

2016 Budget and Five-Year Financial Plan Highlights

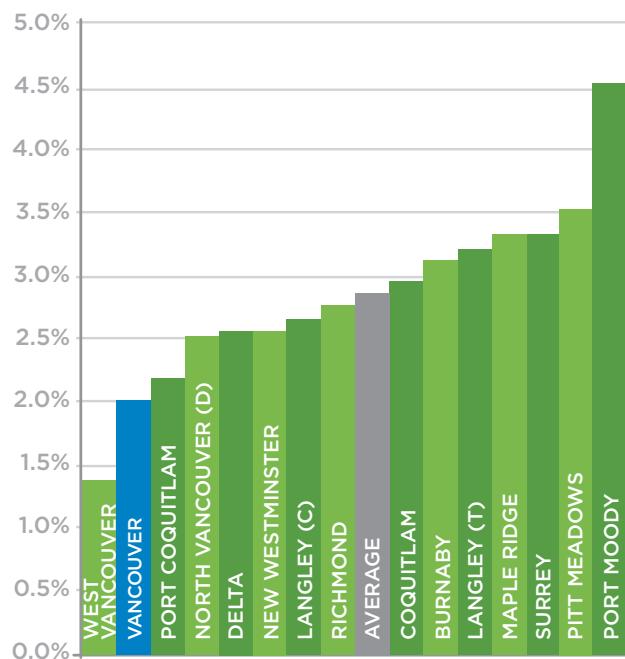
Building the City of Today and Tomorrow

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

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

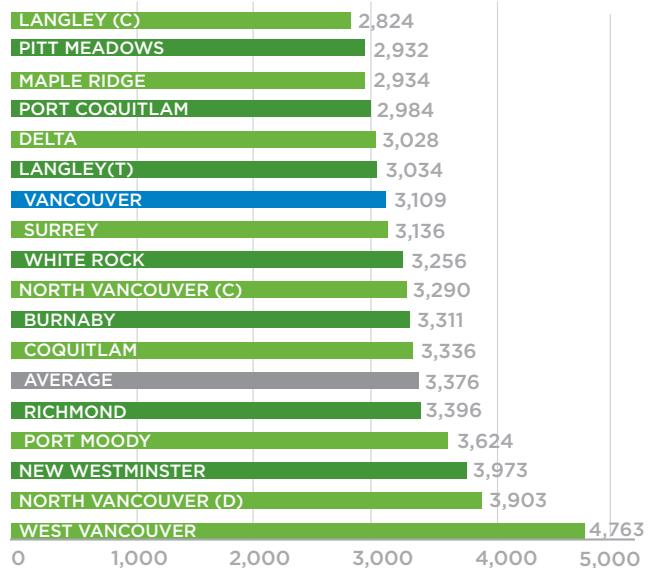
- 2012-2021 Housing and Homelessness Strategy
- Greenest City 2020 Action Plan
- Digital Strategy
- Transportation 2040 Plan
- Healthy City Strategy
- Vancouver Economic Action Strategy

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



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

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



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

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

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

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

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

The City has already:

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

- Reduced the business property tax share from 52% to 43% and improved the business tax ratio from 6.0 to 4.1 over the past 10 years, one of the most substantial improvements among major Metro Vancouver municipalities
- Stabilized the long-term debt profile through vigorous debt management

- Developed strategic service plans supported by performance metrics to deliver Council and community priorities, which inform the City's short, medium, and long term financial and capital plans
- Created, for the first time, a five-year financial plan that will enable strategic planning and decisions around investments and business transformation opportunities

2016 Budget Summary

2016 Average Increases — City Property Tax, Fees and Charges

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

*2015 fee review

Indicative City Property Tax Impact

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

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

Indicative City Property Tax and Utility Fee Impact

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

Balanced Operating Budget: \$1,264 million

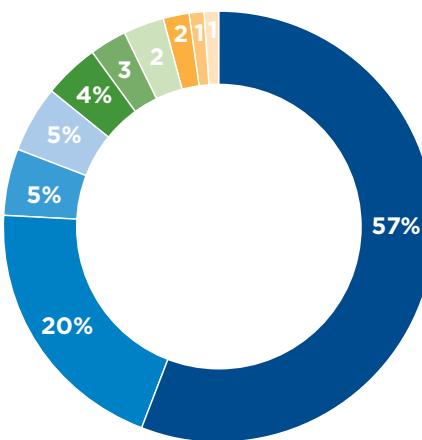
OPERATING REVENUES

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

OPERATING EXPENDITURES

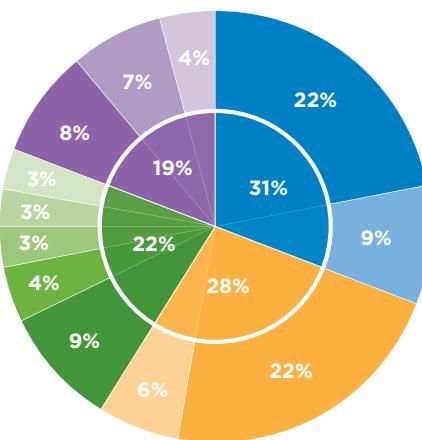
- 3.4% increase in total expenditures
- **\$10.9 million (1.1%)** increase in utility program expenditures:
 - **\$4.4 million** increase for Metro utility charges (including sewer costs for site preparation for secondary treatment at Iona)
 - **\$6.5 million** increase for renewal of critical City utility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

2016 Operating Revenues
(\$1,264 million)



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

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



█ PUBLIC SAFETY
█ 22% | Police
█ 9% | Fire

█ ENGINEERING & UTILITIES
█ 22% | Utilities
█ 6% | Engineering Public Works

█ COMMUNITY-RELATED SERVICES
█ 9% | Parks
█ 4% | Library
█ 3% | Planning & Development
█ 3% | Community Services
█ 3% | Other

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

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

Key Capital Investments in 2016: \$325.2 million

\$29.5 MILLION IN AFFORDABLE HOUSING

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

\$138.2 MILLION IN UTILITIES AND TRANSPORTATION

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

\$39.2 MILLION IN PARKS, OPEN SPACES AND RECREATION

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

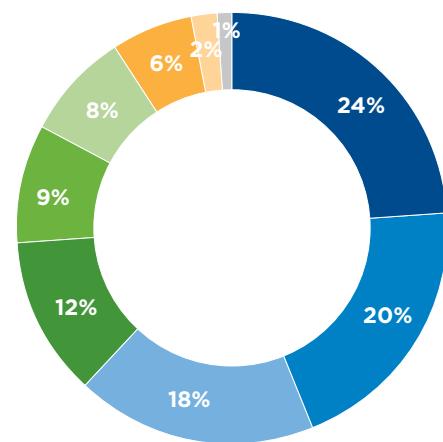
\$42.5 MILLION IN CIVIC AND COMMUNITY FACILITIES

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

\$ 64.9 MILLION EQUIPMENT AND TECHNOLOGY

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

2016 Capital Budget Expenditures (\$325.2 million)



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