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To: ["Direct to Mayor and Council - DL"](#)
Date: 12/8/2023 3:55:11 PM
Subject: Memo 1 - 2024 budget questions
Attachments: FRS - Memo #1 to Mayor Council - 2024 Budget - Responses to Councillor questions.pdf

Good afternoon Mayor and Council,

As a follow up to Tuesday's Special Council meeting on the budget, the attached memo provides answers to outstanding questions from the Special Meeting as well as additional questions that have been received via email.

If you have any further questions regarding the information addressed in the memo or otherwise, please feel free to contact me or Patrice. For any questions that we receive through Monday, we will respond in advance of Tuesday's meeting.

I would also like to remind you that if there are amendments you are contemplating, please let us know and we will work with you to word them in a manner that aligns with structure of the resolutions set out in the Council report. We have received a few requests and will get back to those of you who sent them by Monday at the latest.

Many thanks,
Paul

Paul Mochrie (he/him)
City Manager
City of Vancouver
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x̱məθḵw̱əm (Musqueam), Sṉw̱x̱w̱ú7mesh (Squamish), and səlilwətał (Tseil-Waututh) Nations.

MEMORANDUM

December 8, 2023

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Sandra Singh, Deputy City Manager
Katrina Leckovic, City Clerk
Maria Pontikis, Chief Communications Officer, CEC
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Chief of Staff, Mayor's Office
Colin Knight, Director, Financial Planning and Analysis
Pragya Grewal, Director, Financial Planning and Transformation
City Leadership Team

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

SUBJECT: 2024 Draft Budget – Response to Councillor Questions

Dear Mayor and Council,

The purpose of this memo is to provide responses to the questions posed by Councillors at the November 20 and December 5, 2023 Council meetings related to 2024 Draft Budget.

2024 COV OPERATING BUDGET

1. What is the inflation rate used and can you provide historical inflation rates for the past few years?

The Consumer Price Index (CPI) for Metro Vancouver has eased from the peak of 6.8% in 2022 to 3.8% in 2023. The most recent Conference Board of Canada CPI forecast for the period of 2024-2027 is currently estimated at 2%. The Bank of Canada has raised interest rates to bring inflation down to within the target range of 1.0% to 3.0%; however, the full impact of these rate increases has yet to be seen. There is an increasing risk of economic recession that could moderate the economic growth and inflation forecast. The real GDP growth for Metro Vancouver for 2023 is projected to decrease to 0.5% and subsequently increase to the 2%-3% range in the 2024-2027 period.

CPI inflation is not representative of the inflation that applies to City service costs. Salary costs make up approximately 60% of the City operating budget, and are driven by regional collective bargaining cost trends. Construction inflation has also been significantly above CPI, and is a significant factor impacting the City's costs.

2. What % of the province's GDP is attributed to Vancouver?

According to the Conference Board of Canada report as of November 2023, Metro Vancouver GDP represents approximately 59% of the Provincial GDP for 2023. Further breakdown by municipality is not publicly available.

3. In terms of benchmarking, what are the expected property tax rate increases from other municipalities?

In general, most municipalities will approve their property tax increases between December 2023 and April 2024, and so the final tax rates are not available. The estimated 2024 property tax increases across Canadian municipalities that have indicated such tax increases range from ~2% -9% as per the table below. The 2024 proposed 7.6% property tax increase for City of Vancouver falls within this range.

Municipality	Estimated Property Tax Rate increase (2024)¹
Calgary	7.8%
Coquitlam	8.92%
Vancouver	7.6%
Edmonton	6.6%
Burnaby	4.5%
Ottawa	2.5%

¹ Link to Municipal websites:

<https://www.burnaby.ca/sites/default/files/acquiadam/2023-11/2024-2028-Financial-Plan-Highlights.pdf>

https://www.richmond.ca/_shared/assets/HighlightsCons5YFP1042965956.pdf

<https://www.surrey.ca/sites/default/files/media/documents/2023-2027SurreyFinancialPlan.pdf>

<https://coquitlam.ca/CivicAlerts.aspx?AID=1415>

https://www.edmonton.ca/city_government/budget-and-finances

<https://ottawa.ca/en/city-hall/budget-finance-and-corporate-planning/budget-2024-information#section-8b7b03fe-0972-481c-8f34-12f94f490da8>

<https://www.calgary.ca/our-finances/budget-adjustments.html>

Municipalities across Canada are also experiencing similar pressures that are impacting the estimated property tax rate increase, as highlighted below:

- **Inflationary pressures** on existing programs and services to the public and sectors such as construction materials and services as well as public safety services are seeing cost increases higher than inflation
- **Public safety** needs requiring additional funding for Fire Services, Police departments, and 911 services.
- **Salaries and Benefits, including collective agreement** negotiations and fulfillment of wage settlements, along with other labor provisions, employee benefit increases, Federal Canada Pension Plan Enhancement, contribute to the upward adjustment of property tax rates.
- **Additional infrastructure renewal:** renewal and upgrade of infrastructure and amenities.

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

4. Provide a detailed breakdown of 2024 short-term rental revenues in dollars (\$):

Total Short Term Rental (STR) revenue in 2024 is estimated to be \$3.1M, equivalent to a \$2.8M increase from 2023, based on \$1,000 per licence fee. Historically, STR business licence fees were at \$109 per licence. Of the \$2.8M increase in STR fees from 2023, \$1.8M was used to fully recover increases in service costs and remaining \$1.0M was used to offset property tax rate increase.

5. Provide a detailed breakdown of the 2024 approved license fees:

Council approved the following fee adjustments via RTS 15659¹ and other amendments to the Licence, Vehicles for Hire and Animal Control By-laws:

Licence By-law:

- An increase for business licences currently set at \$171 to \$250, except for Trade Contractor
- An increase for Trade Contractor from \$171 to \$340
- An increase for General Contractor from \$207 to \$340
- An increase for Gas Stations from \$255 to \$340
- An increase for Short Term Rental from \$109 to \$1,000

¹ Link to the 2024 Business Licence, Vehicles for Hire and Animal Control Fees fee report:
<https://council.vancouver.ca/20230913/documents/cfsc2.pdf>

- A 10.73% increase to Live Aboard business licence fees; and
- A 6% cost escalation increase for all other fees except for Inter-municipal Business Licences (IMBL)

Vehicles for Hire By-law:

- 6% cost escalation increase for all fees

Animal Control By-law:

- \$12 increase to the Dog licence fee
- Two new adoption fees of \$300 for Exotic Birds and \$100 for Other Animals
- A 6% cost escalation increase to all other fees except for the Aggressive Dog licence fee.

Summary of 2024 Licence fee increases:

License Types	2023 Fee	2024 Approved Fee	Estimated Revenue above cost escalation from Approved Fee
Standard licence	\$171	\$250	1,587,900
Contractor (General & Trade)	\$207 & \$171	\$340	869,700
Gas Station	\$255	\$340	6,810
Short Term Rental	\$109	\$1,000	2,756,600
Dog Licence	49	61	201,800
Total fee increase above cost escalation			5,422,810
2024 Cost Escalation to the Licence By-law, Animal Services Bylaw and Vehicles for Hire By-laws			1,230,690
Total Licence fee increase			6,653,500

The City adjusts fees annually to ensure that revenue aligns with increases to City costs. Given the present inflationary pressures that considerably exceed historical levels, staff have calculated the cost escalation factor for the coming year at 6%. In addition, through the revenue generation strategy, licence fees were further optimized to align more closely with fees in other BC municipalities and generate new revenue for the City. This has resulted in a total increase in licence fees of \$6.7M from 2023, of which \$3.9M were used to offset property tax rate increase and the remaining \$2.8M were used to fully recover increases in service costs.

6. Provide the following details on the 2024 engineering fees:

a. In regards to the 20% increase for certain resident and visitor parking permit fees, what are the highest fee areas? Are they approaching/equal to/exceeding West End resident parking fees?

- The second highest fee areas are Robson North and West End non-market rate, which are currently \$104.79/yr and will go up to \$125.74/year after the 20% increase.

- They are still well below the West End market rate, which is currently \$403.72/year and will go up to \$427.94 next year.

b. Regarding the 1-week visitor parking permit for West End and Robson North, what is the rationale for these two areas? Who requested this? Any limits to numbers of permits? What is the expected impact on resident parking availability?

- Currently, one-week visitor permits cost the same city-wide, regardless of the annual permit price. With the West End and Robson North permit fees being higher than the rest of the city, staff recommended that the cost of visitor permits should similarly be increased relative to other parts of the city. There are no limits to the number of visitor permits each household can purchase, and each licence plate can only have a visitor permit for a maximum of 3 months. We do not expect a significant impact on resident parking availability, as residents can already purchase these visitor permits today, albeit at a lower cost.

c. Regarding the 11.5% increase in permanent street restoration costs, can you provide details on location and reason for increase? Would any possible impact choices for conversion of the 11% of streets for neighbourhood uses as per Vancouver Plan?

- The permanent restoration costs are triggered and paid by internal and external utility parties to remediate the street where the utility has damaged it when accessing their underground utility for repair or maintenance work. Material prices and traffic control has dramatically increased over the past few years making this program unable to recover all of its costs. The costs are not able to be re-allocated to other neighborhoods as the fees are meant to cover the restoration of the specific areas that has been damaged.

7. Provide the following details on the 2024 water rates:

a. What % of buildings (and types) have water meters?

- Approximately 25%. Of the 100,000 service connections, approximately 25,000 are metered which capture roughly 55% of water consumed in the City
- All Industrial, Commercial and Investment properties are metered, and 14% of single detached houses and duplexes are metered

b. Are we universally requiring water meters?

- New meters are installed as part of redevelopment (~1,000 meters/yr) and as part of a capital program in this capital plan (~5000 meters)
- New meters are installed as part of redevelopment since 2012 (~1,000 meters/yr)
- 2023-2026 Capital plan has an accelerated meter program to install an additional ~6000 meters by 2026, with more investment needed in the next Cap Plans to deliver 5000 meters/yr

c. What are some concerns regarding climate impact on water, especially as the last glacier goes?

- Climate change is predicted to bring warmer, wetter winters and hotter, drier summers to the Metro Vancouver region
- Metro Vancouver's drinking water demands are already seasonally out of sync with rainfall and snow patterns that recharge the water reservoirs
- Policies and investments supporting water demand management are required. Examples include seasonal water use enforcement, universal water metering and other water conservations programs.

8. Provide the following details on the 2024 sewer rates:

a. What are some benefits to COV of Iona? Necessities? Probability of senior gov't funding?

This project is led by Metro Vancouver ("MV") and is estimated at \$9.9B in 2022 by MV. It is necessary to meet the Federal requirements to achieve secondary treatment for the Vancouver Sewage Area at the Iona Waste Water Treatment Plant ("WWTP") that is currently primary treatment only. Current proposal is for the plan to provide tertiary treatment with an earliest operation in 2034.

Current WWTP is also at end of life and requires urgent upgrades to maintain operations and improve resilience from sea level rise and seismic risk.

MV is working to secure senior gov't funding. Currently the only secured funding is from the Province of BC for 1/3 of the costs of Phase 1 works (\$250M).

b. Regarding the accelerating pace of investment in renewal of aging sewer system, how is it compared to Vision Vancouver era? Are we renewing at industry standard pace? How urgent and adequate regarding climate change or increased storms?

The provincial Liquid Waste Management Plan requires the COV to separate/renew sewers at a rate of 1% per year. By 2018, the City's renewal rate was about 0.3%, and by 2023, we have doubled the sewer renewal rate to ~0.6%. The capital plan and our delivery efforts are on track to 1%+ by the end of the decade.

We have been renewing sewer at a slower rate than the industry standard pace. Given the way the city's expansion has taken place in the 20th century, the sewers assets are aging in 'waves'. In order to keep our assets in a state of good repair, we will need to ramp up renewal to well above 1% before we can dial it back.

Investments are urgent and we are working tirelessly to increase our capacity to deliver in a safe, cost-effective, and sustainable manner, while managing traffic impacts and feasibility. However, increased investments in sewer separation alone is not sufficient to address our needs to respond to increased storm intensity, sea level rise, flood risk, enable growth, stormwater runoff quality, costs. The capital plan includes funding that complements sewer separation with: i) accelerated implementation of distributed and

intensified green infrastructure; ii) rainwater management in buildings to manage water on-site before it hits to sewer system; and iii) adaptive coastal flood risk management.

9. The Engineering Sewer Operations administration has gone up \$316K were curious what has driven that increase?

The YOY increase in the Sewer Administration budget is due to contingency for collective bargaining agreements and merit increases for staff within the overall sewer and drainage operating programs. This budget will be realigned across sewer operations once collective agreement has settled.

10. Provide the following details on 2024 solid waste rates:

a. Regarding organic waste, contamination? Do we check? Plans to decrease?

Yes, we do annual waste composition studies on single and multi-family waste, and Metro does additional studies on commercial waste.

Contamination in residential green bins is generally low (approx. 4% by weight in 2023) and is not an issue for our organics processor. We have observed a slight increase in contamination in the past 5 years (2021 – 2%, 2018 – 1%). What we see a lot of is people throwing plastic bags filled with organics into the Green Bin - so the contents are correct but the bag is not. This was not a problem in 2018, but is much more of a problem in more recent years.

The top 5 contaminants in the green bin for 2023, with plastic material making up almost 1% of contamination

- Treated/Painted wood – 1.4%
- Compostable plastic bags – 0.4%
- Textiles – 0.4%
- Plastic bags – 0.3%
- Plastic film food packaging – 0.2%

There is some manual removal of contaminants at the transfer station and the processor does the same at their facility but this is limited.

Plastics and other contaminants can result in a lower quality compost material so, although contamination is low, it is really important that steps are continuously made to reduce through ongoing education, coupled with enforcement where needed. Contamination is typically lower in single-family compared to multi-family and commercial organic waste streams.

b. Is there a problem re: organic waste NOT being diverted, but in regular waste? How do we fix it?

Yes, there is a significant amount of organic waste still being disposed as garbage. In 2023, it is estimated that approximately 30% of single-family garbage is made up of organics that could have been disposed in Green Bin material. Of the 30%,

approx. 2/3 is organic waste which is further broken down by approximately 50% avoidable (edible, tomato) vs 50% unavoidable (non-edible, banana peel).

The amount of food waste still remaining in garbage saw an increase through COVID (up to 26% in single family, 33% in multi-family) but it is now back to pre-pandemic levels. Food waste still being disposed in the garbage is typically higher in multi-family sector, this is the case in commercial sector too.

We're continuing to monitor this through our own studies and working with Metro Vancouver to gather more data on commercial sector waste. There are a lot of opportunities to reduce organics from disposal which are noted below.

c. Can we encourage small organics composting units (e.g., as developed by Recycling Alternatives) in MF dwellings?

Our Solid Waste Bylaw requires all MF and business licence holders to have an organics management plan. Within the plan, options for organics management can include a contracted collection service, self haul, onsite management, or not applicable (if no organics are produced). Onsite management of organics could a variety of options, including a small organics composting unit such as the one's developed by Recycling Alternative. The City does not dictate or promote one solution or technology over the other, rather we allow residents/businesses the flexibility to choose their solution. We're supportive of waste reduction innovation and initiatives taken by Recycling Alternative and others in the market.

d. Can we audit / teach about organics recycling? Reducing food waste?

We have a number of programs and initiatives focused on organics, including food waste. Our Zero Waste Outreach team attends public events throughout the year to educate residents about all waste issues, and we also have multiple educational tools including our website, social media, posters, decals, etc. Where possible and to reduce costs, we do leverage communications created by Metro Vancouver or National Zero Waste Council (i.e. Love Food Hate Waste campaign). City Farmer is another City supported operation that teaches residents how to manage organics and about composting.

In the last few years we've also had a dedicated staff resource focused on food waste reduction from and the food related businesses (restaurants, grocery stores, etc.), which has been successful in raising awareness and getting more buy-in from those sectors. Our Circular Food Innovation Lab pilot wrapped up in 2023 and one outcome from that work is the establishment of a Vancouver Circular Food Coalition which is intended to continue the conversation on ways businesses can reduce food waste. In 2023, we also initiated a project with Food Mesh which helps to connect businesses with excess food to those in need, as well as generate more data which will help us moving forward.

e. Clothing bins seem to be disappearing (e.g., at fire stations). Public access to clothing recycling?

We are aware that some bins have been removed due to a number of challenges but there are a significant of bins still in place at fire stations throughout the city. Donation bins remain in place for residents at our Zero Waste Center. Other options also exist such as Big Brother's pick-up service, and Salvation Army and Value Village drop-off.

f. Can we (or Metro Van through permitting) require deconstruction and recycling of building materials?

The City has had a Green Demolition Program in place for several years which aims to increase deconstruction and diversion from construction and demolition projects. This program, however, has not made a significant change in generating more diversion of deconstruction vs demolition activity and staff will be exploring new options to address this waste stream in 2024, particularly given the anticipated increase in new construction due to new zoning rules.

11. Provide a detailed breakdown of the 2024 Budgeted False Creek Neighborhood Energy Utility fees.

- a. Please refer to the Page 5 of the [NEU Rate Report](#) (Table 2).
- b. Nov/20 CEAP included transition NEU to 100% renewable energy by 2030 – progress?

Tripling of the NEU's sewage heat recovery system is currently under construction and will be commissioned in 2024. Staff have been working with a consultant to finalize a decarbonization roadmap that charts a path to 100% Renewable energy by 2030 and will update Council in the first half of 2024.

- c. Analyzed whether rates lower through city-owned vs private utility?

The NEU does Benchmark its rates against other district energy providers in the region, both municipally and private owned, as shown in table 2 of Appendix B of the NEU rate report. Compared to other district energy systems the NEU's cost of energy is competitive, especially when factoring in the low carbon intensity of the NEU's energy supply. The NEU rates are 4% higher than BCHydro which are within the Council approved target maximum of being no higher than 10% of BCH rates

- d. Experience of Europe:
802 cities in Europe have repurchased private local utility companies.
- e. Benefits of publicly owned utilities include:
 - o Access to grant funding from senior levels of government
 - o Control on the energy used to power district energy systems that are low or lower carbon
 - o Enabling community engagement & education

12. Mayor's office budget (General Government): Where is this budget? Has this gone up or not?

Mayor & Council has a separate budget line (not within General Government) totalling \$4.0 million net of expenditures & transfers as per Page B-47 of the [2024 Draft Budget Document](#). The 2024 budget increase of \$0.2M or 5.8% reflects estimated inflationary increases to Mayor and Council remuneration pursuant to the Remuneration by-law, increases to staff compensation and benefits arising from negotiated settlements and additional legal expense budget pursuant to an amendment to the Mayor and Councillor Expenses By-law.

13. City Manager's Office: where are the \$ for Vancouver Economic Commission incorporated?

The decommissioning of VEC generated savings of approx. \$3.1M, which was been reprioritized for the establishment of a new Business and Economy Office within the City Manager Office, and towards funding for Council directed investments.

14. The PDS GM's budget has increased to \$1M for "other expenses". Can you provide the rationale and what makes up this expenditure?

PDS GM's Office - Other expenses decreased by \$806K from \$1.9M (2023) to \$1.1M (2024). During 2023, \$806K was realigned within PDS from other expenses to salaries to fund the regularization of 6 staff members on the Regulation Redesign team.

The \$1.0M other expenses is a mix of staffing and project costs, including engagement, consultant support, studies, etc. for projects such as:

- Industrial Modernization
- Development Process Redesign and Regulatory Simplification
- Broadway Plan Implementation
- Apartment Living
- City-wide Urban Design guidelines
- Heritage Register grade & other initiatives

15. How is the re-opening of the Stanley Park train incorporating accessibility and equality?

Vancouver Board of Parks and Recreation is committed to providing accessible and inclusive park spaces and amenities. Unfortunately, it is not possible to accommodate wheelchairs at this time due to equipment constraints. While staff have already placed an order for accessibility equipment with our other equipment back in June, it wasn't shipped in time to align with the Bright Nights operating schedule. However, staff are actively working on modifying a carriage to accommodate wheelchairs as soon as possible. The plaza and Bright Nights event is accessible and everyone is encouraged to come out.

16. Which branches are closed on Monday, how much would it cost to open all of them?

It costs approximately \$80-90k per year to open one branch on Mondays that is currently closed. 11 of 21 locations are closed on Mondays, so the estimate to open all of them is \$880-990k.

The Board has identified 3 branches to prioritize Monday openings in a phased approach to at a cost of \$250-\$300K annually. In prioritizing which branches to open, the VPL Board would look at community need and use, and note that Marpole and the Southeast have fewer social services, so generally have higher community need.

Branches closed Mondays in order of highest to lowest annual use are: Kerrisdale (42nd & West Blvd), Champlain (55th & Kerr), Firehall (10th & Granville), Hastings (Hastings & Slocan), West Point Grey (10th & Tolmie), Kensington (Kingsway & Knight), South Hill (44th & Fraser), Marpole (Granville & 68th), Dunbar (29th & Dunbar), Fraserview (55th/Argyle & Victoria), Collingwood (38th/Kingsway & Rupert).

Foot traffic by branch in 2022 is available on page 5 of this annual report: <https://www.vpl.ca/sites/default/files/2023-07/VPLAnnualStatistics2022.pdf>
Hours and locations on a map are here: <https://www.vpl.ca/hours-locations>

17. Provide details on the City's Digitization Program and potential incremental funding needs for the Archives.

The Archives has been digitizing its analogue holdings since 1997 and currently has over 213,000 digital objects available to the public through its online database at <https://searcharchives.vancouver.ca/>. This work is critical to making the Archives' holdings more widely available to the public, and staff are under constant pressure from the public (and City staff) to digitize more material. Funding for the digitization program, however, has always been ad hoc, and one of the Archives' medium-term needs is to stabilize the program through regular staffing.

Currently, digitization is undertaken by auxiliary staff funded through grants and donations, supplemented by the Archives' relatively small temporary staff operating budget allocation. The ad hoc nature of such funding does not allow for long-term project planning or the most efficient use of resources, so regularizing the staff involved in this work is key to streamlining the program and making it sustainable.

The program now operates with one AUX Digitization Technician working 4 days per week, 3 of which are funded by grants and donations, and one AUX Archivist working 3 days per week. One RFT Digital Archivist oversees the entire program, provides quality control and runs the products of the program through the Archives' digital preservation system so they can be made available to the public through the Archives' online database. These tasks, however, take the Digital Archivist away from their primary work of processing born-digital records; the program very much needs a resource that can be devoted to digitization oversight full time.

Ideally, the program would consist of the following three RFT positions which will require an additional ongoing funding of approximately \$280,000 per year. These three RFT positions

could then be supplemented by AUX positions when grants and donations allow in order to produce additional product, or to do the appraisal and descriptive work necessary to keep ahead of the digitization technician (who can scan about twice as quickly as records can be described and/or prepped for them). The positions are listed in order of preference, with the RFT Digitization Technician being the most pressing need.

1 RFT Digitization Technician

- Digitizes archival holdings, including photographs, maps, architectural drawings, textual records and artworks
- \$70,600 per year including benefits (2024 rate estimate)

1 RFT Archivists

- Appraises, arranges and describes records at the item level to make the digitized versions discoverable through the online Archives' database
- Conducts copyright and privacy analyses of these records
- \$97,700 per year including benefits (2024 rate estimate)

1 RFT Digital Archivist

- Sets digitization priorities and oversees the work of the Digitization Technician and Archivist
- Provides quality control on descriptions and digitization products
- Uploads descriptions of digitized objects to the Archives online database
- Prepares transfers of digitized objects and processes these through the Archives' digital preservation system, Archivematica, with access copies uploaded to the online database
- Manages use of and maintains audio and audio-visual digitization equipment
- \$110,800 per year including benefits (2024 rate estimate)

18. How many trucks (heavy duty and medium) do we have in the City of Vancouver?

Approximately 450 to 500 heavy duty and medium duty trucks in the City's fleet of approximately 200 rolling stock.

19. Are there any savings or revenue improvements that can be identified in the 2024 Draft Budget?

Staff have reviewed the Draft 2024 budget to consider any new information that may impact revenue or expenditure assumptions. The following are approximately \$2.5M of adjustments that could be potentially made to the 2024 Draft budget given additional information:

- (\$1.0M) Adjustment to 2024 budget for the 22 new firefighters to reflect the timing of hiring and on boarding staff given current levels of attrition; the balance of funding would be budgeted in 2025.
- (\$0.5M) The Business and economy office will be operational in mid 2024, therefore, full funding of \$1M can be phased in partially in 2024 and the remaining in 2025.

- (\$1.0M) Updated revenue estimates to reflect the 6% cost recoveries in various fees that were subsequently identified, so not reflected in the 2024 Draft Budget

The total savings reflected above do not impact service levels. Council can provide direction to reduce taxes to 7.4% from 7.6% or redirect within the 2024 Draft Operating Budget.

2024 COV CAPITAL BUDGET

20. What do we set aside in terms of contingencies for capital infrastructure (reference to emerging priorities)?

As part of the approved 2023-2026 Capital Plan, a total of \$154.9 million was earmarked in the Emerging Priorities category. Although no specific projects/programs were identified at the time of Capital Plan development, the funding was segregated into the following high-level categories:

- Senior government partnership and/or other emerging priorities (\$70.5 million)
- Climate adaptation (\$20 million)
- Contingency (\$25 million)
- Delivery (\$39.4 million)

Of the above funding, \$10.4 million has already been allocated to approved project budgets in 2023, and a further \$9.8 million has been proposed for Council approval in the 2024 Capital Budget. \$134.7 million will be remaining in the Emerging Priorities funding and will be brought forward at the Mid Term Update, in July 2024, for council consideration.

21. How many km of bike lanes did we have at the end of 2022 (before the removal of the Stanley Park Bike Lane)? How many km do we have now? And how many km will we have when the projects outlined in the current capital plan (Beaty St, Drake St, Portside Greenway) are all complete?

At the end of 2022, the AAA cycling network in Vancouver was 112km. The removal of the Stanley Park Bike lane reduces the total by 9km to 103km. We expect to add 20km this capital plan, so is expected to be 123km at the end of the Capital Plan.

22. What is the year-over-year trend in DCL/CAC and Grants/Donations funding allocation?

DCL/CAC: Development funding is one of the major funding sources used to fund Growth related projects. The funding allocation for DCL/CACs is largely consistent year-over-year and is majorly dependent on receipt of funding from developers and aligns with the overall project/programs delivery strategy. Following table lists down the total DCL/CAC funding allocated over last year and how it compares with the total project budget allocated.

(\$ million)	2018	2019	2020	2021	2022	2023
DCL/CAC	\$ 114.6	\$ 138.6	\$ 190.2	\$ 163.2	\$ 111.8	\$ 150.9
Total Project Budget	\$ 432.9	\$ 531.3	\$ 572.7	\$ 643.5	\$ 555.1	\$ 846.7
%age	26%	26%	33%	25%	20%	18%

Grants/Donations: The allocation of Grants/Donation funding is not consistent year-over-year as it is majorly dependent on when the City receives the funding from external party as it is specific to a particular project/program. The funding represents a small portion of funding when compared to the total project budget and other funding sources. Following table lists down the total Grants/Donation funding allocated over last year and how it compares with the total project budget allocated.

(\$ million)	2018	2019	2020	2021	2022	2023
Grants/Donations	\$ 1.5	\$ 1.8	\$ 1.2	\$ 0.0	\$ 5.5	\$ 0.9
Total Project Budget	\$ 432.9	\$ 531.3	\$ 572.7	\$ 643.5	\$ 555.1	\$ 846.7
%age	0.3%	0.3%	0.2%	0.0%	1.0%	0.1%

23. What is the projected timeline for making improvements to the Kent St Bike Route?

Kent Avenue is a long corridor that has the potential to improve active transportation connections, and particularly to connect neighbourhoods and jobs along the Fraser River to the Canada Line and the rest of the city. Staff are looking at short-term and longer-term improvements, but this will require some early engagement as well as planning to be sure that access continues to work for businesses and residents and that the work is coordinated with other City projects. We also plan to engage with the Nations on this work, particularly Musqueam, as much of the area is part of the historic Cesnam settlement. We plan to respond to Council's motion on Kent Ave in 2024.

24. What are we currently spending on the neighbourhood traffic management program? And how much more would we need to invest in order to double the scale of the program (to be making improvements in twice as many neighbourhoods)?

We currently have \$500K/year budgeted for the Neighbourhood Traffic Management program, however staffing is currently being provided through different capital programs. The exact requirement of each installation differs so it requires additional staff time to evaluate the investment required for additional improvement, but it is estimated that we would need an additional \$1M/year in capital funding to double the scale of the program.

2024 CLIMATE BUDGET

25. What are the plans for climate investment at library facilities in 2024?

VPL has heat pumps at Central Library, Kensington, Mount Pleasant and Terry Salman, and air conditioning at all branches except Kerrisdale. Three locations are scheduled to have heat pumps installed in 2024: Renfrew, Fraserview, and additional systems at Central

Library. Kitsilano branch has a new furnace as of 2023 that has a provision for a heat pump, once the electrical service to the site is upgraded (not yet scheduled). The Climate Emergency Action Plan identified a heat pump at Kerrisdale library as a next tier priority, which is not yet funded (\$1M). VPL has also recently installed water fountain and bottle filling at all seven branches that did not have them.

26. Can you provide specifics on positive impacts on health and air quality for climate initiatives? Can we have the timeline on when we can see the impact?

There are a number of known linkages between health, air quality and climate action. On the climate mitigation side (e.g., reducing carbon emissions), there are health benefits associated with transitioning vehicles from combustion engines to zero emissions, electrifying buildings and enabling active modes of transportation. In the climate adaptation side, many of the City's actions are aimed at reducing risk to health from climate change, such as from extreme heat and poor air quality, through measures such as installing mechanical cooling, air filtration, and shading from tree canopy. In a briefing earlier this fall, Vancouver Coastal Health shared findings from a report that will be released shortly that summarizes these connections.

Quantifying the air quality and health benefits specific to the City of Vancouver's climate efforts is a challenging exercise (air quality is currently measured a more regional scale, for example) that will require modelling work. Staff will be reaching out to consultants to gather more information around the cost and timeline to do this work, to determine whether it's feasible to bring back as part of the next CEAP update.

2024 BUDGET ENGAGEMENT

27. In addition to the budget engagement, did the City do any market research?

Earlier this year, the City had Ipsos conduct a randomly selected, representative survey of 600 Vancouver residents and 200 businesses, on civic satisfaction and service priorities, as well as preferences for balancing the budget:

- <https://council.vancouver.ca/20230228/documents/spec1-AppendixC-Vancouver2023CivicSatisfactionSurveyResults.PDF>

There was also a market research survey done for the 2022 Capital Plan, mirroring Talk Vancouver survey questions:

- <https://council.vancouver.ca/20220629/documents/spec1.pdf#page=98>

28. "Housing" and "infrastructure and transportation" are identified as top priorities in the budget engagement survey. What falls within this category? Do we know what kind of housing people want?

- "Housing" and "infrastructure and transportation" are general categories meant to capture high-level priorities. In total, there were 14 options respondents could choose from.
- We don't collect more detailed data on priorities in the budget survey, but we do have relatively recent engagement on both of these topics:
 - In the [2023 Civic Satisfaction Survey](#), 51% of residents and 65% of businesses said they think the City should invest more in street infrastructure and maintenance. See p. 42 for more detailed findings on spending priorities:
 - In [2023-2026 Capital Plan engagement and market research](#), core infrastructure was seen as very important. Of the 12 types of infrastructure provided, respondents viewed "water, sewer, and drainage" with the highest overall level of importance (pp. 111-112).
 - In [Phase 2 of Vancouver Plan engagement](#), 77% of respondents strongly agreed or agreed that all neighbourhoods should have all types and forms of housing (e.g., supportive, social, purpose-built rental housing apartments, condos and houses), as noted on p. 44.
- Similarly, in [Phase 3 of Vancouver Plan engagement](#), 77% of participants agreed that Vancouver should have a range of housing options in all neighbourhoods. Feedback indicated strong support for advancing missing middle housing options, including low-rise rental apartments (up to six storeys), multiplexes, townhouses, row houses and increased infill options in low-density neighbourhoods (p. 8).

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

Best Regards,



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