

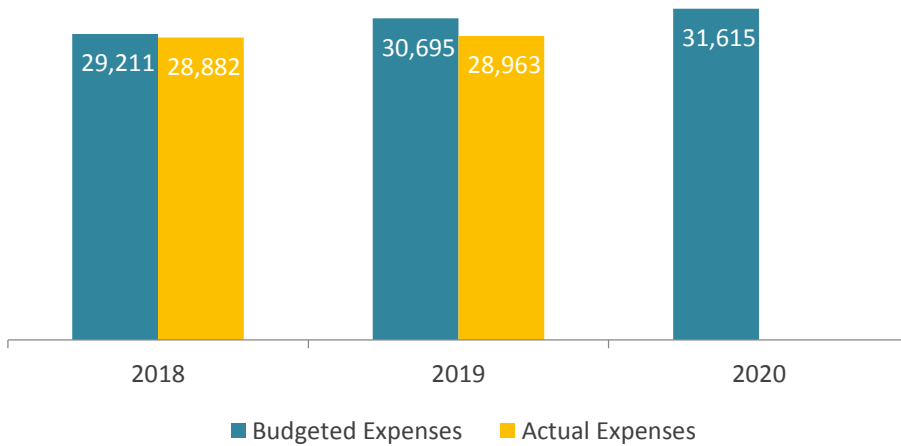
ENGINEERING & PUBLIC WORKS

FOCUS

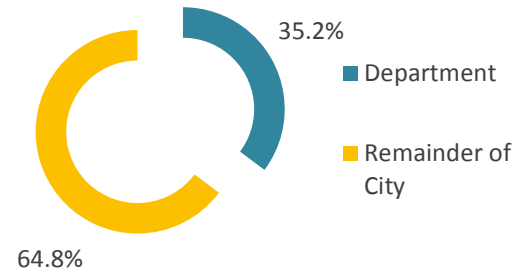
The Engineering & Public Works Department provides and maintains essential municipal services and infrastructure, including the transportation network, parks and trails, vehicles, waste collection, and the sewer and water network.

OPERATING BUDGET

Total Expenses (in Thousands)



Percent of City Expenses



Page	EXPENSES:	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
52	Engineering & PW Administration	\$ 721,600	\$ 618,600	\$ (103,000)	-14.3%	\$ 701,471
55	Engineering - Infrastructure Planning	506,700	456,700	(50,000)	-9.9%	409,523
59	Engineering – Capital Projects	122,400	286,300	163,900	133.9%	24,809
62	Public Works – Parks	4,078,300	4,347,900	269,600	6.6%	4,238,705
67	Public Works – Streets	4,305,412	4,176,300	(129,112)	-3.0%	3,777,763
71	Public Works – Fleet	(867,300)	(887,300)	(20,000)	2.3%	(56,358)
74	Public Works – Solid Waste	4,139,000	4,218,200	79,200	1.9%	3,593,754
78	Public Works – Water	9,278,800	9,741,700	462,900	5.0%	7,750,233
78	Public Works – Sewer	7,547,700	7,778,800	231,400	3.1%	7,316,219
	Public Works – Development Construction	863,000	877,900	14,900	1.7%	1,207,277
	Total Engineering & Public Works Expenses	\$ 30,695,312	\$ 31,615,100	\$ 919,788	3.0%	\$ 28,963,396

ENGINEERING & PUBLIC WORKS ADMINISTRATION

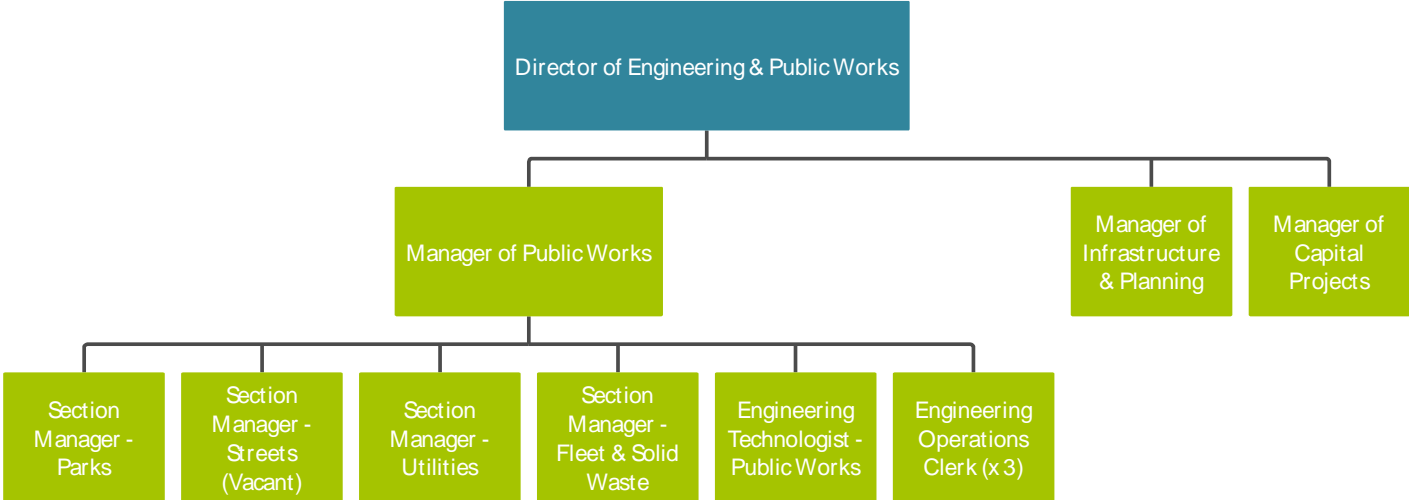
FOCUS

This area is responsible for overall management of the Department of Engineering & Public Works. These divisions ensure the City's public infrastructure is designed, planned, operated and maintained to the highest standard given available resources. Staff in this area also support Council and participate in Regional Committees and working groups and provide corporate leadership.

ENVIRONMENTAL SCAN

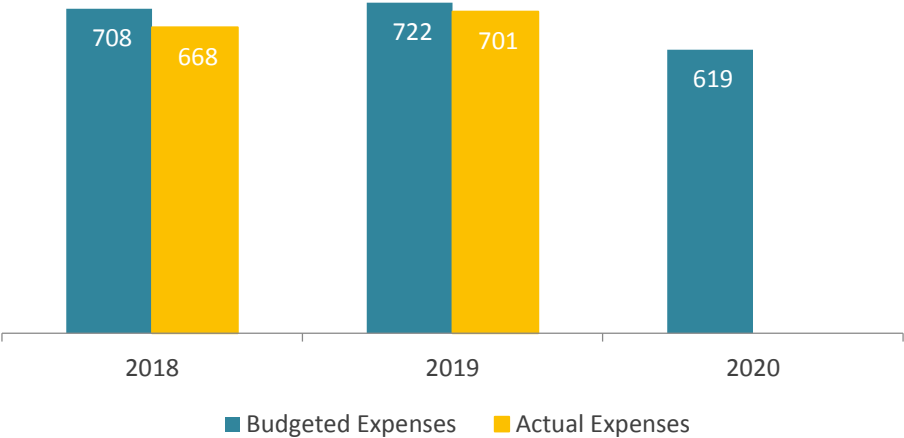
Factor	Impact
Back to the basics	There is increasing pressure to expand services and do more, but it is important that the City focus on delivering and meeting its basic core services.
Aging infrastructure	The City has significantly increased funding for maintenance and rehabilitation of existing infrastructure. Development and implementation of asset management is critical for long term sustainability.
Climate change	Changing weather patterns associated with climate change will have significant impacts to municipal infrastructure and operations. Efforts to reduce emissions, as well as adapt to climate change, will be critical for long term service sustainability.
Customer service	Set clear expectations and support staff to ensure the City is providing a high level of service and proactively seek out changes to streamline customer experience.
Employee retention and attraction	Focus on developing strategies to improve departmental culture and employee satisfaction and retention. In addition, there is also a shift to recruiting employees that share the organization's purpose and values.
Data driven decision making	Increasing need to ensure the accurate collection of field data and ability to report key performance indicators, identify gaps and support transparent governance and decision making.
Succession planning	An aging workforce requires a focused approach to training and development to support internal succession planning.

ORGANIZATIONAL STRUCTURE

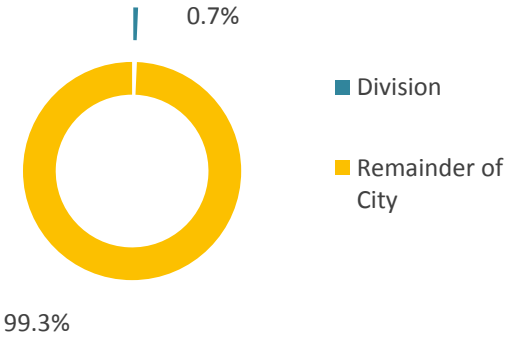


OPERATING BUDGET

Total Expenses (in Thousands)



Percent of City Expenses



	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
REVENUES:					
Sale of services	\$ -	\$ -	\$ -	-	\$ (5,747)
Contributions	-	-	-	-	15,000
Total Revenues	\$ -	\$ -	\$ -	-	\$ 9,253
EXPENSES:					
Payroll expense	\$ 1,030,600	\$ 973,400	\$ (57,200)	-5.6%	\$ 1,042,636
Other personnel costs	10,800	11,800	1,000	9.3%	47,246
Contracted and other services	173,700	118,700	(55,000)	-31.7%	110,880
Materials and supplies	13,400	13,400	-	0.0%	20,564
Telephone, utilities and rent	-	-	-	-	264
Interest and bank charges	-	-	-	-	61
Internal Charges	(506,900)	(498,700)	8,200	-1.6%	(520,180)
Total Expenses	\$ 721,600	\$ 618,600	\$ (103,000)	-14.3%	\$ 701,471
NET OPERATING BUDGET	\$ (721,600)	\$ (618,600)	\$ 103,000	-14.3%	\$ (692,218)

BREAKDOWN OF BUDGET CHANGES

Line Item	Adjustment Category	Nature of Adjustment	Amount
Payroll expense	Labour Benefits	Contractual increase for benefit costs	\$ 12,000
Payroll expense	Labour CUPE	Contractual Increase 2%	11,700
Payroll expense	Labour Exempt	Policy Increase 2.1%	8,400
Payroll expense	Ongoing Adjustment	Position transfer of Foreman III Support Services from Public Works Administration to Human Resources	(109,300)
Payroll expense	Ongoing Reallocation	Reallocation of budgets between account groupings	20,000
Other personnel costs	Other personnel costs	Adjustment based on historical trend	1,000
Contracted and other services	Inflation Contracted Services	Policy Increase 2.1%	3,700
Contracted and other services	Ongoing Adjustment	Adjustment as TSPW Projects are now budgeted through Capital Programs	(38,700)
Contracted and other services	Ongoing Reallocation	Reallocation of budgets between account groupings	(20,000)
Internal charges	Ongoing Adjustment	Adjustment to vehicle charge out rates	1,500
Internal charges	Ongoing Reallocation	Adjustment to vehicle charge outs based on historical trend	6,700
Total			\$ (103,000)

INFRASTRUCTURE PLANNING

FOCUS

The Infrastructure Planning division is responsible for monitoring, managing, planning and improving the City's infrastructure systems (roads, water, sewer, drainage). Staff develops long range plans for infrastructure improvements to support walking, cycling, transit, vehicle and goods movement, and the safe provision of drinking water, sanitary and drainage services. This division is also responsible for the City's GIS and PoCoMAP systems and providing land survey services to a variety of internal and external customers.

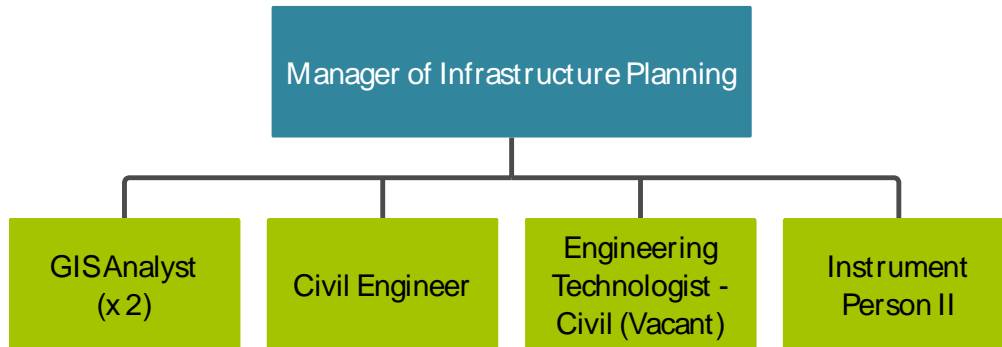
The Infrastructure Planning division is responsible for developing the City's capital program and leading the asset management program. Additionally, this division supports the Planning division with transportation planning and collaborates frequently with the Public Works, Capital Projects, and Finance sections on other work.

Staff in this area participates in transportation and utility regional committees and working groups. Staff also acts as the primary liaison with external agencies such as TransLink, Coast Mountain Bus Company, Ministry of Transportation and Infrastructure, ICBC, Metro Vancouver, Government of Canada and the RCMP. This liaison function is fundamental to securing external grants and improving services that directly benefit residents, employees, and businesses.

ENVIRONMENTAL SCAN

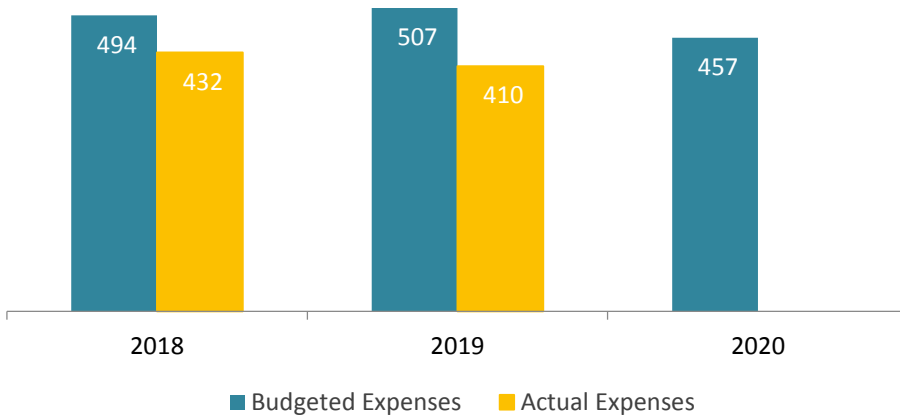
Factor	Impact
Aging infrastructure	The City has significantly increased funding for maintenance and rehabilitation of existing infrastructure. Development and implementation of asset management is critical for long term sustainability.
Back to the basics	The City's capital program reflects a balance between expenditures on existing and new assets with a strong emphasis on neighborhood infrastructure. There is also a focus on infrastructure which supports a safe community.
Transportation and road safety	Increasing volumes of traffic and competing demands between motorists, pedestrians, cyclists and other users are driving the demand for improved infrastructure to address these conflicts.

ORGANIZATIONAL STRUCTURE

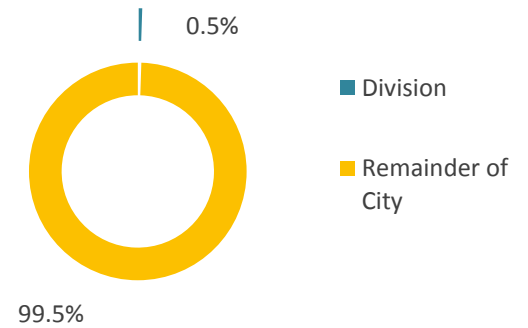


OPERATING BUDGET

Total Expenses (in Thousands)



Percent of City Expenses



	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
REVENUES:					
Sale of services	\$ 5,000	\$ 5,000	-	-	\$ 6,100
Other revenue	2,000	2,000	-	-	300
Total Revenues	\$ 7,000	\$ 7,000	\$ -	-	\$ 6,400
EXPENSES:					
Payroll expense	\$ 827,800	\$ 735,600	\$ (92,200)	-11.1%	\$ 714,671
Other personnel costs	14,700	13,100	(1,600)	-10.9%	9,324
Contracted and other services	38,800	74,600	35,800	92.3%	57,416
Materials and supplies	8,000	4,300	(3,700)	-46.3%	4,937
Telephone, utilities and rent	900	300	(600)	-66.7%	118
Internal Charges	(383,500)	(371,200)	12,300	-3.2%	(376,943)
Total Expenses	\$ 506,700	\$ 456,700	\$ (50,000)	-9.9%	\$ 409,523
NET OPERATING BUDGET	\$ (499,700)	\$ (449,700)	\$ 50,000	-10.0%	\$ (403,123)

BREAKDOWN OF BUDGET CHANGES

Line Item	Adjustment Category	Nature of Adjustment	Amount
Payroll expense	Labour Benefits	Contractual increase for benefit costs	\$ 8,900
Payroll expense	Labour CUPE	Contractual Increase 2%	10,300
Payroll expense	Labour Exempt	Policy Increase 2.1%	6,700
Payroll expense	Ongoing Adjustment	Position conversion from GIS Coordinator to Engineering Projects Manager	(118,100)
Other personnel costs	Ongoing Adjustment	Adjustment based on historical trend	(1,600)
Contracted and other services	Inflation Contracted Services	Policy Increase 2.1%	800
Contracted and other services	Ongoing Prior Year Capital	Operating Costs for upgrade to PoCoMAP 2.0	35,000
Materials and supplies	Ongoing Adjustment	Adjustment based on historical trend	(3,700)
Telephone, utilities and rent	Ongoing Adjustment	Adjustment based on historical trend	(600)
Internal charges	Ongoing Adjustment	Adjustment to vehicle charge out rates	700
Internal charges	Ongoing Reallocation	Adjustment to vehicle charge outs based on historical trend	11,600
Total			\$ (50,000)

INDICATORS AND MEASURES

	2015	2016	2017	2018	2019 YTD ⁴
# Road Closure Permits Issued	173	327	Moved to Public Works	Moved to Public Works	Moved to Public Works
Value of external grants/partnerships	\$ 825,500	\$ 855,231	\$ 1.2M	\$ 2.3M	\$1.3M
Value of civil infrastructure projects (roads, utilities)	Data not available	Data not available	\$ 13.7M	\$ 15.8M	\$7.7M
Value of active transportation, traffic calming, sidewalk and pedestrian safety projects	Data not available	Data not available	\$ 800,000	\$ 700,000	\$650,000
# of new/updated policies, plans, programs or contracts ⁵	Data not available	Data not available	5	4	8
# of public inquiries (calls for service)	Data not available	Data not available	109	186	202

⁴ Figures up to Sep 30, 2019

⁵ Asset Management Plan Contract, Subdivision Servicing Bylaw Update, Streetlight Expansion Program, Lane Paving Program, Pavement Cut Policy, PoCoMAP 2.0, City Transit Shelter RFP, Transit Bench Expansion Program

CAPITAL PROJECTS

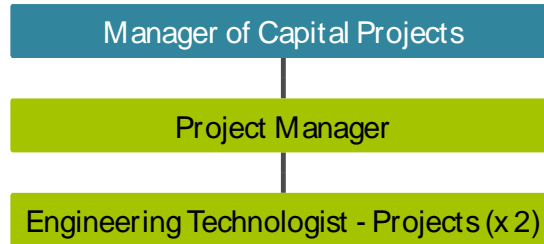
FOCUS

The Capital Projects Team supports the community by designing and coordinating the development, implementation and completion of the Capital Projects approved in the City's annual 5-year financial plan for road, water, sewer, drainage and parks infrastructure. The team also prepares construction estimates for future capital projects, maintains historical project costing information and assists with the recording and valuation of fixed assets for road, water, sewer, drainage and parks infrastructure.

ENVIRONMENTAL SCAN

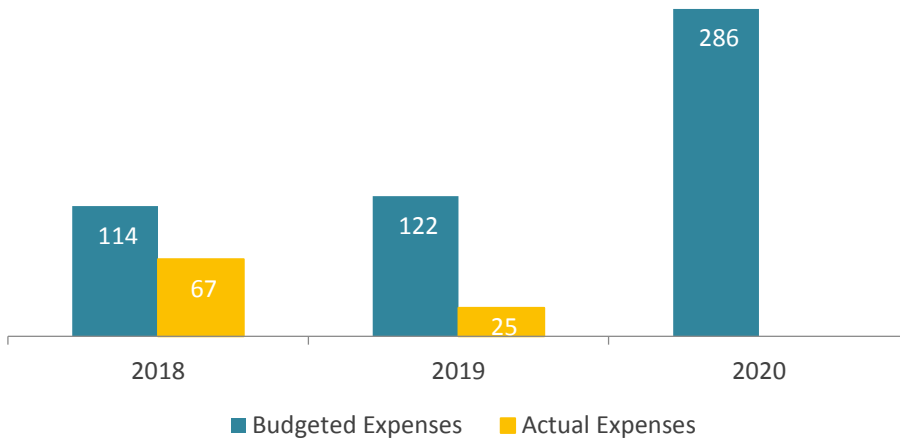
Factor	Impact
Customer service	Increased public interest during capital project design and construction requires additional public participation opportunities and influences the timeline to ultimately design and deliver capital projects.
Contracting capacity	Cities across Canada are investing in infrastructure renewal at a higher level than ever before. This infrastructure backlog is in competition with private industry infrastructure projects.
Cost certainty	Limited contractor availability results in increased rates. Strategies to ensure the City is delivering capital projects cost effectively will be important to avoid premium pricing.
Employee retention and attraction	In this division it is particularly important to attract and retain experienced staff to deliver the City's increasingly high profile capital projects.

ORGANIZATIONAL STRUCTURE

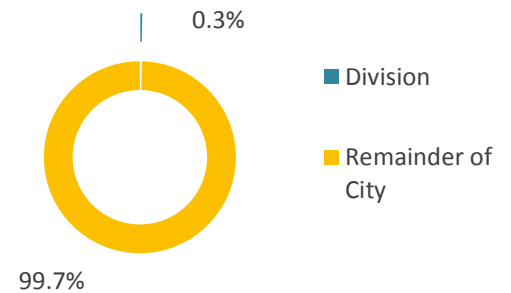


OPERATING BUDGET

Total Expenses (in Thousands)



Percent of City Expenses



	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
EXPENSES:					
Payroll expense	\$ 372,100	\$ 536,400	\$ 164,300	44.2%	\$ 282,001
Other personnel costs	10,900	10,900	-	-	4,108
Materials and supplies	1,000	1,000	-	-	353
Telephone, utilities and rent	1,000	600	(400)	-40.0%	947
Internal Charges	(262,600)	(262,600)	-	-	(262,600)
Total Expenses	\$ 122,400	\$ 286,300	\$ 163,900	133.9%	\$ 24,809
NET OPERATING BUDGET	\$ (122,400)	\$ (286,300)	\$ (163,900)	133.9%	\$ (24,809)

BREAKDOWN OF BUDGET CHANGES

Line Item	Adjustment Category	Nature of Adjustment	Amount
Payroll expense	Labour Benefits	Contractual increase for benefit costs	\$ 4,400
Payroll expense	Labour CUPE	Contractual Increase 2%	4,000
Payroll expense	Labour Exempt	Policy Increase 2.1%	3,600
Payroll expense	Ongoing Adjustment	Position conversion from GIS Coordinator to Engineering Projects Manager	152,300
Telephone, utilities and rent	Ongoing Adjustment	Adjustment based on historical trend	(400)
Total			\$ 163,900

INDICATORS AND MEASURES

	2015	2016	2017	2018	2019 YTD ⁶
# of Open Houses for Projects	1	4	4	5	3
Asphalt Rehabilitation (equivalent lane km)	Data not available	0.44	2.8	25.3	4.6
Sewer Main Replacement (m)	Data not available	10	0	2,010	175
Watermain Replacement (m)	Data not available	55	2,009	6,361	575
Storm Replacement (m)	Data not available	100	280	6,107	565
Storm Pump Station (ea)	Data not available	0	0	1	0
Sanitary Lift Station Replacement (ea)	Data not available	0	1	0	0
PRV Replacement (ea)	Data not available	0	0	0	0
Water Pump Station Replacement (ea)	Data not available	0	0	0	0
Active Transportation Projects (ea)	Data not available	Data not available	Data not available	11	0
Sidewalk / Multi-Use Path installation (m)	Data not available	220	2,400	3,225	1,105
Pedestrian Improvements (ea)	Data not available	Data not available	Data not available	23	4
Traffic Calming Installations (ea)	Data not available	Data not available	2	2	2

⁶ Figures up to Sep 30, 2019

PARKS SERVICES

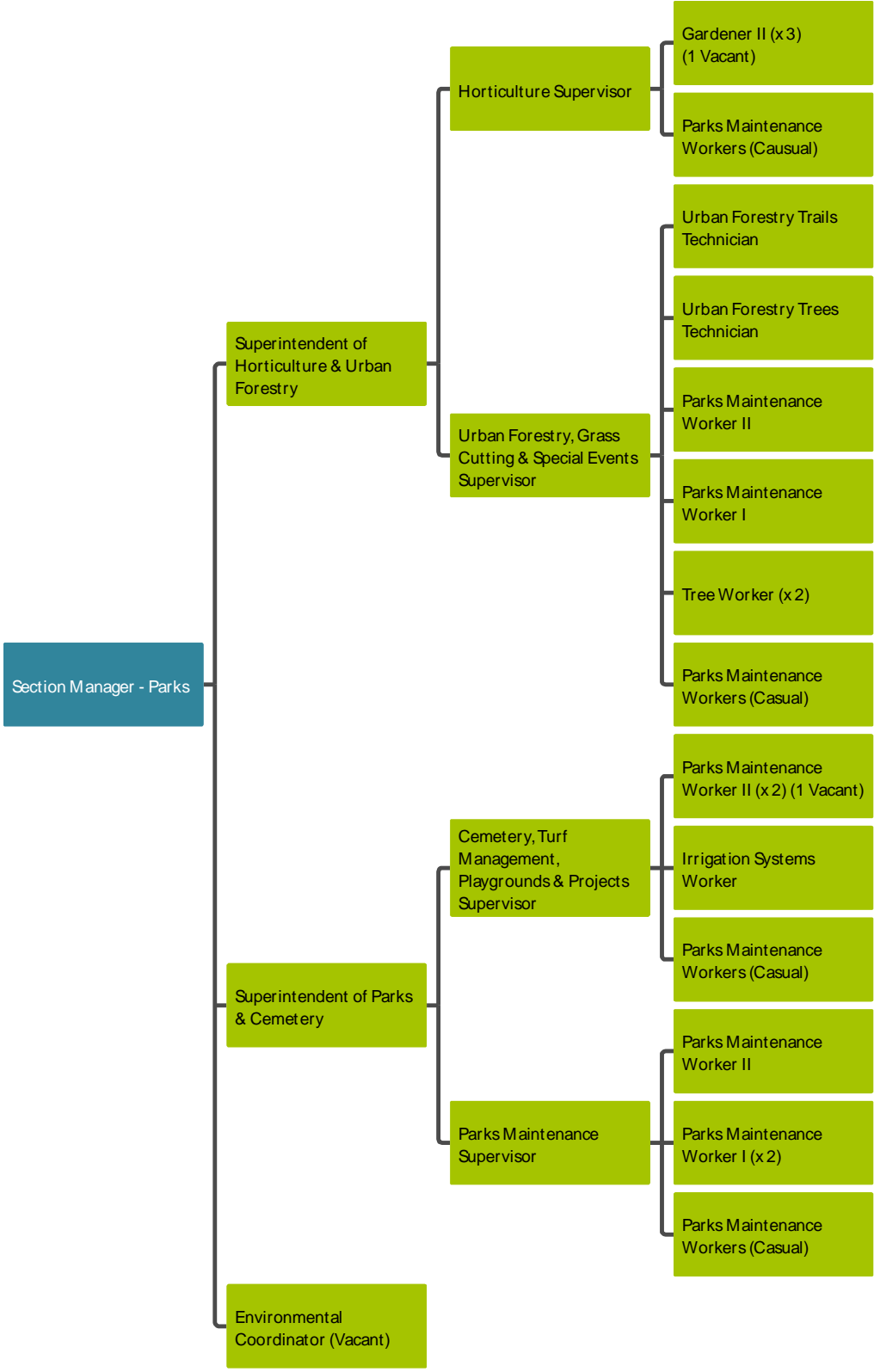
FOCUS

The Parks Division provides and maintains parks and open space to strengthen our community, provide a cleaner environment and make the city and neighborhoods more attractive places to live and work. In addition, the division provides cemetery operations, community engagement, the donation program (bench, table & tree), special events support and opportunities for learning, sport, fun and relaxation. These public spaces consist of numerous parks, trails, athletic fields, playgrounds, ornamental and urban forestry areas.

ENVIRONMENTAL SCAN

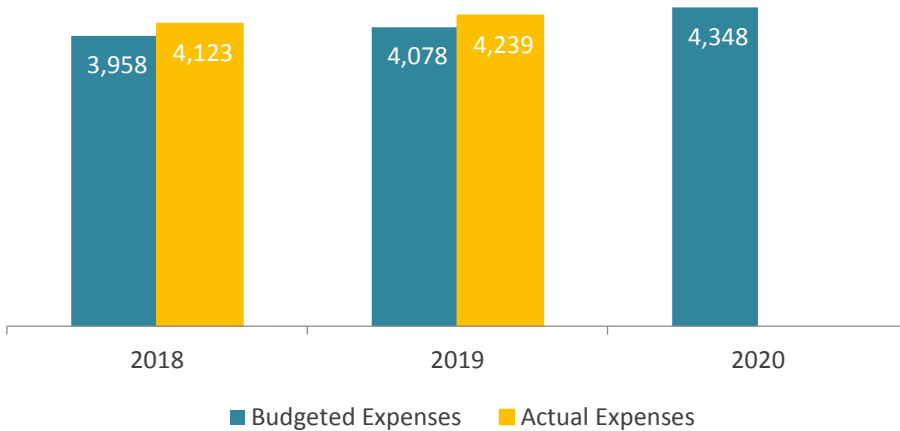
Factor	Impact
Invasive species	The division is facing ongoing invasive species challenges from the effects of the European Chafer beetle and Japanese Knotweed which is causing financial and staffing resource pressures and is necessitating the consideration of other ground treatments.
Climate change	Extreme weather events and changing climate patterns are becoming more frequent causing stresses on available resources for planned or scheduled maintenance activities. Changing weather patterns including wind and rainfall events are requiring emergency response, sea level and flood protection strategies.
Back to the basics	It is becoming increasingly challenging to ensure the City's parks and public spaces are clean and free of litter.
Vulnerable populations	The division is continuing to struggle with inappropriate use of parks and facilities, vandalism, smoking, off-leash dogs, garbage, litter and sharps.

ORGANIZATIONAL STRUCTURE

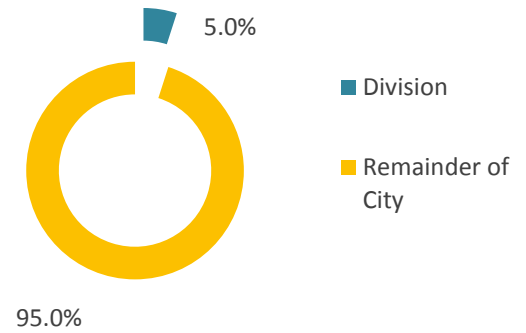


OPERATING BUDGET

Total Expenses (in Thousands)



Percent of City Expenses



	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
REVENUES:					
Sale of services	\$ 501,800	\$ 501,800	-	-	\$ 537,292
Contributions	-	-	-	-	20,170
Permits and licences	21,600	21,600	-	-	26,130
Other revenue	-	-	-	-	1,813
Total Revenues	\$ 523,400	\$ 523,400	\$ -	-	\$ 585,405

	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
EXPENSES:					
Payroll expense	\$ 2,616,900	\$ 2,887,800	\$ 270,900	10.4%	\$ 2,830,716
Other personnel costs	29,500	31,300	1,800	6.1%	22,243
Contracted and other services	544,600	522,400	(22,200)	-4.1%	519,639
Materials and supplies	370,100	372,500	2,400	0.6%	394,199
Telephone, utilities and rent	62,500	63,400	900	1.4%	45,707
Interest and bank charges	4,300	4,300	-	-	3,957
Internal Charges	450,400	466,200	15,800	3.51%	422,244
Total Expenses	\$ 4,078,300	\$ 4,347,900	\$ 269,600	6.6%	\$ 4,238,705
NET OPERATING BUDGET	\$ (3,554,900)	\$ (3,824,500)	\$ (269,600)	-6.6%	\$ (3,653,300)

BREAKDOWN OF BUDGET CHANGES

Line Item	Adjustment Category	Nature of Adjustment	Amount
Payroll expense	Labour Benefits	Contractual increase for benefit costs	\$ 10,500
Payroll expense	Labour CUPE	Contractual Increase 2%	43,100
Payroll expense	Labour Exempt	Policy Increase 2.1%	8,900
Payroll expense	Ongoing Reallocation	Reallocation of budgets between account groupings	34,600
Payroll expense	Ongoing Adjustment	Adjustment based on historical trend	25,700
Payroll expense	Ongoing Adjustment	Position transfer of Environmental Coordinator from Planning to Parks	118,100
Payroll expense	Ongoing Prior Year Capital	Operating Costs Based on Demonstrated Need for Blakeburn Lagoons	30,000
Other personnel costs	Ongoing Adjustment	Adjustment based on historical trend	700
Other personnel costs	Ongoing Reallocation	Reallocation of budgets between account groupings	1,100
Contracted and other services	Inflation Contracted Services	Policy Increase 2.1%	11,300
Contracted and other services	Ongoing Adjustment	Adjustment based on historical trend	3,600
Contracted and other services	Ongoing Reallocation	Reallocation of budgets between account groupings	(37,100)
Materials and supplies	Ongoing Adjustment	Adjustment based on historical trend	1,000
Materials and supplies	Ongoing Reallocation	Reallocation of budgets between account groupings	1,400
Telephone, utilities and rent	Inflation Utilities	Policy Increase Natural Gas 16.69%	900
Internal charges	Ongoing Adjustment	Adjustment to vehicle charge out rates	15,800
Total			\$ 269,600

INDICATORS AND MEASURES

	2015	2016	2017	2018	2019 YTD ⁷
# of Requests for Service by area					
▪ Bears	4	0	13	3	10
▪ Cemetery	7	7	9	15	8
▪ Graffiti	12	6	11	26	33
▪ Invasive Species	17	18	18	35	20
▪ Parks	275	226	168	211	195
▪ Streets / Garbage & Litter	28	20	39	40	35
▪ Trails	51	40	46	57	128
▪ Trees	427	438	210	417	380
Total # of Requests for Service	809	749	713	1037	1035
# of Public Education Initiatives	6	2	7	5	17
# of Tree Permits	209	278	290	297	147
# of Special Events Supported	14	13	15	15	22

⁷ Figures up to Sep 30, 2019

PUBLIC WORKS – STREETS OPERATIONS

FOCUS

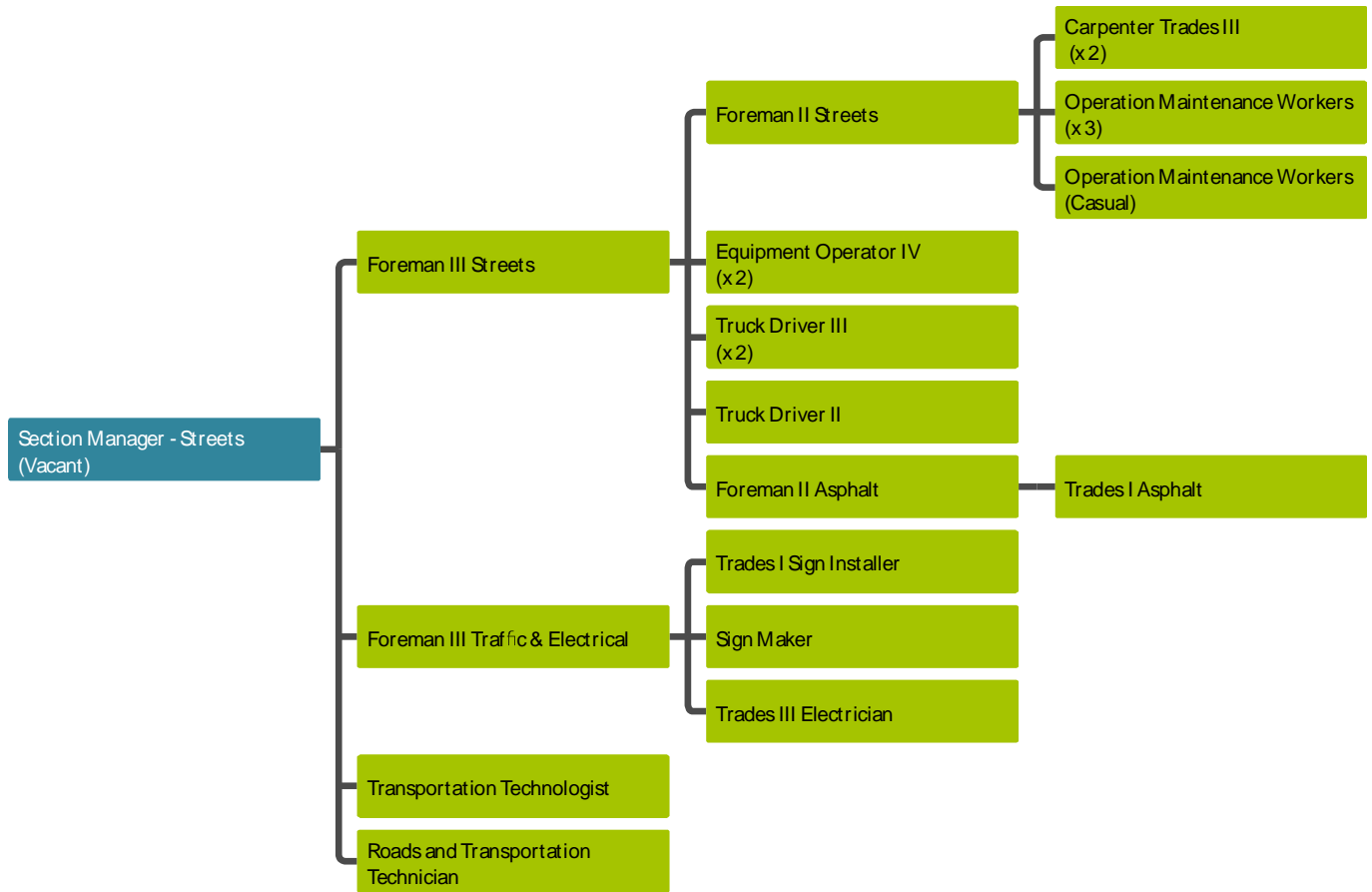
Streets Operations ensures the road network and transportation facilities meet the expectations of the community through planned maintenance, rehabilitation and response to emergency needs. Flood control, ditch maintenance, street light\traffic signal maintenance, electrical services, road markings, sign installation, sidewalk maintenance and asphalt rehabilitation fall under the oversight of this work area.

This Division is responsible for maintenance of the City's Major Road Network and receives funding from TransLink for certain maintenance activities, as well as capital renewal.

ENVIRONMENTAL SCAN

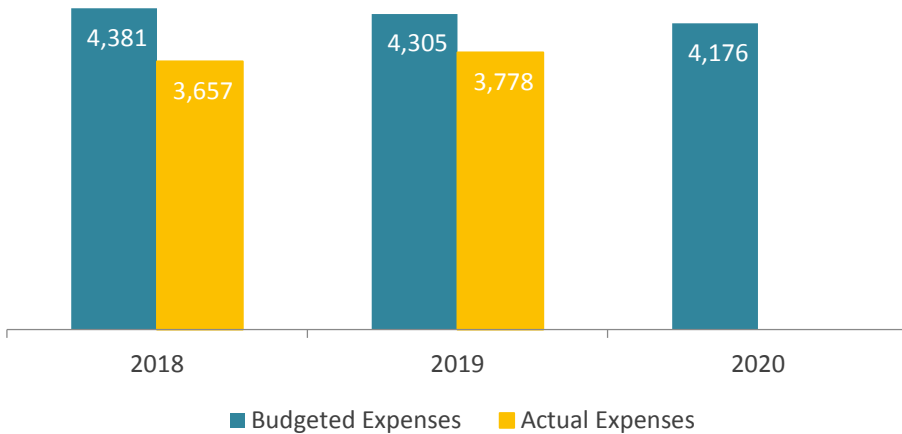
Factor	Impact
Climate change	Extreme weather events are becoming more frequent causing stresses on available resources for planned or scheduled maintenance activities. Changing weather patterns including wind and rainfall events are requiring emergency response, sea level and flood protection strategies.
Aging infrastructure	The City has significantly increased funding for maintenance and rehabilitation of existing infrastructure. Development and implementation of asset management is critical for long term sustainability.

ORGANIZATIONAL STRUCTURE

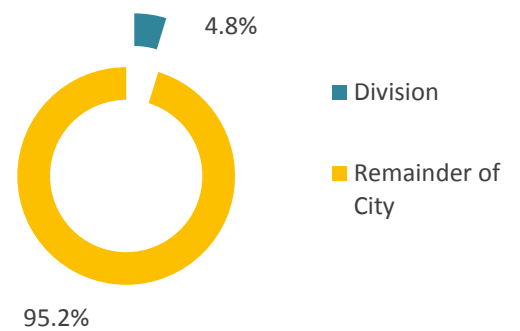


OPERATING BUDGET

Total Expenses (in Thousands)



Percent of City Expenses



	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
REVENUES:					
Sale of services	\$ 23,700	\$ 23,700	-	-	-
Contributions	-	-	-	-	250
Permits and licences	15,000	15,000	-	-	30,750
Other revenue	5,000	5,000	-	-	30,183
Total Revenues	\$ 43,700	\$ 43,700	\$ -	-	\$ 61,183

	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
EXPENSES:					
Payroll expense	\$ 1,884,800	\$ 1,897,100	\$ 12,300	0.7%	\$ 1,669,129
Other personnel costs	3,300	3,300	-	0.0%	14,039
Contracted and other services	742,612	683,700	(58,912)	-7.9%	816,835
Materials and supplies	593,400	537,100	(56,300)	-9.5%	496,407
Telephone, utilities and rent	501,400	480,400	(21,000)	-4.2%	450,977
Internal Charges	579,900	574,700	(5,200)	-0.9%	330,376
Total Expenses	\$ 4,305,412	\$ 4,176,300	\$ (129,112)	-3.0%	\$ 3,777,763

	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
ALLOCATIONS (TO) / FROM ACCUMULATED SURPLUS:					
Transfer from surplus	\$ 121,012	-	\$ 121,012	-100.0%	-
Total Allocations	\$ 121,012	\$ -	\$ 121,012	-100.0%	\$ -
NET OPERATING BUDGET	\$ (4,140,700)	\$ (4,132,600)	\$ 8,100	-0.2%	\$ (3,716,580)

BREAKDOWN OF BUDGET CHANGES

Line Item	Adjustment Category	Nature of Adjustment	Amount
Payroll expense	Labour Benefits	Contractual increase for benefit costs	\$ 8,400
Payroll expense	Labour CUPE	Contractual Increase 2%	34,800
Payroll expense	Labour Exempt	Policy Increase 2.1%	3,100
Payroll expense	Ongoing Adjustment	Adjustment based on historical trend	(9,200)
Payroll expense	Ongoing Adjustment	Adjustment based on work efficiencies	(10,000)
Payroll expense	Ongoing Reallocation	Reallocation of budgets between account groupings	(14,800)
Contracted and other services	Inflation Contracted Services	Policy Increase 2.1%	13,500
Contracted and other services	Ongoing Reallocation	Reallocation of budgets between account groupings	8,600

Contracted and other services	Carry-forwards	Removal of one-time operating Carry-forwards from 2019	(81,012)
Materials and Supplies	Ongoing Adjustment	Adjustment based on historical trend	(10,000)
Materials and Supplies	Ongoing Adjustment	Adjustment based on work efficiencies	(5,000)
Materials and Supplies	Ongoing Reallocation	Reallocation of budgets between account groupings	(1,300)
Materials and Supplies	Carry-forwards	Removal of one-time operating Carry-forwards from 2019	(40,000)
Telephone, utilities and rent	Ongoing Prior Year Capital	Savings from LED Streetlight Conversion	(28,500)
Telephone, utilities and rent	Ongoing Reallocation	Reallocation of budgets between account groupings	7,500
Internal charges	Ongoing Adjustment	Adjustment to vehicle charge out rates	19,400
Internal charges	Ongoing Adjustment	Adjustment to vehicle charge outs based on historical trend	(24,600)
Transfer from surplus	Carry-forwards	Removal of one-time operating Carry-forwards from 2019	121,012
Total			\$ (8,100)

INDICATORS AND MEASURES

	2015	2016	2017	2018	2019 YTD ⁸
# of Illegal Dumping Requests Completed	304	262	258	338	253
Snow/Ice					
- # of Events	3	7	1	7	6
- mm of snow	22	28.4	4	49	36
- Hours of Service	534	2,520	2,444	1,432	2667
Mm of Rainfall	1,611	1,667	1,241	1,514	710
Calls for Service:					
- Street Sweeping	57	67	107	86	59
- Flooding/Drainage	13	8	11	25	9
- Illegal Dumping	273	234	264	363	253
- Pothole Filling	71	109	242	164	99
Calls for Service:					
- Cross Walks	19	39	41	74	28
- Curb/Sidewalk Maintenance	70	62	88	91	134
- Street Signs	13	21	21	20	27
- Traffic Signs	113	151	176	139	117

⁸ Figures up to Sep 30, 2019

PUBLIC WORKS – FLEET SERVICES

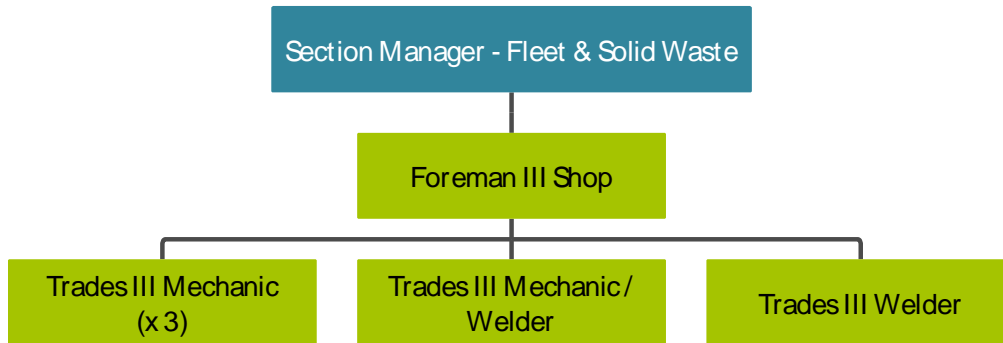
FOCUS

Fleet Operations provide fleet repair and welding services for the City, operating two shifts in efforts of minimizing downtime for the fleet. As an internal service provider all charges for operating the fleet operation are incurred in this section, and then distributed to the various departments via monthly or hourly charge out rates.

ENVIRONMENTAL SCAN

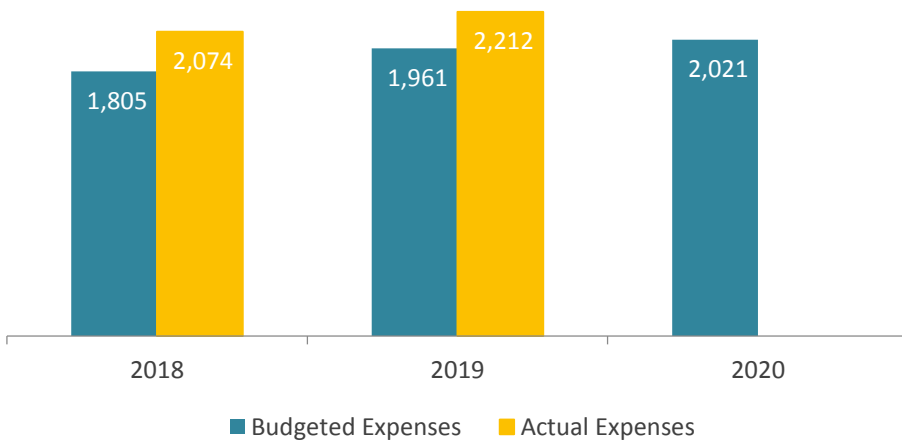
Factor	Impact
Data driven decision making	Utilizing software to maximize fleet utilization and life cycles, as well as interdepartmental coordination and change management to increase sharing and right sizing of fleet assets.
Climate change	The City will be considering new targets for greenhouse gas emissions, which will require more efficient equipment and consideration of alternate fuels. In addition, there will be increased efforts for carbon emissions reporting.
Currency	Weak Canadian dollar against U.S. currency increases capital costs for equipment purchases, predominantly in the heavy equipment market.
Trade agreements	Volatility with trade agreements. Current U.S. government renegotiating trade agreements which impacts and increases capital costs for equipment purchases, predominantly in the heavy equipment market.

ORGANIZATIONAL STRUCTURE

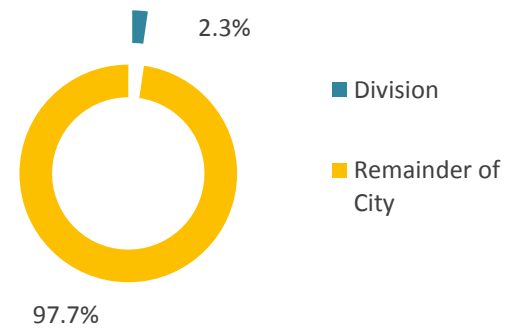


OPERATING BUDGET

Total Expenses Exclusive of Internal Charges (in Thousands)



Percent of City Expenses



	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
REVENUES:					
Other revenue	\$ -	\$ -	\$ -	-	\$ 432
Total Revenues	\$ -	\$ -	\$ -	-	\$ 432

	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
EXPENSES:					
Payroll expense	\$ 630,700	\$ 645,400	\$ 14,700	2.3%	\$ 541,582
Other personnel costs	12,500	12,500	-	-	5,186
Contracted and other services	273,700	279,500	5,800	2.1%	482,388
Materials and supplies	789,000	789,000	-	-	872,396
Telephone, utilities and rent	1,800	1,800	-	-	32,382
Interest and bank charges	-	-	-	-	(714)
Insurance and claims	253,600	292,400	38,800	15.3%	278,329
Internal Charges	(2,828,600)	(2,907,900)	(79,300)	2.8%	(2,267,908)
Total Expenses	\$ (867,300)	\$ (887,300)	\$ (20,000)	2.3%	\$ (56,358)

	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
ALLOCATIONS (TO) / FROM ACCUMULATED SURPLUS:					
Transfer (to) Reserve	\$ (887,300)	\$ (887,300)	\$ -	-	\$ -
Total Allocations	\$ 887,300	\$ 887,300	\$ -	-	\$ -
NET OPERATING BUDGET	\$ (20,000)	\$ -	\$ 20,000	-5.3%	\$ 56,358

BREAKDOWN OF BUDGET CHANGES

Line Item	Adjustment Category	Nature of Adjustment	Amount
Payroll expense	Labour Benefits	Contractual increase for benefit costs	\$ 2,000
Payroll expense	Labour CUPE	Contractual Increase 2%	11,900
Payroll expense	Labour Exempt	Policy Increase 2.1%	800
Contracted and other services	Inflation Contracted Services	Policy Increase 2.1%	5,800
Insurance and claims	Inflation Insurance	Policy Increase 9.92%	38,800
Internal charges	Ongoing Adjustment	Adjustment to vehicle charge out rates	(99,600)
Internal charges	Ongoing Reallocation	Adjustment to vehicle charge outs based on historical trend	20,300
Total			\$ (20,000)

PUBLIC WORKS – SOLID WASTE

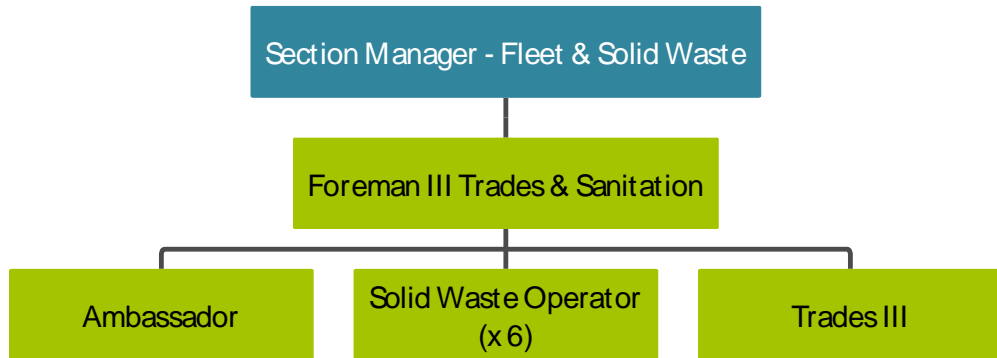
FOCUS

The Solid Waste section provides solid waste collection services for all single family residential households and some multi-family residential and industrial, commercial and institutional units across the City. Solid Waste services include curbside garbage, recycling, organics collection and glass collection from depot locations across the City. Also included in the Solid Waste section is the ambassadors who provide outreach and support to the community. As a result of the implementation of Continuous Improvement Assessment recommendations, Solid Waste is also responsible for public waste collection in various locations including the downtown core and bus shelters, as well as street sweeping operations.

ENVIRONMENTAL SCAN

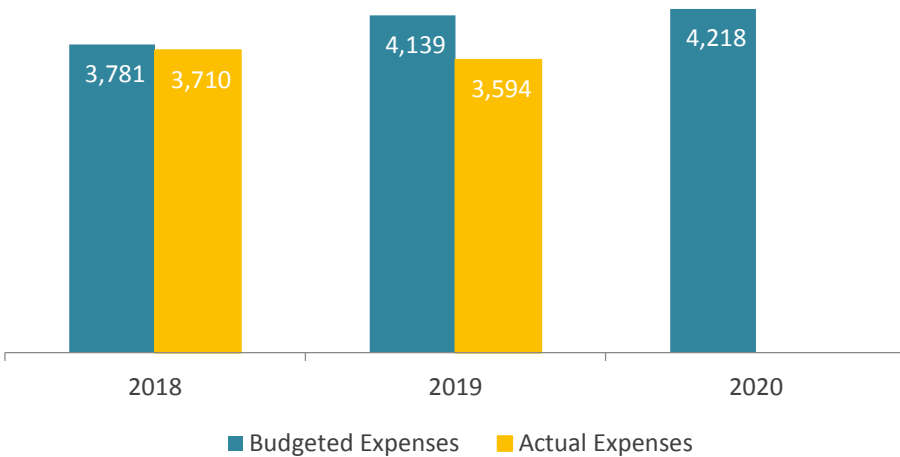
Factor	Impact
Regulatory requirements	Increased scrutiny by processors of contamination resulting in potential for higher disposal costs. Expansion of Extended Producer Responsibility (EPR) programs resulting in increased regulation of products and stewardship. Increased outreach and education to achieve regional diversion goals.
Recycling	Market challenges driven by China's National Sword Program have increased scrutiny for 3% contamination threshold, thus driving potential for contamination fines.
Customer service	The public continues to express frustration with the recycling program mandated by other levels of government, which the City has limited control over.

ORGANIZATIONAL STRUCTURE

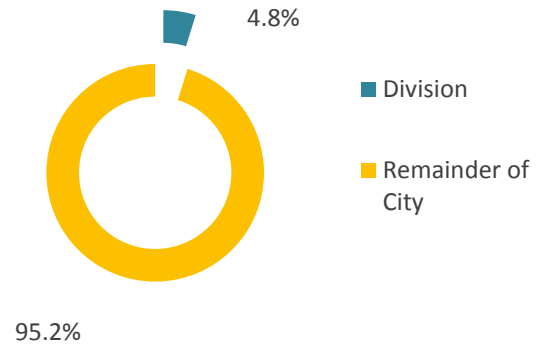


OPERATING BUDGET

Total Expenses (in Thousands)



Percent of City Expenses



	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
REVENUES:					
Utility charges	\$ 2,937,900	\$ 2,962,200	\$ 24,300	0.8%	\$ 3,108,176
Sale of services	555,300	555,300	-	-	484,701
Total Revenues	\$ 3,493,200	\$ 3,517,500	\$ 24,300	0.5%	\$ 3,592,877

	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
EXPENSES:					
Payroll expense	\$ 1,060,200	\$ 1,085,400	\$ 25,200	2.4%	\$ 1,030,008
Other personnel costs	2,600	2,600	-	-	6,789
Contracted and other services	1,536,300	1,529,600	(6,700)	-0.4%	1,211,611
Materials and supplies	9,500	9,500	-	-	30,050
Telephone, utilities and rent	-	-	-	-	1,351
Interest and bank charges	-	-	-	-	5
Internal Charges	1,530,400	1,591,100	60,700	4.0%	1,313,940
Total Expenses	\$ 4,139,000	\$ 4,218,200	\$ 79,200	1.9%	\$ 3,593,754

	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
ALLOCATIONS (TO) / FROM ACCUMULATED SURPLUS:					
Transfer (to) Reserve	\$ (203,600)	\$ (203,600)	\$ -	-	\$ -
Total Allocations	\$ (203,600)	\$ (203,600)	\$ -	-	\$ -
NET OPERATING BUDGET	\$ (849,400)	\$ (904,300)	\$ (54,900)	3.3%	\$ (877)

BREAKDOWN OF BUDGET CHANGES

Line Item	Adjustment Category	Nature of Adjustment	Amount
Solid Waste Utility	Levy increase	Required increase in Solid Waste Utility levy	\$ (54,300)
Solid Waste Utility	Ongoing Adjustment	Increase to Utility levy exemptions ⁹	30,000
Payroll expense	Labour Benefits	Contractual increase for benefit costs	3,800
Payroll expense	Labour CUPE	Contractual Increase 2%	19,000
Payroll expense	Labour Exempt	Policy Increase 2.1%	2,400
Contracted and other services	Contracted Services Garbage	Metro Vancouver Garbage Levy increase 4.42%	34,500
Contracted and other services	Contracted Services Green	Green levy increase offset by tonnage estimate decrease	(35,600)
Contracted and other services	Inflation Contracted Services	Policy Increase 2.1%	4,400
Contracted and other services	Ongoing Adjustment	Adjustment based on forecast for Coquitlam Transfer Station	(10,000)
Internal charges	Ongoing Adjustment	Adjustment to vehicle charge out rates	37,900
Internal charges	Ongoing Adjustment	Adjustment to vehicle charge outs based on historical trend	22,800
Total			\$ 54,900

⁹ Utility levy exemptions for Solid Waste are funded by taxation and thus the increase in exemptions will have no impact on the Solid Waste levy.

INDICATORS AND MEASURES

	2015	2016	2017	2018	2019 YTD ¹⁰
Diversion Rate (%)	65.7%	66.9%	66.0%	66.0%	65.5%
Solid Waste Calls for Service	2,373	1,940	2,104	2,353	2,146

¹⁰ Figures up to Sep 30, 2019

PUBLIC WORKS – WATER & SEWER

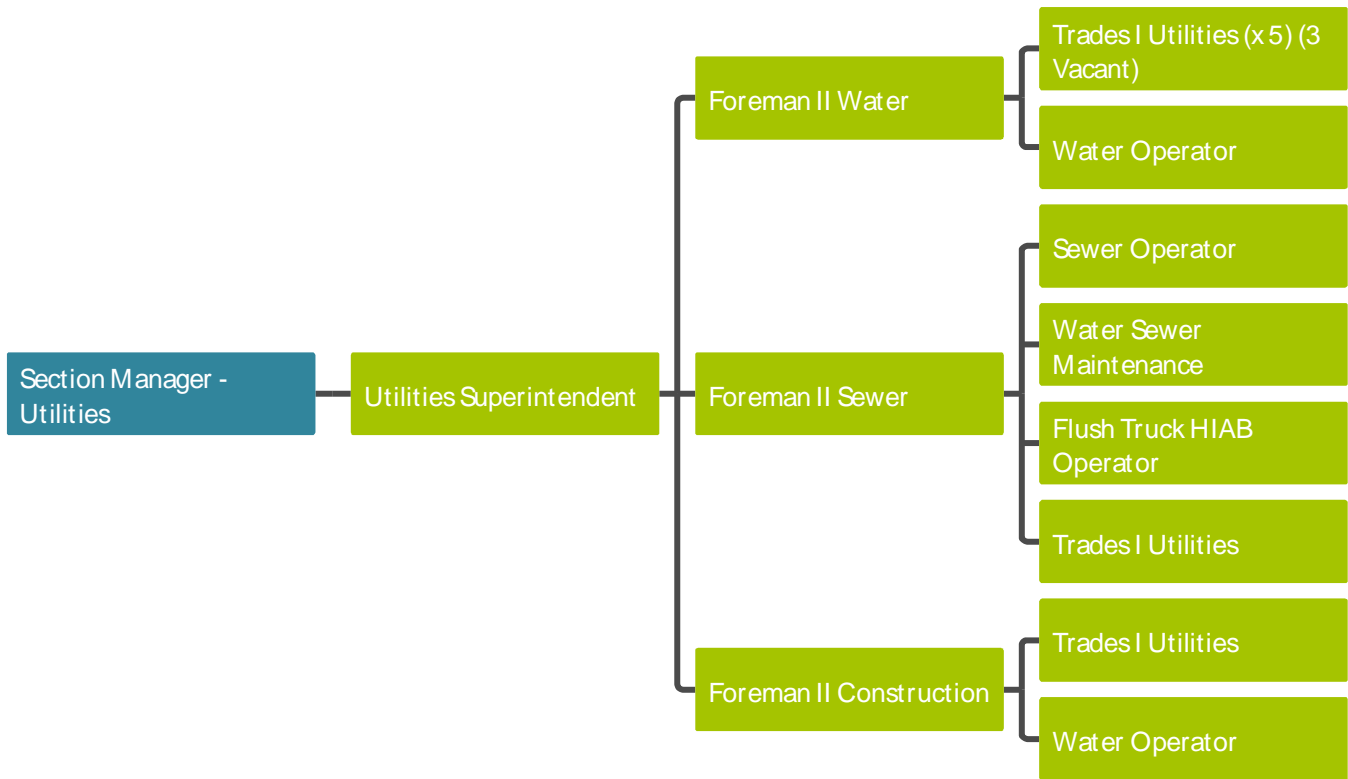
FOCUS

The Utilities section is comprised of Water and Sewer Operations. The City of Port Coquitlam purchases bulk treated water from the Metro Vancouver Regional District. Annually the Utilities section safely delivers approximately 9.2 million cubic meters of high-quality potable water to its 24,887 serviced customers within the City. Employees in the work area operate, maintain and construct a city-wide transmission and distribution system that delivers safe and reliable drinking water and ensures adequate flows and pressures are maintained for the City's fire protection needs. Sewer Operations provides an essential service for the collection and disposal of liquid wastewater. Employees in this work area operate, maintain and construct collection infrastructure that mitigates environmental impact as a result of blockages and overflows, and transfer of wastewater to treatment facilities.

ENVIRONMENTAL SCAN

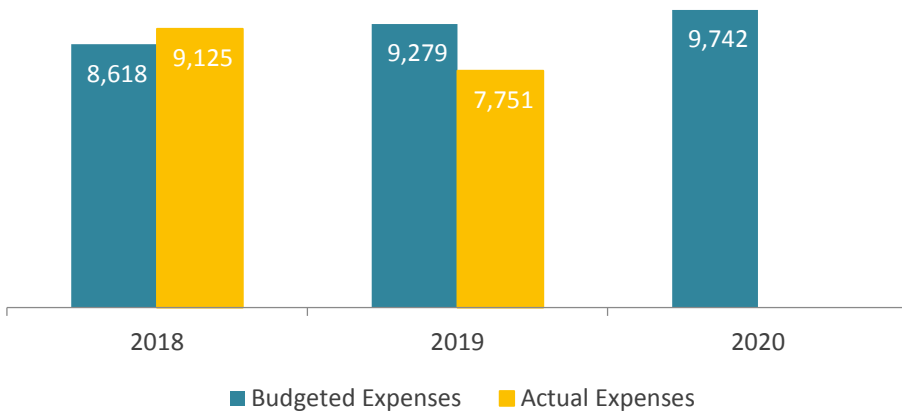
Factor	Impact
Regulatory requirements	Environmental Operator Certificate Program training and certification changes that regulate Utility Operators. Drinking Water Management Plan and Water Shortage Response plan guiding our operational work plans
Employee retention and attraction	Operational knowledge transfer, staff development and succession planning are of key importance. There is a shortage of certified operators internally and externally to fill Utility Operator vacancies. Focus on developing strategies to train existing workforce, improve departmental culture and ensure we are onboarding staff that aligns with our purpose and values.
Climate change	Changing weather patterns leading to the need for water conservation initiatives.

ORGANIZATIONAL STRUCTURE

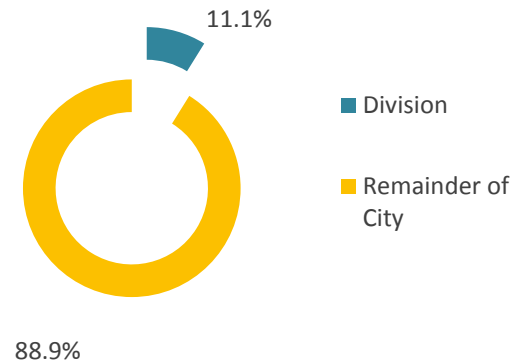


OPERATING BUDGET - WATER

Total Expenses (in Thousands)



Percent of City Expenses



	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
REVENUES:					
Utility charges	\$ 12,247,700	\$ 12,710,600	\$ 462,900	3.8%	\$ 12,293,232
Permits and licences	18,700	18,700	-	-	18,125
Penalties and fines	80,000	80,000	-	-	83,351
Other revenue	-	-	-	-	1,100
Total Revenues	\$ 12,346,400	\$ 12,809,300	\$ 462,900	3.8%	\$ 12,395,808

	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
EXPENSES:					
Payroll expense	\$ 773,600	\$ 786,000	\$ 12,400	1.6%	\$ 628,042
Other personnel costs	-	-	-	-	5,647
Contracted and other services	6,926,500	7,377,500	451,000	6.5%	5,652,116
Materials and supplies	127,900	124,400	(3,500)	-2.7%	140,571
Telephone, utilities and rent	47,600	42,400	(5,200)	-10.9%	23,270
Internal Charges	1,403,200	1,411,400	8,200	0.6%	1,300,587
Total Expenses	\$ 9,278,800	\$ 9,741,700	\$ 462,900	5.0%	\$ 7,750,233

	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
ALLOCATIONS (TO) / FROM ACCUMULATED SURPLUS:					
Transfer (to) Reserve	\$ (3,067,600)	\$ (3,067,600)	\$ -	-	\$ -
Total Allocations	\$ (3,067,600)	\$ (3,067,600)	\$ -	-	\$ -
NET OPERATING BUDGET	\$ -	\$ -	\$ -	-	\$ (4,645,575)

BREAKDOWN OF BUDGET CHANGES

Line Item	Adjustment Category	Nature of Adjustment	Amount
Water Utility	Levy Increase	Required increase in Water Utility levy	\$ (462,900)
Payroll expense	Labour Benefits	Contractual increase for benefit costs	2,400
Payroll expense	Labour CUPE	Contractual Increase 2%	12,100
Payroll expense	Labour Exempt	Policy Increase 2.1%	3,600
Payroll expense	Labour General	Adjust for Policy Increase missed in 2017	1,900
Payroll expense	Ongoing Adjustment	Adjustment based on historical trend	2,200
Payroll expense	Ongoing Adjustment	Adjustment based on work efficiencies	(11,700)
Payroll expense	Ongoing Reallocation	Reallocation of budgets between account groupings	1,900
Contracted and other services	Contracted Services Water	Metro Vancouver Water Purchase increase 5.96%	452,900
Contracted and other services	Inflation Contracted Services	Policy Increase 2.1%	2,800

Contracted and other services	Ongoing Reallocation	Reallocation of budgets between account groupings	(4,700)
Materials and supplies	Ongoing Adjustment	Adjustment based on historical trend	(6,300)
Materials and supplies	Ongoing Reallocation	Reallocation of budgets between account groupings	2,800
Telephone, utilities and rent	Ongoing Adjustment	Adjustment based on historical trend	(5,200)
Internal charges	Ongoing Adjustment	Adjustment to vehicle charge out rates	8,200
Total			\$ -

INDICATORS AND MEASURES - WATER

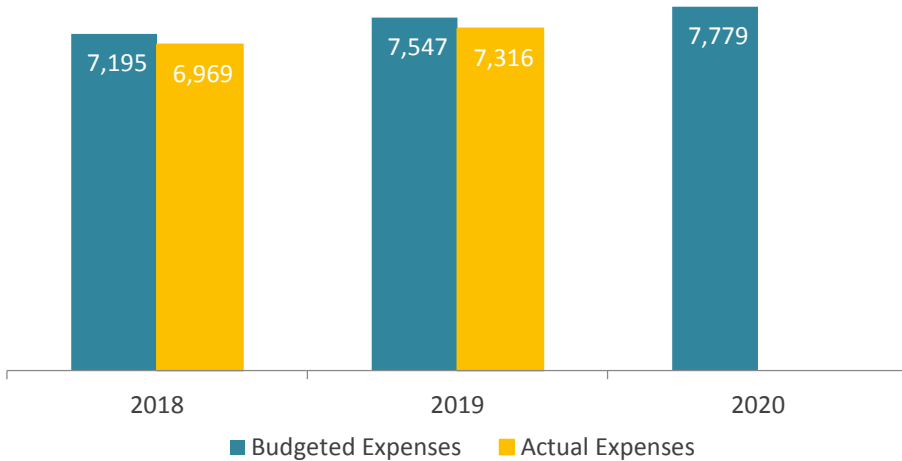
	2015	2016	2017	2018	2019 YTD ¹¹
Water Consumption (L/Capita Per Day)	414	410	424	436	401*
# of Watermain Breaks/100 km of Length	8.0	7.5	5.56	3.33	12
\$ of capital reinvestment	\$ 1.4 M	\$ 0.3 M	\$ 1.1 M	\$ 4.2 M	\$ 0.6 M
Operating \$/100 km of Watermain length	\$ 542 K	\$ 584 K	\$ 563 K	\$ 582 k	\$ 594k
Calls for Service:					
- Water Quality	29	29	28	47	37
- Water On/Off	63	88	59	85	90
- Locate Service	40	49	51	54	33
- Emergency Leak	128	84	74	72	110

*as of October 2019

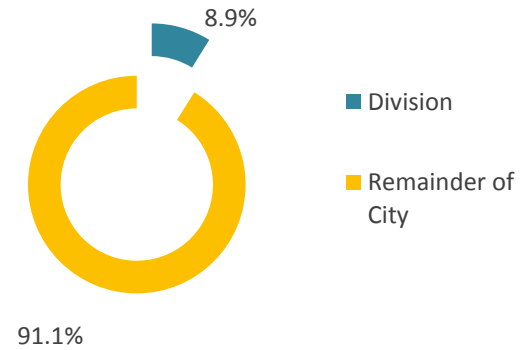
¹¹ Figures up to Sep 30, 2019

OPERATING BUDGET – SEWER

Total Expenses (in Thousands)



Percent of City Expenses



	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
REVENUES:					
Utility charges	\$ 9,021,100	\$ 9,201,100	\$ 180,000	2.0%	\$ 8,976,617
Permits and licences	-	-	-	-	19,656
Penalties and fines	63,000	63,000	-	-	60,075
Total Revenues	\$ 9,084,100	\$ 9,264,100	\$ 180,000	2.0%	\$ 9,056,348

	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
EXPENSES:					
Payroll expense	\$ 351,200	\$ 353,700	\$ 2,500	0.7%	\$ 291,176
Other personnel costs	-	-	-	-	7,396
Contracted and other services	5,721,000	5,941,800	220,800	3.9%	5,621,297
Materials and supplies	74,000	76,800	2,800	3.8%	73,921
Telephone, utilities and rent	78,000	78,000	-	-	67,498
Internal Charges	1,323,200	1,328,500	5,300	0.4%	1,254,931
Total Expenses	\$ 7,547,400	\$ 7,778,800	\$ 231,400	3.1%	\$ 7,316,219

	2019 Budget	2020 Budget	\$ Change	% Change	2019 YTD
ALLOCATIONS (TO) / FROM ACCUMULATED SURPLUS:					
Transfer (to) Reserve	\$ (1,536,700)	\$ (1,485,300)	\$ 51,400	3.3%	\$ -
Total Allocations	\$ (1,536,700)	\$ (1,485,300)	\$ 51,400	3.3%	\$ -
NET OPERATING BUDGET	\$ -	\$ -	\$ -	-	\$ 1,740,129