Control	Animal Control	0.2	2.4	2.6	1.1	1.4	-	-	-
Subtotal		0.2	2.4	2.6	1.1	1.4	-	-	-
Fire & Rescue	Fire Halls	64.6	34.0	98.6	12.0	18.2	17.1	-	-
	Fire Trucks	11.5	1.8	13.3	4.7	6.3	-	-	-
Subtotal		76.1	35.8	111.9	16.7	24.5	17.1	-	-
Police	Police Cars	14.0	0.1	14.1	2.1	4.5	-	-	-
	Police Facilities	3.3	0.3	3.6	1.5	0.7	-	-	-
Subtotal		17.3	0.4	17.6	3.6	5.2	-	-	-
Total Public Safety		93.5	38.5	132.1	21.3	31.1	17.1	-	-

Major projects and programs

Grandview Firehall project

This project involves the renewal and expansion of the existing firehall, and it aligns with the [Resilient Vancouver strategy](#) (approved in April 2019). The renewed firehall scope includes:

- Renewing and expanding the existing firehall that was built in 1959, approximately 15,000 square feet.
- Relocating Vancouver Fire Rescue Services headquarters from Strathcona Firehall, approximately 25,000 square feet.
- Adding a security operations centre to the security head office at City Hall.

Along with the original \$3 million of funding in the Capital Plan, \$40 million of Capital Plan emerging priorities funding has been allocated toward this project. Five million dollars of Housing Development Cost Levy (DCL) funding has been added to the Capital Plan toward the housing component of the project.

In the 2019 Capital Budget, \$0.5 million was budgeted for this project. In 2020, the budget was increased by \$12.5 million for planning, scoping and detailed design. In the 2022 Capital Budget, \$34.0 million is budgeted. Construction is estimated to commence in 2022-2023, with estimated project completion in 2025.

In addition to the Grandview Firehall project, other major projects include the seismic upgrade to Firehall No. 12 in Kitsilano, maintenance and renovations to keep facilities functional and efficient, and the renewal of Vancouver Fire Rescue Services and Vancouver Police Department vehicles and equipment.

Civic facilities and equipment

Civic facilities and equipment include municipal administration buildings, service yards and vehicles for parks and public works. The civic facilities and equipment four-year capital planning is informed by the guiding principles to:

- Maintain civic facilities and equipment in a state of good repair, as they provide core public services on a daily basis.
- Ensure sufficient capacity for future expansion to support growth.
- Increase the resilience of civic facilities, as a significant portion of the portfolio will likely be inoperable after a major event.

2019-2022 Capital Plan and 2022 Capital Budget

The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for Civic Facilities and Equipment, broken down by service subcategories and Capital Plan projects or programs.

\$ millions			2019-2022 Capital Plan				Devt. led	City led					
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan	Revised Plan	Revised Plan	Previously approved	2022 Budget	Remaining		
			A	B	C	D=A+B+C D=E+F	E	F = G+H+I	G	H	I		
Civic Facilities & Equipment													
Administrative facilities	City-Owned	Capital maintenance program	3.0	0.2	0.4	3.6	-	3.6	2.7	0.9	-		
		City Hall campus renewal - planning & design	5.0	(2.3)	-	2.8	-	2.8	2.8	-	-		
		Renovations to keep facilities functional & efficient	4.5	3.7	-	8.2	-	8.2	7.7	0.4	-		
Subtotal			12.5	1.6	0.4	14.5	-	14.5	13.2	1.3	-		
All City facilities	All City facilities	Accessibility program	2.0	0.9	-	2.9	-	2.9	2.9	-	-		
		Energy optimization program	3.4	4.1	-	7.5	-	7.5	7.5	-	-		
		Environmental program	1.1	-	-	1.1	-	1.1	0.6	0.2	0.4		
		Ergonomic furniture program	1.0	-	-	1.0	-	1.0	0.8	0.3	-		
		Facility reassessment program	2.0	-	-	2.0	-	2.0	1.3	0.7	-		
		Planning & research - Admin	0.1	-	-	0.1	-	0.1	0.1	-	-		
		Planning & research - Animal Control	0.1	-	-	0.1	-	0.1	0.0	0.1	-		
		Planning & research - Childcare	0.1	-	-	0.1	-	0.1	0.1	-	-		
		Planning & research - Cultural	1.2	(0.1)	-	1.1	-	1.1	1.0	-	0.1		
		Planning & research - Fire halls	0.1	-	-	0.1	-	0.1	0.0	0.0	0.1		
		Planning & research - Library	0.2	0.1	-	0.3	-	0.3	0.2	0.1	-		
		Planning & research - Market housing	0.1	-	-	0.1	-	0.1	0.1	-	-		
		Planning & research - Non-mkt housing	0.3	0.1	-	0.4	-	0.4	0.3	0.1	-		
		Planning & research - Police	0.3	-	-	0.3	-	0.3	0.1	0.1	0.1		
		Planning & research - Recreation	0.5	-	-	0.5	-	0.5	0.5	0.1	-		
		Planning & research - Service yards	0.3	-	-	0.3	-	0.3	0.1	0.1	-		
		Planning & research - Social	0.1	-	-	0.1	-	0.1	0.1	0.0	-		
		Project management and other support	10.1	-	-	10.1	-	10.1	7.5	2.5	0.2		
		Security program	1.0	-	-	1.0	-	1.0	0.8	0.3	-		
		Seismic program	1.0	(0.8)	-	0.2	-	0.2	0.2	-	-		
		Subtotal			24.9	4.3	-	29.2	-	29.2	24.0	4.4	0.9
Service Yards, Vehicles & Equipment	Service Yards	Capital maintenance program	7.3	(2.5)	(2.5)	2.2	-	2.2	2.1	0.2	-		
		Design for future renewal of Manitoba Yard renewal	3.7	(1.0)	-	2.7	-	2.7	2.4	0.2	-		
		Manitoba Yard Fuel Tank Replacement	-	2.7	-	2.7	-	2.7	2.7	-	-		
		Renewal of Sunset Yard, phase 1	9.0	-	-	9.0	-	9.0	9.0	-	-		
		Renovations to keep facilities functional & efficient	1.3	0.5	-	1.8	-	1.8	1.5	0.3	-		
	Vehicles & equipment	Renewal of other vehicles & equipment	3.1	-	-	3.1	-	3.1	2.3	0.2	0.6		
		Renewal of parks vehicles & equipment	6.8	1.0	-	7.8	-	7.8	7.7	0.1	0.0		
		Renewal of public works, water & sewers vehicle & equipment	39.9	(5.7)	-	34.2	-	34.2	22.8	0.6	10.8		
		Subtotal			71.0	(5.0)	(2.5)	63.5	-	63.5	50.6	1.6	11.4
		Prior Capital Plan Items			-	(0.7)	-	(0.7)	-	(0.7)	(1.7)	-	1.0
Total Civic Facilities & Equipment			108.4	0.2	(2.1)	106.6	-	106.6	86.0	7.2	13.3		
City contributions			108.4	(2.7)	(2.1)	103.6	-	103.6	83.1	7.2	13.3		
Devt. contributions			-	2.7	-	2.7	-	2.7	-	-	-		
Partner contributions			-	0.3	-	0.3	-	0.3	-	-	-		

2022 Multi-Year Capital Budget and Capital Expenditure Budget

For 2022, a total of \$7.2 million is to be added to the aggregate Civic Facilities and Equipment Multi-Year Capital Budget. The 2022 Capital Expenditure Budget is \$31.7 million, and it is set up to complete or advance progress on a number of ongoing and new multi-year capital projects. The expenditure budget comprises \$25.8 million for previously approved multi-year capital projects with budgeted expenditures in 2022 and \$5.9 million for 2022 expenditures on new multi-year capital projects outlined in the 2022 Capital Budget.

The following table summarizes the 2022 Civic Facilities and Equipment Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget and the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

Civic Facilities & Equipment (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Administrative Facilities	City-Owned	34.3	1.3	35.6	5.9	2.2	0.9	-	-
Subtotal		34.3	1.3	35.6	5.9	2.2	0.9	-	-
All City Facilities	All City Facilities	22.9	4.4	27.3	8.0	3.3	1.2	-	-
Subtotal		22.9	4.4	27.3	8.0	3.3	1.2	-	-
Service Yards, Vehicles & Equipment	Service Yards	20.1	0.7	20.8	6.6	4.8	3.4	-	-
	Vehicles & Equipment	93.4	0.9	94.3	11.1	4.3	-	-	-
Subtotal		113.5	1.6	115.1	17.8	9.1	3.4	-	-
Total Civic Facilities & Equipment		170.7	7.2	177.9	31.7	14.5	5.4	-	-

Major projects and programs

Major projects and programs under civic facilities and equipment include renewal of Sunset Service Yard Phase 1 and Manitoba Yard renewal, and Council priority projects include the accessibility program and the energy optimization program. The Manitoba Yard renewal and City Hall campus renewal projects have deferred some scope and related funding to the next Capital Plan.

Transportation and street use

Transportation and street use include managing and improving transportation and the City's public space and street use, shaping the city's public realm. For the transportation network, the City's primary focus is on walking, cycling and vehicular infrastructure. The City owns and maintains more than 4,000 kilometres of walking, cycling and road networks, with a wide range of structures, including bridges. TransLink manages the region's transit system and owns, operates and maintains all rapid transit and bus services, and it provides funding for some roads and some walking and cycling facilities. The City owns assets related to walking and cycling, transit, major roads, local roads, parking and street use, with a replacement value of approximately \$9 billion. The transportation and street use four-year capital planning is informed by the guiding principles to:

- Maintain and repair critical transportation infrastructure.
- Prioritize sustainable modes of travel: walking, cycling and transit.
- Prioritize safety in transportation planning and design.

2019-2022 Capital Plan and 2022 Capital Budget

The recalibrated Capital Plan in 2020 included adjustments to reflect the shortfall in Transportation DCL revenue and staff anticipate a further shortfall in development contributions. Thus 2022 Capital Budget includes proposed adjustment to decrease \$5 million in Transportation DCL from the current 2019-2022 Capital Plan and reduce the DCL commitment in the prior Capital Plan by \$2 million.

The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for Transportation and Street Use, broken down by service subcategories and Capital Plan projects or programs.

\$ millions			2019-2022 Capital Plan			Devt. led	City led					
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan D=A+B+C D=E+F	Revised Plan	Revised Plan	Previously approved	2022 Budget	Remaining	
			A	B	C	D=A+B+C D=E+F	E	F = G+H+I	G	H	I	
Transportation & Street Use												
Expand Sustainable Transportation	Active transportation	Arbutus Greenway	5.0	0.5	-	5.5	-	5.5	3.0	-	2.5	
		Bute greenway & West End improvements	3.0	-	-	3.0	-	3.0	1.6	1.4	-	
		City-wide corridors & spot improvements	41.8	2.1	-	43.9	-	43.9	37.5	6.1	0.3	
		City-wide corridors & spot improvements staffing	8.0	-	-	8.0	-	8.0	6.0	2.0	-	
		Granville Bridge Connector	25.0	(10.5)	-	14.5	-	14.5	14.5	-	-	
		New sidewalks	7.0	0.4	(0.6)	6.8	-	6.8	5.6	1.2	-	
	Climate emergency response	Climate emergency response transportation initiatives	-	8.2	(0.1)	8.1	-	8.1	4.3	3.6	0.2	
		Cambie Corridor - King Edward to 37th	2.8	-	-	2.8	-	2.8	2.8	-	-	
	Complete streets	Gastown streets	10.0	(7.2)	-	2.8	-	2.8	1.9	1.0	-	
		Georgia Gateway West - Chilco to Nicola	7.0	(4.5)	-	2.5	-	2.5	1.5	-	1.0	
	Other transit	Bus stop upgrades	2.0	5.0	-	7.0	-	7.0	6.7	0.3	-	
		Rapid transit office	4.4	1.2	-	5.6	-	5.6	4.5	1.1	-	
Subtotal			116.0	(4.8)	(0.7)	110.5	-	110.5	89.8	16.7	4.0	
Managing Transportation Network	Congestion management	Congestion management & transit reliability	4.0	(0.3)	(0.3)	3.5	-	3.5	2.8	0.8	-	
	Curbside management	Replacement of parking meters	6.0	10.9	-	16.9	-	16.9	15.0	1.9	-	
	Planning & monitoring	Climate emergency response transportation initiatives	-	0.5	-	0.5	-	0.5	-	-	0.5	
		Transportation design investigation	1.2	(0.0)	-	1.2	-	1.2	1.0	0.2	-	
		Transportation monitoring	4.7	(0.0)	(0.5)	4.1	-	4.1	3.3	0.8	-	
	Rail corridor	Transportation planning & studies	2.5	0.2	(0.3)	2.5	-	2.5	1.8	0.6	-	
		Rail crossing upgrades	3.5	(0.5)	-	3.0	-	3.0	3.0	-	-	
		Safety improvements	Local street improvements	1.0	1.2	-	2.2	-	2.2	1.9	0.2	-
	Signal management	School safety & active routes improvements	2.5	0.5	-	3.0	-	3.0	2.4	0.6	-	
		Zero fatalities & serious injuries program	4.0	0.2	-	4.2	-	4.2	3.0	1.2	-	
		New pedestrian & bicycle signals	4.0	0.9	-	4.9	-	4.9	3.7	1.2	-	
		Pedestrian & bike signal rehabilitation	4.1	(0.0)	-	4.1	-	4.1	2.7	1.4	-	
		Traffic Signal communication rehabilitation	1.8	-	-	1.8	-	1.8	1.3	0.5	-	
	Street lighting management	Traffic Signal controller replacement	2.0	-	-	2.0	-	2.0	0.8	1.3	-	
		Traffic Signal LED replacement	2.0	(0.1)	-	1.9	-	1.9	1.4	0.5	-	
		Traffic Signal rehabilitation	11.0	(0.9)	-	10.1	-	10.1	8.2	2.0	-	
		Trolley rerouting project	-	5.1	-	5.1	-	5.1	5.1	-	-	
		Curbside electrical	-	2.2	-	2.2	-	2.2	2.2	-	-	
		New street lighting	1.5	-	(0.7)	0.8	-	0.8	1.3	(0.5)	-	
		Street lighting - decorative fixtures rehabilitation	1.8	-	-	1.8	-	1.8	1.6	0.2	-	
		Street lighting - fixture arms rehabilitation	1.5	(0.8)	-	0.8	-	0.8	0.8	-	-	
		Street lighting - LED replacement	-	13.0	-	13.0	-	13.0	7.9	5.1	-	
		Street lighting - pole base rehabilitation	1.5	(0.8)	-	0.8	-	0.8	0.8	-	-	
		Street lighting - service panel & kiosk rehabilitation	0.8	-	-	0.8	-	0.8	0.6	0.2	-	
		Street lighting - underground conduit rehabilitation	7.0	-	-	7.0	-	7.0	5.0	2.0	-	
	Structure management	Street lighting & pole rehabilitation	9.3	(0.3)	-	9.0	-	9.0	7.2	1.8	-	
		Trolley pole replacement	4.8	(0.2)	-	4.6	-	4.6	3.4	1.2	-	
		Cambie bridge - early works	-	4.0	-	4.0	-	4.0	4.0	-	-	
		Cambie bridge - seismic upgrade design	2.4	0.4	-	2.8	-	2.8	2.8	-	-	
		Dock replacement	2.0	(0.1)	-	1.9	-	1.9	1.7	0.2	-	
		Granville bridge - coating	1.0	9.2	-	10.2	-	10.2	10.2	-	-	
		Granville bridge upgrade - North approach	4.0	(4.0)	-	-	-	-	-	-	-	
		Granville bridge upgrade - North ramps & south approach	8.5	(0.4)	-	8.1	-	8.1	8.1	-	-	
		Granville bridge upgrade - Seismic	11.0	-	-	11.0	-	11.0	11.0	-	-	
		Greenway structures rehabilitation	1.6	(0.1)	-	1.5	-	1.5	1.5	-	-	
		H-frame replacement	5.3	(0.3)	-	5.0	-	5.0	4.7	0.3	-	
		Vehicular bridge repair & maintenance	3.0	0.6	-	3.6	-	3.6	3.1	0.5	-	
	Surface management	Downtown Historic Railway decommissioning	0.1	(0.0)	-	0.1	-	0.1	0.0	0.1	-	
		Local roads rehabilitation & improvements	8.0	0.6	-	8.6	-	8.6	6.9	1.6	0.0	
		Major roads rehabilitation	17.0	(3.4)	-	13.6	-	13.6	10.4	3.3	-	
		Major roads rehabilitation (MRN)	20.4	(3.9)	-	16.5	-	16.5	11.4	5.1	-	
		Pedestrian curb ramp program	5.0	-	-	5.0	-	5.0	4.1	0.9	-	
		Sidewalk rehabilitation	4.0	0.0	-	4.0	-	4.0	3.2	0.8	0.0	
	Subtotal			175.7	33.5	(1.7)	207.5	-	207.5	171.2	35.8	0.5
	Street use	Landscape, public realm & amenities	New public space assets and amenities	1.9	-	-	1.9	-	1.9	1.6	0.3	-
			Renew public space assets and amenities	2.3	0.4	-	2.7	-	2.7	2.0	0.6	-
		Public space projects	Robson & Alberni	8.0	-	-	8.0	-	8.0	4.0	3.0	1.0
			Robson Square (700 & 900 blocks)	2.6	(1.5)	(0.6)	0.5	-	0.5	1.0	(0.5)	-
			Robson Square (800 block)	5.4	-	-	5.4	-	5.4	5.4	-	-
		Public toilet facilities	VAG Plaza	-	0.8	-	0.8	-	0.8	0.8	-	-
			DTES public washroom renewal & washroom study	1.2	-	(0.5)	0.7	-	0.7	1.2	(0.5)	-
	Subtotal			21.4	(0.3)	(1.1)	20.0	-	20.0	16.0	2.9	1.0
Prior Capital Plan Items			(2.4)	(2.2)	-	(4.6)	-	(4.6)	(4.7)	-	0.1	
Total Transportation & Street Use			310.7	26.2	(3.5)	333.4	-	333.4	272.4	55.4	5.6	
City contributions			101.2	34.7	(1.0)	134.9	-	134.9	108.7	32.4	(6.2)	
Devt. contributions			141.1	(20.3)	(4.1)	116.7	-	116.7	97.0	7.9	11.8	
Partner contributions			68.4	11.9	1.6	81.8	-	81.8	66.8	15.1	-	

2022 Multi-Year Capital Budget and Capital Expenditure Budget

For 2022, a total of \$53.4 million is to be added to the aggregate Transportation and Street Use Multi-Year Capital Budget. The 2022 Capital Expenditure Budget is \$133.2 million, and it is set up to complete or advance progress on a number of ongoing and new multi-year capital projects. The expenditure budget comprises \$80.3 million for previously approved multi-year capital projects with budgeted expenditures in 2022 and \$53.0 million for 2022 expenditures on new multi-year capital projects outlined in the 2022 Capital Budget.

The following table summarizes the 2022 Transportation and Street Use Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget and the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

Transportation & Street Use (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Expand Sustainable Transportation	Active Transportation	95.4	10.7	106.0	29.4	-	-	-	-
	Climate Emergency Response	4.3	3.6	7.9	5.8	0.6	-	-	-
	Complete Streets	6.2	1.0	7.1	4.1	1.3	-	-	-
	Other Transit	11.8	1.4	13.2	4.2	-	-	-	-
	Subtotal	117.6	16.7	134.2	43.5	1.9	-	-	-
Managing Transportation Network	Congestion Management	2.8	0.8	3.5	0.8	-	-	-	-
	Curbside Management	15.0	1.9	16.9	13.0	-	-	-	-
	Planning & Monitoring	8.5	1.7	10.2	2.5	-	-	-	-
	Rail Corridor	3.0	-	3.0	1.1	-	-	-	-
	Safety Improvements	7.3	2.1	9.4	3.3	-	-	-	-
	Signal Management	22.1	6.8	28.8	7.5	-	-	-	-
	Street Lighting Management	30.7	10.0	40.7	18.6	0.0	-	-	-
	Structure Management	51.5	1.0	52.5	16.0	-	-	-	-
	Surface Management	58.8	9.7	68.5	19.9	3.0	-	-	-
	Subtotal	199.7	33.8	233.5	82.6	3.0	-	-	-
Street Use	Landscape, Public Realm & Amenities	3.6	1.0	4.6	2.0	0.3	-	-	-
	Public Space Projects	13.4	2.5	15.9	3.7	3.0	-	-	-
	Public Toilet Facilities	1.5	(0.5)	1.0	1.4	-	-	-	-
Subtotal		18.6	2.9	21.5	7.1	3.3	-	-	-
Total Transportation & Street Use		335.9	53.4	389.3	133.2	8.2	-	-	-

Major projects and programs

Climate Emergency Response transportation initiatives

As part of the Capital Plan recalibration, \$8.2 million of emerging priorities funding was allocated toward transportation and street use to enact the initiatives for the Climate Emergency Response.

Transit priority improvements

The focus is on implementing more bus-priority measures in partnership with TransLink. In 2021, staff began to develop an accelerated work plan and planned corridor improvements. In 2022, with a budget of approximately \$1 million, staff will continue to plan, design, engage and implement bus-priority projects as well as leverage additional TransLink funding through the Bus Speed and Reliability Program.

Transport pricing development

This initiative, with a multi-year budget of \$1.5 million, will assess the feasibility of transport pricing in the city centre with a focus on understanding stakeholder priorities and interests, supported by research and analysis, including traffic impacts of COVID-19, equity considerations, potential boundaries, and development of an options analysis framework. In 2021, a dedicated staff team, a directors' forum and a steering committee were established. An external consultant has been hired to support the core team with stakeholder engagement, communications and technical deliverables. A Memorandum of Understanding with TransLink has been created to ensure regional implications of transport pricing are adequately considered. In 2022, staff will complete the "Explore" Phase 1 work and provide a report to Council on the stakeholder engagement findings and associated research and analysis.

Active transportation promotion and enabling initiative

This initiative will target the expansion of School Active Travel Planning to reach all Vancouver School Board elementary schools over the next two years and increase the number of participating high schools. It will also target expansion of existing marketing encouragement initiatives, as well as launch new initiatives, to increase the frequency of sustainable travel. The 2021 milestones of expanding marketing encouragement initiatives and new programs, including School Streets, with a budget of approximately \$0.2 million have been achieved. In 2022, the plan is to hit the milestone of two years of expanded sustainable transportation, school, and walk/bike/roll marketing encouragement initiatives, as well as School Active Travel Planning education, reaching 50% of elementary schools per year with a budget of approximately \$0.4 million.

Eliminating parking minimums

This initiative will target updating the Parking By-Law to eliminate minimum parking requirements, enhancing the Transportation Demand Management (TDM) Plan for new developments by the end of 2021, and implementing maximum parking allowances by the end of 2022. In 2021, the team hired staff to support parking minimums and maximums and TDM work with a budget of approximately \$0.2 million. In 2022, with a budget of approximately \$0.1 million, the milestone will be to recalibrate the TDM system and complete a study seeking recommendations on parking minimums and maximums.

Curbside Electrical Program

This program will deliver expanded multiple-use curbside power infrastructure in Vancouver for film sites, food trucks, e-bikes, digital advertising, and 5G locations. In addition, it will support the launch of e-bike share stations, including an e-bike share pilot program to reduce transportation carbon footprint and expand the bike-share equity program with an improved gender, age and income balance of riders. The 2021 milestone to finalize plans for curbside power infrastructure for the first-phase locations and complete the installation is underway. The milestone for 2022 will be to start rolling out e-bikes and e-stations, with a budget of approximately \$2.5 million for curbside power, spreading funding equally across 2021 and 2022.

Programs for sidewalks, traffic signals and street lighting

As a result of the 2019-2022 Capital Plan recalibration, the Vancouver Archives relocation and renewal project was deferred to the next Capital Plan. This has freed up funding from the project construction phase to be redeployed toward other priorities. Council motions directed staff to reallocate funding to the sidewalk, traffic signal and street lighting programs so they were not deferred in scope. In 2021, there were reallocations of approximately \$2.4 million from the Archives relocation, \$2.2 million from TransLink and \$2.1 million from development contributions toward sidewalk, traffic signal and street lighting programs.

Street light pole stray voltage sensors installation

This initiative brings additional scope to the street lighting LED replacement project. There are public safety concerns that as wiring degrades and in the absence of a ground conductor, a safety breaker is not guaranteed to be tripped to protect against an electrified street light pole because of varying wiring methods used over the years. Electrified poles may shock any person or animal that touches them. Currently, the City relies on the public or maintenance personnel to notify City staff of any electrified pole. The current risk occurs only during nighttime when street lights are activated and powered. The risk will increase as poles become powered 24/7 to meet demands of LED lights and controlling/monitoring systems and smart city applications.

The project aims to install 16,000 voltage sensors along with LED fixtures, with the target to reduce risk by 40%, with funding reallocations of \$1.8 million from other projects to be budgeted to the end of 2022.

In addition to the capital projects previously noted, a capital project for a Downtown Eastside (DTES) comfort station/public washroom was included in the budget. Transportation and street use projects and programs such as the Granville Bridge rehabilitation, Granville Bridge Connector, Active Transportation Corridors program, replacement of parking meters, DTES public washrooms, and street lighting LED conversion are recommended to proceed with the current level of funding as set out in the Capital Plan.

One Water (water, sewers and green infrastructure)

One Water services include potable water, sewerage (wastewater), drainage (rainwater) management and green infrastructure. Water-related services are jointly provided by Metro Vancouver and the City. Metro Vancouver owns and maintains the regional network components, such as drinking water reservoirs, watersheds, and drinking water and wastewater treatment plants. The City owns and maintains local serving components. City-owned infrastructure assets, such as water mains, water connections, pump stations, fire hydrants, catch basins, green infrastructure assets, flood management and shoreline protection, have a

replacement value of approximately \$9.7 billion. The One Water four-year capital planning is informed by the guiding principles to:

- Unify the planning and management of drinking water, groundwater, surface water, rainwater and wastewater.
- Ensure that existing assets are well managed and robust to support community resilience.
- Implement policies to manage water, in all its forms, to optimize investments to achieve City objectives for the long term.

2019-2022 Capital Plan and 2022 Capital Budget

The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for One Water, broken down by service subcategories and Capital Plan projects or programs.

\$ millions			2019-2022 Capital Plan				Devt. led	City led				
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan	Revised Plan	Revised Plan	Previously approved	2022 Budget	Remaining	
			A	B	C	D=A+B+C D=E+F	E	F = G+H+I	G	H	I	
One Water												
Green infrastructure	GI implementation	GI asset renewal	1.1	(0.3)	(0.1)	0.7	-	0.7	0.7	0.0	-	
		GI implementation - growth related	39.4	(27.9)	(1.9)	9.5	-	9.5	8.3	0.6	0.7	
		GI implementation - public realm	13.1	0.3	-	13.4	-	13.4	8.5	4.7	0.2	
	GI planning	Green infrastructure planning	7.4	0.8	(1.0)	7.2	-	7.2	7.0	0.3	(0.0)	
	Water quality monitoring	Water quality & GI monitoring program	1.0	(0.1)	0.1	1.0	-	1.0	0.7	0.3	-	
Subtotal			62.0	(27.2)	(2.9)	31.9	-	31.9	25.1	5.9	0.8	
Potable water	Connections & meters	Aging service replacement	9.2	-	-	9.2	-	9.2	6.6	-	2.6	
		Aging water meter replacement	3.2	-	-	3.2	-	3.2	2.2	0.6	0.4	
		Commercial water connections	14.0	-	-	14.0	-	14.0	12.4	0.5	1.1	
		New water meters	2.0	-	-	2.0	-	2.0	0.6	0.1	1.3	
	Strategic initiatives	Hardened grid initiative	4.3	(1.5)	-	2.8	-	2.8	1.0	1.8	-	
		Post disaster water initiatives	1.1	(0.8)	-	0.3	-	0.3	0.1	0.1	0.1	
		Residential metering initiative	7.7	(1.6)	-	6.1	-	6.1	6.1	-	-	
	Water network	Access to water	0.2	-	-	0.2	-	0.2	0.1	0.1	-	
		Aging hydrant replacement	1.7	-	-	1.7	-	1.7	1.2	0.5	-	
		Dedicated fire protection system	0.8	-	-	0.8	-	0.8	0.6	-	0.3	
		Distribution main renewals & upgrades	56.0	0.9	-	56.9	-	56.9	42.3	14.7	-	
		Distribution main upgrades triggered by growth	11.9	0.4	(0.9)	11.4	-	11.4	5.8	2.0	3.6	
		Pressure & water loss management	0.8	-	-	0.8	-	0.8	0.4	0.2	0.3	
		PRV replacement / refurbishment	2.1	-	-	2.1	-	2.1	1.1	1.0	-	
		Telemetry system	1.1	-	-	1.1	-	1.1	0.9	0.2	0.0	
		Transmission main renewal & upgrades	15.7	1.5	-	17.2	-	17.2	17.2	-	-	
		Water conservation	0.4	-	-	0.4	-	0.4	0.3	0.1	-	
		Water quality	0.4	-	-	0.4	-	0.4	0.2	0.2	-	
	Water planning	Engineering & site investigation	1.9	-	-	1.9	-	1.9	1.4	0.5	-	
		One water: integrated utility planning initiative	6.3	-	-	6.3	-	6.3	4.6	1.4	0.3	
		Subtotal			140.9	(1.1)	(0.9)	138.9	-	138.9	105.1	23.8
Sewerage & drainage	Connections	Renewal of aging connections	8.0	0.4	1.3	9.7	-	9.7	5.6	2.0	2.1	
		Sewer & water combined connections	76.8	(5.2)	(12.9)	58.7	-	58.7	37.7	1.0	20.0	
		Sewer commercial connections	12.0	-	-	12.0	-	12.0	4.6	3.0	4.4	
		Sewer residential & at-cost connections	1.2	-	1.6	2.8	-	2.8	0.8	2.0	-	
	Flood Management & Shoreline Protection	Drainage studies/outfalls	4.4	(0.4)	-	4.0	-	4.0	2.2	1.8	-	
		EFL shoreline protection design	9.7	(3.3)	(1.6)	4.7	-	4.7	4.7	-	-	
		Tidal gates	-	1.7	-	1.7	-	1.7	1.7	-	-	
	Sewer monitoring & inspections	CCTV video inspection	2.3	-	-	2.3	-	2.3	1.7	0.6	-	
		Sewer monitoring systems	3.4	0.2	-	3.6	-	3.6	2.5	0.6	0.6	
	Sewer network	Catch basins & leads	2.5	-	-	2.5	-	2.5	1.9	0.5	0.2	
		Force mains	4.3	-	-	4.3	-	4.3	2.9	1.4	-	
		Pump station renewals & upgrades	25.4	(6.4)	-	19.0	-	19.0	17.3	1.7	-	
		Separation on private property	6.7	-	-	6.7	-	6.7	4.2	1.0	1.5	
	Sewer planning	Sewer main renewal & upgrades	137.2	(1.5)	0.7	136.4	-	136.4	96.4	39.3	0.7	
		Sewer main renewal & upgrades - REFM	-	1.5	-	1.5	-	1.5	1.5	-	-	
		Sewer main upgrades triggered by growth	111.2	(84.2)	4.0	31.0	-	31.0	27.0	4.0	-	
		Sewer mains & manholes	0.7	-	-	0.7	-	0.7	0.4	0.2	0.2	
		Sewer catchment planning	4.6	0.7	(0.7)	4.6	-	4.6	4.1	0.5	0.0	
		System modeling	2.3	6.4	0.5	9.2	-	9.2	6.1	3.1	-	
		Subtotal			412.9	(90.1)	(7.2)	315.6	-	315.6	223.4	62.6
Prior Capital Plan Items			-	6.1	-	6.1	-	6.1	-	-	(0.1)	
Total One Water			615.8	(112.2)	(11.0)	492.5	-	492.5	359.8	92.3	40.4	
City contributions			321.8	(4.4)	-	317.3	-	317.3	244.0	64.9	8.4	
Devt. contributions			294.0	(110.3)	(11.0)	172.7	-	172.7	113.3	27.3	32.0	
Partner contributions			-	2.5	-	2.5	-	2.5	-	-	-	

2022 Multi-Year Capital Budget and Capital Expenditure Budget

For 2022, a total of \$92.3 million is to be added to the aggregate One Water Multi-Year Capital Budget. The 2022 Capital Expenditure Budget is \$140.0 million, and it is set up to complete or advance progress on a number of ongoing and new multi-year capital projects. The expenditure budget comprises \$64.9 million for previously approved multi-year capital projects with budgeted expenditures in 2022 and \$75.1 million for 2022 expenditures on new multi-year capital projects outlined in the 2022 Capital Budget.

The following table summarizes the 2022 One Water Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget and the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

One Water (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Green Infrastructure	GI Implementation	17.8	5.3	23.1	11.5	1.0	-	-	-
	GI Planning	7.0	0.3	7.2	2.7	1.6	-	-	-
	Water Quality Monitoring	0.7	0.3	1.0	0.7	-	-	-	-
Subtotal		25.4	5.9	31.3	14.9	2.6	-	-	-
Potable Water	Connections & Meters**	27.7	1.2	28.9	4.6	-	-	-	-
	Strategic Initiatives	7.2	1.8	9.0	7.2	-	-	-	-
	Water Network	59.2	18.9	78.1	25.1	-	-	-	-
	Water Planning	6.1	1.9	7.9	2.9	-	-	-	-
Subtotal		100.2	23.8	124.0	39.8	-	-	-	-
Sewerage & Drainage	Connections**	70.4	8.0	78.4	8.3	5.6	-	-	-
	Flood Management & Shoreline Protection	8.6	1.8	10.5	3.3	1.4	-	-	-
	Sewer Monitoring & Inspections	4.2	1.2	5.4	1.0	0.6	-	-	-
	Sewer Network	98.1	48.0	146.1	67.8	17.6	-	-	-
	Sewer Planning	10.2	3.5	13.8	4.9	1.8	-	-	-
Subtotal		191.6	62.6	254.2	85.4	27.0	-	-	-
Total One Water		317.2	92.3	409.5	140.0	29.5	-	-	-

**2022 multi-year capital budget for Connections reflects revenues received to date for 2022 work requests; as further revenues are received, this budget will be adjusted through the quarterly capital budget adjustment process

Major projects and programs

Following are highlights of information on major One Water Capital Plan programs.

Sewer main renewals and upgrades

This program renews aging and deteriorating sewer infrastructure at the end of its service life. The majority of renewals are of aging infrastructure in the combined system, which consists of single pipes that carry stormwater and sewage mixed together. These pipes are then replaced with a separated system (separate storm pipes and sanitary pipes). By 2022, this program aims to renew 25 kilometres of sewer mains, which will contribute to asset management and sewer separation goals.

Following are the funding and budget details related to this program.

Program components	2019-2022 Capital Plan
Sewer main renewals and upgrades	\$137.9M
Sewer main upgrades triggered by growth	\$31.0M
TOTAL	\$168.9M

Water main renewals and upgrades

This program provides funding for the replacement of aging and deteriorating mains within the City's drinking water distribution and transmission system as well as water main installations or upgrades related to growth in the city. The program outcome will be the replacement of 40 kilometres of water mains through 2022.

Following are the funding details related to this program.

Program components	2019-2022 Capital Plan
Distribution main renewals and upgrades	\$56.94M
Distribution main upgrades triggered by growth	\$11.42M
Transmission main renewals and upgrades	\$17.2M
TOTAL	\$85.56M

Green infrastructure implementation

The Rain City Strategy and green rainwater infrastructure (GRI) implementation, planning and design initiatives include city-wide public and private realm programs and pilots that are part of meeting regulatory obligations and services related to water quality, climate resilience and healthy urban ecosystems. GRI capital projects are delivered in partnership with streets, transportation and sewers to support high-growth areas. The green infrastructure implementation aims to build 122 assets managing an impervious area of 6.8 hectares and diverting 65.1 million and treating 85.5 million litres of rainwater, respectively, from the sewer system annually by 2022.

Following are the funding details related to this project.

Program components	2019-2022 Capital Plan
Green infrastructure implementation	\$22.92M

Other major One Water programs include water and sewer connections and meters, other aging infrastructure renewal programs, programs supporting water quality protection and improved access to drinking water. These programs will proceed with the current level of funding as set out in the Capital Plan.

Solid waste

Solid waste services include landfill, transfer station and recycling centres. City-owned solid waste assets have a replacement value of approximately \$85 million. The solid waste four-year capital planning is informed by the guiding principles to:

- Reduce the amount of waste disposed and recover the value from materials in the waste stream.
- Ensure compliance with regulatory requirements and minimize negative environmental impacts and risks associated with the landfill in Delta.

2019-2022 Capital Plan and 2022 Capital Budget

The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for Solid Waste, broken down by service subcategories and Capital Plan projects or programs.

\$ millions			2019-2022 Capital Plan				Devt. led	City led				
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan D=A+B+C D=E+F	Revised Plan	Revised Plan	Previously approved	2022 Budget	Remaining	
			A	B	C		E	F = G+H+I	G	H	I	
Solid Waste												
Disposal	Landfill closure	Closure maintenance	-	3.8	-	3.8	-	3.8	2.8	-	1.0	
		Development & execution of vegetation plan	2.5	(1.5)	-	1.0	-	1.0	1.0	-	-	
		Phase 4 Landfill closure	24.8	2.4	-	27.2	-	27.2	25.2	-	2.0	
		Phase 5 Landfill closure design	1.5	-	-	1.5	-	1.5	-	-	1.5	
	Landfill non-closure	City laydown area clean-up / remediation	2.0	(1.8)	-	0.3	-	0.3	-	-	0.3	
		Landfill entrance renovations	-	2.3	-	2.3	-	2.3	2.3	-	-	
		New Phase preparation and high traffic improvements	2.6	(0.8)	-	1.9	-	1.9	0.8	0.5	0.6	
		Other sanitation systems	-	1.5	-	1.5	-	1.5	0.9	0.7	-	
		Planning & design for VLF Hydrogeological site improvements	1.0	1.5	-	2.5	-	2.5	0.9	1.5	0.1	
		Preparation for RNG facility	0.8	(0.8)	-	-	-	-	-	-	-	
		Renovation & upgrades to VLF facilities	3.0	(2.0)	-	1.0	-	1.0	0.5	0.3	0.3	
		Routine LFG works (non-closure)	20.0	0.8	-	20.8	-	20.8	12.7	1.5	6.6	
		Streetscape cart enclosures	-	4.0	-	4.0	-	4.0	3.0	-	1.0	
		Upgrade of 78th Street Entrance and Scale Facility	3.0	(3.0)	-	-	-	-	-	-	-	
		Upgrades to VLF compost facility	3.0	(0.5)	-	2.5	-	2.5	1.5	1.0	0.1	
		VLF scale software	0.5	(0.5)	-	-	-	-	-	-	-	
		Transfer station	VSTS scale software	0.5	(0.5)	-	-	-	-	-	-	-
			VSTS structural repairs	2.0	-	-	2.0	-	2.0	0.5	-	1.5
		Vehicles & equipment	Renewal of disposal vehicles & equipment	14.5	-	-	14.5	-	14.5	14.5	0.0	-
Subtotal			81.7	5.0	-	86.6	-	86.6	66.4	5.5	14.8	
Sanitation	Collections & street cleaning	Other sanitation systems	0.5	-	-	0.5	-	0.5	0.5	-	-	
		Renewal of sanitation vehicles & equipment	10.1	2.7	-	12.8	-	12.8	11.8	1.0	-	
Subtotal			10.6	2.7	-	13.2	-	13.2	12.2	1.0	-	
Zero Waste	Zero waste	Zero waste initiatives	-	1.0	-	1.0	-	1.0	1.0	-	-	
Subtotal			-	1.0	-	1.0	-	1.0	1.0	-	-	
Prior Capital Plan Items			-	(2.2)	-	(2.2)	-	(2.2)	(2.2)	-	-	
Total Solid Waste			92.2	6.4	-	98.6	-	98.6	77.4	6.4	14.8	
City contributions			83.6	(5.9)	77.7	77.7	-	77.7	57.6	6.4	13.7	
Devt. contributions			-	-	-	-	-	-	-	-	-	
Partner contributions			8.6	12.2	20.9	20.9	-	20.9	19.8	-	1.1	

2022 Multi-Year Capital Budget and Capital Expenditure Budget

For 2022, a total of \$6.4 million is to be added to the aggregate Solid Waste Multi-Year Capital Budget. The 2022 Capital Expenditure Budget is \$28.0 million, and it is set up to complete or advance progress on a number of ongoing and new multi-year capital projects. The expenditure budget comprises \$26.9 million for previously approved multi-year capital projects with budgeted expenditures in 2022 and \$1.1 million for 2022 expenditures on new multi-year capital projects outlined in the 2022 Capital Budget.

The following table summarizes the 2022 Solid Waste Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget and the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

Solid Waste (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Disposal	Landfill Closure	55.2	-	55.2	7.9	-	-	-	-
	Landfill Non-Closure	31.3	5.4	36.8	14.0	5.2	-	-	-
	Transfer Station	2.9	-	2.9	0.1	-	-	-	-
	Vehicles & Equipment	14.5	0.0	14.5	2.6	3.1	-	-	-
Subtotal		103.9	5.5	109.4	24.6	8.3	-	-	-
Sanitation	Collections & Street Cleaning	12.2	1.0	13.2	3.2	4.3	-	-	-
Subtotal		12.2	1.0	13.2	3.2	4.3	-	-	-
Zero Waste	Zero Waste	0.9	-	0.9	0.2	0.0	-	-	-
Subtotal		0.9	-	0.9	0.2	0.0	-	-	-
Total Solid Waste		117.0	6.4	123.4	28.0	12.6	-	-	-

Major projects and programs

Following are highlights of information on major solid waste Capital Plan programs and projects.

Vancouver Landfill Phase 4 closure

This multi-year project is to support the closure of the Vancouver Landfill Phase 4.

The 2019-2022 Capital Plan scope included closure of Phase 4 South and North, construction of a stormwater pond for Phase 4, and installation of a stormwater pipe from the closed Phase 1 to the dredge pond. As of the end of 2020, the majority of the Phase 4 South closure and the stormwater pond and pipe installation are anticipated to be complete. The project is expected to complete construction in 2022.

Capital Plan funding

Program component	Funding available from 2015-2018 Capital Plan	2019-2022 Capital Plan	TOTAL
Vancouver Landfill Phase 4 closure	\$0.37M	\$27.2M	\$27.6M
TOTAL	\$0.37M	\$27.2M	\$27.6M

Vancouver Landfill routine gasworks

This program is for the installation of landfill gas (LFG) collection infrastructure to minimize the environmental impact of the landfill by reducing greenhouse gas emissions. This funding supports the installation of LFG collection infrastructure in Phases 4 and 5 of the landfill as filling progresses. The scope also includes installation of side slope collectors, vertical well replacements, and intermediate and temporary wells.

Garbage and Green Bin cart-tracking technology – Automated Cart Collection Management Application

This project is to support the replacement of the end-of-life Automated Cart Collection Management Application (ACCMA) software. This software manages all sanitation residential and litter cart details for deployed and historical assets. The software also provides records management for sanitation-related utility billing details. The project will be delivered internally in collaboration with the City's Technology Services team. The key outcomes for the project include:

- Stable application platform and updated data connections, reducing the support requirements.
- Citizen self-service capabilities for cart-related requests through an online process.
- Cart servicing optimization through a single platform rather than the current approach, which uses five Excel spreadsheets plus the cart management system.

Program component	2019-2022 Capital Plan
Tech improvements (ACCMA)	\$1.95M
TOTAL	\$1.95M

Renewable energy

Renewable energy services include initiatives related to neighbourhood energy, electric vehicle public charging infrastructure and energy retrofits for non-City buildings. The renewable energy four-year capital planning is informed by the guiding principles to:

- Improve energy efficiency and increase the supply and use of renewable energy.
- Support low-carbon neighbourhood energy systems that provide heating and hot water in compact mixed-use communities.

2019-2022 Capital Plan and 2022 Capital Budget

The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for Renewable Energy, broken down by service subcategories and Capital Plan projects or programs.

\$ millions			2019-2022 Capital Plan				Devt. led	City led			
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan	Revised Plan	Revised Plan	Previously approved	2022 Budget	Remaining
			A	B	C	D=A+B+C D=E+F	E	F = G+H+I	G	H	I
Renewable Energy											
Building retrofits	Non-City owned	Climate emergency response building initiatives	-	3.8	-	3.8	-	3.8	1.9	1.9	-
		Deep emission building retrofits & other accelerated actions on climate change	-	11.8	-	11.8	-	11.8	7.7	4.1	-
Subtotal			-	15.6	-	15.6	-	15.6	9.6	6.0	-
EV infrastructure	EV infrastructure	Electric Vehicle Infrastructure Strategy	1.8	1.0	-	2.7	-	2.7	2.3	0.5	-
Subtotal			1.8	1.0	-	2.7	-	2.7	2.3	0.5	-
SEFC NEU	Distribution	Expansion of distribution network	14.0	(1.4)	-	12.6	-	12.6	9.3	3.3	0.0
		New service connection & ETSS	6.4	(1.7)	-	4.7	-	4.7	4.1	0.6	-
		SEFC energy centre upgrades	-	0.7	-	0.7	-	0.7	0.7	-	-
		System planning & overhead	0.2	-	-	0.2	-	0.2	0.2	-	-
	Generation	Expansion of SEFC energy centre	14.4	(0.2)	-	14.2	-	14.2	14.2	-	-
		New satellite energy generation	2.7	0.5	-	3.2	-	3.2	2.2	1.0	-
	Planning	System planning & overhead	2.0	-	-	2.0	-	2.0	1.3	0.7	-
		Subtotal		39.7	(2.1)	-	37.6	-	37.6	32.0	5.6
	Prior Capital Plan Items			-	(4.3)	-	(4.3)	-	(4.3)	(4.3)	-
Total Renewable Energy			41.5	10.2	-	51.6	-	51.6	39.6	12.0	0.0
City contributions			36.0	1.2	2.0	39.2	-	39.2	26.2	13.0	0.0
Devt. contributions			3.7	(1.7)	(2.0)	-	-	-	1.4	(1.4)	-
Partner contributions			1.8	10.7	-	12.4	-	12.4	12.0	0.5	-

2022 Multi-Year Capital Budget and Capital Expenditure Budget

For 2022, a total of \$12.0 million is to be added to the aggregate Renewable Energy Multi-Year Capital Budget. The 2022 Capital Expenditure Budget is \$18.0 million, and it is set up to complete or advance progress on a number of ongoing and new multi-year capital projects. The expenditure budget comprises \$15.6 million for previously approved multi-year capital projects with budgeted expenditures in 2022 and \$2.4 million for 2022 expenditures on new multi-year capital projects outlined in the 2022 Capital Budget.

The following table summarizes the 2022 Renewable Energy Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget and the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

Renewable Energy (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Building Retrofits	Non-City Owned	9.6	6.0	15.6	3.2	5.6	0.5	2.8	-
Subtotal		9.6	6.0	15.6	3.2	5.6	0.5	2.8	-
EV Infrastructure	EV Infrastructure	3.5	0.5	4.0	0.8	-	-	-	-
Subtotal		3.5	0.5	4.0	0.8	-	-	-	-
SEFC NEU	Distribution	14.4	3.8	18.2	2.7	7.9	-	-	-
	Generation	16.4	1.0	17.4	10.7	-	-	-	-
	Planning	1.3	0.7	2.0	0.7	-	-	-	-
Subtotal		32.0	5.6	37.6	14.1	7.9	-	-	-
Total Renewable Energy		45.1	12.0	57.1	18.0	13.5	0.5	2.8	-

Major projects and programs

Climate Emergency Response building initiatives

As part of the Capital Plan recalibration, \$3.8 million of emerging priorities funding was allocated toward renewable energy to enact the Climate Emergency Response building initiatives.

Initiative to advance condominium and non-market housing residential retrofits

This initiative targets to achieve the outcomes of having 40 non-market and condominium deep emission retrofit projects initiated, informing and supporting the introduction of prescriptive requirements for specific secondary heating or amenity equipment such as decorative gas fireplaces and swimming pools. The initiative is planned to achieve the milestones of having a non-market housing program designed, partner identified and grant finalized in late 2021 and the milestones of having a condo program designed, partner identified and funding agreement in place by mid-2022.

Initiative for low-embodied-carbon houses (\$0.7 million emerging priorities funding)

This initiative targets to achieve the outcomes of having 32 detached houses designed and under construction using low-embodied-carbon materials and designs, having each home produce a case study of findings to be shared with industry, and informing the development of future requirements. The initiative is planned to achieve the milestones of having a program

partner selected by late 2021 and the program launched by mid-2021. It aims to have 32 low-embodied-carbon homes recruited and designed by Q2 2023.

Deep Emission Building Retrofits Program

This program enables the City to enter into multi-year agreements with other agencies to provide heat pump incentives and support zero-carbon demonstration projects for new and existing homes and buildings. Programming will focus on carbon reductions while also increasing co-benefits, such as improved resilience. It will support the development of zero-carbon building educational and owner support programs, including installations at public facilities. The program will support additional research required for future zero-carbon capital initiatives and for development of the internal systems required to support the implementation of zero-carbon policies. Particular emphasis for the zero-carbon demonstration projects will be placed on partnering with or supporting non-market, rental and co-op housing providers and associations in this work.

False Creek Energy Centre low-carbon expansion

This program is for the extension of the NEU distribution system to serve new customers in the False Creek area. This project will deliver additional sewage heat recovery energy capacity to enable the NEU to meet its target to deliver 70% of its energy from renewable sources and meet the needs of customer growth. The project is in construction phase and aiming to complete in 2022.

New satellite energy generation

New satellite energy generation is supporting development of energy capacity to increase its backup and peaking energy production capacity as new customers are added to the system. These facilities are capable of using renewable and conventional natural gas, as appropriate, to achieve greenhouse gas reduction performance targets. The first satellite facility is under construction as part of the Vancouver Affordable Housing Agency's affordable housing project at 2221 Main Street, and a procurement process for a supply of low-carbon energy in Northeast False Creek is currently underway. In 2022, feasibility and early design of a new satellite facility will be investigated.

Technology

The Technology Services group provides a range of technology-oriented services across the organization. These include citizen-facing applications, corporate information systems, technology infrastructure, call centre services, and voice, data and printing services.

The 2019-2022 Capital Plan ensures that the City's core technology services and infrastructure are maintained and enhanced to support the City's needs. The plan consists of two major components: core infrastructure and applications funding for the City, Vancouver Police Department and Vancouver Public Library, and investment funding for business transformation initiatives. In addition, the Hybrid Data Centre Program received funding to create resilience for

the City's technology services by establishing a co-location data centre outside the seismic zone. The plan leverages the following guiding principles to:

- Ensure the availability, reliability and security of critical technology infrastructure.
- Establish Vancouver as a leader in effectively leveraging digital technologies and supporting a vibrant digital economy.
- Enhance the City's data and analytics capabilities with a corporate enterprise data strategy.
- Adapt to multiple emerging technologies, such as cloud technologies.

2019-2022 Capital Plan and 2022 Capital Budget

The recalibrated 2019-2022 Capital Plan addresses the new emerging priorities regarding remote work, which requires additional infrastructure and an acceleration of cloud technology adoption. The following is a summary of the 2019-2022 Capital Plan, changes to the Capital Plan, and the 2022 Budget for Technology, broken down by service subcategories and Capital Plan projects or programs.

\$ millions			2019-2022 Capital Plan				Devt. led	City led		
Category	Subcategory	Capital Plan Program/Project	Original	Changes to date	2022B changes	Revised Plan	Revised Plan	Revised Plan	Previously approved	2022 Budget
			A	B	C	D=A+B+C D=E+F	E	F = G+H+I	G	H
Technology										
Technology	Technology	Data centre relocation	4.0	7.9	(0.1)	11.8	-	11.8	7.5	4.3
		Maintenance & upgrades of IT hardware & infrastructure	41.0	(1.8)	4.6	43.9	-	43.9	33.3	10.5
		Maintenance & upgrades of IT software systems	30.0	(1.1)	(4.2)	24.7	-	24.7	21.1	3.7
		Technology transformation initiatives	25.0	(0.3)	(0.4)	24.4	-	24.4	18.4	4.0
Subtotal			100.0	4.8	-	104.8	-	104.8	80.3	22.5
Prior Capital Plan Items			-	(0.0)	-	(0.0)	-	(0.0)	1.0	(1.0)
Total Technology			100.0	4.8	-	104.8	-	104.8	81.2	22.5
City contributions			100.0	4.8	-	104.8	-	104.8	81.2	22.5
Devt. contributions			-	-	-	-	-	-	-	-
Partner contributions			-	-	-	-	-	-	-	-

2022 Multi-Year Capital Budget and Capital Expenditure Budget

For 2022, a total of \$22.5 million is to be added to the aggregate Technology Multi-Year Capital Budget. The 2022 Capital Expenditure Budget is \$31.2 million, and it is set up to complete or advance progress on a number of ongoing and new multi-year capital projects. The expenditure budget comprises \$8.7 million for previously approved multi-year capital projects with budgeted expenditures in 2022 and \$22.5 million for 2022 expenditures on new multi-year capital projects outlined in the 2022 Capital Budget.

The following table summarizes the 2022 Technology Capital Budget, including additions to the City's aggregate Multi-Year Capital Budget and the corresponding 2022 Capital Expenditure Budget and four-year expenditure forecasts. Please refer to Appendix B for details of the 2022 Multi-Year Capital Budget and 2022 Capital Expenditure Budget, plus expenditure forecasts and timelines over the next five years.

Technology (in \$ millions)		Multi-Year Capital Budgets			Annual Capital Expenditure Budgets				
Category	Subcategory	Previously Approved	2022	Total Open Project Budget	2022	2023 Forecast	2024 Forecast	2025 Forecast	2026 Forecast
Technology	Technology	67.1	22.5	89.6	31.2	-	-	-	-
Subtotal		67.1	22.5	89.6	31.2	-	-	-	-
Total Technology		67.1	22.5	89.6	31.2	-	-	-	-

Major projects and programs

Operational technology programs and projects are captured in the 2022 service plan for Technology Services. A core area of focus is building the ongoing resilience of technology services that the City relies on.

Two major areas of focus are the Hybrid Data Centre Program and the Cybersecurity Roadmap.

The Hybrid Data Centre Program focuses on ensuring that the City can deliver technology services via City data centres and co-location facilities outside the seismic zone and that it can leverage cloud services. A migration to Microsoft 365 Cloud services is underway as part of this program.

The Cybersecurity Roadmap focuses ongoing efforts to implement policy, process and technology solutions to protect the City's digital assets and infrastructure.



CONSOLIDATED BUDGET

In accordance with Canadian public sector accounting standards, the City reports its annual financial statements on a consolidated basis for the six funds and eight City entities listed below that make up the City's financial reporting entity.

Consolidated financial information increases the accountability, transparency and overall usefulness of information. The Consolidated Budget includes information for all City funds and entities, including the Property Endowment Fund (PEF) operating budget, and is presented on a financial statement basis to follow Public Sector Accounting Board (PSAB) standards to include amortization (depreciation) and to exclude debt transactions and reserve transfers.

City funds

City funds include the Revenue Fund, Capital Fund, Property Endowment Fund, Capital Financing Fund, Sinking Fund, and Vancouver Affordable Housing Endowment Fund (VAHEF).

Other entities

Other entities include the PNE (Pacific National Exhibition), City of Vancouver Public Housing Corporation, Vancouver Affordable Housing Agency (VAHA), Harbour Park Developments Ltd., Hastings Institute Inc., Parking Corporation of Vancouver (EasyPark), Vancouver Civic Development Corporation, and Vancouver Economic Commission.

City funds background and budget discussion

Introduction

Council approves the City's Operating Budget, Capital Budget and PEF budget.

These approved budgets establish the budget for the City's financial reporting funds. The Revenue Fund accounts for the Operating Budget, the Capital Fund accounts for the Capital Budget, and the Property Endowment Fund accounts for the PEF budget.

Under provincial legislation to prepare balanced budgets and to show all funding sources, the City budgets for its funds on a cash basis to include capital additions, debt transactions and transfers and to exclude depreciation. The funds are budgeted on a cash basis and adjusted to an accrual basis when consolidated, to remain consistent with the year-end financial statement presentation, which includes amortization, net of debt transactions and reserve transfers.

Separate Council approval is not required for the budgets of the City's three other funds, the Capital Financing Fund, Sinking Fund and Vancouver Affordable Housing Endowment Fund, as they are composed solely of inter-fund transfers approved by Council in the Operating and Capital budgets and an estimate of interest revenue earned on cash balances.

Revenue Fund

The Revenue Fund accounts for revenues and expenditures for the City's general operations as well as its sewer, solid waste, water and neighbourhood energy utilities. Council approves the Operating Budget annually. A detailed description of this fund's 2022 budget is available in the Operating Budget section of this document.

Total operating expenditures included in the 2022 budget increased by 9.8% (\$156 million) over 2021. More details are available in the Operating Budget section of this document.

Capital Fund

The Capital Fund accounts for capital expenditures supporting civic assets and infrastructure. It also holds all properties required for civic use and related long-term debt. Council approves the Capital Budget annually. A detailed description of this fund's 2022 budget is available in the Capital Budget section of this document.

Capital Fund expenditures are authorized through Council-approved funding allocations from the Capital Plan to capital project budgets and are described in the Capital Budget section of this document, which includes a breakdown of proposed 2022 Capital Plan funding allocations by Capital Plan service category. The budget report appendixes include specific projects or programs and funding sources for new capital projects in the 2022 Capital Budget, and forecasted expenditure timelines for all new and previously approved continuing projects. Departmental expenses shown in the consolidated operating budget include spending on operating activities that support the Capital Plan — including funding for planning, research, capital maintenance and grants to external organizations — and they will vary from year to year based on the timing of projects funded from the Capital Plan and execution of the project deliverables. Spending on new or replacement of City facilities and infrastructure is shown as capital additions, for which additional detail on the breakdown of spending by department is shown in the Capital Budget section. This presentation of the Consolidated Budget is in alignment with the City's year-end financial statement presentation for comparability.

For 2022, estimated revenues are \$285 million that fund capital, such as developer contributions and external funding, with estimated expenditures totalling \$277 million. The 2022 Capital Fund surplus of \$8.2 million is earmarked for Capital initiatives supporting new climate-related investments to advance the City's Climate Emergency Action Plan. These funds will be reflected accordingly in the 2019-2022 Capital Plan and Capital Budget.

Property Endowment Fund

The Property Endowment Fund (PEF) accounts for properties leased to third parties and those being developed or held to support the City's public objectives. The PEF also includes parkades managed by EasyPark. In the annual financial statements, actual PEF results include operating and capital activity. A detailed description of the fund's 2022 PEF operating budget is available in the PEF section of this document.

The 2022 PEF operating budget includes balanced operating revenues and expenditures of \$52.3 million, an increase of \$4.8 million as compared with the 2021 PEF operating budget.

Additional details are available in the 2022 PEF budget section.

Capital Financing Fund

Established by Council in 1979, the Capital Financing Fund provides funds for the internal financing of capital works, allowing the City to build its infrastructure without incurring external financing costs. To ensure the fund is available on an ongoing basis, projects drawing on this fund repay the original amount with interest. Repayments are made possible through increased revenues or operating savings identified in the funded project's business case.

The Solid Waste Capital Reserve was subsequently established within the Capital Financing Fund to accumulate funds for future closure costs of the City's landfill.

The Capital Financing Fund is not used to fund operating expenditures. Separate Council approval is not required for this fund's budget as it consists solely of an estimate of interest revenue earned on cash balances and inter-fund transfers approved by Council in the Operating and Capital budgets.

For 2022, estimated revenues are \$3.67 million. This revenue is interest earned on the \$63.1 million cash balance in the Solid Waste Capital Reserve and the \$167.3 million cash balance that is not used for internal loans or solid waste closure costs during the year.

Sinking Fund

The City's Sinking Fund is a statutory requirement of the Vancouver Charter. It accounts for amounts reserved for repayment of the principal portion of the City's Sinking Fund debt issues at maturity. Depending on the timing of debt issues and maturities, the balance in the fund fluctuates. Funds in the Sinking Fund are invested to earn interest, and the budget reflects interest revenue from investments of the fund balance. The Sinking Fund is not used to fund operating expenditures. Separate Council approval is not required for its budget, as the fund consists solely of inter-fund transfers approved by Council in the Operating and Capital budgets and an estimate of interest revenue earned on cash balances.

In 2022, the Sinking Fund budget includes investment income of \$7.9 million on the fund balance. The 2022 budgeted investment income is \$2.0 million lower than the 2021 budgeted investment income due to lower interest rate expectations.

Vancouver Affordable Housing Endowment Fund

The Vancouver Affordable Housing Endowment Fund (VAHEF) holds non-market housing properties that are City-owned and operated, are leased to third parties for operations of non-market housing, or are being developed or held for the development of non-market housing. The VAHEF budget shown in the 2022 Consolidated Budget Summary includes the budgeted amounts for both VAHA and VPHC non-market housing properties.

Other entities background and budget discussion

Parking Corporation of Vancouver (EasyPark)

Founded in 1948, the corporation — which operates as a non-profit public authority — manages and operates parkades and properties owned or leased by the City, or joint ventures between the City and third parties.

The Parking Corporation of Vancouver operates as EasyPark. The share structure gives the City sole title to corporation assets and revenues. EasyPark is governed by a nine-member board of directors, with one director being a councillor and two directors being City staff appointed by City Council. With a proud service history in parking management for 70 years, EasyPark manages more than 125 facilities totalling more than 19,500 parking spaces; facility sizes range from four spaces to 1,400 spaces.

EasyPark's operating budget is approved by its board. EasyPark's net revenues are distributed to the respective owners of the parking facilities (in most cases, the City). In turn, these funds are reinvested in developing public transit and maintaining parking facilities. EasyPark's revenues and expenses are included in the City's 2022 PEF budget, detailed in the PEF section of this document. All EasyPark capital investment is approved by Council as part of the PEF capital budget.

Pacific National Exhibition

In 2004, the City assumed ownership of Pacific National Exhibition (PNE) assets and operations from the Province of British Columbia. The PNE grounds are located in Hastings Park, which also includes the Pacific Coliseum, the Forum, Rollerland and the Garden Auditorium.

In 2013, Council approved a renewed governance model for the PNE and Hastings Park with ongoing governance by the PNE Board. The board of directors is appointed by Council and currently consists of one councillor as Chair, the Park Board General Manager, who serves as Vice-Chair, three other City staff and four outside directors.

The City has continued the long-standing tradition of providing a destination site for festivals, culture, sport and recreation, including Playland and the annual PNE Fair. In 2010, Council adopted the Hastings Park/PNE Master Plan; it lays out a plan to transform the park and PNE into a greener, year-round destination site.

The PNE's fiscal year is April to March. As such, amounts in the Consolidated Budget reflect the PNE 2021-2022 budget. For 2022, estimated revenues are \$39.7 million from all major programs, including the Fair, Playland, Fright Nights and facility rentals and events.

Expenses for 2021 are budgeted at \$39.5 million. This budget comprises \$22.4 million for direct program costs, \$3.7 million for facility maintenance, and \$13.4 million for administration costs, resulting in a budgeted surplus of \$0.2 million. The reduction in revenues and expenses are result of the continuation of the negative effects of COVID-19 in the PNE operations.

The PNE Board approves the budget. Capital expenditures on facilities and park structures are included in the City's Capital Budget.

Vancouver Economic Commission

The Vancouver Economic Commission (VEC) works to build a prosperous, inclusive, low-carbon and resilient economy for all in Vancouver.

As the economic development agency for the City of Vancouver, the VEC works to strengthen Vancouver's evolving economy by conducting and consolidating economic research, promoting and advocating for Vancouver's economy, delivering programs to support local business growth, and partnering on targeted high-impact investment. The VEC works closely with the City of Vancouver and collaborates with business, academic and government organizations to position Vancouver as a global destination for innovative, creative and sustainable business.

The VEC has a strong team of 20 professionals and receives additional support from various contractors and student co-ops and interns to work across the following:

- Supporting local growth and resilience
 - Entrepreneurship and industry support, including business programs, advocacy and targeted high-impact investment and capital attraction
 - Navigating and branding Vancouver
- Research as an engine
 - Research and analysis
 - Advocating to and supporting economy policy-makers through conducting and promoting thoughtful and thought-provoking research and analysis

The VEC's key sectors are the Green Economy, Creative Economy, and Digital Economy. The VEC provides a variety of services to these industries, provides advocacy on behalf of businesses to all levels of government, and is working to help build a prosperous, resilient low-carbon economy in Vancouver. Visit www.vancouvereconomic.com for comprehensive information on services delivered.

The VEC's board of directors is appointed by the VEC Honorary Board, which consists of Council with the Mayor serving as board Chair. The VEC leverages contributions from other organizations to fund its key research and investment-related initiatives. The City's contribution is approved by Council as part of the annual Operating Budget.

The VEC's revenue budget is primarily driven by core funding from the City of \$3.1 million, budgeted in the City's Revenue Fund. This funding from the City of Vancouver primarily covers overhead, salaries, rent and other office costs, which represents core funding not available through other sources. On occasion, the VEC receives additional funding for specific programs. To supplement the core funding received, the VEC also relies on external funding sources through federal, provincial, industry and private partnerships to support the external programs that the VEC delivers.

Vancouver Public Housing Corporation

The City of Vancouver, with oversight by the General Manager of Arts, Culture and Community Services, operates 816 units of social housing across 11 properties. Of these 816 units, 223 units in four of the properties (Central Residence, Alexander Residence, Barclay Heritage Square and the New Continental Apartments) are accounted for in the Vancouver Public Housing Corporation (VPHC). In late 2017, another VPHC property, Roddan Lodge, was decommissioned to allow for the redevelopment of the new Roddan Lodge site, which includes 213 units. This site was completed in Q3 2021.

The VPHC was incorporated in 1975 as a wholly owned not-for-profit subsidiary of the City to facilitate the financing structure for the five properties, which included operating funding from other levels of government. In 2021, the corporation received approximately 23% of its operating revenues as contributions from the provincial government. The VPHC board of directors is appointed by Council and consists of the Mayor, four City councillors, the City Manager, City Solicitor and Director of Finance. Council has delegated authority to the City Solicitor for all routine corporate matters.

The VPHC's 2022 budget is included in the VAHEF column of the 2022 Consolidated Budget schedule and reflects ongoing operations costs for the five properties. City funding is approved annually through the City's Operating and Capital budgets, along with the budget for all social housing units managed by Arts, Culture and Community Services.

Vancouver Affordable Housing Agency

In July 2014, Council created the Vancouver Affordable Housing Agency (VAHA) with the mandate to enable the creation of new affordable housing for a variety of housing types through innovative partnerships with developers, charitable organizations, non-profit organizations, philanthropists and senior levels of government. The addition of VAHA to the City's mix of programs to create affordable housing helps address affordable housing challenges in Vancouver and advances City Council's Housing and Homelessness Strategy.

As an agency of the City, VAHA's budget includes operating funding for staffing, while the City retains ownership of all land and building assets. New assets are budgeted and approved through the City's Capital Budget.

In 2021, all of the City's non-market housing assets, including those enabled by VAHA, have been consolidated into one portfolio forming the Vancouver Affordable Housing Endowment Fund. As this consolidation occurred in 2021, the function and staff of VAHA and associated operating funding were transitioned to the Vancouver Affordable Housing Endowment Fund to continue the delivery of social housing on City land along with other key functions for managing the portfolio.

Other entities

Amounts included in the Consolidated Budget for other entities are for Harbour Park Developments Ltd., The Hastings Institute Inc. and the Vancouver Civic Development Corporation. These entities have no operational activities and are largely inactive, though they are available for use if needed.

- **Harbour Park Developments Ltd.** — Purchased by the City in 1974 to acquire interests in land and water lots adjoining Stanley Park, its board of directors is appointed by Council and consists of the Mayor, City Solicitor and Director of Finance. Council has delegated authority to the City Solicitor for all routine corporate matters. Currently this entity has no significant ongoing operations, revenues or expenses.
- **The Hastings Institute Inc.** — Incorporated in 1989 by the City as a wholly owned not-for-profit organization, the institute provides employee training and organizational development services toward effective service delivery in a multicultural community. As this expertise has become widely available through other community-based service providers, the institute became an inactive entity effective January 2015, and the City Manager is the sole appointee to the board of directors. The institute will remain available should its services require delivery again at a later date. Council has delegated authority to the City Solicitor for all routine corporate matters. Currently, this entity has no significant ongoing operations, revenues or expenses.
- **Vancouver Civic Development Corporation** — Incorporated in 1978 by the City to sell taxi licences, the entity has been used to facilitate property acquisition in subsequent years. A small amount of revenue is generated from financial investments held in this entity. Its board of directors is appointed by Council and consists of the Mayor, two councillors, City Manager, City Solicitor and Director of Finance. Council has delegated authority to the City Solicitor for all routine corporate matters. In 2022, anticipated revenues are \$10,000 worth of interest on outstanding cash balances. Currently this entity has no significant ongoing operations.

Consolidation adjustments

To present the City's budget and annual financial statements as a consolidated entity, with the funds and City entities grouped together, transactions between funds and entities are removed as shown in the Consolidation Adjustments column of the 2022 Consolidated Budget Summary table that follows.

Budget basis of presentation

As required by provincial legislation to prepare balanced budgets and to show all funding sources, the City budgets for its funds on a cash basis to include capital additions, debt transactions and transfers and to exclude depreciation. Upon consolidation, adjustments are made to present the City's budget on an accrual basis consistent with the presentation of the annual financial statements.

Since 2016, the City's Consolidated Budget has been presented in the format of its annual financial statements. Public Sector Accounting Board (PSAB) standards have been followed to include depreciation and to exclude debt transactions and reserve transfers, as shown in the 2022 PSAB Adjustments column of the 2022 Consolidated Budget Summary table. The 2021 Restated Consolidated Budget, 2020 Consolidated Actuals, and projected ending fund balances have been included in the table.

Consolidated gross revenues and expenditures for 2022, before PSAB adjustments, are \$2.1 billion, \$100 million higher than 2021, primarily due to increases in Operating Fund revenues and expenditures of \$156 million, partially offset by lower Capital Budget by \$68 million.

After 2022 PSAB adjustments, the 2022 Consolidated Net Budget is \$190.5 million, which includes \$8.2 million earmarked for Capital initiatives. Compared with the 2021 Restated Consolidated Net Budget of \$159.8 million, there is a year-over-year increase of \$30.7 million.

Within the Consolidated Budget, the Capital Budget is presented on a financial statement basis and includes \$285 million in revenues that fund capital, such as developer contributions and external funding. The remaining \$398 million of the total 2022 Capital Budget of \$683 million is funded from other sources, including \$242 million in transfers from other funds or reserves and \$156 million worth of debt issuance.

A detailed reconciliation of amounts presented in the following 2022 Consolidated Budget, with amounts presented in the annual Consolidated Financial Statements, will be disclosed in a note in the annual Consolidated Financial Statements.

The 2021 Restated Consolidated Budget table and the 2020 Consolidated Actuals table, both with beginning and ending fund balances, have been included for reference.

2022 Consolidated Budget Summary

2022 Consolidated Budget (\$000)	Revenue Fund (1)	Capital Fund (2)	Property Endowment Fund (3)	Capital Financing Fund	Sinking Fund	Vancouver Affordable Housing Endowment Fund (4)	PNE (5)	Vancouver Economic Comm.	Other Entities (6)	Consolidation Adjustments (7)	2022 Consolidated Budget	2022 PSAB Adjustments (8)	2022 Consolidated Budget (Financial Statement basis)	2021 Restated Consolidated Budget (Financial Statement basis)	Net Change \$	Net Change %	2020 Actuals (Financial Statement basis)
Revenues																	
Property taxes	1,008,085	-	-	-	-	-	-	-	-	-	1,008,086	-	1,008,086	941,985	66,101	7%	935,538
Utility fees	356,522	-	-	-	-	-	-	-	-	(138)	356,385	-	356,385	339,922	16,463	5%	320,914
Program fees	67,996	-	1,309	-	-	21	38,367	-	-	(5)	107,688	-	107,688	71,006	36,682	52%	45,426
Licence and development fees	91,461	-	19	-	-	-	-	-	-	-	91,481	-	91,481	78,531	12,949	16%	73,791
Parking	75,355	-	24,549	-	-	22	1,336	-	-	(72)	101,189	-	101,189	85,835	15,354	18%	67,391
Cost Recoveries, grants and donations	61,377	45,724	1,305	-	-	706	-	3,110	-	(5,183)	107,039	-	107,039	101,907	5,131	5%	133,465
Revenue sharing	14,644	-	-	-	-	-	-	-	-	-	14,644	-	14,644	7,300	7,344	101%	16,187
Investment income	13,830	-	1,730	3,670	7,881	-	-	-	15	(73)	27,054	-	27,054	27,019	35	0%	40,471
Rental, lease and other	36,571	-	23,398	-	-	11,465	-	-	-	(10,584)	60,850	-	60,850	56,446	4,404	8%	70,062
Bylaw fines	21,577	-	-	-	-	-	-	-	-	-	21,577	-	21,577	17,521	4,056	23%	16,156
Developer Contributions	-	239,451	-	-	-	-	-	-	-	-	239,451	-	239,451	307,722	(68,271)	-22%	125,829
Gain (loss) on sale of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,957
Total Revenues	1,747,418	285,175	52,310	3,670	7,881	12,214	39,703	3,110	15	(16,055)	2,135,441	-	2,135,441	2,035,194	100,248	5%	1,858,187
Expenditures & Transfers																	
Utilities	407,046	28,845	-	-	-	-	-	-	-	-	435,891	(82,466)	353,425	338,938	14,487	4%	325,828
Engineering	110,895	25,522	15,806	-	-	-	-	-	-	(2,424)	149,800	82,438	232,238	233,203	(965)	0%	213,130
Police Services	366,938	-	-	-	-	-	-	-	-	(89)	366,849	15,565	382,414	352,880	29,534	8%	350,064
Fire & Rescue Services	153,511	317	-	-	-	-	-	-	-	(225)	153,602	3,058	156,660	145,658	11,002	8%	145,955
Parks & Recreation	143,612	9,167	739	-	-	-	39,455	-	-	(2,481)	190,492	26,750	217,242	206,056	11,185	5%	163,625
Library	57,806	-	-	-	-	-	-	-	-	(148)	57,658	4,030	61,687	59,603	2,085	3%	51,609
Community & Cultural Services (9)	87,495	24,292	-	-	-	14,483	-	-	-	(5,871)	120,399	24,051	144,450	210,001	(65,552)	-31%	124,165
Planning & Development	76,002	75	-	-	-	-	-	-	-	(15)	76,062	1,461	77,524	89,976	(12,453)	-14%	70,816
General Government & Transfers (10)	344,111	(167,571)	35,765	3,670	7,881	(2,269)	-	3,110	15	(3,707)	221,005	98,332	319,337	239,111	80,226	34%	184,018
Capital Additions	-	512,416	-	-	-	-	837	-	-	(1,093)	512,160	(512,160)	-	-	-	-	-
Debt Payment/ (Issue)	-	(156,087)	-	-	-	-	(837)	-	-	-	(156,924)	156,924	-	-	-	-	-
Total Expenditures & Transfers	1,747,418	276,975	52,311	3,670	7,881	12,214	39,455	3,110	15	(16,055)	2,126,993	(182,017)	1,944,976	1,875,427	69,549	4%	1,629,210
Net Budget	\$ - \$	\$ 8,200	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ 248	\$ - \$	\$ - \$	\$ - \$	\$ 8,448	\$ 182,017	\$ 190,465	\$ 159,767	\$ 30,698	19%	\$ 228,977

Notes:

- (1) Revenue Fund includes the Operating Budget and the Utility Budget.
- (2) Capital Fund includes Capital Budget of \$683 million, which comprises \$285 million worth of developer contributions and cost recoveries, \$242 million worth of transfers from reserves and other funds, and \$156 million worth of debt issue. \$8.2 million surplus in Capital fund is earmarked for Capital initiatives supporting new climate-related investments to advance the City's Climate Emergency Action Plan.
- (3) Amounts shown are for the Property Endowment Fund (PEF) operating budget only. This schedule categorizes PEF operating expenses as follows: parking operation (EasyPark) expenses are included in Engineering Services, marina operation expenses are included in the Park Board, and property operation expenses are included in General Government. General Government also includes reserve and inter-fund transfers. The PEF capital budget for major capital maintenance and property acquisitions or disposals is approved by Council in camera.
- (4) Vancouver Affordable Housing Endowment Fund (VAHEF) includes budgets for both VAHA and VPHC.
- (5) PNE fiscal year ends March 31. The PNE budget shown above is the PNE 2021-2022 budget.
- (6) Other Entities includes: Harbour Park Developments Ltd., The Hastings Institute Inc., and the Vancouver Civic Development Corporation.
- (7) To present financial information on a consolidated basis, financial transactions between funds or entities are removed.
- (8) Public Sector Accounting Board (PSAB) adjustments include amortization of tangible capital assets, net of debt payments/issues and reserve transfers, as reported in the annual financial statements.
- (9) Community & Cultural Services includes: Britannia Community Services Centre, Vancouver Civic Theatres, Community Services, and Grants.
- (10) General Government & Transfers includes: Mayor and Council, Corporate Support Services, General Government, and debt and capital from revenue.

2021 Restated Consolidated Budget Summary

2021 Restated Consolidated Budget (\$000)	Revenue Fund (1)	Capital Fund (2)	Property Endowment Fund (3)	Capital Financing Fund	Sinking Fund	PNE (4)	Vancouver Economic Comm.	Vancouver Public Housing Corp.	Vancouver Affordable Housing Agency	Other Entities (5)	Consolidation Adjustments (6)	2021 Restated Consolidated Budget	2021 PSAB Adjustments (7)	2021 Restated Consolidated Budget (Financial Statement basis)
Revenues														
Property taxes	942,198	-	-	-	-	-	-	-	-	-	(213)	941,985	-	941,985
Utility fees	339,922	-	-	-	-	-	-	-	-	-	-	339,922	-	339,922
Program fees	39,982	-	1,496	-	-	29,513	-	15	-	-	-	71,006	-	71,006
Licence and development fees	78,531	-	-	-	-	-	-	-	-	-	-	78,531	-	78,531
Parking	63,886	-	20,978	-	-	1,028	-	7	-	-	(64)	85,835	-	85,835
Cost Recoveries, grants and donations	56,459	45,253	1,021	-	-	-	3,175	1,973	-	-	(5,974)	101,907	-	101,907
Revenue sharing	7,300	-	-	-	-	-	-	-	-	-	-	7,300	-	7,300
Investment income	12,087	-	1,272	3,582	9,857	12,087	-	-	-	185	37	27,019	-	27,019
Rental, lease and other	33,817	-	27,623	-	-	-	-	2,159	-	-	(7,153)	56,446	-	56,446
Bylaw fines	17,521	-	-	-	-	-	-	-	-	-	-	17,521	-	17,521
Developer Contributions	-	307,722	-	-	-	-	-	-	-	-	-	307,722	-	307,722
Gain (loss) on sale of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,591,701	352,975	52,390	3,582	9,857	30,542	3,175	4,154	-	185	(13,367)	2,035,194	-	2,035,194
Expenditures & Transfers														
Utilities	387,824	25,549	-	-	-	-	-	-	-	-	-	413,373	(74,435)	338,938
Engineering	105,668	25,846	16,058	-	-	-	-	-	-	-	497	148,070	85,134	233,203
Police Services	344,045	-	-	-	-	-	-	-	-	-	(139)	343,906	8,974	352,880
Fire & Rescue Services	144,382	717	-	-	-	-	-	-	-	-	(344)	144,755	903	145,658
Parks & Recreation	136,873	13,686	739	-	-	30,350	-	-	-	-	(2,849)	178,799	27,257	206,056
Library	55,696	-	-	-	-	-	-	-	-	-	(148)	55,548	4,055	59,603
Community & Cultural Services (8)	81,634	96,837	-	-	-	-	-	3,815	-	-	(3,107)	179,179	30,823	210,001
Planning & Development	71,547	19,415	-	-	-	-	-	-	-	-	(3,230)	87,732	2,245	89,976
General Government & Transfers (9)	264,030	(204,722)	35,594	3,582	(130,143)	-	3,175	(23)	-	185	(3,422)	(31,745)	270,856	239,111
Capital Additions	-	569,117	-	-	-	644	-	-	-	-	(624)	569,137	(569,137)	-
Debt Payment/ (Issue)	-	(193,469)	-	-	140,000	(644)	-	362	-	-	-	(53,751)	53,751	-
Total Expenditures & Transfers	1,591,701	352,975	52,390	3,582	9,857	30,350	3,175	4,154	-	185	(13,367)	2,035,002	(159,575)	1,875,427
Net Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192	\$ 159,575	\$ 159,767
Note: totals may not add due to rounding														
Starting Fund balance	26,239	(146,870)	(40,850)	311,177	0	(10,903)	1,110	(542)	0	12,533	16,428	168,322		
Change during year (10)	-	-	-	-	-	192	-	-	-	-	-	192		
Ending Fund balance	26,239	(146,870)	(40,850)	311,177	0	(10,711)	1,110	(542)	0	12,533	16,428	168,514		

(1) Revenue Fund includes the Operating Budget and the Utility Budget.

(2) Capital Fund includes the Capital Budget.

(3) Amounts shown are for the Property Endowment Fund (PEF) operating budget only. This schedule categorizes PEF operating expenses as follows: parking operation (EasyPark) expenses are included in Engineering Services, marina operation expenses are included in the Park Board, and property operation expenses are included in General Government. General Government also includes reserve and inter-fund transfers. The PEF capital budget for major capital maintenance and property acquisitions or disposals is approved by Council in camera.

(4) PNE fiscal year ends March 31. The PNE budget shown above is the PNE 2020-2021 budget.

(5) Other Entities includes Harbour Park Developments Ltd., The Hastings Institute Inc., and the Vancouver Civic Development Corporation.

(6) To present financial information on a consolidated basis, financial transactions between funds or entities are removed.

(7) Public Sector Accounting Board (PSAB) adjustments include amortization of tangible capital assets, net of debt payments/issues and reserve transfers, as reported in the annual financial statements.

(8) Community & Cultural Services includes: Britannia Community Services Centre, Vancouver Civic Theatres, Community Services, and Grants.

(9) General Government & Transfers includes: Mayor and Council, Corporate Support Services, General Government, and debt and capital from revenue.

(10) Budgeted changes to individual fund balances are based on the cash basis of budgeting before consolidation.

2020 Consolidated Actuals Summary

2020 Consolidated Actuals per Financial Statements (\$'000)	Revenue Fund (1)	Capital Fund (2)	Property Endowment Fund (3)	Capital Financing Fund	Sinking Fund	PNE (4)	Vancouver Economic Comm.	Vancouver Public Housing Corp.	Vancouver Affordable Housing Agency	Other Entities (5)	Consolidation Adjustments (6)	2020 Consolidated Actuals
Revenues												
Property taxes	935,532	-	1	-	5	-	-	-	-	-	-	935,538
Utility fees	321,052	-	-	-	-	-	-	-	-	-	(138)	320,914
Program fees	31,098	-	9	-	-	14,602	-	9	-	-	(292)	45,426
Licence and development fees	73,831	(59)	19	-	-	-	-	-	-	-	-	73,791
Parking	49,034	-	17,924	-	-	499	-	7	-	-	(72)	67,391
Cost Recoveries, grants and donations	92,264	39,004	2,435	-	-	-	3,753	1,585	-	-	(5,575)	133,465
Revenue sharing	16,187	-	-	-	-	-	-	-	-	-	-	16,187
Investment income	18,795	6,694	1,978	3,164	9,581	-	41	-	-	69	149	40,471
Rental, lease and other	40,442	6,964	28,707	-	-	-	-	1,236	-	-	(7,286)	70,062
Bylaw fines	16,156	-	-	-	-	-	-	-	-	-	-	16,156
Developer contributions	-	125,865	(36)	-	-	-	-	-	-	-	-	125,829
Gain (loss) on sale of tangible capital assets	-	(3,740)	16,697	-	-	-	-	-	-	-	-	12,957
Total Revenues	1,594,390	174,729	67,734	3,164	9,586	15,101	3,795	2,836	-	69	(13,214)	1,858,187
Expenditures (9)												
Utilities	259,491	66,338	-	-	-	-	-	-	-	-	-	325,828
Engineering	101,321	95,044	19,372	-	-	-	-	-	-	-	(2,607)	213,130
Police Services	338,853	11,300	-	-	-	-	-	-	-	-	(89)	350,064
Fire & Rescue Services	140,206	5,975	-	-	-	-	-	-	-	-	(225)	145,955
Parks & Recreation	110,220	30,156	770	-	-	25,104	-	-	-	-	(2,623)	163,625
Library	43,985	7,773	-	-	-	-	-	-	-	-	(148)	51,609
Community & Cultural Services (7)	105,439	17,797	-	-	-	-	-	3,036	876	-	(2,983)	124,165
Planning & Development	69,183	1,648	-	-	-	-	-	-	-	-	(15)	70,816
General Government (8)	121,038	42,590	20,778	-	-	-	3,531	-	-	-	(3,918)	184,018
Total Expenditures	1,289,734	278,621	40,920	-	-	25,104	3,531	3,036	876	-	(12,610)	1,629,210
Annual Surplus (Deficit)	\$ 304,657	\$ (103,892)	\$ 26,814	\$ 3,164	\$ 9,586	\$ (10,003)	\$ 263	\$ (200)	\$ (876)	\$ 69	\$ (604)	\$ 228,977
Note: Totals may not add due to rounding												
Starting Fund balance	26,239	(142,260)	(63,360)	305,171	-	(4,231)	794	(251)	-	12,464	13,002	147,566
Annual Surplus (Deficit)	304,657	(103,892)	26,814	3,164	9,586	(10,003)	263	(200)	(876)	69	(604)	228,977
Transfers during the year	304,657	(99,282)	4,304	(2,842)	9,586	(3,331)	(53)	91	(876)	-	(4,031)	208,221
Ending Fund balance	26,239	(146,870)	(40,850)	311,177	0	(10,903)	1,110	(542)	0	12,533	16,428	168,322

(1) Revenue Fund includes the Operating Budget and the Utility Budget.

(2) Capital Fund includes the Capital Budget.

(3) Amounts shown are for the Property Endowment Fund (PEF) operating budget only. This schedule categorizes PEF operating expenses as follows: parking operation (EasyPark) expenses are included in Engineering Services, marina operation expenses are included in the Park Board, and property operation expenses are included in General Government. General Government also includes reserve and inter-fund transfers. The PEF capital budget for major capital maintenance and property acquisitions or disposals is approved by Council in camera.

(4) PNE fiscal year ends March 31. Actuals for PNE are shown for January to December, consistent with the City's fiscal year.

(5) Other Entities includes: Harbour Park Developments Ltd., The Hastings Institute Inc., and the Vancouver Civic Development Corporation.

(6) To present financial information on a consolidated basis, financial transactions between funds or entities are removed. This includes removal of internal street degradation fees from revenue that has been capitalized as sewer and water assets.

(7) Community & Cultural Services includes: Britannia Community Services Centre, Vancouver Civic Theatres, Community Services, and Grants.

(8) General Government includes: Mayor and Council, Corporate Support Services, General Government, and debt and capital from revenue.

(9) Expenditures excludes Transfers to/from other funds and reserves, as transfers are not categorized as expenses based on PSAB guidelines.



PROPERTY ENDOWMENT FUND BUDGET

The Property Endowment Fund (PEF) operating budget is included in this budget document and approved in conjunction with the City's Operating and Capital budgets. Because of the confidential nature of PEF property transactions, the PEF capital budget is approved by Council in camera (in a closed, private session). Actual results for the fund included in the annual financial statements include operating and capital activity.

The PEF was created by Council as a separate City fund in 1975 to hold strategic land purchases separate from the ongoing City operations. At the time, it was agreed by Council that the PEF "should be regarded as a legacy or an endowment that belongs to all the taxpayers and should be managed for the benefit of future generations."

In 1981, Council provided further guidance on the PEF's purpose, goals and objectives, priorities and strategic sites:

Purpose

- To preserve and increase the real value of the PEF assets and to increase the fund's ownership of strategic sites.

Goals

- To manage the PEF assets in such a way as to preserve their real value and generate a reasonable economic return.
- To support the City's public objectives, where possible, without jeopardizing either the real value of the fund or the reasonable return on its assets.

Objectives

The operations of the PEF shall generally be:

- To manage and develop the fund's holdings in order to generate a reasonable economic return.
- To buy and sell lands in order to assemble a land inventory that offers the best opportunity to preserve and, where possible, increase the real value of the PEF's assets.
- To support the City's public objectives.
- To develop a program to accomplish the conversion of non-strategic holdings to strategic holdings.

Priorities

- In making operating decisions, financial criteria must be met; however, where possible, preference will be given to development, acquisition or disposal opportunities that also meet public criteria.

Strategic sites

- In the context of the PEF, strategic sites shall be defined as sites that possess the best opportunity to achieve either the fund's financial objectives or both its financial and public objectives.

Since 1981, the PEF has remained a separate City fund. All transactions have been brought forward to Council for approval. Financial operations have been reported publicly as a supplementary schedule to the annual financial statements, but until 2013, no annual budget had been reported.

In February 2013, the first annual PEF operating and capital budgets were brought to Council for approval. Council also approved the establishment of a third party expert advisory panel to advise staff and Council on all aspects of the PEF's management. The first panel convened in 2014 and signalled an important milestone toward optimizing the fund's management and oversight. Increased management oversight of the PEF has continued in subsequent years.

Recent improvements include new management metrics (vacancy rate and revenue lost to vacancy) and the establishment of new management practices for core commercial properties within the portfolio. Significant effort has been made to prepare for the long-term recapitalization requirements of the property portfolio. Furthermore, it has been recognized there is a need to measure the social benefit that the fund is creating as a result of operations. Additional management rigour has also resulted in the completion of a property-by-property strategic review and the commencement of a process to update operational policies and management structure. Modernization of the management of fund operations is well underway, with an increasing focus on cost recovery and modernizing lease agreements to better capture and recover tenants' true costs of occupancy.

In 2018, Council directed staff to advance the consolidation of the City's non-market housing assets into a single portfolio in the form of the Vancouver Affordable Housing Endowment Fund (VAHEF) with a clear mandate to preserve and grow the City's non-market housing portfolio in a sustainable way, and report back on the implementation strategy. This fund would be created from a portion of the PEF holdings, and in 2019, staff examined the PEF properties with the intention of determining their suitability for transfer to the new fund.

To preserve the PEF and ensure it continues to benefit future generations, staff have developed a long-term strategy for the fund. This strategy is focused on generating sustainable income to support fund operations in perpetuity, continuing to assemble large strategic sites, and continuing to support ongoing civic objectives. With the transfer of all non-market housing assets to VAHEF completed in 2021, the PEF will be more focused with greater long-term financial stability that will enable the fund to perpetually provide a robust monetary and in-kind dividend to the City.

Property Endowment Fund budget summary

The 2022 PEF operating budget includes balanced operating revenues and expenditures of \$24.6 million, an increase of \$5.2 million as compared with the 2021 restated fund-operating budget. The restated 2021 budget reflects the transfer of assets and related revenue and expenditures from the PEF to the newly established VAHEF in 2021.

The summary table and narrative that follow present highlights of the 2022 PEF operating budget. The detailed budget table shows the year-over-year impact of changes by revenue and expenditure type.

	2021 Restated Budget	2022 DRAFT Budget	Net Change (\$)	Net Change (%)
Revenue from Operations	47.5	52.3	4.8	10.1%
Expenses from Operations	28.1	27.7	(0.4)	-1.4%
Net Revenue before Transfers	19.4	24.6	5.2	26.7%
Transfers	(19.4)	(24.6)	(5.2)	26.7%
Net Position	\$ -	\$ -	\$ -	0%

Property Endowment Fund revenues

The 2022 revenue budget is increasing by \$5.2 million over the restated 2021 budget primarily because of changes in the following areas:

- **Parking (EasyPark)**
 - The budget for parking revenues has increased by \$3.8 million because of anticipated higher utilization rates than in 2021 due to the impacts of the pandemic.
- **Investment income**
 - The budget for investment income has increased by \$0.5 million to reflect higher investment rates of return on the fund's cash balance as estimated by the City's Treasury Services department.
- **Rental and lease income**
 - The budget for rental and lease income has increased by \$0.5 million to reflect rate changes, contract renewals and a new three-year prepaid lease that started in 2021 at 875 Terminal Avenue.

Property Endowment Fund expenditures

The 2022 expense budget has decreased by \$0.4 million from the restated 2021 budget. Adjustments are in the following key areas:

- **Parking (EasyPark)**
 - The \$0.2 million reduction to parking expenses reflects lower EasyPark operating costs that include salary and fringe benefit costs relating to EasyPark staff agreements and costs for property taxes, utilities, security, marketing and credit card processing.
- **Property rentals**
 - The \$0.3 million increase in operating expenses is the result of increased building occupancy costs such as insurance, electricity and gas.
- **Other expenses**
 - The \$0.5 million decrease represents a decrease in staff overhead costs.
- **Transfers**
 - The PEF budgets for a limited number of recurring annual transfers. These include a transfer to the Revenue Fund (City Operating Budget) to support City operations. This transfer reduces the burden of property taxation on the citizens of Vancouver. The dividend is a significant annual benefit to the City of the Property Endowment Fund (\$9.0 million for 2022).
 - Transfer to the PEF capital budget is \$13.6 million, which is \$4.1 million more than the \$9.5 million in the restated 2021 budget, to support capital projects for PEF properties that include capital maintenance, environmental site assessments, and remediation work as well as strategic site development costs and asset acquisitions.
 - Transfers of \$2.0 million to and from other funds and reserves in 2022 are \$1.1 million less than the restated 2021 budget. This is due to lower capital expenditures planned in 2022 and higher transfers to the Parking Site Reserve (PSR) Fund. Transfers include a net surplus from parking operations to the PSR of \$8.6 million that is \$0.6 million higher than the \$7.9 million in the restated 2021 budget for improved net parking profits due to greater utilization rates than in 2021 resulting from the impacts of the pandemic.

City of Vancouver Property Endowment fund
Operating Budget (\$ millions)

	2021 Restated Budget	2022 DRAFT Budget	Net Change (\$)	Net Change (%)
<u>REVENUES</u>				
Leases	2.4	2.8	0.4	16.0%
Rentals	21.9	22.0	0.1	0.4%
Parking	20.7	24.5	3.8	18.2%
Water Moorage	1.4	1.4	0.0	
Other Income	1.1	1.6	0.5	47.7%
Revenues	47.5	52.3	4.8	10.1%
<u>EXPENDITURES</u>				
Leases	0.0	0.0	0.0	0.0%
Rentals	5.5	5.8	0.3	6.2%
Parking	16.7	16.5	(0.2)	-1.3%
Water Moorage	(0.7)	(0.7)	(0.0)	2.0%
Other Expenses	6.6	6.1	(0.5)	-7.6%
Expenditures	28.1	27.7	(0.4)	-1.4%
Net Revenue before Transfers	19.4	24.6	5.2	26.7%
Transfer to Revenue Fund	(9.0)	(9.0)	0.0	0.0%
Transfer to PEF Capital Budget	(9.5)	(13.6)	(4.1)	43.3%
Transfers (to)/from Other Funds	(0.4)	(0.4)	0.0	0.0%
Transfers (to)/from Reserves	(0.5)	(1.6)	(1.1)	212.6%
Net Position	\$ -	\$ -	\$ -	-

Note: totals may not add due to rounding



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