



AGENDA - COMMITTEE OF THE WHOLE

Thursday, May 1, 2025, 9:00 A.M.

COUNCIL CHAMBERS, CITY HALL, 1 CENTENNIAL SQUARE

The City of Victoria is located on the homelands of the Songhees Nation and Xwsepsum Nation

Meeting will recess for a lunch break between 12:00 p.m. and 1:00 p.m.

Pages

A. TERRITORIAL ACKNOWLEDGEMENT

B. INTRODUCTION OF LATE ITEMS

C. APPROVAL OF AGENDA

D. CONSENT AGENDA

E. CONSIDERATION OF MINUTES

E.1 Minutes from the Committee of the Whole meeting held January 30, 2025 1

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F. PRESENTATIONS

F.1 2024 Financial Statements 22

A report providing Council with an overview of the City's 2024 audited Financial Statements and a request for Council's acceptance of the Financial Statements as required by section 167 of the Community Charter.

F.2 CLOSED MEETING

MOTION TO CLOSE THE MAY 1, 2025 COMMITTEE OF THE WHOLE MEETING TO THE PUBLIC

That Council convene a closed meeting that excludes the public under Section 90 of the *Community Charter* for the reason that the following agenda items deal with matters specified in Sections 90(1) and/or (2) of the *Community Charter*, namely:

Section 90(1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

Section 90(1)(c) labour relations or other employee relations.

G. NOTICE OF MOTIONS

H. NEW BUSINESS

- H.1 **Council Member Motion: Additional Funding for the 125th Anniversary of the Victoria Day Parade and Allocation of Remaining MCIEG Funds** 96

Referred from the April 17, 2025 Committee of the Whole meeting.

Recommendation number 3 of the Council Member Motion as amended at the April 17, 2025 Committee of the Whole meeting regarding the provision of additional funding from the 2025 Major Community Initiatives & Events Grant (MCIEG) in support of the Victoria Day Parade and the allocation of the remaining MCIEG funds throughout the remainder of the year.

- H.2 **Council Member Motion: 900 Block of Pandora Avenue Cleanliness – Dumpster Pilot Project** 98

A Council Member Motion regarding a proposed Dumpster Pilot Project by Our Place Society to mitigate the increasing amount of garbage being discarded on the 900 block of Pandora Avenue.

- H.3 **Council Member Motion: More Compensation for Evicted Tenants Due to Re-Development** 100

A Council Member Motion requesting greater compensation to tenants who will be displaced by re-development of their rental homes.

I. CLOSED MEETING, IF REQUIRED

J. ADJOURNMENT OF COMMITTEE OF THE WHOLE



MINUTES - COMMITTEE OF THE WHOLE

January 30, 2025, 9:02 A.M.

COUNCIL CHAMBERS, CITY HALL, 1 CENTENNIAL SQUARE

The City of Victoria is located on the homelands of the Songhees Nation and Xwsepsum Nation

PRESENT: Mayor Alto in the Chair, Councillor Caradonna, Councillor Coleman, Councillor Gardiner, Councillor Hammond, Councillor Kim, Councillor Thompson

PRESENT ELECTRONICALLY: Councillor Dell

ABSENT: Councillor Loughton

STAFF PRESENT: J. Jenkyns - City Manager, S. Thompson - Deputy City Manager / Chief Financial Officer, C. Kingsley - City Clerk, S. Johnson - Director of Communications and Engagement, T. Zworski - City Solicitor, P. Rantucci - Director of Strategic Real Estate, T. Soulliere - Deputy City Manager, D. Newman – Director of Parks, Recreation and Facilities, K. Hoese - Director of Sustainable Planning and Community Development, A. Johnston - Assistant Director of Development Services, A. Pathania – Planner, B. Roder – Deputy City Clerk, A. Heimbürger – Senior Legislative Coordinator

GUESTS: D. Manak - Chief Constable - Victoria Police Department, E. Cull - Chair - Victoria and Esquimalt Police Board Finance Committee, D. Phillips, Director of Finance - Victoria and Esquimalt Police Board

A. TERRITORIAL ACKNOWLEDGEMENT

Committee acknowledged that the City of Victoria is located on the homelands of the Songhees First Nation and Xwsepsum First Nation communities, encouraging listeners to take a moment of expression and gratitude each day for the work, care and attention of the Nations and thanked them for allowing us to live, work and play on their lands.

B. INTRODUCTION OF LATE ITEMS

B.1 Council Member Motion: Requesting an Apology from Councillor Caradonna for Stating Councillor Hammond “lied to the public” at the Committee of the Whole Council Meeting January 23, 2025

Committee discussed the following:

- *Eligibility for time-sensitivity consideration under Council procedure*

Moved and Seconded:

That the late item titled *Council Member Motion: Requesting an Apology from Councillor Caradonna for Stating Councillor Hammond “lied to the public” at the Committee of the Whole Council Meeting January 23, 2025* be added to the agenda.

OPPOSED: Councillor Caradonna, Councillor Dell, Councillor Kim, and Councillor Thompson

DEFEATED (4 to 4)

C. APPROVAL OF AGENDA

Moved and Seconded:

That the agenda be approved.

CARRIED UNANIMOUSLY

D. CONSENT AGENDA

Moved and Seconded:

That the following Consent Agenda items be approved:

F.1 1911 and 1913 Belmont Avenue: Rezoning Application No. 00879 and Development Variance Permit No. 00289 (Fernwood)

1. That Council instruct the Director of Planning and Development to prepare the necessary *Zoning Regulation Bylaw* amendment that would authorize the proposed development outlined in the staff report dated January 23, 2025, for 1911/1913 Belmont Avenue.
2. That, after publication of notification in accordance with section 467 of the Local Government Act, first, second, third and final reading of the zoning. regulation bylaw amendment be considered by Council.
3. That the above recommendations be adopted on the condition that they create no legal rights for the applicant or any other person, or obligation on the part of the City or its officials, and any expenditure of funds is at the risk of the person making the expenditure.

Development Variance Permit

That Council, after giving notice, consider the following motion:

1. That subject to the adoption of the necessary *Zoning Regulation Bylaw* amendment, Council authorizes the issuance of Development Variance Permit (DVP) No. 00289 for 1911/1913 Belmont Avenue, in accordance with plans submitted to the

Planning and Development department on January 16, 2024,
subject to:

- a. Proposed development meeting all City Zoning Regulation Bylaw requirements, except for the following variances:
 - i. allow roof decks
 - ii. increase the maximum height of the house from 7.60m to 7.82m Committee of the Whole Report January 23, 2025 Rezoning Application No. 00879 and Development Variance Permit No. 00289 for 1911/1913 Belmont Avenue Page 2 of 6
 - iii. reduce the rear yard setback from 7.82m to 5.66m (to the deck) iv. reduce the side yard setback (north) from 3.00m to 0.49m (to the stairs)
 - iv. reduce the side yard setback (south) from 1.50m to 0.34m (to the deck)
 - v. reduce the combined side yards setback from 4.50m to 0.83m
 - vi. increase the maximum site coverage from 40 percent to 42 percent
2. That the Development Variance Permit, if issued, lapses two years from the date of this resolution.

H.1 Council Member Motion: Canadian Capital Cities Organization (CCCO) Winter Meeting

1. That Council authorizes the attendance and associated costs for Councillor Loughton to attend the Canadian Capital Cities Organization Winter Conference in Ottawa from January 27 to January 29, 2025.
2. That this motion be forwarded to the daytime Council meeting on January 30, 2025, for Council consideration.

The estimated total cost for attending is:

Accommodation (3 nights)	\$815.00
Flights	\$1217.15
Meals	\$250
Ground Transportation (incl Taxis to/from airports)	\$230
Carbon offset	\$219
TOTAL	\$2731.15

CARRIED UNANIMOUSLY

E. PRESENTATIONS

E.1 Victoria and Esquimalt Police Board - 2025 Draft Budget Update

Committee received a presentation from E. Cull - Chair of the Victoria and Esquimalt Police Board Finance Committee, D. Phillips, Director of Finance for the Victoria and Esquimalt Police Board and Chief Constable D. Manak with the Victoria Police Department regarding the City of Victoria's request for a reduction to the 2025 provisional budget.

Committee discussed the following:

- *Non-City revenue sources and funding opportunities*
- *Financial impacts of Provincial Emergency Communications for British Columbia Incorporated (E-Comm) 911 services on regional Police Boards*
- *Feasibility of establishing an Island-based police training academy*

F. LAND USE MATTERS

F.1 1911 and 1913 Belmont Avenue: Rezoning Application No. 00879 and Development Variance Permit No. 00289 (Fernwood)

This item was added to the Consent Agenda.

G. NOTICE OF MOTIONS

There were no Notices of Motions.

H. NEW BUSINESS

H.1 Council Member Motion: Canadian Capital Cities Organization (CCCO) Winter Meeting

This item was added to the Consent Agenda.

H.2 Council Member Motion: CRD Budget and Alternate Approval Process Initiatives

Committee received a Council Member Motion dated January 23, 2025 from Councillor Gardiner requesting that staff report to Council on the impacts to City of Victoria taxpayers by increases to the Capital Regional District's (CRD) budget and on the recent CRD initiatives proposed for approval through alternate approval processes and their purposes.

Committee discussed the following:

- *Impacts and public awareness of the CRD's increased use of alternative approval processes for project approval*

Moved and Seconded:

Direct staff to report on increases to the CRD budget and impacts specific to Victoria and the number of recent CRD alternate approval processes and their purposes.

Further, that this Motion be considered at the Council meeting of January 30th, 2025.

OPPOSED (4): Councillor Caradonna, Councillor Dell, Councillor Kim, and Councillor Thompson

DEFEATED (4 to 4)

I. CLOSED MEETING, IF REQUIRED

There was no Closed Meeting.

J. ADJOURNMENT OF COMMITTEE OF THE WHOLE

Moved and Seconded:

That the Committee of the Whole Meeting be adjourned at 10:21 a.m.

CARRIED UNANIMOUSLY

CITY CLERK

MAYOR



MINUTES - COMMITTEE OF THE WHOLE

March 13, 2025, 9:03 A.M.

COUNCIL CHAMBERS, CITY HALL, 1 CENTENNIAL SQUARE

The City of Victoria is located on the homelands of the Songhees Nation and Xwsepsum Nation

PRESENT: Mayor Alto in the Chair, Councillor Caradonna, Councillor Coleman, Councillor Gardiner, Councillor Hammond, Councillor Kim, Councillor Loughton, Councillor Thompson

ABSENT: Councillor Dell

STAFF PRESENT: J. Jenkyns - City Manager, S. Thompson - Deputy City Manager / Chief Financial Officer, S. Johnson - Director of Communications and Engagement, T. Zworski - City Solicitor, P. Rantucci - Director of Strategic Real Estate, T. Soulliere - Deputy City Manager, K. Hoese - Director of Sustainable Planning and Community Development, C. Mycroft - Manager of Intergovernmental & Media Relations, A. Johnston - Assistant Director of Development Services, M. Angrove - Planner, B. Roder - Deputy City Clerk, A. Klus - Senior Legislative Coordinator, A. Heimbürger - Senior Legislative Coordinator, D. Newman - Director of Parks, Recreation and Facilities, W. Doyle - Acting Director of Engineering and Public Works

GUEST: J. Bray – CEO, Downtown Victoria Business Association

A. TERRITORIAL ACKNOWLEDGEMENT

Committee acknowledged that the City of Victoria is located on the homelands of the Songhees First Nation and Xwsepsum First Nation communities and urged those in attendance or watching online to reflect, in some personal way, on what it means to us to have the opportunity to live on these territories and give thanks to the people who stewarded them.

B. INTRODUCTION OF LATE ITEMS

There were no late items.

C. APPROVAL OF AGENDA

Moved and Seconded:

That the agenda be approved.

CARRIED UNANIMOUSLY

D. CONSENT AGENDA

Committee requested that the following items be removed from the Consent Agenda:

- *G.1 - 3106 Washington Avenue: Rezoning Application No. 00856, Development Permit with Variances No. 00289 and Development Variance Permit No. 00290 (Burnside)*
- *H.1 - Crystal Pool Replacement Project: Site Selection and Next Steps*

Moved and Seconded:

That the following Consent Agenda item be approved:

F.1 Minutes from the Committee of the Whole Meeting held January 23, 2025

That the minutes from the Committee of the Whole Meeting held January 23, 2025 be approved.

CARRIED UNANIMOUSLY

E. PRESENTATION

E.1 Downtown Victoria Business Association - 2025 Budget

Committee received a presentation from Jeff Bray, CEO of the Downtown Victoria Business Association (DVBA), regarding the DVBA's 2025 budget.

Committee discussed the following:

- *Rent and property tax*
- *Expenses related to membership*
- *Expanding Clean Team shifts*
- *Challenges and safety issues around cleaning the 900 block of Pandora Avenue*
- *Promotion for new businesses*
- *Advocating Victoria to cruise lines*

Councillor Hammond joined the meeting at 9:28 a.m.

F. CONSIDERATION OF MINUTES

F.1 Minutes from the Committee of the Whole Meeting held January 23, 2025

This item was added to the Consent Agenda.

G. LAND USE MATTERS

G.1 3106 Washington Avenue: Rezoning Application No. 00856, Development Permit with Variances No. 00289 and Development Variance Permit No. 00290 (Burnside)

Committee received a report dated February 27, 2025 from the Director of Planning and Development regarding a Rezoning Application No. 00856, Development Permit with Variances No. 00289 and Development Variance Permit No. 00290 for the property located at 3106 Washington Avenue in order to subdivide the property in order to create a new panhandle lot (Lot A), rezone Lot A from the R1-B Single Family Dwelling District Zone to a new zone to increase the density and allow four new single-family dwellings with secondary suites, and maintain the existing house on a separate street-fronting lot (Lot B) and recommending that the application proceed to bylaw readings.

Committee discussed the following:

- *Use of statutory right of ways (SRW) proposed on the Doric connector*
- *Concerns about sheltering in potential SRW and pathway connection*
- *Options to expand the pathway*
- *Comparison of the north versus south SRW options*

Committee recessed at 10:44 a.m. and reconvened at 10:55 a.m.

Moved and Seconded:

Rezoning Application

1. That Council instruct the director of Planning and Development to prepare the necessary Zoning Regulation Bylaw amendment that would authorize the proposed development outlined in the staff report dated February 27, 2025 for 3106 Washington Avenue.
2. That, after publication of notification in accordance with section 467 of the *Local Government Act*, first, second and third reading of the Zoning Regulation Bylaw amendment be considered by Council once the following conditions are met:
 - a. Revise the plans to create a more compact and efficient use of the site that better aligns with the applicable design guidelines related to site planning and outdoor space and is more consistent with the setbacks of neighbouring properties, to the satisfaction of the Director of Planning and Development.
 - b. Revise the plans to provide a Statutory Right-of-Way at the rear of the property that is approximately 4.2m deep and up to 11.91m long and includes a 3.0m x 3.0m corner cut as determined by the Director of Engineering and Public Works and Director of Parks, Recreation and Facilities to achieve an appropriate connection for the Doric Connector multi-use pathway.
 - c. Revise the long-term bicycle parking for compliance with Schedule C – Off Street Parking Regulations to the satisfaction of the Director of Planning and Development.
3. That following the third reading of the zoning amendment bylaw, the applicant prepare and execute the following legal agreement, with contents satisfactory to the Director of Planning and Development and form satisfactory to the City Solicitor prior to adoption of the bylaw:
 - a. a Statutory Right-of-Way at the rear of the property that is approximately 4.2m deep and up to 11.91m long and includes a 3.0m

x 3.0m corner cut as determined by the Director of Engineering and Public Works and Director of Parks, Recreation and Facilities to achieve an appropriate connection for the Doric Connector Multi-use pathway.

4. That adoption of the zoning bylaw amendment will not take place until all of the required legal agreements that are registrable in the Land Title Office have been so registered to the satisfaction of the City Solicitor.
5. That the above Recommendations be adopted on the condition that they create no legal rights for the applicant or any other person, or obligation on the part of the City or its officials, and any expenditure of funds is at the risk of the person making the expenditure.

Motion to refer:

Moved and Seconded:

Refer to staff to clarify options for Council including costs and timelines of the two SRW options.

OPPOSED (5): Mayor Alto, Councillor Coleman, Councillor Gardiner, Councillor Hammond, and Councillor Loughton

DEFEATED (3 to 5)

On the main motion:

Rezoning Application

1. That Council instruct the director of Planning and Development to prepare the necessary Zoning Regulation Bylaw amendment that would authorize the proposed development outlined in the staff report dated February 27, 2025 for 3106 Washington Avenue.
2. That, after publication of notification in accordance with section 467 of the *Local Government Act*, first, second and third reading of the Zoning Regulation Bylaw amendment be considered by Council once the following conditions are met:
 - a. Revise the plans to create a more compact and efficient use of the site that better aligns with the applicable design guidelines related to site planning and outdoor space and is more consistent with the setbacks of neighbouring properties, to the satisfaction of the Director of Planning and Development.
 - b. Revise the plans to provide a Statutory Right-of-Way at the rear of the property that is approximately 4.2m deep and up to 11.91m long and includes a 3.0m x 3.0m corner cut as determined by the Director of Engineering and Public Works and Director of Parks, Recreation and Facilities to achieve an appropriate connection for the Doric Connector multi-use pathway.
 - c. Revise the long-term bicycle parking for compliance with Schedule C – Off Street Parking Regulations to the satisfaction of the Director of Planning and Development.

3. That following the third reading of the zoning amendment bylaw, the applicant prepare and execute the following legal agreement, with contents satisfactory to the Director of Planning and Development and form satisfactory to the City Solicitor prior to adoption of the bylaw:
 - a. a Statutory Right-of-Way at the rear of the property that is approximately 4.2m deep and up to 11.91m long and includes a 3.0m x 3.0m corner cut as determined by the Director of Engineering and Public Works and Director of Parks, Recreation and Facilities to achieve an appropriate connection for the Doric Connector Multi-use pathway.
4. That adoption of the zoning bylaw amendment will not take place until all of the required legal agreements that are registrable in the Land Title Office have been so registered to the satisfaction of the City Solicitor.
5. That the above Recommendations be adopted on the condition that they create no legal rights for the applicant or any other person, or obligation on the part of the City or its officials, and any expenditure of funds is at the risk of the person making the expenditure.

Committee recessed for lunch at 11:59 a.m. and reconvened at 1:04 p.m.

Motion to refer:

Moved and Seconded:

1. That Council instruct staff to discuss with the applicant the possibility of advancing only the Rezoning application for the panhandle lot at 3106 Washington Avenue and the Development Variance Permit for the existing building subject to provision of the following:
 - a. Statutory Right-of-Way at the rear of the property that is approximately 4.2m deep and up to 11.91m long and includes a 3.0m x 3.0m corner cut as determined by the Director of Engineering and Public Works and Director of Parks, Recreation and Facilities to achieve an appropriate connection for the Doric Connector multi-use pathway.
2. That staff report back to Committee of the Whole with recommendations based on discussions with the applicant.

OPPOSED (4): Councillor Kim, Councillor Gardiner, Councillor Hammond, and Councillor Loughton

DEFEATED (4 to 4)

Amendment:

Moved and Seconded:

Rezoning Application

1. That Council instruct the director of Planning and Development to prepare the necessary Zoning Regulation Bylaw amendment that would authorize the proposed development outlined in the staff report dated February 27, 2025 for 3106 Washington Avenue.

2. That, after publication of notification in accordance with section 467 of the *Local Government Act*, first, second and third reading of the Zoning Regulation Bylaw amendment be considered by Council once the following conditions are met:
 - a. Revise the plans to create a more compact and efficient use of the site that better aligns with the applicable design guidelines related to site planning and outdoor space and is more consistent with the setbacks of neighbouring properties, to the satisfaction of the Director of Planning and Development.
 - b. ~~Revise the plans to provide a Statutory Right-of-Way at the rear of the property that is approximately 4.2m deep and up to 11.91m long and includes a 3.0m x 3.0m corner cut as determined by the Director of Engineering and Public Works and Director of Parks, Recreation and Facilities to achieve an appropriate connection for the Doric Connector multi-use pathway.~~
 - c. Revise the long-term bicycle parking for compliance with Schedule C – Off Street Parking Regulations to the satisfaction of the Director of Planning and Development.
3. ~~That following the third reading of the zoning amendment bylaw, the applicant prepare and execute the following legal agreement, with contents satisfactory to the Director of Planning and Development and form satisfactory to the City Solicitor prior to adoption of the bylaw:~~
 - a. ~~a Statutory Right-of-Way at the rear of the property that is approximately 4.2m deep and up to 11.91m long and includes a 3.0m x 3.0m corner cut as determined by the Director of Engineering and Public Works and Director of Parks, Recreation and Facilities to achieve an appropriate connection for the Doric Connector Multi-use pathway.~~
4. That adoption of the zoning bylaw amendment will not take place until all of the required legal agreements that are registrable in the Land Title Office have been so registered to the satisfaction of the City Solicitor.
5. That the above Recommendations be adopted on the condition that they create no legal rights for the applicant or any other person, or obligation on the part of the City or its officials, and any expenditure of funds is at the risk of the person making the expenditure.

OPPOSED (5): Councillor Caradonna, Councillor Gardiner, Councillor Hammond, Councillor Loughton, and Councillor Thompson

DEFEATED (3 to 5)

On the main motion:

Rezoning Application

1. That Council instruct the director of Planning and Development to prepare the necessary Zoning Regulation Bylaw amendment that would authorize the proposed development outlined in the staff report dated February 27, 2025 for 3106 Washington Avenue.

2. That, after publication of notification in accordance with section 467 of the *Local Government Act*, first, second and third reading of the Zoning Regulation Bylaw amendment be considered by Council once the following conditions are met:
 - a. Revise the plans to create a more compact and efficient use of the site that better aligns with the applicable design guidelines related to site planning and outdoor space and is more consistent with the setbacks of neighbouring properties, to the satisfaction of the Director of Planning and Development.
 - b. Revise the plans to provide a Statutory Right-of-Way at the rear of the property that is approximately 4.2m deep and up to 11.91m long and includes a 3.0m x 3.0m corner cut as determined by the Director of Engineering and Public Works and Director of Parks, Recreation and Facilities to achieve an appropriate connection for the Doric Connector multi-use pathway.
 - c. Revise the long-term bicycle parking for compliance with Schedule C – Off Street Parking Regulations to the satisfaction of the Director of Planning and Development.
3. That following the third reading of the zoning amendment bylaw, the applicant prepare and execute the following legal agreement, with contents satisfactory to the Director of Planning and Development and form satisfactory to the City Solicitor prior to adoption of the bylaw:
 - a. a Statutory Right-of-Way at the rear of the property that is approximately 4.2m deep and up to 11.91m long and includes a 3.0m x 3.0m corner cut as determined by the Director of Engineering and Public Works and Director of Parks, Recreation and Facilities to achieve an appropriate connection for the Doric Connector Multi-use pathway.
4. That adoption of the zoning bylaw amendment will not take place until all of the required legal agreements that are registrable in the Land Title Office have been so registered to the satisfaction of the City Solicitor.
5. That the above Recommendations be adopted on the condition that they create no legal rights for the applicant or any other person, or obligation on the part of the City or its officials, and any expenditure of funds is at the risk of the person making the expenditure.

OPPOSED (5): Councillor Caradonna, Councillor Gardiner, Councillor Hammond, Councillor Loughton, and Councillor Kim

DEFEATED (3 to 5)

Moved and Seconded:

Alternate Option 2 – Advance as Presented

Rezoning Application

1. That Council instruct the Director of Planning and Development to prepare the necessary Zoning Regulation Bylaw amendment that would authorize the proposed development outlined in the staff report dated February 27, 2025 for the property located at 3106 Washington Ave.

2. That, after publication of notification in accordance with section 467 of the *Local Government Act*, first, second and third reading of the Zoning Regulation Bylaw amendment be considered by Council once the following conditions are met:
 - a. Revise the Arborist Impact Assessment and Root Mapping report for the Sequoia #201 to include:
 - i. Confirm the line of excavation with measurements from the tree and proposed building and provide details on shoring techniques to be used to ensure retention of the tree.
 - ii. Additional information on pruning impacts including photos and anticipated building clearance that can be provided.
 - b. Revise the long-term bicycle parking for compliance with Schedule C – Off Street Parking Regulations
 - c. Securing the provision of four carshare memberships including car share credits for each membership with contents satisfactory to the Director of Engineering and Public Works and form satisfactory to the City Solicitor.
3. That prior to subdivision of the lot, the applicant dedicate as highway pursuant to section 107 of the *Land Title Act* a 1.38m right-of-way along Washington Avenue to the satisfaction of the Director of Engineering and Public Works.
4. That adoption of the zoning bylaw amendment will not take place until all of the required legal agreements that are registrable in the Land Title Office have been so registered to the satisfaction of the City Solicitor.
5. That the above Recommendations be adopted on the condition that they create no legal rights for the applicant or any other person, or obligation on the part of the City or its officials, and any expenditure of funds is at the risk of the person making the expenditure.

Development Permit with Variances (Panhandle Lot)

That Council, after giving notice, consider the following motion:

1. That subject to the adoption of the necessary *Zoning Regulation Bylaw*, Council authorize the issuance of Development Permit with Variances No. 00289 for 3106 Washington Avenue for the subdivision of the panhandle lot and subsequent construction of four single family dwellings with secondary suites, in accordance with plans submitted to the Planning and Development department and date stamped by Planning on February 6, 2025, subject to:
 - a. Proposed development meeting all City zoning bylaw requirements, except for the following variances:
 - i. increase the number of buildings (not including accessory buildings) permitted on the lot from one to four
 - ii. reduce the minimum front yard setback from 7.50m to 2.79m
 - iii. reduce the minimum rear yard setback from 7.50m to 1.52m
 - iv. reduce the minimum south side yard setback from 7.5m to 2.42m
 - v. reduce the separation space between the accessory building and primary structures from 2.4m to 1.19m
 - vi. locate the accessory buildings in the side yard.
2. That the Development Permit with Variances, if issued, lapses two years from the date of this resolution.

Development Variance Permit Application

That Council, after giving notice, consider the following motion:

1. That subject to the adoption of the necessary Zoning Regulation Bylaw amendment, Council authorizes the issuance of Development Variance Permit No. 00290 for 3106 Washington Avenue for the subdivision of the lot, in accordance with plans dated February 6, 2025, subject to:
 - a. Proposed development meeting all City zoning bylaw requirements, except for the following variances:
 - i. reduce the north rear yard setback for Lot B, as identified on the plans from 1.95m to 0.8m.
2. That the Development Variance Permit, if issued, lapses two years from the date of this resolution.

CARRIED UNANIMOUSLY

H. STAFF REPORTS

H.1 Crystal Pool Replacement Project: Site Selection and Next Steps

Committee received a report dated February 28, 2025 from the Director of Parks, Recreation and Facilities seeking confirmation of the site for the new Crystal Pool and Wellness Centre and direction to proceed with the design and construction.

Committee discussed the following:

- *Project delivery method*
- *Alternate revenue streams available to help offset costs*
- *Proposed schedule for project updates*
- *Risk management and contingencies*
- *Option to have onsite cameras to capture progress*
- *Ensuring new facility is adequately staffed*

Moved and Seconded:

1. That Council:
 - a. Designate Central Park North as the site for the new Crystal Pool and Wellness Centre, with a project budget of \$209.2 million; and
 - b. Direct staff to procure the necessary resources to initiate the next phases of the project, with the design aligned with the Basis of Design (Appendix 1) and the Central Park North Design Concept (Appendix 2), once the funding Certificate of Approval is received from the Province of B.C; and
 - c. Instruct staff to provide regular project updates to Council and the public; and
 - d. Forward this recommendation to the Council meeting on March 13 for consideration.

Amendment:

Moved and Seconded:

1. That Council:
 - a. Designate Central Park North as the site for the new Crystal Pool and Wellness Centre, with a project budget ~~of that will not exceed~~ \$209.2 million; and
 - b. Direct staff to procure the necessary resources to initiate the next phases of the project, with the design aligned with the Basis of Design (Appendix 1) and the Central Park North Design Concept (Appendix 2), once the funding Certificate of Approval is received from the Province of B.C; and
 - c. Instruct staff to provide regular project updates to Council and the public; and
 - d. Forward this recommendation to the Council meeting on March 13 for consideration.

OPPOSED (2): Councillor Caradonna, and Councillor Kim

CARRIED (6 to 2)

On the main motion as amended:

1. That Council:
 - a. Designate Central Park North as the site for the new Crystal Pool and Wellness Centre, with a project budget that will not exceed \$209.2 million; and
 - b. Direct staff to procure the necessary resources to initiate the next phases of the project, with the design aligned with the Basis of Design (Appendix 1) and the Central Park North Design Concept (Appendix 2), once the funding Certificate of Approval is received from the Province of B.C; and
 - c. Instruct staff to provide regular project updates to Council and the public; and
 - d. Forward this recommendation to the Council meeting on March 13 for consideration.

CARRIED UNANIMOUSLY

Committee recessed at 2:56 p.m. and reconvened at 3:05 p.m.

H.2 Sheltering in Parks and the Parks Regulation Bylaw

Committee received a report dated March 06, 2025 from the Director of Parks, Recreation and Facilities, the Manager of Operations for Bylaw Services, and the City Solicitor providing a comprehensive overview on the status of overnight sheltering in City parks and recommending updates to the Parks Regulation Bylaw provisions dealing with overnight sheltering by persons experiencing homelessness.

Committee discussed the following:

- *Update on whether the Province has reimbursed the City for costs associated with persons sheltering in parks*
- *Logistics of enforcing the bylaw*
- *Extreme weather scenarios*

Moved and Seconded:

That Council instruct the City Solicitor to bring forward the necessary bylaw amendments to the *Parks Regulation Bylaw* to:

- replace the definition of “homeless person” with “person experiencing homelessness” that better conforms to recent court decisions,
- define “temporary overnight shelter” to expressly limit it, in accordance with court decisions, to overhead protection used by persons experiencing homelessness to prevent exposure to the elements,
- clarify the existing regulations related to temporary overnight sheltering by persons experiencing homelessness,
- increase the distance between playgrounds and locations of temporary overnight shelters from 8 metres to 15 metres,
- expressly prohibit sheltering in all parks, except in the limited circumstances as directed by court decisions in the following parks:
 - Alexander Park,
 - Alston Green,
 - Banfield Park,
 - Barnard Park,
 - Begbie Green,
 - Begbie Parkway,
 - Blackwood Green,
 - Bushby Park,
 - Chapman Park,
 - Charles Redfern Park,
 - Clawthorpe Avenue Park,
 - Clover Point,
 - Ernest Todd Park,
 - Fisherman's Wharf Park,
 - Gonzales Beach Park,
 - Gower Park,
 - Holland Point Park,
 - Jackson Street Park,
 - Johnson Street Green,
 - Lime Bay Park,
 - Mary Street Park,
 - Mayfair Green/Tolmie Park,
 - Oaklands Park,
 - Olive Street Green,
 - Oswald Park,
 - Pemberton Park,
 - Redfern Park,
 - Rupert Terrace Green,
 - Scurrah Green,
 - Selkirk Green,
 - Shelbourne Green,

- xxxii. Sitkum Park,
- xxxiii. Songhees Hillside Park, and
- xxxiv. William Stevenson Memorial Park
- f. expressly prohibit any local government or public authority from directing any person experiencing homelessness to shelter in a park or transferring or transporting any person experiencing homelessness or at risk of homelessness to Victoria without first securing for them accessible shelter or housing.

CARRIED UNANIMOUSLY

H.3 2025-2029 Draft Financial Plan – Impact of Esquimalt Council’s Decision on Police Budget

Moved and Seconded:

MOTION TO CLOSE THE MARCH 13, 2025 COMMITTEE OF THE WHOLE MEETING TO THE PUBLIC

That Council convene a closed meeting that excludes the public under Section 90 of the *Community Charter* for the reason that the following agenda items deal with matters specified in Sections 90(1) and/or (2) of the *Community Charter*, namely:

Section 90(1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

Section 90(1)(f) law enforcement, if the council considers that disclosure could reasonably be expected to harm the conduct of an investigation under or enforcement of an enactment.

CARRIED UNANIMOUSLY

The Committee of the Whole meeting was closed to the public at 3:49 p.m.

The Committee of the Whole meeting was reopened to the public at 4:00 p.m.

Motion to extend:

Moved and Seconded:

That the meeting be extended to 4:20 p.m.

OPPOSED: Councillor Coleman

CARRIED (7 to 1)

Committee received a report dated March 06, 2025 from the Deputy City Manager and Chief Financial Officer regarding 2025-2029 Draft Financial Plan – Impact of Esquimalt Council's Decision on Police Budget.

Moved and Seconded:

That Council receive the 2025-2029 Draft Financial Plan – Impact of Esquimalt Council’s Decision on Police Budget report for information.

CARRIED UNANIMOUSLY

I. NOTICE OF MOTIONS

I.1 Notice of Motion from Councillor Loughton:

Direct staff to continue construction of the Doric Connector from Washington Ave to Doric Street, using the south Statutory Right-of-Way on 3095 Carroll Street.

J. NEW BUSINESS

J.1 Council Member Motion: Mitigating the Impacts of the Projected Multi-Year Interrupted Service to Victoria’s Aquatics and Wellness Centre

Committee received a Council Member Motion from Councillor Caradonna dated March 04, 2025 regarding impact mitigation of the projected facility closure, mainly through collaboration with key regional partners.

Moved and Seconded:

That, following the finalization of the Crystal Pool replacement project loan authorization bylaw and the decision on the location of the future facility,

1. Council directs staff, or Council members who are members of the Victoria Regional Transit Commission (VRTC), to advocate to the VRTC to consider options to alter transit routes, on a temporary basis, to accommodate current Crystal Pool users during periods of interrupted facility services.
2. Council directs staff to work with the staff from Esquimalt, Oak Bay, and Saanich to coordinate ways of mitigating the impacts on regional recreation centres of the Crystal Pool closure, and ensuring that Victorians have access to regional aquatics facilities throughout the redevelopment project.
3. Council directs the Mayor to advocate to Uvic to consider re-opening McKinnon Pool at least until the new Crystal Pool is completed, to accommodate the need for access to aquatic facilities from displaced Crystal Pool users.
4. Council directs staff to reach out to the operators of Victoria-based hotels with large pool amenities to discuss the possibility of increasing public access to one or more privately owned pools during periods of interrupted service at the Crystal Pool.

CARRIED UNANIMOUSLY

J.2 Council Member Motion: Advocacy to the Province to Modify Amenity Cost Charge Policy to Better Support Affordable Housing

Committee received a Council Member Motion from Councillor Caradonna and Councillor Loughton dated March 04, 2025 regarding advocacy to the Province to modify the Amenity Cost Charge policy to better support affordable housing.

Moved and Seconded:

That Council directs the Mayor to advocate to relevant provincial Ministries and MLAs, without slowing down or otherwise affecting the adoption of any City bylaws related to the Official Community Plan updating process, to request:

1. either amendments to the provincial Amenity Cost Charge (ACC) policy that would allow ACCs to be used to support non-predetermined affordable housing projects, for instance via the City's Housing Reserve Fund, or the creation of an alternate cost charge tool that could be used to invest in affordable housing; and
2. any additional minor amendments to the ACC policy, identified by staff and the Mayor, that would advance the City's strategic interests.

Amendment:

Moved and Seconded:

That Council directs the Mayor to advocate to relevant provincial Ministries and MLAs, without slowing down or otherwise affecting the adoption of any City bylaws related to the Official Community Plan updating process, to request:

1. either amendments to the provincial Amenity Cost Charge (ACC) policy that would allow ACCs to be used to support non-predetermined affordable housing projects, for instance via the City's Housing Reserve Fund, or the creation of an alternate cost charge tool that could be used to invest in affordable housing; and
2. any additional minor amendments to the ACC policy, identified by staff and the Mayor, that would advance the City's strategic interests.
3. **soliciting co-signatories from across the Province**

CARRIED UNANIMOUSLY

Motion to extend:

Moved and Seconded:

That the meeting be extended to 4:30 p.m.

OPPOSED (1): Councillor Caradonna

CARRIED (7 to 1)

On the main motion as amended:

That Council directs the Mayor to advocate to relevant provincial Ministries and MLAs, without slowing down or otherwise affecting the adoption of any City bylaws related to the Official Community Plan updating process, to request:

1. either amendments to the provincial Amenity Cost Charge (ACC) policy that would allow ACCs to be used to support non-predetermined affordable housing projects, for instance via the City's Housing Reserve Fund, or the creation of an alternate cost charge tool that could be used to invest in affordable housing; and
2. any additional minor amendments to the ACC policy, identified by staff and the Mayor, that would advance the City's strategic interests.
3. soliciting co-signatories from across the Province

OPPOSED (1): Councillor Gardiner

CARRIED (7 to 1)

J.3 Council Member Motion: Financial Contribution to the Border Mayors Alliance

Committee received a Council Member Motion from Mayor Alto dated March 7, 2025 regarding the Border Mayors Alliance and requesting Council to contribute funds to support the operations of the Alliance and to maintain the City's membership.

Moved and Seconded:

1. That Council authorize \$5,037.27 for continued membership in the Border Mayors Alliance, and
2. That should Council approve this recommendation at Committee of the Whole, the matter be forwarded for consideration at the daytime Council meeting of March 13, 2025.

Amendment:

Moved and Seconded:

1. That Council authorize **up to** \$5,037.27 for continued membership in the Border Mayors Alliance, and
2. That should Council approve this recommendation at Committee of the Whole, the matter be forwarded for consideration at the daytime Council meeting of March 13, 2025.

CARRIED UNANIMOUSLY

On the main motion as amended:

1. That Council authorize up to \$5,037.27 for continued membership in the Border Mayors Alliance, and
2. That should Council approve this recommendation at Committee of the Whole, the matter be forwarded for consideration at the daytime Council meeting of March 13, 2025.

CARRIED UNANIMOUSLY

K. **CLOSED MEETING, IF REQUIRED**

There was no closed meeting.

L. **ADJOURNMENT OF COMMITTEE OF THE WHOLE**

Moved and Seconded:

That the Committee of the Whole Meeting be adjourned at 4:34 p.m.

CARRIED UNANIMOUSLY

CITY CLERK

MAYOR



Committee of the Whole Report

For the Meeting of May 1, 2025

To: Committee of the Whole **Date:** April 24, 2025
From: Susanne Thompson, Deputy City Manager and
Chief Financial Officer
Subject: 2024 Financial Statements

RECOMMENDATION

That Council:

1. Approve the 2024 Financial Statements.
2. Forward this item to the daytime Council meeting of May 1, 2025 for ratification.

EXECUTIVE SUMMARY

Under section 167 of the *Community Charter*, a municipality's financial statements must be prepared by its Financial Officer and presented to Council for acceptance. The 2024 financial statements are the responsibility of management and have been prepared in accordance with "generally accepted accounting principles" for local governments established by the Public Sector Accounting Board.

The information in the financial statements can provide indicators of the financial condition of an organization, as will be discussed in this report.

Under section 171 of the *Community Charter*, the City's Municipal Auditor, BDO Canada LLP (BDO), must report to Council on the annual financial statements. The report must be in accordance with the form and the reporting standards recommended by CPA Canada.

As outlined in their audit findings report, the focus areas for this year's audit included implementation of the new of public sector accounting standards for revenue and public private partnerships, recognition of grants and government transfers, and risk of management overrides. All testing was executed as planned and no adjustments were noted.

Once accepted by Council, BDO will issue an Auditor's Report expressing that in their opinion the financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2024.

PURPOSE

The purpose of this report is to provide Council with an overview of the City's 2024 audited financial statements and request Council's acceptance of the financial statements.

BACKGROUND

Section 167 of the *Community Charter* requires that annual audited financial statements be prepared and presented to Council for acceptance. The City's audited consolidated financial statements for 2024 have been prepared by management in accordance with the generally accepted accounting principles for local governments, as prescribed by the Public Sector Accounting Board (PSAB) of CPA Canada.

Under PSAB reporting requirements, the following statements are presented for Council's review: (page references to Appendix A)



Statement of Financial Position (pg.2) – provides a summary of the City's economic resources (assets net of liability balances) available to meet its obligations and provide services. By continuing to grow its net financial asset position, the City strengthens its capacity to meet financial obligations.



Statement of Operations and Accumulated Surplus (pg.3) – identifies the current year contribution to the Accumulated Surplus balance from revenue and expenses.



Statement of Changes in Net Financial Assets (pg.4) – supplementary detail of the changes in assets and liabilities that explain the change to the Net Financial Assets balance on the Statement of Financial Position.









Statement of Cash Flows (pg.5) – supplementary detail to support the change to Cash and Cash Equivalents balance on the Statement of Financial Position.



Notes to the Financial Statements (pgs.6-28) - additional detail to disclose relevant reporting information and support significant balances in the Financial Statements.

The relationship between the statements is illustrated below (Figure 1): the Statement of Operations and Accumulated Surplus, the Statement of Changes and Net Financial Assets, and the Statement of Cash Flows provide expanded details on the balances in the Statement of Financial Position.

Figure 1. Relationship between Financial Statements

The Corporation of the City of Victoria Statement of Financial Position As at December 31, 2024, with comparative figures for 2023			
	2024	2023	
Financial Assets			
Cash and cash equivalents (Note 3)	\$ 121,941,832	\$ 97,276,196	
Accounts receivable			
Property taxes	4,360,823	4,189,736	
Other	32,902,977	37,500,804	
Portfolio investments (Note 4)	243,270,071	272,967,247	
Mortgage receivable (Note 5)	1,077,779	1,044,652	
Other assets	20,428	403	
MFA debt reserve fund (Note 16)	1,288,845	1,323,540	
	404,862,755	414,302,578	
Liabilities			
Accounts payable and accrued liabilities	34,759,431	35,189,523	
Prepayments	14,554,543	14,430,347	
Deposits	12,826,564	14,287,501	
Deferred revenue (Note 6)	30,737,826	31,127,016	
Long-term debt (Note 7)	43,885,097	48,962,799	
Employee future benefit liability (Note 8)	20,335,524	19,987,861	
Asset retirement obligation (Note 10)	1,928,234	1,706,893	
Capital lease obligations (Note 11)	791,244	-	
	159,818,463	165,691,940	
Net Financial Assets (net debt)	245,044,292	248,610,638	Statement of Changes in Net Financial Assets
Non-Financial Assets			
Tangible capital assets (Note 9)	773,485,604	722,459,962	
Inventories of supplies	2,585,076	2,655,209	
Deposits towards acquisition of tangible capital assets (Note 9(d))	-	535,000	
Prepaid expenses and deposits	2,897,419	2,539,789	
	778,968,099	728,189,960	
Accumulated Surplus (Note 12)	\$ 1,024,012,391	\$ 976,800,598	Statement of Operations and Accumulated Surplus
The accompanying notes are an integral part of these financial statements.			

The Statement of Financial Position, accompanied by Note 12 identifying the components of the Accumulated Surplus, provides a snapshot of the City's financial health at a point in time. The Statement shows what the City owns and what it owes.

ISSUES & ANALYSIS

This report identifies the information in the Financial Statements that can be used as indicators of the City's financial condition. The report also highlights the operational results contributing to the Statement of Financial Position at December 31, 2024, and addresses areas where Council policy guides decision making.

Indicators of Financial Condition

Financial condition is a government's financial health as assessed by its ability to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees, and others. Applying indicators of financial condition specific to government organizations offers readers of the financial statements insights into the short and long-term implications of policy decisions and illustrates a government's financial ability to maintain the level and quality of its services and to finance new programs.

Appendix D – Indicators of Financial Condition provides a detailed analysis of indicators applied to the City of Victoria financial statements over a 5-year period, considering the elements of sustainability, flexibility, and vulnerability.

The City's Financial Sustainability Policy states in its Primary Objective that the "policies shall be designed and structured to develop principles that guide, support, and respect the direction of the community so that taxpayers can look forward to stable, equitable and affordable property taxation". The indicators of financial condition illustrate that the application of these principles guide decisions that support building the City's financial strengths in sustainability and flexibility, while considering the risk of vulnerability.

Financial Statement Analysis

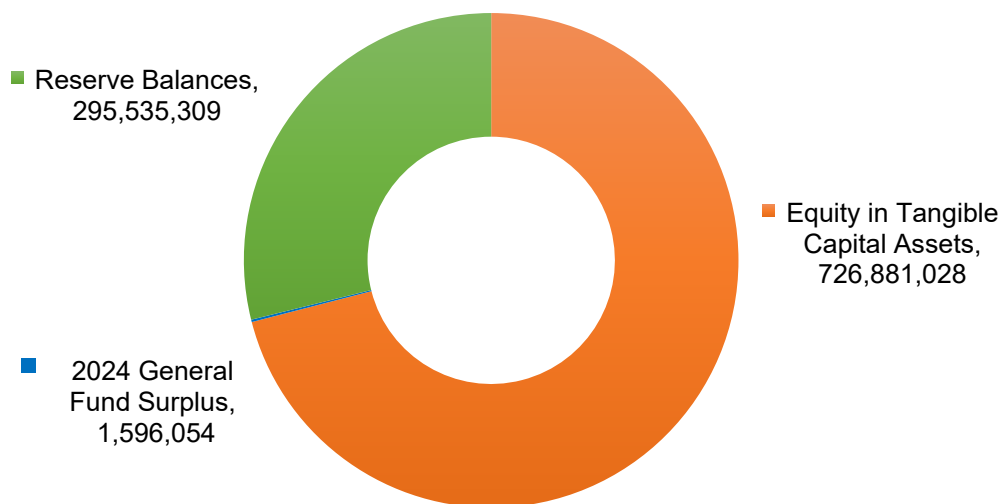
Accumulated Surplus

The Accumulated Surplus balance at December 31, 2024, as reported on the Statement of Financial Position, is \$1.02 billion. This is the accumulation of the City's increases in equity in capital assets and reserve balances since its inception. The balance represents the total economic resources available to the City and indicates how much the City's assets exceed its liabilities.

Of the economic resources available, equity in capital assets makes up the most significant portion of the accumulated surplus balance, followed by reserve balances (Figure 2). The current year General Fund Surplus of \$1.59 million makes up a small portion of the Accumulated Surplus balance.

Figure 2. Accumulated Surplus

At December 31, 2024 \$1,024,012,391



This means that the majority of the \$1.02 billion Accumulated Surplus consists of the City's tangible capital assets, such as roads, underground infrastructure, land, buildings, and equipment, along with funds set aside in reserves for future spending.

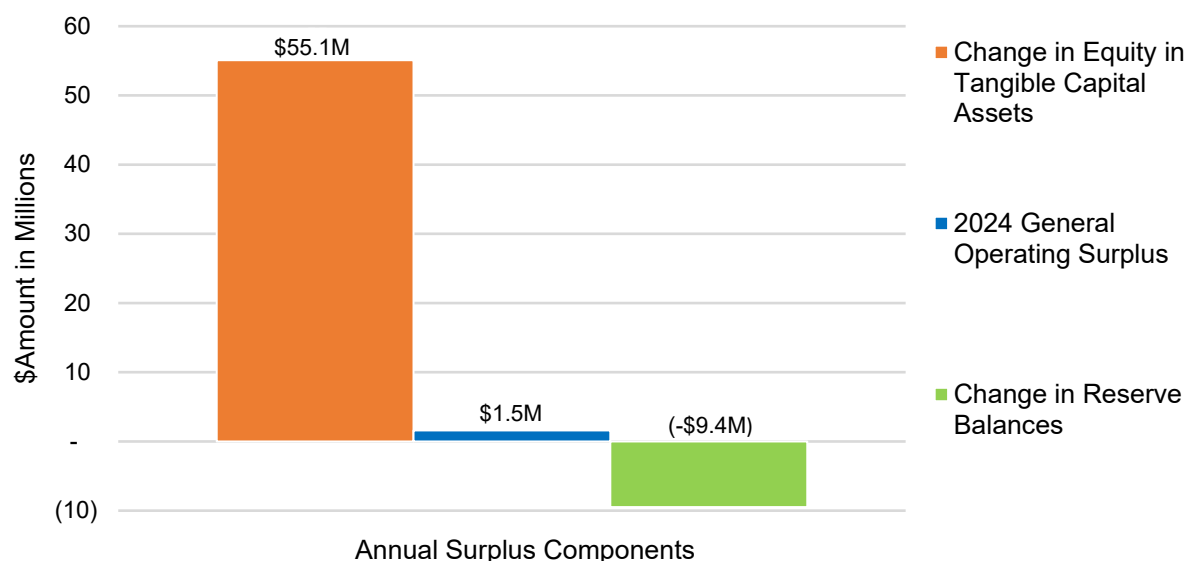
Annual Surplus

The Annual Surplus represents the economic resources gained by the City during the year and is reported on the Statement of Operations. The City's Annual Surplus for 2024 is \$47.2 million. Most of this surplus is comprised of increased equity in capital assets offset by decrease from use of the reserve balances (Figure 3). Of the total annual surplus balance, \$1.59 million is the General Fund surplus which is available for future spending.

The primary contributions to the 2024 General Fund surplus of \$1.59 million are higher than expected revenue from the Victoria Conference Centre and building permits, as well as reduced expenses due to staff vacancies; however, lower than expected parking revenues reduced the surplus. Council makes a decision annually on the use of the current year General Fund surplus which is incorporated into the following year's budget.

Figure 3. Annual Surplus

For the year ended December 31, 2024 \$47,211,793



Statutory Reserves

The City statutory reserve funds were established by bylaw under section 188 of the *Community Charter* and funding from these reserves can only be used for the specific purposes outlined in the bylaw.

In 2024 the City's statutory reserves decreased by \$7.7 million (Table 1) excluding non-statutory reserves. If both statutory and non-statutory reserves were considered, the decrease would be \$9.4 million, as shown in Figure 3 above. The reserve balance total includes funding for capital projects in progress. Funding is only drawn down from reserves as capital projects are completed. Some projects are either multi-year projects or experienced schedule adjustments to begin at a later date.

Specific to 2024, capital projects that are underway include:

- Multi-modal corridor improvements
- Topaz Park Phase 2
- Major street rehabilitation
- Vehicle and heavy equipment replacements
- Water, sewer, and storm water mains replacement projects
- EV infrastructure

Table 1. Statutory Reserve Balances

Reserve Fund Description	Dec 31, 2023	Transfer From Operating	Transfer To Operating & Capital	Interest	Dec 31, 2024
Financial Stability Reserves	\$ 54,616,815	\$ 2,522,094	\$ (5,164,577)	\$ 2,640,723	54,615,055
Equipment & Infrastructure Replacement Fund	194,097,236	24,672,905	(36,478,044)	9,384,600	191,676,696
Tax Sale Lands Fund	8,751,109	113,000	(7,233,281)	423,116	2,053,944
Parks and Greenways Acquisition Fund	2,345,923	40,076	(2,200,000)	113,425	299,424
Local Amenities & Tree	2,659,337	532,786	(72,540)	128,579	3,248,162
Affordable Housing	8,895,911	1,493,476	(502,559)	430,117	10,316,945
Climate Action	3,740,228	1,297,291	(661,270)	180,840	4,557,089
Art In Public Places	1,131,227	50,000	(102,161)	54,695	1,133,761
Downtown Core Area Public Realm Improvements	315,639	-	(100,576)	15,261	230,324
Park Furnishing Dedication Program	93,260	138,775	(82,150)	4,509	154,394
Growing Communities Fund	12,852,000	-	-	621,394	13,473,394
Total Reserve Funds Balance	\$ 289,498,685	\$ 30,860,403	\$ (52,597,159)	\$ 13,997,259	\$ 281,759,188

Development Cost Charges

Development Cost Charges (DCCs) are contributions from developers collected under bylaw to provide funds to assist the City to pay the capital costs of providing, constructing, altering, or expanding transportation, water, drainage, and sewage facilities, and for providing and improving parkland related to population growth.

DCC balances (Table 2) increased in 2024 by \$821,013 in interest revenue allocated and \$3.78 million in charges, compared to \$2.27 million in charges collected in 2023. A total of \$7.35 million was used to fund capital projects in 2024, compared to \$6.13 million funded from the DCC balances in 2023.

Table 2. DCC Balances

Development Cost Charges	Dec 31, 2023	Amounts Received	Amounts Used	Interest	Dec 31, 2024
Water and Environment	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	1,019,863	1,323,644	(1,000,000)	49,310	1,392,817
Water	2,185,307	407,103	-	105,660	2,698,069
Drainage	1,373,100	291,667	(70,607)	66,389	1,660,549
Sewage	3,181,238	414,735	(734,612)	153,813	3,015,173
Parkland Acquisition and Development	9,221,117	1,338,789	(5,545,000)	445,841	5,460,747
Total Development Cost Charges	\$ 16,980,624	\$ 3,775,937	\$ (7,350,219)	\$ 821,013	\$ 14,227,355

Capital Assets

The City's inventory of capital assets (Table 3), cost before accumulated amortization, increased by \$71.7 million with the most significant increases resulting from:

- \$26.8 million for water, sewer, storm drain infrastructure
- \$12.2 million for multi-modal corridor improvements
- \$11.0 million for acquisition of future parks land
- \$9.3 million for road rehabilitation
- \$4.2 million for vehicles and equipment replacements
- \$2.3 million for Blanshard Street retaining wall

Table 3. Capital Assets

Capital Assets (Historical Costs)	2024	2023
Land	\$ 196,692,651	\$ 177,594,904
Buildings	170,625,092	162,199,741
Furniture, Equip, Tech & Vehicles	120,697,145	111,406,401
Roads, Bridges and Highways	334,291,450	313,075,960
Water Infrastructure	106,404,985	95,937,823
Sewer Infrastructure	57,614,159	51,099,968
Drainage Infrastructure	57,596,107	47,754,283
Assets Under Construction	16,966,448	30,135,841
Total Capital Assets	1,060,888,036	989,204,921
Accumulated Amortization	(287,402,432)	(266,744,959)
Total Capital Assets (Net Book Value)	\$ 773,485,604	\$ 722,459,962

Debt

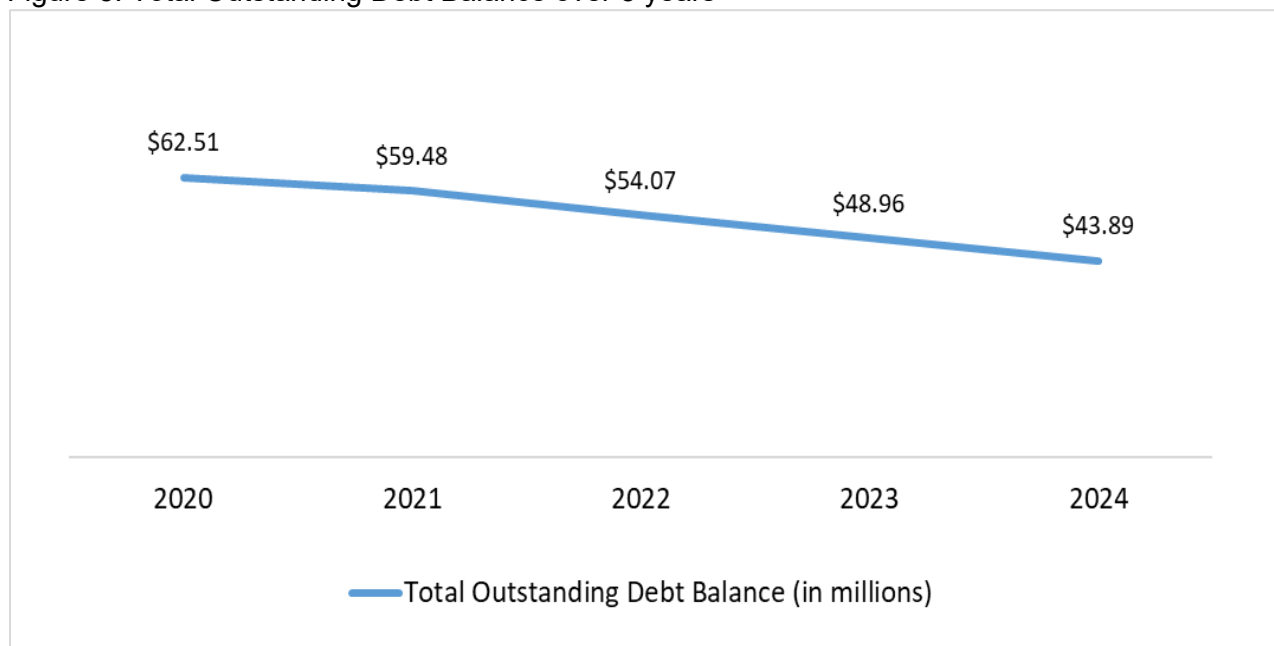
No new MFA debt was issued in 2024. The City's total outstanding debt (Table 4) decreased in the year by \$5.07 million.

Debt Management is governed by the City's Financial Sustainability Policy, which directs that debt be incurred only for one-time capital purchases and not for ongoing capital programs or operational expenses. The philosophy supporting the City's Financial Sustainability Policy and Reserve Fund Policy is to consider intergenerational equity by balancing the use of debt and reserves for capital funding to recognize the appropriate sharing of funding from current taxpayers as well as future beneficiaries.

Table 4. Debt Balance Outstanding

Debt Issues (in millions)	Expiry Date	2024	2023
Equipment Financing Loan	2026	0.90	1.65
Debenture Debt			
Issue 79, 80, 81 – Arena	2033 / 2033 / 2034	13.91	15.10
Issue 105 – Crystal Gardens	2024	0.00	0.23
Issue 105, 110 – Parkades Upgrades	2024 / 2025	0.32	0.88
Issue 115, 130, 139, 142 – Johnson Street Bridge	2031 / 2034 / 2036 / 2037	28.76	31.10
Total Debenture Debt		42.99	47.31
Total Debt balance outstanding at December 31, 2024		\$43.89 m	\$48.96 m

Figure 5. Total Outstanding Debt Balance over 5 years



Debt service charges (principal repayment, interest costs, and transfer to debt reduction reserve) are directed by the Financial Sustainability Policy to be maintained at a maximum of 7% of the prior year's property tax levy and that, if possible, new debenture debt is added only in the years when other debt issues are retired. The current external debt servicing costs (principal repayment and interest) are below this level, therefore approximately \$2 million is transferred to the Debt Reduction Reserve and is available for internal borrowing as an alternative to incurring external debt. This internal borrowing funded the replacement of Fire Department Headquarters in 2023 resulting in a lower interest cost.

Portfolio Investments

The City's investment portfolio (Tables 5 and 6) returned \$16.9 million in 2024, a decrease of \$0.5 million from 2023 due to a slight decreased interest rate compared to 2023. The actual investment portfolio rate of return was 5.05% (5.19% in 2023). The majority of investment revenue is allocated to reserves, per the City's Reserve Fund Policy.

The investment portfolio is governed by the City's Investment Policy, which prioritizes the safety of public funds through diversification, provides liquidity to meet cash flow demands, and yields the highest returns within the limits prescribed by *Community Charter* section 183, Investment of Municipal Funds.

Council has also directed staff to seek out investments that are socially responsible and fossil fuel free. The Municipal Finance Authority of BC (MFA) has a suite of pooled investments aligned with the socially responsible approach and fossil fuel free investment options available for local governments. These options include Pooled High-Interest Savings Accounts, Government Focused Ultra-Short Bond Fund, Short-term Bond Fund, Fossil Fuel Free Short-Term Bond Fund, and Pooled Mortgage Fund. These options allowed the City to increase the portion of socially responsible investments (SRI) as a percentage of overall holdings and increase diversification in investment holdings (Figure 8).

Table 5. Investment Portfolio

Investment Portfolio	2024		2023	
	Share	Value	Share	Value
MFA Pooled Money Market (Cash and Cash Equiv)	10%	\$ 35,651,813	4%	\$ 12,000,000
MFA High Interest Savings (Cash and Cash Equiv)	20%	70,158,861	15%	50,473,553
MFA Pooled Bond Funds (2 - 5 years)	41%	142,270,071	35%	115,967,266
Term Deposits Credit Unions (1 year)	17%	61,000,000	27%	91,999,981
Term Deposits Schedule 1 Banks (1 year)	2%	6,000,000	9%	31,000,000
GICs Credit Unions (5 year)	3%	9,000,000	3%	9,000,000
GICs Schedule 1 Banks (5 year)	7%	25,000,000	7%	25,000,000
	100%	\$ 349,080,746	100%	\$ 335,440,800

Table 6. Investment Returns

Investment Returns	2024	2023
Investment Returns	\$ 16,934,841	\$ 17,388,869
Actual Rate of Return	5.05%	5.19%
MFA Money Market Return	5.71%	5.38%
Average Bank Interest Rate	5.15%	5.29%

Figure 7. Rate of Return on Portfolio Investments over 5 years

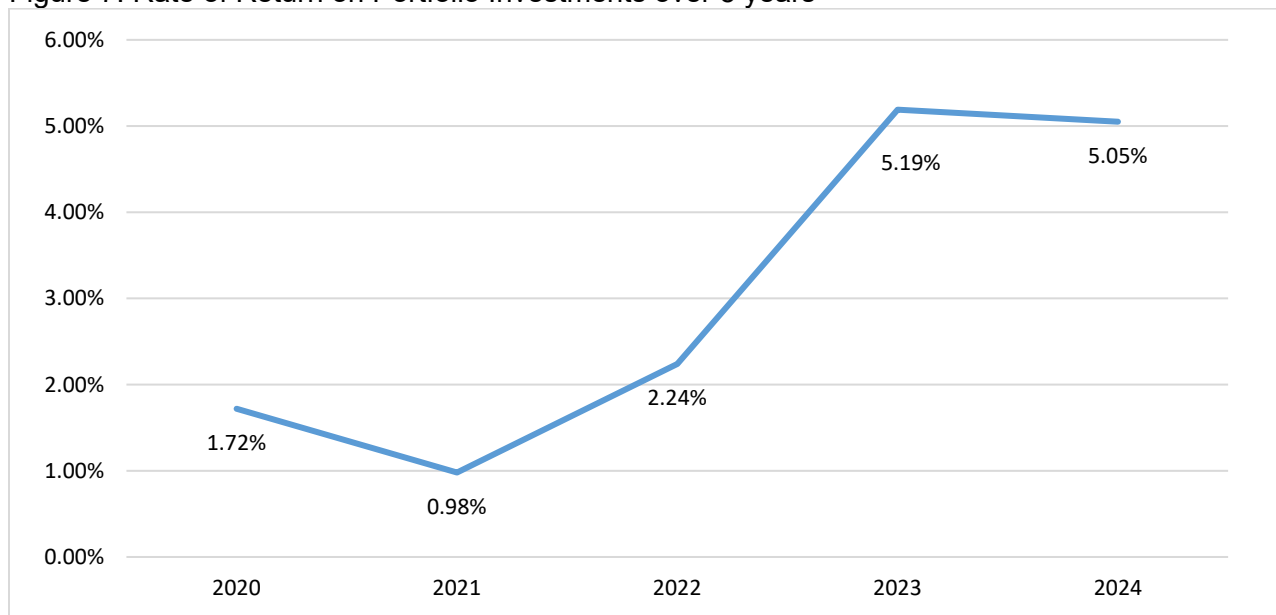
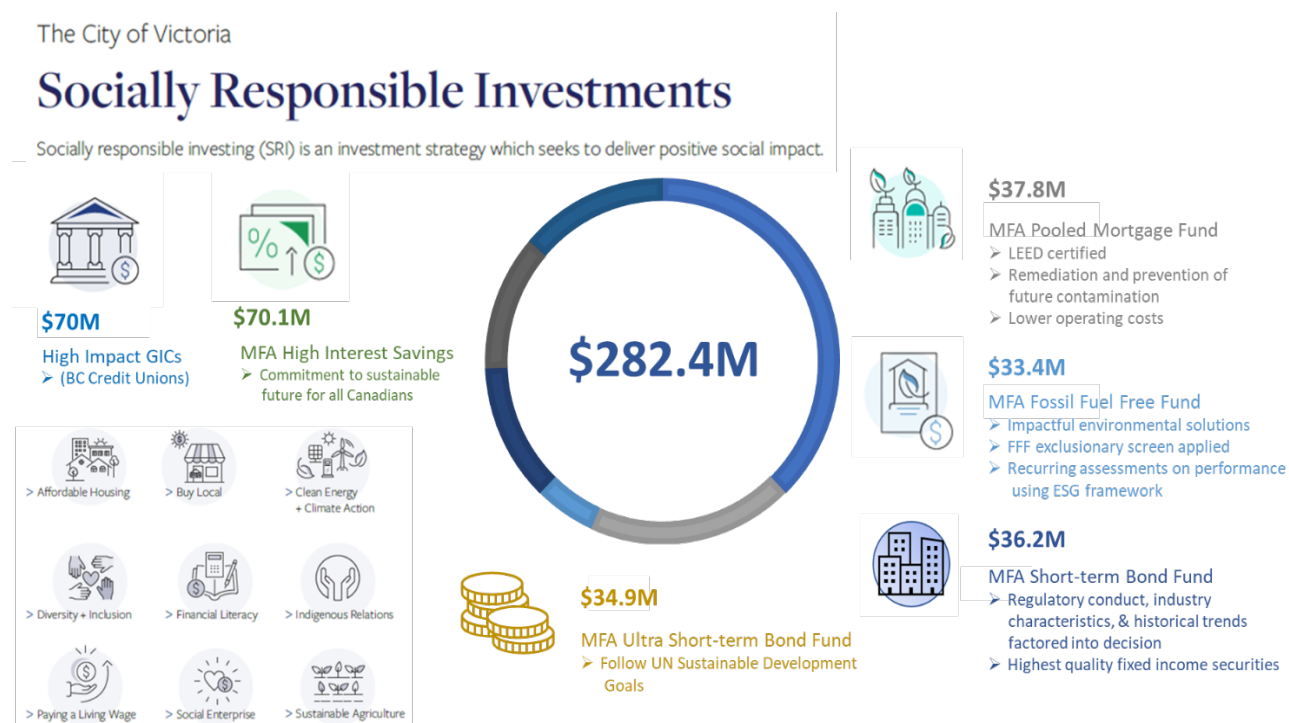


Figure 8. City of Victoria SRI Investments



Revenues and Expenses

The Financial Statements are presented in accordance with PSAB reporting standards to ensure comparability between government organizations across Canada. The budget information in the Statement of Operations was developed for the purpose of the Financial Plan, which is customized to the operations of individual government organizations. The format of the financial statements does not provide an effective comparison of budget to actual performance as the budget process does not take into account adjustments made for PSAB reporting standards.

In order to provide a meaningful comparison of budget to actual performance, additional schedules are attached to this report providing 2024 comparison of budget to actual for operating revenues and expenses (Appendix E), and capital expenditures (Appendix F). These comparisons are provided in the format for budget reporting for the year.

Information Presentation

The City continues to fulfil statutory obligations to provide an Annual Report and Audited Financial Statements that meet the requirements of the *Community Charter*. The annual report provides key highlights and performance measures in visual graphics so that it is easily understood.

CONCLUSION

BDO conducted the City's 2024 audit and have stated in the Auditor's Report their opinion is that these financial statements present fairly, in all material respects, the City's financial position as of December 31, 2024, and its results of operations and changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Respectfully submitted,

Raymond Lin
Manager, Accounting

Susanne Thompson
Deputy City Manager/CFO

Report accepted and recommended by the City Manager

List of Appendices

Appendix A – Draft Audited Financial Statements for the year ended December 31, 2024
Appendix B – Audit Findings Report to Mayor and Council
Appendix C – Independent Auditor's Report
Appendix D – Indicators of Financial Condition
Appendix E – Budget to Actual Operating Revenues and Expenses
Appendix F – Budget to Actual Capital Expenditures

THE CORPORATION OF THE CITY OF VICTORIA
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the City of Victoria (the "City") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board. A summary of the significant accounting policies are described in the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the City. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the City's financial statements.

City Manager

Deputy City Manager/CFO



Government Finance Officers Association

**Canadian Award
for
Financial Reporting**

Presented to

**City of Victoria
British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2023

Christopher P. Morrell
Executive Director/CEO

THE CORPORATION OF THE CITY OF VICTORIA
STATEMENT OF FINANCIAL POSITION

December 31	2024	2023
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 121,941,832	97,276,196
Accounts receivable		
Property taxes	4,360,823	4,189,736
Other	32,902,977	37,500,804
Portfolio investments (Note 4)	243,270,071	272,967,247
Mortgage receivable (Note 5)	1,077,779	1,044,652
Other assets	20,428	403
MFA debt reserve fund (Note 17)	1,288,845	1,323,540
	404,862,755	414,302,578
Liabilities		
Accounts payable and accrued liabilities	34,759,431	35,189,523
Prepayments	14,554,543	14,430,347
Deposits	12,826,564	14,287,501
Deferred revenue (Note 6)	30,737,826	31,127,016
Long-term debt (Note 7)	43,885,097	48,962,799
Employee future benefit liability (Note 8)	20,335,524	19,987,861
Asset retirement obligations (Note 10)	1,928,234	1,706,893
Capital lease obligations (Note 11)	791,244	-
	159,818,463	165,691,940
Net Financial Assets	245,044,292	248,610,638
Non-Financial Assets		
Tangible capital assets (Note 9)	773,485,604	722,459,962
Inventories of supplies	2,585,076	2,655,209
Deposits towards acquisition of tangible capital assets (Note 9(d))	-	535,000
Prepaid expenses and deposits	2,897,419	2,539,789
	778,968,099	728,189,960
Accumulated Surplus (Note 12)	\$ 1,024,012,391	\$ 976,800,598
Contingent liabilities (Note 17)		

On behalf of the City:

Deputy City Manager/CFO

Mayor

The accompanying notes are an integral part of these financial statements.

THE CORPORATION OF THE CITY OF VICTORIA
STATEMENT OF OPERATIONS

For the year ended December 31	Financial Plan 2024	2024	2023
	(Note 18)		
Revenues			
Taxation (Note 13)	183,665,460	\$ 183,655,407	\$ 169,084,975
Grants in lieu of taxes	7,612,400	7,958,982	7,613,156
Sale of goods and services	62,300,350	70,683,009	66,304,108
Sale of water	26,185,390	26,176,686	26,734,144
Licences and permits	9,873,110	10,665,331	11,371,144
Fines	7,485,020	7,014,418	5,438,681
Rentals and leases	2,659,300	2,504,376	2,194,456
Investment income	8,000,000	16,060,289	16,378,744
Other interest and penalties	965,960	1,476,944	1,407,719
Unconditional government transfers (Note 14)	2,000,000	1,877,000	1,988,000
Conditional government transfers (Note 14)	16,224,830	14,239,788	26,009,318
Actuarial adjustment on debt	-	1,372,588	1,435,132
Development cost charges	8,722,000	7,350,219	6,134,789
Miscellaneous (Note 15)	3,532,180	5,473,599	4,213,705
	339,226,000	356,508,636	346,308,071
Expenses			
General government	42,881,150	35,088,935	27,707,915
Protective services	98,871,790	108,004,997	97,724,786
Engineering and transportation services	31,506,840	45,082,807	40,019,766
Environmental and public health services	10,439,410	11,275,293	10,387,184
Social services and housing	2,276,870	4,113,094	3,272,815
Planning and development	25,477,260	26,582,622	22,970,043
Parks, recreation and cultural services	35,306,230	51,696,663	48,072,553
Water utility	19,368,390	19,875,368	19,444,103
Sewer utility	4,847,660	7,577,064	5,902,287
	270,975,600	309,296,843	275,501,453
Annual Surplus	68,250,400	47,211,793	70,806,618
Accumulated Surplus, beginning of year	976,800,598	976,800,598	905,993,980
Accumulated Surplus, end of year	\$ 1,045,050,998	\$ 1,024,012,391	\$ 976,800,598

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE CITY OF VICTORIA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31	Financial Plan 2024 (Note 18)	2024	2023
Annual Surplus	\$ 68,250,400	\$ 47,211,793	\$ 70,806,618
Acquisition of tangible capital assets	(153,162,000)	(77,224,466)	(105,205,048)
Developer contributions of tangible capital assets	-	-	(30,000)
Amortization of tangible capital assets	16,500,000	21,701,362	20,906,966
Loss on disposal of tangible capital assets	-	4,210,095	3,534,452
Proceeds on disposal of tangible capital assets	-	287,367	43,311
	(136,662,000)	(51,025,642)	(80,750,319)
Purchase of inventories of supplies	-	(3,567,440)	(3,710,690)
Purchase of prepaids expense and deposits	-	(4,178,962)	(4,826,149)
Deposits towards acquisition of tangible capital assets	-	-	(535,000)
Consumption of deposits towards acquisition of tangible capital assets	-	535,000	3,400,000
Consumption of inventories of supplies	-	3,637,573	3,489,649
Consumption of prepaid expenses and deposits	-	3,821,332	2,973,395
	-	247,503	791,205
Change in Net Financial Assets	(68,411,600)	(3,566,346)	(9,152,496)
Net Financial Assets, Beginning of Year	248,610,638	248,610,638	257,763,134
Net Financial Assets, End of Year	\$ 180,199,038	\$ 245,044,292	\$ 248,610,638

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE CITY OF VICTORIA
STATEMENT OF CASH FLOWS

For the year ended December 31

2024

2023

Cash provided by (used in):

Operating Transactions:

Annual Surplus	\$ 47,211,793	\$ 70,806,618
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Items not involving cash:

Amortization of tangible capital assets	21,701,362	20,906,966
Loss on disposal of tangible capital assets	4,210,095	3,534,452
Employee future benefits expense	2,944,800	2,718,000
Accretion expense	14,095	13,904
Actuarial adjustment on debt	(1,372,588)	(1,435,132)
Developer contributions of tangible capital assets	-	(30,000)

Change in non-cash operating assets and liabilities:

Accounts receivable other	4,597,827	(1,821,043)
Property taxes receivable	(171,087)	(1,142,142)
Mortgage receivable	(33,127)	(32,194)
Other assets	(20,025)	1,813
MFA debt reserve fund	34,695	(12,873)
Accounts payable and accrued liabilities	(430,092)	5,120,503
Prepayments	124,197	1,296,155
Deposits	(1,460,938)	763,489
Deferred revenue	(389,190)	1,767,197
Inventories of supplies	70,133	(221,041)
Prepaid expenses and deposits	(357,630)	(1,852,753)
Change in employee future benefit liability due to cash payment	(2,597,137)	(2,153,665)
	74,077,183	98,228,255

Capital Transactions:

Acquisition of tangible capital assets	(76,150,353)	(103,512,059)
Consumption of deposits towards acquisition of tangible capital assets	535,000	3,400,000
Deposits towards acquisition of tangible capital assets	-	(535,000)
Proceeds on disposal of tangible capital assets	287,367	43,311
	(75,327,986)	(100,603,748)

Investing Transactions:

Net decrease (increase) in portfolio investments	29,697,176	(24,923,906)
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Financing Transactions:

Repayment of long-term debt	(3,705,114)	(3,668,453)
Payment on capital lease obligations	(75,623)	-

Increase in cash and cash equivalents	24,665,636	(30,967,852)
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Cash and cash equivalents, beginning of year	97,276,196	128,244,048
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Cash and cash equivalents, end of year	\$ 121,941,832	\$ 97,276,196
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The accompanying notes are an integral part of these financial statements.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

The Corporation of the City of Victoria (the "City") is incorporated and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The City provides municipal services such as: protective services, engineering and transportation services, environmental and public health services, social services and housing, planning and development, parks, recreation and cultural services, water utility, sewer utility and other general government operations.

The financial statements of the City are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board. Significant accounting policies adopted by the City are as follows:

1. Significant Accounting Policies

(a) Reporting Entity

The financial statements include the assets, liabilities, accumulated surplus, revenues and expenses of all of the City's activities and funds. Inter-departmental balances and organizational transactions have been eliminated.

The financial statements exclude trust assets that are administered for the benefit of external parties (Note 16).

(b) Revenues

The City recognizes revenue in accordance with the following policies:

Taxation

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Amounts received prior to recognition are recorded as a liability within prepayments.

Government transfers

Government transfers are recognized in the financial statements as revenues in the period the transfers are authorized and any eligibility criteria have been met, except when and to the extent that stipulations exist that gives rise to an obligation that meets the definition of a liability. Transfers received that meet the definition of a liability are initially recorded as deferred revenue and are subsequently recognized as the stipulations that gave rise to the liability are settled.

Investment income

Income from Portfolio Investments is reported as revenue in the period that it is earned, based on the terms of the underlying financial instruments and in accordance with the financial instrument measurement policies disclosed in Note 1(i).

Development cost charges

Development cost charges received or receivable by the City are restricted to offset the cost of future infrastructure development by legislation of the Province of British Columbia. These inflows are recognized as revenue in the period that the funds are used for the specified purpose(s). Prior to this, amounts received are recorded as a liability within deferred revenue.

Contributed tangible capital assets

Tangible capital assets contributed to the City are recorded as revenue when the City acquires control over the contributed assets. These assets are recognized at their estimated fair value, which is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. When fair value cannot be estimated, contributed tangible capital assets are recognized at a nominal value.

Sale of goods, fees for services, and other revenues

Revenue streams with performance obligations:

Revenue from transactions with performance obligations is recognized when (at a point in time) or as (over a period of time) the organization satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor. The transaction price for all below noted streams are as specified in the relevant agreements, or City bylaws and administrative policies.

Water services and wastewater services carry performance obligations that are satisfied in one of two ways. For fees charged to maintain service access throughout a period of time, performance obligations are satisfied on a straight-line basis throughout that period. For variable consumption fees, performance obligations are satisfied in conjunction with the measured consumption.

Solid waste disposal services carry performance obligations to maintain service throughout the period of time for which the fees are charged. Satisfaction is measured on a straight-line basis throughout that period of time.

December 31, 2024

1. Significant Accounting Policies (continued)

(b) Revenues - Continued

Lease and rental revenues carry performance obligations that are satisfied throughout the period of time that the agreement relates to. Satisfaction of these performance obligations is measured on a straight-line basis throughout that period of time.

License and permit fee revenue is recognized in one of two ways. Where there is no further performance obligation for the organization after issuance of the license or permit, revenue is recognized when the permit is issued and in effect. Where there are continuing performance obligations beyond issuance, revenue is recognized over the period of time that the organization performs these obligations.

Building permits are recognized over a period of time based on the percentage of completion since the City provides services over a period of time. Per the bylaw, the City is obligated to issue permits as well as perform activities such as inspections or compliance related tasks at specific milestone throughout the process. As a result, revenue is recognized based on the best estimate of when each performance obligation is fulfilled.

Miscellaneous revenue contain various sources that may be subject to different PSAS requirements, depending on the nature of the revenue. The significant items for Miscellaneous Revenue are as follows:

- a. Density bonuses are recognized when contractual obligations are met and are non-recurring.
- b. Cost sharing and recoveries are recognized when services are provided.
- c. Fortis franchise fee is based on 3% of gas consumed at the City and is recognized when consumed.

Revenue streams without performance obligations:

Revenue from transactions without performance obligation is recognized at realizable value when the City has the authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources. This applies to revenue from tax penalties and interest, parking violations, all other fines and penalties, and various amounts received in connection with rezoning and development processes. The transaction price for these transaction streams are as specified in the relevant agreements, or City bylaws and administrative policies.

(c) Expenses

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(d) Cash and Cash Equivalents

Cash equivalents include short term highly liquid investments with a term to maturity of 90 days or less at acquisition.

(e) Debt

Long-term debt is carried at amortized cost, net of related sinking fund balances and actuarial earnings thereon.

(f) Employee Future Benefits

- (i) The City and its employees make contributions to the Greater Victoria Labour Relations Association and Canadian Union of Public Employees (GVLRA - CUPE) Long Term Disability Trust and Municipal Pension Plan. As these are multi-employer pension plans, contributions are expensed as incurred.
- (ii) Sick leave and certain retirement benefits are also available to the City's employees. The costs of these benefits are actuarially determined based on years of service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(g) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) the past transaction or event giving rise to the liability has occurred;
- (iii) it is expected that future economic benefits will be given up; and
- (iv) a reasonable estimate of the amount can be made.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate.

Upon the initial measurement of the liability, and if the related tangible capital asset is in productive use, an equal amount is added to the carrying value of the related tangible capital asset. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the value of the liability is recorded as an expense.

1. Significant Accounting Policies (continued)

(h) Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the City is directly responsible or accepts responsibility;
- (iv) it is expected future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. The liability is recognized as management's best estimate of the cost of remediation including operation, maintenance and monitoring that are an integral part of the mediation strategy for a contaminated site. No liability for contaminated sites exists as at December 31, 2024 or 2023.

(i) Financial Instruments

Financial instruments are classified into two categories: (i) fair value and (ii) cost, or amortized cost.

i. Fair value category: derivatives and portfolio investments in equity instruments that are quoted in an active market are required to be assigned to the fair value category. Instruments in this category are carried at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the statement of operations and related balances reversed from the statement of remeasurement gains and losses.

As at December 31, 2024 and 2023, none of the City's financial instruments have been assigned to the fair value category. As a result, there are no unrealized gains and losses and a statement of remeasurement gains and losses has not been included in these financial statements.

ii. Cost or amortized cost category: other financial instruments are measured at cost or amortized cost. Gains and losses are recognized in the statement of operations when the financial instrument is derecognized due to disposal or impairment. Sales and purchases of portfolio investments are recorded on the trade date. Transaction costs related to the acquisition of financial assets are included in the cost of the related instrument.

Financial instruments assigned to the cost or amortized cost category are cash and cash equivalents, accounts receivable, portfolio investments, mortgage receivable, accounts payable and accrued liabilities, deposits liability, and long-term debt.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis. If there is a significant adverse change in the amount or timing of expected future cash flows, the value of the asset is reduced and an impairment loss is recorded in the statement of operations. If events and circumstances reverse in a future period, the impairment loss is reversed to the extent of the improvement, not exceeding the initial carrying value.

(j) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

	Useful life in years
Land improvements	15-20
Buildings	20-50
Furniture, equipment, technology and motor vehicles	5-25
Roads, bridges, and highways	10-80
Water infrastructure	20-125
Sewer infrastructure	50-100
Drainage infrastructure	50-100

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset. Assets under construction are not amortized until the asset is available for service. The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

1. Significant Accounting Policies (continued)

(j) Non-Financial Assets (continued)

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also recorded as revenue. Where an estimate of fair value can not be made, the tangible capital asset is recorded at a nominal value.

(iii) Natural Resources

Natural resources are not recognized as assets in the financial statements.

(iv) Works of Art and Cultural and Historic Assets

Works of art and cultural and historical assets are not recognized as assets in the financial statements.

(v) Leased Tangible Capital Assets

Leases that transfer substantially all of the benefits and risks incidental to ownership of an asset are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(vi) Inventories of Supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(k) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates include assumptions used in estimating useful lives of tangible capital assets, asset retirement obligations the determination of employee benefit obligations, provision for contingencies, and accrued liabilities. Actual results could differ from these estimates.

2. Adoption of New Accounting Policies

PS 3160 – Public Private Partnerships

On January 1, 2024, the City adopted Canadian public sector accounting standard PS 3160 Public Private Partnerships. The standard includes requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. The City does not have any arrangements that are in scope of this standard and as such, there has been no impact on the financial statements.

PS 3400 – Revenue

On January 1, 2024, the City adopted Canadian public sector accounting standard PS 3400 Revenue. The standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. The standard was adopted prospectively, and as such, no adjustment has been made to the previously reported financial results of the organization.

3. Cash & Cash Equivalents

	2024	2023
Cash	\$ 86,290,019	\$ 85,276,196
Municipal Finance Authority (MFA) money market funds	35,651,813	12,000,000
	<u>\$ 121,941,832</u>	<u>\$ 97,276,196</u>

4. Portfolio Investments:

	2024	2023
MFA Pooled Bond Funds	\$ 142,270,071	\$ 115,967,266
Term deposits and guaranteed investment certificates	101,000,000	156,999,981
	<u>\$ 243,270,071</u>	<u>\$ 272,967,247</u>

The term deposits and guaranteed investment certificates held at December 31, 2024 have yields of 3.93% to 5.69% (2023 - 5.15% to 6.25%) and maturity dates to November 2, 2027. The MFA pooled bond funds have varying returns and yields, and are intended to be held for two to five years. The City's investments are carried at cost.

5. Mortgage Receivable

	2024	2023
Mortgage receivable	\$ 1,077,779	\$ 1,044,652

In 2015, a property that was used for a new permanent, safe, transitional and supportive housing was purchased by a not-for-profit housing society and a mortgage of \$1,300,000 was issued by the City. The mortgage bears no interest and is secured by the property. Payment is not due until the mortgage matures on September 15, 2029. The mortgage is guaranteed by BC Housing Management Commission. Therefore, if the not-for-profit defaults on the terms of the loan, BC Housing Management Commission assumes responsibility for the loan repayment. The balance represents the present value of the payment on maturity using the City's estimated cost of borrowing at the time that this balance was recognized.

6. Deferred Revenue

	2023	Amounts Received	Interest Earned	Recognized as Revenue	2024
Deferred revenue	\$ 7,683,860	\$ 13,769,164	\$ -	\$ (10,013,954)	\$ 11,439,071
Building permit fees	6,462,532	3,863,490	-	(5,254,622)	5,071,400
Development cost charges	16,980,624	3,775,937	821,013	(7,350,219)	14,227,355
	\$ 31,127,016	\$ 21,408,592	\$ 821,013	\$ (22,618,795)	\$ 30,737,826

7. Long-Term Debt

	2024	2023
Equipment financing loans (a)	\$ 895,962	\$ 1,651,159
Long term borrowing (b)	42,989,135	47,311,640
	\$ 43,885,097	\$ 48,962,799

(a) Equipment financing Loans

The MFA has established an equipment financing program that replaced the former leasing program. Loans under the equipment financing program are available to both regional districts and municipalities under section 175 of the Community Charter, and are direct obligations of the entity requesting funding. In the case of a municipality, it does not have to seek consent of its regional district to obtain an equipment financing loan. The maximum length of an equipment financing loan agreement is five years. Interest rates are based on the Canadian Dollar Offered Rate and the loans have fixed monthly payments with the interest portion calculated on the last day of the month.

(i) Equipment financing loans are as follows:

MFA Loan No. - Council Resolution	Gross debt	Principal repaid	Equipment loan payable 2024	Equipment loan payable 2023
0001-0 - 2/28/2019	\$ 1,860,000	\$ 1,624,058	\$ 235,942	\$ 599,386
0002-0 - 2/28/2019	2,140,000	1,479,980	660,020	1,051,773
	\$ 4,000,000	\$ 3,104,038	\$ 895,962	\$ 1,651,159

(ii) Future estimated payments over the next two years are as follows:

	Principal repayment from the General Capital Fund	Interest payment	Total
2025	\$ 654,943	\$ 22,120	\$ 677,063
2026	241,019	2,050	243,069
	\$ 895,962	\$ 24,170	\$ 920,132

(iii) Principal paid during the year was \$755,197 (2023 - \$717,936). Interest paid during the year was \$69,376 (2023 - \$106,636).

7. Long-Term Debt (continued)

(b) Long-term Borrowing

The City issues debt instruments through the MFA, pursuant to security issuing bylaws under authority of the Local Government Act, to finance certain capital expenditures. Sinking fund balances, managed by the MFA, are used to reduce long-term debt. Interest rates on long-term debt range from 1.28% to 3.15%. The weighted average interest rate for 2024 was 3.09% (2023 - 2.78%).

(i) Gross amount of debt and the repayment and actuarial earnings to retire the debt are as follows:

	Year of Maturity	Rate	Gross debt	Repayment & actuarial earnings	Net debt 2024	Net debt 2023
Issue 79	2033	3.08%	\$ 10,000,000	\$ 5,531,656	\$ 4,468,344	\$ 4,879,639
Issue 80	2033	2.85%	10,000,000	5,447,902	4,552,098	4,974,690
Issue 81	2034	2.85%	10,000,000	5,114,890	4,885,110	5,244,572
Issue 105	2024	2.25%	5,240,015	5,240,017	-	342,779
Issue 110	2025	1.28%	5,200,000	4,876,177	323,823	765,630
Issue 115	2031	2.12%	10,200,000	5,720,833	4,479,167	5,026,864
Issue 130	2034	3.00%	23,200,000	9,428,877	13,771,123	14,884,695
Issue 139	2036	2.10%	5,500,000	1,833,155	3,666,845	3,920,414
Issue 142	2037	3.15%	9,600,000	2,757,375	6,842,625	7,272,357
			\$ 88,940,015	\$ 45,950,882	\$ 42,989,135	\$ 47,311,640

(ii) Future aggregate payments of net outstanding debenture debt, including sinking fund payments, over the next five years and thereafter are as follows:

	Principal repayment from the General Capital Fund	Actuarial Earnings	Total
2025	\$ 2,815,140	\$ 1,337,608	\$ 4,152,748
2026	2,558,131	1,291,021	3,849,152
2027	2,581,126	1,415,522	3,996,648
2028	2,605,016	1,544,894	4,149,910
2029	2,629,835	1,679,332	4,309,167
Thereafter	12,350,377	10,181,133	22,531,510
	\$ 25,539,626	\$ 17,449,510	\$ 42,989,135

(iii) Scheduled debt repayments may be suspended at the MFA's option in the event of excess sinking fund earnings. Principal paid during the year was \$2,949,917 (2023 - \$2,950,516). Interest paid during the year was \$2,669,586 (2023 - \$2,439,196).

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

8. Employee Future Benefit Liability

Information about liabilities for the City's employee benefit obligations is as follows:

	2024	2023
Accrued benefit obligations:		
Balance, beginning of year	\$ 20,414,400	\$ 18,850,200
Service cost	1,754,400	1,435,500
Interest cost	867,100	856,200
Benefit payments	(2,587,600)	(2,124,300)
Immediate recognition loss (gain) for event driven liabilities	242,400	350,500
Actuarial gain	194,400	970,500
Plan amendment	-	75,800
Accrued benefit obligation, end of year	20,885,100	20,414,400
Less: unamortized net actuarial gain/(loss)	(1,084,000)	(970,500)
Add: pension over contributions due to staff	534,424	543,961
Employee future benefit liability, end of year	\$ 20,335,524	\$ 19,987,861

The accrued benefit obligations and the benefit costs for the year were estimated by actuarial valuation as of December 31, 2024 by an independent actuarial firm. Key estimates used in the valuation include the following:

	2024	2023
Discount rates	4.30%	4.10%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.50%	2.50%
Estimated average remaining service life of employees	12 years	12 years

The benefit liabilities include both vested and non-vested amounts as follows:

	City	Police	2024	2023
Vested benefits	\$ 4,594,619	\$ 7,727,505	\$ 12,322,124	\$ 12,405,761
Non-vested benefits	7,770,000	243,400	8,013,400	7,582,100
Total employee future benefit liability	\$ 12,364,619	\$ 7,970,905	\$ 20,335,524	\$ 19,987,861

Vested benefits include lump sum retirement payments, death benefits, and certain sick leave and vacation in year of retirement. Vested benefits are contractually required to be paid to an employee regardless of their future employment. Non-vested benefits include long-service leave, personal leave program and certain leave programs. Non-vested benefits are conditional upon future employment.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

8. Employee Future Benefit Liability (continued)

GVLRA - CUPE Long term Disability Trust

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employees representing a number of CUPE locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The City and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2023.

At December 31, 2023, the total plan provision for approved claims was \$25,464,600 and the provision for unreported claims was \$2,327,000 with an accumulated deficit of \$3,419,021. The total plan provision for approved and unreported claims and net surplus/deficit at December 31, 2024 will be available later in 2025. The City paid \$934,897 (2023 – \$849,657) for employer contributions and City employees paid \$902,018 (2023 – \$813,403) for employee contributions to the plan in fiscal 2024.

Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the Plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of the funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2024.

The City paid \$15,042,408 (2023 - \$13,294,369) for employer contributions while City of Victoria employees paid \$12,598,579 (2023 – \$11,104,534) for the Plan in fiscal 2024.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

9. Tangible Capital Assets

Cost	Land & Improvements	Buildings	Furniture, equipment, technology, vehicles	Roads, bridges, highways	Water infrastructure	Sewer infrastructure	Drainage infrastructure	Assets under construction	2024 Total
December 31, 2023	\$ 177,594,904	\$ 162,199,741	\$ 111,406,401	\$ 313,075,960	\$ 95,937,823	\$ 51,099,968	\$ 47,754,283	\$ 30,135,841	\$ 989,204,921
Additions	12,873,410	6,713,059	9,223,987	8,660,689	4,873,746	6,429,545	2,988,878	25,461,152	77,224,466
Disposals	(348,842)		(1,425,290)					(3,767,219)	(5,541,351)
Transfer of completed assets previously under construction	6,573,179	1,712,291	1,492,047	12,554,801	5,593,415	84,646	6,852,946	(34,863,326)	-
December 31, 2024	196,692,651	170,625,092	120,697,145	334,291,450	106,404,985	57,614,159	57,596,107	16,966,448	1,060,888,036
Accumulated amortization									
December 31, 2023	(1,491,771)	(66,429,302)	(82,100,873)	(87,299,666)	(15,171,913)	(8,603,691)	(5,647,743)	-	(266,744,959)
Disposals	-	-	1,043,889	-	-	-	-	-	1,043,889
Amortization	(448,276)	(4,462,196)	(6,550,779)	(8,010,129)	(1,064,813)	(602,475)	(562,694)	-	(21,701,362)
December 31, 2024	(1,940,047)	(70,891,498)	(87,607,763)	(95,309,795)	(16,236,726)	(9,206,166)	(6,210,437)	-	(287,402,432)
Net Book Value, December 31, 2024	\$ 194,752,604	\$ 99,733,594	\$ 33,089,382	\$ 238,981,655	\$ 90,168,259	\$ 48,407,993	\$ 51,385,670	\$ 16,966,448	\$ 773,485,604

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

9. Tangible Capital Assets (continued)

Cost	Land & Improvements	Buildings	Furniture, equipment, technology, vehicles	Roads, bridges, highways	Water infrastructure	Sewer infrastructure	Drainage infrastructure	Assets under construction	2023 Total
December 31, 2022	\$ 173,227,689	\$ 123,036,756	\$ 101,229,301	\$ 290,967,030	\$ 93,165,280	\$ 48,134,590	\$ 46,099,711	\$ 11,895,939	\$ 887,756,296
Additions	394,258	38,690,900	8,307,011	18,665,248	2,180,779	2,630,454	1,640,519	32,725,879	105,235,048
Disposals	-	-	(239,697)	-	-	-	-	(3,546,726)	(3,786,423)
Transfer of completed assets previously under construction	3,972,957	472,085	2,109,786	3,443,682	591,764	334,924	14,053	(10,939,251)	-
December 31, 2023	177,594,904	162,199,741	111,406,401	313,075,960	95,937,823	51,099,968	47,754,283	30,135,841	989,204,921
Accumulated amortization									
December 31, 2022	(1,238,480)	(61,287,031)	(76,052,773)	(80,109,263)	(14,163,007)	(8,053,569)	(5,142,530)	-	(246,046,653)
Disposals	-	-	208,660	-	-	-	-	-	208,660
Amortization	(253,291)	(5,142,271)	(6,256,760)	(7,190,403)	(1,008,906)	(550,122)	(505,213)	-	(20,906,966)
December 31, 2023	(1,491,771)	(66,429,302)	(82,100,873)	(87,299,666)	(15,171,913)	(8,603,691)	(5,647,743)	-	(266,744,959)
Net Book Value, December 31, 2023	\$ 176,103,133	\$ 95,770,439	\$ 29,305,528	\$ 225,776,294	\$ 80,765,910	\$ 42,496,277	\$ 42,106,540	\$ 30,135,841	\$ 722,459,962

a) Work in Progress

Assets under construction having a value of \$16,966,448 (2023 - \$30,135,841) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed Assets

No contributed assets were recognized in 2024 (2023 - \$30,000).

c) Write-down of Tangible Capital Assets

No write-down of tangible capital assets occurred during 2024 or 2023.

d) Deposits towards acquisition of tangible capital assets

In 2023, the City entered into contractual arrangement for three future acquisitions of real property. The total cost of these arrangements was \$14,950,000 towards which the City had paid deposits of \$535,000 in 2023. The remaining obligation to the City of \$14,415,000 was paid in 2024 and the acquisitions were completed as scheduled.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

10. Asset Retirement Obligations

The City's asset retirement obligations consists of the following obligations:

The City owns and operates several buildings that are known to have asbestos. Asbestos represents a health hazard upon demolition of the building and there is a legal obligation to remove it and dispose of it in accordance with specific regulations.

The estimated total future expenditures totaling \$1,741,996 have been discounted using a present value calculation with a discount rate of 4.58%. The timing of these expenditures is estimated to occur in future years through to 2037. No recoveries are expected at this time.

Changes to the asset retirement obligations in the year are as follows:

Asset Retirement Obligations

Balance at January 1, 2024	\$	1,706,893
Additions		207,246
Accretion Expense		14,095
Balance at December 31, 2024	\$	1,928,234

11. Capital Lease Obligations

The City has financed police vehicles and security equipment by entering into capital lease arrangements.

Minium lease payments are due as shown:

2025	\$	202,228
2026		202,228
2027		202,228
2028		202,228
2029		90,950
		899,863
Less: Interest Portion		(108,619)
Present value of minimum capital lease payments	\$	791,244

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

12. Accumulated Surplus

Accumulated surplus consists of individual fund surplus as follows:

Surplus	2024	2023
Equity in tangible capital assets	\$ 726,881,028	\$ 671,790,270
Operating Fund	1,596,054	1,626,299
Unfunded employee benefit liability	(6,606,900)	(5,557,610)
	<u>721,870,182</u>	<u>667,858,959</u>
Non-Statutory Reserve Accounts		
Development Stabilization Reserve	20,383,021	19,442,954
Reserves		
Financial Stability Reserves	54,615,055	54,616,815
Equipment & Infrastructure Replacement Fund	191,676,696	194,097,236
Tax Sale Lands Fund	2,053,944	8,751,109
Parks and Greenways Acquisition Fund	299,424	2,345,923
Local Amenities & Tree	3,248,162	2,659,337
Victoria Housing Fund	10,316,945	8,895,911
Climate Action	4,557,089	3,740,228
Art in Public Places	1,133,761	1,131,227
Downtown Core and Public Realm Improvements	230,324	315,639
Park Furnishing Dedication Program	154,394	93,260
Growing Communities Fund	13,473,394	12,852,000
	<u>281,759,188</u>	<u>289,498,685</u>
Total Accumulated Surplus	<u>\$ 1,024,012,391</u>	<u>\$ 976,800,598</u>

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

13. Taxation

Taxation revenue, reported on the statement of operations is made up of the following

	Financial Plan 2024	2024	2023
General taxation:			
General municipal purposes	\$ 180,856,000	\$ 180,857,102	\$ 166,258,930
Utility 1% tax	1,429,000	1,335,868	1,373,350
Special assessments:			
Boulevard frontage	520,460	526,566	527,602
Specified area improvement	71,000	139,733	129,094
Sewer frontage	789,000	796,138	795,999
Total taxes available for municipal purposes	\$ 183,665,460	\$ 183,655,407	\$ 169,084,975

14. Government grants and transfers

	Financial Plan 2024	2024	2023
Unconditional government transfers:			
Traffic fine revenue sharing	\$ 2,000,000	\$ 1,877,000	\$ 1,988,000
Conditional government transfers:			
Federal	14,368,770	10,078,238	10,365,315
Provincial	1,783,060	3,767,478	15,403,891
Other agencies	73,000	394,072	240,112
	\$ 16,224,830	\$ 14,239,788	\$ 26,009,318

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

15. Miscellaneous Revenue

	Financial Plan 2024	2024	2023
Cost Sharing	\$ 1,010,560	\$ 1,718,891	\$ 1,457,097
Arena lease equivalent, share of naming rights and ticket surcharge	592,640	666,822	526,649
Capital Region Emergency Service Telecommunications levy	400,000	277,471	290,441
Bus shelter advertising	150,000	127,899	130,288
Commission	39,750	38,806	37,595
Density bonus	-	1,212,041	19,046
Fortis franchise fee	887,000	786,650	849,117
Other: administrative fees and lease fees	452,230	1,091,606	903,471
Loss on acquisition and disposal of tangible capital assets		(446,588)	-
	\$ 3,532,180	\$ 5,473,599	\$ 4,213,705

16. Trust Funds

Trust funds administered by the City are as follows, and have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations.

	2024	2023
Ross Bay Cemetery	\$ 1,392,015	1,312,989
Nature Interpretive Centre	751,400	716,745
Bastion Square Revitalization	149,714	149,714
	\$ 2,293,129	2,179,448

The Ross Bay Cemetery Trust is a fund for the non-commercial Ross Bay Cemetery and is used for perpetual maintenance.

The Nature Interpretive Centre is a trust for the construction of a Nature/Interpretive center in Beacon Hill Park.

The Bastion Square Revitalization Trust is a trust for the sole purpose of improving Bastion Square.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

17. Contingent Liabilities

(a) The City is a defendant in various lawsuits. The City records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of future litigation, will be recorded when a liability is likely and determinable. Management does not believe any outstanding claims are likely to result in a material loss to the City. The reserve funds include an insurance reserve of \$4,755,060 (2023 - \$4,535,756) maintained to provide 'a source of funds for liability claims not covered under the City's insurance policies. Since November 1, 2008, the City has been part of the Municipal Insurance Association, with insurable claims subject to a liability deductible of \$250,000 in any year.

(b) Under borrowing arrangements with the Municipal Finance Authority, the City is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as debt reserve fund. These deposits are included in the City's financial assets as restricted cash (under the caption of MFA debt reserve fund) and are held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the City. At December 31, 2024 the balance of the deposits was \$1,288,845 (2023 - \$1,323,540). At December 31, 2024 there were contingent demand notes of \$2,037,408 (2023 - \$2,245,243) which are not included in the financial statements of the City.

(c) Capital Regional District debt, under provisions of the Local Government Act, is a direct, joint and several liability of the Capital Regional District and each member municipality within the capital Regional District, including the City. No liability has been recorded in relation to this. A liability would be recorded if it becomes likely that the Capital Regional District will default on these debt obligations.

(d) The City of Victoria and the District of Saanich established the Board of Cemetery Trustees of Greater Victoria in 1922 under the Municipal Cemeteries Act. The Board is a not-for profit organization that operates the Royal Oak Burial Park. The terms of the agreement provides the Board a borrowing limit of \$3 million, with the City and the District of Saanich providing equal guarantee. At December 31, 2024 the Board had an outstanding demand loan of \$Nil (2023 - \$484,305) with the Bank of Montreal and long-term debt of \$377,391 (2023 - \$460,780) through the Municipal Finance Authority. The City's guarantee portion of the outstanding debt at December 31, 2024 is \$188,695 (2023 - \$472,543). No liability has been recorded in relation to this. A liability would be recorded if it becomes likely that the Board of Cemetery Trustees of Greater Victoria will default on these debt obligations.

(e) The City is a shareholder and member of Capital Regional Emergency Service Telecommunications (CREST) Incorporated, which provides centralized emergency communications and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

18. Financial Plan Data

The financial plan data presented in these financial statements is based on the 2024 operating and capital financial plan approved by Council on April 18, 2024. The below table reconciles the approved financial plan to the financial plan figures reported in these financial statements.

Revenues	
Taxation (Note 12)	\$ 183,665,460
Grants in lieu of taxes	7,612,400
Sale of goods and services	62,300,350
Sale of water	26,185,390
Licences and permits	9,873,110
Fines	7,485,020
Rentals and leases	2,659,300
Investment income	8,000,000
Other interest and penalties	965,960
Unconditional transfers (Note 13)	2,000,000
Conditional transfers (Note 13)	16,224,830
Actuarial adjustment on debt	-
Development Cost Charges	8,722,000
Miscellaneous (Note 14)	3,532,180
	<u>339,226,000</u>
Expenses	
General government	42,881,150
Protective services	98,871,790
Transportation services	31,506,840
Environmental and public health services	10,439,410
Social services and housing	2,276,870
Planning and development	25,477,260
Parks, recreation and cultural services	35,306,230
Water utility	19,368,390
Sewer utility	4,847,660
	<u>270,975,600</u>
Annual Surplus, per the Statement of Operations	68,250,400
Less:	
Capital expenditures	(153,162,000)
Debt repayments	(2,881,130)
Add:	
Funding and utilizations of reserves	87,792,730
Annual Surplus, per the financial plan bylaw	<u>\$ -</u>

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

19. Segmented Information

The City of Victoria is a diversified municipal organization that provides a wide range of services to its residents. For management reporting purposes, the City's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported within these funds. Certain functions that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government

The General Government Operations provide the functions of Corporate Administration, Finance, Human Resources, Legislative Services and any other functions categorized as non-departmental.

(b) Protective Services

Protective Services is comprised of four different functions, including the City's Emergency Management Division, Fire, Police and Bylaw Services. The Emergency Management Division enables the City to be more prepared and able to respond to, recover from, and be aware of, the devastating effects of a disaster or major catastrophic event that will impact the community. The Fire Department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies. The Police Department ensures the safety of the lives and property of Victoria as well as Esquimalt residents through the enforcement of municipal bylaws, criminal laws and the laws of British Columbia, the maintenance of law and order, and the prevention of crime. The goal of Bylaw Services is to achieve voluntary compliance of City Bylaws through education and information.

(c) Engineering and Transportation Services

Engineering and Transportation Services is responsible for a wide variety of transportation functions such as Parking, Engineering Operations and Streets. As well, providing services around infrastructure, traffic control, transportation planning, review of land development impacts on transportation, traffic management, pedestrian and cycling issues, on-street parking regulations, including street signs and painting, and traffic signal timing.

(d) Environmental and Public Health Services

The Environmental and Public Health Services is comprised of three areas: Solid Waste Services, Storm Drains and Street Cleaning. The Solid Waste Collection and Recycling Operations Section is responsible for the collection of household solid waste. The Storm Drains Section provides the design, inspection and technical supervision of civil engineering projects related to the construction and maintenance of the storm drain collection systems to protect public health. The Street Cleaning Section is responsible for the collection and disposal of litter and debris from streets, sidewalks, squares.

(e) Social Services and Housing

Social services and housing includes grants to non-profit organizations for the purpose of facilitating social inclusion and community wellness, and to support affordable housing initiatives.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

19. Segmented Information (continued)

(f) Planning and Development

This segment is comprised of four areas:

(i) Sustainable Planning and Community Development: Supports quality development and economic health of the City .

This function includes: community and city-wide land use planning; urban design; planning applications including zoning, development and variance permits, demographic, and other planning information services.

(ii) Strategic Real Estate: Manages all aspects of the City's real estate holdings based on an established real estate strategy and a triple bottom line (economic, social and environmental) perspective of returns. The real estate office provides a wide range of services including strategic advice and partnership development; as well as planning and leading transactions for the acquisition, sale, leasing or licensing of lands to meet the City's operational requirements and strategic goals.

(iii) Economic Development: This function is guided by six primary "engines" to drive Victoria's businesses, generate jobs, raise household incomes, and increase well-being. The six engines include: advanced education and research and development; the ocean and marine sector; experimental tourism; government; technology; and entrepreneurship, start-ups, and social enterprise. Economic development in Victoria focuses on the prospects for the future as a city with a high quality of life which supports the building of a vibrant, prosperous, fiscally sound and economically robust community. The Arts and Cultural function supports community vibrancy and economic impact through tourism and visitor attraction.

(iv) Victoria Conference Centre: This function includes the Victoria Conference Centre which is the second largest conference facility in BC and has a significant economic impact on the local economy. Responsible for strengthening the City's economy through the implementation of a vision and action plan for economic sustainability and growth in Victoria.

(g) Parks, Recreation and Facilities

Parks is responsible for the maintenance, planning and development of all park facilities such as ornamental gardens, natural ecosystems, sport and entertainment venues and playgrounds for recreational and cultural enjoyment in a beautiful and safe environment. Recreation services facilitates the provision of recreation and wellness programs and services through the City's pool, arena, Royal Athletic Park, and Community and Seniors' Centres. Facilities is responsible for the maintenance and repairs for all City facilities.

(h) Water and Sewer Utilities

The Sewer Utility protects the environment and human health from the impacts of liquid wastes generated as a result of human occupation and development in the City. The Water Utility delivers clean, safe and aesthetically pleasing potable water, in accordance with the Provincial Drinking Water Protection Act, to the citizens of the City of Victoria and Township of Esquimalt. The water is for the purpose of domestic consumption and fire fighting.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

THE CORPORATION OF THE CITY OF VICTORIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

19. Segmented Information (continued)

	General Fund							Water Fund	Sewer Fund	
	General Government	Protective Services	Engineering & Transportation Services	Environmental & Public Health Services	Social Services & Housing	Planning and Development	Parks, Recreation and Cultural	Water Utility	Sewer Utility	Total
2024										
Revenues										
Taxation	182,332,703	-	-	-	-	-	526,566	-	796,138	183,655,407
Grants in lieu of taxes	7,958,982	-	-	-	-	-	-	-	-	7,958,982
Sale of goods and services	1,113,167	10,647,535	20,130,118	11,365,580	-	12,705,429	3,034,613	1,593,412	10,093,156	70,683,009
Sale of water	-	-	-	-	-	-	-	26,176,686	-	26,176,686
Licences and permits	1,456,394	798,646	1,925,372	-	-	6,478,270	6,650	-	-	10,665,331
Fines	-	27,335	6,987,083	-	-	-	-	-	-	7,014,418
Rentals and leases	-	-	-	-	-	2,504,376	-	-	-	2,504,376
Investment income	16,060,289	-	-	-	-	-	-	-	-	16,060,289
Other interest and penalties	1,192,173	-	-	42,621	-	-	-	240,199	1,950	1,476,944
Unconditional transfers	-	1,877,000	-	-	-	-	-	-	-	1,877,000
Conditional transfers	6,796,763	231,991	1,007,965	13,585	632,847	1,078,912	142,944	1,406,079	2,928,701	14,239,788
Actuarial adjustment on debt	1,372,588	-	-	-	-	-	-	-	-	1,372,588
Development Cost Charges	6,545,000	-	-	70,607	-	-	-	-	734,612	7,350,219
Miscellaneous	1,003,220	1,713,655	101,912	-	1,177,756	630,623	846,433	-	-	5,473,599
	225,831,278	15,296,162	30,152,450	11,492,393	1,810,603	23,397,610	4,557,206	29,416,376	14,554,558	356,508,636
Expenses										
Salaries, wages and benefits	23,114,132	88,974,368	20,668,796	5,707,485	1,047,147	12,045,713	22,712,192	2,427,751	2,610,901	179,308,483
Materials, supplies and services	5,666,095	15,764,313	8,837,014	3,993,161	983,270	13,346,334	16,517,718	15,772,408	2,591,002	83,471,314
Interest and foreign exchange	504,319	-	1,707,086	-	-	-	962,500	-	-	3,173,905
Grants	-	-	-	-	2,082,676	491,462	6,140,109	-	-	8,714,247
Amortization	3,740,589	2,942,779	9,575,286	600,320	-	674,561	2,500,539	1,064,813	602,475	21,701,362
Capital Maintenance	2,063,800	323,537	4,294,625	974,327	-	24,552	2,863,606	610,396	1,772,687	12,927,532
	35,088,935	108,004,997	45,082,807	11,275,293	4,113,094	26,582,622	51,696,663	19,875,368	7,577,064	309,296,843
Annual surplus	\$ 190,742,343	\$ (92,708,835)	\$ (14,930,357)	\$ 217,100	\$ (2,302,490)	\$ (3,185,013)	\$ (47,139,457)	\$ 9,541,008	\$ 6,977,493	\$ 47,211,793

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

19. Segmented Information (continued)

2023	General Fund							Water Fund	Sewer Fund	Total
	General Government	Protective Services	Engineering & Transportation Services	Environmental & Public Health Services	Social Services & Housing	Planning and Development	Parks, Recreation and Cultural	Water Utility	Sewer Utility	
Revenues										
Taxation	167,761,374	-	-	-	-	-	527,602	-	795,999	169,084,975
Grants in lieu of taxes	7,613,156	-	-	-	-	-	-	-	-	7,613,156
Sale of goods and services	1,461,295	10,009,837	18,401,878	10,449,823	-	11,012,158	3,011,169	1,540,078	10,417,870	66,304,108
Sale of water	-	-	-	-	-	-	-	26,734,144	-	26,734,144
Licences and permits	1,434,495	1,245,098	2,115,822	-	-	6,567,792	7,937	-	-	11,371,144
Fines	-	51,980	5,386,701	-	-	-	-	-	-	5,438,681
Rentals and leases	-	-	-	-	-	2,194,456	-	-	-	2,194,456
Investment income	16,378,744	-	-	-	-	-	-	-	-	16,378,744
Other interest and penalties	1,089,488	-	-	52,438	-	-	-	264,093	1,700	1,407,719
Unconditional transfers	-	1,988,000	-	-	-	-	-	-	-	1,988,000
Conditional transfers	21,265,966	238,544	447,951	13,691	1,500,677	50,000	71,919	1,922,189	498,381	26,009,318
Actuarial adjustment on debt	1,435,132	-	-	-	-	-	-	-	-	1,435,132
Development Cost Charges	5,307,628	-	-	572	-	-	-	513,000	313,588	6,134,789
Miscellaneous	2,166,690	1,329,266	154,996	-	-	461,095	101,658	-	-	4,213,705
	<u>225,913,967</u>	<u>14,862,726</u>	<u>26,507,349</u>	<u>10,516,525</u>	<u>1,500,677</u>	<u>20,285,502</u>	<u>3,720,283</u>	<u>30,973,503</u>	<u>12,027,538</u>	<u>346,308,071</u>
Expenses										
Salaries, wages and benefits	19,235,896	79,686,717	18,424,141	5,361,131	1,137,720	10,340,638	21,219,620	2,382,783	2,411,626	160,200,271
Materials, supplies and services	3,801,965	14,573,628	8,636,581	3,581,592	254,771	11,436,264	15,837,656	15,287,371	2,513,003	75,922,831
Interest and foreign exchange	362,588	-	1,561,696	-	-	-	877,500	-	-	2,801,784
Grants	-	-	-	-	1,880,324	384,627	4,632,774	-	-	6,897,725
Amortization	3,471,527	2,528,294	8,979,304	661,701	-	698,554	3,008,003	1,009,461	550,122	20,906,966
Capital Maintenance	835,938	936,147	2,418,045	782,760	-	109,961	2,497,000	764,489	427,536	8,771,876
	<u>27,707,915</u>	<u>97,724,786</u>	<u>40,019,766</u>	<u>10,387,184</u>	<u>3,272,815</u>	<u>22,970,043</u>	<u>48,072,553</u>	<u>19,444,103</u>	<u>5,902,287</u>	<u>275,501,453</u>
Annual surplus	\$ 198,206,053	\$ (82,862,060)	\$ (13,512,418)	\$ 129,341	\$ (1,772,137)	\$ (2,684,542)	\$ (44,352,270)	\$ 11,529,400	\$ 6,125,250	\$ 70,806,618

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2024

20. Financial risks and concentration of risk

The City is exposed to credit risk, interest rate risk, liquidity risk, and foreign exchange risk from the City's financial instruments as follows.

(a) Credit Risk

Credit risk arises from the City's cash and cash equivalents, accounts receivable, portfolio investments, and mortgage receivable.

Accounts receivable (excluding property taxes receivable as these are not considered financial instruments under PS 3450) consist primarily of amounts receivable from utilities, and transfers from other governments. To manage the risk, the City regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2024, the amount of allowance for doubtful receivables was \$1,575,887 (2023 - \$1,046,616).

The City manages exposure to credit risk for portfolio investments by ensuring adequate diversification and by investing in term deposits and guaranteed investment certificates with major Canadian financial institutions, and with the MFA. These investment meet the investment requirements of Section 183 of the Community Charter of the Province of BC.

There has been no change to the credit risk exposure from prior year.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The City is exposed to interest rate risk through its long-term debt and its portfolio investments.

The City manages cash flow risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates do not impact future cash flows or results of operations relating to long-term debt prior to maturity. Note 7 provides further information on the City's long term debt.

Investments subject to interest rate risk are the MFA Pooled Bond Funds disclosed in note 4. As interest rates rise, the fair value of these investments decreases; as interest rates fall, the fair value of these investments increases.

There has been no change to the interest rate risk exposure from prior year.

(c) Liquidity Risk

Liquidity risk is the risk that the City will not be able to meet its financial obligations as they become due. The City is exposed to liquidity risk through its accounts payable and accrued liabilities, deposits liability, and long-term debt. The City manages liquidity risk through its planning, budgeting and forecasting process, and by continually monitoring actual and forecasted cash flows from operations, investing, and financing activities to ensure that its financial obligations are met. The City's planning and budgeting process includes both a 1-year budget and 5-year financial plan, each of which includes operational activities and capital investments. The repayment schedule for long-term debt is disclosed in note 7. Other financial liabilities are generally due within the next fiscal year.

There has been no change to the liquidity risk exposure from prior year.

(d) Foreign Exchange Risk

The City has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant. The foreign currency financial instruments immaterial and are short-term in nature and do not give rise to significant foreign currency risk.

There has been no change to the foreign exchange risk exposure from prior year.

SUPPLEMENTARY FINANCIAL INFORMATION

The Corporation
of the City of Victoria

The following schedule is unaudited

Year Ended December 31, 2024

THE CORPORATION OF THE CITY OF VICTORIA
SUPPLEMENTARY FINANCIAL INFORMATION

For the year ended December 31, 2024

Schedule A - Growing Communities Fund (Unaudited)

	2024	2023
Balance, beginning of the year	\$ 12,852,000	\$ -
Grant received	-	12,852,000
Eligible costs incurred	-	-
Interest earned	621,394	-
Balance, end of the year	\$ 13,473,394	\$ 12,852,000

Draft

City of Victoria

Audit findings report to the Mayor and Council
for the year ended December 31, 2024

START



To the Mayor and Council of City of Victoria

We are pleased to provide you with the results of our audit of the financial statements of The Corporation of the City of Victoria (the "City") for the year ended December 31, 2024. This report should be read in conjunction with our planning report, dated September 19, 2024, which contains further information about our audit methodology, our responsibilities as auditors and the responsibilities of those charged with governance.

The enclosed report includes: significant risks identified and the nature, extent, and results of our audit work. We also report any significant internal control deficiencies identified during our audit and reconfirm our independence.

During the course of our audit, management made certain representations to us—in discussions and in writing. We documented these representations in the audit working papers.

This report has been prepared solely for the use of the City's Mayor and Council and others within the organization, and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

We look forward to discussing our audit conclusions with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

BDO Canada LLP

BDO Canada LLP

April 22, 2025



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Audit at a glance

Status of the Audit

We have substantially completed our audit of the financial statements for the year ended December 31, 2024.

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement.

Our draft independent auditor's report is attached to the draft financial statements.

Management Representations

During the course of our audit, management made certain representations to us, either verbally or written, and therefore they were explicit, or they were implied through the financial statements. Management provided representations in response to specific queries from us, as well as unsolicited representations. These representations were part of the evidence gathered by us to draw reasonable conclusions on which to base our audit opinions. These representations were documented throughout the audit files.

A summary of the written representations we have requested from management is included in [Appendix A](#).

Scope of our Work

The scope of the work performed was substantially the same as that described in our Planning Report to the Mayor and Council dated September 19, 2024.

A chart of the inherent risks identified in connection with the City's financial statements was included in our Planning Report. Our risk assessments did not significantly change throughout the course of the audit.

As communicated to you in our Planning Report, preliminary materiality for all items other than infrastructure was set at \$8.2m and materiality for financial statement amounts related to infrastructure was set at \$14.4m. These levels are based on expenses and tangible capital assets and have not changed through the course of our audit.

Audit Findings

The procedures performed over key risk areas and the results of these procedures are described on [page 5](#).

Audit differences identified are listed on [page 9](#).

Considerations related to internal controls at the City are described on [page 10](#). No significant deficiencies were identified.

Other communications that are required by audit standards are specified on [page 11](#).

Independence & Professional Ethics

Our annual letter confirming our independence is included in [Appendix B](#).



We have complied with relevant ethical requirements and confirm that we are independent with respect to the City within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.



Audit findings

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the City's accounting practices, including accounting policies, accounting estimates and financial statements disclosures. We look forward to discussing these topics and answering your questions.

Findings relating to risks classified as significant are as follows:

Financial statement areas	Risks noted	Procedures performed
Management Override of Internal Controls <i>[Mandatory audit consideration]</i>	<p>Management is generally in a unique position to perpetrate fraud because of its ability to directly or indirectly manipulate accounting records, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>This risk is not unique to the City.</p>	<p>Reviewed transactions recorded in the various ledgers for unusual or non-recurring adjustments not addressed by other audit procedures.</p> <p>Reviewed the controls, in particular relating to the processing of journal entries, and examined a sample of journal entries.</p> <p>All audit testing in this area was performed as planned with no issues to report.</p>



Audit findings (continued)

Findings related to risks classified as elevated, moderate or low are as follows:

Financial statement areas	Risks noted	Procedures performed
Implementation of new accounting standard: PSAS 3400 Revenue [Elevated risk]	The City implemented the new public sector accounting standard for revenue (PSAS 3400). This standard introduces new guidance in regards to the timing of recognition of certain of the City's revenue streams where specific accounting standards have not previously applied. As with the implementation of any new accounting standard there is an elevated risk due to the novel considerations that must be made.	<p>For each of the revenue streams identified as being in-scope of PSAS 3400 by management, we reviewed management's analyses identifying when and how revenue will be recognized to ensure these assessments are in accordance with the new standard.</p> <p>For revenue streams identified by management as not being in-scope of PSAS 3400, we reviewed the scoping work performed by management to ensure these assessments are in accordance with the new standard.</p> <p>All audit testing in this area was performed as planned with no material issues to report. We have identified ongoing reporting risks in connection with this new standard and have made recommendations to mitigate them. See page 8.</p>
Implementation of new accounting standard: PSAS 3160 Public Private Partnerships [Elevated risk]	The City implemented the new public sector accounting standard for public private partnerships (PSAS 3160). This standard introduces new guidance in regards to recognition and measurement of infrastructure assets that have been funded through public-private partnerships, and the related liabilities. While these arrangements are not as prevalent in local government environments as they are in senior government environments, there is a risk that the City has entered into an arrangement that meets the criteria of this new standard. As with the implementation of any new accounting standard the risk is elevated due to the novel considerations that must be made.	<p>We reviewed management's documentation regarding the process that was applied to identify arrangements that are potentially in scope of this standard. We further considered whether any infrastructure assets, revenue streams, or payment streams in the year indicated the existence of an arrangement in scope of PSAS 3160.</p> <p>No arrangements were identified as being in-scope of PSAS 3160.</p> <p>All audit testing in this area was performed as planned with no issues to report.</p>



Audit findings (continued)

Financial statement areas	Risks noted	Procedures performed
Employee Future Benefit Obligation <i>[Elevated risk]</i>	This is a complex area where BDO expects that the services of an external expert will be required. This risk rating reflects BDO's assessment of risk prior to the consideration of an appropriately qualified expert (the inherent risk). The magnitude of total existing and expected employee future benefits varies from organization to organization and it can be material.	<p>Corresponded with the expert engaged by management and verified that the services they provided are in accordance with our expectations based on our understanding of the City's financial reporting needs.</p> <p>Examined the report provided by this expert and assessed the reasonability of the assumptions and judgements made.</p> <p>Assessed the application of the relevant public sector accounting standards in the expert's conclusions and recommendations to management.</p> <p>All audit testing in this area was performed as planned with no issues to report.</p>
Recognition of Grant & Government Transfer Revenue <i>[Normal risk]</i>	Accounting standards relating to grant and government transfer revenue recognition are complex and open to variation in application. There is a risk that grants and other government transfers may be incorrectly deferred into future periods or recognized prior to stipulations being met.	<p>Reviewed a sample of funding agreements relating to both recognized and deferred revenue and verified that the recognition or deferral of revenue occurred in accordance with any stipulations present in the funding agreements.</p> <p>Verified a sample of cash receipts in connection with the government transfer revenue recognized.</p> <p>All audit testing in this area was performed as planned with no issues to report.</p>
Risk of Fraudulent Revenue Recognition <i>[Presumption of fraud risk rebutted]</i>	Auditing standards require us to consider the risk of fraudulent revenue recognition. Due to the nature of the City's revenue streams, we have rebutted this presumption.	



Audit findings (continued)

Implementation of New Accounting Standard: PSAS 3400 - Revenue

During the year, the City implemented PSAS 3400. This new standard clarifies the point in time that revenue should be recognized. The standard does this for a broad variety of revenue streams, and by relating revenue recognition to an organization's satisfaction of the performance obligations that it has to other organizations or individuals.

The City has a number of revenue streams within the scope of PSAS 3400. Management has invested significant time to gather information on these streams and analyze them in the context of PSAS 3400. The output of this work is the formal identification of performance obligations for many of the City's revenue streams.

In many cases the existing accounting processes already resulted in revenue recognition occurring materially within the appropriate fiscal year. However, the changes brought on by this new standard are significant and there is risk that, without further evolution of accounting and other processes, revenue recognition errors may accumulate in the future. We have made the following observations for the City's consideration:

1 - Identification of performance obligations

In some cases there is very little uncertainty whether an action taken by the City is a performance obligation. For example, the delivery of water to a user for their consumption is a performance obligation for water services revenue. In other cases it is not be so clear. The City may have an established practice of performing certain activities - such as inspections during a permitting process - but the contractual arrangement with the end user may not obligate the City to perform these activities. In this case, the activity may not meet the definition of a performance obligation.

Best practices in this area are expected to evolve as all users of Public Sector Accounting Standards continue to interpret PSAS 3400 and evaluate their revenue streams. We recommend that the City continue to evaluate revenue streams in this second year of adoption of PSAS 3400, particularly those streams where there is uncertainty around the City's obligations, if any. We recommend ensuring that the City's standard templates for contracts, permits and licenses are clear on the obligations that the City has under these arrangements.

2 - Tracking of performance obligations

The City's revenue streams are diverse and involve a high volume of transactions. Correspondingly, the City has and executes a high volume of performance obligations. In some cases, such as with metered water and sewer services, there is a well-established and reliable system to track performance obligations (which is the processing of volumes of water). In other cases, the systems in place are either less established or are not integrated with accounting processes.

An area where this is likely to be prevalent is permitting. Specifically, permitting relating to development activities may involve performance obligations other than the issuance of a permit. However, tracking the completion of these activities is unlikely to be 'real time' as in the case of water metering. And in cases where tracking of activities is robust within operations, that data may not be **flowing** efficiently into the financial accounting processes.

Getting the right information, to the right people, and at the right time, is a challenge for all organizations. The implementation of PSAS 3400 is an opportunity to put a lens on the City's information systems and look for areas where improvements can be made in both efficacy and efficiency of information flow. We recommend that the City continue to review related processes in this second year of adoption of PSAS 3400.

3 - Estimates used to measure performance obligations

In the case of some revenue streams, the City is using estimates of the completion of performance obligations to determine revenue recognition. This may occur as a practical response to data collection challenges discussed above, or due to execution of performance obligations occurring over a period of time rather than being measurable by discrete actions.

In these cases, the City is using a combination of historical data and management judgements to estimate the time period over which an income transaction is recognized as revenue. There is a risk that the historical norms and judgements used in this estimate, while appropriate now, will not be so in the future. We therefore recommend adopting a policy that requires these estimates to be re-assessed on a recurring basis.



Audit differences

Unadjusted audit differences

Through the course of our audit we have not identified any unadjusted audit differences.

Adjusted audit differences

Through the course of our audit we have not identified any audit differences that were adjusted by management.

Disclosure omissions

Through the course of our audit we have not identified any material disclosure omissions.



Internal control matters



We are required to report to you in writing about any significant deficiencies in internal control that we have identified during the audit.

A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that merits the attention of those charged with governance.

The audit expresses an opinion on the City's financial statements. As a result, it does not cover every aspect of internal controls—only those relevant to preparing the financial statements and designing appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

No control deficiencies were noted that, in our opinion, rise to the level of a significant deficiency.

During the audit, we performed the following procedures regarding the City's internal control environment:

- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.

We considered the results of these procedures in determining the extent and nature of audit testing required.



Other required communications

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the attached table summarizes these additional required communications.

Issue	BDO response
Our responsibilities under Canadian Auditing Standards (CAS)	Included in our Engagement Letter dated November 3, 2023
Our audit strategy and audit scope	Included in our Planning Report dated September 19, 2024
Fraud risk factors	Included in our Planning Report dated September 19, 2024
Going concern matters	No matters requiring further communication.
Significant estimates or judgments	No matters requiring further communication.
Disagreements with management	No matters requiring further communication.
Consultations with other accountants or experts	<p>As described in our Planning Report dated September 19, 2024, we corresponded with and reviewed the work of George and Bell Consulting, who is the actuarial firm engaged by Management to value the City's Employee Future Benefits Liability.</p> <p>BDO did not engage or consult with any external experts for the purpose of this engagement.</p>



Other required communications

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the attached table summarizes these additional required communications.

Issue	BDO response
Major issues discussed with management regarding retention	No matters requiring further communication.
Significant difficulties encountered during the audit	No matters requiring further communication.
Material written communication between BDO and management	No matters requiring further communication.
Any illegal acts identified during the audit	No matters requiring further communication.
Significant transactions with related parties not consistent with ordinary business operations	No matters requiring further communication.
Non-compliance with laws or regulations identified during the audit	No matters requiring further communication.
Limitations of scope over our audit, if any	No matters requiring further communication.



Appendices

- ▶ [Appendix A: Representation Letter](#)
- ▶ [Appendix B: Independence Letter](#)



Appendix A: Representation Letter

Reporting Date

BDO Canada LLP
Chartered Professional Accountants
Royal Centre, 1055 West Georgia Street,
Unit 1100, P.O. Box 11101
Vancouver, British Columbia
V6E 3P3

This representation letter is provided in connection with your audit of the financial statements of City of Victoria for the year ended December 31, 2024, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated November 3, 2023, for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards; in particular, the financial statements are fairly presented in accordance therewith.

- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and/or disclosure that are reasonable in accordance with Canadian Public Sector Accounting Standards.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Public Sector Accounting Standards.
- All events subsequent to the date of the financial statements and for which Canadian Public Sector Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. No material unadjusted misstatements were identified.

Information Provided

- We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Fraud and Error

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

General Representations

- Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you.
- Except as disclosed in the financial statements, there have been no changes to title, control over assets, liens or assets pledged as security for liabilities or collateral.
- The entity has complied with all provisions in its agreements related to debt and there were no defaults in principal or interest, or in the covenants and conditions contained in such agreements.
- There have been no plans or intentions that may materially affect the recognition, measurement, presentation or disclosure of assets and liabilities (actual and contingent).
- The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the entity, except as disclosed in the financial statements.

Other Representations Where the Situation Exists

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. Since there are no actual, outstanding or possible litigation and claims, no disclosure is required in the financial statements.
- We will provide to you, when available and prior to issuance by the entity, the final draft version of the document(s) comprising the annual report.
- We have not identified any public-private-partnership arrangements that are in scope of PSAS 3160 and would require recognition or disclosure in the financial statements.

Yours truly,

Susanne Thompson, Deputy City Manager & CFO

Raymond Lin, Manager of Accounting



Appendix B: Independence Letter



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
Unit 1100 - Royal Centre
1055 West Georgia Street
Vancouver, BC V6E 3P3 Canada

April 22, 2025

To the Mayor and Council
The City of Victoria

We have been engaged to audit the financial statements of The Corporation of the City of Victoria (the "City") for the year ended December 31, 2024.

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between the City and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the appropriate provincial institute/order and applicable legislation, covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We are not aware of any relationships between the City and our Firm that, in our professional judgment may reasonably be thought to bear on independence that have occurred from the date of our last letter on April 18, 2024, to the date of this letter.

We hereby confirm that we are independent with respect to the City within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia as of the date of this letter.

This letter is intended solely for the use of the Mayor and Council, management and those charged with governance within the City and should not be used for any other purpose.

Yours truly,

BDO Canada LLP

Chartered Professional Accountants

Independent Auditor's Report

To the Mayor and Councillors of The Corporation of the City of Victoria

Opinion

We have audited the accompanying financial statements of The Corporation of the City of Victoria (the "City"), which comprise the Statement of Financial Position as at December 31, 2024, and the Statements of Operations, Changes in Net Financial Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2024, and the results of its operations, changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of 'Schedule A - Growing Communities Fund (Unaudited)', that are included at the end of these financial statements.

Chartered Professional Accountants

Vancouver, British Columbia

REPORT DATE

Appendix D

Indicators of Financial Condition 2024 Financial Statements

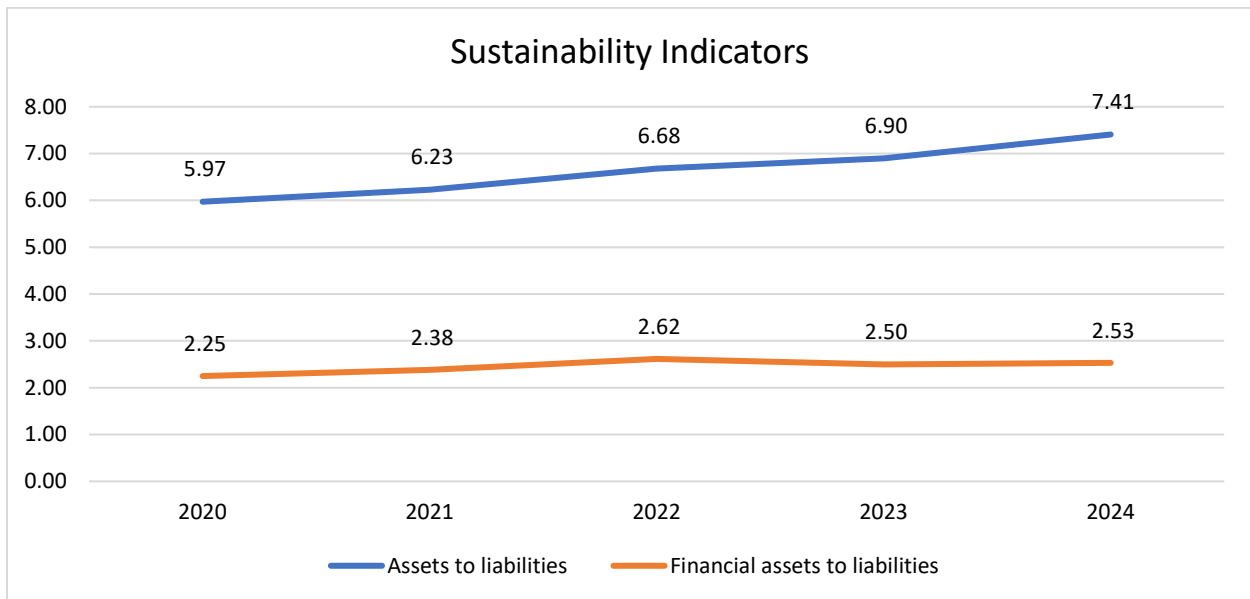
Assessing a government's financial condition using the elements of sustainability, flexibility, and vulnerability, at a minimum, provides a framework to support a variety of strategic and policy decisions.

Sustainability

Sustainability is the degree to which a government can maintain its existing financial obligations both in respect of the service commitment to the public and financial commitment to creditors, employees, and others without increasing the debt or tax burden. The ratio of assets to liabilities illustrates the extent to which a government finances its operations by issuing debt. A ratio of higher than one indicates that a government has accumulated surplus and has assets greater than debt. A ratio of less than one, or downward trending, may not be sustainable. For the ratio of financial assets to liabilities, a result of less than one indicates liabilities in excess of financial assets.

The City's ratio of assets to liabilities, and financial assets to liabilities, are positive and trending upward, which indicates strengthening sustainability. In other words, the current revenue is sufficient to cover operating costs and resources are on hand that can finance future operations.

Figure 2. Sustainability Indicators



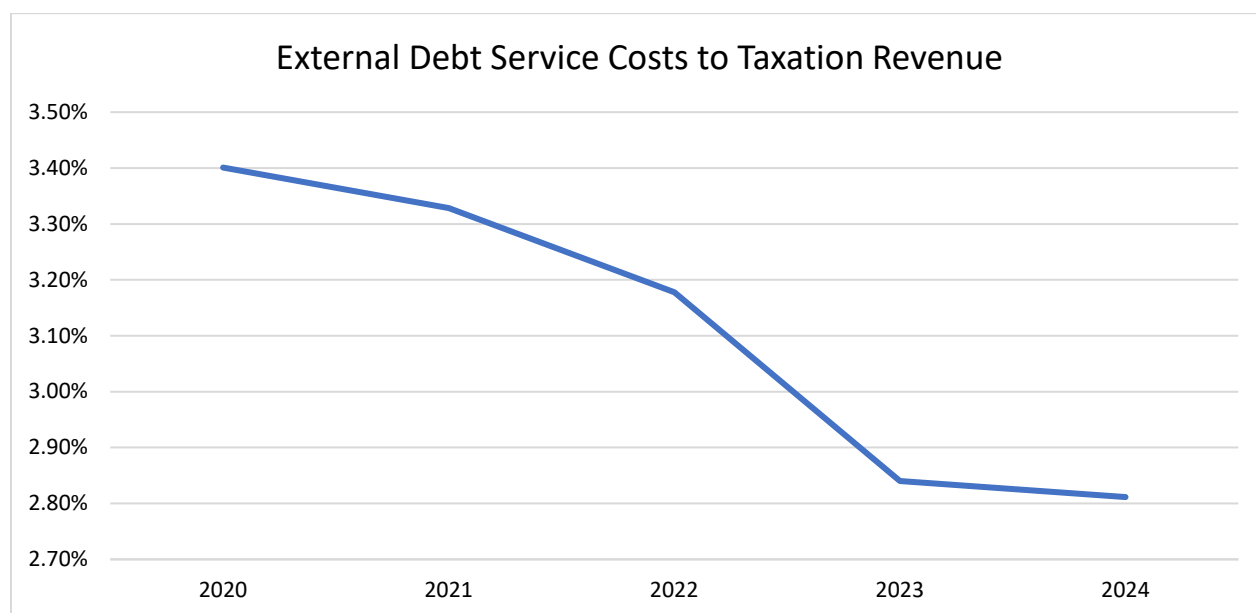
Flexibility

Flexibility refers to the degree to which a government can change its debt or tax burden in the economy within which it operates in order to meet its existing commitments. This provides insights into how a government manages its finances. For example, increasing current borrowing reduces future flexibility to respond when adverse economic circumstances develop; and increasing taxation or user fees reduces its ability to do so in the future as a government approaches the limit that residents and businesses are willing to bear.

Public debt charges to revenues illustrates the extent to which past borrowing decisions present a constraint on a government's ability to meet its financial and services commitment in the current period. The more a government uses revenues to meet the interest costs on past borrowing, the less will be available for program spending.

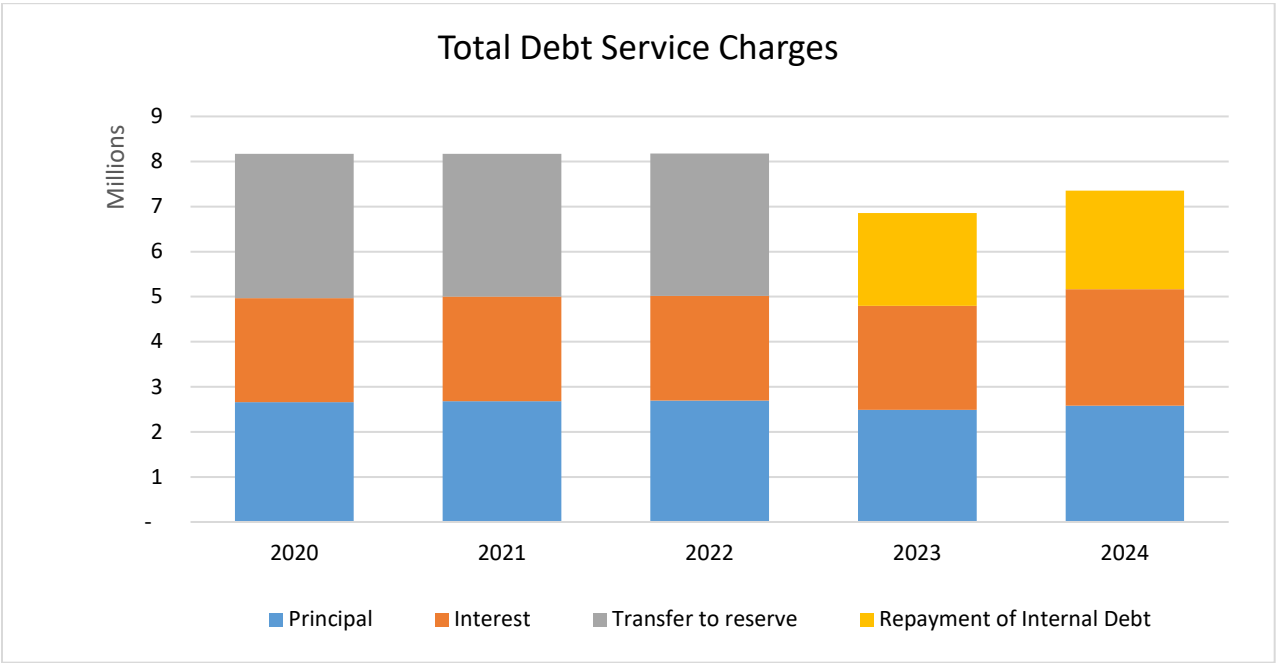
The City's external debt service costs include principal repayment and interest costs. The ratio of debt service costs to taxation revenue fluctuates in response to new debt issues, changes to interest rates, and debt issue maturity.

Figure 3. External Debt Service Costs (principal repayment and interest costs) to Taxation Revenue



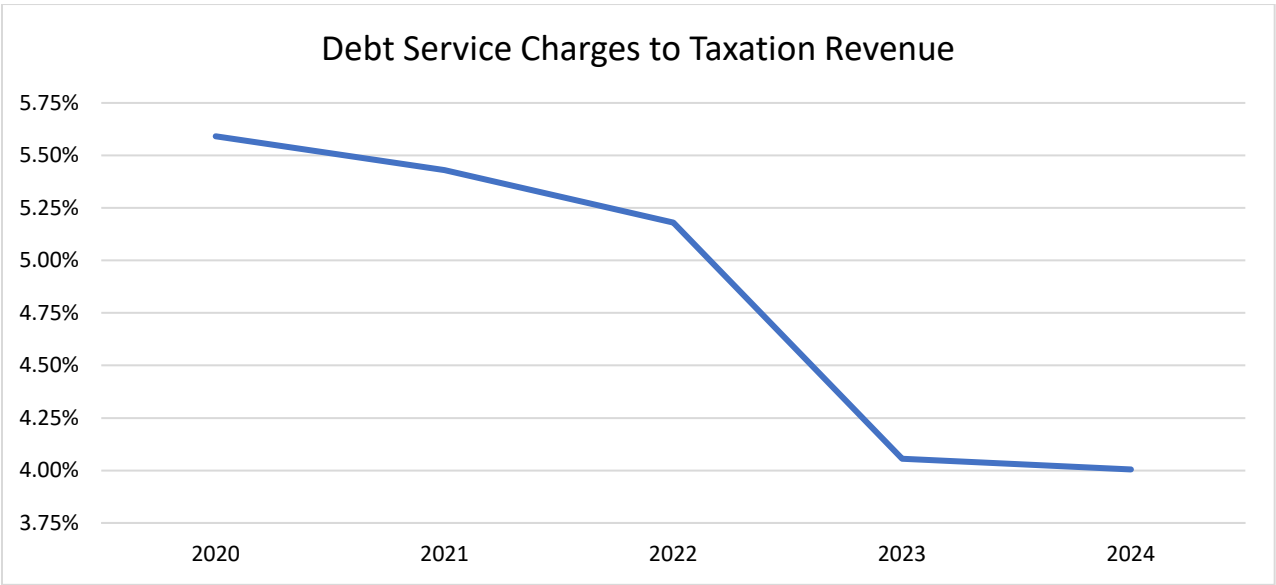
The City's Financial Sustainability Policy provides direction for debt management to maintain a constant threshold of debt service charges, which include external debt service costs and repayment of internal borrowing from the Debt Reduction Reserve, at a conservative ratio of total debt services charges to taxation revenue well below the legislated allowable maximum. The buffer of the internal transfer to reserve allows for debt service costs to fluctuate without having an impact on property taxes and enables the reserve to be built to allow internal borrowing as a lower cost alternative to external borrowing, both indicators of strength of flexibility. The financing of the new Fire Station #1 was done through internal borrowing, and 2023 was the first year of the repayment of that loan.

Figure 4. Total Debt Service Charges



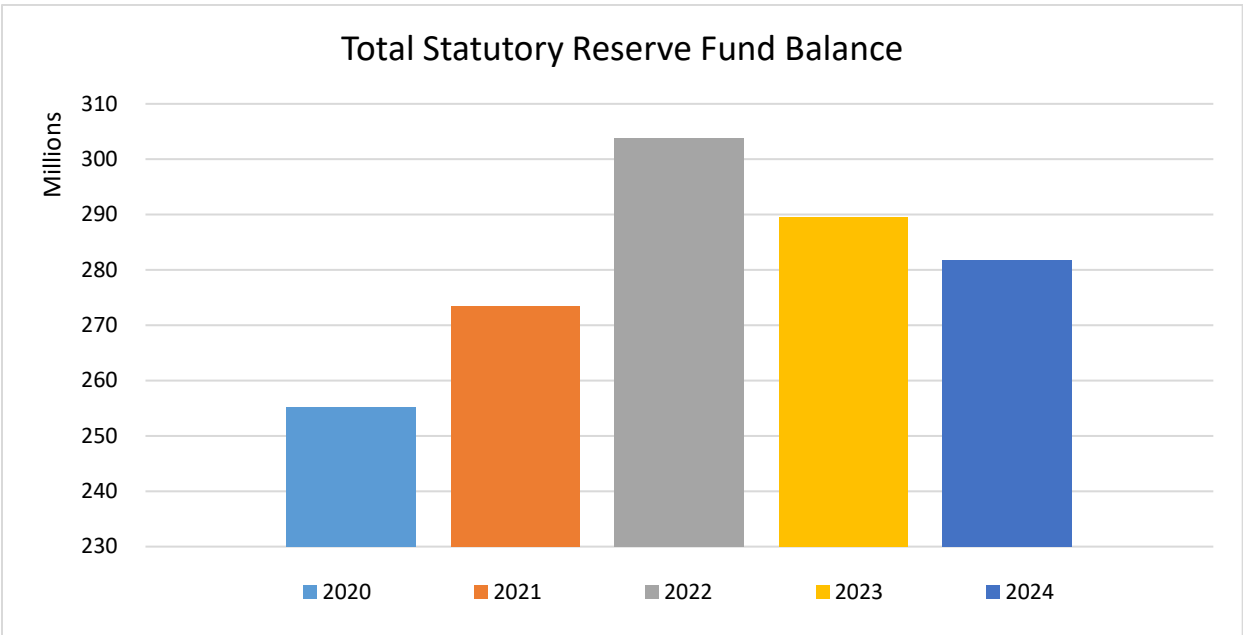
Maintaining the policy threshold level of total external debt charges results in a downward trend of the debt charges to taxation revenue indicator, adding further strength to flexibility.

Figure 5. Total Debt Service Charges to Taxation Revenue



The City’s Reserve Fund Policy guides the development and use of reserve funds. The City continues to use reserves and the balances (Figure 6) fluctuate in alignment with the City’s strategic objectives for services and asset replacement funding requirements. The decrease in 2024 is due to more capital projects being completed and funded from the reserves, most significantly are the work on underground infrastructure, multi-modal corridor improvements, and acquisition of future park land. The City does not yet have all master plans in place to determine asset replacement funding needs, however there is sufficient information to identify funding gaps for facilities, fleet and roads. These gaps are addressed through increases to annual capital funding and by continuing to contribute to reserve balances to support strengthening the City’s sustainability and flexibility in relation to capital funding decisions.

Figure 6. Statutory Reserve Fund Balance



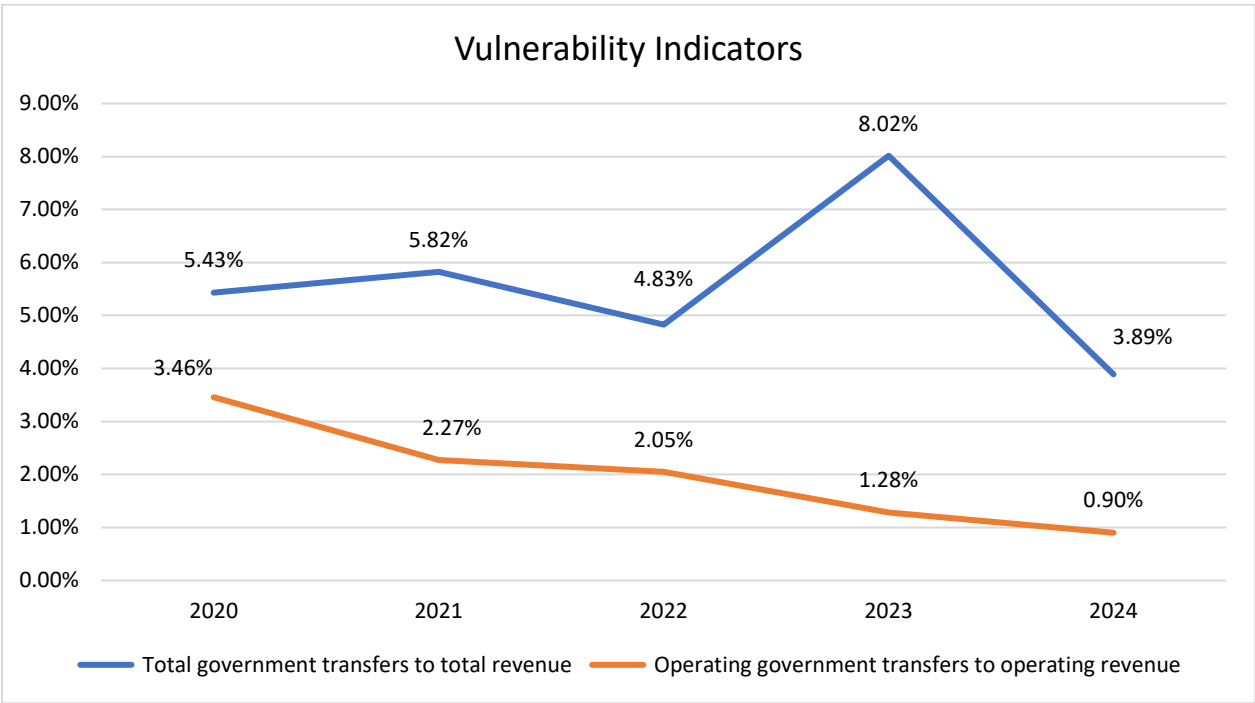
Vulnerability

Vulnerability is the degree to which a government is dependent on sources of funding outside its control or influence or is exposed to risks that could impair its ability to meet its existing financial obligations. A government whose vulnerability is relatively low has greater control over its financial condition.

The government transfers to total revenue indicator can provide insight into a government’s vulnerability as a result of dependency on another government. The City’s ratio of total government transfers to total revenue is impacted by grants received for capital projects. Considering only the operating government transfers received in relation to total operating revenue, the ratio is typically significantly lower and is relatively stable or trends downward. During the pandemic, additional operational one-time funding was provided to municipalities through programs such as the Strengthening Communities Services Grant resulting in a higher ratio in 2020-2022. For the total grant ratio, the sharp uptick in 2023 is related to the receipt of the one-

time Growing Communities Fund of \$12.8M from the Province to support infrastructure and amenities demands of local governments.

Figure 7. Vulnerability Indicators



The City’s Financial Sustainability Policy states in its Primary Objective that the “policies shall be designed and structured to develop principles that guide, support, and respect the direction of the community so that taxpayers can look forward to stable, equitable and affordable property taxation”. The indicators of financial condition illustrate that the application of these principles guide decisions that support building the City’s financial strengths in sustainability and flexibility, while considering the risk of vulnerability.

APPENDIX E

City of Victoria - Operating Budget Revenues/Funding Sources
For the year ending December 31, 2024

	T3 2023 Actual	T3 2024 Actual	2024 Budget	Budget Remaining \$ Variance	% Collected to Date	Explanation for Variance
City Manager's Office	-	216,515	250,000	33,485	87%	
Business and Community Relations						
Arts, Culture and Events	244,603	336,853	246,750	(90,103)	137%	Increased revenues from Canada Day grants and increased equipment rentals revenues; offsetting expenses. Reduced funding trans from the Public Art Reserve for Art Creation and Maintenance project
Neighbourhoods	1,800	249,883	280,000	30,117	89%	
Victoria Conference Centre (VCC)	4,049,212	4,262,089	3,226,370	(1,035,719)	132%	Conference sales are trending higher and expected to exceed budget due to higher than expected bookings. Increased sales have result in increased audio visual, food, security and equipment rental revenues. Parkade revenue surplus due to the increase in events; offset with expenses
VCC Event Costs Paid by Clients	6,758,943	8,450,134	3,475,000	(4,975,134)	243%	Full cost recovery of related expenses; variance due to higher than expected bookings
Bylaw Services	1,292,242	884,826	1,148,610	263,784	77%	Short Term Rental licenses are less than expected due to new legislation
Communications and Engagement	1,775	13,220	13,220	-	100%	One-time funding carried over from previous year; offsetting expenses
Legislative Services	44,050	41,200	60,000	18,800	69%	Public Hearing volume lower than budgeted
Council				-	0%	
People and Culture	105,780	14,867	19,300	4,433	77%	
Strategic Real Estate	1,895,097	2,229,257	2,170,570	(58,687)	103%	
Engineering and Public Works						
Engineering and Public Works	1,397,436	2,414,137	2,536,500	122,363	95%	Funding for projects carried over from previous years include Climate Action initiatives, Traffic Calming initiatives, MVA Pilot and Visio Zero; offsetting expenses. Traffic Permits, Encroachment Fees, Outdoor Patios and Municipal Access Agreement revenues are trending higher
Solid Waste and Recycling	3,632,069	3,901,889	3,876,210	(25,679)	101%	
Sewer Utility	10,088,421	9,892,136	9,910,660	18,524	100%	
Water Utility	27,260,322	26,581,011	26,350,390	(230,621)	101%	Increased water connection fee revenue; offsetting expenditures
Storm Drain Utility	8,102,917	8,699,557	8,545,810	(153,747)	102%	Uptake of the rainwater rewards program lower than projected
Finance						
Parking Services	23,780,024	27,370,108	28,373,020	1,002,913	96%	Trending lower due to lower than expected daily parking in parkades
Information Technology				-	0%	
Parks, Recreation and Facilities	3,522,208	3,665,101	3,894,350	229,249	94%	Aquatic programs and RAP food and beverages are trending higher, with offsetting increased expenditures. Expected revenue in recreation programs including summer camps, child/youth program
Planning and Development	7,713,429	8,384,338	11,869,370	3,485,033	71%	Building permits, electrical permits and rezoning revenues higher, offset by lower plumbing permits. Housing Accelerator Fund grant partially received; offset matching by expenses. Funding transfers for Housing, OCP and DCAP initiatives are carried over to 2025
Victoria Fire Department	346,654	243,892	64,500	(179,392)	378%	EMBC reimbursement from the Province received; offsetting expenses. Fire fee revenues are trending higher due to false alarm inspections and permits
Grants	622,500	1,407,000	241,000	(1,166,000)	584%	Victoria Housing Reserve Grants flow through from reserves to pay grants; offsetting expense
Office of Equity, Diversity and Inclusion	1,484	95,059	108,000	12,941	88%	
Corporate						
Payment in Lieu of Taxes/Special Assessments	9,115,600	9,434,582	9,112,400	(322,182)	104%	Increased revenue from the Province of BC, BC Housing and Federal PILTs
Fees and Interest	18,648,803	18,171,763	8,787,500	(9,384,263)	207%	Investment income higher due to higher interest rates
Business and Other Licences	1,426,594	1,447,814	1,467,000	19,186	99%	Reduced revenue from Business Licenses
Overhead Recoveries	4,395,420	4,361,580	4,605,320	243,740	95%	
Miscellaneous	24,865,217	14,878,170	11,943,380	(2,934,790)	125%	Revenue from DGV Online Accommodation Platform Tax Bonus Density, Tree Replacement Fee; offset by transfer to reserve
Prior Year's Surplus	1,673,877	1,626,297	1,626,300	3	100%	
Victoria Police Department	11,514,779	13,072,755	12,230,680	(842,075)	107%	Year end transfer from the Financial Stability Reserve
Property Taxes	166,258,930	180,857,102	180,856,000	(1,102)	100%	
Total	\$ 338,760,186	\$ 353,203,133	\$ 337,288,210	(\$ 15,914,923)	105%	

**City of Victoria - Operating Budget Expenditures/Transfers to Reserve
For the Year ending December 31, 2024**

	T3 2023 Actual	T3 2024 Actual	2024 Budget	Budget Remaining \$ Variance	Actual Spent to Budget %	Explanation for Variance
City Manager's Office	1,066,174	1,833,304	2,024,480	191,176	91%	Vacancies
Communications and Engagement	2,126,248	2,912,333	2,876,760	(35,573)	101%	
Council	812,798	797,004	856,350	59,346	93%	
Business and Community Relations				-		
Arts, Culture and Events	2,895,032	3,606,311	3,627,770	21,459	99%	
Economic Development	804,966	849,519	950,610	101,091	89%	Vacancies
Neighbourhoods	625,070	541,639	565,880	24,241	96%	
Victoria Conference Centre (VCC)	3,353,108	3,586,456	3,347,400	(239,056)	107%	Higher than expected bookings which resulted in increased janitorial, security, audio visual, food, security and equipment rental expenses offset by revenues
VCC Event Costs Paid by Clients	6,758,943	8,450,134	3,475,000	(4,975,134)	243%	Full cost recovery of related expenses
Bylaw Services	4,852,720	5,349,959	5,635,280	285,321	95%	Vacancies
Legislative Services	1,823,550	1,972,827	1,948,050	(24,777)	101%	Postage increases
Engineering and Public Works				-		
Engineering and Public Works	21,049,083	23,096,618	25,546,850	2,450,232	90%	Vacancies and carried forward projects include Climate Action Initiatives, Traffic Calming initiatives, MVA Pilot and Vision Zero
Solid Waste & Recycling	3,200,954	3,466,314	3,876,210	409,896	89%	Lower than anticipated costs
Water Utility	27,260,322	26,581,011	26,350,390	(230,621)	101%	Surplus transferred to reserves
Sewer Utility	10,088,421	9,892,136	9,910,660	18,524	100%	Surplus transferred to reserves
Stormwater Utility	8,102,917	8,699,557	8,545,810	(153,747)	102%	Surplus transferred to reserves
Finance				-		
Finance	4,750,551	5,597,170	5,828,520	231,350	96%	Vacancies
Parking Services	11,090,234	12,168,939	11,312,600	(856,339)	108%	Increased costs related to the extended paid parking hours and increased transactions
Information Technology	6,302,882	7,189,556	7,596,660	407,104	95%	Vacancies
Legal Services	1,189,436	1,286,372	1,414,750	128,378	91%	Lower expenses in external legal support
Parks, Recreation and Facilities				-		
Parks	14,375,049	14,661,081	15,013,410	352,329	98%	Vacancies
Recreation	7,019,302	7,876,114	7,578,240	(297,874)	104%	Additional RAP field and building maintenance costs and repairs and maintenance for the Crystal Pool due to the facility's age
Facilities	8,076,202	8,365,306	8,441,380	76,074	99%	
People and Culture	3,451,767	4,849,971	5,252,970	402,999	92%	Vacancies and decreased expenses in recruitment
Planning and Development	9,383,923	9,470,603	13,907,420	4,436,817	68%	Housing Accelerator Fund grant, OCP and DCAP initiatives are carried over to 2025
Strategic Real Estate	2,122,391	2,347,382	2,269,250	(78,132)	103%	
Victoria Fire Department	19,828,888	23,716,873	22,710,470	(1,006,403)	104%	Due to increased call volume, additional call-out coverage was required to ensure service levels were maintained
Office of Equity, Diversity and Inclusion	433,528	559,065	536,900	(22,165)	104%	
Corporate				-		
Contingencies	-	-	102,770	102,770		
Debt Principal, Interest and Reserve Transfer	6,855,492	7,355,492	7,355,490	(2)	100%	
Grants	6,624,237	8,159,258	7,147,250	(1,012,008)	114%	Increased payments for Victoria Housing Reserve grants
Corporate Resources	7,164,377	8,316,257	5,774,490	(2,541,767)	144%	Consulting, insurance claims and Crest Levy expenses were lower; offset by higher than expected interest on prepaid property taxes and appeals
Transfers to Reserve	46,499,283	35,112,701	23,466,960	(11,645,741)	150%	Increased transfers to reserves for the interest earned on investments and to the Housing Reserve for DGV Online Accommodation Platform tax
Transfer to Capital Budget	11,540,000	11,540,000	11,540,000	-	100%	
Greater Victoria Public Library	5,810,872	6,050,915	5,994,350	(56,565)	101%	
Victoria Police Department	69,795,169	75,348,905	74,506,830	(842,075)	101%	
Total	\$ 337,133,890	\$ 351,607,082	\$ 337,288,210	(\$ 14,318,872)	104%	

City of Victoria - Capital Budget Expenditures
For the Year Ending December 31, 2024

Area Description	T3 2023 Actual	T3 2024 Actual	2024 Budget	Budget Remaining/\$ Variance	Actual Spent vs. Budget %	Variance Notes
Transportation	32,402,614	20,536,278	36,296,000	15,759,722	57%	Projects in progress carried to 2025: Multi-Modal projects - Blanshard rehabilitation & Gorge bike lane projects, Major and Local Street Rehabilitation, Government Street Refresh, David Foster Harbour Pathway and Bastion Square Upgrades
Parks	5,100,253	13,756,112	18,317,000	4,560,888	75%	Major projects completed: Purchase of 1703 and 1725-1745 Blanshard Street properties. Projects in progress carried to 2025: Phase 2 Topaz Park Improvements, Centennial Square, Playground Improvements and Dogs in Parks
Structures	967,920	4,048,793	6,632,000	2,583,207	61%	Major project completed: Retaining Wall replacement at Blanshard/Tolmie. Projects in progress carried to 2025: Gate of Harmonious Interest, Bridge Rehabilitation Program and Dallas Road Bluff study expected to commence in T1 2025
Facilities	39,200,645	7,711,580	13,875,000	6,163,420	56%	Major project completed: Purchase of 751 View Street property. Projects in progress carried to 2025: Public Washroom Improvements, Public Works Trade Shop, Beacon Hill Park Yard Electrical Update, Parkade Improvements, Community Centre projects, 926-930 Pandora Redevelopment, Save on Foods Memorial Centre Chiller Replacement, Fire Station #3 Master Plan and Public Works Master Plan
Equipment	9,394,495	17,053,092	34,883,000	17,829,908	49%	Purchases/Projects in progress carried to 2025: Vehicle and Heavy Equipment procurements underway, EV Infrastructure, Parking Equipment Upgrades, Small Equipment and Tools, Corporate Software Application enhancements, New Parking Paystations, Parking Equipment and Technology Upgrades and Asset Management Software Implementation
Environmental Remediation	235,805	26,661	1,452,000	1,425,339	2%	Budget only spent if needed
Sanitary Sewers	4,485,300	11,202,734	18,381,000	7,178,266	61%	Projects in progress carried to 2025: Sewer Mains Replacement, Inflow and Infiltration Projects, Equipment and System Upgrades
Stormwater	7,719,082	4,643,605	10,885,000	6,241,395	43%	Projects in progress carried to 2025: Stormwater Mains Replacement, Brick Main Rehabilitation Projects and Equipment
Waterworks	8,866,694	6,004,970	10,393,000	4,388,030	58%	Projects in progress carried to 2025: Water Mains Replacement, System Planning and Assessment Projects and Equipment
Contingency	-	-	350,000	350,000	0%	
Victoria Police	1,098,436	1,143,564	1,848,000	704,436	62%	Computer, Vehicles and Equipment
Total	109,471,243	86,127,390	153,312,000	67,184,610	56%	

2024 FINANCIAL STATEMENTS

City of Victoria Draft Audited Financial Statements
For the year ended December 31, 2024



2024 Financial Statements
May 1, 2025 Committee of the Whole

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Overview

- Reporting Timeline
 - Community Charter section 167
 - Due to Ministry by May 15
- 2024 Financial Statement Highlights
- Auditors Report



2024 Financial Statements
May 1, 2025 Committee of the Whole

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Financial Statements

The Corporation of the City of Victoria Statement of Financial Position As at December 31, 2024, with comparative figures for 2023			
	2024	2023	
Financial Assets			Statement of Cash Flows
Cash and cash equivalents (Note 3)	\$ 121,941,832	\$ 97,276,198	
Accounts receivable			
Property taxes	4,360,823	4,189,736	
Other	32,902,977	37,500,804	
Portfolio investments (Note 4)	243,270,071	272,967,247	
Mortgage receivable (Note 5)	1,077,779	1,044,652	
Other assets	20,428	403	
MFA debt reserve fund (Note 16)	1,288,845	1,323,540	
	404,862,755	414,302,578	
Liabilities			Statement of Changes in Net Financial Assets
Accounts payable and accrued liabilities	34,759,431	35,189,523	
Prepayments	14,554,543	14,430,347	
Deposits	12,826,564	14,287,501	
Deferred revenue (Note 6)	30,737,826	31,127,016	
Long-term debt (Note 7)	43,865,097	48,962,799	
Employee future benefit liability (Note 8)	20,335,524	19,867,861	
Asset retirement obligation (Note 10)	1,928,234	1,706,893	
Capital lease obligations (Note 11)	781,244	-	
	159,818,463	165,691,940	
Net Financial Assets (net debt)	245,044,292	248,610,638	
Non-Financial Assets			Statement of Operations and Accumulated Surplus
Tangible capital assets (Note 9)	773,485,604	722,459,962	
Inventories of supplies	2,585,076	2,855,209	
Deposits towards acquisition of tangible capital assets (Note 9(d))	-	535,000	
Prepaid expenses and deposits	2,897,419	2,539,789	
	778,968,099	728,189,960	
Accumulated Surplus (Note 12)	\$ 1,024,012,391	\$ 976,800,598	
The accompanying notes are an integral part of these financial statements.			

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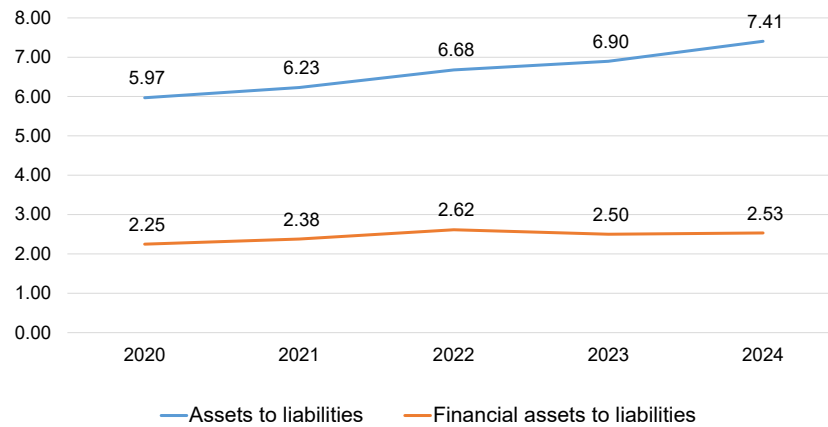
Financial Condition Indicators

- Sustainability
- Flexibility
- Vulnerability

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Financial Condition Indicators

Sustainability Indicators

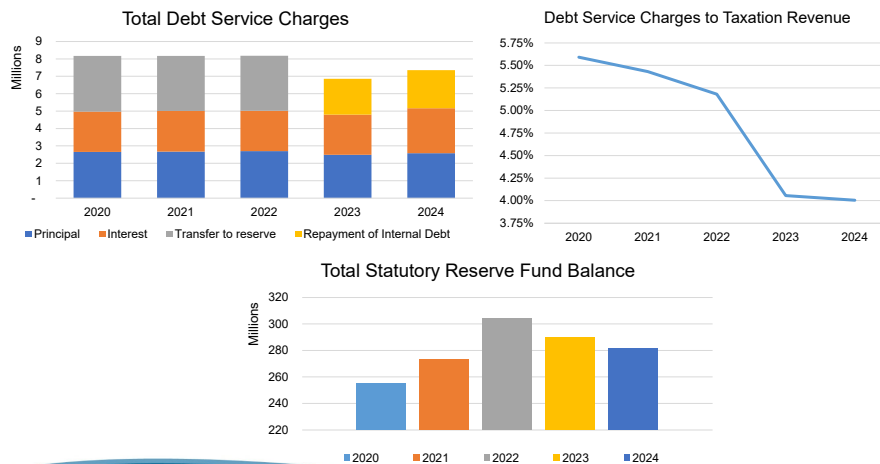


2024 Financial Statements
May 1, 2025 Committee of the Whole

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Financial Condition Indicators

Flexibility Indicators

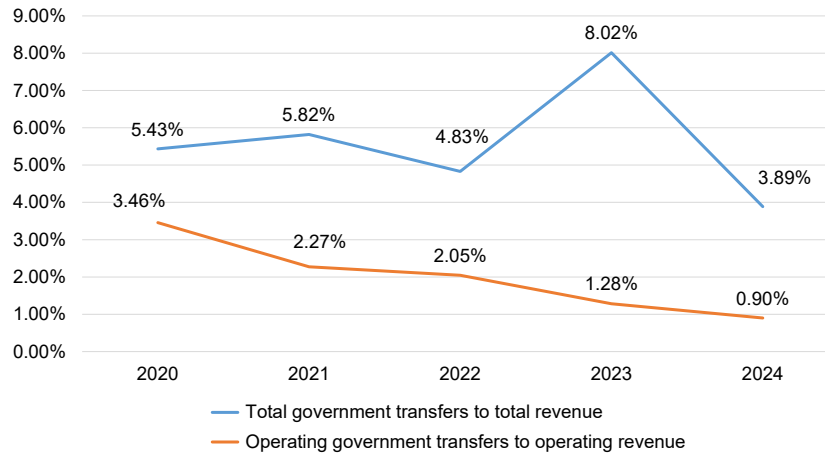


2024 Financial Statements
May 1, 2025 Committee of the Whole

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Financial Condition Indicators

Vulnerability Indicators



2024 Financial Statements
May 1, 2025 Committee of the Whole

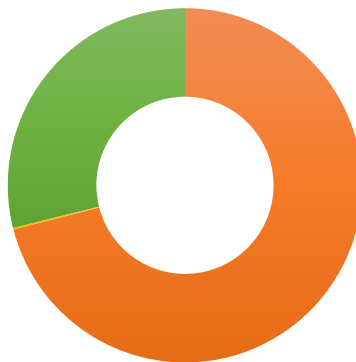
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Accumulated Surplus

At December 31, 2024 \$1,024,012,391

Reserve Balances
\$295,535,309

2024 General Fund
Surplus
\$1,596,054



Equity in Tangible
Capital Assets
\$726,881,028

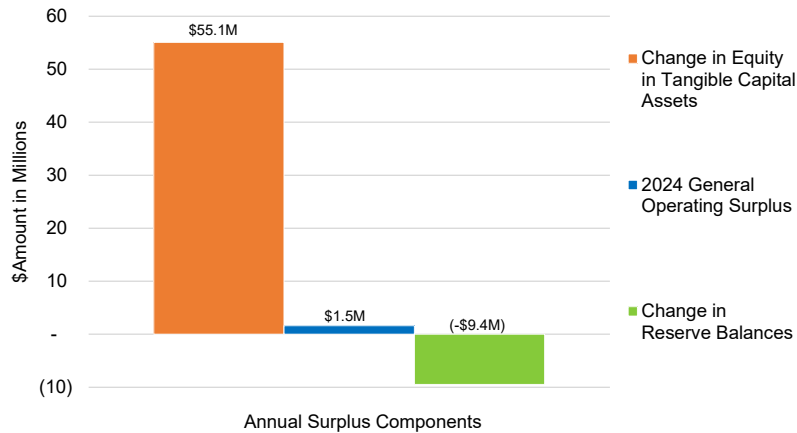


2024 Financial Statements
May 1, 2025 Committee of the Whole

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Annual Surplus

For the year ended December 31, 2024 \$47,211,793



2024 Financial Statements
May 1, 2025 Committee of the Whole

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Financial Plan Comparison of Revenues & Expenses

- Financial Statements presented in PSAB format
- Budget comparison not effective in this format
- Meaningful comparison of budget to actual provided in the following:
 - Appendix E – Operating Revenues & Expenses
 - Appendix F – Capital Expenditures



2024 Financial Statements
May 1, 2025 Committee of the Whole

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Recommendation

That Council approve the 2024 Financial Statements.



2024 Financial Statements
May 1, 2025 Committee of the Whole



Council Member Motion
For the Committee of the Whole Meeting of April 17, 2025

To: Committee of the Whole **Date:** April 7, 2025
From: Mayor Alto and Councillor Caradonna
Subject: Additional Funding for the 125th Anniversary of the Victoria Day Parade and Allocation of Remaining MCIEG Funds

BACKGROUND

This report seeks Council's approval to provide an additional \$25,000 in funding from the 2025 Major Community Initiatives & Events Grant (MCIEG) program to support the 125th anniversary of the Victoria Day Parade. The report also recommends that staff be directed to allocate the remaining 2025 MCIEG funds toward enhancing existing programming during the fall shoulder season from October 1 to December 31, 2025.

The Victoria Festival Society, event organizers of the annual Victoria Day Parade (VDP), applied for and received funding through the 2025 Festival Program Grant (formerly known as the Festival Investment Grant). 2025 marks the 125th anniversary of the parade, and organizers had planned an expanded program to celebrate this milestone. Organizers anticipated additional funding forthcoming from the B.C. Fairs, Festivals and Events Fund (BCFFE); however, the BCFFE program was not renewed for 2025.

The MCIEG application process has closed, and \$168,520 remains unallocated for 2025. As a longstanding event in the City of Victoria with significant cultural and historical importance, the Victoria Day Parade is a fitting recipient for extraordinary one-time funding support. An additional \$25,000 from the MCIEG will help offset the shortfall resulting from the loss of BCFFE funding and support the success of the expanded 125th anniversary celebrations.

If Council approves the \$25,000 funding request, the MCIEG program will have a remaining balance of \$143,520 for 2025. Given the application window for the MCIEG has closed, the remaining funds could be used to enhance existing programming during the quieter fall and winter months, thereby supporting downtown vibrancy and community engagement.

RATIONALE FOR SAME DAY COUNCIL CONSIDERATION

The Victoria Day Parade is scheduled for May 19, 2025—just over one month away. Timely confirmation of additional funding is critical to allow organizers to proceed with expanded programming and event planning.

RECOMMENDATION

That Council:

1. Approve one-time funding of \$25,000 from the 2025 Major Community Initiatives & Events Grant program to support the 125th anniversary of the Victoria Day Parade.
2. Direct staff to allocate the remaining 2025 MCIEG program funds to enhance existing programming such as OUR DWTN or other events between October 1 and December 31, 2025.

Respectfully submitted,



Mayor Alto.



Councillor Caradonna



Council Member Motion
For the Committee of the Whole Meeting of May 1, 2025

To: Committee of the Whole **Date:** April 24, 2025
From: Councillor Dave Thompson and Councillor Krista Loughton
Subject: 900 Block of Pandora Avenue Cleanliness – Dumpster Pilot Project

Background

As the City works to improve the livability and appearance of the 900 block of Pandora Avenue, a persistent problem has been the accumulation of garbage on sidewalks, boulevards and the street. City of Victoria Public Works staff, the City - DVBA Clean Team, area service providers and residents attempt to pick up waste, but it accumulates quickly. The accumulation of waste can make some feel that throwing one more item on the ground isn't going to make any difference, so the problem compounds. Providing more regular garbage cans is problematic because they cannot contain the larger items, and they are sometimes upended, making the situation worse.

Our Place Society (OPS) staff have proposed a pilot project: having a locked dumpster located on the slip road of the 900 block (or nearby), with the lock being opened only briefly and while OPS staff (or others delegated authority) load waste – including large items – into the dumpster, and then immediately locked again. Having a lock will help ensure that waste is not removed from the dumpster and that nobody attempts to enter the dumpster.

A pilot project could enable City staff to assess this action for longer-term potential, considering safety, effectiveness, cost, frequency of waste pick-up, etc. Such a pilot, and potential longer-term project, could reduce the amount of time that Public Works, Bylaw Staff and VicPD need to be on the 900 block of Pandora Avenue for cleanups and removal of abandoned materials.

Stipends for street community members to do waste collection and clean up would help improve effectiveness while building sustained support for a cleaner 900 block of Pandora. OPS staff indicates that a \$15/hour stipend for folks to take on garbage collection would be ideal. These individuals would sign up daily, and there would be two people each day doing two-hour shifts; therefore, it would cost \$60 a day, or \$5,400 for a 3-month pilot.

Work that is paid for by a stipend is an effective system for the unhoused community, as people often have no other options for work. This also creates purpose and a sense of pride for people experiencing homelessness.

“Having the street community involved in the clean-up on the 900 block has many benefits. When the street community is actively participating in the clean-up of the space, it changes the dynamic. Other members of the street community on Pandora are more likely to support

the cleanliness of the space when they see their peers doing the clean-up. When the cleanliness of the block is maintained within the community living on Pandora, there is less need for outside resources to attend to clean-up.”

-Jordan Cooper, Our Place Society, Director of Services

This project would support Council’s Strategic Plan, under Community Well-being and Safety:

- Beautify, support and enhance Victoria's downtown and urban villages.
- Support innovative, well-being solutions to reduce harm for housed and unhoused people living in neighbourhoods where there are shelters.
- Work with partner agencies and governments to create life opportunities for unhoused people.

Recommendation

That Council directs staff to:

1. Work with Our Place Society to place a locking dumpster on the slip road of the 900 block of Pandora for a 3 month pilot period to determine whether that will help keep the block cleaner and save resources currently used for garbage collection, funded by contingency;
2. Include stipends for the street community to do waste collection and clean up for a 3-month period for a total of \$5,400 using contingency funds;
3. Report back to Council when the pilot is complete, and if it is deemed successful, work with the Province to continue the program through HEART and HEARTH.

Respectfully submitted,



Councillor Thompson



Councillor Loughton



Council Member Motion
For the Committee of the Whole Meeting May 1, 2025

To: Committee of the Whole **Date:** April 25, 2025
From: Councillor Hammond
Subject: More compensation for evicted tenants due to re-development

BACKGROUND

There is something ironic about hoping for cheaper rents over time, using principles of supply and demand, while at the same time allowing tenant evictions through re-development of buildings where many existing tenants already have more affordable housing.

City Council can't, and won't, want to get in the way of people wanting to re-develop their own properties if it fits all laws and regulations. And when that re-development causes the evictions of existing tenants, it is up to Council to give as much protection as possible. With 61% of Victoria residents being renters, this is a group of people who deserve better protection. And with the new OCP giving a green light for tearing down existing rental properties to build much larger rental properties, new protections for this significant part of our community can't be put on hold.

The City's existing Tenant Assistance Policy from January 2023, sums up the importance of tenants in our city with the wording in the introduction which states:

1.1 Victoria Renters

Renters account for a significant portion of the City of Victoria's population and are an important part of the City's social fabric.

Many of the renters live in older and lower-density rental stock, where over 80% of which were built in the 1960s and 1970s. With a proportionally high percentage of renters in the City, (61% of the total population) this rental stock is a vital component of the City's overall supply of rental housing, with rental rates that are often lower than market average.

Renting also allows for median income households to live in Victoria. The median annual income of renters is \$44,165, significantly lower than that of homeowners (\$80,986).*

[*These income figures come from Statistics Canada for 2016, however more recent income data shows the continued significant disparity between household income for renters and home owners.]

As a result, the City owes its renting residents more protections when they are displaced due to re-development and at the moment, the payment to existing tenants who are evicted, is not enough. To quote Councillor Marg Gardiner on April 27, 2025, “the most affordable housing is existing housing.” When existing housing comes to an end, then fair and reasonable compensation is needed.

Section 5.1 of the City’s Tenant Assistance Policy states:

Compensation should be given to displaced tenants. Compensation may take the form of free rent, lump sum payment, or a combination of both.

Compensation is recommended to be based on length of tenancy:

- Up to 5 years: 3 months’ rent
- 5 to 9 years: 4 months’ rent
- 10 to 19 years: 5 months’ rent
- 20+ years: 6 months’ rent

In the case that compensation in the form of a lump sum payment may affect the tenants’ eligibility for housing, then compensation in free rent in a different building is preferred.

In the new Official Community Plan (OCP) proposal, under the “New Tenant Protection Bylaw and Development Permit Area” document, the only addition to the compensation noted directly above includes tenants with 1 year or less will receive 2 months’ rent.

Other aspects of the new proposed Tenant Protection Bylaw appear to be quite helpful during a very stressful time of being forced out of one’s home.

While City staff work on the new OCP Bylaw language for Council, it would be prudent to consult more widely with tenants rights groups, such as the Victoria Tenants Union, the Tenant Resource and Advisory Centre and any other groups devoted exclusively to tenants’ rights and protections. And of course, any proposed changes to the policy need to be discussed with the home building and development community.

When enquiring about consultation done to date, a senior City staff member responded with the following:

- “Emails were sent to 36 tenants who had previously gone through a [Tenant Assistance Plan] TAP and indicated that they were willing to be contacted by the city. The email invited them to discuss their experience and provide feedback on the existing policy to inform potential changes in the new bylaw. Six responses to this invitation were received. Three tenants attended the feedback session. I have attached a copy of the email.
- The City’s tenant assistance planner has engaged in a number of ‘one-on-one’ conversations with tenants who are in the midst of a TAP and has recorded their feedback.
- Staff met with a group from the Together Against Poverty Society (TAPS) – this organization provides legal support and advocacy about renters’ rights.
- Staff tried to engage with the Victoria Tenants’ Union but did not receive a reply.
- Conclusions from these conversations are included in Attachment E of the OCP report.”

Following up on the lack of response from the Victoria Tenants' Union, a spokesperson for the Union noted they were not aware the City was reaching out to them. Unintentional mis-communication can happen, however, the Union spokesperson said they want to be consulted by the City.

Fairness: If we look at employment common law, no one will think it fair to terminate an employee without cause, with no payment, very little payment or the minimum amounts as outlined in employment standards legislation. While a Canadian court noted that reasonable notice is "an art not a science" it's not unheard of for employees to receive approximately one month of pay for every year of service with their employer. And unless an employee receives "salary continuance" (where they are paid until they find a job), any long service employee could receive a lump sum payment of say six, twelve, or eighteen months and then find a similar paying job the next day.

However, with a long-term renter, they may have to move far away from their previous home and/or pay significantly more for rent for the rest of their lives and any lump sum payment will only "subsidize" their new higher rent for a limited number of years. Hence, it becomes important to give previous tenants as much "cushion" as possible.

With the exception of government or non-profit organizations, rental accommodations for tenants is a business. Often we can think of a re-development as crunching numbers to ensure a building owner receives a reasonable profit. And while ensuring that business is profitable, when tenants are evicted, it's more than numbers and profits; it's about being fair and reasonable for people who have made that building their home.

Worth of land: Any payment to an existing tenant will add to the final cost of any re-development. When the City sets out clearly defined costs for supporting evicted tenants, then the buyer of a building with an eye on re-development will be able to add these expected costs to their balance sheet before making an offer on the property.

For example, if a piece of land with a building on it, has a market value of \$10 million and the cost to evict existing tenants for re-development is \$500,000, then a prospective buyer would know the true market value of that land and building is \$9.5 million. If the purchaser of that land and building prepares for a re-development after paying the full \$10 million and pleads their case that the cost of evicting tenants is too much, or that they need more density to pay for these eviction costs, the City can easily say, "you paid too much" for that land or "you didn't do your homework." This is where crass number crunching will determine the true value of that land and building at the time of purchase.

Policy vs. Bylaw: One of the important differences between the City's Tenant Assistance Policy and the new proposed Tenant Protection Bylaw and Development Permit Area is the ability to enforce the tenant protections.

As per the new "Tenant Protection Bylaw and Development Permit Area" [DPA] document found in Attachment E of the 10-year OCP Update Tenant Protection, it states (page 1), "This new [provincial] legislation means that Tenant Assistance Plans can now be required outside of the rezoning process, and they can take form of regulations, rather than just policy.

At page 3, it states, "Transitioning the existing policy to a bylaw (with adherence required through a DPA) will ensure these supports and protections continue to function as intended, while allowing the ability to apply tenant support to more land use applications with enhanced enforceability."

Hence, if enforcement is an important aspect to creating a bylaw, then it is hoped City staff can take on this added consultation to the OCP plan, bringing back recommendations to Council that can be amended prior to any public hearing or further consultation.

Timelines: While it would be preferable to have these changes to City bylaws done in tandem with the upcoming bylaws for all the changes coming from the OCP, senior City staff have indicated this will greatly hamper the ability of staff to do everything at the same time. If the recommendation were to proceed, it will require serious consultation with a report back to Council before further changes to City bylaws. Hence, in the spirit of listening to staff and being realistic about what can be done, this is proposed for a short time after the new OCP bylaws are enacted.

RECOMMENDATION

That Council direct Staff to:

- 1) Consider increasing compensation to tenants who will be displaced by re-development of their rental homes with no less than two months payment for up to two years of tenancy and then an additional month payment for each year of tenancy to a maximum of 18 months;
- 2) Consult with organizations exclusively involved in tenants rights and in the housing/development business;
- 3) Do an economic analysis to determine the impact of additional compensation to tenants;
- 4) Report back findings and suggestions to Council no later than six months after the OCP bylaws are adopted.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen Hammond", written in a cursive style.

Councillor Stephen Hammond