



REPORT TO COUNCIL

STANDING COMMITTEE OF COUNCIL ON CITY SERVICES AND BUDGETS

APRIL 19, 2007

A Regular Meeting of the Standing Committee of Council on City Services and Budgets was held on Thursday, April 19, 2007, at 9:30 a.m., in the Council Chamber, Third Floor, City Hall.

PRESENT: Councillor Peter Ladner, Chair
Mayor Sam Sullivan
Councillor Suzanne Anton
Councillor Elizabeth Ball
*Councillor David Cadman
Councillor Kim Capri
*Councillor George Chow
Councillor Heather Deal
Councillor B.C. Lee
*Councillor Raymond Louie, Vice-Chair
*Councillor Tim Stevenson

CITY MANAGER'S OFFICE: Judy Rogers, City Manager

CITY CLERK'S OFFICE: Tina Hildebrandt, Meeting Coordinator

*Denotes absence for a portion of the meeting.

RECOMMENDATION

1. **City of Vancouver 2006 Annual Financial Report (VanRIMS No. 05-1000-22)**

The Committee had before it an Administrative Report dated April 11, 2007, in which the General Manager of Corporate Services/Director of Finance, presented for Council's information, the 2006 Financial Statements (*limited distribution - on file*) for the year ended December 31, 2006, in order to fulfill the legislative requirements of the Vancouver Charter.

Estelle Lo, General Manager, Corporate Services, reviewed the report and introduced Brian Szabo, Associate Partner, KPMG and Esther Lee, Director of Financial Services. Mr. Szabo provided an overview of the financial statements, which included a summary of the audit scope, a review of the independent audit observation and future reporting requirements.

Mses. Lo, Lee and Mr. Szabo, together with Tom Timm, General Manager of Engineering Services, responded to questions regarding the financial statements, in particular the status of the Property Endowment Fund and capital from Development Cost Levies.

MOVED by Councillor Anton
THAT the Committee recommend to Council

THAT Council receive for information the City of Vancouver Financial Statements for the year ended December 31, 2006.

CARRIED UNANIMOUSLY

2. 2007 Property Taxation: Distribution of the Property Tax Levy
(VanRIMS No. 05-4200-10)

The Committee had before it an Administrative Report dated April 16, 2007, in which the General Manager of Corporate Services/Director of Finance sought Council's instruction on the distribution of the general purposes property tax levy among the classes of property on the Assessment Roll for 2007. The City Manager in her comments provided background on the issue of how the City's property tax levy should be allocated among the property classes and recommended approval of either Consideration B or Consideration C in providing direction to the Director of Finance on establishing the tax distribution for 2007.

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At this point in the proceedings, Councillor Ladner relinquished the Chair to Mayor Sullivan in order to participate in debate.

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Ken Bayne, Director of Financial Planning and Treasury, briefly reviewed the report and gave a presentation on the distribution of the property tax levy which included a review of the four models presented for Council's consideration, the tax impact modeling, tax option impacts and property comparisons. Mr. Bayne, together with Karen Levitt, Manager of Financial Planning, responded to questions related to the public consultation process on this matter, the impacts of the proposed tax shifts on residents, the eligibility rate for the homeowners grant, whether landlords could be considered under the business class and the land assessment program.

The following spoke in support of the proposed shift in the tax levy from non-residential to residential:

Ed Des Roches, Co-Chair, Vancouver Fair Tax Coalition
Paul Sullivan, Vice-Chair, Technical Committee,
Vancouver Fair Tax Coalition (*brief distributed - on file*)
Sharon Townsend, South Granville Business Improvement Association
Bob Laurie, Vancouver Board of Trade/Co-Chair,
Vancouver Fair Tax Coalition (*COV mission statement distributed - on file*)
Dave Park, Vancouver Board of Trade (*letter distributed - on file*)
Rob Fitzgerald, Vancouver Port Authority

A summary of speakers' comments follow:

- the Property Tax Policy Review Commission's recommendations do not go over 2% in a tax shift because of the hardship for some residential property owners, so they have taken into account the political consequences and could have recommended a larger shift;
- a 2% tax shift on residential property owners would be up to \$2.50 per week which is a very nominal amount and should not be difficult to accept;
- we currently live in a society where it is commonplace to deflect responsibility for ones actions - this strategy is common when it comes to property taxes - today's decision can not be deflected;
- Council has the unique opportunity to start today with the revitalization of the city's business community and base it on the City of Vancouver's Mission statement;
- the Vancouver Board of Trade for many years has appealed to Council to reduce the inequity in the level at which business properties are taxed; and
- clarification provided with respect to port legislation and taxation.

In response to a question concerning port taxation issues, Mr. Bayne advised that specifics on the impacts to the City will be provided in a future report back.

MOVED by Councillor Ladner

THAT the Committee recommend to Council

THAT Council instruct the Director of Finance to calculate general purposes tax rates for 2007 by applying the 3.98% property tax increase differentially so that the entire increase is allocated to the residential classes and the non-residential tax levies are frozen at the 2006 level (excepting non-market change) and achieving a distribution of approximately 47.3% residential and 52.7% non residential.

carried

POSTPONEMENT MOVED by Councillor Louie

THAT the Committee recommend to Council

THAT Council postpone consideration of the Administrative Report dated April 16, 2007, entitled "2007 Property Taxation: Distribution of the Property Tax Levy" for two weeks to allow the general public the opportunity to address Council on this matter.

LOST

(Councillors Anton, Ball, Capri, Ladner, Lee and the Mayor opposed)

The postponement having LOST, the Motion was put and CARRIED, with Councillors Cadman, Chow, Deal, Louie and Stevenson opposed.

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At this point in the proceedings, Council agreed to vary the order of the Agenda in order to consider Items 3, 4, 6 and 7 prior to Item 5. The Items have been minuted in the order in which they were dealt with.

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3. 2007 Basic & Supplementary Capital (VanRIMS No. 05-1400-20)

The Committee had before it an Administrative Report dated April 17, 2007, in which the General Manager of Corporate Services/Director of Finance sought Council's approval of the 2007 Basic Capital programs/projects and their funding sources.

Annette Klein, Director of Budget Services, was available to respond to questions.

MOVED by Councillor Anton
THAT the Committee recommend to Council

- A. THAT Council approve the varying of \$2,000,000 debenture funding from the Expo Deck Repair Project to the Engineering Street Lighting Program for the 2006-2008 Capital Plan; AND THAT staff be instructed to pursue Expo Deck replacement alternatives and funding strategies and report back in 2007.
- B. THAT Council approve the allocation of the 2007 Capital from Revenue funding of \$18.5 million as follows:

	Capital from Revenue
Engineering Public Works	\$ 350,000
Community Service Initiatives	\$ 2,194,000
Civic Facilities Maintenance & Upgrades	\$ 150,000
Access Vancouver	\$11,006,000
Supplementary Capital	\$ 1,000,000
Inflation Adjustment & Debenture Discount	\$ 3,800,000
Total	\$18,500,000

- C. THAT Council approve program/project expenditures for Public Safety, Community Service Initiatives, Library Facilities, Civic Facilities Maintenance & Upgrades, and Access Vancouver as summarized in the Administrative Report dated April 17, 2007, entitled "2007 Basic & Supplementary Capital" and detailed in Appendix 2 of the report with the source of funding to be:

	Capital from Revenue	Borrowing Authority	Total City Funding
Public Safety ¹	-	\$21,340,000	\$21,340,000
Community Service Initiatives ¹	\$2,194,000	\$9,000,000	\$11,194,000
Library Facilities	-	\$ 350,000	\$ 350,000
Civic Facility Maintenance & Upgrades	\$ 150,000	\$1,484,000	\$1,634,000
Access Vancouver ¹	\$11,006,000	-	\$11,006,000
Inflation Adjustment & Debenture Discount	\$3,800,000	-	\$3,800,000
Total	\$17,150,000	\$32,174,000	\$49,324,000

¹Refer to pg. 6 of the above-noted report for programs/projects approved in advance of the 2007 Capital Budget.

- D. THAT Council approve funding for the following projects from the Information Technology Long Term Financing Plan:
- i. SAP E-Recruitment initiative (\$612,600) with this funding to be repaid from the 2008 Capital Budget (SAP Enhancement); including creation of a regular full time SAP Technical Analyst position to support the new SAP portal environment at an estimated annual cost of \$82,700 subject to classification by the General Manager of Human Resource Services, and ongoing annual sustainment budget of \$143,000 beginning in 2008 as outlined in Appendix 3 of the Administrative Report dated April 17, 2007, entitled "2007 Basic & Supplementary Capital" - Capital Budget Submission Ref# U-5a with funding to be added to the Corporate Services Operating Budget without offset.
 - ii. Municipal Wireless Network, including technical consulting, public consultation, project management, and support through the RFP process (\$440,000) with the intention of recovering this funding through a business arrangement with a development partner. If this funding cannot be recovered, staff will report back.

2007 Supplementary Capital

- E. THAT subject to approval of B of the Administrative Report dated April 17, 2007, entitled "2007 Basic & Supplementary Capital", Council approve the allocation of the 2007 Supplementary Capital funding of \$1.0 million, the re-allocation of other existing capital totalling \$133,000, as well as the Operating Budget implications as detailed in Appendix 4 of the report.

Capital Closeout

- F. THAT Council approve the re-allocation of capital funding for capital account closeouts as detailed in Appendix 6 of the Administrative Report dated April 17, 2007, entitled "2007 Basic & Supplementary Capital".

CARRIED UNANIMOUSLY

(Councillors Cadman, Chow, Louie and Stevenson absent for the vote)

4. 2007 Engineering Basic Capital Budget and Close-outs (VanRIMS No. 05-1400-20)

The Committee had before it an Administrative Report dated March 29, 2007, in which the General Manager of Engineering Services sought Council's approval for the 2007 Engineering Basic Capital Budget as well as for account closeouts and allocation of closeout funds for projects that exceed \$50,000, and 15% of the approved budgets.

Peter Navratil, Budgets and Administration Engineer, was available to respond to questions.

MOVED by Councillor Anton

THAT the Committee recommend to Council

- A. THAT, subject to Council approval of A in the Administrative Report dated April 17, 2007, entitled "2007 Basic & Supplementary Capital" (RTS 06612), the 2007 Basic Capital Budget for the Streets, Communications, and Street Lighting Programs totalling \$34,969,500 as summarized in the Administrative Report dated March 29, 2007, entitled "2007 Engineering Basic Capital Budget and Close-outs" and detailed in Appendix 1 of the report be approved, with sources of funding as follows:
- \$32,154,500 from borrowing authorities approved by plebiscite as part of the 2006-2008 Capital Plan for the Streets, Communications, and Street Lighting Programs;
 - \$350,000 from 2007 Capital from Revenue for the Communications; and
 - \$2,465,000 from Development Cost Levies (DCL) for the Streets Program.

The total debenture funding includes \$3,682,281 for Streets Capital that has been approved in advance by Council in previous reports.

- B. THAT the 2007 Sewers Basic Capital Budget totalling \$24,893,000 as summarized in the Administrative report dated March 29, 2007, entitled "2007 Engineering Basic Capital Budget and Close-outs" and detailed in Appendix 1 of the report be approved, with source of funding to be Council approved Sewer borrowing authority from the 2006-2008 Capital Plan.
- C. THAT the 2007 Waterworks Basic Capital Budget totalling \$16,734,000 as summarized in the Administrative Report dated March 29, 2007, entitled "2007 Engineering Basic Capital Budget and Close-outs" and detailed in Appendix 1 of

the report be approved, with source of funding to be Council approved Water borrowing authority from the 2006-2008 Capital Plan.

- D. THAT Council receive information on capital program closeouts and approve the transfer of capital funds for the closeouts as detailed in Appendix 2 of the Administrative report dated March 29, 2007, entitled "2007 Engineering Basic Capital Budget and Close-outs".

CARRIED UNANIMOUSLY

(Councillors Cadman, Chow, Louie and Stevenson absent for the vote)

6. Park Board 2000 to 2002 and 2003 to 2005 Capital Plan Close Outs
(VanRIMS No. 05-1400-21)

The Committee had before it an Administrative Report dated March 13, 2007, in which the General Manager, Parks and Recreation, sought Council's approval to transfer capital funds between Park Board capital accounts in order to close out the completed capital projects and to approve funding in Development Cost Levies for Phase 1 of Emery Barnes Park in Downtown South in order to close the project. The City Manager recommended approval.

Piet Rutgers, Director of Planning and Operations, Park Board, was available to respond to questions.

MOVED by Councillor Anton

THAT the Committee recommend to Council

- A. THAT the transfer of capital funds between Park Board capital accounts as detailed in the Administrative Report dated March 13, 2007, entitled "Park Board 2000 to 2002 and 2003 to 2005 Capital Plan Close Outs" be approved in order to close out the completed capital projects.
- B. THAT the funding of \$176,367 in Development Cost Levies ("DCL") for Phase I of Emery Barnes Park in Downtown South as detailed in the Administrative Report dated March 13, 2007, entitled "Park Board 2000 to 2002 and 2003 to 2005 Capital Plan Close Outs" be approved in order to close the project.

CARRIED UNANIMOUSLY

(Councillors Cadman, Chow, Louie and Stevenson absent for the vote)

7. Award of Contract for RFP#PS07028 - Professional Services for the Implementation of the SAP Project Systems (PS) and Investment Management (IM) Modules
(VanRIMS No. 03-1200-11)

The Committee had before it an Administrative Report dated April 11, 2007, in which the General Manager of Corporate Services sought Council's approval to award the contract for professional services to support the implementation of the SAP PS and IM modules to E-Tech

Consulting Inc., as well as sought authority to award a further contract or contracts up to \$100,000 for additional external resources if and as required on an expedited basis. The City Manager recommended approval, noting that Recommendation B is an attempt to allow for a more timely approval process for additional external resources that may be required to implement the SAP PS and IM modules to ensure the successful and timely completion of the project, which is a critical path within the Infrastructure Management Strategy project.

Doug Mitchell, Director of Business Support Services, was available to respond to questions.

MOVED by Councillor Capri

THAT the Committee recommend to Council

- A. THAT, subject to the conditions set out in C, D and E of the Administrative Report dated April 11, 2007, entitled "Award of Contract for RFP#PS07028 - Professional Services for the Implementation of the SAP Project Systems (PS) and Investment Management (IM) Modules", the General Manager of Corporate Services be authorized to negotiate a contract with E-Tech Consulting Inc. for professional services up to a maximum contract value of \$250,000 plus applicable taxes; source of funds to be the Infrastructure Management Strategy ("IMS") - SAP PS and IM implementation project capital.
- B. THAT, subject to the conditions set out in C, D and E of the Administrative Report dated April 11, 2007, entitled "Award of Contract for RFP#PS07028 - Professional Services for the Implementation of the SAP Project Systems (PS) and Investment Management (IM) Modules", the Director of Budget Services as the Chair of the SAP PS/IM Project Steering Committee ("Steering Committee"), with the approval of the Steering Committee, be authorized to procure additional external resources through a public competitive procurement process to implement the SAP PS/IM modules if and as required up to a maximum value of \$100,000 plus applicable taxes; source of funds to be the existing SAP Business Support Services' operating budget.
- C. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement A and B of the Administrative Report dated April 11, 2007, entitled "Award of Contract for RFP#PS07028 - Professional Services for the Implementation of the SAP Project Systems (PS) and Investment Management (IM) Modules".
- D. THAT all such legal documents be on terms and conditions satisfactory to the General Manager of Corporate Services and the Director of Legal Services.

- E. THAT no legal rights or obligations will be created or arise by Council's adoption of A, B, C and D of the Administrative Report dated April 11, 2007, entitled "Award of Contract for RFP#PS07028 - Professional Services for the Implementation of the SAP Project Systems (PS) and Investment Management (IM) Modules" until such legal documents are executed and delivered by the Director of Legal Services.

CARRIED UNANIMOUSLY

(Councillors Cadman, Chow, Louie and Stevenson absent for the vote)

5. 2007 Park Board Capital Budget (VanRIMS No. 05-1400-20)

The Committee had before it an Administrative Report dated April 16, 2007, in which the General Manager, Parks and Recreation, sought Council's approval for the 2007 Park Board Capital Budget totaling \$69,189,800 as well as the associated funding sources. The City Manager recommended approval of Recommendations A, B and C, noting that these recommendations are consistent with the intent of the 2006-2008 Capital Plan as it relates to parks and recreation facilities, and, in her comments, did not support Recommendations D but suggested the following alternative:

THAT Council defer consideration of Recommendation D and refer the matter to the City Manager to develop a funding strategy and recommend priorities to meet all City objectives as outlined in the report.

The Committee also had before it a Memorandum dated April 18, 2007, (*on file*) from the General Manager, Parks and Recreation, advising of the Vancouver Park Board's decision on this matter.

Piet Rutgers, Director of Planning and Operations, and Mark Vulliamy, Manager of Research and Planning, Park Board, were available to respond to questions.

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At this point in the proceedings Councillor Ladner resumed the Chair.

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The following spoke in support of the 2007 Park Board Capital Budget and, in particular to Recommendation D:

Commissioner Korina Houghton, Vice-Chair, Vancouver Park Board
Jeff Malmgren, Vancouver Field Sports Federation
Sharon Urton, Vancouver Active Communities Network
Dick Woldring, More Sports

A summary of speakers' comments follow:

- the Vancouver Park Board unanimously supports the budget, in particular Recommendation D, and urges Council to commit the 4.5 million of DCL funds to the "Trillium" project because it supports three programs the City and Park Board share: Vancouver Active Communities Network, the More Sports program and Eco Density;
- in '93 the redevelopment of Strathcona took away two playing fields from the Park Board inventory and it was promised that those fields would be replaced by using DCL funds to buy other property, which became "Trillium", and to date those fields were never replaced which has been putting pressure on other fields;
- the Vancouver Active Communities Network supports the need for active infrastructure that has easy and safe access, especially in a disadvantaged urban area such as Strathcona; and
- in favour of anything that creates more space for children to play in and the sooner the better.

MOVED by Councillor Deal

THAT the Committee recommend to Council

THAT Council refer consideration of the Administrative Report dated April 16, 2007, entitled "2007 Park Board Capital Budget" to the Standing Committee on Planning and Environment meeting of April 19, 2007, due to time constraints.

CARRIED UNANIMOUSLY

The Committee adjourned at 1:20 p.m.

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CITY OF VANCOUVER

REGULAR COUNCIL MEETING MINUTES
STANDING COMMITTEE OF COUNCIL ON
CITY SERVICES AND BUDGETS

APRIL 19, 2007

A Regular Meeting of the Council of the City of Vancouver was held on Thursday, April 19, 2007, at 1:20 p.m., in the Council Chamber, Third Floor, City Hall, following the Standing Committee on City Services and Budgets meeting, to consider the recommendations and actions of the Committee.

PRESENT: Mayor Sam Sullivan
Councillor Suzanne Anton
Councillor Elizabeth Ball
Councillor David Cadman
Councillor Kim Capri
Councillor George Chow
Councillor Heather Deal
Councillor Peter Ladner
Councillor B.C. Lee
Councillor Raymond Louie
Councillor Tim Stevenson

CITY MANAGER'S OFFICE: Judy Rogers, City Manager

CITY CLERK'S OFFICE: Tina Hildebrandt, Meeting Coordinator

"IN CAMERA" MEETING

MOVED by Councillor Chow
SECONDED by Councillor Deal

THAT Council will go into a meeting later this day which is closed to the public, pursuant to Section 165.2(1) of the Vancouver Charter, to discuss matters related to paragraph(s):

- (a) personal information about an identifiable individual who holds or is being considered for a position as an officer, employee or agent of the city or another position appointed by the city;
- (e) the acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure could reasonably be expected to harm the interests of the city;
- (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

CARRIED UNANIMOUSLY

COMMITTEE OF THE WHOLE

MOVED by Councillor Stevenson
SECONDED by Councillor Anton

THAT this Council resolve itself into Committee of the Whole, Mayor Sullivan in the Chair.

CARRIED UNANIMOUSLY

COMMITTEE REPORTS

Report of Standing Committee on City Services and Budgets April 19, 2007

Council considered the report containing the recommendations and actions taken by the Standing Committee on City Services and Budgets. Its items of business included:

1. City of Vancouver 2006 Annual Financial Report
2. 2007 Property Taxation: Distribution of the Property Tax Levy
3. 2007 Basic & Supplementary Capital
4. 2007 Engineering Basic Capital Budget and Close-outs
5. 2007 Park Board Capital Budget
6. Park Board 2000 to 2002 and 2003 to 2005 Capital Plan Close Outs
7. Award of Contract for RFP#PS07028 - Professional Services for the Implementation of the SAP Project Systems (PS) and Investment Management (IM) Modules

MOVED by Councillor Louie

THAT Council separate the vote on Item 2 - 2007 Property Taxation: Distribution of the Property Tax Levy.

CARRIED UNANIMOUSLY

Items 1, 3 and 4 - 7

MOVED by Councillor Ladner

THAT the recommendations and actions taken by the Standing Committee on City Services and Budgets at its meeting of Thursday, April 19, 2007, as contained in Items 1, 3 and 4 - 7, be approved.

CARRIED UNANIMOUSLY AND
ITEM 3 BY THE REQUIRED MAJORITY

Item 2

MOVED by Councillor Ladner

THAT the recommendations and actions taken by the Standing Committee on City Services and Budgets at its meeting of Thursday, April 19, 2007, as contained in Item 2, be approved.

CARRIED

(Councillors Cadman, Chow, Deal, Louie and Stevenson opposed)

RISE FROM COMMITTEE OF THE WHOLE

MOVED by Councillor Stevenson

THAT the Committee of the Whole rise and report.

CARRIED UNANIMOUSLY

ADOPT REPORT OF COMMITTEE OF THE WHOLE

MOVED by Councillor Lee

SECONDED by Councillor Ball

THAT the report of the Committee of the Whole be adopted.

CARRIED UNANIMOUSLY

ENQUIRIES AND OTHER MATTERS

1. **Trade, Investment and Labour Mobility Agreement (TILMA)**
(VanRIMS No. 01-5500-10)

Councillor Cadman inquired on a recent announcement from the Park Board concerning legal issues surrounding the City of Vancouver's involvement in TILMA.

The City Manager advised that staff are currently preparing a report back.

The Council adjourned at 1:24 p.m.

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