

# RR-1(b)



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Date: March 17, 2006  
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RTS No.: 05821  
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Meeting Date: April 4, 2006

TO: Vancouver City Council

FROM: General Manager of Corporate Services/Director of Finance in  
Consultation with the Corporate Management Team

SUBJECT: 2006 Operating Budget: Interim Estimates

### RECOMMENDATION

#### RECOMMENDATION A: Park Board Global Budget

- A. THAT Council approve the Park Board Global Budget of \$55,230,800, which includes approximately \$956,800 of added Basic and one-time adjustments in the Park Board estimates, this amount prior to any reductions approved by Council to balance the 2006 Operating Budget.

#### RECOMMENDATION B: Budget Adjustments

- B(i) THAT Council approve the 2006 Operating Budget - Interim Estimates as outlined in this report and detailed in Appendix 1 and instruct the Director of Finance to bring the budget into balance with a 5.67% general purposes tax increase, reflecting 5.27% in growth in City Costs and 0.40% in growth in outside agency costs;

OR

- B(ii) THAT Council consider the Type 1 budget adjustments put forward by the Corporate Management Team (listed in Appendix 3 and 4) to reduce the general purposes tax increase to 3.24%, reflecting 2.84% in growth in City Costs and 0.40% in growth in outside agency costs;

OR

B(iii) THAT Council consider the both the Type 1 and Type 2 budget adjustments put forward by the Corporate Management Team (listed in Appendix 3 and 4) to reduce the general purposes tax increase to 2.84%, reflecting 2.44% in growth in City Costs and 0.40% in growth in outside agency costs;

OR

B(iv) THAT Council consider the Types 1, 2 and 3 budget adjustments put forward by the Corporate Management Team (listed in Appendix 3 and 4) to reduce the general purposes tax increase to 1.98%, reflecting 1.58% in growth in City Costs and 0.40% in growth in outside agency costs;

Noting that if Council chooses to adopt these adjustments, Council will be absorbing the cost of outside agencies at 0.40% of the property tax increase.

#### **RECOMMENDATION C & D: Funding Requests With No Impact on the Budget**

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C. THAT Council approve the creation of the following positions (as detailed in Appendix 2) at a total cost of \$364,000; funding available within the 2006 Operating Budget:

Corporate Services	1 GIS Systems Analyst
Corporate Services	1 Web Master
Corporate Services	1 Systems Analyst
Library	1 Library Assistant
Library	1 Trades Maintenance Worker
	1 Building Maintenance Worker

Subject to classification by the General Manager of Human Resources

D. THAT Council approve the creation of a three-year Ergonomic Program starting in 2006 at an annual cost of \$325,000; funding available within the 2006 Operating Budget.

### RECOMMENDATION E: Vancouver Police Department Funding Request

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- E (i) THAT Council, having reviewed Phase I of the VPD Operational Plan and the VPD 2006 Strategic Operating Plan, approve an increase of 19 civilian positions for the Vancouver Police Department (positions listed and funding breakdown listed in Appendix 5) at a net cost of \$734,900 for 2006 to be funded as an increase to the 2006 Operating Budget, increasing 2006 property taxes by 0.16%; on-going funding is estimated at \$253,100.

All Civilian positions will be subject to Human Resources classification review.

OR

- E(ii) THAT Council, having reviewed Phase I of the VPD Operational Plan and the VPD 2006 Strategic Operating Plan, approve an increase to the Vancouver Police Department's sworn strength by 23 police officers and 46 civilian positions (positions listed and funding breakdown listed in Appendix 5) at a net cost of \$2,454,400 for 2006 to be to be funded as an increase to the 2006 Operating Budget, increasing 2006 property taxes by 0.53%; on-going funding is estimated at \$4,101,500.

All vehicles are to be purchased by the Plant and Equipment Reserve (Plant Account), 12 in 2006 based on the VPD Master Schedule, at a total cost of cost of \$360,000 and are to be funded by the Vancouver Police Department through increased rental rates of \$38,600 in 2006 and a further \$164,800 in 2007 and are included in the above annual estimates.

24 radios to be purchased through E-Comm and added to the annual levy at a cost of \$8,300 in 2006 and a further \$49,600 in 2007 and are included in the above annual estimates.

All Civilian positions will be subject to Human Resources classification review.

OR

- E(iii) THAT Council, having reviewed Phase I of the VPD Operational Plan and the VPD 2006 Strategic Operating Plan, approve an increase to the Vancouver Police Department's sworn strength by 31 police officers and 46 civilian positions (positions listed and funding breakdown listed in Appendix 5) at a net cost of \$2,729,900 for 2006 to be to be funded as an increase to the 2006 Operating Budget, increasing 2006 property taxes by 0.60%; on-going funding is estimated at \$ 4,341,400.

All vehicles are to be purchased by the Plant and Equipment Reserve (Plant Account), 14 in 2006 based on the VPD Master Schedule, at a total cost of \$434,000 and are to be funded by the Vancouver Department through increased

rental rates of \$42,000 in 2006 and a further \$185,000 in 2007 and are included in the above annual estimates.

29 radios to be purchased through E-Comm and added to the annual levy at a cost of \$10,400 in 2006 and a further \$62,200 in 2007 and are included in the above annual estimates.

All Civilian positions will be subject to Human Resources classification review.

AND

E (iv) THAT Council approve the extension of consulting services to complete Phase II of the VPD Operational Review at a total cost of \$100,000 plus GST; funding available within the 2006 Operating Budget.

AND

E(v) THAT Council instruct the Joint City/VPD Steering Committee to report back prior to the 2007 Operating Budget on Phase II of the VPD Operational Review including further opportunities related to overtime, shared services, and deployment efficiencies to offset VPD resource requirements.

#### **RECOMMENDATION F to I Corporate Management Team High Priority Funding Requests**

##### **RECOMMENDATION F: Chinese Media Monitoring**

F. THAT Council approve the City obtaining Chinese media monitoring service at a cost of \$45,000 to be funded as an increase to the 2006 Operating Budget, increasing 2006 property taxes by 0.01%.

##### **RECOMMENDATION G: Permit Processing - Completion of Resources Strategy**

G. THAT Council approve the following recommendations, from *Permit Processing - Completion of Resource Strategy (RTS 05206)*, at a cost of \$165,450 in 2006 to be funded as an increase to the 2006 Operating Budget, increasing 2006 property taxes by 0.04%.

a. THAT Council establish four regular full-time positions in Development Services, thereby finalizing the permit processing resources strategy originally reported and approved in March 2005. The estimated prorated cost of these four positions is \$145,450 (\$290,900 annually), including fringe benefits, plus a one time cost of \$20,000 for furniture, equipment and supplies, with a start date of July 1, 2006.

- b. THAT Council request the Co-Director of Development Services - Operations and Client Services, to report back within eighteen months on the customer service progress made as a result of the additional staff allocated to the permitting process.

#### RECOMMENDATION H: Employee Relations & Advisory Services - Development Plan

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- H. THAT Council approve the following recommendation, from *Employee Relations & Advisory Services - Development Plan (RTS 05467)*, at a cost of \$168,400 in 2006 to be funded as an increase to the 2006 Operating Budget, increasing 2006 property taxes by 0.04%.

THAT City Council approve the creation of three (3) Regular Full-Time exempt positions (two (2) Human Resource Consultant III's and one (1) Administrative Assistant) within the Employee Relations and Advisory Services division of Human Resource Services, effective April 1, 2006, funding of \$168,400 and at an annual recurring cost of \$222,600 thereafter. Funding to be added to the Human Resource Services Operating Budget.

#### RECOMMENDATION I: Continuation of Drug Policy Program

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- I. THAT Council approve the following recommendation, from *Continuation of Drug Policy Program (RTS 05720)*, at a cost of \$220,000 in 2006 to be funded as an increase to the 2006 Operating Budget, increasing 2006 property taxes by 0.05%.

THAT Council approve the establishment of a permanent Drug Policy Program by converting the following temporary full time positions into Regular Full Time positions, at an estimated cost of \$230,000 including fringe benefits:

- Drug Policy Coordinator
- Social Planner 1
- Clerk III

subject to review and classification by Human Resources, plus \$90,000 program costs for a total annual cost of \$320,000 without offsets (prorated to \$220,000 for 2006).

#### RECOMMENDATION J: Area Planning Public Process Funding

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- J. THAT Council approve the following recommendation, from *Area Planning Public Process Funding (RTS 05781)*, at a cost of \$64,000 in 2006 to be funded as an increase to the 2006 Operating Budget, increasing 2006 property taxes by 0.01%
  - a. THAT Council approve \$64,000 of project costs be added to the 2006 Budget for the public process costs associated with the first new area planning initiative, subject

- to Council decisions on priorities and sequencing of various area planning programs and approval of detailed work program.
- b. THAT Council approve, beginning in 2007, the project-by-project budgets which have funded area planning public consultation over the last decade be replaced by an annual Operating Budget allocation of \$556,000 that will cover all program costs of area planning initiatives undertaken by the five permanent area planning staff teams in the City Plans Division.
  - c. THAT staff report back in Spring of 2006 on a recommended assignment of permanent area planning staff in the City Plans Division to New Local Area Plans, Neighbourhood Centre Planning, Canada Line Station Area Planning, and other area planning initiatives as described in this report.

**RECOMMENDATION K: Staffing to Bring the Vision Implementation Team to Full Strength**

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- K. THAT Council approve the following recommendation, from *Visions Implementation Staffing (RTS 05470)*, at a cost of \$76,900 in 2006 to be funded as an increase to the 2006 Operating Budget, increasing 2006 property taxes by 0.02%
  - a. THAT Council approve the creation of a permanent Planner I position and a permanent Planning Assistant III position, subject to Human Resources Classification, effective August 2006, to work on the implementation of adopted Community Visions, initially focusing on the Arbutus-Ridge/Kerrisdale/Shaghnessy and Riley Park/South Cambie Community Visions. This provides implementation support for the recently approved Visions and brings the implementation team to full strength. The estimated annual cost of these two positions including fringe benefits is \$131,600 (\$54,900 prorated for fiscal 2006), plus a one time cost of \$12,000 for computers, software, and office equipment.
  - b. THAT Council approve an annual budget of \$20,000 or \$10,000 per Community Vision area (\$10,000 prorated for fiscal 2006) for communications and outreach expenses related to on-going implementation in Arbutus-Ridge/Kerrisdale/Shaghnessy and Riley Park/South Cambie.
  - c. THAT staff report back on action plans to implement the Arbutus-Ridge/Kerrisdale/Shaghnessy and Riley Park/South Cambie Community Visions.

**RECOMMENDATION L: World Urban Forum 2006 - Budget Request**

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- L. THAT Council approve the following recommendation, from *World Urban Forum 2006 - Budget Request (RTS 05049)*, at a cost of \$330,000 in 2006 to be funded as an increase to the 2006 Operating Budget, increasing 2006 property taxes by 0.07%.

- a. THAT Council authorize a one-time funding of \$330,000 to be added to the 2006 Operating Budget without offset for City contributions to the World Urban Forum (WUF), including \$70,000 for policing.
- b. THAT the City Manager be authorized to transfer up to up to a maximum of \$250,000 from Contingency Reserve to police the WUF if significant unforeseen security issues arise.
- c. THAT staff report back with details on the City's budget for the WUF and City involvement in program events.

**RECOMMENDATION M: VEDC 2005 Operating and Financial Results (Unaudited), 2006-2008 Business Plan and 2006 Operating Budget**

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M. THAT Council approve the following recommendations, from *VEDC...2006-2008 Business Plan and 2006 Operating Budget (RTS 05757)* as follows:

- a. THAT Council approve the operating budget request of \$642,000, which reflects general inflation of 4%; funding available within the 2006 Operating Budget
- b. THAT Council fund the VEDC's staff compensation adjustments approved by the VEDC Board resulting from an HR Consultant review of staff attraction and retention by adding to Recommendation (a) at an annual cost of \$60,000 prorated at \$30,000 for 2006; funding to be added to the 2006 Operating Budget, increasing 2006 property taxes by 0.01%.

**CONSIDERATION**

- c. THAT Council approve the following 2006 new program funding requests by the VEDC based on the 2006-2008 economic development priorities determined by Council by choosing one or more of the following options:
  - c.i) Fund the Economic Development Strategy at \$106,000 for 2006: \$43,500 for a contract position and \$62,500 for program costs; release of program costs subject to a report back by the VEDC of a project plan and detailed budget, increasing 2006 property taxes by 0.02%
  - c.ii) Fund the Policy Advice and Development proposal at \$72,500 for 2006 by adding a permanent position to their baseline budget at an annual cost of \$87,000 prorated at \$43,500 for 2006 and \$29,000 for program costs for 2006, increasing 2006 property taxes by 0.01%
  - c.iii) Fund the Marketing Strategy at \$35,000 for 2006, increasing 2006 property taxes by 0.01%
  - c.iv) Fund the proposed Business Attraction Enhancements at \$30,000 for

2006 increasing 2006 property taxes by 0.01%

- d. THAT Council approve that a three-year service contract be entered into between the City of Vancouver (the "City") and the VEDC from 2006 to 2008; and that the service contract be developed and executed by the Director of Legal Services to reflect provisions of adopted recommendations and considerations.

## CONSIDERATION N & O Corporate Management Team Low Priority Funding Requests

### CONSIDERATION N: Heritage Register Update

- N. THAT Council approve the following recommendations, from *Heritage Register Update (RTS 05307)*, at no cost in 2006, however, with funding implications of \$250,000 between 2007 and 2009 at a gross project cost of \$750,000 including outside contributions.
  - a. THAT Council approve the request for funding of the Heritage Register Upgrade program for the amounts of \$100,000 in 2007, \$100,000 in 2008 and \$50,000 in 2009.
  - b. THAT Council direct staff to report back in 2006 with the detailed terms of reference, on the success of obtaining external funding and as a result, the operational and cost impacts to the proposed Vancouver Heritage Register Upgrade Program.

### CONSIDERATION O: Funding for Feasibility Study: Pacific Foundation for the Advancement of Minority Equality (*The Centre - LGTB Community Centre*)

- O. THAT Council approve the following recommendation, from *LGBT Community Centre Feasibility Study (RTS 05557)*, at a cost of \$35,000 in 2006 to be funded as an increase to the 2006 Operating Budget, increasing 2006 property taxes by 0.01%.

THAT Council approve \$35,000 to PFAME (Pacific Foundation for the Advancement of Minority Equality) to complete a Feasibility Study for a LGTB (Lesbian/Gay/Transgender/Bisexual) Community Centre as outlined in the Administrative Report dated March 8, 2006, entitled "Funding for Feasibility Study: Pacific Foundation for the Advancement of Minority Equality (*The Centre - LGTB Community Centre*) and subject to Terms of Reference as outlined in Appendix A.



## CONSIDERATION P

### Adjustments to Fund RECOMMENDATIONS/CONSIDERATIONS E TO O

- P. THAT Council consider choosing from the list of the Type 4 budget adjustments put forward by the Corporate Management Team (listed in Appendix 4 of the report) to fund the new funding requests listed RECOMMENDATIONS/CONSIDERATIONS E to O;

## RECOMMENDATION Q

### Administrative Position Adjustments

- Q. THAT Council approve the position adjustments outlined in Appendix 7 for the Library Board to reflect existing authorized service and funding levels.

*A Summary of all Regular Full Time and Part Time Positions are summarized in Appendix for each of the above RECOMMENDATIONS/CONSIDERATIONS*

## COMMENTS OF THE CITY MANAGER AND DIRECTOR OF FINANCE

The City Manager and Director of Finance note that this has been a challenging year for developing the Operating Budget. Inflationary increases in the cost of the City's core programs, new program costs, requisitions from the GVS&DD and E-Comm, and the impact of the capital program are all running ahead of local inflation. Moreover, the City's non-taxation revenue has not shown sufficient growth to offset these cost increases. This has led to a budget position where Council is faced with approving a tax increase above inflation and/or making adjustments to the services the City provides.

The Preliminary Budget Estimate indicated a tax increase of 6.4% would be required to maintain existing service levels. Council instructed staff to bring forward options that will reduce the property tax increase to the rate of inflation or 2.0%.

In response to Council's instruction to staff to report back on adjustments necessary to achieve a tax increase of 2.0%, the Corporate Management Team has proposed a number of adjustments to the operating budget, exclusive of any consideration for new funding requests.

Since reporting to Council on the Preliminary Budget position, adjustments have been made to the Operating Budget due to improved estimates. This first order of adjustments resulted in a \$3.2 million reduction to the Preliminary Budget position reducing the property tax increase to 5.67%. The tax increase is represented by 5.27% of growth in City costs and 0.40% of growth in outside agency costs. This budget position is reflected in Appendix 1 (page 38 of the report) and is represented in Recommendation B(i).

Subsequent to these base level adjustments, the Corporate Management Team prioritized adjustments on the basis of overall impact to City services/programs and staffing, with Type

1 having the least impact and Type 4 the most significant service impact. Should Council consider any service adjustments, the City Manager and Director of Finance recommend that Council only approve Type 1 adjustments in that they have minimal service impacts and no direct impact on staff.

As noted, the second set of budget adjustments (Type 1) do not impact front line services or staffing (any positions identified are vacant). These adjustments will reduce the property tax increase to 3.24%, of which 2.84% is directly attributed to City costs. This budget position is reflected in Recommendation B (ii).

*The City Manager and the Director of Finance support Recommendation B(ii) given that this tax increase would limit the impact on service levels, yet achieve a reasonable tax increase of 3.24% of which City costs would represent 2.84%.*

The third and fourth level of adjustments (Type 2 and 3) provide Council with the option to bring the property tax increase to level of inflation of 1.98%. These adjustments will impact City services and staffing, but do allow Council to achieve a property tax increase at the rate of inflation.

Eleven funding requests (RECOMMENDATIONS F TO O), totalling \$4.1 million or 0.90% property tax increase, have been identified and are listed in Appendix 2. Detailed reports were submitted to Council on the major funding requests on March 21, 2006 and March 23, 2006.

With regards to these funding requests, Council has a choice to either forego approving these requests, increase property taxes, or to trade off these requests with existing services. To provide Council with the flexibility needed to achieve a property tax increase of 2% and approve the funding requests, adjustments, categorized as Type 4, have been identified on page 86. These adjustments have been determined to have the most serious impact on existing services and staff.

The most significant request before Council relates to an approval by Council in 2005 to increase the Vancouver Police Department (VPD) sworn and civilian staffing levels by 154 positions over two years (77 in each of 2005 and 2006). This approval was related to an independent review in 2005 of the Department's long range staffing plan. This review had recommended an increase of 146 positions for the same two years (8 positions less than what Council approved).

Council's second year approval of 50 officers and 27 civilians was contingent on a joint VPD/City Steering Committee developing a Strategic Operating Plan, identifying potential savings to reduce the cost of the staff increase, and implementing the recommendations in the independent review. To meet this requirement, an Operational Review of the Vancouver Police Department was initiated in the summer of 2005 to be completed by March 2007.

The first phase of this review was reported to Council on March 21, 2006, and included a

Strategic Operating Plan, a Civilianization Study, and Preliminary Overtime Study. The results of Phase I are considered to be preliminary given that much of the operational planning required to identify the full extent of the Department's potential efficiencies will not be realized until the completion of Phase II of the Operational Review.

Given that the results of the VPD Operational Review are still preliminary, the Interim Budget report provides Council with options on how to fund the police staffing request, including:

- providing funding for the positions identified through civilianization (*RECOMMENDATION E(i) - 19 Civilian Positions and increased deployment opportunities*);
- providing funding to the level recommended in 2005 by the Joint VPD/City Steering Committee (*RECOMMENDATION E(ii) - 23 Sworn Officers and 46 Civilian Positions - Total 69 Positions*); or
- providing funding to the level conditionally approved by Council in 2005 (*RECOMMENDATION E(iii) - 31 Sworn Officers and 46 Civilian Positions - Total 77 Positions*)

*The City Manager and Director of Finance recommend that Council approve the VPD staffing increase as originally proposed by the Joint Steering Committee in 2005 and is reflected in RECOMMENDATION E(ii).*

*Phase I of the Operational Review does not include the operational plans that would ascertain the appropriate level of police resources or the available efficiencies to mitigate the resource requirements. This will only be available after Phase II of the Operational Review is completed in 2007.*

*The only independent evaluation on the VPD's required staffing levels is the study by the University of Fraser Valley in 2005. Therefore, the City Manager and the Director of Finance can only support the original 69 positions proposed by the Joint VPD/City Steering Committee in 2005.*

*The public consultation of both residents and businesses indicated a general support for increasing policing and a willingness to pay additional taxes for that increase. Therefore, the City Manager and Director of Finance recommend that cost of the additional policing be funded through increased property taxes.*

*Assuming Council approves the level of adjustments in RECOMMENDATION B (ii), the property tax increase would be 3.77% of which 3.37% would represent City costs.*

Non-VPD related funded requests total \$1.4 million or a maximum tax increase of 0.30%. Approving all these funding requests, the VPD staffing (based on Recommendation E(ii), and the adjustments included in Recommendation B(ii)) will result in a tax increase of 4.07%.

Council will be reviewing the City's tax distribution between residential and business properties on April 18, 2006. Any decision to shift property taxes away from businesses will impact the residential property taxes. For example, a 1% tax shift will increase residential property taxes by an additional 2.3% while reducing the business property taxes by 1.8%. The feedback from the public consultation identified that 55% of residents did not support a property tax shift while 67% of businesses supported a property tax shift.

Though the property tax increase is above inflationary levels, the increase reflects Council's practice to pass on the cost of outside agencies and the public's willingness to pay for additional policing resources. In deliberating over the final decision to balance the 2006 Operating Budget, Council should consider the feedback received through the public participation process. The City canvassed the views of the public in relation to the current budget position in a formal opinion poll. The results of that process indicate that the public values City services, believes they have seen the quality of services maintained or improved over the years and believe they get good value for the property taxes they pay.

The level of property tax increase acceptable to the public varies between residents and businesses. Of the residential respondents to the survey, 62% indicate a willingness to accept a tax increase of 6.0% in order to avoid service reductions, increasing to 74% at a 4.0% increase, and 87% at a 2% tax increase. On the other hand of the business respondents, surveyed for the first time since 1997, 34% indicate a willingness to accept a tax increase of 6.0% in order to avoid service reductions, increasing to 48% at a 4.0% increase, and 70% at a 2% increase. The results of the public participation process are provided in an accompanying report.

*2006 has been a challenging year to balance the City's Operating Budget due to the significant number of new programs approved in 2005 on top of the increasing cost of City services mainly as a result of collective agreements. For this reason, the Corporate Management Team attempted to limit the number of funding requests to programs that were requested by Council for report back, required approval for continuation, were requested by outside agencies, or had available sources of funding.*

*Even with these measures, there are \$4.1 million of funding requests that, should they all be approved by Council, have an incremental impact of \$2.4 million in 2007 or a 0.5% tax increase. Should Council agree to the adjustments outlined in RECOMMENDATIONS B(ii), \$3.1 million of one time adjustments will need to be returned to the 2007 Operating Budget, adding a further 0.7% tax increase. With general inflationary increases in the range of 2.5% to 4%, the City could be faced with a tax increase between 3.7% to 5.2% in 2007.*

*This prediction does not include any potential new priorities, programs, or any revenue changes that may need to be considered in 2007. Therefore, to properly manage the growth of the operating budget, Council needs to assess these additional funding requests in relation to existing services and provide support for only those requests that are of significant priority to Council.*

The table on the next page summarizes the options included in the interim budget.

	Adjustment (\$000)	Tax Impact	Budget Position (\$000)	Net Tax Increase
<b>Preliminary Budget Position</b>			29,238	6.37%
<b>Base Budget Adjustments - Interim Budget Position</b>				
RECOMMENDATION B(i)	3,229	0.70%	26,009	5.67%
<b>Budget Adjustments to Reach 2% Tax Increase</b>				
<b>Type 1 Adjustments - Minimum Impact on Services/Staffing</b>				
RECOMMENDATION B(ii)	11,142	2.43%	14,867	3.24%
<b>Type 2 Adjustments - Some Impact on Services/Staffing</b>				
RECOMMENDATION B(iii)	1,856	0.40%	13,011	2.84%
<b>Type 3 Adjustments - Impact on Services/Staff</b>				
RECOMMENDATION B(iv)	3,935	0.86%	9,076	1.98%
<b>Vancouver Police Department Staffing Request</b>				
<b>Option 1 - 19 Positions - Sworn (+0) &amp; Civilian (+19)</b>				
RECOMMENDATION E(i)	735	0.16%	9,811	2.14%
<b>Option 2 - 42 Positions - Sworn (+23) &amp; Civilian (+46)</b>				
RECOMMENDATION E(ii)	2,455	0.53%	11,531	2.51%
<b>Option 3 - Sworn - 50 Positions (+31) &amp; Civilian (+46)</b>				
RECOMMENDATION E(iii)	2,730	0.60%	11,806	2.58%
<b>Non-Vancouver Police Funding Requests</b>				
RECOMMENDATIONS F to O	1,377	0.30%	13,183	2.88%
*Based on Option 3 for VPD Staffing				
<b>Potential Funding for New Funding Requests (Type 4 Adjustments)</b>				
VPD Staffing Adjustments	4,330	0.94%		
Non-VPD Departmental Adjustments	2,509	0.55%		
RECOMMENDATION P	6,839	1.49%		
<b>Funding Requests with Funding Source</b>				
RECOMMENDATIONS C and D	949	0.00	13,183	2.88%

## COUNCIL POLICY

The Vancouver Charter requires the Director of Finance to present the estimates of revenues and expenditures to Council no later than April 30 each year and for Council to adopt a resolution approving the budget and a rating bylaw establishing general purpose tax rates as soon thereafter as possible. There are generally three reports to Council in the budget building process.

- The Preliminary Budget Report provides Council with the first indication of the budget request from Departments and Boards. This report was considered by Council on January 31, 2006.
- The Interim Report provides options to Council to bring the tax increase to the level of inflation and seeks Council approval to finalize the estimates, bringing the budget into balance.
- The Final Report on the Operating Budget presents the finalized revenue and expenditure estimates including any adjustments approved by Council at the Interim Report stage. The Final Report is accompanied by a resolution in which Council adopts the estimates for the year.

It has been Council policy that general purpose tax increases associated with development of the Operating Budget be held within the range of local inflation. However, in approving the annual budget, Council has also adopted a practice of passing tax increases related to requisitions from outside agencies, including the Greater Vancouver Sewerage and Drainage District and E-Comm, through to taxpayers rather than forcing offsetting reductions in City programs and services to meet Council's taxation objectives. As well, Council has a practice of passing on tax increases related to major funding initiatives, in particular for significant increases in policing resources.

It is Council policy that changes in service levels, either expansions or reductions are approved by Council. This includes the creation and deletion of regular positions and the allocation of funding from general revenues or taxation.

## PURPOSE

The purpose of this report is to:

- bring the updated estimates in the 2006 Operating Budget to Council;
- offer a series of budget adjustments to provide Council options to reduce the property tax increase to the rate of inflation of 2%; and
- provide options for the funding new funding requests.

## BACKGROUND

On January 31, 2006, the Director of Finance presented the preliminary estimates of the 2006 Operating Budget to Council for information. That report indicated that, after a detailed review of the estimates, a property tax increase of 6.37% would be required to maintain

current service levels. The report confirmed that the driving factors impacting on the 2006 Operating Budget were:

- inflationary salary and non-salary costs
- costs for new programs and services including Park Board “added basic” costs
- increased capital expenditure program costs;
- increased revenues related to taxation from new construction, short term interest and service and inspection fees; and
- costs imposed on the City from outside organizations that amounts to a 0.40% tax increase due to:
  - increase in E-Comm costs;
  - increase in regional sewerage costs;
  - the introduction of regional GPS service; and
  - the requirement to provide funding for the City’s participation in CISBC, the provincial arm of CIS Canada.

Following from the report, Council approved the following recommendations:

- A. *THAT Council receive for information the preliminary estimates for the 2006 operating budget as outlined in the Administrative Report 2006 Operating Budget - Preliminary Estimates dated January 23, 2006, and summarized in Appendix 1 of the report.*
- B. *THAT the Director of Finance, in consultation with the Corporate Management Team, report the interim estimates to Council by early April 2006 along with options to achieve a property tax increase below 6.4% and no lower than inflationary levels, including options for bringing in more revenues from nonproperty tax sources.*
- C. *THAT Council receive a list of new funding requests for information as outlined in Appendix 2 of the Administrative Report 2006 Operating Budget - Preliminary Estimates dated January 23, 2006, and defer any decisions on these requests until the Interim Budget Report.*
- D. *THAT Council approve a March recruit class of 25 for the Vancouver Police Department, with no increase in authorized strength, at a cost of \$1.25 million to be added to the 2006 Operating Budget without offset.*
- E. *THAT Council instruct the Director of Finance to proceed with the following public consultation process options:*
  - i) a public opinion poll on the 2006 Operating Budget challenge at an estimated cost of \$25,000, including business tax payers;*
  - ii) a "City Choice" flyer outlining the budget challenge faced by Council at a cost of approximately \$35,000;*
  - iii) a public meeting on the 2006 Operating Budget to be held prior to the Interim Report on the 2006 Budget at minimal cost to the City.*

*An additional \$8,000 is required for overall advertising; funding for the public consultation program is to be added to the 2006 Operating Budget without offset.*



F. THAT staff report back in March on options for a tax shift to provide relief to businesses, including the impact of those options on a residential tax increase.\*

G. THAT staff report back on system adjustments to allow for changes to the capital funding from operating over the 3-year capital plan cycle.

\*The report back on tax shift options will be reported on April 18, 2006.

## DISCUSSION

### 1. The Current Budget Position

The Operating Budget position has improved since the preliminary estimates were presented to Council in early 2006. Overall, the budget shortfall has been reduced by \$3.2 million. The following table summarizes the current position of the estimates.

<b>Revenues</b>		<b>\$000</b>
Taxation Revenue	\$497,661	
General Revenue	153,672	
Utility Fees	135,210	
Transfers	<u>7,160</u>	<b>\$793,703</b>
<b>Expenditures</b>		
Departmental Expenditures	\$575,816	
Utility Expenditures	169,513	
Capital Program	68,887	
Transfers	<u>5,496</u>	<b>\$819,712</b>
<b>Net Budget Position</b>		<b>(\$26,009)</b>
<b>Indicated Property Tax Increase</b>		<b><u>5.67%</u></b>

The budget shortfall reflected above is \$26.0 million equivalent to 5.67% tax increase. Additional detail of these estimates is provided in Appendix 1, along with comparative information from the 2005 Operating Budget.

The major changes since the preliminary budget position are summarized in Table 1 below.

**Table 1 - Adjustments to Preliminary Budget Position**

**ADJUSTMENTS**

Description		Budget Impact (\$000)	Tax Impact
On-Street Parking Revenues	Rate increases and expansion of parking meters approved by Council on March 21, 2006	650	0.14%
By-Law Fines	New parking enforcement processes and recognition of previous year trends.	200	0.04%
Payment in Lieu of Taxes	Based on 2005 experience, adjustments have been made to estimated revenues	\$1,000	0.22%
Street Furniture	Based on 2005 experience, adjustments have been made to estimated revenues	\$160	0.03%
Property Taxes	The BC Assessment final roll includes an increase in new construction of \$0.67 million offset by a loss in base taxes of \$0.75 million due to Supplemental Roll adjustments resulting mainly from 2005 assessment appeals.	(84)	(0.02%)
Traffic Fine Sharing Revenues	The Provincial Government slightly increased total Traffic Fine Sharing Revenues to be distributed to municipalities in 2006. However, the City's share decreased by \$400,000 due to increased secondments by the Vancouver Police Department (which are excluded from the distribution calculation) and significant increases in other municipal police department expenditures, particularly the Municipality of Surrey which reduced the City's overall share of revenues.	(400)	(0.09%)
Police Department Adjustment	The VPD sworn salary estimates were adjusted to reflect actual staffing and recruit levels in late 2005 and early 2006.	522	0.11%
Engineering	Correct the transfer of costs between sanitation and public works	117	0.03%
Miscellaneous	Miscellaneous Adjustments	\$1,064	0.24%
<b>TOTAL ADJUSTMENTS</b>		<b>3,229</b>	<b>0.70%</b>

**2. The Park Board Global Budget**

The interim estimates make full provision for the Park Board Global Budget of \$55,230,800 including added basic funding of \$956,800. The global budget has been determined by the City and Board staff according to the principles agreed upon in the arrangement with Council. In short, these principles require the Park Board to increase its fees and charges based on the increase in City costs in order to receive adjustments on the expenditure side (employment costs, inflation and added basic) of its budget on the same basis as other departments. The base budget has been adjusted to reflect changes in salary and benefit costs arising from collective agreements and non-salary costs have been increased by the same percentage provided to all departments.

Added basic is the ongoing operating cost of capital projects approved by the Park Board and Council. Under the global budget arrangement, Council has agreed to add these costs to the Park Board budget. The 2006 request includes \$629,300 of additional funding for maintenance and support of new buildings and parks infrastructure. One-time funding of \$327,500 for loss of 2006 net revenue due to on-going capital work at Fraserview Golf Course and reservoir redevelopment at Queen Elizabeth Park is also included in the added basic calculation.

Included in the Park Board global budget is \$246,000 related to Council approved ethical purchasing program.

Should Council approve any budget reductions to achieve its taxation targets in 2006, adjustments would be required to the Park Board Global Budget.

### **3. Achieving the Council-Mandated Property Tax Increase**

In order to respond to Council's policy of holding tax increases near the rate of inflation, the Director of Finance, in conjunction with the Corporate Management Team (CMT), developed a series of proposals to further reduce the budget. CMT categorized these proposals into those adjustments that could be made without significant impact on services and those that would result in more significant service level reductions. In putting these proposals forward, the Corporate Management Team notes that it is increasingly difficult to make changes in the budget without impacting on service, both internally or to the public.

The adjustments put forward distinguish between those adjustments of a corporate nature, in that they do not target individual department budgets, and those that relate to departmental budgets and services.

Park Board staff have worked with the Corporate Management Team in this process; however, the Board has not approved specific reductions. As a result, with the exception of specific Council approved programs provided by the Park Board, Council would approve general reductions in the Park Board budget, leaving the Park Board to determine the specific adjustments that would be implemented.

Appendix 4 details all the Corporate and departmental adjustments and the impact of the adjustment to City services. Type 1 adjustments have only minor impacts on service levels and no impact on staffing. Type 2 adjustments have some impact on service levels and impact on staffing. Type 3 adjustments have more significant impact on services and staffing.

<b>Type 1 Adjustments</b>	<b>14.1 FTE</b>	<b>\$11.14 million (2.43% Tax Reduction)</b>
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***Corporate Adjustments: \$5.58 million (1.22% Tax Reduction)***

The Corporate adjustments listed in Appendix 3, include reduction to the New and Non Recurring Fund, elimination of the General Program Account used to fund the first year of social, cultural, and sustainable initiatives, reduction in Contingency Reserve, increases to Development fees to recover Corporate overhead, the introduction of a Street Degradation Fee to recover the long term impact of street cuts to the City's street system, and deferral of Capital from Revenue.

***Departmental Adjustments 14.1 FTE \$5.56 million (1.21% Tax Reduction)***

The Departmental adjustments listed in Appendix 4 have been determined to have minimum impacts on Departments. Associated with these adjustments would be the elimination of 14.1 regular full time and part time positions which are all currently vacant.

Should Council approve these adjustments, the property tax increase would be reduced by 2.43% to 3.24%; reflecting 2.84% in growth in City Costs and 0.40% in growth in outside agency costs.

<b>Type 2 Adjustments</b>	<b>23.5 FTE</b>	<b>\$1.86 million (0.40% Tax Reduction)</b>
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***Corporate Adjustments: \$0.40 million (0.09% tax reduction)***

The Corporate adjustments listed in Appendix 3, involve increasing fines for parking tickets both for early and late redemption of payments.

***Departmental Adjustments 23.5 FTE \$1.46 million (0.31% tax reduction)***

The Departmental adjustments listed in Appendix 4 have been determined to have some impact on services and/or staffing. Associated with these adjustments would be the elimination of 23.5 regular full time and part time positions.

Should Council approve these adjustments, the property tax increase would be reduced by 0.40% to 2.84%; reflecting 2.44% in growth in City costs and 0.40% in growth in outside agency costs.

**Type 3 Adjustments                          28.2 FTE                          \$3.94 million (0.86% tax reduction)**

*Corporate Adjustments:*    *0.68 million (0.15% tax reduction)*  
The Corporate adjustments listed in Appendix 3, involve increasing development fees to reflect "inferred" costs as well as eliminating the subsidy provided to Leaky Condo owners.

*Departmental Adjustments                  28.2 FTE                  \$3.26 million (0.71% tax reduction)*  
The Departmental adjustments listed in Appendix 4 have been determined to have more significant impact on services and/or staffing impacts. Associated with these adjustments would be the elimination of 28.2 regular full time and part time positions.

Should Council approve these adjustments, the property tax increase would be reduced by 0.86% to 1.98%; reflecting 1.58% in growth in City costs and 0.40% in growth in outside agency costs.

**4. Additional Funding Requests for 2006**

Anticipating the budget challenge for 2006, the Corporate Management Team (CMT) had agreed to limit the number of initiatives submitted through the budget process as well as limit requests to be funded through Contingency Reserve, after the 2006 Operating Budget is set. Funding requests that were given priority for submission to the budget process included:

- Previous Council requested report back;
- Requests for program continuation;
- Requests deemed to be of a high priority by CMT; and
- Programs that have an identifiable source of funds.

Appendix 2 includes a list of those funding requests under the following criteria:

**Table 2 - Summary of New Funding Requests**

Funding Request Categories	FTE	\$Impact (millions)	Tax Impact
<b>Group A - Vancouver Police Staffing - Report Back</b> Position Approval (31 Officers & 46 Civilian)	77	\$2.73	0.60%
<b>Total Group A Funding Requests</b>			
<b>Group B - Previous Council Requested Report Back</b>			
Group B (i) - High Priority	4	\$0.66	0.14%
Group B (ii) - Low Priority	3	\$0.04	0.01%
<b>Total Group B Funding Requests</b>	7	\$0.70	0.15%
<b>Group C - Programs With No Funding Source</b>			
Group C (i) - Program Continuation	5	\$0.36	0.08%
Group C (ii) New or Expanded Programs	-	\$0.05	0.01%
Group C (iii) Outside Agency Requests*	=	\$0.27	0.06%
<b>Total Group C Funding Requests</b>	5	\$0.68	0.15%
<b>Total Programs With Funding Impact</b>	<b>89</b>	<b>\$4.11</b>	<b>0.90%</b>
<b>Group D - Programs with Available Funding Sources</b>	6	\$0.95	n/a
<b>Total Funding Requests</b>	<b>95</b>	<b>\$5.06</b>	<b>0.90%</b>

\*Maximum Funding Request

To facilitate Council's decision making process, funding requests were reported to Council on March 23, 2006 while Vancouver Police Department Operational Review (Phase I) was reported on March 21, 2006. Approval for all funding requests were deferred to the 2006 Interim Operating Budget.

March 23, 2006 Reports:

<http://vancouver.ca/ctyclerk/cclerk/20060323/csb20060323.htm>)

Vancouver Police Department Operational Review :

<http://vancouver.ca/ctyclerk/cclerk/20060321/documents/rr1.pdf>)

Should Council approve all the funding requests, the property tax increase would be increased from by 0.90% from 1.98% to 2.88% unless Council approves further adjustments categorized as Type 4 (see discussion below)

## a) Funding Requests with No Funding Source

### *Group A - Vancouver Police Department Staffing Request*

In response to the Vancouver Police Department Strategic Plan 2004 - 2008 and the development of a long-range staffing plan developed by the Department, in 2005 a consultant (the University College of the Fraser Valley) was jointly hired by the City and the Vancouver Police Board to independently evaluate the long-range staffing request in conjunction with the VPD Strategic Plan. This Staffing Review, led by a VPD/City Steering Committee, was one of three joint Police and City staffing reviews that occurred in 2005.

The Staffing Review recommended an increase of 92 sworn officers and 55 civilian staff. In 2005 the Steering Committee agreed to support the consultants' staffing recommendations, but to stage the increases over two years (65 to be hired in 2005, 27 to be hired in January 2006) and reduce the civilian request by one to allow for hiring of project consultant to assist in implementing the recommendations of the independent review. This resulted in the two year Operational Review, whose Phase I outcomes were reported to Council on March 21, 2006.

In 2005, the Steering Committee also committed to identifying savings from overtime reductions, shared services efficiency opportunities, and other efficiencies to offset the cost of the positions that were to be approved for 2006. Council during the 2005 Operating Budget deliberations had modified the staffing recommendation from 92 sworn officers to 100 sworn officers (50 sworn officers and 27 civilian staff for both 2005 and 2006). Along with the need to identify savings to offset the 2006 staffing costs, Council stipulated that the 2006 staffing approval would be subject to Council approving a Strategic Operating Plan.

The original recommendation from the Joint Steering Committee included a higher level of hiring in 2005 (65 sworn officers and 27 civilians), with the remaining 27 sworn officers and 20 civilians to be hired in January 2006. Council's decision to increase the number of sworn officers by 8 positions and to conditionally approve the 2006 hiring of 50 sworn officers contingent on receiving a report-back, had the effect of delaying the hiring of these new sworn officers from January 2006 to mid-2006.

The estimated cost for the sworn and civilian staff increase is estimated at \$4.05 million, including a recruit class of 25 pre-approved by Council on January 31, 2006. The first phase of the Operational Review achieved partial offsets from overtime and civilianization with no savings from shared services until possibly in 2007. The Operational Review identified 19 sworn positions that can be civilianized and a reduction of \$700,000 in overtime, leaving \$2.73 million to be funded.

Given the overall budget challenge and that the savings from Phase I of the Operational Review does not offset the total cost of the staffing request, funding options have been developed for Council.

Note - all options are based on Civilianizing 19 positions and overtime savings of \$700,000 in 2006 and \$800,000 in 2007.

**Option 1 (RECOMMENDATION E(i))** -no increase in Authorized Strength (though increase in deployment) or Civilian Staffing other than through Civilianization - results in an increase in 19 civilian positions with no change in authorized strength. Additional staffing would be reviewed after the completion of Phase II of the Operational Review.

Though this option does not include an increase in authorized strength, by creating 19 civilian positions and maintaining the Department's authorized strength, the Department will benefit from an additional 19 police positions being available for redeployment. Further, this option provides Council with the opportunity to review the full results of the Operation Review to ensure that any potential increase in staffing is approved only after full efficiencies within the Department are identified. However, this option does not achieve the level of staffing that was endorsed by the joint Steering Committee in 2005 or the level originally envisioned by Council in 2005. In effect, 69 sworn officer positions and 27 civilians are added over 2 years.

**Option 2 (RECOMMENDATION E(ii) - Based on original recommendation of the Joint VPD/City Steering Committee)** - Increase Sworn Officer to the Level Recommended in 2005 by the Joint VPD/City Steering Committee - results in an increase of 23 Sworn Officers and 46 Civilian Staff.

This option would provide an increase in overall staffing as recommended by the Staff Steering Committee in 2005 of 92 sworn and 54 civilian positions over two years.

**Option 3 (RECOMMENDATION E(iii) -Based on 2005 Council Approval)** - Increase Staffing to the Level Approved by Council in 2005 - results in 31 Sworn Officers and 46 Civilian Staff

This option would provide an increase in overall staffing as modified by Council in 2005, which added 8 sworn officers to the original Steering Committee recommendations, and achieves the 2005 Council approval of 100 sworn officers and 54 civilians over two years.

**Table 3 - Financial Implications of Police Staffing Options**

	Authorized Strength		Impact (\$ million)		
	Sworn	Civilian	2006	Tax %	2007
<b>Current Authorized Strength</b>	<b>1,174</b>	<b>281.5</b>			
<b>Option 1 - Sworn (+0)/Civilian (+19)</b>	1,174	300.5	\$0.73	0.16%	\$0.25
<b>Option 2 - Sworn (+23)/Civilian (+46)</b>	1,197	327.5	\$2.45	0.53%	\$4.10
<b>Option 3 - Sworn (+31)/Civilian (+46)</b>	1,205	327.5	\$2.73	0.60%	\$4.34

Appendix 5 provides detailed costing for each option including a list of all recommended positions for each option.



**Group B and C - Other Funding Requests with No Funding Source**

Table 4 summarizes the non-VPD funding requests that do not have a funding source, if approved will require an increase in property taxes or further adjustments. Each of the requests are detailed in Appendix 2 and their associated regular full time and part time positions listed in Appendix 6. All of the request with the exception of the Heritage Register, GBLT Community Centre Feasibility Study, and the Board of Variance were considered high priority by CMT.

**Table 4 - Non-VPD Funding Requests**

Funding Request	FTE (Reg. PT & FT)	Impact (\$ million)		
		2006	Tax %	2007
<b>Group B - Report Back</b>				
<b>Group B(i) - High Priority</b>				
Development Application Process	4.00	\$0.165	0.03%	\$0.291
Employee Relations & Advisory Services	3.00	\$0.168	0.04%	\$0.223
World Urban Forum	-	\$0.330	0.07%	-
<b>Total Group B(i) - High Priority</b>	<b>7.00</b>	<b>\$0.663</b>	<b>0.14%</b>	<b>\$0.514</b>
<b>Group B(ii) - Low Priority</b>				
GBLT Community Centre Feasibility Study	-	\$0.035	0.01%	-
Heritage Register	-	-	-	0.100
<b>Total Group B(ii) - Low Priority</b>	<b>-</b>	<b>\$0.035</b>	<b>0.01%</b>	<b>\$0.100</b>
<b>Group C - Programs with No Funding Source</b>				
<b>Group C(i) - Program Continuation</b>				
Community Visions & Area Planning	-	\$0.064	0.01%	0.556
Visions & Area Planning Implementation	2.00	\$0.077	0.02%	0.152
Drug Policy & Prevention Program	3.00	\$0.220	0.05%	0.320
<b>Total Group C(i) - High Priority</b>	<b>5.00</b>	<b>\$0.361</b>	<b>0.08%</b>	<b>\$1.028</b>
<b>Group C(ii) - New or Expanded Programs</b>				
Chinese Media Monitoring	-	0.045	0.01%	\$0.045
<b>Group C(iii) - Outside Agency Request</b>				
Vancouver Economic Development Comm Recommendation		\$0.030	0.01%	\$0.060
Option 1 - Economic Dev Strategy		\$0.106	0.02%	\$0.212
Option 2 - Policy Advice & Dev.		\$0.072	0.01%	\$0.137
Option 3 - Marketing Strategy		\$0.035	0.01%	\$0.035
Option 4 - Business Attraction		\$0.030	0.01%	\$0.030
<b>Total VEDC Funding Request</b>		<b>\$0.273</b>	<b>0.06%</b>	<b>\$0.474</b>
Board of Variance (CMT Low Priority - Funding Request Withdrawn)	-	-	-	-
<b>Total Funding Requests With No Funding Source</b>	<b>12.00</b>	<b>\$1.377</b>	<b>0.30%</b>	<b>\$2.161</b>

Each of these funding requests are included in Recommendations F to O.

### *Funding Options for Group A to C Funding Requests*

In reviewing the funding requests, Council is faced with either increasing property taxes to pay for these new services or to trade them off against existing services. Should Council choose to reduce property taxes to 2% and approve the funding requests detailed in Appendix 2, further adjustments would be required beyond those identified in the Type 1, 2 and 3 categories. The next order of adjustments that will allow Council to achieve an inflationary increase and fund new programs have been determined to have the most significant impact on services and staffing and have been categorized as Type 4.

Included in the Type 4 Adjustment category is a potential reduction in police staffing with a budget reduction of \$4.3 million. Given the increased staffing request from the VPD, this adjustment would obviously not apply to the Group A - Police funding request. However, an additional \$2.5 million of non-police adjustments have been identified that are available to offset the police funding request. Both the VPD and Non-VPD Type 4 adjustments are detailed in Appendix 4.

<b>Type 4 Adjustments</b>	<b>95.5 FTE</b>	<b>\$6.84 million (1.49% Tax Reduction)</b>
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<b>VPD Adjustments</b>	<b>66.0 FTE</b>	<b>\$4.33 million (0.94% Tax Reduction)</b>
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The VPD adjustments listed in Appendix 4, involve permanent reduction of 66 officers.

<b>Non-VPD Adjustments</b>	<b>29.5 FTE</b>	<b>\$2.51 million (0.55% Tax Reduction)</b>
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The Departmental adjustments listed in Appendix 4 have been determined to have significant impact on services and/or staffing impacts. Associated with these adjustments would be the elimination of 29.5 regular full time and part time positions.

**Group D - Programs With Funding Source**

Table 5 summarizes the funding requests with available funding sources and therefore do not have property tax implications. Each of the requests are detailed in Appendix 2 and their associated regular full time and part time positions listed in Appendix 6. All of the request were considered high priority by CMT.

**Table 5 - Funding Requests with Available Funding**

Funding Request	FTE (Reg. PT & FT)	Impact (\$ million)		
		2006	Tax %	2007
<b>Group D - Programs with Funding Source</b>				
GIS Systems Analyst	1.0	\$0.080	n/a	\$0.080
Web Master	1.0	\$0.065	n/a	\$0.065
Systems Analyst: City Manager/Council	1.0	\$0.080	n/a	\$0.080
Ergonomic Program	-	\$0.325	n/a	\$0.325
Library Assistant at Oakridge Branch	1.0	\$0.040	n/a	\$0.040
Trades Maint. & Building Maint. Workers	2.0	\$0.099	n/a	\$0.099
3-1-1 Feasibility Study	-	\$0.260	n/a	-
<b>Total Group D - Programs With Funding Source</b>	<b>6.00</b>	<b>\$0.949</b>	<b>n/a</b>	<b>\$0.689</b>

Each of these funding requests, except the 3-1-1 feasibility study, whose approval is provided by the City Manager as a strategic initiative funded by the Strategic Initiative Fund, are included in Recommendations C and D.

**5. Adjustments to the Capital Program**

On January 31, 2006, Council requested that staff report back on "...system adjustments to allow for changes to the capital funding from operating over the 3-year capital plan cycle."

Capital from Revenue, or pay as you go financing, is provided in the annual Operating Budget based on the requirements identified in the three year Capital Plan.

The 2006 - 2008 Capital Plan includes \$55.6 million of Capital from Revenue over the three years. As the Operating Budget and property tax levy are sensitive to funding changes, Capital from Revenue is normally provided in roughly equal instalments over the plan. The distribution of Capital from Revenues the current plan is anticipated as:

- 2006        \$18.0 million
- 2007        \$18.5 million
- 2008        \$19.1 million

If Council wishes to adjust the provision of Capital from Revenue as a means of reducing the 2006 tax increase, the most appropriate way would be to reallocate the reduction to

2007 and 2008. Reducing the allocation in 2006 will have no long term impacts on the Plan if the total funding is provided by 2008. Reducing Capital from Revenue in 2006 but maintaining the planned allocation of \$55.6 million will create pressure on the 2007 and 2008 Operating Budgets but will not, in itself, result in projects being delayed or foregone. For each \$1.0 million of funding deferred in 2006, Council would shift a 0.2% tax increase to 2007 or 2008. However, if budget pressures in 2007 require further deferral of Capital from Revenue, staff would report back on which projects may not be funded.

If Council were to reduce the 2006 Capital from Revenue allocation, it is unlikely to have a significant impact on the 2006 Capital Budget. While less funding would be available, many capital programs can access debenture funding in the early years of the plan to make up for capital from revenue deferral. For projects funded entirely from Capital from Revenue, many would not require funding in 2006 in any case and would not be funded until 2007 or 2008. In other words, staff would attempt to manage the capital budget to ensure those projects that need to proceed would be allocated funding and would report with the Capital Budget any difficulties that may arise so appropriate trade-offs can be made.

One of the Type 1 Corporate Adjustments is to reduce the Capital from Revenue allocation by \$1 million. The CMT does not believe that this deferral would have a significant impact on the 2006 Capital Budget as long as Council fully allocates \$55.6 million of Capital from Revenue over the life of the Capital Plan. Therefore, by reducing the allocation in 2006, the net impact of Capital from Revenue on 2007 and 2008 would be as follows:

\$000

	2006	2007	2008	Capital Plan
<b>Capital From Revenue Per Year Based on Initial Distribution</b>	\$18,000	\$18,500	\$19,100	\$55,600

**Net Impact on the Change of Capital from Revenue:**

2006 Capital from Revenue Reduction	(\$1,000)			
Requirement to Complete Plan		-	\$1,000	
<b>Capital From Revenue Per Year Based on New Distribution</b>	\$17,000	\$18,500	\$20,100	\$55,600
<b>Year Over Year Change in Capital from Revenue Funding</b>		\$1,500	\$1,600	

The above funding strategy evens out the impact of the reduction so that the net change from one year to the next is relatively consistent. If the funding was brought back in equal instalments of \$500,000 in each year, there would be a more pronounced impact in 2007 - \$2.0 million increase in 2007 and \$600 increase in 2008.

## 6. Revenue Opportunities

On January 31, 2006, Council requested that staff report back on "*...options for bringing in more revenues from non property tax sources*" when bringing back options to Council to bring the property tax increase to the rate of inflation.

In response to this instruction, Appendix 3 and 4 includes non property tax revenue opportunities for Council's consideration and are summarized in the following page.

Like expenditures, introducing new revenues/fees or increasing fees does have implications. For this reason, each of these revenues was categorized as Type 1, Type 2, or Type 3 to provide Council an indication of the implications for each of these revenue proposals. Overall, there are \$3.7 million of proposed revenue adjustments for a potential tax reduction of 0.80%.

Ref #	Department Responsibility	Proposal	\$ Impact	Tax Impact
<b>CORPORATE REVENUES</b>				
4	Community Services	Development Fees - Eliminate revenue subsidy - tree retention	45,000	0.01%
5	Community Services	Development Fees -Charge fees to recover Corporate Overhead	589,000	0.13%
6	Engineering	Utility Street Degradation Fee	450,000	0.10%
<b>Total Type 1 Revenue Adjustments</b>			<b>1,084,000</b>	<b>0.24%</b>
9	Engineering	By-Law Fines - Increase Parking Ticket Fines	400,000	0.09%
<b>Total Type 2 Revenue Adjustments</b>			<b>400,000</b>	<b>0.09%</b>
10	Community Services	Development Fees - Eliminate Revenue Development Fees - Subsidy on Leaky Condos	175,000	0.04%
11	Community Services	Charge Fees for Inferred Costs	500,000	0.11%
<b>Total Type 3 Revenue Adjustments</b>			<b>675,000</b>	<b>0.15%</b>
<b>Total Corporate Revenue Adjustments</b>			<b>2,159,000</b>	<b>0.47%</b>
<b>DEPARTMENTAL REVENUES</b>				
12	Britannia	Increase Rink Revenues	20,000	0.00%
13	Civic Theatres	Increase Event revenues	16,400	0.00%
19A	Corporate Services	Increase/revise fees for Lease assignment	7,000	0.00%
19B	Corporate Services	Increase NSF Fees	5,000	0.00%
19C	Corporate Services	Rent Facility for Movies	10,000	0.00%
20A	Corporate Services	Revise Fee Structure for Mortgage Co.	86,000	0.02%
20B	Corporate Services	Fee for apportionment of Property Tax	24,000	0.01%
20C	Corporate Services	Increase Tax Certificate Fees	38,000	0.01%
38	Engineering	Film Application fees	47,000	0.01%
39	Engineering	Charge out utility review & inspection fees	125,000	0.03%
40	Engineering	Recover GIS Services from Solid Waste	30,000	0.01%
49	Fire	University Endowment Lands Revenue	187,000	0.04%
50	Fire	Recovery from I.C.B.C.	55,000	0.01%
51	Fire	Local 18 Gross/Net Recovery	130,000	0.03%
52	Fire	WCB Gross/Net Recovery	75,000	0.02%
64	Legal	Increase cost recoveries	10,000	0.00%
69	Library	Events/Facility Rentals	50,000	0.01%
72	Park Board	Revenues	302,150	0.07%
76A	Vanc Police Department	Record Clearance Fees	60,000	0.01%
76B	Vanc Police Department	Special events and movie call-out recovery	40,000	0.01%
<b>Total Type 1 Revenue Adjustments</b>			<b>1,317,550</b>	<b>0.29%</b>
89	Corporate Services	Penalty - late Home Owners Grants appl.	119,000	0.03%
94	Community Services	Cost recover Graphics Work	60,000	0.01%
<b>Total Type 2 Revenue Adjustments</b>			<b>179,000</b>	<b>0.04%</b>
<b>Total Departmental Revenue Adjustments</b>			<b>1,496,550</b>	<b>0.33%</b>
<b>Total Revenue Adjustments</b>			<b>3,655,550</b>	<b>0.80%</b>

## 7. Estimated Tax Impact in 2007

In considering the 2006 Operating Budget adjustment proposals and funding requests, Council should be aware that decisions in 2006 will impact the 2007 Operating Budget. Should Council approve all of the funding requests listed in Appendix 2 (Recommendations/Considerations E to O), a total of \$2.4 million will need to be added to the 2007 operating budget reflecting a 0.51% tax increase, mainly related to the impact of additional police staffing. Compounding this effect, should Council agree to a 3.24% property tax increase (Recommendation B(ii)), will be the return of \$3.1 million of one time corporate and departmental adjustments to the 2007 Operating Budget which would add a further 0.65% tax increase. To determine the potential tax increase for 2007, there needs to be an assumption on the increase to basic services. These increases can range from 2.5% to 4% of a tax increase. Therefore, there could be a tax increase of approximately 3.7% to 5.2% of a tax increase under these assumptions. (see Table 6 below)

Table 6 - Property Estimate for 2007

	2006 Funding (\$000)	2007 Budget (\$000)	2007 Budget Increase (\$000)	2007 Tax Impact
VPD Staffing (31 Sworn/46 Civilian)	\$2,730	\$4,342	\$1,612	0.34%
Funding Requests	\$1,377	\$2,161	\$784	0.17%
Type 1 Adjustments - Corporate	(\$5,584)	(\$2,893)	\$2,691	0.57%
Type 1 Adjustments - Departmental	(\$5,558)	(\$5,173)	\$385	0.08%
Cost to Maintain Base Services				2.50% to 4.00%
<b>Total</b>	<b>(\$7,035)</b>	<b>(\$1,563)</b>	<b>\$20,472 to \$25,472</b>	<b>3.66% to 5.16%</b>

2007 Base Taxes at \$473.7 million assuming Council approves adjustments under Recommendation B(ii)

The Director of Finance cautions Council that this prediction does not include any potential new priorities and programs or any revenue changes that may need to be considered in 2007. Therefore, to properly manage the growth of the operating budget, Council needs to assess new funding requests in relation to existing services and provide support for only those requests that are of a significant priority to Council.

## 8. Impact of the Budget on Property in the City

The Table 7 on the next page summarizes the impact of tax increase on an average residential property, together with the changes in other user charges.

**Table 7 - Budget Impacts on Residential and Business Taxes**

Levy	1.98% Tax Increase		2.84% Tax Increase		3.24% Tax Increase	
	City Charges	Annual Change	City Charges	Annual Change	City Charges	Annual Change
<b>Average Residential Property \$573,695</b>						
General Taxes	\$1,313	\$26	\$1,324	\$37	\$1,329	\$42
Sewer Fee	158	4	158	4	158	4
Solid Waste Fee	149	11	149	11	149	11
Water Rates	306	23	306	23	306	23
<b>Total City Charges</b>	<b>\$1,926</b>	<b>\$64</b>	<b>\$1,937</b>	<b>\$75</b>	<b>\$1,942</b>	<b>\$80</b>
<b>Business Properties<sup>1</sup> for each \$1,000,000 of value</b>						
General Levy	\$14,118	\$275	\$14,237	\$394	\$14,293	\$450

<sup>1</sup> Non-residential properties are charged for utility services based on consumption of services rather than as a flat fee. Water and Sewer charges for these properties increased by the same percentages as residential properties.

In addition to these City charges, the levies from other taxing authorities may increase. At the time of writing, the City has not been notified of other levies.

## 9. Administrative Position Adjustments

The authority to create and delete regular full time and part time positions resides with Council. The Library Board has some administrative requirements to change the status of positions and delete certain positions that are no longer required.

In order to balance work load requirements among the various library sites, the Library, over the last several years, has been utilizing the funding from vacant full time positions to hire regular part time and auxiliary staff. Also, where operationally feasible, the library has taken funding from part time and casual budgets to re-fund and fill some of these vacant full time positions. This practice has been achieved through budget reallocations rather than a permanent adjustment to the Library Board's authorized full time position count.

Given that Council has the final authority to create and delete full time positions, the Library Board is seeking approval for the changes made to its full time staffing compliment. There is no net change to the library's operating budget as a result of these changes. Please refer to Appendix 7 for a list of positions and the requested adjustments.



## 10. Summary

Table 8 on the next page provides a summary of the potential strategies Council can utilize to balance the 2006 Operating Budget. Since Council reviewed the Preliminary Estimates the potential tax increase has been reduced from 6.37% to 5.67%.

The Corporate Management Team has prioritized a number of adjustments totalling \$11.1 million to bring the property tax increase to 3.24%. This budget position has been recommended by the City Manager and Director of Finance. However, to provide options for Council to meet their target tax increase, a number of further adjustments have been provided to bring the budget down from 3.24% to 1.98% property tax increase.

Along with adjustments, a number of funding requests have been identified. All of the funding requests can be funded through increased property taxation or further adjustments should Council wish to trade off new programs with existing ones.

With regards to the Vancouver Police Staffing request, different funding options have been provided based on different staffing level assumptions.

TABLE 8 (a) - SUMMARY - BUDGET ADJUSTMENTS TO LOWER TAX INCREASE

	Adjustment (\$000)	Tax Impact	Budget Position (\$000)	Net Tax Increase*
Preliminary Budget Position			29,238	6.37%
Interim Budget Position RECOMMENDATION B(i)	3,229	0.70%	26,009	5.67%
<b>STEP 1 - Type 1 Adjustments</b>				
<i>Recommended by the City Manager and Director of Finance</i>				
Corporate Adjustments	5,584	1.22%		
Departmental Adjustments	5,558	1.21%		
Budget Position After Type 1 Adjustments RECOMMENDATION B(ii)	11,142	2.43%	14,867	3.24%
<b>STEP 2 - Type 2 Adjustments</b>				
Corporate Adjustments	400	0.09%		
Departmental Adjustments	1,456	0.32%		
Budget After Type 1 and 2 Adjustments RECOMMENDATION B(iii)	1,856	0.40%	13,011	2.84%
<b>STEP 3 - Type 3 Adjustments</b>				
Corporate Adjustments	675	0.15%		
Departmental Adjustments	3,256	0.71%		
Budget After Type 1, 2, and 3 Adjustments RECOMMENDATION B(iii)	3,935	0.86%	9,076	1.98%

\* of the property tax increase, 0.40% is due to the impact of outside agencies

TABLE 8 (b) - SUMMARY - POTENTIAL INCREASES TO PROPERTY TAXES

	Funding Need (\$000)	Tax Impact	Budget Position (\$000)	Net Tax Increase*
<b>Budget Position After RECOMMENDATION B(iii) (from page 34)</b>			<b>9,076</b>	<b>1.98%</b>
<b>STEP 4 Vancouver Police Department Staffing Request</b>				
Option 1 - Sworn (+0) & Civilian (+19)	735	0.16		
<b>RECOMMENDATION E(i)</b>			<b>9,811</b>	<b>2.14%</b>
Option 2 - Sworn (+23) & Civilian (+46)	2,455	0.53%		
<b>RECOMMENDATION E(ii)</b>			<b>11,531</b>	<b>2.51%</b>
Option 3 - Sworn (+31) & Civilian (+46)	2,730	0.60%		
<b>RECOMMENDATION E(iii)</b>			<b>11,806</b>	<b>2.58%</b>
<b>STEP 5 Non-Vancouver Police Funding Requests</b>				
Development Application Process	165	0.03%		
Employee Relations & Advisory Services	168	0.04%		
World Urban Forum	330	0.07%		
GBLT Community Centre Feasibility Study	35	0.01%		
Heritage Register (Impact 2007)	-	0.00%		
Community Visions & Area Planning	64	0.01%		
Visions & Area Planning Implementation	77	0.02%		
Drug Policy & Prevention Program	220	0.05%		
Chinese Media Monitoring	45	0.01%		
Vanc. Economic Development Commission <i>(Range of Options from \$30,000 to \$273,000)</i>	273	0.06%		
<b>RECOMMENDATIONS F to O</b>	<b>1,377</b>	<b>0.30%</b>	<b>13,183</b>	<b>2.88%</b>
*Based on Option 3 for VPD Staffing				
<b>STEP 6 Potential Funding for New Funding Requests (Type 4 Adjustments)</b>				
VPD Staffing Adjustments	4,330	0.94%		
Non-VPD Departmental Adjustments	2,509	0.55%		
<b>RECOMMENDATION P</b>	<b>6,839</b>	<b>1.49%</b>	<b>13,183</b>	<b>2.88%</b>

\* of the property tax increase, 0.40% is due to the impact of outside agencies

## 11. Completing the Budget Cycle

Council should review the accompanying Public Consultation Report when considering the options included in this report. Once Council makes the necessary decisions, the Operating Budget can be brought into balance.

The budget process is to be completed as follows:

- Should Council choose to hear delegations related to the budget decisions, Council would defer making decisions on the 2006 Operating Budget until April 6, 2006, after hearing from the delegates at City Services and Budgets Committee on April 6, 2006.
- On April 20, 2006, Council will consider the final estimates reflecting the decisions made based on this report and the requests for additional funding at City Service and Budgets Committee. Council will be asked to adopt a balanced budget resolution confirming the estimates for 2006.
- The Director of Finance will bring forward a report summarizing the options of the distribution of the property tax levy on April 18, 2006. Delegations will be heard on April 20, 2006. Following the decisions on this report, the 2006 General Purposes Rating Bylaw will be brought forward for approval on May 4, 2006.

## CONCLUSION

The interim estimates of the 2006 Operating Budget indicate that a property tax increase of 5.67% would be necessary to provide for the costs of base City programs and the added basic costs associated with new programs approved by Council in 2005 and outside agencies. A series of budget adjustments are put forward should Council wish to reduce the tax increase below this level. These include proposals to increase revenues and reduce expenditure levels.

Along with directing staff on the adjustments necessary to balance the budget, Council will need to decide on requests for new funding which have been reported to Council on March 21, 2006, and March 23, 2006.

The final stage in completing the 2006 Operating Budget involves bringing a final budget forward for approval. Following the decisions of Council related to the budget, the Director of Finance will make final adjustments to the budget and report back to Council on April 20, 2006.

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## City of Vancouver 2006 Operating Budget Projections

## Appendix 1

	2005 budget	2006 projection	\$ change	% change
	(\$000s)	(\$000s)		

### SECTION 1: Summary of Revenues

#### Taxation Revenues

Base Levy	445,624	453,126	7,502	1.7%
New Construction	8,253	5,665	(2,588)	(31.4%)
<b>Net Taxation Revenues</b>	<b>453,877</b>	<b>458,791</b>	<b>4,914</b>	<b>1.1%</b>
Tax Adjustments	-2,000	-3,000	(1,000)	50.0%
Local Improvement Taxes	3,964	3,752	(212)	(5.4%)
Receipts in Lieu of Taxes	32,062	33,318	1,256	3.9%
Penalties and Interest	5,850	4,800	(1,050)	(17.9%)
<b>Total Revenue from Taxation</b>	<b>493,754</b>	<b>497,661</b>	<b>3,907</b>	<b>0.8%</b>

#### Other Revenues

Provincial Revenue Sharing Programs	19,737	17,538	(2,200)	(11.1%)
Investment Income	10,000	11,400	1,400	14.0%
License Fees	14,845	14,423	(422)	(2.8%)
Property Rental Income	1,407	1,509	102	7.3%
Service and Inspection Fees	26,128	27,929	1,801	6.9%
Municipal By-Law Fines	9,994	10,407	413	4.1%
On Street Parking Revenue	22,625	24,073	1,448	6.4%
Civic Theatres Revenue	6,282	5,982	(300)	(4.8%)
Park Board Revenues	32,967	35,058	2,091	6.3%
Miscellaneous Revenues	5,077	5,353	276	5.4%
<b>Total Other Revenues</b>	<b>149,062</b>	<b>153,672</b>	<b>4,609</b>	<b>3.1%</b>

#### Utility Fees

Waterworks	64,806	69,668	4,862	7.5%
Solid Waste	29,686	31,391	1,705	5.7%
Sewers	32,374	34,151	1,777	5.5%
<b>Total Utility Fees</b>	<b>126,866</b>	<b>135,210</b>	<b>8,344</b>	<b>6.6%</b>

#### Total Revenues before Transfers

	<b>769,682</b>	<b>786,543</b>	<b>16,860</b>	<b>2.2%</b>
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	2005 budget	2006 projection	\$ change	% change
	(\$000s)	(\$000s)		
<b>Transfer from Other Funds/Reserves</b>				
Sinking Fund Prior Year Surplus	0	0	0	#DIV/0!
Property Endowment Fund	7,000	7,000	0	0.0%
Art Gallery Reserve	160	160	0	0.0%
Revenue Surplus	0	0	0	0.0%
Other	1,268	0	(1,268)	(100.0%)
<b>Total Transfer from Other Funds</b>	<b>8,428</b>	<b>7,160</b>	<b>(1,268)</b>	<b>(15.0%)</b>
<b>Total Revenues before Tax Increase</b>	<b>778,110</b>	<b>793,703</b>	<b>15,592</b>	<b>2.0%</b>

## SECTION 2: Summary of Expenditures

### General Government

Mayor and Councillors	1,800	1,909	109	6.1%
City Manager / EEO	2,377	2,667	290	12.2%
City Clerk	4,022	3,156	(866)	(21.5%)
Legal Services	3,994	4,320	327	8.2%
Corporate Services	30,279	31,871	1,593	5.3%
Human Resources	6,549	7,114	565	8.6%
Other General Government	11,005	10,987	(18)	(0.2%)
Community Services Administration	7,574	7,829	255	3.4%
City-Wide and Community Planning	6,117	6,156	39	0.6%
<b>Total General Government</b>	<b>73,717</b>	<b>76,009</b>	<b>2,293</b>	<b>3.1%</b>

### Protection to Persons and Property

Police Services	150,934	158,468	7,533	5.0%
Fire and Rescue Services	73,534	76,402	2,868	3.9%
E-COMM Services	15,825	17,767	1,942	12.3%
Permits and Licences	19,759	21,022	1,263	6.4%
Animal Control	1,525	1,673	149	9.8%
Vancouver Emergency Program	683	691	9	1.3%
<b>Total Protection to Persons and Property</b>	<b>262,259</b>	<b>276,023</b>	<b>13,764</b>	<b>5.2%</b>

	2005 budget (\$000s)	2006 projection (\$000s)	\$ change	% change
<b>Public Works</b>				
Administration and General	9,247	11,469	2,222	24.0%
On Street Parking Program	8,759	9,435	675	7.7%
Traffic Planning and Control	7,971	7,944	(26)	(0.3%)
Street Lighting and Communications	4,865	4,857	(9)	(0.2%)
Street Cleaning	7,826	8,159	333	4.3%
Streets, Bridges and Walkways	16,888	17,789	901	5.3%
<b>Total Public Works</b>	<b>55,556</b>	<b>59,653</b>	<b>4,096</b>	<b>7.4%</b>
<b>Utilities - Waterworks</b>				
Operating Costs	8,228	7,584	(644)	(7.8%)
Water Purchase	32,532	37,609	5,076	15.6%
City Debt Charges	24,449	26,964	2,514	10.3%
Transfer to/(from) Reserve	-404	-2,488	(2,084)	516.1%
<b>Total Utilities - Waterworks</b>	<b>64,806</b>	<b>69,668</b>	<b>4,862</b>	<b>7.5%</b>
<b>Utilities - Solid Waste</b>				
Operating Costs	27,375	29,446	2,071	7.6%
Transfer to/(from) Reserve	2,311	1,946	(366)	(15.8%)
<b>Total Utilities - Solid Waste</b>	<b>29,686</b>	<b>31,391</b>	<b>1,705</b>	<b>5.7%</b>
<b>Utilities - Sewer</b>				
City Operating Costs	7,000	7,252	252	3.6%
City Debt Charges	21,367	24,298	2,930	13.7%
Regional Sewerage Levy	36,460	36,904	444	1.2%
Transfer to/(from) Reserve	0	0	0	#DIV/0!
<b>Total Utilities - Sewer</b>	<b>64,828</b>	<b>68,454</b>	<b>3,626</b>	<b>5.6%</b>

	2005 budget (\$000s)	2006 projection (\$000s)	\$ change	% change
<b>Recreation and Community Services</b>				
Parks and Recreation	85,763	90,288	4,526	5.3%
Britannia Service Centre	2,626	2,878	252	9.6%
Social Planning	1,665	1,604	(61)	(3.7%)
Housing Programs	1,531	1,589	58	3.8%
Office of Cultural Affairs	1,194	1,173	(21)	(1.8%)
Carnegie Centre	2,792	2,985	193	6.9%
Downtown South Gathering Place	1,941	2,004	63	3.2%
Vancouver Public Library	32,777	34,492	1,715	5.2%
Civic Theatres	6,675	6,473	(202)	(3.0%)
Archives	1,346	1,190	(156)	(11.6%)
Cemetery	829	832	3	0.3%
<b>Total Recreation and Community Services</b>	<b>139,139</b>	<b>145,507</b>	<b>6,369</b>	<b>4.6%</b>
<b>Civic Grant Program</b>	<b>12,489</b>	<b>14,634</b>	<b>2,145</b>	<b>17.2%</b>
<b>Contingency Reserve</b>	<b>5,200</b>	<b>4,000</b>	<b>(1,200)</b>	<b>(23.1%)</b>
<b>Total before Capital Program and Transfers</b>	<b>707,680</b>	<b>745,339</b>	<b>37,659</b>	<b>5.3%</b>
<b>Capital Program</b>				
General Debt Charges	40,772	46,874	6,102	15.0%
Capital From Revenue	19,000	18,000	(1,000)	(5.3%)
Local Improvements	3,964	3,752	(212)	(5.4%)
Debt Repayment Reserve	1,250	250	(1,000)	
<b>Total Capital Program</b>	<b>64,986</b>	<b>68,877</b>	<b>3,890</b>	<b>6.0%</b>
<b>Transfers to Reserves/Funds</b>				
Other Transfers	5,444	5,496	52	0.9%
<b>Total Transfers to Reserves/Funds</b>	<b>5,444</b>	<b>5,496</b>	<b>52</b>	<b>0.9%</b>
<b>Total Expenditures</b>	<b>778,110</b>	<b>819,712</b>	<b>41,601</b>	<b>5.3%</b>
<b>Tax Increase Used to Balance Budget</b>		<b>5.67%</b>		



## Appendix 2 - 2006 Additional Funding Requests

Department	Description	FTE	Funding Required			Description
			2006 \$Amount	2007 \$Amount	2008 \$Amount	

### Type A - Vancouver Police Department Staffing - Council Report Back

Vancouver Police Department	Approval of Increased Authorized Strength of 31 and 46 Civilian Staff	77	2,729,400	4,341,400	4,341,400	Council approved on March 17, 2005, an increase of 50 police officers and 27 civilian staff for 2006 subject to Council approving a strategic operating plan, a joint City and VPD review of overtime and shared services opportunities, and implementation of the recommendations of the independent consultant. The report back from the Steering Committee on March 21, 2006 identified 19 sworn positions for civilianization and a further \$700,000 reduction in overtime.
Total Type A Funding Requests Vancouver Police Department staffing		77	2,729,400	4,341,400	4,341,400	

Department	Description	FTE	Funding Required			Description
			2006 \$Amount	2007 \$Amount	2008 \$Amount	

**Type B - Council Requested Report Back**

**Type B (i) High Priority Initiatives - Recommended For Funding**

Community Service Group	Development Application Process - Completion of Resources Strategy	4.0	165,450	290,900	290,900	On March 17, 2005, Council approved the first phase of a Resources Strategy to improve the Development Application Process adding 13.5 positions in five departments. Phase 2 of this strategy involves adding a further four FTEs in Development Services, subject to a report back to Council. The four positions are focused primarily on training and specialized customer service with particular emphasis on novice applicants.
Community Service Group/City Clerks/Police	World Urban Forum		330,000	0	0	In 2006, the City of Vancouver will host the UN World Urban Forum, Meetings of Local Government officials and other related conferences. While most costs are covered by the United Nations, the Federal Government, and the RCMP, the City will be responsible for the costs associated with hosting and events duties as well as some policing costs. The cost estimate includes \$70,000 for the Police to provide basic perimeter security around the venue and to liaise with the RCMP. The VPD has estimated that if there are any significant security issues, policing costs could increase to \$320,000. The Corporate Management Team recommends having a provision within Contingency Reserve of \$250,000 dedicated to policing the World Urban Forum that would be accessed only if required.

Department	Description	FTE	Funding Required			Description
			2006 \$Amount	2007 \$Amount	2008 \$Amount	
Human Resources	Employee Relations & Advisory Services Resources	3.0	168,400	222,600	222,600	Three positions are requested for Employee Relations and Advisory Services. Two Human Resource Consultant positions are requested to support corporate policy initiatives that currently only one position is dedicated to. One administrative support position is also requested to not only provide general assistance but to help manage the City's temporary agency pool whose utilization has grown by 100% over 3 years. This initiative was identified in 2005 but was deferred to 2006.
Council Requested Report Back - Type B(i) High Priority		7.0	663,850	513,500	513,500	

**Type B(ii) - Low Priority**

Community Service Group	LGBT Feasibility Study		35,000	0	0	In 2005, Council approved a motion for a feasibility study for a community centre for the Lesbian, Gay, Bisexual and Transgender community pending a report back to release funding. The study would include two parts: a) confirm the vision for a proposed new LGTB Community centre and b) analyze components and required next steps to develop such a centre.
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Department	Description	FTE	Funding Required			Description
			2006 \$Amount	2007 \$Amount	2008 \$Amount	
Community Service Group	Vancouver Heritage Register Update	0.0	0	100,000	100,000	On March 31, 2005, Council requested that staff report back on a program to update the VHR. The register was created by Council in 1986 and has not been updated since that time. When non-Heritage Register sites undergo redevelopment that the community deems to have heritage value, substantive conflict is generated between community members, property owners, developers and staff applications. The purpose of the Register Update is to undertake research and public consultation to identify heritage values of Vancouver's communities and resources missed in 1986 that embody those values.
Council Requested Report Back Type B(ii) - Low Priority		0.0	35,000	100,000	100,000	
Total Type B Funding Requests Council Requested Report Back		7.0	698,850	613,500	613,500	

Department	Description	FTE	Funding Required			Description
			2006 \$Amount	2007 \$Amount	2008 \$Amount	
<b>Type C - Programs With No Funding Source</b>						
<b>C(i) - Program Continuation</b>						
Community Services Group	Establishment of permanent program for Communities Vision and Area Planning		64,000	556,000	556,000	The City Plans Division, Planning Department, has 5 staff teams delivering area planning programs (e.g. Community Visions, Neighbourhood Centre Plans, Station Area Plans). All programs involve extensive public consultation. All other public process programs were approved and funded as one time projects in previous years' budgets. The 2006 funding request is for one new program of \$64,000 to augment other public process programs (with approximately \$400,00 funding) that Council has approved to date. For 2007 and beyond it is proposed that funding for ALL public processes supporting the 5 area planning programs be included in the Operating Budget to provide the necessary tools for the existing staff to efficiently conduct the necessary public processes.
Community Services Group	Establishment of permanent funding for Community Vision and Area Planning - Implementation	2.0	64,000	151,600	151,600	Following Council approval of new Community Visions/Area Plans, staff assist the community with Plan implementation. Each Community receives ½ Planner I and ½ Planning Assistant III ( plus a budget of \$10,000 per community for implementation support) to work with the community for several years to implement the plan. Following implementation, the Planning Team moves to assist another community. Council's approval of the Implementation Program assumed a team of 3 Planners and 3 Planning Assistant III to provide implementation support. The staff teams were to be added over time at the completion of two visions. This request provides implementation support for the recently approved Visions & brings the Implementation Team to full strength.

Department	Description	FTE	Funding Required			Description
			2006 \$Amount	2007 \$Amount	2008 \$Amount	
Community Services Group	Continuation of Drug Policy program and establishment of Prevention Program	3.0	220,000	320,000	320,000	The Four Pillars Drug Strategy, originally established by Council in 2001. In 2003, Council approved funding for 36 months at an annual estimated cost of \$300,000 ending April 2006. The Drug Policy Program works with senior governments and the community towards full implementation of the strategy. Implementation of the strategy is ongoing work that demands continuing efforts to mobilize public support to support investment by senior government in improved addiction services and appropriate policy changes that will lead to reduced harm from drug use in Vancouver.
<b>Total Type C (i) Funding Requests Program Continuation</b>		<b>5.0</b>	<b>348,000</b>	<b>1,027,600</b>	<b>1,027,600</b>	

**C(ii) - New or Expanded Programs**

City Clerks	Chinese Media Monitoring		45,000	45,000	45,000	This is a request for a media monitoring service to provide daily news summaries from the local Chinese-language print and electronic media. These summaries would be made available to elected officials and senior managers.
<b>Total Type C (ii) Funding Requests New or Expanded Programs</b>			<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	

**C(iii) - Outside Agency Requests**

General Government	Additional funding requested by the Vancouver Economic Development Commission		273,500	474,000	446,000	The Vancouver Economic Development Commission has identified additional funding for core activities currently outlined in their mandate. This includes providing policy and economic analysis to City Council, developing an Economic Development strategy for the City of Vancouver and developing a marketing plan and identifiable Vancouver brand for business attraction, including 2010. March 21, 2006 Council report identified range of options from \$30,000 to \$273,000
Community Services Group	Board of Variance		withdrawn	withdrawn	withdrawn	The Board of Variance has identified the need for increased funding to offset legal and staff overtime costs of \$100,000 due to increased judicial review of BOV decisions. Corporate Management Team has categorized this request as a low priority
Total Type C (iii) Outside Agency Requests			273,500	474,000	446,000	
Total Type C Funding Requests Programs with No Funding		5.0	666,500	1,546,600	1,518,600	

Department	Description	FTE	Funding Required			Description
			2006 \$Amount	2007 \$Amount	2008 \$Amount	

**Type D - Programs with Funding Source**

City Clerks/ Community Services	Establishment of base budget for Newcomer's Guide		Deferred to 2007	45,000	45,000	The Newcomers' Guide, which is produced in five languages, is designed to help new residents to understand how the City works and how to access government services. Originally, the guide was a one-off project with no funding set aside for future printing and revision. It has proven to be one of the City's most popular publications. Funding to be provided from Community Services Operating Budget.
City Manager's	311 Feasibility Study	0.0	260,000	0	0	Study to determine costs/benefits of providing 311 service at the City of Vancouver. Study will include development of a business case and a recommended model for implementation of 311. The funding will support a small staff team (approx 3 temporary staff) for 4-6 months, along with consulting services, travel and other incidental costs. Funding to come from the Strategic Initiative Fund
Corporate Services	GIS System Analyst	1.0	80,000	80,000	80,000	This is a conversion of a full time temporary position to maintain and enhance the technical infrastructure for City's Geographic Information Systems. This position helps to provide a more sustainable service.



Department	Description	FTE	Funding Required			Description
			2006 \$Amount	2007 \$Amount	2008 \$Amount	
Corporate Services	Web Master	1.0	65,000	65,000	65,000	This is a conversion of a full time temporary position. The position is required to meet increased demand for web support, because of an increase in the number of business applications running on the City's web servers, as well as an increase in public and staff customers, many of whom require access to City services on a 7/24 basis.
Corporate Services	Systems Analyst for City Manager's Office & Elected Officials	1.0	80,000	80,000	80,000	This is a conversion of a full time temporary position. This is required to perform critical analysis, liaison, and related services for Mayor and Council, as well as for City Managers' staff.
Human Resources	Ergonomic Program		325,000	325,000	325,000	Employee Health and Safety is proposing to establish a three year City Office Ergonomic Program at \$300,000 per year. Funding would be used to purchase new workstations, chairs and LCDs to improve ergonomic conditions for City staff in order comply with the WCB regulations. An additional \$25,000 would be used to augment the Fit City Program for Hearts@Work Health fairs to improve cardiac health of employees potentially reducing sick time and health benefit usage. Funding will be provided from WCB savings.

Department	Description	FTE	Funding Required			Description
			2006 \$Amount	2007 \$Amount	2008 \$Amount	
Library	Library Assistant for Oakridge Branch	1.0	40,000	40,000	40,000	The Oakridge branch is open seven days per week. The seven day access to service requires scheduling of circulation staff and the presence of a staff member capable of supervision, overseeing materials handling and assisting in customer service. The library would like to consolidate regular part time hours to create a regular full time Library Assistant 2 position, at no net cost to the City.
Library	Trades Maintenance & Building Maintenance Workers	2.0	99,000	99,000	99,000	Two regular part time staff in the Maintenance department are currently working full time hours and are now eligible for benefits under our Collective Agreement. Existing regular part time hours will be consolidated to fund these 2 regular full time positions at no net cost to the City.
<b>Total Type D Funding Requests Programs with Funding Source</b>		<b>6.0</b>	<b>949,000</b>	<b>734,000</b>	<b>734,000</b>	
<b>Total of Funding Requests</b>		<b>95.0</b>	<b>5,043,750</b>	<b>7,235,500</b>	<b>7,207,500</b>	

### Appendix 3 - Corporate Budget Adjustments

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 Revenue Adjustments</b>						
4	Corporate Revenue (Community Services)	Development Fees	Eliminate revenue subsidy - tree retention		45,000	1,500 – 1,600 tree removal permits issued annually. Current application fee is \$48.00 for the first tree plus \$80.00 for each additional tree.  Present subsidy averages \$30.00 per tree.
5	Corporate Revenue (Community Services)	Development Fees	Charge fees to recover Corporate Overhead		589,000	Fees would be increased by 6% to cover the costs of Corporate Overhead
6	Engineering		Utility Street Degradation Fee		450,000	This new revenue will first be charged to Internal Utilities to cover reduced life of pavement due to utility cuts. This fee will be implemented with external utilities in 2007 following a consultative effort and bylaw implementation. In 2006, the total revenues collected is estimated at \$900,000, with half to be utilized for increased street maintenance and the other as a reduction to the 2006 Operating Budget. Approval of this fee will result in a \$450,000 increase to the Engineering Street Maintenance budget.
<b>Total Type 1 Revenue Adjustments</b>					<b>1,084,000</b>	

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
1	General Government	NNR program	Reduction in annual NNR budget		*1,000,000	New and non-recurring budget distributed to departments by Staff Review Group (each item being less than \$50,000). Review Group preliminary distribution assumed reduction from \$2 million to \$1 million. Minimum short term implications, however, in the long run continuous adjustments may result in deteriorating infrastructure and equipment.
2	General Government	General program account	Elimination of funding from the General Program Account		1,100,000	With the approval by CMT on a moratorium on new initiatives, first year funding for social, sustainable, and cultural initiatives should not be required.
3	General Government	Contingency	Reduction of Contingency		*900,000	Reduction of contingency account from \$4 million to \$3.1 million should be sufficient to handle any unforeseen events due to CMT placing a moratorium on new initiatives.
7	All city departments	Turnover Allocation	Increased employee turnover allocation		*500,000	Turnover, estimate of vacancy savings is proposed to increased from \$2 million to \$2.5 million and distributed to all Departments and Boards, including the Park Board.
8	General Government	Capital from Revenue	To defer capital spending for the year		**1,000,000	Decrease to \$17 million for the year (see Section 5 for discussion on implications).
<b>Total Type 1 Expenditure Adjustments</b>					<b>4,500,000</b>	
<b>Total Type 1 Adjustments</b>					<b>5,584,000</b>	

\* are one-time adjustments, funding to be restored in 2007

\*\* is one time adjustment, funding to be restored in 2007 and 2008

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 2 Revenue Adjustments</b>						
9	Corporate Revenue	Parking Revenues	Increase Parking Ticket Fines		400,000	This proposal would result in ticket fines increasing from \$25 to \$30 for early redemption and \$50 to \$60 for late payments. Higher compliance and more court challenges may result in lower than projected revenues.
<b>Total Type 2 Revenue Adjustments</b>					<b>400,000</b>	
<b>Total Type 2 Adjustments</b>					<b>400,000</b>	

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 3 Revenue Adjustments</b>						
10	Corporate Revenue (Community Services)	Development Fees	Eliminate Revenue Subsidy on Leaky Condos		175,000	Building Permit Application fee previously waived by Council, per Barrett Commission recommendation. If Building Permit Application fees are to be paid, the cost per dwelling unit (strata lot owner) would average about \$100.
11	Corporate Revenue (Community Services)	Development Fees	Charge Fees for Inferred Costs		500,000	Fees would be increased by 5% to recover inferred costs (i.e., those that are a critical cost of doing business but which are not represented in the City's operating budget). The principal inferred cost is the cost of providing office space for staff in City owned buildings. A 'rent' slightly below market rate was applied to these offices to determine the total inferred cost.
<b>Total Type 3 Revenue Adjustments</b>					<b>675,000</b>	
<b>Total Type 3 Adjustments</b>					<b>675,000</b>	
<b>Total Corporate Adjustments</b>					<b>6,659,000</b>	

## Appendix 4 - Departmental Budget Adjustments

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 Revenue Adjustments</b>						
12	Britannia		Increase revenue		20,000	Increase revenue generated at the Britannia Ice Rink. The ice surface is in increasing demand, due largely to the quality of the surface. Commercial rentals could be increased with improved promotion and advertising. This would be at the expense of subsidized groups such as schools. There is no staffing impact.
13	Civic Theatres	Orpheum Rock Concerts	Increase Event revenues		16,400	Increase revenue for two small rock concerts.
19A	Corporate Services		Increase and revise the fees for Lease assignment		7,000	Increase the lease assignment fee from \$100 to \$125 and charge a fee for Tri-party agreements
19B	Corporate Services	Financial Services	Increase NSF Fees		5,000	Increase NSF charge from \$20 to \$35 for tax payments in line with Corporate wide adjustments with Utilities
19C	Corporate Services		Rental Agreement		10,000	Contract with VANOC to rent atrium for movie shoots
<b>19</b>	<b>Corporate Services</b>	<b>Revise Administrative Fees for Property Tax and Real Estate Services</b>			<b><u>22,000</u></b>	

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 Revenue Adjustments</b>						
20A	Corporate Services	Financial Services	Revise Fee Structure for Mortgage Companies		86,000	Revise the fee structure for maintaining 36 mortgage company files for tax balances to the same level with other municipalities in the region.
20B	Corporate Services	Financial Services	Administrative fee for apportionment of Property Tax		24,000	Introduce an administrative fee of \$20 per property for developers requesting apportionment of property taxes, where the property has been subdivided but the assessment cannot be updated due to timing.
20C	Corporate Services	Financial Services	Increase Tax Certificate Fees		38,000	Increase tax certificate fees from \$45 to \$50 for lawyers and notaries when transferring real property.
<i>20</i>	<i>Corporate Services</i>	<i>Revise Administrative Fees for Property Taxes</i>			<u><i>148,000</i></u>	
38	Engineering	Streets	Film Application fees		47,000	Film activities are expected to improve in 2006. This is an increase projection for 2006 filming revenue.
39	Engineering	Utilities	Charge out utility review & inspection fees		125,000	This new revenue will come from External Utilities who require review of construction plans and City inspection of proposed works.
40	Engineering	Information Services	Recover GIS Services from Solid Waste		30,000	Charge the Solid Waste Utility for their share of GIS services.



#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 Revenue Adjustments</b>						
49	Fire		University Endowment Lands -Increase Revenue	2.0	187,000	In 2000, the University Endowment Lands Firefighting Agreement was adjusted to provide a net increase of 2.0 Firefighters. Rather than requesting an equivalent increase in staffing from Council, the Department reallocated positions to the U.E.L. and absorbed the increase from within its existing strength. The 2.0 positions represent a foregone increase rather than a reduction of existing positions.
50	Fire		Recovery from I.C.B.C.		55,000	VFR receives a reimbursement from ICBC for wages lost due to motor vehicle accidents. These reimbursements have averaged \$50,000 for the last three years.
51	Fire		Salary Reductions - Local 18 Gross/Net		130,000	The Firefighters' Local 18 pays for the first six shifts of each Firefighter's illness. However, the Local pays in <u>net</u> dollars - as an after-tax insurance benefit - while the Fire Department's salary budget is built around gross dollars. The gap between the budget and what is paid out to the Firefighters during their first six shifts is \$130,000/year. This adjustment will not impact to Fire & Rescue's operations.
52	Fire		Salary Reductions - WCB Gross/Net		75,000	WCB pays the net salary amount that will maintain the Firefighter's take-home pay at pre-injury levels. Since the budget is set at gross dollars, WCB reimburses the city at net/post-tax basis resulting in savingst. The gap between the salary budget and what is paid out to the Firefighters for WCB claims totals \$75,000/year. This adjustment will not impacting operations.

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 Revenue Adjustments</b>						
64	Legal		Increase cost recoveries		10,000	Recoveries of costs from courts pending on court rulings on cases. Unable to predict or control amount of costs that will approved by the Courts
69	Library		Events/Facility Rentals		50,000	The library shares net Events/Facility revenues with the City which is currently not recorded in the operating budget. This proposal adds \$ 50,000 to the budget. This will have no direct impact on public services. However, this will reduce the library's flexibility to manage its budget.
72	Park Board		Revenues		302,150	Higher fees increase obstacles to accessing services for residents, including children, youth, & seniors. With many areas already at market rates, the Board has limited opportunities for generating additional revenues. Users may choose to use other services or decide not to participate.
76A	Vancouver Police Department		Record Clearance Fees		60,000	Record Clearances have shown a marked increase in service volume compared to revenue projections for 2006.
76B	Vancouver Police Department		Recovery of policing services to special events and movie call-outs		40,000	Emergency and Operational Planning Section administers the provision of policing services to special events and movie call-outs. Both these areas have recently experienced increases in the volume of services being provided.
76	<i>Vancouver Police Dept</i>	<i>Increase Revenues</i>			<u>100,000</u>	
<b>Total Type 1 Revenue Adjustments</b>				<b>2.0</b>	<b>1,317,550</b>	

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
14	City Clerks		Distributed reductions		12,500	Various budget reductions distributed across the City Clerk's Department. Many of these cuts are to office, telephone and computer supply budgets.
15	City Clerks		Discontinue GVTV		95,000	<p>Discontinue the GVTV program, which is produced under a cost-sharing arrangement with GVRD. While not a core City service, it is a valuable and popular communication tool that reaches a wide audience (24,000 viewers per week, 6,000 web hits per month) and is used to support city consultations, bring awareness of city programs and policy decisions, support and record events, etc. Cancellation would leave only news releases and semi-annual newsletter as main tools. City would lose regular access to broadcast opportunities, and cease using video (or any future videos would be produced at a significantly higher cost.)</p> <p>There would also be costs involved in canceling the show and dismantling the facilities and equipment (one-time cost of approx. \$55,000).</p>
16	City Manager	Olympic Operations	Reduce Olympic consulting budget		14,000	Reducing the Olympic consulting budget may impact planning efforts in 2006. Funding requirements may need to be adjusted in 2007 and beyond as planning efforts ramp up.

17	Corporate Services	Emergency Preparedness Initiative	Reduce funding in the Emergency Preparedness Initiative		23,000	Emergency Preparedness is identified as one of Council's 7 priorities. This initiative is year 7 of a 10 year program to improve the City's level of preparedness to respond effectively to a disaster. The risk exposure to the city is nominal given that the initiatives are ahead of schedule.
18	Corporate Services	Facility Design & Management	Eliminate 2 Working Supervisor positions in Building Services Division	2.0	94,000	Elimination of these two vacant funded positions will not have an adverse effect on operations
21A	Corporate Services		Operational Adjustments		61,800	Reductions in Auto allowance, consulting services, SAP Travel and training and internal charges for printing costs for printing annual financial reports.
21B	Corporate Services	Information Technology	Technology Efficiencies		151,000	Efficiencies related to the technology evolution and the use of fiber optics has reduced operating and data communication costs
21C	Corporate Services	Information Technology	IT Technical and End User Training Reductions		62,000	Reduce the IT Corporate End User training budget and also reduce the IT Technical training budgets which is shared by IT resources in VPD, Engineering, CSG, Library and Parks).
<i>21</i>	<i>Corporate Services</i>	<i>Information Technology - Additional Adjustments</i>			<u><i>274,800</i></u>	

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
22	Corporate Services	Information Technology	Reduce SAP Support		10,000	Reduce funding for SAP Support - Travel and training budget
23	Council		Reduce Telephone & Office Supplies		3,500	This represents a 12% reduction to the Telephone and Office Supplies budgets. These expenses are not generally discretionary and depend on demand from Councillors and staff, which varies from year to year. However, the budget can probably absorb this reduction without a significant service impact
24	Community Services	Board of Variance	Reduce Board of Variance Budget		8,500	Reduction of miscellaneous expenditures at the Board of Variance.
25	Community Services	Chief Building Official	Eliminate Seismic specialist position (VACANT)	1.0	102,300	Elimination of this position will postpone the development of a program for mitigation of seismically at risk un-reinforced masonry buildings

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
26	Community Services	Housing Centre	Reduce the Homeless Action Plan One-time consulting funds		* 100,000	Reduction in the consultant funding will require more of the work to be done by City staff and delay implementation and also may delay the implementation evaluation of Vancouver's rental housing market.
27	Community Services	License & Inspection	Eliminate Animal Control Officer (VACANT)	1.0	51,560	The implementation of the Animal Control 5 year strategic plan hinges on additional staff. There may be difficulty in meeting planned revenue targets for 2006 and the projected future revenue targets will need to be extended or possibly not realized.
28	Community Services	Admin Services	Eliminate clerical position (VACANT)	1.0	43,880	Elimination of this position would impact publishing and document production.
29	Community Services	Support Services	Reduce miscellaneous costs		5,240	Reduce expenditures in CSG common expenditures accounts that reside in Support Services.
30	Community Services	Carnegie Outreach	Carnegie Outreach recovery		30,000	Links street people to housing, employment, training, health and addiction services. Contributes to safer streets and a safer, cleaner neighbourhood and provides a skill building volunteer opportunity.

31	Community Services		Delay Hiring of Staff for Victory Square & related Heritage Incentive Program Application Processing		* 20,000	Delaying the hiring of staff will impact the Heritage applications in the Victory square in response to successful incentive program.
32	Community Services		Reduce Harm Reduction Conference Commitment		* 75,000	Staff have negotiated a \$75,000 reduction with conference organizers by making changes and planning to cut back the printing and dissemination of the final program and abstract booklet, audio-visual capacity to record and disseminate conference presentations.
33	Equal Employment Opportunity	CoV Woman's Task Force	Eliminate Temp Help Funding		81,900	There is a one-time, two year funding for temporary position in EEO. Elimination of the position would result in an inability to carry out the position's function, as identified in the Gender Equality Strategy adopted by Council on July 12, 2005. However, existing department service/staffing levels would remain in tact, as the position is currently vacant.
34	Engineering	Yards	Reduce Yards watchman budget		69,000	The transition from the old Cambie Yard to National Yard is nearly complete. Security resources formerly dedicated during the transition period are no longer required.

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
35A	Engineering	Information Services	Reduce overtime		3,000	Little or no impact.
35B	Engineering	Information Services	Reduce misc. office supplies & services		5,000	Little or no impact.
35C	Engineering	Information Services	Reduce computer expenses		5,000	Little or no impact.
35D	Engineering	Materials	Reduce Material Lab investigation		16,000	Little or no impact.
35					<u>29,000</u>	
36	Engineering	Sustainability	Reduce Community Climate Change Action Plan		100,000	Restructure implementation of Community Climate Change Program - reduce some efforts, target specific activities to be contingent on receiving external funding
37	Engineering	Budgets & Administrative Services	Reorganize Clerical Services	1.0	44,000	These employees are the first point of contact for public and provide valuable clerical support.  If accepted, non clerical staff workload will increase and public interaction will be reduced.



#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
42	Engineering	Transportation	Eliminate Traffic & Electrical Foreman	1.0	61,000	(VACANT POSITION)
43	Engineering	Streets	Eliminate Streets Design Position	1.0	54,000	(VACANT POSITION)
44	Engineering	Graffiti Management	Reduce graffiti management program		50,000	This will reduce the ability to assist private property owners with graffiti removal, reduce the education program and reduce the amount of community paint-outs.
45	Engineering	Rapid Transit Office	Scale back Canada Line budget		* 100,000	This adjustment resulted in the carry forward of a 2005 surplus that lowers the 2006 cost of the program. This is a one time adjustment.
46	Engineering	Transportation	Reduce Street Light Damage Account		60,000	This reduction assumes that the amount of damage to Street Light Poles will remain lower than in the past. This estimate may not be realistic if damage increases over 2005 levels.

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
47	Fire		Pension Buybacks - Employer's Share		85,000	All firefighters hired before 2004 were not covered for the first six months of their service by the Pension Corp. They later had an option to purchase back their first six months service, with the COV covering 50% of these buy-back costs. These purchases are being phased out and will end on March 31, 2007. The City costs for these buy-backs are expected to be reduced from previous years.
48	Fire		Minor-Departmental Reorganization	1.8	71,000	<p>These adjustments will incorporate a number of changes that have already been implemented within the Department and have been pending ratification by City Council:</p> <ul style="list-style-type: none"> <li>• Delete Vacant Clerk-Steno IV previously replaced by an Administrative Assistant to the Fire Chief</li> <li>• Delete a vacant Fire Warden Position</li> <li>• Increase the funding for a 0.8 F.T.E. Fire Engineer to 1.0 F.T.E.</li> <li>• Reclassify downward an Assistant Training Officer to a Field Training Officer.</li> </ul>

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
53	Civic Grants	Cultural Services	Reduce Cultural Grants		348,650	<p>Reductions to existing and future grants will be allocated based on input from the Community and the City Creative Task Force. This adjustment is from the \$1 million increase approved by Council for 2006.</p> <p>The City's intent is to become a cultural centre of excellence leading up to the Cultural Olympiad and Olympic Arts Festival. The City's contribution to culture is 'leveraged' by the artistic community; as a result this reduction in grants will result in an overall reduction in funding to agencies. However, these funds have not yet been allocated pending the outcome of the task force consultation process.</p>
54	Civic Grants	Social Planning	Eliminate Innovation Grants		100,000	Innovation grants were implemented in 2005 to respond to one-time strategies to address social problems and bring about positive social change.
55	Civic Grants	Social Planning	Reduce Community Service Grants		19,000	One or two presently funded groups in the Direct Services stream will be recommended for termination, or an across the board reduction will be applied to all grants.
56	Civic Grants	General Manager CSG	Reduce Other Grants		13,350	Reduce grants from the Other Grant category by 3.4%. (incl. Wildlife Rescue Soc., Celebration grants & Rental Subsidy grants)
57	Civic Grants	Vancouver Planning Commission	Reduce funding back to 2003 level		60,600	Reduce funding from the City to the Vancouver Planning Commission to 2003 levels for staffing and research

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
58	Human Resources	Employee Relations & Advisory Services	Reduce employment advertising		30,000	Funds are used for employment advertising by departments if no alternative funding source is available from their operating budgets. This reduction may result in smaller departments having difficulty in funding external employment advertising.
59	Human Resources	Employee Health & Safety	Eliminate VPD Periodic Medicals		32,700	Police Officers are required to participate in a periodic medical with Medisys on a pre-determined schedule based on age. Police officers over the age of 35 and under the age of 45 attend once every five years. Police officers 46 to 50 attend every two years and over the age of 50 attend yearly. This schedule and the periodic medical are recommended by the City's Occupational Health physician. The medical is preventative and is used to identify any health issues that could become a disability and prevent the officer from attending work. The program is intended to screen for preventable health issues and support wellness amongst our police officers.
60	Human Resources	Employee Health & Safety	Eliminate Pre-Employment Medicals (Engineering)		37,450	Pre-employment medicals are recommended by the City's Occupational Health Physician to ensure Engineering Operations employees who are hired meet the bona fide physical requirements of the job.
61	Human Resources		Reduce Contract Services budgets		20,000	Reduce Contract Services funding from Disability Management (\$10,000); Office of the General Manager (\$5,000); and Compensation, Benefits & Systems (\$5,000)

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
62	Human Resources		Reduce Programs & Interventions		25,000	Reduction in funding for Programs & Interventions
63	Human Resources		Reduce SIARRSP		25,000	Reduction in funding for strategic initiatives attraction retention and succession planning programs.
65	Legal		Reduce temp help		10,000	Reduce the amount of temporary help for the department - amount to be used to cover staff vacations and/or lengthy absences Legal support staff work for two or three lawyers and coverage must be provided for the lawyers whenever staff is absent. Existing staff can only provide coverage if the lawyers they work for are absent during the same period of time.
66	Library		Staffing efficiencies (all are <b>unassigned regular part time hours</b> )	1.7	60,000	Staffing efficiencies resulting from the reorganization of the floors at the Central library and a reallocation of hours at branches were to be used to provide work load relief at various locations.
67	Library		Programs and other adjustments	0.6	140,000	A reduction in the transfer to Equipment reserve budget will not have a short term impact, however would affect the long term ability to plan for replacements. Other account adjustments will not affect services.
68	Library		Delayed opening of the Kensington Branch		* 92,000	The new Kensington branch was scheduled to open September 2006. Construction delays have pushed the estimated opening until November, 2006. This will result in \$ 92,200 less being needed than originally budgeted.

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
70	Library		Reduction of Collections		50,000	Reductions to the books and materials (collections) budget has the long term effect of providing outdated collections.
71	Mayor		Reduce office supplies		5,000	A reduction in the Office Supplies fund would impact on the quantity and quality of supplies used by the Mayor's Office.
72	Park Board		Efficiencies		302,150	Will be difficult since \$800,000 required internally to support golf. Achievable over short term, may impact service after 2006.
73	Park Board		Scale Back Anti-Graffiti		13,000	Reduce staff time spent on contract enforcement, inspection and repair. Longer cycles between inspection and cleaning result in more graffiti.
74	Park Board		Ethical Purchasing - program at '05 levels		171,000	Continue to purchase only the current fair trade products, which impact the Board's commitment to environmental sustainability, a core direction in the 2005-2010 Strategic Plan. More choice in food products sold.
75	General Government		Ethical Purchasing - Materials		183,500	Eliminate funding for material costs related to the Ethical Purchasing Policy. Evidence thus far is no material increase in costs
77	Vancouver Police Department		Reduction to Salary Premiums and Allowances		430,000	Various staffing related items(separation costs, comp time payouts, gratuity pay, field trainer's allowances) have been brought into line with current projections
78A	Vancouver Police Department	False Alarm Reduction Program	Remove time funding		38,740	Per previous Councils authorization, funding was provided to implement program upgrades. Funding is no longer required

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 1 - Expenditure Adjustments</b>						
78B	Vancouver Police Department	Mobile Workstation Replacement Program	Remove time funding		45,300	Per previous Councils authorization, funding was provided to implement program upgrades. Funding is no longer required
78C	Vancouver Police Department		Reduction in Security Guard Services and General Office Supplies		40,000	Reduction in Security Guard Services and General Office Supplies.
<i>78</i>	<i>VPD</i>	<i>VPD Miscellaneous</i>			<u><i>124,040</i></u>	
79	Vancouver Police Department		Reduction in Legal Expenses		80,000	Legal fees are driven mainly by the collective agreement that requires the VPD to cover the legal costs incurred by the members and is driven by incidents or events that occur.
80	Vancouver Police Department	Community Policing Centres (CPC)	Reduction in grant funding to CPCs		* 100,000	Council recently approved the modifications to the CPC program including how funding was provided to the established CPCs. Included in the modifications was the creation of a CPC in District 4. It is proposed to delay the opening of the District Four (Kitsilano) CPC until 2007.
<b>Total Type 1 Expenditure Adjustments</b>				<b>12.1</b>	<b>4,240,620</b>	
<b>Total Type 1 Adjustments</b>				<b>14.1</b>	<b>5,558,170</b>	

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 2 Revenue Adjustments</b>						
89	Corporate Services	Financial Services	Change penalty on late filed Home Owners Grants (HOG) applications		119,000	Currently, the City reverses the late penalty if taxpayers file their late applications within 30 days of a reminder notice. This change in practice of reversing the penalty is likely to cause a lot of complaints from taxpayers who have failed to file their HOG applications by the due date for various reasons
94	Community Services	Support Services	Cost recover Graphics Work		60,000	Graphics work (visual, computer, GIS, web management, AUTOCAD) is provided at nominal or no cost to City departments and projects. Project leaders and Departmental staff will be charged a fee to use CSG Graphics Services. It is expected that 100 hrs/month can be recovered from these users.
<b>Total Type 2 Revenue Adjustments</b>					<b>179,000</b>	



#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 2 Expenditure Adjustments</b>						
81	Britannia		Reduce pool operating hours		30,000	Britannia is a heavily-used pool. These closures would have a serious impact on the level of service to the local community. Closure options: Close for 9 Sundays in the summer, Close at 5 pm every Sunday, close for 3 days at Christmas, close for 7 additional statutory holidays, close for 9 Fridays at 5 pm in the summer.
82	Britannia		Reduce VSB maintenance costs		16,000	The VSB are contracted to perform all maintenance. Britannia has an ageing site meaning that a well-funded and regular ongoing maintenance schedule is imperative to keeping the site operational, clean and a welcoming place for the public.
83	Britannia		Reduce Information Centre Operating hours		11,000	The closure would reduce accessibility to information by the public which would mean a reduction in the level of service they receive. Closure options: Reducing operational hours at the weekend and over statutory holidays.
84	City Clerks		Discontinue 3 multi-lingual lines		8,000	Eliminate three multi-lingual phone lines (which allows callers to ask and receive information about City business in Punjabi, Spanish and Vietnamese). These lines are not heavily used, so the closure of these lines will probably not have a significant impact upon public access. However, the closure of these lines could send a negative signal to multi-cultural communities.

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 2 Expenditure Adjustments</b>						
85	City Clerks		Discontinue Outreach Costs		12,000	Eliminate outreach budget which was established two years ago in order to provide adequate resources for outreach and information sharing by the Advisory Committees on Diversity Issues, Disability Issues and Seniors' Issues. Elimination of this funding may make it more difficult for these groups to fulfill their mandates. It will not, however, have a significant impact on core City services.
86A	Corporate Services	Information Technology	IT Operations	2.0	65,000	Changing technology has reduced system administration & application development costs. This change supports the elimination of 1 System/Network Administrator position & 1 Computer Programmer/Analyst position.
86B	Corporate Services	Information Technology	XP Project Staffing	1.0	36,000	One Network Support Specialist II position is currently on loan to the VPD XP project which is scheduled for completion in September 2006. Beyond September, the position is not required. (50% in 2006)
<b>86</b>	<b>Corporate Services</b>	<b>Information Technology</b>	<b>Reduce 2 FTE in IT Operations &amp; VPD XP Project Staffing</b>		<b><u>101,000</u></b>	

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 2 Expenditure Adjustments</b>						
87A	Corporate Services	SAP Support	Reduce SAP Contract Services		10,000	Reduction in contract Services may result in not being able to complete all SAP-related system enhancements requested by the business and/or deal with considering new functionality which requires external expert advice.
87B	Corporate Services	SAP Support	Reduce SAP Support Overtime		5,000	Reduction in overtime may not allow for coverage of emergency work related to unforeseen SAP configuration or technical issues.
<i>87</i>	<i>Corporate Services</i>	<i>SAP Support</i>			<u><i>15,000</i></u>	
88	Corporate Services	Materials Management	Reduce Contract Services		17,000	Contract services are used to engage outside consultants to perform specific analysis of supply chain issues & identify areas of opportunity to reduce costs. A reduction in this area will curtail the ability to complete these studies and reduce overall costs.
90	Community Services	City Plans	Eliminate Planning Assistant II position	1.0	51,560	Eliminating this position will reduce the division's ability to respond to citizen inquiries and provision of planning services to neighbourhoods. It will also reduce the level of technical support to professional planning staff (e.g. data collection, logistical support, etc.)

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 2 Expenditure Adjustments</b>						
91	Community Services	Current Planning	Eliminate Planning Assistant II position	1.0	51,560	Eliminating this position will reduce ability to respond to technical support requests from development planners, and service delivery will be reduced to advisory committees including the Urban Design Panel and the Development Permit Board.
92	Community Services	Social Planning	Eliminate Food Policy Coordinator	1.0	94,100	Eliminate staff position (\$79K) and program budget (\$15k) for Food Policy Council. The Food Policy Council would not receive staff support and the Policy work for urban agriculture would be discontinued.
93	Community Services	General Manager	Eliminate Child Youth Advocate Program	1.5	150,000	Eliminating this program would result in the loss of advocacy role for child, youth and family issues; for changes within the public sector and for increased capacity for community advocacy.
95	Community Services		Scale back Single Room Accommodation Program		* 16,000	Scaling back this program will delay in processing permit applications and reduce capacity to undertake related policy work. Other Housing centre staff can be made available to respond if necessary.
96	Engineering	Sustainability	Further Reduce Community Climate Change Action Plan		100,000	This level of additional budget reduction would require an overall assessment of City sustainability priorities, and may have implications on existing staff positions leading to reduction of one existing position

97A	Park Board		Reduced operating hours at Recreation facilities	8.0	302,150	Reduced hours at recreation facilities reduce access to recreation. With significant construction scheduled on a tight timeline for the Olympics, some facilities will already be closed. Limiting access further through reduced hours causes overcrowding and residents may be forced to use private or other municipalities' facilities.
97B	Park Board		Reduced park maintenance & garbage collection	8.0	302,150	Reduced park maintenance impacts public enjoyment of parks, tourism, and may reduce parking revenues generated from park visits. Less frequent litter and garbage pickup and reduced frequency of turf mowing and maintenance increase the risk of injuries to park users and create sanitation issues.
97	<i>Park Board</i>				<u>604,300</u>	
<b>Total Type 2 Expenditure Adjustments</b>				23.5	1,277,520	
<b>Total Type 2 Adjustments</b>				23.5	1,456,520	

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 3 Expenditure Adjustments</b>						
98	Britannia		Eliminate RPT Youth position	.5	18,000	Eliminating this position would mean fewer positions dedicated to youth programming at the centre. This will reduce the number of programs offered and may increase the numbers of disenfranchised youth in the community leading to such things as increased vandalism and graffiti
99	Britannia		Eliminate Volunteer Coordinator Position	1.0	46,000	Eliminating this position would have a large impact as Britannia relies heavily on volunteers to operate its programs. This is a key position in Britannia's continued quest to serve its increasingly diverse community.
100	City Clerks		Reduce events hosting and catering		15,000	Reduce funding for hosting events and catering to Council/Council events and advisory committee meetings from \$23,000 to \$8,000. This would only allow for very limited catering of selected events. May reflect poorly on the City to discontinue hosting some events.
101	Corporate Services	Facilities Management	Reduce Cleaning services at City Hall	1.0	28,700	This reduction involves reducing the level of cleaning for offices from every second day to every third day. Service impact will be increased number of complaints from staff who already are requesting a higher level of service.

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 3 Expenditure Adjustments</b>						
102	Corporate Services	Financial Services	Reduce Reception Services	1.0	11,000	Reducing hours of coverage for the public reception area will impact customer service externally mainly with Real Estate Services & also internally with administrative duties being redistributed to other areas of Corporate Services. In addition, there will be slower response to customer enquiries by phone & in person.  57% of salary cost @ \$42k is offset to the Property Endowment Fund.
103	Corporate Services	Information Technology	Reduce operating expenses in IT		30,000	Contract services, overtime, travel & training - these reductions could result in some service impacts as their ability to respond to system outages in off-hour times will be more restricted.
104	Council		Reduce Councillors' travel & training		11,800	This reduction would significantly reduce Councillors' ability to travel on City business.
105	Community Services		Scale back Drug Policy Program		* 50,000	Reduce 50% of the remaining Drug Policy Budget (January to April 2006). The impact would be the inability to meet 2006 salary commitments to end of April and the partnership with the Vancouver Foundation could be affected.

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 3 Expenditure Adjustments</b>						
106	Community Services	Current Planning	Delay False Creek Flats Program		* 150,000	Delaying this program would present a challenge that the Long term plan would be delayed; Phase 1 work stale dated and the total cost of project will increase, however, could dovetail with timing of output of Metro Core study.
107	Community Services	Current Planning	Eliminate 1 TEMP full-time position on Metro Core Jobs & Economy Team		82,000	Reduce approved team (2 permanent and 3 temp staff) by 1 temp position (18 months). Reassign tasks to work programs of existing downtown staff assigned to other projects, as possible. Delays outcomes of Metro Core study, including clear policy on downtown land use and possible zoning changes. Delays other downtown projects, and reduces ability to respond to new developer inquiries.
108	Engineering	Streets	Eliminate Banner Program		90,000	This cut would see an end to the Arterial Street Banner Program. This in not desirable as the banner program provides an artistic opportunity and adds colour to the city.
109	Engineering	Streets	Street Maintenance Cuts		425,000	In 2005 the Streets Division identified a growing maintenance shortfall for residential and lane infrastructure. Council approved an additional \$685k to address this issue. Unfortunately, this cut would undermine the effort to deal with this problem.



#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 3 Expenditure Adjustments</b>						
110	Community Services	Civic Grants	Reduce Cultural Grants		650,000	<p>In combination with the \$348,650 Type 1 reduction submitted for Cultural grants, this adjustment reduces Cultural grants by 50% of the amount increased (beyond inflation) in 2005 and 2006, a reduction of approximately \$1 Million.</p> <p>The City's intent is to become a cultural centre of excellence leading up to the Cultural Olympiad and Olympic Arts Festival. The City's contribution to culture is 'leveraged' by the artistic community by as much as 15 to 1.</p>
111	Community Services	Civic Grants	Reduce Community Service Grants		172,000	<p>Represents a 50% reduction of the amount increased (beyond inflation) between 2003 and 2005 is required from Community Services Grants.</p> <p>This will impact vulnerable people in the City of Vancouver and agencies working with high needs, marginalized people who fall between the cracks.</p>
112	Community Services	Childcare Grants	Childcare Grant Reductions		160,900	<p>Represents a 50% reduction of the amount that childcare grants increased (beyond inflation) over last few years.</p> <p>Reduces funding available by \$77 per childcare space, or \$2,925 for each of the 55 high needs programs that are funded. These reductions could be very destabilizing for programs and families. Low income families would need to pick up higher costs or make alternative day care arrangements.</p>

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 3 Expenditure Adjustments</b>						
113	Library		Temporary closure (2 weeks)	1.7	320,000	With average circulation of over 36,000 items per day, a temporary closure of a week or more would result in a dramatic reduction - in the hundreds of thousands of items - in circulation of VPL materials in Vancouver. Over 24,000 students, researchers, New Canadians, tourists, parents and children, and professionals visit VPL branches each day; these users would lose a safe and vital study, recreation and work space during the closure period. Employees would be forced to take two weeks of vacation time in order to be paid during the closure(s), and over 350 regular part-time and auxiliary staff would be laid off and/or lose hours (and therefore their pay) during the closed period. This may also result in the loss of experienced part time and auxiliary staff.

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 3 Expenditure Adjustments</b>						
114	Library		Permanent reduction on open hours	8.0	320,000	A permanent reduction in hours open would result in the layoff of experienced part-time and auxiliary staff throughout the VPL system who work evenings and weekends and also provide vacation and sick replacement for full-time VPL public service staff. Students, seniors, professionals and families who use library services after work or who are unable to visit the library during weekday daytime business hours, families with young children and visiting school classes would lose access to recreational reading and audio/visual materials and vital literacy programs and services.
115	Mayor		Eliminate use of Temporary staff as backfill for vacation		10,000	The Mayor's Office requires these 3 civic staff in order to operate efficiently. Backfill of these critical positions during vacation times is a requirement. If not staffed consistently, service would be reduced.
116	Park Board		Close Recreation Facilities - Permanently	15.0	604,300	Eliminates neighborhood services, disrupts community development and compromises partnership agreements with community groups and associations. Permanently closing recreation facilities directly conflicts with population increases, with demographic and lifestyle changes and with the City hosting the Olympics.  Would lose leveraged partner spending of as much as \$600K; requires closing Community Centre equivalent to Kensington or Sunset

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 3 Expenditure Adjustments</b>						
117	Vancouver Police Department		Reduction to the Criminal Investigation Fund (CIF)		65,000	The extraordinary costs of major investigations are charged to CIF. The incidents or events that give rise to CIF expenses are not predictable.
<b>Total Type 3 Expenditure Adjustments</b>				<b>28.2</b>	<b>3,259,700</b>	

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 4 Expenditure Adjustments</b>						
118	City Clerks		Discontinue Chinese Multi-lingual line		5,000	Eliminate the Chinese-language phone line (which allows callers to ask and receive information about City business in Cantonese and Mandarin). This line is very well-used, so its closure will probably have a significant impact upon the Chinese community's ability to access City services and information.
119	Corporate Services	Financial Services	Reduce Cashiering Services		9,000	<p>The savings are estimated at 40% of the FTE in anticipation that Community Services would provide increased coverage of customer service area to allow the cashiering function to be absorbed within their staff compliment.</p> <p>The service level impact will translate into reduced hours that Building Permits staff would be open to serve the public since they would close early to balance floats etc.</p>
120	Engineering	Street Cleaning	Street Cleaning Litter Cart Reduction	2.5	200,000	This would reduce the amount of service available for litter cart collection. One truck and driver who pick up litter from the Streets would be removed from both the day and nightshifts. This represents a 10% reduction in the litter cart service.

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 4 Expenditure Adjustments</b>						
121	Fire		Reduce Emergency Fire Apparatus by one Engine	20.0	1,909,000	Fire & Rescue's 24/7 operation is organized into a schedule of four shifts with one officer and three firefighters assigned to the Quint/Engine for each shift, for a total of 16, plus 4 staff to provide vacation, sick and overtime coverage. Reducing Firefighting capacity by one Engine or one Quint would have a significant impact on the Department's capacity to respond to emergencies while simultaneously providing emergency coverage for the rest of the City of Vancouver, and is not recommended.
122	Human Resources	Employee Relations & Advisory Services	Elimination of 1 HR Consultant Position	1.0	86,650	Elimination of 1 HR Consultant position supporting Corporate Services & Community Services groups. Elimination of this position will see an increased workload on all staff, both in Corporate HR and in the business units. Results of reduction include: decreased level of service to business units; slower response times to clients and Unions; reduced utilization of HRC's in the field to collect HR data, implement HR initiatives, and work with other HR divisions; reduced availability for training, requirement to back up for vacations from other business units into impacted units. Less coaching of managers in impacted unit.

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 4 Expenditure Adjustments</b>						
123	Library		Permanent closure of location(s)	3.0	117,000	<p>There would be a loss of service to each community of over 20,000 people per branch closure. This service reduction would be particularly hard on children and seniors who are generally not mobile enough to go to another branch. Other borrowers will be required to travel an average of an additional 3km to the next closest branch.</p> <p>Children's story times and class visits would cease. Story times are crucial elements in this pre-literacy period in building strong reading habits for later life. The circulation of children's materials is one of two areas increasing rapidly in the last few years. Family literacy partnerships with other agencies that deal with children and parents will be weakened or end.</p> <p>The public's expectation and demand for service will not diminish. The number of complaints will rise and will involve all levels of staff and the Board.</p>

#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 4 Expenditure Adjustments</b>						
124	Library		Ready to Read	2.0	117,000	The 6 months evaluation of Ready to Read demonstrates that this service is fulfilling its mandate of reaching at risk children and their parents and caregivers and effectively promoting the importance of literacy. This program meets the Library Board's key strategic objective of fostering literacy skills in pre-school children and supporting and empowering parents in creating a learning environment for their children. Ready to Read is an important component in positioning VPL and the City of Vancouver in the Learning City initiative. Reductions in this program are not supported by the Library Board or Library Management.
125	Mayor		Reduce Mayor's fund		5,600	A reduction in this fund would diminish the Mayor's ability to hold/conduct civic meetings, host dignitaries, meet with other levels of government, and travel on civic business. This would impact the Mayor's ability to represent the City of Vancouver.



#	Department	Program	Description	2006 FTE	2006 \$ Amount	Impact Statement
<b>Type 4 Expenditure Adjustments</b>						
126	Vancouver Police Department		Reduction to Sworn Police Officers	66.0	4,329,660	88 officers would need to be laid off by May 2006. In January 2007, 22 of the lay-offs can be returned to work, leaving an ongoing reduction from 2006 66 officers. A lay-off of this magnitude cannot be absorbed without the closing down of units or squads. A final decision as to which services will be eliminated has not been made. Given the crime levels of the City, a reduction of 88 officers (66 in 2007 and beyond) will have a noticeable impact on the safety of the citizens.
127	City Clerks	External Relations	Eliminate External Relations & Protocol Coordinator	1.0	60,000	This position provides administrative support to the Chief, External Relations & Protocol. Elimination of this position would effectively prevent the City from developing an external relations and protocol program. Lack of coordination in this area is likely to result in embarrassment and extra expense to the City.
<b>Type 4 Expenditure Adjustments</b>				<b>95.5</b>	<b>6,838,910</b>	
<b>Total Department Adjustments</b>				<b>161.3</b>	<b>17,113,300</b>	



## APPENDIX 5 - VANCOUVER POLICE DEPARTMENT FINANCIAL ESTIMATES

### Option 1 (RECOMMENDATIUN (E(i)- No Change in Authorized Strength and 19 Civilians)

	2006	2007	Incremental for 2007
<b>Sworn Staffing - 0 Officers</b>			
Salary and Benefits	758,200	(136,200)	(894,400)
Uniforms and Equipment	148,000	0	(148,000)
Lockers/Renovations	-	0	0
E-Comm Radios and Laptops	-	0	0
Work Stations	-	0	0
Computers	-	0	0
Vehicles - Rental	-	0	0
Administrative Costs	-	0	0
<b>Total Sworn Officers</b>	<b>906,200</b>	<b>(136,200)</b>	<b>(1,042,400)</b>
<b>Civilian Staffing - 19 Civilians</b>			
Salary and Benefits	401,900	1,185,500	783,600
Renovations	120,000	0	(120,000)
Work Stations	-	0	0
Computers	-	0	0
Administrative Costs	6,800	3,800	(3,000)
<b>Total Civilian Staff</b>	<b>528,700</b>	<b>1,189,300</b>	<b>660,600</b>
<b>Less Overtime Savings</b>	<b>(700,000)</b>	<b>(800,000)</b>	<b>(100,000)</b>
<b>TOTAL FUNDING REQUIRED</b>	<b>734,900</b>	<b>253,100</b>	<b>(481,800)</b>

### Option 2 (RECOMMENDATION (E(ii))- Increase Authorized Strength by 23 Officers and Civilian Increase of 46

Report to City Vancouver  
 2006 Interim Operating Budget (RTS 05821)

	2006	2007	Incremental for 2007
<b>Sworn Staffing - 23 Officers</b>			
Salary and Benefits	1,120,500	1,681,000	560,500
Uniforms and Equipment	167,600	46,700	- 120,900
Lockers/Renovations	162,700	155,000	- 7,700
E-Comm Radios and Laptops	8,300	49,600	41,300
Work Stations	120,000	15,000	- 105,000
Computers	111,200	12,200	- 99,000
Vehicles - Rental	38,600	164,800	126,200
Administrative Costs	58,200	200,700	142,500
<b>Total Sworn Officers</b>	<b>1,787,100</b>	<b>2,325,000</b>	<b>537,900</b>
<b>Civilian Staffing - 46 Civilians</b>			
Salary and Benefits	951,300	2,459,300	1,508,000
Renovations	120,000	-	- 120,000
Work Stations	159,300	-	- 159,300
Computers	70,200	-	- 70,200
Administrative Costs	66,500	117,200	50,700
<b>Total Civilian Staff</b>	<b>1,367,300</b>	<b>2,576,500</b>	<b>1,209,200</b>
<b>Less Overtime Savings</b>	<b>(700,000)</b>	<b>(800,000)</b>	<b>(100,000)</b>
<b>TOTAL FUNDING REQUIRED</b>	<b>2,454,400</b>	<b>4,101,500</b>	<b>1,647,100</b>

**Option 3 (RECOMMENDATION (E(iii)- Increase Authorized Strength by 31 Officers and Civilian Increase of 46)**

	2006	2007	Incremental for 2007
<b>Sworn Staffing - 31 Officers</b>			
Salary and Benefits	1,265,000	1,811,400	546,400
Uniforms and Equipment	215,800	53,200	- 162,600
Lockers/Renovations	172,000	175,000	3,000
E-Comm Radios and Laptops	10,400	62,200	51,800
Work Stations	144,000	15,000	- 129,000
Computers	135,200	12,200	- 123,000
Vehicles - Rental	42,000	185,000	143,000
Administrative Costs	78,200	250,900	172,700
<b>Total Sworn Officers</b>	<b>2,062,600</b>	<b>2,564,900</b>	<b>502,300</b>
<b>Civilian Staffing - 46 Civilians</b>			
Salary and Benefits	951,300	2,459,300	1,508,000
Renovations	120,000	-	- 120,000
Work Stations	159,300	-	- 159,300
Computers	70,200	-	- 70,200
Administrative Costs	66,500	117,200	50,700
<b>Total Civilian Staff</b>	<b>1,367,300</b>	<b>2,576,500</b>	<b>1,209,200</b>
<b>Less Overtime Savings</b>	<b>(700,000)</b>	<b>(800,000)</b>	<b>(100,000)</b>
<b>TOTAL FUNDING REQUIRED</b>	<b>2,729,900</b>	<b>4,341,400</b>	<b>1,611,500</b>

**Option 1 - 19 Civilian Positions (RECOMMENDATIONS E(i), E(ii), and E(iii))**

<b>2006 Approvals - Additional Civilian Positions Due to Civilianization (19)</b>			
1.	Planning & Research Section	Director	BND-011
2.	Quality Assurance Section	Manager	GR-031
3.	Human Resources Section (Safety & Health Coordination Unit)	Safety & Health Coordinator	GR-030
4.	Major Crime Section (Robbery/Assault Squad)	Crime Data Analyst	GR-021
5.	Special Investigation Section (Statement Analysis)	Statement Analyst	GR-025
6.	Special Investigation Section (ViCLAS)	Serious Crime Analyst	GR-024
7.	Services Liaison Section (Document Services Unit)	Special Constable	GR-019
8.	Services Liaison Section (Document Services Unit)	Special Constable	GR-019
9.	Services Liaison Section (Document Services Unit)	Special Constable	GR-019
10.	Youth Services Section	Youth Referral Coordinator	GR-024
11.	Information Management Section (Information & Privacy Unit)	Case Management System Coordinator	GR-022
12.	Patrol Support Section (Crime Analysis Unit)	Case Management System Coordinator	GR-022
13.	Patrol Support Section (Crime Analysis Unit)	Case Management System Coordinator	GR-022
14.	Patrol Support Section (Crime Analysis Unit)	Case Management System Coordinator	GR-022
15.	Patrol Support Section (Crime Analysis Unit)	Case Management System Coordinator	GR-022
16.	District 1 (Analyst)	Crime Data Analyst	GR-021
17.	District 2 (Analyst)	Crime Data Analyst	GR-021
18.	District 3 (Analyst)	Crime Data Analyst	GR-021
19.	District 4 (Analyst)	Crime Data Analyst	GR-021

**Option 2 and 3 - 27 Civilian Positions (RECOMMENDATION E(ii) & E(iii))**

2006 Approvals - New Civilian Positions (27)			
1.	Services Liaison Section	Clerk/Typist III - Transcription Pool*	GR-015
2.	Services Liaison Section	Clerk/Typist III - Transcription Pool	GR-015
3.	Services Liaison Section	Clerk/Typist III - Transcription Pool	GR-015
4.	Services Liaison Section	Clerk/Typist III - Transcription Pool	GR-015
5.	Services Liaison Section	Clerk/Typist III - Transcription Pool	GR-015
6.	Services Liaison Section	Clerk/Typist III - Transcription Pool	GR-015
7.	Services Liaison Section	Clerk/Typist III - Transcription Pool	GR-015
8.	Services Liaison Section	Clerk/Typist III - Transcription Pool	GR-015
9.	Services Liaison Section	Clerk/Typist III - Transcription Pool	GR-015
10.	Services Liaison Section	Clerk/Typist III - Transcription Pool	GR-015
11.	Services Liaison Section	Clerk/Typist III - Transcription Pool	GR-015
12.	Services Liaison Section	Clerk/Typist III - Transcription Pool	GR-015
13.	Vice-Drugs Section	Clerk/Typist III - Drug Squad	GR-015
14.	Patrol Services Section	Clerk/Typist III- General Investigation Unit	GR-015
15.	Emergency Operations and Planning Section	Clerk/Typist III - EOPS	GR-015
16.	Emergency Operations and Planning Section	Clerk/Typist III - Forensic Video	GR-015
17.	Emergency Operations and Planning Section	Clerk VI - Emergency Plans Officer	GR-024
18.	Emergency Operations and Planning Section	Clerk VI - Emergency Education Officer	GR-024
19.	Emergency Operations and Planning Section	Clerk VI - Emergency Logistics Officer	GR-024
20.	Emergency Operations and Planning Section	Clerk IV - Assistant Planning Officer	GR-019
21.	Public Affairs and Marketing Section	Technical Analyst	GR-022
22.	Financial Services Section	Clerk III - Property Custodian	GR-017
23.	Financial Services Section	Clerk III - Property Custodian	GR-017
24.	Planning and Research Section	Research Assistant (Clerk IV)	GR-019
25.	Patrol Support Section	Clerk/Typist III - Fugitive Squad**	GR-015
26.	Youth Services Section	Clerk/Typist III - Youth Squad	GR-015
27.	Youth Services Section	Clerk/Typist III - School Liaison	GR-015

\* Note: Originally identified as individual positions for specific units in 2005, the 12 Clerk/Typists in the Transcription Pool will provide transcription and clerical support for the Investigation Division (i.e. Homicide, Robbery/Assault, Domestic Violence & Criminal Harassment, Financial Crime, Sexual Assault Squad, Vice). They will work shifts covering 7 days/24 hours more appropriate for the type of support required for Policing services. Further, this will provide Patrol officers with clerical assistance allowing officers to spend more time on the street.

\*\* Note: The Fugitive Squad was formerly referred to as the Warrant Squad in previous reports (function of squad is to arrest fugitives wanted on warrants).

**Option 2 (23 officers identified with \*) and 3 (additional 8 officers) - Sworn Officer Positions (RECOMMENDATIONS E(ii) and E(iii))**

<b>2006 Approvals - Sworn Positions (31 New Approvals)</b>		
1.	DCC Operations (Reader Sergeant)	SERGEANT
2.	DCC Operations (Reader Sergeant)	SERGEANT
3.	DCC Operations (Reader Sergeant)	SERGEANT
4.	DCC Operations (Reader Sergeant)	SERGEANT
5.	Patrol Support Section (Identity Theft Task Force)	SERGEANT
6.	Patrol Support Section (Fugitive Squad)	SERGEANT
7.	Major Crime Section (Homicide Squad)	CONSTABLE
8.	Major Crime Section (Homicide Squad)	CONSTABLE
9.	Major Crime Section (Robbery/Assault Squad)	CONSTABLE
10.	Major Crime Section (Robbery/Assault Squad)	CONSTABLE
11.	Major Crime Section (Robbery/Assault Squad)	CONSTABLE
12.	Major Crime Section (Robbery/Assault Squad)	CONSTABLE
13.	Special Investigation Section (Domestic Violence and Criminal Harassment Unit)	CONSTABLE
14.	Special Investigation Section (Domestic Violence and Criminal Harassment Unit)	CONSTABLE
15.	Special Investigation Section (Domestic Violence and Criminal Harassment Unit)	CONSTABLE
16.	Special Investigation Section (Domestic Violence and Criminal Harassment Unit)	CONSTABLE
17.	Forensic Services Section (Financial Crime Squad)	CONSTABLE
18.	Forensic Services Section (Financial Crime Squad)	CONSTABLE
19.	Forensic Services Section (Forensic Identification Unit)	SERGEANT
20.	Forensic Services Section (Forensic Identification Unit)	CONSTABLE
21.	Forensic Services Section (Forensic Identification Unit)	CONSTABLE
22.	Forensic Services Section (Forensic Identification Unit)	CONSTABLE
23.	Services Liaison Section (Station NCO)	SERGEANT
24.	Services Liaison Section (Station NCO)	SERGEANT
25.	Services Liaison Section (Station NCO)	SERGEANT



2006 Approvals - Sworn Positions (31 New Approvals)		
26.	Services Liaison Section (Station NCO)	SERGEANT
27.	Criminal Intelligence Section (Counter Terrorism Unit)	SERGEANT
28.	Criminal Intelligence Section (Counter Terrorism Unit)	CONSTABLE
29.	Criminal Intelligence Section (Counter Terrorism Unit)	CONSTABLE
30.	Criminal Intelligence Section (Counter Terrorism Unit)	CONSTABLE
31.	Training & Recruiting Section (Force Options Training Unit)	SERGEANT

### Appendix 6 - Summary of Requested Regular Full-Time Positions

RTS #	Funding Request	Dept	#	Position Title
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**For Funding Request Requiring Funding**

5206	Permit Processing - Completion of Resources Strategy		1	Project Facilitation Manager
5206	Permit Processing - Completion of Resources Strategy		1	Customer Service Representative
5206	Permit Processing - Completion of Resources Strategy		<u>2</u>	Customer Service Specialists
			<u>4</u>	
5467	Employee Relations & Advisory Services - Development Plan		2	Human Resource Consultant III
5467	Employee Relations & Advisory Services - Development Plan		<u>1</u>	Administrative Assistant
			<u>3</u>	
5720	Continuation of Drug Policy Program - conversion from temporary full-time		1	Drug Policy Coordinator
5720	Continuation of Drug Policy Program - conversion from temporary full-time		1	Social Planner 1
5720	Continuation of Drug Policy Program - conversion from temporary full-time		<u>1</u>	Clerk III
			<u>3</u>	
5470	Additional Staffing to Bring the Vision Implementation Team to Full Strength		1	Planner 1
5470	Additional Staffing to Bring the Vision Implementation Team to Full Strength		<u>1</u>	Planning Assistant III
			<u>2</u>	
<b>Total New Positions Requiring Funding</b>			<b>12</b>	

RTS #	Funding Requests	Dept	#	Position Title
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**Funding Requests with Funding Source**

-	Conversion of temporary position to Full-time	Corporate Services - IT	1	GIS System Analyst
-	Conversion of temporary position to Full-time	Corporate Services - IT	1	Web Master
-	Conversion of temporary position to Full-time	Corporate Services - IT	1	System Analyst for City Manager's Office & Elected Official
-	Consolidation of regular part-time positions to regular full-time	Library	1	Library Assistant 2
-	Consolidation of regular part-time positions to regular full-time	Library	2	Building Maintenance Workers
<b>Total New Positions Funding Source</b>			<b>6</b>	

## Appendix 7 - Administrative Position Adjustments

The following positions require adjustments to reflect current operational requirements.

### Library Board

<u>Position</u>	<u>Classification</u>	<u>Delete, Reclassify, or Create</u>	<u>Funding Change</u>
50006575	Library Assistant VI	Delete	To part time
50006628	Library Assistant VI	Delete	To part time
50006305	Library Assistant I	Delete	To part time
50011569	Library Assistant II	Delete	To part time/casual