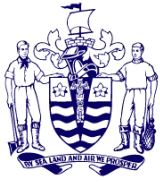


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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Date: February 6, 2007
Author: Annette Klein
Phone No.: 873-7789
RTS No.: 06535
VanRIMS No.: 05-1000-30
Meeting Date: February 27, 2007

TO: Vancouver City Council

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

SUBJECT: 2007 Operating Budget: Interim Estimates

RECOMMENDATION

- A. THAT Council receive this report for INFORMATION and defer decision on Recommendation B through S to February 27, 2007, to allow for public input.

RECOMMENDATION B: Park Board Global Budget

- B. THAT Council approve the Park Board Global Budget of \$55,469,700, which includes approximately \$442,100 of added Basic and one-time adjustments in the Park Board estimates, this amount prior to any reductions approved by Council to balance the 2007 Operating Budget.

RECOMMENDATION C - Q: Funding Requests

RECOMMENDATION C - E: Funding Requests With No Impact on the Budget

- C. THAT Council approve the conversion of a temporary Councillor Assistant position to regular full time at an annual cost of \$50,000 with funding to be provided from within the Councillor's 2007 Operating Budget.
- D. THAT Council approve the following recommendations, from *Budget and Financial Staffing Resources - Engineering Services (RTS 6447)*, at a cost of \$230,000 in 2007 with no funding impact on the 2007 Operating Budget:

- D i) THAT Council approve the creation of a Financial Analyst I for the Streets and Transportation Division through the conversion of various temporary help accounts at an annual cost of \$82,700 from existing funding and with no impact to the 2007 Operating Budget.
 - D ii) THAT Council approve the deletion of an existing Engineering Assistant III and the creation of a Budget and Local Improvement Analyst for the Transportation Division at an incremental annual cost of \$10,100 from existing funding and with no impact to the Operating Budget.
 - D iii) THAT Council approve the creation of a Financial Analyst I in the Equipment Services Branch replacing temporary Financial Analyst I at a cost of \$82,700 with funding provided through overhead applied to the management of the equipment fleet.
- E. THAT Council approve the following recommendations, from Report Back on *YouthPolitik Program (RTS 06379)*, at a cost of \$51,000 in 2007 with no funding impact on the 2007 Operating Budget:
- E i) THAT YouthPolitik continue as an annual program supported by the City of Vancouver, based on the pilot project evaluation, with the next program scheduled for the fall, 2007;
 - E ii) THAT Staff develop partnership opportunities with the voluntary sector to deliver future YouthPolitik programs;
 - E iii) THAT Staff seek funding partners to assist in offsetting the costs of the program;
 - E iv) THAT Social Planning re-allocate funds, if required, to support the program.

RECOMMENDATION F - Q: Funding Requests With No Funding Source

- F. THAT Council approve an increase in funding for Official Visits and Protocol with an on-going cost of \$228,000 to be funded as an increase to the 2007 Operating Budget, increasing 2007 property taxes by 0.05%.
- G. THAT Council approve an increase in funding the Homeless Action Plan at a one-time cost of \$100,000 to be funded as an increase to the 2007 Operating Budget, increasing 2007 property taxes by 0.02%
- H. THAT Council approve the creation of a two regular full time Senior Development Information Officers within Development Services for the Permitting Resource Strategy at a cost of \$154,400 in 2007 (including \$10,000 one time funding) and \$144,400 on-going costs; funding to be provided as an increase to the 2007 Operating Budget, increasing 2007 property taxes by 0.03%.
- I. THAT Council approve the creation of a regular full time Multilingual Communications Coordinator at cost \$59,000 to be funded as an increase to the 2007 Operating Budget, increasing the 2007 property taxes by 0.01%.

- J. THAT Council approve the creation of a regular full time Occupational Health and Safety Practitioner at cost \$87,800, \$52,700 to be funded from Human Resources 2007 Operating Budget and \$35,100 to be provided as an increase to the 2007 Operating Budget, increasing the 2007 property taxes by 0.01%.
- K. THAT Council approve the creation of a two-year temporary full-time Systems Analyst position to consolidate the City's Property Information at cost \$83,000 to be funded as an increase to the 2007 Operating Budget, increasing the 2007 property taxes by 0.02%.
- L. THAT Council approve a two-year extension of two temporary full-time Planner positions (Planner II and Planning Assistant III) for South East False Creek, \$71,200 to be provided by the Property Endowment Fund and \$71,300 as an increase to the 2007 Operating Budget, increasing the 2007 property taxes by 0.01%.
- M. THAT Council approve the following recommendations, from Additional Staffing to Support Area Planning Initiatives (RTS 06474), at a cost of \$166,600 in to be funded by the 2007 Operating Budget, increasing the 2007 property taxes by 0.03%:

That Council create three new full time positions to support area planning initiatives approved by Council:

- M i) a Civil Engineer II and an Engineering Assistant III to work with the area planning teams on the Hastings Sunrise Neighbourhood Centre Plan, the Mt. Pleasant Community Plan, and the Shopping Area Initiative and Marpole Industrial/Gateway Study. The estimated annual cost of these two positions, including fringe benefits is \$147,300 (\$85,900 prorated for fiscal 2007), plus a one time cost of \$12,000 for computers, software, and office equipment.
 - M ii) a Social Planner I to work exclusively with the Mt. Pleasant area planning team, service providers, and community organizations on an action plan which addresses key social issues in the community. The estimated annual cost of this position, including fringe benefits is \$75,300 (\$62,700 prorated for fiscal 2007), plus a one time cost of \$6,000 for computers, software, and office equipment.
- N. THAT Council approve the following recommendations, from Vehicle repeaters - Increase to the E-Comm Radio Levy for Vancouver Fire & Rescue Services (RTS 06320), at a cost of \$181,500 in to be funded by the 2007 Operating Budget, increasing the 2007 property taxes by 0.04%:
 - N i) THAT Council approve the the purchase, installation and maintenance of fifty-five (55) vehicle repeaters to be installed in VFRS frontline apparatus and vehicles, with financing provided by E-Comm and repaid through an increase in the VFRS Radio Levy of \$141,700 annually starting in the 2007 budget year without offset.
 - N ii) THAT Council approve an increase to the VFRS operating budget for 2007, without offset, for the one time installation and annual warranty costs that will

not be funded by E-Comm. These costs include \$25,600 one-time installation costs and \$14,200 annual license fee costs.

- O. THAT Council approve the following recommendations, from Vancouver Sport Strategy: Resources and Funding Required (RTS 06128), at a cost of \$150,000 in to be funded by the 2007 Operating Budget, increasing the 2007 property taxes by 0.03%.
- O i) THAT Council approve and fund the process for the development of a Vancouver Sports Strategy by adding \$150,000 to 2007 Operating Budget.
 - O ii) THAT the Vancouver Sports Strategy consider the formation of a permanent multi-party sport authority in Vancouver.
 - O iii) THAT alternative sources of funding be sought to assist in the development of the Vancouver Sports Strategy.
 - O iv) THAT regional strategies in communications also be pursued.

RECOMMENDATION P: Vancouver Economic Development Commission Funding Request

- P. THAT Council approve the following recommendations, from *VEDC... 2007-2009 Business Plan, 2007 Operating Budget, and By-law Resolution* (RTS 6401) as follows:
- P i) THAT Council APPROVE the Operating Budget request of \$731,250 to maintain the existing service level. Funding of \$715,600 already provided for in the 2007 Operating Budget with the incremental \$15,650 to be provided without offset (\$10,000 of the \$15,650 is a one-time increase for communications and intranet development), funding to be added to the 2007 Operating Budget, increasing 2007 property taxes by 0.003%.
 - P ii) THAT Council APPROVE funding of the implementation of the Business Climate Strategy for \$50,000: These funds ensure VEDC can take action on the Economic Development (Business Climate) Strategy Phase I currently being developed; release of funds subject to Council approval of project plan; funding to be added to the 2007 Operating Budget, increasing 2007 property taxes by 0.01%.
 - P iii) THAT Council APPROVE the amendment of the VEDC by-law section 29 so that the number of directors shall be not more than 15 nor less than 9 as determined by the Honorary Members.

CONSIDERATION

- P iv) THAT Council consider approving the following 2007 new program funding requests by the VEDC based on the 2007-2009 economic development priorities determined by Council, by choosing one or more of the following options:
- a) Fund 2010 marketing planning activities at a total cost of \$280,000 with \$80,000 in funding to be released in 2007, and the remaining \$200,000 to be released in 2008 and 2009 subject to Council approval of scope of work and budget approval in 2008 and 2009, increasing 2007 property taxes by 0.02%
 - b) Fund enhanced research and policy support at \$67,500 for 2007 by adding a permanent position to the VEDC baseline budget at an annual cost of \$90,000 prorated to \$67,500 for 2007, increasing 2007 property taxes by 0.01%
 - c) Fund the Economic Development (Business Climate) Strategy Phase 2 Industry Cluster Development at a total cost of \$250,000 with \$125,000 of the funding to be released in 2007 and the balance in 2008; release of funds subject to Council approval of the terms of reference, increasing 2007 property taxes by 0.03%

RECOMMENDATION Q: Vancouver Police Department Operational Review Report Back

- Q. THAT Council approve the following recommendations, from Vancouver Police Department Operational Review (RTS 06504), at a cost of \$1,936,960 in to be funded by the 2007 Operating Budget, increasing the 2007 property taxes by 0.40%:
- Q i). THAT Council approve an increase to the Vancouver Police Department's sworn strength by 65 police officers to be deployed as patrol officers (positions listed in Appendix G of RTS 06504) at a net cost of \$1,936,960 for 2007, estimated at \$4,991,010 for 2008; on-going funding is estimated at \$6,684,120.

All vehicles are to be purchased by the Plant and Equipment Reserve (Plant Account), 12 in 2007, 31 in 2008, based on the VPD Master Schedule at a total cost of \$515,200 in 2007 and \$1,382,600 in 2008 and are to be funded by the Vancouver Police Department through increased rental rates of \$30,600 and budget offsets within the VPD Fleet Budget for 2007, and through increased rental rates of \$501,300 in 2008 and \$836,200 in 2009 and are included in the above annual estimates.

93 Radios and 43 patrol laptops are to be purchased through E-Comm and added to the annual levy at a cost of \$65,790 in 2007; \$274,560 in 2008 and \$483,740 in 2009 and are included in the above annual estimates.

- Q ii) THAT the Steering Committee develop key performance measures for approval by the Police Board to be reported to Council by September 2007 that include all inputs, outputs and outcomes for both reactive and proactive policing; and that as proposed by the Police Board in its comments, the Police Board will conduct bi-annual evaluations to measure the effectiveness of the deployment strategy and will provide these status reports to Council for its information.
- Q iii) THAT the Chief Constable in consultation with the Police Board and the City Manager report to Council on a full review of the deployment strategy after one year of implementation of the recommendations.
- Q iv) THAT the Chief Constable report, in consultation with the Police Board, the confirmation of the Vancouver Police Union's agreement to the recommended shifting strategy or other shifting patterns that meet the operational and financial objectives outlined in this report. Further, THAT funding shall not be allocated for "Stage A3" of the recommendations until this confirmation is received by Council.
- Q v) THAT Council instruct the Joint City/VPD Steering Committee to report back prior to the 2008 Operating Budget on Phase 2 of the VPD Operational Review including further opportunities related to overtime, shared services, and deployment efficiencies to offset VPD resource requirements.

Recommendation from the City Manager:

- Q vi) THAT Council approve the creation of a By-law Prosecutor effective January 2008 with an annual cost of \$144,000; funding to be added to the 2008 Operating Budget without offset.

RECOMMENDATION R: Olympic Legacy Reserve Fund

- R. THAT Council approve the creation of an Olympic Legacy Reserve Fund and instruct Staff to report back in 2007 on specific guidelines for the use of Olympic Legacy Funds and a funding strategy that minimizes the impact on property taxes.

RECOMMENDATION S: Budget Adjustments

- S. THAT Council approve the budget adjustments put forward by the Corporate Management Team (listed in Appendix 3 and 4) to reduce the general purposes tax by 1.53%;

All positions in Recommendations C to Q are subject to classification by the General Manager of Human Resources

A Summary of all Regular Full Time and Part Time Positions are summarized in Appendix 5 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 year's Interim Budget Estimates have been presented to Council two months earlier than most previous years' budgets. This was achieved because Council provided direction on the public consultation process and the target tax increase in July 2006.

Specifically, on July 20, 2006, Council 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. The objective, therefore, was for Staff to present Council with a budget with a property tax increase of 4.47%: 4.00% related to the cost of City services and 0.47% related to the cost of outside agencies, such as E-Comm and the Greater Vancouver Regional District.

The budget proposals included in this report would result in a property tax increase of 4.0%, which is below Council's target tax increase of 4.47%. The budget proposals take into account feedback from the public on property taxation and service priorities. Specifically, the budget proposals comprise of sixteen new funding requests that include an increase of 65 police patrol officers, but excludes funding for the Olympic Legacy Reserve Fund due to its potential impact on property taxes. In looking for ways to balance the budget, the Corporate Management Team focused their efforts on identifying, in order of priority, new or increased revenues, corporate adjustments that do not have a direct impact on public services, and departmental adjustments that have minimal impact on services and regular full time/part time positions.

In fact, should Council only approve funding proposals recommended by staff and exclude those provided for Council's CONSIDERATION, the property tax increase would be reduced to 3.94%: 3.47% related to the cost of City services and 0.47% related to the cost of outside agencies

The accompanying report, *2007 Operating Budget: Public Consultation*, provides the results of this year's public consultation process. This process provided input not only on what is an acceptable level of property taxes increase but also the priorities for the creation of an Olympic Legacy Reserve Fund of \$5 million per year between 2007 and 2010.

With regards to property taxation, the level of property tax increase acceptable to the public varies between residents and businesses. Of the residential respondents to the survey, 63% indicate a willingness to accept a tax increase of 6.0% in order to avoid service reductions, increasing to 73% at a 4.0% increase, and 87% at a 2% tax increase. On the other hand, of the business respondents, 29% indicate a willingness to accept a tax increase of 6.0% in order to avoid service reductions, increasing to 40% at a 4.0% increase, and 68% at a 2% increase.

Through the public consultation process there appears to be general support for the three objectives of the Olympic Legacy Reserve Fund: a) provide for the involvement of communities, citizens, and businesses; b) allow the City to meet sustainability objectives; and c) be host to visitors and residents participating in the Olympic experience. However, there is some concern by the public of the impact that the funding requirements of the Legacy

Reserve Fund could have on services and property taxes. If Council wishes to hold the property tax increase to 4.0% for 2007, it is difficult to include funding for the proposed Olympic Legacies Fund without impacting services and positions.

There is merit in establishing an Olympic Legacy Reserve Fund if Council wishes to meet the three main objectives of the fund. Moreover, it is beneficial to stage the funding for the Reserve over a number of years. However, given that the concern expressed by the public on the potential impact of adding \$5 million on property taxes and services, the City Manager and Director of Finance recommend that Council create the Legacy Reserve Fund and instruct staff to report back in 2007 on proposals that will minimize the impact of the Reserve on property taxes.

2007 has been a challenging year to balance the City's Operating Budget due the increasing demand for improved policing services on top of the general inflationary increases to the cost of City services. This challenge extends to 2008 where the incremental impact of the new funding requests, mainly related to the increase in 65 police officers, and the one time budget adjustments utilized to balance the 2007 budget, will see an opening 2008 property tax increase in the range of 4.2% to 5.7%. This prediction does not include any potential new priorities, programs, or any revenue changes that may need to be considered in 2008. Therefore, to properly manage the growth of the operating budget, Council needs to assess the 2007 additional funding requests in relation to existing services and provide support for only those requests that are of significant priority to Council. Further, opportunities to seek financial contribution for other levels of government to mitigate the demands on the Operating Budget should be sought at every opportunity.

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 October 31, 2006.
- The Interim Report provides options to Council to bring the tax increase to the target tax increase set by Council 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.

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 in the past has passed 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 2007 Operating Budget to Council;
- propose a series of budget adjustments to provide Council options to reduce the property tax increase to 4% including new funding requests.

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.

On October 31, 2006, the Director of Finance presented the preliminary estimates of the 2007 Operating Budget to Council for information. That report indicated that, prior to a detailed review of the estimates, a property tax increase of 4.86% would be required to maintain current service levels. The report confirmed that the driving factors impacting on the 2007 Operating Budget were:

- inflationary costs
- costs for new programs and services including Park Board "added basic" costs
- increased capital expenditure program costs
- costs imposed on the City from outside organizations

The Preliminary Estimates Report also included a list of new funding requests that totalled \$7.13 million excluding any request from the Police Department. The major funding requests have been reported to Council on November 16, 2006, January 16, 2007, February 1, 2007 and February 13, 2007. The recommendations from these reports have been deferred to the 2007 Operating Budget process.

DISCUSSION

1. The Current Budget Position

The Operating Budget position has improved since the preliminary estimates were presented to Council in early 2007. Overall, the budget shortfall has been reduced by \$0.3 million. The following table summarizes the current position of the estimates.

Revenues		\$000
Taxation Revenue	\$516,760	
General Revenue	160,097	
Utility Fees	143,600	
Transfers	<u>7,160</u>	\$827,617
Expenditures		
Departmental Expenditures	\$590,122	
Utility Expenditures	179,299	
Capital Program	72,305	
Transfers	<u>7,996</u>	<u>\$850,722</u>
Net Budget Position		(\$23,105)
Indicated Property Tax Increase		<u>4.81%</u>

The budget shortfall reflected above is \$23.1 million equivalent to 4.81% tax increase. Additional detail of these estimates is provided in Appendix 1, along with comparative information from the 2006 Operating Budget.

Though the budget position has not changed dramatically since the preliminary estimates, there have been some changes between the budget categories as summarized in the following table.

Adjustments to Preliminary Budget Position

ADJUSTMENTS		increase/(reduction)	
Description		Budget Impact (\$000)	Tax Impact
Council Approvals	Between the Preliminary and Interim Budget Reports Council approved a number of items that resulted in an increase to the Operating Budget. In particular, Council approved funding for the continuation of the Drug Policy Program ¹ (\$0.33 million), Active Communities (\$0.10 million), Support for Ethical Purchasing Policy (\$0.07 million), and fleet additions related to the Vancouver Police School Liaison Program (\$0.06 million)	\$579	0.12%
GVS&DD Levy	The final GVS&DD levy, an outside agency impact, approved by the GVRD increased beyond the long-term forecasts used to build the preliminary estimates.	589	0.12%
E-Comm Levy	The final budget approved by E-Comm was lower than anticipated	(221)	(0.05%)
Police Department Adjustment	The VPD sworn salary estimates were adjusted to reflect actual staffing, retirements and recruit levels in late 2006 and early 2007. As well adjustments were made to Statutory Holiday Overtime and other work load factors	1,159	0.24%
Engineering	Cost escalations in materials (copper wiring) and fuel required an adjustment to the Electrical and Traffic Operations Branch and the Aggregate Asphalt operations respectively	600	0.12%

¹ The Preliminary Budget Report identified the Drug Policy Program as a "new funding request". Given that this program was approved by Council on October 31, 2006, funding has been added to the 2007 Interim Estimates.

Adjustments to Preliminary Budget Position (continued)

ADJUSTMENTS		increase/(reduction)	
Description		Budget Impact (\$000)	Tax Impact
Property Taxation	Though property taxes from new construction increased by \$0.88 million, overall property taxes revenues have declined. This is due to: <ul style="list-style-type: none"> The provincial government announcing a second round of property assessment changes for some port properties that will reduce the tax levy by approximately \$480,000; Provincial legislation restricts the ratio of Class 2, Utilities, tax rates to the Class 6 rate to 2.5 times. This City's tax rates have remained within this ratio until 2007. Based on the Completed Roll, the City's tax rate for Class 2 will exceed the limit resulting in a reduction in the taxes paid by Class 2 properties and the overall tax levy by approximately \$1.0 million. The actual loss will depend on the tax rates resulting from the Revised Roll that will not be available until April. 	609	0.13%
Development Revenues	Based on 2006 experience and anticipated trends, Development revenues have been adjusted mainly for Building Permit Fees (\$0.61 million), Development Permit Fees (\$0.35 million) and Subdivision Fees (\$0.30 million)	(\$1,822)	(0.38%)
Parking Program	Based on trends, parking meter revenues and by-law enforcement revenues have been increased by \$0.10 million and \$0.30 million respectively	(\$400)	(0.08%)
Gaming Revenue	Gaming Revenue has been adjusted to match 2006 experience	(400)	(0.08%)
Minor Revenue Adjustments	Short term interest and Sundry Rental Revenues have been adjusted by \$0.2 million each to reflect anticipated revenue levels	(400)	(0.08%)
Miscellaneous	Miscellaneous Adjustments	(571)	(0.11%)
TOTAL ADJUSTMENTS - reduction/(increase)		(\$278)	(0.05%)

As noted, Council policy has been to pass on the cost of outside agencies as a tax increase. Interim Estimates indicate that these costs represent a 0.47% tax increase due to:

- increase in the E-Comm Levy(\$0.69 million or 0.14% tax increase),
- regional sewerage costs (\$1.13 million or 0.23% tax increase)
- the loss of property tax revenues due to the exemption by the Province of certain Port properties (\$0.48 million or 0.10% tax increase)

2. The Park Board Global Budget

The interim estimate for the Park Board Global Budget is \$55,469,700 and includes added basic funding of \$442,100. The global budget has been determined by the City and Board staff according to the principles approved by 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 expenditures, such as employment and supply costs. The base budget has been adjusted by the same percentage provided to all departments for changes in non-salary costs. There is no provision for wage increases included in the Park Board interim estimate, as the collective agreements are currently under negotiation.

Added Basic is the ongoing operating cost of completed 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 Added Basic includes \$317,100 for maintenance and support of new buildings and parks infrastructure, and one-time funding of \$125,000 for loss of 2007 net revenue from Canada Line construction impacts.

On January 30, 2007, Council approved the establishment of a \$9 million Stanley Park Restoration Reserve of which the City contributed \$2 million. Given that the reserve is to cover all unexpected operating and capital costs related to the Stanley Park restoration, cost of these restoration activities should not impact the 2007 Operating Budget.

Should Council approve any budget reductions to achieve its taxation targets in 2007, adjustments would also apply to the Park Board Global Budget.

3. Additional Funding Requests for 2007

The Corporate Management Team (CMT) has prioritized a number of new funding requests 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:

Type of Funding Request	fte ¹	\$Impact (millions)	Tax Impact
New Funding Requests with No Funding Source			
a) Council Requested Report Back ²	5	\$0.80	0.16%
b) New or Expanded Programs	5	\$0.43	0.09%
c) Outside Agency Requests ³	1	\$0.34	0.07%
d) VPD Operational Review ⁴	65	\$1.94	0.40%
Total Programs With Funding Impact	76	\$3.51	0.72%
Programs with Available Funding Sources⁵	4	\$0.45	n/a
Olympic Legacy Reserve Fund - Create & Report Back on Funding	-	-	-
Total Funding Requests	80	\$3.96	0.72%

¹ FTE includes regular and temporary positions

² Drug Policy Program originally included in Preliminary Estimates however the program was approved by Council on October 31, 2006, and is not included as new funding request

³ Maximum funding request

⁴ As recommended by the Joint VPD/City Steering Committee

⁵ Since Preliminary Report was presented to Council, one additional request was added from Engineering Services

Should Council approve all the new funding requests, the property tax increase would be increased by 0.72% from 4.81% to 5.53%, City costs representing a 5.06% of a tax increase and outside agency impact 0.47% of a tax increase.

To facilitate Council's decision making process, funding requests were reported to Council as follows:

- Drug Policy Program - approved by Council on October 31, 2006, with funding included in the Interim Estimates (web link - [Continuation of Drug Policy Program](#))
- Vancouver Sport Strategy - Reported on November 16, 2006 (Web link <http://vancouver.ca/ctyclerk/cclerk/20061116/documents/csb4.pdf>)
- Major Funding Requests:
The following funding requests were reported to Council on January 16, 2006, and February 1, 2006, for INFORMATION only

- weblink [Legacy Reserve Fund - Olympic and Paralympic Winter Games](#) , dated December 21, 2006
- weblink [Additional Staffing to Support Area Planning Initiatives Approved by Council in June, 2006](#) , dated December 22, 2006
- weblink [Report Back on YouthPolitik Program](#) , dated January 4, 2007
- web link [Vehicle repeaters - Increase to the E-Comm Radio Levy for Vancouver Fire & Rescue Services \(VFRS\)](#) , dated December 6, 2006
- weblink [Budget and Financial Staffing Resources - Engineering Services](#) , dated December 11, 2006.
- Weblink for Vancouver Economic Development Commission:
<http://vancouver.ca/ctyclerk/cclerk/20070201/documents/csb4.pdf>
- Also reported was an update on revenues related to the Animal Control Strategic Plan weblink:<http://vancouver.ca/ctyclerk/cclerk/20070201/documents/csb5.pdf>
- Vancouver Police Department Operational Review partial Phase 2 is being presented to Council on February 13, 2007, at the same time as the Interim Estimates

Of the funding requests, the most significant requests relate to the creation of an Olympic Legacy Reserve Fund and the VPD Operational Review which are discussed separately.

New Funding Requests with No Funding Source

Non-VPD Funding Requests:

The following table summarizes funding requests (except the Vancouver Police Department) that do not have a funding source. These funding requests are included in RECOMMENDATIONS F to P. Should Council approval all of these requests, the property tax increase would be increased by 0.33%. However, if Council approves only those recommended by CMT, which excludes part of the requests from the Vancouver Economic Development Commission, the tax increase would be 0.27%.

Funding Request	FTE (Reg. PT & FT)	Impact (\$ million)		
		2007	Tax %	2008
Requested Report Back				
Official Visits and Protocol Funding		\$0.228	0.05%	\$0.228
Vancouver Sports Strategy		\$0.150	0.03%	-
Homelessness Action Plan		\$0.100	0.02%	-
Permitted Resource Strategy	2.0	\$0.154	0.03%	\$0.144
Support for Future Area Planning Programs	3.0	\$0.167	0.03%	\$0.223
Total Requested Report Back	5.0	\$0.799	0.16%	\$0.595
New and Expanded Programs				
Multilingual Communications Coordinator	1.0	\$0.059	0.01%	\$0.059
Vancouver Fire Department Vehicle Repeaters		\$0.182	0.04%	\$0.156
Consolidation of Property Information - System's Analyst		\$0.083	0.02%	\$0.087
Community Services OH&S Practitioner	1.0	\$0.035	0.01%	\$0.035
SEFC Extension of 2 Temporary Planners		\$0.071	0.01%	\$0.075
Total New and Expanded Programs	2.0	\$0.430	0.09%	\$0.412
Outside Agency Request				
Vancouver Economic Development Comm Recommendation		\$0.066	0.01%	-
Consideration 1 - 2010 Marketing Activities		\$0.080	0.02%	\$0.200
Consideration 2-Research & Policy Support		\$0.068	0.01%	\$0.090
Consideration 3-Economic Dev. Strategy Ph. 2		\$0.125	0.03%	\$0.125
Total VEDC Funding Request		\$0.339	0.07%	\$0.415
Total Funding Requests With No Funding Source	7.0	\$1.568	0.33%	\$1.422

Vancouver Police Department Staffing Request

In September 2003, the VPD embarked on a strategic planning exercise followed by a study to identify the Department's overall staffing requirements. The result was the creation of the VPD Strategic Plan 2004 - 2008 and the completion of a long-range Staffing Report in October 2004. Around this time, the City and the Vancouver Police Board completed a series of joint reviews of the Department's resource requirements. With these reviews, Council has increased the department's staffing over 2004 levels as follows:

VPD Staffing Increases related to Joint City/VPD Reviews:

	Sworn	Civilian
2005 - Information Management Section Review		20
2005 - Information Technology Review*		6
2005 Staffing Review	50	27
2006 Staffing Review**	31	46
Total	81	99
<i>2007 - Patrol Proposal</i>	<i>65</i>	<i>-</i>
Total between 2005-2007 (if approved)	146	99
% Increase over 2004 authorized strength	13%	41%

*2 positions approved for Corporate Services to provide shared services help desk functions

**19 sworn positions were civilianized

With Council direction, in August 2005, the joint VPD and City Steering Committee approved an Operational Review that would achieve project deliverables over a two year period. The Operational Review was scheduled to consist of two phases. The timelines for, and components of, each phase are as follows:

Phase 1 (August 2005 - March 2006) included:

- Completion of a Strategic Operational Plan
- Completion of a Civilianization Study and a shared services review
- Completion of an Overtime Review

Phase 2 (April 2006 - June 2007) includes:

- Completion of a Patrol Deployment Study
- Completion of mini-business plans for non-patrol units
- Further overtime review
- Development of an Operational Plan

The accompanying report from the joint VPD/City Operational Review includes a comprehensive review of the Department's Patrol Operations. This Patrol Study focused on improving three performance variables: utilization rates (the amount time available for proactive policing versus reactive policing); response time for priority 1 calls (the most serious of calls for police assistance); and the correlation between call load and staffing.

The Patrol Deployment Study outlines three different shifting options each including different stages of implementation. Of the three options, the Steering Committee deemed Option A as being the most efficient and effective deployment strategy. As new officers are phased in they would incrementally and systematically reduce response times, provide more time for officers to engage in proactive policing activities, and improve the correlation between staffing and call load.

Option A included five stages of potential implementation:

<i>Stage A1</i> - internal changes	2 sworn officers	includes a number of efficiency and effectiveness measures
<i>Stage A2</i> - roving Metro Team	30 sworn officers	establish a roving Metro Team to deal with call load throughout the city
<i>Stage A3</i> - fixed Delta shift	33 sworn officers	establish a fixed Delta shift in Districts 2, 3, &4
<i>Stage 1A4</i> - achieving a 50% utilization rate	24 sworn officers	increase staffing to achieve a 50% utilization rate (more proactive policing)
<i>Stage A5</i> - achieving a 7 minute average response time to priority 1 calls	40 sworn officers	increase staffing to achieve a 7 minute average response time to priority 1 calls
Total	129 sworn Officers	

The joint VPD/City Steering Committee recommends implementing internal efficiencies (Stage A1 - 2 sworn officers), the creation of a roving Metro Team to deal with serious calls across district boundaries (Stage A2 - 30 sworn officers), and the creation of a fixed late afternoon shift (Delta shift) working Wednesday to Saturday from 6:00 p.m. to 4:00 a.m. in all districts (Stage A3 - 33 sworn officers) given that these three stages provide the highest rate of improved performance for the required increase in resources.

Implementing these recommendations will require an increase of 65 officers to the Vancouver Police Department's sworn strength with each stage implemented as follows:

- Stage A1 Efficiencies implemented by April 2007
- The first Metro Team is created in February 2008
- The second Metro Team is created in June 2008
- Delta Teams for Districts 2, 3 and 4 are created during August and September 2008

The Steering Committee felt that it is important to validate the assumed performance improvements that have been modelled in the Patrol Study. Further, a more comprehensive assessment of the actual benefits of these recommendations needs to be completed. This would involve a much more holistic review of performance that would entail the identification of input, output and outcome measures.

Therefore, the Steering Committee also made the following recommendations:

- Any further consideration for additional patrol resources is dependent on the Department reporting back after one full year of implementation on the results of stages A1 through A3.
- The Steering Committee develops key performance measures for approval by the Police Board, to be reported to Council by September 2007, that include all inputs, outputs and outcomes for both reactive and proactive policing; and, that as proposed by the Police Board, the Police Board will conduct bi-annual evaluations to measure the effectiveness of the deployment strategy and will provide these regular status reports to Council for its information.

- That the department utilize the increased resources only for patrol, other than on an emergency basis, and be accountable for those resources when reporting to Council.
- That the approval of the 33 officers, and the associated funding, required to implement Stage A3 Delta Shifts is to be subject to the Vancouver Police Union agreeing to the shift or to an alternative shift that achieves the same operational and financial objectives.
- That the Department is to develop a procedure to ensure that proactive policing activities are reported and monitored.

For details, please refer to the accompanying report - *Vancouver Police Department Operational Review (RTS 6504)*

The last phase of the Operational Review will be reported out in mid 2007 to Council. This final phase will bring all the pieces of the review together to ensure that all opportunities for efficiencies are evaluated so that the Department can achieve its objectives in a manner that minimizes resource requirements. Included in this phase will not only be a comprehensive Operational Plan but recommendations on processes that need to be in place to ensure the Department continues to monitor and evaluate its performance on both a financial and non-financial basis so that it can be accountable to its Board, Council and the public.

The table below summarizes the financial impact of the recommendations for improving the Vancouver Police Department's patrol operations. The net funding impact in 2007 is \$1.94 million which translates to a 0.40% tax increase. In 2008 and 2009 the net funding impact on the Operating Budget is estimated at \$3.05 million and \$1.69 million respectively.

	Total Funding Required	Incremental Funding Impact
2007	\$1.94 million	\$1.94 million
2008	\$4.99 million	\$3.05 million
2009	\$6.68 million	\$1.69 million

The recommendations related to the VPD Operational Review are included in RECOMMENDATION Q.

Funding Requests with Available Funding

The funding requests listed in the table below, which do not have a funding impact on the 2007 Operating Budget, are included in Recommendations C, D and E with the exception of the 2010 Garden Plots in which 2007 funding requirements have been dealt with through reallocation of funds as outlined in Appendix 2.

Funding Request	FTE (Reg. PT & FT)	Impact (\$ million)		
		2007	Tax %	2007
Programs with Funding Source				
Regularize Councillors' Assistant Position	1.0	\$0.050	n/a	\$0.050
Engineering Services Financial Positions	3.0	\$0.230	n/a	\$0.230
2010 Garden Plots ¹	-	\$0.122	n/a	tbd
Youth Days in Council	-	\$0.051	n/a	\$0.051
Total Programs With Funding Source	4.0	\$0.453	n/a	\$0.331

¹ Council approval is not sought at this time, however, staff will report back in mid 2007 on future cost implications required to meet objectives laid out in approved Council Motion.

² Includes \$0.007 million in in-kind contribution

Olympic Legacy Reserve Fund

On January 16, 2007, Council received a report from the Olympic Operations Office proposing 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.

If Council wishes to hold the property tax increase to 4.0% in 2007, it is difficult to include funding for the proposed Olympic Legacies Reserve Fund without impacting services. Further, though the public consultation process (accompanying report) has identified a general support for the three objectives of the Legacy Reserve Fund, there is some concern by the public of the impact that the funding requirements of the Legacy Reserve Fund could have on services and property taxes.

Staff continue to feel that it is important to establish an Olympic Legacy Reserve Fund and stage the funding for the Reserve over a number of years. However, given the concern expressed by the public on the potential impacts of the Reserve on property taxes and services, staff recommend that Council create the Legacy Reserve Fund and instruct staff to report back in 2007 on the specific parameters and guidelines of the proposed Olympic Legacy Reserve Fund with funding proposals that will minimize the impact of the Reserve on property taxes and services. (reflected in RECOMMENDATION R)

4. Achieving the Council-Mandated Property Tax Increase

In order to respond to direction to hold the property tax increase to 4% including new funding requests and excluding the cost of outside agencies, the Director of Finance, in conjunction with the Corporate Management Team (CMT), have developed proposals to reduce the budget. CMT attempted to put forward proposals that could be made without significant impact on services and employees. 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 target tax increase set by Council on July 20, 2007, is 4.47%: 4% for the cost of City Services and 0.47% for the cost of outside agencies. The adjustment proposals in this report provide a property tax lower than that set as a target by Council. The proposal would allow for a property tax increase of 4.0%: 3.53% for the cost of City services and 0.47% for the cost of outside agencies.

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.

Appendix 4 details all the Corporate and Departmental adjustments and the impact of the adjustment to City services which are reflected in RECOMMENDATION S.

Corporate Adjustments	\$4.44 million (0.92% Tax Reduction)
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The Corporate adjustments listed in Appendix 3, include reduction to the New and Non Recurring Fund (\$1.2 million), reduction in Contingency Reserve (\$0.9 million), increases to Parking Meter Revenues from rate increases and infill meters (\$1.0 million), and increased turnover to be allocated to all service groups (\$0.84 million).

<p>Should Council approve these adjustments, the property tax increase would be reduced by 0.92% to 4.61%; reflecting 4.14% in growth in City Costs and 0.47% in growth in outside agency costs.</p>
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Departmental Adjustments	10.1 FTE	\$2.89 million (0.61% Tax Reduction)
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The Departmental adjustments listed in Appendix 4 have been determined to have minimal impact on services and/or staffing. Of the proposed adjustments, \$728,500 related to increased departmental revenues. Though these adjustments identify a reduction in 10.1 positions (7 relating to the Park Board), none of these positions are regular full time or part time positions.

Park Board staff have worked with the Corporate Management Team in this process; however, given that the Park Board operates under a Global Budget arrangement, specific reductions have not been submitted to Council. 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. Further, as noted previously, any expenditure associated with the Stanley Park Restoration will be funded from the Stanley Park Restoration Reserve created by Council

Should Council approve these adjustments, the property tax increase would be reduced by 0.40% to 4.00%; reflecting 3.53% in growth in City costs and 0.47% in growth in outside agency costs.

5. Estimated Tax Impact in 2008

In considering the 2007 Operating Budget adjustment proposals and funding requests, Council should be aware that decisions in 2007 will impact the 2008 Operating Budget. To calculate the 2008 potential property tax increase, the following needs to be considered:

- Should Council approve all of the funding requests listed in Appendix 2 (Recommendations/Considerations C to Q), a total of \$2.9 million will need to be added to the 2008 operating budget, mainly related to the impact of additional police staffing, reflecting a 0.57% tax increase.
- Should Council agree to the budget adjustments needed to achieve a 4.0% property tax increase (Recommendation B), \$3.9 million of one time corporate and departmental adjustments would be needed to be added to the 2008 Operating Budget, reflecting a 0.78% tax increase.
- A number of Information Technology related projects (approved and pending approval) are estimated to increase operating costs by \$0.3 million, reflecting a 0.06% property tax increase.
- Also estimated is Park Board Added Basic and the annualized cost of Fire apparatus at a total cost of \$1.4 million, reflecting a 0.28% property tax increase
- Lastly, the increase to basic services can range from 2.5% to 4% of a tax increase

These five variables would indicate a property tax increase of approximately 4.2% to 5.7% of a tax increase under these assumptions (see the table below).

Property Estimate for 2008 (excludes Olympic Legacy Reserve Fund)

	2007 Funding (\$000)	2008 Budget (\$000)	2008 Budget Increase (\$000)	2008 Tax Impact ¹
VPD Patrol Staffing	\$1,937	\$4,991	\$3,054,	0.61%
Funding Requests	\$1,567	\$1,374	(\$193)	(0.04%)
One Time Corporate Adjustments	(\$4,440)	(\$1,000)	\$3,440	0.69%
One Time Departmental Adjustments	(\$2,892)	(\$2,459)	\$433	0.09%
Information Technology Projects ²			\$300	0.06%
Council approved Fire Apparatus			\$600	0.12%
Park Board Added Basic Estimate ³			\$800	0.16%
Cost to Maintain Base Services			\$14,720 to \$23,070	2.50% to 4.00%
Total	(\$3,828)	\$2,906	\$20,100 to \$28,450	4.19% to 5.69%

¹2008 Base Taxes at \$500 million assuming Council approves 4% property tax increase

²Includes approved (IMS) and anticipated projects (E-Recruitment and Procurement)

³As estimated by the Park Board

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 the 2007 new funding requests in relation to existing services and provide support for only those requests that are of significant priority to Council.

6. Impact of the Budget on Property in the City

The table on the next page summarizes the impact of tax increase on an average residential property, together with the changes in other user charges. The estimated property tax impact is based on the "Completed Roll" given that the "Average Roll" has yet to be received by the City.

Budget Impacts on Residential and Business Taxes

Levy	5.53% Tax Increase		4.47% Tax Increase		4.00% Tax Increase	
	City Charges	Annual Change	City Charges	Annual Change	City Charges	Annual Change

Average Residential Property \$713,790						
General Taxes	\$1,452	\$75	\$1,436	\$59	\$1,432	\$55
Sewer Fee	\$171	\$9	\$171	\$9	\$171	\$9
Solid Waste Fee	\$159	\$0	\$159	\$0	\$159	\$0
Water Rates	\$349	\$20	\$349	\$20	\$349	\$20
Total City Charges	\$2,131	\$104	\$2,115	\$88	\$2,111	\$84

Business Properties ¹	for each \$1,000,000 of value					
General Levy	\$12,132	\$645	\$12,188	\$521	\$12,133	\$466

¹ 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 the exact amounts and percent increase.

7. Summary

Table 8 on the next page provides a summary of the strategy proposed by the Corporate Management Team to balance the 2007 Operating Budget. Since Council reviewed the Preliminary Estimates the potential tax increase has been reduced from 4.86% to 4.81%. The Corporate Management Team has prioritized 16 new funding requests that total \$3.5 million, bringing the potential property tax increase to 5.53%. As well the Corporate Management Team identified a series of adjustments totalling \$7.3 million bringing the property tax increase to 4.0%. To maintain this tax increase and not impact services, it is recommended create Olympic Legacy Reserve Fund and instruct staff to bring forward funding strategies that minimize the impact of the Legacy Reserve Fund on property taxes and services.

SUMMARY - BUDGET STRATEGY

	Adjustment (\$000)	Tax Impact	Budget Position (\$000)	Net Tax Increase*
Preliminary Budget Position			23,383	4.86%
Interim Budget Position	(278)	(0.05%)	23,105	4.81%
STEP 1 - Funding Requests with Funding Source (Recommendations C to E)				
C. Councillor Assistant Position	50	n/a		
D. Engineering Financial Resources	230	n/a		
E. YouthPolitik Program	51	n/a		
Budget Position After Funding Requests RECOMMENDATION C to E	331	n/a	23,105	4.81%
STEP 2 -Funding Requests (Recommendations F to Q)				
F. Official Visits/Protocol	228	0.05%		
G. Homelessness Action Plan	100	0.02%		
H. Permitted Resource Strategy	154	0.03%		
I. Multilingual Communications Coordinator	59	0.01%		
J. CSG OH&S Practitioner	35	0.01%		
K. Consolidation of Property Information	83	0.02%		
L. SEFC Extension of 2 Temp Planners	71	0.01%		
M. Future Area Planning Programs	167	0.03%		
N. VFD Vehicle Repeaters	182	0.04%		
O. Vancouver Sports Strategy	150	0.03%		
P. VEDC (Range of Options \$66,650-\$338,150)	338	0.07%		
Q. VPD Operational Review	1,937	0.40%		
Budget After Funding Requests RECOMMENDATION (F to Q)	3,504	0.72%	26,609	5.53%
STEP 3 - Adjustments (Recommendation S)				
Corporate Adjustments	(4,440)	(0.92%)		
Departmental Adjustments	(2,892)	(0.61%)		
Budget Position After Adjustments RECOMMENDATION S	(7,332)	(1.53%)	19,277	4.00%
Step 4 - Olympic Legacy Reserve Fund - Create & Report Back on Funding Strategy (Recommendation R)				

* of the property tax increase, 0.47% is due to the impact of outside agencies

8. 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:

- An evening public meeting has been scheduled for February 20, 2007 for Council to hear input on the budget proposals. Should not all delegates be able to speak, a second back up meeting has been scheduled for February 21, 2007
- On February 27, 2007, Council will deliberate over the 2007 Operating and provide direction to staff on budget adjustments and a property tax increase.
- On March 13, 2007, Council will consider the final estimates reflecting the decisions made based on this report. Council will be asked to adopt a balanced budget resolution confirming the estimates for 2007.
- The Director of Finance will bring forward a series of property taxation reports as follows:
 - February 15, 2007 - Results of Modeling of Averaging Assessment Option
 - March 13, 2007 - Interim Report of the Property Taxation Policy Review Commission
 - March 15, 2007 - Consideration of the Averaging Bylaw
 - April 19, 2007 - Report on Property Tax Distribution
 - May 1, 2007 - General Purposes and GVRD Rating Bylaws

CONCLUSION

The interim estimates of the 2007 Operating Budget indicate that a property tax increase of 4.81% 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 2006 and outside agencies. New funding requests would bring the property tax increase to 5.53%. Budget adjustment proposals from the Corporate Management Team bring the property tax increase to 4%, below Council's target of 4.47% with minimal impact on services and positions.

The final stage in completing the 2007 Operating Budget involves hearing input from the public on these budget proposals and 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 March 13, 2007.

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**City of Vancouver
2007 Operating Budget Projections**

Appendix 1

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

SECTION 1: Summary of Revenues

Taxation Revenues

Base Levy	471,662	474,090	2,428	0.5%
New Construction	5,686	6,549	863	15.2%
Total Taxation Revenues	477,348	480,639	3,291	0.7%
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	33,232	(85)	(0.3%)
Penalties and Interest	4,919	3,500	(1,419)	(28.8%)
Total Revenue from Taxation	516,336	516,760	424	0.1%

Other Revenues

Provincial Revenue Sharing Programs	17,538	17,938	400	2.3%
Investment Income	11,400	11,700	300	2.6%
License Fees	14,423	14,824	401	2.8%
Property Rental Income	1,509	1,459	(50)	(3.3%)
Service and Inspection Fees	28,610	31,314	2,703	9.4%
Municipal By-Law Fines	10,807	11,360	553	5.1%
On Street Parking Revenue	24,073	24,742	669	2.8%
Civic Theatres Revenue	5,999	5,756	(243)	(4.1%)
Park Board Revenues	34,752	36,258	1,506	4.3%
Miscellaneous Revenues	5,513	4,747	(766)	(13.9%)
Total Other Revenues	154,624	160,096	5,473	3.5%

Utility Fees

Waterworks	69,668	74,060	4,392	6.3%
Solid Waste	31,391	34,033	2,642	8.4%
Sewers	34,151	35,507	1,357	4.0%
Total Utility Fees	135,210	143,600	8,390	6.2%

Total Revenues before Transfers	806,170	820,457	14,287	1.8%
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	2006 budget (\$000s)	2007 forecast (\$000s)	\$ change	% change
Transfer from Other Funds/Reserves				
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%
Total Transfer from Other Funds	7,160	7,160	0	0.0%
Total Revenues after Tax Increase	813,330	827,617	14,287	1.8%

SECTION 2: Summary of Expenditures

General Government

Mayor and Councillors	1,887	1,880	(7)	(0.4%)
City Manager / EEO	2,569	2,878	310	12.1%
City Clerk	3,102	3,175	73	2.3%
Legal Services	4,292	4,390	98	2.3%
Corporate Services	31,241	32,187	946	3.0%
Human Resources	7,429	7,698	269	3.6%
Other General Government	8,417	12,147	3,731	44.3%
Community Services Administration	8,026	7,654	(372)	(4.6%)
City-Wide and Community Planning	6,012	6,750	738	12.3%
Total General Government	72,974	78,759	5,784	7.9%

Protection to Persons and Property

Police Services	160,506	164,673	4,168	2.6%
Fire and Rescue Services	75,641	77,672	2,031	2.7%
E-COMM Services	17,767	18,442	675	3.8%
Permits and Licences	20,881	20,951	70	0.3%
Animal Control	1,620	1,748	129	7.9%
Vancouver Emergency Program	668	673	6	0.9%
Total Protection to Persons and Property	277,082	284,161	7,079	2.6%

	2006 budget (\$000s)	2007 forecast (\$000s)	\$ change	% change
Public Works				
Administration and General	10,841	11,102	261	2.4%
On Street Parking Program	9,417	9,464	47	0.5%
Traffic Planning and Control	7,865	9,724	1,859	23.6%
Street Lighting and Communications	4,797	5,072	276	5.7%
Street Cleaning	8,159	8,582	424	5.2%
Streets, Bridges and Walkways	17,260	16,388	(873)	(5.1%)
Total Public Works	58,338	60,331	1,993	3.4%
Utilities - Waterworks				
Operating Costs	8,537	8,913	376	4.4%
Water Purchase	37,609	44,354	6,745	17.9%
City Debt Charges	26,017	21,692	(4,326)	(16.6%)
Transfer to/(from) Reserve	(2,494)	(899)	1,595	(64.0%)
Total Utilities - Waterworks	69,668	74,060	4,391	6.3%
Utilities - Solid Waste				
Operating Costs	29,475	29,617	142	0.5%
Transfer to/(from) Reserve	1,916	4,416	2,500	130.5%
Total Utilities - Solid Waste	31,391	34,033	2,642	8.4%
Utilities - Sewer				
City Operating Costs	7,255	7,327	72	1.0%
City Debt Charges	24,298	24,826	528	2.2%
Regional Sewerage Levy	36,904	39,054	2,150	5.8%
Transfer to/(from) Reserve	0	0	0	0.0%
Total Utilities - Sewer	68,456	71,207	2,751	4.0%

	2006 budget (\$000s)	2007 forecast (\$000s)	\$ change	% change
Recreation and Community Services				
Parks and Recreation	89,261	91,727	2,466	2.8%
Britannia Service Centre	2,843	2,861	18	0.6%
Social Planning	1,567	1,646	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	3,055	104	3.5%
Downtown South Gathering Place	2,001	2,105	104	5.2%
Vancouver Public Library	34,050	35,109	1,060	3.1%
Civic Theatres	6,469	6,608	139	2.1%
Archives	1,256	1,300	44	3.5%
Cemetery	832	811	(21)	(2.5%)
Total Recreation and Community Services	143,970	148,367	4,397	3.1%
Civic Grant Program	14,178	15,505	1,326	9.4%
Contingency Reserve	3,500	4,000	500	14.3%
Total before Capital Program and Transfers	739,558	770,421	30,863	4.2%
Capital Program				
General Debt Charges	46,874	49,416	2,541	5.4%
Capital From Revenue	17,400	18,500	1,100	6.3%
Local Improvements	3,752	3,389	(363)	(9.7%)
Debt Repayment Reserve	250	1,000	750	300.0%
Total Capital Program	68,276	72,305	4,028	5.9%
Transfers to Reserves/Funds				
Other Transfers	5,496	7,996	2,500	45.5%
Total Transfers to Reserves/Funds	5,496	7,996	2,500	45.5%
Total Expenditures	813,330	850,722	37,391	4.6%
Tax Increase Used to Balance Budget		4.81%		

Appendix 2 - 2007 Funding Requests

Department	Description	FTE	Funding Required			Description
			2007 \$Amount	2008 \$Amount	2009 \$Amount	
New Funding Requests With No Funding Source - 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>Reported to Council on Nov 16, 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	
New Funding Requests With No Funding Source - a) Requested Report Back (continued)						
Community Services	Permitted Resource Strategy	2.0	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	3.0	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 approval on October 31, 2006 - funding included in the interim estimates</i>
			Figures not included in TOTALS given that funding has been provided in the Interim Estimates			

Appendix 2 - 2007 Funding Requests (continued)

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

New Funding Requests With No Funding Source - a) Requested Report Back (continued)

Community Services	Support for future area planning programs (Engineering & Social Planning)	3.0	166,600	222,600	222,600	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>Reported to Council on January 16, 2007</i>
Total Requested Report Back (No Funding Source)		5.0	799,000	595,000	595,000	

Appendix 2 - 2007 Funding Requests (continued)

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

New Funding Requests With No Funding Source - b) - New or Expanded Programs

City Clerk's	Multilingual Communications Coordinator	1.0	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	155,900	155,900	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>Reported to Council on January 16, 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	

New Funding Requests With No Funding Source - b) - New or Expanded Programs (continued)

Community Services	OH&S Practitioner	1.0	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	2.0 (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. <i>Reported to Council on January 16, 2007</i>
Total New or Expanded Programs (No Funding Source)		5.0 (3 temp)	429,900	412,200	250,000	

Appendix 2 - 2007 Funding Requests (continued)

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

New Funding Requests With No Funding Source - c) Outside Agency Request

General Government	Vancouver Economic Development Commission (VEDC)	1.0 (external agency)	338,150	367,300	294,600	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>Reported to Council on February 1, 2007</i>
Outside Agency Requests (No Funding Source)		1 ext. agency	338,150	367,300	294,600	

Appendix 2 - 2007 Funding Requests (continued)

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

New Funding Requests With No Funding Source - d) Vancouver Police Department Operational Review

Vancouver Police Department (VPD)	Operational Review	65.0	1,936,960	4,991,010	6,684,120	The second phase of the joint City/VPD Operational Review is slated to complete by June 2007. Partial results related to Patrol Deployment to be presented on February 13, 2007. Funding based on recommendations of the Joint VPD/City Steering Committee. <i>Reported to Council on February 13, 2007</i>
Total Funding Requests - VPD Operational Review		65.0	1,936,960	4,991,010	6,684,120	

Total New Funding Requests with No Funding Source		76.0 (3 temp & 1 ext. agency)	3,504,010	6,365,510	7,823,720	
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Appendix 2 - 2007 Funding Requests (continued)

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

Funding Requests With Funding Source

Council	Regularize Councillors' Assistant position	1.0	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.
Engineering Services	Financial Positions	3.0	230,000	230,000	230,000	Two new Financial and Budget Analyst positions are recommended for Streets & Transportation Division to better manage growing Capital program and On Street Parking programs. A third Financial Analyst position is recommended to be converted from temporary to full time. <i>Reported to Council on January 16, 2007</i>

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		51,000	51,000	51,000	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. <i>Reported to Council on January 16, 2007</i>
Total Funding Requests with No Funding Impact		4.0	453,000	331,000	331,000	
Total Funding Requests		80.0 (3 temp & 1 ext. agency)	3,957,010	6,696,510	8,154,720	

Appendix 2 - 2007 Funding Requests (continued)

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

Olympic and Paralympic Community Legacy - Create and Defer Funding

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> <p><i>Reported to Council on January 16, 2007</i></p>
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Appendix 3 - Corporate Budget Adjustments

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Corporate Revenue Adjustments						
1	Engineering	Parking Revenues	Increase Meter Rates		700,000	This proposal would see meter rates increase in the .Central Business District.
2	Engineering	Parking Revenues	Additional Parking Meters		300,000	New meters to be installed in existing metered areas and adjacent to existing metered areas where parking demand is increasing. \$100k is required in 2007 for meter purchase therefore revenues will increase to \$400K in 2008 and beyond
Corporate Revenue Adjustments					1,000,000	

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Corporate Expenditure Adjustments						
1	General Government	NNR program	Reduction in annual NNR budget		*1,200,000	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 \$0.8 million. Minimum short term implications, however, in the long run continuous adjustments may result in deteriorating infrastructure and equipment.
2	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		*840,000	Turnover, estimate of vacancy savings is proposed to increased from \$2 million to \$2.84 million and distributed to all Departments and Boards, including the Park Board.
8	General Government	Strategic Initiative Fund (SIF)	Reduction to SIF		*500,000	Decrease the Strategic Initiative Fund from \$900,000 to \$400,000.
Total Corporate Expenditure Adjustments					3,440,000	
Total Corporate Adjustments					4,440,000	

* are one-time adjustments, funding to be restored in 2008

Appendix 4 - Departmental Budget Adjustments

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Revenue - Budget Adjustments						
1	City Clerk's	Microfilm	Raise microfilm recoveries		26,700	Revenue increases have not kept pace with inflation in recent years. This increase in recoveries is necessary to maintain service levels.
2	Community Services	Establish an Equivalency Re-submission Fee	Currently a fee is not charged for the re-submission of equivalency applications. A new fee of \$200 for applications that are re-submitted will recover the higher costs of staff review.		26,000	It is estimated that approximately 130 equivalency applications will be subject to the re-submission fee.
3	Community Services	Move Board of Variance towards Cost Recovery	Increase rates by 50% (minimum base fee would be \$162)		27,400	Proposal begins to bring the City's BOV fees closer to cost recovery. Rate less than other lower mainland municipalities and is not a barrier for applicants.
4	Community Services	Increased Revenue - Civic Theatres	3% Rental rate increase effective Sept 1st (\$14K) Schedule an additional rock concert (\$16K)		30,000	Rental rate Increases have a direct impact on the Theatre Rental Grants recipients
5	Corporate Services	Property Tax	Increase fee for Mortgage Companies		86,000 (\$172K impact in 2008)	Increase fee from \$5 to \$10 per file for maintaining taxpayers account balances for 36 Mortgage Companies. Impact may result in complaints from Mortgage Companies but survey shows our fees are in line with other municipalities .

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Revenue - Budget Adjustments						
6	Corporate Services	Property Tax	Revise fee structure for apportionment of Property Tax		24,000	Revise fee structure from \$20 to \$40 for developers requesting apportionment of property taxes where property has been subdivided but the assessment cannot be updated due to timing. Impact may result in complaints from Developers but benefit to taxpayer being eligible for Home Owner grant outweighs the increased fee.
7	Corporate Services	Materials Management	Increase revenue budget for Purchasing Card agreement		20,000	The City's purchasing card agreement with National Bank includes a rebate back on each transaction as a promotion of the card as a more efficient procurement method for low value, high volume purchases. This budget increase reflects increased card activity.
8	Corporate Services	Real Estate Services	Implement fee for providing Lessee letter of good standing and increase fee for Lease assignment		9,500	Implement a \$50 administrative fee for providing a letter of good standing regarding a lessee's financial standing with the City and increase lease assignment fee from \$125 to \$175 per assignment.
9	Engineering Services		Materials Lab - Rate Increase		66,900	Costs for minor inspections & equipment calibration built into inspectors rates.
10	Engineering Services		Utility Plan Review and Admin Fee		99,000	A fee to outside utility agencies for plan review and right of way management services for construction of their proposed infrastructure in City Streets. New revenue is contingent on the passing of the new Street Utility Bylaw

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Revenue - Budget Adjustments						
11	Engineering Services		Parking Ops - 1st Day Storage Fee		200,000	New revenue from implementing a \$5 first day storage fee for impounded vehicles Current minimum cost to recover towed vehicle is \$82
12	Fire		Salary Gross/Net Savings - External Agency Recoveries from: Local 18, WorkSafe BC, ICBC		55,000 (net)	When an employee is sick, injured on the job, or involved in a MVA, salary savings may result because external agencies (Local 18, WorkSafe BC, ICBC) reimburse the City for eligible work days lost. The gap between the salary budget and what is paid out to employees to maintain their take-home pay at pre-injury or pre-illness levels can be increased by a net \$55K based on actual experience.
13	Library Board		Events/Facility Rentals		10,000	The library rents space for events and meetings. As approved by Council 1/3 of the net revenues is distributed to the City. Increasing this budget limit the library's ability to support various programming activities, but has not have a direct affect on public services
14	Vancouver Police Department		Operational Planning Unit - Charge Out rate		48,000	The Emergency and Operational Planning Unit administers the provision of policing services to special events and movie call-outs. The increase to the charge out rate will reflect a cost recovery for wage increases.
Total Revenue Adjustments					728,500	

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Expenditure - Budget Adjustments						
15	Britannia	Administration /Recreation	Reduction to all Supplies and Equipment budgets (2%)		3,000	Reducing all supplies and equipment budgets reduces Britannia's flexibility but does not directly impact public services
16	Britannia	Administration	Reduction in operating hours - Information Centre This option would involve the cutting of operating hours at Britannia's Information Centre at fringe points of weekends and statutory holidays.		10,000	This proposed reduction would lead to a reduction in hours that the centre's Information Centre would be accessible to the public. The Information centre is a key provider of information relating to programs, facilities and community events to users of the site. It is very much the 'front end' of Britannia's operation.
17	City Clerk's	Records & Archives	Reduce rental budget		37,500	This represents 50% of annual rental cost for Spyglass office space currently occupied by Records staff. The ERDMS project will pay this proportion of the rent so that it can share the space. This will not have any impact upon service levels.
18	City Clerk's	Administrative Services	Reduce computer expenses and advertising budget		7,000	Savings will be found through efficiencies.
19	Community Services	Realign Heritage Register Update funding	\$750K 3 year project funding approved in March 2006 included \$500K of Senior Government Funding. City funding is not required until future years and therefore is deferred.		50,000*	Program can proceed on schedule as \$200K in Senior Government funding is expected in 2007. City funding is to be redistributed as follows: \$50K in 2007, \$100K in 2008 and \$100K in 2007.

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Expenditure - Budget Adjustments						
20	Community Services	Realign Chinatown Revitalization funding	Approved at \$738K in Feb 2005 as a 3 year program (\$262K - 2005; \$264K - 2006; \$213K - 2007)		212,600*	Deferral of 2007 funding to 2008 is possible as \$238K of the 2005 & 2006 budget is available and estimated to be sufficient to cover 2007 expenditures.
21	Community Services	Reduction of Consultant Services Budgets	Community Services maintains consulting budgets for program research and analysis, consultation and facilitation, as well as training, and executive search,		50,000	Reduction represents 25% of the consulting resources available to the General Manager, the Housing Centre, and the Planning Department. This adjustment reduces flexibility to respond to emerging program requirements.
22	Community Services	Reducing Research Budget - Cultural Services	In July 2006, Council approved allocation of \$125,000 of the increased Cultural Grant funding to administrative support for Cultural grants. It is proposed to reduce this funding by \$25,000 that was allocated for Arts and Cultural research in the City.		25,000	This will impact research in support of the cultural and artistic community.
23	Community Services	Reduction of Business Support Funding	Support Services budget for computer supplies and services will be reduced by \$15,000. In addition, the		24,600	Standardization of the City's computer 'desktop', the City's information technology refresh program, and increased use of digital cameras have

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Expenditure - Budget Adjustments						
			photo finishing budget will be reduced by \$9,000.			resulted in operational savings.
24	Corporate Services	Information Technology	IT Operations		109,000	<p>Changing technology such as the sunset of the mainframe system and expansion of the City's fibre network has reduced costs for data communication, software licensing and server maintenance.</p> <p>PC maintenance costs have been reducing over the last several years due to the continued enforcement of hardware and software standards, timely replacement of desktop computers (every 4 years) and management of inventory, purchases and maintenance contracts.</p>
25	Corporate Services		Operational Adjustments		56,600	<p>Reductions in:</p> <ul style="list-style-type: none"> • Bank charges and general administration • Consulting services in SAP Support - may result in not having adequate funding to complete all SAP-related system enhancements requested by the business and/or deal with unforeseen systems issues that arise.
26	Corporate Services	Information Technology	Legacy Telecom system		55,000	With the anticipated implementation of a new telecom system (Voice over Internet Protocol), maintenance costs for the current legacy telecom-switch

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Expenditure - Budget Adjustments						
						gear can be reduced.
27	Engineering Services		Reduce funding in misc. Departmental Services Accounts		43,800	Making these adjustments will affect the ability to deal with minor adjustments elsewhere.
28	Engineering Services		Graffiti Program Reduction		40,000	Current demand for the paint is not as high as the budget can support.
29	Engineering Services		Sustainability- Climate Change Action Plan		100,000	<p>This adjustment would be made largely in media, communications, and consulting budgets without an impact on direct services to the public. Work will continue on important programs such as the green building strategy, the employee mobility program, the energy utility, Transportation alternatives and Fuel and Vehicle efficiency</p> <p>These funds are often used as matching funding for grants or partnerships with senior levels of government and the private sector.</p>
30	Engineering Services		Street Cleaning	2.5 (aux)	190,000	<p>Adjustments based on results of Street Cleaning operational review:</p> <ul style="list-style-type: none"> • Changes in sweeping equipment

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Expenditure - Budget Adjustments						
						<p>allowed for the reduction of one position.</p> <ul style="list-style-type: none"> • Efficiency improvement in litter can maintenance <p>1004 positions are currently filled</p>
31	Engineering Services		Greenways Landscape Maintenance		307,000*	<p>260,000 added to 2007 budget not required until 2008 given that Central Valley and Ridgeway Greenways are not yet completed.</p> <p>Remaining \$50,000 adjustment will reduce the annual maintenance to the City's green spaces</p>
32	Fire		Pension Buybacks - Employer's Share		43,000	<p>A five year window for purchase of service prior to April 2002 will end on March 31, 2007. Therefore, the budget related to this time-limited purchase option is recommended for elimination.</p>
33	Human Resource Services	Corporate Wide Training	Reduction in training budget		20,000	<p>Reduction in corporate training funds available to business units for specific departmental training</p>
34	Human Resource Services	Corporate Wide Training	Reduction to Corporate Ergonomic Plan		49,000	<p>The Corporate Ergonomic Plan funds office ergonomics (new workstations, chairs and LCD monitors) and supplements the Fit City program with additional Hearts@Work Health fairs to improve cardiac health of employees and potentially reduce sick time and health benefit usage. Reduction to</p>

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Expenditure - Budget Adjustments						
						this fund will result in time delays in providing staff with ergonomic workstations as well as reduce the number of Hearts@ Work Health fairs.
35	Library Board		Decrease auxiliary staffing	0.6 (aux)	35,000	The library has a small auxiliary/casual help staffing budget that is used to help balance peak workload issues throughout the year. Reduction of this funding will limit the library's ability to manage workload issues, but should not adversely affect service to the public.
36	Library Board		Decrease expenses related to subscription cards		14,000	A reduction of this amount will not affect public services.
37	Library Board		Decrease to Collections budget		41,000	A reduction to the collections budget will not have a direct impact on public services, but has the long term affect of the collection not containing the diverse and up-to-date materials that residents of Vancouver expect from their library.
38	Park Board	To be determined by the Park Board once amount is allocated by Council	Examples of potential adjustments include: Increasing revenues Service level adjustments throughout recreation and park operations Closure of facilities	7.0 (aux)	440,800	With many fees already at market rates, the public is increasingly vocal about fee increases; also, fee increases may not result in increased revenues if other services are used instead or if users decide not to participate. Closing recreation/park facilities or reducing facility hours reduces access to parks and recreations services. Less frequent litter/garbage pickup and

#	Department	Program	Description	2007 FTE	2007 \$ Amount	Impact Statement
Expenditure - Budget Adjustments						
						reduced turf mowing increase the risk of injuries to park users and create sanitation issues. Lower maintenance in parks may impact tourism and reduce associated revenues. All options adversely impact the public in achieving an active, healthy lifestyle and accessing open green space in an increasingly dense urban environment.
39	Vancouver Police Department		Reduction in legal expense		200,000	Legal expenses are beyond the VPD's direct control and are influenced by external factors of the collective agreement. VPD expects a minimum impact with this reduction, however, a reduction does increase the risk of being over budget if significant law suits occur in 2007.
Total Expenditure Budget Adjustments				10.1	2,163,900	
Total Department Budget Adjustments				10.1	2,892,400	

* are one-time adjustments, funding to be restored in 2008

Appendix 5 - Summary of Requested Regular Full-Time Positions

RTS # or Recomm	Initiative Description	Dept	#	Position Title
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For Council Requested Report Back

Rec: H	Permitted Resource Strategy	Community Services	<u>2</u>	Senior Development Information Officer
			<u>2</u>	
6474	Support for Future Area Planning Programs	Engineering	1	Civil Engineer II
6474	Support for Future Area Planning Programs	Engineering	1	Engineering Assistant III
6474	Support for Future Area Planning Programs	Community Services	<u>1</u>	Social Planner I
Rec: I			<u>3</u>	
Total New Positions Requested Per Council Requested Report Back			<u>5</u>	

For Programs with No Funding Source

Rec: I	Multilingual Communications Coordinator	City Clerk's	<u>1</u>	Multilingual Communications Coordinator
			<u>1</u>	
Rec: J	Occupational Health & Safety Practitioner	Community Services	1	Occupational Health and Safety Coordinator
			<u>1</u>	
Total New Positions Requested for Initiatives Requiring Funding			<u>2</u>	

RTS #	Initiative Description	Dept	#	Position Title
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For Initiatives with Funding Source

Rec: C	Regularize Councillor's Assistant position	Council	<u>1</u>	Assistant to Councillors
			<u>1</u>	
6447	Budget And Financial Staffing Resources	Engineering	2	Financial Analyst
6447	Budget And Financial Staffing Resources	Engineering	<u>1</u>	Budget and Local Improvement Analyst
Rec: D			<u>3</u>	
Total New Positions Requested for Initiatives with Funding Source			4	