

# 2011 BUDGET IN BRIEF

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METRO VANCOUVER



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**vancouver**

May 2011

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# 2011 BUDGET IN BRIEF

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### **General Overview**

#### **Meeting the Challenges**

Overall, the budget is up 6.5%.

The 2011 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 2011 priorities presented here are consistent with the Metro Vancouver Sustainability Framework, a framework for decision-making and moving ideas into action.

#### **Highlights for 2011 Include:**

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

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

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

###### **Liquid Waste**

- Liquid Waste Management Plan Implementation
- Biosolids Management Plan Implementation
- Continued reduction of future long-term debt-related costs by using excess operating reserves to fund capital.
- Continued planning and pre-design 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 Implementation
- 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.
- 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 structures.
- Focus on tenant community support.
- Regional Affordable Housing Strategy.

### **Corporate**

- Enhanced Communication
- Collaborative governance

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### Financial Overview

2011 budgeted expenditures are \$607.6 million (6.5%) 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 \$39.00 which is up \$2 from 2010.
- The Regional District's costs have increased by 17.8% to \$60.3 million for 2011, \$5.5 million of this increase is a flow-through from the Federal Government for funding of Regional Homelessness initiatives.
- The property tax rate increased by 3.9% for 2011 which is below the projection of 5.5%.

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

#### **Regional Parks**

- Parks expenditures have increased 4.7% over 2010 to \$31.2 million.
- Capital expenditures for 2011 are \$10.5 million including \$5.0 million for the potential acquisition of new parkland.

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

- Expenditures are up over 2010 by 6.8% to \$3.8 million.

#### **Air Quality**

- Expenditures have increased 10.9% to \$6.3 million due to the development of a new permit/bylaw enforcement billing system.

#### **General Government**

- Expenditures have increased 7.3% to \$6.1 million.
- Increase in expenditures is due primarily to the creation of a new program to support the Board's enhanced focus on international engagement.

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### **Labour Relations**

- Expenditures have decreased 3.3% to \$2.6 million due to the withdrawal of the City of Burnaby from full membership.

### **Strategic Planning**

- Expenditures have increased close to 2.5 times those of 2010, to a total of \$8.8 million. \$5.5 million (89%) of this increase pertains to a flow-through from the Federal Government for Regional Homelessness initiatives now administered by Metro Vancouver.

### **Regional Global Positioning System**

- Total expenditures have increased over 2010 by 41.9% to \$0.8 million due to required equipment upgrades funded from reserves. The operation of this system is funded by a separate user fee to member municipalities.

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

- Other expenditures are slightly above those of 2010 at \$0.7 million.

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

### **Liquid Waste**

- There is a 4.6% increase in the impact on the average household with the cost increasing \$8 to \$170. This is below the projected increase of 6.0% or \$10.
- Expenditures will increase by 5.1% to \$192.2 million.
- \$26.7 million of sewerage capital projects will be funded on a 'pay as you go' basis through the levy plus a further \$8.9 million through excess operating reserves (total of \$35.6 million).
- Total capital expenditures will be \$80.9 million, including funding for:
  - new mains, pump stations, treatment plant expansion to handle growth (\$30.9 million)
  - system maintenance (\$16.9 million)
  - risk management and upgrade of infrastructure (\$20.7 million).
  - sustainability opportunity related projects (\$12.4 million)

### **Solid Waste**

- The solid waste tipping fee is increasing \$15 to \$97 per tonne.
- Expenditures will decrease by 4.6% to \$95.3 million. The decrease in expenditures is due to the projected decrease in waste flows which are projected to be lower than those budgeted in 2010. The lost economies of scale from reduced waste flows, inflationary increases, along with the partial funding of prior years' deficits (remainder to be recovered in future years), has resulted in an increase to the tipping fee.
- Capital Expenditures will be \$18.7 million primarily for projects at the District's Waste-to-Energy-Facility (\$6.5 million), upgrades to the Transfer Station System (\$5.0 million), Solid Waste Management Plan initiatives (\$3.0 million) and Landfills/Other (\$4.2 million).



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### **Greater Vancouver Water District**

- The impact of the budget increase to the average household is \$23, for a total cost of \$213.
- The water rates will increase by 14.0% to \$0.5135 per cubic metre (Off Peak Season: October – May) and \$0.6419 per cubic metre (Peak Season: June – September) over those for 2010. 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 11.3% to \$223.2 million.
- The total capital expenditures will be \$186.7 million, including expenditures for the Drinking Water Treatment Program (including the Seymour/Capilano Filtration Project) of \$103.5 million.
- \$30.8 million in capital projects will be funded on a 'pay as you go' basis through the water rate plus a further \$8.2 million through excess operating reserves (total of \$39.0 million).

### **Metro Vancouver Housing Corporation**

- Expenditures for 2011 will increase by 2.0% to \$36.6 million.
- The MVHC 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 2011 are \$7.3 million which will be funded from reserves. Included in this amount are \$1.2 million for water ingress repairs and \$6.1 million for capital replacement.

### **Corporate Programs**

- Corporate service costs are allocated to the three districts (GVRD, GVS&DD, GVWD) and the MVHC.
- 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 7.4% to \$53.1 million (8.7% of total Greater Vancouver Districts' budget expenditures which is the same as in prior year).

# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

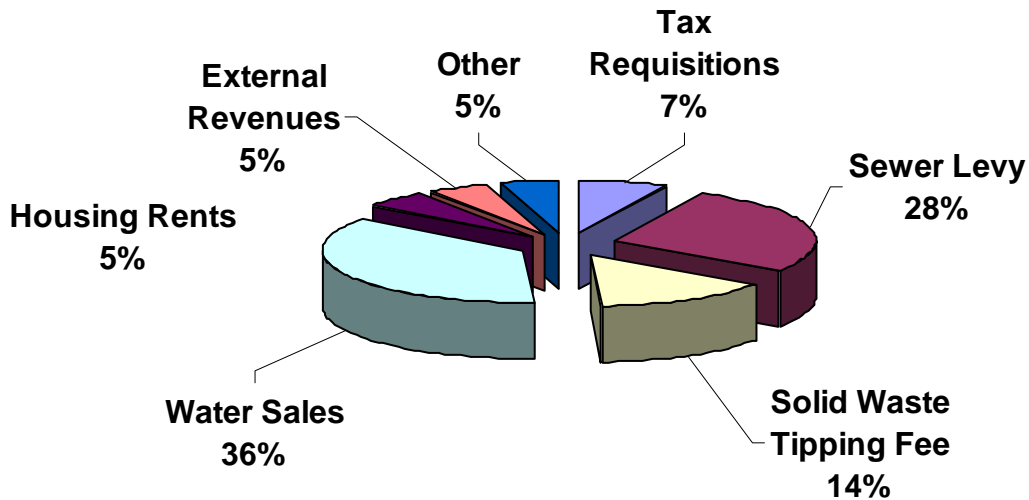
The operating budget of the Metro Vancouver Districts is paid for by six main sources:

- Water Sales
- Sewer Levy
- Solid Waste Tipping Fee
- Tax Requisitions
- 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 (MVHC) through property rentals.

## WHERE THE MONEY COMES FROM

(Millions of Dollars)



Tax Requisitions	\$ 44.0
Sewer Levy	167.2
Solid Waste Tipping Fee	87.5
Water Sales	218.7
Housing Rents	31.2
External Revenues	30.0
Other (includes Reserves, BOD/TSS, DCC)	29.0
	<b><u>\$607.6</u></b>

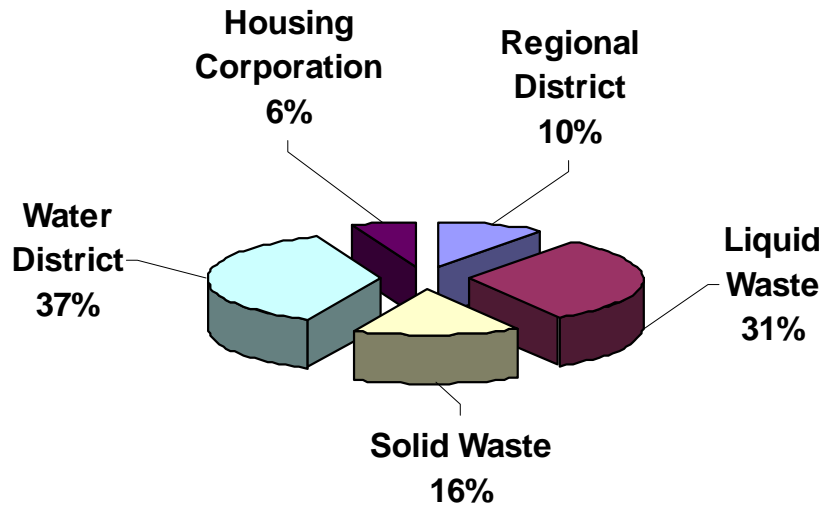
# 2011 BUDGET IN BRIEF

## 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



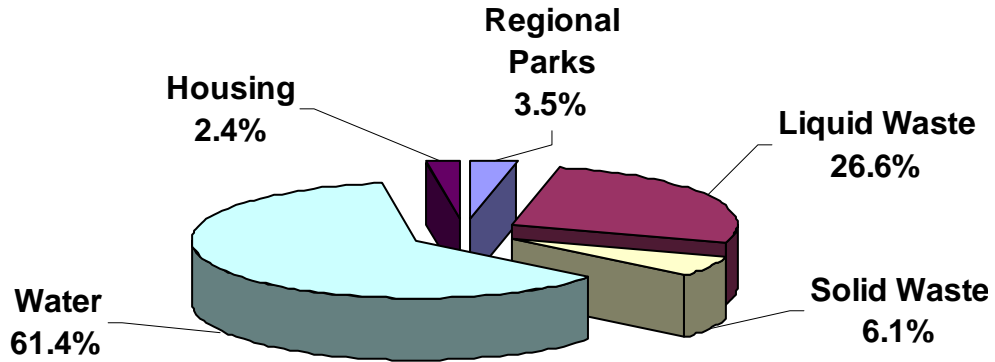
Total Expenditures \$607.6

	Sewerage & Drainage			Water District	MVHC	Total
	Regional District	Liquid Waste	Solid Waste			
<b>2010 Budget</b>	\$51.2	\$183.0	\$99.8	\$200.5	\$35.9	\$570.4
Change in Operations	8.6	6.8	(2.5)	3.5	0.8	17.2
Change in Debt	0.0	(4.4)	(2.0)	11.1	(0.1)	4.6
Contribution to Capital	0.5	6.8	0.0	8.1	0.0	15.4
<b>2011 Budget</b>	<b>\$60.3</b>	<b>\$192.2</b>	<b>\$95.3</b>	<b>\$223.2</b>	<b>\$36.6</b>	<b>\$607.6</b>
<b>% Change Budget</b>	<b>17.8%</b>	<b>5.1%</b>	<b>(4.6%)</b>	<b>11.3%</b>	<b>2.0%</b>	<b>6.5%</b>

# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

### Capital Expenditures 2011 Budget Summary (\$ Millions)

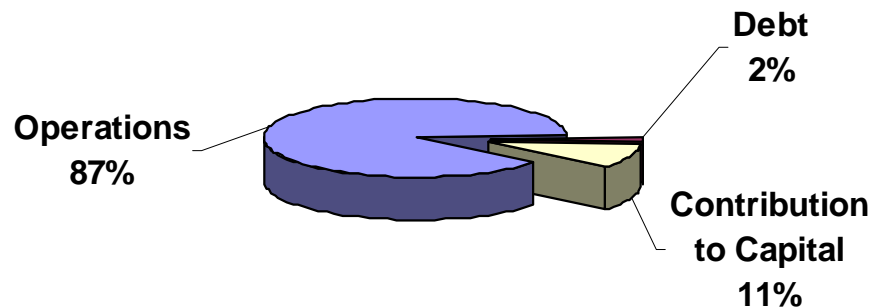


	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>2011 Budget</u>
Regional Parks	\$ 11.6	\$ 11.0	\$ 10.5
Liquid Waste	96.7	98.3	80.9
Solid Waste	63.6	81.6	18.7
Water	257.1	277.3	186.7
Housing	9.1	7.5	7.3
	<u>\$ 438.1</u>	<u>\$ 475.7</u>	<u>\$304.1</u>

# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

### Greater Vancouver Regional District 2011 Budget Summary (\$ Millions)



	<u>2010</u> <u>Budget</u>	<u>2011</u> <u>Budget</u>	<u>Change</u>	<u>% Change</u>
Operations	\$ 43.6	\$ 52.3	\$ 8.7	20.0%
Debt	1.1	1.1	0.0	(0.3%)
Contribution to Capital	6.5	6.9	0.4	6.6%
<b>Total Expenditures</b>	<b>\$ 51.2</b>	<b>\$ 60.3</b>	<b>\$ 9.1</b>	<b>17.8%</b>

	<u>2010</u> <u>Budget</u>	<u>2011</u> <u>Budget</u>	<u>Change</u>	<u>% Change</u>
<b><u>GVRD-Expenditures</u></b>				
911 Emergency Telephone	\$ 3.6	\$ 3.8	\$ 0.2	6.8%
Air Quality	5.7	6.3	0.6	10.9%
General Government	5.7	6.1	0.4	7.3%
Labour Relations	2.7	2.6	(0.1)	(3.3%)
Regional Parks	29.8	31.2	1.4	4.7%
Strategic Planning	2.5	8.8	6.3	249.0%
Regional GPS	0.6	0.8	0.2	41.9%
Other*	0.6	0.7	0.1	1.7%
<b>Total</b>	<b>\$ 51.2</b>	<b>\$ 60.3</b>	<b>\$ 9.1</b>	<b>17.8%</b>

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

# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

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

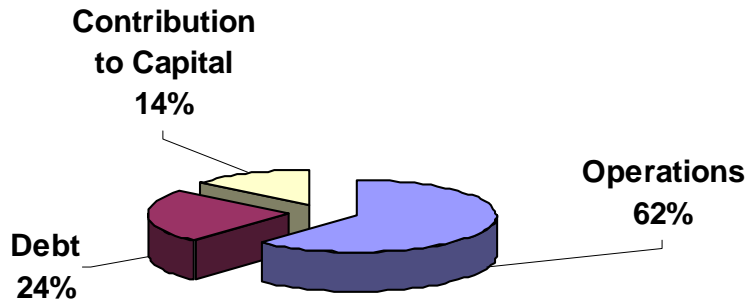
	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>Change</u>	<u>% Change</u>
GVRD Tax Requisitions	\$ 41.7	\$ 44.0	\$ 2.3	5.4%
Other Revenue	<u>9.5</u>	<u>16.3</u>	<u>6.8</u>	72.7%
<b>Total</b>	<u><u>\$ 51.2</u></u>	<u><u>\$ 60.3</u></u>	<u><u>\$ 9.1</u></u>	17.8%

- Board approved a 7.0% increase in Tax Requisitions (including 1.5% estimated population growth)
- Impact to the average household estimated at \$2.00 (3.9%)

# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

**Greater Vancouver Sewerage & Drainage District  
Liquid Waste  
2011 Budget Summary  
(\$ Millions)**



	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>Change</u>	<u>% Change</u>
Operations	\$ 112.8	\$119.6	\$ 6.8	6.1%
Debt	50.3	45.9	(4.4)	(8.8%)
Contribution to Capital	19.9	26.7	6.8	34.4%
<b>Total Expenditures</b>	<b>\$ 183.0</b>	<b>\$192.2</b>	<b>\$ 9.2</b>	<b>5.1%</b>

**Highlights**

\*\$80.9 M Capital Works

- Growth \$30.9M
- Repair \$16.9M
- Upgrading \$20.7M
- Opportunity \$12.4M

\*More 'Pay As You Go'

\*Aging Infrastructure

\*Liquid Waste Management Plan Implementation

# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

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

	<b><u>2010 Budget</u></b>	<b><u>2011 Budget</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
<b>S &amp; D Levy</b>	<b>\$ 157.6</b>	<b>\$ 167.2</b>	<b>\$ 9.6</b>	<b>6.1%</b>
<b>Other Revenue</b>	<b><u>25.4</u></b>	<b><u>25.0</u></b>	<b><u>(0.4)</u></b>	<b>(1.3%)</b>
<b>Total</b>	<b><u><u>\$ 183.0</u></u></b>	<b><u><u>\$ 192.2</u></u></b>	<b><u><u>\$ 9.2</u></u></b>	<b>5.1%</b>

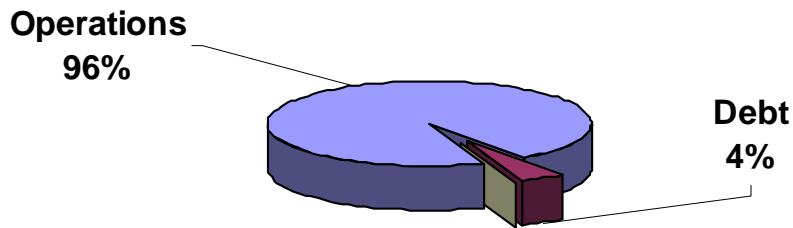
- Board approved a 7.5% increase in Tax Requisitions (including 1.5% estimated population growth)
- Impact to the average household estimated at \$8.00 (4.6%)



# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

**Greater Vancouver Sewerage & Drainage District  
Solid Waste  
2011 Budget Summary  
(\$ Millions)**



	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>Change</u>	<u>% Change</u>
Operations	\$ 93.6	\$ 91.1	\$ (2.5)	(2.7%)
Debt	<u>6.2</u>	<u>4.2</u>	<u>(2.0)</u>	<u>(32.1%)</u>
<b>Total Expenditures</b>	<b><u>\$ 99.8</u></b>	<b><u>\$ 95.3</u></b>	<b><u>\$ (4.5)</u></b>	<b><u>(4.6%)</u></b>

### Highlights

\*\$18.7M Capital Works

- Existing Waste-to-Energy Facility \$6.5M
- Landfills and Transfer Stations \$9.2M
- Solid Waste Management Plan Initiatives \$3.0M

\*Zero Waste Challenge

\*Solid Waste Management Plan Implementation

# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

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

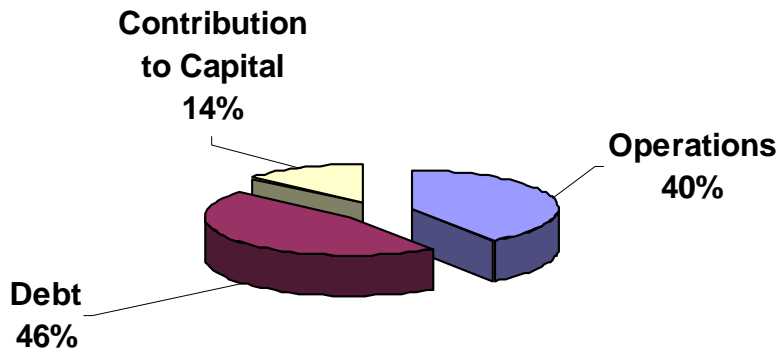
	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>Change</u>	<u>% Change</u>
User Charges	\$ 89.2	\$ 87.5	\$ (1.7)	(1.9%)
Other Revenue	<u>10.6</u>	<u>7.8</u>	<u>(2.8)</u>	<u>(26.7%)</u>
	<u>\$ 99.8</u>	<u>\$ 95.3</u>	<u>\$ (4.5)</u>	<u>(4.6%)</u>
Tipping Fee (\$ per tonne)	<u>\$ 82</u>	<u>\$ 97</u>	<u>\$ 15</u>	<u>18.3%</u>
General Tonnage (metric tonnes)	<u>1,064,700</u>	<u>919,760</u>	<u>(144,940)</u>	<u>(13.6%)</u>

- Board approved an \$97 Tipping Fee
- Impact to the average household estimated at \$11.00 (13.8%) assuming household produces approximately nine tenths of a tonne of trash

# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

### Greater Vancouver Water District 2011 Budget Summary (\$ Millions)



	<u>2010</u> <u>Budget</u>	<u>2011</u> <u>Budget</u>	<u>Change</u>	<u>% Change</u>
Operations	\$ 87.1	\$ 90.7	\$ 3.6	4.0%
Debt	90.6	101.7	11.1	12.3%
Contribution to Capital	22.8	30.8	8.0	35.4%
<b>Total Expenditures</b>	<b>\$ 200.5</b>	<b>\$ 223.2</b>	<b>\$ 22.7</b>	<b>11.3%</b>

### Highlights

- \*\$186.7M Capital Works
  - Growth \$16.2M
  - Repair \$24.6M
  - Upgrade/Risk Mgmt \$42.4M
  - New Services \$103.5M

- \*Seismic Upgrades
- \*Aging Infrastructure

# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

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

	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>Change</u>	<u>% Change</u>
Water Sales	\$ 196.3	\$ 218.7	\$ 22.4	11.4%
Other Revenue	<u>4.2</u>	<u>4.5</u>	<u>0.3</u>	6.6%
<b>Total</b>	<b><u>\$ 200.5</u></b>	<b><u>\$ 223.2</u></b>	<b><u>\$ 22.7</u></b>	<b>11.3%</b>
Water Rates (\$ per cubic metre)				
Peak Season *	<u>\$ 0.5631</u>	<u>\$ 0.6419</u>	<u>\$ 0.0788</u>	
Water Rates (\$ per cubic metre)				
Off Peak Season **	<u>\$ 0.4505</u>	<u>\$ 0.5135</u>	<u>\$ 0.0630</u>	
Consumption (cubic metres)	<u>395,070,000</u>	<u>386,119,000</u>	<u>(8,951,000)</u>	

\* June to September

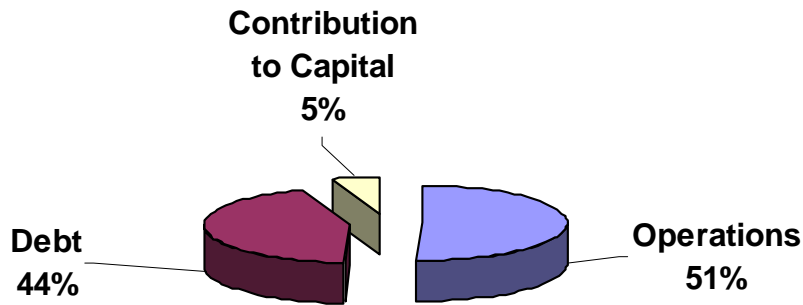
\*\* October to May

- Board approved a \$0.5839/m<sup>3</sup> blended wholesale target rate (budgeted blended rate at \$0.5648/m<sup>3</sup>)
- Impact to the average household estimated at \$23.00 (14%), assuming consumption of roughly 376 m<sup>3</sup> per year

# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

### Metro Vancouver Housing Corporation 2011 Budget Summary (\$ Millions)



	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>Change</u>	<u>% Change</u>
Operations	\$ 17.7	\$ 18.5	\$ 0.8	4.8%
Debt	16.3	16.2	(0.1)	(0.9%)
Contribution to Capital	<u>1.9</u>	<u>1.9</u>	<u>0.0</u>	<u>0.0%</u>
<b>Total Expenditures</b>	<b><u>\$ 35.9</u></b>	<b><u>\$ 36.6</u></b>	<b><u>\$ 0.7</u></b>	<b><u>2.0%</u></b>

#### Highlights

- \*\$7.3M Capital Works
  - Replacement \$6.1M
  - Water Ingress \$1.2M

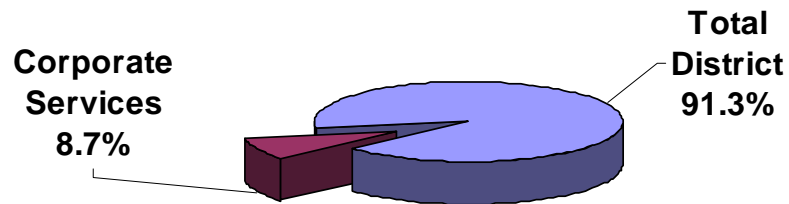
### Reconciliation to Board Approved Targets (\$ Millions)

	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>Change</u>	<u>% Change</u>
Housing Rents	\$ 30.3	\$ 31.2	\$0.9	3.1%
Other Revenue	<u>5.6</u>	<u>5.4</u>	<u>(0.2)</u>	<u>(4.4%)</u>
<b>Total</b>	<b><u>\$ 35.9</u></b>	<b><u>\$ 36.6</u></b>	<b><u>\$ 0.7</u></b>	<b><u>2.0%</u></b>

# 2011 BUDGET IN BRIEF

## METRO VANCOUVER

### Corporate Services 2011 Budget Summary (\$ Millions)



	<u>2009 Budget</u>	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>2010-2011 Change</u>	<u>2010-2011 % Change</u>
Total Expenditures	<u>\$45.9</u>	<u>\$49.5</u>	<u>\$53.1</u>	\$3.6	7.4%
Corporate Services as a % of Total District Budget	8.4%	8.7%	8.7%		