



2015 BUDGET



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MESSAGE FROM THE CITY MANAGER

On behalf of the City's Corporate Management Team and staff, I'm pleased to present the City of Vancouver's proposed 2015 Capital and Operating Budget.

The 2015 Budget will enable us to continue to make significant progress in advancing City Council and community priorities: addressing housing and homelessness; cultivating and sustaining vibrant, creative, and safe communities; promoting economic development; advancing our Greenest City 2020 Action Plan; and delivering value for money.

Despite rising costs for existing services, the 2015 Budget includes a property tax increase of 2.4%, which is competitive with most other Canadian municipalities. Wages and benefits are the primary drivers of cost increases, particularly for public safety services, which are the largest components of the City's operating budget. For 2015, the impact of public safety wage and benefit increases above other employee bargaining units alone is approximately the equivalent of a 1% property tax increase. Absorbing this increase within a competitive tax environment has taken a focused effort by all areas of the City.

Through careful management of costs, and thoughtful evaluation of services and staffing across all City departments, the budget sustains core services while continuing to invest in key priorities by leveraging technology and updating service models to the public and within City departments. These changes require investment, take time, and will impact the organization and the public. Without these and future improvements, it will be difficult to maintain competitive property tax increases over the next four years. This is an important year for the City.

Highlights for the 2015 Budget include:

- Capital plan investments in affordable housing, childcare, parks, and community facilities that will support a growing Vancouver economy and continue to make us one of the best places in the world to live and work
- The development of the Vancouver Affordable Housing Agency (VAHA) which is starting work in 2015 to enable delivery of 500 affordable housing units, working towards a goal of delivering 2,500 affordable housing units on City and partner lands by 2021
- Working to a "yes" vote in the Transit Referendum will be a key focus in the first six months of 2015. This decision will significantly impact the economic success of our region

I am proud of the work done by our staff and leadership team toward helping Vancouver support a growing economy while remaining a remarkable place to live, work, and play. Our goal with this document is to provide a clear explanation of our fiscal plans toward achieving those goals.

Penny Ballem, MD, FRCP

City Manager

2015 Budget Highlights

Supporting a Growing Economy

The City of Vancouver plays an essential role in enabling businesses and citizens who live and work in our city to enjoy and contribute to building a world-class community that is affordable today and in the future.

This means ensuring the right level of programs and services are provided at the right cost. The proposed 2015 Budget advances key priorities that allow the City to focus on the economy to drive investment in Vancouver and its people.

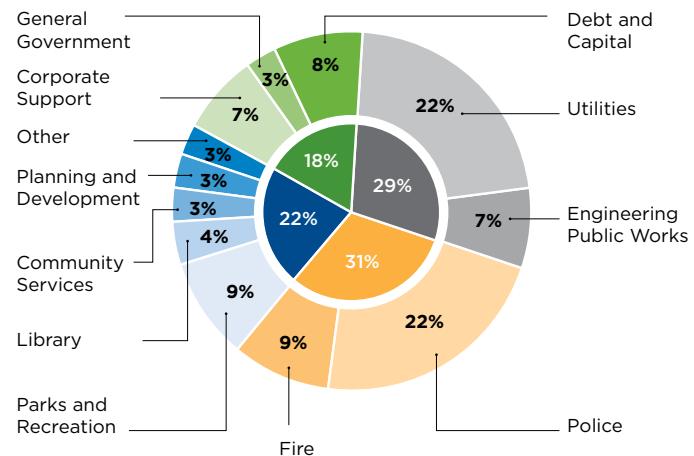
This includes:

- Investments in affordable housing, childcare, and transportation
- Becoming the greenest city in the world by 2020
- Supporting a growing economy
- A safe, creative, and inclusive community

Over 3,000 people participated in the City's service satisfaction survey in late 2014 which informed investment priorities.

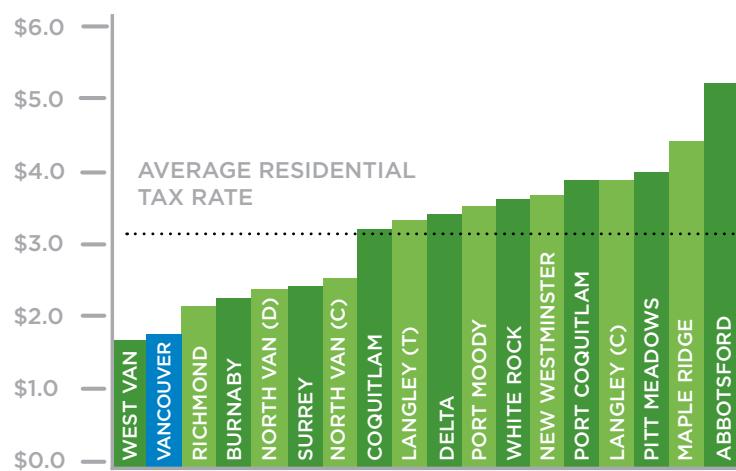
2015 Operating Expenditures

\$1,223.4 million



Sample \$1 million Property	RESIDENTIAL Single Family Detached		BUSINESS	
	ESTIMATED 2015 TAX BILL (CoV Portion)	CHANGE OVER 2014	ESTIMATED 2015 TAX BILL (CoV Portion)	CHANGE OVER 2014
Property Taxes (2.4% increase)	\$ 1,748	\$ 41	\$ 7,045	\$ 165
Utility Fees				
Solid Waste Utility Fee	\$ 264	\$ 8	\$ 209	\$ 6
Sewer Utility Fee	\$ 314	\$ 17	\$ 320	\$ 18
Water Utility Fee	\$ 568	\$ 22	\$ 527	\$ 20
Total Utility Fees	\$ 1,146	\$ 47	\$ 1,056	\$ 44
Total City Taxes and Fees	\$ 2,894	\$ 88	\$ 8,101	\$ 209

2014 Municipal Tax Rates (per \$1,000 assessed value) for Residential Properties in Major Metro Vancouver Cities



RATES

- 2.4% property tax increase
- 2% increase for most user fees
- 4.3% average utility rate increase

REVENUE

- 3.7% increase in revenue
- \$15.4 million increase in property taxes
- \$9.2 million increase in utilities

EXPENDITURES

- 3.7% increase
- \$10.5 million utilities increase
- \$28.3 million increase in department services

2015 Budget Highlights

Key capital investments in 2015

\$61.3 MILLION IN HOUSING

- Land acquisition for delivery of new social and supportive housing units through strategic partnerships-\$48.0 million
- Capital grants for non-City-owned non-market housing rental units: with a target of 250 units- \$2.5 million
- Planning for Roddan Lodge (Housing) renewal in conjunction with Evelyne Saller Centre (Social)-\$1.0 million
- Capital grants to upgrade Single Room Occupancy (SRO) buildings-\$0.5 million in 2015, with a target of 100 units

\$106.1 MILLION IN UTILITIES AND TRANSPORTATION

- Sewer Main Replacement (separation)-\$25.8 million
- Water distribution main and transmission main replacement-\$12.5 million
- Major roads rehabilitation-\$9.0 million

\$31.7 MILLION IN PARKS, OPEN SPACES, AND RECREATION

- Creekside Paddling Centre-\$3.1 million
- Planning and consulting for Southeast Vancouver Seniors' Centre (Killarney)- \$0.5 million
- Planning for Phase 1 Britannia Community Centre redevelopment- \$0.3 million

\$43.9 MILLION IN CIVIC AND COMMUNITY FACILITIES

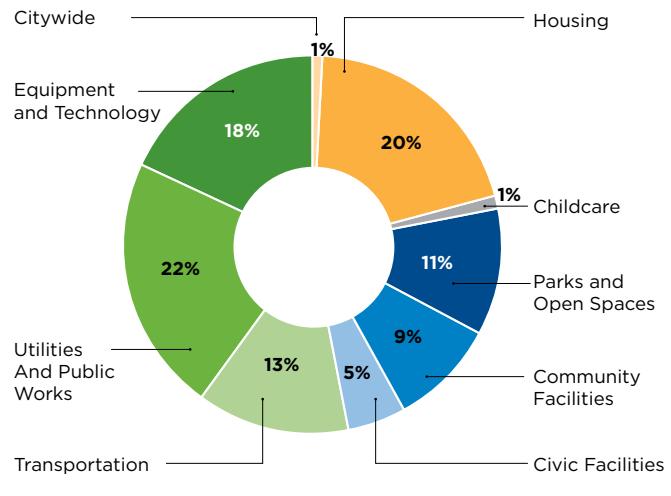
- n̄c̄mat Strathcona Branch Library-\$7.1 million
- Rize Alliance cultural grants-\$3.2 million
- Seismic upgrades at 515 West 10th Ave-\$1.5 million
- Planning for replacement of Firehall No. 5-\$1.2 million

\$56.1 MILLION IN EQUIPMENT AND TECHNOLOGY REPLACEMENT

- Vehicles and equipment replacement-\$25.9 million
- Fire truck replacement-\$4.8 million
- Permit and Licence Transformation Program-\$7.7 million

2015 Capital Budget Expenditures

\$306.0 million



Key operating investments in 2015

The 2015 Operating Budget includes balanced operating revenues and expenditures of \$1,223 million, an increase of \$43.2 million (or 3.7%) as compared with the 2014 Operating Budget.

The City regularly realigns existing resources and spending levels to valued services and priorities which change over time. Where necessary, the City makes careful new investments in priorities. The 2015 Operating Budget includes \$9.4 million in new investments including:

- \$3.3 million in Affordable Housing and Homelessness initiatives
- \$1.7 million in Greenest City initiatives and to support parks, playfields, and green space
- \$2.8 million for Healthy and Inclusive City programs, including cultural tourism investment, breakfasts for schools and increased childcare
- \$0.8 million in public safety and emergency management programs

PART I: THE CITY OF VANCOUVER'S FISCAL PLAN

BUDGETING FOR RESULTS

The City of Vancouver plays an essential role in helping its citizens and businesses enjoy and contribute to building a world-class community that is affordable now and in the future. This means ensuring the right level of programs and services are provided by the City, at the right cost. This proposed budget advances key priorities that continue to make Vancouver a great place to live, work, and play, including:

- Ensuring a strong economy
- Being the greenest city in the world
- Eliminating street homelessness
- Being a safe, creative, and inclusive community

Achieving important goals within an affordable budget requires that each dollar is carefully managed and wisely invested.

Service plans are in place to achieve the City's long-term goals. The allocation of fiscal resources is aligned with Council and City priorities and designed to drive results as measured through service performance metrics. This is the third year that departmental service plans and metrics are included in the City's annual budget.

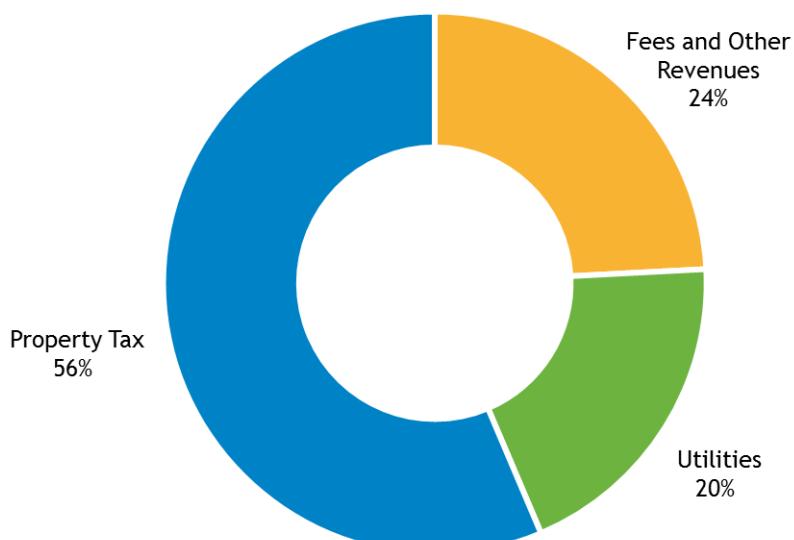
FUNDING THE BUDGET



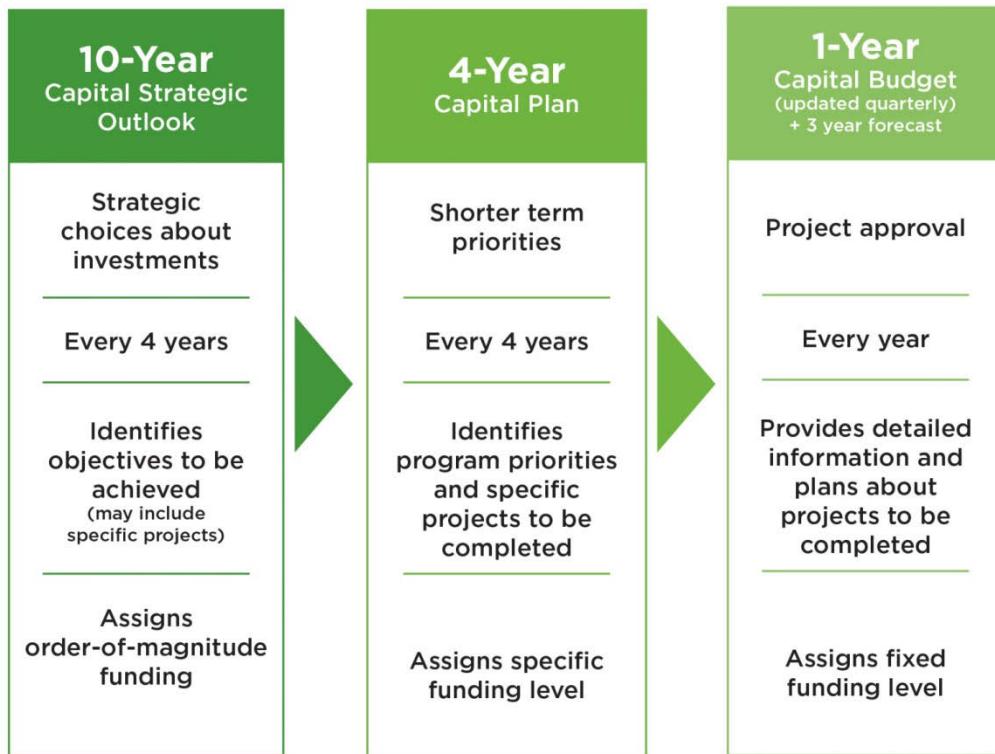
Vancouver, like other Canadian cities, provides a broad range of services but funds them from a limited revenue stream with only three main sources: property taxes, utility fees, and user fees—which include things like parking meter fees and business licences.

Over half of the City's operating budget—over \$650 million in 2015—will come from property taxes paid directly by citizens and businesses. Property tax constitutes 8% of all taxes collected by governments in Canada.

2015 OPERATING REVENUES - \$1,223.4 million



All capital spending in the annual capital budget is guided by the City's 10-year Capital Strategic Outlook, which outlines its long-term vision with regard to capital investments in public amenities and infrastructure, as well as the four-year capital plan, which defines the financial capacity and debt financing strategy for advancing specific capital projects within the capital plan timeframe.



Funding for the capital budget is identified in the four-year capital plan and assigned to projects in the annual budget. The City funds capital investments from a range of sources (who pays) using a balanced mix of payment methods (when to pay). Funding sources (who pays) include property taxes and user fees, development contributions (Development Cost Levies and voluntary Community Amenity Contributions) and partner contributions from provincial and federal governments, other agencies, non-profit organizations, foundations, and philanthropists, particularly in the area 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 very careful approach to its use of debt, which is reflected in its consistently strong credit ratings and favourable borrowing rates.

KEY STEPS IN THE 2015 BUDGET PROCESS

The figure below highlights the key activities (shown in blue) for consideration by Council (shown in green) through the annual budget process. The 2015 budget process is on a later timeline following the election in 2014.



- Service plans identify the performance metrics and 2015 operational and capital plans for each service. These inform budget allocation decisions.
- The multi-year financial and capital planning framework is based on a set of financial sustainability guiding principles and financial health targets that guide the allocation of resources to fund service plans and the annual budget.
- The budget outlook report provides Council with the context and factors that will influence the fiscal capacity of the City as it develops the operating and capital budgets.
- Public engagement informs resource allocation consideration by staff and Council.
- The Budget Report consolidates proposed capital and operating budgets accompanied by service plans and metrics for the upcoming year.

BUDGET PROCESS

In 2012, staff engaged PricewaterhouseCoopers (PwC) public sector practice to identify leading practices in public sector budgeting. PwC is a global professional services firm with more than 169,000 people in 158 countries.

PwC examined over 100 leading practice documents and material from the following sources:

- PwC best practice database
- PwC subject matter advisors
- Canadian municipal, provincial, and federal governments
- American municipal, state, and federal governments
- Public sector organizations
- Private sector organizations
- Third-party best practice documentation

A summary of leading budget practices identified by PwC included:

Linking Budget to Strategy

- Performance-based budget decisions informed by service plans aligned to the City's strategic goals
- Use of a financial framework which outlines the City's financial health, sets financial goals, and guides budget allocation in advance of the budget process

Enhancing Public Consultation

- Conduct public consultation in advance of the budget process every three years versus annual consultation
- Consultation informs strategic goals which then inform the budget

Providing Relevant Budget Information

- Align performance metrics to the City's strategic goals
- Align operating and capital budget information
- Budget for all City funds and entities
- Align budget and financial statements in an understandable way
- Tailor user-friendly information to the needs of each audience (e.g., Council, Management, Public)

Streamlining the Budget Process

- Minimize budget versions and reviews
- Integrate operating and capital budget processes
- Integrate the budget process with the other corporate planning and performance management processes

Through the development of the 2013 and 2014 Operating and Capital Budgets, staff have made significant progress toward these best practices, incorporating most of these practices into the City's budget process.

BUDGET PROCESS CHANGES IN 2015

With the 2015 Budget, the final few items will be addressed, including:

Enhancing Public Engagement

As part of the 2015-2018 capital planning process, public engagement was repositioned to solicit citizen input on long-term capital investment priorities with regards to 1) asset renewal, and 2) new, upgrade, and expansion of amenities, prior to the development of the draft Capital Plan. Such input informs City Council in developing long-term capital investment strategies. The three primary areas of importance identified during that consultation were childcare, affordable housing, and rapid transit.

A Capital Plan web page was launched, which contained clear, organized, and accessible information on the draft Capital Plan. The public was engaged in a second round to validate the capital investment priorities, program allocation, and funding strategy proposed in the draft Capital Plan before it was finalized.

The annual engagement is focused primarily on a shorter-term satisfaction survey and feedback related to the annual budget.

Providing Relevant Budget Information

While primarily focused on the operating and capital budgets which represent the majority of the City's spending, the 2015 Budget will include a comprehensive summary of all City funds and entities, and will be the first consolidated comprehensive budget in the history of the City of Vancouver. As well, significant work is underway to further align the format of City's budget with the annual financial statements to increase the understanding of the City's financial position.

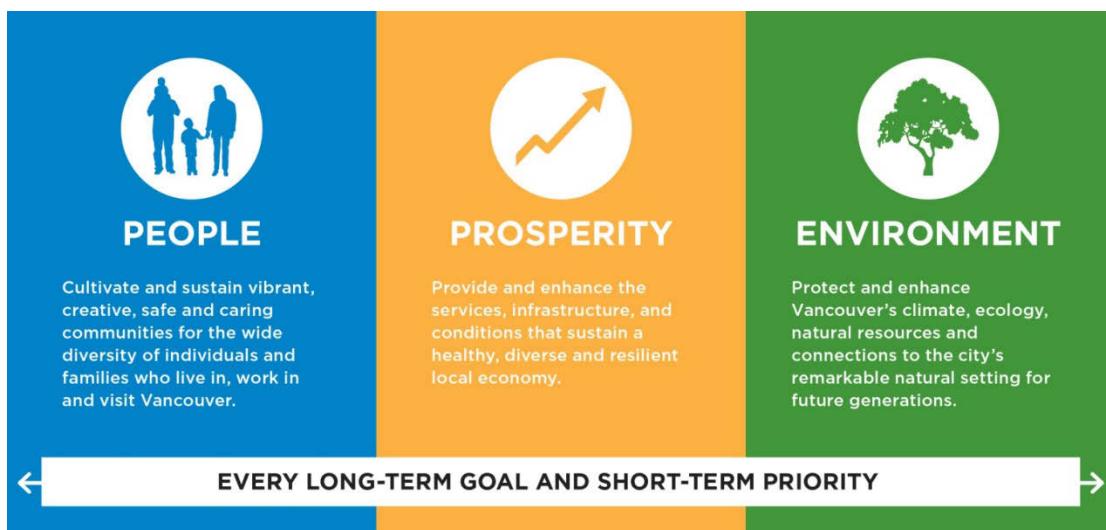
With these final few changes in 2015, the City will have adopted the best practices in providing comprehensive and understandable budget information as recommended by PwC.

CITY OF VANCOUVER OVERVIEW

LONG-TERM PRIORITIES AND STRATEGIC GOALS

The City of Vancouver's mission is "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 the three long-term priorities identified in its Corporate Strategic Plan: People, Prosperity, and Environment.

The budget is informed by the City's strategic plans that represent these priorities. These include, for example, the City's Housing and Homelessness Strategy 2012-2021, the Greenest City 2020 Action Plan, the Transportation 2040 Plan, the Healthy City Strategy, and the Vancouver Economic Action Strategy. Public consultation, conducted during development of these plans, helps inform the budget in directing spending toward the services that Vancouverites want and need.



PEOPLE

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 the eighth largest city in Canada. The city is remarkable for its diverse population, with half of the residents speaking English as a second language. The health and vitality of Vancouver's communities, and the celebration of their diversity, make the city a magnet for people from around the world. New residents bring a cultural richness to the city, and Vancouver provides significant economic opportunities in a global economy.

With 5,249 people per square kilometre, Vancouver is one of the most densely populated cities in the country. Its limited land base and growing population have given rise to unique issues related to affordability, economic activity, and the availability of land for housing.

Council has prioritized the issues of affordable housing, childcare, transit, environmental sustainability, and a growing economy. Council's direction is reflected in key strategic plans that support Vancouverites, encourage them to engage with the City, and provide direction to policy development and resource allocation. These include:

- 2011 Regional Growth Strategy
- 2012-2021 Housing and Homelessness Strategy
- 2012 Report on Mayor's Taskforce on Housing Affordability
- 2008-2018 Cultural Plan
- Digital Strategy
- Greenest City 2020 Action Plan
- Healthy City Strategy
- Library Board Strategic Plan
- Park Board Strategic Plan
- Report of the Engaged City Task Force
- Transportation 2040
- Vancouver Economic Action Strategy
- Vancouver Police Department Strategic Plan

PROSPERITY

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

Vancouver is fortunate to have one of the most diverse and resilient economies in North America. The City has a strong foundation in the robust natural resource sector, augmented by the growing and unmistakable prominence of Vancouver's technology community, and a strong tourism brand. These all contribute to the City's continued economic growth, prosperity, and livability.

Vancouver is North America's gateway to Asia and a major regional transportation hub. The City is home to Port Metro Vancouver—the busiest and largest port in Canada—and is in close proximity to the Vancouver International Airport, often rated as one of the world's best. The well-educated, highly skilled, and culturally diverse labour force further reinforces Vancouver's competitive position in the global market.

Council has prioritized economic development by promoting and strengthening local businesses while also making the city an attractive destination for businesses from around the world. The Vancouver Economic Action Strategy, spearheaded by the Vancouver Economic Commission, focuses on changes that will most improve Vancouver's business climate, support existing local businesses, facilitate new investment, and attract the people essential to our future economic success. It places particular emphasis on global leadership in creative industries and clean technology, and on opportunities for greening local businesses.

In 2014, the City continued its work to help advance the Transportation 2040 Strategy, including the Broadway SkyTrain Extension, which will be fundamental to reaching the economic potential of the second-most important economic corridor in the province. A rapid transit link along the Broadway corridor will ensure the efficient movement of people and the ability to accommodate access to jobs.

ENVIRONMENT

Protect and enhance Vancouver's climate, ecology, natural resources, and connections to the City's remarkable natural settings for future generations.

Vancouver is home to world-class parks and green spaces, and the wealth that stems from our abundant natural setting. Council supports the protection and enhancement of Vancouver's climate, ecology, and natural resources for future generations, and has prioritized the goal to become the world's greenest city.

The City's Greenest City 2020 Action Plan has measurable and ambitious targets for reducing carbon and waste, and improving ecosystems. This key plan addresses goals and issues across diverse areas—including citywide carbon emissions, waste production, and water consumption—and has put Vancouver on the path to sustainability in most aspects of life and work in the city.

ECONOMIC CONTEXT

A healthy economy ensures viable businesses and fair-paying jobs, and makes it possible for people to afford to live in Vancouver, and for businesses to operate.

In developing the long-term financial and capital plan (which informs the annual budget), the City must consider regional, local and global economic factors, which are in a constant state of change. Understanding the necessary economic context allows the City to plan for known risks and focus on long-term financial sustainability and resilience.

REGIONAL/NATIONAL CONTEXT

Canada's real GDP growth is forecast to be at 2.4% for 2014. A number of factors influenced the Canadian economy in 2014: a harsh winter at the start of the year, lackluster business investments, continued fiscal restraint at all levels of government, and weak employment creation and household income growth.

With the rapid collapse in the price of oil in recent months, the Bank of Canada has expressed concerns about the spillover effects beyond the energy sector, such as labour markets and supply chain. Business investment in the oil and gas sector is expected to reduce by 30%, while total business investment is expected to reduce by 5% per year for 2015 and 2016. Weaker energy profits could have adverse impacts on fiscal budget balances as well as investment portfolios, hurting Canadians across the country. In the Bank's view, the lower input costs and depreciated Canadian dollar is deemed insufficient to offset the negative shock to the economy.

In light of these uncertainties, in mid-January, the Bank pared back their Canadian growth outlook for 2015 from 2.4% to 2.1%, before returning to 2.4% in 2016, supported by higher consumer discretionary spending and solid growth in the U.S. economy which would help stimulate business investment and hiring and boost exports. Inflation is expected to reach 0.3% in Q2 of 2015, and return to the 2% target by 2016. However, core inflation (excluding the eight most volatile items, including oil) is expected to be more persistent and remain just below 2% for 2015.

While the Canadian GDP growth forecast for 2015 has been revised down by the Bank, B.C. is expected to hold up better than most provinces. The most recent published forecasts from the Conference Board of Canada - Metro Outlook Autumn 2014 - suggest that, with a weaker Canadian dollar and a stronger U.S. economy, overall provincial economic growth is forecast to be 2.4% in 2014, improve to 2.9% in 2015, stabilize at 2.7% in 2016 and 2017, and come down to 2.6% in 2018. Employment growth, however, is expected to outpace that of the labour force, and reduce the unemployment rate gradually from 6.6% in 2013 to 5.1% in 2018. With solid growth in employment and wage gains, household

disposable income in B.C. is expected to increase 4.7% in 2014 and 4.6% in 2015, which will further support the retail and housing markets over the next few years.

In light of the Bank's latest update on the Canadian economy, it is anticipated that there could be downward adjustments to the Canadian, B.C. and/or Metro Vancouver economic outlook in the upcoming Conference Board of Canada - Metro Outlook in Q1 2015. The potential impact on the local economy will need to be monitored closely in the coming months.

B.C. was one of only two provinces that balanced its budget in 2013, but there will be continued fiscal restraint by the provincial government. The main economic risk over the next few years is related to the liquefied natural gas industry. If investments do not proceed as expected, B.C.'s economic growth will be lower than forecast.

LOCAL CONTEXT

Metro Vancouver's (Census Metropolitan Area) economy is highly sensitive to the health of the B.C. and Canadian economies, as well as major economies in the U.S., Asia, and Europe.

Subsequent to the Bank's recent announcement, there have not been any significant updates on the GDP and inflation forecasts for Metro Vancouver. The most recent published forecasts from the Conference Board of Canada - Metro Outlook Autumn 2014 - suggest Metro Vancouver's economic growth will be stable over the next four years (3.0% to 3.2% between 2015 and 2017, and 2.9% in 2018). Economic growth is critical to creating and sustaining good-paying jobs for residents and sustaining profitable businesses, all of whom pay—either directly or indirectly—property taxes and utility fees to the City. Inflation is projected to be 1.4% in 2014, and for 2015 to 2018, though it can be anticipated that inflation will be lower than originally forecasted given the rapid falling oil price.

The job market is expected to improve, with a falling unemployment rate from 6.7% in 2013 to 5.6% in 2014, and to 4.9% by 2018. Greater employment means that residents and businesses are better off, and that people can more easily pay for housing and services. It's expected that Vancouver's population will grow between 1.6% and 1.7% annually over the next four years (1.6% in 2015 and 2016, and 1.7% in 2017 and 2018). This population growth rate ensures a vibrant city and a growing property tax base without growing too much too fast. Office vacancies in the city are among the lowest in the region, and the number of new businesses is growing.

Metro Vancouver (Census Metropolitan Area) housing starts fell 2% in 2013 to 18,700, and are expected to be relatively stable between 2014 and 2018 (18,300 in 2014, 18,400 in 2015, 17,400 in 2016, 18,300 in 2017, and growing to 19,100 in 2018). The slight slowdown in the new housing market is expected to be compensated by the steady non-residential construction activity. In Vancouver, total housing starts reached 4,648 in 2014, which is closer to the average historical level than 2013's record year when housing starts reached 6,071. Development-related operating revenues account for 4% of overall operating revenues on an annual basis.

Even with the anticipated slowdown in the housing market, affordability remains a concern for the foreseeable future. As well, household after-tax income has not kept pace with inflation during the past five years, and discretionary household income will continue to be under pressure. Furthermore, continued fiscal constraints at senior levels of government will add pressure on local governments to provide additional services to taxpayers.

A key measure of the economy is Gross Domestic Product (GDP). Generally, growth in GDP leads to more profitable companies, more jobs and higher-paying wages. Over the next four years, Vancouver is projected to have one of the highest GDP growth rates among major Canadian municipalities.

GLOBAL CONTEXT

Vancouver's economy is closely linked to the global economy. For instance, if global companies experience economic challenges, they are less likely to buy B.C.'s key exports, such as forest products.

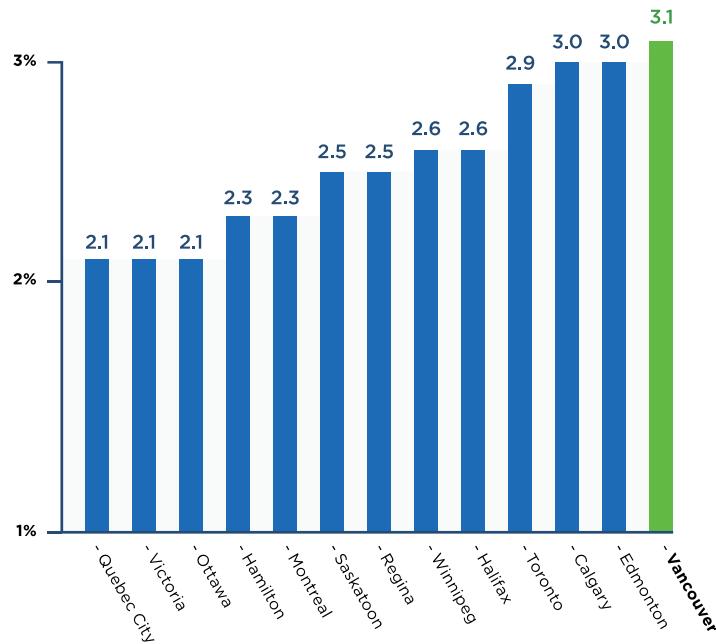
Despite some improvement observed in the first half of 2014, the global economy remains uncertain for the next few years in light of the recent elevated geopolitical risks in Russia, Ukraine, and the Middle East, and the mixed economic performance with both advanced and emerging economies in Europe and Asia.

The U.S. economy is continuing to improve in the second half of 2014, with moderate employment growth, a slow but gradual recovering housing market, and accelerated business capital investments and consumer spending.

Emerging from recession in the second half of 2013, the European Union's economy has since stalled in 2014. While Germany and the UK have consistently been leading in growth, both have shown signs of slowing down in recent months. Economic recovery for the rest of the Eurozone has not been encouraging as unemployment remains historically high and the risk of disinflation has elevated in recent months, while progress on sovereign debt and structural economic reform has been slow.

After slowing for two years, China's economy began to stabilize in 2013; however, growth stalled in 2014. Annual GDP growth is expected to be around 7%, which is below the original target of 7.5%, and far lower than the double-digit growth China experienced over the last decade as its government continues to focus on economic and social reform.

PROJECTED REAL GDP GROWTH, 2015-2018



1 - Conference Board of Canada: Metropolitan Outlook, Autumn, 2014

FISCALLY RESPONSIBLE, BALANCED, AND FOCUSED ON THE LONG-TERM

Vancouver, like other Canadian cities, offers a broad range of services but has limited revenue sources. By legislation, the City is prohibited from running a deficit in its operating budget, or using debt to finance day-to-day operations. The City uses prudent fiscal stewardship and careful financial planning to balance the budget each year.

The City's budget is built with a long-term view in mind. This ensures long-term priorities are pursued in a financially sustainable and resilient manner and considering external economic conditions that could impact citizens and businesses. The City has adopted Financial Sustainability Guiding Principles to guide the development of service plans, medium-to long-term financial and capital plans, and annual budgets.

FINANCIAL SUSTAINABILITY GUIDING PRINCIPLES

These principles guide the development of the City's service plans, annual budgets, and medium- 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

In support of these Financial Sustainability Guiding Principles, a number of key financial health indicators are monitored to ensure continued financial sustainability:

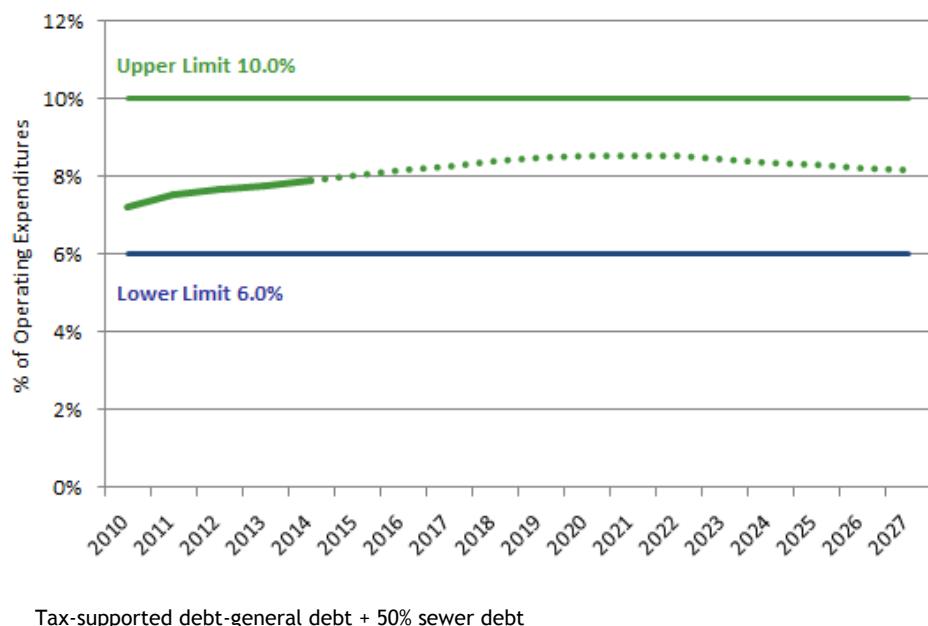
KEEP DEBT AT A MANAGEABLE LEVEL

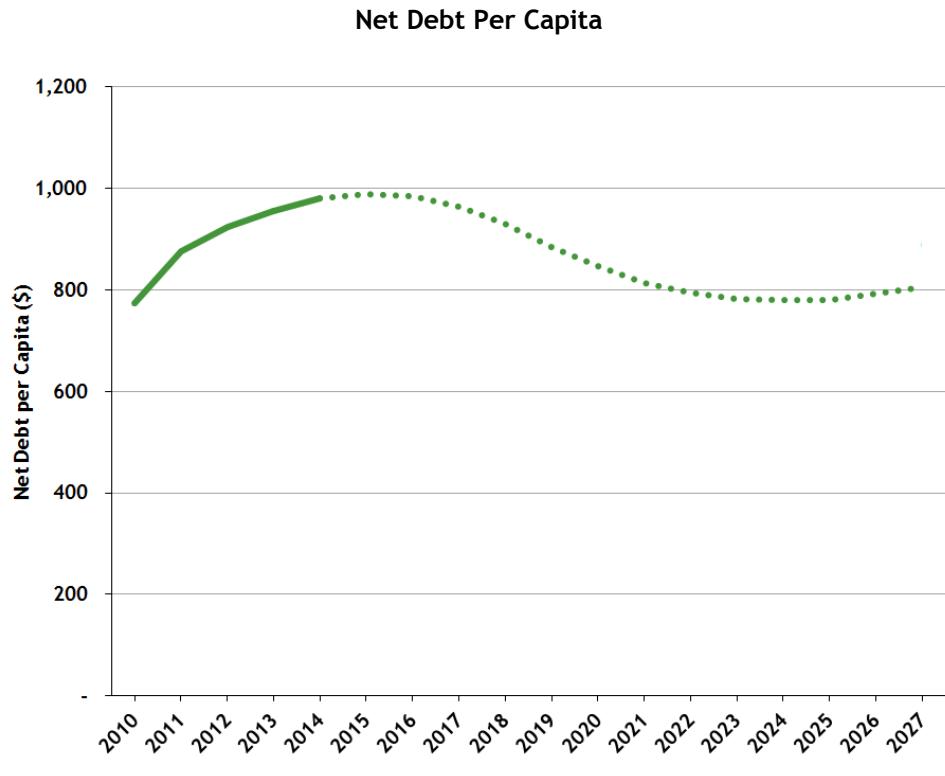
Like other major Canadian cities and senior levels of government, the City uses debt in its mix of payment methods to fund capital investments. This allows payment to be made over a longer timeframe to align with the useful life of the underlying capital assets, and ensures that more residents and businesses benefit from them.

The City takes a very careful approach to its use of debt, 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, the water utility is transitioning its infrastructure lifecycle replacement programs from debt financing to pay-as-you-go. 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 the general capital program and the sewer utility to a higher proportion of pay-as-you-go to improve the City's long-term debt profile and enhance credit ratings. Tracking Debt per Capita is another measure the City uses to track financial health. The debt increase related to the Olympic infrastructure construction will peak in 2015-16, then a significant reduction will occur in net debt per capita.

Tax-supported Debt servicing as % of Operating Expenditures





*Debt- total debt less sinking fund

MAINTAIN STRONG CREDIT RATINGS AND ACCESS TO LOW BORROWING COSTS

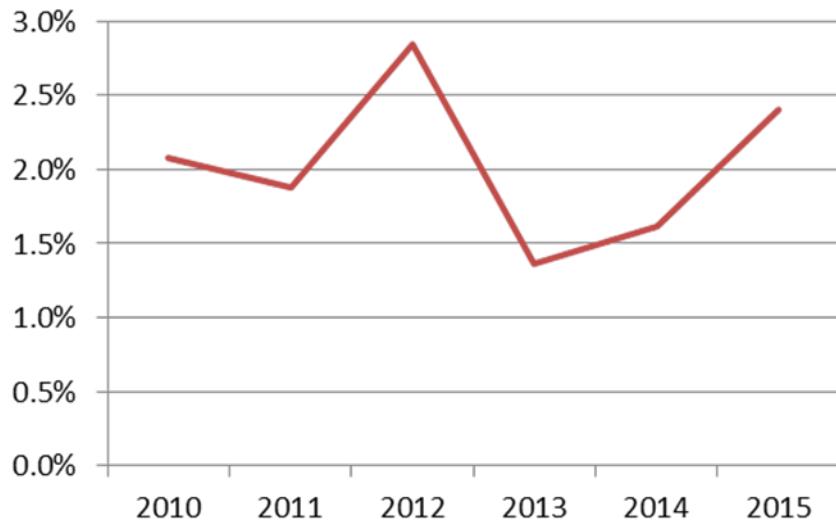
The City's strong credit ratings (AAA/AA) are among the best for Canadian cities, and are supported by a diverse economy and a strong and stable tax base. Continued management of debt within target levels is critical to maintaining and enhancing the City's credit ratings. Maintaining current favourable credit ratings is critical to Vancouver's long-term competitive advantage in the financial markets.

KEEP PROPERTY TAX AND USER FEES AFFORDABLE

Property taxes in recent years have seen a modest increase, ranging from 1.4% to 2.8%, generally aligned with inflation (0.4% to 2.3%). During this period, the City has enhanced the network of public amenities in the areas of housing, community facilities, and public safety; 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 growth in public amenities and infrastructure will put increasing pressure on the City's budget. Understanding the long-term impacts on tax and fee payers arising from capital investment decisions, including debt servicing, ongoing operating costs, and asset lifecycle costs, was a key consideration in developing the 2015-2018 Capital Plan.

Annual Property Tax Increase



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, which is expected to be achieved, is to ensure at least two-thirds of City assets are in good or fair condition.

OPTIMIZE CAPITAL INVESTMENTS

Before adding new facilities, the City considers repurposing and right-sizing existing facilities, and continuing to advance on colocation and functional integration of services to enhance operational efficiency and customer service. All new facilities will be designed with flexible, adaptable, and expandable spaces to accommodate changing demographics and future growth.

PUBLIC ENGAGEMENT

In 2014, over 3,000 people participated in two rounds of public consultation to help shape the City's 2015-2018 Capital Plan. The Capital Plan provides strategic direction to the annual budget, and public engagement during that process helped identify city-wide priorities for long-term maintenance and investment.

From November 2014 to January 2015 the City conducted a service satisfaction survey to get additional feedback on the City's services and the value residents and businesses feel they are receiving. The feedback from the Capital Plan and the service satisfaction survey has been used to inform the priorities of the proposed 2015 Budget.

2015 Budget and Service Satisfaction Public Engagement Objectives

1. Identify local issues and gauge resident and business satisfaction with City services and infrastructure, overall and with respect to specific services.
2. Explore residents' and businesses' perceptions of and sensitivities to taxation levels, value for dollar of services, and preferred options for balancing the City budget.
3. Incorporate feedback on long-term public priorities for investment gathered during the 2015-2018 Capital Plan process.

ENGAGEMENT PROCESS

Feedback for the service satisfaction survey was collected through an online, publicly available questionnaire. To supplement and promote this longer service satisfaction questionnaire, 3-1-1 agents asked random callers three key questions from the survey. The City's Pop-Up City Hall outreach team also conducted intercept surveys, using those same three questions at eight locations across the city. In total, 3,152 people were engaged in this process.

PUBLIC FEEDBACK HIGHLIGHTS

The following provides a highlight of the 2015 Budget and Service Satisfaction survey results. For key questions, results have been compared to survey results from the 2014 Budget and Service Satisfaction survey (conducted in 2013) and the 2013 Budget and Service Satisfaction survey (conducted in 2012).

While the following section provides highlights of the 2015 Budget and Service Satisfaction survey, survey results are presented in greater detail at vancouver.ca/budget.

CAPITAL PLAN RESULTS

In May 2014, as a first step in the capital planning process, the City asked the public to help identify citywide priorities for long-term maintenance and investment. These priorities help guide both the four-year plan and the annual budgets.

Top city infrastructure to maintain

- Waterworks
- Sewers
- Sidewalks
- Seawall and trails
- Natural areas

Top 10-year investment priorities

- Rapid transit
- Affordable housing
- Childcare

SERVICE SATISFACTION SURVEY KEY FINDINGS

Important City Issues

Different methods (online, in-person, 3-1-1) were used to gather feedback on what people thought were the most important local issues facing the City. Only the feedback from the online questionnaire can be considered a representative sample of the greater Vancouver population; however, the City compares feedback from all three methodologies because every voice counts. It is interesting to note that the results between the different groups are consistent.

All four groups of respondents (residents and businesses online, 3-1-1 callers, and in-person respondents) indicated that the most important local issues facing the City at the present time are:

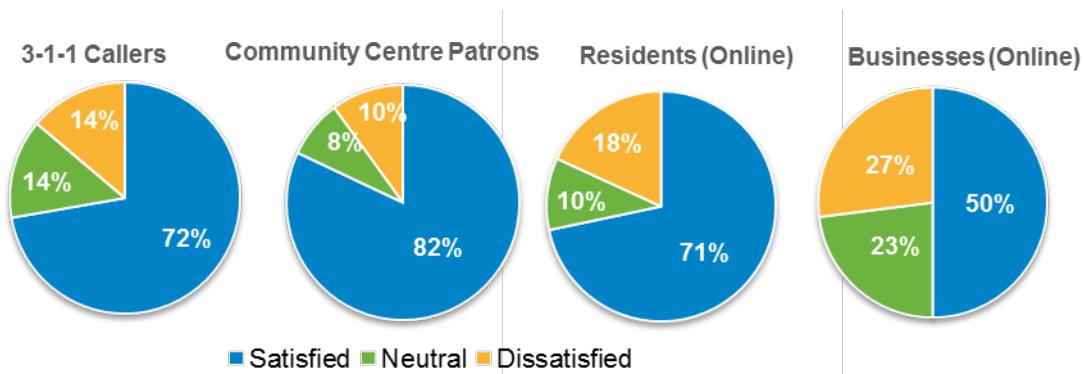
- Cost of living
- Housing
- Social issues (e.g., poverty, community services, resources)
- Infrastructure/transportation

Across these four groups of respondents, these top issues varied only slightly in priority.

When comparing this year's results with last year's survey, many of the top issues are consistent year over year, with housing and infrastructure/transportation being the most common themes.

Satisfaction with City Services

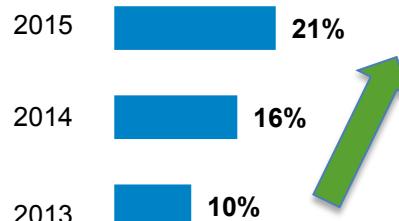
Again, different methodologies were used for gathering feedback on people's overall satisfaction with City services, and the results between the different resident groups do not vary significantly.



Results were fairly similar among residents online, 3-1-1 callers, and in-person respondents, while businesses were less likely to be satisfied with the overall quality of services provided by the City.

Over the past two years, satisfaction levels have been fairly constant. Among residents, there has been a steady increase in the percentage of respondents who are very satisfied with the City's services (10% in 2013, 16% in 2014, and 21% in 2015).

Residents very satisfied



2014 Budget Survey

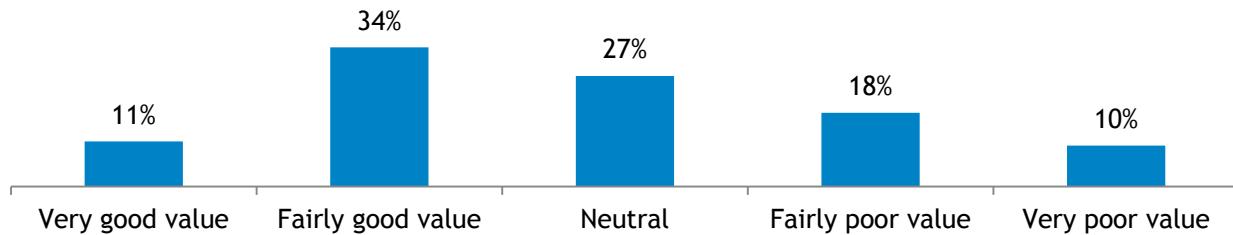
- Residents - 71% very/somewhat satisfied / 29% somewhat / very dissatisfied
- Businesses - 50% very/somewhat satisfied / 34% neutral / 16% somewhat / very dissatisfied
 - * Note: In 2014, the response scale for residents did not include a 'neutral' option

2013 Budget Survey

- Residents - 58% very/somewhat satisfied / 23% neutral / 19% somewhat / very dissatisfied
- Businesses - 52% very/somewhat satisfied / 30% neutral / 18% somewhat / very dissatisfied

Service Value for Tax Dollar

Among all respondents (online, 3-1-1, and in-person), an average of 45% believe they get good value for their tax dollars, while 28% think they get poor value. 27% of respondents were neutral on this issue.



Across the four different groups of respondents, businesses are least likely to think they get good value for their tax dollars.

Importance of Services

More in-depth questions about service importance and quality were asked of our residents and businesses in our online survey.

Residents and businesses have similar views about which City services are important. When respondents were presented with a series of services that are provided by the City, and asked to rate how important they believe each is to the larger community, results were similar between resident and business respondents:

- Among both groups, most respondents (91% of residents and 93% of businesses) say that providing basic services—such as sewer, water, and drainage—is very important.
- A strong majority of residents (86%) and businesses (83%) say that fire prevention and response to medical calls is very important.
- A similar proportion of residents (84%) and businesses (86%) think managing tax dollars is very important.
- A strong majority among both groups (85% of residents and 81% of businesses) say that providing garbage collection, composting, and recycling services is very important.

Quality of Services

After rating the importance of each service provided by the City, survey respondents then rated how well they think the City is doing in providing each type of service. For most City services, residents are more positive in their ratings compared to businesses. Two areas of services receive top ratings (8, 9, or 10 on the 10-point scale used) among both residents and businesses:

- Basic services—sewer, water, and drainage (59% of residents, 57% of businesses)
- Fire prevention and responding to medical calls (56% of residents, 52% of businesses)

Rounding out the top five services with the highest satisfaction levels are:

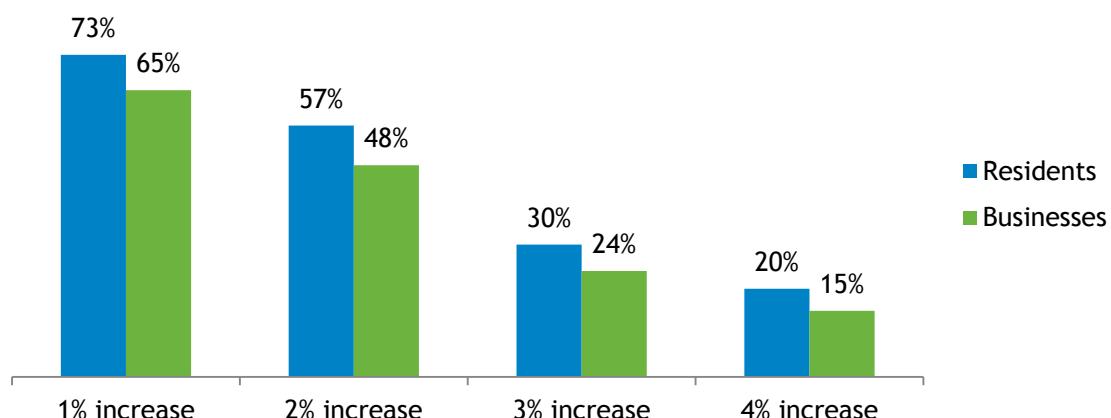
- Garbage collection, composting, and recycling (51% of residents, 44% of businesses)
- Providing access to library resources (49% of residents, 42% of businesses)
- Providing and maintaining parks and green spaces (42% of residents, 41% of businesses)

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/not willing to pay an increase in their property taxes at four different levels: 1%, 2%, 3%, and 4%.

For each level of increase, residents are more likely than businesses to support an increase. At the 1% and 2% increase levels, roughly half or more residents and businesses say they would be willing to pay this level of increase in their taxes. At the higher increase levels of 3% and 4%, however, only a minority of each group say they are willing to support a tax increase of that level.

Service Satisfaction Survey: Support for Tax Increase



Similarly, renters (residents who rent their homes, and businesses who rent their business premises) were asked if they would be willing to pay an increase in their rent. Almost three-quarters of resident renters (71%) said they would be willing to pay an extra \$5/month to cover this increase. Business renters, however, are less willing to support an increase in rent, with less than half (39%) indicating they would be willing to pay an increase of as much as 2%.

Support for Efficiency Measures

When presented with a list of possible measures the City could implement in an effort to find efficiencies in providing services to the public, residents and businesses are most likely to support more opportunities to access services online rather than in-person (67% of residents and 73% of businesses strongly support this measure). Just over half of residents and businesses (52% each) say they strongly support using new green techniques to transform how the City manages its green space (e.g. more natural areas, perennial plants, less frequent mowing lawns).

In contrast, both residents and businesses are least likely to support reducing the level of infrastructure maintenance (14% of residents and 19% of businesses either strongly or moderately support this measure).

PUBLIC FEEDBACK RESULTS

The results of the 2015 Budget and Service Satisfaction survey are used to inform the draft 2015 Budget prior to being presented to Vancouver City Council for approval in late February/early March of 2015.

The above results have helped to validate our spending priorities for 2015, with significant new investment in areas such as:

- Housing—both in capital spending to generate new units and through the operating budget to provide interim housing
- Childcare—capital spending to provide more spaces and increased operating grants through the operating budget
- Infrastructure maintenance and renewal—targeted for two-thirds of our Capital budget, with priority increases in sewer separation
- Greenest City—initiative funding for the Urban Forest Strategy as well as increased funding for parks
- Community facilities—funding for a new library and Marpole and Britannia Community Centres
- Social initiatives—funding for areas such as the Healthy City Strategy and Task Force on Mental Health

The proposed tax increase at 2.4% is in line with public feedback. Improvements to service efficiencies are reflected in the proposed budget, including capital funding to continue to implement the City's Digital Strategy, which will enable more online services, as well as major investments in a new system for Park Board Recreation programming and the final phase of the permits and license project. The Urban Forest Strategy will include plans to continue to green the City, and transform how the City manages its green space.

PROGRESS WITH COUNCIL PRIORITIES

Council has five priorities:

- Housing and Homelessness
- Safety, Inclusion, and Creativity
- Economic Development
- Greenest City
- Value for Money

HOUSING AND HOMELESSNESS

Strategic Goal:

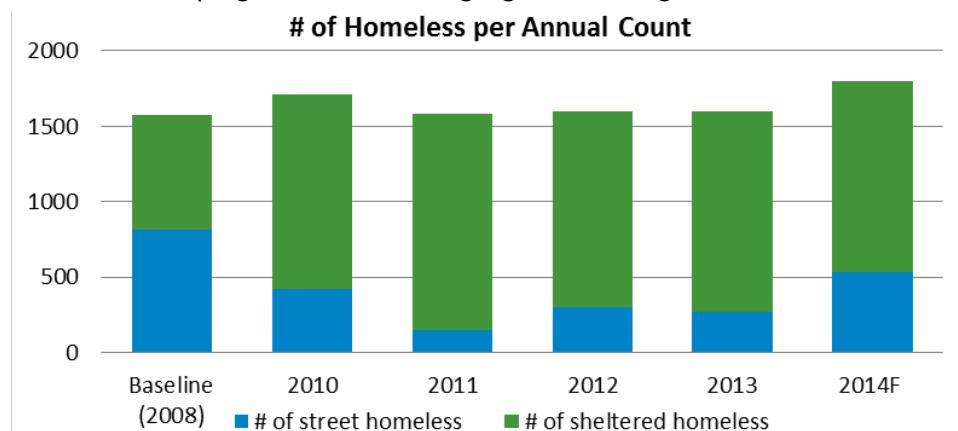
End street homelessness by 2015 and increase affordable housing choices for residents.



ENDING STREET HOMELESSNESS BY 2015

The City remains committed to solving street homelessness in 2015. The annual homeless count helps evaluate the population of street homeless who still need access to shelter and supportive services; the results of the count fluctuate year-over-year due to a number of factors. Drivers of homelessness include discharge rates of patients leaving hospitals, inmates released from correctional institutions and youth leaving the foster care system with no fixed address. Also influencing homelessness are delays in developing and building permanent supportive housing and the limited availability of low-barrier shelters and interim housing, often used to transition homeless into permanent housing. The 2014 count saw an increase in street homeless due to these, and other contributing factors. However, there has been an overall decrease of 62% in Vancouver's street homeless population since 2008. This is largely due to the introduction of and ongoing access to the low-barrier winter shelter program and the City's comprehensive Affordable Housing and Homelessness Strategy.

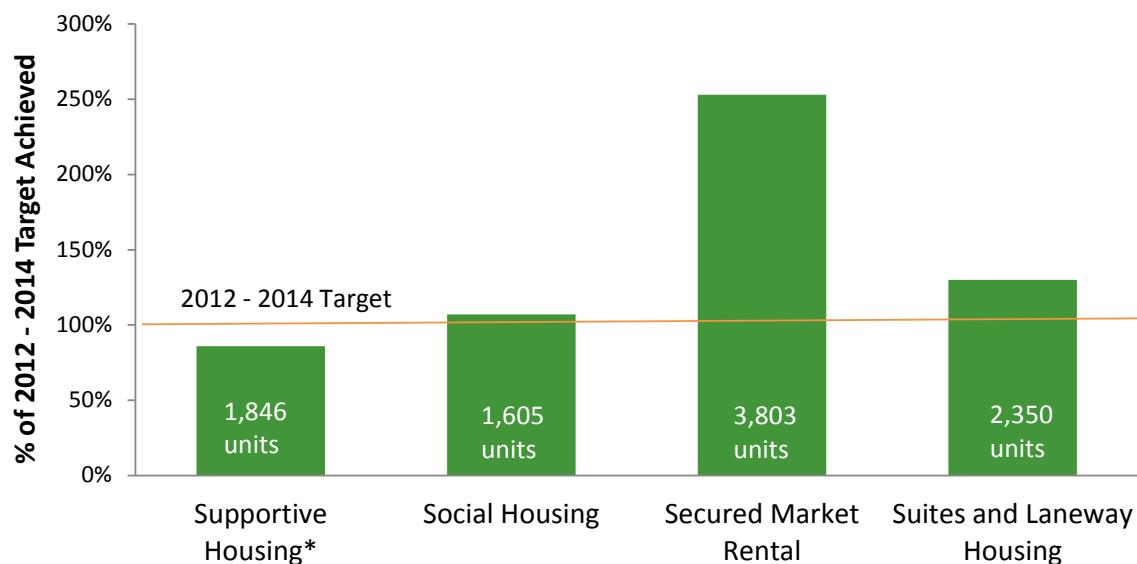
Over the past six years, approximately 600 people who were homeless have transitioned through emergency shelters into permanent housing. In 2014, the City purchased, leased, or facilitated the creation of new interim housing units by converting four hotels. The City and BC Housing partnered to get the East Hastings Ramada Hotel (54 rooms) and the Kingsway Howard Johnson (Biltmore) Hotel (95 rooms) projects underway. BC Housing continues to support the City's operation of the Kingsway Continental Hotel (123 rooms) through rent subsidies. The City's partnership with the non-profit Community Builders Foundation had enabled interim housing at the former Quality Inn (157 rooms) on Howe Street in downtown south. This interim housing stock adds to the low-income housing stock and, together with Provincial rental allowances, enables more street homeless to move indoors. Due to the above actions, the City continues to make progress on the strategic goal of ending street homelessness in 2015.



In 2015, the City will continue to find housing capacity, through the Homeless Outreach Team, for street and sheltered individuals; increase the ability for homeless people to remain in renovated SROs or access other rental situations; and use the Vulnerability Assessment tool to ensure appropriate placement in social or supportive housing and work with neighbours to address concerns.

AFFORDABLE HOUSING

The City is continuing to implement the Housing and Homelessness Strategy 2012-2021, with progress on specific projects and incentive policies that will increase the availability and range of affordable housing choices for all residents.



*Note: Reflects 2011 - 2014 target and performance

Projects completed in 2014 include City sites donated for new supportive housing, built with Provincial funds, and managed by non-profit societies. These City sites are at 111 Princess Street, 1134 Burrard, and supportive housing combined with an aboriginal youth hub at Broadway and Fraser Street (total of 383 new supportive housing units). In 2015, Taylor Manor, a 56-bed facility owned by the City, will be complete to serve the mentally ill homeless, with operating funding provided by a private donor and a capital contribution provided by BC Housing.

The City has entered into agreements with the Community Housing Land Trust Foundation (Land Trust)—a non-profit charity established by the Co-op Housing Federation of B.C.—to develop 358 units of affordable housing on four sites owned by the City. This innovative development will create new affordable homes for families, seniors, and people living with mental illness. Construction of the Land Trust units on the four City-owned sites will begin in summer 2015, with units completing in mid-2017.

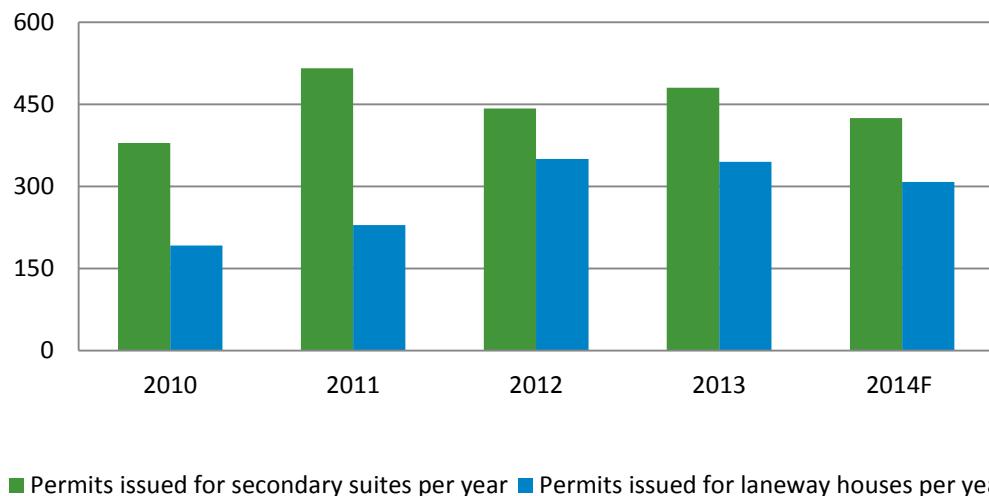
In 2014, the Vancouver Affordable Housing Agency (VAHA) was established. The VAHA is a legally separate, City-controlled entity created to implement one of the critical recommendations from the Mayor's Task Force on Housing Affordability, to improve the City's ability to develop its own land for housing, and to find innovative partnerships. Its mandate is to deliver 2,500 affordable housing units on City and partner land by 2021, commencing with an initial program of 500 affordable housing units subject to an interim review.

The establishment of the VAHA is a key step toward meeting the targets of the Vancouver Housing and Homelessness Strategy 2012-2021. Its creation will enhance the City's ability to expedite the delivery

of a larger number of more affordable housing options for a target range of residents who are currently struggling to find affordable housing options.

The recent introduction of new policies and incentives in the land use approvals process has generated significant numbers of new market rental housing. Incentives—such as parking relaxations and additional density for the development—have resulted in over 3,800 units of market rental housing being committed since 2010. In addition, the City has issued permits for nearly 3,700 secondary suites and laneway houses since 2010, with over 700 permits for this form of rental housing being issued so far in 2014.

Permits Issued for Secondary Suites and Laneway Houses



■ Permits issued for secondary suites per year ■ Permits issued for laneway houses per year

Other incentive programs and enforcement mechanisms have served the significant tenant population in Vancouver.

The Vancouver Rent Bank continued to offer short-term funding to families and individuals at risk of eviction or essential utility disconnection due to a temporary shortage of funds. The City also continued to refine a public searchable Rental Standards Database, designed to help renters understand the condition of rental buildings in terms of outstanding bylaw infractions.

SAFETY, INCLUSION, AND CREATIVITY



Strategic Goal:

Create a City of healthy people and healthy communities in a healthy environment.

HEALTHY CITY

Vancouver now has a long-term integrated plan for healthier people, healthier places, and a healthier planet. In 2014, Council approved the Healthy City Strategy, a comprehensive approach to urban health and well-being that brings together diverse services and departments of the City to achieve the goal of healthy people, communities, and environments now and into the future.

The Healthy City Strategy sets out 13 long-term goals and aspirational targets for collective efforts to create and improve the conditions that enable everyone to enjoy the highest level of health and well-being possible. These include, among others: a good start for young children, a home for everyone, environments to thrive in, cultivating of connections, and active living.

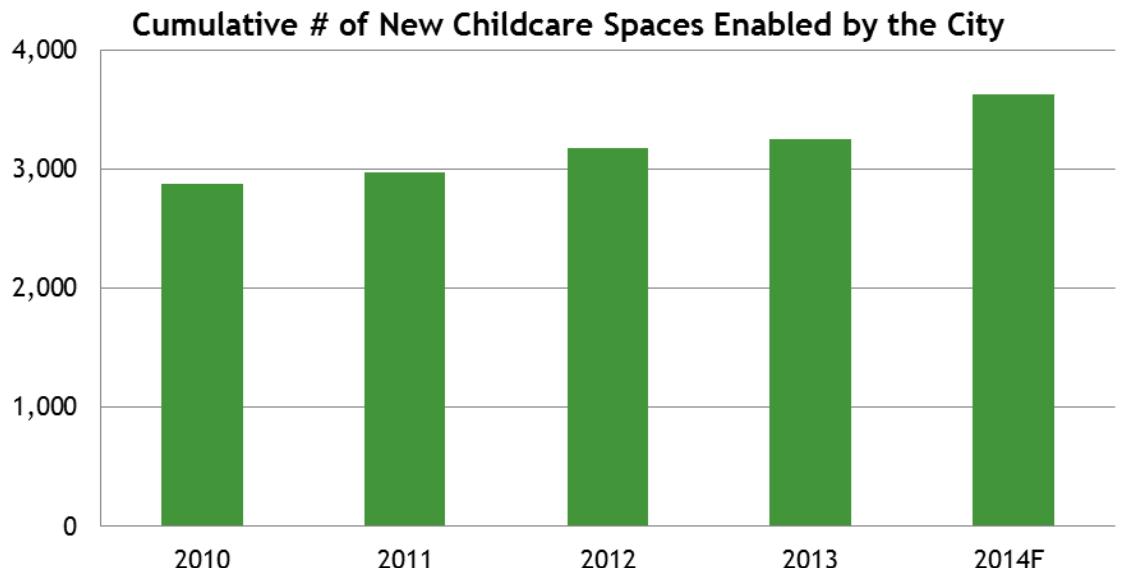
The strategy was developed with input from an extensive public engagement process that included over 10,000 residents. It was also guided by the 30 members of the Healthy City for All Leadership Table, bringing together different sectors, such as health care, social justice, business, education, and arts and culture.

In 2015, the first four-year action plan of the Healthy City Strategy will be completed, and implementation of this and key strategies in the second phase of the Mayor's Task Force on Mental Health and Addictions will begin. The City will also continue to implement a range of other strategic initiatives including the Local Immigration Partnership and Local Food Strategy.

CHILDCARE

Making sure every parent and guardian has access to quality, affordable childcare is a City priority. Since 2009, the City has invested \$62 million into childcare, facilitating the creation of over 1,000 new childcare spaces. The City's target is to create 1,000 additional spaces by 2018 and support the inclusion of childcare facilities in elementary schools undergoing seismic upgrades.

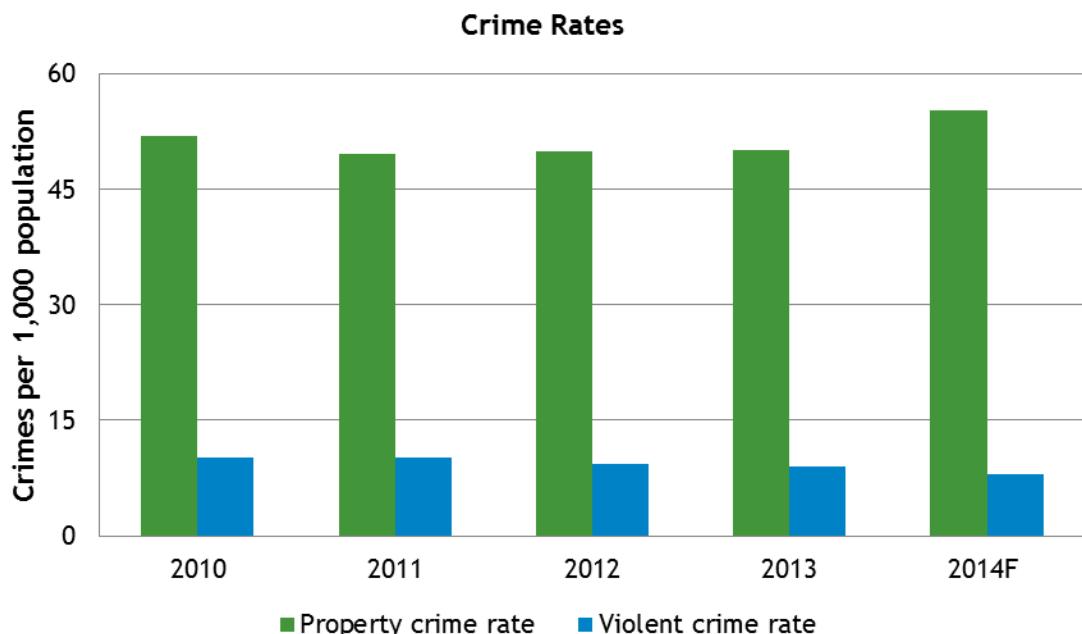
Major projects for 2014 included the redevelopment and construction of Kitsilano Neighbourhood House which includes childcare spaces, neighbourhood programming, and new housing units for seniors.



VANCOUVER POLICE DEPARTMENT COMMUNITY SAFETY OFFICERS

The Vancouver Police Department (VPD) continually seeks ways to become more efficient and effective in its commitment to improving the safety and quality of life for Vancouver residents, businesses, and visitors through law enforcement, education, and crime prevention.

Through crime prevention programs, community awareness programs, and targeting of chronic offenders, the combined efforts of the VPD and the public have begun to pay off. Over the past decade, the VPD has observed significant decreases in property crimes such as break and enter, theft of motor vehicles, and mischief. However, over the past three years, the total number of property crimes has been rising, largely due to increases in theft from motor vehicles, cell phone thefts, and an increase in the number of fraud cases.



The Community Safety Officer (CSO) program is entering its third and final pilot year. CSOs handle some of the less complex police tasks. One function of CSOs is to assist police officers at the scene of motor vehicle collisions, and their assistance has decreased the number of police officers required at the scene. In 2015, the VPD will continue the CSO pilot program, and a final evaluation report is planned in 2015-2016.

néca?mat ct STRATHCONA BRANCH LIBRARY

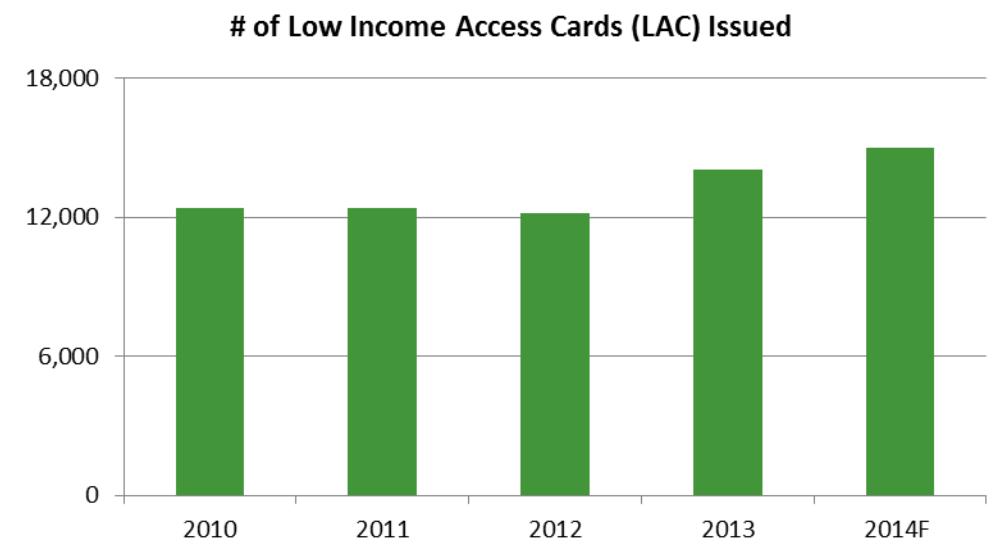
Vancouver Public Library's 2013-2015 Strategic Plan includes strong components relating to social connectedness and social inclusion, supporting residents' digital literacy skills development, providing platforms for community creativity and innovation, and continuing investment in the city's children and youth.

In January 2015, a ground-breaking ceremony was held for the néca?mat ct Strathcona Branch Library that offers a much-needed community facility and supportive housing on the Downtown Eastside for young women and children. Made possible through a partnership between the City of Vancouver, Vancouver Public Library, and YWCA Metro Vancouver, the site will have a new full-service néca?mat ct Strathcona Branch Library (the first to have a First Nations name), and will also provide new safe, affordable housing for low-income single mothers and their dependent children, as well as community space.

VANCOUVER BOARD OF PARKS AND RECREATION

In 2014, the Vancouver Board of Parks and Recreation introduced OneCard, which was a major change in the way citizens access recreational programs across the city. OneCard allows access to recreation facilities across the City's network of community centres, which means people can participate in recreation activities near their home or their place of work, or while travelling across the city. Since July 2013, approximately 175,000 residents have obtained a OneCard and recreational use has increased by approximately 25%.

The Leisure Access Program helps address affordability as it provides low-income Vancouver residents with access to basic recreation programs and services at Park Board facilities at a reduced cost. The subsidy is loaded on OneCard for discounted access to all Park Board pools, rinks and fitness centres, and participating community centres.



In 2015, the Park Board anticipates negotiating a new joint operating agreement with local Community Centre Associations. It will continue to improve park maintenance and horticulture; improve customer service standards and training; and deliver new amenities to meet current and future needs of Vancouverites, including the delivery of new outdoor aquatic facilities.

ECONOMIC DEVELOPMENT

Strategic Goal:

Create a climate for growth—supporting investment and trade as well as attracting and retaining talent.



TECHNOLOGY AND SOCIAL INNOVATION CENTRE

In 2014, the City announced plans to open a Technology and Social Innovation Centre, in partnership with the Vancity Community Foundation and the Vancouver Economic Commission (VEC). The overall vision for the centre, which will be located at 312-324 Main Street, is to build a financially sustainable economic development platform that fosters innovation and creates great companies and social enterprises that drive social impact and key economic development performance measures in Vancouver.

The centre will support a broad range of entrepreneurs, social innovators, and non-profit organizations through incubation and acceleration programming. It will also offer business services, financing, and training for a variety of sectors including technology start-ups, sustainability and clean-tech, social enterprise, and micro-enterprise.

GREEN AND DIGITAL DEMONSTRATION PROGRAM

The Green and Digital Demonstration Program (GDDP) was created to help local clean technology and digital companies succeed and grow by providing support to entrepreneurs and start-ups in Vancouver's clean technology and digital sectors. Participants in the program are given the opportunity to gain temporary access to City-owned assets (e.g., buildings, streets, vehicles) for technology demonstrations and proof-of-concept trials.

Spearheaded by the VEC and the City of Vancouver, the goal of the program is to accelerate the pace of innovation, commercialization, and job growth, by providing entrepreneurs with the opportunity to leverage local reference sites and use the City as a reference when marketing their products and services around the world.

Successful GDDP participants from local innovation centres will be able to leverage City of Vancouver assets and Vancouver's cachet: a brand that is bound to a reputation of excellence in innovation, sustainability, and creativity.

DIGITAL STRATEGY

The City of Vancouver's Digital Strategy is a roadmap to become an open, connected, and digitally enabled City. This strategy outlines both immediate and future ways to enhance digital engagement and access, improve infrastructure, and support the digital economy, for people who live, work, and play in Vancouver.

Achievements in 2014 included enhanced online and mobile access to City information and services, and expansion of digital channels for citizen involvement and interaction with the City. This was achieved via the increased integration of social media channels, the delivery of new online systems for permits and licenses, tax and utilities self-serve billing, and several mobile initiatives including the delivery of a responsive website experience.

From an infrastructure perspective, the City also entered into a strategic partnership with BCNet to enhance the City's fibre optic network, which in turn will lead to improved digital access and economic development opportunities. With leadership from the Vancouver Economic Commission, the City

further supported the digital economy with the successful launch of the Green and Digital Demonstration Program, designed to showcase local digital technologies using City-owned assets as a demonstration site.

Vancouver will continue to serve as a global leader in gathering the clean and digital sectors by hosting numerous conferences, including TED Talks, ACM Siggraph, Renewable Cities among others.

In 2015, the City will continue expansion of WiFi in City facilities, continue to optimize productivity by shifting inquiries and transactions to online and mobile, and continue to support the implementation of major business transformation initiatives by taking advantage of digital services delivery.

GREENEST CITY

Strategic Goal:

Establish Vancouver as the greenest City in the world by 2020.



BROADWAY TRANSIT

Vancouver's economy relies on the local and regional movement of people and goods, including longer-distance goods trips through an efficient rail network. Vancouver has about 2,100 kilometres of streets and lanes and the busiest bus corridor in North America (Central Broadway between Commercial Drive and UBC). Vancouver also has 2,163 kilometres of sidewalk and a 270-kilometre bike network.

In order to accommodate growth in jobs, population, and trips within existing road space, the City has a goal to have at least half of all trips made by foot, bike, or transit by 2020. Excellent progress is being made toward this goal. While Vancouver's population and economy continue to grow, vehicle use is declining and walking, cycling, and transit use are steadily increasing.

Regarding support for transit, walking, cycling and goods movement in 2015, the City will be working to help advance the Mayors' Council Transportation and Transit Plan. Within Vancouver this plan includes:

- The Broadway SkyTrain Extension, a top Greenest City priority which will be fundamental to reaching the economic potential of the second-most important economic corridor in the province, and to improving transit access across the region
- Upgrades to existing rapid transit lines and SeaBus
- Bus service expansion, including the addition of five new B-Lines, and more frequent service for regular buses, HandyDart and NightBus
- Upgrades to local walking, cycling, and road networks

Securing sufficient funding for the Plan and its significant benefits to the economy, environment and our quality of life, will require a successful Transportation and Transit Referendum. The City supports the Mayor's Council to achieving a "yes" vote in the Referendum. Voting by mail-in ballot begins March 16, 2015 and continues through to May 29, 2015.

For walking and cycling, the City's 2015 work will include safety and comfort upgrades to existing major walking and cycling routes including the Seawall. To further aid in walking and cycling activity, an improvement strategy for the False Creek Bridges will be finalized including design work on the Burrard Street Bridge and safety improvements at the Burrard/Pacific intersection. Project planning and consultation will also commence the final phase of other major projects that were started in the last capital plan.

NEIGHBOURHOOD ENERGY

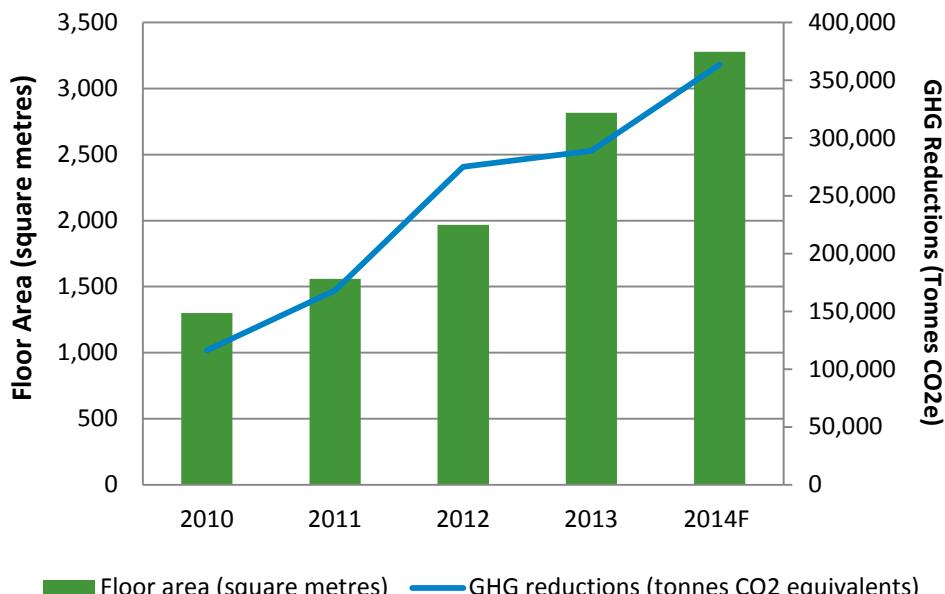
Energy used by buildings generates 55% of Vancouver's total greenhouse gas emissions. A high-priority of the Greenest City 2020 Action Plan is to pursue Neighbourhood Energy Strategy (NES) for high-density mixed-use neighbourhoods. The first of these, the award-winning Southeast False Creek Neighbourhood Energy Utility (SEFC NEU), has reduced greenhouse gas emissions by 60% over conventional energy sources. With a target to achieve a 120,000 tonne/year CO₂ reduction by 2020, the Strategic Approach to Neighbourhood Energy focuses on the following areas of opportunity:

- Converting existing steam heat systems to low-carbon energy sources
- Establishing new systems to serve high-density areas undergoing rapid development
- Expanding established systems to serve existing buildings

The fundamental goal of the SEFC NEU is to minimize greenhouse gas emissions via a financially self-sustaining, commercially operated utility that delivers competitively priced energy services. The SEFC NEU began operation in January 2010, and has rapidly expanded to serve 358,000 square metres (3,850,000 square feet - slightly more than 60% of the original business case projection) of residential, commercial, and institutional floor area. Over time the NEU will continue to be extended to serve new developments in SEFC and Great Northern Way Campus Lands, with total build-out currently forecast at 722,000 square metres (7,770,000 square feet - approximately 25% greater than projected in the original business case) of floor area.

The City is actively engaging with private sector utility providers to establish implementation plans for new low-carbon NES services in other areas of the City, including Downtown and the Cambie Corridor. These utility partners are selected via a competitive procurement process, and are regulated by the BC Utilities Commission to ensure fair and affordable rates for customers.

SEFC Neighbourhood Energy Utility - Floor Area & GHG Reductions

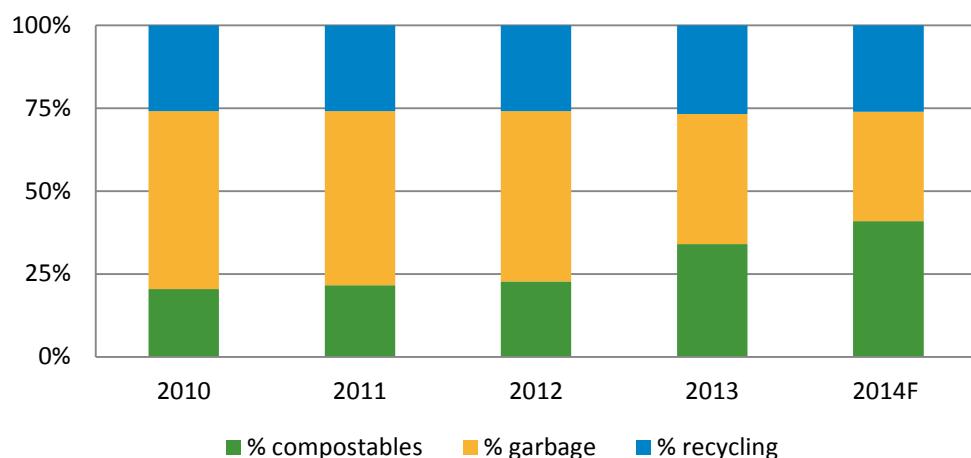


In 2015, Engineering will work with Creative Energy to make plans for a fuel switch of the downtown district energy system, which is the single largest greenhouse gas emitter in the city, and will coordinate with Creative as they begin construction of NES infrastructure for Northeast False Creek developments. Also in support of low-carbon district energy systems, Engineering will support Provincial Health Services Authority's public engagement process for the low-carbon conversion of the steam system for BC Children's and Women's Hospital due in 2018. In addition, extend the Southeast False Creek system to the Great Northern Way Campus and three new developments in the area.

SOLID WASTE DIVERSION

The Greenest City 2020 Action Plan includes measurable and ambitious targets for reducing and diverting waste. In 2014, the City implemented a City-delivered green bin program for food scraps recovery from select multi-family buildings, expanded the scope of material collected in the recycling system, and established regulations that promote recycling in the demolition of pre-1940 homes. As a result of the 2013 implementation of food scraps diversion through weekly green bins and bi-weekly garbage collection, there has been a notable decline in the tonnes of garbage collected and corresponding rapid increase in green bin materials. In 2014, 38,000 tonnes of waste are projected, a notable decrease from 44,825 tonnes in 2013.

Solid Waste Diversion



In 2015, the City will increase recovery and diversion of clean wood waste from the landfill and transfer station to support Metro Vancouver's disposal ban, which went into effect on January 1, 2015; continue to minimize contamination in single-family green bins; and expand opportunities for the beneficial use of collected landfill gas at the Vancouver Landfill.

VALUE FOR MONEY

Strategic Goal:

Create an efficient, effective and financially sustainable City Corporation.



PERMIT AND LICENCE TRANSFORMATION PROGRAM

In 2014, the Planning and Development Services Department underwent a major transformation, introducing one streamlined application tracking system to replace 39 existing separate systems. The project represents an entirely new way of doing business for development applications and permits. More and more, applicants will be able to apply for, monitor, and receive approvals online. The number of face-to-face meetings will be reduced, increasing staff efficiency and reducing application approval times. Since the launch of the online permitting system in early August, over 400 online accounts have been created and over 1,700 trades permits have been submitted and issued using the online service. In January of this year, online permit applications represented over 45% of the total permit applications processed. In addition, mobile inspections have been deployed, and inspections staff have completed more than 13,000 inspections using the new mobile inspections application.

In 2015, customers will be able to access building and development permits online after a graduated roll-out, simplifying the building development process.

PERFORMANCE METRICS

The City has embedded the value-for-money concept into all of its services by linking budgetary decisions with service metrics. These service metrics are the key component of the City's performance measurement framework and drive performance and cost efficiency by quantitatively attempting to answer the following four questions for each service:

1. Quantity - How much did we do?
2. Quality - How well did we do it?
3. Cost Efficiency - Was it cost effective?
4. Result - Is anyone better off?

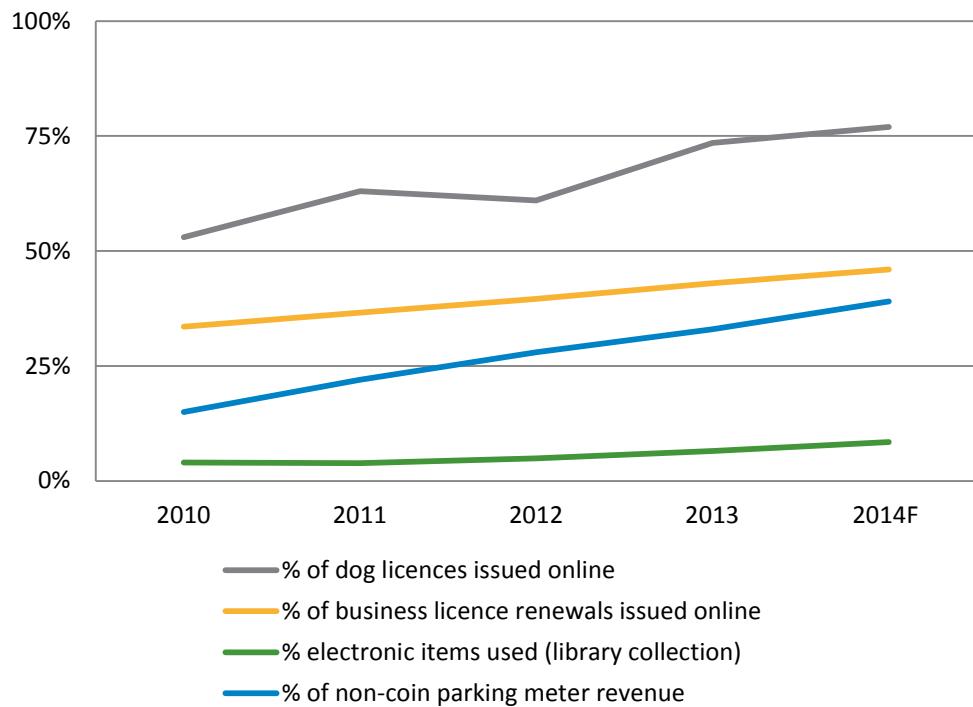
The City began implementing this framework in 2012, and the 2014 Budget included service plans and more than 250 metrics across all City services. These metrics and plans are enhanced in the 2015 Budget.

EMBRACING TECHNOLOGY AND IMPROVING BUSINESS PROCESSES

Through technology and business process improvements, the City continues to transform both internal processes and services delivery.

Residents are increasingly taking advantage of the City's online offerings, including renewing their business and dog licences online, making non-coin payments at parking meters and using items from the Vancouver Public Library's electronic collection.

Embracing Technology



In 2015, thousands of transactions in the Park Board and Recreation community centres will be enhanced with a new system, with improved online registration as well as more efficient backend processes.

OPERATING BUDGET

The 2015 Operating Budget includes balanced operating revenues and expenditures of \$1,223 million, an increase of \$43.2 million (or 3.7%) as compared with the 2014 Operating Budget.

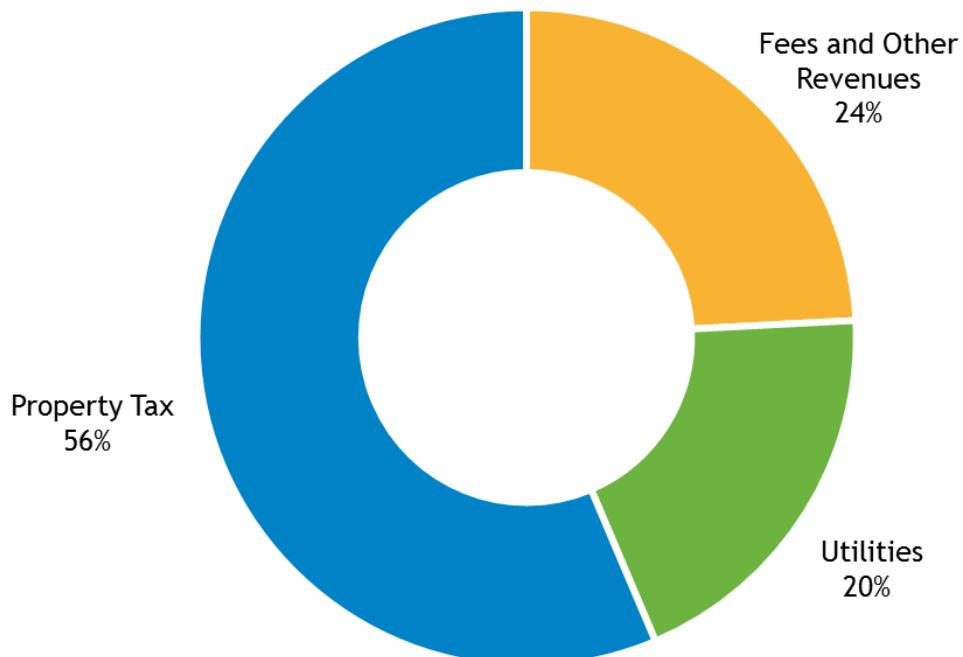
The increase in operating revenue reflects a property tax increase of 2.4%, an average utility rate increase of 4.3%, and a 2% increase for most user fees. The increase in operating expenditures is driven by wage and benefit increases, fixed cost increases, and investments in Council priorities.

This section provides an overview of the main factors driving the changes in the 2015 Operating Budget compared with the 2014 Operating Budget. Detailed service budgets are explained in Part II: Department Service Plans.

OPERATING REVENUES

The City has a stable revenue base, with property tax and utility fees making up more than three-quarters of the City's operating revenue. These are very stable and predictable. User 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 revenues from outdoor activities such as golf courses.

2015 OPERATING REVENUES - \$1,223.4 million



The following table highlights the major changes in the 2015 revenue budget compared with 2014:

Major revenue increase drivers in 2015:	\$000s
Property tax levy increase at 2.4%	15,400
Property tax revenue from New Construction	10,000
Other property tax related revenue changes	(1,700)
Total Property tax	23,700
Water revenue	5,300
Sewer revenue	3,300
Solid Waste revenue	(100)
Neighbourhood Energy	700
Total Utility revenue	9,200
Program revenue	2,700
License and Development revenue	4,400
Parking Revenue	3,300
Parking Bylaw fine revenue	(1,400)
VPD seconddment revenues	2,100
Other	(800)
Total Fees and other revenue	10,300
Total	\$ 43,200

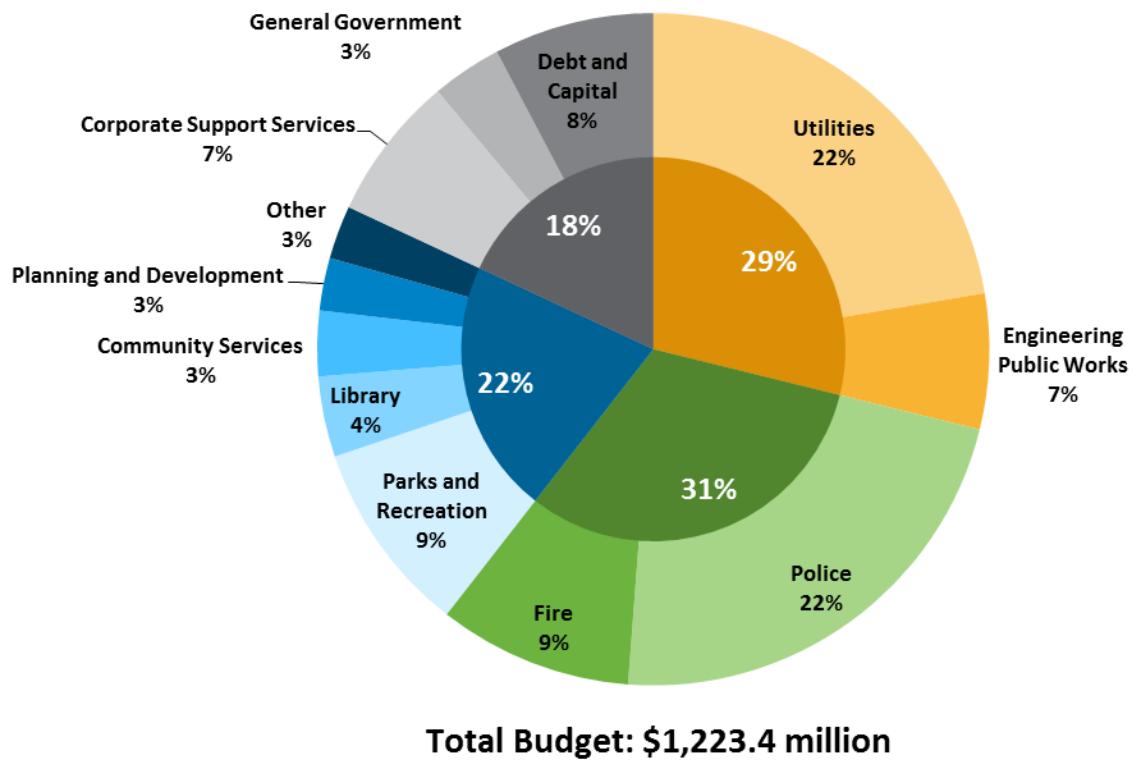
At 56%, property tax is the largest component of operating revenue. Total revenue from property tax is budgeted to increase \$23.7 million (3.6%). This reflects an increase in property tax of \$10 million from new construction added to the property tax roll, as well as \$15.4 million from a 2.4% property tax increase. Of the 2.4% increase, 1% is attributed to the estimated incremental wage and benefit costs for Public Safety services at a rate above that of other bargaining units, based on the arbitrated multi-year agreements. The remaining increase of 1.4% supports the investment in new initiatives for 2015 and incremental costs of City services including wage increases across all bargaining units at a rate of 2%.

Utility revenue comprises 20% of operating revenues, with total utility revenue increasing by 4% over 2014. Utility revenues are based on full cost recovery through utility fees (with the exception of sewer, which is partially funded by property tax), and therefore, utility rates are set to cover the projected utility expenditures. Utility rates will increase an average of 4.3%, with water rates increasing 4%, sewer rates increasing 6%, solid waste rates increasing 3%, and the NEU rates increasing 3.22%. Utility revenue includes revenue from the full-year of a contract with Multi-Material British Columbia (MMBC) for recycling services performed by the City, which was implemented in mid-2014. Utility rates for 2015 were approved by Council in December 2014.

OPERATING EXPENDITURES

Utilities and Engineering Public Works account for 29% of operating expenditures. Police and Fire services represent 31% of total expenditures.

2015 Operating Expenditures



Operating expenditures are increasing by 3.7%, or \$43.2 million, over the 2014 Operating Budget. This increase reflects \$43.1 million in cost increases for existing services, partially offset by savings from ongoing business transformation and other cost adjustments, plus \$9.4 million in investments aligned to priorities as outlined in the following table.

INVESTMENTS

The City regularly realigns existing resources and spending levels to valued services and priorities which change over time. Where necessary, the City makes careful new investments in priorities. The 2015 Operating Budget includes \$9.4 million in new investments, funded either from incremental revenue or savings across the organization.

2015 Operating Budget Investments	\$ 000s
Affordable Housing and Homelessness	
Interim housing to address homelessness	2,150
Full year funding of Vancouver Affordable Housing Agency (approved by Council in 2014)	750
Additional planning staff to support the Vancouver Affordable Housing Agency	100
Additional operating funding for the Vancouver Public Housing Corporation	280
Total Affordable Housing and Homelessness	3,280
Greenest City	
Urban Forest - Park Board funding for Urban Forest planning	100
Urban Forest - Full year funding for planning staff to support new Tree By-law	225
District Energy - City wide strategic planning and policy development	400
Increase to Greenest City Fund	250
Total Greenest City	975
Parks, Playfields and Green space	
Operating funding for new/upgraded parks, including Trillium North Passive Park, Jericho wharf, Empire Fields Plateau Park and Greenways, 18th and Main, 6th and Fir	614
Park Board Operations Staffing	125
Total Parks, Playfields and Green space	739
Healthy and Inclusive City	
Cultural Tourism Investment Fund	2,000
Breakfast Program funding for schools	450
Increased childcare operating grants related to increased units	200
Staffing for implementation of recommendations from Mayor's Task Force on Mental Health	80
Mayor's awards program funding	65
Funding for Artists program	50
Total Healthy and Inclusive City	2,845
Public Safety and Emergency Management	
Bike and Pedestrian Safety policing resources	500
Ongoing regular replenishment of emergency containers and supplies	100
Firefighter wellness program	25
Operating funding for new fire boats	55
Facility security additions	109
Total Public Safety and Emergency Management	789
Other	
Staffing to support the fee review process and increased volume of building permits and licences	576
Support and additional resources for the Mayor's role as Chair of TransLink Mayors' Council, the Big City Mayors' Caucus, Vancouver Police Board and Vancouver Economic Commission	200
Total Other	776
Total Operating Budget Investments	\$ 9,419

These increased investments are targeted to Council priority areas and reflect the feedback received through the public engagement activities in 2014 and 2015:

Affordable Housing and Homelessness: A Council priority and one of the highest priority areas identified by the public, \$3.28 million is being proposed for affordable housing and homelessness. This includes interim housing operations funding to bring homeless into transition housing and shelters, as new more permanent housing is made available. The new Vancouver Affordable Housing Agency (VAHA) was launched in 2014, and this budget provides a full year of incremental funding for this entity as well as additional planning staff to support the housing initiatives. The City operates a number of housing units through the Vancouver Public Housing Corporation, and the proposed budget provides funding to cover the full costs of maintenance and building operations following the end of federal subsidies to these operations.

Greenest City Initiatives: A Council priority and key sustainability strategic plan, \$0.975 million is proposed. Activities to support the Urban Forest Strategy, which was introduced in 2014, are proposed for 2015, as well as the establishment of a budget for the strategic planning and policy development to drive the City's District Energy program. An increase to the Greenest City Fund, a partnership with the Vancouver Foundation to support youth-led initiatives, neighbourhood-based projects created by residents, and green programs developed by charitable organizations, are also proposed.

Parks, Playfields, and Green Space: A priority for the Park Board and residents, \$0.739 million is proposed to fund the operational costs of a number of new parks and park structures as well as operational staffing.

Healthy and Inclusive City: Planning ahead by setting aside funds positions the City to form innovative partnerships and leverage new investment for cultural tourism opportunities. \$2.0 million is proposed for the Cultural Tourism Reserve Fund, to be used by the City for special citywide events such as Canada's 150th anniversary of Confederation in 2017 and to partner on one-time large-scale arts and culture projects. A Council priority and led by the Healthy City Strategy, \$0.845 million is targeted to a number of initiatives targeting poverty, health, and affordability, including the Breakfast School program, operating grants for new childcare spaces, and support to initiatives regarding mental health, as well as cultural and community initiatives such as the new Mayor's awards and funding for a new artist program.

Public Safety and Emergency Management: A Council priority supporting a safe city, \$0.789 million has been earmarked to fund a new bicycle and pedestrian safety program led by the Vancouver Police Department, funding of ongoing emergency supply replenishment, a new wellness program for firefighters, funding for a new fireboat fleet, and increased civic facility security resources.

Other: Staffing and related cost increases include staffing for the increased volume of development-related permits and licenses to improve service wait times, and funds to complete a fee review for these services. Support and additional resources for the Mayor's role as Chair of TransLink Mayors' Council, the Big City Mayors' Caucus, Vancouver Police Board and Vancouver Economic Commission are also proposed in the 2015 Budget.

MANAGING COSTS FOR EXISTING SERVICES

The trend of costs growing faster than inflation is expected to continue over the next four years and beyond. In particular, the trend of above-inflation wage increases for Fire Rescue and Police services is a significant driver of the budget gap, and a major challenge for the City and many municipalities. Continued transformation of services will be needed to deliver the same or improved service levels at cost increases that do not exceed inflation. In 2015, the majority of fixed cost increases are wage and benefit related, reflecting the fact that payroll costs are the City's largest expenditure, at 57% of operating expenses. Increases to the capital program, primarily from increased pay-as-you-go funding for the water and sewer utilities to reduce the City's debt burden, is also a driver of total cost increases.

Major cost increase drivers in 2015:	\$ 000s
Public safety wages and benefit increases includes arbitrated wage rates*, pension contribution and WCB premium increases, additional compensation and VPD secondment recoveries) - 2,580 employees	17,100
Other wage and benefit increases (including wage rates, pension contribution, and WCB premium increases) - 4,010 employees	13,700
Increased Metro Vancouver charges for Water and Sewer utility	7,000
Increased capital program cost (debt servicing, increasing utility pay-as-you-go capital, increased sewer separation)	5,300
Total	\$ 43,100

*Public Safety wage and benefit increases total \$26.7 million, and are shown net of the \$9.6 million 2014 Budget restatement for wage growth at other bargaining unit rates.

PUBLIC SAFETY

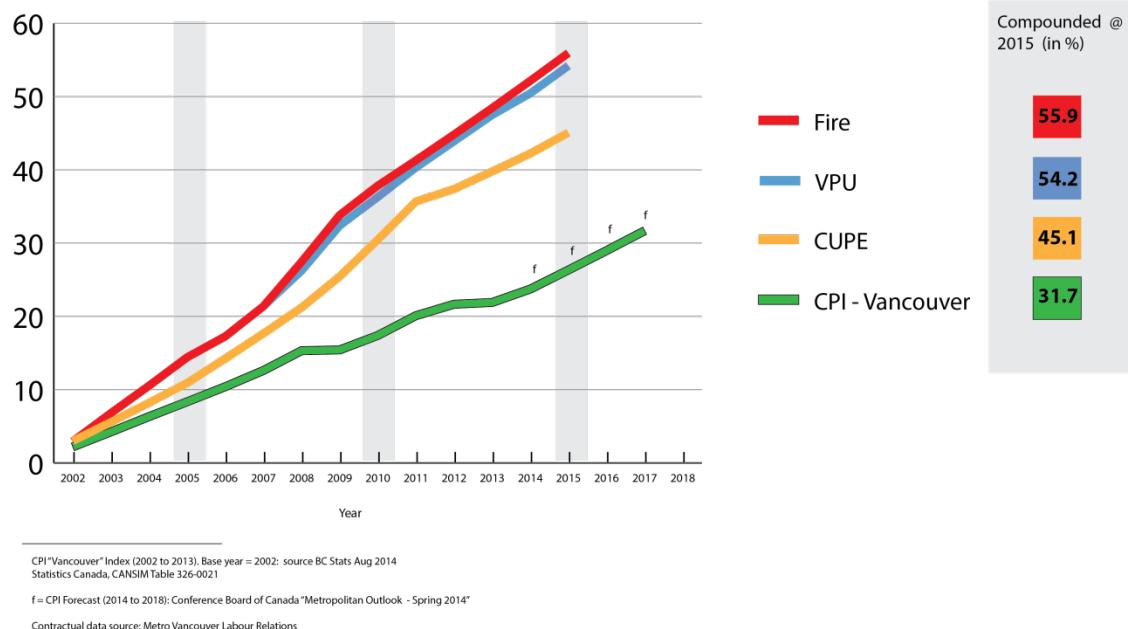
In 2014, the Vancouver Police Union received an arbitrated settlement which established collective agreement terms for 2013-2015. The arbitrated settlement included annual wage increases of 2.5%, 2.0%, and 2.5% over the three-year term, higher than the equivalent increases for other City bargaining units of 1.75%, 1.75%, and 2.0% for that same period.

The Vancouver Fire Fighters' Union also received an arbitrated settlement in 2014 which established collective agreement terms for 2012-2015. The arbitrated settlement included annual wage increases of 2.5% per year over the four-year term, and an additional 0.5% increase in 2014. This increase is also higher than the equivalent increases for other City bargaining units. In addition, fire fighter compensation costs were impacted by a 1% increase to the wage rate for fire fighters with 10 years of service that took effect in 2014 pursuant to a negotiated grievance settlement.

The estimated incremental impact of these wages increases, and the corresponding increase in associated benefits driven by the higher increase above those of other City bargaining units, is \$6 million, approximately equivalent to a tax increase of 1%.

It is anticipated that this pressure will continue in future years as public safety arbitrated results continue to drive costs higher than inflation and other bargaining units as highlighted in the chart below:

Compounded Annual
Cumulative % Wage Adjustment



UTILITIES COST INCREASES

Utility expenditures are increasing by 4%, primarily due to increasing regional utility charges passed on by Metro Vancouver (growing at a rate of 1.7-3.4%) and increasing operating costs related to the City's capital plan, including a shift to increasing pay-as-you-go water main replacement capital reducing the need for debt. In addition, the full year cost of implementation of the Multi-Material British Columbia program (introduced mid-year 2014) are reflected in 2015, partially offset by increased revenues.

OTHER COST INCREASES

Other cost increases above inflation include increases to employer pension contributions required by the Municipal Pension Plan (8% rate increase above the amount budgeted in 2014), increase in WorkSafeBC premiums by 21%, and BC Hydro electricity rate increases of 9% in mid-year 2014, and 6% in 2015.

PRODUCTIVITY SAVINGS AND COST MANAGEMENT

Throughout 2014, City departments have continued to reprioritize resources and transform operations to deliver on key priorities and service requirements. As part of the 2015 Budget process, departments identified areas to adjust costs and reprioritize resources to the highest impact areas. Digital services and transactions are increasingly being done electronically and through 3-1-1 (rather than in person), improving the productivity of City resources. By holding vacancies through close management of attrition and retirement, and adjusting budgets for lower costs in areas such as fuel prices and reduced costs from closure of the East Wing, these cost adjustments and productivity savings of close to \$9 million have helped mitigate the impact of above-inflation fixed cost increases, and have enabled investment in key initiatives.

DETAILED OPERATING BUDGET TABLE

The following pages show a detailed breakdown of the 2015 Operating Budget, outlining each major revenue and expense category. The detailed budget schedule shows the year-over-year impact of changes by revenue type and department expenditure. Explanations of the significant changes are outlined in the notes at the end of the detailed budget. In addition, budget changes for each department are explained in Part II: Department Service Plans.

The 2014 Budget has been restated so that 2015 and 2014 are comparable. There is no net impact of these restatements on the City's total operating budget. The restated budget for 2014 reflects the following adjustments:

Inter-departmental Reorganizations: Where activities and costs have moved between departments, the original budget is restated to reflect an appropriate year-over-year comparison.

2014 Collective Agreements: At the time of the 2014 Budget, the Vancouver Police Union and Vancouver Fire Fighters' Union had not reached collective agreement settlements for multiple years prior to the 2015 Budget. To better reflect the annual increase for 2015 and impact of these agreements on the 2015 Budget, the 2014 Budget has been restated to reflect an estimate of the wages and benefits over the prior years, assuming an increase aligned with other city bargaining units. In this way, the incremental impacts of the new agreements are reflected in 2015.

Alignment to the City's Financial Statements: As recommended by PricewaterhouseCoopers in proposing best practices for budget reporting, the City's budget format is being aligned with the annual financial statements. The budget now reflects transfers to other funds and reserves as a separate line item, consistent with the financial statements.

Changes in Shared Support Services Policy: For the 2015 Budget, costs of corporate shared support services that are 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) will be shown in department budgets to align to best practice and more accurately reflect cost of service. The 2014 Budget has been restated according to the new 2015 policy for comparability.

City of Vancouver
Operating Budget (\$000)

Revenue (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Property tax revenue					
General levy	627,159	653,542	26,383	4.2%	1
Business Improvement Association levies	10,175	10,175	(0)	-	
Other property tax related	28,896	26,184	(2,713)	(9.4%)	2
Total Property tax revenue	666,230	689,901	23,671	3.6%	
Utility revenue					
Water revenue					
Metered water charges	51,855	57,526	5,671	10.9%	
Flat rate water charges	45,591	44,878	(713)	(1.6%)	
Meter charges	3,504	3,700	196	5.6%	
Fire line charges	2,549	2,700	151	5.9%	
Other water revenue	514	514	0	-	
Total Water revenue	104,012	109,317	5,306	5.1%	3
Sewer revenue					
Metered sewer charges	31,920	34,702	2,782	8.7%	
Flat rate sewer charges	24,405	24,868	463	1.9%	
Industrial waste water fees	741	732	(9)	(1.2%)	
Other sewer revenue	899	917	18	2.0%	
Total Sewer revenue	57,965	61,219	3,254	5.6%	4
Solid Waste revenue					
Collection revenue					
Annual collection fees	27,087	26,795	(292)	(1.1%)	
Multi-Material BC recoveries	5,200	8,169	2,969	57.1%	
Other collection revenue	312	38	(274)	(87.8%)	
Subtotal Collection revenue	32,599	35,003	2,403	7.4%	
Disposal revenue					
Tipping fees	29,985	25,195	(4,790)	(16.0%)	
Metro & Delta's share	(2,424)	314	2,738	(113.0%)	
Other disposal revenue	3,531	3,098	(433)	(12.3%)	
Subtotal Disposal revenue	31,092	28,608	(2,485)	(8.0%)	5
Total Solid Waste revenue	63,692	63,610	(81)	(0.1%)	
Neighbourhood Energy revenue					
NEU fixed levy	1,949	2,182	233	12.0%	
NEU energy charge	1,043	1,501	458	43.9%	
Total Neighbourhood Energy revenue	2,992	3,683	691	23.1%	6
Total Utility revenue	228,660	237,830	9,169	4.0%	

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Revenue (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Program revenue					
Parks & Recreation program revenue					
Recreation revenue					
Admissions	8,712	8,887	175	2.0%	
Programming	3,624	4,120	495	13.7%	
Recreation facility rentals	3,573	3,956	384	10.7%	
Other recreation revenue	844	598	(247)	(29.3%)	
Subtotal Recreation revenue	16,753	17,560	807	4.8%	
Golf revenue	9,056	9,148	93	1.0%	
Marinas & Attractions revenue					
Marinas	3,145	3,174	29	0.9%	
VanDusen Gardens	2,437	2,847	410	16.8%	
Stanley Park Mini Train	1,361	1,520	159	11.7%	
Bloedel Conservatory	540	580	40	7.4%	
Other attractions	78	89	11	14.1%	
Subtotal Marinas & Attractions revenue	7,561	8,211	650	8.6%	
Lease & concession revenue	6,025	6,333	308	5.1%	
Other Parks & Recreation revenue	357	438	81	22.7%	
Total Parks & Recreation program revenue	39,752	41,690	1,939	4.9%	7
Civic Theatres program revenue					
Theatre facility rentals	5,155	5,233	77	1.5%	
Concession revenue	1,226	1,245	18	1.5%	
Ticket surcharges	836	1,309	473	56.6%	
Other Civic Theatre revenue	164	167	2	1.2%	
Total Civic Theatres program revenue	7,382	7,953	571	7.7%	8
Community Services program revenue					
Mountain View Cemetery revenue	1,938	1,938	-	-	
Community Kitchen revenue	1,255	1,315	60	4.8%	9
Total Community Services program revenue	3,193	3,253	60	1.9%	
Library program revenue					
Fines & penalties	989	922	(67)	(6.8%)	
InfoAction revenue	516	594	78	15.1%	
Facility rental	485	500	15	3.1%	
Other library revenue	513	546	34	6.6%	
Total Library program revenue	2,503	2,563	60	2.4%	10
Britannia program revenue	961	978	17	1.8%	
Total Program revenue	53,791	56,437	2,646	4.9%	

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Revenue (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Licence & Development fees					
Trade permit fees					
Building permit fees	8,568	11,340	2,771	32.3%	
Plumbing inspection fees	4,224	4,309	84	2.0%	
Electrical inspection fees	3,904	3,982	78	2.0%	
Residential demolition fees	736	750	15	2.0%	
Gas permit fees	609	622	12	2.0%	
Street occupancy fees	642	655	13	2.0%	
Tree removal permit fees	315	322	6	1.9%	
Other trade permit fees	799	345	(454)	(56.8%)	
Total Trade permit fees	19,797	22,324	2,526	12.8%	11
Licence fees					
Business licence fees	14,598	15,806	1,208	8.3%	
Dog and other licence fees	2,700	1,658	(1,042)	(38.6%)	
Total Licence fees	17,298	17,464	166	1.0%	12
Development permit fees					
Development permit fees	6,131	6,253	123	2.0%	
Rezoning fees	1,156	1,179	23	2.0%	
Subdivision fees	630	643	13	2.1%	
Other development fees	25	495	469	1,876.0%	
Total Development permit fees	7,942	8,570	628	7.9%	13
Engineering fees & charges					
Anchor rod fees	1,000	2,020	1,020	102.0%	14
Street furniture fees	1,463	1,492	29	2.0%	
Encroachment fees	800	816	16	2.0%	
Sidewalk café fees	800	816	16	2.0%	
Garbage container fees	443	382	(61)	(13.8%)	
Films/festival fees	410	418	8	2.0%	
Other engineering fees	353	359	6	1.7%	
Newsbox permit fees	230	235	5	2.2%	
Total Engineering fees & charges	5,498	6,538	1,039	18.9%	
Total Licence & Development fees	50,536	54,895	4,359	8.6%	
Parking revenue					
On street parking revenue	42,000	45,000	3,000	7.1%	15
Parking permit fees	952	952	-	-	
Parks parking revenue	5,925	6,381	455	7.7%	
Civic Theatres parking revenue	360	360	-	-	
Other parking revenue	604	485	(119)	(19.7%)	
Total Parking revenue	49,842	53,178	3,336	6.7%	

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Revenue (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Cost recoveries, grants & donations					
Police recoveries, grants & donations	12,136	14,285	2,149	17.7%	16
Fire & Rescue Services recoveries	6,911	7,065	154	2.2%	
General Government recoveries	4,919	5,647	728	14.8%	
Parks & Recreation recoveries, grants & donations	3,891	4,537	646	16.6%	17
Community Services recoveries	3,525	3,508	(17)	(0.5%)	
Library recoveries, grants & donations	1,919	1,960	41	2.1%	
Sustainability recoveries	1,800	1,150	(650)	(36.1%)	18
Engineering recoveries	1,206	1,225	18	1.5%	
Other department recoveries	1,062	1,091	29	2.7%	
Total Cost recoveries, grants & donations	37,369	40,467	3,098	8.3%	
Provincial revenue sharing					
Traffic fine revenue sharing	14,502	14,502	-	-	
Gaming revenue sharing	7,150	7,150	-	-	
Total Provincial revenue sharing	21,652	21,652	-	-	
Investment income	16,500	17,603	1,103	6.7%	19
Other revenue					
Civic property rental revenue	16,967	15,150	(1,818)	(10.7%)	20
Engineering revenue					
Street Maintenance revenue	3,382	3,775	393	11.6%	
Street Use revenue	1,120	921	(198)	(17.7%)	
Parking Operations revenue	961	961	-	-	
Other engineering revenue	154	247	92	59.7%	
Total Engineering revenue	5,616	5,904	287	5.1%	
Lease income	4,002	3,692	(311)	(7.8%)	
Non-market housing rentals	3,638	3,692	54	1.5%	
Miscellaneous city-wide revenue	3,267	2,999	(267)	(8.2%)	
Police fees & other	1,561	1,561	-	-	
Other department revenue	2,574	1,880	(695)	(27.0%)	
Total Other revenue	37,625	34,876	(2,749)	(7.3%)	
Bylaw fine revenue					
Parking fine revenue	17,820	16,380	(1,440)	(8.1%)	21
Other Bylaw fine revenue	175	175	-	-	
Total Bylaw fine revenue	17,995	16,555	(1,440)	(8.0%)	
Total Revenues	\$ 1,180,201	\$ 1,223,395	\$ 43,194	3.7%	

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Expenditures & Transfers (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Utilities					
Water					
Water purchases (Metro)	66,608	71,484	4,876	7.3%	
Water operations	10,714	11,040	326	3.0%	
Capital program & other transfers					
Debt service charges	18,937	17,517	(1,420)	(7.5%)	
Pay-as-you-go funding	7,500	10,000	2,500	33.3%	
Rate stabilization & other reserve transfers	(1,624)	(2,695)	(1,071)	65.9%	
Subtotal Capital program & other transfers	24,813	24,822	9	0.0%	
Shared support services	1,877	1,972	95	5.1%	
Total Water	104,012	109,317	5,306	5.1%	22
Sewer					
GVS&DD levy (Metro)	51,787	53,645	1,857	3.6%	
Sewer operations	8,537	8,293	(244)	(2.9%)	
Capital program & other transfers					
Debt service charges	29,573	31,348	1,774	6.0%	
Pay-as-you-go funding	26	1,200	1,174	4,515.4%	
Rate stabilization & other reserve transfers	160	117	(43)	(26.9%)	
Subtotal Capital program & other transfers	29,759	32,664	2,905	9.8%	
Shared support services	1,353	1,440	87	6.4%	
Total Sewer	91,436	96,042	4,607	5.0%	23
Solid Waste					
Collections	26,767	27,733	967	3.6%	
Landfill	19,234	19,213	(21)	(0.1%)	
Transfer station	7,989	7,561	(428)	(5.4%)	
Capital program & other transfers					
Capital Financing Fund loan payments	2,810	2,898	88	3.1%	
Solid Waste Reserve & other transfers	5,100	4,341	(760)	(14.9%)	
Subtotal Capital program & other transfers	7,911	7,239	(672)	(8.5%)	
Shared support services	1,791	1,863	73	4.1%	
Total Solid Waste	63,692	63,610	(81)	(0.1%)	24
Neighbourhood Energy					
NEU operations	1,902	1,786	(116)	(6.1%)	
Capital program & other transfers					
Debt service charges	2,548	2,587	39	1.5%	
Rate stabilization & other reserve transfers	(1,458)	(690)	767	(52.6%)	
Subtotal Capital program & other transfers	1,090	1,897	806	73.9%	
Total Neighbourhood Energy	2,992	3,683	691	23.1%	
Total Utilities	262,131	272,653	10,522	4.0%	

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Expenditures & Transfers (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Department					
Engineering					
Public Works					
Street Maintenance	23,415	23,084	(331)	(1.4%)	
Parking Operations	14,976	15,242	265	1.8%	
Street Use	9,677	10,041	364	3.8%	
Street Cleaning	7,288	7,319	31	0.4%	
Street Lighting	5,221	5,616	395	7.6%	
Transportation	3,173	3,182	9	0.3%	
General Public Works	1,691	1,915	224	13.2%	
Shared support services	5,368	5,820	452	8.4%	
Transfers to / (from) reserves & other funds	1,819	1,479	(340)	(18.7%)	
Subtotal Public Works	72,629	73,697	1,069	1.5%	25
Department Services					
Equipment Service Operations	(19,520)	(17,756)	1,765	(9.0%)	
Construction Supplies & Services	(1,506)	(1,518)	(12)	0.8%	
Operations Safety & Equipment Management	2,010	2,145	135	6.7%	
Shared support services	228	234	7	3.1%	
Transfers to / (from) reserves & other funds	21,098	19,311	(1,787)	(8.5%)	
Subtotal Department Services	2,309	2,417	108	4.7%	
Total Engineering	74,938	76,115	1,177	1.6%	
Sustainability					
Expenditures	3,696	3,830	135	3.7%	
Transfers to / (from) reserves & other funds	-	(431)	(431)	-	
Total Sustainability	3,696	3,399	(296)	(8.0%)	
Police Services					
Patrol	122,207	128,346	6,140	5.0%	
Investigations	69,689	73,784	4,095	5.9%	
Operational Services	36,621	36,896	275	0.8%	
Administration	12,000	12,270	269	2.2%	
E-Comm allocation	14,645	15,395	750	5.1%	
Shared support services	6,964	7,087	123	1.8%	
Transfers to / (from) reserves & other funds	(534)	(187)	347	(65.0%)	
Total Police Services	261,592	273,591	11,999	4.6%	26
Fire & Rescue Services					
Fire Suppression & Medical	96,006	100,766	4,760	5.0%	
Prevention	2,619	2,629	10	0.4%	
Training & Administration	3,719	4,086	368	9.9%	
E-Comm allocation	3,900	4,065	165	4.2%	
Shared support services	1,314	1,356	42	3.2%	
Transfers to / (from) reserves & other funds	409	416	7	1.7%	
Total Fire & Rescue Services	107,966	113,318	5,351	5.0%	27

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Expenditures & Transfers (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Department (continued)					
Parks & Recreation					
Recreation	44,476	46,470	1,994	4.5%	
Park maintenance & operations	30,140	31,348	1,208	4.0%	
Facility maintenance & corporate services	13,792	14,554	762	5.5%	
Marinas & Attractions	6,730	6,981	251	3.7%	
Golf	6,421	6,201	(220)	(3.4%)	
Leases & concessions	2,413	2,137	(276)	(11.4%)	
Shared support services	2,660	2,729	69	2.6%	
Transfers to / (from) reserves & other funds	2,903	2,962	59	2.0%	
Total Parks & Recreation	109,534	113,383	3,848	3.5%	28
Library					
Public Services	38,172	38,889	717	1.9%	
Administrative Services	5,759	5,869	110	1.9%	
Shared support services	2,447	2,462	15	0.6%	
Transfers to / (from) reserves & other funds	76	76	0	-	
Total Library	46,453	47,296	843	1.8%	
Britannia Community Services Centre					
Civic Theatres	4,833	5,028	195	4.0%	
Civic Theatre operations	4,665	4,733	69	1.5%	
Shared support services	1,720	1,781	60	3.5%	
Transfers to / (from) reserves & other funds	924	881	(43)	(4.7%)	
Total Civic Theatres	7,309	7,395	86	1.2%	
Community Services					
Social Support	9,290	9,931	641	6.9%	
Housing	5,765	7,589	1,824	31.6%	
General & Projects	1,701	1,896	195	11.5%	
Social Policy	2,810	2,866	56	2.0%	
Licensing	3,210	3,272	62	1.9%	
Property Use Inspection	2,859	2,824	(35)	(1.2%)	
Culture	2,465	2,611	146	5.9%	
Mountain View Cemetery	1,641	1,471	(170)	(10.4%)	
Shared support services	5,869	6,248	379	6.5%	
Transfers to / (from) reserves & other funds	795	(353)	(1,148)	(144.4%)	
Total Community Services	36,405	38,356	1,951	5.4%	29
Grants					
Cultural	10,794	11,060	266	2.5%	
Social Policy	5,319	5,875	556	10.5%	
Childcare	1,200	1,424	224	18.7%	
Other grants	389	646	258	66.3%	
Total Grants	17,702	19,006	1,304	7.4%	30

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Expenditures & Transfers (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Department (continued)					
Planning & Development					
Planning	9,952	10,251	299	3.0%	
Development Services	8,175	8,865	690	8.4%	
Inspections	7,300	7,521	221	3.0%	
ByLaw Admin	2,375	2,403	28	1.2%	
General	981	987	6	0.6%	
Shared support services	837	858	22	2.6%	
Transfers to / (from) reserves & other funds	2	2	-	-	
Total Planning & Development	29,621	30,887	1,267	4.3%	31
Mayor & Council					
Mayor	987	1,219	233	23.6%	
Council	1,250	1,303	53	4.2%	
Total Mayor & Council	2,237	2,522	286	12.8%	32
Corporate Services					
Real Estate & Facilities Management					
Real Estate & Facility planning & development	2,738	2,524	(214)	(7.8%)	
Facility operations	32,609	33,260	651	2.0%	
Shared support services	(17,705)	(18,743)	(1,038)	5.9%	
Transfers to / (from) reserves & other funds	4,386	4,107	(279)	(6.4%)	
Subtotal Real Estate & Facilities Management	22,028	21,148	(880)	(4.0%)	
Finance & IT					
Finance & Supply Chain Management	20,071	19,324	(747)	(3.7%)	
Information Technology	27,859	28,493	633	2.3%	
Shared support services	(9,209)	(9,431)	(223)	2.4%	
Transfers to / (from) reserves & other funds	875	875	-	-	
Subtotal Finance & IT	39,596	39,260	(336)	(0.8%)	
Other support services					
Human Resources	9,604	9,699	95	1.0%	
City Manager's Office	5,466	5,690	224	4.1%	
Legal Services	5,834	5,046	(788)	(13.5%)	
3-1-1 Contact Centre	5,228	5,335	107	2.0%	
City Clerk	5,448	3,328	(2,120)	(38.9%)	33
Communications & Engagement	1,945	1,916	(29)	(1.5%)	
Emergency Management	1,100	1,230	130	11.8%	
Shared support services	(7,053)	(7,390)	(337)	4.8%	34
Transfers to / (from) reserves & other funds	(2,182)	(160)	2,022	(92.7%)	
Subtotal Other support services	25,392	24,695	(696)	(2.7%)	
Total Corporate Services	87,015	85,103	(1,912)	(2.2%)	35

Note: Totals may not add due to rounding

City of Vancouver
Operating Budget (continued)

Expenditures & Transfers (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Department (continued)					
General Government					
Business Improvement Association grants	10,175	10,175	(0)	-	
Contingency	4,000	4,000	-	-	
Vancouver Economic Commission	2,852	3,000	148	5.2%	
Vancouver Affordable Housing Agency	-	750	750	-	36
Innovation Fund	2,000	2,000	-	-	
General Government expenses	16,078	16,089	11	0.1%	
Shared support services	1,522	1,704	182	12.0%	
Transfers to / (from) reserves & other funds	2,406	3,499	1,093	45.4%	37
Total General Government	39,033	41,217	2,184	5.6%	
Total Department	828,334	856,616	28,282	3.4%	
General debt & Transfers to Capital Fund					
Debt charges (non-utility)	66,383	68,064	1,681	2.5%	
Transfers to Capital Fund	23,353	26,063	2,710	11.6%	
Total General debt & Transfers to Capital Fund	89,736	94,127	4,391	4.9%	
Total Expenditures & Transfers	\$ 1,180,201	\$ 1,223,395	\$ 43,194	3.7%	
Net Operating Budget	\$ -	\$ -	\$ -	-	

Note: Totals may not add due to rounding

NOTES TO OPERATING BUDGET TABLE

The following notes explain selected changes to the budget. For further explanations of the budget changes see Part II: Department Service Plans.

1. **Property Tax Revenue:** Total revenue from the general property tax levy is budgeted to increase \$26.4 million (4.2%). This reflects an increase in property tax of \$10 million from new construction added to the property tax roll, as well as a 2.4% property tax increase. Of the 2.4% increase, 1% is attributed to the estimated incremental wage and benefit costs for Public Safety services at a rate above that of other bargaining units, based on the arbitrated multi-year agreements. The remaining increase of 1.4% supports the investment in new initiatives for 2015 and incremental costs of City services including wage increases across all bargaining units at a rate of 2%. Approximately \$2 million of the new construction amount results from the sale of Federal and Provincial properties (Jericho, Fairmont, the Canada Post building, and the BC Liquor Distribution Branch warehouse), which will now be subject to property tax. (Federal and Provincially owned properties are exempt from property taxation and the City receives payments in lieu of taxes.)
2. **Other Property Tax-related Revenue:** Other property tax-related revenues are decreasing by \$2.7 million, including a \$2 million reduction in payments in lieu of taxes due to Federal and Provincial government-owned properties that were sold in 2014 including Jericho, Fairmont, the Canada Post building, and the BC Liquor Distribution Branch warehouse (offset by an increase in property tax revenue).
3. **Water Utility Fee Revenue:** 4% rate increase for metered and single family dwellings, 4% increase in metered consumption, and 3% adjustment for a consumption decrease that was anticipated in the 2014 Budget but did not occur. The budget for flat rate revenues is decreasing by \$0.7 million as approximately 1,200 flat rate customers per year are converted to metered customers.
4. **Sewer Utility Fee Revenue:** 6% rate increase for flat rate and metered customers. The increase in flat rate fees is offset by the conversion of 1,200 flat rate customers to metered, resulting in a 1.9% increase in flat rate revenue and an 8.7% increase in metered revenue.
5. **Solid Waste Fees:** Collection revenue increase of \$2.4 million, largely due to a full year of MMBC recycling revenue (\$3.0 million). Disposal revenue is decreasing by \$2.5 million as a result of fewer tonnes and therefore lower tipping fee revenue at the Transfer Station and Landfill. For more information, see the 2015 utility rate reports.
6. **Neighborhood Energy:** 3.2% increase in customer rates, and a 20% increase in volume due to system expansion.
7. **Parks Program Fees:** 2% fee increases (some services differ in rate increases to be competitive with the market). The remaining increase in revenue to reflect anticipated usage of existing facilities and services.
8. **Civic Theatres Revenue:** Revenues increasing in 2015 based on a 1.5% increase in theatre rental rates approved and a new \$2 per ticket surcharge received from external ticketing agencies.
9. **Community Services:** Increased Community Kitchen program revenue from aligning budgets to actual revenues received in 2014 for meals sold at Evelyne Saller, Carnegie, and Gathering Place.
10. **Library Program Revenues:** 2% program fee increases and increased Federal funding for InfoAction to cover cost increases, offset by decreasing fine revenue resulting from email notifications and on-line renewals.
11. **Permits:** 2% inflationary permit fee increases and increased permit volume supported by the addition of staff in mid-year 2014 to reduce wait times and process streamlining resulting from the permitting and licensing review.

12. **Licence Fees:** \$1.2 million increase in business licence revenue resulting from a 2% fee increase and a reallocation of \$1 million in revenue from dog and other licences to correct a historical budget misalignment. Engineering fees are budgeted to increase by \$1 million to align the budget for anchor rod fees to actual revenues received in 2014.
13. **Development Permit Fees:** 2% fee increases and a \$0.5 million increase in other development fees related to a reclassification of trade permit fees to development fees.
14. **Engineering Anchor Rod Fees:** \$1 million increase to align the budget to revenues received in 2014 for anchor rod permits.
15. **On-street Parking Revenue:** \$3.0 million increase in Parking revenue to bring budget in line with growth in prior years, growth in parking revenue driven by increased use of pay-by-phone, increased parking activity and additional meter hours.
16. **Police Recoveries:** \$2.1 million increase as a result of increased secondments to regional policing.
17. **Park Board Recoveries:** \$0.6 million in Park Board to align to projected external grants and donations.
18. **Sustainability recoveries:** \$0.7 million revenue decrease is budgeted for 2015 due to lower Federal, Provincial, and other cost recoveries with completion of a number of projects.
19. **Investment Income:** \$1.1 million increase as a result of higher cash balances than budgeted in 2014.
20. **Civic Property Rental Revenue:** Projected \$1.8 million decrease due to changes in the portfolio of City-owned space leased to external tenants.
21. **Parking Bylaw Fines:** \$1.4 million decrease to align the budget with actual revenue received. Revenues have been decreasing over the last few years due to an increase in compliance and the option for early pay discounts.
22. **Water Purchase Costs:** \$5.3 million increase due to a 1.7% increase in the rate charged by Metro Vancouver, a 4% increase in consumption volume, and a 3% adjustment for a consumption decrease that was budgeted in 2014 but did not occur. As water transitions to pay-as-you go water main replacement, debt service charges are decreasing.
23. **Sewer Levy and Pay-as-You-Go Sewer Separation:** \$4.6 million increase for sewer levy charged by Metro Vancouver, due to a 3.6% rate increase to fund costs of the Iona Wastewater Treatment Plant. An additional \$1.2 million has been budgeted for pay-as-you-go sewer separation, and debt charges are increasing by \$1.8 million.
24. **Solid Waste Expenses:** \$0.1 million decrease due to decrease volume of disposal at the landfill related to the migration of waste out of the region, offset by inflationary wage increases, increases in pension and WorkSafeBC costs, and support for the MMBC and Green Bin programs. Because of decreasing landfill revenues, the transfer to the solid waste reserve will be reduced.
25. **Public Works:** \$1.1 million increase, largely due to a \$0.7 million increase in contractual pay by phone costs resulting from increased pay-by-phone usage and a \$0.4 million increase in street lighting costs due to BC Hydro rate increases. Shared support services represent directly attributable costs of services that support each department from shared corporate service organizations. Increases in the directly attributable costs for Engineering and Utility departments are due to increased facility operating costs at Crossroads facility and increased engineering yards maintenance costs.
26. **Police:** \$12 million increase in 2015, due to the recent arbitrated wage collective agreement with the Vancouver Police Union, increased pension costs, increased regional secondments (offset by increased cost recovery revenue), and a \$0.5 million new investment in policing resources for bike and pedestrian safety.

27. **Fire:** \$5.4 million increase in 2015 due to the recent arbitrated settlement with the Vancouver Fire Fighters Union, increased pension and other benefit costs, and costs related to a 1% increase in the 10-year Fire Fighter rate.
28. **Park Board:** \$3.8 million increase, due to wage increases, increased pension, WorkSafeBC, and other benefit costs, as well as investments in Park Board operations and maintenance of \$0.8 million.
29. **Community Services:** \$2 million increase, including \$2.4 million for interim housing to address Council housing priority, of which \$1.2 million will be funded from reserves. In late 2014, the Inspection Services group within Community Services was moved to the Planning and Development Department, which has been reflected in the 2015 and restated 2014 Budget. Shared support services represent directly attributable costs of services that support each department from shared corporate service organizations. Increases in these directly attributable costs for Community Services reflect additional facility management services for Vancouver Public Housing Corporation and full year facility costs for the Kingsway Continental.
30. **Grants:** \$1.3 million increase in 2015, to provide funding of \$0.45 million for the Breakfast School program, \$0.25 million for the Greenest City Fund, \$0.05 million for the artist grant program, and \$0.2 million in operating grants for planned increase in childcare spaces.
31. **Planning and Development:** \$1.3 million increase, including \$0.6 million in new investments for a permit and license fee review, and for additional temporary resources to improve wait times driven by high volumes.
32. **Mayor and Council:** \$0.3 million increase, including \$0.2 million to support the Mayor's role as Chair of TransLink Mayors' Council, the Big City Mayors' Caucus, Vancouver Police Board and Vancouver Economic Commission are also proposed in the 2015 Budget.
33. **City Clerks:** \$2.1 million decrease, largely due to the removal of one-time election funding in 2014 funded from reserves.
34. **Shared support services:** Total Corporate Services shared support services are decreasing year over year primarily due to increased allocation of legal services and supply chain management to Capital.
35. **Corporate Services:** Total Corporate services are decreasing year over year primarily due to increased allocation of legal services and supply chain management to Capital.
36. **Vancouver Affordable Housing Agency:** A \$0.75 million contribution to the Vancouver Affordable Housing Agency (VAHA) approved by Council in 2014.
37. **Other Fund and Reserve Transfers:** \$1.1 million increase primarily due to the transfer of \$0.7 million in rental revenue to the capital financing fund.

IMPACT ON PROPERTY TAXES AND UTILITY FEES

The following table summarizes the impact of a 2.4% municipal property tax increase on sample 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 this report. Council has no control over the amounts collected by these other taxing authorities.

The 2015 opening Municipal Tax Levy is calculated based on the 2014 Revised Assessment Roll from BC Assessment, prior year adjustments and preliminary new construction available in January. BC Assessment will finalize the 2015 Assessment Roll in March 2015. 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 measure to be adopted by Council for the 2015 tax year. The City has been using the across-the-board land assessment averaging program for the residential, light industrial, and business property classes. The City is working with the Province to confirm its authority to implement targeted land assessment averaging as recommended by the Property Tax Policy Review Commission. The objective of this program is to target mitigation to those properties that have experienced significant year-over-year increases in taxable property value.

Assessed Value of Property (Without Land Assessment Averaging)	Estimated 2015 Tax Bill (CoV Portion)	Change over 2014
Average condo unit valued at \$0.57 million	\$ 996	\$ 23
Average single-family detached unit valued at \$1.53 million	\$ 2,674	\$ 63
Average commercial property valued at \$2.85 million	\$ 20,079	\$ 471

The majority of single-family residential properties are charged a flat fee for utilities, with only newly constructed single family homes metered. Business properties are metered. Water and sewer charges for commercial properties increase by the same percentages as residential properties. The table below assumes no change in water consumption for 2015.

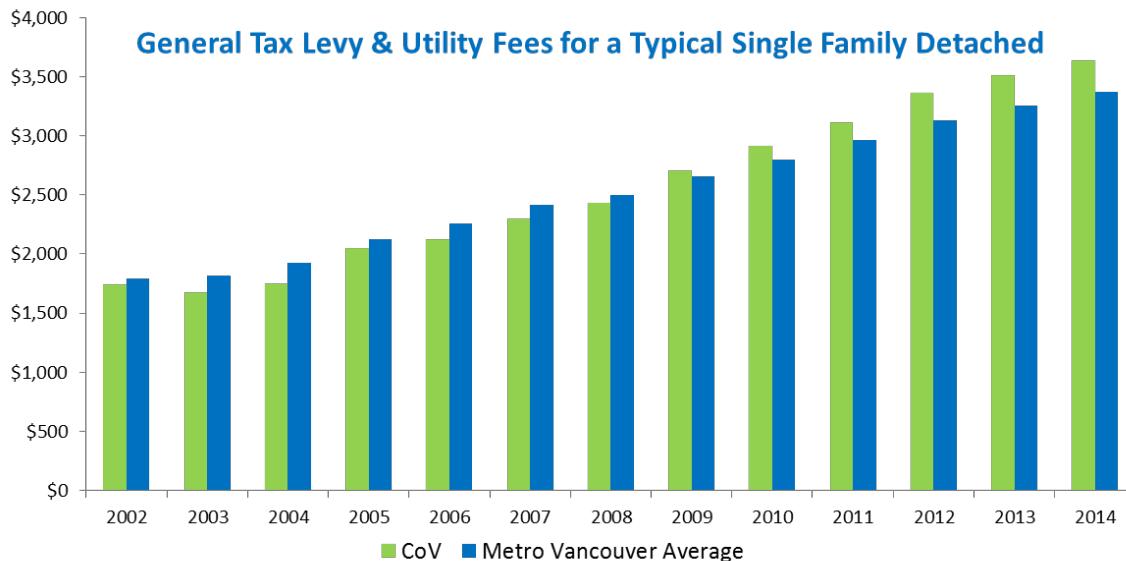
All residential single-family properties receive garbage, yard, and food waste collection, while only 800 commercial and institutional properties receive garbage collection services from the City. The remainder is served by private collectors. The indicative utility rates below reflect combined City and Metro Vancouver utility charges.

Indicative City Property Tax and Utility Fee Impact

Sample \$1 million Property	RESIDENTIAL Single Family Detached		BUSINESS	
	Estimated 2015 Tax Bill (CoV Portion)	Change over 2014	Estimated 2015 Tax Bill (CoV Portion)	Change over 2014
Property Taxes (2.4% increase)	\$ 1,748	\$ 41	\$ 7,045	\$ 165
Utility Fees				
Solid Waste Utility Fee	\$ 264	\$ 8	\$ 209	\$ 6
Sewer Utility Fee	\$ 314	\$ 17	\$ 320	\$ 18
Water Utility Fee	\$ 568	\$ 22	\$ 527	\$ 20
Total Utility Fees	\$ 1,146	\$ 47	\$ 1,056	\$ 44
Total City Taxes and Fees	\$ 2,894	\$ 88	\$ 8,101	\$ 209

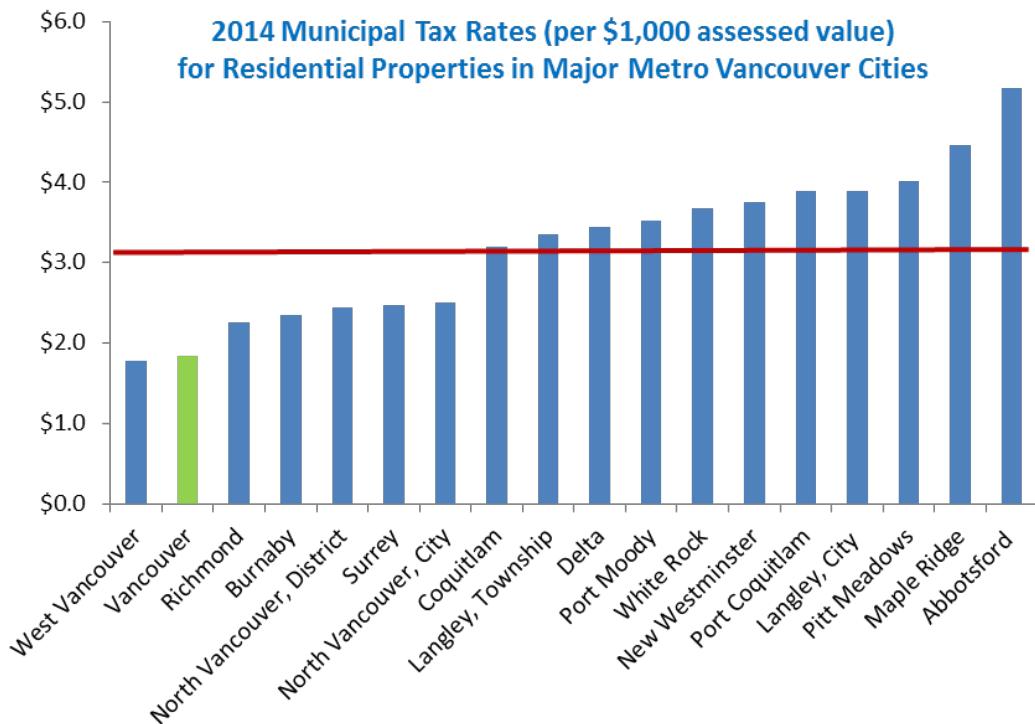
HISTORICAL TREND

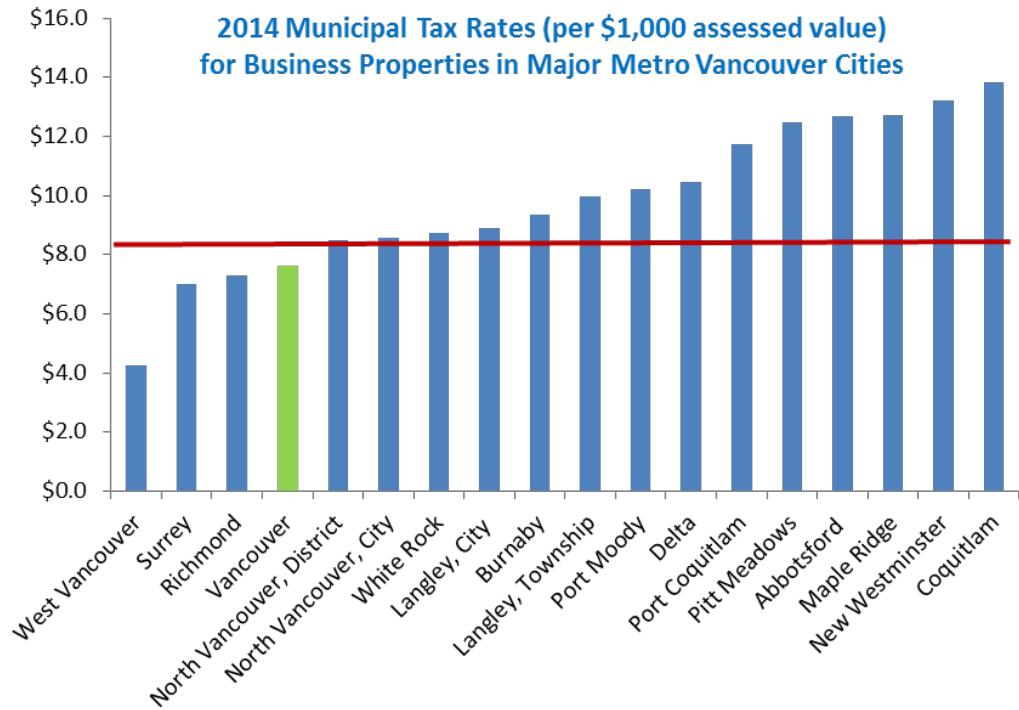
The table below provides an historical trend of the total General Tax Levy and utility fees for a typical single-family detached home in the City of Vancouver, as compared to the Metro Vancouver average.



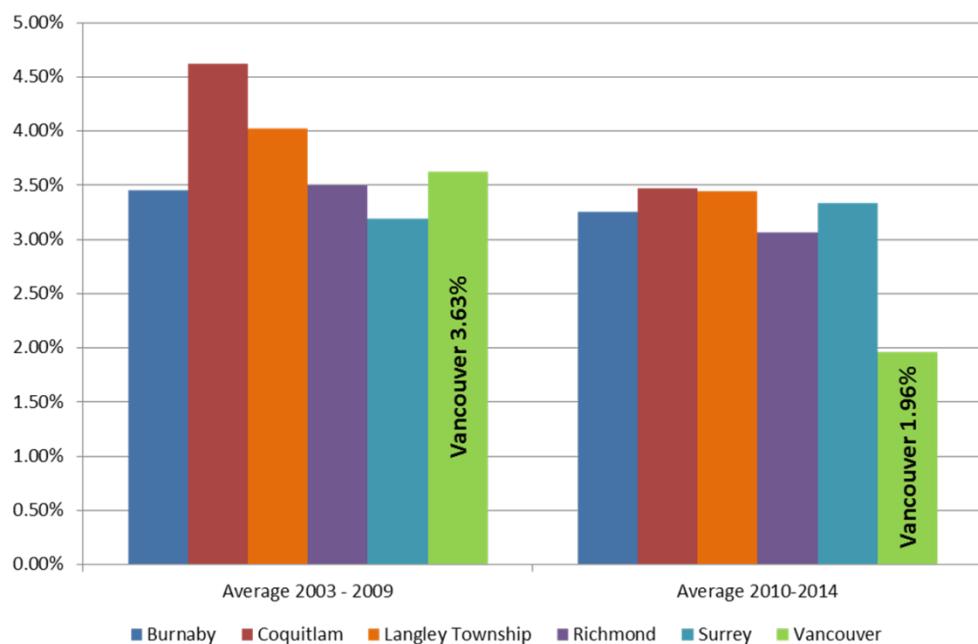
MUNICIPAL COMPARISON

Vancouver compares favourably to other Metro Vancouver municipalities on the tax rate per \$1,000 of assessed value (2014 data). Vancouver is below the average rate for both residential and business properties.

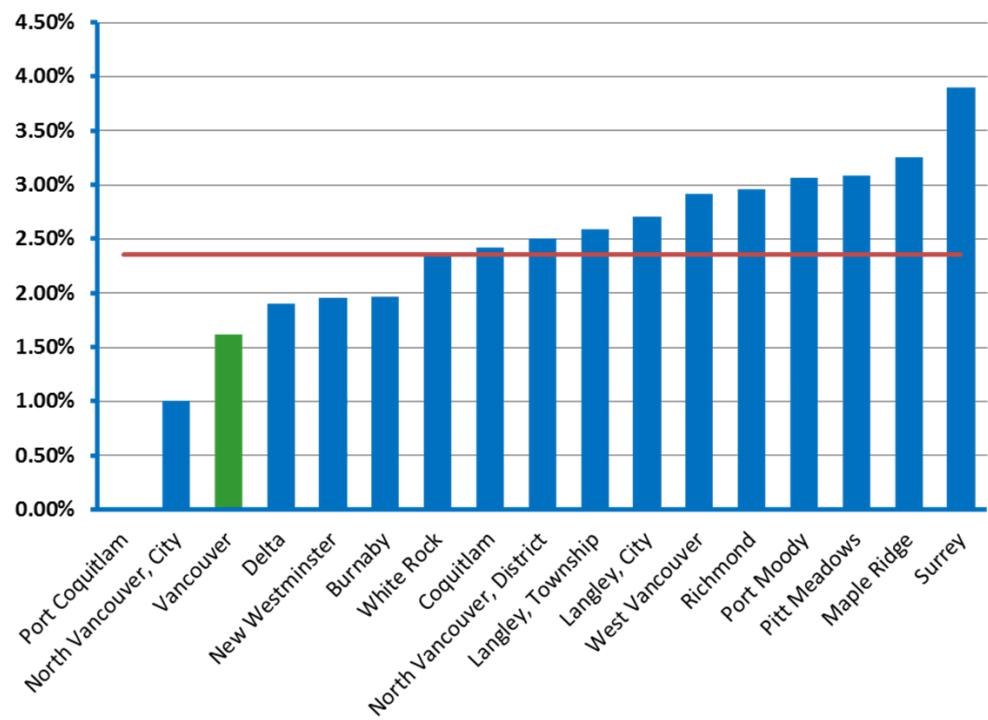




Average Annual Property Tax Increase



2014 Metro Vancouver Property Tax Increase



FOUR-YEAR OUTLOOK

The purpose of the four-year operating plan is to provide Council and staff with a longer-term projection on the City's revenue and expense direction, and insights on potential pressures and risks. Many decisions have multi-year impacts, and developing an operating plan for the four-year period will enable more informed planning and decision-making.

The four-year outlook is based on the City's Long Term Financial Sustainability Guidelines, and reflects the impacts of the four-year Capital plan. In looking ahead four years, it is apparent that the City will need to continue to enhance its cost structure and optimize revenue from fees and other services to maintain a property tax increase in line with inflation, which is expected to continue in the 2% range over this period. The four-year operating plan builds on a number of assumptions for revenue and costs drivers as well as known changes.

REVENUE

Operating revenue is projected to increase by an average of 2.5% per year from 2016-2018. This increase is primarily driven by the following broad financial assumptions, in line with the Long Term Financial Sustainability Guidelines:

- Property tax and other user fee increases in line with inflation (forecasted inflation based on the Conference Board of Canada forecast is: 2016 - 2.0%, 2017 - 2.0%, 2018 - 2.0%)
- Increased property taxes from new construction of \$4 million a year in 2016, growing to \$5 million in 2018
- Program fee increases in line with inflation
- Licence and development fees in line with inflation (note that in 2015, a review of permit and licence fees will inform these increases in future years)

Other revenue changes forecast for 2016-2018 are:

- Increases to utility rates are expected to average 4.1% per year (2016 - 4.4%, 2017 - 4.1%, 2018 - 3.9%) driven primarily by Metro Vancouver forecasted regional utility charge increases.
- Growth in parking revenues is estimated to remain flat, with the growth in metered parking spaces in some areas being offset by reduced space related to City projects such as public bike share and other street use activities.
- Traffic fine revenues are expected to be stable from 2015 once the new revenue sharing model is set.
- Investment income is expected to be stable in 2016, as higher cash balances are expected to be offset by lower interest rates, with a slight increase in 2017 and 2018.
- A \$1 million increase in bylaw fines is forecast for 2016 due to increased volume of tickets resulting from the license plate recognition and parking enforcement staffing strategies, then remain stable in 2017 and 2018.
- Building and development permit revenue volume is forecast to grow at a slower pace than the growth in 2015.

EXPENDITURES

Operating expenditures are projected to increase by an average of 3.3% per year from 2016-2018. This increase is primarily driven by the following assumptions:

- Increases in salary and benefits are primarily driven by projections in line with inflation for collective agreements with CUPE, the Police Union, and the Vancouver Fire Fighters' Union set to expire at the end of 2015, along with increases in employee benefit costs including employer

pension contributions, WorkSafeBC premiums, Canada Pension Plan, and Employment Insurance.

- Increases to regional utility charges are assessed by Metro Vancouver and are expected to average 4.4% per year (2016 - 4.5%, 2017 - 4.4%, 2018 - 4.3%) to fund the cost of new capital infrastructure (based on Metro forecasts); costs are primarily recovered through user fees without additional property tax implications.
- Fixed cost increases for electricity, gas, insurance, rent, and maintenance are forecasted to be 3.1% in 2016, 3.0% in 2017, and 2.8% in 2018.
- Equipment costs are driven primarily by a larger transfer to the plant and equipment account for replacement of recycling/refuse and fire trucks, along with a projected 2% increase in fuel costs beginning in 2016. This is offset partially by a planned reduction in the level of fleet over the period.
- Engineering Public Works expenditures are anticipated to increase in 2016 by \$0.5 million resulting from operating impacts for capital investments in equipment, and decreased expenditures in 2018 of \$0.8 million resulting from operating impacts for capital investments in a new centralized equipment management system.
- Increased expenditures of \$2.3 million in 2016, and \$0.5 million in 2017, are anticipated for operating expenditures for new Fire fleet additions.
- Increased expenditures of \$0.8 million in 2016 are anticipated for the new n̄c̄a?mat ct Strathcona Branch Library operating costs.
- Increased expenditures of \$0.2 million in 2016, \$0.2 million in 2017, and \$0.1 million in 2018 for childcare operating costs.
- Increased expenditures of \$0.2 million in 2018 for operating costs related to the Killarney Seniors' Centre.
- Grants are expected to increase in line with inflation.
- There are anticipated increases to capital program transfers from the operating budget of \$2.1 million a year, supporting the 2015-2018 Capital Plan.
- General debt is expected to increase by \$2.0 million in 2016, \$2.1 million in 2017, and \$1.8 million in 2018.
- New investments are assumed to be at \$5 million a year.

RISKS AND OPPORTUNITIES

All union collective agreements expire at the end of 2015. The level of new agreements will have a significant impact on the ability to balance the operating budget in future years. If wage or benefit increases exceed inflation, the ability to maintain competitive tax increases will be impacted, and additional focus on revenue generation and expense management will be required.

Historically, collective agreements for Police and Fire unions have been above the City average and well above inflation. Therefore, any potential increases above inflation would have an even more significant impact on the four-year plan as Public Safety costs are the largest departments in the City. Those costs increases would need to be offset by increased revenues through fees or property tax, or by reduced expenditures or staffing levels.

The four-year operating plan will be updated on an annual basis as part of the annual budget process. The model will continue to be enhanced as the City's long-term planning processes evolve.

FOUR-YEAR OUTLOOK

City of Vancouver (\$000)	2015 Proposed	2016 Forecast	2017 Forecast	2018 Forecast	2016 Change (\$)	2016 Change (%)	2017 Change (\$)	2017 Change (%)	2018 Change (\$)	2018 Change (%)
Revenues										
Property tax revenue	689,901	707,413	725,231	744,455	17,512	2.5%	17,818	2.5%	19,224	2.7%
Utility revenue										
Water revenue	109,317	112,916	115,965	117,700	3,598	3.3%	3,050	2.7%	1,735	1.5%
Sewer revenue	61,219	65,946	71,172	77,080	4,726	7.7%	5,227	7.9%	5,908	8.3%
Solid Waste revenue	63,610	65,010	66,410	67,910	1,400	2.2%	1,400	2.2%	1,500	2.3%
Neighbourhood Energy revenue	3,683	4,316	4,922	5,736	633	17.2%	606	14.0%	814	16.5%
Total Utility revenue	237,830	248,187	258,470	268,427	10,358	4.4%	10,282	4.1%	9,957	3.9%
Program revenue	56,437	57,566	58,717	59,891	1,129	2.0%	1,151	2.0%	1,174	2.0%
License & Development fees	54,895	55,993	57,113	58,255	1,098	2.0%	1,120	2.0%	1,142	2.0%
Parking revenue	53,178	53,178	53,178	53,178	-	0.0%	-	0.0%	-	0.0%
Cost recoveries, grants & donations	40,467	40,751	41,040	41,337	283	0.7%	290	0.7%	297	0.7%
Provincial revenue sharing	21,652	21,652	21,652	21,652	-	0.0%	-	0.0%	-	0.0%
Investment income	17,603	17,603	17,603	17,603	-	0.0%	-	0.0%	-	0.0%
Other revenue	34,876	34,876	34,876	34,876	-	0.0%	-	0.0%	-	0.0%
Bylaw fine revenue	16,555	17,555	17,555	17,555	1,000	6.0%	-	0.0%	-	0.0%
Total Revenues	\$ 1,223,395	\$ 1,254,774	\$ 1,285,436	\$ 1,317,230	\$ 31,379	2.6%	\$ 30,661	2.4%	\$ 31,795	2.5%

Note: Totals may not add due to rounding

City of Vancouver (\$000)	2015 Proposed	2016 Forecast	2017 Forecast	2018 Forecast	2016 Change (\$)	2016 Change (%)	2017 Change (\$)	2017 Change (%)	2018 Change (\$)	2018 Change (%)
Expenditures & Transfers										
Utilities										
Water	109,317	112,916	115,965	117,700	3,598	3.3%	3,050	2.7%	1,735	1.5%
Sewer	96,042	102,610	110,194	118,883	6,568	6.8%	7,584	7.4%	8,689	7.9%
Solid Waste	63,610	65,010	66,410	67,910	1,400	2.2%	1,400	2.2%	1,500	2.3%
Neighbourhood Energy	3,683	4,316	4,922	5,736	633	17.2%	606	14.0%	814	16.5%
Total Utilities	272,653	284,852	297,491	310,230	12,199	4.5%	12,640	4.4%	12,738	4.3%
Department										
Engineering	76,115	78,871	80,890	82,955	2,756	3.6%	2,019	2.6%	2,065	2.6%
Sustainability	3,399	3,468	3,541	3,606	68	2.0%	74	2.1%	64	1.8%
Police Services	273,591	279,234	286,664	292,222	5,643	2.1%	7,430	2.7%	5,558	1.9%
Fire & Rescue Services	113,318	117,688	121,251	123,360	4,370	3.9%	3,563	3.0%	2,108	1.7%
Parks & Recreation	113,383	115,661	117,901	120,259	2,278	2.0%	2,240	1.9%	2,358	2.0%
Library	47,296	48,992	49,924	50,857	1,696	3.6%	932	1.9%	933	1.9%
Britannia Community Services Centre	5,028	5,145	5,264	5,381	117	2.3%	119	2.3%	117	2.2%
Civic Theatres	7,395	7,531	7,670	7,806	136	1.8%	139	1.8%	137	1.8%
Community Services	38,356	38,981	39,620	40,257	625	1.6%	639	1.6%	637	1.6%
Grants	19,006	19,237	19,473	19,714	231	1.2%	236	1.2%	241	1.2%
Planning & Development	30,887	31,463	32,050	32,649	576	1.9%	587	1.9%	599	1.9%
Mayor & Council	2,522	2,562	2,602	2,642	39	1.6%	40	1.6%	41	1.6%
Corporate Services	85,103	88,299	90,366	92,208	3,196	3.8%	2,067	2.3%	1,842	2.0%
General Government	41,217	42,298	43,824	45,088	1,081	2.6%	1,526	3.6%	1,264	2.9%
Total Department	856,616	879,430	901,041	919,004	22,814	2.7%	21,610	2.5%	17,963	2.0%
General debt & Transfers to Capital Fund	94,127	98,250	102,432	106,323	4,123	4.4%	4,183	4.3%	3,891	3.8%
New Investments	-	5,000	10,000	15,000	5,000	0.0%	5,000	100.0%	5,000	50.0%
Total Expenditures & Transfers	\$ 1,223,395	\$ 1,267,532	\$ 1,310,964	\$ 1,350,557	\$ 44,136	3.6%	\$ 43,433	3.4%	\$ 39,592	3.0%
Net Operating Budget	\$ -	\$ (12,757)	\$ (25,529)	\$ (33,326)	\$ (12,757)		\$ (12,771)		\$ (7,797)	

Note: Totals may not add due to rounding

CAPITAL BUDGET

The Capital Budget provides for creating and sustaining City-owned infrastructure. Road repair, bridge upgrades, and replacement of water and sewer pipes are all capital expenditures. Renewing and expanding the City's infrastructure is a way of investing in the future of the City, and an important factor in achieving good value for money by extending the operational lifespan of the City's assets. Capital expenditures also include the expansion and creation of new infrastructure to keep up with population and economic growth and achieve City priorities. This includes facilities such as community centres, market and non-market rental housing, childcare facilities, libraries, and more. Other core capital priorities include capital investments to enable the City's operations such as fleet, information systems, and administrative facilities.

10-YEAR CAPITAL OUTLOOK

The City plans capital investments by starting with a 10-year capital outlook, from which a Capital Plan is developed. This, in turn, forms the basis for the annual budget. The 10-year outlook is updated every four years and was most recently refreshed as an input to the 2015-2018 Capital Plan.

Having a 10-year strategic framework greatly enhances the City's ability to achieve value for money through partnership opportunities—with senior levels of government and others—that align with the City's infrastructure requirements. As an example, the Powell Street Overpass project was a \$50 million major road and rail infrastructure enhancement for a section of Powell Street in Vancouver's Downtown Eastside, just west of Clark Drive. The City contributed \$3.8 million to the project, with the remaining \$46.3 million contribution coming from funding partners, which include Port Metro Vancouver, Transport Canada, CP Rail, and TransLink.

FOUR-YEAR CAPITAL PLAN

On May 29, 2014, the Province enacted legislation to extend the term of Council from three to four years effective 2014. The 2015-2018 Capital Plan is the first four-year plan to match the extended term of Council.

The four-year Capital Plan identifies Council and Park Board priorities for capital projects and the planned funding sources for those investments. Borrowing requirements for non-utility capital are outlined in the Capital Plan and are approved by the public through a plebiscite in the municipal election.

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

The key objective of the 2015-18 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 people who visit and work here
- Advancing Council and community priorities within the City's long-term financial capacity

The 2015-18 Capital Plan was approved on October 1, 2014. This approval includes \$1,085 million of capital investments that target the following areas of Council policy:

- Affordable housing and childcare to attract and retain a strong workforce, as part of the Economic Action Strategy
- Infrastructure and facility rehabilitation and renewal
- Sewer separation and renewal to meet the regulatory target by 2050
- Climate change adaptation and seismic upgrades
- Various initiatives and commitments relating to the Greenest City 2020 Action Plan

In addition to the \$1,085 million 2015-2018 Capital Plan, the City has secured approximately \$308 million in in-kind Community Amenity Contributions (CACs) for new and expanded amenities through rezonings. Over the next four years, completion of ongoing capital projects through the 2012-2014 Capital Plan will bring on stream approximately \$295 million worth of infrastructure—either renewed or new. Thus, the overall investment commitments anticipated over the next four years on infrastructure and amenities in the city totals approximately \$1,688 million.

As factors impacting capital priorities change subsequent to the approval of the Capital Plan, the Plan is adjusted as necessary to align with current capital priorities and budget challenges (e.g., addition of new funding or changes in the funding sources, addition or deletion of projects).

Sources of Capital Plan Funding	Original 2015-2018 Capital Plan		Revised 2015-2018 Capital Plan		Change in Capital Plan Funding		2015 Capital Budget Funding Requests	
	\$M	%	\$M	%	\$M	%	\$M	%
Borrowing Authority	\$382.5	35%	\$382.5	35%	\$0.0	0%	\$103.2	42%
Capital from Revenue	90.0	8%	89.7	8%	-.3	0%	19.3	8%
Operating Revenue that funds Capital Projects	59.5	5%	59.5	5%	.0	0%	15.1	6%
Development Cost Levies (DCL)	144.6	13%	144.6	13%	.0	0%	35.4	15%
Community Amenity Contributions (CAC)	157.8	15%	157.8	15%	.0	0%	16.6	7%
Special Purpose Reserves	114.5	11%	114.5	11%	.0	0%	35.4	15%
User Fees and Levies	63.3	6%	63.3	6%	.0	0%	16.0	7%
Other / External	73.0	7%	73.2	7%	.3	0%	2.3	1%
Total Capital Plan Funding	\$1,085.0	100%	\$1,085.0	100%	\$0.0	0%	\$243.2	100%

Note: Totals may not match due to rounding

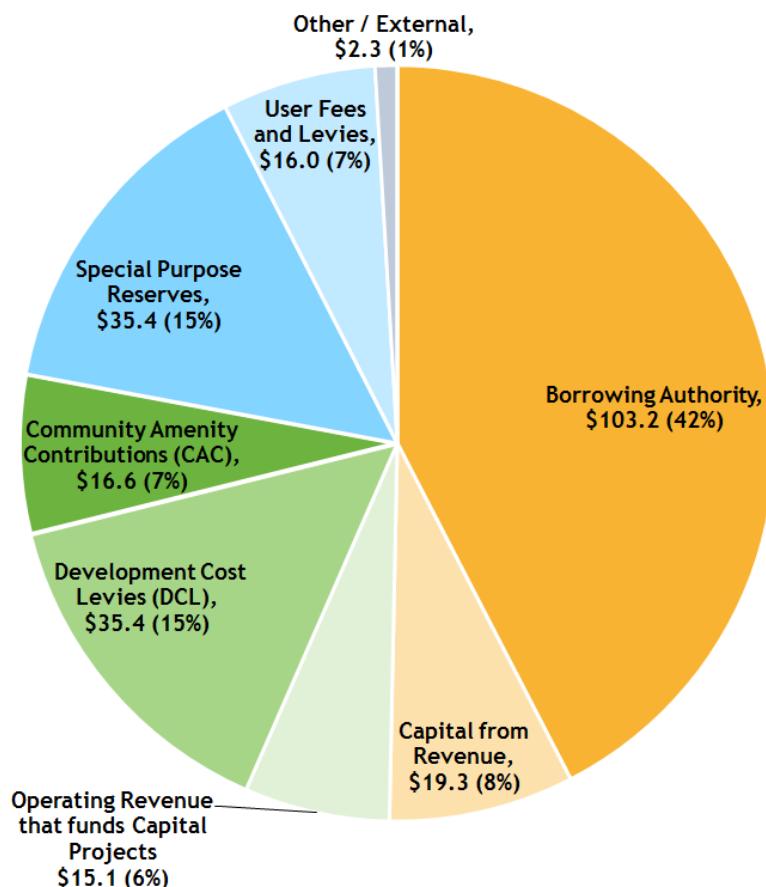
2015 NEW CAPITAL PROJECT BUDGET AND FUNDING/REVENUES

Capital projects are viewed on both an annual budget basis (annual budget), and a total project basis (multi-year project budget). Total new multi-year capital project budget funding being requested in 2015 is \$243.2 million. It is anticipated that \$160.7 million of this funding will be spent in 2015.

The chart below provides a breakdown of the \$243.2 million by type of funding.

Refer to appendixes in the Council Report for a detailed list of new project requests and related funding sources as well as a detailed list of projects and programs, including scope of work, total funding, planned expenditures for 2015-2018, and projects or programs classified as Timing Uncertain.

**2015 Funding Sources For Project Budgets - \$243.2 million
(\$millions)**



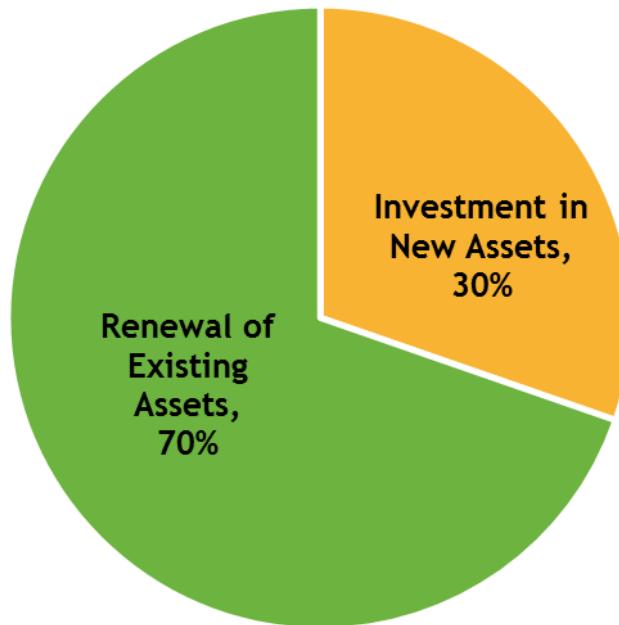
INFRASTRUCTURE RENEWAL TO SUSTAIN SERVICES

Municipalities own 60% of Canada's infrastructure¹, and it is essential to find ways to leverage funds to maintain the City's assets and infrastructure. City infrastructure includes assets such as water and sewer systems, roads, and civic buildings (e.g., community centres, libraries).

The City owns over \$20 billion of capital assets (replacement value excluding land), encompassing:

- Eight 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 of parks and open spaces
- 4,260 kilometres of sidewalks, streets, and lanes
- 3,600 kilometres of underground water and sewer mains

Approximately 70% of the 2015 Annual Capital Expenditure Budget is directed toward renewal of this existing infrastructure.



¹ Federation of Canadian Municipalities

2015 CAPITAL EXPENDITURE BUDGET

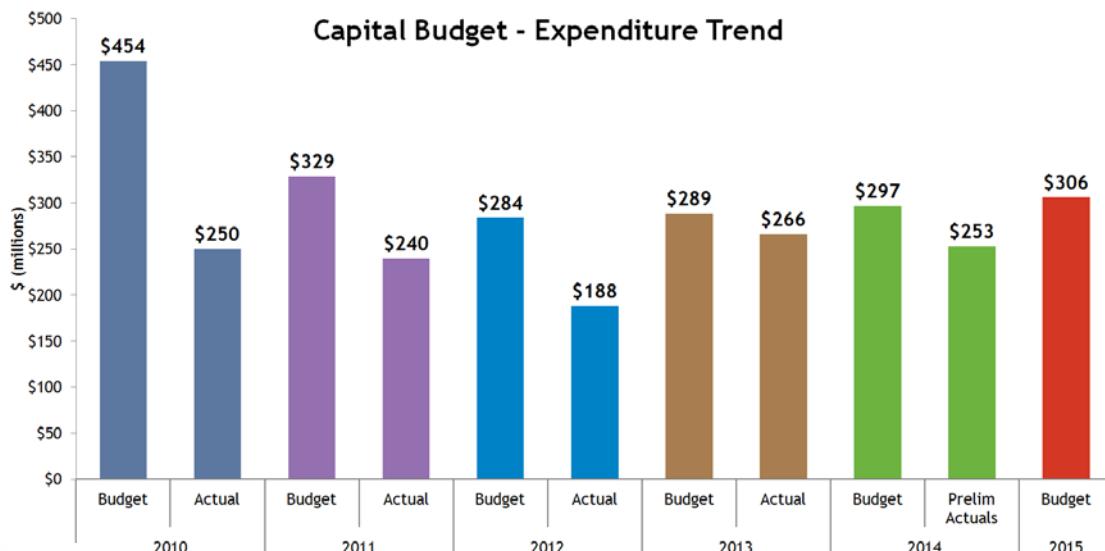
The 2015 Capital Expenditure Budget is \$306.0 million, which includes funding from previously approved projects that are continuing from the past year in the amount of \$145.3 million, plus \$160.7 million of funding anticipated to be spent in 2015 from the \$243.2 million total funding being requested for multi-year capital project budgets.

The 2015 Capital Expenditure Budget includes ongoing regular programs such as sewer main reconstruction and roof replacement, as well as discrete, one-time projects such as the construction of a new library or planning for a new community centre. Through the Capital Budget process for 2015, specific projects have been prioritized based on need, the opportunity to leverage senior government funding, internal capacity to deliver projects and programs, and the ability to enable business transformation by improving operations through capital investments. Maintenance and upgrading of utilities remains a critical mandate.

The chart below provides a summary of the 2015 Capital Expenditure Budget in comparison to previous years' expenditures. It includes a forecast for 2016, 2017, and 2018 expenditures and expenditures for which spend timing is not yet certain (e.g., projects that will begin only when third-party funding is confirmed, or 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 Budget once the timing of expenditure becomes known. Similar to prior years, it is expected that a portion of the funding allocated in the 2015-18 Capital Plan will be spent in 2019 due to the nature of many of the City's capital projects having multi-year expenditure patterns.

Spending in 2014 is estimated to be approximately \$253 million (85% of budget) which is lower than 2013 expenditures of \$266 million, but significantly higher than 2012 expenditures. This is due in large part to several of the City's larger capital projects in design and planning phases in 2012 and moving to the implementation stage in 2013 and 2014. The majority of the underspend is due to delays in various projects (e.g., Permit and Licence Transformation Program, n̄c̄a?mat ct Strathcona Branch Library, and vehicles and equipment replacement program).

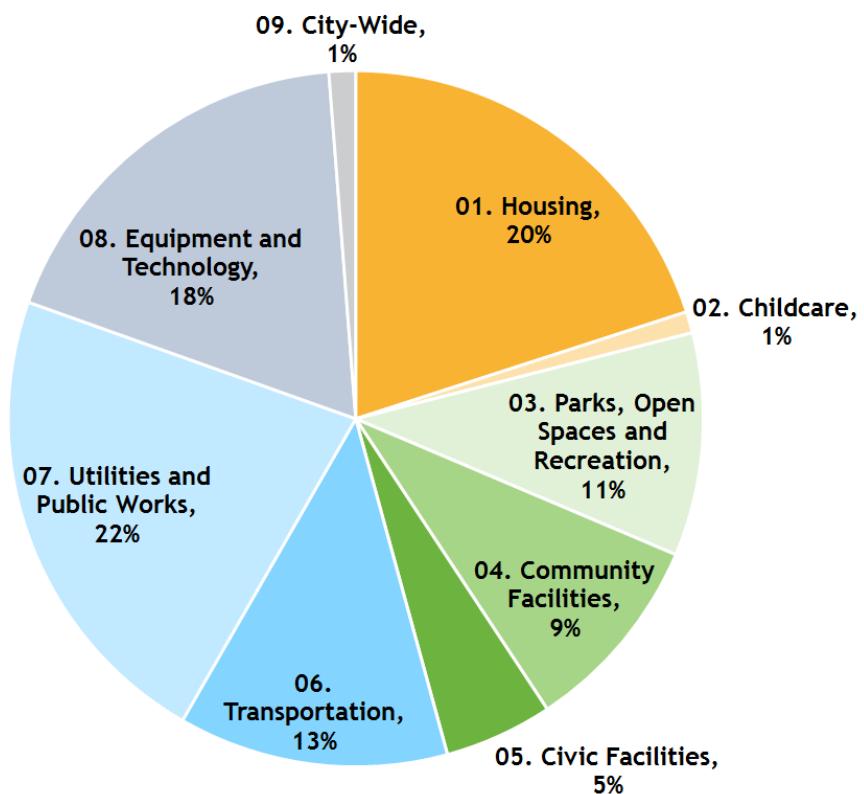
Expenditures for 2015 are anticipated to increase to \$306.0 million in order to complete many of the projects that were set out in the 2012-2014 Capital Plan, and to make significant investment in Council priority areas including land acquisition for non-market housing (\$48.0 million in 2015). Capital expenditures are expected to further increase in 2016 and 2017 when a number of large-scale projects will be implemented (e.g., Burrard Bridge rehabilitation and upgrades, replacement of Fire Hall No. 5), then decline in 2018 when many of the significant investments planned for in the 2015-18 Capital Plan have been delivered. It is important to note that the 2016 to 2018 forecast is preliminary. Based on historical trends and due to the nature of capital projects being multi-year, it is estimated that approximately \$130-\$140 million in expenditures from 2015-2018 Capital Plan funding will take place in 2019.



2015 CAPITAL EXPENDITURE BUDGET BY SERVICE CATEGORY

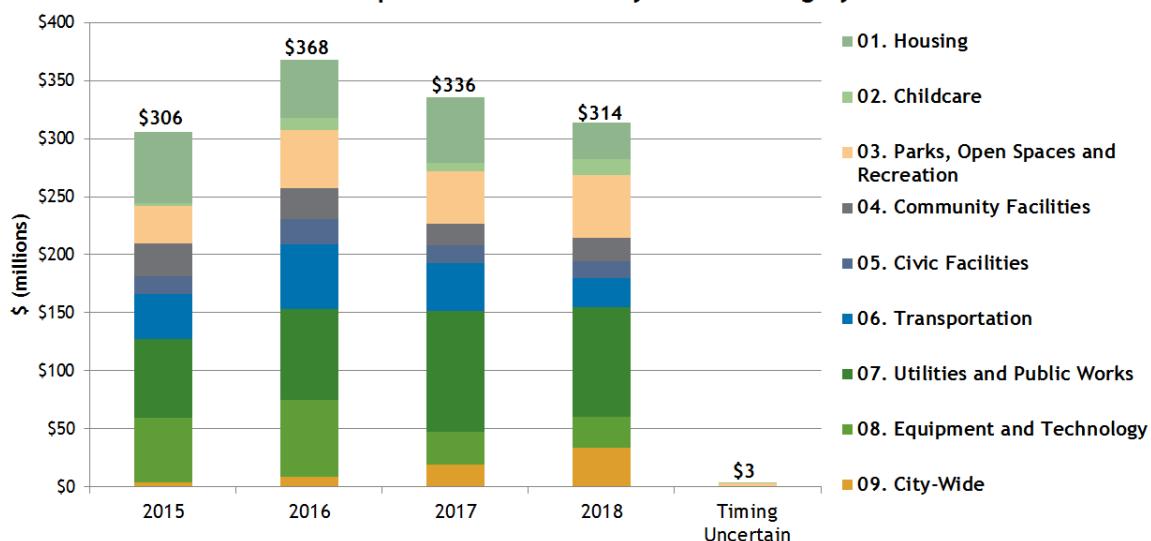
The 2015 Capital Expenditure Budget includes nine service categories.

2015 Capital Budget Expenditures
\$306.0 million



The graph below provides a comparison of projected capital expenditures for 2015, 2016, 2017, and 2018 by service category.

2015 to 2018 Expenditures Forecast by Service Category



Projected forecasted expenditures for 2016, 2017, and 2018 are preliminary and are subject to further refinement over the next four years.

Refer to appendixes in the Council Report for a detailed list of new project requests and related funding sources as well as a detailed list of projects and programs, including scope of work, total funding, planned expenditures for 2015-2018, and projects or programs classified as Timing Uncertain.

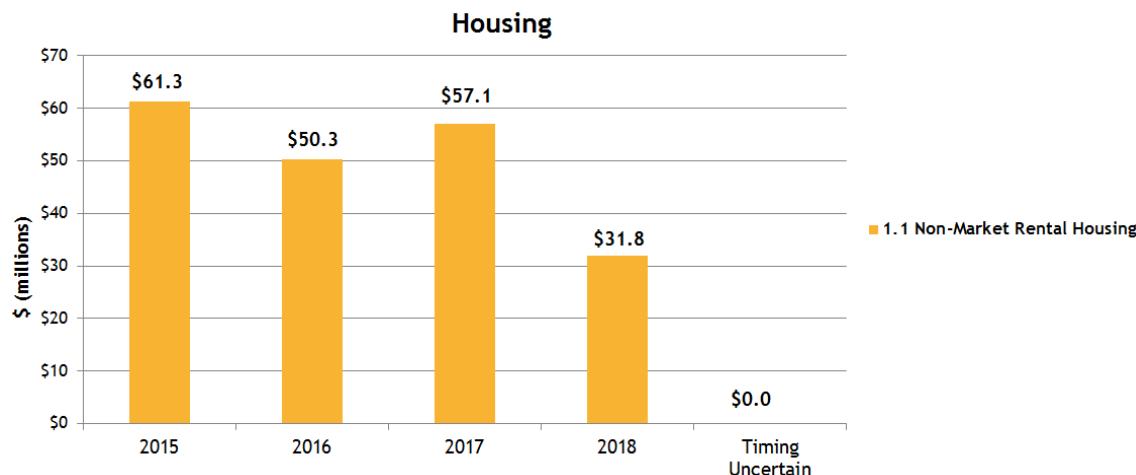
TOP 10 PROJECTS AND PROGRAMS IN 2015

For 2015, the top 10 capital projects or programs represent approximately 50% of all 2015 planned capital expenditures.

	Project or Program	Anticipated Expenditure in 2015 (\$ million)	Anticipated Outcomes in 2015
1	Vehicles and equipment replacement (Annual program)	\$25.9	250 vehicles and pieces of equipment replaced
2	Sewer separation (Annual program)	25.8	11.5 km of combined (stormwater and sanitary) sewer mains separated (1.1%)
3	Land acquisition for new non-market housing	20.0	Purchase of land as opportunities arise, as well as site remediation where appropriate, to enable strategic partners (e.g., senior government, non-profit agencies) to deliver 750 units of affordable housing on City-owned land over the next 4 years
4	Affordable rental housing on City-owned land	19.9	Delivery of 358 units of affordable housing by 2018 on City-owned land through agreements with Community Housing Land Trust Foundation
5	Water pipe replacement (Annual program)	12.5	<ul style="list-style-type: none"> • 6.5 km of distribution water pipe replaced (water distribution to homes, businesses, and industry) • 1.5 km of transmission water pipe replaced (transmission of bulk quantities of water throughout the City)
6	Water/sewer connections replacement (Annual program)	11.2	<ul style="list-style-type: none"> • 1,200 residential water and sewer connections replaced • 100 commercial sewer connections replaced • 200 commercial water connections replaced
7	Rehabilitation of major City roads (Annual program)	9.0	10.2 km of arterial City pavements rehabilitated
8	Land acquisition in East Fraser Lands for non-market housing	8.1	Purchase of land to enable strategic partners (e.g., senior government, non-profit agencies) to deliver 300 units of affordable housing on City-owned land over the next 4 years
9	Permit and Licence Transformation Program (Total project budget \$26.0M, including completed phase for Online Services Implementation)	7.7	<ul style="list-style-type: none"> • Expansion of online permit self-service capabilities • Expansion of mobile online field inspections capability
10	nēča?mat ct Strathcona Branch Library (Total project budget \$18.4M)	7.1	Construction 75%-80% complete
Total Anticipated Expenditures for 2015		\$147.2	

HIGHLIGHTS OF THE 2015 CAPITAL BUDGET

1. HOUSING: \$ 61.3 MILLION



Affordable housing offers a range of choices to low- and middle-income residents, including shelters to address street homelessness, social and supportive housing, and purpose-built rental apartments and suites. The goal is to provide more affordable housing choices for residents across communities. All levels of government (Federal, Provincial, Metro Vancouver and the City) are involved, along with non-profit agencies and the private sector.

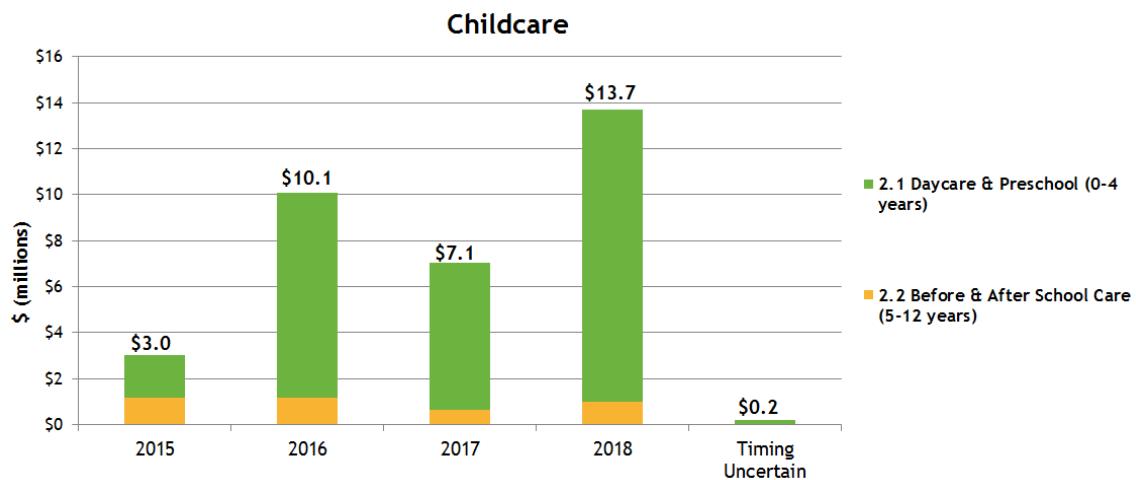
There are more than 25,000 non-market rental housing units across Vancouver. At the end of 2014, 1,361 non-market rental and 184 market rental units were owned by the City.

In the next four years, the City plans to renew three City-owned buildings in the Downtown Eastside (251 units), continue with ongoing capital maintenance and renovations of various City-owned non-market housing projects, and provide capital grants to assist with the upgrading of existing SRO hotels owned and/or operated by non-profit agencies (target 400 rooms). In addition, the City plans to add 2,550 of new social and supportive housing units to be achieved through a combination of in-kind CACs, strategic partnerships with non-profit agencies on City land, and capital grants to non-profit partners to enable their projects.

Major projects planned for 2015:

- Land acquisition for delivery of new social and supportive housing units through strategic partnerships with non-profits (\$48 million):
 - East Fraser Lands: \$8.1 million
 - Contribution for Land Trust Sites: \$19.9 million
 - Other strategic acquisitions \$20 million
- Capital grants for non-City owned non-market units: \$2.5 million in 2015, with a target of 250 units
- Planning for Roddan Lodge renewal (Housing) in conjunction with Evelyne Saller Centre renewal (Social): \$1.0 million in 2015, with total renewal costs to be determined after planning phase (planned outcome in 2015 to be rezoning and development permit application - total project budget for planning \$1.2 million)
- Capital Grants to Upgrade Single Room Occupancy (SRO) Buildings: \$0.5 million in 2015, with a target of 100 units

2. CHILDCARE: \$ 3.0 MILLION



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

There are currently over 13,000 licensed childcare spaces available in Vancouver.

In the next four years, the City plans 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 plans to add 400 spaces for children 0-4 years (City contribution of \$50,000 per space), 100 spaces via in-kind CAC contributions (with City contribution of ~\$25 million), and 500 spaces for children 5-12 years old (City contribution of \$10,000 per space in partnership with the Vancouver School Board and other community partners).

2.1. Daycare and Preschool (0-4 years) \$ 1.9 million

Major projects planned for 2015:

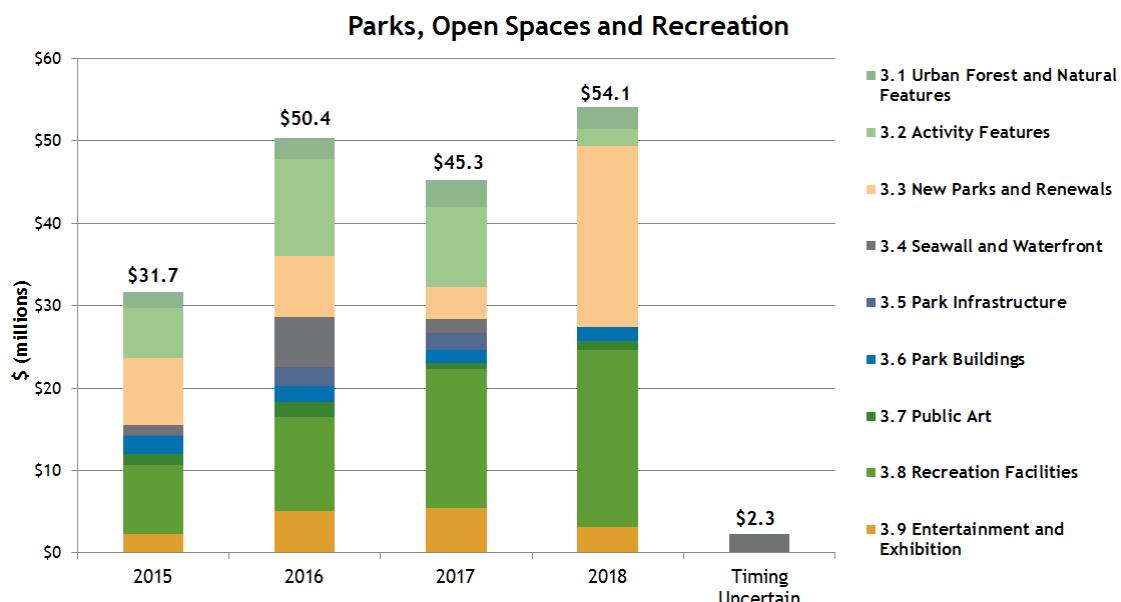
- Childcare feasibility, planning, and schematic design for three to 10 childcare projects: \$0.8 million in 2015
- Planning and design for Marpole Place building retrofit: \$0.6 million in 2015, with scope of work in 2015 including planning and reviewing options for retrofit of the three-story building for childcare and community space (total renewal costs to be determined after planning phase)

2.2. Before- and After-school Care (5-12 years) \$ 1.1 million

Major projects planned for 2015:

- New additional multi-purpose room for 30 spaces at the International Village School site: \$0.4 million in 2015 (total project \$1.0 million, with completion anticipated in 2016)
- Community partnerships with the Vancouver School Board: \$0.7 million in 2015, which will provide funding for expansion grants for the purpose of retrofitting multi-purpose space in schools to increase the number of licensable school age childcare spaces on site

3. PARKS, OPEN SPACES, AND RECREATION: \$ 31.7 MILLION



Vancouver's network of parks and open spaces includes over 300 sites distributed throughout the city, accounting for 1,360 hectares (13.6 km²) 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 like Stanley Park and Queen Elizabeth Park) and function (e.g., natural areas, sports and recreation, leisure activities, public gatherings).

Recreation facilities include community centres, swimming pools, and ice rinks, while entertainment-exhibition spaces include Nat Bailey Stadium at Hillcrest Park and many of the facilities at Hastings Park, including those operated by the Pacific National Exhibition (PNE).

The vast majority of parks and recreation facilities are managed by the Board of Parks and Recreation.

In the next four years, the City plans to continue with the ongoing renewal of parks and open space features, Phase 1 renewal of the Britannia Community Centre, public consultation for the Marpole-Oakridge Community Centre renewal, and the next phase of the Hastings Park/PNE renewal, along with continued facility maintenance and renovations. In addition, the City plans to add new parks (Smithie and Richards, along the Fraser River in Marpole, and in East Fraser Lands). As well, natural features in parks and open spaces will be added or enhanced, new sport facilities will be implemented, 40,000-50,000 trees will be planted, 10 community gardens will be added or expanded, and 10 to 20 new pieces of public art will be installed.

3.1. Urban Forest and Natural Features \$ 2.0 million

Major projects planned for 2015:

- Urban Forest parks and street trees: \$1.5 million in 2015, which will allow for the planting of approximately 11,700 trees in streets, parks, and other locations
- Access to nature: \$0.3 million in 2015, which will provide funding for two to three new or expanded community gardens in parks and staff for environmental and stewardship programs
- Wetland and stream restoration: \$0.1 million in 2015, which will allow for biodiversity projects and creek restoration (e.g., Beaver Lake)

3.2. Activity Features \$ 6.1 million

Major projects planned for 2015:

- Sports field facility improvements and upgrades: \$1.8 million in 2015
- Sports fields and courts: \$1.1 million in 2015, which will provide funding for the replacement of the synthetic turf field at Eric Hamber School and a new backstop at Carnarvon Park, as well as other planning work
- Playgrounds, water parks, and skateparks: \$1 million in 2015, which will provide funding for the replacement of city-wide playground equipment and surfaces as recommended in the Park Board 2014 playground assessment
- Dr. Sun Yat-Sen Pond Renewal: \$0.8 million in 2015

3.3. New Parks and Renewals \$ 8.1 million

Major projects planned for 2015:

- New parks including major park renewals, completion of Hastings Park Greening, and beginning construction of a new park at 6th and Pine: \$3.5 million in 2015
- Park land acquisition: \$1.0 million in 2015
- Neighborhood park renewal: \$0.8 million in 2015, which will provide funding for aging parks in changing neighbourhoods (e.g., drawings to be prepared for Sunset Park, completion of improvements at Hillcrest and Riley Parks, design for renewed playground at Andy Livingstone Park)

3.4. Seawall and Waterfront \$ 1.3 million

Major projects planned for 2015:

- Marine structures and studies: \$0.6 million in 2015, which will allow for the initiation of a Parks Marine Structure assessment with a focus on Jericho Pier
- Climate Change Adaptation Strategy: \$0.4 million in 2015, which will focus on phase 2 of the strategy, which will assess options to adapt or mitigate the impacts of flooding
- Design and planning for False Creek Seawall Waterfront Wharf: \$0.2 million in 2015

3.5. Park Infrastructure \$ 0.2 million

A small number of projects are planned for 2015 including park pavement and drainage (e.g., Stanley Park), parking lots, retaining walls, and minor related structures.

3.6. Park Buildings \$ 2.1 million

Major projects planned for 2015:

- Capital maintenance at park buildings: \$1.0 million in 2015, which will include funding for ongoing maintenance of building components prioritized based on building condition assessment. Projects in 2015 will include Bloedel Conservatory lighting upgrades and Seasons in the Park Restaurant roof replacement.
- Fieldhouses: \$0.5 million in 2015, which will allow for renovations at three to five locations.

- Park building renovations and upgrades: \$0.4 million in 2015, which will provide funding for planning/design, procurement, and construction for renovation and upgrades of various locations identified as high priority by the Park Board (two to three projects).

3.7. Public Art \$ 1.4 million

Major projects planned for 2015:

- New Public Art: \$1.0 million in 2015, which will include funding for two local area and temporary artworks, site planning and 25th anniversary special projects, and Irish Monument donation
- Centennial Pole restoration: \$0.2 million in 2015 (total project \$0.5 million, with completion anticipated in 2016)

3.8. Recreation Facilities \$ 8.4 million

Major projects planned for 2015:

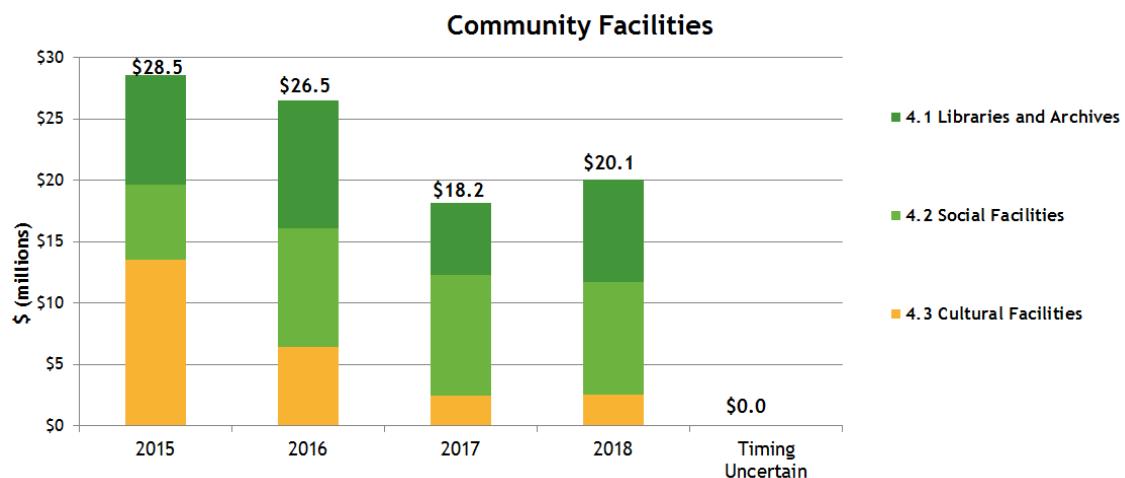
- Creekside Paddling Centre: \$3.1 million in 2015 (total project \$3.2 million, with completion anticipated in mid-2015).
- Capital maintenance at recreation facilities: \$2.0 million in 2015, which will provide funding for ongoing maintenance of building components prioritized based on building condition assessment. Projects in 2015 will include building envelope upgrades for Dunbar and West End Community Centres.
- Energy Optimization Program: \$0.7 million in 2015, which will provide funding for building energy retrofit projects and building control optimization projects that reduce energy consumption and greenhouse gas emissions.
- Southeast Vancouver Seniors' Centre (Killarney): \$0.5 million in 2015 (total project \$7.5 million, with completion anticipated in spring 2018).
- Phase 1 Britannia Community Centre redevelopment: \$0.3 million in 2015 to allow for a consultant team to be procured to complete schematic design/design development in 2015.
- An Aquatics study including a look at outdoor pools: \$0.05 million in 2015.

3.9. Entertainment and Exhibition \$ 2.3 million

Major projects planned for 2015:

- Hastings Park Projects: \$0.8 million in 2015, which will include amounts for infrastructure renewal, identity and signage, Heart-of-Park renewal, and improvements to trails and open spaces
- Capital maintenance for entertainment and exhibition facilities: \$0.5 million in 2015, which will provide funding for ongoing maintenance of building components prioritized based on building condition assessment
- Stanley Park Train Station reconstruction: \$0.4 million in 2015 (total project \$0.5 million, with completion anticipated in early 2016)
- Playland Amusement Park renewal: \$0.2 million in 2015 (total project \$1.1 million with anticipated completion spring 2016)

4. COMMUNITY FACILITIES: LIBRARIES, SOCIAL, AND CULTURAL: \$ 28.5 MILLION



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

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

In the next four years, the City plans to continue with ongoing maintenance and renovations of these facilities, commence the renewal of the Evelyne Saller Centre in the Downtown Eastside, and continue with various granting programs (e.g., cultural, mural, social). In addition, the City plans to expand the Central Library onto levels 8 and 9, and make a rooftop garden publicly accessible, create a new and expanded Qmunity, and deliver various facilities through in-kind CAC's (e.g., MOSAIC adult learning centre, Positive Living and AIDS Vancouver, artist studios [Marine and Cambie St]).

4.1. Libraries and Archives \$ 8.9 million

Major projects planned for 2015:

- n̄ca?mat ct Strathcona Branch Library: \$7.1 million in 2015 (total project \$18.4 million, with completion anticipated in early 2016)
- Capital maintenance of libraries/archives including Library Square: \$1.3 million in 2015
- Branch renovations, including Central Library and Archives: \$0.5 million in 2015, which will provide funding for ongoing general replacement

4.2. Social Facilities \$ 6.2 million

Major projects planned for 2015:

- Planning for Evelyne Saller Centre renewal in conjunction with Roddan Lodge renewal (Housing): \$1.0 million in 2015, with total renewal costs to be determined after planning phase (planned outcome in 2015 to be rezoning and development permit application - total project budget for planning \$1.2 million)
- Chinese Society building matching grant: \$1.0 million in 2015 (total project \$2.5 million, with disbursement completed in 2016)

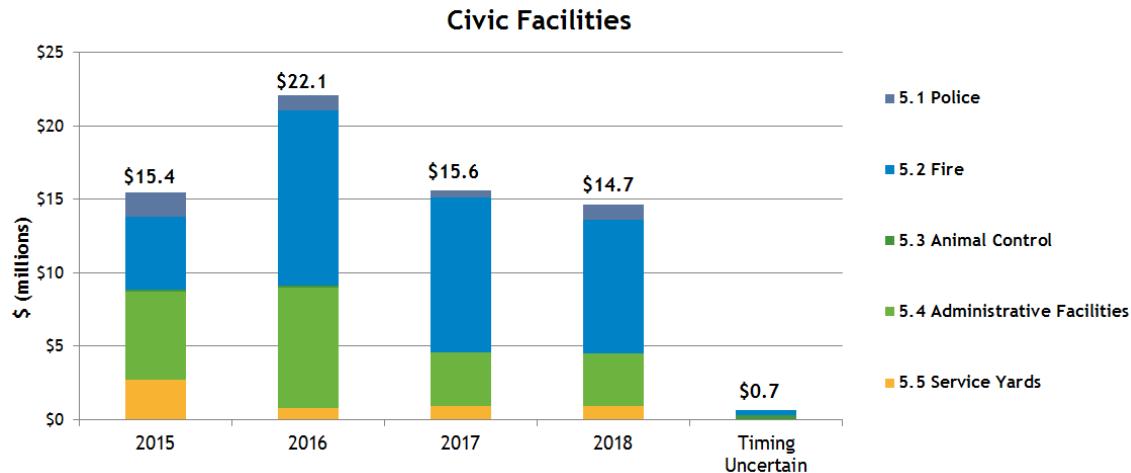
- Capital maintenance of social facilities: \$1.0 million in 2015, which will provide funding for ongoing maintenance of building components prioritized based on building condition assessment

4.3. Cultural Facilities \$13.5 million

Major projects planned for 2015:

- Rize Alliance cultural grants: \$3.2 million in 2015 (total project \$4.5 million, which will include amounts for the Satellite Video Exchange Society, Western Front Society, Visible Arts Society, and Arts Factory Society)
- Tenant improvements for the fit-out of the Bard on the Beach and Arts Club tenancy at 162 West 1st Ave: \$5.0 million in 2015 (total project \$7.0 million, with completion anticipated in fall 2015)
- Vancouver Art Gallery upgrades: \$1.3 million in 2015 (total project \$4.8 million, with completion in summer 2016)

5. CIVIC FACILITIES: \$ 15.4 MILLION



This section includes the renewal and maintenance of administrative and City-owned facilities and service yards, including renovations to public safety.

Civic facilities include three core public safety functions (Police services, Fire and Rescue services, and animal control services), administration buildings (e.g., City Hall, Park Board administration building) and service yards (e.g., industrial-type municipal facilities where trucks and equipment are stored). These civic facilities include more than 100 facilities.

In the next four years, the City plans to invest in the renewal of Vancouver Fire Hall 17, and continue with ongoing facility capital maintenance of its civic facilities—including roofing, windows, and flooring—and provide accessibility improvements and office space optimization.

5.1. Police \$ 1.6 million

Major projects planned for 2015:

- Vancouver Police Department office renovations and moves: \$0.9 million in 2015 (total project \$1.4 million, with completion anticipated in 2016)

- Capital maintenance of Police facilities: \$0.5 million in 2015, which will provide funding for ongoing maintenance of building components prioritized based on building condition assessment
- Police facility renovations and upgrades: \$0.2 million in 2015, which will provide funding for interior renovations to Police facilities to meet operational requirements

5.2. Fire \$ 4.9 million

Major projects planned for 2015:

- Fireboat replacement: \$1.7 million in 2015 (total project \$3.3 million, with completion anticipated in fall 2015), which will provide funding for the replacement of four aging vessels with two more efficient units
- Replacement of Firehall No 5: \$1.2 million in 2015 (total project \$19.1 million including housing, with completion anticipated in 2017)
- Planning and design for the replacement of Firehall 17: \$0.4 million in 2015 (total project \$1.2 million, with total project costs to be determined as part of planning and design phase)

5.3. Animal Control \$ 0.2 million

A small number of projects are planned for 2015, including ongoing capital maintenance, as well as minor renovation and facility upgrades to meet operational needs.

5.4. Administration Facilities \$ 6.0 million

Major projects planned for 2015:

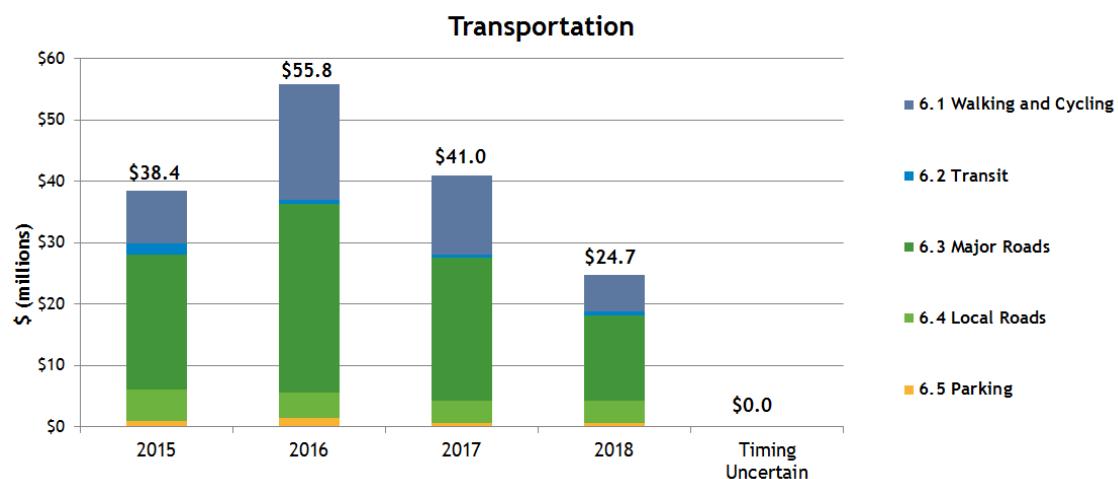
- Facilities planning and research: \$2.4 million in 2015, which will provide funding for condition assessment of civic facilities as well as general facilities, cultural, childcare, and social related planning and research
- Seismic upgrades at 515 West 10th Ave: \$1.5 million in 2015 (total project \$4.5 million, with completion anticipated in early 2017)
- City Hall East Wing deconstruction: \$0.8 million in 2015 (total project \$2.4 million, with completion anticipated in summer 2016)

5.5. Service Yards \$ 2.7 million

Major projects planned for 2015:

- Garage modifications for compressed natural gas truck servicing: \$1.2 million in 2015 (total project \$1.4 million, with completion anticipated in summer 2015)
- Manitoba Yard fuel tank replacement: \$0.8 million in 2015 to replace end-of-life fuel tanks
- Capital maintenance and minor upgrades at service yards: \$0.6 million in 2015

6. TRANSPORTATION: \$ 38.4 MILLION



The transportation network offers a range of travel choices to residents, workers, and visitors across the city. The bulk of the transportation network is provided by three governments: the City (walking, cycling, and road networks), the regional government through TransLink (rapid transit and bus networks) and the Province (six kilometres of highways and three major bridges leading into the city)

The City owns and maintains over 4,000 kilometres of linear assets plus a wide range of structures and features.

In the next four years, the City plans to reconstruct approximately six kilometres of sidewalk, repave 33 kilometres of major roads (including Water Street in Gastown), rehabilitate Burrard Bridge (sidewalks, railings, lighting), repave 45 kilometres of local roads and lanes, replace ~3,800 street lighting poles, reconstruct 22 traffic signals, replace 1,000 parking meters, and maintain and renovate parkades. In addition, the City plans to add to its transportation asset base, including two 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), completion of the Comox-Helmcken and Seaside Greenways, continuing upgrades of bikeways to all ages and abilities, upgrades to make facilities permanent on Burrard Bridge, and an improvement strategy for the False Creek Bridges will be finalized. As well, a funding strategy will be developed for the Broadway Millennium Line extension with partners, in addition to 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.

6.1. Walking and Cycling \$ 8.5 million

Major projects planned for 2015:

- Active Transportation Corridors and Spot Improvements Program will focus on safety and comfort upgrades to existing major walking and cycling routes and finalizing an improvement strategy for the False Creek bridges: \$2.0 million in 2015
- Seaside Greenway and York Bikeway: \$1.3 million in 2015 (total project \$6.0 million, with full completion anticipated in 2016)
- Sidewalk rehabilitation: \$1.0 million in 2015, which will provide funding for approximately one kilometre of sidewalks over various locations with priority given to areas with higher levels of pedestrian activity

6.2. Transit \$ 1.9 million

Major projects planned for 2015:

- Transit-related improvements: \$0.9 million in 2015, which will provide funding for improvements that provide additional operational and passenger user benefits and accessibility upgrades, as well as enhanced public realm
- Ferry dock replacement: \$0.7 million in 2015, which will provide funding for the Aquatic Centre dock replacement
- Downtown Historic Railway decommissioning: \$0.3 million in 2015

6.3. Major Roads \$ 22.0 million

Major projects planned for 2015:

- Major roads rehabilitation (City and MRN): \$9.0 million in 2015, which will provide funding for the rehabilitation of the city's arterial streets where major capital restoration work is required. This year's funding is expected to provide approximately 10.2 kilometres of road rehabilitation.
- Street lighting rehabilitation on major roads: \$2.3 million in 2015
- Traffic signal rehabilitation: \$2.0 million in 2015

6.4. Local Roads \$ 5.1 million

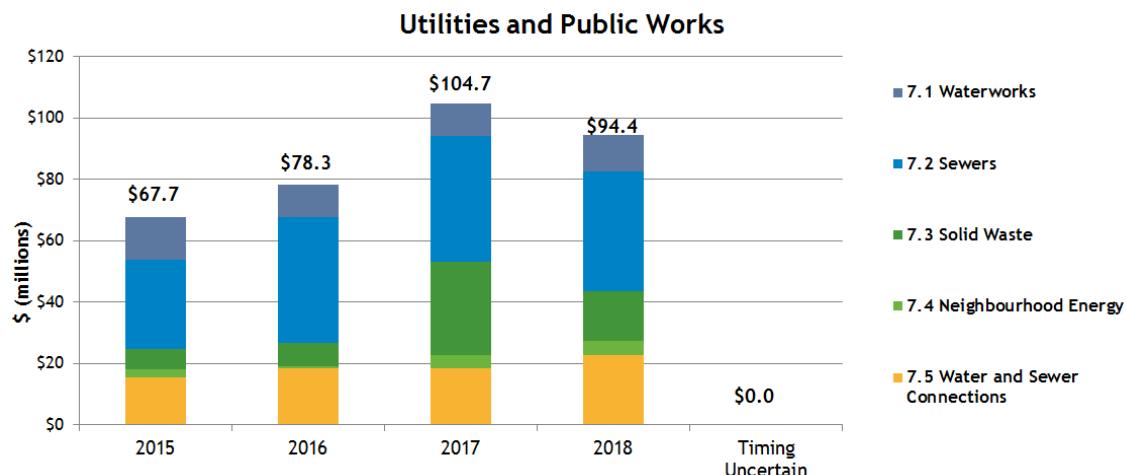
Major projects planned for 2015:

- Local roads rehabilitation: \$1.8 million in 2015, which will provide funding for approximately 10 kilometres of local street pavements
- Street lighting rehabilitation on local roads: \$1.5 million in 2015
- Replacement of City infrastructure (e.g., lighting) as a result of the removal of BC Hydro's H Frames: \$0.7 million in 2015

6.5. Parking \$ 1.0 million

This will provide funding for new and replacement parking meters.

7. UTILITIES: \$ 67.7 MILLION



The City owns and operates four utilities, two of which provide critical services (water and sewer) to all residents, businesses, and visitors in Vancouver. A third utility (solid waste) provides green waste, recycling and garbage pick-up and disposal service to all residents living in single-family, duplex, and some apartment areas. A fourth utility (neighbourhood energy) provides low-carbon 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 enable the four utilities to function.

In the next four years, the City plans to replace 30 to 35 kilometres of water mains, maintain and replace waterworks components, replace 55 to 65 kilometres of combined sewer mains with 110 to 130 kilometres of separated sewer mains, replace four pump stations, separate sewers on private property, replace 5,000 to 6,000 water/sewer connections, and replace 2,500 water meters. In addition, the City plans to extend its water and sewer mains to serve growth areas, install 12 new drinking fountains, install approximately 5,000 new water meters, close and install gas collection infrastructure at the landfill, and expand its energy centre and new distribution piping system to connect 10 to 15 new buildings.

7.1. Waterworks \$ 13.8 million

Major projects planned for 2015:

- Distribution main replacement: \$7.5 million in 2015, which will provide funding for the replacement of aging and deteriorating water mains within the City's distribution water system
- Transmission main replacement: \$5.0 million in 2015, which will provide funding for the replacement of aging and deteriorating water mains within the City's transmission water system
- Aging hydrant replacement: \$0.3 million in 2015, which will provide funding to replace approximately 40 fire hydrants

7.2. Sewers \$ 29.4 million

Major projects planned for 2015:

- Sewer main replacement: \$25.8 million in 2015, which will provide funding to change 1.1% of the sewer infrastructure from a combined system to a separated system
- Upgrade and replacement of pump stations: \$1.9 million in 2015, which will provide funding for replacement of the Skeena pump station and design of future replacements
- Sewer separation on private property: \$0.7 million in 2015, which will provide funding for separated sewer connection and assistance to homeowners for the related plumbing alterations

7.3. Solid Waste \$ 6.5 million

Major projects planned for 2015:

- Reconstruction of the Landfill entrance: \$2.0 million in 2015 to reduce traffic congestion, improve safety, and provide an improved recycling facility for customers (total project \$5.7 million, with completion anticipated at the end of 2017)
- Landfill closure and gas collection phase 2: \$1.2 million in 2015 to complete the closure of 11 hectares of the Landfill's footprint as part of the ongoing progressive closure of completed sections (total project \$38.6 million, with completion anticipated in spring 2015)
- Transfer Station improvements: \$1.0 million in 2015 to accommodate increased waste diversion (total project \$5 million, with completion anticipated at the end of 2016)

7.4. Neighborhood Energy \$ 2.6 million

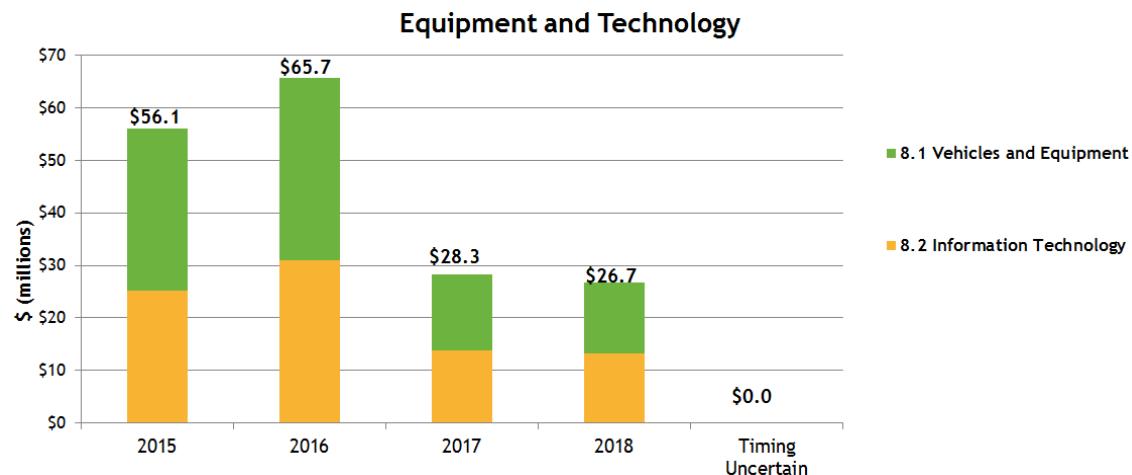
This will provide funding for the extension of the NEU system to service new customers in Southeast False Creek.

7.5. Water and Sewer Connections \$ 15.4 million

Major projects planned for 2015:

- Sewer and water combined connections: \$9.5 million in 2015 to provide for 1,200 residential connections based on permits taken and fully paid by the permit applicant
- Aging water connection replacement: \$1.5 million in 2015, which will provide funding for the replacement of approximately 300 water connections
- Replacement of sewer connections and manholes: \$1.5 million in 2015, which will provide funding for the replacement of approximately 120 sewer connections

8. EQUIPMENT AND TECHNOLOGY: \$ 56.1 MILLION



Equipment and technology include the tools that allow City staff to perform their daily functions to deliver services to the public. Equipment and technology includes a wide array of assets, including vehicles (e.g., police cars, fire trucks, recycling trucks, lawn mowers, Zambonis) and information technology (e.g., computers and hardware, specialized applications).

Over the next four years, the City plans to invest in the replacement of 625 to 725 vehicles, and continue with the ongoing replacement of computers and hardware, as well as major applications such as Activenet and the fleet management system. The City will also implement its Digital Strategy (WiFi expansion, and mobile technology), Geo remote data centre, and new business system technologies.

8.1. Vehicles and Equipment \$ 30.8 million

Major projects planned for 2015:

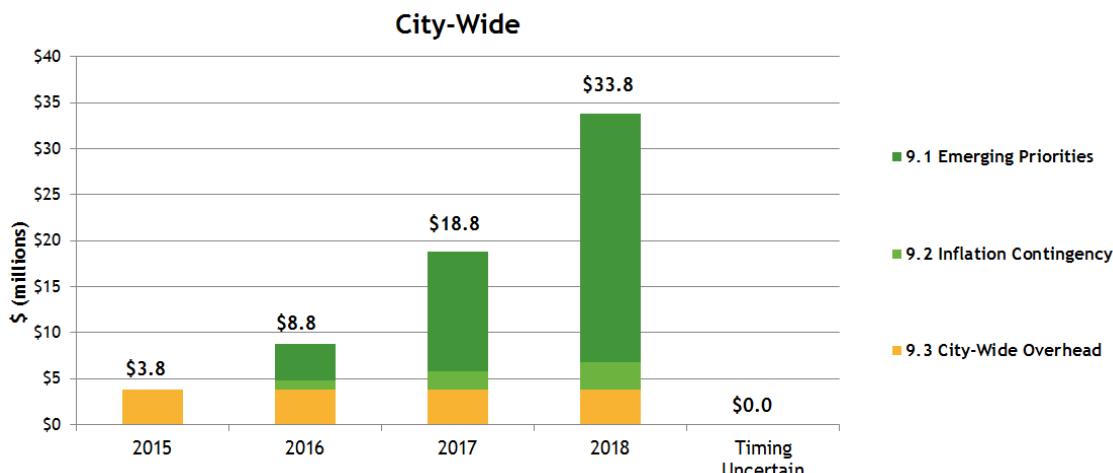
- Vehicles and equipment replacement program: \$25.9 million in 2015, which provides funding for the replacement of approximately 250 vehicles and pieces of equipment with a focus on creating a fleet that will keep emission levels low to support reaching the 2020 GHG goals as well as rightsize the fleet.
- Fire truck replacement: \$4.8 million in 2015 (total project \$24.9 million, with completion anticipated in summer 2017) which provides funding for the replacement of end of life heavy apparatus with trucks that have increased pumping and reach capabilities, as well as anti-idling technology.

8.2. Information Technology \$ 25.3 million

Major projects planned for 2015:

- Permit and Licence Transformation Program: \$7.7 million in 2015 (total project budget \$26.0 million, including completed phase for Online Services Implementation, with overall project completion anticipated in spring 2016). This new technology platform will replace obsolete technology as well as improve service delivery, customer experience, and bring business processes in line with best practices by transforming the permit and licences process Citywide.
- Infrastructure maintenance, upgrade, and expansion: \$3.8 million in 2015, which will provide funding for the replacement, upgrade, and expansion of core IT infrastructure
- Legal Services case management system: \$1.7 million in 2015 (total project \$2.3 million, with completion anticipated at the end of 2016). This system will replace obsolete technology as well as allow for the standardization of processes to align with best practices for legal information management.

9. CITYWIDE: \$ 3.8 MILLION



This category includes emerging priorities, inflation contingency, and Citywide overhead. Each of these items is described below.

Emerging Priorities: As the City transitions from three-year Capital Plans to four-year Capital Plans, there will be a greater need for contingency funding to address emerging priorities and opportunistic investments as they arise during the course of the Capital Plan. In addition, as part of the overall funding strategy of leveraging federal and provincial funding (e.g., Build Canada Fund, Community Works Fund) 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 from Emerging Priorities to the appropriate program areas. Funding in the amount of \$75 million has been set aside in the 2015-2018 Capital Plan.

Inflation Contingency: The program funding allocation identified in the 2015-2018 Capital Plan is in current dollars. Though construction cost inflation in recent years has been low relative to the pre-Olympic construction period, amounts have been set aside to mitigate the risk of inflation over the four year period. Funding in the amount of \$10 million has been set aside in the 2015-2018 Capital Plan.

Capital Overhead: This program includes financing fees that the City incurs as part of the debenture program (not the interest associated with debenture borrowing), as well as the City's legal, communications, and procurement costs that are needed to support the Capital Program. Funding in the amount of \$10 million has been set aside in the 2015-2018 Capital Plan.

Given that the Capital Plan was recently developed, no emerging priorities or inflations contingency funding is being allocated at this time, and is preliminarily forecasted in future years.

Citywide overhead in the amount of \$3.8 million is being budgeted for in 2015.

PROPERTY ENDOWMENT FUND (PEF) BUDGET

This year, for the first time, the Property Endowment Fund (PEF) operating budget is included in this budget document, and is being approved in conjunction with the City's Operating and Capital budgets. The PEF capital budget, due to the confidential nature of the property transactions accounted for in that budget, will continue to be approved by Council in camera. The actual results for the PEF included in the annual financial statements include both operating and capital activity.

The Property Endowment Fund (PEF) accounts for properties that are leased to third parties, being developed, or being held to support the City's public objectives, for resale or lease, as well as parkades managed by EasyPark.

The PEF was created by Council as a separate City fund in 1975, to hold strategic land purchases, separate from the ongoing operations of the City, at which 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 1980, Council provided further guidance regarding the PEF Purpose, Goals and Objectives as follows:

- Purpose:
 - To preserve and increase the real value of the PEF assets and to increase the Fund's ownership of strategic sites.
- Goal:
 - To manage the PEF assets in such a way as to preserve their real value and generate a reasonable economic return.
 - In addition, where it is possible without jeopardizing either the real value of the fund or the reasonable return on its assets, to support the City's public objectives.
- Objectives:
 - The operations of the PEF shall generally be to:
 - manage and develop the Fund's holdings in order to generate a reasonable economic return;
 - to buy and sell lands: assemble a land inventory that offers the best opportunity to preserve where possible increase the real value of the PEF's assets;
 - to support the City's public objectives; and
 - to develop a program to accomplish the conversion of non-strategic holdings to strategic holdings.
- Priorities:
 - In making operating decisions, the financial criteria must first be met; however, where possible, preference will be given to development, acquisition or disposal opportunities that also meet public criteria.
- Strategic Sites:
 - In the context of the PEF, strategic sites shall be defined as sites which possess the best opportunity to achieve either the Fund's financial objectives or both its financial and public objectives.

Since that time, the PEF has continued as a separate fund of the City. Key transactions have been brought forward to council for approval, and financial operations have been reported publicly as a supplementary schedule to the Annual Financial Statements, but no annual budget had been reported.

In February 2013, the first annual PEF operating and capital budgets were approved by Council. Council also approved the establishment of a third-party Expert Advisory Panel to advise staff and Council on all aspects of management of the PEF. Convening of the first panel in 2014 signalled an important milestone towards the goal of optimizing the management and oversight of the PEF.

PEF BUDGET SUMMARY

The 2015 PEF Operating Budget includes balanced operating revenues and expenditures of \$46.3 million, an increase of \$1.8 million (or 4.0%) as compared with the 2014 PEF Operating Budget.

City of Vancouver Property Endowment Fund Operating Budget (\$000)

	2014 Approved Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenue from Operations	44.5	46.3	1.8	4.0%
Expenses from Operations	23.6	25.3	1.8	7.5%
Net Revenue before Transfers	20.9	21.0	0.0	0.1%
Transfers	(20.9)	(20.9)	0.1	-0.4%
Net Position	\$0.0	\$0.0	\$0.0	0.0%

The following table and narrative present a breakdown of the 2015 PEF Operating Budget and outline each major revenue and expense change. The detailed budget schedule shows the year-over-year impact of changes by revenue and expenditure type.

PEF REVENUES

The proposed 2015 revenue budget is changing from the approved 2014 budget by \$1.8 million, in the following areas:

Parking (EasyPark): \$ 1.3 million

The budget for parking revenues has been increased by \$1.3 million mainly due to EasyPark operations anticipating increased revenue from various lots due to equipment changes, improvements to parkades, and the fall 2015 opening of Nordstrom at the Pacific Centre.

Property Rentals: \$ 0.4 million

Rental revenue is budgeted to increase by \$0.4 million in 2015 due to new various new property leases, including a full year of rental income for the Salt Building in Southeast False Creek.

Other Income: \$ 0.1 million

Interest revenue is budgeted to change by \$0.1 million from the 2014 budgeted amount, to reflect interest earned on a higher cash balance.

Other Variances: \$ 0.0 million

Expenses related to Leases and Water Moorage (Heather Marina) are unchanged from the 2014 budgeted amount. Water Moorage revenues are expected to increase slightly, with a 2% proposed moorage rate increase for 2015. Moorage fees at Heather Marina are reviewed annually, and adjusted when necessary to reflect anticipated cost increases and market conditions.

PEF EXPENDITURES

The proposed 2015 expense budget is changing from the approved 2014 budget by \$1.8 million, in the following areas:

Parking (EasyPark): \$ 1.4 million

The budget for parking expenses has increased by \$1.4 million to reflect higher EasyPark operating costs, including induced salary and fringe benefit costs relating to staff agreements, and increased costs for property taxes, utilities, security, marketing, and credit card processing.

Property Rentals: \$ 0.3 million

Rental expenses are budgeted to increase by \$0.3 million in 2015 due mainly to the introduction of operating costs for a Technology and Social Innovation Centre at 312 Main Street.

Other Expenses: \$ 0.1 million

The budgeted increase in operating expenses is due mainly to salary and fringe benefit costs, including the allocation of staff costs for work performed on the PEF portfolio.

Other Variances: \$ 0.0 million

Expenses related to Leases and Water Moorage (Heather Marina) are unchanged from the 2014 budgeted amount.

Transfers: \$ 0.0 million

The PEF budgets for a limited number of recurring annual transfers. These transfers normally include the net surplus from parking operation to the parking site reserve, and a \$7.0 million annual transfer to the Revenue Fund (City Operating Budget) to support City operations.

For 2015, the PEF operating budget transfers includes a transfer of \$8.8 million to the PEF Capital Budget, as one of the funding sources for the 2015 Capital Projects and Programs.

This is partially offset by a reduction in the 2015 funding requirement for the Public Bike Share program as the program has not yet commenced.

**City of Vancouver Property Endowment Fund
Operating Budget (\$000)**

	2014 Approved Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
REVENUES				
Leases	5.9	5.9	(0.0)	-0.1%
Rentals	17.5	17.9	0.4	2.3%
Parking	19.3	20.6	1.3	6.6%
Water Moorage	1.2	1.3	0.0	2.0%
Other Income	0.5	0.6	0.1	20.0%
Revenues	44.5	46.3	1.8	4.0%
EXPENDITURES				
Leases	0.0	0.0	0.0	0.0%
Rentals	4.7	5.0	0.3	6.0%
Parking	13.7	15.1	1.4	10.1%
Water Moorage	0.6	0.6	0.0	2.0%
Other Expenses	4.5	4.6	0.1	2.0%
Expenditures	23.6	25.3	1.8	7.5%
Net Revenue before Transfers	20.9	21.0	0.0	0.1%
Transfer to Revenue Fund	(7.0)	(7.0)	0.0	0.0%
Transfer to PEF Capital Budget	(9.0)	(8.8)	0.2	-2.2%
Transfers (to)/from Other Funds	(1.8)	(0.9)	0.9	-50.8%
Transfers (to)/from Reserves	(3.1)	(4.3)	(1.2)	37.4%
Net Position	\$0.0	\$0.0	\$0.0	0.0%

CONSOLIDATED BUDGET

The City continually seeks to enhance its financial information in order to improve accountability, transparency and the general usefulness of the information, and has made a number of improvements over the past years. A significant enhancement in 2013 was combining the Operating and Capital Budgets into a single document, and in 2014, the City incorporated consolidated budget information into its annual financial statements. This year, the City is making a further enhancement by adding the PEF operating budget and providing consolidated budget information including all City funds and entities.

Canadian public sector accounting standards state that in order to maximize the usefulness of government financial statements for its users, government financial statements should provide an accounting of the full nature and extent of the financial affairs and resources which the government controls, including those related to the activities of government agencies and enterprises. The City achieves this objective by reporting its annual financial statements on a consolidated basis.

The City's consolidated financial reporting entity currently consists of the following five funds and eight entities:

City Funds:

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

Other Entities:

- Pacific National Exhibition
- City of Vancouver Public Housing Corporation
- Vancouver Affordable Housing Agency Ltd.
- Harbour Park Developments Ltd.
- Hastings Institute Inc.
- Parking Corporation of Vancouver (EasyPark)
- Vancouver Civic Development Corporation
- Vancouver Economic Commission

FUND AND ENTITY 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 Sinking Fund, as they are comprised solely of the interfund 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 general operations of the City and includes the City's sewer, solid waste, water, and neighbourhood energy utilities. Council approves the Operating Budget annually. A detailed description of the 2015 budget for this fund is provided in the Operating Budget section of this document.

Capital Fund

The Capital Fund accounts for capital expenditures supporting civic assets and infrastructure, and 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 the 2015 budget for this fund is provided in the Capital Budget section of this document.

Property Endowment Fund

The Property Endowment Fund (PEF) accounts for properties that are leased to third parties, are being developed, or are being held to support the City's public objectives, for resale or lease, as well as parkades managed by EasyPark. This year the PEF operating budget, through inclusion in this budget document, is being approved in conjunction with the City's Operating and Capital budgets. The PEF capital budget is approved by Council in camera due to the confidential nature of property transactions. The actual results for the PEF in the annual financial statements include both operating and capital activity. A detailed description of the 2015 operating budget for this fund is provided in the PEF operating budget section of this document.

Capital Financing Fund

In 1979, Council established the Capital Financing Fund (CFF) to provide funds for the internal financing of capital works. The use of internal funds allows the City to build its infrastructure without incurring external financing costs. Projects which utilize the internal financing repay the original amount funded with interest so the fund is available on a perpetual basis. Repayments are made possible through the increased revenues or operating savings identified in the funded project's business case. In subsequent years, the Solid Waste Capital Reserve was established in the CFF to accumulate funds for the future closure costs of the City's landfill. There are no operational services accounted for in the CFF. Separate Council approval is not required for the budgets of the Capital Financing Fund, as it is comprised solely of the interfund transfers approved by Council in the Operating and Capital budgets and an estimate of interest revenue earned on cash balances.

For 2015, estimated revenues are \$2.8 million. This is interest on cash balances in the Solid Waste reserve of \$70.0 million and interest earned on cash balances of \$78.0 million not being utilized for internal loans.

Sinking Fund

The Sinking Fund is required by statute and accounts for amounts reserved for the repayment of the principle portion of the City's sinking fund debt issues at maturity. The balance in the fund fluctuates depending on the timing of debt issues and maturities. Funds are invested to earn interest and the

budget reflects anticipated fund balance and the interest revenue on investments of the fund balance. There are no operational services accounted for in the sinking fund. Separate Council approval is not required for the Sinking Fund budget, as it is comprised solely of the interfund transfers approved by Council in the Operating and Capital budgets and an estimate of interest revenue earned on cash balances.

For 2015, the estimated revenue of \$5.4 million is investment income on the reserve balance of \$250 million.

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 of Vancouver, or joint ventures between the City and third parties.

The Parking Corporation of Vancouver is now known as EasyPark. The share structure gives the City of Vancouver sole title to the assets of, and the revenues generated by, the Corporation. EasyPark is governed by a Board of ten directors, one of whom is a Councillor appointed by City Council.

EasyPark has a service history of over 60 years in parking management and currently manages 41 facilities, totaling over 10,836 parking spaces and ranging in size from 20 to 1,577 spaces.

The entity's operating budget is approved by the Board. All net revenues go to the respective owners of the parking facilities (which is the City of Vancouver in the majority of cases) for reinvestment in the development of public parking facilities. These revenues and expenses are included in the City's 2015 PEF budget, as detailed in the PEF Budget section of this document. All capital investment is approved by Council as part of the City's 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.

The current Board of Directors is appointed by Council and comprised of four City staff, two elected officials and five outside directors. In 2013, Council approved a renewed governance model for the PNE and Hastings Park with ongoing governance by the PNE Board.

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

The PNE's fiscal year is April to March, and as such, the amounts reflected in the Consolidated Budget reflect the PNE 2014-2015 budget. For 2015, estimated revenues are \$45.8 million from all major programs including the Fair, Playland, Fright Nights and facility rentals and events. Expenses are budgeted at \$45.5 million comprised of \$26.6 million for direct program costs, \$4.2 million for facility maintenance and \$14.7 million for administration costs, resulting in a budgeted surplus of \$0.3 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 of Vancouver, is the platform responsible for economic development for the City. The Vancouver Economic Action Strategy developed by VEC, outlines the key strategic initiatives guiding the work of the VEC and the City to showcase and further enhance the City's economic potential. The Vancouver Economic Commission's efforts involve positioning Vancouver as a globally recognized city for innovative, creative and sustainable business. This includes connecting the right people to one another, facilitating conversations that lead to ideas, collaboration and partnerships. The VEC also takes an active role in initiatives that can help cultivate business, such as working with the City and other partners to create Vancouver's first technology and social innovation centre at 312 Main Street. An additional focus continues to be the Asia-Pacific region, leveraging the City's strategic geographic location and the shared cultural ties, with significant potential for companies on both sides of the Pacific.

The Board of Directors is appointed by Council, with the Mayor as the Board Chair. The VEC budget is set by the Board, and includes contributions from the City of \$3 million per year. The VEC also leverages contributions from other organizations to fund the VEC major initiatives. The City's contribution is approved through the annual Operating Budget approved by Council.

Vancouver Public Housing Corporation

The City of Vancouver, under the General Manager of Community Services, operates 960 units of social housing across 10 City owned properties. These properties are managed with City Staff reporting into the Community Services Department. Of these 960 social housing units, 379 units in 5 of the properties are accounted for in the Vancouver Public Housing Corporation. The Vancouver Public Housing Corporation (VPHC) was incorporated in 1975 as a wholly owned not-for-profit subsidiary of the City to facilitate the financing structure for these 5 sites, which included senior government operating funding. The VPHC currently receives approximately 44% of its operating revenues as contributions from senior governments. The Board 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 budget reflects the ongoing operations of the entity for these 5 sites. 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 2015.

For 2015, approximately \$1.7 million in tenant rental income is anticipated to be received through the VPHC. This rental income is received from tenants at Roddan Lodge, Central Residence, Alexander Residence, Barclay Heritage Square and New Continental Apartments.

In addition to tenant rents, VPHC receives approximately \$1.0 million of funding from BCHMC on behalf of the Provincial Government. This funding is intended to cover operating expenses as defined by BCHMC, plus a budgeted contribution to the Replacement Reserve Fund net of rental and other revenue sources.

In 2015, the City of Vancouver will contribute approximately \$0.5 million in funding towards operating expenses, which is approved by Council through the City's operating budget. This funding is necessary to bridge the gap between operating expenses and revenues from tenant rents and BCHMC.

Operating expenses of \$3.2 million are comprised of staffing and administration expenses of \$0.4 million, building and operational costs of \$2.0 million, and amortization of capital assets of \$0.7 million. The bulk of the building and operational costs relate to janitorial and maintenance of the buildings, which are aging.

Vancouver Affordable Housing Agency

In July 2014, City Council created the Vancouver Affordable Housing Agency Ltd. (VAHA) with the primary mandate of enabling the creation of new affordable housing across the housing continuum through innovative partnerships with developers, charitable and/or non-profit organizations, philanthropists and senior levels of government. Adding VAHA to the City's various tools to create affordable housing will help address the affordable housing challenges in Vancouver and advance on City Council's Housing & Homelessness Strategy.

VAHA is a City-controlled, separate legal entity and is governed by a Board of Directors constituted with senior City staff and independent directors who bring key skills to VAHA. Independent directors are being appointed by City Council. As an agency of the City, the VAHA entity 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 delivery of 2,500 units of affordable housing by 2021 in a phased approach: The target for Phase I is 500 units, followed by an interim evaluation before proceeding onto Phase II for the remaining 2,000 units.

For 2015, VAHA has an operating budget of \$0.8 million covering staffing, consultancy and Board expenses. The capital funding required is included in the 2015 Housing Capital Budget, and allocation of such funding is subject to City Council adoption of the VAHA business and strategic plan.

Other Entities

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

Harbour Park Developments Ltd. was purchased by the City in 1974 to acquire interests in land and water lots adjoining Stanley Park. The Board 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. was incorporated in 1989 by the City as a wholly owned not-for-profit organization for the purpose of providing employee training and organizational development services directed toward effective service delivery in a multicultural community. As these services have become widely available through other service providers in the community, effective January 2015, The Hastings Institute Inc. became an inactive entity but will remain available should services need to be provided again at a later date. The Board is appointed by Council and consists of the City Manager. 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 was incorporated in 1978 by the City to sell taxi licenses. In subsequent years the entity has also been utilized to facilitate the acquisition of properties. A small amount of revenue is generated from financial investments held in this entity. The Board 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 2015, anticipated revenues are \$0.1 million of interest on outstanding cash balances. Currently this entity has no significant ongoing operations

Consolidation Adjustments

In order to present the City's budget and annual financial statements as a consolidated entity, transactions between funds and entities are removed as shown in the Consolidation Adjustments column.

Basis of Presentation

While many changes to local government financial reporting have taken place to improve its usefulness since the introduction of Canadian public sector accounting standards, there remain minor differences between the budget information presented during the budget process and the budget information presented in the annual financial reports. This is due to the fact that budgets are prepared reflecting capital additions, debt transactions and transfers.

The Consolidated Statement of Operations (included in the Consolidated Financial Statements) excludes transfer and debt transactions and includes depreciation expense.

A reconciliation of the amounts presented in the Consolidated Budget below with the amounts presented in the annual consolidate financial statements will be disclosed in a note in the annual consolidated financial statements..

City of Vancouver 2015 Consolidated Budget (\$ Million)	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)	Total Consolidated Budget
Revenues												
Property tax	689.8	-	-	-	-	-	-	-	-	-	-	689.8
Utilities	237.8	-	-	-	-	-	-	-	-	-	-	237.8
Programs	56.4	-	1.3	-	-	45.8	-	-	-	-	(1.7)	101.8
License & Development	54.9	-	-	-	-	-	-	-	-	-	-	54.9
Parking	53.2	-	20.6	-	-	-	-	-	-	-	-	73.8
Cost recoveries, grants & donations	40.5	18.8	-	-	-	-	3.0	1.5	0.8	-	(4.2)	60.4
Revenue sharing	21.7	-	-	-	-	-	-	-	-	-	-	21.7
Investment income	17.6	-	0.6	2.8	5.4	-	-	-	-	0.1	(1.2)	25.3
Rental, lease and other	34.9	-	23.8	-	-	-	-	1.7	-	-	(3.3)	57.1
Bylaw fines	16.6	-	-	-	-	-	-	-	-	-	1.0	17.6
Developer Contributions	-	85.5	-	-	-	-	-	-	-	-	-	85.5
Total Revenues	1,223.4	104.3	46.3	2.8	5.4	45.8	3.0	3.2	0.8	0.1	(9.4)	1,425.7
Expenses & Transfers												
Utilities	272.7	1.6	-	-	-	-	-	-	-	-	-	274.3
Engineering & Sustainability	79.5	3.4	15.1	-	-	-	-	-	-	-	0.5	98.5
Police Services	273.6	-	-	-	-	-	-	-	-	-	-	273.6
Fire & Rescue Services	113.3	0.1	-	-	-	-	-	-	-	-	(0.1)	113.3
Parks and Recreation	113.4	8.8	0.6	-	-	45.5	-	-	-	-	(1.7)	166.6
Library	47.3	-	-	-	-	-	-	-	-	-	-	47.3
Community and cultural services (7)	69.8	36.9	-	-	-	-	-	3.2	0.8	-	(0.8)	109.9
Planning and development	30.9	3.2	-	-	-	-	-	-	-	-	-	34.1
General Government & Transfers (8)	222.9	(94.5)	30.6	2.8	5.4	-	3.0	-	-	0.1	(7.3)	163.0
Capital Additions	-	241.9	-	-	-	4.1	-	-	-	-	-	246.0
Debt Payment/(Issue)	-	(97.1)	-	-	-	(4.1)	-	-	-	-	-	(101.2)
Total Expenses & Transfers	\$ 1,223.4	\$ 104.3	\$ 46.3	\$ 2.8	\$ 5.4	\$ 45.5	\$ 3.0	\$ 3.2	\$ 0.8	\$ 0.1	\$ (9.4)	\$ 1,425.4
Net Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.3

Note:

(1) Revenue fund includes the Operating budget and the Utility budget.

(2) Capital fund includes the Capital budget

(3) Amounts shown are for Property Endowment operating budget only. This schedule categorises PEF operating expenses as follows: parking operation expenses are included in Engineering, marina operation expenses are included in Parks and Recreation, 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 are approved by Council in camera.

(4) PNE fiscal year ends March 31. The PNE budget shown above is the PNE 2014-2015 budget.

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

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

(7) Community and Cultural Services includes: Britannia, Civic Theatres, Community Services, and grants.

(8) The Revenue Fund General Government includes: Mayor and Council, Corporate Services, General Government, and General debt and capital from revenue. General Government for all funds and entities listed includes amounts for inter-fund and reserve transfers.

PART II: DEPARTMENT SERVICE PLANS

The 2015 Budget continues the strategic shift of aligning financial resources with performance on key service metrics.

This is the third year that the City is reporting service plans for its key public-facing services and Corporate Support services. There have been improvements made to this section over 2014, which include more detailed financial information and updated and improved service metrics.

These sections, 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 commitments continue to be conducted to track whether the services are performing as promised and whether changes in course are warranted.

VANCOUVER POLICE DEPARTMENT

The Vancouver Police Board is a separate legal entity under the Police Act. It is the employer and governing body for the Vancouver Police Department (VPD), providing civilian governance and oversight of policing. The Police Board consists of the Mayor and other representative citizens of the city, and is responsible for ensuring the police provide effective and efficient services. The Police Board-approved 2012-2016 Strategic Plan is an important element of the VPD's contribution to 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 municipal council provides the Police Department with an annual budget to achieve these objectives.

The VPD responds to calls for service from the public, investigates crimes, and undertakes numerous crime prevention and community-focused initiatives. In 2014, the VPD received 177,678 calls for service (on average, one call for service every two minutes and 58 seconds) and investigated 45,923 reported crimes (on average, one criminal incident every 11 minutes and 27 seconds).

The VPD's Strategic Plan consists of 14 Strategic Goals. A few of these goals are aimed towards organizational development, while most are operational goals that are specific to reducing and addressing crime or working with the community and strengthening partnerships. The following lists community safety issues that are important to Vancouver's residents and visitors and addressed in the VPD's Strategic Plan:

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

MAJOR ACCOMPLISHMENTS AND PROGRESS

The VPD continually seeks ways to become more efficient and effective in its commitment to improving the safety and quality of life for Vancouver residents, businesses and visitors through law enforcement, education, and crime prevention. In support of its strategic plan, the VPD works on a large number of projects and initiatives, many of which span several years.

The following are only some of the key initiatives the VPD pursued in 2014, which will continue into 2015:

Property Crime

Through crime prevention programs, community awareness programs, and targeting of chronic offenders, the combined efforts of the VPD and the public have begun to pay off. Over the past decade, the VPD has observed significant decreases in property crimes such as break and enter, theft of motor vehicles, and mischief. However, over the past three years, the total number of property crimes has been rising, largely due to increases in theft from motor vehicles, cell phone thefts, and an increase in the number of fraud cases.

As part of ongoing efforts to combat property crimes, the VPD identified and implemented initiatives targeting chronic offenders. In 2014, one key initiative was the implementation of a pilot project targeting approximately 10 chronic offenders in Patrol District 3. This initiative targeted enforcement

and court order compliance monitoring. Upon successful completion of the Property Crime pilot, the VPD will implement a similar citywide project to target chronic offenders.

The VPD will continue its work to reduce property crimes, targeting an ambitious 5% average reduction per year in its 2012-2016 Strategic Plan.

Gangs

Crime groups, such as gangs, are a constant concern for residents of Vancouver and the surrounding region. The

VPD has been highly successful with proactive enforcement actions leading to arrests and prosecutions targeting those members of a criminal organization who are most likely to engage in violence. This has helped contribute to the decrease in violent crimes and has also resulted in decreases to violent incidents such as 'shots fired' calls (74% decrease in the past decade).

In 2014, to disrupt organized crime groups, the VPD developed initiatives aimed at removing firearms and other restricted and prohibited weapons from people involved in gang lifestyles. These initiatives have been successful in increasing the level of information received by VPD members regarding the possession of restricted weapons by organized crime groups. The number of interviews conducted with suspects in an attempt to locate weapons also increased. Over 2015 and beyond, the VPD will continue to employ proactive and innovative strategies to disrupt and interfere with the operation of criminal organizations.

Community Safety Program

Initiated in 2013, 2014 was the first full year of the Community Safety (CS) program. Community Safety Officers (CSOs) are unarmed peace officers who support frontline operations and enhance the level of customer service provided to Vancouver residents, businesses, and visitors. The work of CSOs frees up the more highly trained and skilled police officers to perform complex police tasks and conduct proactive policing such as enhanced neighbourhood patrols.

One of the functions of CSOs is to assist police officers at the scene of motor vehicle collisions (previously another police officer would assist). Data was analyzed to measure if the presence of CSOs had a positive impact on how many VPD Traffic and Patrol officers have spent time at the scene of motor vehicle collisions where people were injured. The analysis shows that CSOs assisted at 629 such collisions and spent 964 hours at those collisions. This equates to approximately 2.5 hours every day, on average, that CSOs are assisting police officers at the scenes of these collisions. As a result, this has decreased the number of police officers required at the scene. In 2015, the VPD will further implement the CS pilot program and a final evaluation report is planned in 2015-2016.

Street Disorder

The VPD works to enhance neighbourhood safety throughout Vancouver; one such area is in and around the Downtown entertainment zones. As part of that, the VPD maintained its strong partnership with BarWatch and Restaurant Watch to assist with a crime prevention media strategy to highlight the level of theft of cell phones, wallets, and purses that occurred in liquor-primary establishments, particularly nightclubs. In addition, issues that arose regarding overall managerial control of patrons and staff, crowd control on sidewalks and over-capacity breaches, were regularly addressed by both the VPD and BC Liquor Control and Licensing Branch (LCLB) inspectors.

Traffic

The VPD, in partnership with the City's Engineering Department, continually works to reduce the number of collisions occurring in Vancouver through increased enforcement and education of drivers, cyclists, and pedestrians. In ongoing efforts to reduce motor vehicle collisions that result in injury or death, the VPD uses ICBC collision data and VPD traffic statistics to target its traffic enforcement efforts towards high-crash locations. These enforcement efforts included high-visibility enforcement during peak hours as well as project work related to high-crash locations.

In 2015, a new Bike and Pedestrian safety initiative will be implemented that will focus on pedestrian and bicycle safety issues and complement current educational and enforcement strategies to achieve several goals, including working towards the vision of having zero pedestrian fatalities. The VPD will continue its efforts in the areas of enforcement, engineering, and education to minimize the number of collisions occurring in Vancouver that result in injury or death.

Mental Health Advocacy

As part of the VPD's strategic efforts to develop and maintain positive working relationships with other agencies, the VPD worked with Vancouver Coastal Health (VCH) to improve service delivery to mentally ill people. To that end, VPD Mental Health Unit members met monthly with VCH and other stakeholders regarding the Assertive Community Treatment (ACT) model and other mental health initiatives. In 2014, the ACT model expanded from three to five teams as the VPD's working relationships with partner agencies strengthened further. The ACT model seeks to find supports for the most seriously mentally ill clients.

Building on this partnership with VCH, the VPD continued its efforts with the establishment of the Assertive Outreach Team (AOT), which also deals with clients who suffer from severe mental illness and addiction but haven't yet deteriorated to the stage where they would benefit from being a participant in ACT. The AOT is designed to fill a service gap that prevents the worsening of the mentally ill person's condition so that, hopefully, they will not require the more intensive services of the ACT model. To do so, clients of the AOT receive health care as well as life-skills support.

Youth

The VPD prides itself on the contributions it makes to the community, both at the organizational and individual employee levels. Programs like Eastside Aboriginal Space for Youth (EASY) for at-risk Aboriginal youth, the School Liaison Programs at Vancouver schools, Car 86 for child welfare matters, the Police Athletic League (PAL), and the High Risk Youth/Street Youth Intervention Team assist youth by providing the skills necessary to allow them to make better life choices, with the goal of preventing them from becoming entrenched in a criminal lifestyle. In 2015, in line with its role as a socially responsible organization, the VPD will advance its efforts to provide positive role models for young people and support services and programs that assist them.

DEPARTMENT SERVICE METRICS

Violent crime is decreasing, and is forecast to decrease even further in 2014. The VPD consistently works with vulnerable and at-risk communities that are frequently the victims of violent crime.

In 2014, Vancouver experienced an increase in property crime. The VPD has been working diligently in identifying property crime trends and series, developing new strategies and tactics, and focusing on chronic property offenders in an effort to reverse this recent trend.

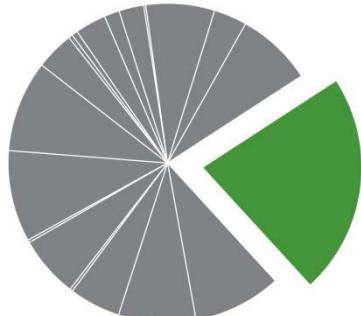
In 2014, the VPD revised its crime counting methods to be consistent with Statistics Canada. As a result, previously published crime statistics have changed, although these changes are relatively negligible and generally did not affect metric trends.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Police Services	Quantity	Total criminal code offences*	46,513	46,203	45,670	46,558	45,923
		Total number of property crime incidents*	32,105	30,843	31,475	32,063	35,371
		Total number of violent crime incidents*	6,257	6,362	5,929	5,721	5,097
		Traffic incidents with fatalities and injuries (ICBC reported collisions)	8,855	8,761	9,024	9,150	9,022
	Quality	Average response time of VPD to emergency (priority 1) calls (min:sec)	10:12	9:48	9:56	10:42	10:59
		Property crime rate (crimes/1000) *	51.92	49.63	49.81	50.03	55.23
		Violent crime rate (crimes/1000) *	10.12	10.24	9.38	8.93	7.96
		Total crime rate (crimes/1000) *	75.22	74.34	72.27	72.64	71.7
		Businesses are satisfied with VPD services	91%	90%	78%	87%	90%
		Businesses feel safe (measured through annual business survey)	58%	61%	64% **	60%	63%
		Residents are satisfied with VPD services	81%	87%	85%	85%	83%
		Residents feel safe (measured through annual residential survey)	70%	74%	74%	74%	79%
	Result	Percentage change from previous year of the property crime rate *	-7.7%	-4.4%	0.4%	0.4%	9.5%
		Percentage change from previous year of the violent crime rate *	-5.5%	1.2%	-8.3%	-4.9%	-11.6%
		Percentage change from previous year of the total crime rate *	-6.4%	-1.2%	-2.8%	0.5%	-2.1%
		Percentage change from previous year of total number of traffic incidents with fatalities and injuries	-0.40%	-1.06%	3.00%	2.60%	-1.40%

*Note: In 2014 the VPD revised its crime counting methods to be consistent with Statistics Canada. As a result, previously published crime statistics have changed, and generally did not affect metric trends. The 2014 data above are actual final results for 2014 and not a forecast.

**Note: this result was erroneously reported as 65% in the 2014 Capital and Operating Budget.

2015 BUDGET



VPD makes up 22% of the 2015 Operating Budget

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Parking revenue				
Other parking revenue	155	155	-	-
Total Parking revenue	155	155	-	-
Cost recoveries, grants & donations				
Secondments	9,267	11,416	2,149	23.2%
Other Police recoveries, grants & donations	2,869	2,869	-	-
Total Cost recoveries, grants & donations	12,136	14,285	2,149	17.7%
Other revenue				
Police fees & other	1,561	1,561	-	-
Total Other revenue	1,561	1,561	-	-
Total Revenues	\$ 13,852	\$ 16,001	\$ 2,149	15.5%
Expenditures & Transfers				
Police Services				
Patrol	122,207	128,346	6,140	5.0%
Investigations	69,689	73,784	4,095	5.9%
Operational Services	36,621	36,896	275	0.8%
Administration	12,000	12,270	269	2.2%
E-Comm allocation	14,645	15,395	750	5.1%
Shared support services	6,964	7,087	123	1.8%
Transfers to / (from) reserves & other funds	(534)	(187)	347	(65.0%)
Total Police Services	261,592	273,591	\$ 11,999	4.6%
Total Expenditures & Transfers	\$ 261,592	\$ 273,591	\$ 11,999	4.6%
Net Operating Budget	\$ (247,740)	\$ (257,590)	\$ (9,850)	4.0%

Note: Totals may not add due to rounding

Explanation of Changes: Recoveries

The 2015 increase in recoveries is due to a temporary increase in the number of secondments working in a specific joint force operation. These recoveries are offset by a corresponding budget in expenditures, resulting in a net zero impact on the budget.

Explanation of Changes: Expenses

Operating expense changes are largely attributed to contractual wage increases, wage increments, and benefits pursuant to collective agreements. An arbitrated Vancouver Police Union (VPU) agreement was settled in July 2014; therefore, the 2015 budget includes the cumulative effect of the wage increases (2.5% in 2013, 2% in 2014, and 2.5% in 2015). Benefits, in particular WorkSafeBC premiums and pension costs, have increased at a rate higher than inflation.

To better reflect the annual increase for 2015 and the impact of the VPU collective agreement on the 2015 budget, the 2014 budget has been restated to reflect an estimate of the wages and benefits over the prior years, assuming an increase aligned with other city bargaining units. In this way, the incremental impacts of the new agreements are reflected in 2015.

The 2015 expenditures budget includes new incremental funding of \$500,000 for a new Bike and Pedestrian safety initiative.

To generate savings, the VPD will increase the average sworn vacancy rate by nine officers, from the current level of 58 vacancies to 67. With the new funding for the Bike and Pedestrian safety initiative, these vacancies will be offset by eight new officers, resulting in a sworn vacancy level of 59. To avoid lay-offs, this will be achieved through attrition. Savings will also be realized from a reduction in the legal expense budget and the elimination of two civilian positions.

NOTABLE CAPITAL PROJECTS

No notable projects to include.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Parking revenue					
Other parking revenue	55	55	55	155	155
Total Parking revenue	55	55	55	155	155
Cost recoveries, grants & donations					
Secondments	8,928	9,250	9,719	9,267	11,416
Other Police recoveries, grants & donations	2,422	2,758	2,560	2,869	2,869
Total Cost recoveries, grants & donations	11,350	12,008	12,279	12,136	14,285
Other revenue					
Police fees & other	1,471	1,471	1,471	1,561	1,561
Total Other revenue	1,471	1,471	1,471	1,561	1,561
Total Revenues	\$ 12,876	\$ 13,534	\$ 13,805	\$ 13,852	\$ 16,001
Expenditures & Transfers					
Police Services					
Patrol	104,512	111,390	118,458	122,207	128,346
Investigations	60,951	66,557	66,934	69,689	73,784
Operational Services	34,983	35,399	34,725	36,621	36,896
Administration	11,491	13,331	12,848	12,000	12,270
E-Comm allocation	-	-	-	14,645	15,395
Shared support services	-	-	-	6,964	7,087
Transfers to / (from) reserves & other funds	(237)	(173)	(173)	(534)	(187)
Total Police Services	211,700	226,504	232,792	261,592	273,591
Total Expenditures & Transfers	\$ 211,700	\$ 226,504	\$ 232,792	\$ 261,592	\$ 273,591
Net Operating Budget	\$ (198,824)	\$ (212,970)	\$ (218,987)	\$ (247,740)	\$ (257,590)
Capital Budget (\$ million)	\$ 11.7	\$ 2.1	\$ 1.4	\$ 0.3	\$ 0.05

Note: Totals may not add due to rounding

Increases in the operating budget are largely due to collective agreement wage increases, step increments, and benefits. The 2011 to 2012 change is large as the restated 2011 budget does not include a mid-year increase provided in the salary and benefit budget arising from the ratification in 2011 of the Vancouver Police Union Agreement for April 1, 2010 to December 31, 2012. The 2013 budget includes new funding of approximately \$2 million for the Community Safety Program. As the new Vancouver Police Union Agreement had not yet been effected, the 2013 budget does not include any wages adjustments for sworn salaries. The 2013 to 2014 change is large as the 2014 budget includes the impact of both the 2013 and 2014 arbitrated wage adjustments for the Vancouver Police Union Agreement. The 2015 budget includes new incremental funding of \$500,000 for a new Bike and Pedestrian safety initiative that will focus on pedestrian and bicycle safety issues.

EMPLOYEE TREND TABLE

Police	2010	2011	2012	2013	2014F
Regular Full-time Staff (excluding Part-time, Temp, and Auxiliary)	1794	1756	1786	1793	1776
All Staff (including Part-time, Temp, and Auxiliary) Full-time Equivalent*	1814.1	1766.0	1785.3	1827.3	1813.2

*excluding overtime

The regular full-time staff numbers represent an average head 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 therefore not yet deployed for policing duties. It also includes fully cost recoverable sworn secondments who are working in joint forces operations with other police agencies.

Because the recruit hiring process is lengthy and the recruit training program is approximately nine months in duration, recruitment must be based on projected future attrition. Differences between these projections and actual attrition therefore results in annual variations in the head count.

Following the 2010 Olympic Games in early 2010, there were a larger number of retirements than projected, causing the total number of regular full-time staff to drop in 2010 and 2011. This drop in numbers necessitated the hiring of recruits to replace the retired staff. The 2012 head count includes the larger recruit classes hired after the 2010 Olympic Games to keep pace with projected attrition. Since then, the annual variations reflect the differences between projected and actual attrition as described above.

The all staff head count numbers include the part-time auxiliary pool of Community Safety Officers. The increase in the all staff head count between 2013 and 2014 to reflects the implementation of the Community Safety Program pilot.

The VPD's authorized strength is 1,327 sworn officers and 388.5 civilians. This does not include the Community Safety Officers which amount to 30 full-time equivalents. VPD is committed to continuing to hold an average of 59 sworn staff vacancies and 31 civilian vacancies as a budget reduction method, resulting in a deployable sworn strength of 1,268 and approximately 357.5 civilians.

VANCOUVER PUBLIC LIBRARY

The Vancouver Public Library system operates as a separate legal entity from other municipal government services, enacted under the Province of BC's Library Act. The library system is governed by the Vancouver Public Library Board, which is responsible for developing library policy and service strategy, providing financial oversight, and working with the Chief Librarian to oversee service provision. Vancouver City Council provides the Library Board with an annual budget to undertake these activities. The Board's specific roles and responsibilities with regard to governance and financial management are detailed in the Act. The Library Board is made up of 13 volunteer members appointed by Vancouver City Council: 12 are resident appointments, with two of these residents appointed from the elected Boards, and one is from City Council.

Public libraries across the country are dedicated to ensuring that every community member—regardless of their economic situation, technological competence, age, or other demographic characteristics—has access to the information, knowledge, and cultural expression they need to enrich their lives. Primarily funded by the City of Vancouver, Vancouver Public Library (VPL) is the third largest public library system in Canada, with over 427,000 cardholders and over nine million items borrowed annually. Today, with collections, services, and technology offered at 21 locations—including the Central Library and an extensive virtual library—VPL is accessible to all citizens of Vancouver.

The core mission of public libraries has not changed since 1886 when the first public library opened in Vancouver, ensuring every Vancouverite has access to learning materials and a space to learn. However, the world has changed dramatically over that time. Over the past 100 years, VPL has modified its services, policies, and work processes to respond to new technology and collection formats, changing values and service expectations, and increased budget pressures.

Across Canada, major cities are renewing their public libraries—a recognition that in this information and digital age, robust and equitable knowledge and social infrastructure are critical to citizen engagement and participation in the economic, social, cultural, and civic life of the community, as well as the fostering of community and individual creativity and innovation. In a 2013 Mustel survey of 1,001 Vancouver residents over 18 years old, 78% of respondents noted they used the library, across the diversity of its services. This high use is a testament to the important role the library plays in both learning and the community fabric of Vancouver.

KEY SERVICES DELIVERED

VPL provides services in five areas:

Collection and Resources: Provide access to books, videos, newspapers, and other multimedia and digital resources in multiple languages, collected physically and online and managed for the public

Reference and Information Services: Answer research and information questions for residents in person or via phone, email, and chat, and develop and support web-based self-service information resources

Library Public Space: Provide individual reading and study areas, group study and collaboration areas, and multi-purpose rooms for free public use and for rental

Information Technology Access: Provide fee-free access to computers, software, and the Internet

Library Programming: Promote learning, reading, culture, and community connectedness, and provide programs for early childhood literacy as well as information and digital literacy for different age and demographic groups

MAJOR ACCOMPLISHMENTS IN 2014

VPL launched its 2013-2015 Strategic Plan in the early spring of 2013. The 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 the city's children and youth. The plan is based on research into trends, market analysis, and 10 months of community consultation, the latter involving the engagement of over 5,000 Vancouver residents.

Led by the new strategic plan, 2014 was a productive year for VPL, enabled by previous years' internal and public service transformation. This allowed the library to continue to evolve services within constrained financial circumstances.

West End Stories

VPL and the West End Memories Project community group collaborated to create a digital collection of oral histories that preserves and shares memories that collectively tell a story about life in the West End during the last century.

Skilled Immigrant Information Centre

VPL staff assisted newcomers to Canada in pursuing employment goals through the library's Skilled Immigrant InfoCentre (SIIC). With funding from a contribution agreement with Citizenship and Immigration Canada, the SIIC offers in-person assistance, online information, and workshops for newcomers to assist them with job searches, labour market and industry information, and career exploration.

Branch Revitalization

Two library branches—Kitsilano and Firehall—were refurbished in 2014 to improve the in-branch experience. Both branches are well used, and were showing the wear and tear of decades of visits by community members of all ages. Staff refreshed the interior experience and rearranged zones to better accommodate often competing uses, such as quiet study and lively story times.

Digital Literacy

Public libraries across Canada play a critical role in ensuring people have access to technology and the skills, knowledge, and ability to use it wisely. By November 2014, VPL had provided 1,241 free computer and digital literacy programs to Vancouver residents. These courses included scheduled computer training, general technology help drop-ins, training on eBook readers, and advanced Internet research. Session formats include large group drop-ins and scheduled lessons, small group instruction, and one-on-one training.

Caregiver development

Literacy is a critical life skill, and most people understand that developing curiosity and a love of reading are critical to future success, empathy, and critical thinking. It is most critical to embed these values, attributes, and norms in children from the youngest age, so they are ready when school starts and continue to enjoy reading and learning throughout their youth and into adulthood. This all starts with the family and caregivers. In 2014, VPL Children's Library launched a series of programs focused on caregivers and providing them with techniques and approaches to build literacy activities and reading into their daily interactions with the children in their care.

Working for readers (eBooks)

Staff at VPL have been leaders in building relationships with publishers and library vendors to improve the library eBook experience, working with international and national advocacy groups to ensure availability and fair terms of use and to improve the borrowing experience for library patrons. As of 2014, all major publishers are now selling eBooks to libraries, and the borrowing experience has improved dramatically with the cooperation of library vendors.

néca?mat ct Strathcona Branch Library

Work continued on an innovative building project in the DTES/Strathcona neighbourhood. Made possible through a partnership between the City of Vancouver, VPL, and YWCA Metro Vancouver, the site will feature the first full-service branch library to serve the DTES, Strathcona, and Chinatown neighbourhoods. The site will also provide new YWCA affordable supported housing for low-income single mothers and their dependent children. Completion is expected in the first quarter of 2016.

Guangzhou Genealogy Service

Vancouverites exploring their family history have a new connection to a major reference centre in China, made possible through a collaboration between VPL and the Guangzhou Library. Through this partnership, VPL can now connect residents directly to experts at the Guangzhou genealogy reference centre, which has 8,000 volumes of records from the city of Guangzhou and Guangdong province in China.

PLANS FOR 2015

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 new initiatives planned for 2015:

Vancouver Learning Guide

Every day, dozens of learning activities are offered across the city; however, until recently, it was hard for residents to tell what was going on. In 2015, finding lifelong learning will get a lot easier. The Vancouver Learning Guide will launch in early 2015, providing a platform for the library, educational institutions, and community organizations to highlight their free learning events across the city.

Inspiration Lab

The digital media-focused Inspiration Lab will open in the first quarter of 2015, marking the first fee-free publicly accessible purpose built digital media lab in Vancouver.

néca?mat ct Strathcona Branch Library

Construction will begin on the néca?mat ct Strathcona Branch Library, near Hastings and Heatley Streets.

Summer of Learning 2015

VPL will work to connect diverse learning partners across Vancouver in a coordinated effort to promote and celebrate lifelong learning during the summer months.

DEPARTMENT SERVICE METRICS

Collections and Resources

Over the years, VPL has provided collections comprised of diverse formats, including physical items (e.g., books, CDs, DVDs), subscription web-based digital collections (e.g., streaming music, electronic journal collections, web-based reference resources), and other digital resource collections (e.g., downloadable eBooks, online language learning). As well, VPL collects materials in 17 languages to support the multilingual community.

Despite the media attention, just 17% of book sales in Canada are in eBook formats (BookNet Canada). A 2013 Mustel poll of Vancouver residents revealed that 85% of residents prefer reading in print and 13% prefer eBooks. These preference trends, as well as library service use trends, inform the library's balance between print and electronic book purchasing.

VPL collections-use metrics include the borrowing of physical library materials, downloadable eBooks and eAudiobooks, and the use of web-based digital collections. The metrics do not include materials used within the library, which may exceed 1.5 million items annually based on one week of sampled data.

In terms of trends, VPL is now seeing a slight decline in the use of the physical collection, combined with an increase in eBook circulation. It is anticipated that future years will continue to see a slow decrease in physical collection use and an increase in digital collection use. Print use is also affected by decreasing collection diversity due to the introduction of additional formats. Staff will continue to monitor trends and use and will adjust collection development accordingly.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Collections and Resources	Quantity	# of items available to the public	2,762,317*	2,688,228	2,619,129	2,636,374	2,641,374
		Total items in the collection used	9,856,935	10,323,341	10,326,757	9,847,317	9,522,887
		# of print items available	2,712,317	2,617,597	2,548,779	2,542,456	2,542,456
		# of electronic items available	50,000**	70,631	70,350	93,918	98,918
	Quality	Total print items used	9,489,254	9,983,429	9,969,158	9,246,827	8,782,011
		Total electronic items used	379,728	386,473	491,052	600,490	740,877
	Result	Items used per capita	16.48***	17.11***	16.97***	16.05	15.40

*Note: the 2010 value has been restated from prior years

**Note: the 2010 value is an estimate

***Note: Restated historical figures to align with City planning population estimates (previously used provincial estimates)

Information Technology Access

Public libraries provide an important point of service access for vulnerable and low-income residents through the provision of computer resources and software (such as Open Office) and Internet resources. The public continues to steadily use these services at VPL. VPL's WiFi use continues to grow as people seek WiFi access in combination with fee- and commercial pressure-free study and work spaces.

VPL supplements the provision of technology with computer literacy and digital literacy instruction. This training is highly utilized by those who have only recently been able to engage with technology, but families and students are an emerging focus. There is also need for the creation of diverse information sources to help the public efficiently identify reliable information, especially given the exponentially growing abundance and complexity of digital information.

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

In 2014, use of computers stabilized and the library was better able to meet demand. WiFi use began increasing rapidly in 2011, with an 81% increase in use from 2012 to 2013, and continued its increase in 2014.

The library will be evolving technology services in 2015 to include the new digital media Inspiration Lab and an upgrade of the eight-year-old public WiFi infrastructure.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Information Technology Access	Quantity	# of public access computer workstations	554	568	555	595	595
	Quality	# of Internet sessions - wired and wireless	1,638,023	1,793,838	2,013,420	2,405,883	2,649,595

Library Public Space

Residents use library spaces for a variety of reasons: to browse and use the collections, study and work individually and in groups, attend programs, access the Internet, and to have a space to be. For many families and people living in Vancouver's smaller spaces, the public library serves as a living room, study, and gathering space. There are no user or access fees, the spaces are designed to be comfortable and welcoming, and VPL works to ensure a safe and inclusive environment.

All library branches regularly reach capacity in terms of space use, most notably on weekends. The space use metric (number of in-person visits) does not tell the full story in terms of space use or saturation, and VPL is working on other ways to measure space use to deepen our understanding and to help us design better and more responsive spaces.

In 2014, VPL refurbished two older branches—Kitsilano and Firehall—and staff look forward to continuing efforts to provide minor upgrades to other aging facilities to improve resident experience.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Library Public Space	Quantity	% of public hours per week out of 12-hour x 7 day week	59.60%	63.72%	64.00%	66.00%	66.00%
		Total square feet of all public space per 1,000 population	585*	587*	583*	578	573
	Quality	# of in-person visitors to libraries in system	6,066,502	6,523,630	6,576,190	6,904,136	6,973,177

*Note: Restated historical figures to align with City planning population estimates (previously used provincial estimates)

Library Programming

Library programming targets a wide range of outcomes: non-formal learning, 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 to work closely with community groups to support their provision of their own programming and sharing of their own expertise in library spaces. VPL is pleased with increasing teen engagement: the VPL's various Teen Advisory Groups now have membership that collectively exceeds 150, providing an important leadership opportunity for teens.

Programming for children and families remains the second-highest priority service provided by VPL, after collections and resources, with 80% of residents citing these activities within the top three most important services provided by the library (Mustel, 2013).

VPL has increased the number of small group and one-on-one digital literacy sessions, to improve the quality of the learning opportunity for attendees. While VPL expects to increase the number of programs, this change in approach will result in similar attendance to 2013, with a potential small projected increase.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Library Programming	Quantity	# of programs	7,214	7,447	7,793	8,034	8,114
	Quality	Program attendance	224,447	240,233	246,716	237,767	240,145

Reference and Information Services

Over the last few years, VPL has experienced a slow but notable decline in the number of reference and information questions people ask at the Central Library's information services desks, demonstrating a changing use of this space and some of its services. This is a trend that is consistent across the sector.

In response to these changing use patterns, June 2013 saw the implementation of a new Information Services model at the Central Library, which provides a service experience that blends traditional services offered via reference desks and the implementation of mobile technology to provide location-based services. The service model has been met with mixed patron feedback. In 2014, staff continued to take an agile approach to evaluation for this service and continued to make adjustments. Based on previous years, it is anticipated there will be a decline in the use of this service in 2014.

The calculation method for staff hours was adjusted in 2014 to reflect new reduced staffing levels, affecting metrics from July 2013 onwards, increasing the number of questions staff are handling per hour.

Website visitors decreased in 2011 and 2012 because the VPL moved significant content from its own site to a hosted service, which means that VPL website analytics did not include the hosted information use. This has been corrected in 2013. Website visits have remained relatively stable since then. Website visit data does not include use of library content on social media and other sites such as Facebook or YouTube, nor does it include social media engagement metrics (e.g., Twitter and Facebook use).

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Reference and Information Services	Quantity	# of research questions answered	932,120	901,585	865,786	841,433	782,533
		# of website visits	5,385,076	5,173,939	5,251,691	5,312,897	5,419,155
	Quality	# of total questions answered per staff hour	6.84	6.53	6.13	7.34	7.68
		# of unique website visits per capita	9.00*	8.57*	8.63*	8.66	8.76

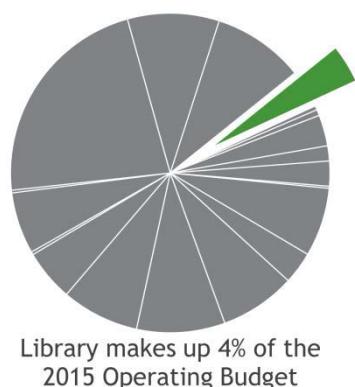
*Note: Restated historical figures to align with City planning population estimates (previously used provincial estimates)

2015 BUDGET

VPL's 2015 Operating Expenditures Budget is \$47.3 million: \$38.9 million for Public Services, \$5.9 million for Administration (staffing and other costs for administration, finance, shipping, purchasing, maintenance, security, event rentals, and human resources), and \$2.5 million for shared support services. VPL's net operating budget is \$42.8 million.

There are no new branches opening in 2015; however, VPL does anticipate increased operating costs in 2016 with the opening of the new n̄c̄a?mat ct Strathcona Branch Library.

Compared to other peer large urban public libraries, 2013 comparative data demonstrates that VPL operates at a lower cost per square foot: Vancouver (\$93.18 - adjusted to include Library Square operating and maintenance costs), Greater Victoria (\$102.27), Toronto (\$100.41), Ottawa (\$106.87), Edmonton (\$122.86), and Calgary (\$124.49).



YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Program revenue				
Library program revenue				
Fines & penalties	989	922	(67)	(6.8%)
InfoAction revenue	516	594	78	15.1%
Facility rental	485	500	15	3.1%
Other library revenue	513	546	34	6.6%
Total Library program revenue	2,503	2,563	60	2.4%
Total Program revenue	2,503	2,563	60	2.4%
Cost recoveries, grants & donations				
Library recoveries, grants & donations	1,919	1,960	41	2.1%
Total Cost recoveries, grants & donations	1,919	1,960	41	2.1%
Total Revenues	\$ 4,423	\$ 4,523	\$ 100	2.3%
Expenditures & Transfers				
Library				
Public Services	38,172	38,889	717	1.9%
Administrative Services	5,759	5,869	110	1.9%
Shared support services	2,447	2,462	15	0.6%
Transfers to / (from) reserves & other funds	76	76	-	-
Total Library	46,453	47,296	843	1.8%
Total Expenditures & Transfers	\$ 46,453	\$ 47,296	\$ 843	1.8%
Net Operating Budget	\$ (42,031)	\$ (42,774)	\$ (743)	1.8%

Note: Totals may not add due to rounding

Explanation of Changes: Expenses

The increase in the expenditure budget is due to the negotiated wage agreement with CUPE 391, as well as inflationary increases on non-salary accounts, offset by procurement savings, and other cost reductions identified.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that VPL is involved in, or which will commence in 2015. A complete list of all capital projects for 2015 is included in the appendixes to the Council Report.

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years
néča?mat ct Strathcona Branch Library	18.4	3.7	7.1	7.6

This project is a new branch library with YWCA-funded housing units above the library. The project is under construction and the library is expected to open in early 2016.



BUDGET TREND

Major Category (\$000)	2011	2012	2013	2014	2015
	Approved Budget	Approved Budget	Approved Budget	Restated Budget	Proposed Budget
Revenues					
Program revenue					
Library program revenue					
Fines & penalties	1,005	1,013	989	989	922
InfoAction revenue	350	344	426	516	594
Facility rental	397	409	460	485	500
Other library revenue	526	524	510	513	546
Total Library program revenue	2,278	2,290	2,385	2,503	2,563
Total Program revenue	2,278	2,290	2,385	2,503	2,563
Cost recoveries, grants & donations					
Library recoveries, grants & donations	1,836	1,888	1,995	1,919	1,960
Total Cost recoveries, grants & donations	1,836	1,888	1,995	1,919	1,960
Total Revenues	\$ 4,114	\$ 4,178	\$ 4,379	\$ 4,423	\$ 4,523
Expenditures & Transfers					
Library					
Public Services	36,707	36,858	36,942	38,172	38,889
Administrative Services	5,451	5,828	5,861	5,759	5,869
Shared support services	-	-	-	2,447	2,462
Transfers to / (from) reserves & other funds	(96)	(2)	57	76	76
Total Library	42,063	42,684	42,860	46,453	47,296
Total Expenditures & Transfers	\$ 42,063	\$ 42,684	\$ 42,860	\$ 46,453	\$ 47,296
Net Operating Budget	\$ (37,949)	\$ (38,506)	\$ (38,480)	\$ (42,031)	\$ (42,774)
Capital Budget (\$ million)	\$ 5.1	\$ 2.8	\$ 0.8	\$ 4.7	\$ 7.4

Note: Totals may not add due to rounding

The expenditure increases are due to negotiated wage increases, offset by procurement savings and other cost reductions identified.

As borrowing and collection use shifts to digital materials, VPL will see a decline in revenues from fines and lost material charges. As well, increased interest in leveraging community partnerships for programming may result in reduced room rental revenue over time.

EMPLOYEE TREND TABLE

Library	2010	2011	2012	2013	2014F
Full-time staff (excluding part-time, temp and auxiliary)	370	374	375	369	367
All staff (including part-time, temp and auxiliary) Paid full-time equivalent*	499. 6	510.8	506.9	490.8	499.2

*excluding overtime

Staffing was added in 2011 for the new Terry Salman Branch Library. Since then, full-time staff have been decreasing as more time is shifting to part-time hours and as efficiencies are achieved. The increase in paid full-time equivalents is due to various projects funded from grants and donations.

VANCOUVER FIRE AND RESCUE SERVICES

Vancouver Fire and Rescue Services (VFRS) responds to approximately 50,000 incidents annually: fires, hazardous material events, medical emergencies, motor vehicle incidents, public service calls, and special operations. Uniformed staff provide premise safety inspections and enforcement in accordance with the Vancouver Fire Bylaw, educate the community in fire life safety programs, lead a Heavy Urban Search and Rescue (HUSAR) team, and host public health clinics in the community. In addition to supporting the citizens of Vancouver, VFRS provides support on a cost recovery basis to 80,000 people at UBC and the University Endowment Lands, both citizens and seasonal residents.

As community safety practitioners, VFRS suppression staff—the largest segment of its workforce—are committed to promoting safer communities through a multi-pronged approach that is a combination of proactive and reactive initiatives. Beyond the emergency call, firefighters are responsible for inspecting and ensuring compliance with the Vancouver Fire Bylaw for approximately 28,000 structures, and leading fire life safety education in the community.

KEY SERVICES DELIVERED

Fire Suppression and Special Teams Service: Trained responders support public safety by providing an all-hazards response service, including structure fires, Hazmat incidents, technical and confined space, structural collapse, trench rescues, wildlands, auto-extrication, and marine firefighting response.

Fire Prevention: Trained public safety professionals inspect business and residential properties to ensure and enforce compliance with the Fire Code and associated bylaws, and offer fire and life safety education to the community.

Medical Response: Trained responders provide pre-hospital care services to citizens as a layered first responder emergency medical service with British Columbia Ambulance Service (BCAS).

MAJOR ACCOMPLISHMENTS IN 2014

VFRS continues to transform how City staff and resources can better serve citizens to meet increasing service requirements with response, inspection, enforcement, and education activities. In 2014, VFRS worked on a range of initiatives in the areas of suppression, medical, and prevention, including:

- Fire suppression/cross-over staff inspecting an additional 1,100 addresses in the newly created walking inspection district. This was possible because of a more effectively planned inspections program, which aligns with the City's green initiatives.
- The Vancouver Volunteer Corp (VVC) and the Neighbourhood Emergency Action Team (NEAT) are programs that utilize volunteers to respond to emergency situations and large public events. In 2014, 220 Vancouver residents were trained in the VVC (for a total of 520), and 150 were trained in NEAT (for a total of 250). An additional six NEAT instructors were brought on to meet the ongoing training requests.
- VFRS continued to facilitate the City's Public Access Automatic External Defibrillator (AED) program. There are now 89 AED units in a variety of locations throughout the city. In the event of an emergency, many City staff have also been trained to utilize this life-saving equipment until first responders arrive.
- In 2014, VFRS took a lead role in the City's Driver Services program. VFRS driver trainers have trained or re-certified over 500 City drivers, to improve National Safety Code compliance and help improve driver skills and citizen safety.

- VFRS, Port Metro Vancouver, City of North Vancouver, District of North Vancouver, West Vancouver, and Port Moody are in the final stages of developing a marine firefighting response service for the inner harbour, as well as all Vancouver lands bordering on water, including those on the north arm of the Fraser River. VFRS placed an order for two new fast attack vessels to replace the aging vessels currently operating. VFRS will be the lead agency and will operate these vessels.
- VFRS has a very unique situation in which eight of 19 fire halls will be due for replacement over the next 20 years. To ensure that resources are placed in the right areas, a Fire Hall Service Review was commissioned in 2014. This review projected the needs of the City over the next 30 years and identified areas of growth. The findings of this review will be used to help City staff identify optimal locations and sizes of these fire halls.
- As part of the ongoing commitment to community safety, firefighters continue to conduct sidewalk safety checks. Through sidewalk safety checks, firefighters patrol their respective neighbourhoods looking for unsafe conditions in and around structures, and provide owners and occupants with safety audit checklists identifying areas that should be attended to. In 2014, VFRS fire crews conducted 1,922 sidewalk safety checks. In addition, through the Home Safety Inspection Program, neighborhood fire crew perform home safety audits and, if requested, install new smoke detectors.
- The Public Education Division presented 173 Fire Safety House sessions to elementary school classes in the community.
- Since 2013, up to 589 properties have been monitored by the Hoarding Action Response Team (HART). In 2014, 294 inspections were completed, successfully reducing hazards and improving safety in 286 newly identified premises.
- In 2014, VFRS worked with the City's Community Services group and 3-1-1 to streamline the permitting process for underground oil tanks.
- Staff continued to expand their role by maintaining 12,500 life-safety premise inspections and providing over 6,000 hydrant inspections.

PLANS FOR 2015

Fire Suppression and Special Teams

Drivers of change for the Fire Suppression and Special Teams Service include population growth and density, building construction, and changes in traffic patterns due to increased bike and transit lanes. Increased firefighter standards and certifications, marine firefighting, and complexity of equipment require additional training.

Plans for 2015 include:

- VFRS will train an additional 200 VVC and 100 NEAT volunteers. VFRS suppression staff will continue to manage and maintain 89 AEDs within the City's AED public access defibrillator program.
- VFRS will also continue to support a number of citywide programs and initiatives, such as Driver and Operator Training Services, HUSAR, Pop-up City Hall, Vancouver Volunteer Corps, NEAT, hydrant inspections, AED public access program, and Respirator Fit Testing.
- VFRS will continue to work with Port Metro Vancouver and inner harbour municipalities to develop a comprehensive fireboat and marine firefighting agreement. The two new fast attack 12M vessels will be in service by the end of 2015. A proposed marine firefighting squad made up of 40 suppression personnel will provide onboard firefighting capacity.
- Based on findings of the Fire Hall Service Review, a plan to replace fire halls will be implemented.

- 26 VFRS staff will continue to take an active role in the Public Safety Unit (PSU) alongside the Vancouver Police Department (VPD) and BCAS to provide fire protection during major events.
- VFRS will continue to maximize the capacity of suppression staff and maintain the life safety premise inspections and hydrant inspections at current levels.

To ensure health and wellness of firefighters, the department will also work towards implementing a health and wellness program for employees. The goal is to improve health, wellness, and fitness of all VFRS employees. The program will be inclusive of physical fitness, mental health, injury prevention, lifestyle, and rehabilitation of each individual. All of these components will increase early detection of occupational illnesses through the duties firefighters are exposed to, and decrease time loss due to sickness and workplace injuries.

Fire Prevention

Drivers of change for the Fire Prevention Service include an increase in community development, particularly new buildings (e.g., laneway homes, multi-family dwellings, high-rises), complex inspections such as Single Room Occupancy dwellings (SROs), and bylaw code changes for high-rises, care facilities, restaurants, and hoarding situations.

2015 will see a continued development of the risk-based premise inspection program (based on risk assessment of buildings and occupancy), including cross-training suppression staff to assist in training fire hall staff on the complexity of high-rise and restaurant inspections.

Initiatives include:

- Streamlining permitting process with the Vancouver Services Review's Permits and Licences Project
- Supporting Community Services open house initiatives, including shelters and temporary housing
- Aligning the Vancouver Fire Bylaw with the Vancouver Building Bylaw Code
- Continuing engagement with building owners and managers' associations for larger complexes to educate on pre-fire safety and all-hazards approach
- Continuing to collaborate with other City departments and stakeholders to identify and manage unsafe buildings using a coordinated City approach (task force)
- Utilizing technology-enhancing professional standards and improving quality control across the department by analyzing data using the Business Intelligence tool

Medical Calls Service

Drivers of change for emergency medical response include the increasing population and changing demographics, the proposed changes to the BCAS resource allocation plan (RAP), and the complexity of building heights and sophisticated security systems that impact vertical response times for incidents.

VFRS will continue to work with all stakeholders to increase the efficiency of medical response by dispatching the crossover medical units and responding with lighter apparatus with appropriate trained staff to medical calls.

There has been a steady increase in VFRS on-scene time with patients, as BCAS continues to have delayed response due to the RAP. VFRS will continue to work with external stakeholders, including British Columbia Emergency Health Services (BCEHS), Provincial Health Services Authority (PHSA) and BCAS, to identify and implement best outcomes to optimize medical response throughout the City. To appropriately manage resources and provide an efficient service, response and effectiveness are being reviewed.

DEPARTMENT SERVICE METRICS

Fire Suppression and Special Teams

VFRS is seeing a small steady increase of response times to fires due to increasing traffic congestion and traffic-calming initiatives. The percent of fires confined to the area of origin has seen a slight decrease over the past couple of years, but the average five-year rate has remained stable. VFRS continues to examine each fire-related death and injury and directs prevention and education programs and services as a strategic response.

Over the past two years, the number of fires with damage and with damage per 1,000 population has increased. The increase in 2013 was mainly a result of a spike in outdoor fires in the summer months. In 2014, the number of outdoor fires decreased compared to the 2013 level; however, all other fire categories saw a slight increase, resulting in a net decrease from the 2013 result, but a 5% increase compared to the 2012 result. VFRS continues to monitor and analyse this metric to identify trends in fire causes and to seek fire prevention opportunities.

Response time measures emergency response time to all calls except for medical calls. This metric has been restated as the initial published numbers contained responses to routine calls as well. In October 2014, VFRS responded to a massive four-alarm fire that resulted in major damage at 49th Ave and Granville St.

This major fire, with significant insurable damage, caused an increase of greater than 50% in the ‘average dollar loss per fire’ compared to the 2013 result.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Fire Suppression and Special Teams	Quantity	# of injuries/deaths	35/7	46/3	49/3	63/2	63/3
		# of all fires with damage	1,422	1,404	1,468	1,617	1,545
		# of fire safety inspections	5,060	9,190	11,160	13,578	12,057
	Quality	% of structure fires confined to area of origin	26%	23%	24%	21%	19%
		Response time at the 90th percentile *	6:24	6:24	6:08	6:14	6:25
	Result	Average \$ fire loss per fire	\$17,726	\$18,329	\$18,194	\$15,955	\$24,581
		# of fires with damage/1,000 population	2.4	2.3	2.4	2.7	2.6

*Note: This metric has been restated; it no longer includes responses to routine calls.

Fire Prevention

In 2013, Fire Prevention Inspectors began teaming up with suppression staff to roll out risk-based inspections, enabling inspectors to target and increase their inspection frequency of high-risk buildings, while suppression staff focus on more comprehensive inspections of low- and medium-risk premises. Buildings to be inspected are grouped into manageable areas for better use of time and travel. Using firefighters to do inspections means a better utilization of resources and better public safety outcomes.

The total number of life safety inspections at 19,059 (2014 forecast) includes inspections conducted by Fire Prevention Inspectors and Suppression Fire Safety Inspectors.

The violation rate on inspectable properties is expected to decline over the long term, due to an increase in owner-occupant accountabilities.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Fire Prevention	Quantity	Total number of life safety inspections	13,233	17,363	19,158	20,441	19,059
	Quality	% of violations per total inspections	9.5%	9.6%	6.4%	9.5%	8.9%

Medical Calls

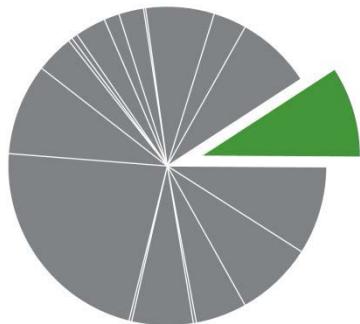
VFRS provides pre-hospital care services to citizens as a layered emergency medical service with British Columbia Ambulance Service. VFRS continues to maintain a strategic partnership with BC Emergency Health Services and the Emergency Medical Assistants Licensing Board. The cross-staffed Fire Medic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

A slow steady increase in the number of patients treated is anticipated, due to a small increase in population and aging demographics. There is also a slight increase in the number of calls related to medical incidents; however, this metric has stabilized on a per capita basis. In addition, the response time at 90th percentile has been restated to include emergency response only, as defined under the National Fire Protection Association (NFPA) reporting standards.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Medical Calls	Quantity	# of medical incidents *	32,624	32,879	33,331	34,226	35,478
		# of medical incidents per 1,000 population (does not include MVI) *	48.6	48.5	48.6	50.1	51.2
	Quality	Response time at the 90th percentile	6:22	6:14	6:07	6:19	6:20
	Result	# patients treated	17,164	17,417	18,855	21,903	23,200

*Note: Historical results for the '# of medical incidents' and '# of medical incidents per 1000 population' have been restated. These results now include incidents where the response is re-assigned, either on-scene or en route.

2015 BUDGET



VFRS makes up 9% of the 2015 Operating Budget

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Cost recoveries, grants & donations				
Fire & Rescue Services recoveries	6,911	7,065	154	2.2%
Total Cost recoveries, grants & donations	6,911	7,065	154	2.2%
Other revenue				
Other department revenue	574	516	(58)	(10.1%)
Total Other revenue	574	516	(58)	(10.1%)
Total Revenues	\$ 7,484	\$ 7,581	\$ 96	1.3%
Expenditures & Transfers				
Fire & Rescue Services				
Fire Suppression & Medical	96,006	100,766	4,760	5.0%
Prevention	2,619	2,629	10	0.4%
Training & Administration	3,719	4,086	368	9.9%
E-Comm allocation	3,900	4,065	165	4.2%
Shared support services	1,314	1,356	42	3.2%
Transfers to / (from) reserves & other funds	409	416	7	1.7%
Total Fire & Rescue Services	107,966	113,318	5,351	5.0%
Total Expenditures & Transfers	\$ 107,966	\$ 113,318	\$ 5,351	5.0%
Net Operating Budget	\$ (100,482)	\$ (105,737)	\$ (5,255)	5.2%

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

Revenues for VFRS remain similar to prior years with a small increase in compensation cost recoveries aligned with collective agreement increases.

Explanation of Changes: Expenses

The total operating expenditure growth rate is 5%. The majority of the increase in the 2015 budget relates to increases in compensation, benefits, and superannuation costs. In addition, increased costs reflect investments in marine firefighting training and a partnership with the Vancouver Fire Fighters'

Union to implement a Health and Wellness program. In light of the significant wage and benefit pressure in 2015, VFRS will increase the average vacancy rate by three positions and will manage vacancies to redirect resources to high priority areas.

The collective agreement with the Vancouver Fire Fighters' Union expired December 31, 2011. In 2014, the City and the Vancouver Fire Fighters' Union received an arbitrated settlement which establishes collective agreement terms for 2012-2015. The arbitrated settlement includes annual wage increases of 2.5% per year over the four-year term and an additional 0.5% increase in 2014. Compensation costs are also impacted by a 1% increase to the wage rate for firefighters with 10 years of service, which took effect in 2014 pursuant to a negotiated grievance settlement.

To better reflect the annual increase for 2015 and impact of these agreements on the 2015 budget, the 2014 budget has been restated to reflect an estimate of the wages and benefits over the prior years, assuming an increase aligned with other city bargaining units. In this way, the incremental impacts of the new agreements are reflected in 2015.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that VFRS is involved in, or which will commence in 2015. A complete list of all capital projects for 2015 is included in the appendixes to the Council Report.

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years
Replacement of Firehall Number 5*	19.1	1.1	1.2	16.8
Replacement of Firehall Number 17 - Planning/Design Phase only *	1.2	-	0.4	0.8
Fire Truck Replacement**	24.9	-	4.8	20.1
VFRS Scheduling System Assessment***	0.1	-	0.1	-

* Included in REFM departmental budget.

** Included in Engineering department budget.

*** Included in IT department budget.

Replacement of Fire Hall #5 (Kerr Street and 54th Avenue)

Design and construction for the replacement of Fire Hall #5, located at Kerr Street and 54th Avenue. The total project includes rezoning the land, deconstruction of the existing fire hall and the provision of a temporary fire hall during the construction period.

Planning/Design for Replacement of Fire Hall #17 (Knight Street and 55th Avenue)

Funding of \$0.4 million for planning and design has been allocated for Fire Hall #17 in 2015. Schematic design of the building will commence in 2015, followed by the full design and construction package to facilitate tender and construction in 2017 as part of the 2015-2018 Capital Plan.

Fire Truck Replacement

Twenty-six heavy apparatus pieces will be replaced between 2015 and 2017 as the existing units are past their service lives. As a result of this capital purchase, there will be a substantial increase to VFRS's operating budget in 2016 and beyond to reflect the capital repayment of this large investment in equipment replacement.

VFRS Scheduling System Assessment

In 2015, \$0.1 million has been budgeted toward the implementation of an automated staff scheduling system to replace the existing manual process. Funds will be used to assess options, make recommendations, and develop a project implementation plan.

Other notable capital projects:

Fire Boat Replacement

Procurement of two new fireboats commenced in 2014. In the last quarter of 2015, existing fireboats will be replaced with two new more efficient fireboats to provide marine firefighting response to Port Metro Vancouver and neighbouring municipalities of the inner harbour.

Capital Maintenance and Minor Upgrades

Fire hall improvements will continue with a focus on facility modifications to accommodate women firefighters, mechanical and electrical upgrades (Fire Hall #12 and Fire Hall #7), building maintenance and bay separation projects which support health, safety, and green initiatives.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Cost recoveries, grants & donations					
Fire & Rescue Services recoveries	6,223	6,154	6,920	6,911	7,065
Total Cost recoveries, grants & donations	6,223	6,154	6,920	6,911	7,065
Other revenue					
Other department revenue	581	577	574	574	516
Total Other revenue	581	577	574	574	516
Total Revenues	\$ 6,804	\$ 6,731	\$ 7,494	\$ 7,484	\$ 7,581
Expenditures & Transfers					
Fire & Rescue Services					
Fire Suppression & Medical	87,396	85,499	90,367	96,006	100,766
Prevention	2,594	2,638	2,746	2,619	2,629
Training & Administration	4,347	6,073	3,833	3,719	4,086
E-Comm allocation	-	-	-	3,900	4,065
Shared support services	123	130	130	1,314	1,356
Transfers to / (from) reserves & other funds	545	409	291	409	416
Total Fire & Rescue Services	\$ 95,004	\$ 94,750	\$ 97,367	\$ 107,966	\$ 113,318
Total Expenditures & Transfers	\$ 95,004	\$ 94,750	\$ 97,367	\$ 107,966	\$ 113,318
Net Operating Budget	\$ (88,199)	\$ (88,019)	\$ (89,874)	\$ (100,482)	\$ (105,737)
Capital Budget (\$ million)	\$ 8.3	\$ 1.2	\$ 0.6	\$ 0.1	\$ 0.1

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

Revenues are primarily made up of operating cost recoveries related to University Endowment Lands (UEL), and the trend continues to be a gradual year-over-year increase.

Explanation of Changes: Expenses

Increases in the operating budget are largely due to collective agreement wage increases, step increments, and benefits. The 2012 to 2013 change is primarily due to an increase provided in the salary and benefit budget for the 2010 and 2011 Firefighters Union wage settlement for April 1, 2010 to December 31, 2011.

The majority of the increase in the restated 2014 and proposed 2015 budget is attributed to changes in compensation, benefits, and superannuation costs that result from the arbitrated settlement. In addition, year- over-year costs reflect internal reorganization changes that include the citywide Driver Services program.

Fire fleet costs decreased in prior years as internal financing for equipment was fully paid. Anticipated replacement of the fleet in 2015 through 2017 will result in a significant increase to the 2016 budget and beyond, since the cost of financing the new fleet will again be included in the budget.

The shared support services trend reflects the continued evolution to shared services, with staff and budgets in previously decentralized work groups moving to Citywide groups that are led across the



organization. Increases in the shared support services budget reflects the allocation of budget to VFRS for consolidated IT, supply chain management, finance, facilities operations and planning, and HR.

EMPLOYEE TREND TABLE

Fire	2010	2011	2012	2013	2014F
Regular Full-time Staff (excluding Part-time, Temp, and Auxiliary)	791	780	793	797	792
All Staff (including Part-time, Temp, and Auxiliary) Full-time Equivalent*	792.4	779.2	790.2	800.0	792.9

*excluding overtime

The employee trend reflects the continued evolution to shared services, with VFRS staff moving to citywide groups that are led across the organization, for IT, supply chain management, payroll, finance, and HR.

In addition, fluctuations in FTE's are due to retirements, vacancy, and attendance management.

VANCOUVER BOARD OF PARKS AND RECREATION

Parks and recreation services in Vancouver operate as a separate agency from other municipal government services. Vancouver is the only municipality in Canada with an elected park board—the Vancouver Board of Parks and Recreation (Park Board). The Park Board is comprised of seven elected commissioners and has a mandate to nurture, maintain, and develop Vancouver's urban parks and recreation system. Vancouver City Council provides the Park Board with an annual budget to undertake these activities.

The Park Board oversees the delivery of parks and recreation services for the city of Vancouver. It maintains a network of over 230 parks (approximately 1,300 hectares), including 146 sport fields, playgrounds, five outdoor pools, destination parks, gardens, and beaches, and is responsible for 24 community centres, 14 fitness centres, nine indoor pools, and eight arenas. The Park Board also manages public marinas, golf courses, concessions, sports fields, clubhouses, as well as service yards.

KEY SERVICES DELIVERED

Parks and Green Spaces: Provide and maintain parks, natural areas and display gardens, other green spaces and attractions for public use

Recreation Facilities: Provide access to community centres, pools, arenas, fitness centres, and sport fields; provide permits for use of community centres and park space

Recreation Programming: Oversee programming in rinks and pools across the city and work jointly with Community Centre Associations to provide programs and classes for community centre registrants

MAJOR ACCOMPLISHMENTS IN 2014

Parks and Recreation for All

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

- Two new parks opened in 2014. The first, Trillium Park Site North, located within the False Creek Flats, features a multi-use structure, passive area, naturalized spaces, wetlands, plaza area, playground, amphitheatre, and central lawn area. A second park (as yet unnamed) at 6th Avenue and Fir Street in the Burrard Slopes community, fills a void in neighbourhood green space, and features a community garden, playground, and seating area.
- Work continued on the redevelopment and revitalization of Hastings Park. Destined to become the second largest park in the city, Hastings Park will encompass Empire Fields and Plateau Park, and will be home to the Miracle Mile statue.
- The Sunset Park Master Plan is also underway; public consultations began in November 2014.
- Bloedel Conservatory, which celebrated its 45th anniversary in December 2014, was saved through the efforts of many. The Park Board replaced the iconic domed roof in two phases after the City committed \$1.3 million to the project. More than 1,400 individual acrylic 'bubble' panels in 32 different sizes were installed.
- The Park Board and the City of Vancouver, along with community sport partners and the Vancouver Canadians (the minor league baseball team), began work on new and upgraded playing field amenities for almost 20 sports fields across the city, including washrooms, change rooms, and showers.

- The Park Board's OneCard, accepted at Park Board arenas, pools, community and fitness centres—continued to be highly successful. The number of residents who have signed up for the card increased from 100,000 in 2013 to 161,827 users as of November 30, 2014.
- The Killarney seniors centre project was launched in 2014 with funding secured from three levels of government. Consultations on the project design requirements for the new facility are underway with the stakeholder groups and residents in Southeast Vancouver.
- The Recreation team continued work on reducing barriers to access. The Park Board aims to implement policies that will make the City a world leader in civic inclusivity with a specific focus on low-income residents and individuals in the trans and gender-variant community.
- New playgrounds were built at the parks at 6th Avenue and Fir Street, and Trillium Park North.
- The Fieldhouse Studio Program continues to provide hard-to-find studio space for artists, in exchange for community engagement.

Leader in Greening

In the second priority area—leader in greening—the following strides were made:

- Work continued on extending Vancouver's urban forest with more than 12,000 new trees on public and private lands planted in 2014, and completion of the Urban Forest Strategy.
- Beaver Lake in Stanley Park will be restored and enhanced by an ambitious plan approved by the Park Board, which will include dredging of the lake, the construction of four new viewing platforms, new boardwalks, and greater bio-diversity.
- In Still Creek, one of only two remaining visible streams in urban Vancouver, the rewilding and conservation efforts to the stream resulted in the return of spawning chum salmon for the third year in a row.
- Community gardens continue to be added or expanded, including Fraserlands Community Garden (at Riverfront Park), Collaborative Garden at Creekside, the Nelson Park Community Garden expansion and Kingcrest Park Community Garden. Work has also started on gardens at Beaconsfield Park and a new park at 6th Avenue and Fir Street.
- Work continued towards the Nature in the City initiative (formerly called Rewilding Vancouver), with the goal of Vancouver being the greenest and most ecologically literate on earth. In 2014, the Park Board began identifying 28 unique biodiversity hot spots on public and private lands such as Stanley Park and Fraserview Golf Course.
- The Park Board directed staff to create a strategy to make Vancouver's parks and streets more hospitable habitats for pollinators and to ban pesticides linked to the decline of bees.
- Development of the Vancouver Bird Strategy, approved by Council in January 2015, and Bird Friendly Design Guidelines. The guidelines are divided into Landscape Design Guidelines and Building Design Guidelines and are intended for use by developers, planners, designers, and public and private landowners to support the design and implementation of bird friendly development throughout the city. The Park Board also led the successful Vancouver Bird Week, working with its partners to offer expanded public education promoting awareness and creation of the condition for native birds to thrive in the city.

Engaging People

In the third priority—engaging people—the following actions were taken:

- There was an increased focus on community consultation on all significant projects. In late 2014, for example, Park Board staff held Sunset Master Plan consultations and Recreation staff led stakeholder meetings for the new Killarney seniors centre.
- First Nations and community partners were engaged on projects such as the Portuguese Joe monument proposal for Brockton Point in Stanley Park.

Excellence in Resource Management

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

- Capital and operating budgets were balanced.
- Windbreaks were introduced at Kitsilano and Second Beach pools, significantly reducing greenhouse gas emissions and generating cost savings. The windbreaks reduced greenhouse gases by 220 metric tonnes—the equivalent of removing 46 cars from city streets—and saved \$44,000 in natural gas consumption.
- The fundraising and development office continued to raise approximately \$1 million annually through fundraising initiatives that include online giving, commemorative gifts, legacy giving, and endowments.

PLANS FOR 2015

The Park Board's 2013-2017 strategic framework outlines the organization's:

- Mission and vision
- Four priority directions
- Nine goals
- 27 strategic objectives

All of these elements have been developed to assist the Park Board in focusing its efforts and resources between 2013 and 2017.

Since the entire plan cannot be implemented concurrently, the Park Board selects five priority objectives annually. Detailed implementation plans and allocation of appropriate resources support the priority objectives.

Subject to Park Board approval, the following priorities have been identified by the Park Board's Senior Management Team for implementation in 2015:

- Continuous quality improvement
- Proactive service planning and delivery
- Improved communication and engagement
- Fair recruitment and development
- Entrepreneurial development

The sections below detail some of the potential activities in each area.

Continuous Quality Improvement

- Improve park maintenance and horticulture
- Upgrade existing Park Board facilities and product offerings
- Work to improve customer service standards and training
- Continue to improve business processes

Proactive Service Planning and Delivery

- Negotiate new joint operating agreement with local Community Centre Associations
- Continue work to improve/optimize operations at VanDusen Botanical Garden and the Bloedel Conservatory
- Deliver new amenities to meet current and future needs of Vancouverites, including new outdoor aquatic facilities
- Improve infrastructure at Park Board marinas
- Continue asset renewal programs
- Initiate several important master plan projects

Improved Communication and Engagement

- Enhance existing communication and engagement approaches and tools
- Continue to enhance and build stronger relationships with Park Board partners
- Continue to support events that enhance the enjoyment and vibrancy of public spaces and increase social connectedness

Fair Recruitment and Development Opportunities

- Pursue initiatives to strengthen employee engagement
- Implement training and development program
- Strengthen relationships with Park Board labour unions

Entrepreneurial Development

- Explore new opportunities to improve customer service, enhance visitor and user experiences, and generate new revenue
- Enhance marketing activities to support existing and new lines of business

In addition to implementing the aforementioned priorities, the Park Board will continue to move forward projects and programs initiated in previous years, including but not limited to:

Improving Inclusivity and Accessibility

Key initiatives include enhancing access to the Park Board's recreation network, and updating the Park Board's economic access policy, among others. Work will continue to reduce barriers for the trans and gender-variant community. The work of this task force is ongoing and several key initiatives such as trans-inclusive swims and fitness classes will roll out in early 2015.

Green Stewardship

Key initiatives include implementing the Park Board's Urban Forest Strategy, Biodiversity Strategy, Bird Strategy and Environmental Education and Stewardship Action Plan, as well as delivering the Park Board's Green Operations Plan commitments.

Enhanced Fiscal Planning and Management

Key initiatives include continuing to better define service standards for core activities, developing and using business intelligence tools to more effectively measure and analyze Park Board activities, and developing improved and more efficient budget governance and processes.

2015 FIFA Women's World Cup

Vancouver is proud to have been selected as a host city for the FIFA Women's World Cup in 2015 (along with Edmonton, Winnipeg, Ottawa, Montreal, and Moncton). Vancouver will host a total of nine matches, including the tournament final, and will serve as the headquarters for all national soccer delegations. The Park Board and the City will leverage Vancouver's host city status to improve access to sport for girls and women across the city and to deliver a variety of community engagement and legacy initiatives.

Recreation Technology Upgrade and Process Improvements

In 2015, a new recreation management software system (ActiveNet) will be introduced, replacing the current and outdated Safari system. The new system will provide significant advances in system capacity, user experience, customer relationship management, marketing, payment flexibility, and data reporting, as well as other areas. At the same time, business process improvements will be introduced to increase the quality of customer experiences and resource efficiency.

DEPARTMENT SERVICE METRICS

Parks and Green Spaces

The Urban Forest Strategy is an integral part of meeting the challenge of the Greenest City goals.

The Park Board foresees modest land inventory growth (compared to overall inventory) with strategic park land acquisitions along the waterfront and in areas with increasing density (False Creek, East Fraser Lands, Marpole-Fraser River).

In 2013, the Park Board identified canopy coverage as the metric to be used to calculate the amount of benefit provided by trees that comprise an urban forest. Canopy cover is the area of land covered by tree canopies (or leaves) as viewed from above. Canopy coverage for 2014 is estimated to be 18%, down from 22% a decade ago.

The Park Board continues to beautify parks and green spaces with ornamental plantings and the planting of additional trees, including fruit trees. The forecast for 2015 is to plant approximately 2,000 street trees, 4,000 park trees, and 5,800 trees on private property, for an approximate total of 11,800 trees planted.

The Park Board continues to lead the Vancouver Bird Strategy (approved by Council in January 2015) and the successful Vancouver Bird Week promoting awareness and creating the conditions for native birds to thrive. The Bird Friendly Design Guidelines are intended for use by developers, planners, designers, and public and private landowners. The guidelines are divided into Landscape Design

Guidelines and Building Design Guidelines and support the design and implementation of bird-friendly development.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Parks and Green Spaces	Quantity	Hectares of park space	1304.8	1304.8	1305.0	1305.6	1305.6
		New fruit trees planted	55	42	250	798	1,000
		Non-fruit trees planted	2,543	3,487	6,136	6,813	6,000
		Trees maintained	19,454	19,689	19,934	34,114	34,200
		# of annuals planted	593,670	565,400	526,000	515,000	515,000
	Quality	% of canopy coverage	NDA	NDA	17%	18%	18%
		% of land base within 5 minutes' walk to green space	92.6%	92.6%	92.6%	92.7%	92.7%

Access to Recreation Facilities

The OneCard program continues to be a runaway success, with the number of residents who have signed up for the card increasing to 161,827 users in 2014, up from 100,000 in 2013.

It is forecast that the number of Leisure Access Passes issued will continue to grow. Over 15,000 Leisure Access Cards were issued in 2014, with 16,000 projected for 2015, representing over 10% of the eligible low income population in Vancouver benefiting from the Leisure Access program. The increased participation in the Leisure Access Program over the past two years has been the result of expanded access to program options for patrons, extensive promotion, and application processing improvements. These expanded program options for LAC users have resulted in short-term downward trends in participation for some activities (such as swimming); however, overall participation is continuing to increase.

Available hours for facility usage in pools and arenas remains relatively stable, while access to outdoor sports facilities will increase with the addition of two new Artificial Turf fields at Empire Stadium in 2015, adding an additional 1,000 hours per field.

In the fall of 2012, the Park Board implemented a new policy for field bookings by youth groups. Prior to this change, youth groups were not charged for field bookings, unlike other user groups. This resulted in numerous youth group bookings for fields that they subsequently did not use, potentially preventing other groups from using the booked field. To reduce the number of these no-show bookings, a small fee, consistent with other user groups, is now required from youth groups for field bookings. This new policy has been successful in reducing the number of no-show bookings and this is reflected in the decrease in usage hours in 2013 as this metric is calculated based on bookings. The 2014 result shows an increase in field usage and this is expected to continue.

Popularity of indoor and outdoor swimming continues, with expected increase in participation in 2015, reflected in 2015 forecast metrics. It is expected that skating participation will continue to grow incrementally while ice rink utilization by rental groups increases due to demand.

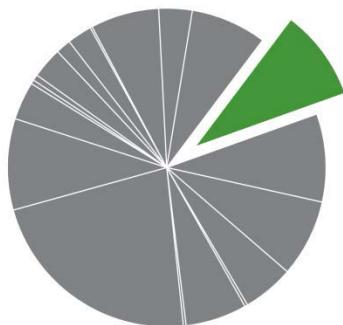
Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Access to Recreation Facilities	Quantity	# of Low Income Access Cards issued (LAC)	12,387	12,378	12,149	14,077	15,000
		% of LAC eligible residents in Vancouver (LICO)	NDA	8.0%	8.0%	8.5%	9.0%
		# of swim participants/attendees	1,831,124	2,678,220	2,803,591	2,842,662	2,870,000
		LAC swim usage	364,595	412,355	443,256	433,298	440,660
		% of total swims by LAC holders	20%	15%	17%	15%	16%
		# of facility hours available for indoor pools	34,640	39,720	39,720	39,720	39,720
		# of participants for arenas (total attendance, excluding rentals)	286,330	289,958	288,280	273,016	280,000
		LAC usage for arenas	7,350	9,904	9,057	8,562	9,000
		% of total skates by LAC holders	3%	3%	3%	3%	3%
		# of facility hours available for arenas (incl. dry floor)	43,700	48,550	45,180	47,572	47,000
	Quality	# of hours of outdoor sport facility usage	135,155	144,888	138,748	110,798	112,000
		# of outdoor sport facility permits	1,110	1,395	1,449	1,475	1,550
		# of swims per capita - indoor pools (admissions, lessons, rentals)	3.06	4.44	4.64	4.71	4.75
		# of lifeguard interventions per 1,000 swims	9.8	7.8	9.0	11.1	10.0
		Average annual utilization rate (usage per hour for arenas)	NDA	NDA	59%	60%	61%

Recreation Programming

As the Park Board continues to promote the network of facilities and programming opportunities, as well as expand and add value to OneCard, it is anticipated that all the following will see increases in 2015: the number of recreation classes at community centres, enrollments in community centre and learn-to-swim programs, and the number of swims per capita in indoor pools.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Recreation Programming	Quantity	# of recreation classes offered across network of community centres	NDA	NDA	22,098	23,361	23,800
		Average # of recreation classes offered per community centre	NDA	NDA	960	1,015	1,035
		Average # of registrants per community centre class	NDA	NDA	7.8	8.6	8.5
		Registrants in community centre programs	NDA	NDA	173,297	200,922	202,500
	Quality	# of enrollments in learn-to-swim programs	45,200	49,710	52,363	46,133	46,590

2015 BUDGET



Parks & Recreation makes up 9% of the 2015 Operating Budget

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Parks & Recreation program revenue				
Recreation revenue				
Admissions	8,712	8,887	175	2.0%
Programming	3,624	4,120	495	13.7%
Recreation facility rentals	3,573	3,956	384	10.7%
Other recreation revenue	844	598	(247)	(29.3%)
Subtotal Recreation revenue	16,753	17,560	807	4.8%
Golf revenue	9,056	9,148	93	1.0%
Marinas & Attractions revenue				
Marinas	3,145	3,174	29	0.9%
VanDusen Gardens	2,437	2,847	410	16.8%
Stanley Park Mini Train	1,361	1,520	159	11.7%
Bloedel Conservatory	540	580	40	7.4%
Other attractions	78	89	11	14.1%
Subtotal Marinas & Attractions revenue	7,561	8,211	650	8.6%
Lease & concession revenue	6,025	6,333	308	5.1%
Other Parks & Recreation revenue	357	438	81	22.7%
Total Parks & Recreation program revenue	39,752	41,690	1,939	4.9%
Total Program revenue	39,752	41,690	1,939	4.9%
Parking revenue				
Parks parking revenue	5,925	6,381	455	7.7%
Total Parking revenue	5,925	6,381	455	7.7%
Cost recoveries, grants & donations				
Parks & Recreation recoveries, grants & donations	3,891	4,537	646	16.6%
Total Cost recoveries, grants & donations	3,891	4,537	646	16.6%
Total Revenues	\$ 49,568	\$ 52,608	\$ 3,040	6.1%
Expenditures & Transfers				
Parks & Recreation				
Recreation	44,476	46,470	1,994	4.5%
Park maintenance & operations	30,140	31,348	1,208	4.0%
Facility maintenance & corporate services	13,792	14,554	762	5.5%
Marinas & Attractions	6,730	6,981	251	3.7%
Golf	6,421	6,201	(220)	(3.4%)
Leases & concessions	2,413	2,137	(276)	(11.4%)
Shared support services	2,660	2,729	69	2.6%
Transfers to / (from) reserves & other funds	2,903	2,962	59	2.0%
Total Parks & Recreation	109,534	113,383	3,848	3.5%
Total Expenditures & Transfers	\$ 109,534	\$ 113,383	\$ 3,848	3.5%
Net Operating Budget	\$ (59,966)	\$ (60,774)	\$ (808)	1.3%

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

As noted in the table above, the proposed revenue budget increase for 2015 is \$3.0 million, or 6.1% compared to the 2014 Restated Budget.



There are two key drivers for the increase in the Park Board's revenue budget: \$0.8 million results from changes to fees and charges, and the remaining \$2.2 million is a result of anticipated increases in the usage of our facilities and services.

The increase in budgeted revenue for recreation services of \$0.8 million reflects additional programming established during 2014, as well as increased attendance and participation in existing programs and rentals. Much of this increase was realized in 2014, and is expected to continue throughout 2015.

Revenue from marinas and other attractions is budgeted to increase by \$0.7 million, primarily due to the popularity of the Festival of Lights at VanDusen Botanical Garden, as well as an inflationary increase in marina fees.

Parking revenue is budgeted to increase by \$0.5 million, reflecting additional utilization realized in 2014 as well as a higher than budgeted 2014 effect from the price changes driven by market reviews of local parking rates.

Leases and concession budget increases of \$0.3 million reflect the 2014 annual impact of volume increases from lease agreements with the Tap & Barrel at Creekside and the Cactus Club in English Bay, while golf increases of \$0.1 million result from increased utilization during low-use periods. The budgeted increase in rounds played will be driven by improved awareness of available times and price discounts generated via a new golf application launched in 2014.

Explanation of Changes: Expenses

The 2015 expense budget is proposed to increase by \$3.8 million, or 3.5% compared with 2014.

The key drivers for budget changes are funding for fixed cost increases, adjustments for costs associated with increased revenue, investments in programs, productivity increases, and increased operating costs from capital projects.

Fixed cost increases for wages and benefits total \$2.1 million, reflecting inflationary increases to both wages and fringe benefits. Other fixed cost increases provide \$0.9 million for anticipated utility cost increases and Greenhouse Gas Loan repayments, offset by reductions in equipment and other costs totaling \$0.5 million.

In addition, expense budgets have been increased by \$1.8 million to reflect the increased labour, supplies, commissions, bank charges, and other costs directly associated with the \$3.0 million of increased revenue targets.

Investments for future growth and service initiatives continue to be made, with \$0.6 million budgeted for the operating impact of previously approved capital projects, as well as \$0.2 million for integrated staffing plan shortfalls and maintenance of trees planted under the Urban Forest Strategy.

The above budget increases are partially offset by ongoing productivity initiatives totaling \$1.3 million. The Park Board continues to focus on transforming the way parks are maintained and services provided. Examples of 2015 initiatives include gross margin improvements (reduction in expenses supporting revenues), productivity improvements in recreation services, golf and facility maintenance, reduction in fleet maintenance costs, and general workforce productivity improvements to be achieved through management of vacancies and workforce attrition.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects the Park Board is involved in, as well as projects that will commence in 2015. A complete list of all capital projects for 2015 is included in the appendixes of this report.

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years**
Southeast Vancouver (Killarney) Seniors Centre***	7.5	0.1	0.5	6.9
Creekside Paddling Centre***	3.2	0.1	3.1	-
Britannia Community Centre Redevelopment Phase 1 - Planning***	3.0	-	0.3	2.7
Urban Forest: Park and Street Trees*	N/A	1.0	1.5	5.3
Sports Fields and Courts*	N/A	-	1.1	9.5
New Parks (incl Major Park Renewals, New Parks, Hastings Park Greening)*	N/A	9.0	3.5	4.8
Neighborhood Park Renewal*	N/A	0.0	0.8	4.0

* Funding for programs approved on annual basis.

** For Programs, reflects forecast amounts for remaining years, 2016-2018, of the 4 year capital plan.

*** Included in REFM departmental budget

Creekside Paddling Centre

This new non-motorized boating facility will be located on the water immediately north of the Creekside Community Centre. To be completed in 2015, it will replace existing aged floats and storage units, and serve growing recreational boating interests.

Britannia Community Centre

This community facility is in need of renewal, and has been identified as a key priority, as several components at the multi-use facility need to be replaced over the next decade. A master plan was completed in 2011 to guide this renewal process. Situated in the heart of Grandview-Woodland, a thriving medium-density neighbourhood, Britannia is a community facility that is co-located with a community centre, childcare, family place, library, swimming pool, ice rink, elementary school, and secondary school. Several of its facilities provide services to Downtown Eastside, Strathcona, and Hastings-Sunrise residents. Building upon the Recreation Services Master Plan, and local Community Plan (now underway) detailed programming and designs for the much-needed renewal are to be completed this year.

Urban Forest: Park and Street Trees

The Park Board continues to increase the urban forest canopy through tree planting programs in parks, on streets, and through private property partnership programs. In 2015, 4,000 park, 2,000 street, and 5,700 private property trees are scheduled to be planted. This work builds on the Greenest City 2020 Action Plan's Access to Nature goal to plant 150,000 new trees by 2020.

Sports Fields and Courts

The development of improved sport amenities citywide will continue in 2015, including field house upgrades, the installation of players' shelters at synthetic turf fields, and a new baseball backstop at Carnarvon Park (where the provincial youth championships are to be held). A much-needed replacement of the synthetic turf surface at Eric Hamber Secondary School will occur in the summer concurrently with planning for future field, tennis, and court upgrades.

New Parks

Consistent with plans to provide park space for an increasing number of downtown residents, staff will engage with residents to formalize plans for a new park at Richards and Smithe Streets, and complete construction of a new park at 17th Avenue and Yukon Street to fill a gap in access to green space in walking distance for residents of the Mount Pleasant neighbourhood.

Neighbourhood Park Renewal

After extensive community engagement completed in 2014, the construction of improvements on sites including the grounds of the former Percy Norman Pool, Riley Park Community Centre, and Vancouver Curling Club at Hillcrest and Riley Parks, will commence in 2015. Planning and design for improvements to Sunset Park will also continue.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Program revenue					
Parks & Recreation program revenue					
Recreation revenue					
Admissions	5,763	8,124	8,611	8,712	8,887
Programming	2,046	2,691	3,621	3,624	4,120
Recreation facility rentals	2,513	2,893	3,571	3,573	3,956
Other recreation revenue	434	540	951	844	598
Subtotal Recreation revenue	10,755	14,248	16,755	16,753	17,560
Golf revenue	11,683	11,606	8,806	9,056	9,148
Marinas & Attractions revenue					
Marinas	2,513	2,642	3,145	3,145	3,174
VanDusen Gardens	1,581	1,612	2,212	2,437	2,847
Stanley Park Mini Train	1,018	1,078	1,261	1,361	1,520
Bloedel Conservatory	1,556	802	540	540	580
Other attractions	78	78	78	78	89
Subtotal Marinas & Attractions revenue	6,745	6,211	7,236	7,561	8,211
Lease & concession revenue	5,722	5,539	5,752	6,025	6,333
Other Parks & Recreation revenue	942	784	357	357	438
Total Parks & Recreation program revenue	35,847	38,388	38,905	39,752	41,690
Total Program revenue	35,847	38,388	38,905	39,752	41,690
Parking revenue					
Parks parking revenue	4,560	4,624	5,237	5,925	6,381
Total Parking revenue	4,560	4,624	5,237	5,925	6,381
Cost recoveries, grants & donations					
Parks & Recreation recoveries, grants & donations	3,965	4,264	3,821	3,891	4,537
Total Cost recoveries, grants & donations	3,965	4,264	3,821	3,891	4,537
Total Revenues	\$ 44,372	\$ 47,276	\$ 47,964	\$ 49,568	\$ 52,608
Expenditures & Transfers					
Parks & Recreation					
Recreation	38,625	40,332	43,142	44,476	46,470
Park maintenance & operations	23,774	22,333	24,059	30,140	31,348
Facility maintenance & corporate services	17,661	20,307	20,625	13,792	14,554
Marinas & Attractions	6,514	6,126	6,507	6,730	6,981
Golf	7,100	8,084	6,457	6,421	6,201
Leases & concessions	2,687	2,834	2,313	2,413	2,137
Shared support services	9	8	8	2,660	2,729
Transfers to / (from) reserves & other funds	3,628	3,188	2,422	2,903	2,962
Total Parks & Recreation	99,998	103,212	105,533	109,534	113,383
Total Expenditures & Transfers	\$ 99,998	\$ 103,212	\$ 105,533	\$ 109,534	\$ 113,383
Net Operating Budget	\$ (55,626)	\$ (55,936)	\$ (57,570)	\$ (59,966)	\$ (60,774)
Capital Budget (\$ million)	\$ 52.8	\$ 18.2	\$ 18.2	\$ 25.2	\$ 16.7

Note: Totals may not add due to rounding

EMPLOYEE TREND TABLE

Parks and Recreation	2010	2011	2012	2013	2014F
Regular Full-time Staff (excluding Part-time, Temp, and Auxiliary)	698	683	655	635	615
All Staff (including Part-time, Temp, and Auxiliary) Full-time Equivalent*	1123.0	1130.3	1085.9	1084.3	1070.8

*excluding overtime

Total Straight Time Hours includes hours worked by all Regular, Temporary, and Auxiliary employees.

FTE reductions can be explained by attrition and the transfer of work and associated staff to support citywide shared service initiatives.

ENGINEERING SERVICES

The Engineering Services Department is responsible for policy, management, design, delivery, and construction associated with infrastructure and services on and under the street right-of-way. This department handles the City's four utilities and public works.

Through its four utilities, Engineering Services provides Vancouver with water for drinking and fire protection, safe removal of wastewater for treatment, rainwater for flood prevention, efficient collection of solid waste, and a low-carbon neighbourhood energy supply to the Southeast False Creek neighbourhood.

The four utilities are:

- Waterworks
- Sewers and Stormwater
- Waste Management and Resource Recovery (Solid Waste)
- Neighbourhood Energy

ENGINEERING – WATERWORKS

The objective of the waterworks utility is to provide a reliable, accessible, and sustainable supply of high-quality water. Furthermore, the waterworks utility seeks to use potable water efficiently and to ensure the City is prepared for emergencies.

KEY SERVICES DELIVERED

Water Distribution Service: Provide clean water to businesses, residents, and communities

MAJOR ACCOMPLISHMENTS IN 2014

In 2014, the waterworks utility continued to make progress to improve water system reliability by replacing deteriorating infrastructure, improving public access to water through the installation of water filling stations and fountains, and encouraging water conservation.

Infrastructure and Resiliency

At the end of 2014, 7.3 kilometres of the City's 1,470 kilometres of water mains will have been replaced as part of the long-term strategy to manage the frequency and impacts of water main failures.

Major projects included management of a multi-partner construction project on Cambie Street downtown. This \$4.6 million coordinated construction project for the replacement and rehabilitation of water and sewer mains involved BC Hydro and various third-party utilities. This was followed by curb, sidewalk, and roadway paving.

Other major project highlights included the substantial completion of one kilometre of transmission main replacement on Pender Street from Clark Drive to Gore Street, and the design and tendering of pipe lining services for a 2015 pilot project for structural lining (rather than replacement) of 700 metres of aging cast iron water main. A benchmarking study of water main construction costs was also successfully completed.

To increase the resiliency of the water system to withstand seismic events and provide post-earthquake water supply for consumption and fire suppression, a plan for a network of reinforced mains has been developed in consultation with Vancouver Fire and Rescue Services and the Office of Emergency Management. This plan will impact the way the City undertakes the ongoing water main replacement program.

Public Access to Water

Access to potable drinking water in the public realm is a key goal for the City, both to protect the public during hot weather and to support the City's sustainability goals by decreasing the use of plastic water bottles. In 2014, three new water fountains were installed, including two fountains leveraged from adjacent development, increasing the City's overall total to 230.

Water Conservation and Consumption Trends

The City's Greenest City water consumption goal is to reduce per-capita water use 33% by 2020. In support of this goal, the 2014 conservation program continued to focus on residential water use with activities such as:

- A continuation of the lawn sprinkling education and ticketing/enforcement program, issuing 43 tickets and delivering 767 warnings in 2014
- Sponsoring 35 waterwise garden parties at residents' homes, designed to promote efficient outdoor water use while supporting urban agriculture
- Contributing to a program in which Vancouver residents can receive a rebate for purchasing a new efficient washing machine, in partnership with FortisBC and BC Hydro
- Retrofitting of 425 high-efficiency toilets in facilities operated by participants of the City's Green Landlord Pilot program (multi-family residential)
- Seasonal Rainwater Diversion Study—Recipient of RBC Blue Water Grant (Residential)

In addition to residential conservation activities, the City implemented new leak detection techniques to reduce leakage from water mains, and partnered with FortisBC and BC Hydro to reduce water and energy consumption of dishwashing in restaurants. Even with these efforts, overall City water consumption increased in 2014 for the first time in many years. This increase is attributed to the combination of a long, hot summer along with economic growth driving up consumption in the Industrial, Commercial, and Institutional (ICI) sector. This trend, and the City's planned response, are discussed further in the Water Conservation and Service Metrics sections below.

PLANS FOR 2015

Infrastructure and Resiliency

With over 1,470 kilometres of water mains, 6,000 fire hydrants, and 100,000 service connections in the water system, the City will continue to address aging infrastructure in 2015, with plans to replace or rehabilitate 1.5 kilometres of transmission main and 6.5 kilometres of distribution main. This represents .54% of the water mains in the City, which is in accordance with the utility's 10-year Capital Strategic Outlook and represents a comparable level of annual investment compared to the last capital plan.

A detailed analysis of water system age, pipe material, and performance (indicated by historical water main breaks and leaks) indicates that replacement rates in the 2015-2018 Capital Plan can hold steady. However, this rate may need to be accelerated in the 2019-2022 Capital Plan as portions of the water system will reach the end of their theoretical service life, increasing risk of failures. Performance metrics (e.g., leaks, breaks) are collected and analyzed regularly to determine the appropriate balance between proactive replacement of water mains versus conducting repairs as failures occur.

Given the importance of providing drinking water to residents and the scale of expenditures related to water main construction, there are a number of initiatives that will be undertaken in 2015 to increase reliability and/or resiliency of the water system and ensure that investments represent the best value for Vancouver residents:

- Replacement of a key east-west transmission main on Pender Street, from Gore to Seymour, to increase system resiliency and reliability to the downtown core
- Completion of a water main replacement project built by private contractors to verify that City crews remain competitive to private industry and to carefully monitor construction methodology to potentially improve the City's operational efficiency
- Completion of a water main structural lining (rehabilitation) project as an alternative to traditional pipe replacement; potential benefits include less public disruption, less waste, and cost savings
- Installation of Japanese-specification earthquake-resistant pipe to pilot the use of this technology for future network replacement

Water Conservation and Consumption

In 2015, to address increased water use in the non-residential metered sector, the City will support and educate thriving and growing industries to enable them to make better choices aligned with water conservation when planning upgrades or considering expansion to further improve their profitability.

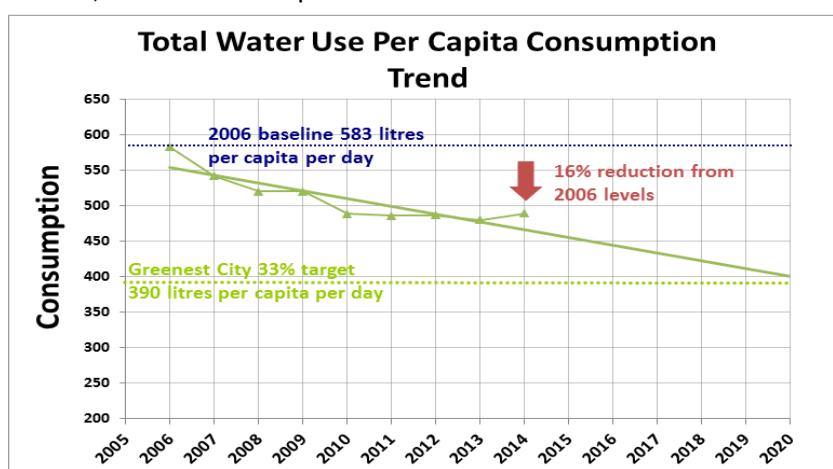
As part of the Greenest City 2020 Action Plan Refresh process, over 20 representatives have been engaged. Staff will continue this direct consultative approach to develop programs to enable water to be used efficiently, and advise how growth in these sectors can incorporate best practices from a water use perspective. As well, a sustained focus on residential water efficiency by expanding programs and education to include indoor uses is necessary to maintain progress in consuming water and reaching the City's Greenest City targets.

Public Access to Water

In 2015, the utility continues to work with representatives from the Extreme Heat Committee (the Vancouver Police Department, Emergency Management, and Social Planning) to determine potential locations for siting new fountains.

DEPARTMENT SERVICE METRICS

As shown below, water consumption in 2014 has been atypical compared to the trend over the last decade, as total consumption for 2014 is 3% over 2013 levels.



Various factors can affect water consumption patterns including weather (e.g., dry summers), population growth, and economic conditions. Upon review of over 16,000 customer accounts, it was determined that the recent increase is due to an increase in water use of non-residential metered customers. Residential water use has continued to decline. This result aligns with the fact that conservation programs over the last few years have mainly focused on the residential sector, particularly in the area of discretionary outdoor water use.

Since 2012, water use across Industrial, Commercial, and Institutional (ICI) sectors have shown double-digit increases. Together these sectors consume 30% of the City's water. Major trends that have been identified as contributors include:

- An increase in tourism that is impacting water use, particularly in hotels and restaurants
- A shift in office space tenancy toward the high-tech sector, which uses more water for cooling than other types of tenants
- Continued campus expansion and growth at Vancouver-based post-secondary schools
- Increased production by several major account holders in food processing and fabricating/manufacturing, as well as larger numbers of craft breweries operating in the City

Main breaks and service connection breaks are an indication of the condition of the water system, but also vary depending on weather. Cold weather in the first quarter likely caused a greater number of breaks. Failure rates will continue to be closely monitored to ensure the rate of replacement is appropriate.

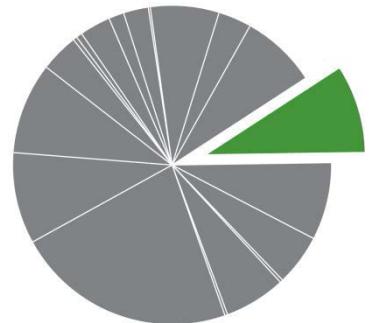
Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Water	Quantity	# of water connections replaced	1,912	1,930	1,673	1,558	1,436
		Km of water pipe replaced	17.3	12.5	5.3	8.9	7.3
	Quality	# of main breaks	68	65	48	68	71
		# of service connection breaks	529	599	617	437	539
		% of samples with turbidity within Health Canada acceptable range	96.94%	98.66%	98.68%	98.60%	99.40%
		Water consumed per capita (litres) - residential	298	283	286	262	265
		Water consumed per capita (litres) - total	508	486	491	471	494

2015 BUDGET

The cost of water purchased from Metro Vancouver comprises 64% of the annual operating budget of the waterworks utility. This budget is based on the estimated volume of water to be used by Vancouver residents and businesses and the price that Metro Vancouver sets per unit (cubic metre).

The water capital program is partially funded through debentures. For the past three years, and continuing in 2015, a portion of the capital program is being funded directly from utility fees as part of a long-term strategy to reduce debt costs.

Water operations costs are associated with cleaning, repairing, inspecting, and managing the water infrastructure.



Water makes up 9% of the 2015 Operating Budget

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Water revenue				
Metered water charges	51,855	57,526	5,671	10.9%
Flat rate water charges	45,591	44,878	(713)	(1.6%)
Meter charges	3,504	3,700	196	5.6%
Fire line charges	2,549	2,700	151	5.9%
Other water revenue	514	514	-	-
Total Water revenue	104,012	109,317	5,306	5.1%
Total Revenues	\$ 104,012	\$ 109,317	\$ 5,306	5.1%
Expenditures & Transfers				
Water				
Water purchases (Metro)	66,608	71,484	4,876	7.3%
Water operations	10,714	11,040	326	3.0%
Capital program & other transfers				
Debt service charges	18,937	17,517	(1,420)	(7.5%)
Pay-as-you-go funding	7,500	10,000	2,500	33.3%
Rate stabilization & other reserve transfers	(1,624)	(2,695)	(1,071)	65.9%
Subtotal Capital program & other transfers	24,813	24,822	9	-
Shared support services	1,877	1,972	95	5.1%
Total Water	104,012	109,317	5,306	5.1%
Total Expenditures & Transfers	\$ 104,012	\$ 109,317	\$ 5,306	5.1%
Net Operating Budget	\$ -	\$ -	\$ -	-

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

A 4% increase is approved for 2015 for both metered customers and flat-fee single-family dwellings. Water rates for single-family dwellings in 2015 are \$568 versus \$546 in 2014. Since 2012, all new single-family dwelling are required to be metered and no longer pay the flat fee. The 2015 budget for flat rate revenues reflects this decline in the number of customers paying the flat fee. Metered rate

revenues are impacted by an increase in volume of water estimated for 2015, particularly in the non-residential sector.

Also approved are inflationary increases of 2% for fire line charges, and no increase in meter service charges. The total net change in the budget for meter service charges and fire line charges relates to an increase in the number of accounts over the last several years.

Explanation of Changes: Expenditures and Transfers

The increase for the 2015 water purchase budget is \$4.9 million of which \$3.9 million is due to volume and \$1.2 million is due to a Metro Vancouver price increase of 1.7%. This is offset by a decrease of \$0.2 million due to improved leak detection methods, better pressure management, and increased efficiency in city parks. Costs in waterworks operations have increased by 1.6% due to collective agreement compensation increases, and increases in utilities, insurance, and materials. In 2012, the water 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 paid for from current revenues, which will eventually eliminate the debt interest expense. In 2015, staff are recommending to increase the pay-as-you-go contribution from \$7.5 million to \$10 million.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that the waterworks utility is involved in, or will commence in 2015. A complete list of all capital projects for 2015 is included in appendixes in the Council Report.

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years**
Water Distribution Main Replacement Program*	N/A	8.2	7.5	24.0
Water Transmission Main Replacement Program*	N/A	3.5	5.0	5.0

* Funding for programs approved on annual basis.

** For Programs, reflects forecast amounts for remaining years, 2016-2018, of the 4 year capital plan.

With over 1,470 kilometres of water mains and connections in the City, the water utility's ongoing aging infrastructure replacement program will see 1.5 kilometres of transmission main and 6.5 kilometres of distribution be replaced or rehabilitated in 2015.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Water revenue					
Metered water charges	50,696	54,300	52,117	51,855	57,526
Flat rate water charges	39,375	43,340	44,606	45,591	44,878
Meter charges	2,861	2,450	2,499	3,504	3,700
Fire line charges	2,321	3,367	3,435	2,549	2,700
Other water revenue	296	504	514	514	514
Total Water revenue	95,548	103,961	103,170	104,012	109,317
Total Revenues	\$ 95,548	\$ 103,961	\$ 103,170	\$ 104,012	\$ 109,317
Expenditures & Transfers					
Water					
Water purchases (Metro)	66,646	68,770	65,989	66,608	71,484
Water operations	10,816	11,404	11,807	10,714	11,040
Capital program & other transfers					
Debt service charges	19,253	19,665	19,423	18,937	17,517
Pay-as-you-go funding	-	-	7,500	7,500	10,000
Rate stabilization & other reserve transfers	(1,907)	3,396	(2,275)	(1,624)	(2,695)
Subtotal Capital program & other transfers	17,346	23,060	24,648	24,813	24,822
Shared support services	740	727	727	1,877	1,972
Total Water	95,548	103,961	103,170	104,012	109,317
Total Expenditures & Transfers	\$ 95,548	\$ 103,961	\$ 103,170	\$ 104,012	\$ 109,317

Until 2014, the key drivers for the past few years in the waterworks utility have been the decline in the amount of water consumed and the increasing cost of water purchased from Metro Vancouver. In 2015, based on higher 2014 consumption, staff are increasing the estimate for water purchased and the unit cost of water from Metro Vancouver has stabilized.

EMPLOYEE TRENDS TABLE

Engineering Utilities Water	2010	2011	2012	2013	2014F
Regular Full-time Staff (excluding Part-time, Temp, and Auxiliary)	164	166	159	158	158
All Staff (including Part-time, Temp, and Auxiliary) Full-time Equivalent*	170.0	170.4	162.6	162.6	165.0

*excluding overtime

Total number staff slightly less in 2014 than in 2013 due to vacancies in the Waterworks Design Branch.

ENGINEERING – SEWERS AND STORMWATER

The objective of the sewers and stormwater utility is to create, maintain, and champion sewer and rainwater systems that protect public health, harmonize with the natural environment, and optimize value for the community.

KEY SERVICES DELIVERED

Sewer Service: Safely remove wastewater and stormwater

MAJOR ACCOMPLISHMENTS IN 2014

As mandated by the Liquid Waste Management Plan (LWMP), the City is working to eliminate combined sewer overflow by 2050 through the sewer separation program. This major capital program replaces combined sanitary and storm sewers that are at or near the end of their service life with separated (storm and sanitary) sewers that have much greater capacity to handle extreme rainstorms, providing both environmental protection and flood prevention.

In 2014, the sewers and stormwater utility completed 9.6 kilometres of sewer separation. The utility also issued 1,300 permits for sewer and water connections to new homes and renovated buildings, which included separation of private property connections and installation of water meters. This is consistent with the high level of construction and development in the city.

As part of the ongoing replacement of aging pump stations, the City completed reconstruction of an outdated sewage pump station at East 1st Avenue and Boundary Road, and initiated the design and complete upgrading of an outdated sewage pump station at Skeena Street and Cornett Road.

All of this work further reduces the amount of combined sewer flow, improving water quality in city streams, False Creek, English Bay, and the Fraser River.

In 2014, the citywide Integrated Stormwater Management Plan (ISMP) consultancy work program progressed, to best manage rainwater and stormwater run-off, and improve watershed quality. It included internal and external workshops and generation of a draft plan to provide recommendations on the way forward. The Musqueam Creek ISMP consultancy contract, in partnership with the Musqueam First Nation, was awarded in fall 2014 with work continuing through 2015.

The Sewer Operations Branch, in consultation with WorkSafeBC, continued various initiatives to increase public and worker safety on job sites. This included the phased roll-out of an excavation and shoring management process with partners in equipment services and the provision of enhanced fall restraint equipment to workers.

PLANS FOR 2015

- Complete the Musqueam Creek and citywide ISMPs, providing policy direction and recommended tools to improve the quality of Vancouver's stormwater discharge and reduce flooding and environmental impacts
- Complete replacement of outdated Skeena and Cornett sewage pump stations to replace the facility's aging infrastructure, address current WorkSafeBC requirements, and provide emergency back-up power and bypass pumping provisions
- Increase sewer separation work by separating up to 15 kilometres of sewer in accordance with the 2050 regulatory requirement

DEPARTMENT SERVICE METRICS

The City continued its steady program to separate all storm and sanitary sewers. Fewer kilometres were completed in 2014 than in the previous two years. Project influences—such as working in the downtown core with its narrow lanes, ground conditions, and the need to minimize congestion along arterials such as Main Street—resulted in lower production rates and a higher cost per kilometre for construction.

Combined sewer overflows into recreational receiving water bodies continue to diminish with the sewer separation program, as reported in Metro Vancouver's Integrated Liquid Waste and Resource Management Plan Biennial Report: 2010-2012. However, in 2014, associated with a very long, hot, and dry summer, there were two E. coli events that lasted just over a month at Sunset Beach and in False Creek. Elevated E. coli levels were also experienced in 2013 and prior to 2010. These conditions were also experienced along all the North Shore beaches. Although concerning, these events were not likely associated with storm sewer overflows given the absence of storm events during the summer period.

The number of sewer connection trouble calls reflects the condition of the sewer system irrespective of the weather. As sewer separation continues, these calls will gradually decrease with the ongoing replacement of sewer connections during home construction and major renovations. The number of home and business flooding claims is dependent on weather and was lower in 2014 than in 2013 but still somewhat elevated compared with previous years because of a number of high-intensity storms causing overland flooding and sewer back-ups.

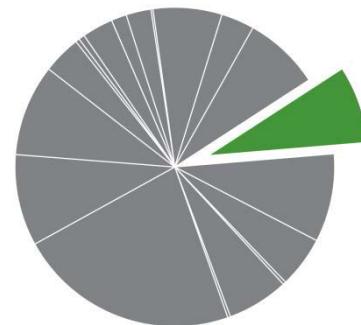
The sewers and stormwater utility completed 9.6 kilometres of storm and wastewater sewer separation in 2014 at an average cost of \$2.48 million per kilometre. This unit cost is approximately 4% higher than in 2013 due to difficult locations such as narrow downtown lanes, and complex traffic management requirements along arterials such as Main Street, where deep excavations in poor ground conditions also affected costs. However, the cost per kilometre was still below the level experienced in 2010 and 2011, despite inflationary increases in labour and material costs over that period. The Engineering Services Department has established a rigorous project management process to address the risks of complex capital projects, providing enhanced oversight to mitigate these risks over the coming years.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Sewers and Storm Water	Quantity	Km of sewers separated per year	12.8	12.9	12.7	10.5	9.6
	Quality	% of system which has separated storm and sanitary sewers	43.49%	44.40%	45.30%	46.04%	46.93%
	Result	# of sewer connection trouble calls	903	761	750	869	870
		# of home/business flooding claims received	256	48	38	122	90
	Cost	# of coliform limit exceedances (beaches and False Creek)	0	0	0	2	2
		Cost per km of sewer, separated	\$2,660,000	\$2,645,000	\$2,286,000	\$2,382,000	\$2,482,000

2015 BUDGET

The Metro Vancouver levy to the City covers the cost of regional collection and sewage treatment facilities. This levy, which is imposed on every Metro Vancouver member municipality, is a fixed amount based on the operating and capital costs in each of the sewerage areas in the region.

The sewers capital program has historically been funded through debentures, and the annual charges to the operating budget are made up of the debt servicing costs related to several years of borrowing. The impact of capital spending is gradual and spread over several years. A shift of \$1.2 million towards the pay-as-you-go strategy will occur in 2015.



Sewer makes up 8% of the 2015 Operating Budget

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Sewer revenue				
Metered sewer charges	31,920	34,702	2,782	8.7%
Flat rate sewer charges	24,405	24,868	463	1.9%
Industrial waste water fees	741	732	(9)	(1.2%)
Other sewer revenue	899	917	18	2.0%
Total Sewer revenue	57,965	61,219	3,254	5.6%
Total Revenues	\$ 57,965	\$ 61,219	\$ 3,254	5.6%
Expenditures & Transfers				
Sewer				
GVS&DD levy (Metro)	51,787	53,645	1,857	3.6%
Sewer operations	8,537	8,293	(244)	(2.9%)
Capital program & other transfers				
Debt service charges	29,573	31,348	1,774	6.0%
Pay-as-you-go funding	26	1,200	1,174	4,515.4%
Rate stabilization & other reserve transfers	160	117	(43)	(26.9%)
Subtotal Capital program & other transfers	29,759	32,664	2,905	9.8%
Shared support services	1,353	1,440	87	6.4%
Total Sewer	91,436	96,042	4,607	5.0%
Total Expenditures & Transfers	\$ 91,436	\$ 96,042	\$ 4,607	5.0%
Net Operating Budget	\$ (33,470)	\$ (34,823)	\$ (1,352)	4.0%

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

A 6% increase is approved for both metered customers and flat-fee single-family dwellings. Sewer rates for single-family dwellings in 2015 are \$314 versus \$297 in 2014. The change in budget from 2014 to 2015 also reflects the reduction in the number of single family dwellings paying the flat rate, as new homes shift to the metered rate.

Explanation of Changes: Expenditures and Transfers

The 2015 budget for Metro Vancouver charges is increasing 3.6% over the 2014 budget and is largely due to the increased Metro Vancouver operating costs at the Iona Wastewater Treatment Plant. Debt charges (debt interest and principle combined) associated with the sewer capital program are increasing by 4.9% in 2015 and relate to the ongoing prioritization of the sewer separation program. A modest shift of \$1.2 million (3.2% of the annual capital budget) toward the pay-as-you-go strategy will occur in 2015. Staff were able to offset inflationary increases in operating costs by realigning how the City is providing service and reducing equipment costs.

NOTABLE CAPITAL PROJECTS

In 2015, the sewers and stormwater utility plans to increase the sewer separation program by separating approximately 11.5 kilometres of sewer to meet the regulatory requirement of eliminating combined sewer overflows by 2050.

The utility will also begin the refurbishment of the Skeena and Cornett pump station, replacing the facility's aging infrastructure and improving reliability by installing emergency back-up power and bypass pumping provisions which reduce the risk of sewage overflows during station repairs.

Both the Musqueam Creek and the citywide Integrated Storm Water Management Plans will be complete in 2015, providing policy direction and recommended tools to improve the quality of Vancouver's stormwater discharges and reduce flooding and environmental impacts.

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years**
Sewer Main Reconstruction (Separation)*	N/A	20.4	25.8	104.2
Pump Stations*	N/A	3.0	1.9	9.4

* Funding for programs approved on annual basis.

** For Programs, reflects forecast amounts for remaining years, 2016-2018, of the 4 year capital plan.

In 2014, 9.6 kilometres were separated and 46.9% of the system is now separated. The 2015-2018 Capital Plan reflects an increase rate of separation with 11.5 kilometres in 2014 and approximately 60 kilometres over the next four years to work towards the requirements of the regional Liquid Waste Management Plan and eliminate combined sewer overflows by 2050.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Sewer revenue					
Metered sewer charges	28,371	30,209	30,450	31,920	34,702
Flat rate sewer charges	20,831	22,911	24,056	24,405	24,868
Industrial waste water fees	660	680	714	741	732
Other sewer revenue	593	593	593	899	917
Total Sewer revenue	50,454	54,393	55,813	57,965	61,219
Total Revenues	\$ 50,454	\$ 54,393	\$ 55,813	\$ 57,965	\$ 61,219
Expenditures & Transfers					
Sewer					
GVS&DD levy (Metro)	46,851	47,823	49,570	51,787	53,645
Sewer operations	7,885	8,063	8,704	8,537	8,293
Capital program & other transfers					
Debt service charges	23,948	26,406	27,899	29,573	31,348
Pay-as-you-go funding	26	26	26	26	1,200
Rate stabilization & other reserve transfers	94	1,811	838	160	117
Subtotal Capital program & other transfers	24,068	28,243	28,763	29,759	32,664
Shared support services	839	828	828	1,353	1,440
Total Sewer	79,643	84,957	87,865	91,436	96,042
Total Expenditures & Transfers	\$ 79,643	\$ 84,957	\$ 87,865	\$ 91,436	\$ 96,042
Net Operating Budget	\$ (29,189)	\$ (30,564)	\$ (32,052)	\$ (33,470)	\$ (34,823)
Capital Budget (\$ million)	\$ 51.0	\$ 47.8	\$ 46.8	\$ 55.5	\$ 44.8

Note: Totals may not add due to rounding

Since 2011, sewer expenditures have been increasing largely due to the increasing costs from Metro Vancouver for the collection and treatment of sewage. In addition, the significant ongoing capital program to separate the sewer system has been contributing to the increasing debt service charges. As a result of the increasing expenditures, sewer revenues largely recovered through metered and flat-fee customers have been increasing year over year.

EMPLOYEE TRENDS TABLE

Engineering Utilities Sewer	2010	2011	2012	2013	2014F
Regular Full-time Staff (excluding Part-time, Temp, and Auxiliary)	240	261	268	268	260
All Staff (including Part-time, Temp, and Auxiliary) Full-time Equivalent*	252.8	264.3	275.2	278.9	278.5

*excluding overtime

In 2014, while there were some vacancies impacting the Regular FTE total, the positions were filled temporarily so that the total staff count remains consistent with 2013.

ENGINEERING – WASTE MANAGEMENT AND RESOURCE RECOVERY (SOLID WASTE)

The Waste Management and Resource Recovery Division has overall responsibility for solid waste collection, diversion, transfer, and disposal, as well as street cleaning activities. City solid waste staff provide all single-family and, using a combination of City staff and private haulers, duplex homes in Vancouver with recycling, compostable organics, and garbage collection, and all multi-residential buildings with recycling collection. Through these programs the City annually diverts over 40,000 tonnes of compostable organics and over 30,000 tonnes of recycling from landfill disposal. Institutional, commercial, and industrial properties are serviced by the private sector.

KEY SERVICES DELIVERED

Garbage, Recycling, and Organics Collection: Collect waste primarily from residential properties via garbage, recycling, and organics carts

Transfer and Landfill: Operate and manage the Vancouver South Transfer Station and the Vancouver Landfill in Delta

MAJOR ACCOMPLISHMENTS IN 2014

One of the goals of the Greenest City 2020 Action Plan is to reduce total solid waste going to the landfill or incinerator by 50% from 2008 levels. The City is also party to the Metro Vancouver Integrated Solid Waste and Resource Management Plan to reach 70% diversion of waste from disposal. Achieving these goals requires an integrated approach, combining programs and regulatory tools such as material disposal bans.

In 2014, the City established bylaws regulating the development of food scraps recycling plans and programs in multi-family and commercial buildings, and implemented a City-delivered green bin program for food scraps recovery from approximately 1,300 multi-family buildings that already receive City garbage and/or yard waste collection.

The City fully transitioned to a provincially mandated producer-pay system for recycling in 2014 and now acts as a contractor to Multi-Material British Columbia (MMBC) to collect recycling for residents. As part of the transition to an MMBC-controlled program, City staff expanded the scope of material collected in the recycling system. MMBC's financing of the City's recycling service benefits ratepayers by reducing the costs charged to them. In 2014, this financing covered about half the cost of the City's recycling service; in 2015, it will cover approximately two-thirds.

In an effort to reduce the amount of waste going from customer demolition to the landfill, regulations were established to promote recycling in the demolition of pre-1940 homes and encourage deconstruction as a method of demolition.

At the landfill, the City continued efforts to upgrade, improve, and increase landfill gas collection and enhanced business strategies and partnerships for the beneficial use landfill gas.

In late 2014, the Province rejected Metro Vancouver's proposed Bylaw 280 to regulate the flow of waste in the region. This bylaw would have required waste generated within the region to be disposed of in the region. As a result of the Province of B.C.'s decision, Metro Vancouver's Integrated Solid Waste and Resource Management Plan and corresponding plans to develop a new waste-to-energy facility are under review.

PLANS FOR 2015

Waste Diversion

- Increase recovery and diversion of clean wood waste from the landfill and transfer station to support Metro Vancouver's disposal ban, which went into effect on January 1, 2015
- Support food scraps diversion in businesses and multi-family buildings
- Continue to focus on minimizing contamination in the single-family green bin program
- Increase recycling of MMBC-added materials
- Assess the impacts and benefits of the transition to an MMBC-controlled recycling program

Capital Infrastructure

- Expand opportunities for the beneficial use of collected landfill gas at the Vancouver Landfill
- Address access challenges at the landfill from the new South Fraser Perimeter Road
- Enhance access and mitigate traffic and space problems at the Vancouver South Transfer Station
- Work with other departments on the development of infrastructure for fueling a new fleet of collection trucks burning natural gas rather than diesel fuel, which will reduce carbon pollution

DEPARTMENT SERVICE METRICS

Garbage, Recyclables, and Organics Collection Service

A notable trend in solid waste collection is the decline in garbage as a percentage of overall material collected and a corresponding increase in green bin materials. These changes are largely due to the 2013 implementation of single-family food scraps diversion through weekly green bin and bi-weekly garbage collection and the expansion of that program to multi-family dwellings in 2014.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Garbage, Recyclables, and Organics Collection	Quantity	# of carts served all types	197,546	197,611	198,411	200,826	201,900
		% compostables	20.4%	21.6%	22.7%	34.0%	40.9%
	Quality	% garbage	53.7%	52.5%	51.4%	39.2%	33.0%
		% recycling	25.9%	25.9%	25.9%	26.8%	26.1%
		% of missed collections (311)	0.20%	0.20%	0.20%	0.23%	0.20%
		# of metric tonnes collected via residential collection programs (i.e., garbage, recycling, compostables)	117,133	117,566	119,877	114,327	112,500

Transfers and Landfill Service

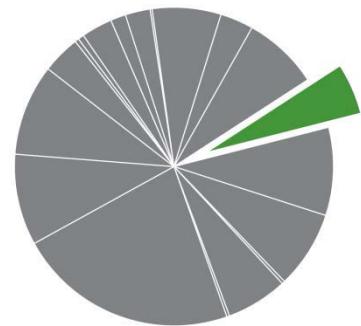
The number of tonnes disposed of at the Vancouver Landfill has dropped, not only due to the diversion program changes outlined above, but also to the migration of garbage out of the regional solid waste system in search of lower tipping fees. Landfill gas collection has increased due to the construction of landfill gas collection infrastructure over the past three years, bringing the City to 65% with a provincial target of 75% landfill gas recovery by 2016. Staff are working with the Province to develop a more accurate landfill gas prediction model to ensure the current model does not overstate the amount of gas actually produced in the landfill and as a result, understate the percent of gas recovered.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Transfers and Landfill	Quantity	# tonnes disposed of at the Vancouver Landfill	580,300	665,000	716,300	601,202	555,800
	Quality	% of landfill gas collected	52%	40%	52%	60%	65%

2015 BUDGET

The solid waste utility's operating budget for 2015 can be divided into two main parts: City of Vancouver-run collection programs (garbage, green bin, and recycling) and operation of the City's transfer station and landfill.

Collections are fully funded by user fees and receive no funds from the City's tax-supported operating budget. The Vancouver South Transfer Station (VSTS) and the Vancouver Landfill (VLF), as components of the regional waste management system, are subject to regulatory requirements imposed by the Ministry of Environment and Metro Vancouver and are fully funded from user fees. The Transfer Station and Landfill receive waste from City-run collections as well as from private haulers and other regional municipalities.



Solid Waste makes up 5% of the 2015 Operating Budget

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 users of the facilities. Metro Vancouver sets the tipping fees for facilities across the regional system. At the end of the year, any operating surplus in the solid waste utility is transferred to a dedicated reserve to fund landfill closure costs, post-closure costs, and environmental liabilities.

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Solid Waste revenue				
Collection revenue				
Annual collection fees	27,087	26,795	(292)	(1.1%)
Multi-Material BC recoveries	5,200	8,169	2,969	57.1%
Other collection revenue	312	38	(274)	(87.8%)
Subtotal Collection revenue	32,599	35,003	2,403	7.4%
Disposal revenue				
Tipping fees	29,985	25,195	(4,790)	(16.0%)
Metro & Delta's Share	(2,424)	314	2,738	(113.0%)
Other disposal revenue	3,531	3,098	(433)	(12.3%)
Subtotal Disposal revenue	31,092	28,608	(2,485)	(8.0%)
Total Solid Waste revenue	63,692	63,610	(81)	(0.1%)
Total Revenues	\$ 63,692	\$ 63,610	\$ (81)	(0.1%)
Expenditures & Transfers				
Solid Waste				
Collections	26,766	27,726	961	3.6%
Landfill	19,234	19,213	(21)	(0.1%)
Transfer station	7,989	7,561	(428)	(5.4%)
General	1	7	6	600.0%
Capital program & other transfers				
Capital Financing Fund loan payments	2,810	2,898	88	3.1%
Solid Waste Reserve & other transfers	5,100	4,341	(760)	(14.9%)
Subtotal Capital program & other transfers	7,911	7,239	(672)	(8.5%)
Shared support services	1,791	1,863	73	4.1%
Total Solid Waste	63,692	63,610	(81)	(0.1%)
Total Expenditures & Transfers	\$ 63,692	\$ 63,610	\$ (81)	(0.1%)
Net Operating Budget	\$ -	\$ -	\$ -	-

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

For 2015, revenues from disposal are expected to decrease by \$2.5 million as a result of fewer tonnes and therefore lower tipping fee revenue at the Transfer Station and Landfill. Staff expect that disposal revenue will continue to decline in 2015, primarily due to increased migration of some multi-family, commercial, industrial, and institutional waste out of the regional system given the Province's rejection of Bylaw 280. Metro and Delta's share is the revenue generated by waste coming from outside Vancouver less the operating cost per tonne to handle that waste.

For 2015, revenues from collection are expected to increase by \$2.4 million, and for the average single-family home, the approved rate changes will result in a 3% increase to the rate paid for collection services. As a result, collection fees for the average single-family home in 2015 are estimated to be \$264, versus \$256 in 2014.

Explanation of Changes: Expenditures and Transfers

For 2015, expenditures are expected to increase by \$0.9 million. This increase is largely due to collective agreement wage increases, the inclusion in the operating budget of green bin support

positions previously funded from a project budget, and the need to address contractual requirements of the MMBG program, including separate glass collection as well as material volume increases due to the expansion of the range of materials accepted.

These increases are offset by savings in equipment costs and minor changes to the schedule of the Transfer Station and Landfill on selected statutory holidays.

The decrease in fund and reserve transfers for 2015 is largely due to an expected decrease in the transfer to the Solid Waste Capital Reserve, a dedicated reserve to pay for Landfill closure and post-closure costs. This decrease relates to the migration of waste away from the landfill (and the Metro Vancouver regional system in general) in search of lower tipping fees in the United States. Work is underway with municipalities across the region and Metro Vancouver to develop a response to this issue.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that the Waste Management and Resource Recovery Division is involved in, or will commence in 2015. A complete list of all capital projects for 2015 is included in the appendixes of the Council Report.

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years
Landfill Closure and Gas Collection (Phase 2)*	38.6	37.4	1.2	-
Landfill Entrance Reconstruction	5.7	0.3	2.0	3.4
Transfer Station Improvements	5.0	0.7	1.0	3.3

* Excludes 'Phase 3 South East and Western 40 hectares' closure with \$45.3 million expenditure forecast in future years.

The City performs progressive closure of completed sections of the site and ongoing installation of gas collection infrastructure along with closure projects.

In 2012, closure of approximately 11 hectares of the Landfill's footprint (with a state-of-the-industry geomembrane system) was completed, along with the commission of 144 new gas wells. In 2013, a further 13.7 hectares was closed with an additional 13 new gas wells. In 2014 efforts focused on upgrading some of the older sections of the landfill gas system to improve performance. This work represents significant progress towards meeting the regulatory target of recovering 75% of the gas produced by solid waste in the landfill by 2016. Construction on this project is complete with only minor administrative costs outstanding. The next sections of the site to close are Phase 3 South East and the Western 40 hectares, scheduled for 2017.

To allow a more strategic planning approach, two projects were deferred to 2015 or beyond: the landfill entrance improvements and the Transfer Station Organics Facility. The Transfer Station will be undergoing an overall review of traffic and material flows in 2015 to frame the need and timing for improvements to accommodate increased diversion of waste under Metro Vancouver's Integrated Solid Waste and Resource Management Plan.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Solid Waste revenue					
Collection revenue					
Annual collection fees	24,754	26,275	27,309	27,087	26,795
Multi-Material BC recoveries	-	-	-	5,200	8,169
Other collection revenue	1,735	1,730	1,769	312	38
Subtotal Collection revenue	26,489	28,006	29,079	32,599	35,003
Disposal revenue					
Tipping fees	22,303	24,103	24,585	29,985	25,195
Metro & Delta's Share	(1,091)	(1,658)	(1,691)	(2,424)	314
Other disposal revenue	3,870	4,064	4,146	3,531	3,098
Subtotal Disposal revenue	25,082	26,510	27,040	31,092	28,608
Total Solid Waste revenue	51,571	54,515	56,119	63,692	63,610
Total Revenues	\$ 51,571	\$ 54,515	\$ 56,119	\$ 63,692	\$ 63,610
Expenditures & Transfers					
Solid Waste					
Collections	20,813	21,616	21,737	26,766	27,726
Landfill	16,616	16,787	17,570	19,234	19,213
Transfer station	7,513	6,957	6,694	7,989	7,561
General	320	320	319	1	7
Capital program & other transfers					
Capital Financing Fund loan payments	1,300	1,300	2,150	2,810	2,898
Solid Waste Reserve & other transfers	4,732	7,258	7,371	5,100	4,341
Subtotal Capital program & other transfers	6,032	8,558	9,521	7,911	7,239
Shared support services	277	277	277	1,791	1,863
Total Solid Waste	51,571	54,515	56,119	63,692	63,610
Total Expenditures & Transfers	\$ 51,571	\$ 54,515	\$ 56,119	\$ 63,692	\$ 63,610
Net Operating Budget	\$ -				
Capital Budget (\$ million)	\$ 7.6	\$ 24.2	\$ 22.7	\$ 8.2	\$ 6.5

Note: Totals may not add due to rounding

Budgeted landfill revenues increased steadily from 2011 to 2014 primarily due to increased tipping fees for disposal. Of concern for the future is that 2014 showed a decrease in overall tonnage received due to migration of waste out of the Metro Vancouver area to less expensive landfills in the United States. Steps are being taken with Metro Vancouver to adjust the tipping fee structure to reduce the migration of waste. For 2015, landfill revenues and volumes are expected to decline slightly relative to 2014 while the system stabilizes under a new tipping fee structure. Revenues for collection programs have increased steadily due to a combination of population growth, and, since May 2014, funding for recycling collection received from Multi-Material British Columbia (MMBC), the product stewardship group that subsidizes provincial recycling collection programs.

On the expense side, collections expenditures have increased over the last five years. Since May 2014, the increased expenditures required to meet contractual requirements with MMBC have been partially offset by MMBC funding. Transfer and landfill costs jumped markedly due to changes in operational requirements to accommodate tonnage fluctuations, and will be lower in 2015 primarily due to operational adjustments and moderation of equipment costs.

Total fund and reserve transfers reflect the transfer to the Solid Waste Capital Reserve (SWCR), which is a dedicated reserve to pay for landfill closure and 25 years of post-closure costs. The transfer to this reserve increased significantly in 2013 due to increased tipping fees for disposal, and then started to decrease in 2014 corresponding to increased migration of Metro Vancouver commercial waste outside of the regional system. The 2015 transfer to reserve is expected to be lower than 2014, reflecting additional migration of waste, while steps are taken to adjust the tipping fee structure to stabilize the flow of waste.

EMPLOYEE TREND TABLE

Engineering Solid Waste	2010	2011	2012	2013	2014F
Regular Full-time Staff (excluding Part-time, Temp, and Auxiliary)	215	206	207	210	222
All Staff (including Part-time, Temp, and Auxiliary) Full-time Equivalent*	245.1	242.6	240.4	251.3	260.0

*excluding overtime

Staff levels have increased over the past two years as services have expanded and new programs—including the single-family green bin, MMBC program, and the multi-family green bin program—have been implemented. The increased number of regular full-time staff (RFTs) in 2014 represents a conversion of long-standing temporary positions to RFTs in accordance with collective agreements.

ENGINEERING – NEIGHBOURHOOD ENERGY UTILITY

Neighbourhood energy systems are shared infrastructure platforms that provide heating and/or cooling for multiple buildings, and are most suitable in dense urban areas. These provide a utility business model and economies of scale needed to make use of a variety of renewable energy resources that are often not available or affordable to implement in individual buildings. These district-wide systems are also capable of serving both new development and existing gas-heated buildings. A high-priority strategy of the Greenest City 2020 Action Plan is to pursue neighbourhood energy systems for high-density, mixed-use neighbourhoods, with a target of reducing 120,000 tonnes of carbon dioxide per year by 2020.

The City's neighbourhood energy work program falls into two general categories:

Southeast False Creek Neighbourhood Energy Utility (SEFC NEU): Ongoing capital expansion and operations of the City-owned NES.

Citywide Neighbourhood Energy Strategy (NES): Implementation of new low-carbon NES in the Downtown, Cambie Corridor, and Central Broadway areas. Private sector utility providers are being engaged through public competitive procurement processes, with contractual commitments to the City to achieve low-carbon outcomes.

KEY SERVICES DELIVERED

Neighbourhood Energy Utility (NEU): Provide low-carbon energy on a neighbourhood scale to buildings in the Southeast False Creek (SEFC).

MAJOR ACCOMPLISHMENTS IN 2014

SEFC Neighbourhood Energy Utility

In 2014, two new buildings were connected to the system within SEFC; the resulting increase in served floor area is shown in the metrics table below. The NEU's distribution system was also extended across Main Street in coordination with a major sewer construction project in the same location. This extension was pre-built in anticipation of constructing distribution piping to the Great Northern Way Campus Lands in 2015 to serve the first customers within that service area.

Citywide Neighbourhood Energy Strategy (NES)

In 2014, the City continued to focus on three key areas of the citywide strategy:

Downtown Core: Following a competitive Request for Expressions of Interest process, the City signed a Memorandum of Understanding (MOU) with a lead proponent to further develop Downtown NES initiatives. High-priority actions included:

- Developed a strategy for conversion of the downtown Creative Energy (formerly Central Heat Distribution) gas-fuelled steam system to low-carbon energy
- Identified a potential site for a new low-carbon energy centre to serve that system
- Investigated changes to the Green Building Policy to facilitate neighbourhood energy implementation
- Completed an agreement with Creative Energy to establish a new NES to serve the Northeast False Creek neighbourhood
- Investigated the potential for new NES in the South Downtown area

Cambie Corridor: The City negotiated MOUs with two utility providers to establish NES to serve the Cambie corridor (divided into north and south halves). NES planning for the Oakridge redevelopment was incorporated into the Cambie South system planning. Technology options for a new low-carbon plant at the BC Children's Hospital and BC Women's Hospital were evaluated in partnership with the Provincial Health Services Authority (PHSA), as part of Cambie North NES planning.

Central Broadway: Central Broadway overlaps with the Cambie North area, and future NES service to this area will be coordinated with the Cambie North NES utility provider when this provider is confirmed. NES planning for this area was coordinated with overall land use and rapid transit planning for the area.

New Developments Covered by the Large Sustainable Sites Rezoning Policy: As a result of this policy, a number of large development sites began establishing site-scale low-carbon energy systems. This included developments at Shannon Estates, Marpole Village (Safeway site), PCI Marine Gateway, Intracorp MC2, MEC Corporate Headquarters, 2220 Kingsway, Crofton Manor, and Arbutus Village.

PLANS FOR 2015

In 2015, the City will continue progressing on work in the three key areas of the citywide strategy:

SEFC Neighbourhood Energy Utility

Extend the SEFC NEU distribution system to the Great Northern Way campus, and connect three new developments in Southeast False Creek

Citywide Neighbourhood Energy Strategy

Downtown:

- Complete feasibility analysis and business plan development for Creative Energy steam system conversion
- Negotiate a Franchise Agreement with Creative Energy to establish NES supply to South Downtown
- Creative Energy to begin construction of initial NES infrastructure for Northeast False Creek developments

Cambie Corridor:

- Support Provincial Health Services Authority and FortisBC's public engagement process for the low- carbon conversion of the steam system for BC Children's and Women's hospitals, due in 2018
- Complete feasibility analysis, develop implementation plans, and negotiate franchise agreements for South and North Cambie service areas

DEPARTMENT SERVICE METRICS

Neighbourhood Energy Utility (NEU)

The NEU metrics represent the overall growth and operational resiliency of the system. The Floor Area metric indicates continued growth of the connected floor area in 2014. The greenhouse gas reductions metric indicates a continual increase in the amount of carbon dioxide being avoided by the utility. This is a result of the growth of the system, allowing greater utilization of sewage heat recovery.

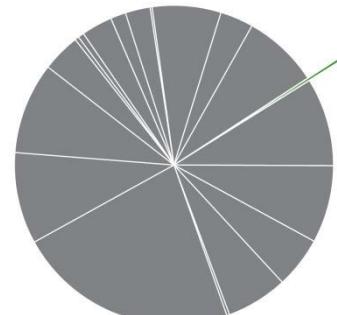
- NEU floor area uptake is on target, and consistent with prior growth forecasts.
- NEU effective rate increases are aligned with original business policy and input from the Neighbourhood Energy Expert panel.
- NEU GHG reductions begin to level off from 2015 onwards as the energy needs of the neighbourhood grow, and the utility reaches the limit of existing renewable supply capacity. The GHG reductions are forecast to jump in 2019 after installation of a second sewage heat recovery system.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Neighbourhood Energy Utility	Quantity	GHG reductions (tonnes CO ₂ equivalents)	1,017	1,471	2,407	2,529	3,182
		Floor area (square metres)	148,544	178,167	224,880	321,753	374,655

2015 BUDGET

The main expense factors in NEU operations are increases in variable costs, such as electricity and natural gas needed to operate the Energy Centre, and staffing to operate the NEU.

The capital program expenses relate to debt servicing costs for the debt incurred to pay for the initial capital investment in the NEU, as well as the expansion of the distribution pipe system and energy transfer stations to bring energy to the new buildings in the system.



NEU makes up 0.3% of the 2015 Operating Budget

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Neighbourhood Energy revenue				
NEU fixed levy	1,949	2,182	233	12.0%
NEU energy charge	1,043	1,501	458	43.9%
Total Neighbourhood Energy revenue	2,992	3,683	691	23.1%
Total Revenues	\$ 2,992	\$ 3,683	\$ 691	23.1%
Expenditures & Transfers				
Neighbourhood Energy				
NEU operations	1,902	1,786	(116)	(6.1%)
Capital program & other transfers				
Debt service charges	2,548	2,587	39	1.5%
Rate stabilization & other reserve transfers	(1,458)	(690)	767	(52.6%)
Subtotal Capital program & other transfers	1,090	1,897	806	73.9%
Total Neighbourhood Energy	2,992	3,683	691	23.1%
Total Expenditures & Transfers	\$ 2,992	\$ 3,683	\$ 691	23.1%
Net Operating Budget	\$ -	\$ -	\$ -	-

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

The recommended rate increase for 2015 will be a 3.2% net increase to be achieved by a 2.6% increase in the Fixed Capacity Levy and a 4.0% increase in the Energy Use Charge. The majority of the \$0.7 million increase in the revenue budget is due to increased area serviced as a result of system expansions.

Explanation of Changes: Expenditures and Transfers

The transfer from the stabilization reserve has decreased by \$0.8 million due to additional revenues generated by system expansion and the reduced cost of operations.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that the Neighbourhood Energy Utility is involved in, or which will commence in 2015. A complete list of all capital projects for 2015 is included in the appendixes to the Council Report.

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years**
Neighbourhood Energy Utility (NEU) System Expansion*	N/A	1.0	2.6	9.6

* Funding for programs approved on annual basis.

** For Programs, reflects forecast amounts for remaining years, 2016-2018, of the 4 year capital plan.

In 2015, the NEU plans to extend the system to Great Northern Way and build energy stations to serve three new buildings at a cost of \$2.6 million in 2015 and an additional \$9.6 million in future years. This project was deferred from 2014 as a result of development delays.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Neighbourhood Energy revenue					
NEU fixed levy	933	1,120	1,765	1,949	2,182
NEU energy charge	716	860	907	1,043	1,501
Total Neighbourhood Energy revenue	1,649	1,980	2,672	2,992	3,683
Total Revenues	\$ 1,649	\$ 1,980	\$ 2,672	\$ 2,992	\$ 3,683
Expenditures & Transfers					
Neighbourhood Energy					
NEU operations	1,276	1,488	1,606	1,902	1,786
Capital program & other transfers					
Debt service charges	2,061	2,061	2,420	2,548	2,587
Rate stabilization & other reserve transfers	(1,688)	(1,569)	(1,354)	(1,457)	(690)
Subtotal Capital program & other transfers	373	492	1,066	1,090	1,897
Total Neighbourhood Energy	1,649	1,980	2,672	2,992	3,683
Total Expenditures & Transfers	\$ 1,649	\$ 1,980	\$ 2,672	\$ 2,992	\$ 3,683
Net Operating Budget	\$ -				
Capital Budget (\$ million)	\$ 5.0	\$ 1.5	\$ 0.9	\$ 2.6	\$ 2.6

Note: Totals may not add due to rounding

Since its establishment in 2010, the NEU has been expanding and has added additional buildings to the system. Expansion results in additional revenues as well as additional expenditures.

EMPLOYEE TRENDS TABLE

Engineering NEU	2010	2011	2012	2013	2014F
Regular Full Time Staff	4	4	4	5	5
All Staff (including Part time, Temp and Auxiliary) Full Time Equivalent*	4.0	4.0	4.6	5.5	6.3

*excluding overtime

NEU staffing are split between two key work programs: operations and capital expansion of the SEFC NEU, which are funded by the City-owned utility; and implementation activities related to the citywide Neighbourhood Energy Strategy, which are funded by the Sustainability operating budget. Over the last two years, additional staff have been added to support the implementation of the new private-sector developed systems in the Downtown and Cambie Corridor areas.

ENGINEERING – PUBLIC WORKS

The Engineering Public Works Department deals with all aspects of the street right-of-way and public realm. This infrastructure, which plays a key role in moving people and goods, and delivering services, consists of the six key services outlined below.

Along with the Utilities, Engineering Public Works is focused on implementation of the Greenest City 2020 Action Plan and the Transportation 2040 Plan. The Transportation 2040 Plan provides a long-term strategic vision and policy framework for the City, with the goal of guiding transportation and land use decisions, as well as public investments, for the years ahead. It provides a blueprint to move forward, build upon past successes, and rise to meet new and emerging challenges—including climate change, an aging population, limited road space, and the high cost of housing.

KEY SERVICES DELIVERED

Transportation Planning: Create plans to continuously improve the shift to sustainable transportation modes and move traffic and goods in a way that supports economic growth and a healthy community

Parking: Provide and regulate on- and off-street parking spaces to support the safe and orderly movement of traffic and provide parking availability for businesses and residents

Street Infrastructure and Maintenance: Manage streets, bicycle facilities, and sidewalks to minimize lifecycle cost and support necessary utilities

Street Activities: Enable and oversee activities designed to activate the public realm in Vancouver (e.g., VIVA Vancouver, roundabout gardens, film activities, patios, food trucks, special events)

Street Cleaning: Clean the streets of litter and illegally dumped garbage (e.g., e-waste, mattresses)

Corporate Equipment Management: Provide complete management of corporate fleet and equipment assets to support Citywide operations

MAJOR ACCOMPLISHMENTS IN 2014

Transportation Planning

In 2014, the City continued to implement the Transportation 2040 Plan through public consultation and construction programs. The City completed safety and circulation enhancements to the Burrard-Cornwall intersection, and completed the York Bikeway and the Seaside Greenway between Kitsilano Beach and Jericho Beach along Point Grey Road.

Safety continues to be a priority for the Engineering Services Department. In 2014, implementation of the Pedestrian Safety Action Plan continued, with improvements made at 42 of the 44 priority intersections and crosswalks. Eleven traffic signals and 82 countdown timers were installed, and slower walk speeds were accommodated at 53 pedestrian crosswalks.

In addition to this, the bridge infrastructure program continued:

- Granville Street Bridge bearing and expansion joint replacement work was completed, along with initial seismic upgrades, and the environmental risk remaining from residual lubricating oils was addressed.
- Upgrades to the Burrard Street Bridge were made, including bearing and expansion joint replacement and some localized concrete repairs.

The City, in conjunction with funding partners (Transport Canada, Port Metro Vancouver, CP Rail) completed construction of the Powell Street Overpass, a key economic development project to improve and protect rail access to the port as part of the Pacific Gateway Initiative. The Streets Division also completed construction of a missing section of arterial road and sidewalks on Clarendon Street between 33rd and 34th Avenues, part of the Norquay Community Plan public benefits strategy.

Finally, the City actively supported the Mayor's Council completion of a Regional Transportation Investments Vision for Metro Vancouver. This Vision clarifies spending priorities and recommends new funding mechanisms capable of supporting those priorities. Priorities for the first 10 years include extending the SkyTrain underground on the Broadway Corridor from the existing VCC-Clark Station to Arbutus Street; this will be done along with other regional partners. The Transportation 2040 Plan has identified the implementation of the Broadway SkyTrain Extension as the City's number one transportation priority.

Parking

In 2014, the City continued to provide and regulate on-street parking spaces to facilitate the safe and orderly movement of traffic and support businesses, residents, and visitors. The City reviewed both enforcement and operational programs to improve on-street efficiencies and customer service to further support businesses and citizens. This included designated staffing for key parking areas, improvements in response times to attend priority (safety) requests for enforcement, and review of the use of City resources, resulting in substantial fleet reductions (supportive of the Transportation 2040 Plan), and reductions in turnaround times to resolve broken or jammed meters.

2014 also saw the first full year of online parking permit sales; the City sold over 25,000 annual and short-term residential parking permits, and 62% of eligible residents took advantage of the new online sales channel.

Street Infrastructure and Maintenance

In 2014, the City continued repaving of roadways, prioritizing the work using asset condition data. Coordination with underground utility construction is one of the key factors for prioritizing local road reconstruction.

Street Activities

The City continued to support vibrant public spaces, economic growth, and community development through street use programs. The parklets and patio program introduced pilots to extend hours and explore partnerships, Viva Vancouver received an international response for design submissions for Robson Redux, and internal and external partners have been brought together through the reinitiation of the Integrated Graffiti Management and the opportunity for Public Bike Share. Several initiatives were also undertaken to help refine existing processes and encourage new opportunities, including a review of the Film and Special Event Office, a roll-out of the wayfinding maps, food vending amendments, and the granting of civic parade status to parade organizations.

Street Cleaning

In partnership with partners such as Encorp, the City provided a number of electronic recycling opportunities to neighbourhoods in an attempt to discourage the illegal dumping of these materials. A stronger focus was placed on addressing illegal dumping and abandoned waste through the establishment of a dedicated illegal dumping inspector. Litter reduction initiatives included a pilot of dedicated cigarette butt receptacles and flying squads that collect litter from hot spots. In addition, an increased number of litter containers were placed in key areas of the downtown core.

Notable trends include a decrease in calls from the public related to litter pick-up on public streets, but an increase in calls about abandoned waste and illegal dumping in part related to the aggressive regional solid waste diversion plan and associated bans. These issues will be a continued focus.

Corporate Equipment Management

The City continued to focus on rightsizing the fleet, both in reducing the total quantity of vehicles and by selecting the most efficient vehicle to get the job done. By 2020 the target is to reduce the fleet size by 20% and GHG emissions by 30%.

PLANS FOR 2015

Transportation Planning

- Initiate the next phase of work on the Burrard Street Bridge, including concrete handrail replacement, sidewalk overlay, and installation of permanent safety barriers between bikes/pedestrians and vehicle traffic.
- Design safety improvements at the Burrard and Pacific intersection.
- For walking and cycling, focus on finalising an improvement strategy for False Creek Bridges. Spot improvements will also be implemented on existing walking and cycling routes including the seawall, downtown protected bike lanes, and major bikeways. In addition to these projects, there will be a focus on project planning and consultation to prepare for other projects, such as the second phases of the Comox-Helmcken Greenway and the Seaside Greenway along Point Grey Road.
- In continued support of the Mayor's Council Vision for Regional Transportation Investments, help engage the public on the Regional Transportation Referendum (Spring 2015) that is needed to secure the required new funding sources.
- Continue planning work on the proposed Dunsmuir and Georgia Viaducts replacement.

Parking

- Implement a long-range parking strategy to manage the needs of busy commercial and residential districts for on-street and off-street parking.
- Licence plate recognition technology, to increase enforcement of residential parking permits, will go live in spring 2015.

Street Infrastructure and Maintenance

- Continue to assess asset condition to prioritize maintenance and rehabilitation activities for streets, sidewalks, and lighting infrastructure.
- Complete rehabilitation projects on arterial streets including McGill, Howe, Alma, and King Edward West.
- Continue condition assessment program for bridges, and undertake the street network pavement condition surveys every three years in order to focus ongoing maintenance and rehabilitation work.

Street Activities

- Enable and enhance public realm activation activities (e.g., VIVA Vancouver, Green Streets Program, Integrated Graffiti Management Program, film activities, patios, food trucks, special events).

- Increase use of streets for public events, celebrations, and economic activity.
- Increase number of community garden plots and planted areas of traffic circles/corner bulges adopted by residents.
- Increase adoption of planted areas of traffic circles and corner bulges by residents.
- Continue to enhance prevention and management of graffiti.

Street Cleaning

In 2015, the City will focus on proactively addressing abandoned waste challenges including those around litter collection in parks. Following enhancement of signing procedures, during the annual leaf collection program, vehicles violating no parking signage will be ticketed and towed to improve program effectiveness. This will require a comprehensive communication program to advise the public of this significant change in service; a rise in 3-1-1 calls may result.

Corporate Equipment Management

- Complete major replacement and renewal of fire fleet and Compressed Natural Gas (CNG) sanitation vehicles to reduce costs and overall GHG emissions.

DEPARTMENT SERVICE METRICS

Transportation and Planning

Safety is a priority for the Engineering Services Department, and plans and accomplishments are focused on improving and reinforcing the safety of citizens. While monitoring the increase in walking, cycling, and use of transit, the City actively tracks the number of traffic collisions and fatalities.

The City's overall amount of bike network kilometres increased from 265 kilometres in 2013 to 270 kilometres in 2014. The overall quality of the network has been improved in the important AAA category (all ages and abilities) from 19% (2013) to 20% (2014) of the total network.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Transportation Planning	Quantity	Total number of trips originating in the City of Vancouver 24hrs	NDA	1,735,294	NDA	1,901,253	NDA
		Km of total bike network	232	239	255	265	270
	Quality	Mode split (walk, bike, transit, private vehicle) (collected by TransLink)	NDA	44%	NDA	NDA	NDA
	Result	Number of traffic fatalities per year	9	14	19	15	11
		Total # of collisions	46,469	45,731	46,152	47,534	46,000

Parking

Parking metrics inform the number of metered spaces and parking permits issued each year. The numbers have been increasing since 2008 and are expected to stabilize and remain fairly static in the coming years. Parking regulations are established to support traffic flow, enhance safety, and support the needs of residents and businesses. Monitoring parking compliance helps identify parking enforcement needs from year to year.

The gross number of parking tickets issued has decreased from 2009 levels because motorists are complying with the parking regulations more often, due to better photographic evidence and the adjudication system. An uptake in new methods of payment and non-coin payment may also be contributing factors to this increase in levels of compliance. In 2014, there is linear growth in revenues, mostly driven by mobile payments (PayByPhone) emerging as the preferred payment option. Expansion of smart parking meters and further growth in mobile payments will continue to drive adoption of non-coin payments.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Parking	Quantity	Revenue from parking permits issued	\$887,000	\$942,000	\$1,028,000	\$1,009,803	\$1,070,000
		# of parking permits issued	22,900	23,700	24,500	24,700	26,009
		Gross # of parking tickets issued	418,109	334,512	357,712	332,241	330,000
		Average ticket value	\$83.93	\$84.59	\$82.51	\$82.30	\$82.00
	Quality	# of tickets voided at initial screening	2.65%	3.97%	4.30%	4.57%	4.75%
		Formal disputes on issued tickets	NDA	1.10%	1.10%	1.30%	1.20%
		Tickets adjudicated	NDA	0.30%	0.39%	0.30%	0.30%
		% tickets issued paid during discount period	NDA	58.20%	61.52%	64.23%	65.00%
		% of all net tickets issued paid or collected by all processes	79.78%	78.69%	85.50%	86.44%	87.00%
	Result	% of non-coin meter revenue	15%	22%	28%	33%	39%

Street Infrastructure and Maintenance

Metrics for pavement condition were not captured in the past and new metrics are now available to assist with future planning and reporting. Pavement condition is currently captured on a three-year basis and assessment programs for the MRN network and the city arterial and local road networks are underway with data available in 2015. The reduction in paving completed in 2014 is due to a major project being deferred to 2015 (43% of program budget). The 2015 plan is to continue to utilize road condition and maintenance information to optimize the lifecycle return on the street asset compared to dollars invested.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Streets Infrastructure and Maintenance	Quantity	Kms of total road network	2,066.3	2,066.3	2,066.7	2,066.7	2,066.7
		Square metres paved in year (2011 and 2012 include paved lanes)	383,222	234,972	278,450	234,376	206,000
		% of MRN road network repaved	6.80%	2.60%	3.90%	3.86%	2.00%
		% of arterial and collector road network repaved	3.70%	2.10%	2.60%	2.36%	2.00%
		% of local road network (including lanes) repaved	1.20%	1.10%	1.30%	1.03%	0.80%
		Km of sidewalk	2,161	2,161	2,161	2,162	2,162
	Quality	Pavement condition of MRN road network rated good or above	NDA	72%	NDA	NDA	72%
		Pavement condition of City arterial & collector road network rated good or above	NDA	NDA	55%	NDA	54%
		Pavement condition of local road network rated good or above	NDA	NDA	60%	NDA	52%
		Pavement condition of local road network bike routes rated good or above (subset of local road network)	NDA	NDA	68%	NDA	63%

*MRN condition surveyed on a three-year cycle. Data collected by TransLink in 2014, and will be provided to the City in 2015.

Street Activities

Metrics around the number of permits to use City streets provides information for planning and managing the different events or street uses, as well as street cleaning and overall garbage collection. Special events—including free to attend events, which are typically neighbourhood events—remain steady year after year. Street Use permits are seeing an increase in 2014 due to an increase in Merchandise permits (e.g., small and large patios, mobile food, street vending, special event mobile food, flower and produce displays, street entertainment).

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Streets Activities	Quantity	# of permits to use street (film, events, food trucks, patios)	3,526	3,137	3,873	4,662	4,860
	Result	# of "free to attend" permitted street activations	463	436	360	465	420

Street Cleaning Service

Key operational metrics for street cleaning include frequency of pick-up, tonnes being collected, and number of 3-1-1 calls received for litter problems and abandoned waste. This information is used to assess, focus, and improve services. In 2014, litter bins were emptied downtown three times per day. Service improvements were achieved by deploying additional containers in the downtown core during the peak summer season in 2013 and 2014, resulting in improved litter management. Continued work with 3-1-1 has resulted in better tracking of hot spots for abandoned garbage, illegal dumping, and litter pick-up requests. A proactive approach to addressing hot spots was undertaken through the establishment of an illegal dumping inspector; this is yielding positive results in cleaning up problem areas. Council approved annual grants to social enterprise organizations that have the capacity to provide micro-cleaning services. This has supported the City's efforts in the downtown core and the Downtown Eastside and is of significant benefit to business improvement areas. Micro-cleaning involves daily collection of litter, including cigarette butts, needles, and other accumulated debris, and is conducted on foot using brooms, shovels, rakes, and wheeled carts.

Over the past several years, there has been an increase in the number of street cleaning-related calls to 3-1-1. The overall increase in calls is occurring as a result of increases in abandoned waste such as furniture (primarily mattresses) that have been banned from disposal and have a recycling fee assigned. Street cleaning-related calls have also increased as a transitory effect of implementing a bi-weekly garbage collection schedule. The dumping of household waste in waste bins in City parks continues to be a problem. The metric tonnes collected from litter cans will vary; results for 2014 see a return to 2010 levels, in part due to efforts to reduce residential garbage that is disposed of in litter cans.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Street Cleaning	Quantity	Frequency per day cleaned (litter bins downtown)	2	2	3	3	3
		# of metric tonnes collected via the fall leaf collection program	3,881	4,671	5,192	4,275	4,500
		# of metric tonnes collected from litter cans	1,901	2,702	2,361	2,070	1,908
		# of metric tonnes collected from abandoned garbage	1,956	2,022	2,111	1,900	2,161
	Quality	# of abandoned garbage and illegal dumping complaints (3-1-1)	5,514	7,519	9,390	11,253	12,866
		# of street cleaning and debris pick up request (3-1-1)	1,538	1,731	2,664	3,496	2,731

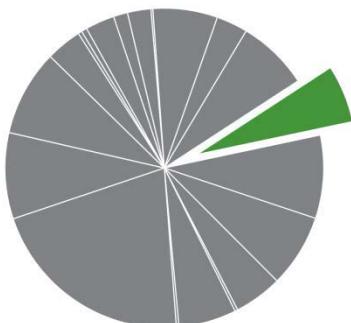
Corporate Equipment Management Service

Since 2009, the City's fleet has decreased by over 100 units, a 5.4% fleet size reduction. The average age of fleet is expected to decrease in the coming years, as a significant number of fleet units are due for replacement. Replacement decisions have focused on creating a fleet that will keep emission levels low to support reaching the 2020 GHG goals. Since 2007, the percent reduction of GHG emissions has been over 11%, and the goal is to continue this trend to achieve 30% reduction in GHGs from 2007 to 2020. The City has also increased the number of units fuelled from alternate fuel sources: this reduces fuel costs, GHGs, and particulate emissions.

The City's commitment is to continue to rightsize the fleet and look for opportunities to work smarter and optimize equipment needs. As in the past, when and if work can be done differently or vehicles can be either shared or leased, the necessary changes are made.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Corporate Equipment Management	Quantity	# of units in the fleet	1,895	1,870	1,840	1,813	1,789
	Quality	Average age of the fleet (years) - rolling stock only	5.78	6.36	6.95	6.93	6.83
		% of alternative fuel vehicles	6.87%	7.53%	7.87%	9.65%	10.14%
	Result	Fleet availability (% uptime)	95.46%	94.90%	94.90%	93.10%	93.24%
		Fleet GHG emissions	17,849	16,832	16,127	16,000	15,800
		% reduction in GHG emissions per year	-1.80%	5.70%	4.20%	0.80%	1.25%

2015 BUDGET



Engineering - Public Works makes up 6% of the 2015 Operating Budget

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Parking revenue				
Parking permit fees	952	952	-	-
Total Parking revenue	952	952	-	-
Cost recoveries, grants & donations				
Engineering recoveries	1,206	1,225	18	1.5%
Total Cost recoveries, grants & donations	1,206	1,225	18	1.5%
Other revenue				
Engineering revenue				
Street Maintenance revenue	3,382	3,775	393	11.6%
Street Use revenue	1,120	921	(198)	(17.7%)
Parking Operations revenue	961	961	-	-
Other engineering revenue	154	247	92	59.7%
Total Engineering revenue	5,616	5,904	287	5.1%
Total Other revenue	5,616	5,904	287	5.1%
Total Revenues	\$ 7,775	\$ 8,081	\$ 306	3.9%
Expenditures & Transfers				
Public Works				
Street Maintenance	23,415	23,084	(331)	(1.4%)
Parking Operations	14,976	15,242	265	1.8%
Street Use	9,677	10,041	364	3.8%
Street Cleaning	7,288	7,319	31	0.4%
Street Lighting	5,221	5,616	395	7.6%
Transportation	3,173	3,182	9	0.3%
General Public Works	1,691	1,915	224	13.2%
Shared support services	5,368	5,820	452	8.4%
Transfers to / (from) reserves & other funds	1,819	1,479	(340)	(18.7%)
Subtotal Public Works	72,629	73,697	1,069	1.5%
Department Services				
Equipment Service Operations	(19,520)	(17,756)	1,765	(9.0%)
Construction Supplies & Services	(1,506)	(1,518)	(12)	0.8%
Operations Safety & Equipment Management	2,010	2,145	135	6.7%
Shared support services	228	234	7	3.1%
Transfers to / (from) reserves & other funds	21,098	19,311	(1,787)	(8.5%)
Subtotal Department Services	2,309	2,417	108	4.7%
Total Expenditures & Transfers	\$ 74,938	\$ 76,115	\$ 1,177	1.6%
Net Operating Budget	\$ (67,163)	\$ (68,034)	\$ (871)	1.3%

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

Total revenues are expected to increase by \$0.3 million primarily due to an increase in external demands for temporary signage and street repairs carried out by the City following work by other parties. This is offset by a decrease in revenues for utility inspection fees.

Explanation of Changes: Expenditures and Transfers

Total expenditures are expected to increase overall by \$1.2 million, primarily due to inflationary increases in salary and utility costs for street lighting. Other significant increases relate to parking PayByPhone contract costs, increasing as more drivers move to PayByPhone as method of payment and building cost allocations and rent increases. The full inflationary impact has been partially offset by realigning how the City is providing service in street maintenance and reducing LED replacement reserve contributions due to their extended useful life.

The Equipment Service Operations reflects the recovery of the equipment costs across the City. Net recoveries decreased by \$1.8 million largely due to \$1.2 million reduction in contributions to the reserve account which provides for the future replacement of equipment and \$0.5 million reduction in other fund transfers to reflect payment in full of the loan for the National Yard fuel station. The full impact of inflationary increases has been offset by reduced equipment and fuel costs.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that the Engineering Public Works Department is involved in, or which will commence in 2015. A complete list of all capital projects for 2015 is included in the appendixes to the Council Report.

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years**
Burrard Bridge Rehabilitation + Burrard Bridge Upgrades	30.0	-	1.1	28.9
Vehicles and Equipment Replacement/Additions*	N/A	12.0	25.9	42.7
City Roads Paving*	N/A	6.5	9.0	22.8
Street Lighting Rehabilitation - Major Roads*	N/A	1.7	2.3	5.3

* Funding for programs approved on annual basis.

** For Programs, reflects forecast amounts for remaining years, 2016-2018, of the 4 year capital plan.

Burrard Street Bridge Rehabilitation and Upgrades

This next phase of rehabilitation work may include: concrete handrail, roadway lighting replacement, sidewalk repairs, and marine span access improvements. Bridge upgrades include the installation of permanent barriers between bicycles/pedestrians and vehicle traffic. Other active transportation safety improvements will be made to the Burrard/Pacific intersection.

Vehicles and Equipment Replacement

This refers to replacement of end-of-life equipment and vehicles used by the City (e.g., litter pick-up trucks, construction equipment, Fire and Rescue vehicles and police patrol cars, pickup trucks and covert vehicles).

City Roads Paving

This provides for the rehabilitation of the City's arterial streets where major capital restoration work is required to maintain the integrity of the street asset and extend the service life. Funding for 2015 is expected to provide for the rehabilitation of approximately 10.2 kilometres of arterial pavements.

Street Lighting Rehabilitation—Major Roads

The scope of work include the replacement of street lighting conduit, rusty poles, trolley poles, poles where the bases are underground, communications conduit, and communications cable, as well as identification and remediation of asbestos. The program objectives are to ensure that the existing plant is upgraded and maintained to a level that provides safe and effective operation to meet the needs of the City and its residents.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Parking revenue					
Parking permit fees	805	805	952	952	952
Total Parking revenue	805	805	952	952	952
Cost recoveries, grants & donations					
Engineering recoveries	1,008	1,206	1,206	1,206	1,225
Total Cost recoveries, grants & donations	1,008	1,206	1,206	1,206	1,225
Other revenue					
Engineering revenue					
Street Maintenance revenue	1,500	3,382	3,382	3,382	3,775
Street Use revenue	1,056	1,120	1,120	1,120	921
Parking Operations revenue	961	961	961	961	961
Other engineering revenue	410	154	154	154	247
Total Engineering revenue	3,927	5,616	5,616	5,616	5,904
Total Other revenue	3,927	5,616	5,616	5,616	5,904
Total Revenues	\$ 5,740	\$ 7,628	\$ 7,775	\$ 7,775	\$ 8,081
Expenditures & Transfers					
Public Works					
Street Maintenance	23,579	23,556	23,582	23,415	23,084
Parking Operations	14,002	14,042	14,927	14,976	15,242
Street Use	6,796	8,759	8,909	9,677	10,041
Street Cleaning	9,129	7,430	7,004	7,288	7,319
Street Lighting	5,717	4,969	5,017	5,221	5,616
Transportation	4,742	3,454	3,271	3,173	3,182
General Public Works	480	2,909	2,972	1,691	1,915
Shared support services	128	114	114	5,368	5,820
Transfers to / (from) reserves & other funds	1,592	2,329	2,140	1,819	1,479
Subtotal Public Works	66,163	67,565	67,936	72,629	73,697
Department Services					
Equipment Service Operations	(28,297)	(18,544)	(18,627)	(19,520)	(17,756)
Construction Supplies & Services	(1,731)	(1,664)	(1,652)	(1,506)	(1,518)
Operations Safety & Equipment Management	2,491	2,695	2,670	2,010	2,145
Shared support services	120	107	107	228	234
Transfers to / (from) reserves & other funds	29,840	20,467	20,467	21,098	19,311
Subtotal Department Services	2,423	3,060	2,966	2,309	2,417
Total Expenditures & Transfers	\$ 68,586	\$ 70,625	\$ 70,902	\$ 74,938	\$ 76,115
Net Operating Budget	\$ (62,846)	\$ (62,997)	\$ (63,127)	\$ (67,163)	\$ (68,034)
Capital Budget (\$ million)	\$ 61.1	\$ 74.1	\$ 91.6	\$ 90.5	\$ 71.2

Note: Totals may not add due to rounding

Since 2011, Public Works expenditures have been increasing primarily due to inflationary increases and utility costs. Other increases have come from new initiatives, especially in street use, which include more street events and community gardens. These have been offset in part by realigning the way services are delivered by the City, and realizing efficiencies, including savings in equipment costs.

Revenues have been increasing largely due to external parties, including developers, where City crews carry out street repairs and other tasks which the City is then refunded for.

Capital expenditures peaked in 2013 and 2014 due to the Powell Street Overpass project which is now complete. In 2015, expenditures are reducing to move back to a majority of rehabilitation work on city streets.

EMPLOYEE TREND TABLES

Engineering Public Works	2010	2011	2012	2013	2014F
Regular Full Time Staff (excluding Part time, Temp and Auxiliary)	1067	1064	1034	1023	1000
All Staff (including Part time, Temp and Auxiliary) Full Time Equivalent*	1143.7	1161.7	1128.4	1129.9	1103.6

*excluding overtime

Engineering Transportation	2010	2011	2012	2013	2014F
Regular Full Time Staff (excluding Part time, Temp and Auxiliary)	63	62	58	60	60
All Staff (including Part time, Temp and Auxiliary) Full Time Equivalent*	68.7	70.7	71.4	82.3	85.8

*excluding overtime

Engineering Streets	2010	2011	2012	2013	2014F
Regular Full-time Staff (excluding Part-time, Temp, and Auxiliary)	578	560	566	558	540
All Staff (including Part-time, Temp, and Auxiliary) Full-time Equivalent*	624.8	620.7	597.7	595.3	572.8

*excluding overtime

Throughout 2014 there have been temporary vacancies within Public Works due to fluctuating needs of the outside workforce and timing of training.

SUSTAINABILITY GROUP

The Sustainability Group is responsible for supporting the City as a global leader in environmental sustainability, both in the community and through City operations. The group's scope includes accountability for energy management goals in the community and leadership on all aspects of municipal environmental sustainability.

The Sustainability Group leads the development and implementation of the following Citywide strategies:

- Greenest City 2020 Action Plan
- Climate Adaptation Plan
- Green Operations Plan

While the Sustainability Group reports directly to the City Manager's Office, all financial measures (2014 Budget, Budget Trends, and Full-time Employees) are contained within Engineering Public Works. Please refer to the Public Works section of this report for these financial measures.

KEY SERVICE DELIVERED

Sustainability Service: Provide advice, research, and project leadership to support the City and community in achieving the sustainability goals set in the City's sustainability strategy, including the Greenest City 2020 Action Plan, Climate Change Adaptation Strategy, and Green Operations Plan

MAJOR ACCOMPLISHMENTS IN 2014

Greenest City 2020 Action Plan

The Sustainability Group is leading the successful delivery of the Greenest City 2020 Action Plan—a comprehensive strategy with a clear goal to make Vancouver the greenest city in the world by 2020. With 125 related projects underway, this comprehensive strategy involves City staff from across the whole organization and stakeholders from every sector. In 2014, work included:

Green Economy: Supported the Vancouver Economic Commission in launching the Green and Digital Demonstration Program; launched the Technology and Social Innovation Centre (a green business incubator); achieved an overall increase in the number of green jobs in Vancouver by 19% over 2010 levels.

Climate Leadership: Supported the expansion of the Vancouver Landfill Gas capture system, reducing Greenhouse Gas Emissions (GHG) by 416,000 tonnes per year; revised rezoning policy to improve alignment with low-carbon District Energy objectives; enabled an overall reduction in community-wide GHG emissions by 6% over 2007 levels.

Green Buildings: Continued to work with the Chief Building Official to support the approval and implementation of the 2014 Vancouver Building Bylaw, which ensures that homes built in Vancouver are 50% more energy efficient than homes built elsewhere in the province; passed the Vancouver Retrofit Strategy, which provides the roadmap to achieve a 20% reduction in GHGs from existing buildings by 2020; ran a successful Green Landlord pilot to make energy efficiency upgrades to rental building stock.

Zero Waste: Developed and passed the Construction and Demolition Waste Diversion Strategy to divert demolition and construction waste from the landfill; engaged stakeholders to support the expansion of food scrap recycling in multi-family and commercial buildings; provided project support to contribute to the achievement of a 12% reduction in waste to landfill or incinerator over 2008 levels.

Clean Air: Completed the installation of publicly accessible charging stations (111 in total across Vancouver) to foster the use of clean vehicle technologies; developed the policy for Council approval related to a ban on coal shipments from industrial lands to protect from harmful coal dust; provided project support to contribute to the achievement of a 100% reduction in air quality exceedances over 2008 levels.

Climate Change Adaptation Strategy

In 2014, the Sustainability Group continued to work across the organization to implement the City's Climate Change Adaptation Strategy to prepare the City and its residents from the inevitable impacts of climate change. Implementation was focused on the following:

Heavy Rain Events and Stormwater Management: Worked to prepare Vancouver for an increase in the intensity and frequency of heavy rain events by supporting Engineering in the development of an Integrated Stormwater Management Plan (ISMP) for the City; engaged Musqueam groups on the issue; included stormwater management principles in the community plans approved in 2014.

Resilience to Sea Level Rise: Supported Council decision to amend flood construction levels to ensure appropriate planning for anticipated sea-level rise to 2100; continued to prepare Vancouver for rising sea levels by undertaking a Coastal Flood and Erosion Risk Assessment, and by continuing to review and communicate about flood-resilient building options; coordinated with other levels of government and the private sector to increase regional resilience to sea level rise; supported Engineering in assessing options for vulnerable infrastructure; supported the Park Board in planning for near-shore open spaces.

Climate Change and Asset Management: Continued to prepare Vancouver for other general climate change-related impacts by incorporating climate change considerations into asset management; supported the development of the Urban Forest Strategy by providing canopy cover mapping, surface air temperature mapping, and access to experts on climate change and species selection; increased the adaptive capacity throughout the organization by communicating out to staff, investigating options to disseminate up-to-date climate science, and working with other levels of government and partners such as Port Metro Vancouver and BC Hydro.

GREEN OPERATIONS PLAN

The Sustainability Group continued to coordinate the implementation of the Green Operations Plan across the organization. This includes the implementation of corporate initiatives and departmental action plans. In addition, the Sustainability Group provided project support on specific green operations initiatives including: inventorying GHG emissions from City operations and facilities and creating offsets for these emissions to make civic operations Carbon Neutral in 2014 under the B.C. Government framework, greening Civic events, greening the fleet, and benchmarking civic facilities' energy use in support of energy efficiency upgrades.

PLANS FOR 2015

Greenest City 2020 Action Plan

When The Greenest City 2020 Action Plan was approved by Council in 2011, it included a suite of high-priority actions to be implemented by the end of 2014. With over 80% of these actions complete, the Sustainability Group is currently engaging with City staff, thought leaders, and the public to develop the next series of priority actions to be presented to Council for approval in 2015, and to be implemented by 2018. While this next series of priorities is being developed, Sustainability is also focused on completing the remaining 20% of high-priority Council-approved actions. A partial summary of this work follows; more specifics will be released after Council approval of the refreshed plan.

Green Economy: Continue to support the Vancouver Economic Commission; specifically, the implementation of the Green and Digital Demonstration Program and the Technology and Social Innovation Centre.

Climate Leadership: Develop a strategy to reduce Citywide emissions 80% by 2050 to support this previously approved Council target. Continue to implement GHG reduction projects in support of the Greenest City 2020 Action Plan goal of reducing community emissions 33% by 2020. Improve internal business process to support carbon management and reporting.

Green Buildings: Implement the Retrofit Strategy including expansion of the Green Landlord Program and the development of a program to support energy retrofits in strata condominium buildings; recommend approaches to catalyze and support the development of highly energy-efficient houses; develop a Carbon Neutral Strategy (for both low-rise and high-rise development) in Vancouver that clearly defines carbon and energy performance requirements for new development up to and beyond 2020.

Zero Waste: Implement the Construction and Demolition Waste Diversion Strategy to address demolition and construction waste in preparation for Metro Vancouver's progressive ban on these materials from landfill in 2015; including identifying opportunities for increased recycling of demolition materials at the Vancouver Landfill; continue to provide Engineering with support in other areas of solid waste policy development and implementation.

Access to Nature: Support the implementation of the Urban Forest Strategy; amend new street tree guidelines and planting practices; support the development of the Biodiversity Strategy through Council to implementation; ensure these efforts are aligned with other initiatives such as the Integrated Stormwater Management Plan.

Lighter Footprint: Continue to enable action by students, community groups, and individual citizens on Greenest City initiatives through the continued growth of City Studio, the Greenest City Scholars Program and the Greenest City Fund.

Clean Air: Apply outcomes and lessons learned from the successful electric vehicle infrastructure field trial, telecommunications partnerships, outreach campaign and electric vehicle car-share partnership to the development of a comprehensive electric vehicle strategy for the City; work with the BC Utilities Commission, the Province of B.C., and BC Hydro to ensure coordinated action and enablement of electric vehicle infrastructure; work with Port Metro Vancouver to reduce sulphur dioxide emissions, which are the most significant source of the City's air quality exceedances.

Climate Change Adaptation Strategy

Heavy Rain Events and Stormwater Management: Support the implementation of the Integrated Stormwater Management Plan by ensuring integration with other initiatives such as the Biodiversity Strategy and Urban Forest Strategy; coordinate with Engineering and Risk Management to support an analysis of the flow paths in areas identified as high risk for overland flooding; support an increased effort to engage the public in catch basin cleanup.

Resilience to Sea Level Rise: Complete phase two of the Coastal Flood Risk Assessment; take related action plan to Council for approval and ensure staff processes support implementation; ensure near-shore parks, new developments, and seawall planning incorporate measures to mitigate coastal flooding and erosion.

Storm Preparedness: Support Risk Management in the development of a refreshed plan for the City's backup power resources; work closely with Emergency Management to consider improved storm resilience.

Heat Response Plan: Continue to support the Extreme Heat Committee to mitigate health risk due to hot weather; work with local universities to incorporate surface temperature maps in planning for green space, tree planting, and added drinking water options.

Climate Change and Asset Management: Enable mainstream climate adaptation, including climate science, into projects across the City.

GREEN OPERATIONS PLAN

In 2015, the Sustainability Group will continue to oversee the implementation of the City's Corporate Carbon Neutral Strategy and support the implementation of the Corporate Energy Management Strategy, Corporate Waste Strategy, and Fleet Management Plan. The Fleet Management Plan includes a 30% reduction in GHG emissions from 2007 levels by 2020, and a 20% reduction in fleet vehicles by 2020. In addition, the Sustainability Group will continue to monitor and track the implementation of the other aspects of the Green Operations Plan, including corporate initiatives and departmental action in Engineering, Parks and Recreation, IT, civic theatres, Vancouver Fire and Rescue Services, and the Vancouver Police Department.

DEPARTMENT SERVICE METRICS

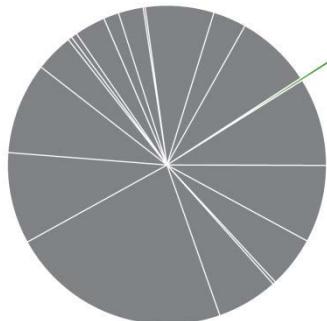
Department	Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Greenest City Action Plan: Climate Leadership Goal								
Engineering	Neighbourhood Energy Utility	Result	GHG reductions (tonnes CO ₂ e) from all neighbourhood energy systems in Vancouver	1,017	1,471	2,407	2,529	3,182
	Transfers and Landfill	Quality	% of landfill gas collected	52%	40% *	52%	60%	65%
City Manager's Office	Sustainability	Result	Total tonnes of community CO ₂ e emissions	NDA	NDA	2,657,105	2,585,000	NDA
Greenest City Action Plan: Green Building Goal								
City Manager's Office	Sustainability	Result	Tonnes of CO ₂ e from all residential and commercial buildings	1,214,000	1,170,000	1,115,000	1,110,000	NDA
Greenest City Action Plan: Green Transportation Goal								
Engineering	Transportation and Planning	Quantity	Mode split (walk, bike, transit, private vehicle) (collected by TransLink)	NDA	44%	NDA	NDA	NDA
Greenest City Action Plan: Zero Waste Goal								
Engineering	Waste Management & Resource Recovery	Result	Community: all annual solid waste disposed to landfill or incinerator from Vancouver (tonnes)	NDA	428,400	424,000	NDA	NDA
Greenest City Action Plan: Access to Nature Goal								
Parks	Parks and Green Spaces	Quantity	% of city's land base within a 5-min walk to a green space (TBC)	92.6%	92.6%	92.6%	92.7%	92.7%
			Total number of trees planted per year	2,598	3,529	6,386	7,611	7,000
		Quality	% of canopy cover of city-land base	NDA	NDA	17.0%	17.8%	18.0%
Greenest City Action Plan: Clean Water Goal								
Engineering	Waterworks Utility	Quality	% of samples with turbidity within Health Canada acceptable range	96.9%	98.7%	98.7%	98.6%	99.4%
		Result	Water consumed per capita (litres) - total	508	486	491	471	494
Greenest City Action Plan: Clean Air Goal								
City Manager's Office	Sustainability	Result	Total # of exceedences of air quality standards from the Kitsilano and Downtown stations	37	NDA	16	NDA	NDA

Department	Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F	
Greenest City Action Plan: Local Food Goal									
Community Services	Food Policy	Result	Cummulative # of new community garden plots since baseline year	3,260	3,675	4,021	4,166	NDA	
			Total # of farmers markets	8	9	10	11	12	
			Total # of neighbourhood food networks	6	9	11	10	11	
Greenest City Action Plan: Green Economy Goal									
Vancouver Economic Commission		Result	Total number of green jobs	14,900	NDA	NDA	19,900	NDA	
Corporate Green Operations Plan									
City Manager's Office	Sustainability	Result	Total tonnes of CO ₂ e emissions from City of Vancouver municipal operations	419,000	483,454	372,514	323,073	NDA	
Engineering	Corporate Equipment Management	Result	Total tonnes of City fleet CO ₂ e emissions	17,849	16,832	16,127	16,000	15,800	
Real Estate and Facilities Management	Asset Management (Buildings and Property)	Result	Total GHG emissions from City-used buildings (tonnes per year) **	19,293	22,042	20,757	18,607	18,269	
Real Estate and Facilities Management	Asset Management (Buildings and Property)		Average % waste diversion rate in City-used buildings with the implemented Zero Waste program	NDA	NDA	NDA	65.8%	75.7%	
Sustainability Group Specific									
City Manager's Office	Sustainability	Quality	\$ leveraged per \$ budget received	\$0.97	\$1.70	\$1.16	\$1.20	\$1.00	

*Note: Restated to correct error published in Sustainability section last year; departmental figure was stated correctly

**Note: Historical GHG emission figures for City-used buildings have been updated following the implementation of a utility management database and software that tracks current and historical GHG emissions more accurately than previous methods.

2015 BUDGET



Sustainability makes up 0.3% of the 2015 Operating Budget

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Cost recoveries, grants & donations				
Sustainability recoveries	1,800	1,150	(650)	(36.1%)
Total Cost recoveries, grants & donations	1,800	1,150	(650)	(36.1%)
Total Revenues	\$ 1,800	\$ 1,150	\$ (650)	(36.1%)
Expenditures & Transfers				
Sustainability				
Expenditures	3,696	3,830	135	3.7%
Transfers to / (from) reserves & other funds	-	(431)	(431)	-
Total Sustainability	3,696	3,399	(296)	(8.0%)
Total Expenditures & Transfers	\$ 3,696	\$ 3,399	\$ (296)	(8.0%)
Net Operating Budget	\$ (1,896)	\$ (2,249)	\$ (354)	18.7%

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

For 2015, there is a reduction in the level of cost recoveries and external sustainability grants of \$0.7 million. This is due to a reduction in externally funded projects, compared to 2014.

Explanation of Changes: Expenses

The anticipated reduction in dedicated project funding from external sources, noted above, has a direct impact on expenditures in Sustainability (\$0.7 million). This reduction in planned expenditures is partially offset by a \$0.4 million investment to establish a budget for citywide neighbourhood energy planning, a Council priority.

NOTABLE CAPITAL PROJECTS

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years**
Climate Change Adaptation Strategy*	N/A	0.4	0.4	0.3

* Funding for programs approved on annual basis.

** For Programs, reflects forecast amounts for remaining years, 2016-2018, of the 4 year capital plan.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Cost recoveries, grants & donations					
Sustainability recoveries	-	2,186	2,186	1,800	1,150
Total Cost recoveries, grants & donations	-	2,186	2,186	1,800	1,150
Total Revenues	-	\$ 2,186	\$ 2,186	\$ 1,800	\$ 1,150
Expenditures & Transfers					
Sustainability					
Expenditures	1,655	4,536	4,513	3,696	3,830
Transfers to / (from) reserves & other funds	-	(281)	(281)	-	(431)
Total Sustainability	1,655	4,255	4,232	3,696	3,399
Total Expenditures & Transfers	\$ 1,655	\$ 4,255	\$ 4,232	\$ 3,696	\$ 3,399
Net Operating Budget	\$ (1,655)	\$ (2,069)	\$ (2,047)	\$ (1,896)	\$ (2,249)
Capital Budget (\$ million)	\$ -	\$ -	\$ -	\$ 0.5	\$ 0.4

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

Revenues for Sustainability are comprised mainly of external funding for projects and initiatives. Changes in the level of externally funded projects in any particular year account for annual changes in revenues.

Explanation of Changes: Expenses

Changes in external funding to support sustainability initiatives are offset by changes in costs, including wage and fringe benefit costs associated with staffing, related to these initiatives.

EMPLOYEE TRENDS TABLE

Engineering Sustainability	2010	2011	2012	2013	2014F
Regular Full-time Staff	9	12	13	13	14
All Staff (including Part-time, Temp, and Auxiliary) Full-time Equivalent*	12.6	18.0	17.3	15.9	15.1

COMMUNITY SERVICES

The Community Services Department 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, and services they require, as well as opportunities to contribute and feel a sense of belonging.

Through integrated and innovative approaches, Community Services engages partners and collaborates across City departments and with a wide range of 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 to support non-profit sector organizations and the City in operating Carnegie Community Centre, Gathering Place Community Centre, and Evelyne Saller Centre to serve the city's most vulnerable residents

License businesses, inspect properties, and administer animal services to help keep residents safe

Community Services is driven by the changing demographics in the community, funding trends of other levels of government, evolving opportunities for partnerships with private foundations and non-profit sectors, the volatility of the local and global economies (especially in relation to the cost of nutritious food), and the availability of affordable housing and services.

KEY SERVICES DELIVERED

Services for the Homeless: Develop and implement programs to support the 2012-2021 Housing and Homelessness Strategy, including Carnegie Housing Outreach Services

Housing Policy: Develop and implement housing policy, and create projects and programs to enable new housing

Housing Operations: Operate City-owned social housing that provides support to residents and assists them in accessing health and other community supports; provide support to the City's most marginalized citizens at social services hubs including the Carnegie Community Centre, Gathering Place Community Centre, and Evelyne Saller Centre

Social Policy: Develop and implement policy and programs to implement the Healthy City Strategy and plan for social amenities, including childcare spaces and social grants

Cultural Services: Allocate grants and creative spaces to cultural organizations, administer the civic and private sector public art programs, and operate the three civic theatres

Mountain View Cemetery: Provide grounds maintenance, graves, and related services for the burial of caskets and cremated remains

Property Use Inspections: Inspect, regulate and enforce property use, noise and graffiti issues with a focus on community fit and quality of life

Business Licensing: Regulate businesses and issue licences

Animal Services: Administer the sale of dog licences, deal with stray and aggressive dogs, and operate the Animal Shelter

Note: In the 2014 Capital and Operating Budget Report, the service 'Social Support' was described as a separate service. This service is now embedded within Services for the Homeless and Housing Operations.

SERVICES FOR THE HOMELESS

MAJOR ACCOMPLISHMENTS IN 2014

Services for the homeless has a role in patrolling the streets to assist the homeless in finding and securing housing, mostly in Single Room Occupancy Hotels (SROs). This role has now expanded to support street and sheltered homeless in transitioning from shelters and interim housing into permanent housing. In doing so, they are also closely monitoring the City's homeless through the annual Homeless Count, Homeless Action Week, and other activities.

In 2014, the Carnegie Outreach Team, which has been housing those who are homeless, mostly in the Downtown Eastside (DTES) since 2007, was expanded to provide services citywide and included the Tenant Assistance Program, which also assists in housing residents in emergency situations (e.g., fire, evictions). To reflect this broader geographical base, the team is now referred to as the Homeless Outreach Team.

The City added 157 units of interim housing in 2014 on Howe Street in downtown south and opened three winter response shelters: the downtown south (40 beds), east end at Commercial Drive (40 beds), and supplemental existing space at the Salvation Army in the downtown eastside (30 beds). For the first time ever, the City opened and operated one of the shelters for almost three months, to accommodate emergency needs of the homeless citizens who were camping at Oppenheimer Park.

PLANS FOR 2015

In 2015, the City plans to:

- Confirm shelter and housing placement options to match street homeless found through the annual Homeless Count
- Find housing capacity, through the Homeless Outreach Team, for street and sheltered homeless individuals
- Use a Vulnerability Assessment tool with all homeless individuals to ensure appropriate placement in supportive or social housing, and continue working with neighbours to address concerns
- Increase ability for homeless to remain in renovated SROs or to access other rental situations (e.g., rent supplements, income assistance, more supportive housing in new buildings)
- Together with non-profits and community business partners, develop opportunities for low-barrier employment to minimize street activity

DEPARTMENT SERVICE METRICS

Street homelessness in Vancouver increased in 2014. The annual homeless count conducted in March 2014 indicated that approximately 1,800 people were found to be homeless in the city. At the time of the count, 536 people were counted on the street, and 1,267 people were in shelters. These results were disappointing and in part could be attributed to some delays in opening of new supportive housing projects, a temporary reduction in low-income housing supply created by BC Housing's SRO renovation program, the decreasing number of private SROs renting at welfare rates, and the overall low vacancy rates in the rental market which is increasingly being used for those with rental subsidies.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Services for the Homeless	Quantity	# of street homeless per annual count	421	154	306	273	536
		# of total homeless (street and sheltered)	1,715	1,581	1,602	1,600	1,803

The following table shows the City's progress towards meeting its targets for units of supportive and social housing by 2014 and 2020.

Ending Homelessness			Rental Housing		
Street and Sheltered Homeless	Housing Targets	Supportive Housing	Social Housing	Secured Market Rental	Suites and Laneway Housing
There were 536 street homeless counted in March 2014	Percentage of 3 year target in development (2014)	86%	107%	253%	130%
	Current number of units (2014)	1,846	1,605	3,803	2,350
	2014 target for number of units	2,150	1,500	1,500	1,800
Zero street homeless by 2015	2021 target for number of units	2,900	5,000	5,000	6,000

Note: Units are included if they are committed (e.g., the projects have an approved rezoning or development permit application or an approved Council report confirming funding), under construction, or completed.

HOUSING POLICY

MAJOR ACCOMPLISHMENTS IN 2014

This division develops strategy and policy for affordable housing in Vancouver through the 2012-2021 Housing and Homelessness Strategy, which focuses on the City's target to end street homelessness and enable the development of new social housing and other non-profit spaces, in partnership with provincial funders and various non-profit providers. The Housing and Homelessness Strategy has three strategic directions that cover the complete housing continuum:

1. Increase supply and options across the housing continuum
2. Encourage a housing mix that enhances quality of life across all neighbourhoods
3. Provide strong leadership and support partners to enhance housing stability

In 2014, the Vancouver Affordable Housing Agency (VAHA) was established. The VAHA is a legally separate, City-controlled entity created to implement the recommendations from the Mayor's Task Force on Housing Affordability. Its mandate is to deliver 2,500 affordable housing units on City and partner land by 2021, commencing with an initial program of 500 affordable housing units subject to interim review.

The establishment of the VAHA is a key step toward meeting the targets of the 2012-2021 Housing and Homelessness Strategy. Its creation will enhance the City's ability to quickly deliver a larger number of more affordable housing options for a target range of residents who are currently struggling to find affordable housing.

In 2014, work continued on an innovative project in Strathcona that offers a much-needed community facility and affordable housing on the Downtown Eastside (DTES). Made possible through a partnership between the City of Vancouver, Vancouver Public Library, and YWCA Metro Vancouver, the site will have a new full-service

náca?mat ct Strathcona Branch Library, and will also provide new safe, affordable housing with on-site supportive and social programs for low-income single mothers and their dependent children, as well as community space.

The City also moved projects along scheduled completion points for social housing with on-site supportive services at Taylor Manor, Fire Hall #5, and the Burn Fund project. The 58 West Hastings site in the Downtown Eastside was secured for social housing development. Tenants were moved from the Old Continental to the Kingsway Continental at 3484 Kingsway, replacing 109 old SRO units with 123 newer studio and one-bedroom units.

The City continued to monitor and ensure the appropriate mix while tenanting the BC Housing/City of Vancouver MOU (Memorandum of Understanding) supportive housing sites at 111 Princess Avenue and 1134 Burrard Street, which will house 280 individuals with varying degrees of need.

Other 2014 accomplishments:

- Housing Policies were embedded within the DTES, West End, and Marpole Community Plans. An SRO Strategy was also developed, expediting the process for Standards of Maintenance enforcement.
- The City implemented stronger protection of rental housing stock and requirements for tenant relocation plans as part of redevelopment proposals.

- Technical Design Guidelines for Social Housing were drafted, to guide developer obligations as part of Community Amenity Contribution-provided social housing
- The City began a two year lease of the former Quality Inn in downtown south in order to provide 157 self-contained rooms with supports for the homeless to transition to permanent housing.

PLANS FOR 2015

A major highlight in the City's 2015-2018 Capital Plan is the delivery of 2,550 new, affordable social and supportive housing units, maintenance and renewal of existing City-owned social housing units, and provision of capital grants for SRO upgrades with a City investment of \$125 million. Therefore, a key plan in 2015 is to meet housing targets across the housing continuum for delivery of shelter capacity, supportive, social, and market rental housing through:

- Inclusionary housing policies and zoning
- Community Amenity Contribution (CAC) and public benefit-enabled projects
- Provision of grants
- Support of non-profit initiated projects
- Vancouver Affordable Housing Agency (VAHA) initiated projects

Other housing policy plans for 2015 include:

- Develop a decision-making framework for land lease extensions and renewals for co-ops and non-profit housing organizations on City land
- Conduct a review of existing rental housing protection regulations, continue developing community partnerships to ensure inclusion of options for tenants in neighbourhoods, and mitigate issues associated with dislocation and relocation of tenants
- Implement housing policies within recently approved community plans and develop new housing policies within new community plans, starting with the Grandview Woodlands Community Plan
- Monitor, maintain, improve, and replace SROs using tools such as the SRO Bylaw and grants, consistent with approval of the SRO Strategy
- Focus more on affordable family housing options and policies to incent creation of more affordable family housing

Continue to demonstrate the high need for welfare rate housing and affordable food and social amenities in Vancouver

DEPARTMENT SERVICE METRICS

The City has made progress toward achieving targets for social and supportive housing, with 107% of the target for social housing and 86% of the target—a 300-unit gap—for supportive housing.

In terms of market rental housing targets, the City has seen a continued interest in the delivery of secured market rental housing, with over 392 new units opened in 2014 and more than 900 units committed. The City has surpassed the 2014 target and is more than halfway to meeting its 10-year target. There has also been a significant amount of activity in the creation of secondary suites and laneway housing.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Housing Policy	Quantity	Supportive housing units committed	996	39*	102	52	0
		Social housing units committed	113	223*	465	291	626
		Secured market rental units committed	106	589	1051*	1,104	953
		Permits issued for suites per year	379	516	442	480	425
		Permits issued for laneway houses per year	192	229	350	345	308
	Quality	Supportive housing units opened	225	495	318*	257	439
		Social housing units opened	327	0	25*	23	15
		Secured market rental units opened	196	28	182	241	392

* Note: Historical results may be restated due to differences between planned commitments and actual developments, these changes are not material in nature

HOUSING OPERATIONS

MAJOR ACCOMPLISHMENTS IN 2014

Housing Operations provides housing in 10 City-owned or operated social housing facilities for low-income individuals or families facing multiple barriers. Support is provided to assist residents in accessing health and other community assistance programs. In addition to operating 10 social housing facilities, the City operates three housing support centres, which assist people who have low incomes, disabilities, and/or mental health or addiction issues, and provides them with access to basic needs (e.g., food, bathing, and laundering facilities, health and other community services).

Social supports and programs are provided to the City's most marginalized citizens at three City-operated Community Centres including the Carnegie Community Centre, Gathering Place Community Centre, and 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 Gathering Place.

In 2014, for the first time ever, housing operations staff were instrumental in quickly setting up and operating an emergency shelter for almost three months to accommodate the homeless who were part of the Oppenheimer Park encampment.

PLANS FOR 2015

- Begin the design process for the redevelopment of Roddan Lodge, a City-operated social housing facility that is in need of replacement
- Identify options to replace the units at Central/Alexander Residences as they are aging and inefficient buildings
- Continue to secure BC Housing funding and pursue other partnership opportunities to sustain the 851 units of social housing operated by the City

DEPARTMENT SERVICE METRICS

The City-owned and operated social housing stock is aging with an increasing number of building deficiencies that requires capital investments to maintain or improve livability. This, together with the need to maintain rents at an affordable level for lower income residents, puts pressure on capital and operating budgets. Turnover and vacancy rates represent the norm in terms of people moving between SRO housing options, into long-term care for seniors, or into other rental housing.

The vacancy rate increased in 2013 as tenants were decanted from the Old Continental and decreased in 2014 as the Kingsway Continental, the Old Continental's replacement, was rented out.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Housing Operations	Quantity	Direct COV operations - number of units	837	837	837	837	851
		Peer hours in community employment	2500	2500	2500	3000	2780
		Total meals served at 3 Centres (Carnegie, Evelyn Saller, Gathering Place)	645,110	617,065	612,700	655,460	735,855
		Total showers or personal care services (e.g., haircuts, louse treatments)	47,778	49,141	50,603	79,009	77,906
	Quality	Direct COV operations - vacancy rate	2%	3%	4%	6%	2%
		Direct COV operations - turnover rate	15%	19%	18%	15%	15%

SOCIAL POLICY

Social Policy leads the Healthy City Strategy, the City's plan for social sustainability. This strategy includes 13 long-term goals with 10-year targets; its success requires the efforts of all City departments and a wide range of stakeholders and residents.

All of Social Policy's activities fall under the Healthy City Strategy umbrella and include:

- Identifying social trends and indicators
- Planning for social amenities, including childcare and other social services
- Providing social grants in partnership with the non-profit sector to support the needs of vulnerable populations

Coordinating partnerships and strategic initiatives to address emerging trends, such as the Mayor's Task Force on Mental Health and Addictions Action Plan, Local Immigration Partnership, City of Reconciliation, Local Food Strategy, Age-Friendly Action Plan, and other initiatives involving youth, Aboriginal communities, and low-income residents

MAJOR ACCOMPLISHMENTS IN 2014

In 2014, Council approved the Healthy City Strategy, a comprehensive, integrated, and multi-sector approach to urban health and well-being that brings together diverse services and departments of the City to achieve the goals of healthy people, communities, and environment. An extensive public engagement process of over 10,000 residents provided input into the strategy. It was guided by an inter-departmental tech team and a 30-member Healthy City for All Leadership Table that included wide representations of sectors such as health care, social justice, business, education, arts, and culture, and a Memorandum of Understanding with the City's key partner, Vancouver Coastal Health.

The Healthy City Strategy sets out 13 long-term goals with aspirational targets and key social indicators that are focused on areas such as Good Starts for Children, Making Ends Meet and Working Well, Cultivating Connections, Expressing Ourselves, and Life Long Learning.

In 2014, the Mayor's Task Force on Mental Health and Addictions was launched, with the mandate of developing solutions to address the needs of individuals with serious mental health issues and addictions. The City conducted extensive cross-sectoral discussions on ways to make the system of care more responsive and effective, and supported the efforts of the Ministry of Health and Vancouver Coastal Health in their 120-day action plan to immediately address gaps in services.

To support the implementation of the DTES local area plan, and related economic and health and safety initiatives, staff worked with residents to provide safe and legal vending opportunities for low income residents in the DTES.

In 2012, Council directed staff to work in partnership with the Joint Childcare Council to increase the number of new child care spaces by 500 between 2012 and 2014. During this three-year period, the City facilitated more than 700 new spaces. This includes the opening of over 500 new spaces with more than 200 in additional spaces committed to opening and at various stages of the development process.

Vancouver Local Food Strategy targets and actions continued to be implemented. In 2014 the number of community garden plots and farmer's markets increased and the City helped to enable the opening of a food business incubator. The Vancouver Incubator Kitchen is a partnership with Vancouver Community College and Save On Meats that provides culinary training to low-income students, opportunities for local food entrepreneurs, and community use.

The Vancouver Dialogues project, completed in 2013, was created to increase understanding between Aboriginal and non-Aboriginal and newcomer communities. In 2014, the dialogues continued through a new project called Welcoming Communities which include more diverse communities and socioeconomic groups. Building on the Welcoming Communities project, the City secured a two-year partnership with Citizenship and Immigration Canada to develop the Local Immigrant Partnership Initiative in Vancouver.

In 2014, the City fulfilled recommendations of the Missing Women Commission of Inquiry, recognizing the devastating impact of the missing and murdered women on family and community members. Two staff were hired to support the City's efforts. In addition, in collaboration with senior government, a contribution was made towards a compensation fund for the children of the missing and murdered women.

The City also continued to support social innovation through collaborating with multiple funders on social innovation projects and by building the capacity of social enterprises to provide employment and supports for people with low incomes and other barriers. In 2014, through a partnership with Vancity Group, six enterprises were funded to support 141 employees and generate just under \$1 million in wages. Social Policy worked to enhance Community Benefit Agreements that enable the hiring of low income residents through developments and also continues to work closely with Supply Chain Management to identify opportunities for procurement from social enterprises and leverage the City's purchasing power to support people with barriers to employment.

PLANS FOR 2015

In 2015, plans include:

- Complete the first four-year action plan of the Healthy City Strategy, and begin implementation
- Continue to work in partnership with Vancouver Coastal Health to fulfill mutual commitments and actions to create a healthy city for all
- Begin the second phase of the Mayor's Task Force on Mental Health and Addictions, implementing key strategies
- Develop an immigrant integration strategy for Vancouver through the Local Immigration Partnership initiative, advised by the Mayor's Working Group on Immigration and a wide range of stakeholders from business, non-profit, and public sectors
- Continue to implement other initiatives, including the Local Food Strategy actions that include support to local urban farming and enhancing inner city school breakfast programs in partnership with the Vancouver School Board
- Double the target of childcare spaces to 1,000 spaces by 2018
- Support the inclusion of childcare facilities in elementary schools undergoing seismic upgrades
- Develop and implement a citywide priorities plan for social amenities to ensure accessible social facilities throughout the city, including more flexible ways of using schools and City properties to further accommodate community use (e.g., evening programs, child care, seniors' services)

- Develop actions to address street disorder, improve health and safety for all, and work to enable low barrier economic and other programming opportunities for low income residents through social enterprise, legal vending, and other initiatives
- Continue to improve the health and safety of sex workers, address exploitation (including prevention of the sexual exploitation of youth), and mitigation of negative community impacts.
- Continue to enable social innovation through granting, community benefit agreements and social procurement efforts.

DEPARTMENT SERVICE METRICS

The number of childcare spaces opened each year is dependent on a variety of factors including funding, timing of developments and occupancy permits, and other opportunities. Going forward, the City's target is to create 1,000 new spaces for children 0-12 years from 2015-2018 through partnership with VSB, development contributions and capital. The \$1 million increase in social grant dollars provided by Council in 2013 helped provide approximately \$8 million in social grants that continue to leverage about five dollars for every dollar invested.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Social Policy Planning	Quantity	Cumulative # new childcare spaces enabled by City *	2,871	2,975	3,173	3,247	3,626
		# of City-enabled childcare City spaces opened per year	280 **	64	153	74	233
		Total number of licensed childcare spaces in Vancouver	NDA	10,731	11,567	13,034	13,228
		Total # of childcare grants	71	70	69	73	92
		Percent of total childcare spaces enabled by City *	NDA	28%	27%	25%	27%
		Total # of community gardens	3,260	3,675	4,021	4,166	4,550
		# of farmer's markets	8	9	10	11	12
		# of food networks supported	6	9	11	10	11
		# of organizations supported by social policy grants	93	119	102	118	124
		Total social grant \$'s awarded (\$millions)	\$6.7	\$6.5	\$6.6	\$6.2	\$8.0
	# of social policy plans under development/ implementation	11	16	16	18	22	
	Quality	Total # of participants and organizations for major projects, consultations, or engagement activities	93,828	127,671	378,569	270,040	400,000
		Total # of organizations supported by childcare grants	37	40	39	41	40
		Total \$ leveraged with social policy grants (\$ millions)	NDA	\$33.2	\$32.1	\$42.4	\$42.0

* Note: Historical results may be restated due to differences between planned commitments and actual developments, these changes are not material in nature

* Note: 2010 - 2012 results have been restated to reflect childcare spaces operated out of Community Centres that were previously not included in this metric, but are enabled by the City

** Note: Restated to include 24 spaces at the Elsie Roy Centre

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. The City's vision for arts and culture, as articulated in the Culture Plan, is to support a diverse and thriving cultural ecology by providing robust support programs for local arts and cultural activities. Key services include:

- Allocating grants and enabling affordable creative spaces
- Administering private and public art programs
- Operating five civic theatre venues
- Managing other culture-related projects such as the annual Mayor's Arts Awards

Cultural Services also oversees a number of key facilities owned by the City, including those that steward our cultural assets (e.g., Museum of Vancouver, Vancouver Art Gallery, Vancouver East Cultural Centre).

MAJOR ACCOMPLISHMENTS IN 2014

In 2014, the City began implementation of the key updated strategic directions from the City's Culture Plan; accomplishments included:

- Completed a number of major new facilities, the enabling of non-profit ownership of long-time arts organizations' facilities, and re-tenanting a key DTES cultural space
- Developed a new 8,500-square-foot cultural amenity space at the CBC, to be shared by four arts and cultural non-profits: DOXA, PuSh Festival, Touchstone Theatre, and Music on Main
- Began developing a new 48,000-square-foot theatre arts production space in Southeast False Creek by Arts Club Theatre and Bard on the Beach
- Launched an online map of Vancouver's cultural spaces
- Developed a new approach to supporting local non-profit ownership of spaces in Mount Pleasant by investing \$4.5 million into local groups such as the Western Front, VIVO and C-Space, Arts Factory, and Grunt Gallery
- Obtained new tenants in the downtown eastside Woodward's development for four community-based organizations: Kokoro Dance, Vancouver International Dance Festival, Heart of the City Festival/Vancouver Moving Theatre, and Raven Spirit Dance
- Implemented first major revisions to the Public Art Program since its inception. This includes a substantial increase in funding to the civic program starting in 2015, as well as the establishment of a signature projects fund for major public art commissions at prominent destination sites; and streamlined developer options to strengthen both the civic and private sector programs to encourage the commissioning of high-quality public artworks.
- Implemented online application and assessment process for most grant streams; continued to work with other departments, particularly social policy, towards procurement of a citywide grant management system
- Introduced a new grant stream that provided an increased base-level of support to 23 organizations and a one-time investment in 32 organizations in grants totalling almost \$300,000
- Invested over \$250,000 in capacity building initiatives and sustainability planning to make arts organizations more resilient and adaptable to the changing funding ecosystem

- Hired a new Civic Theatres director who is conducting an operational review and implementing a client-focused business plan
- Partnered with two other funders to launch BC Artscape, an affiliate of the Toronto-based Artscape, a nonprofit organization focused on development of large-scale projects that include cultural space
- Opened four new artist studios and converted three additional park field houses to artist studios, bringing the total number of artist studios to 18.

PLANS FOR 2015

In 2015, the City's plans are to:

- Online implementation of project grant application and adjudication; revamp the granting process to make applications more streamlined, holistic, and flexible for users
- Continue working with the Museum of Vancouver, the Maritime Museum, and the HR MacMillan Space Centre, to assist them in optimizing their long-term strategies, operate more efficiently and effectively, and transform into prime tourism destination sites
- Continue to support and empower cultural non-profit organizations and their leadership by using a multi-pronged, adaptable, sustainable approach
- Continue to work with the Vancouver Art Gallery on its plans for a new and expanded facility
- Enhance support to emerging artists, new innovative work, and art practices
- Plan for year-long celebration of the 25th anniversary of the Public Art Program in 2016
- Foster cultural inclusion, creativity, and dialogue by increasing public participation and community engagement in arts and culture
- Maximize use and public benefit of civic cultural assets including civically controlled facilities as well as collections for maximum flexibility and community utilization
- Open the 48,000 square-foot theatre centre on West 1st Avenue
- Optimize arts and cultural investment in the creative economy through partnerships and leveraging

DEPARTMENT SERVICE METRICS

Minor increases to the Operating and Project Grant budget projected for 2015 reflect approximately a 2% inflationary increase. The major focus from 2015 to 2018 will be in supporting the arts and cultural community through capacity building and aiding in the creation/sustenance of healthy cultural organizations. Information, assistance, services, and tools continue to be provided to cultural organizations.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Cultural Services	Quantity	Grant \$'s awarded to cultural organizations (\$ millions)	\$7.3	\$7.3	\$7.8	\$8.0	\$8.2
		# of organizations supported by cultural grants	183	194	220	225	235
		Theatre rental grant \$'s awarded (\$ millions)	\$2.7	\$2.6	\$2.3	\$2.6	\$2.6
		# of organizations receiving theatre rental grants	18	21	21	45	46
	Quality	Utilization rate for civic theatres hours available/hours rented	76.9%	77.8%	72.0%	71.0%	71.0%
	Result	Annual attendance at civic theatres	622,221	610,584	573,633	564,488	565,000

LICENCES AND INSPECTIONS

The Licences and Inspections Division in Community Services is comprised of Property Use Inspection Services, Business Licensing, and Animal Services, with a focus on:

- General standard of health, safety, and cleanliness that includes:
 - Property use
 - Noise control
 - Standards of maintenance
 - Animal Services (primarily dogs)
- Regulation and issuance of business licences based on activity and specific zoning districts.

MAJOR ACCOMPLISHMENTS IN 2014

In 2014, the City accomplished the following:

- The City implemented the Inter-Municipal Business Licensing Policy, allowing trade businesses to obtain one licence to operate across multiple jurisdictions in the Lower Mainland.
- Optimize public education campaign to increase the number of dog licences in the City (i.e., active social media, community events and publications).

- The Animal Services Division started their operations review, with the aim of increasing and encouraging more responsible dog ownership, getting people to licence their dogs more, and educating people about pet safety.
- In partnership with Vancouver Coastal Health and Vancouver Fire and Rescue Services, the City evolved the Hoarding Action Response Team, taking a case management approach to people who are living in circumstances that could pose imminent life and safety risks.
- Expand the online process for business licences to include new applications and fee payment.
- Continue to evolve the regulatory framework and enforcement response through use of new technology (i.e., a new mobile app, handheld devices for inspectors).

PLANS FOR 2015

In 2015, the City plans to:

- Continue to develop Animal Services to cultivate a community that fosters best animal practices and promotes responsible pet ownership
- Continue to evolve the Hoarding Action Response Team to ensure effective measures meet objectives
- Conduct a review of liquor licensing for Vancouver, incorporating changes from the provincial liquor regulations
- Conduct a review of municipal licensing options for taxi businesses, to ensure a fair and equitable approach for taxi operations and use

DEPARTMENT SERVICE METRICS

The City continues efforts to promote online renewals, along with implementation of a new software platform that will allow businesses to apply for and renew licences online. The strategies are aimed at increasing online transactions and simplifying processes. These changes will help reduce the resources required to manually process applications.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Business Licensing	Quantity	% of business licence renewals issued online	33.5%	36.6%	39.6%	43.0%	46.0%
		# of business licences issued (excluding vehicle for hire)	51,220	51,461	51,889	53,739	54,000

ANIMAL SERVICES

Animal Services is responsible for maximizing licensing and identification of dogs (licensing is currently growing at an average rate of 6% to 7% per year), minimizing nuisance dog behaviour (e.g., barking) in the city, and encouraging responsible pet ownership.

The number of tickets has decreased, due to more focus on education about animal safety. The 18.5% decrease in bite incidents from 2013 may be attributed to the proactive deployment of Animal Service Officers to address non-compliance, specifically licensing and leashing dogs.

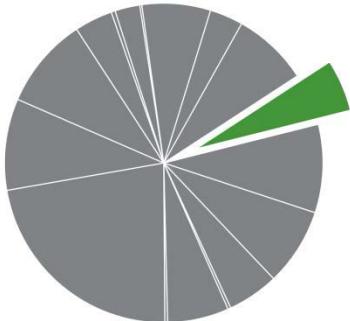
Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Animal Services	Quantity	# of dog licences issued and paid for	17,934	18,528	19,775	20,300	23,500
		% of dog licences issued online	53.0%	63.0%	61.0%	73.5%	77.0%
		# of tickets issued by Animal Services	96	292	324	190	100
	Result	Reported dog bites on people and animals	243	281	237	313	255

MOUNTAIN VIEW CEMETERY

The cemetery continues to see incremental growth in the annual number of interments and the sale of cemetery spaces resulting in a record high annual revenue of \$2 million. The cemetery also benefited from a significant heritage restoration of the Jewish Area initiated through a community partnership with the Schara Tzedeck Cemetery Board.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Cemetery Service	Quantity	Interments by casket	55	59	61	74	66
		Interments by cremation	256	318	312	304	380

2015 BUDGET



Community Services makes up 5% of the 2015 Operating Budget

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Program revenue				
Civic Theatres program revenue				
Theatre facility rentals	5,155	5,233	77	1.5%
Concession revenue	1,226	1,245	18	1.5%
Ticket surcharges	836	1,309	473	56.6%
Other Civic Theatre revenue	164	167	2	1.2%
Total Civic Theatres program revenue	7,382	7,953	571	7.7%
Community Services program revenue				
Community Kitchen revenue	1,255	1,315	60	4.8%
Mountain View Cemetery revenue	1,938	1,938	-	-
Total Community Services program revenue	3,193	3,253	60	1.9%
Total Program revenue	10,575	11,206	631	6.0%
Parking revenue				
Civic Theatres parking revenue	360	360	-	-
Other parking revenue	5	5	-	-
Total Parking revenue	365	365	-	-
Cost recoveries, grants & donations				
Community Services recoveries	3,525	3,508	(17)	(0.5%)
Other department recoveries	212	212	-	-
Total Cost recoveries, grants & donations	3,737	3,720	(17)	(0.5%)
Other revenue				
Non-market housing rentals	3,638	3,692	54	1.5%
Other department revenue	83	83	-	-
Total Other revenue	3,722	3,776	54	1.5%
Total Revenues	\$ 18,398	\$ 19,066	\$ 668	3.6%

Note: Totals may not add due to rounding

Major Category (\$000), continued	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Expenditures & Transfers				
Civic Theatres				
Civic Theatre operations	4,665	4,733	69	1.5%
Shared support services	1,720	1,781	60	3.5%
Transfers to / (from) reserves & other funds	924	881	(43)	(4.7%)
Total Civic Theatres	7,309	7,395	86	1.2%
Community Services				
Social Support	9,290	9,931	641	6.9%
Housing	5,765	7,589	1,824	31.6%
General & Projects	1,701	1,896	195	11.5%
Social Policy	2,810	2,866	56	2.0%
Licensing	3,210	3,272	62	1.9%
Property Use Inspection	2,859	2,824	(35)	(1.2%)
Culture	2,465	2,611	146	5.9%
Mountain View Cemetery	1,641	1,471	(170)	(10.4%)
Shared support services	5,869	6,248	379	6.5%
Transfers to / (from) reserves & other funds	795	(353)	(1,148)	(144.4%)
Total Community Services	36,405	38,356	1,951	5.4%
Grants				
Cultural	10,794	11,060	266	2.5%
Social Policy	5,319	5,825	506	9.5%
Childcare	1,200	1,424	224	18.7%
Other grants	389	646	258	66.3%
Total Grants	17,702	19,006	1,304	7.4%
Total Expenditures & Transfers	\$ 61,416	\$ 64,757	\$ 3,341	5.4%
Net Operating Budget	\$ (43,017)	\$ (45,690)	\$ (2,673)	6.2%

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

The largest revenue change in the Community Services group is due to the addition of \$0.5 million in new revenue for civic theatres. This increase is for a new agreement for a portion of ticket revenue for tickets sold through external ticketing agencies.

For 2015 there is a budget adjustment of \$60,000 for Community Kitchen meals. This adjustment is to align the budget with the actual meals sold. In prior years, the budget has been lower than actual revenue received.

Explanation of Changes: Expenses

2015 expenses are increasing by \$4.0 million, primarily due to an investment of \$2.5 million for interim housing projects, \$0.8 million for changes for salary and fringe benefit costs, including increases for CUPE and exempt staff agreements, and \$0.7 million increase to grants related to Council priorities for social, childcare, and culture, including \$450,000 to build on Vancouver's Healthy City strategy and double the reach of the VSB's Breakfast Programs, to ensure that kids in Vancouver have access to a hot, healthy breakfast each morning before school.

The increases in expenses is partially offset by a decrease in capital funding for staff positions in the cultural and public art groups. These staff who were previously funded from the capital budget are now funded from the operating budget.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Civic Theatres program revenue					
Concession revenue	1,480	1,197	1,221	1,226	1,245
Theatre facility rentals	5,213	5,205	5,160	5,155	5,233
Ticket surcharges	890	844	840	836	1,309
Other Civic Theatre revenue	186	172	162	164	167
Total Civic Theatres program revenue	7,768	7,418	7,382	7,382	7,953
Community Services program revenue					
Community Kitchen revenue	1,090	1,090	1,255	1,255	1,315
Mountain View Cemetery revenue	1,938	1,938	1,938	1,938	1,938
Total Community Services program revenue	3,028	3,028	3,193	3,193	3,253
Total Program revenue	10,795	10,446	10,575	10,575	11,206
Civic Theatre & Community Service parking revenue	454	365	365	365	365
Cost recoveries, grants & donations					
Community Services recoveries	3,155	3,118	3,498	3,525	3,508
Other department recoveries	298	416	212	212	212
Total Cost recoveries, grants & donations	3,454	3,534	3,710	3,737	3,720
Other revenue					
Non-market housing rentals	3,045	3,023	3,023	3,638	3,692
Other department revenue	206	206	206	83	83
Total Other revenue	3,251	3,229	3,229	3,722	3,776
Total Revenues	\$ 17,954	\$ 17,574	\$ 17,879	\$ 18,398	\$ 19,066

Note: Totals may not add due to rounding

Major Category (\$000), continued	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Expenditures & Transfers					
Civic Theatres					
Civic Theatre operations	4,962	4,861	5,285	4,665	4,733
Shared support services	55	55	55	1,720	1,781
Transfers to / (from) reserves & other funds	1,034	937	477	924	881
Total Civic Theatres	6,052	5,853	5,818	7,309	7,395
Community Services					
Social Support	8,047	8,027	8,804	9,290	9,931
Housing	3,624	4,037	4,798	5,765	7,589
Inspections	7,313	7,308	7,352	-	-
General & Projects	3,192	4,465	4,569	1,701	1,896
Social Policy	2,988	2,618	2,592	2,810	2,866
Licensing	3,326	3,123	3,059	3,210	3,272
Property Use Inspection	2,877	2,786	2,781	2,859	2,824
ByLaw Admin	2,384	2,166	2,331	-	-
Culture	2,010	1,995	2,184	2,465	2,611
Mountain View Cemetery	1,576	1,650	1,618	1,641	1,471
Environmental protection	508	509	502	-	-
Shared support services	2	1	1	5,869	6,248
Transfers to / (from) reserves & other funds	1,326	904	226	795	(353)
Total Community Services	39,173	39,588	40,817	36,405	38,356
Grants					
Cultural	10,554	10,554	10,554	10,794	11,060
Social Policy	4,224	4,224	4,224	5,319	5,825
Childcare	1,160	1,160	1,160	1,200	1,424
Other grants	379	429	429	389	646
Total Grants	16,317	16,367	16,367	17,702	19,006
Total Expenditures & Transfers	\$ 61,542	\$ 61,808	\$ 63,002	\$ 61,416	\$ 64,757
Net Operating Budget	\$ (43,588)	\$ (44,235)	\$ (45,124)	\$ (43,017)	\$ (45,690)
Capital Budget (\$ million)	\$ 46.6	\$ 19.3	\$ 14.8	\$ 14.6	\$ 70.9

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

Civic theatres revenue has remained relatively stable, with the exception of an increase of \$0.5 million in 2015, to reflect a new ticket surcharge revenue stream.

Community Kitchen revenue has increased year over year, reflecting the number of meals provided to the community, and budget adjustments are made to align the budget with actual meals sold. Cost recoveries relate mainly to the recovery of costs from the Province for the provision of meals in the community kitchens, and the increasing recovery reflects the increasing year over year cost associated with the provision of these meals.

The increase in non-market rental income is to align the budget with the actual revenues received. In prior years, the budget has been lower than actual revenue received.

Explanation of Changes: Expenses

In the later part of 2014, the Inspections and Bylaw Admin groups were moved from Community Services to Planning and Development Services, to create a building services' centre of excellence. This change in departmental structure ensures consistency between planning, building and inspection services, and optimizes service provision to our citizens and our customers.

The Environmental Protection group was consolidated into the Real Estate and Facilities Management group, to create a Centre of Excellence for contaminated sites management for the City.

Social Support expenses have increased as a result of additional support through the housing outreach team and increase food costs to support increased demand at the Gathering Place, Carnegie, and Evelyne Saller centres.

Increased operating and maintenance costs for the City owned and operated lodges, including additional funding to Vancouver Public Housing Corporation which is a wholly owned City subsidiary, are reflected in the Housing budget.

The budget for Culture has increased due to staff positions in the cultural and public art groups, which were previously funded through the City's capital budget, and are now funded from the operating budget.

Grant funding has increased over the last five years to recognize the need for additional funding to meet the increasing demand from Social and Cultural non-profit organizations throughout Vancouver. Council approved a \$1-million investment in 2013 to address this increased need. In 2015, \$0.7 million of funding is being invested to specifically address the needs of children. The funding is to support a Vancouver School Board breakfast program as well as additional enhancement grants to support the additional childcare spaces to come online as part of the City's focus on childcare.

The budget trend also reflects the continued evolution to shared services, with staff and budgets in previously decentralized work groups moving to citywide groups that are led across the organization for consolidated IT, Supply Chain Management, Finance, Facilities Operations and Planning, 3-1-1, Digital Services and HR.

Starting in 2014 the City has changed its method of allocating shared support services costs. The large change in the costs that are allocated out to service departments, from the Corporate Support group, is reflected in the 2014 and 2015 budget for both Civic Theatres and Community Services. This increase reflects allocated costs for Finance, HR, IT and the costs of building operations, including leases and rents, and hydro and gas costs.

NOTABLE CAPITAL PROJECTS

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/ Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years**
Land Acquisition for delivery of new non-market housing units:				
• New Land Acquisition Opportunities	20.0	-	20.0	42.0
• Contribution for Land Trust Sites	19.9	-	19.9	-
• Land acquisition in East Fraser Lands for non-market housing	8.1	-	8.1	-
Grants for non -city owned non -market units*	N/A	0.5	2.5	7.5
Renewal, upgrade & expansion of existing non-market units:				
• Planning for Renewal of Roddan Lodge (Housing) and Evelyne Saller Centre (Social)	1.2	-	1.0	0.2 (total TBD after planning phase)
Public Art: New + Maintenance*	N/A	0.6	1.4	3.6
Rize Cultural Grants	4.5	0.5	3.2	0.8

* Funding for programs approved on annual basis.

** For Programs, reflects forecast amounts for remaining years, 2016-2018, of the 4 year capital plan.

A top priority for the City has been and continues to be the creation of additional affordable housing. In the 2015-2018 Capital Plan, Council set a target of 2,550 new non-market (social and supportive) housing units to be delivered through voluntary in-kind CACs and inclusionary zoning, provision of City land to enable strategic partners to deliver affordable housing, and contribution of capital grants to non-profit partners on their housing projects.

For 2015, \$48 million has been earmarked to acquire housing sites to enable senior government and non-profit partners to deliver approximately 1,400 units of affordable housing over the next four years. These include \$8 million for site acquisition in the East Fraser Lands, \$20 million for land contribution under agreement with the Community Housing Land Trust Foundation, and \$20 million for other strategic site acquisitions as opportunities arise. In addition to making housing sites available, \$2.5 million has been set aside for capital grants to assist our non-profit partners to advance on their housing projects. As well, \$1 million has been designated for the planning work relating to the renewal of the Roddan Lodge.

Council designated \$4.5 million toward community-based artist production space in Mount Pleasant. This aligned with Mount Pleasant's Community Plan that supports strengthening the community's existing vibrant arts and cultural district at Main Street, north of Broadway by retaining existing cultural spaces and adding new spaces for the arts.

EMPLOYEE TREND TABLE

Community Services (including Civic Theatres)	2010	2011	2012	2013	2014F
Regular Full-time Staff (including Part-time, Temp, and Auxiliary)	360	357	352	340	332
All Staff (including Part-time, Temp, and Auxiliary) Full-time Equivalent*	453.6	456.6	450.1	441.0	445.0

*excluding overtime

Regular Full-time staffing levels for Community Services have been decreasing over the last four years, mainly due to the transformation of the Licensing group, as they have moved towards risk-based assessments. In addition, the Permits and Licensing transformation project has changed the way that customers interact with City staff, with customers now having the ability to do more transactions online than in prior years.

PLANNING AND DEVELOPMENT SERVICES

The Planning and Development Services Department combines the skills of a wide array of professional, technical, clerical, and support staff to address public policy issues related to land use and City planning.

Planning and Development Services staff also review development proposals—from initial inquiries to building permits—including the administration of rezoning and development permit processes. The department manages the City's largest public inquiry centre, responding to information requests, coordinating financing growth issues, and assisting over 22 Business Improvement Areas (BIAs).

In addition, the department assists with numerous Council-appointed committees, including the Heritage Commission and the Vancouver Planning Commission. It liaises with Metro Vancouver on planning matters and supports internal working groups for many City initiatives. Planning and Development works closely with staff from all City departments.

KEY SERVICES DELIVERED

Land Use Planning: Provide advice and develop long-term land use plans including regional, citywide, and community plans; transportation plans; heritage strategies; and related bylaws for Vancouver

Zoning Approval: Review rezoning applications for compliance with City policies and zoning

Development Approval (Building Permits, Development Permits): Review development designs and approve them for compliance with City policies and zoning using a clear and concise process

Enquiry Centre Customer Service: Address public inquiries at the largest public inquiry centre in the City

Regulation Review and Support: Coordinate and renew bylaws and regulations that require review and updating based on corporate goals and initiatives

Citywide Planning and Development Data Analysis: Manage, analyze and distribute data related to citywide trends, including census and development activity; administer and manage development-related benefits; support BIAs

Building Inspections: Create and enforce bylaws and codes, and inspect buildings and trades for compliance

MAJOR ACCOMPLISHMENTS IN 2014

In 2014, the Planning and Development Services Department continued to build on the organizational and physical changes that began in 2013. To increase planning efficiency and enhance customer service, the department went through a significant transformation: reorganizing to create three geographic divisions (rather than functional divisions) for Vancouver downtown, Vancouver midtown, and Vancouver south and creating a new Urban Design division and hiring a new Assistant Director of Urban Design. Also in 2014, the City introduced a streamlined application tracking system to replace 39 existing systems and reduced the number of inquiry centres from five to one comprehensive centre, which centralizes many services currently required by the public. To date, all trade permits and inspections are being conducted on the new system. Over 9,600 permits have been created, 1,700 of which are online. From September to December, inspections done on the new system have increased from 27% to 45%. At the same time as these transformational changes, 2014 was the busiest year for the department in terms of volume of applications, complexity, and construction value of development applications.

In 2014, Council passed two area plans: the Downtown Eastside Plan and the Marpole Plan. These are comprehensive planning documents for future developments of areas of the city facing significant growth. Council also adopted policy statements for Pearson Dogwood on Cambie Street, a structure plan for the campus at Great Northern Way, and strategies to implement area plans and their related public amenities for Norquay and Mt. Pleasant. In June 2014, Council adopted preliminary actions to move forward on the Heritage Action Plan, which constitutes the most substantive review of heritage inventory and regulations in 30 years.

Council also passed the Urban Forest Strategy, which included the introduction of new tree removal policies, limiting the number of trees that can be removed without an arborist's report. New regulations were also passed that require documentation to increase the amount of construction waste diversion when removing houses dating prior to 1940.

Additionally, project work focused on the following areas:

- The Permit and Licence Transformation Program continued to evolve by increasing the number and type of permits and licences that can be submitted, considered, and approved online
- The development of a renewed Sign Bylaw commenced
- Work began on the viaducts, eastern core, and south False Creek plans as directed by Council
- Research was undertaken followed by the establishment of a civic assembly to oversee the Grandview-Woodland Community Plan
- Policy analysis commenced on the heritage registry and the Cambie Street Phase 3 area
- Technical and planning support continued for major Vancouver-wide issues, such as rapid transit along the Broadway Corridor
- Implementation began for the revised 2014 Building Bylaw, including staff and applicant training for full implementation on January 1, 2015
- Public consultation processes were revised to take into consideration outcomes of the Mayor's Task Force on Civic Engagement to ensure that consultation processes are as inclusive, robust, and nimble as possible to respond to the public's desire to be aware of and participate in planning issues
- Building inspectors began using handheld devices, ensuring more instantaneous record-keeping. The public is also now able to book inspection appointments online, including licences, making the process more stream-lined and public-friendly
- Initiated the Society Buildings Grant which is part of the Chinatown Revitalization Strategy

PLANS FOR 2015

In 2015, project work will focus on the following areas:

- Continue work on the viaducts, Eastern Core, Northeast False Creek, and South False Creek plans.
- Continue work on the Grandview-Woodland Community Plan, including a new citizens' assembly.
- Complete recommendations on the Heritage Action Plan.
- Initiate the Cambie Street Phase 3 area.
- Continue to review the large volume of 2015 housing applications, resulting from rental and interim rezoning policies.

- Continue with policy work for large sites such as Langara Gardens and the bus barns site on 41st Avenue.
- Initiate new policy statements for Jericho and RCMP sites (now owned by Canada Lands Corporation).
- Conduct a comprehensive review of permit and license fees.
- Continue monitoring the applications tracking system to explore ways of reducing application wait times and improving efficiencies, while still reviewing the large number of development applications received.
- Review, in association with the Vancouver Economic Commission, the City's current industrial zoning bylaws to encourage intensification of uses, and to ensure that bylaws allow for high tech and green businesses.
- Implement a renewed Sign Bylaw.
- Continue to implement an online application process for submitting and monitoring development and building permits.

DEPARTMENT SERVICE METRICS

Development Approval

In 2014, application processing times were longer due to a combination of significantly increased application volumes, a number of new policy initiatives, and the introduction of the Vancouver Building Bylaw. The department is actively involved in investigating ways to reduce processing times. In 2014, staff informed Council of the volume of applications and longer wait times and, as a result, additional staff were approved to address the problem. As a result, application process times improved by the end of 2014.

Metrics for 2014 show a smaller number of customers, due to the ability for customers to shift online as part of the Permits and Licences Transformation.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Development Approval	Quantity	# of Enquiry Centre walk-in customers	24,843	27,553	26,120	26,512	18,323
		# of major projects heard via DP Board	10	15	18	17	20
		# of trades permit issuances	21,818	23,436	24,251	25,025	23,658
		Sq ft development approved at bldg permit: non-residential	513,900	1,257,222	1,910,345	1,598,744	1,752,886
		Sq ft development approved at bldg permit: residential	5,479,982	6,825,209	7,250,792	6,302,870	6,247,499
		Total # of development, building, and DB applications received	7,151	7,638	7,810	7,524	8,711
	Quality	Average length of time for permit issuance (weeks): outright 1&2 family dwellings	16	15	6.6	6.4	11.3
		Average wait time minutes: Enquiry Centre	22	28	35	39	42
		Average wait time minutes: Phone Centre	2:21	2:23	2:29	1:49	2:15

Zoning Approval

The number of applications received and brought to public hearing has remained stable of the last few years. However, the rezoning applications are more complex and must address issues of sustainability, Greenest City initiatives, affordable housing, accessibility, and sometimes heritage value. This results in application processing times that are longer and more detailed than they were in the past.

In 2014, the City has more office development under construction than any period in the City's history which reflects the strength of Vancouver's economy and reputation as one of the world's best cities.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Zoning Approval	Quantity	# of rezoning applications at hearing	34	37	32	40	39
		# of rezoning applications received	47	44	34	36	33
	Quality	Average processing time for rezonings: major (months)	7.8	10.6	15.0	13.6	8.2
		Average processing time for rezonings: minor (months)	7	5	5	6.1	4.7

Land Use Planning

Fewer consultation events were held in 2014 because an extensive amount of public consultation was done for the five community plans in 2012, 2013, and the first part of 2014. Consequently, the 2014 forecast for the number of attendees at these events is significantly lower. Furthermore, there were fewer large applications in the fall of 2014 which resulted in fewer public meetings.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Land Use Planning	Quantity	# of attendees at public consultation events	NDA	NDA	12,964	13,370	7,613
		Policy initiatives underway approved by City Council	12	9	9	9	10

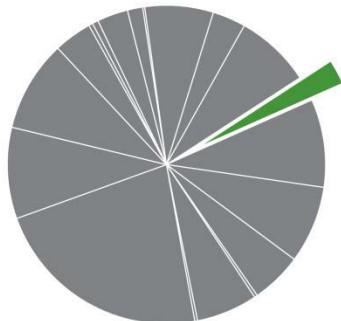
Building Inspections

Overall, the transformation of inspections is designed to reduce the number of low-risk inspections and focus efforts on more complex areas—a risk-based approach.

The increase in the number of building inspections is related to the increase in the Value of Construction, which translates into more buildings to inspect and enforce. Additionally, an integrated enforcement team was created that focusses on responding to enforcement needed post-inspection and expediting inspections for troubled buildings.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Building Inspections	Quantity	Value of construction (in \$B) (declared on building permits)	\$1.57	\$1.68	\$2.60	\$2.20	\$2.83
		# of building and trades inspections (permit-related)	72,113	79,760	86,591	83,283	98,182

2015 BUDGET



Planning & Development makes up 3% of the 2015 Operating

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Cost recoveries, grants & donations				
Other department recoveries	163	163	-	-
Total Cost recoveries, grants & donations	163	163	-	-
Other revenue				
Other department revenue	111	111	-	-
Total Other revenue	111	111	-	-
Total Revenues	\$ 273	\$ 273	-	-
Expenditures & Transfers				
Planning & Development				
Planning	9,952	10,251	299	3.0%
Development Services	8,175	8,865	690	8.4%
Inspections	7,300	7,521	221	3.0%
ByLaw Admin	2,375	2,403	28	1.2%
General	981	987	6	0.6%
Shared support services	837	858	22	2.6%
Transfers to / (from) reserves & other funds	2	2	-	-
Total Planning & Development	29,621	30,887	1,267	4.3%
Total Expenditures & Transfers	\$ 29,621	\$ 30,887	\$ 1,267	4.3%
Net Operating Budget	\$ (29,347)	\$ (30,614)	\$ (1,267)	4.3%

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

Planning and Development revenues are comprised of developer paid overtime, and a recovery of costs associated with untidy premises.

Overtime revenue is a cost recovery fee, which is set to recover the overtime cost of processing applications, if applicants wish to have their application processed outside of normal working hours.

Property owners are responsible for the cost of keeping their premises tidy from such things as graffiti and vandalism. The City does not fine the property owner, but if the owner is served with a notification and fails to respond, the City has the right to clean up the premises and recover the cost from the property owner.

From 2014 to 2015 there is no change in budgeted revenue.

Explanation of Changes: Expenses

The 2015 Budget increase includes an investment of \$0.1 million to undertake a fee review in 2015; \$0.1 million to provide support to the Vancouver Affordable Housing Agency to deliver housing as quickly, efficiently, and affordably as possible; \$0.2 million to continue with the processing of Rental 100 applications; and \$0.48 million to address application processing times and backlogs related to increased development activity. Collective bargaining wages and fringe benefit increases of \$0.9 million are offset by productivity savings of \$0.5 million achieved through ongoing review of services and processes, and managed through vacancies and attrition.

NOTABLE CAPITAL PROJECTS

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years
Downtown Eastside Revitalization*	9.0	1.9	3.3	3.8

* Grants for Downtown Eastside Revitalization that are managed by Planning & Development Services department

The recently approved Downtown Eastside plan sets out aggressive social, economic, and housing targets for the neighbourhood. The DTES plan has quick start and short-term (less than five years) actions that are implemented through the strategic capital investment including the DTES Capital Grant program and the Chinese Society's Building Matching Grant.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Cost recoveries, grants & donations					
Other department recoveries	50	50	163	163	163
Total Cost recoveries, grants & donations	50	50	163	163	163
Other revenue					
Other department revenue	-	-	-	111	111
Total Other revenue	-	-	-	111	111
Total Revenues	\$ 50	\$ 50	\$ 163	\$ 273	\$ 273
Expenditures & Transfers					
Planning & Development					
Planning	8,915	8,917	8,798	9,952	10,251
Development Services	8,638	8,656	8,744	8,175	8,865
Inspections	-	-	-	7,300	7,521
ByLaw Admin	-	-	-	2,375	2,403
General	-	-	-	981	987
Shared support services	-	-	-	837	858
Transfers to / (from) reserves & other funds	-	-	-	2	2
Total Planning & Development	\$ 17,553	\$ 17,573	\$ 17,542	\$ 29,621	\$ 30,887
Total Expenditures & Transfers	\$ 17,553	\$ 17,573	\$ 17,542	\$ 29,621	\$ 30,887
Net Operating Budget	\$ (17,503)	\$ (17,523)	\$ (17,379)	\$ (29,347)	\$ (30,614)
Capital Budget (\$ million)	\$ 6.9	\$ -	\$ 0.6	\$ 7.7	\$ 3.3

Note: Totals may not add due to rounding

Explanation of Changes: Revenue

Revenues in the Planning and Development Services Department remain stable year over year.

Explanation of Changes: Expenses

In the later part of 2014, the Inspections group was moved from Community Services to Planning and Development Services, to create a building services centre of excellence. This change in departmental structure ensures consistency between planning, building, and inspection services, and optimizes service provision to our citizens and our customers.

In addition, the department has seen annual growth in expenditures to reflect collective bargaining wages and fringe benefit increases, and investments to undertake new policy initiatives. Funding to support the continuation and completion of work started in prior years is included in 2015 as well as funding to address application processing times and backlogs related to increased development activity.

EMPLOYEE TREND TABLE

Planning and Development	2010	2011	2012	2013	2014F
Regular Full-time Staff (excluding Part-time, Temp, and Auxiliary)	184	184	183	178	180
All Staff (including Part-time, Temp, and Auxiliary) Full-time Equivalent*	183.5	186.2	190.1	191.7	195.6

*excluding overtime

Regular Full-time staffing levels for Planning and Development Services have remained relatively stable. The increase in RFTs in 2014 is due to positions approved to process applications related to the new tree bylaw that came on partway through the year.

Fluctuations in all staff FTEs (including part-time, temp, and auxiliary) is due to the above new positions related to the new tree bylaw, as well as additional temp staff hired at different times to help with processing permit backlogs.

VANCOUVER ECONOMIC COMMISSION

The Vancouver Economic Commission (VEC), an agency of the City, works to strengthen Vancouver's economic future by helping existing businesses grow, attracting foreign investment, promoting international trade opportunities, researching the business environment, and serving as the voice of business at City Hall. The VEC focuses their efforts on the key sectors of Green Economy/Technology, ICT/Innovation (Information and Communications Technology), Digital Entertainment and Interactive Industry, and Asia Pacific investments, as well as related marketing and research initiatives. The City provides the VEC with an annual budget to undertake these activities.

KEY SERVICES DELIVERED

The VEC provides services in the following areas:

Investment and Business Support: Supply data, information, and intelligence on business, economic, and community conditions; provide businesses with support, referrals and services for doing business in Vancouver

Business Delegation Support: Make presentations on local business opportunities; arrange information meetings, company introductions and project tours; provide matchmaking services

Economic Development Promotion: Provide marketing and outreach; collaborate with industry associations to promote business opportunities in Vancouver; sponsor and participate in industry events and activities

MAJOR ACCOMPLISHMENTS IN 2014

The VEC has undertaken a significant number of activities to support the City's Greenest City 2020 Action Plan and Green and Digital Demonstration program, as well as initiatives to support both Asian investments and Vancouver's growing digital industry.

In the area of Green Economy/Clean Technology, the VEC's goal is to brand Vancouver as a mecca for green business and to fulfill the VEC mandate as outlined in the Greenest City 2020 Action Plan.

Greenest City 2020 Action Plan

In 2014, the VEC pursued a variety of significant projects and initiatives toward this Plan. One of these priority projects has been the establishment of a Green Enterprise Zone in the False Creek Flats, an area that showcases green innovation, features green buildings and infrastructure, supports sustainability-related industries, attracts new green capital, and evolves to become the greenest place to work in the world.

False Creek Flats (bound by Main, Prior/Venables, Clark Drive and Great Northern Way) was chosen because of its ecological and economic significance. It houses over 500 businesses and more than 8,000 jobs, and makes up 15% of Vancouver's industrial land base. The area is also home to newly developed educational institutions, as well an influx of technology and RandD-based businesses, and other like-minded businesses.

As part its work on the Green Enterprise Zone, the VEC convened over 50 businesses, 180 students, 20 faculty, and 12 industrial revitalization and sustainable development experts to establish a common understanding of the challenges and opportunities. Another event brought together over 30 business leaders in the textile industry to explore issues related to textile collection, establish a textiles hub,

and engage the textiles community in collaborative policy making and research projects to support smarter design within the fashion and textiles sector.

Green and Digital Demonstration Program

The Green and Digital Demonstration Program (GDDP) provides support to entrepreneurs and start-ups in Vancouver's clean technology and digital sectors by curating opportunities to gain temporary access to City-owned assets for technology demonstrations and proof-of-concept trials. In this way, these companies can save time and money, and get to markets faster. The ultimate goal is to create green and digital jobs faster and at a higher success rate. In 2014, the VEC received 29 proposals in the first call for applications, and eight were shortlisted for implementation.

Greening Businesses Program

Many businesses face barriers when trying to adopt environmentally sustainable practices, such as lack of time or resources to understand their impact or implement change. In 2014, the VEC launched the Greening Businesses Program to help businesses overcome these barriers to change. The aim is to stimulate the uptake of existing greening business programs through a data-driven, goal-setting tool that provides businesses with sustainability assistance.

ICT/Innovation

In the area of ICT/Innovation, the VEC's goal is to build on Vancouver's reputation as a globally recognized ecosystem of innovative entrepreneurs and growing start-ups, and as a destination for smart capital and talent. In 2014, the VEC was the presenting sponsor and key organizer of the first annual Vancouver Start-up Week, a celebration of the local technology start-up ecosystem featuring more than 60 events, all of which were fully attended. The event helped bridge the most challenging gaps faced by the start-up community in Vancouver: opportunities to network with customers and collaborators, access to smart talent, and access to smart capital.

Digital Entertainment and Interactive Industry

The VEC's goal in this area is to expand Vancouver's leadership as a global centre for digital entertainment and interactive companies. In 2014, a number of initiatives were pursued toward this goal:

- Showcased small Vancouver studios to customers and partners in North America, Europe, and Asia.
- Solved, on behalf of many local and rapidly growing studios, critical issues with regard to zoning, permits, and digital infrastructure. In many cases this intervention prevented companies from leaving Vancouver, from losing multiple projects in the tens of millions of dollars, and from laying off hundreds of employees.
- Organized, sponsored, and led job fairs on behalf of 40 local studios and 1,600 job seekers to address an acute labour shortage in the industry.
- Successfully convened key government officials, studio executives, and others to quantify the impacts of the Temporary Foreign Workers Program.

Asia Pacific Centre

The VEC's Asia Pacific Centre goal is to bridge the gap between investment interest in the Asia Pacific and opportunities in Vancouver, and to brand the VEC as the go-to agency for business connections in the region.

In 2014, the VEC organized, hosted, and executed the Canada China Business Forum, which was attended by 40 representatives of the clean technology and creative industry sectors from the Chaoyang Business District of Beijing, as well as 120 Vancouver business people. The two-day forum included panel discussions on the clean technology and creative sectors in Vancouver, as well as pitch sessions to Beijing-based investors, and exhibitions and demonstrations by local businesses.

PLANS FOR 2015

In 2015, the VEC will continue their efforts to position Vancouver as a globally recognised city for creative, innovative, and sustainable business. Based on learnings from 2014, the VEC has determined that the recruitment of talent and capital to Vancouver is key to the success of the local technology community. The VEC's 2015 work plan will focus on a number of significant activities that will make Vancouver a logical choice for those who innovate, develop, create, and invest.

CORPORATE SUPPORT SERVICES

The role of the Corporate Support Services Department is to assist in carrying out City Council's key objectives and business operations and enable an open, inclusive, and participatory municipal government. Corporate Support Services consists of internal services that support and enable the delivery of services to the public, as well as a number of direct services to citizens.

These departments guide the City's major initiatives and providing counsel, support, strategic planning, and other resources to City departments and the public. They specialize in different aspects of business operations and include:

- City Manager's Office
- City Clerk's Office
- Financial Services Group
- Human Resources
- 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 Council
- Ensures that Council's directives are carried out
- Establishes standards and priorities for the civic administration
- Motivates and monitors performance to ensure that standards are met, priorities are pursued, and high-quality City services are consistently delivered

KEY SERVICES DELIVERED

External Relations and Protocol: Manage public visits by dignitaries, special community awards, and protocol events

Economic Development: Work with the Vancouver Economic Commission to deliver the Economic Action Strategy

Emergency Preparedness and Response: Develop and implement emergency response plans and manage emergencies

Internal Audit: Conduct internal financial and business audits to ensure that City assets are protected and policies complied with

Vancouver Services Review: Plan and execute transformation projects across the City

Corporate Communications and Engagement: Manage the City's incoming and outgoing major communications through the news and other media; develop and implement strategic communications strategies for the successful delivery of public policy

MAJOR ACCOMPLISHMENTS IN 2014

External Relations and Protocol

External Relations and Protocol (ER&P) manages visits, meetings, and partnerships with dignitaries and delegations from Canada and around the world. ER&P also organizes special events such as City awards, annual events, and ceremonies.

In 2014, ER&P:

- Oversaw the City of Vancouver Awards of Excellence ceremony, a new civic awards program that recognizes outstanding achievements made by individuals, organizations, and businesses whose efforts make Vancouver a better city. Over 500 nominees and members of the public attended the awards show at the Vancouver Playhouse.
- Continued its efforts on Reconciliation initiatives in support of the second half of the Year of Reconciliation (June 21, 2013 - June 21, 2014) in Vancouver, which included working with Reconciliation Canada and supporting the Truth and Reconciliation Commission's national event. In June 2014, after a year of successful Reconciliation initiatives implemented citywide and in the community, the Mayor pronounced that the City is moving forward to become a City of Reconciliation. The City received a Union of BC Municipalities Award for its work on the Year of Reconciliation.
- Organized the annual Remembrance Day Ceremony at Victory Square, marking the 90th anniversary of this important ceremony
- Organized the 2014 Inauguration Ceremony for Mayor and Council at Creekside Community Centre, and a Coast Salish Brushing Off Ceremony to prepare Council for a new term in office
- Organized numerous other events including Lunar New Year, Black History Month, National Aboriginal Day and Year of Reconciliation events, 2014 Pride Parade, and Pride Week Launch at City Hall
- Unveiled the Nike statue at Thurlow and Cordova Streets
- Coordinated the Doors Open Vancouver event at City Hall
- Coordinated over 40 visits by international dignitaries and delegations
- Created content for the City's website to outline its services for the general public and provide a survey form to manage visit requests

Emergency Management

The Office of Emergency Management (EM) is responsible for facilitating emergency management activities across the city of Vancouver and between the City and external stakeholders, including activities in all four pillars of the emergency management cycle: mitigation, preparedness, response, and recovery. This includes maintenance of the City of Vancouver's Emergency Operations Centre, corporate-level emergency planning, emergency exercises, and public safety planning process for large events.

In addition, EM runs the City's emergency social services program and the emergency preparedness public education program, and acts as the liaison between emergency communications volunteers and the City.

In 2014, EM continued with its work responding to displaced residents and other emergencies, and providing training and support for the Emergency Operations Centre. Notable events in 2014 included:

- Approval of the City's new Emergency Response and Recovery Plan
- Enhanced emergency preparedness information on vancouver.ca, including the development and release of an earthquake preparedness video
- Enhancement of emergency operations support equipment, including the development of two mobile operations centre kits and enhancements to the Earthquake Disaster Staging Area containers
- Delivery of earthquake response training to over 200 staff (Rapid Damage Assessment training, Disaster Staging Area training, and Emergency Operations Centre training)
- Continued expansion of the Vancouver Volunteer Corps, in partnership with Vancouver Fire and Rescue Services. In 2014, 220 new volunteers were trained, bringing the total trained volunteers to approximately 900

Internal Audit

Internal Audit is an independent assurance service established to examine and evaluate the effectiveness and efficiency of City activities. The annual and three-year audit plans assist management in promoting accountable City government by establishing a cost-effective and efficient internal control environment that helps mitigate the City's risk exposure.

In 2014, Internal Audit:

- Completed seven audits, five reviews, and two investigations. Also completed field work on the 2014 risk-based audit plan of 12 audits. All audits were either completed with audit reports issued, awaiting management comments, or are in draft stage.
- Provided advisory service to City staff on policies, procedures, and internal controls
- Represented the City at the first CCAF Canadian Forum of Local Government Auditors, intended to foster public confidence by promoting effective performance audit and oversight of government operations, and provide a platform for chief auditors to share practices and tools
- Hosted the third Greater Vancouver Internal Auditors Training Session, to share ideas amongst peer municipal audit groups and learn about emerging issues from the local big four CPA firms

Vancouver Services Review

Vancouver Services Review (VSR) plays a key strategic role in City planning and development, with an emphasis on implementing cost savings throughout the organization. They ensure the City's strategies are integrated throughout a diversity of departments, to offer optimal services to citizens in the most efficient, cost-effective way.

Over the years, VSR projects have been diverse and far-reaching, including solid waste, warehousing and inventory, consolidated facility services, and financial shared services.

In 2014, VSR:

- Helped implement the organics program in multi-family buildings and supported integration of recycling initiatives of Multi-Material British Columbia (MMBC)
- Finalized implementation of two phases (of four) of the Permits and Licences Program, including mobile inspections and online permitting
- Supported the legal transformation project directed at increasing efficiency of service delivery, including implementation of new Litigation Support software tools

- Assisted the Engineering Department in updating project management methodology to best maintain infrastructure and dollar spend
- Supported the Engineering Department in fleet optimization and ways to better track vehicle usage
- Helped implement improvements to Financial Shared Services, to create a more integrated experience for users and encourage online payments through the vancouver.ca website

Corporate Communications and Engagement

The Corporate Communications and Engagement team is a centralized resource for the organization, specializing in strategic communications, public engagement, and consultation. Communications and Engagement is responsible for incoming and outgoing communications—including the high volume of requests from the news media—as well as developing and implementing strategic communication plans and public consultation programs to support all departmental work programs.

In 2014, the department:

- Developed and managed strategic communications plans for initiatives and programs in partnership with City departments
- Facilitated and coordinated timely responses to media requests, and oversaw strategic issues management, including media monitoring services
- Provided departments with strategic advice on public engagement and oversight on public consultation initiatives
- Built and maintained a comprehensive social media strategy
- Created content for the dissemination of internal information to all City employees
- Designed and produced print, web, and video content for the public

PLANS FOR 2015

External Relations and Protocol

In 2015, External Relations and Protocol will:

- Continue to plan, manage, and deliver quality annual events, awards, and ceremonies as mandated by Council
- Continue to improve the process for accepting delegation requests that are required as a matter of protocol, and serve as a strategic value to the organization
- Increase engagement of the BC Consular Corps with a luncheon and presentations on important City issues
- Increase engagement with the three host First Nations in the transition to a City of Reconciliation
- Provide leadership to embed the Reconciliation theme into the City's ongoing work program, to build cultural competency and to share learning experiences with staff
- Plan and manage special anniversaries and events, including the Vancouver Guangzhou sister cities' 30th anniversary, Vancouver Yokohama sister cities' 50th anniversary, a more robust Awards of Excellence event, and the FIFA World Cup celebration

Emergency Management

The 2015 budget includes an investment in Emergency Management to provide permanent and stable emergency management support. This will enable the group to focus on key priorities in 2015 and beyond, including advancing key actions in the City's Earthquake Preparedness Strategy and supporting the expansion of the Vancouver Volunteer Corps. In 2015, plans include:

- Implement the Earthquake Preparedness Strategy
- Continue the expansion of Vancouver Volunteer Corps to 1,500 volunteers, and implement recommendations from the 2014 Vancouver Volunteer Corps Program Review
- Support department emergency planning
- Conduct an emergency response exercise
- Replace the current emergency management information system and common operating picture system
- Pilot the use of a staff and volunteer emergency call-out system
- Develop a business continuity toolkit to support small/medium businesses

Internal Audit

Plans for 2015 include:

- Release 2014 audit reports in the first quarter of 2015
- Undertake the 2015 risk-based audit plan, including 12 audits and five reviews. This will include January and July 2015 six-month follow-ups of audit recommendations
- Continuously monitor unusual purchase card transactions, employees' time entries, and pay grade changes
- Post audit report abstracts on the City's public website, to promote accountability and transparency
- Continue to leverage emerging technology such as data analytics to audit high risks identified
- Continue to promote municipal government accountability by hosting the annual Greater Vancouver Internal Auditors Training Session and participating in the Canadian Forum of Local Government Auditors

Vancouver Services Review

In 2015, VSR will continue with the major initiatives that began in 2014, including:

- As part of the Permit and License Transformation program, enable customers to access building and development permits online via a graduated roll-out, with the aim of simplifying the building development process
- Work with Facilities to extend project management best practices into the Facilities Department
- Assist housing initiatives with effective project management practices
- Work with fleet user groups to reduce the City's transportation needs and fleet size, in coordination with other fleet-related initiatives such as the Car Share Program, Green Fleet Plan, and vehicle-based GPS
- Continue to amalgamate and consolidate similar services
- Support businesses in waste management diversion

Corporate Communications and Engagement

In 2015, Corporate Communications will continue to provide support to all City departments through multiple platforms, strategies, and initiatives to engage citizens in public policy discussions and corporate projects that have the most impact on Vancouver's diverse communities. In 2015, Corporate Communications and Engagement will:

- Continue to provide high service levels for media relations and strategic communications
- Implement the Public Engagement Strategy and the recommendations of the Mayor's Engaged City Task Force with best practices in public consultation
- Reach the target of 5,000 citizens as members of Talk Vancouver
- Adopt and implement the Social Media Strategy in coordination with the Corporate Digital Strategy to support the City's increased use of digital and social media to communicate with citizens
- Support designated media spokespeople to respond directly to media resulting from the updated media policy

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 (ER&P) has remained relatively constant. However, the work has increased in complexity and scope (e.g., the Awards of Excellence program and ceremony, a focus of ER&P's work plan for 2013 and half of 2014).

The number of delegations and courtesy visits changes year to year and is based solely on external requests to the City. In 2014, total visiting government officials and staff engaged increased substantially due to a large delegation from Nashville, Tennessee.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
External Relations and Protocol	Quantity	Interdepartmental working groups facilitated to manage protocol-supported events	NDA	5	6	39	17
	Result	Total visiting government officials and staff engaged in positive diplomatic relations	NDA	141	209	124	555
		Community and cultural organizations engaged in protocol-supported event planning	NDA	10	11	28	25

Internal Audit

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Internal Audit	Quantity	# of audit & reviews performed	14	11	9	12	12

Vancouver Services Review

Since 2009, when Vancouver Services Review was created, the number of projects has increased, with a focus on cost savings and efficiency improvements.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Vancouver Services Review	Quantity	# of active projects	15	11	14	23	21

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 the greatest impact on Vancouver's diverse communities.

The strategic approach with outgoing information bulletins is to be flexible and responsive, and engage with the public more quickly and robustly by integrating and aligning the City's tools and tactics. In 2014, Corporate Communications continued to expand the use of social channels to get out information about City services and programs, be responsive to queries from the media, and expand public engagement.

The number of creative projects is projected to increase based on rising expectations for graphic and digital design support to raise the profile of policy objectives, raise awareness of current City programs, engage citizens in discussions about City content, and enhance information by allowing people to easily browse, view, and interact with content. 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.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Corporate Communications	Quantity	Incoming media calls	2,263	3,064	2,502	2,979	3,000
		Outgoing info bulletins, press releases, statements, media events	169	211	90	104	216
		Creative projects per year (advertising, project communications, graphic design, writing)	297	282	270	403	443
		# of people engaged through outreach, online survey, and consultation programs	NDA	NDA	36,526	37,717	34,120
		Total followers on all active social media accounts	NDA	NDA	186,534	209,883	200,439

CITY CLERK'S DEPARTMENT

KEY SERVICES DELIVERED

Archives: Manage City records and make these available for public access

Council Support: Provide City Councillors with executive administrative support

Elections Management: Hold elections for City offices

Legislative Operations and IGR: Lawfully conduct Council, committee, and other official public meetings; support the coordination of inter-governmental relations activities

Access to Information: Oversee Freedom of Information request process and manage City corporate records

MAJOR ACCOMPLISHMENTS IN 2014

The City Clerk's Department provides administrative and information services to Council, 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. Additionally, the department is responsible for managing Freedom of Information requests (FOIs) for the entire City.

The 2014 Election was a key priority for the Clerk's Department and a project was implemented to improve the available voting technology. Voters were able to vote from anywhere in the city, and new counting machinery improved the timeliness of results.

Through the Vancouver Services Review, the Clerk's Department was also engaged with Vancouver Public Library to find a new home for the City Archives as it outgrows its current home at Vanier Park.

PLANS FOR 2015

In 2015, the City Clerk's Department plans include:

- Implement the relevant results of the Library and Archives review
- Implement a new Council meeting support system for Legislative Services
- Improve FOI operations through implementing new FOI Case Management System and related process
- Create an interim storage solution for Archives (additional space is required to accommodate the growth in the Archives' holdings over the next few years while the City reviews possible long-term solutions)
- Undertake a third-party review to identify and validate existing corporate recordkeeping processes to provide a roadmap for gradually reducing the volume of analogue records transferred or donated to the City Archives.

DEPARTMENT SERVICE METRICS

Archives

Inquiries from the public and City staff spiked in 2011 as a result of Vancouver 125 anniversary projects and celebrations, many of which required use of the Archives services and holdings. Since the anniversary, inquiries have been stable at about 2,500 per year, but the overall trend is variable, depending on interest generated by outreach opportunities, celebratory events, and the ever-increasing amount of digital material the Archives provides online. The latter can be sufficient for casual users (who then do not need to interact with staff), but also often inspires them to ask questions about what they find online, or they become interested in other parts of the holdings.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Archives	Quantity	# of inquiries	2,766	3,051	2,713	2,465	2,493

Elections Management

In 2014, Elections Management improved the voter turnout and number of registered voters through new outreach programs and new voting opportunities, including Vote Anywhere.

For the 2018 election, the Elections Management team will be working to increase voter turnout through the following:

- Increased engagement with eligible voters to encourage registration
- Staff will examine 2014 data to provide more opportunities to increase the turnout
- Online voting is expected to be tabled by the Ministry which may increase the turnout if voters have confidence in the technology. Associated high-technology cost for online voting is expected

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Elections Management	Quantity	# of registered voters	n/a	418,878	n/a	n/a	415,978
		# of voter turnout	n/a	144,823	n/a	n/a	180,668
	Quality	% of voter turnout	n/a	34.5%	n/a	n/a	43.4%

Legislative Operations

During 2014, technical improvements were made to the Council Chamber audio-visual system to significantly improve the quality of the live web stream of Council meetings, provide playability of the stream on mobile devices, deliver high-definition broadcast of Council meetings on the local cable television service, enhance the display of agenda/meeting information during the proceedings, and offer a next-day video file of the entire meeting on the City website.

City Clerk staff also used Twitter to provide real-time updates on the progress of Council meetings, public hearings, agenda topics, and speaker number to better assist people to time their arrival at meetings for the agenda item of interest or their turn to speak to Council.

The number of meetings of the standing committees of Council was down modestly in 2014 because of a recess in meetings during the fall election period.

The number of citizens speaking to Council continues to vary with the topics on meeting agendas. 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 is also working hard to ensure citizens have other potentially more convenient ways and venues to provide their input (see engagement metrics from Corporate Communications).

- Number of Council meetings (regular and committee) are expected to remain the same.
- Number of public hearings will remain constant based on the economy, community plan approvals, and development opportunities.
- Number of citizens speaking to Council will remain strong, driven by topics of interest and development.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Legislative Operations	Quantity	# of standing committee meetings	NDA	46	26	22	19
		Total speakers at meetings	NDA	1,505	1,085	1,044	741

Records Management

The number of formal Access to Information requests under Freedom of Information legislation, (FOIPPA or the Act), continues to increase moderately. All requests are responded to within statutory deadlines. Further improvements to access to information processes will be realized by increasing the City's open, public data availability.

The City responds to all requests for records under FOIPPA legislation within statutory timeframes.

- The historical trend is upward on Access to Information metrics.
- Management of the trend will be handled through continuous process review to define and refine business needs within current workload and workflow.
- The legacy FOI tracking system does not collect meaningful performance measures. Implementing a new Case Management System for the FOI process will allow more meaningful performance measures in 2015.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Records Management	Quantity	# FOI requests per year (formal)	398	410*	355	379	386
		# FOI requests - media	156	176	116	164	174
		Media (% of total FOI requests)	39%	43%	33%	43%	45%

*Note: This figure was erroneously reported as 411 historically.

FINANCIAL SERVICES GROUP

KEY SERVICES DELIVERED

Accounting Services: Process financial transactions, including accounts payable and receivable (billing and collections) and payroll, and prepare financial statements in accordance with generally accepted accounting principles

Financial Planning and Analysis: Prepare the City budget and other financial plans

Treasury: Manage cash, investments, and debt

Corporate Business Advisory: Manage business improvement projects by internal consultants

Corporate Risk Management: Manage and mitigate the City's risks

Procurement (Supply Chain): Purchase and inventory goods and services

IT Business Applications: Develop, acquire, and support business applications in support of business operations

Corporate Data Management: Manage corporate data efficiently and securely

IT Infrastructure Maintenance: Support and maintain hardware devices used by City staff

IT Service Delivery: Respond to staff technology issues through the IT Helpdesk

MAJOR ACCOMPLISHMENTS IN 2014

In 2014, the City completed the transformation of Financial Shared Services, including Citywide consolidation and alignment of the accounting function; standardized, simplified, and automated financial reporting and analytics; and enhancement of the budget and service planning process. From a decentralized structure with finance and accounting functions inconsistently distributed across the organization, the City now has a single Citywide organization with expertise in accounting, reporting, budgeting, financial planning, and analysis.

This consolidated organization will enable further improvements in standardizing processes across the City and driving efficiencies, as well as continuous process improvement and transformation. The financial statements and budgets have been updated to reflect standardized reporting structure and allocations of shared services. Financial reporting is now automated, and all managers with budget responsibilities now receive monthly financial reports direct to their inbox. The 2015 Operating Budget will mark the first time the City has developed a consolidated budget across all operations and entities. This is a major milestone in improving the transparency and accountability of the City's budget.

Other accomplishments include:

- The Enterprise Risk Management framework has been developed and introduced across City departments. This framework provides a structure to identify and mitigate the City's key risks, and improve decision-making throughout the many business units. A Business Continuity framework has been established and will be rolled out in 2015.
- The City has also established a Centre of Expertise in Continuous Process Improvement, utilizing lean engineering principles. Reviews of key processes such as budget, monthly

reporting, procure to pay, and payroll have resulted in simplified processes and operational metrics to manage and continuously improve those processes.

- The Mobile Workforce and WiFi Access strategy has been implemented to improve connected access for City staff across multiple City sites. This improvement provides on-demand access to City enterprise systems and information which minimizes risks, increases productivity, and improves decision making.

As part of the Vancouver Services Review, standardized processes and structures for warehouse and inventory activities have been implemented, and the first phase of the organizational consolidation is complete. Metrics on inventory turns and levels have improved significantly.

In fall 2014, the City issued a 10-year \$105 million debenture at a rate of 3.05%, one of the lowest in recent history. The debenture was well received in the market, benefiting from the City's strong credit ratings.

PLANS FOR 2015

Plans for 2015 include:

- The journey of transformation will continue in 2015, with an emphasis on leveraging the significant changes made in 2014 to standardize and automate financial reporting.
- The process to simplify and standardize cost allocations and reporting complexity will be ongoing as part of the continuous improvement methodology.
- In 2015, work will be done to prepare the City to comply with Public Sector Accounting Board (PSAB) requirements for changes to financial reporting for contaminated sites in 2016.
- Revenue to Cash (R2C) and Time to Pay (T2P) systems/processes will be reviewed with the goal of standardizing across the City, and automating to improve controls and efficiencies.
- There will be a focus on leveraging the work to create service plans and metrics, and begin to look at benchmarking service costs with other municipalities to drive improved value for money.
- The final two phases of the warehouse and inventory consolidation and standardization project will be completed, bringing all Citywide activities under one organization, process, and system structure, which will bring further benefits to the City in both reduced inventory costs and better availability to meet the needs of the supply chain.
- Building on the work done in establishing the Enterprise Risk Management program, the Business Continuity program, which was piloted in 2014, will be rolled out citywide in 2015.
- Improving the City's financial health and credit worthiness will be a focus in maintaining or reducing debt, and ensuring the key criteria used by the rating agencies are adhered to and closely managed.
- The Continuous Process Improvement (CPI) thinking and methodology, which was initiated in 2014, will be expanded to other parts of the City to maximize value-generating activities while minimizing waste in the business process.
- Information Technology will collaborate with Digital Services in the development of a three-year technology roadmap to minimize risks and more effectively utilize capital investments.
- Building on the work done to create the Business Intelligence Strategy, the Business Intelligence program will be established and expanded in 2015 to provide increased visibility to business unit data, while supporting decision support and managing risks.
- Applications transitioned to Software as a Service (SaaS) will increase in an effort to rationalize the City applications inventory, while mobile workforce, WiFi access and collaboration technology will continue to expand strategically in an effort to increase staff efficiency and productivity.

DEPARTMENT SERVICE METRICS

Accounting Services

The number of tax folios in the City has increased from 177,800 to 190,000 over the last five years, reflecting development growth in the City.

Over 97% of property taxes are paid, with only a small percentage requiring follow-up. The City has the authority to enter into a tax sale to recoup any property tax still owing. Accounting Services' role is to ensure accurate reporting of the City's financial transactions. An unqualified report by external auditors indicates the City's Financial Statements are accurately reported.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Accounting Services	Quantity	# of tax folios	185,300	187,700	190,000	192,500	190,000
	Result	% of current taxes outstanding	2.84	2.61	2.49	2.49	2.49
		Unqualified audit	Yes	Yes	Yes	Yes	Yes

Financial Planning and Analysis

The City's budgeted operating expenditures are approved by Council as part of the City's budget process. The City has moderated its expenditure growth since the economic downturn of 2008, and, during the past five years, has maintained a lower property tax increase (1.4% - 2.8%) than prior periods. Managing debt levels is a key metric for ensuring the financial sustainability of the City. Tax-supported debt as a percentage of operating expenditures is targeted to be maintained under 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	2010	2011	2012	2013	2014F
Financial Planning and Analysis	Quality	Tax increase compared to prior year outlook	2.08%	1.88%	2.84%	1.36%	1.62%
		Tax-supported debt charges as a % of operating expenditures	7.2%	7.6%	7.7%	7.8%	7.9%
	Result	Operating Expenditures Budget	\$961.3M	\$1,030.8M	\$1,127.3M	\$1,147.9M	\$1,177.5M
		City of Vancouver credit rating		Aaa/AA/AA	Aaa/AA/AA	Aaa/AA/AA	Aaa/AA*

*Note: With the completion of the sale of the Olympic Village, the City discontinued the DBRS rating associated with the Commercial Paper program in 2014.

Procurement (Supply Chain)

As part of the Vancouver Services Review, in 2010 Council approved a new procurement policy and a new centralized Supply Chain Management Department. Contracts that were previously managed on a decentralized departmental basis are now centrally contracted through a strategic sourcing program, combining overall Citywide spend with a competitive process to achieve the best value for the City. Over the past few years, the number of contracts managed centrally has continued to increase, and all but a small percentage of contracts are competitively bid.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Procurement (Supply Chain)	Quantity	Contracts awarded (in millions \$)	\$78	\$80	\$130	\$200	\$105
	Result	% of contracts competitively bid	97.1%	93.2%	96.8%	97.4%	99.0%

Treasury

The City's borrowing and investing rates have continued to decline with lower overall interest rates. Investments are shorter term to ensure liquidity for the City, and therefore reflect the rate decline more rapidly than long term debt. The City has reduced overall debt levels in the past four years.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Treasury	Quality	Average rate of interest on outstanding debt	4.53%	4.36%	4.23%	4.17%	4.05%
		Average rate of return on investments	2.23%	2.65%	2.33%	1.98%	2.00%
	Result	Total debt outstanding (in \$ millions)	\$1,121	\$1,064	\$1,008	\$950	\$875
		Total investment & cash balance (in \$ millions)	\$617	\$788	\$1,115	\$1,370	\$1,440

Corporate Data Management

The move towards a digital environment will mean that the City's data storage management needs will continue to grow. The emphasis on information and data management and analytics (Business Intelligence) will be a major focus over the next four years. As well, the City will continue to grow and develop Open Government Open Data programs and initiatives.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Corporate Data Management	Quantity	Volume of data managed (in terabytes)	359	387	410	540	641

IT Infrastructure Maintenance

A high level of uptime for the corporate network will continue to be vital in the future as digital methods for conducting business become more widespread and standard across the City. Several key areas of strategic investment over the next few years will require a dependable and robust infrastructure:

- The City's mobility strategy will change how the City delivers services and interacts with the public as staff will depend more 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 to the day-to-day operations of the City.
- The transition to managed print services will reduce the City's carbon footprint.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
IT Infrastructure Maintenance	Result	% of network uptime	99.80%	99.80%	99.93%	99.93%	99.50%

HUMAN RESOURCES

KEY SERVICES DELIVERED

Employee Compensation and Benefits: Provide employees with fair and equitable compensation

Employee Relations: Negotiate contracts of employment with employees and bargaining agents

Organizational Development: Provide employees with learning opportunities to support their jobs

Organizational Health and Safety: Develop and implement health and safety plans to support a safe work environment

Attraction, Recruitment, and Retention: Provide support to attract and retain appropriately skilled employees

MAJOR ACCOMPLISHMENTS IN 2014

In 2014, significant changes were implemented to the City's recruitment and hiring processes with the aim of streamlining the administration of those activities and improving the transparency and quality of hiring decisions. In particular, the City adopted a more strategic approach to recruitment for senior-level roles and has reduced costs associated with external recruitment services.

As a pilot for the organization, the City also centralized recruiting activity for the several hundred new hires engaged by the Park Board on an annual basis. With this change, selection processes have been updated to reflect best-practice, and Human Resources staff now perform many administrative functions previously delegated to individual managers. This transition has been accomplished without a net additional cost to the City.

The City also continued their focused efforts to improve safety performance and reduce time lost to injury and illness. For the 12-month period ending September 2014, the City achieved its lowest-ever rate of work-related injuries.

The City recently concluded collective bargaining with the Fire Fighters Union. The settlement was finalized through arbitration, which finalized a collective agreement for a term extending from 2012 to 2015.

The Vancouver Police Department was also engaged in collective bargaining in 2014, receiving an arbitrated settlement with the Vancouver Police Union and achieving a negotiated agreement with the Vancouver Police Officer's Association.

PLANS FOR 2015

In 2015, and the next few years, Human Resources will continue to focus on supporting the ongoing transformation of the City's services and strengthening organizational culture. Additional priorities include further improvements to the City's recruiting and hiring processes. The department will build on the Parks recruitment pilot and look at potential applications to other occupational groups or business units across the City. The City will also undertake a comprehensive review of corporate training programs to ensure they are meeting the evolving demands for leadership and other skills across the City.

Work will also continue on mitigating lost time through a combination of injury prevention, improved claims management, and support of injured and ill employees to return to work as quickly as possible.

DEPARTMENT SERVICE METRICS

Training and Development

Over 2014, the City continued to expand the use of online learning in corporate training programs as a cost-effective complement or substitute for classroom sessions. Through a 2015 review of the corporate training program, the City will ensure that programs are optimized to meet skill requirements and operational needs.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Organizational Development	Quantity	Number of corporate training participants*	1,158	1,858	2,348	2,305	2,570

*Previously known as 'Number of Employee Participants'

Organizational Health and Safety

Employee health and safety continues to be an organizational priority. Significant effort has been invested in prevention of workplace injuries and mitigation of days lost due to injury and illness and as a result, 2014 had the lowest injury rate to date. The metric represents time-loss injuries per 100 workers, which is a key indicator of safety results.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Organizational Health and Safety	Quantity	Time loss injuries per 100 workers	6.88	5.86	6.31	5.84	4.98
	Result	Duration of WSBC claims in days	42	49	45	39	44

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 Human Resource Services. The forecast number of new hires in 2014 reflects an increase over 2013, primarily related to seasonal and auxiliary staffing. The City's overall attrition rate remains stable, with retirements representing the predominant reason for employee departures.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Attraction, Retention, Recruitment	Quantity	# of new hires (excl Police and Library)	606	890	522	527	783
	Quality	Overall regular employee turnover % (including retirements)	4.5%	5.2%	4.8%	4.7%	4.8%

DIGITAL AND 3-1-1 CONTACT CENTRE SERVICES

KEY SERVICES DELIVERED

Digital Services: Develop and implement initiatives to leverage digital technology in the delivery of effective, efficient services and citizen engagement

3-1-1 Contact Centre: As the City's primary contact point for telephone, text, email, and social media channels, accept and action inquiries and requests for service

MAJOR ACCOMPLISHMENTS IN 2014

The City's Digital Strategy provides an overarching framework to coordinate and prioritize digital initiatives underway across the City. This marks a significant step forward in establishing Vancouver as a leader in effectively leveraging digital technologies and supporting a vibrant digital economy. Over the past year, significant advancements have been made on this strategy, including the launch of a mobile-responsive website and several new digital services and tools. On an ongoing basis, improvements are being made to the City's website and other online applications to make it easier for people to find information and obtain services.

The City's digital infrastructure is also being enhanced. WiFi access has been expanded for employees and the public in City facilities, and opportunities for further enhancements are being explored. The City also entered into an agreement with BCNet, a consortium of public research institutions, which will support an expansion of the City's fibre optic network.

The Digital Strategy acknowledges the critical importance of the digital sector to Vancouver's economy. Throughout 2014, City staff worked in support of Vancouver Economic Commission's efforts to foster Vancouver's digital industry, including the implementation of the Technology and Social Innovation Centre and the Green and Digital Demonstration Program.

In 2014, as part of the continuing effort to enhance the responsiveness and cost-effectiveness of the City's service delivery to the public, the City consolidated the 3-1-1 Contact Centre and Digital Services team into a single business unit under the oversight of the Chief Digital Officer. This organizational realignment supports an integrated view of these key service delivery channels and will enable the City to target digital and contact centre services in a strategic, cost-effective manner.

On a year-over-year basis, 3-1-1 continues to experience an increase in contact volumes (e.g., phone calls, social media, email, voicemail), creating pressure on service levels. Work is being made to aggressively pursuing expanded deployment of web-based and mobile options for information and service requests to mitigate the demand on the Contact Centre.

PLANS FOR 2015

In 2015 and beyond, plans include:

- Continue to optimize productivity by shifting inquiries and transactions to online and mobile, including the introduction of new applications.
- Continue to support the implementation of major business transformation initiatives and take advantage of digital service delivery to achieve those transformations.
- Drive continued expansion of WiFi in City facilities.

DEPARTMENT SERVICE METRICS

3-1-1 Contact Centre

2014 saw a drop in Service levels (% of calls answered within 30 seconds); this is primarily due to the continuing increase in volume of contacts handled by the Centre.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
3-1-1 Call Centre (Customer Service)	Quantity	Calls offered	544,794	711,650	823,237	888,759	942,634
		Contacts offered (includes email, etc)	572,305	738,254	864,706	923,336	979,538
		Year-over-year growth in contacts offered	49%	23%	15%	7%	6%
	Quality	Service level (% answered within 30 seconds)	68.5%	75.9%	81.1%	70.6%	63.3%
		Abandon rate (% calls dropped)	7.4%	5.1%	4.1%	5.7%	7.1%

Digital Strategy and Web Operations

Traffic to the City's website has remained fairly steady since 2010. Due to the commitment to the Digital Strategy, better usability, and an increased number of services available online, traffic increased in 2014. It is expected there will be an increase in the amount of revenue the City collects through online transactions.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Digital Strategy and Web Operations	Quantity	Site visits (in million)	8.2	9.4	8.2	8.2	8.9
		Page views (in million)	NDA	NDA	NDA	29.0	27.3

LEGAL SERVICES

KEY SERVICES DELIVERED

Legal Advisory: Provide a complete range of legal services to the City, its Boards, officials, and staff

Litigation: Advance and defend the City's legal interests in court

Bylaw Prosecution: Prosecute alleged bylaw defaults

MAJOR ACCOMPLISHMENTS IN 2014

The Legal Services Department delivers a full range of legal services and advice to the City of Vancouver, its boards, officials, staff, and upon occasion, the Police and School boards, ensuring the City functions within its governing legal framework, exposure to liability is minimized, and the viability and integrity of the City's regulatory and legislative processes are preserved.

In 2014, the Legal Services Department provided advice and representation on:

- Housing Affordability initiatives, including Vancouver Affordable Housing Agency Limited
- Green and Digital Program development
- District Energy projects
- National Energy Board hearing on Kinder Morgan Pipeline Expansion application
- Streamlining of regulatory and business processes
- Musqueam Services Agreement
- Public benefits strategy
- Legal Services VSR business transformation project, directed at increasing efficiency of service delivery, including implementation of new litigation support software tools
- Large development projects and association agreements

PLANS FOR 2015

In 2015, the Legal Services Department will continue its support of major City initiatives, including review and refinement of City bylaws and related policies (e.g., public benefits, heritage preservation, zoning and development, use of City land, rental accommodation, building standards of maintenance) and implementation of further initiatives on housing affordability, sustainability, and digital expansion. Work will also continue on streamlining corporate processes such as procurement, freedom of information, and development approvals.

Improvements in technology and business processes will also be implemented, enabling the Legal Department to work even more strategically and effectively to address increasingly complex legal work. Better access to legal data, opinions, and documents will also be provided. The goal is to maximize, to the highest extent possible, the City's in-house legal work, which is highly cost-effective to the organization.

The City will also continue to develop and implement strategic service delivery tools (e.g., templates/standard form agreements, checklists, Legal Services/Business Unit protocols), which will increase efficiency and productivity for both the Legal Services Department and corporate business units. This will also increase the ability to monitor progress and outcomes.

In addition, continued streamlining and implementation of improvements to business workflow processes (e.g., rezoning, procurement, freedom of information) will allow the Legal Services Department to better support each business unit's interaction with third parties, resulting in an increase to both quality of service to the public, as well as public confidence in City regulations and processes.

REAL ESTATE AND FACILITIES MANAGEMENT

The Real Estate and Facilities Management Department (REFM) provides full real property and building assets (approximately 500 buildings) life cycle management functions. REFM 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 and Work Control and Optimization, and Corporate Security)

KEY SERVICES DELIVERED

Asset Management (Buildings and Property): Provide and manage corporate facilities through their lifecycle, from design to decommissioning

Corporate Security: Provide and administer plans and standards to ensure security for corporate facilities

Real Estate: Provide advice and leadership in negotiating and managing the purchase, lease, and sale of corporate property assets; also provide advice and leadership in analyzing and negotiating settlement of Community Amenity Contributions and Heritage Revitalization Agreements

MAJOR ACCOMPLISHMENTS IN 2014

Real Estate Services

Throughout 2014, Real Estate Services (RES) acquired, leased (including licensed), and disposed of properties and facilities in support of the delivery of civic programs and services, including those related to the Housing and Homelessness Strategy and the 14 supportive housing sites. In addition, RES provided advice and support for the settlement of Community Amenity Contributions and Heritage Revitalization Agreements related to specific market development projects.

Facilities Planning and Development

Facilities Planning has developed a robust Asset Management Program, complete with building condition assessments, facility condition indices, and development category indicators that will inform long-term planning. This work has already transformed the way capital plans and budgets are developed for building replacement, renovations, and maintenance. Facilities Planning has worked with many other City stakeholder groups on delivering the 2015-2018 Capital Plan, as well as supporting delivery of many civic projects initiated through rezonings.

Facilities Development has delivered approximately 100 projects, ranging from capital maintenance and replacement to renovations, additions, and new buildings, including community and civic facilities, housing, and Property Endowment Fund facilities.

Environmental Planning is leading the City's Zero Waste Program, resulting in 592 tonnes of waste being diverted from the landfill (January to October, 2014). In 2014, the average diversion rate for City facilities is 75.7% (up from 65.8% in 2013). In addition, Environmental Planning is now overseeing Contaminated Sites Projects, on behalf of the City (Engineering, Park Board and REFM), and managing enhanced environmental regulatory processes.

The Facilities Energy Management Strategy was developed and implemented in 2014, with a target to exceed the Greenest City 2020 Action Plan goal of reducing greenhouse gas (GHG) emissions by 20% between 2007 and 2020. To date, GHG emissions from City-owned facilities have been reduced by 11%, compared to 2007.

FACILITY OPERATIONS

Facilities Maintenance and Operations (FM&O)

Working in collaboration with Vancouver Services Review, FM&O have completed a senior management tier re-organization, as well as the development and deployment of the Centralized Facilities Work Control Centre.

The Work Control Centre will now provide improved oversight on external service providers engaged by the City to provide regulatory compliance inspections. The Work Control Centre has also begun a review of the current FM&O maintenance plans and service contracts with a focus on ensuring regulatory compliance requirements are being met in a cost effective and efficient manner. In addition, a sub-committee of the Work Control Centre, comprising of FM&O staff and representatives from all Park Board divisions, meet regularly to review work requests outside of core maintenance functions (as identified in the Partnership Agreement) to assign priorities and establish funding sources before such work is allowed to proceed.

Corporate Security

Corporate Security has completed management tier reorganization with the help of Vancouver Services Review, and has established a centre of excellence for delivering security services to the entire City portfolio. Under this newly enlarged corporate mandate, Corporate Security developed and launched a Security Education/Awareness Program that reached over 260 City staff, resulting in a greater awareness of security incidents by staff (to date, there has been a 17% increase in reported incidents over the prior year). The subsequent investigations stemming from this increased reporting has positioned the City to proactively prioritize and address specific security concerns before repeat incidents occur, resulting in safer operations for staff and the public visiting City facilities.

PLANS FOR 2015

Real Estate Services

Real Estate Services will continue to provide real estate advisory and transactional support for various corporate initiatives, prioritizing Council objectives and market development transactions. In particular, RES will focus on site acquisitions as part of the Housing and Homelessness Strategy and in support of the Vancouver Affordable Housing Agency, as well as advice and support for the settlement of Community Amenity Contributions and Heritage Revitalization Agreements. In addition, RES will continue to proactively work to address issues and optimize management of the Property Endowment Fund Portfolio.

Facilities Planning and Development

In 2015, Facilities Planning will continue to support delivery of many civic projects initiated through rezonings, in a context of the Long Term Capital Outlook, as well as focus on the Seismic Risk Assessment Program, and implementation of the Accessibility Program in all City facilities, with a particular focus on public buildings.

Facilities Development will continue its plans to deliver approximately 100 new facilities projects ranging from capital maintenance and replacement to renovations, additions, non-structural seismic upgrades, and new buildings. These include the False Creek Paddling Centre, East Wing

decommissioning, 515 West 10th Ave seismic upgrade, Old Continental deconstruction, and Manitoba Yard Compressed Natural Gas Fuelling facility. Work will continue on major multi-year projects including Firehall #5/Housing, Britannia Community Centre, Killarney Seniors' Centre, and Roddan Lodge replacement housing.

Environmental Planning will continue enhancing the Hazardous Materials Inventory Database, support the implementation process for facilities deconstruction practices to divert additional waste from the landfill, continue Citywide contaminated sites management and ensure regulatory compliance, complete the database of City-owned contaminated sites, and expand the Corporate Zero Waste Program to include all works/service yards and deconstruction waste.

The Energy Management Strategy Group will continue working on GHG reductions, with a focus on six key areas: “Continuous Optimization” Projects, Quickstart/Capital Maintenance Projects, new construction requirements, staff engagement, organizational potential, and fuel sources review.

Facility Operations

For 2015, the priorities for FM&O are to:

- Develop an organizational structure for FM&O that is able to efficiently and cost effectively deliver the service levels established under the Partnership Agreement(s)
- Transition the maintenance and operations for the Britannia pool and ice rink from the Vancouver School Board to REFM
- Transition the maintenance and operations for all Park Board recreation facilities from Parks to REFM
- Fully implement the Work Control Centre for work reception and metrics tracking

For 2015, priorities for Corporate Security include:

- Continue to improve the management and oversight of the Integrated Security Contract by reviewing security requests and applying “Threat Risk Analysis” to ensure relevant cost effective solutions are delivered in a timely manner
- Leverage the Security Incident Management Reporting System to efficiently manage information and develop intelligence led responses to security and risk related issues, leading to more thorough investigations and positive outcomes
- Consolidate the dispersed departmental security budgets into one corporate security budget which can be tracked and effectively managed
- Develop a corporate strategy and process for the installation, maintenance, and replacement of security systems

DEPARTMENT SERVICE METRICS

The number of City-owned buildings has grown steadily over the last five years. This growth comes from strategic property acquisitions and community amenity space contributions offered to the City as part of major new developments.

Leased office space and annual lease payments have been relatively stable since 2009, after the Crossroads building lease at West Broadway and Cambie Street was approved.

With additional facilities joining the Corporate Zero Waste Program in 2014, the number of City facilities in the program has significantly increased from 40 (in 2013) to 103. This has resulted in a total

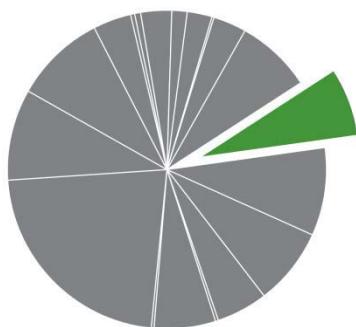
of 1,260 tonnes of waste being diverted from the landfill to date since the Corporate Zero Waste Program was implemented in September 2012.

Total GHG emissions from City-used buildings in 2007 establish the benchmark relative to which progress is measured: GHG emissions from City-used buildings are targeted to be reduced by 20% from 2007 levels by 2020. To date, GHG emissions have been reduced by 11% compared to 2007 levels.

Service	Metric Type	COV Metric	2010	2011	2012	2013	2014F
Asset Management (Buildings and Property)	Quantity	# of buildings City owns	461	480	492	493	496
		area (sf) of buildings City owns (in Millions)	7.45	7.98	8.39	8.31	8.38
		area (sf) of office space City leases	263,821	319,121	278,042	317,237	305,800
		Total lease payments on City leases (in millions)	\$7.09	\$9.59	\$9.75	\$9.99	\$10.67
		Total # of City facilities in Zero Waste program	0	0	7	41	103
	Result	Total GHG emissions from City-used buildings (tonnes per year)*	19,293	22,042	20,757	18,607	18,269
		Average % waste diversion rate in City-used buildings with the implemented Zero Waste program	NDA	NDA	NDA	65.8%	75.7%

*Note: Historical GHG emission figures for City-used buildings have been updated following the implementation of a utility management database and software that tracks current and historical GHG emissions more accurately than previous methods.

2015 BUDGET



Corporate Services makes up 7% of the 2015 Operating

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$000)	2014 Restated Budget	2015 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues				
Parking revenue				
Other parking revenue	444	325	(119)	(26.8%)
Total Parking revenue	444	325	(119)	(26.8%)
Cost recoveries, grants & donations				
Other department recoveries	624	649	25	4.0%
Total Cost recoveries, grants & donations	624	649	25	4.0%
Other revenue				
Civic property rental revenue	-	-	-	-
Other department revenue	469	469	-	-
Total Other revenue	469	469	-	-
Total Revenues	\$ 1,537	\$ 1,444	\$ (93)	(6.1%)
Expenditures & Transfers				
Real Estate & Facilities Management				
Real Estate & Facility planning & development	2,738	2,524	(214)	(7.8%)
Facility operations	32,609	33,260	651	2.0%
Shared support services	(17,705)	(18,743)	(1,038)	5.9%
Transfers to / (from) reserves & other funds	4,386	4,107	(279)	(6.4%)
Subtotal Real Estate & Facilities Management	22,028	21,148	(880)	(4.0%)
Finance & IT				
Finance & Supply Chain Management	20,071	19,324	(747)	(3.7%)
Information Technology	27,859	28,493	633	2.3%
Shared support services	(9,209)	(9,431)	(223)	2.4%
Transfers to / (from) reserves & other funds	875	875	-	-
Subtotal Finance & IT	39,596	39,260	(336)	(0.8%)
Other support services				
Human Resources	9,604	9,699	95	1.0%
City Manager's Office	5,466	5,690	224	4.1%
Legal Services	5,834	5,046	(788)	(13.5%)
3-1-1 Contact Centre	5,228	5,335	107	2.0%
City Clerk	5,448	3,328	(2,120)	(38.9%)
Communications & Engagement	1,945	1,916	(29)	(1.5%)
Emergency Management	1,100	1,230	130	11.8%
Shared support services	(7,053)	(7,390)	(337)	4.8%
Transfers to / (from) reserves & other funds	(2,182)	(160)	2,022	(92.7%)
Subtotal Other support services	25,392	24,695	(696)	(2.7%)
Total Expenditures & Transfers	\$ 87,015	\$ 85,103	\$ (1,912)	(2.2%)
Net Operating Budget	\$ (85,479)	\$ (83,660)	\$ 1,819	(2.1%)

Note: Totals may not add due to rounding

Explanation of Changes: Revenues

The Corporate Support group receives revenue from various revenue streams: parking revenues from the Vancouver Museum and Planetarium and from the Mount Pleasant Community Centre; from surplus asset sales; insurance proceeds related to sick pay costs; and from the VPD Tactical Training Centre.

In 2015, Corporate Support revenues are expected to decrease by \$0.1 million, due mainly to a decrease in parking revenues. This decrease is because the surface parking lot on West 10th Ave between Cambie St and Yukon St was made available to the public for free two-hour parking while conducting City business at the new Development and Building Services Centre.

Explanation of Changes: Expenses

Corporate Support expenditures have remained stable, by balancing fixed cost increases and investments in some areas, realigning costs and resources to higher priority items, and with strategic adjustments in other areas. The 2015 budget reflects fixed cost increases for software maintenance, network security, and rent and lease expenses. In addition, the Corporate Support budget contains changes for salary and fringe benefit costs, including increases for CUPE and exempt staff agreements. Offsetting these cost increases is an increase in costs being allocated to capital for legal and supply chain support, and to other departments for increasing costs for such things as rent and leases.

In order to provide continued support to key Council priorities, the Corporate Support departments have seen investments in areas such as Emergency Management (\$0.1 million) and will manage vacancies to redirect resources to high priority areas such as sport hosting, data analytics, mobility and continuous process improvement methodology.).

To offset fixed cost increases and strategic investments, adjustments to the budgets for Corporate Support have been made to reflect changes to business processes, enhanced use of technology, management of vacancies, a reduction in operating costs for the East Wing, and leveraging of digital services.

For 2015, \$2 million in funding from the Election reserve was removed from the City Clerk's 2015 budget. This funding was added to the City Clerk's budget in 2014 to run the civic elections held in November 2014.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that Corporate Support Services is involved in or will commence in 2015. A complete list of all capital projects for 2015 is included in the appendixes to the Council Report.

Project Name (\$ millions)	Total Project Budget	Project Actuals to end of 2014/Program Actuals in 2014	2015 Annual Expenditure Budget	Future Years
Financial Services:				
• Permit and Licence Transformation Program*	26.0	13.3	7.7	5.0
• Legal Case Management System	2.3	0.4	1.7	0.2
• Safari Upgrade	2.1	0.6	1.5	-
Real Estate and Facilities Management:				
• Replacement of Firehall Number 5	19.1	1.1	1.2	16.8
• Southeast Vancouver (Killarney) Seniors Centre	7.5	0.1	0.5	6.9
• Seismic Upgrades**	6.9	0.4	2.3	4.2
• Vancouver Art Gallery Plaza	4.8	0.5	1.3	3.0

* Includes completed phase for Online Services Implementation.

** Includes City Hall West Annex Seismic Upgrades and Deconstruction of City Hall East Wing.

Financial and Technology Services

Three major multi-year technology capital projects will be priority projects in 2015:

Permit and Licence Transformation Program: The Permit and Licence Transformation Program was initiated in March 2010 in response to City Council's directive to review the City's business, service delivery practices, and general operations. The main purpose of the project is to achieve improved service delivery and a better customer experience by transforming the process of submitting, tracking, reviewing, and issuing all permits and licences Citywide through enhanced business processes and a new technology platform. This includes bringing business process in line with best practices, and updating and integrating current technology.

Legal Case Management System: This is for a replacement of the legacy matter management system (Lotus Notes) and document management system (PC Docs) used by Legal Services. Vendor support for the current systems is no longer available and the hardware is past the end of its life. The project has been expanded to recognize the significant change that has occurred in this area by providing for change management and business transformation that will allow this busy group to optimize and standardize processes and move to best practices for legal information management.

Activenet (Safari Replacement): This is a replacement of the Safari system used by the Park Board to process registrations, drop-in admissions, pass scanning, and facility permits. Vendor support for the current system was discontinued in 2014 and the system has been experiencing capacity issues during periods of heavy online use. This project will include resources that will work with staff and support areas to optimize the investment through transformation of processes, improved customer experience through digital services, standardization of multiple processes across multiple locations, data standardization, and clean-up to enable ongoing reporting.

REAL ESTATE AND FACILITIES MANAGEMENT

Replacement of Fire Hall #5: This is for design and construction of an existing three-bay Fire Hall #5 with four new stories of supportive housing above. Rezoning and development permit application and contract documents preparation are planned for 2015.

Southeast Vancouver (Killarney) Seniors' Centre: This pertains to design and construction of a new Seniors' Centre addition to the Killarney Community Centre.

Seismic Upgrades: This is for voluntary seismic upgrade (design and construction) of City Hall West Annex (the Development and Building Services building) at 515 West 10th Avenue.

Vancouver Art Gallery North Plaza: This first phase comprises design, preparation of tender documents, tender, and construction for the restoration of the waterproofing to the underground portion of the Art Gallery.

BUDGET TREND

Major Category (\$000)	2011 Approved Budget	2012 Approved Budget	2013 Approved Budget	2014 Restated Budget	2015 Proposed Budget
Revenues					
Parking revenue					
Other parking revenue	353	550	444	444	325
Total Parking revenue	353	550	444	444	325
Cost recoveries, grants & donations					
Other department recoveries	1,263	633	706	624	649
Total Cost recoveries, grants & donations	1,263	633	706	624	649
Other revenue					
Civic property rental revenue	285	-	-	-	-
Other department revenue	342	1,139	498	469	469
Total Other revenue	627	1,139	498	469	469
Total Revenues	\$ 2,244	\$ 2,322	\$ 1,648	\$ 1,537	\$ 1,444
Expenditures & Transfers					
Real Estate & Facilities Management					
Real Estate & Facility planning & development	2,274	4,749	4,499	2,738	2,524
Facility operations	35,664	32,300	28,672	32,609	33,260
Shared support services	(1,048)	(1,055)	(1,055)	(17,705)	(18,743)
Transfers to / (from) reserves & other funds	260	587	4,207	4,386	4,107
Subtotal Real Estate & Facilities Management	37,150	36,581	36,322	22,028	21,148
Finance & IT					
Finance & Supply Chain Management	12,280	13,781	15,676	20,071	19,324
Information Technology	22,971	25,056	25,371	27,859	28,493
Shared support services	(3,024)	(2,948)	(2,943)	(9,209)	(9,431)
Transfers to / (from) reserves & other funds	214	849	175	875	875
Subtotal Finance & IT	32,442	36,736	38,279	39,596	39,260
Other support services					
Human Resources	9,056	9,338	9,594	9,604	9,699
City Manager's Office	5,590	5,714	5,205	5,466	5,690
Legal Services	5,008	5,029	5,266	5,834	5,046
3-1-1 Contact Centre	5,000	4,320	4,356	5,228	5,335
City Clerk	5,052	3,184	3,185	5,448	3,328
Communications & Engagement	1,680	1,633	1,616	1,945	1,916
Emergency Management	805	785	749	1,100	1,230
Shared support services	(350)	(350)	(649)	(7,053)	(7,390)
Transfers to / (from) reserves & other funds	(4,978)	(1,568)	(157)	(2,182)	(160)
Subtotal Other support services	26,863	28,084	29,165	25,392	24,695
Total Expenditures & Transfers	\$ 96,455	\$ 101,401	\$ 103,767	\$ 87,015	\$ 85,103
Net Operating Budget	\$ (94,212)	\$ (99,079)	\$ (102,119)	\$ (85,479)	\$ (83,660)
Capital Budget (\$ million)	\$ 55.8	\$ 78.0	\$ 73.9	\$ 72.2	\$ 68.3

Note: Totals may not add due to rounding

Explanation of Changes: Revenues

From 2012 to 2013, Corporate Support revenues decreased by \$0.7 million. This was due to a realignment of gross revenues and expenses within Real Estate and Facilities Management that was matched by the same amount of reduced expenditure.

For 2015, Corporate Support revenues are expected to decrease by \$0.1 million, due mainly to a decrease in parking revenues. This decrease is because the surface parking lot on West 10th Ave between Cambie St and Yukon St was made available to the public for free two-hour parking while conducting City business at the new Development and Building Services Centre.

Explanation of Changes: Expenses

Changes in the Corporate Support operating budget are largely due to collective agreement wage increases and benefits, along with fixed cost increases for hydro and gas, software maintenance, network security, and rent and lease expenses.

In 2011 and 2014, \$2 million of funding was provided in the City Clerk's budget, from the Election reserve. This funding was added to the City Clerk's budget in those years to run the civic elections held in November.

The budget trend also reflects the continued evolution to shared services, with staff and budgets in previously decentralized work groups moving to citywide groups that are led across the organization for consolidated IT, Supply Chain Management, Finance, Facilities Operations and Planning, 3-1-1, Digital Services and HR.

Starting in 2014, the City has changed its method of allocating shared support services costs. The large change in the costs that are allocated out from the Corporate Support group, to service groups, is reflected in the 2014 and 2015 budget. This increase reflects allocated costs for Finance, HR, IT, and the costs of building operations, including leases and rents, and hydro and gas costs.

EMPLOYEE TREND TABLE

Corporate Support	2010	2011	2012	2013	2014F
Regular Full-time Staff (excluding Part-time, Temp, and Auxiliary)	715	743	762	807	850
All Staff (including Part-time, Temp, and Auxiliary) Full-time Equivalent*	831.1	886.6	916.0	953.3	1027.1

*excluding overtime

The employee trend reflects the continued evolution to shared services, with staff in previously decentralized work groups moving to citywide groups that are led across the organization. Increases in regular full-time staff within the corporate support area reflect the consolidation of IT, Supply Chain Management, Finance, Facilities Operations and Planning, HR, 3-1-1, and Web Operations.



For More Information:

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