

2014 CAPITAL AND OPERATING BUDGET

For consideration by Council
on December 10, 2013.

The final budget will be posted
on vancouver.ca once approved.



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MESSAGE FROM THE CITY MANAGER

On behalf of the City's Corporate Management Team and staff, I'm pleased to present the City of Vancouver's proposed 2014 Capital and Operating Budget. This budget focuses on sustaining valued services and making progress on the City's priorities, while keeping property tax and fee increases affordable.

Budgeting for results means starting with the results the public wants and balancing them with what the public is willing to pay for these results through property taxes and fees. Service plans and performance metrics provide a greater level of transparency and accountability to ensure that the public receives good value for the money the City spends.

Each year we engage thousands of residents and businesses in developing City policies and plans, from the Housing and Homelessness Strategy to community plans, and this input informs budget recommendations. In addition, during the budget process, feedback from residents and businesses received through our annual survey highlights key themes and priorities.

This feedback provides a framework for the proposed budget, which builds on the tangible successes from previous years. The framework focuses on:

- **Sustaining Core Services** that are valued and relied on by citizens and businesses, such as clean water, an efficient transportation network, proactive police and fire services, and beautiful parks.
- **Building the Future** by advancing Council priorities that address the public's concerns so that Vancouver remains one of the best places in the world to live. This includes such priorities as eliminating street homelessness by 2015, increasing access to childcare, becoming the World's Greenest City by 2020, supporting economic development, and making Vancouver a safe, inclusive, and creative community.
- **Sustaining Financial Health** by maintaining a long track record of good fiscal management as demonstrated in our strong liquidity position and healthy reserve balances. Consistent with prior years, the 2014 Budget is a balanced and responsible plan. It ensures operating expenses are within the anticipated revenues and debt financing for the capital program is within established targets. A financially healthy city provides good value for property taxes and user fees, and can afford to meet the priority needs of the community over the long term. The 2014 Budget limits overall property tax increases to just 1.9%.

To achieve the City's goals, we will continue:

- Focusing on improving the **value the City provides for the money that is invested**. Our citizens and businesses expect to enjoy high-quality relevant services, with tax increases that are aligned with the rate of inflation and population growth. Transparent reporting of service performance and finances results in increased engagement of the public in the business of their City. An informed community plays an essential role in guiding the City's investments to ensure that programs remain focused on taxpayer priority needs and are delivered effectively at a reasonable cost.
- **Leveraging external resources** via strategic partnerships with the private sector, non-profit and charitable organizations, and other levels of government. Beyond financial benefits, this collaborative approach ensures the best global expertise is brought to bear on challenges facing Vancouver.

I am proud of the work done by our staff and leadership team toward making Vancouver a remarkable place to live, work, and play while maintaining financial rigour. I am also confident that through careful planning and engagement with our diverse communities, Vancouver will address its housing and homelessness challenges, enjoy a thriving economy, become the greenest city in the world, and continue to be a safe, inclusive and creative place.

Penny Ballem
City Manager



Budget in Brief

A balanced budget that respects our ability to pay...

The City of Vancouver plays an essential role in enabling businesses and citizens who live and work in our city to enjoy and contribute to building a world-class community that is affordable today and in the future.

This means ensuring the right level of programs and services are provided at the right cost.

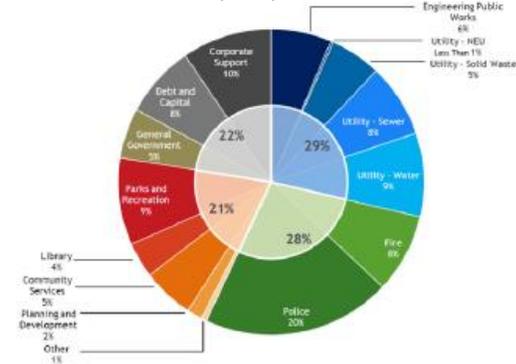
This proposed 2014 Capital and Operating Budget advances key priorities that continue to make Vancouver a great place to live, work and play.

- a strong economy
- being the greenest city in the world
- eliminating street homelessness
- a safe, creative, and inclusive community

In 2014, the City proposes a 1.9% tax increase that is in line with inflation or \$36 per household property of \$1 million.

2014 Operating Expenditures

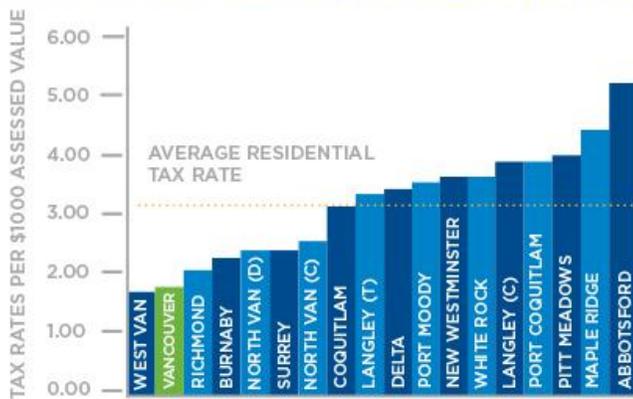
\$1,177,500



SAMPLE PROPERTY Valued at \$1 million	RESIDENTIAL SINGLE-FAMILY		BUSINESS	
	ESTIMATED 2014 TAX BILL	CHANGE OVER 2013	ESTIMATED 2014 TAX BILL	CHANGE OVER 2013
Property Taxes (1.9% increase)	\$1,931	\$36	\$8,360	\$156
Utility Fees				
Solid Waste Utility Fee	256	1	203	-
Sewer Utility Fee	297	10	302	1
Water Utility Fee	546	18	507	3
Total Utility Fees	\$1,099	\$29	\$1,012	\$4
Total City Taxes and Fees	\$3,030	\$65	\$9,372	\$160

Note: Amounts have been rounded

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



Key Figures

RATES

- 1.9% tax increase
- 1% fee increase

REVENUE

- 2.6% increase in revenue
- \$13.5 million increase in property taxes
- \$10.9 million increase in utilities

EXPENDITURES

- 2.6% increase
- \$12.2 million utilities increase
- \$17.8 million increase in department services
- \$0.4 million in reduced debt and capital costs

2014 Budget Highlights

Smart investments while maintaining quality programs and services ...

The Capital Budget deals with creating and sustaining City-owned infrastructure, while ensuring that we sustain the core services most valued by our citizens as well as invest in new infrastructure.

Key capital investments in 2014 ...

\$150.7 MILLION IN TRANSPORTATION, UTILITIES AND PUBLIC WORKS

- \$25.6 million in main sewer separation
- \$7.9 million in water pipe replacements
- \$23.1 million for the Powell Street overpass
- \$6.8 million for the Burrard Bridge rehabilitation

\$68.3 MILLION IN COMMUNITY FACILITIES, PARKS AND OPEN SPACES AND HOUSING

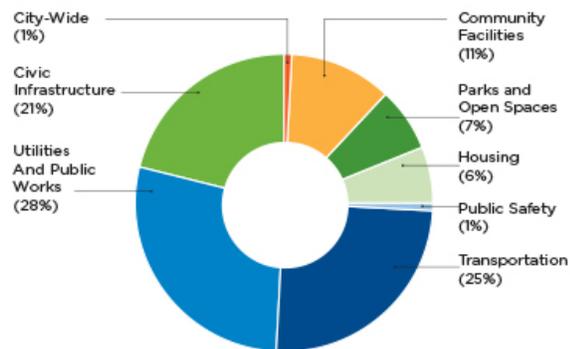
- \$10.0 million for Taylor Manor (Housing)
- \$9.1 million for Hastings Park Greening
- \$7.0 million for the Strathcona Library

\$58.9 MILLION IN CIVIC INFRASTRUCTURE

- \$15.4 million in vehicles and equipment
- \$9.8 million in enhanced services for Permits and Licenses

2014 Capital Budget Expenditures

\$285,135,781



Key operating investments in 2014 ...

The 2014 Operating Budget includes balanced operating revenues and expenditures of \$1.2 billion, an increase of \$29.6 million (or 2.6%) as compared with the 2013 Budget. While existing budgets and resources are continuously reprioritized to adjust to new priorities, the 2014 budget does include additional investments for new priorities of \$5.1 million including:

- \$2.3 million in social inclusion, culture and recreation
- \$1.0 million in Greenest City initiatives
- \$0.7 million in improved safety and emergency planning
- \$0.5 million in enhanced digital services

PART I: THE CITY OF VANCOUVER'S FISCAL PLAN

BUDGETING FOR RESULTS

The City of Vancouver plays an essential role in enabling businesses and citizens who live and work in our city to enjoy and contribute to building a world-class community that is affordable now and in the future. This means ensuring that the right level of programs and services are provided by the City, at the right cost. This proposed budget advances key priorities that continue to make Vancouver a great place to live, work, and play, including:

- ensuring a strong economy
- being the greenest city in the world
- eliminating street homelessness
- being a safe, creative, and inclusive community

Achieving important goals within an affordable budget requires that each dollar is carefully managed and wisely invested.

Service plans are established to achieve the City's long-term goals. The allocation of fiscal resources is aligned with Council and City priorities and designed to drive results as measured through service performance metrics. This is the second year that the departmental service plans and metrics are included in the City's annual budget.

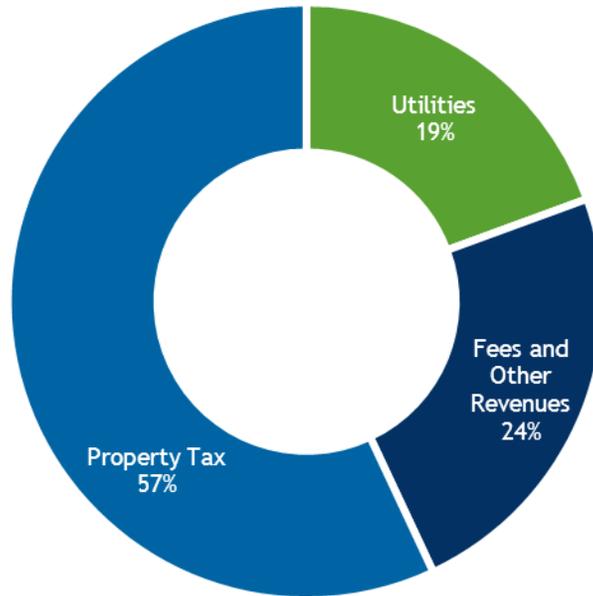
FUNDING THE BUDGET



Vancouver, like other Canadian cities, provides a broad range of services but funds them from a limited revenue stream with only three main sources: property taxes, utility fees, and user fees—which include things like parking meter fees and business licence es.

Over half of the City's operating budget—over \$600 million in 2014—will come from property taxes paid directly by citizens and businesses. Property tax constitutes 8% of all taxes collected by governments in Canada.

2014 OPERATING REVENUE SOURCES \$1,177.5 million



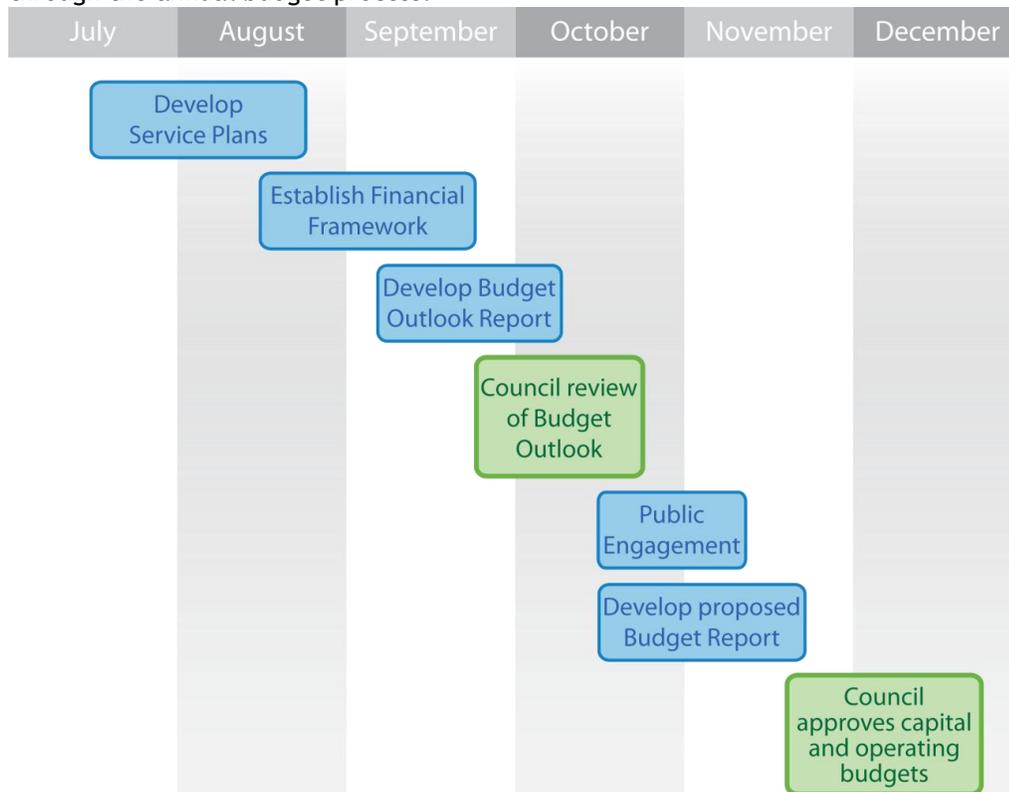
All capital spending in the annual capital budget is guided by the City’s ten-year Capital Strategic Outlook, which outlines its long-term vision with regard to capital investments in public amenities and infrastructure, as well as the three-year capital plan, which defines the financial capacity and debt financing strategy for advancing specific capital projects within the capital plan timeframe.



Funding for the capital budget is identified in the three-year capital plan and assigned to projects in the annual budget. Sources of capital program funding include debt that is repaid through the operating budget, pay-as-you-go funding direct from the operating budget, development funding (through Development Cost Levies and Community Amenity Contributions), funding from internal reserves, and third-party funding from non-profit organizations, other agencies, and senior levels of government.

KEY STEPS IN THE 2014 BUDGET PROCESS

The figure below highlights the key activities (shown in blue) for consideration by Council (shown in green) through the annual budget process.



- Service plans identify the performance metrics and 2014 operational and capital plans for each service. These inform budget allocation decisions.
- The multi-year financial planning framework is based on a set of guiding principles for financial sustainability and targets for financial health that guide the allocation of resources to fund service plans and the annual budget.
- The Budget Outlook report provides Council with the context and factors that will influence the fiscal capacity of the city as it develops the operating and capital budgets.
- Public engagement informs resource allocation consideration by staff and Council.
- The Budget Report consolidates proposed capital and operating budgets accompanied by service plans and metrics for the upcoming year.

CITY OF VANCOUVER OVERVIEW

LONG-TERM PRIORITIES AND STRATEGIC GOALS

The City of Vancouver’s mission is “to create a great city of communities that cares about its people, its environment, and the opportunities to live, work and prosper.” It does this by ensuring that all its resources are aligned with programs that support the three long-term priorities identified in its Corporate Strategic Plan.



PEOPLE

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

Vancouver is the eighth largest city in Canada. Our city is remarkable for its diverse population, with half of our residents speaking English as a second language. The health and vitality of Vancouver’s communities and the celebration of their diversity make the city a magnet for people from around the world. New residents bring creativity and cultural richness to our city, and Vancouver’s vibrancy provides significant economic opportunity in a global economy.

With 5,249 people per square kilometre, Vancouver is one of the most densely populated cities in the country. Our limited land base and growing population have given rise to unique issues related to affordability and the availability of land for housing and a full range of economic activity.

PROSPERITY

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

Vancouver is fortunate to have one of the most diverse and resilient economies in North America. Building on the foundation of our robust natural resource sector, our growing digital media and clean technology sectors as well as our strong tourism and international education sectors also contribute to the City's continued economic growth, prosperity, and livability.

Vancouver is North America's gateway to Asia and a major regional transportation hub. The city is home to Port Metro Vancouver—the busiest and largest port in Canada—and is in close proximity to the Vancouver International Airport, often rated as one of the world's best. Our well-educated, highly skilled, and culturally diverse workforce further reinforces our competitive position in the global market.

Council has prioritized economic development by promoting and strengthening local businesses while also making the city an attractive destination for businesses from around the world. In 2011, Vancouver Economic Commission (VEC) launched the Vancouver Economic Action Strategy, which focuses on changes that will most improve Vancouver's business climate, support existing local businesses, facilitate new investment, and attract the people essential to our future economic success. It places particular emphasis on our global leadership in creative industries and clean technology and on opportunities for greening our local businesses.

In 2013, the City continued its work to help advance TransLink's Transportation Strategy, including the Broadway Subway, which will be fundamental to reaching the economic potential of the second-most important economic corridor in the Province. A Broadway subway will ensure the efficient movement of people and the ability to accommodate access to jobs.

ENVIRONMENT

Protect and enhance Vancouver's climate, ecology, natural resources and connections to the City's remarkable natural settings for future generations.

Vancouver is home to world-class parks and green spaces and the wealth that stems from our abundant natural setting.

The Greenest City 2020 Action Plan was launched in 2011 with measurable and ambitious targets for reducing carbon and waste and improving ecosystems. This key plan addresses goals and issues across diverse areas and has put Vancouver on the path to sustainability in most aspects of life and work in the city.

Since the plan was approved, city-wide carbon emissions, waste production, and water consumption are down 4%, 11% and 16%, respectively. In addition the number of amenities to support local food has increased by 24%.

In 2013, the World Wildlife Fund named Vancouver the Global Earth Hour Champion. The city is working hard to achieve its goal of being the greenest city in the world by 2020.

ECONOMIC CONTEXT

How we plan and manage our finances is influenced by external factors. The global economy is an interconnected web of local economies that are in a constant state of change. Our financial planning decisions must be made with an understanding of how Vancouver's economy is affected by external forces. This provides us with the necessary context to plan for known risks and focus on long-term financial sustainability.

GLOBAL, NATIONAL, AND PROVINCIAL CONTEXTS

Despite some improvement observed in recent months, the projections for the next few years in the global economy remain uncertain and could potentially have an impact on Vancouver's economy.

The United States' economy is experiencing modest employment growth, a recovering housing market, fewer mortgage delinquencies, and growing consumer credit.

After declining for the last year and a half, Europe appears to be emerging from recession and is expected to stabilize and resume economic growth, led by Germany, France, and the United Kingdom. However, Portugal, Italy, Greece, and Spain are still struggling with historically high unemployment and prolonged recession. Though positive growth is anticipated in the second half of 2013, it will likely remain below average as the region continues to address sovereign debt and structural economic reform.

After slowing for the last two years, China's economy is showing signs of stabilizing. However, growth is not expected to exceed 7.5%—which is much lower than the double-digit growth China experienced over the last decade—as the government continues to focus on economic reform.

Canada's economy has been underperforming lately, with real GDP having gained only 1.7% in 2012. It is unlikely that economic growth will advance significantly this year given the spending restraints across various levels of government, moderate business investments and hiring plans, and financially constrained households. Economic growth for 2013 is forecasted to remain at 1.7%.

After softening in the past year, Canada's housing market has started to stabilize. Tighter mortgage rules introduced last summer, coupled with higher mortgage rates in recent months, may limit growth in new and existing home sales and prices. Annual housing starts will likely lessen by 15% to around 183,000 starts in 2013 and 2014. As well, Canadians' high household debt will likely limit future consumer spending.

In 2014, Canadian economic growth is expected to climb to 2.4%. A more robust recovery in the United States, particularly in the housing sector, should help lift Canadian exports of energy and wood products and is expected to bolster our country's economy. The Canadian dollar's modest depreciation will provide further relief to export-based activity.

For British Columbia, the economy is expected to be led by strong growth in the forestry and mining sectors, offset by a slowing housing market and weak employment growth, which will limit service activity and household spending. While the province has benefited from a diversified economy and growing business ties with Asian markets in recent years, these emerging economies have been underperforming due to ongoing economic reform, rising interest rates, and loss of competitiveness relative to the Japanese yen, which could limit our economic growth in the near term.

VANCOUVER CONTEXT

Vancouver's economy is continuing its recovery from the 2008 economic downturn. Following a 2.6% growth in real GDP in 2012, economic activity in Vancouver is expected to moderate to 2.2% in 2013 and increase to 3.1% in 2014. Vancouver's population is expected to grow at 1.7% a year.

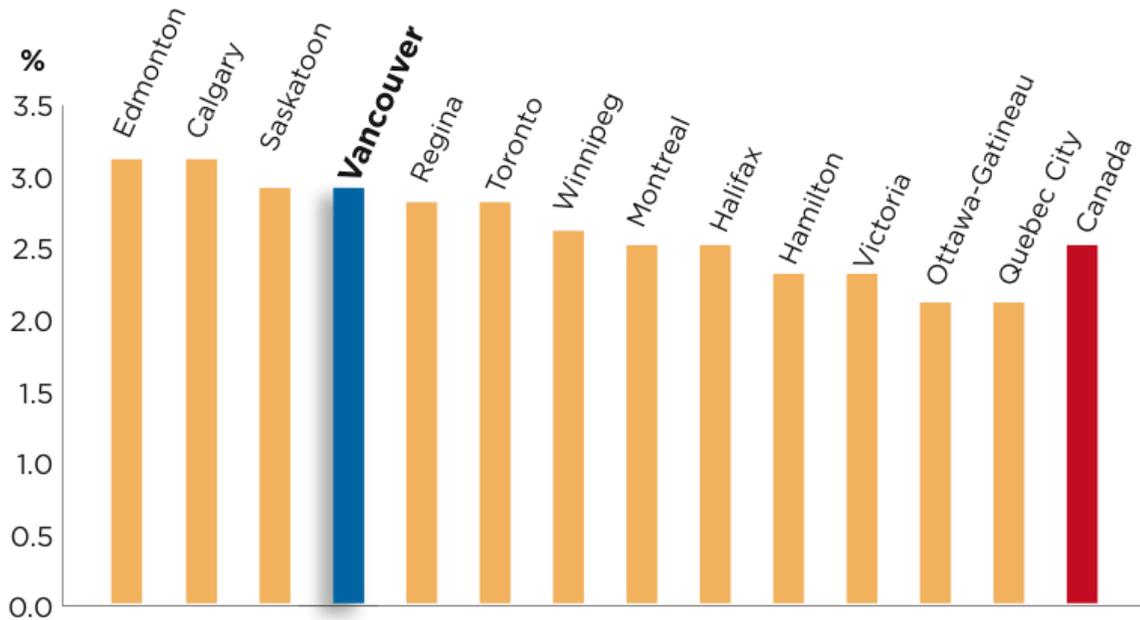
Unemployment has improved a little over the last year, estimated at 6.5% for 2013 and expected to gradually come down to 5.1% by 2017. Development permit activity in 2013 will be slightly below the 2012 level. However, total permit values and square footage continue to exceed pre-2008 levels. Office vacancies are among the lowest in the region, and the number of new businesses is growing.

Housing starts are set to decline by 9% to about 17,290 in 2013, and by another 5% to 16,390 in 2014, before picking up in 2015. Property values in Vancouver have hit a national high in recent years, and even with the recent slowdown in the housing market, affordability remains a concern for the foreseeable future. As well,

household after-tax income has not kept pace with inflation during the past five years, and discretionary household income will continue to be under pressure.

Furthermore, financial constraints at federal and provincial government levels will put added pressure on local governments to provide additional services to taxpayers.

Projected Real GDP Growth, 2014-2017



FISCALLY RESPONSIBLE, BALANCED, AND FOCUSED ON THE LONG-TERM

Vancouver, like other Canadian cities, offers a broad range of services but has a limited revenue stream. By legislation, the City is prohibited from running a deficit in its operating budget and using debt to finance day-to-day operations. The City adheres to prudent fiscal stewardship and careful planning to balance the budget each year and live within our means through balancing short-term operating needs with long-term public amenity and infrastructure requirements.

To ensure that the City pursues its long-term priorities in a financially sustainable manner while considering external economic conditions that could have an impact on citizens and businesses, the City has recently adopted a multi-year financial planning horizon which shifts from the short-term perspective associated with annual budgeting to the proper blending of short-term (1-2 years), medium-term (3-5 years), and long-term (10+ years) perspectives. As well, the City has also adopted the Financial Sustainability Guiding Principles to guide the development of our service plans, medium- to long-term financial and capital plans, and annual budgets.

GUIDING PRINCIPLES FOR FINANCIAL SUSTAINABILITY

These principles guide how service plans, annual budgets, and medium- to long-term financial and capital plans are developed.

Fiscal Prudence

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

Affordability and Cost Effectiveness

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

Asset Management

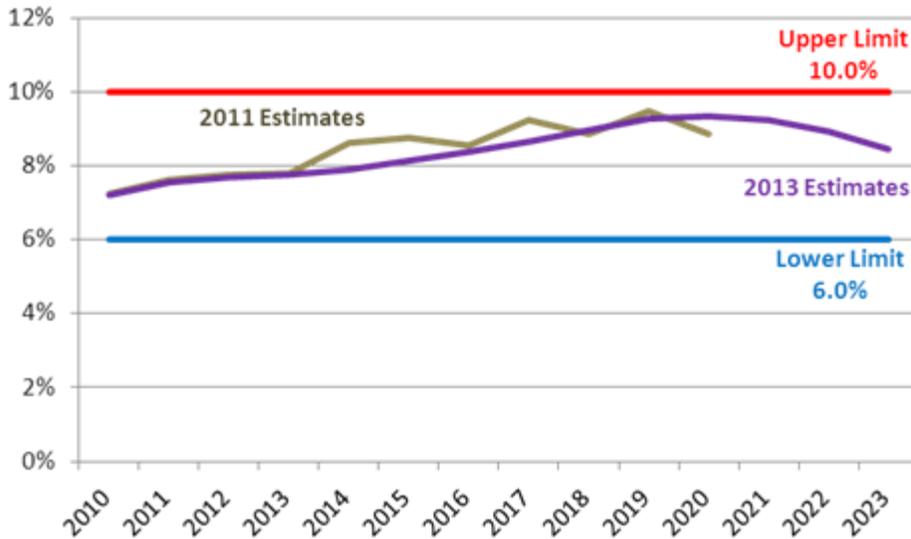
- maintain assets in a state of good repair
- optimize capital investments to meet public and economic needs while achieving value for the investment

In support of these Financial Sustainability Guiding Principles, a number of key financial health indicators are monitored to ensure continued financial sustainability:

Keep Debt at a Manageable Level - Similar to other major cities, it has been Council's practice to finance a portion of the City's regular capital expenditures from debenture borrowing. Borrowing for programs not related to utilities must have the approval of Vancouver voters. Borrowed funds are typically amortized over 10 years to limit growth in outstanding debt and to maintain annual debt-servicing charges (principal and interest) at a level that does not overly impact the operating budget. The City's Waterworks Utility is shifting to more of a "pay-as-you-go" model that will help lower debt and save interest costs.

The City determines its long-term borrowing capacity for regular, non-utility related capital programs by limiting the ratio of annual tax-supported debt-servicing charges to operating expenditures at 10%. The ratio was 7.7% in 2012, and is forecast to increase slightly to 7.8% in 2013 and 7.9% in 2014. The ratio is expected to peak in 2019 and gradually stabilize and decrease thereafter due to better alignment of new debt issuance and maturities and ongoing debt reduction on the City's regular capital program.

TAX-SUPPORT DEBT-SERVICING CHARGES AS A PERCENTAGE OF OPERATING EXPENDITURES



Maintain Strong Credit Ratings and Access to Low Borrowing Costs - The City has a long history of strong fiscal management and well-maintained civic facilities and infrastructure, and has demonstrated consistent, positive financial results. The City’s high credit ratings (AAA/AA) are among the best for Canadian cities, and are supported by a diverse economy and a strong and stable tax base.

Keep Property Taxes and Fees Affordable - Property taxes in the past four years have seen a modest increase, ranging from 1.4% to 2.8%, generally aligned with inflation (0.4% to 2.3%). During this period the City has enhanced services to the public through new libraries and community centres, an increase in supportive housing services, and significant investment in police and fire facilities. We have invested in core infrastructure, such as continuing with the sewer separation program (to separate stormwater and sanitary sewers) and upgrading transportation infrastructure for pedestrians, bikes, and vehicles, all while absorbing above-inflation wage increases.

RISKS

There are a number of internal and external factors that can impact the City’s financial outlook and are considered in developing the City’s capital and operating budgets.

The City’s revenue and expenditure profiles are relatively stable and predictable. Roughly 76% of the operating revenues come from property taxes and utility fees, and less than 5% of the revenues come from cyclical revenues such as development and permit fees. The remainder is made up of user fees, investment income, and other revenues that are moderately influenced by the economy.

To ensure that taxes and fees are competitive and affordable to businesses and residents, the City tries to align tax and fee increases with inflation as much as possible. Since payroll accounts for approximately 57% of the operating budget and wage increases have historically been higher than inflation, this creates a structural gap in our financial plan where expenses grow faster than revenues. However, this is before factoring in the ongoing productivity improvements that reduce our expenses.

Through careful management of vacancies over the last three years, the number of active regular full-time staff (as of mid-2013) has been brought to below the 2008 year-end level. As well, the most recent round of

contract renewals included wage increases that are aligned more closely with inflation forecasts than they have been in the past. But similar to other Canadian municipalities, our public safety expenditures remain high with increases significantly greater than general inflation and beyond the trend of other non-public safety staff, posing significant and unsustainable financial impact on the City. Public safety costs continue to grow, and account for over 49% of all property tax revenue collected.

Though utility expenditures account for about 19% of our operating budget, over 45% of the costs for water and sewer represent Metro Vancouver costs that are set at the regional level. Utility expenses have been growing at a faster rate than other areas due to the need for significant capital investments to replace aging infrastructure across the region. Upcoming projects include two secondary sewerage treatment plants as well as waste diversion and food scrap programs, which will add pressure to utility fees. Other costs such as insurance, gas, hydro, and telecommunications have been increasing at rates above inflation, putting additional pressure on the City's budgets.

The City borrows between \$110 million and \$120 million a year in long-term debt to finance our capital program and debt service (principal and interest) is provided for in our operating budget. Any significant increase in interest rates will increase the City's debt servicing on new debt and limit future borrowing capacity.

The building and construction market contributes to the City's finances through development and permit fees, development cost levies, and community amenity contributions. Any significant downturn in this sector will have a negative impact on the City's operating and capital programs.

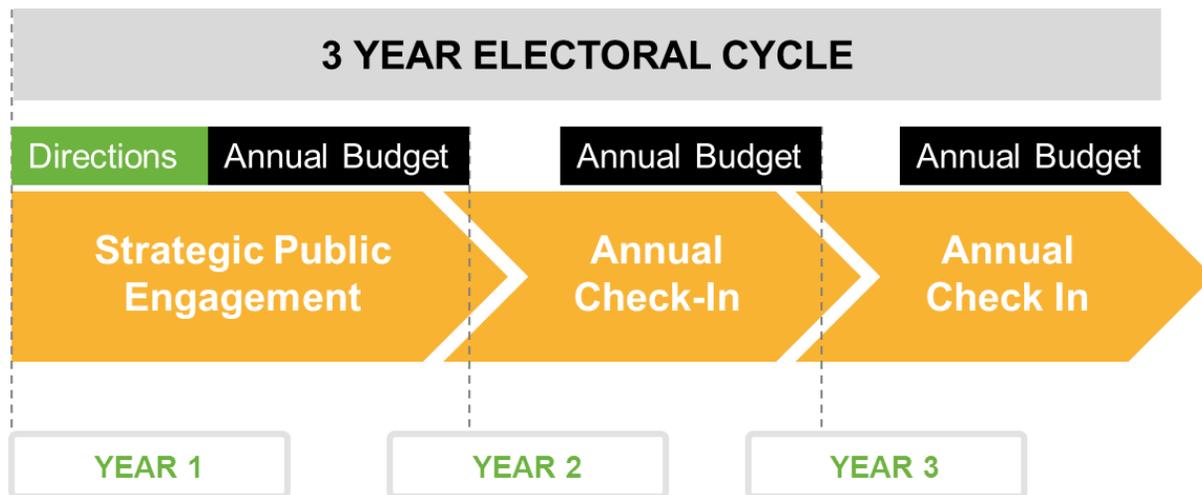
We strive to strike a balance between maintaining and optimizing existing assets and adding new assets needed for the City's growth. The health of our infrastructure directly relates to the success of our local economy. The need for rapid transit represents a major capital investment, and the costs of public works are increasing. As the owner of vast infrastructure networks and many buildings, the City conducts ongoing maintenance and upgrades to ensure that major infrastructure assets such as bridges, roads, water infrastructure and sewers are functioning and resilient. City facilities must be in good condition to provide citizens with necessary services and programs. The increasing cost of maintaining and replacing these structures contributes to a growing infrastructure gap.

The City is continuing to prepare for the threats posed by climate change and natural disaster—particularly earthquakes, striving for fiscally responsible investment in all planning, response, and mitigation techniques. The flooding and severe storms witnessed throughout Canada in recent months offer lessons to help us be as prepared as possible to respond to such events as they happen and to quickly resume business across the city. Such events and their lessons influence our capital infrastructure investments and our focus on preparedness. In turn, these increase financial pressure on both our medium-term and long-term financial and capital plans.

PUBLIC ENGAGEMENT

Public engagement for the 2014 Capital and Operating Budget was designed to support the transition to a new three-year engagement cycle shown below. The 2014 Budget engagement process maintains consistency of engagement activities from previous years for high-level comparison, while proactively updating methods to test new modes of outreach.

In the City's new approach to budgeting and service planning, a three-year public engagement cycle begins in Year 1 with a broader strategic planning view after the new council is elected. Year 2 and 3 are then subsequent check-ins on public satisfaction with service levels. Engagement for the 2014 Budget falls into the category of Year 3 Annual Check-In phase of the new engagement process.



2014 Public Engagement Objectives

1. To build community knowledge by providing information about the services the City offers, the context within which spending decisions are made, and the budget process.
2. To proactively survey a demographically reflective sample of residents and businesses on specific issues and city-wide topics to determine satisfaction with civic services, identify spending priorities, and gather input on City activities.
3. To provide opportunity for the general public and advisory stakeholders in the community to enter into dialogue with City staff on budget challenges and directions.

PUBLIC ENGAGEMENT BUDGET 2014

The 2014 Annual Check-In with the public was a multi-pronged approach:

2014 Budget Outlook

The Budget Outlook booklet was designed to launch the budget process by providing the public with approachable and easy-to-read information about the operating and capital budgets. Information included the

local, national, and international context within which we are budgeting, how the City used funds in 2013, key challenges for 2014, initial directions for funding, and possible opportunities for transformation.

Service Satisfaction Survey

The City worked with external research consultant Vision Critical and used the City's new online panel, Talk Vancouver, to ask residents and businesses about service priorities and concerns. The online survey also acted as a tool to educate participants about the trade-offs required in balancing a budget and gathered information about their tolerance for increases in taxes and user fees. This is the second year that the City has used an online survey rather than the telephone survey of prior years. This is in recognition of changing times, where landlines are becoming less common and more people can be reached online.

3-1-1 Caller Outreach

3-1-1 Citizen Service Representatives (CSRs) supported budget engagement by asking random callers three questions pulled from the service satisfaction survey. CSRs prequalified callers by determining if they were residents or business owners in Vancouver.

Multi-Stakeholder Workshop

This year, for the 2014 Budget, the multi-stakeholder workshop was expanded beyond citizen advisory committees to include Business Improvement Areas (BIAs) and local organizations representing housing, childcare, health, and sustainability. The purpose of the workshop was for shared learning and dialogue on budget challenges and priorities, in an environment of cross-fertilization.

Public Dialogue

An open opportunity to hear about the 2014 Budget in detail, prior to the Council meeting, and to ask questions of Finance staff will be made available one week prior to the Council review of the 2014 Budget.

SURVEY HIGHLIGHTS

The following highlights results of the survey, details of which are included in the 2014 Budget Report attached as an appendix to the 2014 Budget Council Report.

3-1-1 Caller Results

3-1-1 Citizen Service Representatives asked 426 callers, who identified themselves as Vancouver residents or business owners, the following three questions pulled from the service satisfaction survey. Below are the results and comparison to last year. The 2013 Budget and 2014 Budget are the first budget years where this tactic has been used.

1. What do you feel are the most important local issues facing the City at the present time?

Budget 2014 Top Five Issues:

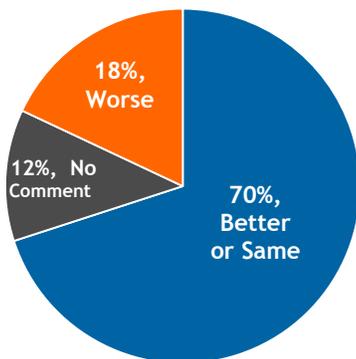
1. Transportation: bike lanes, traffic, parking
2. Housing and homelessness
3. Garbage and clean streets
4. Social services: community centres, mental health, schools
5. Crime/criminal activity

Budget 2013 Top Five Issues:

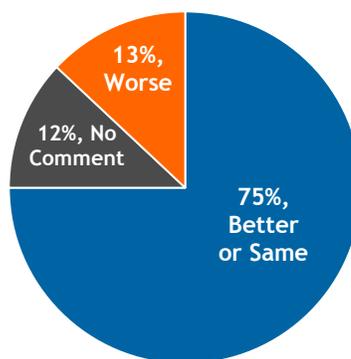
1. Housing and homelessness
2. Transportation: traffic, parking, road safety
3. Taxes
4. Garbage and clean streets
5. Safety

2. Would you say that the overall quality of services provided by the City of Vancouver has got better, stayed the same, or got worse over the past few years?

Budget 2014 Survey Results: Overall Quality of Services

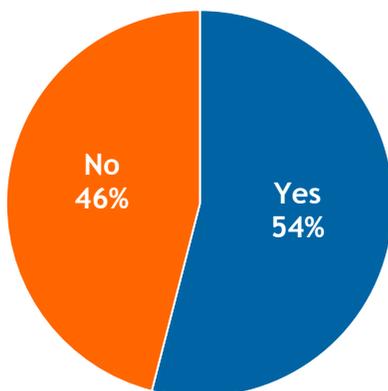


Budget 2013 Survey Results: Overall Quality of Services

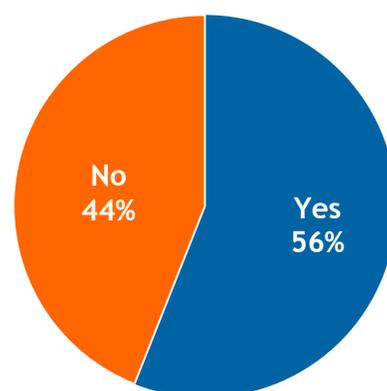


3. Thinking about all of the programs and services you receive from the City of Vancouver, and the amount of property taxes or rent you pay, would you say that you get overall good value for your tax dollars?

Budget 2014 Survey Results: Good Overall Value for Tax Dollars



Budget 2013 Survey Results: Good Overall Value for Tax Dollars



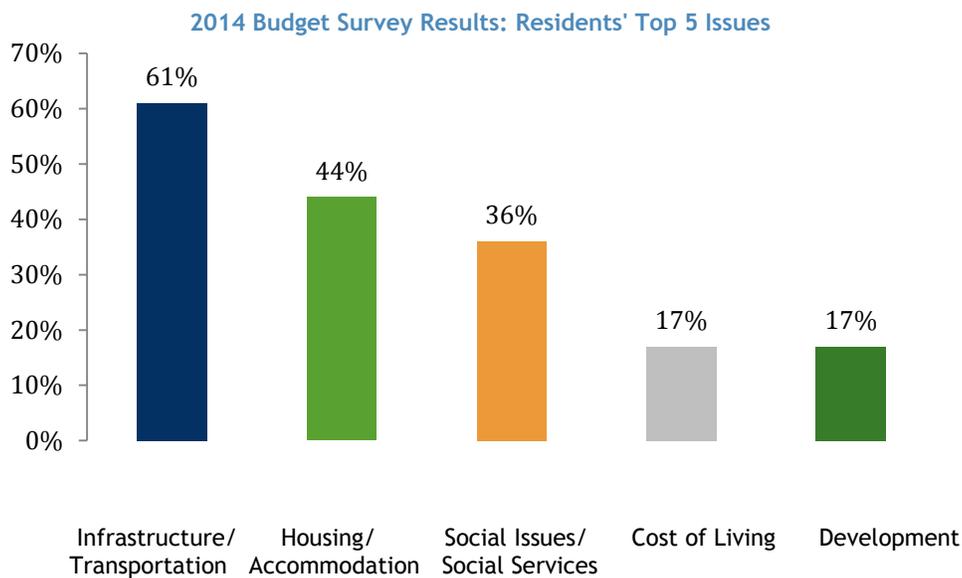
SERVICE SATISFACTION SURVEY KEY FINDINGS

The service satisfaction survey was hosted on the City’s online engagement platform, Talk Vancouver, using Vision Critical’s proprietary software called Sparq. Public engagement and participation are vital to strengthening the City and Talk Vancouver provides a convenient way for people to weigh in on City issues. The budget survey ran October 10 - 28, and a total of 989 Residents and 404 Businesses completed it. To ensure the statistical relevance of the survey, results were weighted to Statistics Canada data on age and gender demographics. Businesses were sampled to ensure representation of businesses of various sizes, and final results were then weighted to the business size data from Statistics Canada for the city.

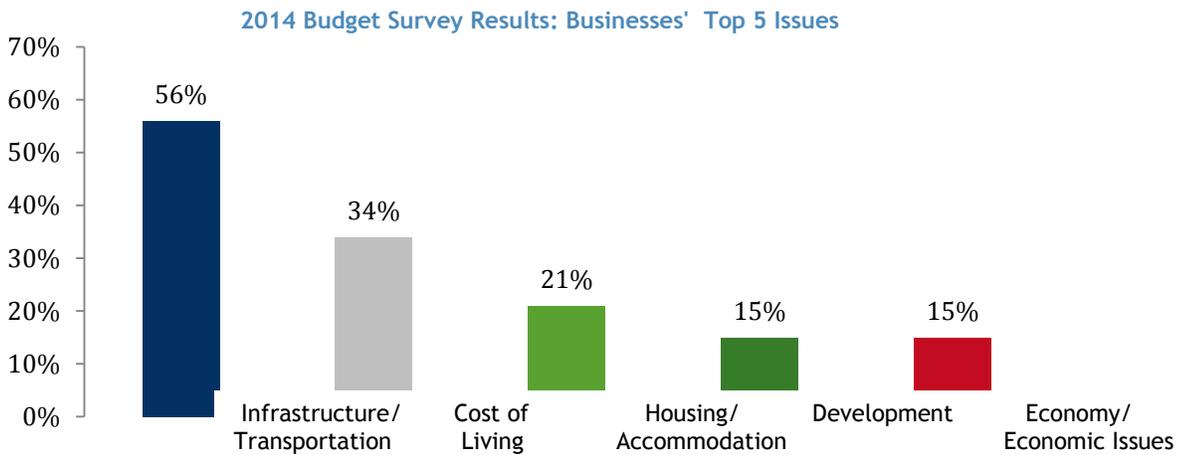
Top Five Issues

Vancouver residents and businesses identified a similar set of issues they feel should receive the greatest attention from City Council. While they generally agree which issues are their top five concerns, as in past years, they differ in the degree to which these issues are important.

Residents’ Top Five Issues (2014 Budget):



Businesses' Top Five Issues (2014 Budget):



Priorities By Year (in order of importance)

	2014 Budget	2013 Budget
Residents	<ol style="list-style-type: none"> 1. Infrastructure/Transportation 2. Housing/Accommodation 3. Social Issues/Social Services 4. Cost of Living 5. Development 	<ol style="list-style-type: none"> 1. Infrastructure/Transportation 2. Housing 3. Social Issues/Social Services 4. Cost of Living 5. Crime and Safety and Development
Businesses	<ol style="list-style-type: none"> 1. Infrastructure/Transportation 2. Cost of Living 3. Housing/Accommodation 4. Development 5. Economy/Economic Issues 	<ol style="list-style-type: none"> 1. Cost of Living 2. Infrastructure /Transportation 3. Economy/Economic Issues 4. Housing 5. Crime and Safety

Budget Allocation to City Services

City of Vancouver residents and businesses share similar views when it comes to the share of the City’s budget they would allocate to the various services the City provides.

- For both groups, approximately 40% of the City’s budget, on average, would go to the same top four services, and in roughly the same order:
 - Enable affordable housing (residents - 8.0%; businesses - 7.0%)
 - Reduce crime and maintain public safety (residents - 7.7%; businesses - 7.3%)
 - Provide transportation infrastructure for walking, bikes, transit, and vehicles (residents - 7.4%; businesses - 7.7%)
 - Fire prevention and response to fire/medical calls (residents - 6.1%; businesses 5.7%)
- For residents, the provision and maintenance of parks and green spaces made it into their top five services (residents - 6.2%; businesses - 5.7%)
- For businesses, the promotion of economic development made it into their top five services (residents - 4.7%; businesses - 6.2%)

Support for Property Tax User Fee Increases

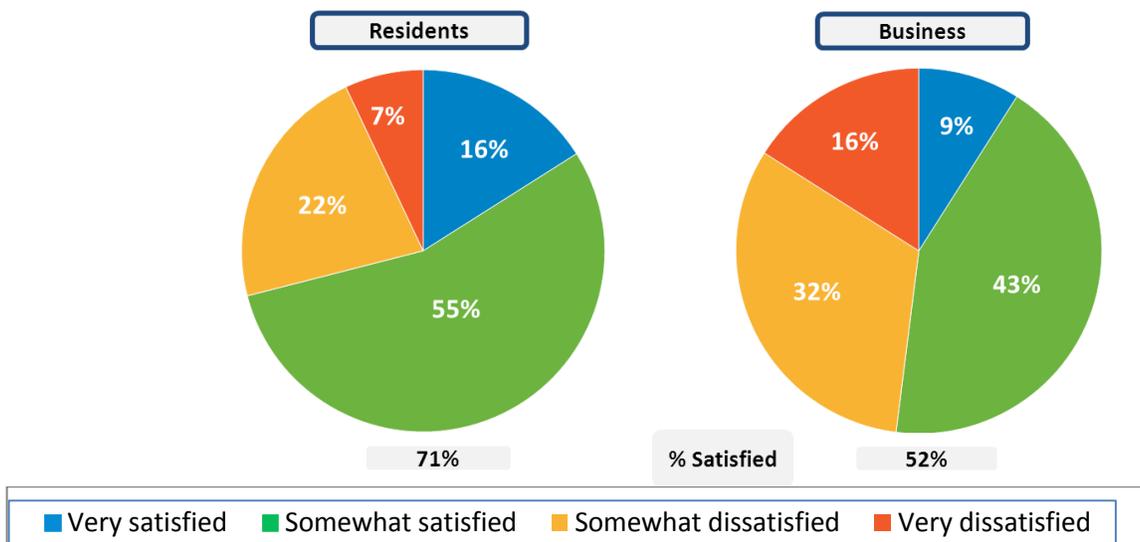
More than half of City of Vancouver residents and businesses are willing to pay small increases in property taxes to maintain the current level of City services, but they are much less open to higher increases.

- 67% are willing to pay a 1% increase and 53% are willing to pay a 2% increase
- 28% are willing to pay a 3% increase and 16% are willing to pay a 4% increase

Quality of Services

City of Vancouver residents feel that service is generally good, with 71% of residents giving the City a somewhat satisfied or very satisfied rating. Businesses are split in their satisfaction, with 50% giving a somewhat satisfied or very satisfied rating to the City.

2014 Budget Survey Results: Satisfaction with City Services



Satisfaction with City Services - Trend

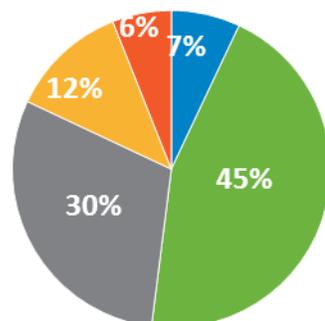
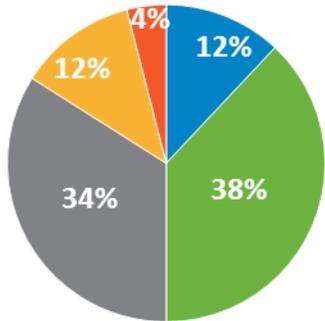
The 2013 Budget was the first year in which the service satisfaction survey was conducted solely online, replacing the historical telephone survey. Given changes in demographics and technology, the online survey is meant to reach a broader spectrum of residents and businesses and make it easier for them to respond to in-depth survey questions. Because of the change in data collection methodology, 2013 Budget results are the baseline for comparison of future year to year changes. In 2014, residents and businesses were surveyed on a 4 point scale. Given the lower level of satisfaction by businesses, an additional survey was undertaken to enable comparison to the 2013 survey which was based on a 5 point scale with a “neutral” category, and results were comparable to 2013.

2014 Budget Survey Service Satisfaction Results

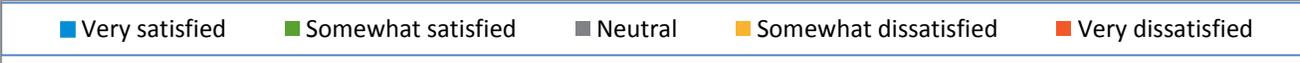
2013 Budget Survey Service Satisfaction Results

**Budget 2014
Business**

**Budget 2013
Business**



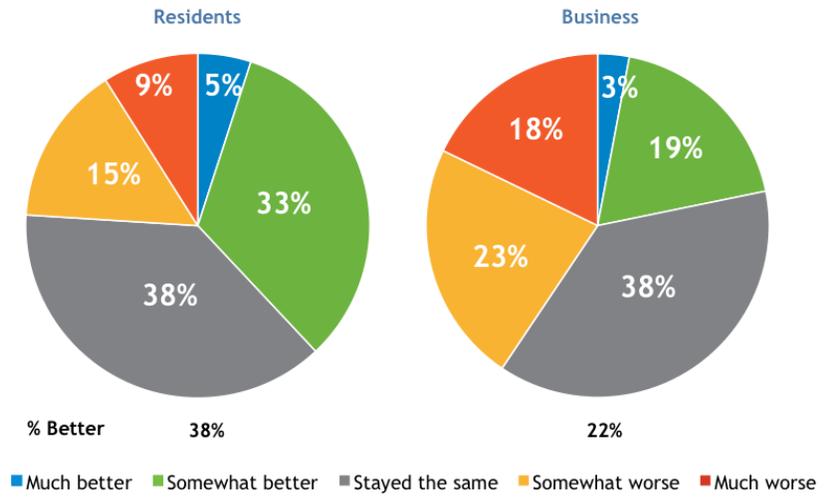
50% **% Satisfied** **52%**



2014 Budget Survey
 Residents - 71% satisfied / 29% not satisfied
 Businesses - 50% satisfied / 34% neutral / 16% not satisfied

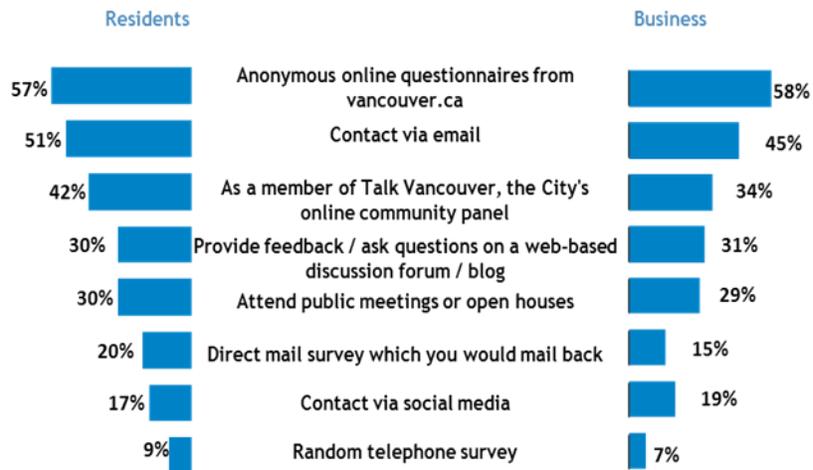
2013 Budget Survey
 Residents - 81% satisfied or neutral / 19% not satisfied
 Businesses - 52% satisfied / 30% neutral / 18% not satisfied

Almost 40% of both residents and businesses feel the quality of City services has not significantly changed over the past two to three years (38% each). For those who felt that quality had changed, more residents saw improvement (38%) rather than deterioration (24%). For businesses that thought quality had changed, 22% saw improvement and 40% saw some level of deterioration.



Preferred Future Engagement Methods

The majority of businesses and residents prefer going to the City of Vancouver website to complete surveys (57% and 58%, respectively). This is followed by contact via email, although residents' preference for this method is higher at 51% compared to businesses at 45%. Forty-two percent of residents and 34% of business would like to engage through Talk Vancouver, the City's new community consultation panel.



PROGRESS WITH COUNCIL PRIORITIES

Council has five priorities:

1. Housing and Homelessness
2. Safety, Inclusion and Creativity
3. Economic Development
4. Greenest City
5. Value for Money



HOUSING AND HOMELESSNESS

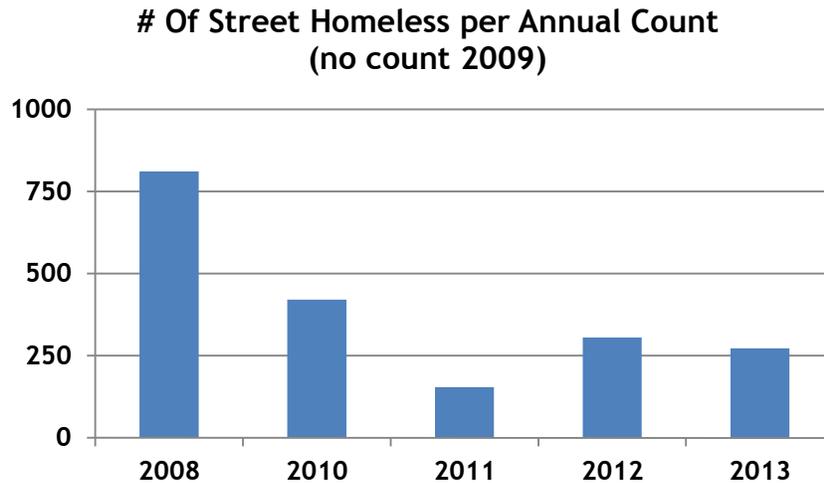
Strategic Goal:

End street homelessness by 2015 and increase affordable housing choices for residents.

The City continues to make progress on this Strategic Goal with a declining incidence of street homeless and continued strength in the number of affordable housing choices planned or introduced to the market.

ENDING STREET HOMELESSNESS BY 2015

The number of street homeless declined in 2013 to below 300, which is a significant decrease from 2008 when the number of street homeless was over 800 people. The Winter Shelter Strategy, a key partnership with BC Housing which is now in its fourth year was successful in 2013 in housing close to 160 street homeless individuals for the winter months. In partnership with BC Housing, many of those in this temporary shelter space were placed in supportive housing at the end of the winter. This initiative will continue for 2014.



The City is on track to achieve its three-year (2012-2014) target for new social housing units in 2014. A further 257 supportive housing units opened in 2013 and over 250 social housing units were committed.

The supportive housing targets require a partnership with the Province and the health authority in order to ensure the operating funding is there to provide the subsidy and support. This is more challenging in the current fiscal environment; however, progress is being made. The 14 new MOU supportive housing developments in the City are the result of an innovative partnership between the City of Vancouver and the Province of British Columbia, with some support from Vancouver Coastal Health and the Streethome Foundation. When completed, this initiative will have created an additional 1,500 much-needed supportive housing for homeless Vancouverites and those at risk of becoming homeless.

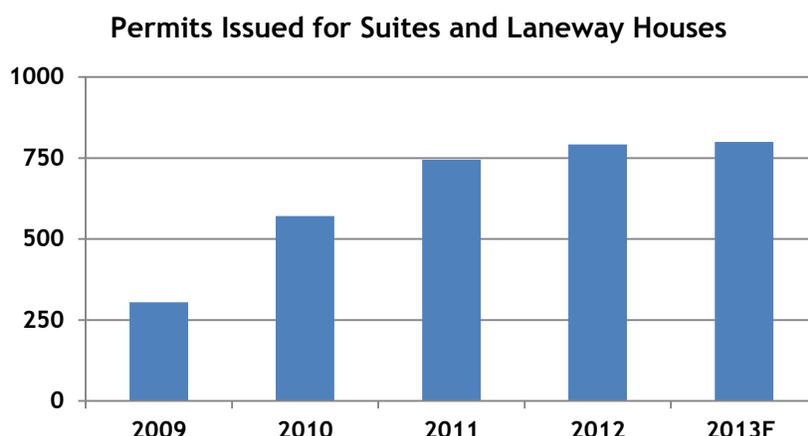
Over the last two years the City has made investments, including:

- capital investments of \$42.2 million that leverage other funds to enable nearly 1,000 new social and supportive housing units
- purchase of the Kingsway Continental Hotel to replace existing social housing at the Old Continental and increase the available social housing units
- purchase of the Holiday Inn on East Hastings Street as an interim housing site

INCREASING AFFORDABLE HOUSING

Building on the recommendations of the Mayor's Task Force on Housing Affordability, the City has implemented several key policy and planning changes to increase the availability of affordable housing choices for all residents.

Permits for suites and laneway houses are estimated to increase in 2013 to over 800. Since 2008, over 3,200 permits have been issued.



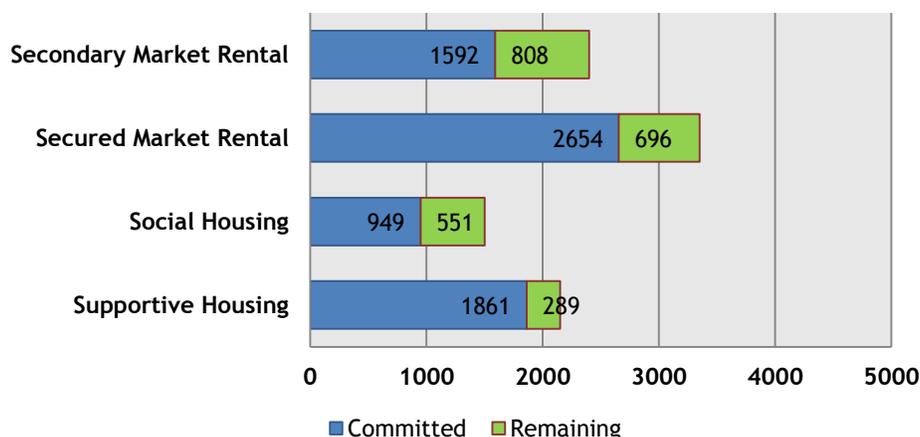
In addition, incentives for the development of new secured market rental housing have resulted in over 2,600 units of market rental housing being committed since 2008.

Beyond a more flexible planning environment, the City has is working to secure partnerships with other stakeholders to increase the supply of affordable housing choices. This includes:

- a possible agreement to lease four City-owned housing sites valued at \$20 million to The Land Trust (a consortium of non-profit agencies led by the BC Co-op Federation), which will be built up to 355 rental units, many of which will be rented below market rates
- a call for a partner to build up to 25 units of social/supporting housing on the site of the VFRS Fire Hall #5 as part of the renewal of the Fire Hall

With regard to market rental, since 2008, incentives for secured market rental housing have resulted in over 2,600 new units, either completed or under development. A further 900 units have applications under review and could be approved in 2014. This places the City on track to achieve its 2021 target of 5,000 additional market rental units.

Progress on Housing and Homelessness - 3-year Plan (2012 - 2014)



In 2013 the City undertook two initiatives to protect renters and enhance the quality of rental housing in the City:

- The Vancouver Rent Bank was launched in 2012 as a partnership with the Network of Inner-City Community Services Society (NICCSS), Streethome Foundation, Vancouver Foundation, Vancity, and UBC. In its first year of operation it has helped 220 people stay in their homes; 137 loans have been issued, worth a total of \$125,000.
- In February 2013, the City launched a new online searchable database of rental buildings to assist renters in making more informed decisions about their housing.
 - The Rental Standards Database includes information related to standards of maintenance bylaw infractions for licenced rental buildings in Vancouver with five or more residential units.
 - Buildings included in the database are single-room occupancy (SRO) hotels, private rental housing, social housing, and supportive housing units.
 - These make up approximately 2,500 buildings, or 70,000 of Vancouver's 131,000 rental units. Through coordinated partnerships and initiatives, including the SRO Task Force, City of Vancouver Integrated Enforcement, and the Coordinated Working Group for Troubled Buildings, the City is now seeing a reduction in violations for repeat standards of maintenance bylaw offenders as well as a reduction in the time for property owners to reach bylaw compliance in their buildings.



SAFETY, INCLUSION AND CREATIVITY

Strategic Goal:

Create a City of healthy people and healthy communities in a healthy environment.

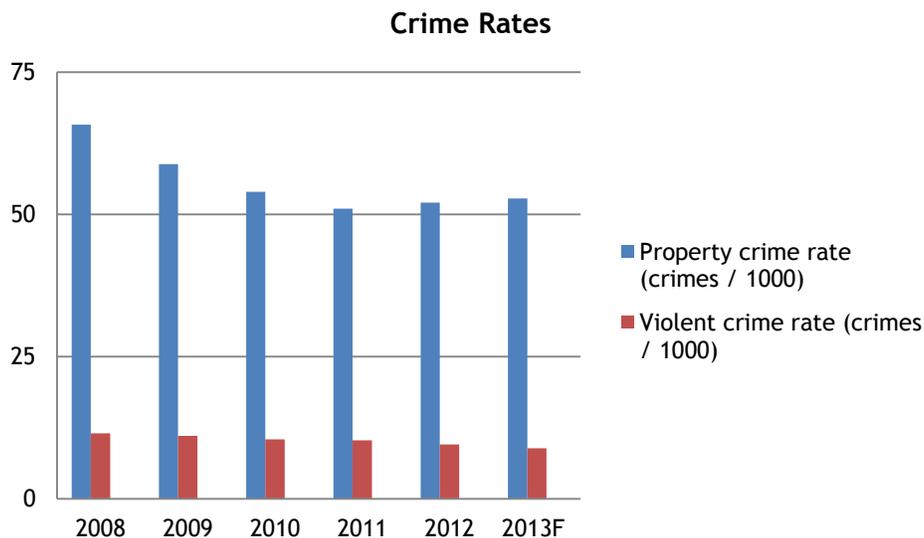
HEALTHY CITY STRATEGY

In 2014, Council will be asked to approve the Healthy City Strategy that brings together diverse services and departments of the City to achieve the goal of healthy people, communities, and environment. The 12 deliverables of the strategy include, among others: affordable living, opportunities for employment, culture and literacy, public engagement and inclusion, and communities that are safe and environmentally sound.

VANCOUVER POLICE DEPARTMENT

The Vancouver Police Department (VPD) is a key leader with the Mayor's Taskforce on Mental Health and Addictions and will be working collaboratively in the community to improve the lives of people who are struggling with serious addictions or mental illness in our community.

2014 is the second year in the three-year pilot of Community Safety Officers who handle some of the less complex police tasks. The first year has shown very positive results. This investment is \$2.1 million per year. The Community Safety Officers are part of the five-year strategic plan goal to reduce property crime by 25% from 2012 to 2016, enabling sworn officers to focus on more serious violent crimes and emerging forms of criminal activity including cyber crime.



VANCOUVER FIRE AND RESCUE

Vancouver Fire and Rescue (VFRS) continues to transform services by growing and utilizing capacity within fire suppression staff to ensure that more of the building stock in Vancouver is inspected in a timely fashion. This has resulted in a 60% increase in the number of life safety inspections since 2009.

2014 will see the start of some significant capital investments in fire infrastructure, including \$3 million in new fire boats and \$24 million in new fire trucks.



PROPERTY INSPECTIONS AND ENFORCEMENT

In partnership with Vancouver Fire and Rescue and Vancouver Coastal Health, the Community Services Department has implemented a new integrated approach to bylaw enforcement related to safety and livability of housing. This includes the Hoarding Action Response Team where a multidisciplinary team works collaboratively to improve living conditions and fire life safety.

SOCIAL POLICY AND DEVELOPMENT

Along with the consultation work on the Healthy City Strategy, the Social Policy group was actively involved in a number of projects aimed at enhancing inclusion through participation in community dialogue and creating “living room” space for vulnerable citizens.

Over 375,000 people attended or took part in community events including citizenU, farmers' markets, and project consultations. Over 600,000 meals were served at Carnegie Centre, Gathering Place, and the Evelyne Saller Community Centre, along with more than 150,000 opportunities to have showers, do laundry, participate in employment counseling and peer placements.

The Vancouver Inspiration Pass program (<http://pwp.vpl.ca/inspirationpass/>) celebrated its first birthday in 2013 as one of the newest initiatives as part of our inclusion agenda. The 120 passes every two weeks loaned by VPL to Vancouver adults and teens provide family access to 25 community amenities, attraction venues, and performing arts events for Vancouver families who may otherwise not have an opportunity to participate in these activities. Early feedback demonstrate the importance of this program in ensuring that even those families who cannot afford admission fees can participate in community life and share in community experiences. The Library recognizes the leadership and commitment of the community and City partners who open their doors to pass holders, making this program possible.

Our social grants program is a major platform for our inclusion agenda; the 2014 Capital and Operating Budget includes an incremental investment of \$1 million for social priorities through our social grants program.

COMMUNICATIONS, 3-1-1, AND DIGITAL STRATEGY

Service	Metric (Call type)	2009	2010	2011	2012A	2013F
311 Call Centre (Customer Service)	Staff Directory	37,736	32,076	65,199	68,257	62,760
	Bylaw Ticket Online Payment	504	3,873	47,878	65,182	52,849
	Property Tax Account Balance	3,121	10,795	27,782	29,558	30,344
	Parks General Inquiries	5,971	22,092	27,655	36,533	26,028
	Parking Enforcement Inquiry	10,825	15,748	25,892	30,355	30,536
	Building Inspection Booking Request	6,426	17,571	23,556	27,957	24,668
	Building and Development Inquiries	n/a	2,536	22,378	30,154	30,595
	Parking Ticket Inquiry	4,321	8,033	17,654	22,046	19,458
	Electrical Inspection Booking Request	4,851	10,552	17,065	17,725	15,894
	Pools and Aquatics	304	1,053	16,031	15,942	4,433
	Community Centres	544	9,467	15,727	22,988	16,276
	Recycling Box/Bag Information	4,463	13,062	15,024	12,300	5,550
	Plumbing Inspection Booking Request	4,422	9,942	14,621	15,315	14,278
	Bylaw General Inquiry	669	5,639	11,415	8,451	5,483
	Business License Inquiries	2,209	6,964	7,803	7,987	7,041
	Abandoned Garbage Pickup - City Property & Parks	2,399	5,514	7,519	9,529	11,095

3-1-1 continues to grow as a source of information for the public about City services, with over 900,000 calls or contacts forecasted by the end of the 2013 year. In 2014, a new Open 3-1-1 smartphone application will make this communication even easier. Through 3-1-1 citizens can advise the City about service issues, provide input, take surveys, and contact City staff.

Talk Vancouver is the City’s new online forum for dialogue and feedback on City issues. In addition to traditional methods of obtaining public input through surveys, town halls, and public hearings, Talk Vancouver and social media will be used in 2014 to take the pulse of the community on issues and concerns. The City’s goal is to have 5,000 members of Talk Vancouver by the summer of 2014.

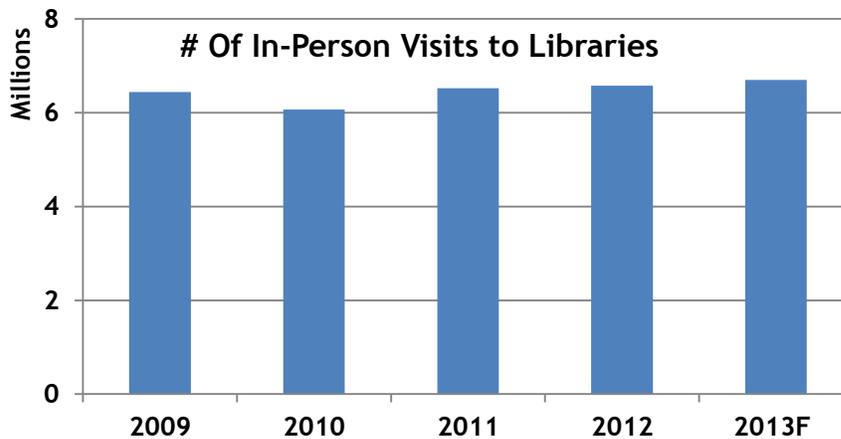
Parks and Recreation

2013 saw the very successful introduction of the OneCard, designed to enhance access to rinks, pools, fitness centres and community centre programs across the Park Board recreation network. Over 80,000 One Cards have been issued since July 2013 - these cards can be loaded with the Leisure Access Care, which is the Park Board subsidy for low income residents, the Flexipass, and other programs. OneCard supports the Park Board’s commitment to open access to all recreation services and programs for low-income residents.

Vancouver Public Library

The Vancouver Public Library (VPL) is a significant hub of community inclusion through its collections, reference staff, and community programming. Since 2013, operating hours have increased across the system, with 2,300 annual hours added to the system with all branches now open on Sunday. In 2014, work will continue on the new Strathcona Library which, when it opens in 2015, will contribute to a significant jump in available library space and hours.

Seventy-eight per cent of Vancouver residents reported using the Vancouver Public Library in the past year (Mustel, 2013). This is an increase of 4% over 2010 and points to the important role that public libraries play in the community, ensuring that all residents can access lifelong learning and enrichment for free and allowing them to allocate their limited financial resources to other personal and family priorities. The survey also noted that 62% of the reading that occurs amongst our residents through their use of the VPL would not otherwise happen due to their inability to access reading materials through other means. These statistics highlight the value of our network of libraries across the City.





Extended library hours a gift of time for busy family

When it comes to Vancouver's public libraries, eight-year-old Caitlin Lee is an aficionado. On most weekends, she heads off, parents in tow, to a different branch to return or replace some of the 50 books and movies she often has on loan.

"She reads a lot," says her proud father, Jason Lee. He believes the library's decision to expand its Sunday openings across the system have been like a gift of time to his family. Like many parents, Lee and his wife Teresa Gray hold down full-time jobs during the week, so quenching their daughter's thirst for books and movies used to be something they had to squeeze in.

"Depending on what's going on in our lives, we sometimes go Sundays and sometimes Saturdays," he explains. "Sunday hours give our family much-needed flexibility."



Real Value for Real People

Based on community input, opening all Vancouver Public Library (VPL) branches on Sundays has topped VPL's wish list for several years, explains Chief Librarian, Sandra Singh.

"For people who work Monday to Friday, evenings and weekends are the prime times to access City services and facilities," she explains. "Instead of letting our branches sit idle, Sunday hours provide our community with better access and enhanced flexibility to our entire system."

To enable Sunday openings, VPL invested in technology designed to increase self-service check-out.

Nearly 83 per cent of patrons now check out materials using the self-service kiosks. This allows some staff positions previously dedicated to this task to be re-allocated to extend library hours.

The program was launched on International Literacy Day (September 8, 2013) and, as the City's top librarian, Singh was thrilled to hear about lineups at some VPL locations.

Even the Central branch downtown, which has been open on Sundays for years, has added two hours to that day's schedule. "It's one of our busiest locations," says Singh, "and it really is the nerve centre of the entire VPL network."

The Lee-Gray family, residents of Vancouver's Mount Pleasant neighbourhood, visits a variety of library locations to explore the unique features of each branch, its community and nearby playgrounds.

"Because we go every week, we like switching it up," explains Lee. "Each of them has a unique feel and different books in its collection."

Caitlin's first move when she gets to any branch is to head to the picture book, children's, and young fiction sections, while her parents browse stacks geared to adults. They'll lend Caitlin a hand if she needs help finding something, but it's their daughter who handles the automated checkout -- as she's done for several years.

"It's a great system," Lee says of the self-serve arrangement. "There's always a little lineup of kids waiting to check their books out. It helps them become self-reliant."

"Instead of letting our branches sit idle, Sunday hours provide our community with better access and enhanced flexibility to our entire system."

— Sandra Singh

Year of Reconciliation

The Mayor and City Council voted unanimously to proclaim June 21, 2013, to June 20, 2014, as a Year of Reconciliation in Vancouver. The City is acknowledging the negative cultural impacts and stereotypes that resulted from Canada’s residential school system, witnessing the process of reconciliation and healing, and advancing a greater shared understanding of the historical impacts that have shaped the experiences of Aboriginal people to date.

In partnership with Reconciliation Canada, the City Manager’s Office—through the Assistant City Manager and Protocol—is leading the cross-organization initiatives involved in the activities during the year.

A host of City programs connect to Reconciliation, including: Aboriginal components within the Stanley Park 125 celebrations; the creation of a Reconciliation legacy Carving Centre at Britannia Park; and the development of a Newcomer’s Guide to Aboriginal Communities, Elders and Arts program. Programming is also included through the Vancouver Public Library’s dialogue sessions, author readings, and documentaries, including a dedicated series with a British Columbia focus.

Through the City Clerk’s Office, regularly scheduled Council-to-Council meetings with the three host First Nations—Musqueam, Tsleil-Waututh, and Squamish—have been held over the course of 2013 (for the first time) to identify common agendas and advance areas of mutual interest.

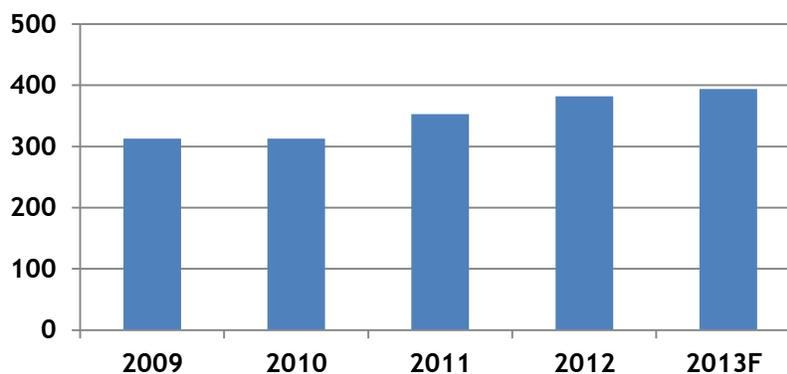
CULTURE AND SOCIAL POLICY SUPPORT

2014 will see a continued focus on the planning for significant new arts venues and spaces in Vancouver, including the new Vancouver Art Gallery, 162 West 1st Avenue, and the evolution of the Arts Factory.

In 2013, Council approved an inflationary increase to the grants budget of \$0.3 million. In addition, Council approved the use of \$1 million of the Innovation fund for additional Social Policy Grants to support new initiatives.

This additional grant funding has been built into the 2014 Capital and Operating Budget as an ongoing increase to the grants budget. For 2014, \$1 million will be added to the existing innovation fund. Of the \$4 million in funding over the past 2 years, over half has been distributed or earmarked for programs.

**Total # of Organizations Supported by
Social Policy and Cultural Grants**





ECONOMIC DEVELOPMENT

Strategic Goal:

Create a climate for growth—supporting investment and trade as well as attracting and retaining talent.

ECONOMIC ACTION STRATEGY

Economic development is a key priority for the City and the work in this area is led by the Vancouver Economic Commission (VEC) and aligned with the 2011 Council-approved Vancouver Economic Action Strategy.

BUILDING GLOBAL ECONOMIC PARTNERSHIPS

Led by the Mayor, the VEC Trade Mission to China was the largest delegation ever undertaken by the City. Business leaders from Vancouver's green, creative and information and communication technologies sectors joined the Mayor of Vancouver, VEC and City staff on a trade mission to Beijing, Shanghai, Guangzhou, Shenzhen, and Hong Kong. Over 130 business leaders from the local Chinese community in Vancouver also participated in the cultural and business exchange with our Sister City Guangzhou.

Delegates participated in a number of activities with significant emphasis on business content and business-to-business matching. It is anticipated that similar events will be organized in 2014 to further strengthen Vancouver's global economic presence and showcase the City as Canada's Pacific Gateway.

SUPPORTING SMALL BUSINESS

In Vancouver, small businesses are a key driver of the economy and the creation of new jobs. Small businesses account for 29% of BC's GDP. Ninety-seven per cent of technology enterprises in BC (a key sector for Vancouver's economy) are small businesses. Within Vancouver, 95% of businesses are small (under 50 employees), and nearly 60% have less than five employees, so supporting small business is critical. The Vancouver Economic Commission has worked collaboratively with City staff, BIAs, and other stakeholders on a wide range of projects supporting small businesses and together have implemented a number of initiatives, including: regulatory changes for inter-municipal business licences and the Food Truck Program; promotional support implementing Bizmap, wayfinding and signage, and Open Data information; industry support and roundtables for film and television, microbreweries, and retail; improved accessibility with rush hour regulations in the West End; and street beautification with new parklets and the Robson Street pedestrian plaza.

Many opportunities exist for continued support of Vancouver's small businesses, including: further regulatory changes through business licence rationalization, a property tax review, and patio bylaw changes; promotional support through the Vancouver Tourism Masterplan and updates to Bizmap; beautification initiatives such as the Chinatown Revitalization; expansion of Open Data; additional industry roundtables; and implementation of digital initiatives, including Wi-Fi pilots in key destinations and mobile-accessible City services (e.g., 3-1-1, vancouver.ca).

STRATEGIC TRANSPORTATION INFRASTRUCTURE

The Broadway Corridor, which runs from Commercial Drive to UBC's Point Grey campus, is BC's second largest business and innovation area and North America's busiest bus route. More than 200,000 people currently live and work in the area and 50% of the corridor transit riders currently come from beyond Vancouver. Vancouver Coastal Health and BC Cancer Agency operations along the corridor create the largest health care and life

sciences precinct in the province, bringing an estimated 10,000 workers to the area. Vancouver Community College, on the eastern part of the corridor, brings 6,000 students.

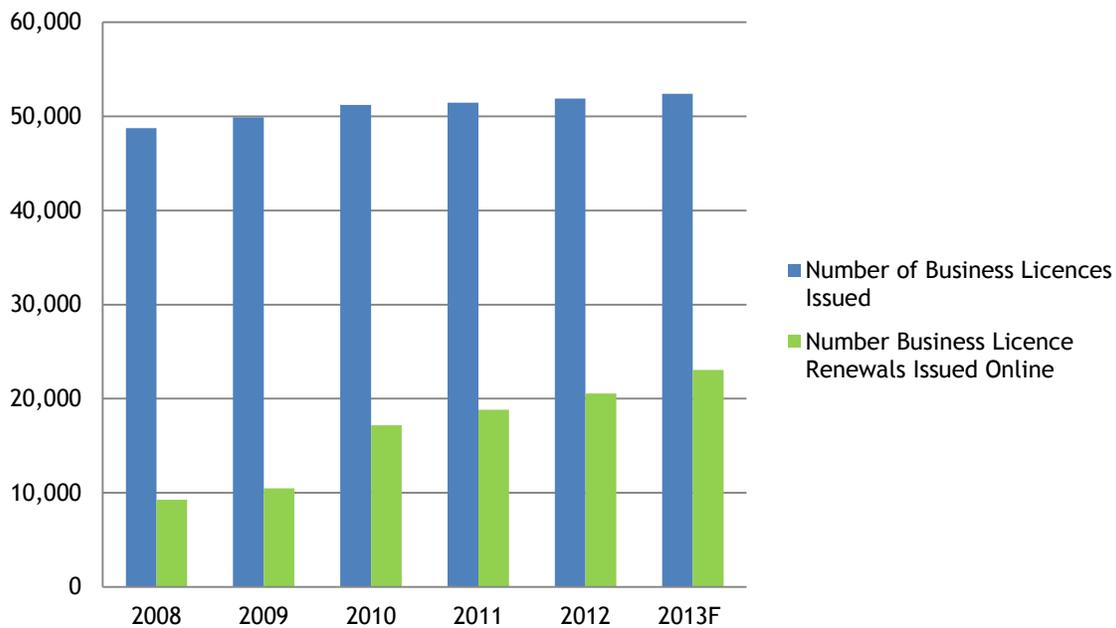
The City’s transportation strategy has identified the implementation of the Broadway Subway as the City’s number one transportation priority and it is one of the City’s most important economic initiatives. Development of more detailed plans for the Broadway Subway will be determined by TransLink’s Regional Transportation Strategy Implementation Plan and by the proposal for a Transit Funding Referendum. Both are expected to be completed in 2014. In addition, plans for near-term transit improvements for the Broadway Corridor and the Downtown Bus Service Review will also be prepared in 2014.

INTER-MUNICIPAL BUSINESS LICENCE

This fall, VEC worked in partnership with the provincial government, the City and other regional municipalities in Metro Vancouver to launch the Inter-Municipal Business Licence Pilot for all construction trades. Under this initiative, a tradesperson no longer needs to purchase multiple licences in order to work in Vancouver, Surrey, Burnaby, Richmond, New Westminister, and Delta. This considerably eases the regulatory burden and makes Metro Vancouver an easier and more business-friendly place to work. Pending the success of this pilot, the City will investigate similar initiatives to reduce municipal red tape.

Business licences are available online to ease the administrative burden to businesses. Over 40% of business licences are now issued online.

Business Licenses Issued and Renewals Issued Online





Inter-Municipal Business Licence saves the day for construction trades

The City of Vancouver's new two-year pilot program to simplify business licensing across six municipalities has made life a lot less complicated for residential construction contractor Randy Montroy.

Montroy, who lives in Vancouver, works all over the Lower Mainland. He's always made sure to get the appropriate licences wherever he does his job. That's meant taking out a business licence for each municipality in which he and his 20 employees work, from Langley to Burnaby.

"Every time I go to another municipality, I either have to go to city hall and fill out all the paperwork to get a business licence, or do it online," he explains, adding that each form requires him to assemble other official documentation, like warranty and WorkSafe BC information. "It can take up to two hours to get each licence."



Smaller contractors sometimes skirt the licensing rules by getting the homeowners they're working for to pick up the permits required to do a job, for which contractors need a licence. That gives them an unfair time advantage, and sometimes a price advantage, as well, over individuals like Montroy who abide by the rules.

Montroy therefore appreciates the efforts made to resolve this issue by the Vancouver Economic Commission, the Vancouver Board of Trade, the Ministry of Jobs, Tourism and Skills Training, and the participating municipalities -- Vancouver, Burnaby, New Westminster, Surrey, Delta and Richmond. Their Metro West Inter-Municipal Business Licensing program (IMBL) launched October 1, 2013, applies only to the construction trades at present, and will run through the end of 2015.

"The pilot was prompted by the desire for greater collaboration between the municipalities around licensing," says James Raymond, Research Analyst at the Vancouver Economic Commission. "We all want to make it collectively easier to do business in Metro Vancouver."

Business licences are the norm all over the world, but compliance is often an issue, says Raymond.

"The objective of the business licence is to ensure that each business follows the laws and bylaws of that city. The licensing system provides data that's essential for a number of reasons - regulatory reasons, policing reasons, even economic development reasons. We want to make sure we know what kinds of businesses are operating in the city of Vancouver."

Multi-city licensing has been embraced in BC's Capital Region, on Vancouver's North Shore and in the Okanagan-Similkameen, resulting in increased revenues, greater licensing compliance, and improved tracking of local business development and operations.

The IMBL was developed based on the belief that the simpler the process of working in a variety of jurisdictions, the more healthy the competition will be in the marketplace, and the greater the potential for new investment, jobs and workers, Raymond says. Contractors are expected to benefit, but so are consumers, who will have a greater choice of

service providers when municipal boundaries are not an issue. Contractors can pick up the IMBL at their local municipality office, and ultimately should be able to apply for it online, says Raymond. For the construction trades, it's a flat fee of \$250 for one year, on top of the cost of the home municipality's business licence.

"It allows me, as a business owner, to more aggressively go after contracts in other municipalities and not have to think about all the ins and outs," says Montroy. "The Inter-Municipal Business Licence says that your business is legitimate -- you're not just some guy who's doing basement renovations for people."

"The Inter-Municipal Business Licence says that your business is legitimate -- you're not just some guy who's doing basement renovations for people."

— Randy Montroy

DIGITAL STRATEGY

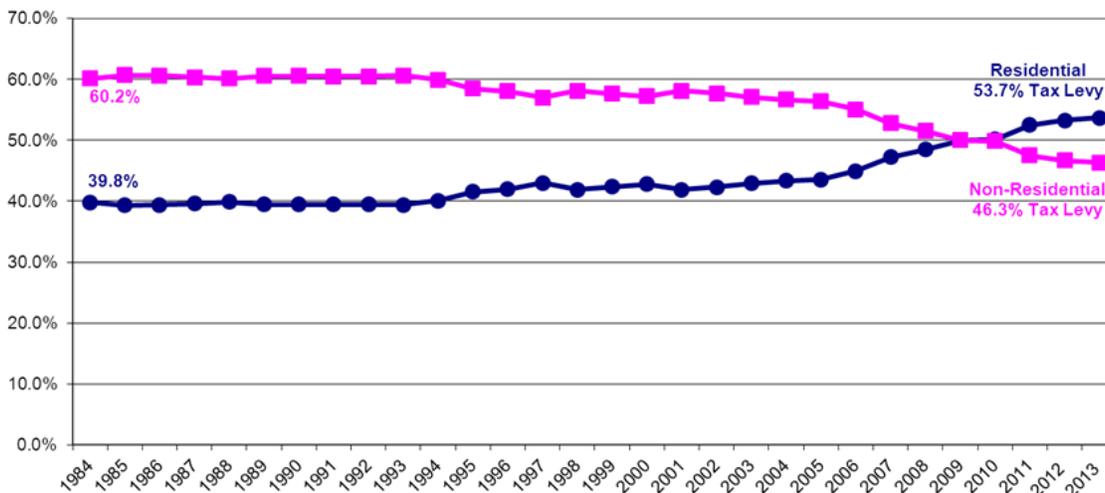
Vancouver is the first Canadian municipality to release a comprehensive Digital Strategy as a major part of our economic action agenda. Vancouver’s Digital Strategy and associated initiatives comprise a significant commitment by the City to improve service, enhance citizen engagement, and support a competitive digital economy. The Digital Strategy sets out a four-year roadmap to accelerate our approach to digital, prioritizing key initiatives that demonstrate the greatest value for citizens, businesses, and the City. In the third quarter of 2013, we were joined by our new Chief Digital Officer, who will now be leading the implementation and prioritization of the Digital Strategy.

Priorities for 2014 include enhanced online and mobile access to City information and services and expansion of digital channels for citizen involvement and interaction with the City. The development of the Vancouver Innovation Hub due to come on line in 2014 is another key element of both the economic action strategy and the Digital Strategy . The City is also exploring protocols and strategic partnerships to enhance the City’s fibre optic network, which in turn will lead to improved digital access and economic development opportunities.

MAINTAINING A COMPETITIVE TAX REGIME

Over the last few years, the City has worked to provide an increasingly competitive business environment due in part to the Council-directed five-year tax shift program. Completed in 2012, this program lowered the tax share paid by businesses. Non-residential properties, including businesses, now carry only 46% of the property tax burden, compared to the 60% they carried in the 1980s.

Revenue Shares of Residential and Non-Residential Taxes



To ensure taxes and fees remain competitive and enable a vibrant city for businesses and residents, Council has recently reconvened the Property Tax Policy Review Commission to assess how best to stabilize taxes and address tax share. The commission will make recommendations to Council in the spring of 2014.



GREENEST CITY

Strategic Goal:

Establish Vancouver as the greenest City in the world by 2020.

The City continues to prioritize work across all departments toward the goal to be the greenest city in the world by 2020. Over the past year, Vancouver has been recognized for its leadership in this area through international awards from the World Wildlife Fund for being the Global Earth Hour Champion, the inaugural Guangzhou International Award for Urban Sustainability, and the World Green Building Council Government Leadership Award for Best Overall Policy

The Greenest City Action Plan (GCAP) describes the path to achieve ambitious targets to address climate change, help the City develop a low-carbon economy, and build a thriving environment for Vancouver residents. In addition to a 33% reduction in greenhouse gas emissions from the community as a whole, the goals require that by 2020:

- all new buildings be carbon neutral in their operations
- the number of green jobs in Vancouver doubles over the 2010 baseline
- the amount of waste going to landfill or incinerator is reduced by 50% over the 2008 baseline
- 50% of trips in Vancouver be made by foot, bike, or transit
- every resident lives within a five-minute walk of a green space
- residents use one-third less water per person compared to the 2006 baseline

GREEN BUILDINGS

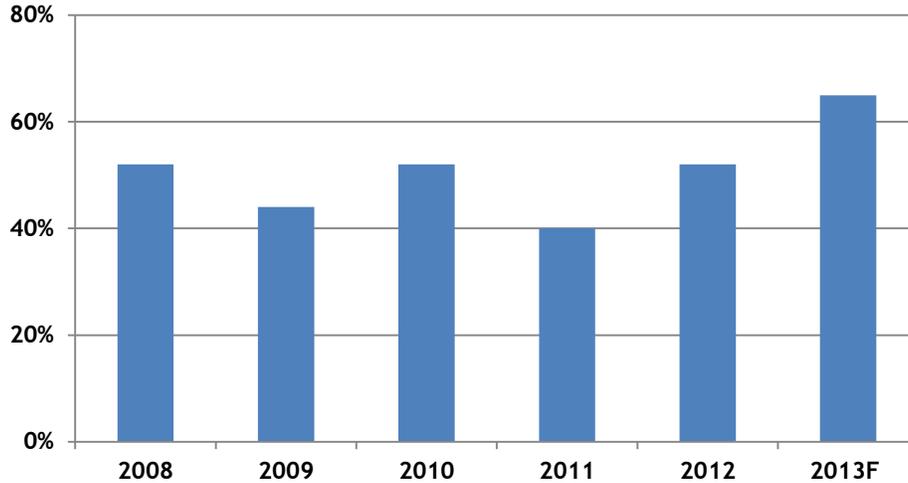
In the past year the City updated the Vancouver Building Bylaw, and in 2014 plans to present to Council a 2014-2020 Building Retrofit Strategy to reduce greenhouse gas emissions and energy use in existing buildings by 20%. In concert with this, the City also plans to present to Council a Carbon Neutral Strategy for New Buildings along with an update to rezoning policies that reflect the improved energy performance in the 2014 Vancouver Building Bylaw.

ZERO WASTE

In 2013 the City launched its food scraps diversion program which included switching of single family homes (including duplexes and triplexes) to weekly collection of green bins and biweekly collection of garbage. The rollout of the program is complete and we are already experiencing an overall reduction in single family garbage of 40% and a 60% increase in diversion of food scraps away from landfill to composting.

At the same time, closure of two completed sections at the landfill and the installation of additional gas collection infrastructure increased the overall recovery rate of landfill gas to 65%, which continues to move us closer to the regulatory target of 75% recovery by 2016. Additional gas collection works are scheduled for 2014 and options for expanding the beneficial use of the recovered gas are being explored.

% of Landfill Gas Collected



In 2014, the City will focus on expanding the green bin program into multi-family buildings, developing a strategy to address demolition and construction waste management in preparation for Metro Vancouver's planned ban on the disposal of these materials in 2015, and adapting our recycling programs to include additional paper and packaging materials as part of the Multi-Material BC (MMBC) recyclable product stewardship program.

GREEN TRANSPORTATION

Vancouver's economy relies on the local and regional movement of goods and services, with longer-distance trips requiring the efficient operation of the rail network. Vancouver has 2,066 km of streets and lanes and the busiest bus corridor in North America (Central Broadway between Commercial Drive and UBC). Vancouver also has 2,162 km of sidewalk and a 255-kilometre bike network.

In 2014 the City, in partnership with Transport Canada, Port Metro Vancouver, CP Railway, and TransLink, will complete the Powell Street Overpass project. This will help to ensure the efficient operation of the railway network to accommodate future growth in goods movement to the rest of North America.

In order to accommodate growth in jobs, population, and trips within existing road space, the City has a goal to have at least half of all trips made by foot, bike, or transit by 2020. Excellent progress is being made toward this goal. While Vancouver's population and economy continue to grow, vehicle use is declining and walking, cycling, and transit use are steadily increasing. In 2014, the City will be working to help advance TransLink's Transportation Strategy, including the Broadway Subway, which will be fundamental to reaching the economic potential of the second-most important economic corridor in the province. A Broadway subway will ensure the efficient movement of people and the ability to accommodate access to jobs and affordable housing for the 1 million additional people who will be living in the region in the future.

2014 will also see the substantial completion of the Burrard Street and Cornwall Avenue intersection improvements, the Seaside Greenway and the York Avenue Bikeway continuing to improve safety, and accessibility for walking and cycling, and contributing to our ongoing sustainable mode shift as outlined in Transportation 2040.

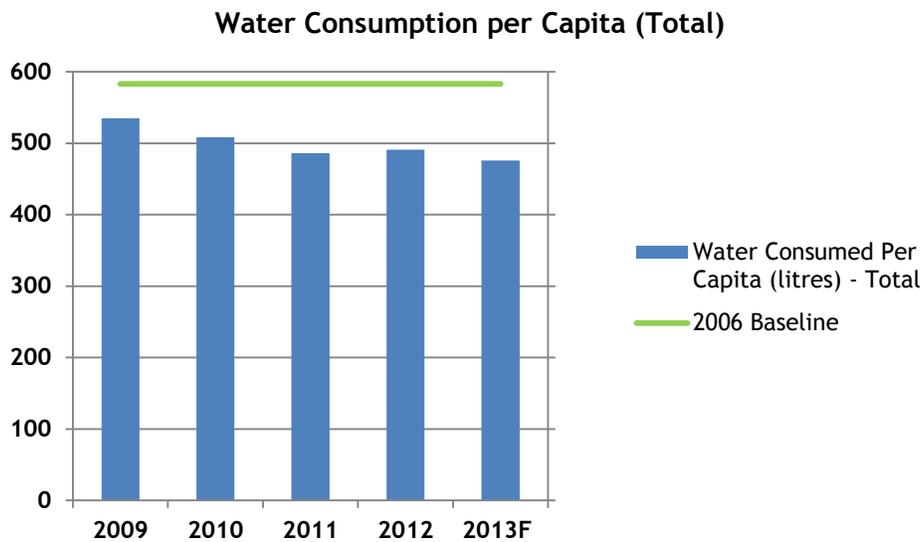
To support cleaner trips made by car, in 2013 the City installed over 50 public electric-vehicle charging stations throughout the community in support of increased uptake of electric vehicles by Vancouver residents. The second annual transportation survey will be undertaken in 2014, which will help to assess progress towards Transportation 2040 and Greenest City Action Plan targets. This will also help to determine reasons for any

changes in travel patterns to help inform future investments in transportation infrastructure for the largest movement towards our targets.

CLEAN WATER

Vancouver is on track to achieving our target to reduce per-capita water consumption 33% by 2020. In 2013, consumption was down relative to 2012 despite very dry weather in July and October. By year-end, we expect per-capita consumption to be approximately 19% below our 2006 baseline, which is over 55% of the way toward our 2020 target.

Lawn sprinkling enforcement was enhanced this past summer, with 50 tickets issued in 2013 compared to 4 in 2012. Seasonal pricing (higher prices during the high-demand summer period and lower prices off-season) is now in place for all metered customers. In addition, water meters are now installed with all new home connections, resulting in over 1,000 new homes receiving meters in 2013.



These price signals and enforcement activities are complemented with education programs, voluntary business and irrigation water audits, and pilot projects to evaluate subsidized fixture retrofits in rental properties. In addition, to improve access to high-quality tap water, seven new drinking fountains were installed throughout the City.

These programs will continue in 2014 and pilot programs will be evaluated for City-wide implementation in future years.

SUPPORTING COMMUNITY ACTION

Together, the City and the Vancouver Foundation will grant \$500,000 in 2014 to over 150 community organizations through The Greenest City Fund to support community implementation of the Greenest City Action Plan.

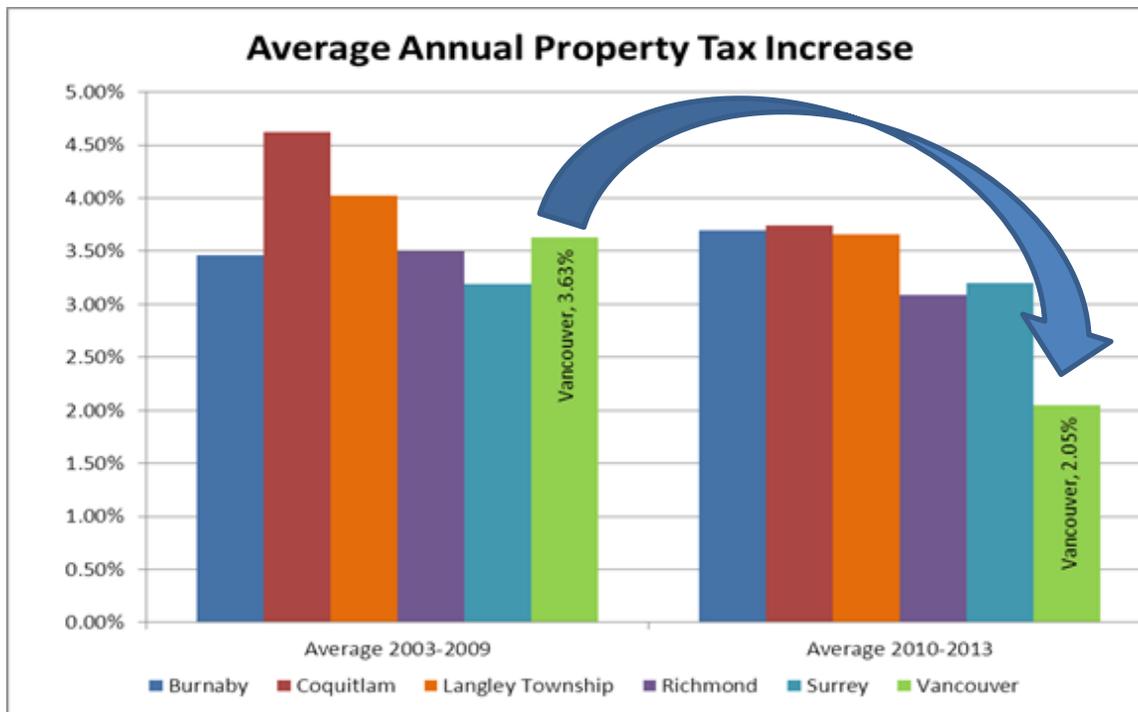
In 2014, the City plans to continue to enable action by students, citizens, and community groups on Greenest City initiatives through the continued growth of CityStudio and by working with the Vancouver Foundation to continue the success of the Greenest City Fund.

VALUE FOR MONEY

Strategic Goal:

Create an efficient, effective and financially sustainable City Corporation.

The City's focus on improving value for money has ensured that property taxes in the past four years have seen a modest increase, generally aligned with inflation. During this period the City has made progress towards its goals and enhanced services to the public through new libraries and community centres, an increase in supportive housing services, and significant investment in police and fire facilities. The City has also invested in core infrastructure, such as continuing with the program to separate stormwater and sanitary sewers and upgrading transportation infrastructure for pedestrians, bikes, and vehicles.



Transformational changes continue to play a key role in the improvement of the planning and results-based budgeting process. Service metrics are helping us plan for more efficient services and improved services for the future, and are an integral part of this budget. Over the coming year, the City's new Digital Strategy will spearhead further evolution across all operations, further reducing red tape and eliminating unnecessary costs.

MANAGING EMPLOYEE COMPENSATION

Employee compensation is the single largest expense in the City's budget and is carefully managed to ensure it is fair to staff and affordable to citizens.

The City has concluded collective agreements covering approximately 5,500 employees represented by CUPE Local 15, CUPE Local 1004, IBEW and IATSE. The term of the agreements is January 1, 2012, to December 31,

2015. The new agreements provide a modest wage increase that strikes a fair and balanced outcome for workers and Vancouver taxpayers: 1.25% for 2012, 1.75% in each of 2013 and 2014, and 2.0% in 2015. The City and the unions also agreed to contractual changes that provide some additional operational flexibility.

Comparable agreements have been concluded between VPL and CUPE 391 and between VPD and Teamsters, representing the department's civilian staff.

The contracts covering police officers and firefighters have expired. Negotiations are in progress with the Vancouver Police Union and have recently commenced with the Vancouver Fire Fighters' Union. It is notable that the renewal of collective agreements with both of these unions is subject to resolution by binding arbitration failing a negotiated settlement.

VANCOUVER SERVICES REVIEW AFTER FIVE YEARS (2009 - 2013)

In response to Council's 2009 motion for a core services review, the Vancouver Services Review (VSR) was established. Under the City Manager's direction, VSR spearheaded a review of City processes and services, asking the organization's leadership to look for opportunities to improve cost efficiencies, reduce duplication, and streamline operations.

During VSR's first phase from 2009 to 2012, the City focused on streamlining and consolidating operations. Major milestones included merging sanitation services, centralizing accounts payable shared services and supply chain functions, and consolidating information technology. Some of the significant accomplishments include:

- enhanced online service, offering citizens the option obtaining routine permits and licences online, thereby requiring fewer visits to City Hall
- reduced parking ticket dispute wait times, from 2 years to 2.5 months, and elimination of pressures on the provincial courts
- technology-enabled efficiencies, such as moving 97% of City employees from paper to electronic pay statements resulting in savings of \$0.3 million and 4.9 tonnes of paper annually
- strategic sourcing through centralized procurement services, driving new volume discounts and cumulative (2010 to 2012) savings of \$23.7 million
- a competitive bid process, with +90% of contracts now going through the competitive bid process
- improved processing times for one- and two-family dwelling permits, reducing wait times by 60%

The cumulative savings achieved by VSR projects is forecasted to be \$53.1 million (in both operating and capital), made up of prior years' savings and new savings from projects currently underway.

In 2013, the VSR shifted its focus from consolidation of services to also supporting broader business transformation initiatives, and is an integral part of the City's journey to delivering increasing levels of value to those who live, work, and play in Vancouver.

VSR is managing one of the largest transformation initiatives in City history. The Permit and Licence Transformation Program is taking the red tape out of government by overhauling how we deliver permits and licences. The City is providing customers with a single, consolidated service desk, streamlining business processes, creating a refreshed business model designed from a customer's perspective, and empowering employees with the right tools and business processes to meet customer needs. This project incorporates a review of the City's sign and zoning bylaws along with a process transformation of property inspections and enforcement.

Along with the Permit and Licence Transformation Program, the VSR is partnering with the Engineering Department on a major review of the City's waste management strategy in the light of new regulations and policy related to extended producer responsibilities and closure of the Vancouver Landfill. This suite of projects will have implications for service delivery and the Greenest City 2020 Action Plan goals.

In total, VSR managed 23 projects in 2013, involving almost 100 staff with over 40 dedicated exclusively to the Permit and Licence project. The Project Management Office budget for 2013 was \$2 million, and is augmented by consulting agencies when seeking specialist skills. To provide a sense of the breadth and extent of the transformation underway at the City of Vancouver, this is a complete list of VSR's projects in 2013:

- Asset Management
- Attendance Management / Org Health
- Consolidated Facilities Services
- Digital Strategy
- Financial Shared Services (with four sub-projects)
- Legal Services Transformation
- Library and Archives Shared Services
- Parks and Public Works
- Permits and Licences
 - Enterprise Software Platform
 - Business Implementation
 - Online Services Implementation
 - Inspection Services Transformation
 - Sign Bylaw
- Warehousing and Fabrication Consolidation
- Waste Management and Resource Recovery
 - Implementation of Extended Producer Responsibility (Multi-Material BC)
 - Multi-Unit Food Scraps
 - Sanitation Services Transformation
 - Long-term Landfill Strategy
- Web Redevelopment - Phase 2 (mobile website)

VSR, in partnership with departments across the City, is creating efficiency and capacity that enables the City to meet its long-term goals, review its operations, and work more efficiently to deliver real value to Vancouver's citizens.

2014 OPERATING BUDGET

The 2014 Operating Budget includes balanced operating revenues and expenditures of \$1.2 billion (\$1,177.5 million), an increase of \$29.6 million (or 2.6%) as compared with the 2013 Operating Budget.

The increase in operating revenue reflects a property tax increase of 1.9%, an average utility rate increase of 2.7%, and user fee price increases of 1%.

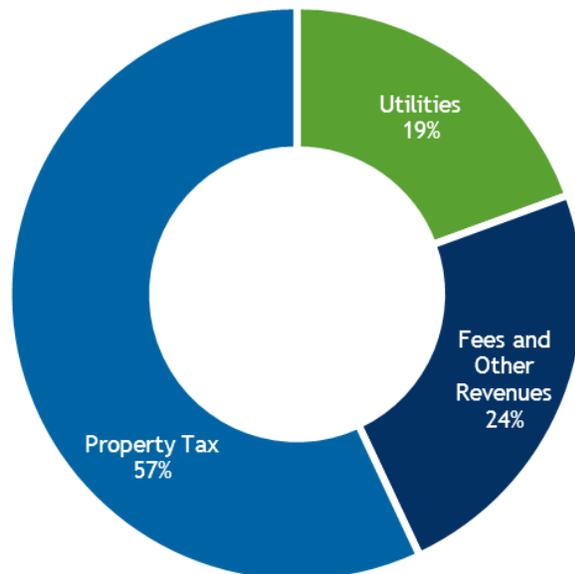
The City's expenditure increase of 2.6% reflects new investments aligned to Council and Board priorities, as well as operational cost increases for existing services.

This section provides an overview of the main factors driving the changes in the 2014 Operating Budget compared with the 2013 Operating Budget. Detailed service budgets are explained in the service plans in Part II of this document.

OPERATING REVENUES

The City has a stable revenue base, with property tax and utility fees making up more than three quarters of the City's operating revenue.

2014 OPERATING REVENUE SOURCES
\$1,177.5 million



The following table highlights the major revenue budget changes in 2014 compared with 2013.

Major Revenue Budget Changes Year-over-Year	(\$ million)
Property Tax	\$ 13.5
Tax levy increase at 1.9%	11.1
Property taxes from new properties	3.5
Local area improvement tax	(1.1)
Utilities	\$ 10.9
Solid Waste	7.6
Water	0.8
Sewer	2.1
Neighbourhood Energy	0.3
Fees and Other Revenues	\$ 5.2
Parking	2.0
Investment Income	1.6
Programs	1.1
License and Development	0.8
Other	(0.3)
Total	\$ 29.6

Note: Some figures may not add due to rounding

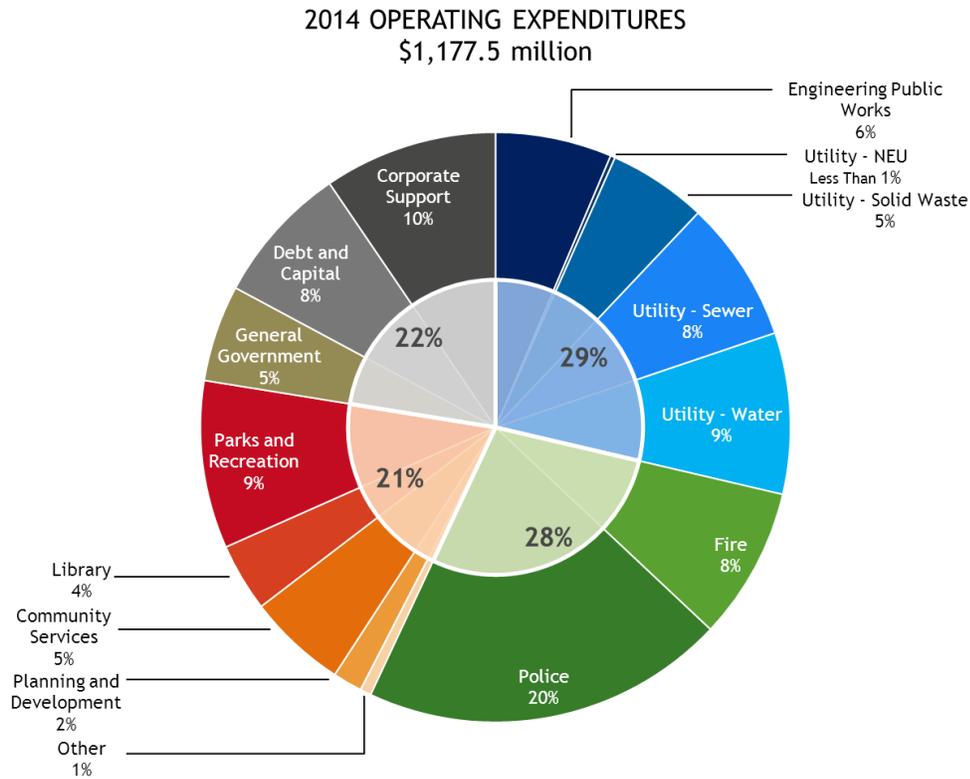
Property tax is the largest component of operating revenue at 57%. Total revenue from property tax is growing by \$13.5 million (2.1%). This increase is comprised of \$11.1 million as a result of a 1.9% increase to the Property Tax Base Levy and \$3.5 million in additional tax revenue from newly constructed properties, offset by a \$1.1 million decrease in local area improvement taxes. The 1.9% property tax increase is aligned with projected general inflation for 2014 based on the annual change in the Consumer Price Index for Vancouver.

Utility revenue comprises 19% of operating revenues, and is increasing by 5% overall. Utility revenues are based on full cost recovery through utility fees (with the exception of sewer which is partially funded by property tax and utility fees), therefore, utility rates are set to cover utility expenditures based on anticipated use. Utility rates are increasing an average of 2.7%, with Water and Sewer rates increasing 3.5%, Solid Waste rates increasing .4% and the NEU rates increasing 3.22%. Utility revenue also includes revenue from multi-material B.C. (MMBC) assuming a mid-year implementation as producers become responsible under provincial legislation for the cost of recycling their products. See the 2014 utility rate reports, accompanying the Budget Report to Council for further information.

Fees and other revenues account for the remaining 24% of operating revenues. Fees and other revenues are increasing by 1.9% primarily because of a 1% price increase in user fees, increased use of the City's facilities and programs, and increased investment income.

OPERATING EXPENDITURES

Utilities and Engineering Public Works account for 29% of operating expenditures. Police and Fire services represent 28% of expenditures. Combined they make up more than half of the City's total budget.



Operating expenditures are increasing by 2.6% or \$29.6 million, over the 2013 Operating Budget. This increase reflects \$24.5 million in cost increases for existing services, partially offset by savings from ongoing business transformation, plus \$5.1 million in investments aligned to priorities as outlined in the following table.

INVESTMENTS

The City regularly realigns existing resources and current spending levels to valued services and priorities which change over time. This ensures the best value for money. Where necessary the City makes careful new investments in priorities. The 2014 Operating Budget includes \$5.1 million of new investments, funded either from incremental revenue or savings across the organization.

2014 Operating Budget Investments	(\$ million)
Expenditure Categories	
Digital Strategy	\$ 0.5
Implementation of quick-wins identified in the City's digital strategy	0.2
Replacement and enhancement of online recreation management software	0.3
Develop, implement and monitor the City's Healthy City Strategy	\$ 0.1
Greenest City	\$ 1.0
Clean Streets - Funding of social enterprise grants for micro cleaning	0.4
Implementation of the City's District Energy Strategy	0.1
Sewer Utility: Study to eliminate sewage cross contamination in Still Creek	0.1
Water Utility: Water hydrant leak survey to repair leaks and to reduce water usage	0.1
Solid Waste Utility: Green Bin - Implementation of full-year of City's Food Scrap Program	0.2
Solid Waste Utility: Garbage - Collection of abandoned garbage	0.2
Safety	\$ 0.7
Emergency preparedness and business continuity planning	0.5
Firehall preventative maintenance	0.1
Driver Training Services Program enhancements	0.1
Solid Waste Utility: Landfill - Monitoring hazardous materials to meet regulatory requirements	0.1
Social Inclusion, Culture, and Recreation	\$ 2.3
Increase social grants	1.0
New social housing, support to on-going operations and maintenance of aging housing stock	0.5
Heritage building inventory	0.2
New cultural facility operating costs and expansion of Kensington Daycare	0.2
Implementation of Missing Women Commission's recommendations	0.2
Britannia facility operations provided by Vancouver School Board	0.3
Other	\$ 0.5
Enhance service planning and performance measurement	0.1
Protocol and civic awards	0.1
City-wide consolidation of security	0.3
Total Operating Budget Investments	\$ 5.1

Note: Some figures may not add due to rounding

In addition to the above, an investment in the public bike share is planned for 2014, though a contract has not yet been awarded. Once concluded, the budget will be updated to reflect the new program, with funding provided directly from the Parking sites reserve, with no impact on property taxes or fees. The Innovation Fund, established in 2012 to leverage 3rd party funding on innovative solutions to address the City's priorities, will continue to receive funding from the operating budget, with \$1 million funding in 2014, bringing the balance available to \$2.0 million.

MANAGING COSTS FOR EXISTING SERVICES

The City’s operating budget is impacted by fixed cost increases for existing services.

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

Note: Some figures may not add due to rounding

Salaries and benefits are increasing as a result of collective agreement mandated step increases and across the board wage increases. The 2014 budget includes collective agreement wage increases of 1.75% for all employee groups except Fire and Police as their negotiations are not finalized. In addition, the 2014 budget contains retroactive wage increases related to a number of collective agreements concluded in 2013.

Utility expenditures are increasing by 4.9% primarily due to changes in the City’s Solid Waste services, including full-year implementation of the City’s food scraps program, changes in recycling with mid-year implementation of MMBC program, and increased costs of running the landfill—such as payments for investments in landfill greenhouse gas capture. See the 2014 utility rate reports for further information.

Other fixed cost increases include leases, electricity, gas, fuel, insurance, and capital program financing expenditures, offset by productivity improvements through service transformation.

To mitigate the impact of these fixed increases, savings across the organization of approximately \$7.2 million have been identified. These savings were identified by embracing new technology, enhancing workforce management, streamlining business processes, integrating services, sharing resources and strategic procurement of goods and services. Through this work and the strategic management of vacancies across the organization, in 2014 approximately 30 FTE positions will be left unfilled or not be filled on retirements or staff turnover.

OPERATING BUDGET

The following pages show a detailed breakdown of the 2014 Operating Budget, outlining each major revenue and expense category. Major revenue changes, cost increases, and investments have been explained in the preceding section. The following schedule shows the year-over-year impact of these changes by revenue type and department expenditure. Explanations of some significant variances are outlined in the notes at the end of the detailed budget. In addition, budget changes for each department are explained in the service plans in Part II of this report. The 2013 Budget has been restated for inter-department reorganizations and transfers so that 2014 and 2013 are comparable. There is no net impact of these reorganizations on the City's total operating budget.

City of Vancouver
OPERATING BUDGET
(in Millions of Dollars)

Operating Revenues	2013 Approved Budget	2013 Reorg- anization	2013 Restated Budget	2014 Proposed Budget	\$ Change over 2013 Restated Budget	% Change over 2013 Restated Budget	Reference
Operating Revenues							
Total Property Tax	\$ 657.4	-	\$ 657.4	\$ 670.9	\$ 13.5	2.1%	
Utilities							
Neighbourhood Energy	2.7	-	2.7	3.0	0.3	12.0%	1
Water	103.2	-	103.2	104.0	0.8	0.8%	
Solid Waste	56.1	-	56.1	63.7	7.6	13.5%	2
Landfill	27.0	-	27.0	31.1	4.1	15.0%	
Other	29.1	-	29.1	32.6	3.5	12.1%	
Sewer	55.8	0.0	55.8	58.0	2.1	3.8%	
Total Utilities	217.8	0.0	217.8	228.7	10.9	5.0%	
Programs							
Parks and Recreation	39.6	-	39.6	40.4	0.8	2.1%	4
Recreation (Arenas, Pools, Fitness)	17.3	-	17.3	17.3	-	0.0%	
Marinas and Other Attractions	7.3	-	7.3	7.7	0.3	4.4%	4
Golf	8.8	-	8.8	9.1	0.3	2.8%	
Leases and Concessions	5.8	-	5.8	6.0	0.3	4.8%	4
Other	0.4	-	0.4	0.4	(0.0)	-0.1%	
Civic Theatres	7.4	-	7.4	7.4	-	0.0%	
Community Services	3.4	(0.0)	3.4	3.4	-	0.0%	
Library (Fines, Rental and Other)	3.8	-	3.8	3.9	0.2	4.7%	
Police	1.1	-	1.1	1.2	0.1	9.3%	
Britannia Community Services	1.0	-	1.0	1.0	0.0	0.0%	
Fire Prevention	0.4	-	0.4	0.4	-	0.0%	
Total Programs	56.6	(0.0)	56.5	57.7	1.1	2.0%	
License and Development							
Licenses	22.2	-	22.2	22.7	0.6	2.5%	
Business	14.5	-	14.5	14.6	0.1	1.0%	
Engineering	5.1	-	5.1	5.4	0.4	7.6%	3
Dogs and Other	2.7	-	2.7	2.7	0.0	1.0%	
Trade Permits	19.7	-	19.7	19.9	0.2	1.0%	
Development Permits	7.9	-	7.9	8.0	0.1	1.0%	
Total License and Development	49.8	-	49.8	50.7	0.8	1.7%	

Continued on the following page.

City of Vancouver
OPERATING BUDGET (Continued)
(in Millions of Dollars)

Operating Revenues	2013 Approved Budget	2013 Reorg- anization	2013 Restated Budget	2014 Proposed Budget	\$ Change over 2013 Restated Budget	% Change over 2013 Restated Budget	Reference
Parking							
On Street	40.7	-	40.7	42.0	1.3	3.1%	
Parks	5.2	-	5.2	5.9	0.7	13.1%	
Civic Theatres	0.4	-	0.4	0.4	-	0.0%	
Other	1.5	-	1.5	1.6	0.1	6.7%	
Total Parking	47.8	-	47.8	49.9	2.0	4.3%	
Cost Recoveries, Grants and Donations							
Parks and Recreation	\$ 3.8	\$ -	\$ 3.8	\$ 3.9	\$ 0.1	1.8%	
Library	0.6	-	0.6	0.5	(0.1)	-22.2%	
Fire	6.9	-	6.9	6.9	(0.0)	-0.1%	
Civic Theatres	0.2	-	0.2	0.2	-	0.0%	
Community Services	3.5	-	3.5	3.5	0.0	0.8%	
Police	12.3	-	12.3	12.1	(0.1)	-1.2%	
Engineering Services	3.8	-	3.8	3.8	-	0.0%	
Other	2.6	-	2.6	2.0	(0.6)	-22.3%	5
Total Cost Recoveries, Grants and Donations	\$ 33.7	-	\$ 33.7	\$ 32.9	\$ (0.8)	-2.3%	
Revenue Sharing							
Traffic Fine Revenue	14.5	-	14.5	14.5	-	0.0%	
Gaming Revenue	7.2	-	7.2	7.2	-	0.0%	
Total Revenue Sharing	\$ 21.7	-	\$ 21.7	\$ 21.7	-	0.0%	
Total Investment Income	\$ 12.8	-	\$ 12.8	\$ 14.4	\$ 1.6	12.3%	6
Other							
Leases	5.0	-	5.0	5.0	-	0.0%	
Transportation	4.5	-	4.5	4.5	-	0.0%	
Miscellaneous	4.4	0.0	4.4	4.4	(0.0)	-0.4%	
Property Rental	4.1	-	4.1	4.7	0.6	15.1%	7
Street Use	1.1	-	1.1	1.1	-	0.0%	
Sustainability Grants and Recoveries	3.4	-	3.4	3.0	(0.4)	-11.4%	8
Transfer from Reserve and Property Endowment Fund	9.6	-	9.6	10.4	0.8	8.1%	9
Total Other	\$ 32.1	\$ 0.0	\$ 32.1	\$ 33.1	\$ 1.0	3.1%	
Bylaw Fines							
Parking	17.9	-	17.9	17.5	(0.5)	-2.6%	
Other	0.3	-	0.3	0.2	(0.1)	-45.8%	
Total Bylaw Fines	\$ 18.3	-	\$ 18.3	\$ 17.6	\$ (0.6)	-3.3%	10
Total Operating Revenues	\$1,147.9	\$ -	\$1,147.9	\$1,177.5	\$ 29.6	2.6%	

Continued on the following page.

City of Vancouver
OPERATING BUDGET (Continued)
(in Millions of Dollars)

Operating Expenditures	2013 Approved Budget	2013 Reorg- anization	2013 Restated Budget	2014 Proposed Budget	\$ Change over 2013 Restated Budget	% Change over 2013 Restated Budget	Reference
Operating Expenditures							
Utilities							
Water							
Operations	\$ 12.6	\$ -	\$ 12.6	\$ 12.6	\$ 0.0	0.1%	
Water Purchases (Metro)	66.0	-	66.0	66.6	0.6	0.9%	
Capital Program and Reserve Transfer	24.6	-	24.6	24.8	0.2	0.9%	
Total Water	\$ 103.2	-	\$ 103.2	\$ 104.0	\$ 0.8	0.8%	
Sewer							
Operations	9.6	0.1	9.7	10.1	0.4	4.2%	
Metro Charges	49.6	-	49.6	51.8	2.2	4.5%	
Capital Program and Reserve Transfer	28.7	-	28.7	29.6	0.9	3.0%	
Total Sewer	\$ 87.9	\$ 0.1	\$ 88.0	\$ 91.5	\$ 3.5	4.0%	
Solid Waste							
Collections	26.9	-	26.9	31.3	4.3	16.1%	
Capital Program and Reserve Transfer	7.1	-	7.1	5.6	(1.5)	-20.8%	
Landfill and Transfer Station	22.1	-	22.1	26.8	4.7	21.3%	
Total Solid Waste	\$ 56.1	-	\$ 56.1	\$ 63.7	\$ 7.6	13.5%	
Neighbourhood Energy							
Operations	1.6	-	1.6	1.9	0.3	18.4%	
Capital Program and Reserve Transfer	1.1	-	1.1	1.1	0.0	2.3%	
Total Neighbourhood Energy	\$ 2.7	-	\$ 2.7	\$ 3.0	\$ 0.3	12.0%	
Total Utilities	\$ 249.8	\$ 0.1	\$ 250.0	\$ 262.2	\$ 12.2	4.9%	
Department							
Engineering Public Works							
Street Maintenance	24.2	-	24.2	24.2	-	0.0%	11
Parking Operations	16.6	-	16.6	17.0	0.4	2.6%	
General Public Works	14.9	(0.4)	14.5	14.6	0.1	0.6%	
Street Cleaning	7.0	-	7.0	7.3	0.3	4.1%	
Lighting Maintenance	5.0	-	5.0	5.2	0.2	4.1%	
Sustainability	4.2	-	4.2	3.7	(0.5)	-12.7%	12
Transportation	3.3	-	3.3	3.2	(0.0)	-1.5%	
Total Engineering Public Works	\$ 75.2	\$ (0.4)	\$ 74.8	\$ 75.2	\$ 0.4	0.6%	

Continued on the following page.

City of Vancouver
OPERATING BUDGET (Continued)
(in Millions of Dollars)

Operating Expenditures	2013 Approved Budget	2013 Reorg- anization	2013 Restated Budget	2014 Proposed Budget	\$ Change over 2013 Restated Budget	% Change over 2013 Restated Budget	Reference
Police							
Patrol	115.6	-	115.6	116.9	1.4	1.2%	
Investigations	68.3	-	68.3	68.2	(0.3)	-0.4%	
Operational Services	37.5	-	37.5	38.4	0.2	0.6%	
Administration	11.5	-	11.5	11.4	0.7	6.4%	
Total Police *	\$ 232.8	-	\$ 232.8	\$ 234.9	\$ 2.1	0.9%	13
Fire							
Fire Suppression and Medical	90.7	0.3	90.9	91.6	0.7	0.8%	
Training and Administration	4.0	-	4.0	4.0	0.0	1.0%	
Prevention	2.7	-	2.7	2.8	0.0	0.4%	
Total Fire *	\$ 97.4	\$ 0.3	\$ 97.6	\$ 98.4	\$ 0.8	0.8%	14
Parks and Recreation							
Recreation	\$ 44.2	\$ -	\$ 44.2	\$ 45.6	\$ 1.4	3.2%	
Park Maintenance and Operations	27.4	-	27.4	27.9	0.4	1.5%	
Facility Maintenance and Corporate Services	22.0	(0.3)	21.7	22.0	0.3	1.4%	
Golf, Marinas and Other Attractions	9.9	-	9.9	9.9	-	0.0%	
Leases, Concessions and Parking Operations	2.7	-	2.7	2.9	0.2	5.6%	
Total Parks and Recreation	\$ 106.2	\$ (0.3)	\$ 105.9	\$ 108.2	\$ 2.3	2.2%	
Library							
Public Services	36.9	0.3	37.2	38.2	1.0	2.6%	
Administrative Services	6.0	(0.3)	5.7	5.9	0.2	3.4%	
Total Library	\$ 42.9	-	\$ 42.9	\$ 44.0	\$ 1.1	2.7%	
Total Britannia Community Services	\$ 4.5	-	\$ 4.5	\$ 4.8	\$ 0.4	8.4%	15
Total Civic Theatres	\$ 5.8	-	\$ 5.8	\$ 5.9	\$ 0.1	2.2%	
Community Services							
Social Development	19.0	0.0	19.0	20.6	1.6	8.4%	
Housing	12.1	(0.2)	11.9	13.3	1.4	12.2%	16
Social Policy	4.1	0.2	4.3	4.5	0.2	4.4%	
Cemetery	2.8	-	2.8	2.7	(0.0)	-1.7%	
Licencing and Inspections	15.9	(0.3)	15.6	15.8	0.3	1.7%	
General and Projects	4.0	(1.0)	3.1	2.2	(0.8)	-27.8%	17
Culture	2.0	-	2.0	1.8	(0.2)	-7.9%	18
Total Community Services	\$ 40.8	\$ (1.2)	\$ 39.6	\$ 40.4	\$ 0.9	2.2%	

Continued on the following page.

*Wage adjustment not included for 2014 for Fire Fighters Union and Vancouver Police Union/Vancouver Police Officers Association as contracts have expired in 2011 and 2012 respectively. The total operating expenditure growth rate would be 3.2% for Vancouver Police Department and 4.7% for Vancouver Fire and Rescue Services Department if increases were aligned with CUPE rates.

City of Vancouver
OPERATING BUDGET (Continued)
(in Millions of Dollars)

Operating Expenditures	2013 Approved Budget	2013 Reorg- anization	2013 Restated Budget	2014 Proposed Budget	\$ Change over 2013 Restated Budget	% Change over 2013 Restated Budget	Reference
Grants							
Cultural	10.6	-	10.6	10.8	0.2	2.3%	
Social Policy	4.2	-	4.2	5.3	1.1	25.8%	
Other Grants	1.6	-	1.6	1.6	-	0.0%	
Total Grants	\$ 16.4	-	\$ 16.4	\$ 17.7	\$ 1.3	8.2%	19
Planning and Development							
Planning	8.8	0.7	9.5	10.0	0.5	5.1%	20
Development Services	8.7	(0.9)	7.9	8.0	0.1	1.9%	
General	-	1.0	1.0	1.0	0.0	1.1%	
Total Planning and Development	\$ 17.5	\$ 0.8	\$ 18.3	\$ 18.9	\$ 0.6	3.5%	
Total Mayor and Council	\$ 2.3	-	\$ 2.3	\$ 2.3	\$ 0.1	3.0%	
Corporate Services							
Real Estate and Facilities Management	36.3	0.2	36.5	38.6	2.1	5.7%	
Information Technology and Digital Services	24.8	-	24.8	26.2	1.4	5.7%	
Finance and Supply Chain Management	13.5	0.3	13.7	13.9	0.1	1.1%	
Human Resources and Legal Services	14.2	-	14.2	14.8	0.6	3.9%	
3-1-1 Contact Centre	4.4	0.0	4.4	4.7	0.3	6.3%	
Other Corporate Support Services	10.8	0.3	11.0	13.9	2.8	25.8%	
City Clerk	3.2	(0.0)	3.2	5.4	2.2	69.2%	
City Manager Office	5.2	-	5.2	5.5	0.3	5.0%	
Communications and Engagement	1.6	0.3	1.9	1.9	0.0	2.3%	
Emergency Management	0.7	-	0.7	1.1	0.4	46.8%	
Total Corporate Services	\$ 103.9	\$ 0.8	\$ 104.7	\$ 112.0	\$ 7.3	7.0%	21
General Government							
Contingencies	4.0	-	4.0	4.0	-	0.0%	
Vancouver Economic Commission	2.9	-	2.9	2.9	-	0.0%	
General Government Expenses	55.1	-	55.1	55.5	0.3	0.6%	
Total General Government	\$ 62.0	-	\$ 62.0	\$ 62.3	\$ 0.3	0.6%	
Total Department	\$ 807.6	\$ (0.1)	\$ 807.4	\$ 825.2	\$ 17.8	2.2%	
Debt and Capital							
Debt Charges	64.2	-	64.2	66.5	2.2	3.5%	22
Transfer to Capital Fund	26.2	-	26.2	23.6	(2.6)	-10.0%	23
Total Debt and Capital	\$ 90.5	-	\$ 90.5	\$ 90.1	\$ (0.4)	-0.5%	
Total Operating Expenditures	\$ 1,147.9	-	\$ 1,147.9	\$ 1,177.5	\$ 29.6	2.6%	
Net Operating Budget	\$ -	\$ -	\$ -	\$ -	\$ -		

Note: Some figures may not add due to rounding

Notes to Operating Budget

The following notes explain selected changes to the budget. For further explanations of the budget changes see the service plans in Part II.

1. **Neighbourhood Energy Revenue:** 3% rate increase plus expanded service area.
2. **Solid Waste Fees:** changes in the City's Solid Waste services, including a full year of the City's food scraps program, changes in recycling related to mid-year implementation of MMBC program, and increased costs of running the landfill such as payments for investments in landfill greenhouse gas capture. See the 2014 utility rate reports, accompanying the Budget Report to Council for further information.
3. **Licence Revenue:** 1% fee increase and additional revenue from construction related to anchor rod fees.
4. **Parks Parking Revenue:** Increased due to the alignment of rates with parking rates in surrounding areas.
5. **Other Cost Recoveries:** The City's EEO (Equal Employment Opportunity) office no longer has third-party recoveries or expenditures
6. **Investment Income:** Increased due to larger cash balances.
7. **Property Rental Revenues:** Due to a realignment of budget to reflect government funding as revenue, instead of as an offset to expenditures.
8. **Sustainability Grants and Recoveries:** Climate change program grant term ending.
9. **Transfer from Reserve and Property Endowment Fund:** Transfer from reserve for 2014 election costs offset by reduced reserve transfer for Great Beginnings as program winds down.
10. **Bylaw Fines:** Parking tickets issued are expected to decrease in number due to improved compliance resulting from new methods of payment and implementation of bylaw adjudication.
11. **Street Maintenance:** Increased productivity related to recycling of materials, optimization of staff work in the field, and fleet efficiency gains.
12. **Sustainability:** Reduced expenditures to offset expected decrease in grant funding.
13. **Police:** Increased primarily due to increases in employee benefit costs, such as pension superannuation, worker's compensation, health premiums, and annual wage step increments, partially offset by reduced fleet expenses. The collective agreement with the Vancouver Police Union expired December 2012 and a new agreement is still be negotiated. The Vancouver Police Officers' Association contract expires December 31, 2013. Therefore, the VPD budget does not include collective agreement wage increases for the Vancouver Police Union or the Vancouver Police Officers' Association. The total operating expenditure growth rate would be 3.2% for Vancouver Police Department if increases were aligned with CUPE rates.
14. **Fire:** Includes employee pension and other benefit cost increases offset partially by a temporary decrease in vehicle expenses. Fleet expenditures are expected to increase substantially in 2015 and 2016 as the Fire fleet is replaced over time. No annual wage increase has been included as a collective agreement for 2014 has not yet been reached and the outcome of any potential settlement is unknown. The total operating expenditure growth rate would be 4.7% for VFRS Department if increases were aligned with CUPE rates.
15. **Britannia Community Services:** Increased facilities maintenance aligned to usage.

16. **Housing:** Additional funding for new Social housing and to support the ongoing operations and maintenance of aging housing stock as well as to reflect a realignment of budget to reflect government funding as a revenue, instead of as an offset to expenditures.
17. **Community Services General and Projects:** One-time project funding in 2013 for the Mayor's Task Force was removed in 2014.
18. **Culture:** Increased productivity related to consolidation of granting programs across social planning and culture.
19. **Grants:** Increase of \$1.0 million invested in social grants, plus inflation to existing grants.
20. **Planning:** Reflects investment in heritage building inventory.
21. **Corporate Services:** Increases in Corporate Services departments reflect the ongoing strategy of developing shared services, with transfers from other departments to City-wide centers of expertise. Other major changes include:
 - City Clerks - 2014 civic election costs (\$2.0 million) funded by reserve Real Estate and Facilities - Increased lease space (\$1.1million) with removal of East Wing, and increase in City-wide Corporate Security
 - Emergency Management - Investments in Emergency Management and earthquake planning
 - IT and Digital Services - Implementation of Digital Strategy
 - Consolidation and business process improvements resulting in lower spending in targeted areas
22. **Debt Charges:** Additional sinking fund contributions for new debenture issued in 2013.
23. **Transfer to Capital Fund:** Reduced transfer to capital due to lower capital spending and use of other funding sources.

IMPACT ON PROPERTY TAXES AND UTILITY FEES

The following table summarizes the impact of a 1.9% municipal property tax increase on sample residential and business properties. This does not include property taxes levied by other taxing authorities as such information was not available at the time of this report. Council has no control over the amounts collected by these other taxing authorities.

The 2014 opening Municipal Tax Levy is calculated based on the 2013 Revised Assessment Roll from BC Assessment and preliminary estimates of prior year appeal adjustments and new construction. BC Assessment will finalize the 2014 Assessment Roll in April 2014. The impact on individual properties may vary depending on the taxable value as determined by the City's rolling land assessment averaging program or other mitigating measure recommended by the Property Tax Policy Review Commission, as well as the relative change in value of a property compared to other properties in the same class.

Assessed Value of Property (Without Land Assessment Averaging)	Estimated 2014 Tax Bill (CoV portion)	Change Over 2013
Average condo unit valued at \$0.55 million	\$ 1,062	\$ 20
Average single-family detached unit valued at \$1.3 million	\$ 2,510	\$ 47
Average commercial property valued at \$2.34 million	\$ 19,563	\$ 365

Note: Some figures may not add due to rounding

For utilities the majority of single-family residential properties are charged a flat fee for utilities, with only newly constructed single family homes metered. Business properties are metered. Water and Sewer charges for commercial properties increase by the same percentages as residential properties. The table below assumes no change in water consumption for 2014.

All residential single-family properties receive garbage, yard, and food waste collection while only 800 commercial and institutional properties receive garbage collection services from the City. The remainder are served by private collectors. The indicative utility rates below reflect combined City and Metro Vancouver utility charges.

Indicative City Property Tax and Utility Fee Impact

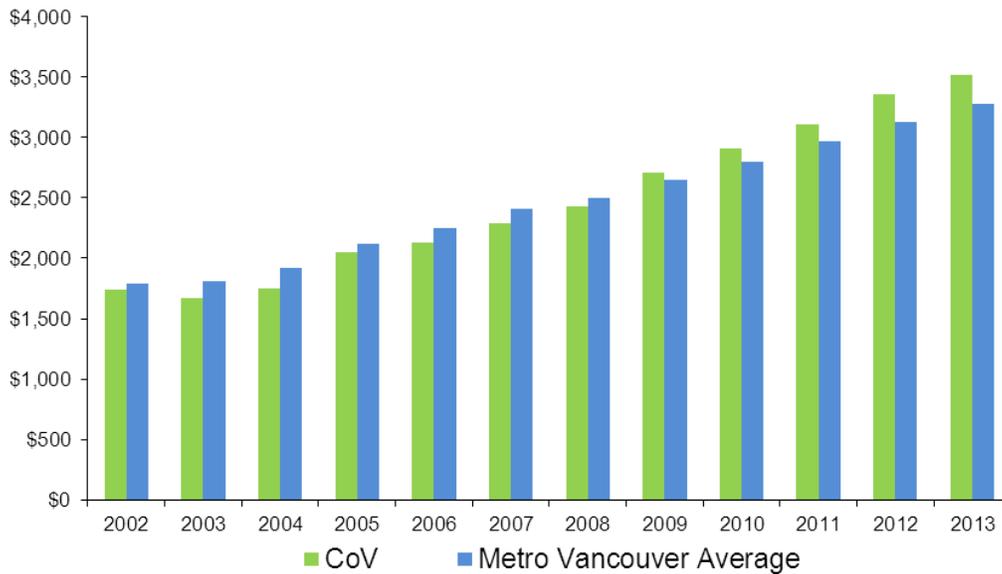
Sample Property Valued at \$1 million	RESIDENTIAL Single-Family		BUSINESS	
	Estimated 2014 Tax Bill	Change Over 2013	Estimated 2014 Tax Bill	Change Over 2013
Property Taxes (1.9% increase)	\$ 1,931	\$ 36	\$ 8,360	\$ 156
Utility Fees				
Solid Waste Utility Fee	256	1	203	-
Sewer Utility Fee	297	10	302	1
Water Utility Fee	546	18	507	3
Total Utility Fees	\$ 1,099	\$ 29	\$ 1,012	\$ 4
Total City Taxes and Fees	\$ 3,030	\$ 65	\$ 9,372	\$ 160

Note: Some figures may not add due to rounding

HISTORICAL TREND

The table below provides an historical trend of the total General Tax Levy and utility fees for a typical single-family detached home in the City of Vancouver, as compared to the Metro Vancouver average.

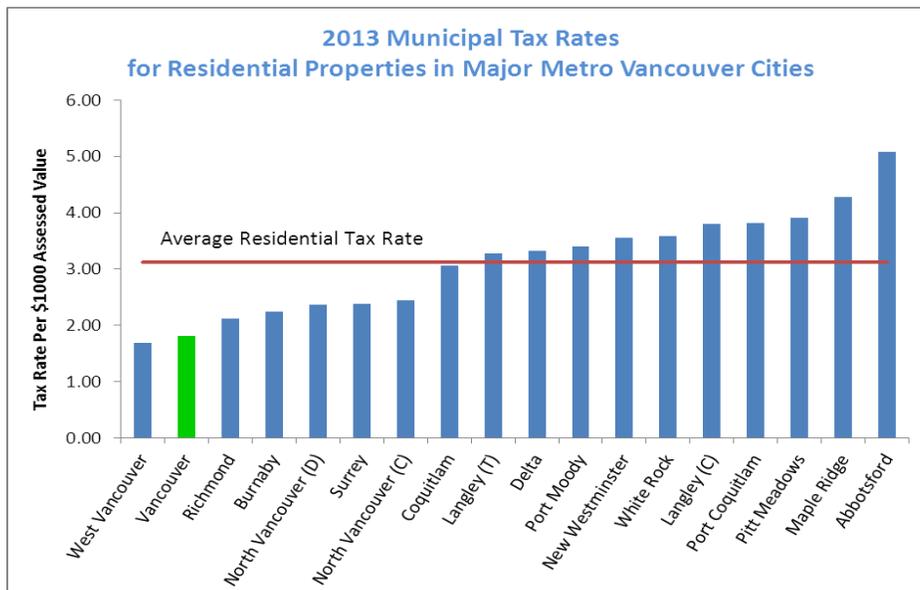
General Tax Levy & Utility Fees for a Typical Single Family Detached

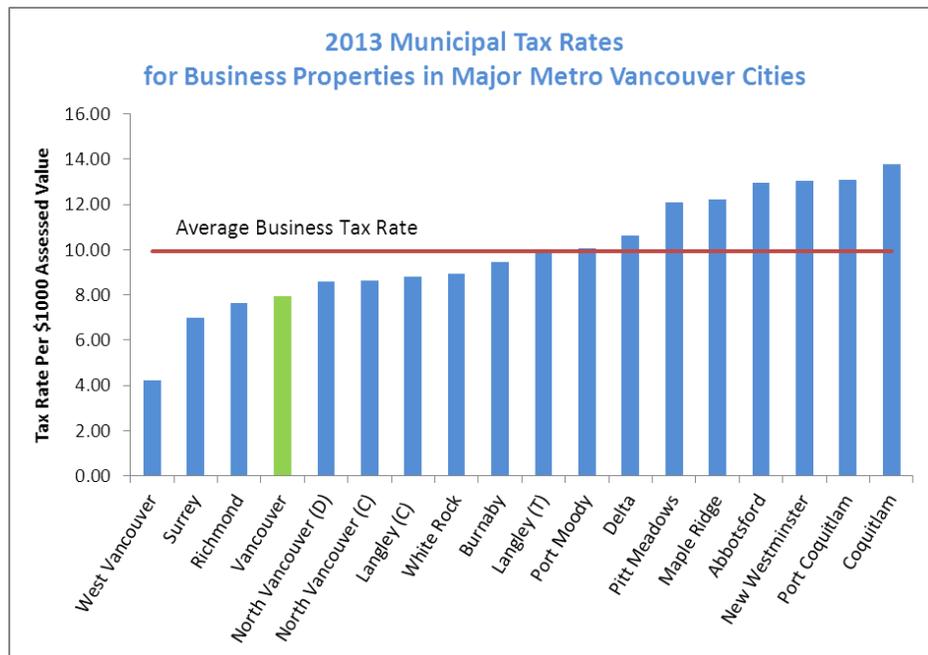


Since the implementation of the five-year tax redistribution program (2008 to 2012) the COV total has increased over the Metro Vancouver average, with \$23.8 million shifted from business to residential property classes.

MUNICIPAL COMPARISON

Vancouver compares favorably to other Metro Vancouver municipalities on the tax rate per \$1,000 of assessed value (2013 data). Vancouver is below the average rate for both residential and business properties.





THREE-YEAR OUTLOOK

The purpose of the three-year operating budget outlook is to provide Council and City staff with insight on potential pressures and offer opportunities to plan accordingly for future years.

To keep the growth of the City’s overall budget in line with inflation, the City will need to find budget savings from productivity improvements in the range of 1.0% of total City operating expenditures each year for the foreseeable future.

ASSUMPTIONS

The outlook assumes property taxes and other user fee increases will be in line with projected Consumer Price Index changes, at 2.2% and 2.0% for 2015 and 2016, respectively. Water and Sewer utility revenues are expected to increase to recover estimated increases in Metro Vancouver costs for water purchases and the sewer levy. Revenue assumptions for the Solid Waste Utility reflect the shift to higher-frequency green bin collection and lower-frequency garbage collection as well as changes to the recycling program. New investments are assumed to be in line with new construction revenue of \$3 million.

The outlook assumes a 2.0% increase in salaries and benefits for 2015, aligned with collective agreements, and with inflation for 2016. Historically, collective agreements for Police and Fire unions have been above the City average. Any potential increases above 2.0% would be incremental to the assumptions in this outlook and represent financial risk to the City.

Utility expenditures include Metro Vancouver’s estimates for water purchases and sewer levy cost increases. The 2015 and 2016 projected rate increases provided by Metro Vancouver for the purchase of water are 8.1% and 7.5%, respectively, and for the sewer levy are 4.0% and 5.0%.

Fixed costs are adjusted for inflationary increases while costs to support the Capital Program are based on the expected long-term debt repayment combined with direct contribution from the operating budget. Changes to the Fleet costs are anticipated to impact 2015 and 2016 as the Vancouver Police Department’s new patrol fleet is rolled out and replacement of the major Vancouver Fire and Rescue Services fire apparatus takes place.

Three-Year Outlook

City of Vancouver (\$ million)	2014	2015	2016	2015 Change		2016 Change	
	Proposed	Forecast	Forecast	(\$)	(%)	(\$)	(%)
Operating Revenues							
Property Tax	670.9	687.3	703.8	16.4	2.4%	16.5	2.4%
Utilities	228.7	239.3	250.9	10.7	4.7%	11.6	4.8%
Programs	57.7	58.8	60.0	1.2	2.0%	1.2	2.0%
License and Development	50.7	51.7	52.7	1.0	2.0%	1.0	2.0%
Parking	49.9	50.9	51.9	1.0	2.0%	1.0	2.0%
Cost Recoveries, Grants and Donations	32.9	33.6	34.3	0.7	2.0%	0.7	2.0%
Revenue Sharing	21.7	22.1	22.5	0.4	2.0%	0.4	2.0%
Investment Income	14.4	14.7	15.0	0.3	2.0%	0.3	2.0%
Other	33.1	33.7	34.4	0.7	2.0%	0.7	2.0%
Bylaw Fines	17.6	18.0	18.4	0.4	2.0%	0.4	2.0%
Total Operating Revenues	\$ 1,177.5	\$ 1,210.1	\$ 1,243.9	\$ 32.6	2.8%	\$ 33.7	2.8%
Operating Expenditures							
Utilities	262.2	274.3	288.0	12.2	4.6%	13.7	5.0%
Departments	825.2	849.8	865.7	24.5	3.0%	15.9	1.9%
Debt and Capital	90.1	93.3	97.4	3.2	3.6%	4.1	4.4%
Total Operating Expenditures	\$ 1,177.5	\$ 1,217.4	\$ 1,251.1	\$ 39.9	3.4%	\$ 33.7	2.8%
Net Operating Budget	\$ 0.0	\$ (7.3)	\$ (7.3)	\$ (7.3)		\$ 0.0	
Note: Some figures may not add due to rounding							

2015 OUTLOOK

In 2015, an assumed tax rate increase of 2.0% (approximating CPI) on existing properties will increase revenues by approximately \$13.4 million, while expected property tax increases resulting from new construction will contribute an additional \$3 million. Utilities revenues are forecasted to grow by \$10.7 million or 4.7% to offset increases related to Metro Vancouver costs.

Expenditures for new or enhanced services such as the new Strathcona Library and operating costs for new fleet additions (capital repayment) and new childcare facilities are in line with projections for revenue from new sources, such as tax revenue from new construction. The majority of the forecasted increase, however, is expected for increases related to staff costs, fixed cost increases for electricity, gas, insurance, and equipment, and other general expenses. Utilities form a significant portion of operating expenditures and rates are forecasted to increase by 8.1% for Metro Vancouver water purchases and by 4.0% for the Greater Vancouver Sewerage and Drainage District levy, both factored into a total Utilities expenditure increase of 5.5%. Total Capital Program support is expected to increase slightly above inflation at 3.6%.

Based on these assumptions, the net result for 2015 is an assumed shortfall of \$7.3 million, which will require further internal adjustments.

2016 OUTLOOK

The outlook for 2016 is somewhat similar to 2015 with a tax increase equivalent to that of CPI (2%) forecasted at \$13.5 million, and a further increase of \$3.0 million from new construction property tax. Utilities revenue growth is greater than in 2015 due to further increases in both Water and Sewer rates.

Funding for new or enhanced services for priority areas are forecasted while ongoing fixed costs grow steadily in line with the rate of inflation. Significant increases to major costs—water purchase costs (7.9%) and the sewer levy (5.0%)—reflect increased investment for infrastructure but are primarily recovered through user fees without additional property tax implications. Capital Program support peaks in 2016 due mainly to an anticipated increase in interest rates and the timing of debt maturity.

Overall for 2016, the forecasted net budget is an additional \$7.3 million, similar to 2015.

With this forward-looking view of the budget, the City can plan ahead and work towards finding a harmonized approach to balancing the budget.

2014 CAPITAL BUDGET

OVERVIEW

The 2014 Capital Budget is the second component of the City's comprehensive 2014 Budget. The capital budget deals with creating and sustaining City-owned infrastructure. Road repair, bridge upgrades, and replacement of water and sewer pipes are all capital expenditures. Renewing and expanding the City's infrastructure is a way of investing in the future of our city, and an important factor in achieving good value for money by extending the operational lifespan of our assets. Capital expenditures also include the expansion and creation of new infrastructure to keep up with population and economic growth and achieve our priorities. This includes facilities such as community centres, market and non-market rental housing, childcare facilities, libraries, and more. Capital investments to enable the City's operations such as fleet, information systems and administrative facilities are also core capital priorities.

TEN-YEAR CAPITAL OUTLOOK

The City plans capital investments by starting with a ten-year capital outlook, from which a three-year capital plan is developed, which in turn forms the basis for the annual budget. The ten-year outlook is updated every three years. It was last published in 2011 and will be updated in 2014 as an input to the 2015-2017 Capital Plan.

Having a ten-year strategic framework greatly enhances our ability to achieve value for money through partnership opportunities—with senior levels of government and others—that align with our infrastructure requirements. As an example, the reconstruction of Taylor Manor for supportive housing will see a City investment of \$3.1 million leverage funding from other partners for what will be a \$14.5 million project.

THREE-YEAR CAPITAL PLAN

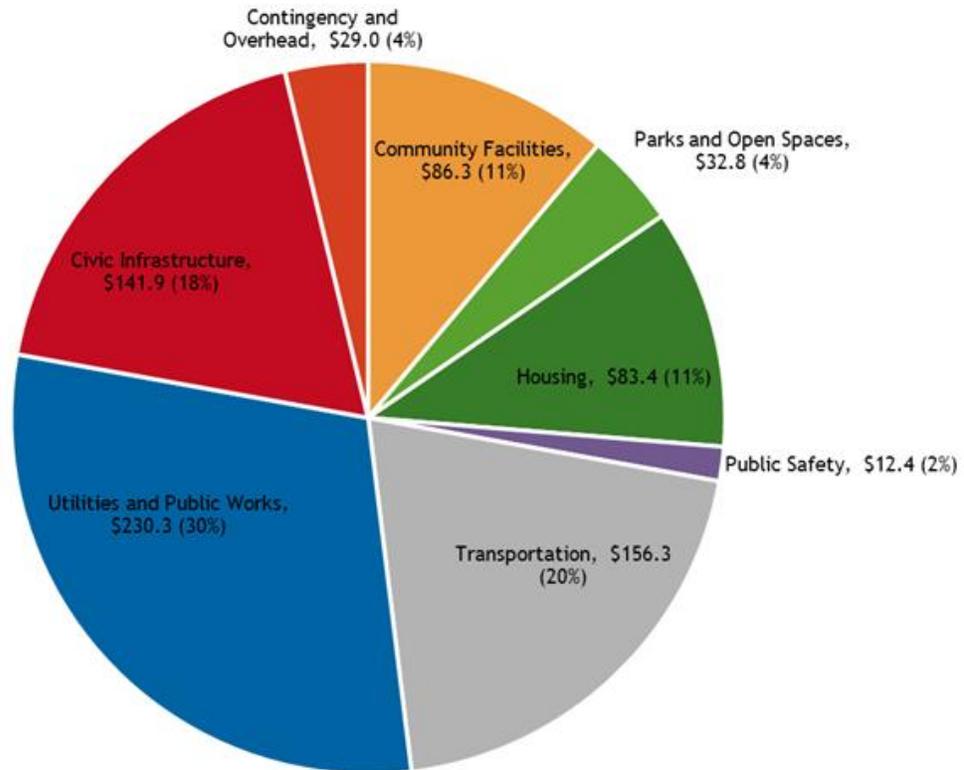
The 3 year capital plan identifies Council and Board priorities for Capital projects and the planned funding sources for those investments. Borrowing requirements for non-utility capital are outlined in the Capital plan and are approved by the public through a plebiscite in the municipal election.

The City's three-year Capital Plan guides the development of the annual capital budget. The capital projects outlined in the three-year plan reflect priorities identified by Council, Boards and the community, and the relative condition and needs of each asset class. In September 2011, Council approved the 2012-2014 Capital Plan of \$702 million and the funding sources. As factors impacting capital priorities change subsequent to the approval of the Capital Plan, the Plan is adjusted as necessary to align with current capital priorities; i.e., addition or deletion of projects; addition of new funding or changes in the funding sources.

In 2011, Council approved a 2012-2014 capital plan totaling \$702 million. Since then, including the impact of the 2014 proposed capital budget, Council has adjusted the capital plan to advance priority initiatives by leveraging additional funding from partners, approving new projects not originally contemplated in the plan and removing projects no longer considered a priority over this time period. With the approval of the 2014 capital budget the 2012-2014 Capital Plan will be \$772 million. The increase is primarily due to new housing initiatives, vehicle and equipment replacements and the permit and license process transformation.

The revised 2012-2014 Capital Plan of \$772 million by service category is provided in the chart below.

Revised 2012-2014 Capital Plan by Service Category - \$772 million (\$millions)

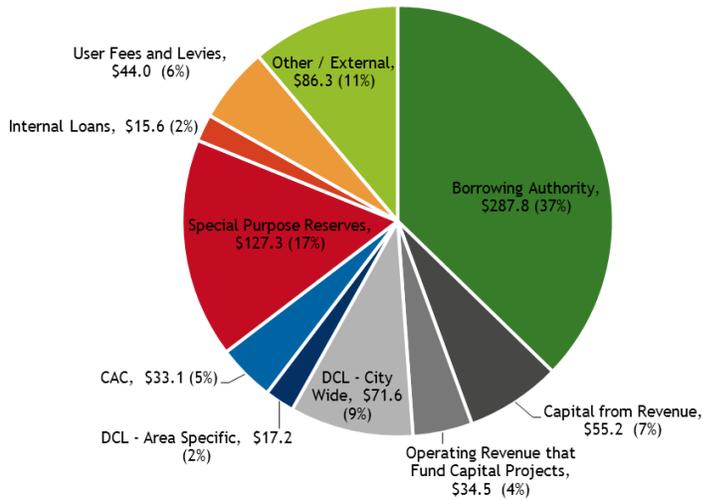


The Capital Plan also identifies funding sources. The table below provides a summary of the Funding Sources and Revisions to the Capital Plan over the last 2 years. While the total plan has increased, the debt funding required through the City’s borrowing authority has decreased by 11% due mainly to the ongoing debt management strategy to transition the water utility from debt financing to “pay as you go”, as well as the increased use of development charges and other external funding, improving the City’s overall fiscal position.

Sources of Capital Plan Funding	Original 2012-2014 Capital Plan		Revised 2012-2014 Capital Plan		2012 and 2013 Capital Budget Funding Allocations		2014 Capital Budget Funding Requests		Change in Capital Plan Funding	
	\$M	%	\$M	%	\$M	%	\$M	%	\$M	%
Borrowing Authority	\$322.8	46%	\$287.8	37%	\$215.4	37%	\$73.3	37%	-\$35.0	-11%
Capital from Revenue	68.0	9%	55.2	7%	34.8	6%	20.4	10%	-\$12.7	-19%
Operating revenue that funds capital projects	14.5	2%	34.5	4%	22.1	4%	12.3	6%	\$20.0	138%
DCL - City Wide	57.0	8%	71.6	9%	62.8	11%	8.7	4%	\$14.6	26%
DCL - Area Specific	18.3	3%	17.2	2%	13.7	2%	3.5	2%	-\$1.1	-6%
CAC	11.8	2%	33.1	5%	26.8	5%	6.3	3%	\$21.3	180%
Special Purpose Reserves	82.1	12%	127.3	17%	74.6	13%	52.7	27%	\$45.2	55%
Internal Loans	2.5	0%	15.6	2%	15.6	3%	0.0	0%	\$13.1	526%
User Fees and Levies	46.3	7%	44.0	6%	30.8	5%	13.2	7%	-\$2.3	-5%
Other / External	79.0	11%	86.3	11%	78.2	14%	7.2	4%	\$7.3	9%
Total Capital Plan Funding	\$702.1	100%	\$772.4	100%	\$574.9	100%	\$197.5	100%	\$70.3	10%
Reallocation of Existing Funds							11.2			
Total Funding Sources	\$702.1		\$772.4		\$574.9		\$208.7		\$70.3	

Funding for new projects in 2014 includes reallocations of previously approved funding (funding approved for projects in prior Capital Budgets) totaling \$11.2 million. Total funding to be allocated to new projects in 2014, including the reallocated funding, is \$208.7 million.

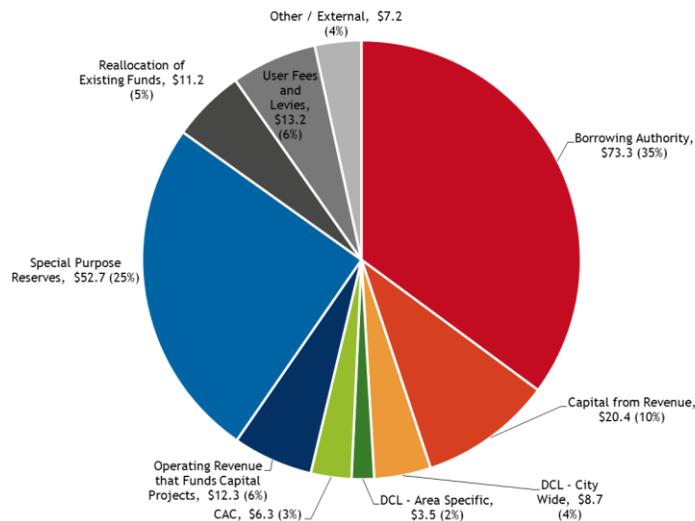
Funding Sources For Revised 2012-2014 Capital Plan - \$772 million (\$millions)



2014 NEW CAPITAL PROJECT BUDGET AND FUNDING/REVENUES

The chart below provides a breakdown of the \$208.7 million (\$197.5 million plus \$11.2 million in reallocated funding) by type of funding.

2014 Funding Sources For Project Budgets - \$209 million (\$millions)



INFRASTRUCTURE RENEWAL TO SUSTAIN SERVICES

Municipalities own 60% of Canada’s infrastructure and it is essential that we find ways to leverage funds to maintain our assets and infrastructure. Our infrastructure includes assets such as our water and sewer systems, roads, and civic buildings (e.g., community centres, libraries).

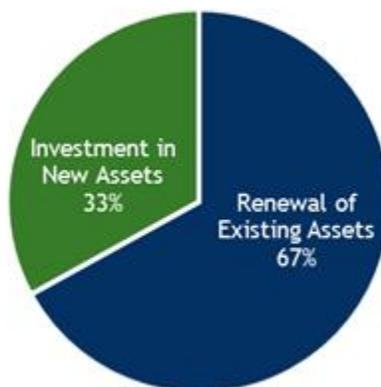
In total, the City has approximately 2,000 kilometres of sewer mains and 1,500 kilometres of water mains, 2,000 kilometres of streets, and about 460,000 square feet of offices in 12 different buildings. These require capital maintenance to maintain the condition of these assets. Approximately 67% of the 2014 Capital Expenditure Budget is directed toward renewal of this existing infrastructure.

2014 CAPITAL EXPENDITURE BUDGET

The 2014 Capital Expenditure Budget is \$285 million, which includes funding from previously approved projects that are continuing from the past year (\$150 million) and \$135 million of funding anticipated to be spent in 2014 from the \$209 million total for new projects.

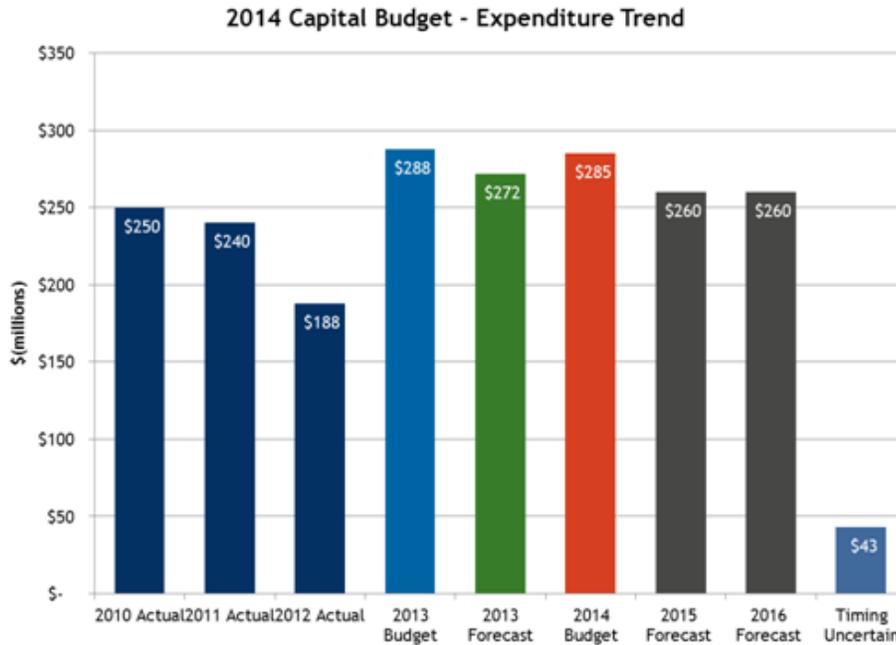
The 2014 Capital Expenditure Budget comprises projects such as sewer main reconstruction or roof replacement, as well as discrete, one-time projects such as the construction of a new library or community centre. Through the capital budget process for 2014, specific projects have been prioritized based on need, the opportunity to leverage senior government funding, and the ability to enable business transformation by improving operations through capital investments. Maintenance and upgrading of utilities remains a critical mandate.

2014 Capital Budget - New vs. Renewal



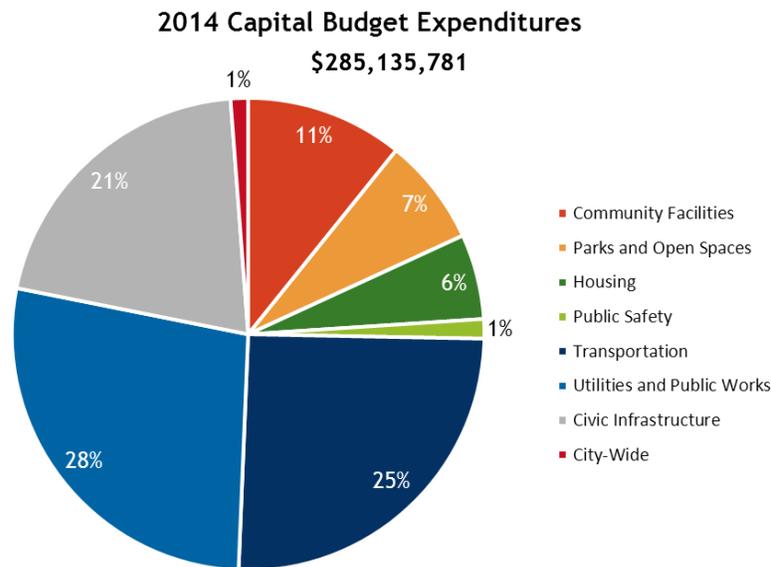
The chart below provides a summary of the 2014 Capital Expenditure Budget in comparison to previous year actual expenditures and 2013 forecast expenditures. It also provides a forecast for 2015 and 2016 expenditures and expenditures for which spend timing is not yet certain (projects that will begin only when third-party funding is confirmed, or property acquisitions that are opportunistic and market dependent). As part of the flexible budget process, these Timing Uncertain projects can be added to the annual capital budget once the timing of expenditure becomes known.

Expenditures for 2013 are forecast to be significantly higher than 2012 expenditures, due in large part to several of the City’s larger capital projects in design and planning phases in 2012 and moving to the implementation stage in 2013. Expenditures for 2014 are anticipated to increase to \$285 million in order to complete many of the projects that were set out in the 2012-2014 Capital Plan. Expenditures in 2015 and 2016 are expected to decrease to \$260 million per year.

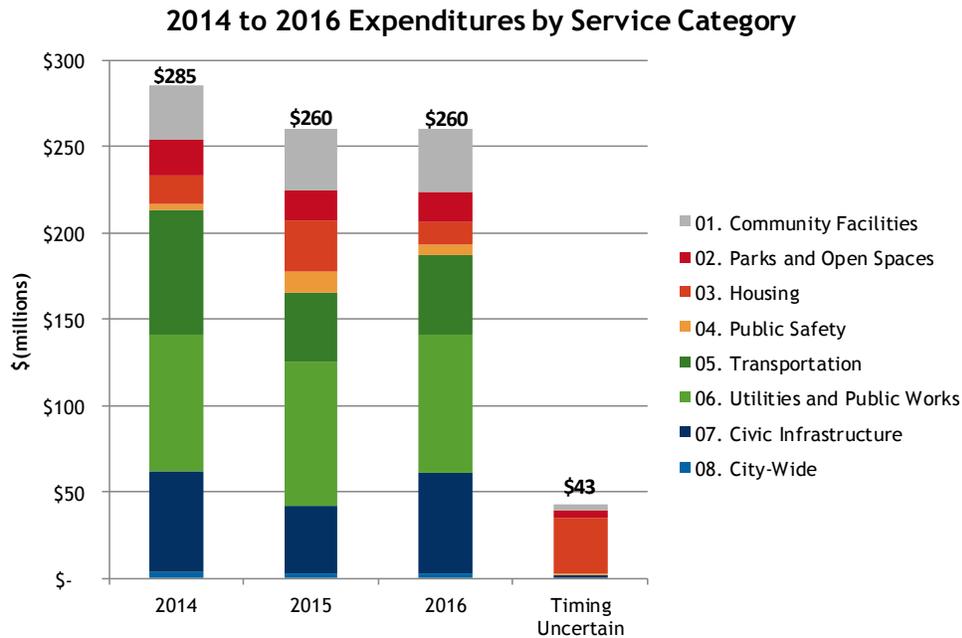


2014 CAPITAL EXPENDITURE BUDGET BY SERVICE CATEGORY

The 2014 Capital Expenditure Budget of \$285 million provides approval for planned expenditures within eight service categories.



The graph below provides a comparison of projected capital expenditures for 2014, 2015, and 2016 by service category.



The 2015 and 2016 expenditure projections reflect the assumption that a small portion of 2014 capital work will continue into 2015 with some residual into 2016. Projected expenditures for 2015 and 2016 are preliminary and are subject to further refinement through the approval of the 2015-2017 Capital Plan.

Refer to appendices in the Council Report for a detailed list of new project requests and related funding sources as well as a detailed list of projects and programs, including scope of work, total funding, planned expenditures for 2014, 2015, 2016, and projects or programs classified as Timing Uncertain.

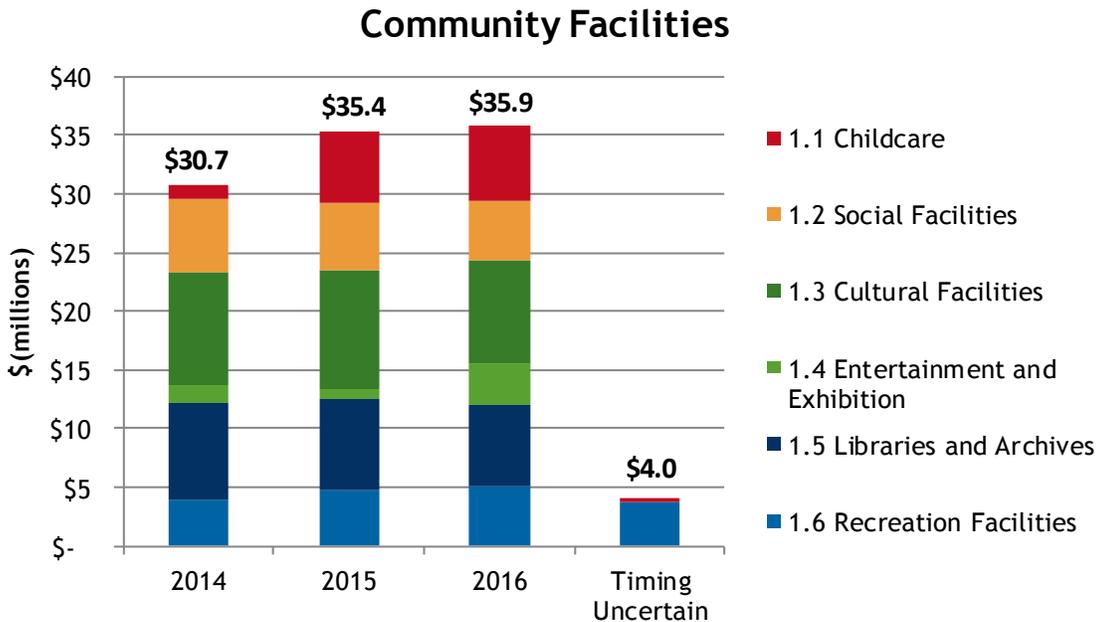
TOP TEN PROJECTS AND PROGRAMS 2014

For 2014, the top ten capital projects or programs represent approximately 46% of all 2014 planned capital expenditures.

Project or Program	Anticipated Expenditure in 2014 (\$ million)	Anticipated Outcomes in 2014
Sewer separation (Annual program)	25.6	12 km of combined (stormwater and sanitary) sewer mains separated (0.84%)
Powell Steet Overpass construction (Total project budget \$50.0M)	23.1	Construction 100% complete
Water / Sewer connections replaced (Annual program)	16.4	1,000 residential water and sewer connections replaced 100 commercial sewer connections replaced
Vehicles and equipment replacement (Annual program)	15.4	225 vehicles and pieces of equipment replaced
Taylor Manor reconstruction (Total project budget \$14.5M)	10.0	Construction 100% complete: 56 self-contained supportive housing units Common area amenities, outdoor courtyard, and landscaping
Permit and Licenses Transformation Program (Total project budget \$26.0M)	9.8	New online permit self-service capabilities Mobile online field inspections capability
Hastings Park Greening (Total project budget \$10.5M)	9.1	6.8 ha new and renewed parklands 3.25 km new bike and pedestrian paths 2 synthetic turf playfields 580 linear metre recreational running track new playground, parkour court, and bike skills area 4 sand volleyball courts 2 hard surface sport courts
Water pipe replacement	7.9	6.3 km of water pipe replaced
Strathcona/Downtown Eastside Library (Total project budget \$18.4M)	7.0	Construction 50% complete
Burrard Bridge rehabilitation and bearing replacement (Total project budget \$9.6M)	6.8	27 bearings replaced 9 expansion joints replaced Minimum 50 m ² of concrete repaired 100% completion of PCB decontamination and bridge deck inspection
Total Expenditures (2014)	\$131.1	

HIGHLIGHTS OF THE 2014 CAPITAL BUDGET

1. COMMUNITY FACILITIES: \$30,748,000



Included in the Timing Uncertain category are approved funding amounts for the Southeast Vancouver Seniors Centre and the Marpole Community Facility. These items will be incorporated into the expenditure budget through the quarterly budget adjustment process when the timing of the expenditures is determined.

1.1 Childcare: \$1,111,000

The City owns 53 childcare centres, which provide about 2,300 childcare and day care spaces.

Goal: Increase the supply of childcare spaces across the City (approximately 150 spaces over three years) while maintaining existing facilities.

Major projects for 2014 include:

- Design and initial construction to replace the existing preschool at Kensington Community Centre: \$0.5 million in 2014 (Total Project \$6.8 million, with completion anticipated in 2015)
- Capital maintenance for childcare facilities: \$0.2 million in 2014

1.2 Social: \$6,368,000

The City owns 28 social facilities and funds three granting programs (social grants, Downtown Eastside capital program, and heritage facade rehabilitation grants). The main focus is to maintain these social facilities and upgrade them based on need.

Goal: Maintain social facilities and upgrade them based on need. Upgrade two facilities and build one new facility over the three years of the 2012-2014 Capital Plan.

Major projects for 2014 include:

- Downtown South Gathering Place new entry: \$1.2 million in 2014 (Total Project \$2 million, with completion anticipated in 2014)
- Neighbourhood House renewal: \$0.5 million in 2014 (Total Project \$1.3 million, with completion anticipated in 2015)
- Grant for the WISH Drop-in Centre Society: \$0.4 million in 2014 (Total Grant \$0.4 million, with grant disbursement in 2014)
- Capital maintenance of social facilities: \$0.3 million in 2014

1.3 Culture: \$9,656,000

The City owns 47 cultural facilities and funds the cultural capital grants program. The main focus is to rebuild and upgrade aging facilities and add new facilities based on need.

Goal: Focus on facility maintenance and continue funding for the cultural capital grants program.

Major projects for 2014 include:

- Tenant improvements for the fit out of the Bard on the Beach and Arts Club tenancy at 162 West 1st Avenue: \$3.5 million in 2014 (Total Project \$7 million, with completion anticipated in 2015)
- Capital maintenance of cultural facilities: \$1.8 million in 2014
- Restoration of Bloedel Conservatory roof (Phase 1): \$1.0 million in 2014 (Total Project \$1.2 million, with completion anticipated in 2014)
- Vancouver Art Gallery upgrades: \$0.6 million in 2014 (Total Project \$4.8 million, with completion anticipated in 2015)

1.4 Entertainment and Exhibition: \$1,370,000

Facilities in this category include many of the buildings at Hastings Park, Playland, and Nat Bailey Stadium.

Goal: Implementation of the Hastings Park/PNE Master Plan: Renewal of the Hastings Park site (includes Phase 1 of Playland Renewal and Phase 2 of renewing the Livestock Building) over the three years of the 2012-2014 Capital Plan.

Major projects for 2014 include:

- Playland amusement park renewal: \$0.5 million in 2014 (Total Project \$1.1 million, with completion anticipated in 2015)
- Hastings Park Livestock Building renewal: \$0.4 million in 2014 (Total Project \$6 million, with completion anticipated in 2014)

1.5 Libraries and Archives: \$8,287,000

The Library Board operates 21 branch libraries and the City operates the City Archives.

Goal: Rebuild and upgrade aging facilities, particularly libraries that are undersized.

Major projects for 2014 include:

- Construction of new Downtown Eastside-Strathcona Library: \$7 million in 2014 (Total Project \$18.4 million, with completion anticipated in 2015)
- Capital maintenance at Library Square: \$0.4 million in 2014

1.6 Recreation: \$3,956,000

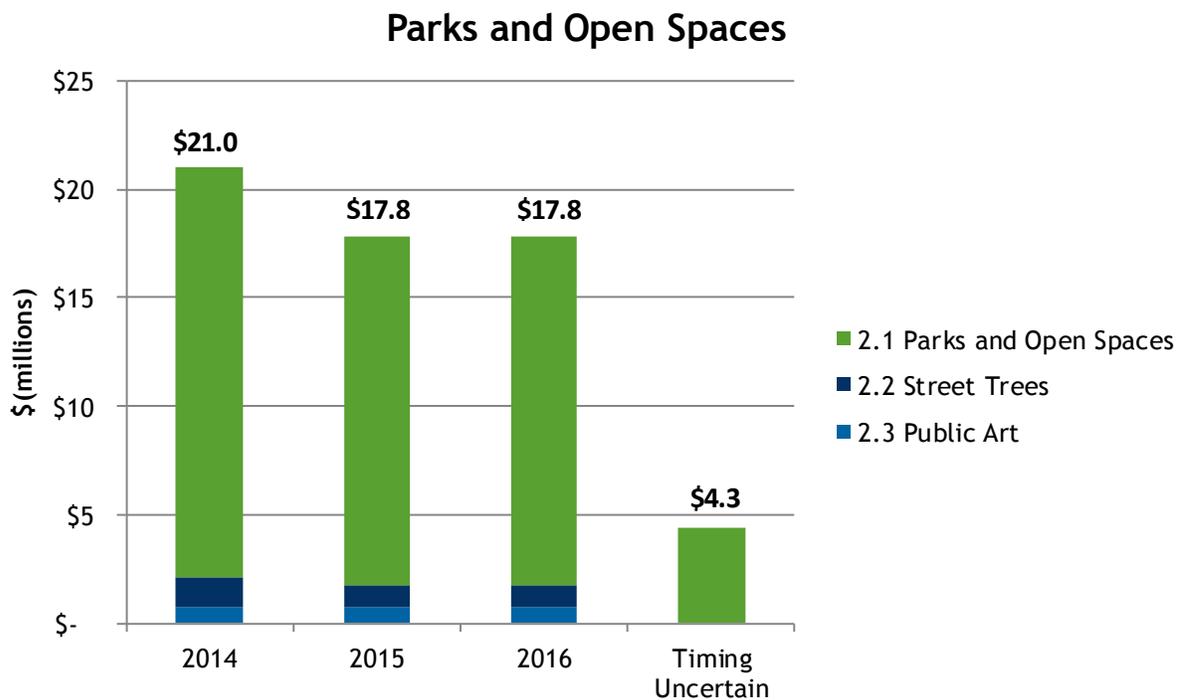
The City and Park Board have 56 recreation facilities.

Goal: Rebuild and upgrade aging facilities, particularly those built between 1945 and 1970.

Major projects for 2014 include:

- Recreation projects to be determined by the community through Community Centre Association partnerships: \$1 million in 2014
- Capital maintenance of existing recreation facilities, including mechanical and electrical systems, paint (internal and external), flooring, and roofing: \$0.5 million in 2014
- Replacement of Community Hall building at Kensington Community Centre: \$0.3 million in 2014 (Total Project \$1.8 million, with completion anticipated in 2015)

2. PARKS AND OPEN SPACES: \$20,983,000



Included in the Timing Uncertain category are approved funding amounts for park land acquisition. These items will be incorporated into the expenditure budget through the quarterly budget adjustment process when the timing of the expenditures is determined.

2.1 Parks and Open Spaces: \$18,893,000

In this category are 200+ parks, a cemetery, and 32 kilometres of seawall, all accounting for 1,300 hectares of land.

Goal: Maintain existing parks in reasonably good condition and add features to existing parks or build new parks to keep up with population growth.

Major projects for 2014 include:

- Hastings Park Greening (Empire Field, Plateau Park, greenways): \$9.1 million in 2014 (Total Project \$10.5 million, with completion anticipated in 2014)
- Playgrounds, tennis courts, playfields, and pathways in parks: \$1.2 million in 2014
- Park renewal (Sunset Park, John Hendry Park/Trout Lake): \$1.1 million in 2014 (Total Project \$1.6 million, with completion anticipated in 2015)

2.2 Street Trees: \$1,320,000

There are about 138,000 trees planted along the streets in Vancouver.

Goal: Replace dying and diseased trees, and plant additional trees to increase the total stock across the City.

The Park Board will complete first Urban Forest Management Strategy in 2014 to guide work toward meeting the Greenest City goal of planting 150,000 trees by 2020.

Major projects for 2014 include:

- Urban forestry: \$1.3 million in 2014

2.3 Public Art: \$770,000

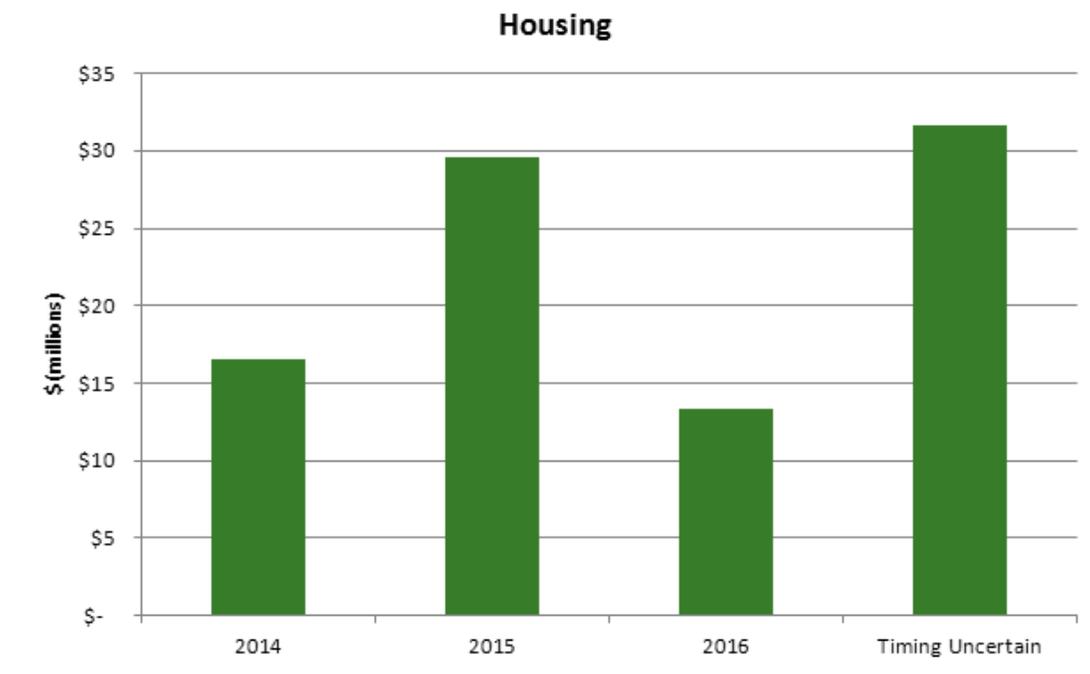
There are over 250 public art installations across the City.

Goal: Maintain existing public art and build new public art.

Major projects for 2014 include:

- Restoration of Centennial Pole in Hadden Park: \$0.2 million in 2014 (Total Project \$0.5 million with completion anticipated in 2015)
- Civic Public Art Program (includes public art opportunities at Hastings Park and the reconfiguration of Burrard Bridge): \$0.2 million

3. HOUSING: \$16,595,000



The City's aim is to increase the supply of affordable housing in Vancouver with a broad range of dwelling types to meet the needs of a diverse population.

The City has been providing affordable housing since the 1950s, in partnership with the federal government, provincial government, and non-profit groups. The City's most frequent contribution is the provision of land, upon which our partners build affordable housing.

The City has a granting program to facilitate the construction of affordable housing. The 2012-2014 Capital Plan included a total of \$42 million to be invested over the three-year period to create new affordable housing. Subsequent to the September 2011 approval of the 2012-2014 Capital Plan, a further \$39 million was added to the plan for additional affordable housing for a total of \$81 million. This investment will lead to the creation of about 1,100 units.

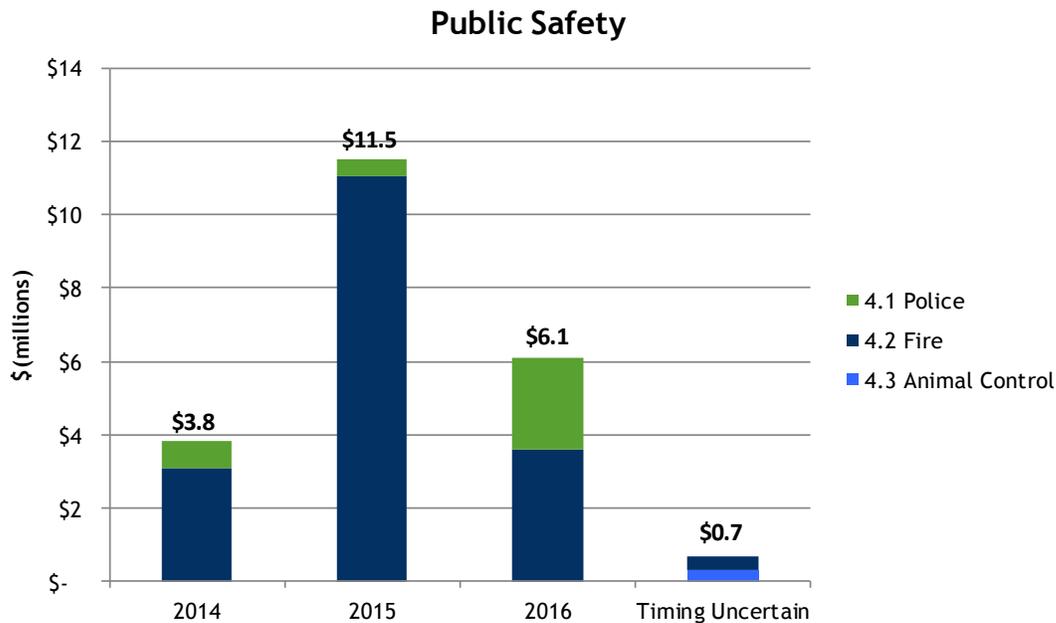
Included in the Timing Uncertain category are amounts for additional housing units, where specific projects are yet to be determined.

Goal: Maintain the existing stock of affordable housing in satisfactory condition and create new affordable housing stock.

Major projects for 2014 include:

- Substantial completion of the construction of a supportive housing facility at Taylor Manor, initiated in 2013: \$10.0 million in 2014 (Total Project \$14.5 million, with completion anticipated in 2014)
- Funding contribution toward the renovation of the former Remand Centre (211 Gore Avenue) as affordable rental housing: \$2.0 million in 2014
- Acquisition of new non-market rental housing stock: \$1.0 million for 2014 (Total Project \$6.0 million, with anticipated completion 2016)
- Grants to support non-profit organizations in creating or expanding supportive housing: \$1.8 million in 2014
- Capital maintenance of non-market housing facilities: \$0.6 million in 2014

4. PUBLIC SAFETY: \$3,818,000



4.1 Police: \$754,000

There are over 10 police facilities across the City.

Goal: Maintain police facilities in a state of good repair.

Major projects for 2014 include:

- Replacement of building Security Control System at Vancouver Jail: \$0.2 million in 2014
- Implementation of Two-Factor Authentication for access to national police databases: \$0.2 million in 2014

4.2 Fire: \$3,064,000

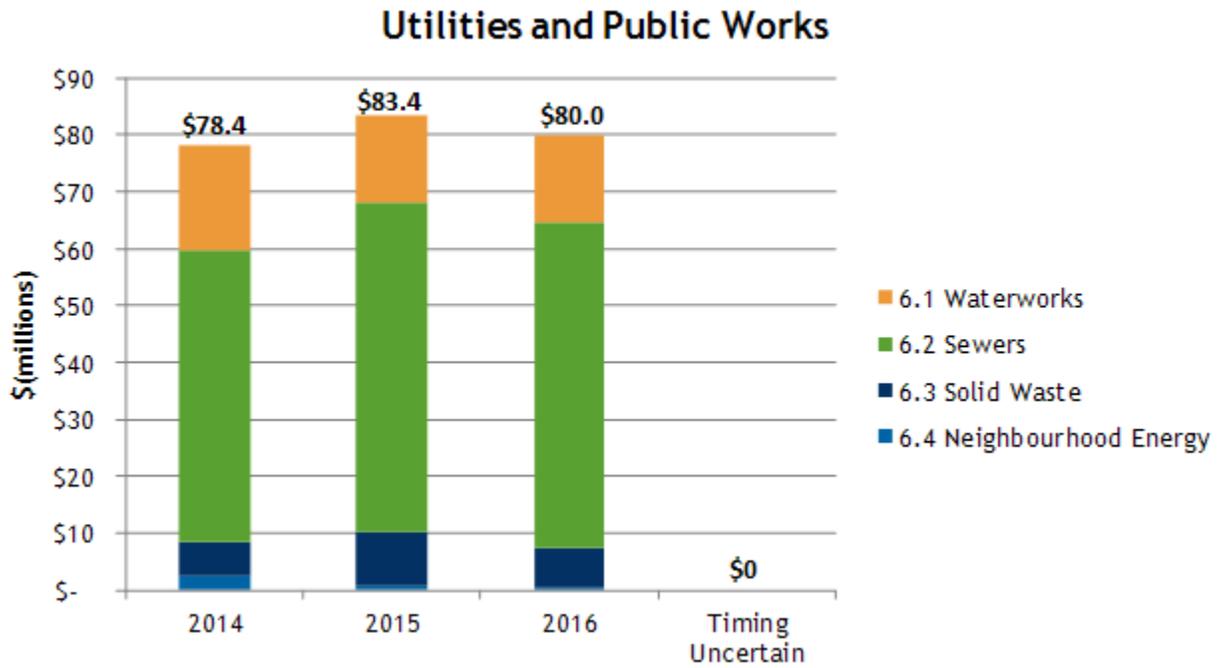
There are 20 fire halls in Vancouver. The 2012-2014 Capital Plan signals investments to address issues in local fire halls, including priority replacement and maintenance of fire halls.

Goal: Maintain or replace fire halls on a priority basis.

Major projects for 2014 include:

- Preliminary construction for replacement of Fire Hall #5 (at Kerr and 54th): \$1.0 million in 2014 (Total Project \$9.5 million, with anticipated completion 2016)
- Fire Hall bay separation between apparatus bays and fire hall living spaces: \$0.4 million in 2014
- Fire Hall Optimization Study to develop strategic proposal for fire hall placement and apparatus and staff deployment: \$0.3 million in 2014

5. TRANSPORTATION: \$72,267,000



5.1 Walking and Cycling: \$12,166,000

Assets include 2,162 kilometres of sidewalks, 225 kilometres of bikeways and greenways, 341 pedestrian bike signals, and 13 bridges and underpasses.

Goal: Improve pedestrian safety and focus on features that make walking and cycling safe and comfortable for all ages and abilities. Explore options that involve low-cost changes to the road system for future years.

Major projects for 2014 include:

- Seaside Greenway and York Bikeway: \$5 million in 2014 (Total Project \$6 million, with completion anticipated in 2014)
- Southlands Equestrian Trails: \$1.2 million in 2014
- New and rehabilitation of pedestrian/bicycle signal construction: \$1.7 million in 2014

5.2 Transit: \$775,000

Assets include 18 kilometres of bus lanes, 37 bus bulges, and about 250 concrete slabs at bus stops.

Goal: Make ongoing investments to facilitate the movement of buses along the arterial street system and provide passenger amenities at bus stops.

Major projects for 2014 include:

- Transit improvements: \$.8 million in 2014

5.3 Roads: \$56,234,000

Assets include 363 kilometres of arterial roads, 1,050 kilometres of local roads, 650 kilometres of lanes, 24 bridges, 468 traffic signals, and 55,000 street lights.

Goal: Maintain existing assets in reasonably good condition, and build new assets to facilitate goods movement and improve safety for motor vehicles.

Major projects for 2014 include:

- Powell Street Overpass: \$23.1 million in 2014 (Total Project \$50 million, with completion anticipated in 2014)
- City roads paving: \$9.2 million in 2014
- Burrard Bridge rehabilitation and bearing replacement: \$6.8 million in 2014 (Total Project \$9.6 million, with completion anticipated in 2014)
- Burrard Bridge South End improvements: \$3.9 million in 2014 (Total Project \$6 million, with completion anticipated in 2014)

5.4 Parking: \$3,092,000

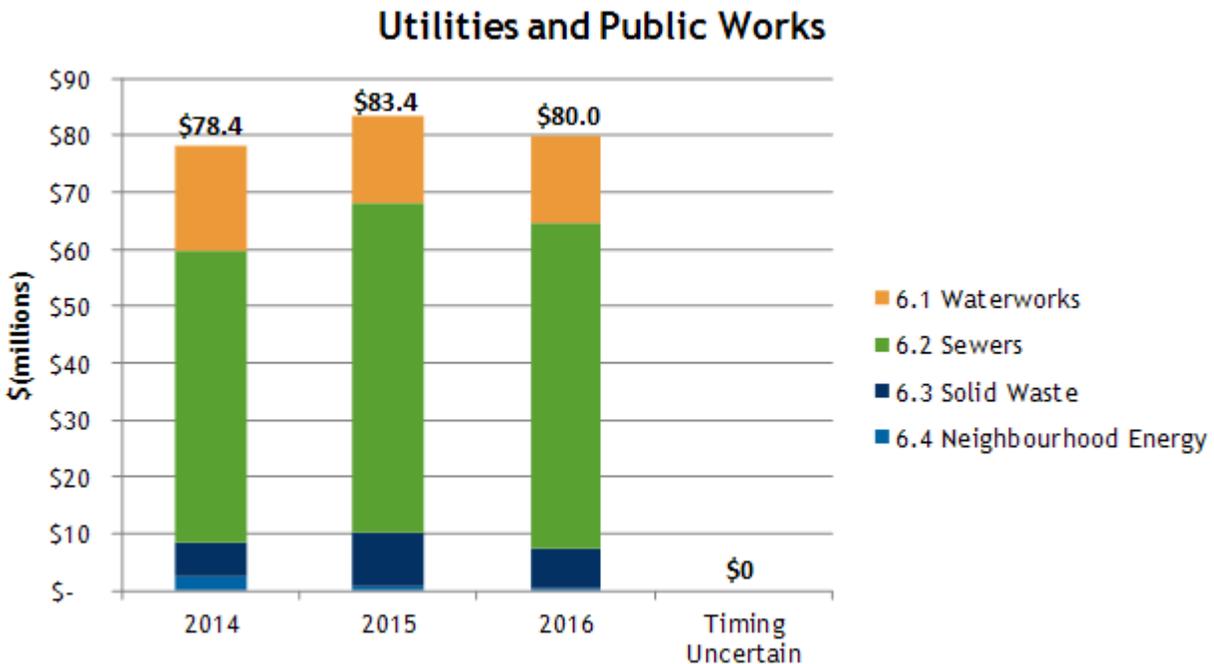
Assets include 21 parkades, 12 surface parking lots, and 10,100 on-street parking meters.

Goal: Maintain assets in good order and install pay parking in and near commercial districts (as demand warrants) to provide parking turnover to support local business.

Major projects for 2014 include:

- Easy Park Parkade at Pacific Centre (No. 9) Restoration Phase 1: \$0.5 million in 2014 (Total Project \$1.3 million, with anticipated completion in 2015)
- New parking meters and replacement of parking meters: \$0.9 million in 2014

6. UTILITIES AND PUBLIC WORKS: \$78,384,000



6.1 Waterworks: \$18,735,000

Assets include 1,483 kilometres of water mains, 1,120 kilometres of service connections, and 27 pressure-reducing valve stations.

Goal: Maintain existing assets in good condition.

Major projects for 2014 include:

- Distribution Main Replacement Program: \$7.9 million in 2014
- Transmission Main Replacement Program: \$5 million in 2014
- New water connections: \$2 million in 2014

6.2 Sewers: \$51,204,000

Assets include 2,082 kilometres of sewer mains, 1,100 kilometres of service connections, and 24 pump stations.

Goal: Maintain existing assets in good condition, and replace combined sewers with separate storm sewers and sanitary sewers to meet our regulatory commitment to eliminate combined sewer overflows by 2050.

Major projects for 2014 include:

- Main Sewer Separation Program: \$25.6 million in 2014
- Sewer connections: \$10.5 million in 2014
- Upgrade and replacement of pump stations: \$4.1 million in 2014

6.3 Solid Waste: \$5,845,000

Assets include the transfer station on Kent Avenue and the landfill in Delta.

Goal: Close several sections of the landfill, and cap closed sections with infrastructure to capture gas that emanates from the landfill.

Major projects for 2014 include:

- Landfill Closure Phase 2 and Gas Collection Program: \$3.6 million in 2014 (Total Project \$38.6 million, with completion anticipated in 2014)
- Reconstruction of the landfill entrance: \$1.5 million in 2014 (Total Project \$5.7 million, with completion anticipated in 2014)

6.4 Neighbourhood Energy Utility: \$2,600,000

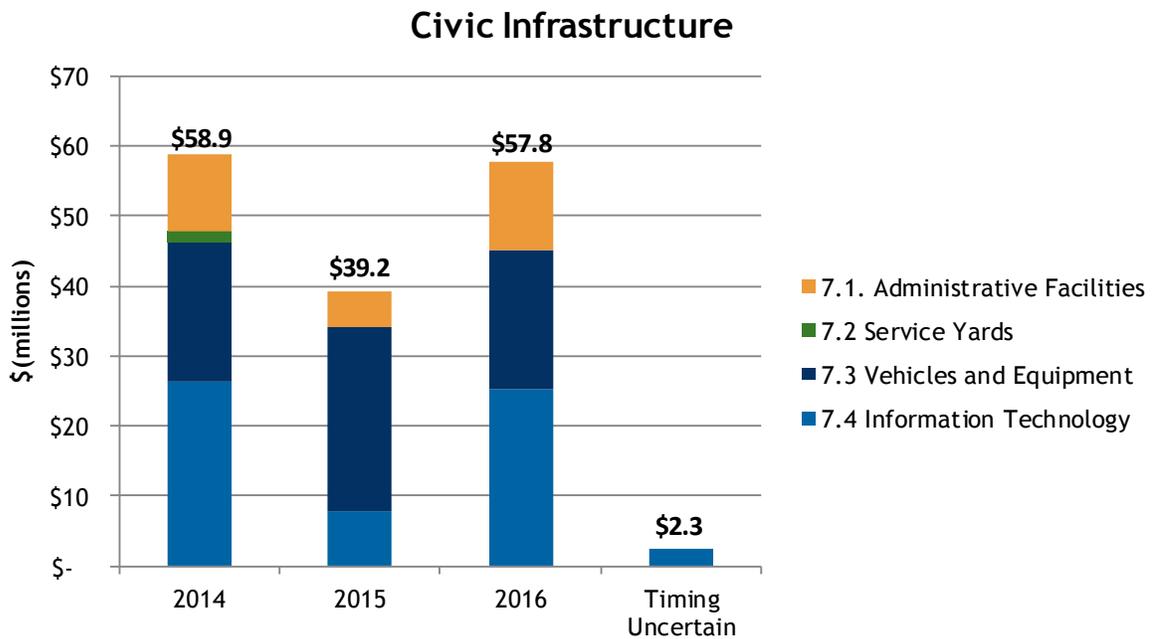
Assets include one neighborhood energy centre and 4 kilometres of pipes in Southeast False Creek.

Goal: Connect all buildings in Southeast False Creek to the Neighborhood Energy Utility.

Major projects for 2014 include:

- Extension of the NEU system to Great Northern Way: \$2.6 million in 2014

7. CIVIC INFRASTRUCTURE: \$58,943,000



Included in the Timing Uncertain category are amounts for technology projects that are in the planning stage. Implementation dates will be dependent on results of the design phase of the project.

7.1 Administrative Facilities: \$11,119,000

The City has approximately 460,000 square feet of offices in 12 different buildings.

Goal: Invest in seismic upgrades to enhance safety at the City Hall precinct and maintain older administrative buildings in good functional order.

Major projects for 2014 include:

- City Hall Office Plan to address safety related to seismic issues and service enhancements: \$4.4 million in 2014 (Total Project \$9.1 million, with anticipated completion in 2014)
- Seismic Upgrades: \$1 million for Vancity building for 2014 (Total Project \$4.5 million, with anticipated completion in 2015)
- City Hall East Wing deconstruction: \$2.4 million in 2014
- Hazardous Materials Abatement Program: \$1 million in 2014

7.2 Service Yards: \$1,643,000

The City has 18 service yards covering 33 hectares of land.

Goal: Maintain facilities and identify opportunities to co-locate and functionally integrate facilities.

Major projects for 2014 include:

- Replacement of the overhead doors at Manitoba Yards: \$0.8 million in 2014 (Total Project \$1.2 million, with anticipated completion in 2014)
- Improvements to Manitoba Yards: \$0.6 million in 2014

7.3 Vehicles and Equipment: \$19,908,000

Assets include 1,850 vehicles and 2,850 pieces of equipment.

Goal: Continue with Greenest City goals.

Major projects for 2014 include:

- Vehicle and equipment replacement: \$15.4 million in 2014
- Self-Contained Breathing Apparatus for Vancouver Fire and Rescue Services: \$2.4 million in 2014
- Fire truck replacement: \$2 million in 2014 (Total Project \$24.9 million, with completion anticipated in 2016)

7.4 Information Technology: \$26,273,000

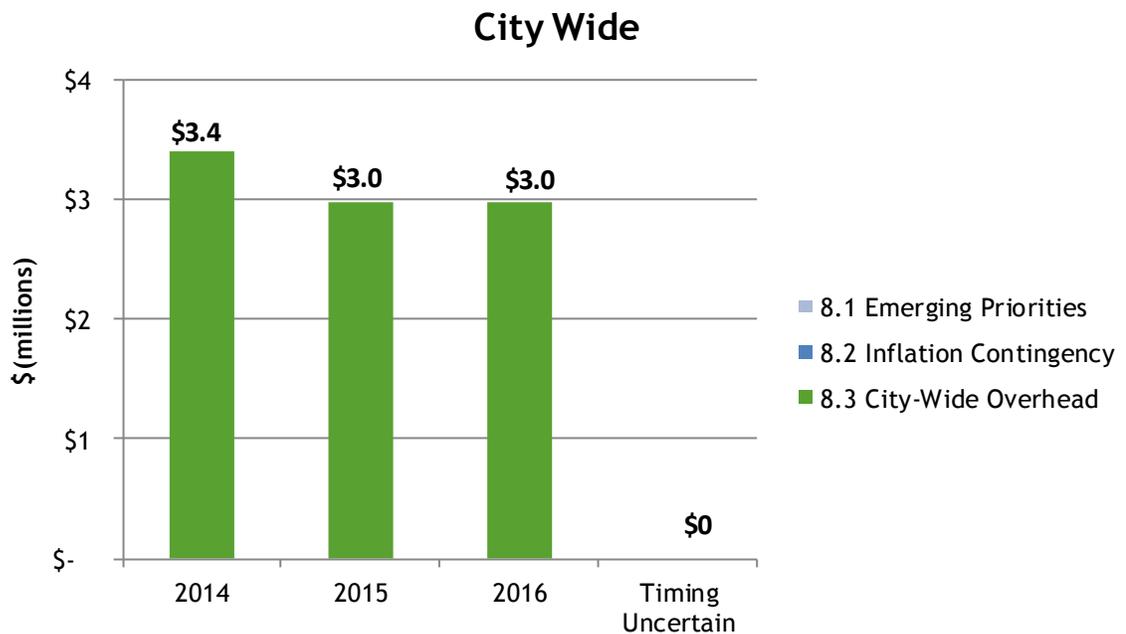
Assets include 6,500 computers, 300 servers, and 250 specialized software applications.

Goal: Replace hardware and software that have reached the end of life, replace and enhance technology to transform operations and improve customer service, and invest in new technology systems to support ongoing business transformation.

Major projects for 2014 include:

- Permit and Licence Transformation Program, including online services implementation: \$9.8 million in 2014 (Total Project \$26 million, with completion anticipated in 2015)
- Safari upgrade: \$0.8 million in 2014 (Total Project \$1 million, with completion anticipated in 2014)
- Legal Services Technical Initiative Project: \$0.6 million in 2014 (Total Project \$0.8 million, with completion anticipated in 2014)

8. EMERGING PRIORITIES, INFLATION CONTINGENCY, AND OVERHEAD: \$3,399,000



8.1 Emerging Priorities:

During the course of any three-year capital plan, priorities emerge that need to be addressed. Examples include fulfilling strategic priorities identified by Council and Boards and advancing projects if funding from partners materializes. A total of \$15 million was reserved for this purpose in the 2012-2014 Capital Plan. Council approves use of this funding through the annual capital budget or quarterly capital budget adjustment process.

Projects or programs utilizing this funding are accounted for in the service categories above. For 2014, the following projects will use Emerging Priorities funding:

- New street trees: \$0.4 million
- Facilities Energy and Carbon Footprint information and analytics software: \$0.2 million
- Office Accommodation Plan: \$1 million
- Fleet Operations System Visioning: \$0.1 million
- Fire Hose Testing Centre: \$0.1 million
- Recreation projects to be determined by the community through Community Centre Association Partnerships: \$1 million

After taking into account 2012, 2013, and 2014 funding allocations, approximately \$24,400 of funding for emerging priorities remains.

8.2 Inflation Contingency:

The program spending identified in the 2012-2014 Capital Plan was calculated in current dollars, and an amount was provided to cover potential cost increases due to inflation.

A total of \$10 million was earmarked in the 2012-2014 Capital Plan as a contingency. Given the low rate of inflation, this amount has not been required for cost increases related to inflation. These amounts are now being allocated toward a number of high-priority emerging initiatives. Projects or programs utilizing this funding are accounted for in the service categories above. For 2014, the following projects will use Inflation Contingency Funding:

- Facility Improvements at 162 West 1st: \$2 million
- Seismic upgrades for Vancity Building: \$1.5 million
- Office Accommodation Plan: \$0.9 million
- East Wing Deconstruction: \$1.7 million
- Corporate Communications support relating to capital projects and initiatives: \$0.6 million

After taking into account 2012, 2013, and 2014 funding allocations, approximately \$0.6 million of funding for inflation contingency remains.

8.3 Citywide Overhead: \$3,399,000

Two costs are included in this category:

- Financing fees that the City incurs as part of the debenture program (not the interest associated with debenture borrowing)
- The City's legal, communications, procurement, and finance costs that are needed to support the Capital Program

PART II: DEPARTMENT SERVICE PLANS

OVERVIEW

The 2014 Budget continues the strategic shift of aligning financial resources with performance on key service metrics.

This is the second year that the City is reporting service plans for its key public-facing services and Corporate Support services. There have been improvements made to this section over 2013, which include more detailed financial information and updated and improved service metrics.

These sections, in addition to being a significant part of budget transparency, also represent the City's commitments to itself and the community to measure and be accountable for its decisions and actions over the year. Starting in the summer of 2013, annual internal reviews of these commitments were and will continue to be conducted to track whether the services are performing as promised and whether changes in course are warranted.

ENGINEERING - WATERWORKS

The Engineering Services Department deals with policy, management, design, delivery, and construction associated with infrastructure and services on and under the street right-of-way. This department handles the City's four Utilities and Public Works.

Through its four Utilities, Engineering Services provides Vancouver its water for drinking and fire protection, safe removal of wastewater for treatment, efficient collection of solid waste, and low-carbon neighbourhood energy supply to the Southeast False Creek neighbourhood.

The four Utilities are:

- Waterworks
- Sewers
- Solid Waste
- Neighbourhood Energy

The first section will address the Waterworks Utility, which delivers the Water Distribution Service.

KEY SERVICES DELIVERED

Water Distribution Service: Provide clean water to businesses, residents, and communities.

DEPARTMENT AND SERVICE ACCOMPLISHMENTS

For 2013, the Waterworks Utility continued to make progress to improve water system reliability by replacing deteriorating infrastructure, making sure water is used efficiently by encouraging water conservation, and improving public access to water through the installation of water fountains.

2013 SERVICE PLAN UPDATE

Building on the successful initiatives previously discussed, Engineering Services has significant plans for the Utilities in 2014, using continuous improvement as a guiding principle while adhering to strict safety standards.

Clean Water: Vancouver will have the best drinking water of any city in the world

By the end of the year, 8.1 km of the City's existing 1,470 km of distribution mains will have been replaced as part of its long-term strategy to reduce the occurrence and impacts of water main failures. Major projects included replacement of mains on West 4th Avenue as part of a coordinated effort to reduce overall impacts to the business area; replacement of 600 m of water main on West Georgia Street downtown, constructed by inserting a smaller main into a larger host pipe to eliminate the need for open trenching; and the beginning of a significant transmission main replacement project on Pender Street that will continue through to 2014.

In 2013, despite a record-breaking summer dry season, water consumption is showing a continued trend downward across the City, furthering progress toward the City's Greenest City Action Plan (GCAP) goal of reducing total per capita water use by 33% from 2006 levels by 2020. We are ahead of schedule in achieving this goal.

In addition, to improve access to a precious resource, seven new permanent drinking-water fountains were installed in high-pedestrian locations and along greenways and bikeways.

PLANS FOR 2014

The drivers of change for Waterworks include the Greenest City Action Plan goals, the consumption behaviour of water users, and decisions by Metro Vancouver about the water rates. Obviously another key driver of this service is weather, both in the immediate term and as it relates to planning for climate change impacts.

The City's water system is made up of two components: the distribution network that provides water to customers, and the transmission network that takes water from Metro Vancouver's system and provides a link to our distribution mains. As part of our ongoing aging infrastructure replacement program, the Waterworks Utility plans to replace approximately 6.3 km of distribution mains, which represents 0.44% of the distribution system, and 3 km of transmission mains, which represents 3.75% of the transmission system.

To advance the efforts toward resiliency and improving the ability to supply drinking water following a seismic event, the Waterworks Utility will install 800 m of Japanese-developed pipe, which has demonstrated 100% earthquake survivability overseas. This pipe requires adaptors to connect with standard North American pipe, so we are exploring the cost premium of making this our standard for segments of the water system that have been identified as priorities for earthquake survivability—such as to supply hospitals.

For our water conservation program, 2014 will see continuing efforts to educate residents and businesses about efficient water use, and assessment of the City's role in encouraging water-efficient behaviour and technology upgrades as per its GCAP goal. Results of completed pilot projects (small business water audits, full-service toilet and showerhead replacement, and irrigation audits) will be reviewed with the intent to recommend and launch, where appropriate, City-wide programs. It is forecasted that by the end of 2013, total per capita water consumption will be 19% below 2006 levels, over half of the way to meeting our Greenest City Goal of a 33% reduction by 2020. An analysis of the impact of seasonal rates on our metered customers will be conducted to determine the effect on customer bills, customer water use behaviour, and overall financial effect on the utility.

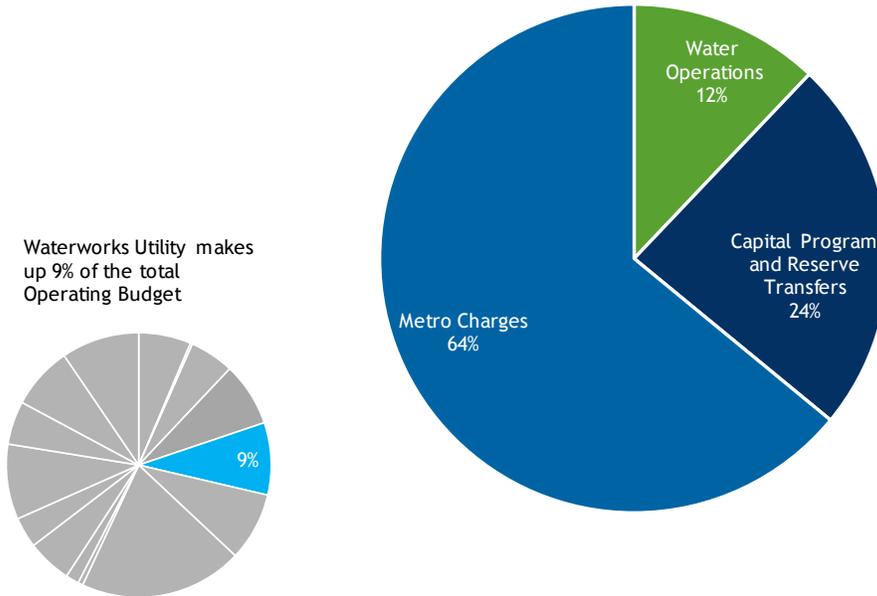
The Waterworks Utility plans to continue aggressively retiring its debt, working towards a "pay as you go" model that will result in approximately \$4 million of annual savings by 2020.

In 2014, analyses of optimal repair and maintenance strategies will be undertaken, similar to the extensive work that was done in 2013 to review Streets assets.

As part of its Green Operations initiatives, the Waterworks Utility will investigate using more native soil during construction and conducting some pilot programs to assess the costs and benefits.

2014 OPERATING EXPENDITURES - WATERWORKS UTILITY

2014 OPERATING EXPENDITURES WATERWORKS UTILITY



The cost of water purchased from Metro Vancouver comprises 64% of the annual operating budget of the utility. This budget is based on the estimated volume of water to be used by Vancouver residents and businesses and the price that Metro Vancouver sets per unit (cubic metre).

The water capital program is largely funded through debentures, and the annual debt charges to the operating budget are made up of several years of borrowing. In addition, for the past two years and continuing in 2014, a portion of the capital program is being funded directly from utility fees as part of a long-term strategy to reduce debt costs.

Water operations costs are associated with cleaning, repairing, inspecting, and managing the water infrastructure.

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Water	104.0	103.2	0.8	0.8%
Total Revenues	\$ 104.0	\$ 103.2	\$ 0.8	0.8%
Expenditures				
Water Operations	12.6	12.6	-	0.0%
Metro Charges	66.6	66.0	0.6	0.9%
Capital Program and Reserve Transfers	24.8	24.6	0.2	0.9%
Total Expenditures	\$ 104.0	\$ 103.2	\$ 0.8	0.8%
Net Operating Budget	\$ -	\$ -	\$ -	0.0%

Note: Some figures may not add due to rounding

Explanation of Changes: Revenue

A 3.5% increase is recommended for both metered customers and flat fee single-family dwellings. Water rates for single-family dwellings in 2014 are estimated to be \$546 versus \$528 in 2013. This increase is offset for metered customers by the estimated drop in the volume consumed of about 2.75%. For meter services charges and flat rate fire line charges, an increase of 2% is recommended.

Explanation of Changes: Expenses

There is no change to the total cost of operations from 2013 to 2014. Inflationary increases are offset by changes to the organization that improved efficiency and reduced costs.

In addition, the Waterworks budget contains retroactive wage increases related to collective agreements concluded in 2013.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that the Waterworks Utility is involved in or will commence in 2014. A complete list of all capital projects for 2014 is included in appendices in the Council Report.

Project Name (\$ million)	Total Project Budget	Prior Year's Spend to End of 2012	2013 Expenditure Forecast	2014 Budget	Future Years	Total Projected Spend
Waterworks Utility						
Distribution Main Replacement Program	Ongoing, annual program funding	Ongoing, annual program funding	9.4	7.9	Ongoing, annual program funding	Ongoing, annual program funding
Transmission Main Replacement Program	Ongoing, annual program funding	Ongoing, annual program funding	1.1	5.0	Ongoing, annual program funding	Ongoing, annual program funding

The Waterworks Utility plans to replace approximately 9.3 km of pipe with major projects, including portions of Cambie Street downtown (as part of coordinated delivery with other utilities and street construction) and completion of the transmission main on Pender Street.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget. The following paragraphs discuss the year-to-year changes in more detail.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Water	87.3	95.5	104.0	103.2	104.0
Total Revenues	\$ 87.3	\$ 95.5	\$ 104.0	\$ 103.2	\$ 104.0
Expenditures					
Operations	11.7	11.7	12.2	12.6	12.6
Water Purchases (Metro)	61.8	66.6	68.8	66.0	66.6
Capital Program and Reserve Transfer	13.8	17.2	23.0	24.6	24.8
Total Expenditures	\$ 87.3	\$ 95.5	\$ 104.0	\$ 103.2	\$ 104.0
Net Operating Budget	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Budget	\$ 24.8	\$ 25.3	\$ 14.8	\$ 17.0	\$ 18.7

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

The key drivers for the past few years in the Waterworks Utility have been the decline in the amount of water consumed and the increasing cost of water purchased from Metro Vancouver.

Capital program and reserve transfers increased over the period as a portion of the capital is now being funded through “pay as you go” funding directly from the operating budget rather than borrowing debt over multiple years.

EMPLOYEE TREND TABLES

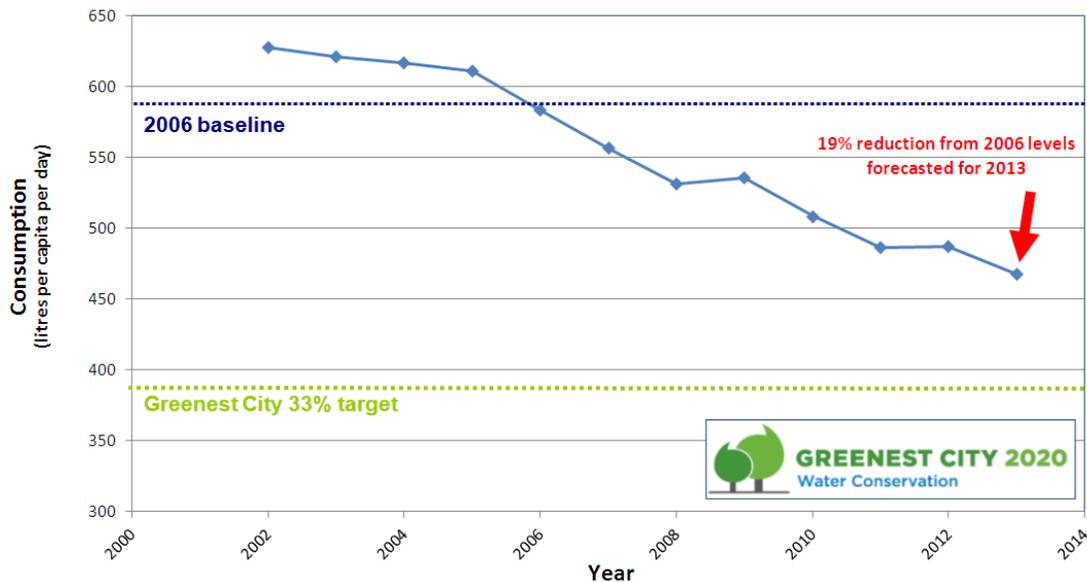
Engineering Waterworks	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	135	134	130	133	130	132
Total Straight Time Hours Paid for All Staff, Excluding Overtime	275,666	283,781	274,956	276,257	273,874	272,969

DEPARTMENT SERVICE METRICS

Water Distribution Service

As discussed earlier, one of Vancouver’s Greenest City 2020 commitments is a steady decline in water consumption. Despite a record-breaking dry summer and a dry fall in 2013, the Waterworks Utility is trending to achieve the goal of a 33% reduction below 2006 levels ahead of 2020.

Total Water Use Per Capita Consumption Trend



The amount of pipe being replaced as part of our ongoing infrastructure replacement program was reduced in this capital plan in order to focus resources on the separation and replacement of sewer mains. The gradual reduction in watermain breaks indicates that the system is in good condition overall and the condition has been improving due to our replacement program. Compared to other cities across the country we have a low rate of watermain breaks. We are monitoring the condition of the system to ensure that the reduced rate of replacement remains appropriate. The slight increase in breaks this year over last is not indicative of a trend as the number from year to year is variable and the overall trend is down. It is important to note as well that not all watermain breaks are due to age. The last three that occurred this year were not in pipes that would have been replaced due to aging and other factors led to the failure of the pipes. Another common cause of failure is differential settlement over time that causes stresses in the pipe.

We are experiencing an increase in the number of breaks in the service pipes providing water to peoples' homes. We have allocated additional resources in that area to ensure we are optimizing the replace vs repair decisions made on each break. In 2013 more of the breaks were repairable than in 2012 so the number of replacements is down. The increased rate of these connection breaks is due to a peak in home construction in the post war period and those connections are reaching the end of their service life.

One interesting point to note in the metrics is the decline in the number of service connections overall. This is due to the consolidation of properties to create larger developments. In single family development and older street fronting retail, typically each unit has its own service connection. In larger multi family or commercial developments there are only two connections for the entire development compared to the multiple connections that previously serviced the same sized property.

The quality of our water continues to increase as we enjoy the benefit of metros filtration plant. The quality can be expected to increase further when the tunnel from the filtration plant to Capilano reservoir is brought into service. As mentioned above, water consumption continues to decline ahead of our GCAP goals.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Water	Quantity	# of Water Connections Replaced	NDA	1912	1930	1673	1350
		Km of Water Pipe Replaced	NDA	17.3	12.45	5.3	8.1
	Quality	# of main breaks	87	68	65	48	50
		# of Service Connection Breaks	370	529	599	617	630
		% of samples with turbidity within Health Canada acceptable range	82.54%	96.94%	98.66%	98.68%	98.70%
		Water Consumed Per Capita (litres) - Residential	296	298	283	286	279
		Water Consumed Per Capita (litres) - Total	535	508	486	491	476

ENGINEERING - SEWERS AND STORMWATER

KEY SERVICES DELIVERED

Sewer Service: Safely remove wastewater and stormwater.

DEPARTMENT AND SERVICE ACCOMPLISHMENTS

The City is achieving the region's target for elimination of combined sewer overflow by 2050 through our sewer separation program, in which the Sewer Utility completed 10.4 km of sewer separation in 2013. By the end of 2013 we will initiate the City-wide Integrated Stormwater Management planning work that will integrate, at a watershed and site level, land use and rainwater runoff management. The Sewer Utility also issued 1,060 permits for sewer and water connections to new homes, which include separation of private property connections and installation of water meters.

2013 SERVICE PLAN UPDATE

In 2013, the Sewer Utility will complete 10.4 km of stormwater and wastewater sewer separation, progressing towards the goal to eliminate combined sewer overflows by 2050, as mandated in the region's Liquid Waste Management Plan. This is lower than projected from last year due to a number of deep and complex sewer projects. Approximately 46% of the City's sewer system is now separated, with the City being on track to meet the mandated requirement.

Separation work on the 1910- and 1920-era sewers in the West 4th Avenue area, done in conjunction with other City projects and Metro Vancouver's Jervis Street and Pine Street sanitary tunnel work, further reduced the amount of combined sewer flow into the Arbutus Street/Maple Street outfall to English Bay.

The Sewers Design branch continued with the planned replacement of the East 1st and Boundary Road pump station. The design is complete, tender has closed and the issuance of the construction contract is expected to be complete by the end of the 2013 for construction to begin early 2014.

The Sewers Design Branch, in conjunction with internal and external stakeholders, has initiated the development of the City-wide Integrated Stormwater Management Plan (ISMP), mandated by the Liquid Waste Management Plan, to better protect watersheds by managing rainwater at the site level, thereby minimizing stormwater runoff. This important work will create new design standards to help mitigate the effects of climate change and associated extreme storm events.

The Sewer Utility issued 1,060 permits in 2013 for sewer and water connections to new homes, consistent with the high level of City redevelopment in the past several years. The permits include separation of private property connections and installation of water meters as part of the water conservation program.

The Sewer Operations Branch, in consultation with WorkSafe BC, began various initiatives to increase worker safety and well-being. This includes the phased rollout of an excavation and shoring management process with our partners in Equipment Services, the provision of fall restraint equipment to workers who work around excavations, and an office employee stretching program.

PLANS FOR 2014

Future rates for Sewer Service will be influenced by Metro Vancouver's wastewater facility secondary treatment costs, ongoing sewer separation, and changing design standards due to climate change.

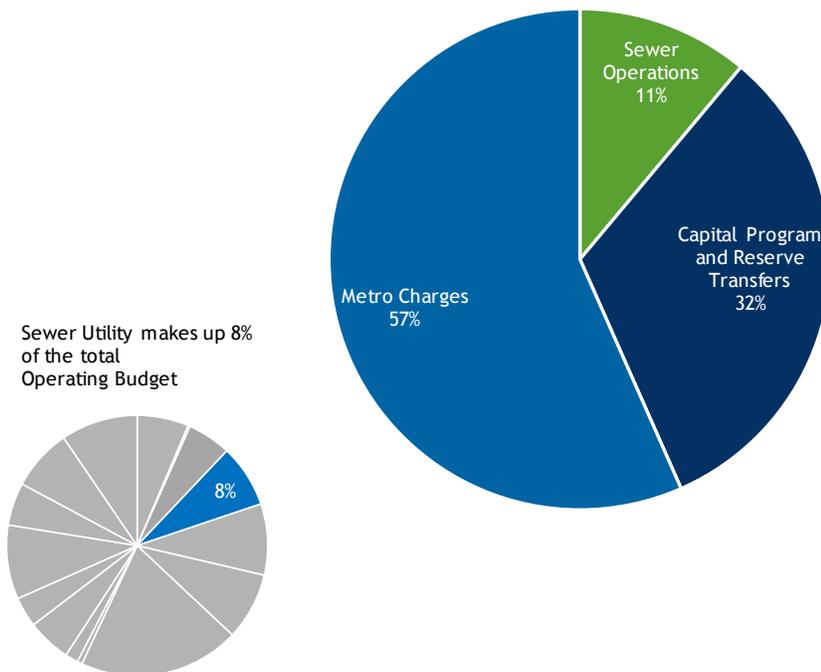
In 2014, the Sewer Utility plans to continue the sewer separation program by separating 12 km of sewer to meet the regulatory requirement of eliminating combined sewer overflows by 2050, as mandated in the region's Liquid Waste Management Plan. An outdated sewage pump station at East 1st Avenue and Boundary Road will be replaced, and the design and replacement of an outdated sewage pump station at Skeena Street and Cornett Road will be initiated.

2014 will also see the completion of the City-wide Integrated Stormwater Management Plan (ISMP), resulting in recommendations on how to best manage rainwater and stormwater runoff and improve watershed quality. The Musqueam Creek ISMP work program will be developed in partnership with the Musqueam Indian Band.

The 2014 Budget includes new funding for a Still Creek Sewer Separation Program to identify and rectify sewer cross-connections in the watershed. This program is designed to help the maintain creek quality that has been achieved over many decades and which resulted in the return of spawning salmon. It is also part of the 2014 plan to refine the service delivery operations for catch basin cleaning and mainline flushing by systematically looking at how we deliver the service through category priority ratings and appropriate category service levels.

2014 OPERATING EXPENDITURES - SEWER UTILITY

2014 OPERATING EXPENDITURES SEWER UTILITY



The Metro Vancouver levy to the City of Vancouver covers the cost of regional collection and sewage treatment facilities. This levy, which is imposed on every Metro Vancouver member municipality, is a fixed amount based on the operating and capital costs in each of the sewerage areas in the region.

The Sewers capital program is funded through debentures, and the annual charges to the operating budget are made up of the debt servicing costs related to several years of borrowing. The impact of capital spending is gradual and spread over several years.

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Sewer Operations	58.0	55.8	2.1	3.8%
Total Revenues	\$ 58.0	\$ 55.8	\$ 2.1	3.8%
Expenditures				
Sewer Operations	10.1	9.7	0.4	4.2%
Metro Charges	51.8	49.6	2.2	4.5%
Capital Program and Reserve Transfers	29.6	28.7	0.9	3.0%
Total Expenditures	\$ 91.5	\$ 88.0	\$ 3.5	4.0%
Net Operating Budget	\$ (33.5)	\$ (32.2)	\$ (1.3)	4.2%

Note: Some figures may not add due to rounding

Explanation of Changes: Revenue

Staff are recommending a 3.5% increase in sewer fees for 2014 in order to recover the increase in the Metro Vancouver sewer levy as well as some increases in operating costs and debt. This takes us from \$287 in 2013 to an estimated \$297 in 2014 in single-family dwellings.

Explanation of Changes: Expenses

Capital spending for sewer separation and infrastructure management has increased in recent years as required to meet the combined sewer overflow elimination target, resulting in an increase in the debt costs. Sewer operations cost increases are mainly due to the reorganization and transfer of technical staff from Community Services Group.

In addition, the Sewers budget contains retroactive wage increases related to collective agreements concluded in 2013.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that the Sewer Utility is involved in or will commence in 2014. Major sewer main reconstruction projects include:

- Angus Drive – SW Marine Drive to 75th Avenue and 49th Avenue to 57th Avenue
- 29th Avenue – Nanaimo Street to Penticton Street
- King Edward Avenue – Granville Street to Oak Street
- MacDonald Street – SW Marine Drive to 41st Avenue

Major pump station projects include:

- replacement of 1st Avenue and Boundary Road pump station
- detailed design and construction initiation for the Skeena Drive and Cornett Road pump station

A complete list of all capital projects for 2014 is included in appendices to the Council Report.

Project Name (\$ million)	Total Project Budget	Prior Year's Spend to End of 2012	2013 Expenditure Forecast	2014 Budget	Future Years	Total Projected Spend
Sewer Utility						
Sewer Main Reconstruction	Ongoing, annual program funding	Ongoing, annual program funding	27.4	25.6	Ongoing, annual program funding	Ongoing, annual program funding
Pump Stations	Ongoing, annual program funding	Ongoing, annual program funding	0.8	4.1	Ongoing, annual program funding	Ongoing, annual program funding

Twelve (12) additional kilometres of sewer will be separated this year meeting the regulatory requirements of the regional Liquid Waste Management Plan and the targets in the 2012-2014 Capital Plan.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget. The following paragraphs discuss the year-to-year changes in more detail.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Sewer	48.4	50.5	54.4	55.8	58.0
Total Revenues	\$ 48.4	\$ 50.5	\$ 54.4	\$ 55.8	\$ 58.0
Expenditures					
Operations	8.8	8.7	8.9	9.7	10.1
Metro Charges	46.4	46.9	47.8	49.6	51.8
Capital Program and Reserve Transfers	20.9	24.1	28.2	28.7	29.6
Total Expenditures	\$ 76.2	\$ 79.6	\$ 85.0	\$ 88.0	\$ 91.5
Net Operating Budget	\$ (27.8)	\$ (29.2)	\$ (30.6)	\$ (32.2)	\$ (33.5)
Capital Budget	\$ 58.9	\$ 51.0	\$ 42.3	\$ 49.1	\$ 52.1

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

The increased revenues each year have been the result of rate increases to recover increasing costs, the largest of which is the increasing levy paid to Metro Vancouver each year for collection and treatment of sewage.

EMPLOYEE TREND TABLES

Engineering Sewers Utility	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	187	195	202	226	236	234
Total Straight Time Hours Paid for All Staff, Excluding Overtime	385,746	402,536	442,843	464,522	483,736	493,291

From 2012 to 2013 total headcount decreased, yet the total hours worked increased due to an increased need for temporary and auxiliary workforce to support the increase in operating and capital work.

DEPARTMENT SERVICE METRICS

The City continued its steady program to separate all storm and sanitary sewers (42.6% complete in 2009; 46.2% in 2013), completing 10.4 km of stormwater and wastewater sewer separation in 2013. This is lower than projected from last year due to a number of deep and complex sewer projects that required higher levels of man hours/labour.

In 2013, it is expected that over 49% of all Sewer Utility construction aggregate will be of recycled content, which is slightly over the 2012 recycled use.

Quality in recreational waters has improved with the sewer separation program. False Creek exceeded *Escherichia coli* (E. coli) limits twice in 2013, which were a result of the unusually hot and dry summer months in Vancouver, coupled with the water- and land-based recreational activities in the False Creek area.

The number of sewer connection trouble calls reflects the condition of the sewer system irrespective of the weather. As sewer separation continues, these calls will gradually decrease with the ongoing replacement of sewer connections during home construction and major renovations. The number of home and business flooding claims has decreased considerably over the past few years due to the City's preventative maintenance programs and prompt response to flooding calls.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Sewers and Storm Water	Quantity	km of sewers separated per year	10.8	12.8	12.9	12.7	10.4
	Quality	% of system which has separated storm and sanitary sewers	42.58%	43.49%	44.40%	45.30%	46.22%
	Result	# of sewer connection trouble calls	964	903	761	750	750
		# of home / business flooding claims received	157	256	48	38	45
		# of coliform limit exceedances (beaches and False Creek)	0	0	0	0	2
	Cost	cost per km of sewer, separated	\$2,494,000	\$2,660,000	\$2,645,000	\$2,286,000	\$2,290,000

ENGINEERING - WASTE MANAGEMENT AND RESOURCE RECOVERY (SOLID WASTE)

KEY SERVICES DELIVERED

Garbage, Recycling, and Organics Collection: Collect waste primarily from residential properties via garbage, recycling, and organics carts.

Transfer and Landfill: Operate and manage the Vancouver South Transfer Station and Landfill.

DEPARTMENT AND SERVICE ACCOMPLISHMENTS

The Waste Management and Resource Recovery Division plans, builds, improves, manages, maintains, and coordinates solid waste collection, diversion, transfer, and disposal, as well as street cleaning activities, programs, projects, and facilities. All single-family and duplex homes in Vancouver are provided with recycling, compostable organics, and garbage collection, and all multi-residential buildings are provided with recycling collection, 50 times a year. Through these programs the City annually diverts over 40,000 tonnes of compostable organics and over 30,000 tonnes of recycling from landfill disposal.

2013 SERVICE PLAN UPDATE

Zero Waste: Create Zero Waste

A key zero waste accomplishment in 2013 was the implementation of weekly green bin (food scraps and yard trimmings) collection and bi-weekly garbage collection for all single-family and duplex homes, which has been a major driver of waste diversion. This change has resulted in a 40% reduction of year-over-year garbage tonnage from single-family homes, and a doubling of the amount of organic material collected for composting—to over 40,000 tonnes.

Another significant accomplishment in 2013 was the provincial approval of an Extended Producer Responsibility (EPR) plan for packaging and printed paper recycling, which will help drive the City's zero waste goals. The City continues to work with its municipal and regional partners in shaping a response to the EPR plan. The response will result in a shift, in 2014, in the management responsibility of blue box recycling materials from local government to the distributors of these items.

Climate Leadership: Reduce GHG Emissions

In 2013, the Landfill Closure Phase 2 and Gas Collection Program was completed to capture additional landfill gas and reduce greenhouse gas emissions. Nineteen hectares were closed at the Landfill from 2012 to 2013 and 89 vertical wells were installed to capture landfill gas. A further 5.5 ha of the Landfill were also closed in 2013, with 13 new wells added to the collection system. A new Design, Operations and Progressive Closure Plan for the Landfill was developed to optimize gas collection with the fill plan.

PLANS FOR 2014

Garbage, Recycling, and Organics Collection Service

The drivers of change for the Garbage, Recycling, and Organics Collection Service include continued movement toward the Greenest City Action Plan goals and Metro Vancouver's Zero Waste goals.

Areas of focus in 2014 include:

- converting the City’s curbside blue box program from a City-managed service to an expanded program, with oversight and financial support requirements falling to Multi-Material British Columbia (MMBC) under their provincially approved plan for diverting printed paper and packaging
- finalizing and delivering a strategy for diverting food scraps from the multi-unit residential sector
- working on strategies to decrease abandoned waste, increase large item recycling opportunities and reducing the amount of uncontrolled litter on City streets

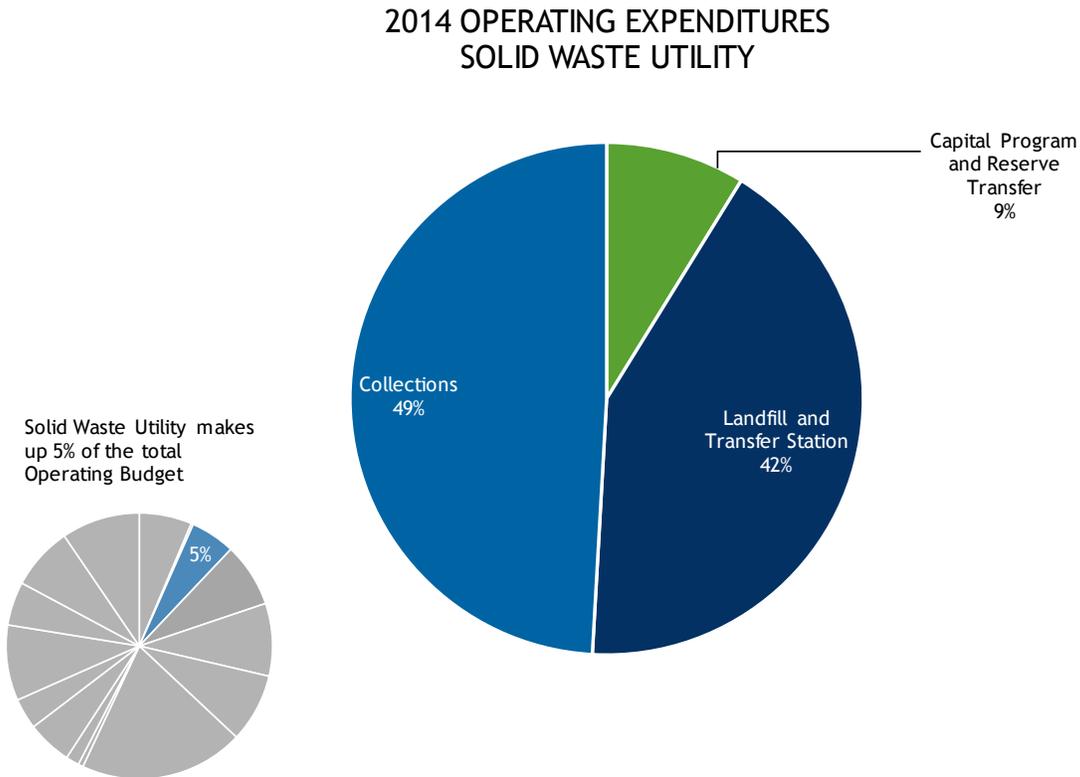
Transfer and Landfill Service

The drivers of change for the Transfer and Landfill Service are the changes in the quantities and types of waste received at the site due to Metro Vancouver’s continued efforts to increase waste diversion in advance of the development of a waste-to-energy system.

Areas of focus in 2014 include continued effort on landfill gas collection and beneficial use of the gas, with additional wells and gas infrastructure planned for construction. Additional opportunities for beneficial use of landfill gas are under consideration, and the commissioning of such a system is targeted for 2015.

A review of traffic and material flows at the transfer station will be undertaken to assess how best to manage changes related to additional diversion of materials.

2014 OPERATING EXPENDITURES - SOLID WASTE UTILITY



The Solid Waste Utility’s operating budget for 2014 can be divided into two main parts: curbside collections and disposal. Curbside collections are fully funded by user fees and are independent of the City’s tax-supported operating budget. The Vancouver South Transfer Station (VSTS) and the Vancouver Landfill (VLF) function as

components of the regional waste management system and are subject to regulatory requirements imposed by the Ministry of Environment and Metro Vancouver.

The curbside collections service is operated as a utility. The City sets annual user fees to recover the cost of providing the service. The costs of operating the VSTS and VLF are recovered through tipping fees charged to users of the facilities. Metro Vancouver sets the tipping fees for facilities across the regional system. At the end of the year, any operating surplus in the Solid Waste Utility is transferred to a dedicated reserve to fund landfill closure costs, post-closure costs, and environmental liabilities.

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Landfill Fees	31.1	27.0	4.1	15.0%
Other Revenue	32.6	29.1	3.5	12.1%
Total Revenues	\$ 63.7	\$ 56.1	\$ 7.6	13.5%
Expenditures				
Collections	31.3	26.9	4.3	16.1%
Capital Program and Reserve Transfer	5.6	7.1	(1.5)	-20.8%
Landfill and Transfer Station	26.8	22.1	4.7	21.3%
Total Expenditures	\$ 63.7	\$ 56.1	\$ 7.6	13.5%
Net Operating Budget	\$ 0.0	\$ -	\$ 0.0	0.0%

Note: Some figures may not add due to rounding

Explanation of Changes: Revenue

In 2013, the category "Other Revenues" included the recovery of costs for collection of recycling, garbage, and organics through the utility charges for those services, as well as the revenues received from the sale of recyclables. The change in service schedules that occurred mid-2013 has resulted in a decrease in the utility rate for garbage collection while the organics rate is increasing. Overall, the increase for garbage and organics combined is 2%, reflecting an increase in costs and increasing revenues by \$0.8 million. These changes are consistent with the projections included in the Council report on the organics program.

In 2013, the Province's extended producer responsibility (EPR) program comes into effect, and beginning on May 19, 2014, the City will receive funding support for program operation from Multi-Material BC (MMBC). Other Revenues will now also include these new revenues estimated at \$5.2 million for the partial year from May 19 to December 31; this MMBC funding is to support existing program costs as well as additional costs associated with expanding the recycling program. As a result of MMBC funding support, recycling fees will be decreasing by 20% in 2014.

The proposed budget for the sale of recyclables has been reduced by \$1.4 million in 2014. Approximately \$1 million of that decrease is due to a drop in the commodity price for recyclables, the remaining \$0.4 million is due to the City no longer collecting these revenues once the shift to MMBC collecting the revenue for these recyclables takes place.

In 2014, solid waste utility fees for single-family dwellings are estimated to be \$256 (versus \$255 in 2013). This represents an overall increase of 0.4% over 2013.

The Landfill and Transfer Station budget underwent a thorough review in 2013. Reductions in the overall amount of material delivered to the site are expected to be further reduced in 2014 due to increased success in diversion programs across Metro Vancouver. As a result, the revenue budget is being adjusted based on the expected tonnages, updated metro tipping fees and an increased cost per tonne recovered from Metro Vancouver. The regional tipping fee will increase from \$107/tonne to \$108/tonne for garbage, and from \$63/tonne to \$65/tonne for compost in 2014.

Explanation of Changes: Expenses

The increase in the 2014 budgeted expenditures for the curbside collections service reflects the first full year of weekly green bin collection as projected in program approvals. Organics processing costs are expected to increase as participation in the green bin program continues to improve and the volume of materials collected increases. Costs are also expected to increase as a result of an extra two days of collection service added during the Christmas period. These extra days of service were added so that residents would not have a long gap in their garbage collection and green bin services over the holiday.

A new loan repayment to the Capital Financing Fund for installation of landfill gas collection infrastructure and an increase in Delta sewer fees have resulted in an increase in the 2014 budgeted expenditures for Transfer Station and Landfill Service.

Finally, there is uncertainty in some of the costs related to the shift in responsibility for recycling producers through the MMBC program; particularly due to potential changes in the travel distances to recycling processors and the need for additional communications to support changes in the materials to be collected. Staff have budgeted for additional transportation costs of \$1.1 million to cover the costs of a longer drive to a processor and extra communications costs of \$0.6 million associated with the changes in the recycling collection program. The extent of the risk to transportation costs will not be clear until MMBC’s processing contracts are awarded in 2014.

The year-end Reserve Transfer reflects the expected tonnage and forecasted commercial revenues at the Transfer Station and Landfills the operating cost per tonne to handle refuse.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that the Waste Management and Resource Recovery Division is involved in or will commence in 2014. A complete list of all capital projects for 2014 is included in the appendices of the Council Report.

Project Name (\$ million)	Total Project Budget	Prior Year's Spend to End of 2012	2013 Expenditure Forecast	2014 Budget	Future Years	Total Projected Spend
Solid Waste Utility						
Landfill Closure	38.6	14.0	20.9	3.6	0.0	38.6
Reconstruct Landfill Entrance	5.7	0.0	0.0	1.5	4.2	5.7

In 2012, closure of approximately 11 hectares of the Landfill's footprint with a state-of-the-industry geomembrane system was completed, along with the commission of 144 new gas wells. In 2013, a further 13.7 hectares was closed with an additional 13 new gas wells. This work represents significant progress towards meeting the regulatory target of recovering 75% of the gas produced by solid waste in the Landfill by 2016.

Due to constraints and to allow a more strategic planning approach, two projects were deferred to 2014 or beyond: the Landfill entrance improvements and the Transfer Station Organics Facility. The Transfer Station will be undergoing an overall review of traffic and material flows in 2014 to frame the need and timing for

improvements related to requirements for increased diversion under Metro Vancouver’s Integrated Solid Waste and Resource Management Plan.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget. The following paragraph discusses the year-to-year changes in more detail.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Landfill Fees	23.7	25.1	26.5	27.0	31.1
Other Revenue	25.2	26.5	28.0	29.1	32.6
Total Revenues	\$ 48.9	\$ 51.6	\$ 54.5	\$ 56.1	\$ 63.7
Expenditures					
Collections	23.1	24.9	25.8	26.9	31.3
Capital Program and Reserve Transfer	4.7	4.6	7.1	7.1	5.6
Landfill and Transfer Station	21.2	22.0	21.6	22.1	26.8
Total Expenditures	\$ 48.9	\$ 51.6	\$ 54.5	\$ 56.1	\$ 63.7
Net Operating Budget	\$ -	\$ -	\$ -	\$ -	\$ 0.0
Capital Budget	\$ 12.7	\$ 7.6	\$ 24.2	\$ 14.2	\$ 5.8

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

From 2010 to 2013, total budgeted revenues and total budgeted expenditures have generally shown a steady increase, with the exception of Transfer Station and Landfill operations. Budgeted expenditures for the Transfer Station and Landfill have remained relatively unchanged until 2014. Due in part to new loan repayments to the Capital Financing Fund for construction of landfill gas collection infrastructure and increases in Delta sewer fees; expenditures for the Transfer Station and Landfill increase in 2014. The 2014 Budget has also been adjusted to more accurately reflect the expected tonnages and cost per tonne forecasted for 2014.

As the City moves forward with Zero Waste initiatives and a new expanded recycling program, the mix of materials being collected is rapidly changing. Both the revenue and expenditure budgets will be reviewed in detail and adjusted each year to reflect these significant changes.

EMPLOYEE TREND TABLES

Engineering Solid Waste	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	273	279	283	275	268	272
Total Straight Time Hours Paid for All Staff, Excluding Overtime	649,092	644,649	643,897	650,124	640,755	658,326

From 2012 to 2013 total headcount and total hours worked increased to support the landfill closure, green bin program, and initiatives around garbage collection.

DEPARTMENT SERVICE METRICS

Garbage, Recyclables, and Organics Collection Service

A notable trend in solid waste collection is the decline in the tonnes of garbage collected and corresponding rapid increase in green bin materials—due to the 2013 implementation of food scraps diversion through weekly green bin and biweekly garbage collection. With respect to blue box recycling, there was a decline in tonnes collected from 2012 to 2013 due to fewer and lighter-weight newspapers in circulation.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Garbage, Recyclables and Organics Collection	Quantity	# of carts served all types	195,536	197,546	197,611	198,411	200,736
	Quality	% compostables	19.40%	20.40%	21.60%	22.70%	36.10%
		% Garbage	53.70%	53.70%	52.50%	51.40%	37.80%
		% recycling	26.90%	25.90%	25.90%	25.90%	26.10%
		% of missed collections (311)	No data prior to 2010	0.20%	0.20%	0.20%	0.33%
		# of metric tonnes collected via residential collection programs (i.e. garbage, recycling, compostables)	118,840.0	117,133.0	117,566.0	119,877.0	116,400.0

Transfers and Landfill Service

Notable trends in metrics include changes in tonnes disposed at the two sites and in landfill gas collected. The quantity of waste disposed of at the Landfill is mainly influenced by the increase in tonnes received from Metro Vancouver’s transfer stations as well as demolition (wood) waste. The 2013 quantity will be less than previous years as a result of the new organics diversion program and reductions in waste from Metro Vancouver.

As expected, in 2013 an increase in 3-1-1 calls regarding missed collections was noted after the change in collection frequency while residents adapted to the change. The frequency of 3-1-1 calls rose slightly from an average of 2 calls to 3.3 calls per thousand customers served. Many of these calls were not actually missed collections but due to confusion about the change in collection frequency. The 3-1-1 call levels will gradually drop off and return to normal levels through 2014 as residents become more comfortable with the new frequency.

Tonnages at the Transfer Station have been relatively stable in past years. Landfill gas collection has increased due to the construction of closure and landfill gas works over the past three years. A correction has been made to the 2012 collection efficiency calculation (from 58% to 52%) due to an error found in the consultant's report. Collection rates also fluctuate during gas system construction due to transitional disruptions.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Transfers and Landfill	Quantity	# tonnes disposed of at the Vancouver Landfill	565,100	580,300	665,000	716,300	630,000
	Quality	% of landfill gas collected	44.00%	52.00%	40.00%	52.00%	65.00%

ENGINEERING - NEIGHBOURHOOD ENERGY UTILITY

Neighbourhood Energy Systems (NES) are shared infrastructure platforms that provide heating and/or cooling for multiple buildings, and are most suitable in dense urban areas. NES provide the utility business model and economy of scale necessary to make use of a variety of renewable energy resources that are often not available or affordable to implement in individual buildings. These district-wide systems are also capable of serving both new development and existing gas-heated buildings. A high priority strategy of the Greenest City 2020 Action Plan is to pursue NES for high-density mixed-use neighbourhoods, with a target of reducing 120,000 tonnes of carbon dioxide per year by 2020.

The City's Neighbourhood Energy work program falls into two general categories:

Southeast False Creek Neighbourhood Energy Utility (SEFC NEU): Ongoing capital expansion and operations of the City-owned NES (established in 2010).

City-Wide Neighbourhood Energy Strategy (NES): Implementation of new low-carbon NES in the Downtown, Cambie Corridor, and Central Broadway. Private sector utility providers are being established through public competitive procurement processes, with contractual commitments to the City to achieve low-carbon outcomes.

KEY SERVICES DELIVERED

Neighbourhood Energy Utility: Provide sustainable heat energy and provide leadership in renewable energy planning.

DEPARTMENT AND SERVICE ACCOMPLISHMENTS

SEFC Neighbourhood Energy Utility:

In 2013, the NEU's distribution system was extended to connect four new buildings, resulting in 3.5 million square feet of residential, commercial, and institutional space connected to the system.

City-Wide Neighbourhood Energy Strategy:

In 2013 there were three areas of focus for the City-wide strategy:

- **Downtown Core:** Following a competitive Request for Expressions of Interest process, in July 2013 the City selected a lead proponent to further develop Downtown NES initiatives. High-priority actions include:
 - development of a business plan for conversion of central heat to a low-carbon energy source
 - establishment of a franchise agreement to secure NES supply to the Northeast False Creek neighbourhood
 - investigation of NES options for the South Downtown area, including limited adaptation of the Dedicated Fire Protection System for energy supply and cooling waste heat recovery
 - investigations to expand the NES to other areas of Downtown, including the West End and Downtown Eastside
- **Cambie Corridor:** In July 2013, the City issued a Request for Proposals to identify one or two utility providers to establish NES to serve the Cambie corridor. The goal is to identify one or two lead proponents by the end of 2013.

- New Developments Covered by the Large Sustainable Sites Rezoning Policy:** As a result of this policy, a number of large development sites are establishing site-scale low-carbon energy systems. This includes developments at Shannon Mews, Marpole Village (Safeway site), PCI Marine Gateway, Intracorp MC2, and Arbutus Village.

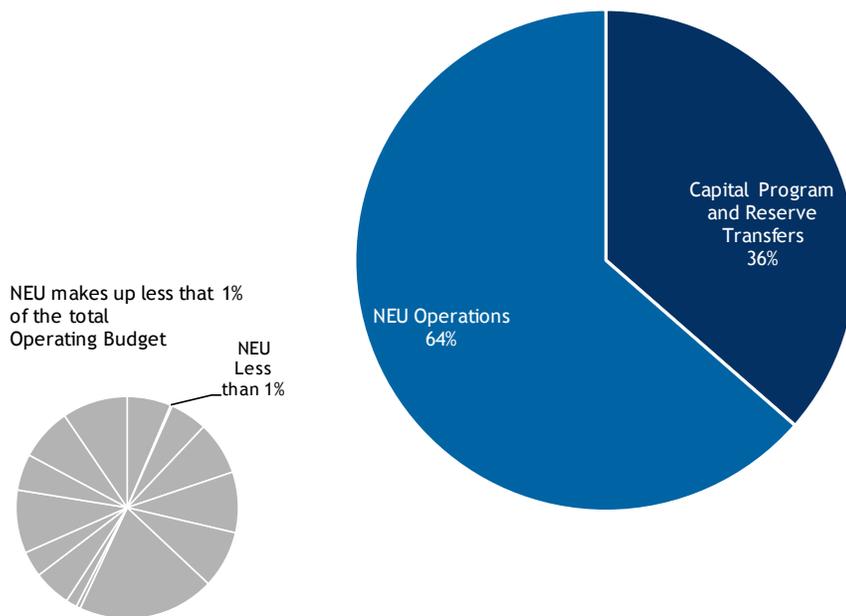
PLANS FOR 2014

SEFC NEU: The SEFC NEU distribution system will be extended to the Great Northern Way Campus, and connect three new developments in Southeast False Creek.

City-Wide Neighbourhood Energy Strategy: Further development of the opportunities described above for Downtown NES activities will be pursued, including construction of initial NES infrastructure for Northeast False Creek. In addition, the City will further develop business plans for establishment of new systems in the Cambie Corridor.

2014 OPERATING EXPENDITURES - NEIGHBOURHOOD ENERGY UTILITY

2014 OPERATING EXPENDITURES NEIGHBOURHOOD ENERGY UTILITY



The main expense factors in NEU operations are increases in variable costs, such as hydro and natural gas needed to operate the Energy Centre and staffing to operate the NEU.

The Capital Program expenses relate to debt servicing costs for the debt incurred to pay for the initial capital investment in the NEU, as well as the expansion of the distribution pipe system and energy transfer stations to bring energy to the new buildings in the system.

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Neighbourhood Energy	3.0	2.7	0.3	12.0%
Total Revenues	\$ 3.0	\$ 2.7	\$ 0.3	12.0%
Expenditures				
NEU Operations	1.9	1.6	0.3	18.4%
Capital Program and Reserve Transfers	1.1	1.1	0.0	2.3%
Total Expenditures	\$ 3.0	\$ 2.7	\$ 0.3	12.0%
Net Operating Budget	\$ -	\$ -	\$ -	0.0%

Note: Some figures may not add due to rounding

Explanation of Changes: Revenue

The recommended rate increase for 2014 will be 3.22%, from \$40.664 in 2013 to \$41.973 in 2014. The total budget increase is due to the expansions done in 2013 that are now generating revenue for a full year.

Explanation of Changes: Expenses

The increase in expenditures is due to the increase in natural gas and electricity to run the expanded system.

In addition, the NEU budget contains retroactive wage increases related to collective agreements concluded in 2013.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that the Neighbourhood Energy Utility is involved in or will commence in 2014. A complete list of all capital projects for 2014 is included in the appendices to the Council Report.

Project Name (\$ million)	Total Project Budget	Prior Year's Spend to End of 2012	2013 Expenditure Forecast	2014 Budget	Future Years	Total Projected Spend
NEU						
NEU system to Great Northern Way Campus	3.2	0.0	0.0	2.6	0.6	3.2

In 2014, the NEU plans to extend the system to Great Northern Way and build energy stations to serve four new buildings at a cost of \$2.6 million in 2014 and an additional \$0.6 million in future years.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget. The following paragraphs discuss the year-to-year changes in more detail.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Neighbourhood Energy	1.5	1.6	2.0	2.7	3.0
Total Revenues	\$ 1.5	\$ 1.6	\$ 2.0	\$ 2.7	\$ 3.0
Expenditures					
NEU Operations	2.8	1.3	1.5	1.6	1.9
Capital Program and Reserve Transfers	(1.3)	0.4	0.5	1.1	1.1
Total Expenditures	\$ 1.5	\$ 1.6	\$ 2.0	\$ 2.7	\$ 3.0
Net Operating Budget	\$ -				
Capital Budget	\$ 2.1	\$ 5.0	\$ 0.6	\$ 0.7	\$ 2.6

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

Since its establishment in 2010, the NEU has been expanding and has added additional buildings to the system. Expansion results in additional revenues as well as additional expenditures.

EMPLOYEE TREND TABLES

NEU	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	NDA	NDA	NDA	NDA	4	5
Total Straight Time Hours Paid for All Staff, Excluding Overtime	NDA	NDA	NDA	NDA	8,909	10,071

Note: Totals include staffing for City-wide District Energy Initiative

NDA = no data available

2013 FTE includes staffing for the District Energy initiative.

DEPARTMENT SERVICE METRICS

Neighbourhood Energy Service

The NEU metrics represent the overall growth and operational resiliency of the system. The Floor Area metric indicates substantial growth of the connected floor area in 2013 resulting from the recent addition of several large customers. The GHG Reductions metric indicates a continual increase in the amount of carbon dioxide being avoided by the Utility. This is a result of the growth of the system, allowing greater utilization of sewage heat recovery.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Neighbourhood Energy Utility	Quantity	GHG Reductions (tonnes CO2 Equivalents)	NDA	1,017	1,471	2,407	2,480
		Floor Area (square metres)	NDA	148,544	178,167	224,880	321,753

ENGINEERING - PUBLIC WORKS

In addition to the four utilities discussed earlier in this report, the Engineering Public Works Department deals with all other aspects of the street right-of-way and public realm. This infrastructure, which plays a key role in moving people, goods, and delivering services, is comprised of six major services of which one is a Corporate Support Service: Transportation Planning, Parking, Streets Infrastructure and Maintenance, Street Activities, Street Cleaning, and Corporate Equipment Management. Similar to Utilities, Engineering Public Works is focused on implementation of the Greenest City 2020 Action Plan, as well as Transportation 2040.

KEY SERVICES DELIVERED

Transportation Planning: Create plans to continuously improve the shift to sustainable transportation modes and move traffic and goods in a way that supports economic growth and a healthy community.

Parking: Provide and regulate on and off street parking spaces to support the safe and orderly movement of traffic and provide parking availability for businesses and residents.

Street Infrastructure and Maintenance: Manage streets, bicycle facilities, and sidewalks to minimize life cycle cost and support necessary utilities.

Street Activities: enable and oversee non traffic street activities (VIVA Vancouver, roundabout gardens, film activities, patios, food trucks and special events.)

Street Cleaning: Clean the streets of litter and of illegally dumped garbage (e-waste, mattresses).

Corporate Equipment Management: Provide complete management of corporate fleet and equipment assets to support City-wide operations.

Sustainability: Promote and monitor the goals of the Greenest City 2020 Action Plan on behalf of the City and community.

DEPARTMENT AND SERVICE ACCOMPLISHMENTS

Department accomplishments continue to trend in the right direction to support the Greenest City 2020 Action Plan and Transportation 2040 goals. Accomplishments include:

- more people are walking, cycling, and taking transit
- more use of streets for public events, celebration, economic activity
- more kilometres added to the bike network
- development of a green fleet strategy and being named in the top 20 cities in North America for greenest fleet
- greater use of recycled paving and construction materials
- more community garden plots
- more planted areas of traffic circles and corner bulges adopted by residents
- better litter management by deploying additional containers
- continued support for more recycling and the addition of more on-street recycling containers

Transportation 2040 provides a long-term strategic vision and policy framework for the City, which will help guide transportation and land use decisions and public investments for the years ahead. It provides a blueprint

for us to move forward, build upon past success, and rise to meet new and emerging challenges—including climate change, an aging population, limited road space, and the high cost of housing.

2013 SERVICE PLAN UPDATE

Transportation Planning

In 2013, the Transportation Division continued to implement Transportation 2040 through public consultation and construction programs. Construction was completed on Phase I of the Comox-Helmcken Greenway, which is the first Active Transportation corridor for people of all ages and abilities to walk and cycle. Council also approved the final recommended design of the Point Grey Road/Cornwall Active Transportation Corridor. The City's overall amount of bike network kilometres increased from 255 km in 2012 to 265 km in 2013, and the overall quality of the network has been improved in the important AAA category (all ages and abilities) from 18% (2012) to 19% (2013) of the total network.

In 2013, the design of the Powell Street Overpass was completed and approximately 30% of construction will be completed by the year's end. This is a key project to improve and protect rail access to the port, which is an important initiative for our economic sustainability.

Safety is a priority for the Engineering Services Department as a whole. In 2013, implementation of the Pedestrian Safety Action Plan continued. Ten traffic signals and 77 countdown timers were installed, and we accommodated slower walk speeds at 22 pedestrian crosswalks. In addition to this, Granville Street Bridge bearing and expansion joint replacement was completed, along with initial seismic upgrades, and the environmental risk remaining from residual lubricating oils was addressed. The Burrard Street Bridge also underwent bearing decontamination, girder strengthening, and some concrete repairs, along with the planning and design work for the bearing and expansion joint replacement project.

Parking

In 2013, the City implemented an online residential parking permit purchase system that eliminates the need to take a trip to City Hall. Upward trends continued in parking permit issuance with a 2% year-over-year increase. The City also improved the parking ticket payment system so that ticket recipients can inquire about fines and pay them on the same day they were received and have access to bylaw adjudication if they wish to contest a ticket.

In addition to online improvements, the City experienced growth in non-coin parking meter revenue—moving from 28% to 32% of total revenue. This growth can be largely attributed to increased awareness and convenience offered by mobile pay by phone.

Street Infrastructure and Maintenance

In 2013, the Streets Division continued management of the City's right-of-way assets, which include 2,067 km of streets and lanes, 858 intersections with traffic signals, and 55,000 street lights. As done in the past, condition assessment information was used to optimize maintenance and rehabilitation work on our streets. The City also received better pricing on concrete saw pavement cutting and grinding services and street lighting material, which generated savings in operating costs.

In addition to assets maintenance, the Streets division continued the analysis of converting street lights to light emitting diode (LED) technology. LED lights were installed in high-visibility intersections to reduce the power requirement from the electricity grid. LED lights were also installed in key intersections with high numbers of pedestrian collisions after dark, and the results of this pilot will be analyzed to inform the long-term light replacement strategy.

Street Activities

The City's VIVA Vancouver program works with community and corporate groups to creatively transform streets into vibrant public spaces which enhance the City's sense of community, encourage active forms of transportation, and benefit local businesses. VIVA serves an important role in the community by providing a platform for public space experimentation and innovation. In 2013, VIVA created two new pedestrian priority spaces, Bute Street Plaza and 1100-block Mainland Street, and implemented a parklet pilot program, with guidance from the Transportation 2040 Implementation Team and Community Plan teams. In addition, VIVA is continuing to refine its signature downtown spaces, which are 800-block Robson Street and VIVA Granville Street.

In 2013, 36 new community garden plots were established on City-owned land. The addition of these new spaces brings the total number of gardens on City-owned land to 955. In addition to creating new food growing opportunities, these projects also achieve other goals—including creating new community gathering spaces.

The City's Green Streets program supports community volunteers in adopting planted areas in traffic circles and corner bulges on local residential streets. Community support and involvement in this program continues to grow at a rapid pace with almost 600 sponsored gardens in the City, a 10% increase from the past year.

Use of the street for economic and activation activities like filming, patios and food trucks and special events are up almost 30% over the past four years. "Free to attend" events in the street are increasing again after dropping off post Olympics. In 2006, Vancouver experienced its highest ever volume of film activity. This peak was followed by a significant drop in industry activity the following year. Since then, activity levels have been slowly recovering and are nearing 2006 levels; in fact, between 2012 and 2013, the Film Office saw a 20% increase. The film industry is anticipated to show slow yet steady growth in 2014.

Street Cleaning

In 2013, Street Cleaning collected over 9,000 tonnes of material. This consisted of refuse from litter cans, abandoned garbage, and street leaves. The Street Cleaning Group swept the road network and cleared leaves from approximately 140,000 street trees. Further to this, the City continued to improve litter management by deploying additional containers and using larger containers in key problem areas, as well as installing on-street recycling containers through a partnership with Encorp.

The 2013 plan to deploy solar compacting litter containers was delayed as the City would like to take an approach that allows for commonality of equipment and automation of collection systems to improve program operation flexibility and efficiency in future. Reducing litter and increasing recycling opportunities for materials currently collected as abandoned waste, such as mattresses and small electronics, will be a key focus for future efforts. Program expansions for Keep Vancouver Spectacular and targeted large item recycling initiatives will be tested in 2014.

Corporate Equipment Management

Equipment Management completed the development of the Green Fleet Strategy to provide a framework for prudent decision making when considering greenhouse gas reductions as part of vehicle replacement. In 2013 this strategy was used to establish procurement contracts for replacement of existing VPD patrol vehicles and refuse collection vehicles with smaller fuel efficient, lower emission vehicles. The City's fleet was named as one of the 20 greenest fleets in North America in 2013.

PLANS FOR 2014

Similar to Utilities, the Engineering Services Department has ongoing, measured plans for Public Works in 2014 to help meet the goals of the Greenest City 2020 Action Plan and Transportation 2040.

Transportation Planning

Drivers of change in Transportation Planning include the goals from Transportation 2040 and Greenest City 2020 Action Plan, the Broadway Corridor and Viaduct projects, and decisions made by Metro Vancouver and TransLink on regional transportation priorities and funding.

The Broadway Corridor, which runs from Commercial Drive to UBC's Point Grey campus, is BC's second largest business and innovation area and North America's busiest bus route. The City's transportation strategy has identified the implementation of the Broadway Subway as the City's number one transportation priority. In 2014, the City and TransLink will explore interim solutions to increase capacity.

With respect to improving mobility, construction of active transportation corridors will be completed in 2014—including the normalization of the Burrard Street and Cornwall Avenue intersection, the York Bikeway, and the completion of the Seaside Greenway between Kitsilano Beach and Jericho Beach. As part of implementing Transportation 2040, a cycling plan for long-range priorities will be finalized with stakeholder input in 2014.

The second-annual transportation survey will be undertaken, which will help to assess progress towards Transportation 2040 and Greenest City Action Plan targets. This will also help to determine reasons for any changes in travel patterns, which will help inform future investments in transportation infrastructure—for the largest movement toward our targets.

The City will continue to work with our preferred vendor to launch a Public Bike Share (PBS) system in the Metro Core area of the City in 2014. The PBS system will add a convenient, comfortable, flexible, and affordable way to cycle in Vancouver. The PBS system aligns with Transportation 2040 and the Greenest City 2020 Action Plan objectives of making cycling a viable and sustainable transportation option.

Parking Service

Drivers of change in Parking Service include changes in demographics and mode share (number of trips made by motorists), and the goals and objectives identified in Transportation 2040.

In 2014, the City will continue deployment of the new online service channel for residential parking permits and pilot licence plate recognition technology to enhance service to permit holders. Similar systems are already in place in surrounding municipalities and agencies, including City of North Vancouver, Burnaby, Whistler, UBC, and Easy Park. To address permit holder complaints about lack of enforcement, the pilot will initially concentrate on residential permit parking areas. The licence plate recognition enabled units will also help us gather metrics around vehicle compliance and occupancy, allowing greater efficiencies in programming and enforcement. If the pilot is successful, it may be expanded to other parking programs.

Staff will continue work on the development of a comprehensive parking strategy. The parking strategy is a significant direction in Transportation 2040, needed to manage the needs of busy commercial and residential districts for on-street and off-street parking. Areas of focus for 2014 will include review of existing policies, review of emerging technologies, and related data collection.

In 2014, Parking Enforcement will be further streamlining and transforming the parking ticket inquiry process by allowing those who have received a ticket to view it and the photos taken of their violation (if photos exist) through a secure web portal, without having to go through the adjudication process. We believe this will improve customer service levels by providing all-day service and visual evidence around violations.

Street Infrastructure and Maintenance

In 2014, repaving of roadways will continue to be prioritized using asset condition data. Coordination with underground utility construction is expected to be one of the key factors for prioritizing local road reconstruction.

The potential of expanded use of native soils from utility trenches as roadway sub-base to reduce construction costs is being explored.

2014 will see the Burrard Street Bridge undergo bearing and expansion joint replacement and some localized concrete repairs.

Street Activities

In 2014, the City will continue to support vibrant public spaces, economic growth and community development through its street use programs. Several initiatives are underway that will help refine existing processes and encourage new opportunities. A review of the Film and Special Event Office, parklet and patio pilots, food vending amendments, the granting of civic parade status to parade organizations are some of these examples.

Street Cleaning

The drivers of change for Street Cleaning operations align with the City's Corporate Business Plan and Greenest City Zero Waste goals, and ensuring Vancouver meets its goal as a clean livable city.

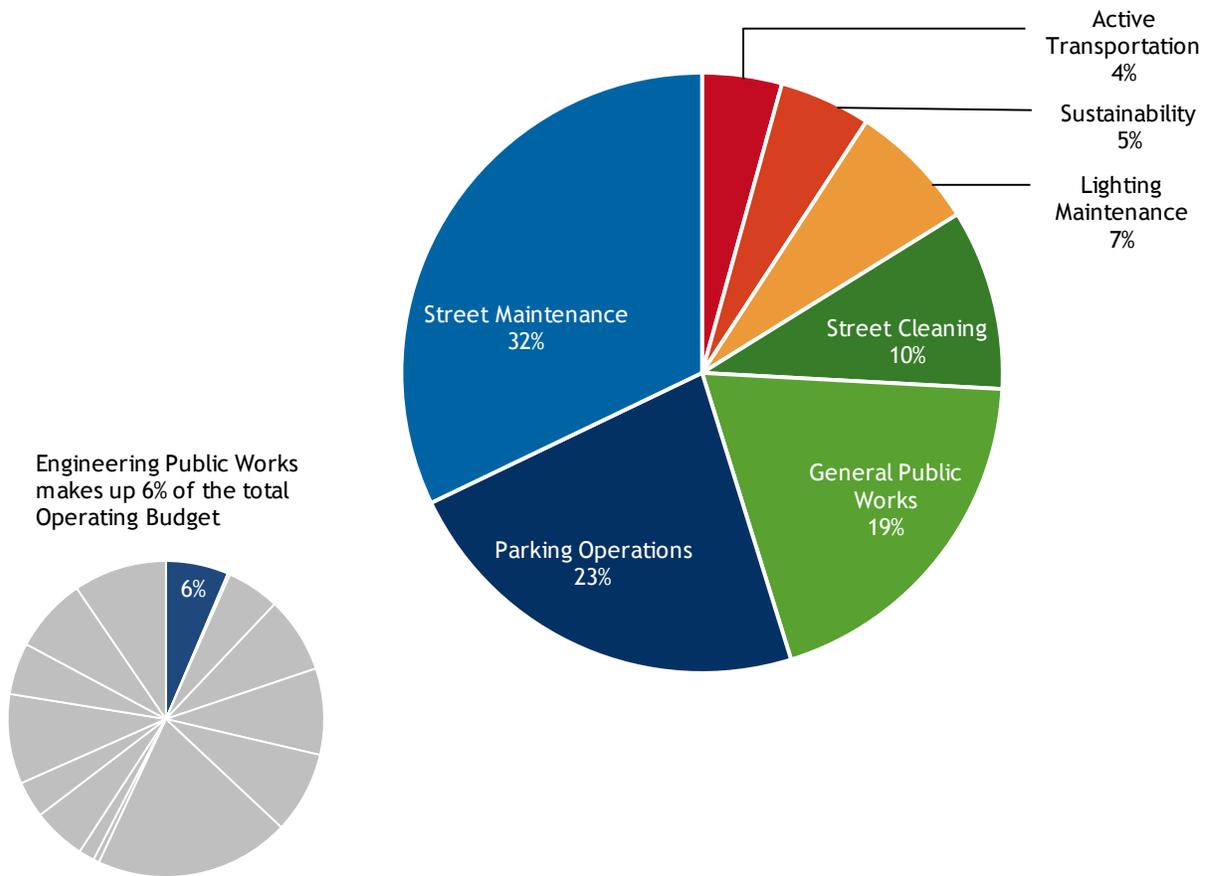
Notable trends include provincial requirements for producers to be responsible for recycling waste from their products, increased demand from the public (gathered through 3-1-1) for cleaner streets, sidewalks, and bike routes, and a rise in illegal dumping throughout the City. In 2014, strategies will focus on addressing key concerns for reducing litter and increasing recycling opportunities for materials currently collected as abandoned waste, such as mattresses and small electronics will be a key focus for future efforts. Program expansions for Keep Vancouver Spectacular and targeted large item recycling initiatives will be tested in 2014 to improve the general level of cleanliness of streets, sidewalks, and bike routes.

Corporate Equipment Management

The drivers of change for Corporate Equipment Management include a continued focus on right sizing the fleet both in reducing the total quantity of vehicles and by selecting the most efficient vehicle to get the job done. By 2020 the target is to reduce the fleet size 20% and GHG emissions 30%. Over the past four years the fleet has decreased by over 100 units, a 5.1% fleet size reduction with a total GHG reduction of 13.6%—which brings us closer to the 2020 targets. The average age of the fleet is greater than mid-life and so 2013 and 2014 will include a larger volume of vehicle purchases, this providing more opportunity to select more efficient vehicles. Some examples of fleet improvement in 2013 include the Vancouver Police Department choosing the V6 Dodge Charger as the new patrol model replacing the old V8 models. This change will deliver an estimated \$775,000 in annual operating savings including fuel savings, with related GHG reductions; the Park Board has replaced most of their aging aerial tree trimmers with electric hybrids delivering an estimated \$15,400 in annual savings.

2014 OPERATING EXPENDITURES - PUBLIC WORKS

2014 OPERATING EXPENDITURES ENGINEERING PUBLIC WORKS



YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Parking				
Residential Permit Sales	1.0	1.0	-	0.0%
Cost Recoveries, Grants and Donations				
Engineering Services	0.0	0.0	-	0.0%
Other				
Transportation	4.5	4.5	-	0.0%
Street Use Fees	1.1	1.1	-	0.0%
Sustainability Grants	3.0	3.4	(0.4)	-11.4%
Total Revenues	\$ 9.6	\$ 10.0	\$ (0.4)	-3.9%
Expenditures				
Street Maintenance	24.2	24.2	-	0.0%
Parking Operations	17.0	16.6	0.4	2.6%
General Public Works	14.6	14.5	0.1	0.6%
Street Cleaning	7.3	7.0	0.3	4.1%
Lighting Maintenance	5.2	5.0	0.2	4.1%
Sustainability	3.7	4.2	(0.5)	-12.7%
Transportation	3.2	3.3	(0.0)	-1.5%
Total Expenditures	\$ 75.2	\$ 74.8	\$ 0.4	0.6%
Net Operating Budget	\$ (65.6)	\$ (64.8)	\$ (0.8)	1.2%

Note: Some figures may not add due to rounding

Explanation of Changes: Revenue

Total revenues are expected to decrease by \$0.4 million due to an anticipated reduction in Sustainability Grants from an external source.

Explanation of Changes: Expenses

Total expenditures are expected to increase by \$0.4 million, due to inflationary increases in salary and utility costs offset by anticipated savings in various programs. As an example, in Street Maintenance where there are anticipated savings in program costs through savings in materials, recycled concrete and asphalt material, optimization of staff work in the field, and fleet efficiency gains. In addition to the anticipated program savings, the Sustainability Division's spending has been reduced to match the reduction in grants from an external source.

The Engineering Public Works budget contains retroactive wage increases related to collective agreements concluded in 2013.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that Engineering Public Works is involved in or will commence in 2014. A complete list of all capital projects for 2014 is included in the appendices to the Council Report.

Project Name (\$ million)	Total Project Budget	Prior Year's Spend to End of 2012	2013 Expenditure Forecast	2014 Budget	Future Years	Total Projected Spend
Public Works						
Powell Street Overpass	50.0	4.1	20.9	23.1	0.0	48.1
Burrard Street Bridge	9.6	0.7	2.1	6.8	0.0	9.6
Seaside/Point Grey	6.0	0.0	1.0	5.0	0.0	6.0
Burrard/Cornwall Intersection Normalization	6.0	0.0	2.1	3.9	0.0	6.0
City Roads Paving	Ongoing, annual program funding	Ongoing, annual program funding	7.8	9.2	Ongoing, annual program funding	Ongoing, annual program funding
Southlands Equestrian Trails.	1.2	0.0	0.0	1.2	0.0	1.2
Vehicles and Equipment Replacement	34.8	0.0	9.4	15.4	9.9	34.8
Self-Contained Breathing Apparatus (Fire Equipment)	2.4	0.0	0.0	2.4	0.0	2.4
Fire Truck Replacement	24.9	0.0	0.0	2.0	22.9	24.9

Powell Street Overpass

To be completed in 2014, this project provides a new overpass for the north-south rail line that crosses Powell Street, as well as realignment of Powell Street to allow an extra east-west rail line for the port. The primary goals of this are to keep the Port Metro Vancouver economically competitive, and better ensure safety for transit, bikes, and vehicles. The City will contribute almost \$4 million of this \$50 million project; 92% of funding comes from partnerships with Transport Canada, Port Metro Vancouver, Canadian Pacific, and TransLink.

Burrard Street Bridge

To be completed in 2014, this project includes PCB remediation and cleanup of the old bearing boxes, replacement of expansion joints, and opportunistic seismic upgrades to portions of the bridge. In addition, concrete repairs will be performed under the bridge deck in selected areas.

Burrard/Cornwall Intersection Normalization

This project will be completed in 2014 and includes funding to complete the construction to normalize the Burrard and Cornwall intersection.

City Roads Paving

This provides for the rehabilitation of the City's arterial streets where major capital restoration work is required to maintain the integrity of the street asset and extend the service life. 2014 funding is expected to provide for the rehabilitation of approximately 11.5 km of arterial pavements.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget. The following paragraphs discuss the year-to-year changes in more detail.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Parking					
Residential Permit Sales	0.8	0.8	0.8	1.0	1.0
Cost Recoveries, Grants and Donations					
Engineering Services	0.0	0.0	0.0	0.0	0.0
Other					
Transportation	2.2	2.7	4.5	4.5	4.5
Street Use Fees	1.0	1.1	1.1	1.1	1.1
Sustainability Grants	1.2	1.2	3.4	3.4	3.0
Total Revenues	\$ 5.3	\$ 5.8	\$ 9.9	\$ 10.0	\$ 9.6
Expenditures					
Street Maintenance	24.3	23.7	24.1	24.2	24.2
Parking Operations	14.2	15.6	15.7	16.6	17.0
General Public Works	12.1	9.7	15.0	14.5	14.6
Street Cleaning	8.9	9.1	7.4	7.0	7.3
Lighting Maintenance	5.5	5.7	5.0	5.0	5.2
Sustainability	1.6	1.7	4.3	4.2	3.7
Transportation	4.4	4.7	3.5	3.3	3.2
Total Expenditures	\$ 71.0	\$ 70.3	\$ 74.9	\$ 74.8	\$ 75.2
Net Operating Budget	\$ (65.7)	\$ (64.5)	\$ (65.1)	\$ (64.8)	\$ (65.6)
Capital Budget	\$ 81.7	\$ 61.1	\$ 63.5	\$ 85.4	\$ 93.2

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

*Note to Financials:

Parking Meter and Enforcement Revenues are reported with Corporate Revenues

Cost Recoveries reduction in 2013 relates to Sustainability Division

EMPLOYEE TREND TABLES

Engineering Transportation,	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	724	726	724	679	653	646
Total Straight Time Hours Paid for All Staff, Excluding Overtime	NDA	NDA	NDA	NDA	1,257,343	1,256,410

NDA = no data available

Engineering Streets	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	376	397	380	388	384	382
Total Straight Time Hours Paid for All Staff, Excluding Overtime	903,044	902,601	881,690	906,274	895,612	899,605

DEPARTMENT SERVICE METRICS

Transportation and Planning

Transportation metrics regarding transportation mode split provides valuable information to assist the City to reach the future goals around usage and green initiatives. The City began to capture the information through surveys to improve upon TransLink's information, which is provided every five years. The results of the surveys will be available in the beginning of 2014. The City plans to extend the cycling routes and greenways around the Point Grey and Kitsilano areas, further enhancing the AAA category (all ages and abilities) in the total cycling network.

Safety is a priority for Engineering Services and plans and accomplishments are focused on improving and reinforcing the safety of our citizens. While monitoring the increase in walking, cycling, and use of transit, the City actively tracks the number of traffic collisions and fatalities.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Transportation Planning	Quantity	Total number of trips originating in the City of Vancouver 24hrs	no data available	no data available	1,735,294	no data available	1,765,000
		KM of total bike network	227	232	239	255	265
	Quality	Mode split (walk, bike, transit, private vehicle) (collected by TransLink)	Not collected or reported in these years	Not collected or reported in these years	44%	Not collected or reported in these years	46%
	Result	Number of Traffic Fatalities per Year	15	9	14	19	16
		Total # of collisions	50,673	46,469	45,731	46,152	46,000

Parking

Parking metrics inform the number of metered spaces and parking permits issued each year. The numbers have been increasing since 2008 and are expected to stabilize and remain fairly static in the coming years. Parking regulations are established to support traffic flow, for safety and to support the needs of residents and businesses. Monitoring parking compliance helps identify parking enforcement needs from year to year.

The gross number of parking tickets issued has decreased from 2009 levels because motorists are complying with the parking regulations more often—due to better photographic evidence and the adjudication system. An uptake in new methods of payment and non-coin payment may also be contributing factors to this increase in levels of compliance. In 2014, Parking Enforcement will establish better metrics for compliance and adjust work plans accordingly. The percentage of tickets paid or collected by all means continues to increase as a result of bylaw adjudication and photo evidence.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Parking	Quantity	Revenue from parking permits issued	\$806,000	\$887,000	\$942,000	\$1,028,000	\$1,005,000
		# of parking permits issued	21,700	22,900	23,700	24,500	25,000
		Gross # of parking tickets issued	435,786	418,109	334,512	357,712	325,000
		Average Ticket Value (not reported for 2013 - included in parking program revenue)	\$81.14	\$83.93	\$84.59	\$82.51	\$82.55
	Quality	# of tickets voided at initial screening (not reported for 2014 budget)	No Data for Prior Years	2.65%	3.97%	4.30%	4.00%
		Formal Disputes on issued tickets (not reported for 2014 budget)	No Data for Prior Years	No Data for Prior Years	1.10%	1.10%	1.00%
		Tickets adjudicated (not reported for 2014 budget)	No Data for Prior Years	No Data for Prior Years	0.30%	0.39%	0.40%
		% Tickets issued Paid during discount period (not reported for 2014 budget)	No Data for Prior Years	No Data for Prior Years	58.20%	61.52%	64.13%
		% of all net tickets issued paid or collected by all processes	No Data for Prior Years	79.78%	78.69%	85.50%	87.00%
	Result	% of Non-Coin Meter Revenue	11%	15%	22%	28%	32%

Street Infrastructure and Maintenance

Metrics for pavement condition were not captured in the past, but current metrics will assist with future planning and reporting. The amount of road paved (in square metres) shows a reduction from 2009, reflecting a peak prior to the 2010 Olympic Winter Games. The 2014 plan is to utilize road condition information to optimize the lifecycle return on dollars invested.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Streets Infrastructure and Maintenance	Quantity	KM's of total road network	2,065.1	2,066.3	2,066.3	2,066.7	2,066.7
		Square metres paved in year (2011 and 2012 include paved lanes)	411,518	383,222	234,972	278,450	211,879
		% of MRN road network repaved	5.20%	6.80%	2.60%	3.90%	3.73%
		% of Arterial and Collector road network repaved	7.00%	3.70%	2.10%	2.60%	2.19%
		% of Local Road network (including lanes) repaved	1.00%	1.20%	1.10%	1.30%	0.84%
		KM of Sidewalk	2,146	2,161	2,161	2,161	2,162
	Quality	Pavement Condition of MRN Road Network rated Good or above	NDA	NDA	72.00%	NDA	NDA
		Pavement Condition of City Arterial & Collector Road Network rated good or above	No Data for Prior Years	No Data for Prior Years	No Data for Prior Years	55.00%	NDA
		Pavement Condition of Local Road Network rated good or above	No Data for Prior Years	No Data for Prior Years	No Data for Prior Years	60.00%	NDA
		Pavement Condition of Local Road Network Bike Routes rated good or above (subset of Local Road Network)	No Data for Prior Years	No Data for Prior Years	No Data for Prior Years	68.00%	NDA

Street Activities

Metrics around the number of permits to use City streets provides information for planning and managing the different events or street uses, street cleaning, and overall garbage collection. Special events including “free to attend” events, which are typically neighbourhood events, remain steady year after year.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Streets Activities	Quantity	# of permits to use street (film, events, food trucks, patios)	3,033	3,526	3, 137	3,873	3,900
	Result	# of "free to attend" permitted street activations	425	463	436	360	400

Street Cleaning Service

Metrics for Street Cleaning include frequency of pickup, tonnes being collected, and number of 3-1-1 calls received for litter problems and abandoned waste. This information is valuable in maintaining and improving our service levels. The frequency of litter bins emptied in Downtown increased from two to three times per day in 2012 and was maintained through 2013. In addition, in order to improve litter management and address areas of concern additional containers were deployed in the downtown core in 2013. The work of 3-1-1 to respond to citizens has enabled better tracking on abandoned garbage and debris pickup requests. Council continues to approve annual grants to social enterprise organizations that have the capacity to provide micro-cleaning services. Micro-cleaning involves daily collection of litter, including cigarette butts, needles, and other accumulated debris, on foot using brooms, shovels, rakes, and wheeled carts, which is of significant benefit to business improvement areas.

There has been an increase in the number of street cleaning-related calls to 3-1-1 over the past several years. Increased familiarity with 3-1-1 on the part of the public has had an effect on the overall call volume, but the increase in street cleaning related calls is greater than would be expected through increased 3-1-1 use alone. The overall increase in calls is occurring as a result of increases in abandoned waste such as mattresses that have been banned from disposal and have a recycling fee assigned. Another factor is street cleaning-related calls have increased as a transitory effect of implementing a bi-weekly garbage collection schedule and there is an increase in the dumping of household waste in waste bins located in City parks.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Street Cleaning	Quantity	Frequency per day cleaned (litter bins Downtown)	No data prior to 2011	2	2	3	3
		# of metric tonnes collected via the fall leaf collection program	3,240	3,881	4,671	5,192	4,800
		# of metric tonnes collected from litter cans	1534	1901	2702	2361	2400
		# of metric tonnes collected from abandoned garbage	No data prior to 2010	1956	2022	2111	2200
	Quality	# of abandoned garbage and illegal dumping complaints (311)	No data prior to 2010	5,514	7,519	9,390	11,683
		# of street cleaning and debris pick up request (311)	No data prior to 2010	1,538	1,731	2,664	3,268

Corporate Equipment Management Service

Fleet size had a significant decrease after the 2010 Olympics, and we therefore expect a modest reduction each year thereafter as we right size the fleet and look for opportunities to work smarter and optimize our equipment needs.

The average age of fleet is expected to decrease in the coming years as a significant number of fleet units are due for replacement. Replacement decisions have focused on creating a fleet that will keep emission levels low to support reaching the 2020 GHG goals. Over the past few years the % reduction of GHG emissions has been over 13%, and the goal is to continue this trend to achieve 30% reduction in GHGs from 2007 to 2020. The City has also increased the number of units fueled from alternate fuel sources: this reduces fuel costs, GHGs and particulate emissions.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Corporate Equipment Management	Quantity	# of units in the fleet	1,946	1,895	1,870	1,840	1835 ytd
	Quality	Average age of the fleet (years) - rolling stock only	5.29	5.78	6.36	6.95	7.56
		% alternative fuel vehicles	7.09%	6.87%	7.53%	7.87%	9.24%
	Result	Fleet availability (% uptime)	91.97%	95.46%	94.90%	94.90%	93.55%
		Fleet GHG emissions	17,525	17,849	16,832	16,127	15,500
		% reduction in GHG emissions per year	1.60%	-1.80%	5.70%	4.20%	3.90%

SUSTAINABILITY GROUP

The Sustainability Group is responsible for supporting the City of Vancouver as a global leader in environmental sustainability, both in the community and through City operations. Formed in 2003, the department's scope began with accountability for energy management goals in the community, and has expanded to include leadership on all aspects of municipal environmental sustainability.

The Sustainability Group leads the development and implementation of the following City-wide strategies:

- Greenest City 2020 Action Plan
- Climate Adaptation Plan
- Green Operations Plan

The Sustainability Group supports accountability throughout the organization in achieving targets approved by Council and the Corporate Management Team.

While the Sustainability Group reports directly to the City Manager's Office, all financial measures (2014 Budget, Budget Trends, and Full-time Employees) are contained within Engineering Public Works. See the Public Works section of this report for these financial measures.

KEY SERVICES DELIVERED

Sustainability Service: Provide advice, research, and project leadership to support the City and community in achieving the sustainability goals set in the City's sustainability strategy, including the Greenest City 2020 Action Plan, Climate Change Adaptation Strategy, and Green Operations Plan.

DEPARTMENT AND SERVICE ACCOMPLISHMENTS

The Sustainability Group led the successful development and is leading the successful delivery of the Greenest City 2020 Action Plan—a comprehensive strategy with a clear goal to make Vancouver the greenest city in the world by 2020. With 125 related projects underway, this comprehensive strategy involves City staff from across the whole organization and stakeholders from every sector. In 2013, the World Wildlife Fund rewarded Vancouver's achievements, naming Vancouver the Global Champion of its Earth Hour City Challenge.

In addition, in 2012 the Sustainability Group developed, and is now implementing, the Climate Change Adaptation Strategy to prepare the City and its residents from the inevitable impacts of climate change.

Finally, the Sustainability Group is leading the City's Green Operations Plan with an overall target to reduce greenhouse gas emissions from operations by an additional 50% by 2020. In 2013, the City of Vancouver became carbon neutral in its operations under the Green Communities Charter.

2013 SERVICE PLAN UPDATE

In 2013, the Sustainability Group led and supported the implementation of the Greenest City 2020 Action Plan, Climate Change Adaptation Strategy, and Green Operations Plan, as follows:

GREENEST CITY 2020 ACTION PLAN

- **Green Economy:** Supported the Vancouver Economic Commission's plans to increase green jobs; supported the greening of businesses by providing access to expertise, resources, and partners.
- **Climate Leadership:** Continued to lead research and support the development of Neighbourhood Energy Strategies for Downtown and the Cambie Corridor; continued to support the Provincial Health Services

Authority (PHSA) in planning for a renewable heat plant at Children's and Women's Health Centre; led City of Vancouver's climate policy approach, which has contributed to the achievement of a 4% reduction in GHGs over 2007 levels, and the achievement of carbon neutral corporate operations under the Provincial Green Communities Framework.

- **Green Buildings:** Partnered with the Chief Building Official to complete revisions to the Vancouver Building Bylaw; launched the Condo Retrofit Financing Program; led the City of Vancouver's green building policy approach, which has contributed to the achievement of a 3% reduction in Greenhouse Gas Emissions (GHGs) from buildings over 2007 levels.
- **Green Transportation:** Developed an active transportation promotion and enabling plan to prioritize actions aimed at increasing walking and cycling as transportation modes through education and communication initiatives; provided project support to contribute to the achievement of a 10% increase in mode shift over 2008 levels.
- **Zero Waste:** Engaged stakeholders to support the expansion of food scrap recycling to include multi-family and commercial buildings; provided project support to contribute to the achievement of an 11% reduction in waste to landfill or incinerator over 2008 levels.
- **Access to Nature:** Supported the development of an Urban Forest Management Plan and a Biodiversity Strategy; continued to provide access to expertise, resources, and partners in support of tree planting and Streets to Mini-Parks initiatives; planted 16,386 additional trees since 2010.
- **Lighter Footprint:** Continued to enable action by students, citizens, and community groups on Greenest City initiatives through the continued growth of the City Studio and by working with the Vancouver Foundation to continue the success of the Greenest City Fund. Through these programs, 1,780 people were empowered to take action to green the City.
- **Clean Water:** Continued to provide access to expertise, resources, and partners in support of water conservation initiatives; connected the Engineering Department with an opportunity to install low-flow fixtures in condominium retrofits in support of water consumption targets; and, tracked and reported out on Vancouver's achievement of a 16% reduction in water consumption per capita over 2006 levels.
- **Clean Air:** Completed the installation of over 50 publicly accessible charging stations to foster the use of clean vehicle technologies; introduced regulations for wood burning appliances to reduce harmful emissions; and provided project support to contribute to the achievement of a 41% reduction in air quality exceedances over 2008 levels.
- **Local Food:** Developed a local food pilot, executed at Park Board concessions, to increase the availability of local and sustainable food available in City-run facilities; supported the feasibility assessment and development of options for a Central Food Hub; provided project support to contribute to the achievement of a 21% increase in the number of neighbourhood food assets over 2010 levels.

CLIMATE CHANGE ADAPTATION STRATEGY

In 2013, the Sustainability Group continued to work across the organization to implement the City's Climate Change Adaptation Strategy. Implementation was focused in six areas, described below.

- **Heavy Rain Events and Stormwater Management:** Worked to prepare Vancouver for an increase in the intensity and frequency of heavy rain events by supporting Engineering in the development of an Integrated Stormwater Management Plan (ISMP) for the City; engaged First Nations groups on the issue; included stormwater management principles in the community plans developed this year.
- **Resilience to Sea Level Rise:** Continued to prepare Vancouver for rising sea levels by undertaking a Coastal Flood and Erosion Risk Assessment, and by continuing to review and communicate out on flood-resilient building options; coordinated with other levels of government and the private sector to increase regional resilience to sea level rise; and supported Engineering in assessing options for vulnerable infrastructure, and supported Parks in planning for near-shore open spaces.

- **Storm Preparedness:** Continued to prepare for an increase in the frequency and intensity of storms and weather extremes by increasing our capacity to respond and recover after storms; and coordinated with Emergency Management to develop response guidelines for storms and coordinated with a broader staff group to assess backup power needs for City facilities.
- **Heat Response Plan:** Continued to prepare for hotter, drier summers by building on the work started by the Extreme Heat Planning Committee; and, evaluated and improved the Heat Response Plan with tabletop exercises and increased communication efforts.
- **Climate Change and Asset Management:** Continued to prepare Vancouver for other general climate change-related impacts by incorporating climate change considerations into asset management; supported the development of the Urban Forest Strategy by providing canopy cover mapping, surface air temperature mapping and access to experts on climate change and species selection; and, increased the adaptive capacity throughout the organization by communicating out to staff, investigating options to disseminate up-to-date climate science, and working with other levels of government and partners such as Port Metro Vancouver and BC Hydro.
- **Green Operations Plan:** In 2013, the Corporate Management Team approved the City's Corporate Carbon Neutral and Fleet Management strategies. The Sustainability Group continued to coordinate the implementation of the actions in the plan across the organization. This includes the implementation of corporate initiatives and departmental action plans.

PLANS FOR 2014

In 2014, the Sustainability Group will lead and support the implementation of the Greenest City 2020 Action Plan, Climate Change Adaptation Strategy, and Green Operations Plan, as follows:

Greenest City 2020 Action Plan

The Group will continue to lead the overall implementation, monitoring, and reporting out on the Greenest City 2020 Action Plan while supporting specific goal areas within the plan in the following ways:

- **Green Economy:** Continue to support the Vancouver Economic Commission in their delivery of strategies to increase green jobs and support the greening of businesses by providing access to City expertise, resources, and partners.
- **Climate Leadership:** Recalculate the anticipated carbon reduction associated with the actions identified in the Greenest City 2020 Action Plan to provide a higher level of risk assessment and scenario planning for each reduction category; and improve internal business process to support carbon management and reporting.
- **Green Buildings:** Provide internal and external training for the new Vancouver Building Bylaw; present the 2014-2020 Building Retrofit Strategy for Council approval to reduce energy use in existing buildings by 20%, and if approved, begin implementation immediately; and present the Carbon Neutral Strategy for New Buildings to Council along with an update to rezoning policies that reflects the improved energy performance in the 2014 Vancouver Building Bylaw.
- **Green Transportation:** Complete the development of the Active Transportation Promotion and Enabling Plan, including the creation of a monitoring and evaluation plan with resourcing strategies to support its implementation; coordinate with the development of the Healthy City Strategy to ensure mutual support.
- **Zero Waste:** Develop a strategy and bylaw on behalf of Engineering to address demolition and construction waste in preparation for Metro Vancouver's ban on these materials from landfill in 2015; identify opportunities for increased recycling of demolition materials at the Vancouver Landfill; and continue to provide Engineering with support to enable action in other areas of solid waste policy development and implementation.

- **Access to Nature:** Support the completion of the Urban Forest Strategy; amend new street tree guidelines and planting practices; support the development of the Biodiversity Strategy through Council to implementation; ensure these efforts are aligned with other initiatives such as the Integrated Stormwater Management Plan; and work closely with Parks to look at ways to improve biodiversity and tree planting while increasing resilience to storms, sea level rise, and heavy rain.
- **Lighter Footprint:** Continue to enable action by students, community groups, and individual citizens on Greenest City initiatives through the continued growth of City Studio and by working with the Vancouver Foundation to continue the success of the Greenest City Fund; and continue to engage citizens through the Greenest City Curriculum offered through community centres, and expand course offerings.
- **Clean Water:** Continue to provide access to expertise, resources, and partners in support of water conservation initiatives.
- **Clean Air:** Apply outcomes and lessons learned from the successful electric vehicle infrastructure field trial, telecommunications partnerships, outreach campaign, and electric vehicle car-share partnership to the development of a comprehensive electric vehicle strategy for the City; work with the BC Utilities Commission, the Province of BC, and BC Hydro to ensure coordinated action and enablement of electric vehicle infrastructure; and work with Port Metro Vancouver to reduce sulphur dioxide emissions, which are the most significant source of the City's air quality exceedances.
- **Local Food:** Report out on the local food procurement pilot and research for City facilities by summarizing outcomes and detailing recommendations and next steps.

CLIMATE CHANGE ADAPTATION STRATEGY

In 2014, the Sustainability Group will continue to work across the organization to implement the City's Climate Change Adaptation Strategy. Implementation will be focused in five areas, described below.

- **Heavy Rain Events and Stormwater Management:** Co-lead the Integrated Stormwater Management Plan to integration with other initiatives such as the Biodiversity Strategy and Urban Forest Strategy; coordinate with Engineering and Risk Management to support an analysis of the flow paths in areas identified as high risk for overland flooding; and support an increased effort to engage the public in catch basin cleanup.
- **Resilience to Sea Level Rise:** Complete the majority of the Coastal Flood Risk Assessment; take amended flood-proofing policies to Council for approval and ensure staff processes support implementation; and ensure near-shore parks and seawall planning incorporate measures to mitigate coastal flooding and erosion.
- **Storm Preparedness:** Manage a project to assess and plan for the City's backup power resources; and work closely with Emergency Management to consider improved storm resilience.
- **Heat Response Plan:** Work with the Extreme Heat Committee to mitigate health risk due to hot weather; and, work with local universities to incorporate surface temperature maps in planning for green space, tree planting, and added drinking water options.
- **Climate Change and Asset Management:** Collaborate with Engineering and Risk Management to implement a project on critical infrastructure; and enable mainstream climate adaptation, including climate science, into projects across the City.

GREEN OPERATIONS PLAN

In 2014, the Sustainability Group will continue to oversee the implementation of the City's Corporate Carbon Neutral Strategy and Fleet Management Plan. The Fleet Management Plan includes a 30% reduction in greenhouse gas emissions from 2007 levels by 2020, and a 20% reduction in fleet vehicles by 2020. In addition,

the Sustainability Group will continue to monitor and track the implementation of the other aspects of the Green Operations Plan, including corporate initiatives and departmental action in Engineering, Parks, IT, Civic Theatres, Vancouver Fire and Rescue Services, and the Vancouver Police Department.

2014 OPERATING EXPENDITURES - SUSTAINABILITY

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Sustainability	3.0	3.4	(0.4)	-11.4%
Total Revenues	\$ 3.0	\$ 3.4	\$ (0.4)	-11.4%
Expenditures				
Sustainability	3.7	4.2	(0.5)	-12.7%
Total Expenditures	\$ 3.7	\$ 4.2	\$ (0.5)	-12.7%
Net Operating Budget	\$ (0.7)	\$ (0.9)	\$ 0.2	-17.7%

Note: Amounts have been rounded

EXPLANATION OF CHANGES: REVENUE

Cost Recoveries and Sustainability Grants, net reduction in recoveries of \$0.4 million is due to the expectation that BC Hydro funding will be reduced, as it was in 2013.

EXPLANATION OF CHANGES: EXPENSES

The anticipated reduction in funding from BC Hydro has a direct impact on expenditures in Sustainability (\$0.4 million). The balance can be explained by the transfer of a position to the Real Estate and Facilities Group.

In addition, the Sustainability budget contains retroactive wage increases related to collective agreements concluded in 2013.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget. The following paragraphs discuss the year-to-year changes in more detail.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Sustainability	1.2	1.2	3.4	3.4	3.0
Total Revenues	\$ 1.2	\$ 1.2	\$ 3.4	\$ 3.4	\$ 3.0
Expenditures					
Sustainability	1.6	1.7	4.3	4.2	3.7
Total Expenditures	\$ 1.6	\$ 1.7	\$ 4.3	\$ 4.2	\$ 3.7
Net Operating Budget	\$ (0.4)	\$ (0.4)	\$ (0.9)	\$ (0.9)	\$ (0.7)

* Note: The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

DEPARTMENT SERVICE METRICS

The volume of active projects increased significantly this year as implementation of the City's Climate Adaptation Strategy ramped up.

Department	Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Greenest City Action Plan: Climate Leadership Goal								
Engineering	Neighbourhood Energy Utility	Result	GHG reductions (tonnes CO ₂ equivalents) from all	NDA	1,017	1,471	2,407	3,250
	Transfers and Landfill	Quality	% of landfill gas collected	44%	52%	37%	52%	74%
City Managers Office	Sustainability	Result	Total tonnes of community CO ₂ e emissions from Vancouver	NDA	NDA	NDA	2,657,105	NDA
Greenest City Action Plan: Green Building Goal								
City Managers Office	Sustainability	Result	Tonnes of CO ₂ e from all residential and commercial buildings in Vancouver	1,177,000	1,214,000	1,170,000	1,115,000	NDA
Greenest City Action Plan: Green Transportation Goal								
Engineering	Transportation and Planning	Quantity	Mode split (walk, bike, transit, private vehicle) (collected by TransLink)	NDA		Approximately 44% for walk, bike and	Dependent on the panel survey	46%
	Transportation and Planning	Result	Vehicle kilometers travelled by Vancouver residents	NDA			Survey being developed	
Greenest City Action Plan: Zero Waste Goal								
Engineering	Solid Waste Utility	Result	Community: All annual solid waste disposed to landfill or incinerator from Vancouver	NDA		428,400		
Greenest City Action Plan: Access to Nature Goal								
Parks	Parks and Green Space	Quantity	% of city's land base within a 5 min walk to a green space (TBC)	NDA	92.6%	92.6%	92.6%	92.7%
		Quantity	Total number of trees planted per year	3,246	2,598	3,529	6,386	13,000
		Quality	Total Natural Area (Wetlands, Forest, Shoreline) (ha)	NDA	NDA	558	560	561
		Quality	Per cent of canopy cover of city-land base	NDA			17%	17%

Department	Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Greenest City Action Plan: Clean Water Goal								
Engineering	Waterworks Utility	Quality	% of samples with turbidity within Health Canada	82.5%	96.9%	98.7%	98.7%	98.7%
		Result	Water consumed per capita (litres) - Total	535	508	486	491	476
Greenest City Action Plan: Clean Air Goal								
City Managers Office	Sustainability	Result	Total # of exceedences of air quality standards for ozone, particulate matter (PM 2.5), nitrogen dioxide, and sulfur dioxide from both the Kits and Downtown stations combined	13	37	0**	16	NDA
Greenest City Action Plan: Local Food Goal								
Community Services	Food Policy	Result	Cummulative # of new community garden plots since baseline year	2,049	3,260	3,675	4,021	4,350
		Result	Total # of farmers markets	5	8	9	10	12
		Result	Total # of neighbourhood food networks	5	6	9	11	11
Greenest City Action Plan: Green Economy Goal								
Vancouver Economic Commission	Result	Total number of green jobs	NDA	14,900	NDA			
	Result	Percent of Vancouver businesses greening their operations	NDA		7%	NDA		

Department	Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Corporate Green Operations Plan								
City Managers Office	Sustainability	Result	Total tonnes of CO ₂ e emissions from City of Vancouver municipal operations	NDA	419,000	483,454	372,514	NDA
Engineering	Equipment Services	Result	Total tonnes of City of Vancouver fleet CO ₂ e emissions	17,525	17,849	16,832	16,127	15,500
Real Estate and Facilities Management	Facilities Design and Management	Result	Total GHG emissions from City used buildings	19,306	17,848	20,546	19,793	20,000
Real Estate and Facilities Management	Facilities Design and Management	Result	Average percent waste diversion rate in City used buildings with the implemented Zero Waste program	NDA				69%
Sustainability Group Specific								
City Managers Office	Sustainability	Quantity	Total # of sustainability projects in progress	NDA		125	119	172
		Quality	\$ leveraged per \$ budget received	\$0.99	\$0.97	\$1.70	\$1.16	\$1.10

VANCOUVER POLICE DEPARTMENT

The Vancouver Police Department (VPD) responds to calls for service from the public and investigates crimes. In 2012 there were 204,972 calls for service and 52,975 reported crimes. The VPD operates out of two main police facilities as well as other smaller ancillary facilities such as the Property Office and the Dog Squad facility.

KEY SERVICES DELIVERED

Police Service: VPD Members:

- Maintain public safety
- Uphold the rule of law
- Prevent crime

DEPARTMENT AND SERVICE ACCOMPLISHMENTS

The Vancouver Police Board is the governing body for the VPD, providing civilian governance and oversight of policing. An important element of the VPD's contribution to the City's mission to create "a great city of communities that cares about its people, its environment, and the opportunities to live, work, and prosper" is the Police Board-approved 2012-2016 Strategic Plan.

The Strategic Plan, supported by annual business plans, guides the deployment of police and allows the VPD to stay at the forefront of policing issues. Robust analysis of crimes and trends allowed the VPD to deliver intelligence-led policing that achieved the following accomplishments between 2008 and 2012:

- 19% decrease in the violent crime rate
- 27% decrease in the property crime rate
- 7% improvement in response time to the highest priority calls
- 24% decrease in fatal motor vehicle collisions

2013 SERVICE PLAN UPDATE

The VPD continually seeks ways to become more efficient and effective in its commitment to improving the safety and quality of life of Vancouver residents, businesses, and visitors through law enforcement and crime prevention.

A significant reorganization within the Gang Unit and Drug Unit to form the Organized Crime Section has resulted in a more efficient use of police resources and greater success in interrelated investigations.

The Property Crime Unit employed a new model to prioritize their offenders based on their risk levels. This led to more effective investigations. For example, in one project, an offender identified using this model had victimized over 50 people and was arrested with 60 charges laid. In addition, over \$200,000 in stolen property was recovered.

VPD will eliminate nine civilian functions in 2014 and will increase sworn staff vacancies by one. This will result in a civilian vacancy rate of 7.6% and will bring the total sworn vacancies to 58 in 2015. Productivity

transformations include leveraging the City's Emergency Management Office for emergency planning and transferring the False Alarm Reduction Program (FARP) to City operations.

The Emergency Planning Unit has worked collaboratively with other departments on the Disaster Staging Areas to create a more seamless process in disaster response.

However, the VPD cannot meet all of the community's needs, and there are service gaps that affect quality of life in Vancouver. Lower-priority calls for service are regularly met with lengthy delays because patrol officers are attending to more serious incidents, court, administrative and other police duties. As an example, Vancouver residents can expect to wait upwards of six hours, on average, when they report a break-and-enter inside a home with no suspect on the scene. During the busiest periods, patrol officers are often unable to attend certain types of calls such as noise complaints, parking complaints, annoyance complaints, and suspicious circumstances.

To address these service gaps, the VPD began the three-year Community Safety (CS) pilot program in 2013. CS personnel are unarmed peace officers who wear distinct clothing that identifies them as VPD personnel, while differentiating them from regular police officers. They will support frontline operations and enhance the level of customer service provided to Vancouver residents, businesses, and visitors. The work of CS members will free up the more highly trained and skilled police officers to perform more complex police tasks and conduct more proactive policing such as enhanced neighbourhood patrols. Neighbourhood patrols were instrumental in reducing Vancouver's violent crime rate by 19% and the property crime rate by 27% between 2007 and 2012. The CS program will allow sworn officers to build on this success in the future.

In the first three months of the CS program's operation, CS personnel attended 1,816 calls for service. These service calls have ranged from attending motor vehicle incidents to providing security at investigative scenes. They have alleviated patrol workload by tagging almost 6,000 pieces of property in this time period. Since the CS deployment, there has been a reduction in response time by patrol members to the lower-priority calls. The early anecdotal feedback from frontline members and the public has been very positive. The VPD will conduct a thorough evaluation of the program's effectiveness by late 2015.

PLANS FOR 2014

Changing socio-demographics, increasing numbers of large public events requiring police presence, and changes in crime types greatly increase demand on police resources. Cyber-crime, organized crime, and regulatory or legal changes from government or court cases also impact policing practices.

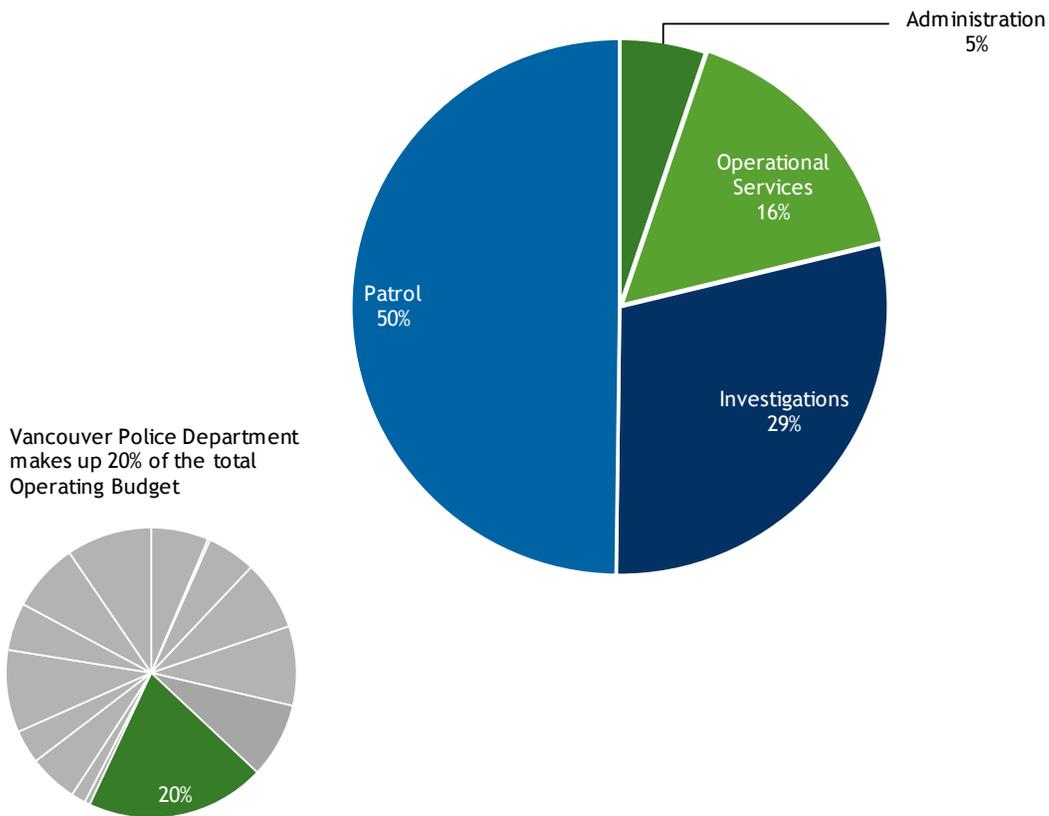
In 2013, the VPD publicly championed the cause of the mentally ill by advocating for increased capacity in the health sector to house and treat those suffering from severe mental illness. From the end of September 2012 to the end of October 2013, Vancouver witnessed 106 violent, random attacks on citizens where the assailant was suffering from a severe mental illness. The frequency of people apprehended under the Mental Health Act has increased significantly. Based on projections for 2013, the total number of apprehensions since 2010 has increased by 22.6%. The severely mentally ill are also at greater risk for victimization. VPD data shows that members of this group are 15 times more likely to be a victim of crime and 23 times more likely to be a victim of violent crime. This represents a quality of life issue and increases in the VPD workload. Violent crimes involving the mentally ill have increased. The Police Chief and the Mayor have jointly launched the Mayor's Task Force for Mental Illness and Addictions to drive towards a coordinated effort to support vulnerable members of the community who struggle with mental illness and addiction.

When FARP went online in March 2013, 40% of the participants utilized the online renewal process. The result is that each month 1,500 citizens employ this green initiative, significantly reducing the enormous carbon footprint created by ground mail and postage. Within the next six months, FARP is planning to add the option of applying for and obtaining new permits online, which will further reduce the need for postage. Combining these two initiatives with the option to receive annual invoices electronically and the overall reduction in greenhouse emissions will benefit our environment and offer the citizens of Vancouver a far more efficient way of doing business.

The CS program will continue in 2014. The VPD will be closely monitoring the activities and collecting data and feedback for an evaluation of the program. The CS program is indicative of the VPD's efforts to support frontline operations, provide a visible presence in the community, and enhance the level of customer service provided to Vancouver residents, businesses, and visitors.

2014 OPERATING EXPENDITURES - VANCOUVER POLICE DEPARTMENT

2014 OPERATING EXPENDITURES VANCOUVER POLICE DEPARTMENT



YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Programs				
Police	1.2	1.1	0.1	9.3%
Parking				
Police Parking	0.2	0.1	0.1	180.8%
Cost Recoveries, Grants and Donations				
Police Recoveries	12.1	12.3	(0.1)	-1.2%
Other				
Miscellaneous Revenue	0.4	0.4	(0.0)	-2.5%
Total Revenues	\$ 13.9	\$ 13.8	\$ 0.0	0.3%
Expenditures				
Patrol	116.9	115.6	1.4	1.2%
Investigations	68.2	68.3	(0.2)	-0.2%
Operational Services	38.4	37.5	0.9	2.5%
Administration	11.4	11.5	(0.1)	-0.7%
Total Expenditures *	\$ 234.9	\$ 232.8	\$ 2.1	0.9%
Net Operating Budget	\$ (221.0)	\$ (219.0)	\$ (2.0)	0.9%

Note: Some figures may not add due to rounding

*Wage adjustment not included for 2014 for the Vancouver Police Union/Vancouver Police Officers Association as contracts have expired in 2012. The total operating expenditure growth rate would be 3.2% for Vancouver Police Department if increases were aligned with CUPE rates.

Explanation of Changes: Revenue

There are no major changes in recoveries.

Explanation of Changes: Expenses

Operating expense changes are largely due to increases in benefit costs, primarily superannuation, worker's compensation, health premiums, and step increments. The collective agreement with the Vancouver Police Union expired December 31, 2012, and has not been renegotiated; the 2013 and 2014 VPD budgets do not include collective agreement wage adjustments. The total operating expenditure growth rate would be 3.2% for Vancouver Police Department if increases were aligned with CUPE rates.

VPD will eliminate nine civilian functions in 2014, resulting in a civilian vacancy rate of 7.6%, and will increase sworn staff vacancies by one to bring the total to 58 sworn vacancies in 2015. Productivity transformations include leveraging off the City's Emergency Management Office for emergency planning and transferring the FARP to City operations.

NOTABLE CAPITAL PROJECTS

The following table summarizes the noteworthy project that the VPD will commence in 2014.

Project Name (\$ million)	Total Project Budget	Prior Year's Spend to End of 2012	2013 Expenditure Forecast	2014 Budget	Future Years	Total Projected Spend
Police						
Jail Security Control System	0.2	0.0	0.0	0.2	0.0	0.2

The Vancouver Jail is a secure facility with its access and monitoring systems managed in a control room. The control room and equipment is well past its functional life and will be updated and replaced in 2014.

The VPD and the City's Equipment Management Department together are investing in reducing the VPD's carbon footprint through the phasing in of 176 new Dodge Chargers over the next five years to replace the fleet, which is at the end of its economic life. The new vehicles are lighter and smaller than their predecessors. They are more fuel efficient and environmentally sustainable. The initial performance tests have shown a 17% reduction in fuel consumption, and since each new vehicle will be equipped with idle-management technology, the fuel utilization will continue to decrease. The investment in these vehicles is included in the City Equipment budget and not included directly in VPD's capital budget above.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Programs					
Police	1.1	1.1	1.1	1.1	1.2
Parking					
Police Parking	0.1	0.1	0.1	0.1	0.2
Cost Recoveries, Grants and Donations					
Police Recoveries	12.0	11.4	12.0	12.3	12.1
Other					
Miscellaneous Revenue	0.4	0.4	0.4	0.4	0.4
Total Revenues	\$ 13.6	\$ 12.9	\$ 13.5	\$ 13.8	\$ 13.9
Expenditures					
Patrol	100.4	101.7	107.9	115.6	116.9
Investigations	61.0	61.3	67.6	68.3	68.2
Operational Services	34.4	37.9	38.6	37.5	38.4
Administration	10.8	10.8	12.3	11.5	11.4
Total Expenditures	\$ 206.8	\$ 211.7	\$ 226.5	\$ 232.8	\$ 234.9
Net Operating Budget	\$ (193.2)	\$ (198.8)	\$ (213.0)	\$ (219.0)	\$ (221.0)
Capital Budget	\$ 46.9	\$ 11.7	\$ 2.2	\$ 1.4	\$ 0.3

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

** Wage adjustment not included for 2014 for Fire Fighters Union and Vancouver Police Union/ Vancouver Police Officers Association as contracts have expired in 2011 and 2012 respectively. The total operating expenditure growth rate would be 3.2% for Vancouver Police Department and 4.7% for VFRS Department if increases were aligned with CUPE rates.

The 2013 and 2014 VPD operating budget does not include potential collective agreement wage adjustments. Increases in the operating budget are largely due to collective agreement wage increases, step increments, and benefits.

The Province of BC and the Government of Canada have contributed a total of \$25 million to offset the costs of new police facilities in 2010.

EMPLOYEE TREND TABLES

Police	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	1,718	1,813	1,797	1,759	1,785	1,797
Total Straight Time Hours Paid for All Staff, excluding Overtime	3,644,538	3,852,742	3,817,207	3,718,466	3,640,405	3,716,160

The regular full-time staff numbers represent a count of sworn and civilian staff at a given point in time. This figure includes recruits who have not yet graduated from the Police Academy and therefore not yet deployed for policing duties. It also includes fully cost recoverable sworn secondments who are working in joint forces operations with other police agencies.

Following the Olympics in early 2010, there were a larger number of retirements than projected causing the total number of regular full time staff to drop in 2010 and 2011. This drop in numbers necessitated the hiring of recruits in order to replace the retired staff. The recruit hiring process is lengthy and the recruit training program is approximately nine (9) months in duration so recruitment must be planned to take into consideration projected future attrition. The 2012 head count includes the larger recruit classes hired after the Olympics to keep pace with projected attrition. An unexpected reverse trend in retirements occurring in late 2012 and into 2013 has resulted in fewer retirements and therefore a higher head count is forecasted to the end of 2013.

The forecasted total hours paid in 2013 includes the new Community Safety Program pilot that was launched in 2013. The Community Safety officers are not included in the head count as they are not classified as regular full time staff.

The VPD's authorized strength is 1,327 sworn officers and 388.5 civilians. This does not include the Community Safety Officers, which is 30 full time equivalent. VPD is committed to continuing to hold an average of 58 sworn staff vacancies and 29 civilian vacancies as a budget reduction method, resulting in a deployable sworn strength of 1,269 and approximately 359.5 civilians.

DEPARTMENT SERVICE METRICS

Vancouver experienced a slight increase (2%) in the property crime rate between 2011 and 2012, breaking a streak of sixteen consecutive years where the property crime rate has decreased. The VPD has been working diligently in identifying property crime trends and series, developing new strategies and tactics, and continuing to focus on chronic property offenders in an effort to reverse this recent trend.

Violent crime is decreasing which is highlighted by the fact that in 2012, there were eight (8) homicide incidents in Vancouver, which was the lowest in at least the last 18 years. To date in 2013, there are five (5) homicide incidents, which is on track for another record-low year. Decreases to violent crime are continuing in 2013, where the violent crime rate is forecasted to decrease by 7%. The VPD continues to work with vulnerable and at-risk communities who are frequently the victims of violent crime.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Police Services	Quantity	Total Criminal Code Offences	55,332	52,596	52,572	52,804	52,857
		Total Number of Property Crime Incidents	36,997	34,696	33,210	34,458	34,871
		Total Number of Violent Crime Incidents	6,958	6,712	6,702	6,347	5,903
		Traffic incidents with fatalities and injuries (ICBC reported collisions)	8,820	8,855	8,761	9,024	8,706
	Quality	Property crime rate (crimes / 1000)	58.86	53.99	51.01	52.06	52.79
		Violent crime rate (crimes / 1000)	11.07	10.44	10.29	9.58	8.91
		Total crime rate (crimes/1000)	88.0	81.9	80.7	79.2	79.3
		Businesses are satisfied with VPD services	85.00%	91.00%	90.00%	78.00%	80.00%
		Businesses feel safe (measured through annual business survey)	58.00%	58.00%	61.00%	65.00%	67.00%
		Residents are satisfied with VPD services	88.00%	81.00%	87.00%	85.00%	87.00%
		Residents feel safe (measured through annual residential survey)	67.00%	70.00%	74.00%	74.00%	76.00%
		Result	Percentage Change from previous year of the property crime rate	-10.52%	-8.27%	-5.52%	2.06%
	Percentage Change from previous year of the violent crime rate		-3.66%	-5.89%	-1.44%	-7.40%	-6.99%
	Percentage Change from previous year of the total crime rate		-7.90%	-7.00%	-1.40%	-1.80%	0.00%
	Percentage change from previous year of total number of traffic incidents with fatalities and injuries		-0.41%	-0.40%	-1.06%	3.00%	-3.50%

VANCOUVER FIRE AND RESCUE SERVICES

Vancouver Fire and Rescue Services (VFRS) responds to approximately 46,000 incidents annually: fires, hazard material events, medical emergencies, motor vehicle incidents, public service calls, and special operations. Uniformed staff provide premise safety inspections and enforcement in accordance with the Vancouver Fire Bylaw, educate the community in fire life safety programs, lead a Heavy Urban Search and Rescue (HUSAR) team, and host public health clinics in the community. VFRS operates through 20 Vancouver fire halls, one training facility, and three fire prevention offices.

KEY SERVICES DELIVERED

Fire Suppression and Special Teams Service: Trained responders support public safety by providing an all-hazards response service, including structure fires, Hazmat incidents, technical and confined space, structural collapse, trench rescues, wildlands, auto-extrication and marine unit rescues.

Fire Prevention: Trained public safety professionals inspect business and residential properties to ensure and enforce compliance with the Fire Code and associated bylaws, and offer fire and life safety education to the community.

Medical Response: Trained responders provide pre-hospital care services to citizens as a layered emergency medical service with British Columbia Ambulance Service (BCAS).

DEPARTMENT AND SERVICE ACCOMPLISHMENTS

VFRS continues to transform how our staff and resources can better serve citizens to meet increasing service requirements with response, inspection, enforcement, and education activities.

As community safety practitioners, VFRS suppression staff—the largest segment of our workforce—are committed to promote safer communities through a multi-functional approach that is a combination of proactive and reactive initiatives. Beyond the emergency call, firefighters are responsible for inspecting and ensuring compliance with the Vancouver Fire Bylaw for approximately 28,000 structures and leading fire life safety education in the community.

Examples of transformational initiatives to improve community safety include the Home Safety Inspection Program, the Hoarding Taskforce, the Driver Training Services Program, the Public Safety Unit, and the City of Vancouver's Automated External Defibrillator (AED) public access program. These examples, which are not exhaustive, are areas where VFRS has been able to invest in multi-departmental initiatives designed to make a safer city.

Much of the success with transforming the work performed by VFRS is attributable to our Officers. The Officer Promotional System and the Performance Management Program have greatly improved the performance of our staff. Within key areas of responsibility our Officers demonstrate their competency and accountability for the work they perform. Beyond ensuring that the work and tasks are completed effectively and safely, VFRS Officers are taking personal initiative to assist their fire hall neighborhoods to be safer and more resilient.

An example of this is the Sidewalk Safety Audit where community fire fighters patrol their respective neighbourhoods looking for unsafe conditions in and around structures and provide owners and occupants with a safety audit checklist identifying areas that should be attended to. The Home Safety Inspection Program is another great example where the neighborhood fire crew will perform a home safety audit and, if requested, install a new smoke detector.

Other examples of service in non-traditional areas include the recent deployment of the Heavy Urban Search and Rescue team to Calgary to assist with rescue operations during that City's recent flooding. Several VFRS and

other City staff supported the recovery efforts in Calgary by taking on command roles at the Calgary Emergency Operations Centre and other command sites.

VFRS has begun the process to rebuild Fire Hall #5, located at Kerr Street and 54th Avenue. Though this project will take until late 2015 to complete, the unique nature of this rebuild is that opportunities are being explored to build non-market housing above the two-storey fire hall. This is an excellent blended property use and a first for VFRS.

2013 SERVICE PLAN UPDATE

In 2013, VFRS increased general public awareness of fire safety in the community through partnerships with various community agencies. Examples of transforming initiatives to improve community safety included the Home Safety Inspection Program, the Hoarding Taskforce, the Driver Services Program, the Public Safety Unit, and the City of Vancouver's AED public access program. These examples, which are not exhaustive, are areas where VFRS has been able to invest in multi-departmental initiatives designed to make a safer city.

To date, the Government of Canada has not committed to financial support to maintain a national HUSAR program. Representatives of the four HUSAR teams (in BC, Alberta, Manitoba, and Ontario) have presented a proposal to Public Safety Canada to provide \$1.6 million to ensure the national HUSAR program continues. We are working with the Province of BC to gain its support of an annual commitment of \$0.2 million to maintain the Vancouver HUSAR team. The City will continue to work with the Province of BC and the Government of Canada to partner on policy matters and funding support to sustain this unique and highly capable heavy rescue response team.

The Vancouver Fire Rescue Foundation was established in the fall of 2013. The purpose of the foundation is to advance public safety initiatives that build a safer community, such as the Home Safety Inspection Program, the Youth Outreach Cadet program, Blood Pressure/Cholesterol Screening program, Public Access AED program, HUSAR, Neighborhood Emergency Assistance Program, and many more. This is a wonderful opportunity to bring together the branding and talents of VFRS together with philanthropic support from individuals in our city to build stronger, safer communities.

PLANS FOR 2014

Fire Suppression and Special Teams

Drivers of change for the Fire Suppression and Special Teams Service include population growth and density, building construction, and changes in traffic patterns due to increased bike and transit lanes. Increased fire fighter standards and certifications, marine fire fighting, and complexity of equipment require additional training.

In response to these drivers, VFRS will continue to strive to meet service levels in 2014 by maximizing the capacity of suppression staff. In addition to providing emergency response, the suppression staff will continue to expand their role by increasing the number of life safety premise inspections and providing over 6,000 hydrant inspections.

2014 will see VFRS taking on a number of City-wide programs and initiatives, such as Driver and Operator Training Services. A number of VFRS driver training personnel assist in training and assessing the over 2,000 drivers who are City employees. In addition, VFRS suppression staff manage and maintain 80 AEDs within the AED public access defibrillator program.

Vancouver Volunteer Corp (VVC) and Neighbourhood Emergency Action Team (NEAT) programs are supported by on-duty suppression staff and are currently hosted out of three fire halls. To date, there are approximately 300 volunteers trained in VVC and 100 trained in NEAT programs to respond to emergency situations and large public events. 2014 will see an additional 300 VVC and 100 NEAT volunteers trained.

Twenty-six VFRS staff will continue to take an active role in the Public Safety Unit alongside VPD and BCAS to provide fire protection during major events. VFRS is continuing to work with Port Metro Vancouver and inner harbour municipalities to develop a comprehensive fireboat and marine firefighting agreement. New to 2014 is a proposed marine firefighting squad made up of 40 suppression personnel who will provide onboard firefighting capacity.

Fire Prevention

Drivers of change for the Fire Prevention Service include an increase in community development, particularly new buildings (laneway homes, multi-family dwellings, and high-rises), complex inspections such as Single Room Occupancy dwellings (SROs), and bylaw code changes for high-rises, care facilities, restaurants, and hoarding situations.

2014 will see a continued development of the risk-based premise inspection program (based on risk assessment of buildings and occupancy). These include high-rise buildings, restaurants, care homes, and SROs. The Fire Prevention Branch, through the rental property database and the hoarding initiative, is continuing to make Vancouver a much safer city.

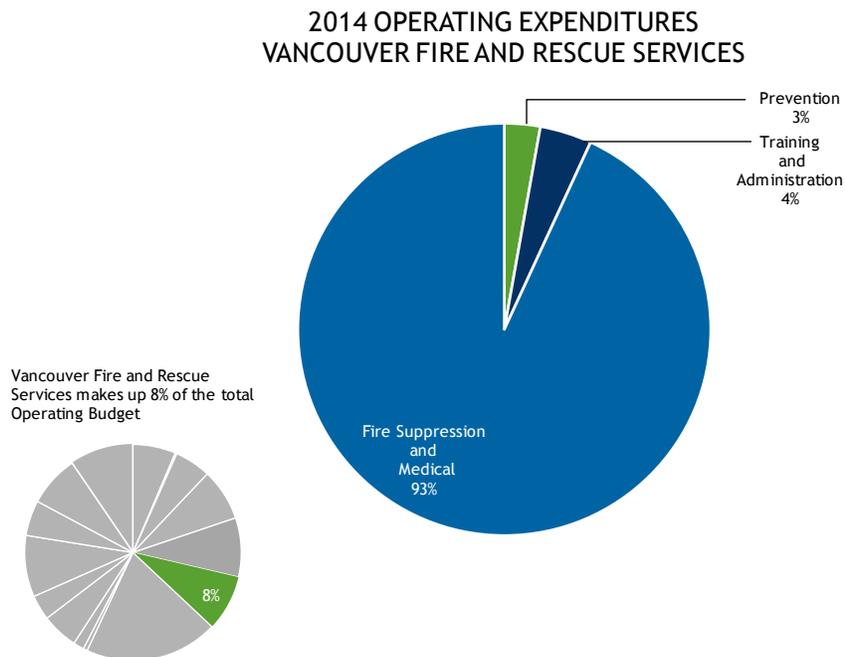
Fire Prevention is moving toward increasing and maintaining the number of cross-trained suppression inspectors to target high-risk buildings. These members respond to complex fire safety inspection issues while being part of the suppression workforce. In 2014, the cross-trained suppression staff will assist in training fire hall staff on high-rises and restaurants.

Medical Calls Service

Drivers of change for emergency medical response include the increasing population and changing demographics, the proposed changes to the BCAS resource allocation plan (RAP), and the complexity of building heights and sophisticated security systems that impact vertical response times for incidents.

VFRS plans to further increase the efficiency of response by dispatching the crossover medical units and responding with lighter apparatus with appropriate trained staff to medical calls. VFRS continues to work with all stakeholders within the pre-hospital care model to provide the most efficient and timely response and care.

2014 OPERATING EXPENDITURES - VANCOUVER FIRE AND RESCUE SERVICES



YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Programs				
Fire Prevention	0.4	0.4	-	0.0%
Cost Recoveries, Grants and Donations				
Fire	6.9	6.9	(0.0)	-0.1%
Other				
Fire and Rescue	0.2	0.2	-	0.0%
Total Revenues	\$ 7.5	\$ 7.5	\$ (0.0)	-0.1%
Expenditures				
Fire Suppression and Medical	91.6	90.9	0.7	0.8%
Training and Administration	4.0	4.0	0.0	1.0%
Prevention	2.8	2.7	0.0	0.4%
Total Expenditures	\$ 98.4	\$ 97.6	\$ 0.8	0.8%
Net Operating Budget	\$ (90.9)	\$ (90.1)	\$ (0.8)	0.9%

Note: Some figures may not add due to rounding

*Wage adjustment not included for 2014 for Fire Fighters Union as contracts have expired in 2011. The total operating expenditure growth rate would be 4.7% for Vancouver Fire and Rescue Services Department if increases were aligned with CUPE rates.

Explanation of Changes: Revenue

Revenues for VFRS remain similar to prior years with a small increase for fire prevention revenue.

Explanation of Changes: Expenses

The majority of the increase in the 2014 Budget relates to changes in benefits and superannuation costs. The collective agreement with the Vancouver Fire Fighters' Union expired December 31, 2011, and has not been renegotiated. Therefore; the 2013 and 2014 VFRS budgets do not include collective agreement wage adjustments for the Vancouver Fire Fighters' Union. The total operating expenditure growth rate would be 4.7% for VFRS Department if increases were aligned with CUPE rates.

Another adjustment to the budget is a temporary drop in vehicle expenses (\$0.2 million).

In addition, the Vancouver Fire and Rescue Services budget contains retroactive wage increases related to collective agreements concluded in 2013.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that VFRS is involved in or will commence in 2014. A complete list of all capital projects for 2014 is included in the appendices to the Council Report.

Project Name (\$ million)	Total Project Budget	Prior Year's Spend to End of 2012	2013 Expenditure Forecast	2014 Budget	Future Years	Total Projected Spend
Fire						
Replacement of Fire Hall #5	9.5	0.0	0.0	1.0	8.5	9.5
Fire Boat Replacement	3.0	0.0	0.0	0.0	3.0	3.0
Self-Contained Breathing Apparatus (Fire Equipment)	2.4	0.0	0.0	2.4	0.0	2.4
Fire Truck Replacement	24.9	0.0	0.0	2.0	22.9	24.9

Note: The projects presented in the table above are managed by Real Estate and Facilities Management and Engineering and therefore are not included in the 2014 Budget for VFRS.

Replacement of Fire Hall #5 (Kerr Street and 54th Avenue)

Design and development for the replacement of Fire Hall #5, located at Kerr Street and 54th Avenue. The total project includes deconstruction of the existing fire hall and the provision of a temporary fire hall during the construction period.

Fire Boat Replacement

Five existing fireboats will be replaced with two new more-efficient fireboats to provide marine response to Port Metro Vancouver and neighbouring municipalities of the inner harbour.

Fire Truck Replacement

Twenty-six heavy apparatus pieces will be replaced between 2014 and 2016 as the existing units are past their service lives. As a result of this capital purchase, there will be a \$2.2 million increase to VFRS's operating budget in 2015 and beyond to reflect the capital repayment of this large asset purchase.

Other Capital Approvals: Replacement of Fire Hall #17 (Knight Street and 55th Avenue), Consultant Study, and Fire Hall Renovations

For 2014, initial design funding of \$0.2 million has been allocated for Fire Hall #17. In addition, there is commitment to complete the building design once a comprehensive review of fire response, resources, and hall location options are completed by mid-2014. Completion of the building design will lead to the construction of Fire Hall #17 as part of the 2015-2017 Capital Plan. Fire hall improvements will continue, with a focus on completing two bay separation projects (at Fire Hall #19 and Fire Hall #22), which support health, safety, and green initiatives.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget. The following paragraphs discuss the year-to-year changes in more detail.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Programs					
Fire Prevention	0.4	0.4	0.4	0.4	0.4
Cost Recoveries, Grants and Donations					
Fire	6.5	6.2	6.2	6.9	6.9
Other					
Fire and Rescue	0.2	0.2	0.2	0.2	0.2
Total Revenues	\$ 7.0	\$ 6.8	\$ 6.7	\$ 7.5	\$ 7.5
Expenditures					
Fire Suppression and Medical	86.0	87.9	85.9	90.9	91.6
Training and Administration	4.1	4.5	6.2	4.0	4.0
Prevention	2.6	2.6	2.6	2.7	2.8
Total Expenditures **	\$ 92.8	\$ 95.0	\$ 94.7	\$ 97.6	\$ 98.4
Net Operating Budget	\$ (85.8)	\$ (88.2)	\$ (88.0)	\$ (90.1)	\$ (90.9)
Capital Budget	\$ 5.9	\$ 8.3	\$ 4.3	\$ 0.6	\$ 0.1

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

** Wage adjustment not included for 2014 for Fire Fighters Union and Vancouver Police Union/ Vancouver Police Officers Association as contracts have expired in 2011 and 2012 respectively. The total operating expenditure growth rate would be 3.2% for Vancouver Police Department and 4.7% for VFRS Department if increases were aligned with CUPE rates.

Explanation of Changes: Revenue

Revenues are largely made up of University Endowment Lands (UEL) and the trend is a gradual increase year over year.

Explanation of Changes: Expenses

Costs for the Fire fleet have decreased over the past years as the internal financing for equipment has been fully paid. Anticipated replacement of the fleet from 2014 to 2016 will require a significant increase in the 2015 budget and beyond, since the cost of financing the new fleet will again be built into the budget.

In support of strategically integrating suppression and prevention services, the 2013 Budget reflects a significant investment of \$0.3 million in three firefighters to support inspections in prevention and fire and life safety and additional support for the Driver Services Program.

The majority of the increase in the 2014 Budget relates to changes in benefits and superannuation costs. As the collective agreement with the Vancouver Fire Fighters' Union expired December 2011 and has not yet been renegotiated, the 2014 VFRS budget does not include collective agreement wage adjustments. Another adjustment to the budget is a temporary drop in vehicle expenses (\$0.2 million).

EMPLOYEE TREND TABLES

Fire	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	810	806	792	782	794	796
Total Straight Time Hours Paid for All Staff, excluding Overtime	1,732,881	1,727,186	1,710,026	1,682,066	1,702,508	1,718,773

DEPARTMENT SERVICE METRICS

Fire Suppression and Special Teams

Fire suppression provides emergency response through the planning and implementation of strategies and tactics that prepare our first responders to deliver fire suppression, auto-extrications, special teams, and fireboat response. In addition, suppression staff provide life safety education services to citizens and conduct premise inspections.

VFRS has the responsibility to provide ongoing fire and life safety inspections within multi-residential and commercial buildings. To achieve this goal, suppression firefighters use a risk-based fire and life safety inspection approach and are trained to perform low- and medium-risk premise life safety inspections. Fire Prevention Inspectors have the responsibility to perform high-risk, complex fire and life safety inspections. This approach ensures a safe community by utilizing the combined capacities of our community firefighters and prevention staff.

We are seeing a stabilization of response times to fires in spite of increasing traffic congestion and traffic-calming initiatives. The percent of fires confined to the area of origin has seen a slight decrease over the past year but the average five-year rate has remained stable. VFRS continues to examine each fire-related death and injury and directs prevention and education programs and services as a strategic response.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Fire Suppression and Special Teams	Quantity	# injuries / deaths	25/3	35/7	46/3	49/3	49/3 todate
		# of all fires with damage	1,616	1,422	1,404	1,468	1,450
		# of fire safety inspections	6,028	5,060	9,190	11,160	11,500
	Quality	% of structure fires confined to area of origin	22.00%	26.00%	23.00%	24.00%	22.00%
		Response time at the 90th percentile	7:44	7:38	7:33	7:28	7:28
	Result	Average \$ fire loss per fire	\$17,184	\$17,726	\$18,329	\$18,194	\$18,000
		No of Fires With Damage / 1000 population	NDA	2.4	2.3	2.4	2.4

Fire Prevention

Inspections are performed by fire prevention staff and fire suppression staff. Fire Prevention has maintained the number of inspections performed by these two groups since their combined inspections numbers have been reported. Fire Prevention Officers are subject matter experts, and since 2011 they have been facilitating more comprehensive inspections of low- and medium-risk premises conducted by fire operations staff. Using fire fighters to do inspections means a better utilization of resources and better public safety outcomes.

Working with other City departments and Vancouver Coastal Health, VFRS has taken a lead role in managing unsafe buildings, including issues of major hoarding, grow-ops, and problem buildings where the owner or landlord does not immediately remediate unsafe fire and life safety conditions. To assist with these issues, VFRS has cross-trained suppression fire fighters as Suppression Inspectors. These members respond to complex fire safety inspection issues while part of the suppression workforce.

Starting in 2013, Fire Prevention Inspectors have teamed up with the suppression staff to rollout risk-based inspections, enabling us to target and increase the inspection frequency of high-risk buildings. Buildings to be inspected are grouped into manageable areas for better use of time and travel. The higher-risk buildings, when identified, are assigned to the fire prevention staff.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Fire Prevention	Quantity	Total number of life safety inspections	11,902	13,233	17,363	19,158	19,000
	Quality	% of violations per total inspections	12.92%	9.50%	9.60%	6.40%	9.50%

The total number of life safety inspections at 19,000 (2013 forecast) includes inspections conducted by Fire Prevention Inspectors and Suppression Fire Safety Inspectors as well as higher-risk inspections—such as commercial, hospital, and school inspections that are performed by Fire Prevention Inspectors. The percentage of violations per total inspections has increased since 2012 due to improved inspection training of suppression staff in identifying fire and life safety bylaw infractions. Fire Prevention Inspectors are also applying a targeted approach to high-risk, less-compliant buildings.

Medical Calls

VFRS provides pre-hospital care services to citizens as a layered emergency medical service with British Columbia Ambulance Service. Firefighters are licenced as Emergency Medical Assistants-First Responders since they act as community safety practitioners providing public safety to our communities.

VFRS continues to maintain a strategic partnership with BC Emergency Health Service and the Emergency Medical Assistant Licencing Board. The cross-staffed Fire Medic Units have assisted in maintaining consistent response times.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Medical Calls	Quantity	# of medical incidents	28,605	30,744	30,957	28,759	26,500
		# of medical incidents per 1000 population (does not include MVI)	NDA	48.3	47.0	41.5	39.1
	Quality	Response time at the 90th percentile	6:20	6:22	6:14	6:07	6:11
	Result	# patients treated	16,845	17,164	17,417	18,855	19,000

There is a significant but explained difference between the total numbers of medical incidents (26,500 forecast in 2013) versus the total number of patients treated (19,000 forecast in 2013). The number of patients treated indicates when a VFRS responder completes a direct medical treatment on a patient, and/or when they assist BCAS in assessing or treating the patients. This indicator does not include other work that the department does alongside BCAS to assist patients.

VANCOUVER BOARD OF PARKS AND RECREATION

The Park Board oversees the delivery of parks and recreation services for the City of Vancouver. It maintains a network of over 230 parks (approximately 1,300 hectares), including sport fields, playgrounds, five outdoor pools, destination parks, gardens and beaches, and is responsible for 24 community centres, nine indoor pools, eight arenas, and 14 fitness centres. The Park Board also manages public marinas, golf courses, concessions, sports fields and clubhouses, and service yards.

KEY SERVICES DELIVERED

Recreation Facilities: Provide access to community centres, pools, arenas, fitness centres, and sport fields; provide permits for use of community centres and park space.

Recreation Programming: Park Board is responsible for programming in rinks and pools across the City and works jointly with Community Centre Associations to provide programs and classes for community centre registrants.

Parks and Green Spaces: Provide and maintain parks and display gardens, other green spaces, and attractions for public use.

DEPARTMENT AND SERVICE ACCOMPLISHMENTS

Since its launch in July 2013, over 80,000 residents have signed up for the Park Board's OneCard. As a joint initiative between the Park Board and participating Community Centre Associations, OneCard replaces the former patchwork of over 20 membership cards required for each Community Centre Association. OneCard is a single, no-cost recreation pass designed to enable universal access. All Vancouver residents are provided access to the entire Park Board network of arenas, pools, fitness centres, and community centres, just as a library card provides access for everyone to all public libraries across the City. People of all ages are getting active and enjoying universal access to recreation in Vancouver with the new pass.

Evolving from a pilot project in 2011, the Park Board artist studio residencies program now includes over 50 artists (individuals or as part of a collective) that work out of field houses, park facilities, marinas, and community centres. In 2013, a parallel initiative began to explore a similar partnership arrangement with sport groups to occupy park buildings adjacent to sport fields.

Working with Community Centre Associations at five community centres, the Park Board has embarked on an exciting youth engagement program with the Aboriginal Life in Vancouver Enhancement Society (ALIVE). The GEN 7 program is designed to encourage Aboriginal young people to use community centre facilities and increase their engagement and involvement in the community. The program began in February 2013.

Working in partnership with the Vancouver Police Department, City Housing Relocation Officers, and the Social Services Team, the Park Board implemented a six-month trial program to help homeless people living in City parks access social services. Led by a dedicated Park Ranger liaison, the Park Board's Rangers deliver meal and shelter lists, sleeping bags, waterproof ponchos and dry socks, and build resource delivery links that benefit those most in need. The trial will be evaluated at the end of 2013.

In 2013, the City celebrated the 125th anniversary of Stanley Park. In recognition of this important milestone, over 50,000 Vancouverites and visitors attended Celebrate! Stanley Park, the largest summer festival ever held in Vancouver's "evergreen heart." The weekend was filled with over 200 performances, historical and nature tours, and sports demonstrations.

The Stanley Park Ecology Society conducted its second BioBlitz species count, revealing 337 species, 89 of them new to the life list of Stanley Park. Designed as a festival to inform and entertain, the initiative provided participants with a renewed sense of pride and relationship with the beloved park.

Staff continue to work actively with partners and the community to achieve the Greenest City 2020 Action Plan goal of ensuring that Vancouver residents enjoy incomparable access to green spaces and the world's most spectacular urban forests. Sustaining the urban forest is a Park Board priority and includes every tree in the City—on streets and in parks, public spaces, and backyards. The Urban Forest Strategy, launched in 2013, will be a catalyst for making Vancouver the World's Greenest City by 2020. Having identified directions and a work plan, work is now underway and the strategy will begin to roll out in 2014.

Investment in modern, efficient, and cost-effective equipment has transformed the way parks are maintained. In 2013, the Park Board continued to improve the maintenance of park spaces by using new technologies and a specialized fleet. Eight new wide-area mowers were purchased in 2012 and 2013 that reduce mowing time and increase productivity by cutting wider swaths of turf and easily maneuvering through irregular landscapes such as gardens and walkways. The mowers also mulch grass and leaves where they lie, saving labour and returning nutrients to the soil.

Acquisition, planning, design, and construction of parks and green infrastructure are core functions of the Park Board. Under the watchful eye of the Main Street Poodle sculpture, a small new park was introduced at Main Street and 18th Avenue that responds to community need and provides an environmentally sustainable urban space in a fun and creative way.

Coming out of the Hasting Park Master Plan, Creekway Park was constructed and opened, transforming a spare former parking lot into an ecologically rich and diverse landscape. The park features a daylighted stream and active transportation corridor that connects the Burrard Inlet to the Sanctuary in Hastings Park. Planning and design of Empire Field, Plateau Park and greenways were also completed, and construction will begin in 2014.

A number of other park development projects were completed in 2013. A master plan for Renfrew Ravine Park and Renfrew Community Park was developed, which provides direction for park improvements over the next 15 years. Following the removal of Jericho Marginal Wharf in 2011, beach restoration at Jericho Park returned nature to the water's edge. New playgrounds were constructed at John Hendry and Carleton parks, and ten tennis courts were renovated at Kitsilano Beach Park, which help to meet the public demand for high-quality playing surfaces and courts that meet international standards. Improvements at Burrard Marina included renovated washrooms, new kayak and canoe racks, and improved Wi-Fi. At Heather Marina, mooring slips were added, as were new power connections. Improvements to Morton Park resulted in a fresh look to the landscape while addressing the impacts of heavy foot traffic surrounding the popular A-maze-ing Laughter sculpture.

Building on existing City-based food strategies, the Local Food Assets Plan includes policy recommendations and identifies high-priority actions to expand food assets in Vancouver's parks and recreation system. To help reach the City's sustainability and urban health goals, in 2013 the Park Board completed a pilot project to sell locally sourced foods at five park concession stands. Working with other City departments, clean water sources were installed behind Kitsilano Community Centre, at Nelson Park, and at Thornton Park, improving infrastructure for Vancouver's farmers' markets.

2013 SERVICE PLAN UPDATE

The Park Board developed a new Strategic Plan for the 2013-2017 timeframe. In 2013, implementation focused on five key areas:

- improved inclusivity and accessibility
- proactive service planning and delivery
- sustainable operations
- improved communications and engagement
- enhanced fiscal planning and management

Improved Inclusivity and Accessibility

Infrastructure upgrades provide opportunities for improved accessibility to parks and facilities. New playgrounds at John Hendry and Carleton parks have been built with accessible play and surfacing elements that can be more easily used by those with reduced mobility. The new Stanley Park Cathedral Trail boardwalks, built to protect and restore the area's ecological health, have allowed easier access to the forest trail for those with mobility challenges.

Proactive Service Planning and Delivery

The Park Board Strategic Plan identified universal public access and a single user card as an important public benefit goal. In 2013, the Park Board introduced the highly successful OneCard, providing universal access to all recreation programs and services across the network of Park Board facilities and participating community centres. The OneCard can be loaded with any of the Park Board's Flexipass options and 10-visit passes, and also includes a built-in 50% Leisure Access Program subsidy for qualified Vancouverites with financial barriers. This accessibility to recreation services contributes to residents' improved health and wellness and greater social inclusion. Designed to better serve the City's growing and diverse population, the OneCard received over 80,000 sign-ups since its launch in July 2013.

In order to continue improving parks and recreation services, the Park Board established a new Marketing and Business Development Advisory Committee to assist in identifying and assessing new marketing and business development opportunities.

Sustainable Operations

In 2013, the Park Board initiated the development of a comprehensive and long-term Urban Forest Strategy. The study, which will begin to roll out in 2014, will examine trees on public land and private property and consider all facets of tree protection, planting, maintenance, asset management, and community stewardship. The Park Board has also been moving forward with its Departmental Action Plan for Green Operations. These initiatives will help provide direction to the Park Board and the City in achieving the Greenest City goals and targets.

Reducing the carbon footprint has been longstanding priority for Park Board. In 2013, the Park Board reduced emissions for park vehicles by 51 tonnes (4%), which has resulted in a 19% reduction over 2007.

Improved Communications and Engagement

Master plan consultation processes in 2013, including those for Renfrew Ravine and Renfrew Community Park, Hillcrest and Riley parks, and John Hendry Park, engaged hundreds of citizens in processes in which they could think about and share their ideas with park planners and designers about these important green spaces.

Working together with the City's Public Engagement office, Park Board staff continued to build on its commitment to engage, listen, obtain feedback, and respond to residents with the expanded use of online and digital tools. The City website, which offers user-friendly access to consultation materials and online questionnaires, has resulted in increased community participation in public consultation processes beyond the traditional open house format.

By connecting with an ever-growing number of citizens through social media—3,000 new Facebook and Twitter followers over the last year—the Park Board is expanding its communication reach to a broader range of residents.

Enhanced Fiscal Planning and Management

In 2013, a search began to source a replacement for the outdated Safari recreation management software system. The new system will improve the patron program registration experience as well as system functionality and reliability.

The Park Board has introduced a new business intelligence tool to improve accessibility of the standardized monthly financial reports that enable Park Board staff to proactively manage their budgets. A key focus this year has been on establishing and defining metrics and service delivery targets.

Building on improvements over the last several years, staff will continue to focus on attendance management by acknowledging and recognizing good attendance, coaching, offering assistance, and ensuring employees are aware of informal and formal opportunities for support.

The Park Board will continue to focus on these five priority areas in 2014.

PLANS FOR 2014

Recreation Programming Service

In 2014, working jointly with Community Centre Associations, the Park Board will continue to improve service delivery, guided by four strategic principles:

- access to a network of community centres
- access for all citizens
- equity among community centres
- operational sustainability and accountability

Access to a Network of Community Centres

The OneCard is now accepted at all Park Board arenas, pools, and fitness centres, and at 18 participating community centres. The Park Board will continue to work toward increasing access across the network of community centres in the City, including universal acceptance of OneCard at all centres. Park Board will continue to promote, distribute, expand, and add value to the OneCard, which makes it easier for residents to participate in recreation programs and services across the City.

Access for All Citizens

The Leisure Access Program allows Vancouver residents who are in financial need to access basic recreation programs at Park Board facilities at reduced cost. In 2013, there was an increase in the number of cards issued (to 12,500) and increased use of arenas and pools by those with Leisure Access cards. In 2014, it is anticipated that, with the growth of OneCard enrolment, participation in the program will continue to increase.

Equity Among Community Centres

Park Board will continue to work with Community Centre Associations and other stakeholders to develop and implement core recreation programs at community centres across the City. We will complete a needs-based assessment in all communities, and develop and implement a mechanism to redistribute resources among the network of community centres.

Operational Sustainability and Accountability

The Park Board continues to work with Community Centre Associations to ensure a sustainable, accountable, and transparent operating relationship is in place. The Park Board wants to ensure that the network of community centres is optimized to best serve all residents.

Safari Replacement

In 2014, a new recreation management software system will be introduced, replacing the current and outdated Safari system. The new system will provide significant advances in system capacity, user experience, customer relationship management, marketing, payment flexibility, data reporting, and other areas.

Access to Recreation Facilities Service

In 2013, more hours were made available for public use and permitting of arena and sport facilities, and there was an increased number of enrolments in learn-to-swim programs. In 2014, staff will continue to review and improve service standards for City-wide recreation services by completing a fitness service plan and establishing practices to optimize usage of permitted facilities, while ensuring a consistent patron experience across the network of City pools, arenas, and fitness centres.

In 2014, the Park Board will also focus on optimizing market-based services for parks and recreation, including golf, parking, leases and concessions, marinas, and other attractions. The goal will be to optimize the use of Park Board assets to maximize net revenue while providing high-quality service.

Beginning in the fall of 2013, the three pitch and putt courses will remain open throughout the year to offer full services during the summer season and provide weather-permitting open community access with reduced services during the winter season. The development of a mobile golf application is also underway. The app, which will be launched January 1, 2014, will provide the Park Board with a mechanism to quickly alert customers during slow periods and inform them of available tee times and discount offers, and provide a real-time booking function. The app will provide digital scorekeeping, professional tips, and GPS, adding product value for the customer. Staff will continue to analyze golf course supply and demand with a view to implementing further efficiencies and improved user experience.

Parks and Natural Areas Service

In 2014, we will focus on how the Park Board plans, designs, and builds parks and green infrastructure and transforms the way they are maintained. The goal is to drive efficiencies, manage change, and focus on sustainable operations all without compromising our service levels.

In keeping with the Hastings Park Master Plan, which was completed in 2013, in 2014 Empire Fields will be rebuilt with an additional artificial turf field that will provide greater opportunity for improved sport play. Plateau Park, which will highlight fun, play, and movement, will be constructed along with greenway paths. The Hillcrest and Riley Parks Master Plan is also now complete, and construction of a new playfield, community lawns, trails, and urban agriculture spaces are set to begin.

The John Hendry (Trout Lake) Master Plan is now underway and will continue into 2014 with the development of a 10- to 15-year outlook for improvements to the park. A parallel study on stormwater quality will assess water quality treatment options, watercourse enhancement, stormwater inflows, and enhanced recreational use of Trout Lake.

Planning will commence on the development of two new parks: a mini-park at 17th Avenue and Yukon Street in Mount Pleasant, and a neighbourhood park at Richards Street and Smithe Street in Downtown South.

Construction will begin on a new park at 6th Avenue and Fir Street, which will offer passive recreation and children's play opportunities in this increasingly residential part of the Fairview neighbourhood.

In 2014, the City and Park Board will roll out the Urban Forest Strategy, which will provide tools for growing and maintaining a healthy and resilient urban forest for future generations. In 2013, the Park Board planted 10,000 new trees, including 250 fruit or nut trees, and in 2014 there will be 10,600 additional trees planted (a

three-fold increase over 2011) on both private and public property. In 2013, Park Board identified canopy coverage as the metric to be used to calculate the amount of benefit provided by a tree or an urban forest. Canopy cover is the area of land covered by tree canopies (leaves). The canopy coverage metric tracks pollutants filtered, carbon dioxide absorbed, rainwater intercepted, and habitat provided.

Five environmental management strategies are underway that will help us to meet the Greenest City goals. In addition to the Urban Forest Strategy, many other plans (Biodiversity Strategy, Green Operations Plan, Bird Friendly Strategy, Local Food Action Plan) will provide direction for planning and provision of sustainable practices and operations.

Park Board staff will form an evaluation team to continue to review horticulture and turf standards. These reviews will inventory and evaluate assets, with an eye to increasing sustainable practices and operational efficiencies, and planning maintenance activities.

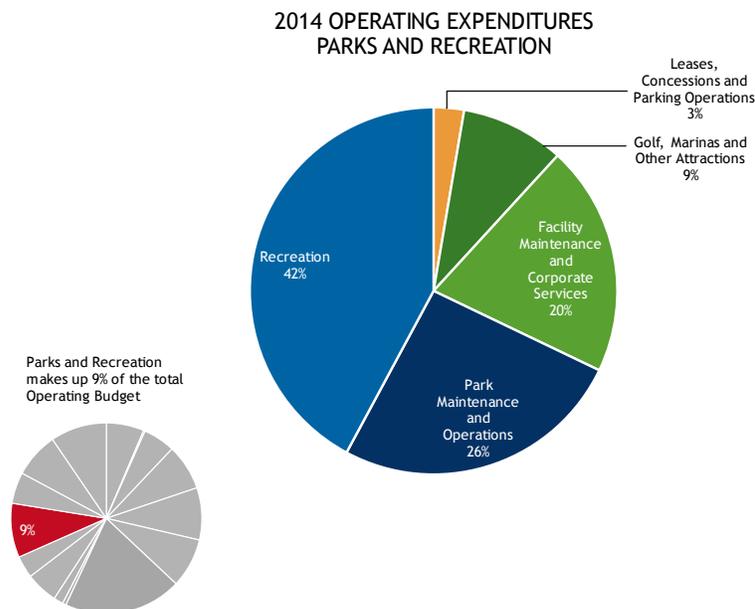
In the coming year, Park Board will undertake the first phase of a Playground Study, which will inventory and review existing children’s playgrounds for accessibility, safety, and adherence to Canadian Standards Association standards, and will lead to a comprehensive strategy for compliance across the City.

Looking forward to 2015 and 2016, the Park Board will continue to optimize the community centre network, working together with Community Centre Associations to provide high-quality service to all Vancouverites.

In partnership with citizens, businesses, and other stakeholder groups, the Park Board will move forward with the recommendations coming out of the Urban Forest Strategy in the areas of tree protection, planting, maintenance, asset management, and community stewardship.

Vancouver is pleased to have been selected as a host city for the FIFA Women’s World Cup 2015. The City will host the final games as well as other games during the tournament. The Park Board will leverage the City’s host city status to improve access to sport for girls and women in Vancouver.

2014 OPERATING EXPENDITURES - PARKS AND RECREATION



YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Program				
Recreation (arenas, pools, fitness)	17.3	17.3	-	0.0%
Marinas and Other Attractions	7.7	7.3	0.3	4.4%
Golf	9.1	8.8	0.3	2.8%
Leases and Concessions	6.0	5.8	0.3	4.8%
Other	0.4	0.4	(0.0)	-0.1%
Parking				
Parks	5.9	5.2	0.7	13.1%
Cost Recoveries, Grants and Donations				
Parks and Recreation	3.9	3.8	0.1	1.8%
Total Revenues	\$ 50.2	\$ 48.6	\$ 1.6	3.3%
Expenditures				
Recreation	45.6	44.2	1.4	3.2%
Park Maintenance and Operations	27.9	27.4	0.4	1.5%
Facility Maintenance and Corporate Services	22.0	21.7	0.3	1.4%
Golf, Marinas and Other Attractions	9.9	9.9	-	0.0%
Leases, Concessions and Parking Operations	2.9	2.7	0.2	5.6%
Total Expenditures	\$ 108.2	\$ 105.9	\$ 2.3	2.2%
Net Operating Budget	\$ (58.0)	\$ (57.3)	\$ (0.7)	1.3%

Note: Some figures may not add due to rounding

Explanation of Changes: Revenue

As noted in the table above, the proposed revenue budget increase for 2014 is \$1.6 million or 3.3% compared to the 2013 Restated Budget.

There are two key drivers for the increase in the Park Board's revenue budget: \$1 million results from changes to fees and charges and the remaining \$0.6 million is a result of anticipated increases in the usage of our facilities and services.

Golf revenue is budgeted to increase by \$0.3 million, reflecting increased utilization during low use periods. The budgeted increase in rounds will be driven by improved awareness of available times and price discounts generated via a new golf app launching in 2014.

The increase in the budgeted revenue for attractions relates to two winter events: the annual Bright Nights event in Stanley Park and the Festival of Lights at VanDusen Botanical Garden. The increase in fees for Bright Nights helps offset the cost of providing a new free shuttle service during the Ghost Train and Bright Nights in

Stanley Park. The increase in revenue budgeted for the VanDusen Botanical Gardens reflects the improved attendance experienced during the 2013 Festival of Lights event.

Lease and concession budget increases reflect the annualized impact of new lease agreements with the Tap & Barrel at Creekside and the Cactus Club in English Bay, while parking budget increases result from price changes driven by market reviews of local parking rates.

Explanation of Changes: Expenses

The 2014 expense budget is proposed to increase by \$2.3 million or 2.2% compared with 2013.

The key drivers for budget changes are funding for fixed cost increases, adjustments for costs associated with increased revenue, investments in programs, and productivity initiatives.

Fixed cost increases for wages and benefits total \$2.1 million, reflecting negotiated increases in employment agreements. Other fixed cost increases provide \$0.4 million for anticipated utility cost increases, while adjustments for rent, insurance, equipment and other costs have been included and result in a net decrease of \$0.2 million.

In addition to the above fixed cost increases, budgets have been increased by \$0.2 million to reflect increased commissions and other costs associated with increased revenue targets.

Investments for future growth and service initiatives continue to be made, with \$0.3 million budgeted for increased transactional fees associated with the replacement of the recreation management software system. The new software will improve the customer program registration experience through increased system functionality and reliability.

The above budget increases are partially offset by ongoing productivity initiatives totalling \$0.8 million. The Park Board continues to focus on transforming the way our parks are maintained. Examples of 2014 initiatives include a fleet reduction target, productivity improvements in golf, park, and facility maintenance, savings from reduced winter services at pitch and putts, and general workforce productivity improvements to be achieved through management of vacancies and workforce attrition.

In addition, the Parks and Recreation budget contains retroactive wage increases related to collective agreements concluded in 2013.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that the Park Board is involved in or will commence in 2014. A complete list of all capital projects for 2014 is included in The appendices to the Council Report.

Project Name (\$ million)	Total Project Budget	Prior Year's Spend to End of 2012	2013 Expenditure Forecast	2014 Budget	Future Years	Total Projected Spend
Parks and Recreation						
Urban Forestry	Ongoing, annual program funding	Ongoing, annual program funding	1.1	1.8	Ongoing, annual program funding	Ongoing, annual program funding
Playgrounds, Tennis, Playfields and Pathways in Parks	Ongoing, annual program funding	Ongoing, annual program funding	0.8	1.2	Ongoing, annual program funding	Ongoing, annual program funding
Greening of Hillcrest and Riley Parks	Ongoing, annual program funding	Ongoing, annual program funding	0.2	1.6	Ongoing, annual program funding	Ongoing, annual program funding
Empire Fields, Plateau and Greenways	10.5	0.0	1.4	9.1	0.0	10.5
Community Centre Facility Upgrades	2.0	0.0	1.0	1.0	0.0	2.0

One of the Greenest City 2020 Action Plan's Access to Nature goals is to plant 150,000 new trees by 2020. In 2013, Park Board planted 10,000 trees on public and private property. With the rollout of the Urban Forest Management Plan in 2014, and to meet our targets, this number will increase annually.

The annual funding program for park activity features includes renovated playgrounds, construction of a new spray park to reduce potable water use, refurbished tennis court surfaces in East Vancouver, and upgrades to Hastings Community Park to support championship play.

The construction of improvements on several sites including the grounds of the former Percy Norman Pool, Riley Park Community Centre, and Vancouver Curling Club at Hillcrest and Riley parks will begin in 2014 and include a new playfield, green space, urban agriculture, and tree planting with a focus on bird habitat.

The Park Board continues to deliver projects in the Hastings Park Master Plan, including the return of Empire Fields, construction of Plateau Park, and 3.25 km of new greenways connecting Hastings Park to the recently opened Creekway Park and New Brighton Park on Burrard Inlet.

The Park Board is allocating \$1 million to minor facility improvements in community centres across the City.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Program					
Recreation (arenas, pools, fitness)	10.6	11.1	14.7	17.3	17.3
Marinas and Other Attractions	6.3	6.8	6.3	7.3	7.7
Golf	11.2	11.7	11.6	8.8	9.1
Leases and Concessions	5.4	5.7	5.5	5.8	6.0
Other	2.2	1.0	0.8	0.4	0.4
Parking					
Parks	4.3	4.6	4.6	5.2	5.9
Cost Recoveries, Grants and Donations					
Parks and Recreation	2.2	4.0	4.3	3.8	3.9
Total Revenues	\$ 42.2	\$ 44.8	\$ 47.9	\$ 48.6	\$ 50.2
Expenditures					
Recreation	36.9	39.6	41.0	44.2	45.6
Park Maintenance and Operations	28.2	27.8	26.0	27.4	27.9
Facility Maintenance and Corporate Services	23.2	19.8	22.3	21.7	22.0
Golf, Marinas and Other Attractions	10.4	9.9	11.3	9.9	9.9
Leases, Concessions and Parking Operations	3.2	3.2	3.3	2.7	2.9
Total Expenditures	\$ 101.8	\$ 100.4	\$ 103.8	\$ 105.9	\$ 108.2
Net Operating Budget	\$ (59.5)	\$ (55.6)	\$ (55.9)	\$ (57.3)	\$ (58.0)
Capital Budget	\$ 103.3	\$ 52.8	\$ 18.1	\$ 20.2	\$ 19.3

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

EMPLOYEE TREND TABLES

Parks and Recreation	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	710	709	714	694	665	649
Total Straight Time Hours Paid for All Staff, Excluding Overtime	2,218,967	2,403,190	2,236,229	2,236,633	2,172,306	2,179,886

Full Time Equivalent (FTE) reductions can be explained by attrition and the transfer of work and associated staff to support City-wide shared service initiatives.

DEPARTMENT SERVICE METRICS

Parks and Green Spaces

The Urban Forest Strategy will be an integral part of meeting the challenge of the Greenest City goals.

The Park Board continues to beautify parks and green spaces with ornamental plantings and by planting additional trees, especially fruit trees. While the number of annuals planted has been reduced, the Park Board's focus on planting perennials is part of a more sustainable strategy.

In 2013, Park Board identified canopy coverage as the metric to be used to calculate the amount of benefit provided by a tree or an urban forest. Canopy cover is the area of land covered by tree canopies (or leaves). The percentage of canopy coverage shown in the table below is a preliminary estimate and the Urban Forest Strategy will work to confirm a final baseline percentage.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Parks and Natural Areas	Quantity	Hectares of park space	1300.89	1304.78	1304.78	1305	1307.8
		New Fruit Trees Planted	34	55	42	250	250
		Non-fruit trees planted	3,212	2,543	3,487	6,136	9,750
		Trees Maintained	18,753	19,454	19,689	19,934	20,434
		# of annuals planted	NDA	593,670	565,400	526,000	515,000
	Quality	% of canopy coverage	NDA	NDA	NDA	17%	17%
		% of land base within 5 minutes walk to green space	NDA	92.60%	92.60%	92.60%	92.70%

Access to Recreation Facilities

Between 2009 and 2013, the Park Board increased available hours for arenas and pools by adding to City facilities. The popularity of these activities was shown by a rise in the number of participants, which continues to be reflected in the 2013 forecast metrics. There is a continued increase in participation in the Leisure Access Program for low-income residents, reflecting a need in the community for affordable recreation and improved awareness about the program. With widening distribution and the added value of the OneCard, the Park Board can anticipate future growth in the low-income Leisure Access Card (LAC) uptake.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Access to Recreation Facilities	Quantity	# of Low Income Access Cards issued (LAC)	11,149	12,387	12,378	12,149	12,500
		% of LAC eligible residents in Vancouver (LICO)	NDA	NDA	8%	8%	8%
		# of swim participants / attendees	1,331,625	1,831,124	2,678,220	2,803,591	2,880,000
		LAC swim usage	327,703	364,595	412,355	443,256	460,000
		% of total swims by LAC holders	25%	20%	15%	17%	16%
		# of facility hours available for indoor pools	31,200	34,640	39,720	39,720	39,720
		# of participants for arenas (total attendance, excluding	263,700	286,330	289,958	288,280	290,000
		LAC usage for arenas	6,144	7,350	9,904	9,057	10,000
		% of total skates by LAC holders	2%	3%	3%	3%	3%
		# of facility hours available for arenas (incl. dry floor)	39,230	43,700	48,550	45,180	47,000
		# of hours of outdoors sport facility usage	128,782	135,155	144,888	138,748	140,000
	# of outdoor sport facility permits	1,088	1,110	1,395	1,449	1,475	
	Quality	# of swims per capita - indoor pools (admissions, lessons, rentals)	2.24	3.06	4.44	4.64	4.75
		# of lifeguard interventions per 1000 swims	9.9	9.8	7.8	9.0	9.0
Average annual utilization rate (usage per hour for arenas)		NDA	NDA	NDA	59%	61%	

Recreation Programming

As the Park Board continues to promote, distribute, expand, and add value to the OneCard, which makes it easier for residents to participate in recreation programs and services across the City, it is anticipated the participation in recreation classes and programs will show a greater increase in coming years.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Recreation Programming	Quantity	# of recreation classes offered across network of community centres	NDA	NDA	NDA	22,098	22,320
		average # of recreation classes offered per community centre	NDA	NDA	NDA	960	970
		Average # of registrants per community centre class	NDA	NDA	NDA	7.84	7.84
		Registrants in community centre programmes	NDA	NDA	NDA	173,297	175,030
	Quality	# of enrollments in learn-to-swim programs	42,970	45,200	49,710	52,363	53,000

VANCOUVER PUBLIC LIBRARY

Primarily funded by the City of Vancouver, Vancouver Public Library (VPL) is the third largest public library system in Canada, with over 387,000 cardholders and more than nine million items borrowed annually. Today, with exceptional collections, services, and technologies offered at 22 branches—including the Central Library and an extensive virtual library—VPL is accessible to all citizens of Vancouver.

As a public library, VPL is a community-based institution dedicated to ensuring that every community member—regardless of their economic situation, technological competence, age, or other demographic characteristics—has access to the information, reading materials, and media materials that they need to enrich their lives. Such materials may be for personal learning and capacity building, for broadening their knowledge of the world around them, or simply for enjoying themselves.

While the core mission of public libraries has not changed since 1886 when the first public library opened in Vancouver to ensure that every Vancouverite had access to learning materials and a space to learn, the world has changed dramatically. Over the past 100 years, VPL has modified its services, policies, and work processes to respond to new technology and collection formats, changing values and service expectations, and increased budget pressures.

Public libraries across the globe are now undergoing a renaissance in which their communities are looking to them for expanded and re-imagined services in areas such as learning and gathering spaces, support for creation and innovation, non-formal learning programming, digital literacy and information support, and opportunities for social connectedness. There is a new recognition that learning happens through many channels, and VPL, as the community's cornerstone non-formal learning organization, needs to respond. VPL's 2013-2015 Strategic Plan responds to these changing priorities and pressures.

VPL staff also work in collaboration with other Canadian urban library partners to address provincial and national policy issues and concerns that impact public libraries and community access to information, such as copyright, eBook purchasing, alternative format provision for people living with print disabilities, telecommunications, and more.

KEY SERVICES DELIVERED

The VPL provides services in five areas:

Collection and Resources: Provide access to books, videos, newspapers, and other multimedia and digital resources in multiple languages, collected physically and online and managed for the public.

Reference and Information Services: Answer research and information questions for residents in person or via email and chat, and develop and support web-based self-service information resources.

Library Facilities: Provide individual reading and study areas, group study and collaboration areas, and multi-purpose rooms for free public use and for rental.

Information Technology Access: Fee-free access to computers, software, and Internet.

Library Programming: Promote learning and reading, and provide programs for early childhood literacy as well as information and digital literacy for different age and demographic groups.

DEPARTMENT AND SERVICE ACCOMPLISHMENTS

VPL launched its 2013-2015 Strategic Plan in the early spring of 2013. The plan includes strong components relating to social connectedness and social inclusion, supporting residents' digital literacy skills development, providing platforms for community creativity and innovation, and continuing investment in our City's children and youth. The plan is based on research into trends, market analysis, and 10 months of community consultation, the latter involving the engagement of over 5,000 Vancouver residents through various engagement activities seeking feedback on the future of VPL.

Led by the new strategic plan, 2013 was an exciting year for VPL, marked by both internal and public service transformation. 2013 saw the implementation of a major internal reorganization focused on reducing duplication of effort and creating a more coherent approach to service planning and delivery across the whole library system. The various other service transformations noted in the following sections allowed VPL to redeploy staff effort to expand service in areas highlighted by the community during the 10-month consultation, such as Sunday service hours and increased branch-based programming.

In a recent 2013 Mustel survey of Vancouver residents over 18 years old (n=1001), 78% of respondents noted that they used the library in the last year, which is an increase of 4% from the 2010 Mustel survey (n=500). This high use is a testament to the important role that the library continues to play in learning and in the community fabric of Vancouver.

In 2013, Chief Librarian Sandra Singh was pleased to co-lead the development of the City's first Digital Strategy. The strategy provides a roadmap for thoughtful and strategic investments in digital technology and service delivery. Within this context, VPL will continue to play its core role as a public technology provider for the community, as well as continue to provide diverse opportunities for community members of all ages to enhance their computer and digital literacy skills, ensuring that no one is left behind in the digital world.

The Vancouver Inspiration Pass celebrated its first birthday in October 2013, with rave reviews from residents who have now had the opportunity to experience Vancouver's attractions. Many pass holders have noted they would not otherwise have had an opportunity to visit the pass partner venues and have expressed deep appreciation for the program. SPARC BC has been engaged to conduct an outcomes-based evaluation of the pass program, with results expected in early 2014.

2013 SERVICE PLAN UPDATE

RFID and Self-Service = Sunday Hours

In 2013, VPL completed its two-year Radio Frequency Identification (RFID) self-service implementation. Staff time savings, accrued as patrons using self-service kiosks, allowed for staff to be redeployed in order to open branches on Sundays that were previously closed. Sunday openings began in September 2013. This initiative has added 2,300 hours of public service per year at no additional cost.

New Information Services Model: A Work in Progress

In June of 2013, in response to significant changes in how people search for information and how they have used the Central Library Information Services over the past 10 years, VPL implemented a new model for information service at the Central Library. The Central Library now has three reference desks as well as Information Services staff who are using mobile devices to respond to patron information requests throughout the library building. To align staffing with service usage levels, staff effort has been redeployed from Information Service desks to other services that were seeing increases in demand, such as programming. The Information Services staff team continues to adjust the service approach where feasible to respond to patron feedback.

Always Evolving: Two New Services Launched in 2013

The Library launched two new library services—one in response to changing community demographics and one in response to changing technology:

- In partnership with nine other Metro-area libraries, VPL launched NewToBC (newtobc.ca), a service designed to help connect newcomers with programs and services in their community, leveraging the resources of all partner libraries in support of settlement.
- VPL launched the new downloadable audiobook collection, part of [VPL to Go](#), which now offers almost double the previous number of titles. With all of the new titles available in MP3 format, they are playable on a wide variety of devices such as tablets, smartphones, MP3 players, and computers.

Evolving Spaces with Changing Times

VPL worked with the City Archives and the Vancouver Services Review to determine whether the City Archives can be accommodated in the Central Library, improving access to the Archive and elevating its profile, as well as maximizing the City's investment in its heritage. A submission for renovation of the Central Library will be presented for consideration in the 2015-2017 Capital Plan.

Finally, a Full-Service Branch

Planning for the Downtown Eastside/Strathcona Library Branch, being built in partnership with the YWCA, is well underway. The rezoning application was approved by City Council in November. The expected completion date is the summer of 2015.

PLANS FOR 2014

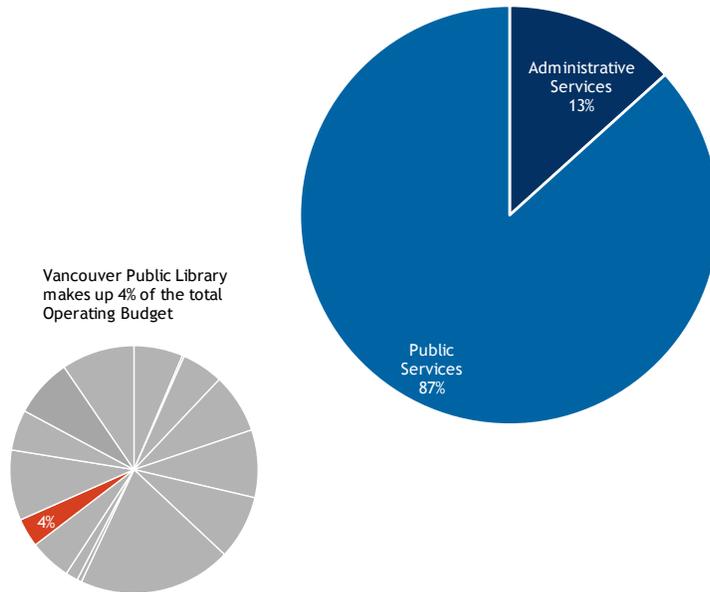
VPL's 2013-2015 Strategic Plan outlines plans for the continuing development and evolution of public library services in 2014 and 2015. Drivers of change for VPL continue to include changes in reading preference, population growth, changing demographics of age and culture, increasing housing density, new learning on child development, evolving information and communications technology, and increasing interest in programming.

The many significant initiatives planned for 2014 include:

- continued work on the Downtown Eastside/Strathcona Library Branch development
- continued work on the Library and Archives project
- implementation of the new digital Inspiration Lab at the Central Library
- completion of a review of Outreach Services, VPL's service to patrons with print disabilities and residents who are homebound
- replacement of aging Wi-Fi infrastructure to improve VPL's free public Wi-Fi access
- expansion of programming and services for middle-years children and caregivers
- expansion of teen engagement and leadership opportunities in the library

2014 OPERATING EXPENDITURES - VANCOUVER PUBLIC LIBRARY

2014 OPERATING EXPENDITURES VANCOUVER PUBLIC LIBRARY



VPL's 2014 operating expenditures budget is \$44 million: \$38.2 million for Public Services and \$5.9 million for Administration (staffing and other costs for: the Chief Librarian and administrative support, Finance, Shipping, Purchasing, Maintenance, Security, Event Rentals, and Human Resources). VPL's net operating budget is \$39.6 million.

There are no new branches opening in 2014; however, VPL does anticipate increased operating costs in 2015 with the opening of the new Downtown Eastside/Strathcona Library Branch, and also in 2017 or 2018 with the opening of the redeveloped Marpole Branch.

YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Program				
Library (fines, rental and other)	3.9	3.8	0.2	4.7%
Cost Recoveries, Grants and Donations				
Library	0.5	0.6	(0.1)	-22.2%
Total Revenues	\$ 4.4	\$ 4.4	\$ 0.0	1.0%
Expenditures				
Public Services	38.2	37.2	1.0	2.6%
Administrative Services	5.9	5.7	0.2	3.4%
Total Expenditures	\$ 44.0	\$ 42.9	\$ 1.1	2.7%
Net Operating Budget	\$ (39.6)	\$ (38.5)	\$ (1.1)	2.9%

Note: Some figures may not add due to rounding

Explanation of Changes: Expenses

The Vancouver Public Library budget contains retroactive wage increases related to collective agreements concluded in 2013. The majority of the increase in expenditures is due to staffing costs related to these 2013 and 2014 wage settlements.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that the Vancouver Public Library is involved in or will commence in 2014. A complete list of all capital projects for 2014 is included in The appendices to the Council Report.

Project Name (\$ million)	Total Project Budget	Prior Year's Spend to End of 2012	2013 Expenditure Forecast	2014 Budget	Future Years	Total Projected Spend
Library						
Downtown Eastside/ Strathcona Library Branch	18.4	2.7	0.4	7.0	7.6	17.7

VPL continues to work with the City Archives to review the options for the co-location of the City Archives with VPL Special Collections at the Central Library, an opportunity to make Archive information more readily available to the public. VPL also continues to review other improvements to the almost-20-year-old Central Library.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget. The following paragraphs discuss the year-to-year changes in more detail.

The expenditure increases are due to negotiated wage increases and the addition of the Terry Salman Branch in late 2011.

As borrowing and collection use shifts to digital materials, VPL will see a decline in revenues from fines and lost material charges. As well, increased interest in leveraging community partnerships for programming may result in reduced room rental revenue over time.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Program					
Library (fines, rental and other)	3.6	3.5	3.7	3.8	3.9
Cost Recoveries, Grants and Donations					
Library	0.6	0.6	0.5	0.6	0.5
Total Revenues	\$ 4.1	\$ 4.1	\$ 4.2	\$ 4.4	\$ 4.4
Expenditures					
Public Services	36.2	36.5	36.7	37.2	38.2
Administrative Services	5.4	5.6	6.0	5.7	5.9
Total Expenditures	\$ 41.6	\$ 42.1	\$ 42.7	\$ 42.9	\$ 44.0
Net Operating Budget	\$ (37.5)	\$ (37.9)	\$ (38.5)	\$ (38.5)	\$ (39.6)
Capital Budget	\$ 5.8	\$ 5.1	\$ 6.0	\$ 3.5	\$ 7.5

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

EMPLOYEE TREND TABLES

Library	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	389	376	370	375	375	369
Total Straight Time Hours Paid for All Staff, Excluding Overtime	976,720	951,173	941,628	962,873	952,113	920,604

The actual average number of full-time staff has decreased between 2012 and 2013 as a result of attrition and a shift to part-time hours, the latter to implement Sunday hours and to better manage work effort.

DEPARTMENT SERVICE METRICS

Collections and Resources

Over the years, VPL has provided collections comprised of diverse formats, including physical items (e.g., books, CDs, DVDs), subscription web-based digital collections (e.g., streaming music, electronic journal collections, and web-based reference resources), and other digital resource collections (e.g., downloadable eBooks and online language learning). As well, VPL collects materials in 17 languages to support our multilingual community.

Despite the media attention, just 15% of book sales in Canada are of eBook formats (BookNet Canada). Most independent publishers report less than 10% of their sales are eBooks (eBound Canada). The number is higher for the major multinational publishers, many of whom report that 25-30% of their sales are now eBook format. In Canada, approximately 26% of the book-buying public buys only eBooks or buys eBooks in addition to print books (BookNet Canada). A recent Mustel poll of Vancouver residents notes that 85% of residents prefer reading in print and 13% prefer eBook. These preference trends inform the library's balance between print and electronic book purchasing. Notably, the treatment of eBook sales to libraries often differs from print book sales. For example, Harper Collins sells eBooks at a price comparable to print, but the Library can only lend the book 26 times before our licence expires. A typical print book would last for 50 circulations, on average. Random House is charging from \$50 to \$100 for most books. At prices this high, VPL is not able to buy multiple copies of popular books, so waiting lists are long.

Further, the move to digital book collections is not a simple exchange and VPL must also continue to buy the print version of the book as well as the eBook version, and often the audio format, and occasionally the large print format, to ensure accessibility of materials. Because we are seeing an increase in materials published as eBook only, VPL will be launching an e-reader lending pilot program in December 2013 to ensure that all Vancouver residents—even those without devices—can access this material.

VPL tracks the use of the physical collections and web-based digital collections year-by-year at a granular level, noting trends that inform collection management decisions. For example, it was this data tracking that informed VPL's decision to cease collecting cassette and VHS tapes and to focus instead on CDs and DVDs. Similarly, in 2013 we redirected funds from books-on-CD to downloadable eAudiobooks. However, comparing the use of the digital collection to print is complicated because not all digital items are the same. For example, a web-based database collection of hundreds of e-journal articles is different from a web-based database that is an encyclopedia. The library has had to decide how to report the use of electronic resources, creating this metric based on the varied metrics provided by numerous vendors. As a result, digital collections data will often be a lower approximation of the actual use.

The use metrics include the borrowing of physical library materials, downloadable eBooks and eAudiobooks, and the use of web-based digital collections. The metrics do not include materials used within the library, which may exceed 1.5 million items annually based on one week of sampled data.

In 2013, VPL will report a decline in the number of physical items reported to be in the collection. The implementation of RFID technology enables VPL to undertake a full collection inventory. The inventory, which should be completed by the end of the year, is anticipated to identify the missing items that have accumulated over the past decades of service. Moving forward, VPL will conduct regular inventories of the collection.

In terms of trends, VPL is now seeing a slight decline in the use of the physical collection, combined with an increase in eBook circulation. We anticipate that future years will see a slow decrease in physical collection use and an increase in digital collection use.

The collection remains Vancouverites' highest priority for VPL, with 81% of residents citing collections and resources in their top three priorities, along with the strongest showing as first and second priorities (Mustel, 2013). Accordingly, VPL continues to preserve the collections budget even though costs are being reduced in other areas. Other pressures, such as increasing population, inflation, higher costs of digital resources, and

additional formats now in demand, all impact VPL’s buying power, resulting in reduced spending per capita and decreased access to new content. Over time, this will impact the depth and breadth of the collection.

Over the next three years, VPL will start working with community members and groups to build physical and digital community-created collections—local history, arts, and more.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Collections and Resources	Quantity	# items available to the public	2,772,515	2,712,317	2,688,228	2,619,129	2,400,000
		Total items in the collection used	10,286,719	9,856,935	10,323,341	10,326,757	10,081,000
		# of print items available	2,772,515	2,712,317	2,617,597	2,548,779	2,320,000
		# of electronic items available	-50,000	-50,000	70,631	70,350	80,000
	Quality	Total print items used	9,886,149	9,489,254	9,983,429	9,969,158	9,420,000
		Total electronic items used	408,302	379,728	386,473	491,052	661,000
	Result	Items used per capita	16.37	15.34	15.85	15.49	15.01

Information Technology Access

Public libraries provide an important point of service access for vulnerable and low-income residents through the provision of computer resources and software (such as Open Office) and Internet resources. There continues to be steady use by the public of these services at VPL. Though mobile device ownership is on the increase among lower-income consumers, the market data indicates that many people are paying for the phone and texting service but not the data plans, which are the most costly monthly subscription components. These mobile device owners rely on free Wi-Fi access in the community to access web and digital services. VPL is the only free Wi-Fi provider that does not require purchase of a product to access it.

VPL supplements the provision of technology with computer literacy and digital literacy instruction. This training is highly utilized by those who have only recently been able to engage with technology, but families and students are an emerging focus. There is also need for the creation of diverse information sources to help the public efficiently identify reliable information, especially given the exponentially growing abundance and complexity of digital information.

Access and training services together ensure all residents have the potential to build the knowledge, skills, and abilities they require to find and use needed information and resources, and to engage in the digital economy and civic life.

Use of library technology service for 2013 is expected to increase from 2012.

As noted above, VPL will begin lending e-readers in December 2013. This lending inventory is not yet reflected in public access technology metrics.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Information Technology Access	Quantity	# of public access computer workstations	529	554	568	555	568
	Quality	# of Internet sessions -wired and wireless	1,427,720	1,638,023	1,793,838	2,013,420	2,262,000

Library Public Space

Residents use library spaces for a variety of reasons: to browse and use the collections, to study and work individually and in groups, attend programs, access the Internet, and for a space to be. For many families and people living in Vancouver's smaller spaces, the public library serves as a living room, study, and gathering space. There are no user fees, the spaces are designed to be comfortable and welcoming, and VPL works to ensure a safe and inclusive environment.

All library branches regularly reach capacity in terms of space use, most notably on weekends. VPL is looking at ways to manage tension around competing uses and changing demands for public space, which may include seeking ways to increase hours of service to alleviate pressure during open hours, and minor renovations to provide a sense of spaciousness in branches. This will be a focus of our efforts in 2014 and 2015.

VPL added Sunday hours in September 2013 to 11 branches, increasing access to spaces by 2,300 hours annually. It is important to note that these are still limited hours and many branches remain closed on Mondays.

The space use metric (number of in-person visits) does not tell the full story in terms of space use or saturation, and VPL is working on other ways to measure space use to deepen our understanding both to report and to help us design better and more responsive spaces.

The addition of the Sunday hours is one contributor to the increase in traffic projected for 2013, but since the projection is based on data that includes only one month of new Sunday hours, higher traffic levels are due primarily to increased use at other times. The three-year outlook anticipates the addition of the Downtown Eastside/Strathcona Library Branch, currently anticipated to open in the summer of 2015.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Library Facilities	Quantity	% of public hours per week out of 12 hour x 7 day week	59.60%	59.60%	63.72%	64.00%	66.00%
		Total square feet of all public space per 1000 population.	557	545	532	532	528
	Quality	# of in person visitors to libraries in system	6,439,349	6,066,502	6,523,630	6,576,190	6,700,000

Library Programming

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

Programming for children and families remains the second-highest priority service provided by VPL, with 80% of residents citing these activities within the top three most important services provided by the library (Mustel, 2013).

VPL is pleased with increasing teen engagement: the VPL’s various Teen Advisory Groups now have membership that collectively exceeds 150, providing an important leadership opportunity in the City for teens. As well, VPL is increasing work in middle-years development, arising from the recent research out of UBC’s Human Early Learning Partnership. Seniors-oriented programming is a service deficiency that the VPL will be exploring in 2014 alongside a review of our Outreach Services Department, which provides services to patrons with print disabilities and those who are homebound. As well, increasing programming in languages other than English is a priority.

The current programming performance metrics provide an indicator of the amount of staff effort expended in the provision of programming and a reasonable approximation of the quantity of programming opportunities delivered to the community. However, the outcomes of programming efforts are currently collected through anecdotes. The VPL is working on implementation of outcomes-based evaluation of programming for 2014.

Program attendance forecasts for 2013 are expected to decrease because of a change in methodology for reporting attendance. This should right itself for 2014. As well, the Library has increased the number of small group and one-on-one digital literacy sessions to improve the quality of the learning opportunity for attendees, resulting in an increase in programs without a significant increase in attendance.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Library Programming	Quantity	# of programs	7,103	7,214	7,447	7,793	8,300
	Quality	Program attendance	210,769	224,447	240,233	246,716	242,000

Reference and Information Services

Over the last few years, the VPL has experienced a slow but notable decline in the number of reference and information questions people ask at the Central Library's information services desks, demonstrating a changing use of this space and some of its services. This is a trend that is consistent across the sector. At VPL, we attribute this decline in part to wide-spread access to the Internet and the resulting changes in how residents search for information and user expectations, but also to how the VPL has designed and structured its information services, which in most locations is still largely based on users having to physically visit a desk to ask a question.

In response to these changing use patterns, June 2013 saw the implementation of a new Information Services model at the Central Library, which provides a service experience that blends traditional services offered via reference desks and the implementation of mobile technology to provide location-based services. Our new service model is an approach that staff developed after surveying of patrons to understand how they use information services at the Central Library, observational research in the Central Library, and review of data and trends in how our services were being used. There are a variety of ways in which people choose to use our services: there are those who choose to contact us by telephone, email, or chat, those who prefer to use our services virtually, and those who prefer to interact in person with information staff to get the information and material they need. The goal of our new approach is to improve the accessibility of information service for all patrons by providing opportunities for all patrons to receive service using the service channel they choose.

The service model has been met with mixed reviews. Staff have taken an agile approach to evaluation for this service and are making adjustments as we learn more about how the service is working and as we receive feedback.

Based on previous years, we expect to see a decline in the use of this service in 2013. However, we have seen a larger decline than normal in the second half of the year, likely due to the new service model and the time users and staff need to adjust. In addition, technological challenges with the data recording software have impacted the service metrics, making 2013 reference levels difficult to assess in terms of usefulness. The long-term forecast for reference metrics is based on a stable per capita use assumption, anticipating that the service will plateau.

Website visitors decreased in 2011 and 2012 because the VPL moved significant content from its own site to a hosted service, which means that the VPL website analytics did not include the hosted information use. This has been corrected for 2013. Website visit data does not include use of library content on social media and other sites such as Facebook or YouTube.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Reference and Information Services	Quantity	# of research questions answered	887,570	932,120	901,585	865,786	848,000
		# of website visits	4,157,259	5,385,076	5,173,939	5,251,691	5,560,000
	Quality	# of total questions answered per staff hour	7.88	6.84	6.53	6.13	6.46
		# of unique website visits per capita	6.61	8.38	7.94	7.88	8.28

COMMUNITY SERVICES

The Community Services Department focuses on how people live and interact to create a healthy City for all: where everyone has a home, has access to basic needs, nutritious food, and the services they require, as well as opportunities to contribute and feel a sense of belonging.

Through integrated and innovative approaches, Community Services engages partners and collaborates across City departments and with a wide range of external stakeholders to provide services that:

- enable the building of affordable housing, childcare spaces, and vibrant cultural spaces to balance services and needs across neighbourhoods
- leverage funds and programs through grants to support non-profit sector organizations and the City in operating Carnegie Community Centre, Gathering Place Community Centre, and Evelyne Saller Centre to serve our most vulnerable residents
- licence businesses, inspect buildings, and administer animal control to help keep residents safe

The four divisions within Community Services include: Social Policy, Social Development, Licences and Inspections, and Cultural Services.

Social Policy

This division leads the Healthy City Strategy, the City's plan for social sustainability. When completed in 2014, the strategy will include 12 long-term goals with ten-year targets that require the efforts of all City departments and a wide range of stakeholders and residents to achieve.

All of Social Policy's activities fall under the Healthy City umbrella and include:

- identifying social trends and indicators
- planning for social amenities, including childcare and other social services
- providing social grants in partnership with the non-profit sector to support the needs of vulnerable populations
- coordinating partnerships and strategic initiatives to address emerging trends, such as Vancouver's Age Friendly Action Plan, and other initiatives involving youth, Aboriginal communities, low-income residents, and those struggling with mental health and addictions

Social Development

This division develops strategy and policy for social and affordable housing in Vancouver through the Housing and Homelessness Strategy, which focuses on the City's target to end street homelessness and to:

- enable the development of new social housing and other non-profit spaces, including childcare centres, in partnership with provincial funders and various non-profit providers
- provide grants and other incentives to help create or renovate social infrastructure such as Neighbourhood Houses that serve the needs of moderate- and low-income residents
- operate 10 social housing facilities throughout the City and three housing support centres, which assist people who have low incomes, disabilities, mental health or addiction issues with access to basic needs (food, shower and laundering facilities, health and other community services)
- operate Mountain View Cemetery by providing a range of interment products and services

Cultural Services

Cultural Services plays a lead role in shaping the City's arts and cultural economy to ensure residents and visitors have access to a wide variety of activities and experiences. Key services delivered, include: allocating

grants and affordable creative spaces, administering private and public art programs, operating three civic theatres, and managing other culture-related projects such as the Vancouver 125 Celebration.

Cultural Services also oversees a number of key facilities owned by the City, including those that steward our cultural assets (e.g., Museum of Vancouver, Vancouver Art Gallery, Vancouver East Cultural Centre).

Licences and Inspections

Licences and Inspections is comprised of Building Policy and Bylaw Compliances, Building Inspection Services, Business Licencing, and Animal Control Services. This division also enforces building bylaws and standards of maintenance, property use standards, and provides trades inspections.

The Licences and Inspections Division is focused on property use and public safety of people within buildings and through Animal Control Services, primarily in relation to dogs.

Regulating and issuing business, taxi, dog, and other licences are among the additional services delivered through this division.

KEY SERVICES DELIVERED

Housing Policy: Develops and implements policy and programs to support the Housing and Homelessness Strategy.

Housing Operations: Operates City-owned social housing that provides support to residents and assists them to access health and other community supports.

Social Policy: Develops and implements policy and programs to implement the Health City Strategy and plan for social amenities, including childcare spaces and social grants.

Social Support: Provides social supports to vulnerable citizens including food and nutrition, health, education, access to community supports, and cultural and recreational activities.

Cultural Services: Allocates grants and creative spaces to cultural organizations, administers the civic and private sector public art programs, and operates the three civic theatres.

Business Licencing: Regulates businesses and issue licences.

Property Inspection and Enforcement: Creates and enforce bylaws and codes and inspect property for compliance.

Animal Control: Administers the sale of dog licences, deals with stray and aggressive dogs, and operates the Animal Shelter.

Mountain View Cemetery: Provides grounds maintenance, graves, and related services for the burial of caskets and cremated remains.

2013 SERVICE PLAN UPDATE AND MAJOR ACCOMPLISHMENTS

Social Policy

In 2013, several steps were taken towards creating the Healthy City Strategy, including establishing Vancouver Coastal Health as a key partner through a Memorandum of Understanding, identifying draft strategic goals and targets, creating a City of Vancouver Leadership Table, and beginning a Vancouver-wide engagement process involving over 1,000 participants to seek innovative ideas for a healthy City for all residents.

Two plans, including the youth leadership initiative citizenU and the Dialogues project, which created understanding between Aboriginal and non-Aboriginal communities, were finalized in 2013. Social Policy will continue to implement other initiatives, such as the Age Friendly Action Plan and the City's response to the Missing Women Commission of Inquiry, while responding to new and emerging priorities in 2014—including the Year of Reconciliation in partnership with Reconciliation Canada and other multicultural groups who have had similar residential schooling experiences, and the Mayor's Task Force on Mental Health and Addictions.

Planning for social amenities, such as the 2013 priority of licenced childcare, was done through four community plans. Early in 2013, this approach helped the City reach its goal of 500 spaces. This was enhanced through a Memorandum of Understanding with the Vancouver School Board to facilitate new childcare spaces in Board facilities. The Child Care Reserve received \$5 million to maintain the program of helping to reduce high parent fees and sustain operations of City-facilitated childcare spaces. Grant funding for licenced childcare programs also continued to provide children with hot meals and provide additional staffing to better serve high-need children. In 2013, Council contributed an additional \$1 million toward social grants to prevent street homelessness, support people struggling with mental health and addictions, and facilitate opportunities for social innovation. Social grants will continue to provide services to vulnerable residents and leverage external funding at a ratio of approximately five to one (5:1).

Social Development

The City's first full report card on implementing Vancouver's Housing and Homelessness Strategy was delivered to City Council in early 2013 showing progress in addressing the goal of eliminating street homelessness and substantial gains in broadening the range of affordable housing options.

In addition to providing grants to help with the creation of new social housing, planning was undertaken to refurbish or relocate selected social housing facilities owned by the City. As part of this plan, 2 hotels were acquired or leased to enable new housing capacity. A 123-room hotel on Kingsway Avenue and a 58-room hotel on East Hastings Street were purchased and are being repurposed to create new housing capacity. The City also contributed \$1.1 million towards the renovation of a 100-room hotel being leased by BC Housing as interim housing for homeless people.

A further 257 units of social supportive housing were built and occupied in 2013, in continuation of the City's partnership with BC Housing and Vancouver Coastal Health to provide supportive housing for the homeless. Social Development staff shaped the housing policy aspects of each of the four community plans developed in 2013, and worked closely with the newly recruited Chief Housing Officer to generate options to increase the number of affordable housing units that will be sustainable with limited government support in the future.

Cultural Services

The City's Cultural Strategy was renewed to drive a diverse and thriving cultural economy by focusing on grant programs that support arts and cultural organizations as long as their organizational performance remains relevant and sustainable. The future of our three Civic Theatres is also under review as there is a need to balance the support of core cultural institutions with the promotion of new, local, and diverse talent and with opportunities for mainstream performing artists and commercial events.

Other major initiatives included:

- approval of Phase 1 of the proposal for the relocation and expansion of the Vancouver Art Gallery

- the first full year of operation of the Vancouver Inspiration Pass, providing free access for families to the City's major cultural institutions
- development of a new public art strategy aligning our civic and private sector programs
- implementation of a major cultural amenity on West 1st Avenue through a unique partnership of two cultural organizations: Bard on the Beach and the Arts Club
- determination of the future of several of the City's major public open spaces, including both the City Hall north lawn and the Robson Square frontage of the (current) Vancouver Art Gallery
- growth of creative spaces through the Arts Factory, new artist studios in park field houses and various developments throughout the City
- Mount Pleasant neighbourhood consultation around culture amenity planning

Licences and Inspections

The updated Vancouver Building Bylaw, approved by Council in 2013, introduced several new requirements that support the need for housing affordability and further the City's Greenest City goals related to sustainable buildings. The new requirements will also enhance accessibility for the disabled and senior populations. Enabling unisex washrooms in new buildings was another added feature.

Staff implemented a new, integrated approach to bylaw enforcement that involves a team of multidisciplinary inspectors who assist the public in understanding and complying with bylaws related to safety and livability. As part of integrated enforcement, the City formed a partnership with Vancouver Coastal Health to address the impacts of compulsive hoarding.

Working with the Vancouver Economic Commission and other municipalities, staff participated in the development of an Inter-Municipal Business Licencing Policy allowing trade businesses to obtain one licence to operate across multiple jurisdictions in the Lower Mainland.

Recently, staff submitted a brief to the Province of British Columbia's Liquor Policy Review advocating for an approach to regulatory reform that balances cultural, economic, and social benefits of alcohol against the health and social harms associated with readily accessible liquor.

PLANS FOR 2014

General drivers of change for Community Services include changing demographics in the community, absent or declining funding models from other levels of government, evolving opportunities for partnerships with private foundations and non-profit sectors, the volatility of the local and global economies especially in relation to the cost of nutritious food, and the availability of affordable housing and services. With these drivers in mind, the Social Policy and Social Development divisions are planning the following actions and deliverables for 2014:

Social Policy

- finalize the Healthy City Strategy and begin tracking targets
- complete the Social Indicators Report based on 2011 census and other data, as well as reviewing best practice in evidence-based research
- support the Mayor's Task Force on Mental Health toward goal of enhancing care and support to SAMIs
- implement and evaluate several key social plans, including: Vancouver's Local Food Strategy, Age Friendly Action Plan, DTES Social Impact Assessment, Social Facilities Priority Plan, Welcoming Communities Program
- Strategy to respond to the Missing Women Commission of Inquiry (2012) addressing Sex Worker Safety and Preventing Sexual Exploitation

- seek opportunities to optimize partnerships and leverage more funding

Social Development - Housing Policy

- work with Chief Housing Officer to review non-market housing stock in the City and develop strategies for renewal and expansion
- complete and implement the housing policies embedded in four community plans
- explore opportunities for expanded Provincial Rent Supplement programs
- develop plans to improve SRO housing stock through one or more incentive programs
- continue to meet the housing targets and maximize affordability through major project rezonings (e.g., Oakridge, Pearson-Dogwood, Marine Gardens, Heather Place)

Social Development - Housing Operations

- complete plans for renovation or relocation of non-market housing facilities and tenants
- develop strategies to address declining provincial housing and social supports provided to low-income community centres

Cultural Services

Drivers of change in Cultural Services include changing demographic trends that reflect preferences in art forms, as well as the availability of new public art space. Cultural Services will focus on:

- diversifying offerings in Civic Theatres and supporting emerging artists
- continuing support of the VAG as it moves to complete milestone deliverables in relocation plan
- supporting sustainable management approaches in non-profit partner and granted organizations
- maximizing the use of civic and public assets, including Civic Theatres
- planning for new facilities (Vancouver Art Gallery, 162 West 1st Avenue, new artist studios and Arts Factory)
- leveraging public art and private sector funding for new commissions

Business Licencing

Drivers of change for Business Licencing also include provincial plans to integrate business licencing throughout the Lower Mainland. Business Licencing will continue streamlining the City's regulatory requirements and services by:

- simplifying business and dog licence applications and promoting online renewals
- reducing Business Licence categories to less than 100
- consolidating the Licence Office counter during the move to our new building, to improve customer service
- reviewing and updating the City-wide liquor policy

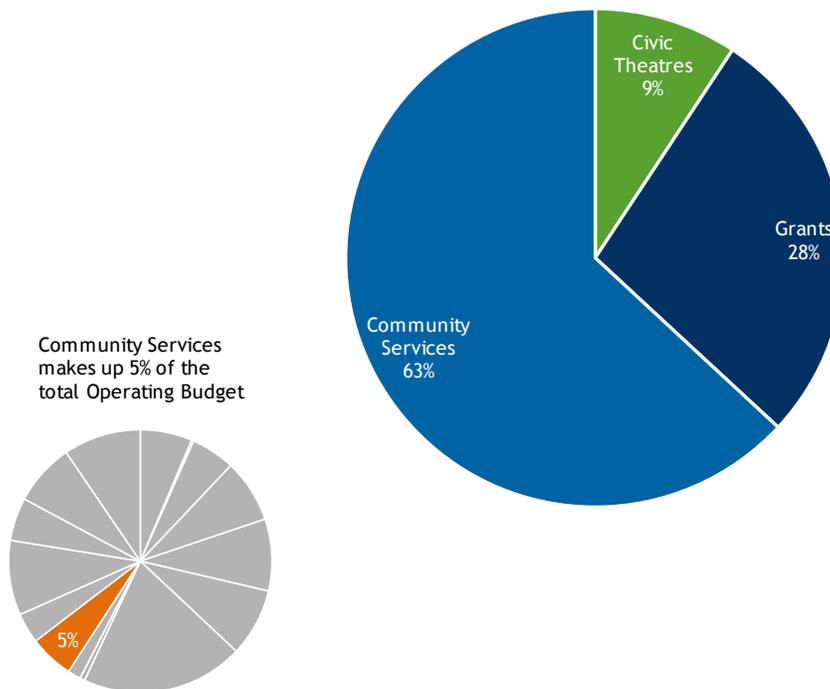
Property Inspections and Enforcement

Drivers of change in Property Inspections include the introduction of a new building code, updates to significant bylaws and the inspection services transformation project. Property Inspections will focus on:

- developing and delivering a training program for the 2013 Building Bylaw
- developing field mobility for inspectors by providing them with handheld devices to record and monitor current information
- streamlining and standardizing inspection processes for high volume, low risk activities such as inspection of single-family home construction
- delivering a new customer service model as part of the move to the transformed service counter in the Vancity building

2014 OPERATING EXPENDITURES - COMMUNITY SERVICES

2014 OPERATING EXPENDITURES COMMUNITY SERVICES



YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Program				
Civic Theatres	7.4	7.4	-	0.0%
Community Services	3.4	3.4	-	0.0%
Parking				
Civic Theatres	0.4	0.4	-	0.0%
Community Services	0.0	0.0	-	0.0%
Cost Recoveries, Grants and Donations				
Civic Theatres	0.2	0.2	-	0.0%
Community Services	3.5	3.5	0.0	0.8%
Other				
Property Rental	3.6	3.0	0.6	20.3%
Total Revenues	\$ 18.5	\$ 17.9	\$ 0.6	3.6%
Expenditures				
Civic Theatres	5.9	5.8	0.1	2.2%
Community Services				
Social Development				
Housing	13.3	11.9	1.4	12.2%
Social Policy	4.5	4.3	0.2	4.4%
Cemetery	2.7	2.8	(0.0)	-1.7%
Licensing and General and Projects	15.8	15.6	0.3	1.7%
Culture	2.2	3.1	(0.8)	-27.8%
Grants	1.8	2.0	(0.2)	-7.9%
Cultural	10.8	10.6	0.2	2.3%
Social Policy	5.3	4.2	1.1	25.8%
Other Grants	1.6	1.6	-	0.0%
Total Expenditures	\$ 64.1	\$ 61.8	\$ 2.3	3.8%
Net Operating Budget	\$ (45.6)	\$ (43.9)	\$ (1.7)	3.8%

Note: Some figures may not add due to rounding

Explanation of Changes: Revenue

There is minimal change, with expected revenue increases totaling \$0.6 million due to a realignment of budget to reflect government funding as revenue instead of as an offset to expenditures.

Explanation of Changes: Expenses

2014 expenses increased by \$2.3 million primarily as a result of a \$1.3 million increase in Cultural Services and Social Policy grants, \$0.5 million in investment in Social Housing and Healthy City initiatives, and \$0.4 million due to realignment of gross revenue and expenses offset by \$0.6 million in productivity savings.

In addition, the Community Services budget contains retroactive wage increases related to collective agreements concluded in 2013.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that the Community Services Department is involved in or will commence in 2014. A complete list of all capital projects for 2014 is included in The appendices to the Council Report.

Project Name (\$ million)	Total Project Budget	Prior Year's Spend to End of 2012	2013 Expenditure Forecast	2014 Budget	Future Years	Total Projected Spend
Community Services						
Facility Improvements - 162 W 1st	7.0	0.0	0.0	3.5	3.5	7.0
Public Art - Centennial Totem Pole Restoration	0.5	0.0	0.0	0.2	0.3	0.5
New non-market: non-market rental housing	14.1	0.0	0.0	1.0	13.1	14.1

Facility Improvements - 162 West 1st Avenue

This grant enables two non-profit organizations, Arts Club and Bard on the Beach, to build cultural amenity space and operate a new collaborative theatre hub that includes a 250-seat theatre, rehearsal spaces, costume and prop production centre, and offices. It will also facilitate vibrant community programming and services that will be shared with the broader community, offering a rare opportunity to transform Vancouver's theatre infrastructure.

Public Art - Centennial Totem Pole Restoration

A comprehensive restoration of the totem pole will address its extensive deterioration as well as replace the large wooden hat that was removed in 2009 due to safety concerns. The restoration is an opportunity to work closely with First Nations and other stakeholders to mentor and train youth in conservation, and provides an avenue to celebrate the Year of Reconciliation with a significant project that will have lasting effects on relationships between across Vancouver's diverse multicultural populations.

New Non-market Rental Housing

Of the funding for new non-market rental housing, \$8.1 million is for the acquisition of East Fraser Land option sites. The remainder is for new non-market rental housing stock as properties become available or as opportunities arise to move the dial on Housing and Homelessness targets. The above amount does not include \$14.5 million for the reconstruction of Taylor Manor that was approved in 2012 and 2013 capital budgets. External funding of \$11.4 million has now been secured for this project expected to complete in 2014.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Program					
Civic Theatres	5.9	7.8	7.4	7.4	7.4
Community Services	3.2	3.2	3.2	3.4	3.4
Parking					
Civic Theatres	0.4	0.4	0.4	0.4	0.4
Community Services	0.0	0.0	0.0	0.0	0.0
Cost Recoveries, Grants and Donations					
Civic Theatres	0.3	0.3	0.4	0.2	0.2
Community Services	2.9	3.2	3.1	3.5	3.5
Other					
Property Rental	2.9	3.1	3.0	3.0	3.7
Total Revenues	\$ 15.7	\$ 18.0	\$ 17.6	\$ 17.9	\$ 18.5
Expenditures					
Civic Theatres	5.1	6.1	5.9	5.8	5.9
Community Services					
Social Development					
Housing	10.2	10.4	10.8	11.9	13.3
Social Policy	4.2	4.3	3.9	4.3	4.5
Cemetery	2.7	2.8	2.8	2.8	2.7
Licensing and Inspections	15.4	16.3	15.9	15.6	15.8
General and Projects	4.6	2.7	3.6	3.1	2.2
Culture	1.9	1.8	1.8	2.0	1.8
Grants					
Cultural	10.1	10.6	10.6	10.6	10.8
Social Policy	4.1	4.2	4.2	4.2	5.3
Other Grants	1.4	1.5	1.6	1.6	1.6
Total Expenditures	\$ 59.7	\$ 60.6	\$ 61.0	\$ 61.8	\$ 64.1
Net Operating Budget	\$ (44.0)	\$ (42.7)	\$ (43.4)	\$ (43.9)	\$ (45.6)
Capital Budget	\$ 54.7	\$ 46.6	\$ 24.8	\$ 9.6	\$ 15.3

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

EMPLOYEE TREND TABLES

Community Services	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	586	583	562	543	535	341
Total Straight Time Hours Paid for All Staff, Excluding Overtime	1,299,227	1,243,740	1,206,373	1,194,812	1,186,552	814,500

Note: In the later part of 2012, the former Community Services Group was reorganized into two new departments: the Community Services Department and the Planning and Development Department. The employee numbers for the years 2008 to 2012 are the total for the former Community Services Group. The numbers for 2013 onwards represent just those of the Community Services Department.

DEPARTMENT SERVICE METRICS

Social Policy

Nine plans, including the umbrella Healthy City Strategy, were either in development or implemented in 2013. Planning for social amenities continues to create new childcare spaces, while implementing the Vancouver Food Strategy has increased food assets such as community garden plots, neighbourhood food networks, and farmers' markets. High levels of engagement are reflected in the number of participants engaged in all plans and related project activities. The \$1 million increase in social granting dollars provided by Council helped provide over \$8 million in social grants that continue to leverage about five dollars for every dollar invested.

The number of childcare spaces opened each year is dependent of a variety of factors including funding, timing of developments and occupancy permits and other opportunities. Although there is a slight drop in the number of spaces opened in 2013 over 2012, there is an overall cumulative increase in spaces enabled by the City over the last five years.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Social Policy Planning	Quantity	Cumulative # new childcare spaces enabled by City	2,300	2,556	2,620	2,773	2,884
		# City Enabled Child Care city spaces opened per year	155	256	64	153	111
		Total Number of licensed childcare spaces in Vancouver	10,143	NDA	10,731	11,567	12,000
		Total # of childcare grants	62	71	70	69	73
		Percent of Total childcare Spaces enabled by City	23%	NDA	24%	24%	24%
		Total # of community gardens	2,049	3,260	3,675	4,021	4,350
		# of Farmer's Markets	5	8	9	10	12
		# of Food Networks Supported	5	6	9	11	11
		# Organizations supported by social policy grants	91	93	119	102	106
		Total Social Grant \$'s awarded (\$millions)	\$5.9	\$6.7	\$6.5	\$6.6	\$8.0
	# of Social Policy Plans under development / implementation	11	11	16	16	18	
	Quality	Total # of participants and organizations for major projects, consultations or engagement activities	85,407	93,828	127,671	378,569	no forecast
		Total # of organizations supported by childcare grants	35	37	40	39	41
	Result	% of pre-set outcomes achieved by grant recipients in projects	64%	78%	81%	86%	92%
		Total \$ leveraged with social policy grants (\$millions)	NDA	NDA	\$33.2	\$32.1	\$40.2

Social Development - Housing Policy

Street homelessness in Vancouver continues to be stable but with a slight drop in 2013 that is in large part due to an additional 257 supportive housing units having opened in the same year as part of the partnership with BC Housing, Streethome, and Vancouver Coastal Health. With an additional 52 supportive housing units committed in 2013, the City is 86% of the way in meeting its 2014 target. And with 259 units of social housing committed by the year's end, the City is two-thirds of the way towards its 2014 target.

In terms of market housing targets, the City has seen a continued surge of interest in the delivery of secured market rental housing—with over 200 new units opening in 2013 and more than 900 units committed. The City has surpassed the 2014 target and is over halfway to meeting its ten-year target. There has also been a significant amount of activity for secondary suites and laneway housing, so the City is forecasting that by the end of 2013 it will have met its 2014 target.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Housing Policy	Quantity	# of street homeless per annual count	No Count	421	154	306	273
		# of total homeless (street and sheltered)	No Count	1715	1581	1602	1600
		Supportive Housing Units committed	855	996	36	102	52
		Social Housing Units committed	37	113	225	465	259
		Secured Market Rental Units committed	0	106	589	1047	912
		Permits Issued for Suites per year	287	379	516	442	465
	Quality	Permits Issued for Laneway houses per year	18	192	229	350	335
		Supportive Housing Units opened	259	225	495	300	257
		Social Housing Units opened	0	327	0	43	23
		Secured Market Rental Units opened	192	196	28	182	241

Progress on Housing and Homelessness

The following table shows the City's progress towards meeting its targets for units of supportive and social housing provided by 2014 and by 2020.

Units are included if they are committed (e.g. the projects have an approved rezoning or development permit application or an approved Council report confirming funding), under construction or completed.

The City is on track to achieve our 2014 targets for social and supportive housing units, with 86% of our 2014 supportive target achieved and 63% of our 2014 Social Housing target.

Ending Homelessness			Rental Housing		
Street and Sheltered Homeless	Housing Targets	Supportive Housing	Social Housing	Secured Market Rental	Suites and Laneway Housing
There were 273 street homeless counted in March 2013	Percentage of 3-year target in development	87%	63%	177%	88%
	Current number of units (2013)	1,861	949	2,654	1,592
	2014 target for number of units	2,150	1,500	1,500	1,800
Zero street homeless by 2015	2021 target for number of units	2,900	5,000	5,000	6,000

Social Development - Housing Operations

Housing Operations provides housing in City-owned or operated social housing for low-income and/or individuals or families facing multiple barriers. Support is provided to assist residents with access health and/or other community assistance programs. While the numbers of units have remained stable over the past three years, there are increases in vacancy rates as tenants prepare for the move to Kingsway Continental, which is projected to open in early 2014. Turnover rates have declined slightly in 2012 from 2011 and reflect the current norm in terms of people moving between SRO housing options, into long term care for seniors, or into rentals with self-contained units.

Since 1999, the Carnegie Outreach Team has patrolled the streets and back lanes of the DTES, providing housing, income and health supports, and carrying harm reduction supplies as a way to connect with homeless and addicted residents. In 2012 there were 108 hours of service provided per week, with 507 individuals housed and 80% of them remaining housed at the end of one year. The next section on Social Supports discusses the various kinds of outreach and supports that the City provides to vulnerable people in the community that connects to the metrics here on the number of people housed and remaining in housing.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Housing Operations	Quantity	Direct COV Operations - Number of Units	837	837	837	837	837
		# of Individuals reached through Outreach Housed in Social Housing	NDA	515	600	507	500
	Quality	Direct COV Operations - Vacancy Rate	2%	2%	3%	4%	4%
		Direct COV Operations - Turnover Rate	22%	15%	19%	18%	19%
		% of individuals provided with housing, remaining in housing after one year	NDA	85%	80%	80%	80%

Social Supports Operations

Support is provided to the City’s most marginalized citizens through Carnegie Community Centre, Gathering Place Community Centre, and Evelyne Saller Community Centre. These centres provide a range of services including food and nutrition, health, education, access to community supports, and cultural and recreational activities. Meals served have remained constant over time with a one-year increase during the 2010 Winter Olympic Games. Since the centres are nearing the capacity of the facilities for food production, showers, and laundry usage, these targets are unlikely to change significantly in the next few years.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Social Supports Operations	Quantity	Street Outreach evening and weekend hours per week	NDA	108	108	108	108
		Peer Hours in Community Employment	NDA	2500	2500	2500	2500
		Community Kitchen Sessions Per Year	NDA	NDA	NDA	30	120
		Total meals served at 3 Centres (Carnegie, Evelyn Saller, Gathering Place)	415,000	645,110	617,065	612,700	619,800
		Total Care Encounters Provided at 2 Centres excluding meals (Evelyne Saller and Gathering Place)	51,148	91,982	94,266	98,832	100,000
		Total Showers, or Personal Care Services (Haircuts, Louse treatments, etc.)	25,055	47,778	49,141	50,603	52,000

Cultural Services

The grant support to cultural organizations has been sustained by the City following several years (2005-2007) of increases to the Cultural Grants budget base. Minor increases to the Theatre Rental Grant as well as the Operating and Project Grant budget projected for 2014 reflect a 2% inflationary increase. The major focus from 2013 to 2016 will be in supporting the arts and cultural community through capacity building and aiding in the creation of healthy sustainable organizations. Information, assistance, services, and tools will also be provided to cultural organizations through ways not fully captured in these metrics. Almost all of the funds that were allocated previously to the Playhouse Theatre Company have been reallocated to other arts organizations for usage of the Playhouse and the Orpheum Annex. In 2013 we saw almost a 50% increase in the number of arts organizations receiving rental grant funding for usage of the Vancouver Playhouse.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Cultural Services	Quantity	Grant \$'s awarded to Cultural Organizations (\$millions)	\$8.3	\$7.3	\$7.3	\$7.8	\$8.0
		# Organizations supported by Cultural Grants	187	183	194	220	225
		Theatre Rental Grant \$'s awarded (\$millions)	\$2.3	\$2.7	\$2.6	\$2.3	\$2.6
		# Organizations receiving Theatre Rental Grants	19	18	21	21	45
	Quality	Utilization Rate for Civic Theatres hours available / hours rented)	67.50%	76.90%	77.80%	72.00%	73.00%
	Result	Annual Attendance at Civic Theatres	464,084	622,221	610,584	573,633	576,000

Business Licencing

Business licences have continued to grow at a steady but moderate pace over the past four years, reflecting a steadily growing economy. The percentage of business licences that are renewed online continues to increase, indicating that business owners are getting more comfortable using online services. A further increase is expected in 2014 due to the expanded online service offerings combined with the continued inconvenience of mail-in, and in-person visits.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Business Licencing	Quantity	% of Business Licence renewals issued online	21.00%	33.50%	36.60%	39.60%	44.00%
		# of Business licenses issued (excluding vehicle for hire)	49,882	51,220	51,461	51,889	52,400

Animal Control

Dog licencing is growing at a rate of about 6% to 7% per year, however, the number remains a lower rate than other cities. Initiatives to licence the majority of dogs in the City will improve safety and revenue from dog licence fees will increase the recovery of operating costs related to Animal Control.

The rate of online dog licence applications and renewals is approximately 70%, almost double the rate in 2009. The number of tickets issued by Animal Control is down in 2013 over the previous two years since Animal Control Officer availability is reduced due to increasing public animal-related calls (eg-stray, aggressive dogs), and higher-than-normal staff turnover. The number of dog bites reported remains fairly consistent year over year.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Animal Licensing and Control	Quantity	# Dog licenses issued and paid for	17,997	17,934	18,528	19,775	21,000
		% of Dog Licences issued online	38.00%	53.00%	63.00%	61.00%	70.00%
		Tickets issued by Animal Control	310	96	292	324	175
	Result	Reported dog bites on people and animals	232	243	281	237	275

Property Inspections and Enforcement

Overall, our transformation of inspections is designed to reduce the number of low risk inspections and focus our efforts on more complex areas - a risk based approach. Permit inspection volumes have dropped 5% over 2012-2013 which reflects this change. Work to standardize and streamline the processes and checklists for the inspection of single-family home construction will also increase our productivity and ultimately will result in better performance by builders and reduce the number of inspections needed.

In the area of property use enforcement, the City is developing an integrated approach that involves a team of multidisciplinary inspectors, who focus on assisting the public in understanding and complying with bylaws related to safety and livability. Over time this approach is expected to increase the public awareness and decrease the number of inspections required for enforcement. The online Rental Property data base is also helpful in driving a more proactive and informed approach by property owners and contractors.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Property Inspections and Enforcement	Quantity	Value of Construction (in \$billions)	\$1.34	\$1.57	\$1.68	\$2.60	\$2.40
		# of Building Inspections	68,137	72,113	79,760	86,591	82,000

Mountain View Cemetery

The cemetery continued to see incremental growth in the annual number of interments over the last five years.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Cemetery Service	Quantity	Interments by Casket	72	55	59	61	78
		Interments by Cremation	297	256	318	312	320

PLANNING AND DEVELOPMENT SERVICES

The Planning and Development Services Department was created in 2012, bringing together two separate divisions under the direction of one General Manager. The department combines the skills of a wide array of professional, technical, clerical, and support staff and address public policy issues related to land use and City planning.

Planning and Development Services staff review development proposals from initial inquiries through building permits, including administering both rezoning and the development permit process. The department manages the City's largest public inquiry centre responding to information requests, coordinates financing growth issues, and assist over 22 Business Improvement Areas (BIAs).

The department assists with a number of Council-appointed committees, including the Heritage Commission and the Vancouver Planning Commission. It provides liaison services on planning matters with Metro Vancouver, and supports internal working groups for many City initiatives led by other work areas. Planning and Development works closely with staff from all other City departments.

KEY SERVICES DELIVERED

Land Use Planning: Provide advice and develop long-term land use plans including, regional, Citywide and community plans, transportation plans, heritage strategies and related bylaws for Vancouver.

Zoning Approval: Review rezoning applications for compliance with City policies and zoning using a clear and concise process.

Development Approval (Building Permits, Development Permits): Review development designs and approve them for compliance with City policies and zoning using a clear and concise process.

Enquiry Centre Customer Service: Public inquiries are dealt with at the largest public inquiry centre in the City.

Regulation Review and Support: Coordinate and renew bylaws and regulations that require review and updating based on corporate goals and initiatives.

City-Wide Planning and Development Data Analysis: Manage, analyze, and distribute data related to City-wide trends—including census and development activity, administer and manage development-related benefits, and support BIAs.

DEPARTMENT AND SERVICE ACCOMPLISHMENTS

In 2013, the Planning and Development Services Department handled close to a record number of inquiries and processed a large volume of development and building permit applications while implementing significant process changes. The department engaged in preparing community plans for four areas, and is developing and implementing Vancouver-wide and neighbourhood-specific policies in support of the City's mission to create a great city of communities.

In the four plan areas—Marpole, Downtown Eastside, West End, and Grandview Woodland—the department led comprehensive and far-reaching public engagement and consultation with respect to the number of participants and the types of opportunities provided. Over 25,000 people participated in standard consultation opportunities as well as innovative venues such as walk shops, topic-centric meetings, kitchen workshops, and street fairs.

Planning and Development also assisted other City departments by participating in the preparation of strategic plans, including Transportation 2040, Greenest City 2020 Action Plan, Climate Change Adaptation Strategy, and the Mayor's Task Force on Housing Affordability.

2013 SERVICE PLAN UPDATE

2013 set the foundation for a transformation of the Planning and Development Services department. The Permit and Licence Transformation Program is underway, introducing one streamlined application tracking system to replace the existing 39 separate systems. The project represents an entirely new way of doing business related to all of our applications and permits. More and more, applicants will be able to apply for, monitor, and receive approvals online. The number of face-to-face meetings will be reduced, increasing staff efficiency and reducing application approval times. Structural reorganizations in Planning and Development Services have been introduced, and planning for the entire department to be moved to new premises has been underway all year. Barring any scheduling changes, the move is currently planned during the first half of 2014.

In addition to implementing organizational changes, below are examples of the department's accomplishments:

- received Council approval on a new timing structure for four community plans
- prepared and adopted the Regional Context Statement as part of the Regional Growth Strategy process
- supported implementation plans for the Mount Pleasant and Norquay areas that was adopted by Council
- implemented a new appointment structure for customers accessing our service desks
- kept processing times for rezoning applications and permit issuances constant
- managed high volumes of permit applications
- interacted with increasing numbers of people at public consultation events and at the Enquiry Centre related to, area plans, policy development, and applications

PLANS FOR 2014

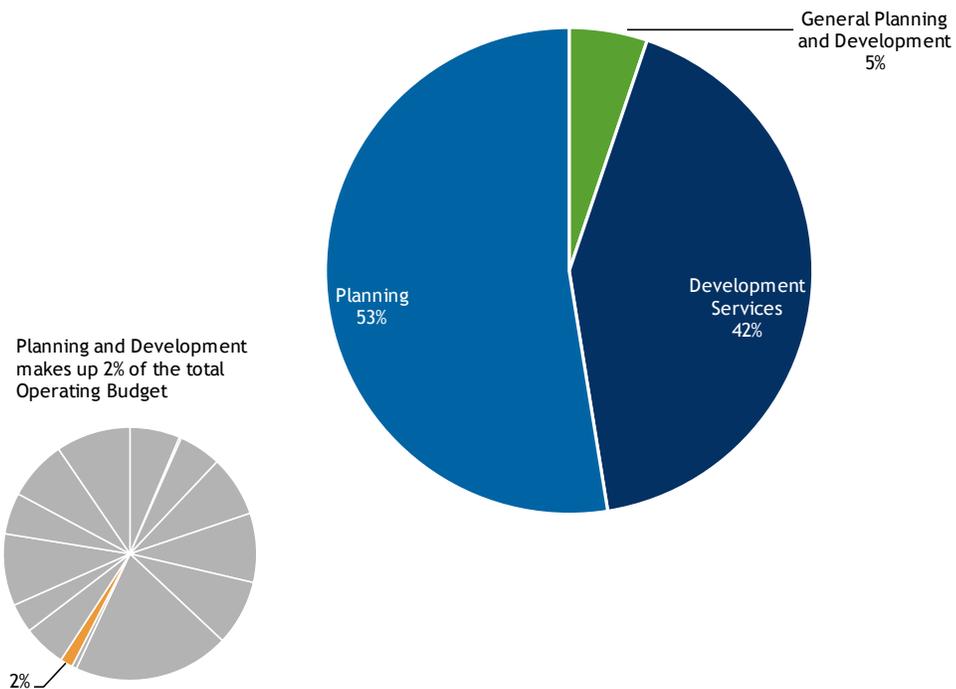
In 2014, the Planning and Development Services Department will be continuing to build on the organizational and physical changes started in 2013, as the department will fully move into new office space and open a new and enhanced comprehensive customer service centre, which will centralize many services currently required by the public. Additionally, project work will be focused in the following areas:

- The Permit and Licence Transformation Program will continue to evolve by increasing the number and type of permits and licences that can be submitted, considered, and approved online.
- The renewed Sign Bylaw will be presented to Council for consideration.
- Work will begin on the viaducts, eastern core, and south False Creek plans as directed by Council.
- In early 2014, two community plans will be presented to Council in 2014 while work continues with the Grandview-Woodland community plan.
- Policy work for large sites such as Pearson/Dogwood, Langara Gardens, and the bus barns site on 41st Avenue, and for two station area plans for existing rapid transit stations.
- Policy analysis will commence on the heritage registry and the Cambie Street Phase 3 area.
- Technical and planning support will continue for major Vancouver-wide issues, such as rapid transit along the Broadway Corridor.
- Implementation will begin for the revised 2013 Building Bylaw, including staff training.

- Public consultation processes will be revised to take into consideration outcomes of the Mayor’s Task Force on Civic Engagement to ensure that our consultation processes are as inclusive, robust, and nimble as possible to respond to the public’s desire to be aware of and participate in planning issues.

2014 OPERATING EXPENDITURES - PLANNING DEVELOPMENT

2014 OPERATING EXPENDITURES PLANNING AND DEVELOPMENT



YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Cost Recoveries, Grants and Donations				
Other Recoveries	0.2	0.2	-	0.0%
Total Revenues	\$ 0.2	\$ 0.2	\$ -	0.0%
Expenditures				
Planning	10.0	9.5	0.5	5.1%
Development Services	8.0	7.9	0.1	1.9%
General Planning and Dev.	1.0	1.0	0.0	1.1%
Total Expenditures	\$ 18.9	\$ 18.3	\$ 0.6	3.5%
Net Operating Budget	\$ (18.8)	\$ (18.1)	\$ (0.6)	3.5%

Note: Some figures may not add due to rounding

Explanation of Changes: Revenue

There is no change in revenue.

Explanation of Changes: Expenses

The 2014 Budget increase includes an investment of \$0.2 million to undertake new policy initiatives. \$0.3 million supports continuation of 2013 one-time funding to complete work started in 2013. Collective bargaining wages and fringe benefit increases of \$0.6 million are offset by productivity savings of \$0.4 million achieved through ongoing review of services and processes, and managed through vacancies and attrition.

In addition, the Planning and Development budget contains retroactive wage increases related to collective agreements concluded in 2013.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Cost Recoveries, Grants and Donations					
Other Recoveries	0.1	0.1	0.1	0.2	0.2
Total Revenues	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2
Expenditures					
Planning	8.5	8.9	8.9	9.5	10.0
Development Services	7.9	8.6	8.7	7.9	8.0
General Planning and Dev.	1.0	0.9	0.8	1.0	1.0
Total Expenditures	\$ 17.4	\$ 18.5	\$ 18.4	\$ 18.3	\$ 18.9
Net Operating Budget	\$ (17.3)	\$ (18.4)	\$ (18.4)	\$ (18.1)	\$ (18.8)
Capital Budget	\$ 7.4	\$ 6.9	\$ 3.1	\$ 0.8	\$ 2.9

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

EMPLOYEE TREND TABLES

Planning and Development	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	586	583	562	543	535	179
Total Straight Time Hours Paid for All Staff, Excluding Overtime	1,299,227	1,243,740	1,206,373	1,194,812	1,186,552	352,618

Note: In the later part of 2012, the former Community Services Group was reorganized into two new departments: the Community Services Department and the Planning and Development Department. The employee numbers for the years 2008 to 2012 are the total for the former Community Services Group. The numbers for 2013 onwards represent just those of the Planning and Development Department.

DEPARTMENT SERVICE METRICS

Development Approval

Development activity continues to be strong, as seen in the number of applications received and number of permits heard by the Development Permit Board. Total number of applications will likely be the second highest in history, after 2012. Wait times for customers at the Enquiry Centre and phone centre have increased slightly as the complexity of enquiries rises, staffing levels remain stable, and the application numbers remain about the same as previous years. We are actively engaged in changes to appointment booking and application intake with implementation only 2 weeks old. We expect improvements to wait times as the procedures are refined, problems resolved and customers become familiar with new procedures designed to shorten wait times.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Development Approval	Quantity	# of Enquiry Centre walk-in customers	22,776	24,843	27,553	26,120	25,650
		# of Major Projects heard via DP Board	6	10	15	18	17
		# of Trades Permit Issuances	20,641	21,818	23,436	24,251	23,570
		Sq Ft development approved at Bldg Permit: Non-Residential	NDA	513,900	1,257,222	1,910,345	1,300,000
		Sq Ft development approved at Bldg Permit: Residential	NDA	5,479,982	6,825,209	7,250,792	5,944,000
		Total # of development, building and DB applications received	6,120	7,151	7,638	7,810	7,600
	Quality	Average length of time for Permit Issuance (weeks): Outright 1&2 Family Dwellings	NDA	16	15	6.6	6.6
		Average Wait Time Minutes: Enquiry Centre	17	22	28	35	40
		Average Wait Time Minutes: Phone Centre	NDA	2:21	2:23	2:29	2:40

Zoning Approval

The number of applications brought to public hearing has remained somewhat stable while the number received has seen a small decline since 2012. This is largely due to the economic climate and the complexity of some applications because of extensive submission information. More and more, applications must address issues of sustainability, Greenest City initiatives, affordable housing, accessibility, and sometimes heritage value. This results in applicant meetings that are longer and more detailed when compared with the past.

Processing times are dependent on applicants submitting material in a timely manner. When delayed, processing times may take longer. In 2013, applicants, in response to somewhat unstable economic forecasts, were somewhat slower to submit.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Zoning Approval	Quantity	# of Rezoning Applications at hearing	NDA	34	37	32	37
		# of Rezoning Applications received	53	47	44	34	30
	Quality	Average processing time for Rezonings: major (months)	NDA	7.8	10.6	15	13
		Average processing time for Rezonings: minor (months)	NDA	7	5	5	8

Land Use Planning

The increased type of consultation used and the amount of people attending public consultation events can affect the number of policy initiatives that reach Council. Improved and comprehensive consultation methods and increasing numbers of people who want to participate can lead to unforeseen process issues that impact policy outcomes. This, in turn, may impact the number of policy initiatives in the future and the time it takes to complete and present to Council.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Land Use Planning	Quantity	# Attendees at Public Consultation Events	NDA	NDA	NDA	12,964	13,000
		Policy Initiatives underway approved by City Council	NDA	12	9	9	9

CORPORATE SUPPORT SERVICES

Corporate Support consists of internal services that support and enable the delivery of services to the public, as well as a number of direct services to citizens. The role of Corporate Support is to assist in carrying out Council's key objectives and business operations and enable an open, inclusive, and participatory municipal government.

These departments specialize in different aspects of business operations, guiding the City's major initiatives and providing counsel, support, strategic planning, and other resources to City departments and the public.

KEY SERVICES DELIVERED

CITY MANAGER'S OFFICE

External Relations and Protocol: Manage public visits by dignitaries, special community awards, and protocol events.

Economic Development: Work with the Vancouver Economic Commission to deliver the Economic Action Strategy

Emergency Preparedness and Response: Develop and implement emergency response plans and manage emergencies.

Internal Audit: Conduct internal financial and business audits to ensure that City assets are protected and policies complied with.

Vancouver Services Review: Plan and execute transformation projects across the City.

Corporate Communications and Engagement: Manage the City's incoming and outgoing major communications through the news and other media; develop and implement strategic communications strategies for the successful delivery of public policy.

CITY CLERK'S OFFICE

Archives: Manage City records and make these available for public access.

Council Support: Provide City Councillors with executive administrative support.

Elections Management: Hold elections for City offices.

Legislative Operations and IGR: Lawfully conduct Council, committee, and other official public meetings; support the coordination of intergovernmental relations activities.

Records Management: Receive and process Freedom of Information requests.

FINANCIAL SERVICES GROUP

Accounting Services: Process financial transactions, including accounts payable and receivable (billing and collections) and payroll, and prepare financial statements in accordance with generally accepted accounting principles.

Financial Planning and Analysis: Prepare the City Budget and other financial plans.

Treasury: Manage cash, investments, and debt.

Corporate Business Advisory: Manage business improvement projects by internal consultants.

Corporate Risk Management: Manage and mitigate the City's risks.

Procurement (Supply Chain): Purchase and inventory goods and services.

IT Business Applications: Develop, acquire, and support business applications in support of business operations.

Corporate Data Management: Manage corporate data efficiently and securely.

IT Infrastructure Maintenance: Support and maintain hardware devices used by City staff.

IT Service Delivery: Respond to staff technology issues through the IT Helpdesk.

HUMAN RESOURCES

Employee Compensation and Benefits: Provide employees with fair and equitable compensation.

Employee Relations: Negotiate contracts of employment with employees and bargaining agents.

Organizational Development: Provide employees with learning opportunities to support their jobs.

Organizational Health and Safety: Develop and implement health and safety plans to support a safe work environment.

Attraction, Recruitment, and Retention: Provide support to attract and retain appropriately skilled employees.

Digital Services: Develop and implement strategies and plans for expanding the City's digital capacity.

3-1-1 Contact Centre: Provide callers or contactors (email, text, and phone) with information about or referrals to the City of Vancouver's services.

LEGAL SERVICES

Legal Advisory: Provide a complete range of legal services to the City, its Boards, officials and staff.

Litigation: Advance and defend the City's legal interests in court.

Bylaw Prosecution: Prosecute alleged bylaw defaults.

REAL ESTATE AND FACILITIES MANAGEMENT

Asset Management (Buildings and Property): Provide and manage corporate facilities through their lifecycle—from design to decommissioning.

Corporate Security: Provide and administer plans and standards to ensure security for corporate facilities.

Real Estate: Provide advice and leadership in negotiating and managing the purchase, lease, and sale of corporate property assets.

2013 SERVICE PLAN UPDATE AND MAJOR ACCOMPLISHMENTS

The City continues to transform how it delivers its services and does business, through a variety of initiatives that centralize and streamline City operations.

Many of these initiatives have been launched within Corporate Support's departments with the aim to achieve greater efficiencies, reduce duplication, improve oversight and accountability, and achieve overall cost savings.

CITY MANAGER'S OFFICE

The City Manager's Office oversees the overall conduct of the City administration in pursuing the City's purpose and serves City Council. The office reviews departmental programs; budgets; policy initiatives; makes recommendations to City Council; ensures that Council's directives are carried out; establishes standards and priorities for the civic administration; motivates and monitors performance to ensure that standards are met; priorities are pursued; and, high-quality City services are consistently delivered.

Internal Audit

Internal Audit is an independent assurance service established to examine and evaluate the effectiveness and efficiency of City activities. The annual and three-year audit plans assist management in promoting accountable City government by establishing a cost-effective and efficient internal control environment that helps mitigate the City's risk exposure.

Corporate Communications and Engagement

The Corporate Communications and Engagement team is a centralized resource for the organization specializing in strategic communications, public engagement, and consultation. Communications and Engagement is responsible for incoming and outgoing communications—in particular responding to a high volume of requests from the news media—as well as developing and implementing strategic communication plans and public consultation programs to support all departmental work programs.

In 2013, Communications and Engagement handled 13 major events, including the FCM Conference, Truth and Reconciliation Commission of Canada Week launch, the VIVA Vancouver launch, the Green Bin Program media event, as well as provided public consultation program support for over 50 projects. The department developed and is implementing the Public Engagement Strategy, supported the Mayor's Engaged City Task Force, and launched Talk Vancouver—an online community panel to gather input from citizens.

External Relations and Protocol

External Relations and Protocol (ER&P) manages visits, meetings, and partnerships with dignitaries and delegations from Canada and around the world. ER&P also organizes special events such as City awards, annual events, and ceremonies.

In 2013, the most notable event for ER&P was the Federation of Canadian Municipalities Annual Conference and Trade Show, which ran May 31-June 3, 2013. Over 2,000 municipal leaders from across Canada attended the conference, with ER&P organizing four large social events, 10 companion tours, and 18 study tours, as well as raising over \$200,000 in sponsorship. The group also provided support to the production of the events of the Week of Reconciliation and management of the City involvement; development of a new Civic Awards program; organization of the sister city component of the Mayors Economic Mission to China with VEC.

Other notable events hosted in 2013 included Lunar New Year, Black History Month, National Aboriginal Day, and the 2013 Pride Proclamation and Launch. ER&P has so far managed 16 visits by international dignitaries and delegations wishing to learn more about the City.

Emergency Management

The Office of Emergency Management is responsible for facilitating emergency management activities across the City of Vancouver and between the City and external stakeholders, including activities in all four pillars of the emergency management cycle: mitigation, preparedness, response, and recovery. This includes maintaining the Vancouver Emergency Operations Centre, corporate-level emergency planning, conducting emergency exercises, and facilitating the public safety planning process for large events.

In addition, Emergency Management runs the City's emergency social services program, emergency preparedness public education program, and acts as the liaison between our emergency communications volunteers and the City.

Throughout 2013, the Emergency Management Division continued with its work responding to displaced residents and other emergencies and providing training and support for the Emergency Operations Centre. Notable events in 2013 include the development of earthquake response plans and rollout to staff, development of a building inventory to support earthquake and flood modelling, and the expansion of our personal preparedness workshops where we trained over 3,250 members of the public in over 175 sessions. The Emergency Management Division has also continued to work with Vancouver Fire and Rescue Services in the expansion of the Vancouver Volunteer Corps and has implemented a monthly emergency exercise program with senior management. In addition, the division provided support to the City of Calgary during the flood response.

Vancouver Services Review (VSR)

The Vancouver Services Review oversees business transformation projects through a permanent Project Management Office and project managers and staff who are brought in for their specific skills and knowledge. Since 2009, the VSR has led projects as diverse as Financial Shared Services, Sanitation Shared Services, and Attendance Management.

In 2013, the VSR finalized the project planning and started implementation of the Permit and Licence Transformation Program, which will transform the way development and other permits are managed. This is the largest single project run by the VSR group to date. In addition, VSR has overseen 20 other projects, including:

- City wide Asset Management
- Digital Strategy
- Library and Archives
- Financial Shared Services
- Facilities Shared Services
- Regulatory Bylaw Review, beginning with the Sign Bylaw
- Warehousing and Inventory
- Solid Waste Management, various projects

CITY CLERK'S DEPARTMENT

The City Clerk's Department provides administrative and information services to Council, its committees, boards, City departments, and citizens. City Clerks also provides support and coordination to the Directors of Metro Vancouver and to staff working to support their work. The Department is responsible for managing FOIs for the entire City.

In 2013, some notable events are the completion of the Archives Accommodation Study and Transition Plan, participation in VSR's Library and Archives operational review project, completion of the Archives roof replacement and building envelope repairs, and the launch of the inaugural Annual Citizen Awards program.

FINANCIAL SERVICES GROUP

In 2013, the Finance department continued with its Financial Shared Services transformation, progressing on key projects to consolidate and align the accounting function City-wide, standardize and improve financial reporting and analytics, and enhance the budget and service planning process. The 2013 Operating Budget was a significant change from prior budgets, reflecting a more user-friendly format, bringing capital and operating budgets together, and aligning budget with strategy through the City's first service plans and metrics. Finance's reporting and analytics tool, which automates and standardizes monthly reporting to improve timeliness and usability, was rolled out to the Park Board as the first pilot group.

With a new Chief Risk Officer, the Risk Management department has improved the City's risk management practices through identifying and triaging risks, assessing the processes for business continuity, and developing a protocol to ensure issues impacting the City are addressed appropriately.

Through the Vancouver Services Review, Supply Chain Management completed a strategic review of its warehousing and inventory management processes, and implementation of the recommendations has begun. The City issued a \$110 million debenture in the fall of 2013 at a competitive rate of 3.75%. The debenture was well received in the market, benefiting from the City's strong credit ratings.

INFORMATION TECHNOLOGY

A key highlight among the many projects completed in 2013 was the successful implementation of securely managed Wi-Fi services throughout the Mayor's Office, City Clerk's Office, and the Council Chambers as part one of the phased rollout across the City campus. 2013 also saw the introduction of smartphones and mobile devices for daily usage by City staff along with the completion of an addition to the City's operational data centre. Personal computer and operating system replacements and the replacement of the Parks and Recreation Safari system are all underway. IT is also a key partner in the Permit and Licence Transformation Program that is transforming the way developers and homeowners interact with City Hall.

2013 also saw the pilot rollout of business intelligence tools for Vancouver Fire and Rescue Services and for financial information at the Park Board. The results of the pilots will be incorporated into a broader City-Wide initiative in 2014.

HUMAN RESOURCES

In 2013, Human Resources negotiated new collective agreements with CUPE Local 1004, IBEW, and IATSE, and supported the conclusion of settlements by VPL (CUPE Local 391) and VPD (Teamsters Local 31). A renewed agreement with CUPE Local 15 was settled in late 2012. These new agreements reflect the City's budgetary constraints and deliver new operational flexibility. All of the agreements were settled without service disruption or intervention by third parties.

The department continued to focus on priorities flowing from the City's 2010 employee survey, including improved performance management practices, increased transparency in hiring and promotion decisions, and enhanced leadership effectiveness. Human Resources has introduced online learning to the City's corporate development program, CityLearn, with significant impacts on cost effectiveness and accessibility for employees.

Human Resources also implemented a number of significant changes to safety and employee health programs to reduce time lost to injury and illness. Specific initiatives include the introduction of measures to reduce WorkSafeBC claim duration, the renewal of key service agreements with external providers, and reorganization of disability management staff.

3-1-1 CONTACT CENTRE

In 2013, 3-1-1 played a key role in supporting the implementation of the City's food scraps collection program and was an important partner in the successful rollout of that new service. 3-1-1 has also taken on increased responsibility for management of calls related to Parking Operation's pay-by-phone system.

3-1-1 is planning for the implementation of an Open 3-1-1 app that will enable citizens to communicate service requests from their smartphones directly to the City via the web.

DIGITAL SERVICES

In 2013, City Council approved its first Digital Strategy and hired a Chief Digital Officer to lead the implementation of the strategy. This strategy provides an overarching framework to coordinate and prioritize a number of digital initiatives already under way across the City and marks a significant step forward in establishing Vancouver as a leader in effectively leveraging digital technologies and supporting a vibrant digital economy.

LEGAL SERVICES

Legal Services delivers a full range of legal services and advice to the City of Vancouver, ensuring that the City functions within its governing legal framework, that exposure to liability is minimized, and that the viability and integrity of the City's regulatory and legislative processes are preserved.

2013 accomplishments include support for major City initiatives such as the Task Force on Housing Affordability, Public Bike Share, District Energy, Streamlining of Regulatory and Business Processes, First Nations Protocols, and Public Benefits Strategy. The department also defended legal challenges to the City's legislative and administrative actions and represented the City in contractual disputes and injury claims.

REAL ESTATE AND FACILITIES MANAGEMENT

The Real Estate and Facilities Management Department (REFM) was created in 2012 as a result of the consolidation of the facilities functions in Engineering, Park Board, and the former Business Planning and Services Group. The department continues to evolve as the new organizational structure is established through the VSR-led Consolidated Facilities Services project, and has a mandate to provide full lifecycle facilities management functions (Facilities Planning, Facilities Development, Environmental Planning, Energy and Utilities, Facilities Operations and Maintenance, Property Management, and Corporate Security) for approximately 500 buildings, and real estate advice and transaction services to the entire City.

The Consolidated Facilities Services team has been undertaking a facility condition assessment of City-owned properties, which is scheduled for completion in 2014. To date, approximately 35% of City-owned buildings have been assessed. In addition, a seismic risk assessment plan has been developed, which has already transformed the way capital plans and budgets are developed for building maintenance and replacement.

REFM has delivered approximately 100 facilities projects ranging from capital maintenance and replacement to renovations, additions, and new buildings, including community facilities (such as childcare and cultural facilities, community centres, and others), public safety facilities (fire halls and police offices), and civic infrastructure (administration buildings and service yards).

In 2013, REFM commenced the Office Accommodation Project, which will provide business delivery transformation (better service delivery with consolidated public service counters), enhance business efficiency (co-location of business units that interact with each other or the public), address seismic risk concerns within the City Hall campus, and reduce the City's dependence on leased property.

The Zero Waste Program in City facilities was expanded in 2013, which resulted in 437 tonnes of waste being diverted from the landfill. The diversion rate for City facilities is now 65.8%. In addition, a plan to reduce the City Facilities' carbon footprint (GHG emissions) is in development.

The mandate of Corporate Security was increased in 2013 to include all City facilities, with the exception of those occupied by Vancouver Public Library and Vancouver Police Department. As a result, Facility Operations has developed the framework for a City-wide Corporate Security Model in consultation with Risk Management and Human Resources. In addition, Corporate Security assumed responsibility for the centralized management of the Integrated Security Contract in order to optimize use of the limited security resources.

Throughout 2013, Real Estate Services has acquired, leased (including licenced), and disposed of properties and facilities in support of the delivery of programs and civic services, including those related to the Housing and Homelessness Strategy and the 14 supportive housing sites. In addition, Real Estate Services has provided advice and support for the settlement of Community Amenity Contributions related to specific market development projects.

PLANS FOR 2014

CITY MANAGER'S OFFICE

Corporate Communications and Engagement

For 2014, Corporate Communications and Engagement will continue to provide high service levels for media relations and strategic communications, implement the Public Engagement Strategy and the recommendations of the Mayors Engaged City Task Force with best practices in public consultation, reach the target of 5,000 citizens as members of Talk Vancouver, and adopt and implement the Social Media Strategy in coordination with the Corporate Digital Strategy to support the City's increased use of digital and social media to communicate with citizens.

External Relations and Protocol

In 2014, External Relations and Protocol will launch a new civic awards program that will allow Council to recognize citizens' contributions to the City in diverse areas of interest. External Relations and Protocol will implement a new service approach aimed to streamline delegation requests, develop a communication strategy (including a webpage), improve service delivery, as well as develop new mechanisms that will capture better metrics to inform future work planning and resourcing decisions.

Emergency Management

The 2014 Budget includes a significant investment in Emergency Management to provide permanent and stable staff and support. This will enable the group to focus on key priorities in 2014, including the implementation of a City-wide Earthquake Preparedness Plan and updates for other disaster response plans. The division also anticipates expansion of its exercise and training program, review of emergency operations centre processes and support system, update of the City's emergency response plan, and expansion of community education and engagement.

Vancouver Services Review (VSR)

The Vancouver Services Review will continue management of the Permit and Licence Transformation Program in 2014 along with many other projects, including a number related to Solid Waste Management. Projects anticipated to be completed include:

- Asset Management
- Consolidated Facility Services
- Sign Bylaw
- Web Redevelopment Phase 2 (with a focus on a mobile website)

For 2014, and looking forward to 2015 and 2016, the Vancouver Services Review will use best practices from other cities and lessons learned from earlier projects to grow its capacity to focus on more complex projects.

FINANCIAL SERVICES GROUP

Finance continues to transform through the initiatives of the Financial Shared Services project. The current budget reflects the many improvements recommended by PriceWaterhouseCoopers in their 2012 review, including the expanded narrative, the combining of operating and capital budgets, and the alignment of strategy and budget with the inclusion of service plans and metrics. In 2014, the annual financial statements will also reflect the consolidation of budgets City-wide and be presented in a format that reflects internal need and Public Sector Accounting Board (PSAB) requirements. Core processes of time-to-pay, revenue-to-cash, and record-to-report are being reviewed to improve timeliness, accuracy, and efficiency. E-billing will be made available for paying property taxes and utility fees. Several changes in reporting requirements, including reporting for contaminated sites liability, which is a PSAB requirement, will be implemented in 2014. The City's investment policy will be updated to incorporate responsible investing criteria.

Supply chain management will continue to add value through strategic sourcing of goods and services and the completion of the Warehousing and Inventory Management project that will improve the City's management of inventory along the supply chain.

In the next three years, the City's new Chief Risk Officer will advance the City's business management through the implementation of an enterprise-wide risk management strategy, which will increase oversight and operational accountability for key risk areas. Business continuity plans will be enhanced to ensure that core City operations function during business interruption situations.

Looking forward, 2015 and 2016 will see the Financial Services Group continuing to look for more efficient ways to deliver services through implementation of new technology to support enhanced standardized processes for time entry, revenue-to-cash, and supply chain management processes. Improved performance measurement tools and processes will improve access to data for decision making and reporting. Service plans will continue to be developed and will play a stronger role in the City's operational management. Benchmarking to other municipalities will be incorporated into the service plans.

INFORMATION TECHNOLOGY

2014 will see some significant transformation project work for IT. The department will continue to support the Permit and Licence Transformation as well as transformation in our Legal group with the implementation of a new legal case management system. The Business Intelligence Strategy will be developed to provide better tools to view the City's performance information. As well, in 2014 the City will begin a major project to increase the mobility of the workforce and therefore the ease and readiness of access by citizens to City services, and will implement the Open 3-1-1 mobile application that will change the way citizens interact with the City. Projects like these also require effort by IT on data management and security to protect the City's information assets. Consolidation of IT environments and rationalization of applications will provide opportunities to streamline the IT function and reduce overall costs, and a review of City-wide print services and devices will provide savings across the City.

Looking into the future, IT will continue to support transformation of City services through implementation of new and emerging technologies. Guided by the Digital Strategy, major initiatives in the next three years include shifting from traditional in-house systems to software as a service, and enabling a mobile workforce to access data and systems anytime, anywhere, while continuing to ensure a secure network and infrastructure platform.

CITY CLERK'S DEPARTMENT

The 2014 Election will be a key priority for the Clerk's Department and a project has begun to improve the available voting technology. Voters will be able to vote from anywhere and new counting machinery will improve the timeliness of results.

The Clerk's Department is also engaged with the Library through the Vancouver Services Review to find a new home for the City Archives as it outgrows its current home at Vanier Park. 2015 and 2016 plans include implementing the relevant results of the Library and Archives review.

HUMAN RESOURCES

For 2014 and the next few years, Human Resources will continue to focus on supporting the ongoing transformation of the City's services and strengthening organizational culture. Additional priorities include improvements to the City's recruiting and hiring processes, and continued reductions in lost time through a combination of injury prevention, improved claims management, and earlier return to work. Finally, Human Resources will be supporting the ongoing negotiations with VPU and IAFF to finalize outstanding agreements.

DIGITAL SERVICES

In 2014, the recently appointed Chief Digital Officer will assume the lead role in championing and enabling the implementation of the Digital Strategy that was approved by Council in 2013. Priorities for 2014 include deployment of improved online and mobile access to City information and services and expansion of digital channels for citizen engagement. The Chief Digital Officer will also work to ensure alignment between City activities and the Vancouver Economic Commission's work in support of Vancouver's digital industry.

3-1-1 CONTACT CENTRE

3-1-1 has seen a rapid uptake of all types of contacts (calls, web, social media, email and voicemail). The growth in contact volume is anticipated to slow over the next three years from a 23% increase in 2013 over 2012 to an average annual growth of 7% per year by 2016. The expanded deployment of web-based and mobile tools for information and service requests will generate increased contact with 3-1-1 in the short term, but will moderate the demands on the contact centre over the longer term.

3-1-1 is also gaining maturity as a generator of performance information for other City services as reflected in the top call metrics for 3-1-1 reported in the Council Priorities section of the budget report, above.

LEGAL SERVICES

In 2014, Legal Services will continue its support of major City initiatives, which will include refinement of City bylaws and policies (Sign Bylaw, Zoning and Development Bylaw, and Building Bylaw) and implementation of further initiatives from the Task Force on Housing Affordability. Work will also be done to streamline corporate processes such as procurement, Vancouver Charter amendment, and rezoning and development approvals.

Implementation of technology improvements will enable senior lawyer resources to continue to focus on more strategic and complex legal matters, with a goal to maximize the City's in-house legal work whenever possible.

REAL ESTATE AND FACILITIES MANAGEMENT

In 2014, the Consolidated Facilities Services team is planning to complete all the remaining building condition assessments for City-owned properties and to continue the seismic risk assessment program for its buildings. The team will also restructure and further consolidate Facilities Operations and Maintenance activities.

The Real Estate and Facilities Management (REFM) group is planning to deliver around 120 new facilities projects ranging from capital maintenance and replacement to renovations, additions, and new buildings across the organization (Taylor Manor, Fire Hall #5 with housing, Bloedel Conservatory roofing upgrade, Marpole Civic Centre, East Wing decommissioning, Vancity Building (West Annex) seismic upgrades, and more).

In 2014, REFM will complete the Office Accommodation Project and continue its due diligence work relating to the consolidation of the City’s operations within the City Hall campus, with a goal to move departments out of leased premises.

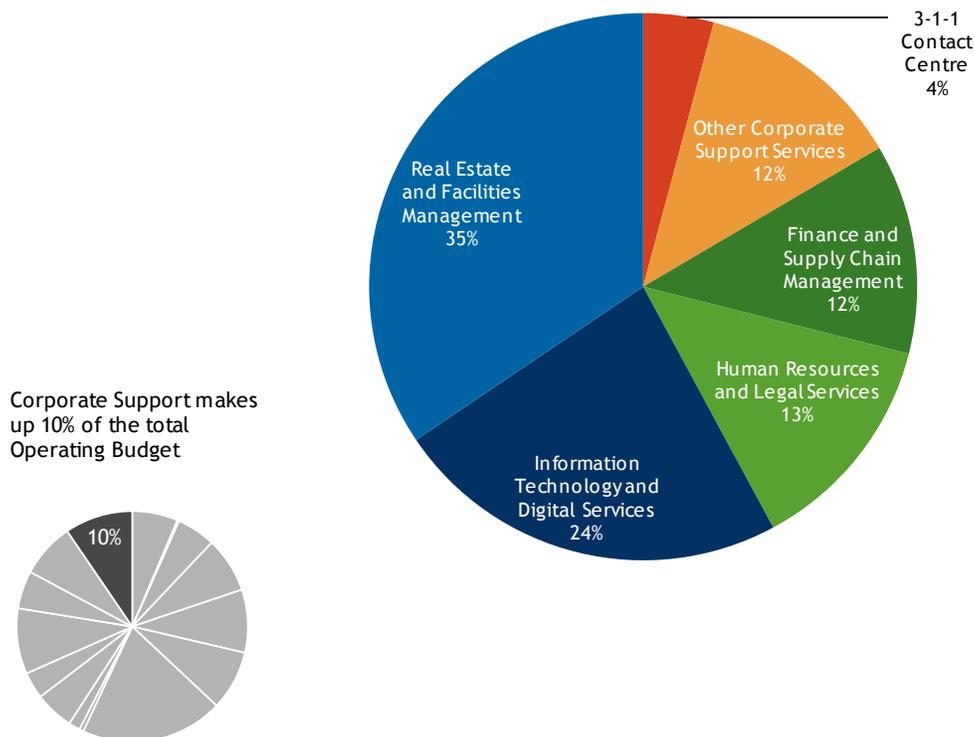
The Zero Waste Program will continue to expand in 2014. The target for 2014 is to divert 1,170 tonnes (70% of total garbage generated) of waste from the landfill. In addition, Facilities will complete and implement its carbon offset program in 2014.

Other plans for 2014 include Corporate Security implementing its new security model that will provide the full spectrum of City-wide security services. As part of this work and the management of the Integrated Security Contract, both Finance and Corporate Security will consolidate departmental security budgets under REFM.

The Real Estate Department will continue to provide real estate advisory and transactional support for the various corporate initiatives, prioritizing Council objectives and market development transactions. In addition, work will continue to proactively address issues and optimize management of the Property Endowment Fund Portfolio.

2014 OPERATING EXPENDITURES - CORPORATE SUPPORT SERVICES

2014 OPERATING EXPENDITURES CORPORATE SUPPORT



YEAR-OVER-YEAR BUDGET CHANGES

Major Category (\$ million)	2014 Proposed Budget	2013 Restated Budget	Net Change (\$)	Net Change (%)
Revenues				
Parking				
Other Parking	0.4	0.4	-	0.0%
Cost Recoveries, Grants & Donations				
Other Recoveries	0.6	0.7	(0.1)	-11.6%
Other				
Miscellaneous Revenue	0.5	0.5	(0.0)	-5.8%
Total Revenues	\$ 1.5	\$ 1.6	\$ (0.1)	-6.7%
Expenditures				
Real Estate and Facilities Management	38.6	36.5	2.1	5.7%
Information Technology and Digital Services	26.2	24.8	1.4	5.7%
Finance and Supply Chain Management	13.9	13.7	0.1	1.1%
Human Resources and Legal Services	14.8	14.2	0.6	3.9%
3-1-1 Contact Centre	4.7	4.4	0.3	6.3%
Other Corporate Support				
City Clerk	5.4	3.2	2.2	69.2%
City Manager Office, External Relations and Protocol Office	5.5	5.2	0.3	5.0%
Communications and Engagement	1.9	1.9	0.0	2.3%
Emergency Management	1.1	0.7	0.4	46.8%
Total Expenditures	\$ 112.0	\$ 104.7	\$ 7.3	7.0%
Net Operating Budget	\$ (110.5)	\$ (103.0)	\$ (7.4)	7.2%

Note: Some figures may not add due to rounding

Explanation of Changes: Revenue

Corporate Support revenues are expected to decrease by a total of \$0.1 million, mainly due to a realignment of gross revenues and expenses. This \$0.1 million reduction in revenues is matched by the same amount of reduced expenditure.

Explanation of Changes: Expenses

The Corporate Support expenditure increase is driven by a number of fixed cost increases, including lease and utility costs (\$1.3 million), the consolidation of positions and budgets into REFM from other departments for environmental protection, financial services, facilities operations and planning, and digital and web operations. Funding has been provided to support the Permit and Licence Transformation Program, enhanced legal services to manage workload, particularly in the housing area, risk management, and performance measurement.

In order to provide continued support to key Council priorities, the Corporate Support departments have seen investments in areas such as Emergency Management (\$0.4 million), Digital Strategy (\$0.2 million), and City-wide Corporate Security (\$0.3 million).

Every three years, funding is added to the City Clerk’s budget in order to run the civic elections held in November. Funding is provided through a transfer from Reserve based on an annual contribution. This funding mechanism eases the impact of the Civic Election on the operating budget. For 2014, \$2.0 million has been added to the City Clerk’s budget from the Reserve. In addition, the Corporate Support budget contains changes for salary and fringe benefit costs, including increases for CUPE and exempt staff agreements.

Adjustments to the budgets for Corporate Support have been made to reflect departmental consolidation and changes to business processes. These changes have enabled reduced spending in temporary help, contract services, postage and printing, training, and supplies, and a lower spend on janitorial and administrative support.

NOTABLE CAPITAL PROJECTS

The following table summarizes some of the noteworthy projects that Corporate Support Services is involved in or will commence in 2014. A complete list of all capital projects for 2014 is included in The appendices to the Council Report.

Project Name (\$ million)	Total Project Budget	Prior Year's Spend to End of 2012	2013 Expenditure Forecast	2014 Budget	Future Years	Total Projected Spend
Facilities						
Office Accommodation Plan	9.1	0.0	4.7	4.4	0.0	9.1
Seismic Upgrades	6.9	0.0	0.0	3.4	3.5	6.9
Vancouver Art Gallery Upgrades	4.8	0.0	0.2	0.6	4.0	4.8
Taylor Manor Reconstruction	14.5	0.3	3.5	10.0	0.7	14.5
Bloedel Conservatory Roof Replacement	1.2	0.0	0.2	1.1	0.0	1.2
Financial Services						
Permit and License Transformation Program	26.0	2.3	7.3	9.8	5.1	24.6
Safari Upgrade	1.0	0.0	0.2	0.8	0.0	1.0
Legal Services Technical Initiative Project	0.8	0.0	0.2	0.6	0.0	0.8

Office Accommodation Plan: This includes office renovations and reconfigurations to existing office buildings on the City Hall campus to better meet the needs of the public and to consolidate and centralize work groups.

Seismic Upgrades: Design and construction for reinforcement of the weak elements in the City Hall West Annex (Vancity building).

Vancouver Art Gallery North Plaza Upgrades: This comprises design, public consultation, and the preparation of tender documents for the restoration of the waterproofing to the underground portion of the Art Gallery. In addition, it includes the preparation of contract documents for the new plaza and award of the construction contract.

Supportive Housing -Taylor Manor Reconstruction: Taylor Manor will be rehabilitated and converted to a 56-bed supportive housing facility.

Bloedel Conservatory Roof Replacement: This is the first phase of the Bloedel Conservatory roof replacement, which includes design, manufacture, and installation of new roof panels.

Permit and Licence Transformation Program: The Permit and Licence Transformation Program was initiated in March 2010 in response to City Council's directive to review the City's business, service delivery practices, and general operations. The main purpose of the project is to achieve improved service delivery and a better customer experience by transforming the process of submitting, tracking, reviewing, and issuing all permits and licences City-wide through enhanced business processes and a new technology platform. This includes bringing business process in line with best practices and updating and integrating current technology.

Safari Upgrade: Replacement of the Safari system used by Parks and Recreation to process registrations, drop-in admissions, pass scanning, and facility permits. Vendor support for the current system will discontinue in 2014 and the system has been experiencing capacity issues during periods of heavy online use.

Legal Services Technical Initiative Project: This is for a replacement of the legacy matter management system (Lotus Notes) and document management system (PC Docs) used by Legal Services. Vendor support for the current systems is no longer available and the hardware is past the end of its life.

BUDGET TREND TABLE

The following table summarizes the year-to-year budget figures from 2010 to 2013 and the 2014 proposed budget. The following paragraphs discuss the year-to-year changes in more detail.

Major Category (\$ million)	2010B	2011B	2012B	2013 Budget*	2014 Proposed Budget
Revenues					
Parking					
Other Parking	0.1	0.4	0.6	0.4	0.4
Cost Recoveries, Grants & Donations					
Other Recoveries	0.5	1.3	0.6	0.7	0.6
Other					
Miscellaneous Revenue	0.6	0.3	1.1	0.5	0.5
Property Rental Income	0.3	0.3	-	-	-
Total Revenues	\$ 1.5	\$ 2.2	\$ 2.3	\$ 1.6	\$ 1.5
Expenditures					
Real Estate and Facilities Management	27.1	37.2	36.6	36.5	38.6
Information Technology and Digital Services	20.8	21.7	24.5	24.8	26.2
Finance and Supply Chain Management	10.7	10.7	12.3	13.7	13.9
Human Resources and Legal Services	13.2	13.7	14.0	14.2	14.8
3-1-1 Contact Centre	4.3	5.0	4.3	4.4	4.7
Other Corporate Support					
City Clerk	3.2	5.1	3.2	3.2	5.4
City Manager Office, External Relations and Protocol Office	4.4	4.3	4.3	5.2	5.5
Communications and Engagement	1.7	1.7	1.6	1.9	1.9
Emergency Management	1.5	0.8	0.8	0.7	1.1
Total Expenditures	\$ 86.9	\$ 100.2	\$ 101.6	\$ 104.7	\$ 112.0
Net Operating Budget	\$ (85.4)	\$ (97.9)	\$ (99.2)	\$ (103.0)	\$ (110.5)
Capital Budget	\$ 55.7	\$ 55.8	\$ 51.1	\$ 58.8	\$ 68.1

Note: Some figures may not add due to rounding

* The 2013 Operating Budget has been restated for re-organizations between departments to be comparable with 2014.

EMPLOYEE TREND TABLES

Corporate Support	2008	2009	2010	2011	2012	2013F
Regular Full Time Staff (Average)	619	681	692	769	780	820
Total Straight Time Hours Paid for All Staff, excluding Overtime	NDA	NDA	NDA	NDA	NDA	NDA

NDA = No data available

The employee trend reflects the continued evolution to shared services, with staff in previously decentralized work groups moving to City-wide groups that are led across the organization. Increases in regular full-time staff within the corporate support area reflect the consolidation of IT, Supply Chain Management, Finance, Facilities Operations and Planning, and Web Operations.

DEPARTMENT SERVICE METRICS

CITY MANAGER'S OFFICE

Corporate Communications and Engagement

The City media relations policy follows industry best practice for large organizations in public and private sectors in British Columbia and across the country. Our policies provide rapid turnaround of information for media requests as well as enable media access to staff across the organization for timely technical and strategic commentary as appropriately determined by senior communications staff. Our media calls reflect the both major policy initiatives and timing issues related to the electoral cycle.

2014 will likely see the increase in media calls that usually accompanies an election year. Other factors such as major events in the community and Council activities and agenda items also impact the number of media calls.

Communications is involved in supporting all parts of the City, the Park Board, VRFS and liases regularly with the Vancouver Public Library, VPD, and the Vancouver Economic Commission. The large number of major public policy initiatives being implemented by the City is reflected in the number of creative projects and the broad and increasing array of public consultation interactions, using various tools and methodologies.

Going forward, we will see social media become increasingly important to build strong media relations, and will continue to employ these tools more often as opposed to issuing standard media releases and information bulletins. Community Engagement and other areas of corporate communications will be strengthened by the benefits that social media bring. The number of followers is expected to increase on Twitter and Facebook over the year ahead.

Over the past two years the number of information bulletins has been reduced due to more strategic approach to public engagement including social media and other information distribution methods.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Corporate Communications	Quantity	incoming Media calls	NDA	2,263	3,064	2,502	2,802
		outgoing info bulletins, press releases, statements, media events	NDA	169	211	90	100
		creative projects per year (advertising, project communications, graphic design, writing)	NDA	297	282	270	290
		# of people engaged through outreach and consultation programs	NDA	NDA	NDA	36,526	40,000
		# of people engaged online	NDA	NDA	NDA	13,805	15,000
		total # of people engaged in communications supported events in person or online	NDA	NDA	NDA	36,526	40,000
		Followers on COV main twitter account	NDA	NDA	NDA	25,860	37,414
		Total followers on all active accounts	NDA	NDA	NDA	186,534	213,103
		Followers on COV main facebook account	NDA	NDA	NDA	12,781	15,973

External Relations and Protocol

Since 2011, the number of events, official visits, and community and interdepartmental teams managed by External Relations and Protocol has remained relatively constant; however, the work has increased in complexity. One of ER&P's events in 2013 was the FCM 2013 Conference, which hosted over 2,000 Councillors and Mayors from across Canada at a four-day conference featuring four large social events, 10 companion tours, and 19 study tours. This project was the focus of ER&P's work plan for 2012 and half of 2013. In 2014, ER&P will see an increase in projects with the new civic awards program and TED Conference.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
External Relations and Protocol	Quantity	Interdepartmental Working Groups facilitated to manage Protocol supported events	NDA	NDA	5	6	8
	Result	Total visiting government officials and staff engaged in positive diplomatic relations	NDA	NDA	141	209	124
		Community and Cultural organizations engaged in Protocol supported event planning	NDA	NDA	10	11	9

Vancouver Services Review

Since 2009, when VSR was created, the number of projects managed has increased and is currently at a high of 23 projects. The projects managed in the VSR have also increased in complexity and City-wide impact and transformation. Although many of the current projects are not driven by savings targets, VSR retains a focus on trying to improve efficiency through business process reviews, shared services projects, and consolidations.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Vancouver Services Review	Quantity	# of Active Projects	NDA	15	11	14	23
	Result	Cumulative savings (\$ millions)	NDA	\$13.5	\$23.5	\$38.3	\$53.1

FINANCIAL SERVICES GROUP

Accounting Services

The number of tax folios in the City has increased from 177,800 to 190,000 over the last five years, reflecting development growth in the City.

Over 97% of property taxes are paid, with only a small percent requiring follow-up. The City can enter into a tax sale to recoup any property tax still owing. Accounting Services' role is to ensure accurate reporting of the City's financial transactions. An unqualified report by external auditors indicates the City's Financial Statements are accurately reported.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Accounting Services	Quantity	# of tax folios	181,700	185,300	187,700	190,000	192,000
	Result	% of current taxes outstanding	3.01	2.84	2.61	2.49	2.40
		Unqualified Audit	Yes	Yes	Yes	Yes	Yes

Financial Planning and Analysis

The City's budgeted operating expenditures are approved by Council as part of the City's budget process. The City has moderated its expenditure growth since the economic downturn of 2008, and maintained a lower tax rate increase (1.4% - 2.8%) during the past four years. Managing debt levels is a key metric to ensure the financial sustainability of the City. Tax-supported debt as a percentage of operating expenditures is targeted to be maintained under 10%. With strong debt and financial management, the City continues to enjoy one of the strongest credit ratings of all Canadian municipalities.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Financial Planning and Analysis	Quality	Tax increase compared to prior year outlook	5.85%	2.08%	1.88%	2.84%	1.36%
		Tax-supported debt charges as a % of operating expenditures	7.40%	7.20%	7.60%	7.70%	7.80%
	Result	Operating Expenditure Budget	\$923.6M	\$961.3M	\$1,030.8M	\$1,127.3M	\$1,147.9M
		City of Vancouver Credit Rating			Aaa/AA/AA	Aaa/AA/AA	Aaa/AA/AA

Procurement (Supply Chain)

As part of the Vancouver Services Review, Council approved a new procurement policy and a new centralized Supply Chain Management Department. Contracts that were previously managed on a decentralized departmental basis are now centrally contracted through a strategic sourcing program, combining overall City-wide spend with a competitive process to achieve the best value for the City. Over the past few years, the number of contracts managed centrally has continued to increase, and all but a small percentage of contracts are competitively bid.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Procurement (Supply Chain)	Quantity	Contract Awarded (in millions \$)	NDA	\$78	\$80	\$130	\$150
	Result	% of Contracts competitively bid	NDA	97.10%	93.20%	96.80%	96.50%

Treasury

The City's borrowing and investing rates have continued to decline with lower overall interest rates. Investments are shorter term to ensure liquidity for the City, and therefore reflect the rate decline more rapidly than long term debt. The City has reduced overall debt levels in the past 4 years.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Treasury	Quality	Average rate of interest on outstanding debt	4.68%	4.53%	4.36%	4.23%	4.10%
		Average rate of return on investments	3.87%	2.23%	2.65%	2.33%	1.98%
	Result	Total debt outstanding (in \$ millions)	1141	1121	1064	1008	950

Corporate Data Management

Corporate data continues to grow, putting pressure on data storage and system usage. Strategies to manage corporate data growth include looking at more software-as-a-service opportunities and tools like VanDocs to control the creation of duplicate copies of corporate documents.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Corporate Data Management	Quantity	Volume of data managed (in terabytes)	n/a	359	387	410	560

IT Infrastructure Maintenance

IT continues to maintain a high level of uptime for the corporate network, which supports the ability of City staff to support citizens and customers.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
IT Infrastructure Maintenance	Result	% of network uptime	99.87%	99.80%	99.80%	99.93%	99.95%

CITY CLERK'S DEPARTMENT

Archives

Enquiries spiked in 2011 as a result of Vancouver 125 anniversary projects and celebrations, many of which required use of the Archives services and holdings.

The overall decline in the number of inquiries can be attributed to casual researchers being able to find information online about the Archives' holdings, as well as an increasing number of digitalized versions of the holdings being made available to the public through the Archives' online database.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Archives	Quantity	# of inquiries	3,591	2,766	3,051	2,713	2,408

Elections Management

In 2014, Elections Management will be working to improve the voter turnout and number of registered voters through new outreach programs and new voting opportunities, including Vote Anywhere.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Elections Management	Quantity	# of Registered Voters	n/a	n/a	418,878	n/a	n/a
		# of Voter Turnout	n/a	n/a	144,823	n/a	n/a
	Quality	% of Voter Turnout	n/a	n/a	34.5%	n/a	n/a

Legislative Operations

In 2012, City Council adjusted the standing committee meetings to conduct one committee meeting per Council week instead of two. The adjustment reduced the number of standing committee meetings per year, although the duration of the meetings expanded to conduct the same amount of business.

The number of citizens speaking to Council continues to vary with the topics on meeting agendas. Citizens' interest in appearing before Council to share their views is important to the policy process and is expected to remain strong as Council and citizens engage in the policy dialogue, however the City is also working hard to ensure citizens have other potentially more convenient ways and venues to provide their input (see engagement metrics from Corporate Communications).

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Legislative Operations	Quantity	# of Standing Committee meetings	NDA	NDA	46	26	26
		Total Speakers at Meetings	NDA	NDA	1505	1085	925

Records Management

Freedom of Information (FOI) requests continue to grow at a moderate pace and the City is able to respond to the majority requests in a short time. Improvements in response time will come from increasing the City's open data availability and the continued use of tools like VanDocs to make information more centrally accessible.

The City responds to all FOI requests within the statutory timeframes. The vast majority are responded to within the usual 30 days with the rest responded to within extensions granted by the Office of the Information and Privacy Commissioner of BC. The table below shows the number responded to in under 20 hours and the remainder over 20 hours includes some that may take a long time due to the complexity of the request.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Records Management	Quantity	# FOI Requests per year (formal)	395	398	411	355	425

HUMAN RESOURCES

Organizational Development

Staff participation in corporate training and development opportunities is growing steadily. This progress reflects an increased emphasis on leadership development across the City as well as the deployment of online learning, which has enhanced employee access to training opportunities at significantly reduced cost.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Organizational Development	Quantity	Number of employee participants	1539	1158	1858	2348	2380

Organizational Health and Safety

The City has identified employee health and safety as an organizational priority and has invested significant effort in prevention of workplace injuries and mitigation of days lost due to injury and illness. For 2013, the City is forecasting continuation of the long-term reduction in the rate of time-loss injuries. The metric represents time-loss injuries per 100 workers, which is a key indicator of safety results.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Organizational Health and Safety	Quantity	Time loss injuries per 100 workers (includes CoV, VPL and VPD)	7.03	6.88	5.86	6.31	6.10
	Result	Duration of WSBC claims in days (includes CoV, VPL and VPD)	39	42	49	45	39

Attraction, Recruitment, and Retention

Recruitment and retention of qualified, motivated staff has direct implications for the City's operational effectiveness, and the volume of recruiting activity represents a significant driver of demand on Human Resource Services. The forecasted number of new hires in 2013 reflects an increase over 2012, primarily related to seasonal and auxiliary staffing.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Attraction, Retention, Recruitment	Quantity	# of new hires (excl Police and Library)	540	606	890	522	754
	Quality	Overall regular employee turnover % (including retirements)	4.10%	4.50%	5.20%	4.80%	4.70%

DIGITAL SERVICES

Traffic to the City of Vancouver's website has remained fairly steady since 2010. The higher site visits in 2009 are attributable to the run-up to the 2010 Winter Olympic Games and associated interest in the City of Vancouver after the 2010 Winter Olympic Games. In 2010, traffic tapered as a result of the redirection of visitors to a separate dedicated site for Olympic Games content and the conclusion of the event. With the commitment to the Digital Strategy, better usability, a responsive mobile offering, tighter social media integration, and an increased number of online services available on vancouver.ca, it is expected that traffic will increase into 2014.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Digital Strategy and Web Operations	Quantity	Site visits (in million)	14.9	8.2	9.4	8.2	8.0
		Page views (in million)	NDA	NDA	NDA	NDA	28.0

Note: The methodology for counting visits changed between 2009 and 2010.

3-1-1 CONTACT CENTRE

The 3-1-1 Contact Centre continues to experience significant year-over-year growth in call volume and total contacts (calls plus email and social media). However, the rate of growth is decreasing and is projected to decrease further in coming years as the City deploys enhanced online and mobile access to information and services. For 2013, the service level and call abandon rate was impacted by a time-limited increase in information and service requests over the summer related primarily to changes in garbage and organics collection for single-family homes.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
311 Call Centre (Customer Service)	Quantity	Calls Offered	282,205	544,794	711,650	823,237	925,000
		Contacts Offered (includes email, etc)	282,205	572,305	738,254	864,706	949,000
		Year over year growth in contacts offered	NDA	49%	23%	15%	10%
	Quality	Service Level (% answered within 30 seconds)	40.80%	68.50%	75.90%	81.10%	75.00%
		Abandon Rate (% calls dropped)	17.60%	7.40%	5.10%	4.06%	7.00%

REAL ESTATE AND FACILITIES MANAGEMENT

The number of City-owned buildings has grown steadily over the last five years. This growth comes from strategic property acquisitions and community amenity space contributions negotiated as part of the development process.

Leased office space and annual lease payments have been relatively stable since 2009, after the Crossroads building at West Broadway and Cambie Street was approved.

With the full rollout of the corporate Zero Waste Program in 2013, the number of City facilities in the program has significantly increased from 7 to 40. This has resulted in a total of 437 tonnes of waste being diverted from the landfill.

Service	Metric Type	COV Metric	2009	2010	2011	2012	2013F
Asset Management (Buildings and Property)	Quantity	# of buildings city owns	448	461	480	492	493
		area (sf) of buildings city owns	7,136,783	7,453,783	7,975,783	8,389,793	8,305,783
		area (sf) of office space the city leases	263,821	263,821	319,121	278,042	286,254
		Total lease payments on city leases	5,774,221	7,086,033	9,590,908	9,745,079	9,460,000
		Total # city facilities in zero waste program	0	0	0	7	40
	Result	Total GHG emissions from City used buildings	19,306	17,848	20,546	19,793	20,000
		Average percent waste diversion rate in City used buildings with the implemented Zero Waste program	NDA	NDA	NDA	NDA	69%

For more information visit: vancouver.ca
Phone: 3-1-1 TTY: 7-1-1
Outside Vancouver: 604-873-7000

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