

2014 BUDGET

Council Meeting
December 10





- A. Overview**
- B. Public Engagement**
- C. Capital Budget**
- D. Operating Budget**
- E. Service Plan Highlights**



A. Overview





PwC Best Practices Review – 2012



1. Linking Budget to Strategy
2. Enhancing Public Consultation Process over a 3-year cycle
3. Providing Appropriate Level Relevant Budget Information
4. Streamlining the Budget Process

2014 Budget Enhancements:

1. Enhanced Service Metrics and Summary of Metrics
2. Operating Budget Detail
3. Budget in Brief Summary



The 2014 Capital and Operating Budget focuses on:

- 1. Sustaining valued services**
- 2. Making progress on priorities**
- 3. Aligning property tax and fee increases with projected inflation**



Financial Sustainability Guiding Principles

These principles, combined with a long-term view of our overall financial planning, will be the platform on which the 2013 and future budgets are built.

Fiscal Prudence

- live within our means
- consider long-term implications in all decisions
- maintain a stable and predictable revenue stream
- keep debt at a manageable level
- build in flexibility and contingencies for emerging priorities and opportunities

Affordability and Cost Effectiveness

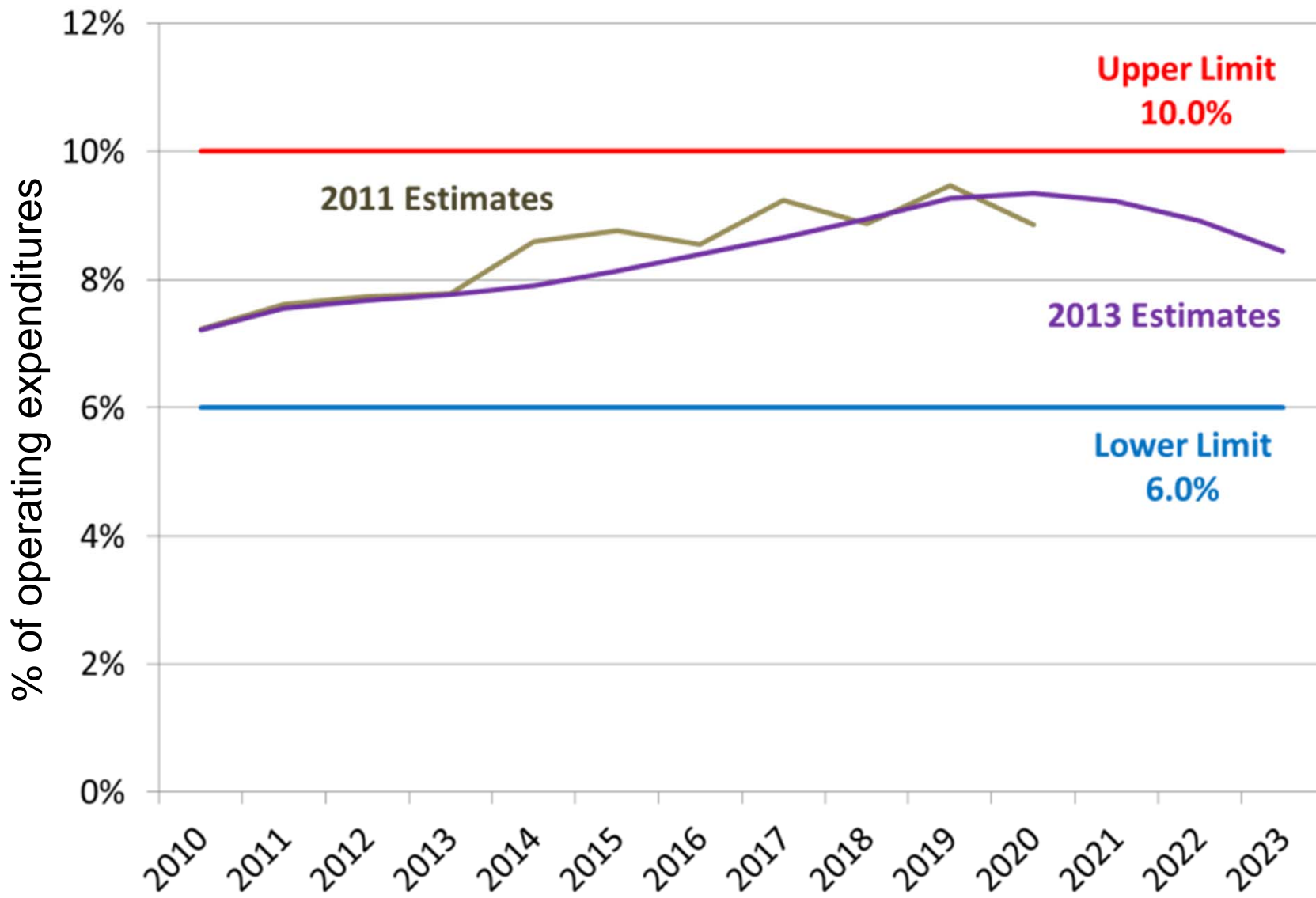
- deliver services that are relevant and result in desired public outcomes
- ensure value for money through productivity and innovation
- keep property tax and fees affordable (in line with inflation)

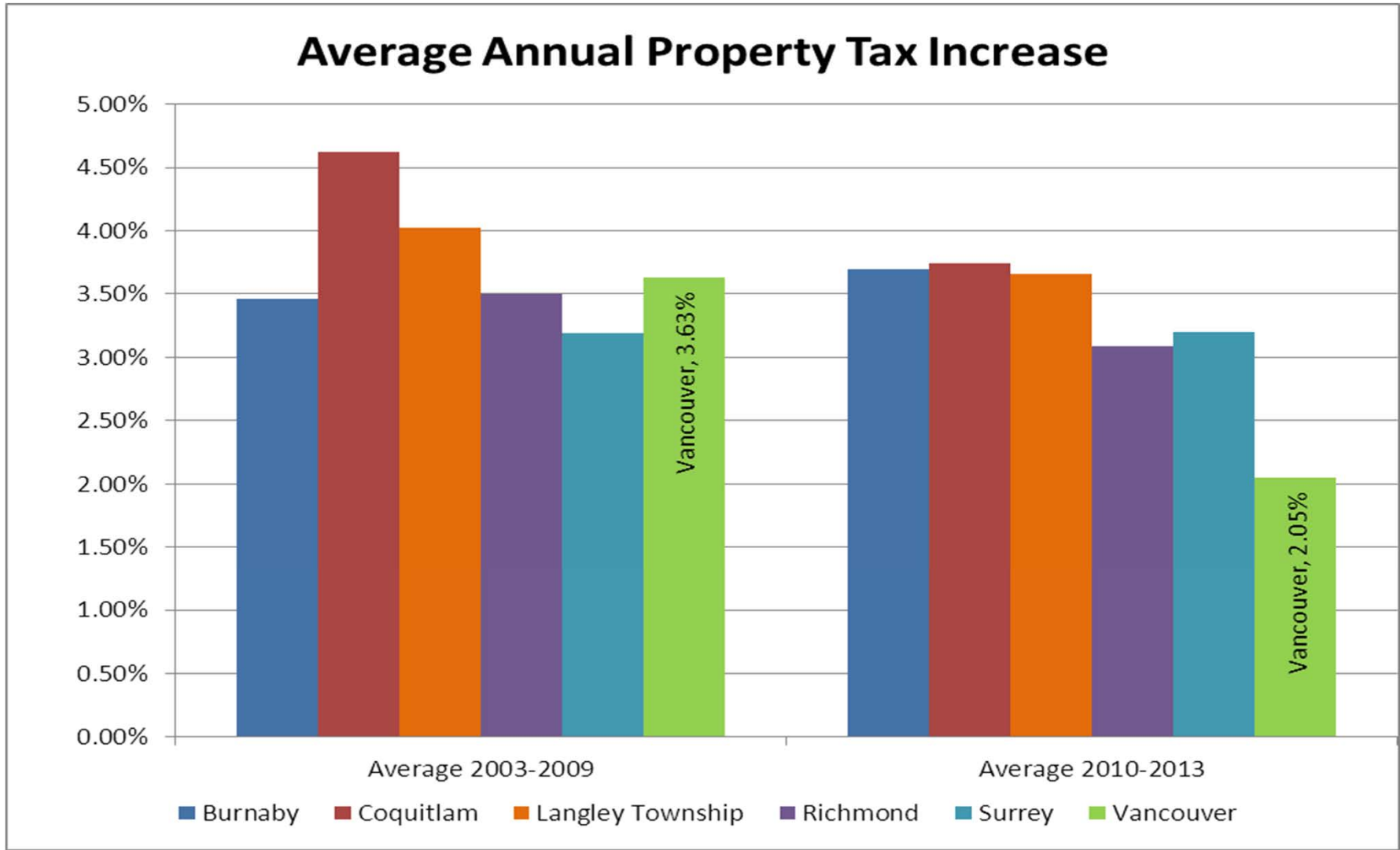
Asset Management

- maintain assets in a state of good repair
 - optimize capital investments to meet public and economic needs while achieving value for the investment
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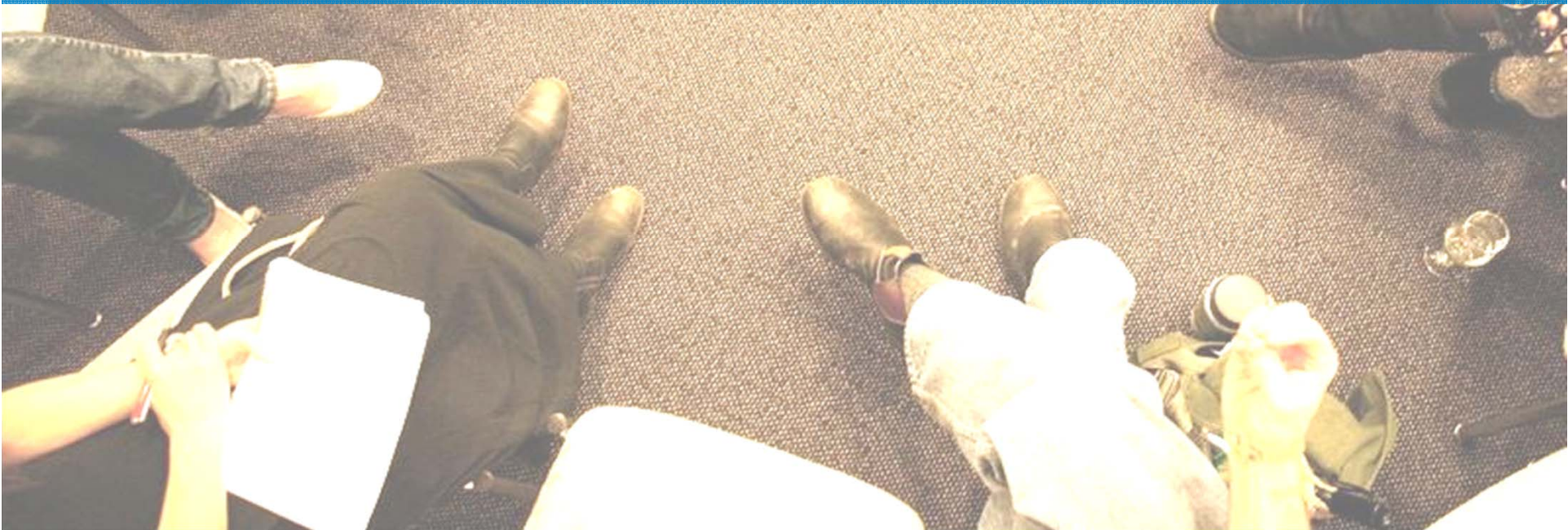
Tax-supported Debt-servicing Charges (Principle + Interest)





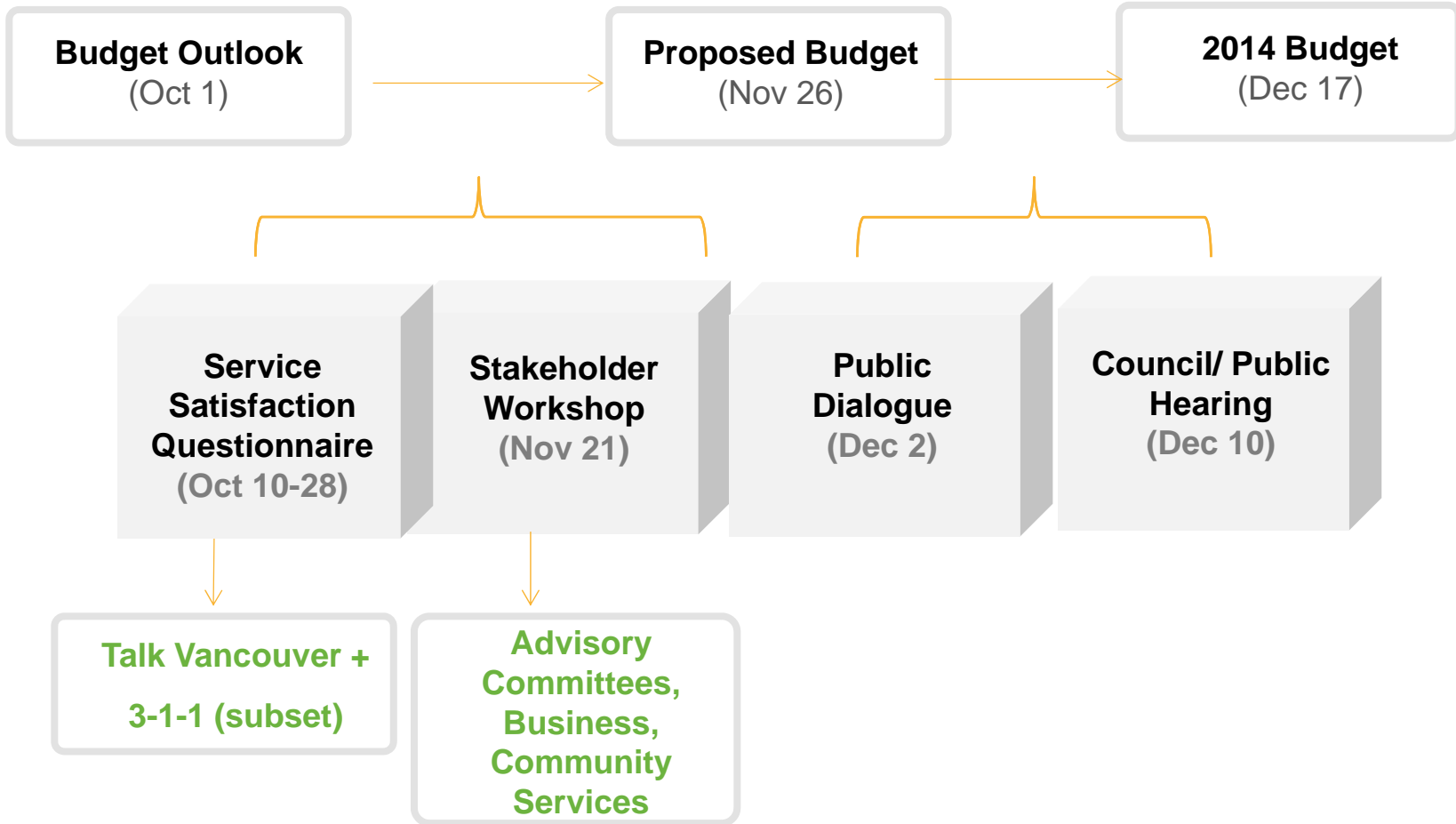


B. Public Engagement





2014 Budget Engagement Process

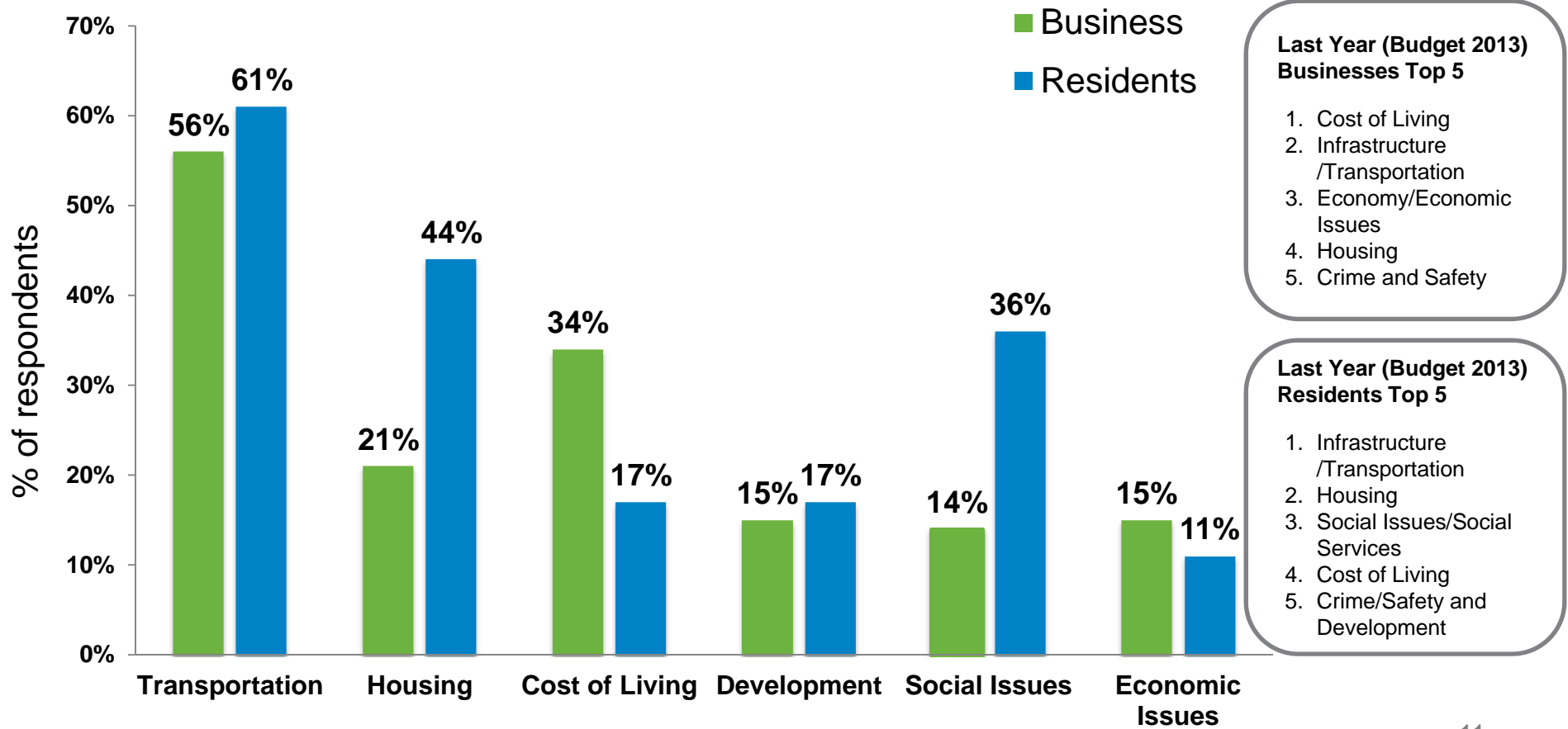




Survey Results - Most Important Issues

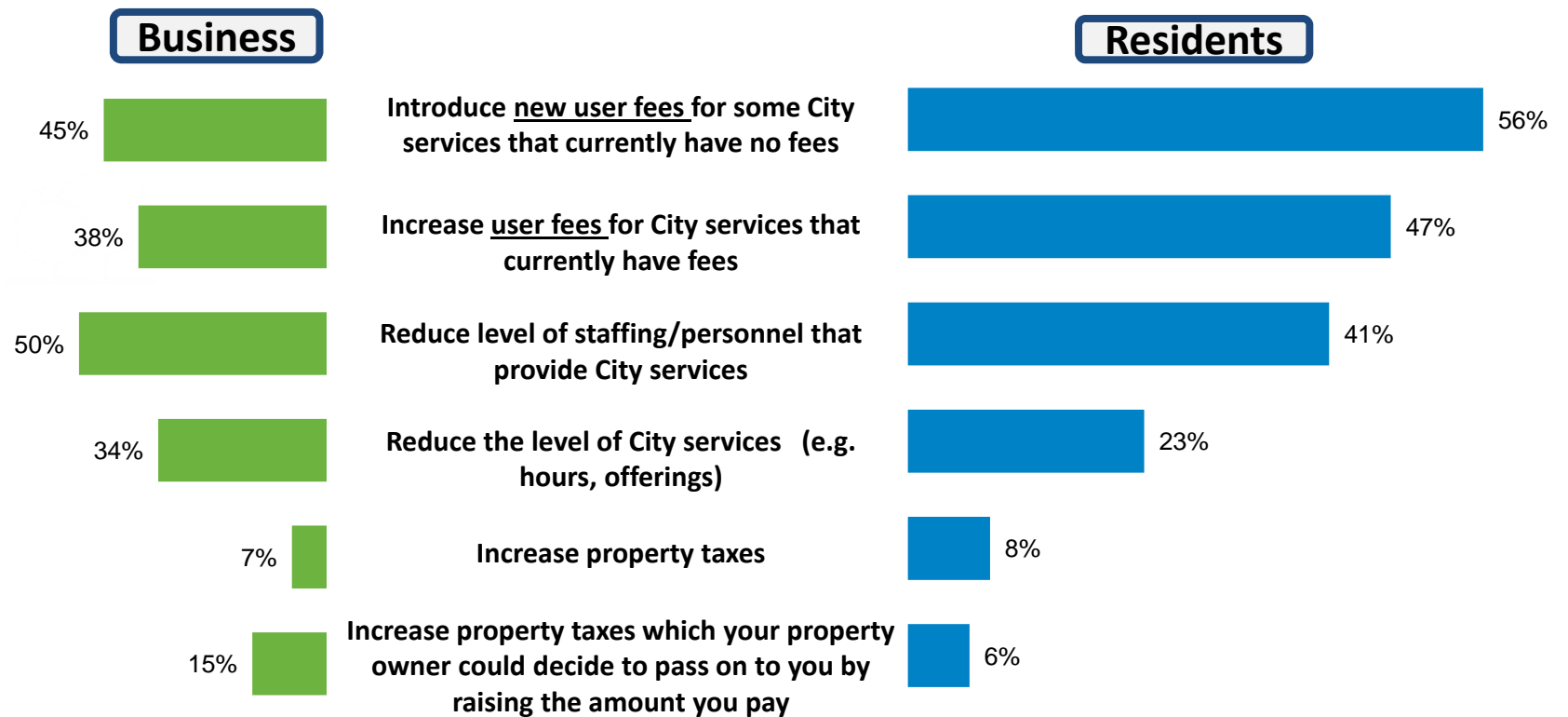


- Among Residents (989 respondents) and Businesses, (404 respondents) **4 of their Top 5 concerns are the same.**





Preferred Options for Balancing the City Budget

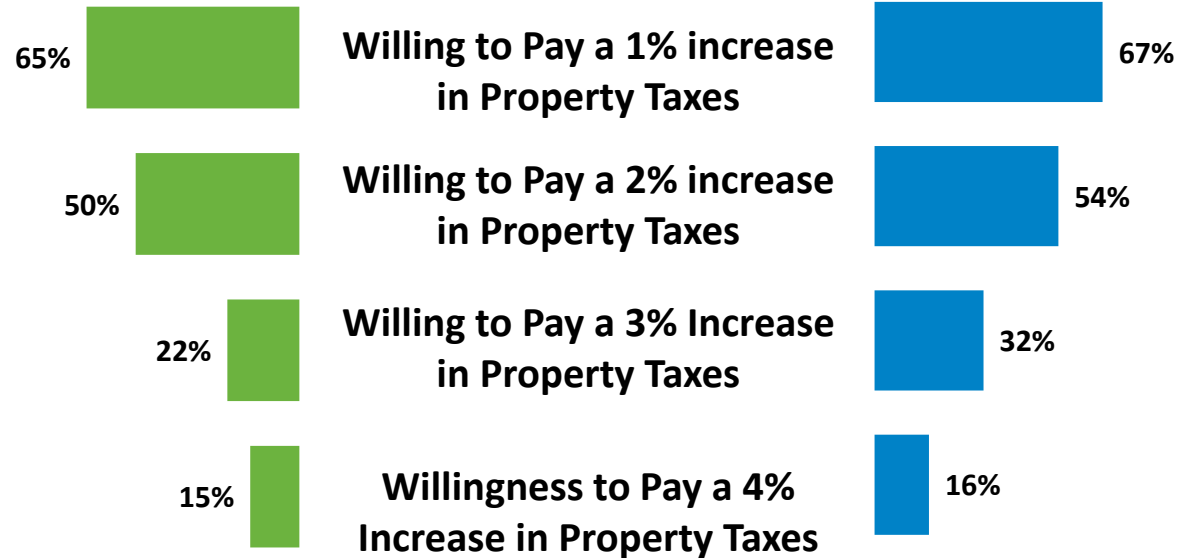




Willingness to Pay an Increase on Property Tax

Business

Residents





Participants

Representatives from:

- ✓ Active Transportation Policy Council
- ✓ LGBTQ Advisory Committee
- ✓ Women's Advisory Committee
- ✓ Arts & Culture Policy Council
- ✓ Engaged City Task Force
- ✓ Gastown Business Improvement Society
- ✓ Vancouver School Board
- ✓ SFU

What did we hear?

- Agreement with priorities – also consider local business vibrancy, long term planning, regional cooperation.
- Core business of water and sewer infrastructure is important
- While Fire and Police services are critical, more emphasis on direct impacting and preventative services like daycare, housing, healthy social interaction.
- The public can contribute the most by steering priorities that guide the budget, rather than the budget directly



C. Capital Budget

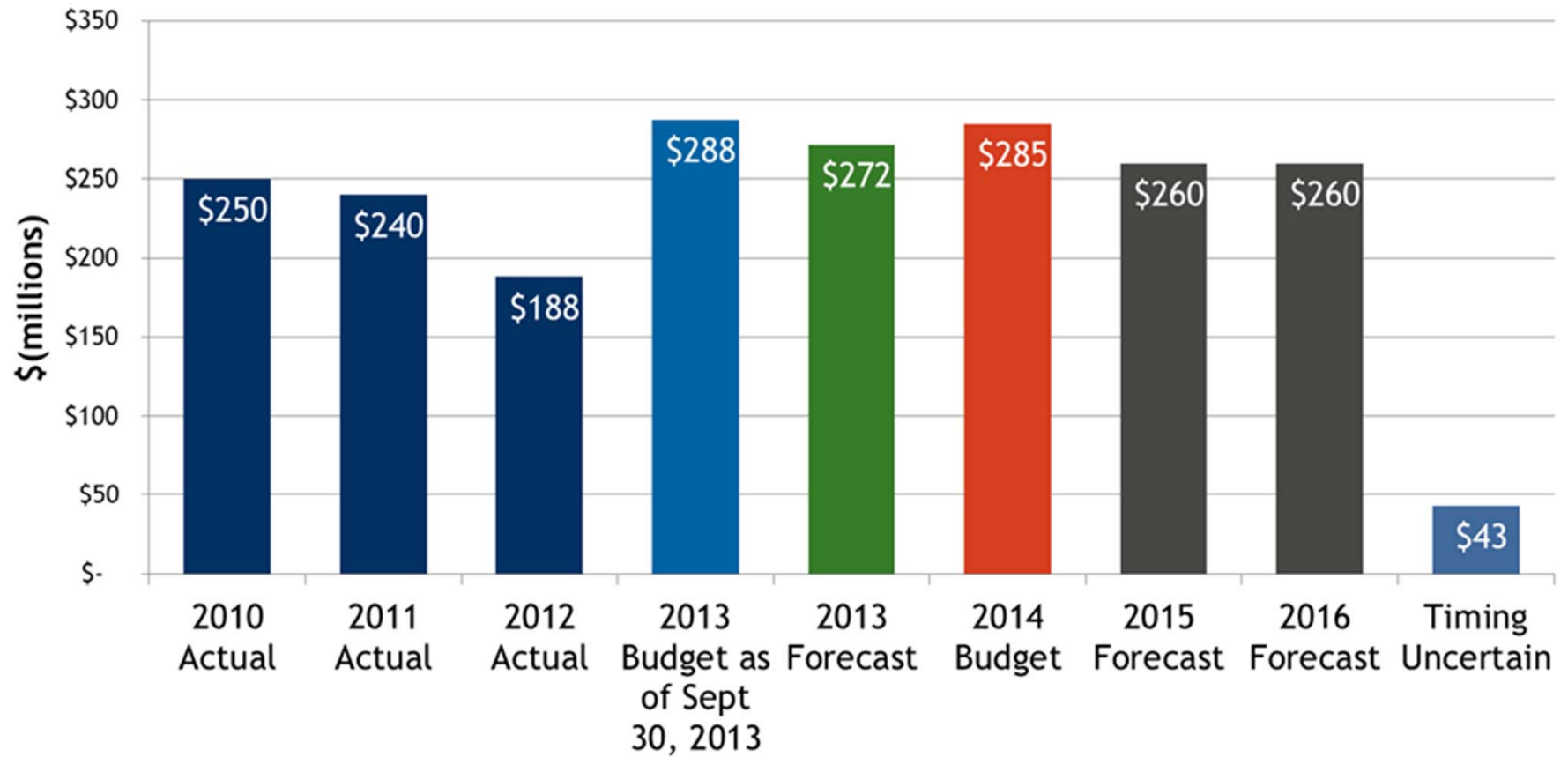




Capital Expenditure Trend



2014 Capital Budget - Expenditure Trend

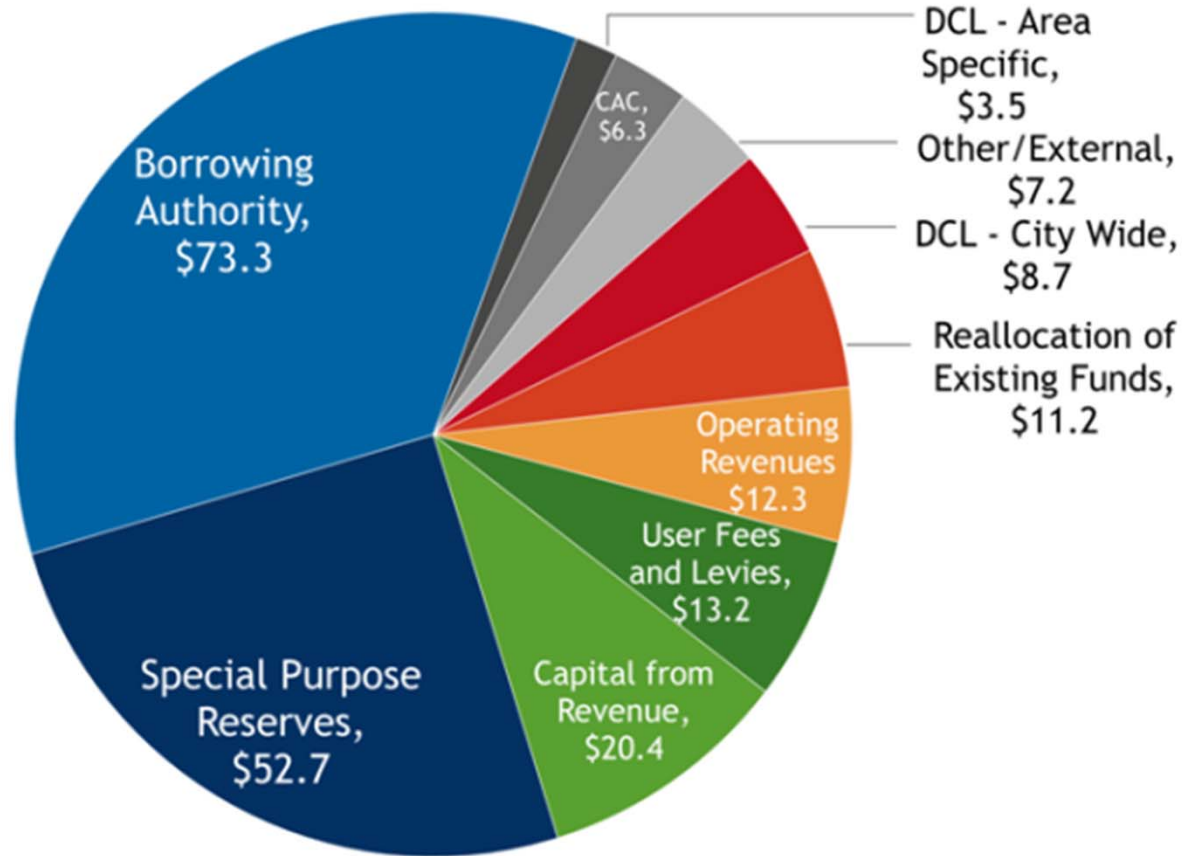




New Capital Projects - \$209 M



New Capital Projects Funding Sources - \$209 M



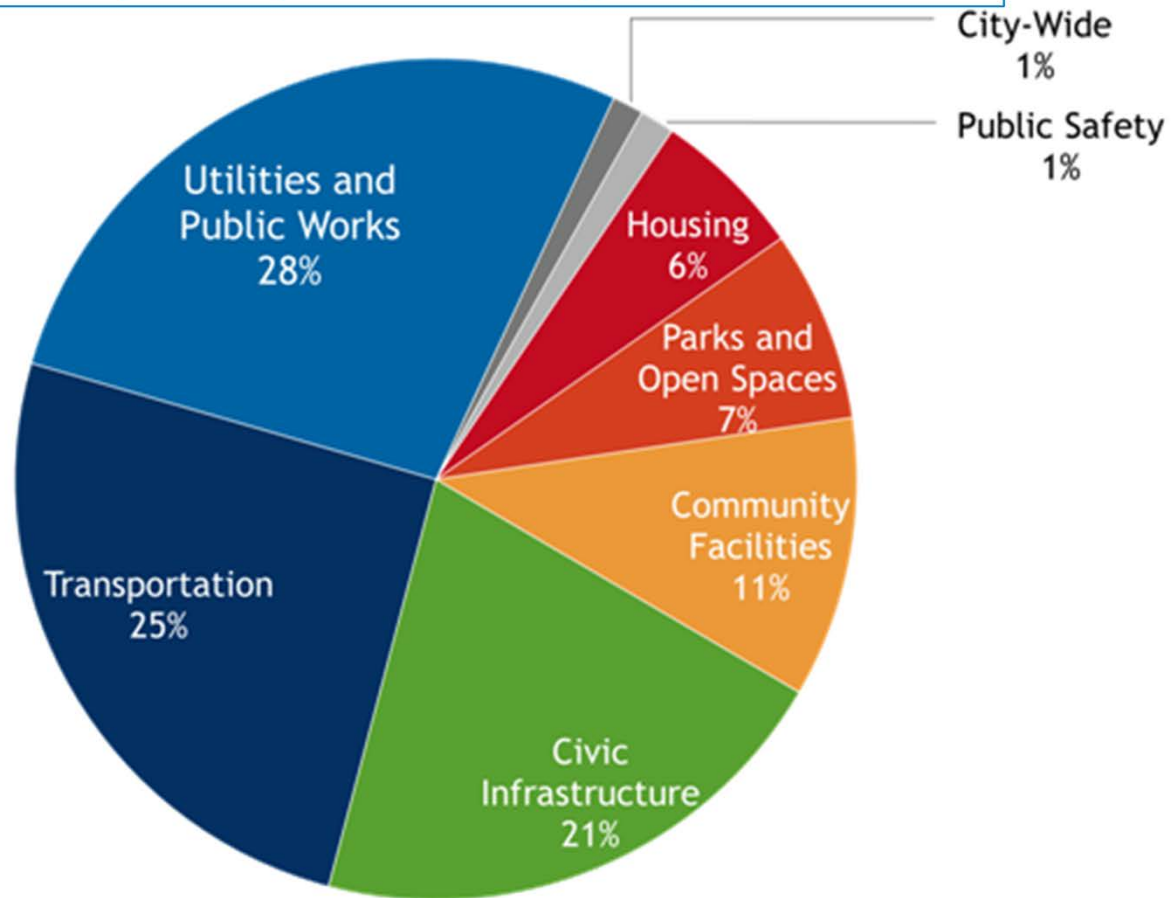
	2014 New Project Expenditure	Future year expenditure	Total approved funding
New Projects	\$135 M	\$ 74 M	\$209 M



2014 Capital Expenditures



2014 Capital Expenditure Budget - \$285 M



	2014 Expenditure – New Projects	2014 Expenditure – Continuing projects	Total 2014 Capital Expenditure Budget
2014 Expenditures	\$135 M	\$150 M	\$285 M



D. Operating Budget

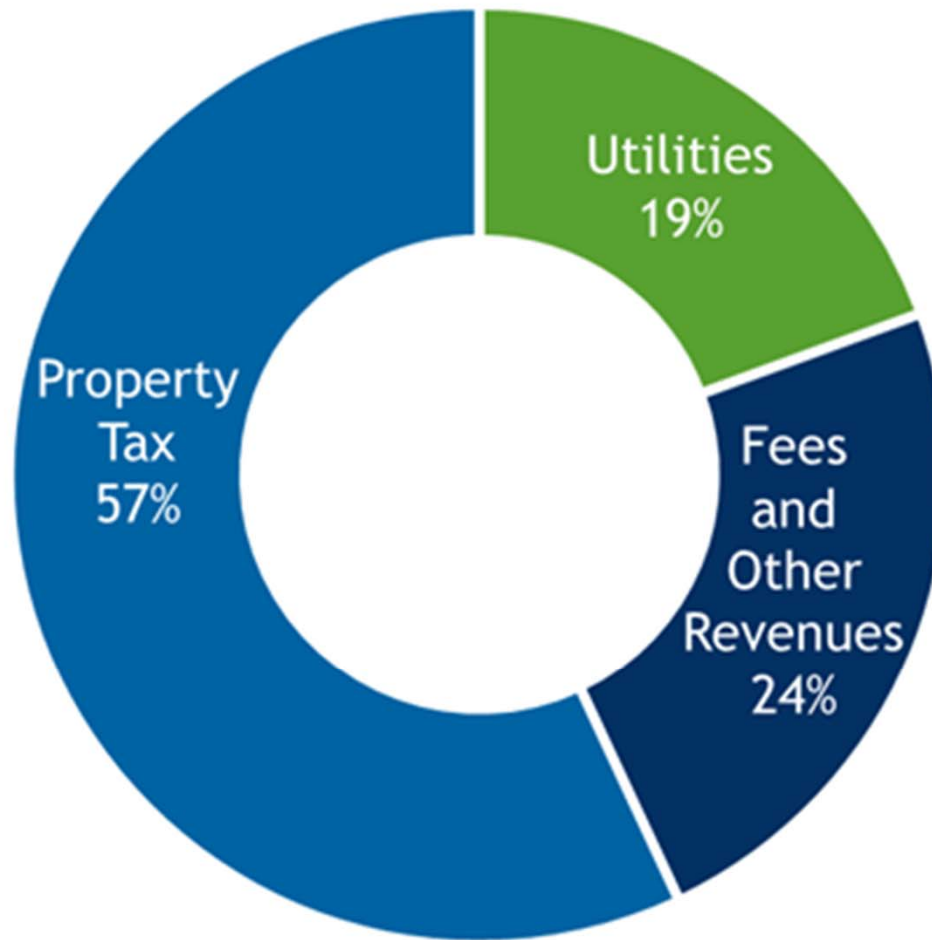




- 1. Balanced Operating Budget of \$1.2 billion (+2.6%)**
- 2. Property tax increase of 1.9%**
- 3. User fee increases averaging 1.0%**
- 4. Utility rate increases averaging 2.7%**
 - Solid Waste 0.4%**
 - Sewer 3.5%**
 - Water 3.5%**
 - NEU 3.22%**



2014 Operating Revenues Sources - \$1,177.5M





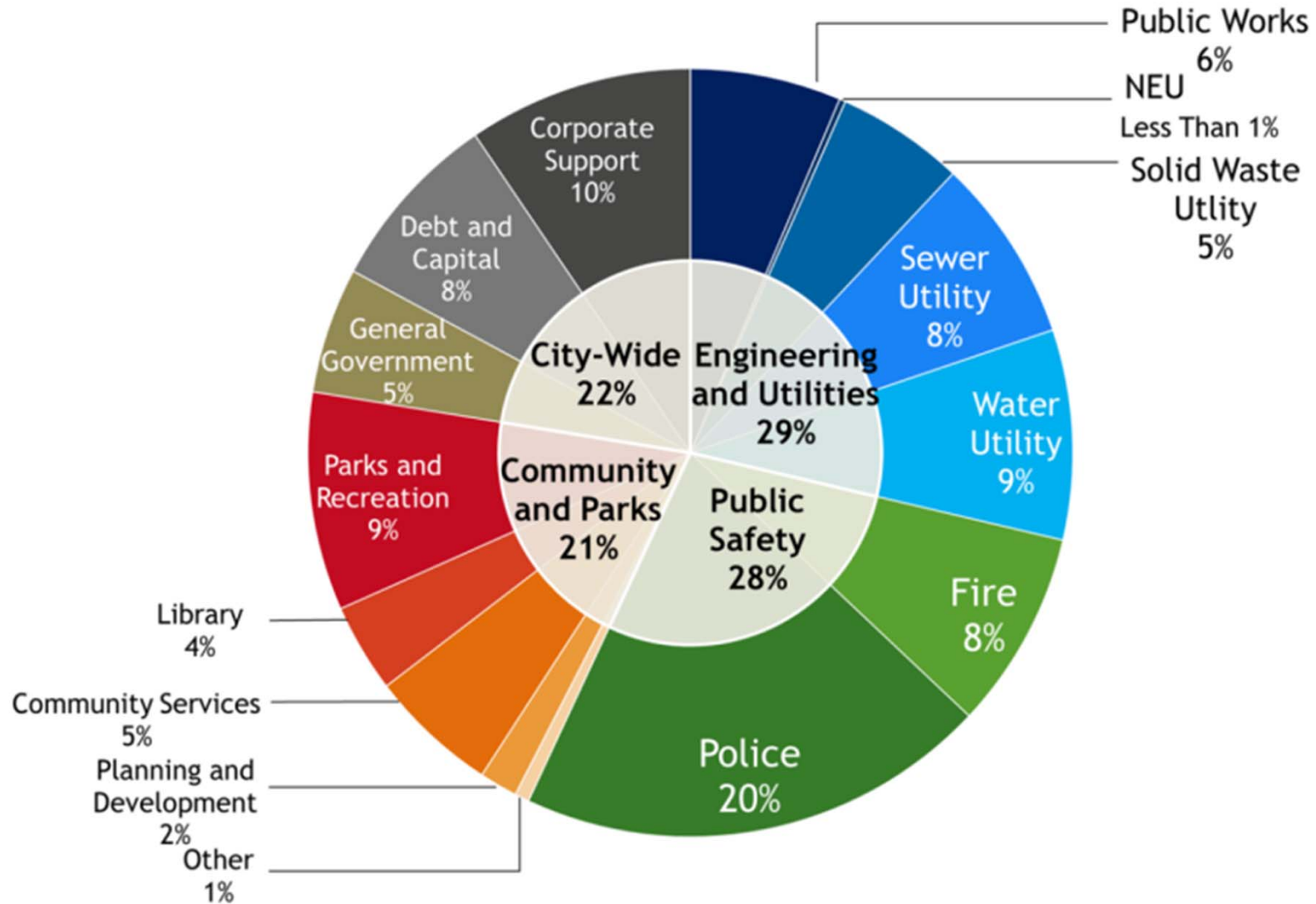
Major Revenue Changes Year-over-Year



Major Revenue Budget Changes Year-over-Year	(\$ million)
Property Tax	13.5
Utilities (Water, Sewer, Solid Waste and NEU)	10.9
Fees and Other Revenues	5.2
Total Major Revenue Budget Changes	\$ 29.6



2014 Expenditures by Service Area - \$1,177.5 M





Major Operating Expenditure Changes



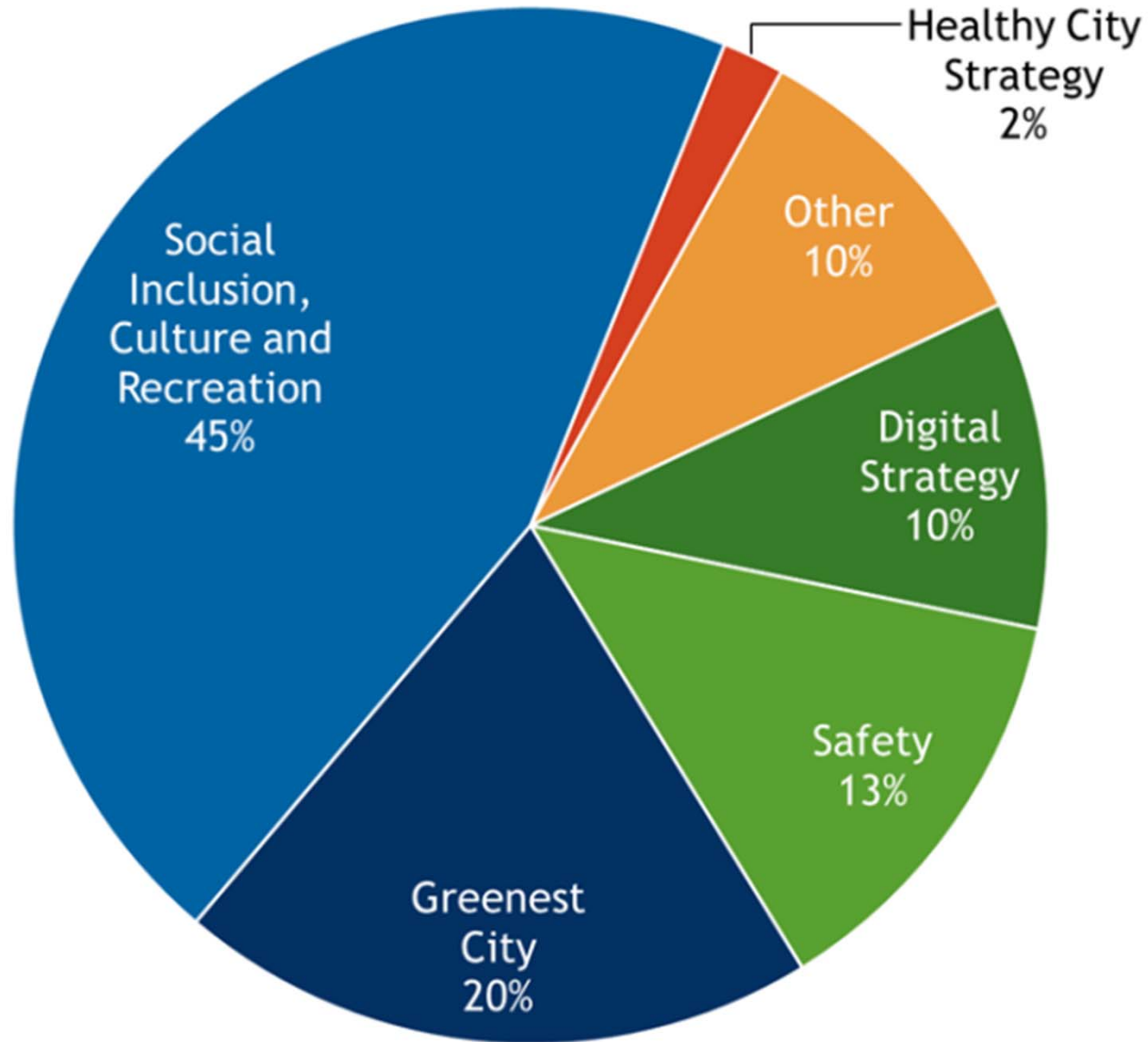
Fixed Cost Increases	(\$ million)
Known wages and benefits costs	10.5
Utility costs	11.6
Election costs	2.0
Capital program cost and fixed costs (e.g. fuel, leases)	0.4
Total Fixed Cost Increases	\$ 24.5

Investments	(\$ million)
Investments	5.1
Total Investments	\$ 5.1

Total Expenditure Increases	\$ 29.6
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2014 Investments - \$5.1 M





Combined Tax & Utility Fee Increase



Sample Property Valued at \$1 million	RESIDENTIAL		BUSINESS	
	Estimated 2014 Tax Bill	Change Over 2013	Estimated 2014 Tax Bill	Change Over 2013
Total City Taxes and Fees	\$ 3,030	\$ 65	\$ 9,372	\$ 160



2013 Residential Tax Rate Comparison



2013 Municipal Tax Rates for Residential Properties in Major Metro Vancouver Cities

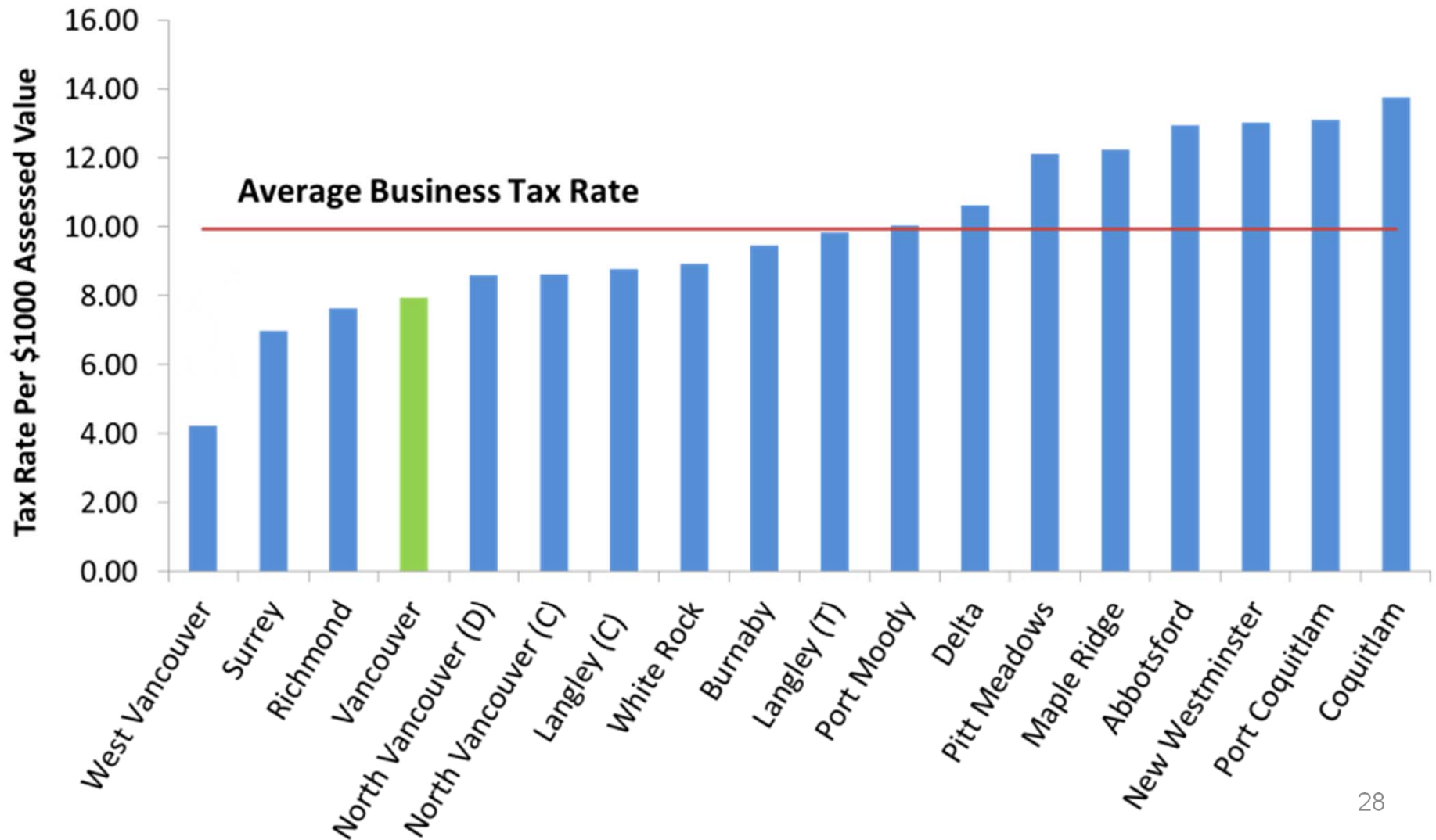




2013 Business Property Tax Rate Comparison

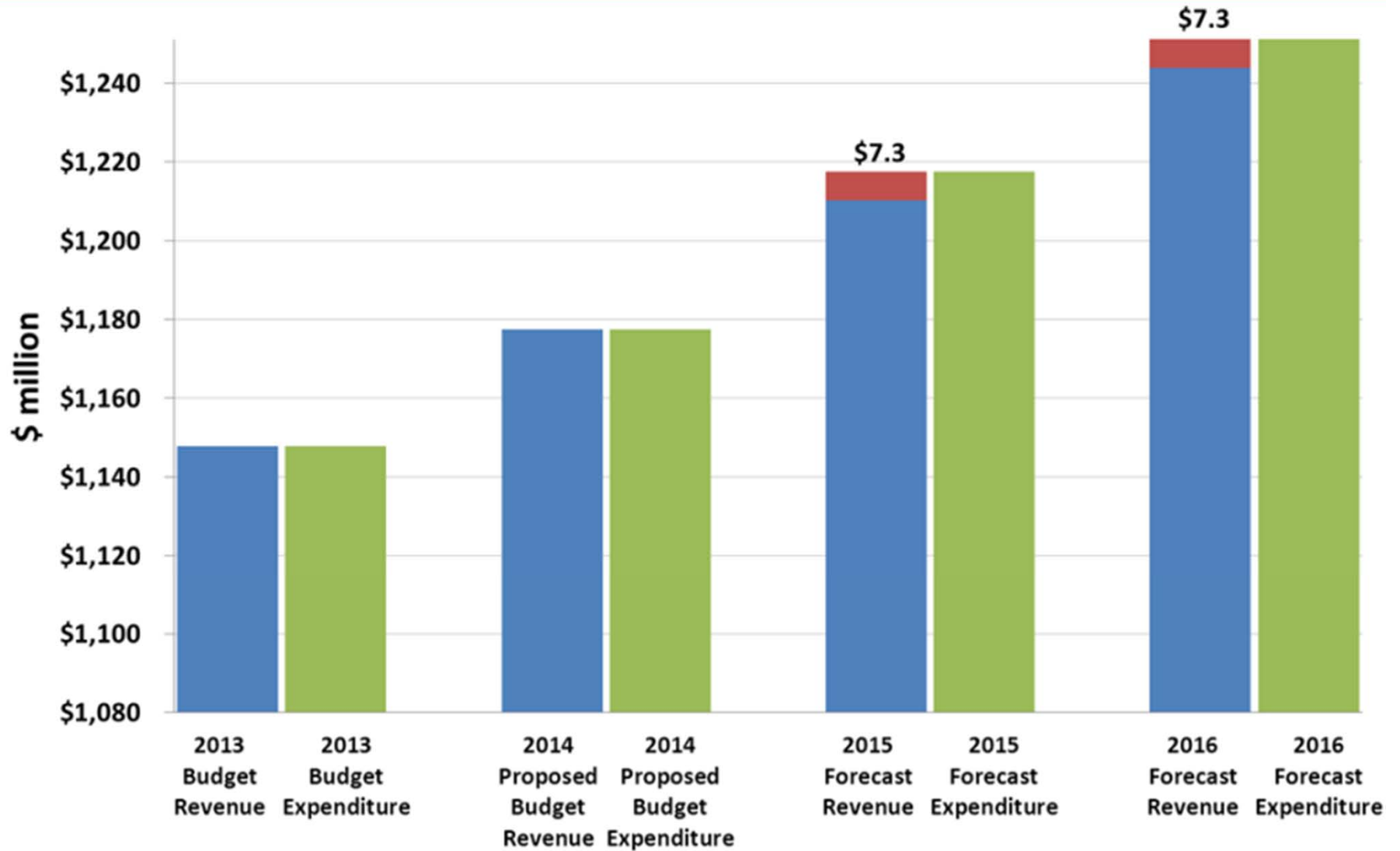


2013 Municipal Tax Rates for Business Properties in Major Metro Vancouver Cities





3 Year Outlook



- City will need to find ~ \$7 M per year to balance budget
- Business transformation continues to be critical



E. Service Highlights





Focused on Priorities



HOUSING AND
HOMELESSNESS



SAFETY,
INCLUSION AND
CREATIVITY



ECONOMIC
DEVELOPMENT



GREENEST CITY



VALUE FOR
MONEY



Real Value Story





Housing

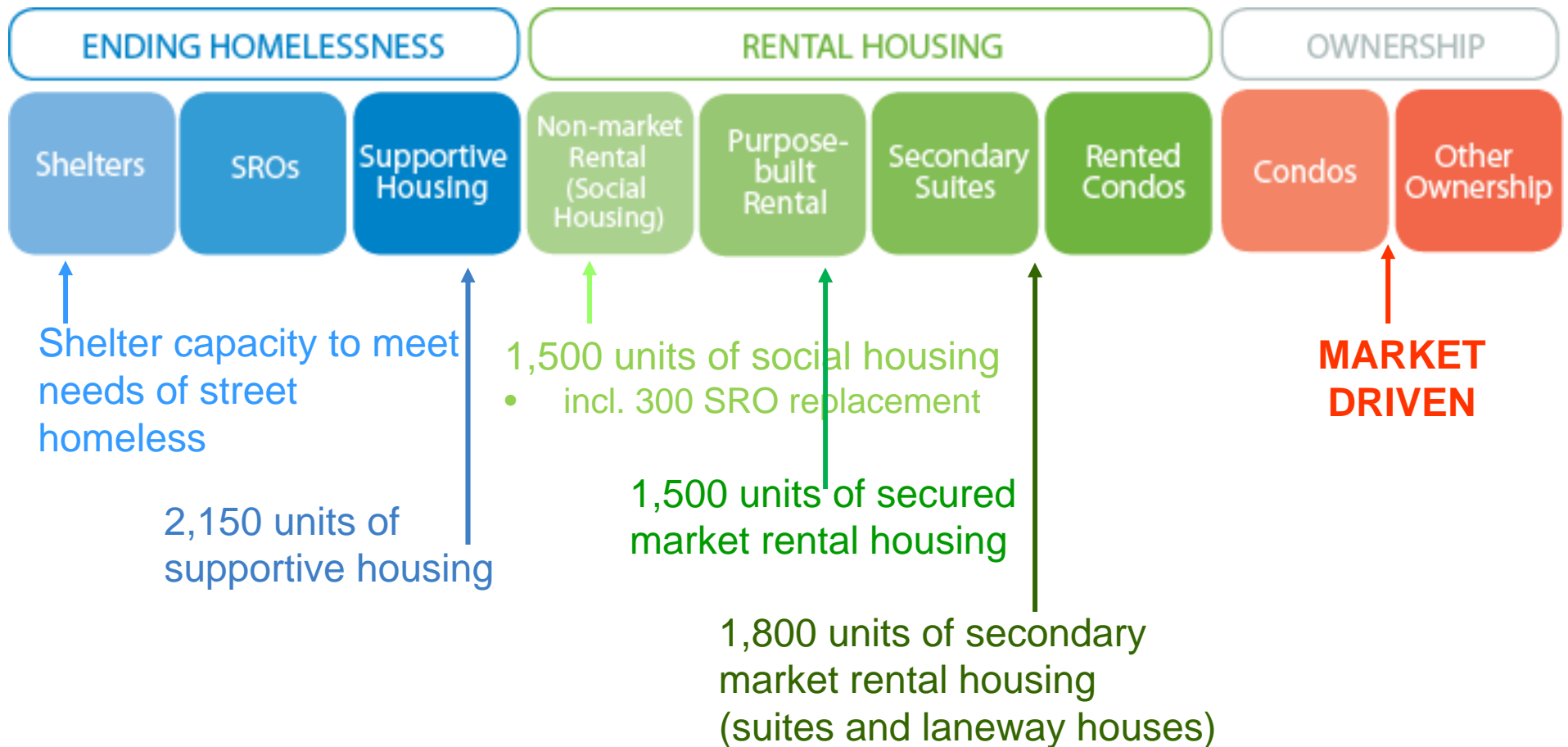




Housing Goals



Between 2012 and 2014 the City will enable:





Taylor Manor



- 56 units of supportive housing
- Partnering with:
 - ✓ BC Housing
 - ✓ Streethome
 - ✓ City of Vancouver
 - ✓ Kettle Housing Society
- Operating is 100% Donor Funded





Remand Centre



- 95 units of supportive housing
- Partnering with:
 - ✓ BC Housing
 - ✓ City of Vancouver
 - ✓ Bloom Society
- Operating funded by BC Housing and Bloom Society





1st and Victoria – Salsbury Society



- 26 units of social housing
- Operated by Salsbury Society
- Approximately 34-40 people housed





Engineering





Engineering Priorities



GREENEST CITY



ECONOMIC
DEVELOPMENT



SAFETY,
INCLUSION AND
CREATIVITY



VALUE FOR
MONEY



Eliminating Combined Sewer Overflows

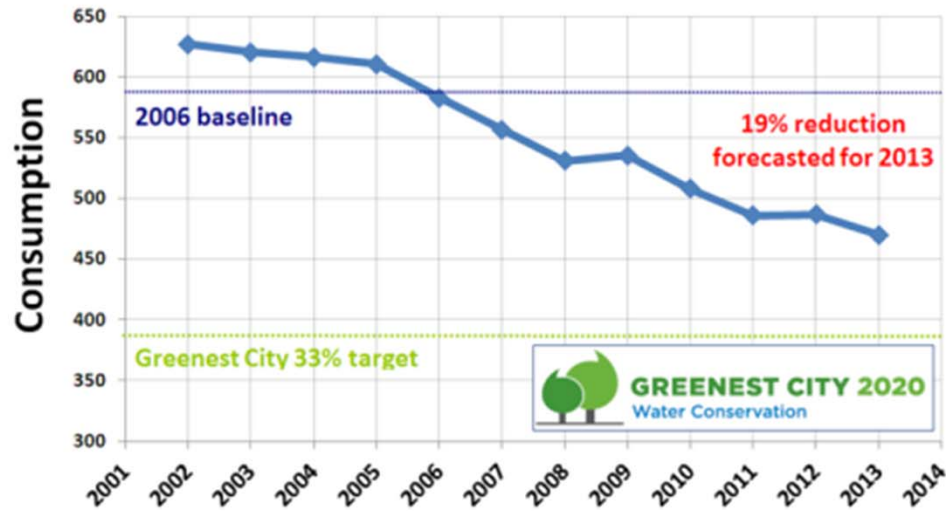


- 10.4 km sewers separated in 2013 with approximately 46% of system now separated
- 2 Integrated Stormwater Management Programs underway for 2014
- Salmon returned to Still Creek for the 2nd straight year!!!





Water Use Per Capita



IMPROPER SPRINKLER USE

Using water wisely protects our drinking water supply.

A reminder that you:

- Used your lawn sprinkler **on the wrong day**
- Used your lawn sprinkler **during the wrong hours**
- Other:





Waterworks Capital Construction



2014 Highlights:

- Pender St - transmission replacement
Leaking 1920s steel main, \$6.5M project budget (\$5M projected 2014 spend), 3km
Replace with restrained ductile iron for reliability and earthquake resistance
- Jackson St. - pilot installation of 500 meters of “Kubota” earthquake resistant pipe
- Cambie St. (downtown) - coordinated replacement of City water and sewer with BC Hydro utilities





- Issued RFEOI for Downtown; selected new owners of Central Heat as proponent
- Exploring low-carbon opportunities in Downtown, Chinatown, S. Vancouver
- Issued RFP for Cambie Corridor – evaluating multiple proposals
- Extending Southeast False Creek system 800m to serve Great Northern Way lands



2013

- Waste & green bin collection frequencies switched
- 40% decrease in garbage



2014

- Increase green bin participation and options for multi family buildings
- More recycling materials mid-year



✔ | Landfill Gas Recovery

- Reached 65% recovery rate of landfill gas by end of 2013
 - ytd 31,000 tonnes of GHG = more than 6450 cars
- Well on the way to 2016 regulatory target of 75%
- 2014 Focus – improving recovery and additional uses for gas





Public Environment – Abandoned Waste and Litter



- 2012 Tourism survey showed 95% of convention attendees found cleanliness good and very good
- 2013 saw an increase in illegal dumping
- For 2014:
 - Options for large item recycling and greater attention to enforcement of illegal dumping
 - Opportunities for expanding **Keep Vancouver Spectacular** to highlight anti-littering
 - Support for additional private depots

✓ | Right Sizing the Fleet



We're getting Smaller and Smaller

2014 replacement highlights:

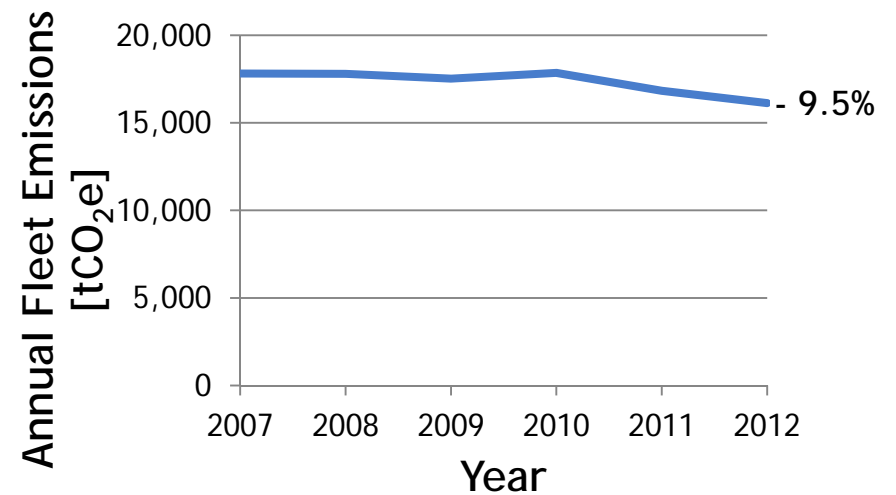
- V6 VPD patrol vehicles
- Electric car-share vehicles
- Hybrid aerial tree trimmers
- Efficient refuse collection vehicles

Named the 16th greenest fleet in North America for 2013

Holding Fleet cost increases **below** inflation



Target: 30% GHG reduction by 2020





Burrard and Granville Bridges



Burrard Bridge:

- 80 years old, valued piece of heritage
- Bearing PCB decontamination and girder strengthening completed
- **2014** - bearing and expansion joint replacement, concrete repairs and new railings



Granville Bridge:

- Phase 1 seismic upgrade completed
- Bearing PCB decontamination and replacement
- Expansion joints replaced
- **2014** – ongoing painting



\$43 million invested from 1994-2014



Construction Materials



plants + plastic + recycled pavement = new asphalt mix



Placed at lower temps =
less fumes + less energy

Traditional Open Trench



Trenchless Construction

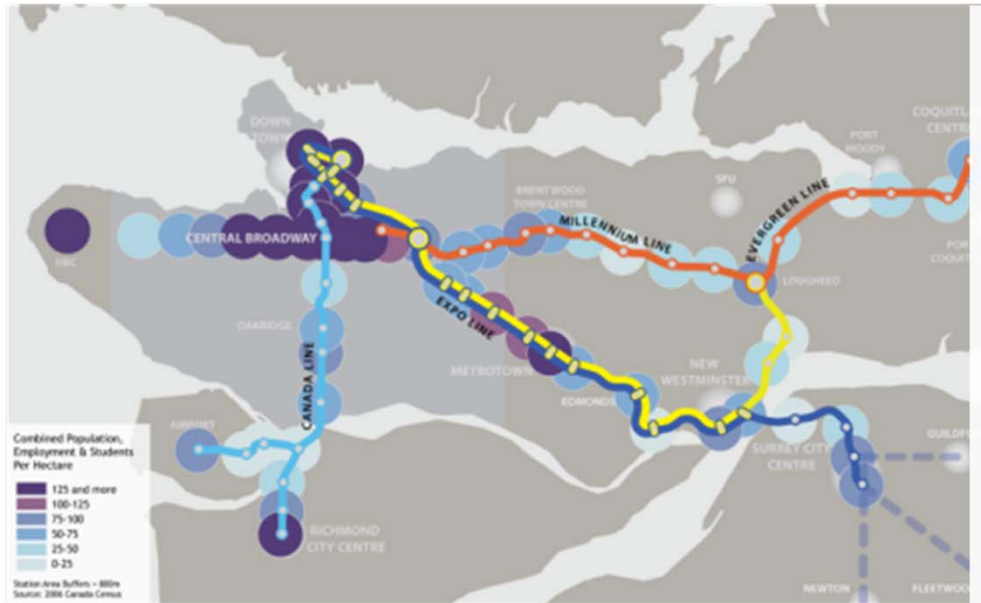


The Result =

- Open for traffic
- Saves pavement
- Saves material
- Saves cost



Broadway Subway



- The region's number one transit bottleneck (at Broadway Commercial Station)
- Complete the Skytrain network, requiring fewer transfers between regional destinations
- Critical for the continued growth of the regional economy

On opening day this line will move twice as many people as the new Port Mann Bridge





Integrated Graffiti Management Program



Engagement



Eradication



Enforcement



Education



Evaluation & Data Collection





Streets Are For People





Parks and Recreation



OneCard is here!



Recreation Services

- OneCard Rollout (80,000 cards and counting!)
- Leisure Access expansion
- Safari system replacement



Park Maintenance

- Service standards
- Productivity increases
- Attendance management



Park Development

- Trillium Park
- Creekway Park
- Empire Field



Urban Forest Strategy

- Langara Golf Course
- Stanley Park
- New Brighton Park





Sustainable Local Food

- Community gardens
- Food trees
- Farmers markets
- Local Food Task Force





Restaurants/ Concessions

- Sustainability focus
- Ocean Wise certified
- Green Table members
- Local food pilot project



CACTUS CLUB CAFE



SEASONS
IN THE PARK



TEAHOUSE
IN STANLEY PARK





Community Services





Key Services Delivered





2013 / 2014 Winter Response Strategy: More Responsive Approaches



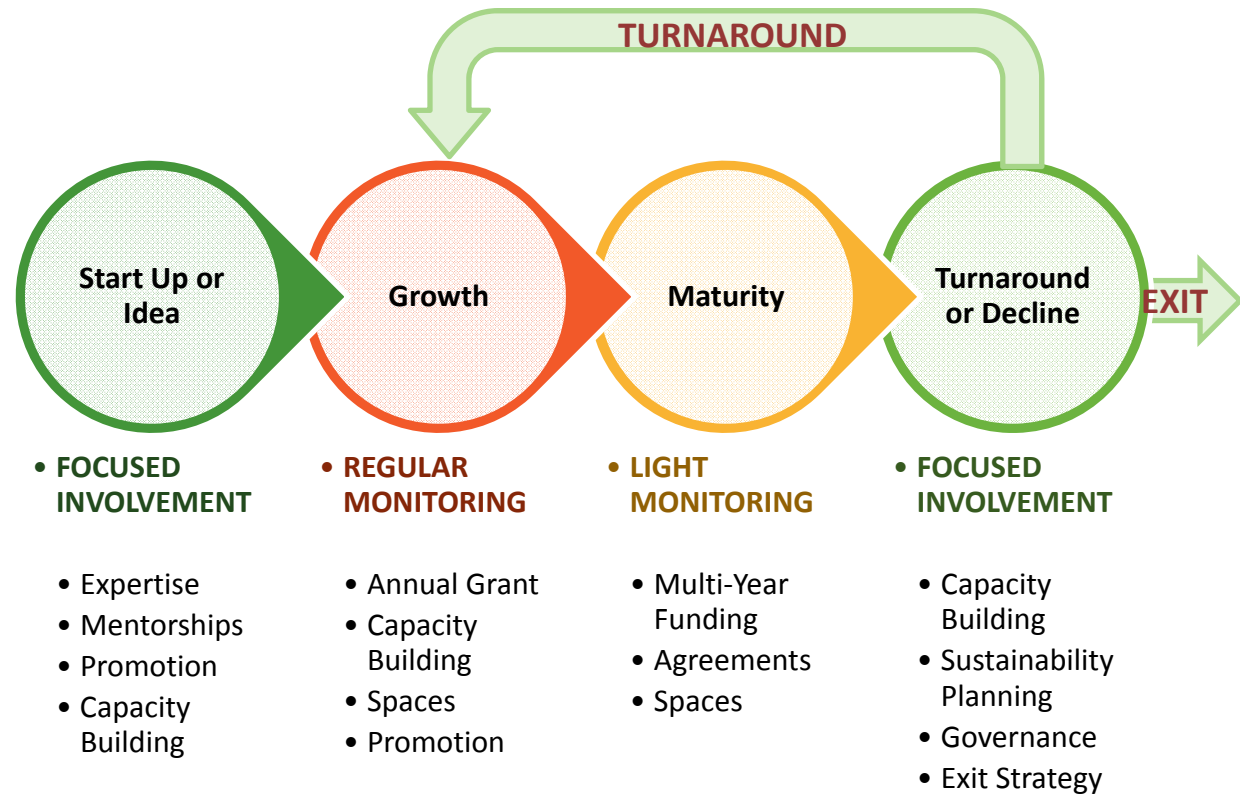
- ✓ **75 street homeless accessing 2 low-barrier shelters,** serving 2 hot meals daily and offering more support/housing services
- ✓ **40 street and sheltered homeless moving directly to apartments** with supports throughout the city
- ✓ **40 street and sheltered women's SRO** at Empress Rooms
- ✓ **40 sheltered homeless moving to temporary housing**
- ✓ **Resolving street homeless** – 500 housed over the past 5 years
- ✓ **Partnership with BCH, VCH and Non-Profits**



- The City's plan for social sustainability;
- Goal is to create a healthy city for all its residents



- Foster Leadership;
- Expand support to emerging, innovative artistic practices;
- Increase Community Engagement;
- Provide Adaptable Sustainable Support Programs;
- Optimize Investment in Civic Assets;
- Invest in Creative Economy



- Supports need for housing affordability;
- Furthers the Greenest City's Goals related to buildings;
- Enhancements:
 - Accessibility for disabled and senior populations;
 - Enabling unisex washrooms in new buildings





THANK YOU

