



## REPORT

Report Date: May 19, 2020  
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Meeting Date: May 26, 2020  
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TO: Vancouver City Council

FROM: Director of Finance

SUBJECT: COVID-19 Pandemic Impacts: Financial Mitigation and Restoration of City Service Plan

### **RECOMMENDATION**

THAT Council receive the COVID-19 pandemic Financial Update for Information, and request that the Director of Finance share this information with the Park Board, Library Board and Police Board.

### **REPORT SUMMARY**

The purpose of this report is to respond to Council's request for additional information following the April 14 and April 28, 2020, updates to Council on the financial impact of the COVID-19 pandemic. At the April 14th meeting, Council approved the following recommendation:

THAT, in response to the unique circumstances created by the COVID-19 pandemic including uncertainty about the ability to secure Provincial operating grants, decreased revenues the City is currently experiencing on a weekly basis, and the potential for property tax delinquency due to economic hardship, Council direct staff to prepare and bring forward to Council by May 2020 (in public or in camera as necessary), options for consideration that will enable the City of Vancouver to achieve a balanced 2020 Operating Budget, and mitigate anticipated reduced revenue and include the following:

- i. that such options take into account information from the Federal Government that COVID-19 related restrictions will continue at least through to the end of Summer, and that some level of COVID-19 response measures are likely to be in place for the remainder of 2020.

- ii. that the report include and provide Council with a summary of Capital Projects including funding source identification of restricted or unrestricted funds, and which projects impact the Operating Budget through debt servicing.

At the April 28th meeting, Council added the following direction:

“THAT Council direct staff to include in the mitigation plan deferral of service level increments, deferral of capital projects and reduction of the operating budget in order to achieve a balanced budget in 2020.”

This report will provide Council with a financial update and mitigation plan related to the COVID-19 pandemic. This mitigation plan includes a description of key service level impacts, a reduction of the operating budget in order to achieve a re-balanced budget.

Since Council's last update on April 28th, staff have established a financial plan to balance the 2020 operating budget utilizing further cost reductions, revenue adjustments and the general revenue stabilization reserve.

City staff are continuing to monitor and assess the impacts of the COVID-19 pandemic on capital projects and programs. In April, staff performed an initial short-term assessment of how projects would be impacted by physical distancing from April – June, with the majority reporting that they would be able to proceed as planned.

The City will continue to monitor the evolving situation and take appropriate actions to respond to the financial situation.

### ***COUNCIL AUTHORITY/PREVIOUS DECISIONS***

The 2019-2022 Capital Plan was approved by Council in July 2018, and the required borrowing authority components were approved by voters in October 2018.

The 2020 Budget, which includes both operating and capital, was approved by Council in December 2019.

### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

The City Manager recommends approval of the foregoing.

## **REPORT**

### **Background/Context**

Key dates in the COVID-19 pandemic:

|                   |   |
|-------------------|---|
| December 2019     | First cases of COVID-19 in China.   |
| January 27, 2020  | First case of COVID-19 in Canada (in Ontario).  |
| January 28, 2020  | First case of COVID-19 in British Columbia.   |
| January 30, 2020  | The World Health Organization (WHO) declared COVID-19 a Public Health Emergency of International Concern. |
| February 18, 2020 | City of Vancouver Emergency Operations Centre activated.  |
| March 9, 2020     | 32 confirmed cases in B.C. with 1 death.  |
| March 11, 2020    | The WHO declared COVID-19 a pandemic.   |
| March 12, 2020    | The City began closing some of its facilities and stopped providing some of its services.                 |
| March 16, 2020    | First provincial health order issued limiting mass gatherings   |
| March 19, 2020    | City of Vancouver declared State of Emergency   |
| March 31, 2020    | 8,591 confirmed cases in Canada, with 1,013 cases in B.C.   |
| April 14, 2020    | City staff reported to Council on the financial impact of Covid-19 including scenarios                    |
| April 28, 2020    | City staff presented an update to Council on the financial impact   |
| April 30, 2020    | 53,235 confirmed cases in Canada, with 2,112 cases in B.C.  |
| May 6, 2020       | Premier outlines plan to restart BC safely  |
| May 15, 2020      | 74,613 confirmed cases in Canada, with 2,407 cases in B.C.  |
| Mid-May 2020      | BC phase 2 restart plan starts  |

### **Strategic Analysis**

#### **Financial Update and Mitigation Plan:**

##### **A. Introduction/Background**

In assessing the financial impact to the City's 2020 budget and 5-year financial plan, scenarios (Table 1) were developed to assess potential impacts on revenues and expenditures. The key variables in the scenario models were broken into 2 categories as follows:

- Response phase – length of restriction, and extent of restrictions / non-essential service closures;
- Recovery phase – rate of recovery after restrictions are lifted, and shape / ultimate end point of the recovery curve (driven by the level or regional, national, and global recovery).

While the immediate impacts to the City's revenues as a result of the provincial physical distancing order are substantial, the time and shape of the recovery are also important factors in the assessing the overall financial impact. Staff will continue to follow available data on the number of BC cases and available models of COVID-19 spread to inform financial scenarios.

**Table 1: COVID-19 Financial Impact Scenario summary**

| Assumption   | Scenario 1  | Scenario 2 | Scenario 3 |
|--|---|------------|------------|
| Physical distancing restrictions lifted and services reopen              | May 31  | Aug 30     | Dec 31     |
| Extent of restrictions / non-essential service closures                  | Physical distancing restrictions as per current provincial health order   |            |            |
| Recovery time from date that physical distancing restrictions are lifted | 3 months  | 6 months   | 12 months  |
| Recovery curve   | Slower growth for first 2 months due to expected continued travel restrictions and time for business and the economy to ramp up after restrictions are lifted |            |            |

Staff modelled the financial impact on the City's operating budget for each of the scenario's above. The net financial impact ranged from a \$60 million shortfall to a \$190 million shortfall. In moving forward with a mitigation plan, staff have worked to develop a strategy for scenario 2 which assumes a budget shortfall of \$152 million, of which \$111 million financial deficit remains to be addressed.

## B. Mitigation Plan

The table below provides a high level summary of the \$111 million deficit outlined in Scenario 2 of the April 14<sup>th</sup> report to Council.

| <b>Gap of \$111 million</b>                                      | <b>Scenario 2<br/>Restrictions lifted end of Aug<br/>6 month recovery period</b> |
|--|--|
| Revenue Impacts/ shortfall                                       | (152)  |
| Expense Impacts and mitigations                                  | 40   |
| Provincial funding support for emergency response costs and DTES | 11   |
| <b>Net 2020 budget deficit</b>                                   | <b>(101)</b>   |
| <b>2021 Budget Impacts as part of recovery phase</b>             | <b>(10)</b>  |
| <b>Total Budget Impact in 2020 &amp; 2021</b>                    | <b>(111)</b>   |

To address the \$111 million deficit resulting from lost revenue and increased cost pressures related to COVID-19, the City is taking a balanced approach to mitigating the impact including actions such as staff layoffs, wage adjustments, cost containment, holds on hiring and utilizing reserves. The City has called upon senior levels of government to provide funding through operating grants to cover the City’s significant revenue losses such that the City can continue to provide public safety and other essential services while being prepared for the recovery of the economy.

The table below provides an updated forecast showing the revised forecast and mitigation actions.

| Mitigation strategy               | Updated forecast Impact on revenues/savings (\$M) | Changes from April 14 report   |
|-----------------------------------|---|--|
| Revenue impact/shortfall          | (136)   | <ul style="list-style-type: none"> <li>- Ramping up parking enforcement</li> <li>- Golf courses and VanDusen</li> </ul>  |
| Salary related expense mitigation | 64  | <ul style="list-style-type: none"> <li>- Hiring freeze</li> <li>- Exempt furlough, 0% inflationary increase, and deferred merit increase savings</li> <li>- Wage provision for City bargaining units excluding public safety.</li> <li>- Temporary layoffs due to facility closures</li> </ul> |
| Non-salary expense mitigation     | 20  | <ul style="list-style-type: none"> <li>- Building occupancy &amp; energy savings due to facility closures</li> <li>- Other discretionary expenses</li> <li>- Capital project deferrals and scope reductions in technology projects (funded from tax revenue)</li> </ul>                        |
| Reserves                          | 52  | <ul style="list-style-type: none"> <li>- Use of the revenue stabilization reserve and budgeted 2020 transfers to reserves</li> </ul>   |
| <b>Balanced 2020 Budget</b>       | -   |  |

The City is currently reviewing plans for accelerated restart of service delivery based on guidance recently released by the Province, and as these plans are developed there may be additional cost pressures than noted above. This would be the case in situations where services are able to resume sooner than assumed in the \$111 million gap scenario, or where the cost of delivering service is higher as a result of enhanced safety protocols. As updated information is available, staff will provide Council with updated financial forecasts and plans to offset the accelerated restart costs.

Please refer to tables below for a detailed breakdown and commentary.

**i. Revenue**

The updated revenue forecast is shown in the table below, which includes the impact of additional revenue measures against to close the \$111M gap.

| <b>Category (\$M)</b>   | <b>May 26th<br/>Forecast Update<br/>(Variance)</b> |
|---|--|
| <b>Revenues Impacts</b>   | <b>(136)</b>                                       |
| Parking   | (44)   |
| Program Fees (including recreation fees and admissions, and theatres revenue) | (44)   |
| By-law Fines  | (13)   |
| License & Development Fees  | (12)   |
| Revenue Allowances  | (11)   |
| Revenue Sharing   | (8)  |
| Rental, Lease & Other   | (5)  |
| Investment Income   | (1)  |
| Property Tax  | 3  |

The revenue forecasts noted above are based on available information and the direction from Council to take into account information from the Federal Government that COVID-19 related restrictions will continue at least through to the end of Summer, and that some level of COVID-19 response measures are likely to be in place for the remainder of 2020. After physical distancing restrictions are lifted, revenues will take time to recover to pre-COVID levels. Major Revenues impacted are Program fees and Parking fees due to Facility closures and the loss of parking revenue. We now have more information about the resumption of activities including golf and parking enforcement, and have updated our projections accordingly.

After Council's decision to restore Parking enforcement and the Park Board's decision to reopen certain facilities such as golf courses and the VanDusen Botanical Garden, the overall revenue forecast has improved by \$16 million mostly attributed to Parking fees, Program fees and By-law fines. Recovery of a number of City user fee revenues will be linked to the overall economic recovery of the region and the speed at which businesses and non-profits that have closed are able to reopen and residents impacted by financial hardship are able to recover.

Cost recoveries are forecasted to be on budget, are negatively impacted by a \$4 million reduction in Translink funding to the City's operating budget for major road maintenance. The decrease in Translink funding is being offset by higher than budgeted cost recoveries related to the DTES and developer funded projects. These above budget cost recoveries are offset by higher costs.

|                      |
|----------------------|
| ii. Cost mitigation: |
|----------------------|

The total cost mitigations are summarized below, which includes the impact of additional salary and non-salary cost mitigations identified through efforts to close the budget gap.

| Category (\$M)   | May 26th Forecast Update (Variance) |
|--|-------------------------------------|
| <b>Staffing</b>  | <b>64</b>                           |
| Reduced Salary expenses due to temporary layoffs   | 32                                  |
| Vacancy Savings<br>(Due to hiring restrictions and new investments deferral)                           | 18                                  |
| Wage Provision reduction for city bargaining units<br>(excluding public safety)                        | 9                                   |
| Exempt Savings (Merit/Furlough/Inflation)  | 8                                   |
| Salaries & Benefits Other Pressures  | (3)                                 |
|  |                                     |
| <b>Non-staff</b>   | <b>20</b>                           |
| Other Expenses   | 6                                   |
| Building Occupancy & Maintenance   | 4                                   |
| Professional Fees  | 4                                   |
| Capital funded from the operating budget reduced<br>by deferral of planned technology capital projects | 3                                   |
| Supplies & Materials   | 2                                   |

\*Totals may not add due to rounding

The mitigations shown in the table above include:

- \$32 million in Temporary layoff of 1,800 bargaining unit staff due to closure of key facilities and service changes due to COVID-19.
- \$18 million resulting from restrictions on new hiring and delays to new investments as detailed in section C below.
- \$17 million in compensation adjustments for Exempt staff and re-allocating City funds budgeted for 2020 bargaining unit compensation increases related to CUPE, IATSE and IBEW.

The cost mitigations identified have been partially offset by additional staffing costs in the following areas:

- Higher spend in DTES program and winter shelter spending offset by Provincial recoveries.
- Anticipated staffing spend on developer-funded projects e.g. St. Paul's Hospital, Heather Lands, Jericho Lands Policy, East Fraser Lands, North East False Creek Bridging, & Oakridge Redevelopment, offset by recoveries.

Any non-staff savings resulting from closure of key facilities and delays in investments have been built into the City Wide 2020 forecast numbers in the following categories:

- Building Occupancy & Maintenance energy related to closure of key facilities, lease payment savings due to delays in occupying new leased facilities, and school tax savings due to the provincial reduction in school tax.
- Supplies & Materials savings related to closure of key facilities and discretionary cost reviews.
- Other Expenses, Professional Fees: The cancellation of special events, Pay by phone contractual savings, and reframing of Vancouver Plan resulting in savings in consultation and engagement. The Vancouver Plan will be reframed to include a comprehensive approach for economic recovery and community resiliency.
- Travel and training due to restrictions and discretionary cost reviews.
- Capital funded from the operating budget has been reduced by deferral of planned technology capital projects which are funded by taxes (Enterprise Data Analytics, Lagan Upgrade, GIS Strategic Roadmap, Enterprise Search Strategy).

After factoring in the above salary and non-salary cost mitigations, a remaining budget gap of \$52 million will be addressed through the use of the revenue stabilization reserve and budgeted 2020 transfers to reserves. This would reduce the forecasted balance from 11% of revenues to 8% of revenues (the target range is 8-16% of non-utility revenues). This will allow a balance to be retained for future years or scenarios.

Council has requested the Vancouver Police Board to identify cost mitigations of 1% of the Vancouver Police Department budget which are being assumed as part of balancing the 2020 Budget.

### iii. Capital

City staff are monitoring and assessing the impacts of the COVID-19 pandemic on projects and programs included in the 2019-2022 Capital Plan. In April, staff performed an initial short-term assessment of how projects would be impacted by physical distancing from April – June. The majority of projects reported that they would be able to proceed as planned. Projects identified as either pausing or slowing down due to delays in consultation included:

- Projects currently in planning/scoping phase:
  - West End Community Centre/Joe Fortes Library project
  - Bute Greenway project
  - Robson/Alberni public space project
  - Chinatown Cultural Partnership project
  - Chinatown Memorial Square project
  - City Hall campus renewal project
  - Marpole Civic Centre project at Granville St. & 67<sup>th</sup> Ave.
- Projects currently in the detailed design phase:
  - Chinese Society Buildings renewal project
  - Archive renewal & relocation project



- Projects currently in the construction phase:
  - Nanaimo Street upgrade project
  - Richards Complete Street project

Staff are currently performing a longer term review to assess the risks, issues, impacts and expectations for the remainder of the 2019-2022 Capital Plan. Based on information collected to date, all three funding sources that support capital (City, Development and Partner contributions) will experience decreases, with a significant decline anticipated for Development Cost Levy (DCL) revenue. Staff are also anticipating additional funding from senior levels of government as part of an economic stimulus package and will identify projects that would be strong candidates for funding as programs are announced.

Early work has identified approximately \$3M in savings from projects funded by Capital from Revenue (an annual transfer from the Operating Budget to the Capital Budget) to help address the gap in the 2020 Operating Budget. These savings are primarily achieved by deferring the delivery of Technology projects from 2020 to 2021 and include:

- Deferring projects including:
  - Council meeting management project;
  - small to medium projects identified and prioritized by service groups;
- Deferring the scope of some projects including:
  - E-sourcing project (application supporting Supply Chain Management);
  - Lagan upgrade project (application supporting 311 call centre);
  - Citywire replacement project (internal website for City staff);

Review of the 2019-2022 Capital Plan will continue, with May – June spent gathering additional information, and June – July reviewing and assessing options. There will be ongoing dialogue with Council as staff move through this process, with the end results being brought for approval as part of the Capital Plan Mid-Term Update.

### C. Changes to planned 2020 Investments

The 2020 Budget included 2 major categories of investments:

- Investments required to fill Service Gaps and Address Risks
- Investments to address Council Priority areas

Many of the investments in these categories have been delayed due to the closure of key facilities, review of new hiring and holding vacancies, and from staff being redeployed to support the Emergency Operations Centre. Any savings resulting from delays in these investments have been built into the City Wide 2020 forecast numbers presented in this report.

#### Investments to fill Service Gaps and Address Risks:

The 2020 Budget included \$37 million in investments required to fill service gaps and address risk, funded from sources such as property taxes, user fees, utility fees, and internal reprioritization of existing budgeted resources across the organization. The tax funded portion of these investments was \$27 million. Of the 76 investments related to service gaps and risk, 30 have been delayed, and 3 cancelled due to COVID-19. The total value of savings in 2020 is \$5.3 million with the tax funded portion \$2.5 million.

The top 6 savings by investment are described below:

- PDS and Engineering have delayed staffing increases which were planned to better manage increase in volume and complexity of development in Vancouver resulting in \$1.725 million savings in 2020.
- Vancouver Board of Parks and Recreation investment to increase staffing requirement at Park Board Arenas to comply with recent regulatory changes has been delayed as existing staff are able to comply with regulatory changes due to facility closures. This resulted in \$510K of anticipated savings in 2020.
- Engineering investment related to the maintenance of green rainwater infrastructure assets implemented across the City has been delayed due to staffing constraints resulting in savings of \$300K in 2020.
- VFRS Implementation of year two of five from its Operational Review recommendations for resources was largely completed earlier in 2020, however, 2 exempt staff positions have been held vacant resulting in \$250K savings for 2020. Note that this does not include further savings as a result of redirecting staff and holding vacancies which is described in the service level section below.
- ACCS has delayed hiring associated with increased expectations and workload pressures related to social and cultural policy and strategy development resulting in \$600K savings for 2020
- Human resources investment increase to improve responsiveness to organizational demands for HR consultation and advice and support an increased organizational workload has been delayed. This delay results in \$210K savings in 2020.

#### Council Priority Investments:

The 2020 Budget included 39 new investments totaling \$21.2 million to support Council priorities and improve service levels in core services. The tax funded portion of these investments was \$15 million (23 investments). Of the 39 investments, 20 have been delayed, and 1 reduced in scope. The total savings in 2020 is \$7.3 million with the tax funded portion \$5.7 million. Refer to appendix 2 for a list of planned investments including status.

#### Accelerate action on climate change:

There are 9 planned investments totaling \$6.8 million. These investments will focus on climate change including funding to support and encourage more zero emission buildings in the city, address urban heat islands, plan for a sea level rise challenge, and continue tree planting to improve the urban forest canopy. There are two investment delays planned in this area: PDS will defer assessing carbon sequestration options and sea level rise design until 2021 which will reduce 2020 planned expenditures by \$280k.

#### Address affordability and the housing crisis:

There were 9 planned investments in this area totaling \$4.1 million. Of the 9 planned investments, 4 are delayed due to facility closures and staffing constraints. These delayed investments include extension of Sunday hours to full days at four VPL branches and providing access to high demand public space, as well as housing related initiatives: regulatory enhancements to increase and improve the stock of affordable housing, affordable home ownership policies, and assessment of policy and By-law definitions of affordability to align with

outcomes of current policy work, which were to be reported back to Council when fully assessed. These will be delayed until 2021 resulting in a savings of \$732K in 2020.

Protect and build our economy:

There were 5 planned investments in this area totaling \$6.1 million. Of the 5 planned investments, 2 are delayed and 1 scope change due to COVID-19. Of most significance is a reduction to the Vancouver Plan budget. The Vancouver Plan has been reframed to include a comprehensive approach for economic recovery and community resiliency as a result of COVID-19. In addition, \$3.4M savings in 2020 has resulted from significant downscaling of the public consultation budget, scaling back partnerships with key stakeholder groups which will be revisited in future budget years, reductions in external technical consulting resources by shifting to in house resources for things like economic testing and modeling, and detailed implementation and investment strategies will be delayed to 2022-24.

In addition there will delays with the development of a special events policy and implementation of policy and actions resulting from the community-endorsed Culture|Shift, Making Space for Arts and Culture, and Vancouver Music Strategy. These delays result in a savings of \$500K in 2020.

Increase focus on diversity and critical social issues:

There were 8 planned investments in this area totaling \$2 million. Of the 8 planned investments, 6 are delayed due to COVID 19. These delays include investments to support development and implementation of the City's equity framework, racial equity and redress projects (South Asian Apology and anti-Black racism), Reconciliation and urban Indigenous engagement, local community economic development (low-barrier employment, etc), as well as the development of a service review and plan for Carnegie, Gathering Place and Evelyne Saller Centre. These delays result in a savings of \$1.35 million in 2020.

Delivering quality core services that meets residents' needs:

There were 8 planned investments in this area totaling \$2.1 million. Of the 8 planned investments, 6 are delayed due to COVID-19. These delays include support for improved street cleaning services, which includes litter pickup and street sweeping in the downtown core and tourist areas, off-leash dog parks and dog waste collection program, responding to Council direction to develop a City-branded textile recovery program, expansion of the swim to survive initiative, and improvement of service levels with respect to quicker response times to enquiries related to Parks and Recreation. These delays result in a savings of \$1.06 million in 2020.

#### iv. Major Service Reductions

The table below outlines the major service level impacts as a result of service and facility closures in response to COVID-19, as well as actions taken to reduce our costs in order to cover our revenue shortfall. The majority of our service level impacts result closed facilities, reviewing new hiring and holding vacancies, as well as from staff being redeployed to the Emergency Operations Centre.

| Department                                 | Major Service Impacts  |
|--|--|
| Parks and Recreation                       | <ul style="list-style-type: none"> <li>- Closure of facilities led to service reductions and staff layoffs – this is focused primarily on sites that were closed in response to inability to meet social distancing, gathering size, and cleanliness requirements. Examples include the closure of community centres, pitch and putts, pools, rinks and gyms. Non-salary costs related to closures have also been quantified as savings to mitigate the budget gap</li> <li>- Seasonal staff typically hired for spring summer will be significantly reduced. The public can expect reduced service levels in the areas of park maintenance. Visits to parks by maintenance crews will be less frequent, and extent of services will be reduced – example fine area mowing will be limited, while staff will make best efforts to maintain wide area green spaces.</li> </ul>  |
| Development, Buildings, and Licensing      | <p>Majority of service level impacts are related to reviewing new hiring and holding vacancies as well as exempt furlough days. Vacancies in the following areas may have the following impacts to services:</p> <ul style="list-style-type: none"> <li>- Development Services, Buildings and Trades - impact permit processing times, and ability to complete building inspections potentially slowing down granting occupancy.</li> <li>- Property Use inspections - impact the ability to address resident complaints.</li> <li>- Animal Services – impact on ability to attend Animal Control calls.</li> <li>- Operations – slow down of enforcement letter processing times.</li> <li>- Service Centre &amp; Phone Centre operations – currently assessing impact of physical distancing in this area. Anticipate being able to find solutions using a combination of digital delivery and improved utilization of space available in the West Annex.</li> </ul> |
| Vancouver Public Library                   | <ul style="list-style-type: none"> <li>- Closure of indoor public spaces used by 18,000 people per day</li> <li>- Loss of computer access for people who have been relying on 500 library public computers, normally in use an average of 2,550 hours per day</li> <li>- 20,500 books not borrowed per day for learning and recreation</li> <li>- Loss of service through physical locations delivered by 215 full time staff and 400 part time and auxiliary staff who have been laid off, resulting in savings of \$1.7M per month of closures.</li> </ul>   |
| Real Estate and Facilities Management      | <ul style="list-style-type: none"> <li>- Service level impacts are related to reviewing new hiring, holding vacancies, the impact of furlough days as well as facility &amp; office closures including the reduced use of office spaces and delayed investments in Preventative Maintenance programs</li> </ul>  |
| Planning, Urban Design, and Sustainability | <p>Reviewing new hiring and hold vacancies has affected over 20 positions in PDS. Major service level impacts described below are a result of holding these vacancies as well as the impact of furlough days.</p>  |

|   |  |
|---|--|
|   | <ul style="list-style-type: none"> <li>• Long Range Planning – Impacts progression of various priorities including: Green Buildings, Heritage Deliverables, Community Development in Chinatown, and Indigenous Planning work. With the vacancies in Community Planning, Actions while Planning (part of Vancouver Plan) will be slower to progress.</li> <li>• Current Planning – The group will need to prioritize existing cases, low priority cases on hold (typically, higher fee cases – downtown strata), limited capacity to accept new files, lower fee revenues, longer review times, complaints from industry and individual applicants, and potential escalation of these issues.</li> </ul>  |
| <p>Engineering</p>                        | <ul style="list-style-type: none"> <li>- Filming and special event application review process has been reduced to correspond with the significant lower number of application during COVID-19.</li> <li>- There are a number of programs that are partially funded by Translink’s Operating, Maintenance and Rehabilitation funding for its Major Route Network. As a result of a reduction in Translink funding certainty, these programs have reduce its service level, including:             <ul style="list-style-type: none"> <li>• Major streets slot grinding</li> <li>• Hotpour crack sealing</li> <li>• Cut-out and patching of roadway</li> <li>• Curb repair</li> <li>• Special service and tree pitt maintenance</li> </ul> </li> <li>- Delay of Council Motion &amp; Investments, such as:             <ul style="list-style-type: none"> <li>• Green Infrastructure Maintenance</li> <li>• Dog Waste Collection</li> <li>• City-Branded Textile Recovery Program</li> <li>• Mobile Pumpout Boat</li> </ul> </li> <li>- Reduction of delivery as a result of reviewing new hiring and holding vacancies in the following area:             <ul style="list-style-type: none"> <li>• Traffic and Data Monitoring – Traffic Data Count</li> <li>• Public Space Street Activities and Street Use</li> </ul> </li> </ul> |
| <p>Civic Theatres</p>                     | <ul style="list-style-type: none"> <li>- Closure of the facilities led to service reductions and staff layoffs – sites were closed in response to inability to meet social distancing, gathering size, and cleanliness requirements.</li> </ul>  |
| <p>Vancouver Fire and Rescue Services</p> | <ul style="list-style-type: none"> <li>- Staff have been redirected to suppression from prevention, training and other divisions. As a result we have deferred certain fire life safety inspections until businesses reopen and mandatory training will need to be completed at a later date. VFRS has delayed hiring and held vacancies, resulting in delays in redirecting staff to support the Medic 11 team, stationed in the DTES, which was communicated to Council as the highest priority to be added to the VFRS response profile in 2020. Holding vacancies will also impact the development of our Mental Health Program and limit VFRS’ ability to develop various Diversity and Outreach strategies. VFRS have reduced discretionary spending and deferred the purchase of some safety equipment to 2021.</li> </ul>  |

|  |   |
|--|---|
| <p>Vancouver Police Department</p>           | <p>As an essential service, the Vancouver Police Board has not put forward reductions to the Vancouver Police Department budget. Crime and calls from the public have continued through the pandemic and the following has been noted:</p> <ul style="list-style-type: none"> <li>• A rise in anti-Asian hate crimes;</li> <li>• A significant increase in Commercial break-and-enters targeting closed businesses.</li> <li>• An escalation in the use of violence during thefts and general street disorder.</li> </ul> <p>Echo pandemic concerns regarding domestic violence, mental health crisis, and disturbances.</p>  |
| <p>Technology Services</p>                   | <p>- Service Level impacts are related to holding vacancies as well as exempt staff furlough days. The vacant staffing positions will impact project delivery, service request fulfillment and incident response service levels. TS has also reduced training funding which will impact staff recruitment and retention. TS has delayed capital projects which are funded by taxes (Enterprise Data Analytics, Lagan Upgrade, GIS Strategic Roadmap, Enterprise Search Strategy).</p>   |
| <p>Arts, Culture, and Community Services</p> | <p>- Social Policy: There have been service level impacts as a result of holding vacancies and redirection of other new investments funding to address the broader operating budget, exempt furlough days, and staff being redirected to COVID-19 response work. As a result, a number of social policy projects will be delayed or cancelled and will be resubmitted for 2021 budget consideration as a result. For example, the Equity Framework completion and implementation, Access without Fear motion response, Mayor’s Overdose Task Force, Sexual harassment and Violence prevention in Entertainment district, and Community economic development work are all delayed, and one-time projects such as the South Asian Apology, anti-Black racism plan, and the Indigenous Healing and Wellness strategy will either remain delayed or will need to be resubmitted for consideration in the 2021 budget process. Sexual harassment and Violence prevention in Entertainment district, Community economic development work.</p> <p>- Cultural Services: There have been service level impacts as a result of holding vacancies, exempt furlough days, and staff redeployed to COVID-19 response. These impacts will delay work on the Culture Shift implementation including Making Space of Art, Vancouver Music Strategy, First Nations engagement, Night life economy, Equity grants, and Public Art Signature projects. As well, some of the positions intended to address growing workload pressures have been held and existing staff will continue to be pressed to meet increased expectations arising from various new policy and development projects across the city.</p> <p>- Non-market housing operations: The development of a violence prevention program has been postponed due to staff capacity. Social distancing requirements have caused the Recreation</p> |

|   |   |
|---|---|
|   | <p>programs at Gathering Place, Evelyn Saller Centre and Carnegie to be on hold.</p>  |
| <p>Finance, Risk, and Supply Chain Management</p> | <p>- Majority of service level impacts are related to holding vacancies (hiring freeze) as well as exempt furlough days. Vacancies will have impacts to the following services: Affordability analysis and Enterprise Risk programs will be delayed until 2021. A number of policy and strategy work will not be complete in 2020 (ISO20022 work, Compliance Framework, updated investment strategy and Equity base budgeting).</p> |

**Financial**

The above sections have outlined a plan to mitigate the \$111 million gap as well as key investment deferrals and service level impacts. The forecast for a balanced 2020 budget is based on one of many possible scenarios, and scenarios will continue to be developed as new information is received on the path the economic recovery.

If there is a second wave of infections, there is a risk that revenues could fall below the levels forecast in this report, and it is also possible that some revenues could recover faster as more businesses are able to reopen. The scenario presented in this report also assumes gradual reopening of city services beginning in September. To the extent that the reopening of services is able to occur sooner than forecast, or that the cost increases to safely operate services with physical distancing measures, expenses may be higher than forecast and will need to be offset by further savings or additional revenues.

City staff will continue to monitor the financial situation closely as key services re-commence or facilities re-open and will update Council regularly based on new information and changing assumptions resulting from the City’s recovery program.

**Legal**

The Vancouver Charter requires that the City balance its annual budget, and that expenditures do not exceed revenue estimates without approval of the Province.

**CONCLUSION**

This report has provided a response to Council’s request for additional information following the April 28th update to Council which outlined the financial impact of COVID-19 on the City. At that meeting, Council requested a mitigation plan which includes an overview of service level impacts, as well as a reduced operating budget to achieve a balanced budget in 2020. Staff are currently performing a longer term review to assess the risks, issues, impacts and expectations for the remainder of the current capital plan period (2020-2022). Ongoing monitoring of the City’s evolving financial situation will be crucial and regular updates will be provided.

\* \* \* \* \*

Appendix 1 - Investments to address risk and fill service gaps - Impact due to COVID-19

| Department                  | Description   | Funding Source | Impact due to COVID-19    | 2020 Original Investment<br>(\$ in 000's) | 2020 Adjusted<br>Investment (\$ in 000's) | Change in Investment Request<br>(\$ in 000's) |
|-----------------------------|---|----------------|---------------------------|---|---|---|
| ACCS                        | ACCS is challenged to maintain adequate staff training in core areas of work and compliance. With the proposed increases in this budget, additional training resources are needed to reflect additional staff needing training  | OTHER          | Cancelled                 | \$17                                      | \$0                                       | \$17  |
| ACCS                        | Increasing Staffing and other cost from Vancouver Civic Theatre Presents Pilot expansion. Offset by projected increased revenues  | OTHER          | No change due to COVID-19 | \$180                                     | \$180                                     | \$0   |
| ACCS                        | Senior Social Policy Planner needed to deal with increasing workload from Corporate Strategic Priorities.   | TAX            | Delayed                   | \$113                                     | \$0                                       | \$113   |
| ACCS                        | Social Planner PII /PIII for Indigenous Relation Initiatives.   | TAX            | Delayed                   | \$113                                     | \$0                                       | \$113   |
| ACCS                        | Social Policy workload is growing dramatically in recent years to accommodate new Corporate priorities and policy development. Senior clerical support is required to support document preparation, scheduling and project assistant etc, But this position will take on the clerical work including consolidation of preparatory research of each project prior to meeting operators to alleviate the pressures on the manager who is currently doing this work                | TAX            | Delayed                   | \$51                                      | \$0                                       | \$51  |
| ACCS                        | Supplies, local travel, equipment- for new staff  | OTHER          | Cancelled                 | \$5                                       | \$0                                       | \$5   |
| ACCS                        | The City offers land and space to hundreds of non-profit cultural, social, and housing organizations. Overall, the value of this land is approximately \$2B. As the number of spaces have increased over the years and interest in increased tracking out outcomes are desired, existing staff cannot keep up with tracking and monitoring of these investments. Additional resources will be required in the future, but this position addresses the most urgent resource gap. | TAX            | Delayed                   | \$67                                      | \$0                                       | \$67  |
| ACCS                        | To address a growing gap in base capacity in the Cultural Infrastructure team to respond effectively to rezonings, community plans, and emerging issues such as space loss  | TAX            | Delayed                   | \$99                                      | \$0                                       | \$99  |
| ACCS                        | To address the base capacity gap in Cultural Services: the lack of a culture policy position in Cultural Services, to maintain and monitor cultural policy such as Culture Shift and to respond to emerging Council and community priorities and issues   | TAX            | Delayed                   | \$99                                      | \$0                                       | \$99  |
| ACCS                        | To enhance administrative team management and support the coordination of administrative resources across all departments at Woodwards, support process development for ACCS for more administrative efficiency and to enable consistent and coordinated work related to occupational health and safety, risk management, and emergency planning.   | TAX            | Delayed                   | \$71                                      | \$0                                       | \$71  |
| <b>ACCS Total</b>           |   |                |                           | <b>\$816</b>                              | <b>\$180</b>                              | <b>\$636</b>                                  |
| Centrally Held              | Enhance community resiliency: Onetime program funding to support commitments and continuity of ongoing actions in Resilient Vancouver Strategy. Empower communities to support each other during crises and recover from shocks and stresses; Support development of a community-led DTES emergency response and recover plan.  | TAX            | No change due to COVID-19 | \$75                                      | \$75                                      | \$0   |
| Centrally Held              | Infrastructure renewal and non-utility debt costs   | TAX            | No change due to COVID-19 | \$10,686                                  | \$10,686                                  | \$0   |
| Centrally Held              | Reserve for snow and storm events to address the unpredictability of extreme weather events and their associated costs.   | TAX            | No change due to COVID-19 | \$1,000                                   | \$1,000                                   | \$0   |
| <b>Centrally Held Total</b> |   |                |                           | <b>\$11,761</b>                           | <b>\$11,761</b>                           | <b>\$0</b>                                    |



Appendix 1 - Investments to address risk and fill service gaps - Impact due to COVID-19

| Department                       | Description  | Funding Source | Impact due to COVID-19    | 2020 Original Investment (\$ in 000's) | 2020 Adjusted Investment (\$ in 000's) | Change in Investment Request (\$ in 000's) |
|----------------------------------|--|----------------|---------------------------|--|--|--|
| Clerks                           | Enhance decision making and reduce legislative risk: One-time funding for one (1) Clerk position to assist Meeting Coordinators in managing increasing workload associated with longer council meetings.   | TAX            | Delayed                   | \$62                                   | \$15                                   | \$46                                       |
| Clerks                           | Enhance decision making and reduce legislative risk: Ongoing funding for one (1) council committee clerk to assist advisory bodies and perform a comprehensive review of advisory committees.  | TAX            | No change due to COVID-19 | \$57                                   | \$57                                   | \$0  |
| Clerks                           | Improve public policy and Reduce legislative risk: One-time funding for one (1) public policy coordinator role to assist in the management of the City's Corporate Management Framework, which is the process for approval and review of all corporate (Council and administrative) City policies. Role helps to reduce risk by ensuring regular review and revision of policies.      | TAX            | Delayed                   | \$89                                   | \$22                                   | \$66                                       |
| Clerks                           | Increase accountability: One-time funding for one (1) Freedom of Information (FOI) Clerk position providing critical support to the FOI process and ensuring regulatory compliance with the requirements of the Freedom of Information and Protection of Privacy Act.  | TAX            | No change due to COVID-19 | \$64                                   | \$64                                   | \$0  |
| Clerks                           | Reduce compliance risk: Increase budget for the Board of Variance to ensure the city continues to comply with the Charter of Board of Variance-by-law.   | USER FEES      | Cancelled                 | \$141                                  | \$95                                   | \$46                                       |
| <b>Clerks Total</b>              |  |                |                           | <b>\$413</b>                           | <b>\$254</b>                           | <b>\$158</b>                               |
| CMO                              | Enhance community resiliency: Ongoing funding for one planner position responsible for improving building performance, decreasing displacement and accelerate recovery from earthquakes.   | OTHER          | No change due to COVID-19 | \$129                                  | \$129                                  | \$0  |
| CMO                              | Enhance community resiliency: Ongoing funding for one social planner position responsible for cross departmental coordination and community engagement to scale the Resilient Neighbourhood Program. Empower communities to support each other during crises and recover from shocks and stresses; Transform the way communities understand climate and disaster risk.                 | OTHER          | No change due to COVID-19 | \$105                                  | \$105                                  | \$0  |
| CMO                              | Enhance public engagement: Ongoing funding for a Senior Social Digital Communications Strategist position to lead social media strategy, analysis and investment, promote more public participation online via social marketing and improve online social engagement and service levels for residents via digital channels, provide greater analysis and tracking of resident opinion. | TAX            | No change due to COVID-19 | \$95                                   | \$95                                   | \$0  |
| <b>CMO Total</b>                 |  |                |                           | <b>\$329</b>                           | <b>\$329</b>                           | <b>\$0</b>                                 |
| Councillor's Office              | Permanent funding for support for councilors for constituency work and responding to public concerns   | TAX            | No change due to COVID-19 | \$240                                  | \$240                                  | \$0  |
| <b>Councillor's Office Total</b> |  |                |                           | <b>\$240</b>                           | <b>\$240</b>                           | <b>\$0</b>                                 |
| DBL                              | Additional funds required to deliver Short Term Rental program   | USER FEES      | No change due to COVID-19 | \$63                                   | \$63                                   | \$0  |
| DBL                              | Additional licensing staff funded from license fees to provide capacity to address ongoing licensing policy work and respond to licensing-related motions from Council   | USER FEES      | No change due to COVID-19 | \$109                                  | \$109                                  | \$0  |
| DBL                              | Staffing increase funded from development fees to deliver a number of Council Priorities (specifically Deliver Quality Core Services, Address Affordability and the Housing Crisis, and Protect and Build Our Economy) and to better manage the volume and complexity of development applications in Vancouver   | USER FEES      | No change due to COVID-19 | \$675                                  | \$675                                  | \$0  |
| DBL                              | Staffing increase funded from development fees to focus on engaging with the development industry with a focus on getting more "right-first-time" applications in order to significantly reduce the processing churn, and therefore speed up development & building permit approvals   | USER FEES      | No change due to COVID-19 | \$138                                  | \$138                                  | \$0  |
| <b>DBL Total</b>                 |  |                |                           | <b>\$985</b>                           | <b>\$985</b>                           | <b>\$0</b>                                 |

Appendix 1 - Investments to address risk and fill service gaps - Impact due to COVID-19

| Department                 | Description   | Funding Source             | Impact due to COVID-19    | 2020 Original Investment<br>(\$ in 000's) | 2020 Adjusted<br>Investment (\$ in 000's) | Change in Investment Request<br>(\$ in 000's) |
|----------------------------|---|----------------------------|---------------------------|---|---|---|
| ENG PW                     | Additional development fee revenue from development applications  | USER FEES                  | Delayed                   | \$825                                     | \$0                                       | \$825   |
| ENG PW                     | Additional Engineering fee revenue from development applications  | USER FEES                  | No change due to COVID-19 | \$245                                     | \$245                                     | \$0   |
| ENG PW                     | Enhance inspection and maintenance on major bridges   | TAX                        | No change due to COVID-19 | \$200                                     | \$200                                     | \$0   |
| ENG PW                     | Increased mattress recycling/drop-off cost imposed by third party   | TAX                        | No change due to COVID-19 | \$83                                      | \$83                                      | \$0   |
| ENG PW                     | Maintenance for Pole painting, signs and decoration lighting in support of BIA priorities   | TAX                        | No change due to COVID-19 | \$83                                      | \$83                                      | \$0   |
| ENG PW                     | Manage street use programs and amenities (e.g. street furniture, horticulture, patios, ads, food trucks)  | TAX                        | No change due to COVID-19 | \$142                                     | \$142                                     | \$0   |
| ENG PW                     | Staff for supporting the delivery of ride hailing service   | USER FEES                  | Deferred indefinitely     | \$100                                     | \$0                                       | \$100   |
| ENG PW                     | Staff for supporting the water and sewer servicing review for a new development   | TAX+USER FEES              | No change due to COVID-19 | \$80                                      | \$80                                      | \$0   |
| ENG PW                     | Training and support to address new safety requirement for electrical crews   | TAX                        | No change due to COVID-19 | \$100                                     | \$100                                     | \$0   |
| <b>ENG PW Total</b>        |   |                            |                           | <b>\$1,858</b>                            | <b>\$933</b>                              | <b>\$925</b>                                  |
| ENG Utilities              | Backfills a position for a staff person who require an accomodation (IT)  | UTILITY FEES               | No change due to COVID-19 | \$100                                     | \$100                                     | \$0   |
| ENG Utilities              | Driver training for collections staff who operate unique equipment to improve safety and prevent injuries   | UTILITY FEES               | No change due to COVID-19 | \$200                                     | \$200                                     | \$0   |
| ENG Utilities              | Expand efforts to reduce wasted food through direct contact with businesses and the community.  | USER FEES+UTILITY FEES     | No change due to COVID-19 | \$200                                     | \$200                                     | \$0   |
| ENG Utilities              | Increase transfer to water stabilization reserve to plan for future capital projects by Metro Vancouver, such as Second Narrow Tunnel.  | UTILITY FEES               | No change due to COVID-19 | \$2,000                                   | \$2,000                                   | \$0   |
| ENG Utilities              | Increased mattress recycling/drop-off cost imposed by third party   | TAX+USER FEES+UTILITY FEES | No change due to COVID-19 | \$200                                     | \$200                                     | \$0   |
| ENG Utilities              | Increased support for pump station operations in resiliency and data collection   | UTILITY FEES               | No change due to COVID-19 | \$214                                     | \$214                                     | \$0   |
| ENG Utilities              | Increased support staff for the Transfer Station and Landfill to meet the 7 days per week operating needs   | USER FEES+UTILITY FEES     | No change due to COVID-19 | \$200                                     | \$200                                     | \$0   |
| ENG Utilities              | Maintain the operation of a mobile pumpout boat for the False Creek   | UTILITY FEES               | Delayed                   | \$100                                     | \$50                                      | \$50  |
| ENG Utilities              | Prepare and implement strategies for the provision of drinking water following emergencies, in collaboration with Federal, Provincial and Municipal Governments.  | UTILITY FEES               | No change due to COVID-19 | \$260                                     | \$260                                     | \$0   |
| ENG Utilities              | Rehabilitate approximately 25 sewer maintenance holes, rehabilitate approximately 100 aging service connections and rehabilitate approximately 20 aging catch basin connections, to prevent flooding and sewer backups. | UTILITY FEES               | No change due to COVID-19 | \$424                                     | \$424                                     | \$0   |
| ENG Utilities              | Safety and emergency response training for Sewer Operations   | UTILITY FEES               | Delayed                   | \$153                                     | \$93                                      | \$60  |
| ENG Utilities              | Staff for supporting non-standard utility accounts such as cooling towers, sewer discounts, discharge permits, etc.   | UTILITY FEES               | No change due to COVID-19 | \$100                                     | \$100                                     | \$0   |
| ENG Utilities              | Supervisory role needed to maintain the growth in the demand in Transfer Station and Landfill Operation   | USER FEES+UTILITY FEES     | No change due to COVID-19 | \$150                                     | \$150                                     | \$0   |
| ENG Utilities              | Undertake the maintenance of green rainwater infrastructure assets implemented across the City  | UTILITY FEES               | Delayed                   | \$300                                     | \$0                                       | \$300   |
| <b>ENG Utilities Total</b> |   |                            |                           | <b>\$4,601</b>                            | <b>\$4,191</b>                            | <b>\$410</b>                                  |

Appendix 1 - Investments to address risk and fill service gaps - Impact due to COVID-19

| Department            | Description  | Funding Source | Impact due to COVID-19    | 2020 Original Investment (\$ in 000's) | 2020 Adjusted Investment (\$ in 000's) | Change in Investment Request (\$ in 000's) |
|-----------------------|--|----------------|---------------------------|--|--|--|
| FRS                   | Continue with the implementation of the Social Value Procurement framework to leverage the City's spending to diversify the supply chain to increase economic opportunities, independence and capacity of social value businesses that have a recognized certification and/or are owned by an equity seeking population. Moreover, integrate and sustain the ongoing administration of the Sustainable and Ethical Procurement Program (SEPP) which incorporates both the Environmental and Social aspects of the supply chain to advance climate change priorities and enhance community health, reconciliation, inclusion, equity and diversity. | TAX            | Delayed                   | \$100                                  | \$60                                   | \$40                                       |
| FRS                   | Mature and embed the ERM program across the City to ensure risk registers with mitigations plans are established and implemented at all City departments. Outcomes for this investment will include monitoring, measuring, evaluating, and mitigating risks on a regular basis.  | OTHER          | Delayed                   | \$288                                  | \$72                                   | \$216                                      |
| FRS                   | Sustain the inventory management and warehousing processes derived from the implementation of the new Fleet Management Information System (FIMS) to supply the parts required for the maintenance of the vehicle and equipment fleet required to provide the City's Core Services.   | TAX            | Delayed                   | \$83                                   | \$50                                   | \$33                                       |
| <b>FRS Total</b>      |  |                |                           | <b>\$471</b>                           | <b>\$182</b>                           | <b>\$289</b>                               |
| HR                    | Address compliance requirements: Ongoing funding for one (1) HR Safety Consultant position to drive Citywide cultural change that will result in durable improvements to injury rate and severity and the achievement of incremental annual Worksafe BC premium savings.   | OTHER          | No change due to COVID-19 | \$118                                  | \$118                                  | \$0  |
| HR                    | Address Health and Safety gaps: Ongoing funding for one (1) organizational safety case manager position to proactively manage workplace injury claims, facilitate early return to work and positively impact the City's WorkSafe BC premium rate.  | OTHER          | No change due to COVID-19 | \$83                                   | \$83                                   | \$0  |
| HR                    | Ongoing funding for four additional HR resources to increase responsiveness to organizational demands for HR consultation and advice and support an increased organizational workload. Partner with city departments to support in achieving their objectives as relates to effectively structuring and managing human capital.  | TAX            | Delayed                   | \$280                                  | \$70                                   | \$210                                      |
| <b>HR Total</b>       |  |                |                           | <b>\$481</b>                           | <b>\$271</b>                           | <b>\$210</b>                               |
| Multiple              | Operating impacts of capital (Note: to be reviewed in detail and reported back as part of next update)   | TAX            | No change due to COVID-19 | \$3,300                                | \$3,300                                | \$0  |
| <b>Multiple Total</b> |  |                |                           | <b>\$3,300</b>                         | <b>\$3,300</b>                         | <b>\$0</b>                                 |

Appendix 1 - Investments to address risk and fill service gaps - Impact due to COVID-19

| Department              | Description   | Funding Source    | Impact due to COVID-19    | 2020 Original Investment (\$ in 000's) | 2020 Adjusted Investment (\$ in 000's) | Change in Investment Request (\$ in 000's) |
|-------------------------|---|-------------------|---------------------------|--|--|--|
| Park_Board              | A replacement of end of life software currently in use at Park Board concession operations is required in 2020. The system replacement will ensure the Park Board's ability to maintain core services, and improve overall customer experience. | USER FEES + OTHER | No change due to COVID-19 | \$280                                  | \$240                                  | \$40                                       |
| Park_Board              | As agreed to in the terms of the JOA with CCA partners, this investment will ensure universal access for Park Board Flexipass holders at all Community Centres.   | USER FEES         | Delayed                   | \$143                                  | \$36                                   | \$107                                      |
| Park_Board              | In response to the growing demand for inclusive fitness programming, the Park Board will be increasing the capacity for the ABC fitness program through the addition of a full time staff member.   | USER FEES         | Delayed                   | \$50                                   | \$0                                    | \$50                                       |
| Park_Board              | Increased staffing requirement at Park Board Arenas to comply with recent regulatory changes. Investment will ensure the ability to maintain arena service levels and supports staff and public safety.   | TAX               | Delayed                   | \$680                                  | \$170                                  | \$510                                      |
| Park_Board              | Reduce Barriers to Participation: Community Centre sustainable funding model  | TAX               | No change due to COVID-19 | \$134                                  | \$134                                  | \$0  |
| <b>Park_Board Total</b> |   |                   |                           | <b>\$1,287</b>                         | <b>\$580</b>                           | <b>\$707</b>                               |
| PDS                     | Extend temporary staffing to continue work on Regulation Redesign to ensure consistency across land use and building by-law regulations fund from the CARIP Reserve   | OTHER             | No change due to COVID-19 | \$139                                  | \$139                                  | \$0  |
| PDS                     | Staffing increase funded from development fees to deliver a number of Council Priorities and to better manage the increase in volume and complexity of development in Vancouver   | USER FEES         | Delayed                   | \$899                                  | \$0                                    | \$899                                      |
| <b>PDS Total</b>        |   |                   |                           | <b>\$1,038</b>                         | <b>\$139</b>                           | <b>\$899</b>                               |
| REFM                    | Electrical Shop resources to sustain existing level of on site technical and safety supervision and electrical shop capacity.   | TAX               | Delayed                   | \$297                                  | \$34                                   | \$263                                      |
| REFM                    | Fire Safety Advisors focused on compliance with all building fire safety regulations.   | TAX               | Delayed                   | \$77                                   | \$0                                    | \$77                                       |
| REFM                    | Maintenance Technician resources to proactively maintain the City's increasing number of building automation systems  | TAX               | Delayed                   | \$104                                  | \$0                                    | \$104                                      |
| REFM                    | Plumbing, Mechanical & Carpentry Shop resources to provide technical & safety supervision of trades staff at work sites across the city.  | TAX               | Delayed                   | \$93                                   | \$15                                   | \$77                                       |
| REFM                    | Preventative maintenance planning resource to update, refine and sustain preventative maintenance plans.  | TAX               | Delayed                   | \$95                                   | \$0                                    | \$95                                       |
| REFM                    | Project coordination resource to oversee multi-shop, major and emerging operating maintenance projects.   | TAX               | Delayed                   | \$59                                   | \$0                                    | \$59                                       |
| REFM                    | Threat Management Specialist to proactively address an increasing volume of threat management files   | TAX               | Delayed                   | \$89                                   | \$0                                    | \$89                                       |
| <b>REFM Total</b>       |   |                   |                           | <b>\$814</b>                           | <b>\$49</b>                            | <b>\$765</b>                               |

Appendix 1 - Investments to address risk and fill service gaps - Impact due to COVID-19

| Department         | Description   | Funding Source | Impact due to COVID-19    | 2020 Original Investment<br>(\$ in 000's) | 2020 Adjusted<br>Investment (\$ in 000's) | Change in Investment Request<br>(\$ in 000's) |
|--------------------|---|----------------|---------------------------|---|---|---|
| VFRS               | Improve public safety: Implement year two of five from VFRS's Operational Review recommendations for operational resources.   | TAX            | Delayed                   | \$3,507                                   | \$3,258                                   | \$249   |
| VFRS               | Improve public safety: Increase fire occupancy permit fees to fund an additional Fire Inspector position to manage Fire related occupancy inspections efficiently.  | USER FEES      | Delayed                   | \$134                                     | \$106                                     | \$28  |
| VFRS               | Improve public safety: Increase in annual budget to ensure safety and other equipment are replaced as required and are inspected annually (hoses) to meet compliance standards.   | OTHER          | No change due to COVID-19 | \$248                                     | \$248                                     | \$0   |
| <b>VFRS Total</b>  |   |                |                           | <b>\$3,889</b>                            | <b>\$3,612</b>                            | <b>\$277</b>                                  |
| VPD                | In 2016, the Province announced it would limit the amount it contributes for DNA analysis services. As such, these costs are now borne by the VPD and other police forces.  | TAX            | No change due to COVID-19 | \$600                                     | \$600                                     | \$0   |
| VPD                | The 2017 Council approved recommendations of the VPD's Operational Review to hire an additional 120 police officers and 52 civilians (2018-22). The recommendations for year 3 is to hire an additional 25 police officers and 10 civilian staff members, and related resources to ensure public safety, to continue to focus on fighting crime, enhance public safety, engage our community and support our people | TAX            | No change due to COVID-19 | \$3,757                                   | \$3,757                                   | \$0   |
| <b>VPD Total</b>   |   |                |                           | <b>\$4,357</b>                            | <b>\$4,357</b>                            | <b>\$0</b>                                    |
| VPL                | Create a two-year TFT position to assist VPL with disaster planning   | TAX            | No change due to COVID-19 | \$230                                     | \$230                                     | \$0   |
| <b>VPL Total</b>   |   |                |                           | <b>\$230</b>                              | <b>\$230</b>                              | <b>\$0</b>                                    |
| <b>Grand Total</b> |   |                |                           | <b>\$36,870</b>                           | <b>\$31,594</b>                           | <b>\$5,276</b>                                |

Appendix 2 - New investments aligned to Council Priorities - Impact due to COVID-19

| Council Priority  | Department         | Description  | Funding Source | Impact due to COVID-19    | 2020 Original Investment<br>(\$ in 000's) | 2020 Adjusted<br>Investment<br>(\$ in 000's) | Change in Investment<br>Request<br>(\$ in 000's) |
|---|--------------------|--|----------------|---------------------------|---|--|--|
| Accelerate Action on Climate Change                       | ENG                | Analysis of new options to accelerate transition to active transportation & transit  | Tax            | No change due to COVID-19 | \$500                                     | \$500  | \$0  |
| Accelerate Action on Climate Change                       | ENG                | Analysis of urban freight/fleets, curbside management zones, and ZEV zones   | Tax            | No change due to COVID-19 | \$300                                     | \$300  | \$0  |
| Accelerate Action on Climate Change                       | General Government | Funds for emerging Climate priorities held centrally   | Tax            | No change due to COVID-19 | \$800                                     | \$800  | \$0  |
| Accelerate Action on Climate Change                       | Park_Board         | Improving forest canopy in urban heat islands  | Other          | No change due to COVID-19 | \$200                                     | \$200  | \$0  |
| Accelerate Action on Climate Change                       | PDS                | Assessing carbon sequestration options   | Other          | Delayed                   | \$200                                     | \$65   | \$135  |
| Accelerate Action on Climate Change                       | PDS                | Climate emergency policy development and oversight   | Tax            | No change due to COVID-19 | \$300                                     | \$300  | \$0  |
| Accelerate Action on Climate Change                       | PDS                | Incentives for zero emissions private buildings (Phase 2) - Funding for capital project  | Tax            | No change due to COVID-19 | \$4,100                                   | \$4,100                                      | \$0  |
| Accelerate Action on Climate Change                       | PDS                | Sea level rise design challenge  | Other          | Delayed                   | \$200                                     | \$55   | \$145  |
| Accelerate Action on Climate Change                       | REFM               | Strategy to reduce embodied emissions from materials in new City-owned buildings   | Other          | No change due to COVID-19 | \$167                                     | \$167  | \$0  |
| <b>Accelerate Action on Climate Change Total</b>          |                    |  |                |                           | <b>\$6,767</b>                            | <b>\$6,487</b>                               | <b>\$280</b>                                     |
| Address Affordability and the Housing Crisis              | ACCS               | Continue to support renters and improve service delivery - Open the new Renters Centre in 2021, monitor and evaluate the implementation of the new Tenant Relocation and Protection Policy, and report back in conjunction with PDS on any improvements, and monitor, evaluate and report back on the impact of Renter Services Grant and the improvements advanced by the CoV Renter Advocacy and Services Team.  | EHT            | No change due to COVID-19 | \$1,500                                   | \$1,500                                      | \$0  |
| Address Affordability and the Housing Crisis              | ACCS               | Investment will support the creation of additional shelter capacity targeted to individuals experiencing chronic homelessness, living on the street and in encampments and dealing with complex unmet health and other support needs but are facing barriers to accessing housing and shelters   | EHT            | No change due to COVID-19 | \$1,000                                   | \$1,000                                      | \$0  |
| Address Affordability and the Housing Crisis              | ACCS               | SRO strategy<br>Dedicated staff person for the development of a SRO strategy; no capacity to take this on given existing workload.   | EHT            | No change due to COVID-19 | \$150                                     | \$150  | \$0  |
| Address Affordability and the Housing Crisis              | ACCS               | Temporary Navigation Centre Shelter (Lease)<br>Current Temporary Shelter Lease budget (\$309k) covers only 3 existing temporary shelters. Potential new ongoing Navigation Temporary shelter lease implications are estimated to be higher due to increasing lease costs.  | EHT            | No change due to COVID-19 | \$400                                     | \$400  | \$0  |
| Address Affordability and the Housing Crisis              | ACCS               | Temporary Navigation Centre Shelter (Tenant Improvements)<br>Potential one-time investment costs would be for the Tenant Improvements of the space, estimated at \$367K. Currently no room in the Shelter Lease budget to fund navigation shelter for chronic, long term homeless. This ask also includes funding for a consultant to support community consultation and engagement  | EHT            | No change due to COVID-19 | \$367                                     | \$367  | \$0  |
| Address Affordability and the Housing Crisis              | FRS                | Evaluate key drivers of Affordability specific to Vancouver  | Tax            | Delayed                   | \$100                                     | \$0  | \$100  |
| Address Affordability and the Housing Crisis              | PDS                | During 2020, PDS will evaluate these initiatives:<br>1. Regulatory enhancements to increase and improve the stock of affordable housing (e.g. secondary suites, collective housing)<br>2. Affordable home ownership policies<br>3. Assessment of policy and bylaw definitions of affordability to align with outcomes of current policy work (e.g. rental incentive review, VAHEF)<br>4. Support for MVAEC in developing a regional indigenous housing strategy.<br>and explore and develop a recommendation back to council around proposed approach, timing, and budget needs. | EHT            | Delayed                   | \$200                                     | \$0  | \$200  |
| Address Affordability and the Housing Crisis              | REFM               | EHT funding for 2 RFT Trades II Carpenters focused on supporting Non-Market Housing.   | EHT            | Delayed                   | \$212                                     | \$0  | \$212  |
| Address Affordability and the Housing Crisis              | VPL                | Increase Sunday hours to full days at four of VPL's busiest branches, providing expanded access to high-demand public space  | Tax            | Delayed                   | \$220                                     | \$0  | \$220  |
| <b>Address Affordability and the Housing Crisis Total</b> |                    |  |                |                           | <b>\$4,149</b>                            | <b>\$3,417</b>                               | <b>\$732</b>                                     |

Appendix 2 - New investments aligned to Council Priorities - Impact due to COVID-19

| Council Priority  | Department         | Description   | Funding Source  | Impact due to COVID-19    | 2020 Original Investment<br>(\$ in 000's) | 2020 Adjusted<br>Investment<br>(\$ in 000's) | Change in Investment<br>Request<br>(\$ in 000's) |
|---|--------------------|---|-----------------|---------------------------|---|--|--|
| Deliver Quality Core Services that Meet Residents' Needs              | ENG                | Develop a City Branded textiles recovery program in consultation with Stakeholders, charities and internal partners.  | User Fees       | Delayed                   | \$60                                      | \$0  | \$60   |
| Deliver Quality Core Services that Meet Residents' Needs              | ENG                | Equipment and staffing to meet increased demand for litter pick up, street sweeping, staff operations and safety training programs and higher levels of service needed in the downtown core and tourist areas of the City.  | Tax             | Delayed                   | \$300                                     | \$170  | \$130  |
| Deliver Quality Core Services that Meet Residents' Needs              | ENG                | Full year costs for 2019 expansion of street cleaning grant program, to support micro-cleaning program  | Tax             | No change due to COVID-19 | \$300                                     | \$300  | \$0  |
| Deliver Quality Core Services that Meet Residents' Needs              | ENG                | In cooperation with Parks staff, pursue mechanisms for additional dog waste processing capacity to facilitate City wide expansion of the dog waste collection program to include all City parks.  | User Fees       | Delayed                   | \$250                                     | \$0  | \$250  |
| Deliver Quality Core Services that Meet Residents' Needs              | Park_Board         | An investment in support for the Park Board Commissioners will improve service levels provided to the public through quicker response times to inquiries.   | Tax             | Delayed                   | \$100                                     | \$0  | \$100  |
| Deliver Quality Core Services that Meet Residents' Needs              | Park_Board         | Expanding on the success of single day "Swim to Survive" initiative, the Park Board will explore the feasibility of launching the complete "Swim to Survive" program for Grade 3 students in partnership with the Lifesaving Society BC & Yukon Branch and the Vancouver School Board   | User Fees       | Delayed                   | \$270                                     | \$0  | \$270  |
| Deliver Quality Core Services that Meet Residents' Needs              | Park_Board         | Investment is focused on the improvement to janitorial and building maintenance services in parks and recreation centers. Additional staffing will increase frequency of washroom cleaning, and improve responsiveness to maintenance related issues.   | User Fees/Other | No change due to COVID-19 | \$615                                     | \$615  | \$0  |
| Deliver Quality Core Services that Meet Residents' Needs              | Park_Board         | One-time investment will fund the review of Park Board structure to assess the current and future needs of the Park Board to support the successful implementation of VanPlay and to ensure the current level of resident satisfaction can be sustained.  | Other           | Delayed                   | \$250                                     | \$0  | \$250  |
| <b>Deliver Quality Core Services that Meet Residents' Needs Total</b> |                    |   |                 |                           | <b>\$2,145</b>                            | <b>\$1,085</b>                               | <b>\$1,060</b>                                   |
| Increase Focus on Diversity and Critical Social Issues                | ACCS               | Equity Framework Implementation<br>Implementation of the Equity Framework, including the development of departmental action plans related to using the Framework to apply a gender intersectional lens on city business.  | Tax             | Delayed                   | \$300                                     | \$0  | \$300  |
| Increase Focus on Diversity and Critical Social Issues                | ACCS               | Low barrier employment and community economic development support.<br>Community Economic Development initiatives (e.g., low barrier employment, CBA admin, Street markets) - 1 FT capacity gap; additional funding needed in 2020; DTES Community Economic Development Strategy, Phase II part of CED work  | Tax             | Delayed                   | \$110                                     | \$0  | \$110  |
| Increase Focus on Diversity and Critical Social Issues                | ACCS               | Racial Redress Project Support: Two communities Punjabi market implementation and Anti-black racism policy and strategy work  | Tax             | Delayed                   | \$420                                     | \$0  | \$420  |
| Increase Focus on Diversity and Critical Social Issues                | ACCS               | Strategic Planning: Homelessness and Social Operations<br>Develop a business case for Housing the Homeless (Council motion) and also undertake a service review and develop a service plan for the three Social Operations (Carnegie, Gathering Place, and Evelyne Sallier Centre)  | Tax             | Delayed                   | \$130                                     | \$0  | \$130  |
| Increase Focus on Diversity and Critical Social Issues                | ACCS               | Urban Indigenous Healing and Wellness<br>Work with community partners (MVAEC) to develop an Indigenous Healing and Wellness Strategy and to develop priorities for City support for IHW initiatives (incl. consideration of Crab Park Healing and Wellness/redevelopment Motions from Park Board and Council have some overlap) - \$70K is for PB | Tax             | Delayed                   | \$260                                     | \$0  | \$260  |
| Increase Focus on Diversity and Critical Social Issues                | General Government | Oppenheimer park impacts  | Tax             | No change due to COVID-19 | \$500                                     | \$500  | \$0  |

Appendix 2 - New investments aligned to Council Priorities - Impact due to COVID-19

| Council Priority  | Department | Description   | Funding Source | Impact due to COVID-19    | 2020 Original Investment<br>(\$ in 000's) | 2020 Adjusted<br>Investment<br>(\$ in 000's) | Change in Investment<br>Request<br>(\$ in 000's) |
|---|------------|---|----------------|---------------------------|---|--|--|
| Increase Focus on Diversity and Critical Social Issues              | PDS        | Deliverables include • Heritage Action Plan Completion – Vancouver Heritage Register (VHR) upgrade (Report to Council by the end of 2020); Engage with MST Nations and Indigenous consultants as well as the COV Reconciliation team for a meaningful integration of Indigenous Cultural Heritage, reconciliation and redress; Engage in identifying and supporting the heritage values of underrepresented community groups through City's heritage policy development and implementation; Integrate heritage with Community Planning on number of ongoing initiatives (Broadway Plan, Gastown, Japantown, Granville Street, Jericho Land, City-wide Plan); Partner with Park's Board and COV Facilities Department on developing strategies for stewardship of city-owned heritage properties; Heritage review of DP and Rz applications. | Tax            | Delayed                   | \$130                                     | \$0  | \$130  |
| Increase Focus on Diversity and Critical Social Issues              | VPD        | Community Policing Centers (CPC) on going financial challenges for the 11 CPCs - The CoV property tax increases have a direct relation to their rent, eroding their ability of providing various initiatives for crime prevention and addressing neighborhood crime issues.   | Tax            | No change due to COVID-19 | \$150                                     | \$150  | \$0  |
| <b>Increase Focus on Diversity and Critical Social Issues Total</b> |            |   |                |                           | <b>\$2,000</b>                            | <b>\$650</b>                                 | <b>\$1,350</b>                                   |
| Protect and Build our Economy                                       | ACCS       | Continue work with community and City partners to advance the goals of the Chinatown Transformation project, including continuing dedicated work with the Province to support the development of the Provincial Chinese Canadian Museum, including the establishment of the new entity, as well as the inaugural exhibition.  | Tax            | No change due to COVID-19 | \$529                                     | \$529  | \$0  |
| Protect and Build our Economy                                       | ACCS       | Implement policy recommendations and actions resulting from the community-endorsed Culture Shift, Making Space for Arts and Culture, and Vancouver Music Strategy, with a specific emphasis on immediate integration of arts, culture, and creative life within Vancouver Plan key priorities.  | Tax            | Delayed                   | \$900                                     | \$600  | \$300  |
| Protect and Build our Economy                                       | ENG        | In September 2019 Council approved an update to the Special Event Policy which recommended improvements to the way the City supports free outdoor public events in alignment with Culture shift the City's new cultural strategy; the updated policy increases the level of financial support provided to event organizers to offset City, including VPD costs required to mount special events.  | Tax            | Delayed                   | \$500                                     | \$300  | \$200  |
| Protect and Build our Economy                                       | PDS        | 2020 City Plan Deliverables: Broad Phase 1 city-wide plan public engagement "Listening" including COV sponsored in-person events, digital engagement, focused child/youth/young people programs, supports for FN and equitable engagement, community and business toolkits, awareness and communication strategy leading to report out to Council in mid-2020. Phase 2 "Framing Choices" from mid-2020 to end will include future scenario building with consultants and city-wide public engagement to end of 2020. Budget request includes costs of interdepartmental staff team.   | Tax            | Reduced Scope             | \$4,000                                   | \$652  | \$3,348  |
| Protect and Build our Economy                                       | PDS        | Continue work with community and City partners to advance the goals of the Chinatown Transformation project, including continuing dedicated work with the Province to support the development of the Provincial Chinese Canadian Museum, including the establishment of the new entity, as well as the inaugural exhibition.  | Tax            | No change due to COVID-19 | \$189                                     | \$189  | \$0  |
| <b>Protect and Build our Economy Total</b>                          |            |   |                |                           | <b>\$6,118</b>                            | <b>\$2,270</b>                               | <b>\$3,848</b>                                   |
| <b>Grand Total</b>  |            |   |                |                           | <b>\$21,179</b>                           | <b>\$13,909</b>                              | <b>\$7,270</b>                                   |