



RR-1

ADMINISTRATIVE REPORT

Report Date: November 12, 2009
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Meeting Date: December 1, 2009

TO: Vancouver City Council
FROM: General Manager of Financial Services
SUBJECT: 2010 Operating Budget: Proposed Budget and Public Consultation Update

RECOMMENDATIONS

- A. THAT Council approve "in-principle" the 2010 Proposed Operating Budget, pending public input on December 3, 2009, as outlined in this report and detailed in Table 1, and instruct the Director of Finance to bring the budget into balance with a 2.0% general purposes tax increase.

AND THAT Council approve the funding requests outlined on page 12 and the proposed service adjustments outlined in Appendix 3.

AND THAT Council approve the Parking Meter program enhancements outlined in Appendix 4, reflecting \$4.4 million of revenues incorporated in the 2010 estimates, and instruct the Director of Legal Services to amend the appropriate By-Laws.

AND THAT Council approve the Park Board Global Budget of \$60,293,500, comprised of \$102,535,200 expenditures and \$42,241,700 revenues. Adjustments to the Global Budget will be made at a later date once the Vancouver Services Review implementation plans have been developed.

All positions are subject to classification by the General Manager of Human Resource Services

- B. THAT Council directs all City Departments and Boards to commit to the implementation of the Vancouver Services Review shared services and process improvement initiatives with target savings of \$10.2 million in 2010.

COMMENTS OF THE CITY MANAGER AND DIRECTOR OF FINANCE

On October 20, 2009, staff presented to Council the 2010 Operating Budget Preliminary Estimates. If significant changes were not made to the way the City does its business and collects its revenues, the Operating Budget would need to increase by \$61.7 million and increase property taxes by 11.2%. This starting point to the budget is not unique to Vancouver. All municipalities in the Lower Mainland are facing the same challenges as the City - collective agreement obligations, increased capital burden, declining revenues as a result of the economic downturn, and increasing policing costs.

The City of Vancouver's Council recognized in the early stages of the economic downturn (in early 2009) that it was imperative to develop a strategy to mitigate these internal and external impacts on the City's finances. The result was the initiation of the Vancouver Services Review (VSR) which identified efficiency opportunities and conducted a core services review. These two deliverables have been critical to the budget process: the VSR was able to find immediate savings for the 2010 budget and, through the core services, enable the Corporate Management Team to fully prioritize the City's services to identify areas for funding adjustments.

We are in a challenging external environment, yet we are faced with a historical trend of increased costs and, therefore, property taxes. Council has recognized that this trend is not sustainable and challenged staff to bring forward a budget that limited property taxes between 1.5% and 2.0%. In tackling the challenge, the Corporate Management Team very much kept in the forefront Council's directional policies, outlined in the policy section below, while considering the unique priorities within each of the service group areas.

The budget proposal outlined in this report along with separate presentations on October 20, 2009, and November 17, 2009, provide for \$61.7 million adjustments. These include \$21.9 million revenue increases related to a 4% fee increase and a 2% property tax increase along \$39.8 million of adjustments as summarized below:

	<u>\$million</u>
• 2010 Bridging Strategies	(12.6)
• 2010 Vancouver Services Review Savings	(10.2)
• Priority Investments	1.9
• Proposed Service Reductions	(20.2)
• Increase in Contingency Reserve	1.3
Total Budget Adjustments	39.8

As noted in the table, there is a proposed increase to Contingency Reserve of \$1.3 million reflecting some of the inherent risks in next year's budget. There are primarily three risks to the budget:

- Economic uncertainty - may impact revenues and demand for services.
- Ability to achieve Savings Target - staff will be working with the unions on the implementation of budget adjustments to mitigate the impact on staff through the strategic use of vacancies. This approach takes time and will increase the financial risk

while minimizing the personal impact on staff. Implementation of the VSR is a complex undertaking with detailed plans still being developed. The \$10.2M savings represent an aggressive target and any delay will increase the financial risk. Pivotal to the success of the VSR is commitment by the whole of the organization to the recommendations of the VSR. Though the Corporate Management Team has endorsed the recommendations of the VSR, it is recommended that Council provide specific instruction to all City Department and Boards to commit to these savings.

- Timing of the budget - the 2010 budget has been advanced by four months so that it may be approved prior to the beginning of the budget year. This is a best practice that will continue in the future. However, the compressed timeline for developing the 2010 budget has meant that there is an inherently greater level of uncertainty in the overall estimates compared to past budgets.

The report includes the results of the public consultation process which provided important input to the CMT and Boards in understanding the public's views regarding services and taxes.

COUNCIL POLICY

The Vancouver Charter requires that the Director of Finance present the estimates of revenues and expenditures to Council no later than April 30 each year and that Council adopt a resolution approving the budget and a rating bylaw establishing general purpose tax rates as soon thereafter as possible.

Council had provided direction in a number of areas that helped inform the 2010 Budget strategy:

- Minimize property tax increases over two to three years
- Maintain all necessary health and safety standards
- Protect services to vulnerable populations
- Protect arts and culture
- Invest in economic development including optimize Olympic opportunity
- Support greenest city initiatives
- Examine the service delivery of all city services and streamline to make more efficient
- Strategically implement any reductions to services to minimize the impact as much as possible on citizens and staff

PURPOSE

The purpose of this report is to present to Council the results of the 2010 public consultations and the budget strategy to balance the budget with a property tax increase of 1.5% to 2.0% as Council instructed on October 20, 2009.

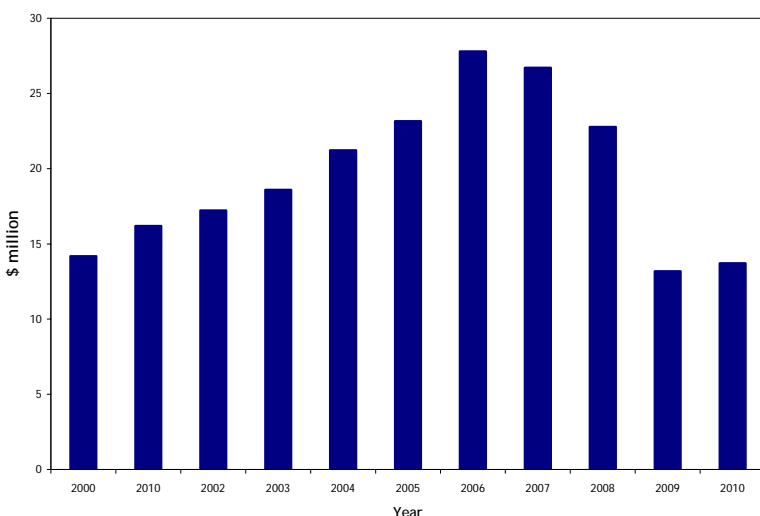
BACKGROUND

The overall context in which the 2010 budget has been developed involves three major challenges: the external environment, increasing cost pressures, and rising property taxes.

External Environment

The economic turbulence that has impacted Vancouver and the rest of the world in late 2008 has had a significant impact on the City's operating budget. 2009 revenue estimates indicated a projected 50% reduction in development related revenues as well as reduced short term interest earnings. In total the City's 2009 revenue was reduced by \$15.7 million. The 2010 budget does not anticipate revenue improvements above 2009 levels as economic conditions remain unstable. The City's development revenues have been the most dramatically hit by the economic decline with revenues being at its lowest level in ten years (see Figure 1).

Figure 1: Development and Trade Permit Trends (2000 - 2010)

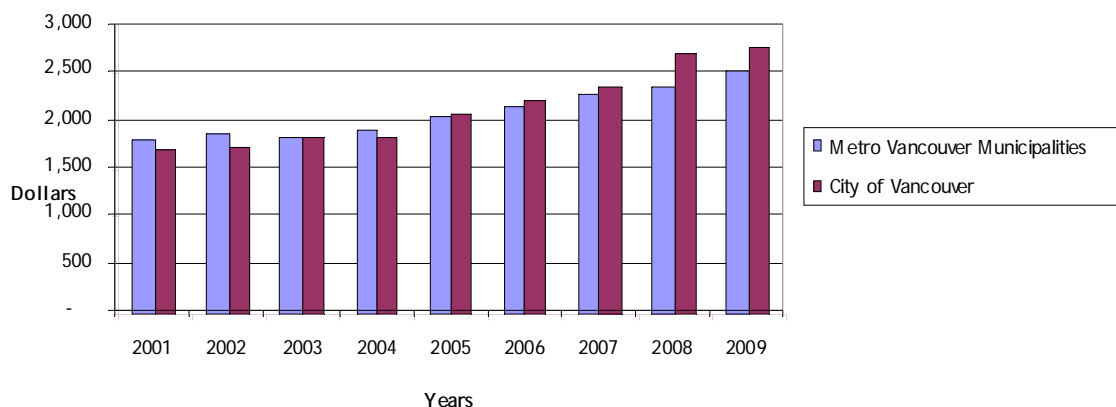


The economic downturn increases demands on City services, in particular policing, libraries, community centres, as unemployment and fiscal hardships are felt by Vancouver's citizens and businesses. Moreover, as senior levels of government deal with their own restraint measures, such as the Provincial government's introduction of the HST or reduction in grants to non-profit organizations, the City's ability to be flexible with its funding strategies and revenue opportunities is diminished.

City of Vancouver Trends

Within this changing external environment, the City's finances have been showing trends in growth which may no longer be sustainable. The key drivers to this increase, which is consistent with other Metro Vancouver municipalities, is wage rate increases that have exceeded CPI trends, expanded services mainly in the area of policing and public safety, and the shift in the property tax levy from commercial to residential taxes over this period.

Figure 2: Metro Vancouver Property Tax Trends (Average Home Owner)



On October 20, 2009, staff presented the 2010 Preliminary Estimates report that included an overview of the 2010 budget estimates, proposals to reduce the budget gap utilizing savings from the Vancouver Services Review and a number of temporary bridging strategies.

Description	\$million	%Tax
Starting Budget Gap	\$61.7	11.2%
4% increase on fees & Utility Shift	(\$10.8)	
Vancouver Services Review Efficiencies	(\$10.2)	
Temporary Bridging Strategy	(\$12.6)	
Remaining Gap	\$28.1	5.1%

The estimates indicated a gap of \$28.1 million equivalent to a property tax increase of 5.1%.

Council instructed staff:

THAT the Director of Finance, in consultation with the Corporate Management Team, report the interim estimates to Council by December 1, 2009, along with options to achieve a property tax increase between 1.5% and 2.0%, of which 0.8% reflects outside agency costs.

As directed by Council, the City completed a public consultation process that included public meetings, telephone survey, web discussion forum, and web survey. The results of the consultations have been used to inform the budget strategy detailed in this report and were presented to senior management and union/employee association leaders on November 12, 2009, and to Council on November 17, 2009. The web forum and survey remained open until November 20, 2009, to provide the public the opportunity to provide input to the budget proposals.

Upon receiving the 2010 Proposed Budget and Public Consultation Update report, Council is requested to approve "in-principle" the recommendations on December 1, 2009. The public

will then have the opportunity to provide feedback on December 3, 2009. The Final Budget report will be presented to Council on December 18, 2009.

DISCUSSION

1. 2010 PROPOSED OPERATING BUDGET

Table 1 below shows the 2010 Proposed Budget of \$959.8 million. This budget reflects a 3.9% growth in revenues over 2009, attributed to a 2% property tax, new construction revenues, 4% fee increases, and an 11% increase to Utility Revenues associated with solid waste, sewer, and water utility rate increases proposed in three accompanying reports.

On the expenditure side, overall expenditures will increase by 3.9%, after consideration of proposed adjustments outlined in this report. The most significant changes, other than transfers, include increases to utility costs, contingency, and capital. The budget strategy utilized for this proposed budget is outlined in this report along with the public consultation results that informed the strategy.

Table 1: 2010 Proposed Budget

	2009 Council Approved Budget	2010 Preliminary Estimates	Net Service Adjustments	Adjustment % of 2010 Prel. Estimates	2010 Interim Estimates	Change over 2009	% Change over 2009 Budget
Revenues							
Taxation Revenues	(589.1)	(619.8)	-	0.0%	(602.7)	(13.6)	2.3%
Miscellaneous Revenues	(169.2)	(172.2)	(2.0)	1.2%	(174.2)	(5.0)	3.0%
Utility Fees	(158.1)	(175.7)	-	0.0%	(175.7)	(17.6)	11.2%
Transfers	(7.2)	(7.2)	-	0.0%	(7.2)	-	0.0%
	(923.5)	(974.9)	(2.0)	0.2%	(959.8)	(36.3)	3.9%
Expenditures							
Departmental Expenditures	654.59	685.22	(16.36)	(2.4%)	668.86	14.26	2.2%
Utility Expenditures	189.82	203.54	-	0.0%	203.54	13.72	7.2%
Contingency	4.0	4.0	1.3	32.9%	5.3	1.3	31.3%
Capital Program	71.4	76.5	-	0.0%	76.5	5.1	7.1%
Transfers	3.7	5.7	-	0.0%	5.7	2.0	53.4%
	923.5	974.9	(15.1)	-1.5%	959.8	36.3	3.9%
Potential Property Tax Increase							
		5.1%					2.0%

1. PUBLIC CONSULTATION

Appendix 1 includes a detailed analysis of the 2010 Operating Budget consultation and Appendix 2 includes a full reporting of the 2010 attitude survey conducted by the Mustel Group.

a) Elements of the Public Consultation Program¹

The public consultation program related to the 2010 Operating Budget was made up of the following elements:

i) **Education and Advertising:** The City utilized a number of different communication channels to educate the public on the 2010 Operating Budget, and inform the public of opportunities to provide input. These included the City's website, development of a backgrounder, print and radio advertising (increased from last budget consultation), press releases, email notifications, and posters.

ii) **Mixed Stakeholder Meeting (Mayor's Forum):** Leaders from stakeholder groups were invited to attend a meeting on November 2, 2009, hosted by Mayor Gregor Roberson at the Wosk Centre of Dialogue.

iii) **Open Houses:** Eight open houses were held across the City's 22 neighbourhoods. The open houses included a presentation on the budget, followed by a question and answer period. People were then invited to place ideas and comments on boards about specific priorities and service areas.

iv) **Surveys:** *Mustel Group* was engaged to conduct a telephone survey on the 2010 Operating Budget. *Mustel* also analysed the online survey results up until November 9th whose results are incorporated in this report. The online survey continued until November 20th and the results November 9-20th period will be included in the report reference on December 1, 2009.

iv) **Other Feedback:** Through the advertising channels above, the public was invited to provide their feedback to Council through email, the web forum ("blog"), or by calling 311.

b) Consultation Results

i) Telephone and Web Survey

The key issues people were asked to provide feedback on were:

- Service Priorities - top of mind issues and service priorities
- Approach to balance the budget - Make cuts selectively or across all areas? Cut services and increase fees? Increase property taxes? Or a mix?
- Tax tolerance - what is the tolerance for property tax increase?
- Potential areas for service reductions - what services (broadly and specifically) to reduce to balance the budget.

Service priorities:

- The top of mind issues for residents and businesses in order of priority are:
 - Residents: Social issues (homelessness and poverty), transportation, and crime

¹ The 2010 Budget consultation included discussion and input on Electoral Reform. The results from this portion of the consultation are being reported separately.

- Businesses: Taxation, transportation, and crime

Approach - what should the city's approach to making cuts be?

- Should the city make cuts, increase taxes and/or fees, or, a mix?

The results are clear that the majority of both residents and business feel a thoughtful approach using a mix of service cuts and modest tax increase is the best approach to meeting the budget pressures. In the telephone survey, 42% of residents and 38% of businesses said use a mix of property taxes, service cuts, and user fee increases.

- Should the city make cuts selectively or across all areas?

In the telephone survey, 56% of residents clearly said they prefer that selective cuts vs. across the board cuts be made. Businesses responded similarly for both choices. When asked to choose strictly between cuts or increased taxes, residents chose "cuts" by a margin of 49% to 41%. When asked further on to identify specific areas however, they were less clear.

Tax tolerance - by how much should taxes be increased?

A majority of residential taxpayers are willing to accept possible municipal tax increases to maintain present service levels. Businesses are much more sensitive to property tax increases than residents, with the majority desiring a minimal increase.

Renters showed significant tolerance for a tax increase (likely due to minimal net impact on rent and higher value on services). There is statistically equal support among residents and businesses for increased user fees.

Specific service areas - which areas of the city should be looked at most closely?

A new aspect of this year's survey was to gauge tolerance for specific service area reductions to help balance the budget. Participants did not indicate strong support for making specific targeted adjustments to service levels. Businesses participating in the telephone survey had the greatest interest in reducing service levels.

ii) Comments from Community - Open Houses and Web Forum (Blogs)

The 2010 consultation process included an outreach program that involved web dialogue and an face to face interactive dialogue through the open houses. Over 300 comments were received from the community sessions and over 120 were given in the blog at the time of this writing.

The comments ranged from highly focused and detailed to general commentary on the City. Some of the most frequently mentioned areas of commentary have been:

- **Garbage & recycling:** reduce frequency of pickup, increase recycling
- **Fees & fines:** increase user fees in particular in the area of licensing for dogs, fines, events, tolls, litter, taxis, sewers, water, & enforce bylaws

- **Parking:** increase fees, hours or streets that require permit areas, i.e. charge at beach lots
- **Taxes:** increase taxes to protect services/decrease property taxes/stop shift from commercial to residential/stop downloading/HST effect negative
- **Protect favourite/critical areas:** libraries, arts, parks, police & fire, prevention - esp. youth, senior services - community centres, housing/shelter
- **Administration:** reduce staff, reduce salaries, reduce hours, consolidate, outsource, re-assign, amalgamate boards, eliminate processes & unused bylaws
- **New revenue areas:** rent out more public spaces, charge for VPD services, auction assets on eBay, use in-kind donations (space) vs. cash for grants, charge for camping, year-round concessions in parks
- **General:** "no new projects"

2. 2010 OPERATING BUDGET STRATEGY

The 2010 Operating Budget has been built based on a three staged process: budget build based on inflationary expectations; adjustments to reflect the changes recommended by the Vancouver Services Review and continuation of temporary bridging strategies; and service adjustments to meet Council's target tax increase of 1.5% to 2.0%. Table 2 summarizes these three steps while the following describes key aspects of this strategy.

Table 2: 2010 Operating Budget Summary

	<u>\$million</u>	<u>% Tax</u>
Step 1: Opening Budget		
2010 Budget Pressures	\$61.7	11.2%
• Salary Increases	26.7	
• Capital Program and Facility Op. Costs	10.8	
• Council Approvals (including police)	2.1	
• Reversal of 2009 "Bridging" Strategies	14.3	
• Outside Agency Impact	4.4	
• Net Revenue Increase	3.4	
Total Revenue Opportunities	(10.9)	
• Fee Increases	(5.4)	
• Shift in Sewer Utility	(5.5)	
Opening Budget Position Prior to Adjustments	50.9	9.2%
Step 2: Budget Reduction - Bridging Strategy & Change in Service Model (Oct. 20/09)		
• 2010 Bridging Strategies	(12.6)	
• 2010 Vancouver Services Review Savings	(10.2)	
Preliminary Budget Position	28.2	5.1%
Step 3: Priority Service Adjustments to Meet Council Target Tax Increase (Dec. 1/09)		
• Priority Investments	1.9	
• Proposed Service Reductions	(20.2)	
• Increase in Contingency Reserve	1.3	
Council Target Property Tax Increase	\$11.1	2.0%

Step 1: Opening Budget (Preliminary Estimates)

On October 20, 2009, the 2010 Preliminary Estimates identified budget pressures of \$61.7 million offset by revenue adjustments of \$10.8 million bringing the net budget gap to \$50.9 million. The major drivers are attributed to increased salaries, cost of new facilities (capital and on-going operating), reversal of 2009 "bridging strategies, impacts from outside agencies, and net revenue increases.

Included in the Preliminary Estimates was an adjustment for the 311 Service to reflect Council's direction that all costs related to the implementation of 311 Service for the City of Vancouver be funded through operational efficiencies.

Step 2: Budget Reduction - VSR and Bridging Strategy (Oct. 20/09)

Also on October 20, 2009, two adjustments were proposed to the 2010 estimates:

- Vancouver Services Review Savings (\$10.2 million)***: a rapid implementation of the business transformation and shared services opportunities identified in the Vancouver Services Review. The estimated savings for 2010 from each of the VSR initiatives are summarized below. The potential FTE impact is estimated at 58 less 5 permanent positions for supply chain implementation (Category Managers), however, the exact impacts to positions or department budgets will not be known until the detailed implementation plans are completed.

Table 3: VSR Savings and Notional Allocations

2010 VSR Initiatives	\$ million
Information Technology Shared Services	0.9
Attendance Management	2.0
Pay Notice	0.1
Supply Chain	6.5
Consolidate Sanitation	0.7
Total	10.2

RECOMMENDATION B clarifies Council direction to all Departments and Boards to move ahead expeditiously with implementation of the VSR and the realization of associated savings.

A VSR implementation team will be responsible for managing all the individual initiatives identified by the VSR over three years. The team will be comprised of 18 temporary FTE's (mainly filled through internal secondments) in 2010 supporting the multiple initiatives. 2010 estimated cost for the team of \$3.1 million is to be funded from unspent one-time transition funds carried over from the 2009 budget and the Strategic Initiative Fund (2009 carry-over and 2010 funding).

- Continuation of the Temporary Bridging Strategy (\$12.6 million)**: continuation of key bridging strategies, such as the hiring freeze, identified in 2009 into the 2010 fiscal year, with appropriate adjustment for items which cannot be to be deferred.

Step 3: Priority Service Adjustments to Meet Council Target Tax Increase

The final savings to ensure a balanced budget will come from service adjustments across the City and its Boards. As reflected in the feedback during the public consultation, the proposed adjustments reflect the establishing of priorities for service delivered by the city and its agencies. One of the methodologies utilized during the Vancouver Services Review entailed grouping services into thematic areas of basic services (an essential function which is mandated by legislation or through our regulatory role), real need (a function which addresses a defined need of citizens within the purview and the mandate of the City) and value added activities (functions that are not necessary to fulfill the essential mandate of the City but that are desirable, add value and contribute to the well-being of the citizens). Proposed service adjustments were brought forward to the Council and Boards in the past 2 weeks and are now being brought forward to council reflect these thematic areas. In addition, the proposals integrate and align with the direction from council as outlined in the policy section of the report.

The process identified both proposed increases and decreases in services as outlined below.

Priority Investments **\$1.9 million Funding Increase**

During the budget process, a number of unfunded programs were considered to be of high ranking priority and closely aligned to core services. These activities, totalling \$1.9 million, were considered critical and are proposed for funding. These include:

- Reinvestment of 2009 One-Time Savings: A number of areas that were reduced as part of the 2009 budget that could not be deferred any longer due to undue risk or were areas of Council priority. These included:

	<u>\$million</u>
○ Street Maintenance	\$0.7
○ Cultural support	\$0.3
○ Gathering Place Kitchen Staff	\$0.1
○ Internal Audit	\$0.1
○ <u>Police Civilian staffing</u>	<u>\$0.2</u>
○ Total	\$1.4

- Enhanced service levels in the areas of financial and capital planning, enterprise risk and insurance management, and environmental enforcement were prioritized. The impact is estimated at \$0.5 million including an increase of four regular full time positions.

Service Reductions **\$20.2 million Funding Reduction**

Service adjustments to meet Council direction for a 1.5% to 2.0% tax increase have been identified for each of the City's departments and Boards. Total savings are estimated at \$20.2 million for a total of approximately 109 regular net full-time and part-time positions. Details of the proposed adjustments are included in Appendix 3 and summarized in Table 4 below.

Table 4 - summary of proposed Service Adjustments

	\$ million	Estimated FTE ¹	Estimated Net FTE ²
Community Services Group	3.0	29.9	16.6
Engineering Services	5.3	35.7	33.7
Fire & Rescue	2.7	12.0	10.0
Vancouver Public Library	1.4	25.6	5.6
Parks and Recreation	2.8	54.8	28.8
Vancouver Police Department	2.6	-	-
Corporate Support Services	2.5	19.4	14.5
Total Service Reductions	20.2	177.4	109.2

¹ Estimated FTE includes regular full time and part time positions as well as a calculated temporary & auxillary fte

² Estimated Net FTE is equal to the Estimated FTE less positions currently vacant and temporary/auxillary FTE's

The approach taken by Boards and Departments is aligned with the work done through the VSR and the priorities identified by Council:

- *Community Services (\$3.0 million)*: the following guiding principles were utilized for the proposed adjustments:
 - Protect key priorities of Council such as programs directed toward homelessness, marginalized populations, affordable housing and the civic grants program
 - Modify services and resources to align with reduced development and construction activity in Vancouver
 - Where possible identify business transformation opportunities in key areas to reduce expenditure

Areas of adjustment include reduced funding within licensing and inspection, planning, and administrative support.

- *Fire and Rescue Services (\$2.7 million)*: guiding principles:
 - Improve the delivery of a range of fire suppression and prevention services by more efficient utilization and deployment of its personnel and support resources.

Areas of adjustment include: realigning of pre-fire planning and prevention inspection functions to fire suppression and other divisions of VF&RS; reduction of one rescue unit from front-line service to secondary response; and reduction of administrative and facilities support.

- *Engineering Services (\$5.3 million)*: guiding principles:
 - Preserve maintenance of key infrastructure
 - Protect public safety;
 - Align services to reduced construction and development activity, and
 - Maximize revenues associated with the parking program in order to protect core services.

Areas of adjustment include reduction to street cleaning and aesthetics, elimination special events support, reduction to transportation programs, reduction to development staffing to match overall workload, and expand the parking program (see Appendix 4 for details on the proposed parking program).

- *Library Board (\$1.4 million):* Guiding principles:
 - Mitigate the impact on the public by taking into consideration usage, programming, location, and proximity to other branch libraries.
 - Continue pursue of business transformation opportunities.

The adjustments put forward in this report include reduction to library branch hours at up to 14 branch libraries, reduction to Central library hours, reduction to Technical Services, reduction in book, CD, DVD and database purchases, and reduction in support services. On November 25, 2009 the Library Board, subject to Council approving the budget, approved reductions of \$1.2 million and requested that the Library staff report back on strategies for an additional budget reduction of \$0.2 million which includes closing the Riley Park Branch.

- *Vancouver Police Department (\$2.6 million):* Guiding principles:
 - Mitigate impacts on services and staffing by deferring the implementation of new programs and pursuing externally funded regional secondment opportunities.

The adjustments put forward, include stopping sworn recruitment and eliminating to speciality units and increasing the number of provincial secondments without backfill. The Vancouver Police Board will be finalizing their submission to Council on Friday November 27, 2009, however it is anticipated that approval will be provided, subject to ensuring that there is no undue risk within the VPD budget

- *Park Board (\$2.8 million) -* Guiding Principles:
 - Preserve maintenance of high use and high demand parks
 - Preserve core programs in community centres, rinks & pools to ensure access and meet demand for services
 - Ensure park and recreation facilities and structures are maintained
 - Protect services, programs and businesses that return net revenues to the Park Board.

The adjustments put forward in this report were approved by the Park Board, with a request that staff evaluate alternative options to allow the Board to meet its 2010 budget requirements.

Corporate Support Services (\$2.5 million) - these support services, ranging from the City Manager's Office to Financial Services, and Business Planning, have utilized the following guiding principles:

- Reduction levels are to be commensurate with rest of organization
- Protect statutory responsibilities - financial and public safety
- Adjustments made in more discretionary areas
- Priority placed on opportunities for process change

Corporate Support Services adjustments include reduced janitorial, facilities, and real estate services, reduced City administration and protocol support, process changes within information technology, financial services, facilities, and procurement.

Increased Contingency **\$1.3 million Funding Increase**

These economic conditions, timing of when VSR savings and the budget reductions will materialize, advanced approval of the budget when key information is unknown (such as property tax from new construction, etc.) present risk to the budget. As a result, it is recommended that Council add \$1.3 million to next year's Contingency Reserve to mitigate this risk. This adjustment will bring the overall property tax increase to 2.0%.

3. PROPOSED 2010 BUDGET

The 2010 budget strategy is summarized in Table 5 for each of the major service groups.

Table 5: 2010 Proposed Budget - Summary

	2009 Council Approved Budget	2010 Preliminary Estimates	Net Service Adjustments	Adjustment % of 2010 Prel. Estimates	2010 Proposed Estimates	Change over 2009	% Change over 2009 Budget
<u>Summary of Revenues</u>							
Taxation Revenues	(589,1)	(591,6)	-	0,0%	(591,6)	(2,5)	0,4%
Required increase in Taxation Revenues	-	(28,2)	-	0,0%	(11,1)	(11,1)	-2,0%
Other Revenues (excl. PB and Civic Theatres)	(122,2)	(123,4)	(2,0)	1,6%	(125,4)	(3,2)	2,6%
- Park Board Revenue	(40,6)	(42,2)	-	0,0%	(42,2)	(1,6)	4,0%
- Civic Theatres Revenue	(6,4)	(6,6)	-	0,0%	(6,6)	(0,3)	4,0%
Utility Fees	(158,1)	(175,7)	-	0,0%	(175,7)	(17,6)	11,2%
Transfers from Other Funds/Reserves	(7,2)	(7,2)	-	0,0%	(7,2)	-	0,0%
	(923,5)	(974,9)	(2,0)	0,2%	(959,8)	(36,3)	3,9%
<u>Summary of Expenditures</u>							
Total CSG (incl. Civic Theatres & Grants)	74,0	77,8	(2,4)	-3,0%	75,4	1,5	2,0%
Engineering Services (excluding Utilities)	64,8	68,8	(2,6)	-3,8%	66,2	1,4	2,2%
Utilities Expenditures	189,8	203,5	-	0,0%	203,5	13,7	7,2%
Vancouver Public Library	38,0	40,3	(1,4)	-3,4%	39,0	1,0	2,6%
Parks and Recreation	102,0	105,3	(2,8)	-2,7%	102,5	0,5	0,5%
Britannia Community Centre	3,1	3,2	-	0,0%	3,2	0,1	2,4%
Fire & Rescue	86,4	88,4	(2,7)	-3,0%	85,8	(0,6)	-0,7%
- Fire share of E-Comm	3,9	4,1	-	0,0%	4,1	0,2	5,0%
SUBTOTAL FIRE	90,3	92,6	(2,7)	-2,9%	89,9	(0,4)	-0,5%*
Vancouver Police Department	195,1	200,9	(2,4)	-1,2%	198,5	3,4	1,8%
- VPD share of E-Comm	15,2	16,6	-	0,0%	16,6	1,4	9,4%
SUBTOTAL VPD	210,3	217,6	(2,4)	-1,1%	215,2	4,9	2,3%*
Total Support Services	63,0	71,6	(2,1)	-3,0%	69,4	6,4	10,1%
General Government	9,1	8,1	-	0,0%	8,1	(1,1)	-11,7%
Contingency	4,0	4,0	1,3	32,9%	5,3	1,3	31,3%
Capital Program & Debt	71,4	76,5	-	0,0%	76,5	5,1	7,1%
Transfers	3,7	5,7	-	0,0%	5,7	2,0	53,4%
	923,5	974,9	(15,1)	-1,5%	959,8	36,3	3,9%
Indicated Property Tax Increase		5,1%					2,0%

*Fire and Rescue and the Vancouver Police Department 2010 budget estimates do not include full year wage increases due the expiration of their contract in March 2010

4. Implications of the Municipal Tax Levy Redistribution ("the shift") in 2010

Along with the change in the total municipal tax levy from year to year determined by Council, property taxes will also be impacted by the continuation of the 1% redistribution of the municipal tax levy from non-residential to residential properties as recommended by the Property Tax Policy Review Commission and adopted by Council in March 2008.

Table 6 demonstrates the impact of the 1% municipal tax levy redistribution at notional 2% increases to the total municipal tax levy with the related impact on a range of residential and non-residential properties.

**Table 6 - Potential Impact of Municipal Tax Levy Redistribution ("the shift")
Based on a Proposed 2% Increase to 2010 Municipal Tax Levy**

Property Value	2009 Municipal Tax Levy	Prior to Shift	After Shift from Non-residential to Residential
Residential Property			
\$200,000	\$414	\$8	\$17
\$400,000	\$827	\$17	\$33
\$600,000	\$1,241	\$25	\$50
\$782,000	\$1,617	\$32	\$65
\$945,000	\$1,954	\$39	\$79
Commercial Property			
\$200,000	\$1,934	\$39	(\$1)
\$400,000	\$3,869	\$77	(\$2)
\$600,000	\$5,803	\$116	(\$3)
\$782,000	\$7,563	\$151	(\$3)
\$945,000	\$9,140	\$183	(\$4)

Assumptions/Notes:

- 2010 opening municipal tax levy is calculated based on 2009 Supplementary Roll Cycle 8 with preliminary new construction and non-market adjustments as of November 13, 2009 subject to refinement
- Effect of legislative tax rate cap on Class 2 properties and eligible Class 4 tenant-occupied port properties not included
- 1% municipal tax levy redistribution is equivalent to 2.0% increase for residential municipal tax levy and 2.0% decrease for non-residential municipal tax levy
- The 2009 Average Residential Property was \$782,000
- Impact on individual properties may vary depending on the relative change in value of a property compared to other properties in the same class; and the impact that the City's rolling three-year land assessment averaging program has on the value of a property for tax calculation purposes
- Taxes levied by other taxing authorities - Provincial School, Translink, BC Assessment, Greater Vancouver Regional District (Now known as Metro Vancouver), and Municipal Finance Authority - are not included. Council has no control over the amounts collected by these taxing authorities.

5. Estimated Tax Impact in 2011

The challenges faced in bringing forward a plan for a balanced budget in 2010 are linked to our knowledge of projections for the 2011 budget year. There are a number of fixed costs which will create a budget gap in 2011, with compensation across all staff groups being the most significant. It is key that the City and its Agencies work throughout 2010 to put in place strategies which will not only assure a balanced budget for 2010, but will continue to reduce costs through to the end of 2011. The following section outlines a number of known issues which will have fiscal impacts on the 2011 budget.

Table 7 - 2011 Property Tax Increase Estimate

	2009 Budget (\$m)	2010 Proposed Budget (\$m)	2010 Estimated Budget (\$m)	
			Best Case	Worse Case
Revenue Budget	(923.5)	(959.8)	(959.8)	(959.8)
4% Rate Increase To Fees			(5.5)	(5.5)
Parking Program Expansion			(2.0)	(2.0)
<i>Economic Impact - Revenues</i>			(15.7)	-
Total Revenue Estimates	(923.5)	(959.8)	(983.0)	(967.3)
Expenditure Budget	923.5	959.8	959.8	959.8
Salaries (4% Assumed Salary Increase)			28.0	28.0
Council approvals (incl. 2008 Police Approval)			0.4	0.4
Operating Costs of Capital Facilities			5.0	5.0
Reversing 2010 Bridging Strategies			12.6	12.6
VSR Operating Efficiencies			(12.0)	(12.0)
<i>Other Fixed Cost Drivers (incl. 2010 Proposals)</i>			8.2	12.5
Budget Proposals - Restore Police Recruitment			2.6	2.6
Total Expenditure Estimates	923.5	959.8	1,004.6	1,008.9
Preliminary Estimate of Budget Gap			21.60	41.60
Tax increase required to balance budget			3.8%	7.3%

*Calculated using 2010 Preliminary Estimate Base Taxes of \$566 million based on a 2010 2% property tax increase

The potential property tax increase to maintain Council approved service levels will range from 3.8% to 7.3%. Key drivers include: wage increases; bringing police up to their authorized strength, cost of new facilities, and the reversal of 2010 temporary bridging strategies. Key offset include: VSR operational efficiencies, increased revenues should the economy begin to recover, and the impact of 2010 reductions along with annualized parking meter revenues. Ultimately it is the question of economic recovery that creates the most uncertainty in projecting next year's budget position.

5. Completing the Budget Cycle

The following outlines the next steps in the budget process:

Interim Estimates & Public Consultation Results	December 1, 2009
Public Meeting - feedback on Council direction	December 3 (7:30 -9:30) pm
Final Budget Estimates*	December 18, 2009
Tax Reports April - May	May 2010

*The final roll from BC Assessment will not be available prior to the Final Budget Estimates. Therefore there may be changes to the 2010 budget once the final roll is received and tax rates are set in the spring of 2010.

PERSONNEL IMPLICATIONS

The Corporate Management Team and the City Manager are aware of the complexity of the transformational changes associated with the Vancouver Services Review and the potential impact on individuals and departments of both the VSR and the 2010 budget strategy. As a result the CMT are committed to minimizing the impact on employees wherever possible.

Two (2) internal processes have been developed to support the organization and its staff through the anticipated period of transition. First, a Vacancy Management Committee (VMC) has been created to ensure that a cross organizational approach to dealing with the impact of position reductions, minimizing staff/organizational impacts. The Committee will focus on filling critical vacancies with internal staff, identifying opportunities to limit the impact on staff affected by some reductions and continue to look for opportunities for internal staff development and promotion. Secondly, a Transition Team has been established to support departments with identifying and planning their service level adjustment strategies. This team will also support managers and staff with the required information to effectively manage through this transition period. This will include a centralized team that will facilitate, in conjunction with departmental managers, the layoff and bumping processes while continuing to have detailed dialogue with our Unions. Internal Communications with our staff are ongoing and effective Change Management tools are also being developed.

The approach to Vacancy Management/Transition Strategy within the organization will be subject to our collective agreements and other statutory obligations. As much as possible we will be considering other options to layoff that range from employee transfers, placements, attrition. Where layoffs occur, impacted individuals will be provided with appropriate support from their managers and the Human Resources transition team.

Union and Association Consultation

Regular meetings throughout the summer and fall have been held with union and employee associations to update the City's employee leaders on the VSR transformational change initiatives and the potential budget related service adjustments including possible staffing and position impacts. As well, the City Manager and representatives from the related Boards have met with their Unions to brief them on the nature of the proposed recommendations proceeding any reporting to Council and their Boards. Discussions with our Unions will continue and their active engagement will be essential to support the changes envisioned by

the VSR and fully manage the employee impacts of the overall FTE reductions that have been estimated in this report (as summarized in Table 8 below).

Table 8 Summary of Estimated FTE Impacts - Budget Proposals

Department	RFT/RPT	Temps/Aux	Total	Less: Vacancies	Less: Temp/Aux	Net FTE
Service Reductions						
Community Services Group	29.9	0.0	29.9	13.3	0.0	16.6
Vancouver Fire & Rescue Services	12.0	0.0	12.0	2.0	0.0	10.0
Engineering Services	33.7	2.0	35.7	0.0	2.0	33.7
Vancouver Public Library	25.6	0.0	25.6	20.0	0.0	5.6
Vancouver Police Department	0.0	0.0	0.0	0.0	0.0	0.0
Park Board*	13.3	41.5	54.8	0.0	26.0	28.8
Support Services	16.5	2.9	19.4	2.0	2.9	14.5
Total	131.0	46.4	177.4	37.3	30.9	109.2 *
Other Reductions - VSR**	?	?	58	?	?	58
Total Potential Reductions			235.4			167.2

Total FTE as of January 1, 2009	6,801	3,195	9,996			
Total Reductions % FTE			2.4%			1.7%

FTE Increases						
Investment Priorities	4.0		4.0			4.0
Enhanced Parking Program	12.0		12.0			12.0
Vancouver Services Review						
- Supply Chain - Category Managers	5.0		5.0			5.0
- Implementation Team		18.0	18.0			18.0
Total Other FTE Impacts	21.0	18.0	39.0	0.0	0.0	39.0
NET FTE IMPACT			196.4			128.2
Total FTE as of January 1, 2009	6,801	3,195	9,996			
% Of Total FTE			2.0%			1.3%

*The net FTE estimates from the Park Board have changed following reporting to their Board on November 25/09

**Detailed FTE Impacts will not be known until the detailed implementation plans are complete

CONCLUSION

The 2010 Operating Budget has been developed in the context of a challenging external economic environment with significant internal cost drivers. The City has been able to mitigate some of these costs by proactively seeking internal efficiencies through the Vancouver Services Review and continuing with some of the 2009 bridging strategies. Guided by Council direction and public input, the budget also includes a series of service adjustment to bring in a budget with a 2% property tax increase.

* * * * *

Appendix 1: Public Consultation Interim Results

The following outlines the results of the 2010 Operating Budget public consultation which included 8 Open Houses, Mayor’s Forum, and Web Forum. Details of the telephone survey of businesses and residents conducted by Mustel Group is included in Appendix 2.

1. Advertising and Promotion for the Public Meetings and the City’s Website

The budget consultations were promoted with over two weeks of print and radio advertising prior to and during the sessions, as well as through news releases and media interviews. Starting on Friday, October 23, 2009 advertisements were placed in the Courier, community and multilingual publications as well as in ‘24’ and The Sun. Radio ads also aired starting on Saturday, October 24th, 2009 on CKNW, News 1130, Red FM-Punjabi and AM1470-Chinese.

The public sessions were also strongly promoted on the city website.

2. Telephone Survey

The following summarizes results from the telephone survey conducted by Mustel Group (a full analysis is included in Appendix 2) and the parallel web survey. It is important to note that the *web survey is self selecting and is NOT statistically reliable source of information.*

The number of participants for the surveys is as follows:

	Resident	Business
Telephone	505	251
Web	342	15

- **Priority Services:** Residents and businesses see different issues as the number one City priority, although transportation and social issues (esp. homelessness) both score in the top three. The web survey indicated that all City services were ranked as being either important or very important with little variability between services.

Most Important Issues Facing the City (top of mind) - question only asked in telephone survey

Telephone Survey	
Resident	Business
1. Social	1. Taxation
2. Transportation	2. Transportation
3. Crime	3. Social

How important is each service provided by the City - question only asked in web survey

Importance of Services Provided (Average score from 0 to 5 with 5 being highest importance)	Web Survey	
	Resident Own/Rent	Business
Policing	3.9/3.7	3.5
Sewerage and Drainage	4.0/3.7	3.8
Maintenance of parks and beaches	3.8/3.8	3.7
Community Centers, pools, and rinks	3.8/3.8	3.7
Libraries	4.0/4.1	3.8
Fire Department	3.9/3.9	4.2
Maintenance, cleaning, upgrade of streets and side walks	3.5/3.6	3.8
Support for arts and cultural organizations	3.5/3.8	3.6
Support for community services organizations that help people in need	3.8/4.3	4.0
Planning for the future development of the City	3.8/3.9	4.2
Traffic Management	3.7/3.6	4.0
Garbage Collection	3.8/3.8	4.3

- **Property Tax Increase and User Fees** - A majority of municipal residential taxpayers are willing to accept possible municipal tax increases to maintain present service levels - even as high as 7%. Businesses are much more sensitive than residents to property tax increases, with the majority desiring a minimal increase. Renters showed significant tolerance for a tax increase up to 7% (likely due to minimal net impact on rent and higher value on services). There is statistically equal support among residents and businesses for increased user fees.

There appears to be lower acceptance of a property tax increase for residential participants in the web survey and slightly higher support from businesses participating in the web survey.

Property Tax and User Fee Increase (% Support)	Telephone Survey		Web Survey	
	Resident At \$900K Assessed Value	Business Own/Rent	Resident At \$900K Assessed Value	Business Own/Rent
7% Property Tax Increase	63%		18%	
6% Property Tax Increase	65%		33%	
4% Property Tax Increase	74%		48%	
3% Property Tax Increase		39%/46%		29%/55%
2% Property Tax Increase	85%	47%/55%	77%	57%/73%
Residents Rent - Support for 7% Property Tax Increase	71%		84%	
Support for Increased User Fees	55%	67%	59%	93%

- **Options to Balance the Budget** - participants were asked to state their preference for balancing the budget between increased property taxes, reduced city services, hours, staffing and/or user fees, use a mix of property tax increases, service reductions, and increased user fees. Residents tended to lean towards the mixed approach while businesses seemed to have equal preference between the mixed approach and reduced service levels combined with increased user fees.

Property Tax and User Fee Increase (% Support)	Telephone Survey		Web Survey	
	Residents (incl. taxpayers & renters)	Business Own/Rent	Residents (incl. taxpayers & renters)	Business Own/Rent
Increase Property Tax by 7% - RES/3% - BUS	14%	11%	27%	20%
Reduce Services/Increase User Fees	33%	44%	20%	20%
Mix of Property Tax/User Fees/Service Reductions	42%	38%	48%	60%
Don't Know	11%	8%	5%	-

- **Service Reduction Options:** A new aspect of this year's survey was to gauge tolerance for service reductions to balance the budget both generally and specifically within different service categories. Participants were asked to score their support for the proposal 0 to 10: 0 = strong opposition and 10 = strong support. The summary of the results assumed 0-4 as opposed; 5 as neutral; and 6-10 as supportive of the potential reduction. The neutral response is swayed more to the negative given the overall lower support for the options. Overall, most participants were reluctant to support reductions in services whether looking at broad City-wide options or specific service related options.
 - **Opinion on Types of Cost Saving Measures** - The level of support for the general cost savings measures outlined in the survey with very few areas receiving support above 50%. The only measures receiving greater than 50% support in the telephone survey was holding fewer public consultations/hearings (52% business); reduced enforcement of minor by-laws (53% - residents). With regards to web participants, support greater than 50% was reduced hours of operations at City facilities (53% business) and reduced frequency of garbage/recycling collections (60% business).

Opinion on Types of Cost Saving Measures		Rating 0-4	Rating 5	Rating 6-10	Don't Know	
		Oppose	Neutral	Support		
Hold fewer public consultations and hearings	Telephone	Business	20%	27%	52%	1%
		Residents	31%	23%	45%	2%
	Web	Business	57%	29%	14%	0%
		Residents	30%	31%	39%	0%
Reduce enforcement of nuisance or minor City by-laws	Telephone	Business	30%	21%	49%	1%
		Residents	29%	17%	53%	1%
	Web	Business	33%	27%	40%	0%
		Residents	30%	25%	45%	0%

Opinion on Types of Cost Saving Measures		Rating 0-4	Rating 5	Rating 6-10	Don't Know	
		Oppose	Neutral	Support		
Reduce hours of operation at City facilities	Telephone	Business	25%	30%	44%	1%
		Residents	35%	24%	39%	2%
	Web	Business	7%	40%	53%	0%
		Residents	37%	30%	33%	0%
Reduce the level of land- use planning and policy work	Telephone	Business	28%	24%	43%	5%
		Residents	28%	27%	38%	7%
	Web	Business	53%	40%	7%	0%
		Residents	35%	32%	33%	0%
Reduce funding support for non-profit organizations - social or cultural	Telephone	Business	39%	21%	39%	1%
		Residents	55%	15%	27%	2%
	Web	Business	60%	20%	20%	0%
		Residents	56%	20%	24%	0%
Reduce level of cleaning and maintenance of public buildings, properties and parks	Telephone	Business	45%	23%	32%	0%
		Residents	48%	23%	29%	1%
	Web	Business	53%	33%	13%	1%
		Residents	40%	36%	24%	0%
Reduce park and recreation programs	Telephone	Business	48%	23%	29%	0%
		Residents	57%	18%	24%	1%
	Web	Business	67%	20%	13%	0%
		Residents	54%	30%	15%	1%
Reduce public safety services while still maintaining minimum standards of safety	Telephone	Business	55%	17%	28%	0%
		Residents	57%	16%	25%	2%
	Web	Business	47%	33%	20%	0%
		Residents	55%	23%	22%	0%
Reduce frequency of garbage and recycling collection	Telephone	Business	54%	16%	30%	1%
		Residents	57%	14%	29%	<1%
	Web	Business	27%	13%	60%	0%
		Residents	31%	26%	42%	1%
Reduce infrastructure (roads and buildings) maintenance	Telephone	Business	53%	21%	26%	0%
		Residents	53%	23%	23%	1%
	Web	Business	46%	27%	27%	0%
		Residents	43%	31%	26%	0%

- **Service Reduction Options** - As noted previous, most participants were reluctant to support reductions to specific services.

The only area that had higher support by all with the exception of residents (telephone) was:

- Community Services - Reduce staff and simplify the process related to permits, licenses and by-law enforcement (71% to 79% support)

In general, business participants identified more areas of support for reductions:

- Library - Reduce hours and levels of service in specific branches, based on levels of use and ease of access
- Public Works - Reduce road maintenance but not affecting essential street maintenance (57% telephone)
- Public Works - Reduce street decoration and furniture and reduced support for public events on city streets (57% telephone/64% web)

Possible Service Reduction Options		Rating 0-4 Oppose	Rating 5 Neutral	Rating 6-10 Support	Don't Know	
Board of Parks and Recreation						
1. Reduce operating hours and programs at community centres	Telephone	Business	40%	22%	39%	-1%
		Residents	55%	17%	28%	0%
	Web	Business	50%	36%	14%	0%
		Residents	59%	20%	20%	1%
2. Reduce maintenance at City parks and recreational facilities	Telephone	Business	35%	31%	34%	0%
		Residents	50%	23%	26%	1%
	Web	Business	57%	14%	29%	0%
		Residents	52%	27%	21%	0%
3. Reduce hours & programs at community centres-protecting low income neighbourhoods	Telephone	Business	28%	24%	48%	0%
		Residents	37%	18%	44%	1%
	Web	Business	43%	14%	42%	1%
		Residents	38%	20%	42%	0%
Library						
1. Reduce hours and levels of service across the Library system	Telephone	Business	43%	17%	40%	0%
		Residents	55%	17%	27%	1%
	Web	Business	50%	50%	0%	0%
		Residents	63%	21%	16%	0%
2. Reduce hours and levels of service in specific branches, based on levels of use and ease of access	Telephone	Business	16%	17%	67%	0%
		Residents	32%	15%	53%	1%
	Web	Business	36%	21%	43%	0%
		Residents	35%	18%	47%	0%
3. Branch Closures	Telephone	Business	57%	19%	24%	0%
		Residents	71%	11%	17%	1%
	Web	Business	64%	36%	0%	0%
		Residents	76%	11%	13%	0%
Public Safety						
1. Reduce the number of police and/or firefighting staff	Telephone	Business	77%	11%	12%	<1%
		Residents	79%	9%	11%	1%
	Web	Business	57%	14%	29%	0%
		Residents	65%	18%	17%	0%
2. Reduce fire and crime prevention education (e.g., campaigns, school activities)	Telephone	Business	47%	19%	34%	0%
		Residents	62%	14%	23%	1%
	Web	Business	21%	43%	35%	1%
		Residents	45%	27%	28%	0%

Possible Service Reduction Options			Rating 0-4	Rating 5	Rating 6-10	Don't Know
			Oppose	Neutral	Support	
3. Reduce less urgent activities (e.g traffic enforcement or low-priority medical responses) to focus on higher priorities	Telephone	Business	30%	18%	52%	0%
		Residents	46%	17%	35%	2%
	Web	Business	39%	23%	38%	0%
		Residents	34%	23%	43%	0%
Community Services						
1. Reduce grants for non-profit community organizations (arts, culture and social services)	Telephone	Business	35%	21%	44%	1%
		Residents	53%	15%	30%	2%
	Web	Business	50%	14%	35%	1%
		Residents	60%	17%	23%	0%
2. Reduce grants for non-profit organizations but protect disadvantaged groups as much as possible	Telephone	Business	26%	17%	55%	1%
		Residents	37%	18%	43%	2%
	Web	Business	50%	21%	28%	1%
		Residents	43%	26%	31%	0%
3. Reduce planning and policy work on major land use initiatives	Telephone	Business	22%	30%	45%	3%
		Residents	34%	25%	37%	4%
	Web	Business	35%	50%	14%	1%
		Residents	41%	25%	34%	0%
4. Reduce staff and simplify the process related to permits, licenses and by-law enforcement	Telephone	Business	12%	16%	71%	1%
		Residents	17%	17%	65%	2%
	Web	Business	7%	14%	79%	0%
		Residents	19%	22%	59%	0%
Public Works						
1. Reduce road maintenance but not affecting essential street maintenance	Telephone	Business	40%	17%	42%	1%
		Residents	37%	19%	41%	2%
	Web	Business	7%	36%	57%	0%
		Residents	37%	22%	41%	0%
2. Reduce litter pick-up	Telephone	Business	46%	25%	29%	0%
		Residents	57%	18%	24%	<1%
	Web	Business	42%	21%	35%	2%
		Residents	47%	30%	23%	0%
3. Reduce street decoration and furniture and reduced support for public events on city streets	Telephone	Business	20%	24%	57%	0%
		Residents	31%	17%	51%	1%
	Web	Business	14%	21%	64%	1%
		Residents	30%	18%	51%	1%

2. On-Line Web Forum

An online forum has been an active area of the website with 103 comments posted by Monday the November 20, 2009. Most of the service areas were discussed as well as - electoral reform, 311 and shared services. The italicized comments were received between November 9th and November 20th.

Some highlights:

Police and Fire

- Review the Vancouver Fire Department and use on call firefighters like Surrey
- Reduce VPD vehicle fleet
- We need our Police and Fire departments
- *Eliminate public relations department*

Parks & Recreation

- People love our parks - expand
- Use private sector for concessions to improve service and reduce costs
- Rent out more facilities
- *Sell off sports fields that receive complaints from neighbours*
- *Expand RV/camping opportunities within the City*
- *Plant perennials not annuals*
- *Introduce pay parking at community centres*
- *Reduce level of administration used to collect donations*

Cultural Services

- Stop funding "elitist" theatres
- End cash grants
- *Support the arts and arts grants*

Community Services

- Focus on youth
- Use schools more
- *Don't cut libraries versus cut libraries because of access to internet*

Garbage & Recycling

- Tackle litter like graffiti and do educational campaign and fines
- Pick up every 2 weeks
- Increase recycling

Development

- Buy underused property for social housing
- *Simplify permitting process*

Taxation

- Good value - currently too low
- Review all tax-exempt properties
- *Will pay additional property taxes to save services*
- *Do not shift property taxes from commercial to residential during difficult economic times*
- *Should tax suites*

User fees

- Charge for private use of infrastructure, such as trucks on Clark drive or facilities
- Higher fees for water, sewer, garbage, road use, public space (filming), etc.

HR/General/by-laws/parking/311

- Use zero-based budgeting
- Cut staff, freeze exempt staff salaries
- Cut costs by eliminating odd by-laws
- Enforce idling and helmet law
- Apply higher rates at civic lots
- Parking permits on all streets
- Introduce Bicycle licensing
- 311 is a waste of money
- Stop publishing, marketing and advertising (1 comment)
- *Make residents responsible for snow clearing and leaf cleaning*

3. Public Consultation Meetings

Eight public meetings were held throughout Vancouver to get feedback on the support for different City services and to gauge people’s tolerance for property tax increases. About 155 citizens attended these meetings.

The format of the public meeting included a presentation on the 2010 operation budget (e.g. background, service review, options for balancing the budget). The second half of the meeting was an informal, facilitated discussion between residents about what services they value and ideas for how to achieve the budget shortfall. Members from City Council, Park Board, Library Board, and City Staff where available to answer questions and receive feedback.

Public Meeting Dates and Locations:

Date	Time	Location	Attendance
October 26	7-9 pm	West End Community Centre	10
October 27	7-9 pm	Champlain Heights Community Centre	8
October 28	7-9 pm	Marpole-Oakridge Community Centre	6
October 29	7-9 pm	Kerrisdale Community Centre	24
November 1	2-4 pm	Thunderbird Community Centre	22
November 5	7-9 pm	Strathcona Community Centre	20
November 6	7-9 pm	Kensington Community Centre	20
November 7	3:30-5:30 pm	Kitsilano Community Centre	45
Total			155

At the meetings, the public was encouraged to give their feedback verbally or in written form on the City’s services and the public’s tolerance to increasing property taxes. Staff or participants were invited to place comments on posters of the City’s services. Feedback forms, which were also distributed at the meeting, asked the public to prioritize what services were most important to them, and how the City might balance its Operating Budget for 2010.

The following summarizes the most common comments from the posters and feedback forms, generally in order of most to least heard.

Tax Tolerance

- Increase property tax from 2 to 5%

- Residents receive high quality service for our taxes
- Willing to pay more taxes instead of reducing library, community and cultural services
- Bad time to carry out tax shift
- No increase in property tax
- Increase property taxes for non-BC residents
- Support one time tax increase
- Concerned about federal and provincial downloading
- Concerned higher density doesn't result in increased tax return
- Tax rate increase equivalent to inflation rate is acceptable

Overall Service Trade-offs and City Staff

- Withhold pay raise of exempt staff (managers)
- Amalgamate boards (library, school, parks, etc.)
- Decentralize services
- Streamline and trim organization structure; fewer managers (one per department)
- Reorganization of engineering management
- No pay cuts or reduction of senior staff
- Cut community services in neighbourhoods with highest quality; no service cuts in more needy communities
- No GVRD Labour Relations Bureau

Libraries/Cultural Services

- Libraries provide essential services and proactively support the vulnerable
- Increase cultural services for new immigrants
- Increase library's services, especially during economic downturn when needed most
- Libraries create strong, educated, positive, democratic citizens
- If must reduce hours, only 1 library per neighbourhood area
- Close libraries on Sunday and Monday

Police/Fire/Emergency Services

- Safety is the most important factor; don't cut
- Focus more on prevention by increasing social services, housing, and cultural services
- Community policing centres, foot patrol, and neighbourhood watch programs will create even better services with less police
- Police operations are inefficient and ineffective
- Amalgamate regional police capital costs
- Businesses in entertainment district pay for police overtime

Community Centres/Parks and Recreation/Community Services

- Community centres currently operate on reduced budget; if anything expand service
- More creative use of our buildings (e.g. use schools)
- Higher user fees before cutting service
- Community centres build strong communities and have huge social return and

- saves money in the long-term (e.g. lower crime rate)
- Keep senior and youth centres open
- Arts and culture are vital to individual and community well-being
- Must increase community services and parks as our city densifies
- Do not cut Parks Board budget
- Eliminate Parks Board
- Reduce funding for NGOs and civic theatres (more self funding)
- Create an integrated health service department with drug policy coordinator

Public Works and Utilities

- Meter water
- Less frequent garbage pick-up (10 days or 2 weeks)
- User pay but stagger fees based on income
- Increase taxes in areas with road and sewer up-grades
- Contract out our public works
- Don't contract out public work, but improve staff efficiency
- Create more metered parking; consider city-wide residential paid parking
- Spend less on roads and utilities (including roundabouts and beatification program)
- Increase funds for alternative transportation like bike routes
- Create congestion tax so suburbanites pay for use of Vancouver's roads
- Place garbage cans on one side of laneway and recycling on the other

Most Important City Service

- Libraries, culture services and arts
- Community centres, community services, and recreation centres
- Safety, police, community policing (crime prevention), and fire
- Utilities, garbage collection, water supply
- Supportive housing and affordable housing

How to Balance Operating Budget

- No service reductions; raise property taxes
- Reduce frequency of garbage collection
- Balance of reducing services and increasing taxes
- No 4% salary raise for managers; reduce number of senior staff
- Cut wasteful spending on police force; more community policing centres
- Do not cut library, community centre, or culture services
- Reduce hours and service in certain areas or on rotation
- No tax increase; reduce level of services
- User fees for water and sewage
- Less money spent on city projects
- Decrease police, fire and emergency services
- Focus on revenue creation not just service cuts

4) The Mayor's Forum at the Wosk Centre

There were 16 guests, 2 media including CTV plus 15 City leaders including the Mayor, several Councillors, the City Manager, Director of Budgets, plus an MC/General Manager.

Participants ranged from the Vancouver Board of Trade, Fair Tax Coalition, small business owners, non-profit organization leaders, CPCs, Property Owner's Association, ThinkCity, to City union leadership. Much of the discussion has already been reflected above but there were a few unique issues raised such as the impact of the HST and the use of outsourced legal services. Low participation was criticized, although some applauded the effort in moving the budget cycle forward in the process. The property endowment fund workings were also inquired about and the ownership of City resources which may generate revenue in the future, such as waste products, was encouraged.

A summary of specific comments are listed below:

- Improve the City's telephone system
- Improve efficiency of road work
- Look at eliminating duplication of effort not only within the City but also other agencies such as the School Board
- Do not cut the library
- Use City's real estate facilities to generate revenues
- Garbage every two weeks or every 10 days - will help us reduce our waste.
- Check and ensure that funding of city initiatives are still relevant - especially if more than 20 years
- Examine and disclose all reserves with explanation as to what they are and what they are for.
- Use competitive forces of the market place to provide city services
- Ensure liquid and solid waste never leave the purview of tax payers. These are assets and could be used as resources for the City and could be a source of revenue. I
- Questionable value of street closure in the entertainment district during the summer.
- Provide incentives to employees who suggest cost cutting measures
- Expand parking meters 24 hours a day
- Do not cut social grants
- Endorses user fees - fee for service delivery. If services are provided for free or free or very little, that's how much people value the service.
- Plan on a multi-year basis
- Improve development permit process - getting permits take a long time.
- Do not cut funding to the vulnerable or crime prevention.
- City should target tax increase who are gaining from real estate climate

APPENDIX 2: 2010 Budget Survey (Wave 12) - Mustel Group



City of Vancouver

2010 Budget Survey Wave 12

November 2009

Presented to:



City of Vancouver
Vancouver, BC

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Executive Overview

Introduction

In developing its annual budget the City of Vancouver has surveyed residents on budget challenges in years since 1997 when there was a budget shortfall. Businesses stakeholders were initially surveyed in 1997 and since 2006.

This year for the 2010 Budget, random telephone surveys have been conducted among 505 City residents aged 18 and over and among 251 businesses located within the City of Vancouver limits. Due to the upcoming Vancouver-Whistler Olympics, the public consultation process for the 2010 budget has been carried out in late 2009. Accordingly, the random telephone surveys were completed October 27 to November 8, 2009.

As required by law, the City must balance its budget each fiscal year. The 2010 budget faces a \$28 million shortfall, despite significant measures already taken to reduce costs internally at the City. Resident and business stakeholder opinions and preferences were gathered concerning approaches the City might use to deal with the 2010 budget shortfall, including various taxation levels and different strategies for service reductions and/or revenue streams.

Key findings are summarized briefly in this *Executive Overview*. Further details are presented in the *Detailed Findings* section.

Key Findings

Perceptions of City Services

Satisfaction with Overall Quality

- The majority of stakeholders are satisfied with the quality of services provided by the City of Vancouver.
- Currently, 84% of residents are “very or somewhat satisfied”. In total, 19% are “very satisfied”, representing a sign of recovery from March 2009 (13%).
- Among City businesses, satisfaction is generally consistent with most past tracking in the last five years. Just under seven-in-ten business operators (68%) are “very or somewhat satisfied” with the quality of City services. Total dissatisfaction is at a typical level at this time (21%).

Change in Quality Over Past Few Years

- After a declining trend in the past two measures, signs of recovery are evident in residents' perceptions about the change in quality of City services. Currently, while 25% of residents see a decline, 30% in total think the quality has improved in the past few years ('much better' or 'somewhat better').
- Likewise among businesses, findings are now returning to more typical patterns. At this time while 19% see a decline, 26% of business operators perceive an improvement in the past few years ('much better' or 'somewhat better').

Opinion on Amount of Property Taxes Paid

- Homeowners and business operators who pay property tax as a direct cost both have a tendency to believe that their property taxes are too high.
- Among homeowners, 50% say their property taxes are "too high" vs. 44% "about right", similar to past years. Businesses that pay property tax as a direct cost are far more likely than homeowners to think that their property taxes are too high (70% vs. 24% "about right"). This opinion is consistent across types of businesses (size, region, sector) and is statistically similar to other recent measures.

Perceived Value for Tax Dollar

- Perceptions continue to be quite stable among homeowners with most having a good opinion of value from the City tax dollars they pay (67%).
- On the other hand, businesses that pay property taxes as a direct cost are evenly divided in their opinion (43% good value and 44% poor value), but with signs of becoming more critical than before ('very poor' value now at 17% vs. the 9-13% range in past five years).

Fiscal Management Options

Three Broad Fiscal Management Options

- On the whole, both stakeholder groups disapprove of using ***property tax increases exclusively*** to deal with the shortfall.
- Homeowners are evenly split on the choice between using "***service cuts with user fee increases***" versus using a ***mix of all three*** (*service cuts, tax increases and, if needed, higher user fees*). But, when examining all residents, renters tip the balance in favour of a mixed approach (in total, 42% vs. 33% for cuts/user fees).
- Businesses that pay property taxes directly tend to favour ***service reductions with increased user fees*** (47% vs. 34% for the mixed approach which includes tax increases). When including businesses that only pay rent, the pattern is maintained.

General Approach to Service Cuts

- Similar to past tracking on this topic, a majority of businesses and residents prefer higher cuts only in some service areas, rather than across all areas.

Extra Revenue from Higher User Fees

- A majority of residents (55%) and even more businesses (68%) favour the use of extra revenue from higher user fees in order to help pay for *other* City services. However, resident support is at a low point in the tracking, likely indicating somewhat greater resistance to higher user fees.

Reducing Services and/or Increasing User Fees vs. Raising Property Taxes

- Businesses strongly resist raising property taxes to be able to maintain all City services. Their preference is for service cuts and/or increased user fees (72%).
- Overall, residents also lean toward service cuts with increased user fees, but by a small margin (49% vs. 41%). On closer analysis, homeowners are more likely to favour reduced services and/or increased user fees, while renters lean slightly more toward raising property taxes.

Acceptability of Property Tax Increases

Residents

- Findings for all homeowners combined are quite typical of past tracking with a majority accepting property tax increases in order to maintain the same level of City services. But, the cumulative acceptance is somewhat lower this year at the 2% and 4% levels than seen in 2008, no doubt the effect of the recent economic downturn.
 - About 6-in-10 homeowners are willing to accept a 6% increase (61%), and just slightly fewer would tolerate a 7% increase (57%).
 - With a 4% tax increase – about 7-in-10 are in acceptance (70%) and
 - With a 2% hike – around 8-in-10 would be willing to pay 2% more (82%).
- Most home renters would accept a \$4 per month rent increase to maintain current service levels (71%), but their tolerance has been steadily eroding since 2007.

Businesses that Pay Tax as Direct Cost

- Given the economic situation of the past year, it is not surprising that businesses are highly resistant at this time to property tax increases. Less than half are willing to accept a 2% tax hike (47%) to maintain the current level of services —dramatically lower than seen in the past. A 3% increase would be tolerated by about 4-in-10.
- Among those that rent their business premises, but do not pay property taxes directly, just over half (55%) would accept a 2% rent increase, but less than half (46%) agree to a 3% rent increase in order to maintain current service levels.

Opinions on Possible Service Reduction Measures

General Types of Reductions

Stakeholder priorities were assessed in a general way by testing opinion on possible service changes or reductions. Respondents were assured that the City would maintain all appropriate health and safety standards and were also told that any changes made would be planned to minimize the impact on the public.

- Support significantly outweighs opposition on the following general types of reductions if needed to balance the 2010 budget.
 - Hold fewer public consultations and hearings
 - Reduce enforcement of nuisance or minor City by-laws
 - Reduce level of land-use planning and policy work

As well, while businesses lean toward support of reducing hours of operation at City facilities, residents are more divided on this type of action in general.

Specific Reductions in the Five Service Areas

Level of support was also gauged for a series of more specific cost-reduction measures within each of the City's main service areas. Overall, businesses tend to be more supportive than residents of some of these options, but the two stakeholder groups are in agreement on others.

The Board of Parks and Recreation:

- *Reduce operating hours and programs at community centres, but protecting low income neighbourhoods*, businesses lean toward support and residents also support, but somewhat less so.

The Library:

- *Reduce hours and levels of service in specific library branches, based on levels of use and ease of access*, significantly more support than opposition by both stakeholder groups, but among businesses in particular.

Public Safety:

- *Reduce less urgent activities to focus on higher priorities*, supported by businesses, but residents lean toward opposing this measure.

The Community Services Group: A number of possible service reductions fall into the range of acceptance among Community Services Group responsibilities. The most supported of these is related to processing permits, licenses and by-law enforcement.

- ***Reduce staff and simplify the process for permits, licenses and by-law enforcement***, significant support among both businesses and residents.

Other reductions that would also be accepted by businesses, but received more mixed response from residents include:

- ***Reduce grants for non-profit organizations but protect disadvantaged groups***, significantly more support than opposition by businesses, but only marginally more support among residents.
- ***Reduce planning and policy work on major land-use initiatives***, significantly more support than opposition by businesses, but residents are more divided in opinion.

Public Works: Businesses and residents tend to agree that reductions in street decoration/furniture and support public events would be acceptable in a situation of needed budget reductions.

- ***Reduce street decoration and furniture and reduced support for public events on city streets***, significantly more support than opposition from both businesses and residents.

Public Consultation on the Budget

- The vast majority of residents and business owners/operators surveyed appreciate the opportunity to provide input to the annual budget process, saying that it is important to them to do so (85% of businesses and 79% of residents).
- Surveys are the preferred method of providing input on the City's annual budget with random telephone being the most popular among residents (63%) and online panels most favoured by business people (65%). Large proportions of both stakeholder groups say they would be likely to participate in City website surveys (52-58%) and/or mail surveys (43-50%). Somewhat fewer prefer a web-based discussion forum or blog (36-43%) or attending public meetings (30-36%).

Conclusions

- **Tax Increases:** In the past the public has been largely tolerant of some tax increases to maintain the current level of City services, but acceptance levels are showing signs of weakening—not surprising after the past year of global economic turmoil.
 - Although a majority of homeowners would be willing to pay 2%, 4%, 6% or even 7% more, sensitivity to tax increases is growing among residential taxpayers. This year the proportions agreeing to a 4% and a 2% tax hike are significantly lower than seen in 2008.
 - Among businesses that pay property tax as a direct cost, there is greater resistance than ever to tax increases. This year less than half are willing to pay 2% more in property tax to maintain the current service levels (47% — dramatically lower than any past level registered in the tracking surveys).
- **Preferred fiscal management options:** Although the vast majority of residents and businesses resoundingly reject the idea of only using tax increases to solve the budget shortfall, there is no clear consensus on whether to choose “service cuts plus user fees” or “a mix of service cuts, tax increases and, if needed, user fees”, as both options have sizable support. While home renters prefer the mixed approach, homeowners and businesses are more divided in opinion.
- **In the final analysis, having heard the tax increase amounts and having reviewed the myriad of possible service reduction options, businesses are clear that they would not like to see property taxes raised, preferring instead to endure service reductions and higher fees. Homeowners, though more divided, also lean toward the service cuts/user fees approach. On the other hand, home renters favour an increase in property taxes, as they likely expect to be more affected by service cuts and user fees.**
- **Acceptable courses of action:** Faced with general types of service reductions in order to balance the 2010 budget, the public identifies those areas of service that they would be willing to forego, albeit with hesitancy on the part of residents in particular. Those with significantly stronger support than opposition from both businesses and residents include fewer public consultations and hearings, reduced enforcement of nuisance and minor City by-laws, reduced land-use planning and policy work. As well, business leans in support of reduced hours of operation at City facilities, but residents are more evenly split on this general type of action.

Among specific service reductions examined, the three **most acceptable** (where support significantly outweighs opposition by both residents and businesses) are: • reduced staffing and a simpler process for permits, licenses and by-law enforcement, • reduced street decoration/furniture and support for street events, • reduced hours and service levels for specific library branches based on use and accessibility criteria. The **least acceptable** are • reduced police and/or firefighting staff and • library branch closures. Also leaning toward opposition by both stakeholder groups are reduced litter pick-up and reduced fire and crime prevention education.

- Public consultation: With regard to the public consultation process, both business and resident stakeholders agree that providing input on the annual budget proposals is important to them and surveys are the most likely manner in which they say they would participate. Continued use of random telephone and online surveys are the best ways to include the public in the consultation process, as well as on-line forums and in-person public meetings to offer multiple options for participation.
- Issues of public concern: Finally, the City in planning its budget may wish to consider local issues that are most pressing to its constituents, those concerns that residents and businesses would most like to see Council address. These include homelessness, poverty and the related affordable housing issues, public transit and traffic congestion, personal safety from crime, theft and drug use, and City finances and property taxation.

Foreword

Background and Research Objectives

Since 1997 the City of Vancouver has consulted stakeholders in numerous ways to gauge opinion on budget priorities and on various methods of meeting shortfalls. Each year the City is legally required to maintain a balanced budget, but fiscal pressures facing the City in recent years have increased significantly with rising costs for existing and new services and programs demanded by the public, downloading of responsibilities from senior governments and changes in previously anticipated revenues. To develop the most widely accepted course of action in such circumstances, the City seeks to understand the views of the public and business stakeholders on general and specific options for the types of cost reductions that may be required in 2010.

In 1997 the City commissioned research to gather input from residents and businesses. From 1998 to 2005 only residents' opinions were polled in years of budget shortfalls. Since 2006 both businesses and residents have been surveyed.

A set of core measures have been surveyed in each study, monitoring attitudes for shifts in and/or confirmation of public priorities and opinion. Accordingly, the research objectives are to track changes in resident and business attitudes on the following:

- Main local issues of concern
- Perceptions of City of Vancouver services
- Preference for fiscal approaches and options to deal with a budget shortfall
- Reaction to taxation alternatives

This year the survey includes a new focus on general and specific measures that could be implemented to achieve cost reductions and minimize tax increases, including:

- Support for or opposition to general types of cuts to services
- Support for or opposition to specific measures within each service area

As well the survey addresses the following additional topics:

- Importance of and means of providing input on the annual budget
- City government issues, including length of term for elected officials, municipal election spending limits and voting rights for non-resident business owners

Methodology

The basic telephone methodology of past budget allocation surveys was replicated. Advance notification of the survey and a budget flyer were not mailed to resident household and business samples, as had been done in the past few years.

Residential Survey

Random telephone interviews were conducted among residents of the City of Vancouver 18 years of age and over. A total of 500 interviews were completed, distributed equally across five regions of interest (Downtown/West End plus the rest of the City divided into four quadrants with 16th Avenue defining the north/south boundaries and Main Street the east/west boundaries).

The regions were geo-mapped and random samples of households were drawn for each area, using a regularly up-dated database of published, residential telephone listings. The ‘listed’ telephone sample was augmented with a random-digit generated (RDD) sample in an attempt to include unlisted and cell only phone numbers. Within each household the eligible respondent was chosen at random (alternating male and female adult respondents, except in cases of same sex households, where one was selected at random). Up to five calls were made in attempting to complete an interview with each household/respondent selected, a measure to minimize potential non-response bias.

At the data processing stage the residents’ sample was weighted into proper proportion on the basis of age within gender and region to match 2006 Canada census statistics for the City.

RESIDENTS Sample Distribution		
	<u>Actual</u>	<u>Weighted</u>
	(505)	(505)
	%	%
Gender		
Male	50	48
Female	50	52
Age		
18-24	6	12
25-34	15	17
35-44	22	21
45-54	24	20
55-64	15	14
65 and over	18	16
Region		
Southwest	20	21
Southeast	20	30
Northwest	20	17
Northeast	21	18
Downtown/West End	20	16

A copy of the residential questionnaire is appended. To ensure that this sample represented a typical cross-section of residents, the survey screened out households with anyone employed by the City, an elected City official or a member of a Business Investment Area (BIA). BIA members were included in the business survey sample.

In addition to English, alternate language interviewing was available to respondents in Chinese (Mandarin or Cantonese) and Punjabi. In total, 12% of the interviews were conducted in an alternate language, distributed as follows:

English	443
Cantonese	35
Mandarin	22
Punjabi	5

Furthermore, based on a question about ethnic background/ancestry, 23% of the sample reports being of Chinese heritage and 8% report other Asian roots (Punjabi/Pakistani, Indian, Filipino, Japanese, Vietnamese, Korean and other Asian), while about 41% say European, 25% North American and 5% other origins.

Business Survey

A random telephone survey was also conducted among a cross-section of businesses located in the City of Vancouver. Business owners and senior managers or others who made decisions about location planning were surveyed. Disproportionate sampling was used to enable examination of medium and large businesses, since 93% of businesses are small (under 25 employees). At the data processing stage the final sample was weighted back into proportion on the distribution of the sample frame based on business size (number of employees).

BUSINESSES Sample Distribution		
	<u>Actual</u>	<u>Weighted</u>
	(251) %	(251) %
Company Size		
Small 0 -24 employees	68	93
Medium 25-99 employees	20	5
Large 100 or more employees	10	1
Refused	2	1

As needed, business respondents were offered the survey in alternate languages, as for the resident survey. A total of 7 business surveys were completed in Chinese (6 Mandarin and 1 Cantonese).

Data Collection

All interviewing was conducted from the Mustel Group CATI (computer assisted telephone interviewing) facility in the City of Vancouver, where telephone interviewing staff is supervised and monitored. In anticipation of the budget decision-making in December 2009, the fieldwork for the 2010 Budget Allocation study was completed October 27 to November 8, 2009 on weekdays among businesses from 8 a.m. to 5 p.m. and among residents between 4 and 9 p.m. and on Saturdays between 10 a.m. and 4 p.m. and Sundays between 1 and 7 p.m. Call-back appointments were scheduled to suit respondents beginning at 8a.m. and extending into the evenings and weekends as requested by businesses.

Copies of the questionnaires are appended (including the Top-Line results for each question and the past tracking data where applicable).

Results

The results are presented here in the format of an *Executive Overview*, summarizing the key findings, and a more comprehensive *Detailed Findings* section.

Statistical tolerance limits (or sampling margin of error) for a simple random sample at the 95% confidence level (or 19 times out of 20, if the study were to be repeated) are:

- **500 interviews** **+/- 4.4 percentage points**
- **250 interviews** **+/- 6.2 percentage points**

Base sizes shown in graphs and tables of this report reflect the actual (rather than weighted) number of interviews completed. Tracking results illustrated in the charts and graphs are presented for 1997 and for the most recent five years. The results for all years of tracking are shown in the Top Line Questionnaires appended to this report.

Detailed Findings

1. Most Important Issues Facing Vancouver

1.1 Top-of-Mind Issues

Survey respondents were asked to name, unprompted, the most noteworthy local issues—those that should receive the greatest attention from City Council.

Overview

Residents and businesses agree on the top four issues of concern, but the rank order differs. For residents **social issues** continue to dominate their agenda with homelessness/ poverty being by far the most prominent—a consistent pattern since 2007. **Transportation** (public transit and congestion) emerges as residents' second concern for Council's attention.

Among business stakeholders, two issues are equally foremost at this time: **taxation** (city finances, property tax and taxes in general) and **transportation**.

Crime is named to a similar degree by both resident and business stakeholder groups. **Taxation** ranks fourth overall among residents, while social issues hold this position for businesses.

Some changes have occurred in this measure, as follows:

- Residents are somewhat less likely to mention crime at this time.
- As well, residents mention taxation much more than seen prior to 2009.
- Social issues have declined as a primary focus among businesses, as has crime.
- Transportation issues, on the other hand, have increased for businesses.

Residents

- **Social issues** continue to be the most pressing concern, mentioned by about half of residents (49%). Homelessness and poverty specifically remain the focal point of social concerns, but other another aspect noted is the lack of affordable housing, particularly by renters. Since 2007 social issues are residents' foremost issue for City Council.
- **Transportation**, primarily public transit and traffic congestion, is the second greatest concern to residents (34%). This order of magnitude is consistent with past measures.
- **Crime** is a third-level priority for residents overall (22%). Specific issues raised range from personal safety to thefts/break-ins and drug-related issues. Concern for crime has declined significantly in this measure and is currently at a low point in the tracking. **Vandalism**,

properties in disrepair, graffiti and littering issues receive minimal mention (<1% combined).

- Currently, **taxation** is at an elevated level among residents (18%—one of the highest ever measured). At some distance are **environmental** concerns (10%, a typical level) and growth (8%, which is now higher than normal for residents).

Business

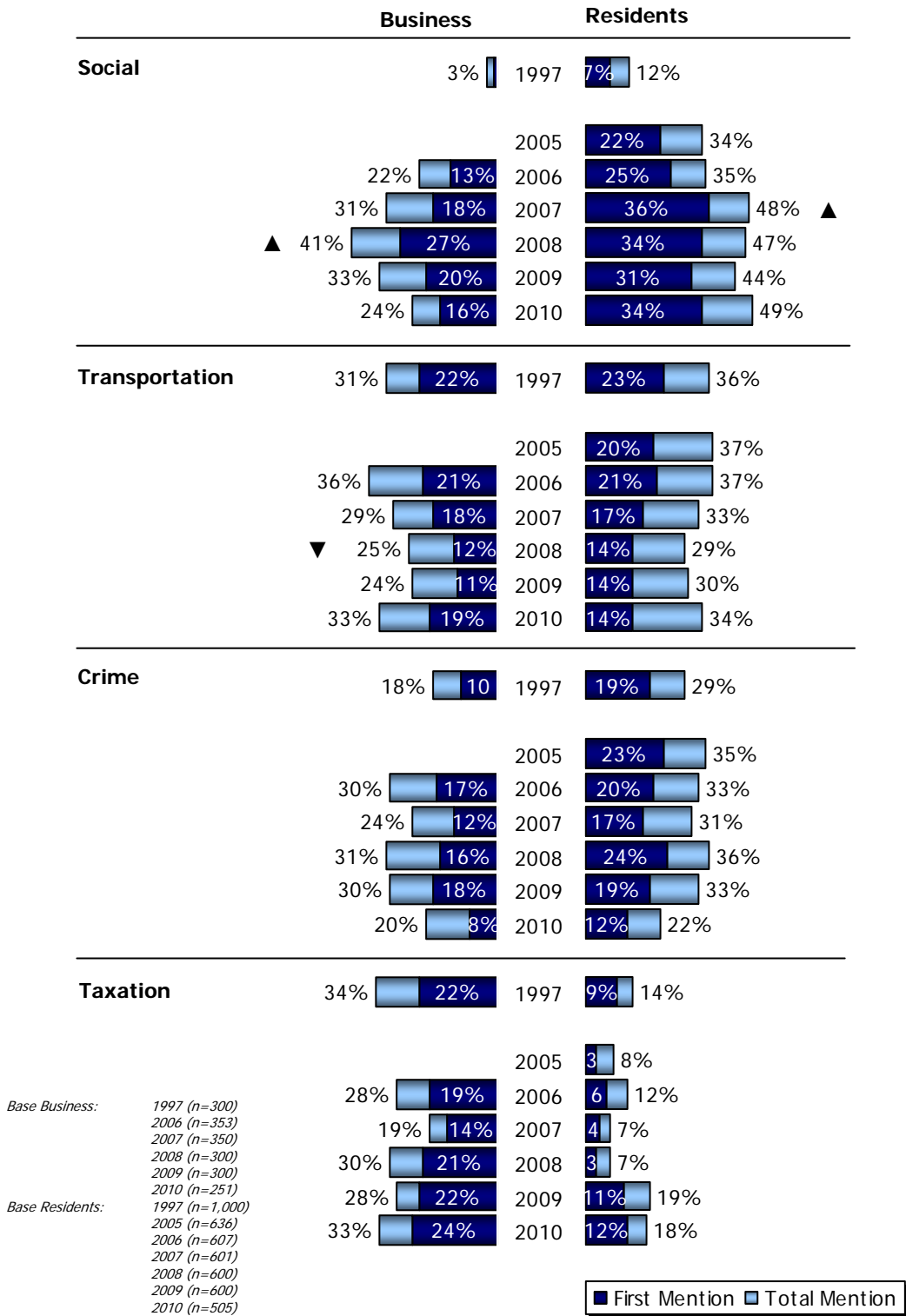
- Businesses express greatest concern about taxation and transportation (each at 33%). Taxation concerns mainly reference City finances, property tax and taxes in general. Transportation issues are focused on traffic congestion more so than public transit or other transportation issues.
- Social problems are in second place ranking among businesses (24% overall) — confirming a downward trend after the 2008 peak (41%). Nevertheless, homelessness and poverty combined is the greatest single mention among businesses (22%) as a concern for businesses (currently 41% vs. 47% for residents).
- Ranking third among businesses is crime—now at 20%, one of the lower levels measured in the tracking. Crime covers the gamut of related issues such as thefts/break-ins, personal safety and drug problems.
- Environmental concerns (6% currently) and growth (4%) are stable, though far below other main issues of concern.

Demographic Trends

Significant differences by population segments are noted below.

More of Council’s attention desired by:		
Issue:	Residents	Business
Social	Renters, Women, More affluent, Have children (affordable housing)	(no differences)
Transportation	Without children	Non-residents
Taxation	Homeowners, Single-detached, SE & SW areas , Residents 10+ years	Building owners, Pay property tax plus rent
Crime	Eastside (Personal safety)	Eastside
Environment	(no differences)	(no differences)

Most Important Issues Facing Vancouver – Major Mentions Only -

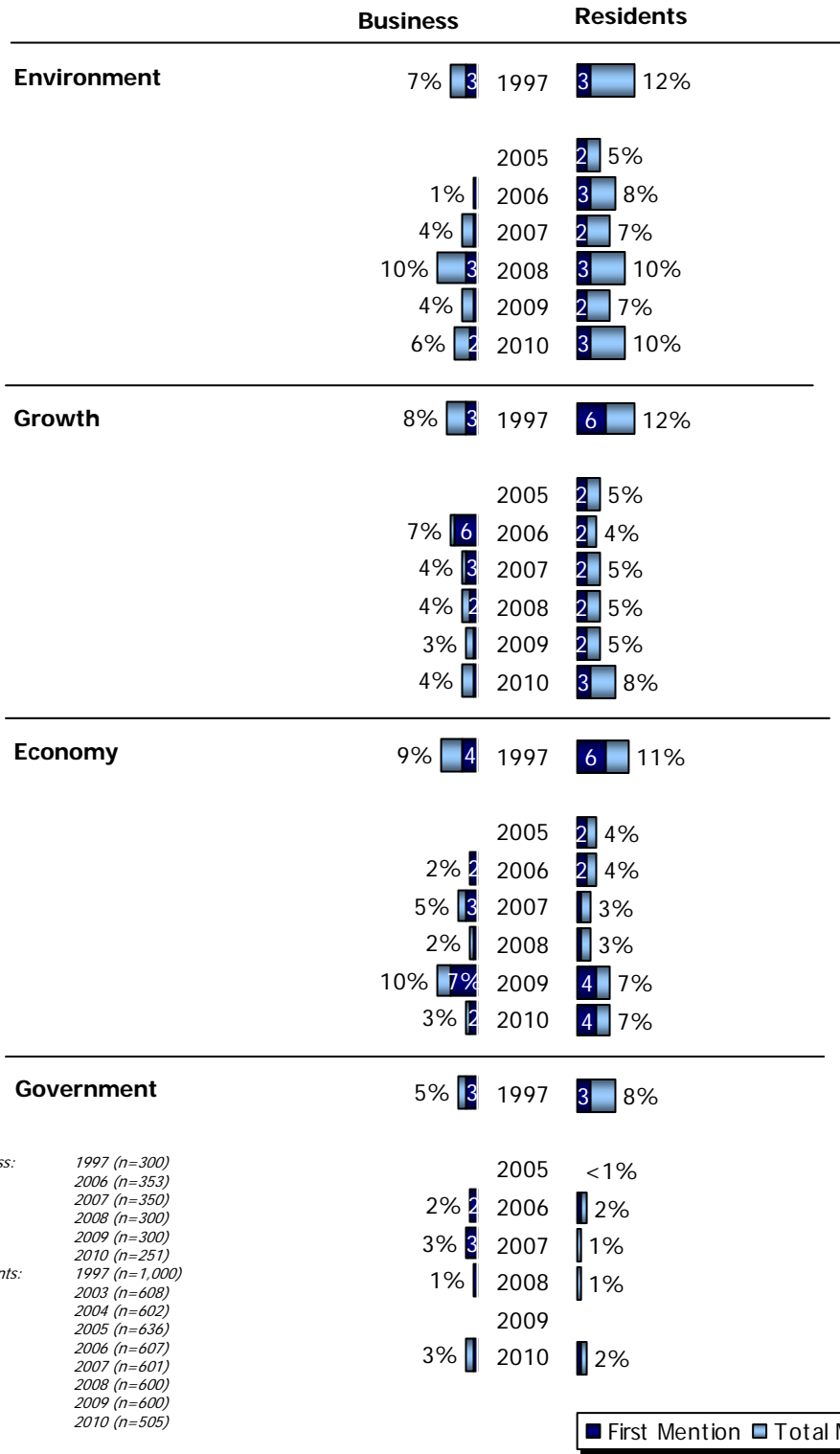


continued...

Q.1a) Now, to begin our questions, in your view [as a resident of Vancouver] [as member of the business community in Vancouver], what is the most important local issue facing the City of Vancouver, that is the one issue you feel should receive the greatest attention from Vancouver's City Council?

Q1b. Are there any other important local issues?

Most Important Issues Facing Vancouver – Major Mentions Only - (cont'd)



Q.1a) Now, to begin our questions, in your view [as a resident of Vancouver] [as member of the business community in Vancouver], what is the most important local issue facing the City of Vancouver, that is the one issue you feel should receive the greatest attention from Vancouver's City Council?

Q1b. Are there any other important local issues?

2. Perceptions of City Services

Overview

Overall, the large majority of residents and businesses are at least ‘somewhat’ satisfied with the quality of City services (84% of residents and 68% of businesses). Findings among residents are recovering after a low in March 2009. Satisfaction among businesses also returns to a more common pattern.

Residents’ perceptions about *improved* quality of City services are rebounding from March 2009 (when the ‘no change’ level was higher than normal). Likewise, among businesses, findings are typical of most past tracking with sign of recovery since March 2009.

2.1 Level of Satisfaction with City Services

Residents

Satisfaction with the overall quality of City services is similar to 2008 among residents, having improved slightly after a low point in March 2009.

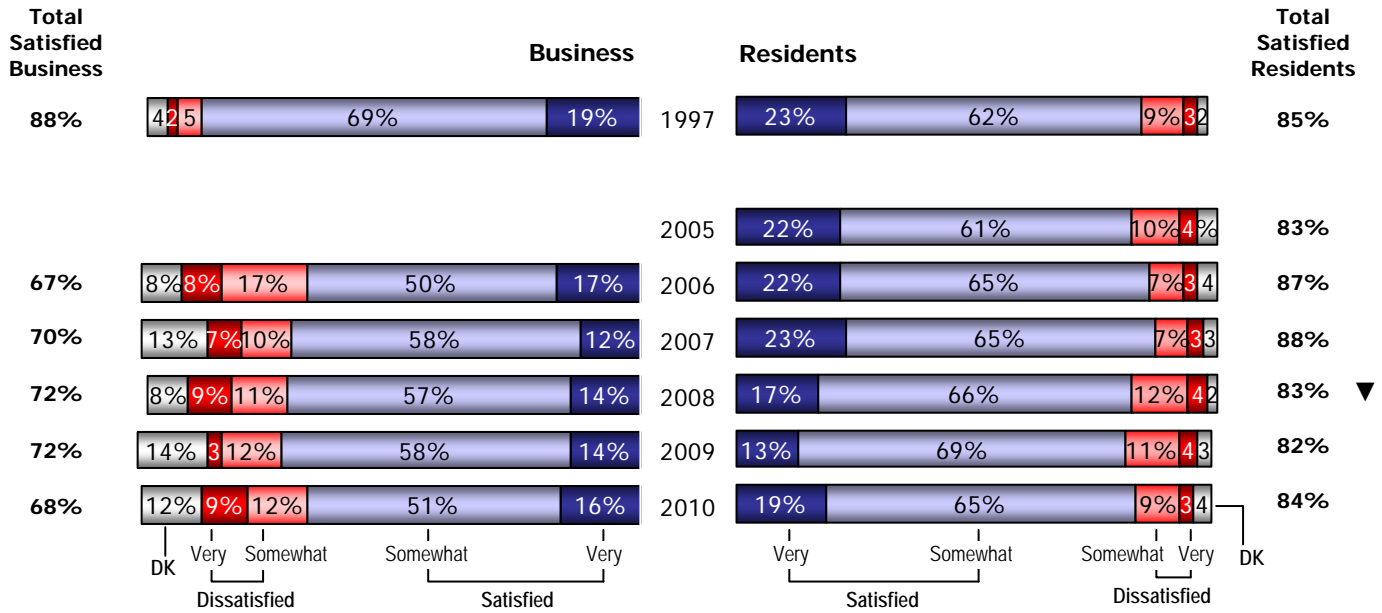
- Currently, 84% in total are “very or somewhat satisfied” with the quality of services provided by the City and 19% are “very satisfied”. Note that the “very satisfied” returns at this time to a higher level after a low in March 2009.
- Dissatisfaction remains low (currently 12% in total—vs. the high of 19% in 2001).
- Renters appear to be more satisfied than homeowners (24% very satisfied vs. 15% of homeowners).

Business

Satisfaction has generally been quite stable among business operators in recent years but they are not as satisfied as seen in the 1997 benchmark.

- Currently, more than two-thirds of business operators (68%) are very or somewhat satisfied with the quality of city services.
- Dissatisfaction has returned to a typical level (21%), after a brief improvement suggested in March 2009 (15%).

Level of Satisfaction with City Services



Base Business:
 1997 (n=300)
 2006 (n=353)
 2007 (n=350)
 2008 (n=300)
 2009 (n=300)
 2010 (n=251)

Base Residents:
 1997 (n=1,000)
 2005 (n=636)
 2006 (n=607)
 2007 (n=601)
 2008 (n=600)
 2009 (n=600)
 2010 (n=505)

Q.2) Generally speaking, are you satisfied or dissatisfied with the overall quality of services provided [to you] [to businesses] by the City of Vancouver? Would that be [very/somewhat satisfied]; [very/somewhat dissatisfied]?

2.2 Perceived Change in Quality of City Services over Past Few Years

Residents

Resident perceptions about the change in quality of City services are showing signs of recovery after a declining trend seen in the past two measures.

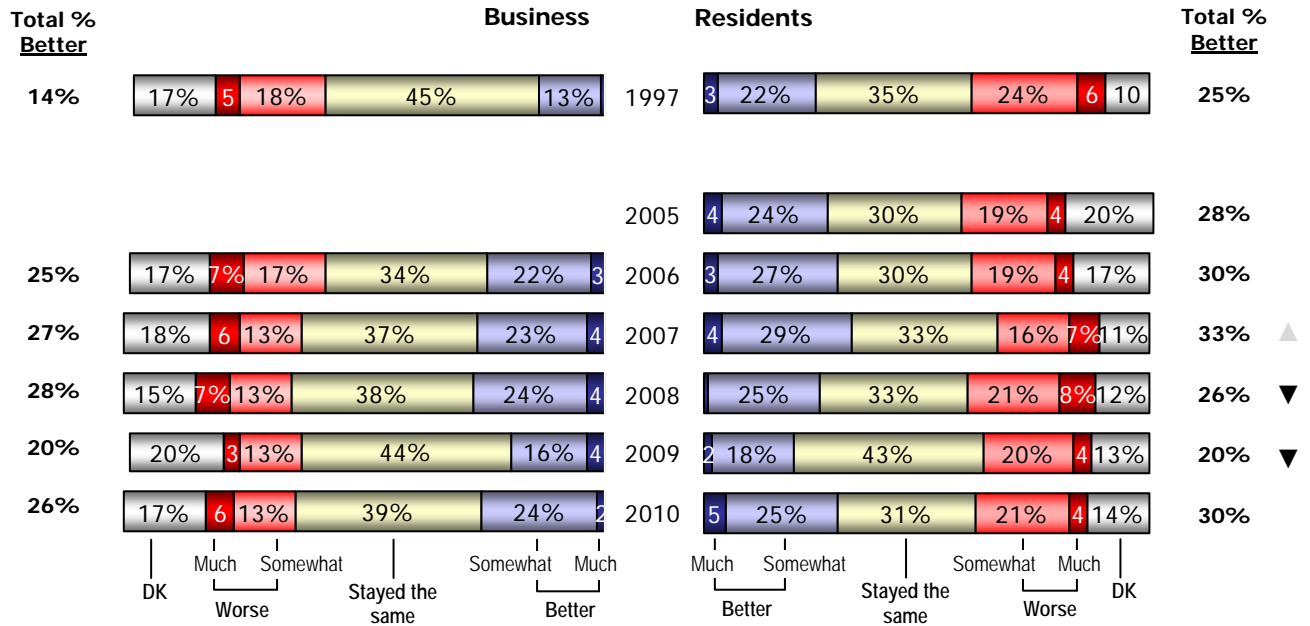
- Currently, 30% in total think the quality has improved in the past few years ('much better' or 'somewhat better'), a positive sign, but not quite reaching the all-time high of 33% seen in 2007.
- At the same time 25% of residents perceive deteriorating quality, similar to many past measures. More likely to perceive a deterioration are those in more expensive properties (\$700k and over) and longer-term residents (10 or more years).
- The proportion perceiving no change in quality of services has returned to a more typical level (currently 31%, after an increase in March 2009).

Business

Perceptions among business operators remain stable with the significant improvement found in 2006 being maintained and the decline noted in March 2009 now reversed.

- At this time 26% of business operators believe the quality of city services has improved ('much better' or 'somewhat better') in the past few years, rebounding from a drop in March 2009 (20%) and now more typical of prior recent tracking.
- Those who perceive no change is 39% currently—a typical level.
- Meanwhile, the proportion of businesses who consider the quality to have worsened (19% at this time) is also in a normal range.

Perceived Change in Quality of City Services over Past Few Years



Base Business: 1997 (n=300)
 2006 (n=353)
 2007 (n=350)
 2008 (n=300)
 2009 (n=300)
 2010 (n=251)

Base Residents: 1997 (n=1,000)
 2005 (n=636)
 2006 (n=607)
 2007 (n=601)
 2008 (n=600)
 2009 (n=600)
 2010 (n=505)

Q.3) And would you say that the overall quality of services provided by the City of Vancouver has got better or worse over the past few years? Would that be much/somewhat better/worse?

2.3 Perceived Value of Services

Perceptions continue to be quite stable among residents with most having a good opinion of value from City tax dollars they pay. On the other hand, businesses that pay property taxes as a direct cost are evenly divided in their opinion, but with signs of becoming more critical than before.

Residents

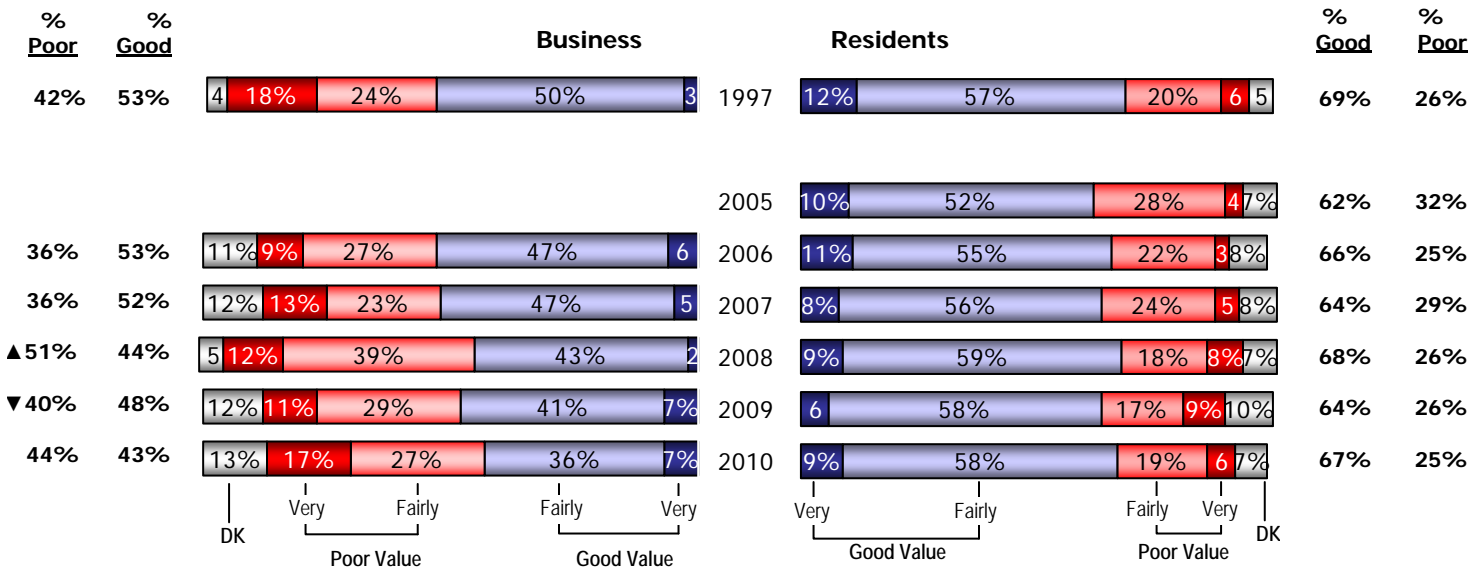
Among homeowners, there continues to be majority agreement that they receive very or fairly good value (67%), although just 9% say 'very good' value. These results are similar to those seen in the past tracking. Those newer to the City tend to be more satisfied with the value (82% in total vs. 66% among those who have been a resident for 10 years or longer).

Business

Opinion on perceived value appears to be in balance amongst the business community at this time. However, those who feel they get 'poor value' are more strongly critical than in the past.

In this measure, the proportion of businesses rating the value from their City tax dollars as 'very or fairly good' is equal to the proportion rating 'very or fairly poor' (43% and 44%, respectively). Yet, the "very poor value" rating has increased significantly (now 17% — the highest level in recent tracking).

Perceived Value of City Services



Base: Businesses who pay property tax:

- 1997 (n=n/a)
- 2006 (n=201)
- 2007 (n=247)
- 2008 (n=175)
- 2009 (n=175)
- 2010 (n=158)

Base: Home owners:

- 1997 (n=463)
- 2005 (n=299)
- 2006 (n=317)
- 2007 (n=347)
- 2008 (n=360)
- 2009 (n=368)
- 2010 (n=285)

Q.4) As you may be aware, about one-half of your property taxes [as a business] goes to the City of Vancouver and the other half goes to the GVRD and provincial government. Thinking about all the programs and services [you receive] [your business receives] from the City of Vancouver, would you say that overall you get good value or poor value for your tax dollar? Would that be very/fairly good/poor value?

3. Reactions to Fiscal Options for Managing City's Budget

3.1 Preferred Fiscal Management Option

Three fiscal management options were presented to respondents, who were then asked to choose which one would be most preferred when dealing with the 2010 budget shortfall of \$28 million dollars.

- Increase property taxes by a specified amount (7% for residents/ 3% for businesses)
- Reduce City services, hours, staffing and/or increase user fees
- Use a mix of property tax increases and service cuts and, if needed, increased user fees to deal with budget shortfall

On the whole, both stakeholder groups do not approve of using property tax increases exclusively to deal with the shortfall. However, the findings reveal that the two remaining approaches have sizable support and that residents and businesses hold slightly different opinions.

Homeowners are torn between the option for service cuts with user fee increases and the option to use a mix of service cuts, tax increases and if needed higher user fees (39% and 41%, respectively). When examining all residents together, renters tip the balance and there is a preference for the mixed approach (42% vs. 33% for the service cuts and user fees).

Among businesses that pay property taxes directly, there is a tendency to favour the service reductions with increased user fees (47% vs. 34% for the mixed approach). When looking at businesses in total, the pattern overall is similar, although those who only pay rent tend to be split in opinion.

Preference for Dealing with \$28 Million Budget Shortfall

- Total -

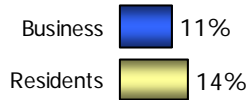
Reduce City services, hours, staffing and/or increase user fees



Use a **mix** of both **property tax increases** and **service or other reductions**, and then if needed, increase user fees



Increase property taxes by [3% Business/7% Residents]



Don't know



Base Business: 2010 (n=251)
Base Residents: 2010 (n=505)

Q.8a) To balance the 2010 budget, as required by law, the City needs to find a \$28 million in savings. To do this, which one of these three options would you prefer:

Preference for Dealing with \$28 Million Budget Shortfall

- Those Who Pay Property Tax Directly -

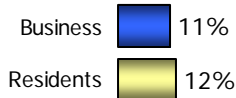
Reduce City services, hours, staffing and/or increase user fees



Use a **mix** of both **property tax increases** and **service or other reductions**, and then if needed, increase user fees



Increase property taxes by [3% Business/7% Residents]



Don't know



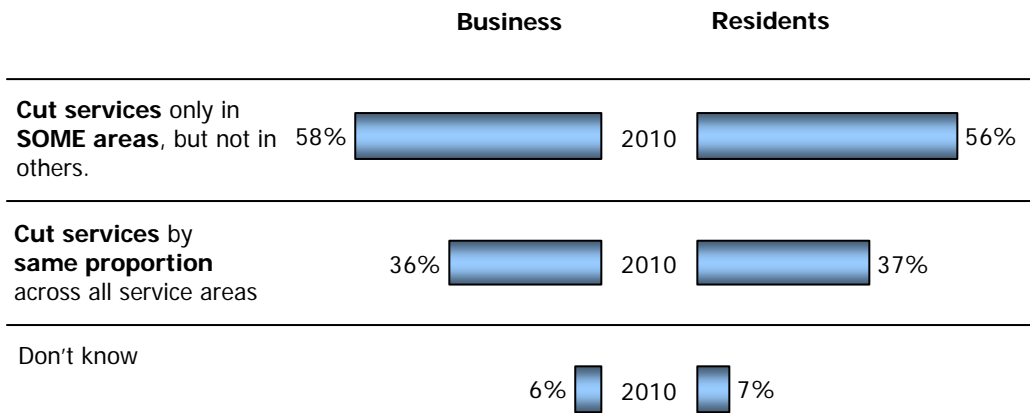
Base Business: 2010 (n=158)
Base Residents: 2010 (n=285)

Q.8a) To balance the 2010 budget, as required by law, the City needs to find a \$28 million in savings. To do this, which one of these three options would you prefer:

3.2 General Approach to Service Cuts

Business and resident views are essentially the same regarding the preferred approach for making service cuts if that were to be implemented. A majority would prefer to see higher cuts only in some service areas, rather than making service cuts proportionately across all service areas. Although not directly comparable, the findings are generally consistent with preferences seen in the past regarding the basic approach to service cuts.

Preferred Method for Making Service Cuts



Base Business: 2010 (n=251)
 Base Residents: 2010 (n=505)

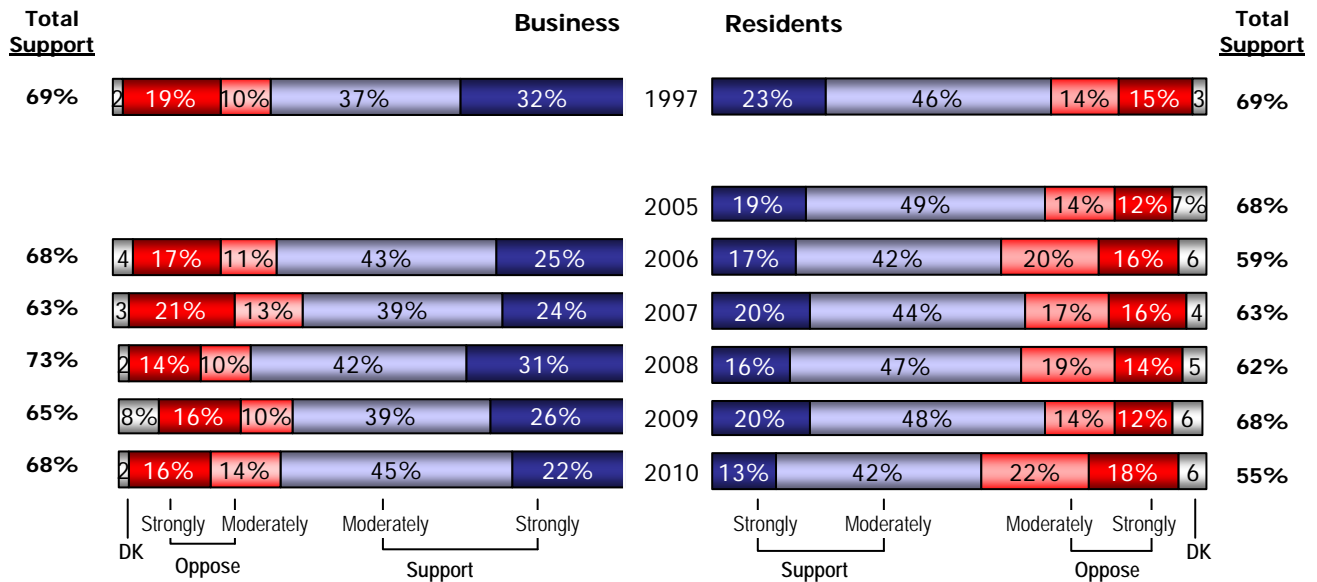
Q.8b) If City services needed to be reduced, would you prefer that the City:

3.3 Attitude toward Use of Extra Revenue from Higher User Fees

Respondents were told that user fees currently help to recover the cost of providing certain city services, such as permits and licenses, recreation programs or sewer and water fees.

When asked if they would support using extra revenue from **higher user fees** in order to help pay for **other** City services, a majority of residents (55%) and even more businesses (68%) favour this approach. However, support among residents is at a low point compared to many past tracking measures, likely indicating somewhat greater resistance to higher user fees.

Support for Charging Higher User Fees to Pay for Other City Services



Base Business: 1997 (n=300)
 2006 (n=353)
 2007 (n=350)
 2008 (n=300)
 2009 (n=300)
 2010 (n=251)

Base Residents: 1997 (n=1,000)
 2005 (n=636)
 2006 (n=607)
 2007 (n=601)
 2008 (n=600)
 2009 (n=600)
 2010 (n=505)

Q.16) As you may or may not know, user fees are currently used to help recover the costs of providing certain City services such as permits and licenses, recreation programs, or sewer and water fees. Would you support or oppose the City charging higher user fees for this type of service and using the extra money raised to help pay for other city services? Would that be strongly or moderately support/oppose?

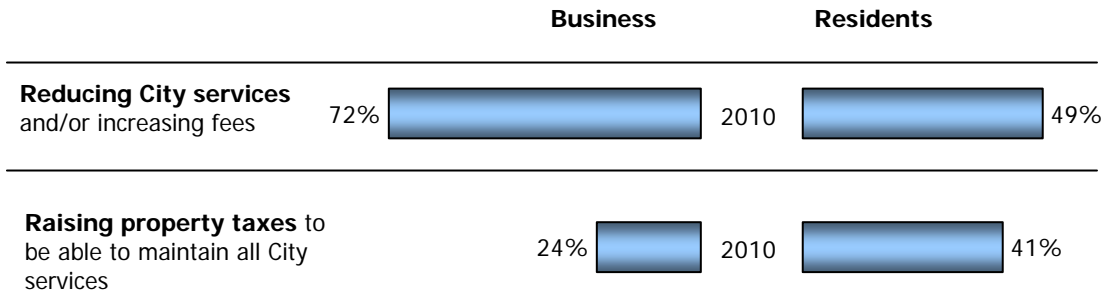
3.4 ‘Service Reductions and/or Higher User Fees’ vs. ‘Raising Taxes’

There is strong resistance among businesses especially to raising property taxes in order to maintain all current City services levels. Businesses would clearly prefer service cuts and/or increased user fees (72% support). Regardless of paying property taxes directly or not, business size or type, businesses generally support the service reductions and/or user fee option.

Residents overall appear more divided on these two approaches, but this is due to a difference of opinion between homeowners and renters. Homeowners lean in favour of reduced services and/or increased user fees (53% vs. 35% preferring higher taxes). Renters, on the other hand, lean more toward raising property taxes (51% vs. 40% preferring service reductions and/or higher user fees).

‘Reducing Services/Increasing Fees’ vs. ‘Raising Property Taxes’

- % Preferring Each Option -



Base Business: 2010 (n=251)
Base Residents: 2010 (n=505)

Q.24) When it comes right down to it, which approach would you prefer that the City take?

4. Taxation Alternatives

Overview

Homeowners and business operators who pay property tax as a direct cost both have a tendency to believe that their property taxes are too high.

4.1 Assessment of Current Level of Taxes Paid

Residents

Homeowners' opinions about the level of property taxation have been consistent in the past five years, on the whole, leaning slightly toward a view that property taxes are "too high" (currently 50% vs. "about right" 44%), particularly owners of single-detached homes (59%) and those with children at home (66%).

Compared to the rest of the City, those located Downtown and in the Northwest quadrant are more likely to find their current property tax level 'about right' (58% in both areas vs. 35-40% in the other quadrants).

Business

Businesses that pay property tax as a direct cost are far more likely than homeowners to think that their property taxes are too high (70% vs. 24% "about right"). This prevailing opinion of property taxes being 'too high' is held across various types of businesses (size, region, sector) and is statistically similar to previous recent measures.

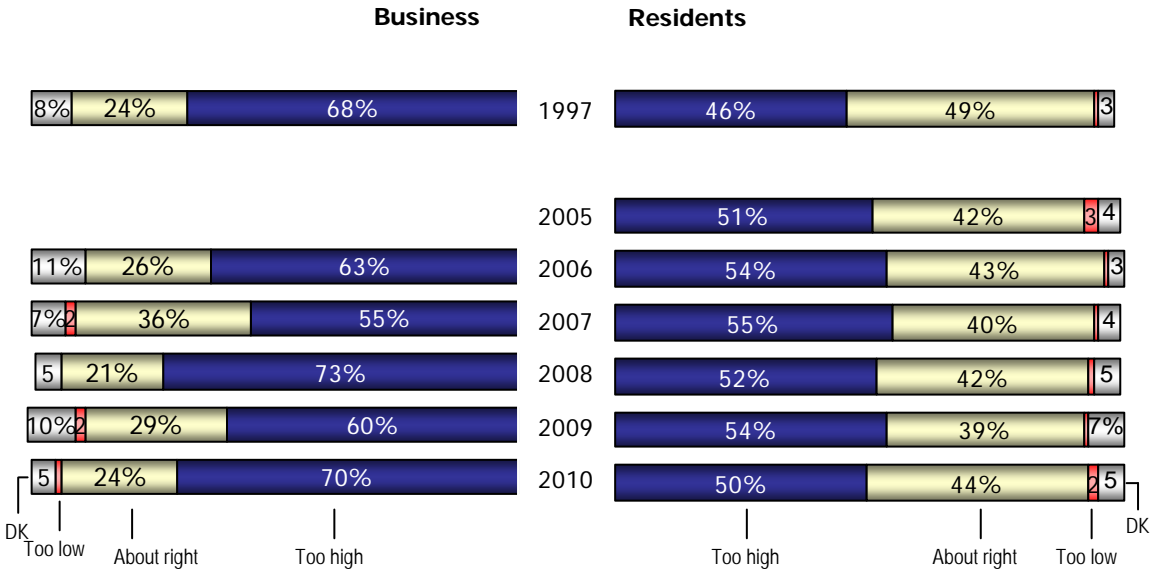
Demographic Trends

Segments with a higher level of opinion than their counterparts are noted below.

Opinion on Current Level of Taxes Paid		
Opinion	Residents	Business
Too high	Homeowners with children (66%) Single-family/detached properties (59%) SW, SE, NE quadrants (56-57%) Owners of \$700K, \$900K properties (53-55%)	Renters who pay property taxes directly (76%)
About right	Downtown and NW quadrant (58% each) Older residents aged 55+ (55%) Apartment/condo owners (53%)	No significant differences

Opinion on Level of Property Taxes

- Among Those Who Pay Directly* -



Base Business*:
 1997 (n=n/a)
 2006 (n=201)
 2007 (n=182)
 2008 (n=175)
 2009 (n=175)
 2010 (n=158)

Base Residents*:
 1997 (n=463)
 2003 (n=240)
 2004 (n=268)
 2005 (n=299)
 2006 (n=317)
 2007 (n=347)
 2008 (n=360)
 2009 (n=368)
 2010 (n=285)

Q.5) And, in general, would you say that the property taxes you currently pay [on your residence][on your place of business] are too high, too low or about right? Would that be much too high/low or about right? (Note: much too high/too high combined for comparative tracking)

* Business: Building/premises owners and Renters who pay property taxes as direct cost
 * Residents: Homeowners

4.2 Acceptability of Different Levels of Property Tax Increases

Resident Homeowners

Homeowners were divided into four groupings based on the approximate self-reported value of their home (closest to \$200K, \$400K, \$700K and \$900K). Due to rising property values in the past few years, note that the lower property values have had declining sample sizes.

The acceptability of property tax increases was measured for 7%, 6%, 4% and 2% increases in the context of maintaining the current level of services provided by the City. In each case, depending on the property value, an actual dollar value corresponding to each level of increase was tested.

At the sample sizes in this study for each of the property value groupings, there are no statistically significant differences relative to the last measure.

Among \$200K homeowners, a majority state that they would accept a tax increase to maintain present service levels at all percentage increases tested. (Treat with extreme caution, as the sample size for this group is very small, n=17)

- A majority (67%) would accept a **7%** tax hike (\$30 next year)
- There is no change in acceptance by reducing the tax hike to **6%** (\$25 next year) or **4%** hike (\$17 next year)
- But acceptance grows to 84% for a **2%** hike (\$8 next year)

Similarly, a majority of **homeowners with \$400K properties** would also accept 2%, 4%, 6% and 7% tax increases to maintain the same level of City services.

- 65% agree to a **7%** tax hike (\$59 next year)
- 72% agree to a **6%** tax hike (\$51 next year)
- Growing to 78% for a **4%** tax hike (\$34 next year)
- And rising to 85% if the tax increased by **2%** (\$17 next year)

Among those with \$700K homes the proportion willing to support a property tax increase ranges from just over half for a 7% tax increase to nine-in-ten for a 2% tax hike.

- 53% willing to pay a **7%** increase (\$104 next year)
- 57% willing to pay a **6%** increase (\$89 next year)
- 73% agreement to a **4%** tax hike (\$59 next year)
- And 90% acceptance of a **2%** tax increase (\$29 next year)

Finally, **among owners of \$900K homes**, a large majority is willing to pay property tax increases of 2% or 4%, dropping to around the 65% range for a 6% or 7% increase.

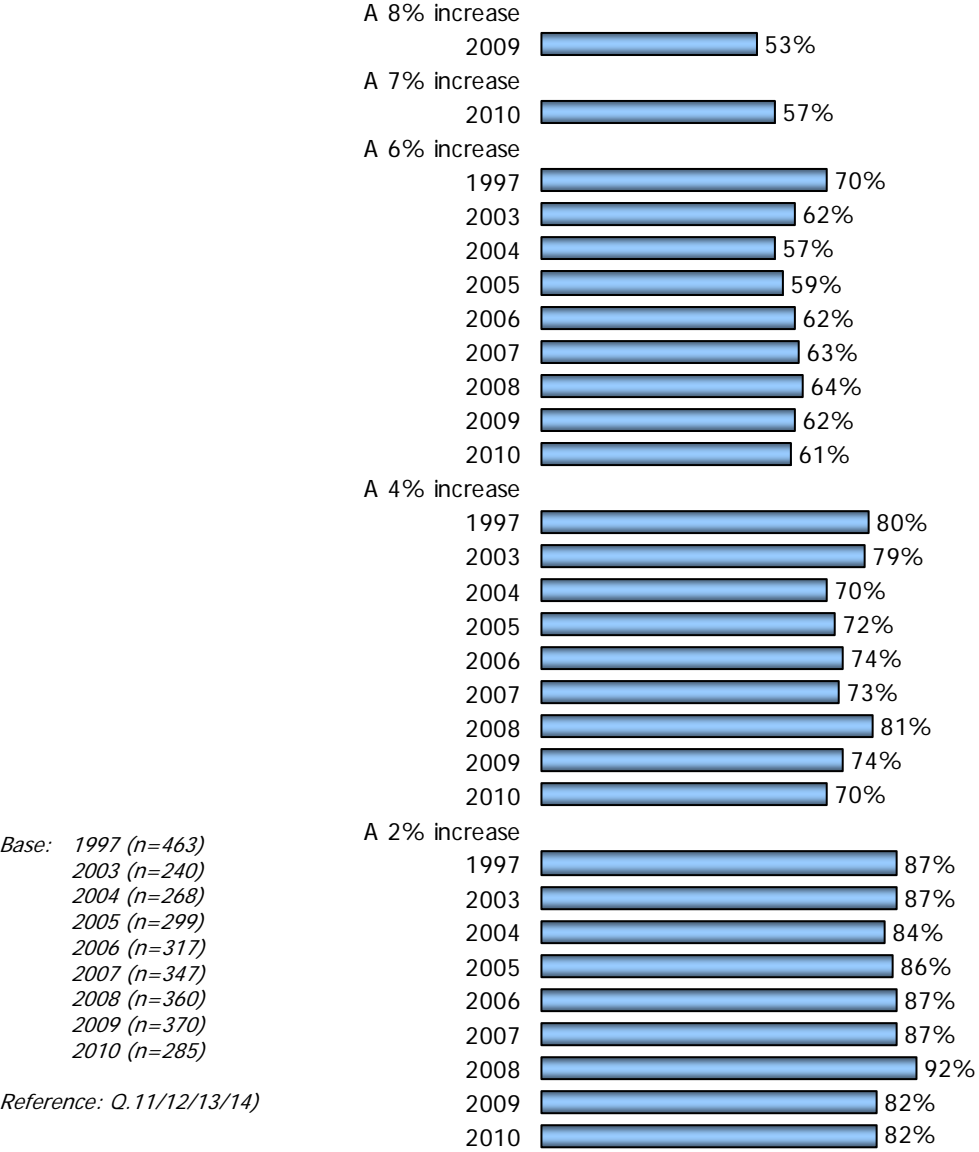
- 63% willing to pay a **7%** increase (\$133 next year)
- 65% willing to pay a **6%** increase (\$114 next year)
- 74% agreement to a **4%** tax hike (\$76 next year)
- And 85% acceptance of a **2%** tax increase (\$38 next year)

For all homeowners combined, we find that in order to maintain the same level of City services, acceptance of property tax increases is quite typical this year.

- With a 7% increase – under 6-in-10 homeowners are willing (57%)
- With a 6% increase – about 6-in-10 homeowners are willing (61%)
- With a 4% tax increase – about 7-in-10 are in acceptance (70%) and
- With a 2% hike – around 8-in-10 (82%) would be willing to pay the 2% increase in order to maintain the current level of services

Acceptance levels of tax increases at this time among homeowners are quite similar to the past 5-6 years, though somewhat lower at the 2% and 4% levels than seen in 2008.

**Willingness to Pay RESIDENTIAL Property Tax Increases
- Summary of all Homeowners -**

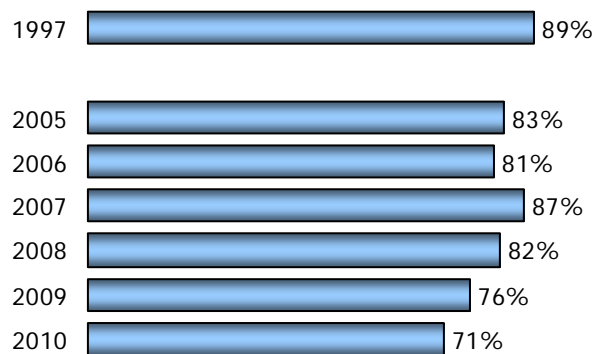


Resident Home Renters

While a large majority of **home renters** continue to support paying an extra \$4 per month in rent in order to maintain the current level of service provided by the City of Vancouver, the level of support is dropping, likely a result of the past year’s economic downturn.

Willing to Pay Extra \$4/Monthly Rent to Maintain Current Level of City Services

- Among Home Renters -



Base Residential Renters:

- 1997 (n=537)
- 2003 (n=355)
- 2004 (n=312)
- 2005 (n=323)
- 2006 (n=269)
- 2007 (n=242)
- 2008 (n=231)
- 2009 (n=219)
- 2010 (n=200)

Q.15) Now in order for the City of Vancouver to cover the budget shortfall without any cuts in service, it could need to raise the level of taxes your property owner pays by up to 7%. Your property owner could in turn decide to pass on to you SOME OR ALL of the cost of a tax increase by raising the amount you pay in rent. For the average renter, this could mean an increase in rent of about \$4 per month. Thinking about this, would you be willing to pay \$4 more per month in order to maintain the current level of services provided by the City of Vancouver?

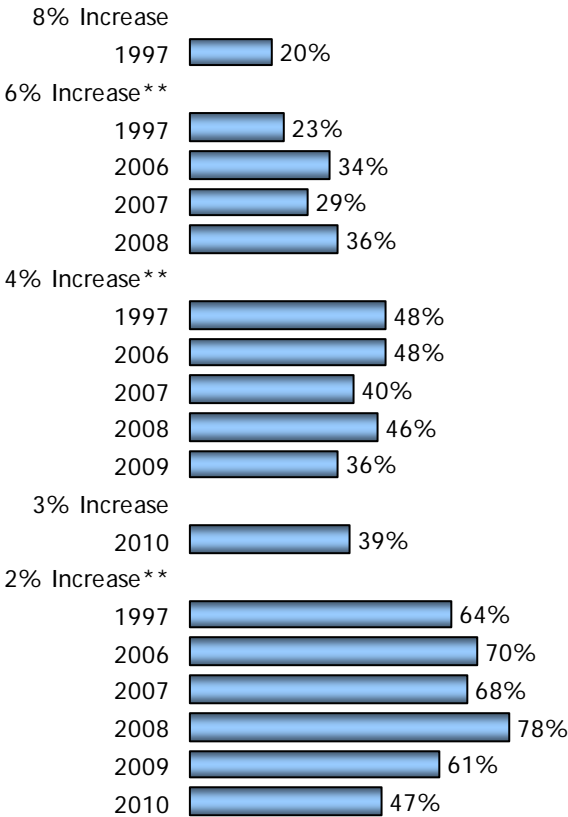
Note: In past years renters were asked willingness to pay extra \$3 per month.

Businesses that Pay Tax as Direct Cost

Businesses are highly resistant at this time to property tax increases and less than half are willing to accept a 2% tax hike (47%) to maintain the current level of services—dramatically lower than seen in the past tracking. The message from the business community is explicit—a large portion of businesses will not or cannot accept a 2% tax increase.

Willing to Pay Property Tax Increases

- Among Businesses* -



* Base: Building/premises owners and Renters who pay property tax as direct cost for space occupied.

1997 (n=200)
 2006 (n=230)
 2007 (n=247)
 2008 (n=175)
 2009 (n=175)
 2010 (n=158)

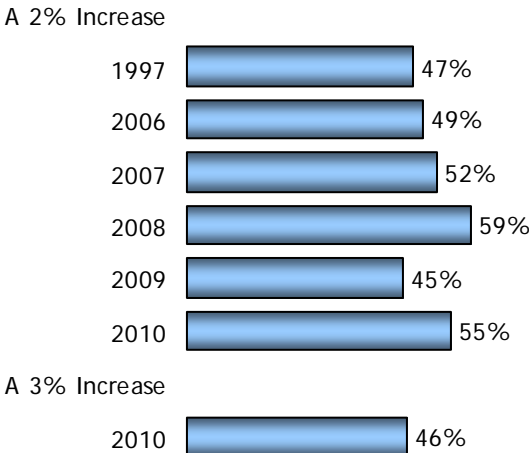
Q.13a & b) Thinking about tax increases for the moment. In order for the City of Vancouver to raise \$28 million without any cuts in service, it would mean increasing the amount you pay in property taxes each year by 3 percent. As a member of Vancouver’s business community, would you be willing to pay this amount in order to maintain the current level of services provided by the City?

** Results shown include those who are willing to pay at higher percentages, as applicable (e includes 8%, 6% and/or 4%). Note: 8% increase only asked in 1997.

Businesses that rent their premises, but do not pay property taxes directly, have traditionally been divided on willingly incurring an additional 2% rent increase to maintain the current level of City services. In the context of the 2010 budget shortfall, just over half (55%) would accept a 2% rent increase to maintain City services, but fewer than half (46%) are in agreement about a 3% rent increase.

Willing to Pay An Increase in Rent to Maintain Current Level of City Services

- Among Business Premises Renters -



* Base: Building/premises renters
1997 (n=n/a)
2006 (n=109)
2007 (n=86)
2008 (n=111)
2009 (n=117)
2010 (n=77)

Q.14a & b) Now in order for the City of Vancouver to raise \$28 million without any cuts in service, it would mean increasing the amount your property owner pays in property taxes by about 3 percent. Your property owner could in turn decide to pass on to you SOME or ALL of the cost of a tax increase by raising the amount you pay in rent. Thinking about this, would you be willing to pay an increase in rent in order to maintain the current level of services provided by the City of Vancouver?

5. Support for Service Reductions to Save Costs

5.1 General Ways the City Could Find Cost Savings

Prior to discussing specific tax increase amounts, residents and businesses were asked about their priorities in a general way if the City needed to find cost savings by making changes to services. Respondents were assured that the City would maintain all appropriate health and safety standards and were also told that any changes made would be planned to minimize the impact on the public.

A list of possible cost saving measures was read to respondents (in random order). They were asked to rate their opinion of each item on a scale from zero to ten where zero represented strongly opposed and ten represented strongly support.

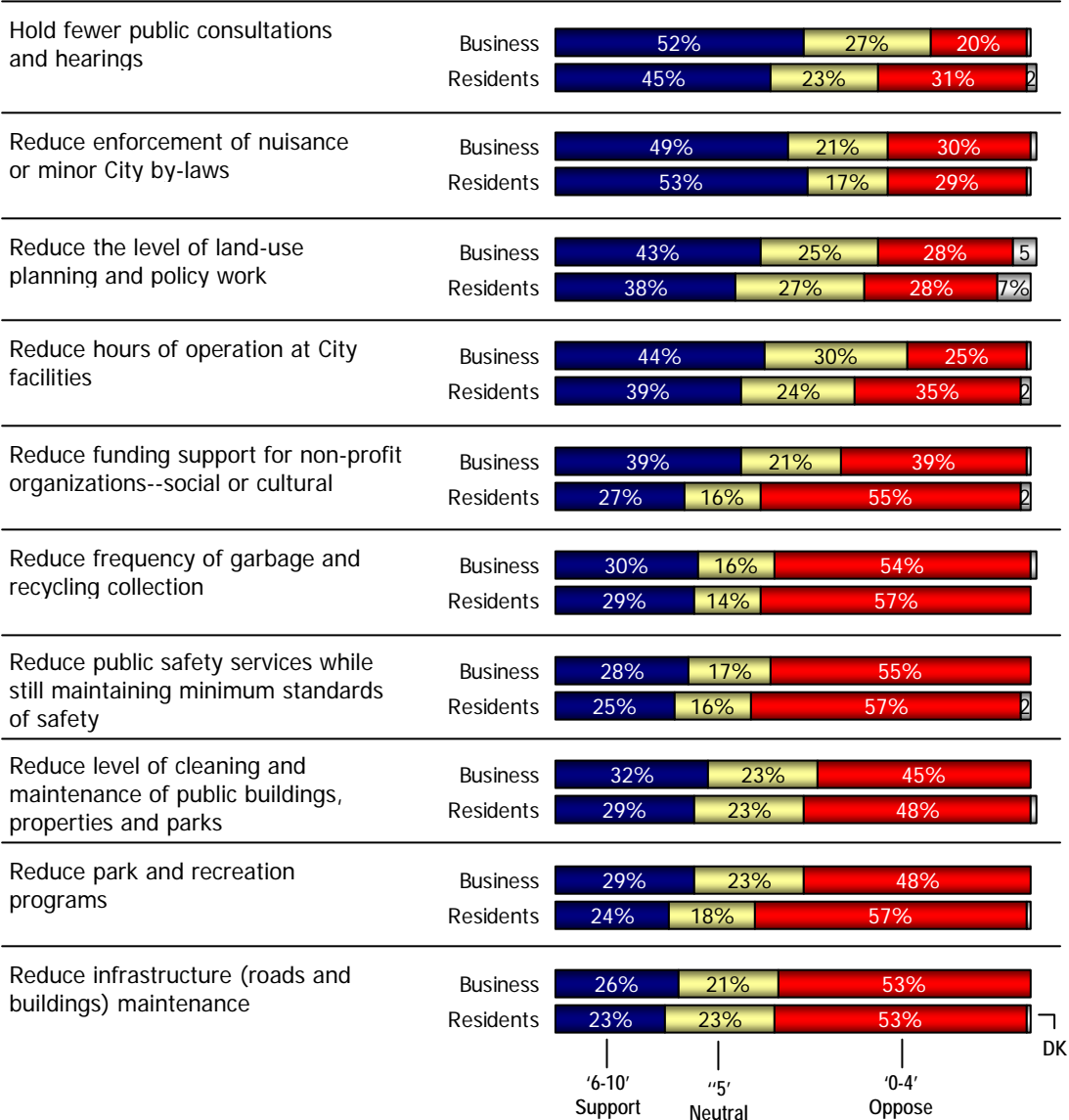
Businesses are generally more willing than residents to support some of these measures, but on the whole support is mixed among both stakeholder groups, indicating the degree to which the public appreciates the services provided by the City.

Nevertheless, support significantly outweighs opposition on the following general types of reductions if needed to balance the 2010 budget. Furthermore, when including the neutral ratings, a majority of both businesses and residents would not oppose these measures.

- Hold fewer public consultations and hearings
- Reduce enforcement of nuisance or minor City by-laws
- Reduce level of land-use planning and policy work

As well, while businesses lean toward support of reducing hours of operation at City facilities, residents are more divided on this type of action in general.

Opinion on Types of Cost Saving Measures



0-10 scale where 0=strongly oppose and 10=strongly support

Base Business: 2010 (n=251)
 Base Residents: 2010 (n=505)

Q.9) I'm going to read a list of possible ways the City could find cost savings. For each one please tell me the extent to which you would support or oppose the City taking this measure to save costs and minimize tax increases. Please rate each on a scale from 0 to 10 where "0 means strongly oppose" and "10 means strongly support"

5.2 Opinion on Specific Service Reductions in Five City Service Areas

Following specific discussions about the amount of property tax and related rent increases that would be required to maintain all existing City services and programs, residents and businesses were asked to rate their opinion on a series of specific service reduction options. The areas of service and the options presented were randomized. Again the zero to 10 point scale was used to gauge opinion where zero represented strongly opposed to implementing each possible service reduction option in order to minimize the amount of property tax increases and deal with the 2010 budget shortfall.

5.2.1 The Board of Parks and Recreation

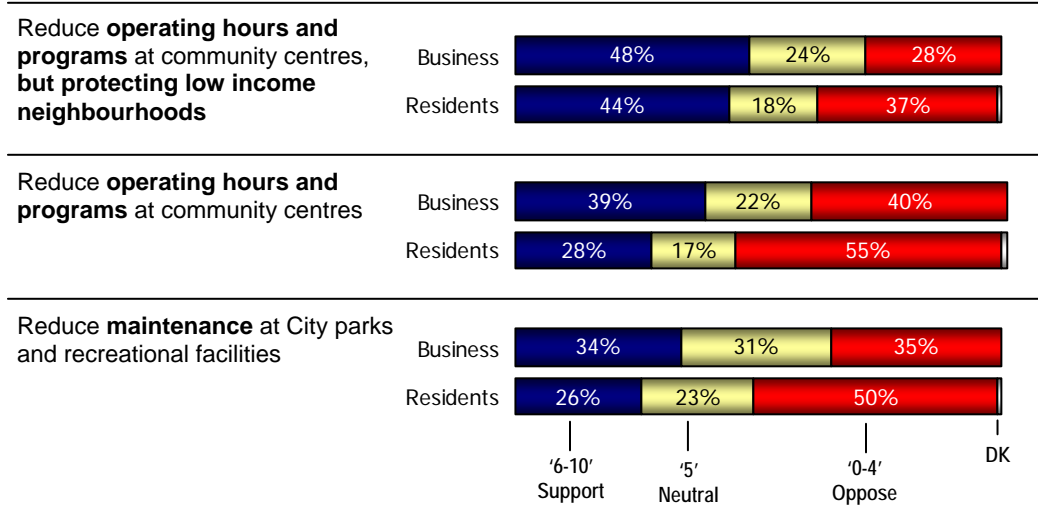
When presented with some possible service reductions under consideration by the Board of Parks and Recreation, the following is the most acceptable to both residents and businesses:

- *Reduce operating hours and programs at community centres, but protecting low income neighbourhoods.*

Two other ideas for reductions would be met with resistance by residents, but businesses are divided in opinion. These are:

- *Reducing maintenance at City parks and recreation facilities*
- *Reducing operating hours and programs at community centres (in general)*

The Board of Parks and Recreation



0-10 scale where 0=strongly oppose and 10=strongly support

Base Business: 2010 (n=251)
Base Residents: 2010 (n=505)

Q.17) The Board of Parks and Recreation provides services such as parks and community services in most neighbourhoods of the City. If the Park Board has to reduce service in order to minimize property tax increases, to what extent would you support or oppose the following measures?

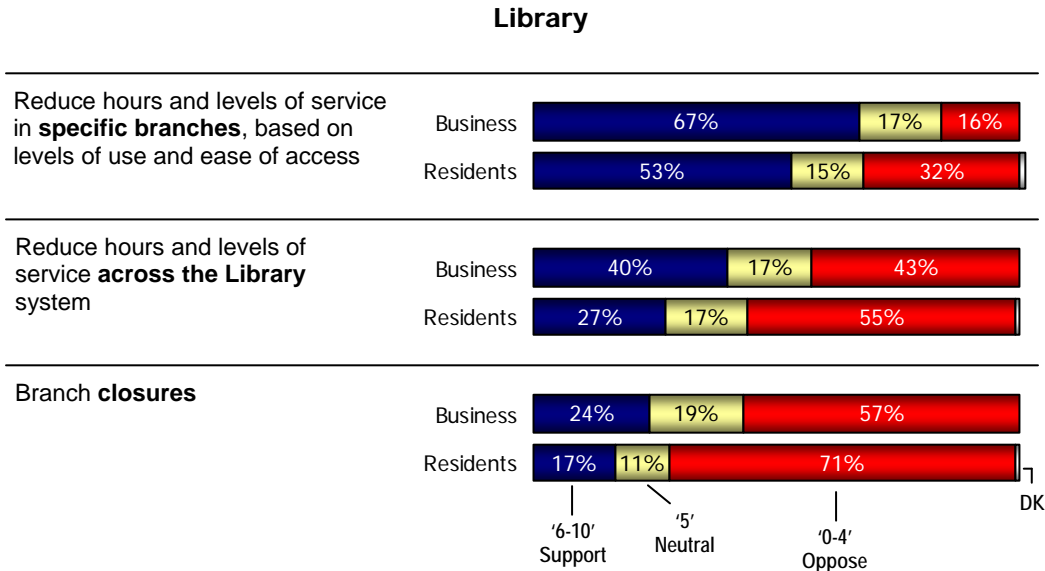
5.2.2 The Library

Amongst the three possible options tested to reduce library services, the idea of reducing hours and service levels in specific branches, based on use and access criteria receives acceptance by both businesses and residents.

- *Reduce hours and levels of service in specific branches, based on levels of use and ease of access* with significantly more support than opposition

Less acceptable to both stakeholder groups, but to residents in particular, is reducing hours and service levels across the whole library system.

Branch closures would be clearly rejected by businesses and residents alike, with the large majority of residents opposed.



0-10 scale where 0=strongly oppose and 10=strongly support

Base Business: 2010 (n=251)
Base Residents: 2010 (n=505)

Q.18) The **Library** provides services through its central and neighbourhood branches. If the Library has to reduce service in order to minimize property tax increases, to what extent would you support or oppose the following measures?

5.2.3 Public Safety—including Police and Fire Services

There is considerable sensitivity to curtailing the police and fire staffing. Neither residents nor businesses would accept reducing the number of police or firefighting staff.

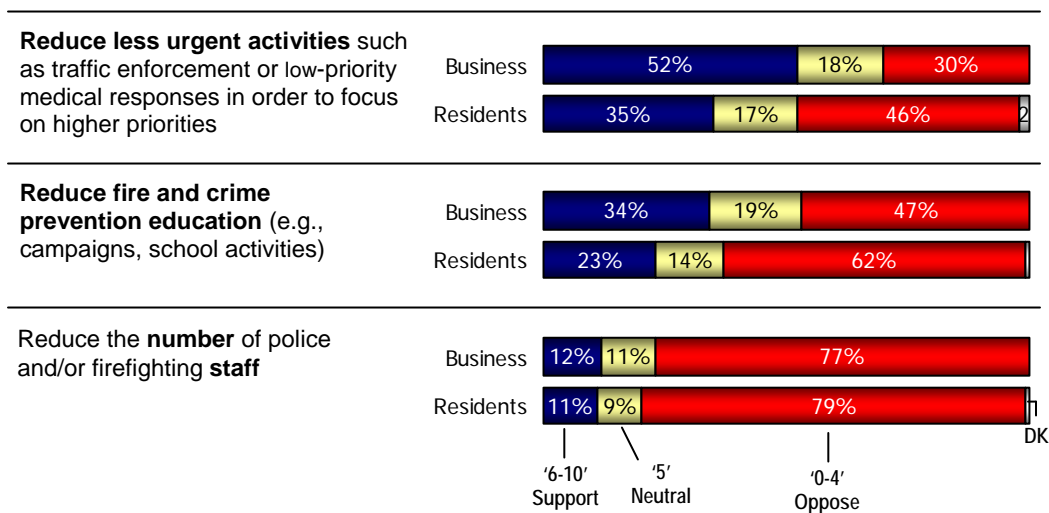
- **Reduce the number of police and/or firefighting staff**, opposition to such a measure is loud and clear (rejected by large majorities of both businesses and residents).

The most acceptable reduction in the public safety area of services involves activities deemed to be less urgent, but while business leans toward support, residents lean toward opposition.

- **Reduce less urgent activities to focus on higher priorities**, significantly more support from businesses, but sizeable opposition by residents (46%).

Residents particularly appreciate the value of fire and crime prevention education with 62% opposing reduction of these activities, as do 47% of businesses.

Public Safety



0-10 scale where 0=strongly oppose and 10=strongly support

Base Business: 2010 (n=251)
Base Residents: 2010 (n=505)

Q.19) Let's talk about **Public Safety** - which includes the **Police and Fire Services**. If public safety services need to be reduced in order to minimize property tax increases, to what extent would you support or oppose the following measures?

5.2.4 The Community Services Group

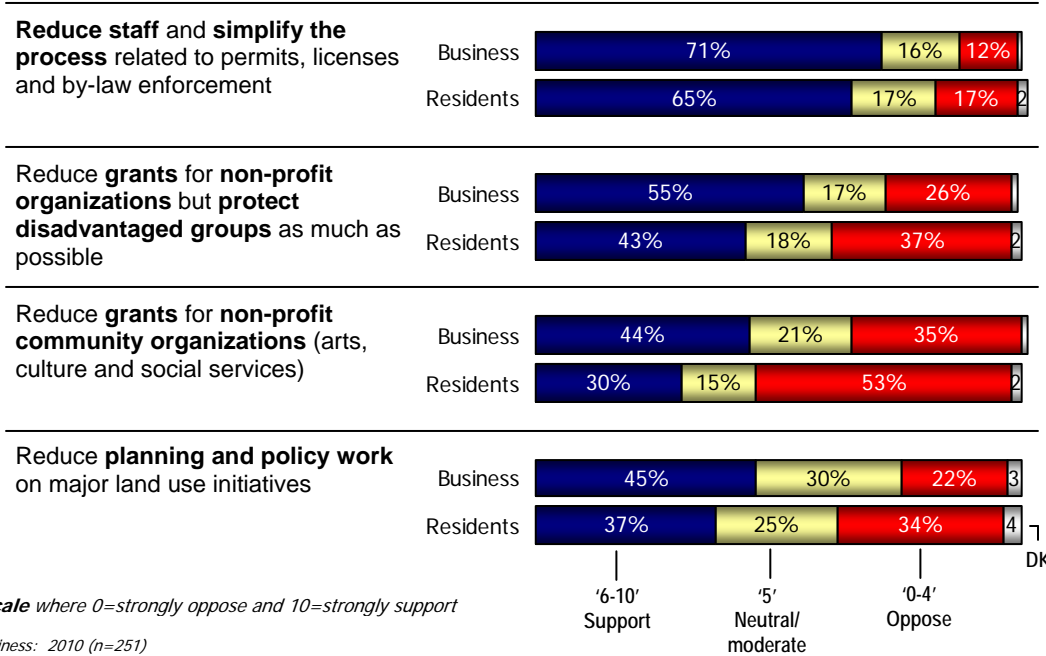
A number of possible service reductions fall into the acceptable range for the Community Services Group. The most supported of these is related to processing permits, licenses and by-law enforcement.

- **Reduce staff and simplify the process for permits, licenses and by-law enforcement**, with majorities of both stakeholder groups supporting this measure.

Reductions supported by business but less so by residents are the following:

- **Reduce grants for non-profit organizations but protect disadvantaged groups**, significantly more support than opposition from business, but marginal by residents.
- **Reduce planning and policy work on major land-use initiatives**, significantly more support than opposition from business, but residents are divided in opinion.
- **Reduce grants for non-profit organizations in general**, with businesses leaning toward support, but over half of residents opposed.

Community Services



Q.21) The **Community Services** group provides the following: planning and development, licenses and inspections, social planning and direct client support, grants to non-profit organizations, cultural planning, support of civic theatres and grants to cultural organizations. If Community Services has to reduce their services in order to minimize property tax increases, to what extent would you support or oppose the following measures?

5.2.5 Public Works

Residents and business accept the idea of reducing decorative street items and reducing support for public events on streets.

- **Reduce street decoration and furniture and reduced support for public events on city streets**, with significantly more in support than opposed.

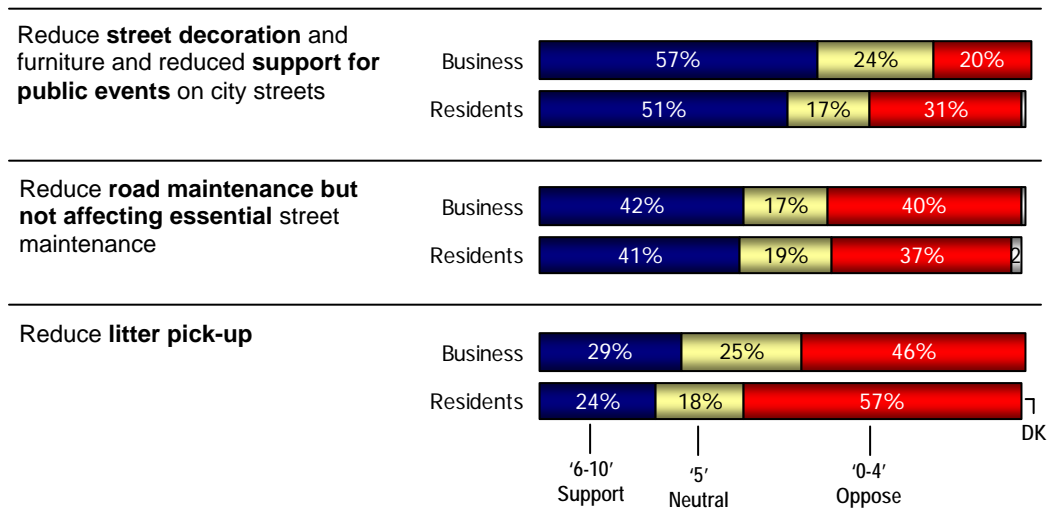
Both stakeholder groups are divided in opinion on reducing non-essential street maintenance

- **Reduce road maintenance but not affecting essential street maintenance**, with support and opposition almost in balance.

Litter pick-up, however, is an area of service that meets notable resistance by both businesses and residents.

- **Reduce litter pick-up**, with significantly more residents and businesses in opposition than in favour of this service reduction.

Public Works



0-10 scale where 0=strongly oppose and 10=strongly support

Base Business: 2010 (n=251)
Base Residents: 2010 (n=505)

Q.22) **Public Works** manages the City's roads, water, sewers, transportation and sanitation services. If the City has to reduce these services in order to minimize potential property tax increases, to what extent would you support or oppose the following measures?

5.3 Volunteered Other Suggestions for City Services Reductions

Some residents and businesses offer other suggestions to help reduce costs. These include eliminating duplication, inefficiencies and bureaucracy and salary or benefit reductions, among others.

Other Types of City Services Acceptable to Reduce		
	2010	
	<u>Business</u> (251) %	<u>Residents</u> (505) %
Too many city hall staff/too much duplication/too many departments	5	3
Reduce salaries at city hall/management salaries too high/pensions/benefits/overtime	4	5
Parking regulations/enforcement/speeding	3	1
Increase efficiency	3	2
Less paperwork/bureaucracy	3	1
Reduce infrastructure spending/new road projects/repairs/speed bumps	3	2
Park maintenance/beautification projects/parks board	2	2
PNE/fireworks/parades/Christmas decorations/event budget	2	1
Cut travel perks for council/entertainment expenses/perks/paid expenses/parking perks/meals	2	2
Reduce garbage pickup/street cleaning/user fees for garbage pickup	2	2
Reduce budget/spending	2	-
Olympics	1	2
Non essential by-law enforcement	1	2
Reduce size of road working crews	1	<1
Contract out/privatize	1	<1
Green initiatives/cycling lanes	1	1
None/don't know	76	84

Q.23) Given the potential for reductions and adjustments just given, and the impact of a property tax increase, what other types of City services, if any, do you think would be acceptable to reduce?

6. Communications

6.1 Importance of Providing Input to Annual Budget Process

Once again, the vast majority of residents and business owners/operators surveyed appreciate the opportunity to provide input to the annual budget process, saying that it is important to them to do so. This sentiment is shared by large majorities in all segments of the two stakeholder groups.

Importance of Providing Input on the City’s Annual Budget



Base Business: 2008 (n=300)
 2009 (n=300)
 2010 (n=251)
 Base Residents: 2008 (n=600)
 2009 (n=600)
 2010 (n=505)

Q.25) Is providing input on the City's annual Budget important to you, such as you are doing with this survey?

6.2 Public Consultation Preferences

Surveys are the preferred method of providing input on the City's annual budget with random telephone the most popular among residents (but then these are people who participated with this format). Business people tend to prefer online panels, but also like the City website survey and the random telephone survey. Slightly fewer in both groups say they would participate in a mail survey.

Attendance at public meetings is of interest to about one-third.

Preferred Methods of Participation						
	Business			Residents		
	<u>2008</u> (263) %	<u>2009</u> (217) %	<u>2010</u> (211) %	<u>2008</u> (522) %	<u>2009</u> (509) %	<u>2010</u> (417) %
Online survey panel	-	-	65	-	-	53
Random telephone survey	61	45	54	59	47	63
City website survey where you go to their website	60	47	58	50	49	52
Direct mail survey which you would mail back	52	38	43	54	44	50
Attend public meetings or open houses	23	15	36	27	21	30
Provide feedback/ask questions on a web-based discussion forum/blog	-	21	43	-	17	36

Q.27) Next, how would you like to be consulted by the City in the future. In which of the following ways would you be the most likely to participate?

Appendices

Top Line Results Questionnaires

1. Residential Questionnaire
2. Business Questionnaire

City of Vancouver
— 2010 RESIDENTS Survey —
Weighted Top-Line Results

- 1a. Now, to begin our questions, in your view as a resident of Vancouver, what is the most important local issue facing the City of Vancouver, that is the one issue you feel should receive the greatest attention from Vancouver's City Council?
- 1b. Are there any other important local issues?

	<u>First Mention</u>	<u>Total Mentions</u>
	2010 (505) %	2010 (505) %
Residents		
Total Social	34	49
Homelessness/ poverty	26	39
Affordable housing	6	12
Mentally Ill Concerns	1	2
Community centres needs	-	1
Other social issues	2	3
Total Transportation	14	34
Public transit	5	17
Traffic congestion	7	13
Condition of streets	1	5
Other transportation	2	4
Total Crime	12	22
Crime and personal safety	5	10
Theft/ break-ins	4	6
Public drug use	2	6
Downtown East Side problems	<1	1
More police/policing	<1	1
Youth problems/gangs	<1	1
Vandalism, properties in disrepair, graffiti or litter	-	<1
Total Taxation	12	18
City finances and property tax	7	11
Government spending/ overspending	3	5
Taxes (general)	1	2
Inefficient government	1	1
Deficits	1	1
Total Environment	3	10
Pollution/air quality	1	3
Environment (general)	1	3
Parks/green space	1	3
Garbage/recycling/waste management	<1	1
Total Growth	3	8
Development and planning	2	7
Too many subdivisions/housing developments	1	2
Total Economy	4	7
Economy	3	4
Employment/jobs	1	3
Rising costs/cost of living	<1	1
		<i>continued...</i>

1a/b.

continued...

	First Mention	Total Mentions
	2010 (505) %	2010 (505) %
Residents		
Total Government	1	2
Provision of municipal services	<1	2
Government (gen)	<1	<1
Other		
Positive/negative effect of Olympics	4	8
Education/schools	3	5
Hospital/healthcare	2	4
Parking	<1	1
Immigration/immigrants	-	<1
Affordable business space/lack of office space	-	<1
Miscellaneous	1	2
Nothing in particular	7	7
Don't know	1	1

2. Generally speaking, are you satisfied or dissatisfied with the overall quality of services provided to you by the City of Vancouver? Would that be very/somewhat satisfied/dissatisfied?

Residents	1997 (1,000) %	1999 (605) %	2001 (602) %	2002 (600) %	2003 (608) %	2004 (602) %	2005 (636) %	2006 (607) %	2007 (601) %	2008 (600) %	2009 (600) %	2010 (505) %
Very satisfied	23	18	19	12	22	21	22	22	23	17	13	19
Somewhat satisfied	62	63	60	69	64	65	61	65	65	66	69	65
Somewhat dissatisfied	9	12	13	9	7	9	10	7	7	12	11	9
Very dissatisfied	3	4	6	6	2	3	4	3	3	4	4	3
Don't know	2	3	2	5	5	2	4	4	3	2	3	4

3. And would you say that the overall quality of service provided by the City of Vancouver has got better or worse over the past few years? Would that be much/somewhat better/worse?

Residents	1997 (1,000) %	1999 (605) %	2001 (602) %	2002 (600) %	2003 (608) %	2004 (602) %	2005 (636) %	2006 (607) %	2007 (601) %	2008 (600) %	2009 (600) %	2010 (505) %
Much better	3	4	2	1	4	3	4	3	4	1	2	5
Somewhat better	22	19	21	20	18	23	24	27	29	25	18	25
Stayed the same	35	27	34	32	34	31	30	30	33	33	43	31
Somewhat worse	24	27	27	26	21	23	19	19	16	21	20	21
Much worse	6	8	7	7	4	6	4	4	7	8	4	4
Don't know	10	15	9	13	19	14	20	17	11	12	13	14

4. As you may be aware, about one-half of your property taxes goes to the City of Vancouver and the other half goes to the GVRD (regional) and the provincial government. Thinking about all the programs and services you receive from the City of Vancouver, would you say that overall you get good value or poor value for your tax dollar? Would that be very/fairly good/poor value?

Residents	<u>1997</u>	<u>1999</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	2010
Base (Owners)	(463)	(261)	(270)	(292)	(240)	(268)	(299)	(317)	(347)	(360)	(368)	(285)
	%	%	%	%	%	%	%	%	%	%	%	%
Very good value	12	8	9	5	11	9	10	11	8	9	6	9
Fairly good value	57	49	51	53	54	48	52	55	56	59	58	58
Fairly poor value	20	27	27	24	21	24	28	22	24	18	17	19
Very poor value	6	8	8	9	6	7	4	3	5	8	9	6
Don't know	5	7	4	9	9	12	7	8	8	7	10	7

5. And, in general, would you say that the property taxes you currently pay on your residence are too high, too low or about right? Would that be much too high/low?

Residents	<u>1997</u>	<u>1999</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	2010
Base (Owners)	(463)	(261)	(270)	(292)	(240)	(268)	(299)	(317)	(347)	(360)	(368)	(285)
	%	%	%	%	%	%	%	%	%	%	%	%
Much too high	-	13	14	11	6	9	11	15	12	16	12	14
Too high	46	42	32	42	34	39	40	39	43	36	42	36
About right	49	42	52	40	53	48	42	43	40	42	39	44
Too low	1	-	-	1	2	1	2	1	1	1	1	2
Much too low	-	-	-	-	-	<1	1	<1	-	-	-	-
Don't know	3	3	2	5	5	2	4	3	4	5	7	5

Note: It is likely that in 1997, respondents were not probed further on whether they felt their current property taxes were too high or much too high.

8.

- a) To balance the 2010 budget, as required by law, the City needs to find a **\$28 million** in savings. To do this, which one of these three options would you prefer:

Residents	<u>1997</u>	<u>1999</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	2010
	(1,000)	(605)	(602)	(600)	(608)	(602)	(636)	(607)	(601)	(600)	(600)	(505)
	%	%	%	%	%	%	%	%	%	%	%	%
Increase residential property taxes by 7%	17	19	20	22	23	20	21	25	21	25	18	14
Reduce city services, hours, staffing and/or increase user fees	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	33
Cut City services by amount of shortfall	20	22	25	21	20	18	19	19	21	21	16	n/a
Use a mix of both property tax increases AND service or other reductions, and then if needed, increase user fees	56	49	46	47	44	47	47	46	45	43	54	42
Don't know/refused	6	10	9	10	14	15	14	10	13	11	12	11

Note: In 2008 if asked about the 6% or what the shortfall was, respondents were told 30 million dollars.

Note: In 1997, the proposed increase was worded as an increase of "8% to get \$26 Million." In 1999, 6% and \$16 Million were used. Meanwhile in 2001, 2002 and 2003 the shortfall was described as \$20 Million, requiring an increase of 6%.

b) OPTIONAL: If City services needed to be reduced, would you prefer that the City:

Residents	2010 (505) %
Cut services by same proportion across all service areas	37
Cut services only in SOME areas, but not in others	56
Don't know	7

9. Now, let's talk about priorities in a **general** way. (IF ASKED: Specific City services will be discussed in an upcoming question.) Please keep in mind that the City will maintain all appropriate health and safety standards, and any changes would be planned to **minimize** the impact on the public.

I'm going to read a list of possible ways the City could find cost savings. For each one please tell me the extent to which you would support or oppose the City taking this type of measure to save costs and minimize tax increases. Please rate each on a scale from 0 to 10 where "0 means strongly oppose" and "10 means strongly support".

Residents	Average score '0-10' scale #	'6-10' Support %	'5' Neutral/ moderate %	'0-4' Oppose %	Don't know %
a) Reduce hours of operation at city facilities 2010 (n=505)	5.0	39	24	35	2
b) Reduce public safety services while still maintaining minimum standards of safety 2010 (n=505)	3.7	25	16	57	2
c) Reduce funding support for non-profit organizations - social or cultural 2010 (n=505)	4.0	27	16	55	2
d) Hold fewer public consultations and hearings 2010 (n=505)	5.3	45	23	31	2
e) Reduce infrastructure (roads and buildings) maintenance 2010 (n=505)	4.0	23	23	53	1
f) Reduce park and recreation programs 2010 (n=505)	3.9	24	18	57	1
g) Reduce frequency of garbage and recycling collection 2010 (n=505)	3.9	29	14	57	<1
h) Reduce level of cleaning and maintenance of public buildings, properties and parks 2010 (n=505)	4.3	29	23	48	1
i) Reduce enforcement of nuisance or minor City by-laws (e.g., noise, after-hours park use, etc) 2010 (n=505)	5.5	53	17	29	1
j) Reduce the level of land-use planning and policy work 2010 (n=505)	5.2	38	27	28	7

10. What is the approximate assessed value of your current place of residence? Would it be closer to ...

Residents	<u>1997</u>	<u>1999</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	2010
Base (owners)	(463) %	(261) %	(270) %	(292) %	(240) %	(278) %	(299) %	(317) %	(347) %	(360) %	(370) %	(285) %
\$200,000	37	44	44	49	37	36	20	16	14	7	6	5
\$400,000	37	38	32	28	32	30	44	36	29	26	28	25
\$700,000	21	13	19	19	20	26	30	21	27	31	24	32
\$900,000	-	-	-	-	-	-	-	19	25	31	27	32
Don't know/ refused	5	5	5	4	11	9	7	8	6	6	14	6

Note: 1997-2007 had assessed values of \$600,000 and \$800,000

11. a. Thinking about tax increases for the moment. In order for the City of Vancouver to cover the budget shortfall without any cuts in service, it could mean increasing the amount you pay in property taxes by 7 percent, or an additional \$30 next year. Would you be willing to pay this amount in order to maintain the current level of services provided by the City?

Residents	Willing To Pay											2010
	<u>1997</u>	<u>1999</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	
Base (owners claiming their home is worth \$200,000)	(193) %	(127) %	(131) %	(146) %	(95) %	(99) %	(65) %	(55) %	(51) %	(25) %	(29) %	(17) %
An 8% increase which is about \$__ per year	69	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	75	n/a
A 7 percent increase which is about \$30 next year	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	67
A 6 percent increase which is about \$25 next year	74	76	78	71	79	64	71	74	85	81	80	67
A 4 percent increase which is about \$17 next year	84	84	87	80	89	74	80	86	89	91	88	67
A 2 percent increase which is about \$8 next year	88	87	89	87	93	90	87	90	96	100	88	84

EXTREME CAUTION: VERY SMALL BASE SIZES AFTER 2008

Note: An 8% increase was only asked in 1997. Estimated dollar amounts for increases in 1997 and 1999 were \$30 at a 6% increase, \$20 at 4%, and \$10 at 2%. Estimated dollar amounts for increases in 2005 were \$37 at a 6% increase, \$24 at 4%, and \$12 at 2%. Estimated dollar amounts for increases in 2006 were \$33 at a 6% increase, \$22 at 4%, and \$11 at 2%. Estimated dollar amounts for increases in 2007 were \$32 at a 6% increase, \$21 at 4%, and \$11 at 2%. Estimated dollar amounts for increases in 2008 were \$29 at a 6% increase, \$19 at 4%, and \$10 at 2%. Estimated dollar amounts for increases in 2009 were \$32 at 8% increase, \$23 at a 6% increase, \$15 at 4%, and \$8 at 2%.

12. a. Thinking about tax increases for the moment. In order for the City of Vancouver to cover the budget shortfall without any cuts in service, it could mean increasing the amount you pay in property taxes by 7 percent, or an additional \$59 next year. Would you be willing to pay this amount in order to maintain the current level of services provided by the City?

Residents	Willing To Pay											
	1997	1999	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Base (owners claiming their home is worth \$400,000)	(156) %	(89) %	(75) %	(78) %	(73) %	(83) %	(120) %	(108) %	(102) %	(96) %	(99) %	(72) %
An 8% increase which is about \$__ per year	61	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	61	n/a
A 7 percent increase which is about \$59 next year	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	65
A 6 percent increase which is about \$51 next year	71	54	63	53	58	59	52	64	74	78	74	72
A 4 percent increase which is about \$34 next year	78	63	78	69	72	73	67	75	81	86	79	78
A 2 percent increase which is about \$17 next year	89	80	89	85	84	84	84	89	89	94	84	85

Note: An 8% increase was only asked in 1997. Estimated dollar amounts for increases in 1997 and 1999 were \$65 at a 6% increase. Estimated dollar amounts for increases in 2001 were \$45 at a 4% increase and \$20 at a 2% increase. Estimated dollar amounts for increases in 2005 were \$73 at a 6% increase, \$49 at 4%, and \$24 at 2%. Estimated dollar amounts for increases in 2006 were \$67 at a 6% increase, \$45 at 4%, and \$22 at 2%. Estimated dollar amounts for increases in 2007 were \$64 at a 6% increase, \$43 at 4%, and \$21 at 2%. Estimated dollar amounts for increases in 2008 were \$58 at a 6% increase, \$39 at 4%, and \$19 at 2%. Estimated dollar amounts for increases in 2009 were \$63 at 8% increase, \$46 at a 6% increase, \$31 at 4%, and \$15 at 2%.

13. a. Thinking about tax increases for the moment. In order for the City of Vancouver to cover the budget shortfall without any cuts in service, it could mean increasing the amount you pay in property taxes by 7 percent, or an additional \$104 next year. Would you be willing to pay this amount in order to maintain the current level of services provided by the City?

Residents	Willing To Pay											
	1997	1999	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Base (owners claiming their home is worth \$700,000)	(96) %	(34*) %	(53) %	(56) %	(50) %	(72) %	(94) %	(66) %	(82) %	(106) %	(93) %	(84) %
An 8% increase which is about \$__ per year	60	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	51	n/a
A 7 percent increase which is about \$104 next year	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	53
A 6 percent increase which is about \$89 next year	65	48	57	67	53	54	60	54	62	56	63	57
A 4 percent increase which is about \$59 next year	82	50	70	76	73	68	74	69	75	82	75	73
A 2 percent increase which is about \$29 next year	88	71	79	87	88	81	90	89	91	95	79	90

Note: An 8% increase was only asked in 1997. Estimated dollar amounts for increases in 1997 and 1999 were \$100 at a 6% increase, \$65 at 4%, and \$30 at 2%. Estimated dollar amounts for increases in 2005 were \$110 at a 6% increase, \$73 at 4%, and \$37 at 2%. Estimated dollar amounts for increases in 2006 were \$100 at a 6% increase, \$67 at 4%, and \$33 at 2%. Estimated dollar amounts for increases in 2007 were \$96 at a 6% increase, \$64 at 4%, and \$32 at 2%. Estimated dollar amounts for increases in 2008 were \$102 at a 6% increase, \$68 at 4%, and \$34 at 2%. Assessed value of home for 1997-2007 was \$600,000. Estimated dollar amounts for increases in 2009 were \$110 at 8% increase, \$81 at a 6% increase, \$54 at 4%, and \$27 at 2%.

* Caution: small base size.

14. a. Thinking about tax increases for the moment. In order for the City of Vancouver to cover the budget shortfall without any cuts in service, it could mean increasing the amount you pay in property taxes by 7 percent, or an additional \$133 next year. Would you be willing to pay this amount in order to maintain the current level of services provided by the City?

Residents	Willing To Pay				
	2006	2007	2008	2009	2010
Base (owners claiming their home is worth \$900,000)	(66) %	(96) %	(120) %	(95) %	(96) %
An 8% increase which is about \$__ per year	n/a	n/a	n/a	48	n/a
A 7 percent increase which is about \$133 next year	n/a	n/a	n/a	n/a	63
A 6 percent increase which is about \$114 next year	62	51	64	52	65
A 4 percent increase which is about \$76 next year	74	61	74	72	74
A 2 percent increase which is about \$38 next year	86	81	85	82	85

Note: Estimated dollar amounts for increases in 2006 were \$134 at a 6% increase, \$89 at 4%, and \$45 at 2%. Estimated dollar amounts for increases in 2007 were \$128 at a 6% increase, \$86 at 4%, and \$42 at 2%. Estimated dollar amounts for increases in 2008 were \$131 at a 6% increase, \$87 at 4%, and \$44 at 2%. Assessed value of home for 2006-2007 was \$800,000. Estimated dollar amounts for increases in 2009 were \$142 at 8% increase, \$104 at a 6% increase, \$70 at 4%, and \$35 at 2%.

15. Now, in order for the City of Vancouver to cover the budget shortfall without any cuts in service, it could need to raise the level of taxes your property owner pays by up to 7 percent. Your property owner could in turn decide to pass on to you SOME OR ALL of the cost of a tax increase by raising the amount you pay in rent. For the average renter, this could mean an increase in rent of about **\$4** per month. Thinking about this, would you be willing to pay **\$4** more per month in order to maintain the current level of services provided by the City of Vancouver?

Residents	1997	1999	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Base (renters)	(537) %	(342) %	(331) %	(304) %	(355) %	(312) %	(323) %	(269) %	(242) %	(231) %	(219) %	(200) %
Yes	89	83	84	85	85	81	83	81	87	82	76	71
No/don't know/refused	11	17	16	15	15	17	15	19	13	18	24	25

16. As you may know, user fees are currently used to help recover the costs of providing certain City services such as permits and licenses, recreation programs, or sewer and water fees. Would you support or oppose the City charging higher user fees for these services and using the extra money to help pay for other city services? Would that be strongly or moderately support/oppose?

Residents	1997	1999	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	(1,000) %	(605) %	(602) %	(600) %	(608) %	(602) %	(636) %	(607) %	(601) %	(600) %	(600) %	(505) %
Strongly support	23	21	18	18	20	16	19	17	20	16	20	13
Moderately support	46	44	41	46	46	42	49	42	44	47	48	42
Moderately oppose	14	16	21	14	15	14	14	20	17	19	14	22
Strongly oppose	15	14	18	18	14	24	12	16	16	14	12	18
Don't know	3	6	3	4	6	4	7	6	4	5	6	6

17. The **Board of Parks and Recreation** provides services such as parks and community services in most neighbourhoods of the City. If the Park Board has to reduce service in order to minimize property tax increases, to what extent would you support or oppose the following measures? Please use a scale from 0 to 10 where 0 means 'strongly oppose' and '10 means strongly support'.

Residents	Average score <u>'0-10' scale</u> #	'6-10' <u>Support</u> %	'5' Neutral/ <u>mo</u> <u>derate</u> %	'0-4' <u>Oppose</u> %	<u>Don't know</u> %
a) Reduce operating hours and programs at community centres 2010 (n=505)	4.1	12	33	55	1
b) Reduce maintenance at city parks and recreational facilities 2010 (n=505)	4.2	11	38	50	1
c) Reduce hours and programs, but protecting low income neighbourhoods 2010 (n=505)	5.0	20	41	37	1

18. The **Library** provides services through its central and neighbourhood branches. If the Library has to reduce service in order to minimize property tax increases, to what extent would you support or oppose the following measures? Please use a scale from 0 to 10 where 0 means 'strongly oppose' and '10 means strongly support'.

Residents	Average score <u>'0-10' scale</u> #	'6-10' <u>Support</u> %	'5' Neutral/ <u>mo</u> <u>derate</u> %	'0-4' <u>Oppose</u> %	<u>Don't know</u> %
a) Reduce hours and levels of service across the library system 2010 (n=505)	3.9	11	34	55	1
b) Reduce hours and levels of service in specific branches, based on levels of use and ease of access 2010 (n=505)	5.4	24	43	32	1
c) Branch closures 2010 (n=505)	2.8	8	20	71	1

19. Let's talk about **Public Safety** - which includes the **Police and Fire Services**. If public safety services need to be reduced in order to minimize property tax increases, to what extent would you support or oppose the following measures? Please use a scale from 0 to 10 where 0 means 'strongly oppose' and '10 means strongly support'.

Residents	Average score <u>'0-10' scale</u> #	<u>'6-10'</u> <u>Support</u> %	<u>'5'</u> Neutral/ <u>mo</u> <u>derate</u> %	<u>'0-4'</u> <u>Oppose</u> %	<u>Don't know</u> %
a) Reduce the number of police and/or firefighting staff 2010 (n=505)	2.2	6	14	79	1
b) Reduce fire and crime prevention education (e.g., campaigns, school activities) 2010 (n=505)	3.6	9	29	62	1
c) Reduce less urgent activities such as traffic enforcement or low-priority medical responses in order to focus on higher priorities 2010 (n=505)	4.5	16	37	46	2

21. The **Community Services** group provides the following: planning and development, licenses and inspections, social planning and direct client support, grants to non-profit organizations, cultural planning, support of civic theatres and grants to cultural organizations. If Community Services has to reduce their services in order to minimize property tax increases, to what extent would you support or oppose the following measures? Please use a scale from 0 to 10 where 0 means 'strongly oppose' and '10 means strongly support'.

Residents	Average score <u>'0-10' scale</u> #	<u>'6-10'</u> <u>Support</u> %	<u>'5'</u> Neutral/ <u>mo</u> <u>derate</u> %	<u>'0-4'</u> <u>Oppose</u> %	<u>Don't know</u> %
a) Reduce grants for non-profit community organizations (arts, culture and social services) 2010 (n=505)	4.0	12	33	53	2
b) Reduce grants as above, but protect disadvantaged groups as much as possible 2010 (n=505)	5.0	21	40	37	2
c) Reduce planning and policy work on major land use initiatives 2010 (n=505)	5.1	16	46	34	4
d) Reduce staff and simplify the processes related to permits, licenses and by-law enforcement 2010 (n=505)	6.5	36	46	17	2

22. **Public Works** manages the City's roads, water, sewers, transportation and sanitation services. If the City has to reduce these services in order to minimize potential property tax increases, to what extent would you support or oppose the following measures? Please use a scale from 0 to 10 where 0 means 'strongly oppose' and '10 means strongly support'.

Residents	Average score <u>'0-10' scale</u> #	<u>'6-10'</u> <u>Support</u> %	<u>'5'</u> <u>Neutral/ mo</u> <u>derate</u> %	<u>'0-4'</u> <u>Oppose</u> %	<u>Don't know</u> %
a) Reduce road maintenance but not affecting essential street maintenance? 2010 (n=505)	5.0	15	45	37	2
b) Reduce litter pick up 2010 (n=505)	3.8	9	33	57	<1
c) Reduce street decoration and furniture and reduced support for events on city streets (Fireworks, parades, runs, etc.) 2010 (n=505)	5.6	26	43	31	1

23. Given the potential for reductions and adjustments just given, and the impact of a property tax increase, what other types of City services, if any, do you think would be acceptable to reduce?

Residents	<u>2010</u> <u>(505)</u> %
Reduce salaries at city hall/management salaries too high/pensions/benefits/overtime	5
Too many city hall staff/too much duplication/too many departments	3
Increase efficiency	2
Olympics	2
Non essential by=law enforcement	2
Park maintenance/beautification projects/parks board	2
Cut travel perks for council/entertainment expenses/perks/paid expenses/parking perks/meals	2
Reduces infrastructure spending/new road projects/repairs/speed bumps	2
Reduce garbage pickup/street cleaning/user fees for garbage pickup	2
Green initiatives/cycling lanes	1
Parking regulations/enforcement/speeding	1
Less paperwork/bureaucracy	1
PNE/firework/parades/Christmas decorations/event budget	1
Contract out/privatize	<1
Reduce size of road working crews	<1
None/don't know	84

24. When it comes right down to it, which approach would you prefer that the City take?

Residents	<u>1997</u> (1,000) %	<u>1999</u> (605) %	<u>2001</u> (602) %	<u>2002</u> (600) %	<u>2003</u> (608) %	<u>2004</u> (602) %	<u>2005</u> (636) %	<u>2006</u> (607) %	<u>2007</u> (601) %	<u>2008</u> (600) %	<u>2009</u> (600) %	<u>2010</u> (505) %
Reducing City services and/or increasing fees	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	49
Charging people user fees on SOME City services to help cover the costs of these services	68	67	66	67	60	58	64	60	65	61	66	n/a
Raising property taxes to be able to maintain all City services	26	24	27	24	30	28	27	32	26	34	23	41
Don't know	6	9	7	9	10	14	9	8	9	6	11	11

25. Is providing input on the City's annual Budget important to you, such as you are doing with this survey?

Residents	<u>2008</u> (600) %	<u>2009</u> (600) %	<u>2010</u> (505) %
Yes	85	81	79
No	14	15	19
Don't know	1	4	2

26. (City Government/non-budget questions)

27. Next, how would you like to be consulted by the City in the future? In which of the following ways would you be **the most likely** to participate?
You may choose more than one. Accept up to 6 responses

Residents	<u>2008</u> (522) %	<u>2009</u> (509) %	<u>2010</u> (417) %
Random telephone survey	59	47	63
Online survey panel	-	-	53
City website survey where you go to their website	50	49	52
Direct mail survey which you would mail back	54	44	50
Attend public meetings or open houses	27	21	30
Survey in Flyer distributed through newspapers or at community centres which you would mail or fax back	24	-	-
Provide feedback/ask questions on a web-based discussion forum/blog	-	17	36
Any other ways you would like to be consulted by the City? (please specify)	15	1	-
NONE OF ABOVE/DON'T KNOW	1	3	-

Demographics

Residents	<u>1997</u> (1,000) %	<u>1999</u> (605) %	<u>2001</u> (602) %	<u>2002</u> (600) %	<u>2003</u> (608) %	<u>2004</u> (602) %	<u>2005</u> (636) %	<u>2006</u> (607) %	<u>2007</u> (601) %	<u>2008</u> (600) %	<u>2009</u> (600) %	<u>2010</u> (505) %
Gender												
Male	49	48	50	49	49	49	49	49	49	48	-	48
Female	51	52	50	51	52	52	52	52	51	52	-	52
Home Ownership												
Rent	50	52	50	47	55	52	50	46	40	39	-	40
Own	50	48	50	52	43	46	47	50	57	58	-	55
Other/DK	-	-	-	-	-	-	-	-	-	-	-	5
Age												
18 - 24	13	10	10	10	12	12	12	12	10	12	10	12
25 - 34	26	23	23	23	23	23	23	23	24	21	23	17
35 - 44	20	23	23	23	21	21	21	21	22	21	21	21
45 - 54	13	16	16	16	18	18	18	18	18	18	18	20
55 - 64	11	11	11	11	10	10	10	10	10	13	12	14
65 or older	16	17	17	17	15	15	15	15	16	16	15	16
Ethnic Background												
Chinese (Hong Kong, China, Taiwan, or other)	22	22	19	31	26	21	23	25	25	28	26	23
British	36	35	39	29	29	36	34	30	32	34	29	28
East European	8	8	9	9	12	8	9	10	8	10	9	5
Canadian	7	7	7	6	9	7	6	8	9	9	8	23
German	6	4	7	5	6	6	4	4	5	6	4	4
East Indian	3	3	4	5	3	4	3	1	2	2	3	3
French	4	3	3	4	5	4	4	3	2	3	4	2
Scandinavian	1	2	3	2	2	2	2	-	2	-	-	-
Italian	2	3	2	2	1	1	1	3	3	2	3	1
First Nations	1	1	2	2	1	2	2	2	1	2	1	1
European (unspecified)	1	3	2	1	2	2	1	-	1	-	-	-
Asian - Other (Indonesia, Malaysia, Thailand)	2	2	1	-	3	3	2	1	3	1	3	1
Filipino	1	1	2	1	2	2	1	1	2	2	3	2
Dutch	2	1	1	1	2	1	2	2	1	2	2	1
African	1	-	1	1	1	2	2	<1	1	<1	1	1
Japanese	1	2	-	1	1	1	1	1	1	1	1	1
American	1	1	-	1	1	2	1	2	1	1	2	1
Korean	-	-	-	1	-	<1	<1	<1	<1	1	-	<1
Middle East (unspecified)	-	-	1	-	1	1	1	-	1	-	-	-
Greek	-	1	-	-	1	1	1	1	1	-	1	1
Spanish	-	1	-	-	1	1	1	1	<1	<1	<1	1
Other	2	3	2	1	1	1	7	12	4	5	8	9
Refused/don't know	2	2	1	2	2	3	3	2	3	2	3	2
Children in Household												
Yes	31	34	30	32	33	31	35	36	35	34	36	29
No	69	66	70	67	66	69	65	64	64	65	63	69
Refused	-	1	-	1	-	<1	1	1	<1	1	1	3

Demographics (cont'd)

Residents	<u>1997</u> (1,000) %	<u>1999</u> (605) %	<u>2001</u> (602) %	<u>2002</u> (600) %	<u>2003</u> (608) %	<u>2004</u> (602) %	<u>2005</u> (636) %	<u>2006</u> (607) %	<u>2007</u> (601) %	<u>2008</u> (600) %	<u>2009</u> (600) %	<u>2010</u> (505) %
# of Years Been Resident of Vancouver												
0 - 9	33	34	32	34	41	41	41	41	32	34	29	26
10 - 19	17	21	20	23	23	20	17	22	23	25	26	23
20 - 29	16	16	18	16	16	14	14	12	17	14	16	18
30+	24	29	29	26	20	25	28	25	28	27	28	30
Whole life	9	-	-	-	-	-	-	-	-	-	-	-
Don't know/ refused	1	1	-	1	-	<1	<1	1	<1	1	1	3
Avg. # of Years	20	22	21	21	18	19	19	19	21	20	21	22
Type of Dwelling												
Single, detached house	51	48	48	49	46	44	48	45	51	50	50	49
Duplex or townhouse	9	8	9	8	8	8	9	10	9	8	9	8
Apartment or condo	38	41	40	40	44	43	42	43	38	38	40	36
Other/ refused	1	3	2	3	2	6	1	3	2	3	1	4
Language of Interview												
English	-	-	-	-	-	-	-	-	-	-	-	88
Cantonese	-	-	-	-	-	-	-	-	-	-	-	7
Mandarin	-	-	-	-	-	-	-	-	-	-	-	4
Punjabi	-	-	-	-	-	-	-	-	-	-	-	1
Landline at Home												
Yes	-	-	-	-	-	-	-	-	-	-	-	97
No	-	-	-	-	-	-	-	-	-	-	-	3
Household Income												
Under \$10,000	6	5	4	7	6	5	7	5	3	2	2	} 31
\$10,000 - \$19,999	12	10	8	8	11	11	9	6	9	7	5	
\$20,000 - \$29,999	16	13	10	12	13	12	12	12	10	7	5	
\$30,000 - \$39,999	13	14	11	13	10	10	11	9	14	12	5	
\$40,000 - \$49,999	11	9	11	8	9	8	9	9	9	10	8	
\$50,000 - \$59,999	8	8	9	7	7	7	7	10	8	8	7	} 31
\$60,000 - \$69,999	6	6	6	8	4	7	6	6	7	9	7	
\$70,000 - \$79,999	4	4	5	3	4	6	6	4	4	5	3	
\$80,000 - \$99,999	5	4	6	5	6	8	7	5	10	6	8	
\$100,000+	7	7	10	9	9	11	10	17	14	19	19	
Don't know/ refused	11	18	21	18	22	16	16	17	13	15	32	15

City of Vancouver
— 2010 Business Survey —
Weighted Top-Line Results

- 1a. Now, to begin our questions, in your view as a member of the business community in Vancouver, what is the most important local issue facing the City of Vancouver, that is the one issue you feel should receive the greatest attention from Vancouver's City Council?
- 1b. Are there any other important local issues?

Business	First Mention	Total Mentions
	2010 (251) %	2010 (251) %
Total Taxation	24	33
City finances and property tax	12	19
Taxes (general)	8	9
Government spending/ overspending	3	3
Inefficient government	1	1
Deficits	1	1
High business property taxes/difference between business and residential taxes	1	1
Total Transportation	19	33
Traffic congestion	9	17
Public transit	4	8
Other transportation	4	7
Condition of streets	2	3
Total Social	16	24
Homelessness/ poverty	14	22
Affordable housing	2	4
Community centers needs	-	1
Other social issues	<1	1
Total Crime	8	20
Crime and personal safety	3	7
Theft/ break-ins	3	7
Public drug use	1	3
Downtown East Side problems	2	2
Vandalism, properties in disrepair, graffiti or litter	-	2
More police/policing	1	1
Total Environment	2	6
Pollution/air quality	1	3
Garbage/recycling/waste management	1	2
Parks/green space	1	1
Environment (general)	-	1
Total Growth	1	4
Development and planning	1	3
Too many subdivisions/housing developments	1	1
Total Economy	2	3
Economy	2	3
Rising costs/cost of living	-	1
Employment/jobs	-	<1

continued...

1a/b.

continued...

Business	First Mention	Total Mentions
	2010 (251) %	2010 (251) %
Total Government	1	3
Government (gen)	1	2
Provision of municipal services	-	1
Other		
Positive/negative effect of Olympics	4	8
Parking	3	6
No fun in Vancouver/lack of nightlife/early club hours/restrictive liquor licensing	2	5
Affordable business space/lack of office space	1	3
Education/schools	-	1
Miscellaneous	3	9
Nothing in particular	13	13
Don't know	1	1

2. Generally speaking, are you satisfied or dissatisfied with the overall quality of services provided to businesses by the City of Vancouver?

Business	<u>1997</u> (300) %	<u>2006</u> (353) %	<u>2007</u> (350) %	<u>2008</u> (300) %	<u>2009</u> (300) %	2010 (251) %
Very satisfied	19	17	12	14	14	16
Somewhat satisfied	69	50	58	57	58	51
Somewhat dissatisfied	5	17	10	11	12	12
Very dissatisfied	2	8	7	9	3	9
Don't know	4	8	13	8	14	12

3. And, would you say that the overall quality of services provided to businesses by the City of Vancouver has got better or worse over the past few years? Would that be much/somewhat better/worse?

Business	<u>1997</u> (300) %	<u>2006</u> (353) %	<u>2007</u> (350) %	<u>2008</u> (300) %	<u>2009</u> (300) %	2010 (251) %
Much better	1	3	4	4	4	2
Somewhat better	13	22	23	24	16	24
Stayed the same	45	34	37	38	44	39
Somewhat worse	18	17	13	13	13	13
Much worse	5	7	6	7	3	6
Don't know	17	17	18	15	20	17

4. About one-half of property taxes go to the City of Vancouver, and the other half to the GVRD and the provincial government. Thinking about all the programs and services you receive from the City of Vancouver, would you say that overall you get good value or poor value for your tax dollar?
PROBE...Would that be very or fairly good/poor value?

	<u>1997</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Business	(n/a)	(201)	(247)	(175)	(175)	(158)
	%	%	%	%	%	%
Very good value	3	6	5	2	7	7
Fairly good value	50	47	47	43	41	36
Fairly poor value	24	27	23	39	29	27
Very poor value	18	9	13	12	11	17
Don't know/ refused	4	11	12	5	12	13

5. And, in general, would you say that the property taxes you currently pay for your **business** are too high, too low, or about right? Would that be much too high/low?

	<u>1997</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Business	(n/a)	(201)	(247)	(175)	(175)	(158)
	%	%	%	%	%	%
Much too high		27	25	31	24	32
Too high	68	36	30	42	36	38
About right	24	26	36	21	29	24
Too low	-	-	2	4	2	-
Much too low	-	-	<1	-	-	1
Don't know/ refused	8	11	7	5	10	5

8.a)

To balance the 2010 budget, as required by law, the City needs to find a **\$28 million** in savings. To do this, which one of these three options would you prefer:

	<u>1997</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Business	(300)	(353)	(350)	(300)	(300)	(251)
	%	%	%	%	%	%
Increase business property taxes by 3%	7	14	13	21	11	11
Reduce city services, hours, staffing and/or increase user fees?	n/a	n/a	n/a	n/a	n/a	44
Cut City services by amount of shortfall	31	27	30	29	18	n/a
Use a mix of both property tax increases AND service or other reductions, and then if needed, increase user fees	58	49	47	43	56	38
Don't know	4	9	11	7	15	8

Note: In 2006 if asked about the 6% or what the shortfall is, tell them the budget shortfall is about 29 million dollars. In 1997 the shortfall was 26 million.

Note: In 2007 if asked about the 6% or what the shortfall is, tell them the budget shortfall is about 30 million dollars. In 1997 the shortfall was 26 million.

8b)

If City services needed to be reduced, would you prefer that the City:

	<u>2010</u> (251) %
Business	
Cut services by same proportion across all service areas	36
Cut services only in SOME areas, but not in others	58
Don't know	6

9. Now, let's talk about priorities in a **general** way. (IF ASKED: Specific City services will be discussed in an upcoming question.) Please keep in mind that the City will maintain all appropriate health and safety standards, and any changes would be planned to **minimize** the impact on the public.

I'm going to read a list of possible ways the City could find cost savings. For each one please tell me the extent to which you would support or oppose the City taking this type of measure to save costs and minimize tax increases. Please rate each on a scale from 0 to 10 where "0 means strongly oppose" and "10 means strongly support".

Business	Average score	'6-10' Support %	'5' Neutral %	'0-4' Oppose %	Don't know %
	'0 -10' scale #				
a) Reduce hours of operation at city facilities 2010 (n=251)	5.5	44	30	25	1
b) Reduce public safety services while still maintaining minimum standards of safety 2010 (n=251)	4.1	28	17	55	-
c) Reduce funding support for non-profit organizations - social or cultural 2010 (n=251)	4.9	39	21	39	1
d) Hold fewer public consultations and hearings 2010 (n=251)	6.0	52	27	20	1
e) Reduce infrastructure (roads and buildings) maintenance 2010 (n=251)	4.0	26	21	53	-
f) Reduce park and recreation programs 2010 (n=251)	4.4	29	23	48	-
g) Reduce frequency of garbage and recycling collection 2010 (n=251)	4.1	30	16	54	1
h) Reduce level of cleaning and maintenance of public buildings, properties and parks 2010 (n=251)	4.5	32	23	45	-
i) Reduce enforcement of nuisance or minor City by-laws (e.g., noise, after-hours park use, etc) 2010 (n=251)	5.6	49	21	30	1
j) Reduce the level of land-use planning and policy work 2010 (n=251)	5.4	43	25	28	5

13a/b. Thinking about tax increases for the moment. In order for the City of Vancouver to raise **\$28** million without any cuts in service, it would mean increasing the amount you pay in property taxes by **3 percent**. As a member of Vancouver's business community, would you be willing to pay this amount in order to maintain the current level of services provided by the City?

13b. Would you be willing to pay:

Willingness to pay property tax increases - Total Own Business Property or Pay Rent and Property Taxes						
Business	Willing To Pay					
	1997 (200) %	2006 (230) %	2007 (247) %	2008 (175) %	2009 (175) %	2010 (158) %
An 8% increase	20	n/a	n/a	n/a	n/a	n/a
A 6% increase**	23	34	29	36	n/a	n/a
A 4% increase**	48	48	40	46	36	n/a
A 3% increase	n/a	n/a	n/a	n/a	n/a	39
A 2% increase**	64	70	68	78	61	47
Would not pay any increase	36	28	28	21	35	52
Don't know	-	1	4	1	4	1

Note: An 8% increase was asked **only** in 1997 in order to raise \$26 million.

Base: Total who pay business property taxes (either 'own a business property' or 'pay rent plus property taxes as a direct cost')

** Includes those willing to pay at a higher percentage (8%, 6% or 4%, as applicable).

14. Now, in order for the City of Vancouver to raise **\$28** million without any cuts in service, it would need to raise the level of taxes your property owner pays by about **3 percent**. Your property owner could in turn decide to pass on to you SOME OR ALL of the cost of a tax increase by raising the amount you pay in rent. Thinking about this, would you be willing to pay an increase in rent in order to maintain the current level of services provided by the City of Vancouver?

14b. Would you be willing to pay:
A **3 percent** increase? A **2 percent** increase?

Business	1997	2006	2007	2008	2009	2010
Base (Renters)	(n/a) %	(109) %	(86) %	(111) %	(117) %	(77) %
A 3% increase	n/a	n/a	n/a	n/a	n/a	46
A 2% increase	47	49	52	59	45	55
Would not pay any increase	55	43	48	39	50	43
Don't know/ refused	8	8	<1	2	5	2

16. As you may know, user fees are currently used to help recover the costs of providing certain City services such as permits and licenses, recreation programs, or sewer and water fees. Would you *support* or *oppose* the City charging higher user fees for these services and using the extra money to help pay for other city services?

Business	<u>1997</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	2010
	(300)	(353)	(350)	(300)	(300)	(251)
	%	%	%	%	%	%
Strongly support	32	25	24	31	26	22
Moderately support	37	43	39	42	39	45
Moderately oppose	10	11	13	10	10	14
Strongly oppose	19	17	21	14	16	16
Don't know	2	4	3	2	8	2

17. The **Board of Parks and Recreation** provides services such as parks and community services in most neighbourhoods of the City. If the Park Board has to reduce service in order to minimize property tax increases, to what extent would you support or oppose the following measures? Please use a scale from 0 to 10 where 0 means 'strongly oppose' and '10 means strongly support'.

Business	Average score	'6-10'	'5'	'0-4'	Don't know
	<u>'0-10' scale</u>	<u>Support</u>	<u>Neutral</u>	<u>Oppose</u>	
	#	%	%	%	%
a) Reduce operating hours and programs at community centres					
2010 (n=251)	4.9	39	22	40	-
b) Reduce maintenance at city parks and recreational facilities					
2010 (n=251)	5.0	34	31	35	-
c) Reduce hours and programs, but protecting low income neighbourhoods					
2010 (n=251)	5.6	48	24	28	-

18. The **Library** provides services through its central and neighbourhood branches. If the Library has to reduce service in order to minimize property tax increases, to what extent would you support or oppose the following measures? Please use a scale from 0 to 10 where 0 means 'strongly oppose' and '10 means strongly support'.

Business	Average score	'6-10'	'5'	'0-4'	Don't know
	<u>'0-10' scale</u>	<u>Support</u>	<u>Neutral</u>	<u>Oppose</u>	
	#	%	%	%	%
a) Reduce hours and levels of service across the library system					
2010 (n=251)	4.8	40	17	43	-
b) Reduce hours and levels of service in specific branches, based on levels of use and ease of access					
2010 (n=251)	6.5	67	17	16	-
c) Branch closures					
2010 (n=251)	3.6	24	19	57	-

19. Let's talk about **Public Safety** - which includes the Police and Fire Services. If public safety services need to be reduced in order to minimize property tax increases, to what extent would you support or oppose the following measures? Please use a scale from 0 to 10 where 0 means 'strongly oppose' and '10 means strongly support'.

Business	Average score <u>'0-10' scale</u> #	<u>'6-10'</u> <u>Support</u> %	<u>'5'</u> <u>Neutral</u> %	<u>'0-4'</u> <u>Oppose</u> %	<u>Don't know</u> %
a) Reduce the number of police and/or firefighting staff 2010 (n=251)	2.5	12	11	77	<1
b) Reduce fire and crime prevention education (e.g., campaigns, school activities) 2010 (n=251)	4.4	34	19	47	-
c) Reduce less urgent activities such as traffic enforcement or low-priority medical responses in order to focus on higher priorities 2010 (n=251)	5.5	52	18	30	-

21. The **Community Services Group** provides the following: planning and development, licenses and inspections, social planning and direct client support, grants to non-profit organizations, cultural planning, support of civic theatres and grants to cultural organizations. If Community Services has to reduce their services in order to minimize property tax increases, to what extent would you support or oppose the following measures? Please use a scale from 0 to 10 where 0 means 'strongly oppose' and '10 means strongly support'.

Business	Average score <u>'0-10' scale</u> #	<u>'6-10'</u> <u>Support</u> %	<u>'5'</u> <u>Neutral</u> %	<u>'0-4'</u> <u>Oppose</u> %	<u>Don't know</u> %
a) Reduce grants for non-profit community organizations (arts, culture and social services) 2010 (n=251)	5.2	44	21	35	1
b) Reduce grants as above, but protect disadvantaged groups as much as possible 2010 (n=251)	5.8	55	17	26	1
c) Reduce planning and policy work on major land use initiatives 2010 (n=251)	5.6	45	30	22	3
d) Reduce staff and simplify the processes related to permits, licenses and by-law enforcement 2010 (n=251)	7.2	71	16	12	1

22. **Public Works** manages the City's roads, water, sewers, transportation and sanitation services. If the City has to reduce these services in order to minimize potential property tax increases, to what extent would you support or oppose the following measures? Please use a scale from 0 to 10 where 0 means 'strongly oppose' and '10 means strongly support'.

Business	Average score	'6-10'	'5'	'0-4'	Don't know
	'0-10' scale #	Support %	Neutral %	Oppose %	
a) Reduce road maintenance but not affecting essential street maintenance? 2010 (n=251)	5.1	42	17	40	1
b) Reduce litter pick up 2010 (n=251)	4.3	29	25	46	-
c) Reduce street decoration and furniture and reduced support for events on city streets (Fireworks, parades, runs, etc.) 2010 (n=251)	6.1	57	24	20	-

23. Given the potential for reductions and adjustments just given, and the impact of a property tax increase, what other types of City services, if any, do you think would be acceptable to reduce?

Business	2010 (251) %
Too many city hall staff/too much duplication/too many departments	5
Reduce salaries at city hall/management salaries too high/pensions/benefits/overtime	4
Parking regulations/enforcement/speeding	3
Increase efficiency	3
Less paperwork/bureaucracy	3
Reduce infrastructure spending/new road projects/repairs/speed bumps	3
Park maintenance/beautification projects/parks board	2
PNE/fireworks/parades/Christmas decorations/event budget	2
Cut travel perks for council/entertainment expenses/perks/paid expenses/parking perks/meals	2
Reduce garbage pickup/street cleaning/user fees for garbage pickup	2
Reduce budget/spending	2
Olympics	1
Non essential by-law enforcement	1
Reduce size of road working crews	1
Contract out/privatize	1
Green initiatives/cycling lanes	1
None/don't know	76

24. When it comes right down to it, which approach would you prefer that the City take?

Business	<u>1997</u> (300) %	<u>2006</u> (353) %	<u>2007</u> (350) %	<u>2008</u> (300) %	<u>2009</u> (300) %	<u>2010</u> (251) %
Reducing City services and/or increasing fees	n/a	n/a	n/a	n/a	n/a	72
Charging people user fees on SOME City services to help cover the costs of these services	83	75	76	74	68	n/a
Raising property taxes to be able to maintain all City services	10	18	14	19	12	24
Don't know	7	8	10	8	19	4

25. Is providing input on the City's annual Budget important to you, such as you are doing with this survey?

Business	<u>2008</u> (300) %	<u>2009</u> (300) %	<u>2010</u> (251) %
Yes	87	67	85
No	12	30	15
Don't know	2	4	-

26. (City Government/non-budget questions)

27. Next, how would you like to be consulted by the City in the future. In which of the following ways would you be the most likely to participate?

You may choose more than one. RANDOMIZE & READ. Accept up to 6 responses

Business	<u>2008</u> (263) %	<u>2009</u> (217) %	<u>2010</u> (211) %
Online survey panel	-	-	65
Random telephone survey	61	45	54
City website survey where you go to their website	60	47	58
Direct mail survey which you would mail back	52	38	43
Attend public meetings or open houses	23	15	36
Provide feedback/ask questions on a web-based discussion forum/blog	-	21	43
Other	3	-	8
NONE OF ABOVE/DON'T KNOW	1	4	<1

Demographics

Business	<u>2006</u> (353) %	<u>2007</u> (350) %	<u>2008</u> (300) %	<u>2009</u> (300) %	<u>2010</u> (251) %
Gender					
Male	74	70	69	64	72
Female	27	30	31	36	28
Location of Business					
Westend/ Downtown Vancouver	33	35	74	23	34
North East	18	18	8	25	18
North West	29	20	13	27	22
South East	9	12	1	10	11
South West	11	15	5	16	16
Type of Business Own or Operate					
Professional services	42	35	26	27	21
Retail	23	32	18	21	18
Manufacturing	7	8	5	4	7
Non profit/ church	6	-	3	5	6
Restaurants/ food	5	6	14	6	11
Legal/ financial/ medical/ real estate	3	3	8	11	5
Personal services	2	2	3	4	2
Wholesale/ processing/ distribution	2	1	3	3	4
Construction/ development	2	1	1	4	4
Recreation/ tourist services	2	1	2	1	2
Auto repair/ leasing	2	1	2	1	2
Transportation	1	1	2	2	1
Social services/ care facilities	1	-	-	3	1
Tourism/ hotels	<1	2	3	<1	3
Media/ communication	-	3	2	1	3
Mining	-	1	1	2	-
Arts/ film	-	1	4	6	2
Import/ export	-	1	1	-	-
Miscellaneous	4	1	5	-	11
Position in Company					
Owner/ president/CEO	69	74	61	52	60
Senior manager	26	19	39	37	40
Department manager/ office manager	3	4	-	4	-
Director/ director of marketing etc.	1	1	-	2	-
Miscellaneous	1	3	-	4	-
Building Ownership					
Rent	77	78	81	78	78
Own	22	21	18	22	20
Don't know/ refused	1	1	1	-	2

Demographics (cont'd)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Business	(353)	(350)	(300)	(300)	(251)
	%	%	%	%	%
Assessed Value of Building					
Own (n=64)					
200 thousand dollars	n/a	n/a	n/a	n/a	11
400 thousand dollars	n/a	n/a	n/a	n/a	3
700 thousand dollars	n/a	n/a	n/a	n/a	17
900 thousand dollars	n/a	n/a	n/a	n/a	55
Don't know	n/a	n/a	n/a	n/a	14
Responsible For Paying The Property Taxes or Rent (n=181)					
Pay rent and property taxes	51	54	42	42	48
Pay rent only	47	41	54	57	46
Don't know/ refused	3	6	4	2	6
Employees Based in Vancouver					
0-4 employees	48	56	46	53	42
5-9 employees	24	20	21	17	19
10-24 employees	20	18	26	18	33
25-99 employees	7	6	5	6	5
100 or more employees	1	1	1	3	1
Don't know/refused	n/a	n/a	n/a	n/a	1
Employees Based Outside the City of Vancouver					
0-4 employees	83	84	77	81	83
5-9 employees	7	4	4	7	3
10-24 employees	5	5	12	3	6
25-99 employees	4	4	5	3	2
100 or more employees	1	2	1	2	4
Don't know/ refused	1	1	1	3	1
Number of Years Operating Business in Vancouver					
5 or less	25	29	20	17	17
6 to 19 years	43	36	44	41	46
20+ years	32	35	36	40	37
Don't know/ refused	1	-	-	3	-
Resident of the City of Vancouver					
Yes	69	67	64	62	61
No	31	33	36	36	39
Refused	<1	-	-	2	-
Language of Interview					
English	93	95	97	94	97
Cantonese	7	5	2	3	1
Mandarin	1	-	2	3	2
Company Size					
Small 0 -19 employees	92	93	91	95	93
Medium 20-99 employees	7	6	7	4	5
Large 100 or more employees	1	1	1	1	1

Appendix 3: 2010 Proposed Budget Reductions

	Department	Program	Description & Impact	FTE Impact		\$000s Amount	Mitigation Strategy
				Total FTE ¹	Net FTE ²		
1	Community Services Group	Licensing & Inspections	Reduction of managerial, clerical and inspection positions from within the following areas: <ul style="list-style-type: none"> • By-law Compliance • Inspections <ul style="list-style-type: none"> ○ Electrical ○ Plumbing & Gas ○ Building ○ Environmental Protection • Animal Control 	(19.3)	(8.0)	(1,765.3)	Reduced staffing levels to match declining construction activity requests due to the economic decline. Current processes will be reviewed and re-engineered to reduce the required number of inspections. Restructure the Animal Control division by reassignment of responsibilities among other staff within the department so as to minimize service impacts. As well service levels will be aligned to areas of priority such as public safety and animal well-being.
2	Community Services Group	Planning	Defer False Creek Flats Planning work and reduce funding for public consultations	(2.0)	(0.0)	(494.1)	Open rezoning applications for appropriate rezoning applications in the False Creek Flats and make policy adjustments as necessary as part of any rezoning; Planning consultations will be consolidated and leveraged with Corporate Communications to create economies of scale.
3	Community Services Group	Internal Admin and CSG Services Support	Reduce Development Services administration and in-house training; reduced graphics and IT support, and reduced Board of Variance Support	(8.6)	(8.6)	(760.2)	Reallocation of resources from other areas within Development Services that have capacity as a result of the economic downturn; Costs for specialized work will need to be absorbed within existing project/program budgets; Reduced demand for Board of Variance support.
Total Community Services Group				(29.9)	(16.6)	(\$3,019.6)	
4	Vancouver Fire and Rescue Services	Fire Prevention	Realign planning, fire prevention, and operational components of the dedicated fire protection system to improve utilization of fire suppression personnel	(8.0)	(6.0)	(912.3)	Process and scheduling changes, and reallocation of duties within other areas of the VF&RS divisions, including the fire suppression division, to provide capacity for firefighters to perform these functions.

	Department	Program	Description & Impact	FTE Impact		\$000s Amount	Mitigation Strategy
				Total FTE ¹	Net FTE ²		
5	Vancouver Fire and Rescue Services	Suppression Services	Reduction of one rescue unit from front line response to secondary response on a 24/7 basis	(0.0)	(0.0)	(1,179.4)	Re-distribution of existing front-line fire and rescue units. Reduction in non-emergent, low priority medical calls. Continue to monitor emergency events and response times. Positions will remain unfilled and will be reevaluated during future budget cycles.
6	Vancouver Fire and Rescue Services		Reduction in administrative and facilities support, ceremonial and celebratory event support, and other administrative costs	(4.0)	(4.0)	(586.3)	Review and prioritization of activities within specialized teams to ensure that priority service levels are maintained; evaluation of the training priorities of the Department.
Total Vancouver Fire & Rescue Services				(12.0)	(10.0)	(\$2,678.0)	

	Department	Program	Description & Impact	FTE Impact		\$000s Amount	Mitigation Strategy
				Total FTE ¹	Net FTE ²		
7	Engineering Services	Traffic and Electrical Maintenance Program Reductions	<p>Eliminate the Resident Only Parking program; reduce enforcement and removal of abandoned vehicles leaving vehicles for longer periods; reduce strategic transportation planning activities;</p> <p>Reduction in traffic and electrical area maintenance programs - appearance of street and traffic signs will diminish and burned out street lights will take longer to replace</p> <p>Reduction to the pole painting program and elimination of the Summer Annual City Banner Program. Concerns may be expressed from the arts community (\$0.4M)</p>	(8.1)	(6.6)	(1,072.3)	<p>Over time the Resident Only Parking program will be replaced with the Resident Permit Parking Program which results in an annual parking permit fee for the residents; abandoned vehicles will be dealt with on a priority basis; and arterial transit and safety improvements will developed on a priority basis at a reduced level.</p> <p>Revised planning and scheduling of traffic and electrical work will partially offset some of the impacts.</p> <p>Non-destructive testing and inspection of street poles will continue, but painting will be done on a priority basis rather than routinely; street banner programs financially supported by user groups will continue.</p>

	Department	Program	Description & Impact	FTE Impact		\$000s Amount	Mitigation Strategy
				Total FTE ¹	Net FTE ²		
8	Engineering Services	Special Events	Eliminate funding for special events (other than Remembrance Day) & maintenance of the Downtown Heritage Railway cars, which may jeopardize the viability of many of the special events, & cancel weekend railroad operations	(4.8)	(4.8)	(519.0)	Move to a user fee structure for special events; however, groups currently funded by the city generally do not have the financial resources to fund city costs.
9	Engineering Services	Cost Allocation	Services from the asphalt and aggregate plants and the materials testing facility will be performed on a full cost recovery basis, which will increase some material costs to internal projects	(0.0)	(0.0)	(100.0)	Cost allocations between capital projects and tax supported activities will be adjusted to better reflect the true cost of service.
10	Engineering Services	Development	Reduction of staffing to support rezoning and development permits will delay responses to complex rezoning and development permits and associated activities	(7.0)	(7.0)	(516.5)	Declining construction activity requests due to the economic decline will reduce the impact of this reduction in staffing in the short term.
11	Engineering Services	Parking Program	Additional parking meter revenue will be generated by additional resources used to review, adjust and implement parking meter program policies (details included in Appendix 5)	1.0	1.0	(1,967.0)	Review of parking meter program for selected parking meter rate changes to better reflect market conditions, the expansion of the metered zones and hours, and the purchase and installation of new and replacement parking meter equipment.
12	Engineering Services	Street Cleaning,	Reduction in Street Cleaning Programs:	(16.8)	(16.3)	(1,151.2)	

				FTE Impact		\$000s Amount	Mitigation Strategy
Department	Program	Description & Impact	Total FTE ¹	Net FTE ²			
	Litter pick up, & Aesthetics	Eliminate Anti-Graffiti community support programs for private property owners & support for community youth programs (\$0.3M);				Anti-Graffiti removal will continue on city property through a third-party anti-graffiti contract	
		Eliminate aesthetic maintenance of boulevards, walkways, seawalls and medians which will reduce the overall appearance of the general streetscape (\$0.4M);				Situations impacting public safety will continue to be addressed.	
		Reduction in street cleaning resulting in increased litter accumulations in high traffic areas; elimination of litter can collection in some areas on stat holidays; delayed response to abandoned garbage collection and poster removal which could result in increased accumulations (\$0.4M)				Programs will be continued at reduced levels but will become more reactive in nature. Street cleaning priorities will be increasingly driven by public input rather than proactive planning.	
Total Engineering Services			(35.7)	(33.7)	(\$5,326.0)		
13	Vancouver Public Library	Central Library	Reduction in opening hours by 3 hours per week	(7.7)	(1.5)	(419.0)	The reduction in hours to be based on usage levels - the Library Board has approved reduced hours on Thursdays.

	Department	Program	Description & Impact	FTE Impact		\$000s Amount	Mitigation Strategy
				Total FTE ¹	Net FTE ²		
14	Vancouver Public Library	Branches	Reduction in branch library operating hours at up to 14 branches (\$349K). <i>The Library Board has directed staff to report back on options for delivering the additional branch budget reduction of \$166K originally identified as coming from closing Riley Park Branch. The Board indicated that closing Riley Park remained an option but trustees wished to consider alternative service reductions before making a final decision.</i>	(12.0)	(2.5)	(515.0)	Hours at the four area branches and the recently opened branches will remain unchanged, allowing normal service levels at select branches. The hourly reduction at the 13 branches will be determined based on usage, programming and location. 2009 opening of Mount Pleasant Branch at #1 Kingsway will ensure availability of library services and programs to Riley Park library patrons.
15	Vancouver Public Library	Collections	Reduction in book, CD, DVD and database purchase levels	(0.0)	(0.0)	(180.0)	The Library will look at alternate revenue sources to supplement book budget funding.
16	Vancouver Public Library	Support and Technical Services	Reduction of temp help, staff training, public relations budgets as well as reduction in technical staffing and material contract budgets. \$0.2 million of these savings relate to decrease in Provincial grant funding \$0.22 million of these savings relate to a decrease in Provincial grant funding	(5.9)	(1.6)	(460.0) 220.0	Training and temp help resources will be allocated to specific initiatives identified through a thorough analysis of departmental needs. As well, adjustments will be made to work assignments to other staff within the department.
Total Vancouver Public Library				(25.6)	(5.6)	(\$1,354.0)	

	Department	Program	Description & Impact	FTE Impact		\$000s Amount	Mitigation Strategy
				Total FTE ¹	Net FTE ²		
17	Vancouver Police Department		Stop recruitment to allow attrition to reach 35 vacancies during 2011. This will cause the postponement of the planned implementation of the Metro Roving Units that was to improve priority 1 response times in the City. The implementation of these Units had been approved by Council from the VPD Operational Review	(0.0)	(0.0)	(1,871.0)	
18	Vancouver Police Department		Increase sworn officer secondments to outside agencies (7 positions, without backfill)	(0.0)	(0.0)	(685.0)	
Total Vancouver Police Department				(0.0)	(0.0)	(\$2,556.0)	
19	Park Board	Recreational Services	Reduction in program staff at recreation facilities. Discontinuation of the funds under the Active Communities Program banner. The Park Board will no longer provide program support staff to the Champlain Community Association, for the programs the Association provides at the Champlain Community school.	(16.8)	Up to (16.5)	(1,333.0)	The Park Board will meet with community associations and staff to determine how to best achieve reductions in recreation facilities. Reductions in programming will be determined based on usage, program type, facility and location. Funding previously provided under the Active Communities Program was initiated with the purpose of increasing the level of physical activity in Vancouver by 20% by 2010. Programming will be refocused through other resources, including community centre activities and partnerships with other agencies. Funding for some programs will be evaluated within the Vancouver Sport Strategy - Active For Life program. Park Board is working with interested parties to ensure the continuation of programs at the Community School (particularly the out-of-school program) under a new format.

	Department	Program	Description & Impact	FTE Impact		\$000s Amount	Mitigation Strategy
				Total FTE ¹	Net FTE ²		
20	Park Board	Maintenance	Reduction in building and park structure maintenance and planning support	(11.5)	(4.5)	(740.0)	Scheduling changes to building and park structure maintenance activities will reflect prioritization for risk reduction and life cycle impact.
21	Park Board	Parks Maintenance	Reduction in garbage pickup and street sweeping; reduction in aesthetic maintenance of Queen Elizabeth Park; reduction of street tree replacement (1/3 reduction from 2009 levels); re-engineer Sunset Nursery operations	(7.5)	(3.0)	(571.0)	<p>Prioritize cleaning to high use parks and facilities and develop communication strategy to help reduce garbage in parks.</p> <p>Prioritize tree work/planting and promote the Adopt a Tree program.</p> <p>Prioritize maintenance activities in Queen Elizabeth Park, including reducing plant variety, frequency of display planting and expanding naturalization of low use park areas.</p> <p>At Sunset Nursery over half the savings are attributable to the closure of Bloedel Conservatory. The nursery will continue to grow unique and specialty plants as needed, but common plants will be purchased rather than grown.</p>

	Department	Program	Description & Impact	FTE Impact		\$000s Amount	Mitigation Strategy
				Total FTE ¹	Net FTE ²		
22	Park Board	Revenue Services	Closure of subsidized revenue services: Stanley Park Farm Yard and Bloedel Conservatory at Queen Elizabeth Park	(19.0)	(4.8)	(73.0)	<p>Children's programming provided through the Stanley Park mini train attraction and groups such as the Stanley Park Ecology Society. The Park Board is committed to finding the best and most appropriate home for the animals at the Farmyard and the closure will not happen until this transition is complete.</p> <p>Bloedel is a 40 year old facility which will require significant capital funds for replacement. Reduced attendance and increasing maintenance and utility costs have resulted in the Conservatory being subsidized by about \$250,000 annually despite a budgeted loss of \$23,000. A careful process will be undertaken to examine options for the use or disposition of the building and options for the future of the birds and plants. The conservatory will remain open until March 1, 2010, after which decommissioning of the facility will occur.</p>
23	Park Board	Other	Reduction of budget for volunteer and long service recognition events and admin supplies budgets	(0.0)	(0.0)	(74.6)	<p>Events for volunteer and long service recognition will be redesigned to a more modest level. Administrative supplies will also be reduced.</p>
Total Vancouver Board of Parks and Recreation				(54.8)	Up to (28.8)	(\$2,791.6)	
24	Corporate Support		Changes to accounting cost allocations	(0.0)	(0.0)	(176.7)	Allocation of legal and IT costs to capital, projects and other funds to ensure correct allocation to tax supported activities.

	Department	Program	Description & Impact	FTE Impact		\$000s Amount	Mitigation Strategy
				Total FTE ¹	Net FTE ²		
25	Corporate Support		Reduced janitorial, facilities and real estate support	(7.0)	(7.0)	(550.1)	<p>Centralized pickup of garbage and recycling in City buildings, combined with reduced scheduling of office and washroom cleaning activities. Priority to servicing public spaces will result in more significant impacts in non public areas.</p> <p>Room set up and clean up services for special events will only be provided by auxiliary staff on a full cost recovery basis.</p> <p>Real Estate will set priorities for services requested from outside and inside clients with reduced support for the non profit portfolio.</p>
26	Corporate Support		Reduced lease expenses	(0.0)	(0.0)	(360.0)	Renegotiation of lease space and leasing arrangements to reduce costs.
27	Corporate Support		Reduction of budget for temp help, training and administrative support	(3.0)	(0.0)	(475.5)	<p>Reduce use of temporary help to, whenever possible, cover extended staff absences by prioritizing workload so that high priority items are completed by available staff;</p> <p>Increased provision of in-house training where possible - training resources will be allocated to specific initiatives identified through a thorough analysis of departmental needs;</p> <p>Reallocation of backup reception duties among other clerical and administrative staff within the department.</p>
28	Corporate Support		Reduction in City administration and protocol support	(2.5)	(2.5)	(286.7)	<p>Reduced administrative support; reduced external protocol coordination and support;</p> <p>Alignment of budget public consultation with Communication department initiatives to leverage City-wide activity and technology.</p>

	Department	Program	Description & Impact	FTE Impact		\$000s Amount	Mitigation Strategy
				Total FTE ¹	Net FTE ²		
29	Corporate Support		Process changes in IT, Legal, Financial Services, Facilities and Procurement	(6.9)	(5.0)	(621.9)	Reengineering of supply chain processes resulting in a reduction of administrative procurement activities and an increase in insurance tracking; Review and reprioritize workload in Accounting and Revenue Services so that high priority items are completed by available staff; Changes to IT client service support model to standardize support for all customers; all IT customers will be assisted via the same Help Centre general support pool; Increase in summer cooling temperature from 22 to 24 degrees to reduce utility costs in the City Hall Precinct; Hiring of vacant solicitor positions at a more junior level.
	Total Corporate Support Services			(19.4)	(14.5)	(\$2,470.9)	
	Total City-wide Adjustments			(177.4)	Up to (109.2)	(\$20,196.1)	

¹ FTE refers to temporary and regular positions

²Net FTE excludes vacant and temporary position to identify any Human Resource implications

APPENDIX 4

RECOMMENDATION

- A. THAT Council approve the following actions in order to provide a net increase to the on-street parking program and parking fine revenue of \$5,830,000 annually with an increase of \$4,400,000 expected in 2010 as reflected in the 2010 Budget Estimates:
- i. Parking meter rate changes for 2010 as detailed in Appendix 4A and 4B, and the application of all day rates and event rates at pay stations in North East False Creek, generally as detailed in Appendix 4B;
 - ii. Extension of pay parking meter hours until 10 pm, 7 days per week, effective January 1st, 2010, generally as detailed in Appendix 4B
 - iii. Repeal of the transaction or service fee charged to pay by phone customers along with other minor pay by phone fees that the city has never employed, generally as detailed in Appendix 4B;
 - iv. Customer service improvements to the pay-by-phone parking program such that the transaction fees are paid by the City at an estimated total cost of \$580,000 in 2010 and \$1,160,000 annually starting in 2011, including the forgoing of existing pay-by-phone customer service cost recoveries of \$47,900;
 - v. Communications costs for Pay-By-Phone and extension of hours of \$45,000 to be funded by increased meter revenues in 2010;
 - vi. The purchase and installation of new parking meter and pay station equipment at an estimated Capital Cost of \$550,000 in 2010 to be funded by increased meter revenues;
 - vii. An increase to the meter maintenance funding of \$102,000 in 2010 and \$130,000 annually starting in 2011 to be funded by increased meter revenues;
 - viii. An increase to coin collection funding of \$105,000 annually starting in 2010 to be funded by increased meter revenues;
 - ix. An increase in parking enforcement funding of \$372,500 annually starting in 2010 to be funded by increased meter revenues;
 - x. An increase in the parking management budget of \$102,500 annually starting in 2010 to be funded by increased meter revenues;

- xi. An increase in the annual provision for parking pay station equipment replacement of \$33,000 in 2010 and \$40,000 annually starting in 2011 to be funded by increased meter revenues;
- xii. An increase in the annual provision for parking meter equipment replacement of \$20,000 annually starting in 2010 to be funded by increased meter revenues.

FURTHER THAT the Director of Legal Services bring forward the necessary By-law, generally in accordance with Appendices 4A and 4B, to enact these changes.

FURTHER THAT Council approve the purchase of replacement parking meter equipment at an estimated cost of \$300,000 in 2010, with funds provided from the Parking Meter Replacement Fund.

All positions are subject to classification by the General Manager of Human Resource Services

- B. THAT subject to the conditions set out in Recommendation A, the existing Agreement with Verrus Mobile Technologies Inc. dated October 25, 2006 be amended as may be necessary to give effect to Recommendations A(iii) and (iv).
- C. THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendations A and B

COUNCIL POLICY

Council Policy is to use parking pricing in order to improve turnover of street parking for short-term use and to set meter rates to reflect market demand.

PURPOSE

This report recommends a comprehensive strategy of parking meter pricing, expansion of hours of operation and customer service improvements in order to better reflect market conditions for pay parking. In addition to changes to the existing meters, this report also recommends the purchase and installation of new meters and new pay stations for installation in new pay parking areas.

DISCUSSION

PARKING METER RATES

Council policy is that parking meter rates reflect market demand, and that they be set to provide short term parking for area visitors. To determine market rates, staff reviews street use and prevailing off-street parking rates. In order to provide the appropriate balance between use of street space and use of off-street space, meter prices are usually set higher than the rates in off-street lots or parkades. This reduces the long-term parking usage of the meters, typically by employees, and reduces the traffic congestion created by drivers circulating around the block looking for parking spaces.

Parking rates are reviewed on a regular basis and Appendix 4A details the changes which are proposed to take effect on April 1, 2010. The changes proposed for 2010 are predominately in areas which have high occupancy rates (greater than 85% of spots are full) combined with low or below market pricing. The recommended changes raise average meter rates by about 8.8% in 2010 from \$2.04 to \$2.22 per hour for an annual gross revenue increase of \$2.45 million with an increase of \$1.8 million expected in 2010. This increase will apply to the total revenue gained in 2009 from coins plus the pay-by-phone system.

EXTENSION OF PAY PARKING METER HOURS

The purpose of the parking meter program is to use parking pricing in order to improve the turnover of street parking for short-term use and to set meter rates to reflect market demand. Upon evaluation of the parking meter program, it was determined that there is a growing demand for parking beyond the current hours of parking meters. Parking meters are currently in effect in Vancouver from 9 am to 8 pm, 7 days a week. As a comparison to other cities, Table 1 shows the hours of operation for parking meters in other cities. It is proposed to extend the hours in Vancouver so that pay parking is in effect at meters until 10 pm.

City	Hours of Operation
Richmond	8 am to 9 pm
Burnaby	Varies by area, up to 6 am to 6 pm
Whiterock	Varies by area and season, up to 10 am to 2 am
Portland	Varies by area, up to 8 am to 10 pm
Calgary	9 am to 6 pm
Toronto	9 am to 9 pm
San Francisco	Varies by area, up to 7 am to 11 pm
Chicago	Varies by area, up to 24 hours
New York	7 am to 7 pm
Seattle	8 am to 6 pm

An extension of hours as proposed would provide an increased level of service and availability of parking to those businesses that are open beyond 8 pm. Currently, it is free to park on the street after 8 pm which provides no incentive for turnover of parking spaces. Free parking

also removes some of the incentive to choose a transportation mode other than driving. While an employee or resident may choose to leave their vehicle in one spot for the entire evening, they may not make the same choice if the parking comes at a cost. In addition, parking that is provided off-street (parkades or parking lots) is provided for a fee, yet most off-street parking lots are not as convenient as parking on-street. Providing an extension of pay parking in the commercial areas of Vancouver that have parking meters will increase the availability of parking for those visiting businesses, restaurants, theatres and other commercial areas.

In order to address the concerns related to an extension of meter hours, it is proposed that 2 service improvements be made through the pay-by-phone system. The first improvement, discussed more fully in the following section, is the recommendation that proposes to waive the transaction fee charged to users who use pay-by-phone. This will alleviate the necessity to pay for parking by carrying coins at night and will eliminate the disparity in costs to users between coin transactions and pay by phone transactions. The second improvement is that we will allow users to pay for up to 4 hours of parking after 6 pm through the pay-by-phone system. This addresses the changing needs of parking meter users at night who are often parked at a meter while at an entertainment venue or restaurant, and would not be able to return to their vehicles to pay for additional parking.

In addition to the system wide improvements provided by pay-by-phone, staff will also be extending the time limits at meters (for coin payments) that are in high use areas during the evening. The current time limit at meters is 2 hours, with a 3 hour limit provided in some, limited, areas. Staff will look to further expand the 3 hour zones while balancing the needs of the individual commercial areas. While the extension of time limits in this manner may appear to contradict the goal of providing turnover, it is parking pricing which provides the primary incentive for turnover.

With the extension of meter hours proposed, there will also be a need for the expansion of support services. It is proposed to add new parking enforcement officers as well as a customer service representative, maintenance technician and coin collectors. However, there will also be additional revenue generated from the associated ticket revenue.

Extension of pay parking hours is consistent with the Council policy related to on-street parking. Extension of hours as proposed in this report will increase gross annual revenue by \$3,100,000 annually starting in 2010, including meter revenue and parking fines. In order to accomplish this extension, there will also be a corresponding annual increased in expenses of \$515,000.

In order to move forward with this change and explain some of the related customer service improvements described above, it is recommended that council approve a communications plan. This plan is estimated to cost \$45,000.

CUSTOMER SERVICE IMPROVEMENTS (Payment of the pay-by-phone transaction fee)

The City currently offers a pay-by-phone service as way to pay for time at parking meters. This service allows customers to use their cell phone and credit card to pay for parking instead of using coins. Pay-by-phone has many benefits to the customer including:

- The convenience of not having to carry coins
- The convenience of adding time to the parking meter without going back to your vehicle
- The ability to ask for a reminder text message prior to your time expiring
- The ability to set up corporate accounts for multiple users under one credit card
- The ability to get receipts and track usage on-line

When the service was implemented in 2006, it was intended to be cost neutral and therefore it was decided that the City would charge customers a transaction fee of \$0.30 to cover the costs of credit card charges and customer service and to pay the vendor, Verrus, to deliver the service. Since that time, the use of pay-by-phone has grown to include over 1 million transactions annually and accounts for 11% of total meter revenues. However, staff project the relative percentage of pay by phone transactions vs coin transactions would increase significantly (to approximately 2-3 million annually) if the transaction fee is eliminated. In a recent customer survey commissioned by Verrus, 81% of customers said that they would use pay-by-phone more often if the transaction fee were waived.

With the increased rates proposed in this report, together with the extension of hours into the evening, it is recommended that the City increase customer service by paying the costs related to pay-by-phone transactions. This benefits not only the customer but provides significant benefits to the City of Vancouver. To the customer, the disparity in transaction charges is eliminated, as is the number 1 reason for not using the system.

For the City of Vancouver, increasing pay-by-phone usage is expected to increase gross revenues. The average transaction amount from pay-by-phone is higher than for coin payments. In addition, when a transaction is paid for through pay-by-phone and the user vacates a space before their expired time, that time is unable to be used by the next person parking in that spot. This is because the time that is paid for is not shown on the parking meter. Currently, if a coin payment is made and the user leaves the space early, the next user gets credit for the time remaining on the meter.

In addition to the above benefits, increasing the usage of pay by phone will avoid future costs related to coin transactions that the City of Vancouver currently absorbs. Costs associated with collecting, counting and securing coins, which are already built into the city's operating budget, can be avoided for every transaction that is made by pay-by-phone. The current cost of these activities is about \$0.14 per transaction. Unfortunately, the budget for these activities keeps increasing because the amount and weight of coins that are processed is also increasing. Making it easier for the public to switch to electronic transactions through pay-by-phone has the possibility of eventually avoiding the growth in coin transactions that would normally be expected. Converting more payments to electronic, credit card payments will also decrease the security risk of loss due to theft that the City may face with increased coin transactions.

In order to quantify the expected growth in pay-by-phone, the City worked closely with Verrus to evaluate customer surveys as well as experience in other jurisdictions. The \$0.30 transaction fee that is currently paid by customers is broken down as follows:

- \$0.10 credit card processing fee;
- \$0.038 customer service fee for City of Vancouver staff to support pay-by-phone; and
- \$0.162 convenience fee paid to Verrus for providing the pay-by-phone service.

In recognition of Verrus' commitment to meeting the goals of their business plan, Verrus has agreed to reduce the convenience fee charged to the City by 6% to \$0.152 and to pass on direct charges related to credit card processing rather than charging a flat rate. As part of this initiative Verrus has further agreed to undertake configuration of their system to allow a variable pricing structure, should Council request this in the future as part of an initiative for motorcycle and scooter parking.

Overall, it is expected that the payment of the transaction costs will cost the City \$580,000 in 2010, ramping up to approximately \$1,160,000 in 2011 when usage increases. This includes the lost customer service cost recovery of \$47,900. The increased costs will be offset partially by increased gross revenues that are expected as a result of the increased average payments that are made through the pay-by-phone system. Overall, the net cost of this service improvement is expected to be \$380,000 in 2010 and \$760,000 annually. Although this is a cost to the City, it provides an important customer service benefit and it will be offset by the other increases to the on-street parking meter program as proposed in this report.

NEW METER INSTALLATIONS AND EQUIPMENT PURCHASE

The parking meter program is a large City business unit and attention is needed to ensure it provides good service and value for the general public and business community. Revenues have increased in recent years due to expansion of metered zones and approved rate changes. It is recommended that additional meter equipment be purchased at this time in order to install meters in new areas and to replace some older meters which are at the end of their life.

New parking meters are only installed in parking meter zones as approved by Council. The areas approved are generally in commercial areas where there is a relatively high demand for short term on-street parking. The new meters being proposed in 2010 are in areas and on blocks that are adjacent to existing parking meters and are primarily downtown.

It is estimated that approximately 150 new meters and 20 new pay stations will be installed in 2010. This will be funded from the increased revenues derived from the new meters as well as the rate changes proposed for 2010 (explained above). With the purchase and installation of new equipment, there is a need to increase the annual budget for maintaining the meters and to the provision for future parking meter replacement.

PURCHASE AND INSTALLATION OF NEW PARKING PAY STATIONS

In addition to single space meters that are traditionally used for on-street parking, it is proposed that a portion of the funds for new meters be spent on multi-space parking pay stations. These pay stations will be installed in an area around the GM and BC Place (see the area called North East False Creek in Appendix 4B, pages 2 and 3). The new pay stations will be similar to those being installed on Granville Street as they will offer "pay by license plate" technology. The benefit of using these machines is that they offer more payment methods, they allow more vehicles to use the space and they will allow the City to set variable pricing. In the case of the area around GM and BC Place, it is proposed to set rates for "event" times as well as setting a "jump" rate for users who want to park all day.

Event rates as well as all day rates have yet to be used by the City of Vancouver as method of parking pricing. Up until now, the areas of pay parking have been focussed around commercial and business areas that require short term parking. However, there are other areas of the City where parking is very busy yet there is an absence of commercial activity. The area proposed to implement the all day rate is an area that is predominantly used by commuters looking for a free spot to park all day. There is little impact in this area from parking all day, yet providing it for free is not consistent with the City's pricing policy or with the City's Sustainability principles which encourage alternate modes of transportation. When comparing this area to the market demand for parking, it is also notable that the off-street parking in this area is subject to "event" rates which are higher during events at either of the stadiums.

In order to meet the market demand, it is proposed that the area of North East False Creek shown in Appendix 4B have a normal rate of \$1.50 or \$2 per hour with an all day rate of \$9 and supplemented by an event rate of \$5 per hour.

CONSULTATIONS

Businesses were consulted about the changes proposed in this report through the representation of their respective Business Improvement Associations (BIA's). Each affected BIA was contacted by phone and by e-mail and asked for comments and questions about the proposed changes. Of those that responded, the majority of BIA's are accepting of both the rate changes and extended parking meter hours recognizing the role that parking meters play in providing parking turnover for their customers. They understood the need for rate increases and also agreed that there is a market demand for parking after 8pm. In addition, many of them were enthusiastic about the proposal to waive the pay-by-phone transaction fee.

In addition to those BIA's who are accepting of the proposed changes, there are 2 other BIA's that expressed objection to, or alternative options for, expansion of the parking meter program. The West Broadway BIA feels that extending the hours of parking meters will be an increased cost to the residents and customers that shop, eat and go to the theatre after 8 PM. They feel that customers will instead go to other areas in the City. In contrast to this, the Downtown Vancouver Business Association (DVBIA) supports both the rate increases and the extension of hours but feels that the proposal does not go far enough. The DVBIA would like to see hours extended to start at 8 am, instead of 9 am. While the demand and supply of parking varies throughout the City, staff feel that the hours of pay parking should be consistent and not vary by area. However, parking pricing does vary throughout the City since this has been an effective tool for managing varying levels of demand. While an increase of pay parking hours will increase the overall cost of parking for those that park on the street, it is hoped that the customer service improvements will mitigate those impacts.

PERSONNEL IMPLICATIONSIn order to implement all of the changes proposed in this report (increased meter rates, extension of pay parking hours, increase of pay-by-phone and expanded meter areas), it is proposed to add 11 FTE positions to the on-street parking program. The breakdown of these positions is as follows:

- 1 new technician to provide additional meter maintenance to new meters as well as cover the additional hours that meters are in service;
- 2 new coin collectors to accommodate the increase in coins due to new revenue from parking meter hour extensions and rate increases;
- 6 new parking enforcement officers to patrol parking meters until 10 pm;
- 1 new customer service representative to take calls regarding meters and pay-by-phone; and
- 1 new engineering assistant to provide data on parking occupancy and rate elasticity.

All of these positions are anticipated to be in the CUPE 15 bargaining unit and are subject to classification by the General Manager of Human Resource Services

FINANCIAL IMPLICATIONSThe parking meter program provides significant revenues to the City, totalling approximately \$30,000,000 in 2009

The proposed parking meter rate increase, together with the night hour extension and new meters is expected to generate an additional \$5,510,000 in parking meter revenue in 2010. There will also be an increase to the parking fines budget of \$800,000. Because these revenue increases are being implemented part way through 2010, there will be an additional increase to meter revenues in 2011 to account for a full year of rate increases and new meters. These revenue increases (meters and fines), together with the increases in equipment, operating and pay-by-phone costs, will result in a net revenue increase to the city of \$4,400,000 in 2010 and an ongoing net revenue increase thereafter of \$5,830,000. These increases are applied to 2009 revenues and will be an increase to the total revenue gained from a combination of coin collection and the pay-by-phone system. A summary of the financial impact on the operating budget is summarized in Table 1 below.

Table 1 - Financial Impact on the Operating Budget from Proposed changes to Meter program

	2010	annual impact
Revenue from Rate Increases	\$ 1,800,000	\$ 2,450,000
Revenue from extension of night hours	\$ 3,100,000	\$ 3,100,000
Revenue from New Installations	\$ 410,000	\$ 1,010,000
Revenue from Increased PBP	\$ 200,000	\$ 400,000
Fine revenue	\$ 800,000	\$ 800,000
Forgone Pay by Phone Customer Service Cost Recoveries	\$ (47,900)	\$ (47,900)
Communications costs	\$ (45,000)	-
Pay by Phone Transaction costs	\$ (532,100)	\$ (1,112,100)
Additional PEO staff	\$ (372,500)	\$ (372,500)
Increased maintenance Costs	\$ (102,000)	\$ (130,000)
Increased Parking Management Costs	\$ (102,500)	\$ (102,500)
Increased coin collection	\$ (105,000)	\$ (105,000)
Meter Cost	\$ (200,000)	-
Pay Station cost	\$ (350,000)	-
Provision for Future Meter Replacement*	\$ (20,000)	\$ (20,000)
Provision for Future Pay Station Replacement*	\$ (33,000)	\$ (40,000)
Net Revenue Increase	\$ 4,400,000	\$ 5,830,000

*This provision ensures that there is a contribution to the Parking Meter Replacement Fund such that the new parking meters and pay stations can be replaced at the end of their service life.

New parking meter equipment is also required to replace old equipment. In the next year, \$300,000 worth of equipment needs to be replaced. Funds for this purchase are available from the Parking Meter Replacement Fund.

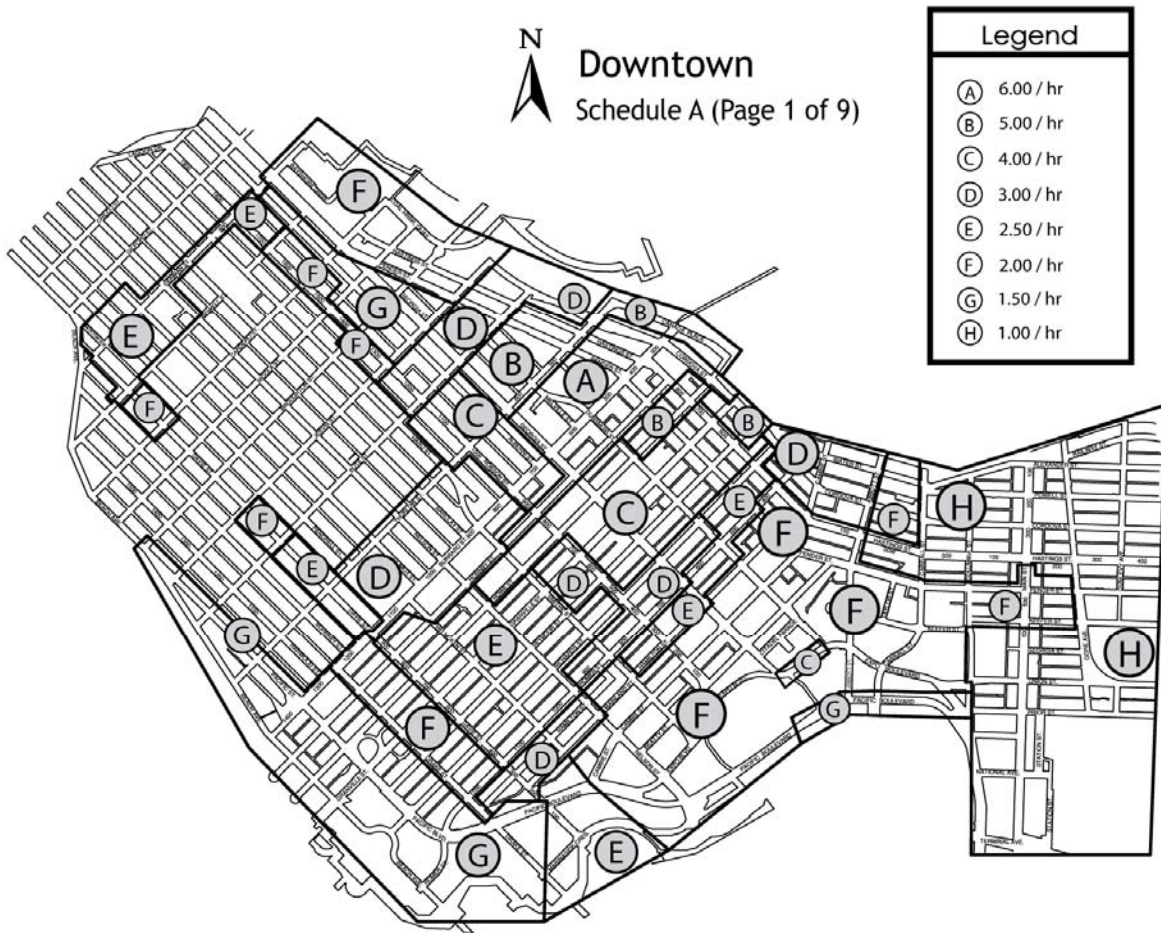
APPENDIX 4(A)

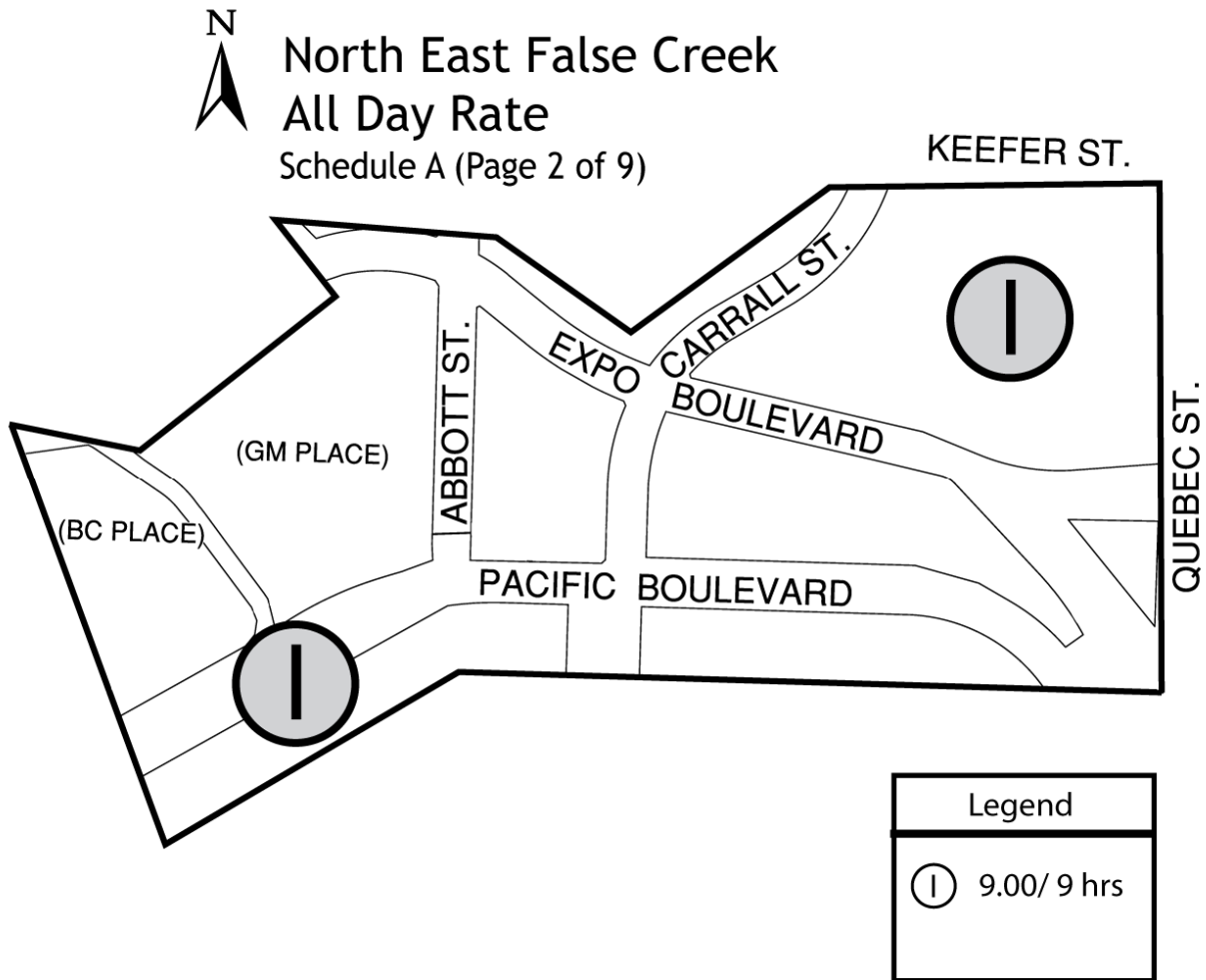
		Existing Rate	Proposed Rate	Last increase
Downtown				
	Central Core CBD	\$2.00	\$2.50	2007
		\$3.00	\$4.00	2004
		\$4.00	no change	2007
		\$5.00	\$6.00	2005
	Downtown South	\$1.50/\$2.00	\$2.00/2.50	2007
	Downtown Stadium	\$2.00	\$2.50	2007
	Robson Street	\$2.00	\$2.50	2005
	Coal Harbour	\$1.50	\$2.00	2002
	Denman Street	\$2.00	\$2.50	2005
	Davie Street	\$2.00	\$2.50	2005
	Gastown	\$1.00,2.00	\$3.00	2005
	Chinatown	\$1.00/1.50/2.00	no change	2009
	Yaletown	\$2.50	\$3.00	2005
Central Broadway				
	Broadway Mt Pleasant	\$1.50	no change	2009
	VGH	\$2.50	no change	2009
	West Broadway/Kits	\$1.00	no change	2009
	South Granville	\$1.50	no change	2008
	Burrard Slopes	\$1.00	no change	2008
Main Street				
	Uptown/King Ed	\$1.00	no change	2009
	1 Kingsway	\$1.00	no change	2009
Cambie Street				
	Crossroads	\$2.00	no change	2009
	Cambie Village	\$1.00	no change	2001
Kerrisdale				
	West 41st/Blvd	\$1.00/\$1.50	no change	2009
Kitsilano				
	1st Ave	\$1.50	no change	2006
	West 4th Ave	\$1.00	no change	2009
	Yew/Cornwall Street	\$1.00	no change	2009
Commercial Dr				
		\$1.00	no change	2009

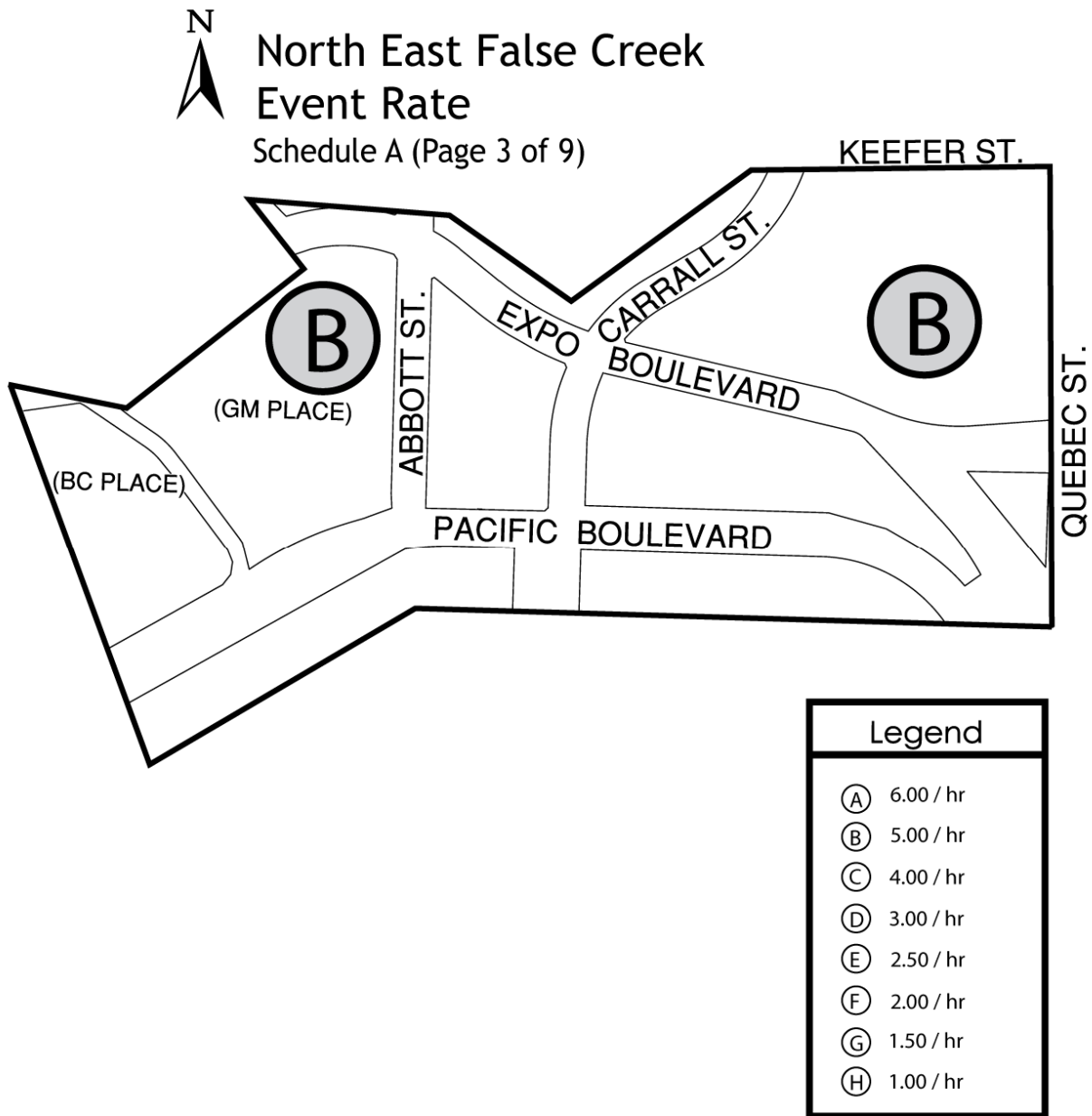
APPENDIX 4 (B)

Proposed Parking Meter By-Law changes

- 1) **Pay By Phone**
Under section 3A, the City will no longer will be charging the customer a \$.30 service charge. All reference to Schedule B should also be removed.
- 2) **Exemptions**
Under section 6(3), change to 10:00 pm and 9:00 am.
- 3) **Delete Schedule B** as the transaction service charge no longer applies, and as the city has never implemented the other minor charges set out in Schedule B.
- 4) **Add a definition for "Event Rate for Parking"**, at pay stations in North East False Creek, and give the City Engineer the duty to determine to what events the event rate should apply, and to set times at which the event rate for parking shall be in effect. The event rate should over-ride any other pricing available in North East False Creek.
- 5) **Add a definition for "All Day Rate"** that applies the all day rate to be in effect from 9 am to 6 pm at pay stations in North East False Creek.



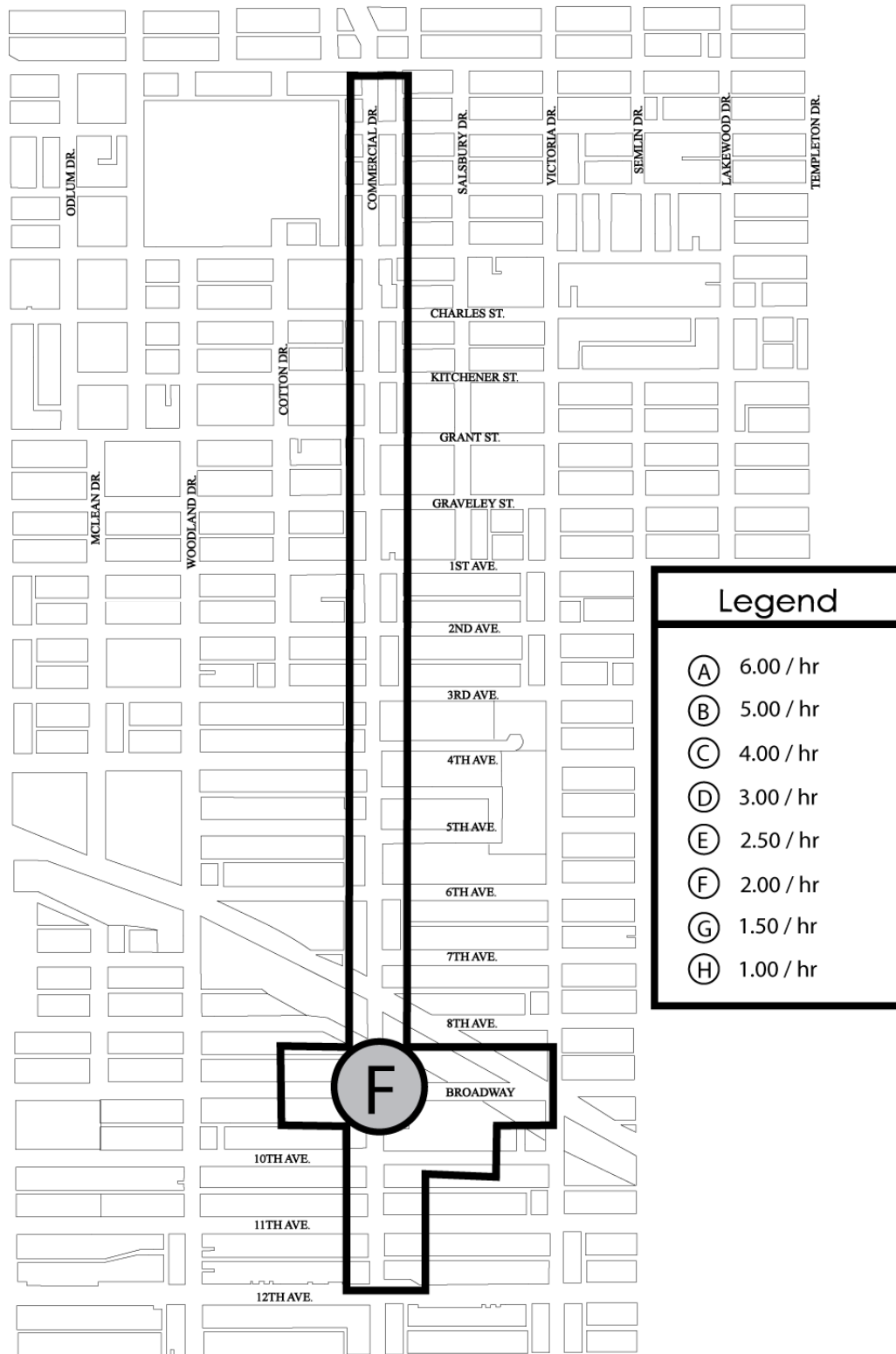






Commercial Drive

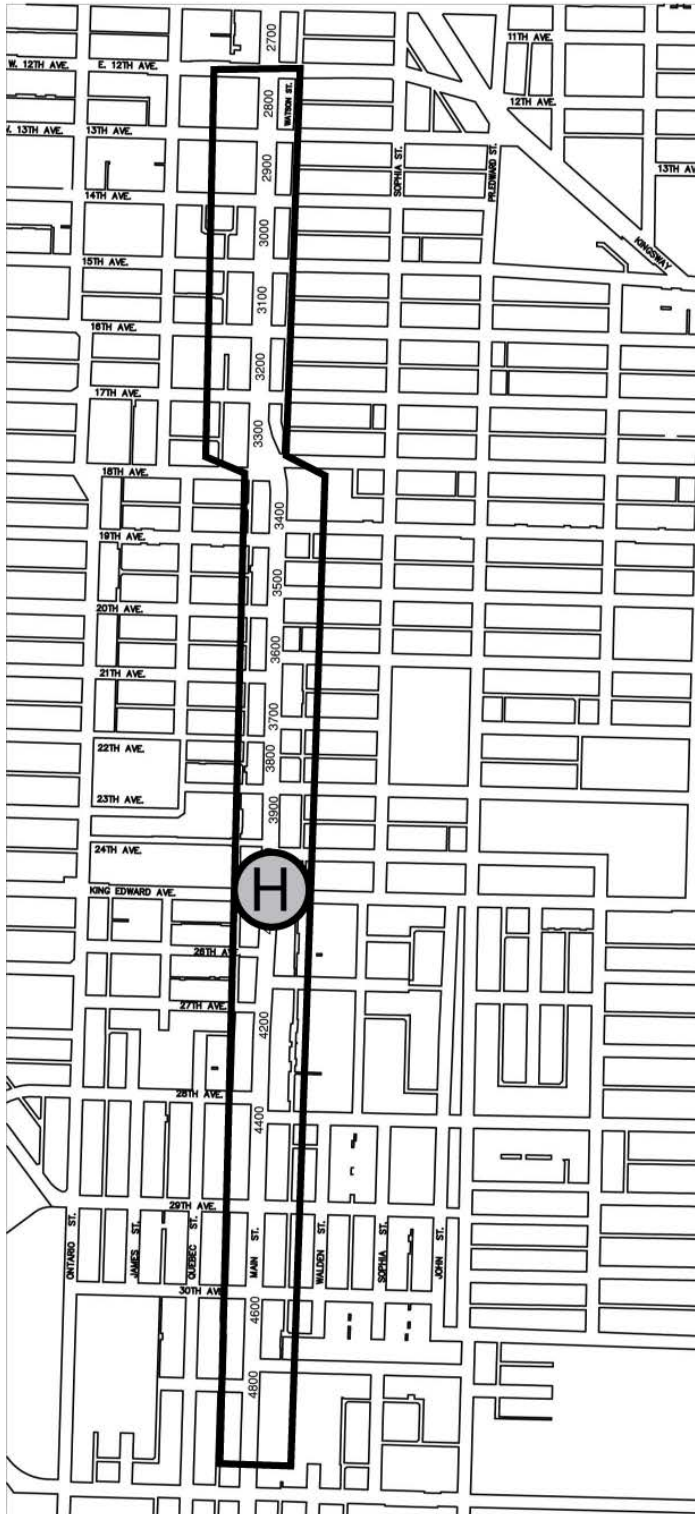
Schedule A (Page 4 of 9)






Main Street

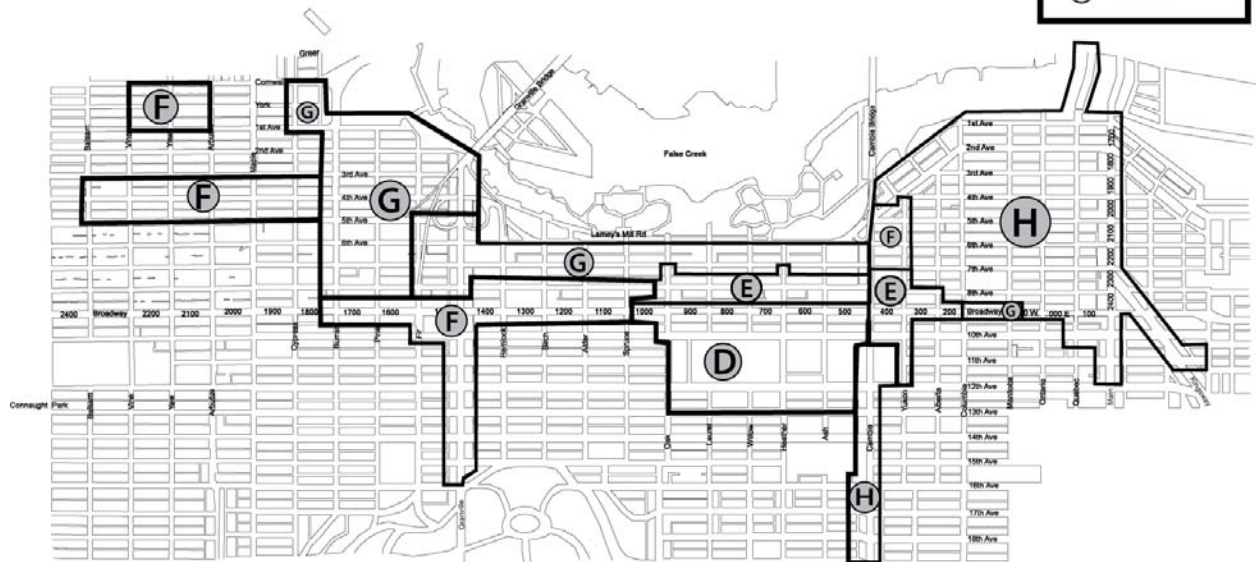
Schedule A (Page 5 of 9)



Legend	
Ⓐ	6.00 / hr
Ⓑ	5.00 / hr
Ⓒ	4.00 / hr
Ⓓ	3.00 / hr
Ⓔ	2.50 / hr
Ⓕ	2.00 / hr
Ⓖ	1.50 / hr
Ⓗ	1.00 / hr

N
 **Broadway Corridor**
 Schedule A (Page 6 of 9)

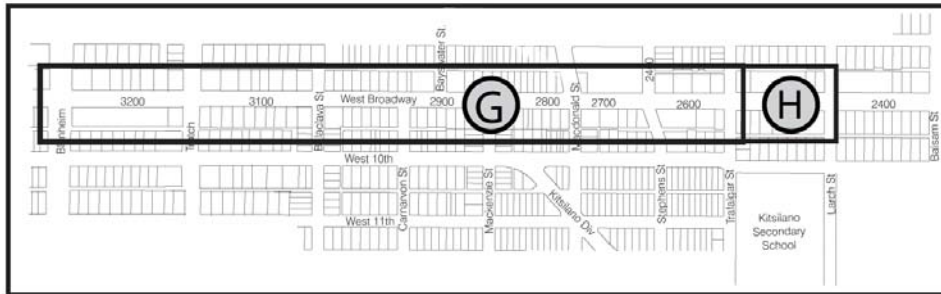
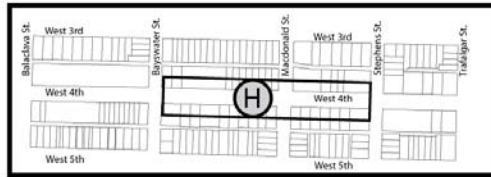
Legend	
(A)	6.00 / hr
(B)	5.00 / hr
(C)	4.00 / hr
(D)	3.00 / hr
(E)	2.50 / hr
(F)	2.00 / hr
(G)	1.50 / hr
(H)	1.00 / hr



N

West Kitsilano
 Schedule A (Page 7 of 9)

Legend	
(A)	6.00 / hr
(B)	5.00 / hr
(C)	4.00 / hr
(D)	3.00 / hr
(E)	2.50 / hr
(F)	2.00 / hr
(G)	1.50 / hr
(H)	1.00 / hr





West Point Grey

Schedule A (Page 8 of 9)

Legend	
(A)	6.00 / hr
(B)	5.00 / hr
(C)	4.00 / hr
(D)	3.00 / hr
(E)	2.50 / hr
(F)	2.00 / hr
(G)	1.50 / hr
(H)	1.00 / hr



Kerrisdale
Schedule A (Page 9 of 9)

