



## CITY OF VANCOUVER

# RR-1

### ADMINISTRATIVE REPORT

Date: October 20, 2006  
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Meeting Date: October 31, 2006

TO: City Council

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

SUBJECT: 2007 Operating Budget: Preliminary Estimates

#### RECOMMENDATION

THAT Council receive for information the preliminary estimates for the 2007 operating budget as outlined in this report and summarized in Appendix 1.

#### COMMENTS OF THE CITY MANAGER

The Preliminary Report on the 2007 Operating Budget is the first opportunity that Council has had to review the budget position and to begin the process of bringing the estimates into balance. As noted in this report, the 2007 estimates show a funding shortfall of \$23.4 million, equivalent to a property tax increase of 4.9%.

Though this budget position is prior to the administrative review of departmental budgets by Corporate Finance, the preliminary budget position provides an indication of funding required to maintain current service levels, to accommodate new/expanded programs approved by Council in 2006 and to pass through increases other agencies imposed on the City's budget that Council has no direct control.

The Corporate Management Team has also identified \$7.1 million of new funding requests bringing the potential property tax increase to 6.3%. If there are major new initiatives that Council wishes to be included in the 2007 Operating Budget, it would be appropriate to identify them between now and the Interim Budget to ensure that adequate funding is available.

On July 20, 2006, Council instructing the Director of Finance to report back as part of the Interim Budget Estimates on a strategy to achieve a target property tax increase not to exceed 4% that includes new or expanded programs but excludes an impact of outside agencies. Further, Council approved a budget public consultation process which is to take place in November 2006.

Between now and January 2007, staff will conduct detailed administrative reviews of the budget, hold a public consultation process, and develop strategies to achieve Council's priorities and taxation targets. In January 2007 Council will have an opportunity to review the priority funding requests along with potential adjustments through budget briefings and formal reports. Finally, on February 13, 2007, Council will be presented with the interim budget estimates, options to balance the budget and the results of the public participation process. It is at this stage that Council will be asked to make the decisions necessary to bring the budget into balance.

## **PURPOSE**

The purpose of this report is to:

- bring forward to Council the preliminary revenue and expenditure estimates of the 2007 Operating Budget;
- provide a list of new funding requests prioritized by the Corporate Management Team that impact the 2007 and subsequent budgets;

## **BACKGROUND**

On July 20, 2006, Council approved a process that will allow the adoption of the 2007 Operating Budget as early as possible in the first quarter of 2007. Along with approving the general budget schedule, Council made the following specific approvals:

- Instructed the Director of Finance to report back as part of the Interim Budget Estimates on a strategy to achieve a target property tax increase not to exceed 4% that includes new or expanded programs but excludes the impact of outside agencies;
- Established a public consultation process, for both residents and businesses, that includes a public telephone survey, 3 community forums, one public meeting at City Hall, and the publication of a City Choices flyer.
- That Council will meet with the City's unions as part of the budget process.

Staff began preparing the 2007 Operating Budget estimates during the summer of 2006 based on approved levels of service and key inflationary guidelines. Finance staff will complete a detailed administrative review of the revenue and expenditure estimates in November and December of 2006. This review includes discussions with all service groups/boards to ensure that departmental budgets meet target expenditure levels that provide sufficient funding to maintain programs, services and staffing at approved levels, and that requests for additional funding beyond these targets could be justified on the basis of Council approvals, health and safety concerns or short-term workload issues.

The preliminary estimates for the 2007 Operating Budget indicate a potential tax rate increase of 4.86%. Major factors contributing to this increase are:

- Inflationary increases
- Costs associated with new and expanded services approved in 2006
- Cost of outside agencies
- Costs associated with the Capital Program

## DISCUSSION

### The Current Budget Position

The following table summarizes the current position prior to the administrative reviews described above and prior to consideration of a property tax increase.

Revenues		\$000
Taxation Revenue	\$516,469	
General Revenue	156,977	
Utility Fees	141,973	
Transfers	<u>7,160</u>	\$822,579
<b>Expenditures</b>		
Departmental Expenditures	\$587,728	
Utility Expenditures	177,083	
Capital Program	73,155	
Transfers	<u>7,996</u>	<u>\$845,962</u>
<b>Net Budget Position</b>		<b>(\$23,383)</b>
<b>Preliminary Property Tax Increase</b>		<b><u>4.86%</u></b>

Additional detail of these estimates is provided in Appendix 1, along with comparative information from the 2006 Operating Budget.

The following summarizes the major revenue and expenditure areas in the budget.

#### 1. The Revenue Estimates

The revenue side of the Operating Budget comprises of four components: Taxation Revenue, General Revenues, Transfers from Reserves/Funds, and Utility Revenues (as they relate to the utility expenditures). The preliminary estimates include revenues of \$822.6 million in

2007, up 1.1% from 2006. This revenue position is prior to consideration of a property tax increase.

### *Taxation Revenue*

Taxation revenues are those derived from property taxation sources including the general purpose tax levy, receipts-in-lieu of taxes (revenues from properties not subject to property taxation) as well as penalty and interest charges for outstanding and arrears taxes. The preliminary estimates establish these revenues at \$516.5 million.

- i) The general purposes tax levy has been set at \$480.8 million prior to consideration of a tax increase. This includes \$3.5 million in tax revenue from new construction.
- ii) The provision for tax adjustments has been increased to \$4.0 million from \$3.0 million in response to a high level of assessment appeals before the Assessment Review Panel.
- iii) Receipts-in-lieu of taxes totals \$32.7 million, reflecting modest decrease in revenues based on 2006 experience.
- iv) Penalties and Interest has been set at \$3.5 million, a reduction of \$1.4 million that better reflect actual experience. Penalties and interest are impacted by improved collection related to the increased participation in the Tax Installment Prepayment Program (TIPPs) that allows property owners to pre-pay their taxes.

### *General Revenues*

A variety of general revenue sources support the expenditure budget. Overall, General Revenues are anticipated to increase to \$157.0 million or \$2.4 million over the 2006 budget level of \$154.6 million, a 1.5% increase. These revenues are summarized below:

- i) Provincial Revenue Sharing is comprised of two components :

#### *Provincial Traffic Fine Revenue*

The Provincial traffic fine revenue program increased substantially in 2004 (an increase of approximately \$10 million from \$2.5 million) based on the Provincial initiative to transfer 100% of traffic fine revenue to municipalities. This traffic fine revenue is provided to municipalities in order to defray the cost of local police enforcement.

The Preliminary Budget includes \$12.5 million for Provincial Traffic Fine Revenue, equal to 2006. The budget is based on 2006 actual experience since 2007 estimates have not yet been received from the Province.

#### *Gaming Revenue*

The Preliminary Budget includes \$5.0 million for gaming revenue based on the 2006 experience from the Edgewater Casino at Plaza of Nations, and the Great Canadian Casino at the Holiday Inn. The estimate does not include revenue from the Hastings Racetrack since it is uncertain as to when the gaming facility will be operational.

The gaming market both within the City and the Region continues to be very active, with gaming facilities operating in Richmond, Burnaby, New Westminister, Coquitlam, Surrey, and Langley. Expanded facilities are being built in Burnaby and New Westminister. In Vancouver, the Edgewater Casino was recently sold to Paragon BC UCL. Though the new operators are planning to introduce a number of improvements in the near future, the 2007 budget does not assume a change in revenues due to the potential impact of competing gaming facilities in the Region.

- ii) Investment Income is dependent on the cash balances the City has to invest and on market interest rates. An overall increase in the cash pool as well as increased interest rates is anticipated resulting in increased short term interest earnings of \$0.1 million.
- iii) On-Street Parking Revenue has been increased by \$0.5 million to reflect program changes approved by Council in 2006 and historical experience.
- iv) Service and Inspection Fees have been increased by \$0.6 million reflecting increasing activity in this sector of the economy and the increased fees approved by Council. The key areas of increased revenues relate to newsbox permit revenue (\$0.3 million), electrical and plumbing inspection fees (\$0.2 million) and increased development permit revenues (\$0.1 million).
- v) License Fees have increased by \$0.3 million mainly based on historical experience. The main change is expected in business licenses.
- vi) Park Board revenues have increased by \$1.8 million or 5.1% based on inflationary guidelines and the reversal of one time adjustments included in the 2006 budget.
- vii) Civic Theatres revenues are anticipated to decrease by \$0.24 million based on projected event bookings and the planned closure of the Queen Elizabeth Theatre from May to October 2007 for capital work.
- viii) Miscellaneous Revenue is anticipated to decrease by \$0.77 million based on actual experience.

#### *Transfers from Reserves*

The transfer from other funds and reserves includes:

- i) The annual dividend from the Property Endowment Fund is held at \$7.0 million.
- ii) The transfer from the Art Gallery Reserve remains unchanged at \$160,000. It partially offsets the Art Gallery operating grant.

## **2. The Expenditure Estimates**

The expenditure side of the budget is comprised of four components: Departmental Expenditures, Utility Expenditures; the Capital Program and Transfers to other

Funds/Reserves. The preliminary estimates include expenditures of approximately \$846.0 million in 2007, up 4.0% from the 2006 final budget. If approved at this level, expenditures of \$704.0 million would be supported by property taxes, general revenues, and transfers and \$142.0 million would be supported by utility user fees.

### *Departmental Expenditures*

Departmental expenditures are those related to the programs and services provided by the City. The increases in program costs total \$17.7 million and are driven by the following factors.

i) Salary and Benefit Costs

Collective agreements for most employee groups expire at the end of 2006. The wage provision is a significant driver, as employment costs make up over 60% of the City operating expenditures.

ii) Inflation in Non-Salary Costs

Besides the costs associated with salaries and benefits, a variety of material, equipment and other input costs associated with the programs offered by the City also face inflationary pressures. The budget provided a general allowance of 2.0% in departmental budgets to account for these increases. This general inflation adjustment adds approximately \$2.5 million to the budget, equivalent to a 0.5% tax increase.

Some specific non-salary items worth noting that have changed at a different rate than inflation are:

- Energy costs for natural gas and hydro has increased by \$0.4 million mainly due to an assumed 5.0% increase in natural gas and 7.5% hydro costs translating to a 0.1% tax increase.
- Equipment costs have increased by \$3.0 million, equivalent to a 0.6% tax increase. Though there are budgeted increases to fuel and maintenance, the main increase is due to increases in the Vancouver Police Department fleet by 24 units based on Council approval as well as the inclusion of 5 new fire apparatus into the Plant Account that are slated for replacement in 2007<sup>1</sup>.

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<sup>1</sup> Council approved the inclusion of the Fire Department fleet into the Plant Account in 1996. Rather than transition all the fleet into the Plant Account at once, the Fire Department fleet is incorporated into the Plant Account only upon replacement.

### iii) One Time Budget Adjustments

As part of the budget setting exercise, Council made some one-time budget adjustments to balance the 2006 Operating Budget. These budgets have been reinstated adding \$1.5 million to the 2007 Operating Budget. These included new and non-recurring funds (\$1.0 million) and Contingency Reserve (\$0.5 million).

### iii) New Programs and Services Approved in 2006

There are a number of new or increased expenditures related to programs and services totalling \$6.5 million equivalent to a 1.35% tax increase. These included Park Board "Added Basic" (\$0.6 million), programs approved prior to 2006 by Council (\$1.0 million), and programs approved throughout 2006 (\$4.8 million).

#### *Park Board "Added Basic"*

Added basic is the ongoing operating cost of capital projects approved by the Park Board and Council. An estimate of \$0.56 million has been added to the Park Board's preliminary budget for 2007. \$0.17 million relates to one time funding to offset the estimated net revenue losses at Queen Elizabeth Park from construction impact of the Canada Line. The remaining funds are for maintenance of new and redeveloped facilities, parks, and street trees.

#### *Pre 2006 Approvals*

There are two programs that were approved prior to 2006 that have an impact a net impact of \$1.0 million on the 2007 Operating Budget or 0.2%. These include:

- Civic Cultural Initiative - In 2005 Council increased resources for cultural programs over three years. The last increment from that initiative is in 2007 which resulted in a \$1 million increase in 2007.
- Animal Control Services Strategic Plan - In May 2004, Council adopted the Animal Control Services Strategic Plan as a guide for improving animal control operations and services. The Plan unfolds over a five-year implementation period. In 2007, two positions are added for a total cost of \$0.1 million with offsetting license fee revenues. On October 19, 2006, Council requested a report back on methods to improve the compliance for animal licensing and overall revenue generation. This report will come forward on January 18, 2007.

#### *2006 Approvals*

The following programs were approved in 2006 with a net impact of \$4.8 million or a 1.1% tax increase:

*Community Initiatives*

Council approved two community related initiatives totalling \$0.69 million with a net impact of \$0.36 million on the 2007 Operating Budget or a 0.07% tax increase. The major initiatives were Sport Hosting and Vancouver Sport Strategy and the opening of the Kensington Branch in late 2007 (2008 full year costs is estimated at \$0.8 million).

Initiative	fte	Gross Budget (\$)	Incremental Funding Impact (\$)
Sport Hosting & Van Sport Strategy		250,000	250,000
Opening of the Kensington Branch	1	442,100	106,500
	1	692,100	356,500

*Planning Projects*

Council approved a number of planning related initiatives totalling \$0.94 million with a net \$0.70 million impact on the 2007 Operating Budget or a 0.15% tax increase. The major initiatives were the development of an Economic Development Strategy by the Vancouver Economic Development Commission (VEDC), staff increases for Visions implementation, an update of the City's heritage register, and the establishment of permanent program planning for the Area Planning group.

Initiative	fte	Gross Budget (\$)	2007 Budget Impact (\$)
VEDC-Economic Development Strategy		136,000	30,000
Visions Implementation	2	151,000	74,100
Heritage Register Update		100,000	100,000
Area Planning		556,000	492,000
<b>Total Planning Initiatives</b>	<b>2</b>	<b>943,000</b>	<b>696,100</b>

*Streets*

Council approved a number of increases related to street operations as either new programs or as "added basic" maintenance costs associated with approved capital projects for a total \$1.2 million.. The net impact to the Operating Budget was \$0.47 million or a tax impact of \$0.10%.

Initiative	fte	Gross Budget (\$)	2007 Budget Impact (\$)
Newspaper Box Policy Review	1	269,900	-
Central Valley Greenway - Maintenance		217,900	217,900
McBride Park/Waterloo - Maintenance		8,700	8,700
Cycling Program - Maintenance	1	72,100	72,100
Bikelanes (Kerr, Dunsmuir, & Windsor)		11,500	11,500
Traffic Calming - Speed Hump Program, Vernon Drive, Grandview-Woodland, Langara		9,600	9,600
Greenways - Ridgeway West, Carrall St. & Tupper		115,900	115,900
2006 Traffic Signal Program		33,500	33,500
2006 Street Degradation Fee		462,400	
	2	1,201,500	469,200



*Public Safety*

In 2006, Council approved a number of public safety initiatives totalling \$9.1 million with a net impact of \$3.1 million to the 2007 Operating Budget translating to a 0.65% tax increase. The public safety initiatives include staffing increases for the Vancouver Police Department [125 positions related to the Staffing Review (review completed in 2005 and reaffirmed by Council after Phase I of the VPD Operational Review in 2006) and the transfer of the Jail Operations from the Province] and increased Fire equipment related costs.

<u>Initiative</u>	<u>fte</u>	<u>Gross Budget (\$)</u>	<u>2007 Budget Impact (\$)</u>
Fire Thermal Imaging Cameras		24,400	24,400
Fire CAD Implementation costs		101,200	-
Fire Wireless Data Fees & Support for Mobile Work Stations		22,400	22,400
Police - Staffing Review	77	5,452,100	2,722,200
Police - Vancouver Jail Staffing	50	3,514,700	355,300
	<b>127</b>	<b>9,114,800</b>	<b>3,124,300</b>

*Other Council Approvals*

There were a number of administrative approvals by Council throughout the 2006 budget year that have added a further \$0.26 million to the 2007 Operating Budget or a tax increase of 0.05%. These include:

- o Additional staffing within Employee Relations and Advisory Services (\$0.05 million)
- o Increased information technology funding for Library Services (\$0.03 million)
- o Increased support staff within Community Services (\$0.06 million)
- o Creation of a Capital Budget Manager position within Corporate Services (\$0.06 million)

iv) Charges from Outside Agencies

The City's Operating Budget must also fund costs imposed by outside organizations over which Council has little or no direct control. The following organizations are anticipated to increase their requisitions to the City in 2007:

- GVS&DD levies the City for its share of regional sewerage costs. In 2007, these costs are estimated (based on 2006 GVRD long range figures) to increase by 1.2%. These costs are recovered 48% from user fees and 52% from property taxes. The impact on the tax supported operating budget of this increase is \$0.54 million over 2006 or 0.1% tax increase.
- The requisition from E-Comm for radio and dispatch services has not yet been received. However, E-Comm has indicated a potential 5% increase to the levy which would result in a levy increase of \$0.9 million over 2006 translating to a 0.2% tax increase.

It has been Council practice to pass these expenditure increases through to taxpayers as a tax increase rather than forcing reductions in the City's program to remain within acceptable taxation targets. Together these additional charges total \$1.4 million and represent a property tax increase of about 0.3%.

*The impact of outside agencies may be higher than currently projected given that many of these organizations have yet to set their budgets. Most notably, indications have been provided by the GVRD that the GVS&DD levy may increase substantially from the 2006 GVRD Long Range Plan. This increase may result in a further 0.1% tax increase (see Utility Expenditure section below).*

### *Utility Expenditures*

The City has established three utilities that are operated on a user pay basis. The water and solid waste utilities are fully funded from user fees so that increased expenditures are matched by increased user fee revenues with no impact on property taxes. The sewer utility is funded approximately 48% from user fees and 52% from property taxes.

The estimates for the Water and Sewer Utility are based on the 2006 GVRD Long Range Plan and therefore will need to be updated as soon as the 2007 GVRD budgets are established. Upon receipt of this information and completion of a staff administrative review, the budgets and rates for these utilities will be presented to Council for approval in December 2006.

Water utility costs are driven by increases in the cost of water purchased from the Regional District and debt charges. As detailed in the 2006 GVRD Long Range Plan, the Regional cost of water is estimated to increase by 21% in anticipation of future capital expenditures related to water filtration projects at Seymour and Capilano Reservoirs and has resulted in an overall increase \$8.0 million (assuming no change in consumption). The City's utility debt has decreased by \$2.6 million. The 2007 Water Utility rates for purposes of the preliminary report are estimated to increase by 7.0% which would require a \$3.5 million contribution from the Waterworks stabilization reserve. Through the administrative review, forecasts will be completed to look at the trade off between minimizing utility rate increases and maintaining an appropriate balance in the stabilization reserve over the long term.

Sewer utility costs are driven by an anticipated increase in the Regional District costs for sewage treatment (\$1.1 million) (based on the 2006 GVRD Long Range Plan) and increases in debt charges (\$0.5 million). To balance these costs would require a 2.1% revenue increase which translates to an approximate 3.7% rate increase. As noted above, the City has just received information from the GVRD that that the GVS&DD levy may increase by a further \$1.1 million (double the anticipated increase to the levy). City Staff will be working with the GVRD to determine the cause for such a significant increase and report back to Council on the final GVRD figure. Should this increase be approved, the sewer utility rates would need to increase a further 2% to 5.7% and the tax supported portion of the operating budget would increase by \$0.5 million or a 0.1% tax increase.

The Solid Waste utility shows only a \$0.2 million or 0.6% increase. This small increase is due to redistribution of landfill tonnage collected on behalf of the GVRD rather than the City. The other major change included in the preliminary estimates is an increase of \$0.7 million related to the interest and principle payments associated with the automated garbage collection program. There are a number of potential revenue and expenditure adjustments, mainly in the landfill operations, that will be addressed in the upcoming administrative review that may result in adjustments to the estimates and potentially rates.

*As noted above, these estimates will be updated in December as information from the GVRD is received and administrative reviews are completed.*

The Waterworks and Solid waste operations have no impact on taxes. However, the increases to sewer costs partially impact the general tax levy (the net impact to the tax supported portion of the sewer utility is \$0.8 million).

### *Capital Program*

The City's capital program is planned over a three year period with financing provided by a combination of debt issuance and pay-as-you-go funding. The costs of this program are carried in the Operating Budget through payments of principal and interest on debt issuance with funding provided from utility user fees and the property tax levy.

In 2007, the Operating Budget includes increased debt charges from an anticipated \$100 million debenture issue:

- i) It is anticipated that the City will proceed with a \$57.0 million debenture issue resulting in additional principal and interest costs. These increases will be offset by savings related to debentures maturing during 2006 such that the net impact on the budget is \$2.9 million.
- ii) The Water and Sewer Utilities will issue an anticipated \$43.0 million with additional debt charges being funded primarily by utility fee increases or directly through tax supported funding.
- iii) The 2006-2008 Capital Plan anticipates capital from revenue of \$19.0 million in 2007, an increase of \$1.6 million from 2006. The higher allocation in 2007 reflects normal inflationary escalation in the provision and the replacement of capital from revenue that was deferred to balance the 2006 Operating Budget.

The impact of the tax-supported portion of the capital program (including Sewer Utility debt and excluding Local Improvements debt) will be an increase of \$4.9 million, equivalent to a tax increase of 1.0%.

### *Transfers to Reserves/Funds*

There are a number of transfers included on the expenditure side of the operating budget, the main transfers include:

- i) \$4.2 million for the Information Technology Long Term Financing Plan. This funding provides for the replacement and continued development of the City's core information technology infrastructure and equipment.
- ii) \$0.50 million for the 2008 election, and
- iii) \$0.75 million for the Liability Insurance Reserve.

### 3. Summary of Budget Drivers

The following summarizes the key changes in the preliminary estimates.

Tax Increase	Impact (\$M)	Driver
1.9%	\$9.1	Inflationary Increases - revenues & expenditures
1.4%	\$6.5	New Programs Approved in 2006 plus Added Basic
1.0%	\$4.9	Capital Program Costs
0.3%	\$1.4	Charges from Outside Agencies
0.3%	\$1.5	One-time budget adjustments
<b>4.9%</b>	<b>\$23.4</b>	<b>Preliminary Budget Position</b>

#### 4. Park Board Global Budget

The preliminary estimates make a provision for the Park Board Global Budget of \$55,492,200, including added basic funding of \$564,600. 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 to its expenditure budget on the same basis as other departments. The expenditure adjustments reflect increases in salary and benefit costs and increases in non-salary costs at 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 2007 request includes \$394,600 of additional funding for maintenance and support of new facilities, parks and street tress and the remaining \$170,000 is for one time relief of net revenue losses arising from the Canada Line construction impacts.

Adjustments from the administrative review of the Park Board added basic will be reflected in the 2007 interim estimates of the 2007 Park Board Global Budget.

#### 5. New Funding Requests for 2007

The Corporate Management Team (CMT) has prioritized a number of initiatives that are being submitted for consideration as part of the 2007 Operating Budget. As much as possible, the CMT has attempted to anticipate any need for additional funding as part of the budget and has agreed to limit requests to be funded through Contingency Reserve, after the 2007 Operating Budget is set.

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

Type of Funding Request	fte <sup>1</sup>	\$Impact (millions)	Tax Impact
Type A - Council Requested Report Back	8	\$1.12	0.23%
Type B - New Funding Requests			
▪ B i) New or Expanded Programs	5	\$5.43	1.13%
▪ Bii) Outside Agency Requests	1	\$0.32	0.07%
<b>Total Type B Funding Requests</b>	<b>6</b>	<b>\$5.75</b>	<b>1.20%</b>
<b>Total Programs With Funding Impact</b>	<b>14</b>	<b>\$6.87</b>	<b>1.43%</b>
Type C - Programs with Available Funding Sources	1	\$0.26	n/a
Type D - VPD Operational Review	Tba	tba	tba
<b>Total Funding Requests</b>	<b>15</b>	<b>\$7.13</b>	<b>1.43%</b>

<sup>1</sup> FTE includes regular and temporary positions

***Type A - Council Requested Report Back***

There are six initiatives listed in Appendix 2 that have been requested by the Council to be reported back on for final approval. The total funding request for 2007 is \$1.12 million which is not included in the current estimates and would add a further 0.2% tax increase should they be solely funded through taxation.

The following requests have been prioritized by the Corporate Management Team and are detailed in Appendix 2.

	fte	Impact (\$million)	%Tax Impact
Official Visits & Events Protocol Funding	-	0.228	0.05%
Sport strategy for City of Vancouver <sup>1</sup>	-	0.150	0.03%
Homeless Action Plan	-	0.100	0.02%
Permitted Resource Strategy	2	0.154	0.03%
Drug Policy Program <sup>2</sup>	3	0.330	0.07%
Support - Area Planning Programs <sup>1</sup>	3	0.160	0.03%
<b>Total Type A Funding Requests</b>	<b>8</b>	<b>1.122</b>	<b>0.23%</b>

<sup>1</sup> To be reported back to Council on January 18, 2007

<sup>1</sup> To be reported back to Council on October 31, 2006

***Type B - New Funding Requests***

There are seven funding requests listed in Appendix 2 determined by the Corporate Management Team to be of high priority or have been requested by outside agencies. The total funding requests for 2007 is \$5.8 million and would add a further 1.2% tax increase should they be solely funded through taxation.

The main request is to reserve over the next four years \$5.0 million per year in preparation for the 2010 Winter Olympic and Paralympic Games. The Legacy Reserve Fund as it relates to the 2010 Winter Olympic and Paralympic Games will provide for the involvement of communities, citizens, and businesses; allow the City to meet sustainability objectives; and be host to visitors and residents participating in the Olympic experience. The \$20 million of City funding would be leveraged with other organizations to maximize the overall investment by the City. On January 18, 2007, Olympic and Paralympic Operations will report to Council on the plan for the reserve and associated benefits to the City.

Type B(i) New or Expanded Programs

	fte	Impact (\$million)	%Tax Impact
Leveraging Olympic & Paralympic Community Legacies <sup>1</sup>	-	5.000	1.04%
Multilingual Communications Coordinator	1.0	0.059	0.01%
Fire Vehicle Repeaters <sup>1</sup>	-	0.182	0.04%
Systems Analyst to Consolidate Property Information	1.0(temp)	0.083	0.02%
Community Services O&H Practitioner	1.0	0.035	0.01%
South East False Creek Temporary Planners	2.0(temp)	0.071	0.01%
<b>Total</b>	<b>5.0</b>	<b>5.430</b>	<b>1.13%</b>

Type B(ii) Outside Agency Requests

Vancouver Economic Development Commission <sup>1,2</sup>	1 (external)	\$0.322	0.07%
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<b>Total Type B Funding Requests</b>	<b>6.0</b>	<b>5.752</b>	<b>1.20%</b>
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<sup>1</sup> To be reported back to Council on January 18, 2007

<sup>2</sup> Position identified in this request would be for an external agency - i.e. an employee of the VEDC

*Type C - Programs With Funding Source*

There are 3 requests listed in Appendix 2 that Departments have internal funding sources which the Corporate Management Team has determined to be of high priority. The total funding required in this category for 2007 is \$0.26 million with no increase in taxes.

	fte	Impact (\$million)
Regularize Councillor Assistant Position	1.0	\$0.050
Phase 1 - 2010 Garden Plots <sup>1</sup>		\$0.122
Youth Days in Council		\$0.083
<b>Total Type C Funding Requests</b>	<b>1.0</b>	<b>\$0.255</b>

<sup>1</sup> To be reported back to Council in mid 2007 with estimates on future funding implications

*Type D: Vancouver Police Department Operational Review*

In 2004, the Vancouver Police Department completed a Strategic Planning and Long Range Staffing Review that was evaluated, at the request of Council, by an independent consultant (University of Fraser Valley). This review was presented to Council on March 3, 2005:  
 Administrative Staff Report: <http://vancouver.ca/ctyclerk/cclerk/20050303/cs1.htm>  
 Consultant Report: <http://vancouver.ca/ctyclerk/cclerk/20050303/cs1consultantreport.pdf>

As part of the 2005 Operating Budget, Council approved an increase of 77 positions for the VPD for both 2005 and 2006 respectively. The increase in staffing for 2006 was subject to the approval of: a strategic operating plan; and a report back by the Steering Committee on projected overtime savings and shared services opportunities.

The first phase of this "Operational Review" was reported to Council on March 21, 2006 and summarized in a formal council report:

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

Phase I deliverables included (August 2005 - March 2006):

- Documenting and building a reference library/database including Computer Aided Dispatch and Records Management System data (CAD and RMS) currently housed at E-Comm
- Development of a Strategic Operational Plan
- Establish patrol/investigative study requirements
- Civilianization study and shared services
- Overtime audit and identify overtime savings (based on current deployment strategies)
- Setting up the initial Phase II design

As a result of that review, Council reaffirmed its 2005 decision to increase staffing levels and formally approved 77 positions - 31 sworn officers and 46 civilian staff (19 of which was the result of civilianizing sworn officer positions).

Phase II includes (April 2006 - June 2007):

- Completion of patrol and investigative deployment studies
- Completion of business unit operations plans with the intent of reviewing them holistically to identify further efficiencies and savings
- Conduct an organizational review that may involve structure changes that will allow the department to implement an outcome based management strategy
- Examine interrelationships set out in the project framework

Given the advancement of the 2007 Operating Budget, the results of the Operational Review will not directly coincide with the budget process. The key deliverables that will be presented prior to finalizing the 2007 Operating Budget on January 16, 2007, will be updates on Phase I recommendations and the Patrol Study. The Patrol Study may identify a need for additional resources. However, the inter-relationships between all the key aspects of the project deliverables will not be identified until mid 2007. It is this holistic review that may identify offsets to any potential additional resources.



## 6. Indicated Property Tax Increase

As noted, to maintain current service levels, the budget shortfall reflected above is \$23.4 million and would require a 4.9% tax increase. The main drivers are listed below.

### Base Funding To Maintain Current Service Levels

Tax Increase	Impact (\$M)	Driver
1.9%	\$9.1	Inflationary Increases - revenues & expenditures
1.4%	\$6.5	New Programs Approved in 2006 plus Added Basic
1.0%	\$4.9	Capital Program Costs
0.3%	\$1.4	Charges from Outside Agencies
0.3%	\$1.5	One-time budget adjustments
<b>4.9%</b>	<b>\$23.4</b>	<b>Preliminary Budget Position</b>

The new funding requests if all approved and funded from taxation will result in another 1.4% tax increase bringing the cumulative tax increase to 6.3%.

### New Funding Requests

Tax Increase	Impact (\$M)	Funding Request	Cumulative Tax Increase
0.2%	\$1.1	Council Requested Report Back	5.1%
		Priority Programs with No Funding Source	
1.1%	\$5.4	- New or Expanded Programs	6.2%
0.1%	\$0.3	- Outside Agency Request	6.3%
n/a	\$0.3	Programs with Available Funding Sources	6.3%
tba	tba	VPD Operational Review	tba
<b>1.4%*</b>	<b>\$7.1</b>	<b>Total Impact of New Initiatives</b>	<b>6.3%*</b>

\*Without consideration for the results of the VPD Operational Review

### **Council Direction**

The recommendations provided in this report request that Council receive for information the 2007 preliminary estimates and a list of new funding requests. Council has instructed the Director of Finance to report back as part of the Interim Budget Estimates on a strategy to achieve a target property tax increase of 4% that includes new or expanded programs but excludes an impact of outside agencies of approximately 0.3%.

Based on these instruction, the Corporate Management Team are preparing options for any budget adjustments in time for the Interim Budget Report to bring down the anticipated tax increase from 6.3% to the 4.0% excluding the impact of outside agencies.

### **Public Consultation**

As instructed by Council, a public consultation process has been developed for the 2007 Operating Budget. The consultation is summarized as follows:

- Telephone Survey - a public telephone survey will be held in the first two weeks of November and will include a survey of both residents and businesses
- Newspaper Flyer - On November 10/11, 2006, the "2007 City Choices" flyer will be posted on the City's web site and distributed in the Courier, the Ming Pao, community centres, and public libraries. The flyer will include a description of the 2007 Operating Budget, the services the City provides, and a survey that can be mailed, faxed or emailed to the City.
- Four evening meetings (starting at 7:30 pm) for the public are to be held:
  - November 15, 2006 Kitsilano Community Centre
  - November 20, 2006 Central Library Downtown
  - November 22, 2006 City Hall
  - November 27, 2006 Kensington Community Centre

The results of the public consultation will be reported to Council along with the interim estimates on February 13, 2007.

## Next Steps

The next steps to the budget process are the following:

Date	Process
October 30, 2006	Council/Boards Staff Briefing
Nov/Dec 2006	Administrative reviews of departmental budgets -
November 2006	Public Consultation Process
November 6, 2006	Council/Union Staff Briefing
January 15, 2007	Staff briefing of new funding requests and potential budget balancing strategies
January 16, 2007	Council report from the Joint Vancouver Police and City Steering Committee
January 18, 2007	Council reports on major funding requests
February 13, 2007	Interim Budget Report
February 14, 2007	Special Meeting for Council Deliberation on the 2007 Operating Budget -
February 27, 2007	Final Budget Report and Resolution
Feb - March 2007	Council Reports on Land Averaging and Tax Shifts
March 1, 2007	Recommendations from the Property Tax Policy Review Commission <sup>1</sup>
April 2007	Tax Rating Report and Approval of Rating Bylaws

<sup>1</sup> Should the work of the Commission not be completed by March 1, 2007, the recommendations made at that time can be made as interim recommendations, with the final recommendations of the Commission to be delivered to Council no later than June 1, 2007.

## CONCLUSION

The preliminary estimates of the 2007 Operating Budget indicate that a property tax increase of 4.9% is required to maintain current service levels. This tax increase is necessary to provide for:

- Salary and inflationary increases
- Costs associated with new and expanded services approved in 2006
- Park Board Added Basic
- Cost of outside agencies
- Costs associated with the Capital Program

In addition, there are number of new funding requests proposed totalling \$7.1 million representing a tax increase of 1.4%. The remaining budget process will determine the trade-offs that Council needs to make with regards to tax increases, new revenues, new services/programs and service/program adjustments.

\* \* \* \* \*

**City of Vancouver  
2007 Operating Budget Projections**

**Appendix 1**

	2006 budget	2007 forecast	\$ change	% change
	(\$000s)	(\$000s)		
<b>SECTION 1: Summary of Revenues</b>				
<b>Taxation Revenues</b>				
Base Levy	471,662	477,348	5,686	1.2%
New Construction	5,686	3,500	(2,186)	(38.4%)
<b>Total Taxation Revenues</b>	<b>477,348</b>	<b>480,848</b>	<b>3,499</b>	<b>0.7%</b>
<b>Tax Adjustments</b>				
Tax Adjustments	(3,000)	(4,000)	(1,000)	33.3%
Local Improvement Taxes	3,752	3,389	(363)	(9.7%)
Receipts in Lieu of Taxes	33,317	32,732	(585)	(1.8%)
Penalties and Interest	4,919	3,500	(1,419)	(28.8%)
<b>Total Revenue from Taxation</b>	<b>516,336</b>	<b>516,469</b>	<b>133</b>	<b>0.0%</b>
<b>Other Revenues</b>				
Provincial Revenue Sharing Programs	17,538	17,538	0	0.0%
Investment Income	11,400	11,500	100	0.9%
License Fees	14,423	14,716	293	2.0%
Property Rental Income	1,509	1,459	(50)	(3.3%)
Service and Inspection Fees	28,610	29,171	561	2.0%
Municipal By-Law Fines	10,807	11,032	225	2.1%
On Street Parking Revenue	24,073	24,542	470	2.0%
Civic Theatres Revenue	5,999	5,756	(243)	(4.1%)
Park Board Revenues	34,752	36,516	1,764	5.1%
Miscellaneous Revenues	5,513	4,747	(766)	(13.9%)
<b>Total Other Revenues</b>	<b>154,624</b>	<b>156,977</b>	<b>2,353</b>	<b>1.5%</b>
<b>Utility Fees</b>				
Waterworks	69,668	74,436	4,768	6.8%
Solid Waste	31,391	32,664	1,272	4.1%
Sewers	34,151	34,873	723	2.1%
<b>Total Utility Fees</b>	<b>135,210</b>	<b>141,973</b>	<b>6,763</b>	<b>5.0%</b>
<b>Total Revenues before Transfers</b>	<b>806,170</b>	<b>815,419</b>	<b>9,249</b>	<b>1.1%</b>
<b>Transfer from Other Funds/Reserves</b>				
Sinking Fund Prior Year Surplus	0	0	0	0.0%
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	0	0	0	0.0%
<b>Total Transfer from Other Funds</b>	<b>7,160</b>	<b>7,160</b>	<b>0</b>	<b>0.0%</b>
<b>Total Revenues after Tax Increase</b>	<b>813,330</b>	<b>822,579</b>	<b>9,249</b>	<b>1.1%</b>

	2006 budget	2007 forecast	\$ change	% change
	(\$000s)	(\$000s)		

## SECTION 2: Summary of Expenditures

### General Government

Mayor and Councillors	1,887	1,923	36	1.9%
City Manager / EEO	2,569	2,589	21	0.8%
City Clerk	3,102	3,171	68	2.2%
Legal Services	4,292	4,390	98	2.3%
Corporate Services	31,241	31,772	531	1.7%
Human Resources	7,429	7,627	198	2.7%
Other General Government	8,417	11,972	3,556	42.2%
Community Services Administration	8,026	6,977	(1,050)	(13.1%)
City-Wide and Community Planning	6,012	6,726	714	11.9%
<b>Total General Government</b>	<b>72,974</b>	<b>77,145</b>	<b>4,171</b>	<b>5.7%</b>

### Protection to Persons and Property

Police Services	160,506	163,538	3,033	1.9%
Fire and Rescue Services	75,641	77,497	1,856	2.5%
E-COMM Services	17,767	18,666	899	5.1%
Permits and Licences	20,881	20,807	(75)	(0.4%)
Animal Control	1,620	1,748	129	7.9%
Vancouver Emergency Program	668	673	6	0.9%
<b>Total Protection to Persons and Property</b>	<b>277,082</b>	<b>282,930</b>	<b>5,848</b>	<b>2.1%</b>

### Public Works

Administration and General	10,841	11,136	295	2.7%
On Street Parking Program	9,417	9,464	47	0.5%
Traffic Planning and Control	7,865	8,653	788	10.0%
Street Lighting and Communications	4,797	4,861	65	1.3%
Street Cleaning	8,159	8,528	370	4.5%
Streets, Bridges and Walkways	17,260	17,022	(238)	(1.4%)
<b>Total Public Works</b>	<b>58,338</b>	<b>59,665</b>	<b>1,327</b>	<b>2.3%</b>

### Utilities - Waterworks

Operating Costs	8,537	8,923	387	4.5%
Water Purchase	37,609	45,589	7,981	21.2%
City Debt Charges	26,017	23,377	(2,640)	(10.1%)
Transfer to/(from) Reserve	(2,494)	(3,453)	(959)	38.5%
<b>Total Utilities - Waterworks</b>	<b>69,668</b>	<b>74,436</b>	<b>4,768</b>	<b>6.8%</b>

### Utilities - Solid Waste

Operating Costs	29,475	29,698	223	0.8%
Transfer to/(from) Reserve	1,916	2,966	1,050	54.8%
<b>Total Utilities - Solid Waste</b>	<b>31,391</b>	<b>32,664</b>	<b>1,272</b>	<b>4.1%</b>

	2006 budget (\$000s)	2007 forecast (\$000s)	\$ change	% change
<b>Utilities - Sewer</b>				
City Operating Costs	7,255	7,156	(99)	(1.4%)
City Debt Charges	24,298	24,826	528	2.2%
Regional Sewerage Levy	36,904	38,001	1,098	3.0%
Transfer to/(from) Reserve	0	0	0	0.0%
<b>Total Utilities - Sewer</b>	<b>68,456</b>	<b>69,983</b>	<b>1,527</b>	<b>2.2%</b>
<b>Recreation and Community Services</b>				
Parks and Recreation	89,261	92,009	2,748	3.1%
Britannia Service Centre	2,843	2,861	18	0.6%
Social Planning	1,567	1,645	78	5.0%
Housing Programs	1,586	1,727	141	8.9%
Office of Cultural Affairs	1,153	1,417	264	22.9%
Carnegie Centre	2,952	3,029	77	2.6%
Downtown South Gathering Place	2,001	2,105	103	5.2%
Vancouver Public Library	34,050	34,969	919	2.7%
Civic Theatres	6,469	6,608	139	2.1%
Archives	1,256	1,300	44	3.5%
Cemetery	832	820	(12)	(1.4%)
<b>Total Recreation and Community Services</b>	<b>143,970</b>	<b>148,490</b>	<b>4,520</b>	<b>3.1%</b>
<b>Civic Grant Program</b>	<b>14,178</b>	<b>15,500</b>	<b>1,321</b>	<b>9.3%</b>
<b>Contingency Reserve</b>	<b>3,500</b>	<b>4,000</b>	<b>500</b>	<b>14.3%</b>
<b>Total before Capital Program and Transfers</b>	<b>739,558</b>	<b>764,812</b>	<b>25,254</b>	<b>3.4%</b>
<b>Capital Program</b>				
General Debt Charges	46,874	49,766	2,891	6.2%
Capital From Revenue	17,400	19,000	1,600	9.2%
Local Improvements	3,752	3,389	(363)	(9.7%)
Debt Repayment Reserve	250	1,000	750	300.0%
<b>Total Capital Program</b>	<b>68,276</b>	<b>73,155</b>	<b>4,878</b>	<b>7.1%</b>
<b>Transfers to Reserves/Funds</b>				
Other Transfers	5,496	7,996	2,500	45.5%
<b>Total Transfers to Reserves/Funds</b>	<b>5,496</b>	<b>7,996</b>	<b>2,500</b>	<b>45.5%</b>
<b>Total Expenditures</b>	<b>813,330</b>	<b>845,962</b>	<b>32,632</b>	<b>4.0%</b>
<b>Tax Increase Used to Balance Budget</b>		<b>4.86%</b>		

## Appendix 2 - 2007 Funding Requests

Department	Description	FTE	Funding Required			Description
			2007 \$Amount	2008 \$Amount	2009 \$Amount	

### Type A - Requested Report Back

City Clerk's	Official Visits & Events Protocol Funding	-	228,000	228,000	228,000	The visits program requires funding for hosting official visits to the City of Vancouver. This request would establish a permanent level of funding to host an expected level/type of visits. The request covers direct costs such as catering, decorating, transportation, rentals, and gifts (\$168,000) and maintenance costs such as pressure washing, moving bike racks, construction/ installation of structures and equipment, repairs of reception areas (\$60,000).
Board of Parks and Recreation	Research, consultation and development of a sport strategy for City of Vancouver	-	\$150,000	-	-	The Park Board has been directed by Council to lead and facilitate the development of a comprehensive sport strategy to guide the direction of sport infrastructure, programming and support for events which will optimize the potential for all participants and members of our community. <i>Council report to come forward on January 18, 2007</i>
Community Services Group	Homeless Action Plan	-	100,000	-	-	As was originally approved by Council in May 2005, additional consultancy funding is required to complete the Homelessness Action Plan. This second \$100,000 of funding is required to complete a rental housing market study in partnership with CMHC, the Province and the GVRD.

**Appendix 2 - 2007 Funding Requests (continued)**

Department	Description	FTE	Funding Required			Description
			2007 \$Amount	2008 \$Amount	2009 \$Amount	

**Type A - Requested Report Back (continued)**

Community Services	Permitted Resource Strategy	2.00	154,400	144,400	144,400	In March of 2005, Council approved the first phase of a Resources Strategy to improve the Development and Building permitting process, adding 13.5 positions in five departments. The final phase of this strategy is to add a further two FTEs in Development Services. These two positions are focused on customer service with particular emphasis on service to applicants unfamiliar with the permitting system and who have small to moderate projects. The positions will also assist with complaints from customers, documentation of decisions and by-law interpretations and training of new staff, all of which will improve the department's capacity to provide complete and consistent advice and support to its customers.
Community Services	Drug Policy Program	3.00	330,000	330,000	330,000	The Drug Policy Program works with senior governments, research organizations and the community towards the full implementation of the four pillars drug strategy. The program facilitates the development of comprehensive, pragmatic and evidence based policies through innovation, research and analysis and provides leadership towards the implementation of programs to reduce drug related harm in Vancouver. <i>Council report to come forward on October 31, 2006</i>



**Appendix 2 - 2007 Funding Requests (continued)**

Department	Description	FTE	Funding Required			Description
			2007 \$Amount	2008 \$Amount	2009 \$Amount	

**Type A - Requested Report Back (continued)**

Community Services	Support for future area planning programs (Engineering & Social Planning)	3.0	160,100	208,900	208,900	In June 2006, Council allocated the City Plans Division's 5 area permanent staff teams, to Neighbourhood Centres, Canada Line Station Area Planning, New Local Area Plans and the Marpole Industrial/Gateway Area. Existing staff from Current Planning were also assigned to a Shopping Area Initiative. In response to this increased program level, an additional two Engineering staff are required to deal with traffic, parking and shopping area design/costing inputs. As well an additional social planning position is required to deal with issues in Mount Pleasant such as homelessness, youth/families/aboriginals at risk, drug dealing/use and public safety. <i>Council report to come forward on January 18, 2007</i>
<b>Total Type A Initiatives (Requested Report Back)</b>		<b>8.0</b>	<b>1,122,500</b>	<b>911,300</b>	<b>911,300</b>	

**Appendix 2 - 2007 Funding Requests (continued)**

Department	Description	FTE	Funding Required			Description
			2007 \$Amount	2008 \$Amount	2009 \$Amount	

**Type B - Programs with No Funding Source**

**Type B i) - New or Expanded Programs**

Olympic and Paralympic Operations	Leveraging Olympic and Paralympic Community Legacies	N/A	5,000,000	5,000,000	5,000,000	<p>In February 2010, the City of Vancouver will host the Olympic and Paralympic Winter Games. The City is anticipating over 250,000 spectators plus thousands of international media, volunteers and athletes to converge on the City to take part in the Games. The Olympic and Paralympic Operations office is requesting that the City reserve over the next four years \$5.0 million per year in preparation for the 2010 Winter Olympic and Paralympic Games.</p> <p>The Legacy Reserve Fund as it relates to the 2010 Winter Olympic and Paralympic Games will provide for the involvement of communities, citizens, and businesses; allow the City to meet sustainability objectives; and be host to visitors and residents participating in the Olympic experience. The \$20 million of City funding would be leveraged with other organizations to maximize the overall investment by the City. On January 18, 2007, Olympic and Paralympic Operations will report to Council on the plan for the reserve and associated benefits to the City.</p>
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**Appendix 2 - 2007 Funding Requests (continued)**

Department	Description	FTE	Funding Required			Description
			2007 \$Amount	2008 \$Amount	2009 \$Amount	

**Type B i) - New or Expanded Programs (continued)**

City Clerk's	Multilingual Communications Coordinator	1	59,000	59,000	59,000	A Multilingual Communications Coordinator would be responsible for providing in-house support to the organization. Most notably this position would work closely the multi-lingual media.
Vancouver Fire & Rescue Services (VF&RS)	Increase to E-Comm Radio Levy: Vehicular Repeaters	n/a	\$181,500	\$159,000	\$162,200	VF&RS requests the purchase, installation and maintenance of vehicular repeaters, to provide improved in-building coverage and enhanced two-way communications at fire scenes. The purchase would be funded through E-Comm and charged back through the annual levy beginning in 2007. <i>Council report to come forward on January 18, 2007</i>
Corporate Services	Systems Analyst to Consolidate Property Information	1.0 (temp)	83,000	87,000	-	There is significant demand for easy access to broadly integrated property information in the City. This position will focus on formalizing the vision and identifying the business requirements for how property information, which originates from a variety of sources both inside and outside the City, can be brought together and made easily accessible to staff and the public as well as integrating with the City's GIS environment (i.e. VanMap). This position will be re-assessed after 2 years.

## Appendix 2 - 2007 Funding Requests (continued)

Department	Description	FTE	Funding Required			Description
			2007 \$Amount	2008 \$Amount	2009 \$Amount	

### Type B i) - New or Expanded Programs (continued)

Community Services	OH&S Practitioner	1.00	35,100 (Gross Cost \$87,800)	35,100 (Gross Cost \$87,800)	35,100 (Gross Cost \$87,800)	This request will convert a temporary part-time Occupational Health and Safety Officer into a regular full time position, with 60% funding from Corporate Human Resources. This position will continue to address CSG Health, Safety and WCB issues.
Current Planning	SEFC Temporary Planner II and Temporary Planning Assistant III Extension	2.00 (Temp)	71,300 (Total is 142,500 - balance from PEF)	75,200 (Total is 150,300 - balance from PEF)		This request is for a two year extension for two temporary Planners working on Southeast False Creek (which historically have been funded through "cost recovered work which lapses in 2006). Approximately half the time the staff will deal with ongoing planning tasks related to Public Lands (Olympic Village development permits, Salt Building, urban agriculture, public realm design etc.) and half will handle tasks related to Private Lands (an estimated 6 further rezonings or major development applications and resolution of other issues such as FC-1 area road system). Given the support to the PEF, half the cost would be funded by the PEF.
<b>Total Type B ii) Funding Requests (New or Expanded Programs)</b>		<b>5 (3 temp)</b>	<b>5,429,900</b>	<b>5,415,300</b>	<b>5,256,300</b>	

## Appendix 2 - 2007 Funding Requests (continued)

Department	Description	FTE	Funding Required			Description
			2007 \$Amount	2008 \$Amount	2009 \$Amount	

### Type B ii) Outside Agency Requests

General Government	Vancouver Economic Development Commission (VEDC)	1.0 (external agency)	322,500	367,300	244,600	The Vancouver Economic Development Commission has requested additional funding for four initiatives within the core activities currently outlined in their mandate. These include: i) Implementation of the Economic Development Strategy Phase I - Business Climate (6 months in 2007) \$50,000 ii) Leverage Business Investment from 2010 Games \$80,000 iii) Policy Advice and Development (pro-rated 9 months in 2007) \$67,500 iv) Development of the Economic Development Strategy Phase II - Cluster Development (6 months in 2007, to complete in mid-2008) \$125,000. <i>Council report to come forward on January 18, 2007</i>
<b>Total Type B ii) Funding Requests (Outside Agency Requests)</b>		<b>1 ext. agency</b>	<b>322,500</b>	<b>367,300</b>	<b>244,600</b>	
<b>Total Type B Funding Requests (New Funding Requests)</b>		<b>6 (3 temp &amp; 1 ext. agency)</b>	<b>5,752,400</b>	<b>5,772,600</b>	<b>5,500,900</b>	

## Appendix 2 - 2007 Funding Requests (continued)

Department	Description	FTE	Funding Required			Description
			2007 \$Amount	2008 \$Amount	2009 \$Amount	

### Type C - Funding Requests With Funding Source

Council	Regularize Councillors' Assistant position	1	50,000	50,000	50,000	This request proposes to convert a temporary Assistant to Council position into a permanent position at no cost to the Operating Budget.
Community Services	2010 Garden Plot		122,000	TBD	TBD	In May 2006 Council approved a motion to implement 2010 new food producing garden plots before January 2010. For 2007, staff will be reallocated within Social Planning (0.25 fte) and Engineering (0.25 fte) for work on the first 10 plots. Capital funds of \$22,000 for the first three plots have been approved from CAC's. A further \$50,000 for 7 additional plots is also expected to be provided through CAC's. <i>Staff will report back in mid 2007 on future cost implications.</i>
Community Services	Youth Days in Council		82,500	82,500	82,500	Council approved a pilot "Civic Youth Council" (Youth Politik) in 2006. The continuation of the 2006 pilot program is proposed through the re-allocation of existing staff and resources. Other COV departments will need to provide approx. \$20,000 to fund the Youth Politik operating expenses. Reallocation of existing staff and resources will mean that COV Youth Outreach Team programs such as; COV Youth Awards, Partners at Work and other core initiatives will not be continued.
<b>Total Type C Funding Requests (No Funding Impact)</b>		<b>1</b>	<b>254,500</b>	<b>132,500</b>	<b>132,500</b>	

**Appendix 2 - 2007 Funding Requests (continued)**

Department	Description	FTE	Funding Required			Description
			2007 \$Amount	2008 \$Amount	2009 \$Amount	

**Type D - Vancouver Police Department Operational Review**

Vancouver Police Department (VPD)	Operational Review	TBA	TBA	TBA	TBA	The second phase of the joint City/VPD Operational Review is slated to complete by June 2007. Partial results related to Patrol Deployment will be available in time for the Interim Estimates of the 2007 Operating Budget.
<b>Total Type D Funding Requests (VPD Operational Review)</b>		<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	
<b>Total Funding Requests</b>		<b>14 (3 temp &amp; 1 ext. agency)</b>	<b>7,129,300</b>	<b>6,822,400</b>	<b>6,544,700</b>	