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# 2017 BUDGET

## AND FIVE-YEAR FINANCIAL PLAN



# Council Approved 2017 Budget and Five-Year Financial Plan

At the December 13, 2016 Council Meeting, Vancouver City Council approved an amended 2017 Operating Budget which includes \$3.5M additional contingency to address the fentanyl overdose crisis. This has resulted in a change to the original proposed property tax increase from 3.4% to 3.9%, raising the 2017 Operating Budget to \$1,322 million.

## Updated 2017 Budget Summary

**Balanced Operating Budget: \$1,322 million** (amended for \$3.5 million increase)

\$ millions	2016 Restated Budget	2017 Approved Budget	Net Change (\$)	Net Change (%)
Revenues	\$ 1,261	\$ 1,322	\$ 61	4.8%
Expenditures & Transfers	\$ 1,261	\$ 1,322	\$ 61	4.8%
<b>Net Operating Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Consolidated Budget <sup>(1)</sup> on financial statement basis:

\$ millions	2016 Budget on Financial Statement Basis (2)	2017 Budget on Financial Statement Basis (2)	Net Change (\$)	Net Change (%)
Revenues	\$ 1,481	\$ 1,652	\$ 171	11.5%
Expenditures & Transfers	\$ 1,400	\$ 1,501	\$ 102	7.3%
<b>Net Consolidated Budget</b>	<b>\$ 81</b>	<b>\$ 150</b>	<b>\$ 69</b>	<b>85.3%</b>

Note:

(1) In order to present financial information on a consolidated basis, financial transactions between funds or entities have been removed.

(2) Public Sector Accounting Board adjustments have been made, including amortization of tangible capital assets, net of debt payments/issues and reserve transfers

## Capital Budget: \$485.5 million (no change)

### 2017 Increases - City Property Tax, Fees and Charges

<b>Property Tax</b>	<b>3.9%</b>
<b>Utility Fees (combined)</b>	<b>6.1%</b>
Water	4.0%
Sewer	11.3%
Solid Waste	3.8%
<b>Median single-family home combined municipal property tax and utility fees</b>	<b>4.7%</b>

### 2017 Increases - All other Fees

<b>Recreation user fees</b>	<b>2.5%</b>
<b>Most other user fees</b>	<b>2.0%</b>
<b>Permit fees</b>	<b>2.0%</b>

### Indicative City Property Tax Impact

2016 Assessed Value of Property (without Land Assessment Averaging)	Estimated 2017 Tax Bill (CoV Portion)	Change over 2016	Impact of additional 0.5%
Median strata unit assessed at \$478,000	\$761	\$28	+ \$4
Median residential unit assessed at \$936,000	\$1,490	\$56	+ \$7
Median single-family unit assessed at \$1,386,000	\$2,207	\$83	+ \$11
Median commercial property assessed at \$618,000	\$4,049	\$152	+ \$19

### Indicative City Property Tax and Utility Fee Impact

	Median Single-Family \$1,386,000		Median Business Property \$618,000	
	ESTIMATED 2017 TAX BILL (CoV PORTION)	CHANGE OVER 2016	ESTIMATED 2017 TAX BILL (CoV PORTION)	CHANGE OVER 2016
<b>Property Taxes (3.9% increase)</b>	<b>\$2,207</b>	<b>\$83</b>	<b>\$4,049</b>	<b>\$152</b>
<b>Utility Fees</b>				
Water	\$616	\$24	\$571	\$22
Sewer	\$384	\$39	\$392	\$40
Solid Waste	\$271	\$10	\$217	\$8
<b>Total Utility Fees</b>	<b>\$1,271</b>	<b>\$73</b>	<b>\$1,180</b>	<b>\$70</b>
<b>Total City Taxes and Fees</b>	<b>\$3,478</b>	<b>\$156</b>	<b>\$5,229</b>	<b>\$222</b>



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## Message from the City Manager

### **Our budget supports a livable, sustainable and equitable city**

Vancouver is an amazing city and we want to keep it that way. Like many cities, Vancouver has challenges with growth, increasing income disparities, demand for addictions and mental health services, climate change, housing affordability and infrastructure needs.

This budget aims to address these challenges and support a more resilient, culturally rich, sustainable city that is well positioned for the future, while continuing to support residents, business growth and safe neighbourhoods.

The 2017 Budget and Five-Year Financial Plan is our roadmap for the future. We know where we want to go; the budget and financial plan ensure we can get there. Here's where we are focused for 2017:

#### **Housing needs and affordability**

We are constantly developing strategies and policies that address affordability issues including increasing affordable housing options, addressing income disparity by implementing a Living Wage policy, and investing in affordable housing and the Downtown Eastside.

#### **Equity, safety and livability**

Vancouver is home to world-class parks, recreation, arts and culture and we want to continue to support what makes our city vibrant and livable. We also strive to be an equitable, safe and just city. That means engaging our community, maintaining public safety and managing increased service demand to address mental health and addiction issues.

#### **Financial health and operational effectiveness**

Our financial health is improved with strategic investments, prudent service planning, performance measurement and operational excellence. At the same time, we strive to keep property tax and utility rate increases manageable for residents and businesses.

#### **Canada's leading economy**

We will continue to strengthen Vancouver's position as Canada's leading economy by fostering the innovation economy, including social, tech, health, green and film businesses.

#### **A sustainable city**

The world recognizes Vancouver as a global leader of green initiatives through our Greenest City 2020 Action Plan and our Renewable City Strategy.

Our City budget provides a detailed fiscal plan to move forward these initiatives along with our strategic plans and Council priorities. Our Corporate Management Team and City employees are invested in ensuring Vancouver remains a livable, sustainable and equitable city.

**Sadhu Aufochs Johnston**  
City Manager



# 2017 Budget and Five-Year Financial Plan Highlights

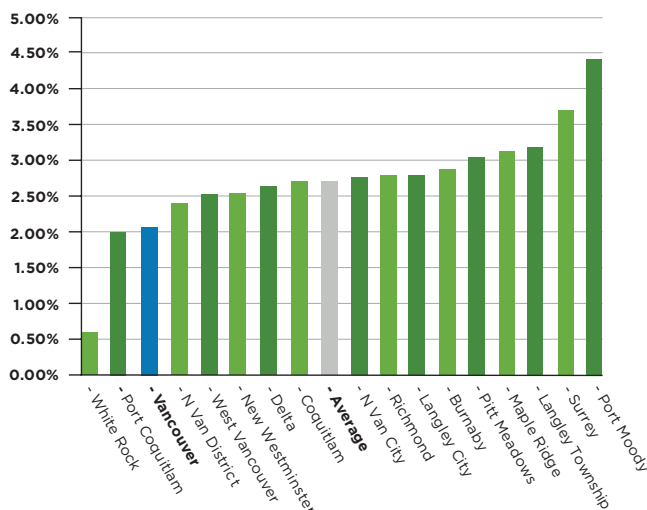
## Facing the Opportunities and Challenges of a Growing City

The proposed \$1.32 billion operating budget and \$485 million capital budget for 2017 have been developed with the goal of continuing to support Vancouver's residents and businesses and to build a vibrant, livable and sustainable city.

Vancouver is a great place to live, work, visit and thrive. As the City continues to grow and prosper, it becomes more challenging to manage the increased demand for services and to address transportation and health and safety issues. Housing affordability is impacting everyone, including middle income earners, and especially our most vulnerable population.

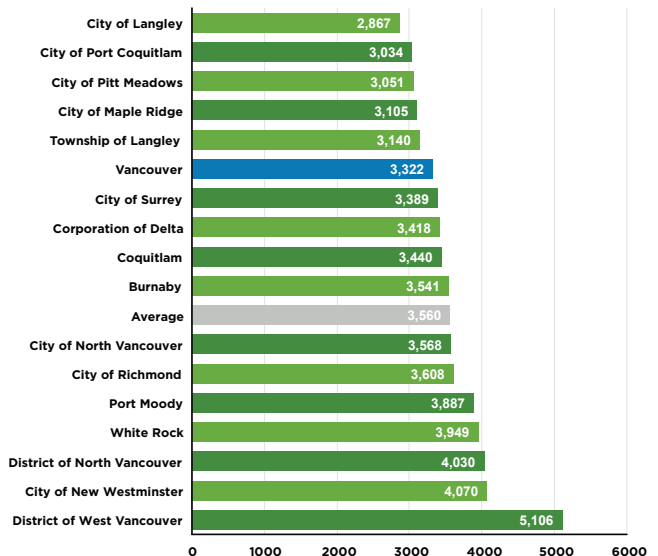
Over the past several years, Vancouver has consistently had one of the lowest average property tax increases among Lower Mainland communities.

**Vancouver vs Metro Vancouver Five-Year Average Property Tax Increase (2012-2016)**



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

**2016 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\\_2016.xls](http://cscd.gov.bc.ca/lgd/infra/library/Schedule704_2016.xls))

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

This year's proposed property tax increase of 3.4% reflects the need for added investment to address the challenges of a growing city. This includes funding requirements for cost increases in existing services and initiatives to further the City's financial health and operational effectiveness in the amount of 2.0% (which is in-line with forecasted inflation). The remaining 1.4% increase provides funding for new investments in key priority areas such as equity, safety and livability; housing needs and affordability; and arts and culture. These investments will help the City respond to issues related to mental health and addiction, and the need to continue to build on the City's livability and vibrant culture.



## Operating Budget

Some key initiatives the City is focusing on which are funded through the operating budget include:

- Housing affordability initiatives and the Empty Homes tax to increase the supply of rental housing
- Downtown Eastside Community Economic Development Strategy
- Public realm cleanliness
- Adding new fire trucks to the City's fleet
- Becoming a Living Wage Employer

## Capital Budget

The 2017 capital budget builds from last year, as a number of major capital projects move from planning or early construction phases to implementation or final construction phases. It also addresses significant capital investments in Council priorities, including affordable and social housing, active transportation and childcare.

# 2017 Budget Summary

## 2017 Increases — City Property Tax, Fees and Charges

Property Tax	3.4%
Utility Fees (combined)	6.1%
Water	4.0%
Sewer	11.3%
Solid Waste	3.8%
Median single-family home combined municipal property tax and utility fees	4.4%

## 2017 Increases - All other Fees

Recreation user fees	2.5%
Most other user fees	2.0%
Permit fees	2.0%

## Indicative City Property Tax Impact

2016 Assessed Value of Property (without Land Assessment Averaging)	Estimated 2017 Tax Bill (CoV Portion)	Change over 2016
Median strata unit assessed at \$478,000	\$757	\$25
Median residential unit assessed at \$936,000	\$1,483	\$49
Median single-family unit assessed at \$1,386,000	\$2,196	\$72
Median commercial property assessed at \$618,000	\$4,030	\$133

The City must balance the need to provide targeted services, infrastructure and programs, with the need to keep property-tax increases manageable for businesses and homeowners.

## Indicative City Property Tax and Utility Fee Impact

	Median Single-Family \$1,386,000		Median Business Property \$618,000	
	ESTIMATED 2017 TAX BILL (CoV PORTION)	CHANGE OVER 2016	ESTIMATED 2017 TAX BILL (CoV PORTION)	CHANGE OVER 2016
<b>Property Taxes</b> (3.4% increase)	<b>\$2,196</b>	<b>\$72</b>	<b>\$4,030</b>	<b>\$133</b>
<b>Utility Fees</b>				
Water	\$616	\$24	\$571	\$22
Sewer	\$384	\$39	\$392	\$40
Solid Waste	\$271	\$10	\$217	\$8
<b>Total Utility Fees</b>	<b>\$1,271</b>	<b>\$73</b>	<b>\$1,180</b>	<b>\$70</b>
<b>Total City Taxes and Fees</b>	<b>\$3,467</b>	<b>\$145</b>	<b>\$5,210</b>	<b>\$203</b>

## Balanced Operating Budget: \$1,319 million

### OPERATING REVENUES

4.6% increase in total revenue

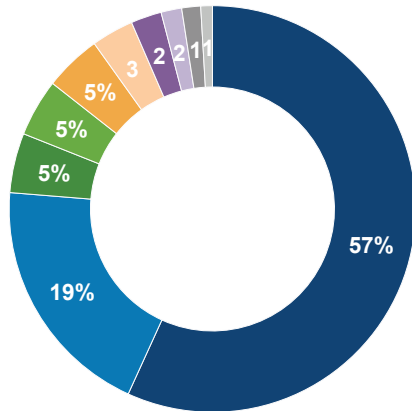
- **\$32.3 million** increase in property tax revenue
- **\$16.8 million** increase in fees and other revenues
- **\$8.5 million** increase in utility revenue

### OPERATING EXPENDITURES

4.6% increase in total expenditures

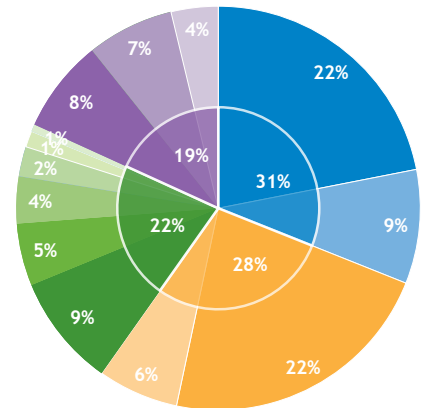
- **\$10.0 million** increase in utility program expenditures:
  - **\$7.4 million** increase for renewal of critical City utility infrastructure (including sewer separation; reserve contributions to ensure financial health of the utilities)
  - **\$6.4 million** increase for Metro utility charges (including site preparation for sewer secondary treatment)
  - **(\$3.8 million)** decrease due to transition of recycling services to MMBC partially offset by increased costs to support public realm cleanliness
- **\$25.3 million** increase in costs to maintain existing services (excluding utilities) including building occupancy costs, non-utility debt charges, salaries and benefits
- **\$22.3 million** investment in new and enhanced services:
  - **\$3.8 million** to support improved public realm cleanliness, including increased street cleaning and abandoned waste pickup
  - **\$3.1 million** to fund operating impacts of new fire trucks
  - **\$2.5 million** investment in interim housing
  - **\$2.1 million** for implementing the empty homes tax

2017 Operating Revenues  
\$1,319 Million



- 57% | Property Tax
- 19% | Utility Fees
- 5% | Program Fees
- 5% | Licence & Development Fees
- 3% | Parking
- 2% | Cost Recoveries, Grants & Donations
- 2% | Rental, Lease & Other
- 2% | Revenue Sharing
- 1% | Bylaw Fines
- 1% | Investment Income

2017 Operating Expenditures  
by service area \$1,319 Million



#### PUBLIC SAFETY

- 22% | Police
- 9% | Fire

#### ENGINEERING AND UTILITIES

- 22% | Utilities
- 6% | Engineering Public Works

#### COMMUNITY-RELATED SERVICES

- 9% | Parks & Recreation
- 5% | Community Services
- 4% | Library
- 2% | Development, Buildings & Licensing
- 1% | Planning, Urban Design & Sustainability
- 1% | Other

#### CORPORATE SUPPORT

- 8% | Debt & Capital (Non-Utility)
- 7% | Corporate Support
- 4% | Contingencies & Transfers

## Key Capital Expenditures in 2017: \$485.5 million

### \$80.1 MILLION IN AFFORDABLE HOUSING

- Capital to support Vancouver Affordable Housing Agency (VAHA) projects **\$25.8 million**
- Social Housing in the Southeast False Creek Area 3B **\$19.0 million**
- Acquiring land for affordable housing **\$16.3 million**
- Capital grants for non-City owned social housing units **\$4.4 million** and single room occupancy units **\$3.0 million**

### \$233.9 MILLION IN UTILITIES, PUBLIC WORKS AND TRANSPORTATION

- Sewer main replacement **\$31.5 million**
- Burrard Bridge upgrades **\$17.7 million**
- Bikeways and greenways **\$17.4 million**
- Phase 3 closure of southeast portion of Vancouver Landfill **\$15.2 million**
- Georgia/Dunsmuir Viaduct Removal Phase 1 Planning **\$15.3 million**

### \$47.1 MILLION IN PARKS, OPEN SPACES AND RECREATION

- Killarney Seniors Centre **\$5.5 million**
- Stanley Park waterfront and seawall **\$4.9 million**
- Burrard Civic Marina upgrades **\$2.4 million**
- Playgrounds, water parks and skate parks **\$2.2 million**
- Vancouver Art Gallery North Plaza **\$2.0 million**

### \$61.3 MILLION IN CIVIC AND COMMUNITY FACILITIES

- Replacement of Fire Hall No. 5 (including social housing) **\$11.5 million**
- Central Library expansion to Level 8 and 9 **\$8.9 million**
- nḗc'a?mat ct Strathcona Branch Library **\$4.9 million**
- City Hall West Annex seismic upgrades **\$2.4 million**

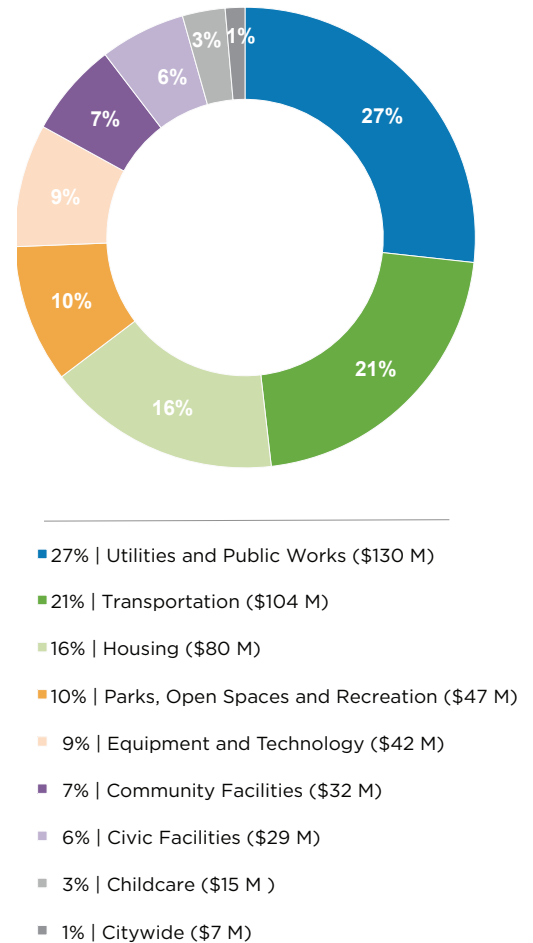
### \$41.9 MILLION IN EQUIPMENT AND TECHNOLOGY

- Vehicles and equipment replacement program **\$18.8 million**
- IT infrastructure maintenance, upgrade & expansion **\$6.5 million**
- Hardware Refresh Program (desktops/laptops, monitors) **\$2.8 million**
- Equipment Services Fleet Management software replacement **\$2.2 million**

### \$14.6 MILLION IN CHILDCARE

- Lord Nelson Elementary School Childcare (VSB partnership project) **\$3.3 million**
- Sir Sandford Fleming Elementary School Childcare (VSB partnership project) **\$3.1 million**
- Other Childcare facilities for pre-school (age 0 to 4) **\$2.8 million**
- Kitsilano Montessori Daycare (City funding contribution) **\$2.5 million**

2017 Capital Budget Expenditures  
\$485.5 Million



## PART I: THE CITY OF VANCOUVER'S FISCAL PLAN

### Budgeting for results

The City of Vancouver faces the opportunities and challenges of a city that is growing in number of residents and number of businesses against a backdrop of global change. Vancouver is a vibrant city with a strong economy that consistently attracts global attention for its livability and green initiatives, which in turn leads to a growing population. While having more people increases Vancouver's vitality, it also challenges the City's finances and puts pressure on the city's affordability. The challenges are especially notable in the areas of housing affordability and in addressing the health and safety issues of Vancouver's most vulnerable populations. The City must continuously balance the need to provide services, infrastructure and programs with the need to keep property tax and utility rate increases at a manageable level for businesses and homeowners.

This proposed budget advances key priorities that continue to make Vancouver a great place to live, work and thrive, including:

- Addressing housing needs and affordability
- Enhancing the city's vibrancy, affordability and livability
- Maintaining financial health and enhancing operational effectiveness
- Fostering Canada's leading economy
- Building a sustainable city

The allocation of fiscal resources is aligned with Council and City priorities and is designed to drive results – as measured through service performance metrics. Departmental service plans and their related performance metrics are key elements of the City's annual budget. These service plans describe the range of services and programs that support the City's short- and long-term priorities and its strategic goals.

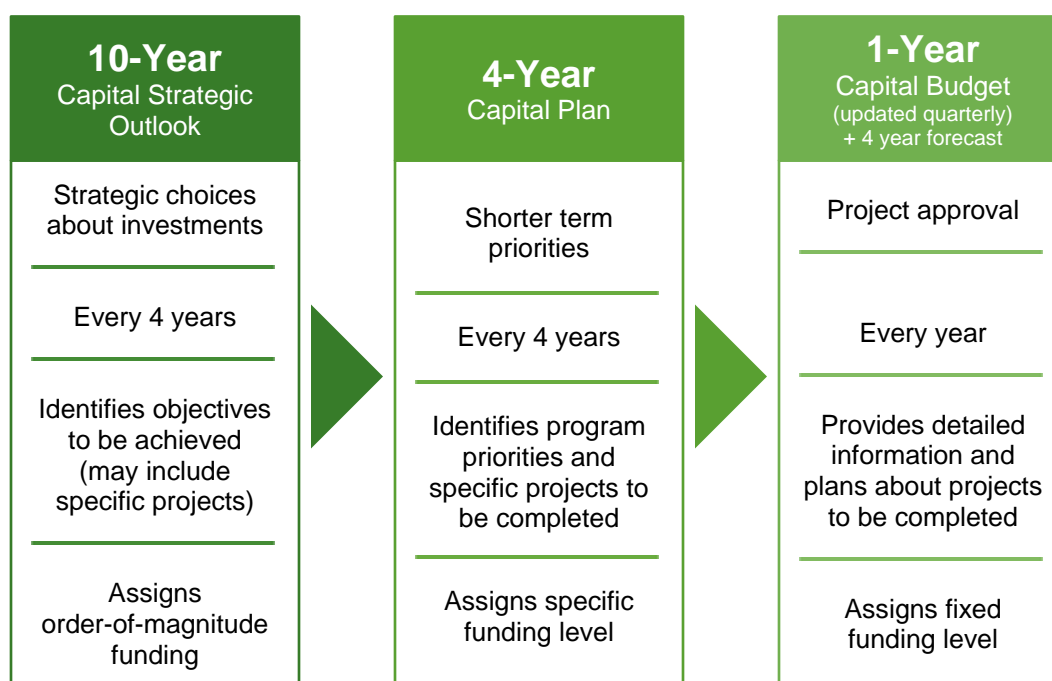
### Funding the budget

The services the City of Vancouver provides are funded from three main sources: property taxes, utility fees and user fees. User fees include items such as parking meter fees, licences (dog licences, business licences, etc.) and permits (parking, building, etc.) as well as user fees from City-run recreation programs, including pools, rinks and fitness centres. Property tax, collected from homeowners and businesses, is the source of more than half of the City's budgeted operating revenues. User fees and other revenues account for almost one-quarter of the operating revenues, and the balance is derived from utility fees.

Development-related fees and contributions are also essential in the delivery of public amenities. Notwithstanding the opposing pressures of growth and the need to keep property tax increases at an affordable level, the City continues to maintain or improve a wide range of services, infrastructure and programs.



The City's 10-year Capital Strategic Outlook outlines the long-term vision for capital investments in public amenities and infrastructure, and it informs the four-year Capital Plan and the annual Capital Budget.



The four-year Capital Plan defines the financial strategy for advancing specific capital projects and identifies proposed funding for programs and projects, while the annual Capital Expenditure Budget assigns funding at a specific project or program level for spending. The City funds capital investments with a balanced mix of payment methods.

Funding sources (who pays) include property taxes and user fees, development contributions (Development Cost Levies and voluntary Community Amenity Contributions), partner contributions from provincial and federal governments, other agencies, non-profit organizations, foundations and philanthropists (particularly in the areas of affordable housing and childcare).

Payment methods (when to pay) include pay-in-advance funding from capital reserves, pay-as-you-go funding from current revenues and user fees, and debt financing that is repaid over time.

The City takes a careful approach to its use of debt, which is reflected in its consistently strong credit ratings and favourable borrowing rates. Standard & Poor's upgraded the City's credit rating from AA to AA+ in 2015, and further upgraded its outlook from stable to positive in 2016. The City continues to maintain its AAA debt rating with a stable outlook from Moody's, which improved its outlook for the City from negative to stable in 2015.

The City's strong credit ratings are among the best for a Canadian city, particularly in light of the recent downgrades experienced by a number of major municipalities due mainly to increasing debt load to support capital investment. The City's commitment to strong financial discipline and continued management of debt within target levels is critical to maintaining and enhancing the City's credit ratings and securing the most favourable borrowing rates to finance the City's capital program.

### Key steps in the 2017 budget process

The figure below highlights the key activities and Council review and approval stages in the annual budget process.



- Department service plans are prepared for each of the City's major operating areas. The service plans highlight major accomplishments in 2016, outline upcoming activities in 2017 and provide a look ahead to the 2018-2021 period. They include an overview of operating budget information by department and, where applicable, a description of notable capital projects. The activities and programs set out in the service plans are tightly linked to budget allocation decisions and are a key component in balancing the City's five-year financial plans.
- The five-year financial plan is a key component of the City's financial planning framework. The framework is based on a set of financial sustainability guiding principles and financial health targets and is used to guide the allocation of resources needed to fund annual and multi-year budgets. Use of the framework ensures achievement of long-term goals, ongoing financial sustainability, balanced operating forecasts and alignment with Council priorities.

- The 2017-2021 Budget Outlook provides the context and factors that influence the development of the 2017 Budget and five-year financial plan. It describes the City's 2016 Budget, current Council priorities and key financial considerations for the 2017 Budget and five-year financial plan.
- Public engagement plays a role in informing decisions made by City Council and staff on budget allocation by service area and the five-year financial plan.
- The budget report consolidates the proposed annual budget and five-year financial plan and is accompanied by service plans and performance metrics for the upcoming year.

### **Service planning and budget process**

The City's service planning and budget process is designed to ensure the City uses public money in the most effective manner – also known as value for money – while ensuring the City's short-term goals and long-term financial health are sustained. More specifically, the process is designed to achieve the following objectives:

1. Meet the City's responsibilities and achieve its strategic priorities
2. Spend only what the City can afford
3. Create more value for money
4. Track results compared to plans

To achieve these objectives, City staff has incorporated leading practices into the budget development process. These practices include:

- **Linking budget to strategy** – Using a financial framework to outline the City's financial health, set financial goals and establish budget allocation before the budget process begins
- **Enhancing public consultation** – Conducting a capital plan consultation every four years, aligned with the capital program planning cycle, to inform the City's goals and budgets; holding public engagement events, such as online survey, roadshow and an open house every year as part of the budget process
- **Providing relevant budget information** – Aligning performance metrics to the City's strategic goals, operating and capital information, and budgeting for all City funds and entities; providing budget information in clear, easily understandable language; tailoring information to the needs of different audiences, including City Council, members of the City's Corporate Management Team and the public
- **Streamlining the budget process** – Minimizing budget versions, integrating operating and capital budget processes, and integrating the budget process with other Citywide planning and performance management processes

## City of Vancouver overview

### Long-term priorities and strategic goals

The City's long-term priorities extend to Vancouver's residents, communities, local economy and the city's environment. Public consultation helps inform the budget in directing spending toward services Vancouverites want and need. Council supports the City's mission "to create a great city of communities that cares about its people, its environment, and the opportunities to live, work and prosper" by aligning spending with programs that support Vancouver's people, prosperity and environment.



### People

**Goal:** Cultivate and sustain vibrant, creative, safe and caring communities for the wide diversity of individuals and families who live in, work in and visit Vancouver.

Vancouver is a lively and safe city with its vibrant arts and culture, green spaces and parks, and strategies to enhance the health, environment and homes of residents. The City continues to support the arts, this year funding five new, innovative Quick-Start Public Art Boost projects as well as future art projects for 2017 and 2018. As a City of Reconciliation, Vancouver supports the Aboriginal community and is a welcoming city for all.

Addressing the challenges of income disparities, drug addiction and mental health has meant that the City has taken on further investments in housing and the Downtown Eastside, and is managing increased demand for emergency services.

Housing affordability remains an ongoing concern as Vancouver has some of the most expensive real estate in the world, and housing and rental costs continued to escalate through the first half of 2016. The City remains committed to housing as an investment priority.



## Prosperity

**Goal: Provide and enhance the services, infrastructure, and conditions that sustain a healthy, diverse and resilient local economy.**

Vancouver's economy is strengthened by low-carbon, knowledge-based businesses and enterprises settling in the city, including technology, digital entertainment and companies that participate in the robust green economy. These organizations exist alongside historical anchor industries that are already firmly established in the city, including the Port of Vancouver, the construction industry and head offices of natural resource enterprises. With Vancouver's respected institutions, transportation infrastructure, skilled talent and appealing neighbourhoods, the city is a draw for innovative, creative and sustainable businesses. This economic diversity helps Vancouver weather global and national economic volatility and uncertainty.

## Environment

**Goal: Protect and enhance Vancouver's climate, ecology, natural resources and connections to the city's remarkable natural setting for future generations.**

The City's Greenest City 2020 Action Plan is an ambitious road map for Vancouver to become the greenest city in the world by 2020. With a number of environmental and sustainability directives, the plan is divided into 10 goals addressing three focus areas: zero carbon, zero waste and healthy ecosystems.

- Community greenhouse gas emissions have been decreased by 15% since 2007, in line with a goal of a 33% reduction by 2020.
- The 2020 target to decrease kilometres driven per person since 2007 by 20% has already been exceeded; in 2016, this decrease reached 27%.
- The 2020 target to have 50% of all trips made by walking, cycling or transit has already been achieved.
- The amount of Vancouver solid waste disposed to landfill and incinerator has been reduced by 23%, well on the way to the goal of a 50% reduction by 2020.
- The amount of water consumption per person has been reduced by 15% compared to 2006 levels, with a target of a 33% reduction by 2020.

Vancouver is also a global leader in its green goals and was a major force at the United Nations Climate Change Conference of Parties (COP21) in 2015, joining other countries aligned in negotiating the Paris Agreement to reduce climate change around the world.

## Economic context

A resilient economy fosters dynamic businesses and sustainable employment and helps retain professionals, families and individuals to live and work in Vancouver.

When developing the long-term financial and capital plan, which informs the annual budget and five-year financial plan, the City considers local, regional and global economic factors. Understanding these constantly changing factors allows the City to manage near-term risks and uncertainties and to plan for long-term financial resilience and sustainability.

The economic outlook for Metro Vancouver, BC and Canada in the following sections is taken from the Conference Board of Canada's *Metropolitan Outlook*, Autumn 2016 Report, which forecasts key economic indicators through 2020.

## Local context

A key measure of the economy is gross domestic product (GDP). Sustained GDP growth is expected to drive business investments and job creation, leading to higher-paying wages, robust residential and office development, and a growing property tax base.

Metro Vancouver is projected to have the highest economic growth among major Canadian municipalities over the next four years. Real GDP growth is projected to grow between 2.8% to 3.1% annually from 2017 to 2020.<sup>1</sup> Inflation is projected to be 2.1% on average in 2017 and 2018, and further accelerate to 2.4% in 2019 before receding to 2.0% in 2020.<sup>1</sup> The strong economic outlook is expected to drive job growth in the coming years, with the unemployment rate projected to fall from 5.7% in 2016 to 5.0% by 2020.<sup>1</sup> Annual population growth is projected to increase from 1.2% in 2016 to 1.7% on average from 2017 to 2020.<sup>1</sup>

Housing starts in Metro Vancouver continued to increase in recent years, from 18,700 units in 2013 to 19,210 units in 2014 and 20,860 units in 2015. It is projected that 2016 will be a banner year, reaching 28,360 units. The trend is expected to stabilize between 22,970 and 23,530 units per year through 2017 to 2020.<sup>1</sup> After reaching a record high in 2013 with 18,390 units, housing completion slowed to 17,540 units on average in 2014 and 2015 before picking up in the first nine months of 2016<sup>2</sup> with 13,930 units.

Housing starts in the City of Vancouver reached a record in 2013 with 6,070 units and stabilized at 4,650 units in 2014 and 4,620 units in 2015, much closer to the average historical level. Housing starts in 2016 are poised to set another record with 7,630 units already in the first nine months of 2016<sup>1</sup> Similarly, housing completion, after reaching a record in 2014 with 5,770 units, slowed to 3,840 units in 2015 before picking up in the first nine months of 2016<sup>2</sup> with 4,120 units.

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<sup>1</sup> Conference Board of Canada, *Metropolitan Outlook*, Autumn 2016

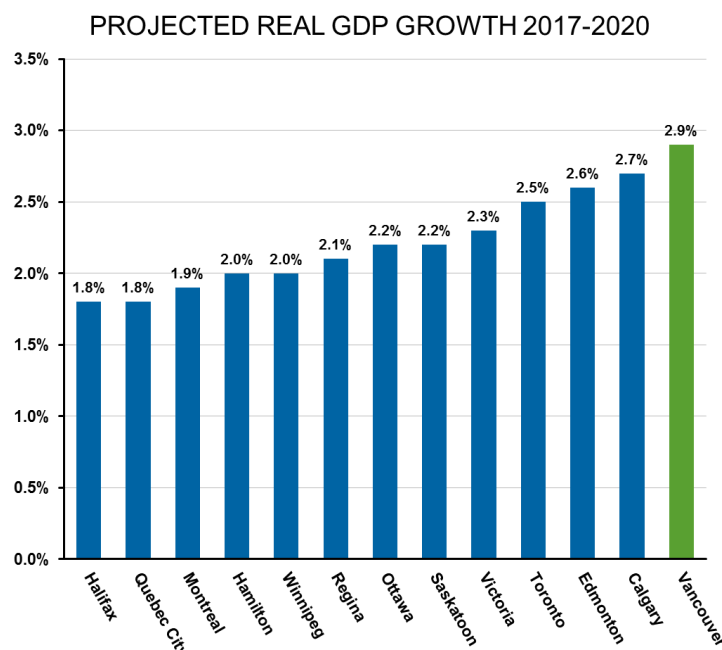
<sup>2</sup> Canada Mortgage & Housing Corporation, *Housing Now*

A number of large developments are currently in the development-and-building-application stages and will deliver about 28,000 housing units over the next few years. Despite the significant increase in new housing stock, a growing population and healthy job market will continue to put pressure on housing demand and affordability. New policies, provincially and locally, were developed to improve housing availability and affordability:

- Starting August 2, 2016, foreign individuals and corporations are now required to pay an additional 15% land transfer tax when buying residential property in Metro Vancouver.
- A Housing Priority Initiatives Fund of \$75 million was set up to support provincial housing and rental projects.
- The provincial government made a commitment of \$500 million to create 2,900 affordable rental housing units for families in partnership with non-profit societies, local governments and the private sector.
- City Council approved a City-administered program to levy an annual tax on empty and underutilized homes to encourage an increase in the number of rental units available, with the net proceeds of the tax to be used for affordable housing initiatives.

Non-residential construction in Metro Vancouver has also been robust in recent years. Major economic development projects underway or announced include Vancouver International Airport expansion, Centerm container terminal expansion, Roberts Bank port-container expansion, Millennium Line Broadway extension of the SkyTrain and a 10-lane bridge over the Fraser River to replace the Massey Tunnel.

Within the City of Vancouver, major projects on the way will add about 11 million square feet of office, commercial and industrial floor space, mainly in the downtown and central business district and along Broadway and other major transit corridors. The TELUS Garden on Robson Street was recently completed, and projects currently underway include Exchange Tower on Howe Street, Burrard Place on Burrard Street, the East Tower near Rogers Arena and the new Emily Carr University of Art and Design as part of the Great Northern Way Campus development in False Creek Flats.



## National/provincial context

While Metro Vancouver has a nation-leading economic outlook, it is dependent on the health of the national and provincial economies.

With plummeting oil and commodity prices, sluggish global and domestic economies, and weak business confidence over the last two years, Canada's economic performance has registered its lowest growth since the economic crisis in 2008/2009.

Despite a strengthening US economy, Canada continues to struggle to transition from a resource-based economy to an export-based economy. The continued weakness of the Canadian dollar will remain an impediment to business investment in machinery and equipment, which is expected to be a key source of economic weakness.<sup>3</sup> Lower demand and rising vacancy rates are expected to dampen non-residential construction activities.

With high inventories and modest employment growth, housing starts nationally are also expected to trend below lower, from 193,500 units in 2016 to 180,650 units on average from 2017 to 2020.<sup>3</sup> Consumer spending is expected to be held back by soft employment growth, job losses in oil-rich provinces, lower wage increases and elevated household debt.

Recognizing the slowdown in Canada's economy and the need for stimulus, the federal government committed significant infrastructure spending as part of its 2016 budget, totalling \$26.5 billion over two fiscal years. It also introduced the Canada Child Benefit, which will increase household income for many families. Taken together, real GDP is expected to

<sup>3</sup> Conference Board of Canada, Metropolitan Outlook, Autumn 2016



improve from 1.3% in 2016 to 2.0% in 2017, before stabilizing to 1.8% on average from 2018 to 2020.<sup>4</sup>

With continuous growth in exports, manufacturing and construction, BC's economy is expected to grow by a nation-leading 3.8% in 2016 and 2.7% in 2017, before receding to 2.4% in 2018 and 2019, and rebounding to 2.8% in 2020.<sup>4</sup> Annual employment growth is expected to accelerate from 1.3% in 2015 to 2.8% in 2016, before receding to 2.0% in 2017 and further to 1.5% on average for 2018 and 2019, and rebounding to 1.7% in 2020.<sup>4</sup> As job creation outpaces population growth, projected at 1.3% on average from 2017 to 2020, the unemployment rate is expected to decrease from 6.1% in 2016 to 5.5% in 2020.<sup>4</sup> A solid labour market and higher disposable income will continue to provide support to housing and retail markets over the next few years.

BC is one of only a few provinces that have had a balanced budget since 2013. The primary economic risk for BC over the next few years continues to be the liquefied natural gas industry, as further delays in investments would lower the provincial economic growth from the current forecast. As such, fiscal restraint is expected to continue in the near term and could put further pressure on the City's finances through additional downloading of services or expectations for the City to fill the gap arising from provincial government cuts.

## Global context

The global economy is expected to grow modestly from 3.0% in 2016 to 3.3% in 2017, reflecting the prolonged underperformance and structural adjustments underway in a number of economically relevant countries. The continued weakness in international trade in 2016 impacts advanced- and emerging-market economies.

The US economy faltered in the first half of 2016, as consumer spending and business investment both stalled in the midst of the US presidential election and the UK leaving the European Union (Brexit). Annual economic growth is expected to slow substantially from 2.6% in 2015 to 1.5%-1.9% in 2016, before returning to 2.2% in 2017<sup>5</sup>. The household sector is expected to continue to drive consumer spending and housing demand, but the stronger US dollar could lead to weaker exports and investments.

The Eurozone's economic recovery remains volatile. Brexit cast a major economic shock over the UK and the rest of Europe. The most immediate impact has been the rapid depreciation of the British pound against the US dollar, which also dragged down the euro. As consumer spending and business investment is expected to slow down, the UK could experience a minor recession in late 2016 and no growth in 2017. While Germany continues to experience relatively balanced growth and the economic prospects in some countries start to improve, Italy, Europe's fourth largest economy, continues to struggle with weak economic growth, high public debt, a deteriorating banking system, high unemployment and a rapidly aging demographic. Eurozone's real GDP is expected to retreat from 1.4% in 2016 to 1.1% in 2017.

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<sup>4</sup> Conference Board of Canada, Metropolitan Outlook, Autumn 2016

<sup>5</sup> BMO Capital Markets North American Outlook, August 2016

Economic growth in China, the world's second-largest economy, is expected to decelerate further from 6.9% in 2015 to 6.5% in 2016 and to 6.1% in 2017, as it continues to transition from external, demand-driven growth to a consumer-led economy, relying less on government-sponsored investments and borrowing. The complex reforms required to support the transition are unprecedented globally, due to the size of the Chinese economy, and remain one of the key sources of global uncertainties. As Canada's third-largest trading partner, a continued softening of China's economy could reduce the demand for commodity and manufactured inputs from Canada.

## **Federal budget and infrastructure partnership**

The following key federal government commitments in the 2016 federal budget align with the City of Vancouver priorities and offer promising partnership opportunities:

- **Public transit**
  - Contribution of up to 50% of eligible costs, including repair and refurbishment of existing systems and planning for expansion projects
  - Commitment to Phase 1 investment in cost-effective, sustainable and integrated transportation networks
- **Affordable housing**
  - Development of a national housing strategy
  - Increased funding for the Homelessness Partnering Strategy
  - Increased affordable housing for seniors
  - Maintaining of rent geared to income for low-income households affected by the expiry of social housing operating agreements
- **Green infrastructure**
  - Contribution of up to 50% of eligible costs for improvements to water distribution and treatment
  - Support for infrastructure projects related to climate change mitigation and adaptation to build resilient, sustainable communities
  - Provision of grants and loans to improve community sustainability and environmental performance

Building on the Phase 1 infrastructure plan, as outlined in the 2016 federal budget, the Canadian government has committed to announcing the Phase 2 plan in the coming year. Vancouver City Council will be working closely with the federal government to provide input toward shaping the plan.

## Fiscally responsible

By legislation, the City can't run a deficit or use debt financing for its operating budget. The budget must be balanced every year. As a result, the City has adopted a set of financial sustainability guiding principles to guide the development of its service plans, annual budgets and medium- to long-term financial and capital plans.

### Financial health indicators

For long-term financial and capital planning purposes, the City tracks a number of metrics to gauge its financial health and borrowing capacity for long-term capital investments. In developing the 2015-2018 Capital Plan, a key consideration was the impact of capital investments on the operating budget and property tax and fee increases arising from debt servicing, future operating costs and asset life-cycle costs. The City's goal is to minimize the year-over-year increase in debt-servicing costs, stabilize the debt level and reduce the debt-per-capita over the long term. This way, the capital program will not drive significant operating budget increases, helping to maintain property tax and user fees at affordable levels.

## Financial sustainability guiding principles

The following principles guide the development of the City's service plans, annual budgets and medium-term to long-term financial and capital plans:

- **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 fees affordable (in line with inflation)
- **Asset management**
  - Maintain assets in an appropriate state of repair
  - Optimize capital investments to meet public and economic needs while achieving value for the investment

These guiding principles are all considered in developing the 2015-2018 Capital Plan and the 2017 Budget and five-year financial plan. The following highlights a few of these principles:

### Keep debt manageable

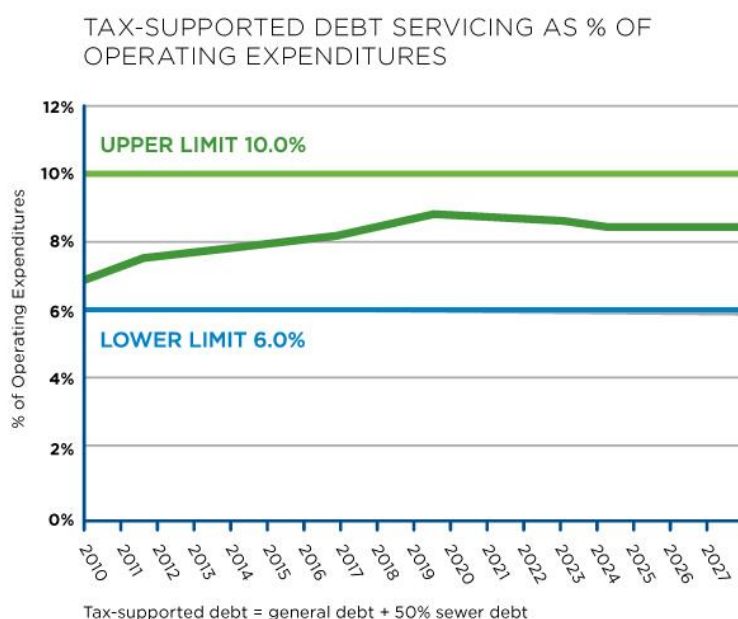
The City uses debt in its mix of payment methods to fund capital investments. This allows payments to be made over a longer time frame to align with the useful life of the underlying

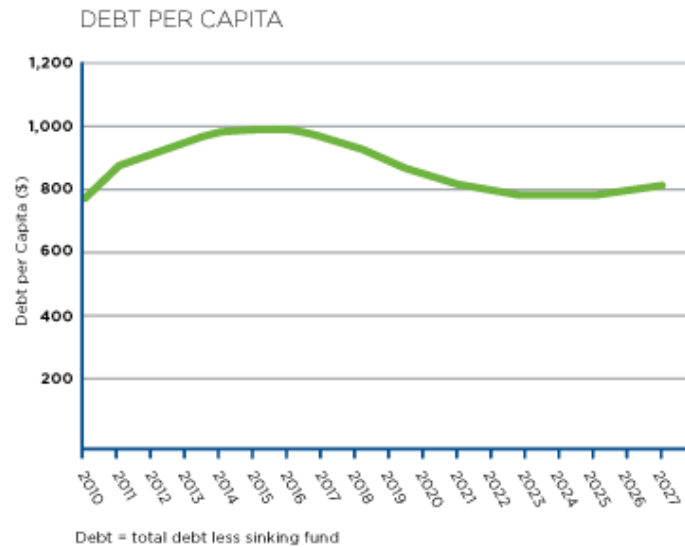


capital assets, and ensures that generations of residents and businesses that benefit from the capital investments participate in paying for them.

The City takes a careful approach to its use of debt to renew and enhance its public amenities and infrastructure to serve businesses and residents on an ongoing basis, while ensuring a balanced operating budget and keeping property tax and fees at an affordable level. The City's consistently strong credit ratings and favourable borrowing rates reflect this careful approach.

As part of the City's long-term debt management strategy, water and sewer utilities have been transitioning their infrastructure life-cycle replacement programs from debt financing to a pay-as-you-go model. 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 transition its general capital program to a higher proportion of pay-as-you-go to enhance the City's long-term debt profile and credit ratings.





### Maintain strong credit ratings

Standard & Poor's upgraded the City of Vancouver's credit rating from AA to AA+ in 2015 and further upgraded its outlook from stable to positive in 2016. These successive upgrades reflected the significant decline in debt burden following the full repayment of the Olympic-related debt in 2014, continued improvement in cash position, consistently solid budgetary performance and the City's commitment to strong financial discipline. The City continues to maintain its AAA credit rating with a stable outlook from Moody's.

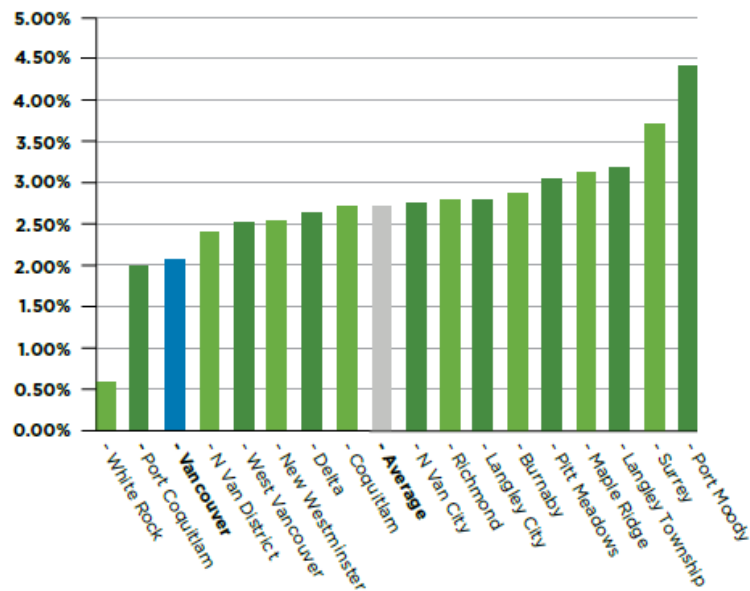
The City's strong credit ratings are among the best for a Canadian city, particularly in light of the recent downgrades experienced by a number of major municipalities, including the Region of York, City of Ottawa and City of Winnipeg, due mainly to increasing debt load to support capital investment. Continued management of debt within target levels is critical to maintaining and enhancing the City's credit ratings and securing the most favourable borrowing rates to finance the City's capital program.

### Keep property tax affordable

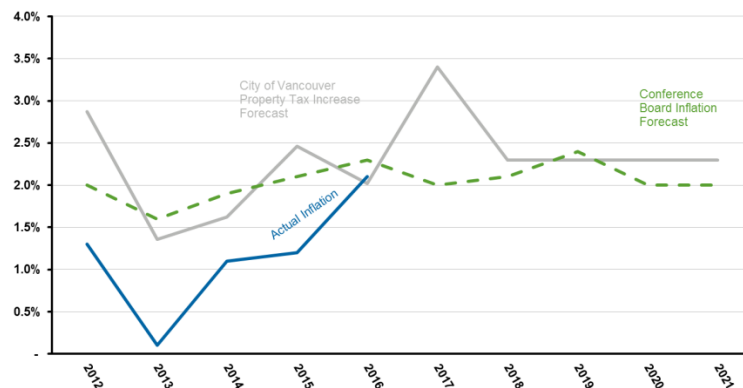
Increases in property taxes in recent years, ranging from 1.4% to 2.8%, have been modest when compared to annual inflation, which has run between 0.1% and 2.5%. During this period, the City has enhanced its network of public amenities in the areas of affordable housing, childcare, recreational and community services and public safety, and it has invested in core infrastructure, such as sewer separation and renewal, and upgraded transportation infrastructure for pedestrians, bikes and vehicles. All these were accomplished through continuous innovation, business transformation and productivity enhancement, while absorbing above-inflation wage increases.

Looking ahead, the growing demand for public amenities and infrastructure will continue to put pressure on the City's budget in years to come. Understanding the long-term impacts on property tax and fee payers arising from its capital investment decisions, including debt servicing, ongoing operating costs and asset life-cycle costs, was a key consideration in developing the 2015-2018 Capital Plan and will continue to guide the annual budget process.

### Vancouver vs Metro Vancouver Five-Year Average Property Tax Increase (2012-2016)



### PROPERTY TAX INCREASES VS. VANCOUVER CPI (2012-2021)



**Maintain assets in an appropriate state of repair**

Maintaining core infrastructure and amenities in an appropriate state of 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. The City's target is to ensure at least two-thirds of City assets are in good or fair condition at any given time.

**Optimize capital investments**

Before adding new facilities, the City considers repurposing and right-sizing existing facilities and continues to advance on co-location and functional integration of services to enhance customer service and operational efficiency. A recent example of this is the replacement of Fire Hall No. 5 currently under construction, which will include safe, affordable housing for low-income woman-led families and their children who are at risk of homelessness. All new facilities will be designed with flexible, adaptable and expandable spaces to accommodate changing demographics and future growth.

## Progress with Council priorities

Significant progress has been made in advancing Council priorities for affordable housing, ending homelessness, promoting economic development, becoming the world's greenest city and ensuring a safe, inclusive and creative community, while working within budgets defined by modest tax increases. By reshaping the organization to provide services more efficiently, the City has maintained or increased the quality of services, initiated new programs and demonstrated leadership as a sustainable and livable city.

The following are highlights of the investments and achievements accomplished in recent years across the City's five main priority areas:

- Housing, affordability and homelessness
- Safety, inclusion and creativity
- Economic development
- Greenest city
- Value for money

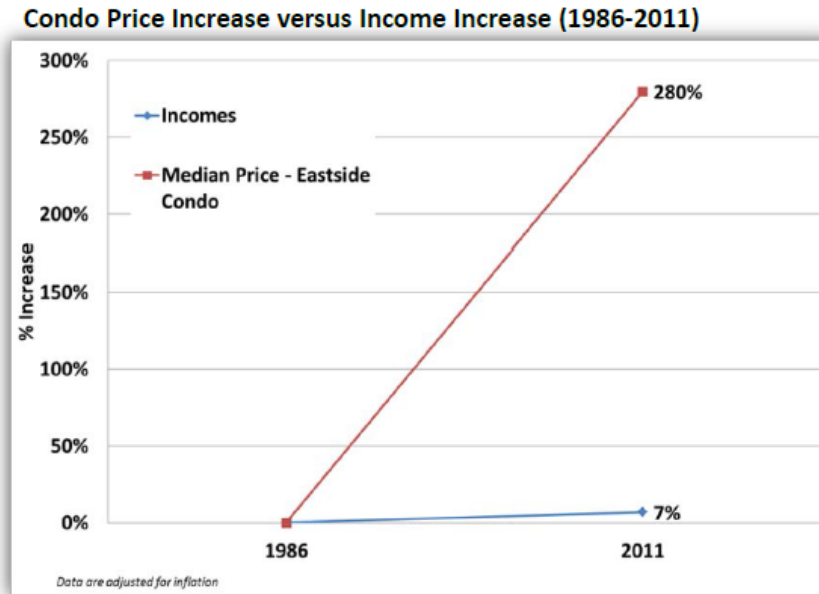
## Housing, affordability and homelessness



## Housing and affordability

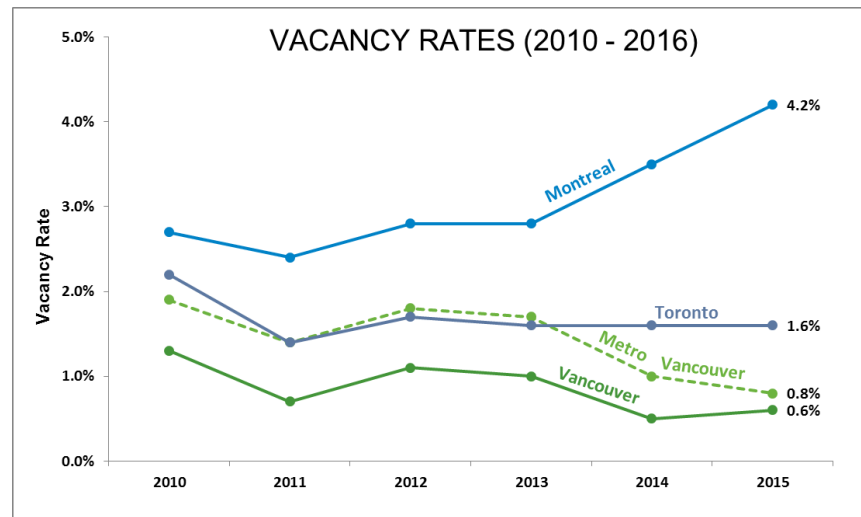
As a growing and diverse city, Vancouver faces the need to increase the availability and range of affordable housing choices for all residents; it's a critical step in building a healthy, resilient and sustainable city. The challenge is that Vancouver has the highest housing costs and the lowest median incomes among Canada's major cities.





Source: Multiple Listings Service, Real Estate Board of Greater Vancouver – Median sales prices;  
Statistics Canada, Census 1986 to 2011 – Average income

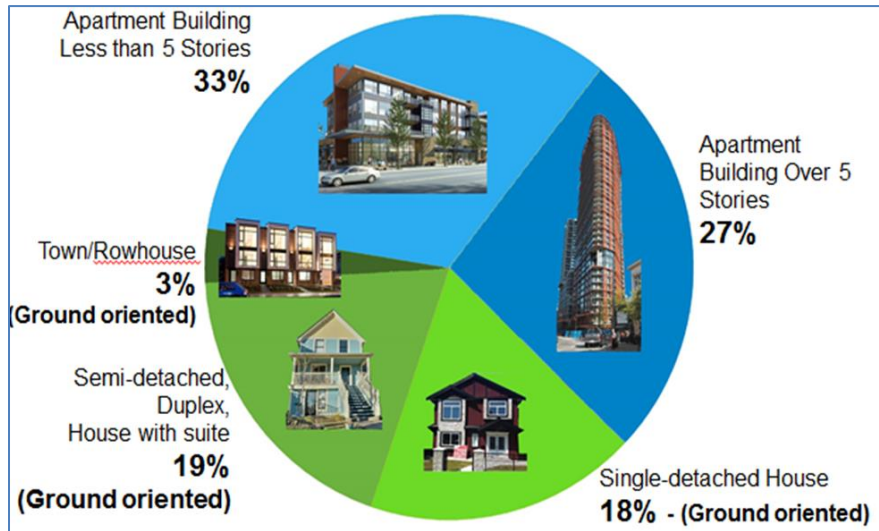
With persistently strong population growth and constraining topography, it has become more challenging for Vancouver residents of varying economic means to access affordable housing within the city. Vancouver has one of the lowest vacancy rates in Canada at 0.6%. Rental housing options for families are limited: less than 1% of the rental stock has three or more bedrooms and only 3% is ground oriented, such as townhouses or rowhouses. Rental rates are also a key consideration. According to 2011 census data, 34% of renter households spend more than 30% of their monthly gross income on housing. Older rental stock is more affordable, but most of them are more than 40 years old and require significant rehabilitation.



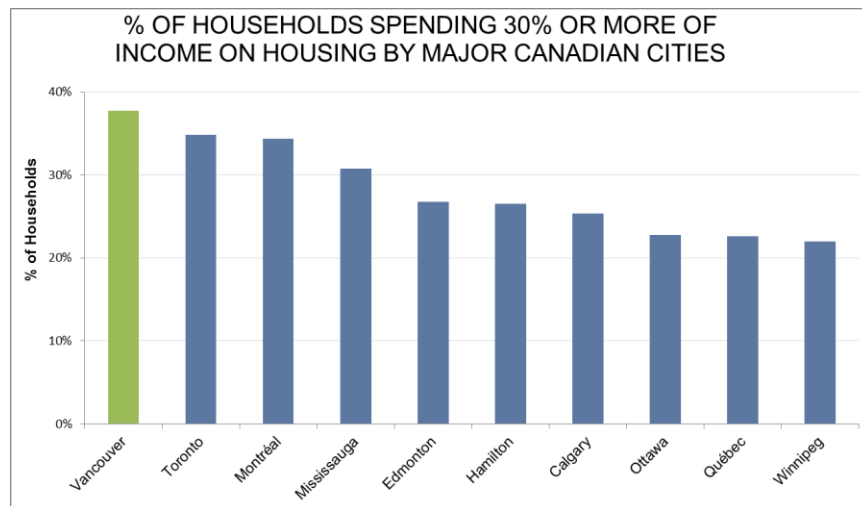
Source: Canada Mortgage and Housing Corporation, Rental Market Report 2010-2016



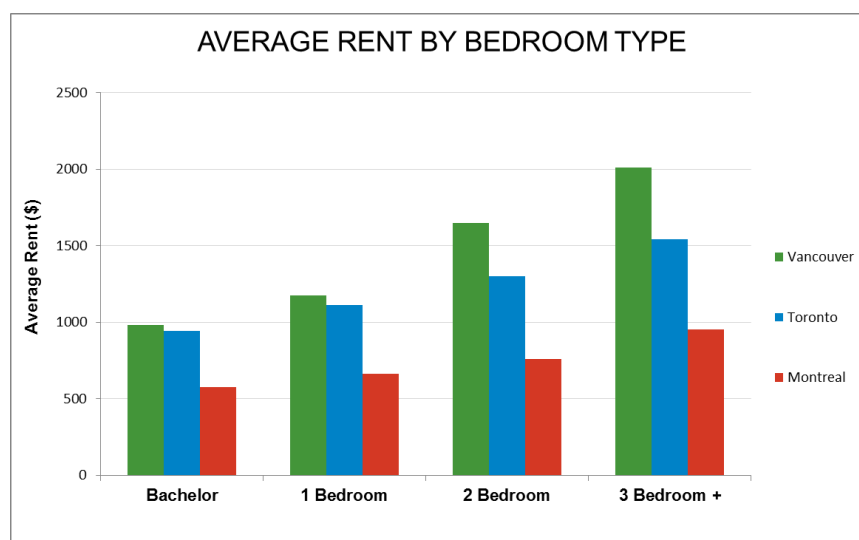
### LIMITED HOUSING DIVERSITY



Source: Statistics Canada, Census 2011



Source: City of Vancouver, Housing and Homelessness Report Card 2015



Source: Canada Mortgage and Housing Corporation, Rental Market Report 2015

In 2011, Vancouver City Council adopted the Housing and Homelessness Strategy (2012-2021) that identifies Vancouver's growing housing needs, sets specific 10-year targets across the housing continuum and outlines how new housing units can be added through strategic partnerships with senior levels of government, the private sector and non-profit organizations.

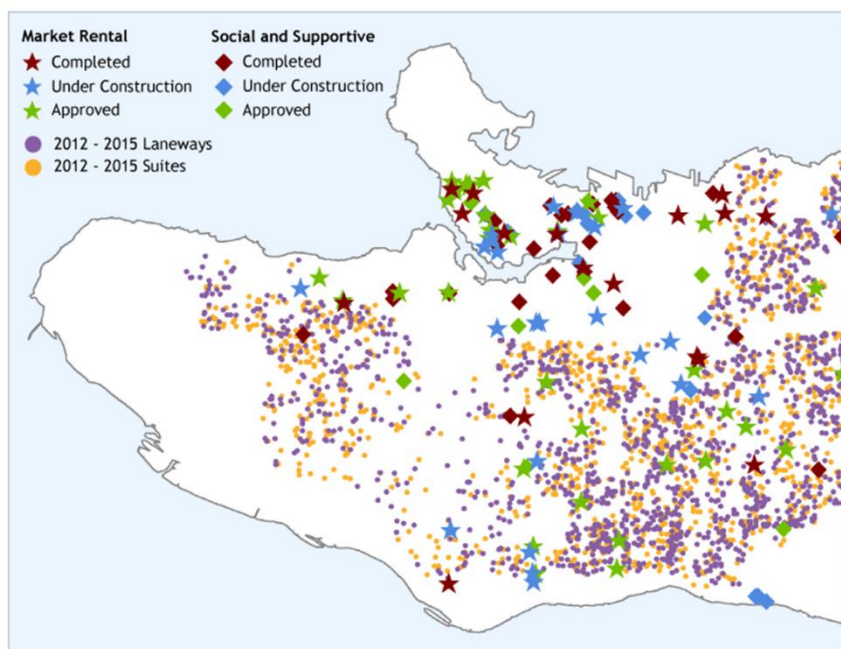


The City has earmarked \$125 million in the 2015-2018 Capital Plan for affordable housing and put forward 20 housing sites worth \$250 million in order to deliver 3,500 affordable housing units in partnership with senior levels of government. This is the City's biggest housing contribution with the primary goal of driving affordable housing supply across the continuum and providing greater diversity of housing forms, tenures and types. As the City implements community plans in the Downtown Eastside, Grandview-Woodland, the West End, Cambie Corridor, Marpole, Joyce-Collingwood and other areas, the City will continue to secure affordable housing units through inclusionary zoning policies and Community Amenity Contributions from rezoning.

The City is now at the halfway point of the 10-year Housing and Homelessness Strategy, and solid progress has been made to increase the supply of affordable housing. Through policies and partnerships, the City has enabled more than 13,650 new affordable housing units geared toward low- to moderate-income households, ranging from supportive and social housing to secured market rental, laneway housing and secondary suites.

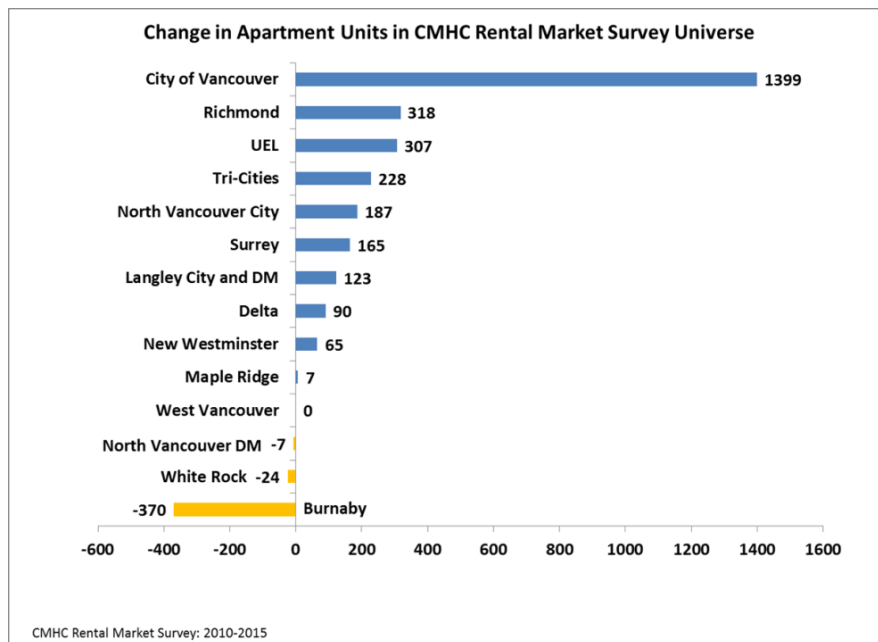
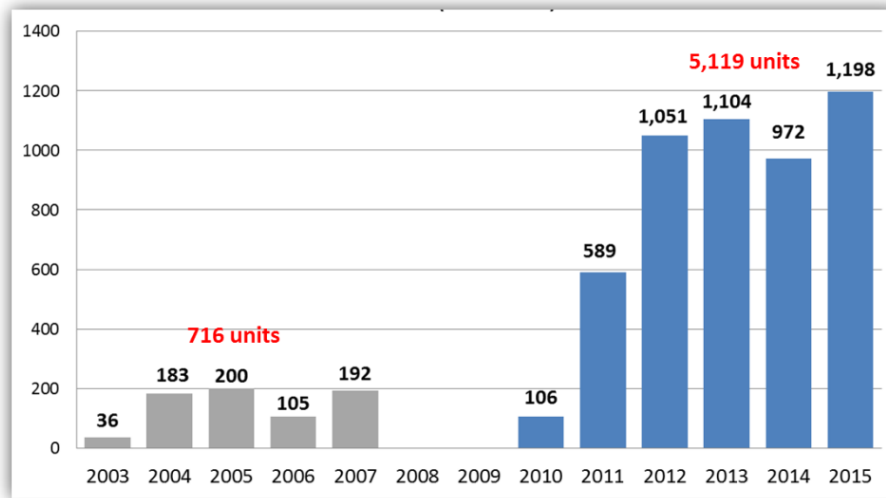
HOUSING TARGETS & ACCOMPLISHMENTS (as of Q3 2016)				
	Supportive Housing	Social Housing	Secured Market Housing	Suites & Laneway Housing
<b>10-year target (units)</b>	2,900	5,000	5,000	6,000
<b>Achieved (units)</b>	1,775	1,626	5,912	4,365
<b>Achieved (%)</b>	61%	33%	118%	73%
TEN-YEAR HOUSING ACCOMPLISHMENTS BY STATUS (as of Q3 2016)				
	Completed	Under Construction	Approved	Total
<b>Supportive Housing</b>	1,662	93	-	1,755
<b>Social Housing</b>	276	948	402	1,626
<b>Secured Market Housing</b>	1,508	2,496	1,908	5,912
<b>Total (Units)</b>	3,446	3,537	2,310	9,293
<b>Total (%)</b>	37%	38%	25%	100%

### NEW RENTAL HOUSING UNITS ENABLED



Source: City of Vancouver, Housing and Homelessness Report Card 2015

## SEVEN TIMES MORE RENTAL UNITS ENABLED SINCE 2010



In mid-2016, Council adopted the following directions to address housing supply and affordability along the housing continuum:

- **Housing Mix Policy**
  - Requires a minimum of 35% family units in rezoning applications
  - Targets a minimum of 35% family units in rental projects
  - Modernizes the City's family-friendly apartment design guidelines to improve livability and affordability
  - Explores innovative housing types such as co-housing
- **Tax on Empty Homes**
  - A levy on owners of long-term vacant homes – estimated to be more than 10,000 units – to encourage conversion of vacant units to rental units to ease the tight rental market
- **Affordable home ownership pilot project**
  - Subject to provincial government approval, an initiative to make 300 homes available to local, first-time buyers

The City also provides strong protection for tenants and rentals with the Rate of Change Policy, aimed at preserving existing affordable rental stock, and the Tenant Relocation and Protection Policy, aimed at mitigating the impacts of displacement resulting from redevelopment activity. In addition, the City works with its housing partners to maintain and renew social and co-op housing units so that at least a third of the housing stock in Vancouver is affordable for low- and moderate-income households.

Over the years, Vancouver has continually demonstrated innovative approaches to addressing housing affordability; however, there is a critical need for the federal and provincial governments to support deeper levels of affordability for local residents.

With the unprecedented, rapid and persistent escalation of housing costs in Vancouver, the City has commenced the Housing Strategy Re:Set, which involves the following:

- Understanding current housing challenges
- Analyzing the effectiveness of current housing policies and programs
- Updating goals and targets for the next 10 years
- Identifying further opportunities to partner with senior levels of government to address Vancouver's housing challenges

### **Vancouver Affordable Housing Agency**

In 2014, Council created the Vancouver Affordable Housing Agency with a mandate to enable 500 affordable housing units by 2017 and 2,500 units by 2021 through innovative partnerships with non-profit housing partners, developers and senior levels of government. The primary goal is to deliver affordable housing for families and moderate-income households through

density optimization, economies of scale and partner equity, and striving to achieve deeper levels of affordability through senior government funding and financing.

Twenty City-owned and -optioned sites have been committed to deliver 2,500 units of affordable housing over the next five years. Nearly 1,000 homes are in the planning-and-design phase with the expectation of advancing through the rezoning-and-development-permit stage in 2017, with 250 homes already approved by the Development Permit Board. These include sites located in the River District, Marpole, Kensington-Cedar Cottage, Grandview-Woodland and the Downtown Eastside. Proposals have been submitted to CMHC and to BC Housing to seek capital funding and financing opportunities on the broader Vancouver affordable housing strategy. Vancouver Affordable Housing Agency is also pioneering the City's first pre-fabricated modular housing pilot project, which will deliver the first 40 self-contained homes in the spring of 2017, and expand the program should opportunities arise.

Vancouver Affordable Housing Agency will continue to work closely with various City departments and housing partners to streamline the planning, development and permitting process, and to explore innovative and efficient housing delivery models to expedite delivery of affordable housing in Vancouver.

### Homelessness

Homelessness remains a significant challenge in Vancouver. The impact of persistently high housing costs is most pronounced on the city's low-income residents, particularly those with mental health and addiction issues and those in precarious housing situations. Delays in developing permanent supportive housing and inadequate low-barrier shelters and interim housing, often used to transition homeless people into permanent housing, put further pressure on the system.

The City has been conducting annual homeless counts since 2010. The Vancouver Homeless Count in 2016 showed that 0.3% of the city's population is homeless, increasing from 1,746 (1,258 sheltered homeless and 488 unsheltered homeless) in 2015 to 1,847 (1,308 sheltered homeless and 539 unsheltered homeless) in 2016. The homeless population profile shows that approximately 72% have lived in Vancouver for more than one year; Aboriginal people account for 38%; women account for 23%; those under 24 years old account for 15%; 53% have addiction and substance abuse issues; 40% have mental health issues; and 78% have one or more health conditions.



WINTER SHELTERS (2016/2017)				
Address	Operator	Hours	Target Patrons	# of Beds
134 E. Cordova	Salvation Army	8:00 pm-8:00 am	Men and women	40
119 E. Cordova	Salvation Army	24 hours	Men only	30
49 W. Cordova	Portland Housing Society	9 pm-9 am	Men and women	30
1648 E 1st Avenue	RainCity	24 hours	Men and women	40
1401 Hornby	RainCity	24 hours	Men and women	40
1138 Burrard	Directions	9 pm-6:30 am	Male and female youth (19-24 only)	12
Total Winter Shelter Beds				192
INTERIM HOUSING (2016/2017)				
Address	Project	Year Opened	Lease Expiration	# of Units
1335 Howe	Quality Inn	2014	Early 2017	157
1060 Howe	Metson Rooms	2015	2020	100
395 Kingsway	The Biltmore	2014	2029	95
3475 E. Hastings	Skeena House	2014	City owned	57
Total Interim Housing Units				409

Despite limited financial capacity and policy tools, the City has made significant strides in addressing homelessness through multi-sectorial collaboration and innovative approaches. Through partnerships with BC Housing and non-profit housing partners, the City continues to secure shelter beds to house the most vulnerable homeless residents, provide new interim housing units, revitalize and maintain affordability in the single room occupancy (SRO) hotel stock, and increase the supply of long-term social and supportive housing.

Shelters serve as an emergency response for individuals experiencing street homelessness. Since 2008, the City and the provincial government have partnered to open additional temporary, low-barrier winter response shelters during the cold, wet weather season. As well, non-profit operators, the City's Carnegie Outreach Team, BC Housing and the Ministry of Social Development work with shelter patrons to develop housing plans and ensure they have access to income assistance.

This winter, a total of 192 shelter beds will be opened as part of the winter shelter strategy. The City will contribute \$0.8 million to secure shelter locations and capital improvements, while BC Housing will contribute \$1.6 million toward programming and facility operating costs.

These shelters typically open at the end of November or early December and close no later than the end of April. In 2016, the City worked with BC Housing to find opportunities to have shelters open earlier in the fall, as the cold, wet weather sets in. As well, Vancouver Affordable Housing Agency and the Vancouver Aboriginal Friendship Centre Society are

currently exploring preliminary designs for a permanent shelter within a mixed-use project in the Downtown Eastside.

The City continues to secure interim housing options through interim leases for street- and sheltered-homeless people and those at risk of homelessness, while more permanent social/supportive housing options are being built. Tenants are connected to critical resources, including a variety of health and housing supports as well as meals and life-skills development. The City, either on its own or in partnership with BC Housing, has leased a number of buildings to provide temporary housing options.

In addition, Vancouver City Council approved a grant to Atira Women's Resource Society to operate 39 rooms at the Patrick Anthony Residence. A formal request has also been submitted to BC Housing and the City's non-profit housing partners to identify immediate options, including the newly refurbished and upgraded BC Housing SROs, vacancies in private SROs and other directly managed stock. Vancouver Affordable Housing Agency's pilot program for modular housing will also deliver 40 self-contained units in the spring of 2017.

### Safety, inclusion and social services

The City continues to support innovative programs to create a safe and inclusive place for people to live, work and play.



### Support for arts and culture

This year marked the 25th anniversary of Vancouver's Public Art Program. The program promotes excellence in public art by supporting emerging and established artists in new and traditional media, and through award-based commissions and artist collaborations. Over 300 works of public art have been commissioned since the start of the program. In 2016, Council provided an additional \$1.5 million in funding for the program. This new funding made possible (1) the first Vancouver Mural Festival, featuring more than 56 murals that transformed entire buildings along Main Street; (2) expansion of the grants program for local community art projects; (3) development of a public art Imagination Zone, a project completed by post-secondary students through City Studio; and (4) a partnership with the Musqueam First Nation on arts and cultural infrastructure projects for South Vancouver.

Other public art projects commissioned in 2016 include bronze doors by local artist Erica Stocking for the new *néca?mat ct* Strathcona Branch Library and private sector commissions such as *Golden Tree* by Douglas Coupland. Over the next several years, planned art commissions include major artworks by local First Nations artists, a contemporary City of Reconciliation artwork and a commission in which an artist of international calibre will be invited to create a major artwork for Vancouver.

A major cultural milestone was reached in 2016 with Council's support for the purchase of several historic and culturally significant buildings and gallery spaces. Funds (\$1.5 million) were provided for the purchase of the building that is home to Western Front, one of Canada's oldest artist-run centres. Artspeak gallery group received funding to purchase their

space, and the City purchased two local cultural institutions, St. James Community Square and Joy Kogawa House.

On an annual basis, Council approves more than \$12 million in grants to more than 340 local non-profit arts and cultural organizations. These grants support more than 6,000 arts and cultural events including the Heart of the City Festival, PuSh Festival, Realwheels Theatre, Music on Main, Full Circle First Nations Performance, Bhangra Festival and Out on Screen. In 2016, Council also approved the first 20 Creative Spark Vancouver grants for emerging artists.

### **City of Reconciliation**

The City of Vancouver was designated a City of Reconciliation in 2014. In 2016, City Council approved moving forward on 41 actions outlined by the Truth and Reconciliation Commission of Canada that the City has jurisdiction over and ability to implement. This includes a commitment to provide cultural competency training for 350 City staff, covering topics on Aboriginal peoples of Canada, the history of colonization and the legacy of the residential school system. This training, now underway, started with the City Manager and Corporate Management Team.

As part of the City of Reconciliation Calls to Action, significant advancement has been made in 2016 on the theme of advancing awareness, knowledge and capacity. Vancouver City Council endorsed the vision, rationale, goals, scalable programming and resource requirements to use the Canada 150 anniversary celebration as a time for Indigenous recognition and celebration. The vision of this year-long project is for Vancouver to position itself as the Aboriginal cultural tourism destination in Canada in 2017. The City's mission is to stage Strengthening Our Relations: Vancouver Celebrates Canada 150+, in which Canada's many cultures – Musqueam, Squamish and Tsleil-Waututh First Nations, urban Aboriginal and Métis communities, settlers, newcomers and visitors – will learn, connect and celebrate. Signature activities will include a large-scale landing in July 2017 of the Tribal Canoe Journey en route to the We Wai Kai and Wei Wai Kum Nations' finale in August 2017, an 11-day festival of traditional and contemporary Indigenous and non-Indigenous arts in July 2017, and a large-scale Walk for Reconciliation in September 2017.

The City is also working in partnership with the Metro Vancouver Aboriginal Executive Council, representing 24 Aboriginal organizations, and has identified four sites to help support and provide affordable housing options for urban Aboriginal people. In total, these sites will create more than 600 affordable housing units targeted for youth, Elders, families and homeless individuals. The City also entered into a Memorandum of Understanding with Metro Vancouver Aboriginal Executive Council to foster relationships with urban Aboriginal leaders and organizations in Vancouver and to advance priorities, including housing, healing and wellness, and support for children, youth and families.

The Vancouver Board of Parks and Recreation also endorsed 11 ambitious strategies of the Truth and Reconciliation Commission of Canada. The strategies address critical themes identified by the commission, including language and culture, commemoration, professional

development and training for public servants, education for reconciliation, youth programs and sports. Specific measures adopted by the Park Board include a 360-degree approach to programming in culture, health and sport to increase public awareness and support for First Nations children, youth and Elders in Park Board programs. In addition, the Park Board will establish a program for Aboriginal and non-Aboriginal artists to collaborate on works inspired by reconciliation themes and carefully consider Aboriginal rights in granting permits for special events and sport hosting.

The Park Board also reaffirmed its commitment to its precedent-setting intergovernmental consultation with First Nations on stewardship of Stanley Park and other parklands. Vancouver became the first Canadian city to hire a full-time archaeologist, through the Park Board, to help preserve First Nations sites in the City's parks and to meet the Truth and Reconciliation Commission of Canada's recommendations. This new role is a key resource for the Park Board's ongoing work with the Musqueam, Squamish and Tsleil-Waututh Nations on a master plan for Stanley Park.

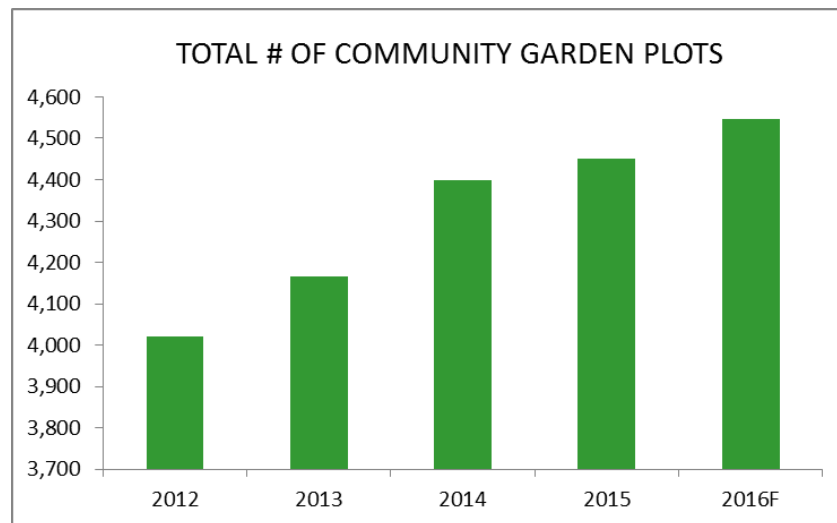
### **Resilient Cities network**

In May 2016, Vancouver was selected as one of the 100 Resilient Cities, a network of international cities committed to building urban resilience. As a member of the 100 Resilient Cities network, Vancouver will gain access to tools, funding, technical expertise and other resources to build resilience to the social, economic and environmental challenges of the 21st century. Funding for the appointment of a Chief Resilience Officer is provided by 100 Resilient Cities. This officer will work with a committee to develop a resilience strategy that brings together existing initiatives, such as the City's Greenest City Action Plan, Healthy City Strategy and Digital Strategy.

### **Healthy City Strategy**

The 2015-2018 Healthy City Strategy Action Plan introduced 19 actions focused on a healthy city for all. Five goal areas and related actions were prioritized for 2016: (1) healthy human services, (2) making ends meet and working well, (3) cultivating connections, (4) being and feeling safe and included, and (5) collaborative leadership.

In 2016, City Council approved several Innovation Fund initiatives to support the priority focus areas from the Healthy City Strategy Action Plan, including a grant of \$1 million for the capital portion of the overall costs of developing a new St. Paul's Mental Health Hub, a multi-partner project that aligns with the recommendations from the Mayor's Task Force on Mental Health and Addictions. Other funding goes to supporting increased social connections between residents, making contributions for poverty reduction initiatives, developing tools and training to support equity and diversity, and creating a civic innovation lab for City staff to work collaboratively in solving some of the more complex urban problems. A City policy was also introduced this year to support urban farming through an increase to food access, support of the local green economy and support of sustainable food systems.



### Support for mental health and addictions

The Healthy City Strategy and related initiatives – like the Downtown Eastside Community Economic Development Strategy – are rooted in the need for innovation that demands systems change. The systems involved in social and economic health and wellness, including housing, income and health, are multiple and intersecting. In the Downtown Eastside, collaboration with all orders of government, the non-profit and private sectors, and Aboriginal communities is needed at both operational and policy levels to create systems changes through:

**Suitable purposeful activity** – including volunteerism, the arts, low-barrier employment and entrepreneurial opportunities through social enterprise, that will help inform changes to the social assistance/employment system while breaking stereotypes of capabilities of many low-income residents. Key examples are (1) the Downtown Eastside Street Market and The Lux, which link people to income generation, purposeful activities, peer and health supports; and (2) the Carnegie Kitchen and the Women's Fair, which create new jobs.

**A continuum of care** – providing increased options for treatment, peer support, recovery, and housing for people struggling with serious mental health challenges and addictions. Outreach to house homeless people as part of a housing-first approach, Aboriginal healing and wellness initiatives, and a gendered approach to health and social services are among key priorities being acted upon.

**Fostering safe and inclusive environments** for all residents, workers and businesses through community economic and social development approaches to crime prevention. Examples include (1) the Blood Alley Square project that improves a sense of safety, provides jobs and offers green waste collection; (2) community farming that provides eyes on the street along with healthy food; and (3) efforts with Business Improvement Associations, Vancouver Police

Department, Vancouver Coastal Health, and housing, community and resident groups in response to the overdose crisis and other safety concerns.

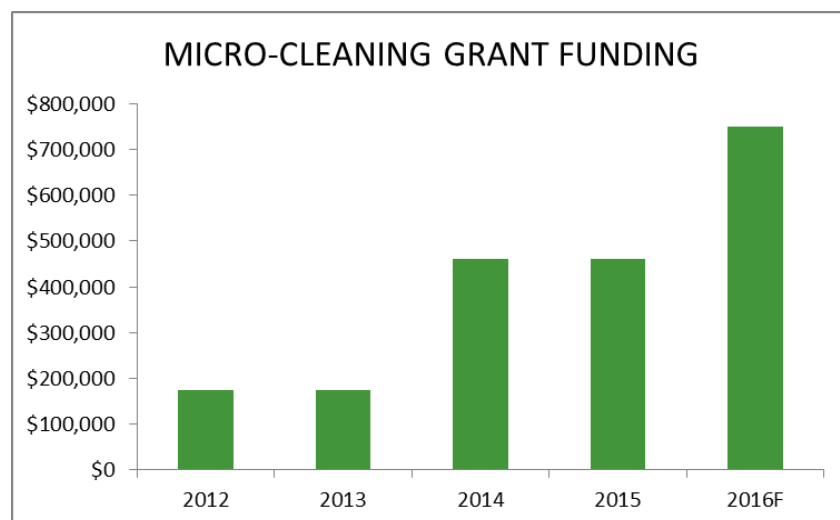
### Public realm cleanliness

The quality of the urban environment and the perception of a clean, green city can be greatly affected by the amount of litter, graffiti and waste that is visible in the public realm. As material disposal bans are implemented, the City has experienced an increase in the amount of waste being abandoned in laneways and undeveloped areas. Litter on streets, sidewalks and boulevards, including disposal of needles and drug paraphernalia, has become an increasing problem.

The demand for services in the Downtown Eastside and surrounding areas has increased significantly with more and more incidents of random needle disposal, litter problems and abandoned waste issues. This has resulted in a need for a higher level of service, including additional micro-cleaning support from non-profit organizations.

The strategic approach being taken to improve public realm cleanliness is modelled on other successful litter reduction programs and involves improvements to four key areas: (1) services and infrastructure, (2) communications and education, (3) regulation and enforcement, and (4) partnerships and collaboration. Initiatives include increased recovery of litter and abandoned waste, additional litter cans in hot spots, higher levels of service with quicker response times resulting in reduced escalation of 3-1-1 calls/complaints, shift to a zone-based approach for increased efficiencies, establishment of a large-item collection program for residents to help reduce pressure on the abandoned waste program, improved anti-littering education and outreach programs, and other new program developments to support Council's goals around increased waste diversion in the public realm. Additional funding has also been allocated to the street cleaning grant program for non-profit organizations to support low-threshold employment for micro-cleaning.

The following chart shows funding for micro-cleaning grants from 2012 to 2016.



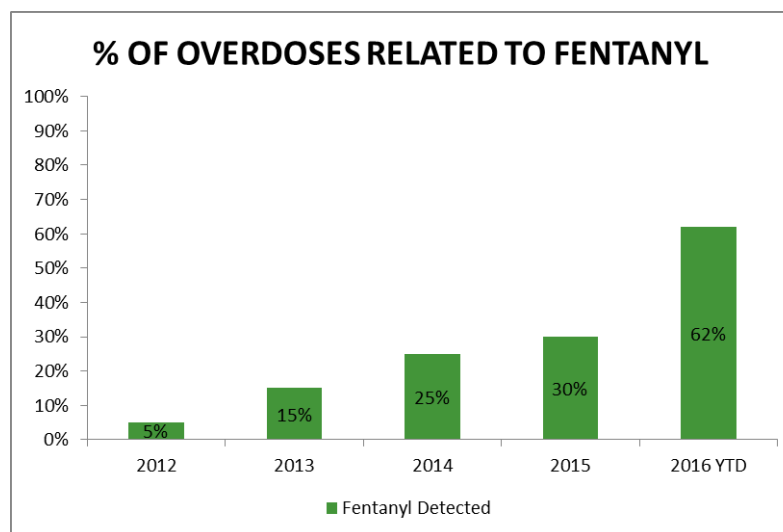


## Public safety

The City's public safety service delivery continues to evolve. This year, the first of the City's new fire truck fleet was delivered with improved technology to respond to fire events in the urban environment, and new scheduling software was developed and tested that will improve the effective deployment of staff resources (full implementation in 2017). In addition, one of two new fire boats was brought into service. The new boats are bigger, faster and have three times the pumping capacity of the old boats. In 2016, the Vancouver Police Department began an operational review in consultation with external policing experts that will be completed in 2017. The outcome of this review will inform police department service plans and will enable continued leadership in public safety for the years to come.

The fentanyl crisis continues to put pressure on Vancouver's first-responder services. The numbers indicate that Fire Hall #2 calls have increased 42% year over year from 2015 to 2016 (Jan to Oct) with calls for overdoses increasing 111% year over year for the same time period. As of February 2016, VFRS has been trained in administering Naloxone and has administered to patients 53 times up until the end October 2016. Public awareness campaigns have been launched, and the City is working with partner agencies to coordinate an action plan to address this crisis.

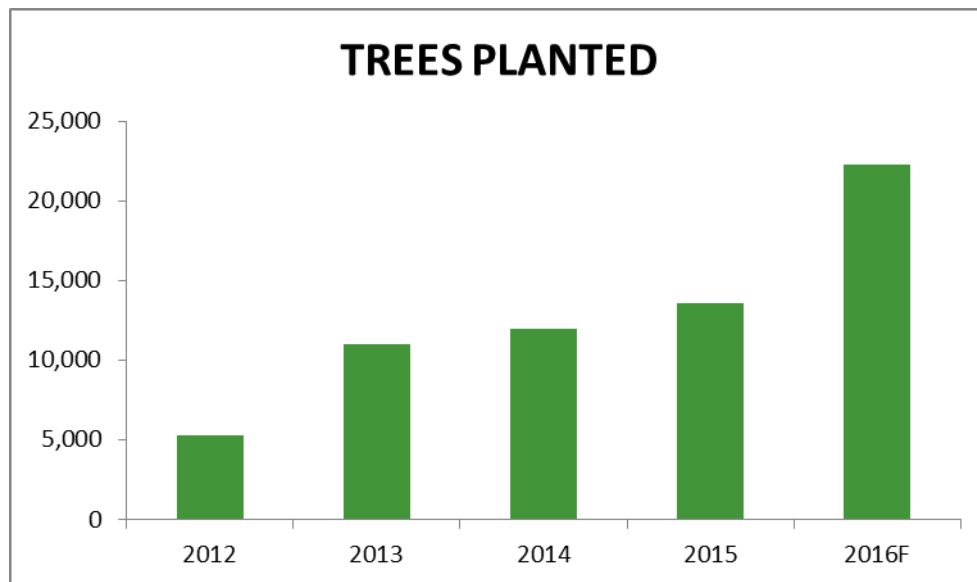
The following chart shows the percentage of Overdoses related to fentanyl.



## Additional parks and open spaces

New parks will be opening in many Vancouver neighbourhoods over the next several years, including Downtown South, Olympic Village, Northeast False Creek and East Fraser Lands. Trees will continue to be added to the City's urban forest, in line with the Greenest City Action Plan goal of planting 150,000 new trees by 2020.

The following chart shows the number of trees planted in Vancouver from 2012 to 2016.



The Biodiversity Strategy was adopted by the Park Board in January 2016 and by City Council in April 2016. Together with the Urban Forest Strategy, the Rewilding Action Plan, and the Vancouver Bird Strategy, it provides a foundation for protecting and restoring natural areas, species, and ecological processes, and for improving access to nature in all of Vancouver's neighbourhoods. It describes strategies to restore priority habitats such as forests, wetlands, and shorelines as part of a city-wide ecological network, to change the City's operations to better support biodiversity, and to celebrate biodiversity as an important part of city life. A number of biodiversity projects are scheduled, including the enhancement of Beaver Lake in Stanley Park, a new salt marsh at New Brighton Park and daylighting of Tatlow Creek in Tatlow and Volunteer Parks.

### Swim to Survive initiative

The Park Board Swim to Survive initiative, aimed at Grade 3 children, is a Lifesaving Society program that provides young children with basic critical skills training to survive an unexpected fall into deep water.

### Aquatics strategy

The Vancouver Board of Parks and Recreation is currently developing a new Aquatic Services Strategy, VanSplash, anticipated to complete in the summer of 2017. The purpose of VanSplash is to develop a 10-year implementation strategy for aquatics services that enhances social inclusion, supports community and personal well-being and reviews the condition and effectiveness of the Vancouver Park Board aquatics services delivery system.

The public engagement process launched in July 2016 with an online survey that received more than 4,500 responses. In addition, stakeholder workshops in late October and November 2016 engaged representatives from aquatic groups, community organizations, people with disabilities and other interested groups across the city. A number of the City's advisory

committees also participated. The feedback received from this first phase of work will inform a current state report and a stand-alone consultation summary that will be made available to the public. A precedent study of examples from around the world is planned, and the analysis and preliminary recommendations will be drafted in 2017.

### **Vancouver Public Library**

Vancouver's newest library, néca?mat ct Strathcona Branch Library, will be opening in the Strathcona/Downtown Eastside/Chinatown neighbourhoods in the first quarter of 2017. Long awaited by the community, this 12,000-square-foot library features diverse collections, access to computers and the internet, a mini digital creation studio, reading and study spaces, and community meeting rooms. With a full suite of public library programs planned, this will be the first time these neighbourhoods will have access to a full-service library in their own community.

Work is also well underway to prepare the top two floors of the Central Library for public use. The new public areas are planned to open by spring 2018 and will include interactive exhibition space; a quiet reading room; a variety of programming, gathering and community meeting spaces; an auditorium; two open-air public terraces; and an 8,000-square-foot public garden. As well, work has started on planning for the relocation of the City of Vancouver Archives to the Central Library, with the relocation itself proposed for the next capital plan.

Vancouver Public Library launched the Sun Life Financial Musical Instrument Lending Library in 2016. With 100 musical instruments – including violins, guitars, mandolins, banjos, various drums, and electronic keyboards and pianos – available for borrowing by residents, this new lending collection provides access to creative musical opportunities and exploration.

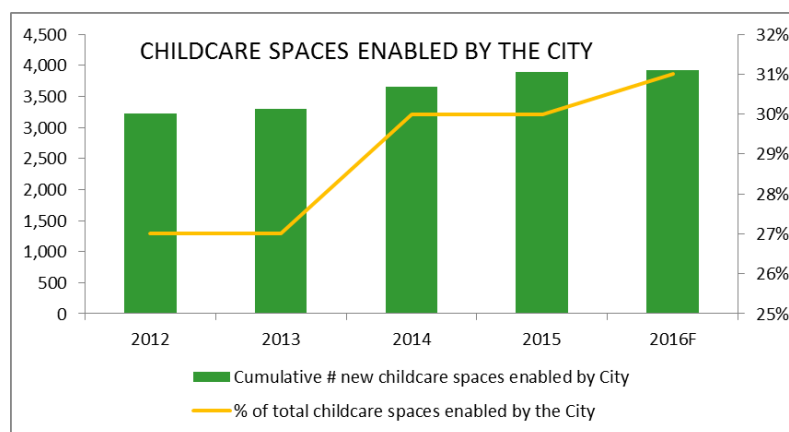
### **City's commitment to inclusion – Jim Deva Plaza**

In July 2016, the City officially opened Jim Deva Plaza, Vancouver's first pavement-to-plaza project, created by redesigning the city block into a single continuous smooth surface that invites people to sit and spend time relaxing in this busy urban centre. A grassroots community-driven initiative, the plaza supports the plans to invest in Davie Village public spaces and enhance the area's distinct character as a hub for the lesbian, gay, bisexual, transgender, queer and two-spirited (LGBTQ2+) community.

### **Childcare spaces exceed target**

The City's Healthy City Strategy's good-start goal to decrease child vulnerability and improve school readiness is reinforced through the creation of quality childcare spaces. The City is now more than halfway to its four-year target of creating 1,000 new childcare spaces, part of a record investment in expanding childcare in Vancouver. As part of the Council-directed target for 2015 to 2018, a total of 577 new childcare spaces have been approved so far, with 188 new spaces having been built since 2015 and 389 spaces committed and currently under development. Access to affordable childcare is a cornerstone to economic development, attracting and retaining a strong workforce and supporting parents to participate and contribute toward a resilient economy.

The following chart shows the cumulative number of childcare spaces and the percentage of total childcare spaces enabled by the City in the period from 2012 to 2016.



### Living Wage Employer

The City is proud to join other public and private sector employers in taking steps to become a certified Living Wage Employer. Certification eligibility is determined by the Living Wage for Families Campaign. Council adoption of the Healthy City Strategy Action Plan in 2015 and a subsequent September 2016 staff report form the basis for a Living Wage Implementation Plan that will be submitted to the campaign by January 31, 2017. To date, more than 65 employers in BC have achieved certification, including Vancouver City Savings Credit Union (Vancity), the City of New Westminster and the City of Quesnel. The City of Port Coquitlam, City of Parksville and Huu-ay-aht First Nation have also initiated the process to become certified as Living Wage Employers.

All City of Vancouver employees are currently paid at or above the designated Living Wage. However, in order to achieve certification, employees provided under third-party contracts must also receive compensation above the Living Wage threshold. The majority of current contracts already meet the criteria, but it is expected to cost the City an additional \$590,000 to increase compensation levels to that threshold for security, janitorial and graffiti removal services.

Benefits of providing compensation at or above the Living Wage threshold include (1) improved mental and physical health and economic well-being of employees, which can translate into increased productivity; (2) decreased employee turnover and absenteeism and increased retention; and (3) public recognition for socially responsible corporate practices.

The following table shows the Vancouver Living Wage Rates from 2012 to 2016.

	2012	2013	2014	2015	2016	Trend
Vancouver Living Wage Rates	\$19.14	\$19.62	\$20.10	\$20.68	\$20.64	



### Access to City services without fear

In May 2016, Council approved a policy to allow vulnerable residents who have uncertain or no immigration status access to City services without fear that the City will report their immigration status to other public institutions or other governments, unless required by law. This policy is an important step toward enhancing Vancouver's identity as an inclusive and welcoming city for all people living here.

## Economic development

### Innovation and technology



Vancouver has experienced significant growth in sectors such as technology, green and sustainable industries, technical apparel, digital entertainment and interactive media. Innovation is fundamental to each of these areas and helps to create a more vibrant and resilient local economy.

Part of the lure for innovation companies and global talent is Vancouver's highly educated population, good access to walking, cycling and public transit, and a dense, walkable mixed-use core. To further foster growth in this area, the City aims to continue to invest in public infrastructure, such as transit, digital infrastructure, and social and collaborative spaces.

The City of Vancouver also continues to establish itself as a premier destination for film and TV production. In 2015, 353 productions were filmed in Vancouver for a total of 1,518 film days – up from 235 productions in 2014. In 2015, the City took in \$710,000 in permits related to the film industry, and more than \$143 million was paid out in wages to Vancouver residents. In addition, in June 2016, the City Council approved funding for a Film Commission Office, which will support the growth and success of the Vancouver film, television and digital

entertainment sectors and help establish Vancouver as the premier global hub for the industry.

Vancouver has also been increasingly active in the thriving tech industry. BC's tech industry has experienced the second-highest growth rate of all BC industries, up 12% since 2007, and employing more than 105,000 people today.

Furthermore, one in 20 people are employed in the City of Vancouver's fast-growing green economy. This includes subsectors such as cleantech, clean energy, green buildings, waste diversion and local food. Although Vancouver represents 7% of the national population, it accounts for 25% of Canada's cleantech clusters.

### **TED talks**

TED (technology, entertainment and design) talks are known around the world as a source of inspiration and innovation as well as an opportunity to rethink some of the world's most pressing challenges.

Since 2014, Vancouver has hosted the annual TED conferences, and for the third year in a row, the entire TED conference was streamed live at various locations around the city, including libraries, colleges and universities, public plazas, and non-profit and community centres. The next Vancouver TED conference, TED2017: The Future You, will be held in April 2017.

### **Major sporting events**

Vancouver is on the global map for hosting major sporting events, leveraged by the City's successful history of sports hosting, including the 2010 Winter Olympic Games, Davis Cup 2015 and FIFA Women's World Cup Canada 2015. The city also offers world-class sports and recreation venues, attractive meeting spaces, efficient transit services, digital connectivity and vibrant public spaces.

Several major sporting events were held in Vancouver in 2016, including the HSBC Canada Sevens Vancouver rugby tournament, the Little League Canadian Championship, the Americas Masters Games, two Canadian Men's National Soccer Team qualifying matches (for 2018 FIFA World Cup Russia), a Canadian Men's National Rugby Team international test match, an international soccer match with Vancouver Whitecaps and Britain's Crystal Palace, and the Subaru 5i50 Vancouver Triathlon.

Between 2017 and 2021, Vancouver will be actively competing for and attracting new major sports events, which will drive economic activity in the city, contribute to a lasting event legacy and support key Vancouver goals, such as active living, community engagement and livability.

### **Greenest City**

Vancouver has made a commitment to become the world's greenest city, and its Greenest City Action Plan and the Renewable City Strategy are the plans that will take the city there.



### Greenest City implementation update

The City's Greenest City Action Plan addresses Vancouver's environmental challenges and highlights the directives to reduce overall greenhouse gas emissions by 33% below 2007 levels by 2020. Many of the 170 actions are already completed or underway.



In July 2016, the City of Vancouver released the fifth Greenest City Action Plan Implementation Update, highlighting significant accomplishments made in 2015 and 2016. One of the items highlighted in the implementation update was the Building Energy Retrofit Fund, approved by City Council in February 2016, which will support the Energy Retrofit Strategy in expanding programs that result in energy-efficiency upgrades for buildings throughout the city. The fund targets buildings that have the most potential to reduce energy use and emissions. It also helps the City meet its carbon reduction targets and leverage significantly more funding from provincial programs, utility incentives and private investments.

The report also noted that the City can also be a catalyst for change through its own internal operations, by adopting zero-emission standards for new City buildings and transitioning the City's vehicle fleet to renewable sources of energy.

The Greenest City Action Plan Implementation Update was also an opportunity to highlight the community partnerships that have been essential to the City's efforts toward sustainability, such as the Greenest City Scholars Program, now in its seventh year, which has connected 100 University of BC graduate students with the City to perform meaningful research on sustainability initiatives.

### Renewable City Strategy

The Greenest City Action Plan Implementation Update also highlighted the Renewable City Strategy, which commits Vancouver to deriving 100% of its energy from renewable sources before 2050. The Strategy also sets a target to reduce the community's greenhouse gas emissions by at least 80% below 2007 levels before 2050.

The Renewable City Strategy is the natural continuation of the Greenest City 2020 Action Plan, and complements the Healthy City Strategy and the Vancouver Economic Action Strategy, the City's approaches to social and economic sustainability.

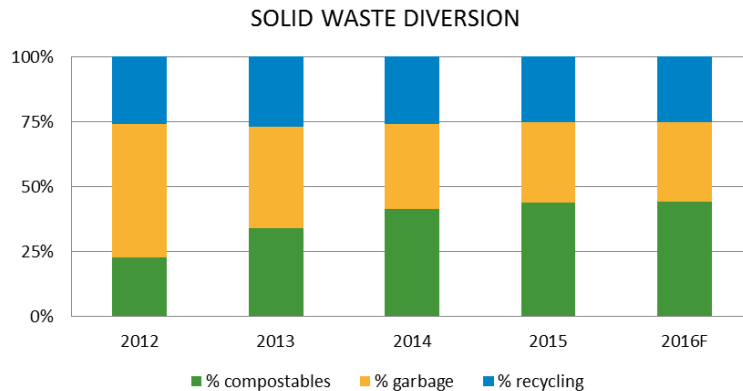
The strategy is based on three key principles: (1) reduce energy use, (2) increase the use of renewable energy, and (3) increase the supply of renewable energy. Energy efficiency and conservation measures have the largest long-term impact and are the most cost-effective way to move towards using only renewable energy. In the same way, increasing the use of existing renewable energy resources is more cost-effective than building new.

The Strategy will target two major energy consumers and greenhouse gas emitting sectors: buildings and transportation. There are also many other sources of greenhouse gas emissions that the City will continue to address, in partnership with residents and businesses.

### Zero Waste Strategy

The City's Zero Waste Strategy complements the Renewable City Strategy by building a path for the City to increase resource recovery, reduce reliance on disposal and become a zero waste community by 2040. The Zero Waste Strategy focuses on actions to move toward the City's goal of 100% resource recovery.

The following chart shows three types of solid waste that are diverted from landfills and how the percentage of compostables, garbage and recycling diverted has changed from 2012 to 2016.



### Leadership in climate change

And while the City contributes toward a better, healthier quality of life for residents, the City is also sharing its knowledge and experience on a global level.

In 2015, Vancouver Mayor Gregor Robertson joined the Compact of Mayors and led a Vancouver delegation to Paris for the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change, joining other world leaders to strengthen commitments to reduce emissions worldwide. At the conference, Vancouver was presented with a prestigious C40 Cities Award, recognizing the City's Greenest City Action Plan as a global example of the role greenhouse gas management can play in driving climate action. Vancouver was also widely recognized for the Renewable City Strategy, an example of a city accelerating and intensifying the actions and investments needed for a sustainable low-carbon future.

### Skytrain Millennium Line Broadway Extension (Broadway Subway)

In June 2016, \$740 million was committed toward the first phase of the Mayors' Council 10-year Vision for Metro Vancouver Transit and Transportation. This included contributions from the federal government (\$370 million), provincial government (\$245 million) and TransLink (\$125 million). This commitment includes funding for planning and pre-construction work on the Skytrain Millennium Line Broadway Extension project (\$23 million) in preparation

for full funding and procurement as well as Millennium Line upgrades and fleet expansion (\$67 million).

The Mayors' Council on Regional Transportation has proposed a funding strategy totalling \$5.8 billion in regional taxes and fees to pay for its 17% share of capital costs and 100% of life-cycle operating costs for the transit and transportation initiatives described in the 10-year vision.

The Mayors' Council and TransLink are currently negotiating with the provincial and federal governments on the second phase of federal funding required to implement the 10-year vision. The aim is to secure these funding commitments by the end of 2016 or early 2017 and move forward with procurement for the Skytrain Millennium Line Broadway Extension.

### **Active transportation**

Transportation 2040 establishes walking and cycling at the top of the transportation hierarchy and sets out a vision to make walking and cycling safe, convenient and comfortable for people of all ages and abilities.

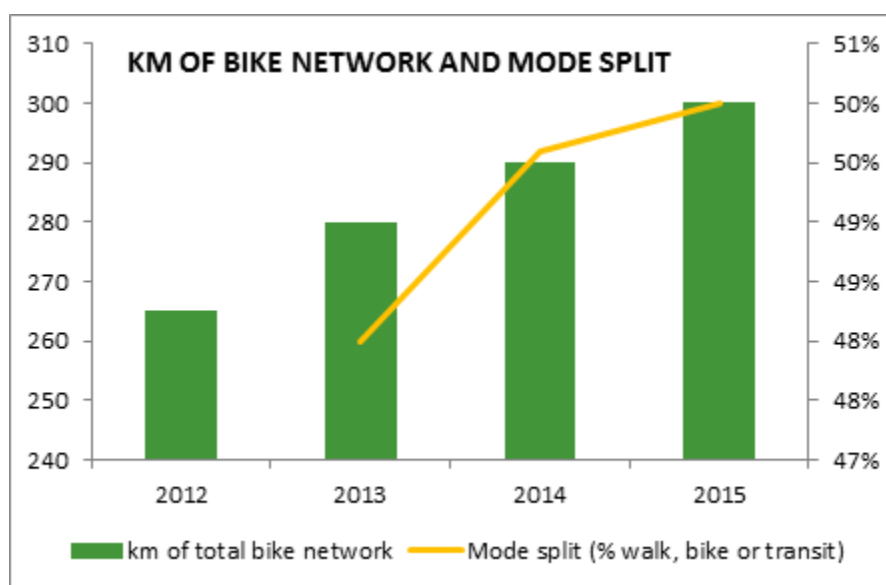
The results have been impressive, with the number of biking trips growing by a third in the last year and 7% of trips in the city now being made by bike. In some neighbourhoods, that figure is as high as 17%. Overall, half of all trips in the city are now made on foot, bike or transit, up from 40% in 2008. Before-and-after studies on individual projects indicate not just higher walking and biking volumes, but also improved safety for all modes, demonstrated health benefits and unaffected travel times for other modes.

Active transportation highlights from this year include:

- Launch of the new Mobi bike share program, a significant investment in urban bike use
- Acquisition of Arbutus Greenway from CP Rail – 42 acres of open space running approximately 9 kilometres, to be developed as a corridor for walking, cycling and future light rail transit
- Continued progress of safety upgrades to the Knight Street-Marine Drive intersection
- Moving to Vision Zero: Road Safety Strategy safe systems approach
- Continued progress of upgrades to the 10th Avenue, Ontario and Adanac bike routes

Health impacts as a result of land use and transportation investments are also being considered, such as the physical and social effects of improvements to the Arbutus Greenway. The City is also looking at its hard infrastructure, such as addressing safety hot spots with a focus on vulnerable road users and upgrading and expanding the cycling network. Building on direction in Transportation 2040, Greenest City and Healthy City Strategy, the City is working to enliven streets and plazas to create vibrant, accessible public spaces that foster economic activity and encourage a culture of walking, cycling and social interaction.

The following chart shows the kilometres of total bike network developed in Vancouver from 2012 to 2016 and how the mode split (percentage of trips made by walking, biking or using transit) has changed over that time.



## Value for money

To continue to provide more services for residents without significantly increasing taxes and fees, the City needs to optimize the value received for money spent.

The City focuses on performance measurement and continuous process improvement to maintain the City's financial health and achieve operational efficiencies. Performance measurement is used to enhance customer service, efficiencies and accountability as well as to help guide business transformation decisions.

## Performance metrics and continuous process improvement

A significant amount of work has been completed in 2016 toward the increased use of performance metrics and continuous process improvement throughout the City's operations. As an example, to reduce the backlog of permits and permit wait-times, staff looked at a number of processes, including better use of performance metrics, bi-weekly operations review of actual times versus targets, stricter control on permit requests for completeness, regular meetings with the Greater Vancouver Home Builders' Association, and implementation of a new permit project tracking system (POSSE) for development permits. As a result, new single-family permit applications are now being plan-checked within eight to 10 weeks compared with the 16 weeks typically experienced six months ago.

A similar process is being used to gain insight into street cleaning and sanitation operations. Ongoing monitoring and analysis procedures – using performance metrics in program areas such as street leaf collection, micro-cleaning grants and litter pickup – are currently being

developed. Performance metrics such as response time, 3-1-1 contacts, tonnage collected and heat maps will be used to help establish appropriate service levels and ongoing performance measurement and reporting.

### **Enhancing customer service and operational efficiency**

The Permit and Licence Transformation Program was initiated in 2010 with the goal of achieving greater customer service, enhanced operational efficiency and effectiveness, increased sustainability and increased system reliability. The program is bringing permit, licensing and inspection service delivery in line with best practices. It is also replacing an aging technology infrastructure with a modern platform that offers online and mobile functions capable of handling the simplest to the most complex transactions, including the replacement of up to 40 existing systems with a single integrated system. By mid-2016, approximately 58% of the estimated 200,000 permits, licences and approvals issued by the City were processed online.

The Warehouse Inventory Management program was initiated to enhance warehouse and inventory management, streamline and standardize operations across the City's warehouses, and optimize site layouts and equipment to provide a single view of the City's inventory operations that will ensure the right supplies are available and delivered as needed in the most sustainable and cost-efficient way.

## Public engagement

The public engagement process to help guide planning for the 2017 Budget took place in October 2016 with the objectives to:

1. Build community knowledge about the services the City offers, the context within which spending decisions are made, and the trade-offs that must be considered.
2. Survey a representative sample of residents and businesses to continue to measure satisfaction with civic services, validate spending priorities, and gather input on tax tolerance and cost-saving measures. This is a pulse check to provide an extra layer of information for staff in shaping their final budget report, and for Council during final decision making.
3. Provide an opportunity for the public and advisory stakeholders in the community to enter into dialogue with Finance staff on budget challenges and priorities.
4. Keep amassing baseline data for comparison and tracking purposes for ongoing planning.

A two-pronged strategy was used to engage the public.

### **Broad canvassing of residents and businesses using three survey tools**

- A Talk Vancouver survey of businesses and residents available in Traditional Chinese
- An Insights West poll of residents and businesses with oversampling in Chinese language
- A supplemental three-question survey asked of residents who called the City's 3-1-1 service

### **Face-to-face outreach**

These were conducted via a nine-stop budget roadshow to neighbourhood houses, libraries and community centres, and a meeting with stakeholders from community organizations, advisory committees and COV partners like BIAs, Vancouver Economic Commission and Vancouver Board of Trade.

The following is a summary of our findings from these opportunities to give input on the 2017 Budget. More than 5,000 people provided feedback, collected through these different methodologies:

Consultation activity	Participants
<b>Online Service Satisfaction Survey</b> , October 1–25 (also available in Traditional Chinese)	<b>2,590</b> (2,110 residents, 480 businesses)
<b>Insights West Survey</b>	<b>1,615</b> (1,327 residents, 288 businesses)
<b>Budget Road Show</b> (interactive educational questions)  Wednesday, October 12 <ul style="list-style-type: none"> <li>• Douglas Park Community Centre</li> <li>• Roundhouse Community Centre</li> <li>• Vancouver Urban Aboriginal Friendship Centre (Westcoast Night – Haida Nation hosting)</li> </ul> Thursday, October 13 <ul style="list-style-type: none"> <li>• Carnegie Community Centre/Library</li> <li>• Gordon Neighbourhood House</li> </ul> Friday, October 14 <ul style="list-style-type: none"> <li>• Dunbar Community Centre</li> <li>• Sunset Community Centre</li> <li>• Renfrew Branch Library</li> <li>• Terry Salman Branch Library</li> <li>• Hillcrest Community Centre</li> </ul>	<b>326 respondents</b>
<b>Random 3-1-1 Caller Survey</b> (three key questions asked from the Service Satisfaction survey)	<b>691 residents</b>
<b>Stakeholder Workshop</b> , October 24, 2016  Members of advisory committees, community organizations, business improvement associations	<b>25 participants</b>
<b>Total citizens engaged</b>	<b>5,247</b>



## Public feedback highlights

Here are highlights of the service satisfaction survey results. Results are presented in greater detail in the full public engagement report in Part III.

### Important City issues

Top priorities are fairly consistent across groups of respondents. Housing, cost of living and infrastructure/transportation are the key issues on the minds of Vancouver residents and business owners.

An interesting and valuable comparison tracks shifts in the public's budget priorities from year-to-year. We can see that the public's top-of-mind concerns and priorities have shifted from 2012 to today's budget profile. This shift reflects in part actions taken to address the public concerns.

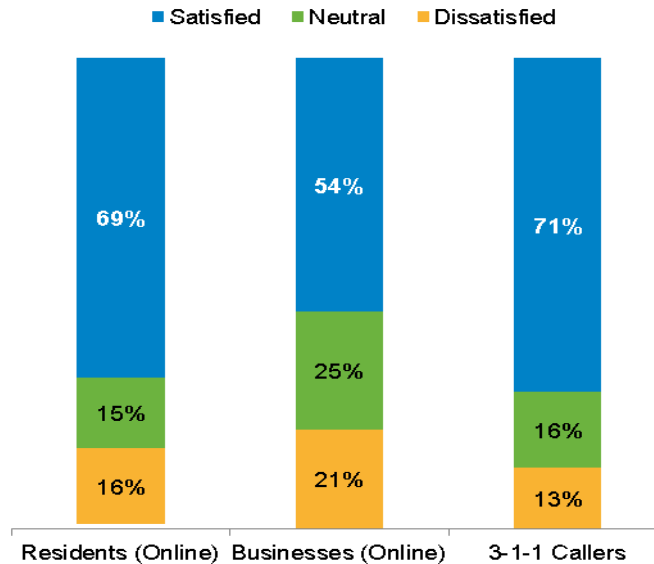
It is also a helpful reminder of how the public dialogue on key issues, such as housing and transportation, and challenges, such as crime and the environment, has shifted. We will continue to track these issues and shifts longitudinally, through our research on public values and priorities.

Current Consultation on Budget 2017		Prior Year Consultation on Budget 2016		Consultation on Budget 2012	
Residents (Online)	Businesses (Online)	Residents (Online)	Businesses (Online)	Residents (Online)	Businesses (Online)
Housing /accommodations (56%)	Cost of living (47%)	Cost of living (46%)	Cost of living (44%)	Social Issues (42%)	Transportation (35%)
Cost of living (52%)	Housing /accommodations (44%)	Infrastructure /transportation (44%)	Infrastructure /Transportation (41%)	Transportation (26%)	City Finances and Property Taxes (29%)
Infrastructure /transportation (37%)	Infrastructure /transportation (38%)	Housing /accommodations (42%)	Housing/ accommodations (29%)	City Finances and Property Taxes (18%)	Social Problems (22%)
Social Issues (34%)	Development (29%)	Social issues (34%)	Development (28%)	Crime (10%)	Crime (8%)
Development (30%)	Social Issues (22%)	Development (33%)	Social issues (26%)	Environmental/ Green issues (33%)	Environmental concerns (7%)

## Satisfaction with City services

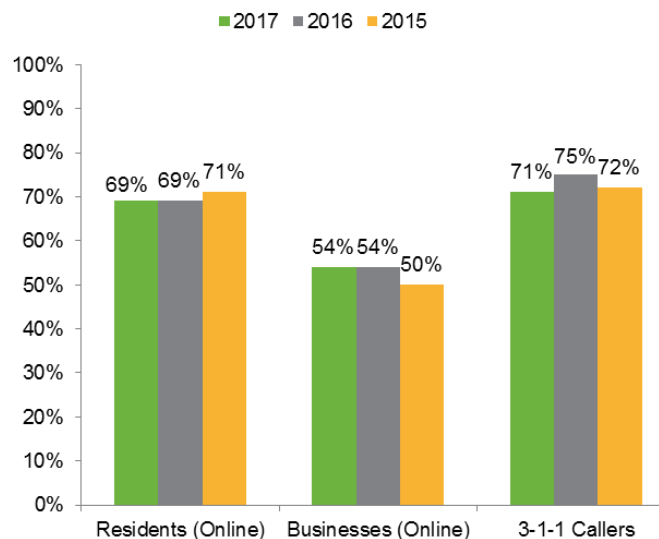
Levels of satisfaction are high across all groups of respondents. On average, three-quarters of residents are satisfied with City services (across all methodologies).

### SERVICE SATISFACTION - 2017 BUDGET



The average levels of satisfaction among residents (online, 3-1-1) has been stable over the last several years, at or above 70% of those surveyed. Among businesses, satisfaction has also been stable, with a small increase in the percentage who say they are satisfied ('very' or 'somewhat' satisfied) with City services to 54%, from 50% in previous years.

### Satisfied with City Services



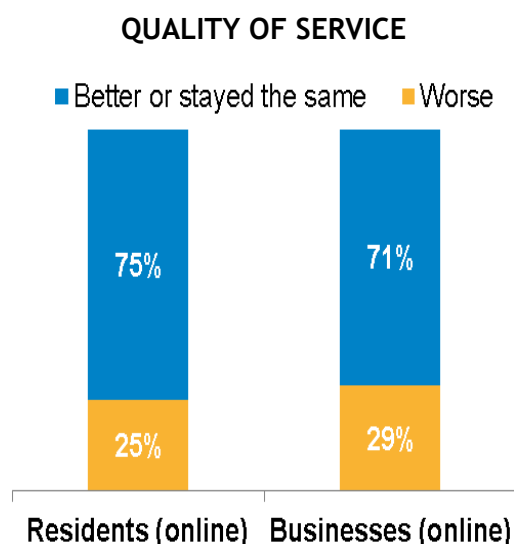
## Quality and value of services

The City receives the strongest satisfaction ratings (percentage showing those who rate performance an 8, 9 or 10 on a 10-point scale) for:

- **Providing basic services, such as sewer, water, drainage** (61% residents, 52% businesses)
- **Fire prevention and responding to medical calls** (55% residents, 55% businesses)
- **Garbage collection, composting and recycling** (52% residents, 44% businesses)
- **Providing access to library resources** (52% residents, 44% businesses)

Satisfaction levels for most City services are higher among residents than businesses in Vancouver.

Over the last few years, a majority of residents and businesses consistently believe the quality of services provided by the City have either stayed the same or improved. Businesses in particular are showing large improvements in their perceptions of the stability and enhancement of City services.



### 2016 Budget Survey

Residents (online): 76% — Better or stayed the same

Businesses (online): 74% — Better or stayed the same

### 2015 Budget Survey

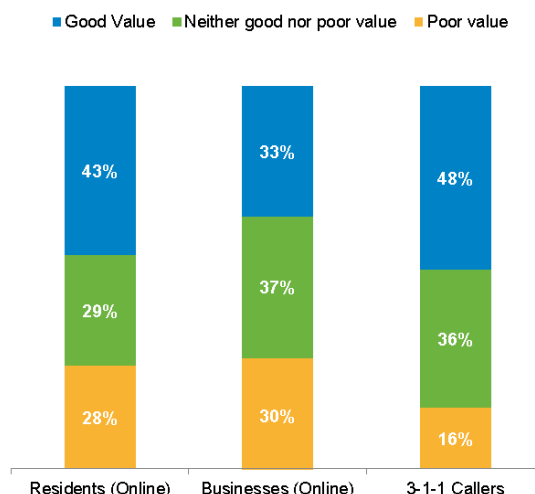
Residents (online): 73% — Better or stayed the same

Businesses (online): 66% — Better or stayed the same

## Service value for tax dollar

- Residents are more likely than businesses to believe they are receiving good value for their tax dollar. Across all residents (online, 3-1-1 and in-person), 45% believe they are receiving good value for their tax dollar.
- Perceptions among businesses are split, with about a third of business respondents believing they receive good value for their tax dollar, and a third who think they do not.

### SERVICE VALUE FOR TAX DOLLARS



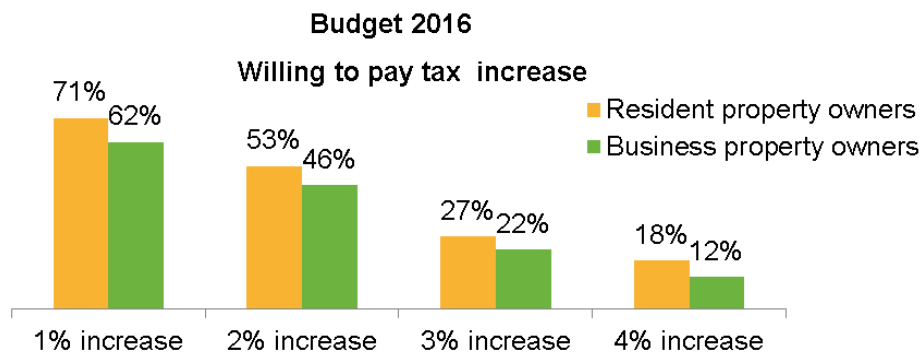
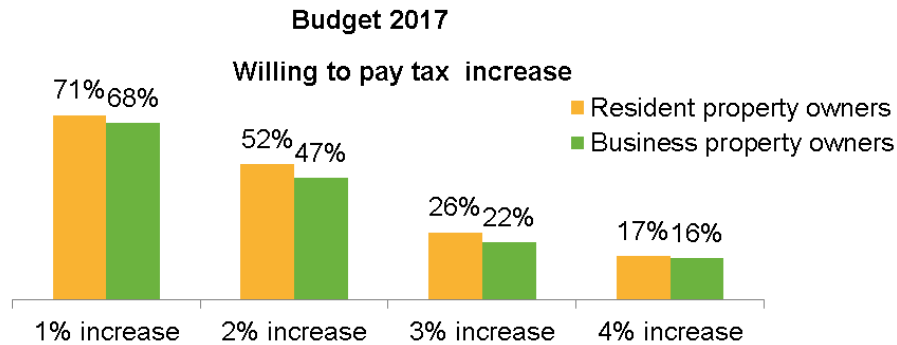
## Willingness to support a tax increase

To continue providing services to citizens at current levels, the City may need to increase the amount of taxes it collects to cover increased costs for existing programs and services.

Residents who own their homes and businesses who own their business properties were asked if they would be willing/unwilling to pay an increase in their property taxes at four different levels: 1.0%, 2.0%, 3.0% and 4.0%.

The majority of resident property owners and business property owners are willing to pay a 1.0% tax increase. Overall, one-half are also willing to pay a 2.0% tax increase (though resident owners are somewhat more willing than businesses).

Levels of tax tolerance remain similar to last year, with some small incremental drops in the willingness to support tax increases across taxation levels for both residents and businesses.



### Support for efficiency measures

The public is open to a variety of tools to balance the City's budget, so no single measure presented was supported by a majority of residents or businesses. Respondents were most likely to support the following measures (on average):

- Introducing new user fees for some City services that currently have no fees (46%);
- Increasing user fees for City services that currently have fees (41%); and/or,
- Reducing the level of staff or personnel providing services (38%).

When probed about user fees, both resident and business respondents (66% on average) were willing to support increased fees for services they or their business used.

### Stakeholder meeting feedback

On October 24, 2016, the City of Vancouver finance team met representatives from the City's broad range of community stakeholders, Council advisory committees and Business Improvement Associations to provide their perspectives on budget directions and public input.

Twenty-five participants attended the workshop representing: Seniors Advisory Committee, Women's Advisory Committee, Persons with Disabilities Advisory Committee, Arts and Culture Policy Council, Vancouver Planning Commission, LGBTQ2+ Advisory Committee, Association of

Neighbourhood Houses, West End BIA, Vancouver Board of Trade, Vancouver Economic Commission, Creative BC, SFU, Commercial Drive BIA, and BC Tech Association.

Participants were presented with an overview of budget planning and the economic outlook as well as mid-point results from the public consultation. They used this information to answer key questions in small group discussions and further discussion was facilitated by City's staff.

Some of the key themes taken from the meeting were:

- Housing affordability is a key priority and a number of the participants felt that more action is needed. Growing homelessness faced by people with disabilities and LGBTQ+ youth were articulated as priorities.
- Increased usability of the website for users with challenges, as well as easier to access information about services, e.g. licensing, permits and payments.
- We heard a desire to improve our digital presence both in sophistication and usability. Social media was included in this commentary, as well as a process of moving consultations online through live streaming and more online engagement.
- Better communication and information is needed about how taxes are apportioned, especially to specific areas such as arts and culture and community.
- Concern about staff turnover and how it affects the efficiency of standing committees and other community, knowledge-based relationships.

### Summary of Insights West research

The City hired a third-party opinion research firm to run a side-by-side comparison with results from the City of Vancouver's online survey.

The rationale was two-fold:

- Talk Vancouver is an important, representative tool that combines members with those drawn to specific issues and surveys through City of Vancouver's website. As such, we wanted to examine our findings against a representative, randomized sample of Vancouverites who might be less attuned to civic issues or budgeting processes.
- We are seeking to create an ongoing tracking tool to allow us to test our data and create another comparative tool from year to year to ensure we are getting the full and complex picture of residents' priorities and satisfaction with municipal services.

This year, we noted some divergence between the results of the Insights West and Talk Vancouver results. There are a number of possible variables that might have impacted the results. However, we will continue to track public feedback in this way to gain a full picture and to verify our results.

## Public feedback results

The results of the Service Satisfaction survey are used to inform the 2017 Budget before it is presented to Vancouver City Council for approval in December 2016.

Public feedback from the survey has helped validate City spending priorities for 2017, with significant investment in those areas deemed priority issues by the public, as well as areas where the public noted opportunity for improvement.

These areas include the following and more details are found in the Operating Budget and Capital Budget sections:

- **Housing** – Strategy is underway to increase the availability and range of affordable housing choices for the growing and diverse mix of residents of Vancouver; through strategic partnerships with both the federal and provincial governments, non-profit agencies and developers on City land, through inclusionary zoning policies, and through Community Amenity Contributions from rezoning;
- **Taxes** – The increased taxes are apportioned to enable major investments for enhancing Vancouver's equity, safety and livability, arts and culture, financial health and operational effectiveness, in addition to housing needs and affordability.
- **Digital services** – Investments in digital services, information technology, new online permitting and sustainment system are planned for in the 2017 Budget;
- **Infrastructure** – It is essential that Vancouver's infrastructure be maintained in a state of good repair to ensure maximum service life and return on investment. Approximately 65% of the 2017 Annual Capital Expenditure Budget is directed toward the renewal of existing infrastructure;
- **Improvements to service efficiencies** are reflected in the proposed budget, including operating and capital funding to continue providing high-quality services and implementing the City's priorities.



## Competitive residential and business property taxes and fees

The City of Vancouver plays a leading role in enabling a thriving business environment and building a world-class, sustainable community for its residents. Vancouver is consistently ranked as one of the most livable cities in the world, and in 2016, the global accounting firm KPMG ranked the city as the second-most tax competitive in the world. In 2017 to 2020, Metro Vancouver is expected to lead the nation in economic growth (according to Conference Board of Canada information). The City has also received one of the strongest credit ratings for a Canadian city (AAA/AA+). To build on this economic strength and sustain its competitiveness, the City works to maintain an affordable environment for businesses and residents.

Over the years, Council has taken proactive steps to enhance affordability and support economic development. These include the following:

- Keeping property taxes, utility fees and user fees competitive within Metro Vancouver
- Lowering the business property tax share from 52% to 43% of the City's general purpose tax levy, and improving the business tax rate ratio (business tax rate divided by residential tax rate) from 6 to 4 over the last decade, one of the most substantial improvements within Metro Vancouver
- Bringing transformative changes to enhance customer service, efficiencies and accountability
- Implementing the Vancouver Economic Strategy to attract global talent, companies and investment
- Implementing the 2012-2021 Housing and Homelessness Strategy to increase the availability and range of affordable housing choices for all residents
- Implementing the Transportation 2040 Plan to enable a sustainable, efficient transportation system
- Implementing the Greenest City 2020 Action Plan, which is positioning Vancouver as a global leader in urban sustainability
- Adopting land use policies that preserve commercial, industrial and job space, promote affordable housing and childcare, and allow for accessible recreational facilities to attract and retain top talent

Through these actions, Vancouver has experienced strong population growth, job creation and robust commercial development.

When developing the 2015-2018 Capital Plan, 2017-2021 Service Plans and 2017 Budget, the City carefully considered the impact of property tax, utility fee and user fee increases on businesses and residents. The goal was to balance the need to recover the City's costs while ensuring programs and services remained affordable, and taxes and fees competitive.

While it is encouraging that Metro Vancouver and BC will be leading the nation in economic, job and population growth, it is also challenging to address the pressures of being a world-class city. While more people add to the city's vitality, it also means there is need to address

the increased demand for services, transportation and solutions to health and safety issues. Housing affordability has hit everyone, and especially Vancouver's most vulnerable population.

Over the past several years, Vancouver has consistently had one of the lowest average property tax rate increases among Metro Vancouver municipalities. Even combining municipal taxes with annual utility fee increases, Vancouver is in mid-range in Metro Vancouver.

This year's property tax rate increase, at 3.4%, reflects a need to address a growing city and to focus on affordable housing initiatives, equity, safety and livability along with resources to support mental health and addiction issues.

## **Property taxes**

Property taxes, levied by the City, fund approximately 57% of the City's Operating Budget. The City also collects property taxes on behalf of other taxing authorities, such as the provincial government of BC (school tax), TransLink, BC Assessment, Metro Vancouver and the Municipal Finance Authority of BC. It is important to note that Vancouver City Council has no control over taxes levied by these other authorities. The City's property tax accounts for approximately 50% of the tax rates while the other taxing authorities account for the remaining 50%.

## **Municipal property tax**

When comparing property taxes across Metro Vancouver municipalities, it is important to consider several factors as the municipal property tax level reflects the mix of services a city provides as well as quantity, quality and cost-effectiveness in service delivery. As Council priorities and community expectations vary across municipalities, services and property tax levies vary from city to city.

Significant progress has been made in advancing Council priorities for providing affordable housing, ending homelessness, promoting economic development, becoming the world's greenest city and ensuring a safe, inclusive and creative community, while working within budgets defined by modest tax increases. By reshaping the organization to provide services more efficiently, the City has maintained or increased the quality of services, initiated new programs and demonstrated leadership as a sustainable and livable city.

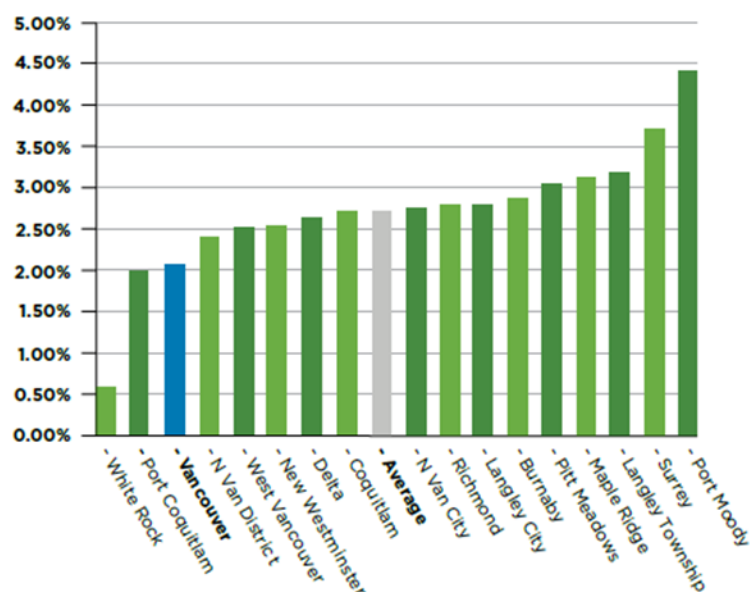
As the regional capital in Metro Vancouver, the City of Vancouver provides a wide range of services to businesses and residents each and every day; it also provides these services to those who come to work in the city or visit. Vancouver's Stanley Park, English Bay, Queen Elizabeth Theatre, The Orpheum, Vancouver Art Gallery and Vancouver Aquarium, among others, function more like regional than local amenities. Annual events, such as the Celebration of Light, attract tens of thousands of visitors from across the region — all placing additional pressure on the City's public safety, emergency management, street cleaning and infrastructure investments.

The City has also been the leader in supporting community partners through financial and in-kind contributions. In 2015, the City contributed approximately \$105 million in the form of property tax statutory exemptions and grants to health care and educational institutions and to charitable and not-for-profit organizations – equivalent to a \$162 per capita contribution from Vancouver residents, one of the highest rates in Metro Vancouver.

The City continues striving to balance the affordability and competitiveness of property taxes, utility fees and user fees while sustaining the breadth and quality of services and programs for businesses and residents.

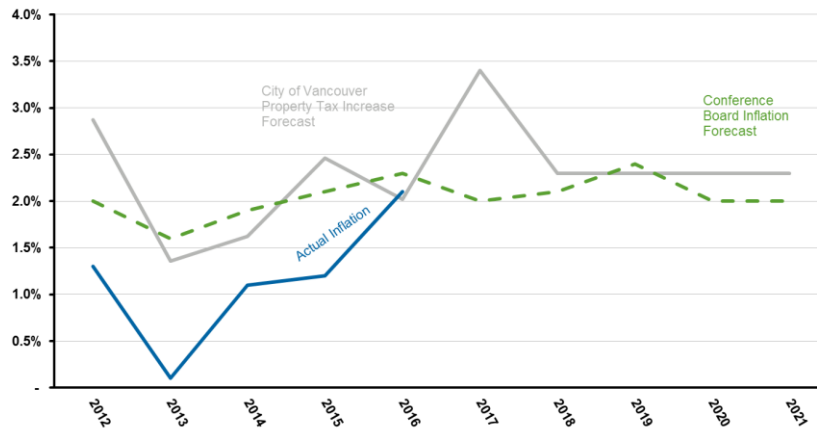
The following chart shows that the City's five-year average property tax increase was the third-lowest compared to other major cities in Metro Vancouver.

**Vancouver vs Metro Vancouver Five-Year Average Property Tax Increase (2012-2016)**



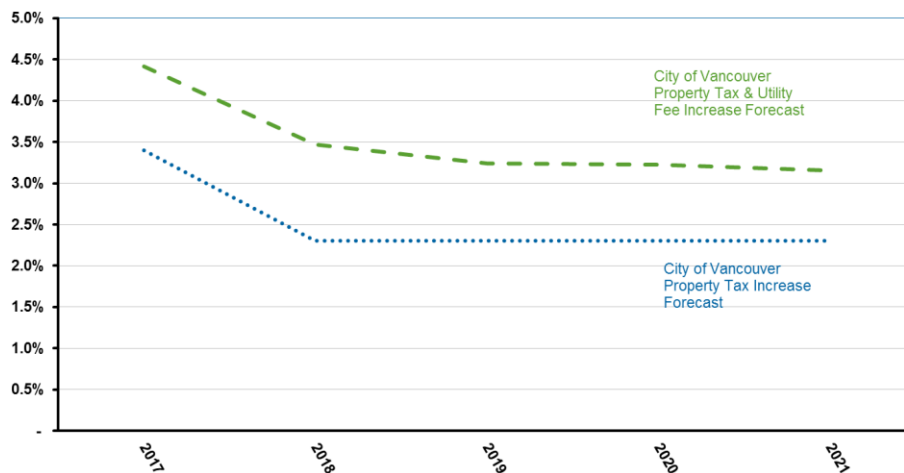
As shown in the following chart, increases in the City's property taxes in recent years – average of 2%, ranging from 1.4% to 2.8% – have been modest. This increase generally aligned with the Conference Board of Canada's inflation forecast, which is available in the fall of each year when the budget is developed. While actual inflation has trended below the forecast and the City's property tax increase, Vancouver compares favourably with other Metro Vancouver municipalities, having one of the lowest tax increases in the region.

PROPERTY TAX INCREASES VS. VANCOUVER CPI (2012-2021)



During this period, the City has enhanced its network of public amenities in the areas of affordable housing, childcare, recreational and community services, culture, and public safety. It has invested in core infrastructure, including sewer separation and renewal, upgraded transportation infrastructure facilities for pedestrians, bicycles and vehicles, and improved parks and open spaces. All these improvements were accomplished through continuous innovation, business transformation and productivity enhancements, while at the same time absorbing above-inflation wage increases.

2017-2021 FORECAST COMBINED CITY PROPERTY TAX & UTILITY FEE INCREASE

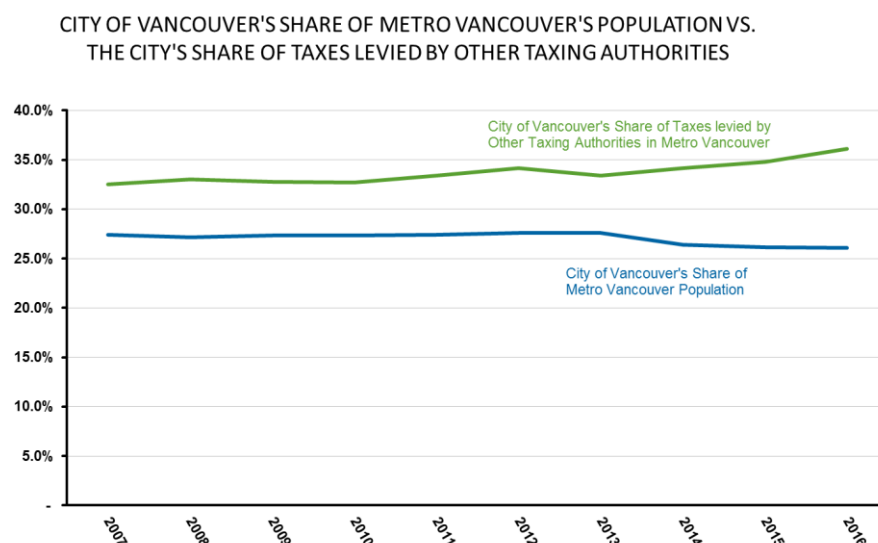


Looking ahead, the growing demand for public amenities and infrastructure will continue to put pressure on the City's budget. The objective remains to align property tax increases with forecasted inflation. However, in support of critical utility infrastructure and environmental sustainability investments, such as water conservation and sewer separation, the combined increase in property taxes and utility fees is projected to average between 3.2% and 4.4% for the next five years.

### Other taxing authorities

Vancouver City Council has no control over levies made by the other taxing authorities or over how those levies are distributed across the region. As property values in Vancouver are higher on average than those in other Metro Vancouver municipalities, Vancouver property taxpayers contribute a disproportionate share of regional property taxes levied by other taxing authorities.

The chart below illustrates the increasing spread between Vancouver's share of levies made by other taxing authorities and its share of population within Metro Vancouver.



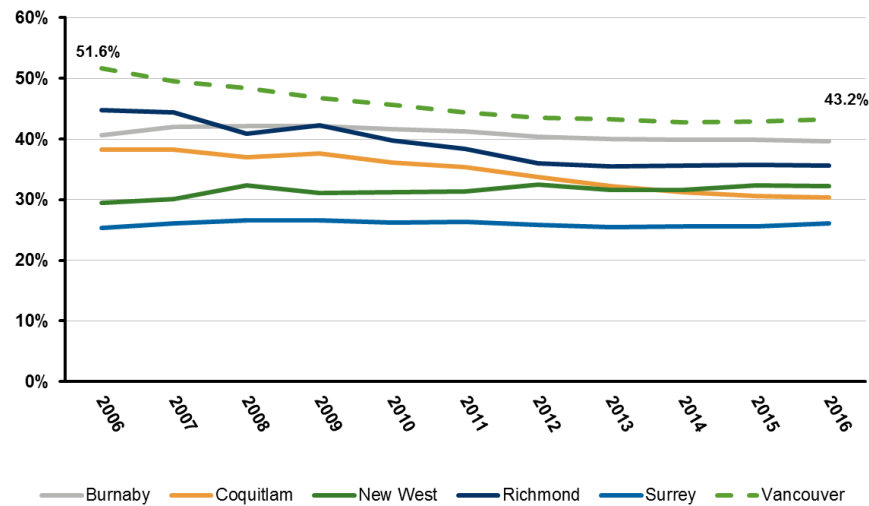
### Businesses

Over the last decade, Vancouver City Council twice engaged the Property Tax Policy Review Commission to review the impact of property tax on businesses. Its 2007 review resulted in a five-year program to shift \$23.8 million in property taxes from business to residential property classes; this shift was completed in 2012. In 2013, Council reconvened the Property Tax Policy Review Commission to reassess the situation. 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. This suggests the tax shift program was effective in bringing

Vancouver's business tax share in line with its peers. The following charts compare the City of Vancouver to other Metro Vancouver municipalities with substantial commercial sections – Burnaby, Coquitlam, New Westminster, Richmond and Surrey.

The chart that follows compares business tax share trends. As a result of tax shift decisions made by consecutive Councils over the last decade, Vancouver's business tax share has substantially decreased from 51.6% in 2006 to 43.2% in 2016. This is the second-most substantial improvement among comparable Metro Vancouver municipalities.

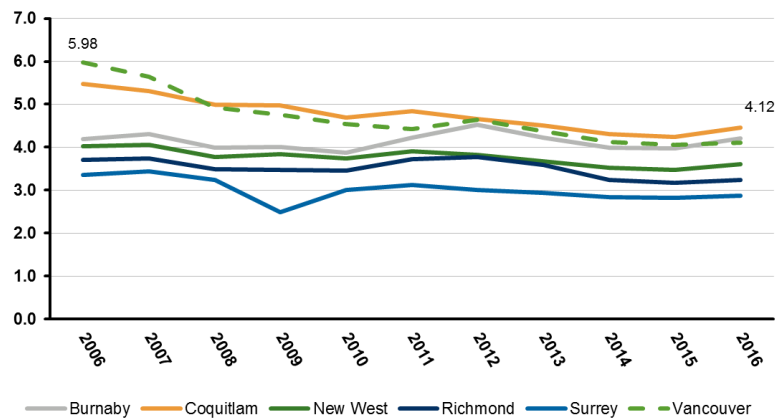
BUSINESS TAX SHARE



Sources: [www.cscd.gov.bc.ca/lgd/infra/statistics\\_index.htm](http://www.cscd.gov.bc.ca/lgd/infra/statistics_index.htm) and [www.bcstats.gov.bc.ca/StatisticsBySubject/Economy/BuildingPermitsHousingStartsandSales.aspx](http://www.bcstats.gov.bc.ca/StatisticsBySubject/Economy/BuildingPermitsHousingStartsandSales.aspx)

The following chart compares the tax rate ratio (business tax rate/residential tax rate) trends. As a result of tax shift decisions made by consecutive Councils over the last decade, Vancouver's business tax rate ratio has improved substantially – from 5.98 in 2006 to 4.12 in 2016 – and is the most improved among comparable Metro Vancouver municipalities.

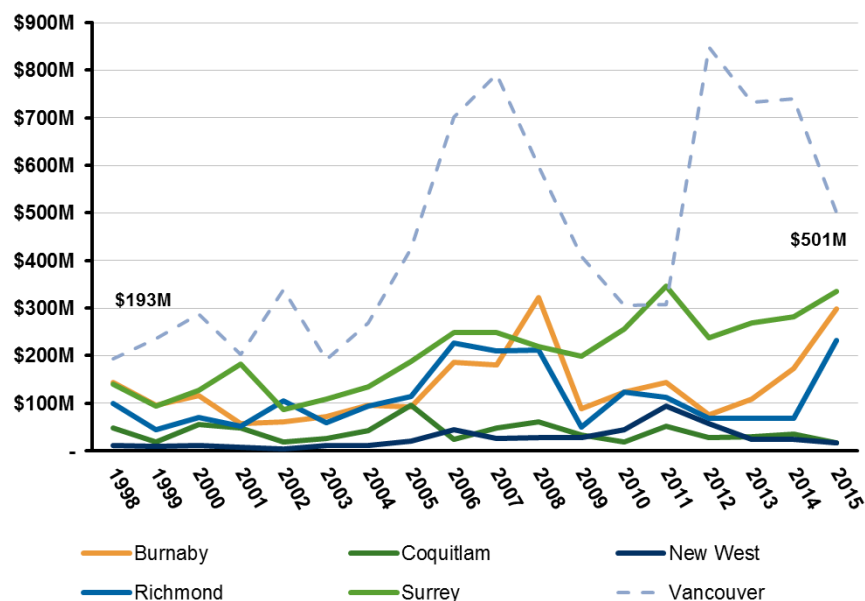
### TAX RATE RATIO



It is important to note that market forces beyond Council's control impact the tax rate ratio. For instance, if the value of residential property appreciates at a much faster pace than 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 only the tax rate ratio to gauge tax equity among property classes without considering other complementary metrics.

The chart below compares trends in commercial building permits. While the annual value of commercial building permits has changed between -63% and 138% over the last two decades in the five benchmark Metro Vancouver municipalities, the annual value of Vancouver's permits has increased 160% – from \$193 million in 1998 to \$501 million in 2015.

### COMMERCIAL BUILDING PERMITS (\$M)





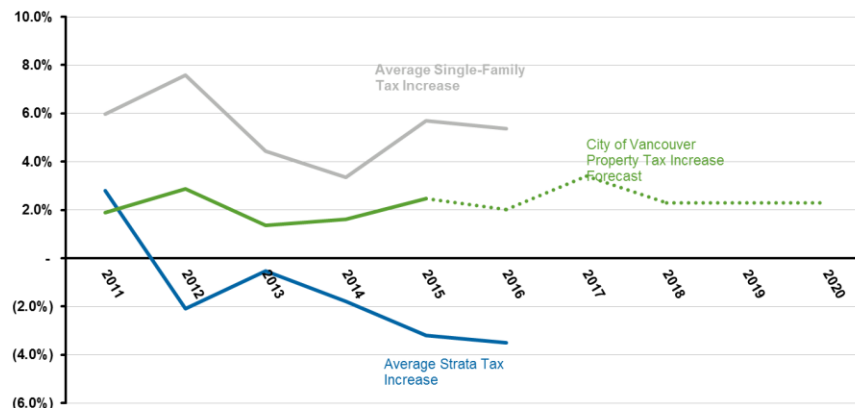
## Residents

In 2016, 43% of residential properties in Vancouver are single-family homes, 52% are strata units and the remaining 5% are other forms of residential. BC Assessment determines the value of properties in BC based on their “highest and best use” as defined by zoning and market evidence; Vancouver City Council has no control over these determinations.

While the Council-directed property tax increase applies to the overall tax levy, the extent of change in an individual property's tax year over year 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 class average change 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 property types. As the value of single-family homes has increased at a much faster pace than strata condominiums in the last five years, single-family homes have experienced a rise in property tax above the Council-directed increase, while strata condominiums have experienced a reduction in property tax. This trend will likely reverse in the coming years as strata condominium pricing has started to escalate at a much faster pace.

COV PROPERTY TAX INCREASE, SINGLE-FAMILY VS. STRATA



The following provincial tax relief measures, offered by the provincial government of BC, are available to residential property owners and can be applied independently or in combination to alleviate some taxation impact.

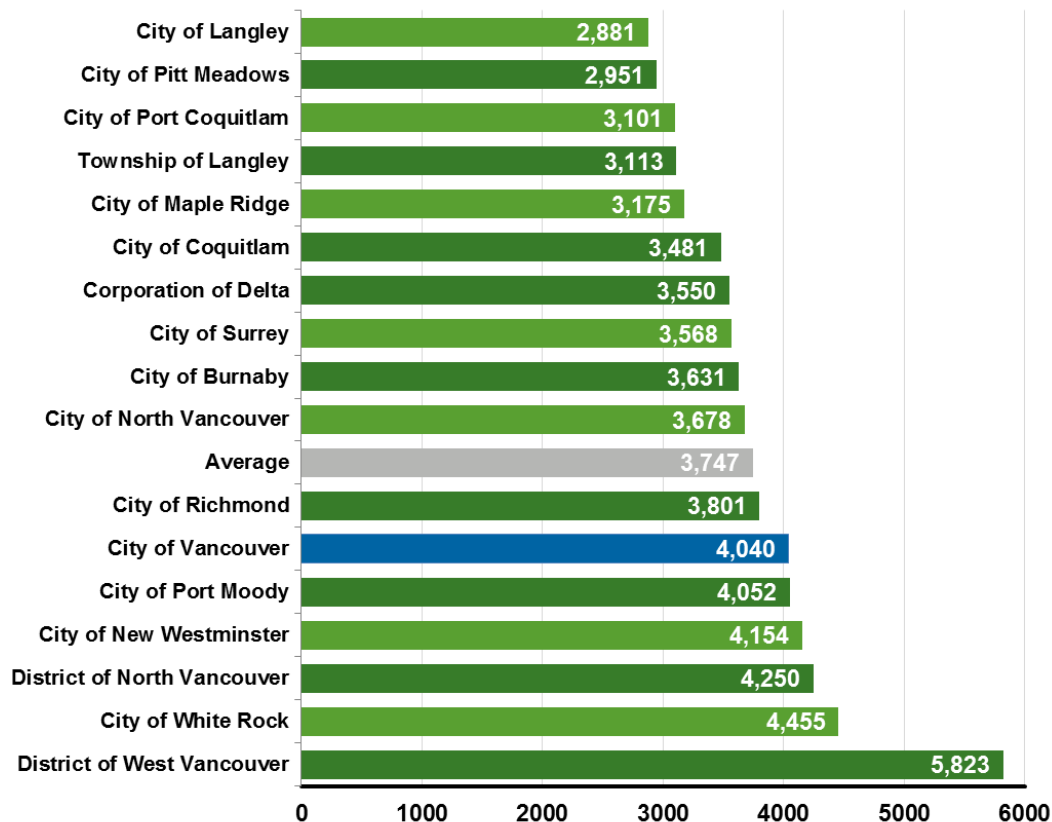
- **Assessment Act s19(8)** – Available to property owners who have continuously occupied their principal residence for at least 10 years; land is assessed based on current zoning rather than anticipated zoning or development potential

- **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

To complement these provincial measures, the City uses targeted land assessment averaging to further alleviate tax increases on “hot” properties (defined as those that have experienced significant year-over-year increases in property values above the threshold set by Vancouver City Council). The policy’s intent is to phase in significant property tax increases arising from assessment volatility on the targeted properties until such time as the property is no longer considered “hot.” Vancouver is the only municipality in BC that uses land assessment averaging.

The following chart compares the 2016 municipal property tax and utility fees for an average single-family home in Vancouver with those of other Metro Vancouver municipalities.

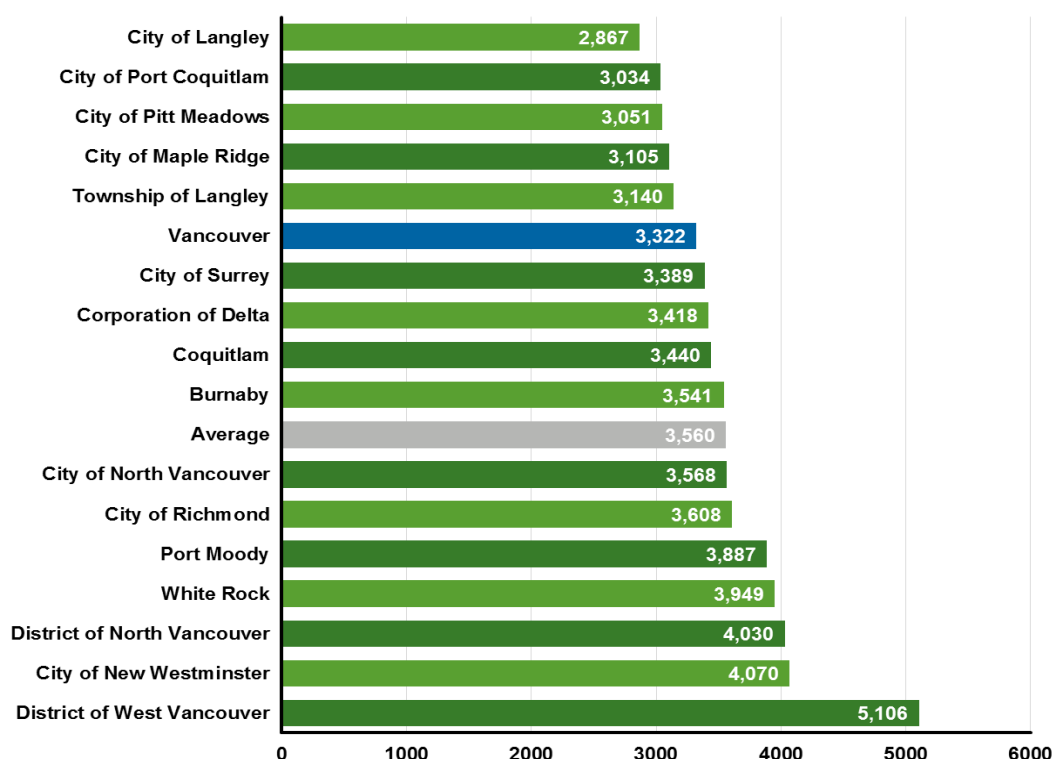
2016 COMBINED MUNICIPAL PROPERTY TAXES & UTILITY FEES FOR THE AVERAGE SINGLE-FAMILY HOME (\$)



Source: 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\\_2016.xls](http://cscd.gov.bc.ca/lgd/infra/library/Schedule704_2016.xls))

Given the wide range of housing prices in Vancouver (from the lowest strata unit of \$106,000 to the highest residential single-family unit above \$64 million), use of average property values for benchmarking purposes is not representative for Vancouver. Instead, for benchmarking purposes comparing median properties is more meaningful. The following chart compares the 2016 municipal property tax and utility fees for a median single-family home relative to other Metro Vancouver municipalities. Vancouver sits below the Metro Vancouver average.

2016 COMBINED MUNICIPAL PROPERTY TAX AND  
UTILITY FEES FOR MEDIAN SINGLE-FAMILY HOME (\$)



Source: 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\\_2016.xls](http://cscd.gov.bc.ca/lgd/infra/library/Schedule704_2016.xls))

## 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.

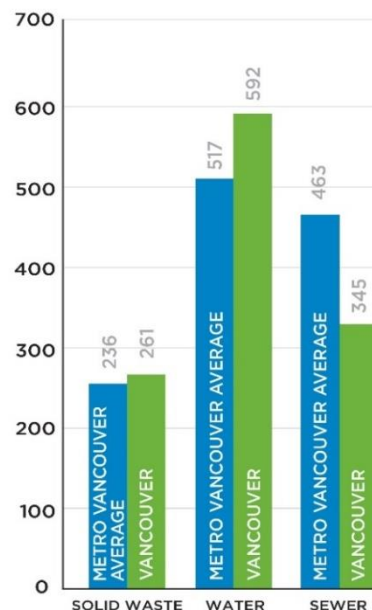
Approximately 46% of the utility budget represents water and sewer charges levied by Metro Vancouver, over which Vancouver City Council has very limited control. A further 25% of the utility budget represents capital investments, such as sewer separation and infrastructure renewal, and the remaining 29% represents utility operations.

In 2012, the Water Utility started transitioning its infrastructure renewal program from debt financing to pay-as-you-go to save interest costs over the long term. Rates have also been set to incentivize water conservation. In 2015, the Sewer Utility began a similar transition from debt financing to pay-as-you-go. Citywide sewer separation work will continue as part of infrastructure renewal, with completion targeted around 2050. This work, 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 \$1,198, which is in line with average charges of \$1,216 in comparable Metro Vancouver municipalities. Comparison by utility type reflects the following:

- **Sewer** – The City continues advancing sewer separation work, with targeted completion around 2050.
- **Water** – The City continues to proceed with the water conservation program as part of the Greenest City Action Plan strategy, with fees structured to help achieve this objective. The City continues to transition from debt financing to pay-as-you-go to reduce debt interest costs.
- **Solid waste** – The City transitioned recycling collection to Multi-Material BC in October 2016.

2016 UTILITY FEES: CITY VS. COMPARABLE METRO VANCOUVER MUNICIPALITIES (\$)

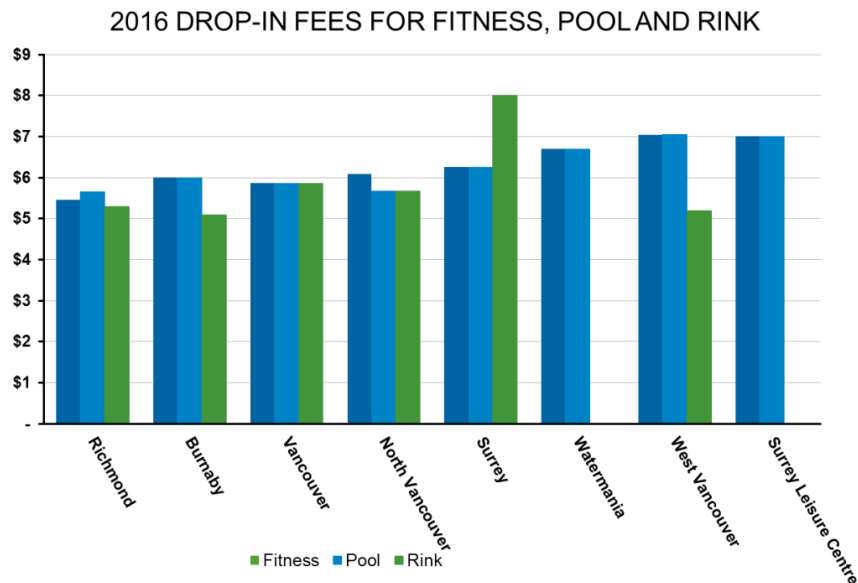


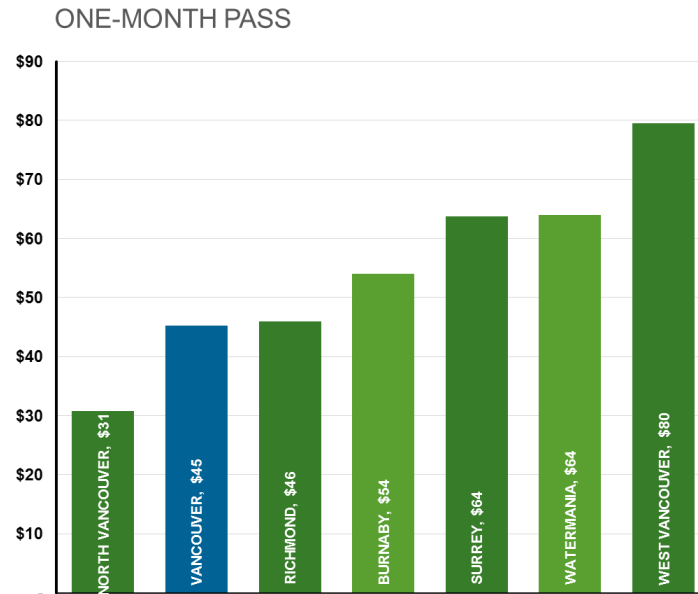
Utility rates are expected to increase an average of 4.8% over 2017 to 2021, as Metro Vancouver regional utility charges are forecast to increase above inflation – 3% to 4% for water and 7.5% to 10% for sewer – annually from 2017 to 2021, driven mainly by infrastructure investments. Transitioning residential recycling collection to Multi-Material BC provides an opportunity to enhance public cleanliness initiatives.

## User fees

Besides 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 following two charts compare various user fees for fitness centres, pools and rinks across Metro Vancouver municipalities. Charges at Vancouver facilities remain very competitive in the region.





## Operating Budget

The proposed operating budget for 2017 is \$1,319 million, an increase of 4.6% or \$57.6 million over 2016. The increase reflects changes in revenues and expenses in a number of areas in response to the challenges of a growing city. Highlights of the 2017 operating budget and more detailed specifics follow.

### Revenue highlights for 2017

- A property tax increase of 3.4% that provides funding for cost increases in existing services as well as new investments in key priorities such as equity, safety and livability; housing needs and affordability; arts and culture; and financial health and operational effectiveness. In recent years, tax increases have been consistent with forecasted inflation rates. For 2017, the tax increase includes 2.0% for ongoing services and 1.4% for investment in key areas that reflect the pressures of a growing city.
- A water utility rate increase of 4.0% due to (1) higher Metro Vancouver water rates that fund infrastructure improvements throughout the region, (2) an increase in water volume estimates for 2017 resulting from the alignment of assumptions on population growth estimates with the Greenest City Action Plan target of reduced per capita water use, (3) the deferred impact of prior year cost of service increases previously mitigated using the Water Rate Stabilization Reserve and a contribution to the reserve for 2017, (4) an increase in funding for water capital projects to deal with the increasing level of service breaks, (5) realignment of the flat-fee rate to the actual distribution of flat-fee and metered customers, and (6) an offset from a decrease in debt costs due to debt retirement.
- A sewer utility rate increase of 11.3% due to an increase in Metro Vancouver (regional) rates, including (1) costs for site preparation for secondary treatment at Iona Island wastewater treatment plant, (2) realignment of the flat-fee rate to the actual distribution of flat-fee and metered customers, (3) contributions to the stabilization reserve to replenish the reserve due to draw downs over the last few years, (4) increase in debt servicing costs for ongoing replacement and separation of sewer infrastructure to support the City's goal to eliminate combined sewer overflows by 2050, and (5) an offset from higher water consumption resulting in decreased sewer rates to recover the fixed costs of the system over an increased volume.
- A solid waste utility fee increase of 3.8% due to a shift of funding for street leaf cleaning in residential areas from the tax supported budget into the utility fee structure, introduction of a bulky item pickup pilot, and an increase in garbage and Green Bin collection costs along with other citywide cost allocations partially offset by the removal of the recycling fee.
- A 2.5% average rate increase in Park Board user fees for specific programs/activities subject to approval by the Vancouver Board of Parks and Recreation, driven by market factors.



- Inflationary increases of 2.0% for most other fees, including those related to development, building, trades, and related permits and approvals. Annualized increases related to subdivision and rezoning fees, which are part of a comprehensive fee review completed in 2016, have also been included.
- Parking-related increases in support of Transportation 2040 objectives to make it easier for drivers to find available parking spaces, to support local businesses and to manage parking in neighbourhoods. This includes managing curb space by using performance pricing strategies to ensure on-street availability and reducing the congestion and greenhouse gas impacts associated with drivers searching for on-street parking.

### Expense highlights for 2017

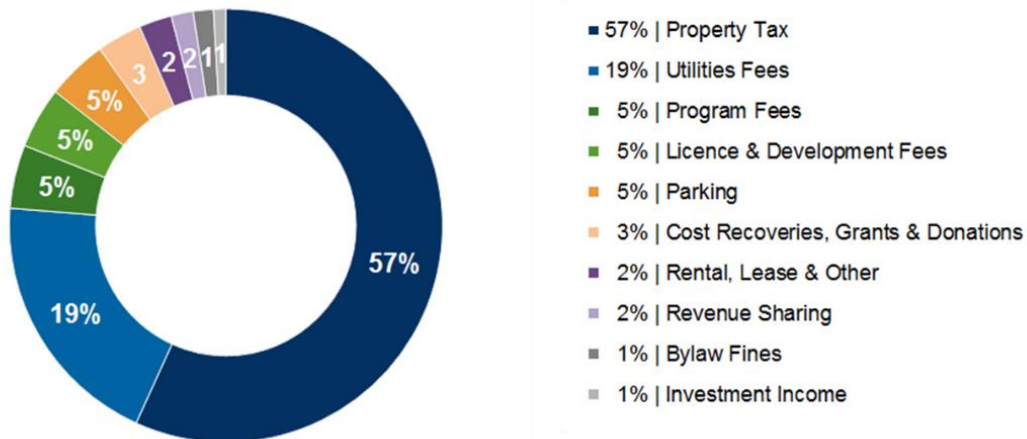
- New investments in Council priorities totalling \$22.3 million toward initiatives involving equity, safety and livability; housing needs and affordability; arts and culture; and financial health and operational effectiveness that will take place across the five-year plan period. This funding covers the operating impacts of new capital projects coming into service in 2017, including those for the new Strathcona Branch Library and new fire trucks for Vancouver Fire and Rescue Services.
- Additional costs of \$10.0 million for utilities, reflecting (1) costs passed on by Metro Vancouver to support ongoing infrastructure improvements, (2) decrease due to divestment of recycling collection services, (3) inclusion of street leaf cleaning as a part of the utility, (4) increased costs to support enhanced public realm cleanliness, (5) an increase in garbage and Green Bin collection labour and equipment costs, (6) increase in water pay-as-you-go funding, and (7) debt servicing and transfers to reserves.
- Fixed cost increases related to ongoing services, including debt service charges, building occupancy costs, and salary increments as well as wage costs for collective agreements that were finalized after the 2016 budget. (CUPE 1004 at 1.5% for 2016 and 1.5% for 2017; the Vancouver Police Union at 3.5% for 2016 and 2.5% for 2017.)

The following section provides an overview of the main factors driving change in the 2017 Operating Budget compared to 2016. Detailed service budgets for each City department are outlined in Part II, Department Service Plans.

## Operating revenues

The City of Vancouver has a stable and predictable revenue base, with property tax and utility fees making up more than three-quarters of the City's operating revenue. Program fees and other revenues are more variable, as economic cycles can impact development-driven revenue streams, such as building permits and use of services such as civic theatres, while weather can impact revenue from outdoor activities at City-owned facilities, such as golfing.

### 2017 OPERATING REVENUES \$1,319 MILLION



The following table highlights major changes in the 2017 revenue budget compared to 2016:

2017 Revenue Increase Summary <sup>1</sup> :	\$000s
Property tax levy increase at 3.4%	22,655
Property tax revenue from New Construction	7,000
Other property tax-related revenue	2,211
Increased Business Improvement Association levy	475
<b>Total Property Tax</b>	<b>32,341</b>
Water revenue	4,826
Sewer revenue	6,143
Solid Waste revenue <sup>2</sup>	(2,799)
Neighbourhood Energy revenue	281
<b>Total Utility revenue</b>	<b>8,450</b>
Parking revenue	4,619
Program revenue	3,714
Cost recoveries, grants & donations	3,202
Parking Bylaw fine revenue	2,878
Other revenue	2,765
Licence and Development revenue	2,192
Investment income	(2,600)
<b>Total Fees and other revenue</b>	<b>16,769</b>
<b>Total</b>	<b>57,560</b>

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Net decrease as a result of the transition of recycling to MMBC partially offset by increases in collection rate and disposal revenue.

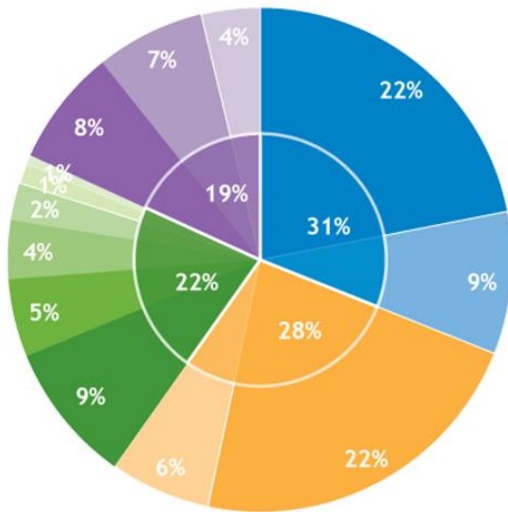
The source of 57% of total revenues, property tax is the largest component of the City's operating revenue and is budgeted to increase by \$32.3 million. This reflects \$22.7 million based on a 3.4% property tax increase, additional property tax revenue of \$7.0 million related to new construction added to the property tax roll, \$2.2 million impact of change in property status from exempt to taxable and other revenue changes, and an additional \$0.5 million for increased Business Improvement Association levies approved by Council in 2016.

Utility revenue makes up 19% of total operating revenues, with an overall increase of 3.4% over 2016. Utility revenues are based on full-cost recovery through utility fees. In 2017, water rates are increasing by 4.0%, sewer rates are increasing by 11.3%, solid waste rates are increasing by 3.8%, and Neighbourhood Energy Utility rates are increasing by 3.2%. Additional details on rate increases are included in the Utility Cost Increases section.

Other revenue increases include higher parking and bylaw fine revenues offset by lower investment income due to an unfavourable interest rate environment as compared to 2016.

## Operating expenditures

2017 OPERATING EXPENDITURES  
BY SERVICE AREA \$1,319 MILLION



Public Safety (Police, Fire and Rescue services) is the largest component of the Operating Budget at 31% of total expenditures, while Utilities and Engineering Public Works account for 28% of operating expenditures. Community-related services make up another 22% of the budget, including Parks and Recreation; Community Services; Library; Planning, Urban Design and Sustainability; and Development, Buildings and Licensing, with the remaining 19% representing corporate activities (including debt costs and contributions to capital projects).

### PUBLIC SAFETY

- 22% | Police
- 9% | Fire

### ENGINEERING AND UTILITIES

- 22% | Utilities
- 6% | Engineering Public Works

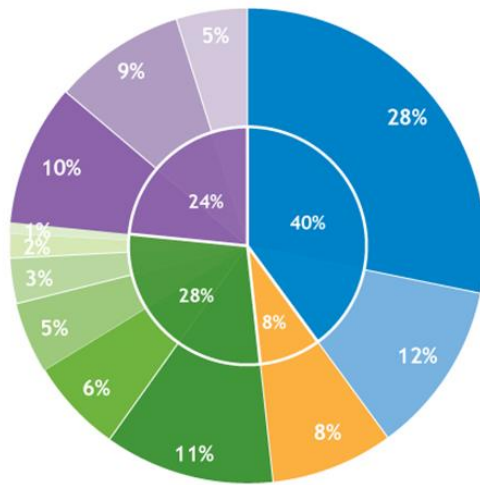
### COMMUNITY-RELATED SERVICES

- 9% | Parks & Recreation
- 5% | Community Services
- 4% | Library
- 2% | Development, Buildings & Licensing
- 1% | Planning, Urban Design & Sustainability
- 1% | Other

### CORPORATE SUPPORT

- 8% | Debt & Capital (Non-Utility)
- 7% | Corporate Support
- 4% | Contingencies & Transfers

## 2017 OPERATING EXPENDITURES EXCLUDING UTILITIES \$1,025 MILLION



### PUBLIC SAFETY

- 28% | Police
- 12% | Fire

### ENGINEERING

- 8% | Engineering Public Works

### COMMUNITY-RELATED SERVICES

- 11% | Parks & Recreation
- 6% | Community Services
- 5% | Library
- 3% | Development, Buildings & Licensing
- 2% | Planning, Urban Design & Sustainability
- 1% | Other

### CORPORATE SUPPORT

- 10% | Debt & Capital (Non-Utility)
- 9% | Corporate Support
- 5% | Contingencies & Transfers

Total operating expenditures in 2017 are budgeted to increase by 4.6% (\$57.6 million) over 2016. This increase reflects \$25.3 million in cost increases for existing services excluding utilities, \$10.0 million increase in utilities expenses, plus \$22.3 million in investments aligned to key priorities (outlined in the table that follows).

Utilities are primarily funded from utility rates, which are set to recover the cost of providing services to ratepayers. The portion of the 2017 budget supported by taxes and fees (excluding utilities) is \$1,025 million. Forty per cent of the tax- and fee-supported budget funds public safety; as such, 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 and other civic bargaining units, in addition to growth in fixed costs, have resulted in significant pressure on property taxes, which has been somewhat mitigated in past years through productivity savings and increased fee revenues in other areas.

## Investments

The City regularly realigns existing resources and spending levels in response to changes in demand for valued services and changes in priorities over time. Where necessary, the City makes informed new investments in emerging priorities. The 2017 Operating Budget includes \$22.3 million in new investments – funded either from incremental revenue, such as property tax, utility rates, external funding and reserves, or from reprioritization across the organization.

2017 New Investments	\$000s
<b>Equity, safety and livability</b>	<b>8,773</b>
Public realm cleanliness	3,800
Operating funding for new fire trucks	3,100
Additional security at public buildings	655
Annualised operating costs of náca?mat ct Strathcona Branch Library	547
Additional park rangers	439
Library collections	233
<b>Housing needs and affordability</b>	<b>6,397</b>
Interim housing	2,501
Empty homes tax implementation	2,059
Downtown Eastside (DTES) - Social initiatives	1,223
Downtown Eastside (DTES) - Public Space Improvement Program	614
<b>Arts and culture</b>	<b>1,834</b>
VIVA Vancouver and film and special events office	500
Canada 150 celebration	500
Vancouver Public Library inspiration lab	258
Increase for cultural grants	226
Vancouver Economic Commission - film office	200
Community use of Civic Theatres spaces	150
<b>Financial health and operational effectiveness</b>	<b>5,328</b>
Payment Card Industry (PCI) and regulatory compliance	1,543
Information Technology, Digital Services and 3-1-1 service levels	1,050
Operating costs of new online permitting system and sustainment team	900
Zero emissions building planning and implementation	685
Regulatory review - Planning, Urban Design and Sustainability	675
Driver services training	220
Performance measurement and analytics	125
Private property seismic risk	130
<b>Total</b>	<b>22,332</b>

Note: Totals may not add due to rounding

These increased investments are targeted to Council priority areas and reflect feedback received through public engagement activities. The level of investment echoes the challenges of a growing city on City services. In recent years, tax increases have been consistent with forecasted inflation rates. For 2017, the tax increase includes 2.0% for ongoing services and 1.4% for investment in the following key areas:

- **Equity, safety and livability** – Building on the 2016 \$2.8 million investment in public realm cleanliness and the transition of recycling to Multi-Material BC in 2016, the 2017 Budget includes \$3.8 million to support improved public realm cleanliness, including funding for increased street cleaning, abandoned waste pickup and special recycling efforts. The investment made last year has helped improve service response time from 9.9 days at the end of Q2 2015 to 5.8 days for the same period in 2016 (a 41% improvement year over year); however, service requests through 3-1-1 continue to rise. Delivery of a new fleet of fire trucks, approved as part of the 2014 Capital Budget, will be complete in 2017. The additional fleet operating costs of \$3.1 million have been included in the budget. Additional investment has been included to increase security at various public buildings, such as parks and libraries. There has been a clear upward trend since 2013 in the number of instances of alarms, disturbances, thefts and assaults and in the number of park ranger service requests. This trend is expected to continue, indicating the need for additional park rangers and security staff at public buildings. The new Strathcona Branch Library is scheduled to open in the first quarter of 2017, with new funding for staff and library operations included in the budget as well as an additional \$0.2 million for the purchase of collections materials for all library branches. Circulation of collections materials increased by 2.35% in Q2 2016 compared to Q2 2015.
- **Housing needs and affordability** – In 2017, an additional \$2.5 million has been invested for interim housing, bringing the total annual operating investment to \$2.9 million. To date, the City has enabled social and supportive housing for approximately 3,500 at-risk residents and helped prevent nearly 700 residents and 130 children from being homeless. In order to realize similar successes, continued financial investment into these areas is needed. In late 2016, Council addressed the housing supply and affordability issue with a new tax levy on owners of long-term vacant homes to encourage conversion of vacant units to rental units to ease the tight rental market. The 2017 Budget includes \$2.1 million to support planning and implementation of the Empty Homes Tax. Full-year funding for Downtown Eastside social initiatives, including social enterprise and employment as well as additional Downtown Eastside public space improvement programs, represents a significant investment of \$1.8 million.

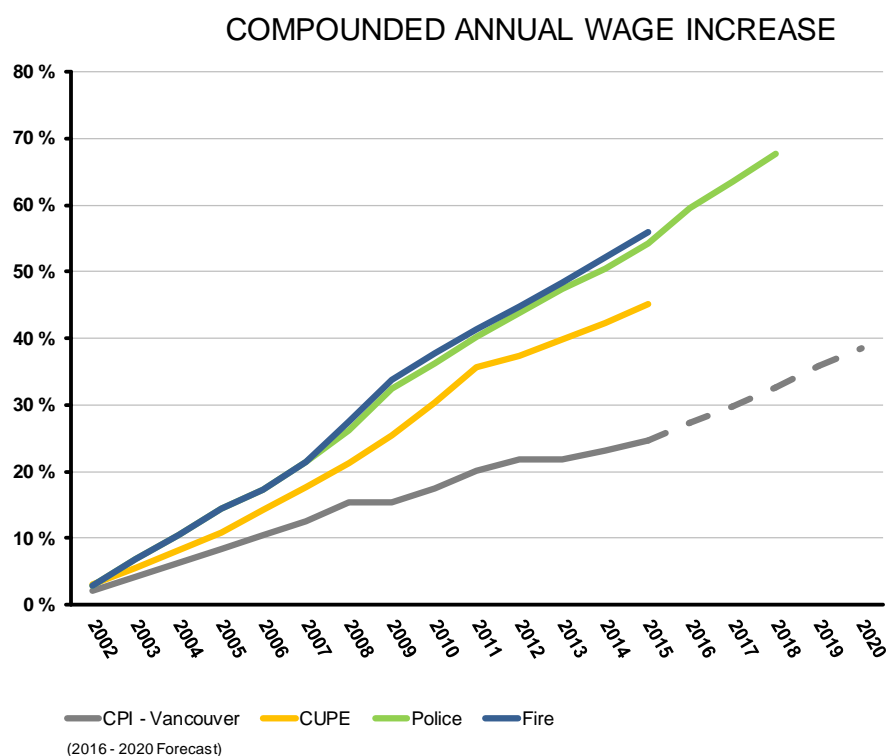


- **Arts and culture** — As 2017 marks the 150th anniversary of Canada's Confederation, a number of festivities are being planned to celebrate this special event. Additional funding has been set aside in the 2017 budget for the Inspiration Lab at the Vancouver Public Library, the City's film and special events activities, and a dedicated film office at the Vancouver Economic Commission. There is an additional investment to make spaces at Vancouver Civic Theatres available for community use.
- **Financial health and operational effectiveness** — As Vancouver grows, investment in City operations is required, and the budget reflects a number of initiatives. Payment Card Industry (PCI) compliance (previously funded from capital funds) and regulatory citywide compliance have been allocated \$1.5 million. The City continues to invest in business transformation, data-driven decision-making tools and information technology (IT) to improve service delivery and cost efficiency. An additional \$0.9 million is budgeted for system support and sustainment of the new online permitting system to be fully implemented in early 2017, part of the City's continued focus on reducing permit delays and using technology to streamline the permitting process. The budget also includes \$0.7 million for a regulatory review in 2017 that will further support an efficient and responsive process. The 2017 Budget includes investments in planning and implementation of the Zero Emissions Building Program and a regulatory review led by the Planning, Urban Design and Sustainability department. Funds have also been budgeted for improvements to the Driver Services training program, led Citywide by Vancouver Fire and Rescue Services. These improvements will ensure compliance with all regulatory requirements and reduce costs related to accidents and fuel consumption.

Funding for 2017 budget investments comes from a variety of sources, including property tax, utility rates, external funding and reserves. The property tax impact of the top three investment categories (equity, safety and livability; housing needs and affordability; and arts and culture) equates to 1.4%, while the funding requirements for cost increases in existing services and the initiatives to further the City's financial health and operational effectiveness amount to 2.0% (which is in line with forecasted inflation).

## Managing costs for existing services

At 57% of the City's Operating Budget, wage and benefit costs represent the largest expenditure category and have put the most pressure on taxes and fees in recent years. The historic trend has been above-inflation cost increases, in particular wage increases for Vancouver Fire and Rescue Services and the Vancouver Police Department (VPD), as shown in the following graph.



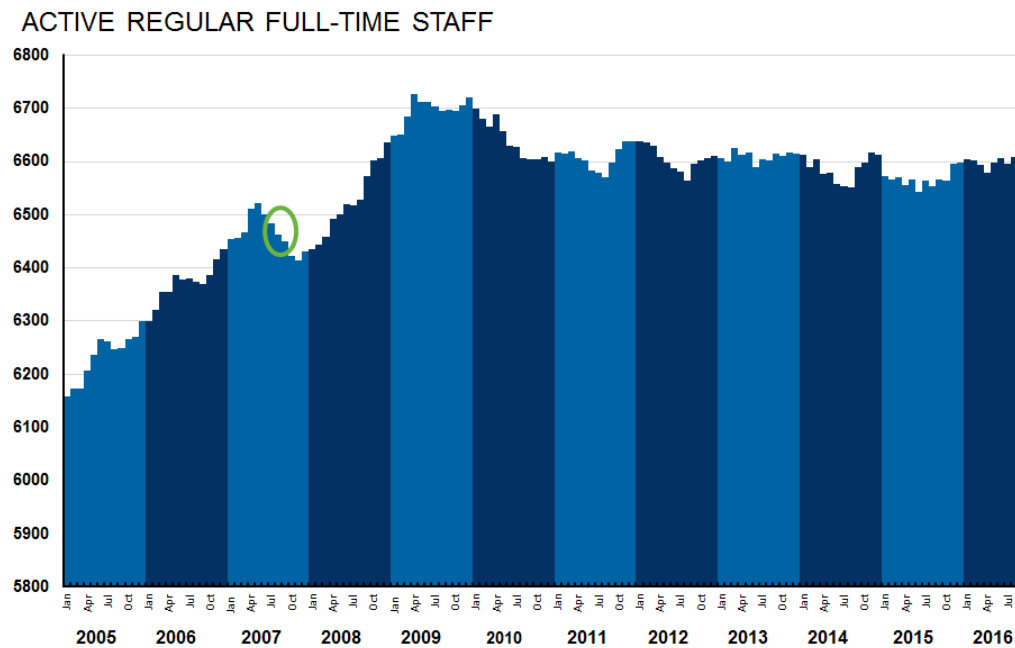
### Compounded Annual Increase



In addition to wages, associated benefits such as pension contributions, particularly for public safety, have been growing faster than inflation and contributing to pressures on the Operating Budget.

All existing collective agreements, including City, VPD and Vancouver Public Library contracts (with the exception of the Vancouver Police Officers' Association), expired at the end of December 2015. At the time of writing, agreements with CUPE 1004 City and Park Board have been concluded, and the Vancouver Police Board has received an arbitrated settlement with the Vancouver Police Union. All other agreements remain outstanding, and the City and boards are continuing to work with their respective unions toward reaching new collective

agreements; however, the timing and financial impacts of those agreements are unknown at this time. As agreements are approved by Council, the budget and planned spending will be adjusted accordingly. Each 1.0% increase in wages Citywide equates to approximately \$7.6 million in additional cost, or approximately a 1.1% additional property tax increase. Contingencies have been adjusted to reflect this uncertainty. The budget reflects the wage settlement for CUPE 1004 of 1.5% in 2016 and 1.5% in 2017, and an arbitrated increase of 3.5% in 2016 and 2.5% in 2017 for Vancouver Police Union. Based on projections by the Conference Board of Canada, CPI is forecasted for 2016 at 2.1% and for 2017 at 2.0%.



(Note: Count as of last day of month. Job Action 2007)

Regular full-time staffing levels trended downward following the hosting of the 2010 Winter Olympics and have levelled off over the past few years. Staffing is anticipated to increase in 2017 as a result of new investments, and the conversion of temporary staff to regular full-time status. The impact of converting temporary staff to regular full-time status will be partially offset by attrition and retirements, as departments realign resources with service level needs.

### Utility cost increases

Utility expenditures are increasing by 3.5%, in part due to increasing regional utility charges passed on to the City by Metro Vancouver to support infrastructure improvements.

Water utility rates will increase by 4.0%, which is less than a \$0.05 increase per 1,000 litres of water consumed. This increase is necessary because of:

- An increase of 3.2% in Metro Vancouver water rates that fund infrastructure improvements throughout the region, including improvements to reservoirs and filtration to provide a high-quality water supply as Vancouver grows
- An increase in water volume estimates for 2017 resulting from the alignment of assumptions on population growth estimates with the Greenest City Action Plan target of reduced per capita water use
- Deferred impact of prior year cost-of-service increases previously mitigated using the Water Rate Stabilization Reserve and a contribution to the reserve for 2017
- An increase in funding for capital projects to deal with the increasing level of service breaks
- Realignment of the flat-fee rate to the actual distribution of flat-fee and metered customers
- An offset from a decrease in debt related to retiring old debt

Sewer utility rates will increase by 11.3% or \$39 per year for a single-family residence. This increase is necessary due to:

- A 5.1% increase in the Metro Vancouver levy, which includes costs for site preparation for secondary treatment at Iona Island wastewater treatment plant. The Iona Island plant must be upgraded to secondary treatment by no later than 2030 to meet regulatory requirements; preparatory work has already begun. The cost of this facility will impact sewer rates in future, but the investment will help reduce environmental impact as the city and region continue growing in population.
- Realignment of the flat-fee rate to the actual distribution of flat-fee and metered customers
- Contributions to the stabilization reserve to ensure the continued financial stability of the utility
- A 1.9% increase is due to higher debt-servicing costs related to capital programs supporting sewer main replacement and maintaining a sewer system that continues to function reliably as Vancouver grows
- An offset from higher water consumption resulting in decreased sewer rates to recover the fixed costs of the system over an increased volume

Solid Waste utility rates will increase by 3.8%, which equates to \$10 per year for a single-family residence. This increase is necessary because of:

- Shift of funding for street leaf cleaning in residential areas from the tax supported budget into the utility fee structure
- Introduction of a bulky item pick-up pilot
- An increase in garbage and Green Bin collections labour and equipment charges along with other citywide cost allocations partially offset by the removal of the recycling fee

### **Other cost increases**

Over the past several years, the City has used strategic procurement and centralized purchasing to achieve the best value for money for taxpayers and reduce pressure from non-salary-related cost increases. However, certain cost areas passed on from external agencies (over which the City has limited control) have shown a continued growth trend above inflation. Such costs include BC Hydro energy rates, which increased 4.0% in 2016 and 3.5% in 2017, and a 4.9% increase in Insurance Corporation of British Columbia (ICBC) insurance costs. The decrease in the value of the Canadian dollar relative to the US dollar has also put pressure on related purchases in US dollars, such as those associated with certain library materials, Vancouver Fire and Rescue Services uniforms and equipment, and IT software contracts.

Vancouver Police Department fixed costs will increase by \$8.0 million, largely related to arbitrated wage increases of 3.5% in 2016 and 2.5% in 2017 adding significant pressure on taxes, and investments in hiring of new sworn officers, VPD fleet and E-Comm. Salary and benefit cost increases from increments based on years worked, and staffing and training costs related to the timing of expected attrition and hiring also contribute to the increase. Sworn officer salary increments are a function of officers advancing through the ranks, years of service, and training; therefore, these regular fixed cost increases require investment even in years without a collective agreement in force.

The RCMP and provincial government decided to limit the financial contribution to municipalities for the cost of DNA analysis services beginning in 2016, resulting in additional costs being downloaded and borne by municipalities. Other provinces have stepped in to provide funding as a result of the RCMP funding model change; BC is the only province shifting the costs to local government. DNA analysis is an important policing tool, and its use will continue to grow in the future. The 2016 cost to the Vancouver Police Department for DNA analysis is expected to be \$0.6 million and increase to \$0.7 million in 2017. In 2016, the Union of BC Municipalities endorsed a motion calling on the Province of BC to reverse the decision to download DNA analysis costs to municipalities.

## Cost management

Throughout 2016, City departments continued reprioritizing resources and transforming operations to deliver on key priorities and service requirements. As part of the 2017 Budget process, departments continue identifying where costs can be adjusted and resources reprioritized to focus on the highest-impact areas. Services and transactions are increasingly being delivered electronically and through 3-1-1 rather than in person, improving the productivity of City resources. Also, strategies to hold vacancies through close management of attrition and retirement and to adjust budgets for lower costs in areas such as fuel prices, adjustments and productivity have helped mitigate the impact of above-inflation, fixed-cost increases. This has enabled investment in key initiatives.

## Detailed Operating Budget table

This section provides a detailed breakdown of the 2017 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.

The 2016 Budget has been restated so 2016 and 2017 are comparable. There is no net impact of these restatements on the City's total operating budget. The restated budget for 2016 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** – Beginning in 2015, 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, IT, Procurement, building occupancy costs and 3-1-1) are shown in department budgets; this aligns to best practice while more accurately reflecting cost of service. The shared support services allocation is reviewed annually; for comparability, the 2016 Budget has been restated to reflect the current policy.
- **Collective agreement wage settlements** – The 2016 budgets have also been restated to include 2016 wage increases settled after the 2016 budget was approved for CUPE 1004 and the Vancouver Police Union.

City of Vancouver  
Operating Budget (\$000)

Revenue (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
<b>Property tax revenue</b>					
General Levy	679,256	709,811	30,555	4.5%	1
Business Improvement Association levies	11,192	11,667	475	4.2%	
Other property tax related	26,316	27,626	1,311	5.0%	
<b>Total Property tax revenue</b>	<b>716,764</b>	<b>749,104</b>	<b>32,341</b>	<b>4.5%</b>	
<b>Utility revenue</b>					
<b>Water revenue</b>					
Metered water charges	57,298	60,857	3,560	6.2%	
Flat-rate water charges	46,909	48,045	1,136	2.4%	
Meter charges	3,774	3,849	75	2.0%	
Fire line charges	2,754	2,809	55	2.0%	
Other water revenue	579	579	-	-	
<b>Total Water revenue</b>	<b>111,314</b>	<b>116,140</b>	<b>4,826</b>	<b>4.3%</b>	2
<b>Sewer revenue</b>					
Metered sewer charges	37,028	40,339	3,311	8.9%	
Flat-rate sewer charges	27,495	30,155	2,660	9.7%	
Industrial waste water fees	786	826	40	5.1%	
Other sewer revenue	917	1,049	132	14.4%	
<b>Total Sewer revenue</b>	<b>66,226</b>	<b>72,369</b>	<b>6,143</b>	<b>9.3%</b>	3
<b>Solid Waste revenue</b>					
<b>Collection revenue</b>					
Annual collection fees	26,854	28,991	2,137	8.0%	
Multi-Material BC recoveries	8,200	-	(8,200)	(100.0%)	
Other collection revenue	41	40	(2)	(4.5%)	
<b>Subtotal Collection revenue</b>	<b>35,096</b>	<b>29,031</b>	<b>(6,065)</b>	<b>(17.3%)</b>	4
<b>Disposal revenue</b>					
Tipping fees	29,768	36,381	6,613	22.2%	5
Metro & Delta's revenue-sharing	(1,238)	(4,098)	(2,861)	231.1%	
Other disposal revenue	2,945	2,458	(487)	(16.5%)	
<b>Subtotal Disposal revenue</b>	<b>31,475</b>	<b>34,741</b>	<b>3,266</b>	<b>10.4%</b>	
<b>Total Solid Waste revenue</b>	<b>66,571</b>	<b>63,771</b>	<b>(2,799)</b>	<b>(4.2%)</b>	
<b>Neighbourhood Energy revenue</b>					
NEU fixed levy	2,521	2,823	302	12.0%	
NEU energy charge	1,818	1,797	(21)	(1.2%)	
<b>Total Neighbourhood Energy revenue</b>	<b>4,339</b>	<b>4,620</b>	<b>281</b>	<b>6.5%</b>	6
<b>Total Utility revenue</b>	<b>248,449</b>	<b>256,900</b>	<b>8,450</b>	<b>3.4%</b>	

Note: Totals may not add due to rounding



## City of Vancouver

## Operating Budget (continued)

Revenue (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
<b>Parks &amp; Recreation program revenue</b>					
<b>Recreation revenue</b>					
Admissions	9,028	9,311	283	3.1%	
Programming	4,354	4,192	(162)	(3.7%)	
Recreation facility rentals	4,056	4,162	106	2.6%	
Other recreation revenue	256	240	(16)	(6.3%)	
<b>Subtotal Recreation revenue</b>	<b>17,694</b>	<b>17,905</b>	<b>211</b>	<b>1.2%</b>	
Golf revenue	9,323	9,960	636	6.8%	
<b>Marinas &amp; Attractions revenue</b>					
Marinas	3,238	3,380	142	4.4%	
VanDusen Botanical Gardens	3,314	3,380	66	2.0%	
Stanley Park Train	1,520	1,949	428	28.2%	
Bloedel Conservatory	592	603	12	2.0%	
Other attractions	89	90	1	0.7%	
<b>Subtotal Marinas &amp; Attractions revenue</b>	<b>8,753</b>	<b>9,402</b>	<b>649</b>	<b>7.4%</b>	
Lease & concession revenue	6,210	6,553	344	5.5%	
Other Parks & Recreation revenue	1,101	1,044	(57)	(5.2%)	
<b>Total Parks &amp; Recreation program revenue</b>	<b>43,082</b>	<b>44,864</b>	<b>1,783</b>	<b>4.1%</b>	<b>7</b>
<b>Civic Theatres program revenue</b>					
Theatre facility rentals	5,452	6,572	1,120	20.5%	
Concession revenue	1,316	1,738	422	32.1%	
Ticket surcharges	1,874	2,084	210	11.2%	
Other Civic Theatres revenue	231	235	5	2.0%	
<b>Total Civic Theatres program revenue</b>	<b>8,873</b>	<b>10,630</b>	<b>1,757</b>	<b>19.8%</b>	<b>8</b>
<b>Community Services program revenue</b>					
Mountain View Cemetery revenue	1,977	2,189	212	10.7%	
Community Kitchen revenue	1,372	1,417	45	3.3%	
<b>Total Community Services program revenue</b>	<b>3,348</b>	<b>3,606</b>	<b>257</b>	<b>7.7%</b>	<b>9</b>
<b>Library program revenue</b>					
Fines & penalties	899	814	(84)	(9.4%)	
InfoAction revenue	575	586	11	1.9%	
Facility rental	496	473	(24)	(4.8%)	
Other library revenue	581	588	7	1.2%	
<b>Total Library program revenue</b>	<b>2,551</b>	<b>2,461</b>	<b>(90)</b>	<b>(3.5%)</b>	<b>10</b>
<b>Britannia program revenue</b>	<b>998</b>	<b>1,005</b>	<b>7</b>	<b>0.7%</b>	
<b>Total Program revenue</b>	<b>58,851</b>	<b>62,565</b>	<b>3,714</b>	<b>6.3%</b>	

Note: Totals may not add due to rounding

## City of Vancouver

## Operating Budget (continued)

Revenue (\$'000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
<b>Licence &amp; Development fees</b>					
<b>Trade permit fees</b>					
Building permit fees	11,951	11,308	(643)	(5.4%)	
Plumbing inspection fees	4,584	4,816	232	5.1%	
Electrical inspection fees	4,037	4,424	387	9.6%	
Residential demolition fees	765	784	18	2.4%	
Gas permit fees	647	737	90	13.9%	
Street occupancy fees	668	622	(46)	(6.9%)	
Tree removal permit fees	575	648	73	12.7%	
Other trade permit fees	352	376	24	6.9%	
<b>Total Trade permit fees</b>	<b>23,581</b>	<b>23,715</b>	<b>135</b>	<b>0.6%</b>	<b>11</b>
<b>Licence fees</b>					
Business licence fees	16,322	16,948	626	3.8%	
Dog and other licence fees	1,692	1,725	34	2.0%	
<b>Total Licence fees</b>	<b>18,014</b>	<b>18,674</b>	<b>660</b>	<b>3.7%</b>	<b>12</b>
<b>Development permit fees</b>					
Development permit fees	6,705	6,905	199	3.0%	
Rezoning fees	1,653	2,011	358	21.7%	
Subdivision fees	825	1,123	298	36.1%	
Other development fees	534	647	113	21.1%	
<b>Total Development permit fees</b>	<b>9,717</b>	<b>10,685</b>	<b>968</b>	<b>10.0%</b>	<b>13</b>
<b>Engineering fees &amp; charges</b>					
Anchor rod fees	2,060	2,102	41	2.0%	
Street furniture fees	1,522	1,552	30	2.0%	
Encroachment fees	832	849	17	2.0%	
Sidewalk café fees	832	849	17	2.0%	
Garbage container fees	439	448	9	2.0%	
Films/festival fees	427	554	127	29.8%	
Other Engineering fees	367	550	184	50.2%	
Newsbox permit fees	239	244	5	2.0%	
<b>Total Engineering fees &amp; charges</b>	<b>6,718</b>	<b>7,148</b>	<b>429</b>	<b>6.4%</b>	<b>14</b>
<b>Total Licence &amp; Development fees</b>	<b>58,029</b>	<b>60,221</b>	<b>2,192</b>	<b>3.8%</b>	
<b>Parking revenue</b>					
On-street parking revenue	46,551	50,321	3,770	8.1%	<b>15</b>
Parking permit fees	1,102	1,102	-	-	
Parks parking revenue	6,531	7,259	728	11.1%	<b>16</b>
Civic Theatres parking revenue	478	599	121	25.3%	
Other parking revenue	485	485	-	-	
<b>Total Parking revenue</b>	<b>55,147</b>	<b>59,766</b>	<b>4,619</b>	<b>8.4%</b>	

Note: Totals may not add due to rounding

## City of Vancouver

## Operating Budget (continued)

Revenue (\$'000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
<b>Cost recoveries, grants &amp; donations</b>					
Police Services recoveries, grants & donations	13,668	15,434	1,766	12.9%	17
Fire & Rescue Services recoveries	8,244	8,247	3	0.0%	
General Government recoveries	5,647	5,697	50	0.9%	
Parks & Recreation recoveries, grants & donations	4,283	4,986	703	16.4%	18
Community Services recoveries	3,256	3,720	464	14.3%	19
Library recoveries, grants & donations	1,899	1,898	(1)	(0.1%)	
Planning, Urban Design & Sustainability recoveries	1,050	1,050	-	-	
Engineering recoveries	1,223	1,222	(1)	(0.1%)	
Other department recoveries	1,812	2,030	218	12.0%	
<b>Total Cost recoveries, grants &amp; donations</b>	<b>41,081</b>	<b>44,283</b>	<b>3,202</b>	<b>7.8%</b>	
<b>Provincial revenue-sharing</b>					
Traffic fine revenue-sharing	14,502	14,502	-	-	
Gaming revenue-sharing	7,150	7,150	-	-	
<b>Total Provincial revenue-sharing</b>	<b>21,652</b>	<b>21,652</b>	<b>-</b>	<b>-</b>	
<b>Investment Income</b>	<b>14,766</b>	<b>12,166</b>	<b>(2,600)</b>	<b>(17.6%)</b>	<b>20</b>
<b>Other revenue</b>					
Civic property rental revenue	9,832	9,832	-	-	
<b>Engineering revenue</b>					
Street Maintenance revenue	3,775	3,939	163	4.3%	
Street Use revenue	921	1,920	999	108.4%	
Parking Operations revenue	1,197	1,819	622	52.0%	
Other Engineering revenue	247	512	265	107.5%	
<b>Total Engineering revenue</b>	<b>6,140</b>	<b>8,189</b>	<b>2,050</b>	<b>33.4%</b>	<b>21</b>
Lease income	3,270	2,805	(465)	(14.2%)	22
Non-market housing rentals	3,752	3,767	15	0.4%	
Miscellaneous Citywide revenue	3,224	3,089	(135)	(4.2%)	
Police Services revenue	1,561	1,661	100	6.4%	
Other department revenue	1,704	2,904	1,200	70.4%	23
<b>Total Other revenue</b>	<b>29,482</b>	<b>32,247</b>	<b>2,765</b>	<b>9.4%</b>	
<b>Bylaw fine revenue</b>					
Parking fine revenue	16,355	19,233	2,878	17.6%	24
Other Bylaw fine revenue	586	586	-	-	
<b>Total Bylaw fine revenue</b>	<b>16,941</b>	<b>19,819</b>	<b>2,878</b>	<b>17.0%</b>	
<b>Total Revenues</b>	<b>\$ 1,261,163</b>	<b>\$ 1,318,723</b>	<b>\$ 57,560</b>	<b>4.6%</b>	

Note: Totals may not add due to rounding

## City of Vancouver

## Operating Budget (continued)

Expenditures & Transfers (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
<b>Utilities</b>					
<b>Water</b>					
Water purchases (Metro)	71,913	75,425	3,513	4.9%	
Water operations	11,848	11,941	93	0.8%	
Capital program & other transfers					
Debt service charges	16,203	14,988	(1,215)	(7.5%)	
Pay-as-you-go funding	10,200	11,300	1,100	10.8%	
Rate stabilization & other reserve transfer	(828)	524	1,353	(163.3%)	
<b>Subtotal Capital program &amp; other transfers</b>	<b>25,575</b>	<b>26,812</b>	<b>1,237</b>	<b>4.8%</b>	
<b>Shared support services</b>	<b>1,978</b>	<b>1,961</b>	<b>(17)</b>	<b>(0.8%)</b>	
<b>Total Water</b>	<b>111,314</b>	<b>116,140</b>	<b>4,826</b>	<b>4.3%</b>	<b>25</b>
<b>Sewer</b>					
GVS&DD levy (Metro)	57,621	60,541	2,921	5.1%	
Sewer operations	8,488	8,810	322	3.8%	
Capital program & other transfers					
Debt service charges	33,228	35,218	1,990	6.0%	
Pay-as-you-go funding	700	700	-	-	
Rate stabilization & other reserve transfer	47	2,547	2,499	5,267.3%	
<b>Subtotal Capital program &amp; other transfers</b>	<b>33,976</b>	<b>38,465</b>	<b>4,489</b>	<b>13.2%</b>	
<b>Shared support services</b>	<b>1,445</b>	<b>1,444</b>	<b>(1)</b>	<b>(0.1%)</b>	
<b>Total Sewer</b>	<b>101,530</b>	<b>109,260</b>	<b>7,730</b>	<b>7.6%</b>	<b>26</b>
<b>Solid Waste</b>					
Collections	27,753	22,671	(5,083)	(18.3%)	
Landfill	19,652	20,297	645	3.3%	
Transfer station	7,938	8,537	599	7.5%	
Capital program & other transfers					
Capital Financing Fund loan payments	2,259	2,350	90	4.0%	
Solid Waste Reserve & other transfer	7,104	7,874	770	10.8%	
<b>Subtotal Capital program &amp; other transfers</b>	<b>9,364</b>	<b>10,224</b>	<b>860</b>	<b>9.2%</b>	
<b>Shared support services</b>	<b>1,863</b>	<b>2,042</b>	<b>179</b>	<b>9.6%</b>	
<b>Total Solid Waste</b>	<b>66,571</b>	<b>63,771</b>	<b>(2,799)</b>	<b>(4.2%)</b>	<b>27</b>
<b>Neighbourhood Energy</b>					
NEU operations	1,906	2,016	111	5.8%	
Capital program & other transfers					
Debt service charges	3,406	3,846	441	12.9%	
Rate stabilization & other reserve transfer	(972)	(1,243)	(270)	27.8%	
<b>Subtotal Capital program &amp; other transfers</b>	<b>2,433</b>	<b>2,604</b>	<b>170</b>	<b>7.0%</b>	
<b>Total Neighbourhood Energy</b>	<b>4,339</b>	<b>4,620</b>	<b>281</b>	<b>6.5%</b>	
<b>Total Utility</b>	<b>283,753</b>	<b>293,791</b>	<b>10,038</b>	<b>3.5%</b>	

Note: Totals may not add due to rounding

## City of Vancouver

## Operating Budget (continued)

Expenditures & Transfers (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
<b>Department</b>					
<b>Engineering</b>					
<b>Public Works</b>					
Street Maintenance	23,551	25,362	1,811	7.7%	
Parking Operations	15,325	16,819	1,494	9.7%	
Street Use	10,012	12,911	2,900	29.0%	28
Street Cleaning	9,999	9,251	(747)	(7.5%)	29
Street Lighting	6,509	6,524	15	0.2%	
Transportation	3,077	3,213	136	4.4%	
General Public Works	1,447	1,668	221	15.3%	
Shared support services	7,751	8,485	735	9.5%	
Transfers to / (from) reserves & other funds	1,474	489	(985)	(66.8%)	
<b>Subtotal Public Works</b>	<b>79,144</b>	<b>84,723</b>	<b>5,579</b>	<b>7.0%</b>	<b>30</b>
<b>Department Services</b>					
Equipment Service Operations	(20,740)	(24,541)	(3,801)	18.3%	
Equipment Management Group	996	914	(82)	(8.2%)	
Construction Supplies & Services	(1,515)	(1,441)	74	(4.9%)	
Operations Safety & Support	1,174	1,197	22	1.9%	
Shared support services	240	169	(70)	(29.4%)	
Transfers to / (from) reserves & other funds	20,778	24,406	3,628	17.5%	
<b>Subtotal Department Services</b>	<b>933</b>	<b>704</b>	<b>(229)</b>	<b>(24.5%)</b>	<b>31</b>
<b>Total Engineering</b>	<b>80,077</b>	<b>85,428</b>	<b>5,350</b>	<b>6.7%</b>	
<b>Police Services</b>					
Patrol	137,238	143,110	5,873	4.3%	
Investigations	77,260	79,826	2,566	3.3%	
Operational Services	33,746	34,359	613	1.8%	
Administration	10,929	11,374	445	4.1%	
E-Comm allocation	15,781	16,101	320	2.0%	
Shared support services	6,270	6,290	20	0.3%	
Transfers to / (from) reserves & other funds	(187)	(2,034)	(1,847)	986.8%	
<b>Total Police Services</b>	<b>281,036</b>	<b>289,025</b>	<b>7,989</b>	<b>2.8%</b>	<b>32</b>
<b>Fire &amp; Rescue Services</b>					
Fire Suppression & Medical	101,785	105,231	3,446	3.4%	
Prevention	2,929	3,024	95	3.2%	
Training & Administration	5,759	5,955	196	3.4%	
E-Comm allocation	4,173	4,352	179	4.3%	
Shared support services	1,699	1,633	(66)	(3.9%)	
Transfers to / (from) reserves & other funds	679	183	(495)	(73.0%)	
<b>Total Fire &amp; Rescue Services</b>	<b>117,024</b>	<b>120,378</b>	<b>3,354</b>	<b>2.9%</b>	<b>33</b>

Note: Totals may not add due to rounding

## City of Vancouver

## Operating Budget (continued)

Expenditures & Transfers (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
<b>Department (continued)</b>					
<b>Parks &amp; Recreation</b>					
Recreation	46,068	47,596	1,527	3.3%	
Park maintenance & operations	32,451	34,061	1,609	5.0%	
Facility maintenance & corporate services	6,985	7,314	328	4.7%	
Marinas & Attractions	6,680	7,226	546	8.2%	
Golf	6,353	6,555	202	3.2%	
Leases & concessions	2,592	2,723	131	5.0%	
Parking	625	798	173	27.7%	
Shared support services	9,544	9,442	(102)	(1.1%)	
Transfers to / (from) reserves & other funds	2,921	2,912	(9)	(0.3%)	
<b>Total Parks &amp; Recreation</b>	<b>114,220</b>	<b>118,626</b>	<b>4,406</b>	<b>3.9%</b>	<b>34</b>
<b>Library</b>					
Public Services	39,949	41,323	1,373	3.4%	
Administrative Services	5,868	6,151	282	4.8%	
Shared support services	1,830	1,872	42	2.3%	
Transfers to / (from) reserves & other funds	95	54	(41)	(42.8%)	
<b>Total Library</b>	<b>47,743</b>	<b>49,399</b>	<b>1,656</b>	<b>3.5%</b>	<b>35</b>
<b>Britannia Community Services Centre</b>	<b>4,727</b>	<b>4,693</b>	<b>(33)</b>	<b>(0.7%)</b>	<b>36</b>
<b>Civic Theatres</b>					
Civic Theatre operations	6,036	7,170	1,133	18.8%	
Shared support services	1,966	2,189	223	11.4%	
Transfers to / (from) reserves & other funds	1,216	1,361	145	11.9%	
<b>Total Civic Theatres</b>	<b>9,218</b>	<b>10,720</b>	<b>1,502</b>	<b>16.3%</b>	<b>37</b>
<b>Community Services</b>					
Social Support	10,716	11,937	1,221	11.4%	
Housing	8,187	9,828	1,641	20.0%	
General & Projects	1,538	1,665	127	8.2%	
Social Policy	2,806	3,684	878	31.3%	
Culture	2,761	2,975	214	7.8%	
Mountain View Cemetery	1,450	1,663	213	14.7%	
Shared support services	4,270	4,276	6	0.1%	
Transfers to / (from) reserves & other funds	(429)	(432)	(3)	0.7%	
<b>Total Community Services</b>	<b>31,300</b>	<b>35,597</b>	<b>4,297</b>	<b>13.7%</b>	<b>38</b>
<b>Grants</b>					
Cultural	11,282	11,507	226	2.0%	
Social Policy	5,781	5,952	170	2.9%	
Childcare	1,453	1,508	55	3.8%	
Other grants	550	506	(45)	(8.1%)	
<b>Total Grants</b>	<b>19,066</b>	<b>19,472</b>	<b>406</b>	<b>2.1%</b>	<b>39</b>

Note: Totals may not add due to rounding

## City of Vancouver

## Operating Budget (continued)

Expenditures & Transfers (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
<b>Department (continued)</b>					
<b>Planning, Urban Design &amp; Sustainability</b>					
Planning	10,621	11,741	1,120	10.5%	
Sustainability	4,496	5,221	725	16.1%	
General	715	901	186	26.0%	
Shared support services	421	440	18	4.4%	
Transfers to / (from) reserves & other funds	(1,152)	(1,152)	(0)	0.0%	
<b>Total Planning, Urban Design &amp; Sustainability</b>	<b>15,101</b>	<b>17,151</b>	<b>2,050</b>	<b>13.6%</b>	<b>40</b>
<b>Development, Buildings &amp; Licensing</b>					
Inspections	10,414	10,591	177	1.7%	
Development Services	9,403	10,236	833	8.9%	
Licensing	3,495	3,618	123	3.5%	
Property Use Inspection	2,477	2,478	1	0.0%	
General & Projects	1,399	2,311	912	65.2%	41
Shared support services	2,265	2,265	(0)	(0.0%)	
Transfers to / (from) reserves & other funds	14	14	0	0.0%	
<b>Total Development, Buildings &amp; Licensing</b>	<b>29,466</b>	<b>31,513</b>	<b>2,046</b>	<b>6.9%</b>	
<b>Mayor &amp; Council</b>					
Mayor	1,256	1,279	23	1.8%	
Council	1,329	1,698	369	27.7%	
<b>Total Mayor &amp; Council</b>	<b>2,586</b>	<b>2,977</b>	<b>392</b>	<b>15.1%</b>	<b>42</b>
<b>Corporate Support Service</b>					
<b>Real Estate &amp; Facilities Management</b>					
Real Estate & Facility planning & development	4,556	4,519	(37)	(0.8%)	
Facility operations	37,041	38,687	1,647	4.4%	
Shared support services	(23,232)	(23,594)	(363)	1.6%	
Transfers to / (from) reserves & other funds	4,121	3,869	(252)	(6.1%)	
<b>Subtotal Real Estate &amp; Facilities Management</b>	<b>22,486</b>	<b>23,481</b>	<b>995</b>	<b>4.4%</b>	<b>43</b>
<b>Finance, Risk &amp; Supply Chain Management</b>					
Finance & Supply Chain Management	23,133	24,556	1,423	6.2%	44
Shared support services	(8,365)	(8,858)	(494)	5.9%	
Transfers to / (from) reserves & other funds	6	6	0	0.6%	
<b>Subtotal Finance, Risk &amp; Supply Chain Management</b>	<b>14,774</b>	<b>15,703</b>	<b>929</b>	<b>6.3%</b>	
<b>IT, Digital Strategy &amp; 3-1-1</b>					
Information Technology	28,329	31,011	2,682	9.5%	45
3-1-1 Contact Centre	5,377	5,658	281	5.2%	
Digital Services	1,104	1,145	41	3.8%	
Shared support services	(8,509)	(8,939)	(430)	5.1%	
Transfers to / (from) reserves & other funds	869	(147)	(1,016)	(116.9%)	
<b>Subtotal IT, Digital Strategy &amp; 3-1-1</b>	<b>27,170</b>	<b>28,729</b>	<b>1,558</b>	<b>5.7%</b>	

Note: Totals may not add due to rounding

## City of Vancouver

## Operating Budget (continued)

Expenditures & Transfers (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
<b>Department (continued)</b>					
<b>Other support services</b>					
Human Resources	10,616	10,594	(22)	(0.2%)	
City Manager's Office	3,397	3,989	592	17.4%	46
Legal Services	5,091	5,059	(32)	(0.6%)	
City Clerk	3,274	3,771	497	15.2%	
Communications & Engagement	1,982	2,312	329	16.6%	
Emergency Management	1,464	1,500	36	2.4%	
Shared support services	(3,248)	(3,221)	27	(0.8%)	
Transfers to / (from) reserves & other funds	1	1	0	20.0%	
<b>Subtotal Other support services</b>	<b>22,577</b>	<b>24,005</b>	<b>1,427</b>	<b>6.3%</b>	<b>47</b>
<b>Total Corporate Support Service</b>	<b>87,008</b>	<b>91,918</b>	<b>4,910</b>	<b>5.6%</b>	
<b>General Government</b>					
Business Improvement Association grants	11,192	11,667	475	4.2%	
Contingency	4,000	11,000	7,000	175.0%	48
Vancouver Economic Commission	2,900	3,100	200	6.9%	49
Vancouver Affordable Housing Agency	950	1,421	471	49.6%	50
Innovation Fund	2,000	2,000	-	-	
General Government expenses	19,051	23,605	4,554	23.9%	51
Shared support services	1,733	824	(909)	(52.5%)	
Transfer to/ (from) reserves & other fund	840	(3,972)	(4,812)	(572.7%)	52
<b>Total General Government</b>	<b>42,666</b>	<b>49,645</b>	<b>6,979</b>	<b>16.4%</b>	
<b>Total Department</b>	<b>881,237</b>	<b>926,541</b>	<b>45,304</b>	<b>5.1%</b>	
<b>General debt &amp; Transfers to Capital Fund</b>					
Debt charges (non-utility)	69,975	72,043	2,068	3.0%	53
Transfers to Capital Fund	26,198	26,348	150	0.6%	
<b>Total General debt &amp; Transfers to Capital Fund</b>	<b>96,173</b>	<b>98,391</b>	<b>2,218</b>	<b>2.3%</b>	
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 1,261,163</b>	<b>\$ 1,318,723</b>	<b>\$ 57,560</b>	<b>4.6%</b>	
<b>Net Operating Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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** – Total revenue from the general property tax levy is budgeted to increase \$30.6 million (4.5%). This reflects an increase in property tax of \$7.0 million from new construction added to the property tax roll as well as a 3.4% property tax increase. It also includes an adjustment due to a change in property status from exempt to taxable.
2. **Water Utility revenue** – The 2017 budget for water revenues reflects the 4.0% rate increase and adjustments to water consumption, as described in the utilities cost increases section above.
3. **Sewer Utility revenue** – The 2017 budget reflects an 11.3% increase in metered and flat-fee rates as well as a change in the volume and type of flat-rate customers, as described in the utilities cost increases section above.
4. **Collection revenue** – The drop in collection revenue is primarily due to the removal of the costs recovered from Multi-Material BC (MMBC) as the service has transitioned to MMBC.
5. **Tipping fees** – An increase in tipping fees generated by increased volume of garbage disposed at landfill.
6. **Neighbourhood Energy revenue** – A 3.2% increase in customer rates and an increase in volume due to system expansion.
7. **Park Board program fees** – Parks user fees are increasing by an average of 2.5%, reflecting the increasing cost of delivering services and remaining market competitive. The remaining increase in revenue will reflect the anticipated use of facilities and services in 2017.
8. **Civic Theatres revenue** – Vancouver Civic Theatres will continue to generate significant revenues in line with Council priorities. Additional staff will be required to support increases in facility utilization, system improvement, and food and beverage sales. The additional staff costs are variable costs that will increase in proportion to the increase in the number of events.
9. **Community Services revenue** – Increased revenue primarily driven by increase in Mountain View Cemetery fees and kitchen revenues to bring them in line with historical trends for these services.
10. **Library program revenue** – Revenue from fines is decreasing due to the growth in electronic materials and a reduction in available rooms for rent due to the space requirements for increased free public programming.

11. **Trade permit fees** – Increase primarily due to inflationary fee increases and adjustment of the budget to reflect current trend in permit volumes.
12. **Licence fees** – Business licence fee revenue increases of \$0.6 million are budgeted in 2017, attributed to medical marijuana business licence application fees and inflationary rate increases.
13. **Development permit fees** – An average 15%-30% increase in subdivision and rezoning fees, based on a comprehensive fee review completed in 2016, have been included to reflect a full year of activity.
14. **Engineering fees & charges** – Increase due to new fees recommended as part of the 2016 Engineering Services fee review and additional volume of film and festival fees.
15. **On-street parking revenue** – Parking-related increases of \$3.8 million in part due to the year-over-year growth in revenues as well as support of Transportation 2040 objectives to make it easier for drivers to find available parking spaces, to support local businesses and to manage parking in neighbourhoods. This includes managing curb space by using performance pricing strategies to ensure on-street availability and reducing the congestion and greenhouse gas impacts associated with drivers searching for on-street parking.
16. **Parks parking revenue** – A \$0.7 million increase in parking revenue due to increased parking volume and rates to be approved by the Board of Parks and Recreation.
17. **Police Services recoveries** – Higher number of secondments and overtime recoveries (fully offset by salary and benefit costs) contribute to the \$1.8 million increase for Police Services recoveries.
18. **Park Board recoveries** – Community centre associations' recoveries have been increased to offset increased costs related to staffing and bank fees.
19. **Community Service recoveries** – An increase of \$0.5 million in recoveries in 2017 due to increase in Carnegie Kitchen and outreach programs.
20. **Investment income** – A decrease of \$2.6 million in 2017 due to a lower interest rate environment.
21. **Engineering revenue** – Projected increase of \$2.1 million due to street and traffic fee increases and temporary crossing fees combined with a rate increase for impounded cars.
22. **Lease income** – Reduction in Library Square mortgage, offset by reduction in expenditures.
23. **Other department revenue** – A \$1.2 million increase due to increased recoveries from the Great Beginnings program for projects that are expected to be implemented in 2017.

24. **Parking fine revenue** — A \$2.9 million increase in 2017 budget due to a reduction in ticket discounts to align with other municipalities and higher ticket volume related to growth in parking activity observed in 2016.
25. **Water expenditure** — In 2017, a \$4.8 million increase due to a 3.2% increase in the rate charged by Metro Vancouver and an increase in consumption volume; A \$1.1 million increase in costs of capital work to deal with the increasing level of service breaks.
26. **Sewer levy, Debt service charges, and Pay-as-you-go sewer separation** — A \$3.0 million increase for the sewer levy charged by Metro Vancouver to fund infrastructure costs — including site preparation for secondary treatment at the Iona Island wastewater treatment plant; debt charges are increasing by \$2.0 million as a result of the sewer separation program, part of the City's four-year capital plan; a \$2.5 million transfer to the stabilization reserve to ensure the continued financial stability of the utility.
27. **Solid Waste expenditure** — A \$2.8 million decrease is primarily due to the removal of recycling costs due as the service has transitioned to MMBC.
28. **Street Use** — A \$2.9 million increase largely due to expenditures related to the Mobi public bike share program and new investment for VIVA Vancouver.
29. **Street Cleaning** — Street leaf cleaning costs have been transferred to the Solid Waste utility.
30. **Public Works** — A \$5.6 million increase, largely due to street use expenditure related to Mobi public bike share program expenditures, higher street maintenance equipment replacement costs, an increase in parking meter maintenance and additional parking enforcement officers, and an increase allocation to 3-1-1 due to increased activity.
31. **Department Services** — Higher capital recoveries related to loan repayment for the fire trucks offset by a transfer from reserve.
32. **Police Services** — An \$8.0 million increase in 2017 is largely related to an arbitrated wage settlement and investment in recruiting and hiring new sworn officers, E-Comm, and VPD fleet offset by \$1.8 million increased transfer from reserve to cover one-time recruiting costs. The 2016 budget was restated to include an arbitrated award of \$6.1 million or 3.5%.
33. **Fire & Rescue Services** — Largely due to operating costs of new fire trucks coming into service in 2017 and additional HUSAR (Heavy Urban Search and Rescue) program spending due to an ongoing commitment in funding from the federal government, which will be utilized on equipment in 2017.
34. **Park Board** — Increase in recreation and facility maintenance expenses as well as an increase in equipment service costs and in expenses related to salaries and benefits.

35. **Library** – Primarily due to operating costs of néca?mat ct Strathcona Branch Library and Central Library with new investments in security and collection materials.
36. **Britannia Community Services Centre** – Correction of an over allocation of Britannia Library branch costs in the prior year.
37. **Civic Theatres** – Revitalization of Vancouver Civic Theatres is expected to continue in 2017 with investments in staffing and facilities.
38. **Community Services** – New investment in interim housing and Downtown Eastside social initiatives, and increased costs related to the Carnegie Kitchen program.
39. **Grants** – Inflationary increases in social, cultural and childcare grants. Additional increase to support non-profit operators who will be providing social and childcare services in new City-owned assets coming on line in 2017.
40. **Planning, Urban Design & Sustainability** – New investments in a zero emissions building plan implementation and a regulatory review.
41. **General & Projects** – An increase of \$0.9 million primarily due to an increase in bank charges and the increased salary costs due to medical marijuana licensing.
42. **Mayor & Council** – The budget includes an increase in compensation as per the Mayor and Councillor Remuneration Bylaw. This budget also includes the Mayor's discretionary expense limit (which cannot exceed the overall Mayor's budget), a discretionary expense allowance of \$6,000 per Councillor, and a Councillors' travel expense budget.
43. **Real Estate & Facilities Management** – A \$1.0 million increase, due to investments in security and office space.
44. **Finance & Supply Chain Management** – A \$1.4 million increase, due to investments for Payment Card Industry compliance (previously funded through Capital) and regulatory compliance, and for data-driven decision making.
45. **Information Technology** – A \$2.7 million increase, due to higher maintenance costs and annualized impact of the new online permitting system sustainment team.
46. **City Manager's Office** – Increase of \$0.6 million primarily due to investment for Canada 150 staff costs and cultural competency training for City staff.
47. **Other support services** – Increases of \$1.4 million due to Canada 150 program costs, increase in pre-election costs and investment in communications and public engagement.
48. **Contingency** – The contingency budget for 2017 has been increased by \$7.0 million to reflect an increased number of unidentified impacts anticipated for 2017, including uncertainty regarding the timing of collective agreements. The 2016 contingency was restated to account for Vancouver Police Department arbitrated settlement.

- 49. **Vancouver Economic Commission** – Increase of \$0.2 million as a result of creation of Vancouver Film Commission office.
- 50. **Vancouver Affordable Housing Agency** – Increased \$0.5 million primarily due to an investment to increase VAHA resources.
- 51. **General Government expenses** – An increase of \$4.6 million is primarily due to an investment in the Empty Homes Tax Implementation Project offset by a one-time transfer from reserve and higher expenses related to the Great Beginnings project offset by recoveries.
- 52. **Transfer to / (from) reserves & other fund** – \$4.8 million resulted in higher transfers to fund Citywide one-time investments and pre-election costs.
- 53. **Debt charges** – Debt charges increased \$2.1 million due to increase of \$6.2 million in sinking fund installments offset by a \$4.5 million reduction to the debt stabilization reserve.

### **Impact on property taxes and utility fees**

The following table summarizes the impact of a 3.4% municipal property tax increase on median residential and business properties. This does not include property taxes levied by other taxing authorities, as such information was not available at the time of writing. Council has no control over the amounts collected by these other taxing authorities.

The 2017 Municipal Tax Levy estimates incorporate preliminary 2016 appeal adjustments and new construction estimates available in September 2016 as well as a 3.4% municipal property tax increase. BC Assessment will finalize new construction and other non-market changes in December 2016 and the final 2017 Assessment Roll in March 2017. The impact on individual properties may vary depending on the relative change in value of a property (compared to other properties in the same class) as well as the impact of mitigating measures to be adopted by Council for the 2017 tax year. In 2015, the City transitioned from across-the-board land assessment averaging to targeted land assessment averaging for the residential, light industrial and business property classes, as recommended by the Property Tax Policy Review Commission. The objective is to target mitigation to those properties that have experienced significant year-over-year increases in taxable property value.

### Indicative City Property Tax Impact

2016 Assessed Value of Property (without Land Assessment Averaging)	Estimated 2017 Tax Bill (CoV Portion)	Change over 2016
Median strata unit assessed at \$478,000	\$757	\$25
Median residential unit assessed at \$936,000	\$1,483	\$49
Median single-family unit assessed at \$1,386,000	\$2,196	\$72
Median commercial property assessed at \$618,000	\$4,030	\$133

The majority of single-family residential properties are charged a flat fee for utilities, with only newly constructed single-family homes being metered. Business properties are metered. Water and sewer charges for commercial properties increase by the same percentages as residential properties. The table that follows assumes no change in water consumption for 2017.

All residential single-family properties receive garbage, yard and food waste collection while only a small number of commercial and institutional properties receive garbage collection services from the City; the remainder are served by private collectors. The indicative utility rates below reflect combined City and Metro Vancouver utility charges.

### Indicative City Property Tax and Utility Fee Impact

	Median Single-Family \$1,386,000		Median Business Property \$618,000	
	ESTIMATED 2017 TAX BILL (CoV PORTION)	CHANGE OVER 2016	ESTIMATED 2017 TAX BILL (CoV PORTION)	CHANGE OVER 2016
<b>Property Taxes</b> (3.4% increase)	\$2,196	\$72	\$4,030	\$133
<b>Utility Fees</b>				
Water	\$616	\$24	\$571	\$22
Sewer	\$384	\$39	\$392	\$40
Solid Waste	\$271	\$10	\$217	\$8
<b>Total Utility Fees</b>	<b>\$1,271</b>	<b>\$73</b>	<b>\$1,180</b>	<b>\$70</b>
<b>Total City Taxes and Fees</b>	<b>\$3,467</b>	<b>\$145</b>	<b>\$5,210</b>	<b>\$203</b>

## Five-year financial plan

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

Building a balanced five-year outlook represents a significant challenge for the City, given historical trends of cost increases above inflation as well as feedback from taxpayers to keep growth in taxes and fees affordable. Balancing funding for emerging cost pressures and new investment in priority areas will require ongoing process improvements, leveraging technology and new ways of doing business to achieve value for money in service delivery.

The five-year financial plan is based on the City's Long-Term Financial Sustainability Guidelines; it reflects the impacts of the 2015-2018 Capital Plan. Council will continue approving each year's budget on an annual basis.

### Revenue

Operating revenue is projected to increase by an average of 2.7% per year from 2018-2021. This increase is primarily driven by the following broad financial assumptions, in line with the Long-Term Financial Sustainability Guidelines:

- Property tax increases in line with Conference Board of Canada forecasts for the period of 2018-2021
- Increased property taxes from new construction based on historical trends
- Program fee and other user fee increases in line with inflation at 2.0%
- Growth in parking and bylaw revenues are increasing in 2017 due to increased parking activity and additional meter hours. Parking revenues are expected to increase in 2018-2021 in line with other user fees at 2.0%.
- Increases to sewer rates are expected to range from 9.3% to 11.3% per year (2017 – 11.3%; 2018 – 9.3%; 2019 – 9.3%; 2020 – 9.3%; 2021 – 9.3%), driven primarily by Metro Vancouver forecast regional utility charge increases and costs associated with the Iona Island wastewater treatment plant.
- Increases to water rates are expected to range from 2.0% to 4.0% per year (2017 – 4.0%; 2018 – 3.5%; 2019 – 2.7%; 2020 – 2.6%; 2021 – 2.0%), driven primarily by Metro Vancouver forecast regional utility charge increases to fund regional infrastructure improvements, a Greenest City water consumption reduction program, and the profile of pay-as-you-go funding.
- Increases to solid waste rates are expected to range from 1.9% to 3.8% per year (2017 – 3.8%; 2018 – 3.6%; 2019 – 2.6%; 2020 – 1.9%; 2021 – 1.9%). A revenue decrease in 2017 of \$8.2 million due to the transition of recycling services to MMBC.
- Traffic fine revenues are not expected to change from 2017 to 2021. Revenues are provided to the City through a province-wide, revenue-sharing formula; the City's share is expected to remain flat.



- Investment income is expected to be lower in 2017 due to lower interest rates. The City will continue to monitor impacts and review risk mitigation strategies for the period of 2018-2021.

### **Expenditures**

Operating expenditures are projected to increase by an average of 2.7% per year from 2018 to 2021. This is primarily driven by the following assumptions:

- Increases in department budgets of 2.3% per year which will fund fixed cost increases and operating impacts of capital projects with limited new investments in future budgets
- 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.
- General debt charges are expected to increase by \$1.5 million in 2018, \$1.6 million in 2019, \$0.6 million in 2020, and \$0.6 million in 2021 based on planned borrowing to support the capital program.

### **Risks and opportunities**

All existing collective agreements, including City, VPD and Vancouver Public Library contracts (with the exception of the Vancouver Police Officers' Association), expired at the end of December 2015. At the time of writing, agreements with CUPE 1004 City and Parks have been concluded, and the Vancouver Police Board has received an arbitrated settlement with the Vancouver Police Union. All other agreements remain outstanding, and the City and boards are continuing to work with their respective unions toward reaching new collective agreements; however, the timing and financial impacts of those agreements are unknown at the time of writing. As agreements are approved by Council, the budget and planned spending will be adjusted accordingly. Each 1.0% increase in wages Citywide equates to approximately \$7.6 million in additional cost, or approximately a 1.1% additional property tax increase. Contingencies have been adjusted to reflect uncertainty.



# FIVE-YEAR FINANCIAL PLAN - REVENUES

City of Vancouver (\$000)	2017 Proposed	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	2017 Change (\$)(%)		2018 Change (\$)(%)		2019 Change (\$)(%)		2020 Change (\$)(%)		2021 Change (\$)(%)	
<b>Revenues</b>															
Property tax revenue	749,104	770,738	792,833	815,472	839,434	32,341	4.5%	21,633	2.9%	22,095	2.9%	22,639	2.9%	23,962	2.9%
Utility revenue															
Water revenue	116,140	118,820	120,796	122,579	123,680	4,826	4.3%	2,680	2.3%	1,976	1.7%	1,782	1.5%	1,101	0.9%
Sewer revenue	72,369	78,169	84,445	91,202	98,497	6,143	9.3%	5,801	8.0%	6,276	8.0%	6,757	8.0%	7,295	8.0%
Solid Waste revenue	63,771	66,250	68,020	68,436	69,457	(2,799)	(4.2%)	2,479	3.9%	1,770	2.7%	417	0.6%	1,021	1.5%
Neighbourhood Energy revenue	4,620	5,575	6,231	6,819	7,654	281	6.5%	955	20.7%	656	11.8%	588	9.4%	835	12.2%
<b>Total Utility revenue</b>	<b>256,900</b>	<b>268,814</b>	<b>279,491</b>	<b>289,036</b>	<b>299,288</b>	<b>8,450</b>	<b>3.4%</b>	<b>11,914</b>	<b>4.6%</b>	<b>10,678</b>	<b>4.0%</b>	<b>9,545</b>	<b>3.4%</b>	<b>10,252</b>	<b>3.5%</b>
Program revenue	62,565	63,817	65,093	66,395	67,723	3,714	6.3%	1,251	2.0%	1,276	2.0%	1,302	2.0%	1,328	2.0%
Licence & Development fees	60,221	61,425	62,654	63,907	65,185	2,192	3.8%	1,204	2.0%	1,229	2.0%	1,253	2.0%	1,278	2.0%
Parking revenue	59,766	60,961	62,181	63,424	64,693	4,619	8.4%	1,195	2.0%	1,219	2.0%	1,244	2.0%	1,268	2.0%
Cost recoveries, grants & donations	44,283	44,283	44,283	44,283	44,283	3,202	7.8%	-	-	-	-	-	-	-	-
Provincial revenue-sharing	21,652	21,652	21,652	21,652	21,652	-	-	-	-	-	-	-	-	-	-
Investment income	12,166	12,166	12,166	12,166	12,166	(2,600)	(17.6%)	-	-	-	-	-	-	-	-
Other revenue	32,247	32,247	32,247	32,247	32,247	2,765	9.4%	-	-	-	-	-	-	-	-
Bylaw fine revenue	19,819	20,215	20,619	21,032	21,452	2,878	17.0%	396	2.0%	404	2.0%	412	2.0%	421	2.0%
<b>Total Revenues</b>	<b>1,318,723</b>	<b>1,356,318</b>	<b>1,393,219</b>	<b>1,429,614</b>	<b>1,468,124</b>	<b>57,560</b>	<b>4.6%</b>	<b>37,594</b>	<b>2.9%</b>	<b>36,901</b>	<b>2.7%</b>	<b>36,395</b>	<b>2.6%</b>	<b>38,510</b>	<b>2.7%</b>

Note: Totals may not add due to rounding

## FIVE-YEAR FINANCIAL PLAN - EXPENDITURES

City of Vancouver (\$000)	2017 Proposed	2018 Forecast	2019 Forecast	2020 Forecast	2021 Forecast	2017 Change (\$)(%)		2018 Change (\$)(%)		2019 Change (\$)(%)		2020 Change (\$)(%)		2021 Change (\$)(%)	
<b>Expenditures &amp; Transfers</b>															
<b>Utilities</b>															
Water	116,140	118,820	120,796	122,579	123,680	4,826	4.3%	2,680	2.3%	1,976	1.7%	1,782	1.5%	1,101	0.9%
Sewer	109,260	117,684	127,235	137,540	148,623	7,730	7.6%	8,424	7.7%	9,551	8.1%	10,306	8.1%	11,082	8.1%
Solid Waste	63,771	66,250	68,020	68,436	69,457	(2,799)	(4.2%)	2,479	3.9%	1,770	2.7%	417	0.6%	1,021	1.5%
Neighbourhood Energy	4,620	5,575	6,231	6,819	7,654	281	6.5%	955	20.7%	656	11.8%	588	9.4%	835	12.2%
<b>Total Utilities</b>	<b>293,791</b>	<b>308,328</b>	<b>322,281</b>	<b>335,374</b>	<b>349,413</b>	<b>10,038</b>	<b>3.5%</b>	<b>14,537</b>	<b>4.9%</b>	<b>13,952</b>	<b>4.5%</b>	<b>13,093</b>	<b>4.1%</b>	<b>14,039</b>	<b>4.2%</b>
<b>Department</b>															
Engineering	85,428	87,393	89,403	91,459	93,562	5,350	6.7%	1,965	2.3%	2,010	2.3%	2,056	2.3%	2,104	2.3%
Police Services	289,025	295,672	302,473	309,430	316,547	7,989	2.8%	6,648	2.3%	6,800	2.3%	6,957	2.3%	7,117	2.3%
Fire & Rescue Services	120,378	123,147	125,979	128,877	131,841	3,354	2.9%	2,769	2.3%	2,832	2.3%	2,898	2.3%	2,964	2.3%
Parks & Recreation	118,626	121,354	124,146	127,001	129,922	4,406	3.9%	2,728	2.3%	2,791	2.3%	2,855	2.3%	2,921	2.3%
Library	49,399	50,535	51,698	52,887	54,103	1,656	3.5%	1,136	2.3%	1,162	2.3%	1,189	2.3%	1,216	2.3%
Britannia Community Services Centre	4,693	4,801	4,912	5,025	5,140	(33)	(0.7%)	108	2.3%	110	2.3%	113	2.3%	116	2.3%
Civic Theatres	10,720	10,967	11,219	11,477	11,741	1,502	16.3%	247	2.3%	252	2.3%	258	2.3%	264	2.3%
Community Services	35,597	36,415	37,253	38,110	38,986	4,297	13.7%	819	2.3%	838	2.3%	857	2.3%	877	2.3%
Grants	19,472	19,861	20,259	20,664	21,077	406	2.1%	389	2.0%	397	2.0%	405	2.0%	413	2.0%
Planning, Urban Design & Sustainability	17,151	17,546	17,949	18,362	18,785	2,050	13.6%	394	2.3%	404	2.3%	413	2.3%	422	2.3%
Development, Buildings & Licensing	31,513	32,237	32,979	33,737	34,513	2,046	6.9%	725	2.3%	741	2.3%	759	2.3%	776	2.3%
Mayor & Council	2,977	3,046	3,116	3,187	3,261	392	15.1%	68	2.3%	70	2.3%	72	2.3%	73	2.3%
Corporate Services	91,918	94,032	96,195	98,407	100,670	4,910	5.6%	2,114	2.3%	2,163	2.3%	2,212	2.3%	2,263	2.3%
General Government	49,645	51,055	51,819	53,460	55,780	6,979	16.4%	1,411	2.8%	764	1.5%	1,641	3.2%	2,320	4.3%
<b>Total Department</b>	<b>926,541</b>	<b>948,062</b>	<b>969,398</b>	<b>992,082</b>	<b>1,015,928</b>	<b>45,304</b>	<b>5.1%</b>	<b>21,521</b>	<b>2.3%</b>	<b>21,335</b>	<b>2.3%</b>	<b>22,684</b>	<b>2.3%</b>	<b>23,846</b>	<b>2.4%</b>
General debt & Transfers to Capital Fund	98,391	99,927	101,541	102,158	102,782	2,218	2.3%	1,537	1.6%	1,614	1.6%	617	0.6%	624	0.6%
<b>Total Expenditures &amp; Transfers</b>	<b>1,318,723</b>	<b>1,356,318</b>	<b>1,393,219</b>	<b>1,429,614</b>	<b>1,468,124</b>	<b>57,560</b>	<b>4.6%</b>	<b>37,594</b>	<b>2.9%</b>	<b>36,901</b>	<b>2.7%</b>	<b>36,395</b>	<b>2.6%</b>	<b>38,510</b>	<b>2.7%</b>
<b>Net Operating Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: Totals may not add due to rounding

## Capital Budget

Renewing and expanding City infrastructure is a crucial investment in Vancouver's future. Extending the operating life of City assets through repair or rehabilitation is often the most effective way to achieve value for money. The annual Capital Budget provides for new construction, repair and rehabilitation of City-owned infrastructure. New infrastructure can be required to keep pace with population and economic growth or to meet City strategic priorities. Expansions or improvements to community centres, market and non-market rental housing, childcare facilities and libraries are examples of capital investments. Road repair, bridge upgrades and replacement of water and sewer pipes are also eligible capital expenditures. Other core priorities include capital investments in support of the delivery of City operations, such as the fleet of city service vehicles, information technology systems and administrative facilities.

The City's capital program consists of a 10-year strategic outlook, four-year plan, and annual budget and five-year financial plan, with quarterly status reports at a project level.

### 10-year Capital Strategic Outlook

The City plans capital investments beginning with a 10-year strategic outlook. The 10-year outlook is updated every four years; it was most recently refreshed as an input to the 2015-2018 Capital Plan. Based on this outlook, a four-year Capital Plan is developed. The four-year Capital Plan then forms the basis for the one-year Capital Budget, which is developed annually.

Having a 10-year strategic framework significantly enhances the City's ability to achieve value for money as it creates the opportunity to leverage partnership opportunities that support City infrastructure requirements. This can include working with other levels of government and other partners. Funding for the construction of the Killarney Seniors Centre (Southeast Vancouver) is an example of a successful multi-party infrastructure partnership. The \$7.5 million in funding includes \$3.7 million from the City, a \$2.5 million contribution from the Government of Canada and \$1.3 million from the Province of British Columbia.

### Four-year Capital Plan

The four-year Capital Plan identifies City Council and Vancouver Board of Parks and Recreation (Park Board) priorities for capital projects and planned funding sources for those investments. Borrowing requirements for non-utility capital are outlined in the Capital Plan and require approval by the public through a plebiscite in the municipal election. Borrowing requirements for utility capital (waterworks, sewerage and drainage, and neighbourhood energy utility systems) are set by Council under authority of the *Vancouver Charter*.

Capital planning is integral to the City's long-term service and financial planning. Capital planning integrates and aligns Council policies and regional policies, capital asset management strategies (up to 100 years), public benefit strategies as part of community plans (25-30 years), the Capital Strategic Outlook (10 years), capital plans (four years), and annual budgets and service plans (one year with a four-year outlook).

The key objective of the 2015-2018 Capital Plan is to strike a strategic balance among the following needs:

- Maintaining the City's infrastructure and facilities in an appropriate state of repair
- Optimizing the City's network of public amenities to best serve residents, businesses and those who visit the city
- Advancing Council and community priorities within the City's long-term financial capacity

The 2015-2018 Capital Plan was approved on October 1, 2014, and included \$1.085 billion of capital investments targeting the following Council policy areas:

- Affordable housing and childcare to attract and retain a strong workforce, as part of the Vancouver Economic Action Strategy
- Infrastructure and facility rehabilitation and renewal
- Sewer separation and renewal to meet the provincial Liquid Waste Management Plan requirement for the City to eliminate combined sewer outflows by 2050
- Climate change adaptation and seismic upgrades
- Initiatives and commitments relating to the Greenest City 2020 Action Plan
- As factors impacting capital priorities change, the Capital Plan is adjusted as needed to align with current priorities and budget challenges. Examples include the addition of new priority projects, the deletion of cancelled or deferred projects and changes in planned sources of project funding.

New capital priorities identified and approved by Council since 2014, including the acquisition of the Arbutus Corridor in February 2016, have increased the 2015-2018 Capital Plan total to \$1.228 billion.

Funding source changes approved by Council to date include substituting borrowing with developer contribution funding (\$6.0 million) for work on the Burrard Bridge upgrades, pay-as-you-go funding (\$3.0 million) for the sewer program, and substituting Capital from Revenue funding (\$7.0 million) with Special Purpose Reserves funding for an inflation increase to cover the cost of replacing the City's fire trucks.

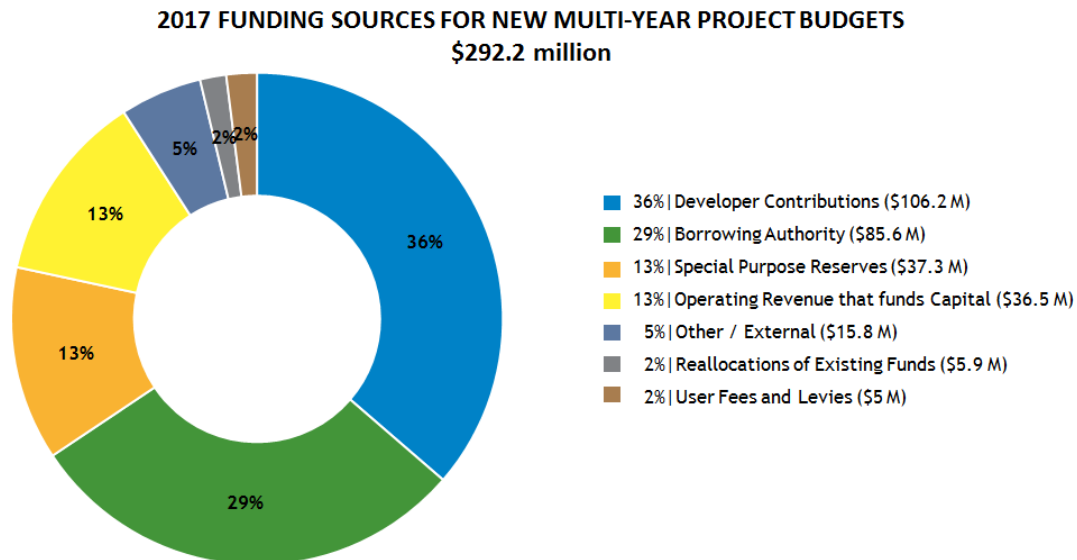
Sources of Capital Plan Funding	Original vs. Revised 2015-2018 Capital Plan						Allocated vs. Balance Remaining in the Revised 2015-2018 Capital Plan							
	Original Plan		Revised Plan		Change in Plan		Allocated in 2015		Allocated in 2016		2017 Capital Budget Funding Requests		Remaining in the Capital Plan	
	\$M	%	\$M	%	\$M	%	\$M	% of Plan	\$M	% of Plan	\$M	% of Plan	\$M	% of Plan
Borrowing Authority	\$ 382.5	35%	\$ 379.1	29%	\$ (3.4)	-1%	\$ 99.2	7%	\$ 87.8	7%	\$ 85.6	6%	\$ 106.5	8%
Operating Revenue that funds Capital Projects	149.5	14%	158.0	12%	8.5	6%	39.8	3%	34.8	3%	36,530	3%	46.8	4%
Developer Contributions	302.4	28%	382.8	29%	80.4	27%	89.7	7%	105.2	8%	106.2	8%	81.7	6%
Special Purpose Reserves	114.5	11%	216.1	16%	101.6	89%	49.3	4%	112.5	8%	37.3	3%	17.0	1%
User Fees and Levies	63.3	6%	90.7	7%	27.4	43%	36.0	3%	23.8	2%	5.0	0%	25.8	2%
Other / External	73.0	7%	98.6	7%	25.6	35%	7.6	1%	46.4	4%	15.8	1%	28.8	2%
<b>Total Capital Plan Funding</b>	<b>\$ 1,085.0</b>	<b>100%</b>	<b>\$ 1,325.1</b>	<b>100%</b>	<b>\$ 240.1</b>	<b>22%</b>	<b>\$ 321.7</b>	<b>24%</b>	<b>\$ 410.6</b>	<b>31%</b>	<b>\$ 286.3</b>	<b>22%</b>	<b>\$ 306.5</b>	<b>23%</b>
Reallocation of Existing Funds			-	0%	-		(1.7)	0%	1.7	0%	5.9	0%	-	0%
<b>Total Funding Sources</b>	<b>\$ 1,085.0</b>		<b>\$ 1,325.1</b>	<b>100%</b>	<b>\$ 240.1</b>	<b>22%</b>	<b>\$ 320.0</b>	<b>24%</b>	<b>\$ 412.2</b>	<b>31%</b>	<b>\$ 292.2</b>	<b>22%</b>	<b>\$ 306.5</b>	<b>23%</b>

Note: Totals may not add due to rounding

## New capital project budget and funding

Capital projects are considered on both an annual budget basis (annual capital expenditure budget) and a total project basis (multi-year project budget). For 2017, the total funding request for the new multi-year capital project budget is \$292.2 million. It is anticipated that \$186.5 million of this funding will be spent in 2017.

The following chart shows a breakdown by funding source for these new projects.



Appendixes to this report include a detailed list of new project requests and related funding sources as well as a detailed list of planned expenditure timing for new and continuing projects and programs.

## Infrastructure renewal to sustain services

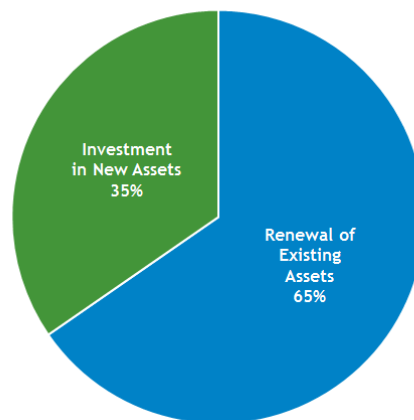
Municipalities own 60% of Canada's infrastructure,<sup>6</sup> and it is essential that this infrastructure be maintained in a state of good repair to ensure maximum service life and return on investment. Finding ways to leverage funds so City assets and infrastructure can be maintained is essential. City infrastructure includes assets such as water and sewer systems, roads, and civic buildings like community centres and libraries.

The City of Vancouver owns more than \$20 billion worth of capital assets (replacement value excluding land). This includes:

- 8 million square feet of facilities providing a broad range of recreational, community, social and cultural programs and services as well as affordable housing, public safety and civic administration
- 1,360 hectares (13.6 square kilometres) of parks and open spaces
- 4,260 kilometres of sidewalks, streets and lanes
- 3,600 kilometres of underground water and sewer mains

Approximately 65% of the 2017 Annual Capital Expenditure Budget is directed toward the renewal of existing infrastructure.

CAPITAL INVESTMENT - NEW VS. RENEWED



<sup>6</sup> Federation of Canadian Municipalities

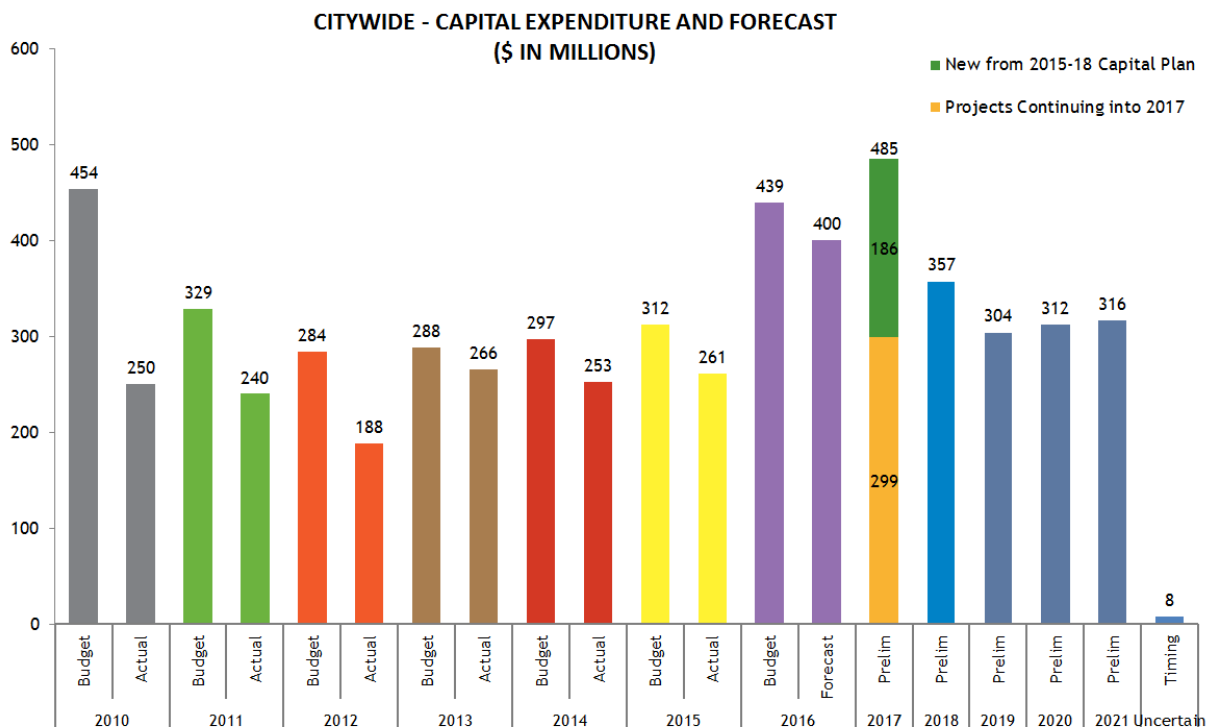
## Capital Expenditure Budget and five-year financial plan

The 2017 Capital Expenditure Budget is \$485.5 million. This includes \$299.0 million for previously approved multi-year projects with budgeted expenditures in 2017 and \$186.5 million for 2017 expenditures on new multi-year capital projects.

The 2017 Capital Expenditure Budget includes expenditures for ongoing, annual capital programs such as sewer main reconstruction and facility roof replacements as well as one-time projects such as the construction of Fire Hall No. 5 and the Killarney Seniors Centre.

Specific projects have been prioritized through the 2017 capital budget process based on need, the opportunity to leverage funding from other levels of government, internal capacity to deliver projects and programs, and the ability to enable business transformation by improving operations through capital investments. The maintenance and upgrading of utilities continues to be a critical mandate.

The chart below provides a summary of the 2017 Capital Expenditure Budget compared to actual and budget capital expenditures in previous years. The chart also includes a forecast for expenditures in 2018, 2019, 2020 and 2021, and it shows planned expenditures for which the spend timing is not yet certain (timing-uncertain projects). Timing-uncertain expenditures are primarily for projects that depend on confirmation of third-party funding or for property acquisitions that are opportunistic and market dependent. As part of the flexible budget process, these timing-uncertain projects can be added to the annual Capital Expenditure Budget once the timing of the expenditure is determined. As in prior years, it is expected that a portion of funding included in the 2015-2018 Capital Plan will be spent in 2019 or later as many of the City's capital projects have multi-year expenditure patterns.



Expenditures for 2016 are estimated to be \$400 million. This is 91% of the 2016 budgeted amount of \$439 million and an increase of \$138.7 million over 2015 actual expenditures. The 2015 to 2016 year-over-year increase reflects the acquisition in 2016 of the Arbutus Corridor land and related interim construction along the corridor, major progress on upgrades to the Burrard Bridge as well as a shift from design and planning phases to implementation for several large capital projects.

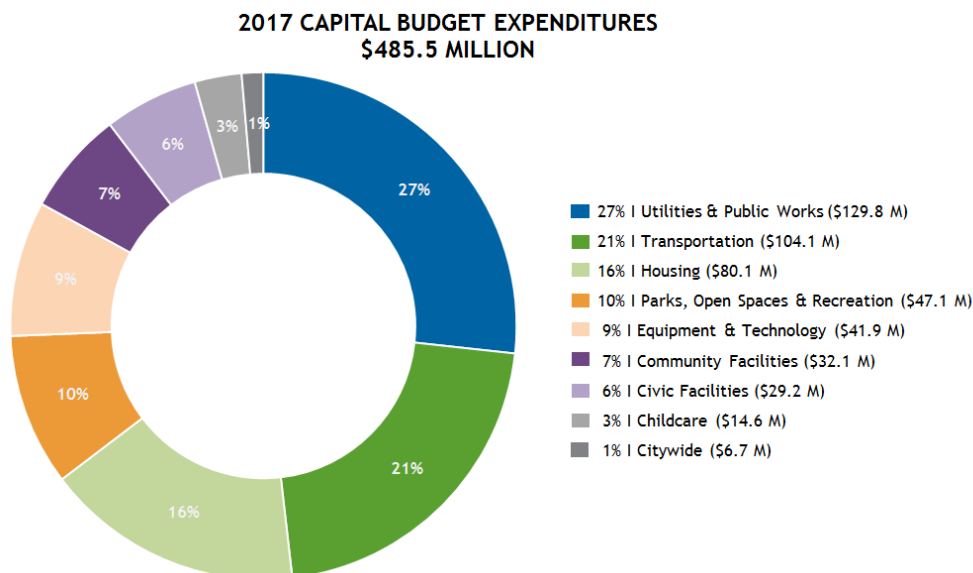
Expenditures in 2017 will complete construction of a number of multi-year projects and make significant investments in Council priority areas, including investments in housing (\$80.1 million), transportation (\$104.1 million) and childcare (\$14.6 million).

As the outcomes for significant investments in the 2015-2018 Capital Plan are delivered or substantially completed, the level of capital expenditure in the 2018-2021 Capital Plan is expected to decrease.

It is important to note that the 2018 to 2021 forecasts are preliminary. Forecasts for 2019 through 2021 are early estimates, given that the 2019-2022 Capital Plan is to be developed over 2017 and 2018 and presented to Council for review and approval in mid-2018. Based on historical trends and due to the multi-year nature of capital projects, it is estimated that spending will be \$304 million to \$316 million in 2019 to 2021, including remaining spending from the 2015-2018 Capital Plan.

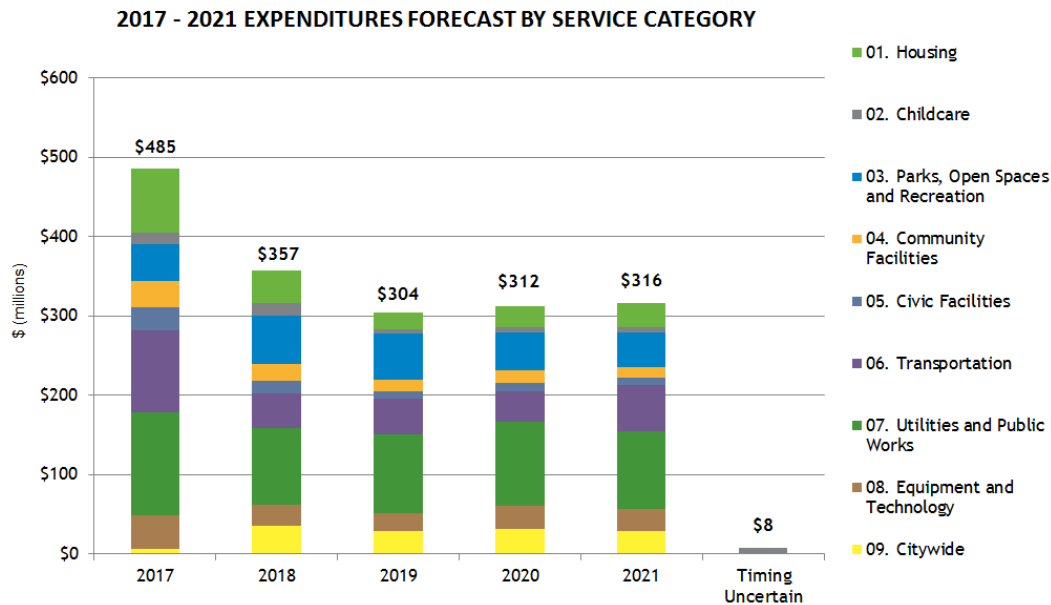
## Capital Expenditure Budget and five-year financial plan by service category

The 2017 Capital Expenditure Budget of \$485.5 million supports initiatives across nine service category areas, as outlined in the following chart.





The following chart provides a comparison of projected capital expenditures for 2017, 2018, 2019, 2020 and 2021 by service category.



Projected forecast expenditures for 2018, 2019, 2020 and 2021 are preliminary and subject to further refinement over the next four years. As the 2019-2022 Capital Plan will be developed over the next two years and presented to Council for review and approval in mid-2018, forecasts provided here for 2019 through 2021 are early estimates only.

Forecast expenditures for 2017 through 2021 for housing are projected to significantly increase relative to 2016, reflecting anticipated delivery of several major social and affordable housing projects, including social housing in Southeast False Creek Area 3B (2018 completion) and the redevelopment of Roddan Lodge/Evelyne Saller Centre (2019 completion).

Forecast expenditures for 2017 and 2018 for transportation include completion of upgrades to the Burrard Bridge and a number of new bikeways and greenways as well as completion of the planning stages for removal of the Georgia and Dunsmuir viaducts. The redevelopment of Northeast False Creek following the removal of the viaducts is a major initiative currently estimated at between \$180 million and \$200 million, subject to further refinement upon completion of the detailed design. Given the magnitude of this project, it is expected to be a major project in both the current 2015-2018 Capital Plan and the upcoming 2019-2022 Capital Plan. However, the implementation phase has not yet been incorporated into the 2018-2021 expenditures forecast.

Forecast expenditures for utilities and public works are anticipated to increase substantially for 2017 through 2019. During that period, major work phases are scheduled at the Vancouver Landfill to close a filled section and install gas collection infrastructure (final portions of the southeast and Western 40 Hectares areas as well as full closure of the northeast section).

Forecast expenditures for equipment and technology in 2018 to 2021 are expected to decrease to more historic levels following the 2016 and 2017 deliveries of a number of fire trucks to replace end-of-service-life units.

Forecasts for 2018-2021 citywide expenditures include funding for emerging capital priorities that arise during the course of the four-year Capital Plan. Examples include fulfilling strategic priorities identified by Council and boards, and starting timing-uncertain projects for which partner funding has been secured. A total of \$75.0 million was reserved for this purpose in the 2015-2018 Capital Plan.

Appendixes to this report include a detailed list of new project requests and related funding sources as well as a detailed list of planned expenditure timing for new and continuing projects and programs.

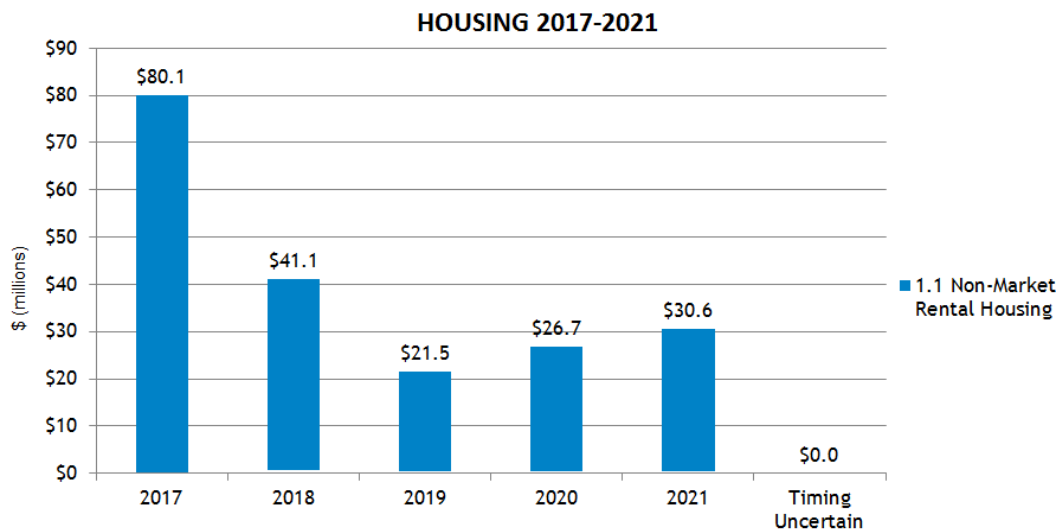
## Top 10 projects and programs

The following table highlights the top 10 planned capital expenditures for 2017, by project or program, representing approximately 40% of all planned 2017 capital expenditures.

Top 10 Projects/Programs		Anticipated Expenditure in 2017 (\$ million)	Anticipated Outcomes in 2017
1	Sewer Main Replacement (Annual program)	31.5	5.8 km of combined (stormwater and sanitary) sewer mains separated (1.1%).
2	Capital to support Vancouver Affordable Housing Agency (VAHA) projects	25.8	Completion of planning & design phases for 12 VAHA affordable housing projects (approximately 1,270 units).
3	Social Housing in the Southeast False Creek Area 3B	19.0	Project in construction phase, anticipated 90% completion by end of 2017.
4	Vehicles and equipment replacement (Annual program)	18.8	160 to 180 vehicles & equipment replaced
5	Burrard Bridge Upgrades	17.7	<ul style="list-style-type: none"> <li>• 0.75 km of new means prevention fence on the Burrard Bridge (east side)</li> <li>• 0.75 km of electrical, street lighting and sidewalk rehabilitated (east side)</li> <li>• 0.40 km of new AAA bike lane</li> <li>• 0.08 km of new marked bike lane</li> <li>• 0.34 km of pavement and sidewalk rehabilitated</li> <li>• 0.34 km of upgraded (LED) street lights</li> <li>• "Fully protected" intersection for pedestrians/cyclists at Burrard and Pacific</li> <li>• 4 upgraded traffic signals</li> <li>• Upgraded bus passenger facilities at 2 bus stops</li> </ul>
6	Bikeways and greenways	17.4	The 2017 program will be focused on new and improved walking and cycling infrastructure including: <ul style="list-style-type: none"> <li>(i) 10th Avenue Bikeway AAA Upgrade through Hospital Precinct;</li> <li>(ii) Adanac Bikeway Improvements;</li> <li>(iii) Safety Improvements following the upcoming safety study;</li> <li>(iv) Schools, pedestrian/public realm spot improvements, and other misc. community transportation planning improvements;</li> <li>(v) Transportation Network Changes associated with 800 Robson Plaza Improvements;</li> <li>(vi) Rail Corridor improvements; and</li> <li>(vii) Studies leading towards future capital improvements, such as Commercial Drive Complete Street and Gastown Improvements</li> </ul>
7	Acquiring land for affordable housing	16.3	Purchase of land to enable strategic partners (e.g., senior government, non-profit agencies) to deliver 500 units of affordable housing on City-owned land over the next five years.
8	Georgia/Dunsmuir Viaduct Removal Phase 1 Planning	15.3	Completion of all technical work to support a Council presentation for the NEFC project by end-2017 to provide the necessary information to determine whether the project can proceed into construction.
9	Vancouver Landfill Phase 3 Southeast closure	15.2	Approximately 13 hectares will be closed. Additional gas works will assist in reaching/maintaining the Ministry of Environment's target of 75%.
10	Vancouver Landfill Western 40 Hectare closure	15.0	Approximately 13 hectares will be closed in 2017 (out of 40 hectares for entire project), and additional gas work will be
Top 10 total anticipated expenditures for 2017		191.9	

## Highlights of the Capital Budget and five-year financial plan

### Housing: \$80.1 million



Increasing the availability and range of affordable housing choices for the city's growing and diverse mix of residents is critical to Vancouver's social, environmental and economic health. Through the 2012-2021 Housing and Homelessness Strategy, the City continues to leverage new affordable housing units geared toward low- and moderate-income households, ranging from supportive and social housing to secured market rental, laneway housing and secondary suites. The City will advance its strategic partnerships with both the federal and provincial governments to create additional affordable housing for Vancouver residents.

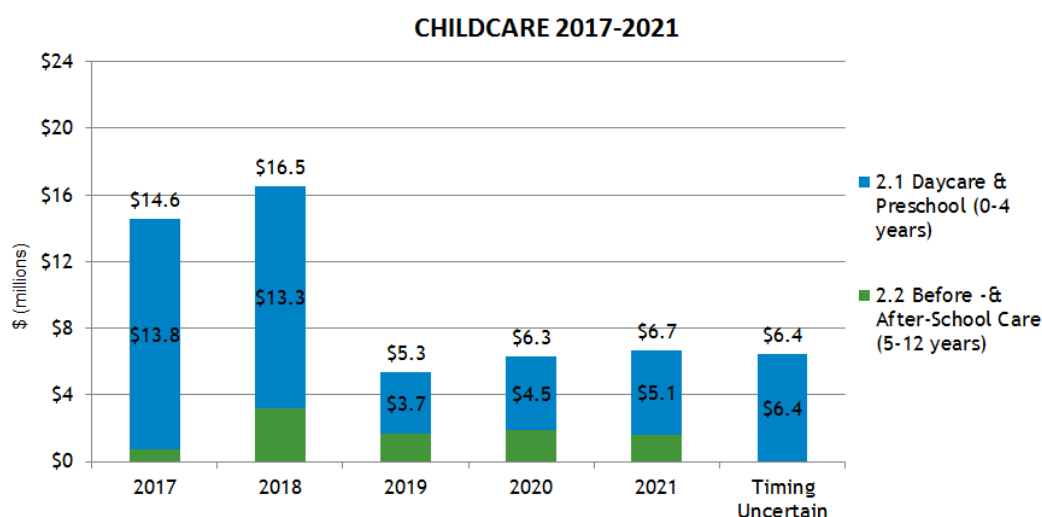
The 2015-2018 Capital Plan earmarked \$125.0 million for strategic investments in affordable housing. The City plans to renew three City-owned buildings in the Downtown Eastside neighbourhood (251 units), continue with ongoing capital maintenance and renovations of various City-owned social housing projects, and provide capital grants to assist with the upgrading of existing single room occupancy hotels owned or operated by non-profit agencies (target 400 rooms). The City also plans to support the creation of 1,885 new units of social and supportive housing with funding from the Capital Plan supplemented by funding from senior governments and non-profit agencies. In addition, the City anticipates that 665 new units will be created via inclusionary zoning policies and as in-kind Community Amenity Contributions from rezonings.

Major projects planned for 2017 include:

- Capital to support Vancouver Affordable Housing Agency (VAHA) projects – \$25.8 million
- Social housing in Southeast False Creek Area 3B – \$19.0 million (total project budget \$39.0 million)
- Acquiring land in the River District for affordable housing – \$9.2 million

- City contribution toward developer cost of delivery of turn-key social housing at 1107 Seymour Street – \$4.9 million
- Capital grants for non-City-owned social housing, with a target of 125-250 units depending on the unit mix – \$4.4 million
- Capital grants to upgrade single room occupancy units – \$3.0 million
- Consulting related to finalizing the development plan and rezoning for Roddan Lodge renewal (housing) in conjunction with Evelyn Saller Centre renewal (social facility) – \$0.5 million (total project budget for planning \$5.2 million; total renewal costs to be determined after the planning phase)
- The City anticipates that four new social and supportive housing projects with 285 units (292 E. Hastings, 933 E. Hastings, 1107 Seymour and 1847 Main) will be completed in 2017 via inclusionary zoning policies and as in-kind Community Amenity Contributions from rezonings.

### Childcare: \$14.6 million



The City, the Vancouver School Board, non-profit agencies and the private sector are all involved in delivering childcare services in Vancouver. This includes services for children aged 0-4 years (all-day childcare and part-time preschool programs) and children aged 5-12 years (before- and after-school programs).

There are currently more than 12,000 licensed childcare spaces available in the city.

Over the four years of the 2015-2018 Capital Plan, the City has allocated \$5.0 million to renew one to two City-owned childcare facilities for children 0-12 years old, continue with ongoing facility maintenance and renovations, and provide capital grants. In addition, the City has allocated \$20.0 million to create 400 new spaces for children 0-4 years old (in addition to the 100 spaces to be delivered via in-kind Community Amenity Contributions). Allocation of \$5.0 million will support the creation of 500 new spaces for children 5-12 years old in partnership with the Vancouver School Board and other community partners.

## Daycare and preschool (0-4 years) \$13.8 million

Major projects planned for 2017 include:

- Continuing construction on the Lord Nelson Elementary School childcare facility – \$3.3 million expenditure planned through a partnership with the Vancouver School Board (total project cost \$6.5 million, with anticipated completion in summer 2018)
- Commencing construction on the Sir Sandford Fleming Elementary School childcare facility – \$3.1 million expenditure planned through a partnership with the Vancouver School Board (total project cost \$7.0 million, with anticipated completion at the end of 2018)
- Completing childcare feasibility, planning and schematic design for other priority childcare projects – \$2.8 million expenditure planned through a partnership with the Vancouver School Board
- City contribution toward the construction costs of a 37-space childcare facility at Maple Street and 10th Avenue – \$2.5 million (to be disbursed upon completion of the facility, anticipated for spring 2017)

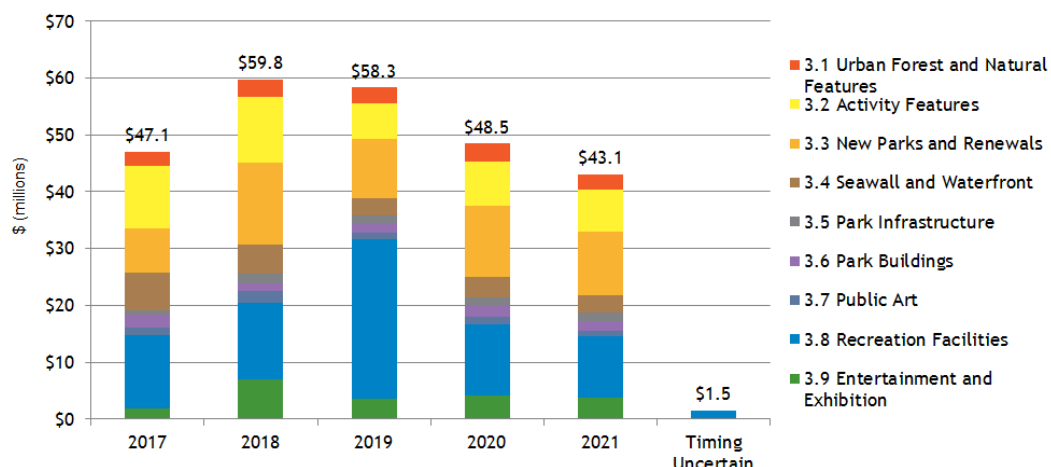
## Before- and after-school care (5-12 years) \$0.7 million

Major projects planned for 2017 include:

- Completing a new, additional multi-purpose room for 30 spaces at the International Village School site – \$0.3 million (total project cost \$1.0 million, with anticipated completion in spring 2017)
- Community partnerships with the Vancouver School Board to provide funding for expansion grants to retrofit multi-purpose space in schools that will increase the number of licensable, school-age childcare spaces on-site – \$0.3 million

## Parks, open spaces and recreation: \$47.1 million

PARKS, OPEN SPACES AND RECREATION 2017-2021



Vancouver's network of parks and open spaces includes more than 300 sites throughout the city, accounting for 1,360 hectares or about 10% of all land within municipal boundaries. These open spaces vary in size from small urban plazas and "mini parks" to major parks such

as Stanley and Queen Elizabeth Parks, offering natural areas, sports and recreation facilities, leisure activities, spaces for public gatherings and more.

Most City parks and recreation facilities are managed by the Park Board. Recreation facilities include community centres, swimming pools and ice rinks. Entertainment and exhibition spaces include Nat Bailey Stadium at Hillcrest Park and various facilities at Hastings Park, including those operated by the Pacific National Exhibition (PNE).

Over the four years of the 2015-2018 Capital Plan, the City plans to continue the renewal of its parks and open space features. This includes:

- Renewing the Britannia Community Centre (Phase 1)
- Completing a public consultation and initiating design for renewal of the Marpole-Oakridge Community Centre
- The planning and start of construction on a new outdoor pool Advancing the next phase of the Hastings Park/PNE renewal, along with continued facility maintenance and renovations
- Adding new parks (Smithe and Richards Streets, along the Fraser River in Marpole, in Northeast False Creek and in the East Fraser Lands)
- Adding or enhancing natural features in parks and open spaces
- Introducing new sports facilities, including a track and field training facility and new synthetic turf field
- Planting 40,000-50,000 new trees
- Installing approximately 15 new pieces of public art (temporary and permanent)

#### **Urban forest and natural features \$2.6 million**

Major projects planned for 2017 include:

- Completing the planting of approximately 17,500 trees along streets, in parks and in other locations, supporting the City's Urban Forest Strategy and Greenest City Action Plan goals – \$1.5 million
- Continuing work on biodiversity enhancements, including wetland restoration, planning for a new stream daylighting project (Tatlow Park), marine habitat management, species at risk conservation, pollinator conservation and bird habitat improvements – \$0.5 million

#### **Activity features \$10.9 million**

Major projects planned for 2017 include:

- Completing the redevelopment and refurbishment of the North Plaza of the Vancouver Art Gallery (Phase 2 of gallery improvements) – \$2.0 million (total project cost \$9.0 million, with anticipated completion in late summer 2017)
- Completing the replacement and upgrade of the electrical service to the Burrard Civic Marina – \$2.4 million (total project cost \$3.4 million, with completion scheduled for summer 2017)

- Constructing a new spray park, and replacing and expanding up to five playgrounds — \$2.2 million
- Renewing the pond at Dr. Sun Yat-Sen Classical Chinese Garden — \$1.3 million (total project cost \$1.4 million)

**New parks and renewals \$7.8 million**

Major projects planned for 2017 include:

- Constructing a new park in Downtown South, at Smithe and Richards Streets, scheduled to begin in late 2017 or early 2018
- Completing conceptual designs for a new waterfront park in Northeast False Creek and for parks in the East Fraser Lands
- Planning for a new waterfront park, east of the Creekside Community Centre on False Creek
- Continuing to renew parks and playgrounds at Renfrew Ravine Park, Renfrew Community Park, Brewers Park and Sunset Park
- Priority planning projects include the kick-off of the Parks and Recreation Services Plan; VanSplash; People, Parks and Dogs; and a citywide consultation process to confirm the location for a new track and field training facility

**Seawall and waterfront \$6.6 million**

Major projects planned for 2017 include:

- A substantial upgrade to the Stanley Park Seawall. The overall project budget for this work is \$5.0 million, which includes a \$0.5 million Infrastructure Canada grant from the federal government.
- An assessment of park marine infrastructure related to sea level rise and climate change (in collaboration with the City's Engineering Services department).

**Park infrastructure \$0.7 million**

Projects planned in 2017 include an upgrade to the Lost Lagoon Fountain in Stanley Park and rehabilitation of park pavement and drainage.

**Park buildings \$2.4 million**

Major projects planned for 2017 include:

- Planning, design, procurement, renovations and upgrades at high priority locations
- Ongoing maintenance of building components (prioritized based on building condition assessment), including roof replacements at the English Bay Bathhouse and Stanley Park Train administration building
- Fieldhouse renovations



**Public art \$1.2 million**

Major projects planned for 2017 include:

- New public art: four to seven local area and temporary artworks (through an artist-initiated program); three to four projects celebrating 25 years of the Public Art Program; up to 10 two-dimensional artworks (ongoing program of changing works – Platforms, Banners at Central Library, CBC Wall); planning for a signature project; and annual projects, including Robson Redux and Public Art Community Grants – \$1.0 million

**Recreation facilities \$13.0 million**

Major projects planned for 2017 include:

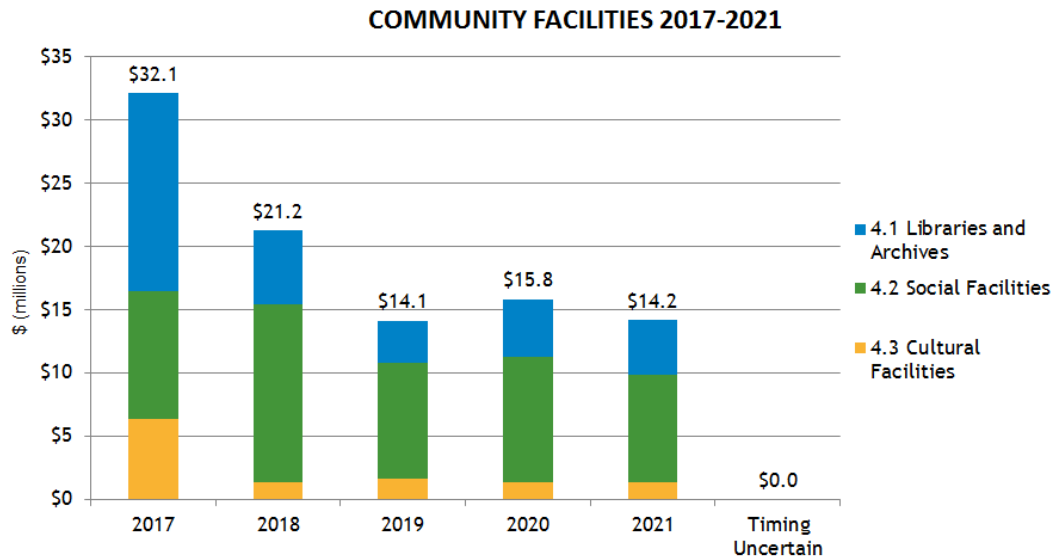
- Continuing construction of the new Killarney Seniors Centre (Southeast Vancouver) – \$5.5 million (total project \$7.5 million, with completion expected in summer 2018)
- Ongoing maintenance of building components (prioritized based on building condition assessment), including roof assessments/replacements at Kerrisdale, Champlain Heights and Hastings Community Centres, boiler replacement at Dunbar Community Centre, and upgrades at the Kitsilano outdoor pool – \$3.4 million
- Energy Optimization Program for building energy retrofit projects and building control optimization projects that reduce energy consumption and greenhouse gas emissions – \$1.5 million
- Marpole-Oakridge Community Centre renewal, including site feasibility, public consultation, programming and schematic design – \$0.5 million (total estimate for this phase of the renewal project \$2.0 million)
- Phase 1 Britannia Community Centre redevelopment, including completion of stakeholder consultation and preliminary design – \$0.5 million (total project budget for planning \$3.0 million, anticipated 2017 completion)

**Entertainment and exhibition \$1.8 million**

Major projects planned for 2017 include:

- Continuing work on replacement of heat pump at Pacific Coliseum and replacement of transformer and lighting at Forum building
- Assessing the Pacific Coliseum building envelope and ice plant

## Community facilities: library, social and cultural: \$32.1 million



Vancouver's libraries, social facilities and cultural facilities offer a wide range of community services and programs to the city's diverse and growing population. Facility service mandates range from neighbourhood-wide to citywide.

There are about 100 library, social and cultural facilities across the city.

Over the four years of the 2015-2018 Capital Plan, the City plans to:

- Continue with ongoing maintenance and renovations of library, social and cultural facilities
- Begin renewal of the Evelyn Saller Centre in the Downtown Eastside
- Continue with various capital granting programs (e.g., cultural, social)
- Expand the Central Library onto Levels 8 and 9, and create a publicly accessible rooftop garden
- Create a new and expanded Qmunity, a facility for the lesbian, gay, bisexual, transgendered, queer and two-spirited (LGBTQ2+) communities in the city's West End
- Deliver various facilities such as the MOSAIC Adult Learning Centre, Positive Living BC, AIDS Vancouver and artists' studios (Marine and Cambie Streets) through in-kind Community Amenity Contributions

### Libraries and archives \$15.7 million

Major projects planned for 2017 include:

- Starting construction on the expansion of Central Library to Levels 8 and 9 – \$8.9 million (total project cost \$15.0 million, anticipated completion in spring 2018)
- Completing the new néca?mat ct Strathcona Branch Library – \$4.9 million (total project cost \$18.4 million, with anticipated completion in spring 2017)
- Ongoing capital maintenance and renovations of library branches, including replacement of elevators at Library Square – \$1.4 million

- Planning the relocation of City of Vancouver Archives storage and office space – \$0.4 million

**Social facilities \$10.0 million**

Major projects planned for 2017 include:

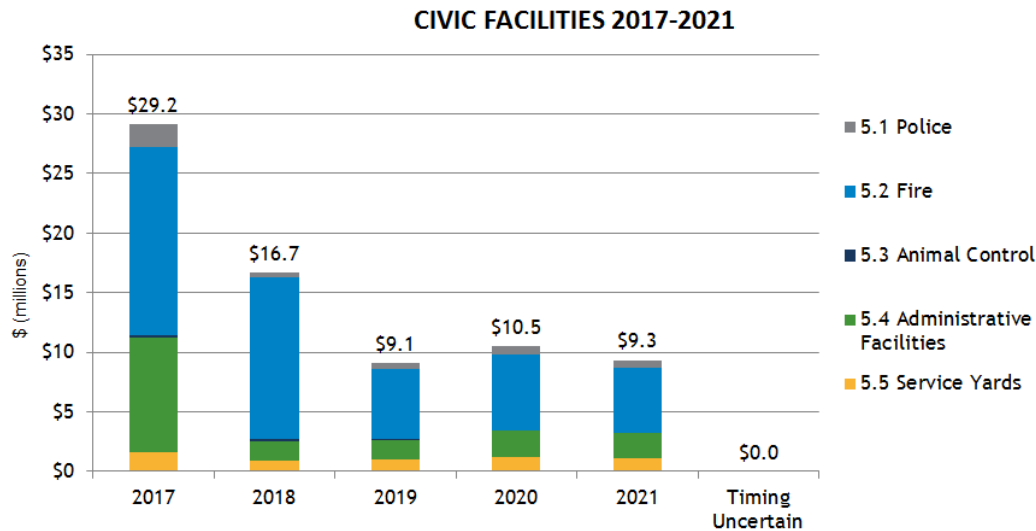
- Base building repairs to Marpole Place – \$1.9 million (total project cost \$3.0 million)
- Disbursing a capital grant instalment toward the redevelopment of Little Mountain Neighbourhood House – \$1.25 million (total capital grant \$3.1 million)
- Renovating Carnegie Community Centre and Gathering Place Community Centre kitchen facilities – \$1.0 million
- Chinese Society Buildings Matching Grants – \$0.9 million
- Downtown Eastside Community Asset Management Program grants – \$0.8 million
- Disbursing the remaining instalment of capital grant to Gordon Neighbourhood House toward building envelope repairs and interior renovations – \$0.7 million (total capital grant \$3.0 million)
- Completing a feasibility study for a new seniors centre in South Vancouver, including functional programming, site selection, governance models and concept design – \$0.2 million (total feasibility study budget \$0.3 million)

**Cultural facilities \$6.4 million**

Major projects planned for 2017 include:

- Disbursing the remaining portion of a cultural facility capital grant in support of the establishment of artist production spaces in the Mount Pleasant neighbourhood – \$2.2 million (total capital grant \$2.3 million)
- Disbursing grants from the Cultural Infrastructure Grant Program – \$1.5 million
- Ongoing maintenance of facilities, including replacement of elevators in the Queen Elizabeth Theatre (parkade and lobby) and the freight elevator in the Vancouver Art Gallery – \$1.6 million

## Civic facilities: \$29.2 million



Vancouver's civic facilities provide equipment and administrative space for core public safety functions, key administrative groups and City service vehicles and equipment. There are more than 100 administrative and City-owned facilities and service yards.

Civic facilities include:

- The City's three core public safety functions – police services, fire and rescue services, and animal control
- Administration buildings, including City Hall and the Park Board's administration building
- Service yards (industrial-type municipal facilities where trucks and equipment are stored)

Over the four years of the 2015-2018 Capital Plan, the City plans to invest in renewing Fire Hall No. 17; continue with ongoing facility capital maintenance of its civic facilities, including roofing, windows and flooring; and provide accessibility improvements and office space optimization.

### Police \$1.9 million

Major projects planned for 2017 include:

- Vancouver Police Department office renovations and moves – \$0.9 million (total project \$2.2 million, with completion anticipated by the end of 2017)
- Ongoing maintenance of building components (prioritized based on building condition assessment) at Vancouver Police Department facilities – \$0.8 million

### Fire \$15.8 million

Major projects planned for 2017 include:

- Replacing Fire Hall No. 5, including a social housing component – \$11.5 million (total project cost \$21.7 million, with expected completion in fall 2018)

- Planning and design to replace Fire Hall No. 17 – \$2.2 million (total cost for planning phase \$3.2 million, with total project cost to be determined following planning-and-design phase)
- Constructing stacked modular office space to accommodate staff for new Citywide Driver Services Training program – \$0.5 million (total project cost for modular office space \$0.8 million, completion anticipated in summer 2018)

**Animal control \$0.3 million**

A small number of projects are planned for 2017, including ongoing capital maintenance and minor renovations and facility upgrades to meet operational needs.

**Administration facilities \$9.6 million**

Major projects planned for 2017 include:

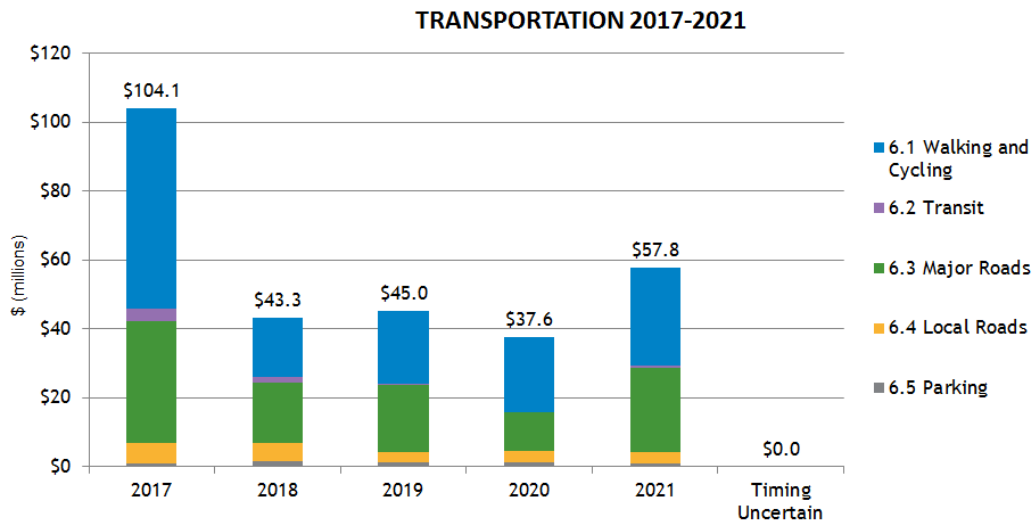
- Seismic upgrades at City Hall West Annex – \$2.4 million (total project cost \$5.4 million, with completion anticipated in mid-2017)
- City Hall East Annex deconstruction – \$2.3 million (total project cost \$4.2 million, with completion anticipated in fall 2017)
- Ongoing work under the Energy Optimization Program, involving building energy retrofit projects and building control optimization projects that reduce energy consumption and greenhouse gas emissions within City-owned buildings – \$0.8 million
- Assessing condition of civic facilities and doing civic-related planning and research – \$0.7 million
- Completing comprehensive feasibility report for City Hall campus with development options, as part of the overall Office Accommodation Plan – \$0.5 million (report planned to be presented to Council by the end of 2017)

**Service yards \$1.6 million**

Major projects planned for 2017 include:

- Capital maintenance and minor upgrades at service yards – \$0.5 million
- Replacing end-of-life fuel tanks at the Manitoba Yard – \$0.5 million

## Transportation: \$104.1 million



Across Vancouver, the city's transportation network offers a range of travel choices to residents, workers and visitors. Responsibility for the various components of the network is divided between the City and the Province of British Columbia. The City provides walking, cycling and local road networks. TransLink (South Coast British Columbia Transportation Authority) provides transit services. The Province of British Columbia is responsible for 6 kilometres of highways and three major bridges leading into the city.

The City owns and maintains more than 4,000 kilometres of street, lane and sidewalk assets plus a wide range of transportation structures and features.

Over the four years of the 2015-2018 Capital Plan, the City plans to:

- Reconstruct approximately 6 kilometres of sidewalk
- Repave 33 kilometres of major roads
- Rehabilitate Burrard Bridge (sidewalks, railings, lighting)
- Repave 45 kilometres of local roads and lanes
- Replace approximately 3,800 street lighting poles
- Reconstruct 22 traffic signals
- Replace 1,000 parking meters
- Maintain and renovate parkades

In addition, the City plans to add to its transportation asset base, including 2 kilometres of new sidewalks; 260 new and upgraded curb ramps; pedestrian safety and public realm improvements (Downtown Eastside, Marpole, Mount Pleasant and the West End neighbourhoods); completion of the Comox-Helmcken and Seaside Greenways; continuing upgrades of bikeways catering to all ages and abilities; upgrades to Burrard Bridge; and finalizing an improvement strategy for the False Creek bridges.

A funding agreement is needed in order to commence procurement for the SkyTrain Millennium Line Broadway Extension (also known as the Broadway Subway). This agreement involves the Mayors' Council, the provincial government and the federal government. The City is also requesting new or upgraded bus stops to address proposed bus route changes in the eastern part of Downtown. Lastly, the City plans to install 12 new pedestrian bike signals and 700 parking meters over the four years of the Capital Plan.

### **Walking and cycling \$58.3 million**

Major projects planned for 2017 include:

- Continuing work on upgrades to the Burrard Bridge, including bridge rehabilitation, active transportation (walking and cycling) and safety improvements – \$17.7 million (total project cost \$35.0 million, with completion anticipated by the end of 2017)
- Upgrading and expanding walking and cycling networks, including expanding the All Ages and Abilities (AAA) cycling network by approximately 10 kilometres – \$17.4 million
- Continuing construction for public realm improvements to the Seaside Greenway between Burrard Bridge and Cambie Bridge and between Alma Street and Macdonald Street, improving safety and comfort for people walking and cycling – \$13.6 million (total project cost \$15.4 million, with completion of all work anticipated by end of 2018)
- Converting the block at 800 Robson Street into a permanent pedestrian plaza – \$3.0 million (total project cost \$3.5 million, with completion anticipated for spring 2018)

### **Transit \$3.7 million**

Major projects planned for 2017 include:

- Replacing transit trolley poles and transferring/expanding the City infrastructure (wires, signals) – \$2.0 million (completion anticipated by end of 2017)

### **Major roads \$35.2 million**

Major projects planned for 2017 include:

- Continuing Phase 1 of the Georgia and Dunsmuir Viaducts Removal, which involves a two-year planning and consultation process to complete the detailed planning, design and various agreements needed to advance removal of the viaducts and development of the remaining Northeast False Creek lands and future parks and open spaces – \$15.3 million (total amount included for Phase 1 \$24.4 million, with anticipated completion in summer 2018)
- Repaving of major arterial streets, including transit routes – \$9.5 million
- Completing the construction at the intersection of Knight Street and Marine Drive, a priority project to improve goods movement and safety – \$2.4 million (total project cost \$2.5 million, with completion anticipated for fall 2017)
- Rehabilitating traffic signals – \$2.0 million
- Rehabilitating street lighting on major roads – \$1.8 million

## Local roads \$6.1 million

Major projects planned for 2017 include:

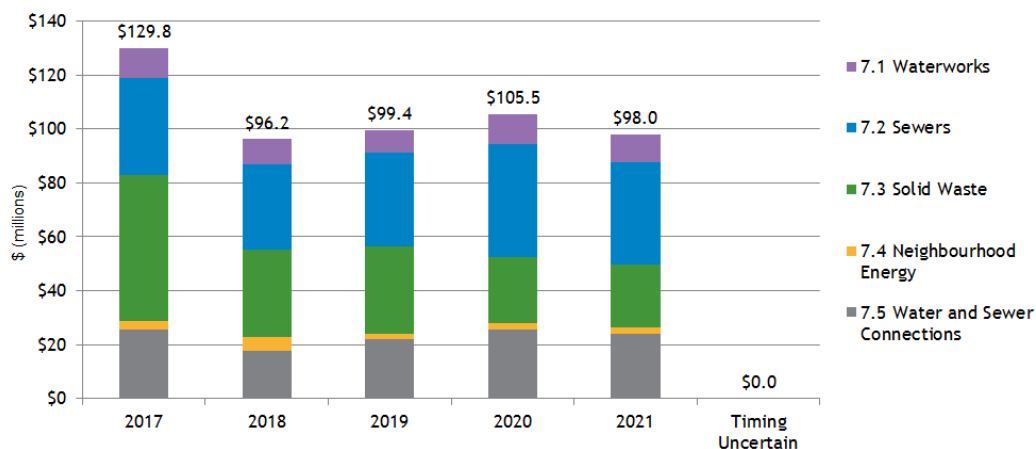
- Rehabilitating local roads – \$2.1 million
- Replacing City infrastructure (such as lighting) due to BC Hydro removal of aging H-frame power distribution structures – \$1.7 million
- Rehabilitating street lighting on local roads – \$1.2 million
- Neighbourhood traffic calming initiatives, including a local speed hump program, school travel planning and spot improvements – \$0.5 million

## Parking \$0.8 million

This funding is designated for new and replacement parking meters.

## Utilities: \$129.8 million

UTILITIES AND PUBLIC WORKS 2017-2021



The City owns and operates four utilities, two of which provide critical services (water and sewers) used by all Vancouver residents, businesses and visitors. A third utility (solid waste) provides green waste, recycling and garbage pickup and disposal service to all residents living in single-family, duplex and some apartment areas. A fourth utility (neighbourhood energy) provides low-carbon footprint heating and hot water to all buildings in Southeast False Creek and a portion of the False Creek Flats.

The City owns and maintains more than 5,500 kilometres of underground pipe as well as a series of specialized facilities and features to support the effective delivery of utility services.

Over the four years of the 2015-2018 Capital Plan, the City plans to replace 30-35 kilometres of water mains; maintain and replace waterworks components; replace 55-65 kilometres of combined sewer mains with separated sewer mains; replace four pump stations; separate sewers on private property; replace 5,000-6,000 water/sewer connections; and replace 2,500 water meters. The City also plans to extend its water and sewer mains to serve growth areas; install 12 new drinking fountains and approximately 5,000 new water meters; close a filled section of the Vancouver Landfill and install gas collection infrastructure at the landfill;



and expand the neighbourhood utility energy centre and new distribution piping system to connect 10-15 new buildings.

As capital work is planned for sewer and waterworks, the City will also look at opportunities for capital investments supporting the Greenest City Action Plan.

#### **Waterworks \$11.1 million**

Major projects planned for 2017 include:

- Replacing aging and deteriorating water mains within the City's water distribution system that serves homes, businesses and industry – \$9.0 million
- Developing an engineering and site investigation program for engineering, geotechnical and environmental work prior to the construction of major assets and for innovation research – \$0.3 million
- Replacing approximately 35 aging fire hydrants – \$0.4 million

#### **Sewers \$36.0 million**

Major projects planned for 2017 include:

- Reconstructing 1.1% of the sewer infrastructure to change it from a combined system to a separated system – \$31.5 million
- Marpole Integrated Rainwater Management Pilot project, designed to trial a variety of green infrastructure strategies and designs for rainwater management (including quality, volume and rate control) – \$0.5 million

#### **Solid waste \$54.1 million**

Major projects planned for 2017 include:

- Phase 3 closure of the southeast section of the Vancouver Landfill, as part of the ongoing progressive closure of completed sections – \$15.2 million (total project cost \$16.0 million, with completion anticipated in late 2017)
- Closure of the Western 40 Hectares section of the Vancouver Landfill, as part of the ongoing progressive closure of completed sections – \$15.0 million (total project cost \$43.3 million, with completion anticipated in 2019)
- Continuing work on the reconstruction at the entrance to the Vancouver Landfill to reduce traffic congestion, improve safety and provide an improved recycling facility for customers – \$5.4 million (total project cost \$7.8 million, with anticipated completion in spring 2017)
- Replacing a gas collection flare at the Vancouver Landfill – \$3.5 million (total project cost \$3.5 million)
- Transfer Station improvements to accommodate increased waste diversion – \$3.4 million (total project cost \$5.7 million, with completion anticipated in summer 2017)

#### **Neighbourhood energy \$3.1 million**

This will fund an extension of the Neighbourhood Energy Utility system to service new customers in Southeast False Creek.

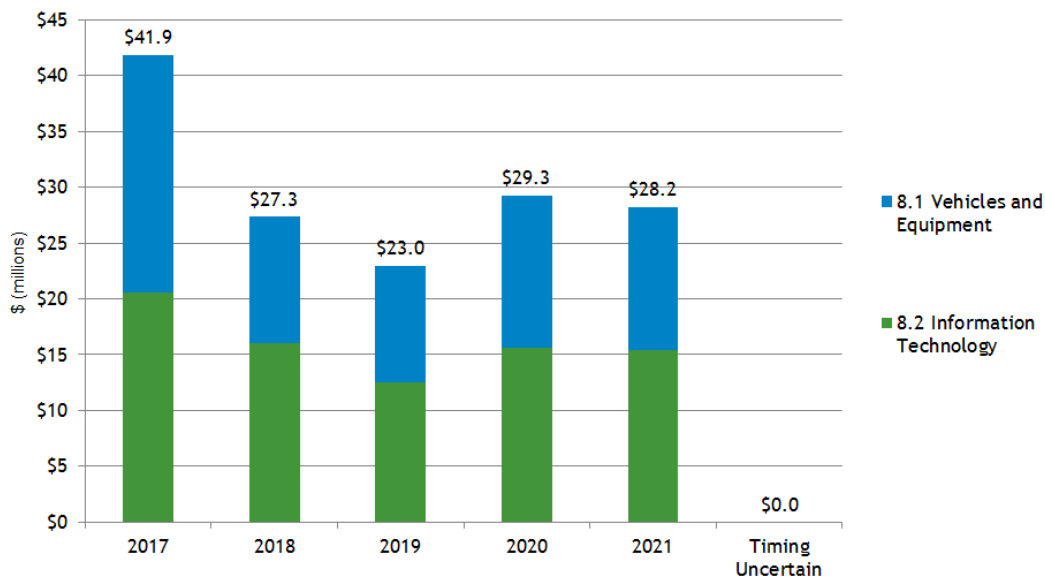
## Water and sewer connections \$25.6 million

Major projects planned for 2017 include:

- Installing connections from residential properties to the City's water, sanitary and stormwater sewer services – \$13.0 million
- Replacing approximately 375 aging water connections – \$2.5 million
- Replacing sewer connections for approximately 120 properties and reconstructing aging sewer manholes – \$1.4 million

## Equipment and technology: \$41.9 million

EQUIPMENT AND TECHNOLOGY 2017-2021



The equipment and technology category includes tools that allow City staff to perform their daily functions to deliver services to the public.

Equipment and technology includes a wide array of City assets. These include vehicles, such as police cars, fire trucks, recycling trucks, lawn mowers and Zambonis, and information technology, such as computers, hardware and specialized applications.

Over the four years of the 2015-2018 Capital Plan, the City will invest in replacing 625-725 vehicles, continuing with ongoing replacement of computers and hardware, and developing and implementing major new applications such as ActiveNet and the fleet management system. The City will also implement its Digital Strategy (Wi-Fi expansion and mobile technology), a geographically remote data centre (for disaster recovery/business continuity) and new business system technologies.

**Vehicles and equipment \$21.3 million**

Major projects planned for 2017 include:

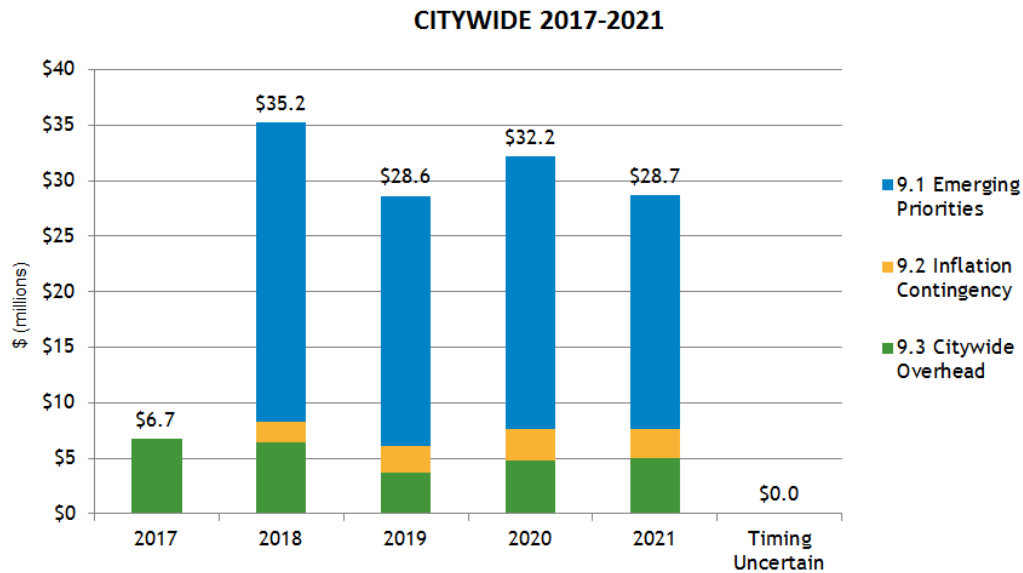
- Replacing end-of-life City fleet vehicles and equipment with a focus on creating a fleet that keeps greenhouse gas emission levels low in support of the goals set out in the City's Greenest City 2020 Action Plan, and to right-size the City's fleet – \$20.0 million
- Replacing end-of-life fire trucks and heavy apparatus with trucks that have increased pumping and reach capabilities and anti-idling technology – \$1.1 million (total project cost \$35.2 million, with completion anticipated in spring 2017)

**Information technology \$20.5 million**

Major projects planned for 2017 include:

- Continuing the ongoing infrastructure maintenance, upgrade and expansion program for core information technology (IT) infrastructure, including that at the Vancouver Police Department and the Vancouver Public Library – \$6.5 million
- Ongoing replacement of end-of-life hardware (desktop computers, laptops, tablets and displays) – \$2.8 million
- Implementing a fleet management software solution to improve management and maintenance of vehicles and equipment – \$2.2 million (total project cost \$4.0 million, with anticipated 2017 completion)
- Completing the final phase of the Permit and Licence Transformation Program (a new technology platform to replace obsolete technology and improve service delivery and the customer experience) and bringing business processes in line with best practices by transforming the permit and licences process citywide – \$1.5 million (total project budget, including the completed phase for online services implementation, is \$26.0 million, with overall project completion anticipated in spring 2017)
- Replacing the City's Parking Enforcement Ticket Manager platform – \$1.0 million (total project cost \$1.1 million, with completion anticipated by the end of 2017)

## Citywide: \$6.7 million



This category includes emerging priorities, inflation contingency and citywide overhead. Each item is described below.

### Emerging priorities

As the City transitions from three-year capital plans to four-year capital plans, there is a greater need for contingency funding to address emerging priorities and opportunistic investments that may arise over the plan's duration. In addition, as part of the overall funding strategy of leveraging federal and provincial funding (such as the Building Canada and Community Works funds) and other innovative, cross-agency partnership opportunities (e.g., Vancouver School Board, charitable and non-profit organizations), funding has been set aside to address these emerging priorities. Should those opportunities materialize and investment decisions be made, funding will be moved to the appropriate program areas. Funding totalling \$75.0 million has been set aside in the 2015-2018 Capital Plan.

To date, a total of \$28.2 million of emerging priorities funding has been allocated to the following projects:

- Planning phase for the removal of the Georgia and Dunsmuir viaducts – \$17.2 million
- Burrard Bridge upgrades (for added scope, including safety structural modifications) – \$4.0 million
- Updates to system applications and network hardware and software necessary to complete mandatory compliance requirements for the latest version of PCI (Payment Card Industry) credit card security standards – \$1.4 million
- Replacement of stage rigging at Queen Elizabeth Theatre – \$1.3 million
- Deconstruction of City Hall East Annex – \$1.2 million
- Development of a Green Infrastructure Implementation Plan – \$0.8 million
- Acquisition of local historic cultural property – \$0.8 million

- Debenture issue costs (2016 debenture issue) – \$0.5 million
- Consultancy review of Development Cost Levy tracking system – \$0.4 million
- Floor space reconfiguration of leased administrative facility on City Hall campus – \$0.4 million
- Feasibility study for new seniors centre for South Vancouver – \$0.2 million

The 2017 Budget includes an allocation of emerging priorities funding of \$9.9 million for priority facilities planning and upgrades. With these allocations, the emerging priorities funding available for new priority projects that may arise in 2018 is \$36.9 million.

### **Inflation contingency**

Program funding allocations identified in the 2015-2018 Capital Plan were based on the value of the Canadian dollar at the time the plan was developed. Though construction cost inflation has been low in recent years relative to the pre-Olympic construction period, \$10.0 million was included in the Capital Plan as an inflation contingency to mitigate inflation risk over the four-year period of the plan.

In 2015, funding of \$6.8 million was allocated from the inflation contingency to cover an increase in the cost of replacing the City's fire trucks. The truck chassis and the majority of associated equipment were sourced from a US manufacturer. The final cost to the City for the fire trucks increased due to the significant decline of the Canadian dollar in 2015 relative to the US dollar. After these allocations, the balance remaining in inflation contingency funding for 2018 is \$3.2 million.

### **Capital overhead**

This program includes financing fees the City incurs as part of the debenture program (not the interest costs associated with debenture borrowing, which is included in the Operating Budget) as well as costs of City staff supporting the capital program. Funding totalling \$22.9 million was set aside in the 2015-2018 Capital Plan for capital overhead.

Citywide capital overhead in the amount of \$6.7 million is included in the 2017 budget.

## Consolidated budget

In accordance with Canadian public sector accounting standards, the City reports its annual financial statements on a consolidated basis for the five 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 operating budget.

### City funds

- Revenue Fund
- Capital Fund
- Property Endowment Fund
- Capital Financing Fund
- Sinking Fund

### Other entities

- 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
- Vancouver Economic Commission

## Fund background

### City funds

Council approves the City's Operating Budget, Capital Budget and Property Endowment Fund budget.

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

Separate Council approval is not required for the budgets of the City's two other funds, the Capital Financing Fund and the Sinking 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 2017 budget is found 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. The Capital Budget also includes funding for new housing-related capital assets led by the Vancouver Affordable Housing Agency and the Vancouver Public Housing Corporation as well as facilities operated by the Pacific National Exhibition. A detailed description of this fund's 2017 budget is found in the Capital Budget section of this document.

### 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. By including the PEF operating budget in this 2017 Budget document, it is being approved in conjunction with the City's Operating and Capital budgets. The Property Endowment Fund capital budget is approved by Council in camera (in a closed and private session) due to the confidential nature of property transactions. In the annual financial statements, actual Property Endowment Fund results include operating and capital activity. A detailed description of this fund's 2017 operating budget is found in the PEF section of this document.

### 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 inter-fund transfers approved by Council in the Operating and Capital budgets and an estimate of interest revenue earned on cash balances.

For 2017, estimated revenues are \$2.8 million. This revenue is interest earned on the \$80.0 million cash balance in the Solid Waste reserve and the \$110.0 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 2017, the Sinking Fund budget includes investment income of \$8.5 million on the fund balance.

## **Other entities**

### **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 10-member Board of Directors, with one director being a Councillor appointed by City Council. With a proud service history in parking management of more than 60 years, EasyPark manages 66 facilities totalling more than 18,155 parking spaces; facility sizes range from four spaces to 1,418 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 parking facilities. EasyPark's revenues and expenses are included in the City's 2017 Property Endowment Fund budget as detailed in the Property Endowment Fund Budget section of this document. All EasyPark capital investment is approved by Council as part of the Property Endowment Fund 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 2016-2017 budget. For 2017, estimated revenues are \$48.9 million from all major programs, including the Fair, Playland, Fright Nights and facility rentals and events. Expenses for 2017 are budgeted at \$48.1 million. This budget comprises \$27.5 million for direct program costs, \$4.5 million for facility maintenance, and \$16.1 million for administration costs, resulting in a budgeted surplus of \$0.8 million. The budget is approved by the PNE Board. Capital expenditures on facilities and park structures are included in the City's Capital Budget and approved by City Council.

### **Vancouver Economic Commission**

The Vancouver Economic Commission (VEC), an agency of the City, works to strengthen Vancouver's economic future by developing and leading key initiatives to strengthen the business ecosystems of key strategic sectors of the local economy. These strategic sectors are (1) the green economy and sustainability-related sections, (2) technology and innovation, and (3) digital entertainment and interactive media. In addition to working on these key initiatives, the VEC works directly with businesses in these sectors to help them grow, attract investment and develop new markets. With respect to investment attraction and international trade, the VEC is focused on the Asia-Pacific markets, especially China.

The VEC has a strong team of 21 professionals that provides a variety of services, including research, marketing, communications, events for business engagement, strategic initiatives that enable these sectors, and advocacy on behalf of businesses to all levels of government. Visit [www.vancouvereconomic.com](http://www.vancouvereconomic.com) for comprehensive information on key services delivered.

The VEC plays a small but effective role in the local economy by focusing on areas of the economy that help diversify and lessen economic risk and focusing on areas where innovation, creativity and sustainability are key to success. In short, the commission works to position Vancouver as a globally recognized city for innovative, creative and sustainable business.

The VEC's Board of Directors is appointed by Council, with the Mayor serving as Board Chair. The commission leverages contributions from other organizations to fund its major initiatives. The City's contribution is approved through the annual Operating Budget approved by Council. The commission's budget of \$3.6 million is set by the board and includes a \$3.1 million contribution from the City and \$0.3 million from the Innovation Fund, which has been approved by Council for the Vancouver Entrepreneur Initiative. External sources contribute \$0.2 million toward VEC initiatives.

### **Vancouver Public Housing Corporation**

The City of Vancouver, with oversight by the General Manager of Community Services, operates 851 units of social housing across 10 City-owned properties. Of these 851 units, 379 units in five of the properties (Roddan Lodge, Central Residence, Alexander Residence, Barclay Heritage Square and the New Continental Apartments) are accounted for in the Vancouver Public Housing Corporation (VPHC).

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. The corporation receives approximately 44% of its operating revenues as contributions from the provincial and the federal governments. Its Board of Directors is appointed by Council and consists of the Mayor, three 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 budget reflects the ongoing operations for the five properties within this structure. City funding is approved through the City's Operating and Capital budgets, along with the budget for all social housing units managed by Community Services. No major changes in operations are anticipated in 2017.

For 2017, approximately \$1.7 million in rental income is anticipated to be received through the Vancouver Public Housing Commission; this rental income is from tenants residing in the five properties.

In addition to tenant rents, VPHC receives approximately \$0.6 million in funding from the BC Housing Management Commission (BCHMC) on behalf of the provincial government. This is intended to cover operating expenses as defined by BC Housing Management Commission, plus a budgeted contribution to the Replacement Reserve Fund, net of rental and other revenue sources.

In 2017, the City will contribute approximately \$1.0 million in funding toward operating expenses. Approved by Council through the City's Operating Budget, this funding bridges the gap between operating expenses and revenues from tenant rents and the BCHMC.

Operating expenses of \$2.7 million consist of staffing and administration expenses of \$1.6 million, building and operating costs of \$0.9 million, and \$0.2 million in other expenses. Building and operational costs largely relate to janitorial services, utilities costs and building maintenance.

### **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 the City Council's Housing and Homelessness Strategy.

VAHA is a City-controlled, separate legal entity governed by a Board of Directors that includes senior City staff and independent directors appointed by Council. 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.

VAHA's mandate is to enable 500 affordable housing units by 2017 and 2,500 units by 2021 through innovative partnerships with non-profit housing partners, developers and senior levels of government.

For 2017, Vancouver Affordable Housing Agency's operating budget is \$1.6 million. The agency's required capital funding is included in the 2017 Capital Budget.

### **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. It 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 2017, anticipated revenues are \$0.1 million 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 Consolidated Budget Summary table below.

### Operating budget basis of presentation

While many changes to local government financial reporting have taken place to improve its usefulness since Canadian public sector accounting standards were introduced, differences remain between the information presented during the City's budget process and that presented in its annual financial reports. This is because the City is required to prepare a balanced budget that includes capital additions, debt transactions and transfers and excludes depreciation.

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 2017 PSAB Adjustments column of the Consolidated Budget Summary table below.

A detailed reconciliation of amounts presented in the consolidated budget, below, with amounts presented in the annual consolidated financial statements will be disclosed in a note in the annual consolidated financial statements.

## Consolidated Budget Summary

2017 Consolidated Budget (\$000)	Revenue Fund (1)	Capital Fund (2)	Property Endowment Fund (3)	Capital Financing Fund	Sinking Fund	PNE (4)	Vancouver Economic Commission	Vancouver Public Housing Corp	Vancouver Affordable Housing Agency	Other Entities (5)	Consolidation Adjustments (6)	2017 Consolidated Budget	2017 PSAB Adjustments (7)	2017 Consolidated Budget (Financial Statement basis)	2016 Consolidated Budget (Financial Statement basis)	Net Change (\$)	Net Change (%)
<b>Revenues</b>																	
Property Tax	749,104	-	-	-	-	-	-	-	-	-	-	749,104	-	749,104	716,764	32,340	4.5%
Utility	256,900	-	-	-	-	-	-	-	-	-	(51)	256,849	-	256,849	248,288	8,561	3.4%
Program	62,565	-	1,278	-	-	46,850	-	-	-	-	(1,240)	109,453	-	109,453	106,541	2,912	2.7%
License & Development	60,221	-	-	-	-	-	-	-	-	-	-	60,221	-	60,221	57,979	2,242	3.9%
Parking	59,766	-	24,741	-	-	2,011	-	-	-	-	141	86,659	-	86,659	80,874	5,785	7.2%
Cost Recoveries, Grants & Donations	44,283	55,404	-	-	-	-	3,587	1,604	1,601	-	(6,133)	100,346	-	100,346	69,939	30,407	43.5%
Provincial Revenue Sharing	21,652	-	-	-	-	-	-	-	-	-	-	21,652	-	21,652	21,652	-	-
Investment Income	12,166	-	600	2,848	8,470	-	-	-	-	119	(254)	23,949	-	23,949	27,445	(3,496)	(12.7%)
Other	32,247	-	23,668	-	-	-	-	1,666	-	-	(6,290)	51,291	-	51,291	51,222	69	0.1%
Bylaw Fine	19,819	-	-	-	-	-	-	-	-	-	1,008	20,827	-	20,827	17,819	3,008	16.9%
Developer Contributions	-	167,983	-	-	-	-	-	-	-	-	-	167,983	-	167,983	82,275	85,708	104.2%
<b>Total Revenues</b>	<b>1,318,723</b>	<b>223,387</b>	<b>50,287</b>	<b>2,848</b>	<b>8,470</b>	<b>48,861</b>	<b>3,587</b>	<b>3,270</b>	<b>1,601</b>	<b>119</b>	<b>(12,819)</b>	<b>1,648,334</b>	<b>-</b>	<b>1,648,334</b>	<b>1,480,798</b>	<b>167,536</b>	<b>11.3%</b>
<b>Expenditures &amp; Transfers</b>																	
Utility	293,791	2,311	-	-	-	-	-	-	-	-	(45)	296,057	(31,037)	265,020	258,846	6,174	2.4%
Engineering	85,428	18,109	16,753	-	-	-	-	-	-	-	712	121,002	(6,694)	114,308	107,267	7,041	6.6%
Police Services	289,025	-	-	-	-	-	-	-	-	-	(245)	288,780	10,305	299,085	283,074	16,011	5.7%
Fire & Rescue Services	120,378	123	-	-	-	-	-	-	-	-	(213)	120,288	2,862	123,150	120,127	3,023	2.5%
Parks & Recreation	118,626	6,174	646	-	-	48,111	-	-	-	-	(1,312)	172,245	74,084	246,329	244,865	1,464	0.6%
Library	49,399	-	-	-	-	-	-	-	-	-	-	49,399	(53)	49,346	47,663	1,683	3.5%
Community & Cultural Services (8)	70,482	24,460	-	-	-	-	-	2,958	1,601	-	(2,994)	96,507	20,494	117,001	111,507	5,495	4.9%
Planning & Development	48,664	3,150	-	-	-	-	-	-	-	-	-	51,814	8,064	59,878	43,055	16,823	39.1%
General Government & Transfers (9)	242,930	(105,208)	32,888	2,848	(116,530)	-	3,587	(199)	-	119	(8,722)	51,713	172,085	223,798	183,209	40,590	22.2%
Capital Additions	-	411,201	-	-	-	1,197	-	-	-	-	-	412,398	(412,398)	-	-	-	-
Debt Payment/(Issue)	-	(136,933)	-	-	125,000	(1,197)	-	511	-	-	-	12,619	-	-	-	-	-
<b>Total Expenditures &amp; Transfers</b>	<b>1,318,723</b>	<b>223,387</b>	<b>50,287</b>	<b>2,848</b>	<b>8,470</b>	<b>48,111</b>	<b>3,587</b>	<b>3,270</b>	<b>1,601</b>	<b>119</b>	<b>(12,819)</b>	<b>1,647,584</b>	<b>(149,668)</b>	<b>1,497,916</b>	<b>1,399,613</b>	<b>98,302</b>	<b>7.0%</b>
<b>Net Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 750</b>	<b>\$ 149,668</b>	<b>\$ 150,418</b>	<b>\$ 81,185</b>	<b>\$ 69,234</b>	<b>85.3%</b>

Note: Totals may not add due to rounding

## Notes:

(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 2016-2017 budget.

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

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

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

## **Changes in 2017**

The Revenue Fund budget revenues and expenses are increasing by \$57.6 million to \$1,318.7 million in 2017, as described in the Operating Budget section of this document. The increase includes \$25.4 million in cost increases for existing services excluding utilities (partially offset by savings from ongoing business transformation and other cost adjustments), a \$10.0 million increase in utilities expenses, plus \$22.2 million in investments aligned to key priorities.

Capital Fund expenditures are based on the Capital Plan and are described in the Capital Budget section of this document, which includes a breakdown of spending by area. The budget report appendixes include a description of the projects. Departmental expenses shown in the consolidated operating budget include spending on operating activities that support the Capital Plan — including funding for planning, major maintenance and grants to external organizations — and they will change from year to year based on project timing in the Capital Plan. 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.

The Property Endowment Fund revenue budget is increasing by \$0.3 million, with parking revenues and lease revenues expected to rise by \$0.9 million and \$0.2 million, respectively, and rental revenue to decrease by \$0.8 million. The 2017 expense budget is increasing by \$1.4 million, as parking expenses are expected to increase by \$0.6 million and other expenses and property rental costs by \$0.8 million. More details are provided in the following Property Endowment Fund Budget section.

The Pacific National Exhibition revenue budget will decrease by \$0.7 million largely due to a decline in revenues for planned events with some offsetting Playland and Fair increases. The expense budget will decrease by \$1.0 million in project and administration costs, mostly from expenses driven by events.

The Vancouver Economic Commission revenue budgets will be increasing by \$0.2 million, reflecting a City of Vancouver funding increase to support the creation of the Vancouver Film Commission Office and the development of its strategy and implementation plan. The expense budget will be increasing accordingly by \$0.2 million for the Vancouver Film Commission Office expenditures.

The Vancouver Affordable Housing Agency budget is increasing by \$0.6 million, with \$0.1 million to reflect additional operating costs approved earlier by Council in 2014 and a further \$0.5 million to cover additional operating costs required to move forward on the agency's mandate to deliver 2,500 affordable housing units by 2021.

The Vancouver Public Housing Corporation revenue budget is decreasing by \$0.2 million, as funding from the BC Housing Management Commission is being reduced because an operating agreement to cover the expenses for the Central Residence and Alexander Residence properties is ending in December 2016. The expense budget includes an additional \$0.2 million funding contribution from City of Vancouver to make up for the loss of provincial funding and enable the continued operation of these vital social housing units.

The Sinking Fund budget is increasing by \$2.2 million, due to interest earnings on fund balances that change due to timing of debt issuance and repayment, based on the Capital Plan.

## 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. Due to the confidential nature of Property Endowment Fund property transactions, the Property Endowment Fund capital budget is approved by Council in camera (in a closed and private session). Actual results for the fund included in the annual financial statements include operating and capital activity.

The PEF comprises 700 properties. For management purposes, the fund has been grouped into six property categories: (1) non-market housing, (2) market housing, (3) commercial, (4) parking, (5) temporary civic, and (6) vacant land.

The Property Endowment Fund 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 Property Endowment Fund "should be regarded as a legacy or an endowment which 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 Property Endowment Fund assets and to increase the fund's ownership of strategic sites
- **Goals**
  - To manage the Property Endowment Fund 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 it is possible without jeopardizing either the real value of the fund or the reasonable return on its assets
- **Objectives**
  - The operations of the Property Endowment Fund 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 Property Endowment Fund'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 Property Endowment Fund, 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 Property Endowment Fund has remained a separate City fund. Key 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 Property Endowment Fund 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 Property Endowment Fund'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 Property Endowment Fund has continued in subsequent years.

Recent improvements include new management metrics (vacancy rate, funds from operations) and the establishment of new management practices for core commercial properties within the portfolio. Furthermore, it has been recognized there is a need to measure the social benefit that the fund is creating as a result of its 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.

### Property Endowment Fund budget summary

The 2017 Property Endowment Fund operating budget includes balanced operating revenues and expenditures of \$50.3 million, an increase of \$0.3 million (or 0.6%) as compared with the 2016 fund operating budget.

The summary table and narrative that follow present a breakdown of the 2017 Property Endowment Fund operating budget and outline each major revenue and expense change. The detailed budget table shows the year-over-year impact of changes by revenue and expenditure type.

**City of Vancouver Property Endowment Fund  
Operating Budget Summary (\$ millions)**

	2016 Approved Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
Revenue from Operations	50.0	50.3	0.3	0.6%
Expenses from Operations	27.0	28.4	1.4	5.2%
<b>Net Revenue before Transfers</b>	<b>22.9</b>	<b>21.8</b>	<b>(1.1)</b>	<b>-4.8%</b>
Transfers	(22.9)	(21.8)	1.1	-4.8%
<b>Net Position</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>0.0%</b>

Note: totals may not add due to rounding

### Property Endowment Fund revenues

The proposed 2017 revenue budget is changing from the approved 2016 budget by \$0.3 million, in the following areas:

- **Parking (EasyPark)**
  - The budget for parking revenues has increased by \$0.9 million, mainly as a result of equipment changes and physical improvements to a number of EasyPark parkades.
- **Property rentals**
  - Rental revenue is budgeted to decrease by \$0.8 million due to the expiry of leases at various locations, including office space leases at Library Square.
- **Leases**
  - Lease revenue is budgeted to increase slightly by \$0.2 million with approval for the lease of the New Jubilee House at 1099 Richards Street.
- **Other variances**
  - Revenues related to other income and water moorage (Heather Civic Marina) remain relatively similar to the 2016 budgeted amount. Moorage fees at Heather Civic Marina are reviewed annually and adjusted when necessary to reflect anticipated cost increases and market conditions.

### Property Endowment Fund expenditures

The proposed 2017 expense budget is changing from the approved 2016 budget by \$1.4 million, in the following areas:

- **Parking (EasyPark)**
  - The budget for parking expenses has increased by \$0.6 million to reflect higher EasyPark operating costs, including salary and fringe benefit costs relating to EasyPark staff agreements and increased costs for property taxes, utilities, security, marketing and credit card processing.
- **Other expenses**
  - The budgeted increase in operating expenses of \$0.6 million is mainly due to salary and employee benefit costs, including the allocation of City staff costs for work performed on the Property Endowment Fund portfolio, and increased building occupancy costs, such as electricity and gas expenses.
- **Property rentals**
  - Expenses related to property rentals are higher than 2016 by \$0.2 million due to inflationary increases of fixed costs such as insurance, utilities and maintenance.
- **Other variances**
  - Expenses related to leases and water moorage (Heather Civic Marina) remain similar to the 2016 budgeted amount.
- **Transfers**
  - The PEF budgets for a limited number of recurring annual transfers. These normally include the annual transfer to the Revenue Fund (City Operating Budget) to support City operations (unchanged from 2016 at \$7.0 million) and a transfer to the Property Endowment Fund capital budget, as one of the funding sources for the 2017 capital projects and programs. This transfer to the capital budget is \$8.3 million, \$1.0 million lower than 2016.
  - Transfers to other funds and reserves, including a net surplus from parking operations to the parking site reserve, are at \$6.6 million, marginally below 2016 amounts.

**City of Vancouver Property Endowment Fund**  
**Detailed Operating Budget Table (\$ millions)**

	2016 Approved Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b><u>REVENUES</u></b>				
Leases	6.0	6.2	0.2	2.6%
Rentals	18.3	17.5	(0.8)	-4.3%
Parking	23.8	24.7	0.9	4.0%
Water Moorage	1.3	1.3	(0.0)	-0.4%
Other Income	0.6	0.6	0.0	0.0%
<b>Revenues</b>	<b>50.0</b>	<b>50.3</b>	<b>0.3</b>	<b>0.6%</b>
<b><u>EXPENDITURES</u></b>				
Leases	0.0	0.0	0.0	0.0%
Rentals	5.0	5.3	0.2	4.9%
Parking	16.2	16.8	0.6	3.4%
Water Moorage	0.7	0.7	(0.0)	-2.6%
Other Expenses	5.1	5.7	0.6	12.4%
<b>Expenditures</b>	<b>27.0</b>	<b>28.4</b>	<b>1.4</b>	<b>5.2%</b>
<b>Net Revenue before Transfers</b>	<b>22.9</b>	<b>21.8</b>	<b>(1.1)</b>	<b>-4.8%</b>
Transfer to Revenue Fund	(7.0)	(7.0)	0.0	0.0%
Transfer to PEF Capital Budget	(9.3)	(8.3)	1.0	-10.8%
Transfers (to)/from Other Funds	(0.7)	(0.7)	0.0	-0.1%
Transfers (to)/from Reserves	(5.9)	(5.9)	0.0	-0.8%
<b>Net Position</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>0.0%</b>

Note: totals may not add due to rounding

## **PART II: DEPARTMENT SERVICE PLANS**

The 2017 Budget and five-year financial plan continue the strategic practice of aligning financial resources with performance on key service metrics.

Service plans are reported for key public-facing services and Corporate Support Services. These service plans identify major accomplishments in 2016, plans for 2017 and outlooks for 2018-2021. They include an overview of budget information by department, outlining notable capital projects where applicable. Service plans are used to inform budget allocation decisions and are a key input to the development of the five-year financial plan.

Service plans, in addition to being a significant part of budget transparency, also represent the City's commitments to itself and the community to measure and be accountable for its decisions and actions over the year. Annual internal reviews of these service commitments are conducted to ensure services are performing as promised and to identify course changes where required.

## Vancouver Police Department

The Vancouver Police Board is the employer and governing body for the Vancouver Police Department (VPD). The police board is a separate legal entity under the *Police Act* that provides civilian governance and oversight of policing in the city of Vancouver. The police board is made up of the Mayor and other representative citizens of the city, and it is responsible for ensuring the police provide effective and efficient services.

### Key services delivered

The board-approved 2012-2016 Strategic Plan remains an important element of the VPD's support of the City's mission to create "a great city of communities that cares about its people, its environment, and the opportunities to live, work, and prosper." The VPD's current strategic plan consists of 14 strategic goals aimed at reducing crime, strengthening partnerships with the community and developing its organization. The VPD's strategic planning processes recognize that the following community safety issues are important to Vancouver's residents and visitors:

- Reducing property crime
- Disrupting organized crime
- Reducing violent crime
- Improving road safety
- Partnering on mental health initiatives
- Providing programs that benefit youth

### Major accomplishments in 2016

The VPD continually seeks ways to become more efficient and effective in its efforts to deliver services that improve safety and quality of life for Vancouver residents, businesses and visitors. Improvements to safety and quality of life are achieved through law enforcement, education and crime prevention.

In overall support of the strategic plan, the VPD worked on a large number of projects and initiatives in 2016. By area, some key initiatives the VPD pursued were:

- **Violent crime** – The VPD continued to reduce violent crime through assertive and proactive policing efforts. Since 2012, incidents of violent crime have dropped by 17% greatly exceeding the 2012-2016 Strategic Plan's overall five-year target of a 12.5% reduction.
  - The VPD conducted more than 250 patrol-based or street-level projects that have been highly effective in reducing incidents of violent crime. One of these projects focused on the suppression of violence between two rival gangs in the Downtown Eastside whose conflicts often resulted in serious assaults and stabbings against one another. This type of conflict puts the entire neighbourhood at risk due to the increased violence.

- Additionally, the VPD continued to target high-risk, violent offenders by monitoring more than 50 offenders citywide and conducting more than 400 interviews annually while regularly sending out public notifications and media alerts. The VPD also regularly checked high-risk domestic violence offenders, resulting in approximately a dozen arrests this year. Further, the VPD prepared a comprehensive background information package for Crown prosecutors detailing the “Top 10” most violent offenders in the Downtown Eastside to strengthen grounds for charges and remand.
- To protect women from violence, the annual Women’s Safety Fair and several smaller women’s safety workshops were held in various locations and attracted more than 400 participants. These hands-on programs are supplemented by numerous media campaigns educating women on personal safety.
- The VPD also partnered with governmental and community partners to successfully launch an educational project called SAFE (Safety Awareness for Elders) that provides safety advice and referrals for seniors. These public service ads were placed in high visibility locations throughout the city.
- **Property crime** – Although the VPD has continued to focus considerable resources into combatting property crime, total incidents of property crime have risen 19% from the start of 2012 to the end of 2015, and this upward trend has continued into 2016.
  - In 2016, the VPD continued to expand its analytical capabilities to target property crime by providing all patrol officers with constant real-time data. GPS and Radio Frequency Identification technologies were further advanced to specifically combat theft from auto crime and bicycle theft. Furthermore, prolific auto-theft offenders have been identified and are being closely monitored.
  - With financial support from the Vancouver Police Foundation, the VPD, in partnership with 529 Garage, launched the Project 529 bicycle registry program. The initial goal of this project was to register 20,000 bicycles over four years; however, in less than a year nearly 13,000 bicycles have been registered. This program has proven to be an effective tool in reducing bicycle theft and other property crime committed by thieves on bicycles. In the first 11 months of Project 529, of the 341 registered bicycles that were stolen, approximately 78 were returned to their owners, which is a high proportion of returns for this type of crime.
- **Street disorder** – While the VPD continually worked to reduce low-level crimes and problems that impact perceptions of neighbourhood safety across Vancouver, the total incidents of street disorder increased by 4% in 2015 and by 7% in 2016.
  - More than 100 district-based projects were initiated in 2016 to specifically target low-level crimes, such as parking meter thefts, thefts from vehicles, drug activity, public liquor consumption and stolen goods related to street vending. Projects to reduce loitering and police nuisance issues included officers focusing efforts along Commercial Drive and full-time bicycle units deployed on Granville Street.
  - The VPD also continued to work closely with the City of Vancouver and other stakeholders in resolving issues related to homelessness. The VPD actively engaged with BC Housing and the operators of Single Room Occupancy (SRO) and social and supportive housing buildings to ensure that these sites are safe, and to deter the spread of street disorder in surrounding neighbourhoods.

- Working closely with the City of Vancouver, VPD also added additional policing patrols in the Downtown Eastside to lessen street disorder.
- **Gangs** – Organized crime groups remain an ongoing concern for residents of Vancouver and the surrounding region, and the VPD continued to work to disrupt violent gang activity. The VPD continued collaborating with outside agency joint-task forces and using civil forfeiture legislation to effectively disrupt the ability of organized crime groups to conduct their illegal operations. In 2016, the VPD referred in excess of \$10 million in organized crime assets to the Province of British Columbia's Civil Forfeiture Office. The VPD also continued to deliver educational programs, such as the Gang Tackle event in May 2016, to actively divert at-risk youth from joining gangs or engaging in other criminal activity.
- **Road safety** – In partnership with the City of Vancouver and ICBC, the VPD continually worked to reduce the number of collisions occurring in Vancouver through increased enforcement and education efforts targeting drivers, cyclists and pedestrians. The VPD used ICBC collision data and VPD traffic statistics to direct its traffic enforcement efforts toward high-crash locations. This included high-visibility enforcement during peak hours and location-based project work. Because of these ongoing efforts, there has been a long-term downward trend in traffic-related fatalities with a 61% reduction from 2005 to 2015.
  - In 2016, the VPD implemented the new Bike and Pedestrian Safety Targeted Enforcement Team, which consists of officers on bicycles aiming to combat unsafe and reckless cyclist and pedestrian behaviours in areas known for a high number of incidents of these behaviours.
- **Mental health advocacy** – As part of the VPD's ongoing strategic efforts to develop and maintain positive working relationships with other agencies, the VPD continued working with Vancouver Coastal Health, Providence Health Care and other stakeholders to address service gaps in the continuum of care for people living with mental illness and/or addiction. These include the VPD's partnership in the Assertive Community Treatment (ACT) teams, which seek support for the most seriously mentally ill, as well as the Assertive Outreach Team (AOT), which is a short-term bridging service for clients transitioning from hospital, corrections or forensic psychiatric facilities to the community. The VPD also continued to use its early warning system to identify clients for referral to AOT and other services before a crisis state is reached. In 2016, ACT and AOT have seen a reduction of more than 40% in negative police contacts, criminal justice system involvement, violence offences and mental health apprehensions by police.
  - In 2016, the VPD has been actively involved in setting up the Access and Assessment Centre at Vancouver General Hospital and the integrated service delivery centre at St. Paul's Hospital. These centres were created as single points of access for mental health and addiction services for urgent, non-urgent and non-emergent intervention. The goals are to (1) redirect mental health and addiction clients from emergency, (2) streamline equitable access to treatment, (3) improve collaboration with primary care, (4) reduce wait time for police apprehensions, and (5) improve support to existing mental health and addiction services in both acute and community care. As these new centres were set up in 2016, their success will be measured by the end of 2017.



- The VPD also introduced a new Mental Health Strategy in 2016, which outlines a comprehensive approach for a proportional police response to persons living with mental illness. This new strategy recognizes the significant impact that VPD members can have when coming into contact with persons living with mental illness, and it will serve as a framework on how VPD models its interactions with persons living with mental illness.
- **Youth support** – The VPD continued to advance its efforts to support youth development through ongoing programs and initiatives, such as the School Liaison Program at Vancouver schools, Car 86 for child welfare matters, the Police Athletic League, the Student Challenge, and the High-Risk Youth/Street Youth Intervention Team. These programs assist youth through role modelling by providing the skills necessary to allow them to make better life choices, with the goal of preventing youth from becoming firmly entrenched in criminal lifestyles.
  - The VPD Cadet Program completed its second successful year in 2016, with a total of 85 graduating cadets (32 returning cadets and 53 new cadets). Through this program, youth from diverse backgrounds learn about teamwork, leadership, discipline and basic law enforcement skills that they will apply to their everyday lives, with the overall aim of reducing negative youth behaviours, crime and victimization.
  - The VPD also focused on developing programming to raise awareness around youth mental health issues and youth marijuana use. The VPD helped pilot a peer-to-peer mental wellness program at David Thompson Secondary School. The VPD has also been working with the Vancouver School Board to draft standard operating procedures and to agree on how to intervene with students using marijuana while in and around schools.
  - In 2016, the VPD, with financial support from the Vancouver Police Foundation, initiated an educational, awareness and mentorship program called NewKids Vancouver for new immigrant and refugee youth. Close to 20 youth aged 15-19 from Vancouver schools took part, and many were from countries where authority figures have been negative, corrupt and feared. This program encourages positive relationships with the police and builds civic pride and a sense of belonging to Vancouver, while also reducing the likelihood of criminal or gang involvement.
- **Community Safety Program** – The Community Safety Program was set up as a three-year pilot program from 2014 to 2016. Community Safety personnel are unarmed peace officers who support frontline operations and enhance the level of customer service provided to Vancouver’s residents, businesses and visitors.
- **Community relationships** – Positive working relationships with community partners contributed to accomplishing the VPD’s crime reduction and public safety goals. Building on the success of 2015, the VPD continued with innovative projects and crime prevention initiatives based on community policing.

- The VPD, working collaboratively with the transgender community, released a training video titled “Walk With Me” to educate members on how to respectfully communicate with the transgender community. The VPD also launched the Safe Place initiative, a program intended to identify a supportive location for members of the LGBTQ2+ community (Lesbian, Gay, Bisexual, Transgender/Transsexual/ Queer/Two Spirited) to go to, in the event that they feel threatened or concerned for their safety or the safety of another person.

## Plans for 2017

After consulting with many internal and external partners in 2016, the VPD will develop its next five-year strategic plan. In 2017, the VPD will begin implementing the 2017-2021 Strategic Plan. This strategic plan describes how the VPD will uphold its revised mission statement of “partnering with our community for excellence and innovation in public safety” and achieve its ongoing vision of “being the safest major city in Canada.” This strategic plan identifies four strategic priorities and a total of eight strategic goals:

- **Support VPD staff**
  - Goal 1: Foster a culture of employee engagement and effective communication
  - Goal 2: Promote a healthy work environment
- **Fight crime**
  - Goal 1: Fight violent crime and its causes
  - Goal 2: Combat property crime and its drivers
- **Enhance public safety**
  - Goal 1: Address community concerns that affect public safety
  - Goal 2: Improve road safety for everyone
- **Engage our community**
  - Goal 1: Foster relationships, understanding and trust with our diverse community
  - Goal 2: Strengthen mental health programs and processes

In order to begin achieving the 2017-2021 Strategic Plan goals, the VPD will develop the 2017 annual business plan to set out key strategies and associated activities. The VPD will continue to combat community safety issues, with a focus on addressing the negative trends in property crime and road safety, and to improve response times to emergency calls for service. Some 2017 priorities and initiatives are as follows:

- **VPD staff support** – The VPD will continue to deliver the Road to Mental Readiness (R2MR) training, which is a program that delivers information and awareness about mental health issues to all VPD employees to promote mental health wellness and resilience.
- **Violent crime** – Over the last six years, the number of sexual offences has remained relatively constant, but it appears to be increasing in 2016 as the number of sexual offences from January to July 2016 is higher compared to the same period in 2015. The VPD will continue working to reduce the overall number of sexual offences committed. The VPD will launch a campaign to educate the public to take safety precautions surrounding online dating. The VPD will also focus on increasing public awareness around the increased prevalence and dangers of drugs such as fentanyl and W-18.
- **Property crime** – To combat property crime, the VPD will continue to expand its analytical capabilities. To further reduce break and enter crimes specifically, the VPD will work with the City of Vancouver to better regulate the installation of crime prevention devices during residential construction and renovation.
- **Street disorder** – Community Safety personnel will be used to supplement VPD officers to patrol areas of the city that have been identified as hot spots for street disorder activities. The VPD will also continue to work closely with the City of Vancouver to lessen street disorder in the Downtown Eastside.
- **Road safety** – The VPD will continue targeted enforcement and education campaigns to further reduce traffic-related injuries.
- **Youth support** – The VPD will seek to expand the peer-to-peer youth mental wellness program to other secondary schools. The VPD will also work with the Vancouver School Board to actively prohibit the open air use of marijuana on and off school grounds.
- **Mental illness support** – The VPD will continue working with community partners to strengthen mental health programs and processes, and to address gaps in the delivery of services. Furthermore, the VPD remains committed to providing the best training possible to better understand mental illness and effective responses.

To achieve the priorities and initiatives above and to support VPD staff, the VPD will be working with external consultants who specialize in policing to complete an Operational Review, which will evaluate all areas of the VPD and give information on resources needed to meet the 2017-2021 Strategic Plan goals.

## Looking ahead, 2018-2021

Being mindful of the emerging challenges and increasing complexity in the community and policing, the 2017-2021 Strategic Plan and the results of the Operational Review will address pressures and challenges. Examples include:

- **Mental illness support** – Mental illness support will continue to be a significant driver of police workload as police will be taking a more pivotal role in assisting persons living with mental illness.
- **Emerging global trends** – Global extremism places a further strain on VPD resources, requiring vigilance and proactive policing measures to reduce the likelihood of potentially serious events and threats.
- **Responding to evolving standards** – Investigative standards will continue to evolve, placing significant demand on policing resources. Additionally, increasing disclosure requirements have increased the amount of time required to conclude files. This includes the time required to prepare documents required by Crown Counsel.
- **Responding to changing technologies** – Technological advances present increasing demand for advanced equipment and policing resources due to the rapid increase in the use of smartphones, video surveillance and social media. Body-worn cameras are an evolving issue, and the VPD is awaiting provincial direction on this matter.
- **Other agencies** – Decisions by other levels of government, courts, coroner's inquests and commissions of inquiry can all have significant effects on how VPD uses its resources.

The VPD will continue assessing policing priorities and deploying resources as needed throughout the city to ensure public safety and to maintain order. This will also include continuing to collaborate with our partners and outside parties, and making the best use of new technologies.

The VPD will also continue working with the City of Vancouver to identify a suitable location for a purpose-built, centralized police headquarters.

## Department service metrics

Over the last 10 years, crime has dropped in the city of Vancouver. However, a recent spike in property crime and a slight increase in violent crime have started to reverse this trend. VPD continually monitors these trends and strategically deploys resources in response.

There has been a significant overall downward trend (-22%) in violent crime over the last five years, but for the first time in many years, total incidents of violent crime are forecasted to increase in 2016 compared to 2015. In addition to targeting and monitoring high-risk offenders, the VPD continues to work with vulnerable and at-risk communities that are frequently the victims of violent crime.

Despite concerted efforts by the VPD, property crime has been steadily increasing since 2014 and is forecasted to significantly increase in 2016. The VPD diligently identifies property crime trends and series. With an ongoing focus of targeting chronic property offenders, VPD is developing new strategies and tactics to reverse this trend. Analytics and technological

capabilities continue to be refined, expanded and applied to combat various forms of property crime.

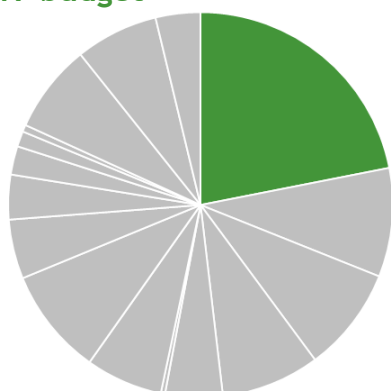
Similar to property crime, total traffic incidents involving fatalities and injuries continues to increase annually, despite targeted road safety enforcement and education efforts between the VPD and its partners. The VPD will continue these collaborative efforts along with implementing new and refined strategies to specifically combat distracted driving, speeding, driving under the influence and other dangerous road user behaviours.

Every year since 2011, average response time for emergency (priority 1) calls has steadily increased and is forecasted to rise in 2016. Incidentally, patrol-related workload pressures continue to increase due in part to increased development and congestion in the city. In close collaboration with the Patrol Districts, improving response times to emergency calls for service will be a strategic priority in 2017.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Police Services	Quantity	Total Criminal Code offences	45,670	46,558	45,923	46,615	54,400
		Total number of property crime incidents	31,472	31,998	35,404	36,625	43,437
		Total number of violent crime incidents	5,924	5,709	5,105	4,976	5,066
		Traffic incidents with fatalities and injuries (ICBC reported collisions)	8,802	8,861	9,780	10,231	11,479
		Property crime rate (crimes/1,000)	50.00	50.23	55.00	56.50	67.00
		Violent crime rate (crimes/1,000)	9.41	8.96	7.93	7.67	7.81
		Total crime rate (crimes/1,000)	72.56	73.09	71.37	71.87	83.87
	Quality	Average response time of VPD to emergency (priority 1) calls (min:sec) *	8:38	8:59	9:10	9:29	9:43
		Businesses are satisfied with VPD services	78%	87%	90%	89%	90%
		Businesses feel safe (measured through annual business survey)	64%	60%	63%	64%	65%
		Residents are satisfied with VPD services	85%	85%	83%	85%	86%
		Residents feel safe (measured through annual residential survey)	74%	74%	79%	75%	76%
	Result	Percentage change from previous year in the property crime rate	0.4%	0.5%	9.5%	2.6%	18.6%
		Percentage change from previous year in the violent crime rate	-8.3%	-4.8%	-11.5%	-3.3%	1.8%
		Percentage change from previous year in the total crime rate	-2.7%	0.7%	-2.4%	0.7%	16.7%
		Percentage change from previous year in the total number of traffic incidents with fatalities and injuries	0.3%	0.7%	10.4%	4.6%	12.2%

\* In 2015 VPD adopted a new methodology to track average response time, this resulted in historical values being restated for comparison  
Some historical data may change as a result of quality control processes and verification of results by the Canadian Centre for Justice Statistics

## 2017 budget



VPD makes up 22%  
of the 2017 Operating Budget

## Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
<b>Parking revenue</b>				
Other parking revenue	155	155	-	-
<b>Total Parking revenue</b>	<b>155</b>	<b>155</b>	<b>-</b>	<b>-</b>
<b>Cost recoveries, grants &amp; donations</b>				
Police Services recoveries, grants & donations	13,668	15,434	1,766	12.9%
<b>Total Cost recoveries, grants &amp; donations</b>	<b>13,668</b>	<b>15,434</b>	<b>1,766</b>	<b>12.9%</b>
<b>Other revenue</b>				
Police Services revenue	1,561	1,661	100	6.4%
<b>Total Other revenue</b>	<b>1,561</b>	<b>1,661</b>	<b>100</b>	<b>6.4%</b>
<b>Total Revenues</b>	<b>\$ 15,384</b>	<b>\$ 17,250</b>	<b>\$ 1,866</b>	<b>12.1%</b>
<b>Expenditures &amp; Transfers</b>				
<b>Police Services</b>				
Patrol	137,238	143,110	5,873	4.3%
Investigations	77,260	79,826	2,566	3.3%
Operational Services	33,746	34,359	613	1.8%
Administration	10,929	11,374	445	4.1%
E-Comm allocation	15,781	16,101	320	2.0%
Shared support services	6,270	6,290	20	0.3%
Transfers to / (from) reserves & other funds	(187)	(2,034)	(1,847)	986.8%
<b>Total Police Services</b>	<b>281,036</b>	<b>289,025</b>	<b>7,989</b>	<b>2.8%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 281,036</b>	<b>\$ 289,025</b>	<b>\$ 7,989</b>	<b>2.8%</b>
<b>Net Operating Budget</b>	<b>\$ (265,652)</b>	<b>\$ (271,775)</b>	<b>\$ (6,123)</b>	<b>2.3%</b>

Note: Totals may not add due to rounding

### Explanation of changes — revenues

The VPD's revenues are solely cost recoveries for services provided. The 2017 increase in recoveries is due to the adjustment of the 2017 budget to more closely match 2016 actual recoveries as well as a slight increase in the number of secondments working on specific joint force operations. These increases are fully offset by a corresponding increase in the total expenditure budget, resulting in a net-zero impact on the budget.

### Explanation of changes — expenditures and transfers

In addition to the recovery adjustments, operating expense changes are largely attributed to the Vancouver Police Union's arbitrated collective agreement, which resulted in a total compounded increase of 8.74% over three years: 3.5% for 2016, 2.5% for 2017 and 2.5% for 2018. The 2017 budget also includes funding for hiring additional police recruits to maintain the budgeted level of sworn officers. This investment in policing also accounts for the increase in Transfers from Reserves. Additionally, there are increases in the allocation of costs related to the VPD fleet and E-Comm. The budget does not include any provision for wage adjustments related to the Teamsters' collective agreement, which expired on December 31, 2015.

### Notable capital projects

No notable projects to include.



## Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
Parking revenue					
Other parking revenue	55	155	155	155	155
<b>Total Parking revenue</b>	<b>55</b>	<b>155</b>	<b>155</b>	<b>155</b>	<b>155</b>
Cost recoveries, grants & donations					
Police Services recoveries, grants & donations	12,279	12,136	14,285	13,668	15,434
<b>Total Cost recoveries, grants &amp; donations</b>	<b>12,279</b>	<b>12,136</b>	<b>14,285</b>	<b>13,668</b>	<b>15,434</b>
Other revenue					
Police Services revenue	1,471	1,561	1,561	1,561	1,661
<b>Total Other revenue</b>	<b>1,471</b>	<b>1,561</b>	<b>1,561</b>	<b>1,561</b>	<b>1,661</b>
<b>Total Revenues</b>	<b>\$ 13,805</b>	<b>\$ 13,852</b>	<b>\$ 16,001</b>	<b>\$ 15,384</b>	<b>\$ 17,250</b>
<b>Expenditures &amp; Transfers</b>					
Police Services					
Patrol	118,458	122,207	128,346	137,238	143,110
Investigations	66,934	69,689	73,784	77,260	79,826
Operational Services	34,725	36,621	36,896	33,746	34,359
Administration	12,848	12,000	12,270	10,929	11,374
E-Comm allocation	-	14,645	15,395	15,781	16,101
Shared support services	-	6,964	7,087	6,270	6,290
Transfers to / (from) reserves & other funds	(173)	(534)	(187)	(187)	(2,034)
<b>Total Police Services</b>	<b>232,792</b>	<b>261,592</b>	<b>273,591</b>	<b>281,036</b>	<b>289,025</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 232,792</b>	<b>\$ 261,592</b>	<b>\$ 273,591</b>	<b>\$ 281,036</b>	<b>\$ 289,025</b>
<b>Net Operating Budget</b>	<b>\$ (218,987)</b>	<b>\$ (247,740)</b>	<b>\$ (257,590)</b>	<b>\$ (265,652)</b>	<b>\$ (271,775)</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 1.5</b>	<b>\$ 0.3</b>	<b>\$ 0.1</b>	<b>\$ -</b>	<b>\$ -</b>

Note: Totals may not add due to rounding

Increases in the operating budget are primarily due to collective agreement wage increases, step increments and benefits. The 2013 budget included new funding of approximately \$2.0 million for the Community Safety Program. The 2014 increase was the result of a reporting change whereby certain police-related costs previously held in the budgets of corporate shared support services are now reported in the VPD's budget, more accurately reflecting the total policing cost. These cost allocations are approximately \$22.0 million. The increase in 2014 is also due to the impact of arbitrated wage adjustments in 2013 and 2014 for the Vancouver Police Union collective agreement. The 2015 budget included new incremental funding of \$0.5 million for a new bike and pedestrian safety initiative. The 2016 budget has been restated to reflect the impact of the arbitrated wage adjustment of \$6.1 million as well as organizational changes that occurred in 2016.

**Employee trend table**

Police Services	2012	2013	2014	2015	2016F
Regular Full-time Staff	1,786.0	1,793.0	1,776.0	1,770.2	1,777.1
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	1,758.3	1,827.3	1,813.3	1,808.8	1,794.2

\*excluding overtime

Regular full-time (RFT) staff numbers represent an average count of all regular, full-time sworn and civilian staff during the year. This figure includes recruits who have not yet graduated from the Police Academy and are not yet on active duty. It also includes fully cost-recoverable sworn secondments working in joint force operations with other police agencies.

As the recruit hiring process is lengthy and the training program is approximately nine months, recruitment numbers are based on projected attrition. Differences between projections and actual attrition typically result in annual head count variations.

In addition to RFT staff, all-staff numbers include the part-time auxiliary pool of Community Safety Officers. The increase in all-staff head count between 2012 and 2013 reflects the Community Safety Program pilot implementation.

## Vancouver Public Library

The Vancouver Public Library (VPL) operates as a separate legal entity from other City of Vancouver services and is enacted under the *Library Act* of the Province of British Columbia. The *Library Act* outlines the roles and responsibilities of the Vancouver Public Library Board, including governance and financial management requirements. The Library Board is made up of 13 members, known as trustees, who are appointed by Vancouver City Council. Ten of the trustees are volunteer members of the general public, and three are elected officials. The elected officials are a Vancouver City Councillor, a member of the Vancouver Park Board and a member of the Vancouver School Board. The Library Board is responsible for developing library policy and service strategy, providing financial oversight and working with the chief librarian to oversee the provision of services. Vancouver City Council provides the Library Board with an annual budget to undertake these activities.

Public libraries are dedicated to ensuring every community member – regardless of economic situation, technological awareness or other life circumstances – has access to the information, knowledge and cultural expression that can enrich their lives. These ideas and information may be expressed through books, journal articles, websites, lectures, film, music or dialogue, and they may be presented through physical, interpersonal or digital platforms.

VPL is the seventh-largest public library system in Canada. With collections, programs and technology offered at 21 locations, including the Central Library and an extensive virtual library, VPL is accessible to all Vancouver residents.

Major cities across the country are renewing their public libraries, recognizing that robust and equitable knowledge and social infrastructure are critical in engaging citizens in the economic, social, cultural and civic life of communities in this information and digital age. At the same time, there is also recognition that public libraries play an important role in fostering community, individual creativity and innovation, and many libraries are launching new services and spaces to provide creative opportunities in their communities.

In a 2015 NRG Research Group survey of 1,001 Vancouver residents over 18 years, 61% of respondents noted they used the library and its diverse spectrum of services offered. In this same survey, more than 80% of respondents noted the importance of having the public library provide access to wide-ranging collections and free public spaces.

### Key services delivered

**Collections and resources** – Providing access to books, videos, newspapers and other multimedia and digital resources in multiple languages; collecting these materials physically and online and managing them for the public

**Reference and information services** – Answering research and information questions for residents in person and by phone, email and chat; developing and supporting web-based self-service information resources

**Library public space** – Providing individual reading and study areas, group study and collaboration areas, and multi-purpose rooms for free public use and rental

**Information technology access** – Providing fee-free access to computers, software and the Internet, including Wi-Fi

**Library programming** – Promoting learning, reading, culture and community connectedness; providing programs for early childhood literacy as well as information and digital literacy for different ages and demographics

## Major accomplishments in 2016

VPL extended its 2013-2015 Strategic Plan through 2016. The strategic plan includes strong components relating to social connectedness and social inclusion, supporting residents' digital literacy skills development, providing platforms for community creativity and innovation, and continuing investment in Vancouver's children and youth. The strategic plan was developed based on research into trends, market analysis and 10 months of community consultation engaging more than 5,000 Vancouver residents.

Guided by the strategic plan and building on internal and public service transformations of previous years, 2016 was a productive year for VPL. These transformations enabled the library to continue evolving services in spite of funding constraints.

- **Digital collections** – In 2016, VPL launched several new digital collections. With a Vancouver Public Library card, residents can access these collections free of charge from anywhere in the world.
  - Criterion Collection and IndieFlix – Together offer free immediate access to more than 6,800 films from around the world. This content is often difficult to find in subscription streaming services.
  - Zinio – Offers full text and full images of more than 200 magazines, such as *Canadian Living*, *The Economist*, *Newsweek*, *The New Yorker*, *O The Oprah Magazine*, *Reader's Digest* and *Rolling Stone*.
  - medici.tv – Features more than 1,600 classical music videos, concerts, operas, ballets, documentaries, master classes, artists' profiles and educational programmes. It includes more than 100 events live broadcast from the world's most prestigious venues.
  - New York Times Online – Provides breaking news, reviews, opinions and multimedia coverage from the *New York Times*. Archived articles are also available: 1851-1922, 1981 to present.
  - MaBiblioNumerique – Features French ebooks (EPUB format) from European and Canadian publishers, including fiction/literature, history, biography, travel, cooking, education, political and social science titles for adults, young adults and children.
- **Preserving and celebrating local heritage and history** – VPL launched two significant local digital heritage collections developed in collaboration with community groups and members:
  - *Chinatown Stories*: This collection of stories describes Vancouver's Chinatown as experienced by long-time Chinatown residents.

- **Carnegie Stories:** In the late 1980s, local resident Laurel Kimbley conducted a series of interviews on the Downtown Eastside to capture the lives and experiences of people living in the neighbourhood. Some of these interviews were later used as the basis for the book *Hastings and Main*. This collection makes the audio recordings of those interviews available for the first time.
- **Musical instrument lending** – In June 2016, VPL launched the Sun Life Financial Musical Instrument Lending Library, which provides free access to 100 new instruments including electronic pianos and keyboards, guitars, violins, a mandolin, percussion instruments and more. A concurrent instrument donation drive resulted in contributions of an additional 100 instruments from the community. This program is fully funded by a contribution from Sun Life Financial.
- **Information technology access** – The library’s free public Wi-Fi network, first implemented in 2007, was replaced in 2016. In addition, the Inspiration Lab celebrated its first full year of operations. The lab is home to podcasters, award-winning independent filmmakers, family historians and community music groups, who use the space to capture and share their stories.
- **Library public space** – Building on the important work undertaken by the Park Board, VPL installed gender-neutral washroom signage at all 21 library locations. Refurbishments to the Fraserview Branch Library included new flooring, shelving, paint, furniture and service desk. Work continued on the construction of the new nēčə?mat ct Strathcona Branch, and design work was completed for Levels 8 and 9 of the Central Library. Planning was initiated to relocate the City of Vancouver Archives to the Central Library.
- **Digital training** – By the end of 2016, VPL will have offered more than 900 free programs to assist residents in gaining critical digital skills, from computer basics, to internet research, to advanced social media and creative production tools. In total, more than 6,300 people attended these sessions at the Central Library and across the branches. Highlights include the Resident Audio Expert program funded by TELUS Optik TV, an increase in digital skills training in community locations, and the many innovative programs offered through VPL’s new Inspiration Lab. Classes include workshops on logo design and personal digital branding, self-publishing courses, digital and internet safety talks, and classes to support entrepreneurs, such as introduction to crowdfunding and small business resource tours.

## Plans for 2017

Work in 2017 will be guided by the library's new 2017-2019 Strategic Plan, which will be published by January 2017. Some of the priorities in the approved strategic framework are (1) supporting the development of literacies for the 21st century, (2) enhancing the library's collections in support of lifelong learning, (3) providing opportunities across the city for access to digital creative tools, (4) exploring promotion of local self-published content, (5) refurbishing aging public spaces, (6) exploring new opportunities to support local community and cultural organizations, and (7) better demonstrating the value that the public library offers to residents and the city.

In addition to continuing to evolve public library services in response to resident feedback, service use and sector trends, VPL has a number of significant initiatives planned for 2017:

- **néca?mat ct Strathcona Branch Library** – VPL anticipates opening the full-service branch, which will replace the library's limited-service branch currently located in the Strathcona Elementary School, in early 2017.
- **Central Library Levels 7, 8 and 9** – VPL will continue working with staff at the City's Real Estate and Facilities Management department on the development of Levels 8 and 9. The library's expansion into these levels will not only create inspiring new public spaces for the community, but will generate necessary space to accommodate the Vancouver Archives on Level 7 (to be submitted for the next Capital Plan). Construction will begin in 2017.
- **Local Voices** – While continuing to develop digital and physical collections that are responsive to community use and publishing trends, VPL will also focus on increasing capacity to preserve and promote published materials and cultural expression from Vancouver and local area authors, publishers and creators.
- **Canada 150+** – Staff will begin work on implementing an exciting new digital platform to explore and celebrate local history and heritage.

Other specific initiatives for 2017 will be determined in the fall of 2016 shortly after the Library Board's approval of the 2017-2019 Strategic Plan framework.

## Looking ahead, 2018-2021

The VPL 2017-2019 Strategic Plan will map out the 2018-2019 service level initiatives for the VPL and will be detailed by early 2017. Activities already planned for the 2018-2020 period include:

- Opening Levels 8 and 9 to the public (Q1 2018)
- Relocating the Vancouver Archives to the Central Library (2019-2020)
- Opening the redeveloped Oakridge Branch Library in the new Oakridge Town Centre (date to be confirmed)
- Expanding VPL's digital repository (2018)
- Redeveloping the Marpole Branch Library (date to be confirmed)
- Planning for redevelopment of the Britannia Branch Library (date to be confirmed)

## Department service metrics

### Collections and resources

VPL's public collections consist of diverse formats including physical items (e.g., books, CDs, DVDs), subscription web-based digital collections (e.g., streaming music, digital journal collections, web-based reference resources) and other digital resource collections (e.g., online language learning, downloadable ebooks and audiobooks). To support the multilingual community, VPL collects physical materials in 17 languages.

Consumer preference trends and library service use trends inform the VPL's balance between physical and digital book purchasing. Despite popular assumption, only 18% of book sales from traditional publishers in Canada are in ebook formats (BookNet Canada). In 2015, print and ebook sales from traditional publishers remained level, while interest in digital audiobooks and self-published ebooks increased. These trends have continued in 2016, with initial increases in print sales in some areas. In libraries, digital use continues to grow, and VPL strives to meet demand for digital collections, which require buying materials in multiple formats and managing costly licences from large multinational publishers.

As noted above, several exciting new digital collections launched in 2016: Criterion Collection and IndieFlix (thousands of streaming films), medici.tv (largest online collection of classical music, operas and ballets in the world), Zinio (hundreds of magazines), MaBiblioNumerique (French ebooks) and New York Times Online. By the end of the year, a new e-audiobook collection will also be added.

VPL collections-use metrics include the borrowing of physical library materials, downloadable ebooks and e-audiobooks as well as the use of web-based digital collections. Metrics do not include materials used within the library, which may exceed 1.5 million items annually based on one week of sampled data.

As far as trends, VPL continues to see a slight decline in use of its physical collection and an increase in digital collection use. It is anticipated this trend will continue in future years. With the introduction of additional formats, print usage is impacted by decreasing collection diversity. Staff will continue monitoring trends and usage, and will adjust collection development practices accordingly.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Collections and Resources	Quantity	# of items available to the public	2,619,129	2,636,374	2,467,077	2,402,145	2,425,000
		Total items in the collection used	10,326,757	9,847,317	9,303,192	9,366,085	9,197,041
		# of print items available	2,548,779	2,542,456	2,363,040	2,098,316	2,110,000
		# of electronic items available	70,350	93,918	104,037	303,829	315,000
	Quality	Total print items used	9,969,158	9,246,827	8,637,171	8,169,045	7,760,593
	Result	Items used per capita	16.97	16.05	15.04	15.02	14.63

### Information technology access

Public libraries are an important point of service access for vulnerable and low-income residents, offering access to computers, internet resources and software (such as Open Office). As people seek Wi-Fi access in combination with study and work spaces that are free of fees and commercial pressures, VPL's Wi-Fi use continues to grow.

To supplement the technology VPL makes available for use, the library also offers computer and digital literacy instruction. This training is highly used by those newly engaged in technology, with families and students being emerging groups for focus. Given the growing abundance and complexity of digital information, the need to help the public recognize reliable information has been identified. At the same time, with the launch of the Inspiration Lab, the library has expanded into technology training that supports Vancouver's digital creative opportunities. Supported by partnerships and experts from the community, the library is teaching audio editing, self-publishing, digitization and design tools.

Access and training services, together, ensure all residents have the potential to build the knowledge, skills and abilities required to find and use needed information and resources – and to engage in the digital economy and civic life.

Wired internet sessions are anticipated to decrease in 2016 as more people come in with personal devices, which will allow the library to increase the length of wired sessions for people who do not have their own devices. Accordingly in 2017, total online time used may remain the same while the number of unique sessions decreases. Wi-Fi usage rates continue to increase as people bring in their own devices, although at a slower rate than in previous years, as availability of free Wi-Fi increases citywide.

In early 2016, there were several significant Wi-Fi service outages because of the aging Wi-Fi infrastructure. The implementation of new Wi-Fi infrastructure was a significant service enhancement.



Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Information Technology Access	Quantity	# of public access computer workstations	555	595	582	609	609
	Quality	# of Internet sessions: wired and wireless	2,013,420	2,405,883	2,649,595	3,087,444	3,000,000

### Library public space

Residents use library spaces for various reasons: pick up and drop off materials identified through online browsing, browse and use the collections in person, study and work individually and in groups, attend programs, access the internet, and simply enjoy unique, quiet spaces. For many families, and those living in smaller residential spaces, the public library serves as living room, study and gathering space. With no user or access fees, spaces are designed to be comfortable and welcoming. The VPL works diligently to ensure a safe and inclusive environment for all to use.

While library visits are expected to remain stable over time, or decrease slightly as visits for the sole purpose of picking up holds or other materials transition to digital collections use, all library branches will eventually reach capacity in terms of space use — notably on weekends, when demand is high and seating is limited. The space-use metric (number of in-person visits) does not fully account for actual use or saturation. VPL is working on other ways to measure usage that will consequently inform better, more responsive ways to design library spaces in the future.

In 2016, VPL completed renovations to the Fraserview Branch.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Library Public Space	Quantity	% of public hours per week out of 12 hours x 7 days per week	64%	66%	66%	66%	66%
		Total square feet of all public space per 1,000 population	583	578	573	569	569
	Quality	# of in-person visitors to libraries in system	6,576,190	6,904,136	6,804,418	6,811,877	6,810,000

### Library programming

Library programming targets a wide range of outcomes: general awareness, cultural appreciation, community building and social connectedness, and multiple literacy skills development. There is also a range of programming types: early literacy skills programming for caregivers and children; computer, digital and research training for all ages; author readings and book clubs; social issue dialogue programs; Writer-in-Residence and Aboriginal Storyteller-in-Residence programs; and many more. As well, VPL continues working with more than 400 community groups to support delivery and sharing of their own programming and expertise in library spaces and to bring library services to their clients. VPL's various teen advisory groups — an important leadership opportunity for teens — continue thriving, with collective membership at more than 200 youth.

In recent years, to improve the quality of learning opportunities, VPL has increased the number of small group and one-on-one digital literacy sessions. This adjusted approach has resulted in more programs – without a corresponding increase in attendance. VPL also increased its programming partnerships with community groups, allowing for increased free programming. The number of programs is expected to decline slightly in 2017 and then increase again in 2018 when Levels 8 and 9 at Central Library open to the public.

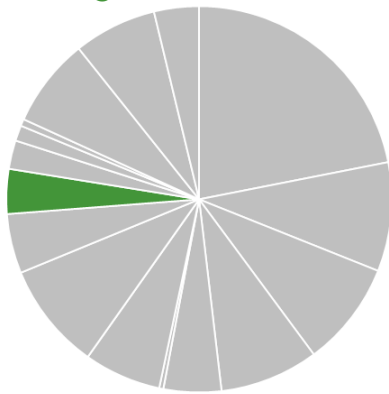
Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Library Programming	Quantity	# of programs	7,793	8,034	9,366	9,687	9,600
	Quality	Program attendance	246,716	235,767	240,352	276,748	275,000

### Reference and Information Services

- **Reference and information questions** – In recent years, VPL has experienced a slow but notable decline in the number of reference and information questions people ask at the information services desks, demonstrating changing use of this service. This trend is consistent across the library sector.
- **Information Services model** – In response to changing use patterns, June 2013 saw a new Information Services model implemented at the Central Library. The model provides a service experience that blends traditional services offered via reference desks with mobile technology that delivers location-based services. To date, this service model has been met with mixed feedback from patrons. In 2016, staff continued adjusting this model for its implementation in branches across the library system. It is anticipated service use will stabilize in 2016.
- **Digital visits** – VPL now offers several digital services that are app-based, and it has included this use in digital visits from 2015 onwards. Data pertaining to digital visits does not include use of library content on social media or other sites such as Facebook or YouTube, nor does it include social media engagement metrics.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Reference and Information Services	Quantity	# of research questions answered	865,786	841,433	773,861	776,748	750,000
		# of digital visits	5,251,691	5,482,669	5,306,144	6,424,908	6,500,000
	Quality	# of total questions answered per staff hour	6.13	7.34	7.59	7.37	7.30
		# of digital visits per capita	8.63	8.94	8.58	10.30	10.34

## 2017 budget



Library makes up 4% of the 2017  
Operating Budget

VPL's 2017 operating expenditures budget is \$49.4 million: \$41.3 million for Public Services (including \$4.7 million for collections), \$6.2 million for Administrative Services (staffing and other costs for administration, finance, shipping, purchasing, maintenance, security, event rentals and human resources), and \$1.9 million for shared support services. VPL's net operating budget is \$45.0 million. The 2017 budget includes the annualized cost for the new nēcāʔmat ct Strathcona Branch Library as well as building maintenance costs for the Central Library Levels 8 and 9 (previously funded from rental revenues).

Compared to other large urban public libraries, data for 2015 demonstrates that VPL operates at a lower cost per square foot: Vancouver (\$96.67 — adjusted to include Library Square operating and maintenance costs), Greater Victoria (\$131.47), Toronto (\$101.88), Ottawa (\$112.11), Edmonton (\$122.04) and Calgary (\$128.39).

## Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
<b>Program revenue</b>				
<b>Library program revenue</b>				
Fines & penalties	899	814	(84)	(9.4%)
InfoAction revenue	575	586	11	1.9%
Facility rental	496	473	(24)	(4.8%)
Other library revenue	581	588	7	1.2%
<b>Total Library program revenue</b>	<b>2,551</b>	<b>2,461</b>	<b>(90)</b>	<b>(3.5%)</b>
<b>Total Program revenue</b>	<b>2,551</b>	<b>2,461</b>	<b>(90)</b>	<b>(3.5%)</b>
<b>Cost recoveries, grants &amp; donations</b>				
Library recoveries, grants & donations	1,899	1,898	(1)	(0.1%)
<b>Total Cost recoveries, grants &amp; donations</b>	<b>1,899</b>	<b>1,898</b>	<b>(1)</b>	<b>(0.1%)</b>
<b>Total Revenues</b>	<b>\$ 4,450</b>	<b>\$ 4,359</b>	<b>\$ (91)</b>	<b>(2.0%)</b>
<b>Expenditures &amp; Transfers</b>				
<b>Library</b>				
Public Services	39,949	41,323	1,373	3.4%
Administrative Services	5,868	6,151	282	4.8%
Shared support services	1,830	1,872	42	2.3%
Transfers to / (from) reserves & other funds	95	54	(41)	(42.8%)
<b>Total Library</b>	<b>47,743</b>	<b>49,399</b>	<b>1,656</b>	<b>3.5%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 47,743</b>	<b>\$ 49,399</b>	<b>\$ 1,656</b>	<b>3.5%</b>
<b>Net Operating Budget</b>	<b>\$ (43,293)</b>	<b>\$ (45,040)</b>	<b>\$ (1,748)</b>	<b>4.0%</b>

Note: Totals may not add due to rounding

### Explanation of changes – revenues

As digital materials circulation increases, VPL will continue to see a decline in revenues from fines and lost material charges. This decline is reflected in revenue for 2017. As well, increased free public programming resulted in reduced room rental revenue in 2016, and this trend is anticipated to continue in 2017. The flood at Central Library impacted rental revenue from mid-September through the end of the year.

### Explanation of changes – expenditures and transfers

The 2017 budget for Public Services has been increased for the incremental costs of a full year of operations for the new nēc'a?mat ct Strathcona Branch Library. Additional staff were added for the Inspiration Lab and for the Carnegie Branch to address operational pressures. The base collections budget was increased to reflect increasing pressures on the budget due to digital formats and inflation. Funding has also been added for the first stage of Living Wage implementation (library shelvers) and for the building maintenance costs related to the Central Library Levels 8 and 9.

The increase in Administrative Services reflects additional security support for the library as well as support for the fundraising efforts of the Vancouver Public Library Foundation (via a transfer from the library's Reserve for Gifts and Grants).

### Notable capital projects

The following table summarizes the noteworthy projects involving VPL. A complete list of all capital projects for 2017 is included in the appendixes to the Council Report.

Project Name (\$ millions)	Total Project Budget <sup>2</sup>	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years
néčá?mat ct Strathcona Branch Library	18.3	4.9	4.9	-
Central Library - Expansion of Levels 8 and 9 <sup>1</sup>	15.0	1.0	8.9	5.1

<sup>1</sup>Included in REFM departmental budget.

<sup>2</sup>Expenditure may not sum to total project budget due to rounding or prior years expenditure.

**néčá?mat ct Strathcona Branch Library project**— Construction of a new branch library with YWCA-operated housing units above the library. The project is under construction, with completion and subsequent opening anticipated for early 2017.

**Central Library Expansion** — An expansion of Levels 8 and 9 will add more than 35,000 square feet — both inside and outside. This expansion will see the creation of a two-storey public atrium, silent reading gallery, community-use spaces, a “garden in the sky,” spacious public terraces at each end of the building, and inviting spaces for reflection, learning, gathering and cultural exchange.

## Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
Program revenue					
Library program revenue					
Fines & penalties	989	989	922	899	814
InfoAction revenue	426	516	594	575	586
Facility rental	460	485	500	496	473
Other library revenue	510	513	546	581	588
<b>Total Library program revenue</b>	<b>2,385</b>	<b>2,503</b>	<b>2,563</b>	<b>2,551</b>	<b>2,461</b>
<b>Total Program revenue</b>	<b>2,385</b>	<b>2,503</b>	<b>2,563</b>	<b>2,551</b>	<b>2,461</b>
Cost recoveries, grants & donations					
Library recoveries, grants & donations	1,995	1,919	1,960	1,899	1,898
<b>Total Cost recoveries, grants &amp; donations</b>	<b>1,995</b>	<b>1,919</b>	<b>1,960</b>	<b>1,899</b>	<b>1,898</b>
<b>Total Revenues</b>	<b>\$ 4,379</b>	<b>\$ 4,423</b>	<b>\$ 4,523</b>	<b>\$ 4,450</b>	<b>\$ 4,359</b>
<b>Expenditures &amp; Transfers</b>					
Library					
Public Services	36,942	38,172	38,889	39,949	41,323
Administrative Services	5,861	5,759	5,869	5,868	6,151
Shared support services	-	-	2,462	1,830	1,872
Transfers to / (from) reserves & other funds	57	76	76	95	54
<b>Total Library</b>	<b>42,860</b>	<b>44,006</b>	<b>47,296</b>	<b>47,743</b>	<b>49,399</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 42,860</b>	<b>\$ 44,006</b>	<b>\$ 47,296</b>	<b>\$ 47,743</b>	<b>\$ 49,399</b>
<b>Net Operating Budget</b>	<b>\$ (38,480)</b>	<b>\$ (39,584)</b>	<b>\$ (42,774)</b>	<b>\$ (43,293)</b>	<b>\$ (45,040)</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 0.8</b>	<b>\$ 4.7</b>	<b>\$ 6.9</b>	<b>\$ 11.3</b>	<b>\$ 5.2</b>

Note: Totals may not add due to rounding

Between 2012 and 2015, expenditure increases are due to negotiated wage increases, offset by procurement savings and other identified cost reductions. In 2016, funds have been added for the new néčá?mat ct Strathcona Branch Library.

As borrowing and collection use shifts to digital materials, VPL will experience a decline in revenues from fines and lost material charges.

## Employee trend table

Library	2012	2013	2014	2015	2016F
Regular Full-time Staff	375.0	369.0	367.0	367.3	371.0
All Staff (including Part-time, Temporary and Auxiliary)	506.9	490.8	499.4	496.9	495.8
Full-time Equivalents*					

\*excluding overtime

Additional full-time staff have been added for the Inspiration Lab and for security support.

## Vancouver Fire and Rescue Services

Vancouver Fire and Rescue Services (VFRS) is a department of the City of Vancouver responding to approximately 55,000 incidents annually. These include fires, hazardous material events, medical emergencies, motor vehicle incidents, public service calls and special operations. Beyond emergency response, firefighters are responsible for inspecting and ensuring compliance with the Vancouver Fire Bylaw for approximately 28,000 structures, leading fire and life safety education in the community, and hosting community health clinics.

VFRS provides support, on a cost recovery basis, to more than 80,000 people at the UBC and the University Endowment Lands. As required and appropriate, VFRS also leads a Heavy Urban Search and Rescue (HUSAR) team. HUSAR is a special operations team available as a key emergency response resource that may be deployed across the province, nationally and internationally.

As community safety practitioners, VFRS firefighters and safety professionals are committed to promoting safer communities through a multi-pronged approach using a combination of proactive and reactive initiatives.

### Key services delivered

**Fire prevention** – Inspecting business and residential properties to ensure and enforce compliance with the fire code and associated bylaws; offering fire and life safety education to the community

**Fire suppression and special teams service** – Supporting public safety by providing an all-hazards response service, including structure fires, hazardous material (haz-mat) incidents, technical and confined spaces, structural collapses, trench rescues, wild lands, auto extrications and marine firefighting responses

**Medical response** – Providing pre-hospital care services to citizens as a layered first-responder emergency medical service with the BC Ambulance Service

### Major accomplishments in 2016

Through refinements and enhancements to response, inspection, enforcement and education activities, VFRS continued a process of transformation to better serve citizens and meet increasing service requirements. In 2016, call response increased 10% over 2015. VFRS worked on a wide range of initiatives in the areas of suppression, prevention and medical, including:

#### Fire Prevention

- Continued to refine the new Fire Bylaw, implemented in 2015, to better align with the provincial fire code and retain certain provisions unique to Vancouver
- Developed amendments to the Fire Bylaw, in consultation with stakeholders, to evaluate occupancy load and access to high-rise buildings
- Focused on fire prevention in high-rise buildings through making Fire Bylaw amendments and working with associations of building owners and managers to promote pre-fire safety

- Implemented an ongoing pre- and post-construction inspection program to lessen the risks associated with increased development of six-storey wood frame constructions
- Implemented a fee structure for preventable false alarms to provide better service to Vancouver citizens
- Streamlined the permitting process with the Permits and Licence Transformation Program
- The Fire Life Safety and Education and the Recruitment/Outreach divisions conducted in-depth audits of all internal programs and processes to achieve efficiencies and incorporate best practices. The new recruitment process now includes the Candidate Physical Assessment Test, an international testing standard. A ride-along program was implemented, which is now used to assist in assessing candidates.
- The Hoarding Action Response Team is a partnership between the City and Vancouver Coastal Health to provide a coordinated community response to those impacted by hoarding. In 2016, more than 800 properties were monitored, resulting in reduced hazards and improved safety.
- The Fire Prevention bicycle program used bikes for specific inspection districts and special events to conduct inspections throughout the city. This bike program is a first-of-its-kind prevention initiative in Canada and aligns with the City's green initiatives.

#### **Fire Suppression and Special Teams**

- Began commissioning 26 new fire apparatus
- Received one new fast-attack fire boat in early 2016, replacing the aging fire boats currently in operation. The department is expecting to take delivery of the second fire boat in early 2017. Implemented a new Marine Fire response program to provide marine firefighting response services.
- Vancouver Volunteer Corps (VVC) and Neighbourhood Emergency Action Team (NEAT) are volunteer-based programs that respond to emergency situations and large public events. In 2016, additional Vancouver residents were trained, bringing the total number of VVC program volunteers to 830. An additional 150 volunteers were provided NEAT training, bringing the number of available volunteers to 390. New leadership opportunities within the program kept volunteers active and engaged.
- Led the City's Driver Services program, an initiative to train City drivers (using driver trainers) to improve drivers' skills and citizen safety while meeting National Safety Code standards. The Driver Services program conducted more than 600 vehicle audits and trained more than 1,000 drivers.
- HUSAR team responded with 70 members to a major four-day provincial exercise simulating a magnitude 9.0 earthquake scenario (Coastal Response – [https://youtu.be/4bsol\\_-MS7Y](https://youtu.be/4bsol_-MS7Y))
- Implemented a new automated staff scheduling system
- Conducted Respectful Workplace training, including crew talks, online training modules and site visits by senior staff



- Implemented assistant chief positions to provide direct on-shift supervision of personnel, 24/7
- Enhanced the Rapid Intervention Specialty Team to provide greater safety for our firefighters on scene
- Worked with the federal government to secure HUSAR funding
- Continued work to complete a 30-year Fire Hall Renewal Plan that optimizes fire hall locations, sizes and formats to meet the future development of the city
- Implemented GPS dispatching to ensure the closest apparatus is dispatched to provide right unit response to the right incident
- Made updates to logo and uniform for 800 staff

### Medical response

- First responders have continued providing pre-hospital care services to citizens as a layered first-responder emergency medical service with the BC Ambulance Service (BCAS). The BCAS resource allocation plan put in place by the Provincial Health Services Authority (PHSA) has continued to present challenges for VFRS. These changes have resulted in a steady increase in wait times for ambulance arrival, causing additional pressures on all VFRS resources – not only those directly related to medical response. Due to the additional time firefighters are required on scene, the department is experiencing a decrease in productivity related to premise inspections, training and other programs. VFRS is working with the provincial government and the health authorities to use our resources in any manner possible to improve this situation.
- Trained for and implemented naloxone treatment for citizens with opioid overdoses
- Due to the fentanyl crisis, VFRS has responded to 2,287 overdoses in the first eight months of 2016 compared to 1,538 in the prior year
- Continued to be the Public Access Defibrillator champion for the BC Heart and Stroke Foundation, providing overview and training for new Automated External Defibrillators in community and public areas

## Plans for 2017

### Fire Prevention

- Drivers of change for Fire Prevention include an increase in community development, particularly new buildings such as laneway homes, multi-family dwellings and high-rises; complex inspections, such as Single Room Occupancy (SRO) dwellings; and bylaw code changes for high-rises, care facilities, restaurants and hoarding situations. In 2017, Fire Prevention will see continued development of the risk-based premise inspection program (based on risk assessment of buildings and occupancy) – including training for suppression staff by fire prevention inspectors to facilitate complex high-rise and restaurant inspections. Other planned programs and activities include:
  - Add a carbon monoxide detector amendment to the Fire Bylaw
  - Implement a program and amend the Fire and Building Bylaws for in-building radio reception and communication

- Develop an emergency building access program (lockbox program)
- Update the Fire Safety Plan and operational manual

### Fire Suppression and Special Teams

- Drivers of change for Fire Suppression and Special Teams include population growth and density, building construction, and the use of six-storey wood frame construction throughout the Cambie and Kingsway corridors, East Fraser Lands and the Hastings area. Planned programs and activities include:
  - Enhance telecommunications through rollout of a new 700 MHz broadband and digital radio system and implementation of new mobile data terminals
  - Upgrade emergency above-ground water supply (hose reels upgrades)
  - Enhance VVC and NEAT programs
  - Develop the Driver Services program
  - Revitalize the National HUSAR program, including policy engagement
  - Deliver enhanced firefighter self-rescue training to all suppression staff
  - Refine the new electronic scheduling system introduced in 2016. The department currently uses a manual process to schedule 800 firefighters on four shifts at 20 fire halls. The scheduling process is complex, as it requires scheduling firefighters with different ranks, qualifications and specialty skills, to ensure appropriately trained staff members are assigned to specific apparatus.

### Medical response

- Drivers of change for emergency medical response include an increasing population and changing demographics, ongoing changes to the resource allocation plan (RAP) of the BCAS, and the complexity of building heights and sophisticated security systems affecting vertical incident response times. There has been a steady increase in VFRS on-scene time with patients as BCAS continues to experience delayed response due to the RAP. VFRS will continue working with external stakeholders, including BC Emergency Health Services (BCEHS), the PHSA and BCAS, to optimize medical response across the city. To appropriately manage resources and provide an efficient service, response and effectiveness are being reviewed. Planned activities include:
  - Seeking opportunities to enhance regional emergency response by working with stakeholders to establish regional agreements for municipal border coverage, hazardous material and fire boat/marine response
  - Reconfiguring medical response units
  - Enhancing first responder certifications with additional endorsements, such as naloxone administration, to provide optimized patient care

### Looking ahead, 2018-2021

- Evolve the risk-based inspection program to enable prevention inspectors to target and increase inspection frequency of high-risk buildings and enable suppression staff to conduct inspections of low- and medium-risk premises
- Transition to new fire halls as old ones are replaced under the capital plans
- Build a 10-year strategic plan for VFRS

- Implement an in-building communications (radio coverage) program to improve firefighter and citizen safety by enhancing communications within the building for emergency incidents
- Encourage greater community involvement by suppression firefighters with an initial focus on all-hazards readiness and education of tenants in high-rise buildings in downtown districts
- Continue to develop a community post-disaster strategy in collaboration with the City of Vancouver Office of Emergency Management
- Explore a technology-assisted predicted response model, based on geographic area and call demand to instantaneous response, so that incident response times can be maintained
- Implement new technology through E-Comm to optimize the medical response model for routine medical calls and so allow for better deployment of resources
- Explore community health patient care opportunities (blood pressure, cholesterol, flu shots), including appropriate funding, to provide enhanced community service and reduce the burden on the hospital care system
- Work on the electronic patient care record system (e-PCR) that is integrated with BCAS and hospital records to provide more comprehensive care and better patient outcomes

## Department service metrics

### Fire Prevention

Fire prevention inspectors worked with fire suppression staff to conduct risk-based inspections. Suppression staff focused on more comprehensive inspections of low- and medium-risk premises, which permitted inspectors to target and increase inspection frequency of high-risk buildings. To maximize efficiency and minimize travel time, building inspections are grouped into manageable geographical areas.

The total number of life safety inspections, forecasted to be approximately 20,000 for 2016, includes inspections conducted by fire prevention inspectors and suppression fire safety inspectors. The number of property inspections with violations has been steadily declining and is expected to further decline over the long term due to an increase in owner-occupant accountabilities.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Fire Prevention	Quantity	Total number of life safety inspections	19,158	20,441	19,059	20,667	20,000
	Quality	% of violations per total inspections	6.4%	9.5%	8.9%	7.0%	6.0%

## Fire Suppression and Special Teams

VFRS is experiencing a slight increase in response times to fires due to increasing traffic congestion and traffic-calming initiatives. The percentage of fires confined to the area of origin has been decreasing over the last five years, partially due to increased response times. VFRS continues to examine each fire-related injury and death and directs prevention and education programs and services as a strategic response.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Fire Suppression and Special Teams	Quantity	# injuries / deaths	49/3	63/2	63/3	37/2	52/1
		# of all fires with damage	1,468	1,617	1,545	1,836	1,800
		# of fire safety inspections	11,160	13,578	12,057	13,258	12,000
	Quality	% of structure fires confined to area of origin	24%	21%	19%	17%	19%
		Response time at the 90th percentile (min:sec)	6:08	6:14	6:25	6:28	6:35
	Result	Average \$ loss per fire	\$18,194	\$15,955	\$24,581	\$19,730	\$19,000
		# of fires with damage per 1,000 population	2.4	2.7	2.6	2.9	2.8

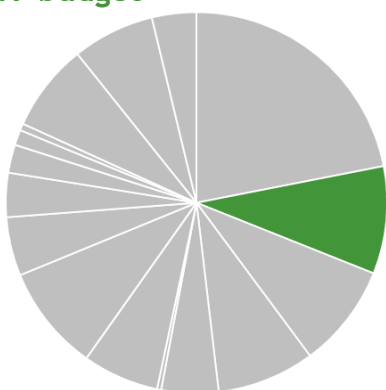
## Medical calls

VFRS provides pre-hospital care services to citizens as a layered emergency medical service with the BC Ambulance Service. VFRS continues to maintain a strategic partnership with BCEHS and the Emergency Medical Assistants Licensing Board. The cross-staffed Fire Medic Units have assisted in maintaining consistent response times.

A steady increase in the number of medical incidents and patients treated is anticipated due to a proportionate small population increase and aging demographics. Response time – at the 90th percentile – has been restated to include emergency response only, as defined under National Fire Protection Association reporting standards. This metric is seeing an increase due to multiple factors, which include traffic congestion and traffic-calming initiatives.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Medical Calls	Quantity	# of medical incidents	33,331	34,226	35,478	39,488	40,000
		# of medical incidents per 1,000 population (does not include MVI)	48.6	50.1	51.2	56.9	57.0
	Quality	Response time at the 90th percentile (min:sec)	6:07	6:19	6:20	6:21	6:29
	Result	# patients treated	18,855	21,903	23,200	28,341	29,000

## 2017 budget



Fire and Rescue Services makes up 9% of the 2017 Operating Budget

## Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
Cost recoveries, grants & donations				
Fire & Rescue Services recoveries	8,244	8,247	3	0.0%
<b>Total Cost recoveries, grants &amp; donations</b>	<b>8,244</b>	<b>8,247</b>	<b>3</b>	<b>0.0%</b>
Other revenue				
Other department revenue	642	642	-	-
<b>Total Other revenue</b>	<b>642</b>	<b>642</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 8,886</b>	<b>\$ 8,889</b>	<b>\$ 3</b>	<b>0.0%</b>
<b>Expenditures &amp; Transfers</b>				
Fire & Rescue Services				
Fire Suppression & Medical	101,785	105,231	3,446	3.4%
Prevention	2,929	3,024	95	3.2%
Training & Administration	5,759	5,955	196	3.4%
E-Comm allocation	4,173	4,352	179	4.3%
Shared support services	1,699	1,633	(66)	(3.9%)
Transfers to / (from) reserves & other funds	679	183	(495)	(73.0%)
<b>Total Fire &amp; Rescue Services</b>	<b>117,024</b>	<b>120,378</b>	<b>3,354</b>	<b>2.9%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 117,024</b>	<b>\$ 120,378</b>	<b>\$ 3,354</b>	<b>2.9%</b>
<b>Net Operating Budget</b>	<b>\$ (108,137)</b>	<b>\$ (111,489)</b>	<b>\$ (3,352)</b>	<b>3.1%</b>

Note: Totals may not add due to rounding

### Explanation of changes – revenues

Revenues for VFRS remain constant into 2017. Revenues include operating cost recoveries related to the University Endowment Lands and partnership funding for the marine firefighting program.

### Explanation of changes – expenditures and transfers

The majority of the increase in the 2017 budget reflects the City's continuing capital investment to replace existing fire equipment and fire boats that have exceeded their useful service lives. The fleet's scheduled replacement results in an increase to the 2017 budget, as the operating costs of the new fleet are included in the budget.

There is also an increase in the 2017 budget for Heavy Urban Search & Rescue (HUSAR). The program recently received an ongoing commitment in funding from the federal government, which will be utilized on equipment in the first year.

Year-over-year expenditure and transfer changes also reflect increases in benefit costs, investments in an expanded Citywide Driver Services program, and funding for temporary resources to support succession planning. The 2016 and 2017 budgets do not include any increase in firefighters' wages as the collective agreement with the Vancouver Fire Fighters' Union ended in 2015.

### Notable capital projects

The following table summarizes some of the noteworthy projects involving VFRS in 2017. A complete list of all capital projects for 2017 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget <sup>3</sup>	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years
Replacement of Fire Hall No. 5 (includes Housing) <sup>1</sup>	21.7	4.2	11.5	4.8
Replacement of Fire Hall No. 17 (Planning and Design only) <sup>2</sup>	3.2	0.4	2.2	0.6

<sup>1</sup>Included in REFM departmental budget; project budget includes \$10.9M for Social Housing.

<sup>2</sup>Included in REFM departmental budget.

<sup>3</sup>Expenditure may not sum to total project budget due to rounding or prior years expenditure.

**Replacement of Fire Hall No. 5** – Real Estate and Facilities Management will facilitate the design and renovation of Fire Hall No. 5, taking it from the existing three-bay layout and adding four storeys to provide social housing. Rezoning and development permit applications and contract documents were completed in 2015. Deconstruction of the existing fire hall is complete. The project is now in construction phase and is anticipated to be complete in 2018.

**Planning/design to replace Fire Hall No.17 (Knight Street and 55th Avenue)** – Preliminary design and rezoning to replace Fire Hall No. 17 began in 2016. The main focus for 2017 will be the enclosure for the fire equipment, building the temporary fire hall and continuing design of the new facility. The project construction is scheduled to begin in 2018.

Other notable capital projects:

**Capital maintenance and minor upgrades** – Fire hall improvements will continue, with a focus on facility modifications to accommodate female firefighters, mechanical and electrical upgrades, building maintenance and bay separation projects supporting health and safety as well as green initiatives.

**Fire truck replacement** – Over the 2015 to 2017 period, 26 heavy equipment pieces are being introduced to replace existing units that are past their service lives. There is a resulting increase to VFRS's 2016 operating budget and beyond, reflecting the capital repayment of this investment.

## Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
<b>Cost recoveries, grants &amp; donations</b>					
Fire & Rescue Services recoveries	6,920	6,911	7,065	8,244	8,247
<b>Total Cost recoveries, grants &amp; donations</b>	<b>6,920</b>	<b>6,911</b>	<b>7,065</b>	<b>8,244</b>	<b>8,247</b>
<b>Other revenue</b>					
Other department revenue	574	574	516	642	642
<b>Total Other revenue</b>	<b>574</b>	<b>574</b>	<b>516</b>	<b>642</b>	<b>642</b>
<b>Total Revenues</b>	<b>\$ 7,494</b>	<b>\$ 7,484</b>	<b>\$ 7,581</b>	<b>\$ 8,886</b>	<b>\$ 8,889</b>
<b>Expenditures &amp; Transfers</b>					
<b>Fire &amp; Rescue Services</b>					
Fire Suppression & Medical	90,367	91,231	100,766	101,785	105,231
Prevention	2,746	2,758	2,629	2,929	3,024
Training & Administration	3,833	3,873	4,086	5,759	5,955
E-Comm allocation	-	-	4,065	4,173	4,352
Shared support services	130	130	1,356	1,699	1,633
Transfers to / (from) reserves & other funds	291	409	416	679	183
<b>Total Fire &amp; Rescue Services</b>	<b>97,367</b>	<b>98,401</b>	<b>113,318</b>	<b>117,024</b>	<b>120,378</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 97,367</b>	<b>\$ 98,401</b>	<b>\$ 113,318</b>	<b>\$ 117,024</b>	<b>\$ 120,378</b>
<b>Net Operating Budget</b>	<b>\$ (89,874)</b>	<b>\$ (90,917)</b>	<b>\$ (105,737)</b>	<b>\$ (108,137)</b>	<b>\$ (111,489)</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 0.6</b>	<b>\$ 0.1</b>	<b>\$ 0.1</b>	<b>\$ 0.1</b>	<b>\$ -</b>

Revenues consist primarily of operating cost recoveries related to the University Endowment Lands. Year-over-year increases are largely attributed to cost recovery increases that align with increases in compensation, benefits and pension payment costs as well as program funding and recoveries related to fire suppression and fire prevention activities.

For 2016, some revenues were adjusted to align the budget with actual anticipated revenues. In prior years, the budget has been lower than actual revenue received; 2017 remains at this level.

Increases in the operating budget are largely due to collective agreement wage increases, step increments and benefits. Much of the increase in the 2015 budget is attributed to changes in compensation, benefits and pension payment costs resulting from the arbitrated settlement in 2015. In addition, year-over-year costs reflect internal reorganization changes that include the Citywide Driver Services program.



Scheduled fleet replacement, which started in 2015, has resulted in significant increases to the 2016 and 2017 budgets as the cost of financing the new fleet has been reintroduced to the budget. This budget increase will be ongoing until internal financing for the equipment is repaid.

The trend of shared services continues to evolve, with staff and budgets in previously decentralized work groups moving to citywide groups led organization-wide. Increases to the shared support services budget is reflected in the allocation of budget to VFRS for consolidated information technology (IT), supply chain management, finance, facilities operations and planning, and human resources (HR).

### Employee trend table

Fire and Rescue Services	2012	2013	2014	2015	2016F
Regular Full-time Staff	793.0	797.0	791.8	792.3	793.6
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	790.2	800.0	791.8	792.3	792.4

\*excluding overtime

The 2013 to 2014 employee trend reflects the evolution to shared services, with VFRS staff moving to citywide groups led organization-wide for IT, supply chain management, payroll, finance and HR.

Other fluctuations in full-time equivalents are due to retirements, vacancies and attendance management.

## Vancouver Board of Parks and Recreation

The Vancouver Park Board is made up of seven elected Commissioners, and it is the only elected body of its kind in Canada. The Park Board is guided by a mandate to nurture, maintain and develop Vancouver's urban parks and recreation system, and the vision of connecting residents and visitors to green space, active living and community.

The Park Board oversees delivery of parks and recreation services on behalf of the City. Maintaining a network of more than 230 parks (approximately 1,300 hectares), the Park Board's scope includes 146 sports fields, 165 playgrounds, five outdoor pools, two destination parks, many gardens and nine beaches. In addition, the board is responsible for 24 community centres, 15 fitness centres, nine indoor pools and eight arenas. The Park Board also manages public marinas, golf courses, concessions, sports fields, clubhouses, service yards and fieldhouses.

The Park Board's 2013-2017 strategic framework outlines the organization's mission and vision, four priority areas, nine goals and 27 strategic objectives. These elements have been developed to assist the Park Board in focusing its efforts and resources through 2017.

### Key services delivered

**Parks and green spaces** — Providing planning, operation and maintenance of parks, natural areas and display gardens, other green spaces, and attractions for public use

**Recreation programming and facilities** — Providing a network of recreation facilities including community centres, pools, arenas, fitness centres, arts and sports facilities for the public to engage in recreational activities; working jointly with Community Centre Associations to provide access to a wide variety of recreational programming

**Business services** — Providing facilities and experiences, such as restaurants, attractions, marinas and golf, that are outside of core parks and recreation service areas and that enable the Park Board to generate revenues used to subsidize costs across core service areas. This is done with the support of the Park Board's Marketing and Business Development Advisory Committee.

### Major accomplishments in 2016

#### Parks and recreation for all

In the Park Board's first priority area — parks and recreation for all — the following progress was made in 2016:

- **Parks and Recreation Master Plan** — In the fall of 2016, the contract to develop the Parks and Recreation Master Plan was approved and awarded by the Park Board. The master plan will determine optimum citywide service level outcomes through an assessment of the needs associated with existing assets and guide operating practices for the next 25 years. With a 10-year implementation strategy for parks and recreation services for Vancouver, the resulting plan will provide the necessary foundation for determining the direction of Parks and Recreation in the years to come.

- **VanSplash Aquatic Strategy** – Public consultation for the VanSplash Aquatic Strategy was launched in July 2016. The project team will use public feedback to refine recommendations for a 10-year plan to deliver aquatic services, including the renewal or replacement of existing indoor pools and wading pools, and construction of a new outdoor pool.
- **People, Parks and Dogs Strategy** – In April 2016, the Park Board engaged a team of consultants to undertake the People, Parks and Dogs Strategy, which will provide policy recommendations for the development and management of our city's dog facilities, including laying the foundation for well-designed off-leash areas that are successfully integrated within our park system and the neighbourhoods they serve. Phased implementation of the recommendations will begin in 2017.
- **Proactive service planning and delivery** – In spring 2016, a renewed effort was launched to reach a new Joint Operating Agreement with the Community Centre Associations who deliver programming on behalf of the Park Board. The goal is to have a new agreement for consideration by the end of 2016.
- **New paddling centre** – The new Creekside Paddling Centre, opened in April 2016, provides a permanent home for Vancouver's paddling community. The facility provides spaces for the Dragon Boat Society and the British Columbia Mobility Opportunities Society, which operates an adapted paddleboard program.
- **Leisure Access Program** – The Leisure Access Program provides low-income residents with access to basic recreation programs and services at a reduced cost. Over the past three years the number of Leisure Access members has averaged 15,500. The success of the new third-party referral stream has helped increase access for eligible residents. A new partnership with the Vancouver Aquarium expanded the program's options to include one free visit to the aquarium per year.
- **Trans and gender-variant community** – The trans-inclusive weekly public swim at Templeton Park Pool was continued. This designated swim time is provided to ensure equitable access to public facilities for all residents irrespective of gender identification.
- **Accessibility policies and guidelines** – The creation of new policies and guides regarding accessibility helped to clarify expectations for both staff and patrons with respect to civic facilities, services and programs, and it continued to support efforts to create an environment that promotes access for all. For example, the new Accessible Recreation Practice Guide outlines best practices on staffing ratios, hiring and programming.
- **Swim to Survive** – Drowning and near-drowning remain leading causes of accidental death and suffering in Canada. The Swim to Survive initiative is aimed at Grade 3 children and is an important first step to being safe around water. Swim to Survive is a Lifesaving Society program that provides basic training in critical skills needed to survive an unexpected fall into deep water. This summer, the one-day course was delivered free of charge for the first time to 600 Vancouver children.

- **Improved systems and tools** – August 2016 marked the one-year anniversary of the implementation of the Park Board’s registration system for programs – ActiveNet. Additional programs were transitioned to the new software in 2016, including VanDusen Botanical Garden and the three Pitch & Putt courses. Also new in 2016, the booking experience for the City’s golf courses was improved with the introduction of a user friendly interface and added flexibility in booking tee times. The new software also offers a seamless integration with the existing mobile application, which is used regularly by more than 15,000 customers.

### Leader in greening

In the second priority area – leader in greening (defined as actively demonstrating leading horticultural practices and preserving, protecting and creating green space) – in 2016 the following was accomplished:

- **Continuous quality improvement** – As part of the Park Operations Review, new maintenance schedules, which aligned to standards, maintenance routes and processes, were implemented for turf and horticulture. For street horticulture, business processes were optimized and proactive budget management practices were implemented.
- **Urban Forest Strategy** – The Park Board is the leader in the management of Vancouver’s urban forest. It manages trees on parks, streets and other public lands, and advocates for urban forest enhancement on private lands. In 2016, more than 22,000 new trees were planted in Vancouver. Current efforts focus on restoring and maintaining native forests in Stanley Park, Jericho Beach, Musqueam and Everett Crowley Parks; renewing street trees; and providing 6,000 trees to the public at events held in the spring and fall. In addition, forest restoration and tree replacement programs continued throughout the city.
- **Sustainability and green education** – The Park Board reduced potable water use substantially in 2016 by targeting the top five water uses in parks. Approximately 370,000 cubic metres of water have been saved by turning off the Stanley Park stream, reducing water use in Trout Lake using a float valve, and restricting the timing of water use at the Stanley Park Train.
- **New parks and renewals** – Work was completed on the greening of Hillcrest and Riley Parks, transforming the grounds of the former Riley Park Community Centre, Percy Norman Pool and the Vancouver Curling Club. Highlights of the completed project include the new challenger baseball diamond and new synthetic turf youth soccer field at Hillcrest Park, an events lawn and plaza area with services for farmers’ markets and local gatherings, a community garden, a natural playground for young children, integrated stormwater management, and habitat planting at Riley Park. Other new parks and renewal projects completed in 2016 included a new park at 17th Avenue and Yukon Street, a pop-up park at 5th Avenue and Pine Street, playground renewals at Hastings Mill and McBride Parks, and synthetic turf replacements at Oak Meadows Park (Eric Hamber Secondary) and Kerrisdale Park (Point Grey Secondary School). The Kerrisdale Park field incorporates a new type of infill product that is greener and recyclable.

- **Lake and wetland restoration** – Plans for the enhancement of Beaver Lake evolved through detailed surveys, soil tests, First Nations engagement, design work and a phasing plan for construction, with the first construction phase scheduled to begin in 2017. A partnership with Vancouver Fraser Port Authority is supporting the construction of a new salt marsh on the east side of New Brighton Park to enhance access to nature and benefit fish and wildlife in Burrard Inlet. Community engagement, consultation with local First Nations, and a project agreement with Vancouver Fraser Port Authority are key components of the project. Ultimately, the salt marsh will be part of the Hastings Creek system, which will be restored from Sanctuary Pond in Hastings Park to Burrard Inlet.

### Engaging people

In the third priority area – engaging people – the following actions were taken in 2016:

- **Reconciliation activities with First Nations** – The relationship with Musqueam, Squamish and Tsleil-Waututh First Nations was further strengthened through working group dialogues addressing Stanley Park long-term planning. The one-year anniversary of the new relationship between the board and the Nations was marked with the ceremonial planting of the three cedars gifted from the Park Board to the Nations in Stanley Park. A major step forward in the relationship was also achieved through the Park Board's work with the three Nations in the development and hiring of the first Canadian Park Board archaeologist position.
- **Public consultation** – Several park development projects produced positive public consultation processes:
  - A high point in April was the event to celebrate the final concept plan for the new park at Smithe and Richards Streets. The event involved more than 1,000 participants in broad support of the proposed design.
  - Engagements for the new salt marsh at New Brighton Park, for upgrades to the seaside greenway in Charleson and Sutcliffe Parks (in collaboration with Engineering), and for the pop-up park at 5th Avenue and Pine Street resulted in board approval of the conceptual designs for these projects.
  - The VanSplash Aquatic Strategy and People, Parks and Dogs Strategy involved extensive consultation processes. Each incorporated the use of Talk Vancouver, project websites and social media, and translated materials into multiple languages to broaden outreach and enhance input.
- **Concession Renewal Consultation** – A public consultation program was launched to seek public and key stakeholder input into a Concession Renewal Strategy for the network of park and beach concession offerings. Focus groups and an online survey were used to collect feedback from more than 5,000 participants. The consultation findings will inform final recommendations for future renewal plans.
- **Sport hosting** – Several major sports events were successfully hosted in 2016, including the HSBC Canada Sevens Vancouver rugby tournament, Little League Canadian Championship, Americas Masters Games, two Canadian Men's National Soccer Team qualifying matches (for FIFA World Cup Russia 2020), a Canadian Men's National Rugby Team international test match, a Vancouver Whitecaps/Crystal Palace FC international soccer friendly and the Subaru 5i50 Vancouver Triathlon.

- **Local organization partnerships** – The ongoing partnership with Vancouver Coastal Health and British Columbia Recreation and Parks Association was showcased with a 10-year celebration and summit. This partnership provides a new model of seniors’ programming by supporting seniors’ physical and mental health and social inclusion through the arts.
- **Community partnerships** – A new model of partnership with Indigenous and historically marginalized communities was implemented through a process of “Walking Together” in the completion and raising of the Survivor’s Pole in Pigeon Park.
- **Public art** – A new love lock sculpture, *Love in the Rain*, was unveiled in Queen Elizabeth Park providing a new interactive arts and culture experience that encourages active participation in parks. The public are encouraged to visit this new piece of art and leave their mark on the sculpture by attaching their own love lock.
- **Leadership development programs for staff** – The training and development committee made recommendations to the senior leadership team regarding compliance-based training and the adoption of a training and development policy for the Park Board. Programs have been developed to support leadership and professional development for management staff, including succession planning.

#### Excellence in resource management

In the fourth priority area – excellence in resource management – the following initiatives were undertaken in 2016:

- **Planning for Killarney Seniors Centre** – Work continued on detailed designs for the construction of the two-storey, 10,000-square-foot Killarney Seniors Centre facility, to be added to the northeast corner of the Killarney Community Centre. The new centre will provide important recreation and socialization opportunities for seniors and incorporate core features identified by community stakeholders such as a kitchen and multi-purpose rooms. Construction is scheduled to begin in 2017.
- **Improving golf facilities** – The summer of 2016 marked the completion of the new Langara warm-up facility with the installation of a new four-bay warm-up range. Planned improvements to the City’s Fraserview and Langara championship courses remain a focus for the Park Board. A drainage remediation project for Langara Golf Course is under review, while plans for a rebuild of the Fraserview driving range continue to move forward.
- **Leader in greening and energy efficiency** – The VanDusen Botanical Garden Visitor Centre became the first project in Vancouver to receive the Living Building (LBC)™ Petal Certification – the most stringent measurement of sustainability in the built environment. The VanDusen Visitor Centre achieved certification in the categories of site, materials, health and beauty. The installation of windbreaks at Hillcrest pool in 2016 built upon the successful installations at Kitsilano and Second Beach pools in previous years.

- **Innovative service offerings** – A new beach chair and umbrella rental service was introduced at English Bay Beach, while existing seasonal special events were expanded. New cellular infrastructure was introduced at select locations to provide improved mobile access to the public. A new mobile-friendly digital map of Stanley Park was also released, providing access to key landmarks and amenities to park users. Work was initiated on key initiatives to help Parks and Recreation strengthen its financial stability, which included the development of a new Concession Renewal Strategy and a Park Board Foundation Implementation Plan.

## Plans for 2017

The Park Board will continue advancing projects and programs initiated in 2016 and prior years. Since all elements of the strategic plan cannot be implemented concurrently, each year the Park Board selects several priority objectives. Detailed implementation plans and the allocation of appropriate resources support these objectives.

The following works, listed under Priority Strategic Plan Directions, have been identified by the Park Board's senior management team as 2017 priorities – subject to approval by the elected Park Board:

### Parks and recreation for all

In this, the Park Board's first priority direction area, the following are targeted for 2017:

- **Parks and Recreation Master Plan (PRMP)** – The majority of planning and engagement work for the PRMP will take place in 2017. The PRMP's development will rely on the consolidation and analysis of baseline data, a survey of relevant national and international precedents, review of current policy and practices, and the understanding of trends and future projections. The PRMP will include a robust and comprehensive community engagement process to provide a bold, accessible and innovative plan.
- **Service level outcomes** will identify areas within Parks and Recreation that are meeting or exceeding expectations as well as areas that are not meeting desired outcomes. The service level outcomes will also help address planning for growth areas in the city by providing a framework for parks and recreation services aligned with population growth and demographic changes.
- **VanSplash Aquatic Strategy** – Draft recommendations and plans will be refined based on public feedback and presented to the Park Board for approval in spring 2017. VanSplash will provide a 10-year implementation strategy for aquatic services, including direction on investment in new and existing infrastructure and the identification of innovative and specialty aquatic services opportunities.
- **People, Parks and Dogs Strategy** – Initial policy and design recommendations will be presented at a second round of public consultation in early 2017. The planning team will refine recommendations based on public feedback and present the strategy to the Park Board in the spring of 2017.



- **Northeast False Creek parks and open spaces** – Conceptual design for the Creekside Park Extension will define an important new destination park on the False Creek waterfront, including the renewal of Andy Livingstone Park and the existing Creekside Park north of Science World. This work will encompass extensive public engagement and design development by an international design team initiated in late 2016.
- **Improving accessibility** – In this priority area, the Park Board will focus on upgrades to facilities and updates to programs and services.
- **Social inclusion programming** – Following on momentum from previous years, further efforts will be made in the following areas:
  - Parents of children with a disability will qualify for a Leisure Access membership for their entire family, in recognition that the cost of care is not fully reimbursed by the provincial or federal government.
  - Reconciliation strategies will be a focus to unite communities around the importance of access and inclusion. Activities will include the leadership of six Canada 150+ projects, support for reconciliation-focused arts projects, increased staff training and continued growth of the relationship with the Musqueam, Squamish and Tsleil-Waututh peoples.
  - The Vancouver Park Board will actively reduce or eliminate obstacles to participation in facilities, programs or services. The Park Board will create equitable opportunities for those Vancouver residents who encounter economic, physical or social barriers.

### **Leader in greening**

In this second priority area, the following is targeted for 2017:

- **Continuous quality improvement** – In 2017, the Park Operations Review will look to record and apply maintenance standards and schedules to our hard assets (tennis courts, pathways, etc.) to ensure our parks, beaches and green spaces are well cared for and remain resilient.
- **Urban forestry** – Continue to increase tree planting on public land and through private property planting programs, with the planned number of new trees planted estimated at 17,500.
- **Safety and security in parks** – An investment to support the creation of additional full-time Park Rangers will improve the Park Rangers' response capability to increasing demands of homelessness and community outreach, bylaw enforcement, traffic management, wildlife rescue, environmental concerns, fire safety, special events and public complaints.



- **Sustainability and green education** – The construction of a static pile composting facility at the Stanley Park service yard will minimize the amount of green waste trucked off-site and generate compost that will be incorporated back into parks. Bulk purchasing of materials, such as fertilizer and lime, will save resources and reduce waste from bagged products. In 2017, there will also be an increased focus on sustainable projects, including community gardens growing materials for arts and crafts, and foraging and invasive species harvesting to provide raw materials for the creation of new and valued objects.
- **New and renewed park spaces** – In 2017, the Dr. Sun Yat-Sen Garden pond renewal and an upgrade to the Stanley Park Seawall will be completed. Construction of the new downtown park at Smithe and Richards Streets and renewal of Sunset, Brewers and Renfrew Ravine Parks will begin. New playgrounds at Andy Livingstone and Creekside Parks, and renewed playgrounds at Major Matthews, Beaconsfield (north) and John Hendry (east) Parks are also scheduled to be completed.
- The acquisition of new parklands to expand the park system is an ongoing priority.

### Engaging people

In this third priority area, the following actions are proposed for 2017:

- **Public consultation** – Extensive public consultation will continue for the People, Parks and Dogs Strategy and the Parks and Recreation Master Plan. Public consultation processes are also anticipated for the Marpole Community Centre and Britannia Community Centre, and to finalize plans for four new parks in the East Fraser Lands. A major objective of the upcoming Northeast False Creek Park and Open Spaces Schematic Design project is to engage local and citywide stakeholders, as an expression of Park Board's commitment to broad, meaningful and innovative public engagement.
- **Implementation of new Joint Operating Agreement** – It is anticipated that a new five-year Joint Operating Agreement with Community Associations will be implemented in 2017. This agreement will allow for a renewed working relationship in jointly operated recreation community centres.
- **Enhanced service culture and continued leadership development** – There will be a focus on increased customer service culture in the recreation community centres through staff engagement and training. Programs supporting leadership and professional development for management staff, including succession planning, will be expanded throughout the Parks and Recreation organization.
- **Sport hosting** – The Park Board will support or host several returning signature events, such as the HSBC Canada Sevens Vancouver rugby tournament, international club soccer matches, and the Subaru 5i50 Vancouver Triathlon. Such events will continue to spotlight Vancouver as a key sport hosting community and attract tourism and investment. Collaboration will also take place with key partners to actively compete for and attract new major sporting events that advance the overall strategic goals and objectives of the Park Board and its partners.

- **Special events** – The organization will work collaboratively with existing event partners and the broader event community, including leveraging respective facilities and services, to attract new events to park locations. Key outcomes of this program will include activating park spaces and enhancing neighbourhood vibrancy and connectedness. The introduction of a free public music concert is a much-desired goal.

### Excellence in resource management

In this fourth priority area, the following initiatives will be undertaken in 2017:

- **New and renewed facilities** – Focus areas include planning for a new outdoor pool, Killarney Seniors Centre, track and field consultations, golf course upgrades (Langara drainage, Fraserview driving range), and determining priority locations for a major sports field renewal and new synthetic turf fields in collaboration with field users. In addition, 2017 will mark the beginning phases of the plan for the rebuild of the Marpole Community Centre. Community engagement and design work will be initiated, with anticipated construction to begin in late 2018.
- **Work plan management** – Through the outcomes of the Park Operations Reviews, staff will continue to make refinements to the Park Operations service delivery model to optimize seasonal workforce demands, meet maintenance standards efficiently and deliver greener and more beautiful parks.
- **Service yard and infrastructure upgrades** – Changes will occur at the Sunset service yard, related to the adjacent park renewal, and green waste composting will be introduced as a pilot project at the Stanley Park service yard. Also, the Lost Lagoon “Jubilee” Fountain in Stanley Park – a landmark highly valued by Vancouver residents and visitors – is undergoing a restoration that will complete in 2017.
- **Parks foundation** – The Park Board Foundation Implementation Plan will be completed, thereby enabling the organization to better engage residents in philanthropy, promote the Park Board as the philanthropic organization of choice for Vancouverites, and increase the Park Board’s capacity to receive, invest and build a source of sustainable funding. It is anticipated that the foundation will also be officially launched during the 2017 calendar year.

### Looking ahead, 2018-2021

The focus in 2018-2021 will continue to build upon the recommendations coming out of key planning activities carried out in 2016 and 2017, such as the Parks and Recreation Master Plan.

In addition to the Master Plan, key priority areas include:

#### Healthy City Strategy and social inclusion

- The opening of Killarney Seniors Centre in 2018 provides a focus on innovative seniors’ programming in a facility that will feature best practice wayfinding and accessibility for the public.
- First Biennale art exhibition of the new contract period. Installations in the spring will be enhanced by Biennale-led activation strategies through the year.

- Continuing to build on new relationships with the Aboriginal community as the implementation of the 11 Truth and Reconciliation strategies reaches maturity.

#### **Sustainability, biodiversity and green education**

- Energy efficient strategies for facilities.
- With a goal of having 150,000 new trees planted by 2020, as part of the City's Greenest City Action Plan, efforts will continue to focus on planting and maintaining street and park trees.
- Subsequent to adoption in 2014 of a concept for Beaver Lake's enhancement, consultants are developing an implementation plan that includes more detailed surveys, soil tests, hydrological investigations, construction phasing and plans for use of dredged materials as well as further First Nations engagement. Final design and working drawings are anticipated by late 2016 or early 2017, and first-phase construction projects could begin in 2018.
- In 2018, Vancouver, in conjunction with Surrey and the University of British Columbia, will host more than 500 professionals from Canada and around the world, in what is hoped to be the most comprehensive coming together of minds on the subject of urban forestry in Canada's history.
- In conjunction with the International Ornithological Congress, the Park Board will play an instrumental role in delivering a spectacular Bird Week for the local community and visitors from around the globe.
- Working together with community garden artists, the Park Board will participate in the "Forge" Conference focused on the innovative use of natural materials in the local environment.

#### **Parks and green spaces**

While the continued care and maintenance of existing parks will remain a focus, growing the park footprint in two major areas of the city will be a priority.

- East Fraser Lands – Four new parks, consisting of 3.2 hectares, are scheduled for construction starting in 2018. The waterfront park will provide bicycle and pedestrian trail connections to existing trails to the west on the Fraser River. All the parks may include plazas, play spaces, ecological and horticultural spaces and open lawns for passive recreation, all to be determined during the community engagement process in 2017.
- Northeast False Creek parks – As the viaducts are removed, a new waterfront park of 5.6 hectares will rise in phases from the formerly paved lands. Renovations to Andy Livingstone Park and Creekside Park will happen concurrently. Major components are to be initiated in this time frame, with specific details to be finalized subsequent to community engagement and private land rezoning.

#### **Social interaction and engagement**

- The Park Board will continue to grow its social channels space, targeting a 30% year-over-year increase in both Twitter and Facebook followers, and will continue to expand its reach via Instagram.

- Enhanced community engagement will take place through new strategies such as Park Board Town Hall dialogues, social sharing, contests (as in #VanSplash and the Treelationship Game in Tree Week), and multilingual outreach for public consultation.
- The use of video storytelling will expand as a way to maximize engagement with Park Board initiatives and programs.

#### **New and renewed capital**

- Following completion of the VanSplash Aquatics Strategy, short- and medium-term recommendations for pool upgrades and new facilities will be underway.

#### **Innovation**

- Renew and revitalize aging or underused facilities and assets. Potential opportunities include the Stanley Park miniature train, Children's Farmyard (vacant since 2011), and the VanDusen Botanical Garden Forest Education Centre.
- Implement board-approved recommendations from the Park Board Concession Renewal Strategy with the objective of introducing new and emerging food concepts, enhancing quality and customer experiences, optimizing revenue and renewing existing facilities.
- Pursue board-approved sponsorship opportunities that align with organizational mandate and values, and which enhance customer experiences and provide net benefits to customers and the Park Board.

### **Department service metrics**

#### **Parks and green spaces**

The Urban Forest Strategy is an integral part of meeting the challenge of the Greenest City goals and is a key initiative under the Park Board's Leader in Greening strategic priority.

The Park Board continues beautifying parks and green spaces with ornamental plantings as well as planting additional trees. The forecast for 2016 is to plant 1,595 street trees, 9,737 park trees and 10,979 trees on private property, for a total of 22,311. In 2017, planting of 17,500 trees is planned and anticipated to continue through 2020 to achieve the target of 150,000 trees.

In 2013, the Park Board identified canopy coverage as the metric to measure the benefit provided by trees that make up an urban forest. Canopy coverage is the area of land covered by tree canopies (or leaves) as viewed from above. Canopy coverage for 2016 is estimated to be 18%, down from 22% a decade ago. Our target is to return canopy coverage to 22% by 2050.

In the coming years, the Park Board is targeting strategic parkland acquisitions along the waterfront and in areas with increasing density (False Creek, East Fraser Lands) with a major acquisition targeted for Marpole on the Fraser River. As new land acquisitions are converted into park space, the Park Board will see positive increases to canopy coverage as well as other key service metrics, including hectares of park space and percentage of land base within a five-minute walk to green space.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Parks and Green Spaces	Quantity	Trees planted *	5,290	11,011	11,960	13,573	22,311
		Trees maintained	19,934	34,114	34,200	34,300	34,400
		# of annuals planted	526,000	515,000	515,000	515,000	515,000
		Hectares of park space	1,305.0	1,305.6	1,305.6	1,306.1	1,306.1
	Quality	% of canopy coverage	17.0%	17.8%	18.0%	18.1%	18.2%
		% of land base within a 5-minute walk to green space	92.6%	92.7%	92.7%	92.7%	92.7%

\* Historical figures updated

### Recreation programming and facilities

Providing access to recreation programming and facilities for the city's residents and visitors remains a priority for the Park Board. The development of the Parks and Recreation Master Plan, which kicked off in 2016 and is planned for completion in 2018, will ensure that future demands for programs and facilities are addressed. While this plan is in development, the Park Board's goal is to maintain access at existing levels, while continuing to promote new and existing programs.

Approximately 15,100 Leisure Access memberships were issued in 2015, with 15,800 projected for 2016 – representing approximately 13% of Vancouver's eligible low-income population who benefit from the Leisure Access Program (LAP). The use of third-party referrals has helped to ensure the LAP is in the hands of those who need it.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Access to Recreation Facilities	Quantity	# of Leisure Access Program (LAP) cards issued	12,149	14,077	16,655	15,117	15,800
		% of LAP-eligible residents in Vancouver (LICO)	8.0%	8.5%	13.8%	12.5%	13.0%
		# of swim participants / attendees	2,803,591	2,842,622	2,829,644	2,864,470	2,885,000
		# of swims per capita - indoor pools (admissions, lessons, rentals)	4.64	4.71	4.64	4.70	4.73
		LAP swim usage	443,256	433,298	394,875	330,736	409,016
		% of total swims by LAP holders	17.0%	15.2%	14.0%	12.0%	14.2%
		# of facility hours available for indoor pools	39,720	39,720	39,720	39,720	39,720
		# of participants for arenas (total attendance, excluding rentals)	288,280	273,016	282,214	276,546	285,000
		LAP arena usage	9,057	8,562	9,000	7,535	9,500
		% of total skates by LAP holders	3.0%	3.0%	3.2%	3.0%	3.3%
		# of facility hours available for arenas (incl. dry floor)	45,180	47,572	47,000	47,000	47,000
		# of hours of outdoor sport facility usage	138,748	110,798	113,185	112,094	113,500
		# of outdoor sport facility permits	1,449	1,475	1,550	1,672	1,750
	Quality	# of lifeguard interventions at indoor pools	251	257	264	267	260
		# of lifeguard interventions per 1,000 swims	9.0	11.1	11.0	9.3	11.0
		Average annual utilization rate (usage per hour for rinks)	59%	60%	60%	62%	63%

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Recreation Programming	Quantity	# of recreation classes offered across network of community centres	22,098	23,361	21,966	28,113	33,500
		Average # of recreation classes offered per community centre	960	1,015	955	1,171	1,400
		Average # of registrants per community centre class	7.8	8.6	9.5	8.5	6.4
		Registrants in community centre programs	173,297	200,922	209,278	237,717	215,000
	Quality	# of enrollments in learn-to-swim programs	52,363	46,133	45,789	50,192	47,000

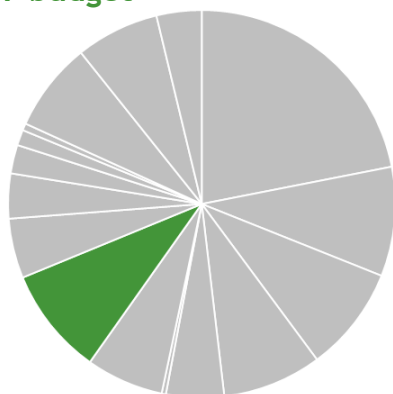
### Business services

Revenue generated from Park Board amenities and attractions contributes to sustaining Park Board services in all areas. With continued investment in these attractions, it is anticipated that the number of attendees will increase.

Over the years, the Park Board has successfully introduced and promoted golf to people of all ages. Revenues generated through golf form an important contribution to offsetting costs in other programs and services. Capital investments planned in the coming years, such as improving the drainage at Langara Golf Course, are expected to result in increased usage of the Park Board's golf courses as playing conditions are improved.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Business Services	Quantity	# of golf rounds	164,388	169,611	152,841	159,000	154,277

### 2017 budget



Parks and Recreation makes up 9% of the 2017 Operating Budget

## Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
<b>Parks &amp; Recreation program revenue</b>				
<b>Recreation revenue</b>				
Admissions	9,028	9,311	283	3.1%
Programming	4,354	4,192	(162)	(3.7%)
Recreation facility rentals	4,056	4,162	106	2.6%
Other recreation revenue	256	240	(16)	(6.3%)
<b>Subtotal Recreation revenue</b>	<b>17,694</b>	<b>17,905</b>	<b>211</b>	<b>1.2%</b>
Golf revenue	9,323	9,960	636	6.8%
<b>Marinas &amp; Attractions revenue</b>				
Marinas	3,238	3,380	142	4.4%
VanDusen Botanical Gardens	3,314	3,380	66	2.0%
Stanley Park Train	1,520	1,949	428	28.2%
Bloedel Conservatory	592	603	12	2.0%
Other attractions	89	90	1	0.7%
<b>Subtotal Marinas &amp; Attractions revenue</b>	<b>8,753</b>	<b>9,402</b>	<b>649</b>	<b>7.4%</b>
Lease & concession revenue	6,210	6,553	344	5.5%
Other Parks & Recreation revenue	1,101	1,044	(57)	(5.2%)
<b>Total Parks &amp; Recreation program revenue</b>	<b>43,082</b>	<b>44,864</b>	<b>1,783</b>	<b>4.1%</b>
<b>Total Program revenue</b>	<b>43,082</b>	<b>44,864</b>	<b>1,783</b>	<b>4.1%</b>
<b>Parking revenue</b>				
Parks parking revenue	6,531	7,259	728	11.1%
<b>Total Parking revenue</b>	<b>6,531</b>	<b>7,259</b>	<b>728</b>	<b>11.1%</b>
<b>Cost recoveries, grants &amp; donations</b>				
Parks & Recreation recoveries, grants & donations	4,283	4,986	703	16.4%
<b>Total Cost recoveries, grants &amp; donations</b>	<b>4,283</b>	<b>4,986</b>	<b>703</b>	<b>16.4%</b>
<b>Total Revenues</b>	<b>\$ 53,895</b>	<b>\$ 57,109</b>	<b>\$ 3,213</b>	<b>6.0%</b>
<b>Expenditures &amp; Transfers</b>				
<b>Parks &amp; Recreation</b>				
Recreation	46,068	47,596	1,527	3.3%
Park maintenance & operations	32,451	34,061	1,609	5.0%
Facility maintenance & corporate services	6,985	7,314	328	4.7%
Marinas & Attractions	6,680	7,226	546	8.2%
Golf	6,353	6,555	202	3.2%
Leases & concessions	2,592	2,723	131	5.0%
Parking	625	798	173	27.7%
Shared support services	9,544	9,442	(102)	(1.1%)
Transfers to / (from) reserves & other funds	2,921	2,912	(9)	(0.3%)
<b>Total Parks &amp; Recreation</b>	<b>114,220</b>	<b>118,626</b>	<b>4,406</b>	<b>3.9%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 114,220</b>	<b>\$ 118,626</b>	<b>\$ 4,406</b>	<b>3.9%</b>
<b>Net Operating Budget</b>	<b>\$ (60,325)</b>	<b>\$ (61,518)</b>	<b>\$ (1,193)</b>	<b>2.0%</b>

Note: Totals may not add due to rounding



### Explanation of changes — revenues

As noted in the table above, the 2017 revenue budget increase is \$3.2 million (a 6% increase), compared to the 2016 restated budget. Increasing revenues generated from Park Board facilities, programs and services is critical to support the growth of additional programs and attractions and to help offset increased costs in key service areas.

The increase in revenues is attributed to volume increases in the usage of City facilities and services as well as planned increases to certain fees and charges.

Recreation revenues are anticipated to increase by \$0.2 million due to admission fee increases (including flexi-passes) and program fees to use recreation facilities. Fee increases in 2017 will help compensate for increased costs to run recreation facilities and programs.

Golf revenue is budgeted to increase by \$0.6 million. This projected increase is attributed to increased usage rates realized in 2016, which are expected to continue through 2017.

Attraction revenue is budgeted to increase by \$0.6 million, with much of this increase attributed to successful holiday events held at the Stanley Park Train, VanDusen Botanical Garden and Bloedel Conservatory. Increased attendance realized in 2015 and 2016 is expected to continue in 2017.

Parking revenue is budgeted to increase by \$0.7 million, reflecting increased usage realized in 2016 as well as planned increases to parking rates to align with local market parking rates.

### Explanation of changes — expenditures and transfers

The 2017 expense budget increase is \$4.4 million (a 3.9% increase) over 2016. A large proportion of the operating expenditures consist of staffing costs, which experience annual growth reflecting collective bargaining wage and benefit increases. Increases in operating costs are also expected in order to properly maintain new parks and newly planted trees.

As the Park Board continues to increase revenue generation, direct operating costs will see similar growth. In 2017, an additional \$0.6 million of costs will be incurred to support planned revenue growth.

In addition to the above noted cost increases for current programs and services, additional costs will be incurred in 2017 to support new initiatives related to public park safety and additional safety training for park staff.

### Notable capital projects

The following table summarizes some of the noteworthy projects involving the Park Board and projects to begin in 2017. A complete list of all capital projects for 2017 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget <sup>3</sup>	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years
Southeast Vancouver (Killarney) Seniors Centre <sup>1</sup>	7.5	0.8	5.5	1.0
Burrard Civic Marina Upgrades <sup>1</sup>	3.4	0.3	2.4	0.4
Britannia CC Redevelopment Phase 1 (Planning) <sup>1</sup>	3.0	0.2	0.5	2.3
Marpole CC Redevelopment (Planning) <sup>1</sup>	2.0	-	0.5	1.5
Urban Forest: Park and Street Trees <sup>2</sup>	N/A	1.5	1.5	-
New Outdoor Pool - Planning & Design	0.2	-	0.2	-
Stanley Park Seawall Renewal	5.0	0.2	4.9	-
Downtown Park at Smithe and Richards	6.0	0.1	1.3	4.5

<sup>1</sup>Included in REFM departmental budget.

<sup>2</sup>Funding for programs approved on an annual basis.

<sup>3</sup>Expenditure may not sum to total project budget due to rounding or prior years expenditure.

**Southeast Vancouver (Killarney) Seniors Centre** – This project involves the design and construction of a new seniors centre, an important addition to the existing Killarney Community Centre footprint. A design-build team is in the process of finalizing development and building permits. Construction is anticipated to start in early 2017 with completion in 2018.

**Burrard Civic Marina upgrade** – This project includes upgrading of some of the marina's main floating docks as well as upland electrical and water upgrades. Anticipated to be awarded Q1 2017 with most construction completed by the end of 2017.

**Britannia Community Centre redevelopment** – Renewal of the Britannia Community Centre will span 10 years. Planning work initiated in 2015 continues through 2017 as partnership agreements, including agreements with the Vancouver School Board, move forward. Current and proposed co-location of the community centre, ice rink, swimming pool, family place, library, elementary school and secondary school will provide services at the heart of the Grandview-Woodland community and provide amenities for the Downtown Eastside, Strathcona and Hastings-Sunrise communities. Consultants have been retained for the Master Planning and Visioning phase, to be completed by fall 2017. The results will inform the phasing of the renewal process.

**Marpole Community Centre redevelopment** – Planning for the renewal of the Marpole Community Centre is a priority for the Park Board. Community consultation will start in early 2017, with the design process anticipated to follow for what will be a multi-year renewal project.

**Urban forest, park and street trees** – The Park Board continues to increase the urban forest canopy through tree-planting programs in parks and on streets and through private property partnership programs. This work builds on the Greenest City 2020 Action Plan’s Access to Nature goal of planting 150,000 new trees by 2020.

**New outdoor pool planning and design** – Planning for a new outdoor pool will begin in 2017 with a conceptual design and community engagement. The location of the pool will be determined in 2017 after the Park Board’s VanSplash (citywide aquatics) study is completed and adopted by the Park Board.

**Stanley Park Seawall renewal** – Renewal of portions of the Stanley Park Seawall is a priority in 2017, and this project is the recipient of a federal infrastructure grant. The work includes repairs to the existing seawall, rebuilding two sections damaged by recent storms (on English Bay and near Siwash Rock) and habitat enhancements.

**Downtown park at Smithe and Richards** – Construction of a new park in the downtown core at the intersection of Smithe and Richards Streets is scheduled to begin in late 2017. The new park will serve as a place for community recreation, culture and tranquility in the bustling neighbourhood. The park will improve the livability of the area, augment green space and contribute to the Greenest City Action Plan goal of increasing access to nature.

## Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
<b>Parks &amp; Recreation program revenue</b>					
<b>Recreation revenue</b>					
Admissions	8,402	8,504	9,272	9,028	9,311
Programming	3,615	3,618	3,386	4,354	4,192
Recreation facility rentals	3,575	3,576	4,007	4,056	4,162
Other recreation revenue	696	589	266	256	240
<b>Subtotal Recreation revenue</b>	<b>16,288</b>	<b>16,287</b>	<b>16,931</b>	<b>17,694</b>	<b>17,905</b>
Golf revenue	8,806	9,056	9,148	9,323	9,960
<b>Marinas &amp; Attractions revenue</b>					
Marinas	3,145	3,145	3,174	3,238	3,380
VanDusen Botanical Gardens	2,212	2,437	2,847	3,314	3,380
Stanley Park Train	1,261	1,361	1,520	1,520	1,949
Bloedel Conservatory	540	540	580	592	603
Other attractions	78	78	89	89	90
<b>Subtotal Marinas &amp; Attractions revenue</b>	<b>7,236</b>	<b>7,561</b>	<b>8,211</b>	<b>8,753</b>	<b>9,402</b>
Lease & concession revenue	5,752	6,025	6,333	6,210	6,553
Other Parks & Recreation revenue	823	823	1,063	1,101	1,044
<b>Total Parks &amp; Recreation program revenue</b>	<b>38,905</b>	<b>39,752</b>	<b>41,686</b>	<b>43,082</b>	<b>44,864</b>
<b>Total Program revenue</b>	<b>38,905</b>	<b>39,752</b>	<b>41,686</b>	<b>43,082</b>	<b>44,864</b>
<b>Parking revenue</b>					
Parks parking revenue	5,237	5,925	6,381	6,531	7,259
<b>Total Parking revenue</b>	<b>5,237</b>	<b>5,925</b>	<b>6,381</b>	<b>6,531</b>	<b>7,259</b>
<b>Cost recoveries, grants &amp; donations</b>					
Parks & Recreation recoveries, grants & donations	3,821	3,891	4,383	4,283	4,986
<b>Total Cost recoveries, grants &amp; donations</b>	<b>3,821</b>	<b>3,891</b>	<b>4,383</b>	<b>4,283</b>	<b>4,986</b>
<b>Total Revenues</b>	<b>\$ 47,964</b>	<b>\$ 49,568</b>	<b>\$ 52,450</b>	<b>\$ 53,895</b>	<b>\$ 57,109</b>
<b>Expenditures &amp; Transfers</b>					
<b>Parks &amp; Recreation</b>					
Recreation	42,821	44,149	46,029	46,068	47,596
Park maintenance & operations	24,018	24,211	31,582	32,451	34,061
Facility maintenance & corporate services	20,257	20,066	6,713	6,985	7,314
Marinas & Attractions	6,507	6,730	6,981	6,680	7,226
Golf	6,457	6,421	6,201	6,353	6,555
Leases & concessions	2,727	2,730	2,606	2,592	2,723
Parking	325	359	481	625	798
Shared support services	-	-	2,721	9,544	9,442
Transfers to / (from) reserves & other funds	2,422	2,903	2,962	2,921	2,912
<b>Total Parks &amp; Recreation</b>	<b>105,533</b>	<b>107,570</b>	<b>106,277</b>	<b>114,220</b>	<b>118,626</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 105,533</b>	<b>\$ 107,570</b>	<b>\$ 106,277</b>	<b>\$ 114,220</b>	<b>\$ 118,626</b>
<b>Net Operating Budget</b>	<b>\$ (57,570)</b>	<b>\$ (58,002)</b>	<b>\$ (53,827)</b>	<b>\$ (60,325)</b>	<b>\$ (61,518)</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 18.2</b>	<b>\$ 25.2</b>	<b>\$ 15.6</b>	<b>\$ 20.2</b>	<b>\$ 21.9</b>

Note: Totals may not add due to rounding

**Employee trend table**

Parks and Recreation	2012	2013	2014	2015	2016F
Regular Full-time Staff	604.8	584.8	564.8	549.8	551.4
All Staff (including Part-time, Temporary and Auxiliary)	1,035.7	1,034.1	1,006.5	1,005.8	1,002.5
Full-time Equivalents*					

\*excluding overtime

Total straight-time hours includes hours worked by all regular, temporary and auxiliary employees.

Full-time equivalent reductions in 2016 are a result of an increase in the number of employees retiring during the year. As the Park Board works to recruit new employees and fill open positions, the full-time equivalent is expected to return to 2014/2015 levels.

## Engineering Services

The Engineering Services department manages the City's four utilities and public works. The department is responsible for policy development, design, delivery, construction and management associated with infrastructure and services on and under the street right-of-way. Engineering Services has also established a Project and Quality Management branch that plays an integrative role across the department.

Through its four utilities, Engineering Services provides Vancouver with water for drinking and fire protection, safe removal of wastewater for treatment, removal of rainwater to prevent floods, efficient collection of solid waste and a low-carbon energy supply to the Southeast False Creek neighbourhood. Engineering's public works functions include streets and transportation design, construction and maintenance, street cleaning, parking and the regulation of activities on streets.

In addition to the ongoing operations and management of City infrastructure, Engineering Services is also focused on implementing the City's strategies: the Healthy City Strategy, the Greenest City Strategy and the Economic Development Strategy. These high level corporate strategies have been further developed into policy and detailed action plans reflected in Transportation 2040, Greenest City Action Plan, the Green Infrastructure Plan as well as the Zero Waste Strategy, which all provide blueprints for moving forward, building upon past successes and rising to meet new and emerging challenges, including climate change, an aging population, limited road space and high housing costs.

Key service areas are:

- Project and Quality Management
- Waterworks
- Sewers and Stormwater
- Waste Management and Resource Recovery (Solid Waste)
- Neighbourhood Energy
- Public Works (Transportation Planning, Parking, Streets Infrastructure, Public Spaces and Street Use, and Street Cleaning)

### Engineering Services – Project and Quality Management

The Project and Quality Management division has overall responsibility for enhancing management and coordination of capital projects undertaken by Engineering Services. Its primary objectives are maximizing efficiencies and minimizing disruptive impacts on the public and other stakeholders.

#### Key services delivered

**Project management office and coordination** – Planning, execution management oversight, and coordination of Engineering Services' major capital projects

### Major accomplishments in 2016

- Achieved the Organizational Quality Management Program Certification from the Association of Professional Engineers & Geoscientists of British Columbia in March 2016. The City is the first municipality in BC to achieve this certification.
- Implemented the Project Management Framework for the delivery of complex infrastructure projects
- Trained 187 staff on Project Management Office essentials, such as the Project Management Framework, Organizational Quality Management and the Quality Management System
- Aligned Engineering Services' development-related fees to reflect a cost recovered model
- Processed and facilitated record levels of development applications
- Enhanced PlanIt, an interface to coordinate internal and external street rights-of-way demands (construction, special events and developments) for street usage. PlanIt is now being used by BC On the Move as well as the Ministry of Transportation and Infrastructure's DriveBC website.

### Plans for 2017

- Deliver major infrastructure projects (Burrard Street, Southwest Marine Drive, Point Grey Road)
- Facilitate complex development projects, including delivery of new and upgraded infrastructure
- Sustain the Organizational Quality Management Program Certification through a Quality Management System that is focused on continual improvement
- Integrate Hansen asset management software within PlanIt to complete the project

### Looking ahead, 2018-2021

- Leverage relationships internally and with external interested parties, partners and First Nations to maximize project performance
- Implement, oversee and improve the Project Management Framework and Quality Management System
- Apply industry-accepted improvement methodologies (e.g., Lean, Six Sigma or Lean Six Sigma) on existing processes

## Engineering Services – Waterworks

The Waterworks utility provides a reliable, accessible and sustainable supply of high-quality water. The utility also strives to use potable (suitable for drinking) water efficiently and to ensure the City is prepared for emergencies.

### Key services delivered

**Water distribution service** – Providing clean water to businesses, residents and communities

### Major accomplishments in 2016

- Replaced 6 kilometres of aging water main as well as 850 metres of seismically resilient transmission main on Pender Street in Downtown Vancouver
- Reviewed existing City-owned groundwater wells and safe yields
- Expanded citywide water conservation initiatives, including efforts to reduce City water use through retrofits in both City parks and facilities
- Development of a seismic pipe design standard for all future pipe replacement projects

### Plans for 2017

- Replace 6.5 kilometres of aging water main
- Expand citywide efforts to meet Greenest City goal and continue working on corporate water use reduction plan
- Review groundwater resources and determine usable volume for City outdoor use
- Develop funding and implementation strategy for an earthquake-resistant water system
- Refresh the emergency response plan
- Perform condition assessment of aging pressure reducing valve stations and remote monitoring equipment

### Looking ahead, 2018-2021

- Ensure water system assets are well managed by continuing to closely monitor system condition and preparing a comprehensive asset management plan to inform and justify future capital and operating budget requests
- Expand citywide water conservation efforts to reduce per capita water use



### Department service metrics

Water utility metrics in 2016 were on track in relation to targets and expected trends.

#### Infrastructure replacement

Replacement of aging water mains and services represented the largest capital program for the utility. The total length of water mains replaced was slightly less than that forecasted at the start of the year, due to more projects occurring on arterial roadways as part of major construction projects in the city. The number of water services replaced was on target.

#### Aging water system

Over the last few years, the City's water system has suffered an increasing number of leaks and breaks. The increasing number of failures indicates that more proactive replacement of water system infrastructure is necessary to maintain system reliability. The trend of leaks and breaks correlates with growth patterns of the city. In particular, the copper water services installed in the 1940s, 1950s and 1960s are all nearing the end of their service lives and show their wear through increased leaks.

The City monitors and analyzes information on water system assets on an ongoing basis. This information is used to support optimal capital investment in future years as well as to calibrate operating budgets.

Specifically, the information helps staff determine when and where investments are needed, what the scale of those investments should be and whether an asset should be repaired or replaced, thus ensuring that City assets are resilient and well managed.

#### Water quality

Water quality remained excellent, with occasional turbidity events becoming even less frequent since Metro Vancouver began filtering Capilano-source water in 2015. (Seymour-source water was already filtered.)

#### Water consumption/efficiency

After warm, dry summers in 2014 and 2015, weather returned to historically typical patterns in 2016. The number of days of rain experienced in June and July of this year affected outdoor water use demand and allowed the city to resume its downward trend in total per capita water use. At the end of 2016, total per capita water use is expected to show a 17% reduction from 2006 levels, more than halfway toward the City's Greenest City target of a 33% reduction.

By the end of 2016, the water conservation program will have completed a number of noteworthy initiatives to further water efficiency across the city and support the expanded program approved by Council in November 2015, including:

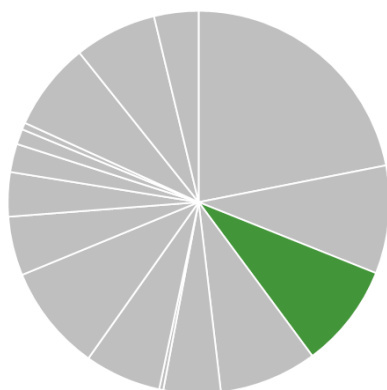
- Water efficiency updates to the Vancouver Building Bylaw for residential and commercial fixtures for new and renovated buildings
- Expanded education and awareness programming (outdoor water use and finding and fixing household leaks)

- Continuation of Energy Star Clothes Washer rebates
- Green Landlord Toilet & Showerhead rebates
- Golf Course Water Use Plans
- Expanded Water System Leak Management
- Adoption of a Corporate Water Use Reduction Plan and achieving a 23% reduction in water use from 2006 baseline

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Water	Quantity	# of water connections replaced	1,673	1,558	1,436	1,642	1,500
		km of water pipe replaced *	5.3	8.9	6.3	7.4	6.1
	Quality	# of main breaks	48	68	71	90	93
		# of service connection breaks	617	437	539	607	570
		% of samples with turbidity within Health Canada acceptable range	98.68%	98.60%	99.40%	98.70%	99.00%
		Water consumed per capita (litres) - residential	286	262	278	290	275
		Water consumed per capita (litres) - total	491	471	490	493	483

\* kilometres of water pipe replaced also includes rehabilitated (lines) mains

### 2017 budget



Waterworks makes up 9% of the 2017 Operating Budget

The cost of water purchased from Metro Vancouver accounts for 65% of the annual operating budget of the Waterworks utility. The budgeted cost of water is based on the estimated volume of water used by Vancouver residents and businesses and the price Metro Vancouver sets per unit (cubic metre).

The water capital program is partially funded through debentures. For the past five years, and continuing in 2017, a portion of the capital program has been funded directly from utility fees – part of a long-term strategy to reduce debt costs.

Costs relating to water operations are associated with cleaning, repairing, inspecting and managing water infrastructure.

### Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
<b>Water revenue</b>				
Metered water charges	57,298	60,857	3,560	6.2%
Flat-rate water charges	46,909	48,045	1,136	2.4%
Meter charges	3,774	3,849	75	2.0%
Fire line charges	2,754	2,809	55	2.0%
Other water revenue	579	579	-	-
<b>Total Water revenue</b>	<b>111,314</b>	<b>116,140</b>	<b>4,826</b>	<b>4.3%</b>
<b>Total Revenues</b>	<b>\$ 111,314</b>	<b>\$ 116,140</b>	<b>\$ 4,826</b>	<b>4.3%</b>
<b>Expenditures &amp; Transfers</b>				
<b>Water</b>				
Water purchases (Metro)	71,913	75,425	3,513	4.9%
Water operations	11,848	11,941	93	0.8%
Capital program & other transfers				
Debt service charges	16,203	14,988	(1,215)	(7.5%)
Pay-as-you-go funding	10,200	11,300	1,100	10.8%
Rate stabilization & other reserve transfers	(828)	524	1,353	(163.3%)
<b>Subtotal Capital program &amp; other transfers</b>	<b>25,575</b>	<b>26,812</b>	<b>1,237</b>	<b>4.8%</b>
Shared support services	1,978	1,961	(17)	(0.8%)
<b>Total Water</b>	<b>111,314</b>	<b>116,140</b>	<b>4,826</b>	<b>4.3%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 111,314</b>	<b>\$ 116,140</b>	<b>\$ 4,826</b>	<b>4.3%</b>
<b>Net Operating Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: Totals may not add due to rounding

### Explanation of changes – revenues

For both metered customers and flat-fee single-family dwellings, a 4.0% increase is recommended for 2017. Metered-rate revenues will increase due to the rate increase and increases in water volume estimates for 2017 resulting from the alignment of assumptions with the Greenest City Action Plan target of per capita water use. Since 2012, all new single-family dwellings must be metered and no longer pay the flat fee. The 2017 budget for flat-fee revenues reflects the 4.0% rate increase and the realignment of flat-fee revenue to the actual distribution of flat-fee and metered customers offset by a decline in the number of customers paying the flat fee. As a result of these changes, water rates for single-family dwellings are projected to be \$616 in 2017 versus \$592 in 2016.

Also recommended are inflationary 2.0% increases for fire line charges and meter service charges. Both the revenue and expense changes for meter service charges and fire line charges reflect an increase in the number of accounts over the last several years.

#### Explanation of changes – expenditures and transfers

The increase for the 2017 water purchase budget is \$3.5 million, of which a \$2.0 million increase is due to a Metro Vancouver price increase of 3.2% and a \$1.5 million increase due to increased volume. Waterworks operational costs have increased by 0.8% due to increases in the cost of equipment, insurance, materials and the meter program. In 2012, the Waterworks utility began paying a portion of its annual capital program from utility fees; as a result, debt service charges are decreasing. The plan is to increase the pay-as-you-go contribution until all new capital expenditures are covered through current revenues; ultimately, this will eliminate the debt interest expense. In 2017, City staff recommend increasing the pay-as-you-go contribution from \$10.2 million to \$11.3 million to expand the capital work and address the increasing level of service breaks. The year-over-year change in the rate stabilization reserve is the result of using the reserve in 2016 as a funding source for the water conservation program in the amount of \$0.9 million. As a result of deferring the impact in 2016, this will be funded through utility rates in 2017. For 2017, staff recommended a transfer of \$0.5 million to ensure the continued financial stability of the utility.

#### Notable capital projects

The following table summarizes noteworthy projects involving the Waterworks utility, or those that will begin in 2017. A complete list of all capital projects for 2017 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years <sup>2</sup>
Water Distribution Main Replacement <sup>1</sup>	N/A	5.6	9.0	7.8

<sup>1</sup>Funding for programs approved on annual basis.

<sup>2</sup>Future years reflects final year of the the current Capital Plan.

**Infrastructure replacement** – With more than 1,470 kilometres of water mains and connections in Vancouver, the Waterworks utility's ongoing replacement program for aging infrastructure will see 6.5 kilometres of distribution main replaced or rehabilitated in 2017.

## Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
<b>Water revenue</b>					
Metered water charges	52,117	51,855	57,526	57,298	60,857
Flat-rate water charges	44,606	45,591	44,878	46,909	48,045
Meter charges	2,499	3,504	3,700	3,774	3,849
Fire line charges	3,435	2,549	2,700	2,754	2,809
Other water revenue	514	514	514	579	579
<b>Total Water revenue</b>	<b>103,170</b>	<b>104,012</b>	<b>109,317</b>	<b>111,314</b>	<b>116,140</b>
<b>Total Revenues</b>	<b>\$ 103,170</b>	<b>\$ 104,012</b>	<b>\$ 109,317</b>	<b>\$ 111,314</b>	<b>\$ 116,140</b>
<b>Expenditures &amp; Transfers</b>					
<b>Water</b>					
Water purchases (Metro)	65,989	66,608	71,484	71,913	75,425
Water operations	11,807	11,818	11,040	11,848	11,941
Capital program & other transfers					
Debt service charges	19,423	18,937	17,517	16,203	14,988
Pay-as-you-go funding	7,500	7,500	10,000	10,200	11,300
Rate stabilization & other reserve transfers	(2,275)	(1,583)	(2,695)	(828)	524
<b>Subtotal Capital program &amp; other transfers</b>	<b>24,648</b>	<b>24,855</b>	<b>24,822</b>	<b>25,575</b>	<b>26,812</b>
Shared support services	727	731	1,972	1,978	1,961
<b>Total Water</b>	<b>103,170</b>	<b>104,012</b>	<b>109,317</b>	<b>111,314</b>	<b>116,140</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 103,170</b>	<b>\$ 104,012</b>	<b>\$ 109,317</b>	<b>\$ 111,314</b>	<b>\$ 116,140</b>
<b>Net Operating Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 16.5</b>	<b>\$ 14.4</b>	<b>\$ 13.7</b>	<b>\$ 11.6</b>	<b>\$ 11.1</b>

Note: Totals may not add due to rounding

From 2012 to 2014, key drivers for the Waterworks utility have been (1) a decline in the amount of water consumed, (2) the increasing cost of water purchased from Metro Vancouver, and (3) the continued decrease in debt costs as the City moves to pay-as-you-go. In 2015, staff increased the estimate for water purchased based on actual consumption in 2014. In 2016, water consumption was projected to decrease by 1.5% based on overall volume. For 2017 and later, the consumption estimate will reflect the growing population; that is, water consumption is projected to decrease on a per capita use basis rather than overall. This change is aligned with the City's Greenest City Action Plan goal of reducing total per capita water use by 33% from 2006 levels by 2020.

## Employee trend table

Engineering Utilities Waterworks	2012	2013	2014	2015	2016F
Regular Full-time Staff	159.0	158.0	158.0	150.3	147.2
All Staff (including Part-time, Temporary and Auxiliary)	162.6	162.6	165.0	157.1	148.6
Full-time Equivalents*					

\*excluding overtime

The projected decrease in staffing is due to vacancies and reduced temporary staffing levels resulting from fluctuating requirements for outside workers.

### Engineering Services – Sewers and Stormwater

The Sewers and Stormwater utility creates and maintains sewer and rainwater systems that protect public health and property, harmonize with the natural environment and optimize value for the community.

#### Key services delivered

**Sewer service** – Safely removing wastewater and stormwater to protect public health, property and the environment

#### Major accomplishments in 2016

As mandated by the regional Liquid Waste Management Plan, the City is working to eliminate combined sewer overflow by 2050 through sewer separation and stormwater management. City staff and contracted work will replace combined sewers with separated sewers, which have significantly greater capacity to handle rain events and thus help protect the environment and prevent floods.

In 2016, the sewers utility accomplished the following objectives.

- Constructed 7.5 kilometres of separated sewers as part of the annual program to meet the regulatory obligation to eliminate combined sewer overflows
- Received Council adoption of the Citywide Rainwater Management Plan and direction to proceed with the Green Infrastructure implementation by hiring a project manager to oversee the implementation of these plans
- Processed 1,200 new sewer and water service connection applications to new homes and renovated buildings, separated private property connections and installed water meters. Service connection-related fees were adjusted to the level of cost recovery.
- Initiated the replacement of an end-of-life sewage pump station located at Glen Drive and East 7th Avenue that will have back-up power and bypass pumping provisions to strengthen the sewer utility network by reducing the risk of combined sewer outflows into receiving bodies of water
- Completed the 3-year Still Creek Sewer Cross Connection investigation program
- Inspected 105 kilometres of sewer system (5% of sewer system) to meet our regulatory obligation

#### Plans for 2017

- Continue with the Sewer Separation Program by using in-house design and construction expertise, supplemented by contracted design and construction services
- Proceed with and update Council on the Green Infrastructure Implementation Plan
- Complete detailed design and commence construction procurement for the replacement of Glen Drive and East 7th Avenue pump station and initiate project planning for the replacement of two other pump stations

- Complete the Musqueam Creek Integrated Stormwater Plan in partnership with Musqueam First Nation
- Initiate a procurement process to prequalify vendor lists for professional design and construction contracting for sewer separation

### **Looking ahead, 2018-2021**

- Continue to separate storm and sanitary sewers
- Construct rainwater management projects as part of the Green Infrastructure Implementation Plan
- Plan, design and construct the replacement of three aging pump stations under the Pump Station Program
- Develop plans for earthquake resiliency

### **Department service metrics**

#### **Sewer separation and replacement**

The City continued its sewer separation and replacement program with forecasted construction of 7.5 kilometres of separated sewers in 2016, of which 1.9 kilometres of sewer separation was delivered through contracted services. More than 53% of the sewer system is now separated. The City's goal is to substantially complete the separation program by 2050 to eliminate combined sewer overflows. In the past five years, the number of kilometres of separated sewers per year has decreased as a result of the increasing number of trunk sewer projects since 2011. These larger sewers require more time and resources to construct compared to smaller branch sewers.

#### **Trouble calls**

The number of sewer connection trouble calls reflects the condition of the sewer system, irrespective of the weather. In 2016, it is expected that the City will receive approximately 1,050 trouble calls, slightly lower than the previous year's number of 1,097. Because 2016 was a more typical year for rainfall, there was a slight decrease in the number of flood claims received as a result of root intrusion in the public and private side service connections. Furthermore, with few intense storm events in 2016, overland flood occurrences during rain events were minimal.

#### **Sewer overflows**

Combined sewer overflows are reported biennially in Metro Vancouver's Integrated Liquid Waste and Resource Management Plan. The latest reporting period was for 2013-2014. In 2016, the volume of combined sewer overflows was typical for the spring and summer months, but the volume for the year will depend on fall and winter rainfall events.

#### **Bacteria levels**

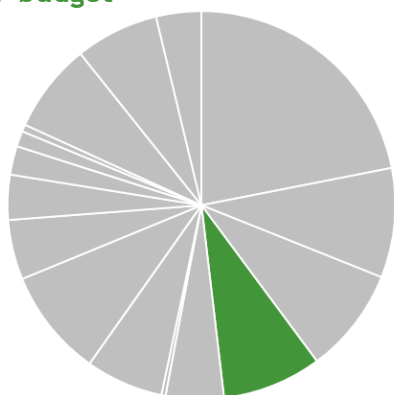
In 2016, no beach closures or advisories were issued by Vancouver Coastal Health, while bacteria levels in False Creek were consistent with previous years, except for elevated counts experienced between 2013 and 2015.

### Construction-related costs

In 2016, the average cost per kilometre for sewer construction was higher than previous years due to a higher percentage of more costly trunk sewer projects involving larger pipes in wide and deep excavations. In 2016, trunk sewer projects accounted for approximately 32% of project lengths, where in previous years they typically accounted for between 10% and 20%. Beginning in 2015, sewer separation cost metrics were divided into two categories to reflect the variability of construction costs associated with branch versus trunk sewers. The increase in cost per kilometre for trunk projects is due to construction in peat areas, large bypass pumping requirements, trench width material movement and trenchless delivery methods.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Sewers and Stormwater	Quantity	km of sewers separated per year	12.7	10.5	9.6	6.9	7.5
	Quality	% of system which has separated storm and sanitary sewers	50.80%	51.60%	52.30%	52.70%	53.20%
	Result	# of sewer connection trouble calls	750	869	870	1,097	1,052
		# of home / business flooding claims received	38	122	90	196	125
		# of coliform limit exceedances (beaches and False Creek)	0	2	2	3	0
	Cost	Cost per km of sewer weighted average	\$2,286,000	\$2,382,000	\$2,482,000	\$3,309,714	\$3,690,000
		Cost per km branch-size sewer	NDA	NDA	NDA	\$2,604,646	\$2,525,500
		Cost per km trunk-size sewer	NDA	NDA	NDA	\$4,235,685	\$5,730,000

### 2017 budget



Sewers make up 8%  
of the 2017 Operating Budget



The Metro Vancouver levy to the City covers the cost of regional collection and sewage treatment facilities. This levy, imposed on every Metro Vancouver member municipality, is a fixed amount based on the operating and capital costs in each of the region's sewage areas.

The sewers capital program has historically been funded through debentures, with annual charges to the operating budget made up of the debt-servicing costs related to several years of borrowing. The impact of capital spending is gradual and spreads over several years.

A shift of \$1.2 million toward the pay-as-you-go strategy began in 2015 with an investment of \$1.2 million. In 2016, rate increase pressures related to the introduction of biosolids management at the Iona Island wastewater treatment plant brought the contribution down to \$0.7 million. In 2017, the pay-as-you-go contribution is planned to continue at \$0.7 million.

### Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
<b>Sewer revenue</b>				
Metered sewer charges	37,028	40,339	3,311	8.9%
Flat-rate sewer charges	27,495	30,155	2,660	9.7%
Industrial waste water fees	786	826	40	5.1%
Other sewer revenue	917	1,049	132	14.4%
<b>Total Sewer revenue</b>	<b>66,226</b>	<b>72,369</b>	<b>6,143</b>	<b>9.3%</b>
<b>Total Revenues</b>	<b>\$ 66,226</b>	<b>\$ 72,369</b>	<b>\$ 6,143</b>	<b>9.3%</b>
<b>Expenditures &amp; Transfers</b>				
<b>Sewer</b>				
GVS&DD levy (Metro)	57,621	60,541	2,921	5.1%
Sewer operations	8,488	8,810	322	3.8%
Capital program & other transfers				
Debt service charges	33,228	35,218	1,990	6.0%
Pay-as-you-go funding	700	700	-	-
Rate stabilization & other reserve transfers	47	2,547	2,499	5,267.3%
<b>Subtotal Capital program &amp; other transfers</b>	<b>33,976</b>	<b>38,465</b>	<b>4,489</b>	<b>13.2%</b>
Shared support services	1,445	1,444	(1)	(0.1%)
<b>Total Sewer revenue</b>	<b>101,530</b>	<b>109,260</b>	<b>7,730</b>	<b>7.6%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 101,530</b>	<b>\$ 109,260</b>	<b>\$ 7,730</b>	<b>7.6%</b>
<b>Net Operating Budget</b>	<b>\$ (35,304)</b>	<b>\$ (36,891)</b>	<b>\$ (1,588)</b>	<b>4.5%</b>

Note: Totals may not add due to rounding

### Explanation of changes – revenues

For both metered customers and flat-fee single-family dwellings, an 11.3% increase is recommended for 2017. Metered-rate revenues will increase due to the rate increase and water volume adjustments (as discussed in Waterworks section, above) and due to exempt properties. Since 2012, all new single-family dwellings must be metered and are no longer eligible for the flat fee. The 2017 budget for flat-fee revenues reflects the 11.3% rate

increase and the realignment of flat-fee revenue to the actual distribution of flat-fee and metered customers offset by the decline in the number of customers paying the flat fee. As a result, flat-fee sewer rates for single-family dwellings are projected to be \$384 in 2017 versus \$345 in 2016.

### Explanation of changes – expenditures and transfers

The 2017 budget for Metro Vancouver charges will increase by 5.1% over the 2016 budget. While this levy includes Greater Vancouver Sewerage and Drainage District (GVS&DD) capital costs, the 2017 increase is primarily driven by increased Metro Vancouver operating costs at the Iona Island wastewater treatment plant, including the expense of additional biosolids management as the site is preparing for secondary sewer treatment. Debt charges (interest and principal combined) will increase by 6.0% and relate to the City's ongoing prioritization of its sewer separation program. Pay-as-you-go contributions will remain unchanged at \$0.7 million. By realigning how the City provides service and reducing equipment costs, staff were able to partially offset increases in labour and equipment costs. Part of the increase in operating costs is due to the planned creation of an Adopt a Catch Basin program that will engage citizens and the community to clear clogged catch basins of leaves to reduce overland flooding during rain events. In the last few years, the City has drawn from the stabilization reserve. In 2017, staff have budgeted a transfer of \$2.5 million to ensure the continued financial stability of the utility.

### Notable capital projects

The following table summarizes some of the noteworthy projects involving Sewers in 2017. A complete list of all capital projects for 2017 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years <sup>2</sup>
Sewer Main Reconstruction <sup>1</sup>	N/A	37.0	31.5	30.0

<sup>1</sup>Funding for programs approved on annual basis.

<sup>2</sup>Future years reflects final year of the the current Capital Plan.

**Sewer main reconstruction** – As of 2016, 53.2% of the sewer system has been separated. In 2017, staff expect to separate approximately 5.8 kilometres, with the goal of eliminating combined sewer overflows by 2050. The 2015-2018 Capital Plan reflects this increased separation rate, with 14.4 kilometres scheduled to be separated in the first two years of the plan and a similar distance planned in the remaining two years.

## Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
<b>Sewer revenue</b>					
Metered sewer charges	30,450	31,920	34,702	37,028	40,339
Flat-rate sewer charges	24,056	24,405	24,868	27,495	30,155
Industrial waste water fees	714	741	732	786	826
Other sewer revenue	593	899	917	917	1,049
<b>Total Sewer revenue</b>	<b>55,813</b>	<b>57,965</b>	<b>61,219</b>	<b>66,226</b>	<b>72,369</b>
<b>Total Revenues</b>	<b>\$ 55,813</b>	<b>\$ 57,965</b>	<b>\$ 61,219</b>	<b>\$ 66,226</b>	<b>\$ 72,369</b>
<b>Expenditures &amp; Transfers</b>					
<b>Sewer</b>					
GVS&DD levy (Metro)	49,570	51,787	53,645	57,621	60,541
Sewer operations	8,704	9,259	8,293	8,488	8,810
Capital program & other transfers					
Debt service charges	27,899	29,573	31,348	33,228	35,218
Pay-as-you-go funding	26	26	1,200	700	700
Rate stabilization & other reserve transfers	838	16	117	47	2,547
<b>Subtotal Capital program &amp; other transfers</b>	<b>28,763</b>	<b>29,615</b>	<b>32,664</b>	<b>33,976</b>	<b>38,465</b>
Shared support services	828	832	1,440	1,445	1,444
<b>Total Sewer revenue</b>	<b>87,865</b>	<b>91,494</b>	<b>96,042</b>	<b>101,530</b>	<b>109,260</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 87,865</b>	<b>\$ 91,494</b>	<b>\$ 96,042</b>	<b>\$ 101,530</b>	<b>\$ 109,260</b>
<b>Net Operating Budget</b>	<b>\$ (32,052)</b>	<b>\$ (33,528)</b>	<b>\$ (34,823)</b>	<b>\$ (35,304)</b>	<b>\$ (36,891)</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 46.8</b>	<b>\$ 55.5</b>	<b>\$ 51.1</b>	<b>\$ 40.3</b>	<b>\$ 36.0</b>

Note: Totals may not add due to rounding

Sewer expenditures have increased since 2013, largely due to increased costs from Metro Vancouver for sewage collection and treatment. Sewer separation has increased debt service charges. As a result, sewer revenues – largely recovered through metered and flat-fee customers – have been increasing year-over-year.

## Employee trend table

Engineering Utilities Sewers	2012	2013	2014	2015	2016F
Regular Full-time Staff	268.0	268.0	260.0	253.8	245.3
All Staff (including Part-time, Temporary and Auxiliary)	275.2	278.9	278.5	268.4	268.8
Full-time Equivalents*					

\*excluding overtime

The projected change in staffing is due to vacancies.

## Engineering Services – Zero Waste and Resource Recovery

The Zero Waste and Resource Recovery division is responsible for solid waste collection, diversion, transfer and disposal. Using a mix of City staff and contracted private haulers, the City provides all single-family and duplex homes in Vancouver with compostable organics and garbage collection. Institutional, commercial and industrial properties are serviced by the private sector.

### Key services delivered

**Zero waste initiatives and collections** – Collecting garbage and organic waste primarily from residential properties and policy development to achieve zero waste

**Transfer station and landfill** – Operating and managing the Vancouver South Transfer Station and the Vancouver Landfill in Delta

### Major accomplishments in 2016

#### Zero waste initiatives and collections

- Initiated development of Zero Waste 2040, a long-range plan for developing a zero waste community
- Implemented separate glass collection program for residential recycling
- Transitioned residential recycling collection services to Multi-Material BC (MMBC)
- Introduced a compressed natural gas truck fleet for Sanitation Services
- Reached agreement with Metro Vancouver and Delta on management of eastern region waste at the Vancouver Landfill in 2016
- Completed Phase 1 planning for a construction and demolition waste recovery pilot project focused on recovering wood waste for beneficial use as biofuel

#### Transfer and landfill

- Installed additional landfill gas collection infrastructure to meet or exceed the target of 75% gas collection efficiency
- Hosted more than 1,800 guests at the 2016 Landfill Open House, including 900 residents and 900 students, teachers and parents from 18 schools. In addition, 33 bus tours were provided to students, teachers and residents over a two-day period in June.
- Completed the design work and tendered for construction (construction to be completed in 2017) for the following projects:
  - A new recycling area and other site improvements at the transfer station
  - Upgrades to the landfill entrance to increase recycling opportunities and address traffic challenges
  - Closure and gas works construction for Phase 3 Southeast and the Western 40 Hectares at the landfill as part of the overall phased closure of the landfill
- Successfully managed increased waste tonnages from Metro Vancouver as a result of the closure of Cache Creek Landfill in July

## Plans for 2017

### Zero waste initiatives and collections

- Optimize operations through the use of GPS technology
- Complete the Zero Waste 2040 Strategy
- Undertake a construction and demolition waste processing pilot project for wood waste recovery
- Focus on increasing the recovery of food scraps from multi-family and commercial buildings
- Pilot a bulky item collection program (e.g., mattresses, appliances)
- Enhance public realm cleanliness through repurposing recycling staff and resources
- Move funding of street leaf cleaning in residential areas from the tax-supported budget into the utility fee structure

### Transfer and landfill

- Install additional landfill gas collection infrastructure to meet or exceed the target of 75% gas collection efficiency
- Complete construction of the new recycling depot and site improvements at the transfer station
- Begin constructing the new landfill entrance and recycling area upgrades
- Construct Phase 3 Southeast closure and gas works
- Construct Stage 1 of 3 of the Western 40 Hectares closure and gas works
- Complete design of Phase 3 Northeast closure and gas works, the need for which has been accelerated by the additional Metro waste being delivered to the landfill
- Update the Design, Operation and Progressive Closure Plan at the landfill to address changes due to increased waste quantities
- Pilot a Construction and Demolition Resource Recovery Project at the landfill to divert clean wood from the waste stream
- Expand public participation in the annual Landfill Open House in June 2017
- Continue to meet all regulatory requirements for site operations and management, health and safety and environmental controls

## Looking ahead, 2018-2021

### Zero waste initiatives and collections

- Implement Zero Waste Strategy including:
  - Expansion of successful pilot projects
  - New pilots for emerging waste diversion materials
- Increase diversion of food scraps and recyclables from multi-family and commercial properties
- Focus on ongoing improvements in service delivery, operations and customer service

### Transfer and landfill

- Install additional landfill gas collection infrastructure to meet or exceed the target of 75% gas collection efficiency and expand opportunities for the beneficial use of landfill gas
- Construct Stages 2 and 3 of the Western 40 Hectares closure and gas works
- Construct Phase 3 Northeast closure and gas works
- Design and construct the first stage of Phase 4 closure and gas works
- Implement a Construction and Demolition Resource Recovery Project at the landfill
- Develop Zero Waste initiatives at the landfill and transfer station as identified in the 2040 Zero Waste Strategy
- Initiate a process to design and construct a new transfer station with expanded waste diversion infrastructure
- Continue to meet all regulatory requirements

## Department service metrics

### Garbage, recyclables and organics collection service

In the past few years, waste diversion through the Green Bin and recycling programs has increased slightly, and the overall tonnage of residential waste collected has declined. The levels of increase in diverted materials and decrease in waste quantities have levelled out over the last two years as residents have become accustomed to the Green Bin program. Future efforts will focus on increasing diversion of materials from commercial facilities.

Forecasted 2016 metrics take into consideration population growth and the City's continued efforts to maximize recovery of materials in its Green Bin program.

In 2016, the City began to collect additional materials and source-separated glass under the Multi-Material BC (MMBC) program, and recycling tonnage consequently increased. On October 3, 2016, the City's contract came to an end, and MMBC assumed responsibility for recycling collection.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Garbage, Recyclables and Organics Collection	Quantity	# of carts served all types	198,411	200,826	201,900	201,997	202,950
	Quality	% compostables	22.7%	34.0%	41.2%	43.9%	44.3%
		% garbage	51.4%	39.2%	32.8%	30.8%	30.5%
		% recycling	25.9%	26.8%	26.0%	25.3%	25.3%
		% of missed collections (3-1-1)	0.20%	0.23%	0.21%	0.24%	0.22%
		# of metric tonnes collected via residential collection programs (i.e. garbage, recycling, compostables)	119,877	114,327	113,018	108,788	108,900

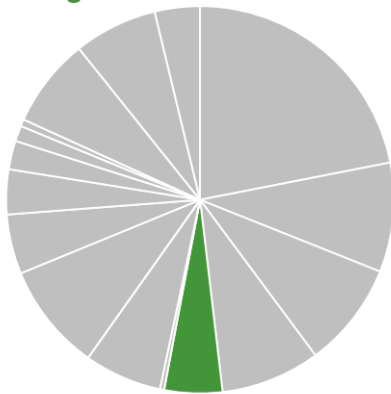
### Transfer and landfill service

From 2015 to 2016, total tonnage disposed at the Vancouver Landfill increased. This change was due to the increase in eastern region waste from Metro Vancouver coming to the landfill as a result of the closure of Cache Creek Landfill.

Gas collection continued to increase due to the construction of additional landfill gas collection infrastructure. Additional gas infrastructure improvements are planned for 2017 as part of the closure projects. City staff continue to work with the provincial government to implement a landfill gas prediction model that accurately represents the amount of gas produced and recovered through the existing infrastructure and supports planning for infrastructure. In 2016, the City is expected to have an average landfill gas recovery rate of 75%.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Transfers and Landfill	Quantity	# of tonnes disposed of at the Vancouver Landfill	716,300	601,202	548,742	550,172	700,000
	Quality	% of landfill gas collected	52%	60%	65%	71%	75%

2017 budget



Solid Waste makes up 5%  
of the 2017 Operating Budget

The utility's operating budget for 2017 can be divided into two main parts: (1) City-run collection programs (garbage, Green Bin and general street cleaning services) and (2) operation of the City's Vancouver South Transfer Station (VSTS) and the Vancouver Landfill (VLF). Both parts are fully funded by user fees and receive no funds from the City's tax-supported operating budget. As components of the regional waste management system, the VSTS and VLF are subject to regulatory requirements imposed by the BC Ministry of Environment and Metro Vancouver and are fully funded from user fees. The VSTS and VLF receive waste from City-run collections, private haulers and other regional municipalities.

The collection service is operated as a utility. The City sets annual user fees to recover the cost of providing the service.

The costs of operating the VSTS and VLF are recovered through tipping fees charged to facilities' users. Metro Vancouver sets the tipping fees for facilities across the regional system. At year-end, any operating surplus in the utility is transferred to a dedicated reserve that funds landfill closure costs, post-closure costs and environmental liabilities.



## Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
<b>Solid Waste revenue</b>				
<b>Collection revenue</b>				
Annual collection fees	26,854	28,991	2,137	8.0%
Multi-Material BC recoveries	8,200	-	(8,200)	(100.0%)
Other collection revenue	41	40	(2)	(4.5%)
<b>Subtotal Collection revenue</b>	<b>35,096</b>	<b>29,031</b>	<b>(6,065)</b>	<b>(17.3%)</b>
<b>Disposal revenue</b>				
Tipping fees	29,768	36,381	6,613	22.2%
Metro & Delta's share	(1,238)	(4,098)	(2,861)	231.1%
Other disposal revenue	2,945	2,458	(487)	(16.5%)
<b>Subtotal Disposal revenue</b>	<b>31,475</b>	<b>34,741</b>	<b>3,266</b>	<b>10.4%</b>
<b>Total Solid Waste revenue</b>	<b>66,571</b>	<b>63,771</b>	<b>(2,799)</b>	<b>(4.2%)</b>
<b>Total Revenues</b>	<b>\$ 66,571</b>	<b>\$ 63,771</b>	<b>\$ (2,799)</b>	<b>(4.2%)</b>
<b>Expenditures &amp; Transfers</b>				
<b>Solid Waste</b>				
Collections	27,753	22,671	(5,083)	(18.3%)
Landfill	19,652	20,297	645	3.3%
Transfer station	7,938	8,537	599	7.5%
Capital program & other transfers				
Capital Financing Fund loan payments	2,259	2,350	90	4.0%
Solid Waste Reserve & other transfers	7,104	7,874	770	10.8%
<b>Subtotal Capital program &amp; other transfers</b>	<b>9,364</b>	<b>10,224</b>	<b>860</b>	<b>9.2%</b>
Shared support services	1,863	2,042	179	9.6%
<b>Total Solid Waste</b>	<b>66,571</b>	<b>63,771</b>	<b>(2,799)</b>	<b>(4.2%)</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 66,571</b>	<b>\$ 63,771</b>	<b>\$ (2,799)</b>	<b>(4.2%)</b>
<b>Net Operating Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: Totals may not add due to rounding

## Explanation of changes – revenues

For 2017, budgeted disposal revenues will increase by \$3.3 million because of a projected increase in tonnes of garbage disposed of at the Vancouver Landfill due to closure of the Cache Creek Landfill.

Overall Collection revenues will decrease by \$6.1 million mainly as a result of removing the revenues received from MMBC to support recycling. The costs associated with the recycling program have also been removed since MMBC took over the program delivery in October 2016. The savings associated with the transfer of recycling to MMBC are offset by an increase in annual collection fees to support increased service demand in residential areas, the transfer of leaf collection costs from the tax-supported budget to the utility budget, and increased efforts on preventing illegal dumping in residential areas. As a result of these changes,

collection rates for the average single-family home will increase to \$271 in 2017 from \$261 in 2016.

#### Explanation of changes – expenditures and transfers

For 2017, budgeted expenditures and transfers will decrease by \$2.8 million due to the divestment of recycling collection services. This projected decrease is partially offset by the inclusion of leaf collection as a part of the utility, by increased costs to support enhanced public realm cleanliness, by increased transfer to the Solid Waste Reserve (a dedicated reserve to pay for landfill closure and post-closure costs), and by higher regional utility charges, including royalties paid to Delta and the Metro Vancouver solid waste levy, which will both increase due to higher forecasted tonnage.

#### Notable capital projects

The following table summarizes some of the noteworthy projects involving Waste Management and Resource Recovery. A complete list of all capital projects for 2017 is included in the Council Report appendices.

Project Name (\$ millions)	Total Project Budget <sup>2</sup>	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years <sup>1</sup>
Landfill Phase 3 Closure & Western 40 Hectares	74.3	2.1	31.4	40.7
Landfill Entrance Reconstruction	7.8	1.6	5.4	-
Transfer Station Improvements	5.7	1.3	3.4	-

<sup>1</sup>Future years reflects final forecasted spend for the total project.

<sup>2</sup>Expenditure may not sum to total project budget due to rounding or prior years expenditure.

**Landfill closure** – The City performs closures of completely filled sections of the Vancouver Landfill and installs gas collection infrastructure on the closed parts of the site. To date, 61 hectares of the landfill have been progressively closed; the next sections of the site to close are Phase 3 Southeast and the Western 40 Hectares. Work planned for 2017 includes construction of the closure and gas works systems for these two areas, which represents significant progress toward achieving the regulatory target of recovering 75% of gas produced by solid waste in the landfill.

**Improvements to landfill entrance and transfer station** – Improvements to the landfill entrance and transfer station with an aim to manage traffic and material flows and increase recycling opportunities will be completed in 2017.

## Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
<b>Solid Waste revenue</b>					
<b>Collection revenue</b>					
Annual collection fees	27,309	27,087	26,795	26,854	28,991
Multi-Material BC recoveries	-	5,200	8,169	8,200	-
Other collection revenue	1,769	312	38	41	40
<b>Subtotal Collection revenue</b>	<b>29,079</b>	<b>32,599</b>	<b>35,003</b>	<b>35,096</b>	<b>29,031</b>
<b>Disposal revenue</b>					
Tipping fees	24,585	29,985	25,195	29,768	36,381
Metro & Delta's share	(1,691)	(2,424)	314	(1,238)	(4,098)
Other disposal revenue	4,146	3,531	3,098	2,945	2,458
<b>Subtotal Disposal revenue</b>	<b>27,040</b>	<b>31,092</b>	<b>28,608</b>	<b>31,475</b>	<b>34,741</b>
<b>Total Solid Waste revenue</b>	<b>56,119</b>	<b>63,692</b>	<b>63,610</b>	<b>66,571</b>	<b>63,771</b>
<b>Total Revenues</b>	<b>\$ 56,119</b>	<b>\$ 63,692</b>	<b>\$ 63,610</b>	<b>\$ 66,571</b>	<b>\$ 63,771</b>
<b>Expenditures &amp; Transfers</b>					
<b>Solid Waste</b>					
Collections	22,056	27,293	27,733	27,753	22,671
Landfill	17,570	18,819	19,213	19,652	20,297
Transfer station	6,694	8,622	7,561	7,938	8,537
Capital program & other transfers					
Capital Financing Fund loan payments	2,150	2,810	2,898	2,259	2,350
Solid Waste Reserve & other transfers	7,371	5,870	4,341	7,104	7,874
<b>Subtotal Capital program &amp; other transfers</b>	<b>9,521</b>	<b>8,680</b>	<b>7,239</b>	<b>9,364</b>	<b>10,224</b>
Shared support services	277	277	1,863	1,863	2,042
<b>Total Solid Waste</b>	<b>56,119</b>	<b>63,692</b>	<b>63,610</b>	<b>66,571</b>	<b>63,771</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 56,119</b>	<b>\$ 63,692</b>	<b>\$ 63,610</b>	<b>\$ 66,571</b>	<b>\$ 63,771</b>
<b>Net Operating Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 22.7</b>	<b>\$ 8.2</b>	<b>\$ 6.6</b>	<b>\$ 10.1</b>	<b>\$ 54.1</b>

Note: Totals may not add due to rounding

For 2017, budgeted disposal revenues will increase to reflect higher landfill and transfer station garbage volumes, due to the closure of the Cache Creek Landfill and the delivery of the material to the Vancouver Landfill. Budgeted collection revenues, landfill and transfer station expenses and collection expenses will remain more or less unchanged from 2016.

The transfer to the Solid Waste Reserve – a dedicated reserve to pay for landfill closure and post-closure costs – is expected to increase in 2017, largely due to increased disposal revenues. This transfer decreased significantly in 2014 and 2015 due to migration of Metro Vancouver's commercial waste outside the regional system. A drop in the value of the Canadian dollar and efforts by Metro Vancouver to keep large loads of garbage in the regional waste system have helped reduce the level of migration.

### Employee trend table

Engineering Utilities Solid Waste	2012	2013	2014	2015	2016F
Regular Full-time Staff	207.0	210.0	222.0	212.1	213.4
All Staff (including Part-time, Temporary and Auxiliary)	240.4	251.3	260.0	249.9	250.9
Full-time Equivalents*					

\*excluding overtime

From 2012 to 2014, staff levels increased as services expanded and new programs — including the single-family Green Bin program, MMBC program and multi-family Green Bin program — were implemented. The decrease in staffing in 2015 represents the reallocation of five Solid Waste billing staff to Financial Services plus attrition of landfill, transfer station and collections staff. The slight increase in 2016 is due to the timing of vacancies.

### Engineering Services — Neighbourhood Energy

Neighbourhood Energy Systems (NES), most suitable in dense urban areas, are shared infrastructure platforms providing heating and cooling for multiple buildings. These systems provide a utility business model and economies of scale needed to make use of various renewable energy resources that are often unavailable or unaffordable to implement in individual buildings. The district-wide systems are also capable of serving both new development and existing gas-heated buildings. A high-priority strategy of the Greenest City Action Plan is to pursue neighbourhood energy systems for high-density, mixed-use neighbourhoods, with the target of reducing 120,000 tonnes of carbon dioxide emissions per year by 2020.

The City's neighbourhood energy work program falls into two general categories:

- **Southeast False Creek Neighbourhood Energy Utility** — Ongoing capital work to provide service to new development sites and operation of the City-owned Neighbourhood Energy System
- **Citywide Neighbourhood Energy Strategy** — Implementation of new low-carbon Neighbourhood Energy Systems in the Downtown, Cambie Corridor and River District areas

### Key services delivered

**Neighbourhood Energy Utility** — Providing low-carbon energy on a neighbourhood scale to buildings in Southeast False Creek and the Great Northern Way Campus Lands

### Major accomplishments in 2016

#### Southeast False Creek (City-owned and -operated utility)

- Connected one new building in Southeast False Creek
- Established a plan to recover waste heat and use biomethane as an interim low-carbon fuel until a permanent low-carbon facility is established

### Citywide Neighbourhood Energy Strategy

- Completed the feasibility study for the renewable energy conversion of the Downtown steam heat system (the Downtown Steam System Fuel Switch Project) and established a project development plan
- Operationalized the Northeast False Creek NES
- Continued to establish the NES in other areas of the Downtown and Cambie Corridor
- Completed the review of financial and development plans for the River District Neighbourhood Energy Utility, following the first five years of operation

### Plans for 2017

- Complete distribution system expansion to connect Emily Carr University and two other development sites
- Secure federal funding support and other enabling tools necessary to advance the Downtown Steam System Fuel Switch Project
- Establish a new NES network in the South Downtown

### Looking ahead, 2018-2021

- Continue the expansion of the distribution system for Southeast False Creek Neighbourhood Energy Utility
- Establish new NES networks in various locations across the city

### Department service metrics

Neighbourhood Energy Utility (NEU) metrics track the system's overall growth and greenhouse gas (GHG) reductions achieved using renewable energy.

The floor area metric indicates continued growth of the connected floor area in 2016. This is on target and consistent with prior growth forecasts.

The GHG reductions metric indicates a levelling of the amount of carbon dioxide emissions being avoided by the utility. This is due to growth in the NEU energy demand and has always been expected in the NEU business plan. It is a short-term situation that reflects new customers being added to the system before expansion of the sewage heat recovery system (or other low-carbon energy sources) is economical. For this interim period until new permanent low-carbon energy capacity is added, staff are recommending the purchase of biomethane (from Fortis BC) to enable consistent achievement of the GHG reduction target of 60% below conventional heating systems.

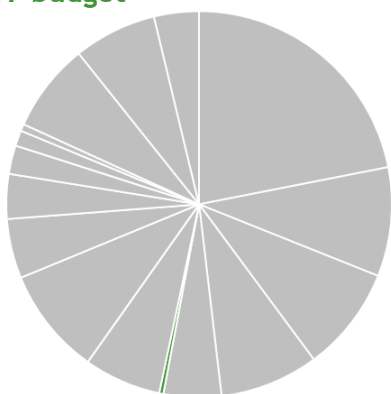
Other metrics worth noting are as follows:

- NEU annual rate increases are aligned with Council policy approved in 2015, which sets key performance indicators and targets to guide rate setting. Increases incorporate input from the Neighbourhood Energy expert panel.

- Expansion of the sewage heat recovery system has been deferred by one year (to 2020). The deferral was made because the Downtown Steam System Fuel Switch Project could potentially be a more economical source of low-carbon energy for the NEU. An additional year is necessary to determine whether the Downtown Steam System Fuel Switch Project is viable.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Neighbourhood Energy Utility	Quantity	Floor area (square metres)	224,880	321,753	354,489	392,604	412,882
		GHG reductions (tonnes CO2 equivalents)	2,407	2,529	2,866	2,436	3,218

### 2017 budget



Neighbourhood Energy Utility makes up 0.4% of the 2017 Operating Budget

In NEU operations, the main expense factors are increases in variable costs (such as electricity and natural gas needed to operate the Neighbourhood Energy Centre) and staffing (to operate the NEU).

Capital program expenses relate to capital investments in the NEU and the expansion of the distribution pipe system and energy transfer stations to bring energy to new buildings in the system.

## Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
<b>Neighbourhood Energy</b>				
NEU fixed levy	2,521	2,823	302	12.0%
NEU energy charge	1,818	1,797	(21)	(1.2%)
<b>Total Neighbourhood Energy revenue</b>	<b>4,339</b>	<b>4,620</b>	<b>281</b>	<b>6.5%</b>
<b>Total Revenues</b>	<b>\$ 4,339</b>	<b>\$ 4,620</b>	<b>\$ 281</b>	<b>6.5%</b>
<b>Expenditures &amp; Transfers</b>				
<b>Neighbourhood Energy</b>				
NEU operations	1,906	2,016	111	5.8%
Capital program & other transfers				
Debt service charges	3,406	3,846	441	12.9%
Rate stabilization & other reserve transfers	(972)	(1,243)	(270)	27.8%
<b>Subtotal Capital program &amp; other transfers</b>	<b>2,433</b>	<b>2,604</b>	<b>170</b>	<b>7.0%</b>
<b>Total Neighbourhood Energy</b>	<b>4,339</b>	<b>4,620</b>	<b>281</b>	<b>6.5%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 4,339</b>	<b>\$ 4,620</b>	<b>\$ 281</b>	<b>6.5%</b>
<b>Net Operating Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: Totals may not add due to rounding

## Explanation of changes – revenues

The recommended net rate increase for 2017 is 3.2%, made up of a 2.7% increase in the Fixed Capacity Levy and a 4.0% increase in the Energy Use Charge. The majority of the \$0.3 million increase in the revenue budget is due to an increase in the customer base as a result of system expansions.

## Explanation of changes – expenditures and transfers

The transfer from the rate stabilization reserve has increased by \$0.3 million due to additional debt-servicing costs for system expansion.

## Notable capital projects

The following table summarizes some of the noteworthy projects that involve the NEU or which will begin in 2017. A complete list of all capital projects for 2017 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget <sup>3</sup>	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years <sup>2</sup>
NEU System Extension <sup>1</sup>	10.0	1.6	3.1	5.1

<sup>1</sup>Funding for programs approved on annual basis.

<sup>2</sup>Future years reflects the remaining balance in the 4-year Capital Plan for NEU expansion program.

<sup>3</sup>Expenditure may not sum to total project budget due to rounding or prior years expenditure.

**NEU system extension** — In 2017, the NEU anticipates connecting four new developments to Southeast False Creek, including the Emily Carr University connection (which is currently underway), and expanding the False Creek Energy Centre boiler capacity by 4 megawatts. Staff will also engineer and design the second heat pump and sewage screening pilot project at False Creek Energy Centre.

In 2018, staff will continue expanding the system and begin to procure the sewage heat pump.

### Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
<b>Neighbourhood Energy</b>					
NEU fixed levy	1,765	1,949	2,182	2,521	2,823
NEU energy charge	907	1,043	1,501	1,818	1,797
<b>Total Neighbourhood Energy revenue</b>	<b>2,672</b>	<b>2,992</b>	<b>3,683</b>	<b>4,339</b>	<b>4,620</b>
<b>Total Revenues</b>	<b>\$ 2,672</b>	<b>\$ 2,992</b>	<b>\$ 3,683</b>	<b>\$ 4,339</b>	<b>\$ 4,620</b>
<b>Expenditures &amp; Transfers</b>					
<b>Neighbourhood Energy</b>					
NEU operations	1,606	1,902	1,786	1,906	2,016
Capital program & other transfers					
Debt service charges	2,420	2,548	2,587	3,406	3,846
Rate stabilization & other reserve transfers	(1,355)	(1,458)	(690)	(972)	(1,243)
<b>Subtotal Capital program &amp; other transfers</b>	<b>1,066</b>	<b>1,090</b>	<b>1,897</b>	<b>2,433</b>	<b>2,604</b>
<b>Total Neighbourhood Energy</b>	<b>2,672</b>	<b>2,992</b>	<b>3,683</b>	<b>4,339</b>	<b>4,620</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 2,672</b>	<b>\$ 2,992</b>	<b>\$ 3,683</b>	<b>\$ 4,339</b>	<b>\$ 4,620</b>
<b>Net Operating Budget</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 0.9</b>	<b>\$ 2.6</b>	<b>\$ 2.6</b>	<b>\$ 1.8</b>	<b>\$ 3.1</b>

Note: Totals may not add due to rounding

Since it was established in 2010, the NEU has been expanding and adding buildings to the system. Expansion results in additional revenues and expenditures.

### Employee trend table

Engineering Utilities NEU	2012	2013	2014	2015	2016F
Regular Full-time Staff	4.0	5.0	5.0	4.1	4.7
All Staff (including Part-time, Temporary and Auxiliary)	4.6	5.5	6.3	6.0	5.6
Full-time Equivalents*					

\*excluding overtime



NEU staffing is split between two key work programs: (1) operations and capital expansion of the Southeast False Creek NEU (funded by the City-owned utility) and (2) implementation activities related to the citywide Neighbourhood Energy Strategy (funded by the Sustainability Group's operating budget).

## Engineering Services – Public Works

Engineering's Public Works deal with all aspects of publicly owned streets, public spaces and many other rights-of-way. This infrastructure – which plays a key role in moving people and goods, delivering City services, and creating environments that people want to live and work in – consists of six key services.

### Key services delivered

**Transportation planning, design and management** – Enabling the movement of people, goods and services in a way that supports healthy citizens, a thriving economy, a clean environment and high quality of life, with direct metrics to increase sustainable transportation mode share and improve safety

**Parking** – Providing and regulating on- and off-street parking spaces to allow the safe and orderly movement of traffic, support local businesses and ensure neighbourhood livability as part of the City objectives related to sustainable transportation and public space

**Street infrastructure and maintenance** – Managing streets, cycling facilities, sidewalks and electrical assets to ensure safety, minimize lifecycle cost and support necessary utilities

**Public space and street use** – Enabling and overseeing street activities and uses to ensure a vibrant public realm, including managing street furniture, food trucks, patios, wayfinding, VIVA Vancouver, filming and special events, and public bike share as well as third-party utility street use (e.g., telecommunications companies and BC Hydro)

**Street cleaning** – Cleaning the streets of litter and illegally dumped garbage (such as electronic waste and mattresses)

**Corporate equipment management** – Managing the corporate fleet and equipment assets as a key part in delivering City operations

### Major accomplishments in 2016

#### Transportation planning

In 2016, the City continued implementing the Transportation 2040 Plan, engaging in numerous projects and plans and delivering new and improved infrastructure.

Among the year's highlights, the City accomplished the following goals:

- Met the Greenest City and the Transportation 2040 target of having at least one-half of all trips made by foot, bike or transit by 2020
- Hosted the Pro Walk/Pro Bike/Pro Place Conference, bringing together more than 1,000 city planners, transportation engineers, public health professionals, elected officials, community leaders and professional walking and cycling advocates

- Purchased the Arbutus Greenway, 42 acres of open space running approximately 9 kilometres from Milton Street to 1st Avenue, with the idea of developing a transportation corridor and greenway as a walking and cycling route and future streetcar line that will be a great benefit to the people of Vancouver and a major tourist attraction
- Began construction of the Point Grey Phase 2 (Public Realm and Sidewalk) and South False Creek Seawall Projects, following the general public and stakeholder engagement
- Completed conceptual design and preliminary analysis on the proposed Georgia and Dunsmuir Viaducts removal
- Advanced safety improvements at Knight Street and Southeast Marine Drive – the highest crash location in the city
- Began engagement and design on several projects to improve existing bike networks, including 10th Avenue bikeway improvements
- Upgraded and expanded walking and cycling networks through projects such as the Southwest Marine Drive repaving, downtown bike lane upgrades and Burrard Street South improvements
- Began implementation of rail crossing upgrades to meet new Transport Canada regulations by 2021
- Developed a partnership with Vancouver Coastal Health to receive serious injury data, and developed an action plan for moving toward zero transportation-related fatalities

### **Parking**

In 2016, the City continued providing and regulating on-street parking spaces to facilitate the safe and orderly movement of traffic and to support businesses, residents and visitors. The City also accomplished the following objectives:

- Developed a West End Parking Strategy in support of commitments made in Transportation 2040 and the West End Community Plans to make it easier for residents and visitors to find parking in the West End without encouraging more driving overall
- Completed the procurement for the replacement of the City's parking enforcement technology and continued work on the Licence Plate Recognition project to improve enforcement of residential parking permit areas and time limit zones
- Completed the procurement of new mobile parking payment contracts to ensure high-quality, reliable and convenient mobile payment options at all metered parking spaces in the city

### **Street infrastructure and maintenance**

In 2016, the City:

- Reviewed asset condition to prioritize maintenance and rehabilitation activities for streets, sidewalks and lighting infrastructure

- Completed rehabilitation on arterial streets, including Beatty Street and Angus Drive; commenced construction work on the Burrard Bridge rehabilitation, Burrard Street and Southwest Marine Drive
- Continued coordination with local partners, including BC Hydro for the H-frame system replacement in the downtown core and with Coast Mountain Bus Company for pole replacements, to minimize disruption to residents
- Replaced 775 street light poles and improved pedestrian-oriented lighting to promote safety and walkability

### **Public space and street use**

In 2016, the City continued supporting vibrant public spaces, economic growth and community development through public space and street use programs. Among the highlights, the City:

- Continued efforts to enliven streets and plazas creating vibrant, accessible public space – including the implementation of the Jim Deva Plaza and initiation of consultation and design for a permanent plaza on the 800-block of Robson Street – and public spaces that foster economic activity and encourage a culture of walking, cycling and social interaction
- Implemented a public bike share program through a partnership with Mobi, supporting a shift toward active modes by making it easier and more attractive to get around without relying on a car
- Continued the Integrated Graffiti Management Program that aims to lower graffiti levels while supporting local artists in producing art throughout Vancouver; expanded the street art program by creating new opportunities for art on utility boxes as well as supporting murals and workshops through the Restorative Justice Through Art Program (ResART)
- Supported record levels of filming for a third consecutive year and worked with the film industry on recognition initiatives, including significant increases in local donations as well as community events such as charitable Christmas events in Yaletown and Gastown, a film industry-sponsored community picnic for Strathcona residents, and a “thank you Vancouver” campaign in print and social media
- Supported public realm activation through existing events such as Celebration of Lights, the Pride Festival and Parade, and the BMO Vancouver Marathon as well as emerging events such as Rugby Sevens, Ironman Triathlon, the America Masters Games, the Vancouver Mural Festival, and two public participation bike rides (Dutch Ride and Bike the Night) and continued to develop improvements in special-event data reporting and facilitation of community events
- Improved access to block party resources and actively encouraged organizers to “green” their block parties as well as explored and enabled community block parties in high-density residential areas
- Used the Green Event program to engage event organizers through data collection and outreach, increasing waste diversion and encouraging sustainable choices at the Vaisakhi Parade and Khatsalano Music Festival, and facilitating partnerships between event organizers and community groups resulting in increased sustainability and employment for social enterprise groups

### Street cleaning

In 2016, as part of the goal to become the cleanest city, the City continued to focus on programs that help reduce litter and support a healthy, vibrant and clean Vancouver. Among the highlights are the following initiatives:

- Launched pilots to increase waste diversion, including initiatives for streetscape recycling and the collection of dog waste in parks
- Focused strongly on addressing illegal dumping and abandoned waste with a number of successful prosecutions. While service levels improved and response times decreased, the number of cases of illegal dumping and abandoned garbage continued to grow, having increased by 21%, and this activity continues to be an area of focus and concern.
- Following the transition of recycling collection to Multi-Material BC, moved staff resources that handled recycling over to street cleaning and established a Public Realm Cleanliness Plan

### Corporate equipment management

In 2016, the City reduced its fleet and selected the most efficient vehicles to support operations. Among other activities, the City:

- Initiated procurement of a new fuel contract
- Commissioned green vehicle and equipment replacements, such as fire apparatus with smaller auxiliary engines, a hybrid bulldozer, compressed natural gas refuse collection vehicles, and additional police patrol vehicles with idle stop
- Completed the first phase of the GPS and telematics installation on 220 service vehicles, including evaluation of system capabilities and benefits

### Plans for 2017

#### Transportation planning

- Complete safety modifications for Knight Street intersection at Marine Drive
- Improve False Creek bridge crossings, including completion of Burrard Bridge and advance design for Cambie and Granville Bridges
- Launch an integrated action plan for moving toward zero transportation-related fatalities
- Complete Water Street and Commercial Drive transportation planning studies
- Establish the Broadway SkyTrain Extension Rapid Transit Office
- Upgrade and expand walking and cycling networks through projects, including 10th Avenue, Ontario and Adanac bikeways
- Complete Point Grey Road, South False Creek Seaside Greenway and Southwest Marine Drive active transportation improvement projects
- Continue rail crossing upgrades at multiple locations to meet new Transport Canada regulations by 2021

- Complete public engagement for Arbutus Greenway

#### **Parking**

- Implement new mobile parking payment solutions
- Reform and modernize parking meter system management to meet the City's transportation and public space objectives
- Implement the West End Parking Strategy
- Update bike parking requirements for new developments
- Explore and develop enhancements to existing parking technology that support compliance with parking regulations and optimize efficiencies of Parking Enforcement Officers

#### **Street infrastructure and maintenance**

- Continue rehabilitation programs for local streets, including identifying coordination opportunities with utility renewals
- Continue annual rehabilitation programs for major road networks and arterial street networks
- Continue renewal of street lighting infrastructure, including opportunities to replace lighting systems with LED technologies
- Work with TransLink on 2017 Major Road Network Pavement Condition Study
- Prioritize and accelerate new sidewalk and curb ramp installation (pending funding), and improvement of the condition of pedestrian and bike routes

#### **Public space and street use**

- Establish a permanent plaza at 800 Robson Street
- Develop a Plaza Stewardship Strategy to ensure ongoing activation and maintenance of public plazas in partnership with Business Improvement Associations and other groups
- Expand the street art program, increasing the number of projects and piloting new concepts in partnership with stakeholders (e.g., innovative bike racks)
- Work with community interest groups to launch the first mass participation public bike ride
- Support continued rollout of Mobi, Vancouver's public bike share program
- Support film production while ensuring the sustainability of physical locations and public benefits
- Support vibrant public space and streets through an expanded VIVA program and pursuing opportunities for expanded patios. The VIVA program facilitates short- and long-term street closures, creating public spaces for walking, lounging and lunching.
- Continue to improve customer service, online resources and the application and permitting process for film production and special event organizers

- Engage proactively with the Planning department and other Engineering divisions in regards to the planning of public space and event support infrastructure in areas such as Northeast False Creek, emerging neighbourhoods and False Creek Flats
- Launch a structured Green and Sustainable Practices program for organized and passive users of public space. An expansion of the Green Events initiative, the program will affect special and private events, filming, sports activities, construction, mobile vending and general public use of plazas, parklets and pedestrianized streets. An integrated vision, this program's success depends on the cooperation and support of other City departments and divisions.
- Create an interdepartmental working group to create a more structured block party program that will address resourcing issues and complex proposals, particularly in high-density areas

#### **Street cleaning**

- Continue focus on Public Realm Cleanliness Enhancements to address the increasing demand for services
- Complete implementation of the Labour Adjustment Plan for recycling staff
- Monitor the Streetscape Recycling Pilot program regarding operation, assessment and potential expansion
- Expand partnerships with Vancouver Parks to increase waste diversion rates
- Work closely with social enterprises to support low-threshold employment by providing micro-cleaning services in key areas of the city
- Work closely with Business Improvement Associations throughout the city around challenges with illegal dumping and abandoned waste
- Increase efforts toward litter reduction

#### **Corporate equipment management**

- Continue fleet replacements consistent with the Green Fleet Strategy
- Implement a new Fleet Information Management System, FIMS
- Initiate the second phase of the GPS and telematics installation and expand to the remaining City fleet of approximately 900 vehicles

#### **Looking ahead 2018-2021**

Key future projects include:

#### **Transportation planning**

- Work with our partners to complete the design and begin construction of the SkyTrain Millennium Line Broadway Extension
- Complete the construction of Arbutus Greenway
- Complete rail crossing upgrades (multiple locations)
- Continue to upgrade and expand walking and cycling networks through projects, including Commercial Drive and Water Street

- Complete False Creek bridge crossings – Cambie Bridge southbound bike lane and the Granville Bridge centre greenway

#### **Parking**

- Undertake parking technology pilot projects (e.g., payments, occupancy sensing, wayfinding and information sharing)
- Develop a Parking Meter Equipment Strategy
- Develop an on-street parking policy for industrial areas
- Advance off-street bike parking policy objectives

#### **Street infrastructure and maintenance**

- Undertake the next street network pavement condition survey (2018)
- Undertake procurement for the next bridge condition assessment program (2018-2019)
- Continue annual rehabilitation programs for local streets, including identifying coordination opportunities with utility renewals
- Continue annual rehabilitation programs for major road networks and arterial street networks
- Renew street lighting infrastructure (ongoing), including opportunities to replace lighting systems with LED technologies

#### **Public space and street use**

- Continue to support and expand street activations and support events, festivals and filming
- Support potential expansion of Mobi, the City's public bike share program

#### **Street cleaning**

- Expand successful pilots to citywide services
- Develop new pilot projects to address emerging priorities for waste diversion and improved cleanliness

#### **Corporate equipment management**

- Continue efforts on the Green Fleet Strategy around fleet replacements and explore opportunities for fuel types with lower emissions

### **Department service metrics**

#### **Transportation planning**

Safety is a priority for Engineering Services, and plans and performance measurements focus on improving and reinforcing citizen safety. The City monitors increases in walking, cycling and transit use and also tracks and analyzes the number of traffic collisions and fatalities.

Between 2015 and 2016, the City expanded its cycling network, which now totals 305 kilometres. The quality of the network also improved, with 75 kilometres or 24% of the total cycling network designated for people of all ages and abilities (AAA).

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Transportation Planning	Quantity	Total number of trips originating in the City of Vancouver 24 hrs	NDA	1,901,253	1,823,058	1,954,285	2,000,000
		km of total bike network*	265	280	290	300	305
	Quality	Mode split (walk, bike, transit, private vehicle) (collected by TransLink)	NDA	48%	50%	50%	50%
	Result	Number of traffic fatalities per year	19	15	14	12	NDA
		Total # of collisions	46,152	47,534	NDA	45,000	44,000

\* Total kilometres of bike network numbers updated based on GIS mapping.

## Parking

In 2016, the City sold more than 26,000 annual and short-term residential parking permits. Online parking permit sales continue to grow; approximately 75% of eligible annual permit sales now take place online.

Non-coin payment at parking meters continues to grow, largely consisting of mobile payment transactions through PayByPhone (accounting for 50% of total meter revenue at year-end). Growth in mobile payment transactions presents opportunities for efficiency and increases the level of compliance at meters, as it is a convenient and feature-rich service.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Parking	Quantity	Revenue from parking permits issued	\$1,028,000	\$1,009,803	\$1,065,510	\$1,109,876	\$1,150,000
		# of parking permits issued	24,500	24,700	25,100	25,700	26,200
		Gross # of parking tickets issued	357,712	332,241	328,622	382,967	400,000
		Average ticket value	\$82.51	\$82.30	\$82.09	\$81.22	\$81.00
	Quality	# of tickets voided at initial screening	4.30%	4.57%	4.54%	5.30%	4.60%
		Formal disputes on issued tickets	1.10%	1.30%	1.41%	1.50%	1.50%
		Tickets adjudicated	0.39%	0.30%	0.30%	0.30%	0.30%
		% of tickets issued paid during discount period	61.52%	64.23%	64.94%	65.81%	65.50%
		% of all net tickets issued paid or collected by all processes	85.50%	86.44%	85.66%	86.82%	88.00%
	Result	% of non-coin meter revenue	28%	33%	38%	44%	50%



## Street infrastructure and maintenance

Metrics for pavement condition have been collected since 2011, and that data is now being used for future planning and reporting. Pavement condition is currently captured on a three-year basis, while assessment programs for the Major Road Network (MRN) and city arterial and local road networks were completed most recently in 2015.

In 2017, the City will continue to use road condition and maintenance information to optimize the lifecycle return on street assets. Priority will be given to capital projects which coordinate street asset upgrades with significant utility infrastructure or transportation improvements. Coordinated capital projects for 2017 include the second phase of infrastructure upgrades on Southwest Marine Drive and extensive infrastructure improvements on Knight Street.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Streets Infrastructure and Maintenance	Quantity	km of total road network	2,066.7	2,066.7	2,067.8	2,068.8	2,068.8
		Square metres paved in year (2012 includes paved lanes)	278,450	234,376	250,101	224,382	220,000
		% of MRN road network repaved	3.90%	3.86%	2.05%	2.06%	4.46%
		% of arterial and collector road network repaved	2.60%	2.36%	2.61%	2.57%	1.47%
		% of local road network (including lanes) repaved	1.30%	1.03%	1.36%	1.29%	1.18%
		km of sidewalk	2,161	2,162	2,164	2,164	2,165
	Quality	Pavement condition of MRN road network rated good or above	NDA	NDA	67%	67%	67%
		Pavement condition of City arterial & collector road network rated good or above	55%	NDA	NDA	58%	58%
		Pavement condition of local road network rated good or above	60%	NDA	NDA	62%	62%
		Pavement condition of local road network bike routes rated good or above (subset of local road network)	68%	NDA	NDA	74%	74%

## Public space and street use

The creation of vibrant spaces is an important key to achieving our transportation, social and economic goals. Metrics for street use permits provide an indication of public life and economic growth in the form of provision for free-to-attend events and public amenities. In 2016, there has been an increase in street use permits for special events and filming.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Street Activities	Quantity	# of permits to use street (film, events, food trucks, patios)	3,873	4,662	4,860	6,389	7,408
	Result	# of free-to-attend permitted street activations	360	465	420	450	469

## Street cleaning

Operation metrics for street cleaning include the number and location of 3-1-1 calls received for litter and abandoned waste issues, tonnes collected and response times. This information is used to determine the type and amount of resources needed to ensure the City's streets, sidewalks and parks are kept clean and inviting for the public.

In 2016, litter bins on sidewalks were emptied one to three times daily based on location and time of year. To reduce incidents of overflowing litter bins, service levels were increased, and many of the litter bins in active locations were retrofitted with larger liners.

Illegal dumping continues to be a problem throughout the city, with the number of 3-1-1 cases increasing each year. Initiatives to address illegal dumping in 2016 consisted of increased service levels and new bylaw enforcement tools, including ticketing and hot-spot mapping to allow for a more targeted and proactive response.

In 2016, enhanced education and outreach took place, including the rollout of a cigarette butt "This is Litter" campaign. The campaign included posters in transit shelters, social media messaging and handing out pocket-size ashtrays at locations in the downtown core.

The City's Street Cleaning Grant Program expanded in 2016, resulting in cleaner streets and additional employment opportunities for people with barriers to traditional employment.

Improvements to the annual fall leaf collection program were introduced, which resulted in cost savings and an overall reduction in leaf-related 3-1-1 calls. Improvements included reviewing historical service and weather trends to create an optimized schedule, enhanced public messaging, including website zone progress mapping, and an adopt a catch basin pilot program where residents assist in keeping leaves off of catch basins to help reduce flooding.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Street Cleaning	Quantity	Frequency per day cleaned (litter bins Downtown)	3	3	3	3	3
		# of metric tonnes collected via the fall leaf collection program	5,192	4,275	5,555	4,830	5,000
		# of metric tonnes collected from litter cans	2,361	2,070	2,445	2,646	2,640
		# of metric tonnes collected from abandoned garbage	2,111	1,900	2,161	2,465	2,810
	Quality	# of abandoned garbage and illegal dumping complaints (3-1-1)	9,390	11,253	12,444	16,580	20,000
		# of street cleaning and debris pick-up requests (3-1-1)	2,664	3,496	2,671	3,055	3,210

### Corporate equipment management

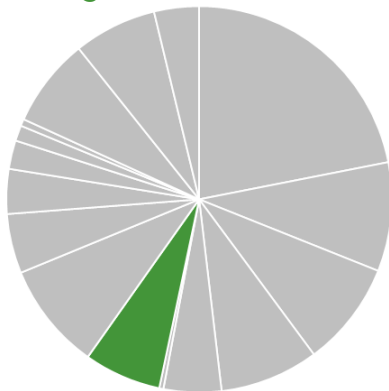
Since 2012, the City's equipment fleet has decreased by more than 144 units. In 2017, the City will continue to reduce its fleet and optimize equipment usage.

To help reduce emissions and reach 2020 greenhouse gas (GHG) goals, the City is mindful when new equipment replacements are required. Since 2007, GHG emissions have been reduced by 13%; the target goal is to achieve 30% reduction in GHGs over the 13-year period ending in 2020. Forecasted emissions for 2016 are higher than anticipated, primarily as a result of service level increases in waste and recycling recovery programs. Planned reductions will be realized in future years as the City moves to alternative fuel sources, such as compressed natural gas, electricity and diesel alternatives.

Alternative fuel source units are expected to increase in 2017 as vehicles are replaced with compressed natural gas and electric options, or transitioned to run on diesel alternatives.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Corporate Equipment Management	Quantity	# of units in the fleet	1,840	1,813	1,782	1,730	1,695
	Quality	Average age of the fleet (years) - rolling stock only	6.95	6.93	6.73	7.14	7.10
		% of alternative fuel vehicles	7.87%	9.65%	10.19%	12.68%	11.89%
	Result	Fleet availability (% uptime)	94.9%	93.1%	93.1%	93.2%	93.1%
		Fleet GHG emissions	16,127	16,000	15,869	15,676	16,439
		% reduction in GHG emissions per year	4.20%	0.80%	0.82%	2.03%	-4.80%

### 2017 budget



Engineering Public Works makes up 6% of the 2017 Operating Budget

## Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
<b>Parking revenue</b>				
Parking permit fees	1,102	1,102	-	-
<b>Total Parking revenue</b>	<b>1,102</b>	<b>1,102</b>	<b>-</b>	<b>-</b>
<b>Cost recoveries, grants &amp; donations</b>				
Engineering recoveries	1,223	1,222	(1)	(0.1%)
<b>Total Cost recoveries, grants &amp; donations</b>	<b>1,223</b>	<b>1,222</b>	<b>(1)</b>	<b>(0.1%)</b>
<b>Other revenue</b>				
<b>Engineering revenue</b>				
Street Maintenance revenue	3,775	3,939	163	4.3%
Street Use revenue	921	1,920	999	108.4%
Parking Operations revenue	1,197	1,819	622	52.0%
Other Engineering revenue	247	512	265	107.5%
<b>Total Other revenue</b>	<b>6,140</b>	<b>8,189</b>	<b>2,050</b>	<b>33.4%</b>
<b>Total Revenues</b>	<b>\$ 8,465</b>	<b>\$ 10,513</b>	<b>\$ 2,048</b>	<b>24.2%</b>
<b>Expenditures &amp; Transfers</b>				
<b>Public Works</b>				
Street Maintenance	23,551	25,362	1,811	7.7%
Parking Operations	15,325	16,819	1,494	9.7%
Street Use	10,012	12,911	2,900	29.0%
Street Cleaning	9,999	9,251	(747)	(7.5%)
Street Lighting	6,509	6,524	15	0.2%
Transportation	3,077	3,213	136	4.4%
General Public Works	1,447	1,668	221	15.3%
Shared support services	7,751	8,485	735	9.5%
Transfers to / (from) reserves & other funds	1,474	489	(985)	(66.8%)
<b>Subtotal Public Works</b>	<b>79,144</b>	<b>84,723</b>	<b>5,579</b>	<b>7.0%</b>
<b>Department Services</b>				
Equipment Service Operations	(20,740)	(24,541)	(3,801)	18.3%
Equipment Management Group	996	914	(82)	(8.2%)
Construction Supplies & Services	(1,515)	(1,441)	74	(4.9%)
Operations Safety & Support	1,174	1,197	22	1.9%
Shared support services	240	169	(70)	(29.4%)
Transfers to / (from) reserves & other funds	20,778	24,406	3,628	17.5%
<b>Subtotal Department Services</b>	<b>933</b>	<b>704</b>	<b>(229)</b>	<b>(24.5%)</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 80,077</b>	<b>\$ 85,428</b>	<b>\$ 5,350</b>	<b>6.7%</b>
<b>Net Operating Budget</b>	<b>\$ (71,613)</b>	<b>\$ (74,914)</b>	<b>\$ (3,302)</b>	<b>4.6%</b>

Note: Totals may not add due to rounding

### Explanation of changes – revenues

Total revenues are expected to increase by \$2.0 million, primarily due to a Council-approved increase in Engineering Services fees (including temporary crossing fees and temporary special zones) to fully recover the costs associated with providing the related services. The City will also increase vehicle impound storage rates to align with similar fees charged by external parties.

### Explanation of changes – expenditures and transfers

In 2017, total expenditures and transfers are expected to increase by \$5.4 million. Significant changes include (1) contract and related costs for Mobi, the City's public bike share program, which is funded through reserves, (2) investments in street activities, filming and special events to support expanded programs, (3) increases in salaries and benefits due to both inflationary adjustments and updates to the allocation of staff time between operating and capital activities, and (4) increases in parking-related costs, including increased contribution to the meter replacement reserve, meter maintenance and enforcement. These increases are partially offset by shifting street leaf cleaning costs, formerly charged to street cleaning, to the Solid Waste utility since these services are almost exclusively provided in residential areas.

Expenditures and transfers for department services reflect the recovery of equipment costs across the City. The increase in these recoveries is largely due to the replacement of fire equipment and vehicles that have reached the end of their service lives, with new units going into service in 2016 and 2017. Equipment cost recoveries consist of capital repayment and are offset by contributions to a replacement reserve fund.

Budget increases are partially offset by overall efficiency gains throughout Public Works, such as equipment maintenance and fuel cost savings as the City converts to newer and more fuel efficient vehicles.

### Notable capital projects

The following table summarizes some of the noteworthy projects or programs that involve Public Works or that will either continue from prior years or begin in 2017. A complete list of all capital projects for 2017 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget <sup>3</sup>	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years <sup>2</sup>
Vehicle & Equipment Replacements/Additions <sup>1</sup>	N/A	10.8	18.8	20.3
Active Transportation Corridor (Upgrade and expand walking and cycling networks) <sup>1</sup>	N/A	7.3	17.4	11.0
Burrard Bridge Rehabilitation & Burrard Bridge Upgrades	35.0	15.7	17.7	0.0
Georgia and Dunsmuir Viaduct Removal	24.4	3.8	15.3	2.4
Seaside Greenway – South False Creek	15.4	1.9	13.6	-
City Road Paving <sup>1</sup>	N/A	7.9	9.6	9.3
Street Lighting Rehabilitation – Major Roads <sup>1</sup>	N/A	2.2	1.8	1.8

<sup>1</sup>Funding for programs approved on annual basis.

<sup>2</sup>Future years reflects final year of the current capital plan.

<sup>3</sup>Expenditure may not sum to total project budget due to rounding or prior years expenditure.

**Vehicle and equipment replacement** – This project involves replacing end-of-life equipment and vehicles used by the City, such as street cleaning equipment, construction equipment, fire and rescue vehicles, cube vans, step vans and dump trucks.

**Upgrade and expand walking and cycling networks** – Initiatives will involve expanding the walking, cycling and greenways network and improving existing facilities to further enhance safety and comfort. Area improvements will include the downtown core, 10th Avenue between Yukon Street and Oak Street, and the Powell Street Overpass. The 2017 Active Transportation program will focus on new and improved walking and cycling infrastructure, including Southwest Marine Drive cycling improvements and citywide cycling spot improvements.

**Burrard Bridge rehabilitation and upgrades** – The next phase of rehabilitation work will include replacing concrete handrails and widening the pedestrian sidewalks as well as implementing means-prevention (suicide) barriers and reintroducing heritage lighting. Additional improvements include enhanced safety at the Burrard/Pacific Street intersection (second-highest collision location in the city), upgraded traffic signals and bus passenger facilities, and improved pedestrian connections on the north side of the bridge.

**Georgia and Dunsmuir Viaducts Removal Project Phase 1** – The first phase of the Georgia and Dunsmuir Viaducts Removal will include detailed planning and design and the completing of required agreements to advance removal of the viaducts and development of the remaining Northeast False Creek lands for future parks and open spaces. Phase 1 is expected to cost \$24.4 million over three years (2016 to 2018).

**Seaside Greenway** – The City will complete final phase upgrades from Tatlow Park to Alma Street, widening sidewalks, relocating utilities, improving the public realm and separating the combined sewer along Point Grey Road between Balaclava and Alma Streets and along Alma Street between Point Grey Road and 4th Avenue.

**South False Creek** – This project involves area improvements that include widening pathways to create separation between pedestrians and cyclists, resurfacing pedestrian and cyclist paths with asphalt, relocating and protecting utilities in conflict, replacing and relocating street lights, and improving public realm and green infrastructure.

**City road paving** – This project involves rehabilitating the City’s arterial streets, where major capital restoration work is required to maintain street pavement quality and extend roadway service life.

**Street lighting rehabilitation on major roads** – The scope of this work includes replacing street lighting conduit, rusty poles, trolley poles, communications conduit and communications cables as well as identifying and remediating asbestos. The program’s aim is to ensure the existing street lighting system is upgraded and maintained at a safe and effective level.



## Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
<b>Parking revenue</b>					
Parking permit fees	952	952	952	1,102	1,102
<b>Total Parking revenue</b>	<b>952</b>	<b>952</b>	<b>952</b>	<b>1,102</b>	<b>1,102</b>
<b>Cost recoveries, grants &amp; donations</b>					
Engineering recoveries	1,206	1,206	1,225	1,223	1,222
<b>Total Cost recoveries, grants &amp; donations</b>	<b>1,206</b>	<b>1,206</b>	<b>1,225</b>	<b>1,223</b>	<b>1,222</b>
<b>Other revenue</b>					
<b>Engineering revenue</b>					
Street Maintenance revenue	3,382	3,382	3,775	3,775	3,939
Street Use revenue	1,120	1,120	921	921	1,920
Parking Operations revenue	961	961	961	1,197	1,819
Other Engineering revenue	154	154	247	247	512
<b>Total Other revenue</b>	<b>5,616</b>	<b>5,616</b>	<b>5,904</b>	<b>6,140</b>	<b>8,189</b>
<b>Total Revenues</b>	<b>\$ 7,775</b>	<b>\$ 7,775</b>	<b>\$ 8,081</b>	<b>\$ 8,465</b>	<b>\$ 10,513</b>
<b>Expenditures &amp; Transfers</b>					
<b>Public Works</b>					
Street Maintenance	23,657	23,657	23,162	23,551	25,362
Parking Operations	14,927	15,365	15,242	15,325	16,819
Street Use	8,909	9,677	10,041	10,012	12,911
Street Cleaning	7,004	7,288	7,319	9,999	9,251
Street Lighting	5,017	5,221	5,616	6,509	6,524
Transportation	3,271	3,224	3,182	3,077	3,213
General Public Works	2,972	2,060	1,915	1,447	1,668
Shared support services	114	119	5,820	7,751	8,485
Transfers to / (from) reserves & other funds	2,140	1,819	1,479	1,474	489
<b>Subtotal Public Works</b>	<b>68,012</b>	<b>68,429</b>	<b>73,775</b>	<b>79,144</b>	<b>84,723</b>
<b>Department Services</b>					
Equipment Service Operations	(18,627)	(19,313)	(17,756)	(20,740)	(24,541)
Equipment Management Group	1,105	938	904	996	914
Construction Supplies & Services	(1,652)	(1,497)	(1,518)	(1,515)	(1,441)
Operations Safety & Support	1,565	1,766	1,241	1,174	1,197
Shared support services	107	111	234	240	169
Transfers to / (from) reserves & other funds	20,467	21,098	19,312	20,778	24,406
<b>Subtotal Department Services</b>	<b>2,966</b>	<b>3,103</b>	<b>2,417</b>	<b>933</b>	<b>704</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 70,978</b>	<b>\$ 71,533</b>	<b>\$ 76,192</b>	<b>\$ 80,077</b>	<b>\$ 85,428</b>
<b>Net Operating Budget</b>	<b>\$ (63,203)</b>	<b>\$ (63,757)</b>	<b>\$ (68,112)</b>	<b>\$ (71,613)</b>	<b>\$ (74,914)</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 91.6</b>	<b>\$ 90.5</b>	<b>\$ 69.3</b>	<b>\$ 135.4</b>	<b>\$ 152.5</b>

Note: Totals may not add due to rounding

Public Works expenditures have increased since 2013, primarily due to inflationary increases in salaries, benefits and utility costs. Other increases include street cleaning initiatives to help reduce litter, addressing illegal dumping and abandoned waste, and ongoing investments that support transportation, social and economic goals such as the City's bike share program, street events filming and special event support. These investments have been partially offset by realizing efficiencies and realigning how services are delivered by the City.

Revenues have also increased since 2013, largely due to increased contributions from external parties, including developers, and as a result of cost recoveries for street repairs and other tasks performed by City crews. The City has also increased fees to more accurately reflect its costs.

### Employee trend tables

The following tables provide information on the employee trends for Engineering Public Works and for two of the larger Engineering Public Works divisions, Transportation and Streets.

Engineering Public Works	2012	2013	2014	2015	2016F
Regular Full-time Staff	1,034.0	1,023.0	1,000.0	980.2	951.8
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	1,128.4	1,129.9	1,085.5	1,073.1	1,061.5

\*excluding overtime

Engineering Transportation	2012	2013	2014	2015	2016F
Regular Full-time Staff	58.0	60.0	60.0	61.8	60.9
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	71.4	82.3	85.8	83.9	84.3

\*excluding overtime

Engineering Streets	2012	2013	2014	2015	2016F
Regular Full-time Staff	566.0	558.0	540.0	529.8	514.9
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	597.7	595.3	572.8	563.5	562.4

\*excluding overtime

Throughout 2016, there were temporary vacancies in the Streets division due to fluctuating requirements for outside workers and the timing of training.

## Planning, Urban Design and Sustainability

The department of Planning, Urban Design and Sustainability (PDS) addresses public policy issues related to land use, zoning, comprehensive urban design and strategic planning, and sustainability. In mid-2016, PDS was created by combining the Planning and Urban Design teams with the Sustainability Group, which formerly reported to the City Manager's Office. Permit issuance, inspection and building functions were reassigned to a new department of Development Services, Buildings and Licensing. PDS staff review development proposals (including initial enquiries and design review), administer the rezoning process and participate in development permit guidelines. The department responds to information requests, coordinates financing growth issues, assists more than 22 Business Improvement Areas and oversees heritage initiatives. The department also oversees the City's sustainability initiatives, including achievement of targets set out in the Greenest City Action Plan and the Renewable City Strategy.

PDS also assists with numerous Council-appointed committees, including the Heritage and Vancouver Planning Commissions. Departmental staff liaise with Metro Vancouver staff on planning and sustainability matters and support internal working groups for many City initiatives. Under the *Vancouver Charter*, the Director of Planning has broad authority for approving or recommending development approvals.

### Key services delivered

**Land use planning** – Providing advice and developing long-term land use plans, including regional, citywide and community plans, transportation plans, heritage strategies and related bylaws for Vancouver

**Zoning approval and regulation review** – Reviewing rezoning applications for compliance with City policies and zoning; coordinating and renewing bylaws and regulations requiring review and update based on corporate goals and initiatives

**Urban design** – Reviewing all development permit applications; managing the Urban Design Panel; advising on design issues as related to community plans or other policy initiatives

**Citywide planning and development data analysis** – Managing, analyzing and distributing data related to citywide trends, including census and development activity; administering and managing development-related benefits; supporting Business Improvement Areas

**Sustainability** – Supporting the City as a global leader in environmental sustainability, both in the community and through City operations; managing the Greenest City Scholar program in partnership with UBC; serving as the City's liaison with CityStudio, an innovation hub that works with post-secondary students

## Major accomplishments in 2016

Prior to the reorganization, the department focused on the final implementation phases of POSSE (an automated permit project tracking system), improvements to the permitting process as well as completing major planning initiatives such as the Grandview-Woodland Community Plan, West End Plan and Downtown Eastside Plan.

Major accomplishments for the new department include the following:

### Planning and Urban Design

- Launched a planning process for the former RCMP site on Heather Street, in partnership with Canada Lands Company, the federal government's property arm, and three First Nations. This is the first partnership venture of this group and could serve as a model for future work on the Jericho Lands in West Point Grey.
- Continued the planning process on Cambie Corridor Phase 3 area, which builds on the Cambie Corridor Plan adopted by Council in 2013
- Processed a record number of rezoning applications that were generated as the result of Council's adoption of three community plans
- Launched a renewed process for development of Oakridge Centre, which underwent rezoning in 2014. The process will consider a new proposal to address underground water issues and an evolving design for the development.
- Approved an inflationary increase program for Community Amenity Contributions, similar to the program used for Development Cost Levies
- Launched a project office for Northeast False Creek. The focus of the project office is the removal of the viaducts and the completion of a neighbourhood plan for the area. This project is a cooperative program with Engineering Services, the Vancouver Board of Parks and Recreation, and Real Estate and Facilities Management.
- Completed a station area plan for the Joyce-Collingwood SkyTrain station
- Completed the Grandview-Woodland Community Plan after a four-year process, which included the participation of the first Citizens' Assembly to be established by Council
- Implemented the first heritage conservation area in the city, First Shaughnessy Heritage Conservation Area
- Began a review of the Development Cost Levy program
- Implemented the revised Protection of Trees Bylaw adopted by Council earlier this year

### Sustainability

- Received Council approval for the Zero Emission Building Plan
- Received Council approval to create a Building Energy Retrofit Fund to support and expand programs around energy efficiency
- Expanded the rental building retrofit program (Green Landlord Program)

- Expanded the Green Demolition Bylaw to include pre-1950 homes as of 2017 and all homes as of 2018
- Removed policy barriers to the construction of highly insulated buildings to encourage more homes to build to the Passive House standard (a rigorous standard for ultra-low energy buildings)
- Supported the delivery of the GLOBE green business conference
- Delivered the Council ban on neonicotinoids (a harmful pesticide) within the city by amending the Health Bylaw
- Completed a detailed sea level rise flood risk assessment, including assessment of flood management options and presented the results to Council and Park Board
- Received Council approval for the Electric Vehicle Ecosystem Strategy
- Received Council approval for an updated version of the Greenest City Fund program

Additional project work and process improvements:

- Continued to refine the Permit and Licence Transformation Program for permits issued since 2014, while preparing for new initiatives
- Implemented regulations for licensing medical marijuana dispensaries
- Continued to review land use in the eastern core and South False Creek
- Continued to provide technical and planning support for major City issues, such as extending the SkyTrain Millennium Line along the Broadway Corridor to Arbutus Street on Vancouver's west side (commonly known as the Broadway Subway)
- Assisted clients with understanding and implementing changes in the revised 2014 Vancouver Building Bylaw, which came into effect on January 1, 2015
- Completed review of development-related fees, which have not been updated since 2008
- Implemented the three community plans adopted in 2014, which continued to stimulate development activity in the Marpole, Downtown Eastside and West End neighbourhoods
- Began review of large development sites, as directed by City Council, including the Oakridge Transit Centre (Bus Barns), Langara and other sites

## **Plans for 2017**

Following the reorganization in mid-2016 and the hiring of a new General Manager, two areas of focus in 2017 will be (1) organizational development and (2) assessing and developing a long-range planning work program. A key effort for 2017 will be the development of a five-year work program. Project work will focus on the following areas:

### **Planning and Urban Design**

- Lead a major review of zoning regulations as part of the commitment on regulation review
- Initiate the City Core 2050 Vision project

- Work with Canada Lands Company and First Nations on a planning/consultation process for the former RCMP site on Heather Street
- Implement a revised Sign Bylaw following an extensive review process and consultation with the sign industry
- Develop the scope for a land use review for the Broadway corridor as part of the planned Millennium Line Extension in subway to Arbutus Street
- Continue work in South False Creek and restructure long-standing leases held by the City in this area
- Complete a plan for Cambie Corridor Phase 3 area
- Complete the Heritage Action Plan and the Character House Review as directed by Council
- Complete a review of Development Cost levies with the assistance of Vancouver Board of Parks and Recreation, Engineering Services and other departments
- Launch a review of policies for the Downtown business district
- Complete the False Creek Flats Plan, as this is one of the premier job-generating areas in the city
- Complete the Northeast False Creek neighbourhood plan and the removal of the viaducts
- Initiate a public engagement process for False Creek South if the negotiation process centred on the land leases in this area can be settled

### **Sustainability**

- Develop an implementation plan for the Renewable City Strategy for Council approval
- Update retrofit requirement options in Vancouver's Building Bylaw to further reduce energy use and greenhouse gas (GHG) emissions
- Develop annual energy benchmarking and reporting for large residential and commercial buildings
- Restructure the City's Green Building Rezoning Policy to specifically target GHG reductions and introduce emission targets for new buildings
- Update the minimum energy efficiency requirements for new buildings in the Vancouver Building Bylaw
- Implement the short-term actions under the Sea Level Rise Adaptation program
- Establish a new Zero Emissions Building Centre of Excellence
- Pursue the opportunity to make GHG reduction outcomes mandatory for all larger buildings in Vancouver
- Ensure that at least two permanent air quality stations are within city limits and work with Metro Vancouver to ensure air quality data and information is available for sources and locations across the city
- Implement the next phase of Greenest City Fund Grants

- Complete the five-year update for the Climate Adaptation Strategy

### Looking ahead, 2018–2021

In 2018 and beyond, Planning, Urban Design and Sustainability will focus on long-term plans defined in the five-year work program. Additionally, project work in areas such as the Jericho Lands and other large sites currently owned by other levels of government and First Nations will begin. Project work will focus on:

#### Planning and Urban Design

- Continue work on the City Core 2050 Vision
- Initiate the Broadway Corridor Plan in preparation for the Millennium Line Extension of the SkyTrain system along Broadway Avenue
- Initiate planning for Jericho Lands and other First Nations' sites in partnership with Canada Lands Company and three First Nations
- Continue regulation review in support of regulation modernization, subject to the completion of the zoning review
- Complete the Oakridge Centre Plan, dependent on the developer's final design and Community Benefit package
- Improve and update Development Cost Levies and Community Amenity Contributions policy

#### Sustainability

- Implement priority actions from the Renewable City Strategy
- Implement priority actions from the Greenest City Action Plan
- Determine the next phase of Greenest City Action Plan, beyond 2020
- Revise the Climate Change Adaptation Strategy per the five-year review cycle and continue action implementation
- Continue to oversee Vancouver's Green Operations Program
- Continue to learn about and promote GHG reduction, renewable energy, and climate mitigation and resilience best practices through contact with international climate networks

### Department service metrics

#### Zoning approval

The number of applications received and brought to public hearing has remained relatively stable for a number of years; however, in 2015 the number increased about 13%. Rezoning applications have become more complex as they address various issues, including sustainability, Greenest City Action Plan initiatives, affordable housing, accessibility and sometimes heritage value. This results in more detailed applications and longer processing times than in the past.

In 2015, the city experienced an increase in new commercial square footage being created – especially in job-generating space, which reflects the strength of Vancouver’s economy and its reputation as one of the world’s most livable cities.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Zoning Approval	Quantity	# of rezoning applications at hearing	32	40	39	44	44
		# of rezoning applications received	34	36	33	61	50
	Quality	Average processing time for rezonings: major (months)	15.0	13.6	8.2	9.6	10.3
		Average processing time for rezonings: minor (months)	5.0	6.1	4.7	3.5	5.1

### Land Use Planning

The City is committed to engaging the public in decision-making; attendance at public consultation events has fluctuated over the years but remains strong.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Land Use Planning	Quantity	# of attendees at public consultation events	12,964	13,370	7,613	12,600	10,000
		Policy initiatives underway approved by City Council	9	9	10	11	5

### Sustainability Group

The Sustainability Group’s metrics are primarily based on the targets set in the Greenest City Action Plan and the Green Operations Plan. The group’s metrics are tracked on an ongoing basis, and annual updates are provided to Council. In general, the City is on track to achieve most of the Greenest City Action Plan targets by 2020, and progress will be made on all 10 Greenest City goals.

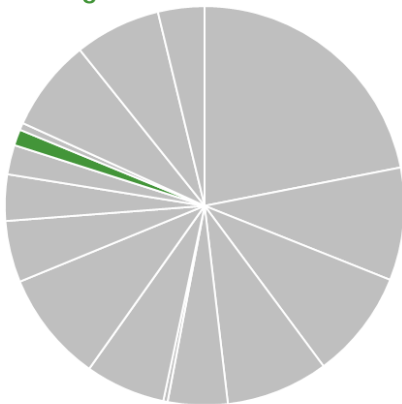


Dept	Service	Metric Type	CoV Metric	2012	2013	2014	2015	2016F
Greenest City Action Plan: Climate Leadership Goal								
Engineering	Neighbourhood Energy Utility	Result	GHG reductions (tonnes CO <sub>2</sub> equivalents) from all neighbourhood energy systems in Vancouver	2,407	2,529	2,866	2,436	3,218
	Transfers and Landfill	Quality	% of landfill gas collected	52%	60%	65%	71%	75%
PDS	Sustainability	Result	Total tonnes of community CO <sub>2</sub> e emissions from Vancouver *	2,685,000	2,580,000	2,550,000	2,410,000	NDA
Greenest City Action Plan: Green Building Goal								
PDS	Sustainability	Result	Tonnes of CO <sub>2</sub> e from all residential and commercial buildings in Vancouver *	1,545,000	1,490,000	1,465,000	1,295,000	NDA
Greenest City Action Plan: Green Transportation Goal								
Engineering	Transportation and Planning	Quantity	Mode split (walk, bike, transit, private vehicle) (collected by TransLink)	NDA	48%	50%	50%	50%
Greenest City Action Plan: Zero Waste Goal								
Engineering	Solid Waste Utility	Result	Community: All annual solid waste disposed to landfill or incinerator from Vancouver (tonnes)	428,400	423,600	394,600	370,000	NDA
Greenest City Action Plan: Access to Nature Goal								
Parks	Parks and Natural Areas	Quantity	% of city's land base within a 5-min. walk to a green space	92.6%	92.7%	92.7%	92.7%	92.7%
		Quantity	Total number of trees planted per year	5,290	11,011	11,960	13,573	22,331
		Quality	% of canopy cover of city land base	17.0%	17.8%	18.0%	18.1%	18.2%
Greenest City Action Plan: Clean Water Goal								
Engineering	Waterworks Utility	Quality	% of samples with turbidity within Health Canada acceptable range	98.7%	98.6%	99.4%	98.7%	99.0%
		Result	Water consumed per capita (litres) - Total	491	471	490	493	483
Greenest City Action Plan: Clean Air Goal								
PDS	Sustainability	Result	Total # of exceedances of air quality standards for ozone, particulate matter (PM 2.5), nitrogen dioxide, and sulfur dioxide from both the Kitsilano and Downtown stations combined.	16	0	0	3	0
Greenest City Action Plan: Local Food Goal								
Community Services	Food Policy	Result	Cumulative # of new community garden plots since baseline year	4,021	4,166	4,398	4,450	4,547
		Result	Total # of farmers markets	10	11	11	13	13
		Result	Total # of neighbourhood food networks	11	10	10	10	10

Dept	Service	Metric Type	CoV Metric	2012	2013	2014	2015	2016F
<b>Greenest City Action Plan: Green Economy Goal</b>								
Vancouver Economic Commission		Result	Total # of green jobs	18,715	19,929	20,447	20,980	21,527
<b>Corporate Green Operations Plan</b>								
PDS	Sustainability	Result	Total tonnes of CO <sub>2</sub> e emissions from City of Vancouver municipal operations *	350,000	285,000	265,000	250,000	NDA
Engineering	Equipment Services	Result	Total tonnes of City of Vancouver fleet CO <sub>2</sub> e emissions	16,127	16,000	15,869	15,676	16,439
Real Estate and Facilities Management	Facilities Design and Management	Result	Total GHG emissions from City-used buildings (tonnes)	20,757	18,577	16,929	15,625	15,250
Real Estate and Facilities Management	Facilities Design and Management	Result	Average % waste diversion rate in City-used buildings with the implemented Zero Waste program		65.8%	75.7%	75.6%	77.0%
<b>Sustainability Group Specific</b>								
PDS	Sustainability	Quality	\$ leveraged per \$ budget received	\$1.16	\$1.20	\$0.72	\$0.90	\$0.66

\*Historical figures have been updated where possible

## 2017 budget



Planning, Urban Design & Sustainability makes up 1% of the 2017 Operating Budget

## Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
Cost recoveries, grants & donations				
Sustainability recoveries	1,050	1,050	-	-
<b>Total Cost recoveries, grants &amp; donations</b>	<b>1,050</b>	<b>1,050</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 1,050</b>	<b>\$ 1,050</b>	<b>-</b>	<b>-</b>
<b>Expenditures &amp; Transfers</b>				
Planning, Urban Design & Sustainability				
Planning	10,621	11,741	1,120	10.5%
Sustainability	4,496	5,221	725	16.1%
General	715	901	186	26.0%
Shared support services	421	440	18	4.4%
Transfers to / (from) reserves & other funds	(1,152)	(1,152)	(0)	0.0%
<b>Total Planning, Urban Design &amp; Sustainability</b>	<b>15,101</b>	<b>17,151</b>	<b>2,050</b>	<b>13.6%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 15,101</b>	<b>\$ 17,151</b>	<b>\$ 2,050</b>	<b>13.6%</b>
<b>Net Operating Budget</b>	<b>\$ (14,051)</b>	<b>\$ (16,101)</b>	<b>\$ (2,050)</b>	<b>14.6%</b>

Note: Totals may not add due to rounding

### Explanation of changes – revenues

Revenues for PDS come from the Climate Action Revenue Incentive Program. The revenues provide funding for Sustainability Initiatives.

From 2016 to 2017 there is no change in budgeted revenue.

### Explanation of changes – expenditures and transfers

Changes in the department's operating budget are investments of \$0.7 million to complete a regulatory review, \$0.7 million to support staff working on zero emission projects and \$0.4 million for staff to work on the new tree bylaw regulations. The remainder of the increase relates to additional costs for increased public consultation.

### Notable capital projects

The following table summarizes some of the noteworthy projects involving PDS in 2017. A complete list of all capital projects for 2017 is included in the Council Report appendices.

Project Name (\$ millions)	Total Project Budget <sup>4</sup>	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years <sup>3</sup>
Downtown Eastside Revitalization <sup>1</sup>	7.2	2.0	3.5	0.1
Climate Change Adaptation Strategy <sup>2</sup>	N/A	-	0.2	-

<sup>1</sup>Includes grants for Downtown Eastside Revitalization that are managed by Planning & Development Services Department.

<sup>2</sup>Includes completed phase for Online Services Implementation.

<sup>3</sup>For Programs, reflects forecast amounts for remaining year (2018) of the 4-year Capital Plan.

<sup>4</sup>Expenditure may not sum to total project budget due to rounding or prior years expenditure.

**Downtown Eastside Revitalization** — The Downtown Eastside (DTES) Plan approved in 2015 sets out aggressive social, economic and housing targets for the neighbourhood. The plan includes a prescription for quick-start, short-term actions that can be achieved in under five years. These will be implemented through strategic capital investments, including the DTES Capital Grant Program and the Chinese Society Buildings Matching Grants. In 2017, the department will continue to support the various partners to conclude the projects started in 2016.

**Climate Change Adaptation Strategy** — The Climate Change Adaptation Strategy (CCAS) approved in 2012 focuses on ensuring that Vancouver remains a liveable and resilient city in the face of climate change, through increasing the resilience of community infrastructure, programs and services to anticipated local climate change impacts. In 2017, Sustainability will implement short-term actions under the Sea Level Rise Adaptation program.

## Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
Cost recoveries, grants & donations					
Sustainability recoveries	2,186	1,800	1,150	1,050	1,050
<b>Total Cost recoveries, grants &amp; donations</b>	<b>2,186</b>	<b>1,800</b>	<b>1,150</b>	<b>1,050</b>	<b>1,050</b>
Other revenue					
Other department revenue	-	5	5	-	-
<b>Total Other revenue</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 2,186</b>	<b>\$ 1,805</b>	<b>\$ 1,155</b>	<b>\$ 1,050</b>	<b>\$ 1,050</b>
<b>Expenditures &amp; Transfers</b>					
Planning, Urban Design & Sustainability					
Planning	8,678	9,831	10,151	10,621	11,741
Sustainability	4,513	3,696	3,830	4,496	5,221
General	-	981	987	715	901
Shared support services	-	-	858	421	440
Transfers to / (from) reserves & other funds	(281)	2	(429)	(1,152)	(1,152)
<b>Total Planning, Urban Design &amp; Sustainability</b>	<b>12,910</b>	<b>14,510</b>	<b>15,398</b>	<b>15,101</b>	<b>17,151</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 12,910</b>	<b>\$ 14,510</b>	<b>\$ 15,398</b>	<b>\$ 15,101</b>	<b>\$ 17,151</b>
<b>Net Operating Budget</b>	<b>\$ (10,724)</b>	<b>\$ (12,705)</b>	<b>\$ (14,243)</b>	<b>\$ (14,051)</b>	<b>\$ (16,101)</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 0.6</b>	<b>\$ 7.7</b>	<b>\$ 3.3</b>	<b>\$ 3.0</b>	<b>\$ 4.2</b>

Note: Totals may not add due to rounding

Revenues in PDS remain stable year-over-year.

The department has seen annual growth in expenditures that reflect collective bargaining wage and benefits increases as well as investments associated with undertaking a new zero emissions program and undertaking a regulation review.

## Employee trend table

Planning, Urban Design & Sustainability	2012	2013	2014	2015	2016F
Regular Full-time Staff	287.0	282.0	284.0	279.2	106.3
All Staff (including Part-time, Temporary and Auxiliary)	294.1	295.7	299.9	300.2	120.3
Full-time Equivalents*					

Note: In 2016, the former Planning & Development Department was reorganized into two new departments: the Development, Building & Licensing (DBL) Department and the Planning, Urban Design & Sustainability Department. The employee numbers for the years 2012 to 2015 are the total for the former Planning & Development Department. In 2016, the Sustainability division previously recorded under the City Manager's Office (Corporate Support) has been transferred to be included under the Planning, Urban Design & Sustainability Department. The numbers for 2016 onward represent just those of the Planning, Urban Design & Sustainability Department.

\*excluding overtime

## Development, Buildings and Licensing

Development, Buildings and Licensing (DBL) enables the development of vibrant communities, ensures the quality and safety of buildings, and strategically leverages the use of permits, licences and enforcement to advance Council priorities.

DBL steers policies and services to shape how people build, work and live in Vancouver. The department supports the full lifecycle of buildings in the city: supporting rezonings, overseeing development and building permits, ensuring safe construction and occupancy, and monitoring health and quality of properties to protect the quality of life for residents and communities. DBL also shapes business and licensing policies, leading efforts to establish new approaches to emerging services like short-term rentals and ride-sharing. DBL supports all licensing in the city, ensuring that businesses and individuals are equipped to operate safely and effectively within the City's bylaws.

Development, Buildings and Licensing engages with a diverse group of customers and stakeholders, including developers, architects, small and large business owners and residents. The department manages the City's largest public services centre, which served more than 57,000 customers in 2016 through walk-in services and more than 50,500 calls. DBL issued approximately 5,500 development and building permits and approximately 50,000 business licences. DBL served citizens through responding to more than 240,000 3-1-1 calls, which represents about 20% of all calls to the City.

DBL is a new department formed in mid-2016 by merging a number of divisions previously located in the departments of Community Services and what was formerly called Planning, Development and Buildings. The new department includes three divisions: (1) Development Services, (2) Buildings, and (3) Licensing and Inspections. The department includes the Chief Building Official, responsible for the Vancouver Building Bylaw, as well as the Chief Licensing Inspector. The department works closely with Planning, Urban Design and Sustainability, Engineering Services, Housing, and the Vancouver Affordable Housing Agency in delivering key services and supporting City policies and regulations.

### Key services delivered

**Development approval** – Reviewing and approving development designs for compliance with City policies, Vancouver Building Bylaw, Zoning and other regulations and bylaws

**Development customer service** – Providing direct customer support for general public inquiries; processing development and building permits

**Business services and licensing** – Working with small and large businesses through the commercial renovation centre to help businesses plan development, obtain City-required licences and operate effectively in neighbourhoods across the city

**Building and property inspections and enforcement** – Inspecting buildings and trades for compliance and safety; enforcing property use regulations to ensure quality of buildings and residences

**Animal services** — Administering the sale of dog licences; managing the Animal Control Bylaw to deal with stray and aggressive dogs; operating the City's animal shelter

**Policy and regulation review and support** — Evaluating and supporting policies and regulations to achieve corporate and Council goals, including Vancouver Building Bylaw, property use and maintenance bylaws (including Standards of Maintenance and Zoning and Development Bylaws), licence bylaws, ticketing bylaws and other municipal bylaws

## **Major accomplishments in 2016**

### **Development and building permit improvements**

With the rapid increase in the real estate market over the past few years, development activity has grown rapidly, and the associated volume of permits has increased significantly. In response, the City has made critical investments to reduce the time needed to process and issue permits and improve the overall customer experience. Key accomplishments include the following:

- Established a new appointment system to improve customer service, reduce cancellations and speed up the process
- Created a mobile app to notify customers of their status in the Development and Building Services Centre queue
- Implemented a new online permit application system that supports online submissions and increases the efficiency of the permit process
- Implemented performance metrics to better track and manage service delivery times and customer expectations

### **Major development projects**

- Encouraged new development projects with new development bylaws for First Shaughnessy Heritage Conservation Area, West End, Marpole and the Downtown Eastside
- Implemented bonus density rollout for Norquay Village and Marpole neighbourhoods
- Implemented the key policies from Vancouver's Housing and Homelessness Strategy

### **New small business services**

- Launched new small business commercial renovation centre to provide direct support to small business owners; helped evaluate business plans, helped form development strategies and provided support throughout the development, permitting, occupancy and licensing processes

### **Emerging business policies and licensing**

- Conducted research, outreach and analysis to propose a legal approach for short-term rentals. This approach will increase the availability of long-term rental stock by permitting homeowners and renters to rent out their primary residences and will help support tourism and local economic development.
- Conducted research, outreach and analysis to evaluate liquor policies

- Implemented the medical marijuana-related business licensing program

#### Professional capacity building

- Enhanced the Certified Professional (CP) Program by collaborating with two professional organizations, Architectural Institute of BC (AIBC) and Association of Professional Engineers and Geoscientists of BC (APEGBC), to expand courses and availability across the province
- Collaborated with the British Columbia Institute of Technology (BCIT) to develop and instruct the Vancouver Building Bylaw course to help the industry and students better understand the specifics of the City's building bylaws

#### Animal Services

- Collaborated with the Park Board to support engagement and strategy development for the People, Parks and Dogs Strategy
- Found permanent homes for more than 100 animals
- Launched a Vancouver Animal Services app via VanConnect
- Increased enforcement of the Animal Control Bylaw in higher-risk neighbourhoods.

### Plans for 2017

#### Development and building permit improvements

DBL will build on the progress made in 2016 to reduce permitting times and aims to transform development and building services by completing the following:

- Streamline outright permit process for development
- Prioritize critical development needs, namely housing
- Optimize online content delivery and service improvements, including capacity for online plan submissions
- Implement improved performance targets and metrics

#### New business policies and strategies

The coming year presents many opportunities to shape emerging business models and to transform how the City operates and supports business and communities. DBL will develop and propose new policies and programs in the following areas:

- *Short-term rentals* – Propose and implement a balanced approach to legalizing some short-term rentals while also protecting the long-term rental stock
- *Taxis and ride-sharing* – Upon direction from the provincial government, and in consultation with key stakeholders, DBL will review and update taxi and ride-share policies.
- *Liquor policies* – Propose a strategy and series of supporting policy proposals to revise citywide liquor policies
- *Marijuana policies* – Upon determination of federal marijuana policies, and in consultation with key stakeholders, DBL will review and update the City's policies and business licensing for medical marijuana-related use (MMRU) businesses.



### **Business services and licensing**

The City will focus on expanding and integrating services to support small businesses across Vancouver. To support this, DBL will:

- Expand services provided through the commercial renovation centre
- Integrate small business services to improve customer experience
- Simplify business licence categories and implement an online licensing system

### **Building resilience and sustainability**

DBL will support larger citywide resilience and sustainability initiatives through 2017 and will specifically:

- Evaluate the building stock of the City to understand its risk profile
- Champion a citywide initiative to evaluate regulatory and programmatic approaches to address seismic retrofits
- Support efforts to evaluate and design progressive ways to adapt the built environment to sea level rise
- Continue to evaluate and implement sustainability measures into the Vancouver Building Bylaw to support Vancouver's ambitious climate change and Greenest City goals

### **Proactive preservation and enforcement**

DBL will champion efforts to review and improve inspection and enforcement functions across the city in order to more proactively address at-risk buildings, coordinate activities and services with troubled Single Room Occupancy (SRO) buildings, and strengthen and connect enforcement activities as part of a continuum of interventions to improve at-risk buildings. Key efforts will include:

- Develop an SRO and at-risk building enforcement strategy
- Launch a proactive enforcement initiative, diversifying enforcement tools and better linking to capital, social or other services to improve quality and preserve affordability in the private building stock

### **Animal Services**

DBL will review and improve Animal Services by completing the following:

- Align the Animal Control Bylaw enforcement with People, Parks and Dogs Strategy
- Create an animal management service delivery strategy
- Update the division's performance targets and measures

### **Looking ahead, 2018-2021**

Over the next five years, DBL will focus on producing strategies and policies to shape Vancouver over the next 30 years while expanding partnerships, improving service outcomes

and transforming service delivery and operations in the near term. Focus in the next few years will include the following:

- Partner with Housing, Vancouver Affordable Housing Agency, Planning, and many other partners outside of municipal government to develop and implement a housing strategy that creates and preserves quality housing across the city
- Partner with PDS to review and overhaul regulations and policies that shape and define communities and buildings
- Establish new models for working collaboratively on service delivery and community outcomes with First Nations, non-profits, community groups, advocates, building owners, developers, small businesses, universities, residents and others
- Support citywide initiatives to ensure Vancouver meets its Greenest City goals
- Support the development and implementation of interdisciplinary citywide resilience-building initiatives
- Champion businesses and innovation in small and local business services
- Implement process and technology improvements to achieve best-in-class development and building services
- Pursue best practices, new regulations and policies to strengthen inspections and enforcement
- Improve the quality and safety of buildings and livability across the city

## Department service metrics

### Development approval

Walk-ins to the Enquiry Centre are slightly fewer than projected, but this metric has been trending downward since 2013 as applicants shift to online channels.

Major projects are down by half and processing times for this work stream are on track.

Trades permits issued are down from 2015, and this was trending in Q1, Q2 and Q3. Length of time to permit issuance for outright one- and two-family homes is up due to delays in landscape review. As process improvements are introduced in Q1 of 2017, it is expected these times will be reduced.

Average wait time at the Enquiry Centre is up significantly due to a new software rollout in May 2016. Unfamiliarity with software, new regulations, and permit intake process changes added to wait times. Average wait time in the Phone Centre is up as resources were reallocated to support walk-in customers.

The City continues its efforts to promote online renewals, along with implementing a new software platform allowing businesses to apply for and renew licences online – part of the City's Permit and Licence Transformation Program. The goal is to increase online transactions and simplify processes. These changes will help reduce the resources required to process applications manually.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Development Approval	Quantity	# of Enquiry Centre walk-in customers	26,120	26,512	18,323	15,923	14,668
		# of major projects heard via Development Permit Board	18	17	20	29	15
		# of trades permit issuances	24,251	25,025	23,658	25,045	23,451
		Sq. ft. development approved at building permit: non-residential	1,910,345	1,598,744	1,752,886	1,823,857	1,200,000
		Sq. ft. development approved at building permit: residential	7,250,792	6,302,870	6,247,499	8,977,027	7,000,000
		Total # of development, building & DB (combined) permit applications received	7,810	7,524	8,711	8,105	7,848
	Quality	Average length of time for permit issuance: outright 1- & 2-family dwellings (weeks)	6.6	6.4	11.3	23.8	29.3
		Average wait time: Enquiry Centre (min)	35	39	42	49	113
		Average wait time: Phone Centre (min:sec)	2:29	1:49	2:15	3:26	4:28

### Business licensing

Numbers of business licences remain steady, with small increases forecasted for 2016 and 2017. The 2017 forecast may change if major policies are implemented (e.g., new marijuana regulations or short-term rental regulations).

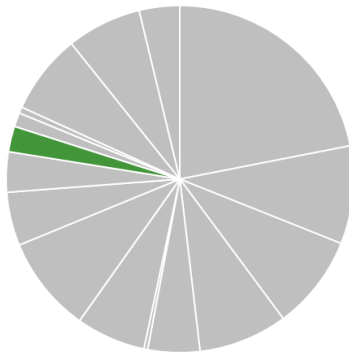
Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Business Licensing	Quantity	% of business licence renewals issued online	39.6%	43.0%	46.0%	58.0%	58.0%
		# of business licences issued (excluding vehicle for hire)	51,889	50,638	49,371	48,911	49,000

## Animal Services

Animal Services is responsible for maximizing licensing and identification of dogs, minimizing nuisance dog behaviour in the city (such as barking) and encouraging responsible pet ownership. Licensing is currently growing at an average rate of 5%-6% per year.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Animal Services	Quantity	# of dog licences issued and paid for	19,775	20,300	23,500	20,244	25,000
		% of dog licences issued online	61.0%	73.5%	77.0%	79.0%	85.0%
		Tickets issued by Animal Control	324	190	100	47	32
	Result	Reported dog bites on people and animals	237	313	255	208	205

## 2017 budget



Development, Buildings & Licensing  
makes up 2% of the 2017 Operating  
Budget

### Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Cost recoveries, grants &amp; donations</b>				
Other department recoveries	268	268	-	-
<b>Total Cost recoveries, grants &amp; donations</b>	<b>268</b>	<b>268</b>	<b>-</b>	<b>-</b>
<b>Other revenue</b>				
Other department revenue	6	6	-	-
<b>Total Other revenue</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 274</b>	<b>\$ 274</b>	<b>-</b>	<b>-</b>
<b>Expenditures &amp; Transfers</b>				
<b>Development, Buildings &amp; Licensing</b>				
Inspections	10,414	10,591	177	1.7%
Development Services	9,403	10,236	833	8.9%
Licensing	3,495	3,618	123	3.5%
Property Use Inspection	2,477	2,478	1	0.0%
General & Projects	1,399	2,311	912	65.2%
Shared support services	2,265	2,265	(0)	(0)
Transfers to / (from) reserves & other funds	14	14	0	0.0%
<b>Total Development, Buildings &amp; Licensing</b>	<b>29,466</b>	<b>31,513</b>	<b>2,046</b>	<b>6.9%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 29,466</b>	<b>\$ 31,513</b>	<b>\$ 2,046</b>	<b>6.9%</b>
<b>Net Operating Budget</b>	<b>\$ (29,192)</b>	<b>\$ (31,238)</b>	<b>\$ (2,046)</b>	<b>7.0%</b>

Note: Totals may not add due to rounding

### Explanation of changes – revenues

Revenues for Development, Buildings and Licensing come from two sources: (1) overtime revenue (a cost recovery fee) paid by developers wanting applications processed beyond normal working hours and (2) cost recoveries associated with unity premises due to graffiti, vandalism and other factors or circumstances. Property owners are responsible for the costs associated with keeping premises tidy. The City does not fine the property owner, but if the owner fails to respond to a notification, the City has the right to clean up the premises and recover the costs.

### Explanation of changes – expenditures and transfers

Changes in the department's operating budget are largely the result of new resources to assist with improving service delivery and addressing wait times. As a greater volume of customers move to online processing, this causes increases in bank service fees. In addition, staff have been added to support new policy initiatives (e.g., medical marijuana, short-term rentals).

## Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Cost recoveries, grants &amp; donations</b>					
Other department recoveries	163	163	163	268	268
<b>Total Cost recoveries, grants &amp; donations</b>	<b>163</b>	<b>163</b>	<b>163</b>	<b>268</b>	<b>268</b>
<b>Other revenue</b>					
Other department revenue	1	1	1	6	6
<b>Total Other revenue</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>6</b>
<b>Total Revenues</b>	<b>\$ 164</b>	<b>\$ 164</b>	<b>\$ 164</b>	<b>\$ 274</b>	<b>\$ 274</b>
<b>Expenditures &amp; Transfers</b>					
<b>Development, Buildings &amp; Licensing</b>					
Inspections	-	-	7,521	10,414	10,591
Development Services	8,744	8,009	11,268	9,403	10,236
Licensing	3,059	3,210	3,272	3,495	3,618
Property Use Inspection	2,781	2,859	2,824	2,477	2,478
General & Projects	-	-	-	1,399	2,311
Shared support services	-	-	-	2,265	2,265
Transfers to / (from) reserves & other funds	(150)	(70)	(70)	14	14
<b>Total Development, Buildings &amp; Licensing</b>	<b>14,554</b>	<b>14,128</b>	<b>24,915</b>	<b>29,466</b>	<b>31,513</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 14,554</b>	<b>\$ 14,128</b>	<b>\$ 24,915</b>	<b>\$ 29,466</b>	<b>\$ 31,513</b>
<b>Net Operating Budget</b>	<b>\$ (14,390)</b>	<b>\$ (13,964)</b>	<b>\$ (24,751)</b>	<b>\$ (29,192)</b>	<b>\$ (31,238)</b>
<b>Capital Budget (\$ million)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note: Totals may not add due to rounding

Revenues in Development, Buildings and Licensing remain stable year-over-year.

The department has experienced annual growth in expenditures that reflect collective bargaining wage and benefits increases as well as investments associated with new policy initiatives, addressing application processing times, and backlogs relating to increased development activity.

## Employee trend table

Development, Buildings & Licensing (DBL)	2012	2013	2014	2015	2016F
Regular Full-time Staff	287.0	282.0	284.0	279.2	270.6
All Staff (including Part-time, Temporary and Auxiliary)	294.1	295.7	299.9	300.2	284.4
Full-time Equivalents*					

Note: In 2016, the former Planning & Development Department was reorganized into two new departments: the Development, Buildings & Licensing (DBL) Department and the Planning, Urban Design & Sustainability (PDS) Department. The employee numbers for the years 2012 to 2015 are the total for the former Planning & Development Department. The numbers for 2016 onward represent just those of the Development, Buildings & Licensing (DBL) Department.

\*excluding overtime

## Community Services

Community Services focuses on how people live and interact to create a healthy city for all, where everyone has a home and access to basic needs, nutritious food, services they require, and opportunities to contribute and feel a sense of belonging.

Community Services uses a range of integrated and innovative approaches to engage partners and collaborate across City departments and with external stakeholders to provide services that:

- Enable the building of affordable housing, childcare spaces and vibrant cultural spaces to balance services and needs across neighbourhoods
- Leverage funds and programs through grants supporting non-profit sector organizations and the City in operating the Carnegie and Gathering Place community centres, and the Evelyn Saller Centre to serve Vancouver's most vulnerable residents

Community Services is driven by (1) changing demographics in the community, (2) policy decisions and funding trends of other orders of government, (3) evolving opportunities for partnerships with private foundations and non-profit sectors, (4) the volatility of local and global economies (especially in relation to people with low incomes and rising costs of living, including basic needs like costs of nutritious food and adequate, affordable housing), and (5) demands for a range of services for residents, including accessible and affordable childcare for families, and mental health and addictions supports for those struggling with serious illness.

Key service areas are:

- Social Policy and Projects
- Cultural Services
- Vancouver Civic Theatres
- Housing Policy and Projects
- Housing Operations
- Services for the homeless
- Mountain View Cemetery

## Social Policy and Projects

Social Policy and Projects leads the Healthy City Strategy, the City's long-term plan for social sustainability and well-being for all Vancouver residents. This strategy includes 13 aspirational, 10-year goals and targets the City can only achieve with its partners. Success depends on all City departments, senior governments and a wide range of stakeholders and residents working toward these goals and targets to create a "Healthy City for All." Implementation is guided through a 30-member Healthy City for All Leadership Table with representation across sectors, an interdepartmental staff team and a Memorandum of Understanding with the City's key partner – Vancouver Coastal Health.

### Key services delivered

**Social Policy and Projects** – Leading the implementation of the Healthy City Strategy; identifying social trends; developing policy; planning and creating social facilities, including childcare and social services; allocating social grants

### Major accomplishments in 2016

In 2016, the City continued implementing actions of the Health City Strategy and other key initiatives.

- Following Council's approval of the 2015-2018 Healthy City Strategy Action Plan and 19 associated actions, five goal areas and related actions were prioritized as initial focus areas. These include (1) Healthy Human Services, (2) Making Ends Meet and Working Well, (3) Cultivating Connections, (4) Being and Feeling Safe and Included, and (5) Collaborative Leadership.
- Council approved up to \$1 million through the City's Innovation Fund toward an innovative mental health and addictions hub that will provide wraparound assistance with housing, services and recovery for people who have serious mental health and addictions problems. Partners include Providence Health Care, Vancouver Coastal Health and the Vancouver Police Foundation.
- Through the Innovation Fund, Council approved:
  - Two-year staff positions (three staff) to create the Downtown Eastside Community Economic Development Plan (as directed by Council in 2014), and to implement the Mayor's Task Force on Mental Health and Addictions
  - The hire of a planner focused on Aboriginal relations to provide an Aboriginal lens on policy and practice in the Community Services department, and to support priority initiatives aligned with the Truth and Reconciliation Commission of Canada.
- Committed or have under development 723 new childcare spaces (72% of the 2015-2018 target of 1,000 spaces) and expansion of Vancouver School Board food program for children in low-income families (the City covered costs for 258 students)
- Completed the Vancouver Immigration Partnership strategy, approved the Access to City Services Without Fear Policy, and hosted and delivered the refugee forum
- Focused on the Community Economic Development Strategy as part of the Downtown Eastside Local Area Plan Implementation by supporting legal vending opportunities, relocating the Pigeon Park Market to 501 Powell Street, and securing space at The Lux site on East Hastings Street for a low-barrier employment hub
- Supported the parq Vancouver development to undertake a social procurement strategy as part of a Community Benefits Agreement to emphasize purchasing from DTES social enterprise, local businesses, and employment of residents with barriers in construction and post-occupancy phases
- Adopted Zoning and Development Bylaw and Licence Bylaw changes to further enable urban farming in the city, including 4,547 total community gardens (83% of the 2020 target) and 13 farmers' markets as per the Vancouver Food Strategy



- Provided input into well-being chapters and public benefits strategies of plans for Grandview-Woodland Community, the new St. Paul's Hospital, Southeast False Creek, Cambie Corridor and False Creek Flats
- Commenced social infrastructure priorities plan
- Managed more than 20 social facilities at varying stages of development, negotiation and Council approval. Of these, seven non-profits moved into City-owned space in 2016: (1) Immigrant Services Society of BC Welcome Centre, (2) EMBERS at Woodward's, (3) St. James Community Place, (4) one in Marpole Place, (5) Positive Living Society, (6) AIDS Vancouver, and (7) one at 1107 Seymour Street.
- Allocated more than \$8.2 million in social and childcare grants to approximately 141 different organizations to support childcare and early learning, social services, and programs for urban Aboriginal people and others experiencing marginalization and vulnerability in Vancouver

### **Plans for 2017**

In 2017, plans include:

- Coordinate the Healthy City for All Leadership Table, implementation team and Memorandum of Understanding with Vancouver Coastal Health
- Continue efforts to create 1,000 additional childcare spaces by 2018
- Allocate more than \$8.4 million in social and childcare grants to approximately 140 different organizations
- Continue to lead key initiatives, including:
  - Vancouver Food Strategy and a food centre of excellence
  - Mayor's Task Force on Mental Health and Addictions priorities
  - Partnerships like the Vancouver Coastal Health Second Generation Strategy
  - Downtown Eastside Community Economic Development Strategy with Downtown Eastside community partners
  - A citywide poverty reduction table with key partners
- Implement City-driven actions for the Vancouver Immigration Partnership to enable access to City services for refugees, reporting back to Mayor and Council on the steps to be taken to formalize an apology to Chinese Canadians
- Support, as a City of Reconciliation, the creation of an Aboriginal lens on policy and practice, and the implementation of healing and wellness approaches and policy
- Continue to develop a social infrastructure priorities plan; negotiate and develop social infrastructure for non-profit organizations and healthy human services

### Department service metrics

The number of childcare spaces opened each year depends on various factors, including funding, timing of developments and occupancy permits, and other opportunities. The City's target is to create 1,000 new childcare spaces between 2015 and 2018 for children from birth to 12 years of age, through capital budget allocations, development contributions and partnerships with the Vancouver School Board.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Social Policy Planning	Quantity	Cumulative # of new childcare spaces enabled by the City *	3,229	3,303	3,662	3,887	3,926
		# of City-enabled childcare spaces opened per year	153	74	275	188	64
		# of licensed childcare spaces in Vancouver	11,567	11,906	12,144	12,838	13,238
		# of childcare grants awarded	69	73	73	85	82
		% of total childcare spaces enabled by the City	27%	27%	30%	30%	31%
		# of community gardens	4,021	4,166	4,398	4,450	4,547
		# of farmers' markets	10	11	11	13	13
		# of food networks supported	11	10	10	10	10
		# of organizations supported by social policy grants	102	118	109	124	126
		Social policy grants awarded (\$ millions)	6.6	6.2	6.1	6	6.1
		# of social policy plans under development/implementation	16	18	22	25	25
	Quality	# of participants and organizations for major projects, consultations or engagement activities	378,569	270,040	154,285	2,053,433	NDA
		# of organizations supported by childcare grants	39	44	30	34	34
	Result	Funds leveraged with social policy grants (\$ millions)	32.1	34.4	26.1	23.8	24.3

\* Note: Historical data revised to include replacement spaces and spaces in community centres that were previously uncounted.

## Cultural Services

Cultural Services plays a lead role in shaping the City's arts and cultural economy to ensure residents and visitors have access to a wide variety of activities and experiences. As outlined in the Culture Plan, the City's vision for arts and culture includes supporting a diverse and thriving cultural ecology by providing robust support programs for local arts and cultural activities.

### Key services delivered

**Cultural Services** — Managing civic and private sector public art programs; managing other culture related projects; allocating grants to arts and cultural organizations; supporting and developing creative spaces for cultural organizations; overseeing City-owned facilities — including the Vanier Park cultural institutions, the Vancouver Art Gallery and the Vancouver East Cultural Centre (The Cultch).

### Major accomplishments in 2016

In 2016, the City continued implementing updated key strategic directions from the City's Culture Plan. Accomplishments included:

- Received Council approval for \$1.5 million for the Public Art Boost and allocated \$200,000 toward the Vancouver Mural Festival in August 2016 for the creation of more than 56 murals and four other community public art projects
- Construction of náč'a?mat ct Strathcona Branch Library public art — a set of commissioned bronze doors by artist Erica Stocking
- Commissioned more than 15 new temporary artworks for transit shelters and outdoor video screens — as part of the Public Art Program's 25th anniversary — that celebrate and investigate Vancouver as a "Coastal City"
- Funded six community public art grant projects that encouraged creative collaboration. The art provides a lasting experience and is accessible to the public.
- Supported 12 new artwork commissions as part of major rezonings throughout the city through the Private Sector Public Art Program
- Purchased St. James Community Place and Joy Kogawa House, with funds from the City, to be retained as cultural community assets
- Enabled the Artspeak gallery group to purchase space with the support of a cultural infrastructure grant of \$150,000
- Provided innovative funding that enabled the Western Front group to purchase their building with the support of \$1.5 million from Community Amenity Contributions to continue to maintain programs in media art, new music, exhibitions and more
- Secured space and funding for renovations in two City-owned spaces: (1) VIVO Media Arts Centre at Kaslo Street and (2) Kokoro Dance at Woodward's
- Launched a study to identify key gaps for cultural spaces

- Reviewed and disbursed more than \$11 million in grants to more than 300 arts and cultural groups through various streams, including the first 20 Creative Spark Vancouver grants to emerging artists through the ArtStarts in Schools group
- Completed the Cultural Infrastructure Grant review and made improvements to better respond to emergency capital needs from the arts and cultural community for their spaces. Changes to the review process are to be implemented in 2017.
- Began to cover the cost of development and building permit fees for arts and culture groups who are building or renovating
- Provided outdoor advertising support for 251 social and cultural groups with in-kind value of \$4.9 million
- Completed the annual crowd-source campaign about local cultural spaces and published an update to the Cultural Spaces Map

### Plans for 2017

In 2017, the City's plans will include:

- Refresh the Culture Plan, looking ahead to 2018 and beyond
- Develop a diversity and equity strategy as part of a refreshed Culture Plan
- Implement a grant management system in partnership with Social Policy and Projects
- Create new murals for the Canada 150+ celebration
- Continue working on key initiatives of the Public Art Boost, including expanding the Community Public Art Capital Grants Program, supporting a project in South Vancouver with the Musqueam First Nation, adding artist lighting in Jim Deva Plaza and working with students through City Studio to create an Imagination Zone
- Launch signature public artwork for City Hall for the Canada 150+ celebration
- Complete a \$1 million major renovation to the City-owned Green House at the Vancouver East Cultural Centre (The Cultch)
- Complete the annual review of more than 300 applications from arts and cultural organizations, and allocate grants
- Continue the assessment of large-scale arts and cultural institutions
- Undertake the Mungo Martin Centennial Totem Pole restoration plan
- Complete the *Home and Away* public artwork at Empire Fields in Hastings Park
- Continue public promotion and engagement of Vancouver's arts and cultural sector through social media, arts awards and outdoor advertising
- Promote the needs of the arts and cultural community in the False Creek Flats and Cambie Corridor community plans
- Complete two studies: (1) Update to Key Gaps in Cultural Infrastructure and (2) Tool Kit for Preserving and Supporting Cultural Facilities in Industrial Lands.

### Department service metrics

The Operating and Project Grant budget projected for 2016 reflects an approximately 2% inflationary increase. The major focus from 2016 to 2020 will be to support the arts and cultural community through capacity building and to assist in the creation and sustainment of cultural organizations. Information, support services and tools continue to be provided to cultural organizations. Increases in theatre rental grants are the result of a new program aimed at increasing use in under-utilized space at the Vancouver Civic Theatres. It was started as a pilot in 2016, and the success has supported the need to continue the program in 2017 and future years.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Cultural Services	Quantity	Grants awarded to cultural organizations (\$ millions)	7.8	8.0	8.2	8.4	8.6
		# of organizations supported by cultural grants	220	225	235	264	261
		Theatre rental grants awarded (\$ millions)	2.3	2.6	2.6	2.6	2.7
		# of organizations receiving theatre rental grants	21	45	46	44	56

### Vancouver Civic Theatres

Vancouver Civic Theatres (VCT) operates multiple City-owned theatre venues. The stages are home to a wide variety of arts and entertainment productions throughout the year, including rock and pop concerts, drama, dance, opera, classical music and lectures.

### Key services delivered

**Vancouver Civic Theatres** – Operating four civic theatres: (1) The Orpheum, (2) the Queen Elizabeth Theatre, (3) The Annex, and (4) the Vancouver Playhouse

### Major accomplishments in 2016

In 2016, the City continued to move the civic theatres toward financial sustainability. Accomplishments included:

- Implemented new, not-for-profit rental rates for VCT to encourage diversity of user groups and increase venue use by providing affordable spaces to the community
- Upgraded technological platforms for VCT, such as Wi-Fi and digital signage

### Plans for 2017

In 2017, the City's plans include:

- Implement sales strategies at VCT with the goal of increasing venue use and revenues, and activating spaces through new partnerships
- Activate the restaurant at the Queen Elizabeth Theatre location
- Continue community engagement programs and events to animate the Queen Elizabeth Theatre Plaza

- Implement point of sale equipment and a new website for the Vancouver Civic Theatres

### Department service metrics

Vancouver Civic Theatres continue to increase attendance and utilization rate in line with the new business plan.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Vancouver Civic Theatres	Quality	Utilization rate for civic theatres (# of events/days in year)	40.7%	50.8%	50.3%	53.0%	55.0%
	Result	Annual attendance at civic theatres	573,633	564,488	606,507	625,255	675,000

### Housing Policy and Projects

As a growing and diverse city, increasing the availability and range of affordable housing choices for residents is critical to Vancouver's social, environmental and economic health. Many individuals and families are experiencing housing affordability pressures, both in rental and ownership housing, which is challenging their ability to live and work in Vancouver. The Housing Policy and Projects division develops strategies and policies to create more affordable housing through the Vancouver Housing and Homelessness Strategy (2012-2021). The strategy focuses on the City's priorities to end street homelessness and enable development of new affordable housing, in partnership with provincial government, private sector and non-profit partners. It has three strategic directions:

1. Increase the availability of affordable housing
2. Encourage a housing mix across all neighbourhoods that enhances quality of life
3. Provide strong leadership and support partners to enhance housing stability

### Key services delivered

**Housing Policy and Projects** – Developing and implementing housing policy; facilitating delivery of affordable housing; providing capital grants to improve and create social housing; monitoring and researching housing stock and housing trends

### Major accomplishments in 2016

Through policies and partnerships, the City has leveraged more than 13,500 new affordable housing units geared toward low- and moderate-income households, ranging from supportive and social housing to secured market rental, laneway housing and secondary suites. Key accomplishments in 2016 include the following:

- Undertook a major review of the Housing and Homelessness Strategy through the Housing Re:Set
- Progressed toward 10-year Housing Strategy targets, enabling more than 1,500 more affordable housing units this year
- Obtained Council approval for a framework for an affordable homeownership program

- Obtained Council approval for new housing policies in Grandview-Woodland Community Plan and Joyce-Collingwood Station Precinct Plan
- Implemented enhanced Tenant Relocation and Protection Guidelines
- Received approval of new family housing policy for rezoning applications requiring 35% of units to be two- and three-bedroom units
- Provided results of vacant unit research and received approval of follow-up actions from Council
- Developed a short list of pre-qualified non-profit housing partners for future social housing operations
- Received Council approval of amendments to the East Fraser Lands Official Development Plan to facilitate delivery of housing by the Vancouver Affordable Housing Agency (VAHA)
- Received endorsement of Metro Vancouver's Regional Affordable Housing Strategy
- Developed a Three-Year Housing and Shelter Demand and Supply Strategy seeking a provincial partnership to address the shelter and housing needs of the city's most vulnerable citizens
- Supported a new, regionally focused, homelessness coordinating group that includes a diverse range of participant organizations (government and non-profit housing and service providers) to create a regional approach to ensuring homelessness is brief, rare and occurs only once
- Continued to work with partners to identify opportunities to improve data collection and information sharing to support a systems-based response to homelessness
- Continued to conduct Vancouver's annual homeless count
- Supported 13 community non-profit agencies with more than \$35,000 in grants toward raising awareness and galvanizing communities during Homelessness Action Week

### **Market rental**

A key success in recent years has been the increase in new market rental units being initiated and built by the private sector as a result of new City policy and incentives. For example, between 2005 and 2009, prior to the introduction of the Short Term Incentives for Rental program and more recently Rental 100, only 5% of housing starts in Vancouver consisted of rental units; now nearly 20% of total housing starts are rental. The City also delivers around half the region's market rental units. The result has been nearly 6,000 new units of market rental housing being committed since 2010 – more than 1,500 of which have been completed and occupied, with another 2,400 units under construction. In 2016, nearly 1,200 units have been approved to date. In addition, the City has approved approximately 4,300 secondary suites and laneway houses since 2012, with more than 800 units approved in 2016. All these add to the inventory of affordable rental units across the city.

To encourage the addition of more family rental units, Council approved a new policy in July 2016 – Family Room: Housing Mix Policy for Rezoning Projects – that requires a minimum of 35% family units in residential strata and rental projects, including a minimum of 25% two-



bedroom and a minimum of 10% three-bedroom units in each project. This new policy will provide more options for families in Vancouver who need more space as their families grow.

In addition, Council approved two community plans, Grandview-Woodland and the Joyce-Collingwood Station Precinct Plan, which will improve and increase the number of secured market rental units.

### **Non-market housing**

In 2016, a number of projects were enabled through strategic partnerships with the City's housing partners:

- Approved a project at the Oakridge Lutheran Church (585 West 41st Avenue) that will include 46 units of new social housing
- Approved 288 East Hastings Street, the first project from the Downtown Eastside Plan that includes 60% non-market units with 40% market rentals, for a total of 172 units
- Approved in April 2016 a new 21-unit social housing project for women and women-led families in the Downtown Eastside; the project includes some micro-dwelling units
- Started construction of new social housing projects at 1155 Thurlow Street, 1723 Victoria Drive and 179 Main Street, for a total of 80 non-market units
- Opened the New Jubilee House in July 2016, replacing the existing 87-unit building and providing an additional 75 non-market units
- Opened 601 Main Street with 22 units of new social housing for seniors living in Chinatown

In addition, through the implementation of various community plans, the City continues securing affordable housing units through inclusionary zoning policies and Community Amenity Contributions from rezoning. As a result of the community plans, there is growing interest from developers in partnering with the City and other non-profit housing operators to deliver social housing in the Downtown Eastside and West End neighbourhoods.

### **Supportive housing and support to the homeless**

Since 2010, under the Memorandum of Understanding between the City of Vancouver and BC Housing, and with significant contributions from the Streethome Foundation, approximately 1,500 new supportive housing units for the homeless have been constructed and tenanted. Supportive housing is a form of social housing that provides in-house support services for the tenants. In 2016, the Immigrant Services Society of BC Welcome Centre opened its doors with 28 units for refugees or persons without legal status in immediate need. Council approved an increase in capital grant to \$500,000 for Salsbury Community Society to help realize construction of 26 non-market units which include 20 supportive housing units.

### **Single Room Occupancy hotels**

Single Room Occupancy (SRO) hotels are an important part of Vancouver's housing stock, and for many vulnerable citizens, these hotels are often the last resort before homelessness. The Downtown Eastside Community Plan, adopted in 2014, includes actions to improve the



livability and condition of SROs while minimizing room loss and maintaining affordability. Actions in 2016 to advance the SRO Strategy included:

- Approved \$355,000 to Community Builders Benevolence Foundation to upgrade 71 Single Room Accommodation-designated rooms (at \$5,000/door) at the Dodson Rooms, located at 25 East Hastings Street
- Approved two Single Room Accommodation permits in exchange for securing a portion of the rooms at affordable levels in two private SROs (406 Union Street and 658 Alexander Street)
- Re-established an SRO Task Force to bring together a variety of stakeholders and develop recommendations for immediate, short-term and long-term actions aimed at improving the quality of life for low-income tenants. The long-term goal is to leverage the Council-approved \$2 million allocations (2015) in the development of an SRO reinvestment program supported and endorsed by all three levels of government.
- Continued refinement of the City's Rental Property Standards Database to motivate landlords to maintain their rental buildings and to provide information for renters regarding bylaw violations
- Continued implementation and monitoring of the Single Room Accommodation Bylaw to manage the rate of change in the stock

### **Vancouver Rent Bank**

Council continued to support the operation of the Vancouver Rent Bank through to June 2017. The Rent Bank offers short-term, interest-free loans to low-income individuals and families in temporary financial crisis and at risk of eviction or essential utility disconnection. It also provides financial counselling, advocacy and referrals to other services.

### **Shelters**

In 2016, Council approved in principle the development of a mixed-use project that co-locates a permanent shelter, health services and social housing at 1015 East Hastings Street to replace the 100-bed shelter at 201 Central Street that is operated by the Vancouver Aboriginal Friendship Centre. To facilitate this project, Council redirected a \$100,000 grant to the Friendship Centre (approved in 2012 for preliminary shelter designs) toward this project using staff resources from VAHA.

Since 2008, the City and BC Housing have partnered to open additional temporary winter response shelters during the cold, wet weather season. Locations chosen have high numbers of individuals experiencing homelessness and a lack of shelters. Over the 2015-2016 winter season, 210 beds were opened — the greatest number since the partnership began in 2008.

In September 2016, City staff developed a three-year shelter and housing demand and supply plan to better understand when and where the pressures will be experienced over the next three years as a result of the City's obligation as landlord to relocate our tenants, as well as the need to address the increasing number of individuals experiencing street homelessness. Implementation of the full three-year plan depends on substantial resources and an aggressive timeline to meet the projected level of housing and shelter need.

### Temporary housing

The ongoing but urgent challenge of having several hundred residents living on the streets leads the City to constantly search out new temporary and permanent social/supportive housing options. In 2016, Council approved a grant of \$70,000 to Atira Women's Resource Society to reopen 39 vacant rooms at the privately owned Patrick Anthony Residence, located at 561 East Hastings Street.

Temporary modular housing is a form of construction that is well positioned to deliver both housing and shelter quickly and cost effectively. A modular building can be delivered on under-utilized sites or sites pending redevelopment and relocated as required to new temporary sites when the existing site is due for redevelopment.

### Other accomplishments

- Commenced the Rate of Change (rental protection policy) Phase 2 review that includes initiating a study on building reinvestment of the existing rental stock to preserve affordability while enhancing energy retrofits
- Continued developing community partnerships to ensure inclusion of housing options for low- and moderate-income tenants in all neighbourhoods, and working to mitigate issues associated with tenant relocation due to development
- Released the results of a study on empty homes; acquired legislative changes to enable the development of a tax on empty properties; developed an approach for the tax
- Reviewed and reported the impacts of short-term rentals and proposed a policy approach for regulations
- Developed a decision framework for co-ops and non-market housing on City land, being sent for approval in late 2016
- Provided feedback and endorsed the Regional Affordable Housing Strategy as a collaborative approach to addressing regional housing needs; supported the Metro Vancouver Aboriginal Council to develop a Regional Aboriginal Housing Strategy
- Supported Vancouver Affordable Housing Agency to begin the development application process for seven affordable housing projects

### Plans for 2017

Major targets in the City's 2015-2018 Capital Plan include delivering 2,550 new, social and supportive housing units; maintaining and renewing existing City-owned social housing units; and providing capital grants for Single Room Occupancy upgrades with a City investment of \$125 million.

- Implement new policies and initiatives resulting from Re:Set
- Develop partnerships and explore all necessary options to deliver social and supportive housing including:
  - Pursue new working arrangements with BC Housing as a follow-up to the 14 City sites partnership
  - Explore ways that a new supportive housing program can be delivered to meet identified needs
- Work with non-profit short list to implement streamlined approaches for selecting housing operators for City-owned affordable housing units
- Advance the Affordable Home Ownership model approved by Council by advocating to the provincial government for *Vancouver Charter* amendments, consulting with key stakeholders and recommending to Council a legal and administrative structure for an Affordable Home Ownership Policy
- Improve data collection and market analysis tools to better understand the dynamics of the housing market; develop partnerships with other research and data organizations
- Develop the work program to explore affordable options and strategy to retain co-ops and non-profit housing organizations on City land
- Complete a review to improve the existing rental replacement regulations as well as to identify strategies to encourage retention and reinvestment of the existing rental stock
- Monitor and make recommendations to clarify the approach to tenant relocation as it relates to social housing
- Approve the Cambie Corridor Phase 3 Plan for additional housing options
- Approve and implement new family housing design guidelines, in consultation with stakeholders, to improve affordability and livability in two- and three-bedroom units in new high-density multi-family projects
- Update Housing Design and Technical Guidelines for social housing
- Continue implementation of housing policies in recently approved community plans; finalize housing policies within new community plans (such as the False Creek Flats, Northeast False Creek Area Community Plan)
- Continue monitoring, maintaining, improving and replacing Single Room Accommodations using tools such as the Single Room Accommodation Bylaw and grants, consistent with the approved SRO Strategy

- Continue implementing rental incentives to maximize delivery of secured market rental housing
- Continue to demonstrate the high need for welfare-rate housing and affordable food and social amenities in Vancouver
- Implement the empty homes tax as approved by City Council
- Implement a new short-term rental policy
- Develop a new dashboard of housing statistics for internal and external stakeholders
- Implement the Metro Vancouver Aboriginal Executive Council's Aboriginal Housing and Wellness Strategy
- Implement actions from the City's SRO Task Force
- Building on the VAHA 40 units of temporary modular housing pilot at 1500 Main Street, continue to explore other forms of innovative housing options and seek other potential sites for similar housing to be delivered by Vancouver Affordable Housing Agency
- Continue to maintain progress toward the Housing and Homelessness Strategy's targets

### Department service metrics

The City continues to see interest in the delivery of secured market rental housing, with more than 250 new units opened in 2016 and nearly 1,200 units approved for future occupancy. There has also been steady activity in the area of secondary suite creation with more than 2,000 laneway housing permits issued since 2012. The City continues to work with its partners to deliver housing for low-income households by approving more than 200 new units of social housing in 2016. Furthermore, there are currently more than 1,000 social and supportive housing units under construction.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Housing Policy	Quantity	# of supportive housing units committed	104	52	0	0	0
		# of social housing units committed	468	273	630	71	233
		# of secured market rental units committed	1,030	1,097	953	1,198	1,199
		# of permits issued for suites per year	442	480	486	540	402
		# of permits issued for laneway houses per year	350	348	373	531	416
	Quality	# of supportive housing units opened	318	257	439	147	28
		# of social housing units opened	25	23	15	133	97
		# of secured market rental units opened	182	241	407	424	269

Note: Units recorded correspond with annual Report Cards. From year to year, number of units approved and opened are subject to change through development process.

## Housing Operations

Housing Operations provides housing in 10 City-owned or -operated social housing facilities for low-income individuals who are facing multiple barriers. Support is provided to assist residents in accessing health and other community assistance programs.

Social supports and programs are provided to the city's most marginalized citizens at three City-operated community centres: (1) the Carnegie Community Centre, (2) the Gathering Place Community Centre, and (3) the Evelyne Saller Centre. These centres provide a range of services, including nutritious food, bathing and laundering facilities, health, education and access to community supports (such as cultural and recreational activities). Ongoing funding from BC Housing has been secured for key components of services at Evelyne Saller Centre and the Gathering Place.

### Key services delivered

**Housing Operations** – Operating City-owned social housing that provides support to residents and assists them in accessing health and other community supports; providing support to the City's most marginalized citizens at social service community centres

### Major accomplishments in 2016

- Collaborated on design for redevelopment of Roddan Lodge and Evelyne Saller Centre
- Refined a plan in 2016 to provide alternate accommodation to residents of Roddan Lodge for a period of three years
- Developed a draft Service Level Partnership agreement to govern management of social housing facilities

### Plans for 2017

- Complete workplace safety risk assessments at 10 lodges
- Determine and implement where possible the plan for redevelopment of aging facilities – in particular Roddan Lodge, Central Residence and Alexander Residence – identifying the model to make Housing Operations financially sustainable while meeting need for affordable housing at the lowest rent levels
- Finalize Service Level Agreement with the Real Estate and Facilities Management (REFM) division
- Maintain readiness to absorb costs as the provincial subsidy is removed

### Department service metrics

The City-owned and -operated social housing stock is aging, and it has an increasing number of building deficiencies that require capital investments to maintain or improve livability. This, together with the need to maintain rents at an affordable level for low-income residents, puts pressure on capital and operating budgets. Turnover and vacancy rates represent the norm for residents moving between SRO housing options and for seniors moving into long-term care or other rental housing.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Housing Operations	Quantity	Direct COV operations: number of units	837	837	851	851	851
		# of meals served at three centres (Carnegie, Evelyn Saller, Gathering Place)	612,700	655,460	735,855	735,855	735,855
		# of showers or personal care services (haircuts, louse treatments, etc.) provided	50,603	79,009	77,906	74,329	75,000
	Quality	Direct COV operations: vacancy rate	4%	6%	2%	5%	5%
		Direct COV operations: turnover rate	18%	15%	15%	15%	20%

Note: 5% vacancy rate is a measure of empty units including decantment; units left empty due to structural risk.

## Services for the homeless

The City remains committed to solving street homelessness. The Vancouver Homeless Count, conducted on March 10, 2016, was the tenth homeless count in Vancouver. In 2016, 1,847 homeless persons were counted: 539 unsheltered (29%) and 1,308 sheltered (71%). The total number of homeless persons counted in Vancouver this year is higher than last year (1,746 homeless persons), and it is the highest number of all previous years, though it does not represent the highest street count (both 2005 and 2008 were higher). The annual homeless count helps assess and recalibrate demand for shelters and supportive services.

Homelessness is driven primarily by poverty and the lack of affordable rooms or homes in the city. It is worsened by the reluctance of landlords to accept some homeless people as tenants – inmates released from correctional institutions and youth leaving the foster care system with no fixed address – and the mental health issues that some homeless people experience, which create a barrier to organizing a place to live.

### Key services delivered

**Services for the homeless** – Developing and implementing programs focused on providing immediate housing and shelter support to homeless individuals, including sourcing identification, supporting income and rental supplement applications, securing housing units for homeless individuals, and referring to medical supports

### Major accomplishments in 2016

The City of Vancouver has made a significant investment in opening purpose-built supportive housing and ensuring shelter capacity exists for those wanting to move inside. Without this investment and the services provided to the homeless, the situation would be considerably magnified. The City provides direct services to the homeless, including outreach and support to assist individuals in finding and maintaining their housing.

- Since 2008, the City has partnered with BC Housing to open additional temporary winter shelters to expand capacity to ensure individuals experiencing street homelessness have a safe, warm place to come inside. These are low-barrier shelters that open in December and close at the end of April. Over the 2015-2016 winter season, 210 beds were opened – the greatest number to date. Individuals using the shelters are connected with health and other services and are provided options to transition into more permanent housing as the shelters close. The Carnegie Homeless Outreach Team – which has provided aid and housing to homeless or those at risk of being homeless since 2007, mostly in the Downtown Eastside – was expanded in 2015 to provide services citywide. The team supports residents of winter shelters and interim housing by working to serve their needs and supporting residents' efforts to move to more permanent housing, as well as by providing service at its street-front office for walk-in and regular clients.
- In 2015, the team served 2,620 clients. Of those, 1,689 were new to the team in that they had never worked with those clients in any previous year. Of those new clients, 1,208 were absolutely homeless and 313 were at risk of homelessness. The remainder sought support with income assistance applications and identification.

The total number of housing units secured for these clients was 927. Of those, 791 units were found for the street homeless. The remaining 136 were units saved for those at risk of eviction. After six months, 84% of those for whom units were found remained housed.

### Plans for 2017

In 2017, the City plans to:

- Continue working with senior levels of government and non-profit partners to better coordinate and secure shelter, interim and permanent housing options for the homeless
- Develop interim housing options while more permanent facilities are created for street homeless
- Find housing capacity, through the efforts of the Homeless Outreach Team, for street and sheltered homeless. The Outreach Team, with other service providers, will continue providing direct outreach and support to move people out of homelessness and help others maintain their housing.
- Along with other service providers, the Outreach Team will continue using the Vulnerability Assessment Tool to determine which housing options are best for people and what support they need to successfully maintain housing.
- Continue working with neighbours to address concerns regarding neighbourhood shelters and interim housing
- Implement a pilot project with provincial partners to create more housing flow that will deliver increased housing options for street and sheltered homeless while ensuring individuals are appropriately housed

- Increase the ability of Vancouver's homeless to remain in renovated SROs or be able to access other rental situations, such as rent supplements, income assistance or more supportive housing in new buildings
- Develop, with non-profit organizations and community business partners, opportunities for low-barrier employment to minimize street activity
- Increase grant funding for community groups delivering activities for Homelessness Action Week

### Department service metrics

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Services for the Homeless	Quantity	# of street homeless per annual count	306	273	536	488	539
		# of total homeless (street and sheltered)	1,602	1,600	1,803	1,847	1,847

### Mountain View Cemetery

The cemetery continues to see incremental growth in the annual number of interments and sale of cemetery spaces, resulting in record-high annual revenue of \$2.0 million. The cemetery also benefited from a significant heritage restoration of the Jewish area, initiated through a community partnership with the Schara Tzedek Cemetery Board.

### Key services delivered

**Mountain View Cemetery** – Providing services for the burial of caskets and cremated remains, related grounds maintenance, and management of green spaces and community memorial events

### Major accomplishments in 2016

In 2016, Cemetery Services:

- Secured agreement with Jewish communities regarding use of space
- Increased revenue ahead of forecast
- Completed a safety report using external third-party and participatory review with staff

### Plans for 2017

In 2017, Cemetery Services plans to:

- Implement findings from staffing issues review
- Implement changes to approved business plan per the review done in 2016



### Department service metrics

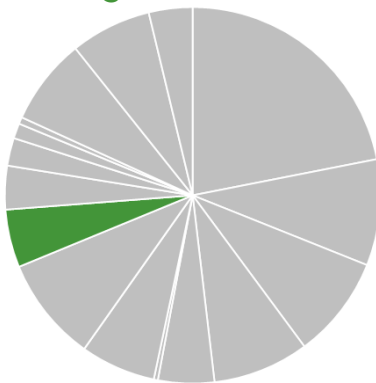
Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Cemetery Service	Quantity	# of interments by casket	61	74	72	86	90
		# of interments by cremation	312	304	351	395	435

### Looking ahead, 2018-2021

- Continue to implement the goals of the Healthy City Strategy
- Develop partnerships in support of achievement of the Healthy City Strategy
- Determine viability of enhancing existing services in areas such as nutrition, health, literacy and education, employment readiness, and cultural and recreation programs
- Deepen the partnership with the Vancouver School Board with the delivery of childcare projects such as Lord Nelson Elementary School and Sir Sandford Fleming Elementary School
- Continue to work on the Early Care and Learning Strategy and creation of new licensed childcare spaces
- Implement the refreshed Culture Plan (2018-2028)
- Deliver between two and five new major signature public artworks and expand the community public art capital grants
- Launch construction of the new Vancouver Art Gallery
- Continue the ongoing review of more than 350 applications for arts and cultural grants
- Open Howe Street artist studios and Main Street and 2nd Avenue low-income artist housing
- Continue the enablement of social and cultural hubs for non-profits
- Ensure financial sustainability of the Vancouver Civic Theatres
- Continue to increase community engagement and partnerships by Vancouver Civic Theatres to meet Cultural Plan goals
- Increase affordable housing supply of all types and provide greater diversity of housing
- Preserve affordable rental stock and minimize impact on tenant displacement
- Enable new affordable housing on City-owned land through agreements with the Community Housing Land Trust Foundation
- Continue to develop new affordable housing on City-owned and partner sites such as River District, Downtown Eastside, Grandview-Woodland and Marpole
- Develop affordable housing in Southeast False Creek Area 3B
- Renew and expand Roddan Lodge, Central Residence and Alexander Residence

- Continue to work with non-profit housing partners to seek opportunities for an investment program that would support the upgrading of private Single Room Occupancy hotels, and where appropriate, the purchase or lease of Single Room Accommodations to maintain housing affordability for the city's most vulnerable population
- Continually track and assess goals and targets of the Housing and Homelessness Strategy Re:Set for the next 10 years, and identify further opportunities to partner with senior levels of government to address Vancouver's housing challenges
- Continue to focus on social housing and supportive housing, and track the rental market
- Increase partnerships at community centres in low-income areas to widen access to services

### 2017 budget



Community Services, Civic Theatres and Grants make up 5% of the 2017 Operating Budget

## Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
<b>Program revenue</b>				
<b>Civic Theatres program revenue</b>				
Theatre facility rentals	5,452	6,572	1,120	20.5%
Concession revenue	1,316	1,738	422	32.1%
Ticket surcharges	1,874	2,084	210	11.2%
Other Civic Theatres revenue	231	235	5	2.0%
<b>Total Civic Theatres program revenue</b>	<b>8,873</b>	<b>10,630</b>	<b>1,757</b>	<b>19.8%</b>
<b>Community Services program revenue</b>				
Mountain View Cemetery revenue	1,977	2,189	212	10.7%
Community Kitchen revenue	1,372	1,417	45	3.3%
<b>Total Community Services program revenue</b>	<b>3,348</b>	<b>3,606</b>	<b>257</b>	<b>7.7%</b>
<b>Total Program revenue</b>	<b>12,221</b>	<b>14,236</b>	<b>2,014</b>	<b>16.5%</b>
<b>Parking revenue</b>				
Civic Theatres parking revenue	478	599	121	25.3%
Other parking revenue	5	5	-	-
<b>Total Parking revenue</b>	<b>483</b>	<b>604</b>	<b>121</b>	<b>25.1%</b>
<b>Cost recoveries, grants &amp; donations</b>				
Community Services recoveries	3,256	3,720	464	14.3%
Other department recoveries	673	890	217	32.2%
<b>Total Cost recoveries, grants &amp; donations</b>	<b>3,929</b>	<b>4,610</b>	<b>681</b>	<b>17.3%</b>
<b>Other revenue</b>				
Non-market housing rentals	3,752	3,767	15	0.4%
Other department revenue	82	82	-	-
<b>Total Other revenue</b>	<b>3,835</b>	<b>3,849</b>	<b>15</b>	<b>0.4%</b>
<b>Total Revenues</b>	<b>\$ 20,468</b>	<b>\$ 23,299</b>	<b>\$ 2,831</b>	<b>13.8%</b>

Note: Totals may not add due to rounding

Major Category (\$000), continued	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Expenditures &amp; Transfers</b>				
<b>Civic Theatres</b>				
Civic Theatres operations	6,036	7,170	1,133	18.8%
Shared support services	1,966	2,189	223	11.4%
Transfers to / (from) reserves & other funds	1,216	1,361	145	11.9%
<b>Total Civic Theatres</b>	<b>9,218</b>	<b>10,720</b>	<b>1,502</b>	<b>16.3%</b>
<b>Community Services</b>				
Social Support	10,716	11,937	1,221	11.4%
Housing	8,187	9,828	1,641	20.0%
General & Projects	1,538	1,665	127	8.2%
Social Policy	2,806	3,684	878	31.3%
Culture	2,761	2,975	214	7.8%
Mountain View Cemetery	1,450	1,663	213	14.7%
Shared support services	4,270	4,276	6	0.1%
Transfers to / (from) reserves & other funds	(429)	(432)	(3)	0.7%
<b>Total Community Services</b>	<b>31,300</b>	<b>35,597</b>	<b>4,297</b>	<b>13.7%</b>
<b>Grants</b>				
Cultural	11,282	11,507	226	2.0%
Social Policy	5,781	5,952	170	2.9%
Childcare	1,453	1,508	55	3.8%
Other grants	550	506	(45)	(8.1%)
<b>Total Grants</b>	<b>19,066</b>	<b>19,472</b>	<b>406</b>	<b>2.1%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 59,584</b>	<b>\$ 65,789</b>	<b>\$ 6,205</b>	<b>10.4%</b>
<b>Net Operating Budget</b>	<b>\$ (39,117)</b>	<b>\$ (42,490)</b>	<b>\$ (3,374)</b>	<b>8.6%</b>

Note: Totals may not add due to rounding

### Explanation of changes – revenues

Revenue in Community Services is generated mainly from \$2.1 million taken in at Vancouver Civic Theatres. Increased use of the theatres increases revenue in all streams, including concession, facility fees, ticket surcharges, cost recoveries and parking.

The remaining Community Services revenue is from BC Housing, with \$0.5 million given to support the non-market rental buildings and Community Services support services. The recovery is increased to pay for additional programming costs. Residual revenue correlates to increased sales of casket and cremation interments at Mountain View Cemetery.

### Explanation of changes – expenditures and transfers

Expenditures at Vancouver Civic Theatres have increased in direct relation to the increase in use of the theatres. As revenues increase, there is a relative increase in costs for staff, merchandise and supplies, accounting for \$1.0 million. Additional staff and consultants hired to develop and implement the Vancouver Civic Theatres business plan (starting in 2015 and continuing in 2017) accounts for \$0.4 million.

The remaining increase in expenditures for Community Services consists of \$1.7 million to provide additional programming support to marginalized individuals living in and around the Downtown Eastside. Interim housing provided during the redevelopment of City-owned housing units accounts for \$1.7 million. The remaining \$0.7 million in funding is to support long-term strategy, oversight and administration of the department.

Grant expenditures have increased to reflect annual inflation as well as increases related to operating grants that support new capital assets, which will be operational in 2017.

### Notable capital projects

The following table summarizes some of the noteworthy projects involving Community Services in 2017. A complete list of all capital projects for 2017 is included in the Council Report appendices.

Project Name (\$ millions)	Total Project Budget <sup>5</sup>	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years <sup>4</sup>
Planning for Roddan Lodge and Evelyn Saller Centre Redevelopment <sup>1</sup>	5.2	0.3	0.5	4.2
Marpole Place Building Upgrades <sup>2</sup>	3.0	0.3	1.9	0.8
Public Art New & Maintenance	1.9	0.2	1.0	0.7
Social Housing at Fire Hall No. 5 Site <sup>3</sup>	10.9	2.0	5.5	2.4
Nelson Elementary School Childcare Age 0-4 <sup>1</sup>	6.5	0.7	3.3	2.1
Fleming Elementary School Childcare Age 0-4 <sup>1</sup>	7.0	0.5	3.1	3.5

<sup>1</sup>Included in REFM departmental budget.

<sup>2</sup>Project Budget TBC.

<sup>3</sup>Included in REFM budget; project is part of Fire Hall No. 5 redevelopment.

<sup>4</sup>For Programs, reflects forecast amounts for remaining year (2018) of the 4-year Capital Plan.

<sup>5</sup>Expenditure may not sum to total project budget due to rounding or prior years expenditure.

### Planning for Roddan Lodge and Evelyn Saller Centre Re-development

Phase 1 scope of the project covers consulting services for the project, including schematic design, design development and rezoning application. Schematic design options developed and under review. The focus in 2017 will be rezoning application, design development and development permits, as well as working on the tenant relocation plan.

### Marpole Place Building Upgrades

This project involves upgrading the building at 1305 West 70<sup>th</sup> Avenue to provide a facility ready for future social services and program use. Consulting for design is near completion and tender to be issued in late 2016. Construction is anticipated to start in early 2017.

**Public art** — As of 2016, more than 300 pieces of public art have been created throughout the city. Over the next several years, planned art additions include major artworks by local First Nations artists, a contemporary City of Reconciliation artwork and a commission in which an artist of international calibre will be invited to create a major artwork for Vancouver.

### Social Housing at Firehall No. 5 Site

As part of the Firehall replacement project, the new facility is a 6 floor building with a firehall on the first two levels and social housing on the top four floors. The project is now in construction phase and anticipated to complete in 2018.

### Nelson Elementary School Childcare

This is a partnership project with Vancouver School Board to include a childcare centre for age 0 to 4 at the new school site. The centre will provide 69 spaces, including 24 infant toddler spaces, 25 spaces for children age 3 to 5 and 20 pre-school spaces. Tender for construction closed in September 2016, the new building will be under construction in 2017.

### Sir Sandford Fleming Elementary School Childcare

This is the second partnership project with Vancouver School Board to include a childcare centre for age 0 to 4 at the new school site. The centre will provide 69 spaces, including 24 infant toddler spaces, 25 spaces for children age 3 to 5 and 20 pre-school spaces. Project is in design phase and it is anticipated to start construction in summer 2017.

### Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
<b>Program revenue</b>					
<b>Civic Theatres program revenue</b>					
Theatre facility rentals	5,160	5,155	5,233	5,452	6,572
Concession revenue	1,221	1,226	1,245	1,316	1,738
Ticket surcharges	840	836	1,309	1,874	2,084
Other Civic Theatres revenue	162	164	167	231	235
<b>Total Civic Theatres program revenue</b>	<b>7,382</b>	<b>7,382</b>	<b>7,953</b>	<b>8,873</b>	<b>10,630</b>
<b>Community Services program revenue</b>					
Mountain View Cemetery revenue	1,938	1,938	1,938	1,977	2,189
Community Kitchen revenue	1,255	1,255	1,315	1,372	1,417
<b>Total Community Services program revenue</b>	<b>3,193</b>	<b>3,193</b>	<b>3,253</b>	<b>3,348</b>	<b>3,606</b>
<b>Total Program revenue</b>	<b>10,575</b>	<b>10,575</b>	<b>11,206</b>	<b>12,221</b>	<b>14,236</b>
<b>Parking revenue</b>					
Civic Theatres parking revenue	360	360	360	478	599
Other parking revenue	5	5	5	5	5
<b>Total Parking revenue</b>	<b>365</b>	<b>365</b>	<b>365</b>	<b>483</b>	<b>604</b>
<b>Cost recoveries, grants &amp; donations</b>					
Community Services recoveries	3,498	3,525	3,508	3,256	3,720
Other department recoveries	212	212	212	673	890
<b>Total Cost recoveries, grants &amp; donations</b>	<b>3,710</b>	<b>3,737</b>	<b>3,720</b>	<b>3,929</b>	<b>4,610</b>
<b>Other revenue</b>					
Non-market housing rentals	3,023	3,638	3,692	3,752	3,767
Other department revenue	205	188	82	82	82
<b>Total Other revenue</b>	<b>3,228</b>	<b>3,826</b>	<b>3,775</b>	<b>3,835</b>	<b>3,849</b>
<b>Total Revenues</b>	<b>\$ 17,878</b>	<b>\$ 18,503</b>	<b>\$ 19,065</b>	<b>\$ 20,468</b>	<b>\$ 23,299</b>

Note: Totals may not add due to rounding

Major Category (\$000), continued	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Expenditures &amp; Transfers</b>					
<b>Civic Theatres</b>					
Civic Theatres operations	5,285	4,966	4,733	6,036	7,170
Shared support services	55	55	1,781	1,966	2,189
Transfers to / (from) reserves & other funds	477	924	881	1,216	1,361
<b>Total Civic Theatres</b>	<b>5,818</b>	<b>5,945</b>	<b>7,395</b>	<b>9,218</b>	<b>10,720</b>
<b>Community Services</b>					
Social Support	9,413	9,935	10,282	10,716	11,937
Housing	4,798	5,456	7,589	8,187	9,828
Inspections	7,352	7,300	-	-	-
General & Projects	4,569	2,191	1,896	1,538	1,665
Social Policy	1,983	2,474	2,514	2,806	3,684
Bylaw Admin	2,331	2,541	-	-	-
Culture	2,184	2,030	2,611	2,761	2,975
Mountain View Cemetery	1,618	1,641	1,471	1,450	1,663
Environmental protection	502	-	-	-	-
Shared support services	1	2	6,248	4,270	4,276
Transfers to / (from) reserves & other funds	376	865	(283)	(429)	(432)
<b>Total Community Services</b>	<b>35,128</b>	<b>34,433</b>	<b>32,329</b>	<b>31,300</b>	<b>35,597</b>
<b>Grants</b>					
Cultural	10,554	10,794	11,060	11,282	11,507
Social Policy	4,224	5,319	5,875	5,781	5,952
Childcare	1,160	1,200	1,424	1,453	1,508
Other grants	429	389	646	550	506
<b>Total Grants</b>	<b>16,367</b>	<b>17,702</b>	<b>19,006</b>	<b>19,066</b>	<b>19,472</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 57,313</b>	<b>\$ 58,080</b>	<b>\$ 58,730</b>	<b>\$ 59,584</b>	<b>\$ 65,789</b>
<b>Net Operating Budget</b>	<b>\$ (39,435)</b>	<b>\$ (39,577)</b>	<b>\$ (39,665)</b>	<b>\$ (39,117)</b>	<b>\$ (42,490)</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 14.8</b>	<b>\$ 14.6</b>	<b>\$ 70.0</b>	<b>\$ 63.4</b>	<b>\$ 67.1</b>

Note: Totals may not add due to rounding

Community Services revenue continues to increase as both the Vancouver Civic Theatres and Mountain View Cemetery deliver on business plan objectives. Additional revenue increases are related to recoveries provided by City partners to offset increased costs of programs operated by the City.

Community Services expenditures continue to increase in line with the increase in revenue.

Investment in programs that aid many of the city's most marginalized citizens continues to increase.

### Employee trend table

Community Services	2012	2013	2014	2015	2016F
Regular Full-time Staff	248.0	236.0	228.0	237.4	176.6
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	346.1	337.0	337.6	346.5	286.9

Note: In 2016, the Licensing & Inspecting Division was transferred to be included in the Development, Buildings & Licensing Department. The employee numbers for the years 2012 to 2015 are the total for the pre-reorganized Community Services Department. The numbers for 2016 onward represent the new department

\*excluding overtime



## Vancouver Affordable Housing Agency

In 2014, Council created the Vancouver Affordable Housing Agency (VAHA) with a mandate to enable 500 affordable housing units by 2017 and 2,500 units by 2021 through innovative partnerships with non-profit housing partners, developers and senior levels of government.

### Key services delivered

Delivering affordable housing for families and moderate-income households through density optimization, economies of scale and partner equity; achieving deeper levels of affordability through senior government funding and financing

### Major accomplishments in 2016

Major accomplishments of VAHA include the following:

- Secured 18 City-owned and -optioned sites that have committed to deliver 2,500 units over the next few years
- Completed planning and design work on more than 650 units, with the expectation of advancing through the development permit stage in the next few months. These include sites located in the River District, Marpole, Kensington-Cedar Cottage, Grandview-Woodland and the Downtown Eastside.
- Submitted proposals to BC Housing to seek capital funding and financing opportunities as part of the 2016 Request for Expressions of Interest process and the Vancouver Affordable Housing strategy
- Pioneered the City's first pre-fabricated modular housing pilot project, which will deliver 40 self-contained units and up to 80 units of shelters in the spring of 2017

### Plans for 2017

- Start construction on at least 500 units
- Expand the modular housing pilot to 100 units
- Commence planning and design work on 500 units
- Work with faith-based organizations and non-profit organizations to develop 200 units; commence planning and design on partner land
- Work with Aboriginal partners to advance planning and design on 300 units
- Secure innovative funding and financing mechanisms to advance housing projects
- Work with Planning, Engineering Services and other City departments to streamline the planning, development and permitting processes
- Work with Housing Policy and Projects to refine housing design standards to optimize affordable housing delivery and enhance operational efficiency

## Looking ahead, 2018-2021

- Commence planning and design on the remaining 1,350 units of the 2,500-unit target
- Start construction on the remaining 2,000 units of the 2,500-unit target
- Create at least 500 modular housing units

## Department service metrics

### Notable capital projects

The following table summarizes some of the noteworthy projects involving VAHA in 2017. A complete list of all capital projects for 2017 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years
Land acquisition in East Fraser Lands for non-market housing	9.2	-	9.2	-

## Vancouver Economic Commission

The Vancouver Economic Commission (VEC), an agency of the City, works to improve Vancouver's economic future by developing and leading on key initiatives to strengthen the business environments of key strategic sectors of the local economy. These strategic sectors are the green economy and sustainability-related sections, technology and innovation, and digital entertainment and interactive. In addition to working on these key initiatives, the VEC works directly with businesses in these sectors to help them grow, attract investment and develop new markets. With respect to investment attraction and international trade, the VEC is focused on the Asia Pacific markets – especially China.

The VEC has a strong team of 21 professionals that provides a variety of services, including research, marketing, communications, events for business engagement, strategic initiatives that enable these sectors, and advocacy on behalf of business to all levels of government. Visit [www.vancouvereconomic.com](http://www.vancouvereconomic.com) for comprehensive information on key services delivered.

The VEC plays a small but effective role in the local economy by focusing on areas of the economy that help diversify and spread out the economic risk and on areas where innovation, creativity and sustainability are key to success. In short, the VEC works to position Vancouver as a globally recognized city for innovative, creative and sustainable business.

### Key services delivered

**Investment and business support** – Supplying data, information and intelligence on business, economic and community conditions; providing businesses in priority industry sectors with support, referrals and services for doing business in Vancouver

**Business delegation support** – Making presentations on local business opportunities; arranging informational meetings, company introductions and project tours; providing business development services

**Economic development promotion** – Providing marketing and outreach; collaborating with industry associations to promote business opportunities in Vancouver; sponsoring and participating in industry events and activities

**Strategic initiatives** – Designing and leading projects (often in partnership with the City or other organizations) to fill a gap in the business network or achieve positive change as it relates to infrastructure, planning, systems and programs that support Vancouver's business community

### Major accomplishments in 2016

In 2016, the VEC undertook a significant number of activities to support the growth of the local economy, including business development, investment attraction and talent recruitment.

### The green economy

The green economy is thriving in Vancouver, and the city continues to enjoy a high profile as a clean and sustainable city. In 2015, the VEC commissioned a report that identified the number one reason for Vancouver's outstanding global brand. This condition is attributable to the very public-facing work of the Greenest City Action Plan. The research organization, Brand Finance, assesses Vancouver's overall city brand to be worth \$31.7 billion.

In 2016, VEC continued to deliver on the Greenest City Action Plan (specifically to double the number of green jobs and the number of businesses engaged in greening their businesses) with programs such as the Green and Digital Demonstration Program and ongoing work to develop a green enterprise zone or hub on the False Creek Flats. Internationally, the VEC has engaged with the global business, NGO and professional communities on green initiatives, sharing the Vancouver story and promoting Vancouver as a destination for green business. The goal is to position Vancouver as a centre of green enterprise.

### The False Creek Flats, a green enterprise zone

The VEC worked with the neighbourhood business community and the City's Planning and Development Services department on a multi-year project to establish the False Creek Flats (the Flats) as an advanced inner-city industrial employment land that will be promoted as the "greenest place in the world to work."

The area (bounded by Main, Prior and Venables Streets, Clark Drive and Great Northern Way) was chosen for its economic and ecological significance. Making up 15% of Vancouver's industrial land base, the Flats houses more than 500 businesses providing more than 8,000 jobs. The area is also home to newly developed educational institutions as well as an influx of technology-based and research and development-based businesses, and other like-minded organizations.

In 2016, the VEC's work pertaining to the Flats included:

- Partnered with City Planning to develop a Local Area Plan and an Economic Action Strategy for the False Creek Flats
- Engaged with the business community on the False Creek Flats to help businesses measure and manage their greenhouse gas emissions
- Engaged with the False Creek Flats business community to create new opportunities in the circular economy, in green transportation and in renewable energy

Examples of new opportunities created with the Flats business community include the following:

- **Circular economy** – Added recycling businesses to allowable uses in I2 and I3 zones to help find spaces for unique circular economy businesses; matched industry materials challenges with student research and development capacity; connected the community of circular economy businesses to enable the flow of salvaged materials between designers, contractors and resellers

- **Green transportation** – Helped Hydrogen Technology and Energy Corporation find a site for a hydrogen fuelling station; conducted a study on fleets in the Flats to understand alternative fuelling and charging infrastructure needs; identified opportunities for fleet conversion or fleet sharing pilot projects
- **Renewable energy** – Structured funding mechanisms and financial partnerships to enable more rooftop solar; hosted myth-busting events to help industrial businesses understand the myth vs. reality of rooftop solar; investigated community solar models for industrial areas

#### **Green and Digital Demonstration Program**

- The Green and Digital Demonstration Program supports entrepreneurs and startups in Vancouver's clean technology and digital sectors by creating opportunities to gain temporary access to City-owned assets for technology demonstrations and proof-of-concept trials. This support helps companies save time and money by helping them get to market more quickly. The ultimate goal of the demonstration program is to more rapidly create green and digital jobs, with a higher success rate.
- In 2016, the VEC received applications from 85 local companies, and a dozen of them have qualified for implementation this year. One of the success stories from the 2015 cohort is TSO Logic, who was able to demonstrate a 17% energy savings in the City's data centre using their technology. Successes like this enable startups to accelerate commercialization.

#### **GLOBE, the conference on the business of the environment**

Building on the successful mission in 2015 to the United Nations climate conference in Paris, VEC partnered with GLOBE to deliver a week-long series of panel discussions, workshops, speaking opportunities, site tours and business development at the City's trade floor space. With the media and its stakeholders, VEC branded this year's edition of GLOBE as "The Road from Paris Starts Here."

VEC led the following events and programs at GLOBE:

- **Forum for emerging leaders** – A day of presentations and mentorship programs for 100 emerging leaders from across Canada on the topic of sustainable economic development
- **Vancouver enterprise forum** – A two-hour program on carbon capture technologies with local and global experts
- **Renewable cities challenge** – A signature event at GLOBE, led by VEC, this event saw 100 global experts on renewable energy challenges and solutions match problems with answers over a four-hour session.
- **VEC reception** – One of the most sought after sessions during GLOBE, VEC proved itself as a powerful convener and connector of key GLOBE attendees from around the world.
- **Green economy panel discussion** – Featuring New York City, Copenhagen, London, Washington, D.C. and Vancouver, VEC hosted a panel discussion on best practices for generating job growth in a green economy.

- C40 Green Growth Workshop – A joint Greater Vancouver Board of Trade and VEC lunch with Michael Porter from Harvard University
- Green and Digital Demonstration Program – Another signature VEC event brought leaders from cities around the world together with venture capital firms to hear firsthand how VEC and the City’s demonstration program has developed in its first year.
- Renewable energy site tours – VEC led an international delegation of GLOBE attendees on a bike tour of leading Vancouver clean tech companies.
- VEC booth at the GLOBE trade floor – VEC hosted a variety of business meetings and raised the profile of the agency’s work.
- VEC is widely recognized as the key partner for the GLOBE series and will be working with GLOBE on a new conference, GLOBE Capital, to be held in alternate years.

VEC will continue working with others, sharing best practices and learning – locally and globally. Overall, VEC’s efforts have helped raise the profile of this important work and positioned VEC as a leader in promoting the green economy’s many benefits.

### **Technology and innovation**

The VEC has worked closely with the technology business community since 2010, and in 2013, Vancouver was recognized by the Compass Group as a top 10 global startup ecosystem. Today, the technology sector features three of the nation’s five home-grown “unicorns” (emerging growth companies valued at \$1 billion or more), employs more than 75,000 technology professionals in Greater Vancouver, and generates more than \$23 billion in revenues and \$15 billion in GDP across BC.

The VEC leads a number of initiatives that include developing incubation and accelerating programming for startups, digital demonstration programs for emerging companies, and market access and investor programs for export-ready firms – including business missions to Northern Asia, California and Northern Europe. The goal is to build on Vancouver’s reputation as a globally recognized ecosystem of innovative entrepreneurs and growing startups, and as a destination for smart capital and talent.

In 2016, the VEC has accomplished the following in the technology and innovation sector:

#### **Impact Express**

Impact Express Seattle was a three-day trip to Seattle with 20 of Vancouver’s actively fundraising impact entrepreneurs as well as five impact supporters and educators (impact entrepreneurs seek to make a positive societal impact). The mission had the dual purpose of connecting Vancouver’s impact entrepreneurs to Seattle’s impact investment network and building a strong brand around Vancouver’s impact economy at the annual global gathering of Impact Hubs – the Unlikely Allies conference. Key outcomes of the mission included the following:

- The trip resulted in more than 75 facilitated one-on-one meetings with investors and 100 meetings in total.

- Vancouver businesses were showcased twice during the Unlikely Allies summit for global impact hubs and were by far the best represented delegation present.
- The unintended benefit of the trip was a significant amount of mentorship, education and community building among the entrepreneurs – there were several requests to continue this type of programming as well as to continue to bring together groups like this on a regular basis.

### Startup City

VEC created and operated the Vancouver Startup City brand as a mechanism to promote and bring together startups, investors and talent for a week-long series of programming and events covering topics such as raising capital, attracting key talent, product development and market research.

- **Startup City Impact:** The huge number of impact businesses is one of the things that sets Vancouver's startup ecosystem apart from others around the world. VEC developed a series of engaging events designed to celebrate and support the local impact ecosystem in three ways: (1) showcase, (2) educate, and (3) connect. [www.vancouvereconomic.com/startupcityimpact/](http://www.vancouvereconomic.com/startupcityimpact/)
- **Startup City Capital:** This is a focused, four-day program that allows both local investors and angels (wealthy individuals who provide capital for business startup) to discover Vancouver's innovative and high-potential startups. It also acts as a platform for local startups to connect with various activities. VEC, in partnership with the National Angel Capital Organization, aimed to complement the organization's investor-focused programming by connecting, showcasing and educating Vancouver's local startups and angels. [www.vancouvereconomic.com/startup-city-capital/](http://www.vancouvereconomic.com/startup-city-capital/)

### Web Summit

VEC promoted Vancouver's tech ecosystem at the world-renowned Web Summit in Europe, where many Vancouver companies participate. Web Summit is a technology conference centred on internet technology. Attendees include a mix of Fortune 500 CEOs and founders of tech startups together with a range of people from across the global technology industry. Vancouver's Hootsuite was among the attendees.

### BDC Fundamentals

VEC partnered formally with Business Development Bank of Canada (BDC) to host the Vancouver chapter of their ongoing investor education series called FUNDamental Principles. The inaugural Vancouver event attracted more than 200 venture capitalists and angel investors for a two-day forum on the Vancouver investment climate, best practices for investors and startups in raising and deploying capital, and networking with a local and North America-wide audience.

### National Angel Capital Organization Annual Summit

This annual three-day summit is the flagship event for the Canadian angel investor community. With more than 400 attending investors, partners and industry leaders from across North America and around the world, this was the organization's largest summit to date and the first time it was hosted in Vancouver.



### Angel Capital Association

VEC was invited to address the 2016 Northwest Regional Meeting of the Angel Alliance in Seattle in March. Sixty high-net-worth members of this alliance dedicated their first quarter meeting to hearing from VEC about opportunities and advantages in Vancouver's investment climate.

The VEC continues to be a leading organization in Vancouver's rapidly evolving technology sector, which continues to outpace the growth seen in other tech regions in Canada and globally. Vancouver's brand as a centre of innovation will benefit from continued investment in the expansion of the VEC's programs and services. The increased public recognition of VEC's work and the engagement of Vancouver's tech community in VEC activities is a demonstration of the impact of recent activities.

### Digital entertainment and interactive

The advancement of entertainment technology and digital networks has allowed for a new group of content distributors to emerge. For example, Netflix and Amazon Prime are now high-volume producers of content where the demand did not exist just a few years ago. These two organizations are now responsible for an additional 400 hours per week of screen-based entertainment. At the same time, Hollywood continues to turn out major feature films and expensive animations.

This growth is good news for the Vancouver industry, which experienced 40% growth from 2014 to 2015 and is expected to see similar growth in 2016. Studios across Greater Vancouver are fully subscribed, and new studios are under construction. Meanwhile, expansion of the local visual effects and animation sector continues and currently employs more than 6,000 people. Vancouver is recognized as having the largest visual effects industry cluster in the world. The goal is to expand Vancouver's leadership position as a global centre for digital entertainment and interactive companies.

In 2016, the VEC led several business initiatives within the following events:

- **London Mobile Games** – Partnered with the Canadian High Commission in London to build a business program for a Vancouver video games delegation at the Pocket Gamer conference, including keynote address, panel discussions, pitch sessions and networking business-to-business sessions
- **Annecy Animation Festival** – Conducted a business mission to Annecy, France, to gain exposure for Vancouver's animation sector at this annual animation festival
- **Vancouver International Film Festival** – Advised and supported the Vancouver International Film Festival's Industry Exchange, Canada's first market for online content. VEC hosted film industry executives at the annual Vancouver International Film Festival.
- **External Developers Summit** – Worked with Electronic Arts to create a Vancouver business demonstration area to highlight the work done at Vancouver Studios during the 3rd Annual External Developers Summit in Vancouver



Another important accomplishment in 2016 is the creation of a new Vancouver film commission (yet to be named and branded):

- **Vancouver film commission** – VEC has created a new business unit that will team the digital entertainment and interactive staff with a film commissioner. The mandate of this office will be to ensure the long-term competitiveness of local film and television production, encompassing the entire supply chain that supports this industry, including physical production, digital visual effects, animation, and virtual and augmented reality as well as a range of other professional services and technologies.
- The VEC will house the new film commission inside VEC as a new business unit that will also be integrated with digital media, visual effects and animation.

Vancouver's digital entertainment and interactive sectors are positioned for success. With some of the world's most creative talent, low energy costs, world-class infrastructure and a culture for innovation in fields such as virtual and augmented reality, the future looks bright. However, with high growth emerges new challenges in how to remain competitive while simultaneously building out new infrastructure, attracting new investment and retaining top talent in a highly mobile industry. The VEC is working to build more in-house capacity for the purposes of attracting investment, marketing Vancouver and advocating for positive policy.

### Talent initiatives

Due to increased demand from the technology and digital business ecosystems, VEC has placed significant emphasis on talent attraction initiatives this year and has partnered with the provincial government to deliver a comprehensive strategy on talent development and recruitment for the technology sectors.

Accomplishments in 2016 included the following:

- **VEC Career Fair** – The VEC organized and hosted a large one-day career fair for the visual effects, animation and video games sectors. These are currently the fastest growing sectors in Vancouver, and demand for talent is at an all-time high. VEC provided tables for 30 organizations, and more than 1,500 individuals attended to view their prospects. VEC also created an opportunity for high school students to learn more about their potential future by creating an onsite area – Education Alley – where high school students could learn about the latest programs for training and development needed to land a job in the industry.
- **Waterloo Career Fair** – VEC, along with seven innovative Vancouver tech companies, travelled to the University of Waterloo to engage with the country's top tech students and convince them that Vancouver is the best place to build their careers in the tech sector. The program was part of the VEC's larger tech talent recruitment initiative and involved two information sessions in which students learned about the appealing aspects of growing their careers in Vancouver and networked with the seven companies present (Microsoft, SAP, BuildDirect, Fortinet, MDA, ACL and DWave). Vancouver is the first and only city to be invited to hold information sessions like this at the university, and the sessions were deemed highly successful by the staff, with more than 180 students attending.

- **VEC “Make Your Move” recruitment campaign** – This campaign takes advantage of the current global political climate to bring back key sector talent (primarily tech) to Vancouver from competing markets around the world. The target markets are tech professionals currently living or working on the US West Coast (that is, Seattle and San Francisco/Bay Area). Professionals working within other key sectors will also be welcomed as part of the campaign.

The VEC created a simple online platform for non-local talent to sign up using their LinkedIn profiles (creating a database of key sector professionals interested in relocating to Vancouver). Vancouver companies were given exclusive access to this database, which allowed them to reach out to relevant talent about specific opportunities. The online platform was woven throughout all promotional elements of the campaign.

- **Technology Talent Strategy Development** – A Labour Market Partnership project with the BC Ministry of Jobs, Tourism and Skills Training, Labour Market Division, is well underway. The VEC is leading a multi-year, multi-stakeholder engagement, analysis and strategy development for the broadly defined technology sectors of cleantech, information and communications technologies, digital entertainment, life sciences and engineering services. Outcomes of this work will directly impact talent policy and future strategy at the federal, provincial and municipal levels.

VEC is engaging with 150 stakeholders from across our key technology sectors to facilitate a dialogue around solutions that will help address the current and forecasted talent shortage. Specific themes being investigated include immigration policy, temporary foreign workers programs, worker mobility, job readiness, education, diversity, recruitment, and attraction and retention.

Data collection, roundtable discussions, best practices review and solution engagement are all underway and will continue into fall 2016. A draft strategy and report with short-, medium- and long-term recommendations will be released by the end of 2016.

### Asia Pacific Centre

The Asia Pacific Centre of VEC is building upon a substantial network that VEC has created in Asia, with a particular focus on China, Japan, Korea and Taiwan. The completion of formalized strategic partnerships with government and private sector entities in these markets is vital – without them, pursuing specific investment attraction opportunities is very difficult. With formalized relationships in place, VEC becomes a validated partner, and a fast track to decision makers is facilitated. The new formalized relationships built in 2016 included:

- Shenzhen Municipal Development and Reform Commission
- The Administrative Commission of Tianjin Binhai Hi-tech Industrial Development Area
- Japan Aichi Prefectural Government
- Korea Trade-Investment Promotion Agency
- Investaiwan Service Centre, Taiwan
- International Academy of Low Carbon Development (Shenzhen, China)

And the following significant private sector relationships:

- Huawei Technologies
- SoftBank Telecom
- Neusoft
- TMFOX Incubator

Each of these companies is in various stages of a decision to start an operation in Vancouver, and each is using VEC's platform to facilitate their due diligence, logistical and networking deliberations. There has been a marked increase in exploratory missions from Asia Pacific companies arriving in Vancouver, as the City's brand as a significant technology hub and North American gateway is established. The goal is to bridge the gap between investment interest in the Asia Pacific region and opportunities in Vancouver while establishing VEC as the go-to agency for business connections in the region.

The 2016 activities that VEC accomplished included:

- CCCA Trade Mission to Taiwan and Korea
- China Green Summit
- Pacific Finance and Trade Summit
- Shenzhen Low Carbon City Forum
- World Economic Forum – Summer Edition – Tianjin
- CCCA Trade Mission to Japan
- VEC's Fourth Annual Canada-China Business Forum
- The 4th Golden Panda International Short Film Festival
- Multi-city roadshow in China with the ICBK Bank

## **Plans for 2017**

In 2017, the VEC will continue positioning Vancouver as a globally recognized city for creative, innovative and sustainable business. Plans and initiatives include the following:

- Based on the outcomes of VEC recommendations, strategy and action plan on the BC technology labour market, VEC will add a new focus on programs that address talent issues in immigration, job readiness, recruitment, retention and diversity. Improving the availability of talent to the Vancouver technology and digital community has become critical to the success of the local technology sector.
- Based on the successful launch of the new Vancouver film commission, VEC will develop a strategy and work plan for this new business unit to serve the active local film and television production industry. The film commission will focus on investment attraction, advocacy to policy makers, and promoting Vancouver as a world-class, fully integrated, entertainment production hub.

- Based on the newly launched Local Area Plan and Economic Action Plan for the False Creek Flats, VEC will implement new initiatives that support innovation with local industrial businesses, including distribution, manufacturing, processing and design. The Flats industrial zone is emerging as an engine of sustainability and innovation for Vancouver. The VEC will support a variety of initiatives that will help transform the Flats into a place that supports industrial technology development and demonstration, a place that employs smart logistics systems and smart city technology, and a place that invests in green buildings, infrastructure and businesses.
- As part of the Greenest City Action Plan, the VEC will ramp up engagement activities with the Vancouver business community under the banner of “Thriving Vancouver.” This digital and physical program will engage thousands of Vancouver businesses in the art of greening their business operations and getting connected to service providers who can help. The VEC hopes to double the number of businesses engaged in greening their operations by 2020. Furthermore, the VEC will also measure and report on the growth of green jobs in Vancouver in 2017.
- The VEC’s Green and Digital Demonstration Program will continue to facilitate access to City infrastructure for Vancouver’s cleantech and digital (Smart City) entrepreneurs who will benefit by accelerated commercialization of their innovations.
- The VEC’s Startup City brand and program will continue to bring Vancouver’s startups, investors and talent for a week-long series of programming and events covering topics such as raising capital and attracting key talent. Vancouver’s brand as a centre of innovation will benefit from continued investment in the expansion of the VEC’s programs and services.
- The VEC’s Asia Pacific Centre will facilitate several opportunities from the Northern Asia markets of Japan, Korea and China, attracting both investment and new opportunities for trade in our key sectors.

### **Looking ahead, 2018-2021**

As the local economy continues to grow and diversify, VEC will consider expanding services to include sectors such as life sciences, geographic coverage such as Latin America, and functional coverage such as talent development and attraction.

The green economy will continue to expand and diversify, especially as trade with China grows and more of Vancouver’s local businesses realize the benefits of reducing their environmental footprint. VEC will continue to identify opportunities that will accelerate the journey to a 100% renewable energy city before 2050. The VEC will also continue to leverage City-owned assets and land to enable innovative programs for industrial land-based organizations.

The technology and innovation sector will thrive and only be held back by the availability of talent. Multinationals like Microsoft and Amazon who already have offices in Vancouver will continue to grow and attract other global powerhouses to complement our diverse startup community. The VEC will continue to augment the Startup City brand with new programs in capital attraction and talent development.

Vancouver's digital entertainment and interactive sector will continue to maintain its global leadership position, especially with the rapid adoption of new innovations in augmented and virtual reality. The new VEC-led Vancouver film commission will position Vancouver as a globally recognized, fully integrated production hub that is world class.

VEC's Asia Pacific Centre will continue to position Vancouver as the most viable entry point for Asian companies wanting to expand in North America and will continue to facilitate trade opportunities and investment for Vancouver businesses.

The VEC will continue positioning Vancouver as a destination for innovative, creative and sustainable business.

## Corporate Support Services

The role of Corporate Support Services is to assist in carrying out City Council's key objectives and business operations and enabling an open, inclusive and participatory municipal government. Corporate Support Services includes the internal services that support and facilitate the delivery of services to the public as well as select direct services to citizens.

Departments under the Corporate Support Services umbrella guide the City's major initiatives and provide counsel, support, strategic planning and other resources to City departments and the public. Specializing in various aspects of business operations, they include:

- City Manager's Office
- City Clerk's Department
- Finance, Risk and Supply Chain Management
- Human Resources
- Information Technology, Digital and 3-1-1 Contact Centre Services
- Legal Services
- Real Estate and Facilities Management

## City Manager's Office

The City Manager's Office serves Council and oversees the overall conduct of the City administration in pursuing the City's purpose. The City Manager's Office:

- Reviews departmental programs, budgets and policy initiatives
- Makes recommendations to City Council
- Ensures Council's directives are carried out
- Establishes standards and priorities for civic administration
- Motivates and monitors performance to ensure standards are met, priorities are pursued and high-quality City services are consistently delivered

## Key services delivered

**External Relations and Protocol** — Managing public visits by dignitaries; managing meetings and partnerships with dignitaries and delegations from Canada and around the world; organizing special events such as City awards, special community awards, annual events and ceremonies, and protocol events

**Emergency Management** — Developing and implementing emergency response plans; conducting training and exercises; managing emergencies; delivering emergency preparedness education

- Facilitating emergency management activities across the city and between the City and external stakeholders, including activities in all four pillars of the emergency management cycle: (1) mitigation, (2) preparedness, (3) response, and (4) recovery. The activities within the Office of Emergency Management include those that support operational readiness and those that support community resilience. The office also supports a number of operational activities.
- Maintaining emergency response infrastructure, such as the Emergency Operations Centre (EOC), as well as communications and information management systems; overseeing corporate-level emergency planning; and conducting emergency exercises and training for staff and partners. Operational readiness refers to the activities to prepare the City of Vancouver to respond to emergencies within the community. The office also supports the public safety planning process for large special events.
- Delivering public education and engagement, business engagement, management of the Vancouver Volunteer Corps, management of the Emergency Social Services (ESS) program and planning for mass care. Community resilience focuses on building resilience within the Vancouver community (e.g., residents, businesses, volunteer groups and other organizations).
- Delivering emergency operations, including any time the EOC is activated, 24/7 Emergency Management Duty Officer Operations, ESS support teams and special-event public-safety operations. Operational activities are those that are in direct support of emergencies and public safety for large special events.

**Internal Audit** – Conducting internal financial and performance audits to ensure processes are in compliance with policies and City assets are protected; acting as an independent assurance service to examine and evaluate the effectiveness and efficiency of City activities; assisting City management and staff in promoting an accountable municipal government; establishing a cost-effective and efficient internal control environment to help mitigate the City's risk exposure

**Business Planning and Project Support** – The Business Planning and Project Support (BPPS) office was created mid-2016, through merging the Business Planning Secretariat and the Vancouver Services Review office. BPPS serves as an internal consulting office for the City, providing a full spectrum of business advisory and project support services within the organization to assist the City's Corporate Management Team in achieving Council directives and establishing corporate priorities.

- Providing prompt access to high quality business advisory and support services specializing in strategy, negotiation, project management, business stakeholder management and Corporate Plan development
- Contributing to higher-quality project design and implementation results
- Building business management and advisory know-how among City staff
- Facilitating the continuity of advisor knowledge history
- Optimizing business relationships with key partners
- Avoiding management consulting costs

- Managing the consultants hired by the City to maximize results and value of expenditures

**Corporate Communications** – providing communication services that ensure the public, employees, media, national audiences and international audiences have a clear understanding of City of Vancouver policies, priorities and programs that encourage civic participation in municipal government.

- Managing the City's incoming and outgoing major communications through news and other media
- Developing and implementing strategic communication plans, issues management plans and public consultation programs for successful delivery of public policy and project planning

### Major accomplishments in 2016

#### External Relations and Protocol

In 2016, External Relations and Protocol completed the following:

- Oversaw the third annual City of Vancouver Awards of Excellence ceremony, a civic awards program recognizing the outstanding achievements of individuals, organizations and businesses whose efforts make Vancouver a better city. Up to 200 winners, nominators and supporters attended the awards show on July 5, 2016, at the VanDusen Botanical Garden Visitors Centre.
- Continued efforts to support City of Reconciliation initiatives. The City of Reconciliation, adopted by City Council on September 18, 2014, is a long-term framework – built on raising awareness, creating partnerships and addressing capacity – focused on the significant relations with the Musqueam, Squamish and Tsleil-Waututh First Nations and with the urban Aboriginal community.
- Organized the annual Remembrance Day Ceremony at Victory Square, marking the 92nd anniversary of this important ceremony in Vancouver
- Organized numerous other events, including Lunar New Year, Black History Month, International Women's Day, National Aboriginal Day, International Day for the Elimination of Racial Discrimination and Raise Your Hands Against Racism Event, 2016 Pride Parade and Pride Week Launch at City Hall, Eid, and International Day for Persons with Disabilities
- Negotiated, planned and executed a visit by The Duke and Duchess of Cambridge to the Kitsilano Coast Guard Station in September 2016. The Protocol Office worked closely with Heritage Canada and BC Protocol to ensure a seamless and safe public event at Vanier Park. The Protocol Office also worked with the BC Protocol Office on the arrival event at Jack Poole Plaza.



## Emergency Management

Notable achievements for Emergency Management in 2016 included the following:

- Operational readiness
  - Established a 24/7 Emergency Management Duty Officer (Phase 1 – ESS coordination)
  - Procured an Emergency Management Information System to provide a single view of emergency response information for the EOC and Emergency Management Duty Officer
  - Implemented a pilot Emergency Notification System that can be used to rapidly notify general staff and specialized staff teams about emergencies, EOC activations and other events that require quick dissemination of information to a large number of staff
  - Increased membership and capacity of the ESS volunteer team to meet current needs of evacuated residents in Vancouver
  - Developed and updated Standard Operating Procedures for the EOC based on lessons learned from the Port of Vancouver chemical fire, the M/V Marathassa oil spill in English Bay and windstorm operations in 2015
  - Delivered emergency training to more than 300 City staff, including Disaster Staging Area training and EOC training
  - Continued to expand the Vancouver Volunteer Corps, in partnership with Vancouver Fire and Rescue Services
  - Participated in the Greater Vancouver Integrated Response Plan for marine oil spills in conjunction with regional partners and the Canadian Coast Guard
  - Supported development of the City's written argument in the Trans Mountain Pipeline intervention
- Community resilience
  - Established the Disaster Support Hubs, locations where the community can coordinate post-earthquake support at the grassroots level and link with support organizations, including the City of Vancouver
  - Held an Emergency Preparedness Week event at Science World, which included the IBC ShakeZone – a small mobile trailer that simulates earthquake shaking, allowing people to experience what a very strong quake might feel like
  - Delivered a total of 260 emergency preparedness courses to more than 6,500 residents
- Operations
  - Supported Edmonton in managing the Fort McMurray evacuees by deploying ESS resources from spare inventory to the City of Edmonton

- Supported the Red Cross by deploying 39 Vancouver Volunteer Corps members who contributed 405 hours in the Burnaby Red Cross call centre, providing family reunification and needs assessment services to displaced residents of Fort McMurray
- Supported approximately 325 evacuees from house and apartment fires from more than 25 fire emergencies
- Conducted public safety operations for Canada Day, Celebration of Light and other special events, including activation of the EOC and deployment of Vancouver Volunteer Corps teams

### **Internal Audit**

In 2016, Internal Audit:

- Will complete 12 audits by the end of the year based on the 2016 Internal Audit Plan, as approved by the Internal Audit Management Team
- Completed two semi-annual follow-ups of existing audit recommendations in January and July
- Conducted whistleblower-related investigations
- Provided advisory services to City management and staff on policies, procedures and internal controls
- Reviewed City purchasing expenses to verify purchase rationale and appropriate business usage
- Reviewed treasury transactions to ensure compliance with the City's existing treasury policies
- Promoted accountability and transparency in municipal auditing through hosting the Greater Vancouver internal auditing roundtable
- Selected as one of eight municipalities to participate in the Canadian Council of Legislative Auditors forum, consisting of the federal Auditor General and provincial auditors
- Represented the City at the Municipal Internal Auditors Association roundtable to promote effective performance auditing in local government

### **Business Planning and Project Support**

Notable achievements of the BPPS team in 2016 included the following:

- Led the development and stewardship of the 2016 Corporate Plan
- Engaged the team responsible for designing the Mobi public bike share business model; assisted with contract negotiations and system-wide launch
- Counselling the team responsible for completing the Planning and Development Fee Review; provided recommendations that have been implemented
- Contributed to the development of the City's Zero Waste Strategy, currently underway

- Advised the team responsible for securing Phase 1 funding and a senior government commitment for Phase 2 funding for the SkyTrain Millennium Line Broadway Extension (known as the Broadway Subway)
- Provided expertise on the development and upcoming implementation of a new Project Management Framework
- Achieved Organizational Quality Management certification for the recently established Engineering Project Management Office
- Assisted with the development of standardized warehouse processes at 11 locations, resulting in off-line capabilities for the City's Emergency Response Planning system and a 15% decrease in unnecessary inventory
- Guided the team responsible for implementing a new legal services IT system, along with significant business process improvements
- Counsellor the design and implementation of new development permits, business licences, inspections and enforcement strategy for marijuana zoning regulations

### **Corporate Communications**

Notable achievements for Corporate Communications in 2016 included the following:

- Media
  - Facilitated and coordinated timely responses to media requests; oversaw strategic issues management, including media monitoring services and translation; trained and supported designated media spokespeople
- Engagement
  - Guided process planning, issues management, online engagement and graphic design services for public engagement projects that included community plans for Cambie Corridor, False Creek Flats and Grandview-Woodland
  - Engaged a broad range of citizens proactively using online and in-person tools recommended by the Engaged City Task Force, including Talk Vancouver, Pop-Up City Hall (at 52 locations) and a City pavilion at the Pacific National Exhibition (PNE)
- Community Services
  - Provided issues management, public and online engagement, event planning, social media, advertising and graphic design services for Vancouver's first Community Land Trust, tax on empty homes, increased family housing requirements, modular housing and Affordable Home Ownership programs
  - Provided issues management, public and online engagement, event planning, social media, education campaigns and advertising services for projects that included marijuana zoning policy, short-term rentals, taxi and Uber strategy, Single Room Occupancy (SRO) hotels and liquor policy review

- Engineering and Planning
  - Provided public and online engagement, social media strategy, advertising campaigns, media relations, issues management, graphic design services and event planning for City projects such as Burrard Bridge and Street upgrades, Georgia and Dunsmuir Viaducts removal, Pender Street Water Main Project, 800 Robson Plaza, Jim Deva Plaza, Arbutus Greenway, Mobi public bike share program, Recycling Services transition to Multi-Material BC (MMBC), Seawall improvements, transit and traffic, and sustainability initiatives
  - Supported communications strategy surrounding building permits, Design Awards, Cambie Corridor, False Creek Flats, Grandview-Woodland and False Creek South
- Corporate relations and events
  - Provided issues management, public and online engagement, event planning, social media, media relations and graphic design services for projects such as City Hall East Wing removal, Masters Games, Disaster Support Hubs and Emergency Information Plan
  - Supported public interest campaigns related to Trans Mountain Pipeline advocacy
  - Provided communications, writing, editing and engagement for Corporate Plan, Budget Outlook, 2017 Budget and five-year financial plan
  - Contributed communications services as part of the 100 Resilient Cities Application and subsequent engagement planning to develop a Resilience Strategy
  - Designed branding for Mobi public bike share program
- Internal communications
  - Managed internal communications for large business transformations, including the Engineering Project Management Office, the Parks Review Project, Warehousing Inventory Management and the Success Factors Recruitment platform
  - Provided communications planning and support, issues management and engagement for internal clients
  - Developed and produced online staff newsletter; supported staff engagement; produced internal and external videos; updated intranet web pages
  - Carried out research and interviews with City employees and stakeholders to quantify needs and priorities for Citywire (internal staff website) improvements
- Graphic design
  - Improved the graphic design request form to include more detailed briefs and analytics fields; monitored improvements through the Service Desk Express ticketing system; obtained results in enhanced visual portfolios, higher-quality outputs, and data to track service demand and resource plans

## Plans for 2017

### External Relations and Protocol

In 2017, External Relations and Protocol will:

- Plan, manage and deliver quality annual events, awards and ceremonies as mandated by City Council
- Improve the process for accepting delegation requests required as a matter of protocol and serve as a strategic value to the organization
- Engage the Consular Corps of British Columbia on invitations to City events and liaise with consulates on issues of importance to the City
- Increase engagement with the three host First Nations and urban Aboriginal people as the City strengthens its role as a City of Reconciliation
- Organize and manage the 4th annual Awards of Excellence, including promotion, nomination and selection processes, and coordination of the awards ceremony to take place on February 28, 2017
- Provide protocol support to the City's Canada 150+ team

### Emergency Management

As part of the Earthquake Preparedness Strategy, the Office of Emergency Management is focusing on a number of planning and preparedness initiatives to ensure the City is ready for a major earthquake and to enhance delivery of our day-to-day operations. Many of the plans and systems being put in place will be tested comprehensively in a full-scale exercise in 2018 or 2019.

In 2017, Emergency Management will:

- Implement and roll out the Emergency Management Information System
- Evaluate the pilot Emergency Notification System for staff teams
- Develop a Building Damage Assessment Plan for all damaged buildings in Vancouver
- Conduct a functional EOC exercise
- Implement Phase 2 of the Emergency Management Duty Officer (full operations)

### Internal Audit

In 2017, Internal Audit will:

- Complete final audit reports from the 2016 Internal Audit plan in the first quarter of 2017
- Undertake the 2017 risk-based audit plan of 12 audits and conduct semi-annual follow-ups of existing audit recommendations in January and July
- Continuously monitor purchase card transactions and treasury transactions for compliance with City policies

- Continue to promote accountability and transparency by posting internal audit report abstracts on the City's public website at [vancouver.ca/your-government/internal-audit-reports.aspx](http://vancouver.ca/your-government/internal-audit-reports.aspx)
- Continue leveraging emerging technology, such as data analytics, to aid in the analysis of data and identification of trends

### **Business Planning and Project Support**

In 2017, BPPS will:

- Lead the development and stewardship of the 2017 Corporate Plan
- Support the City Manager, Corporate Services and Community Services in the Housing and Homelessness Strategy Re:Set program
- Contribute to the long-term planning of the SkyTrain Millennium Line Broadway Extension (Broadway Subway)
- Lead the development and stewardship of the Corporate Revenue Review Program
- Monitor and report back on the progress of the Zero Waste Strategy
- Contribute to the South False Creek Planning Project
- Establish a formal Business Relationship Management function

### **Corporate Communications**

In 2017, Corporate Communications will:

- Continue providing high levels of service for strategic communication, media relations and engagement
- Reach the target of 10,000 citizens as members of Talk Vancouver, the City's online engagement panel
- Support communications, media and social media for Canada 150+ anniversary, 100 Resilient Cities planning and Zero Emissions initiatives through the Greenest City 2020 strategy
- Apply technology enhancements for engagement with internal and external audiences
- Provide direction on visual brand policy for the City wordmark
- Update social media strategy in tandem with the corporate digital strategy
- Review tools and processes aligned with engagement and consultation
- Implement a new translation services framework
- Streamline internal communications processes and intranet content to improve employee connections, productivity and accountability
- Develop the business case for upgraded intranet to replace dated Citywire to serve all employees more effectively
- Recruit and invest in new talent to support increasing demand for communication services

- Use measurement and analytics to demonstrate effective communications and identify opportunities; respond to new trends and shifts in traditional media

### **Looking ahead, 2018-2021**

#### **External Relations and Protocol**

For 2018 to 2021, External Relations and Protocol will continue managing and delivering quality annual events, awards and ceremonies as mandated by Council, in addition to taking the lead in coordinating all dignitary and delegation visits. Protocol will organize the inauguration ceremony of Mayor and City Council following the next municipal election on October 20, 2018. Protocol will also pursue the development of an international partnership strategy to assist with the many requests received annually from international cities to enter into sister-city agreements.

#### **Emergency Management**

Over time, the factors that contribute to the hazard risk in Vancouver change. Increased population, changes to weather patterns, increased volume of and changes to types of hazardous materials shipped, changes to world security, and the number and types of special events are just some of the factors considered. In addition, scientific advances change our understanding of hazards, such as how frequently some events may occur or what the expected impact will be. To ensure the City is focusing on the highest risk hazards, the Office of Emergency Management will update its Hazard Risk and Vulnerability Assessment to inform the strategic direction of initiatives for the coming years.

For 2018 to 2021, Emergency Management's plans include:

- Updating the City's Hazard Risk and Vulnerability Assessment (2018)
- Implementing an emergency notification and alert system for the public (2018)
- Conducting a full-scale earthquake exercise (2018 or 2019)

#### **Internal Audit**

Under direction of the Internal Audit Management Team, Internal Audit will:

- Conduct financial and performance audits each year to support the City in achieving further accountability, efficiency and effectiveness of operational processes
- Maximize audit resources and leverage peer knowledge to lead in the area of municipal auditing, striving to promote accountability and transparency in municipal government
- Maintain the use of leading audit technology for all audit programs where feasible

#### **Business Planning and Project Support**

- BPPS will continue to refine the internal service delivery model to attract and retain top talent who can provide impactful and results-oriented consultancy expertise. BPPS will become a leader in developing strong business practices with an emphasis on business development, relationship building and sophisticated strategy for City projects.

- The structure of BPPS is reliant on the future project plans initiated by internal business units. BPPS will continue to monitor and advise on projects currently underway and work closely with the Corporate Management Team to anticipate municipal and Council interests for potential project directives.

### **Corporate Communications**

Corporate Communications will continue to support City departments through strategic planning and initiatives to engage citizens in public policy discussions and projects that impact Vancouver's diverse communities.

The strategic approach is to engage the public quickly and comprehensively, using a diverse inventory of online tools and mobile interactions, such as the City's social media channels and the VanConnect mobile app.

The number of creative projects is projected to increase based on:

- Rising number of graphic and digital design support requests
- Increased awareness of the City program and public policy objectives
- Growing appetite for content and community-based discussions that are easily accessible, interactive and providing up-to-date information

The aim is to be more relevant, authentic and effective in communicating with citizens and valuable community stakeholders. Ultimately, this creates a more informed and engaged community. This will be achieved by:

- Being responsive on multiple channels
  - Developing protocols and a best practices toolkit; carrying out adequate training to ensure employees are properly educated on common procedures
  - Facilitating the ongoing evolution of strategies and new platforms that enhance our engagement with the public
  - Maintaining effective core communication services through media relations, emergency communications management, business continuity, and media buys and placements
- Connecting to everyone – engagement, 3-1-1, social media and digital strategy
  - Selecting new technologies and employing internal governance strategies to deliver information in a meaningful, rapidly accessible and consumable manner
  - Facilitating and preparing corporate strategic initiatives and projects
  - Redeveloping the intranet, and replacing Citywire, as the basis of a robust digital workplace and preferred source for internal communications; engaging staff through new capabilities and ongoing publication of a staff newsletter



## Department service metrics

### External Relations and Protocol

Since 2011, the number of events, official visits and community and interdepartmental teams managed by External Relations and Protocol has remained relatively constant. However, work has increased in complexity and scope; examples include the Awards of Excellence program and ceremony, and the number and complexity of flag raising ceremonies at City Hall. We have seen a significant rise in the number of flag raising ceremonies by countries wanting to celebrate their national days at City Hall.

The number of delegations and courtesy visits changes yearly, based solely on external requests received. In 2015 and 2016, the total number of visiting government officials and staff increased substantially. More than 60 delegation and dignitary visits took place with the City of Vancouver this year. Most visiting delegations were interested in issues related to sustainability, urban planning and housing affordability.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
External Relations and Protocol	Quantity	Interdepartmental Working Groups facilitated to manage Protocol-supported events	6	39	17	32	25
	Result	Total visiting government officials and staff engaged in positive diplomatic relations	209	124	555	883	880
		Community and cultural organizations engaged in Protocol-supported event planning	11	28	25	69	70

### Internal Audit

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Internal Audit	Quantity	# of Audits & Reviews Performed	9	12	12	12	12

### Corporate Communications

Corporate Communications continues to support City departments through strategies and initiatives to engage citizens in public policy discussions and corporate projects that have immense impact on Vancouver's diverse communities.

The number of creative projects is expected to increase based on rising requests for graphic and digital design support to highlight policy objectives, growing awareness of City programs, continuing engagement with citizens about City content, and expanding methods for browsing, viewing and interacting with City information. The aim is to be more relevant, authentic and effective in communications with residents and other community stakeholders. Ultimately, this creates a more informed and engaged community.

In 2016, use of social media channels to share information about City services and programs has continued to flourish. The strategic approach with outgoing information bulletins is to be flexible and responsive and to engage with the public quickly and with credibility.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Corporate Communications	Quantity	Incoming media calls	2,502	2,979	3,000	3,704	2,800
		Outgoing information bulletins, press releases, statements, media events	90	104	216	238	240
		Creative projects per year (advertising, project communications, graphic design, writing)	270	403	443	598	700
		Total followers on all active social media accounts	186,534	209,883	200,439	167,933	200,000

## City Clerk's Department

The City Clerk's Department provides administrative and information services to Council and its committees, boards, City departments and citizens. The department also provides support and coordination to the directors of Metro Vancouver and staff supporting their work. Another function performed by the department involves responsibility for managing Freedom of Information (FOI) requests for the City.

### Key services delivered

**Archives** – Managing City records and making them available for public access

**Council support** – Providing City Councillors with executive administrative support

**Elections management** – Holding elections for City offices, Park Board and School Board

**Legislative operations** – Lawfully conducting Council, committee and other official public meetings; supporting the coordination of intergovernmental relations activities

**Access to information** – Overseeing the FOI request process; managing City corporate records and ensuring compliance with the privacy provisions of British Columbia's *Freedom of Information and Protection of Privacy Act* (FIPPA)

### Major accomplishments in 2016

In 2016, the City Clerk's Department had key achievements in the following areas:

#### Corporate records management

- Completed a review of the corporate record policy and bylaw. Recommendations were implemented to ensure consistency with best practices for public organizations.
- Implemented a process to complete review and approval of outstanding record retention schedules. These reviews have supported a more robust, effective and efficient management of corporate records.

### **Freedom of Information and Privacy**

- Identified processing efficiencies that resulted in improved resource allocation
- Processed more than 440 formal FOI requests (a 25% increase in the total number of requests from 2015) in a timely manner
- Nine complaints received by the BC Office of the Ombudsperson and 12 privacy complaints through formal response protocols
- Completed a Freedom of Information Process Review for the Office of the Privacy Commissioner and a Compliance Audit for the Closed Circuit Television Policy, including a review of the recommendations. Action items are being implemented, and response planning is being done when resources are required to respond to a recommendation.
- Began January 1, 2016, in keeping with the City's goal of transparency and openness, to publicly post completed FOI responses that do not contain personal information. Posting is done on a monthly basis, with a 30-day time lag.

### **2018 municipal election preparation (Election Services)**

- Completed a comprehensive review of voting locations used in 2014; began assessments of voting places for the 2018 election
- Developed project documentation (project charter, risk register, organization chart); established an Election Steering Committee
- Prepared Requests for Proposal for information technology equipment, including ballot tabulators, electronic voters list and laptops
- Led staff support for the Independent Election Task Force, tasked with advancing Council's directives related to municipal elections. The Task Force is expected to provide a final report to Council at the end of 2016.

### **Vancouver Archives**

- Secured temporary storage space with Library and Archives Canada in Burnaby in order to make additional records accessible to the public in 2016
- Worked with Real Estate and Facilities Management to identify and secure temporary storage space for use once the Burnaby location agreement expires in March 2017

### **Legislative operations**

- Made Council votes electronically and publicly available through Open Data

### **Advisory committee management**

- Held advisory committee chair and staff liaison workshops; organized advisory committee member training; updated committee guidelines; organized the annual Council of Councils meeting

## Plans for 2017

In 2017, City Clerk's Department plans include:

### 2018 municipal election

- Complete project planning and begin project implementation
- Prepare the 2018 election budget; complete project risk assessment; hire Outreach and Staffing Coordinators; develop an outreach and communication strategy
- Determine and begin booking 2018 voting places
- Award information technology contracts for ballot tabulators, electronic voters list and laptops
- Pending the Internet Engineering Task Force recommendations to Council, Election Services may be directed to begin implementation of Council directives currently out of scope of the election project. Election Services may also be required to deliver a by-election, should any elected officials withdraw from office in 2017.

### Freedom of Information and Privacy

- Acquire an FOI case management system, based on resource availability, to move from manual processing to electronic. This will eliminate redundancies and introduce a streamlined public platform.
- Build and implement a Privacy Management framework to ensure corporate compliance with the privacy provisions of FIPPA
- Introduce a dedicated online training tool that will become a learning requirement for all specified positions and will further build and develop a Freedom of Information and Privacy knowledge base for the City
- Develop an electronic signature policy and procedure in keeping with the City's sustainability goals

### Vancouver Archives

- Expand the volume of records available to the public through use of additional space secured by Real Estate and Facilities Management in 2016
- Stabilize the archives' digitization program through permanent staffing
- Should funding be provided, begin the pre-move tasks required to prepare the archives' holdings to be moved out of the Vanier Park facility

### Corporate records management

- Complete review and approval of outstanding record retention schedules; review best practices; implement a regularly scheduled review process

### **Council report management support system**

- Define the requirements and develop an effective and efficient integrated solution to manage the Council report approval processes, eliminating the multiple, non-integrated systems currently in use
- Policy management framework
  - Finalize the corporate policy management framework and communicate the strategy to City staff. The framework will establish a process for management of corporate policies and will be used by all City staff.

### **Looking ahead, 2018-2021**

For 2018 to 2021, the City Clerk's Department plans to undertake action in the following areas:

#### **2018 municipal election**

- Focus on further removing barriers to voting while continuing to increase voter engagement and turnout for the municipal election to be held on October 20, 2018
- Implementation of the election project, including hiring and training of all election office staff (about 20) and voting place workers (about 1,400). Other activities include communication and outreach plan implementations, candidate and elector organization management, voters list management, ballot design and printing, advance voting/election day management (about 120 voting places), and election results.
- After the 2018 election, staff will wrap up and conduct a review of the project, to be compiled in a final report to Council in 2019. Thereafter, election planning will begin for the 2022 election.

#### **Freedom of Information and Privacy**

- Develop a robust and readable metric scorecard to allow public reporting of useful and understandable Freedom of Information and Privacy metrics
- Develop and build an internal knowledge base in addition to online training and face-to-face workshops; review and redesign the Freedom of Information and Privacy section of the City Intranet
- Develop and build an external knowledge base; implement a regular review of external web pages; update and upgrade as necessary or as public feedback recommends
- Develop and implement a regular review process for legislative, regulatory and City policy compliance, including Canada's Anti-Spam Legislation (CASL) and BC's FIPPA

#### **Vancouver Archives**

- Continue processing the records backlog in temporary space; continue the pre-move tasks necessary to prepare the archives' holdings to be moved from the Vanier Park facility
- Move the archives' holdings and staff to its new location once holdings are prepared and the renovated space is ready

### Corporate records management

- Review and further fine-tune the citywide quality assurance process for appropriate record and information retention when a staff member leaves the organization or changes position within the organization
- Increase the frequency of upgrades to the City's Electronic Records and Document Management System, to increase service levels and seamless version transitions

### Legislative operations

- Prepare documents for and hold orientations for the new Council

### Department service metrics

#### Vancouver Archives

Enquiries from the public and City staff reached a peak in 2011 as a result of Vancouver 125 anniversary projects and celebrations, as many required use of archive services and holdings. Since then, enquiries have been stable at about 2,500 per year, but the annual number of enquiries varies depending upon interest – generated by outreach opportunities, celebratory events and the ever-increasing amount of digital material the archives provides online.

The availability of online materials can provide enough information to satisfy casual users (without need for any interaction with archives staff), but online research often leads to further questions about subject matter and other holdings.

It is anticipated the City of Vancouver Archives will see another increase in enquiries in 2016 and 2017 as individuals and organizations embark on Canada 150 anniversary projects that require access to archival material.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Archives	Quantity	# of Inquiries	2,713	2,465	2,493	2,135	2,300

### Elections management

Beginning in 2014, municipal elections moved to a four-year cycle. The next general election will be held in 2018. To prepare for that election, staff will continue seeking ways to eliminate perceived voting barriers to increase voter turnout and engagement.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Elections Management	Quantity	# of Registered Voters	NDA	NDA	415,978	NDA	NDA
		# of Voter Turnout	NDA	NDA	180,668	NDA	NDA
	Quality	% of Voter Turnout	NDA	NDA	43.4%	NDA	NDA

### Legislative operations

For the past several years, the total number of Council meetings has been fairly consistent, with minor variations occurring depending on Council business. The number of meetings of Council standing committees was down modestly in 2014 due to a recess in meetings during the fall election period.

The number of citizens speaking to Council continues to vary based on meeting agenda topic. Citizens' interest in appearing before Council to share their views is important to the policy process and is expected to remain strong as Council and citizens engage in the policy dialogue. The City works diligently to ensure citizens have convenient ways and venues to provide input (see engagement metrics from Corporate Communications). In 2014, the total number of speakers at meetings was also lower due to the reduced number of Council meetings held during the fall election period.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Legislative Operations	Quantity	# of Standing Committee Meetings	26	22	20	22	21
		Total Speakers at Meetings	1,085	1,044	741	931	995

### Access to information

In 2015, the City responded to all FOI requests within statutory timeframes. Since 2012, generally, the total number of FOI requests has been trending upwards – a pattern expected to continue. On average, approximately 40% of requests are generated through inquiries from the media.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Records Management	Quantity	# FOI Requests per Year (Formal)	355	379	371	431	410
		# FOI Requests per Year (Media)	116	164	172	156	164
		Media (% of Total FOI Requests)	33%	43%	45%	36%	40%

### Finance, Risk and Supply Chain Management

The Finance, Risk and Supply Chain Management (FRS) department provides services across the City. These include corporate functions such as supply chain, accounting and treasury. Additionally, advisory services include risk management, financial planning and analysis as well as program management with a focus on enhanced decision-making and superior service value.

### Key services delivered

**Accounting services** – Processing financial transactions, including accounts payable and receivable (billing and collections) and payroll; preparing financial statements in accordance with generally accepted accounting principles

**Financial planning and analysis** – Preparing the City budget and other financial plans while monitoring and reporting on financial and service plan performance

**Treasury** – Managing cash, investments and debt

**Corporate risk management** – Managing and reducing the City's risk exposure

**Supply chain management** – Purchasing and inventory of all goods and services

**Strategic planning and program management** – Managing technology and process improvement projects

### Major accomplishments in 2016

In 2016, Finance, Risk and Supply Chain Management continued improving its business processes and systems to ensure the financial health of the City and to support business units in efficiently delivering quality services. Key process and system improvements included the following:

- Improved end-of-month processes to increase timeliness and accuracy of financial reporting
- Aligned accounting processes with new enterprise systems, including ActiveNet (for Parks) and POSSE (for Permits and Licences)
- Established an approach to business continuity that is aligned with ISO 22301 and BS 25999 standards and which includes establishment of alternate worksites, identification of critical services and creation of departmental phone call trees
- Initiated continuous process improvement projects for a number of key value streams within departments, including Supply Chain Management, Parks Operations, Parks Recreation, and Development Services to improve cost effectiveness, customer satisfaction and service delivery
- Consolidated the City's warehouse and inventory management functions under Supply Chain Management with completion of Phase 3 and closure of the Warehouse and Inventory Management Project
- Established a continuous process improvement program in Legal Services to support new technology and ongoing process management
- Embedded risk management processes within key business units and projects, including building upgrades, pipeline and artesian well projects, fire boat renewal, Burrard Bridge Replacement Project and Occupational Health and Safety
- Developed a long-term financial strategy to outline opportunities for improved revenue generation and cost optimization



- Evolved the performance measurement program with reviews of quarterly performance plans and short-term metrics to monitor progress of service plans and strategic goals

Additional achievements in 2016 included the following:

- Achieved a 17% improvement in schedule performance for information technology (IT) projects through standardization of procurement and project mobilization processes
- Developed and implemented a responsible investment policy, becoming the first municipality in BC to do so
- Partnered with the Federation of Canadian Municipalities to initiate an asset management program
- Established a Benefits Realization Framework to identify, quantify, monitor and ensure project benefit outcomes across IT and Business Planning and Project Support portfolios
- Successfully accepted into the 100 Resilient Cities program, which is dedicated to helping cities around the world become more able to recover quickly from physical, social and economic challenges
- Addressed Sustainable and Ethical Procurement Program priorities in a broad range of procurement projects, such as ethical labour practices (e.g., living wage or Aboriginal procurement), local and sustainable food, reduction in greenhouse gas emissions, reduction in waste and increased recycling

## Plans for 2017

In 2017, Finance, Risk and Supply Chain Management will:

- Support integration of financial processes into upcoming system implementations, including the Fleet and Inventory Management System and Parking Enforcement and Mobile Payment
- Establish a continuous process improvement program to support ongoing process management for key finance activities, including:
  - Revenue to cash – Ensure effective controls and efficient processes are in place for revenue generating activities
  - Time to pay – Finalize standardization of time entry processes; establish a continuous process improvement approach across City departments
  - Procurement lifecycle management – Standardize and improve processes; establish new vendor performance management processes
- Partner with Planning, Urban Design and Sustainability, Engineering Services, and Real Estate and Facilities Management to implement continuous process improvement projects to streamline building and development permits, garbage collection and facilities maintenance
- Embed risk liaisons within key business units to support operational management effectiveness, resilience, due diligence and compliance
- Develop a Citywide payments and receipts strategy, ensuring alignment with the City's Digital Strategy and industry-leading best practices
- Leverage external funding through continued partnership with external agencies, banks and other levels of government, including participation in federal infrastructure funding programs

## Looking ahead, 2018-2021

For 2018 to 2021, Finance, Risk and Supply Chain Management's plans include the following:

- Support the standardization of project management processes, Citywide; build on the Engineering and Technology project management offices and standards
- Implement employee and management self-serve systems to improve online access for time entry, vacation management, benefits management and workflow management
- Leverage technology to build on gains realized through the continuous process improvement program by automating the execution, monitoring and control of key business processes, Citywide
- Focus on the resilience of critical infrastructure and planning for future asset management
- Update the City's Risk Management Program with a focus on governance, risk and compliance
- Continue to enhance the City's Business Continuity program

- Develop and implement the City's long-term financial planning and cash management strategies
- Embed a culture of performance metrics across the organization to enhance data driven decision-making

### Department service metrics

#### Accounting services

From 2010 to 2016, the number of tax folios in the city has increased from 185,300 to 199,993 – reflecting development growth in Vancouver.

More than 97% of property taxes are paid, with only a small percentage requiring follow-up. The City has authority to enter into a tax sale to recover any property tax still owing. Accounting Services ensures accurate reporting of the City's financial transactions, and a report by external auditors indicates the consolidated financial statements present fairly. The City's financial position – including combined operations, change in net financial assets and liabilities, and its consolidated cash flow – is in accordance with current Canadian public sector accounting standards.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Accounting Services	Quantity	# of tax folios	190,000	192,500	195,092	197,776	199,993
	Result	% of current taxes outstanding	2.49%	2.49%	2.66%	5.70%	2.70%
		Unqualified audit	Yes	Yes	Yes	Yes	Yes

#### Financial planning and analysis

The City's budgeted operating expenses are approved by Council as part of the City's annual budget process. Since the economic downturn of 2008, the City has moderated its expenditure growth. Over the past five years, it has maintained a lower property tax increase (between 1.4% and 2.8%; an average of 2% per year) than in prior periods. Managing debt levels is a key metric for ensuring the City's financial sustainability. As a percentage of operating expenditures, tax-supported debt charges are targeted between 6% and 10%. With strong debt and financial management, the City continues to enjoy one of the strongest credit ratings of all Canadian municipalities.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Financial Planning and Analysis	Quality	Tax increase compared to prior-year outlook	2.84%	1.36%	1.62%	2.46%	2.02%
		Tax-supported debt charges as a % of operating expenditures	7.7%	7.8%	7.9%	7.9%	7.9%
	Result	Operating expenditure budget (\$ millions)	1,127	1,148	1,179	1,223	1,264
		City of Vancouver credit rating	Aaa/AA/AA	Aaa/AA/AA	Aaa/AA	Aaa/AA+	Aaa/AA+

### Supply chain management (procurement)

The Supply Chain Management department establishes centrally managed contracts for goods and services through a competitive procurement process. In 2016, the City trend for the value of contracts awarded continues to be in line with prior years (exception 2013). Supply Chain Management continues to deliver value through competitive bid processes on the majority of contracts awarded.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Procurement (Supply Chain)	Quantity	Value of contracts awarded (\$ millions)	130	202	128	129	125
	Result	% of contracts competitively bid	96.8%	98.9%	98.0%	98.5%	98.0%

### Treasury

In the current lower interest rate environment, the City's borrowing and investing rates have continued to decline. Investing rates were further impacted by shorter-term investments that provide liquidity for the City. The City retired the Olympic Village debt in 2014, and subsequent debt balances relate to Capital Plan initiatives.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Treasury	Quality	Average rate of interest on outstanding debt	4.23%	4.17%	4.03%	3.92%	3.92%
		Average rate of return on investments	2.33%	1.98%	2.00%	1.82%	1.55%
	Result	Total debt outstanding (\$ millions)	1,008	950	868	944	1,034
		Total investment & cash balance (\$ millions)	1,115	1,370	1,589	1,850	1,800

## Human Resources

The Human Resources (HR) department provides support to the organization and across all business units in areas such as recruitment, talent development and compensation for City staff. HR is committed to supporting a diverse and inclusive workplace environment as well as promoting a culture of safety and compliance. HR continues to look for ways to improve the City's ability to attract and retain employees, focusing on process optimization, technology improvements and employee development and performance.

### Key services delivered

**Compensation and benefits** – Providing employees with fair and equitable compensation through a comprehensive compensation system and benefits program

**HR business partnerships and labour relations** – Supporting business units with employee and labour relations issues

**Organizational development** – Proactively working with individuals and teams to enhance their performance through a number of development strategies

**Organizational health and safety** – Developing and implementing health and safety plans to support a safe work environment

**Recruitment and talent strategy** – Providing support to attract and retain appropriately skilled employees

### Major accomplishments in 2016

In 2016, HR continued to advance a number of key initiatives including:

#### Streamlining recruitment and hiring processes

- Continued focus on improving the City's recruitment and hiring processes
- Realized savings and efficiencies for the City by handling senior-level recruitment in-house and reducing the reliance on external search firms
- Completed the next phase in implementing best practice hiring processes and centralizing recruiting resources to support Engineering Services
- Provided key recruitment leadership and support for the design, testing and implementation of the City's new applicant tracking system (Success Factors)

#### Improving safety performance

- Focused efforts on improving safety performance and reducing time lost to injury and illness
- Partnered closely with WorkSafeBC to minimize costs associated with administrative process delays. Additionally, WorkSafeBC enlisted the City of Vancouver in supporting broader reduction in injuries and related costs across the local government sector by promoting City programs as best-in-class. Any reduction in claim costs for the sector benefits the City, as they result in an overall reduction of base insurance rates for the local government rate class.

- Implemented a number of significant changes to safety and employee health programs to reduce time lost to injury and illness. Specific initiatives included the introduction of measures to reduce WorkSafeBC claim duration, the renewal of key service agreements with external providers, and reorganization of disability management staff.

#### **Labour relations**

- Negotiated a new collective agreement with CUPE Local 1004. This new agreement reflects the City's budgetary constraints, delivers new operational flexibility and was settled without service disruption or intervention by third parties.
- Commenced or will be commencing negotiations with other unions representing City employees

#### **Plans for 2017**

In 2017, HR will:

- Focus on supporting the organization's ongoing transformation of City services and strengthening organizational culture in safety, diversity and organizational performance
- Pursue renewal of the City's group benefits provider
- Continue negotiating and implementing collective agreements with the various unions
- Continue to evolve the City's self-directed learning, leadership and management development programs
- Develop and deliver an employee engagement survey; work with the numerous new senior management teams to support and enhance the HR requirements within business groups

#### **Looking ahead, 2018-2021**

Beyond 2017, HR plans to:

- Continue its focus and resources to support an increase in talent and succession planning across the organization
- Explore enhancements to the City's existing systems as well as new technology solutions to streamline administrative processes and simplify performance monitoring and regulatory compliance

#### **Department service metrics**

##### **Training and development**

Through 2016, the City continued expanding use of online learning in corporate training programs as a cost-effective complement to or substitute for classroom sessions. This trend is expected to continue into 2017.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Organizational Development	Quantity	Number of corporate training participants *	3,141	2,727	3,792	3,691	3,592

\* Restated to include all corporate training; previous data only included CityLearn classroom training

### Organizational health and safety

Employee health and safety remains an organizational priority. Investment in preventing workplace injuries and mitigating days lost due to injury and illness continues to be a high priority for the organization. The overall trend has shown a considerable reduction in the injury rate with a small increase expected for 2016, following exceptional performance in 2015. The metric represents time-loss injuries per 100 workers, a key indicator of safety results.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Organizational Health and Safety	Quantity	Time-loss injuries per 100 workers (excluding Police and Library)*	7.04	6.33	5.22	4.43	5.30
	Result	Duration of WorkSafeBC claims (days) (excluding Police and Library)**	25	29	24	25	25

\* Restated historical values to align with new calculation methodology

\*\* Restated to conform with new WSBC calculation methodology

### Attraction, recruitment and retention

Recruitment and retention of qualified, motivated staff has direct implications for the City's operational effectiveness, and the volume of recruiting activity represents a significant driver of demand on the department's services. The forecast number of new hires in 2016 and the City's overall staff turnover rate remain stable, with retirements continuing to represent the predominant reason for employee departures.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Recruitment & Talent Strategy	Quantity	# of new hires (excluding Police and Library)	522	527	806	905	800
	Quality	Overall regular employee turnover % (excluding Police and Library)	5.2%	5.4%	5.9%	6.0%	6.0%

### Information Technology, Digital and 3-1-1 Contact Centre Services

Technology is driving change at an incredible pace and now enables and supports most City functions and service areas. In this era of digital transformation, big data, social media, mobility and cloud computing, technology has become a fundamental component of service delivery.

The Information Technology, Digital and 3-1-1 Contact Centre Services groups provide a range of technology-oriented services across the entire organization. These include citizen-facing

applications, corporate information systems, technology infrastructure, call centre services, and voice, data and printing services to assist City departments.

The City's Digital Strategy provides an overarching framework for coordination and prioritization of initiatives underway across the city and provides a step forward in establishing Vancouver as a leader in effectively leveraging digital technologies and supporting a vibrant digital economy.

### Key services delivered

**Application development and support** – Developing, acquiring and supporting business applications and enterprise systems that City departments rely on for managing operations and delivering services

**Data and analytics** – Supporting the efficient management and use of corporate data

**Core information technology service delivery** – Supporting and maintaining hardware devices, data centres, network services and infrastructure used by City staff and computer applications; responding to technology issues through the Information Technology Help Centre

**Information Technology Portfolio Management** – Providing strategic oversight, roadmaps and technical architecture guidelines for projects, initiatives and products within the Information Technology portfolio

**Digital services** – Developing, managing and operating the City's digital service delivery channels, including the City's website ([vancouver.ca](http://vancouver.ca)) and the VanConnect application; maintaining oversight of the Digital Strategy

**3-1-1 Contact Centre** – Managing all aspects of service delivery conducted via the call centre, email and social media channels; accepting and resolving citizen enquiries and service requests

### Major accomplishments in 2016

#### Information Technology

In 2016, several systems were implemented to directly support the City's Digital Strategy and goals. Key accomplishments for Information Technology included the following:

- Successfully deployed new technologies supporting several critical business transformation projects, including the POSSE system to support Development Services, Permits and Licensing, ActiveNet to support the management of the Park Board programs and facilities, and case management software to support the Legal Services department
- Continued to strategically develop the City's technology roadmaps and enterprise architecture, upgrade and maintain the core system, manage the life cycle of technology assets, develop and maintain software applications, and decommission systems with obsolete vendor-support infrastructure



## Digital Strategy and Services

The Digital Strategy and Services team is the primary City team charged with executing the City's four-year Digital Strategy. From 2013 to 2016, the team has been championing 15 priority initiatives organized according to the four pillars of the strategy: (1) digital engagement and access, (2) digital infrastructure and assets, (3) digital economy, and (4) digital organizational maturity.

In addition to the responsibility associated with guiding transformational projects, key accomplishments included the following:

- Managed the continual evolution of the digital channel by publishing digital standards and guidelines related to the design and usability of [vancouver.ca](http://vancouver.ca) and the City's suite of mobile apps as well as internally and externally developed business applications
- Managed more than nine million annual visits to the website and enabled hundreds of thousands of online transactions
- Supported activities related to web design, strategy and analytics (in support of City initiatives such as the Mobi bike share program) and to new online systems for Parks and Recreation and for Permits and Licensing implementations
- Played a key role in the deployment of enhanced digital experiences such as Success Factors, a new web-based recruitment application that will make it much easier to view and apply for City jobs online
- Enhanced the City's digital infrastructure and supported Vancouver's innovation economy through awareness and advocacy
- Managed the deployment of public access Wi-Fi at more than 40 sites via the continued network expansion over the #VanWiFi wireless network, which is forecasted to serve more than 150,000 users to the end of 2016 since the initial launch in October 2015
- Coordinated the approach to the amendment of the administrative protocol and fee structure relating to the installation of cellular antennae on City street poles, which are changes made to support investment by private telecommunications firms to enhance citywide cellular and Wi-Fi connectivity

### 3-1-1 Contact Centre Services

The City's 3-1-1 Contact Centre operation, commonly referred to as 3-1-1, has seen steady increases in demand pressure over the years as a function of complexity and call handle times. In an effort to leverage the digital channel as a means by which to alleviate pressure, the 3-1-1 and digital teams were organizationally aligned in 2015. Citizens have grown to rely on 3-1-1, resulting in an increase in complexity, putting pressure on service levels. Key accomplishments in 2016 included the following:

- Identified and implemented technology solutions to manage demand while maintaining a high level of responsiveness to the public; included more effective use of interactive voice response and online channels

- Responded to approximately one million calls; worked closely with the digital team to improve the web and mobile channels
- Played an integral role in several notable citywide initiatives, including Pop-Up City Hall, VanConnect, Multi-Material BC glass separation and recycling program divestment, Mobi bike share program, and new online system implementations for e-recruitment, Parks and Recreation programming, and Permits and Licensing
- Assisted in coordinating disaster response processes in collaboration with the Office of Emergency Management (major events included the M/V Marathassa oil spill in English Bay and the Port of Vancouver chemical fire)

## Plans for 2017

### Current state and future objectives

As the reliance on technology and direct channel services increases, the demand for skilled technology resources also increases. Opportunities to increase capacity, through the development of shared service practices, were explored commencing with the engagement of external consultants who conducted an in-depth current state analysis of the City's Information Technology and Digital Services service delivery models. This analysis led to the development of a transformation roadmap for Information Technology that sets out a path to build the capabilities required to operate more effectively in a digital world.

### Annual technology plan

The 2017 Annual Technology Plan will serve as an approval vehicle for both non-discretionary projects and discretionary project proposals. For 2017, priorities for Information Technology, Digital Services and 3-1-1 include:

- Lead the digital service delivery and mobile technology strategy in support of transforming major business initiatives
- Advance the development of large-scale data analytics and reporting, including geographical data
- Continue the shift to online and mobile platforms, including enhancements to existing web and mobile applications
- Develop a resiliency plan for technology and technological assets, including improvements for disaster recovery and security
- Continue to optimize productivity and reliability; minimize risks associated with technological asset replacement
- Develop a digital infrastructure and asset strategy for long-term expansion and management of the City's fibre optic and Wi-Fi networks, providing guidelines for the emergence of Internet of Things and Sensor technologies, and for strategically managing related digital and data assets
- Continue to develop process and capability maturity in the department

### Looking ahead, 2018-2021

Beyond 2017, Technology Services will proactively partner with the City's business units to deliver strategic initiatives that support business objectives. As technology usage increases, the team's practices must also evolve so as to improve service delivery.

To this end, Information Technology and Digital Services will focus on initiatives that:

- Optimize the City's existing digital technology
- Identify emerging solutions to increase operational efficiency and improve the user experience for members of the public when interacting with the City over digital channels
- Support the adoption of mobile technology by staff and the public
- Address long-term needs for network capacity and data storage. The ongoing evolution toward universal connectivity of physical assets, known as the Internet of Things (e.g., vehicles, equipment and buildings), presents a challenge for data sharing in particular as data for the same physical assets are stored in multiple databases.
- Identify and implement technology advancements in data analysis and reporting capacity to improve service efficiency and outcomes

### Department service metrics

#### Information technology infrastructure maintenance

A high level of reliability for the corporate network will remain vital as digital methods for conducting business become more widespread and standard citywide. Over the next few years, several key areas of strategic investment will require dependable and robust infrastructure:

- The City's mobility strategy will change how the City delivers services and interacts with members of the public. Staff will increasingly depend on mobile technology to provide services to businesses and residents.
- The continued move to deliver increased online access to City services will mean the digital channel will be critical for day-to-day City operations.
- Implementing a management plan for printer services will reduce the City's carbon footprint.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
IT Infrastructure Maintenance	Result	% of network uptime	99.9%	99.9%	99.5%	99.7%	99.6%

#### Digital strategy and web operations

Traffic to the City's website ([vancouver.ca](http://vancouver.ca)) remained relatively steady over the past three years. Site visits forecast to year-end 2016 reflect some growth, though that forecast was impacted by a change in the tools and methodology used to monitor website traffic. Apart

from total site visits, the City continues to experience growth in revenue collected through online transactions and other digital applications.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Digital Strategy and Web Operations	Quantity	Site visits (in millions)	8.2	8.2	8.6	9.8	10.0
		Page views (in millions)	NDA	29.0	26.2	24.0	27.0
		City online web payments	NDA	\$ 26,651,016	\$ 30,865,323	\$ 41,153,791	\$ 50,000,000

### Corporate data management

The move toward a digital environment will mean the City's data storage management needs will continue to grow. Over the next four years, the emphasis on information, data management and analytics (business intelligence) will be a major focus. The City will also continue to grow and develop its open data program.

Growth in 2016 allows for the transition to high-availability storage (meaning reduced downtime for expansion and maintenance) and provides a digital data location to maintain the increasing usage of email, electronic documents and picture files.

Data storage upgrade and expansion leverages new technology features that provide enhanced compression of data. In 2015, while there was still an increase in amount of data captured, storage size was reduced (see table below), being supported by thin provisioning features. Thin provisioning operates by allocating disk storage space in a flexible manner among multiple users, based on the minimum space required by each user at any given time.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Corporate Data Management	Quantity	Volume of data managed (in terabytes)*	407	533	748	448	895

\* Restated historical values

### 3-1-1 Contact Centre

3-1-1 has made considerable efforts to reduce high-volume, low-complexity enquiries and service requests through simplified workflows and automation.

3-1-1 service levels will see an improvement by shifting the staffing model to one that is more closely aligned with achieving the 70% service level target.

Completely reviewing the high-volume, low-complexity service request types and increasing the number of straight-through processes via the VanConnect app has allowed requests to flow directly to the service provider without the intervention of a contact centre citizen

service representative. These efforts will continue to encourage the reduction of calls offered to the centre year-over-year.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
3-1-1 Call Centre (Customer Service)	Quantity	Calls offered	823,237	889,194	927,922	902,667	842,403
		Contacts offered (includes email, etc.)	864,706	923,336	963,604	948,194	887,641
		Year-over-year growth in contacts offered	15.0%	7.0%	6.0%	5.0%	-6.5%
	Quality	Service level (% answered within 60 seconds)	83.0%	76.6%	70.5%	61.5%	74.1%
		Abandon rate (% calls dropped)	4.1%	5.7%	7.1%	10.1%	6.4%

## Legal Services

The Legal Services department delivers professional and effective legal services and advice to the City of Vancouver to:

- Ensure the City functions within its governing legal framework
- Preserve the viability and integrity of the City's regulatory and legislative processes
- Minimize the City's exposure to liability and expense
- Maximize the value of City services and the recovery of resources available to it
- Keep the City informed about changes in the law, both statutory and common law; assist in the incorporation of such changes into City bylaws, policies and procedures
- Contribute to making municipal government constitutional, effective and publicly accessible, thereby strengthening public confidence

## Key services delivered

**Civil litigation** – Advancing and defending the City's legal interests in court and before various tribunals

**Regulatory litigation** – Defending challenges to the City's bylaws and regulations; enforcing bylaws and Council resolutions by way of injunction and prosecution; advising on bylaws and regulatory schemes

**Corporate** – Providing comprehensive corporate and commercial services and advice on issues relating to sustainability, procurement, technology, finance and capital projects

**Development and real estate** – Providing comprehensive land law services and advice relating to the City's land rights and interests, including the regulation of land development, drafting of bylaws, securing public benefits and the construction of improvements

### Major accomplishments in 2016

In 2016, Legal Services continued to provide ongoing strategic advice on the City's Digital Strategy, regulatory and business processes, and methodology for acquiring public benefits. Work also continued on various ongoing major City initiatives, including the following:

#### Housing and homelessness initiatives

- Provided advice to Community Services, the Vancouver Affordable Housing Agency and the Chief Housing Officer on:
  - Contractual relationships with non-profits and developers
  - Affordable Home Ownership Program
  - Housing and Homelessness Strategy Re:Set
  - Modular housing initiative
  - Empty Homes Tax
  - Tenant relocation policy and rate of change
  - Acquisition and maintenance of Single Room Occupancy properties

#### Greenest City 2020 and Renewable City Strategy

- Supported various initiatives, including Home Energy Loan Program, Energy Benchmarking, Beyond the Code Exemplary Buildings Initiative, District Energy and a Zero Emission Building Plan

#### Georgia and Dunsmuir Viaducts removal and land redevelopment

- Advice on environmental, rezoning and land acquisition issues

#### National Energy Board – Kinder Morgan

- Submission on behalf of the City and advocating the City's position before the National Energy Board

#### Legal Services Business Transformation Project (in collaboration with Business Planning and Project Support)

- Completed software upgrades and installed new legal productivity tools aimed at protecting legal information and increasing service delivery efficiency
- Established information technology sustainment and continuous process improvement framework

#### Emergency Response Management priority initiatives

- Collaborated with Chief Risk Officer on a variety of strategic priorities

#### Medical marijuana

- Prepared injunctions in support of City policy and regulation

#### Business Planning and Project Support initiative for filming and special events, use of City land

- Completed policy formulation, bylaw review and drafting

### Heritage conservation

- Successful defence of challenge to First Shaughnessy Heritage Conservation Area; advice in support of City's Heritage Action Plan

### Plans for 2017

In 2017, to support Council priorities and objectives, Legal Services work will include:

- Greenest City 2020 initiatives
- Affordable Home Ownership initiatives
- Refining City bylaws and related policies, such as those related to public benefits acquisition and heritage preservation
- Digital expansion and open data initiatives
- Refinements to public hearing procedures and the Freedom of Information process
- Georgia and Dunsmuir Viaducts removal and related land redevelopment
- Support to the Chief Risk Officer on initiatives to address corporate risk reduction

The Legal Services department will also continue to pursue improvements in technology and business processes. Through improved technology the department will engage other City departments with a view to increasing efficiency and productivity for Legal Services and other corporate business units. This will include streamlining work intake processes, facilitated file status monitoring, developing business-to-business protocols, and developing and implementing a continuous process improvement strategy.

### Looking ahead, 2018-2021

From 2018 to 2021, Legal Services will continue fulfilling its mandate of delivering a full range of legal services and advice to the City of Vancouver and will provide support for major City initiatives.

Legal Services' work will include:

- Support of the Housing and Homelessness Strategy and the Protection of Tenants Initiative
- Support of the Greenest City 2020 Action Plan
- Support of the Heritage Action Plan
- Support of public engagement initiatives, including public hearing procedures, open data and access to online services
- Continued engagement with the City's continuous process improvement program; continued implementation of objectives and deliverables from the Legal Services Business Transformation Project
- Review and enhancement of Council powers and authorities under the *Vancouver Charter*
- Support of Enterprise Risk Management strategies, in support of the Chief Risk Officer

## Real Estate and Facilities Management

Real Estate and Facilities Management (REFM) provides full real estate and facilities management services for the property and building assets (approximately 550 buildings) as well as lifecycle management functions. The department consists of three main service areas:

- Real Estate Services (Development and Operations)
- Facilities Planning and Development (Planning, Development, Environmental, and Energy and Utilities)
- Facilities Operations (Maintenance and Operations, including Property Management, Work Control and Optimization, and Corporate Security)

### Key services delivered

**Asset management (buildings and property)** – Providing and managing corporate facilities through their lifecycle, from design to decommissioning, including long-term planning

**Corporate security** – Providing and administering plans and standards to ensure security for corporate facilities

**Real estate** – Providing advice and leadership in negotiating and managing the purchase, lease and sale of corporate property assets; providing advice and leadership in analyzing and negotiating settlement of Community Amenity Contributions and Heritage Revitalization Agreements

### Major accomplishments in 2016

#### Real Estate Services

During 2016, Real Estate Services:

- Continued to support the delivery of several key civic programs and services, through the acquisition, leasing (including licensing) and disposal of properties and facilities. This included the acquisition of the Arbutus Corridor property from CP Rail, and several property acquisitions for park purposes and future transit sites, along with securing affordable housing and shelter sites.
- Settled a large number of Community Amenity Contributions and Heritage Revitalization Agreements related to specific market development projects
- Continued the strategic review of the Property Endowment Fund (PEF) property portfolio. This review included regular discussions with the PEF advisory panel, and development of two draft policies relating to the goals, strategic principles and financial management of the PEF.

#### Facilities Planning and Development

Facilities Planning and Development accomplishments in 2016 included the following:

- Delivered approximately 150 projects, ranging from capital maintenance and replacement projects for community and civic use, housing and PEF facilities, to renovations, additions, and seismic and accessibility improvements



- Delivered new buildings, including the Creekside Paddling Centre, and the Van Tech and Oak Meadows Park sports fieldhouses
- Completed the new compressed natural gas fuelling facility located at Manitoba Yards
- Undertook detailed seismic studies of priority facilities (e.g., emergency response, business continuity and high occupancy buildings) as part of its Seismic Risk Assessment Program
- Developed a non-structural seismic program
- Successfully led the Corporate Zero Waste Program with the Environmental Services group. The 2016 average waste diversion rate for all buildings (corporate and public-facing) is 77% and is on track to achieve the 2020 target of 80%.
- Continued managing all City-owned contaminated sites and hazardous materials as well as environmental regulatory processes and emergency response
- Completed the Hazardous Materials Inventory and Contaminated Sites Databases
- Continued implementing the Facility Energy Management Strategy and reduced greenhouse gas (GHG) emissions from City-owned facilities by 23% compared to 2007. This reduction exceeded the Greenest City 2020 Action Plan goal of reducing GHG emissions by 20% between 2007 and 2020.
- Developed a Renewable Energy Strategy for City-owned buildings that includes GHG reduction and renewable energy targets that demonstrate leadership in achieving the goals of the Renewable City Strategy
- Developed a new standard for GHG emissions for new City-owned buildings, which was adopted by Council as part of the Zero Emission Buildings Plan

### **Facility Maintenance and Operations**

In 2016, Facilities Maintenance and Operations completed its organizational structure review, with full implementation expected by the end of the year, once recruitment has been completed. With the completion of the project, Facilities Maintenance and Operations is well positioned as a centre of excellence for providing best practices, departmental support and services to the entire City facilities portfolio.

Other key accomplishments in 2016 include the following:

- Amendments to the Park Board Service Level Agreement (originally signed in 2015) to transfer the irrigation shop back to the Park Board, and to increase clarity in operational roles and responsibilities
- Initiated the development of maintenance plans for all City facilities
- Developed a system of work categories and response priorities, along with a work order tracking tool, to address various departmental needs
- Completed recruitment for the Manager of Property Management

- Continued work on developing Service Level Agreements with the departments of Engineering Services, Community Services, Vancouver Fire and Rescue Services and the Vancouver Public Library. These agreements will clarify roles and responsibilities and prioritize the delivery of services to these departments.

### **Corporate Security**

Key accomplishments in 2016 include:

- Extended corporate security service delivery to the entire organization
- Increased management and oversight of the consolidated security budget; initiated the process to optimize the corporate security structure
- Completed recruitment for the Manager of Corporate Security

### **Plans for 2017**

#### **Real Estate Services**

Real Estate Services will continue providing real estate advisory and transactional support for various corporate initiatives, prioritizing Council objectives and market development transactions as opportunities arise. The department will also advise and support the settlement of Community Amenity Contributions and Heritage Revitalization Agreements.

Real Estate Services will also continue proactively addressing issues and optimizing management of the Property Endowment Fund portfolio – including rationalization of the fund's property holdings, and continued optimization and implementation of an acquisition and disposition strategy.

For 2017, key priorities include:

- Continue preparations for key large site dispositions, which are deemed surplus to City needs
- Support for Arbutus Corridor and Northeast False Creek planning and development
- Implement and support False Creek Flats Development Strategy
- Acquire parkland in Marpole
- Review of Fixed Rate Community Amenity Contributions and Heritage Density Policies

#### **Facilities Planning and Development**

In 2017, Facilities Planning and Development will:

- Deliver approximately 150 new facilities projects ranging from capital maintenance and replacement projects to renovations, additions, non-structural seismic upgrades and new buildings. These projects will include the Vancouver Art Gallery North Plaza completion, West Annex seismic upgrade, East Wing Annex deconstruction and renovations, initial redevelopment of Marpole-Oakridge Community Centre, Transfer Station site improvements and Marpole Place renovations.

- Continue work on major multi-year projects, including Fire Hall No. 5/Housing, Britannia Community Centre, Killarney Seniors Centre (Southeast Vancouver), Roddan Lodge replacement housing, Evelyne Saller Centre replacement, Fire Hall No. 17, Levels 8 and 9 at the Vancouver Public Library's Central Branch and Gastown childcare centres
- Support delivery of civic projects (including those initiated through rezoning) in the context of the 2011-2021 Capital Strategic Outlook
- Implement the City's Seismic Risk Assessment Program
- Develop and implement the Universal Accessibility Program for all City facilities (with a continued focus on buildings open to the public)
- Reduce City leasing costs by optimizing City-owned assets
- Enhance City office space to provide more functional, modern and comfortable conditions for staff, and better value for money
- The Energy Management Strategy Group will:
  - Increase greenhouse gas 2020 reduction targets
- Achieve further GHG reductions for City-owned buildings, with a focus on six key areas: (1) continuous optimization projects, (2) Quick Start and capital maintenance projects, (3) new construction, (4) staff engagement, (5) organizational potential (such as decommissioning of older, inefficient buildings and infrastructures), and (6) fuel sources review with a particular focus on renewable energy
- Environmental Services will:
  - Finalize policies for corporate green buildings and contaminated sites management
  - Complete policies, procedures and training for the City's oil spill response
  - Continue to implement facilities deconstruction practices to divert additional waste from the landfill (part of the City's Corporate Zero Waste Program)
  - Manage all City-owned contaminated sites and hazardous materials; ensure regulatory compliance

### **Facility Maintenance and Operations**

As an integral part of ongoing business operations, Facilities Maintenance and Operations will continue building on the department's culture of continuous improvement.

For 2017, key priorities include:

- Complete a pilot project to implement a mobile workforce tool with resource allocation management
- Complete maintenance plans for all major facilities (including Parks and Property Endowment Fund facilities)
- Work with IT to advance the work order tracking in real-time project
- Develop new metrics tools for client groups to track costs and completion rates

## Corporate Security

For 2017, key priorities for Corporate Security include:

- Complete a corporate security review, including a needs assessment, review of service delivery, risk profiles and costs

## Looking ahead, 2018-2021

### Real Estate Services

- Provide real estate advisory and transactional support for various corporate initiatives; prioritize Council objectives and market development transactions
- Focus on site acquisitions as opportunities arise to support major City initiatives
- Provide advice and support for the settlement of Community Amenity Contributions and Heritage Revitalization Agreements
- Continue work on site preparation and planning for future redevelopment opportunities for City-owned development sites, such as the 2400 Motel on Kingsway Street, 688 Cambie Street and the Granville Loops Policy Plan sites
- Work proactively to address issues and optimize management of the Property Endowment Fund portfolio, including implementation of the PEF property optimization strategy currently under development

### Facilities Planning and Development

- Complete delivery of civic projects in the 2015-2018 Capital Plan
- Beginning in 2017, support delivery of the 2019-2022 Capital Plan
- Maintain focus on the Seismic Risk Assessment Program and continue implementation of the Universal Accessibility Program in all City facilities
- Reduce City lease costs
- Enhance City office space to provide more functional, modern and comfortable conditions for staff, and better value for money
- Environmental Services will continue managing all City-owned contaminated sites, hazardous materials, environmental emergency response and environmental regulatory processes, in addition to ensuring the City's regulatory compliance with environmental laws and regulations
- The Energy Management Group will focus on delivering new, more aggressive greenhouse gas reduction targets for 2020 by continuing work in six key areas: (1) continuous optimization projects, (2) Quick Start and capital maintenance projects, (3) new construction requirements, (4) staff engagement, (5) organizational potential, and (6) fuel sources review.

### **Facilities Maintenance and Operations**

- Continue building on the department's culture of continuous improvement
- Deploy technology to improve mobile trades dispatch efficiency, quality assurance and field reporting
- Undertake a review of the support required to respond to growth in social housing inventory and Property Endowment Fund portfolios
- Expand the work control centre enterprise platform to include vendor field reports and mobile dispatch; integrate the solution into existing enterprise products

### **Corporate Security**

- Review service delivery models for corporate security field support

### **Department service metrics**

Over the past five years, the number of City-owned buildings has grown steadily. This stems from strategic property acquisitions and community amenity space contributions offered to the City as part of major new developments.

Since 2009, when the Crossroads building lease at West Broadway and Cambie Street was approved, leased office space and annual lease payments have remained relatively stable.

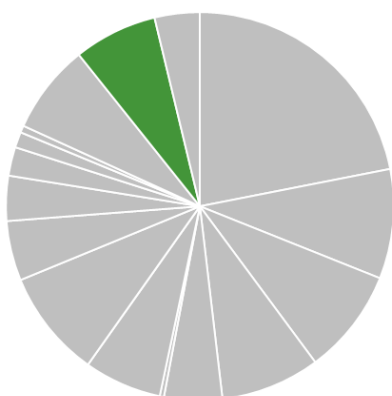
With additional facilities joining the Corporate Zero Waste Program in 2015, the number of City facilities in the program is forecasted to be 108 by the end of 2016. This has resulted in a total of more than 4,000 tonnes of waste being diverted from the landfill to date since the Corporate Zero Waste Program was implemented in September 2012.

Total greenhouse gas (GHG) emissions from City-used buildings in 2007 established the benchmark by which current day progress is measured. GHG emissions from City-used buildings have a target reduction of 20% from 2007 levels by 2020. To date, GHG emissions have been reduced by 21% compared to 2007 levels, exceeding 2020 targets. Based on this success, in 2017 the department will develop more aggressive GHG reduction goals for 2020.

Service	Metric Type	COV Metric	2012	2013	2014	2015	2016F
Asset Management (Buildings and Property)	Quantity	# of City-owned buildings	492	493	495	558	570
		Area (sq. ft.) of City-owned buildings (in millions)	8.39	8.31	8.32	10.20	10.20
		Area (sq. ft.) of office space the City leases	278,042	317,237	305,800	305,150	305,150
		Total lease payments on City leases (\$ millions)	9.75	9.99	10.67	11.03	11.20
		Total # of City facilities in Zero Waste Program	7	41	103	105	108
	Result	Total GHG emissions from City-used buildings (MT)	20,757	18,577	16,929	15,625	15,250
		Average % waste diversion rate in City-used buildings w/ the Zero Waste Program	NDA	65.8%	75.7%	75.6%	77.0%

## Department service metrics

### 2017 budget



Corporate Support makes up 7% of the 2017 Operating Budget

## Year-over-year budget changes

Major Category (\$000)	2016 Restated Budget	2017 Proposed Budget	Net Change (\$)	Net Change (%)
<b>Revenues</b>				
<b>Parking revenue</b>				
Other parking revenue	325	325	-	-
<b>Total Parking revenue</b>	<b>325</b>	<b>325</b>	<b>-</b>	<b>-</b>
<b>Cost recoveries, grants &amp; donations</b>				
Other department recoveries	803	803	-	-
<b>Total Cost recoveries, grants &amp; donations</b>	<b>803</b>	<b>803</b>	<b>-</b>	<b>-</b>
<b>Other revenue</b>				
Other department revenue	474	474	-	-
<b>Total Other revenue</b>	<b>474</b>	<b>474</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 1,602</b>	<b>\$ 1,602</b>	<b>-</b>	<b>-</b>
<b>Expenditures &amp; Transfers</b>				
<b>Real Estate &amp; Facilities Management</b>				
Real Estate & Facility planning & development	4,556	4,519	(37)	(0.8%)
Facility operations	37,041	38,687	1,647	4.4%
Shared support services	(23,232)	(23,594)	(363)	1.6%
Transfers to / (from) reserves & other funds	4,121	3,869	(252)	(6.1%)
<b>Subtotal Real Estate &amp; Facilities Management</b>	<b>22,486</b>	<b>23,481</b>	<b>995</b>	<b>4.4%</b>
<b>Finance, Risk &amp; Supply Chain Management</b>				
Finance, Risk & Supply Chain Management	23,133	24,556	1,423	6.2%
Shared support services	(8,365)	(8,858)	(494)	5.9%
Transfers to / (from) reserves & other funds	6	6	0	0.6%
<b>Subtotal Finance, Risk &amp; Supply Chain Management</b>	<b>14,774</b>	<b>15,703</b>	<b>929</b>	<b>6.3%</b>
<b>IT, Digital Strategy &amp; 3-1-1</b>				
Information Technology	28,329	31,011	2,682	9.5%
3-1-1 Contact Centre	5,377	5,658	281	5.2%
Digital Services	1,104	1,145	41	3.8%
Shared support services	(8,509)	(8,939)	(430)	5.1%
Transfers to / (from) reserves & other funds	869	(147)	(1,016)	(116.9%)
<b>Subtotal IT, Digital Strategy &amp; 3-1-1</b>	<b>27,170</b>	<b>28,729</b>	<b>1,558</b>	<b>5.7%</b>
<b>Other support services</b>				
Human Resources	10,616	10,594	(22)	(0.2%)
City Manager's Office	3,397	3,989	592	17.4%
Legal Services	5,091	5,059	(32)	(0.6%)
City Clerk	3,274	3,771	497	15.2%
Communications & Engagement	1,982	2,312	329	16.6%
Emergency Management	1,464	1,500	36	2.4%
Shared support services	(3,248)	(3,221)	27	(0.8%)
Transfers to / (from) reserves & other funds	1	1	0	20.0%
<b>Subtotal Other support services</b>	<b>22,577</b>	<b>24,005</b>	<b>1,427</b>	<b>6.3%</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 87,008</b>	<b>\$ 91,918</b>	<b>\$ 4,910</b>	<b>5.6%</b>
<b>Net Operating Budget</b>	<b>\$ (85,406)</b>	<b>\$ (90,316)</b>	<b>\$ (4,910)</b>	<b>5.7%</b>

Note: Totals may not add due to rounding

### Explanation of changes – revenues

The Corporate Support Services group receives revenue from various streams, including:

- Parking revenues from the Museum of Vancouver and HR MacMillan Space Centre (the planetarium) and the Mount Pleasant Community Centre
- Surplus asset sales
- Insurance proceeds related to sick-pay costs
- The Tactical Training Centre

Corporate Support revenues remain relatively stable. For 2017, there is no change to the revenue budget.

### Explanation of changes – expenditures and transfers

The 2017 budget reflects fixed cost increases for software maintenance, network security, hydro usage, rent and lease expenses. Offsetting these cost increases is an increase in costs being allocated to capital for legal, supply chain and warehousing support, and to other departments for increasing costs for rent and leases, security, hydro and natural gas.

To provide continued support for key Council priorities, departments within Corporate Support have made investments to (1) support Canada's 150th anniversary in 2017; (2) support the operations of the 3-1-1 Contact Centre, corporate security and Citywide IT; (3) continue the City's Cultural Competency training program; (4) provide regularized funding for Pop-Up City Hall; and (5) provide increased focus in areas such as payment card industry (PCI) compliance, data driven decision-making, performance measurement, and electronic payments and receipts.

### Notable capital projects

The following table summarizes some of the noteworthy projects involving Corporate Support Services, or those beginning in 2017. A complete list of all capital projects for 2017 is included in the appendixes to the Council Report.



Project Name (\$ millions)	Total Project Budget <sup>2</sup>	Forecast 2016 Expenditure	2017 Annual Expenditure Budget	Future Years
<b>Information Technology and Digital Services</b>				
Permits and Licensing Transformation Project <sup>1</sup>	24.7	3.9	1.5	-
Fleet Management Software Solution	4.0	0.4	2.2	1.3
Vancouver Fire & Rescue Services Scheduling System Assessment	1.2	0.5	0.5	0.1
GIS Strategic Roadmap Implementation	1.1	0.4	0.7	-
Parking Enforcement Ticket Manager Platform	1.1	0.1	1.0	-
<b>Real Estate and Facilities Management</b>				
Replacement of Fire Hall No. 5 and Social Housing <sup>1</sup>	21.7	4.2	11.5	4.8
Southeast Vancouver (Killarney) Seniors Centre <sup>1</sup>	7.5	0.8	5.5	1.0
Vancouver Art Gallery North Plaza Improvement <sup>1</sup>	9.1	4.8	2.0	-
Burrard Civic Marina Upgrades <sup>1</sup>	3.4	0.3	2.4	0.4
West Annex Seismic Upgrades	5.4	2.5	2.4	0.1
East Wing Annex Deconstruction and Renovation	4.2	1.5	2.3	-
Central Library – Expansion of Levels 8 and 9 <sup>1</sup>	15.0	1.0	8.9	5.1

<sup>1</sup>Also included in other Service Group sections.

<sup>2</sup>Expenditure may not sum to total project budget due to rounding or prior years expenditure.

### Information technology services

Five major multi-year technology capital projects will be priority projects in 2017:

**Permits and Licensing Transformation Project** – In response to City Council’s directive, the Permit and Licence Transformation Program (P&L Program) was initiated with the goal of achieving greater customer service, improved operational efficiency and effectiveness, increased sustainability, and enhanced information system reliability. When the final phase of the program completes in 2017, it would bring permit, licensing and inspection service delivery in line with best practices, and replace an aging technology infrastructure with a modern platform that offers online and mobile functions capable of handling the simplest to the most complex business needs.

**Fleet Management Software Solution** – The City will be implementing a new Fleet Information Management System to replace a legacy application that is no longer meeting business needs and is at end-of-life. The new system will offer opportunities to automate work processes and integration, and effectively manage the lifecycle and maintenance of the City’s equipment and fleet assets.

**VFRS Scheduling System** – Implement an electronic scheduling solution to improve staff scheduling for Vancouver Fire and Rescue Services (VFRS). This will replace a manual process and will be used to schedule 800 firefighters (with different ranks, qualifications and specialty skills) on four shifts at 20 fire halls. The scheduling process is complex as appropriately trained staff are assigned to specific apparatus. Implementing an electronic scheduling solution will create efficiencies and modernize the process.

**GIS Strategic Roadmap Implementation** – Geospatial Information Systems (GIS) Strategic Roadmap will be implemented to move the City to a GIS technology architecture capable of filling the needs of current users, bridging the technology gap that has developed over time

and allowing the City to realize the value of geospatial information for both internal and external users.

**Parking Enforcement Ticket Manager Platform** – Implement a new Parking Enforcement Platform to replace a legacy application that is at end-of-life. The new system will offer opportunities to improve work processes and integration, and effectively manage the on-street enforcement of the City's bylaws.

### **Real Estate and Facilities Management**

**Replacement of Fire Hall No. 5** – Real Estate and Facilities Management is facilitating the design and redevelopment of Fire Hall No. 5, taking it from the existing three-bay layout and adding four storeys to provide supportive housing. Rezoning and development permit applications and contract documents were completed in 2015. Deconstruction of the existing fire hall is complete. The project is now under construction and is anticipated to be completed in 2018.

**Southeast Vancouver (Killarney) Seniors Centre** – An important addition to the existing Killarney Community Centre footprint, this project includes the design and construction of a new seniors centre. Construction is anticipated to start in early 2017 with completion expected in 2018.

**East Wing Annex Deconstruction and Renovation** – This project involves separating the various building systems and services from the City Hall, maintaining portions of the building podium, laying new plaza paving, installing stair and elevator openings, and installing a new cooling plant for portions of City Hall. Deconstruction started in summer 2016, which will be followed by renovation works in 2017.

**West Annex Seismic Upgrades** – City Hall's West Annex (the Development and Building Services building) is undergoing seismic design upgrades and reconstruction. The project is currently underway and expected to be completed in 2017.

**Vancouver Art Gallery North Plaza** – Starting in 2015, the first phase of this project involved design, preparation of tender documents, tender and construction to restore waterproof conditions to the underground portion of the gallery. Phase 2 covers improvement of the North Plaza. Construction started in summer 2016 and is anticipated to be completed in 2017.

**Burrard Civic Marina Upgrades** – Project includes upgrading of floats as well as upland electrical and water upgrades. Contract award is anticipated in early 2017 and construction should be complete by the end of the year.

**Central Library Expansion to Levels 8 & 9** – Work is also well underway to prepare the top two floors of the Central Library for public use, with construction starting in 2017. The new public areas are planned to open by spring 2018 and will include interactive exhibition space; a quiet reading room; a variety of programming, gathering and community meeting spaces; an auditorium; two open-air public terraces; and an 8,000-square-foot public garden.

## Budget trend

Major Category (\$000)	2013 Approved Budget	2014 Approved Budget	2015 Approved Budget	2016 Restated Budget	2017 Proposed Budget
<b>Revenues</b>					
Parking revenue					
Other parking revenue	444	444	325	325	325
<b>Total Parking revenue</b>	<b>444</b>	<b>444</b>	<b>325</b>	<b>325</b>	<b>325</b>
Cost recoveries, grants & donations					
Other department recoveries	706	624	803	803	803
<b>Total Cost recoveries, grants &amp; donations</b>	<b>706</b>	<b>624</b>	<b>803</b>	<b>803</b>	<b>803</b>
Other revenue					
Other department revenue	498	469	474	474	474
<b>Total Other revenue</b>	<b>498</b>	<b>469</b>	<b>474</b>	<b>474</b>	<b>474</b>
<b>Total Revenues</b>	<b>\$ 1,648</b>	<b>\$ 1,537</b>	<b>\$ 1,601</b>	<b>\$ 1,602</b>	<b>\$ 1,602</b>
<b>Expenditures &amp; Transfers</b>					
Real Estate & Facilities Management					
Real Estate & Facility planning & development	4,499	4,478	2,524	4,556	4,519
Facility operations	28,672	30,785	40,088	37,041	38,687
Shared support services	(1,055)	(1,055)	(18,743)	(23,232)	(23,594)
Transfers to / (from) reserves & other funds	4,207	4,386	4,107	4,121	3,869
<b>Subtotal Real Estate &amp; Facilities Management</b>	<b>36,322</b>	<b>38,593</b>	<b>27,976</b>	<b>22,486</b>	<b>23,481</b>
Finance, Risk & Supply Chain Management					
Finance, Risk & Supply Chain Management	15,575	15,412	19,567	23,133	24,556
Shared support services	(1,867)	(1,948)	(5,439)	(8,365)	(8,858)
Transfers to / (from) reserves & other funds	(694)	6	6	6	6
<b>Subtotal Finance, Risk &amp; Supply Chain Management</b>	<b>13,013</b>	<b>13,469</b>	<b>14,133</b>	<b>14,774</b>	<b>15,703</b>
IT, Digital Strategy & 3-1-1					
Information Technology	25,296	25,484	27,316	28,329	31,011
3-1-1 Contact Centre	4,356	4,653	5,335	5,377	5,658
Digital Services	-	-	1,099	1,104	1,145
Shared support services	(1,683)	(1,683)	(8,509)	(8,509)	(8,939)
Transfers to / (from) reserves & other funds	869	869	869	869	(147)
<b>Subtotal IT, Digital Strategy &amp; 3-1-1</b>	<b>28,838</b>	<b>29,324</b>	<b>26,110</b>	<b>27,170</b>	<b>28,729</b>
Other support services					
Human Resources	9,594	10,812	9,699	10,616	10,594
City Manager's Office	3,254	3,466	3,677	3,397	3,989
Legal Services	5,266	5,834	5,046	5,091	5,059
City Clerk	3,185	5,354	3,328	3,274	3,771
Communications & Engagement	1,616	1,945	1,916	1,982	2,312
Emergency Management	749	1,100	1,230	1,464	1,500
Shared support services	(649)	(671)	(3,523)	(3,248)	(3,221)
Transfers to / (from) reserves & other funds	3	3	1	1	1
<b>Subtotal Other support services</b>	<b>23,018</b>	<b>27,843</b>	<b>21,374</b>	<b>22,577</b>	<b>24,005</b>
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 101,192</b>	<b>\$ 109,229</b>	<b>\$ 89,593</b>	<b>\$ 87,008</b>	<b>\$ 91,918</b>
<b>Net Operating Budget</b>	<b>\$ (99,545)</b>	<b>\$ (107,692)</b>	<b>\$ (87,992)</b>	<b>\$ (85,406)</b>	<b>\$ (90,316)</b>
<b>Capital Budget (\$ million)</b>	<b>\$ 72.2</b>	<b>\$ 66.6</b>	<b>\$ 72.3</b>	<b>\$ 142.1</b>	<b>\$ 130.4</b>

Note: Totals may not add due to rounding

Corporate Support revenues remain relatively stable. Revenues have remained stable since 2013. For 2017, there is no change to the revenue budget.

Changes in the department's operating budget are largely due to collective agreement wage increases and benefits, along with fixed cost increases for hydro, software maintenance, network security, and rent and lease expenses.

In 2014, a municipal election year, \$2.0 million in funding was provided in the City Clerk's budget from the election reserve. This funding was added to the City Clerk's budget to run Vancouver-wide elections held that November. In 2017, a portion of the election budget has been allocated to allow preparation work for the 2018 election to commence earlier.

The budget trend also reflects the continued evolution toward shared services, with staff and budgets in previously decentralized work groups moving to citywide groups led organization-wide for consolidated IT, supply chain management, finance, facilities operations and planning, corporate security, warehousing, 3-1-1, digital services and HR.

Starting in 2014, the City changed its method of allocating shared support service costs. The large change in costs allocated from the Corporate Support group to service groups is reflected in the budgets since 2014. This increase reflects allocated costs for finance, HR, IT, and building operations costs, including leases and rents, security, hydro and gas.

### Employee trend table

Corporate Support	2012	2013	2014	2015	2016F
Regular Full-time Staff	825.2	870.2	914.2	958.8	982.0
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	933.3	969.2	1,128.4	1,156.4	1,167.1

Note: In 2016, the Sustainability division previously recorded under the City Manager's Office (Corporate Support) has been transferred to be included under the Planning, Design & Sustainability Department.

\*excluding overtime

The employee trend reflects the continued evolution toward shared services, with staff in previously decentralized work groups moving to citywide groups led organization-wide. Within the Corporate Support Services area, fluctuations in regular full-time staff reflect the consolidation of IT, supply chain management, finance, facilities operations and planning, corporate security, warehousing, HR, 3-1-1 and web operations.

## **PART III: PUBLIC ENGAGEMENT REPORT**



# How are we doing, Vancouver?

Take our survey to inform the City's 2016 budget.



**TALK  
VANCOUVER**

## CITY OF VANCOUVER 2017 BUDGET AND SERVICE SATISFACTION SURVEY

**Summary Results  
November 2016**



# 1: EXECUTIVE SUMMARY





## Overview

The City of Vancouver annual budget process offers an excellent opportunity for public dialogue on city-wide priorities. We check in with residents and businesses and develop a picture of what they see as priorities and how they would make the trade-offs between investing resources and keeping taxes affordable.

Every year, the City's budget decisions are strengthened through the input of those who benefit and are affected by these choices.

Thank you to the thousands of citizens who participated in surveys, meetings, and face-to-face activities in neighbourhoods. This input helped provide context for the decisions you see in this report.

**This report summarizes our approach to the consultation, who participated, as well as the results and findings.**

## Overall findings of the consultations – important City issues

The top priorities were fairly consistent across groups of respondents.

Housing, cost of living and infrastructure/ transportation are the key issues on the minds of Vancouver residents and business owners.

For residents, the following were the top priorities:

- Housing/Accommodations (56%)
- Cost of living (52%)
- Infrastructure/transportation (37%)
- Social issues (34%)
- Development (30%)

For businesses, the following were priorities:

- Cost of living (47%)
- Housing/ Accommodations (44%)
- Infrastructure/ Transportation (38%)
- Development (29%)
- Social Issues (22%)





## Other findings

The majority of residents are satisfied with the City of Vancouver services and numbers have largely remained stable over the last three years (hovering around 69%).

Businesses show relatively lower satisfaction with City services at closer to 54%.

The City of Vancouver receives the strongest satisfaction ratings for its provision of basic services (sewer, water, drainage), garbage collection, composting and recycling, fire prevention and responding to medical calls.

The majority of resident and business property owners are willing to pay a 1% tax increase. Additionally, half are also willing to pay a 2% tax increase (although resident owners are somewhat more willing in this case). Both business and residential renters are less willing overall to pay tax increases.

The public is open to a variety of tools to balance the City's budget. They were more likely to support the following measures:

- Introduce new user fees for some City services that currently have no fees (46%)
- Increase user fees for City services that currently have fees (41%); and/or
- Reduce level of staff/ personnel providing services (38%)

When prompted, respondents said they were personally willing to pay more in user fees for services they or their business use (66%).

The use of online options for services and engagement, as well as green techniques for managing green spaces, received the most support for finding efficiencies in service provision.



# Overview: Important City Issues



## Residents (Online)

Housing/Accommodations (56%)

Cost of living (52%)

Infrastructure/transportation (37%)

Social issues (34%)

Development (30%)

## Businesses (Online)

Cost of living (47%)

Housing/Accommodations (44%)

Infrastructure/transportation (38%)

Development (29%)

Social issues (22%)

## 3-1-1 Callers

Housing/ Accommodations (43%)

Cost of living/taxes (42%)

Infrastructure/Transportation (29%)

Education (24%)

Social issues/Social services (17%)



# Overview: Important City Issues Trend



## Residents (online): Top Three Issues

2017 Budget Survey	2016 Budget Survey	2015 Budget Survey
Housing/ Accommodations (56%)	Cost of living (46%)	Cost of living (38%)
Social issues/Social services (27%)	Infrastructure/ Transportation (44%)	Housing/ Accommoda- tions (36%)
Infrastructure/trans- portation (37%)	Social Issues (34%)	Social issues/Social services (33%)

## Businesses (online): Top Three Issues

2017 Budget Survey	2016 Budget Survey	2015 Budget Survey
Cost of living (47%)	Cost of living (44%)	Cost of living (40%)
Housing/ Accommodations (44%)	Infrastructure/ Transportation (41%)	Infrastructure/ Transportation (29%)
Infrastructure/ transportation (38%)	Housing/ Accommoda- tions (29%)	Social issues/Social services (27%)

## Top Three Issues

### 3-1-1 Callers

2017 Budget Survey	2016 Budget Survey	2015 Budget Survey
Housing/ Accommodations (43%)	Cost of living/taxes (43%)	Cost of living (39%)
Cost of living/taxes (42%)	Housing/ Accommodation (35%)	Infrastructure/ Transportation (29%)
Infrastructure/ Transportation (29%)	Infrastructure/ Transportation (31%)	Housing (27%)



# Overview: Comparison of Priorities



## Year-to-Year Changes in Budget Priorities

An interesting and valuable comparison tracks shifts in the public's budget priorities from year-to-year. We can see that the public's top-of-mind concerns and priorities have shifted from 2012 to today's budget profile. This tracking shows that our teams listen to the public's concerns, which do shape and, in many cases, help address these concerns.

It is also a helpful reminder of how the public dialogue on key issues, such as housing and transportation, and challenges, such as crime and the environment, has shifted. We will continue to track these issues and shifts longitudinally, through our research on public values and priorities.

Current Consultation on Budget 2017		Prior Year Consultation on Budget 2016		Consultation on Budget 2012	
Residents (Online)	Businesses (Online)	Residents (Online)	Businesses (Online)	Residents (Online)	Businesses (Online)
Housing /accommodations (56%)	Cost of living (47%)	Cost of living (46%)	Cost of living (44%)	Social Issues (42%)	Transportation (35%)
Cost of living (52%)	Housing/ Accommodations (44%)	Infrastructure/ Transportation (44%)	Infrastructure/ Transportation (41%)	Transportation (26%)	City Finances and Property Taxes (29%)
Infrastructure/ Transportation (37%)	Infrastructure/ Transportation (38%)	Housing/ Accommodations (42%)	Housing/ Accommodations (29%)	City Finances and Property Taxes (18%)	Social Problems (22%)
Social Issues (34%)	Development (29%)	Social issues (34%)	Development (28%)	Crime (10%)	Crime (8%)
Development (30%)	Social Issues (22%)	Development (33%)	Social issues (26%)	Environmental/ Green issues (33%)	Environmental concerns (7%)

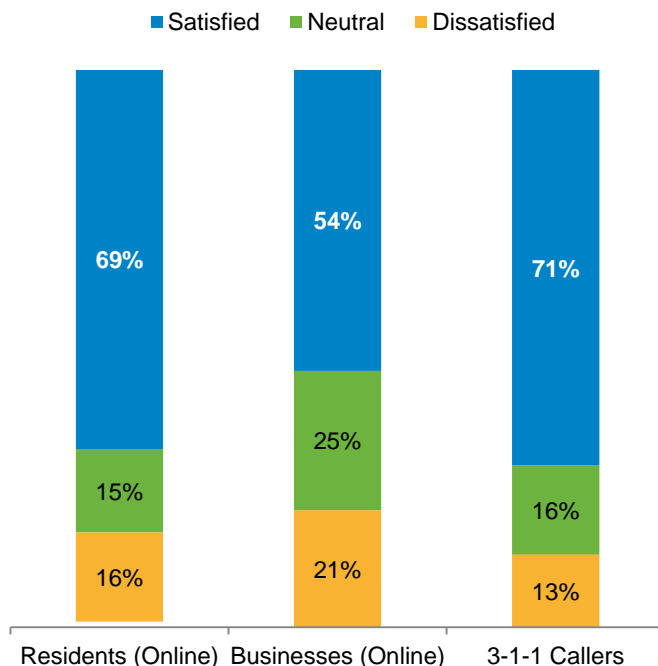


# Overview: Satisfaction

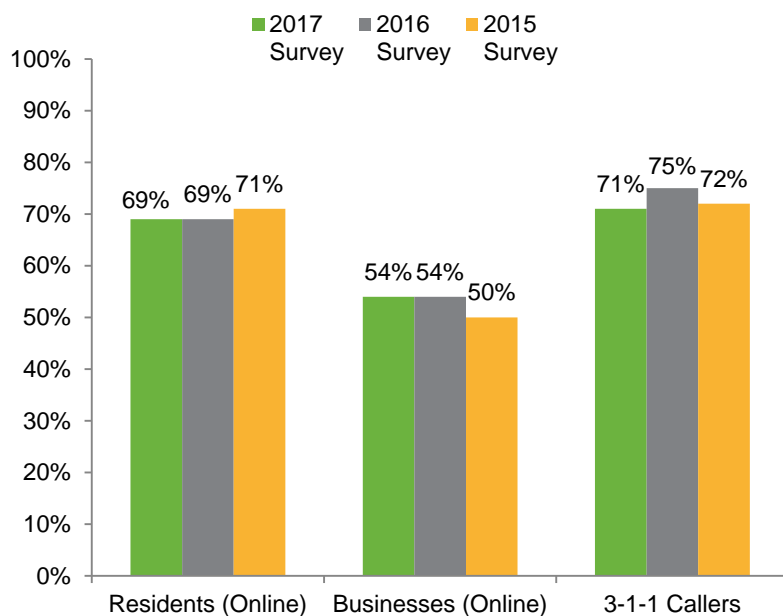


## What we learned about the public's overall satisfaction:

- Levels of satisfaction are high across all groups and, on average, three-quarters of residents are satisfied with City services. The 3-1-1 callers tend to be more satisfied than other groups.
- Business owners in Vancouver show relatively lower satisfaction with City services. Just over half report they are somewhat or very satisfied with the services their business receives.



## Satisfied with City Services



## How the public's overall satisfaction compares over time:

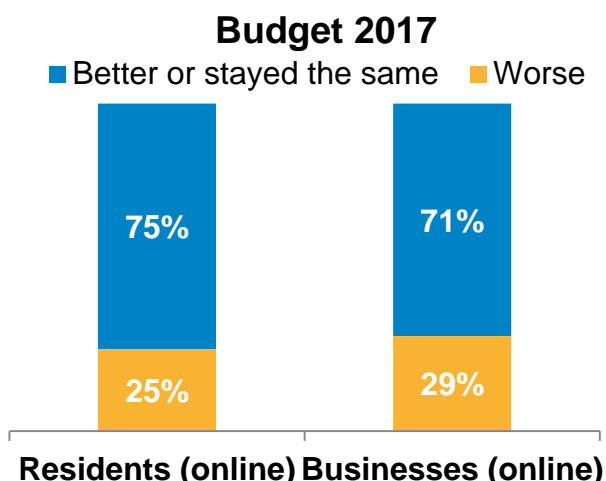
- The average levels of satisfaction among residents (online, 3-1-1), has been stable over the last several years, at or above 70% of those surveyed.
- Among businesses, satisfaction has also been stable, with a small increase in the percentage who say they are satisfied (very or somewhat satisfied) with City services to 54%, from 50% in previous years.



## What we learned about the public's perceptions of service (online only)

From our residents and businesses who completed the longer online questionnaire we learned:

- The City receives the strongest satisfaction ratings for its provision of basic services (sewer, water, drainage), fire prevention and responding to medical calls and garbage collection, composting and recycling.
- Satisfaction levels for most City services is higher among residents than businesses in Vancouver.
- Over the last few years, a majority of both residents and businesses consistently believe the quality of services provided by the City have either stayed the same or improved. Businesses, in particular are showing large shifts in their perceptions that the stability and enhancement of City services is improving.

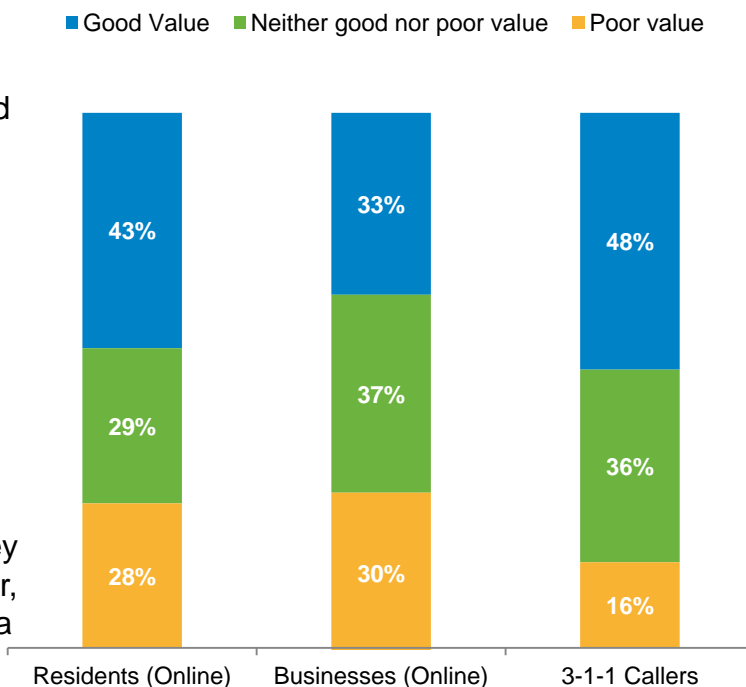


	Residents		Business	
	Budget 2016	Budget 2015	Budget 2016	Budget 2015
Better or stayed the same	76%	73%	74%	66%
Worse	24%	26%	24%	34%

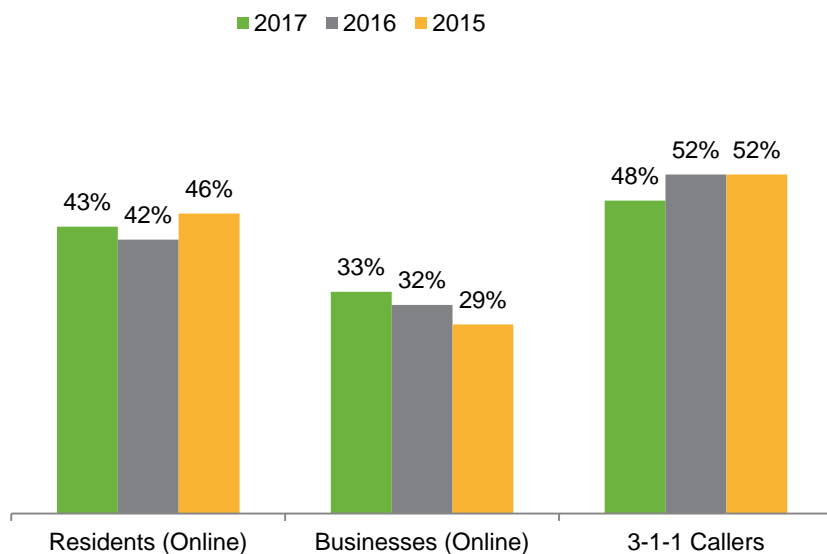


## What we learned about the public's perceptions of tax value:

- Across all residents (online, 3-1-1), 46% indicate they are receiving good value for their tax dollar. As with perceived changes in the quality of services, phone and in-person respondents tend to have more positive views.
- Residents are more likely than businesses to indicate they are receiving good value for their tax dollar.
- Perceptions among businesses are split, with about a third indicating they receive good value for their tax dollar, a third taking a neutral position, and a third who think they do not.



## Receive good value for tax dollar

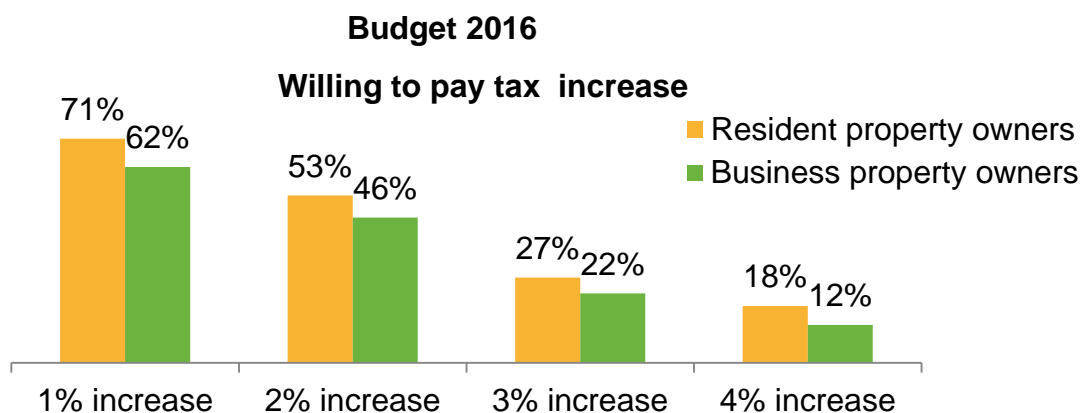
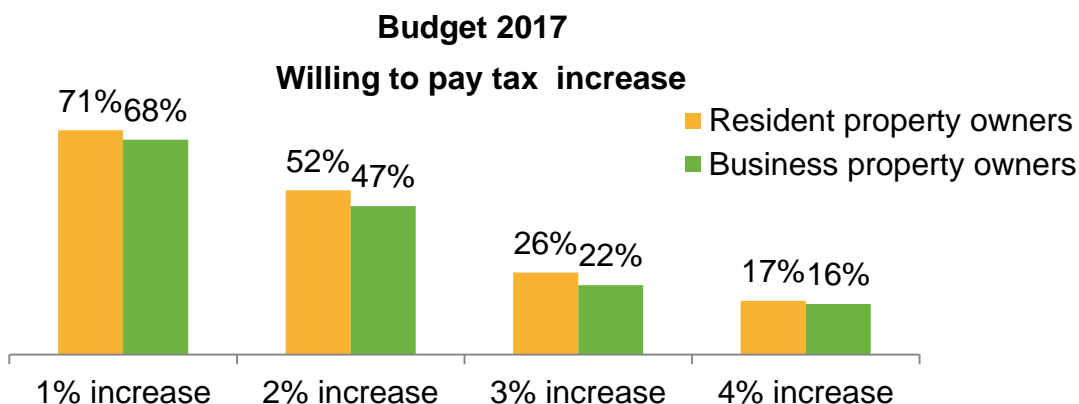


- Compared to last year, overall, residents' perceptions of the value they receive for their tax dollar remain steady.
- Businesses also show similar ratings of value over time, lower than residents.
- Over the last few years, residents responding online have become somewhat less likely to report that they receive good value for their tax dollar.



## What we learned about the public's tax tolerance (online only):

- The majority of resident and business property owners are willing to pay a 1% tax increase; on average, 69.5% are willing to pay such an increase
- Additionally, half are also willing to pay a 2% tax increase (although resident owners are somewhat more willing in this case).
- Levels of tax tolerance remain similar to last year, with some small incremental drops in the willingness to support tax increases across taxation levels for both residents and businesses.

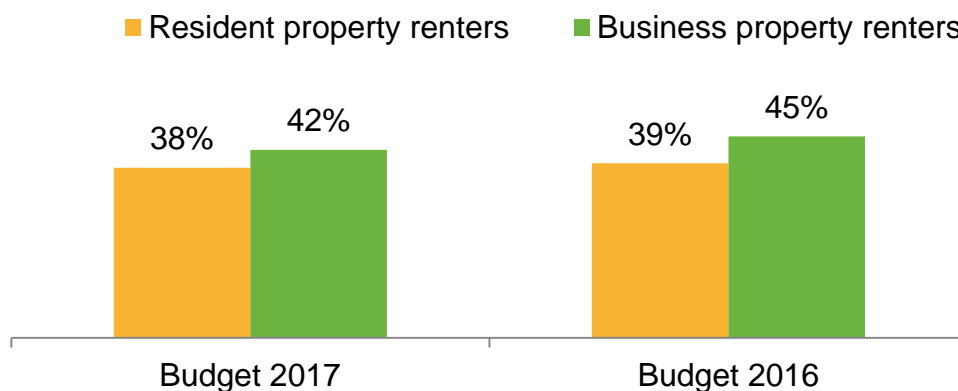






- Less than half of residential and business property renters are willing to pay higher rent to maintain current service levels (as a result of a tax increase passed onto them by their property owner).
- They are less willing, overall, than property owners to tolerate the impact of tax increases. But business renters have a relatively higher tax tolerance than residential renters.

## Willing to pay tax increase





## **What we learned about the public's feedback on cost efficiencies (online):**

The public is open to a variety of tools to balance the City's budget, although no one measure presented was supported by a majority of residents or businesses. Respondents were most likely to support the following measures (on average):

- Introduce new user fees for some City services that currently have no fees (46%);
- Increase user fees for City services that currently have fees (41%); and
- Reduce level of staff/personnel providing services (38%)

When prompted more deeply, respondents said they were personally willing to pay more in user fees for services they or their business use (on average 66% are willing among residents and businesses) [70% on average Budget 2016]

The use of online options for services and engagement, as well as green techniques, receive the most support for finding efficiencies in service provision. Respondents were most likely to support the following measures (on average) across residents and businesses.

- Offer more opportunities to access services online rather than in-person (88%)
- Use new green techniques to transform how the City manages its green spaces (75%)
- Make more use of online engagement tools to reduce time & resources spent on in-person consultation (73%)



## 2: CONSULTATION APPROACH AND METHODOLOGY





## **Our consultation approach:**

We designed a public engagement process intended to reach as many residents as possible across Vancouver from late September through October 2016.

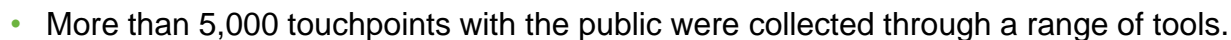
## **Our objectives were to:**

- Share information and build awareness about the services the City offers, the context within which spending decisions are made, and the trade-offs that must be considered;
- Survey a representative sample of residents and businesses to measure satisfaction with civic services, validate spending priorities, and gather input on tax tolerance and cost-saving measures. This is a pulse check to provide an extra layer of information for staff in shaping their final budget report, and for Council during final decision-making;
- Provide an opportunity for the public and advisory stakeholders in the community to enter into dialogue with Finance staff on budget challenges and priorities; and
- Keep amassing baseline data for comparison and tracking purposes for ongoing planning.

## **Approach:**

We designed a two-pronged strategy that involved:

1. Broad canvassing of residents and businesses using three survey tools:
  - An online Talk Vancouver survey of businesses and residents in English and Traditional Chinese
  - An online Insights West poll of residents and businesses with oversampling, in English and Traditional Chinese
  - A supplemental three-question survey asked of residents who called the City's 3-1-1 service
2. Face-to-face outreach via:
  - A budget roadshow that travelled to neighbourhood houses, libraries and community centres
  - A meeting with stakeholders from community organizations, advisory committees and COV partners like BIAs, Vancouver Economic Commission and Vancouver Board of Trade.



Promotion activity
3-1-1 and Pop-Up Outreach team
Colour print ads in the Courier, Ming Pao, Sing Pao, Metro and 24 hours
Social media ads (organic and paid) – Facebook, Twitter
Info bulletin and COV homepage presence
Talk Vancouver member outreach (over 10,000 members)
Email invitations to community organizations and stakeholder groups



## Important considerations:

- Our goal with the survey tools is always to develop a snapshot of public priorities with significant enough data sets to be able to gain an accurate picture of values and overall service satisfaction.
- The Talk Vancouver survey combines a self-selecting panel of nearly 12,000 residents with promotion to residents who are drawn to participate but not sign up to become “members” of the community. As such, we provide an open-link listening and dialogue tool with residents.
- This year, we have augmented this survey with two other inputs. First, we sought a partner to be able to run the same survey with a randomized panel. This concurrent approach allowed us to test the finding of the self-selecting with a randomized, representative, third party sample. Second, we used our 311 teams to pose three questions to be able to learn through another interactive channel with residents. Our findings are summarized in the subsequent overview sections and the surveys in full are appended to this report.



## 3: SUMMARY OF FEEDBACK FROM ONLINE QUESTIONNAIRE





The 2017 Budget and Service Satisfaction survey was conducted on the City's Talk Vancouver public engagement platform from October 1 until October 31, 2016.

The City collected feedback from residents of Vancouver and business owners/operators whose business is located in the City. We heard from:

- **2,110 residents**
- **489 businesses**

To ensure the questionnaire sample is reflective of the overall Vancouver population, the City monitored demographic representation and set targets where needed.

- For resident respondents, targets were set for age, and for the five geographic regions of the city: Downtown, the Northeast (North of 16<sup>th</sup> Avenue and East of Main Street), the Northwest, the Southeast and the Southwest.
- For businesses, the City collected input from owners/operators of businesses of varying size (by employee count) to represent small, medium and large businesses in the City.

The tables on the following pages use various demographic variables for residents and business size for business owners to provide a respondent profile. The corresponding proportions in the Vancouver population from Census data are also shown.

Participants were encouraged to participate through the City's Talk Vancouver panel membership, through online and paper advertisements to the general public and through supplements from our research firm's local forum.

Type of Respondent	Total	Talk Vancouver panel members	COV website and social media	Research firm local forum
Resident	2,110	1,448	209	381
Business	489	329	42	118
Total	2,599	1,777	251	499

Weighting was used as needed to ensure the data matched the most recent Census data for age, gender and residential zone for residents. Business respondents were weighted based on business size - number of employees.\*

The weights applied were minimal (final weighting efficiency was 93% for both the resident and business sample which is considered excellent).

**\*Please see the Appendix for the demographic profile of business owners.**





# Profile of Respondents



Demographic group	Survey Sample - Residents	Vancouver population (Census data)
<b>Gender (weighting applied)</b>		
Male	46%	49%
Female	54%	51%
<b>Age*</b> (weighting applied)		
18-39 **	39%	42%
40-49	20%	19%
50-59	17%	16%
60 and over	23%	23%
<b>Residential Zone*</b> (weighting applied)		
Downtown	26%	22%
Northwest	22%	17%
Northeast	17%	16%
Southwest	16%	19%
Southeast	19%	26%

\* Weights were applied to achieve a representative sample among residents. Weights were minimal (final weighting efficiency was 93%); \*\* 15-39 in Talk Vancouver



# Profile of Respondents



Demographic group	Survey Sample - Residents
<b>Ethnicity*</b>	
<b>North American</b> Canadian First Nations (or Aboriginal Band) American	<b>38%</b> 43% 1% 4%
<b>Europe</b> British Isles (e.g., English, Scottish, Irish, Welsh) Eastern European (e.g., Russian, Ukrainian, Croatian, etc.) German French Other European (e.g., Greek, Italian, Swedish, etc.)	<b>38%</b> 26% 7% 6% 2% 8%
<b>Asia</b> Chinese South Asian (e.g., Punjabi, Indian, Tamil, Pakistani, Bangladeshi, etc.) Japanese Other Asian (e.g., Filipino, Thai, Vietnamese, etc.)	<b>17%</b> 14% 2% 1% 3%
<b>Latin/South American</b>	<b>1%</b>
<b>Africa</b>	<b>&lt;1%</b>
<b>Other regions (e.g., Middle Eastern, Oceania, Caribbean)</b>	<b>1%</b>
<b>Home Ownership</b>	
Rent	36%
Own	57%
Other (e.g., live with parents, rent free but not owner)	7%

\*Respondents could select up to two ethnic groups to describe their background.



# Profile of Respondents



Demographic group	Survey Sample - Businesses	Vancouver Business Size* (Statistics Canada)
<b>Business Size *(weighting applied).</b>		
0 employees (i.e., you are self-employed with no other employees)	33%	58%
1-3 employees	28%	
4-9 employees	16%	18%
10-24 employees	12%	22%
25-99 employees	7%	
100 or more employees	4%	2%

*\*Business Register Division, Statistics Canada, 2012.*

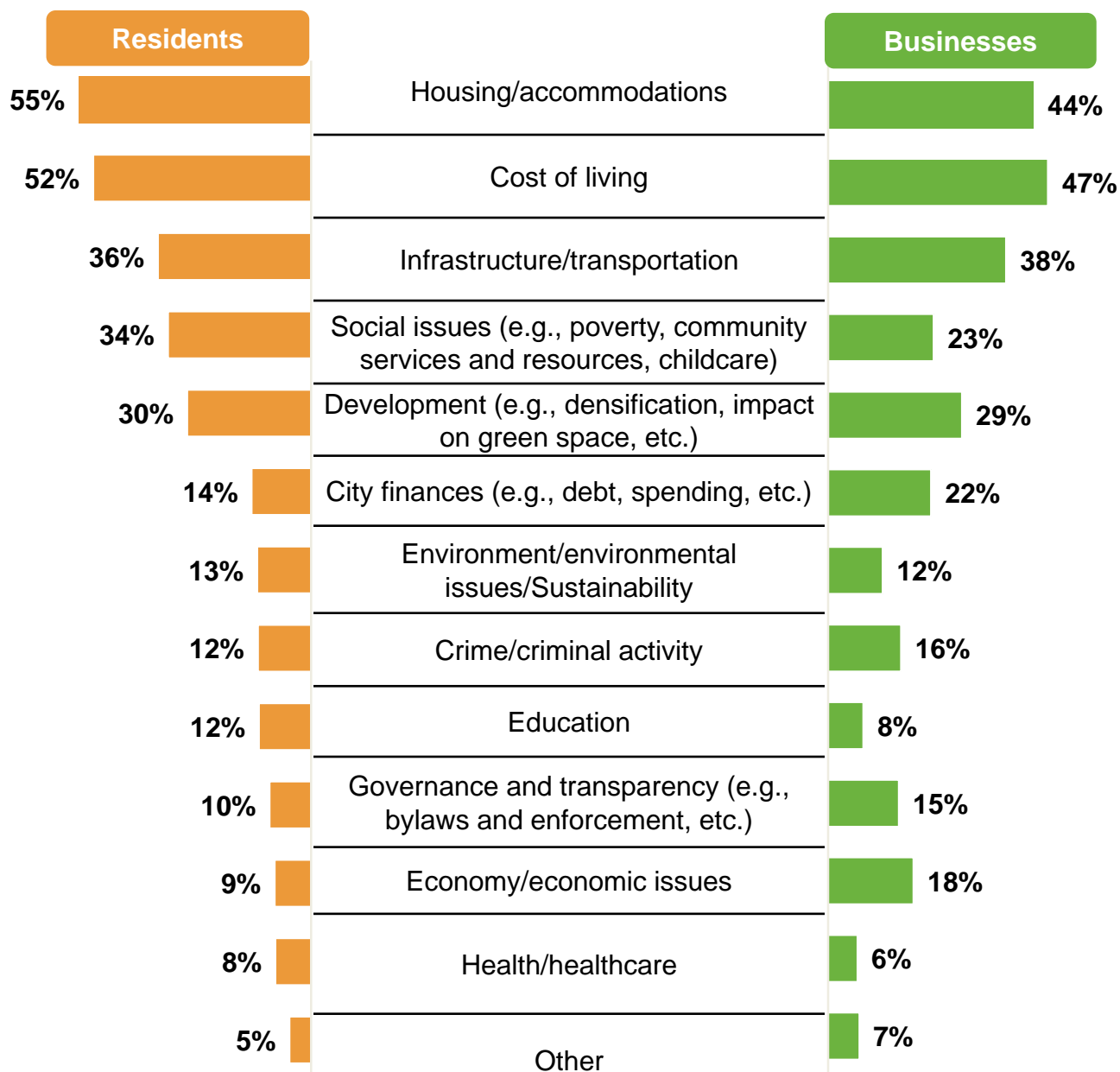
*Weights were applied to achieve a representative sample based on business size among business owners. Weights were minimal (weighting efficiency was 98%).*



# Most Important Local Issues



- Residents and business owners see the top local issues facing Vancouver very similarly: housing, cost of living and infrastructure/transportation top the list. While social issues are more concerning to residents, economic issues are more concerning for business owners.



Base: Resident respondents (n=2,110) and Business respondents (n=489)

*From your perspective as a resident/business owner, what are the most important local issues facing the City at the present time? (Select up to three).*



# Important City Issues Trend



- Top concerns are also consistent over time; cost of living, housing, infrastructure/transportation (and to a lesser extent social issues) remain the most common themes across all groups.

## Residents (online): Top Three Issues

2016 Budget Survey	2015 Budget Survey	2014 Budget Survey
Cost of living (46%)	Cost of living (38%)	Infrastructure/Transportation (61%)
Infrastructure/Transportation (44%)	Housing/Accommodation (36%)	Housing/ Accommodation (44%)
Social Issues (34%)	Social issues/Social services (33%)	Social issues/Social services (36%)

## Businesses (online): Top Three Issues

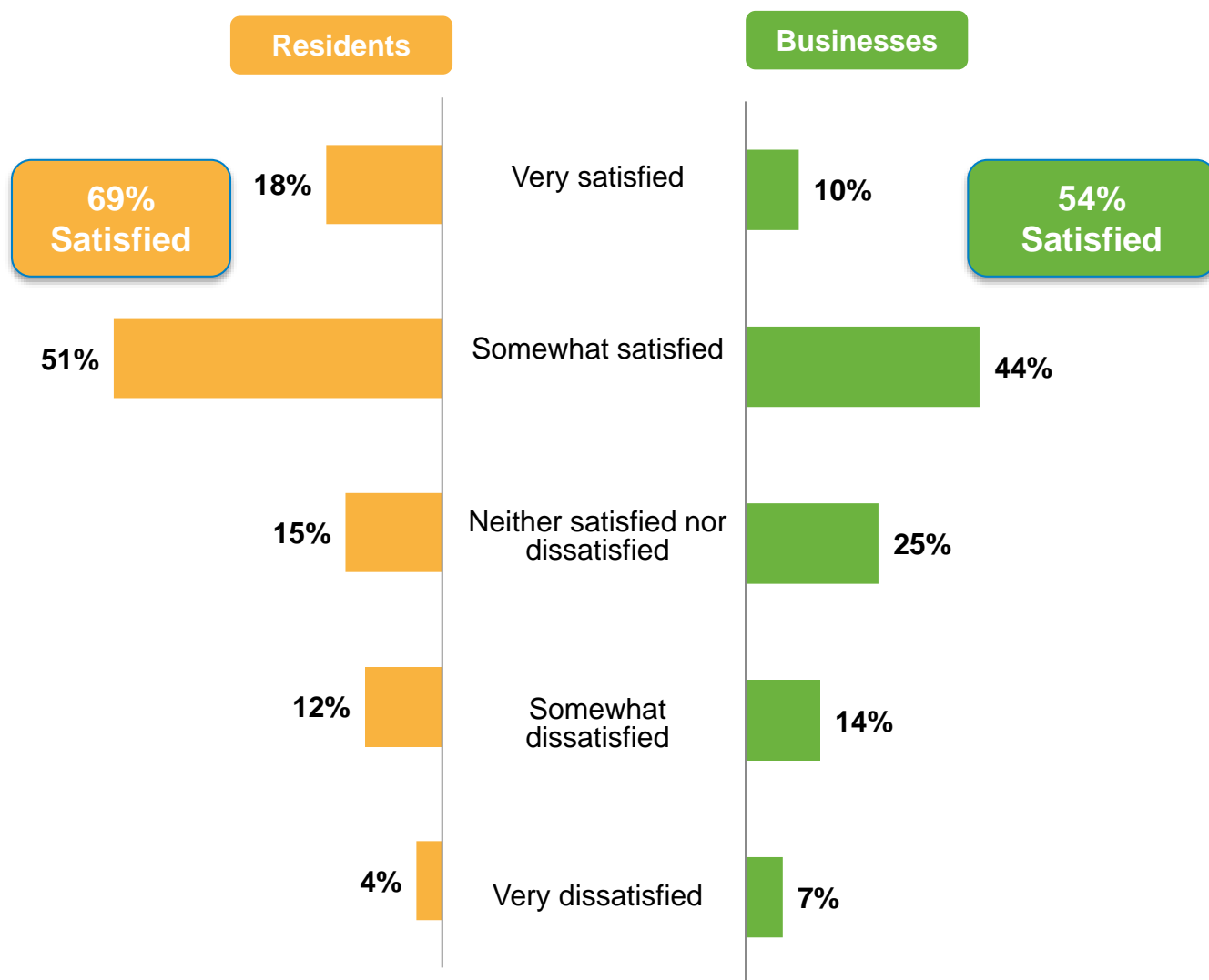
2016 Budget Survey	2015 Budget Survey	2014 Budget Survey
Cost of living (44%)	Cost of living (40%)	Infrastructure/Transportation (56%)
Infrastructure/Transportation (41%)	Infrastructure/Transportation (29%)	Cost of living (34%)
Housing/Accommodation (29%)	Social issues/Social services (27%)	Housing/Accommodation (21%)



# Overall Service Satisfaction



- Levels of satisfaction are high among residents, with close to 70% reporting satisfaction with City services.
- Business owners in Vancouver show relatively lower satisfaction, with just over half satisfied with the quality of City services.



Base: Resident respondents (n= 2,110) and Business respondents (n=489)

*Would you say you are generally satisfied or dissatisfied with the overall quality of services provided to residents/businesses by the City of Vancouver?*



# Overall Service Satisfaction Trend



- The average levels of satisfaction among residents have been stable over the last several years.
- Among businesses, satisfaction has also been stable, with a small increase in the percentage who say they are satisfied (“very” or “somewhat” satisfied) with City services increasing to 54% from 50% in Budget 2015.

	Budget 2017		Budget 2016		Budget 2015	
Response	Res. Sample	Bus. Sample	Res. Sample	Bus. Sample	Res. Sample	Bus. Sample
Very satisfied	18%	10%	19%	14%	21%	13%
Somewhat satisfied	51%	44%	50%	40%	50%	37%
<b>Total Satisfied</b>	<b>69%</b>	<b>54%</b>	<b>69%</b>	<b>54%</b>	<b>71%</b>	<b>50%</b>
Neither satisfied nor dissatisfied	15%	25%	15%	27%	10%	23%
Somewhat dissatisfied	12%	14%	12%	14%	13%	20%
Very dissatisfied	4%	7%	4%	5%	5%	7%
<b>Total Dissatisfied</b>	<b>16%</b>	<b>21%</b>	<b>16%</b>	<b>19%</b>	<b>18%</b>	<b>27%</b>



# Perceived Changes in Quality of Services



- Three-quarters of residents and businesses on average, believe the quality of services provided by the City have either stayed the same or improved.



Base: Resident respondents (n=2,110) and Business respondents (n=489)

*And, would you say that the overall quality of services provided by the City of Vancouver residents/businesses has gotten better or worse over the past 2-3 years?*





# Perceived Changes in Quality of Services Trend



- Over time, the majority of residents and businesses have consistently indicated that the quality of services provided by the City have either stayed the same or improved.
- Businesses in particular have shown large improvements in their perceptions of the stability and improvement in City services since Budget 2014.

	Budget 2016		Budget 2015		Budget 2014	
Response	Resident Sample	Business Sample	Resident Sample	Business Sample	Resident Sample	Business Sample
Much better	3%	4%	5%	3%	5%	3%
Somewhat better	29%	18%	30%	18%	33%	19%
Stayed the same	44%	52%	38%	45%	38%	38%
<b>Total - Much better or stayed the same</b>	<b>76%</b>	<b>74%</b>	<b>73%</b>	<b>66%</b>	<b>76%</b>	<b>60%</b>
Somewhat worse	18%	20%	19%	24%	15%	22%
Much worse	6%	6%	7%	10%	9%	18%
<b>Total - Worse</b>	<b>24%</b>	<b>26%</b>	<b>26%</b>	<b>34%</b>	<b>24%</b>	<b>40%</b>

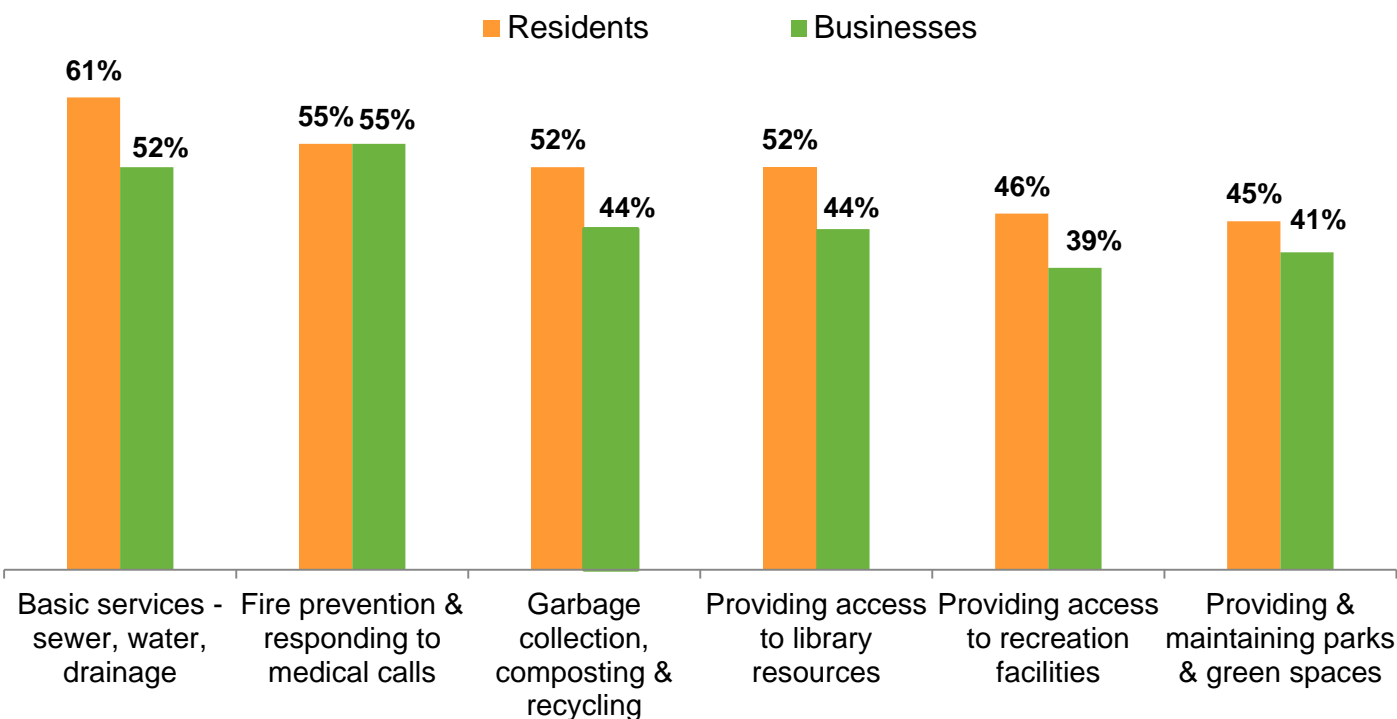


# Services the City Delivers Best



- The City receives strongest satisfaction ratings for its provision of basic utility services (sewer, water, drainage), fire prevention and responding to medical calls, and garbage collection, composting and recycling.
- All of the top performing areas shown below were among the top rated service areas in the previous year.
- The following pages show the rated importance and satisfaction rating for all City services.

## Percentage of Respondents Who Rate the City's Performance at 8, 9 or 10 on a 10-Point Scale



Base: Resident respondents (n=1,816) and Business respondents (n=461)

*Please rate the job you think the City of Vancouver is doing in providing each type of service.*



# Service Importance & Satisfaction: Public Safety



Question - Importance	Response	Resident Sample	Business Sample
Fire prevention & responding to medical calls	Very important	85%	81%
	Somewhat important	13%	16%
	<b>Total important</b>	<b>99%</b>	<b>97%</b>
Reducing the crime rate and maintaining public safety	Very important	71%	70%
	Somewhat important	25%	25%
	<b>Total important</b>	<b>96%</b>	<b>95%</b>
Providing emergency preparedness information and support	Very important	44%	42%
	Somewhat important	46%	46%
	<b>Total important</b>	<b>90%</b>	<b>88%</b>

Base: Resident respondents (n = 2,110) and Business respondents (n=489)

*How important do you believe the following services/programs are to the larger community?*



# Service Importance & Satisfaction: Public Safety



Question – Satisfaction on scale of 0 to 10	Response	Resident Sample	Business Sample
Fire prevention & responding to medical calls	Rating of 8, 9 or 10	55%	55%
	Average rating	9.3	8.9
	“Don’t know” responses	15%	10%
Reducing the crime rate and maintaining public safety	Rating of 8, 9 or 10	31%	27%
	Average rating	7.8	7.2
	“Don’t know” responses	7%	4%
Providing emergency preparedness information and support	Rating of 8, 9 or 10	22%	21%
	Average rating	7.8	7.6
	“Don’t know” responses	16%	16%

**Base: Resident respondents (n=2,110) and Business respondents (n=489)**

*Below is a list of specific services that the City of Vancouver provides its residents/businesses. Please rate the job you think the City of Vancouver is doing in providing each type of service.*



# Service Importance & Satisfaction: Community Programs



Question - Importance	Response	Resident Sample	Business Sample
Providing access to recreation facilities (e.g., community centres) and delivering recreational programming	Very important	56%	57%
	Somewhat important	39%	37%
	<b>Total important</b>	<b>95%</b>	<b>94%</b>
Providing access to library resources (e.g., collections, computers), programs, information services and space	Very important	56%	49%
	Somewhat important	35%	41%
	<b>Total important</b>	<b>93%</b>	<b>90%</b>
Supporting community service organizations (e.g., shelters, childcare, social grants)	Very important	57%	48%
	Somewhat important	34%	39%
	<b>Total important</b>	<b>91%</b>	<b>88%</b>
Providing support services to the Downtown Eastside	Very important	41%	32%
	Somewhat important	40%	42%
	<b>Total important</b>	<b>81%</b>	<b>74%</b>
Enabling affordable housing	Very important	65%	52%
	Somewhat important	24%	26%
	<b>Total important</b>	<b>89%</b>	<b>78%</b>

Base: Resident respondents (n=2,110) and Business respondents (n=489)

*How important do you believe the following services/programs are to the larger community? Below is a list of specific services that the City of Vancouver provides its residents/businesses. Please rate the job you think the City of Vancouver is doing in providing each type of service.*



# Service Importance & Satisfaction: Community Programs



Question - Importance	Response	Resident Sample	Business Sample
Planning for and managing residential, commercial and industrial development	Very important	52%	51%
	Somewhat important	40%	41%
	<b>Total important</b>	<b>92%</b>	<b>92%</b>
Environmental protection, support for green projects (e.g., green grants, building retrofits programs, zero waste)	Very important	43%	36%
	Somewhat important	38%	37%
	<b>Total important</b>	<b>81%</b>	<b>73%</b>
Providing and maintaining parks and green spaces	Very important	60%	60%
	Somewhat important	36%	35%
	<b>Total important</b>	<b>96%</b>	<b>95%</b>

Base: Resident respondents (n=2,110) and Business respondents (n=489)

*How important do you believe the following services/programs are to the larger community?*



# Service Importance & Satisfaction: Community Programs



Question — Satisfaction on scale of 0 to 10	Response	Resident Sample	Business Sample
Providing access to recreation facilities (e.g., community centres) and delivering recreational programming	Rating of 8, 9 or 10	46%	39%
	Average rating	8.2	7.6
	“Don’t know” responses	4%	2%
Providing access to library resources (e.g., collections, computers), programs, information services and space	Rating of 8, 9 or 10	52%	44%
	Average rating	8.6	8.2
	“Don’t know” responses	5%	6%
Supporting community service organizations (e.g., shelters, childcare, social grants)	Rating of 8, 9 or 10	12%	15%
	Average rating	7.6	7.1
	“Don’t know” responses	19%	13%
Providing support services to the Downtown Eastside	Rating of 8, 9 or 10	15%	18%
	Average rating	7.7	7.2
	“Don’t know” responses	23%	15%

**Base: Resident respondents (n=2,110) and Business respondents (n=489)**

*Below is a list of specific services that the City of Vancouver provides its residents/businesses. Please rate the job you think the City of Vancouver is doing in providing each type of service.*

Budget 2017 Service Satisfaction Survey (November 2016)



# Service Importance & Satisfaction: Community Programs



Question – Satisfaction on scale of 10	Response	Resident Sample	Business Sample
Enabling affordable housing	Rating of 8, 9 or 10	5%	10%
	Average rating	4.6	4.7
	“Don’t know” responses	5%	4%
Planning for and managing residential, commercial and industrial development	Rating of 8, 9 or 10	10%	10%
	Average rating	6.2	5.4
	“Don’t know” responses	11%	5%
Environmental protection, support for green projects (e.g., green grants, building retrofits programs, zero waste)	Rating of 8, 9 or 10	33%	32%
	Average rating	7.8	7.7
	“Don’t know” responses	8%	8%
Providing and maintaining parks and green spaces	Rating of 8, 9 or 10	45%	41%
	Average rating	8.0	7.6
	“Don’t know” responses	2%	0%

Base: Resident respondents (n=2,110) and Business respondents (n=489)

*Below is a list of specific services that the City of Vancouver provides its residents/businesses. Please rate the job you think the City of Vancouver is doing in providing each type of service.*





# Service Importance & Satisfaction: Utilities & Engineering Public Works



Question - Importance	Response	Resident Sample	Business Sample
Providing basic services – sewer, water, drainage	Very important	91%	88%
	Somewhat important	9%	11%
	<b>Total important</b>	<b>99%</b>	<b>99%</b>
Providing garbage collection, composting, and recycling services	Very important	85%	79%
	Somewhat important	14%	17%
	<b>Total important</b>	<b>99%</b>	<b>96%</b>
Providing transportation infrastructure for walking, bikes, transit, and vehicles	Very important	75%	70%
	Somewhat important	21%	24%
	<b>Total important</b>	<b>96%</b>	<b>94%</b>
Maintaining and enhancing street infrastructure (e.g., pavement condition, cleanliness, lighting, roundabout gardens)	Very important	60%	58%
	Somewhat important	35%	38%
	<b>Total important</b>	<b>95%</b>	<b>96%</b>
Managing curbside parking spaces	Very important	31%	27%
	Somewhat important	46%	46%
	<b>Total important</b>	<b>77%</b>	<b>73%</b>

Base: Resident respondents (n=2,110) and Business respondents (n=489)

*How important do you believe the following services/programs are to the larger community?*



# Service Importance & Satisfaction: Utilities & Engineering Public Works



Question – Satisfaction on scale of 10	Response	Resident Sample	Business Sample
Providing basic services – sewer, water, drainage	Rating of 8, 9 or 10	61%	52%
	Average rating	8.7	8.3
	“Don’t know” responses	2%	1%
Providing garbage collection, composting, and recycling services	Rating of 8, 9 or 10	50%	44%
	Average rating	8.1	7.7
	“Don’t know” responses	2%	2%
Providing transportation infrastructure for walking, bikes, transit, and vehicles	Rating of 8, 9 or 10	37%	32%
	Average rating	7.3	6.7
	“Don’t know” responses	1%	1%
Maintaining and enhancing street infrastructure (e.g., pavement condition, cleanliness, lighting, roundabout gardens)	Rating of 8, 9 or 10	31%	29%
	Average rating	7.3	6.9
	“Don’t know” responses	1%	1%
Managing curbside parking spaces	Rating of 8, 9 or 10	18%	19%
	Average rating	7.4	6.8
	“Don’t know” responses	17%	13%

**Base: Resident respondents (n=2,110) and Business respondents (n=489)**

***Below is a list of specific services that the City of Vancouver provides its residents/businesses. Please rate the job you think the City of Vancouver is doing in providing each type of service.***



# Service Importance & Satisfaction: General Government & Corporate Support



Question - Importance	Response	Resident Sample	Business Sample
Managing tax dollars	Very important	81%	81%
	Somewhat important	17%	16%
	<b>Total important</b>	<b>98%</b>	<b>97%</b>
Promoting economic development	Very important	45%	47%
	Somewhat important	46%	42%
	<b>Total important</b>	<b>91%</b>	<b>89%</b>
Permits, inspections and enforcement (e.g., building, renovation, business license, parking, dogs, etc.)	Very important	42%	40%
	Somewhat important	48%	50%
	<b>Total important</b>	<b>90%</b>	<b>90%</b>
Maintaining City infrastructure – administration buildings, vehicles, equipment and IT	Very important	38%	39%
	Somewhat important	54%	51%
	<b>Total important</b>	<b>92%</b>	<b>90%</b>
Providing information, engagement channels and customer service (website, in person and 3-1-1)	Very important	39%	35%
	Somewhat important	50%	54%
	<b>Total important</b>	<b>89%</b>	<b>89%</b>

Base: Resident respondents (n=2,110) and Business respondents (n=489)

*How important do you believe the following services/programs are to the larger community?*



# Service Importance & Satisfaction: General Government & Corporate Support



Question - – Satisfaction on scale of 10	Response	Resident Sample	Business Sample
Managing tax dollars	Rating of 8, 9 or 10	12%	13%
	Average rating	6.7	6.2
	“Don’t know” responses	15%	8%
Promoting economic development	Rating of 8, 9 or 10	14%	15%
	Average rating	7.4	7.0
	“Don’t know” responses	18%	10%
Permits, inspections and enforcement (e.g., building, renovation, business license, parking, dogs, etc.)	Rating of 8, 9 or 10	12%	12%
	Average rating	7.0	6.5
	“Don’t know” responses	17%	9%
Maintaining City infrastructure – administration buildings, vehicles, equipment and IT	Rating of 8, 9 or 10	17%	16%
	Average rating	8.5	8.1
	“Don’t know” responses	29%	23%
Providing information, engagement channels and customer service (website, in person and 3-1-1)	Rating of 8, 9 or 10	40%	34%
	Average rating	8.2	8.0
	“Don’t know” responses	9%	7%

**Base: Resident respondents (n=2,110) and Business respondents (n=489)**

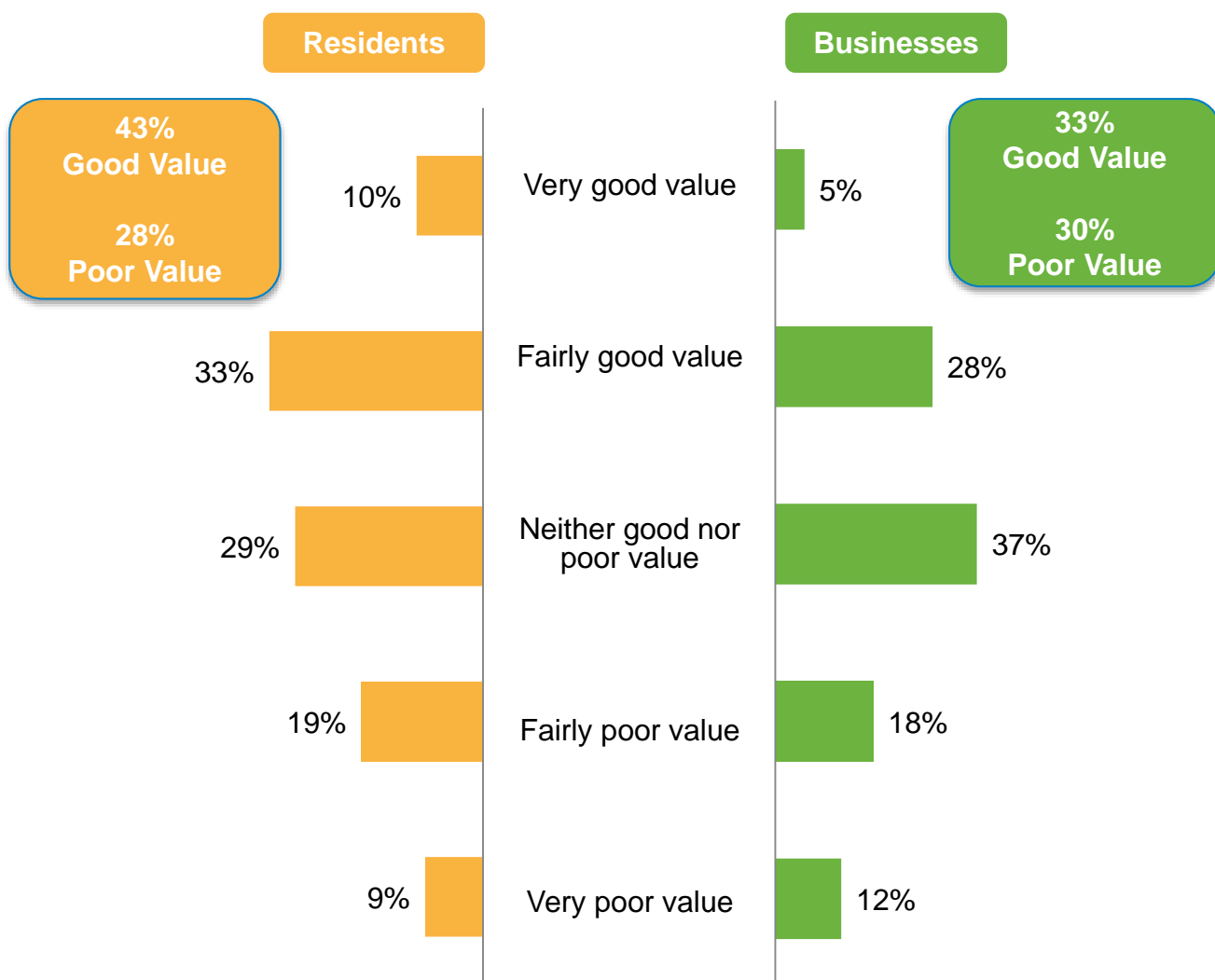
*Below is a list of specific services that the City of Vancouver provides its residents/businesses. Please rate the job you think the City of Vancouver is doing in providing each type of service.*



# Overall Value for Tax Dollar



- Residents are more likely than businesses to believe they are receiving good value for their tax dollar, with 4 out of 10 believing they get good value.
- Perceptions among businesses are split, with about a third believing they receive good value for their tax dollar, and a third who think they do not.



Base: Resident respondents (n=2110) and Business respondents (n=489)

*Thinking about all of the programs and services you/ your business receives from the City of Vancouver, and the level of property taxes or rent you/ your business pays, would you say that you/ your business gets overall good value or poor value for your/ its tax dollars?*



# Overall Value for Tax Dollar Trend



- Compared to last year, overall, residents' perceptions of the value they receive for their tax dollar remain steady.
- Businesses also show similar ratings of value over time, again, lower than residents.

	Budget 2017		Budget 2016		Budget 2015	
Response	Resident Sample	Business Sample	Resident Sample	Business Sample	Resident Sample	Business Sample
Very good value	10%	5%	8%	5%	10%	6%
Fairly good value	33%	28%	34%	27%	36%	23%
<b>Total - Good Value</b>	<b>43%</b>	<b>33%</b>	<b>42%</b>	<b>32%</b>	<b>46%</b>	<b>29%</b>
Neither good nor poor value	29%	37%	31%	35%	24%	35%
Fairly poor value	19%	18%	19%	22%	21%	23%
Very poor value	9%	12%	8%	11%	9%	14%
<b>Total - Poor value</b>	<b>28%</b>	<b>30%</b>	<b>28%</b>	<b>33%</b>	<b>30%</b>	<b>37%</b>

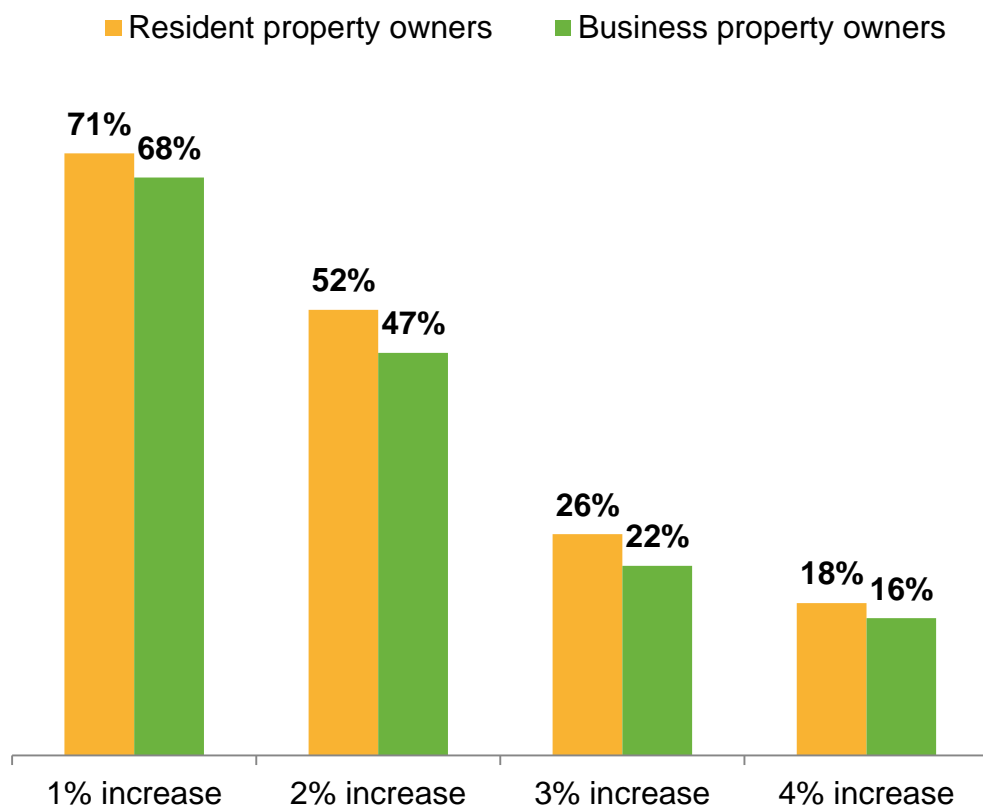
**Base: Resident respondents (n=2110) and Business respondents (n=489)**



# Willingness to Pay Increased Taxes



- The majority of resident and business property owners are willing to pay a 1% property tax increase; on average, 70% are willing to pay such an increase.
- Additionally, half are also willing to pay a 2% tax increase (although resident owners are somewhat more willing in this case).



Base: Resident respondents who own their home (n=1197) ; Business respondents who own their business property (n=188)

*Would you be willing or not willing to pay an increase in your property taxes/business property taxes to keep services at current levels?*



# Willingness to Pay Increased Taxes Trend (Among Property Owners)



- Over time, there have been small fluctuations in the willingness of residents and business property owners to pay increased taxes. But at the lower taxation increase levels (1-2%) , approximately two-thirds on average are willing to accept such changes.
- In addition, residents have consistently shown a greater tax tolerance than businesses at all taxation increase levels.

	Budget 2017		Budget 2016		Budget 2015	
Rate increase	Resident Sample	Business Sample	Resident Sample	Business Sample	Resident Sample	Business Sample
1%	71%	68%	71%	62%	73%	65%
2%	52%	47%	53%	46%	57%	48%
3%	26%	22%	27%	22%	30%	24%
4%	18%	16%	22%	12%	20%	18%





# Willingness to Pay Increased Taxes (Among Renters)



- Approximately 40% of residential and business property renters on average are willing to pay higher rent to maintain current service levels (as a result of a tax increase passed onto them by their property owner).



Base: Resident respondents who rent their home (n=765); Business respondents who rent their business property (n=301)

*Thinking about this, would you be willing to pay more per month in rent, in order to maintain the current level of services provided by the City of Vancouver?"*

Budget 2017 Service Satisfaction Survey (November 2016)



# Willingness to Pay Increased Taxes Trend (Among Renters)



- Residential and business renters show similar levels of tax tolerance as they did in the Budget 2016 survey.

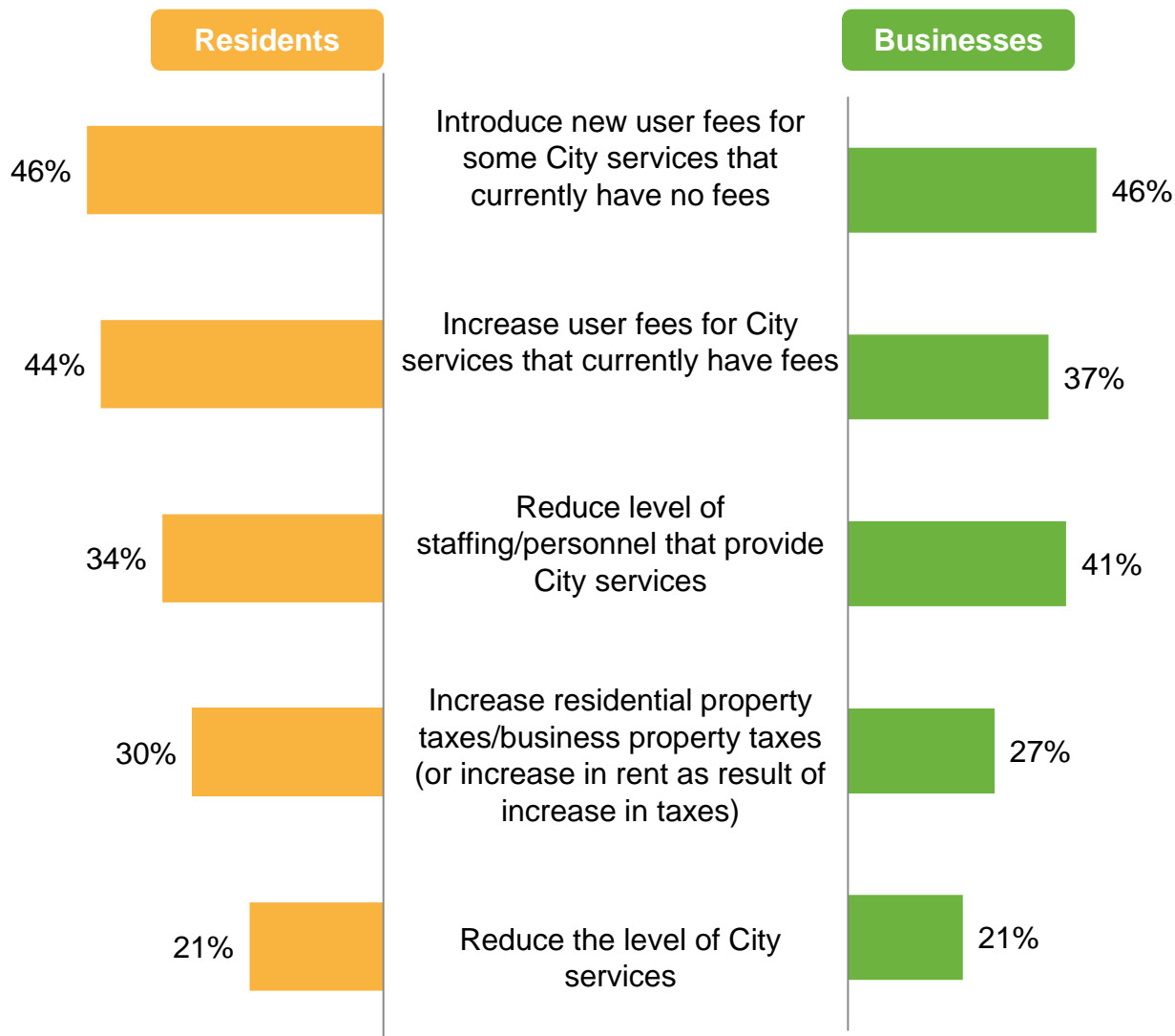
	Budget 2017		Budget 2016	
Rate increase	Resident Sample	Business Sample	Resident Sample	Business Sample
Very willing	11%	11%	10%	12%
Somewhat Willing	27%	31%	29%	33%
<b>Willing Total</b>	<b>38%</b>	<b>42%</b>	<b>39%</b>	<b>45%</b>
Not very willing	28%	27%	27%	30%
Not at all willing	34%	31%	34%	25%
<b>Not Willing Total</b>	<b>62%</b>	<b>58%</b>	<b>61%</b>	<b>55%</b>



# Support for City Measures to Balance Budget



- The public is open to a variety of tools to balance the City's budget, but respondents were most likely to support measures related to increasing user fees or decreasing personnel (but not level of service) for the provision of City services.



Base: Resident respondents (n=2,110) and Business respondents (n=489)

*Now, to balance the 2016 budget as required by law, the City of Vancouver has a number of options to consider. Which of the following options would you prefer the City use to balance its budget?*



# Support for User Fees to Increase Efficiency



- Respondents were asked specifically about their support for increased user fees for services that they or their business use.
- The proportion willing to pay more in user fees is high, at 66% of respondents on average among residents and businesses.



Base: Resident respondents (n=2,110) and Business respondents (n=489)

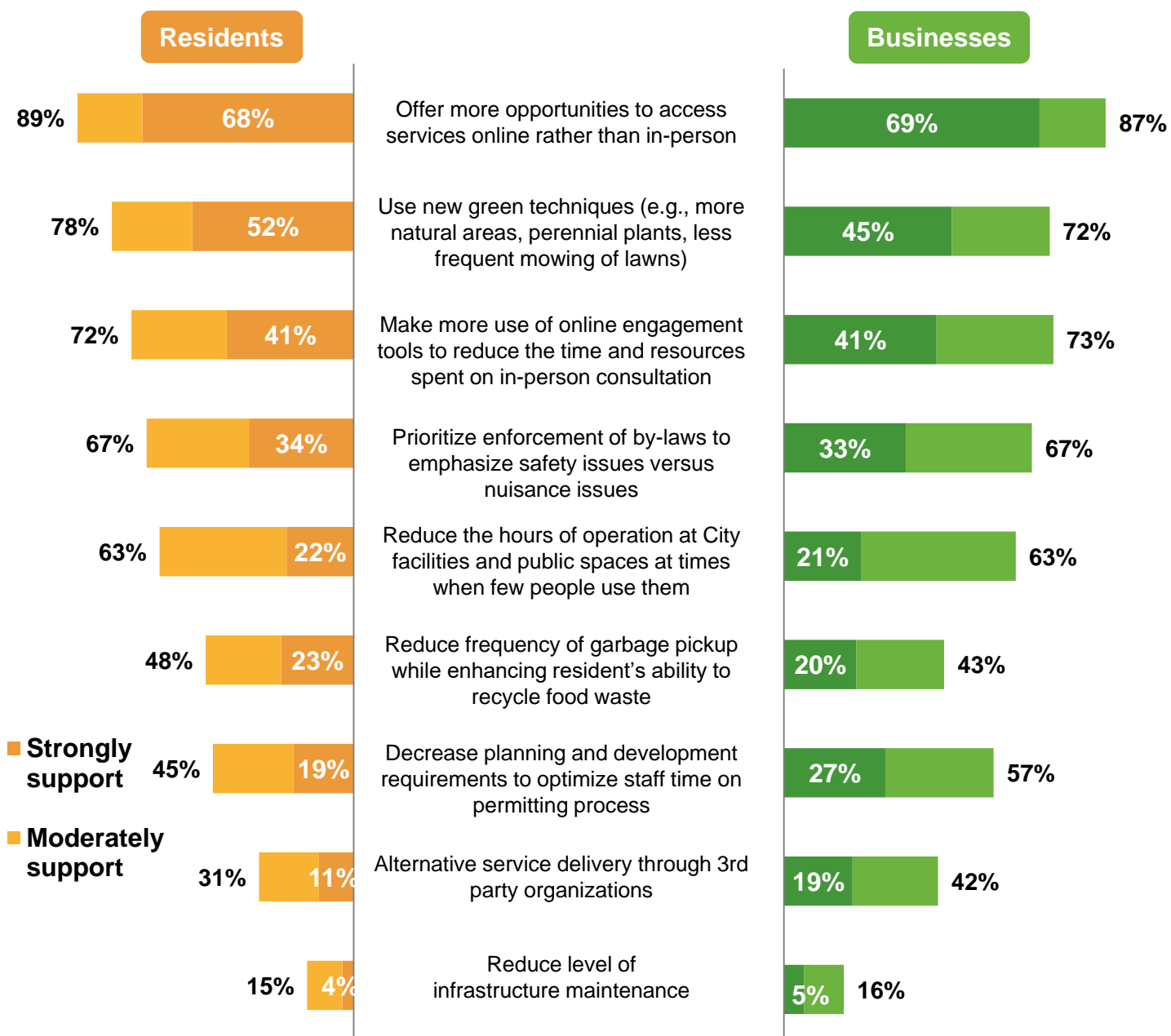
*...Now think about the City services that you or your business use. Would you be willing to pay more in user fees for the services you use in order to maintain or improve them?*



# Support for Efficiency Measures for Services



- The use of online options for services and engagement, as well as green techniques, receive the most support for finding efficiencies in service provision.



Base: Resident respondents (n=2,110) and Business respondents (n=489)

*There are a number of initiatives which are common across other cities trying to find efficiencies in providing services to their residents/businesses. Would you support or oppose the City of Vancouver doing each of the initiatives below?*

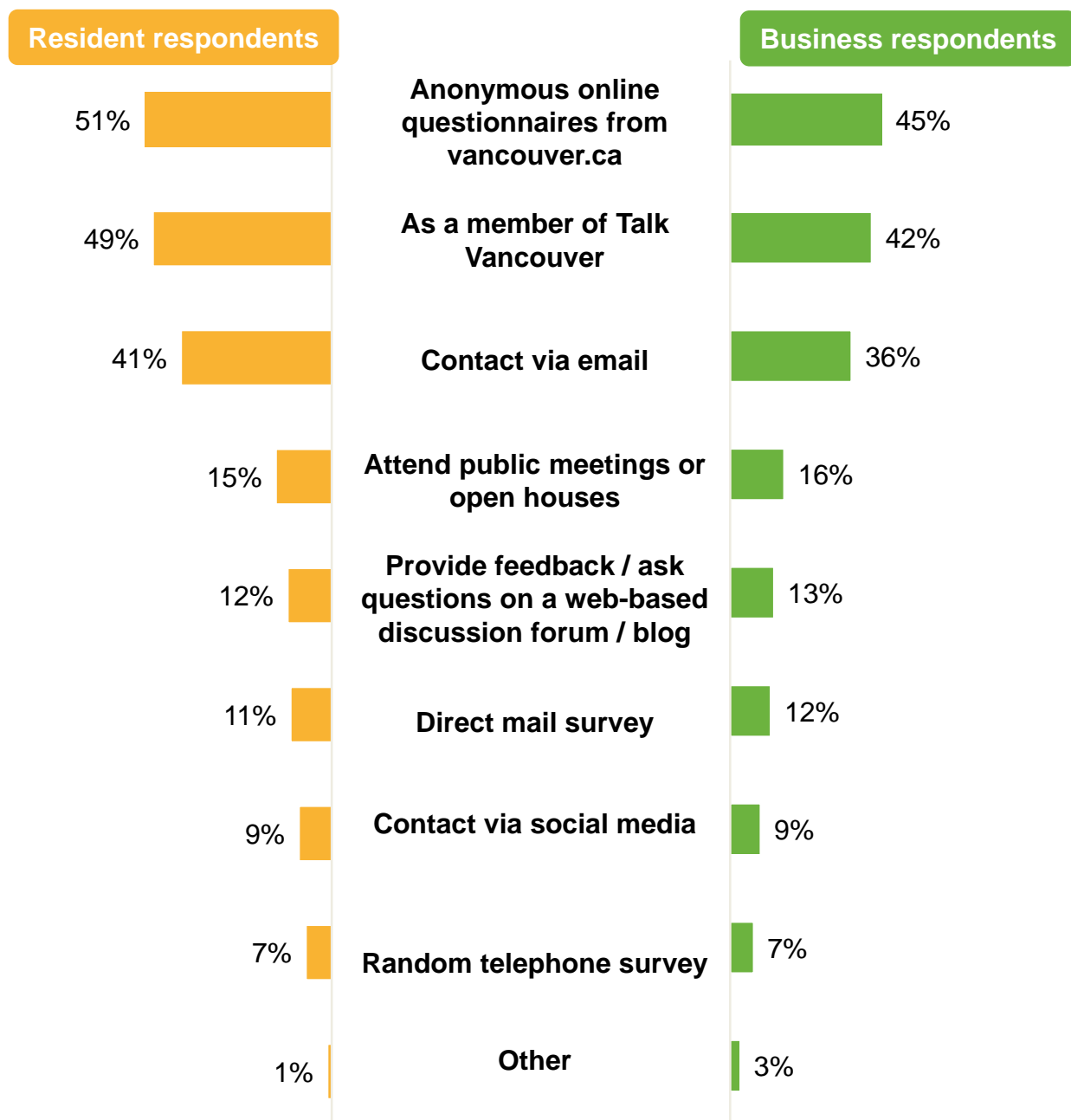
Budget 2017 Service Satisfaction Survey (November 2016)



# Preferred Method of Contact



- Not surprisingly, online respondents prefer electronic means of contact with the City, such as online questionnaires, email and as members of Talk Vancouver, the City's online public engagement panel.



Base: Resident respondents (n=2,110) and Business respondents (n=489)

... We always like to check in on how you would prefer to interact with us. From the list below, please tell us which channels you are most likely to participate in.



## 4: SUMMARY OF FEEDBACK FROM 3-1-1 CALLERS





# Intercept Summary: Methodology



- To increase the opportunities for citizens to provide their input on the 2017 Budget and Service Satisfaction survey, the City used its 3-1-1 telephone service to ask random callers who identified themselves as residents if they were willing to take a three-question survey.
- The short questionnaire was asked of random participants and did not include any demographic questions, therefore, the resulting data cannot be considered representative of the larger population. Results are meant to act as a supplement to the longer, representative online survey.

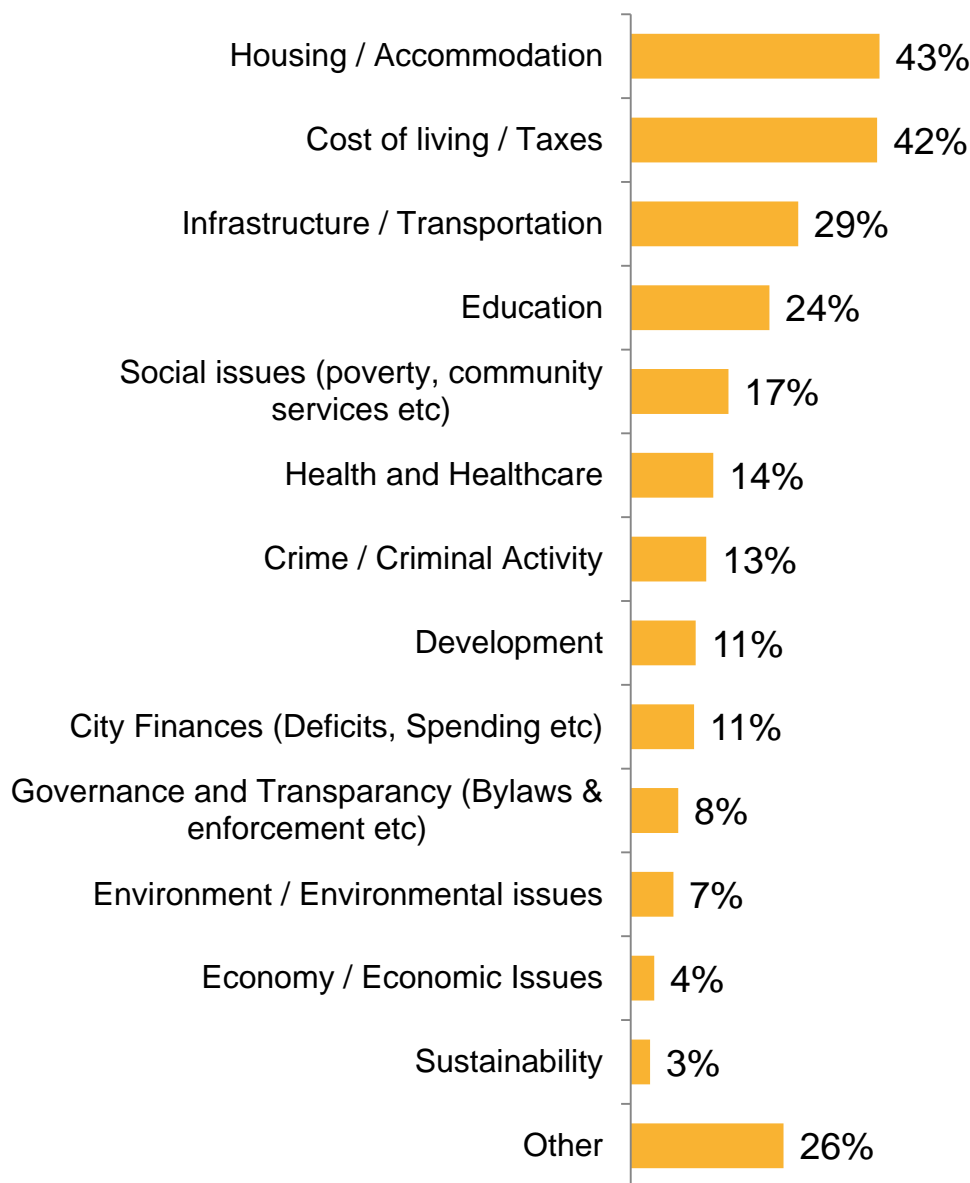




# 311 Summary: Important City Issues



- As with online respondents, 3-1-1 callers see housing/accommodations and cost of living/taxes as the top issues. This is followed by infrastructure/transportation.



Base: 3-1-1 callers (n=691)

*From your perspective as a resident what are the most important local issues facing the City at the present time? (Select up to three).*



# 311 Summary: Important City Issues Trend



- Comparing this year's results with previous years, a number of the top issues are consistent, namely housing, cost of living/taxes and infrastructure/transportation.

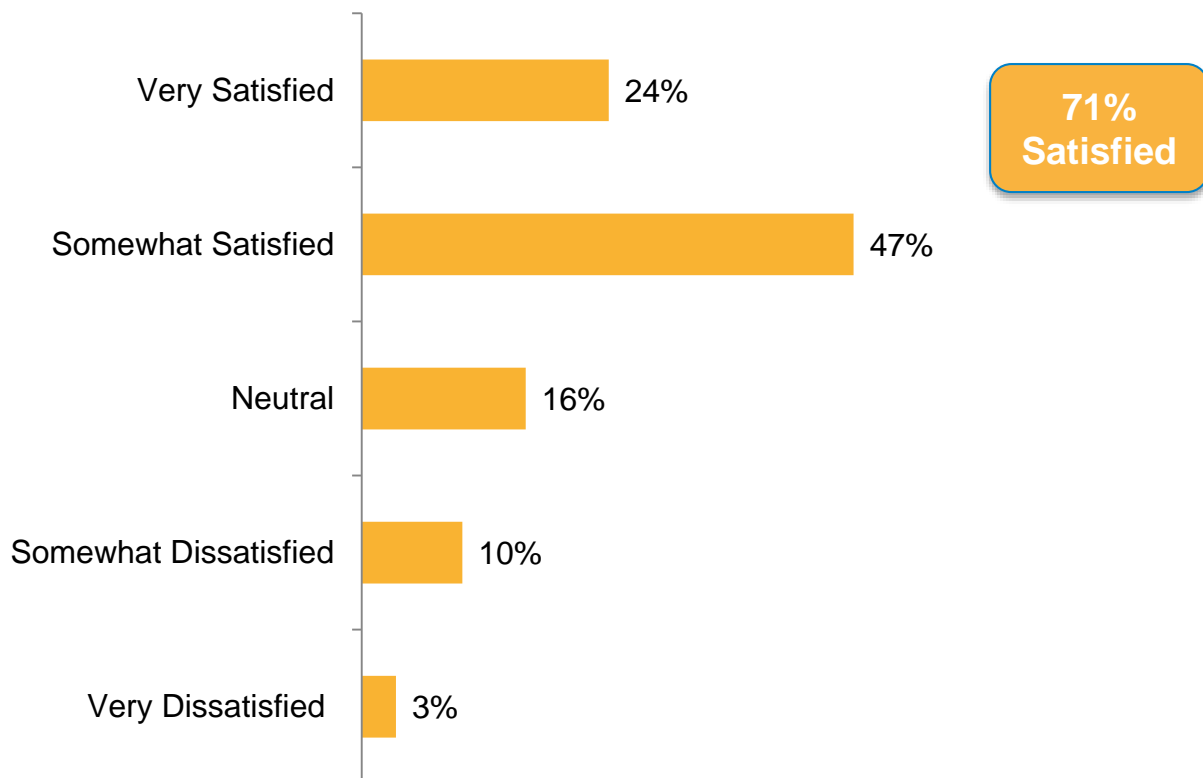
2017 Budget Survey	2016 Budget Survey	2015 Budget Survey
Housing/Accommodation (43%)	Cost of living/Taxes (43%)	Cost of living/Taxes (39%)
Cost of living/Taxes (42%)	Housing/Accommodation (35%)	Infrastructure/Transportation (29%)
Infrastructure/Transportation (29%)	Infrastructure/Transportation (31%)	Housing/Accommodations (27%)
Education (24%)	Crime/Criminal Activity (15%) and Social issues/Social services (15%)	Social issues (17%)
Social issues (poverty, community services, etc.) (17%)	Education (12%)	Education



## 3-1-1 Summary: Overall Satisfaction



- Satisfaction is high among 3-1-1 callers, with almost three-quarters satisfied with the services they receive from the City.



Base: 3-1-1 callers (n=691)

*And, would you say that the overall quality of services provided by the City of Vancouver residents/businesses has gotten better or worse over the past 2-3 years?*



# 3-1-1 Summary: Overall Service Satisfaction Trend



- Overall satisfaction was asked of 3-1-1 Callers and Pop-Up City Hall visitors beginning in Budget 2015.
- Satisfaction among residents across these groups remained stable from last year.

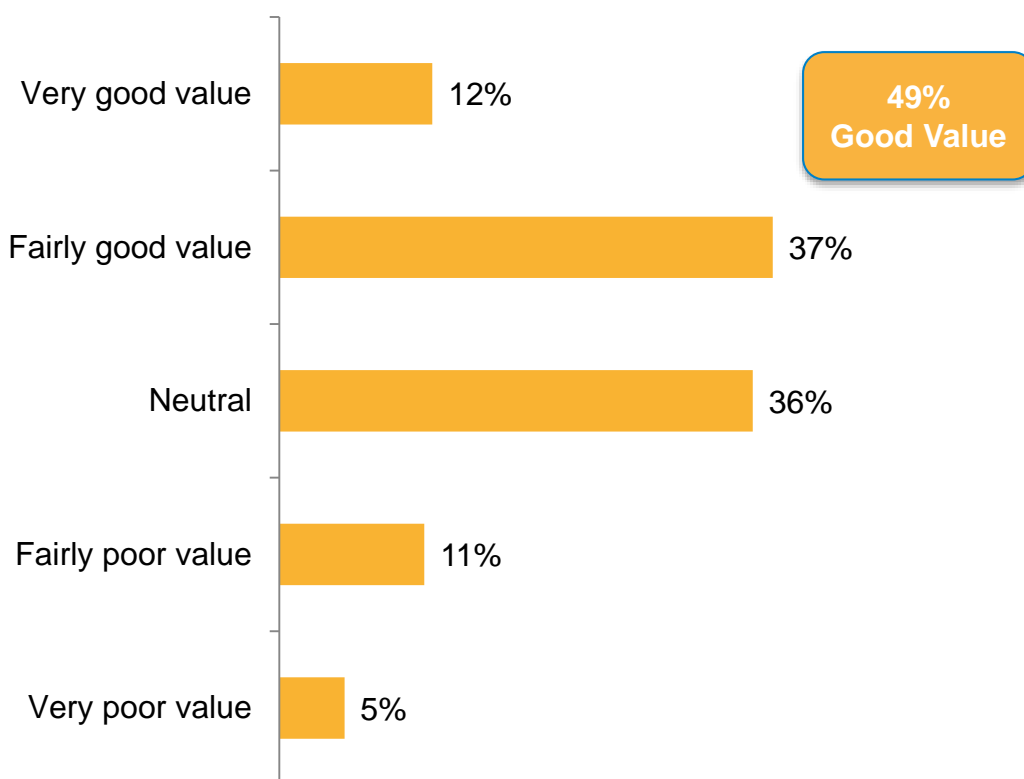
	Budget 2017	Budget 2016		Budget 2015	
Response	3-1-1 Callers	3-1-1 Callers	Pop-Up City Hall Visitors	3-1-1 Callers	Pop-Up City Hall Visitors
Very satisfied	24%	27%	31%	25%	27%
Somewhat satisfied	47%	48%	49%	48%	55%
<b>Total Satisfied</b>	<b>71%</b>	<b>75%</b>	<b>80%</b>	<b>73%</b>	<b>82%</b>
Neither satisfied nor dissatisfied	16%	14%	12%	14%	8%
Somewhat dissatisfied	10%	8%	5%	8%	5%
Very dissatisfied	3%	3%	3%	6%	5%
<b>Total Dissatisfied</b>	<b>13%</b>	<b>11%</b>	<b>8%</b>	<b>14%</b>	<b>10%</b>



## 3-1-1 Summary: Value for Tax Dollar



- Half of the 3-1-1 callers surveyed believe they are receiving good value for their tax dollar.



Base: 3-1-1 Callers (n=691)

*Thinking about all of the programs and services you/ receive from the City of Vancouver, and the level of property taxes or rent you/ your business pays, would you say that you/ your business gets overall good value or poor value for your/ its tax dollars?*



# Intercept Summary: Value for Tax Dollar Trend



- Over time, consistently half or more of 3-1-1 respondents believe they receive good value for their tax dollar.
- In 2014, for the 3-1-1 Budget Survey, this question was asked slightly differently (“Thinking about all of the programs and services you receive from the City of Vancouver, and the amount of property taxes or rent you pay, would you say that you get overall good value for your tax dollars? Yes/No”). The results for Budget 2014 are broadly in-line with the 2015 and 2016 results.

	Budget 2017	Budget 2016		Budget 2015	
Response	3-1-1 Callers	3-1-1 Callers	Pop-Up City Hall Visitors	3-1-1 Callers	Pop-Up City Hall Visitors
Very good value	12%	11%	11%	13%	14%
Fairly good value	37%	41%	49%	39%	40%
<b>Total - Good Value</b>	<b>49%</b>	<b>52%</b>	<b>60%</b>	<b>52%</b>	<b>54%</b>
Neither good nor poor value	36%	35%	24%	32%	16%
Fairly poor value	11%	9%	12%	10%	19%
Very poor value	5%	4%	4%	6%	11%
<b>Total - Poor value</b>	<b>16%</b>	<b>13%</b>	<b>16%</b>	<b>16%</b>	<b>30%</b>



## 3: SUMMARY OF FEEDBACK FROM IN-PERSON OUTREACH





To increase the opportunities for citizens to provide their input on the 2017 Budget, we developed a new outreach program designed to welcome those who may not traditionally participate in the budget consultation.

We developed a living poll featuring LEGO constructions of the top 10 priority issues ranging from Cost of Living to Health. We asked one question, “What is the most important issue facing the City at the present time?” We asked people to each take three LEGO pieces to cast a vote for their priorities.

- This highly visual and inviting setup was taken to more than a dozen community centres, libraries and neighbourhood houses.
- As people travelled through the centres, they found it very easy to participate without having a long conversation. They could spend anywhere from 15 seconds to 15 minutes of conversation. We emphasized that this was one question from a larger online survey that they could take if they were interested.
- It had the effect of drawing youth from ages 10-18 into a meaningful dialogue about how the City invests money in their communities. Parents found that it was a useful way to describe the topics to introduce to their children.
- The dioramas were also effective in bridging language barriers (e.g., Punjabi), where concepts could be conveyed through the imagery.
- Some comments:
  - “This is a remarkable innovative way to do this!”
  - “Oh, I was just doing this for school!”
  - “Way to get kids to learn about it this way!”
  - “Can I put more than three?”
  - “Can you come back next week and leave it here?”
  - “Can you visit our teen advisory group that we have?”
  - Parents to their children: “How about we do it together?”





- The top five responses from 973 votes from 326 respondents selecting from a menu of 10 categories broke down as follows:
  - Housing/ Accommodation
  - Cost of Living
  - Social Issues
  - Education
  - Healthcare



## 4: MULTI-STAKEHOLDER WORKSHOP





As a wrap-up to the survey, the Finance team invited representatives from the City's broad range of Community Stakeholders, Council Advisory Committees and Business Improvement Associations to provide their perspectives on budget directions and public input — 25 participants attended the workshop on October 24, 2016.

The session united representatives from: Seniors Advisory Committee, Women's Advisory Committee, Persons with Disabilities Advisory Committee, Arts and Culture Policy Council, Vancouver Planning Commission, LGBTQ2+ Advisory Committee, Association of Neighbourhood Houses, West End BIA, Vancouver Board of Trade, Vancouver Economic Commission, Creative BC, SFU, Commercial Drive BIA, and BC Tech Association.

Participants were presented with an overview of budget planning and the economic outlook as well as mid-point results from the public consultation. They used this information to answer three key questions in small group discussions. A Finance team member and a facilitator were at each table for the in-depth conversations.

## Key themes from the workshop:

***From your perspective, what are the major priorities for Vancouver as a growing city? How can the City best address these priorities? Do the budget priorities for 2017 reflect what you feel the city's greatest needs are from the perspective of your groups/networks? Where are the gaps?***

- Housing affordability emerged as a key priority and a number of the participants felt that more action is needed. Growing homelessness faced by people with disabilities and LGBTQ+ youth were articulated as priorities.
- There was commentary that budget planning should be reviewed through the lens of different vulnerable communities.
- There was significant commentary about balancing the relationship between short and longer term challenges for Vancouver. For example, there was commentary about prioritizing Greenest City targets over immediate challenges for housing availability and affordability, and incentivizing density while ensuring there are adequate community amenities to serve incoming residents.



***What are your ideas for improving efficiency of service delivery and staff resources?***

- More planning and services offered at a regional level, building on efficiencies.
- Increased usability of the website for users with challenges, as well as easier to access information about services, licensing, permits and payments.
- Being mindful of domestic and international narratives and how a local “crisis” might negatively impact global business and recruitment.
- Better communication and information about how taxes are apportioned, especially to specific areas like arts and culture and community.
- Concern about staff turnover and how it affects the efficiency of standing committees and other community, knowledge-based relationships.
- Ongoing challenges with the pace and backlogs with city permits.
- Finding ways to recoup the policing and other related costs of non-City events.



***What technologies could help improve the City's services? In what new ways could the City generate revenues?***

- Multiple conversations about increasing municipal portion of fees from film industry, and increasing the cost of film permits.
- Integration of VanConnect, Pay-by-Phone, Mobi, Car Share and City Mapper', as well as better promotion of these digital apps overall.
- Increasing revenues from development permits and other development oriented licensing.
- If we are trying to become a city that can attract digital talent, our own digital presence must reflect this invitation by becoming more sophisticated. Social media was included in this, as well as moving consultations online through live streaming and more sophisticated online engagement.



## 5: Open Ended Questions – Service Satisfaction Survey







# Open Ended Questions



- Of the 2,044 individuals who responded to the open-ended question, “What service area could the City improve?” most respondents expressed a desire to see the City of Vancouver focus on ways to increase general affordability, quality of life, and reduce income disparities and cost of living. (507 mentions)
- The second most mentioned coding category was street infrastructure. This included general topics such as pavement condition, cleanliness, lighting, trees, signage, and more specific issues such as increase in marked crosswalks in certain locations. The two most mentioned topics within this category, however, are related to bicycles and traffic congestion, with many raising their concerns over the safety of pedestrians, cyclists, as well as drivers. Better public transit services, infrastructure, and transportation planning was also a frequent coding category. (481 mentions)
- With 196 mentions, transportation was a close third in most referenced coding category in the survey responses. This includes public transit, taxis, and various ride sharing options. Respondents would like the City to allocate funds towards improving public transit services and infrastructure as well as better transportation planning.
- Many respondents shared their frustration with the permit process and expressed a need for the City to improve this service area. They also expressed a need for more active enforcement of bylaws. In line with this type of requirement, were responses that highlighted the need for the City to improve its overall operations, customer service, and communication.



## 6: EXTERNAL SAMPLE FINDINGS – INSIGHTS WEST





## Summary of Insights West Research

The City hired a third-party opinion research firm to run a side-by-side comparison with results from City of Vancouver's online service satisfaction survey.

The rationale was two-fold:

- Talk Vancouver is an important, representative tool that combines members with anonymous participants drawn to specific issues and surveys through City of Vancouver's website. As such, we wanted to examine our findings against a representative, randomized sample of Vancouverites who might be less attuned to civic issues or budgeting processes;
- We were seeking to create an ongoing tracking tool to allow us to test our data and create another annual comparative tool to ensure we are getting the full and complex picture of residents' priorities and satisfaction with municipal services.

This year, we noted some divergence between the results of the Insights West and Talk Vancouver results. There are a number of possible variables that might have impacted the results, such as the impact of the dialogue on housing affordability, the foreign buyers tax and Empty Homes Tax conversations. We will continue to track public feedback in this way to gain a full picture and to verify our results. The results are summarized in the full consultation report.

## Respondents and findings

- The data was collected via random online survey managed by Insights West, in field from October 17 to 25, 2016.
- 1,615 interviews were conducted among residents of Vancouver and those who operate a business in the City:
  - 1,327 residents, with weighting on age, gender and region used to ensure that the participant profiles match the census profile of the City (weighting efficiency was 97%).
  - 288 business operators.



## Top concerns

- **Cost of Living (62% residents, 56% businesses) and Housing (53% residents, 41% businesses) are the top concerns of both residents and businesses.**
  - Residents and businesses who are renting are even more concerned about the housing situation than those who own their properties.
  - Beyond this, social issues (32% residents) and infrastructure/ transportation (27% residents) are also regarded as important.

## Service satisfaction

- **Overall residents are satisfied with the quality of services that the City is providing (residents 60%, 56% businesses).**
  - Younger residents are more satisfied than those age 40+ (66% vs 55%).
  - Residents who live downtown and in the northern regions of the City are more satisfied than those who live in the south.



## Tax Tolerance

- **Currently residents and businesses are divided in the level of value they feel they are getting for their tax dollars.**
  - 33% of residents (29% of businesses) say they get good value, while 32% of residents say they get poor value (35% neither).
- **The majority of residents and businesses who own their property would support a 1% increase in property taxes to cover increased costs for existing programs (62% residents, 58% businesses).**
  - Renters are less willing to pay more to cover increased costs for existing services (30% of residents),
- **In order to balance the budget, residents and businesses are most likely to support increasing user fees and reducing the level of staffing/ personnel.**
  - Support is lowest for increasing property taxes and reducing the level of City services.



## 7: GOING FORWARD





## Next Steps



We heard from citizens that they are interested in new forms of engagement that increase participation and accessibility, with a particular interest in digital tools.

We also observed an openness to learning about budgeting as a civic process. This openness offers a chance to build informed participation by those who may have been underrepresented in these conversations in the past – young people, newcomers to Canada, and even busy families.

As we move forward, we will seek opportunities to explore participatory budgeting, plain language and multi-language outreach tools, and continued dialogue with citywide stakeholders. We believe these approaches will only increase the relevance, transparency and reach of our consultations.



# Appendix



# Organizations – Stakeholder Meeting



Representatives from the following organizations attended the October 24, 2016 stakeholder session:

- City of Vancouver
- Arts and Culture Policy Council
- LGBTQ Advisory Committee
- Persons With Disabilities Advisory Committee
- Women's Advisory Committee
- Seniors Advisory Committee
- West End BIA
- Mount Pleasant BIA
- Commercial Drive BIA
- Association of Neighbourhood Houses
- Vancouver Board of Trade
- Creative BC
- BC Tech Association
- Vancouver Economic Commission
- Vancouver Planning Commission



# Sample Composition – Business Owners



Demographic group	Survey Sample - Businesses
Gender	
Male	57%
Female	35%
Transgender	1%
None of the above	1%
Prefer not to say	6%
Age	
18-39	31%
40-49	27%
50-59	22%
60 and over	20%
Residential Zone (of Business)	
Downtown	37%
Northwest	22%
Northeast	15%
Southwest	14%
Southeast	12%





# Sample Composition – Business Owners (cont'd)



Demographic group	Survey Sample - Businesses
<b>Ethnicity</b>	
<b>North American</b> Canadian First Nations (or Aboriginal Band) American	<b>43%</b> 41% 1% 3%
<b>Europe</b> British Isles (e.g., English, Scottish, Irish, Welsh) Eastern European (e.g., Russian, Ukrainian, Croatian, etc.) German French Other European (e.g., Greek, Italian, Swedish, etc.)	<b>43%</b> 26% 7% 6% 3% 9%
<b>Asia</b> Chinese South Asian (e.g., Punjabi, Indian, Tamil, Pakistani, Bangladeshi, etc.) Japanese Other Asian (e.g., Filipino, Thai, Vietnamese, etc.)	<b>15%</b> 12% 1% 1% 1%
<b>Latin/South American</b>	<b>2%</b>
<b>Africa</b>	<b>2%</b>
<b>Other regions (e.g., Middle Eastern, Oceania, Caribbean)</b>	<b>2%</b>



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