



2018 BUDGET

AND FIVE-YEAR FINANCIAL PLAN



*For consideration by Council on December 6, 2017.
The final budget will be posted online when approved.*

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MESSAGE FROM THE CITY MANAGER

Balancing the need to maintain and improve core services with priority investments for the future

Each year when we set out to develop the City's budget for the following year, we face the challenge of maintaining core services at the level our residents and businesses expect while at the same time making the right investments for the future to ensure we can respond to the needs of a growing city. This year has been no different.



In 2017 we saw our core issues — housing and affordability, and mental health and addictions — continue to escalate. We also continued to experience unprecedented economic and population growth in our city, putting more pressure on our services and, in some cases, negatively impacting service levels.

Financial pressures have included decreased revenue, including from investment income, and increases to costs not within our control, such as energy and maintenance costs.

The City's guiding principles for financial sustainability include keeping property taxes and fees affordable, living within our means, keeping debt at a manageable level, and maintaining our assets in an appropriate state of repair.

Over the past five years, Vancouver has had one of the lowest average property tax increases among Metro Vancouver municipalities at 2.3 per cent. We have, however, now reached the point where we must invest in our future.

This year's proposed property tax increase is 3.9 per cent. The majority of the increase (3.3 per cent) is driven by fixed costs related to maintaining City services and service levels (e.g., wages, energy, rent, maintenance and other third-party costs). In addition, there are new investments needed both to make progress on the core issues in our city and to ensure the services most valued by our residents and businesses are improved. These fixed cost increases and new investments have been partially offset by internal costs savings (without service impacts), new fees and increased revenue from some existing fees.

Our key priorities for the 2018 Budget and Five-Year Financial Plan are to:

- Address housing supply, affordability and critical social issues
- Improve service and maintain and upgrade streets, utilities and facilities
- Continue to build vibrant communities
- Increase investments in public safety

This budget document includes explanation of the pressures we face, a summary of the progress we've made on Council priorities, and details about the priority investments we will be making over the next five years to respond to the needs of our residents and businesses and to ensure Vancouver remains a vibrant, sustainable and livable city.

Sadhu Afochs Johnston
City Manager

2018 Budget and Five-Year Financial Plan Highlights

Making priority investments for our future

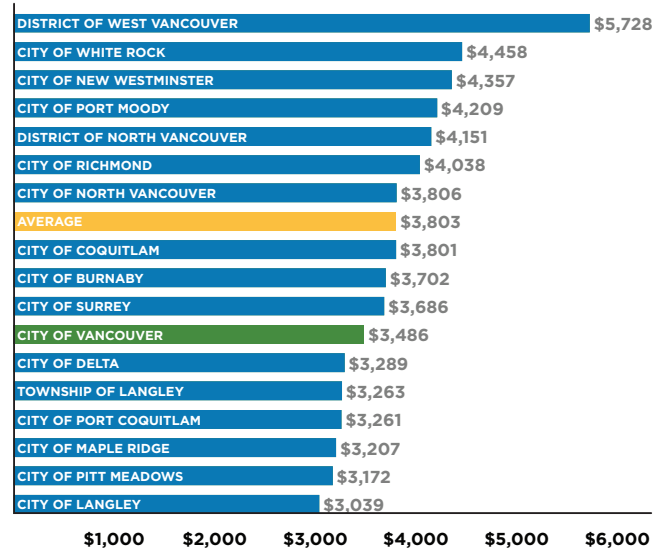
The proposed \$1.405 billion operating budget and \$426.4 million capital budget for 2018 have been developed with the goal of balancing the need to maintain and improve City services, while making the right investments to help meet the future needs of a growing and changing city.

Over the past five years Vancouver has had one of the lowest average property tax increases among Metro Vancouver municipalities, at 2.3 per cent. When combining 2017 municipal taxes with annual utility fee increases, Vancouver is in the mid-range among Metro Vancouver municipalities.

Vancouver is a rapidly growing city that is, in effect, the “downtown core” for our region. We also have an expanding mandate that includes increased costs related to housing, mental health and addictions, and childcare as examples. Our current funding tools are quite limited i.e. property taxes and utility fees. To help address this challenge, we are exploring new revenue tools similar to those already used by other Canadian cities.

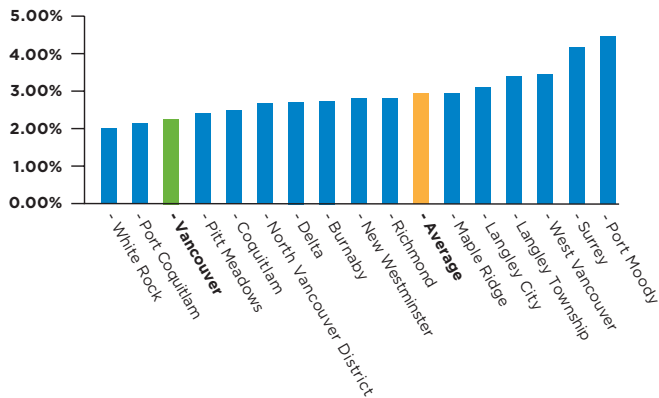
This year’s proposed property tax increase is 3.9 per cent. The majority of the increase (3.3 per cent) is driven by costs related to maintaining City services and service

2017 Combined Municipal Property Tax and Utility Fees for Median Single-Family Home (\$)



Comparing median single-family homes, Vancouver tax and utility fees are mid-range in Metro Vancouver.

Vancouver vs Metro Vancouver Five-Year Average Property Tax Increase (2013-2017)



Comparing five-year average property tax increase, Vancouver is the third-lowest in the region.

levels (e.g. wages, energy, rent, maintenance, and other third-party costs). In addition, there are new investments needed both to make progress on the core issues in our city and to ensure the services most valued by our residents and businesses are improved. These fixed cost increases and new investments have been partially offset by internal cost savings (without service impacts), new fees, and increased revenue from some existing fees.

The property tax increase amounts to an extra \$87 annually per median single family home (assessed at \$1.823 million), and \$29 per median strata unit (assessed at \$609,000).

Following our annual public engagement on the 2018 Budget Outlook, we heard back from Vancouver residents and businesses about the issues in our city that are most important to them, as well as their priorities for City spending. We used that input to align our priorities and investments for 2018 and beyond.

Our key priorities for the 2018 Budget and Five-Year Financial Plan are:

Address housing supply, affordability and critical social issues

Significant investments are being made in city-wide community planning to respond to the needs of a growing city, including: helping to bring more affordable housing to market sooner; providing more security and stability for renters; and delivering more housing and services for homeless people including a partnership for more modular housing units. The Empty Homes Tax program and new regulations for short-term rentals will both help free up more rental units. Improvements to City operations, including additional staffing in the building permits and business licence areas, will help reduce wait times.

The effects of the ongoing opioid crisis and other social issues continue to put stress on our systems, our service delivery and our staff. We continue to work with health authorities and other levels of government to manage the impacts of the opioid crisis, while also exploring how we can better support those struggling with addiction and mental health issues.

Improve service and maintain and upgrade streets, utilities and facilities

We continue to balance the need for upgrades to improve transportation and safety - such as those to major roads, public buildings including firehalls, and utilities such as water and sewer - with residents' desire for improvements to amenities in their communities. More snow response equipment is being added to our fleet so that we can better respond to future severe weather events. We are also making needed investments to ensure City facilities and parks are safe and secure.

Continue to build vibrant communities

New and upgraded community centres as well as more parks and open spaces, street activations, a new seniors centre, a new pool, central library renovations, and increased grants for arts and culture will also enhance the communities where we live. Planned increases to the number of childcare facilities will also help more parents balance work and family commitments.

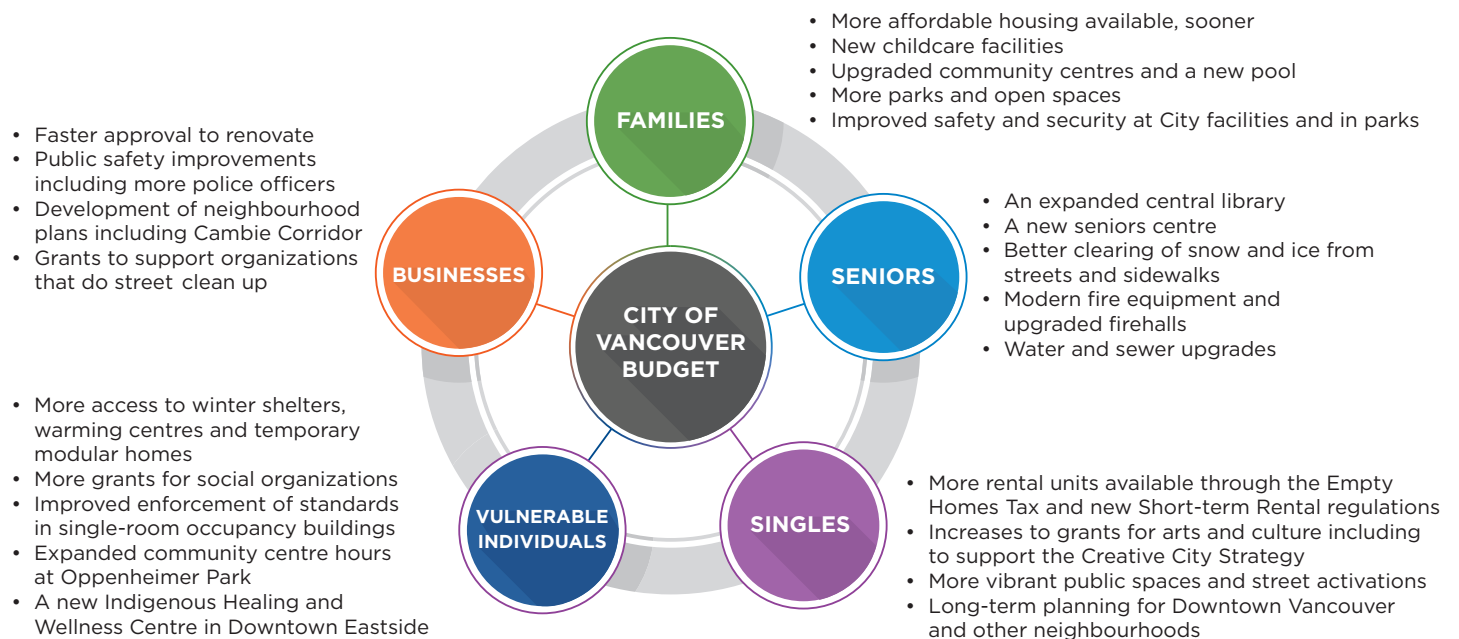
Increase investments in public safety

Vancouver is a safe city and to keep it that way we are adding resources to maintain and improve public safety, including more police officers, along with maintaining and adding more modern firefighting equipment.

How does the City's budget benefit me?*

Don't see yourself in one of these profiles? Check out the Departmental Service Plans for more information about how we are funding services that are important to you.

*not a comprehensive list, examples only



2018 Budget Summary

To establish the City's tax rates, Vancouver City Council first determines the total property tax levy that is required to support the budget, then divides the property tax levy by the assessment base provided by BC Assessment.

The City does not generate higher property tax revenues as a result of rising property values

2018 Increases – City Property Tax, Fees and Charges

Property Tax	3.9%
Utility Fees (combined)	7.9%
Water	6.0%
Sewer	10.4%
Solid Waste	8.5%
Median single-family home combined municipal property tax and utility fees	5.3%

2018 Increases – All Other Fees

Recreation user fees	2.0%
Most other user fees	2.0%
Permit fees*	9.0%

*some permit fees increased at rates higher than 9%

Indicative City Property Tax Impact

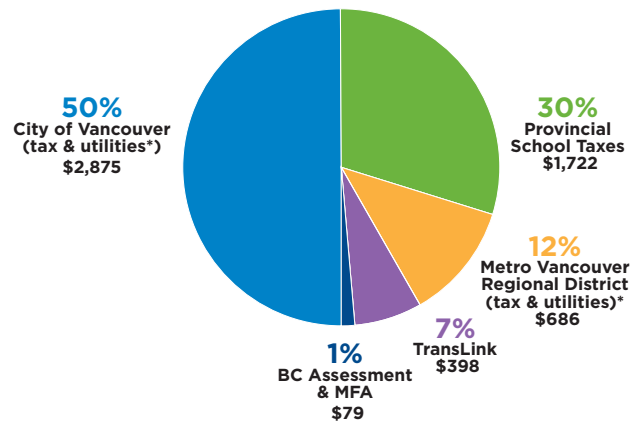
Assessed Value of Property (without Land Assessment Averaging)	Estimated 2018 Tax Bill (CoV Portion)	Change over 2017
Median strata unit assessed at \$609,000	\$772	\$29
Median residential unit assessed at \$1,207,000	\$1,531	\$57
Median single-family home assessed at \$1,823,000	\$2,312	\$87
Median commercial property assessed at \$704,650	\$3,886	\$146

Indicative City Property Tax and Utility Fee Impact

	Median Single-Family Home \$1,823,000		Median Business Property \$704,650	
	ESTIMATED 2018 TAX BILL (CoV PORTION)	CHANGE OVER 2017	ESTIMATED 2018 TAX BILL (CoV PORTION)	CHANGE OVER 2017
Property Taxes (3.9% increase)	\$2,312	\$87	\$3,886	\$146
Water	\$653	\$37	\$605	\$34
Sewer	\$424	\$40	\$433	\$41
Solid Waste	\$294	\$23	\$235	\$18
Subtotal	\$1,371	\$100	\$1,273	\$93
Combined	\$3,683	\$187	\$5,159	\$239

About half of property taxes collected funds City services; the other half goes toward funding regional services, schools and transit

2017 Distribution of Taxes and Fees for Median Single-Family Home



* 65% of City water fees and 55% of City sewer fees included in Metro Vancouver share to reflect proportion of Metro costs in rates

2018 Operating, Capital and Consolidated Budgets

Balanced Operating Budget: \$1,405 million

\$ millions	2017 Restated Budget	2018 Draft Budget	Net Change (\$)	Net Change (%)
Revenues	\$1,323	\$1,405	\$82	6.2%
Expenditures & Transfers	\$1,323	\$1,405	\$82	6.2%
Net Operating Budget	-	-	-	-

- The operating budget is described in detail on page 70 of the 2018 Budget and Five-Year Financial Plan document.
- New investments of \$34.7 million are described on page 76 of the 2018 Budget and Five-Year Financial Plan document.

Capital Expenditure Budget: \$426.4 million

\$ millions	2017 Restated Budget	2018 Draft Budget	Net Change (\$)	Net Change (%)
Capital Expenditure Budget	\$448	\$426	\$(22)	(5%)

- The capital budget, including a description of new projects, is located in Appendix A and B of the 2018 Budget and Five-Year Financial Plan document.
- As of 2017 Q3, the forecasted 2017 capital spend is \$397 million.

Consolidated Budget Summary on a financial statement basis

\$ millions	2017 Restated Budget	2018 Draft Budget	Net Change (\$)	Net Change (%)
Revenue				
Operating	\$1,323	\$1,405	\$82	6.2%
Capital	\$223	\$156	\$(67)	(30.2%)
Property Endowment	\$50	\$51	\$1	2.1%
Other Funds	\$11	\$10	\$(1)	(9.9%)
All Entities	\$57	\$58	\$1	1.1%
Consolidation Adjustments (1)	\$(13)	\$(11)	\$2	(13.1%)
Total Revenues	\$1,653	\$1,669	\$17	1.0%
Expenditures				
Operating	\$1,323	\$1,405	\$82	6.2%
Capital	\$223	\$156	\$(67)	(30.2%)
Property Endowment	\$50	\$51	\$1	2.1%
Other Funds	\$11	\$10	\$(1)	(9.9%)
All Entities	\$57	\$57	\$0	0.8%
Consolidation Adjustments (1)	\$(13)	\$(11)	\$2	(13.1%)
Total Expenditures	\$1,652	\$1,668	\$16	1.0%
Reconciliation to Annual Financial Statements (2)				
Amortization	\$169	\$190	\$21	12.3%
Capital Additions	\$(412)	\$(348)	\$64	(15.5%)
Contributions/Transfers (to)/from reserves	\$81	\$(44)	\$(125)	(153.8%)
Debt	\$13	\$128	\$115	915.1%
Total Reconciliation Adjustments	\$(150)	\$(74)	\$76	(50.6%)
Total Expenditures per Financial Statement Basis	\$1,502	\$1,595	\$92	6.1%
Excess Revenues over Expenditures per Financial Statement Basis	\$150	\$75	\$(76)	(50.3%)

- The consolidated budget, and the budgets for the City's various funds and entities, is included on page 140 of the 2018 Budget and Five-Year Financial Plan document.
- Within the consolidated budget, the capital budget is presented on a financial statement basis. A description of how this links to the total 2018 capital budget of \$426.4 million is provided on page 147 of the 2018 Budget and Five-Year Financial Plan document. Year over year changes in capital budget revenues and expenditures are based on the mix of funding sources for projects being brought forward in the 2018 budget.
- Contributions/transfers to/from reserves and debt change year to year due to timing of debt issuance, repayment, and capital project funding included in the 2018 budget.

The City's strong financial management has been acknowledged by credit rating agencies with the highest credit rating of AAA

Note: Totals may not add due to rounding.

(1) In order to present financial information on a consolidated basis, financial transactions between funds or entities have been removed.

(2) Public Sector Accounting Board adjustments have been made, including amortization of tangible capital assets, net of debt payments/issues and reserve transfers.

Balanced Operating Budget: \$1,405 million

The operating budget has been developed to help make progress on the issues that are most important to Vancouver’s residents and businesses, as well as to address the areas where service improvements are needed.

OPERATING REVENUES

6.2% increase in total revenue

- **\$34.9 million** increase in property tax revenue
- **\$28.7 million** increase in fees and other revenues; including a phased-in cost recovery of approximately \$6.1 million of existing development-related costs previously funded from taxes
- **\$18.1 million** increase in utility revenue

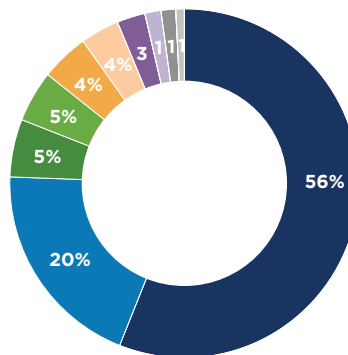
OPERATING EXPENDITURES

6.2% increase in total expenditures

- **\$23.8 million** increase in fixed costs is driven by costs related to maintaining City services and service levels (e.g. wages, energy, rent, maintenance, and other third-party costs); this equates to a 3.3% property tax increase
- **\$23.2 million** increase in expenditures primarily offset by utility fees, user fees, other revenue sources and internal costs savings (without service impacts). These expenditures are primarily driven by utility program expenditures, fully offset by utility fees, include metro utility charges (including site preparation for sewer secondary treatment); renewal of critical City utility infrastructure costs for higher quantities of waste, and contracted costs for receiving and processing organics; and adjustments to expenditures to match more closely with actual recoveries received.
- **\$34.7 million** new investments to address housing supply, affordability and critical social issues; improve service and maintain and upgrade streets, utilities and facilities; continue to build vibrant communities; and increase investments in public safety, including:
 - **\$6.1 million** for additional staffing to reduce wait times for development permits, including \$0.9 million to expedite affordable housing approvals
 - **\$5.8 million** for planning for growth and addressing housing affordability, implementation of Empty Homes Tax, regulating Short-Term Rentals and reviewing existing City regulations and licensing
 - **\$4.1 million** to maintain and improve public safety; including the addition of more police officers and maintenance of modern firefighting equipment
 - **\$3.4 million** for additional resources to respond to homelessness and opioid crisis, including the City’s contribution to a new

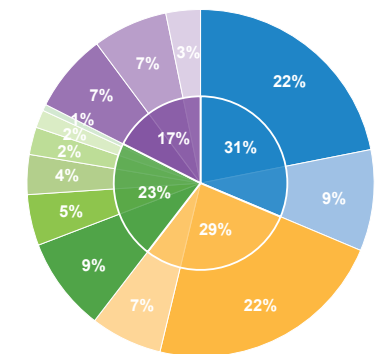
2018 Budget Priorities	2018 Operating Budget New Investments (\$M)
Address housing supply, affordability and critical social issues	\$15.3
Improve service and maintain and upgrade streets, utilities and facilities	\$9.1
Continue to build vibrant communities	\$6.1
Increase investments in public safety	\$4.2

2018 Operating Revenues (\$1,405 Million)



- 56% | Property taxes
- 20% | Utility fees
- 5% | Licence and development fees
- 5% | Parking
- 4% | Program fees
- 4% | Cost recoveries, grants and donations
- 3% | Rental, lease and other
- 1% | Bylaw fines
- 1% | Revenue sharing
- 1% | Investment income

2018 Operating Expenditures by Service Area (\$1,405 Million)



- PUBLIC SAFETY**
 - 22% | Police
 - 9% | Fire
- ENGINEERING & UTILITIES**
 - 22% | Utilities
 - 7% | Engineering Public Works
- COMMUNITY-RELATED SERVICES**
 - 9% | Parks & Recreation
 - 5% | Community Services
 - 4% | Library
 - 2% | Development, Buildings & Licensing
 - 2% | Planning, Urban Design & Sustainability
 - 1% | Other
- CORPORATE SUPPORT**
 - 7% | Corporate Support
 - 7% | Debt & Capital (Non-Utility)
 - 3% | Contingencies & Transfers

Indigenous Healing and Wellness Centre; a drug containment facility; additional micro-cleaning grants; expanded access to leisure access program; a reconciliation Coordinator in Parks Board; improved process for non-profit organizations leasing city facilities and increased social grants

- **\$2.8 million** for improved safety and security at City facilities and parks
- **\$2.5 million** for Utilities investments to repair aging infrastructure, maintain

equipment, and support the One Water Strategy

- **\$2.3 million** for planning and consultation for vibrant communities (including People for Places Downtown, Civic health hub, Waterfront hub, Vancouver economy and employment lands)
- **\$0.6 million** increase to arts and culture grants including grants to support the Creative City Strategy

Total Capital Expenditures in 2018: \$426.4 million

The 2018 capital budget builds from last year, as a number of major projects move from early construction phases to implementation or final construction phases. 2018 is the final year of the 2015-2018 Capital Plan.

For 2018, the total funding request for new Multi-Year Capital Project Budget is \$282.0 million. It is anticipated that \$175.9 million of this funding will be spent in 2018.

\$46.3 MILLION IN AFFORDABLE HOUSING

- Redevelopment of Roddan Lodge and Evelyne Saller Centre **\$8.2 million**
- Capital to support Vancouver Affordable Housing Agency projects **\$5.5 million**
- Acquiring land for affordable housing **\$7.4 million**
- Social housing in the Southeast False Creek Area 3B **\$2.7 million**

\$187.7 MILLION IN UTILITIES AND TRANSPORTATION

- Sewer main replacement **\$29.5 million**
- Western 40 Hectare and Phase 3 Closure of Vancouver Landfill **\$26.0 million**
- Bikeways and greenways **\$17.3 million**
- Water distribution main replacement **\$9.9 million**
- Snow Readiness capital improvements **\$3.4 million**
- Detailed design for construction of Arbutus Corridor **\$2.8 million**
- Georgia/Dunsmuir Viaduct Removal Phase 1 Planning **\$2.2 million**

\$39.0 MILLION IN EQUIPMENT AND TECHNOLOGY

- Vehicles and equipment replacement program **\$17.8 million**
- IT infrastructure maintenance, upgrade & expansion **\$6.7 million**
- Fleet software replacement **\$2.5 million**

- Hardware Refresh Program (desktops/laptops, monitors) **\$2.7 million**
- Parking enforcement ticket manager platform replacement **\$0.6 million**

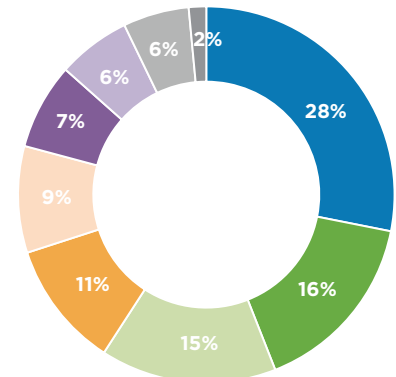
\$64.7 MILLION IN PARKS, OPEN SPACES AND RECREATION

- New park in Downtown South at Smithe & Richards Streets **\$5.5 million**
- Stanley Park waterfront and seawall upgrade **\$3.4 million**
- Golf course improvements **\$3.5 million**
- Riley Park Pavillion and Farmers Market **\$0.5 million**
- Planning and design for a new outdoor pool **\$0.8 million**
- Planning for renewal of Marpole-Oakridge Community Centre (Total project budget \$2.0 million) **\$0.6 million**
- Renovations and upgrades of 5 park washroom facilities **\$2.4 million**

\$58.3 MILLION IN CIVIC AND COMMUNITY FACILITIES

- Replacement of Fire Hall No. 5 (including Social Housing) **\$10.3 million**
- Expansion of public space at Central Library **\$6.8 million**
- Renewal of Fire Hall No. 17 **\$6.0 million**
- Pre-move work in advance of the relocation of City of Vancouver Archives to Central Library **\$1.5 million**
- Drug Containment Facility and Equipment for Vancouver Police Department **\$0.7 million**

2018 Capital Budget Expenditures \$426.4 Million



\$24.2 MILLION IN CHILDCARE

- Construction of Childcare projects in partnership with Vancouver School Board **\$11.8 million**
- Childcare facilities at Water Street and Cordova Street parkades **\$5.4 million**
- Childcare facilities at Richards Street and Pacific Boulevard (City funding contribution) **\$2.6 million**
- Kitsilano Montessori Daycare (City funding contribution) **\$2.5 million**



2018 Budget Outlook Public Engagement Summary

The City of Vancouver's annual budget process offers multiple opportunities for public input and encourages dialogue on city-wide priorities and top issues, feedback on City service levels, and input to help develop a picture of the public's preferences for where the City should focus its investments and resources.

Thank you to the thousands of citizens who participated in surveys, meetings, and face-to-face activities in neighbourhoods across the city. The following summarizes our approach to the consultation, who participated, and the top level findings.

Who Was Reached?

The City reaches out broadly to residents, business owners and community organizations during its engagement on the budget priorities. The budget engagement opportunities were promoted broadly using print and social media advertising, a media announcement, the City's website, email and social media posts.

Consultation activity	Number of Participants
Online Budget and Service Satisfaction Survey+ September 26-October 13, 2017 Members of the Talk Vancouver panel received an email invitation to participate in the survey, and other members of the public were also encouraged to complete the survey through online and newspaper advertising and through our research firm's local forum. The survey was also made available in Traditional Chinese.	3,356 (2,674 residents) (682 business owners)
Budget Road Show (interactive educational activity) October 9, 18 and 19 To encourage more dialogue with residents, we convened another nine sessions over three dates in October at local grocery stores, community centres, libraries and neighbourhood houses.	337
Stakeholder workshop, October 14, 2017 Members of advisory committees, community organizations, BIAs.	15
Total touchpoints	3,708

+To ensure the questionnaire sample was reflective of the overall Vancouver population, the City monitored demographic representation and set targets where needed. For resident respondents, targets were set for age, gender and the five geographic regions of the city: Downtown, the Northeast (north of 16th Avenue and east of Main Street), the Northwest, the Southeast and the Southwest. Weighting was used to ensure participation matched the 2016 Statistics Canada Census data for residential Vancouver. For businesses, the City collected input from owners/operators of businesses of varying size (by employee count) and targets were set to help ensure small, medium and large businesses in the City were represented.

Key Findings

Survey

Our online survey results include responses from both residents and businesses.

Top Issues

When asked which City issues were most important to them, residents and businesses agreed the top two issues were: cost of living (residents: 55% business owners: 50%) and housing/accommodation (residents: 55% business owners: 45%). The third most important issue for residents was addiction and overdoses (30%) while business owners ranked infrastructure/transportation as their third most important issue (30%). It should be noted that "addictions and overdoses" was a new option separated out from the more general "social issues" to reflect the ongoing opioid crisis, a major area of focus for the City in 2017. The public's

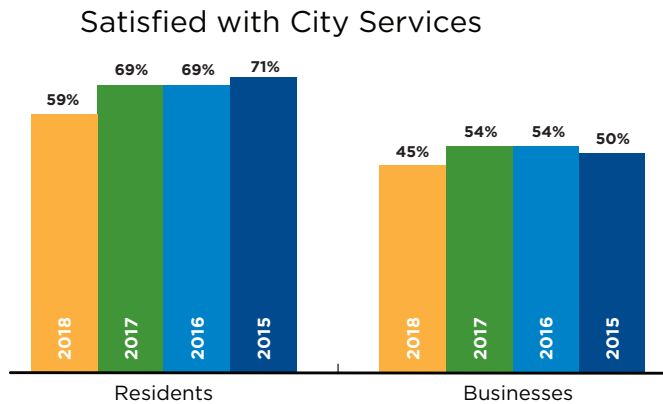
high rating of this issue reinforces the importance of continuing to work with various stakeholders, including health authorities and other levels of government, to address the impacts of the crisis.

Overall findings - Important City issues

RESIDENTS	BUSINESSES
Cost of living (55%)	Cost of living (50%)
Housing/accommodations (55%)	Housing/accommodations (45%)
Addictions and overdoses (30%)	Infrastructure/transportation (30%)
Development (30%)	Development (26%)
Infrastructure/transportation (28%)	Addictions and overdoses (22%)

Overall satisfaction with City Services

The majority of residents (59 per cent) said they were satisfied (based on a rating of 8, 9 or 10 out of 10), a 10-percentage-point drop from last year’s survey, while business owners in Vancouver reported relatively lower satisfaction at 45%, a nine-point drop from last year. This year’s survey result does not reflect the trend of the past three years, and could be attributed in part to the timing of the survey during the fall by-election.



Satisfaction with specific services

The City received the strongest satisfaction ratings for provision of basic services (sewer, water and drainage), fire prevention and responding to medical calls, and providing access to library resources.

The following service areas were those with the lowest satisfaction rates: enabling affordable housing; planning for and managing residential, commercial and industrial development; and permits, inspections and enforcement (e.g., building, renovation, business licence, parking, dogs, etc.).

Preferences for how to balance the budget

The public is open to a variety of tools to balance the City’s budget. Online survey respondents were most likely to select measures related to increasing user fees or decreasing personnel (without impacting service levels). On average, the measures both residents and businesses were more likely to support are:

- Introduce new user fees for some City services that currently have no fees (46%);
- Increase user fees for City services that currently have fees (40%); and
- Reduce level of staff/personnel providing services (39%).

Both residents and businesses also said they were willing to pay more in user fees for services they or their business use (on average, 65%).

Stakeholder Meeting

Our dialogue session with stakeholders reflected that members of key stakeholder communities (seniors, LGBTQ2+, people with disabilities) are looking for leadership on housing, affordability, equity and accessibility of services and support for marginalized communities. Several Business Improvement Associations in attendance flagged challenges related to public safety and street disorder, often as a result of poverty and mental health and addiction issues in the downtown core.

In terms of public services, participants were hesitant to endorse eliminating services or reducing service levels in order to save money. When offered a trade-off, they preferred the strategy of raising fees and gave the examples of increasing the cost of business licences and development permits. There was also discussion of the need for increased advocacy and collaboration with the provincial and federal governments to increase funding to address local housing and public transportation infrastructure.

Community Outreach

The 337 community participants who participated in a LEGO learning and voting exercise at public venues around Vancouver ranked the following as their top three priority issues in the City:

Housing	58%
Social Issues	44%
Cost of Living	48%

Across all public conversations, we heard unequivocally that housing and cost of living remain linked, they continue to be challenging issues for residents and businesses, and have negatively affected the overall satisfaction with the City of Vancouver’s services.

The City has used the input from the public engagement on the Outlook to help set priorities for the 2018 Budget and Five-Year Financial Plan to focus investments on the issues that are most important to residents and businesses, as well as to the areas where residents and businesses have told us service improvements are needed.



Part I: The City of Vancouver's Fiscal Plan

Budgeting for results

Among the world's most livable cities, Vancouver is growing rapidly as a vibrant city with a strong economy that attracts global attention. Our greatest challenge in planning and budgeting for the future is to make the best use of our resources to maintain basic services while responding to the expanding needs of our growing population. The City must continually balance the need to provide services, facilities and infrastructure with the need to keep property tax and utility rate increases at a manageable level for businesses and residents.

This proposed budget advances key priorities that continue to make Vancouver a great place to live, work and thrive, including:

- Address housing supply, affordability and critical social issues
- Improve service and maintain and upgrade streets, utilities and facilities
- Continue to build vibrant communities
- Increase investments in public safety

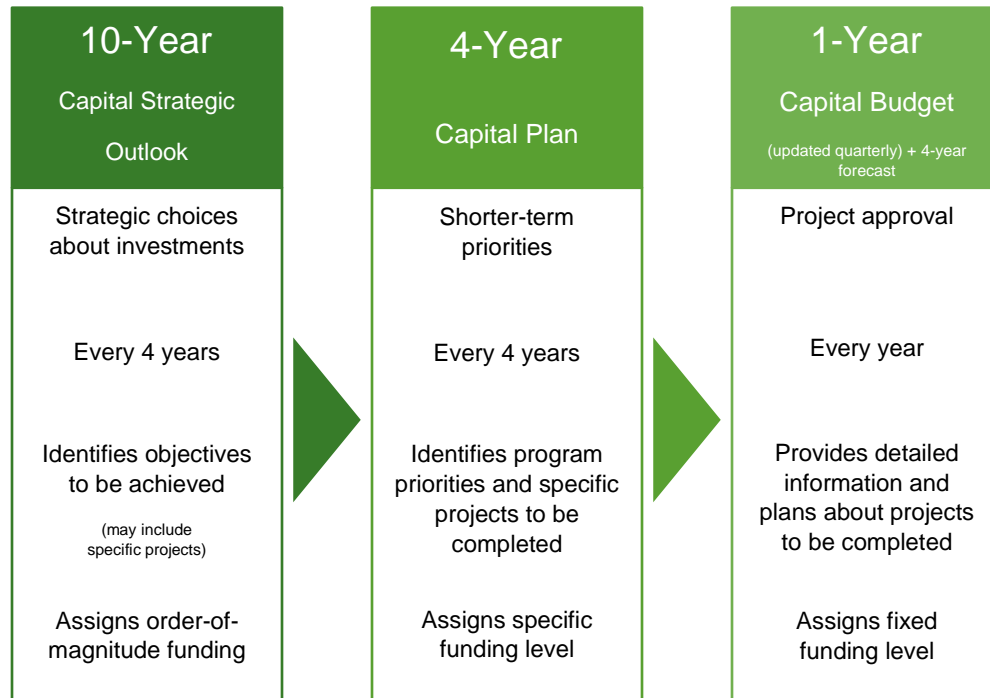
The allocation of fiscal resources is aligned with Council and Board priorities and is designed to drive results — as measured through service plan metrics. Departmental service plans and their related key service plan metrics describe the range of services and programs that support the City's short- and long-term priorities, and its strategic goals.

Funding the budget

The services the City of Vancouver provides are primarily funded from property taxes, user fees, development contributions and partner contributions. Property taxes, collected from homeowners and businesses, are the source of more than half of the City's budgeted operating revenues. User fees include utilities fees and other fee items such as parking meter fees,

licences (dog licences, business licences, etc.) and permits (parking, building, etc.) as well as user fees from City-run recreation programs, including pools, rinks and fitness centres. Non-utilities user fees and other revenues account for almost one-quarter of the operating revenues, and the balance is derived from utilities fees.

Development-related fees and contributions are essential in the delivery of public amenities and facilities made necessary by growth. Partner contributions from senior levels of government, and private and community partnership opportunities are also essential in funding facilities and infrastructure.



The City's Capital Strategic Outlook provides a 10-year strategy that lays the foundation for its long-term service and financial planning. The City's 10-year strategy guides capital investments for both existing and new assets. The Capital Strategic Outlook informs and streamlines the process for capital planning.

The Capital Plan sets out the funding strategy for executing the capital investment priorities over the four years of the plan through the annual capital budgeting process. The four-year Capital Plan shapes the City's long-term service and financial planning; whereas, the Capital Budget details the Council-authorized funding and spending.

The budgeting process strikes a strategic balance among the City's needs to maintain facilities and infrastructure in an appropriate state of repair; to optimize networks of amenities to best serve residents, businesses, and people who visit and work here; and to advance Council and City priorities within the City's long-term financial capacity.

The annual Capital Budget provides the authority to proceed with specific capital projects; it defines both the Multi-Year Capital Project Budget and the Annual Capital Expenditure Budget for all approved work. Important in fostering and maintaining public accountability and

transparency, the Council-approved Capital Budget provides detailed information about specific capital projects, such as funding sources and outcomes.

The City funds capital investments with a balanced mix of funding sources (who pays) and payment methods (when to pay). Funding sources (who pays) include property taxes, user fees, utility fees, development contributions (Development Cost Levies and voluntary Community Amenity Contributions), and partner contributions from provincial and federal governments, other agencies, non-profit organizations, foundations and philanthropists (particularly in the areas of affordable housing and childcare). Payment methods (when to pay) include pay-in-advance funding from capital reserves, pay-as-you-go funding from current revenues and user fees, and debt financing that is repaid over time.

When developing its long-term financial plan, the City maintains a commitment to strong financial discipline and continued management of debt to ensure that capital investments will not unduly burden the Operating Budget through debt servicing, operating costs and asset lifecycle costs. Both Moody's and Standard & Poor's credit rating agencies have acknowledged the City's efforts by awarding it with the highest credit rating.

The City's strong financial management has been acknowledged by credit rating agencies with the highest credit rating of AAA.

Key steps in the 2018 budget process

The figure below highlights the key activities and Council review and approval stages in the annual budget process.



- Department service plans are prepared for each of the City's major operating areas. The service plans highlight major accomplishments in 2017, outline upcoming activities in 2018 and provide a look ahead to the 2019-2022 period. They include an overview of operating budget information by department and, where applicable, a description of notable capital projects. The activities and programs set out in the service plans are tightly linked to budget allocation decisions and are key components in balancing the City's five-year financial plans. Starting this year, infographics have been used to highlight key service metrics; a comprehensive suite of department service plan metrics is presented in the appendix.
- A five-year financial plan is included in the annual budget report to Council, including the annual budget and four-year forecasts. The five-year financial plan is based on a set of financial sustainability guiding principles and financial health targets and is used to guide the allocation of resources to fund ongoing operating costs and capital investments. The five-year financial plan is presented for information only and is not an approved budget; Council approves the operating and capital budget for the upcoming year as part of the annual budget process.
- The 2018-2022 Budget Outlook provides the context and factors that influence the development of the 2018 Budget and Five-Year Financial Plan. It describes the City's 2017 Budget, City priorities and key financial considerations for the 2018 Budget and Five-Year Financial Plan.
- Public engagement plays an important role in informing decisions made by City Council and staff on budget allocation by service area and for the five-year financial plan.
- The budget report consolidates the proposed annual budget and five-year financial plan — it is accompanied by service plans with key performance metrics and a public engagement report.

Service planning and budget process

The City's service planning and budget process is designed to ensure the City uses public money in the most effective manner — also known as value for money — while ensuring the City's short-term goals and long-term financial health are sustained. More specifically, the process is designed to achieve the following objectives:

1. Meet the City's responsibilities and achieve its strategic priorities.
2. Spend only what the City can afford: live within our means and do not burden future generations with unsustainable obligations.
3. Create more value for money: deliver services and programs in an affordable and cost-effective way.
4. Track results compared to plans.

To achieve these objectives, City staff have incorporated leading practices into the budget development process. These practices include:

- **Linking budget to strategy** — Using a financial framework to outline the City's financial health, set financial goals and establish budget allocation before the budget process begins.
- **Enhancing public consultation** — Conducting a capital plan consultation every four years, aligned with the capital program planning cycle, to inform the City's goals and budgets. Holding public engagement events, such as an online survey, a roadshow and a public dialogue session every year as part of the budget process.
- **Providing relevant budget information** — Aligning performance metrics to the City's strategic goals, operating and capital information, and budgeting for all City funds and entities. Providing budget information in clear, easily understandable language. Tailoring information to the needs of different audiences, including City Council, members of the City's City Leadership Team and the public.
- **Streamlining the budget process** — Minimizing budget versions, integrating operating and capital budget processes, and integrating the budget process with other City-wide planning and performance management processes.

City of Vancouver overview

Long-term priorities and strategic goals

The City's long-term priorities extend to Vancouver's residents, communities, the local economy and the environment. Public consultation helps inform the budget in directing spending toward services Vancouverites want and need. Council supports the City's mission "to create a great city of communities that cares about its people, its environment, and the opportunities to live, work, and prosper" by aligning spending with programs that support Vancouver's people, prosperity and environment.

People



Goal: Cultivate and sustain vibrant, creative, safe and caring communities for the wide diversity of individuals and families who live in, work in and visit Vancouver.

Prosperity



Goal: Provide and enhance the services, infrastructure and conditions that sustain a healthy, diverse and resilient local economy.

Environment



Goal: Protect and enhance Vancouver's climate, ecology, natural resources and connections to the city's remarkable natural setting for future generations.

Economic context and fiscal responsibility

A resilient economy fosters dynamic businesses and sustainable employment, and it helps to attract and retain professionals, families and individuals to live and work in Vancouver. When developing the City's long-term financial plan, the City considers global, regional and local economic factors. Understanding these constantly changing factors allows the City to manage near-term risks and uncertainties while also planning for long-term financial sustainability and resilience.

Global context

The global economy continues to strengthen in 2017 with business investment contributing to one of the strongest recoveries in recent years. For the first time since the global financial crisis of 2008, all advanced economies are set to expand. Global real GDP is forecast to grow by 3.6% in 2017 and 2018, and 3.5% in 2019. The most pronounced risks to the global economy relate to possible developments with North Korea, where any geopolitical misstep could lead to significant downside risk to the global financial markets and business confidence.

The US economy is anticipated to expand by 2.2% in 2017 and 2.3% in 2018, driven mainly by strong growth in consumption combined with a rebound in business investment and industrial activity. Solid consumer fundamentals, including a robust job market and rising household net worth, continue to support consumer spending.

The Eurozone economy is expected to expand by 2.3% in 2017 and 2.0% in 2018, supported by solid consumption and accelerating business investment. The growth is reasonably broad-based, with Spain leading at 3.0% and Germany following at 2.5%. The impending Brexit continues to be a drag on the UK economy, which is expected to grow only 1.25% in 2017/2018.

China's economy is expected to grow by 6.7% in 2017 and decelerate gradually to 6.0% by 2019. As China continues to progress on economic reforms and transition from credit-fuelled investment toward consumer-driven activity, its economy is expected to become more sustainable, and its significance in the world economy will continue to increase.

National context

Canada's economy recovered notably in the first half of the year, and the momentum is expected to sustain through the rest of the year with growth forecast to reach 2.6% in 2017 before receding to 1.9% in 2018. Consumption remains the biggest driver of the growth, supported by strong labour market conditions and wealth gains associated with rising home prices. As the pace of job growth and household disposable income growth are both expected to ease off, consumers are unlikely to sustain their spending momentum.

Low unemployment, strong household formation, high immigration and international capital inflows remain supportive of housing demand. Deteriorating housing affordability, moderately higher borrowing costs and consecutive rounds of regulatory policy changes are expected to moderate national home sale activity. New home construction and renovation activity remain elevated, but they are expected to trend lower as the market continues to cool.

Industrial activity is advancing at its fastest pace in six years, led by strengthening global demand for oil and gas extraction and mining. A broad-based upturn in manufacturing activity is also underway as an improving economy and rising profitability continue to support an increase in capital investment.

A disjointed correction of housing markets and the renegotiation of NAFTA remain the key risks to the economic outlook and could have far-reaching implications. Even if NAFTA remains intact, an elongated period of negotiations, combined with other potential American trade actions on softwood lumber, steel, aluminum, solar panels and jet aircrafts would increase uncertainty and put a damper on both domestic and foreign direct investment into Canada.

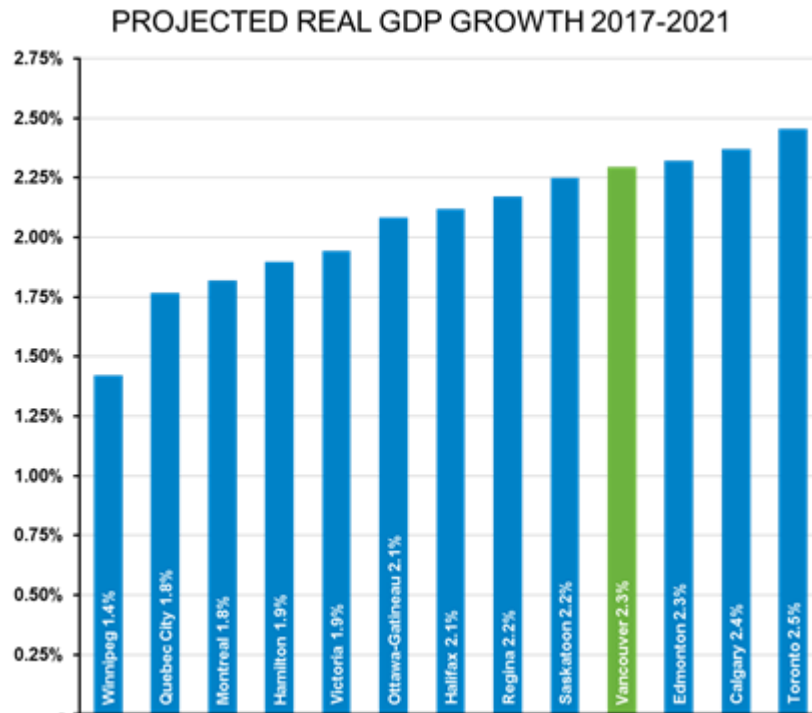
Provincial context

British Columbia's 2.7% economic growth forecast for 2017 is expected to outperform most provinces. Strong demand for most industries is expected to create 84,000 net new jobs, bringing the unemployment rate down to 5.4% — the lowest level since 2008. Wealth effects stemming from rising home prices continue to fuel household spending. A number of challenges in the near-term economic landscape are expected to moderate growth to 2.4% in 2018 and 1.9% in 2019. These include cancellation and deferral of LNG (liquefied natural gas) projects, uncertainty in the Kinder Morgan Trans Mountain pipeline expansion project, a weakening housing market in response to federal and provincial policies to curb soaring home prices, consumption limited by higher interest rates and regulatory tightening, the forestry industry impacted by US import duties and forest fires, and the unresolved softwood lumber trade conflict with the US.

Regional context

After expanding at an average of 4.0% each year, for five consecutive years, Metro Vancouver's economy is forecast to ease to 3.2% in 2017, and retreat further to 2.5% in 2018 and 2.2% in 2019. This reflects a cooling of the housing market driven by the 15% tax on foreign buyers levied by the provincial government and tighter mortgage rules introduced by the federal government as well as the increased mood of protectionism in the US. Employment growth is forecast to ease from 4.7% in 2016 to 2.4% in 2017, and further to 1.5% in 2018 and 2019. The unemployment rate continues to improve and is expected to reach 5.1% in 2017 — the lowest level since 2008 — and improve further to 4.7% by 2021. Despite poor housing affordability, Vancouver's natural beauty, favourable Pacific Rim location and decent economy will continue to attract in-migration of more than 30,000 people each year in 2017 and 2018, boosting its population growth by 1.7% in 2017 and another 1.4% in 2018.

Housing starts for both single and multi-family units are expected to drop 9.0% from a particularly high 2016 to 25,400 units in 2017 and a further 7.0% to 23,600 units in 2018. This start rate remains well above the 10-year average of 18,700 units. Non-residential construction activity is expected to continue at current levels in the near term. Key projects include One Burrard Place featuring 1.1 million square feet of residential and commercial space and the 10-year, \$1.8 billion expansion of the Vancouver International Airport.

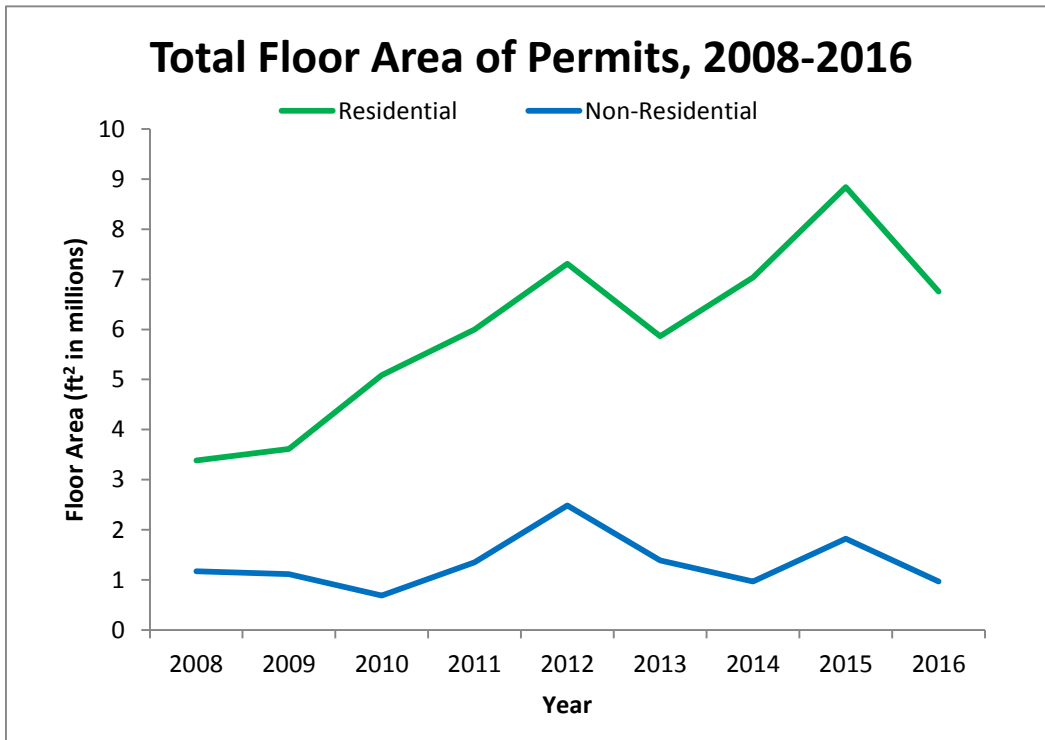


Local context

Population growth in Vancouver has been steady over the last decade at 1% per year, reaching 631,500 in 2016. This trend is expected to continue over the next two and a half decades.

Housing starts in Vancouver jumped from 4,620 units in 2015 to 9,760 units in 2016 — surpassing the 2013 record of 6,070 units — and have since retreated to a more sustainable level of 3,520 units in the first nine months in 2017. Housing completion jumped from 3,845 units in 2015 to 4,950 units in 2016, and it has reached 4,570 units in the first nine months in 2017.

Non-residential development in Vancouver continues to be robust. Major projects on the way will add about 10 million square feet of commercial and industrial floor space over five years, mainly in the downtown and central business district and along Broadway and other major transit corridors.



Fiscally responsible

The City is committed to supporting Vancouver's residents and businesses and to building a vibrant and livable city in a financially sustainable and resilient way. Over the last few years, the City has evolved its budgeting process to integrate mid- and long-term service, financial and capital planning. This transition, coupled with the introduction of performance metrics, helps guide the strategic investment in the services, amenities and infrastructure needed to support a growing city.

By legislation, the City cannot run a deficit or borrow to fund its operating budget. The City adheres to strong fiscal discipline to ensure that we live within our means and do not burden future generations with unsustainable obligations, that services and programs are delivered in an affordable and cost-effective way, and that public amenities and infrastructure are maintained in an appropriate state of repair. When developing the City's long-term financial plan, a key consideration is to ensure that capital investments will not unduly burden the operating budget through debt servicing, operating and asset lifecycle costs. This strong financial management has been acknowledged by credit rating agencies — both Moody's and Standard & Poor's — that have awarded the City with the highest credit rating of AAA.

Financial sustainability guiding principles and financial policies

The following principles and policies guide the development of the City's service plans, annual budgets and medium- to long-term financial and capital plans:

Financial sustainability guiding principles

- **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 an appropriate state of repair
 - Optimize capital investments to meet public and economic needs while achieving value for the investment

Keep debt manageable

The City's goal is to minimize the year-over-year increase in debt-servicing costs, stabilize the debt level and reduce the debt per capita over the long term. This way, the capital program will not cause significant operating budget increases, thereby helping to maintain property taxes and user fees at affordable levels.

The City uses debt in its mix of payment methods to fund capital investments. This allows payments to be made over a longer time frame to align with the useful life of the underlying capital assets, and it ensures that generations of residents and businesses that benefit from the capital investments participate in paying for them. While the City's legal debt limit is 20% of the total assessed property value, the primary determinant of debt capacity is the City's ability to service its debt while maintaining target financial health indicators.

The City takes a careful approach to its use of debt to renew and enhance its infrastructure and public amenities to serve businesses and residents while ensuring a balanced operating budget and keeping property tax and fees at an affordable level. The City's consistently strong credit ratings and favourable borrowing rates reflect this careful approach.

As part of the City's long-term debt management strategy, water and sewer utilities have been transitioning their infrastructure lifecycle replacement programs from debt financing to a pay-as-you-go model. This will help lower the City's overall debt and save interest costs over the long term. Looking ahead, the City will continue to explore opportunities, where appropriate, to transition its general capital program to a higher proportion of pay-as-you-go to enhance the City's long-term debt profile and credit ratings.

The total net external debt outstanding at the end of 2016 was \$615.8 million. The table below shows principal and interest payments for 2018-2021.

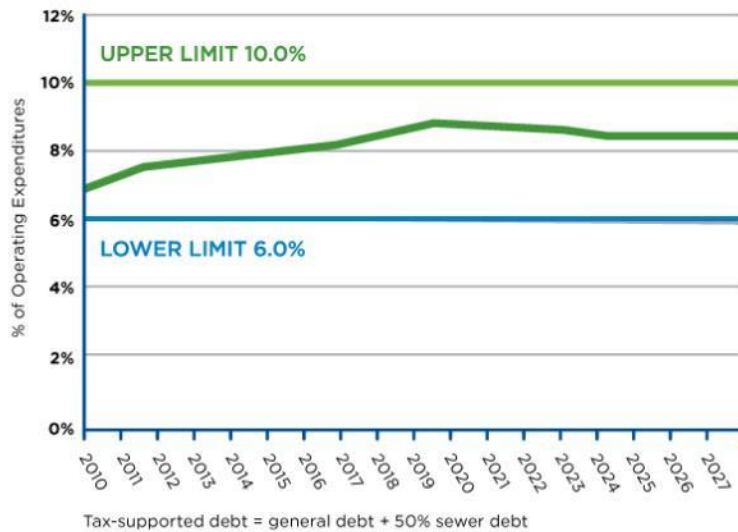
External debt payments (\$000s)

Year	Principal	Interest	Total
2018	\$ 238	\$ 33,446	\$ 33,684
2019	\$ 125,243	\$ 33,442	\$ 158,685
2020	\$ 125,247	\$ 24,500	\$ 149,747
2021	\$ 140,251	\$ 21,683	\$ 161,934
Total	\$ 390,979	\$ 113,071	\$ 504,050

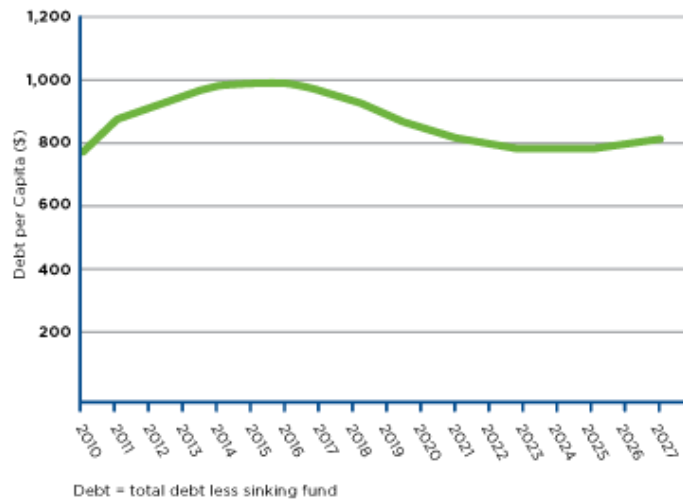
* note: Debentures are issued for Capital Fund expenditures. Principal and interest payments are budgeted through the Revenue Fund.

The following charts are the key debt-related financial health metrics, and they represent tax-supported debt servicing as a percentage of operating expenditures and debt per capita over the 2010-2017 period. Higher debt issued in advance of the 2010 Olympics increased debt-servicing costs. Ongoing debt management strategy will stabilize future debt-servicing costs.

TAX-SUPPORTED DEBT SERVICING AS % OF OPERATING EXPENDITURES



DEBT PER CAPITA



Maintain strong credit ratings

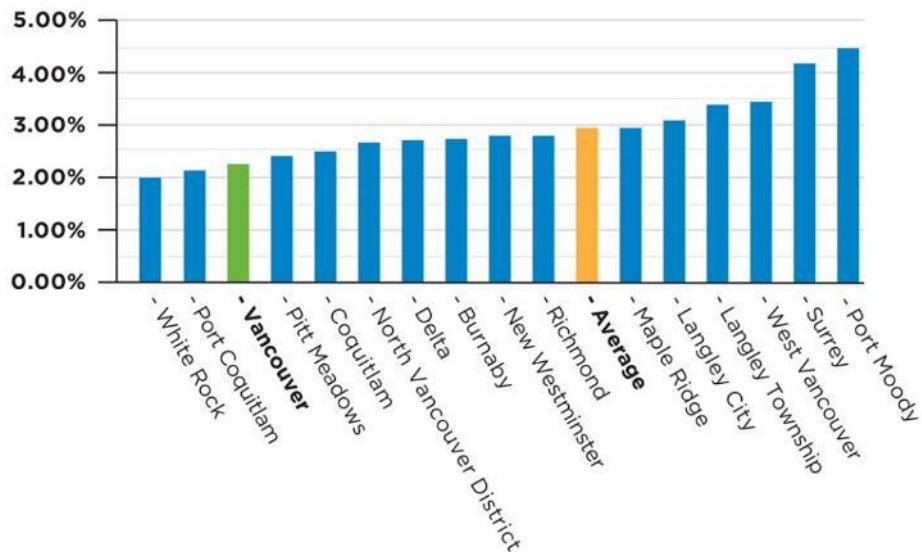
Standard & Poor's upgraded the City's credit rating from AA+ to AAA in 2017, reflecting the ongoing improvement in our debt profile and cash position, consistently solid budgetary performance and our commitment to strong financial discipline. The City continues to maintain its AAA credit rating with a stable outlook from Moody's.

The City's strong credit rating is among the best for a Canadian city. Continued management of debt within target levels is critical to maintaining and enhancing the City's credit ratings and to securing the most favourable borrowing rates to finance the City's capital program.

Keep property tax affordable

Over the past five years, Vancouver has had one of the lowest average property tax increases among Metro Vancouver municipalities at 2.3%, which is generally aligned with forecasted inflation, which has run between 0.1% and 2.5% (based on the Conference Board of Canada's inflation forecast, available in the fall of each year). During this period, the City has enhanced its network of public amenities in the areas of affordable housing, childcare, recreational and community services, and public safety, and it has invested in core infrastructure, such as sewer separation and renewal, and upgraded transportation infrastructure for pedestrians, bikes and vehicles. All these were accomplished through continuous innovation, business transformation and productivity enhancement while absorbing above-inflation wage increases.

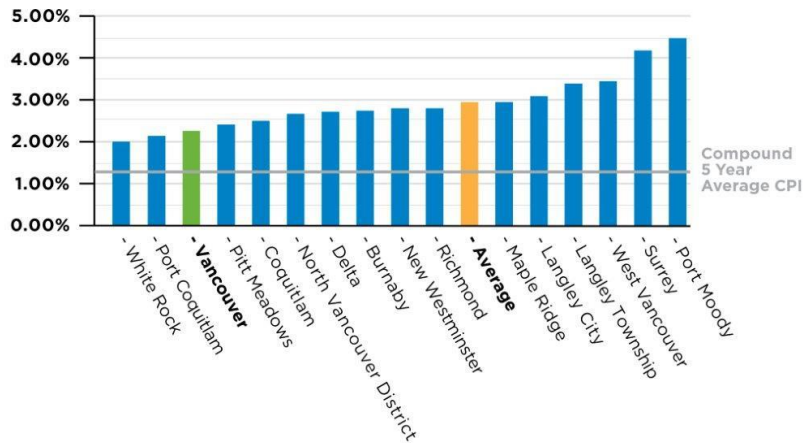
VANCOUVER VS. METRO VANCOUVER FIVE-YEAR AVERAGE
PROPERTY TAX INCREASE (2013-2017)



Looking ahead, the growing demand for infrastructure and public amenities will continue to put pressure on the City's budget. The long-term impacts on property tax and fee payers arising from the City's capital investment decisions, including debt servicing, ongoing operating costs and asset lifecycle costs, will continue to guide the development of our mid- to long-term financial and capital plans and the annual budgets.

The chart below shows the five year average property taxes across Metro Vancouver compared to the compound five-year average CPI (2013-2017).

Vancouver vs Metro Vancouver Five-Year Average Property Tax Increase and Compound Five-Year Average CPI (2013-2017)



Maintain assets in an appropriate state of repair

Maintaining core infrastructure and public amenities in an appropriate state of repair is critical to the City's long-term financial health and resilience, and it helps ensure asset management obligations are not deferred and infrastructure deficits do not accumulate to unacceptable levels. The City's target is to ensure at least two-thirds of City assets are in good or fair condition at any given time.

Optimize capital investments

Before adding new facilities, the City considers repurposing and right-sizing existing facilities and continues to advance on co-location and functional integration of services to enhance customer service and operational efficiency. All new facilities will be designed with flexible, adaptable and expandable spaces to accommodate changing demographics and future growth.

Financial policies

Balanced budget

Under legislation, the City must prepare a balanced operating budget where expenditures are equal to revenues.

Basis of financial reporting

The City's annual financial statements are prepared using the accrual method as prescribed by the Public Sector Accounting Board under generally accepted accounting principles (GAAP).

The accrual method recognizes revenues as they are earned and expenditures as they are incurred, not when cash is received or paid.

Basis of budgeting

The City budgets for its funds on a cash basis to include capital additions, debt transactions and transfers and to exclude depreciation. Upon consolidation, adjustments are made to present the City's consolidated budget on an accrual basis consistent with the presentation of the annual financial statements.

Long-term planning

The City has a Five-Year Financial Planning framework that is based on a set of financial sustainability guiding principles and financial health targets and is used to guide the allocation of resources needed to fund annual and multi-year budgets. Use of the framework ensures achievement of long-term goals, ongoing financial sustainability, balanced operating forecasts and alignment with Council and Board priorities.

Revenue

The City estimates revenues conservatively, maintaining a stable and diverse mix of funding sources to support services. It is currently Council policy that fees and charges be established on the basis of the cost of providing the associated services, or at market level where the service is provided in a market environment.

Expenditures

Operating expenditures are budgeted to not exceed revenues. The City uses an enterprise resource planning system to report and monitor against budget on a monthly basis. Quarterly financial updates are posted on the City website.

Cash and investment

The City seeks to make investments that preserve capital in its portfolio while obtaining liquidity to meet anticipated cash flow needs. The portfolio is structured to maximize a rate of return that is consistent with safety and liquidity requirements.

Progress with Council and Board priorities

The City continues to be committed to making progress on Council and Board priorities in 2018, building upon what has been achieved in 2017. Many of the priorities — housing, affordability and homelessness in particular — require long-term focus, cooperation and financial contributions from other levels of government, engagement with and support from key stakeholders, and collaboration across multiple functional areas of the City's operations. We remain committed to working with all stakeholders to advance the key initiatives that will make the most impact in addressing the core issues we face in our city.

The following are highlights of the investments and achievements to date, as well as key planned initiatives going forward, across the five priority areas defined by Council:

- Housing, affordability and homelessness
- Safety, inclusion and creativity
- Economic development
- Greenest city
- Value for money

Housing, affordability and homelessness



*Targets based on Housing Vancouver 10-Year Strategy (2012-2021). The new Housing Vancouver Strategy will be presented to Council by the end of 2017.

Housing and affordability

As a growing and diverse city, Vancouver needs to continue to increase the availability and range of affordable housing choices for all residents; this is a critical step in promoting economic development while building a healthy, resilient and sustainable city that has safe, inclusive and creative communities. Responding to Vancouver's current housing affordability crisis is the most significant challenge facing the City today. Vancouver residents have the lowest median incomes among Canada's major cities but face the highest rent and housing costs.

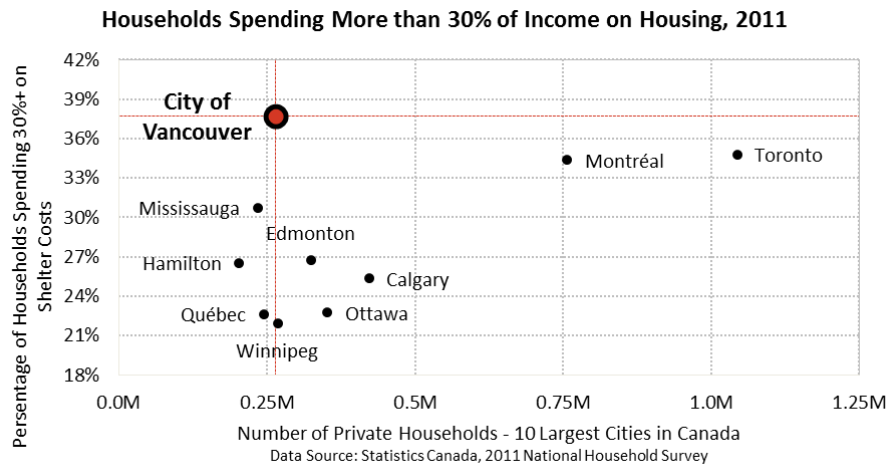


It has become more challenging for Vancouver residents of varying economic means to access affordable housing within the city as persistently strong population growth, constraining

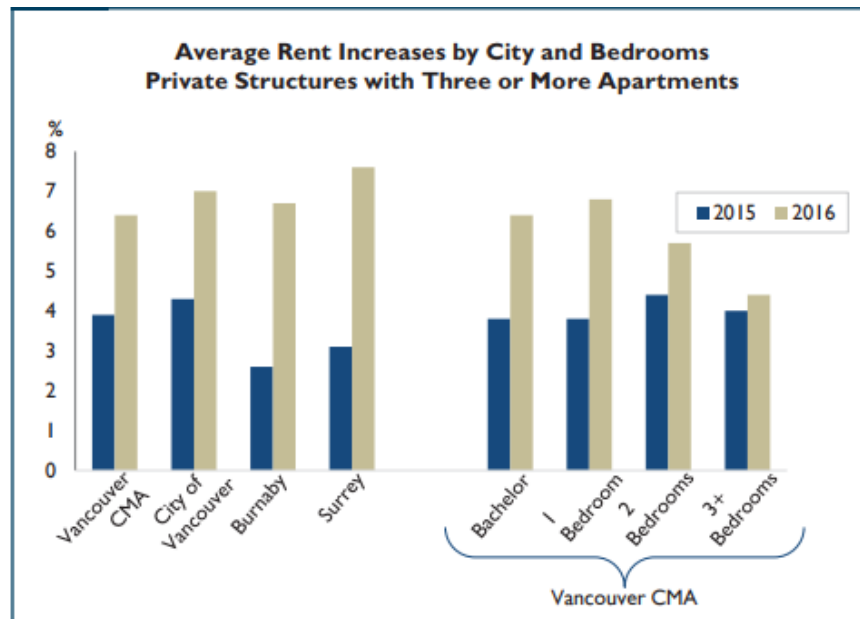
topography and increasing demand for housing as an investment commodity have affected the city's housing market.

The “housing gap” has expanded beyond affecting the most vulnerable to impacting an increasing number of households. Low-income residents and seniors continue to struggle, given the limited availability of social housing and welfare supports. Housing affordability is increasingly affecting moderate-income households. The combination of home values continuing to soar and vacancy rates remaining persistently below 1% has now made homeownership and rental out of reach for most middle-income households, a group of residents now referred to as the “Missing Middle”.

Rents continue to outpace incomes. There are more than 46,000 renters in Vancouver across the income spectrum paying over 30% of their income on rent, and 15,000 of these households are paying over 50% of their income on rent — 58% of these individuals are aged 20 to 45, 15% are families with children, and a further 14% are seniors over 65.



Statistics Canada's 2016 census data reveal that median monthly rent across Vancouver and Metro Vancouver rose significantly by **50% or more** in some neighbourhoods between 2011 and 2016. Similarly, CMHC's 2016 *Rental Market Report* also shows marked rent increases year over year across Metro Vancouver.



Source: CMHC 2016 Rental Market Survey

In 2011, Vancouver City Council adopted the Housing and Homelessness Strategy (2012-2021) that sets out a 10-year plan with the goals of ending street homelessness and providing more affordable housing choices. The City's most significant contribution toward affordable housing includes the \$125 million earmarked in the 2015-2018 Capital Plan and the 20 housing sites worth over \$250 million that have been put forward.

Strategic partnerships and funding contributions from senior levels of government and housing partners are essential for the City to achieve its housing goals. Significant progress has been made toward increasing the supply of affordable housing. The City's Housing and Homelessness Strategy, housing policies and key partnerships have enabled 16,000 new units geared toward low- to moderate-income households.

Progress Toward 5- and 10-Year Housing and Homelessness Targets as of Sept. 30, 2017

Housing Targets	Cumulative number of units committed ¹	Remainder of 2021 Target	Percentage of 10-year Target (2021)	10-year Target for number of units (2021)
Social Housing	2,935	2,065	59%	5,000
Supportive Housing	1,702	1,198	59%	2,900
Secured Market Rental	7,032	2,032 above target	141%	5,000
Suites and Laneways	4,558	1,442	75%	6,000

1. Number of units may change through the development permit process. Figures are until Q3 2017 to preserve integrity of the public process for projects pending approval in Q4.

While the goals of the Housing and Homelessness Strategy (2012-2021) remain paramount, the deepening of Vancouver's affordable housing crisis over the last five years required the City to reset its strategy.

During the first six months of 2017, the City worked to create the Housing Vancouver Strategy, a new 10-year strategy that provides a renewed vision and explicit policy directions, strategies and actions to achieve the following:

- Reduce the affordability gap
- Provide a strong foundation for the future of housing
- Address housing needs for the city's diverse population

Presented to Vancouver City Council in March 2017, Housing Vancouver (Phase 1 and 2 emerging directions) set a new goal of creating 72,000 new homes in Vancouver over the next 10 years. Approximately 48,000 of these new homes will be rentals; 29,000 will be for families and 12,000 will be social and supportive housing for lower-income residents. The Housing Vancouver Strategy and a three-year action plan will be presented to Council in late fall 2017.

The City has already taken action on numerous initiatives and delivered measurable results on numerous fronts, including:

- **Temporary modular housing**
 - Partnering with the provincial government to deliver 600 “Housing First” temporary modular housing units on multiple sites in 2017/2018 (provincial funding commitment: \$66 million).
 - Collaborating with the Vancouver Affordable Housing Agency (VAHA) to open a 40-unit temporary modular housing pilot project at 220 Terminal Avenue.
- **Single room occupancy (SRO)** — Undertaking a variety of initiatives to ensure those who are among the most vulnerable have safe and secure housing in which to live, including:
 - Single Room Accommodation (SRA) Bylaw — Continuing to monitor and implement the bylaw.
 - SRO Task Force — Engaging with private owners, developers, non-profit organizations, community groups and tenants to develop the SRO Revitalization Action Plan.
 - SRO Revitalization Action Plan — Initiating the development of a new action plan aimed at improving SRO building condition and affordability, and helping SRO tenants gain access to adequate supports.
- **Indigenous housing and wellness** — Continuing work with partners to implement actions in response to the Metro Vancouver Aboriginal Executive Council's Aboriginal Housing and Wellness Strategy, such as progressing plans in partnership with BC Housing for 950 Main Street and 1015 East Hastings Street.

- **Empty Homes Tax** — Introducing Canada's first Empty Homes Tax to encourage owners of vacant and underutilized properties to rent their properties, thereby improving the city's rental vacancy rate as well as generating incremental revenue for reinvestment into affordable housing. The tax was introduced for the 2017 year with the administration of the tax program implemented in the latter part of 2017. Key activities scheduled for early 2018 include completion of property status declarations by homeowners followed by the subsequent billing of the Vacancy Tax in March.
- **Policy development** — Identifying and securing additional housing opportunities through policy, including:
 - Community plans — Continuing implementation of housing policies in recently approved community plans that will deliver new on-site social housing as part of an inclusionary housing approach, and shaping housing policies within new community plans such as False Creek Flats, St. Paul's Policy Statement and Northeast False Creek.
 - Below-market rental housing program — A new approach to deliver affordable rental units through a city-wide pilot to create permanently secured below-market rental housing.
 - Short-term rental policy — Developing a framework to regulate short-term rentals, like Airbnb, in order to increase the supply of long-term rental in the city.
- **Planning and development fee review** — With continued growth of development and building activities and in order to reduce permit process wait times, 75 new staff positions will be hired in the departments of Development, Buildings and Licensing; Planning, Urban Design and Sustainability; and Engineering.
- **Streamlining permitting process for affordable housing projects** — In 2018, a pilot will be undertaken to improve coordination and streamline the permitting process for affordable housing projects, to expedite the development of affordable modular housing, and to enhance relationships with our partners in the industry who deliver non-market affordable housing by helping to build capacity for future projects.

The City also provides strong protection for tenants and renters through the Rate of Change Policy, aimed at preserving existing affordable rental stock, and the Tenant Relocation and Protection Policy, aimed at mitigating the impacts of displacement resulting from redevelopment activity. In addition, the City works with its housing partners to maintain and renew social and co-op housing units so that at least one-third of the housing stock in Vancouver is affordable for low- and moderate-income households.

Homelessness

The impact of persistent high housing costs is most pronounced for city residents who live on low incomes and who struggle with health problems and disabilities. Delays in developing permanent supportive housing and inadequate low-barrier shelters and interim housing, often

used to transition homeless people into permanent housing, put further pressure on the housing and social support system.

The City has conducted annual homeless counts since 2010 and has participated, since 2002, in regional Metro Vancouver counts that occur every three years. The City's 2017 homeless count was part of the three-year regional Metro Vancouver Homeless Count. Results show that homelessness has increased by 30% across the region since the 2014 Metro Vancouver count and by 19% in Vancouver, a rate that is lower than most other jurisdictions.

The 2017 homeless population profile shows that:

- 68% of the homeless population are from Vancouver.
- 78% have lived in Vancouver for more than one year.
- Indigenous people account for 39%, yet they account for only 2% of the city's general population.
- Men account for 76%, and women account for 22%.
- People 25 years old or younger account for 15%, and seniors over 55 years old account for 21%.
- 79% report one or more health conditions.
- 60% of the region's homeless Indigenous individuals, 44% of the region's homeless youth (under 25) and 55% of the region's homeless seniors (55 and over) are found in Vancouver.
- Indigenous homeless individuals are more likely than non-Indigenous individuals to be unsheltered than sheltered in Vancouver and across the region.

When compared to Vancouver's 2016 count, the 2017 results show that 0.3% of Vancouver's population is homeless, increasing from 1,847 (1,308 sheltered homeless and 539 unsheltered homeless) in 2016 to 2,138 (1,601 sheltered homeless and 537 unsheltered homeless) in 2017.

Despite limited financial capacity and policy tools, the City has made significant strides toward addressing homelessness through multi-sectoral collaboration and innovative approaches.

Through partnerships with BC Housing and non-profit housing partners, the City continues to secure shelter beds to house the most vulnerable homeless residents, provide new interim housing units, revitalize and maintain affordability in the single room occupancy (SRO) hotel stock, and increase the supply of long-term social and supportive housing.

Safety, inclusion and social services

The City continues to support innovative programs to create a safe and inclusive place for people to live, work and play.

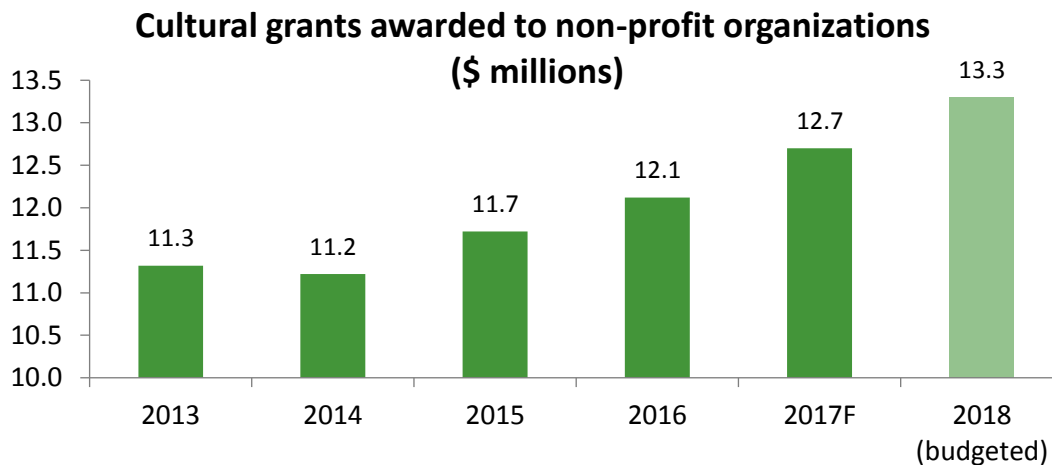


Support for arts and culture

Arts and culture is an integral part of Vancouver — the City provides support through a number of different departments led by Cultural Services, Engineering Services and the Park Board.

The City's total investment in arts and culture increased by over 53% in five years, from \$19.6 million in 2012 to \$30.1 million in 2017. In 2011, the last available study by Hill Strategies comparing per capita cultural investment by municipal governments across five Canadian cities revealed that Vancouver ranked second in each year from 2006 to 2009.

This year, the City supported 500 applications and Council approved more than \$12 million in cultural grants awarded to non-profit organizations. The Public Art Program commissioned six new murals by Indigenous artists for the Canada 150+ festival, and it supported 21 new temporary public art projects through partnerships with non-profit organizations as part of the Public Art Boost.



The City also invested \$1 million in a major renovation of the City-owned Green House at the Vancouver East Cultural Centre (The Cultch) and implemented a new Critical Assistance Grant for non-profit arts and cultural organizations to access funds for emergency or life-safety projects.

Earlier this year, following Council direction, staff initiated a Creative City Strategy — a comprehensive plan to develop a vision for culture and creativity in Vancouver. Development of the Creative City Strategy will be a major project in 2018, with the aim to complete the plan by early 2019.

The new strategy will address current and emerging challenges and opportunities, reflect the culture and history of the city, and interface with other City policies and strategies.

The development of the Creative City Strategy will engage the arts, culture and creative communities in identifying priorities to guide Vancouver's future efforts and investments, include previously under-represented voices and constituencies, build partnerships across communities and sectors, and develop strategies that place arts and culture at the forefront.

Arts and culture are key forces that shape our civic identity. The development of a comprehensive new strategy is an exciting opportunity to articulate a vision for Vancouver's thriving creative ecology — a vision anchored in principles of reconciliation, diversity, equity and inclusion.

Additionally, the City will work collaboratively with the Musqueam, Squamish and Tsleil-Waututh First Nations in 2018 to develop significant new public art projects and increase Indigenous visibility on their unceded territories. It will also support major projects and events such as the Juno Awards and the opening of a new 10,000-square-foot artist production space downtown.

City of Reconciliation

In 2014, the City of Vancouver adopted a framework to become a City of Reconciliation, which is a corporate, City-wide initiative coordinated through the City Manager's Office. This policy framework outlines the City's work to strengthen the understanding and relationships with Musqueam, Squamish and Tsleil-Waututh First Nations and with urban Indigenous peoples. With the assistance of a Reconciliation Working Group and First Nations Coordination Group, pertinent conversations and actions have progressed throughout the organization.

Cultural Competency training and new partnership projects with the Musqueam, Squamish and Tsleil-Waututh Nations and with urban Indigenous service agencies has led to insightful awareness and growth toward embedding the principles of reconciliation within City Council and Board priorities and emerging projects.

The City's interdepartmental working groups initiated Reconciliation projects and programs within their departments to engage Indigenous peoples in their services and programs. The First Nations Coordination Group works closely with the Musqueam, Squamish and Tsleil-Waututh Nations on policy issues.

As a City of Reconciliation, Canada's 150th anniversary was celebrated with a year-long initiative named "Canada 150+". This initiative acknowledges a history that predates colonization and that Indigenous peoples are key in the creation of Canada.

Resilient Cities network

In 2016, Vancouver was selected to participate in the 100 Resilient Cities program, a network of international cities committed to building communities that are well prepared to address the social, economic and environmental challenges of the 21st century. In the spring of 2017, using grant funding from the 100 Resilient Cities program, the City engaged a dedicated senior staff member to lead a review of existing programs and strategies to identify opportunities to increase Vancouver's resilience through tighter alignment of existing programs and targeted application of external expertise and/or knowledge transfer with other cities in the 100 Resilient Cities Network. Although the assessment will not be concluded until early 2018, the Chief Resilience

Officer has already initiated focused efforts to address seismic risks to Vancouver's private building stock and strengthen social connections through a pilot program with community organizations in four neighbourhoods.

Canada 150+ celebrations

Vancouver Commemorates Canada 150+ centred on a vibrant and visible presence of First Nations and Indigenous arts and culture, as reflected in the inclusion of the "+" in Canada 150+. As a City of Reconciliation, Vancouver acknowledges that there is a history to our country that predates the time of colonization and that Indigenous peoples are key in the creation of Canada. The theme of the Canada 150+ events — Moving Forward Together — set the tone for all Vancouverites to come together as a stronger society for the future.

Inclusivity was achieved in part by producing Canada 150+ in partnership with the Musqueam, Squamish and Tsleil-Waututh Nations. Noteworthy engagement included:

- Hosting 135,000 people at three signature events in 2017 (The Drum is Calling Festival, Gathering of Canoes, and Walk for Reconciliation). Engagement included more than 750 traditional and contemporary artists, performers, storytellers, chefs, dancers, drummers, artisans, filmmakers, designers, writers, activists, young leaders, Elders and knowledge carriers. The signature events included strategic partnerships with organizations such as the Pulling Together Canoe Society, Reconciliation Canada, Full Circle: First Nations Performance, Aboriginal Tourism BC, the Bill Reid Gallery, Vancouver Native Housing Society, Aboriginal Peoples Television Network, Le Centre culturel francophone de Vancouver, NFB and Vancouver's Urban Aboriginal Peoples Advisory Committee.
- Partnering with the Vancouver Park Board, Vancouver Public Library and Vancouver School Board on city-produced associated projects (i.e., the Thunderbird Sharing Ceremony, Walk Vancouver Challenge, Wild Salmon Caravan, Story City, Cedar Carving Project and the Canada 150+ mural program).
- Collaborating across the organization (i.e., with the Vancouver Park Board, Engineering Services and Cultural Services) to provide cash or in-kind City services support to externally produced events like *UNINTERRUPTED*, the Kanata Festival on Turtle Island, Nomadic Tempest and National Aboriginal Day Live.
- Promoting Indigenous professional and community events throughout the year on Canada 150+ social media channels.
- Hiring eight Indigenous production apprentices through unique partnerships with cultural industry organizations (BRANDLIVE, Coastal Jazz and Blues Society, Gearforce, Great Northern Way Scene Shop, Riggitt Services Inc., Scene Ideas, Vancouver Folk Music Festival and Vancouver International Children's Festival) and four funding partners (Aboriginal Community Career Employment Services Society, Creative BC, Vancity, and Holiday Inn Vancouver Downtown Indigenous Scholarship Program). Seven of the eight apprentices have since been hired into cultural industry jobs.

Guided by the values of mutual respect and trust, partnerships with Indigenous and non-Indigenous groups were integral to the success of Canada 150+ and the goal of strengthened relations with Indigenous peoples in Vancouver.

Opioid response

Although the City cannot end the opioid crisis without significant investments from senior levels of government, it has established itself as a national leader with its municipal overdose response. In response to the overdose crisis and its disproportionate effects on the City of Vancouver, Council approved an allocation of \$3.5 million to a Contingency Budget for the Opioid Crisis from the 2017 Budget. This budget has been strategically invested, in alignment with the goals of the Healthy City Strategy (HCS), in a range of initiatives aimed at mitigating the effects of the crisis, including:

- \$2.05 million for a new three-person medic unit in the Downtown Eastside and a mental health coordinator to support firefighters.
- \$0.43 million for a new Community Policing Centre (CPC) in Strathcona and inflationary budget increases for CPCs across the city.
- \$1.02 million for 23 high-impact community overdose response grants, including:
 - PHS Community Services Society's Spikes on Bikes needle pickup and overdose response training.
 - Atira Women's Resource Society's women-only supervised consumption site.
 - SRO peer in-reach into high-risk privately owned buildings.
 - Metro Vancouver Aboriginal Executive Council's urban Indigenous opioid task force efforts.
- The City has also partnered with the Canadian Mental Health Association to develop a first responder Resilient Minds training program to provide education to firefighters dealing with this opioid health crisis.

The approach for the 2018 Budget is to continue targeted funding, in line with levels approved in 2017, and work collaboratively with other levels of government, through a balanced and holistic approach that responds to the emerging needs of the crisis, while also supporting longer-term goals of building a city that fosters health and wellness for all.

The 2018 Budget includes:

- New operating investment funding of \$0.3 million for opioid crisis response and homeless services, as well as an additional \$0.2 million for Micro Cleaning Grants in the Downtown Eastside for a total of \$1.2 million ongoing Micro Cleaning Grant funding.
- Making permanent in the 2018 budget, \$2.4 million funding for the three-person medic unit in Vancouver Fire and Rescue Services and VPD Community Policing Centres.

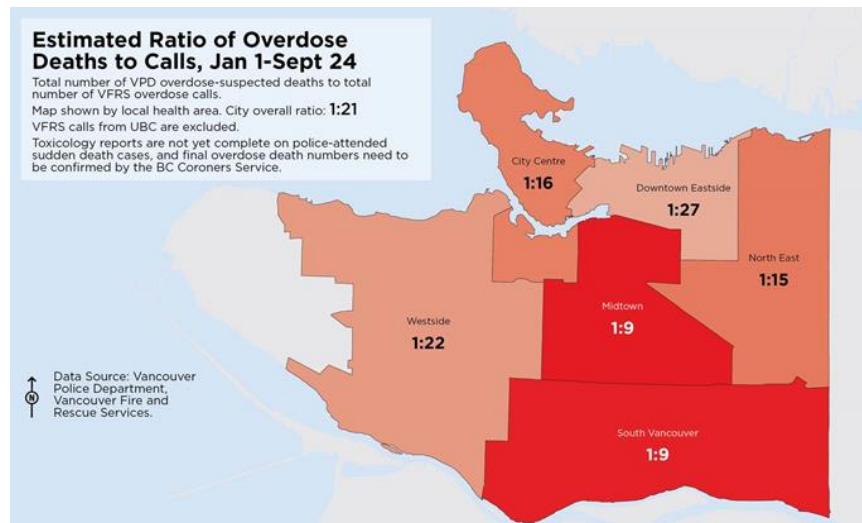
- \$0.7 million for a VPD Drug Containment Facility for safe and proper handling, and processing of drug exhibits that may be contaminated by fentanyl and/or other suspicious substances.

Other Community Services interventions that are having a positive impact on saving lives include:

- The Lux - a low barrier employment and income generating hub in the Downtown Eastside opening in 2017 to support Downtown Eastside employment;
- City staff are working to align the BC Poverty Reduction Coalition and Urban Health Council with short- and long-term addictions responses city-wide.

City of Vancouver leadership and investments have also led to successful partnerships with BC Housing (including planned build and installation of 600 new modular housing units), Vancouver Coastal Health, and non-profit organizations. Critical harm reduction and treatment supports have been delivered to individuals struggling with addictions in our city. Project outcomes have advanced the goals of the HCS broadly in the following ways: engaging youth in prevention programs, promoting Indigenous leadership, providing low-barrier employment to people with lived experience to save lives and engage drug users in treatment, and strategically targeting supports to private and non-profit single room occupancy hotels with high rates of overdose.

Vancouver Fire and Rescue Services (VFRS) and the Vancouver Police Department (VPD) have taken direct action to respond to the escalation in the opioid crisis. VFRS has experienced a 100% increase in overdose incidents in 2017 and is on target to respond to over 7,000 overdose incidents in 2017. This opioid crisis compounds the pressures on the firefighters responding to these incidents. All areas of the city are affected, with a majority of these incidents in the Downtown Eastside (DTES). Vancouver firefighters were trained to administer naloxone in 2016 and have administered over 200 doses to date in 2017.



The map above demonstrates that the lifesaving efforts of the VFRS are effective. Although 68% of all calls were to the DTES, and only 3% to South Vancouver, the ratios above indicate that targeted interventions in the DTES, such as the new three-person medic unit at Firehall

No. 2, have been highly effective in reducing call to death ratios when compared to other parts of the city.

Fighting the opioid crisis remains a top priority with continued efforts of the Vancouver Police Department's progressive approach to community policing, along with the City's advocacy for the need for urgent expansion of treatment options within the City's four pillar approach to drug policy in the report *The Opioid Crisis: The Need for Treatment on Demand*. Further community support was established with the opening of a new Community Policing Centre in the Strathcona neighbourhood and in partnering with agencies to educate the public in opioid prevention and treatment.

The City continues to provide regular briefings and recommendations for senior levels of government so that residents can receive critical crisis supports and to ensure that collaboration between all levels of government moves policy upstream to create a healthy city for all.

The Healthy City Strategy is rooted in the recognition that income, mental health, early childhood development, housing status, social inclusion and culture are all determinants of population health, including individual and collective well-being.

The HCS goals reflect each of these domains while also recognizing the need to respond to emerging community needs and crises, like the 2017/2018 opioid overdose crisis.

Public realm cleanliness

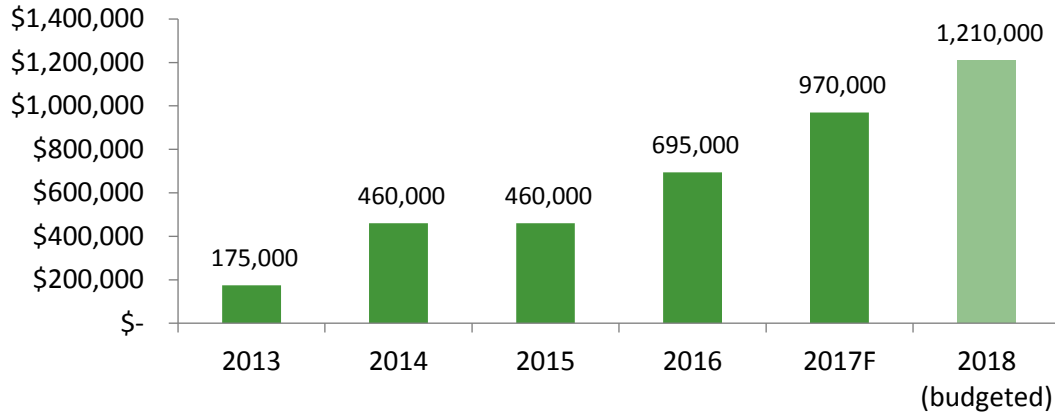
The quality of the urban environment and the perception of a clean, green city can be greatly affected by the amount of litter, graffiti and waste that is visible in the public realm. As material disposal bans are implemented, the City has experienced an increase in the amount of waste being abandoned in laneways and undeveloped areas. Litter on streets, sidewalks and boulevards, including disposal of needles and drug paraphernalia, has become an increasing problem.

The demand for services in the Downtown Eastside and surrounding areas has increased significantly with more and more incidents of random needle disposal, litter problems and abandoned waste issues. This has resulted in a need for more services in those areas, including additional micro-cleaning support from non-profit organizations.

The strategic approach being taken to improve public realm cleanliness is modelled on other successful litter reduction programs and involves improvements to four key areas: (1) services and infrastructure, (2) communications and education, (3) regulation and enforcement, and (4) partnership and collaboration. The past year's initiatives include anti-littering education and outreach programs, a streetscape recycling pilot project, and support for needle and general litter pickup in Business Improvement Areas (BIAs) through our Street Cleaning Grant Program. The Street Cleaning Grant Program included micro-cleaning by non-profit organizations to support cleaner streets, including needle pick up, while providing opportunities for low barrier employment. In 2018, additional support will be available for micro-cleaning in BIAs through an increase in the grant program.

The following chart shows funding for micro-cleaning grants from 2013 to 2018.

Micro-cleaning Grant Funding (\$)



Public realm activations

The City has goals to create a vibrant, connected and active city; our streets and public spaces play an important role in achieving those goals, which were advanced through a number of exciting initiatives in 2017:

- VIVA Vancouver, the City's public space innovation program, worked with more than a dozen community partners to deliver over 40 innovative activations across the city that encouraged people to use and think about public space in new ways. These included laneway and street-to-plaza transformations, interactive light, music and dance installations, and pop-up Ping-Pong, among others.
- New pop-up public plazas were tested at Robson and Bute streets, and the Union-Vernon-Adanac intersection. The plazas created new spaces for socializing, relaxing and gathering.
- The City ramped up its parklet program, which enables local businesses and community groups to convert on-street parking to public space, delivering new parklets and refurbishing existing ones. A three-year "strEATeries" pilot was launched to study new kinds of parklets and patios, the first of which were installed this summer and will continue into 2018.
- Last year, Council approved the conversion of up to three laneways into more dynamic, inviting, programmable public spaces. One — Alley Oop off Granville — opened to the public in fall 2016, and another — Ackery's Alley next to the Orpheum — launched in fall 2017.
- The Vancouver Art Gallery North Plaza was completed, providing a premier public space in the heart of the city. Design of the permanent 800 Robson Plaza progressed, and interim plaza improvements have made the space more accessible and easier to use, creating a flexible, level surface.

- Mobi by Shaw Go, Vancouver's Public Bike Share system, continues to grow providing stations and improved mobility to residents and visitors. Plans are underway to not only add to the existing system area but to also expand east of Main Street to the Commercial Drive area.
- In 2017, there were also two City-sponsored mass participation bike rides. Advancing a key direction from Transport 2040, these rides drew in thousands of riders of all ages and abilities to a low-barrier, family-friendly ride, celebrating cycling and the city.

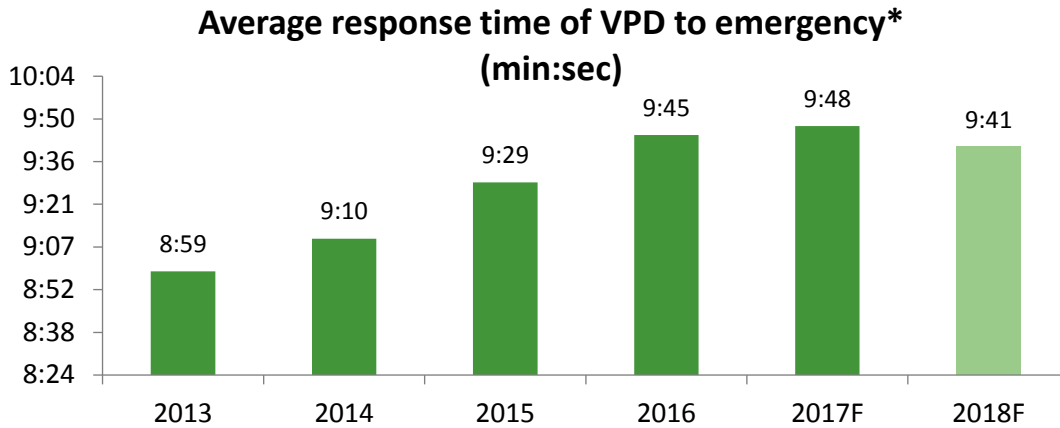
Carrying forward this momentum, 2018 will see a reinvigorated VIVA Vancouver program, more patios, parklets and "strEATeries", tests of new public spaces as well as attention to the growing need for public space management and stewardship. Planning is also underway to create a public space strategy for the downtown core (Downtown Places and Spaces) as well as develop a Parks and Recreation master plan (VanPlay). Staff across the City, including Planning, Urban Design and Sustainability, the Park Board, and Engineering Services, will continue to work together to coordinate and elevate the focus on public space in the city.

Public safety

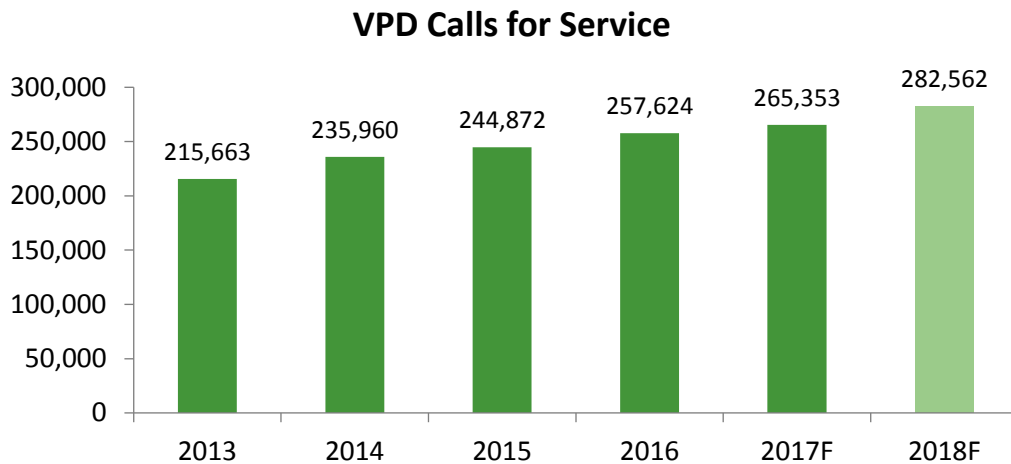
Vancouver Fire and Rescue Services (VFRS) underwent significant change in 2017. Its emergency fire apparatus fleet was updated with 26 new firefighting apparatus, of which four are new heavy rescue engines outfitted with state-of-the-art technology and equipment for rescue operations. Firefighters assigned to these units have been given advanced rapid intervention training to provide the necessary rescue support at all major emergencies in our city for both citizens and our firefighters.

In 2016, the Vancouver Police Board retained the services of independent consultants and launched a comprehensive VPD Operational Review. Following extensive data analysis and consultations with external as well as internal VPD stakeholders, this review was completed in 2017. The review recommends the addition of 120 police officers and 52 civilian staff over the next five years to maximize public safety, to ensure effective crime prevention, and to address emerging issues and challenges.

Vancouver is a safe city; however, in recent years there have been an increasing number of calls from the public for police assistance. As a result, it now takes longer for police to respond to the highest priority calls for service — Priority 1 calls. To address these demands, in 2018, the VPD will be hiring an additional 30 police officers and 10 civilian employees as recommended in the VPD's Operational Review. In addition, there will be a continued focus by the VPD to combat the opioid crisis by targeting traffickers and advocating for treatment on demand, to work with partnering agencies to open the Hub at St. Paul's Hospital to provide faster acute care for patients living with addiction and mental health issues, to improve pedestrian and road safety through public education campaigns along with targeted enforcement, and to work collaboratively with other agencies to end homelessness by keeping social and supportive housing safe.



*Priority 1 calls



Extreme weather response

The City is already prepared to address average snow seasons. Although the costs to plow all city streets during a snow event is cost prohibitive, the City is able to respond to more intensive snow events, exceeding most peer cities' levels of service readiness.

In 2017, snow and ice removal services for various civic sites were provided, as required, by contracts established through our procurement process. This included snow removal and salting services for when the weather was dry but below 2 C. Sites serviced were various VFRS and VPD locations, the City Hall campus, Vancouver Civic Theatres, non-market housing locations and several other civic locations.

The Park Board provided basic support for Community Services, opening designated recreation facilities on the coldest nights of the year to provide a warm space for those who needed it during the extreme weather conditions of December 2016 to March 2017.

In light of the effects of climate change, expanding city infrastructure, and increasing expectations of people travelling using all modes of transportation, the City has increased the service level to respond to more intensive snow events.

In July 2017, Council approved an additional \$0.8 million operating investment and a \$4.3 million capital investment to be spent in 2017 (\$0.9 million) and 2018 (\$3.4 million). The additional investment in snow readiness includes:

- Additional equipment to allow better access to narrow residential areas, pedestrian pathways and bike pathways.
- Increased salt and brine storage.
- Increased infrastructure to support communications and response during snow events, including additional Closed Circuit Television (CCTV) cameras on the major road network.

Further improvements to past snow clearing plans include:

- An expanded communications plan with defined timelines and routing information, and greater clarity for the public on what to expect during a snow event.
- Bylaw amendments.
- Increased staff and equipment capacity to clear secondary routes to support garbage and Green Bin collection.
- A snow tire recommendation allowing VPD to fine ill-equipped drivers who are involved in accidents.

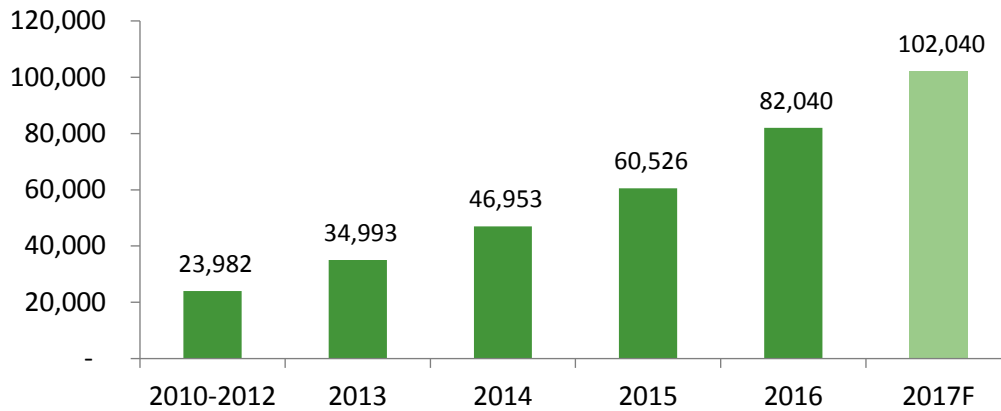
Park Board initiatives

The Vancouver Board of Parks and Recreation is undertaking several initiatives to ensure provision of high-quality park space for an expanding population, and to ensure that goals such as high biodiversity, robust urban forest canopy and access to nature are met over the long term. Following is a brief summary of major strategies, both completed and underway.

Biodiversity Strategy — The Park Board is implementing its Biodiversity Strategy, adopted by both the Park Board and the City, through the expansion of habitat for birds, other pollinators, fish such as salmon and herring, and mammals such as beavers and otters. Supporting initiatives include ongoing environmental education and stewardship programs. Over the long term, these efforts will lead to more biodiversity in Vancouver's natural and urban areas, which will help to offset worldwide trends of climate change and habitat loss.

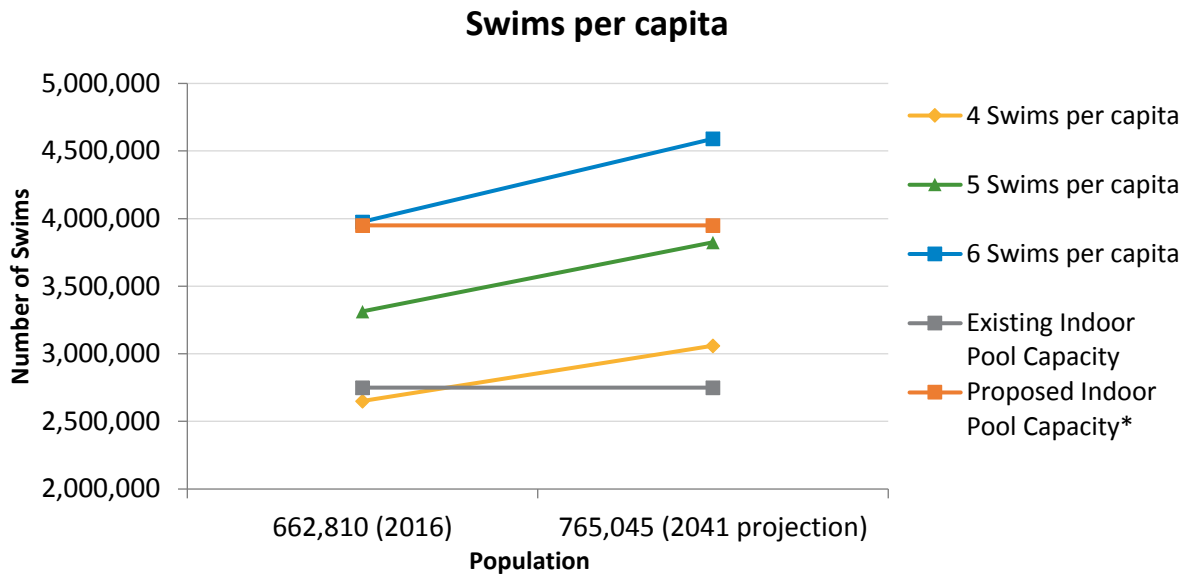
Urban Forest Strategy — The Park Board is taking steps to implement its Urban Forest Strategy, which has been adopted by both the Park Board and the City. Implementation includes working toward the goal of planting 150,000 trees by 2020; updating management plans, policies and practices to address global trends like climate change and forest cover loss; and providing environmental education and stewardship programs.

Trees planted



Playbook (Parks and Recreation Services master plan) — The Park Board is developing the Playbook, a master plan for Vancouver's parks and recreation system, that will chart out a 25-year, city-wide vision for services delivery. It will also update the Park Board's existing parkland acquisition strategy to secure the necessary quantity, quality and distribution of park space for Vancouver's diverse and growing population. VanPlay, the ongoing process of building the Playbook, has included extensive community and staff engagement, mapping, and data collection and analysis. The Playbook, when completed in 2018, will allow the Park Board to make long-term decisions about services provision based on best practices, emerging trends, defensible data and thorough public engagement.

VanSplash (Vancouver Aquatics Strategy) — The draft final report for VanSplash will be presented to the Park Board in December 2017. It examines Vancouver's indoor and outdoor pools, spray parks, wading pools and beaches. The VanSplash process has included a broad review of aquatics precedents, current aquatics trends, an inventory and analysis of current facilities, and three rounds of public engagement. VanSplash will lay out a 25-year vision for aquatics facilities that will meet the service needs of Vancouver's growing and changing population. VanSplash proposes replacing our aging facilities while expanding our system's capacity in consideration of projected population growth and an increased target of five swims per capita as well as principles such as social inclusion, wellness and universal accessibility.



*Does not include proposed partnership with YMCA

Outdoor pool — The Park Board remains committed to the delivery of a new outdoor pool for the residents and visitors of Vancouver. Once a location for a new outdoor pool is confirmed as an action for implementation from VanSplash, the new aquatics strategy, the next step is design. Work in 2018 will include the stakeholder engagement and detailed designs.

On Water: Vancouver's Waterway Recreation Strategy — This strategy is examining non-motorized boating use, trends, jurisdictions and needs throughout waters that surround Vancouver. Through data collection, analysis and public engagement, it seeks to understand existing use, needs and opportunities to guide future non-motorized recreation and facilities planning. When completed in 2018, On Water will enable the Park Board to identify values, clarify jurisdiction, gauge the capacity of our waters for non-motorized boating, ensure environmental protection, and plan facilities over the next 25 years.

People, Parks and Dogs (Dogs in Parks Strategy) —The process to date has involved two rounds of public engagement as well as a thorough review of the City's existing off-leash sites and best practices. The strategy will provide guidance to the Park Board on location and design standards for off-leash dog areas, stewardship of those areas by citizens, education for both dog owners and non-owners on how to decrease conflict, and recommendations for improving enforcement.

Marpole Community Centre renewal — Based on needs identified in the Marpole Plan and in the ongoing facilities renewal process, the Park Board has committed to a planning process for a new community centre for the Marpole neighbourhood. A public engagement process is currently underway that builds on public input received through the Marpole Plan process. The location, as well as general functional requirements, will be confirmed in 2018. This centre will serve the community's needs well into the 21st century.

Park washrooms improvements — The Park Board is embarking on a washrooms inventory and needs study, expected to be complete by the end of 2018, in order to meet the evolving needs of Vancouver's population for washroom facilities within parks. This will allow the Park Board to make strategic decisions about capital investments in park facilities over the long term. Upgrades to five priority washrooms will begin in 2018, with construction scheduled to complete in 2019.

Other strategies currently underway that will enhance the Park Board's strategic vision and ability to implement over the long term include the Public Engagement Strategy, the Track and Field Sports and Facilities Strategy, and the Park Naming Strategy.

Vancouver Public Library

In 2017, Vancouver Public Library (VPL) opened the first full-service branch to serve Vancouver's oldest neighbourhoods: Strathcona, Chinatown and Downtown Eastside. With 11,000 square feet, the new Strathcona Library branch offers community meeting rooms, public Internet computers, a large borrowing collection and the Bud Osborn Creation Space, which features small recording studios and creative digital software.

Having the ability to understand the digital world and engage in it is vital for everyday life. In 2017, VPL launched a new digital essentials literacy curriculum based on the skills people need to participate in today's digital world. The series covers a wide range of topics and is intended to bridge residents from the basics of using a computer or mobile device to creating their own website or accessing and making use of the massive quantities of open data available online.

While there are many new digital literacies to master for this modern world, the fundamental literacy of reading remains the foundation of all other skills and opportunities. VPL's children's libraries reach thousands of families each year through direct programming, but they cannot reach everyone without assistance. Using a grant from the Ministry of Education and the expertise of children's librarians, VPL published *The Reading Tree*, a picture book for caregivers and their children and an instructional manual for caregivers on how to maximize their children's chances of building strong reading skills. Endorsed by Vancouver Coastal Health, this book is being distributed by children's librarians, settlement workers, doctors and other professionals who are involved in ensuring that all children in Vancouver get a strong start in life.

Transgender inclusion

In July 2015, Vancouver City Council passed a motion reiterating its commitment and support for equality of rights of LGBTQ2+ communities, including gender identity and expression, and directed staff to consult with the LGBTQ2+ Advisory Committee and Park Board's Trans* and Gender Variant Inclusion Steering Committee to make civic facilities, operations and programs safe and inclusive spaces for trans* and gender variant communities, including signage and literature, public spaces (including washrooms and change rooms), human resources training and staff policies, programming, and collaborative public and community partnerships.

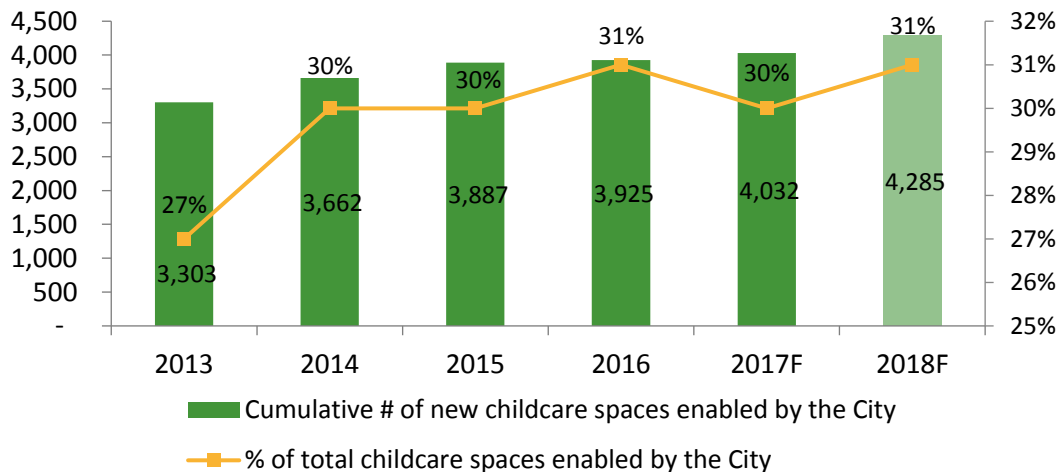
After endorsement of staff recommendations presented to Council in July 2016, an implementation team was formed to move forward a number of quick starts, such as staff

training and updated washroom signage. In March 2017, new washroom signage at Vancouver City Hall was updated to state "Trans people welcome". The new universal functions-based signage, being installed in all City-owned buildings, aims to help trans*, gender variant and two-spirit individuals feel safer accessing the washroom facility they most identify with. Many trans*, gender variant and two-spirit individuals face discrimination and barriers to basic human needs. This change is another step forward toward ensuring equality and inclusion for all.

Childcare

The creation of quality childcare spaces supports a wide range of Healthy City Strategy goals, including helping to reduce child vulnerability and improve school readiness (A Good Start), enabling parents to re-enter the workforce and help strengthen the economy (Making Ends Meet and Working Well), and providing environments that support child development and improve long-term outcomes for health, well-being and resilience (Active Living and Getting Outside, Cultivating Connections, Being and Feeling Safe and Included), among other benefits. With one year left to go, the City has achieved 98% of its four-year space target to facilitate the creation of 1,000 new childcare spaces between 2015 and 2018. Since 2015, Council has approved a total of 982 new childcare spaces for children from 0 to 12 years old.

Childcare spaces enabled by the City (opened)*



*398 new spaces to have been opened between 2015 and 2018 (from 982 approved by Council)

Economic development

Innovation and technology

The City's information technology needs are rapidly changing. The needs range from current operations, such as public safety, automation and financial operations, which are daily becoming more data-intensive, to the increased use of digitized maps, documents, visualization tools and video. Emerging needs, such as smart city monitoring and big data applications, are demanding even more accelerated use of information technology.

In 2013, Vancouver City Council approved a four-year Digital Strategy, which outlined priority initiatives that were selected specifically to fast-track the City's digital maturity and address changing citizen expectations. This foundational investment accelerated the ability for the City of Vancouver to address both current and emerging information technology demands. Significant achievements were made across the four pillars of the strategy: (1) digital engagement and access, (2) digital infrastructure and assets, (3) digital economy, and (4) organizational digital maturity. The next evolution of the City's digital maturity looks at how technology is shaping cities, with immediate investments into both connectivity and data.

Supporting green economy

The Vancouver Economic Commission (VEC) vision is to see Vancouver become the greenest city and economy in the world. With overarching strategies in place, like the Greenest City 2020 Action Plan and the Renewable City Strategy 2050, the VEC reports on the growth of green and local food jobs and engages with the business community to help them “green up” their operations or demonstrate green solutions.

Since 2010, the VEC has pioneered one of the world's most robust green job counting systems — it has also built out numerous programs to help achieve a projected doubling of green jobs and doubling the number of local businesses engaged in greening their operations by 2020. In early 2017, the VEC completed its third survey on the nature and size of the city's green and local food jobs. There are seven subsectors that are included in the survey: (1) local food, (2) green building design and construction, (3) clean technology, alternative energy and green building products, (4) green infrastructure transportation and planning, (5) sustainability services and education, (6) land and water remediation and environmental consulting, and (7) materials management and recycling. Notable survey highlights include:

- An increase from 16,700 jobs in 2010 to 24,700 jobs in 2016, representing an increase of 47% since 2010.
- Green and local food jobs now represent 6% of Vancouver's workforce compared to 4.2% in 2010.
- Local food is the largest subsector of Vancouver's green economy. Success has been driven by strong demand from consumers, public sector procurement policies and new supply sources. Today's greatly expanded network of local farmers' markets provides a \$15 million benefit to the local economy — a significant jump over sales in 1994, the first year of operation, when markets earned \$40,000 over 11 weeks.
- Green building design and construction is VEC's second-largest sector. Vancouver's world-leading regulations, like the Green Rezoning Policy and the Zero Emissions Building Plan, often referred to as “the greenest building code in the world”, are driving growth in this sector and making Vancouver businesses global exporters of green building practice and green building technology.

In Canada, 25% of cleantech companies are based in Vancouver; the city is also home to BC Cleantech CEO Alliance, the province's industry association. Cleantech companies operate in

all sectors of the economy — for example, Loop Energy in alternate transportation fuels, Saltworks Technologies in industrial wastewater treatment, Awesense in smart grids and energy analytics, and Terramera in bio-pesticides and agri-tech. Vancouver's start-up ecosystem is incredibly robust and filled with innovators to watch: Sensible Building Science in advanced building control systems, Nano-Lit Technologies in smart technology, human-centric lighting systems, and Portable Electric for portable renewable energy systems.

The burgeoning success across these diverse areas ties directly into the City's world-leading climate change and sustainability policy.

Sport hosting and special events

In 2017, Sport Hosting Vancouver worked to strengthen the City's brand as an international event host. It continued the mandate of actively competing for new major sport events that drive economic activity, securing the rights to host the 2020 UCI Gran Fondo World Championships. This event will build on current event infrastructure of the RBC Gran Fondo and offer a unique opportunity to promote our cycling culture and maximize the city's cycling tourism exposure.

Several major sporting events were held in Vancouver in 2017, including the highlights of:

- HSBC Canada Sevens Vancouver Rugby
- Cycling Canada Masters Road Cycling Championships
- Canada Men's Rugby vs. New Zealand Maori All Blacks
- Canada Women's Soccer vs. US Women's Soccer
- Para Badminton National Championships
- U14 Indoor Tennis National Championships
- International 6 Metre Class World Championships
- World Indigenous Basketball Challenge

Together with Sport Hosting Vancouver partners, Vancouver announced its candidacy as one of the cities vying to be part of a joint bid by Canada, the US and Mexico to host the FIFA 2026 World Cup. The United Bid Committee has put Vancouver on a shortlist of 32 cities. Following the success of hosting the FIFA Women's World Cup Canada 2015, the City has a compelling story that showcases Vancouver's world-class hosting reputation, and it would be honoured to welcome the world again in 2026.

In addition to hosting major events, Vancouver also successfully hosted and funded more than 30 community events through the Sport Hosting Grant Program. These events prioritize sport development and increase local sport hosting capacity, and they effectively support a wider variety of events hosted by local non-profit sport organizations. The hosting of quality and sustainable sport events will promote physical health and wellness, nurture life and leadership skills, promote volunteerism and foster both civic pride and participation.

Film and TV production

In early 2017, the City of Vancouver was named by the leading industry journal, *MovieMaker* magazine, as North America's "Best Place to Live and Work as a Filmmaker". The award, which Vancouver tied with New York City, was fitting recognition of a local industry that experienced record-setting levels in 2015 and 2016. Permitting more than 400 productions for an excess of 3,300 film days in 2016, Vancouver's Film and Special Events branch worked closely with production companies and major film stakeholders with the goal of sustaining an industry that provided more than \$409 million in payroll for Vancouver residents and \$3 million in fees and services for the City. The 2016 efforts brought international recognition and the return of virtually all continuing TV series, new production from Netflix and Amazon, and the filming of *Deadpool 2* in 2017. Shaking off a provincial tax credit change, an unseasonable winter and the threat of a writers' strike, the industry continued to perform extremely well in 2017, and there is no indication of a slowdown in 2018. Of primary focus in 2018 will be industry sustainability (both economic and environmental), assessment of service levels and resourcing, given the volume and increasing complexity of the application review and permitting process as well as improvements to data collection and reporting.

Greenest city

Vancouver has made a commitment to become the world's greenest city; our Greenest City Action Plan and Renewable City Strategy will help the City achieve its goal.



Greenest City implementation update

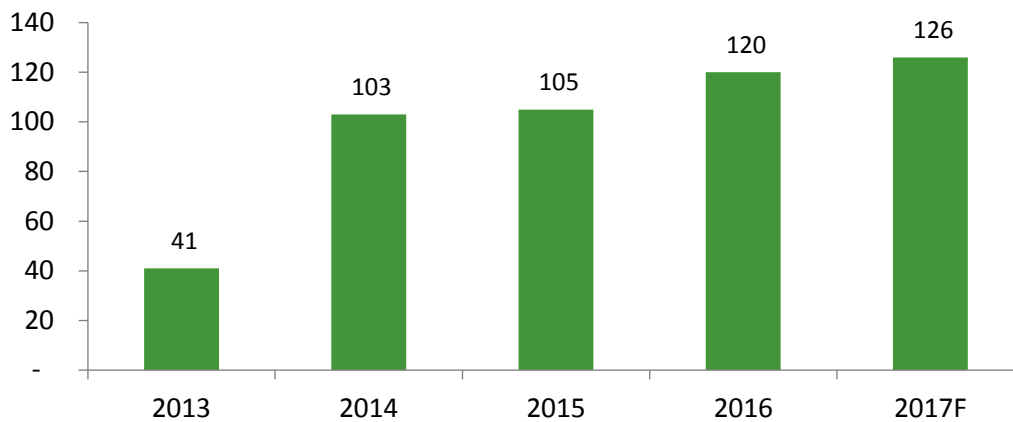
The City's Greenest City Action Plan addresses Vancouver's environmental challenges and includes directives to reduce carbon pollution (greenhouse gases [GHGs]) and solid waste, conserve water, support more local food, provide more green transportation choices and add to Vancouver's biodiversity. Many of the 170 actions included in the plan are already completed or underway.

In February 2017, the City adopted new energy efficiency requirements for multi-family residential buildings (six storeys and under) to bring them into alignment with the efficiency requirements for houses as well as to improve the indoor air quality and comfort, and to reduce energy costs for residents. In May, an update to the Green Building Rezoning Policy came into effect, which ensures that new buildings produce 50% less GHGs and provide healthier homes for people.

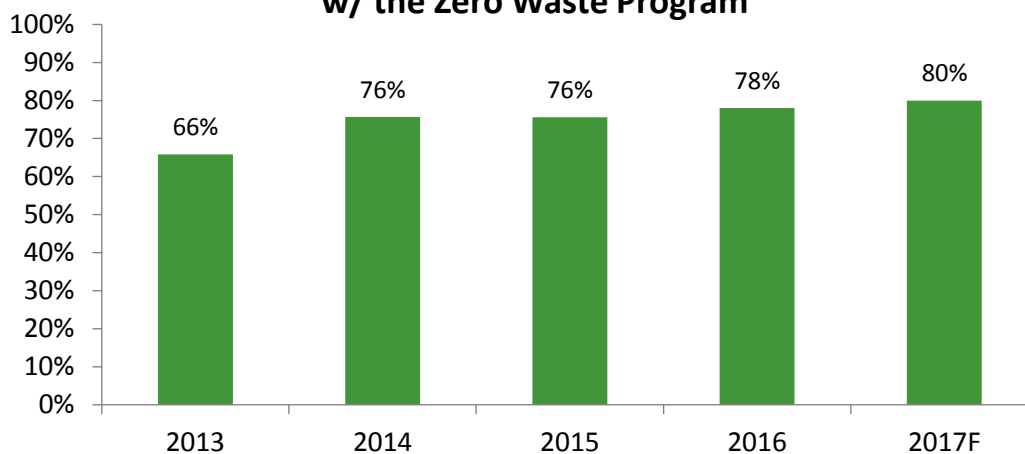
The City has also been a catalyst for change through its own internal operations by adopting zero emissions standards for new City buildings, transitioning the City's vehicle fleet to renewable sources of energy and pursuing a zero waste objective in our facilities.

The following charts represent the increase in numbers of City facilities in the Zero Waste Program and the increase in percentage diversion rate in City-used buildings with this particular program.

Total # of City facilities in Zero Waste Program



Average % waste diversion rate in City-used buildings w/ the Zero Waste Program



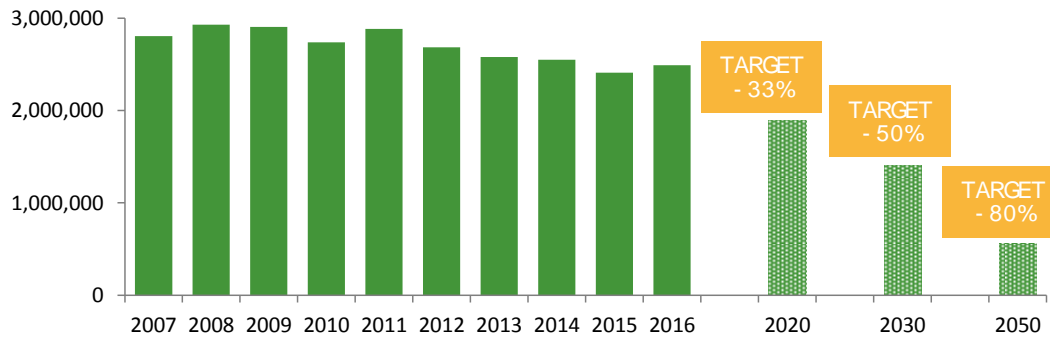
The Greenest City Action Plan emphasizes community partnerships, which have been essential to the City's efforts toward sustainability. For example, the CityStudio program, now in its sixth year, has connected more than 4,000 university students with the City to undertake more than 300 projects on sustainability initiatives. Similarly, through the Greenest City Scholars program, done in partnership with UBC, more than 100 graduate students have tackled research questions to help advance the Greenest City Action Plan.

Renewable City Strategy

The Renewable City Strategy is a natural continuation of the Greenest City Action Plan, with a focus on reducing carbon pollution, and it complements the Healthy City Strategy and the Vancouver Economic Action Strategy, the City's approaches to social and economic sustainability.

The Renewable City Strategy commits Vancouver to deriving 100% of its energy from renewable sources before 2050. The strategy also sets a target to reduce the community's greenhouse gas emissions by at least 80% below 2007 levels before 2050.

Total tonnes of community CO2e emissions from Vancouver



In the fall of 2017, Council approved the Renewable City Action Plan that provides more detailed short- and medium-term actions and sets an interim target of 50% reduction in GHGs from 2007 levels by 2030. The targets and actions were developed after detailed modelling was completed in partnership with BC Hydro and input was received from many stakeholders, including universities, businesses and utility providers.

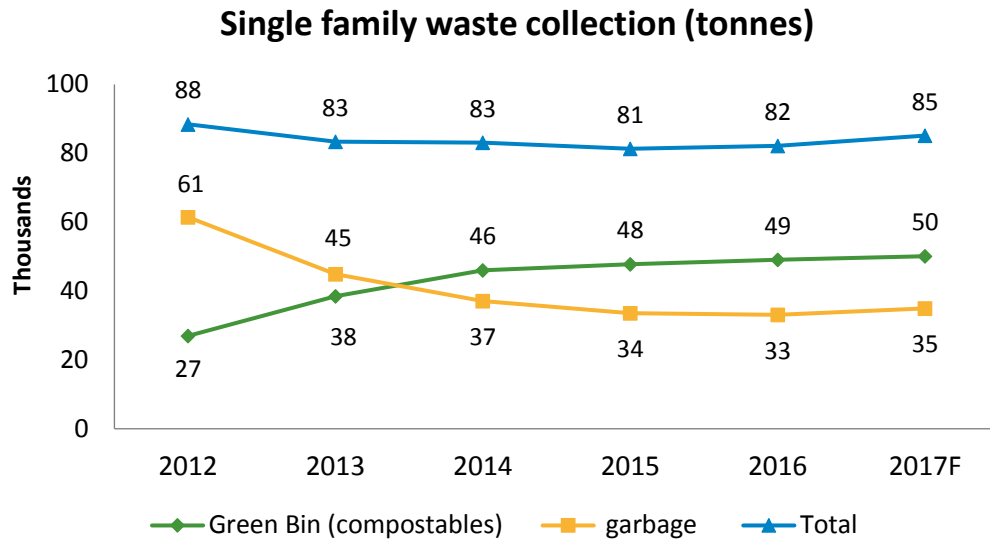
Leadership in climate change

While the City contributes toward a better, healthier quality of life for residents, the City is also sharing its knowledge and experience on a global level. In 2017, Vancouver Mayor Gregor Robertson was asked to join the Global Covenant of Mayors for Climate & Energy Board to provide strategic direction for the newly established initiative.

Zero Waste Strategy

To guide long-term actions and investments needed for Vancouver to become a zero waste community by 2040, the City is developing a Zero Waste Strategy. This strategy focuses on waste avoidance, reduction, reuse and then recycling, and supports broader city zero waste goals related to reducing climate change, achieving a lighter footprint, and building prosperity and a healthy city.

The following chart demonstrates the increasing proportion of compostables and decreasing percentage of garbage collected by the City of Vancouver between 2012 and 2016.



False Creek water quality

On May 30, 2017, the City of Vancouver established a Waterfront Initiative for major natural waterways, including the Burrard Inlet, False Creek, Lost Lagoon, the Fraser River and Trout Lake, that engages First Nations, industry, senior levels of government, adjacent municipalities and the community to support three goals:

1. Create a thriving working waterfront
2. Provide safe, accessible waterfront recreation
3. Restore aquatic and riparian ecology and traditional First Nations food sources

As a first step, the Waterfront Initiative will focus on establishing and implementing a series of quick starts, including those focused on measures to make high-use waterways in Trout Lake and False Creek safely accessible by swimmers in advance of summer 2018.

Engineering Services will continue with its source control improvements consisting of the sewer separation program to eliminate combined sewer overflows, sanitary service cross-connection actions to prevent cross contamination, and green infrastructure to help treat and delay stormwater from entering False Creek. In 2018, a plan will be developed around the requirements to monitor when combined sewer overflows are taking place and ways to announce these events to our residents in real time.

Further to these actions, Engineering Services will assist Real Estate and Facilities Management (REFM) in developing a hydraulic model of the False Creek Basin to better understand its complex nature, including flow dynamics, contaminant fate and water quality performance. This model would allow staff to investigate and report on multiple proposed water quality improvement methods and quantify the potential benefit.

Shoreline protection

Vancouver will be subjected to sea level rise and increased storms over the coming decades and centuries due to climate change. In 2011, the BC government issued guidelines on the use of lands that were deemed to be flood hazard areas and recommended assuming there will be 1 metre of local sea level rise between 2000 and 2100, and an additional 1 metre by 2200. In 2012, the City initiated the Coastal Flood Risk Assessment (CFRA) program to study what these changes might be, how the City might be affected by them and what options exist to minimize harmful impacts.

In May 2014, Council approved raising flood construction levels from 3.5 metres to 4.6 metres within the floodplain area to improve flood resilience for new buildings and infrastructure in flood zones to year 2100, which resulted in the amendment of the Vancouver Building Bylaw.

The near-term priority actions for Engineering Services include the design and construction of a shoreline protection in the East Fraser Lands, the design and construction of a new adapted seawall along Northeast False Creek and the planning for future adaptation options along False Creek South, and the design and construction of a resilient shoreline concept from Spanish Banks to Jericho.

Skytrain Millennium Line Broadway Extension (Broadway Subway)

The Mayors' Council 10-Year Vision for Metro Vancouver Transportation is being implemented in three phases; the 2017 Phase 1 investment plan is fully funded, approved and currently underway. The federal government is contributing \$370 million to Phase 1 through the Public Transit Infrastructure Fund (PTIF), and the provincial government is contributing \$246 million with a regional contribution of \$1.3 billion. This reflects the fact that the region is responsible for 100% of the operating costs and that there are more capital projects in the vision, such as new buses, that senior government is not contributing toward. For the Millennium Line Broadway Extension (MLBE) project, \$40 million in funding has been allocated to advance the project to procurement readiness, anticipated for early 2018.

The Mayors' Council on Regional Transportation is working on a funding strategy to pay for its share of capital costs and 100% of lifecycle operating costs for the transit and transportation initiatives described in the 10-year vision.

The Mayors' Council and TransLink are currently negotiating with the provincial and federal governments on the second phase of funding required to implement the 10-year vision. The aim is to secure these funding commitments by the end of 2017 or early 2018 and move forward with procurement for the MLBE.

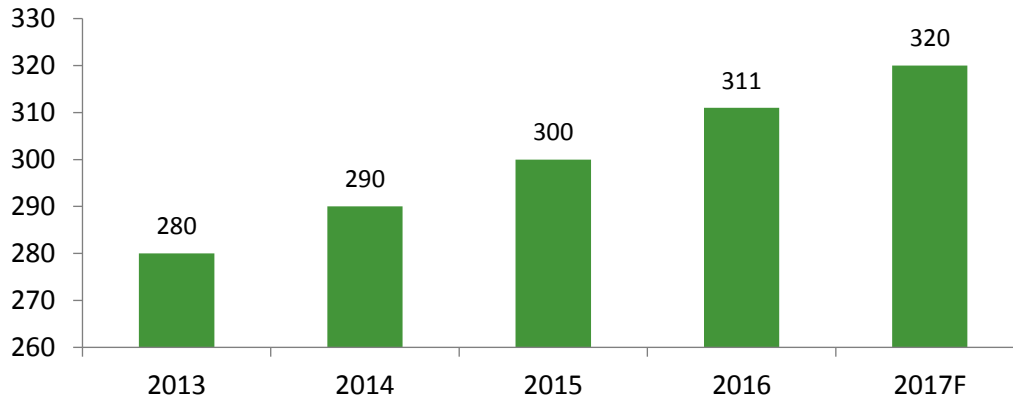
Active transportation

The Transportation 2040 Plan establishes walking and cycling at the top of the transportation hierarchy and sets out a vision to make walking and cycling safe, convenient and comfortable for people of all ages and abilities. Overall, half of all trips in the city are now made on foot, bike or transit, up from 40% in 2008. Before-and-after studies on individual projects indicate not just

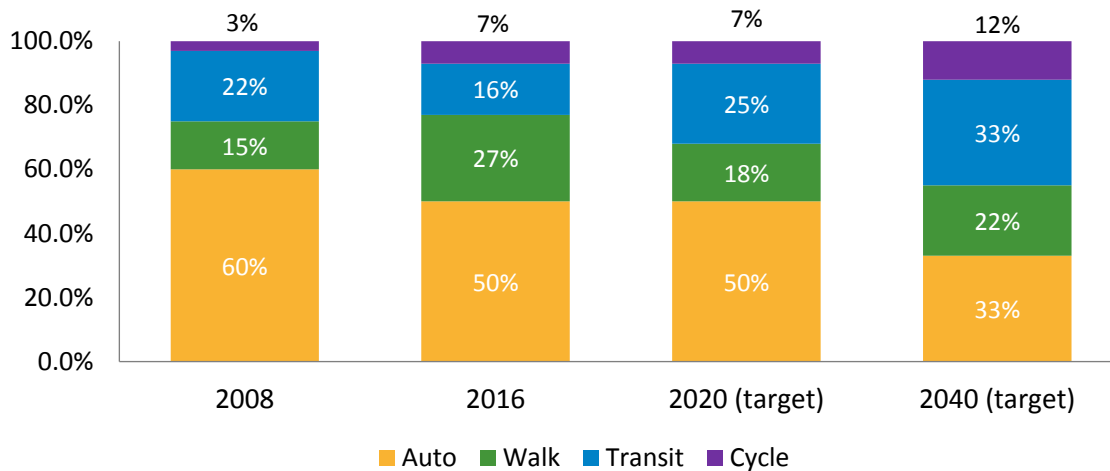
higher walking and biking volumes, but also improved safety for all modes, and demonstrated health benefits.

The following chart shows the kilometres of total bike network developed in Vancouver from 2012 to 2016 and how the mode split (percentage of trips made by walking, biking or using transit) has changed over that time.

Km of total bike network



Transportation mode split



Travel mode shares have changed from 2008 to 2016. Despite unfavourable weather conditions in 2016, approximately 50% of the total trips in Vancouver continued to occur via walking, biking or transit. The City aims to have the “walking, biking or transit” mode share (%) increase to more than 50% in 2017. However, it is important to note the summer of 2017 saw record cycling volumes on five major bike routes across Vancouver, and for the second year in a row, 10% of Vancouver residents cycled to work and nearly a quarter walked to work.

Active transportation highlights from this year include:

- Launched an integrated action plan for moving toward zero transportation-related fatalities and began implementation.
- Completed public engagement on the Arbutus Greenway — 42 acres of open space running approximately 9 kilometres, to be developed as a corridor for walking, cycling and a future streetcar.
- Completed safety upgrades to the Knight Street-Marine Drive intersection to address the highest collision location in the city.
- Completed major upgrades to the Burrard Bridge to address safety at the Burrard-Pacific intersection, improving cycling connections and reintroducing walking to the east side of the bridge.
- Completed consultation on upgrades to the 10th Avenue, Seventh Avenue and Adanac bike routes.
- Continued implementation of the proposed 2016 Downtown Bike Network Expansion.
- Completed Point Grey Road, South False Creek Seaside Greenway and Southwest Marine Drive active transportation improvement projects.

The City is also looking at its road infrastructure, addressing safety hot spots and improving accessibility with a focus on vulnerable road users, such as pedestrians. Building on direction in the Transportation 2040 Plan, Greenest City Action Plan and Healthy City Strategy, the City is working to enliven streets and plazas to create vibrant, accessible public spaces that foster economic activity and encourage a culture of walking, cycling and social interaction.

Value for money

In order to continue providing valued services to residents without significantly increasing taxes and fees, the City constantly focuses on value optimization.

The City implements performance measurement and continuous process improvement to maintain financial health and achieve operational efficiencies. Performance measurement is used to enhance customer service, efficiencies and accountability as well as to help guide business transformation decisions.

Performance metrics and continuous process improvement

Performance measurement — The City has embedded performance measurement into its services through performance metrics. The City's performance measurement framework continues to drive performance and cost efficiency by answering the following four questions for each service:

1. Quantity — How much did the City do?
2. Quality — How well did the City do it?
3. Cost efficiency — Was it cost effective?
4. Result — Is anyone better off?

Some examples of the use of performance measurement at the City are provided below.

Permitting processes — In 2017, the permit process for single-family homes was mapped end to end, and performance metrics were created to measure volumes of applications and processing times at critical stages of this workflow. These metrics were used to identify key bottlenecks in the process, and they helped guide bi-weekly discussions on where targeted improvements could be made. Development, Buildings and Licensing (DBL) is also using metrics to understand customer and staff time throughout the process to refine service levels, create service level agreements and manage expectations around timing and permit delivery. This model will be applied to other permit and process streams to address performance measurement across DBL. Overall, the total number of permits outstanding has been steadily declining as permit issuances have outpaced permit applications, throughout 2017.

Street cleaning — Improving the levels of street cleanliness in the City's public realm has been given a higher priority over the past two years. The City is committed to this issue, made apparent by an almost doubling of the annual street cleaning operating budget since 2015. With the increased attention and accompanying investment comes the need to ensure the impacts are being measured and programs optimized.

Performance metrics are now considered an integral part of the street cleaning programs and are used not only to communicate the impacts of the investment, but to identify key challenge areas, providing insight into where operational adjustments are required. Metrics have allowed the business unit to showcase the value of the investment, for example, by highlighting a faster response time or a reduction in litter calls since 2015.

Although there is still a lot of work to do to further the City's goal of becoming the greenest and cleanest city in the world, the development and use of performance metrics have proven invaluable in ensuring the right direction is being followed.

Enhancing customer service and embracing technology

The City's focus on continuous process improvement (CPI) and performance measurement has led to some significant improvements in customer service and operational efficiency in 2017.

Several process improvement projects have been completed within the Park Board, both in Parks and Recreation. Within Parks, projects were geared toward improving the effectiveness of

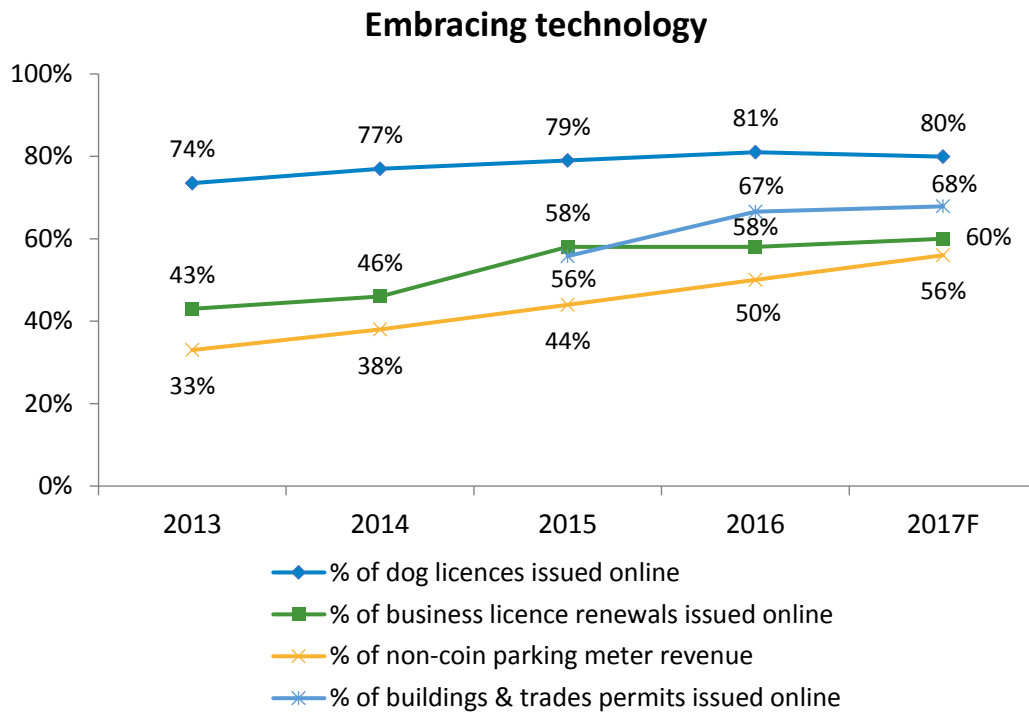
the City's turf crews. The results of this review have been aimed at decreasing fuel consumption and reducing the number of 3-1-1 complaints. Maintenance schedules and travel time were also optimized in this process.

Within Recreation, the registration process for the City's indoor swimming lessons was simplified, which resulted in a 23% decrease in cancelled registrations and a reduction in the administrative efforts required by the Recreation team to provide refunds.

In addition, CPI principles within the Finance, Risk and Supply Chain Management department are being used to support optimization of administrative and financial processes. One area of focus was to reduce the number of invoices processed by the City by working with key vendors.

Through technology, the City of Vancouver also aims to achieve greater customer service, enhanced operational efficiency and effectiveness, increased sustainability and increased system reliability.

Residents are increasingly taking advantage of the City's online offerings, including online renewals of business and dog licences, online buildings and trades permits and making non-coin payments at parking meters, among others.



Planning and development fee review

Over the past few years, staff made significant efforts to gain efficiencies in processes and development times through reorganizing teams and changing processes. Some examples include the implementation of the Single Point of Contact (SPOC) process; the hiring of

development process, technology and metrics staff; and moving the landscape review to the beginning of the application process. In addition, the POSSE system has enabled online services and provided data and metrics to better track progress and outcomes, which has enabled more rigour in measuring key bottlenecks in the end-to-end permit process.

While service delivery and process times have improved in some areas, staff resources are operating at maximum capacity, and staff are “burning-out” after years of high-volume work. The City has continued to see the number of permits issued outpace the number of applications (achieving a 110% rate of issuance). At the same time, existing development applications have become more complex, requiring added staff effort and knowledge to process permits in a timely manner.

Without additional resources to keep up with the current workload, efficiency and transformation efforts will remain marginal, and the ability to meet general service expectations will be limited. To address these issues, systemic, transformational changes are needed along with the resources to support those changes and provide services at an ongoing high level of demand. Included in the budget are 75 new positions (across Engineering, DBL, PDS and supporting departments) that will be hired over two years and will be deployed to cover various elements of the application-permit lifecycle, such as application intake, application review and post-issuance inspection.

In order to balance development permitting program costs to program revenue in 2018, an incremental \$6.6 million from fee increases was approved by Council on October 31, 2017. Fees will be increased by 9% in most categories, with some other complex development fees increasing by 19% along with some other more significant increases in targeted areas.

Furthermore, since the 75 new staff positions are being phased in over two years, a subsequent fee review will be initiated in 2018 to examine costs and revenues for 2019. Additional staffing costs in 2019, and full recovery of the cost of providing services will need to be recovered through future fee revenues, either through increased permit volume, new fees or from a potential fee increase in 2019.

Competitive residential and business property taxes and fees

The City plays a leading role in enabling a thriving business environment and building a world-class, sustainable community for its residents. Vancouver is consistently ranked as one of the most livable cities in the world, and in 2016, the global accounting firm KPMG ranked the City as the second-most tax competitive in the world. In 2018 to 2021, Metro Vancouver is among the top metropolitan areas expected to lead the nation in economic growth (according to Conference Board of Canada forecast). The City has also received the strongest credit ratings for a Canadian city (AAA) from both Moody's and Standard & Poor's.

To build on this economic strength and sustain its competitiveness, the City strives to balance the affordability and competitiveness of property taxes, utility fees and user fees while sustaining the breadth and quality of services for businesses and residents. While it is encouraging that Metro Vancouver and BC will continue to lead the nation in economic, job and population growth, it is also challenging to address the pressures of being a world-class city. While more people add to the city's vitality, it also means there is a need to address the increased demand for services, transportation and solutions to health and safety issues. Housing affordability has affected everyone, especially Vancouver's most vulnerable population.

When developing the City's annual budget and mid- to long-term capital and financial plans, we carefully considered the impact of property tax, utility fee and user fee increases on businesses and residents. The goal is to balance the need to recover the City's costs while ensuring programs and services remained affordable, and taxes and fees competitive. Significant progress has been made in advancing Council priorities for providing affordable housing, ending homelessness, promoting economic development, becoming the world's greenest city and ensuring a safe, inclusive and creative community while working within budgets defined by modest tax increases. By reshaping the organization to provide services more efficiently, the City has maintained or increased the quality of services, initiated new programs and demonstrated leadership as a sustainable and livable city.

Over the past several years, Vancouver has consistently had one of the lowest average property tax increases among Metro Vancouver municipalities. Even when combining municipal taxes with annual utility fee increases, Vancouver is in the mid-range among the municipalities in Metro Vancouver. This year's property tax rate increase, at 3.9%, reflects a need to address a growing city and to focus on 2018 Budget public priorities:

- Address housing supply, affordability and critical social issues
- Improve services and maintain and upgrade streets, utilities and facilities
- Build vibrant communities
- Increase investment in public safety

Property taxes

The City collects property taxes to fund approximately 56% of its operating budget. It also collects property taxes on behalf of other taxing authorities, such as the provincial government (school tax), TransLink, BC Assessment, Metro Vancouver and the Municipal Finance Authority of BC. The City's property tax accounts for approximately 50% of the tax rates while the other taxing authorities account for the remaining 50%. Vancouver City Council has no control over taxes levied by these other authorities.

Approximately half of the property tax paid by Vancouver taxpayers goes towards funding City services while the other half goes to provincial and regional taxing authorities to fund regional services, schools, transit, and property assessment services.

Municipal property tax

The City does not generate higher property tax revenue as a result of rising property values. Property values are determined by BC Assessment; Vancouver City Council has no jurisdiction over the determination of property values. To establish the City's tax rates, Vancouver City Council first determines the total property tax levy that is required to support the budget, and then divides the property tax levy by the assessment base provided by BC Assessment. Under this approach, property tax increases are driven by the City's revenue requirements, and tax rates are adjusted annually to reflect changing property values.

The City does not generate higher property tax revenues as a result of rising property values.

When comparing property taxes across Metro Vancouver municipalities, it is important to keep in mind that the municipal property tax level reflects the mix of services a city provides as well as quantity, quality and cost-effectiveness in service delivery. As Council priorities and community expectations vary across municipalities, services and property tax levies vary from city to city.

Over the past decade, City services have grown significantly in importance and scale. The City has assumed a leading role within the region in a number of key areas, such as economic development, innovation, livability, resilience and climate change adaptation. The City has also become increasingly active in addressing needs that fall within the jurisdiction and traditional mandate of the provincial government. In this regard, significant investments have been made in public safety and emergency response, social housing, social services, mental health and addictions, childcare, and other core services that serve both the City and the Metro Vancouver region.

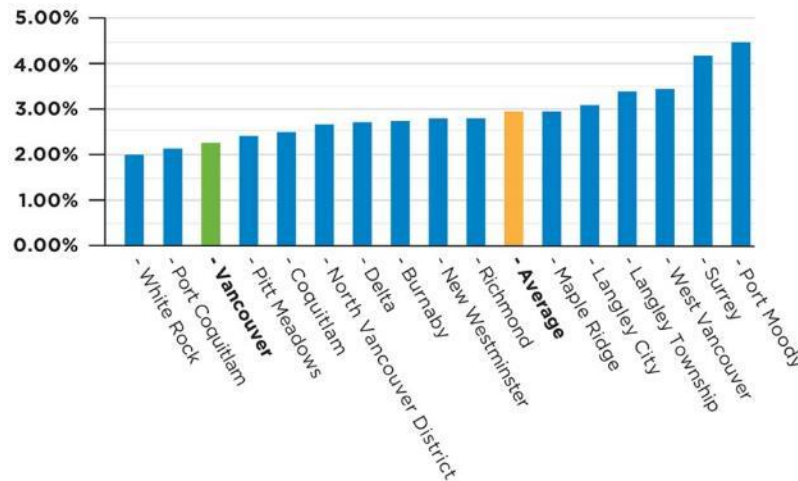
The City has also been the leader in supporting community partners through financial and in-kind contributions. In 2016, the City contributed approximately \$103 million in the form of

property tax statutory exemptions and grants to healthcare and educational institutions and to charitable and not-for-profit organizations — equivalent to a \$158 per capita contribution from Vancouver residents, one of the highest rates in Metro Vancouver.

Municipalities interact directly with residents and businesses on a day-to-day basis and are front and centre in providing much-needed services to businesses and residents, in partnership with the provincial and federal governments. Because of our growing responsibilities, the City will continue to work in collaboration with the Federation of Canadian Municipalities, the Union of British Columbia Municipalities, regional municipalities and the provincial government to secure new funding sources to augment traditional municipal revenue sources, such as property taxes and user fees. Collaboration with the provincial government will help to better define the role of municipal versus provincial government in service delivery, and will help define the City's role as a regional centre relative to other Metro Vancouver municipalities. Collaboration will also address challenges in raising new funds to deliver on growing demands for public services at the municipal level.

The following chart shows that the City's five-year average property tax increase was the third-lowest compared to other major cities in Metro Vancouver.

VANCOUVER VS. METRO VANCOUVER FIVE-YEAR AVERAGE
PROPERTY TAX INCREASE (2013-2017)

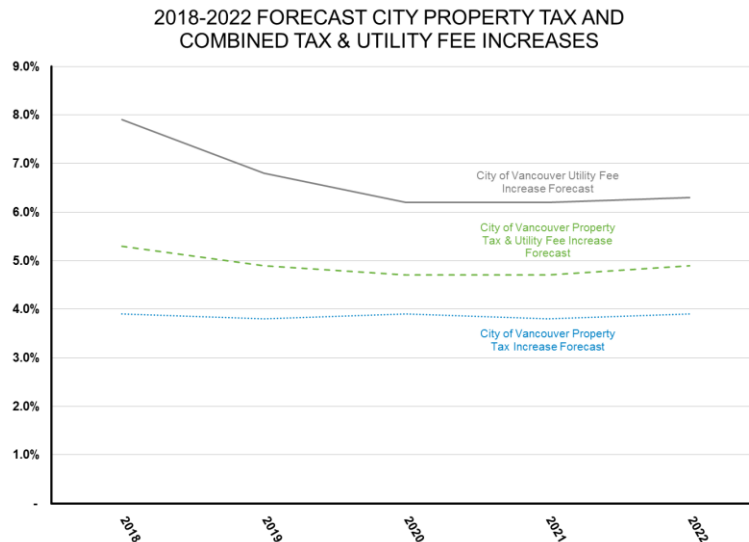


As shown in the above chart, the increase in the City's property taxes in recent years — average of 2.3% — has been modest. This increase is generally aligned with the Conference Board of Canada's inflation forecast, which is available in the fall of each year when the budget is developed. While actual inflation has trended below the forecast and the City's property tax increase, Vancouver has compared favourably with other Metro Vancouver municipalities, having one of the lowest tax increases in the region.

During 2012-2017, the City has enhanced its network of public amenities in the areas of affordable housing, childcare, recreational and community services, culture, and public safety. It

has invested in core infrastructure, including sewer separation and renewal, upgraded transportation infrastructure facilities for pedestrians, bicycles and vehicles, and improved parks and open spaces. All these improvements were accomplished through continuous innovation, business transformation and productivity enhancements while at the same time absorbing above-inflation wage increases.

Looking ahead, the growing demand for public amenities, infrastructure, public safety and other services will continue to put pressure on the City's budget. The objective remains to align property tax increases with forecasted inflation. Over the next five years, it is expected that the most recent trend of higher than inflation tax increases — 3.8% to 3.9% — will continue in order to support a growing city and the need to address housing affordability and other social issues. As well, in support of critical utility infrastructure and environmental sustainability investments, such as water conservation and sewer separation, the combined increase in property taxes and utility fees is projected to average between 4.7% and 5.3% for the next five years.

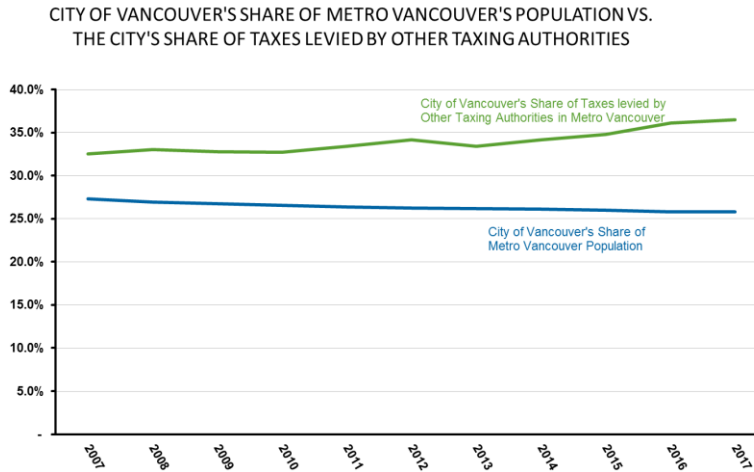


2019-2022 Utility Fees were developed based on Metro Vancouver forecast rates and historical spend levels in advance of the 2019-2022 Capital Plan.

Other taxing authorities

Approximately half of the property tax paid by Vancouver taxpayers goes toward funding City services, while the remaining half goes to provincial and regional taxing authorities to fund regional services, schools, transit and property assessment services. Vancouver City Council has no control over how much other taxing authorities charge or how they distribute those levies across the region. As property values in Vancouver are generally higher than those in other Metro Vancouver municipalities, the amount of provincial and regional property taxes paid by a household in Vancouver is typically higher than the rest of the region.

The chart below illustrates the increasing spread between Vancouver's share of levies made by other taxing authorities and its share of population within Metro Vancouver.



Businesses

Every tax system has its own limitations and challenges. Over the years, tax share and assessment volatility have been key issues within the business community. The challenge of assessment volatility is more prevalent on “hot” properties with triple net leases, where landlords transfer the entire tax burden to business tenants while benefiting from the increase in property value upon sale or redevelopment.

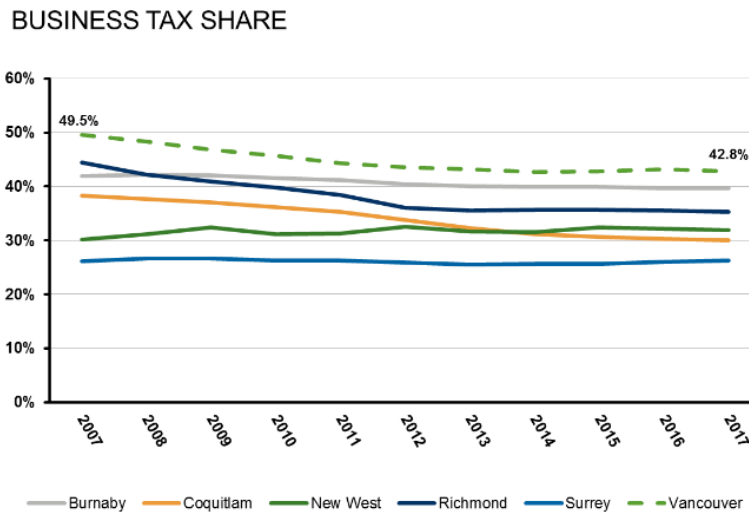
Over the last decade, Vancouver City Council twice engaged the Property Tax Policy Review Commission to review the impact of property tax on businesses. In 2007, the commission recommended shifting \$23.8 million in property taxes from non-residential to residential property classes at a rate of 1% of tax levy per year to achieve a target distribution of 52% residential and 48% non-residential. It also recommended holding the target tax share for five years unless the business tax differential between the City and its neighbouring municipalities widened considerably, or the balance of business investment tilted away from Vancouver to other parts of Metro Vancouver. The program was completed in 2012. In 2013, Council reconvened the commission to reassess the situation. In 2014, the commission concluded there was no evidence of an increasing business tax differential between Vancouver and other Metro Vancouver municipalities, or of business investment moving from Vancouver to neighbouring municipalities. This suggests the tax shift program was effective in bringing Vancouver's business tax share in line with its peers. As a result, the Property Tax Policy Review Commission recommended the following:

- Maintain the tax share for business property classes for the time being.
- Adopt metrics to compare the commercial property tax situation in Vancouver to that in other Metro Vancouver municipalities. Gauge Vancouver's ability to retain and attract business investment relative to its neighbours.

In 2015, the City transitioned from *across-the-board averaging* to *targeted averaging* as recommended by the commission. Targeted averaging is one of the few mitigating measures available for residential properties, but it is the only tool for commercial properties at this point. The program is intended to phase in significant property tax increases arising from assessment volatility on “hot” properties (defined as those that have experienced significant year-over-year increases in property values above the threshold set by Vancouver City Council) until such time as the property is no longer considered “hot”. Vancouver is the only municipality in BC that uses land assessment averaging. The program provides short-term, multi-year tax relief to business tenants to enable market adjustments and/or lease renegotiation. Due to a legislative restriction in the *Vancouver Charter*, the City will not be able to transition from three-year to five-year averaging before 2019. The City is actively working with the provincial government to explore the possibility of implementing five-year averaging in 2018.

As well, in response to the Council motion on supporting small businesses in Vancouver through provincial tax reform, the City is working closely with the provincial government and BC Assessment, in consultation with key stakeholders, to address the impact of triple net leases on property tax payments for small business tenants. This work includes an evaluation of potential changes to the property assessment and taxation framework, business tenant protection and other policy tools that could complement the City’s targeted averaging program in alleviating unanticipated property tax and rent increases arising from land speculation and assessment volatility faced by business tenants.

The following visuals compare Vancouver to other Metro Vancouver municipalities with substantial commercial sections — Burnaby, Coquitlam, New Westminister, Richmond and Surrey.

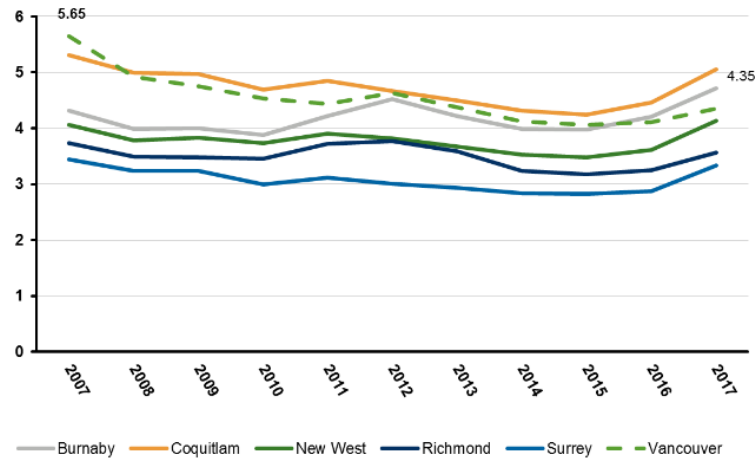


Sources: www.cscd.gov.bc.ca/lgd/infra/statistics_index.htm

The charts above and below show business tax share and business tax rate ratio trends. As a result of tax shift decisions made by consecutive Vancouver City Councils over the last decade,

Vancouver's business tax share has substantially decreased from 49.5% in 2007 to 42.8% in 2017 and its business tax rate ratio has improved — from 5.65 in 2007 to 4.35 in 2017.

TAX RATE RATIO

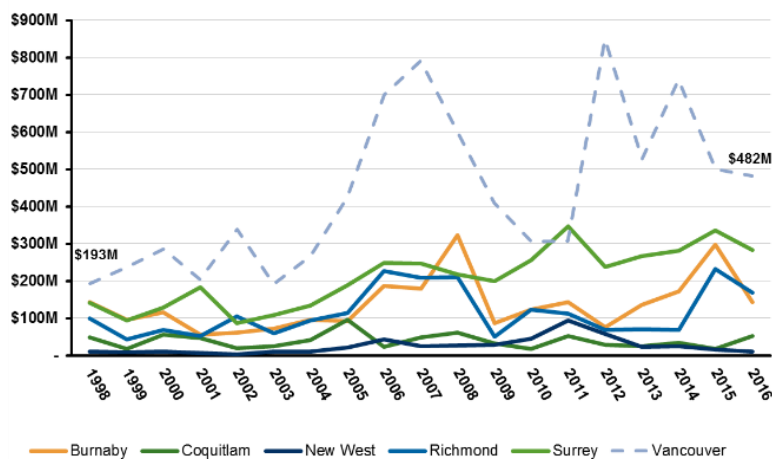


Sources: www.cscd.gov.bc.ca/lgd/infra/statistics_index.htm

It is important to note that market forces beyond Vancouver City Council's control impact the tax rate ratio. For instance, if the value of residential property appreciates at a much faster pace than non-residential property, the tax rate ratio will increase even though the business tax share is decreasing. As such, it could be misleading to rely on only the tax rate ratio to gauge tax equity among property classes without considering other complementary metrics.

The chart below compares trends in commercial building permits. Over the last two decades, Vancouver has been the clear leader in commercial development with the annual permit value increasing 150% from \$193 million in 1998 to \$482 million in 2016.

COMMERCIAL BUILDING PERMITS (\$M)



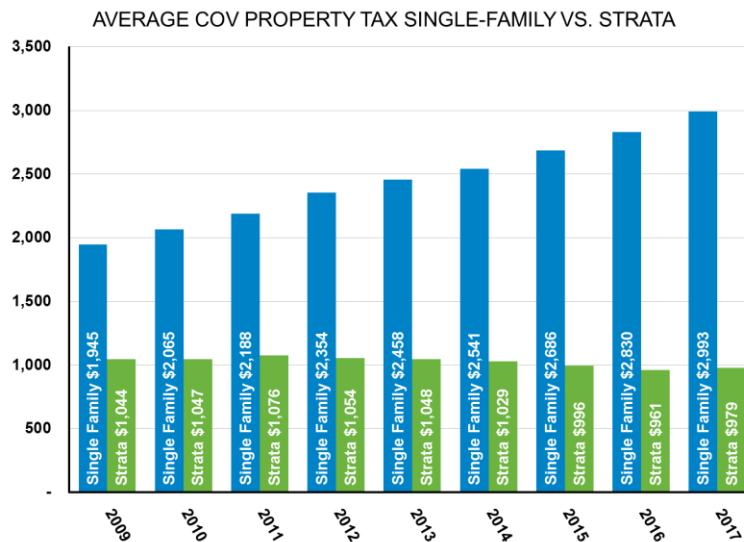
Sources: www.bcstats.gov.bc.ca/StatisticsBySubject/Economy/BuildingPermitsHousingStartsandSales.aspx

Residents

In 2017, 43% of residential properties in Vancouver are single-family homes, 53% are strata units, and the remaining 4% are other forms of residential. BC Assessment determines the value of properties in BC based on their “highest and best use” as defined by zoning and market evidence; Vancouver City Council has no control over these determinations.

While the Council-directed property tax increase applies to the overall tax levy, the extent of change, year over year, in an individual property’s tax is determined primarily by how that property’s assessed value has changed relative to the average change within its property class. Properties with a higher increase in value relative to the average change of the class could experience a much higher increase in property tax beyond the Council-directed increase, while properties with a lower increase in value could experience no change or a reduction in property tax.

The following chart shows how the differential increase in assessed values impacts property tax across different property types. As the value of single-family homes has increased at a much faster pace than strata condominiums in the last five years, single-family homes have experienced a rise in property tax above the Council-directed increase, while strata condominiums have experienced a reduction in property tax. This trend has started to reverse recently as strata condominium pricing has started to escalate at a much faster pace.





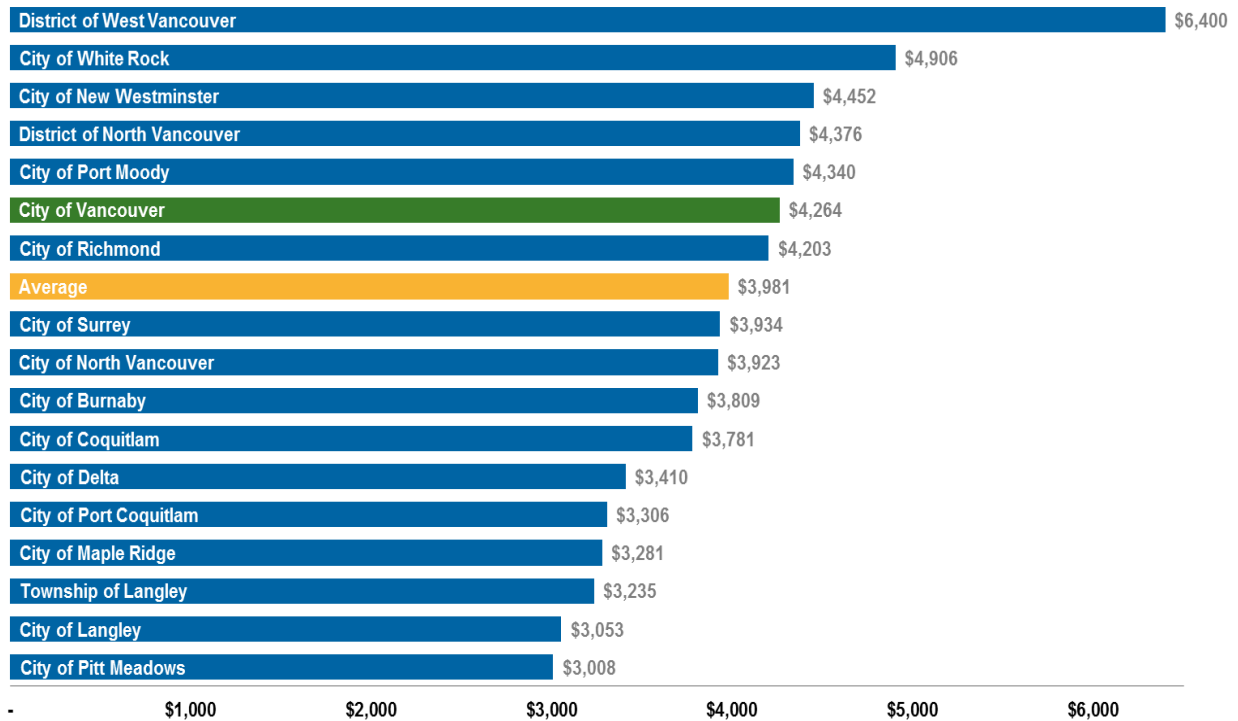
The following provincial tax relief measures, offered by the provincial government of BC, are available to residential property owners and can be applied independently, or in combination, to alleviate some taxation impact.

- **Assessment Act s19(8)** — Available to property owners who have continuously occupied their principal residence for at least 10 years. Land assessment based on current zoning rather than anticipated zoning or development potential.
- **Property tax deferral** — Available to property owners 55 years of age or older who occupy their principal residence. Also available for families with children under 18 years of age.
- **Home owner grant** — Available to property owners occupying their principal residence, as long as the value falls within the qualifying range.

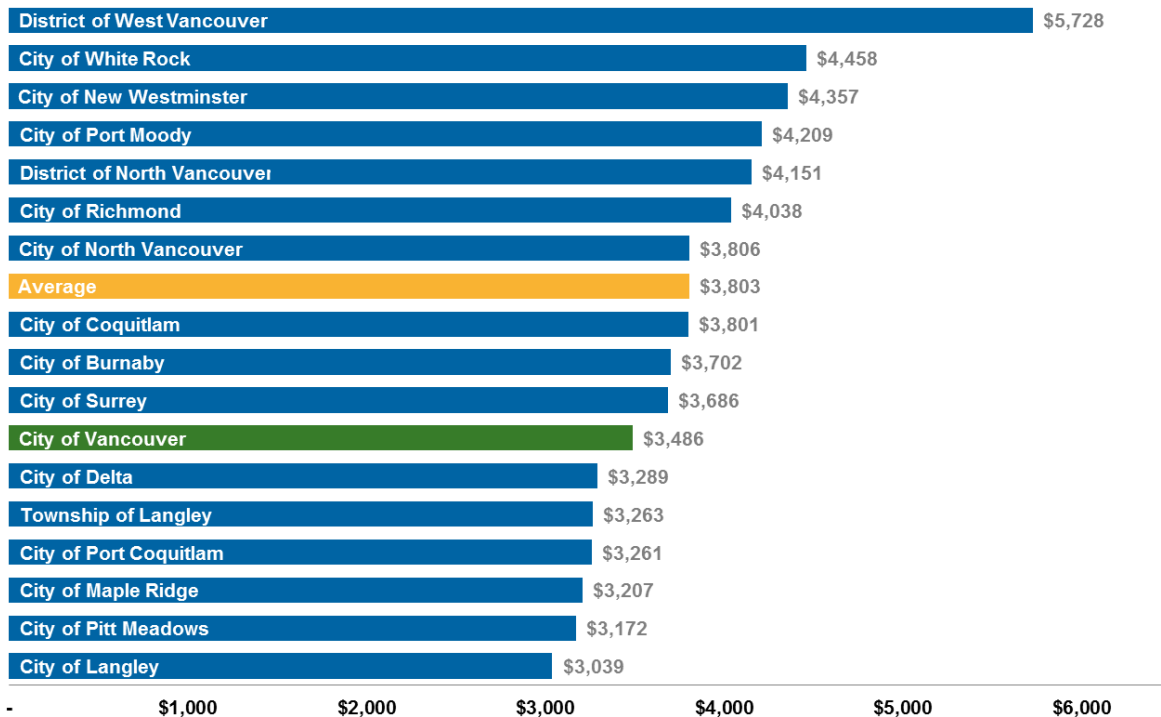
In addition to the above provincial measures, the City's targeted averaging program is also available to residential properties that are "hot" (defined as those that have experienced significant year-over-year increases in property values above the threshold set by Vancouver City Council).

The following chart compares the 2017 municipal property taxes and utility fees for an average single-family home in Vancouver with those of other Metro Vancouver municipalities.

2017 COMBINED MUNICIPAL TAX AND UTILITY FEES FOR
THE AVERAGE SINGLE-FAMILY HOME



Given the wide range of housing prices in Vancouver (from the lowest strata unit of \$134,000 to the highest residential single-family unit above \$76 million), use of average property values for benchmarking purposes is not representative for Vancouver. For benchmarking purposes, comparing median properties is more meaningful. The following chart compares the 2017 municipal property taxes and utility fees for a median single-family home relative to other Metro Vancouver municipalities. Vancouver sits below the Metro Vancouver average.

2017 COMBINED MUNICIPAL PROPERTY TAX AND UTILITY FEES FOR
 MEDIAN SINGLE-FAMILY HOME (\$)


Utility fees

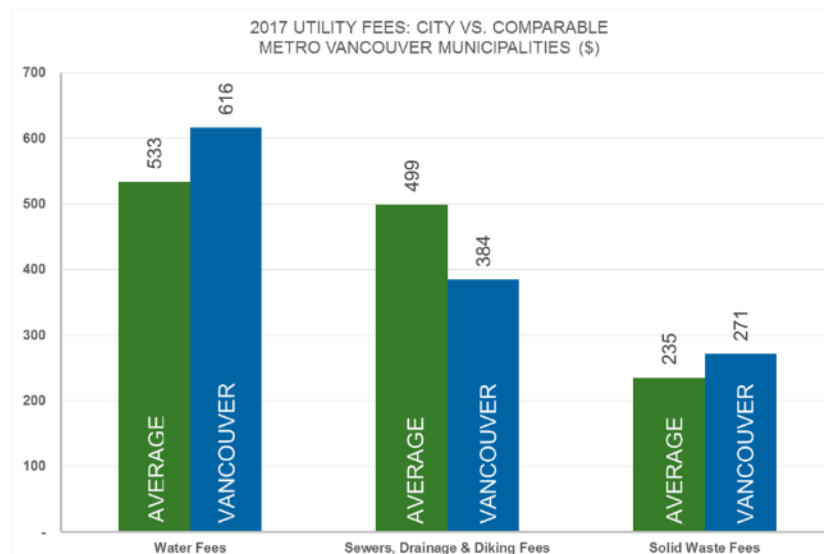
The City collects utility fees to fund water, sewer and solid waste services, accounting for approximately 20% of the City's annual Operating Budget.

Approximately 50% of the utility budget represents water and sewer charges levied by Metro Vancouver, over which Vancouver City Council has very limited control. A further 25% of the utility budget primarily represents the City's capital investments, such as sewer separation and infrastructure renewal, and the remaining 25% represents utility operations.

In 2012, the Water utility started transitioning its infrastructure renewal program from debt financing to pay-as-you-go to save interest costs over the long term. Rates have also been set to incentivize water conservation. In 2015, the Sewer utility began a similar transition, the pace of which will depend in part on the fee increases passed on from Metro Vancouver and the overall fee impact on business and residents. City-wide sewer separation work will continue as part of infrastructure renewal, with completion targeted around 2050. This work, as well as construction of the future secondary treatment plant at Iona Island, will continue to put upward pressure on future sewer rates.

The chart that follows compares the City's utility fees with the average charges in comparable Metro Vancouver municipalities. Overall, the City's aggregate utility fees are \$1,271, which is in line with average charges of \$1,267 in comparable Metro Vancouver municipalities. Comparison by utility type reflects the following:

- **Sewer** — The City continues advancing sewer separation work, with targeted completion in 2050.
- **Water** — The City continues to proceed with the water conservation program as part of the Greenest City Action Plan, with fees structured to incentivize this objective. The City continues to transition the infrastructure renewal program from debt financing to pay-as-you-go to reduce interest costs over the long term.
- **Solid waste** — The City introduced a general street cleaning fee in 2017 to support public realm cleanliness programs.



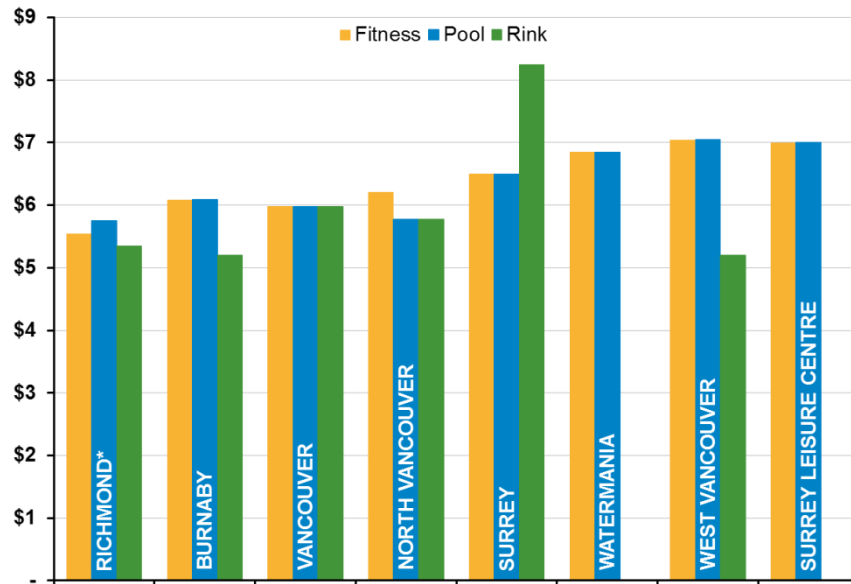
Utility rates are expected to increase an average of 6.7% over 2018 to 2022, as Metro Vancouver regional utility charges are forecast to increase above inflation — ranging from 3.9% to 7.9% for water and 1.8% to 13.2% for sewer — annually between 2018 and 2022, driven mainly by infrastructure investments.

User fees

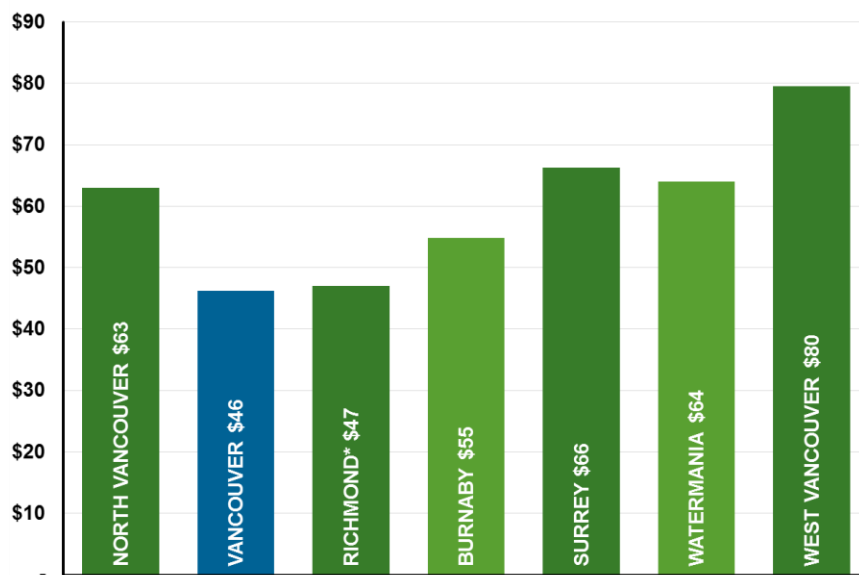
Besides property taxes and utility fees, the City collects user fees for on-street parking and use of recreational facilities (such as fitness centres, swimming pools and ice rinks). Fees are typically set to recover some or all costs associated with delivering these services, taking into consideration users' ability to pay and pricing competitiveness relative to similar private and public service providers.

The following two charts compare various user fees for fitness centres, pools and rinks across Metro Vancouver municipalities. Charges at Vancouver facilities remain very competitive in the region.

2017 DROP-IN FEES FOR FITNESS, POOL AND RINK



2017 ONE-MONTH PASS



Operating Budget

Vancouver is a rapidly growing city that is, in effect, the “downtown core” for our region. We also have an expanding mandate that includes increased costs related to housing, mental health and addictions, and childcare as examples. Our current funding tools are quite limited i.e. property taxes and utility fees. To help address this challenge, we are exploring new revenue tools similar to those already used by other Canadian cities.

The proposed Operating Budget for 2018 is \$1,405 million, which is an increase of 6.2% or \$81.7 million over the Operating Budget for 2017. The increase reflects changes in revenues and expenses in a number of areas in response to the needs of a growing city. Highlights of the 2018 Operating Budget and more detailed specifics follow.

Revenue highlights for 2018

- A property tax increase of 3.9% that provides funding for cost increases in existing services as well as new investments in key priorities to address housing supply, affordability and critical social issues; to improve service, and maintain and upgrade streets, utilities and facilities; to continue to build vibrant communities; and to increase investments in public safety.
- A water utility rate increase of 6.0% due to (1) higher Metro Vancouver water rates that fund infrastructure improvements throughout the region, (2) an increase in funding for water capital projects to deal with the increasing frequency of service breaks, (3) cost increases to deal with maintenance of aging infrastructure and to support the One Water Strategy, (4) a realignment of the flat-fee rate to the actual distribution of flat-fee and metered customers, (5) an increase in water volume estimates for 2018 resulting from actual trends of water consumption and projected decrease in per capita use, (6) an offset from the deferred impact of prior-year contributions to the Water Rate Stabilization Reserve to replenish the reserve, and (7) an offset from a decrease in debt costs due to debt retirement.
- A sewer utility rate increase of 10.4% due to (1) an increase in Metro Vancouver (regional) rates, including costs for site preparation for secondary treatment at Iona Island Wastewater Treatment Plant, (2) realignment of the flat-fee rate to the actual distribution of flat-fee and metered customers, (3) an increase in debt-servicing costs for ongoing replacement and separation of sewer infrastructure to support the City's goal to eliminate combined sewer overflows by 2050, (4) an increase in funding for sewer capital projects related to investigation and design, (5) an offset from a reduced contribution to the Sewer Rate Stabilization Reserve, and (6) an offset from higher water consumption resulting in decreased sewer rates to recover the fixed costs of the system over an increased volume.
- A solid waste utility fee increase of 8.5% due to (1) an increase in contracted costs for receiving and processing Green Bin organics, (2) an increase in garbage and Green Bin collection to support ongoing equipment needs, (3) additional disposal costs due to

higher quantities of Vancouver residential waste and waste collected through street cleaning operations, partially offset by (4) an increase in demand for new and replacement collection carts and changes in cart sizes.

- As part of the 2017 review of fees for rezoning, development, building and other related permits, revenue allocations were re-aligned to reflect current trends and volume levels. Fees were increased by 9% in most categories, while some of the complex development fees in targeted areas were increased by more than this, including a phased-in cost recovery of approximately \$6.1 million of existing development-related costs previously funded from taxes.
- Parking-related increases in support of Transportation 2040 objectives to make it easier for drivers to find available parking spaces, to support local businesses and to manage parking in neighbourhoods. This includes managing curb space by using performance pricing strategies to ensure on-street availability and reducing the congestion and greenhouse gas impacts associated with drivers searching for on-street parking.
- A 1.4% average rate increase in Park Board user fees for specific programs and activities, approved by the Vancouver Board of Parks and Recreation, driven by market factors.

Expense highlights for 2017

- Fixed cost increases related to ongoing services, including debt service charges, building occupancy costs and salary increments as well as 2018 wage costs for collective agreements (most bargaining units at 2.0%; Vancouver Police Union and Vancouver Fire Fighters' Union at 2.5%). Funding is also being provided to achieve compliance with the Living Wage guidelines for direct staff and contracted services. In 2016, the City reviewed its contracted service arrangements, and it identified contracts that did not meet the applicable Living Wage threshold in relation to the compensation paid by the contractors to their employees. Services provided under these contractual arrangements related to security, janitorial and graffiti removal services. Some of these contracts are expiring in late 2017, and they will be renewed to provide for compensation consistent with the Living Wage standard.
- New investments in Council priorities totalling \$34.7 million toward initiatives to address housing supply, affordability and critical social issues; to improve service, and maintain and upgrade streets, utilities and facilities; to continue to build vibrant communities; and to increase investments in public safety.

- Additional costs for utilities, reflecting (1) costs passed on by Metro Vancouver to support ongoing infrastructure improvements, (2) an increase in costs to maintain the aging water infrastructure, (3) investment in the One Water Strategy, (4) increased costs to support landfill operations due to higher quantities of waste, (5) an increase in garbage and Green Bin collection equipment and contracted receiving and processing costs for Green Bin organics, (6) an increase in water and sewer pay-as-you-go funding, and (7) an increase in debt servicing and a decrease in transfers to reserves.

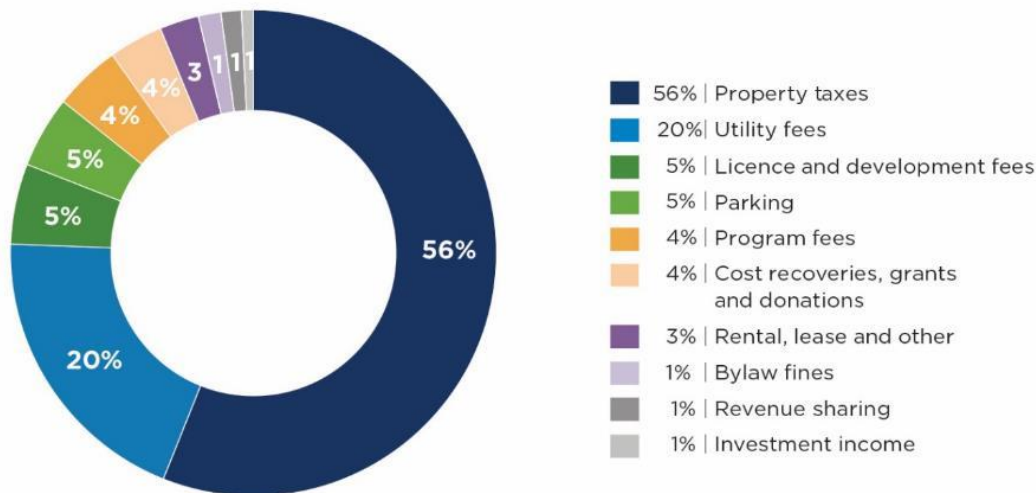
This year's proposed property tax increase is 3.9%. The majority of the increase (3.3%) is driven by fixed costs related to maintaining City services and service levels. In addition, there are new investments needed both to make progress on core issues in our city and to ensure the services most valued by our residents and businesses are improved. These fixed costs increases and new investments costs have been partially offset by internal costs savings (without service impacts), new fees and increased revenues from existing sources. Offsets also include reallocation of one-time 2017 opioid grants into critical social investments and a phased-in cost recovery of approximately \$6.1 million of existing development-related costs previously funded from taxes.

The following section provides an overview of the main factors driving change in the 2018 Operating Budget compared to 2017. Detailed service budgets for each City department are outlined in Part II, Department Service Plans.

Operating revenues

The City of Vancouver has a stable and predictable revenue base, with property taxes and utility fees making up more than three-quarters of the City's operating revenue. Program fees and other revenues are more variable, as economic cycles can impact development-driven revenue streams (such as building permits) and use of services (such as civic theatres), while weather can impact revenue from outdoor activities at City-owned facilities.

2018 OPERATING REVENUES (\$1,405 MILLION)



The following table highlights major changes in the 2018 revenue budget compared to 2017:

2018 Revenue Increase Summary:	\$'000s
Property tax levy increase at 3.9%	27,837
Property tax revenue from New Construction	5,000
Other property tax-related revenue	2,025
Increased Business Improvement Association levy	34
Total Property taxes	34,896
Water revenue	6,756
Sewer revenue	7,752
Solid Waste revenue	2,617
Neighbourhood Energy revenue	926
Total Utility fees	18,051
Licence and development fees	14,617
Parking revenue	7,002
Cost recoveries, grants and donations	4,514
Program fees	2,831
Rental, lease and other	1,989
Bylaw fines	1,420
Revenue sharing	(2,502)
Investment income	(1,100)
Total Fees and other revenue	28,772
Total	81,719

Note: Totals may not add due to rounding.

Property tax is the source of 56% of total revenues and is budgeted to increase by \$34.9 million in 2018. It is the largest component of the City's operating revenue. The projected increase includes \$27.8 million based on a 3.9% property tax increase, additional property tax revenue of \$5.0 million related to new construction added to the property tax roll, and adjustments to local improvement taxes and payments in lieu of taxes that reflect historical trends.

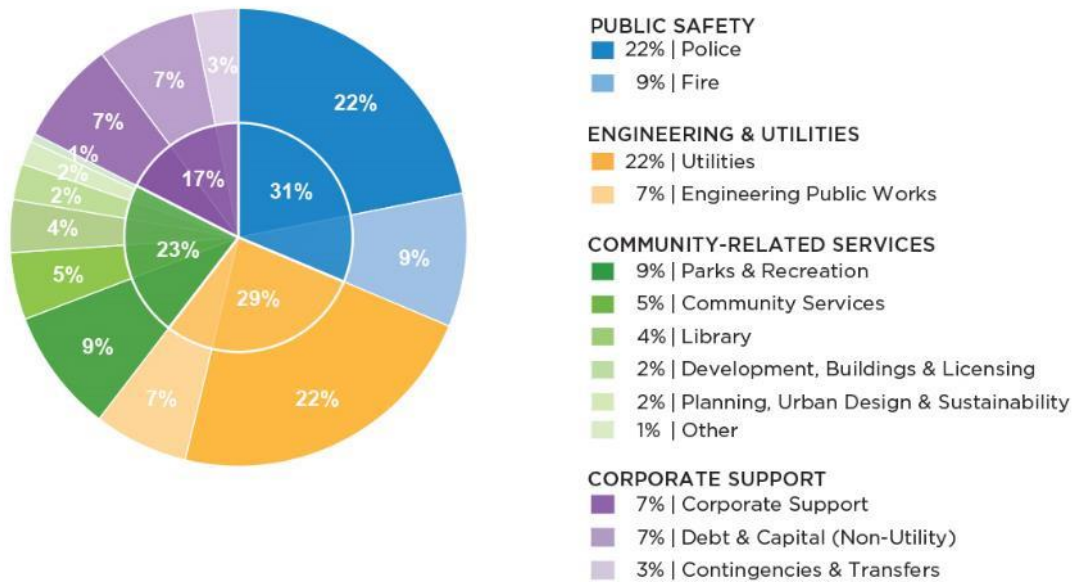
Utility fees make up 20% of total operating revenues. The budgeted amount represents a 7.0% increase over 2017. Utility fees are based on full-cost recovery through utility fees. In 2018, in consideration of the factors listed in the Highlights section above, water rates are increasing by 6.0%, sewer rates are increasing by 10.4%, solid waste rates are increasing by 8.5% and Neighbourhood Energy Utility rates are increasing by 3.2%. Additional details on rate increases are included in the Managing Cost for Existing Services/Utility Cost Increases section.

Development volumes in Vancouver have increased significantly since 2008, with a trend over the past four years reaching and sustaining all-time high volumes across the development lifecycle. Rezoning, development permits, building permits and trades permits have continued to peak during this time, and volumes for 2017 are projected to be among the highest in four years. During this period, the net increase in demand for development support services has been 24%, while the net increase in staff has been 6%. On October 31, 2017, fees were approved by Council to be increased by 9% in most categories, with some other complex development fees increasing by more than this. Other revenue increases include higher parking and bylaw fines offset by lower provincial revenue-sharing revenues and lower investment income, consistent with the trend observed in 2017 as a result of the current interest rate environment.

Operating expenditures

Public Safety (Police, Fire and Rescue Services) is the largest component of the Operating Budget at 31% of total expenditures, while Utilities and Engineering Public Works account for 29% of operating expenditures. Community-related services make up 23% of the budget, including Parks and Recreation; Community Services; Library; Planning, Urban Design and Sustainability; and Development, Buildings and Licensing, with the remaining 17% representing corporate activities (including debt costs and contributions to capital projects).

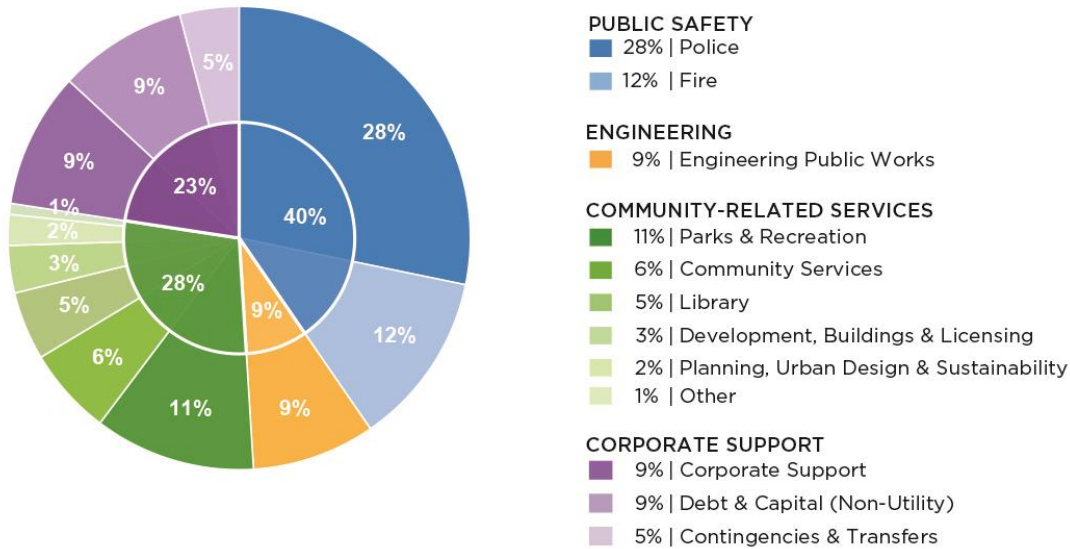
2018 OPERATING EXPENDITURES BY SERVICE AREA (\$1,405 MILLION)



Total operating expenditures in 2018 are budgeted to increase by 6.2% (\$81.7 million) over 2017. This increase reflects \$23.8 million in fixed cost increases for existing services, \$34.7 million for new investments aligned to key priorities (outlined in the table that follows), and \$23.2 million increase in utilities and other expenses.

Utilities are primarily funded from utility rates, which are set to recover the cost of providing services to ratepayers. The 2018 budget, excluding utilities, that is supported by taxes and fees is \$1,090 million. Public safety is funded by 40% of the tax- and fee-supported budget; as such, even a small percentage increase in cost in these areas can result in a large increase in the Operating Budget. Recent trends of wage growth above inflation in public safety and other civic bargaining units, in addition to growth in fixed costs, have resulted in significant pressure on property taxes, which has been somewhat mitigated in past years through productivity savings and increased fee revenues in other areas.

2018 OPERATING EXPENDITURES EXCLUDING UTILITIES (\$1,090 MILLION)



Investments

The City regularly realigns existing resources and spending levels in response to changes in demand for valued services and to changes in priorities over time. Where necessary, and where informed by feedback from public consultation, the City makes new investments in emerging priorities. The 2018 Operating Budget includes \$34.7 million in new investments — funded from sources such as property taxes, user fees and utility fees, and internal reprioritization across the organization. These investments are needed both to make progress on the core issues in our city and to ensure the services most valued by our residents and businesses are improved. Funding for these investments have been partially offset by internal costs savings (without service impacts), new fees, and increased revenue from some existing fees.

2018 New Investments	\$000s
Address housing supply, affordability and critical social issues	15,305
Actions to address housing supply and affordability	11,890
Additional staffing to reduce wait times for development permits ¹	5,172
Implementing Empty Homes Tax ²	2,640
Regulating Short-Term Rentals and reviewing existing City regulations and licensing ³	1,661
Planning for growth and addressing housing affordability (Implementation plan for Housing Vancouver, Housing Policy, Area reviews, Broadway Corridor Planning, etc.)	1,495
Expedite affordable housing approvals ⁴	922
Continued focus on critical social issues	3,415
Additional resources to respond to homelessness	910
Indigenous Healing and Wellness Centre	711
VPD Drug Containment Facility for safe and proper handling, and processing of drug exhibits that may be contaminated by fentanyl and/or other suspicious substances	700
Additional resources to respond to opioid crisis	265
Additional micro-cleaning grants to provide low barrier employment opportunities	210
Expanded access to leisure access program thus removing barriers to participation in recreation programming	200
Reconciliation Coordinator - Parks Board	150
Improved process for non-profit organizations leasing city facilities	150
Increase to Social Grants	119
Improve service and maintain and upgrade streets, utilities and facilities	9,113
Improved safety and security at City facilities and parks	2,967
Engineering Utilities investments in aging infrastructure, One Water Strategy, Solid Waste equipment requirements etc. ⁵	2,468
Operating costs of upgrading IT infrastructure (Infrastructure maintenance and upgrade, GIS strategic roadmap implementation, Fleet software replacement etc.)	1,994
Operating costs of additional snow readiness	840
Maintenance of the growing urban forest and new street infrastructure at East Fraser Lands and Great Northern Way	559
Beautification of street medians and city gateways and summer flagging at beaches to improve safety	285
Continue to build vibrant communities	6,096
Planning and consultation for vibrant communities (People for Places Downtown, Civic health hub, Waterfront hub, Vancouver economy and employment lands etc.)	2,301
Operating costs for the new Vancouver Art Gallery Plaza, Killarney Seniors Centre, expansion of public space at Central Library, and new childcare facilities	1,242
Supporting public space and street activations	920
Increase in arts & culture grants including grants to support the Creative City Strategy	580
Sport Hosting fund to leverage partner funding and help attract, grow or create Vancouver sport events	500
Zero Emissions Building Plan and Implementation	470
Increase Library Collections	83
Increase investments in public safety	4,163
Additional police officers and civilian staff (VPD Operational Review)	3,300
Maintenance costs for Fire trucks to meet new compliance requirements	863
Total	34,676

Note: Totals may not add due to rounding

Notes:

1. Additional staffing to reduce wait times for development permits \$5.2 million is funded through permit fees
2. Implementation of the Empty Homes Tax \$2.6 million is funded through Empty homes tax revenue and reserve
3. Regulating Short-Term Rentals and reviewing existing regulations and licensing \$0.4 million is funded through licensing fees
4. Expedite affordable housing approvals \$0.9 million is funded through permit fees
5. Engineering Utilities investments \$2.5 million are funded through utility fees and internal reprioritization

These increased investments are targeted to Council priority areas and reflect feedback received through public engagement activities. The level of investment echoes the needs of a growing city, including addressing housing supply and critical social issues while maintaining and upgrading key City infrastructure. For 2018, investments are focused in the following key areas:

- **Address housing supply, affordability and critical social issues** — In response to findings of the comprehensive fee review, additional staffing is being added to reduce wait times for development permits and to speed up affordable housing approvals. The rate of permit issuance has continued to outpace applications (110% rate of issuance achieved). At the same time, existing development applications have become more complex, and they require added staff effort and knowledge to process permits in a timely manner.

To address these issues, systemic, transformational changes are needed along with the resources to support those changes and to provide services in response to the ongoing high level of demand. The 2018 budget includes investments to support the implementation of the Empty Homes Tax that will focus on providing support and assistance to property owners in making their first property status declarations followed by the processing of the first new tax bills.

There are additional investments to support planning for growth and addressing housing affordability as well as for regulating short-term rentals and reviewing existing City regulations and licensing. Incremental funding is provided for additional staff to complete this regulatory review, and for additional policy work to support Council priorities related to employment lands, station area plans and affordable housing.

- **Continued focus on critical social issues** — Additional funding will support a continued response to the opioid crisis by convening City departments, Vancouver Coastal Health, the provincial government, Urban Health Leaders Action Council and other partners; provide additional resources to the Homelessness Outreach Team to lead and support vital work supporting the City's most vulnerable citizens; extend the operating days at Oppenheimer Park to support the local community; and continue to monitor tenancies and residential compliance to ensure that housing is provided to those most in need and at a high service standard.

Funding in 2018 is being provided to create a dedicated Indigenous healing and wellness space in the Downtown Eastside (DTES). The City will be working with members of the City's DTES Indigenous Healing and Wellness Centres Working Group as well as other Indigenous health partners to advise on the programming of a healing and wellness centre, and will be partnering with senior government, non-profits and other funding partners to leverage and secure capital and operating costs. The City will be contributing toward the tenant improvement costs of the centre. Additional funding will provide the City's Homelessness Outreach Team with more staff and a new office space to better serve the increasing need for support for the City's marginalized population. In

the Vancouver Police Department's budget, \$0.7 million was added to design, renovate and equip a drug containment facility to allow for the safe and proper handling of and processing of drug exhibits that may be contaminated by fentanyl and/or other suspicious substances.

Other investments include expanding access to leisure programs, thus removing barriers to participation in recreation programming; hiring a Reconciliation Coordinator at the Vancouver Board of Parks and Recreation; and increasing social grants and support staff to improve agreements and relationships with City partners. The 2017 one-time opioid grants have been reprioritized toward these critical social investments.

- **Improve service and maintain and upgrade streets, utilities and facilities** — To ensure that the City's aging infrastructure continues to perform well, to meet safety and compliance standards, and to meet the expanding needs of citizens and businesses, the 2018 budget includes investments in staffing to oversee and perform all electrical work in City buildings, and to conduct audits of electrical system safety and building system safety (non-electrical). There is an increase in resources to oversee the City's non-profit lease portfolio and improve the process for non-profit organizations leasing city facilities; to support front-line security staff, contracted security services, threat management and security system design; and to develop and sustain a fire safety program for all City facilities.

In addition to this, budgets have been reprioritized in areas to respond to key priorities of the Park Board, including park safety and cleanliness. Engineering utilities budgets include investments in maintenance for aging infrastructure and in a One Water Strategy. Additional funding is provided for garbage and Green Bin collection to support ongoing equipment needs and investments into improving service levels. Funding of \$2.0 million is provided for the operation and maintenance of recently completed IT projects. Capital investments are driven by emerging business needs and/or the replacement of end-of-life infrastructure at the end of a hardware or software lifecycle. As part of the current four-year capital plan (2015-2018), approved and completed capital projects, such as upgrades to the GIS (geographic information system) and fleet systems or new implementations such as the POSSE system for permits and licensing, staff scheduling and emergency management, are now beginning to have annual maintenance impacts in the form of ongoing operating costs.

- As well, costs for hardware, licensing and network maintenance are affected by inflation-driven fluctuations in pricing, a situation that is exacerbated by the move of applications toward cloud-based hosting services. The increase to Engineering street maintenance budgets includes additional equipment and training approved by Council in July 2017 that will improve the response to future severe weather events, including snow readiness. Other investments in this category include the maintenance of new infrastructure along Great Northern Way and East Fraser Lands, modifications to existing street medians and city gateways to enhance public realm beauty while creating maintenance efficiencies, and summer flagging at beaches to improve safety.

- **Continue to build vibrant communities** — The 2018 budget includes planning and consultation investments to build vibrant communities that include resourcing for initiatives, such as Places for People Downtown, St. Paul's Mental Health Hub, Central Waterfront Hub, and Vancouver economy and employment lands. Operating costs for the new Vancouver Art Gallery Plaza, Killarney Seniors Centre, the expansion of public space at Central Library, and new childcare facilities have been added to Real Estate and Facilities Management, Parks and Recreation, and Library budgets.

Planned increases to the number of childcare facilities will also help more parents balance work and family commitments. Street Use increases support investments in public realm activations, including emerging events and the ongoing maintenance of horticulture in public spaces. Increased grants for arts and culture will also enhance the communities where we live. The Sustainability group is receiving additional 2018 operating funding to encourage the development community to support the promotion and adaptation of zero emissions building strategies.

Grants funding is being increased to provide additional support to help with the increasing demand from all non-profit sectors. In particular, \$350,000 in additional grant support is being provided to support key recommendations emerging from the initial phase of the Creative City Strategy.

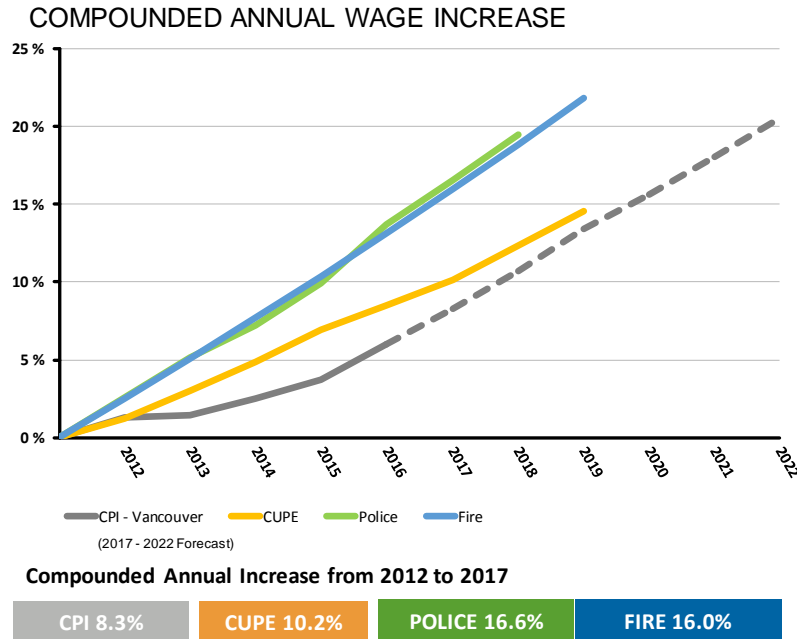
Ongoing funding has been provided for the Sport Tourism Development Fund. In 2015, Council approved funding of \$0.5 million per year from the Innovation Fund for two years to leverage partner funding and help attract, grow or create Vancouver sport events that advance Sport Hosting Vancouver Action Plan goals. In the 2018 budget, an investment is being made to regularize this funding. The library collections budget has also been increased.

- **Increase investments in public safety** — Resources have been added to maintain and improve public safety, including the addition of more police officers as recommended in the VPD Operational Review, and the addition and maintenance of modern firefighting equipment.

Funding for 2018 budget investments comes from a variety of sources, including property tax, utility rates, external funding and reserves, and from internal reprioritization across the organization.

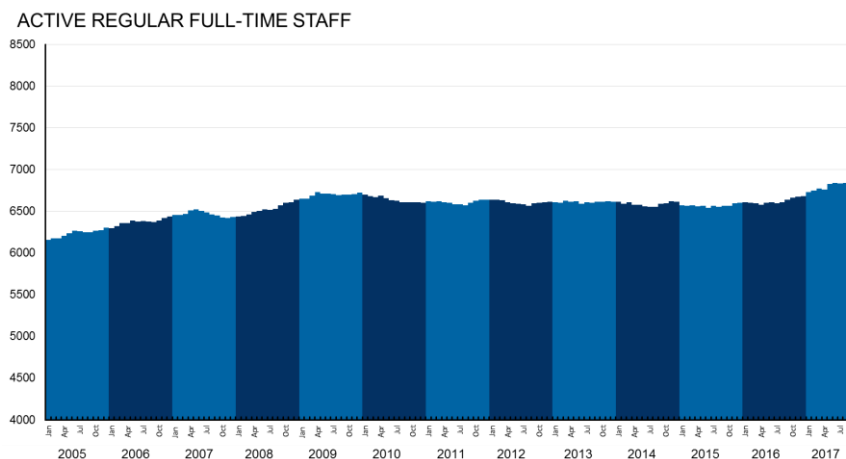
Managing costs for existing services

The City has negotiated collective agreements for the majority of the unions as represented by Vancouver Fire Fighters' Union, CUPE Local 15, CUPE Local 1004, IATSE and CUPE Local 391, and as arbitrated with Vancouver Police Union.



Given the magnitude of public safety wages relative to the other parts of the City, the recent trend of public safety wage increases above inflation will continue to put significant pressure on the City's budget and property tax rates.

Regular full-time staffing levels trended downward following the hosting of the 2010 Winter Olympics, and levels remained flat from 2011 to 2016. As a result of new investments in 2017 and the conversion of temporary staff to regular full-time staff, Full-time Equivalent (FTE) staffing levels in 2017 have increased.



Utility cost increases

Utility expenditures are increasing by 7.2%, due in part to increasing regional utility charges passed on to the City by Metro Vancouver to support infrastructure improvements.

Water utility rates will increase by 6.0% or \$37 per year for a single-family residence. This increase is driven by:

- An increase of 3.9% in Metro Vancouver water rates that fund infrastructure improvements throughout the region, including improvements to reservoirs and filtration to provide a high-quality water supply for a growing population.
- An increase in funding for water capital projects to deal with the increasing level of service breaks.
- Cost increases to deal with maintenance of the aging infrastructure and an investment in a One Water Strategy.
- Realignment of the flat-fee rate to the actual distribution of flat-fee and metered customers.
- An increase in water volume estimates for 2018 resulting from actual trends of water consumption and projected decrease in per capita use.
- An offset from the deferred impact of prior-year contributions to the Water Rate Stabilization Reserve.
- An offset from a decrease in debt related to retiring old debt.

Sewer utility rates will increase by 10.4% or \$40 per year for a single-family residence. This increase is driven by:

- A 13.2% increase in the Metro Vancouver levy, which includes costs for site preparation for secondary treatment at Iona Island Wastewater Treatment Plant. The Iona Island plant must be upgraded to secondary treatment by no later than 2030 to meet regulatory requirements; preparatory work has already begun. The cost of this facility will impact sewer rates in future, but the investment will help reduce environmental impacts as the City's population continues to grow.
- Realignment of the flat-fee rate to the actual distribution of flat-fee and metered customers.
- Increase in debt-servicing costs related to capital programs for sewer main replacement and maintenance of the existing sewer system.
- Increase in funding for sewer capital projects related to investigation and design.
- An offset from a reduced contribution to the Sewer Rate Stabilization Reserve.
- An offset from higher water consumption, resulting in decreased sewer rates to recover the fixed costs of the system over an increased volume.

Solid Waste utility rates will increase by 8.5%, which equates to \$23 per year for a single-family residence. This increase is driven by:

- An increase in contracted costs for receiving and processing Green Bin organics.
- Additional funding for garbage and Green Bin collection to support ongoing equipment needs.
- Additional disposal costs due to higher volumes of Vancouver residential waste and waste collected through street cleaning operations.
- Increased demand for new and replacement collection carts, and for changes in cart sizes.

Other cost increases

Over the past several years, the City has used strategic procurement and centralized purchasing to achieve the best value for money for taxpayers and to reduce pressure from non-salary-related cost increases. However, certain cost areas passed on from external agencies (over which the City has limited control) have shown a continued growth trend above inflation. Such costs include BC Hydro energy rates, which increased 4.0% in 2017 and 3.5% in 2018, and a 6.4% increase in Insurance Corporation of British Columbia (ICBC) insurance costs. The decrease in the value of the Canadian dollar relative to the US dollar has also put pressure on related purchases in US dollars, such as those associated with certain library materials, public safety uniforms and equipment, and IT software contracts.

The Vancouver Police Department's expenditures will increase by \$17.2 million, mainly for the Vancouver Police Union's Collective Agreement wage increases, for adjustments to expenditures to match more closely with actual recoveries received, and for implementing the recommendations from the VPD's Operational Review. Salary and benefit cost increases from step increments (which are a function of officers advancing through the ranks, attaining years of service and completing training) and staffing and training costs related to the timing of expected attrition and hiring also contribute to the increase. Additionally, the expenditures include an increase to start the implementation of the Operational Review recommendations to hire and outfit additional police officers and civilian staff.

The RCMP and provincial government decided to limit the financial contribution to municipalities for the cost of DNA analysis services beginning in 2016, resulting in additional costs being downloaded and borne by municipalities. Other provinces have stepped in to provide funding as a result of the RCMP funding model change; BC is the only province shifting the costs to local government. DNA analysis is an important policing tool, and its use will continue to grow in the future. The 2017 cost to the Vancouver Police Department for DNA analysis is \$0.6 million and is estimated to be \$0.7 million in 2018. In 2016, the Union of BC Municipalities endorsed a motion calling on the Government of BC to reverse the decision to download DNA analysis costs to municipalities.

Cost management

Throughout 2017, City departments continued reprioritizing resources and transforming operations to deliver on key priorities and service requirements. As part of the 2018 Budget process, departments continue identifying where costs can be adjusted and resources reprioritized to respond to public priorities. Services and transactions are increasingly being delivered electronically and through 3-1-1 rather than in person, improving the productivity of City resources. This has enabled investment in key initiatives.

Detailed Operating Budget table

This section provides a detailed breakdown of the 2018 Operating Budget, outlining each major revenue and expense category. The budget schedule shows the year-over-year impact of changes by revenue type and department expenditure. Significant changes are outlined in the notes at the end of the detailed budget. Departmental budget changes are explained in Part II, Department Service Plans.

The 2017 Budget has been restated so 2017 and 2018 are comparable. There is no net impact of these restatements on the City's total Operating Budget. The restated budget for 2017 reflects the following adjustments:

- **Interdepartmental reorganizations** — Where activities and costs have moved between departments, the original budget has been restated to reflect an appropriate year-over-year comparison.
- **Changes in shared support services policy** — Beginning in 2015, the costs of corporate shared support services directly attributable to an individual department (e.g., dedicated staff and resources in corporate service areas, such as Finance, Technology Services, Procurement, building occupancy costs and 3-1-1) are shown in department budgets; this aligns to best practice while more accurately reflecting cost of service. The shared support services allocation is reviewed annually; for comparability, the 2017 Budget will reflect the current policy.
- **Collective agreement wage settlements** - The 2017 budgets have also been restated to include 2016 and 2017 wage increases settled after the 2017 budget was approved for Vancouver Fire Fighters' Union, CUPE 15, CUPE 1004, CUPE 391 and IATSE.

City of Vancouver
Operating Budget (\$000)

Revenue (\$000)	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Property taxes					
General Levy	713,260	746,097	32,837	4.6%	1
Business Improvement Association levies	11,667	11,701	34	0.3%	
Other property tax related	27,621	29,647	2,025	7.3%	
Empty Homes Tax	-	-	-	-	
Total Property taxes	752,548	787,444	34,896	4.6%	
Utility fees					
Water revenue					
Metered water charges	60,857	65,382	4,525	7.4%	
Flat-rate water charges	48,045	49,943	1,898	3.9%	
Meter charges	3,849	4,026	177	4.6%	
Fire line charges	2,809	2,865	56	2.0%	
Other water revenue	409	509	100	24.5%	
Total Water revenue	115,970	122,725	6,756	5.8%	2
Sewer revenue					
Metered sewer charges	40,339	45,217	4,878	12.1%	
Flat-rate sewer charges	30,155	32,909	2,754	9.1%	
Industrial waste water fees	826	935	109	13.2%	
Other sewer revenue	939	950	11	1.1%	
Total Sewer revenue	72,259	80,011	7,752	10.7%	3
Solid Waste revenue					
Collection revenue	28,997	31,365	2,368	8.2%	4
Disposal revenue					
Tipping fees	36,381	38,070	1,689	4.6%	5
Metro & Delta's revenue sharing	(4,098)	(5,574)	(1,476)	36.0%	
Other disposal revenue	2,276	2,312	35	1.6%	
Subtotal Disposal revenue	34,559	34,808	249	0.7%	
Total Solid Waste revenue	63,556	66,173	2,617	4.1%	
Neighbourhood Energy revenue					
NEU fixed levy	2,823	3,317	494	17.5%	
NEU energy charge	1,797	2,229	432	24.0%	
Total Neighbourhood Energy revenue	4,620	5,546	926	20.0%	6
Total Utility fees	256,404	274,455	18,051	7.0%	

Note: Totals may not add due to rounding

City of Vancouver
 Operating Budget (continued)

Revenue (\$000)	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Parks & Recreation program fees					
Recreation revenue					
Admissions	9,311	9,391	80	0.9%	
Programming	4,216	4,400	184	4.4%	
Recreation facility rentals	4,162	4,243	81	1.9%	
Other recreation revenue	194	207	13	6.6%	
Subtotal Recreation revenue	17,883	18,241	358	2.0%	
Golf revenue	9,831	9,831	0	0.0%	
Marinas & Attractions revenue					
Marinas	3,380	3,644	265	7.8%	
VanDusen Botanical Gardens	3,380	3,801	421	12.4%	
Stanley Park Train	1,935	2,016	81	4.2%	
Bloedel Conservatory	603	700	97	16.1%	
Subtotal Marinas & Attractions revenue	9,298	10,162	864	9.3%	7
Concession revenue	2,930	2,930	0	0.0%	
Other Parks & Recreation revenue	1,018	1,254	236	23.2%	
Total Parks & Recreation program fees	40,961	42,418	1,457	3.6%	
Civic Theatres program fees					
Theatre facility rentals	6,421	6,453	32	0.5%	
Concession revenue	1,738	2,500	762	43.8%	
Ticket surcharges	2,084	2,279	195	9.4%	
Other Civic Theatres revenue	235	228	(7)	-3.1%	
Total Civic Theatres program fees	10,479	11,461	982	9.4%	8
Community Services program fees					
Mountain View Cemetery revenue	2,189	2,233	44	2.0%	
Community Kitchen revenue	1,417	1,445	28	2.0%	
Total Community Services program fees	3,606	3,678	72	2.0%	
Library program fees					
Fines & penalties	814	791	(23)	-2.8%	
Other library revenue	415	455	39	9.5%	
Total Library program fees	1,230	1,246	16	1.3%	
Britannia program fees	984	1,004	20	2.0%	
Other Department program fees	2,271	2,555	284	12.5%	9
Total Program fees	59,530	62,361	2,831	4.8%	

Note: Totals may not add due to rounding

City of Vancouver
 Operating Budget (continued)

Revenue (\$'000)	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Licence and development fees					
Trade permit fees					
Building permit fees	11,308	14,764	3,456	30.6%	
Plumbing inspection fees	5,162	7,900	2,737	53.0%	
Electrical inspection fees	4,424	5,459	1,035	23.4%	
Residential demolition fees	784	1,581	798	101.8%	
Gas permit fees	737	745	8	1.0%	
Street occupancy fees	622	884	262	42.2%	
Tree removal permit fees	648	428	(220)	-33.9%	
Other trade permit fees	373	1,388	1,015	271.7%	
Total Trade permit fees	24,059	33,150	9,091	37.8%	10
Licence fees					
Business licence fees	16,948	17,647	699	4.1%	
Dog and other licence fees	1,725	1,760	35	2.0%	
Total Licence fees	18,674	19,407	733	3.9%	11
Development permit fees					
Development permit fees	6,905	7,879	974	14.1%	
Rezoning fees	2,011	4,783	2,772	137.8%	
Subdivision fees	1,123	967	(156)	-13.9%	
Other development fees	618	324	(293)	-47.5%	
Total Development permit fees	10,656	13,953	3,297	30.9%	12
Engineering fees & charges					
Anchor rod fees	2,102	2,744	642	30.5%	
Street furniture fees	1,552	1,583	31	2.0%	
Encroachment fees	849	866	17	2.0%	
Sidewalk café fees	849	866	17	2.0%	
Garbage container fees	448	1,057	609	136.0%	
Films/festival fees	554	689	135	24.4%	
Other Engineering fees	514	554	40	7.8%	
Newsbox permit fees	244	249	5	2.0%	
Total Engineering fees & charges	7,111	8,607	1,496	21.0%	13
Total Licence and development fees	60,499	75,117	14,617	24.2%	
Parking revenue					
On-street parking revenue	50,321	56,412	6,091	12.1%	14
Parking permit fees	1,102	1,124	22	2.0%	
Parks parking revenue	7,224	7,733	509	7.1%	15
Civic Theatres parking revenue	599	971	373	62.2%	
Other parking revenue	675	681	7	1.0%	
Total Parking revenue	59,920	66,922	7,002	11.7%	

Note: Totals may not add due to rounding

**City of Vancouver
Operating Budget (continued)**

Revenue (\$'000)	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Cost recoveries, grants and donations					
Police Services recoveries, grants and donations	15,591	21,027	5,437	34.9%	16
Fire & Rescue Services recoveries	8,247	8,451	205	2.5%	
General Government recoveries	2,382	1,182	(1,200)	-50.4%	17
Parks & Recreation recoveries, grants and donations	5,105	5,392	287	5.6%	
Community Services recoveries	3,720	3,496	(224)	-6.0%	18
Library recoveries, grants and donations	2,407	2,488	81	3.4%	
Planning, Urban Design & Sustainability recoveries	1,150	1,150	-	-	
Engineering recoveries	5,079	5,065	(15)	-0.3%	
Other department recoveries	2,371	2,315	(56)	-2.4%	
Total Cost recoveries, grants and donations	46,052	50,566	4,514	9.8%	
Revenue sharing					
Traffic fine revenue sharing	14,502	12,000	(2,502)	-17.3%	19
Gaming revenue sharing	7,150	7,150	-	-	
Total Revenue sharing	21,652	19,150	(2,502)	-11.6%	
Investment income	12,166	11,066	(1,100)	-9.0%	20
Rental, lease and other					
Civic property rental revenue	9,567	10,645	1,078	11.3%	21
Engineering revenue					
Street Maintenance revenue	95	145	50	52.5%	
Street Use revenue	1,908	2,408	500	26.2%	
Parking Operations revenue	1,785	1,785	-	-	
Other Engineering revenue	546	421	(125)	-22.8%	
Total Engineering revenue	4,334	4,759	425	9.8%	22
Lease income	2,805	2,293	(512)	-18.2%	23
Non-market housing rentals	3,766	3,269	(497)	-13.2%	24
Miscellaneous Citywide revenue	3,074	3,243	168	5.5%	25
Police Services revenue	207	207	-	-	
Other department revenue	7,178	8,410	1,232	17.2%	26
Parks and Recreation Revenue	3,912	4,006	94	2.4%	
Total Rental, lease and other	34,843	36,832	1,989	5.7%	
Bylaw fines					
Parking fine revenue	19,233	20,771	1,538	8.0%	
Other Bylaw fines	276	158	(118)	-42.6%	
Total Bylaw fines	19,509	20,929	1,420	7.3%	27
Total Revenues	\$ 1,323,124	\$ 1,404,843	\$ 81,719	6.2%	

Note: Totals may not add due to rounding

**City of Vancouver
Operating Budget (continued)**

Expenditures & Transfers (\$000)	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Utilities					
Water					
Water purchases (Metro)	75,425	79,418	3,993	5.3%	
Water operations	11,941	13,165	1,224	10.2%	
Capital program & other transfers					
Debt service charges	14,988	14,613	(375)	-2.5%	
Pay-as-you-go funding	11,300	13,500	2,200	19.5%	
Rate stabilization & other reserve transfer	524	22	(502)	-95.7%	
Subtotal Capital program & other transfers	26,812	28,135	1,323	4.9%	
Shared support services	1,961	2,177	216	11.0%	
Total Water	116,140	122,896	6,756	5.8%	28
Sewer					
GVS&DD levy (Metro)	60,541	68,562	8,021	13.2%	
Sewer operations	8,810	9,032	222	2.5%	
Capital program & other transfers					
Debt service charges	35,218	37,688	2,470	7.0%	
Pay-as-you-go funding	700	1,700	1,000	142.9%	
Rate stabilization & other reserve transfer	2,547	1,641	(905)	-35.5%	
Subtotal Capital program & other transfers	38,465	41,029	2,564	6.7%	
Shared support services	1,444	1,614	170	11.8%	
Total Sewer	109,260	120,237	10,977	10.0%	29
Solid Waste					
Collections	22,665	24,232	1,567	6.9%	
Landfill	20,310	22,165	1,855	9.1%	
Transfer station	8,522	8,753	231	2.7%	
Capital program & other transfers					
Capital Financing Fund loan payments	2,350	2,341	(9)	-0.4%	
Solid Waste Reserve & other transfer	7,874	6,571	(1,303)	-16.6%	
Subtotal Capital program & other transfers	10,224	8,912	(1,312)	-12.8%	
Shared support services	2,050	2,290	241	11.7%	
Total Solid Waste	63,771	66,352	2,581	4.0%	30
Neighbourhood Energy					
NEU operations	2,016	2,686	669	33.2%	
Capital program & other transfers					
Debt service charges	3,846	3,868	22	0.6%	
Rate stabilization & other reserve transfer	(1,243)	(1,008)	235	-18.9%	
Subtotal Capital program & other transfers	2,604	2,860	257	9.9%	
Total Neighbourhood Energy	4,620	5,546	926	20.0%	31
Total Utility	293,791	315,031	21,240	7.2%	

Note: Totals may not add due to rounding

**City of Vancouver
Operating Budget (continued)**

Expenditures & Transfers (\$000)	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Department					
Engineering					
Public Works					
Street Maintenance	25,640	27,339	1,699	6.6%	
Parking Operations	16,889	18,152	1,263	7.5%	
Street Use	11,998	13,781	1,783	14.9%	
Street Cleaning	9,266	9,490	223	2.4%	
Street Lighting	6,524	6,416	(108)	-1.7%	
Transportation	2,953	3,610	657	22.3%	
General Public Works	2,987	3,896	908	30.4%	
Shared support services	8,485	9,789	1,304	15.4%	
Transfers to / (from) reserves & other funds	489	475	(14)	-2.9%	
Subtotal Public Works	85,231	92,948	7,717	9.1%	32
Department Services					
Equipment Service Operations	(24,323)	(23,796)	527	-2.2%	
Equipment Management Group	928	1,118	190	20.5%	
Construction Supplies & Services	(1,379)	(1,464)	(84)	6.1%	
Operations Safety & Support	688	1,588	900	130.8%	
Shared support services	169	76	(93)	-55.0%	
Transfers to / (from) reserves & other funds	24,271	23,465	(806)	-3.3%	
Subtotal Department Services	353	987	634	179.3%	33
Total Engineering	85,584	93,935	8,350	9.8%	
Police Services					
Patrol	143,003	147,870	4,867	3.4%	
Investigations	79,581	84,885	5,305	6.7%	
Operational Services	34,337	38,501	4,164	12.1%	
Administration	11,345	12,219	874	7.7%	
E-Comm allocation	16,101	16,492	392	2.4%	
Shared support services	6,327	6,668	342	5.4%	
Transfers to / (from) reserves & other funds	(154)	1,057	1,211	-784.8%	
Total Police Services	290,538	307,693	17,155	5.9%	34
Fire & Rescue Services & Office of Emergency Management					
Fire & Rescue Services					
Fire Suppression & Medical	112,975	116,067	3,092	2.7%	
Prevention	3,050	3,274	224	7.3%	
Training & Administration	4,867	5,064	197	4.1%	
E-Comm allocation	4,352	4,472	120	2.7%	
Shared support services	1,638	1,899	261	15.9%	
Transfers to / (from) reserves & other funds	183	183	-	-	
Subtotal Fire & Rescue Services	127,065	130,959	3,893	3.1%	
Office of Emergency Management					
Emergency Management	1,524	1,556	32	2.1%	
Subtotal Office of Emergency Management	1,524	1,556	32	2.1%	
Total Fire & Rescue Services & Office of Emergency Management	128,590	132,515	3,925	3.1%	35

Note: Totals may not add due to rounding

**City of Vancouver
Operating Budget (continued)**

Expenditures & Transfers (\$000)	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Department (continued)					
Parks & Recreation					
Recreation	48,205	49,497	1,292	2.7%	
Park maintenance & operations	34,725	35,711	987	2.8%	
Facility maintenance & corporate services	6,786	7,203	418	6.2%	
Marinas & Attractions	6,996	7,750	753	10.8%	
Golf	6,598	6,606	8	0.1%	
Concessions	2,235	2,232	(3)	-0.1%	
Parking	798	799	1	0.2%	
Leases and Commercial Admin	499	490	(9)	-1.8%	
Shared support services	8,982	8,889	(93)	-1.0%	
Transfers to / (from) reserves & other funds	3,376	3,628	252	7.5%	
Total Parks & Recreation	119,200	122,806	3,606	3.0%	36
Library					
Public Services	42,810	43,379	569	1.3%	
Administrative Services	6,226	6,725	499	8.0%	
Shared support services	1,915	1,952	37	1.9%	
Transfers to / (from) reserves & other funds	46	39	(7)	-16.1%	
Total Library	50,997	52,094	1,097	2.2%	
Britannia Community Services Centre	5,142	5,280	139	2.7%	
Civic Theatres					
Civic Theatre operations	7,307	8,188	881	12.1%	
Shared support services	2,395	2,580	185	7.7%	
Transfers to / (from) reserves & other funds	1,361	1,526	165	12.1%	
Total Civic Theatres	11,063	12,294	1,231	11.1%	37
Community Services					
Social Support	11,419	11,711	293	2.6%	
Housing	7,178	7,271	94	1.3%	
General & Projects	1,727	2,590	863	50.0%	38
Social Policy	3,513	3,685	172	4.9%	
Culture	2,719	2,708	(10)	-0.4%	
Mountain View Cemetery	1,671	1,719	47	2.8%	
Shared support services	4,352	4,202	(151)	-3.5%	
Transfers to / (from) reserves & other funds	(367)	344	711	-193.5%	
Total Community Services	32,211	34,230	2,019	6.3%	
Grants					
Cultural	11,494	12,074	580	5.0%	39
Social Policy	5,952	6,071	119	2.0%	
Childcare	1,508	1,538	30	2.0%	
Other grants	506	516	10	2.0%	
Total Grants	19,459	20,198	739	3.8%	

Note: Totals may not add due to rounding

**City of Vancouver
Operating Budget (continued)**

Expenditures & Transfers (\$'000)	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Department (continued)					
Planning, Urban Design & Sustainability					
Planning	11,672	17,589	5,916	50.7%	
Sustainability	3,586	4,019	433	12.1%	
General	1,701	1,711	10	0.6%	
Shared support services	440	399	(41)	-9.3%	
Transfers to / (from) reserves & other funds	(289)	(289)	-	-	
Total Planning, Urban Design & Sustainability	17,110	23,428	6,319	36.9%	40
Development, Buildings & Licensing					
Inspections	10,351	11,209	858	8.3%	
Development Services	10,563	11,945	1,382	13.1%	
Licensing	3,549	4,663	1,114	31.4%	
Property Use Inspection	2,458	2,684	226	9.2%	
General & Projects	2,093	3,214	1,121	53.6%	
Shared support services	2,265	2,537	272	12.0%	
Transfers to / (from) reserves & other funds	14	(236)	(250)	-1796.9%	
Total Development, Buildings & Licensing	31,293	36,016	4,722	15.1%	41
Mayor & Council					
Mayor	1,301	1,312	11	0.9%	
Council	1,708	1,738	30	1.7%	
Total Mayor & Council	3,009	3,050	41	1.4%	
Corporate Support Service					
Real Estate & Facilities Management					
Real Estate & Facility planning & development	4,586	5,058	472	10.3%	
Facility operations	37,457	43,877	6,420	17.1%	
Shared support services	(23,502)	(24,735)	(1,232)	5.2%	
Transfers to / (from) reserves & other funds	4,116	4,145	29	0.7%	
Subtotal Real Estate & Facilities Management	22,657	28,345	5,688	25.1%	42
Finance, Risk & Supply Chain Management					
Finance & Supply Chain Management	24,737	28,591	3,854	15.6%	
Shared support services	(8,870)	(9,460)	(590)	6.7%	
Transfers to / (from) reserves & other funds	(105)	(2,767)	(2,662)	2528.2%	
Subtotal Finance, Risk & Supply Chain Management	15,761	16,364	602	3.8%	43
Technology Services					
Information Technology	29,766	32,493	2,727	9.2%	
3-1-1 Contact Centre	6,238	6,841	603	9.7%	
Digital Services	1,465	1,690	225	15.3%	
Shared support services	(8,939)	(9,893)	(955)	10.7%	
Transfers to / (from) reserves & other funds	(147)	(199)	(52)	35.1%	
Subtotal Technology Services	28,383	30,932	2,549	9.0%	44

Note: Totals may not add due to rounding

**City of Vancouver
Operating Budget (continued)**

Expenditures & Transfers (\$000)	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)	Notes
Department (continued)					
Other support services					
Human Resources	10,527	11,078	552	5.2%	45
City Manager's Office	3,720	3,915	195	5.2%	46
Legal Services	5,159	5,932	773	15.0%	47
City Clerk	3,850	7,329	3,479	90.4%	48
Communications & Engagement	2,388	2,428	40	1.7%	
Sport Hosting	-	500	500	0.0%	49
Shared support services	(3,465)	(3,740)	(275)	7.9%	
Transfers to / (from) reserves & other funds	1	1	(0)	-16.7%	
Subtotal Other support services	22,179	27,443	5,264	23.7%	
Total Corporate Support Service	88,980	103,084	14,104	15.9%	
General Government					
Business Improvement Association grants	11,667	11,701	34	0.3%	
Contingency	4,000	4,000	-	-	
Vancouver Economic Commission	3,100	3,100	-	-	
Vancouver Affordable Housing Agency	1,421	1,120	(301)	-21.2%	50
Innovation Fund	2,000	2,000	-	-	
General Government expenses	22,847	26,591	3,744	16.4%	51
Shared support services	836	530	(305)	-36.6%	
Transfer to/ (from) reserves & other fund	1,896	(3,875)	(5,771)	-304.4%	52
Total General Government	47,766	45,167	(2,600)	-5.4%	
Total Department	930,942	991,791	60,849	6.5%	
General debt & Transfers to Capital Fund					
Debt charges (non-utility)	72,043	73,579	1,537	2.1%	53
Transfers to Capital Fund	26,348	24,442	(1,906)	-7.2%	54
Total General debt & Transfers to Capital Fund	98,391	98,021	(369)	-0.4%	
Total Expenditures & Transfers	\$ 1,323,124	\$ 1,404,843	\$ 81,719	6.2%	
Net Operating Budget	-	-	-	-	

Note: Totals may not add due to rounding

Notes to Operating Budget table

The following notes explain select changes to the budget. For further explanations of these changes, see Part II, Department Service Plans.

- 1. General tax levy** — In 2018, property tax general levy is budgeted to increase by \$32.8 million. This reflects an increase of \$27.8 million from a 3.9% tax rate as well as additional revenue of \$5.0 million related to new construction added to the property tax roll.
- 2. Water Utility revenue** — The 2018 budget for water revenues reflects the 6.0% rate increase and adjustments to water consumption, as described in the utilities cost increases section above.
- 3. Sewer Utility revenue** — The 2018 budget reflects a 10.4% increase in metered and flat-fee rates as well as a change in the volume and type of flat-rate customers, as described in the utilities cost increases section above.
- 4. Collection revenue** — The 2018 budget reflects an average 8.5% rate increase in collection revenue which is primarily to cover increased collections equipment and increased contracted receiving and processing costs for Green Bin organics.
- 5. Tipping fees** — An increase in tipping fees, 3.0% increase from Metro Vancouver, plus extra costs generated by increased quantities of waste disposed at the landfill.
- 6. Neighbourhood Energy Utility revenue** — A 3.2% increase in customer rates and an increase in volume due to system expansion.
- 7. Marinas and Attractions revenue** — The review of rates charged at Park Board marinas has resulted in a proposed 8.0% increase in moorage rates to align with comparable marinas, generating \$0.3 million of incremental revenue. Additional attractions revenue of \$0.5 million is budgeted, reflecting increased visitation at two popular Park Board attractions — VanDusen Botanical Gardens and the Bloedel Conservatory. These incremental revenues are offset by associated increases in costs to operate, specifically as they relate to special events, such as the popular Festival of Lights at VanDusen.
- 8. Civic Theatres Program revenue** — Vancouver Civic Theatres revenues are increasing in 2018 due to the continued high usage of the theatre venues, and due to changes in liquor sale regulations, which have improved food and beverage concession sales.
- 9. Other department program revenue** — Higher fees from various departments, such as Vancouver Police Department and Vancouver Fire and Rescue Services, to reflect actuals.

- 10. Trades permit fees** — Building permits and trades permits have continued to increase in many areas, and volumes for 2017 are projected to be among the highest in four years. At the same time, the complexity of development has increased. New policies, innovative development forms, scarcity of land and other factors have led to more conditional and complex planning, and to more development activities that take greater effort and expertise from both staff and industry. It is therefore recommended to increase fees over the next two years, in order to build the City's capacity to support planning and development.
- 11. Licence fees** — A 4.1% increase in licence fees to recover the cost of maintaining a robust licensing and enforcement system that aligns with the evolving needs and expectations of businesses and the public. In addition to inflationary cost increases, the City is under pressure to review and adapt its licensing practices in response to public expectations and to the emerging of new businesses and business models. Additional resources are required to develop policy, to improve communication with businesses and the public, to support compliance and to carry out proactive enforcement of bylaws.
- 12. Development permit fees** — Rezoning and development permits have continued to increase, and volumes for 2017 are projected to be among the highest in four years. At the same time, the complexity of development has increased. New policies, innovative development forms, scarcity of land and other factors have led to more conditional and complex planning, and to more development activities that take greater effort and expertise from both staff and industry. It is therefore recommended to increase fees over the next two years, in order to build the City's capacity to support planning and development.
- 13. Engineering fees and charges** — Engineering fees are increasing by 2.0%. In addition to the 2.0% inflationary increase, an increase in anchor rod fees reflects budget changes that better reflect actual revenues received. Revenues from garbage container fees reflect an increase in fees that will provide for better management of the commercial containers and their impact on their surroundings.
- 14. On-street parking revenue** — The on-street parking revenue increase reflects the net impact of parking meter rate changes (rates will be adjusted up and down based upon observed occupancy) as well as the introduction of parking meters into areas observed to have high parking occupancy.
- 15. Parks parking revenue** — Additional parking revenue of \$0.5 million is budgeted, reflecting increased usage realized in 2017. User volumes have increased across Park Board lots as well as in association with film permits, as film activity continues to thrive throughout the city.

- 16. Police Services recoveries** — The 2018 increase in recoveries reflects budget adjustments to match more closely with the 2017 actual recoveries within Patrol, Investigations and Operational Services as well as an increase in the number of secondments working on specific joint force operations. These increases are fully offset by a corresponding increase in the total expenditure budget, resulting in a net zero impact on the budget.
- 17. General government recoveries** — The \$1.2 million decreased recoveries are due to one-time 2017 Great Beginnings projects, such as Canada 150+ celebrations, the Healthy City Strategy, etc.
- 18. Community Services recoveries** — Decrease in recoveries in 2018 due to a decrease in one-time funding from external sources for The Lux initiative and the DTES Women's Centre/Women's Fair pilot.
- 19. Traffic fine revenue sharing** — Lower provincial revenue sharing of traffic fines in 2018 due to the trend of declining ticket revenues province-wide, resulting in a declining City of Vancouver allocation.
- 20. Investment income** — The decreasing investment income budget in 2018 reflects the trend observed in 2017 of lower revenues due to the current interest rate environment.
- 21. Civic property rental revenue** — This adjustment aligns the budget with actual anticipated revenues. In prior years, the budget has been lower than actual revenue received.
- 22. Engineering revenue** — Higher Engineering revenues as a result of opportunities to generate revenue in the public realm offset by a reduction in revenue for certain engineering fees to better reflect actual revenue generated.
- 23. Lease income** — The lease income budget is adjusted down to reflect the Library Square mortgage, fully offset by lower expenditures.
- 24. Non-market housing rentals** — Decrease in rental income due to Roddan Lodge closure.
- 25. Miscellaneous City-wide revenue** — Higher budget for property tax search and other fees to reflect actuals.
- 26. Other department revenue** — A \$1.2 million increase driven primarily by higher Translink recoveries fully offset by expenditures.
- 27. Total bylaw fine revenues** — Bylaw fines are expected to increase as a result of the continued effort to support compliance. The decrease in other bylaw fines is a result of changes to budgeted revenues to better reflect actual revenues received.

- 28. Water expenditure** — In 2018, a \$4.0 million increase due to a 3.9% increase in the rate charged by Metro Vancouver and an increase in consumption volume. A \$2.8 million increase in costs of capital work to deal with the increasing level of service breaks and cost increases to deal with maintenance of the aging infrastructure and to support the One Water Strategy.
- 29. Sewer expenditure** — In 2018, an \$8.0 million increase for the sewer levy charged by Metro Vancouver to fund infrastructure growth. Debt charges are increasing by \$2.5 million as a result of the sewer separation program, part of the City's four-year Capital Plan.
- 30. Solid waste expenditure** — Additional disposal costs due to higher quantities of waste coming to the landfill, an increase in garbage and Green Bin collection equipment, and contracted costs for receiving and processing Green Bin organics.
- 31. Neighbourhood Energy Utility expenditure** — An increase in price of energy inputs, as options are evaluated to buy more biomethane to keep greenhouse gas (GHG) emissions performance on track, and to continue to expand the system.
- 32. Public Works expenditure** — A \$7.7 million increase, largely due to the additional resources as a result of the development and building fee review, the increased investment in snow readiness, the additional expenditures to support public activations and emerging events, the increased costs as a result of the parking meter expansion and support for enforcement, and an increased allocation in shared support costs, including 3-1-1, IT and supply chain management.
- 33. Department Services** — This increase is largely due to an increased allocation for operations support and safety.
- 34. Police Services** — As a result of the adjustments to cost recoveries mentioned above, the correlating operating expenses within Patrol, Investigations and Operational Services are increasing. In addition, of the total year-over-year change, approximately \$6.6 million is attributed to the Vancouver Police Union's Collective Agreement wage increases, step increments and benefits. The 2018 budget includes an investment to start implementing the Operational Review recommendations to hire and outfit additional police officers and civilian staff.
- 35. Fire and Rescue Services and Office of Emergency Management** — The 2018 VFRS operating budget reflects the permanent investment in staff resources to support an additional medic unit and the enhancements to the Health and Wellness program. It also reflects increases to maintain and add more modern firefighting equipment and to cover collective agreement wage increases and rising benefits costs as well as increases in facilities maintenance budgets.

- 36. Park Board** — The 2018 expense budget increase is \$3.6 million over 2017 and consists of collective bargaining wage and benefit increases, of incremental staffing costs associated with the new Killarney Seniors Centre expected to open in mid-2018, of staffing costs to maintain newly planted trees and to further park safety initiatives, and of operating costs at VanDusen Botanical Gardens and the Bloedel Conservatory, which have been increased to reflect historical volumes associated with the increased revenue generation. In addition to this, budgets have been reprioritized in areas to respond to key priorities of the Park Board, including park safety and cleanliness.
- 37. Civic Theatres** — Vancouver Civic Theatres expenses are increasing in 2018 in line with increasing 2018 revenues, due to the continued high usage of the theatre venues and the costs of putting on performances, and due to the cost of food and beverages to support concession sales.
- 38. General and Projects expenditure** — Additional funding is being provided with the General and Projects group to support the City's Homelessness Outreach Team with additional staff and a new office space to better serve the increasing need for support for the City's marginalized population.
- 39. Cultural expenditure** — Grants funding is being increased by \$0.6 million to provide additional support to help with the increasing demand from all non-profit sectors. In particular, \$0.4 million in additional grant support is being provided to support key recommendations emerging from the initial phase of the Creative City Strategy.
- 40. Planning, Urban Design and Sustainability** — The expenditure increases relate to additional staff to complete the regulatory review and additional policy work to support Council priorities related to employment lands, station area plans and affordable housing; to support increased public consultation work for a number of major Council priorities for future City plans; and to support permit processing and development activity (funding for the additional staff positions is supported by increased 2018 fee revenue, which is included in City-wide fee revenue, as per the fee increases that were approved by Council in fall 2017). The Sustainability group is receiving additional 2018 operating budget funding to support the promotion and adaptation of zero emissions building strategies by the development community.

- 41. Development, Buildings and Licensing** — The DBL 2018 budget includes an increase in funding for salaries and benefits within the Development Services and Buildings groups to support process improvements and to address the increasing volume and complexity of development and inspection activity. Funding for the additional staff positions is supported by increased 2018 fee revenue, which is included in City-wide fee revenue, as per the fee increases that were approved by Council in fall 2017. In addition, funding is being provided within the Licensing and Property Use areas to support staff reviews of policy and regulation on a number of Council priorities, such as short-term rentals, liquor policy and proactive enforcement, and to support a cross-department team to prioritize the delivery of affordable housing projects. Shared support costs have increased in line with the trend in 3-1-1 call volumes related to development and licensing activities.
- 42. Real Estate and Facilities Management** — Additional funding of \$0.9 million is provided in the 2018 operating budget to achieve compliance with the Living Wage guidelines for direct staff and contracted services. To ensure that the City's aging infrastructure is maintained to meet safety and compliance standards and to satisfy the expanding needs of citizens and businesses, funding of \$1.0 million is being provided. This will create new positions to oversee and perform all electrical work in City buildings and to conduct audits of electrical system safety and building system safety (non-electrical). Additional investments will focus on the City's non-profit lease portfolio; on new leased space for additional City staffing; on front-line security staff, additional staffing for threat management and security system design; and on resources to develop and sustain a fire safety program for all City facilities. Funding of \$0.7 million will address the operating impact of new facilities that now need to be operated and maintained on an ongoing basis.
- 43. Finance, Risk and Supply Chain Management** — The 2018 budget includes funding to support the implementation and operation of the Empty Homes Tax program, which will be funded by reserves and by the future revenues collected from the program, as well as additional financial resources to support housing, planning and development processes.
- 44. Technology Services** — Funding of \$2.0 million will address the operating impact of new IT projects that have been completed and now need to be operated and maintained on an ongoing basis such as upgrades to the GIS (geographic information system) and fleet systems or new implementations such as the POSSE system for permits and licensing, staff scheduling and emergency management. As well, costs for hardware, licensing and network maintenance are affected by inflation-driven fluctuations in pricing, a situation that is exacerbated by the move of applications toward cloud-based hosting services.
- 45. Human Resources** — The 2018 budget increase supports Human Resources staff recruitment efforts, the City's development and permitting process and organizational staff development.

- 46. City Manager's Office** — The 2018 budget increase relates to staffing which was previously transferred to Vancouver Affordable Housing Agency (VAHA), which has been returned to the City Manager's Office (CMO) in 2018.
- 47. Legal Services** — The 2018 budget includes funding for Legal Services to enable it to address increasingly complex litigation and to provide support for a variety of construction, procurement and technology work as well as support for capital projects. It also allows for more legal work in house and for greater support for the City's development and permitting process.
- 48. City Clerks** — Funding is being added to the City Clerk's budget from the election reserve to run the Vancouver-wide election that will be held in October 2018.
- 49. Sport Hosting Grant** — Ongoing funding to continue the Sport Tourism Development Fund (\$0.5 million). In 2015, Council approved funding of \$0.5 million per year from the Innovation Fund for two years to leverage partner funding and help attract, grow or create Vancouver sport events that advance Sport Hosting Vancouver Action Plan goals. In the 2018 budget, an investment is being made to regularize this funding.
- 50. Vancouver Affordable Housing Agency** — The 2018 budget of \$1.1 million reflects the operating funding required for the mandate to deliver 2,500 affordable housing units by 2021.
- 51. General Government expenses** — An increase of \$3.7 million is primarily due to an investment in the Empty Homes Tax implementation project (offset by a one-time transfer from reserve), to increases in investments (new workspace requirements to support the City's development and permitting process), and to lower expenses related to the Great Beginnings projects (offset by recoveries).
- 52. Transfer to / (from) reserves and other funds** — The \$3.8 million year-over-year change is primarily the result of higher transfers to fund the Empty Homes Tax implementation project and election costs. A \$2.0 million higher transfer is from the Property Endowment Fund (PEF).
- 53. Debt charges (non-utility)** — A 2.5% increase in non-utility capital debt service costs, offset by lower local improvement service costs.
- 54. Transfers to capital fund** — Transfers to capital decreased \$1.9 million primarily due to repayment to the capital financing fund for Permits and Licensing project financing. A reduction in the provision for capital reflects a shift in funding for IT from capital to operating budgets, as systems increasingly become cloud based.

Impact on property taxes and utility fees

The following table summarizes the impact of a 3.9% municipal property tax increase on median residential and business properties. This does not include property taxes levied by other taxing authorities as such information was not available at the time of writing. Council has no control over the amounts collected by these other taxing authorities.

The 2018 Municipal Tax Levy estimates incorporate preliminary 2017 appeal adjustments and new construction estimates available in September 2017 as well as a 3.9% municipal property tax increase. BC Assessment will finalize new construction and other non-market changes in December 2017 and the final 2017 Assessment Roll will be completed in March 2018. The impact on individual properties will vary depending on the relative change in value of a property (compared to other properties in the same class) as well as on the impact of mitigating measures to be adopted by Council for the 2018 tax year. In 2015, the City transitioned from across-the-board land assessment averaging to targeted land assessment averaging for the residential, light industrial and business property classes, as recommended by the Property Tax Policy Review Commission. The objective is to target mitigation to those properties that have experienced significant year-over-year increases in taxable property value.

Indicative City Property Tax Impact

Assessed Value of Property (without Land Assessment Averaging)	Estimated 2018 Tax Bill (CoV Portion)	Change over 2017
Median strata unit assessed at \$609,000	\$772	\$29
Median residential unit assessed at \$1,207,000	\$1,531	\$57
Median single-family home assessed at \$1,823,000	\$2,312	\$87
Median commercial property assessed at \$704,650	\$3,886	\$146

The majority of single-family residential properties are charged a flat fee for utilities, with only newly constructed single-family homes being metered. Business properties are metered. Water and sewer charges for commercial properties increase by the same percentages as for residential properties.

All residential single-family properties receive garbage, yard and food waste collection, while only a small number of commercial and institutional properties receive garbage collection services from the City. The remainder are served by private collectors. The indicative utility rates below reflect combined City and Metro Vancouver utility charges.

Indicative City Property Tax and Utility Fee Impact

	Median Single-Family Home \$1,823,000		Median Business Property \$704,650	
	ESTIMATED 2018 TAX BILL (CoV PORTION)	CHANGE OVER 2017	ESTIMATED 2018 TAX BILL (CoV PORTION)	CHANGE OVER 2017
Property Taxes (3.9% increase)	\$2,312	\$87	\$3,886	\$146
Water	\$653	\$37	\$605	\$34
Sewer	\$424	\$40	\$433	\$41
Solid Waste	\$294	\$23	\$235	\$18
Subtotal	\$1,371	\$100	\$1,273	\$93
Combined	\$3,683	\$187	\$5,159	\$239

Five-year financial plan

The purpose of the five-year financial plan is to provide a longer-term projection of the City's revenue and expense direction as well as insights on potential pressures and risks. Many decisions have multi-year impacts. Developing an operating plan for the five-year period will enable more informed planning and decision making.

Building a balanced five-year outlook represents a significant challenge for the City, given historical trends of cost increases above inflation as well as feedback from taxpayers to keep increases in taxes and fees affordable. Balancing funding for emerging cost pressures and for new investment in priority areas will require ongoing process improvements, leveraging technology and new ways of doing business to achieve value for money in service delivery. Over the next five years, it is expected that the most recent trend of higher than inflation tax increases will continue in order to maintain service levels and to support a growing city and the need to address housing affordability and other social issues. It is estimated that approximately 3% of the tax increases align to maintaining city services and service levels.

The five-year financial plan is based on the City's Long-Term Financial Sustainability Guidelines and reflects the impacts of the 2015-2018 Capital Plan. Council will continue to approve each year's budget on an annual basis.

Revenue

Operating revenue is projected to increase by an average of 4.4% per year from 2018 to 2022. This increase is primarily driven by the following broad financial assumptions, in line with the Long-Term Financial Sustainability Guidelines:

- Property tax increases are on average 3.9% for the period of 2018-2021.
- Increased property taxes from new construction are based on historical trends.
- Program fees and other user fees increase by 2.0%.
- Higher licence and development fees in 2018 and 2019 are in line with the 2017 review of fees for Rezoning, Development, Building and other related permits conducted in late 2017. These fees are increased to offset costs that will be added in 2018 and 2019.
- Growth in parking and bylaw revenues are increasing in 2018 due to increased parking activity and additional meter hours.
- Increases to sewer rates are expected to range from 10.0% to 10.4% per year (2018 - 10.4%; 2019 - 10.0%; 2020 - 10.0%; 2021 - 10.0%; 2022 - 10.0%). These are driven primarily by Metro Vancouver forecast regional utility charge increases and costs associated with the Iona Island Wastewater Treatment Plant.
- Increases to water rates are expected to range from 5.5% to 6.0% per year (2018 - 6.0%; 2019 - 5.5%; 2020 - 5.7%; 2021 - 5.5%; 2022 - 5.5%). These are driven primarily by Metro Vancouver forecast regional utility charge increases to fund regional infrastructure improvements, a Greenest City water consumption reduction program and the profile of pay-as-you-go funding.
- Increases to solid waste rates are expected to range from 2.0% to 8.5% per year (2018 - 8.5%; 2019 - 5.0%; 2020 - 3.6%; 2021 - 2.0%; 2022 - 2.0%). Revenues will increase to accommodate projected increases in Metro Vancouver tipping fees of 3.0% per year, increases in receiving and processing fees for Green Bin organics, and maintaining labour and equipment levels to manage service requirements.
- Traffic fine revenues are expected to change from 2018 to 2021. For 2018, the budget has been reduced to realign with actual revenues. Revenues are provided to the City through a province-wide, revenue-sharing formula, and the City's share is expected to remain flat in 2019-2022.
- Investment income is expected to be lower in 2018, based on trends observed in 2017, resulting from the current interest rate environment. The City will continue to monitor impacts and to review risk mitigation strategies for the period of 2018-2021.

Over the past decade, the City has become increasingly active in addressing needs that fall within the jurisdiction and traditional mandate of the provincial government. Significant investments have been made, particularly in public safety and emergency response, social housing, social services, addressing issues related to mental health and addictions, childcare and other core services that serve both the City and the Metro Vancouver region. Like other Canadian municipalities, the City is constrained by limited revenue sources, which are proving to be restrictive and insufficient as our responsibilities continue to expand. The City's primary revenue sources are intended to support traditional municipal services and infrastructure programs. Therefore, the City will seek to work with the provincial government to explore new revenue tools, including sharing of revenues from various provincial tax categories and modernizing the City's property tax structure, to deliver on these growing demands for public services at the municipal level.

Expenditures

Operating expenditures are projected to increase by an average of 4.4% per year from 2018 to 2022. This is primarily driven by the following assumptions:

- Increases in department budgets in line with forecasted inflation over the five years will fund a portion of fixed cost increases.
- Expenditures in 2018 and 2019 reflect higher staffing costs in Development, Buildings and Licensing; Planning, Urban Design and Sustainability; Engineering Services; Human Resources and Legal Services, in line with the 2017 permit fee review.
- Increases to regional utility charges are assessed by Metro Vancouver to fund regional infrastructure improvements, including costs associated with the Iona Island Wastewater Treatment Plant site preparation for secondary treatment.
- General debt charges are expected to increase by \$1.5 million in 2018, \$1.6 million in 2019, and \$0.6 million in the years 2020, 2021 and 2022, based on planned borrowing to support the capital program.
- The 2019-2022 plan includes funding for operating impacts of capital projects, multi-year impacts of implementing the VPD Operational Review recommendations, limited new investments in future budgets as well as transfers to replenish the general revenue stabilization reserve. These were drawn down due to snow readiness and other emerging events.

Risks and opportunities

Costs for maintaining existing services are rising faster than inflation in a number of areas.

Risks to the five-year financial plan include:

- Unanticipated costs passed on to the City from other levels of government.
- New regulatory and compliance requirements.
- Costs for unforeseen events, such as public emergencies and issues related to climate change, or unusual weather events.
- Costs for higher water consumption during periods of low rainfall, costs for flooding and wind damage, and higher costs for snow and ice removal in periods of high winter storm activity.
- As a result of Vancouver's strong economic growth and increases in development activity, the market for construction services in the region is experiencing strong demand. Increases in costs of construction, or other procurements resulting from market activity or changes in the Canadian dollar, may increase costs in future years.

- The City maintains a varied portfolio of more than \$20 billion in assets (at replacement value, excluding land) and regularly reviews asset maintenance and renewal requirements to maintain facilities and infrastructure in an appropriate state of repair. Asset renewal represents additional pressure on the five-year plan that will be reviewed as part of the Capital Strategic Outlook and 2019-2022 Capital Plan process.
- Any significant increase in interest rates will increase the City's debt servicing on new debt and will limit future borrowing capacity.

FIVE-YEAR FINANCIAL PLAN – REVENUES

City Of Vancouver (\$'000)	2018	2019	2020	2021	2022	2018 Change		2019 Change		2020 Change		2021 Change		2022 Change		
	Proposed	Forecast	Forecast	Forecast	Forecast	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	
Revenues																
Property taxes	787,444	821,601	857,383	894,289	933,661	34,896	4.6%	34,157	4.3%	35,781	4.4%	36,906	4.3%	39,372	4.4%	
Utility fees																
Water revenue	122,725	127,872	133,436	139,001	144,760	6,756	5.8%	5,147	4.2%	5,563	4.4%	5,565	4.2%	5,759	4.1%	
Sewer revenue	80,011	86,769	94,204	102,321	111,179	7,752	10.7%	6,758	8.4%	7,435	8.6%	8,117	8.6%	8,858	8.7%	
Solid Waste revenue	66,173	73,471	75,526	77,559	79,550	2,617	4.1%	7,298	11.0%	2,055	2.8%	2,033	2.7%	1,991	2.6%	
Neighbourhood Energy revenue	5,546	6,202	6,790	7,625	8,460	926	20.0%	656	11.8%	588	9.5%	835	12.3%	835	10.9%	
Total Utility fees	274,455	294,314	309,956	326,506	343,948	18,051	7.0%	19,859	7.2%	15,642	5.3%	16,550	5.3%	17,442	5.3%	
Program fees	62,398	63,646	64,919	66,217	67,542	2,869	4.8%	1,248	2.0%	1,273	2.0%	1,298	2.0%	1,324	2.0%	
Licence and development fees	75,076	84,164	85,847	87,564	89,315	14,577	24.1%	9,088	12.1%	1,683	2.0%	1,717	2.0%	1,751	2.0%	
Parking revenue	66,922	66,922	66,922	66,922	66,922	7,002	11.7%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	
Cost recoveries, grants and donations	50,566	50,947	51,333	51,727	52,129	4,514	9.8%	381	0.8%	385	0.8%	394	0.8%	402	0.8%	
Revenue sharing	19,150	19,150	19,150	19,150	19,150	(2,502)	-11.6%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	
Investment income	11,066	11,066	11,066	11,066	11,066	(1,100)	-9.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	
Rental, lease and other	36,836	37,286	37,286	37,286	37,286	1,992	5.7%	450	1.2%	-	0.0%	-	0.0%	-	0.0%	
Bylaw fines	20,929	20,929	20,929	20,929	20,929	1,420	7.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	
Total Revenues	1,404,843	1,470,026	1,524,790	1,581,655	1,641,948	81,719	6.2%	65,183	4.6%	54,765	3.7%	56,865	3.7%	60,292	3.8%	

Note: Totals may not add due to rounding

FIVE-YEAR FINANCIAL PLAN – EXPENDITURES

City Of Vancouver (\$000)	2018 Proposed	2019 Forecast	2020 Forecast	2021 Forecast	2022 Forecast	2018 Change (\$%)		2019 Change (\$%)		2020 Change (\$%)		2021 Change (\$%)		2022 Change (\$%)	
Expenditures & Transfers															
Utilities															
Water	122,896	128,043	133,606	139,171	144,930	6,756	5.8%	5,147	4.2%	5,563	4.3%	5,565	4.2%	5,759	4.1%
Sewer	120,237	129,774	138,742	149,497	161,604	10,977	10.0%	9,537	7.9%	8,968	6.9%	10,755	7.8%	12,107	8.1%
Solid Waste	66,352	73,650	75,705	77,738	79,729	2,581	4.0%	7,298	11.0%	2,055	2.8%	2,033	2.7%	1,991	2.6%
Neighbourhood Energy	5,546	6,202	6,790	7,625	8,460	926	20.0%	656	11.8%	588	9.5%	835	12.3%	835	10.9%
Total Utilities	315,031	337,669	354,844	374,032	394,723	21,240	7.2%	22,638	7.2%	17,175	5.1%	19,188	5.4%	20,692	0
Department															
Engineering	93,935	97,244	99,383	101,570	103,804	8,350	9.8%	3,309	3.5%	2,139	2.2%	2,186	2.2%	2,235	2.2%
Police Services	307,693	314,582	321,676	328,731	336,010	17,155	5.9%	6,888	2.2%	7,094	2.3%	7,055	2.2%	7,279	2.2%
Fire & Rescue Services & Office of Emergency Management	132,515	136,057	139,051	142,102	145,227	3,925	3.1%	3,542	2.7%	2,993	2.2%	3,051	2.2%	3,125	2.2%
Parks & Recreation	122,806	125,508	128,269	131,091	133,975	3,606	3.0%	2,702	2.2%	2,761	2.2%	2,822	2.2%	2,884	2.2%
Library	52,094	53,230	54,400	55,598	56,825	1,097	2.2%	1,136	2.2%	1,170	2.2%	1,198	2.2%	1,228	2.2%
Britannia Community Services Centre	5,280	5,397	5,515	5,637	5,761	139	2.7%	116	2.2%	119	2.2%	121	2.2%	124	2.2%
Civic Theatres	12,294	12,565	12,841	13,124	13,412	1,231	11.1%	271	2.2%	276	2.2%	283	2.2%	289	2.2%
Community Services	34,230	34,984	35,754	36,540	37,344	2,019	6.3%	754	2.2%	770	2.2%	787	2.2%	804	2.2%
Grants	20,198	20,643	21,097	21,561	22,035	739	3.8%	444	2.2%	454	2.2%	464	2.2%	474	2.2%
Planning, Urban Design & Sustainability	23,428	25,202	25,757	26,323	26,903	6,319	36.9%	1,774	7.6%	554	2.2%	567	2.2%	579	2.2%
Development, Buildings & Licensing	36,016	37,918	38,752	39,605	40,476	4,722	15.1%	1,902	5.3%	834	2.2%	853	2.2%	871	2.2%
Mayor & Council	3,050	3,117	3,186	3,256	3,327	41	1.4%	67	2.2%	69	2.2%	70	2.2%	72	2.2%
Corporate Services	103,084	106,762	109,110	111,511	113,964	14,104	15.9%	3,677	3.6%	2,349	2.2%	2,400	2.2%	2,453	2.2%
General Government	45,167	59,515	74,905	90,101	106,653	(2,600)	-5.4%	14,348	31.8%	15,391	25.9%	15,196	20.3%	16,552	18.4%
Total Department	991,791	1,032,722	1,069,695	1,106,748	1,145,716	60,849	6.5%	40,932	4.1%	36,973	3.6%	37,053	3.5%	38,969	3.5%
General debt & Transfers to Capital Fund Total	98,021	99,635	100,252	100,876	101,508	(369)	-0.4%	1,614	1.6%	617	0.6%	624	0.6%	632	0.6%
Total Expenditures & Transfers	1,404,843	1,470,026	1,524,790	1,581,655	1,641,948	81,719	6.2%	65,183	4.6%	54,765	3.7%	56,865	3.7%	60,292	3.8%
Net Operating Budget	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: Totals may not add due to rounding

Participatory Budgeting

Participatory Budgeting is a democratic process that allows community members to directly decide how to spend part of a public budget. Participatory Budgeting has been used in over 3,000 cities worldwide, and it enables residents to share ideas and proposals for projects, and enables the community to vote on how funding is allocated.

As part of the West End Parking Strategy, City of Vancouver staff were directed to report on the feasibility of implementing a Participatory Budgeting pilot, and if appropriate, a framework for the pilot program. The report will be presented in December 2017, and any Council direction on Participatory Budgeting will be incorporated into future annual budgets.

Capital Budget

Renewing and expanding City infrastructure is a crucial investment in Vancouver's future. Extending the operating life of City assets through repair or rehabilitation is often the most effective way to achieve value for money. The annual Capital Budget provides for new construction, repair and rehabilitation of City-owned infrastructure. New infrastructure can be required to keep pace with population and economic growth or to meet City strategic priorities. Expansions or improvements to community centres, market and non-market rental housing, childcare facilities and libraries are examples of capital investments. Road repair, bridge upgrades and replacement of water and sewer pipes are also eligible capital expenditures. Other core priorities include capital investments in support of the delivery of City operations, such as the fleet of City service vehicles, information technology systems and administrative facilities.

The City's capital program consists of a 10-year Capital Strategic Outlook, a four-year Capital Plan and an Annual Capital Budget and Five-Year Financial Plan, with quarterly status reports at a project level.

10-year Capital Strategic Outlook

The City plans capital investments beginning with a 10-year strategic outlook. The 10-year outlook is updated every four years; it was most recently refreshed as an input to the 2015-2018 Capital Plan, and it will be refreshed again in advance of the development of the 2019-2022 Capital Plan. Based on this outlook, a four-year Capital Plan is developed. The four-year Capital Plan then forms the basis for the one-year Capital Budget, which is developed annually.

Having a 10-year strategic framework significantly enhances the City's ability to achieve value for money, as it creates the opportunity to leverage partnership opportunities that support City infrastructure requirements. This can include working with other levels of government and other partners. Funding for the construction of the Killarney Seniors Centre (Southeast Vancouver) is an example of a successful multi-party infrastructure partnership. The \$7.5 million in funding includes \$3.7 million from the City, a \$2.5 million contribution from the Government of Canada and \$1.3 million from the Government of British Columbia.

Four-year Capital Plan

The four-year Capital Plan includes City Council, Vancouver Board of Parks and Recreation (Park Board), Vancouver Police Board and Vancouver Library Board priorities for capital projects, and it identifies planned funding sources for those investments. Borrowing requirements for utility capital (waterworks, sewerage and drainage, and neighbourhood energy utility systems) are set by Council under authority of the *Vancouver Charter*. Borrowing requirements for non-utility capital are outlined in the Capital Plan, and they require approval by the public through a plebiscite in the municipal election.

Capital planning is integral to the City's long-term service and financial planning. Capital planning integrates and aligns Council policies and regional policies, capital asset management strategies (up to 100 years), public benefit strategies as part of community plans (25-30 years), the Capital Strategic Outlook (10 years), Capital Plans (four years), and annual budgets and Five-Year Financial Plans (one year with a four-year forecast).

The key objective of the 2015-2018 Capital Plan was to strike a strategic balance among the following needs:

- Maintaining the City's infrastructure and facilities in an appropriate state of repair.
- Optimizing the City's network of public amenities to best serve residents, businesses and people who visit the city.
- Advancing Council and community priorities within the City's long-term financial capacity.

The 2015-2018 Capital Plan was approved on October 1, 2014, and included \$1.085 billion of capital investments targeting the following Council policy areas:

- Affordable housing and childcare to attract and retain a strong workforce, as part of the Vancouver Economic Action Strategy.
- Infrastructure and facility rehabilitation and renewal.
- Sewer separation and renewal to meet the provincial Liquid Waste Management Plan requirement for the City to eliminate combined sewer outflows by 2050.
- Climate change adaptation and seismic upgrades.
- Initiatives and commitments relating to the Greenest City 2020 Action Plan.

The Capital Plan is adjusted to align with changing priorities and budget pressures. Examples include the addition of new priority projects, the deletion of cancelled or deferred projects and changes in planned sources of project funding. With Council-approved adjustments to date, funded primarily by development revenue and senior government funding that was not included in the original plan, the 2015-2018 Capital Plan is now \$1.343 billion (not including the proposed additions to the Capital Plan in this report).

Sources of Capital Plan Funding	Original vs. Revised 2015-2018 Capital Plan						Allocated vs. Balance Remaining in the Revised 2015-2018 Capital Plan									
	Original Plan		Revised Plan ¹		Change in Plan		Allocated in 2015		Allocated in 2016		Allocated in 2017		2018 Capital Budget Funding Requests		Remaining in the Capital Plan	
	\$M	%	\$M	%	\$M	%	\$M	% of Plan	\$M	% of Plan	\$M	% of Plan	\$M	% of Plan	\$M	% of Plan
Debtenture	\$ 382.5	35%	\$ 377.6	26%	\$ (4.9)	-1%	\$ 99.2	7%	\$ 84.9	6%	\$ 82.9	6%	\$ 91.7	6%	\$ 18.9	1%
Closeout Surpluses from previous Capital Plans - Debtenture	-	0%	8.7	1%	8.7	NA	-	0%	-	0%	4.3	0%	4.4	0%	-	0%
Operating Revenue that funds Capital Projects	149.5	14%	163.9	11%	14.4	10%	39.8	3%	34.8	2%	43.3	3%	41.5	3%	4.5	0%
Closeout Surpluses from previous Capital Plans - Capital from Revenue	-	0%	2.8	0%	2.8	NA	-	0%	-	0%	0.8	0%	2.0	0%	-	0%
Developer Contributions	302.4	28%	452.4	31%	150.0	50%	89.7	6%	120.2	8%	125.9	9%	67.5	5%	49.1	3%
Special Purpose Reserves	114.5	11%	263.4	18%	148.9	130%	49.3	3%	133.7	9%	36.2	2%	40.0	3%	4.3	0%
User Fees and Levies	63.3	6%	95.9	7%	32.6	52%	36.0	2%	23.8	2%	10.2	1%	8.0	1%	17.8	1%
Other / External	73.0	7%	92.7	6%	19.8	27%	7.6	1%	27.0	2%	28.2	2%	19.2	1%	10.6	1%
Total Capital Plan Funding	\$ 1,085.0	100%	\$ 1,457.4	100%	\$ 372.4	34%	\$ 321.7	22%	\$ 424.4	29%	\$ 331.8	23%	\$ 274.2	19%	\$ 105.2	7%
Reallocation of Existing Funds (2015-18 Capital Plan)							(1.7)	0%	1.7	0%	5.9	0%	7.7	1%	-	0%
Total Funding Sources	\$ 1,085.0		\$ 1,457.4	100%	\$ 372.4	34%	\$ 320.0	22%	\$ 426.1	29%	\$ 337.7	23%	\$ 282.0	19%	\$ 105.2	7%

¹Includes proposed additions to 2015-18 Capital Plan. Appendix C provides details of the additions to Capital Plan

Infrastructure funding from senior governments

In its 2017 Budget, the federal government continued its commitment to providing long-term infrastructure funding — more than \$180 billion over 12 years — to provinces, territories and municipalities, and it has identified five priority areas:

- Public transit infrastructure
- Green infrastructure
- Social infrastructure
- Trade and transportation infrastructure
- Rural and northern communities infrastructure

The federal government has so far approved approximately \$16 million in funding toward projects included in the City's 2015-2018 Capital Plan and has committed funding to TransLink to advance the Millennium Line Broadway Extension project.

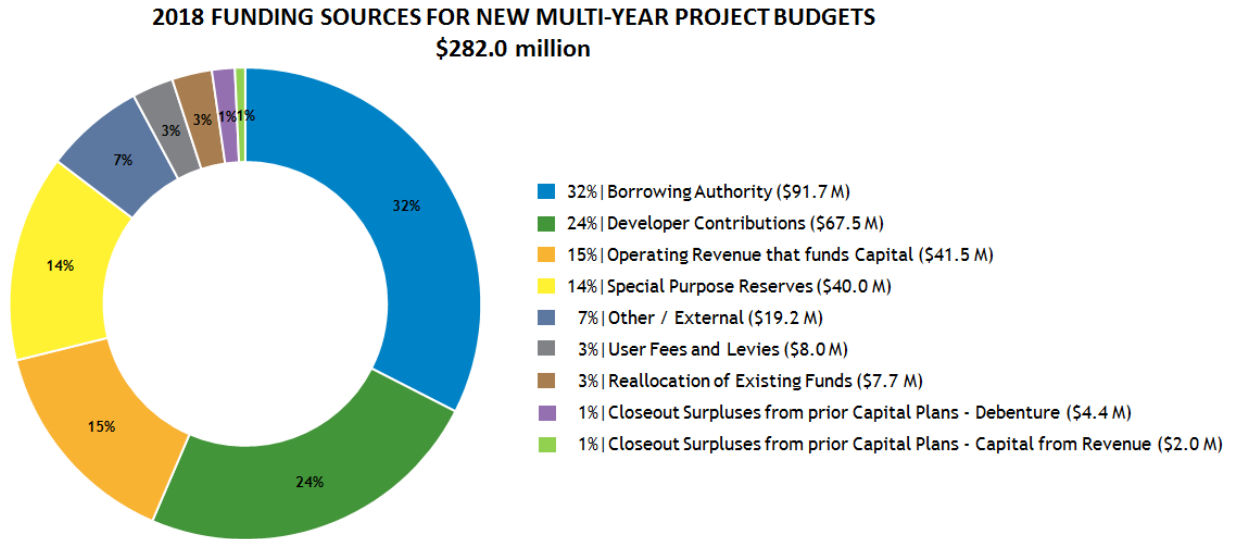
In its 2017 Budget Update, the provincial government provided additional investments in the following priority areas: approximately \$0.5 billion toward affordable and modular housing and an additional \$20 million in 2017-2018 toward new childcare. The provincial government has so far approved approximately \$94 million in funding toward City projects, including \$66 million toward the provision of 600 new units of modular housing. The provincial government has also committed funding to TransLink to advance the Millennium Line Broadway Extension project.

The City will continue to explore funding opportunities with senior governments in 2018.

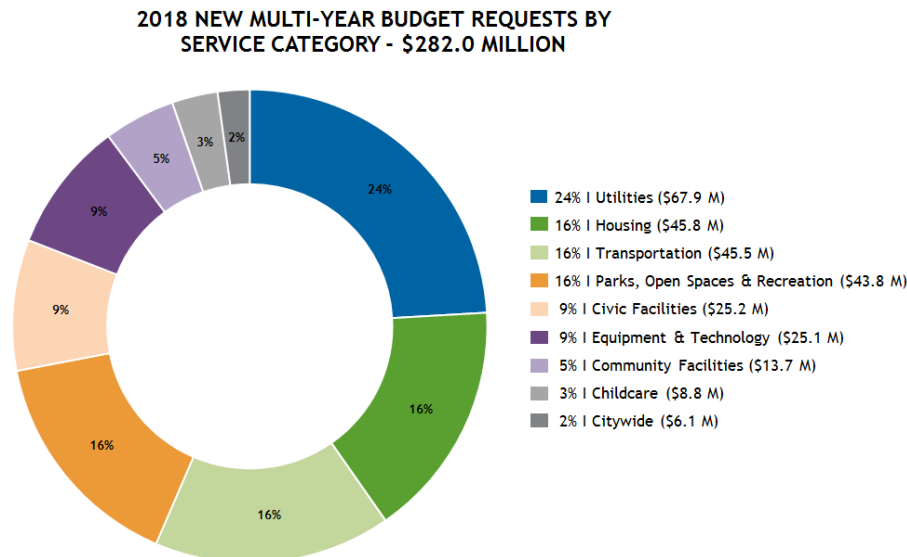
New capital project budget and funding

Capital projects are considered on both an annual budget basis (Annual Capital Expenditure Budget) and a total project basis (Multi-Year Capital Project Budget). For 2018, the total funding request for the new Multi-Year Capital Project Budget is \$282.0 million. It is anticipated that \$175.9 million of this funding will be spent in 2018.

The following chart shows a breakdown by funding source for these new projects.



The following chart shows a breakdown by service category for these new projects.



Appendixes to this report include a detailed list of new project requests and related funding sources as well as a detailed list of planned expenditure timing for new and continuing projects and programs.

Infrastructure renewal to sustain services

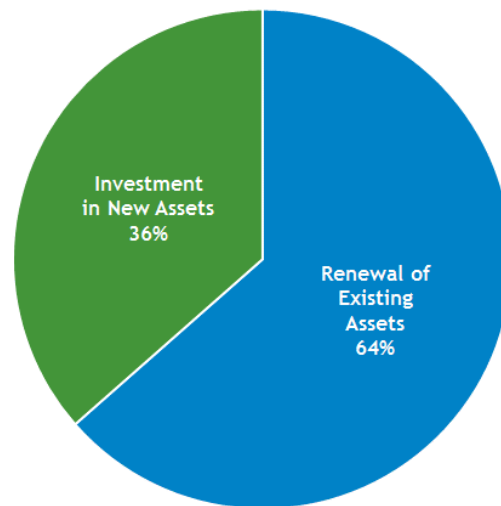
Municipalities own 60% of Canada's infrastructure,¹ and it is essential that this infrastructure be maintained in a state of good repair to ensure maximum service life and return on investment. Finding ways to leverage funds so City assets and infrastructure can be maintained is essential. City infrastructure includes assets such as water and sewer systems, roads and civic buildings like community centres and libraries.

The City of Vancouver owns more than \$20 billion worth of capital assets (replacement value, excluding land). This includes:

- 8 million square feet of facilities providing a broad range of recreational, community, social and cultural programs and services as well as affordable housing, public safety and civic administration
- Roughly 1,300 hectares (13 square kilometres) of parks and open spaces
- 4,260 kilometres of sidewalks, streets and lanes
- 3,600 kilometres of underground water and sewer mains

Approximately 64% of the 2018 Annual Capital Expenditure Budget is directed toward the renewal of existing infrastructure.

CAPITAL INVESTMENT - NEW VS. RENEWED



¹ Federation of Canadian Municipalities

Investments to improve or add amenities

In addition to capital investment necessary to maintain the City's infrastructure in a state of good repair and to support optimal service levels, the City considers the needs for upgrades to major roads, utilities and public buildings that will improve transportation and public safety. As well, capital investments include improvements to community amenities, including new and upgraded community centres, the addition of more parks and open spaces, and grants for arts and culture.

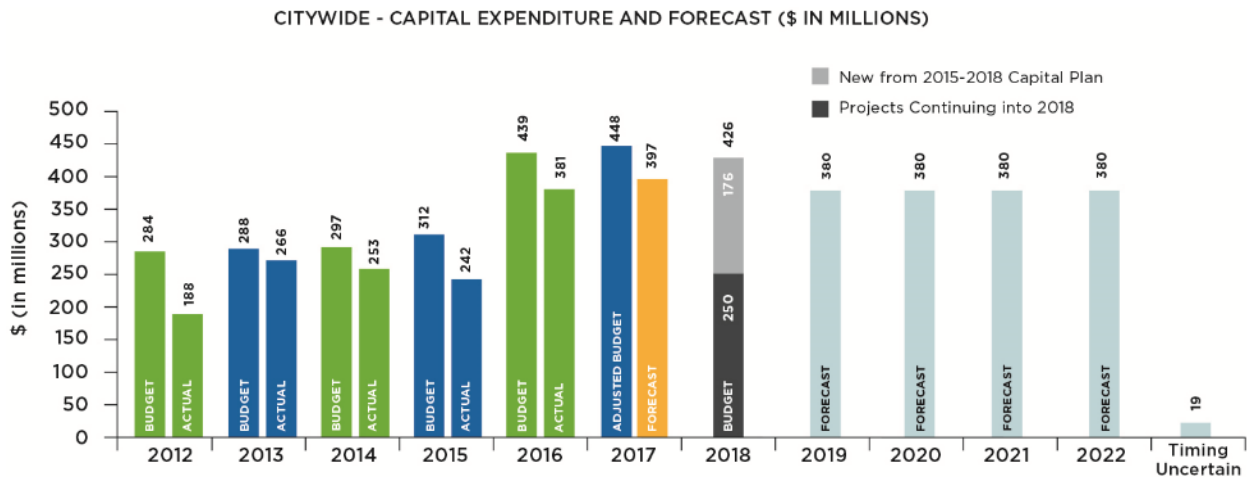
Capital Expenditure Budget and Five-Year Financial Plan

The 2018 Capital Expenditure Budget is \$426.4 million. This includes \$250.5 million for previously approved multi-year projects with budgeted expenditures in 2018 and \$175.9 million for 2018 expenditures on new multi-year capital projects.

The 2018 Capital Expenditure Budget includes expenditures for ongoing annual capital programs, such as sewer main reconstruction, street paving and facility roof replacements, as well as one-time projects, such as the construction of the new Firehall No. 5 with a social housing component, the redevelopment of the Roddan Lodge seniors housing complex and social housing in Southeast False Creek Area 3B.

Specific projects have been prioritized through the 2018 Capital Budget process based on the following: (1) need, (2) the opportunity to leverage funding from other levels of government, (3) the internal capacity to deliver projects and programs, and (4) the ability to enable business transformation by improving operations through capital investments. The maintenance and upgrading of major roads, utilities and public buildings continues to be a critical mandate for the City's capital program, along with maximizing opportunities for capital investments in affordable housing and childcare.

The chart below provides a summary of the 2018 Capital Expenditure Budget compared to actual and budget capital expenditures in previous years. The chart also includes a forecast for expenditures in 2019, 2020, 2021 and 2022 as well as planned expenditures for which the spend timing is not yet certain (timing-uncertain projects). Timing-uncertain expenditures are primarily for projects that depend on confirmation of third-party funding or for property acquisitions that are opportunistic and market dependent. As part of the budget process, these timing-uncertain projects can be added to the annual Capital Expenditure Budget once the timing of the expenditure is determined. As in prior years, it is expected that a portion of funding included in the 2015-2018 Capital Plan will be spent in 2019 or later, as expenditures for many of the City's capital projects span multiple years.



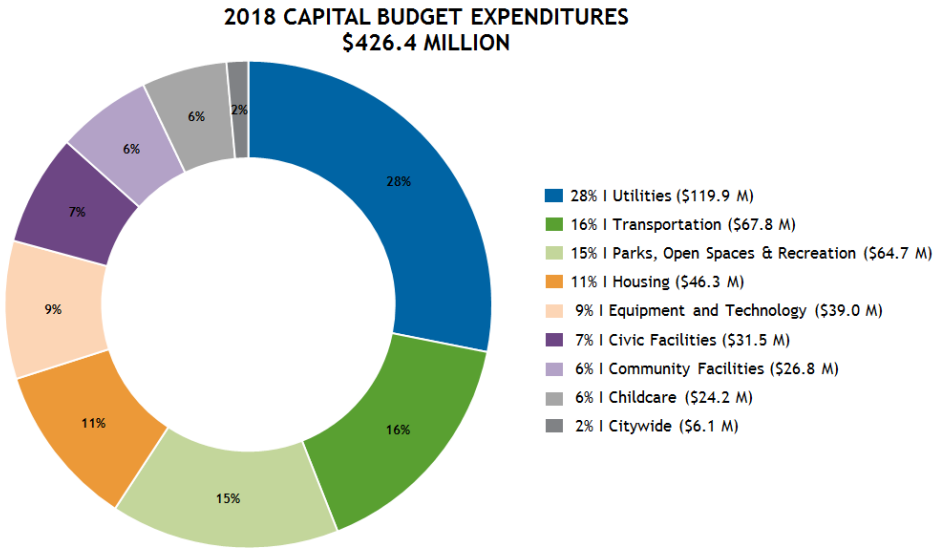
Expenditures for 2017 are estimated to be \$397 million, representing 89% of the 2017 adjusted budget of \$448 million and an increase of \$16.6 million over 2016 expenditures. The 2016 to 2017 year-over-year increase reflects the major progress on upgrades to the Burrard Bridge and the planning phase of the removal of the Georgia and Dunsmuir viaducts as well as a shift from design and planning phases to implementation for several large capital projects.

Expenditures in 2018 will be used to complete construction of a number of multi-year projects and to make significant investments in Council priority areas, including investments in housing (\$46.3 million), transportation (\$67.8 million) and childcare (\$24.2 million). Many outcomes for significant investments in the 2015-2018 Capital Plan are expected to be delivered or substantially completed in 2018.

It is important to note that the forecasts for 2019 through 2022 are preliminary, representing early estimates, given that the 2019-2022 Capital Plan is to be developed over 2017 and 2018 and presented to Council for review and approval in mid-2018. Based on historical trends and reflecting the multi-year nature of capital projects, it is estimated that the level of capital expenditure will be approximately \$380 million per year for 2019 through 2022, including remaining spending from projects approved in the 2015-2018 Capital Plan.

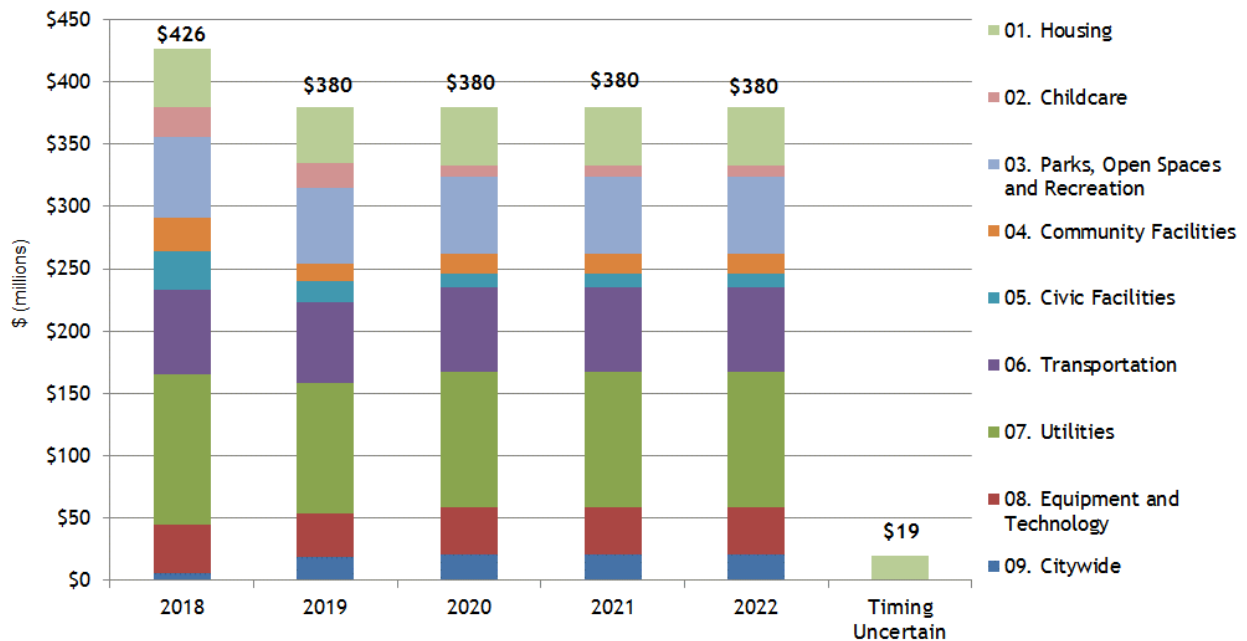
Capital Expenditure Budget and Five-Year Financial Plan by service category

The 2018 Capital Expenditure Budget of \$426.4 million supports initiatives across nine service category areas, as outlined in the following chart.



The following chart provides a comparison of projected capital expenditures for 2018-2022 by service category. Projected forecast expenditures for 2019-2022 are preliminary and subject to further refinement over the four years. The forecasts provided are early estimates, as the 2019-2022 Capital Plan will be developed over the next several months and presented to Council for review and approval in mid-2018.

2018 - 2022 EXPENDITURES FORECAST BY SERVICE CATEGORY



Forecast expenditures for affordable housing for the period 2018-2022 are projected to continue to represent a significant portion of the City's annual capital expenditures. This reflects progress on several major social and affordable housing projects, including the delivery of social housing in Southeast False Creek Area 3B (completion in 2018), land acquisitions for new affordable housing, and the redevelopment of Roddan Lodge in the Downtown Eastside (to include renewing the existing housing units and increasing the total number of housing units in the facility; completion in 2020).

Forecast expenditures for 2018 and 2019 for transportation include a continued focus on maintaining and upgrading streets and street infrastructure as well as major investments in active transportation, including expanding the walking, cycling and greenway networks and improving existing facilities to further enhance safety and comfort. Work will also continue on the planning and design for the removal of the Georgia and Dunsmuir viaducts, and the development of the Northeast False Creek Lands that will include a new park and an at-grade street network.

Forecast expenditures for utilities are anticipated to be higher in 2018 and to decrease slightly for 2019 through 2022. This reflects major work phases scheduled for 2018 into 2019 at the Vancouver Landfill to close a filled section and install gas collection infrastructure, and work based on the anticipated increase in volume of development-driven water and sewer connections for 2019 to 2022.

Forecast expenditures for equipment and technology in 2018 to 2022 are expected to decrease to more historic levels following the 2016 and 2017 deliveries of a number of fire trucks to replace end-of-service-life units.

The City-wide service category includes the financing fees the City incurs as part of the debenture program (but not the interest costs associated with debenture borrowing, which are included in the Operating Budget), the costs of City staff supporting the capital program as well as funding for emerging capital priorities, and an allowance for inflation affecting capital project costs. The financing fees and administrative support components for 2019-2022 are expected to remain at current levels. Forecasts for emerging priorities and inflation contingency for 2019-2022 are higher than 2018, and they represent funding levels comparable to the current 2015-2018 Capital Plan.

Appendixes to this report include a detailed list of new project requests and related funding sources as well as a detailed list of planned expenditure timing for new and continuing projects and programs.

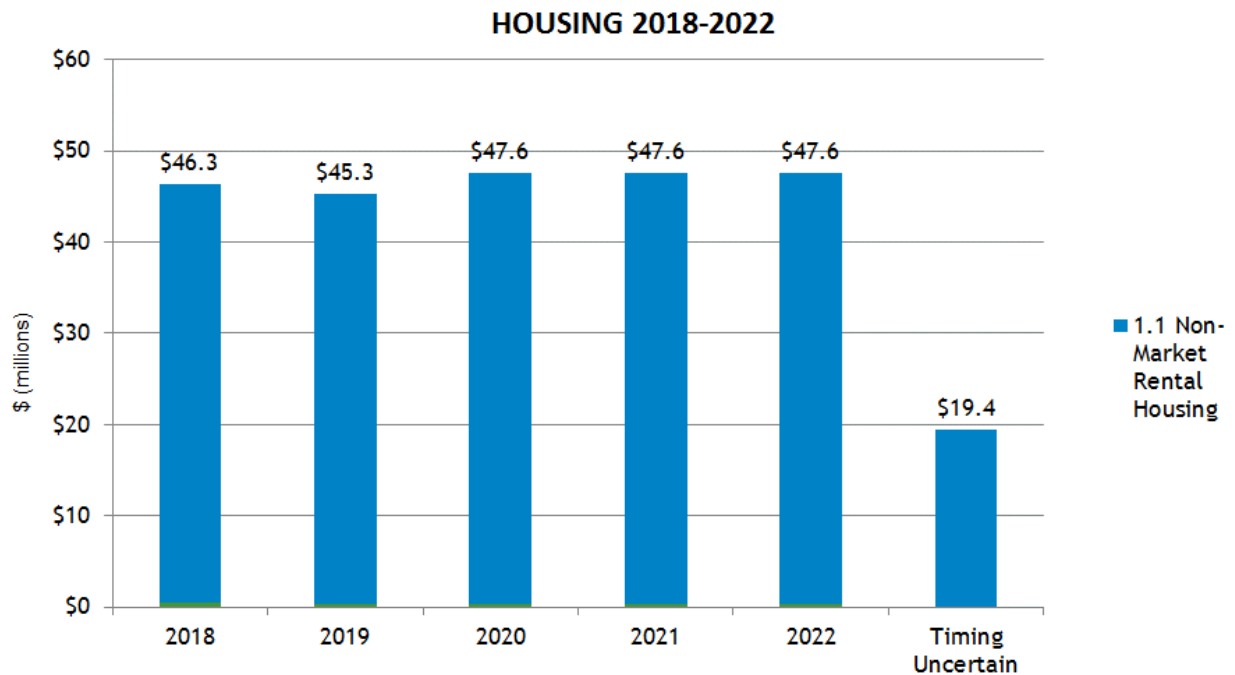
Top 10 projects and programs

The following table highlights the top 10 planned capital expenditures for 2018, by project or program, representing approximately 30% of all planned 2018 capital expenditures.

Top 10 Projects/Programs		Anticipated Expenditure in 2018 (\$ million)	Anticipated Outcomes in 2018
1	Sewer Main Replacement (Annual program)	29.5	In 2018, a minimum of 4.0 kms of combined sewer separation is planned to be delivered including the following multi-branch coordinated projects: St. Catherines, Fraser Street, and sewer projects in the 64th-Cartier-Park and Montcalm areas
2	Vehicles and equipment replacement (Annual program)	17.8	Replacement of 115 to 125 end of life equipment and vehicles by the end of 2018; mix of heavy duty and light duty items.
3	Bikeways and greenways	17.3	Key projects will expand and improve the cycling network by approximately 10km. Upgrades to the network include the improvements to achieve cycling routes for all ages and abilities (AAA). With a recalibration of the percentage of AAA cycling facilities, this will bring the City to over 1/4 of all bike facilities being AAA.
4	Replacement of Fire Hall No.5 (including Social Housing)	10.3	Construction is anticipated to complete in 2018.
5	Vancouver Landfill Phase 3 North East Closure & Gas Works	10.0	In 2018, approximately 10 hectares of the Landfill will be closed in Phase 3NE. In addition, gas works will be constructed in Phase 3NE and Phase 4.
6	Distribution Main Replacement (Annual program)	9.9	Replace approximately 0.5% of the total distribution main system. Approximately 20 separate capital projects are planned including major projects on Fraser St, Nanaimo St. and Adanac.
7	Landfill Western 40 Hectare Closure	9.5	In 2018, the second stage of the Western 40 Hectare closure will be completed, closing the next 15 hectares of the area. In addition, gas works will be constructed as part of the closure.
8	Roddan Lodge Redevelopment and Evelyne Saller Centre	8.2	Demolition and commence construction (anticipated completion 2020).
9	Upgrade & Replace Pump Station	7.3	Major replacement of the 7th & Glen pump station which will take place in 2018, along with other pump station works such as system upgrades, repairs and planning work for future pump station replacement and refurbishment projects.
10	Central Library Level 8 & 9 Expansion	6.8	Construction complete and operation to start in summer.
Top 10 total anticipated expenditures for 2018		126.6	

Highlights of the Capital Budget and Five-Year Financial Plan

Housing: \$46.3 million



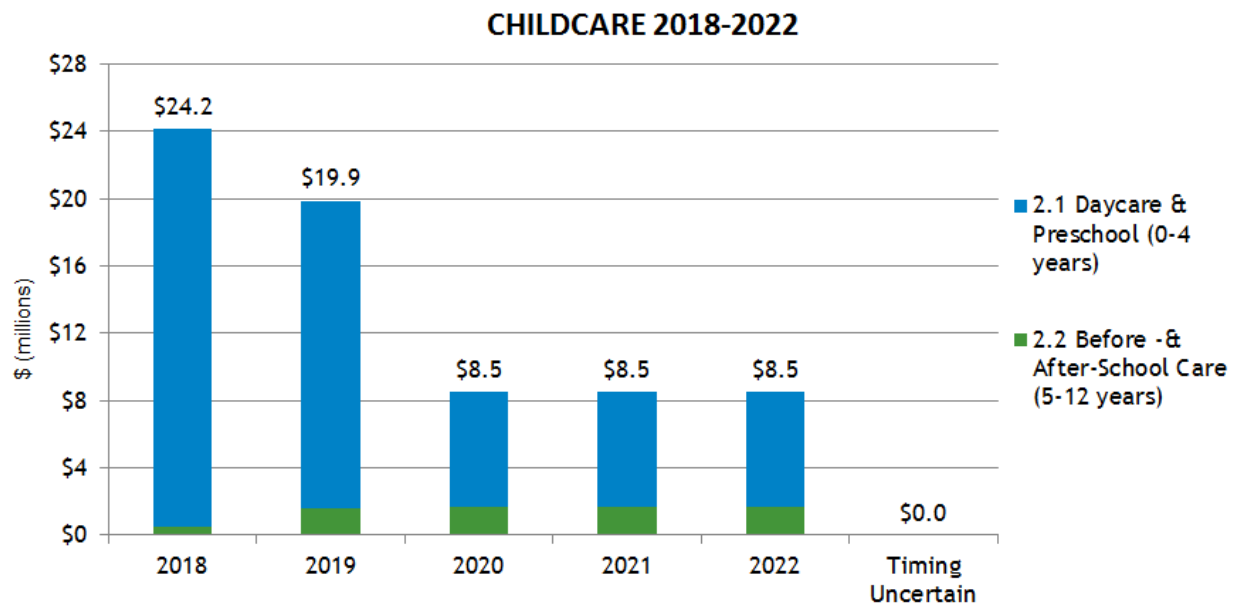
Increasing the availability and range of affordable housing choices for the city's growing and diverse mix of residents continues to be critical to Vancouver's social, economic and environmental health. Through the 2012-2021 Housing and Homelessness Strategy, the City continues to leverage new affordable housing units geared toward low- and moderate-income households, ranging from supportive and social housing to secured market rental, laneway housing and secondary suites. The City will advance its strategic partnerships with both the federal and provincial governments to create additional affordable housing for Vancouver residents.

The 2015-2018 Capital Plan earmarked \$125.0 million for strategic investments in affordable housing, including plans to renew three City-owned buildings in the Downtown Eastside neighbourhood (251 units), to continue with ongoing capital maintenance and renovations of various City-owned social housing projects, and to provide capital grants to assist with the upgrading of existing single room occupancy hotels owned or operated by non-profit agencies (target 400 rooms). The 2015-2018 Capital Plan also included funding to support the creation of 1,885 new units of social and supportive housing, supplemented by funding from senior governments and non-profit agencies. In addition, over the four years of this capital plan, the City anticipates that 665 new units will be created via inclusionary zoning policies and as in-kind Community Amenity Contributions from rezonings.

Major expenditures planned for 2018 housing projects include:

- Land acquisition for social housing in the Downtown Eastside in partnership with BC Housing — \$13.3 million
- Start of construction for the redevelopment of Roddan Lodge and Evelyne Saller Centre, including a new building to provide replacement self-contained units for the existing Roddan Lodge facility and a replacement facility for the Evelyne Saller Centre, a social service agency for low-income and at-risk adults living in the Downtown Eastside — \$8.2 million (total project budget \$48.5 million)
- Acquiring land for affordable housing — \$7.4 million
- Capital to support Vancouver Affordable Housing Agency (VAHA) projects — \$5.5 million
- Capital grants for non-City-owned social housing, with a target of 125-250 units, depending on the unit mix — \$3.5 million
- Completion of social housing in Southeast False Creek Area 3B — \$2.7 million (total project budget \$39.0 million)
- Capital grants to upgrade single room occupancy units — \$1.4 million

Childcare: \$24.2 million



The City, the Vancouver School Board, non-profit agencies and the private sector are all involved in delivering childcare services in Vancouver. This includes services for children aged 0-4 years (all-day childcare and part-time preschool programs) and children aged 5-12 years (before- and after-school programs).

There are currently over 12,000 licensed childcare spaces available in the city.

The 2015-2018 Capital Plan included \$5.0 million to renew one to two City-owned childcare facilities for children 0-12 years old, to continue with ongoing childcare facility maintenance and renovations, and to provide childcare-related capital grants. The Capital Plan also included \$20.0 million to create 400 new spaces for children 0-4 years old (in addition to 100 spaces anticipated to be delivered via in-kind Community Amenity Contributions). Planned capital expenditures in 2018 are higher primarily due to the number of major childcare projects moving into construction phases. Construction will continue into 2019.

Daycare and preschool (0-4 years) \$23.6 million

Major expenditures planned for 2018 projects include:

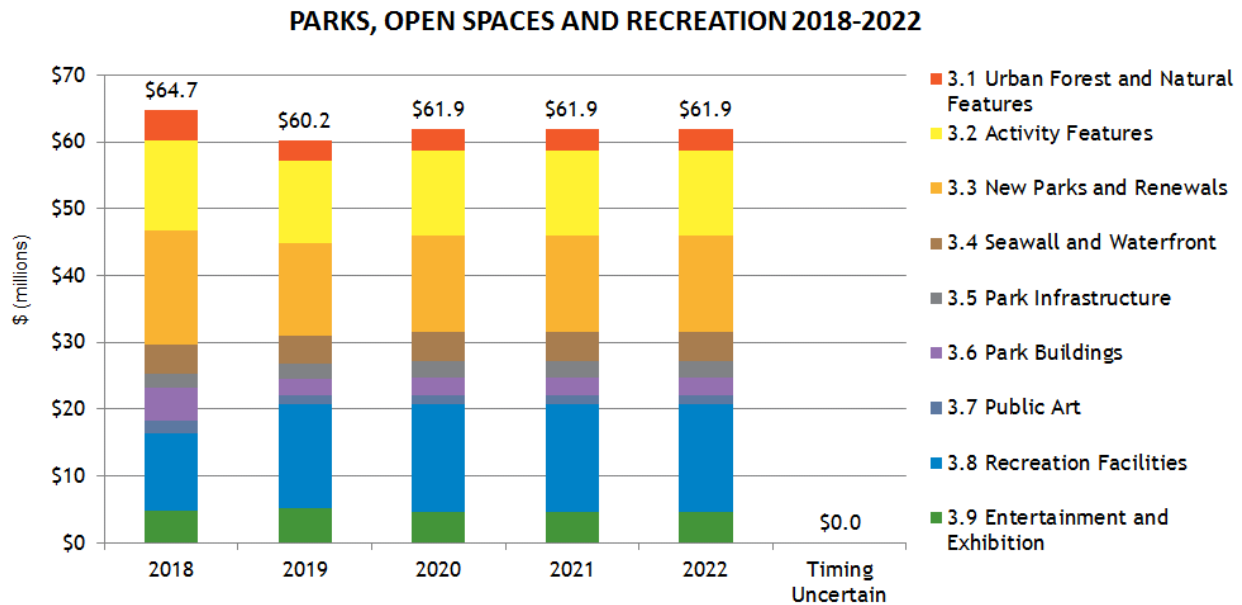
- Design and construction of four childcare projects co-located with schools, in partnership with the Vancouver School Board — \$11.8 million
- Begin construction on two childcare facilities (74 spaces) at the rooftop levels of Water Street and Cordova Street parkades — \$5.4 million
- City contribution toward the construction costs of a 37-space childcare facility at Richards Street and Pacific Boulevard — \$2.6 million (to be disbursed upon completion of the facility; anticipated for summer 2018)
- City contribution toward the construction costs of a 37-space childcare facility at Maple Street and 10th Avenue — \$2.5 million (to be disbursed upon completion of the facility; anticipated for late 2018)

Before- and after-school care (5-12 years) \$0.5 million

Major expenditures planned for 2018 projects include:

- Ongoing program to cover after-school care projects (in schools and civic facilities) — \$0.3 million
- Community partnerships with the Vancouver School Board to provide funding for expansion grants to retrofit multi-purpose space in schools that will increase the number of licensable, school-age childcare spaces on site — \$0.2 million

Parks, open spaces and recreation: \$64.7 million



Vancouver's network of parks and open spaces includes over 300 sites throughout the City, accounting for 1,300 hectares or about 10% of all land within municipal boundaries. These open spaces vary in size from small urban plazas and "mini parks" to major parks, such as Stanley and Queen Elizabeth Parks, offering natural areas, sports and recreation facilities, leisure activities, spaces for public gatherings and more.

Most City parks and recreation facilities are managed by the Park Board. Recreation facilities include community centres, swimming pools and ice rinks. Entertainment and exhibition spaces include Nat Bailey Stadium at Hillcrest Park and various facilities at Hastings Park, including those operated by the Pacific National Exhibition (PNE).

The 2015-2018 Capital Plan included renewal of and additions to City parks and open-space features, including:

- Renewing the Britannia Community Centre (Phase 1).
- Completing a public consultation and initiating design for renewal of the Marpole-Oakridge Community Centre.
- Planning a new outdoor pool.
- Park building renovation and upgrades, including the washrooms renewal.
- Advancing the next phase of the Hastings Park/PNE renewal, along with continued facility maintenance and renovations.
- Adding new parks (Smithe and Richards Streets, along the Fraser River in Marpole, in Northeast False Creek and in the East Fraser Lands).

- Adding or enhancing natural features in parks and open spaces.
- Introducing new sports facilities, including a track and field training facility and a new synthetic-turf field.
- Planting 40,000-50,000 new trees.
- Installing approximately 15 new pieces of public art (temporary and permanent).

Urban forest and natural features \$4.5 million

Major expenditures planned for 2018 projects include:

- Completing the planting of approximately 17,500 trees along streets, in parks and in other locations, supporting the City's Urban Forest Strategy and Greenest City Action Plan goals — \$2.5 million

Continuing work on biodiversity enhancements, with priority in 2018 for a Tatlow and Volunteer Park project that includes new landscaping, pathways and fencing, and a creek restoration project — \$1.0 million

Activity features \$13.5 million

Major expenditures planned for 2018 projects include:

- Golf course improvements, including the implementation of a drainage system at Langara Golf Course, as well as washroom improvements at Fraserview and McCleery — \$3.5 million
- Planning and design for a new outdoor pool, including community engagement — \$0.8 million (total project cost for planning phase \$0.6 million)
- Completing the replacement and upgrade of the electrical service to the Burrard Civic Marina — \$1.2 million (total project cost \$3.4 million; completion scheduled for September 2018)
- Renewing of playgrounds, prioritized based on age and condition — \$2.3 million
- Converting a B-level playfield to an A-level field to increase the playability of the field — \$1.0 million

New parks and renewals \$17.2 million

Major expenditures planned for 2018 projects include:

- Constructing a new park in Downtown South at Smithe and Richards streets, scheduled to begin in mid-2018 with opening of the park targeted for 2019 — \$5.5 million (total project cost \$6.0 million)
- Completing the renewal of Sunset Park and Renfrew Ravine Park — \$2.4 million (total project cost \$3.8 million)

Seawall and waterfront \$4.2 million

Major expenditures planned for 2018 projects include:

- A substantial upgrade to the Stanley Park Seawall to protect against water erosion and storm impacts — \$3.4 million (total project cost \$5.0 million, which includes a \$0.5 million Infrastructure Canada grant from the federal government)
- Seaside Greenway improvements, including improved and additional pathways in Kitsilano Beach and Hadden Parks — \$0.5 million (total project cost \$2.2 million; estimated completion in 2019)

Park infrastructure \$2.1 million

Major expenditures planned for 2018 projects include the rehabilitation of road asphalt in Stanley Park and in Queen Elizabeth Park.

Park buildings \$5.0 million

Major expenditures planned for 2018 projects include:

- Renovating and upgrading five park washroom facilities, including new universal-access washrooms (Lumberman's Arch and Third Beach at Stanley Park, Jonathan Rogers Park, Clinton Park, Falaise Park) — \$2.4 million (total project cost \$3.2 million; design work in 2018 and construction over 2018/2019)
- Continuing priority building improvements to fieldhouses in multiple parks — \$0.9 million (total project cost \$1.3 million)
- Ongoing maintenance of building components (prioritized based on building condition assessment), including roof replacement at the Stanley Park Pavilion — \$0.8 million

Public art \$2.0 million

Major expenditures planned for 2018 projects include:

- Completing the restoration of the Centennial Totem Pole located in Hadden Park — \$0.5 million
- Completing new artworks, including *Home and Away* at Hastings Park, Marpole infrastructure project and projects funded through the Public Art Boost (including small-scale/neighbourhood projects through the Public Art Community Grants)
- Initiating new artworks in 2018, including three to five artist-initiated projects, three temporary 2D projects (CBC Wall, City Centre and Queen Elizabeth Theatre Plaza), and new feature artwork for expansion of public space at Central Library

Recreation facilities \$11.4 million

Major expenditures planned for 2018 projects include:

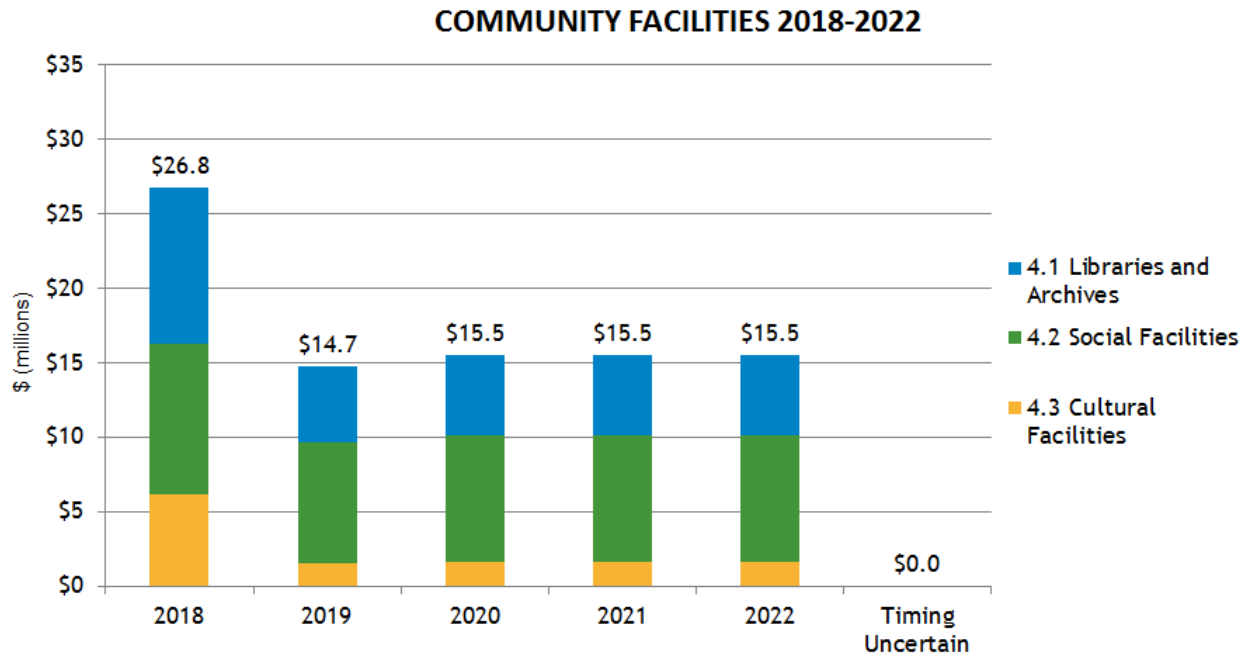
- Completing structural and mechanical upgrades to the Kitsilano outdoor pool — \$2.1 million (total project cost \$3.3 million; expected completion in mid-2018)
- Marpole-Oakridge Community Centre renewal, including site feasibility, public consultation, programming and schematic design — \$0.6 million (total multi-year approved budget for this phase of the renewal project is \$2.0 million)
- Ongoing maintenance of building components (prioritized based on building condition assessment) — \$1.8 million
- Building system upgrades prioritized based on detailed facility condition assessment, including upgrades to electrical, mechanical, plumbing and/or other building systems — \$1.5 million
- Completing the new Killarney Seniors Centre (Southeast Vancouver) — \$1.1 million (total project cost \$7.5 million; completion expected in summer 2018)
- Britannia pool and ice rink maintenance and upgrades prioritized based on detailed facility condition assessment — \$0.8 million
- Phase 1 of Britannia Community Centre redevelopment, including master plan and design — \$0.5 million (total project budget for planning and design \$5.0 million; anticipated completion of this phase in 2019)

Entertainment and exhibition \$4.9 million

Major expenditures planned for 2018 projects include:

- Completing detailed design and costing, funding strategy, and comprehensive implementation plan for the Playland Redevelopment Plan — \$1.4 million (total project cost for this planning phase \$1.5 million)
- Ongoing maintenance of PNE building components (prioritized based on building condition assessment) — \$1.4 million
- Upgrades to Pacific Coliseum ice plant — \$0.9 million (total project cost \$1.8 million; anticipated completion in 2019)

Community facilities: library, social and cultural: \$26.8 million



Vancouver's libraries, social facilities and cultural facilities offer a wide range of community services and programs to the city's diverse and growing population. Facility service mandates range from neighbourhood-wide to city-wide.

There are approximately 100 library, social and cultural facilities across the city.

Over the four years of the 2015-2018 Capital Plan, the City included plans to:

- Continue with ongoing maintenance and renovations of library, social and cultural facilities.
- Begin renewal of the Evelyne Saller Centre in the Downtown Eastside.
- Continue with various capital granting programs (e.g., cultural, social).
- Expand the public space at Central Library and create a publicly accessible rooftop garden.
- Planning and public consultation for a new Marpole Civic Centre, including library, housing and childcare components - \$0.2 million (total multi-year approved budget for this phase of the project is \$0.2 million)
- Create a new and expanded QMUNITY, a facility for the lesbian, gay, bisexual, transgendered, queer and two-spirited (LGBTQ2+) communities in the city's West End.
- Deliver various facilities, such as the MOSAIC Adult Learning Centre, Positive Living BC, AIDS Vancouver and artists' studios (Marine and Cambie Streets) through in-kind Community Amenity Contributions.

While the timing of the delivery for some of these plans has shifted outward over the course of the first three years of the capital plan, significant progress has been made with many of the priorities, and it will continue to be made with the 2018 Capital Budget in the fourth and final year of the 2015-2018 Capital Plan.

Libraries and archives \$10.5 million

Major expenditures planned for 2018 projects include:

- Complete expansion of public space at Central Library, creating an additional 35,000 square feet of programmable library space — \$6.8 million (total project cost \$15.8 million; anticipated completion in mid-2018)
- Continue Phase 1 planning of a two-phase project for the relocation of City of Vancouver Archives storage and office space from Vanier Park to Central Library — \$1.5 million (total project cost for Phase 1 \$4.0 million)
- Relocate library operations from Level 7 of Central Library to vacate the space required for the relocation of the City of Vancouver Archives storage and office space from Vanier Park to Central Library — \$0.7 million
- Ongoing capital maintenance and renovations of library branches, including replacement of carpet at Central Library and repairs of Fraserview branch exterior walls — \$1.2 million

Social facilities \$10.1 million

Major expenditures planned for 2018 projects include:

- Downtown Eastside capital grant programs — \$1.8 million
- Indigenous Healing and Wellness Space in Downtown Eastside — \$0.7 million (the City will be contributing toward tenant improvement costs)
- Base building repairs to Marpole Place — \$1.6 million (total project cost \$3.0 million)
- Renovations to Carnegie Community Centre and Gathering Place Community Centre kitchen facilities — \$1.2 million
- Disbursement of a capital grant to the 411 Seniors Centre Society toward prepaid leasing costs for a seniors centre — \$0.8 million
- Disbursement of the remaining portion of a capital grant to Gordon Neighbourhood House toward building envelope repairs and interior renovations — \$0.7 million (total capital grant \$1.1 million)
- QMUNITY social facility planning and concept design — \$0.5 million (total project cost including construction \$7.0 million; anticipated completion in 2021)
- Chinese Society Buildings Matching Grants — \$0.4 million

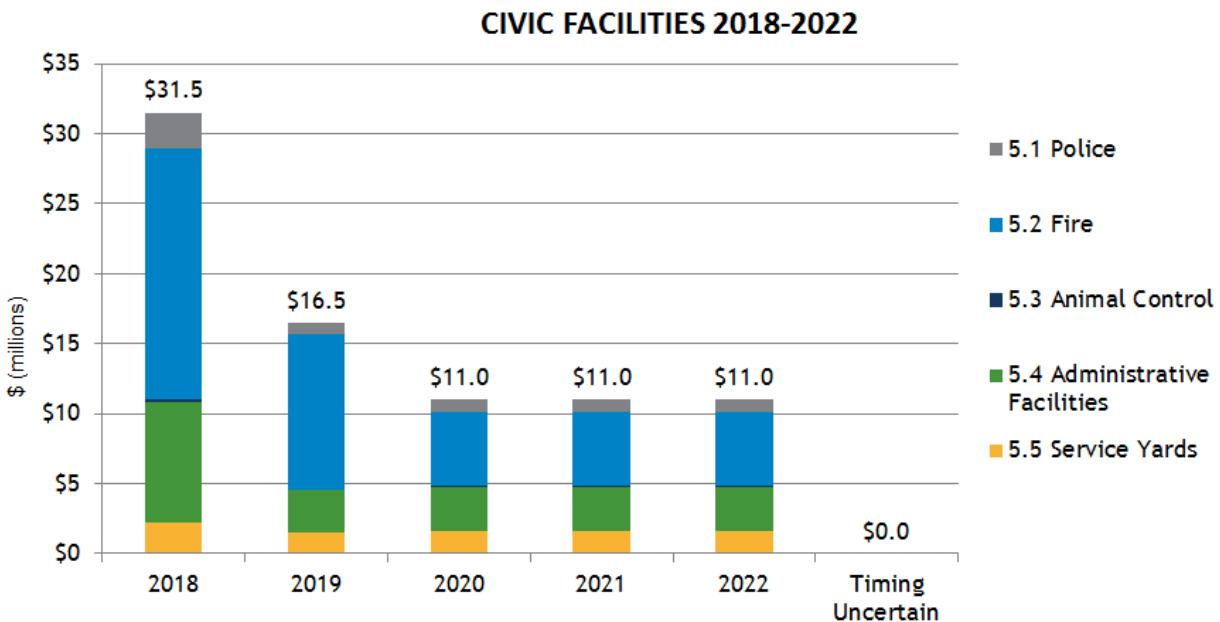
- Complete a feasibility study for a new seniors centre in South Vancouver, including functional programming, site selection, governance models and concept design — \$0.2 million (total feasibility study budget \$0.3 million)

Cultural facilities \$6.1 million

Major expenditures planned for 2018 projects include:

- Disbursement of the remaining portion of a cultural facility capital grant in support of the establishment of artist production spaces in the Mount Pleasant neighbourhood — \$2.2 million (total capital grant \$2.3 million)
- Disbursement of grants from the Cultural Infrastructure Grant Program — \$1.9 million
- Ongoing maintenance of cultural facilities, including the replacement of a fire alarm panel at the Orpheum Theatre, a building envelope audit for Heritage Hall, and the PNE Garden Auditorium roof design — \$1.0 million

Civic facilities: \$31.5 million



Vancouver's civic facilities provide equipment and administrative space for core public safety functions, key administrative groups and City service vehicles and equipment. There are over 100 administrative and City-owned facilities and service yards.

Civic facilities include:

- The City's three core public safety functions — police services, fire and rescue services, and animal control.
- Administration buildings, including City Hall and the Park Board's administration building.
- Service yards (industrial-type municipal facilities where trucks and equipment are stored).

Civic facilities priorities in the 2015-2018 Capital Plan included the renewal of Firehall No. 17; ongoing capital maintenance of civic facilities, including roofing, windows and flooring; accessibility improvements; and office space optimization.

Police \$2.5 million

Major expenditures planned for 2018 projects include:

- Relocate the Vancouver Police Department Traffic Section from the VPD Cambie office to the Cordova office — \$0.7 million (total project cost \$1.1 million; expected completion in mid-2018)
- Ongoing maintenance of building components (prioritized based on building condition assessment) at Vancouver Police Department facilities — \$1.0 million
- Construct an isolated facility for drug investigation, including equipment outfitting — \$0.7 million

Fire \$18.0 million

Major expenditures planned for 2018 projects include:

- Continue construction of the replacement for Firehall No. 5, including a social housing component — \$10.3 million (total project cost \$21.7 million; completion scheduled for fall 2018)
- Start construction of the replacement for Firehall No. 17 — \$6.0 million (total project cost \$19.9 million; expected completion in spring 2020)

Animal control \$0.1 million

A small number of projects are planned for 2018, including ongoing capital maintenance and minor renovations and facility upgrades to meet operational needs.

Administration facilities \$8.7 million

Major expenditures planned for 2018 projects include:

- Office space renovations and relocations — \$2.2 million
- City-wide facilities planning and strategic land/site planning — \$2.0 million

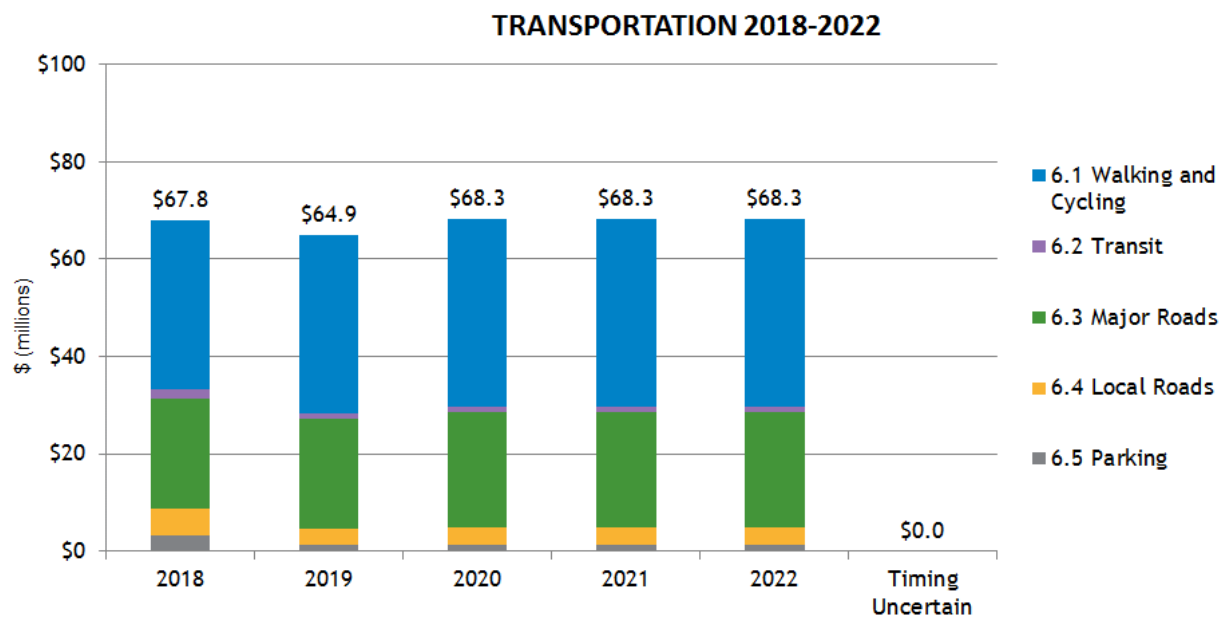
- Ongoing work under the Energy Optimization Program, involving building energy retrofit projects and building control optimization projects that reduce energy consumption and greenhouse gas emissions within City-owned buildings — \$0.8 million
- Building safety system improvements at civic facilities, prioritized based on condition assessment — \$0.5 million

Service yards \$2.2 million

Major expenditures planned for 2018 projects include:

- Capital maintenance and minor upgrades at service yards, including replacement of an aging water main at Manitoba Yard — \$1.4 million
- Replacement of end-of-life fuel tanks at Manitoba Yard — \$0.5 million

Transportation: \$67.8 million



Across Vancouver, the city’s transportation network offers a range of travel choices to residents, workers and visitors. Responsibility for the various components of the network is divided between the City and the Government of British Columbia. The City provides walking, cycling and local road networks. TransLink (South Coast British Columbia Transportation Authority) provides transit services. The provincial government is responsible for 6 kilometres of highways and three major bridges leading into the city.

The City owns and maintains more than 4,000 kilometres of street, lane and sidewalk assets plus a wide range of transportation structures and features.

Over the four years of the 2015-2018 Capital Plan, the City included plans to:

- Reconstruct approximately 6 kilometres of sidewalk
- Repave 33 kilometres of major roads
- Rehabilitate the Burrard Bridge (sidewalks, railings, lighting)
- Repave 45 kilometres of local roads and lanes
- Replace approximately 3,800 street lighting poles
- Reconstruct 22 traffic signals
- Replace 1,000 parking meters
- Maintain and renovate parkades

In addition, the Capital Plan included additions to the City's transportation asset base, including 2 kilometres of new sidewalks, 260 new and upgraded curb ramps, pedestrian safety and public realm improvements (Downtown Eastside, Marpole, Mount Pleasant and the West End neighbourhoods), completion of the Comox-Helmcken and Seaside Greenways, continuing upgrades of bikeways catering to all ages and abilities, upgrades to the Burrard Bridge, and finalizing an improvement strategy for the False Creek bridges.

A funding agreement is needed in order to commence procurement for the Millennium Line Broadway Extension. This agreement involves the Mayors' Council, the provincial government and the federal government. The City is also requesting new or upgraded bus stops to address proposed bus route changes in the eastern part of Downtown. Lastly, the City plans to install 12 new pedestrian bike signals and 700 parking meters over the four years of the Capital Plan.

Walking and cycling \$34.6 million

Major expenditures planned for 2018 projects include:

- Upgrade and expand walking and cycling networks, including expanding the All Ages and Abilities (AAA) cycling network by approximately 10 kilometres — \$17.3 million
- Conceptual design and public consultation on the Arbutus Greenway — \$2.3 million (total project cost \$6.0 million)
- Detailed design for new Arbutus Greenway — \$2.8 million (total project cost for design phase \$7.0 million)
- Interim construction of a pathway along the Arbutus Corridor — \$1.5 million (total project cost \$7.4 million)
- Complete final phase upgrades to the Seaside Greenway — \$2.8 million (total project cost \$14.6 million)
- Sidewalk rehabilitation/new construction — \$2.5 million
- Pedestrian and bicycle signal rehabilitation/new construction — \$1.7 million

Transit \$1.9 million

Major expenditures planned for 2018 projects include:

- Replace approximately 60-70 transit trolley poles and transfer/expand the City infrastructure (wires, signals) to the new poles — \$1.3 million

Major roads \$22.6 million

Major expenditures planned for 2018 projects include:

- Repave major arterial streets, including transit routes — \$6.9 million
- Snow readiness capital improvements, including vehicles and equipment additions and upgrades, service yard upgrades and salt storage expansion, and traffic monitoring CCTV cameras on major road networks — \$3.4 million
- Replace end-of-life marine fenders for the Burrard Bridge — \$2.4 million
- Complete Phase 1 of the Georgia and Dunsmuir Viaducts removal, including detailed planning and design, and finalize the required agreements to advance the removal and replacement of the viaducts and the development of the remaining Northeast False Creek lands for future parks and open spaces — \$2.2 million (total amount included for Phase 1 \$21.3 million)
- Rehabilitate traffic signals — \$2.2 million
- Rehabilitate street lighting on major roads — \$1.6 million

Local roads \$5.5 million

Major expenditures planned for 2018 projects include:

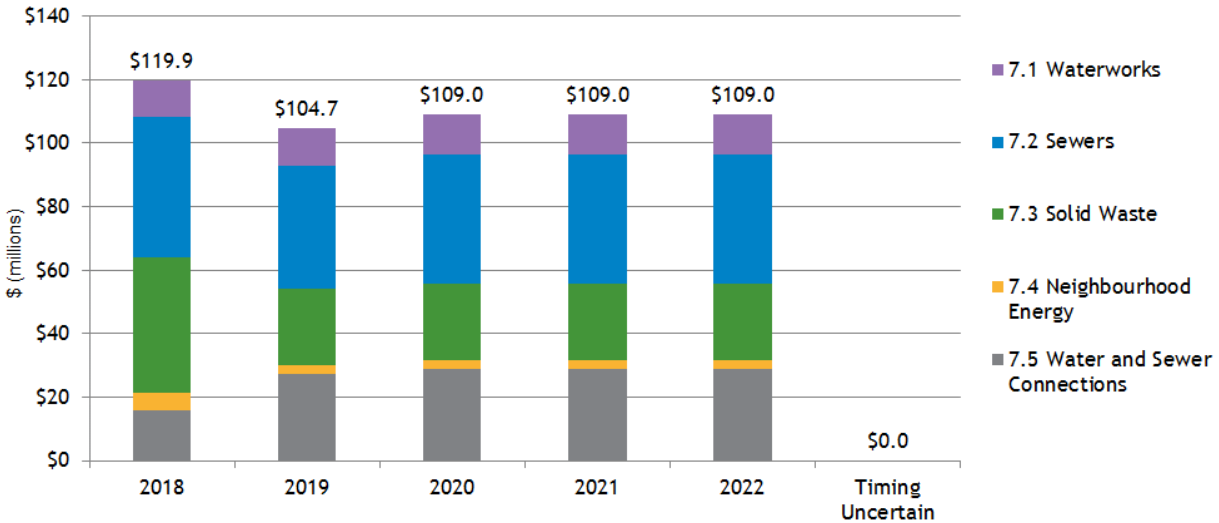
- Rehabilitate local roads — \$1.9 million
- Replace City infrastructure (such as lighting) due to the BC Hydro removal of aging H-frame power distribution structures — \$1.5 million
- Rehabilitate street lighting on local roads — \$1.1 million
- Neighbourhood traffic-calming initiatives, including a local speed hump program, school travel planning and spot improvements — \$0.8 million

Parking \$3.2 million

This funding is designated for new and replacement parking meters.

Utilities: \$119.9 million

UTILITIES 2018-2022



The City owns and operates four utilities, two of which provide critical services (water and sewers) used by all Vancouver residents, businesses and visitors. A third utility (solid waste) provides green waste and garbage pickup as well as disposal service to all residents living in single-family homes, duplexes and some apartments. A fourth utility (neighbourhood energy) provides low-carbon-footprint heating and hot water to all buildings in Southeast False Creek and a portion of the False Creek Flats.

The City owns and maintains over 5,500 kilometres of underground pipe as well as a series of specialized facilities and features to support the effective delivery of utility services.

The 2015-2018 Capital Plan included funding for the replacement of 30-35 kilometres of water mains, maintenance and replacement of waterworks components, replacement of 55-65 kilometres of combined sewer mains with separated sewer mains, replacement of four pump stations, separation of sewers on private property, replacement of 5,000-6,000 water or sewer connections, and replacement of 2,500 water meters. The Capital Plan also included funding for the extension of the City's water and sewer mains to serve growth areas, the installation of 12 new drinking fountains and approximately 5,000 new water meters, the closure of a filled section of the Vancouver Landfill and installation of gas collection infrastructure at the landfill, and the expansion of the neighbourhood utility energy centre and new distribution piping system to connect 10-15 new buildings.

As capital work is planned for sewer and waterworks, the City also considers opportunities for capital investments supporting the Greenest City Action Plan.

Water and sewer connections are funded by residential developers. On average, the City installs over 1,000 connections to residential properties every year, representing approximately \$17 million in revenue annually. Multi-year project budgets and annual expenditure budgets for the connections program are adjusted through the quarterly capital budget adjustment process during the year as revenues are received.

Waterworks \$11.5 million

Major expenditures planned for 2018 projects include:

- Replace aging and deteriorating water mains within the City's water distribution system that serves homes, businesses and industry — \$9.9 million
- Develop an engineering and site investigation program for engineering, geotechnical and environmental work prior to the construction of major assets and for innovation research — \$0.4 million
- Replace approximately 35 aging fire hydrants — \$0.4 million
- Replace four fire pump controllers in the Dedicated Fire Protection System (DFPS) — \$0.4 million

Sewers \$44.4 million

Major expenditures planned for 2018 projects include:

- Reconstruct the City's sewer infrastructure to change it from a combined system to a separated system — \$29.5 million
- Replace the pump station at Seventh Avenue and Glen Drive, and plan for future pump station replacement and refurbishment projects — \$7.3 million
- Detailed design and partial construction of structural shoreline protection measures along the Fraser River foreshore at East Fraser Lands — \$2.9 million (total project cost \$5.0 million; anticipated completion in 2019)
- Marpole Integrated Rainwater Management Pilot project, designed to trial a variety of green infrastructure strategies and designs for rainwater management (including quality, volume and rate control) — \$2.1 million
- Green infrastructure strategy and pilot project — \$2.1 million

Solid waste \$42.5 million

Major expenditures planned for 2018 projects include:

- Continue work on the closure of the second stage of the Western 40 Hectares and Phase 3 Northeast sections of the Vancouver Landfill, as part of the ongoing progressive closure of completed sections — \$26.0 million (total project cost \$63.3 million; anticipated completion in 2020)

- Continue the reconstruction of the entrance to the Vancouver Landfill to reduce traffic congestion, improve safety and provide an improved recycling facility for customers — \$4.9 million (total project cost \$7.8 million; anticipated completion in 2018)
- Replace a gas collection flare at the Vancouver Landfill — \$3.2 million (total project cost \$3.5 million; anticipated completion in 2018)
- Construct a recovery facility for construction and demolition materials at the Vancouver Landfill — \$2.5 million (total project cost \$8.0 million; anticipated completion in 2019)
- Implement new Weigh Scale Management and Point-of-Sale systems at Vancouver Landfill — \$1.4 million (total project cost \$1.6 million)

Neighbourhood energy \$5.7 million

Fund an extension of the Neighbourhood Energy Utility system to service new customers in Southeast False Creek.

Water and sewer connections \$15.8 million

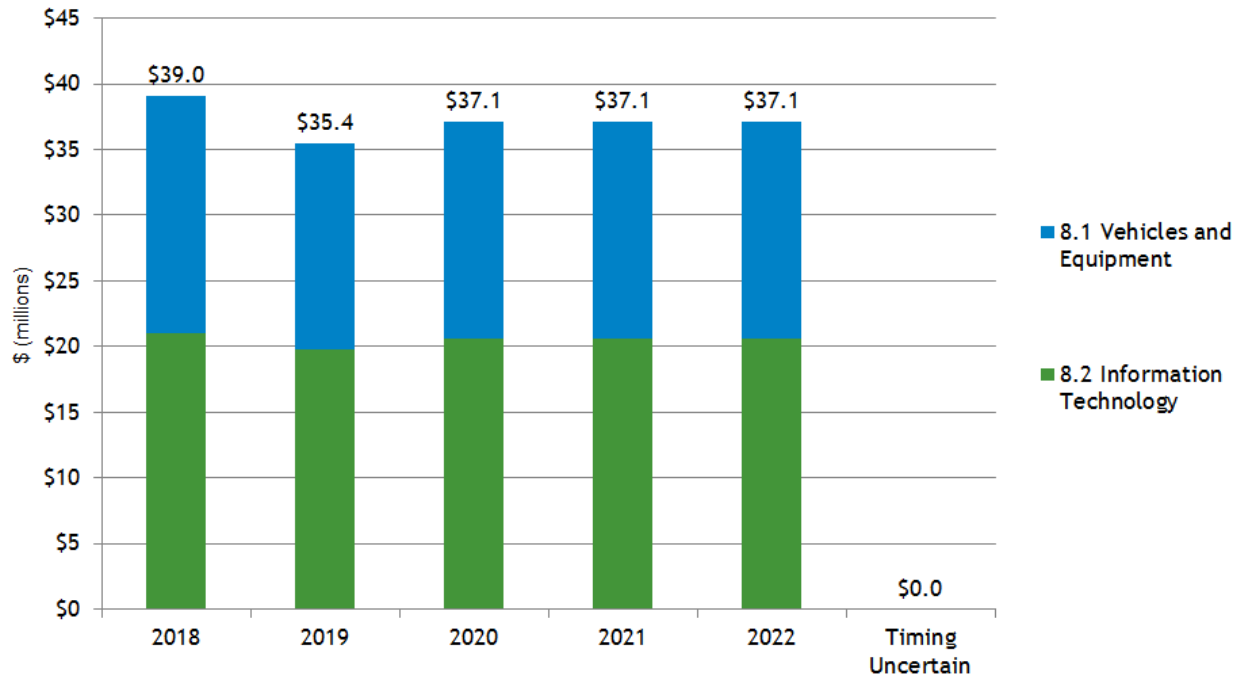
Major expenditures planned for 2018 projects include:

- Install connections from residential properties to the City's water, sanitary and stormwater sewer services — \$11.6 million²
- Replace approximately 300 aging water connections — \$2.1 million
- Replace approximately 300 aging water meters — \$0.6 million
- Replace sewer connections for approximately 110 properties and reconstruct aging sewer manholes — \$1.2 million

² Water and sewer connections are funded by residential developers. On average, the City installs over 1,000 connections to residential properties every year, representing approximately \$17 million in revenue annually. Multi-year project budgets and annual expenditure budgets for the connections program are adjusted through the quarterly capital budget adjustment process during the year as revenues are received.

Equipment and technology: \$39.0 million

EQUIPMENT AND TECHNOLOGY 2018-2022



The equipment and technology category includes tools that allow City staff to perform their daily functions to deliver services to the public.

Equipment and technology includes a wide array of City assets. These include vehicles, such as police cars, fire trucks, recycling trucks, lawn mowers and Zambonis, and information technology, such as computers, hardware and specialized applications.

The 2015-2018 Capital Plan included funding for the replacement of 625-725 vehicles, for continuing the ongoing replacement of computers and hardware, and for developing and implementing major new applications, such as ActiveNet and the fleet management system. The Capital Plan also included funding for the implementation of the Digital Strategy (Wi-Fi expansion and mobile technology), for a geographically remote data centre (for disaster recovery/business continuity), and for new business system technologies.

Vehicles and equipment \$18.0 million

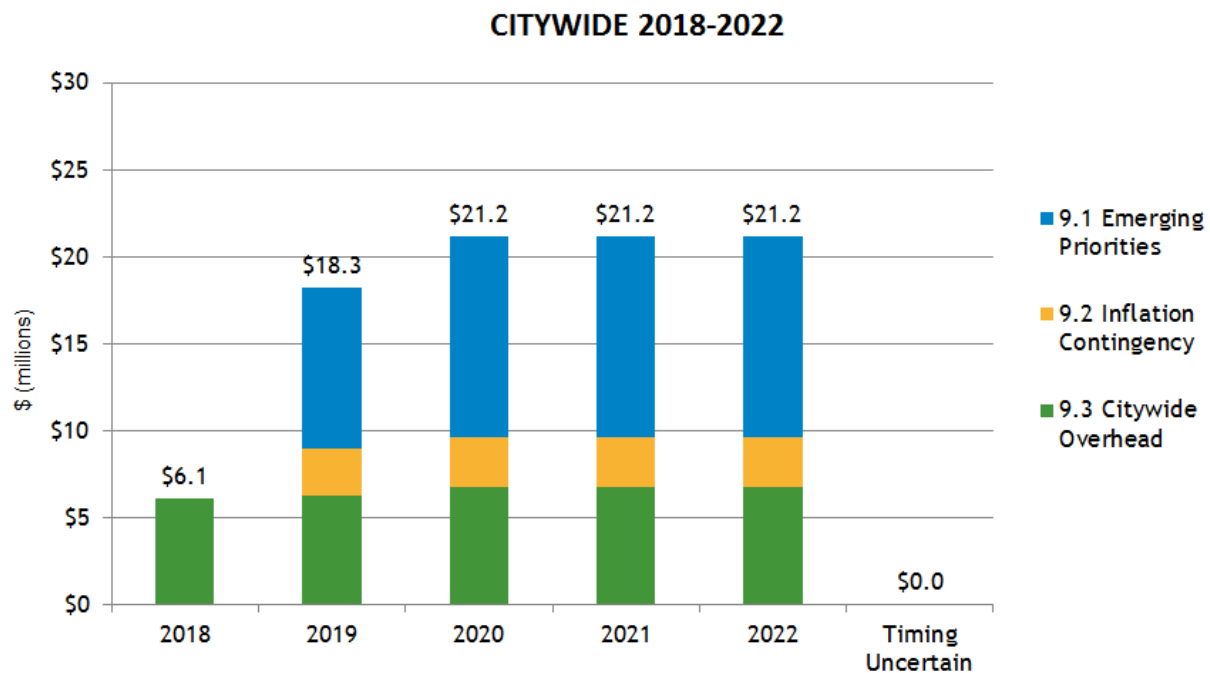
Major expenditures planned for 2018 include the replacement of 115-125 end-of-life vehicles and equipment; mix of heavy and light duty items with a focus on alternate fuel source including electric vehicles. This supports the goals set out in the City's Greenest City 2020 Action Plan and adjusts the City's fleet to align with optimal service levels.

Information technology \$21.0 million

Major expenditures planned for 2018 projects include:

- Continue the ongoing infrastructure maintenance, upgrade and expansion program for core information technology (IT) infrastructure, including that of the Vancouver Police Department and the Vancouver Public Library — \$6.7 million
- Continue replacement of end-of-life hardware (desktop computers, laptops, tablets and displays) — \$2.7 million
- Implement a fleet management software solution to improve management and maintenance of vehicles and equipment — \$2.5 million (total project cost \$4.0 million; anticipated completion in 2018)
- Implement replacement solutions for the system used for business licences, pet licences, residential parking permits and false alarm reduction permits — \$1.0 million (total project cost \$1.0 million)
- Replace the City's Parking Enforcement Ticket Manager platform — \$0.6 million (total project cost \$1.1 million; anticipated completion in 2018)

City-wide: \$6.1 million



This category includes emerging priorities, inflation contingency and City-wide overhead. Each item is described below.

Emerging priorities

The City transitioned from three-year capital plans to four-year capital plans, commencing with the 2015-2018 Capital Plan. The development of this first four-year capital plan anticipated a greater need for contingency funding to address emerging priorities and opportunistic investments that may arise during the life of the plan. In addition, as part of the overall funding strategy of leveraging federal and provincial funding (such as the Building Canada and Community Works funds) and other innovative, cross-agency partnership opportunities (e.g., Vancouver School Board, charitable and non-profit organizations), an allowance for this funding was included in the 2015-2018 Capital Plan to address these emerging priorities. As these opportunities materialize and investment decisions are made, funding is moved to the appropriate program areas. Funding totalling \$75.0 million was set aside for these investments in the 2015-2018 Capital Plan.

To date, a total of \$47.9 million of emerging priorities funding has been allocated, including Phase 1 funding for the removal of the Georgia and Dunsmuir viaducts (\$20.7 million), added scope to the Burrard Bridge Upgrade project to include safety-related structural modifications (\$4.0 million), pre-move planning and preparation for the relocation of the Vancouver Archives from Vanier Park to the Central Library building in 2019 (\$4.0 million), Marpole Community Centre redevelopment planning (\$2.0 million), and City Hall East Annex deconstruction scope increases (\$1.7 million). The 2018 Budget includes an allocation of \$1.0 million in emerging priorities funding to augment current park building maintenance program funding, which will expand the scope of priority upgrades to park washrooms.

Inflation contingency

Program funding allocations identified in the 2015-2018 Capital Plan were based on the value of the Canadian dollar at the time the capital plan was developed. Though construction cost inflation had been low at that time relative to the pre-Olympic construction period, \$10.0 million was included in the Capital Plan as inflation contingency to mitigate inflation risk over the four-year period of the plan.

In 2015, funding of \$6.8 million was allocated from the inflation contingency to cover an increase in the cost of replacing the City's fire trucks. The truck chassis and most of the associated equipment were sourced from a US manufacturer. The final cost to the City for the fire trucks increased due to the significant decline of the Canadian dollar in 2015 relative to the US dollar. The \$3.2 million balance remaining after this 2015 allocation is proposed to be used in the 2018 Budget toward an increase in the cost estimate for the renewal of Firehall No. 17. At the time the 2015-2018 Capital Plan was developed, the project cost was estimated at \$15.0 million, but after detailed planning and costing, the project cost is now estimated at \$19.9 million.

Capital overhead

This program includes financing fees the City incurs as part of the debenture program (not the interest costs associated with debenture borrowing, which is included in the Operating Budget) as well as the cost of City staff supporting the capital program.

City-wide capital overhead in the amount of \$6.1 million is included in the 2018 Budget; the forecasts for 2019 through 2022 anticipate expenditures for this category remaining at this level.

Consolidated Budget

In accordance with Canadian public sector accounting standards, the City reports its annual financial statements on a consolidated basis for the five funds and eight City entities listed below that make up the City's financial reporting entity.

Consolidated financial information increases the accountability, transparency and overall usefulness of information. The Consolidated Budget includes information for all City funds and entities, including the Property Endowment Fund operating budget, and is presented on a financial statement basis to follow Public Sector Accounting Board (PSAB) standards to include amortization (depreciation) and to exclude debt transactions and reserve transfers.

City funds

- Revenue Fund
- Capital Fund
- Property Endowment Fund
- Capital Financing Fund
- Sinking Fund

Other entities

- PNE (Pacific National Exhibition)
- City of Vancouver Public Housing Corporation
- Vancouver Affordable Housing Agency (VAHA)
- Harbour Park Developments Ltd.
- Hastings Institute Inc.
- Parking Corporation of Vancouver (EasyPark)
- Vancouver Civic Development Corporation
- Vancouver Economic Commission

City funds background and budget discussion

Introduction

Council approves the City's Operating Budget, Capital Budget and Property Endowment Fund budget.

These approved budgets establish the budget for the City's financial reporting funds. The Revenue Fund accounts for the Operating Budget, the Capital Fund accounts for the Capital Budget, and the Property Endowment Fund (PEF) accounts for the PEF budget.

Under provincial legislation to prepare balanced budgets and to show all funding sources, the City budgets for its funds on a cash basis to include capital additions, debt transactions and transfers and to exclude depreciation. The funds are budgeted on a cash basis and adjusted to an accrual basis when consolidated for consistency with financial statement presentation to include amortization, net of debt transactions and reserve transfers.

Separate Council approval is not required for the budgets of the City's two other funds, the Capital Financing Fund and the Sinking Fund, as they are composed solely of inter-fund transfers approved by Council in the Operating and Capital budgets and an estimate of interest revenue earned on cash balances.

Revenue Fund

The Revenue Fund accounts for revenues and expenditures for the City's general operations as well as its sewer, solid waste, water and neighbourhood energy utilities. Council approves the Operating Budget annually. A detailed description of this fund's 2018 budget is found in the Operating Budget section of this document.

Total operating expenditures in 2018 are budgeted to increase by 6.2% (\$81.7 million) over 2017. This increase reflects \$60.5 million in cost increases for existing services plus investments aligned to key priorities and a \$21.2 million increase in utilities expenses.

Capital Fund

The Capital Fund accounts for capital expenditures supporting civic assets and infrastructure. It also holds all properties required for civic use and related long-term debt. Council approves the Capital Budget annually. The Capital Budget also includes funding for new housing-related capital assets led by the Vancouver Affordable Housing Agency and the Vancouver Public Housing Corporation as well as facilities operated by the Pacific National Exhibition. A detailed description of this fund's 2018 budget is found in the Capital Budget section of this document.

Capital Fund expenditures are based on the Capital Plan and are described in the Capital Budget section of this document, which includes a breakdown of spending by service category. The budget report appendixes include a description of the projects. Departmental expenses shown in the consolidated operating budget include spending on operating activities that support the Capital Plan — including funding for planning, major maintenance and grants to external organizations — and they will change from year to year based on project timing in the Capital Plan. Spending on new or replacement of City facilities and infrastructure is shown as capital additions, for which additional detail on the breakdown of spending by department is shown in the Capital Budget section. This presentation of the Consolidated Budget is in alignment with the City's year-end financial statement presentation for comparability.

Property Endowment Fund

The Property Endowment Fund (PEF) accounts for properties leased to third parties and those being developed or held to support the City's public objectives. The PEF also includes parkades managed by EasyPark. The PEF operating budget is approved annually in conjunction with the City's Operating and Capital budgets. The Property Endowment Fund capital budget is approved by Council in camera (in a closed and private session) due to the confidential nature of property transactions. In the annual financial statements, actual Property Endowment Fund results include operating and capital activity. A detailed description of this fund's 2018 operating budget is found in the PEF section of this document.

The Property Endowment Fund revenue budget is increasing by \$1.1 million, with parking revenues and rental revenues expected to rise by \$0.5 million and \$0.5 million, respectively, and lease revenues to remain similar. The 2018 expense budget is increasing by \$1.9 million, as parking expenses are expected to increase by \$1.1 million and other expenses and property rental costs by \$0.8 million. More details are provided in the following Property Endowment Fund budget section.

Capital Financing Fund

Established by Council in 1979, the Capital Financing Fund provides funds for the internal financing of capital works — allowing the City to build its infrastructure without incurring external financing costs. To ensure the fund is available on an ongoing basis, projects drawing on this fund repay the original amount with interest. Repayments are made possible through increased revenues or operating savings identified in the funded project's business case.

The Solid Waste Capital Reserve was subsequently established within the Capital Financing Fund to accumulate funds for future closure costs of the City's landfill.

The Capital Financing Fund is not used to fund operating expenditures. Separate Council approval is not required for this fund's budget as it consists solely of inter-fund transfers approved by Council in the Operating and Capital budgets and an estimate of interest revenue earned on cash balances.

For 2018, estimated revenues are \$2.1 million. This revenue is interest earned on the \$77.0 million cash balance in the Solid Waste Capital Reserve and the \$107.0 million cash balance that is not used for internal loans or solid waste closure costs during the year.

Sinking Fund

The City's Sinking Fund is a statutory requirement of the *Vancouver Charter*. It accounts for amounts reserved for repayment of the principal portion of the City's Sinking Fund debt issues at maturity. Depending on the timing of debt issues and maturities, the balance in the fund fluctuates. Funds in the Sinking Fund are invested to earn interest, and the budget reflects interest revenue from investments of the fund balance. The Sinking Fund is not used to fund operating expenditures. Separate Council approval is not required for its budget as the fund

consists solely of inter-fund transfers approved by Council in the Operating and Capital budgets and an estimate of interest revenue earned on cash balances.

In 2018, the Sinking Fund budget includes investment income of \$8.1 million on the fund balance. The 2018 budget is decreasing by \$0.3 million, due to interest earnings on fund balances that change due to timing of debt issuance and repayment, based on the Capital Plan.

Other entities background and budget discussion

Parking Corporation of Vancouver (EasyPark)

Founded in 1948, the corporation — which operates as a non-profit public authority — manages and operates parkades and properties owned or leased by the City, or joint ventures between the City and third parties.

The Parking Corporation of Vancouver operates as EasyPark. The share structure gives the City sole title to corporation assets and revenues. EasyPark is governed by a 10-member Board of Directors, with one director being a Councillor appointed by City Council. With a service history in parking management for almost 70 years, EasyPark manages more than 125 facilities totalling over 18,740 parking spaces; facility sizes range from four spaces to 1,418 spaces.

EasyPark's operating budget is approved by its board. EasyPark's net revenues are distributed to the respective owners of the parking facilities (in most cases, the City). In turn, these funds are reinvested in developing public transportation and maintaining parking facilities. EasyPark's revenues and expenses are included in the City's 2018 Property Endowment Fund budget as detailed in the Property Endowment Fund budget section of this document. All EasyPark capital investment is approved annually by Council as part of the Property Endowment Fund capital budget.

Pacific National Exhibition

In 2004, the City assumed ownership of Pacific National Exhibition (PNE) assets and operations from the Province of British Columbia. The PNE grounds are located in Hastings Park, which also includes the Pacific Coliseum, the Forum, Rollerland and the Garden Auditorium.

In 2013, Council approved a renewed governance model for the PNE and Hastings Park with ongoing governance by the PNE Board. The Board of Directors is appointed by Council and currently consists of one Councillor as Chair, the Park Board General Manager, who serves as Vice-Chair, three other City staff and four outside Directors.

The City has continued the long-standing tradition of providing a destination site for festivals, culture, sport and recreation, including Playland and the annual PNE Fair. In 2010, Council adopted the Hastings Park/PNE Master Plan; it lays out a plan to transform the park and PNE into a greener, year-round destination site.

The PNE's fiscal year is April to March. As such, amounts in the Consolidated Budget reflect the PNE 2017-2018 budget. For 2018, estimated revenues are \$50.9 million from all major programs, including the Fair, Playland, Fright Nights and facility rentals and events. The

revenue budget will increase by \$2.0 million, largely due to Playland and Fair increases offset by a decline in revenues for planned events.

Expenses for 2018 are budgeted at \$50.0 million. This budget comprises \$28.9 million for direct program costs, \$4.6 million for facility maintenance, and \$16.5 million for administration costs, resulting in a budgeted surplus of \$0.9 million. The expense budget will increase by \$1.9 million in direct project and administration costs, mostly from expenses driven by the Fair and Playland.

The budget is approved by the PNE Board. Capital expenditures on facilities and park structures are included in the City's Capital Budget for approval by City Council.

Vancouver Economic Commission

The Vancouver Economic Commission (VEC), an agency of the City, works to strengthen Vancouver's economic future by developing and leading key initiatives to strengthen the business ecosystems of key strategic sectors of the local economy. These strategic sectors are the green economy and sustainability-related sections, technology and innovation, and digital entertainment and interactive media. In addition to working on these key initiatives, the VEC works directly with businesses in these sectors to help them grow, attract investment and develop new markets. With respect to investment attraction and international trade, the VEC is focused on the Asia-Pacific markets, especially China.

The VEC has a strong team of 24 professionals, as well as a number of interns, who provide a variety of services, including research, marketing, communications, events for business engagement, strategic initiatives that enable these sectors, and advocacy on behalf of businesses to all levels of government. Visit www.vancouvereconomic.com for comprehensive information on key services delivered.

The VEC plays an effective role in the local economy by focusing on areas of the economy that help diversify and lessen economic risk and focusing on areas where innovation, creativity and sustainability are key to success. In short, the commission works to position Vancouver as a globally recognized city for innovative, creative and sustainable business.

The VEC's Board of Directors is appointed by Council, with the Mayor serving as board Chair. The commission leverages contributions from other organizations to fund its major initiatives. The City's contribution is approved by Council as part of the annual Operating Budget.

The commission's revenue budget of \$3.2 million is set by the board and includes a \$3.1 million contribution from the City. External sources contribute \$0.1 million toward VEC initiatives. The Vancouver Economic Commission revenue budget will be decreasing by \$0.4 million, reflecting the end of the three-year funding term through the Vancouver Entrepreneur Initiative and other funding sources. The expense budget will be decreasing accordingly by \$0.4 million to create a balanced budget. The funding from the City of Vancouver primarily covers overheads, salaries, rent, marketing and other office costs.

Vancouver Public Housing Corporation

The City of Vancouver, with oversight by the General Manager of Community Services, operates 816 units of social housing across 11 City-owned properties. Of these 816 units, 223 units in four of the properties (Central Residence, Alexander Residence, Barclay Heritage Square and the New Continental Apartments) are accounted for in the Vancouver Public Housing Corporation (VPHC). In late 2017, Roddan Lodge will be decommissioned to allow for the redevelopment of the new Roddan site, which will include 213 units. This site is expected to be completed by 2021.

The VPHC was incorporated in 1975 as a wholly owned not-for-profit subsidiary of the City to facilitate the financing structure for the five properties, which included operating funding from other levels of government. In 2016, the corporation received approximately 30% of its operating revenues as contributions from the provincial government. Its Board of Directors is appointed by Council and consists of the Mayor, three City Councillors, the City Manager, City Solicitor and Director of Finance. Council has delegated authority to the City Solicitor for all routine corporate matters.

VPHC's 2018 budget reflects the ongoing operations for the four properties and closing costs for Roddan within this structure. City funding is approved annually through the City's Operating and Capital budgets, along with the budget for all social housing units managed by Community Services.

For 2018, approximately \$1.1 million in rental income is anticipated to be received through VPHC. This rental income is from tenants residing in the four properties.

In 2018, the City will contribute approximately \$1.0 million in funding toward operating expenses. Approved by Council through the City's Operating Budget, this funding bridges the gap between operating expenses and revenues from tenant rents and the BCHMC.

In addition to tenant rents, VPHC receives approximately \$0.4 million in funding from the BC Housing Management Commission (BCHMC). This is intended to cover operating expenses as defined by BC Housing Management Commission, plus a budgeted contribution to the Replacement Reserve Fund, net of rental and other revenue sources.

The VPHC 2018 revenue budget is decreasing by \$0.7 million compared to 2017, as funding from the BCHMC and rental income are being reduced mainly because of the closure of Roddan Lodge (156 units).

Operating expenses of \$3.2 million consist of staffing costs of \$0.8 million, amortization expenses of \$0.8 million, building and operating costs of \$1.2 million, and \$0.3 million in other expenses. Building and operational costs largely relate to janitorial services, utilities costs and building maintenance. The expense budget is decreasing by \$0.7 million mainly due to lowered expenses arising from the closure of the Roddan Lodge.

Vancouver Affordable Housing Agency

In July 2014, Council created the Vancouver Affordable Housing Agency (VAHA) with the mandate to enable the creation of new affordable housing for a variety of housing types through innovative partnerships with developers, charitable organizations, non-profit organizations, philanthropists and senior levels of government. The addition of VAHA to the City's mix of programs to create affordable housing helps address affordable housing challenges in Vancouver and advances City Council's Housing and Homelessness Strategy.

As an agency of the City, VAHA's budget includes operating funding for staffing, while the City retains ownership of all land and building assets. New assets are budgeted and approved through the City's Capital Budget.

VAHA's mandate is to enable 500 affordable housing units by 2017 and 2,500 units by 2021 through innovative partnerships with non-profit housing partners, developers and senior levels of government.

For 2018, Vancouver Affordable Housing Agency's operating budget is \$1.3 million. This reflects a decrease of \$0.3 million, as the funding added in 2017 to cover additional operating costs was not required, and the agency was able to manage the mandate to deliver 2,500 affordable housing units by 2021 within the original budget forecast when creation of VAHA was approved by Council in 2014. The agency's required capital funding is included in the 2018 Capital Budget.

Other entities

Amounts included in the Consolidated Budget for other entities are for Harbour Park Developments Ltd., The Hastings Institute Inc. and the Vancouver Civic Development Corporation. These entities have no operational activities and are largely inactive, though they are available for use if needed.

- **Harbour Park Developments Ltd.** — Purchased by the City in 1974 to acquire interests in land and water lots adjoining Stanley Park, its Board of Directors is appointed by Council and consists of the Mayor, City Solicitor and Director of Finance. Council has delegated authority to the City Solicitor for all routine corporate matters. Currently this entity has no significant ongoing operations, revenues or expenses.
- **The Hastings Institute Inc.** — Incorporated in 1989 by the City as a wholly owned not-for-profit organization, the institute provides employee training and organizational development services toward effective service delivery in a multicultural community. As this expertise has become widely available through other community-based service providers, the institute became an inactive entity effective January 2015, and the City Manager is the sole appointee to the Board of Directors. It will remain available should its services require delivery again at a later date. Council has delegated authority to the City Solicitor for all routine corporate matters. Currently this entity has no significant ongoing operations, revenues or expenses.

- **Vancouver Civic Development Corporation** — Incorporated in 1978 by the City to sell taxi licences, the entity has been used to facilitate property acquisition in subsequent years. A small amount of revenue is generated from financial investments held in this entity. Its Board of Directors is appointed by Council and consists of the Mayor, two Councillors, City Manager, City Solicitor and Director of Finance. Council has delegated authority to the City Solicitor for all routine corporate matters. In 2018, anticipated revenues are \$0.1 million of interest on outstanding cash balances. Currently this entity has no significant ongoing operations.

Consolidation adjustments

To present the City's budget and annual financial statements as a consolidated entity, with the funds and City entities grouped together, transactions between funds and entities are removed as shown in the Consolidation Adjustments column of the Consolidated Budget Summary table below.

Budget basis of presentation

As required by provincial legislation to prepare balanced budgets and to show all funding sources, the City budgets for its funds on a cash basis to include capital additions, debt transactions and transfers and to exclude depreciation. Upon consolidation, adjustments are made to present the City's budget on an accrual basis consistent with the presentation of the annual financial statements.

Since 2016, the City's Consolidated Budget has been presented in the format of its annual financial statements. Public Sector Accounting Board (PSAB) standards have been followed to include depreciation and to exclude debt transactions and reserve transfers as shown in the 2018 PSAB Adjustments column of the 2018 Consolidated Budget Summary table below. The 2017 Restated Consolidated Budget, 2016 Consolidated Actuals, and projected ending fund balances have been included in the table.

Consolidated gross revenues and expenditures for 2018 before PSAB adjustments were \$1.7 billion, \$16.6 million higher than 2017, mostly due to \$82 million higher in both Revenue Fund revenues and expenditures and \$67 million lower in both Capital Fund revenues and expenditures.

After 2018 PSAB Adjustments, the 2018 Consolidated Net Budget is \$74.8 million. Compared to the 2017 Restated Consolidated Net Budget of \$150.4 million, there is a year-over-year decrease of \$75.6 million. This includes an increase in amortization year over year by \$21 million resulting from the City's increasing capital asset base, an increase in adjustments for capitalized expenditures of \$64 million based on the proposed 2018 capital budget, a change in debt of \$115 million primarily related to \$125 million in debt maturities in 2017 for the Sinking Fund, offset by a change of \$125 million for transfers to/from the Sinking Fund Statutory reserve resulting from the aforementioned \$125 million debt maturity.

Within the consolidated budget, the capital budget is presented on a financial statement basis, and includes \$156 million in revenues that fund capital, such as developer contributions and external funding. The remaining \$270 million of the total 2018 capital budget of \$426 million is funded from funding sources, including \$143 million in transfers from other funds or reserves and \$127 million of debt issue.

A detailed reconciliation of amounts presented in the 2018 Consolidated Budget below, with amounts presented in the annual Consolidated Financial Statements, will be disclosed in a note in the annual Consolidated Financial Statements.

The 2017 Restated Consolidated Budget table and the 2016 Consolidated Actuals table, both with beginning and ending fund balances, have been included for reference.

2018 Consolidated Budget Summary

2018 Consolidated Budget (\$000)	Revenue Fund (1)	Capital Fund (2)	Property Endowment Fund (3)	Capital Financing Fund	Sinking Fund	PNE (4)	Vancouver Economic Comm.	Vancouver Public Housing Corp	Vancouver Affordable Housing Agency	Other Entities (5)	Consolidation Adjustments (6)	2018 Consolidated Budget	2018 PSAB Adjustments (7)	2018 Consolidated Budget (Financial Statement basis)	2017 Restated Consolidated Budget (Financial Statement basis)	Net Change (\$)	Net Change (%)	2016 Actuals (Financial Statement Basis)
Revenues																		
Property taxes	787,444	-	-	-	-	-	-	-	-	-	-	787,444	-	787,444	752,548	34,896	4.6%	720,850
Utility fees	274,455	-	-	-	-	-	-	-	-	-	-	274,455	-	274,455	256,353	18,102	7.1%	242,778
Program fees	62,361	-	1,564	-	-	49,004	-	14	-	-	(1,318)	111,625	-	111,625	106,418	5,207	4.9%	111,256
Licence and development fees	75,117	-	-	-	-	-	-	-	-	-	-	75,117	-	75,117	60,499	14,618	24.2%	73,710
Parking	66,922	-	25,696	-	-	1,868	-	5	-	-	68	94,558	-	94,558	86,813	7,745	8.9%	86,802
Cost Recoveries, grants and donations	50,566	29,007	1,059	-	-	-	3,226	1,403	1,300	-	(5,609)	80,951	-	80,951	102,115	(21,164)	(20.7%)	94,324
Revenue sharing	19,150	-	-	-	-	-	-	-	-	-	-	19,150	-	19,150	21,652	(2,502)	(11.6%)	22,873
Investment income	11,066	-	600	2,063	8,130	-	-	-	-	104	(206)	21,757	-	21,757	23,949	(2,192)	(9.2%)	28,422
Rental, lease and other	36,832	-	22,419	-	-	-	-	1,133	-	-	(5,064)	55,319	-	55,319	53,887	1,432	2.7%	62,853
Bylaw fines	20,929	-	-	-	-	-	-	-	-	-	989	21,918	-	21,918	20,517	1,401	6.8%	20,374
Developer contributions	-	127,020	-	-	-	-	-	-	-	-	-	127,020	-	127,020	167,983	(40,963)	(24.4%)	231,043
Gain (loss) on sale of tangible capital asset:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,119
Gain on sale of Southeast False Creek asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,610
Total Revenues	1,404,843	156,027	51,337	2,063	8,130	50,872	3,226	2,555	1,300	104	(11,141)	1,669,316	-	1,669,316	1,652,734	16,582	1.0%	1,755,014
Expenditures & Transfers																		
Utilities	315,031	3,880	-	-	-	-	-	-	-	-	(31)	318,880	(40,666)	278,214	257,740	20,474	7.9%	264,002
Engineering	93,935	10,640	17,818	-	-	-	-	-	-	-	(2,137)	120,256	15,989	136,245	131,475	4,770	3.6%	197,484
Police Services	307,693	-	-	-	-	-	-	-	-	-	(247)	307,447	11,787	319,234	302,915	16,320	5.4%	297,778
Fire & Rescue Services	132,515	713	-	-	-	-	-	-	-	-	(236)	132,993	3,505	136,497	131,964	4,534	3.4%	119,530
Parks & Recreation	122,806	9,842	643	-	-	49,965	-	-	-	-	(1,322)	181,934	85,500	267,434	253,787	13,648	5.4%	187,424
Library	52,094	-	-	-	-	-	-	-	-	-	-	52,094	372	52,466	51,324	1,142	2.2%	51,402
Community & Cultural Services (8)	72,003	18,806	-	-	-	-	-	3,175	1,300	-	(2,545)	92,738	36,559	129,298	129,176	122	0.1%	101,539
Planning & Development	59,444	1,792	-	-	-	-	-	-	-	-	-	61,236	10,315	71,551	59,617	11,934	20.0%	47,521
General Government & Transfers (9)	249,322	(109,389)	32,876	2,063	8,130	-	3,226	(1,149)	-	104	(4,624)	180,559	23,041	203,600	184,319	19,281	10.5%	172,881
Capital Additions	-	347,083	-	-	-	1,281	-	-	-	-	-	348,364	(348,364)	-	-	-	-	-
Debt Payment/(Issue)	-	(127,340)	-	-	-	(1,281)	-	529	-	-	-	(128,092)	128,092	-	-	-	-	-
Total Expenditures & Transfers	1,404,843	156,027	51,337	2,063	8,130	49,965	3,226	2,555	1,300	104	(11,141)	1,668,409	(73,869)	1,594,540	1,502,316	92,225	6.1%	1,439,561
Net Budget	-	-	-	-	-	\$ 907	-	-	-	-	-	\$ 907	\$ 73,869	\$ 74,775	\$ 150,418	\$ (75,643)	(50.3%)	\$ 315,453
Note: totals may not add due to rounding																		
Projected starting fund balance	26,239	(154,532)	(97,132)	284,933	-	(5,290)	1,194	246	-	11,623	(4,629)	62,652						
Budgeted change during year (10)						907						907						
Projected ending Fund balance	26,239	(154,532)	(97,132)	284,933	-	(4,383)	1,194	246	-	11,623	(4,629)	63,559						

Notes:

- (1) Revenue Fund includes the Operating Budget and the Utility Budget.
- (2) Capital fund includes Capital Budget of \$426.4 million, which comprises \$156 million of developer contributions and cost recoveries, \$143 million of transfers from reserves and other funds, and \$127 million of debt issue.
- (3) Amounts shown are for the Property Endowment Fund (PEF) operating budget only. This schedule categorizes PEF operating expenses as follows: parking operation (EasyPark) expenses are included in Engineering Services, marina operation expenses are included in the Park Board, and property operation expenses are included in General Government. General Government also includes reserve and inter-fund transfers. The PEF capital budget for major capital maintenance and property acquisitions or disposals is approved by Council in camera.
- (4) PNE fiscal year ends March 31. The PNE budget shown above is the PNE 2017-2018 budget.
- (5) Other Entities includes: Harbour Park Developments Ltd., The Hastings Institute Inc., the Vancouver Civic Development Corporation and the Vancouver Economic Commission.
- (6) To present financial information on a consolidated basis, financial transactions between funds or entities are removed.
- (7) Public Sector Accounting Board (PSAB) adjustments include: amortization of tangible capital assets, net of debt payments/issues and reserve transfers, as reported in the annual financial statements.
- (8) Community & Cultural Services includes: Britannia Community Services Centre, Vancouver Civic Theatres, Community Services, and Grants.
- (9) General Government & Transfers includes: Mayor and Council, Corporate Support Services, General Government, and debt and capital from revenue.
- (10) Budgeted changes to individual fund balances are based on the cash basis of budgeting before consolidation.

2017 Restated Consolidated Budget (\$000)	Revenue Fund (1)	Capital Fund (2)	Property Endowment Fund (3)	Capital Financing Fund	Sinking Fund	PNE (4)	Vancouver Economic Comm.	Vancouver Public Housing Corp	Vancouver Affordable Housing Agency	Other Entities (5)	Consolidation Adjustments (6)	2017 Restated Consolidated Budget	2017 PSAB Adjustments (7)	2017 Restated Consolidated Budget (Financial Statement basis)
Revenues														
Property taxes	752,548	-	-	-	-	-	-	-	-	-	-	752,548	-	752,548
Utility fees	256,404	-	-	-	-	-	-	-	-	-	(51)	256,353	-	256,353
Program fees	59,530	-	1,278	-	-	46,850	-	-	-	-	(1,240)	106,418	-	106,418
Licence and development fees	60,499	-	-	-	-	-	-	-	-	-	-	60,499	-	60,499
Parking	59,920	-	24,741	-	-	2,011	-	-	-	-	141	86,813	-	86,813
Cost Recoveries , grants and donations	46,052	55,404	-	-	-	-	3,587	1,604	1,601	-	(6,133)	102,115	-	102,115
Revenue sharing	21,652	-	-	-	-	-	-	-	-	-	-	21,652	-	21,652
Investment income	12,166	-	600	2,848	8,470	-	-	-	-	119	(254)	23,949	-	23,949
Rental, lease and other	34,843	-	23,668	-	-	-	-	1,666	-	-	(6,290)	53,887	-	53,887
Bylaw fines	19,509	-	-	-	-	-	-	-	-	-	1,008	20,517	-	20,517
Developer contributions	-	167,983	-	-	-	-	-	-	-	-	-	167,983	-	167,983
Gain (loss) on sale of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of Southeast False Creek asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,323,123	223,387	50,287	2,848	8,470	48,861	3,587	3,270	1,601	119	(12,819)	1,652,734	-	1,652,734
Expenditures & Transfers														
Utilities	293,791	2,311	-	-	-	-	-	-	-	-	(45)	296,057	(38,317)	257,740
Engineering	85,584	18,109	16,753	-	-	-	-	-	-	-	712	121,158	10,317	131,475
Police Services	290,538	-	-	-	-	-	-	-	-	-	(245)	290,293	12,622	302,915
Fire & Rescue Services	128,590	123	-	-	-	-	-	-	-	-	(213)	128,500	3,464	131,964
Parks & Recreation	119,200	6,174	646	-	-	48,111	-	-	-	-	(1,312)	172,819	80,968	253,787
Library	50,997	-	-	-	-	-	-	-	-	-	-	50,997	327	51,324
Community & Cultural Services (8)	67,874	24,460	-	-	-	-	-	2,958	1,601	-	(2,994)	93,899	35,277	129,176
Planning & Development	48,403	3,150	-	-	-	-	-	-	-	-	-	51,553	8,064	59,617
General Government & Transfers (9)	238,146	(105,208)	32,888	2,848	(116,530)	-	3,587	(199)	-	119	(8,722)	46,929	137,390	184,319
Capital Additions	-	411,201	-	-	-	1,197	-	-	-	-	-	412,398	(412,398)	-
Debt Payment/(Issue)	-	(136,933)	-	-	125,000	(1,197)	-	511	-	-	-	(12,619)	12,619	-
Total Expenditures & Transfers	1,323,123	223,387	50,287	2,848	8,470	48,111	3,587	3,270	1,601	119	(12,819)	1,651,984	(149,668)	1,502,316
Net Budget	-	-	-	-	-	\$ 750	-	-	-	-	-	\$ 750	\$ 149,668	\$ 150,418
Note: totals may not add due to rounding														
Starting fund balance	26,239	(154,532)	(97,132)	284,933	-	(6,040)	1,194	246	-	11,623	(4,629)	61,902		
Budgeted change during year (10)	-	-	-	-	-	750	-	-	-	-	-	750		
Projected ending Fund balance	26,239	(154,532)	(97,132)	284,933	-	(5,290)	1,194	246	-	11,623	(4,629)	62,652		

(1) Revenue Fund includes the Operating Budget and the Utility Budget.

(2) Capital Fund includes the Capital Budget.

(3) Amounts shown are for the Property Endowment Fund (PEF) operating budget only. This schedule categorizes PEF operating expenses as follows: parking operation (EasyPark) expenses are included in Engineering Services, marina operation expenses are included in the Park Board, and property operation expenses are included in General Government. General Government also includes reserve and inter-fund transfers. The PEF capital budget for major capital maintenance and property acquisitions or disposals is approved by Council in camera.

(4) PNE fiscal year ends March 31. The PNE budget shown above is the PNE 2016-2017 budget.

(5) Other Entities includes: Harbour Park Developments Ltd., The Hastings Institute Inc., the Vancouver Civic Development Corporation and the Vancouver Economic Commission.

(6) To present financial information on a consolidated basis, financial transactions between funds or entities are removed.

(7) Public Sector Accounting Board (PSAB) adjustments include: amortization of tangible capital assets, net of debt payments/issues and reserve transfers, as reported in the annual financial statements.

(8) Community & Cultural Services includes: Britannia Community Services Centre, Vancouver Civic Theatres, Community Services, and Grants.

(9) General Government & Transfers includes: Mayor and Council, Corporate Support Services, General Government, and debt and capital from revenue.

(10) Budgeted changes to individual fund balances are based on the cash basis of budgeting before consolidation.

2016 Consolidated Actuals per Financial Statements (\$000)	Revenue Fund (1)	Capital Fund (2)	Property Endowment Fund (3)	Capital Financing Fund	Sinking Fund	PNE (4)	Vancouver Economic Comm.	Vancouver Public Housing Corp	Vancouver Affordable Housing Agency	Other Entities (5)	Consolidation Adjustments (6)	2016 Consolidated Actuals
Revenues												
Property taxes	720,850	-	-	-	-	-	-	-	-	-	-	720,850
Utility fees	242,778	-	-	-	-	-	-	-	-	-	-	242,778
Program fees	65,191	-	1,264	-	-	46,301	-	-	-	-	(1,500)	111,256
Licence and development fees	73,710	-	-	-	-	-	-	-	-	-	-	73,710
Parking	60,583	-	24,362	-	-	1,790	-	-	-	-	67	86,802
Cost Recoveries, grants and donations	65,022	28,841	-	-	-	-	3,666	2,174	-	-	(5,378)	94,324
Revenue sharing	22,873	-	-	-	-	-	-	-	-	-	-	22,873
Investment income	13,200	3,791	1,206	3,004	7,450	-	15	-	-	97	(340)	28,422
Rental, lease and other	37,264	3,306	27,129	-	-	-	-	1,731	-	28	(6,606)	62,853
Bylaw fines	19,339	-	-	-	-	-	-	-	-	-	1,036	20,374
Developer contributions	-	207,043	24,000	-	-	-	-	-	-	-	-	231,043
Gain (loss) on sale of tangible capital assets	-	(6,932)	61,051	-	-	-	-	-	-	-	-	54,119
Gain on sale of Southeast False Creek asset	-	-	-	-	-	-	-	-	-	5,610	-	5,610
Total Revenues	1,320,811	236,049	139,013	3,004	7,450	48,091	3,680	3,904	-	5,734	(12,722)	1,755,015
Expenditures & Transfers												
Utilities	226,308	37,694	-	-	-	-	-	-	-	-	-	264,002
Engineering	87,326	89,976	19,553	-	-	-	-	-	-	-	629	197,484
Police Services	289,267	8,718	-	-	-	-	-	-	-	-	(207)	297,778
Fire & Rescue Services	116,300	3,448	-	-	-	-	-	-	-	-	(218)	119,530
Parks & Recreation	116,088	25,192	707	-	-	46,989	-	-	-	-	(1,553)	187,424
Library	45,748	5,654	-	-	-	-	-	-	-	-	-	51,402
Community & Cultural Services (8)	85,890	13,480	-	-	-	-	-	3,638	877	-	(2,346)	101,539
Planning & Development	46,047	1,474	-	-	-	-	-	-	-	-	-	47,521
General Government (9)	128,799	25,182	22,331	-	-	-	4,040	-	-	2	(7,472)	172,881
SEFC Asset holding costs	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures & Transfers	1,141,771	210,820	42,591	-	-	46,989	4,040	3,638	877	2	(11,167)	1,439,562
Net Budget	179,039	25,229	96,422	3,004	7,450	\$ 1,102	(360)	267	(877)	5,733	(1,555)	\$ 315,453
Note: totals may not add due to rounding												
Starting fund balance	25,983	(126,814)	(108,048)	274,942	-	(8,286)	1,534	(221)	-	11,547	(5,550)	65,087
Change during year	256	(27,718)	10,916	9,991	-	2,246	(340)	467	-	76	921	(3,185)
Ending Fund balance	26,239	(154,532)	(97,132)	284,933	-	(6,040)	1,194	246	-	11,623	(4,629)	61,902

(1) Revenue Fund includes the Operating Budget and the Utility Budget.

(2) Capital Fund includes the Capital Budget.

(3) Amounts shown are for the Property Endowment Fund (PEF) operating budget only. This schedule categorizes PEF operating expenses as follows: parking operation (EasyPark) expenses are included in Engineering Services; marina operation expenses are included in the Park Board; and property operation expenses are included in General Government. General Government also includes reserve and inter-fund transfers. The PEF capital budget for major capital maintenance and property acquisitions or disposals is approved by Council in camera.

(4) PNE fiscal year ends March 31. Actuals for PNE are shown for January to December, consistent with the City's fiscal year.

(5) Other Entities includes: Harbour Park Developments Ltd., The Hastings Institute Inc., the Vancouver Civic Development Corporation and the Vancouver Economic Commission.

(6) To present financial information on a consolidated basis, financial transactions between funds or entities are removed.

(7) Public Sector Accounting Board (PSAB) adjustments include: amortization of tangible capital assets, net of debt payments/issues and reserve transfers, as reported in the annual financial statements.

(8) Community & Cultural Services includes: Britannia Community Services Centre, Vancouver Civic Theatres, Community Services, and Grants.

(9) General Government & Transfers includes: Mayor and Council, Corporate Support Services, General Government, and debt and capital from revenue.

Property Endowment Fund budget

The Property Endowment Fund (PEF) operating budget is approved in conjunction with the City's Operating and Capital budgets. Due to the confidential nature of Property Endowment Fund property transactions, the Property Endowment Fund capital budget is approved by Council in camera (in a closed and private session). Actual results for the fund included in the annual financial statements include operating and capital activity.

The PEF comprises 675 properties. For management purposes, the fund has been grouped into six property categories: (1) non-market housing, (2) market housing, (3) commercial, (4) parking, (5) temporary civic, and (6) vacant land.

The Property Endowment Fund was created by Council as a separate City fund in 1975 to hold strategic land purchases separate from the ongoing City operations. At the time, it was agreed by Council that the Property Endowment Fund "should be regarded as a legacy or an endowment which belongs to all the taxpayers and should be managed for the benefit of future generations."

In 1981, Council provided further guidance on the PEF's purpose, goals and objectives, priorities and strategic sites:

- **Purpose**
 - To preserve and increase the real value of the Property Endowment Fund assets and to increase the fund's ownership of strategic sites.
- **Goals**
 - To manage the Property Endowment Fund assets in such a way as to preserve their real value and generate a reasonable economic return.
 - To support the City's public objectives where it is possible without jeopardizing either the real value of the fund or the reasonable return on its assets.
- **Objectives**
 - The operations of the Property Endowment Fund shall generally be:
 - To manage and develop the fund's holdings in order to generate a reasonable economic return.
 - To buy and sell lands in order to assemble a land inventory that offers the best opportunity to preserve and, where possible, increase the real value of the Property Endowment Fund's assets.
 - To support the City's public objectives.
 - To develop a program to accomplish the conversion of non-strategic holdings to strategic holdings.

- **Priorities**

- In making operating decisions, financial criteria must be met; however, where possible, preference will be given to development, acquisition or disposal opportunities that also meet public criteria.

- **Strategic sites**

- In the context of the Property Endowment Fund, strategic sites shall be defined as sites that possess the best opportunity to achieve either the fund's financial objectives or both its financial and public objectives.

Since 1981, the Property Endowment Fund has remained a separate City fund. Key transactions have been brought forward to Council for approval. Financial operations have been reported publicly as a supplementary schedule to the annual financial statements, but until 2013 no annual budget had been reported.

In February 2013, the first annual Property Endowment Fund operating and capital budgets were brought to Council for approval. Council also approved the establishment of a third-party expert advisory panel to advise staff and Council on all aspects of the Property Endowment Fund's management. The first panel convened in 2014 and signalled an important milestone toward optimizing the fund's management and oversight. Increased management oversight of the Property Endowment Fund has continued in subsequent years.

Recent improvements include new management metrics (vacancy rate, funds from operations) and the establishment of new management practices for core commercial properties within the portfolio. Furthermore, it has been recognized there is a need to measure the social benefit that the fund is creating as a result of its operations. Additional management rigour has also resulted in the completion of a property-by-property strategic review, the commencement of a process to update operational policies, and the development of a short run operational plan. A longer-range plan is being developed with the assistance of outside expertise.

Property Endowment Fund budget summary

The 2018 Property Endowment Fund operating budget includes balanced operating revenues and expenditures and transfers of \$51.3 million, an increase of \$1.1 million (or 2.1%) as compared with the 2017 fund operating budget.

The following summary table and narrative present a breakdown of the 2018 Property Endowment Fund operating budget and outline each major revenue and expense change. The detailed budget table shows the year-over-year impact of changes by revenue and expenditure type.

**City of Vancouver Property Endowment Fund
Operating Budget Summary**

(\$ 000)	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenue from Operations	50,259	51,337	1,079	2.1%
Expenses from Operations	28,386	30,252	1,866	6.6%
Net Revenue before Transfers	21,872	21,085	(787)	-3.6%
Transfers	21,872	21,085	(787)	-3.6%
Net Position	-	-	-	

Note: totals may not add due to rounding

Property Endowment Fund revenues

The proposed 2018 revenue budget is changing from the approved 2017 budget by \$1.1 million in the following areas:

- **Parking (EasyPark)**
 - The budget for parking revenues has increased by \$0.5 million, mainly as a result of equipment changes and physical improvements to a number of EasyPark parkades.
- **Property rentals**
 - Rental revenue is budgeted to increase by \$0.5 million due to the signature of new leases at various locations, including the new space at 1728 East Kent Avenue South.
- **Leases**
 - The budget for lease revenues remains the same as 2017.
- **Other variances**
 - Revenues related to other income and water moorage (Heather Civic Marina) remain relatively similar to the 2017 budgeted amount. Moorage fees at Heather Civic Marina are reviewed annually and adjusted when necessary to reflect anticipated cost increases and market conditions.

Property Endowment Fund expenditures

The proposed 2018 expense budget is changing from the approved 2017 budget by \$1.9 million in the following areas:

- **Parking (EasyPark)**
 - The budget for parking expenses has increased by \$1.1 million to reflect higher EasyPark operating costs, including salary and fringe benefit costs relating to EasyPark staff agreements and increased costs for property taxes, utilities, security, marketing and credit card processing.
- **Other expenses**
 - The budgeted increase in operating expenses of \$0.8 million is mainly due to salary and employee benefit costs, including the allocation of City staff costs for work performed on the Property Endowment Fund portfolio, and increased building occupancy costs, such as electricity and gas expenses.
- **Property rentals**
 - Expenses related to property rentals are similar to the 2017 budgeted amount.
- **Other variances**
 - Expenses related to leases and water moorage (Heather Civic Marina) remain similar to the 2017 budgeted amount.
- **Transfers**
 - The PEF budgets for a limited number of recurring annual transfers. These normally include the annual transfer to the Revenue Fund (City Operating Budget) to support City operations (\$9.0 million for 2018, up from \$7.0 million in 2017) and a transfer to the Property Endowment Fund capital budget, as one of the funding sources for the 2018 capital projects and programs. This transfer to support the PEF capital budget is \$7.5 million for 2018; this is \$0.8 million lower than 2017.
 - Transfers to other funds and reserves, including a net surplus from parking operations to the parking site reserve, are at \$3.9 million, \$2.0 million below 2017 amounts, due to the increase of the transfer to the Revenue Fund.

City of Vancouver Property Endowment Fund
Operating Budget

(\$ 000)	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
<u>Revenues</u>				
Leases	6,156	6,154	(2)	0.0%
Rentals	17,512	18,025	513	2.9%
Parking	24,741	25,258	517	2.1%
Water Moorage	1,250	1,300	50	4.0%
Other Income	600	600	-	0.0%
Revenues	50,259	51,337	1,079	2.1%
<u>Expenditures</u>				
Leases	10	10	-	0.0%
Rentals	5,273	5,232	(41)	-0.8%
Parking	16,753	17,818	1,065	6.4%
Water Moorage	618	643	25	4.0%
Other Expenses	5,732	6,549	817	14.3%
Expenditures	28,386	30,252	1,866	6.6%
Net Revenue before Transfers	21,872	21,085	(787)	-3.6%
<u>Transfers</u>				
Transfer to Revenue Fund	7,000	9,000	2,000	28.6%
Transfer to PEF Capital Budget	8,320	7,533	(787)	-9.5%
Transfers (to)/from Other Fund:	700	700	-	0.0%
Transfers (to)/from Reserves	5,853	3,853	(2,000)	-34.2%
Transfers	21,872	21,085	(787)	-3.6%
Net Position	-	-	-	

Note: totals may not add due to rounding



Part II: Department Service Plans

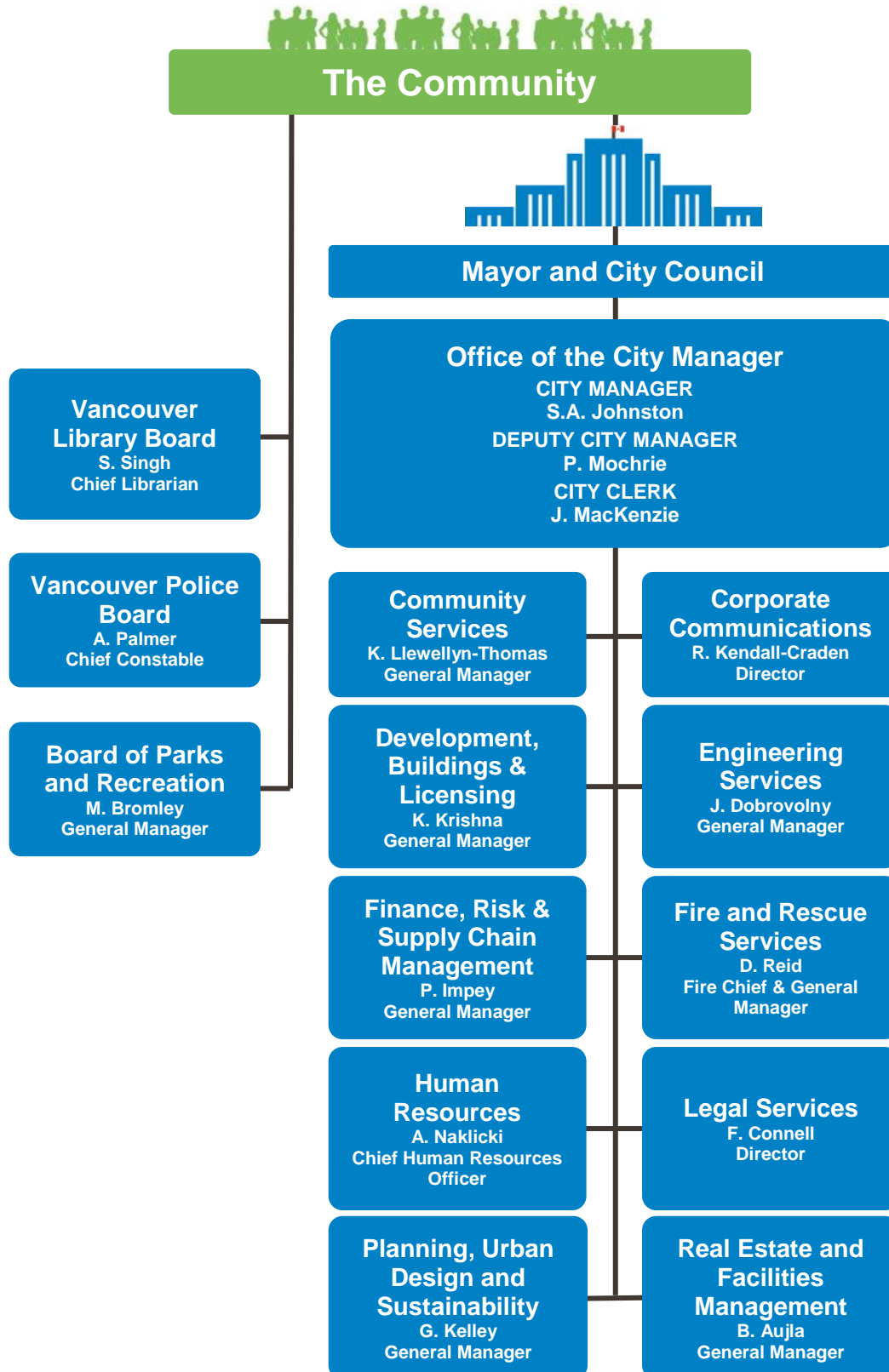
The 2018 Budget and Five-Year Financial Plan continue the strategic practice of aligning financial resources with performance on key service metrics.

Service plans are reported for key public-facing services and Corporate Support Services. These service plans identify major accomplishments in 2017, plans for 2018 and outlooks for 2019-2022. They include an overview of budget information by department required to deliver their 2018 plans and outline notable capital projects, where applicable. In addition, service plans are a key input to the development of the five-year financial plan.

Service plans are a significant aspect of budget transparency, and they represent the City's commitments to itself and the community to measure and be accountable for its decisions and actions over the year. Annual internal reviews of these service commitments are conducted to ensure services are performing as promised and to identify where directional changes may be required.

City of Vancouver Organizational Chart

Below is the organizational chart for the City of Vancouver.



Full-Time Equivalents Table

The summary table below presents full-time equivalents (FTEs) within the City. This includes actual Regular Full-time and Part-time staff as well as Temporary and Auxiliary staff based on hours worked. The values are a weighted average over the year and do not include approved but vacant positions.

City of Vancouver	2016 Actuals	2017 Forecast	2018 Forecast
Department			
Police Services	1,799.6	1,853.2	1,883.2
Library	495.7	503.8	500.6
Fire and Rescue Services & Office of Emergency Management	793.5	811.5	813.5
Parks & Recreation	999.9	1,035.3	1,044.6
Engineering Services			
Engineering Utilities Waterworks	150.2	156.4	161.0
Engineering Utilities Sewers	267.0	270.2	272.5
Engineering Utilities Solid Waste	239.7	208.3	218.9
Engineering Utilities NEU	5.5	6.4	6.4
Engineering Public Works	1,079.0	1,171.0	1,197.8
Planning, Urban Design & Sustainability	123.0	136.1	169.1
Development, Buildings & Licensing	283.8	282.7	301.7
Community Services	290.8	293.1	304.4
Corporate Support	1,147.0	1,171.4	1,229.5
Mayor & Council	24.9	25.1	25.1
Britannia	22.3	25.0	25.0
Total Full-time equivalents (FTE)	7,721.9	7,949.5	8,153.4

Note: Totals may not add due to rounding

Changes in 2018 FTEs are outlined in the highlights section below and reflect increased investments in targeted Council priority areas and filling of outstanding approved vacant positions. Departmental explanation of changes in FTEs are explained in Part II, Department Service Plans.

FTE highlights for 2018

- **Police Services** — Implementation of the first year of the Operational Review recommendations to hire additional police officers and civilian staff.
- **Library** — Increases in staff are attributable to the operating impact of the expansion of public space at Central Library capital project and new investments in Council priorities toward addressing disability and return-to-work initiatives offset by savings through contract negotiations and efficiencies.
- **Fire and Rescue Services** — Increases in resources to maintain more modern firefighting equipment to support Council's focus on public safety.

- **Parks and Recreation** — Increases are attributable to staff to operate new capital projects, such as Killarney Seniors Centre that is set to open in 2018. Staff will be also added to provide support for recreation point-of-sale and registration systems.
- **Engineering Utilities Water Works** — Increases in staff for Capital work for reactive and proactive maintenance work on an aging water infrastructure.
- **Engineering Utilities Sewers** — Increases in staff for Capital Work to improve service levels for sewer connection trouble calls related to the sewer separation and replacement program, and support the City in developing a shore protection program.
- **Engineering Utilities Solid Waste** — Increases in staff at the Vancouver Landfill will support higher volumes of waste handling and improve service levels.
- **Engineering Public Works** — Increases in staff are due to filling of outstanding vacant positions. Additional staff will be required to address the increasing volume and complexity of development and inspection activity and improvements to the permit process; funding for these additional staff positions is supported by increased 2018 permit fee revenue. In addition, new staff will be added to support the activation of public spaces as well as parking operations' parking meter expansion and compliance.
- **Planning, Urban Design and Sustainability** — Increases in staff are to address the increasing volume and complexity of development and inspection activity and improvements to the permit process; funding for these additional staff positions is supported by increased 2018 permit fee revenue. In addition, new staff will be added to complete regulatory reviews and additional policy work to support Council priorities related to employment lands, station area plans and affordable housing.
- **Development, Buildings and Licensing** — Increases in staff are to address the increasing volume and complexity of development and inspection activity and improvements to the permit process; funding for these additional staff positions is supported by increased 2018 permit fee revenue. In addition, new staff will be added to the Licensing area to implement the approved Council direction on the regulation of short-term rental business activity.
- **Community Services (including Vancouver Civic Theatres)** — Increases in staff are to support Council priorities on initiatives addressing housing supply, affordability and critical social issues.

- **Corporate Support** — New staff will be added to ensure that the City’s aging facilities infrastructure be maintained so that it continues to perform well, meets safety and compliance standards, and meets the expanding needs of citizens and businesses. This staff will oversee and perform all electrical work in City buildings and conduct audits of electrical system safety and building system safety (non-electrical). In addition, new staff will be added to provide capacity to complete in-flight and non-discretionary Technology Services capital projects, to support the Corporate Security group with adequate resourcing for front-line security, threat management and security system design, to develop and sustain fire safety programs for all City facilities, and to administer the Empty Homes Tax program.



Vancouver Police Department

Vancouver Police Department

Overview

The Vancouver Police Department (VPD), as governed by the Vancouver Police Board, maintains public safety and upholds the rule of law. Legislated under the BC Police Act, the Vancouver Police Board is the employer of the VPD and is a separate legal entity that provides independent civilian oversight and strategic leadership to the VPD, reflecting the needs, values and diversity of Vancouver’s communities.

The Vancouver Police Department’s 2017-2021 Strategic Plan consists of four priorities focusing on fighting crime, enhancing public safety, engaging our community, and supporting our people. The Strategic Plan provides direction to the VPD in achieving its mission of “partnering with our community for excellence and innovation in public safety” and our vision “to be the safest major city in Canada” while delivering high-quality service to the public.

Key services delivered

- **Police Services** — Respond to calls for service from the public, prevent and investigate crime, and continue to build strong relationships within our community.

Service metrics highlights (2016 vs. 2017F)

Vancouver Police Department



Police Services

85% overall satisfaction with VPD services¹ – residents

77% of residents feel safe¹
(from 75% in 2015)



90% overall satisfaction with VPD services¹ – businesses

63% of businesses feel safe¹ (from 64% in 2015)



average response time of VPD to emergency calls (min:sec)²
(0.5% increase forecast for 2017)

78.5 crimes per 1,000 population
(4.9% decrease forecast for 2017)

(4.9% decrease forecast for 2017)

114.5 Crime Severity Index³ - total

120.1 Crime Severity Index³ - non-violent crimes
(6.6% decrease forecast for 2017)



61.7 property crimes per 1,000 population
(6.6% decrease forecast for 2017)



7.5 violent crimes per 1,000 population
(2.1% increase forecast for 2017)

98.3 Crime Severity Index³ - violent crimes
(2.1% increase forecast for 2017)

Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Measured through the independent VPD annual business/residents survey.

2. Priority 1 calls.

3. The CSI is a measure of the severity and frequency of crimes reported in Vancouver relative to the national scale (base=100).

Service overview

Police Services

The VPD continually seeks ways to become more efficient and effective in its efforts to deliver services that improve safety and quality of life for Vancouver residents, businesses and visitors. Improvements to safety and quality of life are achieved through law enforcement, education and crime prevention.

The VPD, in partnership with the City, works to ensure that Vancouver continues to be one of the safest major cities in Canada and one of the most livable cities in the world.

In 2016, the Vancouver Police Board retained the services of independent consultants and commissioned a comprehensive VPD Operational Review. The project involved extensive data analysis as well as consultation with external and internal VPD stakeholders. The goal of the Operational Review was to maximize the effectiveness of the VPD's public safety and crime prevention efforts while allowing the VPD to properly respond to emerging issues and challenges.

The Operational Review was completed in 2017 and addressed service gaps and organizational needs by maximizing, prioritizing and realigning the use of existing resources and positions as well as by determining the long-term staffing and resource requirements. The recommendations support an increase of 120 police officers, 52 civilian members, and the related resources over the next five years to ensure public safety and to achieve the priorities of the VPD's 2017-2021 Strategic Plan.

Fight crime

Top accomplishments in 2017

- Created dedicated project teams to monitor the activity of, and to proactively target, identified organized crime group members.
- Dedicated resources specifically aimed to suppress gang-related violence.
- Improved surveillance of chronic offenders, ensuring that the highest risk chronic offenders are investigated immediately upon their release from custody.
- Engaged in multiple short-term investigations targeting theft-from-auto offences and those individuals responsible for the movement of stolen goods.
- Launched predictive policing for residential break and enters.

Plans for 2018

- Interrupt gang activity by continuing with programs such as BarWatch and Restaurant Watch.
- Use real-time intelligence to interdict and prevent violent offences such as shootings, assaults, drug robberies, home invasions, kidnappings and murders.

- Continue to make asset referrals to the Province of BC's Civil Forfeiture Office from investigations conducted by the VPD.
- Continue to work with the City's staff to develop amendments to building permits and licences to regulate the installation of crime prevention security measures.
- Implement new public awareness prevention strategies to combat property crime.

Enhance public safety

Top accomplishments in 2017

- Conducted major investigations targeting high-level drug dealers selling fentanyl in Vancouver.
- Trained police officers to use naloxone, which is used on people who have overdosed from opioid use.
- Developed a position paper advocating treatment on demand for opioid users.
- Assisted with the establishment of a new Community Policing Centre that will be opening in the Strathcona neighbourhood.
- Undertook numerous road safety projects throughout the year.

Plans for 2018

- Ongoing focus on street disorder and monitoring neighbourhoods with legal vending sites for compliance.
- Ongoing targeted enforcement to improve pedestrian and cyclist safety.
- Combat the opioid crisis by working with the City and its health partners to educate people and prevent overdose deaths, and continue to focus investigative efforts on the traffickers of opioids.
- Implement the provincial rollout of the electronic ticketing (e-ticketing) program to streamline tickets issued for traffic violations.
- Continue to assist the City with its efforts to end homelessness by working with BC Housing and not-for-profit organizations to keep single room occupancy (SRO) buildings, and social and supportive housing (SSH) sites safe and secure.
- Work in partnership with Vancouver Coastal Health, Providence Health Care, the City, the Vancouver Police Foundation, and Streethome to open a new centre at St. Paul's Hospital called the Hub, which aims to provide faster acute care for patients living with addiction and mental health issues, and to connect them with medical and social resources after being discharged from the emergency room.

Engage our community

Top accomplishments in 2017

- Provided one-on-one guidance to vulnerable and marginalized women on how to use essential community and social services such as obtaining identification and navigating the criminal justice system.
- Delivered Indigenous Cultural Competency training to partner agencies such as the Justice Institute of BC and Directions Youth Services.
- Delivered community safety fairs and presentations for the elderly, covering topics such as personal, pedestrian, apartment and online safety as well as elder abuse.
- Implemented new peer-to-peer youth mental wellness programs in secondary schools.
- Continued to promote awareness of the LGBTQ2S+ community with programs such as Safe Place, and the *Walk With Me* video translated in different languages.

Plans for 2018

- Continue participating in Indigenous cultural and community events such as the annual Pulling Together Canoe Journey — a tribal canoe journey and traditional canoe wakening ceremony — and National Indigenous Peoples Day.
- Continue working with community partners to strengthen mental health programs and processes, and to address gaps in the delivery of services.
- Deter gang involvement through initiatives for at-risk youth that combine community, arts and/or culture.
- Expand the understanding of and improve existing relationships with the LGBTQ2s+ community.

Support our people

Top accomplishments in 2017

- Increased promotion of the VPD's Wellness Program and health services.
- Enhanced respectful work environment training throughout the VPD.
- Implemented Critical Incident Stress Management for civilian employees.

Plans for 2018

- Develop new programs that continue to support and foster employee wellness.
- Continue to deliver the Road to Mental Readiness training, which is a program that delivers information and awareness about mental health issues, to all VPD employees.

Looking ahead, 2019-2022

Being mindful of the emerging challenges and increasing complexity in the community and policing, the 2017-2021 Strategic Plan and the implementation of the recommendations from the Operational Review over the next five years will address pressures and challenges. Examples include:

- **Mental health support** — Mental health support will continue to be a significant driver of police workload, as police will be taking a more pivotal role in assisting persons living with mental health issues.
- **Emerging global trends** — Global extremism places a further strain on VPD resources, requiring vigilance and proactive policing measures to reduce the likelihood of potentially serious events and threats.
- **Responding to evolving standards** — Investigative standards will continue to evolve, placing significant demand on policing resources. Additionally, increasing disclosure requirements have increased the amount of time required to conclude files. This includes the time required to prepare documents required by Crown counsel.
- **Responding to changing technologies** — Technological advances present increasing demand for advanced equipment and policing resources due to the rapid increase in the use of smartphones, video surveillance and social media. Body-worn cameras are an evolving issue, and the VPD is awaiting provincial direction on this matter.
- **Other agencies** — Decisions by other levels of government, courts, coroner's inquests and commissions of inquiry can all have significant effects on how the VPD uses its resources.
- **Marijuana legalization** — The new amendments to the Criminal Code that deal with offences and procedures relating to drug-impaired driving will impact policing efforts. Changes include measures to detect and deter drug-impaired driving by providing training for front-line officers, building law enforcement capacity across the country, access to drug screening devices, developing policy, and raising public awareness about the dangers of drug-impaired driving.

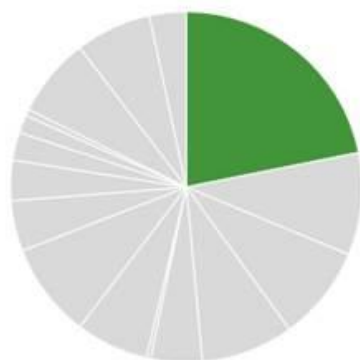
The VPD will also continue working with the City of Vancouver to identify a suitable location for a purpose-built, centralized police headquarters.

2018 Budget

Five-year budget trend and year-over-year budget changes 2017 vs. 2018

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Program fees							
Other department program fees	1,354	1,354	1,354	1,454	1,604	150	10.3%
Total Program fees	1,354	1,354	1,354	1,454	1,604	150	10.3%
Parking revenue							
Other parking revenue	155	155	155	155	155	-	-
Total Parking revenue	155	155	155	155	155	-	-
Cost recoveries, grants and donations							
Police Services recoveries, grants and donations	12,136	14,285	13,668	15,591	21,027	5,437	34.9%
Total Cost recoveries, grants and donations	12,136	14,285	13,668	15,591	21,027	5,437	34.9%
Rental, lease and other							
Police Services revenue	207	207	207	207	207	-	-
Total Rental, lease and other	207	207	207	207	207	-	-
Total Revenues	\$ 13,852	\$ 16,001	\$ 15,384	\$ 17,406	\$ 22,993	\$ 5,587	32.1%
Expenditures & Transfers							
Police Services							
Patrol	116,950	128,346	128,950	143,003	147,870	4,867	3.4%
Investigations	68,161	73,784	73,852	79,581	84,885	5,305	6.7%
Operational Services	38,396	36,896	36,827	34,337	38,501	4,164	12.1%
Administration	11,367	12,270	12,437	11,345	12,219	874	7.7%
E-Comm allocation	-	15,395	15,781	16,101	16,492	392	2.4%
Shared support services	-	7,087	7,253	6,327	6,668	342	5.4%
Transfers to / (from) reserves & other funds	-	(187)	(187)	(154)	1,057	1,211	-784.8%
Total Police Services	234,873	273,591	274,913	290,538	307,693	17,155	5.9%
Total Expenditures & Transfers	\$ 234,873	\$ 273,591	\$ 274,913	\$ 290,538	\$ 307,693	\$ 17,155	5.9%
Net Operating Budget	\$ (221,021)	\$ (257,590)	\$ (259,530)	\$ (273,132)	\$ (284,700)	\$ (11,569)	4.2%
Capital Budget (\$ million)	\$ 0.3	\$ 0.1	\$ -	\$ -	\$ 0.2		

Note: Totals may not add due to rounding



Vancouver Police Department
 makes up 22% of the 2018 Operating Budget

Explanation of changes 2017 vs. 2018 — recoveries

The 2018 increase in recoveries reflects budget adjustments to match more closely with the 2017 actual recoveries within Patrol, Investigations and Operational Services as well as an increase in the number of secondments working on specific joint force operations. These increases are fully offset by a corresponding increase in the total expenditure budget, resulting in a net zero impact on the budget.

Explanation of changes 2017 vs. 2018 — expenditures and transfers

As a result of the adjustments to recoveries mentioned above, the correlating operating expenses within Patrol, Investigations, and Operational Services were also adjusted by \$5.6 million. In addition, of the total year-over-year change, approximately \$6.6 million is attributed to the Vancouver Police Union's Collective Agreement wage increases, step increments, and benefits, which is reflected in all areas including Administration, which includes police officers who work in supportive functions. The VPD's 2016 to 2018 budget does not include any provision for wage adjustments related to the Teamster's collective agreement, which expired on December 31, 2015. The 2018 budget also includes an increase of approximately \$3.3 million (1.2%) related to the Operational Review, as outlined in the table below.

Operational Review (\$000)		2018
Patrol		2,188
Investigations		474
Operational Services		86
Administration		39
Total Operating Expenses		2,788
Information Technology		111
Fleet		306
Radios and MDT		52
Total Capital Expenses		469
Total Operational Review		3,256
Drug Containment Facility - Capital Budget		2018
REFM - Renovation and facility		500
VPD managed - Outfitting and equipment		200
Total Drug Containment Facility		700

The 2018 budget includes an increase of \$3.3 million to commence implementation of the Operational Review recommendations to hire and outfit an additional 30 police officers and 10 civilian staff. Of the \$3.3 million, \$0.5 million is the capital component for investments in additional police vehicles, computer systems and radios.

Additionally, another \$0.7 million is the capital investment to design, renovate and equip a drug containment facility to allow for the safe and proper handling and the processing of drug exhibits that may be contaminated by fentanyl and/or other suspicious substances.

Notable capital projects

The VPD's major capital project in 2018 will be the construction of the drug containment facility. While only \$0.2 million for the specialized equipment is shown as being directly attributable to the VPD, other capital investments attributable to the VPD are managed by other City departments, such as Real Estate Facilities Management, Engineering Services, and Technology Services, and are included in their departmental capital budgets.

Employee trend table

Police Services	2013	2014	2015	2016	2017F
Regular Full-time Staff	1,793.0	1,776.0	1,770.2	1,779.5	1,824.9
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	1,827.3	1,813.3	1,808.8	1,799.6	1,853.2

*excluding overtime

Regular full-time (RFT) staff numbers represent an average head count of all regular full-time sworn officers and civilian staff during the year. This figure includes recruits who have not yet graduated from the Police Academy and are not yet on active duty. It also includes fully cost-recoverable sworn secondments working in joint force operations with other police agencies. The increase in RFT head count between 2016 and 2017 reflects an increase in the number of police recruits hired, as a result of vacancies, retirements and additional members on secondment.

In addition to RFT staff, the all-staff full-time equivalents (FTE) include the auxiliary pool of Community Safety Officers, Traffic Authority personnel and Jail Guards. The increase in FTE is due to the increased hours worked by this auxiliary pool.



Vancouver Public Library

Vancouver Public Library

Overview

The Vancouver Public Library (VPL) operates as a separate legal entity from other City of Vancouver services and is legislated under the provincial *Library Act*. The *Library Act* outlines the roles and responsibilities of the Vancouver Public Library Board, including governance and financial management requirements. The Library Board is made up of 13 members, known as trustees, who are appointed by Vancouver City Council. Ten of the trustees are volunteer members of the general public, and three are elected officials. The Library Board is responsible for developing library policy and service strategy, providing financial oversight and working with the chief librarian to oversee the provision of services.

Public libraries are dedicated to ensuring all community members — regardless of economic situation and social or other life circumstances — have free access to the information, knowledge and cultural expression that can enrich their lives and have opportunities to create and share ideas and information. These ideas and information may be expressed through books, journal articles, websites, lectures, film, music or dialogue, and they may be presented through physical, interpersonal or digital platforms.

VPL is the seventh-largest public library system in Canada. Collections, programs and technology are offered at 21 locations, including the Central Library and an extensive virtual library. Required by provincial legislation to provide services without any user fees, VPL is accessible to all Vancouver residents.

VPL's 2020 Strategic Plan identifies the following key priority areas:

- Learning, creativity and innovation
 - Supporting lifelong learning in the 21st century
 - Collecting and showcasing local content

- Access and equity
 - Ensuring inclusive patron-centred experiences
 - Refurbishing and redeveloping public spaces
- Sharing and collaboration
 - Supporting community connections and civic dialogue
 - Exploring how the library can leverage its sharing infrastructure
- Organizational strength
 - Supporting and developing staff and nurturing a culture of innovation
 - Communicating about our services and demonstrating impact

These priority areas direct the focus for programming and service development over the next two years.

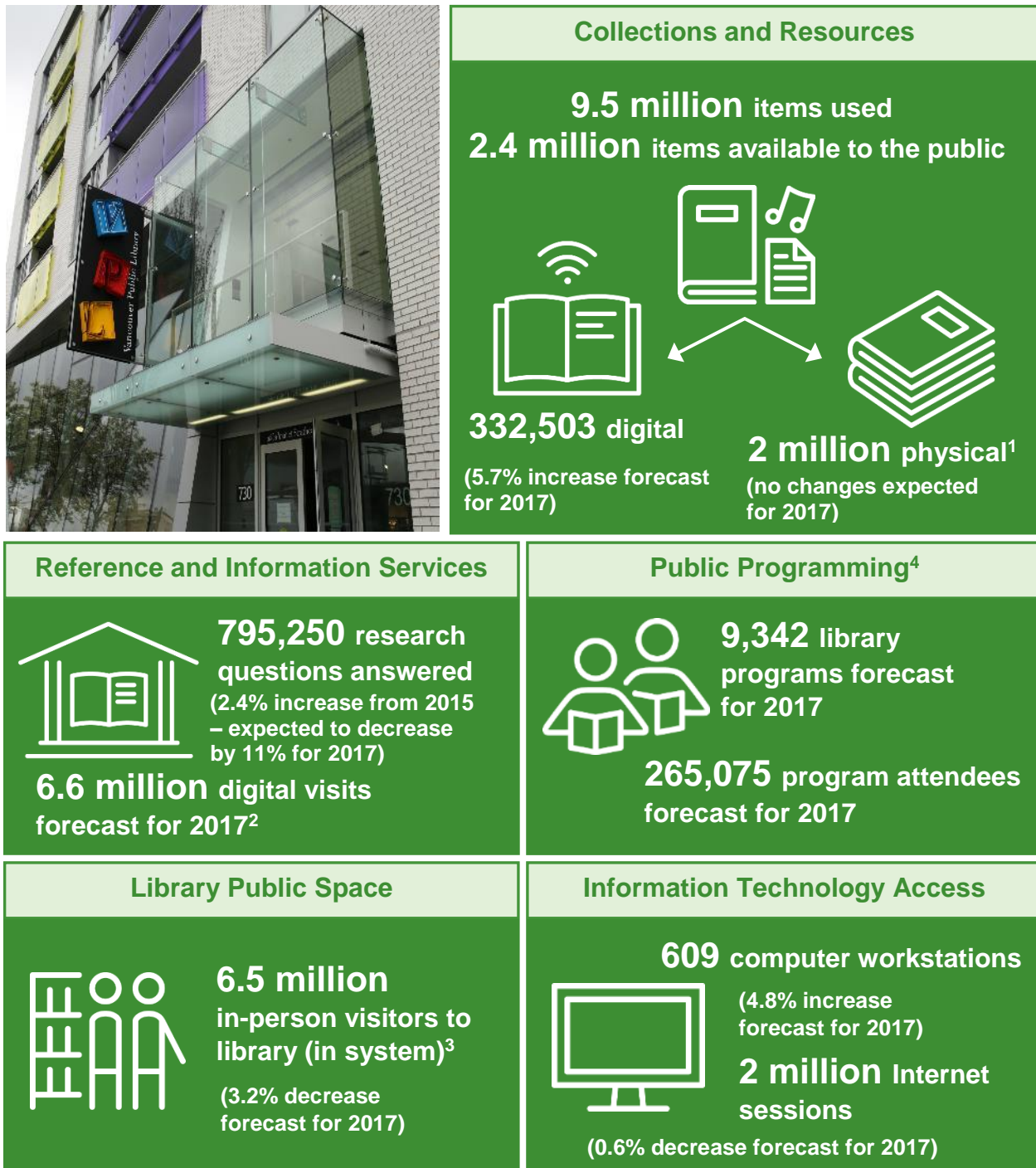
Key services delivered

- **Collections and resources** — Providing access to physical and digital collections, such as books, music, online learning, film, television shows, newspapers and journals in multiple languages. Collecting these materials and managing them for the public.
- **Reference and information services** — Answering research and information questions for residents in person and by phone, email and chat. Developing and supporting the VPL's digital branch (website).
- **Library public space** — Providing individual reading and study areas, group study and collaboration areas, and multi-purpose rooms for free public use, library programs and rental.
- **Information technology access** — Providing free public access to computers, software and the Internet, including Wi-Fi.
- **Public programming** — Supporting lifelong learning, reading, cultural exchange and appreciation, and community connectedness. Providing programs for early childhood literacy as well as information and digital literacy for different ages and demographics.

The Library's commitment to reconciliation, arising from the *Truth and Reconciliation Commission: Calls to Action*, directed a number of initiatives in 2017 — including extensive staff training and public programming — and will continue to inform initiatives and service development moving forward.

Service metrics highlights (2016 vs. 2017F)

Vancouver Public Library



Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Including print and audio-visual items.

2. The 2017 forecast figure is not comparable to previous years due to a change in the counting methodology of VPL's ebook app provider.

3. Impacted by the flood at the Central Library and closure of the Strathcona branch.

4. The 2017 forecast figures are not comparable to previous years due to a change in methodology for counting programs.

Service overview

Collections and resources

VPL's public collections consist of diverse formats, including physical items (e.g., books, CDs, DVDs), web-based digital collections (e.g., ebooks, e-audiobooks, streaming music, digital journal collections, web-based reference resources), digital learning suites (e.g., online language learning, Lynda.com) and locally created collections related to Vancouver heritage and culture. To support the multilingual community, VPL collects physical materials in 17 languages.

Top accomplishments in 2017

- **Local indie authors** — VPL is committed to promoting local books that might not be available through traditional channels, both to increase exposure for local writers and to increase the selection for local readers. To accomplish this, VPL launched its Vancouver Indie Authors Collection, creating easier ways for local independently published authors to submit their work to the library for inclusion in the library's collection.
- **Women's Memorial March quilt** — A new online gallery shares the Women's Memorial Quilt, a tapestry of over 120 panels remembering the murdered and missing women of Vancouver's Downtown Eastside. VPL worked with the quilt's creator over several months to carefully photograph each of the hand-sewn and hand-decorated panels for the online exhibit *Remembering our DTES Women: Stories Behind the Women's Memorial Quilt* housed in VPL's digital repository, *This Vancouver*.
- **Story City** — As part of VPL's Canada 150+ contribution, the library has been working with community groups and members across the city to collect stories of migration. This online collection of more than 400 Vancouverites' stories is available in VPL's online exhibit, *This Vancouver*.

Plans for 2018

- **Indigenous materials** — Indigenous collections are available at six VPL branches. In 2018, VPL will expand materials at all locations to increase access to Indigenous voices, history and culture.
- **Improved collections in diverse languages** — VPL will review use of materials in languages other than English and will consult with community members to identify opportunities to better meet their needs, beginning a revitalization of the collections in Vancouver's many languages.
- **Local voices** — With additional publicity, the Vancouver Indie Authors Collection will continue to expand to more VPL locations, and staff will work with community members to share new local stories in *This Vancouver* and *Story City*.
- **Digital collections** — VPL will explore options for more digital collections of the most popular content, including streaming movies, TV shows and learning tools.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

- **Local music collection** — Develop a platform to collect, showcase and preserve the multiculturalism and diversity of Vancouver’s musicians.

Reference and information services

VPL’s reference and information services include the provision of in-person, email and web-based research assistance to the general public. Specialized or more in depth research, including specialized business research, is provided through the fee-based InfoAction. Support for newcomers is provided through the Skilled Immigrant InfoCentre.

Top accomplishments in 2017

- **New vpl.ca** — With more than 6 million visitors a year, VPL’s website offers residents access to library services and collections from anywhere in the world. In 2017, after extensive consultation and usability testing, VPL launched a new, friendly website with a responsive design that is compatible with smartphones, tablets, laptops and desktops. Additionally, it provides new content to answer visitors’ most frequent questions and research needs. Post-launch, users commented on the website’s improved organization, visual design and search functions.
- **Single service desk in branches** — VPL implemented new single service desks in four branches, enabling branch users to more easily find help. Work to implement single service desks in branches will continue over the next few years.
- **Library and Archives Canada @VPL** — VPL has welcomed our national library into its service space. Temporarily located on Level 6 of the Central Library, Library and Archives Canada (LAC) will share a research presence with VPL’s Special Collections and, later in 2020, with City of Vancouver Archives.

Plans for 2018

- **Branch service model** — In 2018, VPL will launch a new service model in branches to enable seamless service when patrons are in need of staff assistance.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

- **Central Library service model review** — The existing information services model was implemented at the Central Library in 2013. The model provides a service experience that blends traditional services offered via reference desks with mobile technology that delivers location-based services. In 2019, VPL staff will review the Central Library service model in light of ongoing changes in patron expectations and use.
- **City of Vancouver Archives** — VPL will welcome the City of Vancouver Archives into the Central Library in early 2020.

Library public space

Residents use library spaces for various reasons: pick up and drop off materials identified through online browsing, browse and use the collections in person, study and work individually and in groups, attend programs, access the Internet, and simply enjoy unique, quiet spaces. For many families, and those living in smaller residential spaces, the public library serves as living room, study and gathering space. With no user or access fees, spaces are designed to be comfortable and welcoming. The VPL works diligently to ensure a safe and inclusive environment for all to use.

Library visits are expected to remain stable over time or decrease slightly as in-person visits for the sole purpose of picking up holds or other materials are replaced with digital collections use. All library branches regularly reach capacity of space use — notably on weekends, when demand is high and seating is limited. In order to resolve space-use capacity challenges, VPL is working on new ways to measure space use that will consequently inform better, more responsive ways to design library spaces in the future. Current space-use metrics (number of in-person visits) do not provide a full account of actual library use or space-use saturation.

Top accomplishments in 2017

- **Expansion of public space at Central Library** — Construction is underway for the creation of new public spaces on Levels 8 and 9 of the Central Library.
- **néca?mat ct Strathcona Branch Library** — VPL opened the first full-service branch to serve Vancouver’s oldest neighbourhoods: Strathcona, Chinatown and Downtown Eastside. With 11,000 square feet, the new branch offers community meeting rooms, public Internet computers, a large borrowing collection and the Bud Osborn Creation Space, which features small recording studios and creative digital software.
- **Art in the community** — Funded by the Friends of VPL, Vancouver artist Lisa g Nielsen created a digital artwork for the new néca?mat ct Strathcona Branch Library; the work explores what the word *néca?mat ct* means for community members. Award-winning East Vancouver artist Erica Stocking created a public art piece for the branch. Her cast bronze door now highlights the branch’s main entrance, presenting the animals that have traditionally made the neighbourhood their home.

Plans for 2018

Redeveloping the Central Library

- The top two floors of the Central Library building are on schedule to open in the spring of 2018, offering new services and program opportunities to the community. New spaces will include a gallery, a theatre, a quiet reading room, community meeting rooms, two outdoor patios and a garden.
- Planning to accommodate the City of Vancouver Archives on Level 7 of the Central Library is well underway and will continue in 2018.

- After 22 years of use, many spaces at the Central Library need to be updated to meet the priorities and needs of our current communities. With the financial support of the VPL Foundation, VPL will start planning for the revitalization of the Children’s Library, the main entry level and the third floor.

Redeveloping branches

- VPL is looking forward to working with City partners to plan for the redevelopment of the Marpole Library.
- VPL staff will continue to work with City staff on planning for the redevelopment of the Britannia Branch.
- VPL staff will participate in the planning for the new Oakridge Civic Centre, which will include a redeveloped Oakridge Branch Library.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

- Relocate the Vancouver Archives to the Central Library.
- Redevelop the Oakridge Branch Library in the new Oakridge Municipal Town Centre in conjunction with the Marpole Branch.

Information technology access

Public libraries are an important point of service access for vulnerable and low-income residents, offering access to computers, Internet resources and software such as Microsoft Office. VPL’s Wi-Fi use continued to grow in 2017, but it is expected to decrease in 2018 as the number of free, city-wide #VanWi-Fi locations continues to grow.

To supplement the technology VPL makes available for public use, the library also offers computer and digital literacy instruction. New technology users, particularly families and students, are the predominant consumers of these services, and they will be the focus of future efforts. Given the growing abundance and complexity of digital information, the need to help the public recognize reliable information is more important than ever. At the same time, with the launch of the Inspiration Lab, the library has expanded into technology training that supports Vancouver’s digital creative opportunities. Supported by partnerships and experts from the community, the library is teaching audio editing, self-publishing, digitization and design tools.

In combination, access and training services ensure all residents have the potential to build the knowledge, skills and abilities required to fully participate in the digital world.

Top accomplishments in 2017

- **Bud Osborn Creation Space** — The new náca?mat ct Strathcona Branch Library opened with a new creative digital media lab. Its two small recording booths and a range of creative digital software enable this highly talented community to share its many stories and experiences.

- **Wi-Fi upgrade** — VPL completed its Wi-Fi upgrade in early 2017. Replacement of the original 2007 Wi-Fi network has resulted in more reliable Wi-Fi service for library visitors and for the Information Services staff at the Central Library who rely on the Wi-Fi network to provide mobile public reference services.
- **Digital signage** — With a private donation, VPL implemented digital signage at Central Library, Renfrew, Oakridge, Kitsilano and Britannia branches to promote library programs and services.

Plans for 2018

- **MS Office for the public** — Offer the well-known MS Office suite of products on public computers to replace LibreOffice, an open source product that is less familiar to the general public.
- **Internet access extension** — Extend the length of user sessions on public computers with Internet access as demand changes and those who most need library access seek more time for their activities.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

- **Library catalogue** — Assess the ability of current catalogue software to meet current and future needs.
- **Emergency preparedness** — Assess disaster preparedness and business recovery operations for the IT infrastructure.
- **Digital creation** — Expand access to digital creation opportunities at locations around the city.

Public programming

Library programming targets a wide range of outcomes: general awareness, cultural appreciation, community-building and social connectedness, and multiple facets of literacy skills development. There is also a range of programming types: early literacy skills programming for caregivers and children; computer, digital and research training for all ages; author readings and book clubs; social issue dialogue programs; Writer-in-Residence and Aboriginal Storyteller-in-Residence programs; and many more. As well, VPL continues working with more than 400 community groups to support delivery and sharing of their own programming and expertise in library spaces and to bring library services to their clients.

Top accomplishments in 2017

- **New digital literacy curriculum** — Having the ability to understand the digital world and engage in it is vital for everyday life. In 2017, VPL launched a new Digital Essentials curriculum based on the skills people need to participate in today's digital world. The series covers a wide range of topics and is intended to bridge residents from the basics of using a computer or mobile device, to creating their own website or accessing and making use of the massive quantities of open data available online.
- **The Reading Tree** — While there are many new digital literacies to master today, the fundamental literacy of reading remains the foundation of all other skills and opportunities. VPL's children's libraries reach thousands of families each year through direct programming, but we cannot reach everyone ourselves. VPL published *The Reading Tree*, a picture book for caregivers and their children with an instructional manual that teaches caregivers how to maximize their children's chances of building strong reading skills. Endorsed by Vancouver Coastal Health, this book is being distributed by children's librarians, settlement workers, doctors and other professionals who are involved in ensuring that all children in Vancouver get a strong start in life.

Plans for 2018

- **Vancouver Stories** — Create an exciting new programmatic offering that will explore how stories create our identities and communities — how we create them, share them, preserve them, transform them and save them — with the opening of Level 8 at the Central Library.
- **The Junos** — Host activities in celebration of the Junos in the spring.
- **Reconciliation** — VPL has entered into a partnership with the Canadian Commission for UNESCO to host public screenings of NFB films directed by Indigenous filmmakers that serve as an entry point to explore different aspects of reconciliation. These films may also facilitate meaningful conversations between Indigenous and non-Indigenous peoples while informing and educating the general public about the realities and aspirations of First Nations, Inuit and Métis peoples.
- **Digital literacy** — Implement a full year of the library's new digital literacy curriculum along with the expansion of this program into Mandarin. Consider plans to explore translation into other languages in the future.

Looking ahead, 2019-2022

VPL public programming will continue to align with library strategic priorities and issues that are important to the city and its residents. Activities already planned for the 2019-2022 period include:

- Extend creative suite digital training to the branches.
- Develop more programs that offer residents a chance to meet and discuss issues of importance to the city.

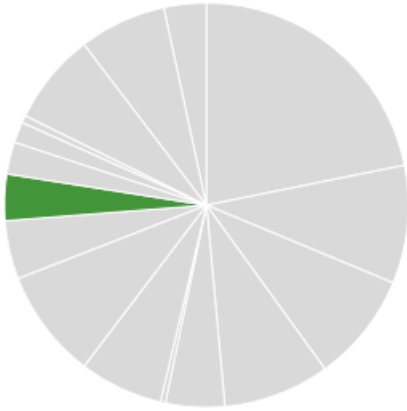
- Continue our focus on supporting pre-literacy and literacy skills development for young children.
- Continue our commitment to reconciliation and trans* inclusion and to programming related to the launch of a local music platform.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Program fees							
Library program fees							
Fines & penalties	989	922	899	814	791	(23)	-2.8%
Other library revenue	342	375	409	415	455	39	9.5%
Total Library program fees	1,331	1,298	1,308	1,230	1,246	16	1.3%
Total Program fees	1,331	1,298	1,308	1,230	1,246	16	1.3%
Cost recoveries, grants and donations							
Library recoveries, grants and donations	1,919	2,449	2,383	2,407	2,488	81	3.4%
Total Cost recoveries, grants and donations	1,919	2,449	2,383	2,407	2,488	81	3.4%
Rental, lease and other							
Other department Revenue	1,172	1,265	1,243	1,240	1,198	(42)	-3.4%
Total Rental, lease and other	1,172	1,265	1,243	1,240	1,198	(42)	-3.4%
Total Revenues	\$ 4,423	\$ 5,012	\$ 4,934	\$ 4,877	\$ 4,932	\$ 56	1.1%
Expenditures & Transfers							
Library							
Public Services	38,172	39,378	39,926	42,810	43,379	569	1.3%
Administrative Services	5,759	5,869	5,788	6,226	6,725	499	8.0%
Shared support services	-	2,462	2,433	1,915	1,952	37	1.9%
Transfers to / (from) reserves & other funds	76	76	75	46	39	(7)	-16.1%
Total Library	44,006	47,786	48,222	50,997	52,094	1,097	2.2%
Total Expenditures & Transfers	\$ 44,006	\$ 47,786	\$ 48,222	\$ 50,997	\$ 52,094	\$ 1,097	2.2%
Net Operating Budget	\$ (39,584)	\$ (42,774)	\$ (43,288)	\$ (46,121)	\$ (47,162)	\$ (1,042)	2.3%
Capital Budget (\$ million)	\$ 4.7	\$ 6.9	\$ 11.3	\$ 5.4	\$ 1.6		

Note: Totals may not add due to rounding



Vancouver Public Library makes up 4% of the 2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

- With an increased shift to digital media, library fines continue to decrease. The 2018 budget has been adjusted to reflect lower revenues in 2017.
- Revenue from recoveries has increased to reflect higher wages and security costs.
- Reduction in Other revenues relates to a corresponding reduction in project expenses.

Explanation of changes 2018 vs. 2017 — expenditures and transfers

- The increase to the library budget reflects the negotiated wage increase as well as additional staff and security guards to support the expansion of public space in Central Library.
- Increase relating to a Living Wage adjustment for security guards.
- Savings achieved through contract negotiations and efficiencies.

Notable capital projects

Project Name (\$ millions)	Total Project Budget ²	Forecast 2017 Expenditure	2018 Annual Expenditure Budget	Future Years
Central Library Level 8 and 9 Expansion ¹	15.8	7.8	6.8	-
Archives pre-move project	4.0	0.8	1.5	2.4

¹included in REFM department budget.

²Expenditure may not sum to total project budget due to rounding or prior years expenditure.

- **Central Library expansion** — Expansion of public space in Central Library will add over 35,000 square feet of both interior and outdoor space. This expansion includes the creation of a two-storey public atrium, a silent reading gallery, community-use spaces, a public rooftop garden, spacious public terraces at each end of the building and inviting spaces for reflection, learning, gathering and cultural exchange.

- **Archives pre-move project** — Preparatory work will continue at the Central Library to accommodate the Archives and to allow for construction to begin on Level 7.

Employee trend table

Library	2013	2014	2015	2016	2017F
Regular Full-time Staff	369.0	367.0	367.3	370.9	381.0
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	490.8	499.4	496.9	495.7	503.8

*excluding overtime

Full-time equivalents count increased between 2016 and 2017 due to the opening of the néca?mat ct Strathcona Branch Library.



Vancouver Fire and Rescue Services and Office of Emergency Management

Vancouver Fire and Rescue Services and Office of Emergency Management

Overview

In the spring of 2017, Vancouver Fire and Rescue Services and the Office of Emergency Management were moved under a new General Manager, Chief Darrell Reid, with responsibility for both departments.

Vancouver Fire and Rescue Services

Vancouver Fire and Rescue Services (VFRS) is a department of the City of Vancouver that provides emergency response to incidents as well as community safety and a framework for disaster resilience in the City. VFRS responds to over 62,000 incidents annually, including fires, hazardous material events, medical emergencies, motor vehicle incidents, public service calls and special operations. Beyond emergency response, firefighters are responsible for inspecting and ensuring compliance with Vancouver's Fire Bylaw for approximately 28,000 structures, leading fire and life-safety education in the community, and hosting community health clinics.

VFRS provides support, on a cost recovery basis, to more than 80,000 people at the University of British Columbia and in the University Endowment Lands. As required and appropriate, VFRS also leads a Heavy Urban Search and Rescue (HUSAR) team. HUSAR is a special operations team available as a key emergency response resource that may be deployed across the province, nationally and internationally.

As community safety practitioners, VFRS firefighters and safety professionals are committed to promoting safer communities through a multi-pronged approach, using a combination of proactive and reactive initiatives.

Office of Emergency Management

The emergency management department collaborates with City management, the community, and emergency management partners to increase disaster resilience in Vancouver. Emergency management does this by providing leadership and expertise in all aspects of emergency management, including:

- Developing strong relationships with partners inside and outside the City.
- Mobilizing and engaging residents through public education, community events and the Vancouver Volunteer Corps.
- Building and maintaining response infrastructure, such as the Emergency Operations Centre and the Emergency Management Information System.
- Developing the skills and capacity of staff through training, exercises and collaborative emergency planning.
- Providing direct response support to the organization and to residents in times of emergency, such as through the activation of the Emergency Social Services program to support residents displaced from their homes.

Key services delivered

Vancouver Fire and Rescue Services

- **Fire Prevention** — Inspecting business and residential properties to ensure and enforce compliance with the fire code and associated bylaws. Offering fire and life-safety education to the community.
- **Fire Suppression and Special Teams** — Supporting public safety by providing an all-hazards response service, including structure fires, hazardous material (hazmat) incidents, technical and confined spaces, structural collapses, trench rescues, auto extrications, and wildland and marine firefighting responses.
- **Medical Response** — Providing pre-hospital care services to citizens as a layered first responder emergency medical service with the BC Ambulance Service.

Office of Emergency Management

- **Emergency management** — Building readiness to respond to emergencies within the City of Vancouver, fostering community resilience, and supporting the management and coordination of emergencies through the duty officer and activation of the emergency operations centre.

Service metrics highlights (2016 vs. 2017F)

Vancouver Fire and Rescue Services & Office of Emergency Management



Fire Suppression & Special Teams



response time at the 90th percentile (min:sec)



1,797 fires with damage (2.7% increase forecast for 2017)

(0.2% increase forecast for 2017)

20% of structure fires confined to area of origin

(no change forecast for 2017)

\$18,000 average loss per fire

(no change forecast for 2017)



Medical Response



44,389 medical incidents (11.3% increase forecast for 2017)

33,662 patients treated

(11.4% increase forecast for 2017)



response time at the 90th percentile (min:sec)

(7.2% increase forecast for 2017)

Fire Prevention



21,541 life safety inspections

(0.9% decrease forecast for 2017)

5.6% violations per total inspections

(7% forecast for 2017)

Emergency Management



6,468 residents trained in personal emergency preparedness²

(46.4% decrease forecast for 2017)



20 days of emergency operations centre activations¹

(45% decrease forecast for 2017)

2,898 person-hours of emergency response training delivered (0.9% increase forecast for 2017)

Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Includes emergency and planned.

2. Factors influencing this metric include the number of sessions delivered, the capacity of Office of Emergency Management (OEM) staff relative to other priorities, the size of groups receiving training, administrative changes to the request and registration process, world events and public interest.

Service overview

Vancouver Fire and Rescue Services

Fire Prevention

Factors impacting Fire Prevention services include an increase in community development, new buildings such as laneway homes, multi-family dwellings and high-rises; complex inspections for single room occupancy (SRO) dwellings; and bylaw code changes for high-rises, care facilities, restaurants and hoarding situations.

Top accomplishments in 2017

- **Risk-based premise inspection program** — Continued development of the risk-based premise inspection program (based on risk assessment of buildings and occupancy), including training for suppression staff by fire prevention inspectors to facilitate complex high-rise and restaurant inspections.
- **Carbon monoxide detectors** — Added a carbon monoxide detector amendment to the Fire Bylaw.
- **In-building radio reception and communication** — Implemented a plan and led working group to inform the amendment of the Fire Bylaw and the Vancouver Building Bylaw for in-building radio reception and communication.
- **Operational manual** — Updated the Fire Safety Plan and operational manual.

Plans for 2018

- Marina and waterfront areas will be analyzed and assessed for potential risks, with the goal of developing a comprehensive inspection program and training within these areas.
- VFRS will implement an initiative that will provide a means of locking standpipe caps in buildings within the City of Vancouver. A locking standpipe cap prevents damage and threats to fire protection systems, which can be rendered unable to function without these fittings. All apparatus and staff will be provided with the associated tools and training to maintain the safety of the citizens of Vancouver.
- Risk-based inspections will continue to be expanded and reassessed to enable Fire Prevention Inspectors to target and adjust inspection frequency based on the potential high risk associated with buildings.
- Fire Prevention staff will be trained to respond as Rapid Damage Assessment inspectors to various Disaster Staging Areas (DSAs), should an earthquake or other major emergency impact the City of Vancouver.
- Working groups led by Prevention staff will continue to meet in 2018 with the goal to amend the Fire Bylaw and the Vancouver Building Bylaw for improved in-building radio reception and communication to improve safety for the public, and to make it a requirement within new building construction.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

- Evolve the risk-based inspection program to enable prevention inspectors to target and increase inspection frequency of high-risk buildings and enable suppression staff to conduct inspections of low- and medium-risk premises.
- Create new bylaws, including the Vancouver Fire Bylaw and Vancouver Building Bylaw, that will support new building communication systems to improve safety and save lives in the event of an emergency.
- Create a new emergency building access system (new lockbox system supported by proven technology) that will allow first responders access to buildings during an emergency.

Fire Suppression and Special Teams

Factors impacting change for fire suppression, rescue and special teams include population growth and density, building construction, and the use of six-storey wood-frame construction throughout the Cambie and Kingsway corridors, East Fraser Lands and the Hastings area.

Top accomplishments in 2017

- **Enhanced communications** — Enhanced telecommunications through rollout of a new 700 MHz broadband and digital radio system and implementation of new mobile data terminals.
- **Upgrades** — Contract awarded for the above ground hose reels water supply for post-disaster response.
- **Enhanced Vancouver Volunteer Corps (VVC) and Neighbourhood Emergency Assistance Team (NEAT) programs** — Enhanced these programs by scenario and exercise training with citizens, provided further instruction in Incident Command System (ICS) to the VVC and NEAT members and introduced a new Bicycle Emergency Response Team (BERT).
- **Driver Services program** — Enhanced by further developing the snow and ice training program, including training over 300 drivers City-wide. A new National Safety Code (NSC) safety plan for the City of Vancouver was developed and an orientation program for new drivers in the City was delivered. Driver Services facilitated an NSC orientation program for all VFRS drivers.
- **Revitalized the National Heavy Urban Search and Rescue (HUSAR) program** — Used additional federal funding to increase ground transport and radio capability for response. Built and enhanced a communication strategy for deployment, leveraging new technology for better interoperability for provincial Search and Rescue (SAR) communication and other task forces across Canada.
- **Training** — Delivered enhanced firefighter self-rescue training to all suppression staff.

- **Electronic scheduling system** — Refined the new electronic scheduling system introduced in 2016. The department is shifting from using a manual process to schedule 800 firefighters on four shifts at 20 firehalls. The scheduling process is complex, as it requires scheduling firefighters with different ranks, qualifications and specialty skills to ensure appropriately trained staff members are assigned to specific apparatus. Advanced business logic configuration has been completed and will go live in early 2018.

Plans for 2018

- VFRS is undertaking a comprehensive current state analysis to be completed in the first quarter of 2018. This analysis will be used to drive completion of a multi-year strategic plan by the third quarter of 2018.
- Pursue fire service accreditation (Commission Fire Accreditation International), a comprehensive continuous improvement and quality management program.
- Implement and reassess a comprehensive health and wellness program.
- Implement and reassess an internal communication strategy.
- Develop and implement a strategic plan for VFRS.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

- Replace a number of existing firehalls.
- Develop a fleet design plan that meets the evolving operational requirements for the City of Vancouver.

Medical Response

Factors that initiate change for emergency medical response include an increasing population and changing demographics, ongoing changes to the Resource Allocation Plan (RAP) of the BC Ambulance Service (BCAS), and the complexity of building heights and sophisticated security systems affecting vertical incident response times. There has been a steady increase in VFRS on-scene time with patients as BCAS continues to experience delayed response due to the RAP. To appropriately manage resources and provide an efficient service, response and effectiveness are being reviewed.

Top accomplishments in 2017

- Vancouver Fire and Rescue Services continues to respond to the opioid crisis within our City and is on target to respond to over 7,000 overdose incidents in 2017. Vancouver firefighters were trained to administer naloxone in 2016 and have administered over 200 doses to date in 2017.

- An additional medic unit was added in the Downtown Eastside and a Mental Health Coordinator position created to support firefighters as they work to address the challenges of an opioid crisis, including increasing call volume.
- VFRS partnered with the Canadian Mental Health Association to develop a first responder Resilient Minds training program to provide education to firefighters dealing with this opioid health crisis.

Plans for 2018

- Explore a technology-assisted predictive response model for instantaneous response, based on geographic area and call demand so that incident response times can be maintained.
- Explore community health patient care opportunities (blood pressure, cholesterol, flu shots), including appropriate funding, to provide enhanced community service and reduce the burden on the hospital care system.
- Work on the electronic patient care record system (e-PCR) that is integrated with BCAS and hospital records to provide more comprehensive care and better patient outcomes.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

- VFRS will continue working with external stakeholders, including BC Emergency Health Services (BCEHS), the Provincial Health Services Authority (PHSA) and BC Ambulance Service (BCAS), to optimize medical response across the city.

Office of Emergency Management

Emergency management

As part of the Earthquake Preparedness Strategy, the Office of Emergency Management is focusing on a number of planning and preparedness initiatives to ensure the City is ready for a major earthquake and to enhance delivery of our day-to-day operations. Many of the plans and systems being put in place will be tested comprehensively in a full-scale exercise in 2019.

Top accomplishments in 2017

- **Emergency Management Information System** — Procured and conducted the initial configuration of the new Emergency Management Information System.
- **Emergency Notification System** — Evaluated and piloted an Emergency Notification System for staff.
- **Training and exercises** — Forecasted to deliver over 2,900 person-hours of emergency response training to City staff by the end of the year.

- **Public education** — Forecasted to deliver personal preparedness training to more than 3,400 residents of Vancouver by the end of the year³.
- **Emergency Management Duty Officer** — Implemented Phase 2 of the Emergency Management Duty Officer (full operations).
- **Emergency preparedness workshops at schools** — Worked with DreamRider Productions and regional partners to create and deliver emergency preparedness workshops to children in Vancouver schools.

Plans for 2018

Drivers for initiatives in 2018 include working toward a full-scale earthquake exercise in 2019, rollout of a new emergency management information system, and support of initiatives related to the 100 Resilient Cities program led by the City's Chief Resilience Officer.

- Rollout of the new emergency management information system and training/onboarding of staff.
- Conduct planning for a full-scale earthquake exercise in 2019.
- Support departments in updating their emergency plans and procedures.

Looking ahead, 2019-2022

Over time, the factors that contribute to the City's Hazard, Risk and Vulnerability Assessment profile change. Those factors include increased population, changes to weather patterns, increased volume of and changes to types of hazardous materials shipped, changes to world security, and the number and types of special events. In addition, scientific advances change our understanding of hazards, such as how frequently some events may occur or what the expected impact will be. To ensure the City is focusing on the highest risk hazards, the Office of Emergency Management will update its Hazard, Risk and Vulnerability Assessment to inform the strategic direction of initiatives for the coming years.

- Conduct a full-scale earthquake exercise in 2019.
- Explore options to deliver emergency management and emergency preparedness training via digital methods.
- Explore options for web-based and mobile-based tools to foster volunteer and community collaboration on grassroots and City-led emergency preparedness initiatives.
- Develop an emergency management technology strategy.
- Update the City's Hazard, Risk and Vulnerability Assessment.
- Explore options for an emergency notification and alert system for the public.

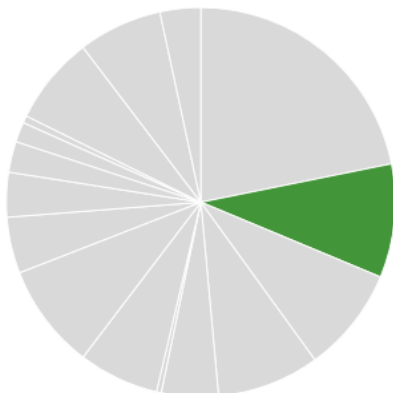
³ Factors influencing this metric include the number of sessions delivered, the capacity of OEM staff relative to other priorities, the size of groups receiving training, administrative changes to the request and registration process, world events and public interest.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Program fees							
Other department program fees	435	377	513	516	584	69	13.3%
Total Program fees	435	377	513	516	584	69	13.3%
Cost recoveries, grants and donations							
Fire & Rescue Services recoveries	6,911	7,065	8,244	8,247	8,451	205	2.5%
Total Cost recoveries, grants and donations	6,911	7,065	8,244	8,247	8,451	205	2.5%
Rental, lease and other							
Other department revenue	139	139	129	127	127	-	-
Total Rental, lease and other	139	139	129	127	127	-	-
Total Revenues	\$ 7,484	\$ 7,581	\$ 8,886	\$ 8,889	\$ 9,162	\$ 273	3.1%
Expenditures & Transfers							
Fire & Rescue Services & Office of Emergency Management							
Fire & Rescue Services							
Fire Suppression & Medical	91,231	100,766	103,515	112,975	116,067	3,092	2.7%
Prevention	2,758	2,629	2,924	3,050	3,274	224	7.3%
Training & Administration	3,873	4,086	4,331	4,867	5,064	197	4.1%
E-Comm allocation	-	4,065	4,173	4,352	4,472	120	2.7%
Shared support services	130	1,356	1,699	1,638	1,899	261	15.9%
Transfers to / (from) reserves & other funds	409	416	679	183	183	-	-
Subtotal Fire & Rescue Services	98,401	113,318	117,322	127,065	130,959	3,893	3.1%
Office of Emergency Management							
Emergency Management	1,100	1,230	1,459	1,524	1,556	32	2.1%
Subtotal Office of Emergency Management	1,100	1,230	1,459	1,524	1,556	32	2.1%
Total Fire & Rescue Services and Office of Emergency Management	99,501	114,547	118,781	128,590	132,515	3,925	3.1%
Total Expenditures & Transfers	\$ 99,501	\$ 114,547	\$ 118,781	\$ 128,590	\$ 132,515	\$ 3,925	3.1%
Net Operating Budget	\$ (92,017)	\$ (106,966)	\$ (109,894)	\$ (119,701)	\$ (123,353)	\$ (3,652)	3.1%
Capital Budget (\$ million)	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.0	\$ 0.0		

Note: Totals may not add due to rounding



Vancouver Fire and Rescue Services and
Office of Emergency Management makes up 9%
of the 2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

Revenues consist primarily of operating cost recoveries related to the University Endowment Lands. The year-over-year increase is largely attributed to cost recovery increases that align with collective agreement increases as well as recoveries related to fire suppression and fire prevention activities.

Explanation of changes 2018 vs. 2017— expenditures and transfers

The 2018 VFRS operating budget reflects the permanent investment in staff resources to support an additional medic unit, and enhancements to the Health and Wellness program that were initiated in 2017.

There is also an increase in the 2018 fleet equipment budget to maintain and add more modern firefighting equipment, and the budget reflects the increased operating and maintenance costs of using newer technologies.

Additionally, year-over-year expenditure and transfer changes reflect collective agreement wage increases and rising benefits costs as well as increases in facilities maintenance budgets.

Notable capital projects

The following table summarizes some of the noteworthy projects involving VFRS in 2018. A complete list of all capital projects for 2018 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget ³	Forecast 2017 Expenditure	2018 Annual Expenditure Budget	Future Years
Replacement of Firehall No. 5 (includes Social Housing) ¹	21.7	6.6	10.3	0.4
Firehall No. 17 Renewal ²	19.9	1.4	6.0	12.2

¹ included in REFM departmental budget; project budget includes \$10.9M for Social Housing.

² included in REFM departmental budget.

³ Expenditure may not sum to total project budget due to rounding or prior years expenditure.

- **Firehall No. 5** (includes housing) — This firehall is in the construction phase, with completion scheduled for fall 2018. The new facility comprises a two-storey firehall in a non-combustible building with a concrete structure built to post-disaster standards, and four storeys of social housing in wood frame.
- **Firehall No. 17** — Located at 7070 Knight Street, this firehall will be replaced with a new building that will be used as a training hall with four apparatus bays, a full-size hose/training tower and a training yard. The new Firehall No. 17 is being designed to be LEED Gold and Passive House certified and is a pilot for the new Canada Green Building Council (CaGBC) Zero Carbon Building Standard. It is anticipated that construction will start in mid-2018.

VFRS will begin procurement of an Articulating Platform Truck to replace the existing Aerial Platform Truck that is reaching the end of its service life. This project is reported as part of Engineering Service's vehicle and equipment replacement capital project.

Employee trend table

Fire and Rescue Services & Office of Emergency Management					
Fire and Rescue Services	2013	2014	2015	2016	2017F
Regular Full-time Staff	797.0	791.8	792.3	795.0	805.8
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	800.0	791.8	792.3	793.5	802.0
Office of Emergency Management	2013	2014	2015	2016	2017F
Regular Full-time Staff	-	-	-	-	9.3
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	-	-	-	-	9.5

Note: In 2017, the Office of Emergency Management Division has been transferred to be included in the new Fire And Rescue Services and Office of Emergency Management Department. The numbers starting 2017 and onwards represent the new department structure only.

*excluding overtime

The 2016-2017 employee trend reflects the 2017 investments in the deployment of an additional three-person medic unit, and health and safety resources to manage the impacts of the ongoing opioid crisis. Other fluctuations in full-time staff are due to retirements, vacancies and attendance management.

Vancouver Board of Parks and Recreation



Vancouver Board of Parks and Recreation

Overview

The Vancouver Park Board is made up of seven elected Commissioners; it is the only elected body of its kind in Canada. The board oversees delivery of parks and recreation services on behalf of the City. This includes over 240 parks, 24 community centres with swimming pools, arenas and playing fields, 11 kilometres of beaches, destination gardens and three championship golf courses.

Mission

Provide, preserve and advocate for parks and recreation to benefit all people, communities and the environment.

Vision

To be the leaders in parks and recreation by connecting people to green space, active living and community.

The Park Board's mission and vision strive to align with the City of Vancouver's long-term strategic goals, and specifically with the City's objective to protect and enhance Vancouver's climate, ecology, natural resources and connections to the city's remarkable natural setting for future generations.

Park Board activities contribute to the following long-term goals:

- The City provides excellent service.
- The City leads the way on green issues.
- The City optimizes strategic partnerships and collaborations.
- Vancouver is a safe city in which people feel secure.

- Vancouver offers extraordinary civic amenities.
- Vancouver's assets and infrastructure are well managed and resilient.

Park Board's 2013-2017 Strategic Framework

The Park Board's strategic framework has been developed to assist the Board in focusing its efforts and resources through 2017. This framework encompasses the Park Board's mission, vision, four priority areas, nine goals and 27 objectives.

Key services delivered

The Park Board has three main services that are delivered either by the Park Board directly or in collaboration with other organizations and community groups, such as Community Centre Associations.

- **Parks and green spaces** — Providing planning, design and construction, operation and maintenance of parks, natural areas and display gardens, other green spaces, and attractions for public use.
- **Recreation programming and facilities** — Planning for and providing a network of recreation facilities, including community centres, pools, arenas, fitness centres, arts facilities and sports facilities.
- **Business services** — Providing facilities, diverse services and experiences, such as restaurants, attractions, marinas and golf, that are outside core parks and recreational services, and that enable the Park Board to generate revenues used to subsidize costs across other service areas.

Parks and Recreation Services master plan

Work has commenced on developing Vancouver's Playbook, a new master plan for the Park Board that takes a city-wide approach to the delivery of parks and recreation services over the next 25 years. VanPlay — the process of community engagement, data collection and analysis, and mapping — is well underway, and the master plan is expected to be delivered in 2018.

Service metrics highlights (2016 vs. 2017F)

Vancouver Board of Parks and Recreation



Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Provided 361,239 swim and 9,940 skate opportunities.
2. Provided 120,000 hours of use to residents and user groups.
3. Closures due to winter course damage.

Service overview

Parks and green spaces

Top accomplishments in 2017

Enhancing and renewing parks and green spaces, preparing for the future through long-term planning and strategies, and continuous process improvement of park operations were key priorities and accomplishments in 2017.

- **New and renewed park spaces** — Completed upgrades to the Dr. Sun Yat-Sen Classical Chinese Garden pond renewal and began upgrades to the Stanley Park Seawall. Completed work on the New Brighton Park salt marsh, which helped salmon migrations through the Burrard Inlet. Supported new vegetation and wildlife habitats by planting beach grass and shrub thickets. New playgrounds at Andy Livingstone and Creekside Park opened to the public. A new athletic fieldhouse, complete with amenities and meeting space, opened at Vancouver Technical Secondary School, and another is expected to open at Oak Meadows Park at the end of 2017.
- **Urban forestry** — Planted new trees on public land and through private property planting programs and expected to reach a 2017 target of 17,500 trees planted. Invasive species were removed and native forests replanted in Jericho Beach, Everett Crowley, Musqueam and Renfrew Ravine parks. Approximately 6,000 native trees, mainly conifers, will be planted by the end of 2017 with a total restored area of around 3.5 hectares.
- **Strategy and planning** — Approved the People, Parks and Dogs strategy in October 2017 following two rounds of public consultation in 2016/2017. Drafted a concept plan for Northeast False Creek (NEFC) parks and presented it to the public in June 2017, as part of the broader NEFC Area Planning engagement. Completed planning for additional consultation with the Musqueam, Squamish and Tsleil-Waututh Nations, the urban Indigenous community, Chinatown and special event producers.
- **Safety and security in parks** — Invested in the creation of additional full-time park ranger positions, and increased security measures at Andy Livingstone Park to manage increasing demands of homelessness and community outreach, bylaw enforcement and public complaints. Added a new security manager to address the growing security program needs in all parks and facilities.
- **Sports field maintenance** — Increased the application of pest control measures on 41 sports fields by 20% to help minimize the damage inflicted by the European Chafer beetle. Implemented a comprehensive organic fertilization plan, which has led to healthier and more resilient playing fields.

Plans for 2018

The Park Board will continue to advance projects and programs initiated in 2017 and prior years.

The following initiatives have been identified as 2018 priorities — subject to approval by the elected Park Board:

New and renewed park spaces

- Complete renewal of Sunset Park in South Vancouver. Begin construction of new parks in China Creek North and Renfrew Ravine with anticipated completion in 2019. Initiate washroom renewals at five park locations with construction scheduled to begin in 2018 and completion expected in early 2019.
- Complete planning for playground renewals at a number of parks, including:
 - Douglas Park
 - Clark Park
 - Major Matthews Park
 - Beaconsfield Park (north)
 - John Hendry Park (east)
 - Ash Park
 - Champlain Heights Park
 - Charleson Park
 - Collingwood Park
 - Jones Park
 - Winona Park

Safety and security in parks

- Expand the park ranger team through the addition of two full-time rangers to deal with increasing service demands, including homelessness and community outreach, bylaw enforcement and public complaints.
- Build upon successful programs put in place in 2017 by providing enhanced coverage in identified parks and enhancing the cleanliness and safety of these spaces for all.

Continuous quality improvement

- Increase the regular maintenance of all synthetic-turf playing fields to respond to increasing demand and usage. Acquire new equipment and allocate additional staff to manage the maintenance of Vancouver's 13 synthetic fields, and improve overall field durability, longevity and user experience.
- Complete the Park Operations Services Review to record and apply maintenance standards for hard assets (tennis courts, benches, playgrounds, pathways, etc.) to ensure these assets, including parks, beaches and green spaces, are well cared for and remain resilient.

Urban Forest Strategy

- Grow and enhance the urban forest through tree planting in parks and streets, better support for private land stewardship, improved data management, and monitoring forest canopy change.

Biodiversity Strategy

- Biodiversity projects will emphasize improvements to bird habitats to coincide with the 27th International Ornithological Congress in August 2018. This will include environmental education, habitat improvements in parks, and urban forest initiatives to benefit bird communities.

Looking ahead, 2019-2022

The focus in 2019-2022 will build upon the recommendations coming out of key planning activities carried out in 2017 and 2018, such as the Parks and Recreation master plan. In addition to the master plan, key priority areas include:

- **East Fraser Lands** — Four new parks, consisting of 3.2 ha, are scheduled for construction in 2018. The waterfront park will provide bicycle and pedestrian trail connections to existing trails to the west of the Fraser River. Subject to community consultation, park features may include plazas, play spaces, ecological and horticultural spaces, and open lawns for passive recreation.
- **Northeast False Creek parks** — Develop a new, 5.6-ha waterfront park upon removal of the Georgia viaducts, with renovations to Andy Livingstone Park and Creekside Park planned concurrently. Complete plan details will follow community engagement and private land rezoning.
- **Smithe and Richards Park** — Develop a new, 0.8-acre park in the downtown core at the intersection of Smithe and Richards streets. The new park will serve as a place for community recreation and culture and will improve livability in the downtown urban environment.
- **Tatlow and Volunteer parks** — Connect the stream in Tatlow Park to English Bay to foster ecological diversity, improve access to the shoreline, assist with rainwater management and restore habitat for wildlife and vegetation.
- **Urban forestry** — Target a total of 150,000 new trees planted by 2020, as part of the City's Greenest City Action Plan and continue to maintain trees on City streets and in parks.
- **Infrastructure renewal** — Continue long-term efforts to renew and replace aging washrooms and works yards to support park operations.

Recreation programming and facilities

Top accomplishments in 2017

Working closely with Community Centre Association partners to build relationships and collaborate was a key priority in 2017 and will provide the basis for future success. Emphasizing access to services was an important directive to guide policy and improve services.

- **Joint Operating Agreement with Community Centre Associations** — Approved the new Joint Operating Agreement to guide relationships with Community Centre Associations over the next 10-15 years and beyond.
- **VanSplash Aquatics Strategy** — Refined plans and recommendations to be included in the VanSplash Aquatics Strategy following community engagement. VanSplash will provide a 10-year implementation strategy and a 25-year vision for aquatic services, including direction on investment in new and existing infrastructure and opportunities for new and innovative aquatic services.
- **Reconciliation** — Led and supported reconciliation activities as part of Canada 150+ events. Increased staff training of reconciliation awareness and strengthened relationships with the Musqueam, Squamish and Tsleil-Waututh peoples.
- Improving accessibility and social inclusion programming — Continued efforts in the following areas:
 - Improved accessibility to Leisure Access membership for families of children with disabilities.
 - Expanded access to leisure access program thus removing barriers to participation in recreation programming.
 - Implemented the Access Without Fear policy to ensure citizenship or immigration status is not a barrier to access recreation facilities.
 - Expanded programming for transgender people and allies at Templeton Park Pool by offering self-defence and swimming lesson classes and hired two trans* program assistants to support implementation of trans* strategic plan actions.
 - Piloted the first accessibility mat at English Bay Beach to allow people with walkers, wheelchairs and scooters to enjoy a day at the beach.
 - Supported sport hosting through several returning signature events, such as the HSBC Canada Sevens Vancouver rugby tournament. Continued to attract tourism and investment through sport hosting opportunities.

Plans for 2018

Recreation Services is focused on providing access for all to quality recreation opportunities by working collaboratively with the community. Healthy active living, community engagement and social connectivity help build resilient communities. Community centres provide space for people to connect and participate in a safe and welcoming environment. Key focus areas for 2018 include:

Implementation of a new Joint Operating Agreement

- Implement the new Joint Operating Agreement (JOA) with Community Centre Associations (CCAs) to focus on building stronger, trusting relationships between both parties. Leverage best practices and innovative programming to increase accessibility, resulting in healthier, active, resilient communities.

New and renewed facilities

- Complete construction on the new Killarney Seniors Centre, scheduled to open in 2018.
- Conduct community engagement on the Marpole Community Centre redevelopment and complete design work, with construction funding to be included in the next capital plan.
- Complete site selection and design plans for a new outdoor pool.

Inclusion and access

- Persist as a provincial and national leader in access and inclusion by developing best practices through partnerships with the community and other levels of government.
- Pilot an access program at Strathcona Community Centre to assist the working poor.
- Develop an access model to address priority needs and remove barriers for all.
- Implement staff training on inclusion and access for people with disabilities, with a focus on programming needs specifically related to autism, and broadening the relationship with the Canucks Autism Network.

Aquatic Services Review

- Conduct a full review of aquatic services, including lesson format and delivery, staff recruitment and retention, lifeguard best practices and general aquatic operations for indoor and outdoor pools.
- Respond to feedback received through VanSplash community engagement of how to improve user experience at Vancouver's public beaches.

Reconciliation

- Advance 11 Truth and Reconciliation Commission actions, including 360-degree programming, implementation and expansion of Responsible Indigenous Strategy for Empowerment (RISE). Support local, community-based Reconciliation in Action events and strategies. Allocate a funded, full-time reconciliation coordinator who will be responsible for the development and implementation of a Park Board reconciliation strategy.

Planning and strategy

- Develop a new track and field strategy, which will provide a 10-year implementation plan for track and field facilities, including locating a preferred site for a new competitive training facility.

- Deliver updated policy recommendations regarding On Water: Vancouver's Waterway Recreation Strategy (formerly known as the Non-Motorized Boating Strategy). Conduct community engagement to determine existing use, needs and opportunities for future non-motorized recreation and facilities planning.

Sport hosting

- Support or host several returning signature sport events, including the HSBC Canada Sevens rugby tournament, the associated Vancouver Rugby Festival and the IIHF World Junior Championship for hockey. Other notable events taking place in 2018 include BC's All-Native Basketball Tournament and the Vancouver Running Festival.
- Pursue sport hosting the FIFA World Cup being held in 2026.

Looking ahead, 2019-2022

Healthy City Strategy and social inclusion

- Provide innovative seniors' programming modelled on the 2018 opening of the Killarney Seniors Centre that will feature best practice wayfinding and accessibility for the public.
- Encourage community activation of parks through the Fieldhouse Activation Program; engage local communities in art, culture, environment and sport activities in their local neighbourhood park.
- Strengthen relationships with the Indigenous community as the Truth and Reconciliation Commission actions are achieved. Provide direction, assistance and tools to enable staff to incorporate reconciliation principles into their daily work.

New and renewed capital investments

- Develop short- and medium-term recommendations for pool upgrades and new facilities, following completion of the VanSplash Aquatics Strategy.

Business services

Top accomplishments in 2017

The Park Board is continuously evaluating and expanding services city-wide to enhance the user/visitor experience. In 2017, the following services were provided:

- **Park Board events** — Produced numerous signature initiatives throughout the year, including VanDusen Festival of Lights and Glow in the Garden events, Holiday Heights at Bloedel, and Stanley Park's Easter Train, Summer Train, Ghost Train and Bright Night Train events. In 2017, Festival of Lights set an attendance record and was voted the City's favourite holiday event by the Georgia Straight newspaper.
- **Marina upgrades** — Completed a float replacement project at Heather Civic Marina. Burrard Civic Marina's main floating docks were upgraded, as were electrical and water supplies. These facilities provide affordable water access in prime downtown locations.

- **Prospect Point Café improvements and investment** — Completed substantial improvements, including upgrading the existing 200-seat restaurant, opening a new licensed café with adjoining patio and enhancing the culinary and retail experience.
- **New user/visitor experiences** — Introduced a new water bike rental and tour operation at Vanier Park, expanding the range of activity options at a popular waterfront location. Additionally, a number of marketing activities promoting public education and/or experiential benefits were hosted at Park Board sites, including the Kisses for Bees installation at Cathedral Square Park.

Plans for 2018

The Park Board will continue advancing projects and programs initiated in 2017 and prior years. The following initiatives have been identified by the Park Board's senior management team as 2018 priorities — subject to approval by the elected Park Board:

Improving golf facilities

- Improve City-operated golf courses, including drainage remediation planned for Langara Golf Course, which will improve overall course conditions. Construction is anticipated to commence in April 2018 and be completed by the end of October 2018. This project will be performed in two phases, allowing the course to remain open as a nine-hole course.

New and renewed facilities

- Renovate the former Fish House restaurant in Stanley Park, in partnership with Stanley Park Brewing. The facility, anticipated to open in summer 2018, will be a culinary and beverage destination with a focus on community and tourism for Stanley Park.

Parks foundation

- Launch the Park Board Foundation to better engage residents in philanthropy, promote the foundation as the philanthropic organization of choice for Vancouverites and increase the Park Board's capacity to receive, invest and build a source of sustainable funding.

Concession Renewal Strategy

- Provide recommendations, informed by public and key stakeholder consultation, for renewal plans of concessions that consider new business models, locations and concepts that enhance customer experience and increase revenues.

New events

- Collaborate with a Vancouver-based production company to deliver a two-to-three-day contemporary music and arts festival at Brockton Fields in Stanley Park in 2018. The festival will thread Indigenous cultural elements and create a new marquis entertainment experience with a variety of benefits for City partners and residents.

- Collaborate with the Vancouver Symphony Orchestra to develop a sustainable annual Symphony in the Park summer event, with the inaugural concert targeted for summer 2018.

Looking ahead, 2019-2022

Concession renewal implementation

- Continue to implement Park Board-approved recommendations from the Concession Renewal Strategy with the objective of introducing new and emerging food concepts, enhancing quality and customer experiences, increasing revenue and renewing existing facilities.

New Harbour Green Park restaurant

- Provide unique destination-focused eateries, including a new restaurant at the eastern edge of Harbour Green Park that will include two patios and accommodate 150 patrons.

Smithe and Richards café

- Construct a new café at the corner of Smithe and Richards streets, within the approved multi-use building.

Northeast False Creek parks and open spaces services

- Incorporate a new eatery location as part of the conceptual design plans for the Creekside Park extension.

New user/customer experiences

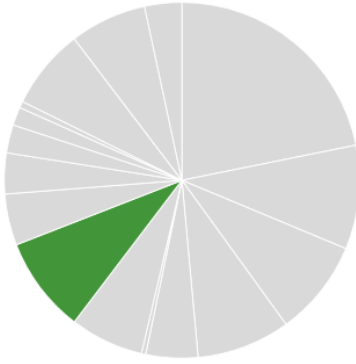
- Explore and evaluate the introduction of new service and business concepts that enhance user and visitor experiences, while generating incremental revenues to support core services.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Parks & Recreation program fees							
Recreation revenue							
Admissions	8,504	9,272	9,028	9,311	9,391	80	0.9%
Programming	3,618	3,386	4,354	4,216	4,400	184	4.4%
Recreation facility rentals	3,576	4,007	4,056	4,162	4,243	81	1.9%
Other recreation revenue	589	244	234	194	207	13	6.6%
Subtotal Recreation revenue	16,287	16,909	17,673	17,883	18,241	358	2.0%
Golf revenue	9,056	9,068	9,243	9,831	9,831	0	0.0%
Marinas & Attractions revenue							
Marinas	3,145	3,174	3,238	3,380	3,644	265	7.8%
VanDusen Botanical Gardens	2,437	2,847	3,314	3,380	3,801	421	12.4%
Stanley Park Train	1,361	1,520	1,520	1,935	2,016	81	4.2%
Bloedel Conservatory	540	580	592	603	700	97	16.1%
Subtotal Marinas & Attractions revenue	7,483	8,122	8,664	9,298	10,162	864	9.3%
Concession Revenue	2,664	2,762	2,817	2,930	2,930	0	0.0%
Other Parks & Recreation revenue	823	1,063	1,101	1,018	1,254	236	23.2%
Total Parks & Recreation program fees	36,312	37,924	39,498	40,961	42,418	1,457	3.6%
Total Program fees	36,312	37,924	39,498	40,961	42,418	1,457	3.6%
Parking revenue							
Parks parking revenue	5,822	6,275	6,425	7,224	7,733	509	7.1%
Total Parking revenue	5,822	6,275	6,425	7,224	7,733	509	7.1%
Cost recoveries, grants and donations							
Parks & Recreation recoveries, grants and donations	3,891	4,383	4,283	5,105	5,392	287	5.6%
Total Cost recoveries, grants and donations	3,891	4,383	4,283	5,105	5,392	287	5.6%
Rental, lease and other							
Parks & Recreation revenue							
Lease revenue	3,440	3,682	3,504	3,734	3,906	172	4.6%
Other Parks & Recreation revenue	104	186	186	179	100	(79)	-43.9%
Total Rental, lease and other	3,543	3,868	3,690	3,912	4,006	94	2.4%
Total Revenues	\$ 49,568	\$ 52,450	\$ 53,895	\$ 57,202	\$ 59,550	\$ 2,347	4.1%
Expenditures & Transfers							
Parks & Recreation							
Recreation	44,149	46,029	46,172	48,205	49,497	1,292	2.7%
Park maintenance & operations	26,177	31,582	32,076	34,725	35,711	987	2.8%
Facility maintenance & corporate services	20,066	6,713	7,566	6,786	7,203	418	6.2%
Marinas & Attractions	6,652	6,896	7,010	6,996	7,750	753	10.8%
Golf	4,455	6,201	6,353	6,598	6,606	8	0.1%
Concessions	2,254	2,090	1,960	2,235	2,232	(3)	-0.1%
Parking	359	481	496	798	799	1	0.2%
Leases and Commercial Admin	553	602	608	499	490	(9)	-1.8%
Shared support services	-	2,721	9,856	8,982	8,889	(93)	-1.0%
Transfers to / (from) reserves & other funds	2,903	2,962	2,921	3,376	3,628	252	7.5%
Total Parks & Recreation	107,570	106,277	115,018	119,200	122,806	3,606	3.0%
Total Expenditures & Transfers	\$ 107,570	\$ 106,277	\$ 115,018	\$ 119,200	\$ 122,806	\$ 3,606	3.0%
Net Operating Budget	\$ (58,002)	\$ (53,827)	\$ (61,123)	\$ (61,998)	\$ (63,256)	\$ (1,258)	2.0%
Capital Budget (\$ million)	\$ 25.2	\$ 15.6	\$ 20.7	\$ 27.1	\$ 39.3		

Note: Totals may not add due to rounding



Vancouver Board of Parks and Recreation
makes up 9% of the 2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

As noted in the above table, the 2018 revenue budget increase is \$2.3 million (a 4.1% increase) compared to the restated 2017 budget. Increased revenues are generated through the addition of new services or programs as well as through adjustments to user fees. In 2018, increases to revenues are attributable to the following:

- An average increase of 2.0% on user fees associated with recreation programs, permitting and attractions will generate approximately \$0.5 million of incremental revenue. These incremental revenues are used to offset the associated costs to operate.
- Additional parking revenue of \$0.5 million is budgeted, reflecting increased usage realized in 2017. User volumes have increased across Park Board lots as well as in association with film permits, as film activity continues to thrive throughout the City.
- Additional attraction revenue of \$0.5 million is budgeted, reflecting increased visitation at two popular Park Board attractions — VanDusen Botanical Gardens and the Bloedel Conservatory. These incremental revenues are offset by associated increases in costs to operate — specifically as they relate to special events, such as the popular Festival of Lights at VanDusen.
- The review of rates charged at Park Board marinas has resulted in a proposed 8.0% increase in moorage rates to align with comparable marinas, generating \$0.3 million of incremental revenue.

Explanation of changes 2018 vs. 2017 — expenditures and transfers

The 2018 expense budget increase is \$3.6 million (a 3.0% increase) over 2017. A large proportion of the operating expenditures consist of staffing costs, which experience annual growth reflecting collective bargaining wage and benefit increases. In 2018, increases to expenditures are attributable to the following:

- Recreation expenditures are expected to increase \$1.3 million as a result of wage increases as well as for incremental staffing costs associated with the new Killarney Seniors Centre expected to open in mid-2018.

- Park Maintenance expenditures are expected to increase by \$1.0 million as a result of wage increases as well as incremental investments in staffing to maintain newly planted trees and to further park safety initiatives.
- Operating costs at VanDusen Botanical Gardens and Bloedel Conservatory have been increased to reflect historical volumes associated with the increased revenue generation.

Notable capital projects

The following table summarizes some of the noteworthy projects involving the Park Board and projects to begin in 2018. A complete list of all capital projects for 2018 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget ³	Forecast 2017 Expenditure	2018 Annual Expenditure Budget	Future Years
Marpole CC Redevelopment Planning ¹	2.0	0.2	0.6	1.2
New Outdoor Pool - Planning and Design	0.8	-	0.8	0.0
Park Washrooms Renewal ¹	3.2	0.4	2.4	0.4
Southeast Vancouver (Killarney) Senior Centre ¹	7.5	5.4	1.1	-
Smithe and Richards Park	6.0	0.3	5.5	-
Stanely Park Waterfront and Seawall Improvements	5.0	1.5	3.4	-
Golf Course & Langara drainage improvements	4.0	0.4	3.5	-
New Park and Street Trees ²	N/A	1.3	2.5	-

¹Included in REFM departmental budget.

²Funding for programs approved on annual basis.

³Expenditure may not sum to total project budget due to rounding or prior years expenditure.

- **Marpole Community Centre redevelopment planning** — The renewal of existing community centres remains a top priority for the Park Board to ensure the recreational needs of a growing city can be met well into the future. Following Park Board community engagement related to the high-level programming and site selection in 2017, full design development of the new Marpole Community Centre will begin in 2018.
- **New outdoor pool — planning and design** — The Park Board remains committed to the delivery of a new outdoor pool for the residents and visitors of Vancouver. Actions from the VanSplash Aquatics Strategy include finalizing a location for the new outdoor pool and beginning the design. Work in 2018 will include ongoing stakeholder engagement and detailed designs.
- **Park washrooms renewal** — The project covers the design and construction of park washrooms at multiple locations (Lumberman's Arch and Third Beach at Stanley Park; Clinton, Falaise and Jonathan Rogers parks). The project scope includes renovation and upgrades to existing washrooms and provides additional universal washrooms at these locations. The project is in design phase with construction starting in 2018.

- Southeast Vancouver (Killarney) Seniors Centre** — The project involves design and construction of a new seniors centre that will add 10,000 square feet to the existing Killarney Community Centre footprint. Construction was started in 2017, and final completion is anticipated in 2018.
- Smithe and Richards Park** — The new park will serve more than 10,000 residents and 17,000 employees within a five-minute walk. Amenities include a café space, public washrooms, a community plaza with a water feature and seating, a pedestrian bridge, a children’s playground, a community harvest table, multitudes of trees and flowers, lighting and temporary art installations. Detailed designs are expected to be completed in early 2018 for tender with construction following soon after. The park has a targeted opening for 2019.
- Stanley Park Waterfront and Seawall improvements** — The Stanley Park Seawall requires ongoing capital maintenance and rehabilitation to protect against water erosion and storm impacts. Areas between Brockton Point and Sunset Beach have been identified as priorities. The first phase of the work begins in late 2017 and will be done by early 2018. A second phase of the work is to be tendered in 2018.
- Golf course and Langara drainage improvements** — To improve year-round golfing, a drainage system is planned for Langara Golf Course. Design for the drainage system and a tender-ready set of construction drawings were completed in 2017. Actions in 2018 will include awarding the contract and completing construction, which is expected to occur from April through October. Washroom facilities at Fraserview and McCleery will also see improvements.
- New park and street trees** — The Park Board continues to increase the urban forest canopy through tree-planting programs in parks and on streets and through private property partnership programs. This work builds on the Greenest City 2020 Action Plan’s Access to Nature goal of planting 150,000 new trees by 2020.

Employee trend table

Parks and Recreation	2013	2014	2015	2016	2017F
Regular Full-time Staff	584.8	564.8	549.8	553.0	574.5
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	1,034.1	1,006.5	1,005.8	999.9	1,035.3

*excluding overtime

Regular staff reductions between 2013 and 2016 were a result of increased employee retirements; 2017 recruitment efforts to fill open regular positions have resulted in a regular full-time staff level closer to that of 2013.

Targeted increases in service levels to support new parks, newly planted trees and specific initiatives in park safety resulted in an increase to overall staff full-time equivalents, which have resumed a level comparable to 2013.

Engineering



Engineering

Overview

The Engineering Services department manages public works and four utility services: water, sewer, waste collection and the Southeast False Creek Neighbourhood Energy Utility (NEU).

.The department is responsible for policy development, design, delivery, construction and management for services and infrastructure on and under the street right-of-way. Engineering Services also has a Project and Quality Management branch that plays an integrative role across the department. The department is focused on workforce and succession planning to optimize cross-training, support technological innovation and provide apprenticeship opportunities for an increasingly diverse work force.


Through its utilities, Engineering Services provides Vancouver with water for drinking and fire protection, safe removal of wastewater (sewage) for treatment, removal of rainwater to prevent floods, efficient collection of solid waste, street cleaning, and a low-carbon energy supply to the Southeast False Creek neighbourhood. Engineering's public works functions include street and transportation design, construction and maintenance; parking; and the regulation of activities on streets, such as special events and filming.

In addition to the ongoing operations and management of infrastructure, Engineering Services is focused on implementing the City's strategies, including the Healthy City Strategy, the Greenest City 2020 Action Plan, the Renewable City Strategy and the Vancouver Economic Action Strategy. These high-level corporate strategies have been further developed into policy and detailed action plans reflected in the Transportation 2040 Plan, the Green Infrastructure Implementation Plan and the Zero Waste Strategy. These all provide blueprints for moving forward, building upon past successes and rising to meet new and emerging challenges, including climate change, an aging population, limited road space and high housing costs.

Engineering departments

Key service areas:

- Project and Quality Management
- Waterworks
- Sewers and Stormwater
- Zero Waste and Resource Recovery
- Neighbourhood Energy
- Transportation
- Street Infrastructure and Maintenance
- Public Space and Street Use
- Green Operations



Engineering – Project and Quality Management

Engineering – Project and Quality Management

Overview

The Project and Quality Management branch of Engineering Services has overall responsibility for enhancing management and coordination of capital projects undertaken by Engineering Services. The branch manages and coordinates delivery of civic infrastructure required to support development. Primary objectives of the branch include maximizing efficiencies, minimizing disruptive impacts on the public and other stakeholders, and ensuring public infrastructure needs are accounted for by developers.

Key services delivered

- **Project management office** — Defines, implements and sustains the project and quality management standards to achieve excellence in Engineering operations and delivery of capital projects. The project management office is also responsible for capital planning and coordination, supporting business and strategic initiatives, managing portfolio risks, and supporting engagement with Indigenous communities.
- **Engineering development services and land survey** — Represents the Engineering Services department in land development projects, processes and policies. Manages legal survey boundaries and interest in land within the City. Updates the Cadastral Base Map, which is the foundation for the City's GIS (VanMap). Responsible for all matters related to land development, including the review of rezoning applications, development permits and subdivision applications, the Engineering Client Services Counter and development inspection services.

- **Project delivery** — Manages the delivery of high-value, high-risk and complex capital design and construction projects, using the department’s Project Management Framework and other industry-leading project management practices, to improve reliability of delivering projects on time, on budget and within other key success factors related to safety, quality and customer service.

Service metrics highlights (2016 vs. 2017F)

Project and Quality Management



Project Management Office & Coordination



80+ infrastructure projects integrated into **28**, reducing traffic impacts

(60.7% decrease forecast for 2017)

1,408 street use conflicts resolved (10% increase forecast for 2017)



29 engineers & superintendents trained on archaeological preservation processes

(approx. 5 times more forecast for 2017)

Project & Development



50 rezoning applications received

(20% increase forecast for 2017)

\$2.82 billion construction value



(6.3% increase forecast for 2017)

Project Delivery Branch



\$57.8 million of major projects¹ managed by project delivery

(70% increase forecast for 2017)

79% of public works infrastructure projects on time (2017 forecast)



75% of public works infrastructure projects on budget (2017 forecast)

Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

Note: PQM office established in 2015 (i.e., most data available starting in 2016 for most metrics).

1. This does not mean that overall project spending at the COV is up 70%; rather, it refers to just the amount of project spending managed centrally by Project Delivery branch.

Service overview

Project management office

Top accomplishments in 2017

- Updated the Project Management Framework (PMF) for Engineering Services, for planning and delivery of capital projects to include best practices in procurement, communication management, archaeological and heritage management.
- Launched a departmental training and coaching program for Engineering Services Project Managers to advance to higher levels of project management mastery.
- Finalized the Engineering Services Quality Manual, which serves as the central repository for quality plans, policies, procedures and continuous improvement within the department.
- Combined multiple infrastructure projects into 11 major projects, resulting in 66% reduction in disruptions to traffic, the public and local businesses as well as considerable cost savings.
- Reduced disruptive impacts of projects on the public and economy through the avoidance or rescheduling of 1,200+ disruptive street works.
- Hired Engineering Services' first ever First Nations Liaison. Initiated regular meetings with Musqueam, Squamish and Tseil-Waututh Nations. Delivered cultural awareness training to improve understanding of archaeological risks and increase collaboration with the First Nations.

Plans for 2018

- Deliver the first phase of a multi-year initiative, Lean Six Sigma, aimed to improve turnaround times for development applications review within Engineering Services.
- Launch a department-wide training program, impacting 100+ staff across 20+ branches, in the areas of business process optimization and continuous improvement (Lean Six Sigma).
- Support the largest and most complex projects within Engineering Services in pursuing and achieving an internationally-reputed sustainability infrastructure rating, to achieve broader consideration of environmental impacts and lasting project outcomes.
- Implement and operationalize the department-wide standardized design and construction manual across Engineering.
- Develop Canada's most advanced construction protocols for municipal crews in relation to operating within areas of archaeological or cultural significance.

Looking ahead, 2019-2022

- Leverage and expand the use of technology and mobile applications across Engineering Services to optimize service delivery to the public and work efficiencies.
- Improve visibility of Engineering Services' projects and street impacts on multiple and accessible platform.

Engineering development services and land survey

Top accomplishments in 2017

- Coordinated the review of a record number of permits in Engineering (forecasting 8,562 building and development permits, 60 rezoning permits).
- Coordinated the review of increasingly complex development sites within Engineering, considering impacts to public infrastructure and necessary upgrades (East Fraser Lands, Northeast False Creek viaducts-related rezoning, TransLink Station upgrades, Pearson Dogwood, Langara Gardens, St. Paul's Health Campus, Arbutus Village, Oakridge Mall rezoning, Great Northern Way Campus — Emily Carr University of Art + Design).
- Recommended updates to the Development Cost Levy (DCL) program, including the addition of Utilities DCL for Sewer, Drainage (Green Infrastructure) and Water.
- Facilitated the naming of West End lanes in concert with the Street (Civic Asset Naming) CIAN committee. Reviewed and processed a record number of air space subdivision applications.

Plans for 2018

- Participate in a Lean Six Sigma project on the Engineering development review process to focus on key areas to improve turnaround times.
- Use development project tracking to deliver integrated development and infrastructure projects and quantify the value of new infrastructure delivered to the City each year.
- Implement the new provincial vertical datum with City engineering infrastructure records and future street designs.
- Facilitate the new parcel configuration for Northeast False Creek as part of the viaduct replacement and new street alignment project.
- Increase staffing in Development Services as part of the development fee review in order to decrease permit turnaround times.

Looking ahead, 2019-2022

- Continue to facilitate complex development projects.
- Apply Lean Six Sigma principles to improve timeliness of quality reviews of developments and associated infrastructure delivery.
- Support infrastructure preparation for flood control due to climate change and sea level rise by providing elevation data adjacent to the Fraser River, Spanish Banks, English Bay and Burrard Inlet.
- Continue to maintain the City's best-in-class GIS mapping system to align with the recently released ParcelMap BC.

Project delivery

Top accomplishments in 2017

- Managed the delivery of a portfolio of over 15 major projects, using national project management best practices, and with a cumulative value of over \$100 million in 2017, including the award-winning Burrard Bridge and Corridor Project, Southwest Marine Drive Project, Arbutus Greenway Temporary Pathway and Safety Improvements Project, Point Grey Road Project and the Northeast False Creek Area Plan (viaducts replacement) Project.
- Forecasted to achieve over 80% on-time and on-budget delivery for Engineering Services major infrastructure projects.
- Hired project community liaisons to improve communications with local residents, businesses and various members of the public in the lead up to and during construction of major projects with the potential to impact traffic and street use.
- Forecasted to complete the first edition of an Engineering Services construction specifications manual and standard construction detail drawings manual as supplements to industry established Master Municipal Construction Documents.

Plans for 2018

- Manage Engineering Services program of 2018 major infrastructure projects, including:
 - Viaducts replacement, street and utility improvements construction
 - Arbutus Greenway, detailed design
 - Quebec Street and First Avenue Precinct, street and utility improvements construction
 - 10th Avenue Health Precinct, street improvements construction
 - Fraser Street, utility and street improvements construction
 - St. Catherines Street, trunk sewer construction
 - Smithe Street, utility and street improvements construction
 - Cartier Street and 64th Avenue Area, trunk sewer construction

- Meet or exceed performance targets for on-time and on-budget delivery.
- Identify and pursue opportunities for continuous improvement related to infrastructure delivery.

Looking ahead, 2019-2022

- Source and apply industry-leading project management principles to the Engineering Services department's most complex, high-value, high-risk and high-profile civil infrastructure design and construction projects. Continue to improve predictability and reliability of delivering projects on time, on budget and within other key success factors related to safety, quality and customer service.

Engineering – Utilities



Engineering – Utilities

Overview

Engineering Services manages four utility services: water, sewer, waste collection and the Southeast False Creek Neighbourhood Energy Utility (NEU). These utilities provide Vancouver with water for drinking and fire protection, safe removal of wastewater (sewage) for treatment, drainage of rainwater to prevent floods, efficient collection of garbage and organics, street cleaning, and a low-carbon energy supply to Southeast False Creek and the Great Northern Way Campus.

Key services delivered

- Zero waste
- Collections
- Transfer station and landfill
- Southeast False Creek Neighbourhood Energy Utility (NEU)
- Supporting low-carbon energy systems developed by other parties
- Water distribution service
- Emergency preparedness
- Water conservation and resource management
- Sanitary and stormwater sewer service
- Pump station program
- Service connections program

Service metrics highlights (2016 vs. 2017F)

Engineering – Utilities



Water Distribution Service

278 litres of water consumed per capita residential

(1.1% reduction forecast for 2017)

6.1 km of water pipes replaced

(9.8% increase forecast for 2017)



Sewer Service



7.5 km of sewer separated

(38.7% decrease forecast for 2017¹)



53.2% of system separated

(Target: Elimination of combined sewer overflows by 2050)

Transfer Station & Landfill



75% of landfill gas collected
(Forecast to maintain 75% for 2017)

156,606 tonnes disposed of at the Transfer Station & Landfill

(2.9% decrease forecast for 2017)



Neighbourhood Energy Utility



413,000 connected floor area (sq. metres)

(16.2% increase forecast for 2017)

2,982 tonnes of greenhouse gas reductions (GHG performance)



(27.4% improvement forecast for 2017)

Collections



49,101 tonnes of Green Bin compostables collected

(2% increase forecast for 2017)

Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Lower 2017 forecast is due to delivery of larger pipe widths at lower depths in challenging soil conditions.



Engineering – Utilities: Waterworks

Engineering – Utilities: Waterworks

Overview

The Waterworks utility provides a reliable, accessible and sustainable supply of high-quality water. The utility also strives to ensure efficient use of potable water and that the City is prepared for emergencies.

The water distribution network, valued at \$2.5 billion, is made up of 1,470 kilometres of underground infrastructure that is carefully managed using an asset management process.

Waterworks also operates a dedicated fire protection system for the downtown area, valued at \$80 million, consisting of 11 kilometres of dedicated high-pressure pipes and two pumping stations.

Key services delivered

- **Water distribution service** — Providing clean water to businesses, residents and communities, and serving growth. Ensuring that water system assets are in good condition and well managed by replacing aging and deteriorating infrastructure.
- **Emergency preparedness** — Supporting emergency preparedness through response planning. Increasing resiliency by strategically strengthening infrastructure.
- **Water conservation and resource management** — Enabling the efficient use of water corporately and in the community.

Service overview

Water distribution service

Top accomplishments in 2017

- Projected to replace 6.7 kilometres of aging water distribution main.
- Well underway to process 200 water services for commercial and multi-residential properties.
- Responded to approximately 102 water main breaks and repaired an estimated 560 leaks.

Plans for 2018

- Replace 7.2 kilometres of aging water main, including water main upgrades to support growth.
- Perform condition assessment of aging pressure-reducing valve stations and remote monitoring equipment.
- Increase the levels of preventive maintenance as well as capacity to respond to any unplanned disruptions.

Looking ahead, 2019-2022

- Increase in distribution main and transmission main renewal projects to keep up with aging and deteriorating water infrastructure.
- Ensure water system assets are well managed by continuing to monitor system conditions and prepare a comprehensive asset management plan to inform and justify future capital and operating budget requests.

Emergency preparedness

Top accomplishments in 2017

- Developed funding and implementation strategy for an earthquake-resistant water system.
- Maintained and operated two dedicated fire protection high-volume high-pressure pumping stations in the downtown area.

Plans for 2018

- Complete a SCADA/Telemetry system master plan that includes a replacement and maintenance schedule as well as recommendations to improve reliability of systems in post-emergency situations. Telemetry systems monitor and control critical water, sewer, district energy and landfill systems.

Looking ahead, 2019-2022

- Prepare and implement post-emergency provision of drinking water strategy.
- Implement recommendations from SCADA/Telemetry system master plan to increase resiliency of critical systems.

Water conservation and resource management

Top accomplishments in 2017

- Updated the water bylaw to prohibit use of single-pass water systems and to phase out the existing systems by January 1, 2020. Updated Vancouver Building Bylaw on fixture efficiency to match national code.
- Reviewed existing City-owned groundwater resources and determined usable volume for City outdoor use.
- Expanded access to drinking water with the installation of two new, permanent public drinking water fountains and 10 temporary fountains to support extreme heat response and public space activations.
- Performed acoustic leak detection of the water system to proactively detect and repair 250 underground leaks.

Plans for 2018

- Expand city-wide water conservation efforts and continue working on corporate water use reduction plan.
- Review groundwater resources and determine usable volume for City outdoor use.
- Update Water Shortage Response Plan bylaw to reflect more reserved watering regulations in Metro Vancouver's Drinking Water Conservation Plan.
- Continue with public communication campaign to dispel myth of water abundance.
- Investigate an integrated approach to water, wastewater and rainwater management planning to support fit-for-purpose use/reuse and infrastructure planning.
- Develop a strategy for One Water to optimize common goals around water conservation, storm sewer infrastructure, green infrastructure and shoreline protection to achieve conservation, resiliency and Greenest City actions.

Looking ahead, 2019-2022

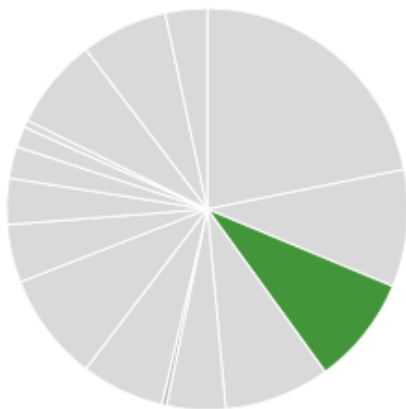
- Expand city-wide water conservation efforts to reduce per capita water use.
- Apply and expand integrated water management approaches — use of groundwater, rainwater and grey water at appropriate scales. Where cost effective, develop a cooling tower policy that balances water efficiency with public health protection.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Water revenue							
Metered water charges	51,855	57,526	57,298	60,857	65,382	4,525	7.4%
Flat-rate water charges	45,591	44,878	46,909	48,045	49,943	1,898	3.9%
Meter charges	3,504	3,700	3,774	3,849	4,026	177	4.6%
Fire line charges	2,549	2,700	2,754	2,809	2,865	56	2.0%
Other water revenue	481	481	546	409	509	100	24.5%
Total Utility fees	103,979	109,285	111,281	115,970	122,725	6,756	5.8%
Cost recoveries, grants and donations							
Other department recoveries	29	29	29	29	29	-	-
Total Cost recoveries, grants and donations	29	29	29	29	29	-	-
Rental, lease and other							
Other department revenue	3	3	3	141	141	-	-
Total Rental, lease and other	3	3	3	141	141	-	-
Total Revenues	\$ 104,012	\$ 109,317	\$ 111,314	\$ 116,140	\$ 122,896	\$ 6,756	5.8%
Expenditures & Transfers							
Water							
Water purchases (Metro)	66,608	71,484	71,913	75,425	79,418	3,993	5.3%
Water operations	11,818	11,040	11,848	11,941	13,165	1,224	10.2%
Capital program & other transfers							
Debt service charges	18,937	17,517	16,203	14,988	14,613	(375)	-2.5%
Pay-as-you-go funding	7,500	10,000	10,200	11,300	13,500	2,200	19.5%
Rate stabilization & other reserve transfers	(1,583)	(2,695)	(828)	524	22	(502)	-95.7%
Subtotal Capital program & other transfers	24,855	24,822	25,575	26,812	28,135	1,323	4.9%
Shared support services	731	1,972	1,978	1,961	2,177	216	11.0%
Total Water	104,012	109,317	111,314	116,140	122,896	6,756	5.8%
Total Expenditures & Transfers	\$ 104,012	\$ 109,317	\$ 111,314	\$ 116,140	\$ 122,896	\$ 6,756	5.8%
Net Operating Budget	-	-	-	-	-	-	-
Capital Budget (\$ million)	\$ 14.4	\$ 13.7	\$ 11.6	\$ 10.1	\$ 11.5		

Note: Totals may not add due to rounding



Waterworks Utility makes up 9%
of the 2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

For both metered customers and flat-fee single-family dwellings, a 6.0% increase is recommended for 2018. Metered-rate revenues will increase due to the rate increase and increases in water volume estimates for 2018, resulting from the alignment of assumptions with the Greenest City Action Plan target of per capita water use. Since 2012, all new single-family dwellings must be metered and no longer pay the flat fee. The 2018 budget for flat-fee revenues reflects the 6.0% rate increase offset by a projected decline in the number of customers paying the flat fee. As a result of these changes, water rates for single-family dwellings are projected to be \$653 in 2018 versus \$616 in 2017.

Inflationary 2.0% increases are recommended for fire line charges and meter service charges. Both the revenue and expense changes for meter service charges and fire line charges reflect an increase in the number of accounts over the last several years.

Explanation of changes 2018 vs. 2017 — expenditures and transfers

The increase for the 2018 water purchase budget is \$4.0 million, of which a \$3.0 million increase is due to a Metro Vancouver price increase of 3.9% and a \$1.0 million increase due to increased volume. Waterworks operational costs have increased by 10% due largely to increased costs to deal with the aging infrastructure. The increased funding will be directed toward reactive and proactive maintenance work. There is also an investment to develop a strategy for One Water to optimize common goals around water conservation, storm sewer infrastructure, green infrastructure and diking to achieve conservation, resiliency and Greenest City actions.

In 2012, the Waterworks utility began paying a portion of its annual capital program from utility fees; as a result, debt service charges are decreasing. The plan is to increase the pay-as-you-go contribution until all new capital expenditures are covered through current revenues. Ultimately, this will eliminate the debt interest expense. In 2018, City staff recommend a \$2.2 million increase in the pay-as-you-go contribution from \$11.3 million to \$13.5 million to expand the capital work and address the increasing level of service breaks and costs of aging infrastructure.

The current debt charges represent past borrowing and will continue to decrease over time as current borrowing is gradually eliminated. In 2017, there was a transfer of \$0.5 million to help achieve a target water rate stabilization reserve balance of 5%-10% of water purchases to ensure the continued financial stability of the utility. As a healthy level is forecast to be achieved by the end of 2017, there is no proposed transfer to the reserve for 2018.

Notable capital projects

The following table summarizes noteworthy projects and programs involving the Waterworks utility, or those that will begin in 2018. A complete list of all capital projects for 2018 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget	Forecast 2017 Expenditure	2018 Annual Expenditure Budget	Future Years
Water Distribution Main Replacement ²	N/A	8.2	9.9	TBD ¹

¹To be determined as a part of 2019-22 Capital Plan.

² Funding for programs approved on annual basis.

- Water Distribution Main Replacement** — With over 1,470 kilometres of water mains and connections in Vancouver, the Waterworks utility’s ongoing replacement program for aging infrastructure will see 7.2 kilometres of distribution main replaced or rehabilitated in 2018.

Employee trend table

Engineering Utilities Waterworks	2013	2014	2015	2016	2017F
Regular Full-time Staff	158.0	158.0	150.3	148.8	155.8
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	162.6	165.0	157.1	150.2	156.4

*excluding overtime

The projected increase in staffing is due to filling of vacancies and adjusting staffing levels to deal with fluctuating requirements for outside workers.



Engineering – Utilities: Sewers and Stormwater

Engineering – Utilities: Sewers and Stormwater

Overview

The Sewers and Stormwater utility creates and maintains sewer and rainwater systems that protect public health and property, harmonize with the natural environment and optimize value for the community. The sanitary sewer network conveys the sanitary waste stream to the regionally owned and operated wastewater treatment plant. The storm sewer network conveys rainfall falling on the roads and on private property to adjacent water bodies.

The underground sewer network, valued at \$4.7 billion, is made up of approximately 1,500 kilometres of underground infrastructure, which is carefully managed using an asset management process.

Key services delivered

- **Sanitary and stormwater sewer service** — Safely collect and convey wastewater to the wastewater treatment plant to protect public health, property and the environment. Safely collect and convey stormwater to the adjacent water body to protect public health, private property and the environment.
- **Pump station program** — Safely collect and redirect sanitary sewerage from low-lying areas into higher-elevation pipe networks for conveyance to the wastewater treatment plants.
- **Service connections program** — Provide separated sanitary and stormwater sewer connections from buildings to the mainline sewers in the roadway, typically triggered from new and redeveloped properties. Provide proper street drainage with the operations of over 45,000 catch basins.

Service overview

Sanitary and stormwater sewer service

Top accomplishments in 2017

- Installed 4.6 kilometres of storm and sanitary sewer, varying in size from 250 millimetres to 1,500 millimetres in diameter.
- Secured federal/provincial funding for the Oakridge Trunk Replacement Project.
- Inspected 78 kilometres (3.7%) of the sewer system as part of the asset management program.
- Developed a draft Musqueam Creek Integrated Stormwater Plan in partnership with Musqueam First Nation.
- Launched green infrastructure pilot projects and developed tools to clean and filter rainwater.

Plans for 2018

- Construct 4.1 kilometres of separated sewer with notable projects including the St. Catherine's Trunk Sewer and the 64th Avenue and Cartier Area projects.
- Evaluate seismic resiliency of key system infrastructure.
- Deliver the Rain City Strategy, an implementation plan for green infrastructure and urban rainwater management in Vancouver.
- Initiate the development of a sanitary and stormwater hydraulic model.
- Establish a sanitary and stormwater flow and rain monitoring program.
- Seek support of the Council motion to make False Creek swimmable by assisting with the hydrology study of the basin and prioritizing the sewer separation program around False Creek.

Looking ahead, 2019-2022

- Increase the sewer separation program, year over year, to achieve the 2050 target of eliminating all combined sewer outflows.
- Focus on implementing priority measures to enhance water quality, resilience and healthy urban ecosystems by capturing and treating 90% of rainfall on public and private property in Vancouver.
- Develop a city-wide combined sewer overflow monitoring program.
- Complete the sanitary and stormwater hydraulic model.
- Develop an earthquake resiliency strategy for critical systems.

Pump station program

Top accomplishments in 2017

- Completed conceptual design, received Park Board approval, and initiated detailed design of the Glen Drive and East Seventh Avenue pump station replacement.
- Initiated planning work for three pump station replacement projects and a seismically resilient emergency forcemain for the Nelson Pump Station.

Plans for 2018

- Construct a new pump station at Glen Drive and East Seventh Avenue to replace the current station that is at end-of-life.
- Develop preliminary plans for the replacement of the Dunbar/West 49th Avenue, Jericho and Raymur/Malkin pump stations.

Looking ahead, 2019-2022

- Plan, design and construct the replacement of three aging pump stations under the pump station program, and implement sewer forcemain resiliency and green opportunities.
- Develop plans for earthquake resiliency of the pump station program.

Service connection program

Top accomplishments in 2017

- Estimated to process 1,150 new sewer and water service connection applications for new homes and renovated buildings.
- Responded to approximately 1,125 trouble calls originating from residents regarding sewer malfunctions.
- Launched the Adopt a Catch Basin initiative where residents can volunteer to adopt one of 45,000 street-level catch basins and keep it clear of debris to allow for proper street drainage.

Plans for 2018

- Continue improving levels of service for the increasing number of service connection requests.
- Continue with the customer service interface for the permitting system to enable more online services.
- Develop a report on effectiveness of the check rod program, which currently has 3,900 homes on the program. The check rod program consists of visual inspections and proactive blockage removal in service connections.

Looking ahead, 2019-2022

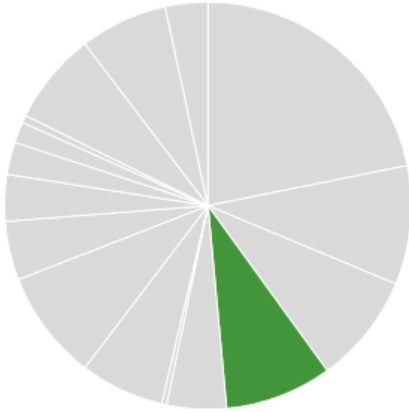
- Implement the recommendations of the check rod program to reduce the number of homes on the program and to lower operating costs.
- Renew end-of-life fleet equipment, such as vacuum trucks, to improve service levels.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$'000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Sewer revenue							
Metered sewer charges	31,920	34,702	37,028	40,339	45,217	4,878	12.1%
Flat-rate sewer charges	24,405	24,868	27,495	30,155	32,909	2,754	9.1%
Industrial waste water fees	741	732	786	826	935	109	13.2%
Other sewer revenue	785	801	801	939	950	11	1.1%
Total Utility fees	57,851	61,102	66,109	72,259	80,011	7,752	10.7%
Program fees							
Other department program fees	79	80	80	74	74	-	-
Total Program fees	79	80	80	74	74	-	-
Cost recoveries, grants and donations							
Other department recoveries	36	36	36	36	36	-	-
Total Cost recoveries, grants and donations	36	36	36	36	36	-	-
Total Revenues	\$ 57,965	\$ 61,219	\$ 66,226	\$ 72,369	\$ 80,121	\$ 7,752	10.7%
Expenditures & Transfers							
Sewer							
GVS&DD levy (Metro)	51,787	53,645	57,621	60,541	68,562	8,021	13.2%
Sewer operations	9,259	8,293	8,488	8,810	9,032	222	2.5%
Capital program & other transfers							
Debt service charges	29,573	31,348	33,228	35,218	37,688	2,470	7.0%
Pay-as-you-go funding	26	1,200	700	700	1,700	1,000	142.9%
Rate stabilization & other reserve transfers	16	117	47	2,547	1,641	(905)	-35.5%
Subtotal Capital program & other transfers	29,615	32,664	33,976	38,465	41,029	2,564	6.7%
Shared support services	832	1,440	1,445	1,444	1,614	170	11.8%
Total Sewer	91,494	96,042	101,530	109,260	120,237	10,977	10.0%
Total Expenditures & Transfers	\$ 91,494	\$ 96,042	\$ 101,530	\$ 109,260	\$ 120,237	\$ 10,977	10.0%
Net Operating Budget	\$ (33,528)	\$ (34,823)	\$ (35,304)	\$ (36,891)	\$ (40,116)	\$ (3,225)	8.7%
Capital Budget (\$ million)	\$ 55.5	\$ 51.1	\$ 67.2	\$ 65.8	\$ 60.2		

Note: Totals may not add due to rounding



Sewers and Stormwater Utility makes up 8%
of the 2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

For both metered customers and flat-fee single-family dwellings, a 9.9% increase is recommended for 2018. Metered-rate revenues will increase due to the rate increase and increases in water volume adjustments (as discussed in Waterworks section). Since 2012, all new single-family dwellings must be metered and no longer pay the flat fee. The 2018 budget for flat-fee revenues reflects the 9.9% rate increase offset by a projected decline in the number of customers paying the flat fee. As a result of these changes, water rates for single-family dwellings are projected to be \$422 in 2018 versus \$384 in 2017.

Explanation of changes 2018 vs. 2017 — expenditures and transfers

The 2018 budget for Metro Vancouver charges will increase by 12.3% over the 2017 budget. While this levy includes Greater Vancouver Sewerage and Drainage District (GVS&DD) capital costs, the 2018 increase is primarily driven by increased Metro Vancouver operating costs at the Iona Island Wastewater Treatment Plant, including the expense of additional biosolids management as the site is preparing for secondary sewer treatment. The increase in operations costs is mainly to support the City in developing a shoreline protection program to monitor progress toward the City's long-term targets set in the Climate Change Adaptation Strategy and to increase service levels for customer accounts.

In 2018, City staff recommend a \$1.0 million increase in the pay-as-you-go contribution from \$0.7 million to \$1.7 million to expand the capital work around investigation and design. Debt charges (interest and principal combined) will increase by 7.0% and relate to the City's ongoing prioritization of its sewer separation program. Since 2014, the Rate Stabilization Reserve has declined. In 2017, there was a transfer of \$2.5 million to help achieve a target water rate stabilization reserve balance of 5%-10% of water purchases to ensure the continued financial stability of the utility. In 2018, City staff recommend a transfer of \$1.6 million to ensure the continued financial stability of the utility.

Notable capital projects

The following table summarizes some of the noteworthy projects involving Sewers in 2018. A complete list of all capital projects for 2018 is included in the Council Report appendixes.

Project Name (\$millions)	Total Project Budget ³	Forecast 2017 Expenditure	2018 Annual Expenditure Budget	Future Years
Sewer Main Reconstruction ²	N/A	31.0	29.5	TBD ¹

¹To be determined as a part of 2019-22 Capital Plan.

² Funding for programs approved on annual basis

³ Expenditure may not sum to total project budget due to rounding or prior year expenditure

- **Sewer main reconstruction** — As of 2017, 53.2% of the sewer system has been separated. In 2018, staff expect to separate approximately 4.1 kilometres, with the goal of eliminating combined sewer overflows by 2050.

The 2017 Sewer Separation program achieved the following:


- Completed sewer construction as a part of the Point Grey Road engineering multi-branch capital project. Design and construction was performed by City engineers and crews.
- Completed sewer construction as a part of the Knight Street engineering multi-branch capital project. Design and construction was performed by City engineers and crews.
- Substantially completed the federally/provincially funded Oakridge trunk replacement project. Design was performed by City engineers. Construction was performed by City crews and contracted crews.

Employee trend table

Engineering Utilities Sewers	2013	2014	2015	2016	2017F
Regular Full-time Staff	268.0	260.0	253.8	245.7	251.4
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	278.9	278.5	268.4	267.0	270.2

*excluding overtime

The projected increase in staffing is due to filling of vacancies and adjusting staffing levels to deal with fluctuating requirements for outside workers.



Engineering – Utilities: Zero Waste and Resource Recovery

Engineering – Utilities: Zero Waste and Resource Recovery

Overview

The Zero Waste and Resource Recovery division is responsible for long-term planning and delivery of the City's solid waste collection, diversion, transfer and disposal services. City staff provide all single-family and duplex homes in Vancouver with compostable organics and garbage collection. Multi-family and commercial establishments are required to have plans in place for diversion of organics, and those services are delivered primarily by the private sector. In 2016, the delivery of recycling services was transferred to Recycle BC, and they now deliver collection services to single- and multi-family residences in the city.

The City also owns and operates the Vancouver South Transfer Station on West Kent Avenue North and the Vancouver Landfill located in Delta. Both of these facilities are considered part of the regional solid waste system, and they receive residential and commercial waste from Vancouver and other communities in Metro Vancouver. Recycling depots are located at both of these facilities, and some materials are collected by the City under agreements with provincial product stewardship organizations.

Key services delivered

- **Zero waste** — Policy, plans and programs to support the City's goal of maximizing waste reduction and diversion, including working closely with Metro Vancouver on long-range planning for effective solid waste management in the region.
- **Collections** — Compostable organics and garbage collection services to residential properties throughout the city.

- **Transfer station and landfill** — Operation and management of the Vancouver South Transfer Station and the Vancouver Landfill, including recycling depots and environmental management systems.

Service overview

Zero waste

Top accomplishments in 2017

- Developed the vision, framework and emerging directions for the City's innovative Zero Waste 2040 Strategy process, for Council's consideration in 2018.
- Continued to operate the streetscape recycling pilot project in partnership with Recycle BC and added 16 new locations for recycling bins.
- Launched a comprehensive stakeholder consultation and public engagement program for the development of a Single-Use Item Reduction Strategy.
- Initiated a study of options for transforming the City's transfer and landfilling operations to expand waste diversion opportunities.
- Initiated a pilot project to test the recovery of materials for recycling from construction and demolition waste received at the Vancouver Landfill, including the potential to use wood as biofuel.
- Co-convened a stakeholder engagement process to develop waste textile diversion options.

Plans for 2018

- Complete Zero Waste 2040 Strategy and plan and initiate early actions.
- Add an additional 10 locations to the streetscape recycling program.
- Complete the development of the Single-Use Item Reduction Strategy focused on cups, bags and fast food containers.
- Complete the review of options to increase waste recovery and diversion opportunities for the transfer station and landfill. Review Zero Waste business options and initiate detailed feasibility and business case reviews.
- Complete the pilot project for the recovery of construction and demolition materials and assess the feasibility of a full-scale operation to recover materials for beneficial use.
- Develop a textile waste diversion strategy in cooperation with charitable organizations to divert more material from disposal.

Looking ahead, 2019-2022

- Implement the Zero Waste 2040 Strategy, including:
 - Expansion of successful pilot projects focused on waste diversion
 - New waste prevention, reduction and reuse programs
 - New pilots for diverting new materials
 - Participation in testing new and innovative technologies capable of expanding recycling and waste diversion opportunities

Collections

Top accomplishments in 2017

- Expanded GPS system installation through the entire collections fleet.
- Reduced missed Green Bin and garbage collection calls by 30% over 2016.
- Increased cooperative efforts with City Driver Services professionals to train and support in branch driver trainers.

Plans for 2018

- Continue to focus on customer service to reduce missed collection calls by an additional 10%.
- Optimize routing for garbage and Green Bin collection using GPS technology.
- Increase efforts of communication and education for residents around properly setting out bins and reducing contamination in the Green Bins.

Looking ahead, 2019-2022

- Implement pilot projects for diverting additional materials.
- Maximize diversion of material from multi-family and commercial properties.
- Focus ongoing improvements in service delivery, operations and customer service by building on the availability of GPS technology.

Transfer station and landfill

Top accomplishments in 2017

- Achieved 75% gas recovery from the landfill.
- Completed expansion of the recycling depot at the transfer station to provide more capacity for recycling. Added a second scale to improve the traffic flow along West Kent Avenue North.
- Issued tenders to begin constructing a new entrance to the landfill to improve and expand the recycling area to provide more opportunities to recycle.

- Completed closure of Phase 3 Southeast and construction of additional gas works to maintain 75% landfill gas recovery.
- Initiated Stage 1 of 3 closure phases of the Western 40 Hectares at the landfill, including both closure and gas works.
- Completed design of Phase 3 Northeast closure and gas works, in anticipation of requirement for additional regional transfer waste at the landfill.
- Initiated an update of the five-year Design, Operations and Progressive Closure Plan for the landfill to guide future system operations and address the impacts of increased regional waste.
- Continued to meet all regulatory requirements for site operations and management, health, safety and environmental controls.

Plans for 2018

- Install additional landfill gas collection infrastructure as the site develops to maintain or exceed the target of 75% gas collection efficiency.
- Construct and commission a renewable natural gas facility at the landfill in association with FortisBC to increase beneficial use of landfill gas.
- Complete full closure and gas works of the Western 40 Hectares at the landfill.
- Complete the design and construction of the Phase 4 South closure and gas works.
- Develop and implement a vegetation plan for closed areas of the landfill that fits within the environmentally sensitive requirements of the Burns Bog which is designated as a wetland of international importance under the Ramsar Convention.
- Develop a pilot project for a soil processing/mixing facility to produce usable topsoil from material delivered to the landfill.
- Undertake a process for the design and construction of a new transfer station.
- Continue to exceed all regulatory requirements for site operations and management, health and safety, and environmental controls to maintain a world-class operation.

Looking ahead, 2019-2022

- Install additional landfill gas collection infrastructure and maintain gas recovery at 75% or higher.
- Complete construction of the new landfill entrance and recycling area upgrades.
- Complete Stage 1 and construct Stage 2 of 3 of the Western 40 Hectares closure and gas works.
- Construct Phase 3 Northeast closure and gas works.

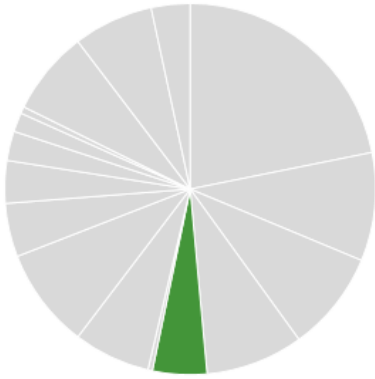
- Complete the update of the five-year Design, Operations and Progressive Closure Plan for the landfill.
- Complete the five-year hydrogeological plan for the landfill.
- Increase public participation in the annual Landfill Open House in June 2018.
- Continue to exceed all regulatory requirements for site operations and management, health and safety, and environmental controls to maintain a world-class operation.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Solid Waste revenue							
Collection revenue							
Annual collection fees	27,100	26,811	26,862	28,997	31,365	2,368	8.2%
Multi-Material BC recoveries	5,200	8,169	8,200	-	-	-	-
Other collection revenue	276	-	-	-	-	-	-
Subtotal Collection revenue	32,577	34,980	35,062	28,997	31,365	2,368	8.2%
Disposal revenue							
Tipping fees	29,985	25,195	29,768	36,381	38,070	1,689	4.6%
Metro & Delta's revenue-sharing	(2,424)	314	(1,400)	(4,098)	(5,574)	(1,476)	36.0%
Other disposal revenue	3,496	3,063	2,676	2,276	2,312	35	1.6%
Subtotal Disposal revenue	31,057	28,573	31,044	34,559	34,808	249	0.7%
Total Utility fees	63,634	63,553	66,106	63,556	66,173	2,617	4.1%
Cost recoveries, grants and donations							
Other department recoveries	53	53	288	200	168	(32)	-15.9%
Total Cost recoveries, grants and donations	53	53	288	200	168	(32)	-15.9%
Rental, lease and other							
Other department revenue	4	4	15	15	11	(4)	-26.7%
Total Rental, lease and other	4	4	15	15	11	(4)	-26.7%
Total Revenues	\$ 63,692	\$ 63,610	\$ 66,409	\$ 63,771	\$ 66,352	\$ 2,581	4.0%
Expenditures & Transfers							
Solid Waste							
Collections	27,042	27,726	27,658	22,665	24,232	1,567	6.9%
Landfill	18,819	19,213	19,578	20,310	22,165	1,855	9.1%
Transfer station	8,622	7,561	7,938	8,522	8,753	231	2.7%
Capital program & other transfers							
Capital Financing Fund loan payments	2,810	2,898	2,259	2,350	2,341	(9)	-0.4%
Solid Waste Reserve & other transfers	5,870	4,341	7,104	7,874	6,571	(1,303)	-16.6%
Subtotal Capital program & other transfers	8,680	7,239	9,364	10,224	8,912	(1,312)	-12.8%
Shared support services	528	1,870	1,871	2,050	2,290	241	11.7%
Total Solid Waste	63,692	63,610	66,409	63,771	66,352	2,581	4.0%
Total Expenditures & Transfers	\$ 63,692	\$ 63,610	\$ 66,409	\$ 63,771	\$ 66,352	\$ 2,581	4.0%
Net Operating Budget	-	-	-	-	-	-	-
Capital Budget (\$ million)	\$ 8.2	\$ 6.6	\$ 10.1	\$ 31.8	\$ 42.5		

Note: Totals may not add due to rounding



Zero Waste and Resource Recovery Utility makes up 5% of the 2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

Overall collection revenues will increase by \$2.4 million mainly due to increased rates for organics processing costs, increased service demand in residential areas and increased efforts on preventing illegal dumping in residential areas. As a result of these changes, collection rates for the average single-family home will increase to \$294 in 2018 from \$271 in 2017.

For 2018, budgeted disposal revenues will increase by \$0.2 million because of a projected increase in tonnes of garbage disposed of at the Vancouver Landfill from Metro Vancouver, partially offset by lower Vancouver commercial and demolition tonnes.

Explanation of changes 2018 vs. 2017 — expenditures and transfers

For 2018, budgeted expenditures and transfers will increase by \$2.6 million due to increased costs at the landfill to deal with additional tonnage and increased costs to provide collection services, especially around organics processing and equipment. The projected increase in costs and decrease in disposal revenues are partially offset by a decreased transfer to the Solid Waste Capital Reserve (a dedicated reserve to pay for landfill closure and post-closure costs).

Notable capital projects

The following table summarizes some of the notable projects involving Zero Waste and Resource Recovery. A complete list of all capital projects for 2018 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget ²	Forecast 2017 Expenditure	2018 Annual Expenditure Budget	Future Years ¹
Landfill Phase 3 Closure & Western 40 Hectares	67.2	15.8	26.0	19.3
Landfill Entrance Reconstruction	7.8	2.0	4.9	-
Transfer Station Improvements	6.5	3.5	-	-

¹ Future years reflects forecasted spend for the total project.

² Expenditure may not sum to total project budget due to rounding or prior years expenditure.

- **Landfill closure** — The City performs closures of completely filled sections of the Vancouver Landfill and installs gas collection infrastructure on the closed parts of the site. To date, approximately 80 hectares of the landfill have been progressively closed; the next sections of the site to close are the second stage of the Western 40 Hectares and Phase 3 Northeast. Work planned for 2018 includes construction of the closure and gas works systems for these two areas, which represents significant progress toward achieving the regulatory target of recovering 75% of gas produced by solid waste in the landfill.
- **Landfill entrance reconstruction** — Improvements that will help manage traffic and material flows and increase recycling opportunities will be completed in 2018.
- **Transfer station improvements** — Expansion of the recycling depot was completed to provide more capacity for recycling, and a second scale was added to improve the traffic flow along West Kent Avenue North.

Employee trend table

Engineering Utilities Solid Waste	2013	2014	2015	2016	2017F
Regular Full-time Staff	210.0	222.0	212.1	206.9	191.1
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	251.3	260.0	249.9	239.7	208.3

*excluding overtime

The early trend of increasing staffing levels was a result of expanded and new programs, including the single-family Green Bin program, MMBC program and multi-family Green Bin program. Staffing levelled off with year-over-year changes, a result of internal reorganizations or vacancies. In 2017, the significant decrease was due to the transfer of recycling to Multi-Material BC (MMBC), and the majority of staff were moved to street cleaning, which forms part of Engineering Public Works.



Engineering – Utilities: Neighbourhood Energy

Engineering – Utilities: Neighbourhood Energy

Overview

Neighbourhood energy systems, most suitable in dense urban areas, are shared infrastructure platforms providing heating, hot water, and sometimes cooling, for multiple buildings. These systems provide a utility business model and flexibility to make use of a wide variety of renewable energy technologies that are difficult to implement in individual buildings.

Neighbourhood energy development is a key action under the Greenest City 2020 Action Plan and the Renewable City Strategy.

The Southeast False Creek Neighbourhood Energy Utility (NEU) has grown by over 300% since it was first established in 2010, using waste heat recycled from the sewage system to supply low-carbon energy to more than 5 million square feet of customer building floor area. This system has recently expanded to serve the Great Northern Way Campus Lands, and a business case evaluation is underway that contemplates a major expansion of the utility to other areas. In addition, the City is actively working to support the development of energy systems by other parties, including the low-carbon conversions of existing downtown and hospital steam heat systems as well as new systems to serve major land redevelopments.

Key services delivered

- **Southeast False Creek Neighbourhood Energy Utility (NEU)** — Providing low-carbon heat and hot water services to buildings in Southeast False Creek and the Great Northern Way Campus Lands (including capital expansion of the system and day-to-day operations). Business development activities to support the expansion of the NEU to other parts of the False Creek Flats, Mount Pleasant, Northeast False Creek and other potential areas around the Downtown and Cambie corridor.

- **Supporting low-carbon energy systems developed by other parties** — Supporting the development of neighbourhood energy initiatives by other parties; examples include low-carbon fuel switching of existing heating systems and new low-carbon heat energy systems to serve new developments.

Service overview

City-Owned Neighbourhood Energy Utility

Top accomplishments in 2017

- Completed expansion of the NEU to supply renewable energy to Emily Carr University of Art + Design and three other new customer buildings.
- Completed expansion of the boiler capacity at the False Creek Energy Centre, and pilot testing of a new sewage filtration system. Initiated engineering design activities for expansion of sewage heat recovery capacity at the False Creek Energy Centre, and the recycling of waste heat from the cooling of a proposed major retail development.
- Completed a comprehensive business case evaluation that supports expansion of the NEU to Mount Pleasant, the False Creek Flats and Northeast False Creek.

Plans for 2018

- Pending Council approval of expansion of the NEU in Q1 2018:
 - Begin design activities for infrastructure expansion into other areas of the False Creek Flats, Mount Pleasant and Northeast False Creek.
 - Initiate a customer rate structure review to ensure appropriate and fair rates for services delivered to new service areas.
 - Pursue opportunities to increase recycling of waste heat from commercial cooling, data centres and sewage.
 - Update the Energy Utility System Bylaw to factor in new service areas and support purchase of waste heat from customers.
 - Complete the business case evaluation for other potential expansion areas in the vicinity of the Downtown and Cambie corridor.
- Connect the NEU to two new customer buildings.

Looking ahead, 2019-2022

- Continue the expansion of the distribution system and low-carbon energy generating capacity for the NEU within the current Council-approved service area.
- Explore the opportunity to expand the NEU to other parts of the False Creek Flats, Mount Pleasant, Northeast False Creek and other potential areas.

Supporting low-carbon energy systems developed by other parties

Top accomplishments in 2017

- Completed actions to support neighbourhood energy initiatives by other parties, including new Council policy to address property taxation-related barriers for energy infrastructure owned by the private sector, and policy that provides recognition to low-carbon energy systems to achieve Zero Emissions Building Plan objectives.
- Secured low GHG energy systems for a number of major land developments, including the Pearson Dogwood lands, Little Mountain, Arbutus Centre and the Post Office site downtown.

Plans for 2018

- Continue discussions with Metro Vancouver and the City of Burnaby to secure regional policy that supports the recovery of waste heat from the existing Metro Vancouver Waste to Energy Facility.
- Complete the business case evaluation and contract negotiations to secure a low-carbon outcome for the private-sector-owned River District neighbourhood energy system.

Looking ahead, 2019-2022

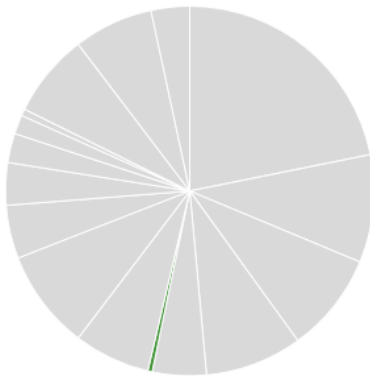
- Continue work to drive the low-carbon conversion of the downtown steam heat system and hospital campuses.
- Continue work to secure low-carbon energy systems for major development sites.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Neighbourhood Energy							
NEU fixed levy	1,949	2,182	2,521	2,823	3,317	494	17.5%
NEU energy charge	1,043	1,501	1,818	1,797	2,229	432	24.0%
Total Utility fees	2,992	3,683	4,339	4,620	5,546	926	20.0%
Total Revenues	\$ 2,992	\$ 3,683	\$ 4,339	\$ 4,620	\$ 5,546	\$ 926	20.0%
Expenditures & Transfers							
Neighbourhood Energy							
NEU operations	1,902	1,786	1,906	2,016	2,686	669	33.2%
Capital program & other transfers							
Debt service charges	2,548	2,587	3,406	3,846	3,868	22	0.6%
Rate stabilization & other reserve transfers	(1,458)	(690)	(972)	(1,243)	(1,008)	235	-18.9%
Subtotal Capital program & other transfers	1,090	1,897	2,433	2,604	2,860	257	9.9%
Total Neighbourhood Energy	2,992	3,683	4,339	4,620	5,546	926	20.0%
Total Expenditures & Transfers	\$ 2,992	\$ 3,683	\$ 4,339	\$ 4,620	\$ 5,546	\$ 926	20.0%
Net Operating Budget	-	-	-	-	-	-	-
Capital Budget (\$ million)	\$ 2.6	\$ 2.6	\$ 1.8	\$ 3.1	\$ 5.7		

Note: Totals may not add due to rounding



Neighbourhood Energy Utility makes up 0.4% of the 2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

Consistent with the NEU's levelized rate approach, the recommended effective rate increase for 2018 is 3.2% — 2.0% inflation plus the 1.2% escalator. In accordance with Council policy to improve the system's energy conservation price signal, the effective increase is made up of a 2.6% increase in the Fixed Capacity Levy and a 4.0% increase in the Energy Use Charge. The majority of the \$0.9 million increase in the revenue budget is due to the continued expansion of the system's customer base. The system's budget for operations has increased \$0.7 million, reflecting the increased price of energy inputs, as we evaluate the option to buy more biomethane to keep GHG performance on track, and the continued expansion of the system.

The remaining \$0.2 million increase in expenditure and transfers is the result of lower transfers supporting the system’s levelized rate approach.

Notable capital projects

The following table summarizes some of the noteworthy projects that involve the NEU or which will begin in 2018. A complete list of all capital projects for 2018 is included in the Council Report appendices.

Project Name (\$ millions)	Total Project Budget ³	Forecast 2017 Expenditure	2018 Annual Expenditure Budget	Future Years
NEU System Extension ²	10.0	2.6	5.7	TBD ¹

¹To be determined as a part of 2019-22 Capital Plan.

²Funding for programs approved on annual basis.

³Expenditure may not sum to total project budget due to rounding or prior years expenditure.

- NEU system extension** — In 2018, the NEU will connect three new developments to the Southeast False Creek System, including the new Mountain Equipment Co-op, and install distribution pipeline infrastructure to Second Avenue as a part of the Quebec Street expansion. Staff will also initiate design and procurement for additional sewage heat recovery capacity at the existing plant.

Employee trend table

Engineering Utilities NEU	2013	2014	2015	2016	2017F
Regular Full-time Staff	5.0	5.0	4.1	4.8	5.3
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	5.5	6.3	6.0	5.5	6.4

*excluding overtime

NEU staffing is split between two key work programs: (1) operations and capital expansion of the Southeast False Creek NEU (funded by the City-owned utility) and (2) implementation activities related to the city-wide Neighbourhood Energy Strategy (funded by the Sustainability group). The increase in staffing levels is to ensure adequate resourcing in place for NEU expansion activities.

Engineering – Public Works



Engineering – Public Works

Overview

Engineering Services designs, maintains and builds streets, rights-of-way and public spaces — a service known as Public Works. This infrastructure plays a key role in moving people and goods, delivering City services and creating environments where people want to live and work.

Key services delivered

- Transportation planning, design and management
- Parking policy
- Street activities
- Film and special events
- Utilities management
- Public bike share
- Green Operations
- Street Infrastructure and Maintenance
- Street cleaning
- Parking operations and enforcement

Service metrics highlights (2016 vs. 2017F)

Engineering – Public Works



Parking Operations



392,274 (gross) parking tickets issued (0.6% decrease forecast for 2017)

66.1% parking tickets paid at discount (64% forecast for 2017)



50% non-coin meter revenue (56% forecast for 2017)

10,100 metered spaces



Green Operations



16,558 tonnes – fleet greenhouse gas emissions (0.3% decrease forecast for 2017)



7.1 million litres of fuel consumed (1.1% reduction forecast for 2017)

15.7% recycled asphalt product and warm mix (15.5% forecast for 2017)



Street Cleaning

18,782 abandoned garbage and illegal dumping complaints (3-1-1)

(11.3% increase forecast for 2017)



On average, **5.7 days** response time for abandoned waste / illegal dumping requests

(4.5 days forecast for 2017)

Street Infrastructure & Maintenance



4.5% Major Road Network repaved (3.8% forecast for 2017)

1.0% non-MRN repaved (1.3% forecast for 2017)



2,165 km sidewalk maintained



2,040 pot hole service requests¹ (192% increase forecast for 2017)

Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. The significantly higher number of pot hole requests and street damage was due to unusual winter weather experienced during the past season.



Public Space & Street Use



415 film applications

(expected to remain stable in 2017)

518 special events and block parties – applications and permits

(expected to remain stable in 2017)



143,610 public bike share rides

Only 6 months of data; system launched in summer 2016

(590,000 rides forecast for 2017 full year)

Transportation Planning, Design & Management



384.8 million transit ridership

(1.2% increase forecast for 2017)

29% of adults are carshare members

(36% forecast in 2017)



4,060 VKT (vehicle kms travelled per resident)

(6.4% decrease forecast for 2017)



50% Mode Split²
(50% auto, 16% transit, 27% walking and 7% cycling³)



2.4 million bike trips¹

(9.8% increase forecast for 2017)



Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Burrard, Lions Gate and Viaduct.

2. Walking + Cycling in Vancouver: 2016 Report Card.

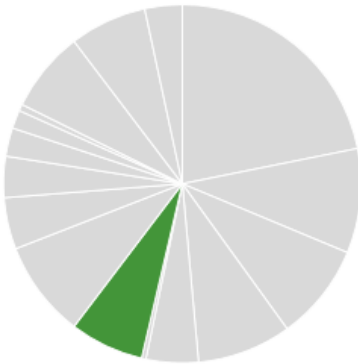
3. Since 2013, Vancouver residents continue to make more of their trips on foot and by bike every year.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Program fees							
Other department program fees	32	32	267	38	38	-	-
Total program fees	32	32	267	38	38	-	-
Parking revenue							
Parking permit fees	952	952	1,102	1,102	1,124	22	2.0%
Total Parking revenue	952	952	1,102	1,102	1,124	22	2.0%
Cost recoveries, grants and donations							
Engineering recoveries	4,544	4,885	4,883	5,079	5,065	(15)	-0.3%
Total Cost recoveries, grants and donations	4,544	4,885	4,883	5,079	5,065	(15)	-0.3%
Rental, lease and other							
Engineering revenue							
Street Maintenance revenue	25	95	95	95	145	50	52.5%
Street Use revenue	1,114	915	915	1,908	2,408	500	26.2%
Parking Operations revenue	961	961	963	1,785	1,785	-	-
Other Engineering revenue	188	281	281	546	421	(125)	-22.8%
Total Rental, lease and other	2,288	2,252	2,254	4,334	4,759	425	9.8%
Total Revenues	\$ 7,816	\$ 8,121	\$ 8,505	\$ 10,554	\$ 10,987	\$ 433	4.1%
Expenditures & Transfers							
Public Works							
Street Maintenance	23,657	23,162	23,198	25,640	27,339	1,699	6.6%
Parking Operations	15,365	15,242	15,296	16,889	18,152	1,263	7.5%
Street Use	8,885	9,228	9,355	11,998	13,781	1,783	14.9%
Street Cleaning	7,288	7,319	9,859	9,266	9,490	223	2.4%
Street Lighting	5,221	5,616	6,492	6,524	6,416	(108)	-1.7%
Transportation	3,224	3,182	3,248	2,953	3,610	657	22.3%
General Public Works	2,852	2,729	2,829	2,987	3,896	908	30.4%
Shared support services	119	5,820	7,630	8,485	9,789	1,304	15.4%
Transfers to / (from) reserves & other funds	1,819	1,479	1,474	489	475	(14)	-2.9%
Subtotal Public Works	68,429	73,775	79,383	85,231	92,948	7,717	9.1%
Department Services							
Equipment Service Operations	(19,272)	(17,715)	(20,854)	(24,323)	(23,796)	527	-2.2%
Equipment Management Group	938	904	883	928	1,118	190	20.5%
Construction Supplies & Services	(1,497)	(1,518)	(1,534)	(1,379)	(1,464)	(84)	6.1%
Operations Safety & Support	1,766	1,241	1,456	688	1,588	900	130.8%
Shared support services	111	234	240	169	76	(93)	-55.0%
Transfers to / (from) reserves & other funds	21,098	19,312	20,778	24,271	23,465	(806)	-3.3%
Subtotal Department Services	3,144	2,458	968	353	987	634	179.3%
Total Expenditures & Transfers	\$ 71,573	\$ 76,233	\$ 80,351	\$ 85,584	\$ 93,935	\$ 8,350	9.8%
Net Operating Budget	\$ (63,757)	\$ (68,112)	\$ (71,845)	\$ (75,031)	\$ (82,948)	\$ (7,917)	10.6%
Capital Budget (\$ million)	\$ 90.5	\$ 69.3	\$ 108.6	\$ 126.4	\$ 85.7		

Note: Totals may not add due to rounding



Engineering Public Works makes up 7%
of the 2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

The anticipated increase in revenue for 2018 is a result of the introduction of digital advertising on street furniture and of test opportunities to generate revenue through other public realm opportunities. These increases are offset by a reduction in revenue for certain engineering fees to better reflect actual revenue generated.

Explanation of changes 2018 vs. 2017 — expenditures and transfers

The following explanations reflect significant investments in 2018 in Public Works:

- The development and building fee review identified \$1.09 million of engineering resources that would be required across Public Works. The additional resources will support the increased demand and complexity of development-related reviews.
- The street maintenance increase includes the \$0.8 million investment in snow readiness for additional equipment and training that was approved by Council in July 2017.
- Parking operation increases to support parking meter expansion and additional enforcement to support compliance. The additional investments will provide for increased maintenance, credit card processing, coin collection costs and staffing.
- Street use increases support an investment in public realm opportunities, including emerging events and the ongoing maintenance of horticulture on public spaces.
- General Public Works includes the engineering project management and project delivery functions, including an investment in the maintenance of new infrastructure along Great Northern Way Campus Lands and East Fraser Lands.
- Shared support services increases year over year as a result of the changes to the allocation of 3-1-1, supply chain management and IT.
- The balance of the year-over-year changes are largely a result of the annual wage and other inflationary increases.

Notable capital projects

The following table summarizes some of the noteworthy projects or programs that involve Public Works. These projects will either continue from prior years or begin in 2018. A complete list of all capital projects for 2018 is included in the appendixes.

Project Name (\$ millions)	Total Project Budget ³	Forecast 2017 Expenditure	2018 Annual Expenditure Budget	Future Years
Vehicle & Equipment Replacements/Additions ¹	N/A	16.2	17.8	TBD ²
Active Transportation Corridor (Upgrade and expand walking and cycling networks) ¹	N/A	11.4	17.3	TBD ²
Arbutus Corridor-Planning & Design	7.0	-	2.8	4.2
Georgia Dunsmuir Viaduct Removal	21.3	15.3	2.2	-
Seaside Greenway	14.6	10.8	2.8	-
City Roads Paving ¹	N/A	6.8	7.0	TBD ²
Street Lighting Rehabilitation - Major Roads ¹	N/A	2.0	2.7	TBD ²

¹ Funding for programs approved on annual basis

² To be determined as a part of 2019-22 Capital Plan.

³ Expenditure may not sum to total project budget due to rounding or prior years expenditure.

- Vehicle and equipment replacement** — Replacing end-of-life equipment and vehicles used by the City, such as street cleaning equipment, construction equipment, fire and rescue vehicles, cube vans, step vans and dump trucks.
- Active Transportation Corridor** — Expanding the walking, cycling and greenway networks and improving existing facilities to further enhance safety and comfort. Area improvements will include the traffic intersection at Quebec Street and First Avenue, 10th Avenue between Yukon Street and Oak Street, 10th Avenue between Ontario Street and Kingsway, and the Powell Street Overpass East. The 2018 active transportation program will focus on new and improved walking and cycling infrastructure, including Adanac bikeway improvements and city-wide cycling spot improvements.
- Arbutus Corridor planning and design** — Designing the next phase of the Arbutus Corridor project, a 9-kilometre north-south connection that will link Granville Island, the seawall, destinations along the greenway, and the Canada Line Bridge south to Richmond. The objective is to increase public access to parks and natural spaces and improve accessibility for people of all ages and abilities. This includes enhancing safety and comfort of users at all intersections and crossings, and strengthening the connections to the communities along the greenway.
- Georgia and Dunsmuir Viaducts Removal and Replacement Project Phase 1** — Allocating funds in 2017-2018 for the Georgia and Dunsmuir Viaducts Removal will include detailed planning design and finalizing required agreements to advance the removal and replacement of the viaducts and development of the remaining Northeast False Creek Lands for future parks, open spaces and a community.

- **Seaside Greenway** — Completing final phase upgrades that include widening pathways to create separation between pedestrians and cyclists, resurfacing pedestrian and cyclist paths with asphalt, relocating and protecting utilities in conflict, replacing and relocating street lights, and improving public realm and the pilot of green infrastructure projects.
- **City road paving** — Rehabilitating the City’s arterial streets where major capital restoration work is required to maintain street pavement quality and extend roadway service life.
- **Street lighting rehabilitation on major roads** — Replacing street lighting conduit, rusty poles, trolley poles, communications conduit and communications cables as well as identifying and remediating asbestos. The program goal is to ensure existing street lighting is upgraded and maintained at a safe and effective level. The 2018 program includes the rehabilitation of street lighting on Expo Boulevard tunnel surrounding BC Place.

Employee trend table

Engineering Public Works	2013	2014	2015	2016	2017F
Regular Full-time Staff	1,023.0	1,000.0	980.2	963.2	1,004.0
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	1,129.9	1,085.5	1,073.1	1,079.0	1,171.0

*excluding overtime

Engineering Transportation	2013	2014	2015	2016	2017F
Regular Full-time Staff	60.0	60.0	61.8	62.3	67.9
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	82.3	85.8	83.9	85.9	96.8

*excluding overtime

Engineering Streets	2013	2014	2015	2016	2017F
Regular Full-time Staff	558.0	540.0	529.8	517.2	524.6
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	595.3	572.8	563.5	566.7	593.7

*excluding overtime

From 2016 to 2017, the key factor in the increase of both regular, full-time staff and total staff (which includes part-time, temporary and auxiliary) was the transfer of recycling staff from the solid waste utility to the street cleaning division, which forms part of Engineering Public Works. In addition, staffing levels in transportation, streets and the project delivery office have increased as a result of the continued growth in the Capital Plan.



Engineering – Public Works: Transportation

Engineering – Public Works: Transportation

Overview

The Transportation division of Engineering Services is responsible for the development, monitoring and management of the City's transportation network. The network is critical to economic prosperity, the health of residents and our commitment to being the greenest city in the world.

The City of Vancouver's [Transportation 2040 Plan](#) is a long-term strategic vision for the City's transportation decisions. The vision contributes significantly toward making Vancouver a healthy, prosperous and livable city where walking, cycling and transit are an attractive option for people to get around.

Actions in the Transportation 2040 Plan aim to create a transportation network that supports job growth, business development and the efficient movement of people and goods. The core of the work is centred around safety and accessibility, with a strong emphasis on active transportation and transit use.

Key services delivered

- **Transportation planning, design and management** — Enabling the movement of people, goods and services in a way that supports healthy citizens, a thriving economy, a clean environment and high quality of life, with high-level goals to increase trips made by walking, cycling and/or transit.
- **Parking policy** — Providing and regulating on- and off-street vehicle and bike parking spaces to allow for the safe and orderly movement of traffic, to support residents, local businesses, visitors and service providers, and to ensure neighbourhood livability.

Service overview

Transportation planning, design and management

Top accomplishments in 2017

In 2017, the City continued implementing [Transportation 2040 Plan](#) actions, delivering numerous plans and new or improved infrastructure. Among the year's highlights:

- Completed modifications to the Knight Street at Marine Drive intersection to significantly reduce collisions at the highest collision location in the city.
- Completed major upgrades to the Burrard Bridge to improve safety at the Burrard Street at Pacific Street intersection. These changes considerably improve cycling connections to and from the bridge and have returned walking to the east side.
- Launched an integrated action plan for moving toward zero transportation-related fatalities and began implementation with key partners, such as ICBC and Vancouver Police Department.
- Completed significant additions to the active transportation network, including the Arbutus Greenway temporary pathway, Point Grey Road, South False Creek Seaside Greenway (between Cambie Street and Burrard Bridge) and Southwest Marine Drive.
- Completed consultation and began implementation on upgrades for walking and cycling on 10th Avenue, Seventh Avenue and Adanac bikeways. Initiated consultation on the Gastown street network.
- Continued to upgrade rail crossings at multiple locations to meet new Transport Canada regulations by 2021.

Plans for 2018

- Continue consultation on complete streets for Gastown and Commercial Drive and on the Georgia Gateway complete street (Stanley Park to Nicola Street).
- Finalize a pedestrian spot improvement program to further enhance the safety, comfort and convenience of walking across the city.
- Support TransLink in the selection process for the design build contractor for the Millennium Line Broadway Extension.
- Pilot a Cambie Bridge southbound bike lane.
- Explore initial transportation planning opportunities around the Central Waterfront.

Looking ahead, 2019-2022

- Work with partners to complete the design and to begin construction of the Millennium Line Broadway Extension.
- Complete the design and create an implementation plan for the Gastown street network and the Georgia Gateway.
- Complete the implementation of transit priority and reliability improvements for B-Line services along Hastings Street and 41st Avenue.
- Complete upgrades to rail crossings at multiple locations to improve safety and meet new Transport Canada requirements.
- Continue to upgrade and expand walking and cycling networks through projects, including Commercial Drive.

Parking Policy

Top accomplishments in 2017

- Implemented the first year of the parking meter strategy designed to performance manage the City's supply of on-street parking for both morning and evening time periods.
- Implemented the first phases of the West End Parking Strategy, which included pay parking for visitor spaces and a market-based rate for permit parking to increase the availability of curbside parking for residents, visitors, caretakers and service providers.
- Negotiated a new mobile payment contract with enhanced capabilities and features in response to changing parking needs and language accessibility.

Plans for 2018

- Continue the implementation of the West End Parking Strategy.
- Support the development of a participatory budget for the West End Parking Strategy.
- Review the payment-in-lieu system and related Parking Bylaw updates.
- Complete a city-wide district parking study to assess needs around unbundled parking, car share, bicycle mobility centres, electric vehicles and event parking, and to assess the longer-term needs around autonomous vehicles.
- Expand the parking meter program to address congestion and support businesses.
- Build expertise in off-street bicycle parking facilities, including the development of an off-street bicycle parking policy.

Looking ahead, 2019-2022

- Advance curbside management strategies in support of Transportation 2040 objectives, including new parking policy to address congestion caused by cruising for parking and safety issues in busy areas.
- Review opportunities for market-based permit rates for residential parking across the city.
- Evaluate the performance of City on-street commercial loading zones.

Engineering – Public Works: Street Infrastructure and Maintenance



Engineering – Public Works: Street Infrastructure and Maintenance

Overview

The Street Infrastructure and Maintenance division within Public Works includes three branches: (1) Streets, Traffic and Electrical Operations, (2) Parking Operations and Enforcement, and (3) Streets and Electrical Design. The division ensures that the City's crucial civil and electrical structures are routinely maintained, while keeping Vancouver streets clean and accessible. It is also responsible for monitoring and enforcing public street parking.

Key services delivered

- **Street Infrastructure and Maintenance** — Managing streets, bridges, cycling facilities, sidewalks and electrical assets to ensure safety, minimize lifecycle cost and support necessary utilities.
- **Parking operations and enforcement** — Supporting parking programs and regulations to promote safety, the free flow of traffic and access to on-street parking, contributing to the city's overall livability and vibrant economy.
- **Street cleaning** — Sweeping and cleaning the streets of litter and illegally dumped materials (such as electronic waste and large household items). Collecting litter from receptacles on streets and in parks. Providing street cleaning and litter collection services on city streets after public events, such as the Celebration of Light.

Service overview

Street Infrastructure and Maintenance

Top accomplishments in 2017

- Completed rehabilitation on arterial streets, including Beatty Street and Angus Drive. Began construction work on the Burrard Bridge rehabilitation (Burrard Street and Southwest Marine Drive).
- Continued coordination with local partners, such as BC Hydro and Coast Mountain Bus Company to minimize disruption to residents while replacing poles with street lights.
- Replaced 815 street light poles and improved pedestrian-oriented lighting to promote safety and walkability.
- Responded to 42 days of below 5 C temperatures by having crews salt, sand and plow arterial roads. Approximately two weeks of salt distribution for residential sidewalk treatment added up to over 250 tonnes. At peak, approximately 600 staff were mobilized to clear snow and ice and assist with garbage and Green Bin collection. Repaired over 28,000 potholes, 170 street light outages and 120 frost heave locations as a result of the weather.

Plans for 2018

- Complete and analyze the results from the street-network pavement condition survey (2017-2018) in an effort to prioritize maintenance and rehabilitation activities.
- Undertake procurement for the next bridge condition assessment program (2018-2019).
- Undertake rehabilitation of approximately 5 kilometres of arterial Major Road Network (MRN) pavements, which includes work at First Avenue (Boundary Road to Clark Drive), Smithe Street and approximately 3 kilometres of arterial City pavements, including Quebec Street and First Street, and Fraser Street from King Edward to 33rd Avenue.
- Increase in curb ramp installation in an effort to decrease the backlog of requests.
- Increase servicing for winter weather response, including increased salt and brine storage, increased multi-purpose equipment capable of treating residential streets, bike lanes and pedestrian pathways.
- Expand the communications plan and Snow Angels program for severe weather responses. Facilitate upgrades to the 3-1-1/VanConnect mapping and Department Operations Centre (DOC) to improve response efficiency. Install increased intersection CCTV cameras for weather monitoring.
- Develop a pilot for smart light technology.

Looking ahead, 2019-2022

- Continue annual rehabilitation programs for major roads and local streets, including identifying coordination opportunities with utility renewals.
- Renew street lighting infrastructure (ongoing), including replacing lighting systems with LED and smart technologies.
- Establish an electrical utility and begin the build-out of infrastructure to support increased on-street electrical uses.

Parking operations and enforcement

Top accomplishments in 2017

- Completed the procurement for the replacement of the City's parking enforcement technology and continued work on the Licence Plate Recognition project to improve enforcement of residential parking permit areas and time limit zones.
- Completed the procurement of new mobile parking payment contracts to ensure high-quality, reliable and convenient mobile payment options at all metered parking spaces in the city.

Plans for 2018

- Initiate a year-long rollout of the Licence Plate Recognition system and test ticket delivery options.
- Pilot locations with a PayByPhone-only payment option to decrease maintenance required in high vandalism areas.
- Change the internal process to prioritize and triage requests for non-safety-related requests, allowing more efficient use of resources.
- Continue to work with City and NGO outreach teams, coupled with the Vancouver Police Department, to reduce complaints about disruptive long-term camper van parking.

Looking ahead, 2019-2022

- Pursue emerging parking technology pilot projects.

Street cleaning

Top accomplishments in 2017

- Increased service in the Downtown area to address ongoing challenges with litter issues as a result of increases in transients and homelessness in the area.
- Reduced servicing time to address abandoned-waste service requests by 20% over 2016, despite a 10% increase in requests.

- Completed the labour adjustment plan to support relocation of recycling staff to other service areas.
- Continued to monitor the Streetscape Recycling Pilot program, in association with Recycle BC, to assess recovery potential and contamination challenges.
- Expanded the current streetscape pilot program by adding an additional 16 locations.
- Expanded the dog waste pilot program in partnership with Vancouver Parks to add an additional three parks.
- Increased the grants (to \$1 million) to social enterprises that support low-threshold employment by providing micro-cleaning services in BIAs and key areas of the city.
- Initiated operational changes to move to a zone-based service delivery model to support effective allocation of resources to the areas of greatest need.
- Launched an anti-littering campaign focused on increasing public awareness of the need to reduce the amount of public littering and illegal dumping that occurs in the city.
- Expanded the Keep Vancouver Spectacular (KVS) program to include textile drop-off (as of fall 2017) and additional electronic recycling. Supported coffee cup recovery at community events.

Plans for 2018

- Expand streetscape recycling by an additional 10 locations.
- Provide additional funding for social enterprises to support micro-cleaning in BIAs.
- Expand the dog waste pilot program in Vancouver Parks by an additional two parks.
- Continue to fortify public awareness and behaviour change toward anti-litter efforts.
- Expand opportunities for textile drop-off at community events, year-round, through the KVS program.
- Purchase additional equipment to support ongoing reductions in service times.
- Complete the transition to a zone-based operating system.

Looking ahead, 2019-2022

- Expand the recycling and dog waste pilots to achieve city-wide coverage.
- Continue to focus on litter reduction through ongoing communications and education.
- Develop new pilot projects to address emerging priorities for waste diversion and improved cleanliness.
- Support social enterprises through maintaining the Street Cleaning Grant Program.
- Expand the KVS program to year-round with a broad focus on increasing community involvement and doubling the number of volunteers.

Engineering – Public Works: Public Space and Street Use



Engineering – Public Works: Public Space and Street Use

Overview

The Public Space and Street Use division brings together Engineering Services branches that coordinate and enable the non-traditional use of streets and sidewalks and other public spaces. Guided by Council policy that acknowledges that streets are among the City's greatest public assets, Public Space and Street Use collaborates with City departments and key stakeholders to envision and facilitate the diverse use of streets and public spaces and transform them into vibrant public spaces and platforms for active living, cultural expression and economic sustainability.

Key services delivered

- **Street activities** — Activating and managing the street through street art, murals, landscaping and horticulture, furniture, vending, patios, merchandise displays, graffiti management and entertainment. Leading and supporting innovative temporary installations as well as new public spaces (street to plaza and parklets).
- **Film and special events** — Facilitating the production of and providing permits for film and special events on city streets and in select public or City-owned spaces.
- **Utilities management** — Managing, coordinating and reviewing third-party utility corridors, public art and property boundaries.
- **Public bike share** — Supporting the implementation of Mobi, the public bike share program, and working with Vancouver Bike Share to manage the ongoing operation of the system.

Service overview

Street activities

Top accomplishments in 2017

- Tested new pop-up public plazas at Robson and Bute Streets as well as at the Union-Vernon-Adanac intersection.
- Partnered with Downtown Vancouver BIA to deliver Ackery's Alley next to the Orpheum in fall 2017, a Council-approved laneway conversion to create more dynamic, inviting, programmable public spaces.
- Implemented a temporary level surface at 800 Robson Street to create a functional plaza, while detailed design of the permanent plaza is completed.
- Expanded the parklet and patio program, including the launch of a three-year strategy pilot to study new kinds of parklets and patios, the first of which were installed summer 2017 and will continue into 2018.
- Expanded the street art program by increasing the number of murals, featuring an Indigenous-mural-focused initiative (Canada 150+) and piloting new concepts in partnership with stakeholders.
- Worked with more than a dozen community partners to deliver over 40 innovative public space activations across the city through VIVA Vancouver (e.g., laneway transformations, interactive light, music and dance installations, and pop-up Ping-Pong).

Plans for 2018

- Complete engagement and detailed design on new plazas and public spaces: 800 Robson Street, Bute and Robson, Robson-Alberni public realm improvements and Adanac-Vernon.
- Advance community plan public space priorities (e.g., test a new plaza at 31st Avenue and Cambie Street).
- Pilot plaza stewardship approaches on a variety of spaces, including 800 Robson Street, Jim Deva Plaza and laneways, to ensure public spaces are well managed and enjoyable.
- Support an expanded patio culture by completing a review of the patio program and continuing the three-year pilot patio study (conversion of parking spaces to patios).
- Undertake a review to develop a program to manage street right-of-way horticulture assets.

Looking ahead, 2019-2022

- Continue to strengthen community partnerships and rollout activations that support social interaction, cultural expression and public space stewardship throughout the city (e.g., VIVA Vancouver, murals and street art).
- Advance community plan public space priorities.
- Implement public space stewardship models.

Film and special events

Top accomplishments in 2017

- Secured City funding and facilitated the organization of two non-competitive, all-ages-and-abilities mass participation bike rides, Our City Ride and Bike the Night. Thousands of cycling enthusiasts took part.
- In response to December 2016 Council motion, completed the first-phase update to the City's special event policy with proposed steps for ongoing process, funding and service improvements.
- Sustained continued high volumes of filming in the city, supplying permits to approximately 400 productions.
- Permitted over 500 public special events and block parties on City streets.
- Named "Best Place to Live and Work as a Moviemaker" by *MovieMaker* Magazine.
- Engaged with the planning of public space and event support infrastructure on projects such as Northeast False Creek, Places for People, Parks and Recreation Strategy (VanPlay) and Arbutus Greenway.

Plans for 2018

- Build on the success and learning from the 2017 mass participation bike rides to inform future bike events.
- Continue process improvement of public safety planning for special events.
- Finalize the special event strategy, working in partnership with Cultural Services and within the overarching City cultural strategic plan.
- Develop a strategy for sustainable film production through work with an international task force.
- Improve data collection and reporting for film and special events.

Looking ahead, 2019-2022

- Continue to support diverse and creative use of streets and public spaces for events.
- Position Vancouver as the leader in sustainable physical film production.
- Continue to develop public event space policy that is purpose-designed and flexible, through ongoing participation with City teams and initiatives.

Utilities management

Top accomplishments in 2017

- Facilitated installation of the public art project *UNINTERRUPTED* under the Cambie Street Bridge. For 14 weeks, this film projection on the underside of the bridge entertained and educated crowds of people, and the retained infrastructure will be used for future art projects.
- Reviewed, approved and coordinated over 600 third-party utility construction projects servicing new businesses and developments.
- Improved walking conditions on Point Grey Road by relocating six blocks of utility poles and lines, clearing the way for new sidewalk construction on the Seaside Greenway project.
- Connected every property in Vancouver with fibre optic service through the management and coordination of the Telus Falcon project.

Plans for 2018

- Improve safety and reliability of the FortisBC distribution system by successfully managing and coordinating the FortisBC East First Avenue project while minimizing impacts to traffic, surrounding residents and businesses.
- Support development and business activity through the review, approval and coordination of utility construction permits. Proactively coordinate work with other branches and look for opportunities to install City conduit proactively in order to reduce future construction costs and impacts.
- Enhance services by digitizing maps to create efficiencies in the design, planning and review of City and third-party utility work.
- Streamline the permitting process for utility test holes to improve customer service and support development.

Looking ahead, 2019-2022

- Expedite the utility plan permitting process through the use of POSSE etc. This will improve documentation of permits and make it more streamlined.
- Update the Encroachment Bylaw to improve the City's management of the right-of-way.
- Improve reliability of the power grid through successful management of BC Hydro's Metro North Transmission Project. This project also improves pedestrian and bike paths through the installation of a pedestrian/utility bridge over Grandview Cut.
- Enhance digital services through the review and updating of street light antenna and duct lease protocols.

Public bike share

Top accomplishments in 2017

- Achieved one of the most successful public bike share launches of its kind, with completion of the Phase 1 rollout of Mobi, and initiated plans for future expansion.

Plans for 2018

- Continue to expand Mobi bike share east to Commercial Drive and elsewhere in the city.
- Collaborate with TransLink and other municipalities to incorporate public bike share into regional transit.
- Facilitate opportunities for new bike station locations.

Looking ahead, 2019-2022

- Continue to expand Mobi bike share within the city and coordinate efforts to bring public bike share elsewhere in the region.
- Plan for public bike share system operations beyond the current contract term of 2021.



Engineering – Public Works: Green Operations

Engineering – Public Works: Green Operations

Overview

The Green Operations division ensures that the City's workforce has the equipment, materials and services required to do their jobs safely, effectively and sustainably. This diverse portfolio provides support services across Engineering that drive sustainability in operations and safety in public works projects. Green Operations includes: Kent Construction Supplies and Services, Equipment Services, Operational Safety and Support, and Engineering Team Services.

The goal of Green Operations is to be a strategic partner with all of Engineering Services' operations by identifying the next generation of fleet, equipment and sustainable materials, and by contributing to the delivery of vertically integrated and cost-effective capital projects. Green Operations supports the City's strategic priorities by optimizing business value and service delivery, with a focus on customer service. An example of excellence includes preparing a diversified workforce to operate safely in a dynamic environment while overseeing the largest electric fleet in North America.

Key areas of focus this year include effective data collection and analysis, and communication to track progress toward corporate outcomes such as implementation of GPS City-wide. Forecasting and long-term asset management is another area of focus, with key investments in our fleet assets and lifecycle analysis to ensure best value for money.

Key services delivered

- **Green Operations** — Managing the corporate fleet and equipment assets as a key part of delivering City operations and delivering on innovative, sustainable and affordable practices, with infrastructure life extension through quality recycled construction materials.

Service overview

Green Operations

Top accomplishments in 2017


- Continued fleet replacements consistent with the Green Fleet Strategy to support the City's goal to reduce greenhouse gas emissions.
- Initiated implementation of a new Fleet Information Management System (FIMS), which includes asset management functions for the fleet.
- Completed the second phase of the GPS and telematics installations and delivered the technology to the remaining City fleet of approximately 900 vehicles.
- Achieved 100% compliance City-wide for the City's pre- and post-trip safety inspections, up from 30% compliance the prior year.

Plans for 2018

- Support the use of data analytics for business transformation and customer service, including implementation of GPS on all City non-emergency fleet vehicles, and GPS telematics and technology for reducing fuel usage, and improving safety and safe driving.
- Complete implementation of FIMS, enabling improved analytics for fleet replacement, repair and maintenance programs.
- Improve operational uptime of the City fleet as more of the fleet is standardized and renewed, such as the City's fire emergency services equipment.
- Advance the City's Renewable Fuel Strategy to incorporate biodiesel and/or renewable diesel, to reduce emissions for conventional fleet assets.
- Develop new and diverse materials specifications for diversion opportunities of tonnes of construction waste to ensure the majority of debris can be reused in recycled products and diverted from landfills.
- Continue to advance safety standards and operating procedures integrated with capital programs and project delivery.
- Electrify and lower the emissions of the City's fleet for medium- and heavy-duty units as technology improvements in the marketplace continue to advance.
- Develop the first Artist-in-Residence program for Engineering infrastructure.

Looking ahead, 2019-2022

- Review opportunities to invest in yard operations and long-term capital plans for facilities to ensure operational resiliency and business continuity.



Planning, Urban Design and Sustainability

Planning, Urban Design and Sustainability

Overview

Planning, Urban Design and Sustainability (PDS) is responsible for the development of policies and plans that set the future direction of growth and change in the city, with comprehensive engagement with citizens and communities of interest. The core functions of PDS include long-range planning, current planning and strategic planning.

Two new functions became part of PDS in 2017:

- The Housing Policy team that formerly reported to Community Services became part of PDS beginning in March 2017. The Housing Policy team brings with them the crucial responsibility of addressing the affordable housing situation in Vancouver.
- The City Design Studio group was created within PDS to provide leadership in the design of Vancouver's large-area urban environments and to assist with community planning and public space design.

Long-range planning of PDS includes city-wide and community planning, housing policy, community and economic development, urban design and placemaking, heritage policy, sustainability and resiliency, and integration of community and capital planning.

Current planning of PDS includes administration of the Zoning and Development Bylaw and associated guidelines as well as review and approval of development permits and rezoning applications.

PDS also assists with numerous Council-appointed committees, including the Urban Design Panel and special area advisory committees, as well as the Vancouver Heritage Commission and Vancouver City Planning Commission. Departmental staff liaise with Metro Vancouver staff on regional planning and sustainability matters. Under the *Vancouver Charter*, the Director of Planning has broad authority for city-wide planning and the approval of development approvals.

Key services delivered

- **City-wide and community planning** — Creating long-range city-wide development plans and coordinating with regional agencies for region-wide plans. Other city-wide planning includes creating economic strategies, planning for transportation and transit integration, heritage strategies and related bylaws, tracking trends and development forecasting.

Creating community plans that are area-based and focus on specific districts within the city. This includes corridor-based planning like the Cambie Corridor Plan and discrete area plans like Northeast False Creek and Joyce Station Area Precinct plans.

- **Affordable housing** — Developing and implementing housing policy as well as researching and monitoring the city's housing stock and housing trends. The Housing Policy team will focus on developing a new 10-year Housing Vancouver Strategy that will include updating the 10-year Housing and Homelessness Strategy with new housing targets supported by a financial strategy and implementation plan. Providing advice on affordability requirements for development projects coming through the current planning review pipeline.
- **Economic development policy** — Supporting Business Improvement Areas (BIAs), including oversight and assistance, annual budgets, expansions and new BIAs. A broad review of the city's employment lands will be undertaken to ensure the supply of land, zoning capacity and regulatory tools support future needs to support and grow our economy. The health of local shopping districts across the city will be assessed with a view of strengthening and enhancing these vital community districts, and area-based work will continue to support community and economic revitalization initiatives.
- **Urban Design and Placemaking** — Providing direction for the physical design of large-area developments by preparing a set of urban design frameworks to guide Vancouver's urban environments on a city-wide scale; implementing an urban forest strategy; creating design guidelines, area plans, and city-wide development principles and strategies using a variety of urban design tools; exploring development forms that enhance public life; introducing placemaking opportunities; supporting activation of public spaces.
- **Development review and regulation policy** — Development review includes the intake, review and approval of development applications under discretionary zoning to ensure compliance with City policies and urban design guidelines. This also includes the intake and processing of rezoning applications, managing Council reporting and the public hearing process. Manage the Urban Design Panel and other advisory bodies and provide design advice to community plans or other policy initiatives.

Regulation policy coordinates and renews bylaws and regulations, including ongoing improvements as well as introduction of new policies, regulations and guidelines. A major thrust of this work beginning in 2017 is the regulatory review project that will tackle a more fundamental overhaul of current regulations and processing frameworks.

- **Capital and community planning integration** — Administering and managing development-related benefits, including Development Cost Levies (DCLs), Community Amenity Contributions (CACs) and density bonusing. This includes annual reports and inflationary adjustments. An update of city-wide CAC policy is underway and will be complete in 2018. Finance and PDS have developed a new capital planning and city-building framework that will improve the integration of community planning with the City’s long-range capital outlook and upcoming Capital Plan.
- **Sustainability and Resiliency** — Supporting the City as a global leader in environmental sustainability, both in the community and through City operations, through the Greenest City Action Plan, the Climate Change Adaptation Strategy and the Renewable City Strategy. This work looks beyond 2020 to set directions toward zero emissions buildings, active and low-carbon transport, and zero waste while ensuring the City is well prepared for the inevitable effects of climate change, with a particular focus on vulnerable populations. This includes a coastal flood risk assessment to develop a “road map” for protecting and adapting the city’s flood-vulnerable areas.

Service metrics highlights (2016 vs. 2017F)

Planning, Urban Design and Sustainability




Sustainability & Resiliency

11.2% reduction in community CO₂e¹ since 2007
(Aggregate decrease since 2007: 315,000 tonnes)

13.2% reduction of CO₂e¹ from all buildings in Vancouver
(Aggregate decrease since 2007: 210,000 tonnes)


55.6% reduction of CO₂e¹ from City of Vancouver municipal operations
(Aggregate decrease since 2007: 275,000 tonnes)



City-Wide & Community Planning

 **21.3 hectares** of single-family areas were pre-zoned for higher density by the City
(resulting in a 5-year aggregate of 157.7 hectares)

966,914 sq. ft. development approved at building permit: non-residential
(55% increase forecast for 2017)

6.8 million sq. ft.: residential
(3.6% increase forecast for 2017) 




Development Review & Regulation Policy


44 rezoning applications at hearing
(6.8% increase forecast for 2017)


50 rezoning applications received
(20% increase forecast for 2017) 

Affordable Housing

 **1,911 cumulative number of social housing units committed under H&H Strategy³**
(2,935⁴ units + 40 modular forecast for 2017)

Capital & Community Planning Integration

2.9 million net increase in sq. ft. due to zoning capacity changes initiated from private rezonings
(20.7% increase forecast for 2017) 

 **\$193 million received/secured from DCLs and CACs²**
(123% increase forecast for 2017)

Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Emissions.

2. Development Cost Levies (DCL) and Community Amenity Contributions (CAC).

3. Housing and Homelessness Strategy (2012-2021).

4. Number of units may change through the development process. Figures are until Q3 2017 to preserve integrity of the public process for projects pending approval in Q4.

Service overview

City-wide and community planning

Top accomplishments in 2017

- **False Creek Flats plan** — Council adoption of the False Creek Flats Local Area Plan and the associated zoning, policies and guidelines, supporting the City's economic goals of job densification, innovation and the creative economy.
- **New St. Paul's policy statement** — Council approval of a policy statement for a new relocated St. Paul's Hospital and associated healthcare, research and tech facilities in the False Creek Flats area.
- **Chinatown development policies** — As part of the review of the Chinatown Economic Revitalization Strategy, recommended amendments to Chinatown zoning, policies and guidelines to manage development and better support Chinatown character.
- **Northeast False Creek planning** — The Northeast False Creek Area Plan is a transformative project that will result in one of Vancouver's most significant city-building opportunities in a generation. This area provides an opportunity to replace the Georgia and Dunsmuir viaducts with a more resilient and connected street network; embrace the rich culture and history of the area, local assets, and access to water; and create a new vibrant and resilient community that represents a step forward in city building.
- **Joyce-Collingwood Station Precinct Plan** — The Joyce-Collingwood Station Precinct Plan adoption sets new policy that will achieve a diverse mix of transit-supportive housing and new community amenities to enliven the shopping experience along Joyce Street.
- **Cambie Corridor planning** — Bold directions for Oakridge Municipal Town Centre were released in a draft plan which pilots a new affordable rental housing provision. Approximately 1,500 people were engaged in discussions on the draft plan.
- **Heather Street Lands policy statement** — As part of development of a policy plan for this large site in the Cambie Corridor owned by Musqueam, Squamish and Tsleil-Waututh Nations (MST) in partnership with Canada Lands Company (CLC), a milestone was reached with public and stakeholder consultation on-site development concepts.
- **East Fraser Lands (EFL) Official Development Plan (ODP)** — A 10-year review of the EFL ODP was launched with focus on reimagining the plan for the eastern portion of this redevelopment site to enhance strategies addressing sea level rise, community amenities and affordable housing.
- **Punjabi Market** — Completed Phase 1 survey of local businesses and key issues workshop with stakeholders toward a vision for a vibrant neighbourhood centre with South Asian character.

- **Pearson Dogwood rezoning** — Council approved rezoning of this large transit-oriented site in the Cambie Corridor to provide approximately 540 units of social housing, 3.5 acres of park with urban farm, a community health centre, seniors care residence, mix of housing and commercial shops.
- **Heritage designations** — 14 buildings/sites were approved as protected heritage property through heritage designation and Heritage Revitalization Agreements.

Plans for 2018

City Core 2050

- City Core is first and foremost a big-picture public conversation about the future. It will explore ideas about how the city core could change and what the city wants to become over the next 30 years.
- Initiate a public conversation about the future of Vancouver’s economic, social and cultural “heart” in the context of emerging opportunities and environmental threats.
- The work program will include reviewing existing policies, defining the unique neighbourhoods, establishing core principles to guide the evolution of the area, articulating a broad vision for the future of Vancouver’s core and establishing a framework to implement the vision.

Central waterfront review

- The review will focus on the northern shore of Vancouver’s downtown waterfront, building on the Central Waterfront Hub Framework (2009) and exploring the broader waterfront interface with the Port Lands and Vancouver Convention Centre activities.
- Work together with the Port of Vancouver and TransLink to review and align with the current opportunities and constraints within the area.
- It is anticipated that this preliminary work may lead to a larger master plan process in late 2018-2019.

Broadway Corridor planning

- Initiation of Broadway Corridor planning will identify the opportunities and constraints for redevelopment of this corridor to capitalize on the investment of a new subway extension of the Millennium Line from the Great Northern Way Campus to Arbutus Street. This work will include the integration of public realm improvements and street design.

Heritage Action Plan

- Complete the Heritage Action Plan, including a 10-year Heritage Strategy.
- Renew the Heritage Conservation Program (policies and incentive program), including expanded program for heritage retention and incentives.
- Update the Heritage Register, including the Historic Context Statement and Thematic Framework.

Regional Context Statement Official Development Plan (2013) — five-year update

- The City is required to review and renew its Regional Context Statement ODP every five years. This update will include amendments as needed to regional land use designations and updates to policies and plans established since 2013.

Northeast False Creek: plan adoption and implementation

- The Northeast False Creek Area Plan will act as a framework for guiding new growth, development and public investment. The plan is scheduled for completion in mid-2018, and it will be implemented over the next 20 years.
- Following adoption, a number of updates and amendments to the False Creek North Official Development Plan (ODP) will be undertaken.
- Under the ODP, all sites must undergo rezoning prior to development, and they must be consistent with the new area plan. Rezoning applications will be processed for undeveloped sites concurrent with the area plan process to expedite the delivery of amenities and the future Creekside Park expansion.

False Creek South neighbourhood plan update

- Work with local residents and city-wide voices to develop a renewed vision for this model community that is strategically positioned to continue to innovatively address multiple needs for the next generations.

Downtown planning and significant rezonings

- Complete the Chinatown Historic Businesses study to inform a business retention and recruitment strategy. Revitalize Granville Street to make it a destination for a broader demographic. Scope the development of a LGBTQ2+ museum in Davie Village as part of the West End implementation to recognize the history and contributions of this community.
- Develop new St. Paul's Hospital to establish a world-class health care, research and teaching facility in False Creek Flats.

Cambie Corridor Phase 3 and municipal town centre

- Complete the plan that enables diverse affordable housing focused on providing the “right supply,” community amenities, enhanced public realm, office and retail space, and an effective multi-modal transportation system. A new municipal town centre surrounding the Oakridge Centre Mall site is also being planned with significant new residential, retail and commercial development proposed. Affordable housing, targeted to local households, is a key element of the new plan along with needed facilities, services and transportation improvements.
- Develop new district schedules/zoning for townhouses and four- to six-storey developments.

Oakridge Centre Mall

- Advance this rezoning through more detailed design, public engagement regarding a new park, and enactment of bylaws to move toward developing this site as the centre of the new Oakridge Municipal Town Centre.

Langara Gardens policy statement

- Complete the policy statement for this large rental housing site in the Cambie Corridor to guide future redevelopment with enhanced affordable housing, commercial area, childcare, new and enhanced park space, as well as retain the garden character.
- Advance resiliency through new seismic strategies.

Heather Lands policy statement

- Work with Musqueam, Squamish and Tsleil-Waututh First Nations (MST) in partnership with Canada Lands Company (CLC) to prepare the draft policy statement reflecting the unique history and culture of MST to guide future development of the Heather Lands into a new community with amenities, park space, and diverse and affordable housing.
- Advance the City's reconciliation efforts through planning.

East Fraser Lands ODP update and Area 3 planning

- Complete the ODP review to guide future rezoning (Area 3) and redevelopment with updated approaches to manage foreshore areas for sea level rise and to deliver parks, community amenities and affordable housing while creating a vibrant, accessible community.

Looking ahead, 2019-2022

- Complete affordable neighbourhoods community dialogue and planning in key nodes/centres along Arbutus Corridor (Arbutus Village, Kerrisdale Village and others).
- Marine/Marpole Corridor vision — exploration rail and greenway corridor.
- Fraser River access and parks, jobs, intensification and connection.
- Heather Lands Cultural Precinct: Planning and Reconciliation Framework — community dialogues and implementation measures.
- Major rezonings: Oakridge Transit Centre, Heather Street Lands, Langara Gardens and Northeast False Creek.

Affordable housing

Vancouver is in the midst of a housing affordability crisis. The hyper-price inflation seen recently in Vancouver's housing market has resulted in a growing sense of uncertainty and insecurity for the majority of local residents. Homelessness is persistent, home values have soared in single-family neighbourhoods, condo prices continue to increase, income growth is minimal, and the "housing gap" has grown from being experienced by only the most vulnerable to an increasing number of households.

The City developed the Housing and Homelessness Strategy (2012-2021) to set out a 10-year plan with the goals of ending street homelessness and providing more affordable housing choices. Though the goals of this strategy remain paramount, the deepening of Vancouver's affordable housing crisis in the last five years requires that we reset our strategy. Over the last six months, the City has been working to create the new Housing Vancouver Strategy to shift the approach in housing toward reducing the affordability gap, collectively providing a strong foundation for the future of housing in Vancouver and addressing housing needs for Vancouver's diverse population. The Housing Vancouver Strategy and a three-year action plan will be presented to Council in late 2017.

Top accomplishments in 2017

- **Housing Vancouver Strategy Phase 1 and 2 emerging directions** — Completed report to Council in March 2017. Engaged more than 10,000 people through two public surveys and developed interim housing targets that shift toward the “right supply.” Developed the new Housing Vancouver Strategy and associated financial strategy and implementation action plan for Council approval in November 2017.
- **Empty Homes Tax implementation** — An innovative approach to encourage the usage of all available housing in Vancouver for households in need of accommodation. A new taxation program was designed with a supporting information system to record and track self-declared statements of occupancy. This included a significant communications and public awareness campaign. Reports considered by Council in June and October 2017 refined and improved the bylaw that is effective January 1, 2018.
- **Below-market rental housing program** — A new approach to deliver affordable rental units through a city-wide pilot to create permanently secured below-market rental housing.
- **False Creek South resident protection and retention plan** — Draft protection and retention plan for residents on City-owned land in South False Creek.

Plans for 2018

- **Housing Vancouver financial strategy** — Evaluate City and partner contributions to recommend new approaches/tools to reach 10-year targets for affordable housing.
- **Rental reinvestment and renewal strategy** — Review rate of change regulations and explore building reinvestment opportunities.
- **Rental 100/interim rezoning policy (IRP) review** — Pivot Rental 100: Secured Market Rental Housing Policy and IRP to align rezoning opportunities with emerging directions from Housing Vancouver, such as increased security of tenancies, and to prioritize the creation of rental housing.
- **Family housing guidelines** — Review and update the High-Density Housing for Families with Children Guidelines to improve the affordability, flexibility and livability of family units.

- **Collective housing zoning amendments** — Enable affordable access, security and efficient use of existing housing by supporting shared living arrangements (six or more unrelated roommates).
- **Sustainable large sites review** — Recommend changes to the sustainable large sites inclusionary policy in terms of affordable housing requirements and ownership structure.

Looking ahead, 2019-2022

- Review city-wide approaches for affordable housing.
- Develop an affordable home ownership pilot program.
- Review the tenant protection and relocation policy.
- Develop a permanent below-market rental policy.
- Investigate policies to enable diverse ways of living (e.g., feasibility of rent-to-own and small housing).

Economic development policy

PDS supports Business Improvement Areas (BIAs) through start-up and operations, including annual budget approvals and periodic renewals. The BIA program also supports expansion of BIA areas and creation of new BIA districts. Economic revitalization is also supported by PDS through planning and administration of grant programs. PDS also supports neighbourhood economic growth through the provision of public benefits and amenities. As part of this commitment, the City has a financing growth policy to ensure that development pays its fair share, that the revenue collected is allocated to city-wide and local priorities, and that the financing growth rates maintain the purchasing power to provide the necessary amenities.

Top accomplishments in 2017

- **BIA approvals** — Council approval of the Chinatown and Strathcona BIA renewals and budgets for the 22 BIAs (\$11.5 million). It also approved the Innovation Fund matching grant totalling \$97,500 to launch the BIZMap program in support of BIA promotion.
- **Downtown Eastside capital grant program** — Grants to support community economic development, community asset management and neighbourhood improvements in the Downtown Eastside.
- **Chinese Society Buildings Matching Grants program** — Grants to support critical capital maintenance and upgrades to buildings owned by Chinese Societies with an emphasis on heritage buildings and those with affordable housing units.
- **Chinese Society Legacy program** — Grants and capacity building to support rehabilitation of 12 priority Chinese Society buildings.

Plans for 2018

Vancouver economy and employment lands

- Review Vancouver's employment lands and explore the needs for these lands to support Vancouver's future economy.
- Work will include engagement with a wide array of stakeholders and experts, inventory of the current employment supply, analysis of emerging market trends and demands for employment-only land, and development of a strategy to ensure the land supply, zoning framework and capacity is available to ensure Vancouver's economy can grow into the future.

Local retail study

- A city-wide retail assessment to review and identify programs, policy and regulatory support for BIAs and local businesses to thrive in our local shopping districts.
- Assess and survey existing retail areas to develop policy to support local small-scale businesses.

Japantown/Powell Street

- As part of the Downtown Eastside implementation, work with the community to develop an inclusive Powell Street (Japantown) Revitalization program and public realm plan.

Chinatown economic revitalization strategy

- Continue work with the Chinatown businesses to continue implementing the Chinatown Economic Revitalization Strategy.

Looking ahead, 2019-2022

- Implement employment lands directions, including potential changes to policy and regulations to ensure economic activity is supported and encouraged.
- Implement outcomes of the local retail study.

Urban Design and Placemaking

The Urban Design division and the City Design Studio provide urban design advice and services to PDS. The Urban Design division is focused on development projects and proposals, and assists in the formulation of new zoning and design guidelines related to new area plans. The City Design Studio is focused on urban design for large-area plans within Vancouver. This work is intended to inform future development in the city by providing clear direction on the vision, principles and physical design scenarios for the urban environment. The studio works across different scales, from city-wide frameworks to local area plans to spaces within the public realm. The studio will build on Vancouver's legacy for creative and innovative city building, will engage in research to advance best practice in urban design and will seek opportunities to share ongoing work with the public through workshops, charrettes and community conversations.

Top accomplishments in 2017

- **Creation of City Design Studio** — City Design Studio group created, staffed and integrated within PDS. Mandate, purpose, scope and goals defined for the group.
- **Places for People Downtown** — Launched Phase 1 of a strategy to establish a public space and public life framework for the Downtown area. Undertook the largest public life study in the Americas with over 40 locations and more than 200 volunteers.
- **Urban design major projects and community plans** — Urban Design division provided leadership for several community plans and public realm plans. It also supported major projects within Cambie Corridor Phase 3, Oakridge Municipal Town Centre, Pearson Dogwood, Langara Gardens and East Fraser Lands.

Plans for 2018

Civic-health precinct plan

- This precinct includes City Hall and Vancouver General Hospital campuses as well as the surrounding health-related precinct on Central Broadway. Two new subway stations are planned for this area as part of the planned Millennium Line Broadway Extension from Great Northern Way Campus to Arbutus Street. This precinct is identified as critical to advancing a cohesive and compelling vision for the city's prime civic-health care hub, including the Cambie/Broadway transit exchange.

City Design Studio framework

- Establish a collaboration framework with various divisions, including Engineering (Transportation, Green Operations, etc.), Sustainability and Resiliency, Housing Operations and others to allow for the inclusion and creation of key roles for the studio on large-area plans.
- Alignment of City Design Studio work with resilience initiatives.
- Establish a public identity for City Design Studio using a variety of methods, e.g., storefront venues, public presentations and publishing of research.

Significant rezonings

- Urban Design leadership in the guidelines in conjunction with new zoning for Hastings-Kiwassa district.
- Continuing input into community plans and associated rezonings for Cambie Corridor Phase 3 and Oakridge Municipal Town Centre Corridor and subsequent new zoning and guidelines.

City-wide stewardship strategy

- A stewardship strategy is being developed by Planning, Urban Design and Sustainability and Engineering Services staff working with community partners to guide the management, programming and maintenance for City-owned and privately owned plazas.

- Jim Deva Plaza, created as part of the West End Plan implementation in 2016, is a pilot for this strategy.

Blood Alley Square design

- As part of Downtown Eastside Plan implementation, a new design is being developed for Blood Alley Square to improve the public realm, increase safety and introduce programming while continuing to provide opportunities for the low-income community.

Looking ahead, 2019-2022

- Advance city-wide frameworks with an enlarged City Design Studio group.
- Create a civic-health precinct plan through to mid-2019.
- Continue to provide inputs to other major projects.

Development review and regulation policy

Updating and renewing City-wide regulations and policies is a major ongoing focus for PDS, and this has resulted in a number of new and amended bylaws, zoning and guidelines.

Top accomplishments in 2017

- **Sign Bylaw Phase 1** — Council approved a new Sign Bylaw and Sign Fee Bylaw for business identification signs, city-wide. The new bylaw replaces outdated regulations with new user-friendly regulations that reflect best-practice sign and building practices and incorporate a new relaxation provision. An illustrated user-friendly guide assists applicants with the various sign types and the application process.
- **Regulatory review project** — Launched and completed scoping of initial work program and project framework. The project will simplify land use regulations, reconcile objectives and conflicts within policies and regulations, and help streamline application reviews and decision making.
- **Character home retention zoning (RS districts)** — Character home retention zoning in RS districts across the city was approved by Council. This provides incentives for character home retention by enabling multiple-conversion dwellings that can be strata-titled and infill dwellings that also can be strata-titled.
- **Railtown zoning amendments** — Council adoption of zoning amendments in the historic Railtown area of the Downtown Eastside to support a mix of uses, including light industrial, creative products manufacturing, office and retail.
- **Downtown Eastside zoning amendments** — Council approval of zoning amendments to the Downtown Eastside Oppenheimer District to enable innovative development contributing to the health, well-being and local economic development needs in the neighbourhood, in addition to housing.

- **Hastings-Kiwassa Urban Design Guidelines** — As part of the implementation of the Downtown Eastside Plan, development of design guidelines for the Hastings-Kiwassa area to inform development.
- **Grandview-Woodland and Mount Pleasant RT zones** — Updated regulations to allow additional dwelling units throughout duplex (RT) zones in the city's central communities of Mount Pleasant and Grandview-Woodland to increase family-friendly, ground-oriented, affordable housing options in places that are well served by services, amenities and transit.
- **Urban design regulation and guidelines** — Developed new urban design guidelines in conjunction with new zoning for False Creek Flats, Grandview-Woodland and character house retention. Documenting the temporary modular housing guidelines.
- **Regulatory and process review** — Established new district schedules in Residential Two-Family (RT) and Industrial (I) zones in lieu of rezoning policies. Made improvements to low-density housing process review.

Plans for 2018

Sign Bylaw Phase 2

- Research and review digital billboards and bring forward potential amendments to the Sign Bylaw.
- Develop policy to regulate this emerging form of advertising.

Accessibility review

- Complete review of accessibility issues and opportunities, and prepare recommendations for report to Council.

Regulatory review project

- Complete detailed scoping of work program, including engagement with development industry and citizens. Hire the full staff team and prioritize initial work to address areas where immediate improvements are needed and can be achieved.

Looking ahead, 2019-2022

- Regulatory review project is anticipated to be a multi-year initiative leading to a substantial overhaul of existing regulations, policies and procedures.

Capital and community planning integration

Top accomplishments in 2017

With a goal to better integrate, track and monitor the provision of public benefits and amenities with capital planning, Finance and Planning have worked closely to accomplish some of the following programs:

- **City building and capital planning program** — Launch a process exploring ways to better link City building and capital planning. The work has resulted in the initial development of long-range, 30-year outlooks for the service groups and a working framework to integrate the outlooks into the capital budgeting process.
- **City-wide Development Cost Levy (DCL) review** — A comprehensive update to the City-wide DCL policy. This was the first major update since 2003 and included the introduction of new rates and rate categories, a new category for utilities and new allocations across all service categories. The policy was approved by Council in July 2017.
- **Community Amenity Contribution (CAC) policy update Phase 1** — A City-wide review of the current CAC policy was launched. Phase 1 focused on simplifying rental housing rezoning CAC approaches and development of a “linkage fee” for new commercial development to eliminate negotiated approaches for commercial rezonings.
- **2016 annual inflationary adjustments** — Council adopted the inflationary CAC target and density bonus contribution rates in the 2017 annual inflationary report. The new rates became effective September 30, 2017.

Plans for 2018

City building and capital planning support

- The City building and capital planning teams will continue to work on the emerging framework and develop new processes for monitoring and tracking revenue and benefit delivery.
- Develop a City-wide approach for integrating capital planning and spending plans with the public benefit strategies that are associated with Community Plans.
- Explore mapping of data and development of information systems to assist decision making.

CAC policy update Phase 2

- Review all fixed-target CAC rates across the City. This will include recalibration of the Cambie Corridor CAC target rates and updates of Marpole, Little Mountain and Norquay CAC targets.

Annual CAC, DCL and density bonus report

- Annual reports to Council on collection and spending of development-related contributions.

Looking ahead, 2019-2022

- Support the 2019-2022 Capital Plan preparation and implementation.
- Improve the development contribution policy.

Sustainability and Resiliency

Top accomplishments in 2017

- **Renewable City Strategy** — Developed the Renewable City Action Plan, an implementation plan for the Renewable City Strategy that includes priority actions and mid-term targets on the path to 2050.
- **Zero Emissions Building Plan** — This comprehensive approach to ensure all new buildings conform to zero emissions standards before 2030 focuses on energy efficiency, first and foremost, and is broadly supported by building industry stakeholder groups as a reasoned program to meet the City’s carbon reduction objectives.
- **Electric Vehicle Ecosystem Strategy** — Facilitated the introduction of user fees for City-operated electric vehicle charging stations. Began curbside charging pilot programs following City Council approval.
- **Sea level rise strategy** — Launched a city-wide public education campaign in 2017, with over than 20 public events and more than 5,000 people directly engaged. Began the third phase of Vancouver’s Coastal Flood Risk Assessment to develop a “road map” for protecting and adapting the city’s flood-vulnerable areas.

Plans for 2018

Vancouver will continue working toward its Greenest City targets and will begin to look beyond 2020, setting the direction toward zero emissions buildings, active and low-carbon transport, and zero waste while ensuring the City is well prepared for the inevitable effects of climate change, with a particular focus on vulnerable populations.

Greenest City Action Plan

- Begin the planning process for the next phase of the Greenest City Action Plan, beyond 2020.
- Continue to implement priority actions toward 2020 targets.

Renewable City Strategy

- Implement priority short-term actions from the new Renewable City Action Plan toward our goal of a city using 100% renewable energy before 2050.
- Develop sets of explanatory and output indicators to measure Renewable City Strategy progress.

Zero Emissions Building Plan

- Launch a new Zero Emissions Building Centre of Excellence to ensure the local building industry continues to thrive as zero emissions buildings become more common.
- Implement building code updates to ensure new and renovated buildings are not only greener but are healthier, more comfortable and more resilient.

Electric Vehicle Ecosystem Strategy

- Continue to grow the public electric vehicle charging network.
- Develop and begin an incentive program for multi-unit residential and workplace charging-station retrofits.

Climate Change Adaptation Strategy

- Update the Climate Change Adaptation Strategy, which will include public engagement with vulnerable populations, including seniors and low-income residents.
- Continue to implement projects, focusing on areas of the city at risk to sea level rise, rain events and heat events.
- Include East Fraser Lands shoreline treatment in ODP review.

Resiliency planning

- Advance seismic analysis and management through key pilots, such as Langara Gardens.
- Pursue an East Fraser Lands case study to redesign the shoreline to manage sea level rise while advancing green infrastructure and biodiversity strategies.

Looking ahead, 2019-2022

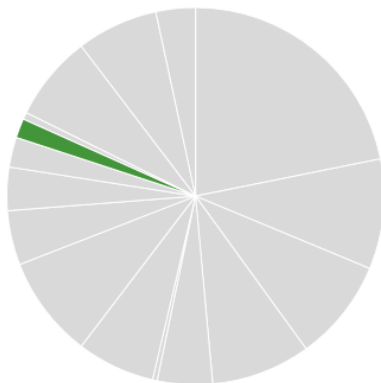
- Implement priority actions from the Greenest City Action Plan and the Renewable City Action Plan.
- Implement priority actions from the Climate Change Adaptation Strategy.
- Implement priority actions from the Zero Emissions Building Plan.
- Implement priority actions from Electric Vehicle Ecosystem Strategy.
- Determine the next phase of Greenest City Action Plan beyond 2020.
- Continue to oversee Vancouver's Green Operations Program so Vancouver's operations will continue to lead and learn by example.
- Continue to learn about and promote greenhouse gas reduction, renewable energy, and climate mitigation and resilience best practices through contact with international climate networks.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Cost recoveries, grants and donations							
Planning, Urban Design & Sustainability recoveries	1,800	1,150	1,050	1,150	1,150	-	-
Total Cost recoveries, grants and donations	1,800	1,150	1,050	1,150	1,150	-	-
Rental, lease and other							
Other department revenue	5	5	5	-	-	-	-
Total Rental, lease and other	5	5	5	-	-	-	-
Total Revenues	\$ 1,805	\$ 1,155	\$ 1,055	\$ 1,150	\$ 1,150	-	-
Expenditures & Transfers							
Planning, Urban Design & Sustainability							
Planning	9,952	10,251	10,712	11,672	17,589	5,916	50.7%
Sustainability	3,696	3,830	4,088	3,586	4,019	433	12.1%
General	981	987	1,368	1,701	1,711	10	0.6%
Shared support services	-	858	868	440	399	(41)	-9.3%
Transfers to / (from) reserves & other funds	2	(429)	(1,151)	(289)	(289)	-	-
Total Planning, Urban Design & Sustainability	14,630	15,498	15,884	17,110	23,428	6,319	36.9%
Total Expenditures & Transfers	\$ 14,630	\$ 15,498	\$ 15,884	\$ 17,110	\$ 23,428	\$ 6,319	36.9%
Net Operating Budget	\$ (12,825)	\$ (14,343)	\$ (14,829)	\$ (15,960)	\$ (22,278)	\$ (6,319)	39.6%
Capital Budget (\$ million)	\$ 7.7	\$ 3.3	\$ 3.0	\$ 2.7	\$ 3.2		

Note: Totals may not add due to rounding



Planning, Urban Design and Sustainability
makes up 2% of the
2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

Planning, Urban Design and Sustainability (PDS) revenues are for external sustainability grants, and this grant revenue has remained relatively stable since 2015. For 2018, there is no change to the revenue budget.

Explanation of changes 2018 vs. 2017 — expenditures and transfers

Annual changes in the PDS 2018 operating budget are due to collective agreement wage increases and benefits as well as to investments in the following areas:

- For 2018, funding is being provided for additional staff to support permit processing and development activity. Funding for the additional staff positions is supported by increased 2018 fee revenue, which is included in City-wide fee revenue, per the fee increases that were approved by Council in fall 2017.
- Funding to provide additional staff to complete the regulatory review, and for additional policy work to support Council priorities related to employment lands, station area plans and affordable housing.
- Additional 2018 funding to support increased public consultation work for a number of major Council priorities for future City plans (employment lands, station area plans and affordable housing).
- The Sustainability group is receiving additional 2018 operating budget funding to support the promotion and adaptation of zero emissions building strategies by the development community.

Notable capital projects

Project Name (\$ millions)	Total Project Budget ²	Forecast 2017 Expenditure	2018 Annual Expenditure Budget	Future Years
Downtown EastSide Revitalization ¹	8.2	2.4	2.6	0.4
Climate Change Adaptation Strategy	0.4	0.2	0.0	-

¹ includes Grants for Downtown Eastside Revitalization that are managed by Planning, Urban Design and Sustainability

² Expenditure may not sum to total project budget due to rounding or prior year expenditure

- **Downtown Eastside revitalization** — This project will implement several projects under the theme of Community Economic Development and Neighbourhood Improvements to implement the Downtown Eastside Economic Development Plan.
- **Climate Change Adaptation Strategy** — Continue to implement projects, focusing on areas of the city at risk to sea level rise, rain and heat events.

Employee trend table

Planning, Urban Design & Sustainability	2013	2014	2015	2016	2017F
Regular Full-time Staff	282.0	284.0	279.2	107.3	117.0
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	295.7	299.9	300.2	123.0	136.1

Note: In 2016, the former Planning & Development Department was reorganized into two new departments: the Development, Building & Licensing (DBL) Department and the Planning, Urban Design & Sustainability Department. The employee numbers for the years 2012 to 2015 are the total for the former Planning & Development Department. In 2016, the Sustainability division previously recorded under the City Manager's Office (Corporate Support) has been transferred to be included under the Planning, Urban Design & Sustainability Department. The numbers for 2016 onward represent just those of the Planning, Urban Design & Sustainability Department.

*excluding overtime

Staff changes from 2016 to 2017 relate to the move of Housing Policy staff from Community Services to Planning, Urban Design and Sustainability during the year, and the creation of the City Design Studio group in 2017.



Development, Buildings and Licensing

Development, Buildings and Licensing

Overview

Development, Buildings and Licensing (DBL) enables the development of vibrant communities, ensures the quality and safety of buildings and strategically leverages the use of permits, licences and enforcement to advance Council priorities.

DBL was formed in mid-2016 by merging a number of divisions previously located in the departments of Community Services and of Planning and Development Services. The department includes four divisions: (1) Development Services, (2) Buildings, (3) Licensing, Property Use and Animal Services, and (4) Operations. The department includes the Chief Building Official, responsible for the Vancouver Building Bylaw, as well as the Chief Licence Inspector. The department works closely with Planning, Urban Design and Sustainability, Engineering Services, Community Services, Vancouver Fire and Rescue Services, Vancouver Police Department and the Vancouver Affordable Housing Agency in delivering key services and supporting City policies and regulations.

DBL guides policies and services to shape how people build, work and live in Vancouver. The department supports the full lifecycle of buildings in the city: supporting rezonings, overseeing development and building permits, ensuring safe construction and occupancy, and monitoring health and quality of properties to protect the quality of life for residents and communities. DBL also shapes business and licensing policies, leading efforts to establish new approaches to emerging services like short-term rentals and ride sourcing, and changing regulations around liquor and marijuana. DBL supports all licensing in the city, ensuring that businesses and individuals are equipped to operate safely and effectively within the City's bylaws.

DBL serves many constituents, frequently engaging face to face with a diverse group of customers and stakeholders, including developers, architects, small and large business owners and residents. The department manages the City's largest public services centre, which is

expected to serve more than 55,000 walk-in customers in 2017 and to handle over 90,000 calls. In 2017, DBL expects to receive over 8,500 development and building permits, and approximately 50,000 business licence renewal applications. DBL serves citizens through responding to over 240,000 3-1-1 calls annually, which represents around 20% of all calls to the City.

Key services delivered

- **Development and building permits** — Reviewing and approving development designs for compliance with City policies, Vancouver Building Bylaw, Zoning and Development Bylaw and other regulations and bylaws.
- **Building and trades inspections** — Inspecting buildings and trades for compliance and safety.
- **Proactive preservation and enforcement** — Enforcing property use regulations to ensure quality of buildings, residences and properties.
- **Business services and licensing** — Working with small and large businesses to help them plan development, obtain City-required licences and operate effectively in neighbourhoods across the city.
- **Animal services** — Managing the Animal Control Bylaw, operating the City's animal shelter and administering the sale of dog licences.

In addition to the direct services outlined above, DBL supports housing policies and programs and oversees building policy and regulation, as well as policies and programs related to changing or emerging business models.

Service metrics highlights (2016 vs. 2017F)

Development, Buildings and Licensing



Development & Building Permits

8,295 development, building & DB (combined) permit applications received

(3.2% increase forecast for 2017)



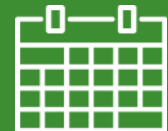
128,247 of Services Centre Customer Contacts ¹

(17.3% increase forecast for 2017)

Length of time for permit issuance² :

- Median: **27.9** weeks

(32 weeks forecast for 2017)



117 min average wait time in Services Centre

(143 min forecast for 2017)

Animal Services



dog licences issued online

81%

(79.9% forecast for 2017)



47 tickets issued by Animal Control

(50 forecast for 2017)

178 reported dog bites on people and animals

(18% more forecast for 2017)

Business Services & Licensing



49,388 business licences issued³

(1.2% increase expected for 2017)

58% issued online

(60% expected for 2017)

Building & Trade Inspections

\$2.82 billion value of construction⁴

(\$3.0 billion forecast for 2017)

67% buildings & trades permits issued online (68% forecast for 2017)



104,156 buildings & trades inspections⁵

(15.2% increase forecast for 2017)

Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. In-person, phone and email.
2. Outright 1- and 2-family dwellings.
3. Excluding vehicle for hire.
4. Declared on building permits.
5. Permit-related.

Service overview

Development and building permits

Top accomplishments in 2017

The real estate market in Vancouver continues to experience high volumes of growth and, as a result, permit activity has continued to grow. The volume of permit applications has increased significantly over the last several years (by approximately 25% since 2008), with 2017 forecast to be the second-highest on record, next to 2014. To meet the increasing demand for services, the City continues to make investments to reduce processing times and to improve the overall customer experience.

Key 2017 accomplishments include:

- Streamlined the outright permit process for development, moving critical components (such as landscaping reviews) earlier in the application process to help drive workflow efficiencies.
- Increased the number of employees allocated to the Housing Review Branch to deal with the record high volume of applications.
- Prioritized critical development needs (namely housing), including the launch of a pilot project to focus on fast-tracking affordable housing applications.
- Implemented improved performance targets (service level agreements) and metrics, enhanced data collection and analysis, and used data to guide the prioritization of activities and improve decision making.
- Improved customer service standards, including new communications protocols and improved customer materials (printed and online).
- Continued to make enhancements to our core IT systems to enable us to better track projects and to our website to provide more online services to our customers, including:
 - Online application status
 - Online applications for trade permits
 - Online applications for the Certified Professional Program
 - Online applications for alternative solutions
- Developed and implemented, in partnership with BCIT, a “unique to Vancouver: building bylaw course” that has now graduated two classes for Industry.
- Streamlined the process for Vancouver Building Bylaw (VBBL) changes and associated bulletins to provide a more consistent time frame for industry and allow sufficient time to prepare for any changes.

Plans for 2018

DBL will continue to build on the progress made in 2017 to reduce permitting times, and it aims to transform development and building services, by completing the following:

- Establish a consolidated customer service experience with clearer communication:
 - Ensure customers get the right service in the right place.
 - Provide more self-service options.
 - Provide industry workshops that focus on providing better information and support to our customers.
- Prioritize the delivery of affordable housing projects:
 - Run a pilot that will improve coordination and streamline permitting processes to reduce overall planning and permitting times.
 - Expedite the development of affordable modular housing.
 - Enhance relationships with our industry partners who deliver non-market, affordable housing by helping to build their capacity for future projects.
- Reduce permit timelines for low-density housing:
 - Implement clearer service level expectations for staff and industry.
 - Pilot a performance-based fast lane for some permits.
 - Simplify reviews for as-of-right development.
- Develop and implement an overarching framework for training and staff development:
 - Deliver targeted employee training to address immediate needs and customer concerns around consistency and knowledge level of front-line employees.
 - Further cross-training of staff so they better understand the entire process and are more aware of key elements to focus on, in their respective roles.
- Revise the 2018 Vancouver Building Bylaw, aligning it where practical, with the 2018 BC Building Code.
- Further develop the Certified Professional Program (with the support of the Architectural Institute of British Columbia and Engineers and Geoscientists British Columbia) to allow expansion throughout the province and apply best practices to other types of development.

Looking ahead, 2019-2022

Beyond 2018, there are a number of areas where we will focus our attention:

The Commercial Renovation Centre

- Expand on the success of the current model to support permit processes for all businesses.
- Work with industry to ensure services are aligned with industry needs and demand.

Permit process improvements

- Drive continuous process improvements and establish service levels across all development and building permit streams.
- Ensure that our industry partners have access to information and training around our processes.

Customer service improvements

- Build a model of customer service excellence through a better understanding of the needs and challenges of our customers.
- Further enhance our practices and adopt industry best practices, where appropriate.

Online service delivery

- Optimize our online content delivery and prioritize service improvements, including building capability for electronic plan submission and review.

Green Buildings

- Continue to develop the policies and bylaws to support Council objectives on greenhouse gas reduction and green building initiatives.

New Vancouver Building Bylaw

- The new Vancouver Building Bylaw will be implemented in 2019 and will require ongoing support to both staff and industry to ensure successful implementation.

Planning and building bylaw harmonization

- Improve the consistency across the Zoning and Development Bylaw and the VBBL to eliminate outdated regulations and create alignment across the City's planning, development and building codes.

Succession planning and capacity building

- Increase capacity and knowledge across all staff to ensure robust and consistent service delivery.

Building and Trades Inspections**Top accomplishments in 2017**

The Building and Trades Inspections team works with applicants to provide inspection services to ensure greater compliance with the Vancouver Building Bylaw, Plumbing Bylaw, Electrical Bylaw, *Safety Standards Act*, Canadian Electrical Code and other applicable standards. The group also provides more specialized advice on enforcement issues and undertakes enforcement related to the bylaws and standards that they administer.

Despite increasing complexity and workload, the Building and Trades Inspections team has maintained a high level of customer service and typically responds to an inspection request within 24 hours. Highlights for 2017 include:

- Made plumbing, sprinkler, gas and electrical applications available online — over 60% of all trades permits were issued online. The online permitting system has been significantly altered to increase the use of electrical checklists, with a resulting improvement in efficiency for both inspectors and applicants.
- Supported a rapidly expanding construction industry, with many new and inexperienced contractors and developers, by providing in-field support to assist new participants in the industry.
- Enabled inspectors to work remotely, allowing them to spend more time supporting customer inspections in the field.
- Led an initiative with the sprinkler industry, professionals, contractors and other municipalities to ensure greater compliance and understanding of the building bylaw, sprinkler standards and permit requirements. This has resulted in a very significant reduction in work done without permits and a more consistent and predictable permit process.
- Trained a large number of employees in rapid damage assessment to support any City response to an earthquake or flood. This also included training the majority of senior staff in emergency operations and response. This provided the City with an enhanced response model to protect and safeguard the public and assist in operationally restoring buildings as soon as possible, in the event of a major flood or earthquake.
- Undertook extensive work with the electrical industry to achieve a significantly higher level of compliance with the energy standards (ASHRAE).
- Continued to be a leader in energy retrofits and harmonizing the electrical code with the building code to ensure consistency in energy upgrades. Vancouver is the only jurisdiction that ensures energy requirements are met in the field.

Plans for 2018

- Expand the remote office model to allow inspectors to work longer in the field and avoid office trips and associated non-productive time, allowing more time for customer inspections.
- Implement the new Canadian Electrical Code, which will require both staff training and industry awareness. This is a national code that is mandatory across the country.
- Undertake a review and expansion of “yearly electrical permits.” This will both increase inspection efficiency and provide improved customer service and autonomy by allowing customers to manage their work on a yearly basis under one single permit.

- Work more closely with Technical Safety BC, a regulatory organization that is responsible for electrical, gas, boiler and elevating devices. Both Technical Safety BC and the City conduct inspections, so greater coordination will reduce overlap and ensure inspections complement each other.
- Enhance training of inspection staff to ensure improved consistency and understanding of the VBBL. Inspection staff will also be offered opportunities to complete BCIT courses to enhance their skills. This will provide customers with a more consistent inspection experience, and inspectors will be able to offer more information on VBBL requirements and their importance.
- Expand support of enforcement and oversight of at-risk buildings, especially SROs.
- Create a building damage assessment program for post-disaster situations.

Looking ahead, 2019-2022

- Consider implementing a model of builder certification similar to the gas, plumbing and electrical licensing requirements. The use of licensed trades significantly reduces permit issues and speeds up the entire permit process. At present there are no licensing requirements for full-time carpenters and other building trades.
- Review technology enhancements that will allow inspectors to access more information online and operate more independently in the field.
- Exercise greater oversight of hydronic heating in homes — an unregulated area and a crucial element of home comfort and efficiency. This will ensure better design and installation of these systems and save on operation and repair costs.
- Enhance integration of enforcement functions to improve health and safety of residential buildings across the city.
- Help design and implement new policies and codes to ensure the resilience of buildings across the city, such as a seismic retrofit program for existing buildings.

Property Use and Bylaw Enforcement

Top accomplishments in 2017

The Property Use and Bylaw Enforcement group plays a key role in enforcing property use regulations, ensuring the quality of buildings, residences and neighbourhoods across Vancouver. Key accomplishments in 2017 include the following:

- Focused on proactive enforcement by expanding the multi-disciplinary tactical team to proactively identify, inspect and monitor the most at-risk buildings in Vancouver and collectively determine the best course of action to improve living conditions for residents.
- Dedicated management and oversight of the top 10 at-risk buildings in the city, including increased inspections and referrals for injunction/prosecution.

- Conducted active enforcement against non-compliant medical marijuana-related use (MMRU) retail shops, through regular ticketing and filing of injunctions with the provincial courts.
- Improved alignment of enforcement priorities with residents' complaints, including increased response to commercial and nuisance short-term rental operations.

Plans for 2018

We will continue to enhance the services delivered by this group, specifically in the following areas:

- Evaluate our service delivery model to ensure its alignment with customer expectations, City priorities and peer municipality services.
- Continue to focus on proactive enforcement against problem premises.
- Expand and strengthen our partnership with 3-1-1 with respect to reporting, customer service and service level expectations.
- Review and update our performance targets and measures.
- Continue to build internal staff capacity.
- Maximize the use of technology in the delivery of property use service and leverage these tools to improve field response and minimize rework.

Looking ahead, 2019-2022

Beyond 2018, we will seek to strengthen our enforcement tools, integrate our actions with housing and other City of Vancouver programs, ultimately reducing the number of bylaw infractions and measurably improving the quality of housing and communities across the city.

Business Licensing

Top accomplishments in 2017

The Business Licensing group established policies and regulatory programs to ensure businesses across the city are able to plan, develop and operate effectively. Key accomplishments in 2017 include:

- Developed a policy framework to legalize short-term rental business activity in Vancouver, with a balanced approach to support tourism and also protect long-term renters.
- Developed and presented liquor policy recommendations to revise and update the City's existing liquor policies and respond to recent provincial government directives related to provincial liquor policies.
- Implemented the medical marijuana-related use regulatory framework in Vancouver, bringing locations into compliance and stepping up enforcement against non-compliant operators.

- We expect to issue 30,000 business licences online (which represents around 60% of all business licences).

Plans for 2018

- Implement the approved Council direction on the regulation of short-term rental business activity.
- Implement the recommendations from the Liquor Policy report and evaluate additional policies.
- Respond to provincial government direction related to the implementation of ride sourcing within British Columbia. Consult with key stakeholders to review and update taxi and ride sourcing policies accordingly.
- Collaborate with key stakeholders to update and implement regulations related to the legalization of marijuana, based on direction from the federal and provincial governments.
- Initiate a business licence transformation project, including the implementation of an updated online business licensing technology solution, business licence rationalization and a licence fee review.
- Strengthen partnerships across British Columbia and Canada with municipal licensing regulators.
- Implement the outcomes of the Council report on the sale of pets in stores (dogs, cats and rabbits).
- Review and update performance targets and measures.

Looking ahead, 2019-2022

- Implement the business licence transformation project.
- Continue to monitor emerging economies and adapt licensing policy and operations accordingly, including reviews and revisions of short-term rentals, ride-sharing and legal marijuana.

Animal Services

Top accomplishments in 2017

The Animal Services group manages the Animal Control Bylaw in the city, operates the animal shelter and administers the sale of dog licences. Key accomplishments in 2017 include the following:

- Collaborated with Vancouver Board of Parks and Recreation on the development of the People, Parks and Dogs strategy.

- Expanded our presence on social media, through increased use of Facebook to inform the public of animal adoption opportunities; provided the public with regular pet-care-related information.
- Increased staff capacity to process and improve service.

Plans for 2018

- Create an animal management service delivery strategy, including an assessment of service delivery models and develop a plan for the capital replacement of Vancouver's existing animal shelter.
- Review and update our performance targets and measures.
- Continue to focus on building internal staff capacity.
- Partner with Vancouver Board of Parks and Recreation to implement the recommendations of the People, Parks and Dogs strategy.
- Focus on developing strategies to increase the effectiveness of enforcement related to off-leash dog issues.
- Initiate an animal licence fee review.

Looking ahead, 2019-2022

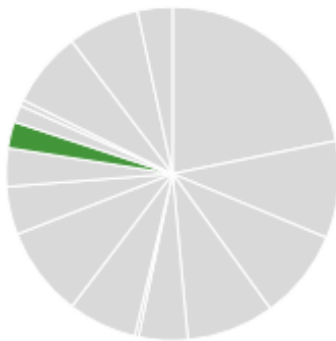
- Implement the animal management service delivery strategy.
- Expand coordination with Vancouver Board of Parks and Recreation and Vancouver Police Department.
- Expand partnerships with other animal management groups, including the BC SPCA.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Cost recoveries, grants and donations							
Other department recoveries	163	163	268	268	268	-	-
Total Cost recoveries, grants and donations	163	163	268	268	268	-	-
Rental, lease and other							
Other department revenue	1	107	1	6	6	-	-
Total Rental, lease and other	1	107	1	6	6	-	-
Total Revenues	\$ 164	\$ 269	\$ 269	\$ 274	\$ 274	-	-
Expenditures & Transfers							
Development, Buildings & Licensing							
Inspections	-	7,521	10,290	10,351	11,209	858	8.3%
Development Services	8,009	11,268	9,901	10,563	11,945	1,382	13.1%
Licensing	3,210	3,272	3,567	3,549	4,663	1,114	31.4%
Property Use Inspection	2,859	2,824	2,568	2,458	2,684	226	9.2%
General & Projects	-	-	200	2,093	3,214	1,121	53.6%
Shared support services	-	-	-	2,265	2,537	272	12.0%
Transfers to / (from) reserves & other funds	(70)	(70)	-	14	(236)	(250)	-1796.9%
Total Development, Buildings & Licensing	14,008	24,815	26,526	31,293	36,016	4,722	15.1%
Total Expenditures & Transfers	\$ 14,008	\$ 24,815	\$ 26,526	\$ 31,293	\$ 36,016	\$ 4,722	15.1%
Net Operating Budget	\$ (13,844)	\$ (24,546)	\$ (26,257)	\$ (31,019)	\$ (35,741)	\$ (4,722)	15.2%
Capital Budget (\$ million)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Note: Totals may not add due to rounding



Development, Buildings and Licensing
 makes up 2% of the
 2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

- DBL revenue relates to cost recoveries for boarding up at-risk premises. From 2017 to 2018 there is no change in budgeted revenue.

Explanation of changes 2018 vs. 2017 — expenditures and transfers

Annual changes in the DBL 2018 operating budget are due to collective agreement wage increases and benefits as well as investments in the following areas:

- The DBL 2018 budget includes an increase in funding for salaries and benefits within the Development Services and Buildings groups to support process improvements and to address the increasing volume and complexity of development and inspection activity. Funding for the additional staff positions is supported by increased 2018 fee revenue, which is included in City-wide fee revenue, per the increases approved by Council in fall 2017.
- In addition, funding is being provided within the Licensing and Property Use areas to support staff reviews of policy and regulation on a number of Council priorities, such as short-term rentals, liquor policy and proactive enforcement.
- Funding to support a cross-department team to prioritize the delivery of affordable housing projects is being included in the 2018 DBL operating budget.
- Shared support costs have increased in line with the trend of 3-1-1 call volumes related to development and licensing activities.

Employee trend table

Development, Buildings & Licensing (DBL)	2013	2014	2015	2016	2017F
Regular Full-time Staff	282.0	284.0	279.2	271.6	273.1
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	295.7	299.9	300.2	283.8	282.7

Note: In 2016, the former Planning & Development Department was reorganized into two new departments: the Development, Buildings & Licensing (DBL) Department and the Planning, Urban Design & Sustainability (PDS) Department. The employee numbers for the years 2012 to 2015 are the total for the former Planning & Development Department. The numbers for 2016 onward represent just those of the Development, Buildings & Licensing (DBL)

*excluding overtime



Community Services

Community Services

Overview

Community Services focuses on how people live and interact to create a healthy city for all, where everyone has a home and access to basic needs, nutritious food, services they require, and opportunities to contribute and feel a sense of belonging.

Community Services engages and collaborates with program partners, City departments and external stakeholders to provide services that:

- Enable the building of affordable housing, childcare spaces, integrated health and healing and wellness services, and vibrant cultural spaces to balance services and needs across neighbourhoods.
- Leverage funds and programs through grants supporting non-profit sector organizations and the City in operating the Carnegie and Gathering Place community centres and the Evelyne Saller Centre to serve Vancouver's most vulnerable residents.

Community Services is driven by changing demographics in the community and the needs of Vancouver's residents; policy decisions and funding trends of other orders of government; evolving opportunities for partnerships with private foundations and non-profit sectors; changes in local and global economies (especially in relation to people with low to moderate incomes and rising costs of living, including basic needs like costs of nutritious food and adequate, affordable housing); demands for a range of services for residents, including accessible and affordable childcare for families, and mental health and addictions supports for those struggling with serious illness.

Key services delivered

- **Social Policy and Projects** — Identifying socio-economic indicators and trends. Leading the Healthy City Strategy Four-Year Action Plan (2015-2018) and implementing interconnected strategies, including the Downtown Eastside (DTES) Community Economic Development, Mental Health and Addictions, and Vancouver Immigration Partnership. Initiating the city-wide poverty reduction framework. Commencing plans for and facilitating the creation of childcare spaces and social services facilities. Responding to the opioid crisis. Allocating over \$11 million in social grants.
- **Cultural Services** — Managing civic and private-sector public art programs. Managing other culture-related projects. Allocating grants to arts and cultural organizations. Supporting and developing creative spaces for cultural organizations. Overseeing City-owned facilities — including the Vanier Park cultural institutions, the Vancouver Art Gallery and the Vancouver East Cultural Centre (The Cultch).
- **Vancouver Civic Theatres** — Operating four civic theatres: The Orpheum, the Queen Elizabeth Theatre, The Annex, and the Vancouver Playhouse.
- **Affordable housing projects** — Implementing the City's Housing Vancouver Strategy by working with non-profit and co-op housing providers to facilitate the delivery of affordable housing, including the provision of capital grants, and the development and implementation of the single room occupancy (SRO) hotels revitalization strategy.
- **Housing Operations and social support operations** — Operating City-owned and BC Housing-owned social housing that provides support to residents and assists them in accessing healthcare and community supports, including support to the City's most marginalized and vulnerable citizens at three social service community centres. The Carnegie, Evelyne Saller and Gathering Place serve the Downtown Eastside and Downtown South communities by offering safe, convenient and equitable access to high-quality recreational, educational and cultural programs, and to other essential services that promote healthy, stable and safe neighbourhoods.
- **Homelessness Services** — Developing and implementing programs focused on providing immediate housing and shelter support to homeless individuals, including sourcing identification, supporting income and rental supplement applications, securing housing units for homeless individuals and referring to medical supports. In collaboration with BC Housing and Vancouver Coastal Health (VCH), providing advice and support to the tenancing process for 600 temporary modular homes using a Housing First model.
- **Cemetery Services** — Providing services for the burial of caskets and cremated remains, related grounds maintenance, and management of green spaces and community memorial events.

Service metrics highlights (2016 vs. 2017F)

Community Services



Social Policy and Projects

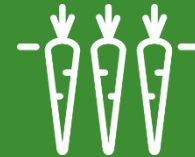


3,925 City-facilitated
childcare spaces (cumulative)

(2.7% increase forecast
for 2017)

4,740 total food assets¹

(0.7% increase forecast
for 2017)



Affordable Housing

1,911 cumulative number of
social housing units committed
under H&H Strategy²

(2,935³ units + 40
modular forecast for
2017)



Social Support⁴

735,855
meals served

(no changes
expected for 2017)



342 sheltering
service stays

(1,654.4% increase
forecast for 2017)

Homelessness

3,609 clients
served

(10.8% increase
forecast for 2017)



Cultural Services

\$ 12.1 million⁵

grants awarded
to non-profit organizations

(5% increase forecast for 2017)



Vancouver Civic Theatres

674 events at
civic theatres

(3% increase forecast
for 2017)



Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Total number of food assets, including garden plots, orchards, farms, community food markets, community kitchens and community compost.

2. Housing and Homelessness Strategy (2012-2021).

3. Number of units may change through the development process. Figures are until Q3 2017 to preserve integrity of the public process for projects pending approval in Q4.

4. Includes only Carnegie, Evelyne Saller and Gathering Place community centres.

5. This metric has been updated to include the addition of theatre rental grants and cultural infrastructure grants.

Service overview

Social Policy and Projects

Top accomplishments in 2017

Social Policy and Projects is guided by the Healthy City Strategy, a city-wide plan for equity, health and well-being. All of the division's activities contribute toward Healthy City goals and targets. Key accomplishments are outlined below:

- **Strategic urban health response partnerships** — Facilitated cross-sectoral and intergovernmental alignment, including the Mayor's Task Force on Mental Health and Addictions priority actions and coordinated response to the overdose crisis, including \$3.5 million for overdose crisis/urban health response.
- **Research and data** — Developed monitoring systems for Healthy City Strategy targets and indicators. Analyzed and communicated new data sources including release of 2016 Census data. Conducted city-wide survey to establish baseline indicator for healthy human services goal.
- **Childcare and social infrastructure** — Reached 98% of the 2015-2018 childcare target of 1,000 new opened or approved spaces, and supported approximately 400 daily meals for low-income school children in partnership with the Vancouver Board of Education. Delivered a new 23,000-square-foot facility for MOSAIC, an immigrant-serving non-profit organization. Secured sites for QMUNITY, Association of Neighbourhood Houses, AIDS Vancouver, Positive Living Society of BC, SWAN Vancouver Society and Aunt Leah's Society, along with VCH Integrated Health Centres, including primary care, mental health and addictions treatment. Completed a feasibility study for a seniors centre in Sunset Neighbourhood.
- **Grants** — Managed over \$11 million in grants to non-profit organizations across the city. Simplified the grant application process by transitioning to a three-year grant cycle for some core-funded non-profits, with a view to potentially expand to other groups.
- **Supported City of Reconciliation and Truth and Reconciliation Commission commitments** — Implemented a memorandum of understanding with the Metro Vancouver Aboriginal Executive Council. Identified healing and wellness approaches and needs of families to prepare for the National Inquiry into Missing and Murdered Indigenous Women and Girls. Supported the Urban Native Youth Association to secure a new centre.
- **Making ends meet and working well**
 - Commenced and/or completed 12 quick start projects.
 - Implemented initial phases of a city-wide poverty reduction framework.

Plans for 2018

2018 will be a year of new beginnings: Social Policy will re-engage the Healthy City Leadership Table and develop the next three-year action plan (2019-2021). The City will commence its first seniors strategy, and implement the City's first Social Infrastructure Plan and poverty reduction framework and Urban Health Leaders Action Council. Grants will continue to be streamlined, with increased opportunities for multi-year funding. The target of 1,000 new childcare spaces will be achieved, and a 2019-2022 target will be identified together with a provincial commitment for new childcare spaces.

Healthy City for All leadership

- Create collaborative partnerships and investments with the new provincial government.
- Implement recommendations of the Healthy City Strategy evaluation.
- Continue to monitor and implement Healthy City actions.
- Develop the next four-year Healthy City Strategy Action Plan (2019-2022).
- Complete an urban health five-year action plan.

A good start

- Achieve the target of 1,000 new opened or approved childcare spaces.
- Deliver a childcare policy review and provide options for the City's capital and operating investments to maximize impact on quality, affordability and accessibility.
- Develop a Good Start Framework to guide planning from birth to age 24.

Feeding ourselves well

- Create a wholesale food procurement system with partners to reduce food costs for non-profit organizations, childcare centres and other social service agencies.
- Provide meals to low-income students in partnership with the Vancouver School Board.
- Finalize plans for a new location for the Greater Vancouver Food Bank and its partners.

Healthy human services

- Complete a Social Infrastructure Plan.
- Allocate grants to approximately 150 different organizations.
- Implement review of grant processes and align grants with Healthy City goals.
- Commence a seniors strategy with the Seniors Advisory Committee, across City departments and key stakeholders.
- Continue to respond to the opioid crisis by convening City departments with VCH, BC Ministry of Health, Urban Health Leaders Action Council and other partners, and continue to monitor, analyze and report on the progress.

- Form the creation of a dedicated Indigenous healing and wellness space in the Downtown Eastside. The space will include access for up to 4,000 square feet of indoor programming and 800 to 1,000 square feet of outdoor space via the rooftop. This centre of healing and wellness will be in partnership with the City, senior government, Vancity, non-profits and other funding partners.

Making ends meet and working well

- Complete a Vancouver poverty reduction framework that dovetails with provincial and federal strategies.
- Confirm a social procurement policy as Supply Chain Management's key partner in policy development.
- Implement final Downtown Eastside Community Economic Development (DTES CED) Strategy as key pillar of the poverty reduction framework's emerging directions (DTES CED Strategy: Phase 3).

Being and feeling safe and included

- Create an intersectional and reconciliation lens on policy, practice and planning with urban Indigenous community engagement.
- Host a Metro Vancouver immigration summit in partnership with the Mayor's Working Group on Immigration. Continue service assessment project and report back on implementing recommendations from the Historical Discrimination Against Chinese People initiative.
- Develop the capacity of Community Impact Real Estate Society (CIRES) with partners, and explore options for expansion of socially inclusive and affordable retail programming in CIRES portfolio.

Cultivating connections

- Conduct a one-year community concierge pilot in multi-family buildings.
- Host a research forum to share recent research on connections and belonging.
- Collaborate with Chief Resilience Officer and Office of Emergency Management on four two-year community resilience pilots.

Looking ahead, 2019-2022

Activities planned for the 2019-2022 period include:

- Develop partnerships to support the achievement and vision of the Healthy City Strategy and a healthy city for all.
- Conduct a refresh of the Healthy City Strategy and next four-year action plan in 2019.
- Develop urban health/mental health and addictions strategy and five-year action plan.

- Continue to ensure strong social infrastructure that helps residents meet their social needs, that maximizes their potential for development, and that enhances community well-being.
- Open multiple new childcare centres serving children ages 0 to 4 in partnership with the provincial government, including seismic replacement schools, and deepen partnerships with the provincial government and the Vancouver School Board to create centres of early learning in elementary schools.
- Create and strengthen industry, funder and community partnerships to successfully implement City-wide cost-benefit analysis policy and social procurement policy.
- Develop seniors strategy and implementation plan to 2025.

Cultural Services

Cultural Services is organized into three primary work areas: Grants and Awards, Public Art and Cultural Infrastructure and Spaces. In 2017, in response to a City Council motion, Cultural Services embarked on the development of a Creative City Strategy to develop a vision for culture and creativity in Vancouver that addresses current and emerging challenges and opportunities, that reflects the culture and history of the city, and that interfaces with other City policies and strategies.

Top accomplishments in 2017

Creative City Strategy

- Started research and planning for a new Creative City Strategy.
- Began public engagement to inform planning for the Creative City Strategy.

Grants and awards

- Reviewed approximately 500 applications for close to \$13 million in cash and in-kind grants to arts and cultural organizations, and artists in eight programs, through the annual review processes.
- Launched a capacity and sustainability support review for City-supported non-profit arts and cultural organizations.
- Launched a new Poet Laureate.
- Partnered with the Music BC Industry Association and launched the framework to host the 2018 Juno Awards and partnered with the Music on Main Society for the hosting of the 2017 ISCM World New Music Days.

Public art

- Commissioned six new murals by Indigenous artists for the Canada 150+ festival through an open artist call.

- Expanded the Public Art Community Grants program, supported a project in South Vancouver with the Musqueam First Nation, added dozens of new murals to Strathcona and Mount Pleasant, and supported 21 new temporary projects through partnerships with non-profit organizations as part of the Public Art Boost.
- Worked with a consultant to begin planning for the restoration of the 50-year-old Mungo Martin Centennial Totem Pole in Kitsilano.
- Delivered an art plan for Northeast False Creek in consultation with stakeholders and the public.

Cultural infrastructure and spaces

- Completed a \$1.0 million major renovation to the City-owned Green House at the Vancouver East Cultural Centre (The Cultch).
- Implemented a new Critical Assistance Grant for non-profit arts and cultural organizations to access funds for emergency or life-safety projects that require immediate mitigation and financial help.
- Moved from paper-based application and review process to an online process for all infrastructure adjudications, including Cultural Infrastructure Grants, Critical Assistance Grants, Artist Studio Awards and Howe Street artist studio tenant selection.
- Obtained approval from Vancouver City Council for a future downtown seven-storey 21,000-square-foot cultural hub amenity space.

Plans for 2018

In 2018, Cultural Services will support major projects and events such as the Juno Awards, a new signature public artwork for City Hall, and the opening of a new 10,000-square-foot artist production space downtown. The Creative City Strategy will move forward into public engagement through pop-ups, workshops, a summit and surveys to gather feedback on draft recommendations.

Creative City Strategy

- Finalize a new Creative City Strategy.

Grants and awards

- Invest an additional \$580,000 in grants for arts and culture to support key recommendations emerging from the initial phase of the Creative City Strategy development.
- Conduct annual reviews of applications (500+) for cash and in-kind grants to arts and cultural organizations and artists.
- Implement recommendations arising from a capacity and sustainability support review for City-supported non-profit arts and cultural organizations.
- Launch a review of the Mayor's Arts Awards program and processes.

- Support the Juno Awards in partnership with Music BC Industry Association.

Public art

- Select and fund multiple artist-initiated projects throughout Vancouver.
- Complete the *Home and Away* public artwork by Lead Pencil Studio at Empire Fields in Hastings Park.
- Work collaboratively with the Musqueam, Squamish and Tsleil-Waututh First Nations to develop significant new public art projects and increase Indigenous visibility on their unceded territories.

Cultural infrastructure and spaces

- Open a new 10,000-square-foot artist production community amenity space downtown at 1265 Howe Street.
- Report back on Making Space for Art, a study underway in collaboration with Civic Theatres performing arts survey, which will inform planning to retain, expand and develop vibrant, affordable and sustainable arts and cultural spaces in Vancouver.
- Report back on strategies for artist production space in industrial land.
- Award multi-year terms for seven City-owned artist studios.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

- Design and build a platform for delivery of the Creative City Strategy programming and goals, including assessing and realigning current programs in Grants and Awards, Public Art and Cultural Spaces and Infrastructure.
- Move forward with key infrastructure priorities. Partner to secure, enhance and develop arts and cultural spaces for creation, production, presentation, and artist housing.
- Integrate and co-locate arts and cultural uses into other community facilities, such as community centres, libraries, neighbourhood houses and other community-run spaces, including places of worship.
- Support emerging artists and major established institutions through grants and awards to showcase the depth and diversity of artistic expression.
- Support sustainable growth and enhance the sustainability of cultural organizations through grants.
- Improve the civic realm and support individual artist projects by delivering major new signature and civic public artworks and artist-initiated projects.

Vancouver Civic Theatres

Top accomplishments in 2017

The Vancouver Civic Theatres (VCT) continues to make progress increasing diversity, attendance and usage.

- **Activating spaces** — Increased venue use and revenues, activated spaces through new partnerships, as well as negotiating activation of the restaurant at the Queen Elizabeth Theatre.
- **Community engagement** — Continued community engagement programs and events to animate the Queen Elizabeth Theatre Plaza and Annex.
- **Other enhancements** — Implemented public high-speed Wi-Fi at Queen Elizabeth Theatre throughout interior and onto the plaza, and completed replacement of the rigging system at Queen Elizabeth Theatre.

Plans for 2018

Highlighted plans for 2018 include financial stability and planning for a future renovation of the historic Orpheum theatre.

Financial stability

- Increase net surplus while developing new event presentation opportunities.
- Continue reinvesting from net revenues back into the community.
- Increase efficiency of service with implementation of a point-of-sale service.
- Continue building organizational capacity needed to support the VCT's strategic plan.
- Initiate programming for events at VCT's venues that will enhance successes of VCT community engagement programs.

Planning for the future

- Further leverage and update theatre technology.
- Renovate the Vancouver Playhouse theatre for accessibility and modernization.
- Review the Orpheum theatre for renovations as a world-class concert hall.
- Review alternate business models for VCT.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

- Ensure the continued financial sustainability of the Vancouver Civic Theatres.
- Continue to increase community engagement and partnerships by Vancouver Civic Theatres to meet Creative City Strategy.

Affordable Housing Projects

Top accomplishments in 2017

Affordable Housing Projects' key accomplishments reflect continued progress toward the Housing and Homelessness Strategy targets, and support the City's priority to end street homelessness and enable development of new affordable housing. Specific targets outlined in the City's 2015-2018 Capital Plan (\$125 million) include delivering 2,550 new social and supportive housing units, maintaining and renewing existing City-owned social housing units, and providing capital grants for single room occupancy (SRO) upgrades.

- **Partnerships** — Developed partnerships and explored options to deliver social and supportive housing, including:
 - Worked with partners to initiate an SRO Revitalization Action Plan to purchase/lease and upgrade 10 SRO buildings.
 - Engaged with an academic collective, Housing Lab, to explore and solve housing crisis through a partnership lens.
- **Aboriginal Housing and Wellness Strategy** — Continued work with partners to implement actions in response to the Metro Vancouver Aboriginal Executive Council's Aboriginal Housing and Wellness Strategy, such as progressing plans in partnership with BC Housing for 950 Main Street, and 1015 East Hastings Street:
- **Social housing** — Made significant progress in the development and delivery of social housing.
- **Social Housing or Rental Tenure Project (SHORT)** — Launched a pilot project, in partnership with other City departments, to prioritize affordable housing projects on the SHORT list through the approval process in order to deliver more affordable housing at a faster pace.
- **Social housing operator RFPs and selection** — Issued three Requests for Proposals (RFPs) to non-profit housing providers to manage five new social housing buildings (330 new units).
- **Tenant relocation** — Launched a tenant relocation hotline for inquiries on active tenant relocation plans.
- **Design and technical guidelines** — Commenced review of Housing Design and Technical Guidelines for social housing.
- **Pearson Dogwood lands rezoning** — Secured a total of 540 new social and supportive housing units.
- **Community Housing Land Trust Foundation** — Opened doors to Vancouver's first land trust with 48 new protected, affordable one-bedroom rental homes.
- **1105 Seymour** — Opened 81 new social housing units in Downtown South that are City-owned and -operated.

- **Temporary modular housing**
 - Opened a 40-unit temporary modular housing pilot project at 220 Terminal in partnership with Vancouver Affordable Housing Agency (VAHA).
 - Partnered with the provincial government to begin to deliver 600 Housing First temporary modular housing units on multiple sites. The provincial government has committed \$66 million to the development of these units on 10 sites identified by the City.

- **Single room occupancy (SRO)**
 - **Single Room Accommodation (SRA) Bylaw** — Continued monitoring and implementation of the Single Room Accommodation Bylaw.
 - **SRO Task Force** — Engaged with private owners, developers, non-profits, community groups and tenants to develop the SRO Revitalization Action Plan.
 - **SRO Revitalization Action Plan** — Initiated development of new action plan aimed at improving SRO building condition and affordability, and helping SRO tenants gain access to adequate supports.
 - **Survey of low-income housing in the Downtown Core** — Commenced biannual survey of the low-income housing stock in the Downtown Core.

- **Policy development** — Identified and secured additional housing opportunities through policy:
 - **Housing Vancouver Strategy** — Brought forward emerging directions for new housing strategy.
 - **Short-term rental policy** — In partnership with Development, Buildings and Licensing, developed regulatory framework and implementation schedule to enable short-term rentals in principal residences in Vancouver.
 - **Community plans** — Continued implementation of housing policies in recently approved community plans that deliver new on-site social housing as part of an inclusionary housing approach, and that shape housing policies within new community plans (False Creek Flats, St. Paul's Policy Statement, Northeast False Creek).

Plans for 2018

Create affordable housing through partnerships and implementing actions identified in the Housing Vancouver Strategy.

Supporting our most vulnerable

- Identify sites suitable for the development of 600 temporary modular homes using a Housing First approach to place the most vulnerable residents directly into housing.

- Support the transition of tenants who need fewer health supports into new social housing via the Supporting Tenants, Enabling Pathways (STEP) program, which creates new supportive housing options for homeless individuals and SRO tenants with support needs.

Housing lower-income residents

- Implement the SRO Revitalization Action Plan to improve building conditions, improve affordability and ensure tenants have access to adequate supports.

Advocating for support

- Advocate for increased federal and provincial capital investments in social and supportive housing projects and maintenance of expiring operating agreement funding.
- Advocate to the provincial government for changes to the Residential Tenancy Act.
- Advocate for a provincially administered rent bank as a preventive measure against homelessness.

Enabling the right supply

- Deliver supportive and social housing.
- Continue to support non-profit and private developers to establish 300+ affordable housing projects to meet the ambitious new Housing Vancouver targets.
- Release updated version of the Housing Design and Technical Guidelines based on change request review. More substantive review required following anticipated release of BC Housing Design Guidelines in April 2018.
- Continue to find non-profit housing partners to manage new social housing buildings (e.g., 1105 Seymour Street, 1400 Robson Street, and Arbutus Centre).
- Implement the Northeast False Creek housing objectives.
- Lease the affordable housing in Southeast False Creek to our chosen non-profit partner, enabling tenancing and occupancy.

Progress toward new Housing Vancouver targets

- Establish method for tracking and assessing goals and targets of the Housing Vancouver Strategy for the next 10 years.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

Supporting our most vulnerable

- Facilitating the development and construction of 600 additional Housing First temporary modular housing units and conduct review to consider program expansion.
- Administer the SRO Revitalization Action Plan in partnership with the provincial government.

Housing lower-income residents

- Monitor impact of tenant protection policies and how they minimize tenant displacement.
- Continue improvement of livability in existing SRO housing units:
 - Implement actions identified through the review of health and safety bylaws.
 - Further expansion of health supports in privately owned SROs.

Advocating for support

- Identify additional opportunities to partner with senior levels of government to address housing challenges, such as capital investments in supportive and social housing projects to deepen affordability.
- Continue efforts to advocate to the provincial government for changes to the *Residential Tenancy Act* to improve tenant protections.
- Advocate for provincially funded and administered rent bank.

Enabling the right supply

- Delivery of supportive and social housing.
- Support VAHA to develop new affordable housing on City-owned land such as River District, Downtown Eastside, Joyce Station Area, False Creek North and False Creek Flats.
- Support other non-profit housing developers to bring forward the right supply on their own land.
- Renew Central Residence and Alexander Residence.

Housing Operations

Top accomplishments in 2017

Through most of 2017, the City (Non-Market Housing division) operated 972 low-income housing units for singles, seniors and families. The Non-Market Housing portfolio expanded in 2017 with the opening of a 40-unit temporary modular housing pilot project at 220 Terminal in partnership with VAHA.

- **Safety risk assessments** — Implemented recommendations highlighted in a workplace assessment.
- **Redevelopment** — Initiated the Roddan Lodge tenant relocation process by hiring a tenant relocation staff member to support Roddan tenants to find interim housing options.
- **Service Level Agreement** — Negotiated with the Real Estate and Facilities Management (REFM) division to reach a new Service Level Agreement.

- **Staff training** — Trained staff in the administration of naloxone to respond to the opioid overdose crisis.
- **Sustaining co-op housing** — Developed a city-wide framework and key terms for evaluating lease renewals for co-op housing.

Plans for 2018

Maintaining affordable housing

- Implement a framework and key terms for non-profit lease renewals to facilitate the protection of affordable housing.
- Execute leases to facilitate the protection of co-op housing.

Non-market housing

- Relocate all Roddan tenants to appropriate housing.
- Select tenants through the BC Housing registry, coordinated access or non-profit partnerships.
- Monitor tenancies and residential compliance to ensure that housing is provided to those most in need and at a high service standard.
- Open and tenant 1105 Seymour.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

- Increase partnerships at community centres in low-income areas to widen access to services.
- Maintain housing infrastructure and explore redevelopment options.

Social Support Operations

Top accomplishments in 2017

Carnegie, Evelyne Saller and Gathering Place community centres serve the City's most marginalized and vulnerable citizens in the Downtown Eastside and Downtown South communities.

- **Low-barrier employment** — Carnegie Centre and Gathering Place developed and implemented 20 new low-barrier employment opportunities by converting volunteer dishwashing positions into paid positions and giving hiring priority to patrons from each centre and to individuals with employment barriers.
- **Temporary cold weather shelter** — Along with other service providers, the centres were activated as temporary cold weather shelters and warming centres.

- **Opioid crisis** — The three centres proactively responded to the emergent fentanyl crisis by working with Coastal Health to train staff and community volunteers in identifying overdoses and administering naloxone.

Plans for 2018

- **Warming centre protocol** — Support the City's Housing and Homelessness Strategy by working collaboratively to develop standard operating procedures for activation of emergency shelters and warming centres in response to increased demand.
- **Reconciliation** — Engage Indigenous people in mutually supportive and productive relationships and work to integrate understanding of Indigenous cultures and histories into our programs, services and operations.
- **Mentorship and succession planning** — Continue working toward and supporting career development and succession planning within the centres; seek occasions for staff to experience leadership and growth opportunities.
- **Capacity building and sourcing resources** — Explore engaging third-party contractor to assist the three centres in developing strategic plans.
- **Outstanding work environment** — Provide a fulfilling environment in which employees, volunteers and citizens work, learn, recreate and live, and encourage the open exchange of ideas and opinions.

Looking ahead, 2019-2022

Activities already planned for the 2019-2022 period include:

- **Strategic planning** — Build strategic plans for each centre with the priority to close gaps in service delivery, engage communities, and enhance economic, social and cultural well-being.
- **Service delivery and staffing model** — Undertake a thorough review of staffing, programs, services, and operational budget to ensure optimal service delivery and to ensure the mandate is met.

Homelessness Services

Top accomplishments in 2017

The newly formed Homelessness Services team, which includes Homeless Outreach Services, oversees the Vancouver Homeless Count, Homeless Action Week grants, and temporary shelter facility provision, and provides advice on issues related to homelessness. This team is responsible for assisting approximately 4,000 clients who are homeless or who are at risk of homelessness to access income, housing and health from various sources.

- **Housing and outreach for the homeless** — Secured housing for approximately 850 street and sheltered homeless, and those at risk of homelessness. Provided direct outreach and support to 4,000 clients experiencing homelessness or risk of homelessness, including 2,000 clients who are new to the service.
- **Advocacy** — Advocated for and provided rationale for 600 units of temporary modular housing to be delivered in a Housing First model to house unsheltered homeless individuals. This project was accepted by the provincial government with a provision of funding for the project delivery and ongoing operations funding.
- **Interim housing options for homeless** — Developed a plan for 600 temporary modular Housing First homes. Tenanting will be conducted by the Homeless Outreach Team in partnership with BC Housing and VCH.
- **Shelter strategy** — Secured an increase in temporary shelter beds to 300 in partnership with BC Housing.
- **Warming centres** — Activated warming centres in response to the coldest winter on record in a decade in partnership with Park Board and faith organizations. Included developing operating protocols and staff training for working with vulnerable individuals.
- **Identification bank** — Developed protocols and procedures, in partnership with BC Housing and non-profit providers, for an ID bank that would secure identification for homeless and vulnerable individuals who often lose their identification resulting in an inability to access income, housing or health services.
- **STEP program** — Developed a pilot project to create more housing locations in partnership with Affordable Housing Projects, provincial partners BC Housing and VCH to create more vacancies for street and sheltered homeless. Funding for program expenses was provided by Streetohome Foundation.

Plans for 2018

Homelessness Services client volume increased roughly 40% per year from 2014 to 2016. The number of newly homeless individuals and housing placements also rose significantly.

Highlighted actions included the following priorities:

- **Modular housing tenanting** — Implement a tenanting plan for 600 temporary modular Housing First homes in partnership with BC Housing and VCH to ensure that homeless residents are prioritized and securely housed. Efforts will be made to reflect the demographics of the homeless count to include the high percentage of Indigenous people.
- **Office space** — Accommodate the growing number of clients served by the Homelessness Services team, who will be better able to handle capacity upon moving to larger office space in 2018. This will provide more organization and oversight of documents, room for the ID bank, and bring together the operations and planning functions of Homelessness Services. The number of clients served by Homelessness Services increased from 1,866 per year in 2014 to 3,609 in 2016.

- **Identification bank** — Secure provincial funding to provide an ID bank offering services to low-income and homeless residents to acquire and maintain government identification necessary for continued access to government income, employment and housing.

Looking ahead, 2019-2022

- Work with partners at BC Housing and VCH to rationalize placement of clients in appropriate housing through coordinated assessment approaches.
- Work with other Community Service departments to advocate for increases to income assistance rates or rent supplement programs to support poverty reduction.

Cemetery Services

Top accomplishments in 2017

Mountain View Cemetery continued its strong financial performance, exceeding the previous annual revenue total for the fourth year in a row. The cemetery also completed a reserved area contract with a local spiritual community association, securing its interest in 60 graves.

- **Staffing** — Added to new service staff, including office clerks and field horticultural staff following numerous recent retirements.
- **Enhancements** — Applied new cleaning technology to address long-standing concerns with the columbaria appearance and to restore several significant monuments.
- **Updated financial plan** — Contributed significant progress on a renewed understanding of the cemetery's financial history, its current state and future plans through departmental and corporate cooperation.

Plans for 2018

- Expanding the variety and inventory of saleable interment space will continue to be the key priority.
- Landscaping and drainage for new cremation services offered on site.
- Complete the planning, design and construction for the perimeter study funded from the Capital Plan.
- Continue to leverage development and improvement opportunities with outside groups and agencies.
- Resume the record verification process to complete and enhance the electronic conversion of manual cemetery records.
- Update the Mountain View Cemetery Bylaw to address expanded product and service offerings and to create opportunities for progressively sustainable cemetery use (shared occupancy, green burial, etc.).

Looking ahead, 2019-2022

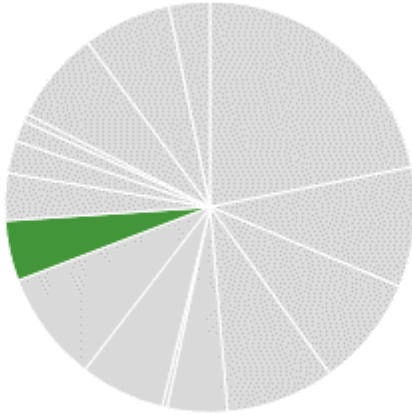
- Significant development within another cemetery neighbourhood will be required as capacity from the initial Masonic area project depletes.
- Initiate construction on the next phase of the Mountain View Cemetery master plan.
- Develop an inventory, assessment and funding plan to address required improvements to cemetery roads, water and drainage infrastructure.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Program fees							
Civic Theatres program fees							
Theatre facility rentals	5,124	5,201	5,199	6,421	6,453	32	0.5%
Concession revenue	1,226	1,245	1,254	1,738	2,500	762	43.8%
Ticket surcharges	836	1,309	1,874	2,084	2,279	195	9.4%
Other Civic Theatres revenue	164	167	231	235	228	(7)	-3.1%
Total Civic Theatres program fees	7,351	7,921	8,557	10,479	11,461	982	9.4%
Community Services program fees							
Mountain View Cemetery revenue	1,938	1,938	1,977	2,189	2,233	44	2.0%
Community Kitchen revenue	1,255	1,315	1,372	1,417	1,445	28	2.0%
Total Community Services program fees	3,193	3,253	3,348	3,606	3,678	72	2.0%
Other department program fees	77	78	78	78	87	8	10.7%
Total Program fees	10,621	11,252	11,984	14,163	15,225	1,062	7.5%
Parking revenue							
Civic Theatres parking revenue	360	360	478	599	971	373	62.2%
Other parking revenue	5	5	5	5	5	0	2.0%
Total Parking revenue	365	365	483	604	977	373	61.7%
Cost recoveries, grants and donations							
Community Services recoveries	3,525	3,508	3,256	3,720	3,496	(224)	-6.0%
Other department recoveries	212	212	673	890	908	18	2.0%
Total Cost recoveries, grants and donations	3,737	3,720	3,929	4,610	4,404	(206)	-4.5%
Rental, lease and other							
Non-market housing rentals	3,638	3,691	3,751	3,766	3,269	(497)	-13.2%
Other department revenue	142	37	153	156	171	15	9.7%
Total Rental, lease and other	3,781	3,728	3,904	3,922	3,440	(482)	-12.3%
Total Revenues	\$ 18,503	\$ 19,065	\$ 20,300	\$ 23,299	\$ 24,046	\$ 747	3.2%
Expenditures & Transfers							
Civic Theatres							
Civic Theatres operations	4,966	4,733	5,543	7,307	8,188	881	12.1%
Shared support services	55	1,781	1,860	2,395	2,580	185	7.7%
Transfers to / (from) reserves & other funds	924	881	1,216	1,361	1,526	165	12.1%
Total Civic Theatres	5,945	7,395	8,619	11,063	12,294	1,231	11.1%
Community Services							
Social Support	9,935	10,282	10,570	11,419	11,711	293	2.6%
Housing	5,456	7,589	7,534	7,178	7,271	94	1.3%
Inspections	7,300	-	-	-	-	-	-
General & Projects	2,191	1,896	1,507	1,727	2,590	863	50.0%
Social Policy	2,474	2,514	2,636	3,513	3,685	172	4.9%
Bylaw Admin	2,541	-	-	-	-	-	-
Culture	2,030	2,611	2,761	2,719	2,708	(10)	-0.4%
Mountain View Cemetery	1,641	1,471	1,473	1,671	1,719	47	2.8%
Shared support services	2	6,248	6,964	4,352	4,202	(151)	-3.5%
Transfers to / (from) reserves & other funds	865	(283)	(416)	(367)	344	711	-193.5%
Total Community Services	34,433	32,329	33,029	32,211	34,230	2,019	6.3%
Grants							
Cultural	10,794	11,060	11,282	11,494	12,074	580	5.0%
Social Policy	5,319	5,875	5,992	5,952	6,071	119	2.0%
Childcare	1,200	1,424	1,453	1,508	1,538	30	2.0%
Other grants	389	646	959	506	516	10	2.0%
Total Grants	17,702	19,006	19,686	19,459	20,198	739	3.8%
Total Expenditures & Transfers	\$ 58,080	\$ 58,730	\$ 61,334	\$ 62,733	\$ 66,722	\$ 3,989	6.4%
Net Operating Budget	\$ (39,577)	\$ (39,665)	\$ (41,034)	\$ (39,434)	\$ (42,676)	\$ (3,242)	8.2%
Capital Budget (\$ million)	\$ 14.6	\$ 43.6	\$ 13.5	\$ 12.6	\$ 32.1		

Note: Totals may not add due to rounding



Community Services, Civic Theatres and Grants make up
5% of the 2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

- Vancouver Civic Theatre revenues are increasing in 2018 due to the continued high usage of the theatre venues, and due to changes in liquor sale regulations, which have improved food and beverage concession sales.
- For 2018, revenue from parking is anticipated to increase as a result of additional spaces being added and negotiated changes to the parking contract for the Vancouver Civic Theatres parkade.
- The year-over-year reduction in recoveries for non-market housing corresponds to discontinued subsidies received from BC Housing for Roddan Lodge.

Explanation of changes 2018 vs. 2017 — expenditures and transfers

Annual changes in the Community Services 2018 operating budget are due to collective agreement wage increases and benefits, as well as investments in the following areas:

- Vancouver Civic Theatre expenses are increasing in 2018 in line with increasing 2018 revenues, due to the continued high usage of the theatre venues and the costs of putting on performances, and due to the cost of food and beverages to support concession sales.
- In 2018, grant funding will increase by \$739,000 to respond to increasing demand from all non-profit sectors. In particular, \$350,000 of this increase in additional support is being provided to support key recommendations emerging from the initial phase of the Creative City Strategy.
- 2018 funding is being provided for support staff to improve agreements and relationships with City partners.
- Additional funding is being provided with the General and Projects group to support the City's Homelessness Services team with additional staff and a new office space to better serve the increasing need for support for the City's marginalized population.

- To provide continued and additional social and housing support across the City, funding is being added to develop a mental health and addictions five-year action plan, including:
 - Continuing to respond to the opioid crisis by convening City departments with VCH, the provincial government, urban health leaders and other partners.
 - Providing additional resources in the Homelessness Services team to lead and support vital work supporting the City’s most vulnerable citizens.
 - Extending the operating days at the Oppenheimer Park to support the local community.
 - Monitoring tenancies and residential compliance to ensure that housing is provided to those most in need and at a high service standard.

- 2018 funding is being provided to create a dedicated Indigenous healing and wellness space in the DTES. The City will be working with members of the City’s DTES Indigenous Healing and Wellness Advisory, as well as other Indigenous health partners, to advise on the programming of a healing and wellness centre, and partnering with senior government, non-profits and other funding partners to leverage and secure capital and operating costs. The City will be contributing toward the tenant improvement costs.

Notable capital projects

The following table summarizes some of the noteworthy projects involving Community Services in 2018. A complete list of all capital projects for 2018 is included in the Council Report appendixes.

Project Name (\$ millions)	Total Project Budget ³	Forecast 2017 Expenditure	2018 Annual Expenditure Budget	Future Years
Roddan Lodge and Evelyne Saller Centre Redevelopment ¹	48.5	0.5	8.2	39.5
Social Housing at Firehall No. 5 ²	10.9	2.4	7.0	-
Marpole Place Building Upgrades ¹	3.0	1.0	1.6	0.2
Qmunity ¹	7.0	-	0.5	6.5
Childcare at Gastown Parkades (age 0-4) ¹	12.3	0.6	5.4	6.3

¹ Included in REFM departmental budget.

² Included in REFM budget; project is part of Fire Hall no. 5 redevelopment

³ Expenditure may not sum to total project budget due to rounding or prior years expenditure.

- **Roddan Lodge and Evelyne Saller Centre redevelopment** — Replacement of the existing six-storey building (with 156 SRA units) with a new 11-storey building containing 213 social housing units made up of 156 subsidized studio units and 57 “Low End of Market” units. The ground floor will be the new home of the Evelyne Saller Centre, which serves the local community with a low-cost cafeteria, showers and laundry facilities, plus social, recreational and life-skills programs. The overall gross size is approximately 118,000 square feet. Construction will begin mid-2018 and completion target is mid-2020.

- **Social housing at Firehall No. 5** — Replacement of Firehall No. 5 with a new 17,000-square-foot firehall that meets current seismic and operational standards. The area above the firehall will contain 34,000 square feet (31 units) of family-oriented social housing to be managed by the YWCA. Construction began in late 2016 and will be completed in the fall of 2018.
- **Marpole Place building upgrades** — Restoration to damage resulting from a 2013 flood and upgrades to the mechanical systems, windows and structure. Work includes energy-efficient mechanical systems, structural repairs, a new kitchen, new wood windows and new flooring and lighting. This project is currently under construction, with completion set for fall 2018.
- **QMUNITY** — QMUNITY, a 10,000-square-foot social facility serving the LGBTQ2+ community, is being developed along with a housing project by VAHA. The current expected timing is 2019-2021 for construction, with completion anticipated for fall 2021. Funding for 2018 will cover planning and concept design.
- **Childcare at Gastown parkades (age 0 to 4)** — Two new facilities are proposed at the rooftop levels of two City-owned parkades in Gastown, at 150 Water Street and 151 Cordova Street. The project will add a total of 74 childcare spaces. The parkades are required to remain in continuous operation during construction of the additions. The start of construction is anticipated in late 2018, with completion in 2019.

Employee trend table

Community Services	2013	2014	2015	2016	2017F
Regular Full-time Staff	236.0	228.0	237.4	177.4	182.3
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	337.0	337.6	346.5	290.8	293.1

Note: In 2016, the Licensing & Inspecting Division was transferred to be included in the Development, Buildings & Licensing Department. The employee numbers for the years 2012 to 2015 are the total for the pre-reorganized Community Services Department. The numbers for 2016 onward represent the new department structure only.

*excluding overtime

The 2016 to 2017 increase in regular full-time staffing is due to the conversion of auxiliary positions to regular full-time positions.



Corporate Support Services

Corporate Support Services

Overview

The role of Corporate Support Services is to assist in carrying out City Council’s key objectives and business operations, and enabling an open, inclusive and participatory municipal government. Corporate Support Services includes the internal services that support and facilitate the delivery of services to the public as well as select direct services to citizens.

Key corporate support departments

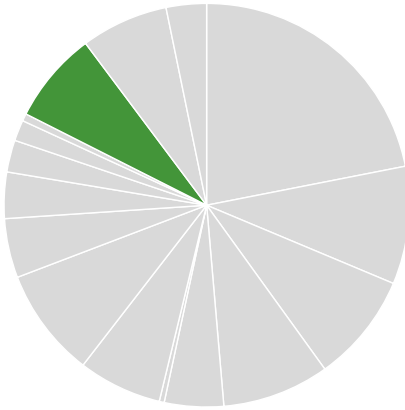
- **City Clerk’s Department** — Provides administrative and information services to Council and its committees, boards, City departments and citizens.
- **City Manager’s Office** — Serves Council and oversees the overall conduct of the City administration in pursuing the City’s purpose.
- **Finance, Risk and Supply Chain Management** — Manages corporate supply chain, accounting and treasury functions as well as advisory services in risk management, financial planning and financial analysis.
- **Human Resources** — Provides support to the organization across all business units in areas such as recruitment, talent development and compensation for City staff.
- **Technology Services** — Provides a complete range of technology-oriented services across the entire organization.
- **Legal Services** — Provides professional legal services to ensure the City functions within its lawful parameters.
- **Real Estate and Facilities Management** — Provides a complete range of real estate and facilities management services and lifecycle management functions.

2018 Budget

Five-year budget trend and year-over-year budget changes 2018 vs. 2017

Major Category (\$000)	2014 Approved Budget	2015 Approved Budget	2016 Approved Budget	2017 Restated Budget	2018 Proposed Budget	Net Change (\$)	Net Change (%)
Revenues							
Program fees							
Other department program fees	17	17	21	26	26	-	-
Total program fees	17	17	21	26	26	-	-
Parking revenue							
Other parking revenue	444	325	325	325	332	7	2.0%
Total Parking revenue	444	325	325	325	332	7	2.0%
Cost recoveries, grants and donations							
Other department recoveries	624	803	803	803	761	(42)	-5.3%
Total Cost recoveries, grants and donations	624	803	803	803	761	(42)	-
Rental, lease and other							
Other department revenue	452	456	453	454	454	-	-
Total Rental, lease and other	452	456	453	454	454	-	-
Total Revenues	\$ 1,537	\$ 1,601	\$ 1,601	\$ 1,608	\$ 1,573	\$ (36)	-2.2%
Expenditures & Transfers							
Real Estate & Facilities Management							
Real Estate & Facility planning & development	4,478	2,524	7,532	4,586	5,058	472	10.3%
Facility operations	30,785	40,088	37,408	37,457	43,877	6,420	17.1%
Shared support services	(1,055)	(18,743)	(26,817)	(23,502)	(24,735)	(1,232)	5.2%
Transfers to / (from) reserves & other funds	4,386	4,107	4,121	4,116	4,145	29	0.7%
Subtotal Real Estate & Facilities Management	38,593	27,976	22,243	22,657	28,345	5,688	25.1%
Finance, Risk & Supply Chain Management							
Finance, Risk & Supply Chain Management	15,412	19,567	22,494	24,737	28,591	3,854	15.6%
Shared support services	(1,948)	(5,439)	(8,244)	(8,870)	(9,460)	(590)	6.7%
Transfers to / (from) reserves & other funds	6	6	6	(105)	(2,767)	(2,662)	2528.2%
Subtotal Finance, Risk & Supply Chain Management	13,469	14,133	14,255	15,761	16,364	602	3.8%
Technology Services							
Information Technology	25,484	27,316	28,572	29,766	32,493	2,727	9.2%
3-1-1 Contact Centre	4,653	5,335	5,368	6,238	6,841	603	9.7%
Digital Services	-	1,099	1,100	1,465	1,690	225	15.3%
Shared support services	(1,683)	(8,509)	(8,509)	(8,939)	(9,893)	(955)	10.7%
Transfers to / (from) reserves & other funds	869	869	869	(147)	(199)	(52)	35.1%
Subtotal Technology Services	29,324	26,110	27,401	28,383	30,932	2,549	9.0%
Other support services							
Human Resources	10,812	9,699	10,064	10,527	11,078	552	5.2%
City Manager's Office	3,466	3,677	3,797	3,720	3,915	195	5.2%
Legal Services	5,834	5,046	5,084	5,159	5,932	773	15.0%
City Clerk	5,354	3,328	3,329	3,850	7,329	3,479	90.4%
Communications & Engagement	1,945	1,916	1,792	2,388	2,428	40	1.7%
Sport Hosting	-	-	-	-	500	500	-
Shared support services	(671)	(3,523)	(3,476)	(3,465)	(3,740)	(275)	7.9%
Transfers to / (from) reserves & other funds	3	1	1	1	1	(0)	-16.7%
Subtotal Other support services	26,743	20,144	20,591	22,179	27,443	5,264	23.7%
Total Expenditures & Transfers	\$ 108,129	\$ 88,364	\$ 84,491	\$ 88,980	\$ 103,084	\$ 14,104	15.9%
Net Operating Budget	\$ (106,592)	\$ (86,762)	\$ (82,889)	\$ (87,372)	\$ (101,511)	\$ (14,140)	16.2%
Capital Budget (\$ million)	\$ 66.6	\$ 72.3	\$ 141.6	\$ 118.4	\$ 127.9		

Note: Totals may not add due to rounding



Corporate Support makes up 7%
of the 2018 Operating Budget

Explanation of changes 2018 vs. 2017 — revenues

The Corporate Support Services group receives revenue from various streams, including:

- Parking revenues from the Museum of Vancouver, the H.R. MacMillan Space Centre (i.e., the Planetarium) and the Mount Pleasant Community Centre.
- Surplus asset sales.
- Insurance proceeds related to sick-pay costs.
- The Vancouver Police Department Tactical Training Centre.

Corporate Support revenues remain relatively stable from year to year, at around \$1.6 million annually. For 2018, there is a small decrease in the revenue budget for external legal cost recoveries and a small inflationary increase for parking fee revenue.

Explanation of changes 2018 vs. 2017— expenditures and transfers

Changes in the department's 2018 operating budgets are largely due to collective agreement wage increases and benefits, along with fixed cost increases for hydro and natural gas, software maintenance, network security, and rent and lease expenses. As City services grow, the requirement for additional support services, resources, workspace, technology and overhead can also grow. There are some additional investments in the 2018 Corporate Support budget to reflect this growth.

Offsetting these cost increases is an increment in costs being allocated to the capital budget for legal, supply chain and warehousing support, and to other departments for increasing costs for rent and leases, security, hydro and natural gas.

To provide continued support for key Council priorities, departments within Corporate Support have received investments in the following areas:

Real Estate and Facilities Management

- Additional funding of \$0.9 million is provided in the 2018 Operating Budget to achieve compliance with the Living Wage guidelines for direct staff and contracted services. In 2016, the City reviewed its contracted service arrangements, and identified four contracts that did not meet the applicable Living Wage threshold in relation to the compensation paid by the contractors to their employees. Services provided under these four contractual arrangements related to security, janitorial and graffiti removal services. Some of these contracts are expiring in late 2017, and will be renewed to provide for compensation consistent with the Living Wage standard.
- To ensure the City's aging infrastructure is maintained so it continues to perform well, meets safety and compliance standards, and meets the expanding needs of citizens and businesses, funding of \$1.0 million is being provided to create new positions to oversee and perform all electrical work in City buildings, and to conduct audits of electrical system safety and building system safety (non-electrical).
- Funding to provide an increased focus in the City's non-profit lease portfolio and an improved process for non-profit organizations leasing city facilities.
- Funding for new leased space for additional City staffing.
- To support the Corporate Security group with adequate funding for front-line security staff, contracted security services, additional staffing for threat management and security system design, and resources to develop and sustain a fire safety program for all City facilities, an additional \$0.9 million is being provided.
- \$0.7 million in funding is provided for the operating impact of new facilities projects that have been completed and now need to be operated and maintained on an ongoing basis.

Finance, Risk and Supply Chain Management

- Funding to support the implementation and operation of the Empty Homes Tax program that will be funded by the future revenues collected from the program. This funding is for project team resources as well as set-up and operating costs for the new administration, audit and collection team, and technology to automate the process.
- Additional financial resources to support housing, planning and development processes.

Technology Services

Capital investments are driven by emerging business needs and/or the replacement of end-of-life infrastructure at the end of a hardware or software lifecycle. As part of the current four-year capital plan (2015-2018), approved and completed capital projects, such as upgrades to the GIS (geographic information system) and fleet systems or new implementations such as the POSSE system for permits and licensing, staff scheduling and emergency management, are now beginning to have annual maintenance impacts in the form of ongoing operating costs. As well,

costs for hardware, licensing and network maintenance are affected by inflation-driven fluctuations in pricing; a situation that is exacerbated by the move of applications toward cloud-based hosting services. Funding of \$2.0 million is being provided to support the strategic capital investments made via the current four-year capital plan.

Other support services

- \$3.5 million in funding is being provided in the City Clerk’s budget from the election reserve. This funding is being added to the City Clerk’s budget to run the Vancouver-wide election that will be held in October 2018.
- Ongoing funding to continue the City’s Sport Hosting program (\$0.5 million).
- Support for Human Resources operations such as recruitment of positions, development and permitting process, and for organizational staff development.
- Support the operations of Legal Services to address increasingly complex litigation; enable it to support a wide variety of construction, procurement, technology work and capital projects; bring more external legal work in house; and support the City’s development and permitting process.

Starting in 2014, the City changed its method of allocating shared support services costs. With the continued evolution toward shared services, staff and budgets in previously decentralized work groups have moved to organization-wide groups for consolidated technology services, supply chain management, finance, facilities operations and planning, corporate security, warehousing and Human Resources. This continued evolution is reflected in the allocated costs for finance, Human Resources, technology services, and building operations costs, including leases and rents, security, hydro and gas.

Notable capital projects

Project Name (\$ millions)	Total Project Budget ²	Forecast 2017 Expenditure	2018 Annual Expenditure Budget	Future Years
Technology Services				
Enterprise Data and Analytics Program	1.7	0.4	0.8	-
GIS Strategic Roadmap Implementation	1.9	0.8	0.8	-
Fleet Software Replacement	4.0	0.9	2.5	0.0
Parking Enforcement Ticket Manager Platform	1.1	0.5	0.6	-
AMANDA Replacement or Upgrade	1.0	-	1.0	-
Real Estate and Facilities Management				
Roddan Lodge and Evelyne Saller Centre Redevelopment ¹	48.5	0.5	8.2	39.5
Childcare at Gastown Parkades (age 0-4) ¹	12.3	0.6	5.4	6.3
Replacement of Firehall No. 5 (includes social housing) ¹	21.7	6.6	10.3	0.4
Firehall No. 17 Renewal ¹	19.9	1.4	6.0	12.2
Central Library Level 8 and 9 Expansion ¹	15.8	7.8	6.8	-
Southeast Vancouver (Killarney) Senior Centre ¹	7.5	5.4	1.1	-
Kits Pool Structural and Mechanical Upgrades	3.3	1.2	2.1	-

¹Also included in other Service Group Sections.

² Expenditure may not sum to total project budget due to rounding or prior years expenditure.

Technology Services

- **Enterprise data and analytics program** — This program will be implemented to obtain data analytics from the SAP payroll system on their assets, work requests, and financials. This project will support the efficient management and use of corporate data, enable the continued enhancement of the open data program, and manage the City-wide digital data and analytics strategy.
- **GIS Strategic Roadmap implementation** — Geospatial Information Systems (GIS) Strategic Roadmap will be implemented to move the City to a GIS technology architecture capable of filling the needs of current users, bridging the technology gap that has developed over time, and allowing the City to realize the value of geospatial information for both internal and external users.
- **Fleet software replacement** — The City will be implementing a new Fleet Information Management System to replace a legacy application that is no longer meeting business needs and is at end-of-life. The new system will offer opportunities to automate work processes and integration, and effectively manage the lifecycle and maintenance of the City's equipment and fleet assets.
- **Parking enforcement ticket manager platform** — Implementation of a new parking enforcement platform to replace a legacy application that is at end-of-life. The new system will offer opportunities to improve work processes and integration, and effectively manage the on-street enforcement of the City's bylaws.
- **AMANDA replacement or upgrade** — AMANDA is used for business licences, pet licences, residential parking permits and false alarm reduction permits. The initial mandate of this project is to determine the better solution between replacement of the services provided by AMANDA or an upgrade to AMANDA. Implementation of either solution will take approximately one year to complete.

Real Estate and Facilities Management

- **Roddan Lodge and Evelyn Saller Centre redevelopment** — This project is replacing the existing six-storey building (with 156 Single Room Accommodation units), with a new 11-storey building containing 213 social housing units, made up of 156 subsidized studio units and 57 "Low End of Market" units. The ground floor will be the new home of the Evelyn Saller Centre, which serves the local community with a low-cost cafeteria, showers and laundry facilities, plus social, recreational and life-skills programs. The overall gross size is approximately 118,000 square feet. Construction will begin mid-2018 and completion target is mid-2020.
- **Childcare at Gastown parkades (age 0 to 4)** — Two new facilities are proposed at the rooftop levels of two City-owned parkades in Gastown, at 150 Water Street and at 151 Cordova Street. The project will add a total of 74 childcare spaces, with the Passive House certification. The parkades are required to remain in continuous operation during construction of the additions. The start of construction is anticipated in late 2018, with completion in 2019.

- Firehall No. 5 replacement, including social housing** — Replacement of Firehall No. 5 with a new 17,000-square-foot firehall that meets current seismic and operational standards. The area above the firehall will contain 34,000 square feet (31 units) of family-oriented social housing to be managed by the YWCA. Construction began in late 2016 and will be completed in the fall of 2018.
- Firehall No. 17 renewal** — This project involves replacement of Firehall No. 17 with a new (approximately 21,000-square-foot) firehall that meets current seismic and operational standards. This includes provisions for this site to be used as a training hall with four apparatus bays, a training tower and a training yard. The site will accommodate a two-crew operation. It is targeted to achieve LEED Gold, Passive House, Net Zero Energy Building and Zero Carbon Building certifications. Due to timing of the project and the operational needs of Vancouver Fire and Rescue Services, it will require a new temporary facility on the same site. The construction contract for the temporary Firehall No. 17 was awarded at the end of August 2017 and construction will start on the site shortly. Completion of the entire Firehall No. 17 renewal project is anticipated in summer 2019.
- Expansion of public space at Central Library** — This project involves tenant improvements to Levels 8 and 9 of the Central Library at Library Square. A portion of the existing roof was removed to create a public roof garden and new library uses, including an auditorium, reading room, offices and meeting rooms, which will expand the Vancouver Public Library into the upper floors of the existing building. Construction started in spring 2017, with final completion anticipated in spring 2018.
- Southeast Vancouver (Killarney) Seniors Centre** — This project involves the design and construction of a new seniors centre, which will be a 10,000-square-foot facility added to the existing Killarney Community Centre footprint. Construction started in 2017, with final completion anticipated in 2018.
- Kitsilano Pool structural and mechanical upgrades** — The structural and mechanical upgrades to the Kitsilano outdoor pool will considerably expand the life of this destination. This project has \$0.5 million in federal funding. Construction started in October 2017 and is anticipated to be completed in spring 2018.

Employee trend table

Corporate Support	2013	2014	2015	2016	2017F
Regular Full-time Staff	863.2	908.2	950.8	976.7	994.5
All Staff (including Part-time, Temporary and Auxiliary) Full-time Equivalents*	946.2	1,105.4	1,133.8	1,147.0	1,171.4

Note: In 2016, the Sustainability division previously recorded under the City Manager's Office (Corporate Support) has been transferred to be included under the Planning, Design & Sustainability Department. In 2017, the Office of Emergency Management Division previously recorded under the City Manager's Office (Corporate Support) has been transferred to be included in the new Fire And Rescue Services and Office of Emergency Management Department.

*excluding overtime

The employee trend reflects the continued evolution toward shared services, with staff in previously decentralized work groups moving to organization-wide groups. Within the Corporate Support Services area, fluctuations in regular full-time staff reflect the consolidation of technology services, supply chain management, finance, facilities operations and planning, corporate security, warehousing and HR.



City Manager's Office

City Manager's Office

Overview

The City Manager's Office serves Council and oversees the overall conduct of the City administration in pursuing the City's purpose. The City Manager's Office:

- Reviews departmental programs, budgets and policy initiatives.
- Makes recommendations to City Council.
- Ensures Council's directives are carried out.
- Establishes standards and priorities for civic administration.
- Motivates and monitors performance to ensure standards are met, priorities are pursued and high-quality City services are consistently delivered.
- Oversees initiatives of Council priority, including City of Reconciliation, Sport Hosting Vancouver, Intergovernmental Relations and Strategic Partnership, as well as City Corporate Support departments including City Clerk's Department, Corporate Communications, Internal Audit, Business Planning and Project Support and External Relations and Protocol.

City of Reconciliation

In 2014, the City of Vancouver adopted a framework to become a City of Reconciliation, which is a corporate, City-wide initiative coordinated through the City Manager's Office. This policy framework outlines the City's work to strengthen the understanding and relationships with Musqueam, Squamish and Tsleil-Waututh Nations in addition to urban Indigenous peoples. With the assistance of a Reconciliation Working Group and First Nations Coordination Group, pertinent conversations and actions have progressed throughout the organization.

Cultural Competency training and new partnership projects with the Musqueam, Squamish and Tsleil-Waututh Nations, and with urban Indigenous service agencies, have led to insightful awareness and growth toward embedding the principles of reconciliation within City Council priorities and emerging projects.

The City of Vancouver’s Canada 150+ celebrations centred on a vibrant and visible presence of First Nations and Indigenous arts and culture, as reflected in the inclusion of the “+” in Canada 150+. As a City of Reconciliation, Vancouver acknowledges that there is a history to our country that predates the time of colonization and that Indigenous peoples are key in the creation of Canada. The theme of the Canada 150+ events, “Moving Forward Together,” set the tone for all Vancouverites to come together as a stronger society for the future.

Inclusivity was achieved in part by producing Canada 150+ in partnership with the Musqueam, Squamish and Tsleil-Waututh Nations. Noteworthy engagement included:

- Hosting three signature events in 2017 (The Drum is Calling Festival, Gathering of Canoes and Walk for Reconciliation). These events included strategic civic partnerships with organizations such as the Aboriginal Community Career Employment Services Society, the Pulling Together Canoe Society, Reconciliation Canada, Full Circle: First Nations Performance, Aboriginal Tourism BC, the Bill Reid Gallery, Le Centre culturel francophone de Vancouver, NFB, and the City’s Urban Aboriginal Peoples Advisory Committee.
- Supporting city-wide associated projects (e.g., the Thunderbird Sharing Ceremony, Canada 150+ Mural Program, *UNINTERRUPTED* and the Kanata Festival).
- Promoting Indigenous community events throughout the year and hiring Indigenous production apprentices through a unique partnership with cultural industry organizations.

To date, Canada 150+ events and activities have welcomed more than 55,000 guests and engaged more than 1,000 traditional and contemporary artists, performers, storytellers, chefs, dancers, drummers, artisans, filmmakers, designers, writers, activists, young leaders, elders and knowledge carriers. More than 50,000 people participated in the Vancouver Walk for Reconciliation on September 24, 2017.

Key services delivered

- **External Relations and Protocol** — Managing public visits, meetings, and partnerships with dignitaries and delegations from Canada and around the world. Organizing special events, such as City awards, special community awards, annual events and ceremonies, and protocol events.
- **Internal Audit** — Reinforcing accountability within the City as the independent eye that verifies City activities and provides recommendations to increase effectiveness and efficiency. Semi-annual Audit Committee reports and audit reports are posted on the City website to provide transparency on delivery of the approved audit plan and to highlight management’s commitment to implementing audit recommendations.

- **Business Planning and Project Support** — Business Planning and Project Support (BPPS) serves as an internal consulting office for the City, providing a full spectrum of business advisory and project support services within the organization. BPPS supports the City’s senior executive by designing and leading the execution of a wide range of projects arising from Council priorities and management direction.
- **Corporate Communications** — Providing integrated full-service communication services supporting corporate objectives and ensuring the public, employees, media, national audiences and international audiences have a clear understanding of City of Vancouver policies, priorities and programs. The department is responsible for providing strategic and corporate communications planning, engagement and media relations support to task forces, senior City staff and divisions.
- **Intergovernmental Relations and Strategic Partnerships** — Developing and implementing strategies to foster relationships and to influence other levels of government and external stakeholders in advancing the City of Vancouver’s interests and in achieving the City’s long-term strategic goals.
- **Sport Hosting Vancouver** — Working to unite all interests of sport hosting in Vancouver. Providing a responsive and streamlined approach to attracting major events and making them successful on all levels.

Service metrics highlights (2016 vs. 2017F)

City Manager’s Office



Corporate Communications



3,663 incoming media calls
(8.1% increase forecast for 2017)



308 information releases
(30.2% increase forecast for 2017)



399,545 followers on social media
(more than doubled in 2016: 11.6% increase forecast for 2017)



140 public engagement projects forecast for 2017
(higher than the 133 5-year average¹)

Canada 150+ (2017 event only)



2,500 participants
Gathering of Canoes



40,000 participants
Drum is Calling



>50,000 participants
Reconciliation Walk

Sport Hosting Vancouver

13,581 participants reached through Community Sport Hosting Grants recipient events



(more than tripled in 2016 vs. 2015; expected to fall 11.5% in 2017)

External Relations & Protocol



66 official visits and study tours by international & national government delegations

(60 forecast for 2017)

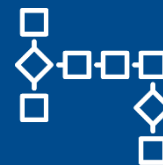
Internal Audit



13 audits & reviews performed

(14 forecast for 2017; 12 year to date)

Business Planning



100 active projects in 2017

Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

¹ Period from 2013 to 2017F.

Top accomplishments in 2017

External Relations and Protocol

In 2017, External Relations and Protocol accomplished the following goals:

- Planned, managed and delivered six annual events, including Lunar New Year, Black History Month, International Women's Day, International Day for the Elimination of Racial Discrimination, Pride Week Proclamation and Remembrance Day.
- Organized and managed the fourth annual Awards of Excellence ceremony on February 28, 2017, and managed the fifth annual Awards of Excellence nomination campaign and selection process.
- Arranged and hosted over 60 official study tours as well as international and national government delegations visiting Vancouver to learn about Vancouver's urban planning, transportation, sustainability and inclusivity practices.

Internal Audit

- Completed the 2017 risk-based audit plan of 12 audits and conducted semi-annual follow-ups of existing audit recommendations in January and July. In 2017, Internal Audit delivered 43 recommendations from audits and followed up on 133 outstanding action plans to support positive change.
- Recognized as a leading audit organization in the region. Hosted the sixth annual regional audit workshop that was attended by 13 different municipal organizations.

Business Planning and Project Support

Over 2017, the Business Planning and Project Support office led or supported City departments on approximately 100 active projects. Some highlights:

- **Corporate Plan** — Led the development and ongoing progress tracking of the City's 2017 Corporate Plan that articulates the top 55 corporate priority initiatives for 2017.
- **Zero Waste Strategy** — Led the development of the City's Zero Waste Strategy, a comprehensive strategy to reduce and ultimately eliminate Vancouver waste sent to the landfill and/or incinerators, targeted to be completed in 2018.
- **Millennium Line Broadway Extension** — Led the incubation, feasibility and business model development phases of the SkyTrain Millennium Line Broadway Extension project. Advanced this work from its initial conceptual phase to the creation of a project office and procurement-ready state.
- **False Creek South** — Led the development and launch of a comprehensive plan to undertake a neighbourhood planning process and to address lease-end issues and opportunities associated for over 700 leases on City-owned land in this neighbourhood.

- **Park operations review** — Led the strategic review of the Park Board’s Park Operations division, resulting in an updated system for maintaining all of the green assets across all of the Park Board’s approximately 240 parks and golf courses as well as the establishment of turf and horticulture maintenance standards.

Corporate Communications

- Continued providing high levels of service for strategic communication, media relations and engagement.
- Reached the target of 10,000 citizens as members of Talk Vancouver, the City’s online engagement panel.
- Provided communications, engagement, media and social media support for Housing Vancouver Strategy and the Empty Homes Tax, engineering priority projects, by-election and Renewable City Strategy.
- Reviewed social media strategy in tandem with the corporate digital strategy.
- Implemented a standardized internal training program to ensure adherence to best practices and standards for public engagement.
- Implemented the translation services framework.

Intergovernmental Relations and Strategic Partnerships

Over 2017, the Intergovernmental Relations and Strategic Partnerships team worked across multiple orders of government to advance the City’s interests. Highlights of this work include:

- Participated in both federal and provincial 2017 Budget stakeholder lock-ups, and provided real-time information to the City Manager, Corporate Management Team, Mayor and Council.
- Assisted in securing millions of dollars in federal and provincial funding for key City projects, including the Millennium Line Broadway Extension. Created a corporate External Funding Applications Tracking Table.
- Submitted over 10 federal submissions on key policy topics representing the City’s interests.
- Hosted three Council to Council meetings with Mayor and Council, and Musqueam, Squamish and Tsleil-Waututh Chiefs and Councils.
- Coordinated the City’s Host City role at the 2017 UBCM Convention in Vancouver.

Sport Hosting Vancouver

In 2017, Sport Hosting Vancouver worked to strengthen Vancouver’s brand as an international event host.

- Awarded over 25 community sport hosting grants, surpassing our target goal for the year. These grants have helped to leverage community capacity and promoted an engaged city through volunteerism and participation.

- Bid for and secured the rights to host the 2020 UCI Gran Fondo World Championships. This event will build on current event infrastructure and offer a unique opportunity to promote our cycling culture and maximize cycling tourism to the European market.
- The Sport Hosting Vancouver partnership began the process to become a Host City Candidate in the historical United 2026 CONCACAF Bid to host the FIFA World Cup.
- Supported event right holders with local community engagement, exceeding event ticket sales to date with marketing plans for Rugby Canada vs. Maori All Blacks, Canada Soccer vs. US Soccer Women, 2018 Canadian Tire National Skating Championships, 2018 HSBC Canada Sevens, 2018 ISU Grand Prix Final and the 2019 IIHF World Junior Championships.

Plans for 2018

External Relations and Protocol

In 2018, External Relations and Protocol plans to:

- Continue to improve the process for accepting delegation requests required as a matter of protocol and serve as a strategic value to the organization.
- Increase engagement with the three host First Nations and urban Indigenous people as the City strengthens its role as a City of Reconciliation.
- Organize and manage the fifth annual Awards of Excellence, including promotion, nomination and selection processes, and coordination of the awards ceremony.
- Plan, manage and deliver the inauguration ceremony for the incoming City Council in October 2018.
- Plan, manage and deliver a special Remembrance Day Ceremony at Victory Square to mark the 100th anniversary of the end of the First World War.

Internal Audit

- Internal Audit will continue to play an important role in ensuring Council priorities and regulatory obligations are delivered, the City’s core service responsibilities are met, and services are continually improved, through the delivery of independent and objective assurance, and advisory and investigative work.

Business Planning and Project Support

The Business Planning and Project Support office will continue leading and supporting a wide range of projects over 2018, including:

- **False Creek South** — Lead the False Creek South project, providing project management, business advisory and negotiation strategy support through the neighbourhood planning process and complex multi-stakeholder negotiation process for over 700 leases on City-owned land.

- **Oil and hazardous materials** — Manage a holistic cross-departmental and inter-agency approach to preparedness, prevention, mitigation, response and recovery related to incidents associated with the storage, transportation and refinement of oil, hazardous materials and noxious substances.
- **City Archives and Vancouver Public Library co-location** — Provide project management leadership to relocate the City Archives to the Vancouver Public Library Central Branch downtown.
- **Playland redevelopment** — Lead the development of a conceptual design and feasibility study for the potential redevelopment of Playland at Hastings Park.

Corporate Communications

- Major challenges for 2018 include adapting to the changing media landscape and balancing the demands of a growing population to engage with the City and its emerging priorities. More specifically, city-wide impacts include City Council elections, City Core 2050, housing, Empty Homes Tax, transportation projects, engineering priorities and public policies.

Intergovernmental Relations and Strategic Partnerships

In 2018, Intergovernmental Relations and Strategic Partnerships plans to:

- Continue to monitor and track all corporate, international, federal, provincial, regional and First Nations intergovernmental relations activities.
- Participate in federal and provincial budgets and continue to assist in securing federal and provincial funding, and policy and legislation changes to advance the City of Vancouver’s interests.
- Continue to lead the First Nations Intergovernmental Staff Working Group that provides government to government support and advice for priority City policies and projects with Musqueam, Squamish and Tsleil-Waututh Nations.

Sport Hosting Vancouver

- The 2018 Canadian Tire National Skating Championships, 2018 ISU Grand Prix Final and 2019 IIHF World Junior Championships will take place in 2018, building out a year of celebration around the “ice strategy” to maximize the economic impact during the tourism shoulder seasons of Q1 and Q4.
- Through the re-bid process, Sport Hosting Vancouver will work to secure the rights to the Canada Sevens rugby event for years to come (current four-year deal expires in 2019).
- Identify two or three new annual marquee events that align with the City’s special events calendar and tourism shoulder season.

Looking ahead, 2019-2022

External Relations and Protocol

- For 2019 to 2022, External Relations and Protocol will continue managing and delivering quality annual events, awards and ceremonies as mandated by Council, in addition to taking the lead in coordinating all dignitary and delegation visits.

Internal Audit

- Under direction of the Audit Committee, Internal Audit will continue to execute an annual schedule of financial and performance audits to support the City in achieving further accountability, efficiency and effectiveness of operational processes.

Business Planning and Project Support

- BPPS will continue to add value for City of Vancouver taxpayers through the following: higher-quality project design and implementation results, with improved value for taxpayers’ money; increased business and management capacity among City staff; quick access to business advisory/support services and continuity of knowledge among advisors over time; optimized business relationships with key partners; avoided management consulting costs; and more effective deployment of and better value from management consultants hired by the City.

Corporate Communications

- Corporate Communications will continue to support City departments through strategic planning and initiatives to both inform and engage citizens in public policy discussions and projects that impact Vancouver’s diverse communities. Additionally, it will explore new strategies, platforms, channels and tools to enhance communication with all audiences, including City employees. Finally, it will continue to be the best practice centre across the City for public engagement protocols as well as strategies and tools to support effective, timely and relevant communication.

Intergovernmental Relations and Strategic Partnerships

- For 2019 to 2022, Intergovernmental Relations and Strategic Partnerships will continue to support the City Manager, Corporate Management Team, and Mayor and Council in advancing the City of Vancouver’s interests with all levels of government.

Sport Hosting Vancouver

Sport Hosting Vancouver’s priority actions for 2019-2022 include:

- Smart investment of the Sport Tourism Development Fund (STDF) in events with the most potential for economic and social return.
- Develop a prospecting plan to enhance Vancouver’s ability to attract major events.
- Develop a stronger model for evaluating the economic and social benefits of sport events.
- Support sector capability of event hosting through the development of an “Events Resource Bank.”

City Clerk's Department



City Clerk's Department

Overview

The City Clerk's Department provides administrative and information services to Council and its committees, boards, City departments and citizens. Responsibility for corporate records management, public access to City records (Freedom of Information) and privacy matters in accordance with provincial legislation is another key function of the department, as is the operation of the City of Vancouver Archives.

Key services delivered

- **Archives** — Preserving and managing public access to Vancouver's documentary heritage, including the City's records of permanent value and complementary records from the private sector.
- **Council support** — Providing City Councillors with executive administrative support.
- **Elections Management** — Holding elections and by-elections for City offices, Park Board, Vancouver School Board and plebiscites.
- **Legislative Operations** — Lawfully conducting Council, committee and other official public meetings. Facilitating corporate policy development processes. Managing the City's advisory committees. Supporting the coordination of intergovernmental relations activities.
- **Access to Information** — Management of the Freedom of Information (FOI) request process. Supervising City corporate records and ensuring compliance with the privacy provisions of British Columbia's *Freedom of Information and Protection of Privacy Act* (FIPPA).

Service metrics highlights (2016 vs. 2017F)

City Clerks



Legislative Operations

123 Advisory Committee meetings supported
(73% increase from 2015 – expected to decrease by 6.5% in 2017)



83 Council meetings supported¹
(85 forecast for 2017)



571 speakers at Council meetings²
(27% increase forecast for 2017)

Elections Management

442,792 registered voters
(2017 by-election)



10.99% voter turnout
(2017 by-election)

Access to Information



503 FOI requests per year (formal)
(4.4% increase forecast for 2017)

Archives



2,223 inquiries
(3.5% increase forecast for 2017)

Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Sum of Council, In Camera, Special, Standing Committee, Public Hearings, COR, etc.

2. Sum of Standing Committee and Public Hearings.

Top accomplishments in 2017

Archives

- Vancouver Archives
 - Expanded the volume of records available to the public through use of additional space secured by Real Estate and Facilities Management in 2016.
 - Began the pre-move tasks required to prepare the Archives’ holdings to be moved out of the Vanier Park facility.

Council support

- Improved the process of correspondence received by Council.

Legislative Operations

- Corporate policy management framework
 - Finalized the corporate policy management framework, published a new internal website for review of corporate policies, and communicated the strategy to City staff. The policy framework sets out principles in corporate policy development and management at the City. Departments are responsible for ensuring that their policies are managed in a standardized and consistent manner in accordance with the policy framework.
- City of Vancouver agenda and speaker website improvements
 - Published new “Speak at a City Council meeting” webpages, including new speaker sign-up forms. Revised speaker instructions and descriptions of how Council meetings function.
 - Published new City Council meeting agenda and minutes templates on the City website.
 - Updated language and timing on City Clerk’s Office Twitter notifications for the public.
- In camera decision release procedure
 - Finalized in camera decision release procedure for proactive release of in camera Council meeting decisions.
- Advisory committee management
 - Organized advisory committee member training session, annual Chairs’ meeting and year-end Council of Councils for the 14 type-A committees. Published new internal advisory committee information webpage for staff.

Elections Management — 2017 by-election and 2018 municipal election

- By-election
 - Delivered the 2017 by-election to fill one Councillor position and nine vacancies on the Vancouver School Board within 80 days.
 - Hired and trained 700 election workers within six weeks.
 - Voter turnout was 10.99% of the 442,792 registered voters in the City of Vancouver.
- Municipal election
 - Completed project planning and began project implementation for the 2018 election.
 - Prepared the 2018 election budget. Initiated project risk assessment. Hired Outreach and Staffing Coordinators. Developed an outreach and communication strategy.
 - Determined and began booking 2018 voting places.
 - Awarded information technology contracts for ballot tabulators, electronic voters list and laptops for 2018 election.

Access to Information

- Freedom of Information and Privacy
 - Developed and introduced an online FOI, privacy and records management training module, delivered through CityLearn.
 - Composed and published the first annual City of Vancouver Access to Information and Privacy Report, highlighting significant achievements for 2016 of the City’s FOI, privacy and records management programs.
 - Collaborated on developing the review process for proactive public release of the City Manager’s memos and emails to Mayor and Council. Implemented process as of January 2017 with Access to Information as part of the expert review process.
 - Introduced the concept and held an inaugural meeting for a Freedom of Information and Privacy professional collaborative group inclusive of the six different public bodies under the City of Vancouver umbrella.
- Corporate Records Management
 - Organized, managed and participated in the 2nd Annual City of Vancouver Records Management Day, an outreach and information sharing opportunity for City staff members. More than 100 staff members attended the two-hour event.
 - Completed review and approval of approximately 75% of the outstanding record retention schedules.
 - Reviewed and updated the Records Management Bylaw. The amended bylaw was passed by Council on July 11, 2017.
 - Administered the City’s electronic records management system, VanDocs, which as of September 2017 held over 2.5 million electronic records (e.g., resolved over 2,100 Tier 1 and Tier 2 VanDocs technical support calls).

Plans for 2018

Archives

- Increase the extent of records available to the public through use of additional space secured by Real Estate and Facilities Management in 2016.
- Continue the pre-move tasks required to prepare the Archives’ holdings to be moved out of the Vanier Park facility.
- Stabilize the Archives’ digitization program through permanent staffing.

Council support

- Provide orientation for newly elected Councillors.
- Continue to improve correspondence management for Councillors.

Elections Management

- Implement the election project, including hiring and training of all election office staff (about 20) and voting place workers (about 1,400). Other activities include communication and outreach plan implementations, candidate and elector organization management, voters list management, ballot design and printing, advance voting/election day management (about 120 voting places), and election results.

Legislative Operations

- Prepare new Council member orientation package.
- Launch new SharePoint sites for corporate policy management framework and in camera decision release procedures.
- Complete an advisory committee review (if approved to proceed by Council).

Access to Information

- Continue to expand the proactive release program — extend to Vancouver Board of Parks and Recreation.
- Build and implement a privacy management framework to ensure corporate compliance with the privacy provisions of FIPPA.
- Upgrade VanDocs to enable remote and mobile access.
- Expand VanDocs and corporate records training programs. Ensure City-wide coverage.
- Move from implementation stage of Records and Information Management policy to maintenance and regular scheduled review of corporate record retention schedules.

Looking ahead, 2019-2022

For 2019 to 2022, the City Clerk’s Department plans to undertake action in the following areas:

Archives

- Continue processing the records backlog in temporary space. Continue the pre-move tasks necessary to prepare the Archives’ holdings to be moved from the Vanier Park facility.
- Move the Archives’ holdings and staff to its new location once holdings are prepared and renovated space is ready.

Council support

- Provide orientation for newly elected Councillors.

Elections Management — 2022 municipal election

- After the 2018 election, staff will wrap up and conduct a review of the project, which will be compiled in a final report to Council in 2019. Election planning will begin for the 2022 election.
- Review voting data and compile releasable data.

Legislative Operations

- Procure a new comprehensive Council meeting management system.
- Improve advisory committee webpages on vancouver.ca.
- Explore tools for advisory committee collaboration to replace use of personal email.

Access to Information

- Freedom of Information and Privacy
 - Develop a robust and readable metric scorecard to allow public reporting of useful and understandable Freedom of Information and Privacy metrics.
 - Develop and build an internal knowledge base in addition to online training and face-to-face workshops. Review and redesign the Freedom of Information and Privacy section of the City intranet.
 - Develop and build an external knowledge base. Implement a regular review of external web pages. Update and upgrade as necessary or as public feedback recommends.
 - Develop and implement a regular review process for legislative, regulatory and City policy compliance, including Canada’s Anti-Spam Legislation (CASL) and BC’s FIPPA.

- Corporate Records Management
 - Review and further fine-tune the City-wide quality assurance process for appropriate record and information retention when a staff member leaves the organization or changes position within the organization.



Finance, Risk and Supply Chain Management

Finance, Risk and Supply Chain Management

Overview

The Finance, Risk and Supply Chain Management (FRS) department provides services across the organization. These include corporate functions such as supply chain, accounting and treasury. Additionally, advisory services include risk management, financial planning and analysis, as well as program management with a focus on enhanced decision making and superior service value. The FRS department's goals are to provide effective processes and systems, drive business performance, strategically enable City transformation, engage employees and help the City meet its sustainability targets.

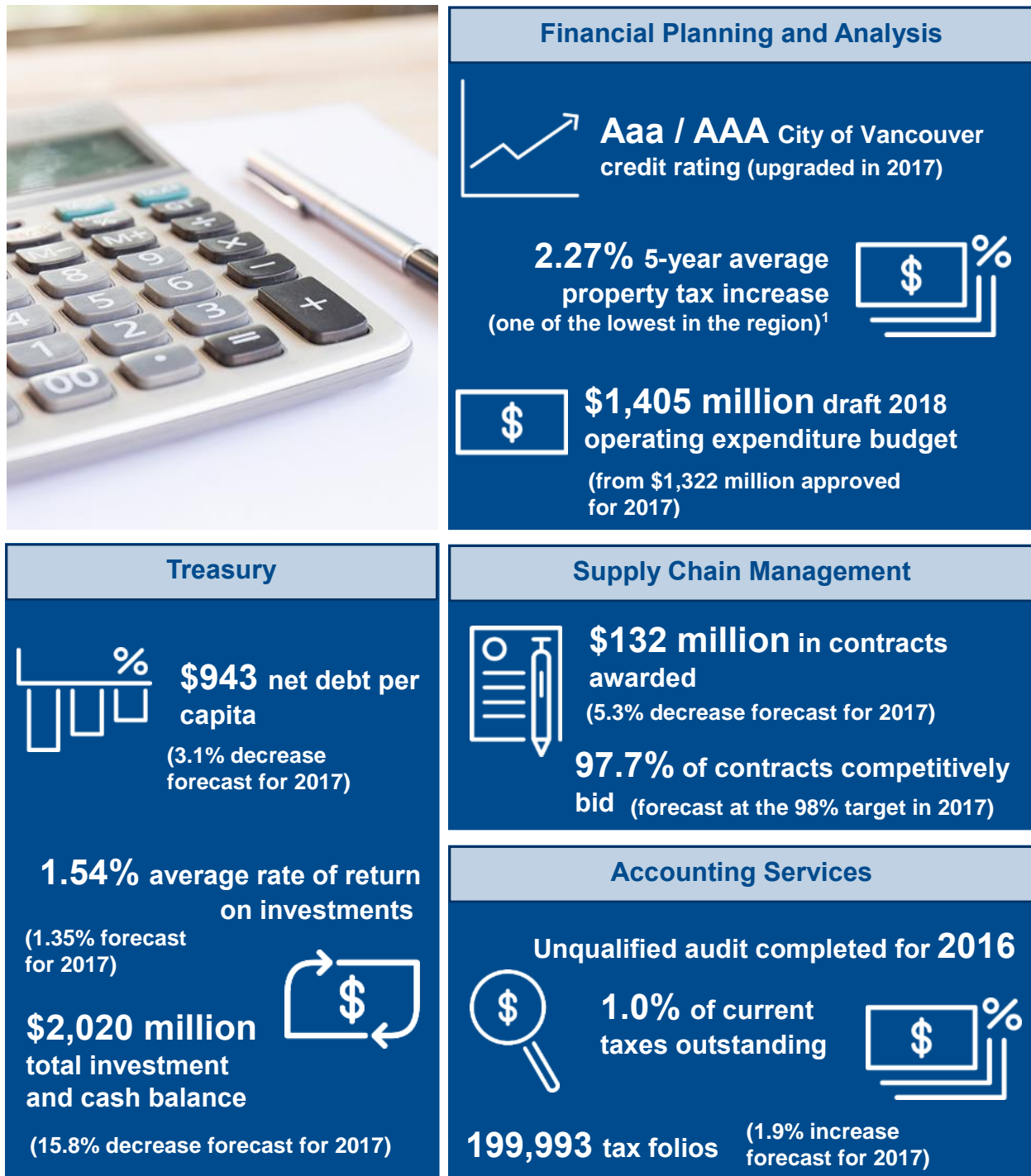
Key services delivered

- **Accounting Services** — Processing financial transactions, including accounts payable and receivable (billing and collections) and payroll. Preparing financial statements in accordance with generally accepted accounting principles.
- **Financial Planning and Analysis** — Preparing the City budget and other financial plans while monitoring and reporting on financial and service plan performance.
- **Long-term financial strategy** — Developing the City's sustainable financial strategies.
- **Treasury** — Managing cash, liquid assets and debt issuance to provide optimal economic value for capital market activities. Advising on credit ratings. Ensuring compliance with PCI (Payment Card Industry) data security standards.

- **Corporate Risk Management** — Managing and reducing the City’s risk exposure.
- **Supply Chain Management** — Purchasing and inventory of all goods and services.
- **Strategic Planning and Program Management** — Managing business, technology and process improvement projects.

Service metrics highlights (2016 vs. 2017F)

Finance, Risk & Supply Chain Management



Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Metro Vancouver Region. Period: 2013-2017.

Top accomplishments in 2017

In 2017, Finance, Risk and Supply Chain Management continued to improve its business processes and systems to ensure the financial health of the City, and to support business units in efficiently delivering quality services. Key process and system improvements included the following:

- Supported integration of financial processes into upcoming system implementations, including the Fleet Information Management System, parking enforcement and mobile payment.
- Established the Empty Homes Tax, including associated process, technology and organizational changes to implement and manage the tax program. Information on completing the online property declaration has been distributed to property owners at the end of 2017 along with the standard property tax notice.
- Used the City’s continuous process improvement (CPI) methodology to support ongoing process management for key finance activities, including:
 - Revenue to cash — Ensure effective controls and efficient processes are in place for revenue-generating activities, focusing on Park Board Commercial Operations and Parking Operations and Enforcement.
 - Time to pay — Finalize standardization of time entry processes. Establish a continuous process improvement approach across City departments.
 - Procurement lifecycle management — Standardize and improve processes. Establish new vendor performance and contract management processes.
- Partnered with Development Buildings and Licensing, Engineering Services, and Real Estate and Facilities Management to implement continuous process improvement projects to streamline building and development permits, garbage collection, and facilities maintenance.
- Achieved Living Wage Employer certification.
- Achieved \$28.8 million in budget savings through strategic procurement efforts.
- Assigned risk liaisons within key business units to support operational management effectiveness, resilience, due diligence and compliance.
- Leveraged external funding through continued partnership with external agencies, banks and other levels of government, including participation in federal infrastructure funding programs.
- Established Long-Term Financial Sustainability Strategy to enable ongoing investment in key priorities while ensuring sustainable revenue, funding, financing and third-party contribution sources to support the program in the future.
- Implemented a number of technology projects to support business processes across the City, including technology infrastructure for the Vancouver Police Department, vehicle-based GPS pilot and GIS Strategic Roadmap Phase 1 rollout.

Plans for 2018

Empty Homes Tax

- Complete the first year of the tax billing, audit and review processes. Conduct a review of the effectiveness and efficiency of the established billing, collection, audit, review and reporting processes for this new tax program. Identify potential bylaw amendments and process improvements.

Continuous improvement of a number of processes, including:

- **Procure to pay** — Explore new technology for established processes. Implement contract and vendor performance management processes.
- **Revenue to cash** — Streamline and centralize accounting processes while strengthening controls where possible.
- **Time to pay** — Form a business case for self-serve technology for employees and management to enable further efficiencies.
- **Permits and licences value stream** — Support value stream thinking across functional departments and continue standardization of processes within the POSSE system across all departments.
- **Real Estate Facilities Management** — Continue improvement of the overall REFM value stream, including facility handovers, maintenance and lease management.

Support go-live and operationalization of key enterprise systems, including:

- Fleet Information Management System (FIMS)
- Parking enforcement platform
- POSSE
- Rental billing system

Treasury and Financial Planning and Analysis

- Develop the City's 2019-2022 Capital Plan.
- Continue the focus on data-driven decision making by focusing on performance measurement, including metrics and outcomes for all major 2018 investments.
- Evolve the City's five-year financial planning to align to the Long-Term Financial Sustainability Guidelines.
- Develop cash flow and interest rate forecasting to support daily liquidity, investment portfolio and budgeting needs.
- Plan for the City's Green Bond framework.

Governance

- Embed updated delegated authorities and policies throughout the City.
- Develop the City's compliance program and embed across the City with priority on health, safety and PCI compliance certification.
- Continue work on establishing risk tracking and mitigation plans for all City departments.

Looking ahead, 2019-2022

For 2019 to 2022, Finance, Risk and Supply Chain Management's plans include the following:

- Support the standardization of project management processes City-wide. Build on the Engineering Services and Technology Services project management offices and standards.
- Implement employee and management self-serve systems to improve online access for time entry, vacation management, benefits management and workflow management.
- Leverage technology to build on the positive results achieved through the continuous process improvement program by automating the execution, monitoring and control of key business processes City-wide.
- Update the City's risk management program with a focus on governance, risk and compliance.
- Continue to enhance the City's business continuity planning.
- Continue to evolve the City's business, community and financial planning to ensure financial sustainability.
- Develop and implement the City's long-term financial planning and cash management strategies.
- Foster a culture of continuous improvement and data-driven decision making across the City.



Human Resources

Human Resources

Overview

The Human Resources (HR) department provides support to the organization and across all business units in areas such as recruitment, talent development and compensation for City staff. HR is committed to supporting a diverse and inclusive workplace environment as well as promoting a culture of safety and compliance. HR continues to look for ways to improve the City's ability to attract and retain employees, focusing on process optimization, technology improvements, and employee development and performance.

Key services delivered

- **Compensation and Benefits** — Providing employees with fair and equitable compensation through a comprehensive compensation system and benefits program.
- **HR Business Partnerships and Labour Relations** — Supporting business units with employee and labour relations issues.
- **Organizational Development** — Proactively working with individuals and teams to enhance their performance through a number of strategies, including workshops, assessments and action plans.
- **Organizational Health and Safety** — Developing and implementing health and safety plans to support a safe work environment.
- **Talent Management** — Creation and implementation of talent acquisition, development, retention and engagement programs to attract and retain a qualified workforce, with particular emphasis on equality, diversity and inclusion.

Service metrics highlights (2016 vs. 2017F)

Human Resources¹



Talent Management



841 new hires²
(23.1% increase
forecast for 2017)

**6.8% overall regular
employee turnover**
(6.4% forecast for 2017)



Organizational Development



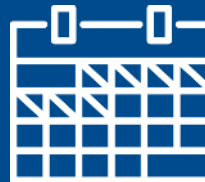
**2,851 corporate
training participants**

(27.8% increase
forecast for 2017)

Organizational Health and Safety

**5.26 time-loss injuries
per 100 workers**

(0.8% increase
forecast for 2017)



**24 days duration of
WorkSafeBC claims**

(no changes expected
for 2017)

Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Excludes Vancouver Police Department and Vancouver Public Library.

2. This includes hiring for all forms of attrition as well as new positions. It includes all types of employees – full-time, part-time, auxiliary, temporary.

Top accomplishments in 2017

In 2017, HR continued to advance a number of key initiatives that included:

- Negotiated and implemented collective agreements with various City unions.
- Selected the City's group benefits provider through a Request for Proposal (RFP).
- Continued to evolve the City's self-directed learning, leadership and management development programs.
- Expanded the scope of centralized recruitment support for operational departments.
- Implemented critical incident care program for staff.
- Developed and implemented a training program for front-line employees to administer naloxone to individuals suffering from opioid overdose.
- Developed and implemented:
 - An Online Incident Report for the submission of occupational injury and illness reports to WorkSafeBC
 - An Online Safety Incident Investigation Report system to enable the preparation of reports in accordance with WorkSafeBC
- Implemented first-year actions out of the Trans*, Gender Variant and Two-Spirit Inclusion strategy.
- Reviewed and updated the 2005 Gender Equality Strategy, subject to Council approval on November 29, 2017.

Plans for 2018

In 2018, HR will continue to focus its resources to support talent and succession planning across the organization and to support the ongoing transformation of City services by strengthening organizational culture in safety, diversity and organizational performance.

Talent strategy

- Develop and deliver a talent/succession program for leaders.
- Continue to improve the City's hiring outcomes through centralizing and standardizing recruitment functions.

Health and safety strategy

- Design and implement an integrated behavioural-based safety approach at Evans Yard.
- Review, update and communicate City safety plan/program.
- Procurement for the renewal of the Employee and Family Assistance Program and medical support services.

HR processes/analytics/technology

- Implement the City's new health and benefits service provider contract.
- Enhance the City's approach to workforce planning.
- Determine current state of organization-wide Electronic Staff Action Form (ESAF) processing and assess benefits of centralization.

Diversity and inclusion

- Implement actions out of the Women's Equity Strategy (WES).
- Determine and implement a plan for leadership/representation of WES, including historically excluded occupations.
- Identify and plan for capturing diversity and inclusion information.

Looking ahead, 2019-2022

Beyond 2018, HR plans to:

- Continue to focus on talent and succession planning across the organization, with a particular emphasis on equity, diversity and inclusion strategies.
- Explore enhancements to the City's existing systems as well as new technology solutions to streamline administrative processes and simplify performance monitoring and regulatory compliance.
- Continue to focus on an evidence-informed behaviour-based safety culture.
- Work with our partners to provide an environment that supports the physical and mental well-being of employees.



Technology Services

Technology Services

Overview

In this era of digital transformation, big data, social media, mobility and cloud computing, technology has become a fundamental component of service delivery. Most City functions and service areas are technology enabled.

The Technology Services group provides a range of technology-oriented services across the organization. These include citizen-facing applications, corporate information systems, technology infrastructure, call centre services, and voice, data and printing services.

The City's Digital Strategy provides an overarching framework for coordination and prioritization of initiatives underway across the city and provides a step forward in establishing Vancouver as a leader in effectively leveraging digital technologies and supporting a vibrant digital economy.

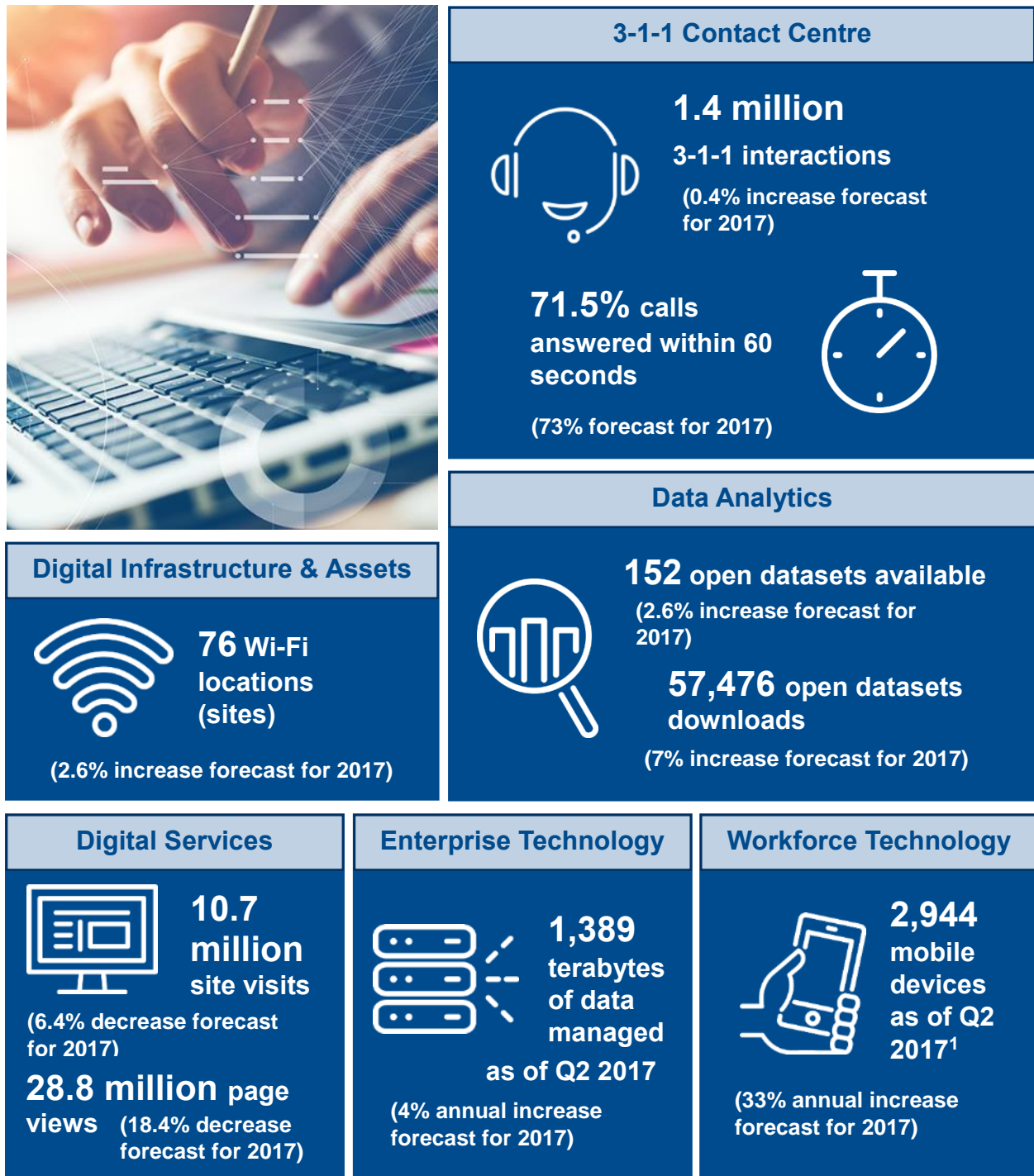
Key services delivered

- **Application Development and Support** — Developing, acquiring, enhancing and supporting business applications that City departments rely on for managing operations and delivering services.
- **Data and analytics** — Supporting the efficient management and use of corporate data. Enabling the continued enhancement of the Open Data program. Managing the City-wide digital data and analytics strategy.
- **Program and portfolio management** — Developing and delivering Technology Services' annual technology plan. Providing strategic oversight, road maps and guidelines for projects, initiatives and products within the Technology Services portfolio.

- **Enterprise Technology** — Supporting and maintaining core foundation technologies and enterprise standards for network, telecom, cybersecurity, enterprise architecture, geographic information systems (GIS), data and integration services, and cloud strategy.
- **Workforce Technology** — Enabling and supporting the digital workforce through oversight of collaboration tools and technologies. Responding to technology issues through the Information Technology Help Centre. Handling IT account management and client services.
- **Digital services** — Developing, managing and operating the City's digital service delivery channels, including the City's website (vancouver.ca) and the VanConnect application. Maintaining oversight of the Digital Strategy.
- **3-1-1 contact centre** — Managing all aspects of citizen service delivery conducted via the call centre, email and social media channels. Accepting and resolving citizen inquiries and service requests.
- **Digital Infrastructure and Assets** — Overseeing function of Smart City, Internet of Things, innovation economy, fibre and Wi-Fi strategies.

Service metrics highlights (2016 vs. 2017F)

Technology Services



Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. Cell, smartphone, data card and telematics devices (vehicle GPS).

Top accomplishments in 2017

In 2017, several systems were implemented to directly support the City's Digital Strategy and goals. Key accomplishments for Technology Services included the following:

- Kicked off a technology transformation program to improve the organization's ability to adapt to technological change. The technology transformation program is an internal update of technology management processes to improve the use and deployment of information technology resources.
- Designed and developed the technology infrastructure to support Empty Homes Tax. Investments were made to call centre and website infrastructure to support increased volumes, and software enhancements were developed to enable residents to leverage the online channel for making mandatory declarations.
- Launched the agile enterprise data and analytics program. Data governance and architecture were enhanced and a service delivery dashboard was created to provide near real-time status information of service requests made by the public.
- Technology support of the 2017 by-election.
- Phase 1 #VanWiFi launched and Phase 2 initiated. High-quality Wi-Fi is now available to residents at several community centres and park locations, with more locations under construction.
- Digital service channel enhancement. The number of online services available to residents has steadily increased, and the VanConnect mobile app continues to see regular inclusions of new and innovative functions added, such as notifications during exceptional events and emergencies.
- GIS strategic transformation program initiated. The new GIS infrastructure, once deployed, will allow faster, more efficient access to the City's geospatial data as well as more opportunities for open data.
- Timely management and implementation of scheduled infrastructure and maintenance renewal cycles has ensured the smooth running of the City's operations.

Plans for 2018

In 2018, in support of Council priorities and objectives, Technology Services will:

- Continue the technology transformation program.
- Participate in the federal Smart Cities Challenge — a merit-based, multi-round, pan-Canadian challenge that promotes how smart technology and practices can create real impact.
- Continue data maturity via ongoing enhancements from the data and analytic program.
- Support municipal elections in 2018.
- Deploy an enterprise service management solution.

- Complete line of business information system implementations:
 - Emergency management
 - Empty Homes Tax deployment completion
 - Fleet Information Management System
 - Parking enforcement
 - Vancouver Fire and Rescue Services scheduling
 - AMANDA system for licensing end-of-life replacement or upgrade
- Continue next phase of GIS Strategic Roadmap.
- Develop disaster recovery and business continuity plan.
- Continue infrastructure and maintenance renewal cycles.
- Upgrade SharePoint.

Looking ahead, 2019-2022

Beyond 2018, Technology Services will proactively partner with the City's business units to deliver strategic initiatives that support business objectives. As technology usage increases, the team's practices must also evolve to improve service delivery.

To this end, Technology Services will focus on initiatives that:

- Optimize the City's existing digital technology.
- Identify emerging solutions to increase operational efficiency and improve the user experience for members of the public when interacting with the City over digital channels.
- Support the adoption of mobile technology by staff and the public.
- Address long-term needs for network capacity and data storage. The ongoing evolution toward universal connectivity of physical assets, known as the Internet of Things (e.g., vehicles, equipment and buildings), presents a challenge for data sharing in particular as data for the same physical assets are stored in multiple databases.
- Identify and implement technology advancements in data analysis and reporting capacity to improve service efficiency and outcomes.

Legal Services



Legal Services

Overview

The Legal Services department provides professional legal services to the City to ensure the City functions within its lawful parameters. The department's work in preserving the City's regulatory and legislative processes, and in supporting a wide scope of corporate initiatives and projects, minimizes corporate risk and enhances the value of City services and available resources. Legal Services keeps the City apprised of changes to both statutory and common law and ensures that City bylaws, policies and procedures reflect the current law. Legal Services is committed to maintaining a constitutional municipal government that is effective and publicly accessible, thereby strengthening public confidence.

Key services delivered

- **Civil Litigation** — Advancing and defending the City's legal interests in court and before various tribunals.
- **Regulatory Litigation** — Defending challenges to the City's bylaws and regulations. Enforcing bylaws and Council resolutions by way of injunction and prosecution.
- **Corporate** — Providing comprehensive corporate and commercial services and advice on issues relating to sustainability, procurement, technology, finance and capital projects.
- **Development and Real Estate** — Providing comprehensive land law services and advice relating to the City's land rights and interests, including the regulation of land development, drafting of bylaws and securing public benefits.

- **Governance and Authorities** — Providing advice on *Vancouver Charter* issues and proposed amendments to facilitate delivery of Council’s mandate and priorities. Drafting and advising on City bylaws, policies, authorities and regulatory programs. Advising on governance of City-related entities.

Top accomplishments in 2017

In 2017, Legal Services provided legal advice and services on a broad range of major City initiatives, including the following:

Housing and homelessness initiatives

Provided legal advice and services to Community Services, Planning, Urban Design and Sustainability and the Vancouver Affordable Housing Agency on initiatives, including:

- Housing Strategy Re:Set, including framework of options and implementation strategy.
- Procurement and site placement for 600 modular housing units.
- Empty Homes Tax implementation.
- Short-term rental policy and program.

Greenest City 2020 Action Plan and Renewable City Strategy

Provided legal advice on projects, including:

- Zero emissions building and construction innovation centre and strategy to leverage industry support.
- 100 Resilient Cities strategy.
- Communications with BC Utilities Commission on provincial climate change objectives and targets.
- Amendments to Vancouver Building Bylaw and Zoning and Development Bylaw to integrate new green building standards.
- Electric vehicle strategy.

Northeast False Creek Area Plan and viaducts replacement project

- Provided legal advice on plan amendments, environmental issues, rezoning applications and park reconfiguration.

False Creek South planning and lease-end processes

- Provided legal advice on lease-end issues and land governance structure. Provided advice on strata leasehold framework for negotiations with leasehold tenants.

National Energy Board — Kinder Morgan expansion project

- Pursued judicial review of NEB report and judicial review of provincial Environmental Assessment Certificate.

Medical marijuana

- Filed injunctions and pursued prosecutions against dispensaries operating without licences.
- Provided legal advice on program in context of federal legalization framework.

Public benefits and heritage preservation

Provided legal advice on:

- City-wide Development Cost Levy review and amendments to Development Cost Levy Bylaw, and Community Amenity Contribution policy review.
- Heritage Density Program, Heritage Action Plan and Character Homes Project.
- Tree and landscape conservation in support of sustainability objectives.

Legal Services business transformation project

- Continuous process improvement program structure established, opportunities confirmed and priority projects commenced, including automated work intake, file tracking and reporting.
- Refinements through LawBase of knowledge management processes and data collection. Continued production of templates and precedents.

Plans for 2018

In 2018, in support of Council priorities and objectives, Legal Services will provide legal advice and services on major initiatives, which will include:


- Housing Vancouver Strategy, including Affordable Housing Priority Process Pilot, implementation of short-term rental regulations, Tenant Relocation and Protection Policy, SRO and at-risk building enforcement review, and analysis of housing tenure models.
- Regulatory review of planning and development processes, including review of bylaws, policies, regulations, public benefits acquisition strategy and public engagement.
- Greenest City 2020 Action Plan initiatives, including energy efficiency programs, climate change, zero waste and green transportation strategies.
- Major development projects, including Northeast False Creek, Pearson Dogwood, new St. Paul's Hospital, East Fraser Lands (River District), Heather Street Lands, Broadway Corridor and False Creek South planning.
- Enterprise risk management priority initiatives, in support of the Chief Risk Officer.
- City of Reconciliation initiatives, including urban Indigenous housing strategy.
- Support to City representation on National Inquiry into Missing and Murdered Indigenous Women and Girls.

- City-wide continuous process improvement program, including continued implementation of deliverables of Legal Services' business transformation project.
- Procedure Bylaw review, in support of the City Clerk, including review of current procedures (including public hearings) and amendments to improve clarity of rules and efficiency.
- Vancouver Park Board/Community Centre Associations: pursue new Joint Operating Agreement.
- Heritage Density Program redesign and Heritage Conservation Program.

Looking ahead, 2019-2022

From 2019 to 2022, Legal Services will pursue its mandate to deliver a full range of legal services and advice to the City of Vancouver, supporting major City objectives and initiatives, which work will include support to:

- The Greenest City 2020 Action Plan, including projects related to construction of green buildings, implementation of the Zero Emissions Building Plan, green transportation, clean water and strategies to address climate change.
- The Housing and Homelessness Strategy Re:Set, including development and building permit processes to prioritize affordable housing, modular housing projects, expansion of rental housing supply, implementation of short-term rental policy, and bylaw measures to ensure safety and maintenance of SRAs.
- Review and enhancement of powers and authorities provided under the *Vancouver Charter*, and review of standing authorities, policy documentation process and delegated authorities.
- Enterprise Risk Management program to improve compliance and resilience of operations.
- City of Reconciliation framework, strengthening of partnerships with First Nations.
- Proactive enforcement strategy to strengthen ability to improve health, safety and quality of buildings.
- Digital Strategy to enhance City's multi-directional digital connections with citizens, employees, business and government, including improved access to City services.



Real Estate and Facilities Management

Real Estate and Facilities Management

Overview

Real Estate and Facilities Management (REFM) provides a complete range of real estate, facilities management, corporate protective and environmental services for City-owned and City-leased property and building assets (approximately 580 buildings) as well as lifecycle management functions. The aim of REFM is to provide sustainable, efficient and cost-effective facilities and properties that support the City's programs and services. It is the department's responsibility to maintain and renew civic facilities that meet present-day requirements as well as to plan for future civic and community needs as Vancouver continues to grow.

Key services delivered

- **Real Estate** — Providing advice and leadership in negotiating and managing the purchase, lease and sale of real estate assets. Providing advice and leadership in analyzing and negotiating settlement of Community Amenity Contributions and Heritage Revitalization Agreements.
- **Asset management** — Providing and managing City-owned and City-operated facilities throughout their lifecycle, from design to decommissioning, including long-term planning, development, delivery, operations, maintenance, renovations and upgrades of the buildings.

- **Environmental services** — Providing advice and delivering environmental protection and enhancement services, including environmental management and regulatory compliance for City facilities and properties, environmental permitting and regulatory compliance for developments, environmental planning and emergency response, and conducting activities that promote healthy ecosystems.
- **Corporate protective services (previously called Corporate Security)** — Providing integrated professional security and protective services to ensure the safety of people and all City-owned and City-operated assets, including facilities and real estate assets. Services include protection and security, tactical response and operation of a security operations centre.

Service metrics highlights (2016 vs. 2017F)

Real Estate and Facilities Management



Asset Management (Buildings & Property)



571 City-owned buildings

(580 buildings forecast for 2017¹)

10.4 million sq. ft. of City-owned buildings

(0.5% decrease forecast for 2017¹)

329,194 sq. ft. of City-leased office space

(no changes expected for 2017)



\$11.2 million in total payments for City-leased office space

(no changes expected for 2017)



120 City facilities in Corporate Zero Waste Program

(5% increase forecast for 2017)

78% average waste diversion rate in City-used buildings with the Corporate Zero Waste Program

(80% diversion rate forecast for 2017)



16,173 metric tonnes greenhouse gas emissions from City-used buildings

(23% reduction since 2007 and 41% decrease since 1990)

Note: 2016 full-year figures unless otherwise stated. See appendix for 2017 forecast and trend details.

1. While multiple buildings were added to the City of Vancouver portfolio in 2017, two larger buildings were sold, reducing the total square footage.

Top accomplishments in 2017

Real Estate

- Negotiated over \$300 million in developer contributions to support the delivery of community amenities.
- Conducted planning, negotiations and acquisitions for strategic sites (i.e., housing).
- Began disposition planning and disposal of sites deemed surplus to the City's needs.
- Commenced False Creek South leaseholders' end-of-lease planning and issues resolution process.
- Provided strategic oversight and counsel on many City initiatives, including Northeast False Creek.

Asset management

- Delivered approximately 150 new facilities projects ranging from capital maintenance and replacement projects to renovations, additions, seismic upgrades and new buildings, including:
 - Vancouver Art Gallery North Plaza
 - 95 First Avenue affordable housing building
 - City Hall West Annex seismic upgrade to 100% of the current BC Building Code, including early warning earthquake system
 - City Hall East Wing Annex deconstruction and renovations
 - 1105 Seymour Street Strathcona Branch Library and housing
 - The Cultch Green House renovation
 - MOSAIC immigration society building
 - Firehall No. 8 renovations, including bay separation, dormitory and washroom upgrades (to provide facilities for female firefighters)
 - Sun Yat-Sen Classical Chinese Garden upgrade
 - 10th Avenue and Maple Street childcare
 - Heather Civic Marina upgrade
 - Vancouver South Transfer Station improvements
 - Four sport fieldhouse renovations and two new sport fieldhouses
 - 1105 Seymour Street non-profit social space and affordable housing building
- Developed the Universal Accessibility Program for all City facilities.
- Reduced energy consumption in City-owned buildings to achieve greenhouse gas reduction targets despite a 20% increase in portfolio properties. Through energy retrofit projects (such as heat recovery at City Hall, Kitsilano and Hillcrest arenas; solar PV installations at Creekside Community Centre and the Central Library) and through various automated control projects, greenhouse gas rates continue to decline (23% reduction since 2007 and 41% since 1990).

- Completed a pilot project to implement a mobile workforce and resource allocation tool.
- Developed new metrics tools for client groups to track costs and completion rates.

Environmental services

- Advanced the False Creek Water Quality Improvement Program with actions, including:
 - Amended the Health Bylaw to enhance requirements for management of sewage from boats at marinas.
 - Launched targeted engagements with marina and boat operators to encourage responsible sewage management practices.
 - Developed a mobile sewage pump-out pilot service for boats in False Creek.
- Prepared City submissions for federal environmental policy reviews to improve environmental assessment and regulatory processes that address municipal interests and advance community sustainability.

Corporate protective services

- Developed a customer-focused protective and security service model based on a comprehensive review of the City's risk profiles and service needs.
- Assessed the effectiveness of risk control measures at priority sites across the city.

Plans for 2018

Real Estate

- Continue preparations and implementation of plans for the sale or leasing of key large sites that are surplus to the City's needs, such as the Granville Loops.
- Support the ongoing Arbutus Corridor and Northeast False Creek planning and development process.
- Implement and support the strategy for the development of the False Creek Flats.
- Acquire parkland in strategic locations.
- Lead the review of Community Amenity Contributions (where appropriate) and Heritage Density Program policies.
- Lead the settlement of Community Amenity Contributions and Heritage Revitalization Agreements.
- Develop a long-term strategy for the Property Endowment Fund.

Asset management

- Deliver approximately 150 new facilities projects, ranging from capital maintenance and replacement projects to renovations, additions, non-structural seismic upgrades and new buildings, including:
 - Killarney Seniors Centre.
 - Firehall No. 5 co-located with social housing.
 - Marpole Place renovation.
 - 933 East Hastings housing building.
 - Collingwood Neighbourhood House.
 - Two childcare places in the Cambie and Marine area.
 - Levels 8 and 9 at the Vancouver Public Library Central Branch.
 - Design development of Marpole Community Centre.
 - Lord Nelson Elementary School 69-space childcare facility in partnership with the Vancouver School Board.
 - Continue work on major multi-year projects, including Britannia Community Centre, Roddan Lodge replacement housing, Evelyne Saller Centre replacement, Firehall No. 17, and Gastown childcare centres (138 spaces).
- Partner with Engineering Services to continue rolling out water conservation initiatives at City-owned facilities.
- Deploy technology to improve dispatch of mobile trades, quality assurance and field reporting.
- Design replacement for Firehall No. 17 as the first zero emissions City-owned building.
- Provide lighting retrofits at arenas, swimming pools and non-market housing projects.

Environmental services

- Monitor and remediate contamination in support of major City initiatives, including deployment of modular homes, closure of China Creek historic landfill and Northeast False Creek area redevelopment.
- Further advance the False Creek Water Quality Improvement Program, including amendments to the Vancouver Building Bylaw related to sewage management system requirements at marinas, and develop a strategic framework for moving forward.
- Review progress to date and identify strategic opportunities toward goals in the City's Corporate Zero Waste Program.

Corporate protective services

- Complete a condition assessment across the organization of security system assets and operational technologies to confirm standardized performance measures are met and delivering a return on investment.
- Develop and implement an enhanced contracted security service program to ensure the City receives value for money and innovative security services.

- Review and standardize security and fire safety operational plans across the organization.

Looking ahead, 2019-2022

Real Estate

- Pursue site acquisitions to support major City initiatives.
- Lead the settlement of Community Amenity Contributions and Heritage Revitalization Agreements.
- Continue site preparation and planning for future redevelopment opportunities for City-owned development sites, such as the 2400 Motel on Kingsway Street, 688 Cambie Street and Southeast False Creek.
- Develop and implement the Property Endowment Fund strategy.

Asset management

- Complete delivery of civic and community projects in the 2019-2022 Capital Plan.
- Continue the phased implementation of the Seismic Risk Program and Universal Accessibility Program in all City facilities.
- Reduce City leasing costs by leveraging the use of City-owned assets.
- Enhance City office space to provide more functional, efficient, cost-effective, modern and comfortable accommodations for staff.
- Establish new greenhouse gas reduction targets (100% by 2040) and implement zero emissions targets for new City-owned buildings.
- Review capital and operating funds required to respond to growth in social housing inventory and Property Endowment Fund portfolios.

Environmental services

- Develop a strategic plan for the City's environmental service programs.
- Advance core environmental services, including removal of hazardous materials from City buildings, remediation of contamination on City-owned property and environmental permitting of development applications.
- Continue to advance the False Creek Water Quality Improvement Program and Corporate Zero Waste Program.
- Pursue a city-wide management system for invasive species.

Corporate protective services

- Ensure that current embedded processes assess and mitigate risk across the organization and that risk-based decision making is deployed within the department to protect the safety, security and accessibility of our facilities.
- Implement a comprehensive security and safety information management system to improve real-time incident and information reporting and tactical response.
- Develop technical and physical standards to ensure the design of secure facilities.

Part III: City of Vancouver 2018 Budget Public Engagement Report



Executive summary

Introduction

The City of Vancouver's annual budget process offers multiple opportunities for public input and encourages dialogue on city-wide priorities and top issues, feedback on City service levels, and input to help develop a picture of the public's preferences for where the City should focus its investments and resources.

Each year, the City's budget decisions are strengthened through the input of those who benefit from and are affected by these choices.

Thank you to the thousands of residents, business owners and other stakeholders who participated in surveys, meetings, and face-to-face activities in neighbourhoods across the city. This input – which was based on conversations about the 2018 Budget Outlook – helped provide context for the investments and decisions you see in the 2018 Budget Book.

This report summarizes our approach to the consultation, who participated, and the results and findings.

Overview: Important City issues

Overall findings of the consultations – important City issues

Respondents identified what they saw as the key priorities or issues for the City of Vancouver. The top priorities identified were fairly consistent across groups of respondents.

Housing, cost of living, addictions and overdoses, infrastructure/transportation and development were the key issues on the minds of Vancouver residents and business owners. Business owners did however prioritize infrastructure/transportation and development somewhat higher than residents.

Residents	Businesses
Cost of living (55%)	Cost of living (50%)
Housing/accommodations (55%)	Housing/accommodations (45%)
Addictions and overdoses* (30%)	Infrastructure/transportation (30%)
Development (30%)	Development (26%)
Infrastructure/transportation (28%)	Addictions and overdoses* (22%)

**Addictions and overdoses added as an option to the list of issues for 2018 Budget survey i.e. no history available*

Year-over-year changes in budget priorities

An interesting and valuable comparison is the shift in the public's budget priorities from year to year. We can see that the public's top-of-mind concerns have been fairly stable for the past three surveys, but also that there have been some shifts in response to the visibility of current issues. For example, "addictions and overdoses" – a new option on the list of issues in the 2018 survey – was among the top three issues identified by residents.

It is also a helpful reminder of how public dialogue on key issues (such as housing and transportation) and challenges (such as crime and the environment) influences perceptions and opinions. We will continue to track these issues and shifts longitudinally through our research on public values and priorities.

Year over year trend in top three issues

Residents: Top Three Issues		
2018 Budget Survey	2017 Budget Survey	2016 Budget Survey
Cost of living (55%)	Housing/ accommodations (56%)	Cost of living (46%)
Housing/ accommodations (55%)	Cost of living (52%)	Infrastructure/ transportation (44%)
Addictions and Overdoses* (30%)	Infrastructure/ transportation (44%)	Housing/ accommodations (42%)

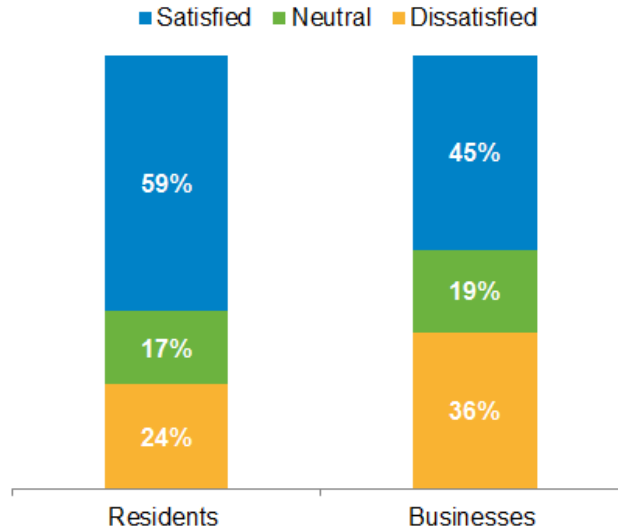
**Addictions and overdoses added as an option to the list of issues for 2018 Budget survey i.e. no history available*

Businesses: Top Three Issues		
2018 Budget Survey	2017 Budget Survey	2016 Budget Survey
Cost of living (50%)	Cost of living (47%)	Cost of living (44%)
Housing/ accommodations (45%)	Housing/ accommodations (44%)	Infrastructure/ transportation (41%)
Infrastructure/ transportation (30%)	Infrastructure/ transportation (38%)	Housing/ accommodations (29%)

Overview: Satisfaction

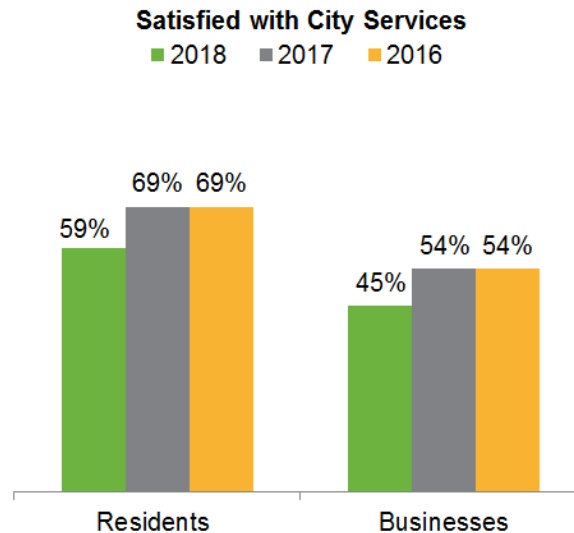
What we learned about the public’s overall satisfaction

Close to 60% of residents said they were satisfied with City services (based on a rating of 8, 9 or 10 out of 10), a 10-percentage-point drop from last year’s survey, while business owners in Vancouver reported relatively lower satisfaction at 45%, a nine-point drop from last year.



How the public’s overall satisfaction compares over time

This year’s survey result does not reflect the trend of the past two years, and could be attributed in part to the timing of the survey during the fall by-election, as well as rising levels of awareness and stated impact from cost of living and housing affordability.

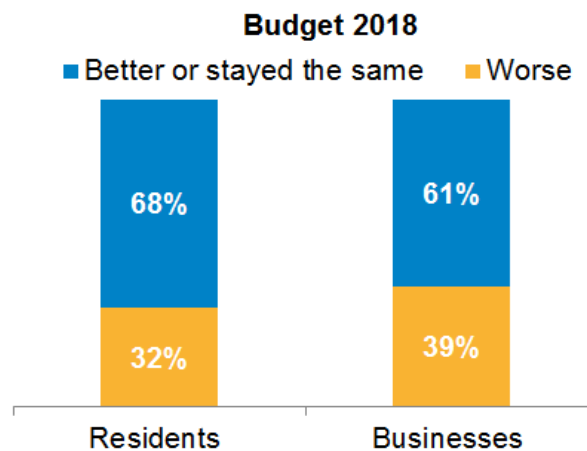


Overview: Service perceptions

What we learned about the public's perceptions of service

The City receives the strongest satisfaction ratings for its provision of basic services (sewer, water, and drainage), fire prevention and responding to medical calls, and library services. Garbage and composting services, along with recreation, make up the rest of the top five rated services. Satisfaction levels for most City services are higher among residents than businesses.

On average, 65% of residents and businesses believe the quality of services provided by the City have either stayed the same or improved. This is a drop from previous years, but the overall pattern of more respondents believing services have stayed the same or improved, than gotten worse, is consistent.



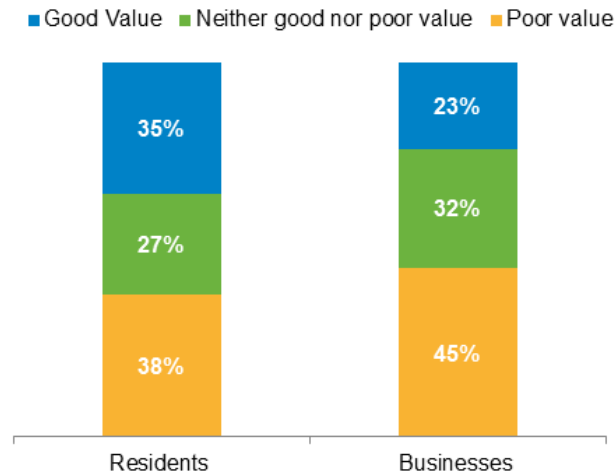
	Residents			Businesses		
	Budget 2018	Budget 2017	Budget 2016	Budget 2018	Budget 2017	Budget 2016
Better or stayed the same	68%	75%	76%	61%	71%	74%
Worse	32%	25%	24%	39%	29%	26%

Overview: Value for tax dollar

What we learned about the public’s perceptions of tax value

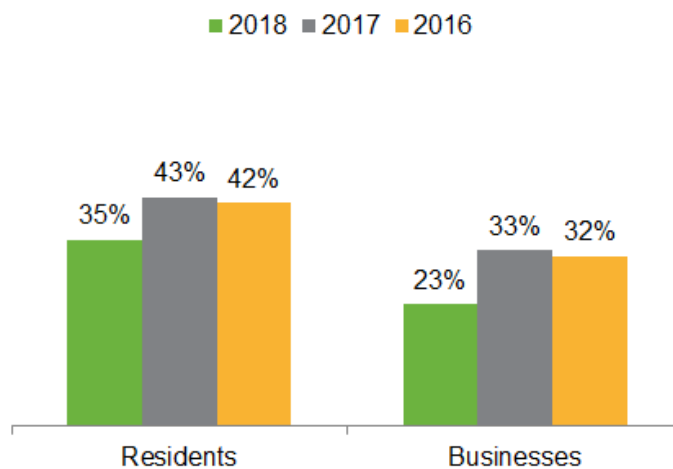
Among residents, 35% indicate they are receiving good value for their tax dollar.

Residents are more likely than the business owners surveyed to say they are receiving good value. Perceptions among businesses are also mixed with close to a quarter believing they receive good value and an additional 45% who report they do not.



Compared to last year, overall, residents’ perceptions of the value they receive for their tax dollar has dropped. Businesses also show a similar drop in ratings.

Receive good value for tax dollar



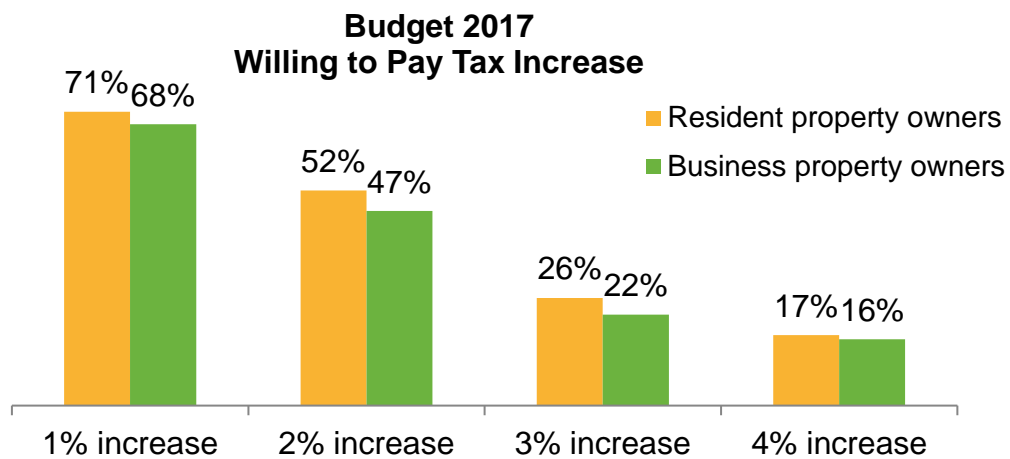
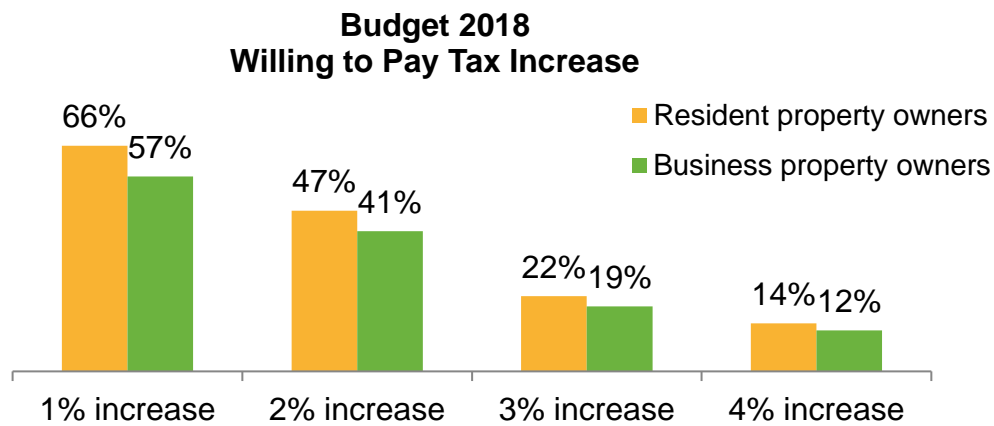
Overview: Tax tolerance – owners

What we learned about the public’s tax tolerance

The majority of residents and business property owners – 62% on average – are willing to pay a 1% tax increase to keep City services at the current level; residents 66%; businesses 57%. If taxpayers are willing to accept a tax increase of this size to keep services at the current level, it may mean they are also willing to pay an increase for the improvement of services.

Additionally, 44% of residents and businesses on average are willing to pay a 2% tax increase – although resident owners are somewhat more willing than business owners (47% vs. 41%).

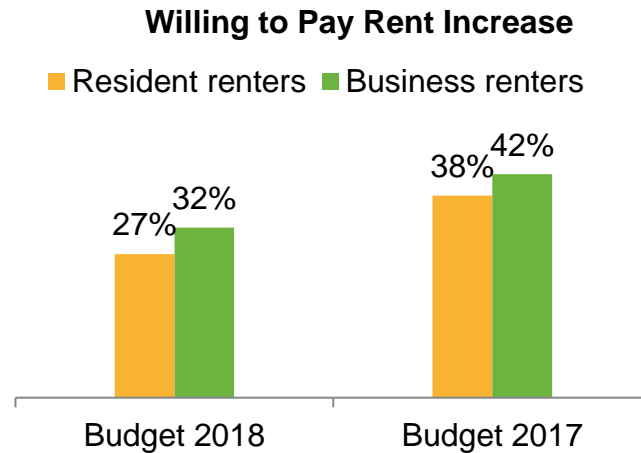
Over time, levels of tax tolerance have changed, with small drops in the willingness to support tax increases across all taxation levels for both residents and businesses.



Overview: Tax tolerance – renters

On average, 30% of residential and business property renters are willing to pay higher rent to maintain current service levels (as a result of a potential tax increase passed onto them by their property owner).

Renters are less willing, overall, than property owners to tolerate the impact of tax increases. Business renters have a relatively higher tax tolerance than residential renters. The willingness to pay a rent increase has dropped among both groups.



Overview: Balancing the budget

What we learned about the public’s feedback on tools to balance the budget

The public is open to a variety of tools the City could use to balance the budget; respondents were most likely to select measures related to the introduction of new user fees, increasing existing user fees or decreasing personnel (but not service levels). On average, the preferences across residents and businesses were:

- Introduce new user fees for some City services that currently have no fees (46%);
- Increase user fees for City services that currently have fees (40%); and
- Reduce level of staff/personnel providing services (39%).

When probed more deeply, respondents said they were personally willing to pay more in user fees for services they or their business use (on average 65% are willing among residents and businesses).

For finding efficiencies in service provision, respondents favoured the use of online options for services and engagement, as well as green techniques. Respondents were most likely to support (on average) the following measures across residents and businesses:

- Offer more opportunities to access services online rather than in person (87%);
- Use new green techniques to transform how the City manages its green spaces (74%);
- Make more use of online engagement tools to reduce time and resources spent on in person consultation (74%).

Consultation approach and methodology

Consultation approach

We designed a public engagement process intended to reach as many residents as possible across Vancouver from late September through October 2017.

Our objectives were to

- Share information and build awareness about the services the City offers, the context within which spending decisions are made, and the trade-offs that must be considered
- Survey a representative sample of residents and businesses to measure satisfaction with civic services, validate spending priorities, and gather input on tax tolerance and cost-savings measures. This is a pulse check to provide an extra layer of information for staff in shaping their final budget report, and for Council during final decision-making
- Provide an opportunity for the public and advisory stakeholders in the community to enter into dialogue with staff on budget challenges and priorities, and
- Keep amassing baseline data for comparison and tracking purposes to inform ongoing planning

Approach

We designed a two-pronged strategy to engage with the public across the city.

1. Broad canvassing of residents and businesses using an online survey tool
 - Talk Vancouver survey of businesses and residents in English and Traditional Chinese.
2. Face-to-face outreach via
 - A budget roadshow that travelled to neighbourhood houses, libraries and community centres
 - A meeting with stakeholders from community organizations, advisory committees and City of Vancouver partners such as Business Improvement Associations

Consultation Overview

More than 3,500 touchpoints with the public were recorded through a range of tools.

Method	Dates/Locations	Participants
Online survey	September 27 – October 13, 2017 (also available in Traditional Chinese)	3,356 2,674 residents, 682 businesses
Face-to-Face Outreach	Budget Roadshow Monday Oct 9 <ul style="list-style-type: none"> • Kitsilano (4th and Vine) • Dunbar (Save-On-Foods) • Grandview-Woodland (Choices Market) Wednesday October 18 <ul style="list-style-type: none"> • Trout Lake Community Centre • Collingwood Neighbourhood House • Killarney Community Centre (Killarney High School) Thursday October 19 <ul style="list-style-type: none"> • Mount Pleasant Neighbourhood House • Creekside Community Centre • West End Community Centre / Joe Fortes Vancouver Public Library Branch Stakeholder Session October 19, 2017	337
Total Touchpoints		3,708

Promotion activities
Pop-Up Outreach team
Colour print ads in the Courier, Ming Pao, Sing Tao
Social media ads (organic and paid) – Facebook, Twitter
Information bulletin and City of Vancouver homepage presence
Talk Vancouver member outreach via email (over 14,000 members)
Email invitations to community organizations and stakeholder groups

Important considerations

Our goal with the survey tools is always to develop a snapshot of public priorities with significant enough data sets to be able to gain an accurate picture of values and overall service satisfaction.

The Talk Vancouver survey combines a self-selecting panel of nearly 15,000 residents with promotion to residents who are drawn to participate but not sign up to become “members” of the community. As such, we provide an open-link listening and dialogue tool with residents.

Summary of feedback from online questionnaire

Online survey methodology

The 2018 Budget and Service Satisfaction survey was conducted on the City’s Talk Vancouver public engagement platform from September 26 until October 13, 2017.

The City collected feedback from residents of Vancouver and business owners/operators whose business is located in the city. We heard from:

- 2,674 residents
- 682 businesses

To ensure the questionnaire sample was reflective of the overall Vancouver population, the City monitored demographic representation and set targets where needed.

- For resident respondents, targets were set for age, gender and for the five geographic regions of the city: Downtown, the Northeast (north of 16th Avenue and east of Main Street), the Northwest, the Southeast and the Southwest.
- For businesses, the City collected input from owners/operators of businesses of varying size (by employee count). Targets were set to help ensure small, medium and large businesses in the city were represented in the results.

The tables on the following pages show demographic variables for residents and business size for business owners to provide a respondent profile. The corresponding proportions in the Vancouver population from Census 2016 data are also shown where applicable.

Participants were encouraged to participate through the City’s Talk Vancouver panel membership, through the City’s website (vancouver.ca) and through online and paper advertisements to the general public. Members of another panel operated by a third-party research firm were recruited to help expand the reach of the survey and to fill any demographic or geographic gaps in participation.

Type of respondent	Total	Talk Vancouver panel members	Local research firm panel members	City website and social media
Resident	2,674	1181	324	1169
Business	682	294	74	314
Total	3,356	1,475	398	1483

Weighting was used to ensure the results matched the 2016 Statistics Canada Census data for residents of Vancouver on age, gender and residential zone. Business respondents were weighted based on business size i.e. number of employees.⁴

⁴ Please see the Appendix for the demographic profile of business owners.

The weights applied are considered highly acceptable (final weighting efficiency was 89% for the resident sample and 94% for the business sample).

Profile of respondents - complete

Demographic group	Original survey sample - residents	Vancouver population (Census 2016)
Gender (weighting applied)		
Male	46%	49%
Female	54%	51%
Age (weighting applied)		
18-39	43%	42%
40-49	19%	19%
50-59	17%	16%
60 and over	21%	23%
Residential zone (weighting applied)		
Downtown: Downtown and West End	23%	17%
Northwest: north of 16th and west of Main	22%	16%
Northeast: north of 16th and east of Main	20%	17%
Southwest: south of 16th and west of Main	15%	19%
Southeast: south of 16th and east of Main	20%	31%

Geographic origin and ethnicity*	Survey sample - residents
North America Canadian First Nations (or Aboriginal Band) American	48% 45% 1% 4%
Europe British Isles (e.g. English, Scottish, Irish, Welsh) Eastern European (e.g. Russian, Ukrainian, Croatian, etc.) German French Other European (e.g. Greek, Italian, Swedish etc.)	38% 25% 7% 5% 2% 8%
Asia Chinese South Asian (e.g. Punjabi, Indian, Tamil, Pakistani etc.) Other Asian (e.g. Filipino, Thai, Vietnamese etc.) Japanese	18% 15% 2% 3% 1%
Latin/South American	1%
Africa	<1%
Other regions (e.g. Middle Eastern, Oceania, Caribbean)	2%

**Respondents could select up to two ethnic groups to describe their background.*

Housing tenure	
Rent	44%
Own	50%
Other (e.g. live with parents, rent free but not owner)	7%

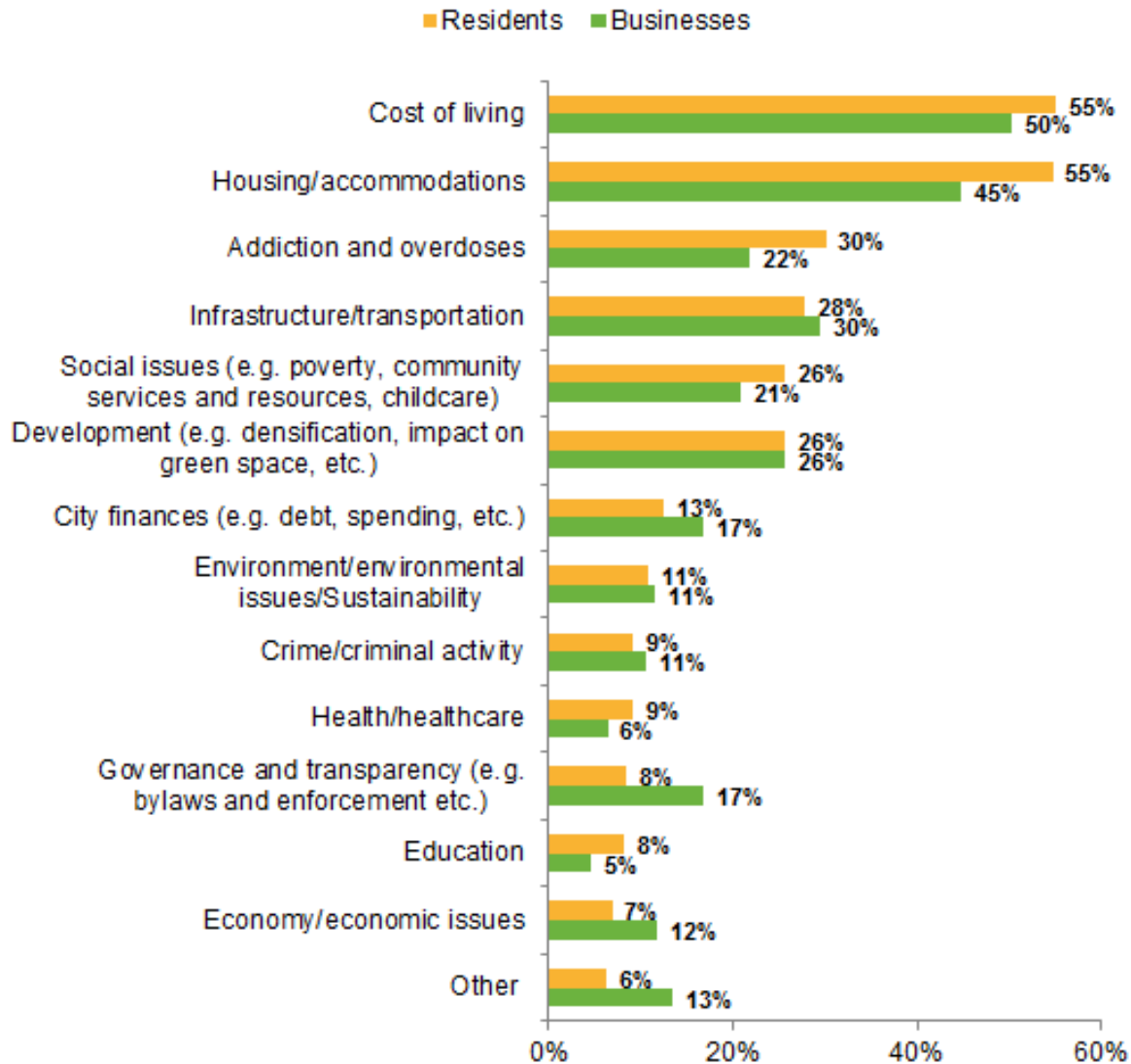
Business size* (weighting applied)	Survey sample - businesses	Vancouver business size* (Statistics Canada)
0 employees (i.e., you are self-employed with no other employees)	33%	58%
1-3 employees	28%	
4-9 employees	16%	18%
10-24 employees	12%	22%
25-99 employees	7%	
100 or more employees	4%	2%

**Business Register Division, Statistics Canada, 2012.*

Weights were applied to achieve a representative sample based on business size among business owners. Weights applied were minimal (weighting efficiency was 94%).

Most important local issues

Residents and business owners see the top local issues facing Vancouver very similarly: cost of living and housing are the top two issues for both. Addictions and overdoses, added to the list this year to reflect the opioid crisis taking place in Vancouver, were also selected among the top issues in the city (selected by 30% of residents and 22% of businesses). Residents were more likely to identify addictions and overdoses as a key issue, whereas businesses placed somewhat more emphasis on infrastructure/transportation and development.



Base: Resident respondents (n=2,674) and Business respondents (n=882)

From your perspective as a resident/business owner, what are the most important local issues facing the City at the present time? (Select up to three).

Important City issues trend

The top three concerns reflect the major issues and challenges facing the city: cost of living, housing, and social issues remain the most common themes across all groups.

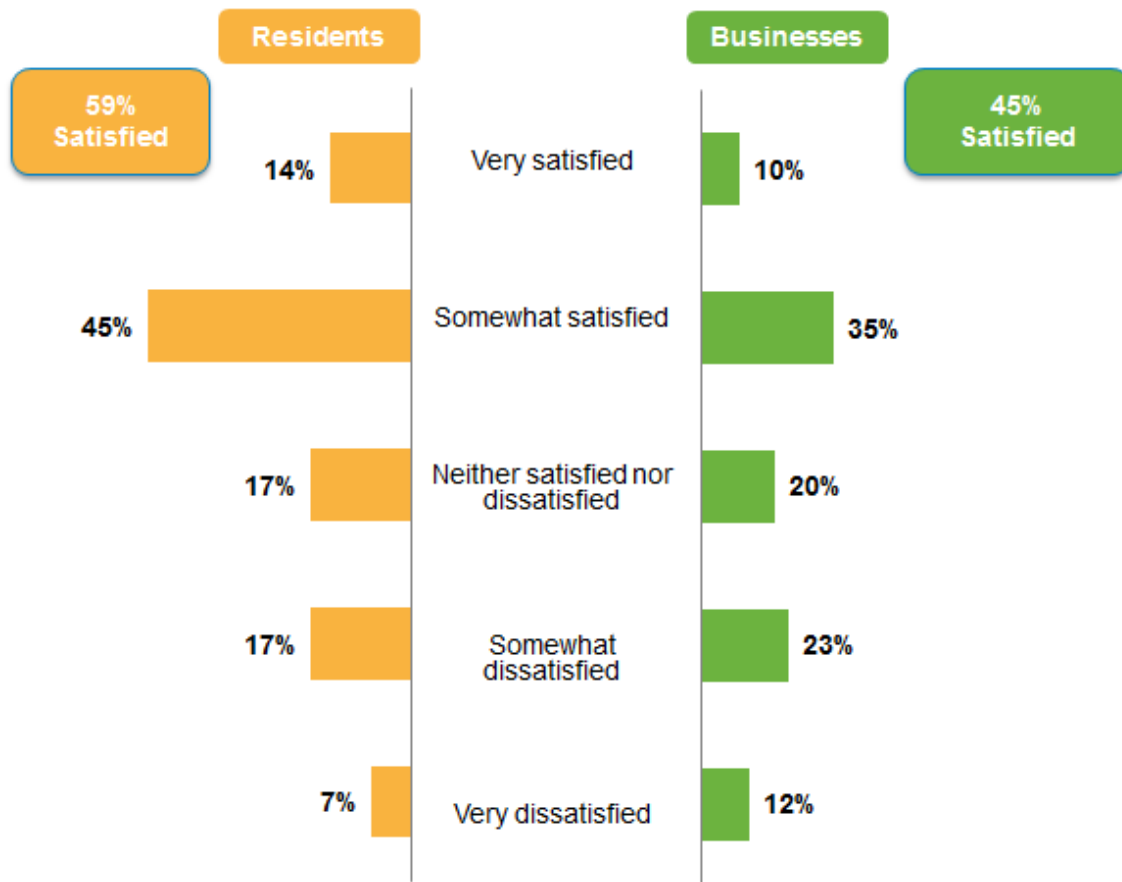
Residents: Top Three Issues		
2018 Budget Survey	2017 Budget Survey	2016 Budget Survey
Cost of living (55%)	Housing/ accommodations (56%)	Cost of living (46%)
Housing/ accommodations (55%)	Infrastructure/ transportation (44%)	Housing/ accommodations (36%)
Addictions and overdoses* (30%)	Social Issues (34%)	Social issues/ social services (33%)

**Addictions and overdoses added as an option to the list of issues for 2018 Budget survey i.e. no history available*

Businesses: Top Three Issues		
2018 Budget Survey	2017 Budget Survey	2016 Budget Survey
Cost of living (50%)	Cost of living (47%)	Cost of living (44%)
Housing/ accommodations (45%)	Housing/ accommodations (44%)	Infrastructure/ transportation (41%)
Infrastructure/ transportation (30%)	Infrastructure/ transportation (38%)	Housing/ accommodations (29%)

Overall service satisfaction

Close to 60% of residents are satisfied with the quality of City services. Business owners in Vancouver show relatively lower satisfaction, with just less than half satisfied with the quality of City services they receive.



Base: Resident respondents (n= 2,674) and Business respondents (n=682)

Would you say you are generally satisfied or dissatisfied with the overall quality of services provided to residents/businesses by the City of Vancouver?

Overall service satisfaction trend

The average levels of satisfaction among residents have been relatively stable but have decreased in the last year. Among businesses, satisfaction has hovered around 50% for several years, but also showed a drop in the last year.

Response	Budget 2018		Budget 2017		Budget 2016	
	Resident	Business	Resident	Business	Resident	Business
Very satisfied	14%	10%	18%	10%	19%	14%
Somewhat satisfied	45%	35%	51%	44%	50%	40%
Total Satisfied	59%	45%	69%	54%	69%	54%
Neither satisfied nor dissatisfied	17%	20%	15%	25%	15%	27%
Somewhat dissatisfied	17%	23%	12%	14%	12%	14%
Very dissatisfied	7%	12%	4%	7%	4%	5%
Total Dissatisfied	24%	35%	16%	21%	16%	19%

Perceived changes in quality of services

Almost two-thirds of residents and businesses, on average, believe the quality of services provided by the City have either stayed the same or improved.



Base: Resident respondents (n=2,674) and Business respondents (n=682)

And, would you say that the overall quality of services provided by the City of Vancouver residents/businesses has gotten better or worse over the past 2-3 years?

Perceived changes in quality of services trend

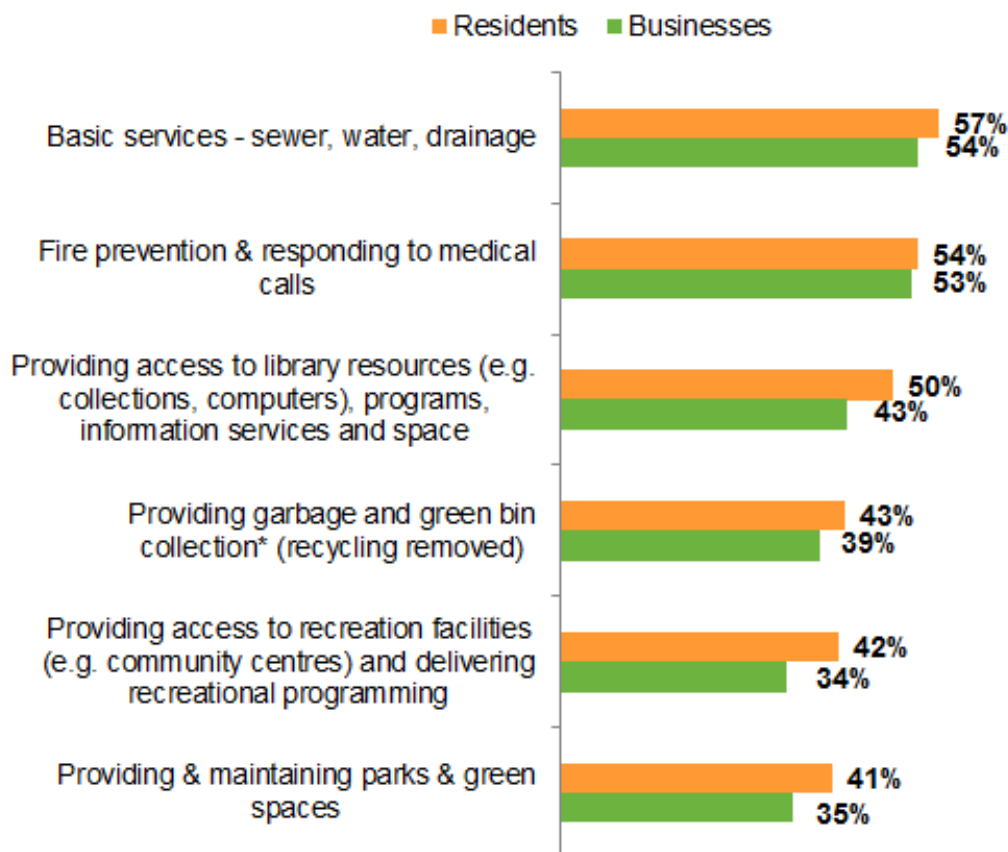
Over time, the majority of residents and businesses have consistently indicated (with some fluctuations) that the quality of services provided by the City have either stayed the same or improved. In the last year, perceptions about services have shown a drop in this area.

Response	Budget 2018		Budget 2017		Budget 2016	
	Resident	Business	Resident	Business	Resident	Business
Much better	2%	1%	4%	3%	3%	4%
Somewhat better	23%	14%	26%	19%	29%	18%
Stayed the same	43%	46%	45%	49%	44%	52%
Total - much better or stayed the same	68%	61%	75%	71%	76%	74%
Somewhat worse	23%	24%	19%	21%	18%	20%
Much worse	9%	15%	6%	8%	6%	6%
Total - worse	32%	39%	25%	29%	24%	26%

Services the City delivers best

The City receives the strongest satisfaction ratings for its provision of basic utility services (sewer, water, and drainage), fire prevention and responses to medical calls, and library services. Garbage and green bin/composting services along with recreation make up the rest of the top five-rated services. All of the top performing areas shown below were among the top rated service areas in the previous year. Respondents were asked to rate how well the City is doing in its provision of services on a scale of 0 to 10, where 0 is very poor and 10 is excellent.

Percentage of respondents who rate the City's performance as 8, 9 or 10 on a 10-point scale



Base: Resident respondents (n=2,674) and Business respondents (n=682)

Please rate the job you think the City of Vancouver is doing in providing each type of service.

Key areas identified for improvement

When looking at the ratings of specific services, year over year, we noted that the following services were those that saw the greatest drop in positive perception or greatest increase in negative perception (although there were variations in the responses between residents and businesses):

- Enabling affordable housing;
- Permits, inspections and enforcement (including building, renovation, business licence, parking, dogs, etc.)
- Planning for and managing residential, commercial and industrial development;
- Providing transportation infrastructure for walking, bikes, transit and vehicles;
- Maintaining and enhancing street infrastructure; and
- Reducing the crime rate and maintaining public safety.

The year-over-year ratings on specific services are provided to the departments responsible for each service to factor into their planning for the following year, and this input has also helped the City with its formulation of the 2018 Budget and Five-Year Financial Plan, to ensure that we are funding the right investments to help make progress on the issues that are most important to Vancouver's residents and businesses, as well as to address the areas where service improvements are needed.

The following pages show the rated importance and satisfaction rating for all City services from the 2018 survey.

Service importance and satisfaction: public safety

Question - importance	Response	Residents	Businesses
Fire prevention & responding to medical calls	Very important	87%	83%
	Somewhat important	12%	15%
	Total important	99%	98%
Reducing the crime rate and maintaining public safety	Very important	71%	70%
	Somewhat important	25%	25%
	Total important	96%	95%
Providing emergency preparedness information and support	Very important	47%	49%
	Somewhat important	45%	42%
	Total important	92%	91%

Base: Resident respondents (n = 2,674) and Business respondents (n=682)

How important do you believe the following services/programs are to the larger community?

Question – satisfaction on scale of 0 to 10	Response	Residents	Businesses
Fire prevention & responding to medical calls	Rating of 8, 9 or 10	54%	53%
	Average rating	7.8	7.6
	“Don’t know” responses	15%	13%
Reducing the crime rate and maintaining public safety	Rating of 8, 9 or 10	27%	26%
	Average rating	6.1	5.8
	“Don’t know” responses	9%	8%
Providing emergency preparedness information and support	Rating of 8, 9 or 10	17%	14%
	Average rating	5.7	5.3
	“Don’t know” responses	17%	18%

Base: Resident respondents (n=2,674) and Business respondents (n=682)

Below is a list of specific services that the City of Vancouver provides its residents/businesses. Please rate the job you think the City of Vancouver is doing in providing each type of service.

Service importance and satisfaction: community programs

Question - importance	Response	Residents	Businesses
Providing access to recreation facilities (e.g., community centres) and delivering recreational programming	Very important	54%	51%
	Somewhat important	40%	40%
	Total important	94%	91%
Providing access to library resources (e.g., collections, computers), programs, information services and space	Very important	55%	49%
	Somewhat important	35%	37%
	Total important	90%	86%
Supporting community service organizations (e.g., shelters, childcare, social grants)	Very important	55%	51%
	Somewhat important	35%	36%
	Total important	90%	87%
Providing support services to the Downtown Eastside	Very important	39%	37%
	Somewhat important	40%	38%
	Total important	79%	75%
Enabling affordable housing	Very important	68%	61%
	Somewhat important	22%	24%
	Total important	90%	85%

Base: Resident respondents (n=2,674) and Business respondents (n=682)

How important do you believe the following services/programs are to the larger community?

Question - importance	Response	Residents	Businesses
Planning for and managing residential, commercial and industrial development	Very important	52%	57%
	Somewhat important	39%	35%
	Total important	91%	93%
Environmental protection, support for green projects (e.g., green grants, building retrofits programs, zero waste)	Very important	44%	42%
	Somewhat important	39%	33%
	Total important	83%	75%
Providing and maintaining parks and green spaces	Very important	58%	59%
	Somewhat important	37%	34%
	Total important	95%	93%

Base: Resident respondents (n=2,674) and Business respondents (n=68)

How important do you believe the following services/programs are to the larger community?

Question -- satisfaction on scale of 0 to 10	Response	Residents	Businesses
Providing access to recreation facilities (e.g., community centres) and delivering recreational programming	Rating of 8, 9 or 10	42%	34%
	Average rating	6.9	6.4
	“Don’t know” responses	5%	5%
Providing access to library resources (e.g., collections, computers), programs, information services and space	Rating of 8, 9 or 10	50%	43%
	Average rating	7.4	6.9
	“Don’t know” responses	7%	7%
Supporting community service organizations (e.g., shelters, childcare, social grants)	Rating of 8, 9 or 10	11%	14%
	Average rating	5.2	5.0
	“Don’t know” responses	19%	15%
Providing support services to the Downtown Eastside	Rating of 8, 9 or 10	16%	14%
	Average rating	5.2	4.8
	“Don’t know” responses	21%	17%
Enabling affordable housing	Rating of 8, 9 or 10	4%	5%
	Average rating	2.6	2.5
	“Don’t know” responses	5%	3%

Base: Resident respondents (n=2,674) and Business respondents (n=682)

Below is a list of specific services that the City of Vancouver provides its residents/businesses. Please rate the job you think the City of Vancouver is doing in providing each type of service.

Question – satisfaction on scale of 0 to 10	Response	Residents	Businesses
Planning for and managing residential, commercial and industrial development	Rating of 8, 9 or 10	7%	6%
	Average rating	4.1	3.4
	“Don’t know” responses	11%	7%
Environmental protection, support for green projects (e.g., green grants, building retrofits programs, zero waste)	Rating of 8, 9 or 10	29%	26%
	Average rating	6.3	5.9
	“Don’t know” responses	8%	7%
Providing and maintaining parks and green spaces	Rating of 8, 9 or 10	41%	35%
	Average rating	6.8	6.4
	“Don’t know” responses	4%	2%

Base: Resident respondents (n=2,674) and Business respondents (n=682)

Below is a list of specific services that the City of Vancouver provides its residents/businesses. Please rate the job you think the City of Vancouver is doing in providing each type of service.

Service importance and satisfaction: utilities and engineering public works

Question - Importance	Response	Residents	Businesses
Providing basic services – sewer, water, drainage	Very important	91%	90%
	Somewhat important	9%	9%
	Total important	99%	99%
Providing garbage collection, composting, and recycling services	Very important	75%	72%
	Somewhat important	22%	23%
	Total important	97%	95%
Providing transportation infrastructure for walking, bikes, transit, and vehicles	Very important	75%	72%
	Somewhat important	20%	20%
	Total important	95%	92%
Maintaining and enhancing street infrastructure (e.g., pavement condition, cleanliness, lighting, roundabout gardens)	Very important	60%	59%
	Somewhat important	35%	34%
	Total important	95%	93%
Managing curbside parking spaces	Very important	31%	36%
	Somewhat important	46%	40%
	Total important	77%	76%

Base: Resident respondents (n=2,674) and Business respondents (n=682)

How important do you believe the following services/programs are to the larger community?

Question – satisfaction on scale of 0 to 10	Response	Residents	Businesses
Providing basic services – sewer, water, drainage	Rating of 8, 9 or 10	58%	54%
	Average rating	7.6	7.3
	“Don’t know” responses	3%	3%
Providing garbage collection, composting, and recycling services	Rating of 8, 9 or 10	45%	39%
	Average rating	6.9	6.3
	“Don’t know” responses	4%	5%
Providing transportation infrastructure for walking, bikes, transit, and vehicles	Rating of 8, 9 or 10	32%	26%
	Average rating	5.9	5.4
	“Don’t know” responses	1%	1%
Maintaining and enhancing street infrastructure (e.g., pavement condition, cleanliness, lighting, roundabout gardens)	Rating of 8, 9 or 10	26%	25%
	Average rating	5.9	5.4
	“Don’t know” responses	2%	1%
Managing curbside parking spaces	Rating of 8, 9 or 10	15%	17%
	Average rating	5.1	4.8
	“Don’t know” responses	16%	11%

Base: Resident respondents (n=2,674) and Business respondents (n=682)

Below is a list of specific services that the City of Vancouver provides its residents/ businesses. Please rate the job you think the City of Vancouver is doing in providing each type of service.

Service importance and satisfaction: general government and corporate support

Question - importance	Response	Residents	Businesses
Managing tax dollars	Very important	85%	87%
	Somewhat important	14%	11%
	Total important	99%	98%
Promoting economic development	Very important	43%	53%
	Somewhat important	47%	35%
	Total important	90%	88%
Permits, inspections and enforcement (e.g., building, renovation, business license, parking, dogs, etc.)	Very important	42%	46%
	Somewhat important	46%	41%
	Total important	88%	87%
Maintaining City infrastructure – administration buildings, vehicles, equipment and IT	Very important	38%	39%
	Somewhat important	54%	51%
	Total important	92%	90%
Providing information, engagement channels and customer service (website, in person and 3-1-1)	Very important	39%	38%
	Somewhat important	50%	49%
	Total important	89%	87%

Base: Resident respondents (n=2,674) and Business respondents (n=682)

How important do you believe the following services/programs are to the larger community?

Question - satisfaction on scale of 0 to 10	Response	Residents	Businesses
Managing tax dollars	Rating of 8, 9 or 10	8%	7%
	Average rating	4.4	3.6
	“Don’t know” responses	15%	12%
Promoting economic development	Rating of 8, 9 or 10	12%	12%
	Average rating	5.3	4.6
	“Don’t know” responses	17%	10%
Permits, inspections and enforcement (e.g., building, renovation, business license, parking, dogs, etc.)	Rating of 8, 9 or 10	9%	8%
	Average rating	4.6	3.8
	“Don’t know” responses	16%	10%
Maintaining City infrastructure – administration buildings, vehicles, equipment and IT	Rating of 8, 9 or 10	16%	17%
	Average rating	5.9	5.8
	“Don’t know” responses	28%	22%
Providing information, engagement channels and customer service (website, in person and 3-1-1)	Rating of 8, 9 or 10	31%	29%
	Average rating	6.5	6.2
	“Don’t know” responses	13%	10%

Base: Resident respondents (n=2,674) and Business respondents (n=682)

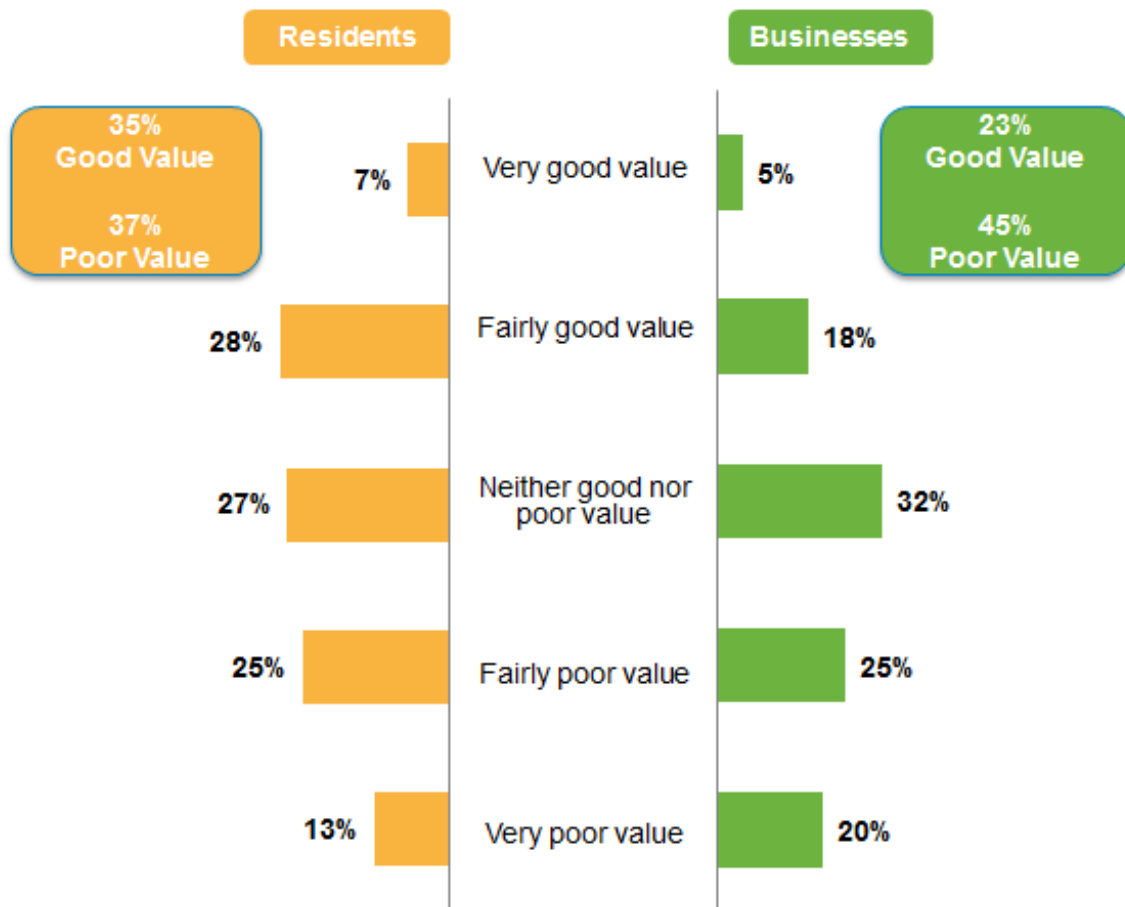
Below is a list of specific services that the City of Vancouver provides its residents/businesses. Please rate the job you think the City of Vancouver is doing in providing each type of service.

Overall value for tax dollar – 2018 survey

Resident perceptions about the overall value they receive for their tax dollar vary, with just over a third reporting good value, another third perceiving poor value, and the rest in between.

Overall, residents believe they receive more value for their tax dollar than business owners do.

Perceptions among businesses are also mixed, with close to a quarter believing they receive good value, and an additional 45% who report they do not.



Base: Resident respondents (n=2674) and Business respondents (n=682)

Thinking about all of the programs and services you/ your business receives from the City of Vancouver, and the level of property taxes or rent you/ your business pays, would you say that you/ your business gets overall good value or poor value for your/ its tax dollars?

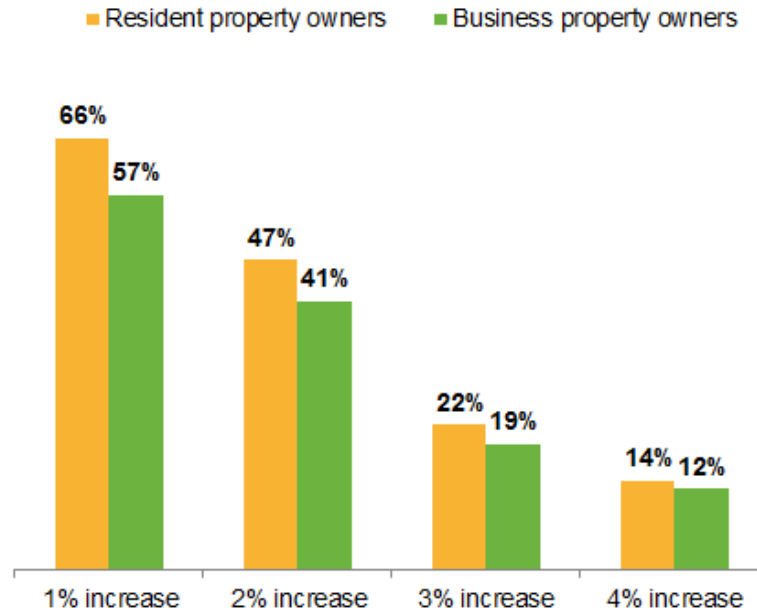
Value for tax dollar - trend

Compared to last year, residents' perceptions of the value they receive for their tax dollar has decreased. Businesses show a similar pattern.

Response	Budget 2018		Budget 2017		Budget 2016	
	Resident	Business	Resident	Business	Resident	Business
Very good value	7%	5%	10%	5%	8%	5%
Fairly good value	28%	18%	33%	28%	34%	27%
Total Good Value	35%	23%	43%	33%	42%	32%
Neither good nor poor value	27%	32%	29%	37%	31%	35%
Fairly poor value	25%	25%	19%	18%	19%	22%
Very poor value	13%	20%	9%	12%	8%	11%
Total Poor Value	37%	45%	28%	30%	28%	33%

Willingness to pay increased taxes

The majority of resident and business property owners are willing to pay a 1% property tax increase; 66% of residents are willing to pay a 1% increase while 57% of businesses are willing to do so. Additionally, over 4 in 10 respondents are willing to pay a 2% tax increase. In general, residents have a relatively higher tax tolerance than business owners.



Base: Resident respondents who own their home (n=1336); Business respondents who own their business property (n=234)

Would you be willing or not willing to pay an increase in your property taxes/business property taxes to keep services at current levels?

Willingness to pay increased taxes – trend (among property owners)

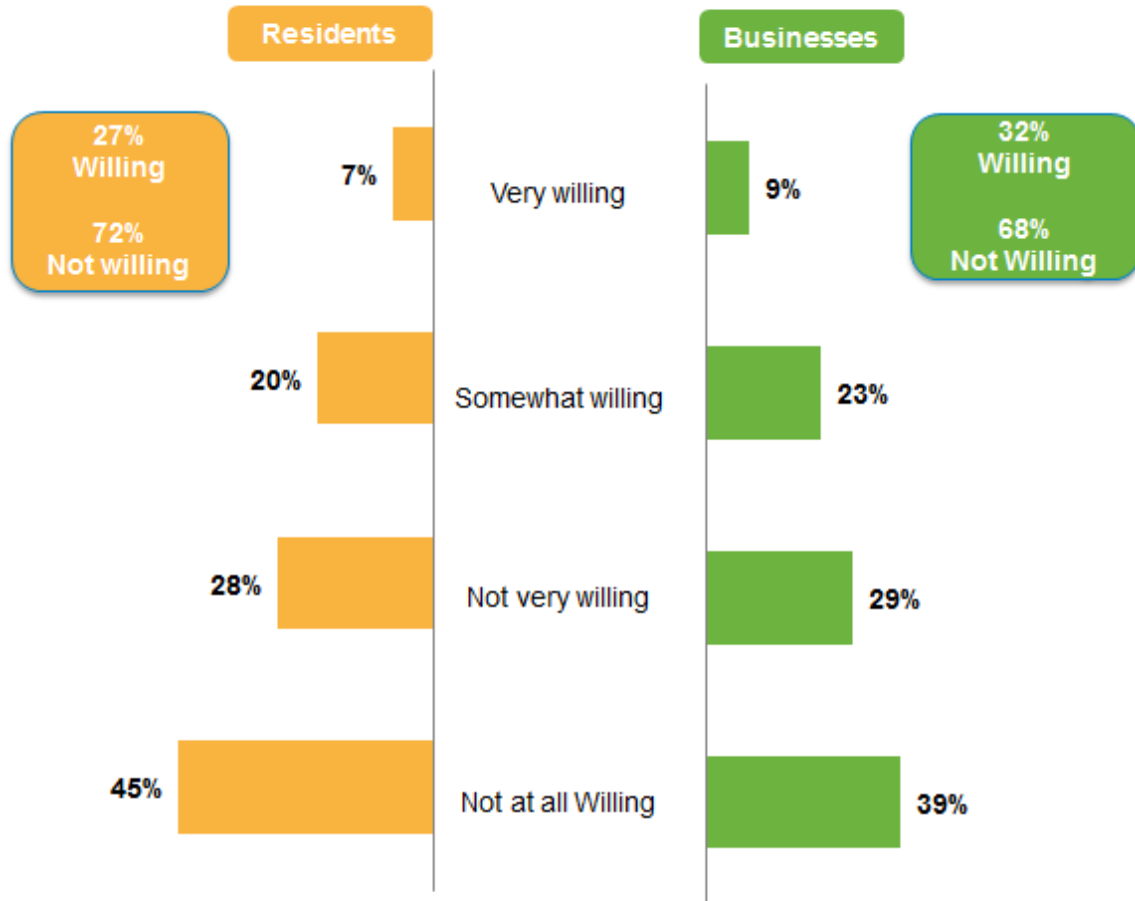
Over time, there have been small fluctuations in the willingness of residents and business property owners to pay increased taxes. At the lower taxation increase levels (1%), at least two-thirds of residents are willing to accept an increase of this amount, and approximately half are willing to accept a 2% increase.

In addition, residents have consistently shown a greater tax tolerance than businesses at all taxation increase levels.

	Budget 2018		Budget 2017		Budget 2016	
	Property Owners		Property Owners		Property Owners	
Rate increase	Resident	Business	Resident	Business	Resident	Business
1%	66%	57%	71%	68%	71%	62%
2%	47%	41%	52%	47%	53%	46%
3%	22%	19%	26%	22%	27%	22%
4%	14%	12%	18%	16%	22%	12%

Willingness to pay increased taxes (among renters) – 2018 survey

Approximately 30% of residential and business property renters on average are willing to pay higher rent to maintain current service levels (as a result of a tax increase passed onto them by their property owner).



Base: Resident respondents who rent their home (n=1166); Business respondents who rent their business property (n=448)
Thinking about this, would you be willing to pay more per month in rent, in order to maintain the current level of services provided by the City of Vancouver?"

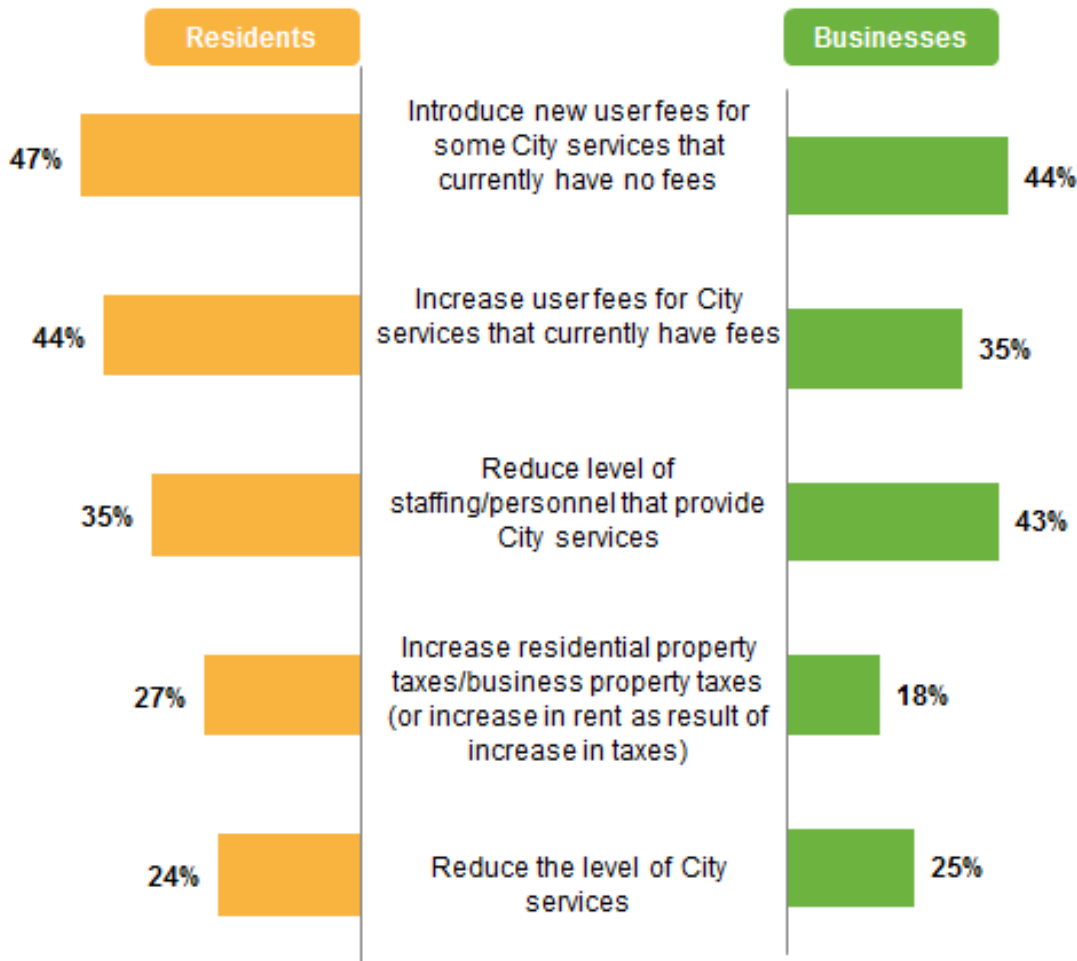
Willingness to pay increased taxes – trend

Over the past several years, the tax tolerance of resident and business renters has decreased, most likely due to the increasing cost of residential and commercial space in Vancouver.

	Budget 2018		Budget 2017		Budget 2016	
Rate increase	Resident	Business	Resident	Business	Resident	Business
Very willing	7%	9%	11%	11%	10%	12%
Somewhat Willing	20%	23%	27%	31%	29%	33%
Willing Total	27%	32%	38%	42%	39%	45%
Not very willing	28%	29%	28%	27%	27%	30%
Not at all willing	45%	39%	34%	31%	34%	25%
Not Willing Total	72%	68%	62%	58%	61%	55%

Support for City measures to balance the budget

The public is open to a variety of tools to balance the City’s budget, but respondents were most likely to select measures related to adding new user fees for some City services that have no fees, increasing user fees for services that currently have fees, or decreasing personnel (but not level of service) for the provision of City services.



Base: Resident respondents (n=2,674) and Business respondents (n=682)

Now, to balance the 2016 budget as required by law, the City of Vancouver has a number of options to consider. Which of the following options would you prefer the City use to balance its budget?

Support for user fees to maintain or improve service

Respondents were asked specifically about their support for increased user fees for services that they or their business use.

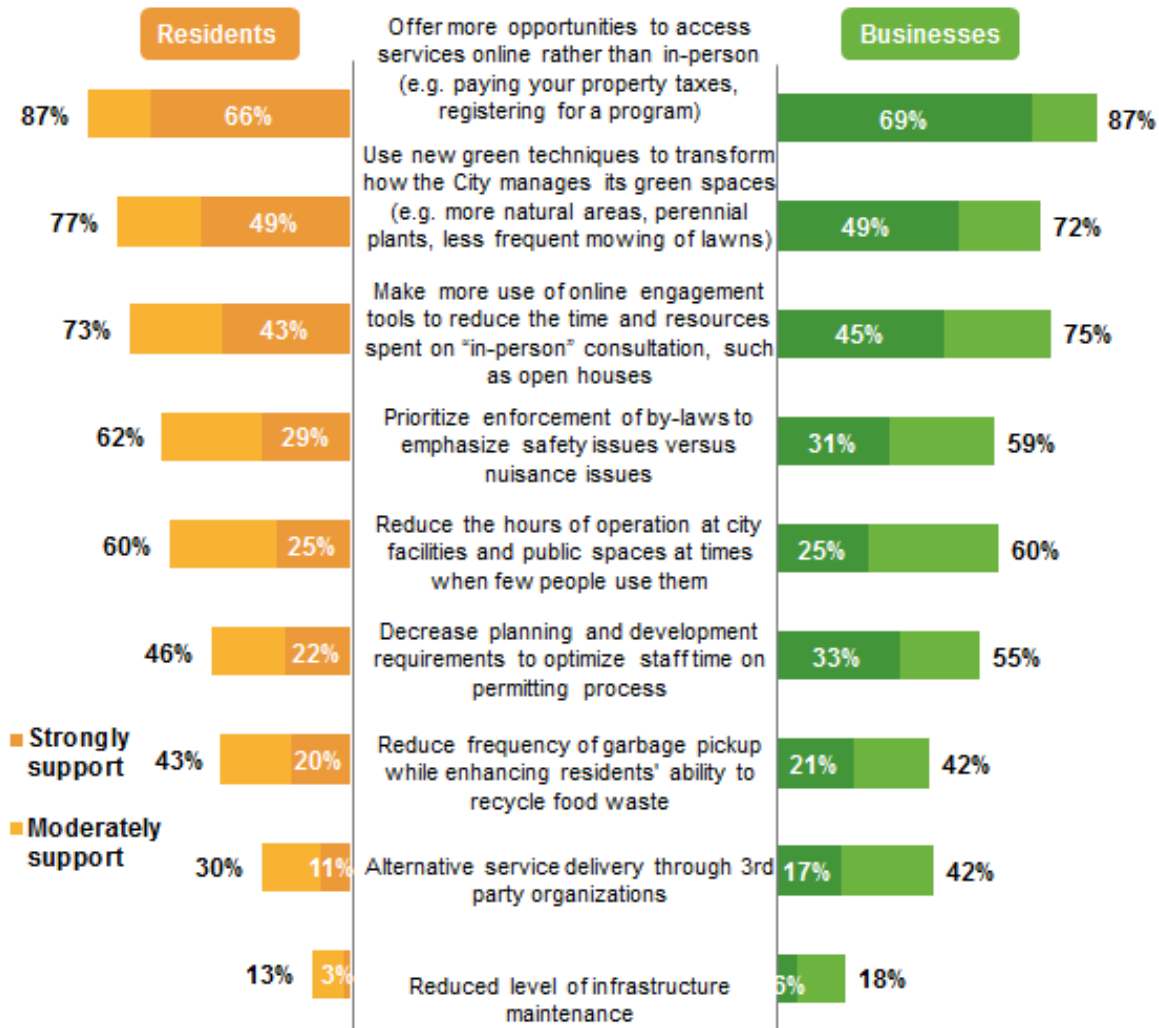
The proportion willing to pay more in user fees is high, at 65% on average among residents and businesses. Resident respondents were more willing to pay higher user fees than businesses (70% vs. 60%).



Base: Resident respondents (n=2,674) and Business respondents (n=682)
...Now think about the City services that you or your business use. Would you be willing to pay more in user fees for the services you use in order to maintain or improve them?

Support for efficiency measures for services

The use of online options for services and engagement, as well as green techniques, receive the most support for finding efficiencies in service provision. At least 72% of residents and businesses support each of these measures. The least popular was reducing infrastructure maintenance (supported by 16% of resident and business respondents on average).

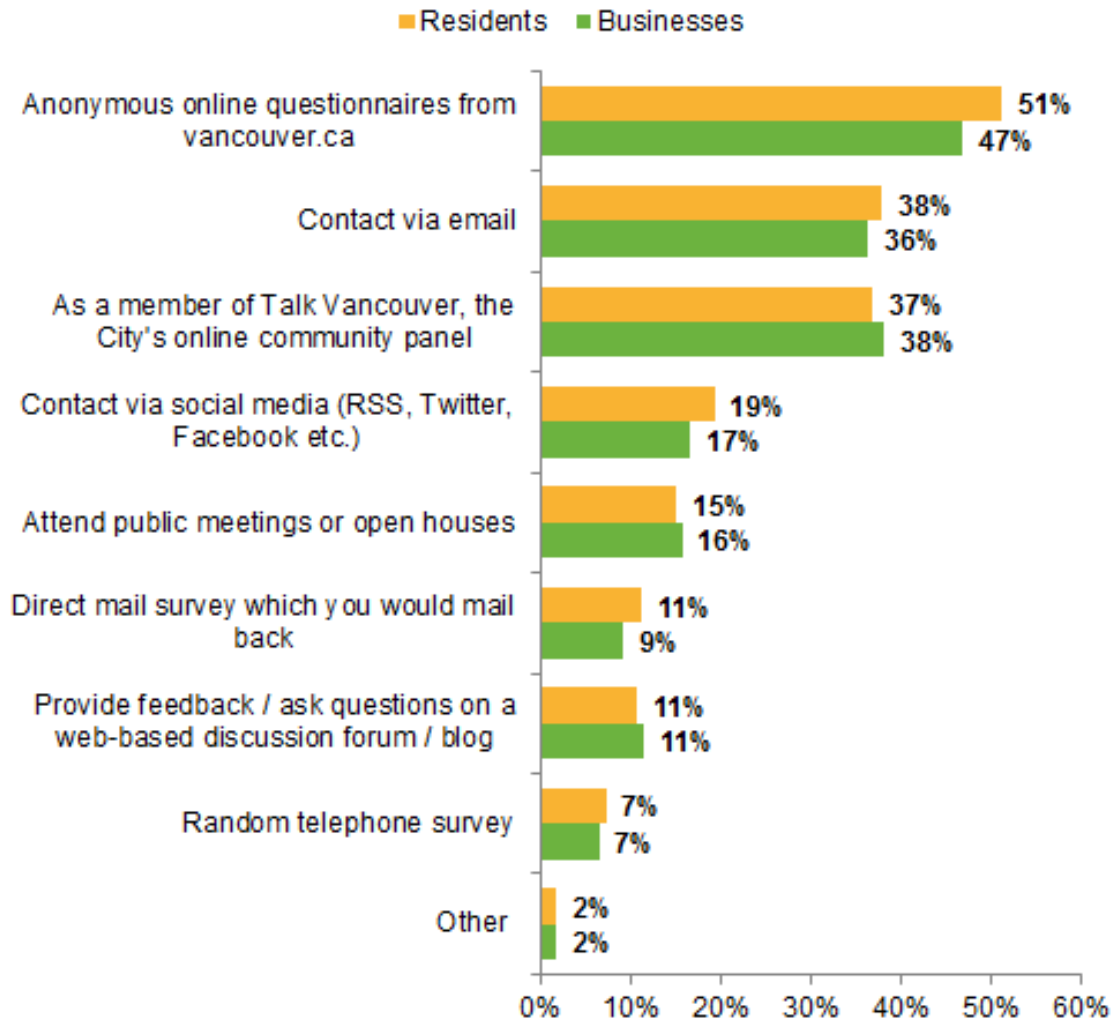


Base: Resident respondents (n=2,684) and Business respondents (n=682)

There are a number of initiatives which are common across other cities trying to find efficiencies in providing services to their residents/businesses. Would you support or oppose the City of Vancouver doing each of the initiatives below?

Preferred method of contact

Not surprisingly, online respondents prefer electronic means of contact with the City, such as online questionnaires, email, and participation as members of Talk Vancouver, the City's online public engagement panel. At least a third of residents and businesses prefer these ways of interacting with the City.

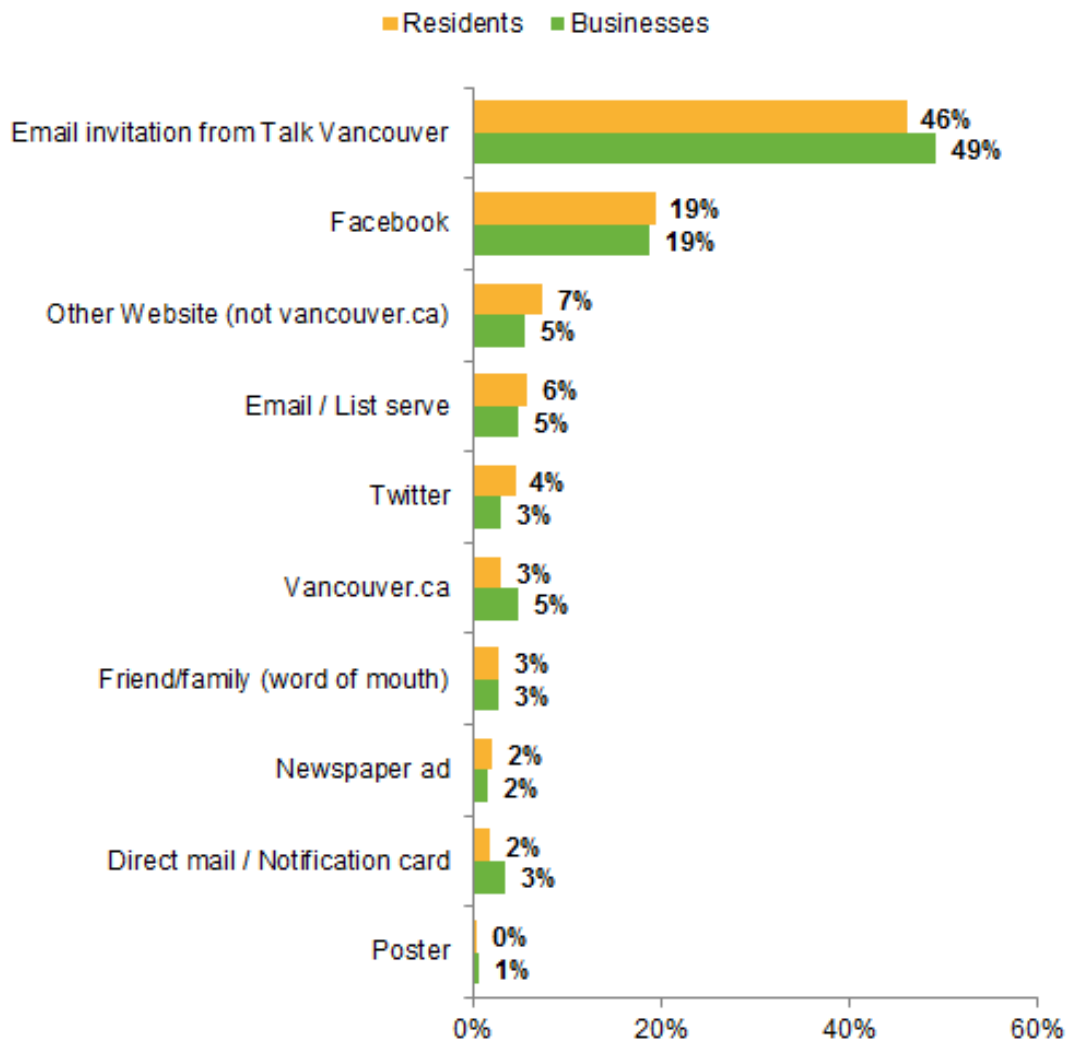


Base: Resident respondents (n=2,674) and Business respondents (n=682)

... We always like to check in on how you would prefer to interact with us. From the list below, please tell us which channels you are most likely to participate in.

Source of information about 2018 Budget survey

Close to half of respondents learned about the 2018 Budget survey through an email invitation from Talk Vancouver. The next most common source of information was Facebook, with 19% learning about the survey this way. The extensive Facebook promotion that took place for the Budget 2018 survey on social media effectively drove a significant number of people to the survey, and in doing so helped broaden the variety of people taking part.



Base: Resident respondents (n=2,674) and Business respondents (n=682)

How did you find out about the Budget 2018 questionnaire?

Summary of feedback from in-person outreach

Intercept summary: methodology

To increase the opportunities for citizens to provide their input on the 2018 Budget, we continued with the second year of an outreach program designed to welcome those who may not historically participate in the budget consultation.

We developed a living poll featuring LEGO constructions of the top 10 priority issues ranging from cost of living to health. We asked one question: “What is the most important issue facing the City at the present time?” We asked people to each take three LEGO pieces to cast a vote for their priorities.

This highly visual and inviting setup was taken to nine community centres, libraries, grocery stores and neighbourhood houses on three separate days.

As people passed by the display, they found it very easy to participate without having a long conversation. They could spend anywhere from 15 seconds to 15 minutes in conversation. This approach had the effect of drawing youth from ages 10-18 into a meaningful dialogue about how the City invests money in their communities. Parents found that it was a useful way to introduce the topics to their children.

The dioramas were also effective in bridging language barriers where concepts could be conveyed through imagery.

The top five responses of important City issues from the 1,013 votes cast by 367 respondents, selecting from a menu of 10 categories broke down as follows:

- Housing/ accommodation
- Cost of living
- Social issues
- Education
- Environment

Some comments:

- “This is a remarkable innovative way to do this”
- “What a creative way to do this!”
- “What do you do with the choices that people give you?”
- “Way to get kids to learn about it this way!”
- “Can I put in more than three?”
- “Can you come back next week and leave it here?”
- “Can you visit our co-op and do this there?”
- To their children, “How about we do it together?”

Multi-stakeholder workshop

The City of Vancouver's Finance team invited representatives from the City's broad range of community stakeholders, Council Advisory Committees and Business Improvement Associations (BIAs) to provide their perspectives on budget directions – 15 participants attended the workshop on October 19, 2017.

The session united representatives from: Seniors Advisory Committee, Persons with Disabilities Advisory Committee, LGBTQ2+ Advisory Committee, Downtown Vancouver BIA, and Hastings Crossing BIA.

Participants were presented with an overview of budget planning and the economic outlook. They used this information to answer three key questions:

From your perspective, what are the major priorities for Vancouver as a growing city? How can the City best address these priorities?

Most respondents identified housing affordability, homelessness and cost of living as priorities. Other significant themes included:

- public safety and the need to address growing street disorder in the downtown core;
- an aging population and the need for an age-friendly city;
- the coming millennial workforce and the future of work;
- designing and providing for a more accessible city with strategies ranging from building code amendments to more accessible public washrooms; and
- the need to reflect the City's diversity in upstream policies like targeted community-focused funding and equity hiring at the city.

To balance the 2018 budget, the City of Vancouver has a number of options to consider. Which of the following options would you prefer the City use to balance its budget?

- Increase existing fees and/or introduce new fees
- Increase property taxes
- Reduce the level of City services (e.g. hours, offerings)

Participant commentary revolved around seeking new forms of revenues through licensing. There was not a uniform take on increasing property taxes; however, there was an acknowledgement that Vancouver's property taxes are low compared to other regional municipalities. Some examples of new fees proposed: possible increases in business licences, development permits, dog licensing and even cyclist permitting. Participants also preferred, while not ideal, fee increases over service closures. There was discussion about how much revenue could be gained from fees versus closures and if other revenue sources could be explored.

Participants also suggested lobbying for portions of the provincial sales tax, implementation of a luxury home tax, and a portion of proceeds from revenues gained as a result of the proposed legalization of recreational cannabis. There was an overall call to action for the City to be bold and innovative in its search for additional sources of revenue, whether through automation of services or advocacy with other levels of government.

What is your take on the priorities outlined in the 2018 Budget Outlook?

Housing affordability and cost of living emerged as key priorities and a number of the participants said they felt more action is required, especially to address persistent challenges faced by seniors, people with disabilities and LGBTQ2+ youth.

There was significant commentary about the need to build on the theme of equity articulated in the Outlook. Several respondents discussed designating investments not only for places or communities, but for specific groups. One respondent identified the action taken in the last budget of providing .5% of the budget to address the opioid crisis as a defensible approach. The specificity of the investment built confidence, addressed impact, and improved transparency for the public.

Public safety was another theme along with the need to address, through ongoing community investments, impacts from poverty and the opioid crisis in city streets.

Next steps

This year we are excited to announce a pilot participatory budgeting process that will take place in 2018. We heard from citizens that they are interested in new forms of engagement that increase participation and accessibility, and will be looking at new digital tools, civic workshops and youth engagement in 2018. Along with Participatory Budgeting these tools offer a chance to build informed participation by those who may have been underrepresented in these conversations in the past – young people, newcomers to Canada, and even busy families.

Appendix

Organizations – stakeholder meeting

Representatives from the following organizations attended the October 19, 2017 stakeholder session:

- City of Vancouver
- LGBTQ2+ Advisory Committee
- Persons With Disabilities Advisory Committee
- Women’s Advisory Committee
- Seniors Advisory Committee
- Hastings Crossing BIA
- Downtown Vancouver BIA

Sample composition – business owners

Demographic group	Survey sample - businesses
Gender	
Male	49%
Female	40%
Transgender	0%
None of the above	1%
Prefer not to say	9%

Demographic group	Survey sample - businesses
Age	
18-39	35%
40-49	23%
50-59	24%
60 and over	17%
Residential Zone (of Business)	
Downtown	37%
Northwest	23%
Northeast	17%
Southwest	11%
Southeast	12%

Demographic group	Survey sample - businesses
Geographic Origins and Ethnicity	
North America Canadian First Nations (or Aboriginal Band) American	47% 45% 1% 3%
Europe British Isles (e.g. English, Scottish, Irish, Welsh) Eastern European (e.g. Russian, Ukrainian, Croatian, etc.) German French Other European (e.g. Greek, Italian, Swedish etc.)	37% 22% 8% 5% 1% 10%
Asia Chinese South Asian (e.g. Punjabi, Indian, Tamil, Pakistani, Bangladeshi, etc.) Japanese Other Asian (e.g. Filipino, Thai, Vietnamese etc.)	15% 12% 2% 1% 1%
Latin/South American	1%
Africa	1%
Other regions (e.g. Middle Eastern, Oceania, Caribbean)	2%



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