

**POTENTIAL FOR VOLUNTARY
COMBINING OF SERVICES AND
OTHER SAVINGS**

FOR

THE CITY OF NORTH VANCOUVER

AND

THE DISTRICT OF NORTH VANCOUVER

Prepared for:

**North Shore Waterfront Industrial
Association**
www.nswia.com

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Executive Summary

The City of North Vancouver (the City) and the District of North Vancouver (the District) are adjoining municipal authorities on the North Shore of Burrard Inlet. The City and the District operate mainly as separate organizations, with some limited areas of joint service provision.

The North Shore Waterfront Industrial Association (NSWIA) has engaged MMK Consulting to evaluate the potential for cost savings through the voluntary combining of certain City and District operations, along with other cost efficiencies.¹

Our evaluation is based on a comparison of combined City/District costs with two similar-sized other Lower Mainland municipalities, for the comparable group of services that are provided directly by the municipalities.

Overall comparison of costs

Exhibit ES-1 provides an overall comparison of municipal expenditures for a comparable group of services.

Exhibit ES-1 — Overall comparison

	<i>City/District Combined</i>	Coquitlam	Delta
Population	126,613	112,890	96,950
Expenditures for comparable group of services:	\$161 million	\$100 million	\$111 million
<ul style="list-style-type: none"> Per resident - Compared to City/District 	\$1,276	\$881	\$1,145
		-31%	-10%
<ul style="list-style-type: none"> Per adult resident - Compared to City/District 	\$1,708	\$1,225	\$1,609
		-28%	-6%
<ul style="list-style-type: none"> Per household - Compared to City/District 	\$3,244	\$2,474	\$3,384
		-24%	4%

Source: See Exhibit 2b.

The study indicates that overall municipal expenditures per resident tend to be higher for the City and District than for either Coquitlam or Delta. The size of the differential varies according to whether comparisons are made on a per resident, per adult resident, or per household basis, with the per-

¹ This study has been performed independently of the City and District, other than to request public data.

adult-resident measure typically defining the middle range. On a per adult resident basis, costs in Coquitlam are 28% lower than in the City/District combined, while costs in Delta are 6% lower.

Potential cost savings by areas of expenditure

Exhibit ES-2 illustrates our assessment of potential cost savings in five major municipal cost areas.

Exhibit ES-2 Potential cost savings in five major areas of expenditure

Area	Combined City & District (\$ millions)	Basis for estimating potential cost savings	Annual potential savings if cost levels are similar to:					
			Coquitlam (\$ millions)			Delta (\$ millions)		
			Per resident	Per adult resident	Per household	Per resident	Per adult resident	Per household
General Government	\$20.1	Department-wide	\$9.6	\$9.2	\$8.6	\$5.9	\$5.2	\$3.6
Safety (Policing, Fire & Rescue)	\$41.5	Fire & Rescue (excl. Police)	\$5.1	\$4.5	\$3.6	-\$0.5	-\$1.5	-\$3.7
Engineering	\$50.2	Department-wide	\$8.3	\$6.7	\$3.9	\$7.3	\$5.1	\$0.3
Planning & Development	\$13.9	All depts (exc. Econ. Dvpmt/Tourism)	\$6.5	\$6.4	\$6.1	\$1.8	\$1.4	\$0.4
Parks, Recreation & Culture	\$35.9	Department-wide - 50% savings ¹ - 100% savings ²	\$8.1 to	\$7.7 to	\$7.1 to	\$4.2 to	\$3.5 to	\$2.0 to
			\$16.2	\$15.4	\$14.1	\$8.4	\$7.0	\$3.9
Total	\$161.5		\$37.6 to	\$34.5 to	\$29.2 to	\$18.6 to	\$13.6 to	\$2.4 to
			\$45.7	\$42.2	\$36.3	\$22.8	\$17.1	\$4.4
Potential percentage savings			23% to	21% to	18% to	12% to	8% to	2% to
			28%	26%	22%	14%	11%	3%

1 Assumes 50% reduction in additional costs.
2 Assumes 100% reduction in additional costs.

Based on the detailed analysis contained in the full report, we assess the potential for cost savings, if City/District municipal expenditures in relevant cost areas were reduced to those of Coquitlam and Delta on a per-adult-resident basis, as follows:

- Compared to Coquitlam - up to 26%.
- Compared to Delta - up to 11%.

Specific opportunities to reduce costs, including joint provision of certain operations, need to be identified through further analysis.

1. Introduction

The City of North Vancouver (the City) and the District of North Vancouver (the District) are adjoining municipal authorities on the North Shore of Burrard Inlet. The City is the traditional “downtown” area of the North Shore, while the District comprises the larger surrounding area.

The City and the District operate mainly as separate organizations, with some exceptions. One area of joint service provision is the North Vancouver Recreation Commission, which operates several recreation centres on behalf of both the City and District. Other examples include RCMP services (contracted), North Vancouver Museum and Archives, North Shore Emergency Management Office, and a number of community groups and agencies that receive funding from both municipalities.

Members of the North Shore Waterfront Industrial Association (NSWIA) are among the most significant taxpayers of the City and the District. NSWIA has engaged MMK Consulting¹ to evaluate the potential for cost savings for the City and District through voluntary combining of services and other savings.

This study has been performed on an independent basis for NSWIA by MMK Consulting. We have not liaised with City and District staff in performing it, other than to access public data.

¹ MMK Consulting is an independent management consulting firm specializing in planning, economics and financial analysis. (See www.mmkconsulting.com for further details.)

2. Comparisons with Other Municipalities

2.1. Selection of municipalities for comparison

This chapter compares the expenditures of the City and District with those of Coquitlam and Delta. These municipalities have been selected for comparison because:

- Like the City and District, Coquitlam and Delta are suburban municipalities that have both regional business centres as well as extensive residential areas.
- Both municipalities have populations that are larger than either the City or District, but are less than the population of the City and District combined. Characteristics for each municipality are presented in Exhibit 2a.
- Other demographic characteristics (average household size, median income) are reasonably similar.

Exhibit 2a — Cost drivers characteristics for each municipality

	City	District	Combined North Vancouver		Delta
Land area (sq. km)	12	160	172	122	184
Population:					
• Residents	44,303	82,310	126,613	112,890	96,950
• Adult residents (20 years & over)	35,205	59,375	94,580	81,200	68,955
• Households	20,705	29,075	49,780	40,220	32,785
Average residents per household	2.14	2.83	2.54	2.81	2.96
Median income:					
• Per household	44,095	70,228	59,358	52,657	66,303
• Per resident	20,608	24,807	23,338	18,760	22,421

Source: Statistics Canada 2001 Census

2.2. Study methodology

The scope of this study includes:

- An overall comparison of relevant municipal expenditures.
- A detailed analysis of cost savings potential in five major areas of expenditure, as identified in Exhibit 2b.

A number of municipal revenue/cost items (capital expenditures, debt service, transfers to other governments, etc.) are not directly relevant to the

day-to-day operation of each municipality, and thus are not included in this analysis.

Care must be applied in performing inter-municipal expenditure comparisons because of:

- Differences in geography, demographics, and economic base.
- Differences in levels of service provided, service delivery methods (internal/contracted, etc.), and sources of funding (through general revenues, user charges, etc.).
- Differences in organizational structures, and departmental responsibilities.
- Accounting differences in the methods of allocating revenues and expenses among departments.

To increase the comparability of inter-municipal comparisons, we have reviewed the departmental budgets for each municipality, making adjustments where appropriate to reflect differences in organizational structure and accounting procedures. These figures are illustrated in Exhibit 2b, with adjustments as indicated in the notes to Exhibit 2b.

2.3. Overall comparison

Exhibit 2b also provides a comparison of costs between the City/District, Coquitlam and Delta, based on three metrics (per resident, per adult resident, per household).

The per-adult-resident metric generally falls in between the per-resident (higher) and per-household (lower) calculations, and for this reason is used as the basis for most of the discussion in this report.

On a per-adult-resident basis, municipal expenditures for comparable services are estimated as being approximately 28% lower in Coquitlam than in the City/District (combined). Costs in Delta are estimated as being 6% lower.

To investigate potential areas of opportunity to reduce these overall cost differentials, we have also performed a more detailed analysis of costs within five major areas of expenditure:

- General Government (Section 2.4).
- Safety - Police, Fire & Rescue (Section 2.5).
- Engineering Services (Section 2.6).
- Planning and Development (Section 2.7).
- Parks, Recreation and Culture (Section 2.8).

Exhibit 2b — Cost comparisons of municipally-provided key service areas* (\$ in thousands, except per-resident calculations)

	City of North Vancouver	District of North Vancouver	Combined North Van	Coquitlam	Delta
General Government					
Administrative	242.3	1,521.2	1,763.5	165.6	626.5
City Manager/CAO	1,460.1	311.4	1,771.5	845.0	362.0
Human Resources	651.5	688.2	1,339.7	1,523.2	1,792.5
Legal Services , Insurance	721.2	887.1	1,608.2	923.3	2,009.0
Finance	3,362.0	1,657.0	5,018.9	1,990.1	2,613.0
Information Technology	2,426.9	1,591.7	4,018.5	2,298.3	1,650.0
Clerk	1,016.2	830.6	1,846.8	1,427.6	1,381.5
Facilities Management	543.2	624.1	1,167.3		
Mayor & Council	556.5	458.1	1,014.6	Ref Note 1	436.0
Other		511.6	511.6	115.2	
Total General Government	10,979.8	9,080.8	20,060.6	9,288.2	10,870.5
Safety					
Policing	8,749.5	9,896.4	18,645.9	17,916.2	20,065.5
Municipally shared operations		3,004.6	3,004.6		
North Shore Emergency Mgt Office	112.1	185.8	297.9		
E-Comm				180.0	1,500.0
Fire	6,151.9	13,379.0	19,530.9	12,908.7	15,331.0
Total Safety	15,013.5	26,465.7	41,479.2	31,004.9	36,896.5
Engineering					
Engineering, Infrastructure, Roads	3,038.1	5,497.4	8,535.4	6,988.4	9,475.5
Water	7,111.0	11,215.8	18,326.9	11,438.9	10,188.5
Sanitary sewage/drainage/flood	7,718.0	9,258.2	16,976.1	15,085.5	10,091.0
Garbage/Recycling	1,664.8	4,722.8	6,387.6	3,898.0	3,129.5
Environmental Services	202.3		202.3		573.5
Fleet	29.1	-296.0	-266.9	156.2	
Translink					1,913.0
Total Engineering	19,763.4	30,398.2	50,161.5	37,567.0	35,371.0
Planning & Development					
Administration	<i>included</i>	235.1	235.1	462.3	924.0
Building & Licences		1,718.0	1,718.0		2,479.0
Land Use, Community	3,809.3	4,816.4	8,625.7	3,131.8	3,315.0
Economic Development & Tourism	190.4	3,164.2	3,354.6	477.8	60.0
Total Planning & Development	3,999.7	9,933.7	13,933.5	4,071.9	6,778.0
Parks, Recreation, Cultural					
Administration	<i>included</i>	441.1	441.1	694.5	227.1
Parks	2,563.7	4,024.6	6,588.2	4,612.4	4,861.7
Recreation, incl. facilities (Ref. 2)	5,046.1	12,615.3	17,661.4	12,265.4	13,095.2
Library	2,022.0	4,330.1	6,352.1	Ref Note 3	2,400.0
Community Grants	113.8	213.4	327.2	Ref Note 4	235.0
Community Services	862.0	570.8	1,432.7	Ref Note 5	
Arts & Culture	552.8	537.7	1,090.5	Ref Note 6	
Attractions		704.2	704.2		
Animal Control	125.0	511.4	636.3	Ref Note 7	225.5
Museum & Archives	316.9	314.2	631.2		
Total Parks, Recreation, Culture	11,602.3	24,262.7	35,865.0	17,572.4	21,044.5
Total - Five areas (\$000s)					
	61,358.7	100,141.0	161,499.7	99,504.5	110,960.5
- Per resident (\$)	1,385	1,217	1,276	881	1,145
- Per adult resident (20 yrs & over) (\$)	1,743	1,687	1,708	1,225	1,609
- Per household (\$)	2,963	3,444	3,244	2,474	3,384
Coquitlam/Delta costs relative to combined North Van costs				Coquitlam	Delta
- Per resident				-31%	-10%
- Per adult resident (20 yrs & over)				-28%	-6%
- Per household				-24%	+4%

* Excludes items such as: transfers to other governments, special projects, capital expenditures, contingencies, transfers to other departments, GST rebate costs, reserves, bylaw enforcement, other adjustments, debt service.

Notes

1. Coquitlam Mayor and Council figures included in City Clerk department.
2. City of North Vancouver Recreation figure adjusted to reflect expenses only.
3. Coquitlam Library included in Recreation figure.
4. Coquitlam Community Grants included in Recreation figure.
5. Coquitlam Community Services included in Recreation figure.
6. Coquitlam Arts & Culture included in Recreation figure.
7. Coquitlam Animal control included in Bylaw Enforcement.

2.4. General Government

2.4.1. Comparison of General Government costs

- General Government costs are compared in Exhibit 2c¹.

Exhibit 2c — General Government costs

	City of North Vancouver	District of North Vancouver	Combined North Vancouver	Coquitlam	Delta
Relevant Cost Drivers					
Population	44,303	82,310	126,613	112,890	96,950
Adult population (20 yrs & over)	35,205	59,375	94,580	81,200	68,955
Private households	20,705	29,075	49,780	40,220	32,785
General Government					
Mayor & Council, City Manager, Clerk, Admin	\$3,275,164	\$3,121,250	\$6,396,414	\$2,438,217	\$2,806,000
- Per resident	\$74	\$38	\$51	\$22	\$29
- Per adult resident	\$93	\$53	\$68	\$30	\$41
- Per household	\$158	\$107	\$128	\$61	\$86
HR, Legal, Insurance, Finance, IT, Facilities Mgt, Other	\$7,704,660	\$5,959,502	\$13,664,162	\$6,850,011	\$8,064,500
- Per resident	\$174	\$72	\$108	\$61	\$83
- Per adult resident	\$219	\$100	\$144	\$84	\$117
- Per household	\$372	\$205	\$274	\$170	\$246
Total General Government	\$10,979,823	\$9,080,752	\$20,060,575	\$9,288,228	\$10,870,500
- Per resident	\$248	\$110	\$158	\$82	\$112
- Per adult resident	\$312	\$153	\$212	\$114	\$158
- Per household	\$530	\$312	\$403	\$231	\$332
Coquitlam/Delta costs relative to combined North Van costs					
- Per resident				-48%	-29%
- Per adult resident				-46%	-26%
- Per household				-43%	-18%

Points to note include:

- While the City of North Vancouver is significantly smaller than the other three municipalities, its per-adult-resident costs (\$312) are much higher than in the other three municipalities (\$114 to \$158 per adult resident). General Government costs for the City (\$10.98 million), are actually

¹ Throughout this report, for purposes of comparison, we have calculated municipal costs on a “per-unit” basis, using three measurement criteria:

- Per resident: entire population.
- Per adult resident: using Statistics Canada Census classification of “20 years and over”.
- Per household.

For purpose of discussion, the mid-range “cost per adult resident” is highlighted.

higher in absolute terms than those for the District (\$9.08 million), Coquitlam (\$9.29 million) or Delta (\$10.87 million).

- Per-adult-resident General Government cost levels are 46% lower in Coquitlam, and 26% lower in Delta, than in North Vancouver (City and District combined).

At least some of these differences may be due to differences in accounting methods. Further analysis, in consultation with the City and District, is required to determine the extent to which these costs reflect accounting methods, versus real differences in cost levels.

2.4.2. Potential for savings in General Government

If the City and District could reduce its per-adult-resident costs to Coquitlam/Delta levels through voluntarily combining certain General Government services and/or other efficiencies¹, the potential cost savings (Exhibit 2d) are estimated as:

- \$9.2 million if Coquitlam cost levels could be attained.
- \$5.2 million if Delta cost levels could be attained.

If the City and District continue to operate as separate municipalities, the size of cost savings opportunities through joint service provision could be limited by the need to maintain separate Council and City Hall functions.

Exhibit 2d – General Government Potential annual savings if Coquitlam/Delta cost levels were achieved

Potential annual cost savings	If General Government costs are reduced to levels similar to:	
	Coquitlam	Delta
Per City/District resident - For entire City/District	\$76 per resident \$9.6 million/year	\$46 per resident \$5.9 million/year
Per City/District adult resident - For entire City/District	\$98 per adult resident \$9.2 million/year	\$54 per adult resident \$5.2 million/year
Per City/District household - For entire City/District	\$172 per household \$8.6 million/year	\$71 per household \$3.6 million/year

¹ (footnote missing)

2.5. Safety (Police, Fire & Rescue) costs

2.5.1. Comparison of Safety costs

Costs of Police and Fire/Rescue services are compared in Exhibit 2e.

Exhibit 2e — Comparison of Safety costs

	City of North Vancouver	District of North Vancouver	Combined North Vancouver	Coquitlam	Delta
Relevant Cost Drivers					
Population	44,303	82,310	126,613	112,890	96,950
Adult population (20 yrs & over)	35,205	59,375	94,580	81,200	68,955
Private households	20,705	29,075	49,780	40,220	32,785
Safety					
Policing, including municipally shared operations	\$8,749,497	\$12,900,919	\$21,650,416	\$17,916,219	\$20,065,500
- Per resident	\$197	\$157	\$171	\$159	\$207
- Per adult resident	\$249	\$217	\$229	\$221	\$291
- Per household	\$423	\$444	\$435	\$445	\$612
Fire/Rescue	\$6,151,892	\$13,379,001	\$19,530,893	\$12,908,705	\$15,331,000
- Per resident	\$139	\$163	\$154	\$114	\$158
- Per adult resident	\$175	\$225	\$207	\$159	\$222
- Per household	\$297	\$460	\$392	\$321	\$468
Total Safety	\$14,901,389	\$26,279,920	\$41,181,309	\$30,824,924	\$35,396,500
- Per resident	\$336	\$319	\$325	\$273	\$365
- Per adult resident	\$423	\$443	\$435	\$380	\$513
- Per household	\$720	\$904	\$827	\$766	\$1,080
Coquitlam/Delta costs relative to combined North Van costs					
- Per resident				-16%	+12%
- Per adult resident				-13%	+18%
- Per household				-7%	+31%

Note: Excludes North Shore Emergency Office and Translink expenditures

Points to note include:

- For policing, City/District costs are similar to Coquitlam, but lower than Delta (which has its own force).
- For Fire/Rescue, the District and Delta spend relatively more than the City and Coquitlam. This relationship is not surprising, given the District's and Delta's larger geographic areas (see Exhibit 2a).

2.5.2. Potential for savings in Safety costs

The greatest potential opportunities for Safety cost savings appear to be in Fire and Rescue services. If the City/District could reduce its Fire/Rescue costs to Coquitlam’s levels (on a per-adult-resident basis), the potential cost savings (see Exhibit 2f) would be \$4.5 million.

Fire and Rescue costs in Delta, which is geographically larger than the City and District combined, are higher than the City/District by \$16 per adult resident. Potential additional expenditures of increasing to Delta cost levels are \$1.5 million.

Further work would be required to determine the potential for cost efficiency through combining of services, including specific analysis of opportunities to improve operations, while maintaining levels of protection.

Exhibit 2f — Safety Costs Potential annual savings if Coquitlam/Delta cost levels were achieved (Fire & Rescue)

Potential annual cost savings	If Fire & Rescue costs are reduced to levels similar to:	
	Coquitlam (savings)	Delta (added costs)
Per City/District resident - For entire City/District	\$40 per resident \$5.1 million/year	-\$4 per resident -\$0.5 million/year
Per City/District adult resident - For entire City/District	\$48 per adult resident \$4.5 million/year	-\$16 per adult resident -\$1.5 million/year
Per City/District household - For entire City/District	\$71 per household \$3.6 million/year	-\$75 per household -\$3.7 million/year

2.6. Engineering Services

2.6.1. Comparison of Engineering Services costs

Costs of Engineering Services are compared in Exhibit 2g.

Exhibit 2g — Comparison of Engineering Services costs

	City of North Vancouver	District of North Vancouver	Combined North Vancouver	Coquitlam	Delta
Relevant Cost Drivers					
Population	44,303	82,310	126,613	112,890	96,950
Adult population (20 yrs & over)	35,205	59,375	94,580	81,200	68,955
Private households	20,705	29,075	49,780	40,220	32,785
Engineering					
Engineering, Infrastructure, Roads	\$3,038,075	\$5,497,368	\$8,535,443	\$6,988,426	\$9,475,500
- Per resident	\$69	\$67	\$67	\$62	\$98
- Per adult resident	\$86	\$93	\$90	\$86	\$137
- Per household	\$147	\$189	\$171	\$174	\$289
Water	\$7,111,016	\$11,215,842	\$18,326,858	\$11,438,912	\$10,188,500
- Per resident	\$161	\$136	\$145	\$101	\$105
- Per adult resident	\$202	\$189	\$194	\$141	\$148
- Per household	\$343	\$386	\$368	\$284	\$311
Sanitary sewage/drainage/flood control	\$7,717,969	\$9,258,158	\$16,976,127	\$15,085,497	\$10,091,000
- Per resident	\$174	\$112	\$134	\$134	\$104
- Per adult resident	\$219	\$156	\$179	\$186	\$146
- Per household	\$373	\$318	\$341	\$375	\$308
Garbage/Recycling	\$1,664,821	\$4,722,820	\$6,387,641	\$3,898,015	\$3,129,500
- Per resident	\$38	\$57	\$50	\$35	\$32
- Per adult resident	\$47	\$80	\$68	\$48	\$45
- Per household	\$80	\$162	\$128	\$97	\$95
Total Engineering	\$19,531,881	\$30,694,188	\$50,226,069	\$37,410,850	\$32,884,500
- Per resident	\$441	\$373	\$397	\$331	\$339
- Per adult resident	\$555	\$517	\$531	\$461	\$477
- Per household	\$943	\$1,056	\$1,009	\$930	\$1,003
Coquitlam/Delta costs relative to combined North Van costs					
- Per resident				-16%	-14%
- Per adult resident				-13%	-10%
- Per household				-8%	-1%

Note: Excludes TransLink, Fleet and Environmental Services expenditures

Points to note include:

- Overall, per-adult-resident total Engineering Services cost levels are 13% lower in Coquitlam, and 10% lower in Delta than in North Vancouver (City and District combined).
- One particular area of interest is garbage/recycling, where the District's expenditures (\$80 per-adult-resident) are more than 50% higher than in the other three jurisdictions (\$45-\$48 per adult resident). Part of this difference may be explained by the District's relatively large geographic area, at least in comparison to the City and Coquitlam.

2.6.2. Potential cost savings in Engineering Services

As illustrated in Exhibit 2h, if the City and District could reduce its per-adult-resident costs to Coquitlam/Delta levels, the potential annual cost savings are estimated as:

- \$6.7 million if Coquitlam cost levels could be attained.
- \$5.1 million if Delta cost levels could be attained.

Exhibit 2h — Engineering Services costs Potential annual savings if Coquitlam/Delta cost levels were achieved

Potential annual cost savings	If Engineering Services costs are reduced to levels similar to:	
	Coquitlam	Delta
Per City/District resident - For entire City/District	\$65 per resident \$8.3 million/year	\$57 per resident \$7.3 million/year
Per City/District adult resident - For entire City/District	\$70 per adult resident \$6.7 million/year	\$54 per adult resident \$5.1 million/year
Per City/District household - For entire City/District	\$79 per household \$3.9 million/year	\$6 per household \$0.3 million/year

2.7. Planning & Development Services

2.7.1. Comparison of Planning & Development Services costs

Costs of Planning and Development Services are compared in Exhibit 2i.

Exhibit 2i — Comparison of Planning & Development Services costs

	City of North Vancouver	District of North Vancouver	Combined North Vancouver	Coquitlam	Delta
Cost Drivers					
Population	44,303	82,310	126,613	112,890	96,950
Adult population (20 yrs & over)	35,205	59,375	94,580	81,200	68,955
Private households	20,705	29,075	49,780	40,220	32,785
Planning & Development					
Building & License, Land Use, Community Devt', Admin	\$3,809,338	\$6,769,540	\$10,578,878	\$3,594,106	\$6,718,000
- Per resident	\$86	\$82	\$84	\$32	\$69
- Per adult resident	\$108	\$114	\$112	\$44	\$97
- Per household	\$184	\$233	\$213	\$89	\$205
Economic Devpmt & Tourism	\$190,407	\$3,164,178	\$3,354,585	\$477,810	\$60,000
Total Planning & Development	\$3,999,745	\$9,933,718	\$13,933,463	\$4,071,916	\$6,778,000
- Per resident	\$90	\$121	\$110	\$36	\$70
- Per adult resident	\$114	\$167	\$147	\$50	\$98
- Per household	\$193	\$342	\$280	\$101	\$207
Coquitlam/Delta costs relative to combined North Van costs					
- Per resident				-67%	-36%
- Per adult resident				-66%	-33%
- Per household				-64%	-26%

Points to note include:

- On a per-adult-resident basis, Planning & Development cost levels are 66% lower in Coquitlam, and 33 % lower in Delta, than in North Vancouver City and District combined.
- These differences may be attributable to a number of factors such as:
 - Differences among the municipalities in their rate of development and growth.
 - Differences in the accounting treatment of revenue allocations, and cost offsets (DCCs, fees, etc.).
 - Differences in the development approval process, and in approaches to monitoring and inspections.

- The City and District being more mature communities, with a higher proportion of development projects taking place in previously developed areas. (Redevelopment sites often have a more complex range of development issues than new development sites.)
- Budgeted expenditures on economic development and tourism vary widely among municipalities. Direct contact with the City and District would be required to explain these differences.

2.7.2. Potential cost savings in Planning and Development Services

If the City/District could reduce its combined costs (on a per-adult-resident basis) to Coquitlam/Delta levels, the potential annual cost savings (Exhibit 2j) are estimated as:

- \$6.4 million if Coquitlam cost levels could be attained.
- \$1.4 million if Delta cost levels could be attained.

Exhibit 2j — Planning and Development Services costs Potential annual savings if Coquitlam/Delta cost levels were achieved

Potential annual cost savings	If Planning and Development Services costs (excluding Economic Development and Tourism) are reduced to levels similar to:	
	Coquitlam	Delta
Per City/District resident - For entire City/District	\$52 per resident \$6.5 million/year	\$14 per resident \$1.8 million/year
Per City/District adult resident - For entire City/District	\$68 per adult resident \$6.4 million/year	\$14 per adult resident \$1.4 million/year
Per City/District household - For entire City/District	\$123 per household \$6.1 million/year	\$8 per household \$0.4 million/year

2.8. Parks, Recreation and Culture

2.8.1. Comparison of Parks, Recreation and Culture Services costs

Comparisons of expenditures on Parks, Recreation and Culture Services are illustrated in Exhibit 2j.

Exhibit 2j

Comparison of Parks, Recreation and Culture Services costs

	City of North Vancouver	District of North Vancouver	Combined North Vancouver	Coquitlam	Delta
Cost Drivers					
Population	44,303	82,310	126,613	112,890	96,950
Adult population (20 yrs & over)	35,205	59,375	94,580	81,200	68,955
Private households	20,705	29,075	49,780	40,220	32,785
Parks, Recreation, Culture					
Administration	<i>included elsewhere</i>	\$441,119	\$441,119	\$694,528	\$227,065
Parks	\$2,563,693	\$4,024,557	\$6,588,250	\$4,612,434	\$4,861,737
Animal Control	\$124,952	\$511,381	\$636,333	<i>included elsewhere</i>	\$225,500
Recreation, including facilities, Library	\$7,068,081	\$16,945,388	\$24,013,469	\$12,265,391	\$15,495,198
Community Grants & Services	\$975,779	\$784,166	\$1,759,945	<i>included elsewhere</i>	\$235,000
Arts, Culture, Attractions, Museum, Archives	\$869,789	\$1,556,069	\$2,425,858	<i>included elsewhere</i>	<i>included elsewhere</i>
Total Parks, Recreation, Culture	\$11,602,294	\$24,262,680	\$35,864,974	\$17,572,353	\$21,044,500
- Per resident	\$262	\$295	\$283	\$156	\$217
- Per adult resident	\$330	\$409	\$379	\$216	\$305
- Per household	\$560	\$834	\$720	\$437	\$642
Coquitlam/Delta costs relative to combined North Van costs					
- Per resident				-45%	-23%
- Per adult resident				-43%	-20%
- Per household				-39%	-11%

Points to note include:

- Parks, Recreation and Culture Services costs per adult resident are 43% lower in Coquitlam, and 20 % lower in Delta, than in North Vancouver City and District combined.
- Most of the expenditures in this area are for site-specific operations. Less than 10% of overall expenditures are related to municipality-wide operations (administrative overheads, animal control, etc.).

- These expenditures reflect some services that are already being jointly provided by the City and District, such as:
 - North Vancouver Recreation Commission;
 - North Vancouver Museum and Archives;
 - Various community groups that are partially funded by both communities.

2.8.2. Potential for cost savings in Parks, Recreation and Culture

North Vancouver City and District may choose to provide higher levels of these services than their Coquitlam and Delta counterparts. However, if combined City/District per-adult-resident costs of Parks, Recreation and Culture Services could be at least partly reduced to approach those of Coquitlam/Delta (Exhibit 2k), annual cost savings would be significant:

- Compared to Coquitlam, a 50% to 100% reduction in the additional per-adult-resident costs paid by North Vancouver residents would result in annual cost savings of \$7.7 million to \$15.4 million.
- Compared to Delta, the potential annual savings would be in the range of \$3.5 to \$7.0 million.

Exhibit 2k — Parks, Recreation and Culture costs Potential annual savings if Coquitlam/Delta cost levels were fully (100%) or partially (50%) achieved

Potential annual cost savings	If Parks, Recreation and Culture costs are reduced to levels similar to:	
	Coquitlam	Delta
Per City/District resident - For entire City/District	\$128 per resident	\$66 per resident
• 100% of savings achieved	\$16.2 million/year	\$8.4 million/year
• 50% of savings achieved	\$ 8.1 million/year	\$4.2 million/year
Per City/District adult resident - For entire City/District	\$163 per adult resident	\$74 per adult resident
• 100% of savings achieved	\$15.4 million/year	\$7.0 million/year
• 50% of savings achieved	\$ 7.7 million/year	\$3.5 million/year
Per City/District household - For entire City/District	\$284 per household	\$79 per household
• 100% of savings achieved	\$14.1 million/year	\$3.9 million/year
• 50% of savings achieved	\$ 7.1 million/year	\$2.0 million/year

3. Summary and Conclusions

3.1. Overall comparison

The comparison of overall cost levels is illustrated in Exhibit 5a.

Exhibit 5a — Overall comparison

	<i>City/District Combined</i>	Coquitlam	Delta
Population	126,613	112,890	96,950
Expenditures for comparable group of services:	\$161 million	\$100 million	\$111 million
<ul style="list-style-type: none"> • Per resident <li style="padding-left: 20px;">- Compared to City/District 	\$1,276	\$881	\$1,145
		-31%	-10%
<ul style="list-style-type: none"> • Per adult resident <li style="padding-left: 20px;">- Compared to City/District 	\$1,708	\$1,225	\$1,609
		-28%	-6%
<ul style="list-style-type: none"> • Per household <li style="padding-left: 20px;">- Compared to City/District 	\$3,244	\$2,474	\$3,384
		-24%	4%

Source: See Exhibit 2b.

Based on cost per adult-resident Coquitlam cost levels for similar groups of services are estimated as 28% lower than in the City/District; Delta cost levels are estimated as 6% lower.

3.2. Detailed analysis of potential cost savings

A summary of potential cost savings, by major cost category, is contained in Exhibit 3b.

Exhibit 3b — Potential cost savings (analysis by cost areas)

Area	Combined City & District (\$ millions)	Basis for estimating potential cost savings	Annual potential savings if cost levels are similar to:					
			Coquitlam (\$ millions)			Delta (\$ millions)		
			Per resident	Per adult resident	Per household	Per resident	Per adult resident	Per household
General Government	\$20.1	Department-wide	\$9.6	\$9.2	\$8.6	\$5.9	\$5.2	\$3.6
Safety (Policing, Fire & Rescue)	\$41.5	Fire & Rescue (excl. Police)	\$5.1	\$4.5	\$3.6	-\$0.5	-\$1.5	-\$3.7
Engineering	\$50.2	Department-wide	\$8.3	\$6.7	\$3.9	\$7.3	\$5.1	\$0.3
Planning & Development	\$13.9	All depts (exc. Econ. Dvpmt/Tourism)	\$6.5	\$6.4	\$6.1	\$1.8	\$1.4	\$0.4
Parks, Recreation & Culture	\$35.9	Department-wide: - 50% savings ¹ - 100% savings ²	\$8.1 to	\$7.7 to	\$7.1 to	\$4.2 to	\$3.5 to	\$2.0 to
			\$16.2	\$15.4	\$14.1	\$8.4	\$7.0	\$3.9
Total	\$161.5		\$37.6 to	\$34.5 to	\$29.2 to	\$18.6 to	\$13.6 to	\$2.4 to
			\$45.7	\$42.2	\$36.3	\$22.8	\$17.1	\$4.4
Potential percentage savings			23% to	21% to	18% to	12% to	8% to	2% to
			28%	26%	22%	14%	11%	3%

1 Assumes 50% reduction in additional costs.
2 Assumes 100% reduction in additional costs.

The overall magnitude of potential cost savings is assessed as follows:

- **Compared to Coquitlam** — If the City/District could achieve cost levels similar to those of Coquitlam through the joint provision of services and/or other efficiencies, cost savings in the range of \$29.2 million to \$45.7 million (approximately 18% to 28% of tax-supported municipal services costs) would result.
- **Compared to Delta** — If the City/District could achieve cost levels similar to those of Delta through combined services and/or other efficiencies, cost savings in the range of \$2.4 million to \$22.8 million (approximately 2%-14% of relevant municipal costs) would result.

3.3. Conclusions

The municipal cost structure for North Vancouver City/District is significantly higher than for Coquitlam and Delta. If these municipalities' cost levels on a per-adult-resident basis could be achieved, potential cost savings would be:

- Compared to Coquitlam – up to 26%.
- Compared to Delta – up to 11%.

Specific opportunities to reduce costs, including joint provision of certain operations, need to be identified through further analysis.