



Finance Committee

**Anderson Room, City Hall
6911 No. 3 Road**

Monday, November 2, 2015

Immediately Following the Open General Purposes Committee meeting

Pg. # ITEM

MINUTES

FIN-3 *Motion to adopt the minutes of the meeting of the Finance Committee held on October 5, 2015.*



FINANCE AND CORPORATE SERVICES DIVISION

1. **DISSEMINATION OF ASSESSMENT AND PROPERTY TAX INFORMATION**

(File Ref. No.) (REDMS No. 4775210)

FIN-6

See Page FIN-6 for full report

Designated Speaker: Ivy Wong

STAFF RECOMMENDATION

That the property tax 101 video be promoted through the City's multimedia channels.



Pg. #

ITEM

2. **CORPORATE SERVICE LEVEL REVIEW UPDATE Q2 – 2015**
(File Ref. No.) (REDMS No. 4651551 v. 8)

FIN -9

See Page **FIN -9** for full report

Designated Speaker: Cecilia Achiam

STAFF RECOMMENDATION

That the staff report titled “Corporate Service Level Review Update Q2 – 2015,” dated October 9, 2015, from the Director, Administration and Compliance, be received for information.



FINANCE AND CORPORATE SERVICES & ENGINEERING
AND PUBLIC WORKS DIVISIONS

3. **2016 UTILITY BUDGETS AND RATES**
(File Ref. No. 03-0970-01) (REDMS No. 4716954 v. 5)

FIN-55

See Page **FIN-55** for full report

Designated Speakers: Suzanne Bycraft & Lloyd Bie

STAFF RECOMMENDATION

That the 2016 utility budgets, as outlined under Option 3 for Water and Sewer, Option 2 for Drainage and Diking, and Option 1 for Solid Waste and Recycling, as contained in the staff report titled “2016 Utility Budgets and Rates,” dated October 21, 2015, from the General Manager, Finance and Corporate Services, and the General Manager, Engineering and Public Works, be approved as the basis for establishing the 2016 Utility Rates and preparing the 5 Year Financial Plan (2016-2020) Bylaw.



ADJOURNMENT





Finance Committee

Date: Monday, October 5, 2015

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Chak Au
Councillor Derek Dang
Councillor Carol Day
Councillor Ken Johnston
Councillor Alexa Loo
Councillor Bill McNulty
Councillor Linda McPhail
Councillor Harold Steves

Call to Order: The Chair called the meeting to order at 5:13 p.m.

MINUTES

It was moved and seconded

That the minutes of the meeting of the Finance Committee held on September 21, 2015, be adopted as circulated.

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

1. **BYLAW NO. 9271 – PERMISSIVE EXEMPTION (2016) BYLAW**
(File Ref. No. 12-8060-20-009271) (REDMS No. 4649529)

It was moved and seconded

That Permissive Exemption (2016) Bylaw No. 9271 be introduced and given first, second, and third readings.

CARRIED

Finance Committee
Monday, October 5, 2015

2. **CONSOLIDATED FEES BYLAW NO. 8636, AMENDMENT BYLAW NO. 9272**

(File Ref. No. 12-8060-20-009272) (REDMS No. 4649789)

It was moved and seconded

That Consolidated Fees Bylaw No. 8636, Amendment Bylaw No. 9272 be introduced and given first, second and third readings.

CARRIED

In reply to queries from Committee, Ivy Wong, Manager, Revenue, commented on permissive exemption of City-owned properties and comfort letters. Also, Joe Erceg, General Manager, Planning and Development, spoke of a forthcoming staff report regarding the City's demolition permit fees and the recycling of demolition materials.

3. **AMENDMENTS TO THE 5 YEAR FINANCIAL PLAN (2015-2019) BYLAW 9296**

(File Ref. No. 12-8060-20-009296) (REDMS No. 4724953 v. 13)

It was moved and seconded

That the 5 Year Financial Plan (2015-2019) Bylaw 9220, Amendment Bylaw 9296, which would incorporate and put into effect changes previously approved by Council and changes to the 2015 Capital, Utility and Operating Budgets, be introduced and given first, second and third readings.

The question on the motion was not called as in reply to a query from Committee, Jerry Chong, Director, Finance, advised that unexpended funds from existing projects will be reallocated to fund the Steveston Town Square Park concept plan.

The question on the motion was then called and it was **CARRIED**.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (5:19 p.m.).

CARRIED

Finance Committee
Monday, October 5, 2015

Certified a true and correct copy of the Minutes of the meeting of the Finance Committee of the Council of the City of Richmond held on Monday, October 5, 2015.

Mayor Malcolm D. Brodie
Chair

Hanieh Berg
Legislative Services Coordinator



City of Richmond

Report to Committee

To: Finance Committee

Date: October 23, 2015

From: Jerry Chong
Director of Finance

File:

Re: Dissemination of Assessment and Property Tax Information

Staff Recommendation

That the property tax 101 video be promoted through the City's multimedia channels.

Jerry Chong
Director of Finance
(604-276-4064)

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS:
APPROVED BY GAO 	

Staff Report

Origin

At the June 8, 2015 Finance Committee, the following referral was assigned to staff:

- (1) That staff prepare an information package that clearly explains the roles of BC Assessment and the City, and how changes in assessment valuations impact individual property taxes; and*
(2) That staff report back with a plan on how this information will be disseminated to property owners.

A report titled Assessment and Property Taxation was brought to the July 2, 2015 Finance Committee to address item (1) of the referral. The following report addresses the dissemination of the information to property owners.

This report supports Council's 2014-2018 Term Goal #7 Strong Financial Stewardship:

- 7.3. Transparent financial decisions that are appropriately communicated to the public.*

Analysis

In general, most taxpayers are not aware of the correlation between assessment and property tax. Although the information is readily available in the annual tax inserts, most people do not read the material and by default blame the City for any tax increases on their property tax bill.

In order to develop a better understanding for the correlation between assessment and property tax, staff have prepared a property tax 101 video which summarizes the tax calculation information provided in the "Assessment and Property Taxation" report into an approximately 5 minute clip. The video takes the viewer from how the annual tax draw is determined to how taxes are calculated for the individual household.

With the 2016 assessment letters due to be mailed in two months, this video will be promoted through the City's multimedia sites as soon as possible in order to maximize the educational value. BC Assessment will issue news releases out on January 2nd regarding assessment increases for 2016. The City will promote the video prior to this date so that taxpayers can understand the relationship between assessment and property tax ahead of receiving their assessment letter.

Financial Impact

None

Conclusion

That the property tax 101 video be promoted through the City's multimedia channels.



Ivy Wong
Manager, Revenue
(604-276-4046)

IW:iw



City of Richmond

Report to Committee

To: Finance Committee
From: Cecilia Achiam
Director, Administration and Compliance
Re: **Corporate Service Level Review Update Q2-2015**

Date: October 9, 2015

File:

Staff Recommendation

That the report titled "Corporate Service Level Review Update Q2- 2015" from the Director of Administration and Compliance dated October 9, 2015 be received for information.

Cecilia Achiam
Director, Administration and Compliance
(604-276-4122)

REPORT CONCURRENCE	
CONCURRENCE OF FINANCE COST CONTROL & EFFICIENCY SUBCOMMITTEE	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS:
APPROVED BY CAO 	

Staff Report

Origin

At the Finance Committee meeting on July 6, 2015, staff were directed to provide a service level review update in October to coincide with the budget review process. The current service level review cycle commenced in 2012. This report is the first regular update of the Corporate Operational Service Level Review Program. The report provides information on the reviews completed and the status of tasks assigned to the Department/Work Unit following their respective reviews.

Background

This report includes information on the following:

- an overview of the difference between the on-going operational review that the City's Administration utilize as a continuous improvement tool and the more conventional (one-time) service level review approach commonly used by organizations to achieve specific cost reductions or adjustment to established levels of service;
- an updated discussion on the broader local government context, Richmond's response to evolving needs (Attachment 1), and
- details of the Corporate Operational Service Level Review Program, including Results and Update (schedule and processes).

Future updates to City Council will only contain new information on reviews conducted and respective results.

1. On-going Operational Review – Management Tool for the Administration:

Operational service reviews have been integrated into the City Administration's management practice for over 15 years to achieve continuous improvement in the City's operations. The CAO institutionalized this practice as an administrative tool to address operational needs by informing the Administration if there are areas that have additional resource/ temporary capacity. If additional capacity is identified, this can be temporarily redeployed to assist in the delivery of time sensitive initiatives that are beyond the normal scope of work. This temporary reallocation of resource avoids added cost of procuring additional resources (E.g. consultancy/auxiliary staff) to address issues that require intensive short-term attention. An example may be to address a time sensitive/complex Council referral or a specific special initiative. This practice ensures that special assignments are completed on time without taking away resources from the day to day operations.

Customarily, the CAO reviews the City's priorities and reorganizes the City's functions and personnel to address emerging needs. As the public debate on "value for tax dollars" intensifies and the Province increases its focus on municipal performance with the introduction of the Municipal Auditor General function, the CAO, in 2012, reallocated resources and formed the Administration and Compliance Department to put focus on corporate compliance and performance. The corporate compliance and performance function was envisioned to "place significant focus on measuring work unit performance against productivity targets, and assist internal departments to analyze and identify opportunities to develop and implement business process improvement strategies and to adopt innovative practices".

The Administration and Compliance Department manages a variety of other corporate services, in addition to the corporate compliance and performance functions. They include: Business Licences, Customer Services, Economic Development, Risk Management, Corporate Business Advisory and Community Sponsorship. Corporate Compliance, Performance, Risk Management and Business Advisory (internal audits) provide additional resources to address corporate-wide issues that emerge from service level reviews performed.

The CAO further established a Corporate Operational Service Level Review Team (SLRT) and appointed six staff members (including three staff members from Administration and Compliance) to the Team. The SLRT is not a full-time resource. The SLRT, which is led and supported by the Administration and Compliance Department, conducts in depth reviews of individual departments, sections, and work units in addition to their regular work assignments.

The mandate given the SLRT by the CAO does not focus on whether or not the program or service is a core/traditional/discretionary function. Staff do not determine what services should be delivered. City Council is the only entity that can determine the levels of services and which traditional and discretionary services are to be provided to the community. The on-going operational review that the CAO currently uses for continuous improvement purposes is intended to generate cost savings, as opposed to cost reductions.

The effectiveness of this approach is borne out by the fact that the administration rarely requests additional resources or retains consultants to support extraordinary assignments, referrals or increased workloads. The Administration and Compliance Team as well as the former Olympic Business Office are examples of this process.

The specific goals of the SLRT are to:

- Review operational activities for efficient, effective, and appropriate use of resources;
- Identify process improvement and resource reallocation that can increase efficient and effective service delivery; and
- Identify operational key performance indicators and link to corporate performance measurements to track progress into the future.

The emphasis of the current Corporate Operational Service Level Review program is on whether the specific services meet legislated/professional/industry standards; identifying cost savings (vs. cost reduction) opportunities; and on achieving service efficiencies.

A brief discussion is included below to distinguish between “cost savings” and “cost reduction” in the context of an operational or service level review. The City’s practice is to seek “cost savings” as part of the corporate continuous improvement process and to defer to Council for decision on “cost reduction”.

“Cost savings” means finding ways to reduce expenditures while still addressing the same range of objectives (goals, intended outcomes) and achieving the same level or quality of outcomes with respect to each objective. This approach is consistent with Council Policy 3016, titled “Budget and 5-Year Financial Plan Preparation”. The Administration, through the mandate for the current Corporate Operational Service Level Review Program seeks to achieve continuous improvement, including cost savings, through process improvement and reallocation of resources.

“Cost reduction” typically means choosing not to address some objectives, goals or intended outcomes. That is, to cut back on the scope of services (drop a program, address fewer objectives/goals) or to decide to not shoot for higher outcomes on specific objectives. Decisions on cost reduction that would impact the type of services or the outcome of the services rest with Council.

Where applicable, the SLR verifies that the service levels of individual Departments/Work Units under review adhere to professional/industry standards which are either required by legislation or are at par with neighbouring Metro Vancouver municipalities because these standards have a direct impact on operational costs (Attachment 2). The SLRT is expected to formulate recommendations that are independent and unbiased, and will significantly contribute to more effective and efficient practices.

To ensure accountability, the Finance Cost Control and Efficiency Subcommittee (FCCE), composed of members of the Senior Management Team and other senior staff appointed by the CAO, reviews the work of the SLRT. The CAO reviews all of the SLRT’s original recommendations vis-a-vis comments from the General Manager of the Department being reviewed and the comments/recommendations from the FCCE Sub-Committee to ensure accountability at all levels.

When a recommendation is endorsed by the FCCE Subcommittee and the CAO, the department in question is expected to allocate funds within its budget to hire the appropriate external resource if needed and report back on the results. This encourages the departments to be efficient and effective in outlining the scope and to be accountable for the deliverables of external work and subsequent implementation.

2. Conventional (One-time) Service Level Review – Definition and Purpose

There are generally three distinct types of conventional (one-time) service level reviews that a local government can conduct: Core Service Review, Service Delivery (Operational) Review, or Organizational (Structure) Review. A fourth type of review – a hybrid – would combine elements of more than one of the three key types of reviews. These reviews are generally conducted as a one-time effort to achieve specific targets to achieve cost reduction or to review the organizational structure. To achieve a sustained cost reduction, Council must choose to either reduce the service level of programs or eliminate discretionary services.

An extensive report detailing the types of service level reviews to distinguish the conventional (one-time) application from the operational reviews (on-going) conducted by the City has also been provided to Council in the past and will not be repeated in this report.

The SLRT produced a list of the 83 work units/department/sections services the City provides and categorizes whether the services are core, traditional or discretionary based on legislation from the federal or provincial governments to provide a frame of reference for cost reduction decisions (Attachment 3). This information was provided to Council in the past and most recently in the staff report to Finance Committee on July 6, 2015 titled “2016-2020 Budget Process”. Only Council has the mandate to decide the appropriate levels of service (beyond legislated standards) and the traditional/discretionary services to provide. This information was provided to Council to assist in the service/cost reduction should such a need arise.

Analysis

A. Corporate Operational Service Level Review Program Results Update

As of the writing of this report, service level reviews have been completed on 30% (25 of 83) of city departments/sections/work units representing approximately \$40M in the Operating Budget (2015). Based on the current schedule (Attachment 4), 78 of the 83 work units/department/sections will be reviewed by mid-2017. The Richmond Public Library and Gateway Theatre, which report to independent Council-appointed boards, and the RCMP (a contracted service) are excluded from the Corporate Operational Service Level Review Program.

This report provides an update on the following six Departments/Work Units: Community Bylaws, Information Technology, Intergovernmental Relations and Protocol Unit, City Clerk's Office, Transportation, and Economic Development. Recommendations for the six completed reviews have been transformed into tasks for the Department/Work Unit to undertake, and these have progressed to the implementation stage. Progress on addressing the assigned tasks for each of the Departments/Work Units to improve their efficiency and/or effectiveness (to October 2015) is provided in Attachment 5.

Once endorsed by the CAO, Service Level Review recommendations are referred back to the subject department or Administration and Compliance Department for further assessment. Only those with positive business case (i.e. produce a benefit beyond the cost of implementation) will be implemented. As per Council direction, this report provides an update to the Service Level Review Program. Due to sensitivity around personnel matters, obligation to consult with the Unions and potential disruption of work force, detail records and recommendations of the reviews are not included in this report.

To date, with 30% of the Service Level Reviews complete, the following observations can be drawn:

- a. The service levels of the work units reviewed are set to legislative/industry standard requirements (Attachment 1). The work units have been able to demonstrate that they conduct periodic review of service level standards to achieve a balance between acceptable service levels and cost control. Grass cutting by Parks Operations is an example:

Category of Action	Example	Action	Result
Periodic Review of service level standards for specific services	Grass Cutting – As per industry standard (an external requirement), grass of a moderately used field should be cut every 7-10 days.	Parks Operations has deliberately chosen to reduce the number of grass cutting per year from 26/year (i.e. every 7 days/cut) to 22/year (i.e. every 10 days/cut) in neighbourhood school parks.	City service levels are not set arbitrarily. In this specific example, the Parks Department routinely monitors its operation to ensure the budget can be "stretched" without adversely affecting the quality of the park.

Figure 4: Balancing Service Level and Cost Control

- b. The budget trends of the work units reviewed are generally within CPI increases. Any increase beyond is due to additional services/staff positions approved by Council to address growth or

respond to senior level downloading. Figures 2 and 3 in this report are examples of such increases.

- c. Improvement in efficiency/effectiveness has been reported for the work units that have implemented recommendations from the Service Level Reviews. One internal service and one external service improvements are cited below as examples:

Category of Action	Example	Action	Result
Improvement in Operational Efficiency	Employee records – An HR system and a financial system were two different systems that have been relied upon to generate employee information (e.g. their status).	A middleware software solution was introduced to synchronize employee records from the different systems.	All new hires, terminations, or changes in the organization are now automatically reflected in the IT systems to ensure the organization has a “single source of data” with respect to employee information.
	Dog licencing renewal was a manual process that required the full resource of one full-time employee (approximately 35 hours per week).	An improved renewal process (from manual to automated); implementation of an online payment capability increased employee capacity by 27%.	Automation created efficiency that allowed for growth in the dog licensing program. The change also freed up time for the staff member to provide assistance to other areas of the Community Bylaw Call Centre.
Cost Savings on Discretionary Services and Reallocation of Savings	Review of service agreements (e.g. by Economic Development	Discontinuance of a service agreement recommended to Council	Discretionary service has been discontinued and the budgeted amount for the service reallocated for other purposes to be determined by Council.

Figure 5: Efficiency/Cost Saving Examples

- d. The formation of the Administrative and Compliance Department provide dedicated resources needed to address corporate issues/gaps (rather than within a specific department).

Category of Action	Example	Action	Result
Risk Mitigation	Internal Audit of Purchasing Card (PCard) Use - to determine compliance with administrative guidelines and procedures	A periodic audit is conducted by the Business Advisory Services Unit of Administration and Compliance.	Addresses an identified gap and inappropriate action to mitigate the risk
	“Select” Internal Audit for quality assurance	An audit is underway to review the processes and controls related to the purchase and distribution of fuel to the City's fleet vehicles.	For improved accountability and quality assurance

Category of Action	Example	Action	Result
Risk Prevention	Cash and Revenue Handling at City Facilities - Financial transactions routinely occur in City facilities. A review needed to be undertaken to: <ul style="list-style-type: none"> optimize staff safety develop consistent and standardized procedures based on best practices provide operational efficiencies reduce risk of financial loss to the City 	Community Services and Finance and Corporate Services Divisions came together to conduct a comprehensive review, with participation from Administration and Compliance staff.	<ul style="list-style-type: none"> Cash and Revenue Procedures Manual developed and circulated to appropriate staff for compliance and guidance Education sessions conducted amongst City facilities staff Management reporting sessions conducted
Corporate Compliance	Review of timekeeping procedures and roles/responsibilities across the various Divisions	Development of an Administrative Directive on timekeeping to serve as a corporate guide for all City staff	<ul style="list-style-type: none"> Consistent timekeeping practices and procedures Accountability clearly defined
Corporate Performance	Development of a Corporate Performance Strategy as an administrative tool	Working with departments and work groups in conjunction to establish appropriate key performance indicators	<ul style="list-style-type: none"> On-going with the Service Level Review Program A Community Dashboard development is under way

Figure 6: Sample Actions to address Corporate Issues/Gaps with Corporate

- e. The Corporate Administration established the Corporate Operational Service Level Review Program as a management tool to inform the CAO and senior management on opportunities for continuous improvement of processes and procedures within specific operations and for improved efficiencies through reorganizing functions and or service delivery models. The Corporate Operational Service Level Review Program is not designed to make recommendations of cost reduction (i.e. elimination of services and/or programs). As such, the Program is not intended to be a budgeting tool.

B. Application of Service Level Review Results in Context

A service level review could potentially identify opportunities for efficiencies and possibly a few positions that could be eliminated, but it would at the same time potentially identify other areas to which the surplus resource would need to be moved. In reality, as highlighted as a constant theme in the Columbia Institute report, local government organizations have been cutting back for the past 25 years and it has become more and more difficult to do so. Council constantly strives to provide more and better services to the community. However, at some point, there will be a need to reconcile or balance the growing needs/requirements in the community with the desire to maintain low tax increases. New and/or significant sources of revenue may need to be identified.

In practice, as the City is a lean organization, there will be certain impacts on any program should staff positions be eliminated without considering a corresponding reduction in program or service delivery.

A simple, logical financial approach would be to eliminate discretionary programs (see examples below) as a way to maintain core functions/services. The financial approach, however, does not take the social/ community impact into consideration and is not reflective of Council's direction. This report, does not in any way recommend that discretionary programs be eliminated. These examples are merely meant to illustrate the reality of the potential impact of eliminating discretionary services (staff and program cost).

Sample Discretionary Program	Staff Complement (FTE)	Costs (staff + program costs - revenues)
Tree Bylaw	3	\$316,600
Economic Development	2	\$433,900
Youth Services	3	\$322,000
Nature Park	3.7	\$360,000

Figure 7: Examples of Discretionary Services/Program and Associated Costs

Financial Impact

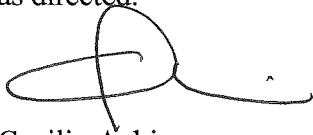
None.

The Corporate Operational Service Level Review Program has been mandated by the CAO to review efficiency and effectiveness of programs/initiatives within departments/work units. Any cost savings generated by the SLR are either reallocated to support existing work programs/initiatives within the same fiscal year. Any long term operating budget reduction is to be accounted for in future budgets.

Conclusion

Local governments have experienced continual downloading from senior governments over the past 25 years and the trend continues today. In some cases, a local government Council may have absorbed so many non-core programs and services costs into its annual operating budgets that it may no longer be clear which costs are for core programs and services and which are discretionary. Over time funding for core programs and services may be diverted to facilitate popular discretionary programs or services that have been downloaded and/or which hold a strong appeal to a particular interest group. As the base funding for core services is eroded, pressure will build to increase revenues and/or find cost reductions. The challenge is that today there are few options that will produce cost reductions without impacting programs and services.

It is good practice for a responsible administration to regularly initiate operational service level reviews to maintain the low tax increases while delivering high quality services. Since 1997, Richmond has a long standing practice of conducting ongoing operational reviews to support both the process through which the annual operating budget is approved and operational process improvement. Over the years the program has produced many opportunities for significant cost savings in a wide variety of areas of the organization. Staff will continue with this practice and provide periodic progress update to Council as directed.



Cecilia Achiam
Director, Administration and Compliance
(604-276-4122)

- Attachment 1: A Broader Local Government Context
- Attachment 2: 2013-2014 Key Municipal Data Survey
- Attachment 3: Types of Service by Division/Departments/Sections/Work Units
- Attachment 4: Proposed Service Level Review and Target Schedule
- Attachment 5: Service Level Review Progress Reports

A BROADER LOCAL GOVERNMENT CONTEXT

A. Provincial Lens

Under the current legislative framework, municipalities are “creatures of the province” and operate under provincial statutes and regulations with respect to powers and expenditure responsibilities, revenue sources, governance and structure. Additionally, municipal governments have no control over the province when it comes to downloading or providing grants to municipalities.

Local governments have experienced continual downloading from senior governments over the past 25 years and the trend continues today. In some cases, a local government Council may have absorbed so many non-core programs and services costs into its annual operating budgets that it may no longer be clear which costs are for core programs/services and which are for discretionary programs. Over time, funding for core programs and services may be diverted to facilitate popular discretionary programs or services that have been downloaded from federal/provincial governments, and/or which hold a strong appeal to a particular interest group. As the base funding for core services is eroded, pressure will build to increase revenues and/or find cost reductions. The challenge is that today there are few options that will produce cost reductions without impacting programs and services.

Recently (February 2015), the Institute of Research on Public Policy (IRRP) Study No 51¹ looked at municipal spending responsibilities in Canada and noted that with few exceptions, municipalities have access to only one major tax - the property tax, and user fees to fund services. Most municipal governments, Richmond included, cope with provincial downloading of services (including such services for seniors in aging communities, childcare and social housing) by looking inward to their existing operations for cost savings/reductions to provide these necessary (while not within local government mandates) services.

In September 2014, the Columbia Institute for Civic Governance published the report, *Who's Picking up the Tab?*

“Who's Picking up the Tab? investigates the scale and scope of downloading onto local governments from federal and provincial governments, using BC as a case study.” “Reflecting the transfer of responsibility onto local government, local expenditure in the province on sewer services between 2001 and 2010 grew by 173 per cent. Policing by 134 per cent. Water services by 130 per cent. Parks, recreation and culture by 108 percent.

Goods and services purchased in large quantities by local governments increase in price faster than the more general “market basket” used for the Consumer Price Index. Some municipalities have been developing Municipal Price Indexes that measure the specific goods purchased by local

¹ The Institute of Research on Public Policy study No. 51, titled “No Seniors’ Specials-Financing Municipal Services in Aging Communities” by Harry Kitchen dated February 2015. Source <http://irpp.org/wp-content/uploads/2015/02/study-no51.pdf>.

*governments. Edmonton's MPI for 2012, for example, was almost double the CPI rate (2.6 per cent MPI vs 1.34 per cent CPI)."*²

The Columbia Institute report cites social service cuts, housing, mental health impacts which in turn impact policing costs, wastewater treatment and environment, as examples of local government cost generators for which senior levels of government have delegated responsibility, but not funding.

B. Regional Lens

From time to time, the Corporate Administration collects key indicators to ensure that the City's budgets and services offered are in line with neighbouring municipalities - Burnaby, Surrey and Vancouver. Burnaby and Richmond are particularly good comparables with respect to population size and capital inventory. Attachment 2 contains the 2014 Key Municipal Indicators Surveys comparing these four Metro Vancouver municipalities.

While the survey confirms that the City compares favourably with the other municipalities, it is most appropriate to compare Burnaby and Richmond as both cities have similar population (Richmond 209,339; Burnaby 233,734) with similar urban context.

Both cities maintain similar numbers of community infrastructures and parks with different emphasis on recreation and parks programs. Richmond operates with 7.1 FTE staff/1000 residents while Burnaby has 8.74 FTE/1000 residents. Burnaby's total salaries budget is \$160,780,000. Richmond's is \$141,263,300 (lower by \$19,516,700). Some of the variations on staffing and salary budget are related to services that are delivered under different models (e.g. contracted garbage pickup) and different assets (e.g. Burnaby own and manages golf course with full catering services, etc.). At the same time, Richmond is managing a much higher capital project load as the City is undertaking a major capital replacement/enhancement program. The capital budget comparison is Richmond \$237,203,000 (\$1,156/capita); Burnaby \$136,125,000 (\$582/capita). These facts might lead to the justification to have more staff to manage a relatively higher work load, all other operations being similar. The reality demonstrated by the survey is that the City is a relatively lean organization and consistently provides the same or higher levels of service than comparable Metro Vancouver municipalities.

C. Richmond's Response to Evolving Needs

While Richmond has continually achieved reasonable budgets and successfully contained property tax increases over the past 20 years (while expanding programs and services at the same time), the City has not achieved these results without challenges. In 1998/9, with only short notice to local governments, the province eliminated over \$5 million in annual transfers to Richmond. Richmond absorbed that loss while continuing to maintain reasonable property tax increases.

In response to senior levels of government downloading and changing legislative requirements and professional practices to establish more stringent performance requirements, the City has taken on new services/programs to address Richmond's community needs. Key examples are provided below for illustration.

² Who's Picking up the Tab? Published by the Columbia Institute in September 2014

Social Services:

- a. Council also initiated the City's Grant Programs to support a variety of community causes. The total cost in 2015 is \$2,226,560:

Grants for 2015 as follows:

Municipal Grant

Parks, Recreation and Community Events	\$101,494
Health, Social and Safety	\$563,986
Arts and Culture	\$105,080

Child Care Grant

Child Care grants	\$50,000
Child Care Professional and Program Development	\$15,000
Total Child Care	\$65,000

Richmond Disability Grant

Richmond Therapeutic Equestrian Society	\$57,000
Richmond Centre for Disability	\$121,800
TOTAL	\$178,800

Gateway Theatre	\$1,212,200
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GRAND TOTAL	\$2,226,560
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- b. Delivery of social services is a specific example of an issue that City Council has chosen to address because of service gaps caused by senior levels of government downloading. Council approved several staff positions including a Child Care Coordinator, Affordable Housing Planner and Social Housing Coordinator which have ongoing annual cost implications of \$309,000 - \$337,000 (Figure 2). The work undertaken by these staff are outlined in the Council-approved Social Development Strategy. These "discretionary" (i.e. not legislatively required to be provided by a local government) programs and associated resources represent an expansion of City services. Council could have eliminated other discretionary services or reduced service levels (e.g. hours of operation in community facilities) in order to provide social services without any on-going additional budgetary impact but opted to maintain existing services while addressing these additional social service needs.

	New Positions Approved by Council (year approved)	Description	New Costs Impact to the Annual Operating Budget
Social Development Strategy	Child Care Coordinator (2014)	1 RFT	\$113,000
	Affordable Housing Planner (2015)	1 RFT	\$84,000
	Senior Service Coordinator Community Social Development (2015)	1 RFT	\$112,000 - 140,000

Figure 2: Example of Operating Budget Increase related to Program/Service Enhancement approved by Council to address Senior Levels of Government Downloading

Growth-Related New Facilities:

To further control the impact on taxes to address growth, Council has adopted a phased approach to the replacement of existing and aging infrastructure. The addition of new community facilities in the City's Capital Program is funded from City reserves and augmented by financing with the repayment of the load from existing City operating budget. Nonetheless, bringing on new facilities without eliminating existing ones adds new cost impact to the City's annual Operating Budget. One recent example is the new City Centre Community Centre at 5900 Minoru Boulevard which has just opened (Figure 3).

	New Positions Approved by Council (year approved)	Description	New Costs Impact to the Annual Operating Budget
New City Centre Community Centre (30,000 sq ft) and continue to operate Lang Centre (3200 sq ft)	Community Facilities Coordinator (2014)	2 RFT	\$ 1.31 M (Note: excludes the Area Coordinator position with existing funding of \$90,000)
	Recreation Leader (2014)	1 RFT	
	Recreation Facilities Clerk (2014)	1 RFT	
	Building Services Worker (2014)	2	
	Enhanced Hours of Operation (2014)	6am – 11pm (Sunday – Thursday) 6am – 12pm (Friday, Saturday)	

Figure 3: New Cost Impact of the City Centre Community Centre to the City's Annual Operating Budget

Another example that the City has implemented to keep the City's operating cost from rising is the Corporate Energy Management Program. With the program in place, the total energy use for City infrastructure has remained fairly stable since 2010, even though the City has continued to add infrastructure to its asset list to meet increasing community needs (e.g. Community Safety Building, new street lighting in City development areas, and increased capacity at City drainage pumps). It is anticipated that notwithstanding the doubling in size of the Minoru Senior Centre (which is under construction), energy utilization is anticipated to be similar to the current/older facility through energy management.

Emerging Community Issues

Council has deep knowledge of Richmond's community needs and has also taken on other worthwhile regulatory measures that are not "mandatory" by legislation but are based on community needs. Examples include: Pesticides Bylaw and Soil Regulation (agricultural viability), Grease Bylaw (protect utility infrastructure), Wildlife Control (aircraft movement and agriculture), to name a few. These also have implications on the operational budget.

Open and Accessible Government

The number of requests for City records through the Freedom of Information and Protection of Privacy Act (FOIPPA) established by the Province has increase substantially since the Act was extended to local governments in 1994. The number of requests has increased 170% from 2004 to 2014. At the same time, the complexity of these requests has also increased. The City now has one staff dedicated part-time to the coordination of FOIPPA responses as many of the responses involve input from across the Corporation. The cost to provide this service is only partially recoverable based on legislation and the remaining cost is absorbed as part of the City's operational budget.

The City has also expanded ways to consult residents in a variety of initiatives. For example, "Let's Talk Richmond" is a web-based interface that the City regularly uses to consult the public. Other recent innovative outreach processes include the Garden City Lands Ideas Fair and the Use of Language on Signage Outreach processes. These initiatives enable better dialogue with stakeholders and residents but they do have associated costs that are absorbed into the City's operating budget.

Meeting Standards

The following table provides a sample listing of legislated/professional/industry standards that City operations must follow to ensure quality of service delivered. To ensure compliance, regular monitoring, reporting and training are required. The costs associated with compliance are also absorbed into the City's operating costs.

Table 1: Mandatory Legislated/Professional/Industry Standards for City Operations

Operation	Industry/Professional Standards	City of Richmond Service Level	Example of Application	Purpose
ENGINEERING AND PUBLIC WORKS				
Water Services	The Provincial <i>Drinking Water Protection Act</i>	Adopt standards in full	Various Water Services maintenance programs support meeting these requirements, including water testing, chlorination, hydrant maintenance, flushing, etc.	Sets out requirements for water quality
	The <i>American Public Works Association</i> , Canadian Public Works Association and <i>British Columbia Water and Wastewater Association</i> best practice guidelines	Applied to utility maintenance		The frequency of maintenance programs as recommended by these organizations are recognized by the Province of BC.
	<i>Public Sector Accounting Board</i> standards		The City's GIS and Hansen maintenance management systems	Required for public reporting of asset value and

Operation	Industry/Professional Standards	City of Richmond Service Level	Example of Application	Purpose
			and respective operational programs support meeting these standards.	depreciation as an indicator of performance on asset replacement.
Solid Waste	The Provincial <i>Environmental Management</i>		The <i>Act</i> requires the City to submit plans for solid waste management.	The City is required to track and report on our maintenance programs and track the results. The act also sets out requirements for solid waste reporting, spill reporting, pollution prevention, contaminated sites, greenhouse gas reporting, and waste disposal guidelines.
Liquid Waste	The Provincial <i>Federal Fisheries Act</i>		Monitoring and maintenance programs related to drainage systems and ditches are reported as required through the Act.	The <i>Act</i> regulates the quality of storm water discharge.
	The Provincial <i>Water Act</i>		Pump stations and storm water drainage system maintenance programs.	The <i>Act</i> regulates water intake and discharge, resulting in requirements for water licensing.
	The Provincial <i>Municipal Waste Water Regulation</i>		In order to meet this regulation, sewer maintenance programs are required and must be reported on.	The <i>Act</i> requires sewer systems be classified and operators be certified.
	Metro Vancouver's <i>Integrated Liquid Waste Resource Management Plan</i> – which is required by the Province –		Sewer, water, and storm water related environmental improvements.	The <i>Plan</i> requires bi-annual reporting to the Province of BC on the City's progress on sewer, water, and storm water related environmental improvements.

Operation	Industry/Professional Standards	City of Richmond Service Level	Example of Application	Purpose
Facility Maintenance	The <i>American Society of Heat and Refrigeration Engineers (ASHRAE)</i> standards		E.g. boilers, chillers, etc	Industry standard that indicates frequency of maintenance for mechanical equipment.
	The <i>BC Safety Standards Act</i>		It applies to buildings, district energy operations and regulates electrical installations such as traffic signals, street lights and pump stations.	The <i>Act</i> requires building owners to adhere to ASHRAE standards. The act also prescribes district energy operations and regulates electrical installations
	The <i>International Sanitary Supply Association</i>		All City facilities	The regulations dictate janitorial maintenance standards for buildings.
	The <i>BC Building Code</i>		All capital projects	The <i>Code</i> establishes minimum standards required in construction.
	The <i>BC Fire Code</i>		Facility maintenance programs are required for the City to meet this code.	The <i>Code</i> requires maintenance standards for life and safety systems within all buildings.
	The City's <i>High Performance Building Policy</i>		New City facilities	Adopted by Council, this City Policy, establishes LEED-related building standards.
	The City's <i>Management of Waste and Recyclable Materials from City Facilities, Demolition, and Construction Activities Policy</i>		Demolition	These City Policies established an 80% recycling target for demolishing old buildings in preparation for new construction.

Operation	Industry/Professional Standards	City of Richmond Service Level	Example of Application	Purpose
Safety	The Provincial <i>Dike Maintenance Act</i>		Several drainage, irrigation and engineering programs support meeting this requirement.	This <i>Act</i> requires local government regulate dike height, inspection periods, construction standards, annual reporting, etc.
	The Provincial WorkSafeBC <i>Occupational Health and Safety Regulation</i>		Training and maintenance programs are organized for staff to meet this regulation during the course of their work.	This regulation requires that staff meet mandatory training components, and be in compliance with all safety regulations.
	The <i>BC Gas Utility Act</i>		Training program for staff who work around gas mains.	The <i>Act</i> specifies how to excavate around gas mains, and training requirements to work around gas mains.
	The Provincial <i>Motor Vehicle Act</i>		Affect staff who have to operate a motor vehicle for work.	The <i>Act</i> dictates class of driver licenses, maintenance standards, commercial vehicle inspection, operator hours of service, cargo security, and the installation and maintenance of road line painting, traffic signals, pedestrian crossings and road signs.
Construction Standards	The <i>Master Municipal Construction Document</i>		Apply to planning and construction of roads and utility.	Sets minimum standards for roads and utility infrastructure.
	The <i>Canadian Construction Document Committee</i>		Apply to all capital projects	Sets minimum standards for building construction.

Operation	Industry/Professional Standards	City of Richmond Service Level	Example of Application	Purpose
Sustainability	The Provincial <i>Greenhouse Gas Reduction Targets Act</i>		Corporate and community energy management	The <i>Act</i> sets community and corporate greenhouse gas reduction targets and carbon neutrality goals.
PARKS OPERATIONS				
Grass cutting	<ol style="list-style-type: none"> Well-Groomed - 3-7 days/cut Groomed - 7 day/cut Moderate - 7-10 days/cut Background & Natural Areas – to preserve biodiversity and meadow functioning 	<p>1 cut in 5 working days/32 per year</p> <p>1 cut in 7 working days/32 per year</p> <p>1 cut in 10 working days/22 per year</p> <p>1 cut/yr</p>	<p>City Wide Parks, City Hall, Sports Field</p> <p>Community Parks School Parks</p> <p>Neighbourhood School Parks</p> <p>Garden City Park, Areas in Terra Nova Park</p>	To meet acceptable landscape construction practices for the Province of British Columbia as agreed upon by the BCSLA, the BCLNA, government authorities and other industry associations.

	A	B	C	D	E
1	Measure	Richmond	Burnaby	Surrey	Vancouver
2	Total Land Area (hectares) ¹	12,967	9,860	31,641	11,497
3	Land area per 1,000 pop.	63	42	60	18
4	Population ²	205,133	233,833	523,814	652,207
5	Population - Rmd % of others	100%	88%	39%	31%
6	Residential Properties ³	65,585	67,897	135,369	179,284
7	Total Full Time Equivalent (FTE) Emp	1,456	2,027	2,572	8,310
8	Total FTEs - Rmd % of others	100%	72%	57%	18%
9	# of FTEs per 1,000 population (approx)	7.10	8.67	4.91	12.74
10	Budget Capital ⁵	\$237,203,000	\$136,125,000	\$468,458,000	\$289,000,000
11	Capital budget per capita	\$1,156	\$582	\$894	\$443
12	Capital budget as % of total	42%	26%	43%	20%
13	Budget Operating ⁶	\$323,726,800	\$379,162,604	\$623,238,000	\$1,147,900,000
14	Operating budget per capita	\$1,578	\$1,622	\$1,190	\$1,760
15	Oper. budget as % of total	58%	74%	57%	80%
16	Budget (operating + capital) ⁷	\$560,929,800	\$515,287,604	\$1,091,696,000	\$1,436,900,000
17	Total Budget per capita	\$2,734	\$2,204	\$2,084	\$2,203
18	Total Budget - Rmd % of others	100%	109%	51%	39%
19	Total Salary Budget ⁸	\$135,287,700	\$160,780,000	\$246,406,000	\$703,032,000
20	Sal. bud. % of oper. budget	42%	42%	40%	61%
21	Salary budget per capita	\$660	\$688	\$470	\$1,078
23	Full Service Community Centres ⁹	6	4	6	24
24	Population per Cmty Ctr	34,189	58,458	87,302	27,175
25	Fire Halls ¹⁰	7	7	17	20
26	Population Per Fire Hall	29,305	33,405	30,813	32,610
27	Police Service ¹¹				
28	Crime rate/1000 residents	53	58	84	77
29	Housing Starts ¹²	1,427	2,298	3,071	6,071
30	Housing starts per 1,000 population	7	10	6	9
31	Parks and Open Space				
32	Acres park/1000 residents	10.24	23.63	15.41	4.5
33	Building Permits Issued ¹²	1,311	1,674	4,781	5,497
34	Building Permits iss'd per 1,000 population	6	7	9	8
35					
36	Sources:				
37	¹ Richmond: City's website; Burnaby: City's website; Surrey: Wikipedia.org website; Vancouver: Wikipedia.org website				
38	² Richmond: Quarterly Financial Information (2014 Q4); Other Cities: Population Estimates (by Local Health Area) of BC				
39	³ 2013 BC Assessment Revised Roll Totals				
40	⁴ Including RFT, RPT, TFT, Aux, and police civilian staff. Richmond: Budgeted FTE provided by Finance Department;				
41	Burnaby: 2014-2018 Financial Plan; Surrey: 2013-2017 Financial Plan; Vancouver: 2015 Budget				
42	⁵ Richmond: 2013-2017 5 Year Financial Plan Amendment Bylaw, excluding amortization expenditures; Burnaby: 2013-				
43	2017 Financial Plan, excluding amortization expenditures; Surrey: Consolidated Financial Plan (Bylaw 18109);				
45	⁶ Richmond: 2013-2017 5 Year Financial Plan Amendment Bylaw; Burnaby: 2013-2017 Financial Plan; Surrey:				
46	Consolidated Financial Plan (Bylaw 18109), excluding contributed capital expenditures; Vancouver: Quarterly Capital				
47	⁷ Sum of Line 9 and 12				
48	⁸ Richmond: Budget provided by Finance Department; Burnaby: 2013 Actual based on 2013 Financial Report; Surrey:				
49	Budget from 2014-2018 Financial Plan; Vancouver: 2013 Actual based on 2013 Financial Report				
50	⁹ Full Service Community Centre's definition: Centre serving all ages with a broad of range of recreation, social and				
51	cultural programming and facilities, open 7 days per week. Source: Each city's website.				
52	¹⁰ Each city's website				
53	¹¹ The number of Criminal Code offences or crimes (excluding drugs and traffic) reported/ 1,000 permanent residents				
54	¹² Canada Mortgage and Housing Corporation (CMHC) website				
55	¹³ Richmond: Quarterly Financial Information (2014 Q4); Burnaby: Building Permit Tabulation Report (2014 Q4);				
56	Surrey: City's Development Statistics; Vancouver: Statement of Building Permits Issued-December, 2014				

City of Richmond
Types of Service - Departments/Sections/Work Units by Division

Core: *Services required by legislation from the federal or provincial governments.*

Traditional: *Time-honoured services that are commonly considered essential or foundational.*

Discretionary: *Services that may have value but if the fiscal situation requires it, these services could be reduced, eliminated, or contracted out.*

Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
CAO's Office (6)	CAO's Office			
	• Corporate Administration	√	√	
	• Administrative Support Services (including the Mayor's Office & Councillors' Office)		√	√
	• Intergovernmental Relations & Protocol Unit			√
	• Corporate Programs Management Group			√
	• Corporate Communications		√	
	• Corporate Planning		√	
Deputy CAO (4)	Human Resources			
	• Training & Development		√	
	• Employee & Labour Relations	√	√	
	• Compensation, Job Evaluation & Recognition		√	
	• Workplace Health, Safety & Wellness	√ (Safety)	√ (Health)	√ (Wellness)
Community Services (20)	Parks			
	• Parks Operations (includes Asset Management, Construction & Maintenance, Turf Management, Horticulture, Urban Forestry)		√	√

Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
	• Parks Programs (includes Nature Park)		√	
	• Britannia			√
	• Parks Planning & Design		√	√
	Recreation & Sport			
	• Community Services Admin.		√	√
	• Community Recreation Services (includes community centres)		√	√
	• Aquatic, Arena & Fitness Services		√	√
	• Sport & Event Services (includes volunteer management)			√
	• Planning & Project Services			√
	Arts, Culture & Heritage Services			
	• Arts Services (includes Art Gallery, Art Centre, Cultural Centre)			√
	• Heritage Services			√
	• Richmond Museum			√
	• Gateway Theatre (liaison)			√
	• Richmond Public Library (liaison)		√	√
	Community Social Development			
	• Social Planning			√
	• Affordable Housing			√
	• Diversity & Cultural Service			√
	• Child Care Services			√

Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
	• Youth Services			√
	• Senior Services			√
Engineering & Public Works (10)	Engineering			
	• Engineering – Planning	√	√	
	• Engineering – Design & Construction	√	√	
	• Facility Services		√	
	• Capital Building Project Development			√
	• Sustainability (includes district energy, corporate energy, environmental sustainability)			√
	Public Works			
	• Public Works Administration		√	√
	• Fleet Operations & Environmental Programs		√	√
	• Roads & Construction Services	√	√	
	• Sewerage & Drainage	√	√	
	• Water Services	√	√	
Finance & Corporate Services (23)	Finance			
	• Financial Reporting	√	√	√
	• Financial Planning & Analysis	√	√	√
	• Revenue	√	√	√
	• Purchasing		√	√

Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
	• Treasury & Financial Services	√	√	√
	• Payroll		√	√
	Information Technology			
	• IT Administration		√	√
	• Business & Enterprise Systems		√	√
	• Infrastructure Services		√	√
	• GIS & Database Services		√	√
	• Customer Service Delivery		√	√
	City Clerk's Office			
	• Operations/Legislative Services	√	√	
	• Records & Information	√	√	
	• Richmond Archives		√	√
	Administration & Compliance			
	• Business Advisory Services		√	√
	• Business Licenses		√	√
	• Risk Management			√
	• Economic Development			√
	• Corporate Partnerships			√
	• Customer Service		√	√
	• Corporate Compliance			√

Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
	• Performance & Innovation			√
	Real Estate Services			√
Law & Community Safety (9)	RCMP			
	• Administration (includes Telecommunications, Records, Crime Prevention, Information Technology, Victim Assistance, Finance, Risk Management, Court Liaison)	√	√	√
	Fire-Rescue			
	• Administration	√	√	√
	• Operations	√	√	√
	• Fire Prevention	√	√	√
	• Training & Education	√	√	√
	Community Bylaws		√	√
	Emergency Programs	√	√	√
	Legal Services		√	√
	Law & Community Safety Administration		√	√
Planning & Development (11)	Transportation			
	• Transportation Planning	√	√	
	• Traffic Operations		√	
	• Traffic Signal Systems		√	
	Building Approvals			
	• Plan Review	√	√	

Division	Department/Sections/Work Units	Types of Service		
		Core	Traditional	Discretionary
	• Building Inspections	√	√	
	• Plumbing & Gas Inspections	√	√	
	• Tree Preservation		√	√
	Development Applications			
	• Production Centre			√
	• Developments	√	√	
	• Major Projects			√
	Policy Planning	√	√	
Total = 83				

Service Level Review (SLR) Update and Target Schedule

Service Level Review Goals:

- Review operational activities for efficient, effective, and appropriate use of resources;
- Identify process improvement and resource reallocation that can increase efficient and effective service delivery; and
- Identify operational performance indicators and link key metrics to corporate performance measurements to track progress into the future.

August 2012 to September 2015:

14 Reviews Completed¹
(18% of approximately 78 Work Units or 17% of 83 Work Units)

No. of Departments/ Sections/Work Units	Division	Department/Work Unit	2015 Operating Budget	Target Completion Date
1	Law & Community Safety	Community Bylaws	\$2,502,800	Completed
5	Finance & Corporate Services	Information Technology <ul style="list-style-type: none"> • IT Administration • Business & Enterprise Systems • Infrastructure Services • GIS & Database Services • Customer Service Delivery 	\$10,126,800	Completed
1	CAO' Office	Intergovernmental Relations & Protocol Unit	\$343,000	Completed
3	Finance & Corporate Services	City Clerk's Office <ul style="list-style-type: none"> • Operations/Legislative Services • Records & Information • Richmond Archives 	\$1,837,700	Completed
3	Planning & Development	Transportation <ul style="list-style-type: none"> • Transportation Planning • Traffic Operations • Traffic Signal Systems 	\$3,231,800	Completed

¹ Completed = SLR recommendations formulated and reviewed by the Finance, Cost Control and Efficiency (FCCE) Sub-Committee of the Senior Management Team and the Chief Administrative Officer (CAO)

No. of Departments/ Sections/Work Units	Division	Department/Work Unit	2015 Operating Budget	Target Completion Date
1	Finance & Corporate Services	Administration and Compliance – Economic Development	\$452,000	Completed
14			\$18,494,100	

**10 Reviews Completed by FCCE Sub-Committee Pending Review by CAO and
One (1) Pending Review by FCCE Sub-Committee and CAO
(14% of approximately 78 Work Units or 13% of 83 Work Units)**

No. of Departments/ Sections/Work Units	Division	Department/Work Unit	2015 Operating Budget	Target Completion Date
1	Law & Community Safety	Emergency Programs	\$697,600	Pending CAO review
4	Deputy CAO	Human Resources <ul style="list-style-type: none"> • Training & Development • Employee & Labour Relations • Compensation, Job Evaluation & Recognition • Workplace, Health, Safety & Wellness 	\$2,387,400	Pending CAO review
4	Community Services	Parks <ul style="list-style-type: none"> • Parks Operations • Parks Programs • Britannia • Parks Planning & Design 	\$14,864,800	Pending CAO review
1	Finance & Corporate Services	Administration and Compliance – Business Licences	\$610,500	Pending CAO review
1	Finance & Corporate Services	Administration and Compliance –Customer Service	\$1,721,000	Pending FCCE review
11			\$20,281,300	

Revised Service Level Review (SLR) Schedule June 2015 - June 2017 (subject to change):

No. of Work Units	Division	Work Unit	Target Completion Date
June – December 2015			
3	Community Services	Arts, Heritage and Culture	3 rd Q 2015
5	Community Services	Recreation and Sport Services	3 rd Q 2015
6	Community Services	Community Social Development	4 th Q 2015
1	Engineering and Public Works	Roads & Construction Services	4 th Q 2015
1	Engineering and Public Works	Public Work Administration (Administration, PW Labour Pool)	4 th Q 2015
1	Engineering and Public Works	Fleet Operations & Environmental Programs	4 th Q 2015
17			
	2016		
1	Engineering and Public Works	Sewerage and Drainage	1 st Q 2016
1	Engineering and Public Works	Water Services	1 st Q 2016
special review	Reviewing Parks Operations and Engineering Public Works together to look for efficiency and effectiveness improvements		1 st Q 2016
1	Engineering and Public Works	Engineering-Planning	1 st Q 2016
1	Engineering and Public Works	Engineering-Design and Construction	1 st Q 2016
1	Engineering and Public Works	Sustainability (DE, Corp Energy, Environmental Sustainability)	2 nd Q 2016
1	Engineering and Public Works	Capital Buildings Project Development	2 nd Q 2016
1	Law and Community Safety	Legal Services	2 nd Q 2016
1	Law and Community Safety	Fire-Rescue	2 nd Q 2016
1	Finance and Corporate Services	Financial Reporting	3 rd Q 2016
1	Finance and Corporate Services	Financial Planning & Analysis	3 rd Q 2016
1	Finance and Corporate Services	Revenue/Taxes	3 rd Q 2016
1	Finance and Corporate Services	Purchasing/Stores	3 rd Q 2016
1	Finance and Corporate Services	Treasury & Financial Services	4 th Q 2016
1	Finance and Corporate Services	Payroll	4 th Q 2016
1	Finance and Corporate Services	Real Estate Services	4 th Q 2016
1	Finance and Corporate Services	Administration & Compliance-Business Advisory	4 th Q 2016
20			

No. of Work Units	Division	Work Unit	Target Completion Date
2017			
1	Finance and Corporate Services	Administration & Compliance-Risk Management	1 st Q 2017
1	Finance and Corporate Services	Administration & Compliance-Corporate Partnerships	1 st Q 2017
1	Finance and Corporate Services	Administration & Compliance-Corporate Compliance	1 st Q 2017
1	Finance and Corporate Services	Administration & Compliance-Performance Measurement	1 st Q 2017
1	Law & Community Safety	Law & Community Safety Administration	1 st Q 2017
1	Planning & Development	Development Applications-Production Centre	2 nd Q 2017
1	Planning & Development	Development Applications-Developments	2 nd Q 2017
1	Planning & Development	Policy Planning	2 nd Q 2017
3	Planning & Development	Building Approvals	2 nd Q 2017
11			

SERVICE LEVEL REVIEW PROGRESS REPORT

October 2015

Community Bylaws Department
Law and Community Safety Division

MANDATE	
Responsible for the investigation and enforcement of the City's regulatory bylaws.	
TYPE(S) OF SERVICE	
<input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Discretionary	
COUNCIL TERM GOAL(S) 2014-2018	
Council Term Goal #1: A Safe Community: Maintain emphasis on community safety to ensure Richmond continues to be a safe community.	
FUNCTIONAL AREAS	
The Community Bylaws Department is involved in at least 24 City bylaws. ¹	
1. Implementation and Management <i>Delivery of City Program, Services, and Events</i> <ul style="list-style-type: none"> • Manage projects related to equipment acquisition and servicing (e.g. parking meters). • Administrate related parking programs (e.g. towing company). • Educate bylaw amendments to community members through new releases, newspaper ads, etc. • Develop statistical reports monthly for internal use. • Manage the contractual relationship with adjudication provider. • Manage contractual relationship for parking meter services. <i>Compliance and Enforcement</i> <ul style="list-style-type: none"> • Investigate Complaints & Initiate Proactive 	2. Planning and Development <i>Planning, Policy, Bylaws and Studies</i> <ul style="list-style-type: none"> • Lead the preparation and/or amendment of 11 bylaws including: animal control regulation bylaw, commercial vehicle licensing bylaw, dog licensing bylaw, noise regulation bylaw, newspaper distribution regulation bylaw, traffic bylaw, unsightly premises regulation bylaw, etc. • Communicate bylaw changes internally via memos, reports and other internal publications.

¹ Bylaws include: ¹ Animal Control Regulation Bylaw No. 7932, Boulevard Maintenance Regulation Bylaw No. 7174, Commercial Vehicle Licensing Bylaw No. 4716, Dog Licensing Bylaw No. 7138, Drainage, Dyke and Sanitary Sewer System Bylaw No. 7551, Election and Political Signs Bylaw No. 8713, Fire Protection and Life Safety Bylaw No. 8306, Late Night Event (Rave) Prohibition Bylaw No. 7202, Newspaper Distribution Regulation Bylaw No. 7954, Noise Regulation Bylaw No. 8856, Nuisance Prohibition - Bylaw 6983 (1999), Parking (Off-Street) Regulation Bylaw No. 7403, Pesticide Use Control Bylaw No. 8514, Public Health Protection Bylaw No. 6989, Public Parks and School Grounds Regulation Bylaw No. 7310, Sign Bylaw No. 5560, Soil Removal And Fill Deposit Regulation Bylaw No. 8094, Solid Waste and Recycling Regulation Bylaw No. 6803, Traffic Bylaw No. 5870, Unsightly Premises Regulation Bylaw No. 7162, Vehicle For Hire Regulation Bylaw No. 6900, Watercourse Protection and Crossing Bylaw No. 8441, Water Use Restriction Bylaw No. 7784, Zoning Bylaw No. 8500

<p>Files and Gather Evidence.</p> <ul style="list-style-type: none"> • Administer bylaw control for animal licenses, property use, and traffic. • Enforce 24 City bylaws. • Transfer tickets to collection agencies (for non-compliance after X days). • Administrate traffic permits. • Perform patrols. • Enforce noise bylaw through contracted services (Vancouver Coastal Health). 	
<p>3. Administration</p>	<p>4. Service Requests and Support</p>
<p>Management of City Records</p> <ul style="list-style-type: none"> • Manage the database and records. <p>Procurement</p> <ul style="list-style-type: none"> • Prepare RFPs (Equipment & Service Acquisitions). 	<p>Internal Service Requests</p> <ul style="list-style-type: none"> • Receive calls/inquiries from internal stakeholders. • Provide risk assessed responses and referrals (if necessary) internally on issues that could impact public safety & bylaws. • Serve as subject matter experts during a bylaw amendment process (i.e., input into revised legislation drafts). <p>Community and Stakeholder Service Requests</p> <ul style="list-style-type: none"> • Receive calls/inquiries from external stakeholders. • Provide risk assessed responses and referrals (if necessary) externally on issues that could impact public safety & bylaws. • Provide soil application intake, processing, and response. <p>Dispute Resolution</p> <ul style="list-style-type: none"> • Communicate with complainants (Officers administer direct calls). • Communicate with complainants regarding the adjudication process (Officers administer direct calls). • Provide witness services through enforcement (if claims advance to the court system). • Gather evidence for adjudication or court hearings. • Adjudicate unresolved animal licenses, property use, and traffic violations.

PROGRESS REPORT	
HIGHLIGHTS OF ACTIONS TAKEN ON ASSIGNED TASKS	SERVICE EFFICIENCIES AND/OR BUDGET IMPACT (IF APPLICABLE)
Completed	
<ul style="list-style-type: none"> Developed business case for implementation of mobile solutions to enhance efficiencies in work processes. Pilot project approved and implemented. 	<ul style="list-style-type: none"> Testing of mobile field equipment revealed connectivity issues with current information technology systems. Alternative options to improve officer productivity when they are out in the field are being looked into including a capital project submission for a new land management system.
<ul style="list-style-type: none"> Completed e-commerce initiatives approved by Council (i.e. <i>online dog licence renewal; online payment capability for dog licence renewal, parking tickets, and other bylaw violation tickets</i>). 	<ul style="list-style-type: none"> Improved internal and external customer service.
<ul style="list-style-type: none"> Developed a new bylaw officer deployment model. 	<ul style="list-style-type: none"> Increased officer productivity.
<ul style="list-style-type: none"> Identified 13 bylaws for inclusion in the Notice of Violation - Dispute Adjudication System. 	<ul style="list-style-type: none"> For BC drivers, residents or businesses, streamlined the process to dispute their notice of violation out of court in a simpler, more convenient and cost-effective manner. Dispute adjudication process being included in appropriate City bylaws as they are brought forward to Council for amendment.
<ul style="list-style-type: none"> Reviewed and streamlined administrative functions. 	<ul style="list-style-type: none"> Improved internal and external customer service.
<ul style="list-style-type: none"> Developed additional performance metrics. 	<ul style="list-style-type: none"> Improved management reporting.
In Progress	
<ul style="list-style-type: none"> Review opportunity to centralize processing of applications, renewals and payments upon completion of e-commerce initiatives. 	<ul style="list-style-type: none"> Centralization was determined to not be viable at this time. This opportunity will be revisited upon completion of other IT initiatives.

SERVICE LEVEL REVIEW PROGRESS REPORT

October 2015

Information Technology Department Finance & Corporate Services Division

MANDATE
Deliver information technology solutions, in partnership with City business units, to meet emerging business priorities and provide secure, reliable, and high quality customer service support and products.

TYPE(S) OF SERVICE
<input type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Traditional <input checked="" type="checkbox"/> Discretionary

COUNCIL TERM GOAL(S) 2014-2018
<p>Council Term Goal #2: A Vibrant, Active, and Connected City: Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond's demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.</p> <p>Council Term Goal #9: Well-Informed Citizenry: Continue to develop and provide programs and services that ensure the Richmond community is well-informed and engaged on City business and decision making.</p>

FUNCTIONAL AREAS	
The Department is divided into the following sections: IT Customer Service Delivery; Infrastructure Services, GIS & Database Services, Business & Enterprise Systems, and IT Administration.	
1. Implementation and Management Operation, Management and Maintenance of Assets and Infrastructure <ul style="list-style-type: none"> • Oversight of approximately 2,502 user profiles. • Provide hardware and software installation and support for desktop workstations (1,407 PCs), printers and handheld devices. • Manage the City's network connecting City Hall, the Works Yard and over 30 other City sites. • Maintain 100+ physical servers and 334 virtual servers for the City's applications. • Maintain the City's document management, email, backup systems and network security. • Maintain the City's website and intranet site. • Undertake technical and business analysis services and support for 18+ enterprise applications, 90 desktop applications, and mobile apps. • Test and implement new and innovative IT 	2. Planning and Development Development of City Programs, Services and Events <ul style="list-style-type: none"> • Set IT strategic direction/plan for the City. • Develop new and innovative strategies to improve efficiency/effectiveness of employees and to better serve the community. • Prepare business cases or conduct business analysis as required. • Prepare plan for disaster recovery. Planning, Policy, Bylaw and Studies <ul style="list-style-type: none"> • Revise and/or develop IT-related Policies, Administrative Procedures/Directives as necessary. • Prepare capital submission requests. • Conducts risk assessments to determine the security impact on the City's data and infrastructure.

<p>products and systems.</p> <ul style="list-style-type: none"> • Implement, support and maintain the Geographic Information System (GIS). • Implement a control asset management system for IT desktop hardware, software and equipment. • Provide and maintain telephone services including line switches and handsets and wireless devices. Facilitate equipment and system updates. • Work with staff, facilities, consultants, contractors, and departments to deal with organizational changes and office relocations. <p><i>Delivery of City Programs, Services, and Events</i></p> <ul style="list-style-type: none"> • Oversee the day to day collection and distribution of all internal and external mail to all City facilities via the Mail Room. • Process all large volume printing and mailouts (e.g. tax and utility notifications/billings). <p><i>Compliance and Enforcement</i></p> <ul style="list-style-type: none"> • Provide oversight to ensure compliance with IT-related Council Policy and Administrative Procedures/Directives. <p><i>Partnerships and Collaborations</i></p> <ul style="list-style-type: none"> • Work together with all Divisions to ensure that IT services meet City requirements. 	<p><i>Development and Construction of Assets and Infrastructure</i></p> <ul style="list-style-type: none"> • Evaluate new IT technology devices, hardware, software, applications and systems.
<p>3. Administration</p>	<p>4. Service Requests and Support</p>
<p><i>Internal City Administration and Logistics</i></p> <ul style="list-style-type: none"> • City Payments and Spending. • Manage payments to contractors/vendors. <p><i>Procurement</i></p> <ul style="list-style-type: none"> • Prepare Requests for Proposals (RFPs), Expressions of Interests (EOIs), and other types of requests for vendors. • Evaluate RFPs, EOIs and other submissions. • Prepare agreements following awarding of contract. 	<p><i>Internal Service Requests</i></p> <ul style="list-style-type: none"> • Serve as the first point of contact for City staff computer and telecom issues. • Solve City staff IT requests for service.

PROGRESS REPORT	
HIGHLIGHTS OF ACTIONS TAKEN ON ASSIGNED TASKS	SERVICE EFFICIENCIES AND/OR BUDGET IMPACT (IF APPLICABLE)
Completed	
<ul style="list-style-type: none"> Restructured IT Department (i.e. aligned IT staff resources with business units, and assessed current IT staff complement and their workplans). 	<ul style="list-style-type: none"> Improved understanding of business unit requirements. Enhanced internal and external customer service.
<ul style="list-style-type: none"> Developed a Corporate Digital Strategy. 	<ul style="list-style-type: none"> Serves as an IT framework to guide actions and work plans to improve customer service and become a more efficient and effective organization.
<ul style="list-style-type: none"> Streamlined process for managing IT contracts. 	<ul style="list-style-type: none"> Enhanced rigour and consistency in management of contracts.
<ul style="list-style-type: none"> Restructured the GIS (Geographic Information System) Steering Committee with new Terms of Reference. 	<ul style="list-style-type: none"> Better meets the City's corporate GIS requirements.
In Progress	
<ul style="list-style-type: none"> Develop a business case for a web-based submission portal for developers to submit plans electronically and have collaborative electronic reviews by staff. <i>(This task was assigned to IT following the service level review of the Transportation Department.)</i> 	

SERVICE LEVEL REVIEW PROGRESS REPORT

October 2015

Intergovernmental Relations and Protocol Unit

CAO's Office

MANDATE
Responsible for liaising with other governmental organizations on issues of mutual concern, as well as facilitating financial and other support from those organizations for City and community initiatives; and, manages protocol activities between the City and senior governments, and the international diplomatic community.

TYPE(S) OF SERVICE
<input type="checkbox"/> Mandatory <input type="checkbox"/> Traditional <input checked="" type="checkbox"/> Discretionary

COUNCIL TERM GOAL(S) 2014-2018
Council Term Goal #5: Partnerships and Collaboration: Continue development and utilization of collaborative approaches and partnerships with intergovernmental and other agencies to help meet the needs of the Richmond community.

FUNCTIONAL AREAS	
1. Implementation and Management	2. Planning and Development
<p><i>Delivery of City Programs, Services and Events</i></p> <ul style="list-style-type: none"> • Provide assistance to City-endorsed events requiring high-level protocol support. • Oversee the Sister City Program. <p><i>Partnerships and Collaborations</i></p> <ul style="list-style-type: none"> • Develop working relationships with provincial and federal ministries. • Coordinate meetings with senior government officials at all levels or external partners on various initiatives. • Liaise with external partners including Vancouver Coastal Health, Port Metro Vancouver, the Richmond Hospital, Kwantlen University, etc. <p><i>Compliance and Enforcement</i></p> <ul style="list-style-type: none"> • Oversee the hosting of visitors and delegations at City Hall and other City facilities as per Council Policy 1402 and Administrative Procedure 1402.01 on Visiting Delegations, Study Tours and City Hall Tour Requests. 	<p><i>Planning, Policy, Bylaws and Studies</i></p> <ul style="list-style-type: none"> • Coordinate Award submissions.

3. Administration	4. Service Requests and Support
<p>City Revenue Management</p> <ul style="list-style-type: none"> Coordinate Grant submissions. <p>Records Management</p> <ul style="list-style-type: none"> Manage information regarding senior government contacts, initiatives, agendas and opportunities via an Intergovernmental Relations database. Manage a Grants application database. Manage an Awards application database. 	<p>Internal Service Requests</p> <ul style="list-style-type: none"> Respond to City staff queries on grant and award applications/submissions. Respond to City staff queries on high-level protocol-related matters (e.g. delegations, tours, etc.).

PROGRESS REPORT	
HIGHLIGHTS OF ACTIONS TAKEN ON ASSIGNED TASKS	SERVICE EFFICIENCIES AND/OR BUDGET IMPACT (IF APPLICABLE)
Completed	
<ul style="list-style-type: none"> Realigned reporting of the IGR and PU Unit to Corporate Planning who oversees the Corporate Communications Unit. Developed IGR strategy and business plan. 	<ul style="list-style-type: none"> Improved synergy between the two Work Units. Enhanced service delivery on various initiatives.
<ul style="list-style-type: none"> Reviewed the corporate protocol function. 	<ul style="list-style-type: none"> Updated service level with an increased focus on intergovernmental relations vs. protocol functions.
<ul style="list-style-type: none"> Reviewed the Grants Application/Submission process and database system. 	<ul style="list-style-type: none"> Streamlined Grants Application/Submission process.
<ul style="list-style-type: none"> Reviewed the Awards Application/Submission process and database system. 	<ul style="list-style-type: none"> Streamlined Awards Application/Submission process.
<ul style="list-style-type: none"> Reviewed and updated the Intergovernmental Relations database. 	<ul style="list-style-type: none"> Improved internal customer service.
In Progress	
<ul style="list-style-type: none"> Realign administrative support services on protocol-related matters. 	

SERVICE LEVEL REVIEW PROGRESS REPORT

October 2015

City Clerk's Office Finance and Corporate Services Division

MANDATE
Responsible for providing secretariat services to City Council and its Committees; preservation of all Council, Committee and City records; organizing and conducting City elections; and oversees requests related to the Freedom of Information and Protection of Privacy legislation.

TYPE(S) OF SERVICE
<input checked="" type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Traditional <input type="checkbox"/> Discretionary

COUNCIL TERM GOAL(S) 2014-2018
Council Term Goal #9: A Well-Informed Citizenry: Continue to develop and provide programs and services that ensure the Richmond community is well-informed and engaged on City business and decision making.

FUNCTIONAL AREAS	
The Department is divided into the following sections: Legislative Services and Records & Information	
1. Implementation and Management	2. Planning and Development
<i>Delivery of City Programs, Services and Events</i> <ul style="list-style-type: none">As Secretariat for Council and its Committees – prepare agendas and record minutes; manage follow-up actions following Council and Committee meetings.Manage Council correspondence in coordination with the Corporate Assistant in the Councillors' Office.Manage statutory-related advertising and/or notifications.Serve as caretaker of Council policies and administrative procedures/directives.Manage the City Archives.Manage the City's Freedom of Information & Protection of Privacy Act (FIPPA) Program.Manage the annual Civic Appreciation Event.Coordinate the Council report review process. <i>Operation, Management and Maintenance of Assets and Infrastructure</i> <ul style="list-style-type: none">Manage and implement a records management system for the preservation of City records.	<i>Development of City Programs, Services and Events</i> <ul style="list-style-type: none">Organize City elections (every four years).Organize and plan the annual Civic Appreciation Event.

<p>Partnerships and Collaborations</p> <ul style="list-style-type: none"> • Liaise with the Friends of the Richmond Archives and other partners at the Richmond Cultural Centre (including the Richmond Museum, Art Gallery, and Richmond Public Library). • Liaise with Provincial and Federal archival organizations. 	
<p>3. Administration</p>	<p>4. Service Requests and Support</p>
<p>Management of City Records</p> <ul style="list-style-type: none"> • Manage the bylaws database system. • Manage Council referral system. 	<p>Community and Stakeholder Service Requests</p> <ul style="list-style-type: none"> • First stop for processing citizens' petitions, complaints and requests to Council. • Receive and process requests for information under the FIPPA. • Certify life certificates. <p>Internal Service Requests</p> <ul style="list-style-type: none"> • Respond to City staff requests for City records and information. <p>Capacity Building and Advisory Support</p> <ul style="list-style-type: none"> • Provide advice to staff on statutory-related matters (e.g. related to FIPPA, Local Government Act, Community Charter).

PROGRESS REPORT	
HIGHLIGHTS OF ACTIONS TAKEN ON ASSIGNED TASKS	SERVICE EFFICIENCIES AND/OR BUDGET IMPACT (IF APPLICABLE)
Completed	
<ul style="list-style-type: none"> • Pursued technology-related initiatives: <ul style="list-style-type: none"> • web-streaming of Council meetings. • electronic format for responses to Freedom of Information and Protection of Privacy (FIPPA) requests. • reviewed and upgraded the bylaws administration system. 	<ul style="list-style-type: none"> • Improved customer service. • Streamlined work processes.
<ul style="list-style-type: none"> • Reviewed election-related requirements (i.e. staffing, funding allocation) and developed Richmond Election app. 	<ul style="list-style-type: none"> • Improved administration of 2014 Local Election.
<ul style="list-style-type: none"> • Developed internal procedures for FIPPA-related services. 	<ul style="list-style-type: none"> • 18 efficiencies put into action with respect to the processing of FIPPA requests.

<ul style="list-style-type: none"> Reviewed staffing structure/allocation of staff resources. 	<ul style="list-style-type: none"> Improved service delivery to Council and Committees. Streamlined administrative functions.
<i>In Progress</i>	
<ul style="list-style-type: none"> Explore an external review of Richmond's business operation and service level amongst similar-sized local municipalities. 	
<ul style="list-style-type: none"> Review of additional technology-related initiatives. 	
<ul style="list-style-type: none"> Review of the management of the Civic Appreciation Event. 	
<ul style="list-style-type: none"> Review of additional FIPPA-related initiatives. 	
<ul style="list-style-type: none"> Review of future election-related capital requirements. 	
<ul style="list-style-type: none"> Development of appropriate service-related statistics, performance metrics and benchmarking information. 	
<ul style="list-style-type: none"> Development of strategy on the long-term preservation of digital information. 	

SERVICE LEVEL REVIEW PROGRESS REPORT

October 2015

Transportation Department Planning and Development Division

MANDATE
Responsible for establishing the planning and design policies that help shape the transportation system of the City. These policies include the planning and functional design of the City's transportation infrastructure of roads, bicycle lanes, sidewalks, crosswalks, and transit amenities, as well as traffic operation controls such as traffic signals and signage, on-street parking, traffic calming measures, and development access.

TYPE(S) OF SERVICE
<input checked="" type="checkbox"/> Mandatory <input checked="" type="checkbox"/> Traditional <input type="checkbox"/> Discretionary

COUNCIL TERM GOAL(S) 2014-2018
Council Term Goals (depending on the initiative): All Council Term Goals, except for Goal #7.

FUNCTIONAL AREAS	
The Transportation Department has three main sections: Transportation Planning, Traffic Operations, and Traffic Signals.	
1. Implementation and Management <i>Delivery of City Programs, Services, and Events</i> <ul style="list-style-type: none">Oversee the Commuter Carpool Program. <i>Operations, Management and Maintenance of Assets and Infrastructure</i> <ul style="list-style-type: none">Maintain traffic and parking signs, pavement marking, pedestrian cross-walk, school frontages for drop off/pick up, special traffic and parking control.Install and maintain electronic traffic data collection devices.Manage the maintenance of traffic signal system including 325+ traffic management devices (e.g. traffic signals, pedestrian signals, special crosswalks, etc.).Conduct fields inspections/visits as necessaryMaintain and provide content for the City website, Facebook site, etc. <i>Partnerships and Collaborations</i> <ul style="list-style-type: none">Coordinate and liaise with organizations (e.g. Richmond School District, RCMP, Canada Post) and committees on transportation-related	2. Planning and Development <i>Planning, Policy, Bylaws and Studies</i> <ul style="list-style-type: none">Develop planning and design policies that shape the City's transportation system including the transportation infrastructure (e.g. roads, bicycle lanes, sidewalks, crosswalks, and transit amenities) and traffic operations control (e.g. traffic signals and signage, on-street parking, traffic calming measures, and development access).Establish the priority, scope, and functional design of transportation improvements.Develop the annual and five-year roads and traffic components of the major capital works program.Oversee transportation studies by consultants.Undertake transportation studies.Undertake long-range strategic planning on the public's future transportation needs.Design traffic and parking signs, pavement marking, pedestrian cross-walk, school frontages for drop off/pick up, special traffic and parking control.Collect and analyze a variety of data (e.g.

<p>matters.</p> <ul style="list-style-type: none"> Work with external agencies (e.g. Translink, YVR, Port Metro Vancouver, BC Ministry of Transportation and Infrastructure, and Metro Vancouver) on local and regional. Transportation improvements (e.g. transit services, major highways, bridge crossings, and policy/funding/governance issues). Coordinate with CMBC in the implementation of bus route detours to maintain existing transit service during road construction or community events. 	<p>pedestrian counts, cyclist counts, parking surveys, traffic collision, traffic speed, etc.).</p> <p>Development and Construction of Assets and Infrastructure</p> <ul style="list-style-type: none"> Manage the design and construction of the traffic signal system. Work with vendor with respect to the supply and installation of bus shelters and regulate shelter advertising. <p>Manage vendors and consultants.</p>
3. Administration	4. Service Requests and Support
<p>Internal City Administration and Logistics</p> <ul style="list-style-type: none"> Respond to Council referrals. <p>City Payment and Spending</p> <ul style="list-style-type: none"> Monitor payments to vendors and contractors. <p>City Revenue Management</p> <ul style="list-style-type: none"> Administer the external agency grant process including coordination, negotiation, preparation, and processing of cost-share grant applications as well as contribution agreements with external agencies¹ on road infrastructure and safety improvement projects². <p>Procurement</p> <ul style="list-style-type: none"> Prepare RFPs as necessary and evaluate submissions. Award contracts and prepare agreements. 	<p>Community and Stakeholder Service Requests</p> <ul style="list-style-type: none"> Receive and respond to public inquiries and complaints on traffic and parking-related matters (e.g. sightline obstruction, parking, speeding, shortcutting, etc.). Review and respond to requests for the upgrade of existing pedestrian facilities. <p>Internal Service Requests</p> <ul style="list-style-type: none"> Receive and respond to transportation-related queries from City staff. Review and approve Traffic Management Plans. Review development applications, servicing agreement drawings, tree planting drawings, etc.

PROGRESS REPORT	
HIGHLIGHTS OF ACTIONS TAKEN ON ASSIGNED TASKS	SERVICE EFFICIENCIES AND/OR BUDGET IMPACT (IF APPLICABLE)
Completed	
<ul style="list-style-type: none"> Reviewed staff resources involved in a variety of review processes (e.g. small and simple development permit applications, servicing 	<ul style="list-style-type: none"> Improved internal and external customer service. Streamlined work processes.

¹ Include TransLink, ICBC, provincial & federal government agencies.

² Examples include Nelson Road widening, Westminster Highway widening, No. 6 Road widening, No. 5 Road/Steveston Highway intersection improvements.

drawings).	
<ul style="list-style-type: none"> Submitted capital request for side-mounted radar technology (used for traffic speed studies). 	<ul style="list-style-type: none"> Improved work safety. Improved work efficiency.
<ul style="list-style-type: none"> Submitted capital request for intelligent management system (i.e. for real-time information to commuters). 	<ul style="list-style-type: none"> Improved external customer service.
<i>In Progress</i>	
<ul style="list-style-type: none"> Documentation of processes and procedure protocols in the Traffic Signal Systems Section. 	
<ul style="list-style-type: none"> Preparation of a detailed post-disaster recovery plan for traffic management once the Traffic Signals Systems Section is relocated to its permanent location. 	
<ul style="list-style-type: none"> Review of Transportation's performance metrics against the corporate performance measurement framework. 	
<ul style="list-style-type: none"> Review of the existing Commuter Carpool Program. 	

SERVICE LEVEL REVIEW PROGRESS REPORT

October 2015

Economic Development Section Administration and Compliance Department Finance and Corporate Services Division

MANDATE
To strategically grow Richmond's business and employment base and ensure the City maintains a competitive business environment.

TYPE(S) OF SERVICE
<input type="checkbox"/> Mandatory <input type="checkbox"/> Traditional <input checked="" type="checkbox"/> Discretionary

COUNCIL TERM GOAL(S) 2014-2018
<p>Council Term Goal #7: Strong Financial Stewardship: Maintain the City's strong financial position through effective budget processes, the efficient and effective use of financial resources, and the prudent leveraging of economic and financial opportunities to increase current and long-term financial sustainability.</p> <p>Council Term Goal #8: Supportive Economic Development Environment: Review, develop and implement plans, policies, programs and practices to increase business and visitor appeal and promote local economic growth and resiliency.</p>

FUNCTIONAL AREAS	
1. Implementation and Management	2. Planning and Development
<p><i>Delivery of City Programs, Services and Events</i></p> <ul style="list-style-type: none">• Oversee implementation of the Resilient Economy Strategy.• Conduct proactive business outreach initiatives as part of the Business Retention and Expansion (BRE) Program.• Manage the annual Business Appreciation and Recognition event.• Collect economic data for quarterly Council reports, economic development analysis, etc.• Facilitate consultations with the business community.• Serve as staff liaison to the Council-appointed Economic Advisory Committee.• Administer contracts. <p><i>Partnerships and Collaborations</i></p> <ul style="list-style-type: none">• Maintain working relationships with core businesses and business enabling industries (e.g. YVR, Port Metro Vancouver, and other	<p><i>Planning, Policy, Bylaws and Studies</i></p> <ul style="list-style-type: none">• Undertake strategic planning work.

<p>commercial/industrial property owners/developers/managers).</p> <ul style="list-style-type: none"> • Serve as staff liaison for other organizations (e.g. Tourism Richmond and Richmond Chamber of Commerce). • Participate in regional economic development initiatives (e.g. MVC). • Work with partners of specific target sectors (e.g. industry associations). 	
<p>3. Service Requests and Support</p>	
<p><i>Internal Service Requests</i></p> <ul style="list-style-type: none"> • Receive and respond to general business/economic development-related information requests. • Respond to Departmental requests for input into policies, bylaws, and strategies that affect businesses. • Review reports to Council as part of the concurrence process. <p><i>External Service Requests</i></p> <ul style="list-style-type: none"> • Receive and respond to general business/economic development-related information requests. • Manage inter-departmental coordination and serve as single point of contact for businesses through resolution. • Assist businesses on business development needs to include: identify a Richmond location; expand/relocate their business within Richmond; source a variety of statistical information for business plans of businesses; identify economic development and other incentives for locating in Richmond; serve as liaison between a business and City departments and other government agencies; connect businesses with local and regional business services and resources. <p><i>Capacity Building and Advisory Support</i></p> <ul style="list-style-type: none"> • Promote Richmond as a place for doing business. 	

PROGRESS REPORT	
HIGHLIGHTS OF ACTIONS TAKEN ON ASSIGNED TASKS	SERVICE EFFICIENCIES AND/OR BUDGET IMPACT (IF APPLICABLE)
Completed	
<ul style="list-style-type: none"> Reviewed working relationships and agreements with the City's external partners. 	<ul style="list-style-type: none"> Concluded an external partner agreement that was no longer providing good value for service.
<ul style="list-style-type: none"> Clarified roles and responsibilities of staff liaisons (i.e. Economic Development and Intergovernmental Relations) to various external partners. 	<ul style="list-style-type: none"> Streamlined working relationship with external partners.
<ul style="list-style-type: none"> Developed performance measurements and reported out to Council and on the Economic Development website. 	<ul style="list-style-type: none"> Section outcomes consistently measured.
In Progress	
<ul style="list-style-type: none"> Integrate Economic Development digital methods with the City's Corporate Digital Strategy. 	
<ul style="list-style-type: none"> Work with IT to ensure database on key business statistics is appropriately maintained and integrated into the City's Corporate Digital Strategy. 	



City of Richmond

Report to Committee

To: Finance Committee

Date: October 21, 2015

From: Andrew Nazareth
General Manager, Finance & Corporate Services

File: 03-0970-01/2015-Vol
01

Robert Gonzalez, P.Eng.
Deputy CAO and General Manager, Engineering
and Public Works

Re: 2016 Utility Budgets and Rates

Staff Recommendation

That the 2016 utility budgets, as outlined under Option 3 for Water and Sewer, Option 2 for Drainage and Diking, and Option 1 for Solid Waste and Recycling, as contained in the staff report dated October 21, 2015 from the General Manager of Finance & Corporate Services and General Manager of Engineering & Public Works, be approved as the basis for establishing the 2016 Utility Rates and preparing the 5 Year Financial Plan (2016-2020) Bylaw.

Andrew Nazareth
General Manager, Finance
& Corporate Services
(604-276-4095)

Robert Gonzalez, P.Eng.
Deputy CAO and General Manager,
Engineering and Public Works
(604-276-4150)

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS:
APPROVED BY CAO	

Staff Report

Origin

This report presents the recommended 2016 utility budgets and rates for Water, Sewer, Drainage & Diking and Solid Waste & Recycling. The utility rates need to be established by December 31, 2015, in order to facilitate charging from January 1, 2016.

Analysis

The 2016 budget has been prepared in advance of Metro Vancouver (MV) finalizing their 2016 rates. The proposed 2016 MV rates, which will be presented to the MV Board on October 30, are used in developing the City's 2016 utility rates and are as follows:

- Greater Vancouver Water District (GVWD) rate increase is 1.9%.
- Greater Vancouver Sewerage and Drainage District (GVS&DD) sewer levy increase for Richmond is 3%.
- MV solid waste tipping fees for municipal customers will be \$100 per tonne for 2016, plus a transaction fee of \$5 per load. A tiered structure based on load size/weight will continue to be used for small vehicles and commercial customers.

Another component of the utility budget relates to replacement of ageing/deteriorating municipal infrastructure. The ageing infrastructure component is discussed in the water, sewer and drainage sections of this report.

Recognizing the challenges of cost increases outside of the City's control and those associated with maintaining City infrastructure, staff have presented various budget and rate options for 2016. Budgets and rates are presented under two or three different options for each of the City's utilities. Option 1 presents the minimum non-discretionary increases necessary to meet those demands placed on the City by external or other factors outside of the City's direct control (e.g. regional or other agency increases, contractual obligations, plant growth, fuel, insurance, etc.) based on the same level of service. Options 2 and 3 present various actions the City can take to either reduce or increase the budget and rates depending on the varying circumstances and needs within each budget area.

The various options are presented for each of the City utilities in the following sections, and a summary of proposed rates for 2016 is shown in Tables 14 and 15.

Water Utility

Table 1. Water Utility Budget				
Key Budget Areas	2015 Base Level Budget	Option 1 Non-Discretionary Increases	Option 2 Non-Discretionary Increases with 50% Rate Stabilization	Option 3 (Recommended) Non-Discretionary Increases with 0% Rate Stabilization
Salary	\$4,943,400	\$144,700	\$144,700	\$144,700
PW Materials/Equipment/Power Costs	\$1,992,400	\$56,800	\$56,800	\$56,800
Vehicle Charges	\$721,400	\$2,000	\$2,000	\$2,000
Operating Expenditures	\$466,900	\$28,100	\$28,100	\$28,100
Water Meter Reading and Maintenance	\$426,100	\$0	\$0	\$0
Toilet Rebate Program	\$100,000	\$0	\$0	\$0
GVRD Water Purchases (MV)	\$24,642,900	-\$619,700	-\$619,700	-\$619,700
Capital Infrastructure Replacement Program	\$7,500,000	\$0	\$0	\$0
Asset Management System	\$50,000	\$0	\$0	\$0
Firm Price/Receivable	\$1,825,000	\$32,200	\$32,200	\$32,200
Residential Water Metering Program	\$1,320,000	\$0	\$0	\$0
Overhead Allocation	\$864,600	\$0	\$0	\$0
Total Base Level Budget	\$44,852,700	\$44,496,800	\$44,496,800	\$44,496,800
Revenues				
Provision (Rate Stabilization)	-\$750,000	\$0	\$375,000	\$750,000
Investment	-\$427,000	\$35,000	\$35,000	\$35,000
Firm Price/Receivable	-\$1,825,000	-\$32,200	-\$32,200	-\$32,200
Meter Rental	-\$1,874,500	\$112,000	\$112,000	\$112,000
YVR Maintenance	-\$29,500	-\$500	-\$500	-\$500
Provision (Toilet Rebate/Flushing)	-\$251,100	\$0	\$0	\$0
Provision (OBI Adjustment)	-\$77,000	\$77,000	\$77,000	\$77,000
Meter Re-Reads and Other Services	-\$50,000	-\$30,800	-\$30,800	-\$30,800
Net Budget	\$39,568,600	\$39,373,200	\$39,748,200	\$40,123,200
Net Difference Over 2015 Base Level Budget		-\$195,400	\$179,600	\$554,600

The following is an explanation of the budget reductions and increases outlined in Table 1.

Operating Expenditures

Operating expenses have increased due to factors beyond the City's control including:

- Projected salary increases for union agreements and step increases;
- BC Hydro rate increases (4.9%);
- Material costs increases;
- Postage rate increases; and
- Vehicle cost increases, including insurance increases.

GVWD Water Purchases – Metro Vancouver

In 2015, the estimated MV water rate increase was 5% and the actual increase was 1.6%; the City's Water Purchase budget was generated utilizing the estimated MV increase, and the lower actual increase created surplus capacity in the Water Purchase budget of 3.4% for 2015.

The proposed 2016 MV water rate increase of 1.9% will be presented to the MV Board on October 30, 2015. MV's proposed 2016 increase is smaller than the surplus capacity created in the 2015 Water Purchase budget. As such, the 2016 Water Purchase budget is lower than the 2015 Water Purchase budget.

Water is purchased from MV (GVWD) on a unit volume basis. The volume of water the City purchases from MV has a degree of variability, primarily due to weather impacts on summer irrigation demand and the level of water use restriction that is activated by MV. The total volume estimated for budget purposes is based on average City water demand over the last 5 years. The variability in the demand during this period has been approximately plus or minus 5%, and a similar variability can be anticipated in the 2016 water purchase.

Water conservation efforts, including water metering, toilet rebates, and pressure management have helped limit increases to bulk water purchases despite a rapidly growing population, and this has contributed to lower utility rate increases. The summer of 2015 was exceptionally dry, which lead to stage 3 water use restrictions. To date in 2015, water purchases are below the five-year average. While this is partially due to the water use restriction, a significant portion is due to residents improving their water use habits as an increasing number of homes are being metered.

Water System Pressure Management

The City conducted pressure management trials in 2014 and 2015. In addition to reducing the volume of leakage, reducing system pressure can extend the life of water mains. During the trial period, night-time minimum flows decreased by 17%. This reduction in consumption has further allowed the City to minimize the impact of annual MV rate increases.

Capital Infrastructure Replacement Program

There are no proposed increases for contribution to water capital infrastructure replacement under any of the proposed options, as this utility is at a sustainable funding level. The annual capital contribution for water-related infrastructure replacement has reached \$7.5 million. Per the “Ageing Infrastructure Planning – 2015 Update” report, dated June 26, 2015, the long-term annual water infrastructure replacement funding requirement is \$7.4 million. A reduction in the annual funding contribution is not recommended as inflation will reduce this \$100,000 difference in the medium term. Staff will continue to undertake further assessments to determine infrastructure replacement requirements going forward and identify any recommended changes to the annual contribution.

Residential Water Meter Program

Residential water metering plays a significant role in the City’s Water Demand Management Program. Water meters help customers understand and improve their water use habits and help customers identify water leaks on their premises that would otherwise go undetected. Recommended funding for single- and multi-family water meter installations remains unchanged from 2015, with \$1.32 million allocated from water rates and \$600,000 allocated from the water capital program.

The Universal Single-Family Water Meter Program is in progress and is scheduled to be completed in 3 years. Approximately 2,000 single-family water meters are scheduled to be installed in 2016.

The Multi-Family Water Meter Program has been very successful. To date, the City has installed meters for 141 volunteer complexes (comprising 8,585 multi-family dwelling units), including 59 apartment complexes (6,152 units) and 82 townhouse complexes (2,433 units). These voluntary installations will continue to be funded through the water meter program funding allocation.

In 2014, 87% of metered single-family dwellings and 94% of metered multi-family dwellings have realized a utility cost reduction when compared to the flat rate as a result of the water meter programs.

Water Rate Stabilization Contribution (Water Rate Options)

The water rate stabilization provision was established by Council as a funding source to offset anticipated spikes in regional water purchase costs. By the end of 2015, the water rate stabilization provision will have a balance of \$7.3 million plus any surplus that is appropriated to this provision at year-end.

Capital projects associated with the Capilano-Seymour Water Filtration Plant are complete and the forecasted spike in rate increases is being realized. The base level budget currently reflects a \$750,000 drawdown from the water rate stabilization fund. Option 1 maintains the \$750,000 drawdown of the rate stabilization fund, while Option 2 and Option 3 (recommended) reduce the drawdown to \$375,000 and \$0 respectively.

Regional Issues

MV water rate increases support their drinking water treatment program and transmission improvement programs. MV last updated their regional water rate projections in 2013, as outlined in Table 2.

Table 2. Metro Vancouver Bulk Water Rate Projections			
	2016	2017	2018
Projected MV Water Rate (per m ³)	\$.6518	\$.7079	\$.7425
% Increase Over Prior Year	1.9%	8.6%	4.9%

Impact on 2016 Water Rates

The impact of the three budget options on water rates is shown in Tables 3 and 4. Table 3 shows the various options for metered rate customers; Table 4 shows the options for flat rate customers.

Option 1 results in the lowest rates as it includes the highest rate stabilization provision drawdown. Options 2 and 3 have increasingly higher rates as they include lower contributions from the rate stabilization provision. The percentage increase of the recommended Option 3 (approximately 0.9%) is lower than the projected MV increase, as efficiencies in City operations and well-managed budgets have allowed the City to mitigate cost impacts from MV.

Table 3. 2016 Metered Rate Water Options (net of discount)				
Customer Class	2015 Rates	Option 1	Option 2	Option 3 (Recommended)
Single-Family Dwelling (based on 312 m ³ average)	\$392.92	\$389.40 (\$3.52)	\$392.86 (\$.06)	\$396.29 \$3.37
Townhouse (based on 229 m ³ average)	\$292.69	\$290.10 (\$2.59)	\$292.64 (\$.05)	\$295.16 \$2.47
Apartment (based on 179 m ³ average)	\$209.64	\$207.62 (\$2.02)	\$209.61 (\$.03)	\$211.57 \$1.93
Metered Rate (\$/m ³)	\$1.1209	\$1.1096 (\$.0113)	\$1.1207 (\$.0002)	\$1.1317 \$.0108

The rates in Table 3 include base rates of \$43.20 for single-family dwellings, \$36 for townhouses, and \$9 for apartments.

Table 4. 2016 Flat Rate Water Options (net of discount)				
Customer Class	2015 Rates	Option 1	Option 2	Option 3 (Recommended)
Single-Family Dwelling	\$595.17	\$589.19 (\$5.98)	\$595.07 (\$.10)	\$600.94 \$5.77
Townhouse	\$487.21	\$482.31 (\$4.90)	\$487.12 (\$.09)	\$491.93 \$4.72
Apartment	\$313.95	\$310.79 (\$3.16)	\$313.90 (\$.05)	\$316.99 \$3.04

The rates outlined in Tables 3 and 4 are net rates. The Water Bylaw provides a 10% discount for utility bills paid prior to a deadline. The rates shown will be increased by 10% in the supporting bylaws to provide for the discount incentive while ensuring appropriate cost recovery.

The base rates included in Table 3 represents fixed costs for metering including meter reading, billing and maintenance.

Advantages/Disadvantages of Various Options

Option 1

- Represents the minimum increase necessary to maintain the current level of service.
- Maintains the \$750,000 subsidy from the water rate stabilization fund.

Option 2

- Represents the minimum increase necessary to maintain the current level of service.
- Reduces the subsidy from the water rate stabilization fund to \$375,000.

Option 3 (recommended)

- Represents the minimum increase necessary to maintain the current level of service.
- Eliminates the \$750,000 subsidy from the rate stabilization fund (see below for a more detailed explanation).

Recommended Option

Staff recommend the budgets and rates outlined under Option 3 for Water Services. This option maintains infrastructure funding levels at the general target identified in the “Ageing Infrastructure Planning – 2015 Update” report to meet the community’s long term needs, includes the Universal Water Meter Program for single-family homes that will be completed by 2018, and allows for volunteer water metering of multi-family homes. It also includes an appropriate toilet rebate budget and eliminates the \$750,000 drawdown of the rate stabilization fund, as efficiencies in City operations and well-managed budgets have minimized rate increases.

Given that the Metro Vancouver major projects are nearing completion, the need to continue to subsidize the water rate is now diminishing. Thus, staff recommend that the rate stabilization contribution be removed from the water rate and can therefore accumulate again until such time as Metro Vancouver introduces additional projects requiring that the rate be subsidized to level water rate spikes.

Sewer Utility

Table 5. Sewer Utility Budget				
Key Budget Areas	2015 Base Level Budget	Option 1 Non-Discretionary Increases	Option 2 Non-Discretionary Increases with \$670,000 for Additional Capital Infrastructure Replacement	Option 3 (Recommended) Non-Discretionary Increases with \$1,000,000 for Additional Capital Infrastructure Replacement
Salary	\$2,618,700	\$51,300	\$51,300	\$51,300
PW Materials/Equipment/Power Costs	\$1,478,900	\$115,000	\$115,000	\$115,000
Internal Shared Costs	\$276,800	-\$6,400	-\$6,400	-\$6,400
Operating Expenditures	\$502,200	\$2,300	\$2,300	\$2,300
GVS&DD O&M (MV)	\$20,000,000	-\$587,400	-\$587,400	-\$587,400
GVS&DD Debt (MV)	\$85,700	\$279,800	\$279,800	\$279,800
Capital Infrastructure Replacement Program	\$4,256,400	\$0	\$670,000	\$1,000,000
Asset Management System	\$50,000	\$0	\$0	\$0
Firm Price/Receivable	\$602,700	\$7,300	\$7,300	\$7,300
Overhead Allocation	\$498,200	\$0	\$0	\$0
Total Base Level Budget	\$30,369,600	\$30,231,500	\$30,901,500	\$31,231,500
Revenues				
Provision (Rate Stabilization)	-\$500,000	\$0	\$0	\$0
Provision (OBI Adjustment)	-\$49,200	\$49,200	\$49,200	\$49,200
Investment	-\$166,000	\$14,000	\$14,000	\$14,000
Firm Price/Receivable	-\$602,700	-\$7,300	-\$7,300	-\$7,300
Property Tax for DD Debt (MV)	-\$85,700	-\$279,800	-\$279,800	-\$279,800
Net Budget	\$28,966,000	\$28,604,000	\$29,274,000	\$29,604,000
Net Difference Over 2015 Base Level Budget		-\$362,000	\$308,000	\$638,000

The following is an explanation of the budget reductions and increases outlined in Table 5.

Operating Expenditures

Operating expenses have increased due to factors beyond the City's control, including:

- Projected salary increases for union agreements and step increases;
- BC Hydro rate increases (4.9%);
- Equipment cost increases; and
- Postage rate increases.

GVS&DD Operating and Maintenance (O&M) Costs – Metro Vancouver

Richmond pays MV (GVS&DD) for bulk transmission and treatment of collected liquid waste on a flat rate basis through the MV GVS&DD O&M levy. The proposed 2016 MV GVS&DD O&M levy increase of 3% will be presented to the MV Board on October 30.

In 2015, the estimated MV GVS&DD O&M levy increase was 6% and the actual increase was -0.11%; the City's MV GVS&DD O&M levy budget was generated utilizing the estimated MV increase, and the lower actual increase created surplus capacity in the MV GVS&DD O&M levy budget of 6.11% for 2015. MV's proposed 2016 increase is smaller than the surplus capacity created in the 2015 MV GVS&DD O&M levy budget. As such, the 2016 MV GVS&DD O&M levy budget is lower than the 2015 MV GVS&DD O&M levy budget.

MV is projecting an overall sewer increase of 3.9% for Richmond. 3% is the MV GVS&DD O&M levy increase that is recovered through the City's sewer utility rate. The remaining 0.9% is due to MV sewer debt, which is recovered through Richmond's tax system.

Capital Infrastructure Replacement Program

Option 1 maintains the annual contribution to the sewer infrastructure capital replacement program at \$4.25 million. The "Ageing Infrastructure Planning – 2015 Update" report noted that the annual funding contribution required to support long-term sustainability is \$6.8 million. To reduce this gap between current and required funding, Options 2 and 3 increase the capital replacement program by \$670,000 and \$1,000,000, respectively. Staff recommend Option 3, increasing the sewer capital replacement program by \$1 million, in order to reduce the gap between current and required funding. It is intended that their capital funding will be directed to sanitary sewer station upgrades, including generators, which were recently highlighted as a priority.

Sewer Rate Stabilization Contribution (Sewer Rate Options)

The sewer rate stabilization provision was established by Council as a funding source to offset significant spikes in regional sewer treatment and capacity costs. The sewer rate stabilization provision is projected to have a \$7.6 million balance by the end of 2015. Any surplus in the sewer operating budget at the end of 2015 will be appropriated to add to this balance.

All options maintain the \$500,000 drawdown on the sewer rate stabilization fund to partially offset MV GVS&DD O&M increases.

Regional Issues

Table 6 outlines MV's projected sewer charge increases for 2016 through 2018. The main budget drivers impacting the projected increase in MV costs include a variety of capital infrastructure projects, such as the Gilbert Trunk Sewer twinning project, and the Lions Gate and Iona wastewater treatment plant upgrades. The proposed 2016 MV sewer charge increase for Richmond is 3.9% (combined debt reduction and MV GVS&DD O&M levy cost increases). The MV GVS&DD O&M levy, supported by the City's utility rates, will increase by 3% in 2016.

Table 6. Metro Vancouver Sewer Charge Projections			
	2016	2017	2018
Projected MV Sewer Charge per Household	\$191	\$205	\$222
% Increase Over Prior Year	3.9%	7.5%	8.0%

Impact on 2016 Sewer Rates

The impact of the three budget options on the sewer rates is shown in Tables 7 and 8. Table 7 identifies the impact of each option on metered customers; Table 8 identifies the impact on flat rate customers.

Table 7. 2016 Metered Rate Sewer Options (net of discount)				
Customer Class	2015 Rates	Option 1	Option 2	Option 3 (Recommended)
Single Family Dwelling (based on 312 m ³ average)	\$303.92	\$296.87 (<i>\$7.05</i>)	\$303.92 \$0	\$307.35 \$3.43
Townhouse (based on 229 m ³ average)	\$223.07	\$217.89 (<i>\$5.18</i>)	\$223.07 \$0	\$225.59 \$2.52
Apartment (based on 179 m ³ average)	\$174.36	\$170.32 (<i>\$4.04</i>)	\$174.36 \$0	\$176.33 \$1.97
Metered Rate (\$/m ³)	\$0.9741	\$0.9515 (<i>\$0.0226</i>)	\$0.9741 \$0	\$0.9851 \$0.0110

Table 8. 2016 Flat Rate Sewer Options (net of discount)				
Customer Class	2015 Rates	Option 1	Option 2	Option 3 (Recommended)
Single Family Dwelling	\$399.39	\$390.15 (<i>\$9.24</i>)	\$399.39 \$0	\$403.93 \$4.54
Townhouse	\$365.43	\$356.97 (<i>\$8.46</i>)	\$365.43 \$0	\$369.58 \$4.15
Apartment	\$304.35	\$297.31 (<i>\$7.04</i>)	\$304.35 \$0	\$307.81 \$3.46

The rates outlined in Tables 7 and 8 are net rates. The bylaw provides a 10% discount for utility bills paid prior to a deadline. The rates shown will be increased by 10% in the supporting bylaws to provide for the discount incentive while ensuring appropriate cost recovery.

Advantages/Disadvantages of Various Options

Option 1

- Represents the minimum increase necessary to maintain the current level of service.
- Does not meet the City's long-term infrastructure plan to increase the capital program for replacement of ageing infrastructure. Capital replacement remains at \$4.25 million for 2016, which represents an annual \$2.55 million shortfall from the funding recommended in the "Ageing Infrastructure Planning – 2015 Update" report. The ultimate objective is to build the annual infrastructure replacement for sewer to \$6.8 million.
- Utilizes a \$500,000 drawdown from the sewer levy stabilization account to minimize the impact of regional increases on sewer rates.

Option 2

- Represents the minimum increase necessary to maintain the current level of service.
- Includes a \$670,000 increase to the capital infrastructure replacement program, in order to reduce the gap between the current funding level of approximately \$4.25 million and the long-term annual funding requirement of \$6.8 million, as recommended in the “Ageing Infrastructure Planning – 2015 Update” report.
- Utilizes a \$500,000 drawdown from the sewer levy stabilization account to minimize the impact of regional increases on sewer rates.

Option 3 (recommended)

- Represents the minimum increase necessary to maintain the current level of service.
- Includes a \$1,000,000 increase to the capital infrastructure replacement program, in order to reduce the gap between the current funding level and the long-term annual funding requirement of \$6.8 million, as recommended in the “Ageing Infrastructure Planning – 2015 Update” report.
- Utilizes a \$500,000 drawdown from the sewer levy stabilization account to minimize the impact of regional increases on sewer rates.

Recommended Option

In order to reduce the gap between the current funding level and long-term annual funding requirement, staff recommend the budgets and rates outlined under Option 3 for Sewer Services.

Drainage and Diking Utility

Drainage

In 2003, a drainage utility was created to develop a reserve fund for drainage infrastructure replacement costs. The objective, as outlined in the “Ageing Infrastructure Planning – 2015 Update” report, is to build the fund to an anticipated annual contribution of approximately \$10.4 million, subject to on-going review of the drainage infrastructure replacement requirements.

As adopted by Council in 2003, the rate started at \$10 (net) per property and is increased an additional \$10 each year until such time as the \$10.4 million annual reserve target is reached. While \$10.4 million is the optimum annual target, the Ageing Infrastructure Report identifies a target range that could be acceptable based on a sensitivity analysis of contributing variables. Funding for this utility provides for capital construction costs only and does not contribute funding to operating and maintenance.

Diking

An annual budget amount was established in 2006 to undertake structural upgrades at key locations along the dike, which equated to a net charge of \$10 per property. There have been no increases to this rate since it was first introduced. Continued annual funding is required to support studies and dike upgrades required to protect the City from long-term sea level rise due to climate change.

Impact on 2016 Drainage and Diking Rates

Table 9. 2016 Drainage and Diking Net Rate Options				
Utility	2015 Rates	Option 1	Option 2 (Recommended)	
		All Accounts	Non-Stratified ICI ¹ Accounts Above 800 m ²	All Other Accounts ²
Drainage	\$130.31	\$132.40	\$270.00	\$130.31
Diking	\$10.00	\$10.50	\$20.00	\$10.00
Total Drainage & Diking	\$140.31	\$142.90	\$290.00	\$140.31
<i>Increase Over 2015</i>		<i>\$2.59</i>	<i>\$149.69</i>	<i>\$0</i>

¹ ICI includes industrial, commercial and institutional properties that are non-strata with lot areas above 800 m².

² Includes residential properties. There is no increase proposed for residential properties.

The rates outlined in Table 9 are net rates. The bylaw provides a 10% discount for utility bills paid prior to a deadline. The net rates shown will be increased by 10% in the supporting bylaws to provide for the discount incentive while ensuring appropriate cost recovery.

Drainage Rate Equity

When the City’s Drainage and Diking Utility was first introduced, the utility rate model was simplified to facilitate ease of implementation. In previous years, when rates were lower, any inequity in the rates was marginal given the low cost to individual property owners. Today, the

rate has increased to the point that funds generated by the utility are within the long-term target range, and staff recommend that increases going forward improve equity to the rate payers. Option 2 represents the first step in a multi-year process to improve equity to the rate payers.

The size and capacity of the City's drainage system is directly related to the size of properties and the impervious area (paving, roofs, etc.) of those properties. ICI properties make up approximately 28% of Richmond's non-agricultural land area; however, they contribute less than 9% of the drainage and diking utility funding. Additionally, ICI properties generally have a high percentage of impermeable area. The largest inequities in the drainage rate system are represented by large, non-stratified ICI properties (shopping malls, warehouses, etc.) that currently pay the same drainage rate as a single family home.

Option 2 doubles the rate (from \$130.31 to \$270 annually) paid by non-stratified ICI properties with areas above 800 m². This group of rate payers represents significant inequity and Option 2 is a first step to improve equity. Future rate improvements will review the largest of the properties in this sector and may identify further increases for properties on the larger end of the spectrum.

Advantages/Disadvantages of Various Options

Option 1

- Maintains the same flat rate structure as in previous years (all accounts pay the same rate).
- Includes an adjustment to account for inflation.

Option 2 (recommended)

- Introduces a new rate for non-stratified industrial, commercial and institutional (ICI) properties with lot areas above 800 m².
- New rate reflects the fact that the properties in this category are typically much larger and, therefore, contribute a greater demand on the drainage and diking system.
- This new rate will not apply to stratified ICI properties, as the individual strata lots are more similar in size to non-ICI properties.
- All residential, agricultural and stratified ICI properties will pay the same rate as in 2015, with no increase in rates.

Recommended Option

Option 2 is recommended because it improves equity by introducing a rate that requires larger ICI properties to contribute a larger amount to the utility. Stratified ICI, which most small businesses are, and all forms of residential properties would not see an increase to the drainage utility rate.

Both options deliver a similar increase to the fund that will account for both inflationary costs and meet the funding required by the Ageing Infrastructure Report for a sustainable utility. As a result, funding for the drainage account is expected to be \$10.2 million in 2016 while the diking portion is expected to be \$785,000.

Solid Waste and Recycling

Table 10. 2016 Solid Waste & Recycling Budget				
Key Budget Areas	2015 Base Level Budget (Amended)	Option 1 (Recommended) Non-Discretionary Increases	Option 2 (with Annual Green Cart Cleaning Service Provided)	Option 3 (with Annual Green Cart and Garbage Cart Cleaning Service Provided)
Salaries	\$2,438,500	\$58,941	\$58,941	\$58,941
Contracts	\$8,002,600	\$169,200	\$616,300	\$874,600
Equipment/Materials	\$505,700	\$18,460	\$18,460	\$18,460
MV Disposal Costs	\$2,008,300	-\$478,901	-\$478,901	-\$478,901
Recycling Materials Processing	\$1,281,500	\$28,400	\$28,400	\$28,400
Container Rental/Collection	\$150,600	\$500	\$500	\$500
Operating Expenditures	\$320,900	\$2,200	\$2,200	\$2,200
Internal Shared Costs	\$172,800	\$20,500	\$20,500	\$20,500
Agreements	\$176,000	\$3,900	\$3,900	\$3,900
Rate Stabilization	\$77,000	\$10,500	\$10,500	\$10,500
Base Level Budget	\$15,133,900	\$14,967,600	\$15,414,700	\$15,673,000
Revenues				
Apply General Solid Waste and Recycling Provision	-\$865,900	\$865,900	\$865,900	\$865,900
Recycling Material	-\$257,000	-\$44,000	-\$44,000	-\$44,000
Garbage Tags	-\$17,500	\$0	\$0	\$0
Revenue Sharing Grant	-\$2,100	\$0	\$0	\$0
MMBC Incentive	-\$1,352,600	-\$73,500	-\$73,500	-\$73,500
Net Budget	\$12,638,800	\$13,220,900	\$13,668,000	\$13,926,300
Net Difference Over 2015 Base Level Budget		\$582,100	\$1,029,200	\$1,287,500

The following is an explanation of the budget reductions and increases outlined in Table 10.

Salaries

Salary cost increases under all options correspond with collective agreements and step increases.

Contracts

Contract cost increases relate to non-discretionary increases for solid waste and recycling collection services as outlined in Council-approved agreements and a small amount for growth in the number of units serviced. Option 2 includes an additional level of service for cleaning Green

Carts once per year for all residents with this service. Option 3 includes annual cart cleaning services for both Green Carts and Garbage Carts.

Equipment/Materials

Equipment and material costs are increased principally for anticipated garbage cart replacement costs associated with the new bi-weekly garbage cart collection program (scheduled to commence in the first quarter of 2016).

Metro Vancouver Disposal Costs

The regional tipping fee for local governments will be \$100/tonne in 2016, plus a \$5 per load transaction fee. The reduction in disposal costs noted in Table 10 is due in part to adjustments in expected participation in optional garbage service by residents in multi-family developments. Further, a substantial reduction is expected in single-family waste disposal due to the implementation of bi-weekly garbage collection service in 2016. The transition to bi-weekly garbage collection was approved at the May 25, 2015 Regular Council meeting.

The five-year tipping fee projection per Metro Vancouver estimates is outlined in the following table. The municipal tipping fee is projected to be a flat fee per tonne, whereas the fees for commercial and other users will be at variable rates depending on load size. In general, increases in tipping fees are designed, in part, to help drive additional recycling (create greater financial incentive to recycle) as well as to manage existing and planned added infrastructure. The variable rate for commercial users is designed to help deter losses in system revenues from waste export. This helps retain funding within the regional system for maintaining the waste disposal network.

Table 11. Metro Vancouver Tipping Fee Projections					
	2016	2017	2018	2019	2020
Projected Municipal MV Tipping Fee/Tonne	\$100	\$109	\$113	\$117	\$125
% Change from Prior Year		9%	4%	4%	7%
Other MV Tipping Fee/Tonne Charges					
Small Vehicles (0-1t)	\$133	\$137	\$141	\$145	\$150
Medium Vehicles (1-8t)	\$112	\$116	\$120	\$124	\$130
Large Vehicles (>9t)	\$80	\$83	\$85	\$87	\$89
Transaction Fee	\$5	\$5	\$6	\$6	\$7
Small Vehicle Minimum Fee	\$10	\$10	\$10	\$10	\$10

Recycling Materials Processing

Recycling materials processing costs are increased associated with anticipated added volumes of organic materials which are expected to be diverted from garbage as a result of implementation of bi-weekly garbage collection service in the first quarter of 2016.

Container Rental/Collection and Operating Expenditures

Container rental/collection costs are increased slightly associated with Recycling Depot service costs. Minor adjustments in operating expenditures are associated with the transition to bi-weekly garbage service in 2016.

Internal Shared/Agreements/Rate Stabilization

Internal shared costs are increased for the Patroller program salary and operational increases, and align with the Collective Agreement. Agreement costs are increased slightly based on the consumer price index and contractual increase with Vancouver Coastal Health Authority for the City's public health protection service agreement. Rate stabilization costs are adjusted slightly as part of balancing rates charged to residents.

Revenues – General Solid Waste and Recycling Provision

The contribution from provision is reduced due to the fact the multi-family food scraps pilot program (costs for which were funded from provision – approximately \$757,500) transitioned to a full-scale program. The total costs associated with this program are now being recovered via charges to those multi-family residents on the City's food scraps recycling program. Similarly, the garbage cart pilot program costs (also funded from provision – approximately \$100,000) are phased out associated with the full-scale implementation of bi-weekly garbage collection in the first quarter of 2016.

Recycling Material Revenues

Recycling material revenues are increased associated with MMBC payments for separate collection of glass as well as expected increases in the volumes of recycling materials received at the City's Recycling Depot.

MMBC Revenue Incentive

The incentive funding is increased in 2016 to absorb the additional costs associated with annual program increases under approved service collection contracts.

Impact on 2016 Rates

The impact of the budget options to ratepayers is provided in the tables which follow. In light of the implementation of bi-weekly garbage collection service in the first quarter of 2016, a variable rate structure will be introduced. This will allow residents the opportunity to subscribe to their desired size of garbage cart/container and the associated fee. If bi-weekly service was not introduced, the garbage portion of the rate would have increased by an estimated 5%.

Table 12 provides total costs based on standard garbage cart sizes for single-family (240L) and townhouse (120L), and assumes an apartment on City weekly organics collection service, but not on City garbage collection service. The transition to bi-weekly garbage collection service in 2016 results in a rate decrease for the average resident on City garbage service. The rate increase for apartments is reflective of a full year charge for weekly organics service in 2016. In 2015,

the amount charged for apartments was pro-rated based on 6 months service in light of implementation timeframes.

Table 12. 2016 Solid Waste and Recycling Rate Options (net of discount)				
Customer Class	2015 Rates	Option 1 (Recommended)	Option 2 (Annual Green Cart Cleaning)	Option 3 (Annual Green Cart and Garbage Cart Cleaning)
Single Family Dwelling (Standard 240L Cart)	\$277.50	\$276.25 (\$1.25)	\$287.25 \$9.75	\$296.75 \$19.25
Townhouse (Standard 120L Cart)	\$232.50	\$217.25 (\$15.25)	\$228.25 (\$4.25)	\$237.75 \$5.25
Apartment	\$71.58	\$86.85 \$15.27	\$86.85 \$15.27	\$86.85 \$15.27
Business Rate	\$27.70	\$27.95 \$0.25	\$27.95 \$0.25	\$27.95 \$0.25

Table 13 provides a more detailed breakdown of Option 1 rates based on the four different garbage cart size options that will be available to residents in single-family and townhouse units. Residents will be able to reduce or increase the amount they pay for the service based on the cart size they select for garbage collection service.

Table 13. 2016 Single-Family and Townhome Net Rates by Garbage Cart Size			
Cart Size	Garbage Portion Only	Single-Family Full Service Rate (Including Recycling, Organics, Other Services)	Townhomes Full Service Rate (Including Recycling, Organics, Other Services)
80L	\$83.00	\$253.25	\$206.75
120L	\$93.50	\$263.75	\$217.25
240L	\$106.00	\$276.25	\$229.75
360L	\$196.00	\$366.25	\$319.75

A comparison to rates in Vancouver and Surrey is provided in Attachment 3 for information.

Staff note that early feedback from townhouse units has highlighted their concerns that these residents may not have the storage space necessary for appropriately sized garbage carts for bi-weekly service. As a result, requests have been received to make garbage cart collection service available to townhouses on weekly service. To address this, staff propose that when the bylaw and rates are brought forward, weekly garbage collection service be available to townhouses (only and for the entire complex only) at a premium rate. This would result in a charge that is approximately 2.5% above current rates.

As noted previously within the water and sewer sections, the above rates are net rates and will be increased by 10% in the rate amending bylaws in accordance with the bylaw early payment discount provisions.

Regional Issues

At their September 18, 2015 meeting, the Greater Vancouver Sewerage and Drainage District Board approved a solid waste system funding strategy which establishes the rates as outlined in Table 13. In addition, the regional services fee (charged to those communities that have alternative agreements relating to waste disposal) was set at 6% of the municipal tipping fee. This fee is used to fund regional costs for Zero Waste education, planning and administration, regulation and enforcement and other activities that benefit the entire region.

With regard to disposal bans, Metro Vancouver will maintain the thresholds for organics and clean wood at 25% and 10% respectively in light of early successes as well as industry concerns about added fees. This will help to decrease the potential for waste export.

In relation to the issue of equity relating to funding of Eco Centres/Recycling Depots, the GVS&DD Board addressed this by approving a transfer station strategy with the following key elements:

- a) provision of dedicated recycling services at Metro Vancouver transfer stations only when requested and funded by communities served by the transfer station;
- b) continued development of options for replacement of the Coquitlam Transfer Station and collaboration with tri-cities municipalities to ensure that there is continuity of service between the closure of the existing transfer station and the development of a new facility;
- c) reconfiguration of the North Shore Transfer Station; and
- d) development of the Surrey Small Vehicle/Residential Drop-Off facility with the next steps being the City of Surrey to finalize a site, and Metro Vancouver to enter into an agreement with the City of Surrey where Metro Vancouver pays for the garbage component and the City of Surrey pays for the dedicated recycling component of the facility.

Recommended Option

Staff recommend the budgets and rates as outlined under Option 1 for Solid Waste and Recycling. This option provides full funding for all existing programs as well as the new Bi-Weekly Garbage Cart Collection Program.

Total Recommended 2016 Utility Rate Option

In light of the significant challenges associated with the impacts of regional costs and new programs in the City, staff recommend the budget and rates options as follows:

- Option 3 is recommended for Water and Sewer
- Option 2 is recommended for Drainage and Diking
- Option 1 is recommended for Solid Waste and Recycling

Table 14 summarizes the estimated total metered rate utility charge, based on average water and sewer consumption. Table 15 summarizes the total flat rate utility charge.

Table 14. 2016 Estimated Total Net Rates to Metered Customers		
Customer Class	2015 Estimated Net Metered Rates	2016 Estimated Net Metered Rates (Recommended)
Single-Family Dwelling (based on 312 m ³ average)	\$1,114.65	\$1,120.20 \$5.55
Townhouse (on City garbage service) (based on 229 m ³ average)	\$888.57	\$878.31 (\$10.26)
Townhouse (not on City garbage service) (based on 229 m ³ average)	\$779.07	\$777.31 (\$1.76)
Apartment (based on 179 m ³ average)	\$595.89	\$615.07 \$19.17
Commercial/Industrial		
Metered Water (\$/m ³)	\$1.1209	\$1.1317 \$.0108
Metered Sewer (\$/m ³)	\$.9741	\$.9851 \$.0110
Business: Garbage	\$27.70	\$27.95 \$0.25
Business: Drainage & Diking	\$140.31	\$290.00 \$149.69

As 83% of single-family dwellings are on meters, the metered charges in Table 14 are representative of what the majority of residents in single-family dwellings would pay versus the flat rate charges outlined in Table 15.

Table 15. 2016 Total Net Rates to Flat Rate Customers		
Customer Class	2015 Net Flat Rates	2016 Net Flat Rates (Recommended)
Single-Family Dwelling	\$1,412.37	\$1,421.43 \$9.06
Townhouse (on City garbage service)	\$1,225.45	\$1,219.07 (\$6.38)
Townhouse (not on City garbage service)	\$1,115.95	\$1,118.07 \$2.12
Apartment	\$830.19	\$851.96 \$21.77

As noted previously, the rates highlighted in this report reflect the net rates. This is the actual cost that property owners pay after the 10% discount incentive is applied, as outlined in the rate bylaws. The discount incentive provided in the bylaws is a very effective strategy in securing utility payments in a timely manner. To ensure full cost recovery while maintaining the payment incentive, the bylaw rates are adjusted by the discount amount. The recommended rates outlined above result in gross rate charges to residents as outlined in Attachment 2. These rates would be reflected in the amending bylaws for each utility area, should they be approved by Council.

Flat Rate and Metered Customers

The residential metering program has been successful in transitioning the majority of single-family households from flat rates. Approximately 83% of single-family homes are now on meters. The majority of townhouses and apartments are still on flat rate; however, the number with meters will continue to increase with the volunteer and mandatory water meter programs for multi-family dwellings. The number of units by customer class, including those on meters, is shown below:

Table 16. Flat Rate and Metered Property Unit Counts				
		2015 Counts	2016 Counts (Estimated)	Difference
Single-Family Residential	Flat Rate (17%)	4,766	2,718	(2,048)
	Metered (83%)	23,998	26,560	2,562
Townhouse	Flat Rate (72%)	11,815	11,565	(250)
	Metered (28%)	4,637	5,034	397
Apartment	Flat Rate (58%)	15,470	15,070	(400)
	Metered (42%)	11,079	13,590	2,511
Total Residential Units		71,765	74,537	2,772
Commercial Units	Metered	4,014	4,114	100
Farms	Metered	45	45	0

Comparison of 2015 City Utility Rates to Other Major Household Expenses

In relation to other common household expenses, City utility expenses represent good value when compared with other daily major household expenses, such as telephone, cable, internet, electricity, transit and others. Water, sewer, garbage and drainage utility services are fundamental to a quality lifestyle for residents as well as necessary infrastructure to support the local economy. The following Figure 1 illustrates the value of these services when compared to other common household expenses.

Figure 1. Cost Comparison of Main Household Expenses for a Single-Family Dwelling

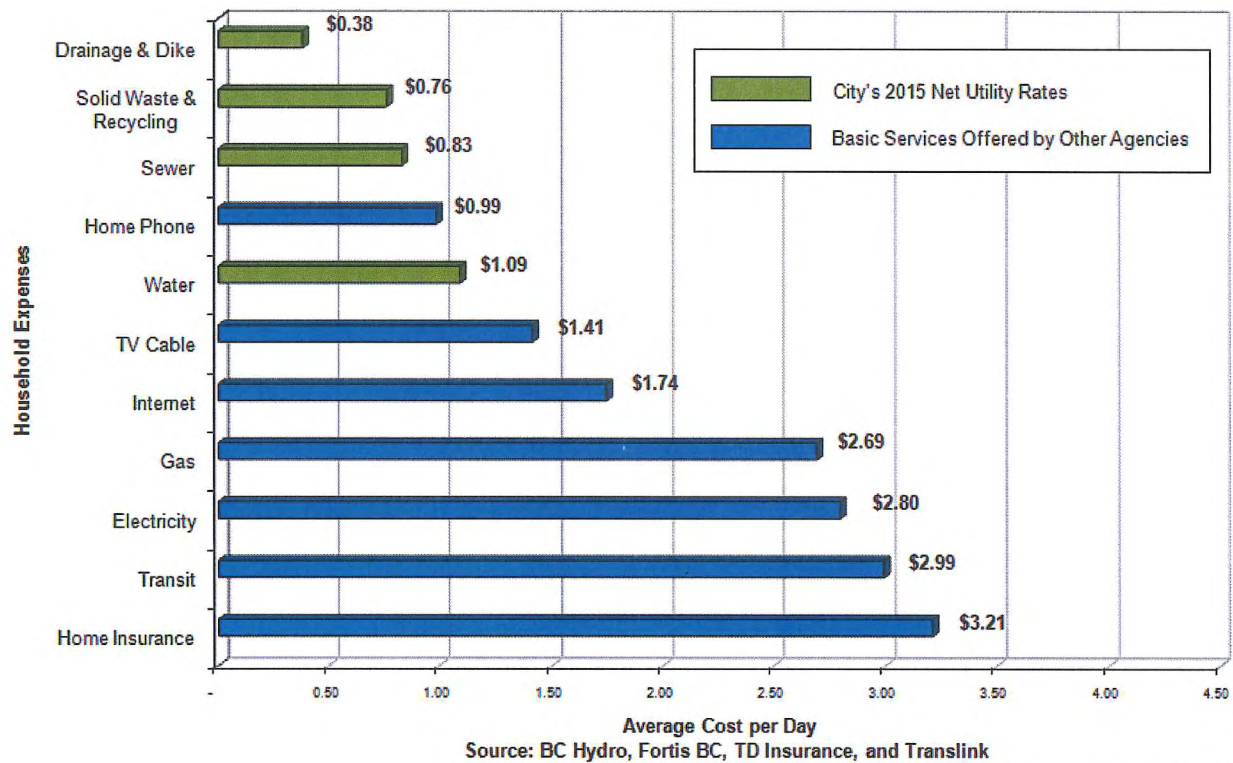


Figure 1 Reference REDMS 4717112

Financial Impact

The budgetary and rate impacts associated with each option are outlined in detail in this report. In all options, the budgets and rates represent full cost recovery for each City service.

The key impacts to the recommended 2016 utility budgets and rates stem from estimated Metro Vancouver increases for bulk water and the sewer levy. Cost impacts have been largely offset through efficiencies in City operations and well-managed budgets. Staff recommend the budget and rates options as follows:

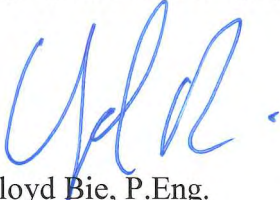
- Option 3 is recommended for Water and Sewer
- Option 2 is recommended for Drainage and Diking
- Option 1 is recommended for Solid Waste & Recycling

Considerable effort has been made to minimize City costs and other costs within our ability in order to minimize the impact to property owners.

Conclusion

This report presents the 2016 proposed utility budgets and rates for City services relating to the provision of water, the connection of wastewater, flood protection, as well as the provision of solid waste and recycling services. Considerable measures are taken to reduce costs where possible in order to minimize rate increases. A significant portion of the City's costs relate to impacts from influences outside of the City's direct control, such as regional cost impacts, power and postage increases, etc. Regional costs are expected to continue increasing to meet demands for high quality drinking water and sewer treatment. The percentage increase of the recommended options is lower than the MV increase, as efficiencies in City operations and well-managed budgets have allowed the City to mitigate cost impacts from MV.

Staff recommend that the budgets and rates as outlined in this report be approved and that the appropriate amending bylaws be brought forward to Council to bring these rates into effect.



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LB:lb

Attachment 1

2016 Estimated Total Net Rates to Metered Customers

2016 Estimated Total Net Rates to Metered Customers		
Customer Class	2015 Estimated Net Metered Rates	2016 Estimated Net Metered Rates (Recommended)
Single-Family Dwelling (based on 312 m ³ average)	\$1,114.65	\$1,120.20 \$5.55
Townhouse (on City garbage service) (based on 229 m ³ average)	\$888.57	\$878.31 (\$10.26)
Townhouse (not on City garbage service) (based on 229 m ³ average)	\$779.07	\$777.31 (\$1.76)
Apartment (based on 179 m ³ average)	\$595.89	\$615.07 \$19.17
Commercial/Industrial		
Metered Water (\$/m ³)	\$1.1209	\$1.1317 \$.0108
Metered Sewer (\$/m ³)	\$.9741	\$.9851 \$.0110
Business: Garbage	\$27.70	\$27.95 \$.025
Business: Drainage & Diking	\$140.31	\$290.00 \$149.69

Attachment 2

2016 Annual Utility Charges – Recommended Gross Rates per Bylaw (Estimated Metered and Actual Flat Rates)

	Water	Sewer	Drainage/ Diking	Garbage/ Recycling	Total
Metered (Based on Average Consumption)					
Single-Family Dwelling	\$440.32	\$341.50	\$155.90	\$306.94	\$1,244.66
Townhouse (with City garbage)	\$327.95	\$250.65	\$155.90	\$241.39	\$975.89
Townhouse (no City garbage)	\$327.95	\$250.65	\$155.90	\$129.17	\$863.67
Apartment	\$235.08	\$195.93	\$155.90	\$96.50	\$683.41
Flat Rate (Actual)					
Single-Family Dwelling	\$667.72	\$448.81	\$155.90	\$306.94	\$1,579.37
Townhouse (with City garbage)	\$546.59	\$410.64	\$155.90	\$241.39	\$1,354.52
Townhouse (no City garbage)	\$546.59	\$410.64	\$155.90	\$129.17	\$1,242.30
Apartment	\$352.21	\$342.01	\$155.90	\$96.50	\$946.62
General – Other/Business					
Metered Water (\$/m ³)	\$1.2575				
Metered Sewer (\$/m ³)		\$1.0946			
Business: Garbage				\$31.06	
Non-Stratified ICI: Drainage & Diking			\$322.23		

Attachment 3

2016 Annual Utility Charges – Comparison to 2015 Rates in the Cities of Vancouver and Surrey

City of Vancouver 2015 Single-Family and Townhome Rates by Garbage Cart Size Residents may have 1 or 2 garbage carts and pay the additional garbage rate for the 2 nd cart				
Cart Size	Garbage Portion Only (Bi-Weekly)	Single-Family & Townhome Full Service Rate Bi-weekly Garbage (Including Recycling, Organics)	Garbage Portion Only (Weekly)	Townhome Full Service Rate Weekly Garbage Option (Including Recycling, Organics)
75L	\$75.00	120L Organics \$197.00 180L Organics \$215.00 240L Organics \$233.00 360L Organics \$269.00	\$97.00	120L Organics \$219.00 180L Organics \$237.00 240L Organics \$255.00 360L Organics \$291.00
120L	\$87.00	120L Organics \$209.00 180L Organics \$227.00 240L Organics \$245.00 360L Organics \$281.00	\$110.00	120L Organics \$232.00 180L Organics \$250.00 240L Organics \$268.00 360L Organics \$304.00
180L	\$103.00	120L Organics \$225.00 180L Organics \$243.00 240L Organics \$261.00 360L Organics \$297.00	\$128.00	120L Organics \$250.00 180L Organics \$268.00 240L Organics \$286.00 360L Organics \$322.00
240L	\$119.00	120L Organics \$241.00 180L Organics \$259.00 240L Organics \$277.00 360L Organics \$313.00	\$146.00	120L Organics \$268.00 180L Organics \$286.00 240L Organics \$304.00 360L Organics \$340.00
360L	\$151.00	120L Organics \$273.00 180L Organics \$291.00 240L Organics \$309.00 360L Organics \$345.00	\$182.00	120L Organics \$304.00 180L Organics \$322.00 240L Organics \$340.00 360L Organics \$376.00
Note: Additional fees apply if carts are stored on streets or lanes (\$74.29 per cart)				

City of Surrey 2015 Single-Family and Townhome Rates by Garbage Cart Size		
Cart Size	Single-Family & Townhome All Inclusive Full Service Rate (One Cart) (Including Recycling, Organics, Other Services)	Additional Fees for Each Additional Garbage Collection Cart
80L	\$283.00	\$142.00
120L	\$283.00	\$142.00
180L	\$283.00	\$283.00
240L	\$283.00	\$283.00
360L	\$425.00	\$425.00