

2016 Budget and Five-Year Financial Plan Highlights

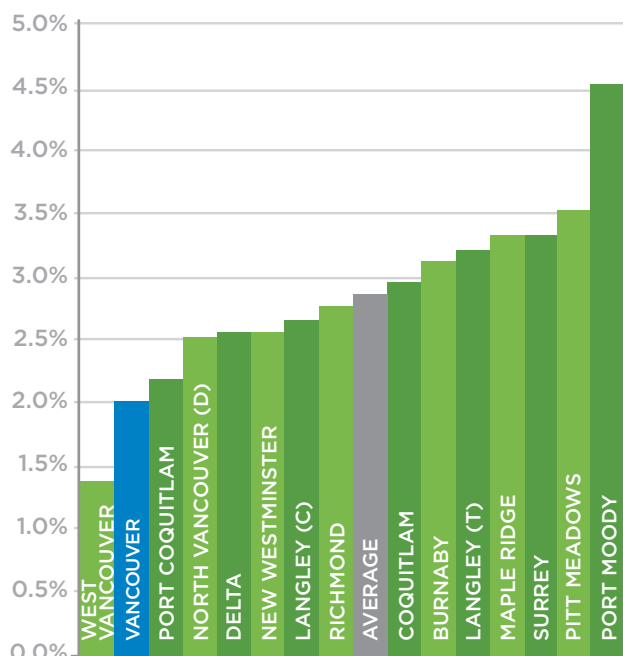
Building the City of Today and Tomorrow

The City of Vancouver plays a leading role in enabling a thriving business environment and supporting its citizens to enjoy and contribute to building a world-class community that is highly livable and sustainable today and in the future.

The City is accomplishing this in a fiscally responsible manner while making significant progress on key priorities including:

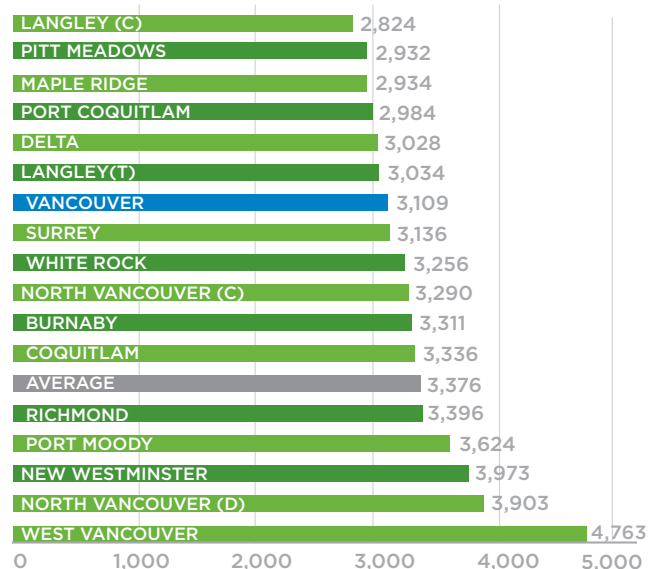
- 2012–2021 Housing and Homelessness Strategy
- Greenest City 2020 Action Plan
- Digital Strategy
- Transportation 2040 Plan
- Healthy City Strategy
- Vancouver Economic Action Strategy

Five-Year (2011–2015) Average Property Tax Increase (%)



Comparing five-year average property tax increase, Vancouver is the second-lowest in the region.

2015 Combined Municipal Property Tax and Utility Fees for Median Single-Family Home (\$)



*Utility fees for certain municipalities based on Provincial Local Government Statistics Taxes & Charges on a Representative House (cscd.gov.bc.ca/lgd/infra/library/Schedule704_2015.xls)

Comparing median single-family homes, Vancouver tax and utility fees are mid-range in Metro Vancouver.

Metro Vancouver has been ranked the second-most tax competitive city in the world (KPMG, 2014). In 2016–2019, Metro Vancouver is expected to lead the nation in economic growth (Conference Board of Canada).

To build on this economic strength, in 2016 and beyond, the City of Vancouver will:

- Leverage increased federal and provincial funding for infrastructure and social investments including Broadway Transit, affordable housing, and childcare
- Enhance the livability and quality of life for citizens and support economic development while keeping property tax, utility and user fees' competitive

The City has already:

- Received one of the strongest credit ratings for a Canadian city (AAA/AA+)

- Reduced the business property tax share from 52% to 43% and improved the business tax ratio from 6.0 to 4.1 over the past 10 years, one of the most substantial improvements among major Metro Vancouver municipalities
- Stabilized the long-term debt profile through vigorous debt management
- Developed strategic service plans supported by performance metrics to deliver Council and community priorities, which inform the City's short, medium, and long term financial and capital plans
- Created, for the first time, a five-year financial plan that will enable strategic planning and decisions around investments and business transformation opportunities

2016 Budget Summary

2016 Average Increases — City Property Tax, Fees and Charges

Property Tax	2.3%
Utility Fees	
Water	4.2%
Sewer	9.9%
Solid Waste	0%
Median single-family home combined municipal property tax and utility fees	3.2%
Recreation user fees	1.4%
Most other user fees	2.0%
Permit fees*	5.0%

*2015 fee review

Indicative City Property Tax Impact

Assessed Value of Property (without Land Assessment Averaging)	Estimated 2016 Tax Bill (CoV Portion)	Change over 2015
Median strata unit assessed at \$442,000	\$793	\$18
Median residential unit assessed at \$783,000	\$1,405	\$32
Median single-family unit assessed at \$1,121,000	\$2,011	\$45
Median commercial property assessed at \$589,000	\$4,287	\$96

Uniquely placed in the Lower Mainland, the City of Vancouver funds a broad range of services, programs and events that are enjoyed by residents and non-residents who live, work and visit here.

Indicative City Property Tax and Utility Fee Impact

	Median Single-Family \$1,121,000		Median Business Property \$589,000	
	ESTIMATED 2016 TAX BILL (CoV PORTION)	CHANGE OVER 2015	ESTIMATED 2016 TAX BILL (CoV PORTION)	CHANGE OVER 2015
Property Taxes (2.3% increase)	\$2,011	\$45	\$4,287	\$96
Utility Fees				
Solid Waste	\$261	—	\$209	—
Sewer	\$345	\$31	\$352	\$32
Water	\$592	\$24	\$549	\$22
Total Utility Fees	\$1,198	\$55	\$1,110	\$54
Total City Taxes and Fees	\$3,209	\$100	\$5,397	\$150

Balanced Operating Budget: \$1,264 million

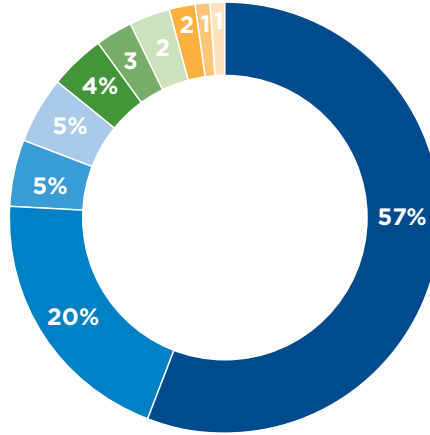
OPERATING REVENUES

- **3.4%** increase in total revenue
- **\$23.4 million** increase in property tax revenue
- **\$10.5 million** increase in utility revenue

OPERATING EXPENDITURES

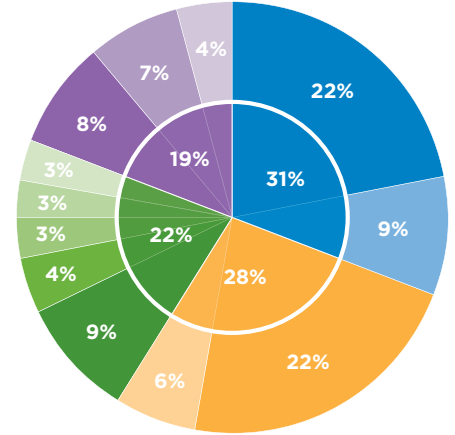
- **3.4%** increase in total expenditures
- **\$10.9 million (1.1%)** increase in utility program expenditures:
 - **\$4.4 million** increase for Metro utility charges (including sewer costs for site preparation for secondary treatment at Iona)
 - **\$6.5 million** increase for renewal of critical City utility infrastructure (including sewer separation, water conservation, and transition from debt financing to realize future interest savings)
- **\$18.6 million (1.4%)** increase in costs to maintain existing non-utility services
- **\$11.6 million (0.9%)** investment in new and enhanced services:
 - **\$2.8 million** for enhancements relating to public realm cleanliness
 - **\$2.1 million** investment to reduce permit wait times
 - **\$1.9 million** for Public Safety enhancements (new fire boats, fire trucks and VPD digital evidence software)
 - **\$1.0 million** to enhance Park Board recreation program registration process

2016 Operating Revenues (\$1,264 million)



- 57% | Property Tax
- 20% | Utility Fees
- 5% | Program Fees
- 5% | Licence & Development Fees
- 4% | Parking
- 3% | Cost Recoveries, Grants & Donations
- 2% | Revenue-Sharing
- 2% | Rental, Lease & Other
- 1% | Investment Income
- 1% | Bylaw Fines

2016 Operating Expenditures by Service Area (\$1,264 million)



- PUBLIC SAFETY
- 22% | Police
- 9% | Fire
- ENGINEERING & UTILITIES
- 22% | Utilities
- 6% | Engineering Public Works
- COMMUNITY-RELATED SERVICES
- 9% | Parks
- 4% | Library
- 3% | Planning & Development
- 3% | Community Services
- 3% | Other
- CORPORATE SUPPORT
- 8% | Debt & Capital (Non-Utility)
- 7% | Corporate Support
- 4% | Contingencies & Transfers

In our 2016 Budget survey, 74% of businesses thought the value of service provided by the City had increased or stayed the same—an increase of 8% over 2015 Budget survey results.

Key Capital Investments in 2016: \$325.2 million

\$29.5 MILLION IN AFFORDABLE HOUSING

- Social housing in Southeast False Creek Area 3B **\$12 million**
- Acquiring land in the River District for affordable housing **\$8.1 million**
- Capital grants for non-City owned social housing units **\$2.5 million** and Single Room Occupancy units **\$0.5 million**
- Planning for Roddan Lodge (Housing) renewal in conjunction with Evelyne Saller Centre (Social) **\$1.8 million**

\$138.2 MILLION IN UTILITIES AND TRANSPORTATION

- Sewer main replacement (separation) **\$30 million**
- Water distribution main and transmission main replacement **\$10 million**
- Georgia Dunsmuir Viaduct Removal Phase I Planning **\$8.1 million**
- Burrard Bridge upgrades **\$16 million**

\$39.2 MILLION IN PARKS, OPEN SPACES AND RECREATION

- New parks and park renewal **\$4.7 million**
- Vancouver Art Gallery Envelope and plaza **\$4.6 million**
- Killarney Seniors Centre **\$2.5 million**
- Phase 1 Britannia Community Centre redevelopment **\$0.5 million**
- Preliminary planning and public consultation for the Marpole-Oakridge Community Centre renewal **\$0.2 million**

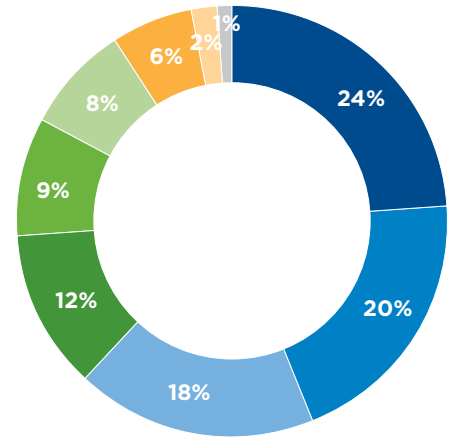
\$42.5 MILLION IN CIVIC AND COMMUNITY FACILITIES

- n ca?mat ct Strathcona Branch Library **\$11 million**
- Replacement of Firehall No. 5 **\$5 million**
- Seismic upgrades at 515 West 10th Avenue **\$3.5 million**
- Chinese Society Buildings matching grant: **\$1.5 million**

\$ 64.9 MILLION EQUIPMENT AND TECHNOLOGY

- Fire truck replacement **\$27.8 million**
- Vehicles and equipment replacement program **\$12 million**
- Permit and Licence Transformation Program **\$3.5 million**

2016 Capital Budget Expenditures (\$325.2 million)



24%	Utilities & Public Works (\$79 M)
20%	Equipment & Technology (\$65 M)
18%	Transportation (\$59 M)
12%	Parks, Open Spaces & Recreation (\$39 M)
9%	Housing (\$29 M)
8%	Community Facilities (\$24 M)
6%	Civic Facilities (\$19 M)
2%	Childcare (\$6 M)
1%	Citywide (\$5 M)