

# 2010 BUDGET IN BRIEF

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METRO VANCOUVER



**metro**  
**vancouver**

May 2010

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# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

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### **General Overview**

#### **Meeting the Challenges**

Overall, the budget is up 5.0%.

The 2010 budget reflects the priorities of Metro Vancouver as the political body representing the Metropolitan Vancouver area, and a body with specified functions to:

- Deliver its mandated service functions in accordance with the principles of sustainability;
- Identify the priority objectives for the achievement of a sustainable, livable region and advocate for the achievement of those objectives;
- Build and facilitate collaborative governance networks and mechanisms to achieve those objectives in partnership with others, including processes to inform and be informed by the citizenry at large.

The 2010 priorities presented here are consistent with the Metro Vancouver Sustainability Framework, a framework for decision-making and moving ideas into action.

#### **Highlights for 2010 Include:**

##### **Greater Vancouver Regional District**

- Parks and Greenway Management Plan – Fourth year of Implementation
- Develop New Regional Growth Strategies
- Air Quality Regulation (Pollution, Climate Change)

##### **Greater Vancouver Sewerage & Drainage District**

##### **Liquid Waste**

- Liquid Waste Management Plan
- Biosolids Management Plan Implementation
- Continued reduction of future long-term debt-related costs by using excess operating reserves to fund capital.
- Commence planning for secondary treatment upgrades
- Sustainability initiatives
- Infrastructure maintenance projects
- Continuing focus on Asset Management
- System Optimization initiatives

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### **Greater Vancouver Sewerage & Drainage District (continued)**

#### **Solid Waste**

- Zero Waste Challenge
- Organics processing
- Solid Waste Management Plan
- Managing waste flows within the system.
- Work continues to develop an alternative to landfilling in the Interior of BC.

### **Greater Vancouver Water District**

- Construction of the twin tunnel portion of the water filtration project continues and, when completed, will provide the Region with the highest quality in drinking water at both the Capilano and Seymour sources. Filtration at Seymour source was operational late 2009.
- Continued reduction of future long-term debt related costs by using excess operating reserves to fund capital.
- Sustainability initiatives.
- Continued focus on Asset Management.
- Upgrade of many of the District's facilities to meet current seismic and safety standards to ensure that water is available as an essential service in event of a major disaster.
- System optimization initiatives.

### **Metro Vancouver Housing Corporation**

- Continue with water ingress repairs. Long-term funding remains an issue for future years.
- Maintenance of aging wood structure
- Focus on tenant community support.
- Regional Affordable Housing Strategy.

### **Corporate**

- Collaborative governance
- Enhanced Communication

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### Financial Overview

2010 budgeted expenditures are \$570.4 million (5.0%) for the Metro Vancouver Districts.

Costs are recovered mainly through user fees charged to member municipalities for the Greater Vancouver Water District (GVWD), Greater Vancouver Sewerage & Drainage District (GVS&DD) and for the Greater Vancouver Regional District (GVRD) through property taxes. The Metro Vancouver Housing Corporation (GVHC) recovers costs primarily through property rentals.

#### Greater Vancouver Regional District

- The costs for regional district functions are primarily recovered through property taxes.
- The total cost of programs on an average property tax bill is around \$37.00 which is up \$2 from 2009.
- The Regional District's costs have increased by 1.7% to \$51.2 million for 2010.
- The property tax rate increased by 3.8% for 2010 which is slightly below the projection of 4.0%.

The following functions comprise the main activities of the Regional District:

#### **Regional Parks**

- Parks expenditures increased 1.4% to \$29.8 million.
- Capital expenditures for 2010 are \$11.0 million including \$5.0 million for the potential acquisition of new parkland.

#### **9-1-1 Emergency Telephone Service**

- Expenditures are consistent with 2009 at \$3.6 million, a slight decrease of 0.7%.

#### **Air Quality**

- Expenditures have increased 3.1% to \$5.7 million.

#### **General Government**

- Expenditures have increased 7.9% to \$5.6 million.
- Increase in expenditures is due primarily to the creation of a new program to support pan municipal affairs and increased costs in Board and Committee Remuneration.

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### **Labour Relations**

- Expenditures have increased 2.9% to \$2.7 million.

### **Strategic Planning**

- Costs have decreased 5.6% to \$2.5 million due primarily to a reduction in the Homelessness Task Force Secretariat program (funded by the federal government) due to the contract expiring part way through the year.

### **Regional Global Positioning System**

- Total expenditures are consistent with 2009 at \$0.6 million (up 0.8%). The operation of this system is funded by a separate user fee.

### **Other** (includes West Nile Virus, Electoral Area, and Sasamat Volunteer Fire Department)

- Other expenditures have decreased by 4.8% to be slightly over \$0.6 million.

## **Greater Vancouver Sewerage and Drainage District**

### **Liquid Waste**

- There is a 2.6% increase in the impact on the average household with the cost increasing \$4 to \$162. This is consistent with the projected increase.
- Expenditures will increase by 5.6% to \$183.0 million.
- \$19.9 million of sewerage capital projects will be funded on a 'pay as you go' basis through the levy plus a further \$7.4 million through excess operating reserves (total of \$27.3 million).
- Total capital expenditures will be \$98.3 million, including funding for:
  - new mains, pump stations, treatment plant expansion to handle growth (\$38.4 million)
  - system maintenance (\$23.6 million)
  - risk management and upgrade of infrastructure (\$24.7 million).
  - sustainability opportunity related projects (\$11.6 million)

### **Solid Waste**

- The solid waste tipping fee is increasing \$11 to \$82 per tonne.
- Expenditures will decrease by 4.2% to \$99.8 million. The decrease in expenditures is due to the projected decrease in waste flows which are projected to be lower than those budgeted in 2009. The lost economies of scale from reduced waste flows, inflationary increases, along with the partial funding of the 2009 deficit (remainder to be recovered in future years), has resulted in an increase to the tipping fee.
- Capital Expenditures will be \$81.6 million primarily for projects at the District's Waste-to-Energy-Facility (\$18.8 million), upgrades to the Transfer Station System (\$24.5 million), Solid Waste Management Plan initiatives (\$34.0 million) and Landfills/Other (\$4.3 million).

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### **Greater Vancouver Water District**

- The impact of the budget increase to the average household is \$21, for a total cost of \$190.
- The water rates will increase by 11.9% to \$0.4505 per cubic metre (Off Peak Season: October – May) and \$0.5631 per cubic metre (Peak Season: June – September) over those for 2009. The summer (Peak) price is 1.25 times the price during the remainder of the year (Off Peak). This is consistent with the Drinking Water Management Plan.
- Expenditures will increase by 11.5% to \$200.5 million.
- The total capital expenditures will be \$277.3 million, including expenditures for the Drinking Water Treatment Program (including the Seymour/Capilano Filtration Project) of \$181.6 million.
- \$22.8 million in capital projects will be funded on a 'pay as you go' basis through the water rate plus a further \$21.0 million through excess operating reserves (total \$43.8 million).
- Capital expenditures include Utility relocation for Provincial Road Improvement Projects (\$1.5 million).

### **Metro Vancouver Housing Corporation**

- Expenditures for 2010 will increase by close to 0.5% to \$35.9 million.
- The GVHC generates the majority of its revenues through property rentals, and the Housing Corporation's operations are not funded by the GVRD tax requisitions.
- Capital expenditures for 2010 are \$7.5 million which will be funded from reserves. Included in this amount are \$3.1 million for water ingress repairs and \$4.4 million for capital replacement.

### **Corporate Programs**

- Corporate service costs are allocated to the three districts (GVRD, GVS&DD, GVWD) and the GVHC.
- Corporate Program costs include the costs of the Finance, Human Resources, Information Technology, Corporate Relations, the office of the Chief Administrative Officer/Commissioner, as well as Head Office Building Operations.
- Overall corporate program expenditures have increased by 7.7% to \$49.5 million (8.7% of total Greater Vancouver Districts' budget expenditures which is consistent with prior years).

# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

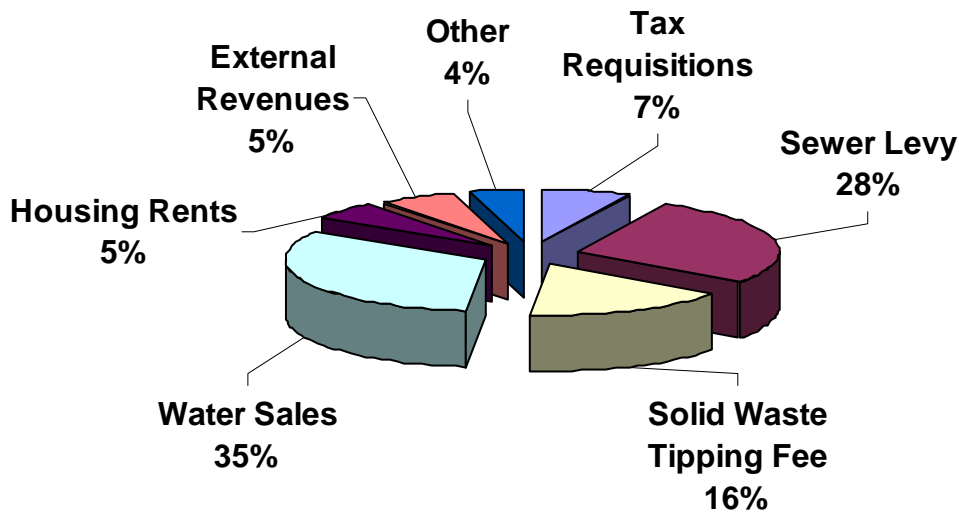
The operating budget of the Metro Vancouver Districts is paid for by six main sources:

- Tax Requisitions
- Sewer Levy
- Solid Waste Tipping Fee
- Water Sales
- Housing Rents
- External Revenues, Reserves and Other

These revenue sources support four separate legal entities: the Greater Vancouver Regional District (GVRD) is funded primarily through tax requisitions, the Greater Vancouver Sewerage & Drainage District (GVS&DD) through a sewer levy for liquid waste and user fees for the solid waste function, the Greater Vancouver Water District (GVWD) through the sale of water to participating member municipalities, and the Metro Vancouver Housing Corporation (GVHC) through property rentals.

## WHERE THE MONEY COMES FROM

(Millions of Dollars)



Tax Requisitions	\$ 41.7
Sewer Levy	157.6
Solid Waste Tipping Fee	89.2
Water Sales	196.3
Housing Rents	30.3
External Revenues	31.8
Other (includes Reserves, BOD/TSS, DCC)	23.5
	<b><u>\$570.4</u></b>



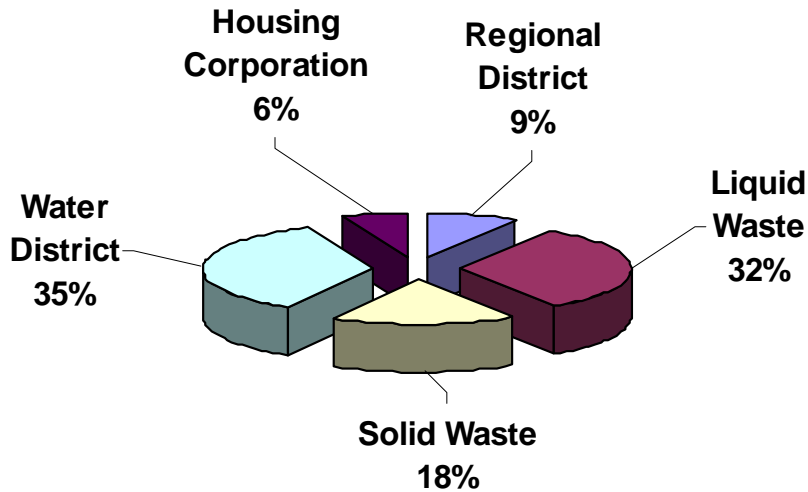
# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

The Metro Vancouver Districts comprise five totally separate budgets governed by separate legislation. These budgets are split into distinct programs indicating services provided for which a separate budget exists.

The Metro Vancouver Districts are required to operate balanced budgets and any deficit must be repaid immediately in the following year. All expenditures must be included in the annual budget adopted by the Board.

### WHERE WE SPEND THE MONEY



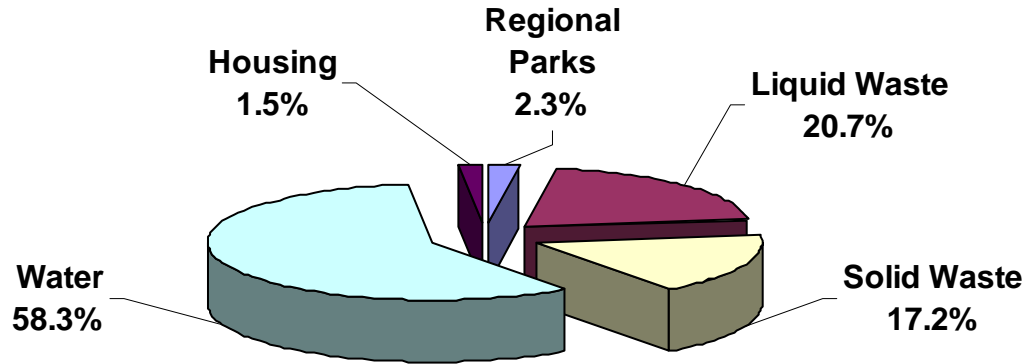
Total Expenditures \$570.4

	Sewerage & Drainage			Water District	MVHC	Total
	Regional District	Liquid Waste	Solid Waste			
<b>2009 Budget</b>	<b>\$50.3</b>	<b>\$173.4</b>	<b>\$104.2</b>	<b>\$179.8</b>	<b>\$35.7</b>	<b>\$543.4</b>
Change in Operations	0.8	2.5	(3.9)	2.8	0.3	2.5
Change in Debt	0.0	2.5	(0.5)	9.8	(0.1)	11.7
Contribution to Capital	0.1	4.6	0.0	8.1	0.0	12.8
<b>2010 Budget</b>	<b>\$51.2</b>	<b>\$183.0</b>	<b>\$99.8</b>	<b>\$200.5</b>	<b>\$35.9</b>	<b>\$570.4</b>
<b>% Change Budget</b>	<b>1.7%</b>	<b>5.6%</b>	<b>(4.2%)</b>	<b>11.5%</b>	<b>0.5%</b>	<b>5.0%</b>

# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

### Capital Expenditures 2010 Budget Summary (\$ Millions)

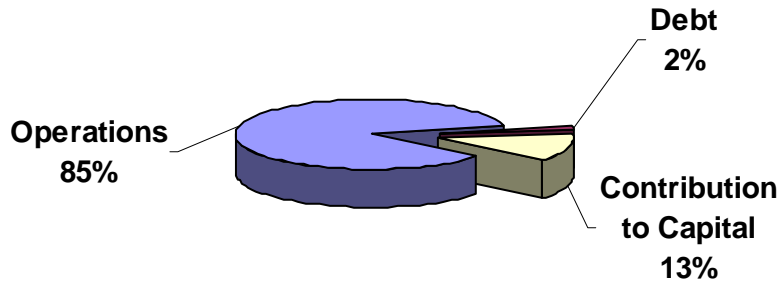


	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>2010 Budget</u>
Regional Parks	\$ 11.5	\$ 11.6	\$ 11.0
Liquid Waste	67.3	96.7	98.3
Solid Waste	15.1	63.6	81.6
Water	212.7	257.1	277.3
Housing	<u>11.3</u>	<u>9.1</u>	<u>7.5</u>
	<u>\$ 317.9</u>	<u>\$ 438.1</u>	<u>\$ 475.7</u>

# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

### Greater Vancouver Regional District 2010 Budget Summary (\$ Millions)



	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>Change</u>	<u>% Change</u>
Operations	\$ 42.8	\$ 43.6	\$ 0.8	1.9%
Debt	1.1	1.1	0.0	1.2%
Contribution to Capital	6.4	6.5	0.1	1.3%
<b>Total Expenditures</b>	<b>\$ 50.3</b>	<b>\$ 51.2</b>	<b>\$ 0.9</b>	<b>1.7%</b>

	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>Change</u>	<u>% Change</u>
<b><u>GVRD-Expenditures</u></b>				
911 Emergency Telephone	\$ 3.6	\$ 3.6	\$ -	(0.7%)
Air Quality	5.5	5.7	0.2	3.1%
General Government	5.2	5.7	0.5	7.9%
Labour Relations	2.6	2.7	0.1	2.9%
Regional Parks	29.4	29.8	0.4	1.4%
Strategic Planning	2.7	2.5	(0.2)	(5.6%)
Regional GPS	0.6	0.6	0.0	0.8%
Other*	0.7	0.6	(0.1)	(4.8%)
<b>Total</b>	<b>\$ 50.3</b>	<b>\$ 51.2</b>	<b>\$ 0.9</b>	<b>1.7%</b>

\*Other includes West Nile Virus; Electoral Areas; Sasamat Volunteer Fire Dept.

# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

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### Greater Vancouver Regional District Reconciliation to Board Approved Targets (\$ Millions)

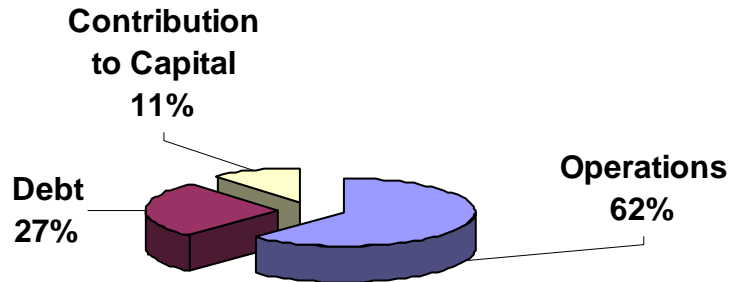
	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>Change</u>	<u>% Change</u>
GVRD Tax Requisitions	\$ 39.6	\$ 41.7	\$ 2.1	5.3%
Other Revenue	<u>10.7</u>	<u>9.5</u>	<u>(1.2)</u>	(11.8%)
<b>Total</b>	<u><u>\$ 50.3</u></u>	<u><u>\$ 51.2</u></u>	<u><u>\$ 0.9</u></u>	1.7%

- Board approved a 5.5% increase in Tax Requisitions (including 1.5% estimated population growth)
- Impact to the average household estimated at \$2.00 (3.8%)

# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

**Greater Vancouver Sewerage & Drainage District  
Liquid Waste  
2010 Budget Summary  
(\$ Millions)**



	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>Change</u>	<u>% Change</u>
Operations	\$ 110.3	\$ 112.8	\$ 2.5	2.4 %
Debt	47.8	50.3	2.5	5.2 %
Contribution to Capital	15.3	19.9	4.6	29.4 %
<b>Total Expenditures</b>	<b>\$ 173.4</b>	<b>\$ 183.0</b>	<b>\$ 9.6</b>	<b>5.6 %</b>

### Highlights

- \*\$98.3 M Capital Works
  - Growth \$38.4M
  - Repair \$23.6M
  - Upgrading \$24.7M
  - Opportunity \$11.6M
- \*More 'Pay As You Go'
- \*Aging Infrastructure

# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

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**Greater Vancouver Sewerage & Drainage District  
Liquid Waste  
Reconciliation to Board Approved Targets  
(\$ Millions)**

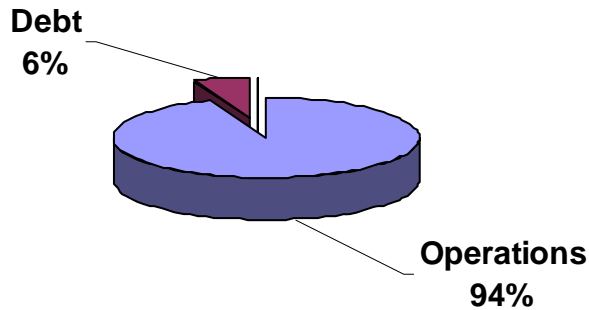
	<b><u>2009 Budget</u></b>	<b><u>2010 Budget</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
<b>S &amp; D Levy</b>	<b>\$ 151.4</b>	<b>\$ 157.6</b>	<b>\$ 6.2</b>	<b>4.1%</b>
<b>Other Revenue</b>	<b><u>22.0</u></b>	<b><u>25.4</u></b>	<b><u>3.4</u></b>	<b>15.9%</b>
<b>Total</b>	<b><u><u>\$ 173.4</u></u></b>	<b><u><u>\$ 183.0</u></u></b>	<b><u><u>\$ 9.6</u></u></b>	<b>5.6%</b>

- Board approved a 4.0% increase in Tax Requisitions (including 1.5% estimated population growth)
- Impact to the average household estimated at \$4.00 (2.6%)

# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

**Greater Vancouver Sewerage & Drainage District  
Solid Waste  
2010 Budget Summary  
(\$ Millions)**



	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>Change</u>	<u>% Change</u>
Operations	\$ 97.5	\$ 93.6	\$ (3.9)	(3.9)%
Debt	6.7	6.2	(0.5)	(8.4)%
<b>Total Expenditures</b>	<b><u>\$ 104.2</u></b>	<b><u>\$ 99.8</u></b>	<b><u>\$ (4.4)</u></b>	<b><u>(4.2)%</u></b>

### Highlights

\*\$81.6M Capital Works

- Existing Waste-to-Energy Facility \$18.8M
- Landfills and Transfer Stations \$28.8M
- Solid Waste Management Plan Initiatives \$34.0M

\*Solid Waste Management Plan

# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

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**Greater Vancouver Sewerage & Drainage District  
Solid Waste  
Reconciliation to Board Approved Targets  
(\$ Millions)**

	<b><u>2009 Budget</u></b>	<b><u>2010 Budget</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
User Charges	\$ 89.4	\$ 89.2	\$ (0.2)	(0.2%)
Other Revenue	<u>14.8</u>	<u>10.6</u>	<u>(4.2)</u>	(28.1%)
	<b><u>\$104.2</u></b>	<b><u>\$ 99.8</u></b>	<b><u>\$ (4.4)</u></b>	<b>(4.2%)</b>
Tipping Fee (\$ per tonne)	<u>\$ 71</u>	<u>\$ 82</u>	<u>\$ 11</u>	15.5%
General Tonnage (metric tonnes)	<u>1,193,970</u>	<u>1,064,704</u>	<u>(129,266)</u>	(10.8%)

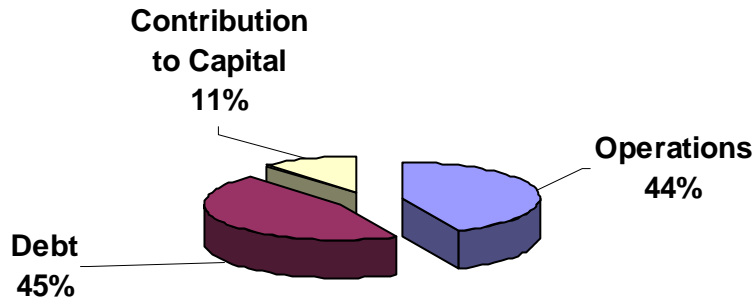
- Board approved an \$82 Tipping Fee
- Impact to the average household estimated at \$10.00 (14.3%) assuming household produces just under one tonne of trash



# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

### Greater Vancouver Water District 2010 Budget Summary (\$ Millions)



	<u>2009</u> <u>Budget</u>	<u>2010</u> <u>Budget</u>	<u>Change</u>	<u>% Change</u>
Operations	\$ 84.3	\$ 87.1	\$ 2.8	3.4 %
Debt	80.8	90.6	9.8	12.1 %
Contribution to Capital	14.7	22.8	8.1	54.8 %
<b>Total Expenditures</b>	<b>\$ 179.8</b>	<b>\$ 200.5</b>	<b>\$ 20.7</b>	<b>11.5 %</b>

### Highlights

- \*\$277.3 M Capital Works
  - Growth \$4.9M
  - Repair \$16.5M
  - Upgrading \$74.3M
  - New Services \$181.6M

# 2010 BUDGET IN BRIEF

## METRO VANCOUVER

### Greater Vancouver Water District Reconciliation to Board Approved Targets (\$ Millions)

	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>Change</u>	<u>% Change</u>
Water Sales	\$ 176.2	\$ 196.3	\$ 20.1	11.4%
Other Revenue	3.6	4.2	0.6	16.7%
<b>Total</b>	<b>\$ 179.8</b>	<b>\$ 200.5</b>	<b>\$ 20.7</b>	<b>11.5%</b>
Water Rates (\$ per cubic metre)				
Peak Season *	<u>\$ 0.5032</u>	<u>\$ 0.5631</u>	<u>\$ 0.0599</u>	11.9%
Water Rates (\$ per cubic metre)				
Off Peak Season **	<u>\$ 0.4026</u>	<u>\$ 0.4505</u>	<u>\$ 0.0479</u>	11.9%
Consumption (cubic metres)	<u>396,786,602</u>	<u>395,069,585</u>	<u>(1,717,017)</u>	(0.4%)

\* June to September

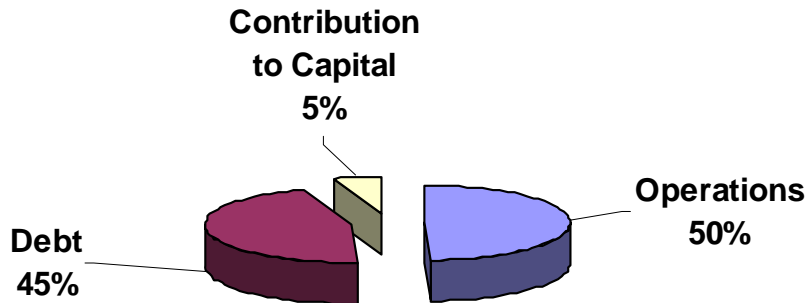
\*\* October to May

- Board approved \$0.4972/m<sup>3</sup> blended wholesale rate
- Impact to the average household estimated at \$21.00 (12.4%), assuming consumption of roughly 380 m<sup>3</sup> per year

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### Metro Vancouver Housing Corporation 2010 Budget Summary (\$ Millions)



	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>Change</u>	<u>% Change</u>
Operations	\$17.4	\$17.7	\$ 0.3	1.2%
Debt	16.4	16.3	(0.1)	(0.4)%
Contribution to Capital	1.9	1.9	0.0	0.0%
<b>Total Expenditures</b>	<b>\$ 35.7</b>	<b>\$ 35.9</b>	<b>\$ 0.2</b>	<b>0.5%</b>

#### Highlights

- \*\$7.5M Capital Works
  - Replacement \$4.4M
  - Water Ingress \$3.1M

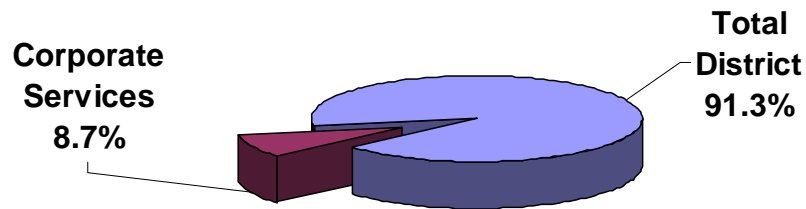
### Reconciliation to Board Approved Targets (\$ Millions)

	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>Change</u>	<u>% Change</u>
Housing Rents	\$ 29.6	\$ 30.3	\$ 0.7	2.2%
Other Revenue	6.1	5.6	(0.5)	(8.0%)
<b>Total</b>	<b>\$ 35.7</b>	<b>\$ 35.9</b>	<b>\$ 0.2</b>	<b>0.5%</b>

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### Corporate Services 2010 Budget Summary (\$ Millions)



	<u>2008 Budget</u>	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>2009-2010 Change</u>	<u>2009-2010 % Change</u>
<b>Total Expenditures</b>	<u>\$41.3</u>	<u>\$45.9</u>	<u>\$49.5</u>	\$3.6	7.7%
<b>Corporate Services as a % of Total District Budget</b>	7.9%	8.4%	8.7%		