



**UPDATED AMENDED AGENDA
COMMITTEE OF THE WHOLE
MEETING OF TUESDAY, NOVEMBER 7, 2017, AT 8:00 A.M.
COUNCIL CHAMBERS
CITY HALL, 1 CENTENNIAL SQUARE
Located on the traditional territory of the Esquimalt and Songhees People**

Page

APPROVAL OF AGENDA

CONSENT AGENDA

STAFF REPORTS

Draft 2018-2022 Financial Plan
--S. Thompson, Director of Finance

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Late Item: Letter & Presentation from the GVPL

Tuesday November 7, 2017 (8 am – noon)

Greater Victoria Public Library

- *Operating Budget pages 897-902*

Legal

- *Operating Budget pages 597-606*

Arts, Culture and Events

- *Operating Budget pages 91-122*
- *Capital Budget pages 986, 1053*

Economic Development

- *Operating Budget pages 123-132*

Victoria Conference Centre

- *Operating Budget pages 195-246*
- *Capital Budget page 1067*

Sustainable Planning and Community Development

- *Operating Budget pages 747-774*
- *Capital Budget page 985*

Corporate

- *Operating Budget pages 835-896*

Recommendation: 1. Direct staff to bring forward the Five-year Financial Plan Bylaw, 2018 to the November 9 Council meeting for consideration of first reading prior to commencing public consultation 2. Direct staff to

bring forward bylaws outlining solid waste, stormwater and water utility user fee increases to the November 9 Council meeting for consideration of first, second and third readings 3. Approve the following allocations of assessment growth (non-market change) property tax revenue: a. \$500,000 to the Buildings and Infrastructure Reserve as per the Financial Sustainability Policy b. \$87,000 to maintain the correspondence coordinator position (as directed by Council during 2017 financial planning process) c. Direct staff to bring forward options for the use of the remainder upon completion of public consultation 4. Direct staff to bring forward options for the use of 2017 surplus upon completion of public consultation 5. Direct staff to bring forward options for funding supplementary budget requests upon completion of public consultation 6. Allocate \$2,450,000 of the annual gas tax funding to the Storm Drain Brick Main project and direct staff to bring forward options for the allocation of the remainder upon completion of public consultation 7. Create a direct-award grant for seniors outreach funded by a reallocation of \$30,000 from the Strategic Plan Grant program 8. Approve the direct-award grants as outlined in this report 9. Direct staff to bring forward options for funding increased grant requests upon completion of public consultation 10. Approve adding 1.0 FTE carpenter currently managed through auxiliary staffing and funded through existing budgets.

[Link to the Draft 2018 - 2022 Financial Plan](#)

[1 Report Financial Plan](#)

[2 Appendix A Examples of Cooperative Efforts between Municipalities](#)

[3 Appendix B Supplemental Budget Requests](#)

[4 Appendix C Grant Funding](#)

[5 Appendix D South Island Prosperity Project - Five year Strategy](#)

[7 LATE Letter from the GVPL](#)

[8 Presentation Financial Plan Departmental Presentations](#)

[9 LATE Presentation GVPL](#)

[Addenda]

ADJOURNMENT OF COMMITTEE OF THE WHOLE

To: Committee of the Whole **Date:** October 19, 2017
From: Susanne Thompson, Director of Finance
Subject: Draft 2018-2022 Financial Plan

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- Shaping future growth and development through **neighbourhood planning** to inform investment within the financial planning process.
- **More than doubling the annual investment for capital infrastructure** in asset renewal and the Buildings and Infrastructure Reserve from \$20 million to \$44 million since 2007.
- **Fleet modularity** - a new approach to managing the City's vehicle/equipment fleet will result in a more functional, common, adaptable, flexible and right-sized fleet that will improve operational capability, and stretch future funding.
- The **Strategic Real Estate Office** is designed to strategically administer the City's portfolio of commercial properties and manage the City's real estate holdings. Significant projects underway include the negotiations for the sale and development of the Apex Lands, negotiations for a new fire hall, negotiations with federal and private property owners in support of the David Foster Harbour Pathway project, the library branch in James Bay, Belleville Terminal Improvement project, and the development of a Strategic Real Estate Strategy.
- In 2016, the City opened its new **Business Hub** as a way to support new business development as a welcoming and collaborative first point of contact for business start-ups, relocations, expansions, investors, property owners, leasing agents and other interested in creating prosperity in Victoria.
- The **Victoria Housing Strategy** is comprised of multiple actions to improve housing affordability that fall under three Strategic Directions: Increase Supply, Encourage Diversity and Build Awareness.
- **Victoria Housing Reserve Fund** continues to provide grant funding to affordable housing projects throughout the City and region. City investment in this fund resulted in the development of 217 new units of affordable housing from 2015-2017.
- Completion of the **Parks and Open Spaces Master Plan** to help prioritize improvements to meet goals and objectives within the Plan
- **Cycling Network** implementation of Phase 1 of the All Ages and Abilities (AAA) Active Transportation Network. Active and multi-modal transportation.
- **Traffic Calming Initiatives** keep neighbourhoods safer, through the installation of smaller scale traffic calming measures including speed reader boards, permanent blocking of certain roads, installation of pedestrian connection signage, and installation of crosswalks.
- The City has entered an agreement with the Capital Park development to acquire space for a **library branch in James Bay** which is expected to open early 2018
- The City's **Cultural Master Plan**, currently underway, is an overview of the strategic priorities, goals and actions for arts and culture in Victoria. It provides a roadmap for the City's investment in cultural development, which is broader than simply the arts.
- Victoria is the first municipality in BC to **replace all street lights with LEDs** resulting in annual savings of \$220,000 in 2018 and anticipated higher ongoing annual savings starting in 2019.
- **Climate Action Program** establishes a long term greenhouse gas reduction target of 80% by 2050; including a corresponding specific target of 100% renewable energy. Climate rebates accumulated in the City's **Climate Action Reserve** are re-invested in climate related initiatives.
- **Investments in Information Technology** – significant investment has been made to provide stable and reliable IT infrastructure as well as improved applications. Examples of IT investment include **Open Data Portal, Development Tracker, Victoria Ready website, cloud based infrastructure and applications, ConnectVictoria App, Electronic Council and Committee Agendas, and Mobile Devices**

The draft 2018 Financial Plan was developed based on Council's direction for a maximum tax increase of inflation plus 1% as well as the City's Financial Sustainability Policy. The most recently

published inflation rate for Victoria is 1.8% (August). As presented, the draft operating budget totals approximately \$233.3 million and the draft capital budget totals approximately \$43.1 million for 2018. The proposed budgets would result an overall property tax increase of 2.77%. Factoring in utility user fee increases, the total is 2.80%. To meet Council's objectives, as part of staff's ongoing due diligence to support the City's commitment to 'better is possible' and providing taxpayers value for their tax dollars, staff continue to explore opportunities to streamline operations resulting in cost savings and increased efficiencies without compromising service levels and in some cases being able to take on additional services and initiatives within existing funding envelopes. Examples of this streamlining are provided starting on page 12 of this report; highlights include:

- A review of the inventory, service standards and resourcing for both the Parks and Facilities divisions were conducted in 2016 resulted in the shifting of one leadership position from Parks to Facilities to meet the increased demand for asset management oversight.
- Before requesting new funding for increased staffing levels, reviews of existing operations and positions are done to take advantage of opportunities to restructure and therefore eliminate the need to request additional funding.
- Numerous efficiencies have resulted in savings (cost and time) including return to work programs, staff scheduling, and bringing some work in-house.
- The launch of the ConnectVictoria App makes it easier to connect with the City enabling residents to submit service requests through their mobile devices.
- The Council correspondence function that was implemented in 2016 has resulted in faster turnaround times for meaningful responses.
- The City continues to participate in many cooperative efforts between municipalities. Examples are provided in Appendix A, outlining over 90 ongoing efforts.
- As directed by Victoria Council and three neighbouring Councils, collaboration in regards to the development of a common communication platform for further integration of Fire Service is underway.

As the population in our community grows and as the community densifies, the additional demand on our services is likely to continue. Before staff bring forward requests for additional funding, a rigorous and strategic evaluation of each need is undertaken to ensure that it cannot be managed in some other way. Also, some growth related demands are temporary in nature and as such would only require temporary increases. This approach aligns with Council's policy for new or expanded services, and the allocation of new assessment revenue and prior year surplus. In addition, the revamping of the quarterly reporting process including more streamlined metrics and trends will enable staff to communicate changes to service demands to Council in a structured way on an ongoing basis. As outlined in Appendix B, this year's supplementary requests are largely focused on building capacity for infrastructure planning, managing growth and development, housing and homelessness, public safety, and organizational resources to support effective delivery of City projects

As part of our continuous improvement efforts, the City's Service Review Policy commits to undertaking two reviews per year. In the Bylaw Services Division, calls for service have increased from approximately 1900 in 2015 to 4800 in 2016 and is expected to reach at least the same level for 2017. In view of the impacts of this calls for service increase, it is proposed that a Strategic Enforcement Workshop with Council be undertaken to identify clear enforcement priorities followed by an in-depth service review building on the earlier review of the service. This next level review would focus on resource requirements to effectively deliver the service levels desired by Council. The second review is yet to be determined.

Council has also directed staff to take into account the feedback received during last year's public consultation process. This feedback indicated that the majority were satisfied with the programs

and services the City offers, and the majority indicated that capital spending was “just right”. In addition, the highest response for the use of new assessment tax revenue was to fund new initiatives and transfer to infrastructure reserve, and the highest response for the use of surplus was to fund invest some in one-time initiatives and some in reserves. Taking this feedback into account, the proposed budget results in a tax increase (2.77%) that is slightly below Council's target, and maintains existing services and service levels.

The fourth year of the implementation of the new financial planning process continued to align service level deliverables and improving performance metrics as well as identifying one-time funding allocations separate from core budgets. New for this year, as requested by Council and with the cooperation of the Police Board, the timeline for the budget submission from VicPD has been aligned with remaining City departments. In addition, their budget submission is also in a similar format providing greater context to the reader and enables Council's consistent review of all departments.

Informed by the public input received during last year's process, the proposed public consultation will build on the activities and tools used during the 2017 financial planning process including a “budget snapshot” to each neighbourhood to create awareness of what is planned to take place during the year. In addition, as directed by Council for the 2018 financial planning process increased consultation with neighbourhoods will take place. For the 2018 budget, foundational education and information sharing with neighbourhoods is already underway; for future years consultation with neighbourhoods will take place early in the year to allow for input earlier in the process. Over the last two years the City has seen a significant increase in public input, which has helped shape the financial plan. For 2015 and 2016, the majority of feedback came from citizens; however for 2017 focussed outreach to the business community led to increased input from business owners compared to prior years. The new financial plan format will continue to be the foundation for meaningful engagement and community feedback. Improved budget information, using visuals and plain language, will be provided to the community through a variety of tools aimed to increase reach and understanding of the City's financial planning process. These tools include the budget explainer video, Budget at a Glance, and a Budget Summary that provides a very short summary of the budget highlights. Through the Financial Plan, Council will be able to articulate the value the community receives for their tax dollars.

Upon completion of the public consultation and tentatively scheduled for the early December, Council will have an opportunity to consider the feedback and make changes to the financial plan before giving final approval prior to May 15 as required by legislation. A summary of the public input will be included in the final financial plan itself. Tax notices will be sent out once the financial plan and tax rate bylaws have been adopted by Council.

After the detailed presentations have concluded on November 7, 2017, staff will recommend that Council:

1. Direct staff to bring forward the Five-year Financial Plan Bylaw, 2018 to the November 9, 2017 Council meeting for consideration of first reading prior to commencing public consultation.
2. Direct staff to bring forward bylaws outlining solid waste, water utility and stormwater utility user fee increases to the November 9, 2017 Council meeting for consideration of first, second and third readings
3. Approve the following allocations of assessment growth (non-market change) property tax revenue:

- a. \$500,000 to the Buildings and Infrastructure Reserve as per the Financial Sustainability Policy
 - b. \$87,000 for to maintain the position of correspondence coordinator (as directed by Council during the 2017 financial planning process)
 - c. Direct staff to bring forward options for the use of the remainder upon completion of public consultation
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 5. Direct staff to bring forward options for funding supplementary budget requests upon completion of public consultation.
 6. Allocate \$2,450,000 of the annual gas tax funding to the Storm Drain Brick Main project and direct staff to bring forward options for the allocation of the remainder upon completion of public consultation.
 7. Create a direct-award grant for seniors outreach funded by a re-allocation \$30,000 from the Strategic Plan Grant program
 8. Approve the direct-award grants as outlined in this report.
 9. Direct staff to bring forward options for funding increased grant requests upon completion of public consultation.
 10. Approve adding 1.0 FTE carpenter currently managed through auxiliary staffing and funded through existing budgets.

PURPOSE

The purpose of this report is to introduce the draft 2018 Financial Plan for Council's review and fulsome discussion prior to consideration of first reading of the 2018 Five Year Financial Plan Bylaw prior to commencing public consultation.

BACKGROUND

Section 165 of the *Community Charter* requires that a financial plan be approved annually following public consultation as required by section 166. The financial plan must be approved before the tax rate bylaw is approved, and before May 15 as required by section 197.

Three policies guide the financial planning process: Financial Sustainability Policy; Reserve Fund Policy; and Revenue and Tax Policy.

This is the fourth year of the implementation of a new financial planning process moving from an expense based budget that focused primarily on the dollars allocated to each department toward one with an emphasis on priorities and outcomes, outlining services and capital projects including costs, revenues and benefits of each. The new format enables the City to better demonstrate the value tax and rate payers receive for their dollars. Greater emphasis is also being placed on staff and community involvement in the planning process. Approximately 70 staff from across the organization continued to be involved in compiling the information for the financial plan and detailed reviews of all departmental budget submissions have been completed by staff.

Strategic Plan Achievements

In support of Council's goals and outcomes outlined in the City's Strategic Plan, staff continue to deliver where Council has allocated funding. Significant achievements include:

Innovate and Lead		
Project Management	Framework	As part of the City's adoption of the Project Management Framework, standardized criteria to define projects and programs has resulted in improved planning and forecasting of milestones for the annual Operational Plan. This also included the introduction of a dashboard tool, where staff can quickly update project information, which has resulted in a savings of staff time, as well better transparency and accountability of project progress on a monthly and quarterly basis.
	Capital Cost Estimates Policy	The Capital Cost Estimates Policy was introduced in early 2017 to provide consistent definitions and guidance to staff and Council for appropriate cost estimate contingency levels depending on the stage of a project. This Policy has been applied to a number of projects such as the Crystal Pool and Wellness Centre replacement, Fire Hall #1 replacement project and the Ship Point Master Plan. The Policy has resulted in more effective communication to Council and within the organization on estimated budget requirements.
	Lessons Learned Policy	The Lessons Learned Policy, adopted in the spring of 2017, is another demonstration of the City's commitment to continuous improvement by providing directives for on-going and formal evaluations of major projects. This Policy has been applied to the Crystal Pool and Wellness Centre project which has used the lessons learned from the Johnson Street Bridge project to inform project planning and costing. The Policy also complements requirements to capture lessons learned in smaller projects through the Project Management Framework to support future projects through improved knowledge capture and management.
Engage and Empower the Community		
Investments in Information Technology	Open Data Portal	Since 2013, the City has continuously added data sets to our Open Data Catalogue, improving access to information and data. Work is underway to launch a new Open Data Portal which will allow all users to better understand and contextualize our data through visualizations, graphs and other tools. This will create further meaningful uses for the data and paving the way for increasing transparency further.
	ConnectVictoria App	This app was launched in 2016 to make it easier to connect with the City. The App was created to take online connection points on the City's website and to provide them in an easily accessible mobile app. The app allows residents to search for jobs, latest news, media releases, events, contact information and submit a service request through their mobile functions.

Engagement Framework and Roadmap		In January, the City hosted the first annual Engagement Summit. The purpose of the event was to develop, with the community, clear expectations on opportunities for the public to participate in City decision-making. The Engagement Framework and Public Engagement Roadmap were developed as a result of the summit and adopted by Council in July. The Roadmap makes engagement more predictable by letting people know what they can expect and when. The Framework formalizes current engagement practices and introduces improvements based on national best practices, feedback received and lessons learned. Both will be updated and reviewed with the community at the annual Engagement Summit.
Youth Engagement Strategy		A three-year Youth Engagement Strategy was adopted by Council in spring of 2017 and is now being implemented.
Strive for Excellence in Planning and Land Use		
Development Services Related Improvements	Turnaround times	Through process improvements and the use of technology upgrades, applications meeting target turnaround times have been increased from 55% to 81% for development applications and from 75% to 90% for permit applications.
	Transparency	The Development Tracker was launched in 2015, which allows the tracking of development applications by developers and anyone in the community interested in a particular development or land use change, providing more transparency.
Neighbourhood planning		The City has embarked on a process to update 10 neighbourhood plans before February 2019. These plans will shape future growth and development in the neighbourhood including transportation, housing, parks and other infrastructure and will inform investment decisions within the financial planning process.
Downtown Public Realm and Streetscape Plan		A Downtown Public Realm and Streetscape Plan is close to completion, providing guidelines for street infrastructure in the Downtown (lights, benches, signage etc.)
Build the Financial Capacity of the Organization		
Infrastructure and Equipment	Infrastructure capital investment	Council has more than doubled the City's annual investment to prudently manage our aging assets (from \$20 million to \$44 million since 2007). This necessary increase in capital investment and savings in the Buildings and Infrastructure Reserve enables the City to sustainably manage and maintain infrastructure to uphold the safety and quality of life of residents and visitors. These programs include investment in roads, crosswalks, sidewalks, facilities and parks to name a few.
	Fleet modularity	This new approach to managing the City's vehicle/equipment fleet will result in a more functional, common, adaptable, flexible and right-sized fleet that will improve operational capability, and stretch future funding.
Strategic Real Estate Office		The Strategic Real Estate Office is designed to strategically administer the City's portfolio of commercial properties,

		manage the City's real estate holdings and provide operational support to other City business areas in real property transactions. Significant projects underway include the negotiations for the sale and development of the Apex Lands, negotiations for a new fire hall, negotiations with SD 61 on land consolidation and affordable housing opportunities, negotiations with federal and private property owners in support of the David Foster Pathway Project, the James Bay Library branch opening, Belleville Terminal Improvement Project, Johnson Street Bridge federal land securement and the development of a Strategic Real Estate Strategy. During the year the SRO also completed a number of important projects, including acquisitions of strategic portions of the David Foster Pathway on Swift Street and the Inner Harbour, King's Gym Community Use, My Place Transitional Housing, Douglas Street Bus Terminal Pilot Program and completing organizational changes in support of more effective operations. From an operational perspective, 2017 will also see a significant number of the City's key commercial leases negotiated in house by the SRO to align them with commercial market rents. In total these lease negotiations will amount to over \$700,000 in annual revenue and approximately \$97,000 in lease commission savings this year. On an ongoing basis, these savings are estimated to be approximately \$84,000 annually, \$54,000 of which is related to 812 Wharf and goes toward the repayment of the funding borrowed from reserve.
Investments in Information Technology	Electronic Council and Committee Agendas	Electronic devices were provided to staff and members of Council to allow for agenda reading and markup on a mobile device, eliminating the need for paper copies and reducing staff time required for printing and delivering agendas.
	Mobile Devices	Mobile devices (phones and laptops) were upgraded and provided to staff resulting in increased staff productivity for the numerous staff who work and attend meetings in multiple locations. In addition, negotiating a new corporate phone plan reduced annual costs by approximately \$40,000.
Create Prosperity Through Economic Development		
Business Hub		In 2016, the City opened its new Business Hub as a way to support new business development as a welcoming and collaborative first point of contact for business start-ups, relocations, expansions, investors, property owners, leasing agents and other interested in creating prosperity in Victoria.
Parking Ambassadors		The parking ambassador program is positively changing the relationship with customers and downtown businesses to support vibrant and welcoming downtown. Streamlining of customer access points saves customers time. The adjudication process has resulted in days of time savings for staff and minimized time required for a customer to appeal a parking ticket.

Business licencing		<p>A pilot program was initiated in 2017 to allow mobile street vending to take place in the City. Three vendor licences were issued during the pilot and the experience will be used to inform a decision on whether to allow mobile street vending on a permanent basis.</p> <p>New sidewalk patio regulations have created eight new sidewalk patios across the City, creating more space for businesses to operate and adding more vibrancy to downtown streets.</p>
Make Victoria More Affordable		
Housing	Victoria Housing Strategy	<p>The Victoria Housing Strategy is comprised of multiple actions to improve housing affordability that fall under three Strategic Directions: Increase Supply, Encourage Diversity and Build Awareness. Completed actions include:</p> <ul style="list-style-type: none"> • creation of a standard minimum unit size and allow for smaller units if affordability is proposed on a project by project basis; • removal of the rezoning requirement for garden suites, • relaxing of restrictions in zoning around secondary suites, • a workshop on affordable home ownership, • fee reductions for non-profit housing providers, and • an update to the Victoria Housing Reserve Fund to encourage more affordable housing development.
	Victoria Housing Reserve Fund	<p>The Victoria Housing Reserve Fund continues to provide grant funding to affordable housing projects throughout the City and region. City investment in this fund resulted in the development of 217 new units of affordable housing from 2015-2017.</p>
Facilitate Social Inclusion and Community Wellness		
Crystal Pool and Fitness Centre		<p>Planning is underway to replace the ageing Crystal Pool and Fitness Centre to make it a better place for everyone to have fun and to stay healthy and active for generations to come.</p> <p>The City is actively seeking support from other levels of governments to help fund this new centre. In case funding from external sources is not sufficient, the City may need to borrow funds which would require a referendum.</p>
Transgender Policy		<p>Council is moving to create a transgender policy for the City. The objectives are making civic facilities, operations and programs safe, inclusive, and equitable for people of all genders, gender identities, and gender expressions, and their communities in areas such as</p> <ol style="list-style-type: none"> a) Signage and Literature b) Public Spaces (including washrooms and change-rooms) c) Human Resource Training and Staff Policies d) Programming (including "all-bodies" programming) e) Collaborative Public and Community Partnerships

	f) Forms and records and instruments of data collection and management.
Enhance and Steward Public Spaces, Green Spaces and Food Systems	
Parks and Open Spaces Master Plan	Approved by City Council in 2017, this Plan helps the City prioritize improvements to meet the goals and objectives within the Plan.
Community Gardens	A new community garden is now growing on a vacant property in downtown Victoria due to an innovative City Studio initiative between the City, the University of Victoria and the Downtown Residents' Association.
Urban Agriculture	Six urban agriculture licences are now in place in the City due to new regulations that allow residents to grow and sell food on their property.
Complete a Multi-Modal and Active Transportation Network	
Cycling Network	Implementation of Phase 1 of the All Ages and Abilities (AAA) Active Transportation Network. Active and multi-modal transportation is a key strategic priority for Council and AAA bike routes are designed to improve safety while encouraging new demographics to cycle more often, and responds existing demand for high quality safer cycling facilities as well as projected population growth. 10.96 kilometres of marked bike lanes have been added to the network over the past five years (2013-2017).
Traffic Calming Initiatives	With an eye to keeping neighbourhoods safer through the installation of smaller scale traffic calming measures including Speed Reader Boards that have been installed to reduce speeding by increasing driver awareness of posted speed limits and providing instant feedback by displaying the actual speed being travelled. Other initiatives include permanent blocking of certain roads, installation of pedestrian connection signage, and installation of crosswalks.
Signage	Pedestrian/cycling only connections have been signed throughout the City.
Nurture Our Arts, Culture and Learning Capital	
Library Branch in James Bay	The City has entered an agreement with the Capital Park development to acquire space for a library branch in James Bay, which is expected to open early 2018.
Cultural Master Plan	The City's Cultural Master Plan, currently underway, is an overview of the strategic priorities, goals and actions for arts and culture in Victoria. It provides a roadmap for the City's investment in cultural development, which is broader than simply the arts. The Plan will include a number of initiatives to assist individual artists and creative entrepreneurs to excel at their work, including: <ol style="list-style-type: none"> 1. Linking artists with spaces and making spaces more affordable 2. Providing opportunities for artists work to be showcased 3. Offering training and skills development opportunities

		<p>4. Easing City processes to support artist-led creative projects</p> <p>5. Creating music-friendly and musician-friendly policies</p> <p>6. Developing a Creative-Worker Attraction and Retention Strategy</p>
Indigenous Artist in Residence		<p>The new Indigenous Artist in Residence program provides the opportunity for a local artist to develop artistic works and engage the community in dialogue, workshops, events, and activities throughout a one-year term. Iroquois Mohawk artist Lindsay Katsitsakatste Delaronde was selected as the City's first Indigenous Artist in Residence.</p> <p>The Indigenous Artist in Residence will engage the community and City staff to produce a range of artistic works, which may include for example an exhibition, performance, publication or forum. There will also be an opportunity to create collaborative artwork with the City's current Artist in Residence Luke Ramsey.</p>
Canada 150		A number of Canada 150 community events and initiatives are underway in 2017 to celebrate the country's sesquicentennial.
Steward Water Systems and Waste Streams Responsibly		
Stormwater		The City introduced a Stormwater Utility in 2016 to align the fee paid with the impact a property has on the City's stormwater infrastructure resulting in a more transparent, fair and equitable way to fund the stormwater system. In addition, this system enables the City to offer incentives to encourage and reward properties that manage rainwater more sustainably. Property owners can influence how much they pay by reducing impervious areas in new builds/major renovations and/or managing stormwater on site. All properties that use stormwater services are now contributing, similar to the water and sewer utilities. Under the old system only those paying property tax contributed, while some large properties with large impact on the system did not.
Waste Management		Community consultation on the regulation of single-use plastic bags is underway engaging local stakeholders to better understand the benefits, barriers, concerns and success stories related to a reduction of single-use checkout bags (plastic and paper).
Take Climate Action and Prepare for Emergencies		
Climate Leadership	Streetlight Replacement (LED)	Victoria is the first municipality in BC to replace all streetlights with LEDs resulting in annual savings of \$220,000 in 2018 and anticipated higher ongoing annual savings starting in 2019.
	Climate Action Program	The Climate Action Program establishes a long term greenhouse gas reduction target of 80% by 2050; including a corresponding specific target of 100% renewable energy. The following efforts are underway:

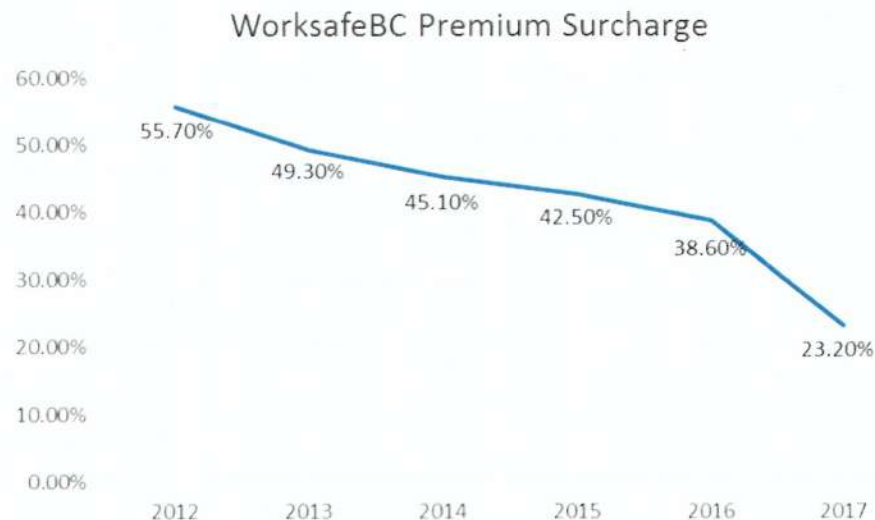
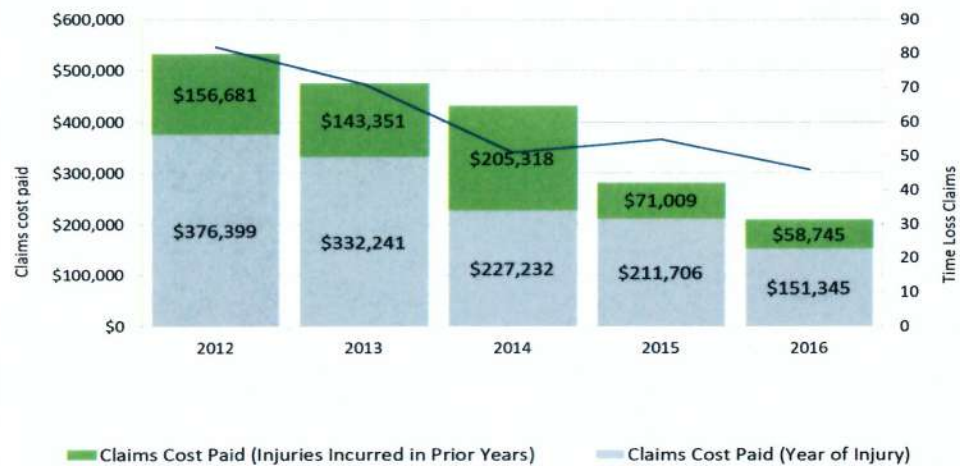
		<ul style="list-style-type: none"> ○ A community emissions model is being updated that accurately and comprehensively quantifies emissions by source to help invest in the required energy reductions to meet the City's GHG targets. Climate rebates accumulated in the City's Climate Action Reserve are re-invested in these initiatives. ○ The City is working towards educating, informing and encouraging and influencing positive behaviour towards our Climate Action Goals and is a leader on climate mitigation and adaptation to invest prudently and wisely to inspire meaningful GHG improvements and reduce long term risks.
Emergency Management	Investments in Information Technology	<p>The launch of the Victoria Ready website provides citizens with important information related to the City's emergency management program.</p> <p>The City is embracing cloud based infrastructure and applications to improve the City's resiliency by increasing redundancy and enabling our critical systems to operate with minimum interruption in the event of an emergency.</p>
	Infrastructure	Planning for a new Fire Department Headquarters is underway. Utilizing a market sounding process for the first time to seek innovative ideas and potential interest in partnering with the City, the City is currently negotiating with one proponent to replace the facility.

Continuous Improvement and Streamlining

The internal budget process incorporates the philosophy of continuous improvement and requires departments to explore efficiencies to provide better value and service to the community. Each year staff are asked to engage in open dialogue to encourage a "better is possible" mindset, question current processes and seek ways to make improvements, including exploring reallocation of resources and collaboration with other departments to maximize efficiencies. The following table outlines a number of streamlining initiatives:

Service standards and benchmarking	A review of the inventory, service standards and resourcing for both the Parks and Facilities divisions were conducted in 2016. In addition to identifying standards and targets that can be measured, this review resulted in the shifting of one leadership position from Parks to Facilities to meet the increased demand for asset management oversight.
Assessment of staffing needs	As part of our regular operations, before requesting new funding for increased staffing levels, reviews of existing operations and positions are done to take advantage of opportunities to restructure and therefore eliminate the need to request additional funding. Examples include: Grant Specialist, Active Transportation Project Management Specialist, Planner, Building Inspector, and Fleet Asset Management Project Coordinator.
Efficiencies	Over the last number of years, significant effort has been made to support staff in their return to work after illness or injury resulting in significant reductions in time off and also in WorkSafe BC premium surcharges. WCB claims costs have been reduced by more than half, from over \$500,000 in

2012 to approximately \$200,000 in 2016. And the surcharge on WCB premiums have been reduced from 55.5% in 2012 to 23.2% in 2017.



Specific to the Fire Department, a multi-pronged approach to scheduling has not only resulted in cost savings, but also increased and more equitable distributed training opportunities for staff.



The Strategic Real Estate Office is now negotiating key commercial leases in house rather than through a third party, saving the City approximately \$84,000 on an ongoing basis annually.

Bringing collective agreement bargaining in-house has resulted in annual savings of \$40,000

Calls for service

The launch of the ConnectVictoria App makes it easier to connect with the City enabling residents to submit service requests through their mobile functions.

	In addition, the streamlined approach to correspondence implemented in 2016 has resulted in faster turnaround times for meaningful responses (target turnaround is 5 days).
	In the Bylaw Services Division, calls for service have increased from approximately 1900 in 2015 to 4800 in 2016 and that is expected to reach at least the same level for 2017. In view of the impacts of this calls for service increase, it is proposed that a Strategic Enforcement Workshop with Council be undertaken to identify clear enforcement priorities followed by an in-depth service review building on the earlier review of the service. This next level review would focus on resource requirements to effectively deliver the service levels desired by Council.
Service integration with other municipalities	The City continues to participate in many cooperative efforts between municipalities. Examples are provided in Appendix A, outlining over 90 ongoing efforts.
	As directed by Victoria Council and three neighbouring Councils, collaboration in regards to the development of a common communication platform for further integration of Fire Service is underway.

The budget process itself is one of continuous improvement and will be enhanced each year. Through the financial planning process, Council sets service levels and allocates funding based on input from staff across the organization as well as input from the community. Staff will seek Council's feedback to ensure the financial plan and process meet Council's expectations.

Council passing first reading of the financial plan bylaw indicates preliminary approval of the financial plan and signals to the public that Council has had an opportunity to review the draft. Once the public feedback has been considered, Council can make adjustments to the financial plan before final approval and adoption of the bylaw before May 15, 2018.

ISSUES & ANALYSIS

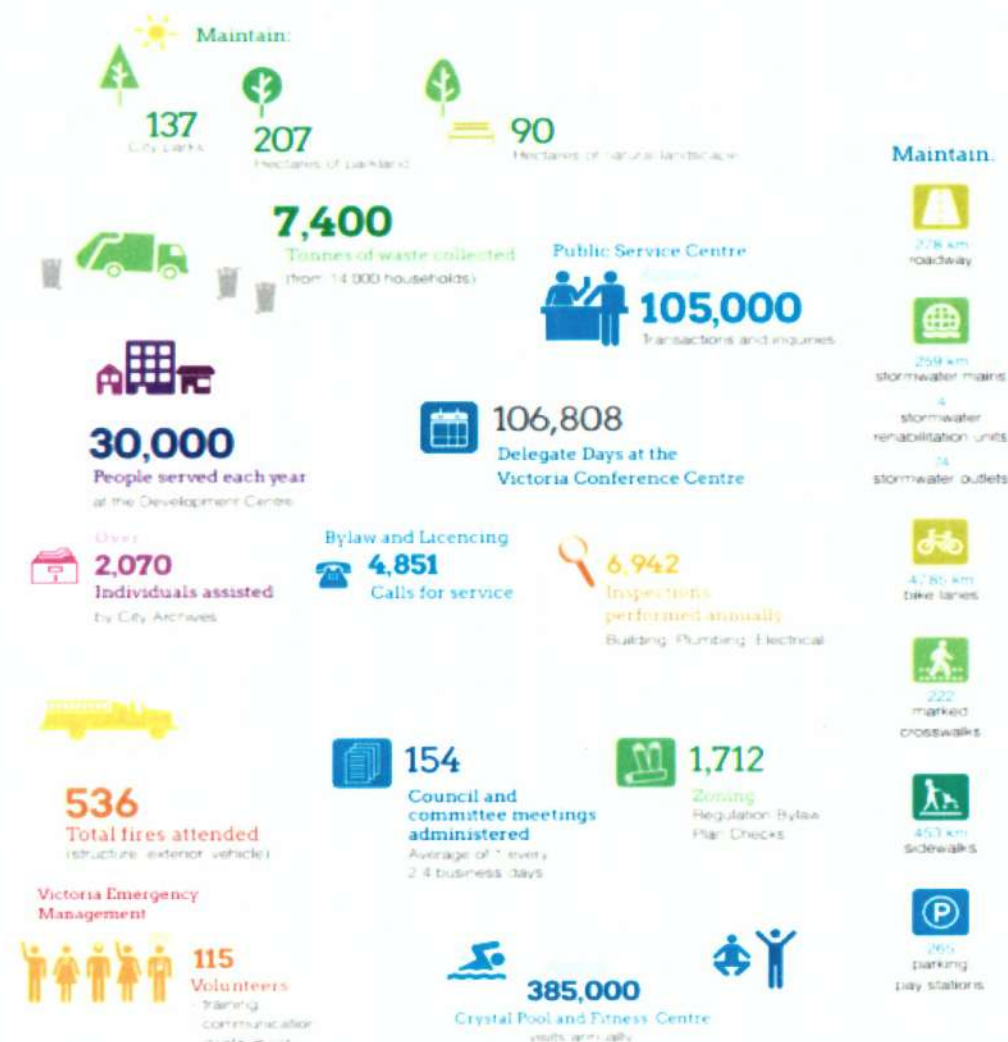
Operating Budget

Overview

The draft 2018 operating budget totals \$233.3 million, which represents a proposed overall increase in property taxes of \$3.46 million or 2.77%. Including utility user fees, the proposed increase is 2.80%.

As outlined in the draft Financial Plan, the City delivers approximately 200 services, and over 200 capital projects are included.

Highlights of City Services



As part of the 2015-2018 Strategic Plan, Council set a target maximum tax increase of inflation plus 1%. The most recently posted inflation is 1.8% for Victoria (August). The draft financial plan maintains services at current services levels. The main cost drivers are salary increases, capital investment, 2018 election costs, a decrease in traffic fine revenue from the Province, insurance, software maintenance agreements and the costs for the new library branch in James Bay. These increases have been offset in part by increased revenues from the Victoria Conference Centre, payment in lieu of taxes, recreation programming, plumbing permits and franchise fees from Fortis BC. In addition, as a result of the implementation of the LED streetlight conversion project, hydro and maintenance savings of \$220,000 are expected for 2018; it is proposed that these savings be transferred to the Climate Action Reserve for future funding of climate mitigation and adaptation strategies that target energy and GHG reductions.

The following table summarizes the proposed property tax increase and budget cost drivers for 2018:

Property Tax Impact	Tax Increase	
	Dollars \$	Percentage %
City		
<u>Cost Drivers</u>		
Salaries and Benefits	\$ 1,636,385	1.30%
Elections	279,000	0.22%
Insurance	77,300	0.06%
Software Licencing	66,000	0.05%
Credit Card Discount Fees	41,000	0.03%
Grants	24,000	0.02%
EFAP Program Revamp	20,000	0.02%
<u>Expense Savings</u>		
In House Collective Bargaining	(40,000)	-0.03%
In House Lease Negotiations	(30,000)	-0.02%
Hydro - LED streetlight conversion	(120,000)	-0.10%
Repairs and Maintenance - LED streetlight conversion	(100,000)	-0.08%
Climate Action Reserve - savings from LED streetlight conversion	220,000	0.18%
<u>Revenue Increases</u>		
Victoria Conference Centre - Sales, Parkade and Client Services	(248,000)	-0.20%
Payment In Lieu of Taxes	(204,000)	-0.16%
Fortis Franchise Fees	(40,000)	-0.03%
Recreation Programming	(34,000)	-0.03%
Plumbing Permits	(10,000)	-0.01%
<u>Capital Investment</u>		
Major Streets Rehabilitation- Road Surface Repair	250,000	0.20%
Building and Infrastructure Reserve	500,000	0.40%
New Property Tax Revenue due to Growth (Non-Market Change)	(500,000)	-0.40%
Other Changes	220,798	0.18%
City Total	2,008,483	1.60%
Police		
Operations	1,115,933	0.89%
Revenue Decrease - Traffic Fine Revenue	218,000	0.18%
Police Total	1,333,933	1.07%
Greater Victoria Library	120,305	0.10%
Total Property Tax	\$ 3,462,721	2.77%

The following table outlines the full-time equivalent (FTE) position count:

	2016 FTE	2017 FTE	Draft 2018 FTE	2017 to 2018 Change
City Manager's Office	5.00	5.00	5.00	0.00
Deputy City Manager	2.00	2.00	2.00	0.00
Arts, Culture and Events	7.00	7.29	7.29	0.00
Economic Development	1.00	1.00	1.00	0.00
Engagement	15.00	15.00	15.00	0.00
Legislative and Regulatory Services	20.88	21.88	21.88	0.00
Real Estate	2.00	3.00	3.00	0.00
Victoria Conference Centre	13.62	13.62	13.62	0.00
Engineering and Public Works	273.22	273.72	273.72	0.00
Finance	102.26	102.26	102.26	0.00
Human Resources	11.00	11.00	11.00	0.00
Legal Services	4.00	4.00	4.00	0.00
Parks, Recreation and Facilities	176.48	176.81	176.81	0.00
Sustainable Planning and Community Development	43.43	43.43	43.43	0.00
Victoria Fire Department	123.09	123.09	123.09	0.00
Total	799.98	803.10	803.10	0.00

Note:

The 2017 FTE's have been restated to reflect departmental reorganizations for the employee shifts between department

- Building Services reallocated to Parks, Recreation and Facilities from Engineering and Public Works
- Executive Administration and Correspondence Coordinator reallocated to City Manager's Office from Engagement

In 2017, Council approved adding one additional FTE to enforce the business licence regulations for medical cannabis businesses, funded through a business licence fee; 0.5 FTE for Public Works and 0.33 FTE for the horticulture team both funded through reduction in existing overtime budgets that were previously used to meet those needs; 0.29 FTE support for Arts and Culture, and 1 FTE for the real estate function.

The current full-time employee equivalent count, excluding VicPD, is 803.10. The City has numerous part-time and casual employees in addition to those who are full-time, resulting in a headcount of approximately 1,000.

For 2018, it is proposed that 1.0 permanent FTE carpenter position be added replacing auxiliary staffing funded through existing budgets. Should Council approve any supplementary requests, additional FTEs would be added.

It is anticipated that future years will require additional resources as a result of additional inventory related to capital projects, developer amenity contributions, as well as expected growth. Through the improved quarterly reporting process to Council, staff will be able to regularly provide better metrics to highlight resource needs in a structured way, which will inform Council's decision-making in regards to resource allocation.

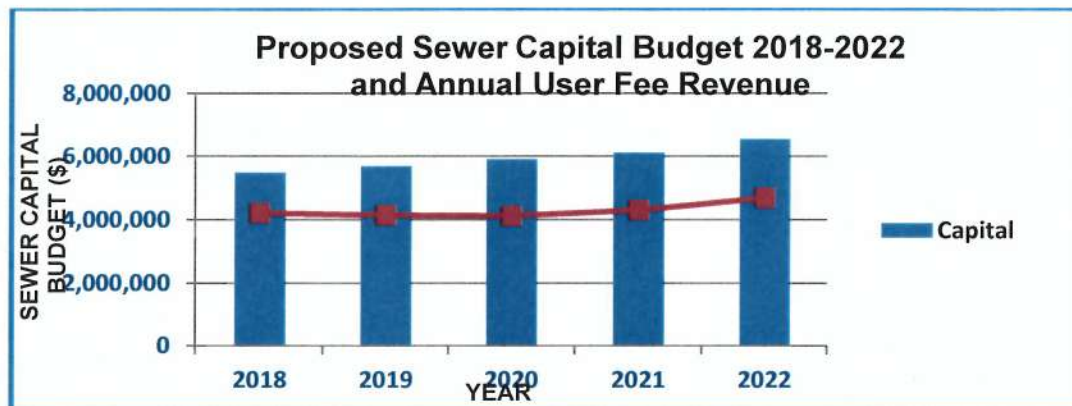
Utilities

The major cost driver for the City's utilities is capital investment, CRD bulk water and tipping fees. Further details for each utility is provided below.

The proposed Water Utility budget results in a user fee revenue increase of \$602,256 or 3.12% as outlined in the following table:

Water Cost Driver	Dollars \$	Percentage %
CRD Bulk Water	\$ 176,154	0.91%
Salaries, materials & equipment	99,102	0.51%
Capital investment	327,000	1.70%
Total	\$ 602,256	3.12%

Subsequent to the CRD's decision on the location for the sewage treatment facility, the update to the sewer master plan is underway and will inform future budgets. Pending the outcome of the master planning, no revenue increase is proposed for 2018. Additional capital projects are proposed for 2018 with funding from the sewer utility reserve, which has been accumulating funding for these projects pending the CRD decision for the sewage treatment facility. Having transferred funding into reserve has enabled smoothing out the impact of these projects in later years. The following graph shows the capital spending amounts as bars and the annual user fee as the straight line, with the difference coming from the reserve:



The Solid Waste program proposes a user fee revenue increase of \$93,625 or 3.07% as outlined in the following table:

Solid Waste Cost Driver	Dollars \$	Percentage %
Tipping Fees - garbage/organics	\$ 55,000	1.80%
Salaries, materials & equipment	38,625	1.27%
Total	\$ 93,625	3.07%

The proposed Stormwater Utility budget for 2018 results in a revenue increase of \$318,980 or 5.07% as outlined in the following table:

Stormwater Cost Driver	Dollars \$	Percentage %
Salaries, materials & equipment	\$ 62,980	1.00%
Capital investment	256,000	4.07%
Total	\$ 318,980	5.07%

Greater Victoria Public Library (GVPL)

The City's share of the GVPL's operating and facility maintenance budget request, is \$5 million, which is an increase of approximately \$120,000 over 2017. On top of this increase, the budget also includes the operating costs for the new branch in James Bay as well as the City's lease and facility costs for this new branch. As directed by Council, all costs associated with the branch in James Bay will be funded through new tax revenue generated by the Capital Park development. The Library Board will consider the 2018 provisional budget request on October 24, 2017 and the budget will be submitted to each municipality by October 31. The final budget will be submitted in March 2018.

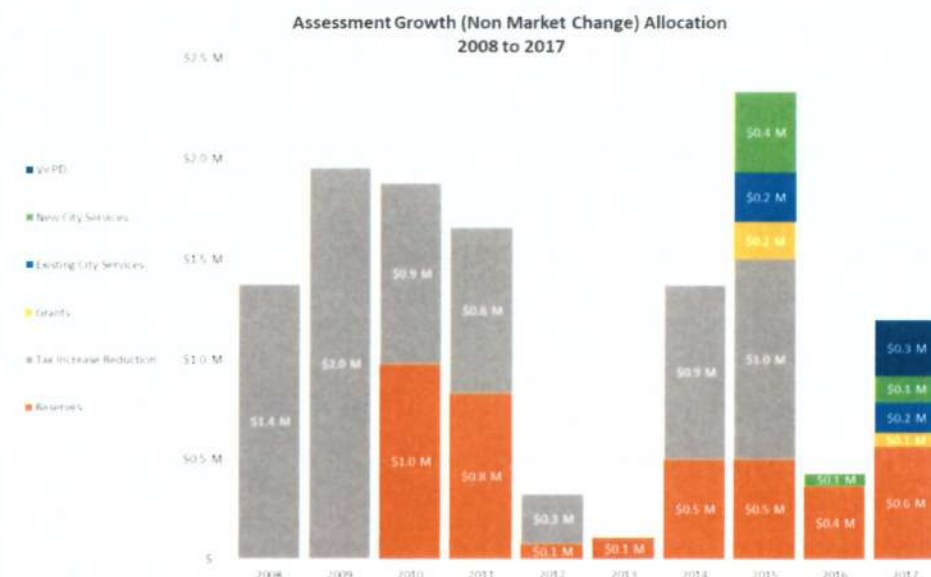
Assessment Growth (Non-Market Change)

As per the Financial Sustainability Policy, the first \$500,000 of new property tax revenue resulting from new construction is transferred to reserve and as directed by Council, funding has been allocated to maintain the Correspondence Coordinator function (\$87,000) that, due to lack of ongoing funding in 2017, had only received funding for one year in the 2017 Financial Plan.

In addition, Council has previously approved funding from the new tax revenue from the Capital Park development for the new library branch in James Bay (ongoing operations as well as repayment of the capital costs to the Buildings and Infrastructure Reserve). The Draft Financial Plan currently includes \$848,000 (\$345,000 for operating and lease costs, and \$503,000 to repay the reserve). However, the early estimate of new tax revenue from this development for 2018 is only \$450,000. Should the new tax revenue be insufficient, the capital cost repayment amount transferred to the Buildings and Infrastructure Reserve will be reduced to offset.

Additional assessment growth revenue has not been factored into the 2018 Draft Financial Plan. A conservative early estimate, based on information provided by BC Assessment but excluding the revenue from Capital Park, is \$1.9 million leaving an estimated \$1.3 million unallocated. However, this is based on incomplete information this early in the year and this amount will likely change before it is finalized in March 2018. BC Assessment will be providing a revised estimate in November before Council makes funding allocation decisions in December.

Over the last decade, Council has used the majority of the new tax revenue for capital investment (savings in reserves) and reducing the annual tax increase. Only a small portion of this new revenue has been used to fund new services as illustrated in the graph below:



For 2018, Council could consider using this revenue to fund supplementary requests, fund additional capital projects or other strategic plan items, address feedback from public consultation, transfer additional funds to reserve, or reduce taxes. The current reserve contribution to the Buildings and Infrastructure Reserve is \$6.1 million plus the proposed addition of \$500,000 for a total of \$6.6 million in 2018; the estimated unallocated balance at the end of 2017 is \$15.2 million taking the allocation for the Crystal Pool project into account. The preliminary non-market change amount is equivalent to an approximate 1.5% tax reduction.

The following table outlines the uses of assessment growth revenue for the last five years:

2013		2014		2015		2016		2017	
Buildings and Infrastructure Reserve	\$108,000	Reduce Property Tax Increase	\$968,845	Reduce Property Tax Increase	\$1,000,000	Real Estate Function	\$60,000	Police Budget	\$277,000
		Buildings and Infrastructure Reserve	\$500,000	Buildings and Infrastructure Reserve	\$500,000	Buildings and Infrastructure Reserve	\$365,000	Buildings and Infrastructure Reserve	\$250,000
Total	\$108,000	Total	\$1,368,845	Community Garden Volunteer Grants	\$36,000			Accessibility Reserve	\$250,000
				Interdisciplinary Team	\$300,000			Real Estate Function	\$135,000
				Downtown Community Centre Funding	\$50,000			Tree Care	\$128,000
				Increase Community Centre Funding	\$100,000			Greening of Fleet	\$61,722
				Solid Waste Garbage Collection and Waste Separation	\$95,000			New Gymnasium - 950 Kings Rd	\$49,000
				Beautification (Banners)	\$10,000			Arts and Culture Support	\$25,000
				Traffic Calming	\$100,000			Community Garden Volunteer Coordinator	\$6,000
				Sidewalk Maintenance Upgrades	\$80,000			Distribution of Mulch to Community Garden Operators	\$6,000
				Real Estate Function	\$101,000			Victoria Heritage Foundation Grant	\$5,125
				Total	\$2,332,000	Total	\$425,000	Victoria Civic Heritage Trust Grant	\$2,153
								Medallion Challenge Trophy	\$500
								Total	\$1,195,500

2017 Surplus

Per the Financial Sustainability Policy, prior year surplus can be used for one-time expenditures and/or be transferred to infrastructure reserves. Since the 2017 year is not yet complete and the amount of the 2017 surplus is not finalized, no surplus has been included in the draft Financial Plan. It is proposed that a decision on the use of the 2017 surplus be made once the consultation on the draft Financial Plan is complete.

The following table outlines the surplus allocation for the past five years:

2012		2013		2014		2015		2016	
Buildings and Infrastructure Reserve	\$ 1,228,387	Additional staffing to expedite planning applications	\$ 350,000	Expedite Local Area Plans	\$ 200,000	Crosswalk Projects	\$ 200,000	Buildings and Infrastructure Reserve	\$ 1,440,209
		Active Transportation Projects	\$ 124,559	Victoria Housing Reserve	\$ 750,000	Broad Street Mail Repairs	\$ 15,000	Accelerated Local Area Planning (2018-2019)	\$ 500,000
		Buildings and Infrastructure Reserve	\$ 2,800,000	Buildings and Infrastructure Reserve	\$ 500,000	Buildings and Infrastructure Reserve	\$ 552,721	South Island Prosperity Project (SIPP)	\$ 220,000
Total	\$ 1,228,387	Total	\$ 3,274,559	Centennial Square Washroom Upgrades	\$ 125,000	Arboriculture (Urban Forest Mgmt Plan Implementation)	\$ 125,500	Vulnerable Population Pilot Project	\$ 204,891
				Accessibility Capital Fund	\$ 250,000	Accessibility Capital Fund	\$ 250,000	Parks Overnight Sheltering	\$ 200,000
				Emergency Management	\$ 250,000	Real Estate Function Consulting	\$ 100,000	Parks Infrastructure	\$ 158,000
				Storage-Homeless Persons' Belongings	\$ 45,000	City of Victoria Youth Council Additional Request	\$ 6,000	High Risk Tree Removal	\$ 150,000
				UBCM Conference Housing	\$ 155,000	Cultural Plan	\$ 116,000	Canada 150 Festivities	\$ 150,000
				VCAN Support	\$ 1,100	Senior Parks Planner	\$ 103,000	Songhees and Esquimalt First Nations Long House	\$ 110,000
				VCAN Support 2016 - First 6 Months	\$ 900	Sidewalk Power-Washing	\$ 15,000	Parks Planning Temporary Support	\$ 103,000
				Island Transformations Railway Crossing Study	\$ 4,000	Parks Overnight Sheltering Support and Clean-Up	\$ 313,000	Victoria Housing Strategy Implementation	\$ 100,000
				Western Canada Music Awards Grant	\$ 25,000	Traffic and Parking Improvements	\$ 8,000	Correspondence Coordinator	\$ 87,000
				Concrete and Brick Pavers Intersection Maintenance	\$ 37,000	India Mele and Dragon Boat Society 80% FIG Grants	\$ 11,200	Install Symbol of Lekwungen People	\$ 75,000
				Parks Master Plan	\$ 250,000	Total	\$ 1,818,421	Adaptive Management Framework	\$ 55,000
				Dallas Road Split Rail Fence	\$ 125,000			Temporary Moveable Child Friendly Play Feature in Centennial Square	\$ 50,000
				Strategic Plan Grants (unused 2014 Greenways)	\$ 25,000			City Studio (2018-2019)	\$ 50,000
				Strategic Plan Grants - additional funding	\$ 36,964			Public Works Master Plan	\$ 50,000
				Strategic Objectives Account (unallocated)	\$ 109,318			Seasonal Special Events	\$ 50,000
				Total	\$ 2,888,482			Traffic Control Support	\$ 50,000
								Solid Waste Management Strategy	\$ 50,000
								City's Truth and Reconciliation Commission Calls to Action Task Force	\$ 50,000
								Car Free Day (2018-2020)	\$ 45,000
								Development Services	\$ 42,000
								Temporary Support	\$ 30,000
								Zoning Updates	\$ 30,000
								Youth Strategy	\$ 30,000
								2017 Canadian Capital Cities Organization Annual Conference	\$ 20,000
								Temporary installation of table tennis and chess tables in Centennial Square	\$ 11,000
								Victoria Community Association Network	\$ 1,200
								Fairfield Community Centre Insurance Administration	\$ 500
								Total	\$ 4,832,800

A conservative early estimate of the 2017 surplus is \$2 million. The final number is likely to be different than this estimate.

Five-Year Operating Budget

To develop the future years of the five-year operating budget a number of assumptions have been incorporated including: no changes to services or service levels; collective agreement increases; known cost increases, such as hydro, at already announced rates; and unknown cost increases (the majority) at an inflationary factor of 2%.

The following table outlines the estimated impact to tax and rate payers. These estimates were calculated based on 2017 assessed property values and 2017 estimated water usage.

Estimated Average Residential	2018	2019	2020	2021	2022
Property Taxes (\$641,000 assessed value)	\$65	\$52	\$55	\$54	\$56
Water Utility - 80 units	13	7	10	11	11
Sewer Utility - 80 units	-	-	1	6	11
Solid Waste - 120 litre bin	7	4	4	5	5
Stormwater Utility	7	10	7	5	5
Estimated Increase in \$	\$92	\$73	\$77	\$81	\$88
Estimated Increase in %	2.80%	2.17%	2.24%	2.30%	2.45%
Estimated Typical Small Business	2018	2019	2020	2021	2022
Property Taxes (\$540,000 assessed value)	\$186	\$148	\$157	\$155	\$160
Water Utility - 80 units	13	7	11	11	11
Sewer Utility - 80 units	-	-	1	6	11
Stormwater Utility	16	23	17	12	12
Business Licence	-	-	-	-	-
Estimated Increase in \$	\$215	\$178	\$186	\$184	\$194
Estimated Increase in %	2.80%	2.25%	2.30%	2.22%	2.29%

Supplementary Operating Budget Requests

Before any requests for increased funding is brought to Council for consideration, staff first evaluate each need and possible ways to meet those needs without requesting additional funding from Council; this includes process improvements that create efficiencies and free up existing staff time, shifting resources between areas, or exploring funding opportunities. To ensure only those requests that are the highest priority are brought forward, a rigorous corporate-wide prioritization process is undertaken.

The highest priority areas for 2018 focus largely on building capacity for infrastructure planning, managing growth and new development, housing and homelessness, public safety, and organizational resources to support effective delivery of City projects.

The following table outlines this year's requests:

Supplemental Description	2018 Ongoing	2018 One-Time
Managing Growth and New Development		
Parks Planner	\$103,000	
Transportation Planner	\$104,000	
Secretary Planning		\$67,000
Parks Arboriculture		\$97,000
Managing Public Safety		
Fire Prevention Officer	\$121,000	
Managing Green Spaces		
Overnight Sheltering – Support & Clean Up		\$300,000
Community Garden Program	\$15,000	
Parks Natural Area Support	\$63,000	
High Risk Tree Removal		\$150,000
Pioneer Square Archaeological Reporting		\$37,000
Downtown Public Realm Plan Implementation		\$105,000
Managing Public Engagement		
Graphic Design Support	\$81,000	
Engagement Advisor		\$109,000
Managing Accessibility		
Accessibility Framework		\$40,000
Youth Initiatives		
Youth Leaders in Training Program	\$20,000	
Youth Strategy Liaison		\$30,000
Active Transportation		
Neighbourhood Transportation Management		\$180,000
Speed Reader Boards		\$85,000
Multi-Modal Transportation Network		
Street Occupancy and Parking Support	1 FTE Only	
Traffic Signal Timing Update Study		\$40,000
Extra Bridge Coverage		\$30,000
Asset Management		
Building Project Administrator	\$99,000	
Condition Assessment Pilot Project		\$60,000
Professional Certification/Project Management		\$50,000
Managing Climate Action and Sustainability		
Sustainability Waste Management Engineer	\$99,000	
Step Code Implementation		\$10,000
Environmental Performance Audit		\$50,000
Managing Housing		
Victoria Housing Strategy Implementation		\$20,000
Total	\$705,000	\$1,460,000

Additional details on each are attached as Appendix A.

The City has also committed to the South Island Prosperity Project and for 2018, the City's share is approximately \$220,000. Their Five-Year Strategy is attached as Appendix D.

VicPD has also put forward supplementary budget requests as outlined in their submission.

The public consultation process may result in additional funding needs. Possible funding sources are 2017 surplus, assessment growth (non-market change) property tax revenue or an additional property tax increase. It is recommended that Council consider these requests along with feedback from public consultation on the draft Financial Plan.

Capital Budget

Overview

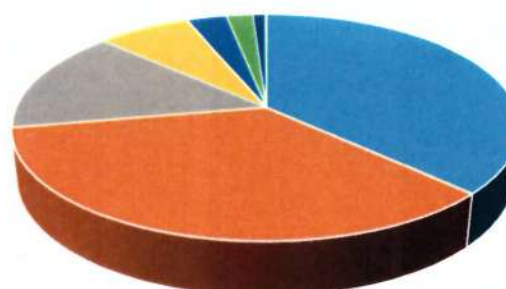
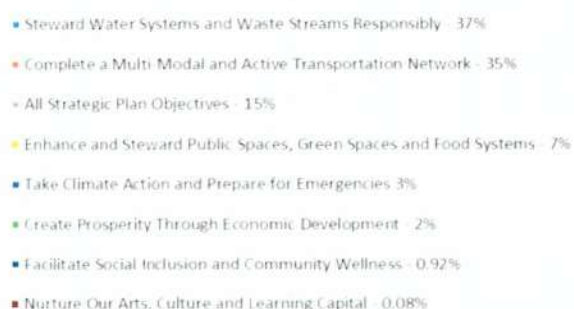
The draft capital budget for 2018 totals \$43.1 million, which is larger than the typical \$30-35 million primarily due to the Johnson Street Bridge replacement, Bicycle Master Plan Implementation and the Wharf Street Revitalization.

For 2018, each capital project has been aligned with the 2015-2018 Strategic Plan as follows:

- **Complete a Multi-Modal and Active Transportation Network:** Infrastructure for all active modes of transportation including bike lanes, crosswalks, bus shelters, sidewalks, pathways, roads, bridges, retaining walls, wayfinding, street and traffic lights
- **Facilitate Social Inclusion and Community Wellness:** Recreation and community centre buildings and infrastructure
- **Enhance and Steward Public Spaces, Green Spaces and Food Systems:** Park upgrades and infrastructure, playgrounds, upgrades to City facilities and street infrastructure such as benches, cluster lamps and railings
- **Steward Water Systems and Waste Streams Responsibly:** Water, Sewer and Stormwater Infrastructure projects
- **Take Climate Action and Prepare for Emergencies:** Energy conservation projects, and emergency management equipment
- **Create Prosperity through Economic Development:** Parkade upgrades, Victoria Conference Centre upgrades, and seasonal animation
- **Nurture Our Arts, Culture and Learning Capital:** Festival equipment
- **All Strategic Plan Objectives:** Equipment, which includes vehicles, information technology and various equipment replacements

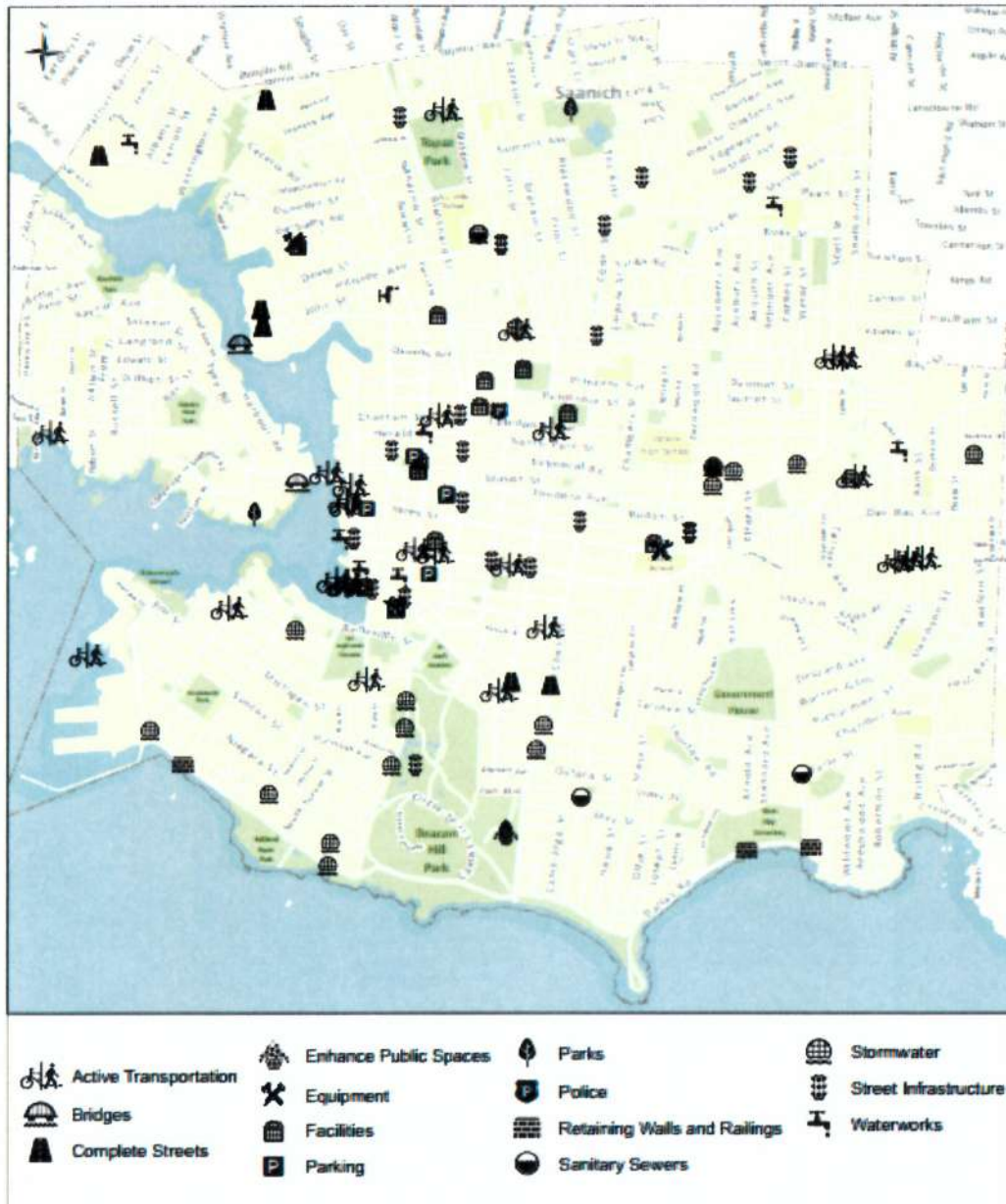
The following chart outlines the proposed capital investment by strategic plan objective:

Capital Expenditures by Strategic Plan Objectives
2018 Budgeted Strategic Plan Objectives Expenditures (\$43.1 million)



Each project has also been mapped to provide a geographic picture of where the planned capital investment is proposed to take place.

2018 Draft Capital Projects:



Each budget request includes both the capital cost and the ongoing additional operating costs and FTE requirement. The ongoing operating costs have been incorporated into the appropriate future years in the operating budget.

The capital budget was developed based on the principle that all asset groups are allocated some funding. In addition, the annual capital investment needs are determined through asset master plans and condition assessments. Asset master plans outline the level of funding that is considered sustainable to maintain current service levels and the priorities for infrastructure investment.

The capital budget funding levels have reached sustainable levels for some assets (water), some are close to sustainable levels (storm drains), some projects are shaped through consultation with the community (park upgrades), some require additional analysis to determine the required funding levels (sewer, equipment and surface infrastructure such as street and traffic lights) and some fall short of recommended levels (facilities, roads and fleet).

Identified as a priority in the 2015-2018 Strategic Plan, a Parks Master Plan was approved by Council in 2017 and the proposed next step is to do a full condition assessment in 2018. Together, the Plan and the condition assessment will identify priority areas for parks investment and will inform future capital plans.

A facilities condition assessment was completed in 2015. This was the first step in the process to determine future investment needs. Further work is required to develop tactical plans for significant cost items; one of those, a roofing plan, was completed in 2017. Also, the condition assessment assumed that all buildings would continue to be used as currently operated and did not consider operational needs nor included a "highest and best use" analysis. The 2018 capital plan only includes the "must-do" projects as identified through the facilities assessment process.

The sewer master plan was put on hold pending the Capital Regional District's decision regarding sewage treatment. With the decision for a single plan at McLoughlin Point, the sewer master plan update is now underway. This plan will inform future financial plans and it is anticipated that additional annual funding will be required.

The pavement management plan indicates that additional funding is needed to maintain existing service levels. Staff continue to investigate alternative rehabilitation strategies, such as thin asphalt overlays, and mill and fill replacements, to achieve more upgrades within available funding. This year's draft financial plan is proposing increasing the funding in this area by \$250,000 to avoid widening the existing gap in funding.

The City is in process of developing a fleet management master plan that will define the long-term strategy to optimize future fleet utilization. In 2015, the City undertook an industry benchmark review and condition assessment, the result of which confirmed that there is a significant backlog-need for fleet replacement. Work is underway to right-size the fleet, as well as exploring "modular" vehicles where the chassis is the same but the back-end can be changed depending on need, and exploring the used market viability for heavy duty low utilisation vehicles. This multi-pronged approach is part of the strategy to reduce the current funding gap.

Capital plan funding levels are determined through policy decisions, taking into account the City's risk tolerance. Historically, Council has increased property taxes for capital projects that address deferred maintenance for roads, facilities and storm drains. Since 1999, Council has increased annual capital budget funding through property taxes from \$2.5 million to \$10.2 million. As per the Financial Sustainability Policy, additional funding decisions through an increase in property taxes, will be considered by Council based on proposed projects identified by staff. For 2018, based on the investment needs identified above, it is recommended that \$250,000 of increased funding be provided to roads and this has been factored into draft financial plan. Each year from 2013 to 2015 a 1.25% property tax increases was levied for the capital budget. This level of increase takes a conservative approach in reaching sustainable funding levels; an alternate option for Council's consideration would be to spread the increases over a longer time-period to balance taxpayer affordability while being aware of the risk.

Historically, the City's capital plan has been funded by a combination of property taxes, utility user fees, grants, debt and reserves. Approximately one third of the City's typical \$30-\$35 million capital budget is funded from reserves for investments such as vehicle and equipment replacements,

remediation of City properties, and some building upgrades. Larger projects, such as a bridge replacement or construction of an arena, have primarily been funded through debt and grants which is consistent with the City's policy on debt.

The proposed capital budget includes projects that are underway but will not be completed before year-end. The funding for these projects must be carried forward from 2017. The budgets for these projects will be updated to reflect remaining amounts once year-end has been completed.

Reserves and Debt

The City's Reserve Fund Policy was updated in 2015, including a methodology for determining target balances. The minimum target balances have already been achieved for all reserves except the stormwater utility reserve which was created in 2016. However, the minimum balances are only one part of the equation and recommended capital budget spend levels also need to be taken into account as outlined in the section above in this report. The following table outlines the estimated uncommitted year-end reserve fund balances based on the assumption that all planned work for 2017 will be completed:

Description	Projected Balance Dec 31, 2017	2018 Budget Transfers In	2018 Budget Transfers out	Projected Balance Dec 31, 2018
Capital Reserves				
Equipment & Infrastructure				
Police				
Police Vehicles, Equipment & Infrastructure	1,929,138	1,056,000	1,953,000	1,032,138
Police Emergency Response Team	263,714		240,000	23,714
City				
VCC Equipment and Infrastructure	1,476			1,476
City Equipment	8,193,727	1,602,500	1,481,000	8,315,227
City Vehicles & Heavy Equipment	2,781,113	1,623,104	2,615,000	1,789,217
City Buildings & Infrastructure	15,190,109	7,535,036	5,988,000	16,737,144
Accessibility Capital	675,002	250,000	56,000	869,002
Parking Services Equipment and Infrastructure	4,289,978	1,849,929	358,000	5,781,907
Multipurpose Equipment and Infrastructure	954,757	140,000	133,000	961,757
Recreation Facilities Equipment and Infrastructure	1,051,887	25,500		1,077,387
Archives Equipment	11,931		10,000	1,931
Artificial Turf Field	977,716	86,700		1,064,416
Gas Tax	3,780,281	3,591,000	5,058,000	2,313,281
Water Utility Equipment and Infrastructure	15,137,565	1,850,000		16,987,565
Sewer Utility Equipment and Infrastructure	25,881,990	771,564	2,040,000	24,613,554
Stormwater Utility Equipment and Infrastructure	99,539			99,539
Tax Sale Lands Fund	4,369,775	50,000	250,000	4,169,775
Parks and Greenways Acquisition Fund	1,846,203		300,000	1,546,203
Local Amenities Reserve	501,008		145,290	355,718
Development Cost Charges	13,479,862			13,479,862
Downtown Core Area Public Realm Improvements	151,034			151,034
Total Capital Reserves	101,567,804	20,431,333	20,627,290	101,371,847
Operating Reserves				
Financial Stability Reserves				
City	6,231,102	100,000	352,000	5,979,102
Police	744,821		100,000	644,821
Debt Reduction	37,780,401	3,025,346		40,805,747
Insurance Claims	3,855,063			3,855,063
Water Utility	682,312			682,312
Sewer Utility	617,688			617,688
Stormwater Utility	235,610			235,610
Victoria Housing Reserve	2,878,280	250,000		3,128,280
Dockside Affordable Housing	254,445			254,445
Climate Action Reserve	653,867	313,961	50,000	917,828
Art in Public Places	399,639	135,000	327,500	207,139
Heritage Buildings Seismic Upgrades	87,709			87,709
Total Operating Reserves	54,420,936	3,824,307	829,500	57,415,743
Total City Reserves	155,988,740	24,255,640	21,456,790	158,787,590

The City currently has \$73.6 million in outstanding debt, with additional authorized but yet to be issued debt of approximately \$700,000 for the Johnson Street Bridge replacement. According to the Financial Sustainability Policy, debt servicing charges should be kept at a maximum of 7% of the prior year's property tax levy. Currently, there is approximately \$3 million of budget room for debt servicing, which is transferred to the Debt Reduction Reserve. This is the funding room that Council has set aside for the replacement of Fire Department Headquarters. There are some smaller debt issuing falling off in 2022; however, the next significant debt issue to retire is in 2031. The following table outlines the current debt issues, year of retirement and the annual debt servicing costs.

Final Year	Issue	MFA Issue - Purpose	2018 Total
2022	102	Burnside Gorge Community Centre	221,701
2022	102	City Hall Accessibility	220,817
2023	103	Parkades	173,594
2023	105	Parkades	178,094
2024	105	Crystal Gardens	340,359
2025	110	Parkades	493,694
2031	115	Johnson Street Bridge Replacement (CMHC)	743,242
2033	79	Multipurpose Arena	360,514
2033	80	Multipurpose Arena	390,514
2034	81	Multipurpose Arena	390,514
2034	130	Johnson Street Bridge Replacement	1,475,097
2036	139	Johnson Street Bridge Replacement	320,186
2037	142	Johnson Street Bridge Replacement	668,311

Allocation of Annual Gas Tax Funding

The City receives annual funding from the Federal Government through their gas tax program. The expected amount for 2018 is \$3.59 million. Each year, amounts received are transferred to the City's Gas Tax Reserve which Council approves allocations from through the annual capital plan. The majority of the projects funded through the gas tax reserve to-date have been storm drain infrastructure projects. For 2015 to 2017, Council allocated funding for the David Foster Harbour Pathway implementation, storm drain brick main replacement, LED streetlight replacement, and new bike lanes in priority areas. With the expected amount for 2018, the gas tax funding available is \$4.7 million.

The City is required to report annually through the Union of BC Municipalities on which projects have been funded using gas tax and the agreement outlines which types of projects are eligible. There are a number of capital projects that would qualify for this funding including storm drain projects and bike lanes. It is proposed that the Storm Drain Brick Main project (\$2.45 million) continues to be funded through gas tax and that the remaining funding (\$2.3 million) be allocated upon completion of the public consultation process.

20-Year Capital Plan

For many capital investments, such as water, stormwater, sidewalks and complete streets projects, longer-term asset master plans identify the priority order of renewals for a number of years. Those plans also indicate the estimated funding for those renewals. For these investments, ongoing budgets have been included in the 20-year capital plan.

For facilities, the future years show as “TBD” (to be determined) because a long-term plan that accounts for the strategic opportunities and functional requirements relating to City-owned buildings does not yet exist. Work on this plan is underway and upon completion will inform future capital plans. It is proposed that a condition assessment of all parks assets be undertaken in 2018. Together with the goals within the Parks and Open Space Master Plan, this will inform future priority setting for parks projects. Therefore, budgets for future year park projects are labeled “TBD”. For others, such as Gate of Harmonious Interest and Ship Point, condition assessments and design work underway will determine the extent of the work required and budgets for the renewal investments can be developed once the condition assessments have been completed and will be incorporated into the capital plan at that point.

It can be difficult to determine the exact funding needs far into the future; therefore all future year amounts are best estimates only.

Outstanding Council Motions

Council passed the following motion in relation to Vic High School sports facility refurbishment:

Matching grant of up to \$250,000 subject to:

- a. Community consultation for the project by School District 61 or its designate
- b. Council approval of the final design of the project
- c. Entering into a joint use agreement between the City and School District 61

This grant has not yet been factored into the 2018-2022 Financial Plan. As per Council direction, the funding for this project will be considered once all terms of the Council motion have been addressed.

2015-2018 Strategic Plan Funding

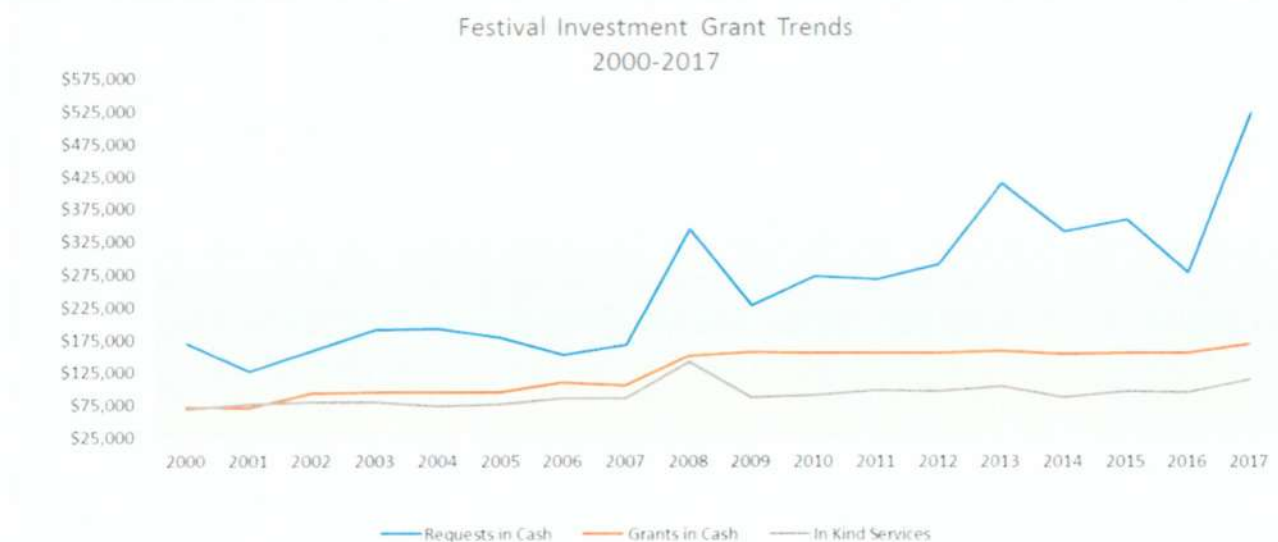
The majority of action items within the Strategic Plan are fully funded. However, some of the items still require funding as follows:

Action Year	Action	Funding Need
2015	Prioritize “special places” along the David Foster Harbour Pathway and identify funding opportunities	Possible funding source is annual gas tax.
2016	Working toward establishing supervised consumption services, in collaboration with Island Health, VicPD and YES2SCS.	City’s funding needs unclear at this point.
2016	Complete the Douglas/Blanshard Corridor Master Plan and allocate funds in Financial Plan for quality-of-life infrastructure.	This is part of the Burnside/Gorge local area plan and priority projects have been identified within this plan and will inform financial plans.
2016	Build upon input from Parks Master Plan process and hold a placemaking activity at Ship Point to advance a site plan in the Harbour Principles. Consult public on specific design, and allocate money in 2018 capital budget to complete	Funding for capital improvements to be determined once plan is complete.

Grants

As directed by Council, grants have been grouped into five categories: direct-award grants, festival investment grants, community garden volunteer coordinator grants, My Great Neighbourhood grants, and Strategic Plan grants, which include micro-grants.

Starting in 2016, Council directed staff to include inflationary increases for community and seniors centres operating and youth programming grants, as well as the festival investment grant budget. As previously reported to Council, the festival investment grant budget continues to be oversubscribed each year.



This program, that provides cash grants and in-kind support, nurtures the development of high quality, accessible and affordable events, and creates significant economic activity in the city. This program achieves many of the action items within the draft Arts and Culture Master Plan and Official Community Plan. Council may consider increasing the funding for this grant program to meet the increased demand.

For Council's consideration in 2018 is to shift senior's outreach funding (\$30,000) from Strategic Plan grants to direct award. In 2015, Council approved a \$5,000 Strategic Plan grant for Victoria Silver Threads and James Bay New Horizons to pilot a new senior outreach program in the James Bay and Jubilee neighbourhoods. The concept was simple – have an Outreach Worker meet with seniors where they live, make connections, listen to concerns and inform seniors of available services to help them remain independent. By connecting with property and building managers, coffee parties (information sessions) were held in 24 buildings and connections made with 110 seniors. Some of the issues identified included cost of living, housing, food, health care and transportation. A significant concern is loneliness and lack of social connectedness. In 2016, Council approved a second grant of \$10,000 and these two organizations leveraged this funding to get an additional small grant from the provincial government to expand the program. A total of 64 coffee parties were held and connections were made with over 300 seniors. In 2017, Council approved a third grant for \$9,000 for these organizations to take this pilot project into the second stage, keeping these 410 seniors connected to services and programs. Following the success of this pilot program, together the three seniors centres have requested a total of \$30,000 in pooled funding. Should Council approve this shifting, this seniors outreach service would be incorporated into the operating agreements with these organizations and the City.

A few direct award grant organizations have requested additional funding. The Victoria Heritage Foundation has requested a 5.1% or \$10,716 increase in funding and the Victoria Civic Heritage Trust is requesting a 2% or \$2,186 increase (letters attached as Appendix C).

In addition to operating and youth programming grants, the City also provides support to community and seniors centres for facility-related costs such as janitorial and strata fees. These budgets have been increased to reflect expected inflationary increases. All other grant funding is proposed to remain at the 2017 budget level.

The proposed funding for the direct-award grants is as follows. The last column indicates the additional requests some organizations have submitted.

Organization	Type of Grant	2017 Final Budget	2018 Draft Budget	Change	Additional Requests
Victoria Civic Heritage Trust	Building Incentive	420,000	420,000	0	
Victoria Civic Heritage Trust	Operating	109,814	109,814	0	2,186
Victoria Heritage Foundation	Operating	210,125	210,125	0	10,716
Recreation Integration Victoria	Operating	30,656	30,656	0	
Victoria Youth Council	Operating	26,000	26,000	0	
Quadra Village Community Centre	Operating	51,612	52,644	1,032	
Quadra Village Community Centre	Youth Programming	8,323	8,489	166	
Quadra Village Community Centre	Lease Grant	43,200	43,200	0	
Fernwood Community Centre	Operating	51,612	52,644	1,032	
Fernwood Community Centre	Youth Programming	8,323	8,489	166	
Vic West Community Association	Operating	51,612	52,644	1,032	
Vic West Community Association	Youth Programming	8,323	8,489	166	
Vic West Community Association	Facility (janitorial)	34,185	34,869	684	
Fairfield Community Place	Operating	51,612	52,644	1,032	
Fairfield Community Place	Youth Programming	8,323	8,489	166	
Fairfield Community Place	Facility (janitorial, recycling)	45,400	46,308	908	
Fairfield Community Place	Liability Insurance	5,000	5,000	0	
Fairfield Community Place	Youth Outreach	15,000	15,000	0	
Cook Street Village Activity Centre	Operating	51,612	52,644	1,032	
Cook Street Village Activity Centre	Facility (strata fees)	17,260	17,708	448	
Victoria Silver Threads	Operating	51,612	52,644	1,032	
Victoria Silver Threads	Facility (lease)	122,389	122,389	0	
Burnside Gorge Community Centre	Operating	51,612	52,644	1,032	
Burnside Gorge Community Centre	Youth Programming	8,323	8,489	166	
Burnside Gorge Community Centre	Youth Outreach	10,000	10,000	0	
James Bay Community School Centre	Operating	51,612	52,644	1,032	
James Bay Community School Centre	Youth Programming	8,323	8,489	166	
James Bay Community School Centre	Facility (janitorial, recycling)	53,091	54,153	1,062	
James Bay New Horizons	Operating	51,612	52,644	1,032	
James Bay New Horizons	Facility (janitorial)	26,875	27,413	538	
Oaklands Community Centre	Operating	51,612	52,644	1,032	
Oaklands Community Centre	Youth Programming	8,323	8,489	166	
Oaklands Community Centre	Facility (janitorial)	16,595	16,927	332	
Cool Aid Downtown Community Centre	Operating	51,612	52,644	1,032	
Blanshard (Hillside Quadra)	Per capita base (0.75 times population)	5,434	5,684	250	
Burnside/Gorge	Per capita base (0.75 times population)	4,395	5,105	710	
Downtown (incl Harris Green)	Per capita base (0.75 times population)	3,454	4,129	675	
Fairfield Gonzales	Per capita base (0.75 times population)	11,869	12,343	474	
Fernwood	Per capita base (0.75 times population)	7,069	7,358	289	
James Bay	Per capita base (0.75 times population)	8,430	9,032	602	
North Jubilee	Per capita base (0.75 times population)	2,288	2,418	130	
South Jubilee	Per capita base (0.75 times population)	1,643	1,734	91	
North Park	Per capita base (0.75 times population)	2,588	2,680	92	
Oaklands	Per capita base (0.75 times population)	5,119	5,346	227	
Rockland	Per capita base (0.75 times population)	2,618	2,755	137	
Vic West	Per capita base (0.75 times population)	5,104	5,758	654	
		1,871,594	1,892,413	20,819	12,902

The per capita base budget is subject to change based on the final release of the 2016 Canada census figures. The overall increase will not change though the distribution may change.

Note the City provides janitorial services to Quadra Village Community Centre and Fernwood Community Centre and Cook Street Village Activity Centre; no support is provided to Burnside Gorge Community Centre

It is recommended that Council approve the direct-award grants as outlined in the second column of the table above, and consider any funding increase requests upon completion of the public consultation.

Public Information and Consultation

Public participation in the development of the City of Victoria's budget has exponentially increased in recent years due to a number of measures introduced to improve the budget information and the tools used to solicit greater input and involvement. Prior to the 2015 process, the City would hear from less than 30 people during the budget process. In 2015, 2016 and 2017 the numbers increased to over 2,000, 800 and 950 respectively. The initial rise in 2015 was largely attributed to the alignment with the strategic planning process and the opportunity for the public to inform the investment of unallocated surplus and new assessment revenue.

In the spirit of continuous improvement, efforts that continue to increase engagement and the diversity of input will continue. Budget information and input mechanisms have become more accessible than in years past. Through an improved budget document, summary materials in print and online, the introduction of a budget simulator and the E-Town Hall format, more people are participating than ever before, and greater dialogue is occurring about the budget.

Last year, a budget simulator tool was developed and will be promoted widely during the 2018 budget process to assist in educating taxpayers of the trade-offs of different budget decisions.



City of Victoria's Budget Simulator

The City of Victoria invites you to use the budget simulator to help better understand the budget process. This exercise allows you to experience the types of decisions City Council and staff make when developing and allocating funds.

Like any business or household, the needs and wants within a municipality are often greater than what the budget can be afforded at one time. Each year as part of the budget process, choices must be made that directly impact the taxes you pay and the level of services the City of Victoria can provide. Our budget looks to balance competing priorities and challenges with the ability to provide high quality services for all our customers.

We welcome you to use our budget simulator to help you understand the budget process and gain insight into the types of decisions City Council and staff face when developing and approving the budget.

What you will learn:

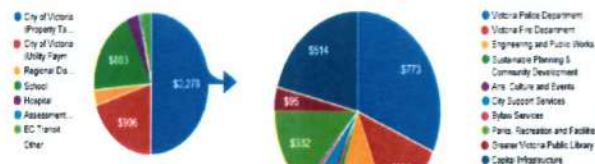
- Learn how the tax dollars are invested in the City of Victoria, based on your property's assessed value.
- Learn how funding changes to services will affect the level of service and your property tax bill.
- Learn the challenges the City faces at budget time, this means finding revenues to pay for what matters to you by either reducing funds from other services or increasing your property taxes, including finding ways to pay for programs and services that are important to taxpayers, by either reducing funds from other services or increasing your property taxes.

Let's get started!

This tool is for educational purposes; information is not collected. Feel free to explore as many scenarios as you like.

- Move the sliders to the left or right to indicate the desired amount of tax dollars that you feel should be allocated to that service. You can simulate a budget increase or decrease, or leave the service at the 2016 approved amount.
- Leave the sliders at the spots you like the best and see the overall impact to your property taxes.
- After you have made your choices, check back to see how you did. How does your City budget impact your property taxes and overall tax levy?

Learn more about Victoria's 2016 Budget.



Sustainable Planning and Community Development is key to supporting quality development and economic health of the city. The department is committed to the 'triple bottom line' approach – balancing economic prosperity, social development and environmental sustainability in order to address Victoria's future.

The department has a broad range of policy, regulatory and program responsibilities including community and city-wide land use planning, urban design, heritage, planning applications including zoning, development and variance permits, demographic and other planning information services and permitting and inspection services.



Did you know...
The City of Victoria issued 3,424 permits with a construction value of \$235 million in 2015.



ARTS, CULTURE AND EVENTS [LEARN MORE](#)

Your choice

The City coordinates and leads efforts to improve and enhance the social, recreation, economic and cultural health of our community and works to create a city that is vibrant and people centered. Arts, Culture and Events supports, facilitates and coordinates arts and culture initiatives including free events, concerts and programs in Centennial Square and Cameron Sandshell. Merit events, Canada Day celebrations, public art and maintenance, First Nations Artist Forum, annual Butler Book Prize and Film Commission launch.

The City also provides for Festival Investment Grants designed to provide support to organizations producing festivals and celebrations that deliver significant economic impact, vitality and vibrancy within the city, particularly in the downtown core.



Did you know...
The City of Victoria organized over 150 free events and concerts held at Centennial Square and Deacon Hill Park and about 40,000 people attend the Canada Day Celebrations.



The budget simulator provides the taxpayer greater ability to assess how changes to the budget have different impacts.

Although the City has increased participation broadly over the past three years, we continue to add new focus areas to the process. We will continue to reach out to the business community, which represents nearly 50% of taxpayers in Victoria. We will focus on youth outreach, seeking to build a foundation for engagement in this demographic. And we will work to create a greater sense of ownership over the budget process in those who rent in Victoria, as they represent 59% of the population, but have been traditionally underrepresented in budget engagement.

Following first reading of the financial plan bylaw tentatively scheduled for November 9, it is planned that the budget materials and engagement process will commence on November 10. The draft budget and materials will be made available for public review on that date, with the Town Hall session tentatively scheduled for the week of November 27. Input will be collected until December 8, 2017, allowing four weeks of full consultation. City Council will consider the draft financial plan in conjunction with the input at the December 14, 2017 Committee of the Whole meeting.

Timeline

The following table outlines the proposed timeline for this year's process.

Tentative Dates	Task
October 30, 31 and November 7, 2017	Detailed presentations of draft Financial Plan
November 9, 2017 Council	First reading of Financial Plan bylaw
November 2017	Public consultation
Week of November 27, 2017	Town Hall / e-Town Hall meeting
December 14, 2017 Committee of the Whole	Present consultation results and seek direction on changes to Financial Plan
April 2018 Committee of the Whole	Final report on Financial Plan including incorporated changes; report on 2018 tax rates.
April 2018 Council	Second and third reading of Financial Plan bylaw; first, second and third reading of tax bylaw
April 2018 Council	Adoption of Financial Plan bylaw and tax bylaw

2015 – 2018 Strategic Plan

The draft Financial Plan was developed in alignment with the 2015-2018 Strategic Plan.

Impacts to the Financial Plan

The 2018-2022 Financial Plan will replace the current year's plan.

Official Community Plan Consistency Statement

The many initiatives included within the financial plan are consistent with many policies within the Official Community Plan including support for infrastructure asset management objectives, in particular, policy 11.4 to maintain and enhance the allocation of resources for civic infrastructure repairs, upgrades and replacement

CONCLUSION

The draft Financial Plan aims to balance high quality service provision with taxpayer affordability. Council's review as well as feedback from the public will further shape the financial plan and will set the service levels for staff to implement.

Respectfully submitted,



Jo-Ann O'Connor
Manager of Financial Planning



Susanne Thompson
Director of Finance



Jocelyn Jenkyns
Acting City Manager

Attachments:

Appendix A: Examples of Cooperative Efforts between Municipalities

Appendix B: Supplementary Operating Budget Requests

Appendix C: Additional Grant Requests

Appendix D: South Island Prosperity Project – Five-Year Strategy

APPENDIX A
EXAMPLES OF COOPERATIVE EFFORTS BETWEEN MUNICIPALITIES
(not intended to be exhaustive list)

	Cooperative Effort	Participants	Estimate of Number of Years in Place	Comments
1.	Area CAO Meetings	All Local Governments, School District, GVPL, CREST, Islands Trust	28+	Meeting - share info – approx. monthly
2.	Corporate Officers Group	All Local Governments	10+	Meeting - share info
3.	GIS/Natural Areas Atlas	All Local Governments	55+	CRD holds data - access to & input from all municipalities
4.	Refuse Disposal & Recycling	All Local Governments	44	CRD delivers service
5.	Regional Trunk Sewer	Oak Bay, Central Saanich, Saanich, Colwood, Esquimalt, Victoria, Langford, View Royal	50	CRD delivers service
6.	Regional Water Supply	All Local Governments	58+	CRD delivers service
7.	Septage Disposal	All Local Governments	43	CRD delivers service - regulates & contracts for regional provider
8.	Stormwater Quality Management	Oak Bay, Saanich, Colwood, Esquimalt, Victoria, Langford, View Royal	24	CRD delivers service
9.	Emergency repair clamps and couplings (underground infrastructure)	Victoria, Oak Bay, CRD, Saanich	28+	Reciprocal support
10.	Large diameter hot tapping of water mains	Victoria, Oak Bay, CRD, Saanich	28+	Reciprocal support
11.	Pressure test and chlorination of new water mains	Victoria, Oak Bay, CRD, Saanich	23+	Reciprocal support
12.	Cross Border Agreements	Victoria, Oak Bay, Saanich, View Royal	58+	Various road maintenance, street lighting, and utility servicing (water and sewer) functions Reciprocal support
13.	Snow and Ice Removal	Esquimalt, Oak Bay, Central Saanich, Highlands, View Royal, Victoria	120	Greater Victoria Cooperative Plan, cross jurisdictional transportation corridor snow clearing, sharing of municipal resources if required. Reciprocal support
14.	E&N Rail Trail	CRD, Esquimalt, View Royal, Victoria	20	Now being coordinated by CRD Parks, initially this was an Esquimalt,

	Cooperative Effort	Participants	Estimate of Number of Years in Place	Comments
				Victoria, View Royal project. CRD delivers service
15	Local water distribution	Victoria and Esquimalt	88+	Water distribution system – Victoria owns the system in both Victoria and Esquimalt and Victoria provides service to Esquimalt
16	Signage Fabrication Vehicle Identity / Striping	Metchosin View Royal Central Saanich City of Victoria CRD	18+	Fabrication of a variety of specialty signs and striping of vehicles for the purpose of identification.
17	Traffic Safety	Oak Bay, Saanich, Esquimalt, Victoria, Langford, Central Saanich, Sidney, Sooke, Highlands		CRD appoints and funds a traffic safety Commission
18	Inflow and Infiltration Enhancement Program	All Local Governments		CRD Service excludes Sooke and EAs under Liquid Waste Management Plans
19	Regional Source Control Program	All Local Governments		CRD delivers service
20	Liquid Waste Management	All Local Governments		CRD delivers service
21	SCADA – flow monitoring	CRD, Oak Bay, Esquimalt, C. Saanich, N. Saanich, Sidney, View Royal	13+	CRD delivers service under sewer & water
22	Finance Directors	All Local Governments	28+	Meetings - share info
23	Water Consumption data	All Local Governments	11	CRD collects & Municipalities collect & CRD collates
24	Tax Collectors meetings	All Local Governments	20	Meeting - share info
25	Computer training courses	All Local Governments	14	Reciprocal
26	PSAB Working Groups	All Local Governments	9	Joint project - Ad hoc groups to address Public Sector Accounting Board proposed changes
27	Engineering Geodata sharing	All Local Governments	11	
28	Intermunicipal Business Licences	All Local Governments	16	Joint service delivery - common license across region

	Cooperative Effort	Participants	Estimate of Number of Years in Place	Comments
29	Debt Service	All Local Governments		CRD delivers service through Municipal Finance Authority (MFA)
30	Technology, software, hardware, applications, standards, policies, practices	Victoria, CRD, Nanaimo, Campbell River, Vancouver, Kamloops, Kelowna, Abbotsford, Coquitlam, Langley, North Vancouver, Delta, Richmond, Oak Bay, Central Saanich, Delta, Richmond, New Westminster, White Rock, Esquimalt, Sidney, Colwood, Langford, View Royal	10+	Sharing insights and experiences with other Municipal organizations Meetings to share information and joint training
31	MISA - Municipal Information Systems Association	All municipal organizations across BC	10+	MISA BC exists to promote greater co-operation among local government staff in the IT field by sharing information and developing common solutions on a broader and cost-effective scale Training & Courses & Conference
32	IT advice and guidance	Local Government Municipal Association	4	Providing IT related advice to the LGMA
33	GIS related advice and information	CRD, Victoria, Burns Lake, Sidney, Langford, Oak Bay, Esquimalt, View Royal	8	Requests for advice, assistance and opinions on GIS related matters.
34	GIS Municipal Group	CRD, Central Saanich, Colwood, Esquimalt, Highlands, Langford, Metchosin, North Saanich, Oak Bay, Sidney, Sooke, Victoria, View Royal	10+	GIS staff from CRD and Member municipalities meet every 3- 4 months to share information and expertise.
35	Greater Victoria Fire Chiefs Meetings	All local governments	15+	Meetings - share information & coordinate
36	Core Fire Chiefs Meeting	Oak Bay, Saanich, Victoria, Esquimalt	11	Meeting - share information & coordinate
37	Fire Mutual Aid Agreement	Esquimalt, Victoria, Oak Bay, Saanich	25+	The continued focus on integration of serving continues.
38	Greater Victoria Fire Prevention Officers Meetings	All GV Fire Departments	25+	

	Cooperative Effort	Participants	Estimate of Number of Years in Place	Comments
39	Local Government Emergency Programmers Advisory Committee	All local governments	8	
40	Esquimalt Emergency Programs	Esquimalt, Victoria/Esquimalt ESS, CFB Esquimalt, Victoria Police, Ambulance	13	
41	Regional Emergency Program Advisory Commission	All local governments, provincial government, DND, Hydro, Gas, Coroner, Airport authority, Utilities		CRD Bylaw establishes staff commission to share information and collaborate
42	Critical Incident Stress Management Team	Core Fire Departments	10+	Joint administration
43	Automatic Aid Arrangement for High Rise Incident Response	Core Fire Departments	9	Automatic Aid agreements for review in 2018. Ensure cross training of responding departments and communications policies when responding out of district.
44	Fireworks Regulations	Central Saanich, Colwood, Esquimalt, Highlands, Langford, Metchosin, North Saanich, Oak Bay, Saanich, Sidney, Sooke, View Royal	11	
45	Tower Crane Agreement	Saanich, Victoria Fire Departments	7	
46	Extreme Weather Protocol	Victoria, BC Housing, VIHA, Saanich	9+	
47	Emergency Planning & Response, Volunteer Support	Provincial Emergency Program, All Local Governments	25+	Inclusion of Regional Emergency Management Program through CRD which is aligning a regional response perspective to planning and resource allocations
48	Hazardous Material Incident Response	All Local Governments Hazmat – Oak Bay Lead	10	CRD delivers service (funds local firefighters training for HAZMAT & provides vehicles & equipment)
49	Compensation, job evaluation, job descriptions, policies & procedures, forms, contacts and research.	1. CRD 2. Victoria 3. Nanaimo 4. Kamloops 5. Kelowna 6. Abbotsford 7. Coquitlam 8. Langley	Nos. 1 – 22 30 years	Information sharing – ongoing communication and yearly surveys

	Cooperative Effort	Participants	Estimate of Number of Years in Place	Comments
		9. North Vancouver 10. Delta 11. Richmond 12. Greater Victoria Public Library 13. Central Saanich 14. Metro Van 15. New Westminster 16. Cowichan Valley 17. White Rock 18. Municipal Human Resources Inc. 19. City of Vancouver 20. West Kelowna 21. LGMA 22. Swan Lake 23. Colwood Fire Hall 24. Rowing Canada 25. Guelf 26. York Region 27. Town of Newmarket	Nos. 23 – 27 within the last 4 years	
50	Accommodation and Return to Work Information	Kelowna, Victoria	Within last 6 years	
51	BC Municipal Safety Association (BCMSA)	All Local Governments	23	Training & Courses - including conference & courses
52	Safety Training	All Local Governments	18	
53	Safety and Disability Management Advisory Services	All Local Governments	18	
54	Victoria Family Court Building/Committee	All Local Governments	49	CRD delivers service - statutory requirement
55	Royal Oak Burial Park	Victoria, Saanich	93	Joint ownership
56	Greater Victoria Public Library	Victoria, Esquimalt, Oak Bay, Saanich, Central Saanich, Colwood, Highlands, Langford, Metchosin, View Royal.	50+	GVPL extends service to the following First Nations in our service area: Esquimalt Nation, Sian'new (Beecher Bay) First Nation, Songhees Nation, Tsartlip First Nation, Tsawout First Nation and to the Juan de Fuca Electoral Area, via a contract for service. Joint Service Provision - Victoria's Library operated by

	Cooperative Effort	Participants	Estimate of Number of Years in Place	Comments
				the group of municipalities
57	Health Facilities Planning Division administers a 10 year capital plan for development and enhancement of health infrastructure in the Region	All Local Governments		CRD delivers Hospital District service to all 13 municipalities & electoral areas
58	Community Health	All Local Governments		CRD delivers service, includes Health Regulation & Health Bylaws
59	Air spade sharing	Victoria, Oak Bay Parks	11	Joint purchase, shared for tree work by the two municipalities Joint Ownership of equipment for tree work
60	Staff Training	Oak Bay, VIHA, Victoria, Saanich Parks	10	Staff training/education, pesticide applicators training Training VIHA provides pesticide applicators training to group
61	VI Parks & Grounds Assoc	All Local Governments, SD, UVIC & Camosun	34+	Training - meeting - share information
62	Parks Managers Meeting	All Local Governments	10	Meeting - share information
63	Equipment Sharing	Saanich, Victoria, Oak Bay Esquimalt Parks and Recreation	28+	Reciprocal support
64	Parks Planner Meetings	All Local Governments, Parks Canada	10	Meeting - share Info
65	Galloping Goose/Lochside Trail Meeting	All Local Governments	13+	CRD Service - includes bylaw enforcement collaboration with municipalities
66	Gorge Waterway Initiative	CRD, Victoria, Saanich, Esquimalt, View Royal & NGOs	13+	CRD Service - includes bylaw enforcement collaboration with municipalities

	Cooperative Effort	Participants	Estimate of Number of Years in Place	Comments
67	Recreation Integration Victoria (RIV)	Victoria, Oak Bay, Saanich, Esquimalt, Panorama, Westshore	28	Service supported by all municipalities for integration of persons with disabilities into recreation programs; cost share basis. Joint Service - cost shared - to integrate persons with disabilities into recreation programs
68	Intermunicipal Aquatics Coordinators	All Local Governments	23+	Information and program sharing meetings, 4 – 6 times per year.
69	Intermunicipal Recreation Committee	All local Governments, YM/YWCA, PISE	18+	Programs Involved: <ul style="list-style-type: none"> • Coast Capital Swims/Skates • GROOVY (youth programmers) • Aquatics Program – Regional meetings (Aquatic Coordinators) • Regional Annual Recreation Pass Campaign • Aquatics Bursary Program (Aquatic Coordinators) • May Pass (Active Communities GV) • Young Chefs on the Run Pass (Active Communities GV) • Active Communities Campaign

	Cooperative Effort	Participants	Estimate of Number of Years in Place	Comments
				<ul style="list-style-type: none"> • Healthy Food Initiatives – Thrifty Foods • LIFE Program • BC Youth Week • Regional Planning (Youth Programmers) • Fit in Fitness Website • TC 10K Run Clinics • Canadian Tire Jump Start Program • Active Parent Pass • HARA – Health and Recreation (Island Health) • Kidsport • Eat Well Get Moving (Thrifty Foods) • Prescription to Health (Active Communities GV) • Regional Drowning Prevention Campaign • Advanced Aquatics • Joint Recruitment Program • Joint Staff Training • Regional Learn to Skate Program (BCRPA 2015 award recipient) • Positive Ticketing Program in partnership

	Cooperative Effort	Participants	Estimate of Number of Years in Place	Comments
				<ul style="list-style-type: none"> with regional police depts./RCMP • Support of annual Island Fitness Conference • Healthy Kids R Us Initiative • Regional Assessment of Drop-in Fees and Charges
70	Arts	Victoria, Esquimalt, Oak Bay, Saanich, CRD	13+	<ul style="list-style-type: none"> • Public art lectures series • Public art inventory
71	Regional Parks	All Local Governments	50+	CRD delivers service
72	Royal Theatre	Oak Bay, Saanich, Victoria	44	CRD delivers service
73	Arts Grants/Arts Development Office	Esquimalt, Highlands, Metchosin, Oak Bay, Saanich, Victoria, View Royal	16	CRD delivers service
74	Regional Parks By-Law Enforcement	CRD, Saanich, Victoria, West Shore RCMP, Langford	13+	
75	Sooke Regional Museum	CRD		CRD funds service
76	Vancouver Island Development Officers Group	Vancouver Island Municipalities	9	Information sharing
77	Pesticide Use Reduction Education	All Local Governments	10	
78	Climate Action	All Local Governments		CRD delivers service
79	Environmental Roundtable	All Local Governments	26	CRD delivers service
80	Regional Growth Strategy	All Local Governments	10+	CRD delivers service
81	Regional Housing Trust Fund	Oak Bay, Central Saanich, Saanich, Esquimalt, Sooke, Victoria, View Royal, Metchosin, North Saanich, Highlands	43	CRD delivers service
82	Regional Planning Services	All Local Governments	48	CRD delivers service
83	CRD Development & Planning Advisory (Staff) Committee	All Local Governments	28+	CRD delivers service - staff committee a requirement of service
84	Core Area Planning Directors Meeting	Victoria, Esquimalt, Oak Bay, Saanich, View Royal	10+	Meeting - share information

	Cooperative Effort	Participants	Estimate of Number of Years in Place	Comments
85	Regional Arts (Staff) Meeting	Victoria, Esquimalt, CRD and Saanich	10	CRD Public Art website and Landmarks Lecture Series CRD delivers service - joint project
86	Planning Lecture Series	Victoria, Saanich (and UVIC)	11	Training
87	Building & Plumbing Officials monthly meeting	All Local Governments	28+	Meeting - share information
88	Regional Information Services	All Local Governments		CRD delivers service
89	Capital Region Emergency Services Telecommunications (CREST) 9-1-1	All Local Governments	7	Joint Service provision & CRD delivers some regional funding
90	Greater Victoria Joint Purchasing Group	All Greater Victoria municipalities, school district and CRD		Joint purchasing opportunities and information sharing
91	Metro Vancouver Municipal Purchasing Group	Lower mainland and Fraser Valley municipalities, Victoria, Saanich, Nanaimo, Campbell River, Kelowna		Information sharing
92	Purchasing card group	Shared Services and all municipalities in BC can partake		Co-operative purchasing opportunities

Supplemental Description	2018 Ongoing	2018 One-Time
Managing Growth and New Development		
Parks Planner	\$103,000	
Transportation Planner	\$104,000	
Secretary Planning		\$67,000
Parks Arboriculture		\$97,000
Managing Public Safety		
Fire Prevention Officer	\$121,000	
Managing Green Spaces		
Overnight Sheltering – Support & Clean Up		\$300,000
Community Garden Program	\$15,000	
Parks Natural Area Support	\$63,000	
High Risk Tree Removal		\$150,000
Pioneer Square Archaeological Reporting		\$37,000
Downtown Public Realm Plan Implementation		\$105,000
Managing Public Engagement		
Graphic Design Support	\$81,000	
Engagement Advisor		\$109,000
Managing Accessibility		
Accessibility Framework		\$40,000
Youth Initiatives		
Youth Leaders in Training Program	\$20,000	
Youth Strategy Liaison		\$30,000
Active Transportation		
Neighbourhood Transportation Management		\$180,000
Speed Reader Boards		\$85,000
Multi-Modal Transportation Network		
Street Occupancy and Parking Support	1 FTE Only	
Traffic Signal Timing Update Study		\$40,000
Extra Bridge Coverage		\$30,000
Asset Management		
Building Project Administrator	\$99,000	
Condition Assessment Pilot Project		\$60,000
Professional Certification/Project Management		\$50,000
Managing Climate Action and Sustainability		
Sustainability Waste Management Engineer	\$99,000	
Step Code Implementation		\$10,000
Environmental Performance Audit		\$50,000
Managing Housing		
Victoria Housing Strategy Implementation		\$20,000
Total	\$705,000	\$1,460,000

Managing Growth and New Development

Strategic Objective: Strive for Excellence in Planning and Land Use

- Substantial growth in development and building permit applications (value and complexity) over the past four years
- Volumes expected to continue for at least the next 24 months
- Requires staffing resources from multiple departments
- Process improvements have supported improved turnaround times with existing staff resources, however additional resources needed to maintain service levels
- Projected additional revenues from development and permit applications of \$100,000 for 2018 will mitigate costs associated with supplement requests

2018 Supplemental Requests

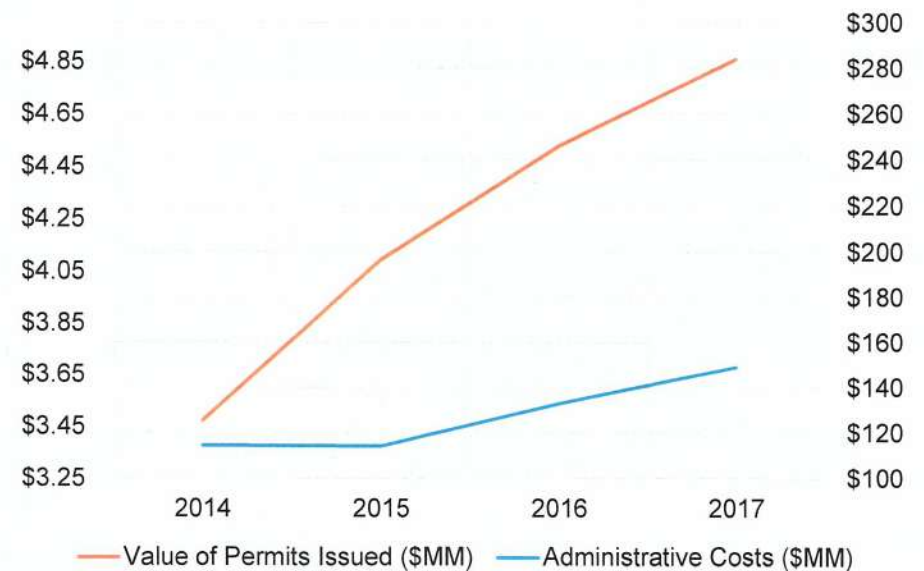
Ongoing:

- | | |
|--------------------------|-----------|
| • Parks Planner | \$103,000 |
| • Transportation Planner | \$104,000 |

One Time:

- | | |
|------------------------|----------|
| • Secretary – Planning | \$67,000 |
| • Parks Arboriculture | \$97,000 |

Permit Value vs. Administrative Costs - 2014-17(f)

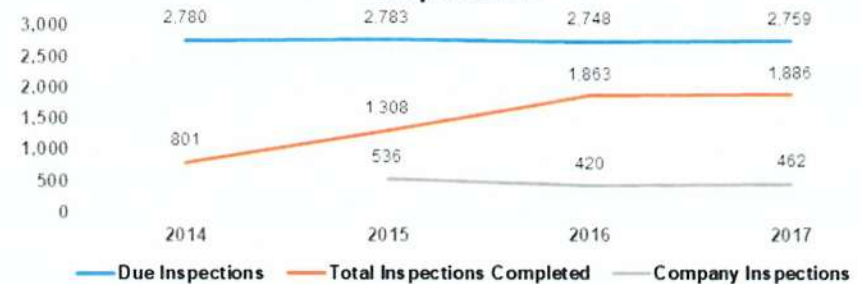


Managing Public Safety – Fire Prevention Officer

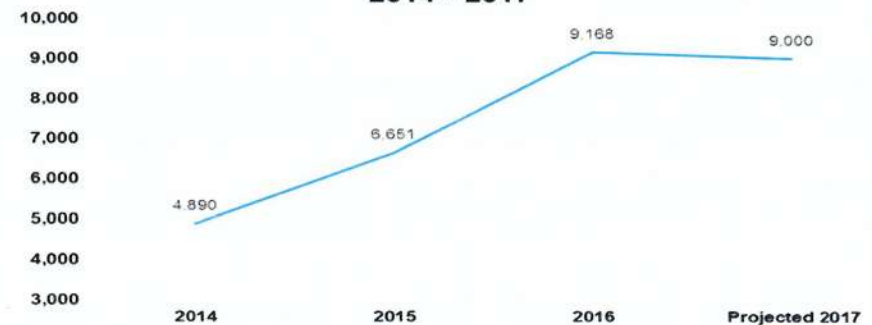
Strategic Objective: Take Climate Action and Prepare for Emergencies

- Substantial growth in development and density triggering greater demand and more complex fire inspections
- Expected increased gap between actual fire inspections completed to what should be completed as per Fire Prevention Bylaw 14-100
- Substantial growth in calls for services since 1997; directly resulting in a decline of active duty fire fighters able to complete fire inspections
- Significant increase in plan reviews, H.E.A.T Program, oil tank/burner permits and increased focus on School and Community Life and Fire Safety Education in combination with Emergency Management and Earthquake Preparedness since 2017
- Potential decline in life and property service levels to provide effective fire and life safety

Inspections Due in Comparison to Total Completed Inspections and Company Inspections



Life Safety Education Session Attendees 2014 - 2017



Managing Public Safety – Fire Prevention Officer

Strategic Objective: Take Climate Action and Prepare for Emergencies

Efficiencies Implemented

- Implementation of a company inspection program where fire fighters are cross trained to conduct commercial fire inspections during their active duty shifts

2018 Supplemental Requests

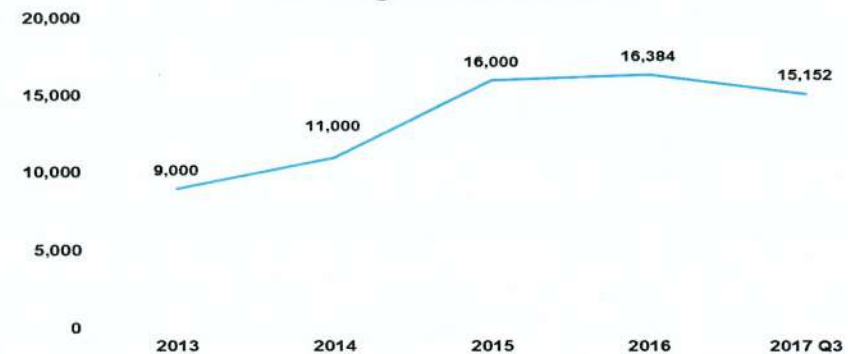
Ongoing:

- Fire Prevention Officer \$121,000

Overtime and Training Costs 2013-2017



Training Hours 2013-2017



Managing Public Green Spaces - Sheltering

Strategic Objective: Enhance and Steward Public Spaces and Food Systems

Substantial increase in Parks Bylaw Calls for Service from 2015

The Overnight Sheltering Program responds to demands associated with outdoor sheltering in parks

Costs include extended hours at washrooms at select washrooms, security patrols, cleaning support in parks, adjacent bus shelters and streets

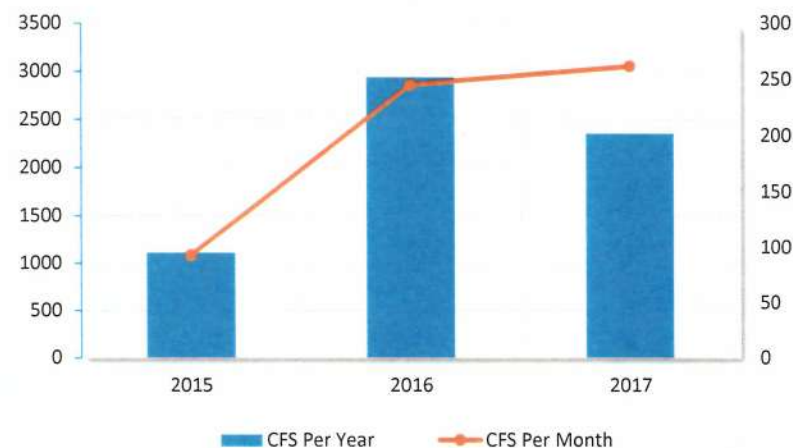
2018 Supplemental Requests

One Time:

- Overnight Sheltering – Support & Clean Up

\$300,000

Parks Regulation Bylaw Calls for Service
(2017 data is current as of September)

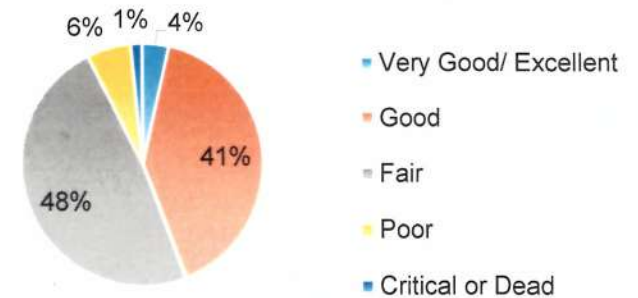


Managing Public Green Spaces

Strategic Objective: Enhance and Steward Public Spaces, Green Spaces and Food Systems

- The City's public spaces and natural assets are a key driver of livability.
- They also support the City's economic development as quality of urban spaces and parks amenities are drivers of business and worker attraction.
- Supporting this quality requires management and refurbishment of some key public spaces as well as management of 33,000 trees on City property.
- Currently there are approximately 900 trees requiring risk assessment and potential hazard mitigation.
- Approximately 400 trees will be assessed in 2018 with the removal of up to 250 trees that have been assessed as hazardous.

2017 Urban Forest
Inventory Condition Rating



2018 Supplemental Requests

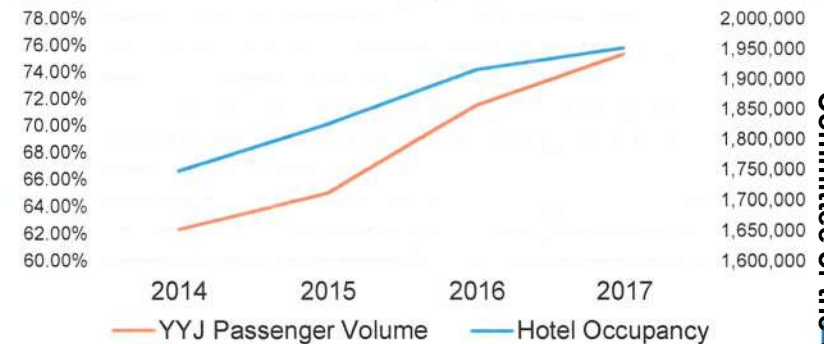
Ongoing:

- | | |
|------------------------------|----------|
| • Community Garden Program | \$15,000 |
| • Parks Natural Area Support | \$63,000 |

One Time:

- | | |
|---|-----------|
| • High Risk Tree Removal | \$150,000 |
| • Pioneer Square Archaeological Reporting | \$ 37,000 |
| • Downtown Public Realm Plan Implementation | \$105,000 |

YYJ Passenger Volumes and Hotel Occupancy
- 2014-17(YTD)



Managing Public Engagement

Strategic Objective: Engage and Empower the Community

- Substantial growth in the number of Engagement Initiatives resulting in the substantial increase in the demand for graphic services
- Additional design and engagement resources will increase productivity and reduce outsourcing
- 400% growth in number of engagement activities supporting city decision making
- Additional engagement support identified by departments to complete major corporate initiatives including Neighbourhood Planning, Ship Point, Active Transportation, Climate Leadership, Crystal Pool and implement Engagement Framework

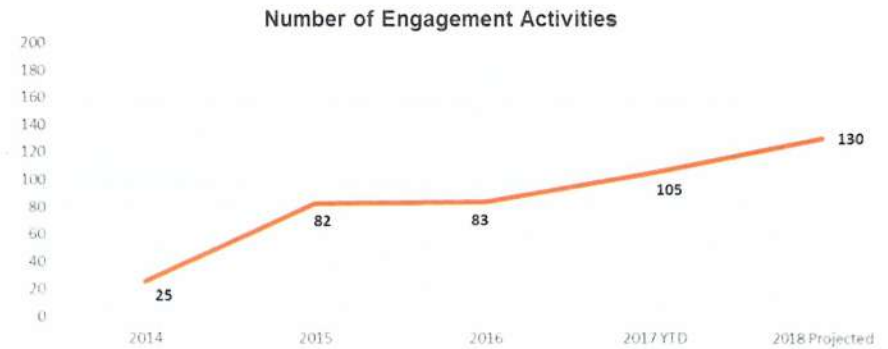
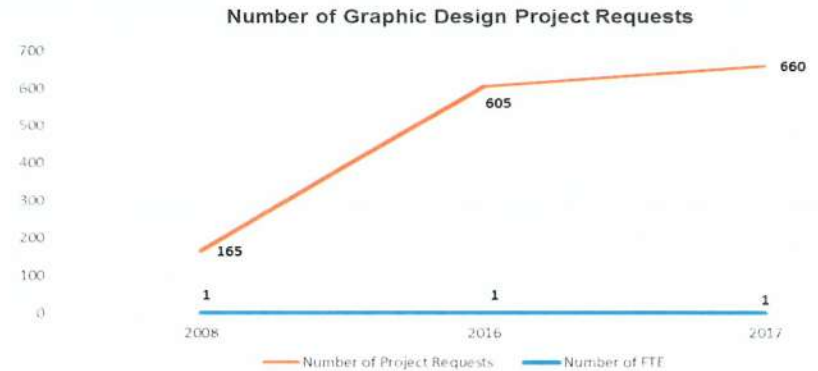
2018 Supplemental Requests

Ongoing:

- Graphic Design Support \$81,000

One Time:

- Engagement Advisor \$109,000



Managing Accessibility

Strategic Objective: Facilitate Social Inclusion and Community Wellness

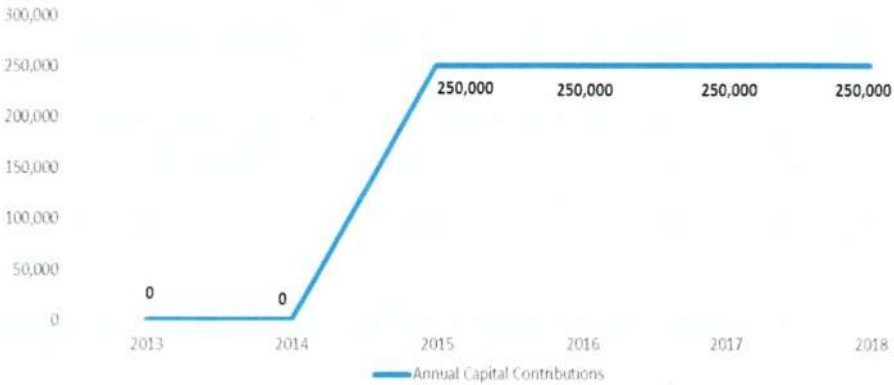
- On January 26, 2017, Council approved that staff report back with resource and timing implications regarding the recommendation that an individual be contracted/hired to work with the AWG in identifying barriers for persons with disabilities, examine existing City accessibility policies and procedures, make policy recommendations, develop an accessibility framework, and provide on-going staff training and support

2018 Supplemental Requests

One Time:

- Accessibility Framework \$40,000

Accessibility Reserve Annual Capital Contributions



Youth Initiatives

Strategic Objective: Engage and Empower the Community

- The number and percentage of Youth in Victoria has increased since the 2011 census
- Youth Leaders in Training (YLIT) is an employment readiness program for youth that helps individuals gain skills in the fields of childcare, recreation and education
- Implement the Council approved Youth Strategy, including the following:
 - Youth hiring strategy and recruitment brochure
 - Curriculum development to engage youth on what the City does, how decisions will impact them and how they can affect change in their community
 - Launch Youth Hub

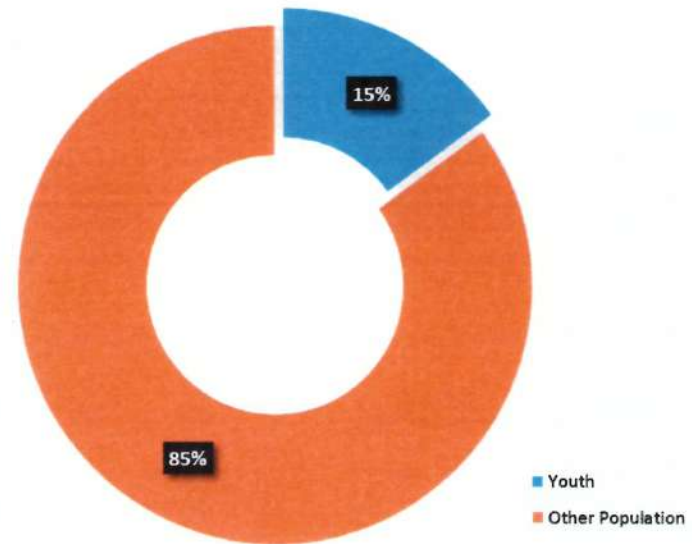
2018 Supplemental Requests Ongoing:

- | | |
|-------------------------------------|----------|
| • Youth Leaders in Training Program | \$20,000 |
|-------------------------------------|----------|

One Time:

- | | |
|--------------------------|----------|
| • Youth Strategy Liaison | \$30,000 |
|--------------------------|----------|

Percentage of Youth (Ages 12 - 24) in the
City of Victoria



Active Transportation – Managing Road Safety

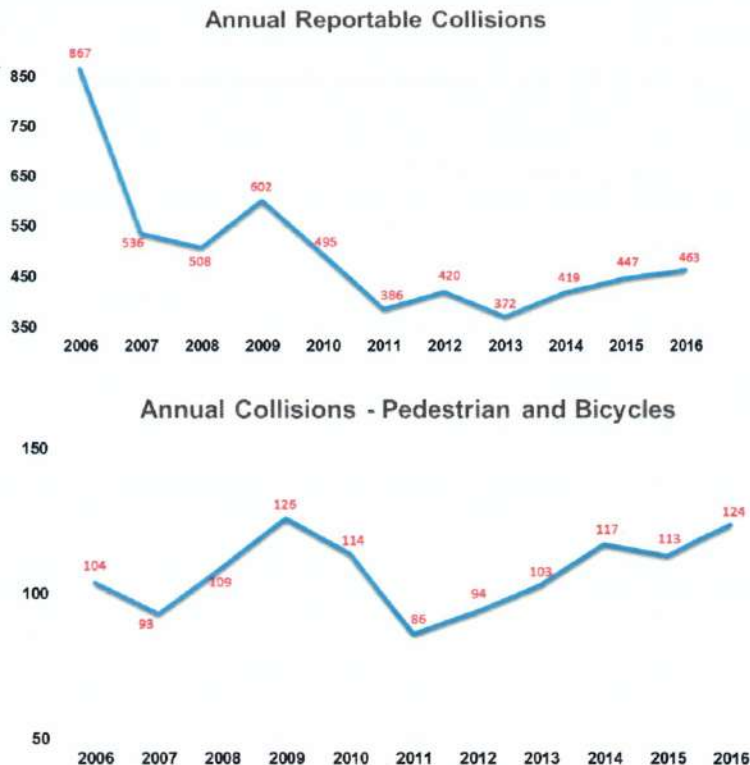
Strategic Objective: Complete a Multi-Modal and Active Transportation Network

- Annual collisions trends have been rising since 2013
- Pedestrian and Bicycle collisions are on the rise
- Public requests and Council directions have identified the need for additional analysis of neighbourhood transportation analysis, prioritization , planning and implementation. To work aligns directly with the upcoming Local Area Plans
- Speed reader boards are needed to promote safer vehicle behavior throughout the community

2018 Supplemental Requests

One Time:

- | | |
|---|-----------|
| • Neighbourhood Transportation Management | \$180,000 |
| • Speed Reader Boards | \$ 85,000 |



Multi-Modal Transportation Network – Traffic and Parking

Strategic Objective: Complete a Multi-Modal and Active Transportation Network

- Review of existing traffic signal timings is a needed requirement for the City to optimize the demand imposed by changes to traffic patterns, volume, congestion and development
- Resources required to manage the training and operations throughout the transition to the new JSB Bridge
- Ongoing increase in public parking inquiries/street occupancy permits consume significant staff time
- Street Occupancy and Parking Support would improve compliance with permit applications and with set-ups that meet safety requirements

2018 Supplemental Requests

Ongoing:

- Street Occupancy and Parking Support 1 FTE
(Funded through Permit Fees)

One Time:

- Traffic Signal Timing Update Study \$ 40,000
- Extra Bridge Coverage \$ 30,000



Asset Management

Strategic Objective: Build the Financial Capacity of the Organization/Innovate and Lead

- Facilities Condition Assessment was completed in 2015 that provided investment recommendations for building systems
- Immediate priorities include several major projects across the City, including the Crystal Pool and Firehall 1 Replacement Project
- City surveys are mainly completed by physical observations and surveys of infrastructure, which can be time consuming to complete, and analyze. International best-practice uses a series of automation to quickly and accurately assess infrastructure, allowing staff more time plan and optimize city assets
- Increased demand and complexity of projects requires professional certification and training to develop project management skills resulting in enhanced service quality, delivery and asset management skills

2018 Supplemental Requests

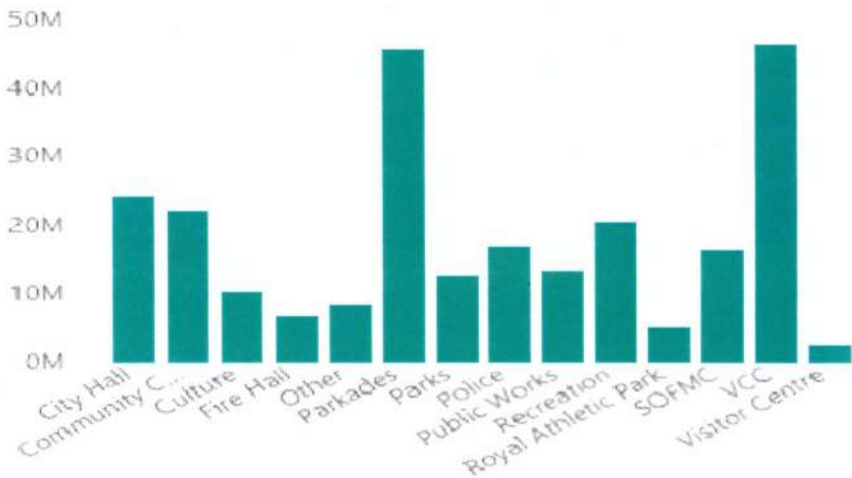
Ongoing:

- Building Project Administrator \$99,000

One Time:

- Condition Assessment Pilot Project \$60,000
- Professional Certification/Project Management \$50,000

10 Year Capital Projections - Buildings



Managing Climate Action and Sustainability

Strategic Objective: Plan for Emergencies Including Climate Change Short and Long-Term

- The development of the City’s Sustainable Waste Management Strategy has clearly identified a current shortfall in resources required to propel City-wide waste programs to reach sustainability targets and avoid risks
- Sustainable Planning and Community Development aligns with Climate initiatives to deliver step code implementation, energy efficiency strategies and sustainability performance review
- An environmental audit will define current environmental performance, risks and recommended actions to reduce risk to the natural ecosystems across public works and engineering programs. This process will also provide a framework for cross-departmental environmental impacts to define priority actions within the City.

2018 Supplemental Requests

Ongoing:

- | | |
|--|----------|
| • Sustainability Waste Management Engineer | \$99,000 |
|--|----------|

One Time:

- | | |
|-----------------------------------|----------|
| • Step Code Implementation | \$10,000 |
| • Environmental Performance Audit | \$50,000 |

Managing Housing

Strategic Objective: Make Victoria More Affordable

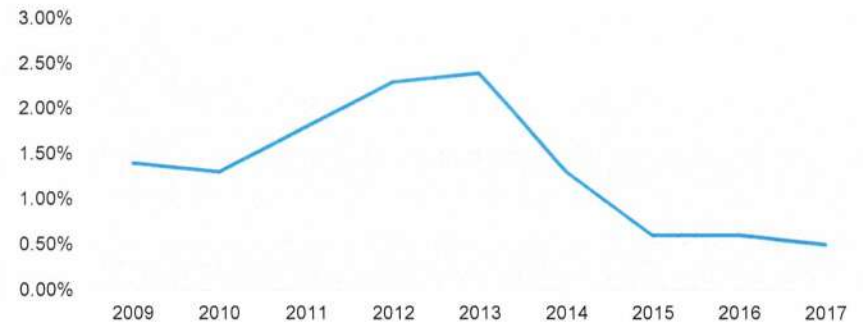
- The Victoria Housing Strategy, approved by Council in 2016, is a 10 year strategy that includes strategic directions to meet housing targets
- The Strategy also includes action items for implementation over a 3 year period
- Support implementation of action items identified in the Strategy for 2018, including the following:
 - Consideration for voluntary guidelines for post-construction accessibility features to encourage adaptable housing
 - Revisiting the secondary suite grant program to encourage accessible suites
 - Hosting workshops on various housing-related topics with external partners and stakeholders to investigate opportunities

Supplemental requests for 2018

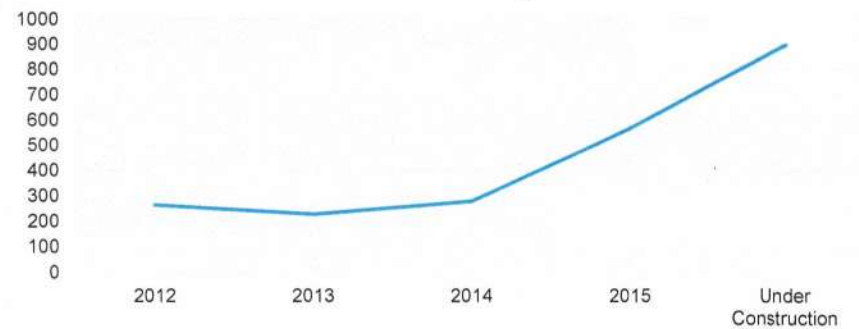
One Time:

- | | |
|--|----------|
| • Victoria Housing Strategy Implementation | \$20,000 |
|--|----------|

Rental Vacancy Rate



Rental Unit Development





September 26, 2017

Susanne Thompson
 Director of Finance
 City of Victoria
 #1 Centennial Square
 Victoria, BC V8W 1P6

Re: 2018 Grant Funding Request

Dear Ms. Thompson,

The Victoria Heritage Foundation (VHF) was instituted by the City of Victoria in 1983 to manage the City's funding program for Heritage Designated houses. Over the years, the City and VHF have provided financial incentives to over 1,300 projects to stimulate and promote the conservation of 373 Heritage Designated houses. The Victoria Heritage Foundation is appreciative of the continued support from the City of Victoria.

VHF also undertakes educational projects including the VHF website, neighbourhood walking tour brochures and the award-winning four-volume series *This Old House: Victoria's Heritage Neighbourhoods*, in order to further knowledge and awareness of Victoria's built heritage. A great deal of this work is accomplished thanks to the contribution of over 1,000 annual volunteer hours. The costs associated with the reprinting *This Old House* and walking tour brochures are now funded from our annual operating grant.

Enclosed is a copy of VHF's 2016 Annual Report which documents in detail our yearly expenditures and budget allocations. The report was distributed to Mayor and Council and City staff in July. It can also be viewed on our website.

VHF's work makes a significant contribution to the goals and objectives set out in Victoria's *Strategic Plan 2015-18*. Relevant goals and objectives relating to the Strategic Plan are appended for reference. The work of the Victoria Heritage Foundation also supports the goals of the City's recent Victoria Housing Strategy by promoting the retention of existing housing and character homes.

2017 has been a challenging year for owners undertaking work on heritage houses and the VHF House Grants Program. Due to the current building boom, skilled trades with experience working on old houses have been in short supply. Consequently, costs have risen substantially. According to Statistics Canada's construction price index for Victoria, costs in 2016 rose by 5.1%. We believe that in order for heritage incentives to be meaningful, they need to keep pace with rising construction costs. For 2018 the Victoria Heritage Foundation is requesting a 5.1% increase to **\$220,841**.

We would be happy to answer any questions that you may have. Thank you for your consideration.

Respectfully,

Doug Koch,
 Board President

Aureleo Reyes, CPA, CACMA
 Treasurer

Brigitte Clark,
 Executive Director

cc: Jonathan Tinney, Director of Sustainable Planning & Community Development
 Andrea Hudson, Assistant Director, Sustainable Planning & Community Development
 Merinda Conley, Senior Heritage Planner, non-voting member of VHF
 Pamela Madoff, Councillor, non-voting Council liaison to VHF

Appendix

The work of the Victoria Heritage Foundation contributes to the priorities of **Victoria's Strategic Plan 2015-2018** as follows:

Innovate & Lead

- Heritage honours the past, while allowing the future to evolve
- VHF enjoys a high profile and often serves as the first point of contact for heritage-related inquiries
- VHF's award-winning website and GIS map extend the reach of the City's heritage program
- VHF collaborates with neighbourhood groups and other heritage organizations

Engage and Empower the Community

- VHF grants encourage heritage homeowners to undertake appropriate rehabilitation and inspire neighbours to do the same

Strive for Excellence in Planning & Land Use

- Existing historic neighbourhoods make for compact and sustainable land use patterns
- Heritage houses contribute to placemaking in Victoria's distinctive neighbourhoods
- VHF assists City Planners in identifying and researching potential heritage houses

Create Prosperity through Economic Development

- VHF grants leverage significant private investment
- Rehabilitation creates twice as many local skilled jobs as new construction
- Heritage is a cornerstone of sustainable cultural tourism
- Heritage supports tourism - historic hotels and B&Bs, carriage and walking tours
- Heritage houses and streetscapes are desirable locations for film productions

Make Victoria More Affordable

- Heritage houses often include affordable rental units
- Heritage houses may lend themselves to the addition of garden and secondary suites, adding density without destroying the heritage value of the house and neighbourhood
- VHF grants add to the affordability of heritage houses

Facilitate Social Inclusion and Community Wellness

- Heritage contributes to social and cultural well-being
- Attractive pedestrian-friendly streets improve quality of life and promote socialization

Enhance and Steward Public Spaces, Green Spaces and Food Systems

- Heritage neighbourhoods include mature gardens and trees, reinforcing Victoria's reputation as the City of Gardens

Complete a Multi-Modal and Active Transportation Network

- Attractive, walkable neighbourhoods close to town and amenities minimize vehicle use

Nurture Our Arts, Culture and Learning Capital

- Heritage neighbourhoods preserve the valuable legacy of the past
- VHF walking tour brochures promote awareness and appreciation of Victoria's architecture and history

Plan for Emergencies Including Climate Change Short and Long-Term

- The greenest building is the one already built
- VHF promotes educational events on seismic upgrades for heritage houses
- VHF promotes seismic upgrades through increased grant percentage



Victoria
CIVIC
HERITAGE
TRUST



Mayor and Council
City of Victoria
1 Centennial Square
Victoria BC V8W 1P6

29 September 2017

**Victoria Civic Heritage Trust
2018 Expenditure Budget
2018 Capital and Operating Direct-Award Funding Requests**

Dear Mayor Helps and Council Members:

As requested by the department of Sustainable Planning and Community Development, the Victoria Civic Heritage Trust respectfully submits our **2018 Expenditure Budget**, approved by our Board of Directors on 18 September 2017. The 2018 Capital request is the same as 2017 based on anticipated demand; the 2018 Operating request is the same as 2017 plus a 2% cost of living increase.

The VCHT experienced a sharp increase in demand in 2016 for building rehabilitation applications under the Building Incentive Program (BIP) which carried over in 2017 towards the completion and pay out of numerous projects. More than half of the building conservation projects completed in 2017 were located in Chinatown, with several new projects located in Chinatown projected in 2018. Projects approved to date in 2017 were located outside the downtown core in James Bay and Hillside; several projects located in the downtown and Fernwood are still anticipated to come forward in 2017.

In November 2017 the VCHT plans to host a special luncheon event to recognize property owners and to feature Chinatown projects recently completed using various incentive programs.

The Seismic Parapet Incentive Program introduced in 2015 has successfully completed three projects. This initiative operates through BIP using existing resources and is the first of its kind in Canada. The Seismic Parapet Incentive Program is designed as a pilot program to assess its effectiveness and owner uptake. Owner interest is solid with more projects anticipated in 2018.

In February 2017 the City of Victoria approved a city-wide expansion of the Heritage Tax Incentive Program to encourage more seismic upgrading outside the downtown core. The VCHT is working with City staff and owners on several potential projects under the newly expanded Tax Incentive Program for 2018.

At the request of Mayor Helps in April 2016 and with the support of the VCHT Board, our Executive Director served in 2016-2017 with an advocacy group initiated by Elizabeth May MP to develop a federal program proposal named "Building Resilience in Canada." Members of the advocacy group continue to work on the program proposal. Public Safety Canada has shown interest in this multi-phase proposal.

PROJECTED APPLICATIONS

In 2017 Building Incentive Program applications received and projected include **eight Building Incentive Program** and **two Design Assistance Grant** funding awards plus administration of **five extensions** and **thirteen BIP building** site visits and payouts. To date in 2017 the VCHT also reviewed **one Tax Incentive Program** application and conducted final site visits and/or financial reviews for **seven TIP buildings**.

Potential projects for 2018 based on current applications are listed on page two of the attached 2018 Expenditure Budget. This list includes heritage buildings located in various neighbourhoods in the city.

We anticipate very strong demand in 2018. Based on enquiries, VCHT projects the potential for **twenty to forty BIP applications** by 31 December 2018, not including seismic parapet program projects. All potential conservation projects are in keeping with the City's strategic goals to create a vibrant and healthy downtown.

2018 CAPITAL REQUEST

We respectfully submit our **2018 Capital** direct-award funding request of **\$420,000.00** for the purposes of Building Incentive Program funds and the City of Victoria's Heritage Tax Incentive Program. This is the same amount that was requested in 2017 (no increase since 2008). The list of potential applications in 2018 translates into a possible deficit of **-\$787,980.33** in the BIP fund by 31 December 2018 if all projects are approved, which substantiates the 2018 capital request of \$420,000.00.

2018 OPERATING REQUEST

We respectfully submit our **2018 Operating** direct-award funding request of **\$112,000.00**, which is the amount received in 2017 plus a 2% cost of living adjustment, as per last year. Please note that with the amount requested, the VCHT will continue to operate on a deficit basis as it has for a number of years.

BACKGROUND

The VCHT was established by the City of Victoria in 1989 as a civic vehicle to administer Building Incentive Program funding, and subsequently the City's Tax Incentive Program, for the conservation and rehabilitation of downtown heritage buildings and to preserve Victoria's community heritage. Modelled on Civic Trusts in Britain that are financially supported by the local municipality, the VCHT is a widely recognized organization that has produced impressive results for the City of Victoria that would not otherwise have been achieved without these programs. To date some of these accomplishments include:

- **\$151.61 million** in private investment in **147 eligible heritage buildings** through **\$5,985,685** in 273 awards of **Building Incentive Program** funds through City Capital funding;
- Average leveraging factor of **\$25.33 private investment** for every **\$1** in BIP funds awarded;
- **80 Heritage Designations** directly related to funding applications, resulting in significantly increased protection of heritage buildings and an improved downtown environment;
- Numerous awards including: **Pinnacle Award** to the City of Victoria and VCHT by the International Downtown Association for the Tax Incentive Program; **Gold CARE Award** to the City of Victoria and VCHT by the Canadian Home Builders' Association for the Tax Incentive Program; **Prince of Wales Prize** to the City of Victoria for its heritage conservation programs; **Outstanding Achievement Award** from Heritage BC and **Communication Award** from the Hallmark Society for **Test of Time**; **BCBIA "Best in the West" Award** and \$125,000.00 funding from the Canada – BC Infrastructure Works Program for the Downtown Heritage Building Lighting Program; **Outstanding Achievement Award** and \$300,000 HARP funding from the BC Heritage Trust for the Broad & Yates Street area.

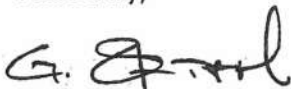
The VCHT is very proud of our strong relationship with the City of Victoria and our long record of distinguished service on behalf of the City and its residents. We look forward to continuing to work with the City of Victoria to further its strategic goals through incentive programs operated by the VCHT which successfully deal with significant community issues on multiple levels using highly cost-effective resources.

On behalf of our Board of Directors, I'd like to thank the City of Victoria for its ongoing financial commitment to Victoria's exceptional heritage programs. It is because of Council's foresight and consistent support that the City of Victoria is widely recognized as a leader in municipal heritage conservation in Canada.

More detailed program information will be included in our 2016/2017 Annual Report following year end.

We would be pleased to discuss our request with Council at any time.

Yours truly,



Greg Ovstaas
President

SOUTH ISLAND
**PROSPERITY
PROJECT**

Appendix D

Five-Year Strategy for the South Island Prosperity Project

Embargoed until September 21, 2016

South Island Prosperity Project
Strategic Plan August 2016

Committee of the Whole - 07 Nov 2017

Together, better jobs, better communities.

The South Island Prosperity Project is the brainchild of many brains, and many more believers. We would like to begin by acknowledging all of you.

We'd like to thank our members for trusting us to help create the future they envisioned; the Greater Victoria Chamber of Commerce for incubating us; our Board for guiding us; and the countless experts who brainstormed with us without asking anything in return.

We must celebrate the unprecedented cooperation and seamless teamwork between our local governments and the private sector - an effort that enabled this project to have the scope and mandate needed to effect real, impactful economic change.

Finally, we want to celebrate a mutual pride of place that fuels all of us. Thank you for believing in our Region, and devoting your tireless efforts to making it shine.

As we succeed, it is because of you.



INTRODUCTION

The South Island Prosperity Project was created to reach multiple complementary goals:

- To **support the growth of local entrepreneurial businesses** that bring greater employment and prosperity to our region,
- To **attract businesses** from outside the region within carefully defined sectors,
- To **enable South Island entrepreneurs** to network and work with other businesses in their region,
- To **work with First Nations and champion** economic development initiatives to create greater prosperity for their communities,
- To **grow the \$45,000-\$100,000/year job market** and enable more talent to stay in, or move to, the region,
- To do all of the above with a focus on not only growing the economy, but **enhancing our unique culture**, and safeguarding our **commitment to environmental and social responsibility**.

The South Island Prosperity Project shares many attributes with entrepreneurial businesses. We will stay true to our mission by keeping a narrow focus at the start, and showing results there first before expanding or adding new services. Just like a lean start-up company, we have started testing our business services by working with a few companies that can help us validate and co-design our Business Connector Program. Finally, we are determined to grow as our capacity builds and we will obsessively measure our impact as we progress, proving our value and being accountable at every step.

This report reprises our fundamentals (consultation process, strategic framework, key issues, etc.) and adds new information that reflects our pivots and evolution (business goals and targets, the co-design “pilot” model, etc.).

Most importantly, this report reflects the rapid evolution toward piloting our Business Connector Program, and beyond. Reading this will provide a snapshot not only of where we’re headed, but where we are in the current rollout and the specific steps we’re taking to reach our goals and targets.

THE WORK BEFORE THE WORK

For our project to effect real change, we first had to ensure it filled a real need, and was driven by real insights. These are some of the market validation measures we undertook:

- We met with every participating municipality and private sector member to determine their vision of the project.
- Additional consultations were then undertaken with sector experts, industry organizations, government agencies, First Nations leaders, academic institutions, business development consultants, and municipal and economic development staff.
- We conducted research around potential gaps and market opportunities.
- We met with businesses that might potentially become Prosperity Project clients, to understand their needs, validate assumptions, and determine what services they found the most value in.
- We did a service analysis to ensure we weren't duplicating services already being provided.
- We set a preliminary budget.



KEY ISSUES

There are a number of key issues that we have identified that will materially influence our strategy.

It's true that we boast an incredible lifestyle and have a strong, burgeoning technology sector, a highly-educated population, as well as world-class academic institutions... all essential ingredients to stay competitive in our global information age.

But the South Island region is too dependent on a few sectors. As a result, our economy is not diverse enough to attract and retain a workforce that can afford to live and thrive here. That means companies will have to leave the region or languish since they won't be able to attract, or keep, the talent they need to feed their growth.

Companies already cite that workforce issues are their top concern. This situation will only get worse if we don't actively try to influence it, as our population gets older and the workforce shrinks.

The South Island economy will keep growing with or without a strategy, but it is imperative that we plan our development to reflect our values and preserve our quality of life.

The South Island region has never significantly invested in its regional economic development. It was spending \$0.43/per capita. This project represents an increase to \$2/per capita.

This is a perfect start, but we still have a ways to go. As context, Nanaimo spends close to \$17/per capita and Halifax spends approximately \$10/per capita. A median spend for Canadian cities is approximately \$5/per capita.

Economic development doesn't work when it is driven by individuals. To succeed, we need a cohesive team.

First, we need the continued collaboration and vision of our regional municipalities.

Second, we need the continued support of the business community and general public.

Third, we need to enlist more conscripts to our cause - mentors and volunteers with a wide array of skills and experience they can leverage to grow regional businesses.

Fourth, we need to work hand-in-hand and seamlessly with our many industry partners and collaborators in the economic development field.

And, finally, we need to attract financial support and leverage the expertise of Provincial and Federal Governments.

We are many, but we have one cause: the prosperity of the people of the South Island region.

Our Purpose Statement is *"Together, Better Jobs, Better Communities"*. This means we must create prosperity that can benefit all of us. Facilitating the growth of businesses that create high-quality, household-sustaining jobs that reflect our values, we help build a brighter economic future, so more of us can stay, shop, invest, live and work here.

Our Constitutional Mandate is *to promote and facilitate regional sustainable economic development in South Vancouver Island, British Columbia, including:*

- Diversifying and strengthening the regional economy,
- Promoting better employment opportunities and increased quality of life for the citizens of the region,
- Providing support for entrepreneurs and business to increase their ability to prosper and create jobs,
- Maximizing Federal and Provincial funding for regional economic development,
- Collaborating with the initiatives and activities of regional trade associations and municipal economic development officers, and
- Raising the profile of Southern Vancouver Island as a location of choice for new business endeavours.

STRATEGIC FRAMEWORK

Our Guiding Principles are:

- Collaborate,
- Maintain an industry-led Board of Directors,
- Remain a not-for-profit,
- Be inclusive, sustainable, affordable,
- Operate an equitable funding model,
- Align with municipal economic development strategies, and
- Be accountable to our funders.

Our Governance Model:

- We have a nine member Board of Directors that is non-elected and industry-driven. This governance model gives us a direct linkage to our business clients. It is also a good check-and-balance as it clearly separates the roles and responsibilities of the Board from the funders.

GOALS AND TARGETS

With a forecasted annual operating budget of approximately \$800,000, the Prosperity Project will work over the next five years on the following goals and targets. Here are some highlights:

GOALS	TARGETS
More second-stage entrepreneurial businesses in our program.	At least 10 new second-stage businesses (regional or 'outside') entered into our Business Connector Program Pilot in the next 6 months.
More private sector investment in our operations.	30% increase in investment by corporate stakeholders by April 2017.
More jobs in targeted sectors.	500 new direct jobs created over 5 year period.
Higher median household income.	100 jobs created with salaries equivalent to \$80,000/year and above; 200 jobs created with salaries of \$60-80,000/year; and 200 jobs created with salaries of \$45-60,000 (i.e. over the "living wage").
More Provincial, Federal and Private Sector investments in our region.	At least \$6m from Private Sector, Provincial and Federal sources invested in South Island economy and its businesses.
Greater participation of First Nations communities in collaborative economic development initiatives and targeted support for First Nation-owned companies.	Engage First Nation communities in dialogue around economic development initiatives and support self-directed economic development projects and initiatives.

EFFECTIVE POSITIONING: THE 'FACE' CONCEPT

Key to our success is positioning ourselves in a way that ensures we add **value**, and our services are easily understood. Once successfully positioned, we can also begin to market the Prosperity Project more effectively, using metaphors and easy to grasp concepts.

One such concept is FACE. It **stands** for:

Facilitator

Accelerator

Connector

Eabler

Facilitator – If an entrepreneur is frustrated by roadblocks, missing **information** or lack of professional advice, we facilitate and expedite a solution.

Accelerator – We help entrepreneurs grow at an ambitious pace. Because **the** entrepreneurs have little tolerance for wasting time.

Connector – Oftentimes, the biggest barrier between entrepreneurs and rapid growth is relationships with trusted advisors and peer networks. We facilitate both.

Enabler – We eliminate the distractions entrepreneurs hate, so they can focus on what they love – running **their businesses**.

With a single-minded focus on FACE, we will help the businesses that grow our economy.

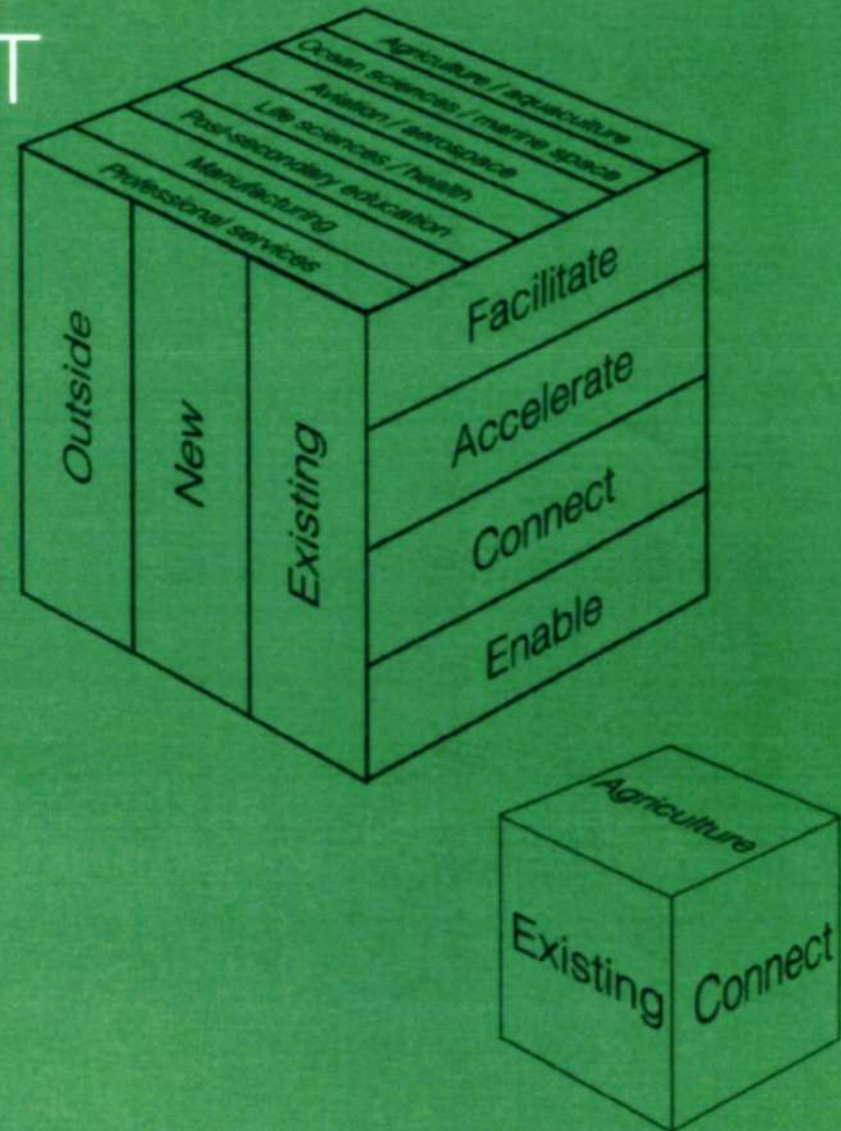
ACCELERATED UNDERSTANDING: THE CUBE CONCEPT

Imagine what we do in the context of the large cube to the right. On the top, you see the sectors we work in. On the left, the companies we help. And on the right, what we do: FACE.

This simple cube illustrates succinctly what we do, and for whom. The cube 'boxes' our services cleanly, ensuring we don't stray off mission into areas where we don't add the most value.

The mini-cube at lower right illustrates an example. We would partner perfectly with an agriculture-based company that already existed in the South Island region and needed to connect with exporting and marketing expertise.

If we do not offer services to help a specific type of business, we will make every effort to help you through our Connector Program or help an entrepreneur get you in touch with our many partners in our expanding network.



The background of the slide features a close-up of several hands in various skin tones (yellow, orange, red, blue) holding and fitting together interlocking puzzle pieces. The puzzle pieces are in shades of blue and yellow. The title 'PERSONALIZED SERVICE: THE BUSINESS CONNECTOR CONCEPT' is centered at the top in a large, black, sans-serif font.

PERSONALIZED SERVICE: THE BUSINESS CONNECTOR CONCEPT

Every business we help will have individual needs. But every business will appreciate effortless, fast, personalized service. That's why we propose to provide businesses with their own Prosperity Project Business Connector, a concierge who would offer services like these:

Macro analysis – We assess the sorts of businesses that would strengthen our economy and provide the highest benefit to all.

Diagnostic – We screen individual businesses to assure their 'fitness' for our program. We understand their bottlenecks and growth opportunities.

Connect and facilitate – We assess what that business needs to succeed. We ensure the business is connected with trusted providers of solutions and other resources.

Measure - We track key metrics as the business grows and succeeds to ensure progress is as effortless as possible. We also measure customer satisfaction.

Market - We help our customers promote their success stories, promoting the South Island region to other entrepreneurs.

5 YEARS, 5 STRATEGIC PRIORITIES

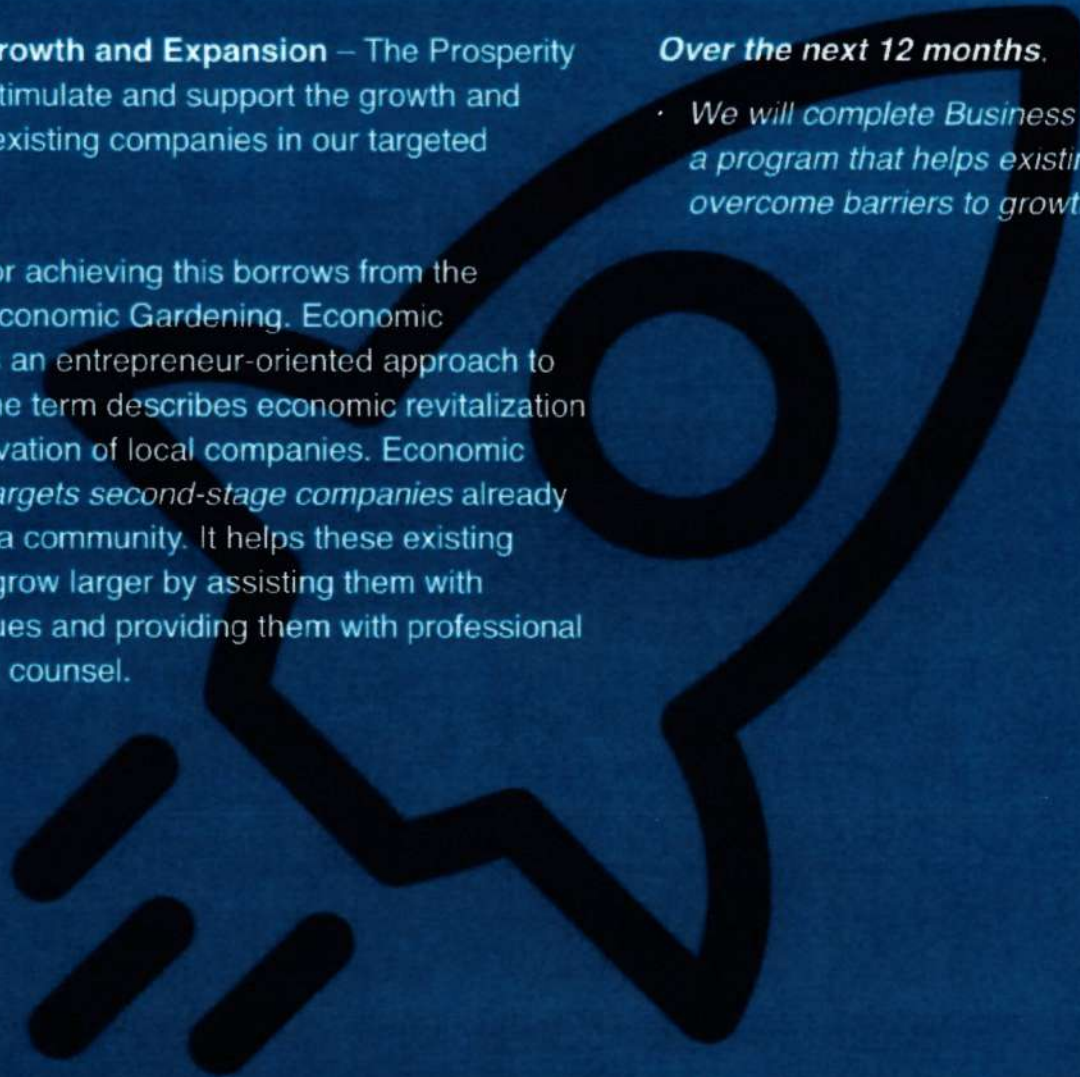
1

Business Growth and Expansion – The Prosperity Project will stimulate and support the growth and retention of existing companies in our targeted sectors.

Our model for achieving this borrows from the concept of Economic Gardening. Economic Gardening is an entrepreneur-oriented approach to prosperity. The term describes economic revitalization through cultivation of local companies. Economic Gardening *targets second-stage companies* already operating in a community. It helps these existing businesses grow larger by assisting them with strategic issues and providing them with professional services and counsel.

Over the next 12 months.

- *We will complete Business Connector Program Pilot, a program that helps existing companies grow and overcome barriers to growth.*



5 YEARS, 5 STRATEGIC PRIORITIES

2

Sector Development – We will work with companies in specific sector areas. As we help local second-stage companies grow and ‘outside’ second-stage companies set up shop, we will identify the sectors that best fit our competitive advantages.

Our projects will be executed in partnership with sector, industry and government partners.

Priority sectors:

- Value-added agriculture and aquaculture,
- Ocean technology and marine space,
- Aviation and aerospace,
- Life sciences and health,
- Post-secondary education,
- Manufacturing,
- Professional services,
- Green tech.

Over the next 12 months,

- We will work directly with companies in targeted sectors in the Business Connector Program,
- We will also work with sector and industry partners on the following projects:
 - A website and marketing strategy to attract people to live and work in the region to fill recruitment gaps,
 - A study of the marine sector's supply chain and export readiness capacity,
 - A joint marketing and recruitment campaign called Education Victoria.
 - As external funding sources become available for particular sectors, we will engage in activities to strengthen those sectors.

5 YEARS, 5 STRATEGIC PRIORITIES

3

Attracting Investment and

Companies from outside the Region – With our concierge service, we will work with companies in targeted sectors that are looking to relocate to the South Island region, and encourage greater investment in our regional economy by investors outside our region.

We will develop a pool of regional ambassadors - a network of industry peers and business support professionals (e.g. municipal, provincial, private, and non-profit partners) drawn on as needed to facilitate the growth or attraction of 'outside' companies or investment.

We will track and measure attraction to the region and investigate what draws people, companies and investors to the South Island, what keeps them here, and what might cause them to leave.

Over the next 12 months,

- *We will work directly with companies and investors from outside the region, helping them integrate into the community, navigate the business landscape, and leverage local assets.*
- *To address the need for greater investment in local companies by foreign and local investors alike, we will explore (with partners) hosting a Venture Capital (VC) Conference in the next 12 months to attract investors and raise the profile for local entrepreneurs.*
- *We need more to circulate more little-told stories about the many 'faces' of the entrepreneurs in the region. The South Island is an innovative hub, full of creative and enterprising people in many sectors. We need to nurture this so more people follow suit. The Prosperity Project will start to profile the amazing stories of our entrepreneurs to promote Pride of Place, and showcase the region as an incredible place to live, work and do business to the rest of the world.*

5 YEARS, 5 STRATEGIC PRIORITIES

4

First Nations Economic Development – We will engage First Nations communities in dialogue around economic development, encouraging greater participation of First Nations communities in regional economic development initiatives, and the development of First Nations-led economic development plans for communities.

Over the next twelve months,

- *We will explore funding for First Nations economic development, and use our FACE expertise to assist First Nations entrepreneurs,*
- *We will partner with a community partner to deliver a dialogue series with First Nation communities around entrepreneurship and employment, culminating with a Roundtable dialogue that brings communities together.*
- *We will also engage in meaningful dialogue with First Nations leaders to ensure the path forward is defined by their communities to be consistent with their needs and values.*



5 YEARS, 5 STRATEGIC PRIORITIES

5

Collaboration, Communication and Research –

We will work with partners to support collaboration, communication and research around entrepreneurship.

By working with incubators and angel investors, we will be able to help meet business needs and promote a regional economic development agenda. As opportunities and needs arise, we will work with strategic partners to promote common priorities.

Over the next 12 months,

- *We will work with the University of Victoria and other strategic partners to develop a single mentor network to service the needs of entrepreneurs in the region.*
- *As the single mentor network will support incubator, accelerator and enterprise clients, we will also work with strategic partners to identify current gaps in the eco-system, seek funding, and raise awareness for needs of start-up ventures and entrepreneurs.*



LOOKING TO THE FUTURE

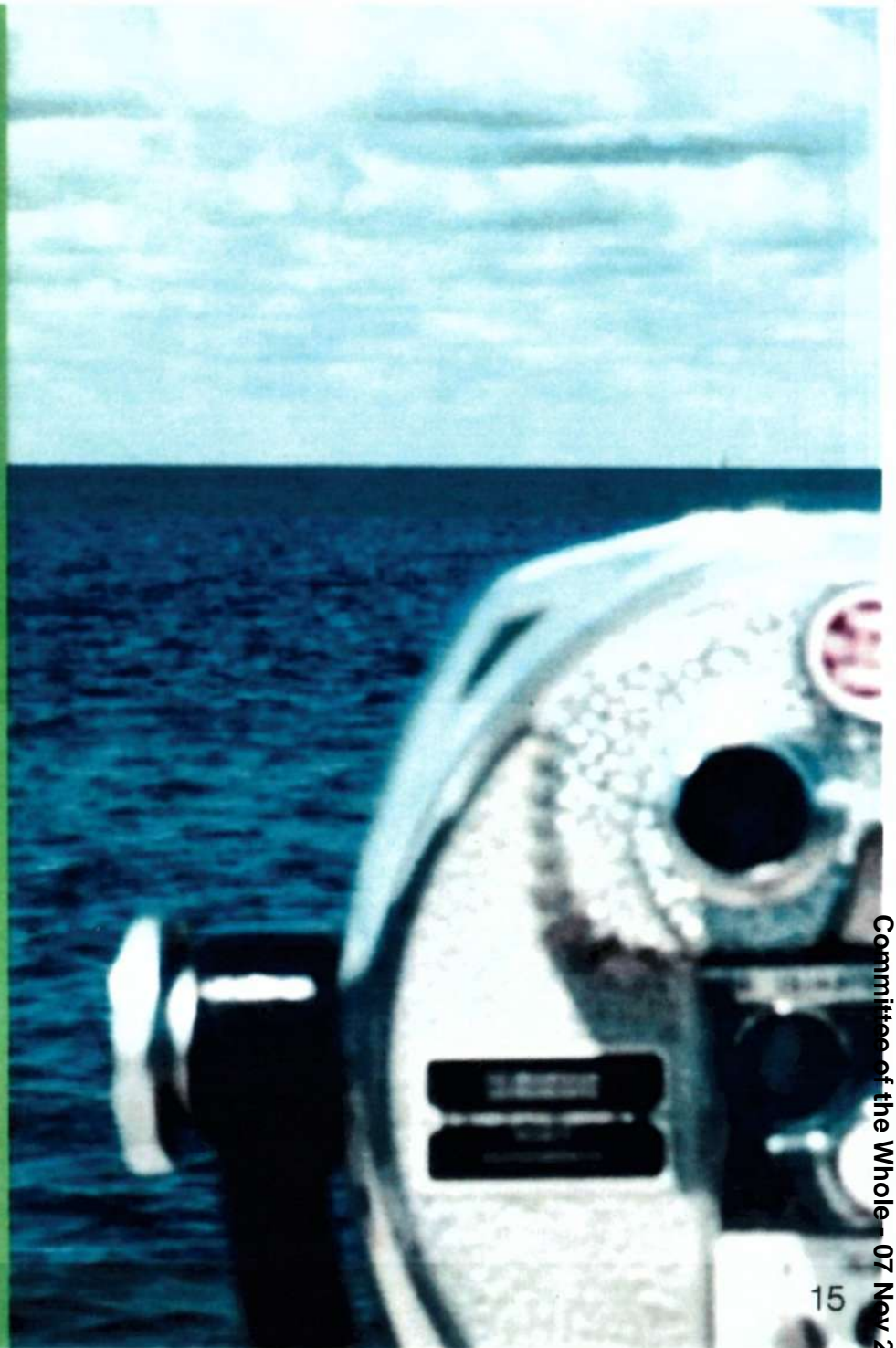
In the future that we envision, a young graduate will see a world of career possibilities in the South Island region. Whether that means taking advantage of the entrepreneur-friendly culture and programs to start a business of their own, or joining one of many growing companies for a promising career.

In the future, the South Island will boast an incredible diversity of businesses, and a robust eco-system that includes businesses, social enterprises, not-for-profits and charities. Our children and their children will have lots of reasons to stay, live, and grow their families and careers here.

In the future, people who want to start families and settle down will feel there is no better place than the South Island region. Jobs are plentiful and careers allow for lifelong advancement.

In the future, our region will grow - but in a way that remains consistent with our environmental, cultural and social values. First Nations communities fully participate and are equal partners in our robust, regional economy.

This is the future we are working toward.



OUR MEMBERS, OUR ACCOUNTABILITY

We acknowledge our accountability to our members by setting clear goals and targets, then measuring progress and communicating the results back to our membership. Every year, we will create an Annual Report, including organizational and financial metrics. We will be accountable for our performance at our Annual General Meeting and will provide members an additional opportunity every year to meet with the Board and Staff. In the first year, we will regularly communicate on our activities through newsletters to our stakeholders.

Municipal and First Nations Partners

Songhees Nation
Town of View Royal
City of Victoria
District of Oak Bay
Town of Sidney
City of Colwood
District of Central Saanich
District of Saanich
Township of Esquimalt
District of Highlands
District of North Saanich

Private Sector, Institutional and Not for Profit Partners

Butler Brothers
Greater Victoria Harbour Authority
Camosun College
Coast Capital Savings
Coastal Community Credit Union
Cube Global Storage
Greater Victoria Chamber of Commerce
Knappett Projects
VIATEC
Wilson Transportation
Ralmax
Royal McPherson Theatres Society
Royal Roads University
Tourism Victoria
University of Victoria
Victoria Foundation
Victoria Real Estate Board



CONTACT

If you have any questions, we'd be happy to chat.
Call Emilie de Rosenroll at 778-265-8128.

Or, if you'd like to pass along the good news,
you'll find more of our story at [http://
www.southislandprosperity.ca/](http://www.southislandprosperity.ca/)

SOUTH ISLAND
PROSPERITY
PROJECT



October 31, 2017

Her Worship Mayor Lisa Helps and Council

City of Victoria

1 Centennial Square
Victoria, BC V8W 1P6

Dear Mayor Helps and Council:

Re: 2018 Budget and Five Year Financial Plan

The Greater Victoria Public Library respectfully submits its 2018 Operating Budget and Five Year Financial Plan for 2018-2022 for approval by Council resolution by May 1, 2018.

The overall municipal contribution increase requested for 2018 is 2.90%, after factoring in budgeted reserve transfers and revenue changes.

The City of Victoria's share of the 2018 requisition, based on converted assessment values and population, and including rental adjustment is \$4,886,764.

Budget drivers include salaries and benefits, building occupancy costs and other factors which are described in the 2018 budget notes.

Now more than ever, public libraries are needed to bridge the digital divide and to support community inclusion. As modern technologies give rise to unprecedented change, the library ensures that no one is left behind. With exemplary staff, space, collections and technology, the Greater Victoria Public Library is a place where doors, books, and minds are always open.

We support our community at eleven library branches (soon to be 12 with the new branch in James Bay) and online at gvpl.ca, serving 321,016 residents in our 10 member municipalities. GVPL continues to hold the highest per capita circulation rate of urban library systems in Canada, and through more than 100 active community partnerships, we make significant contributions to the well-being of local residents.

Thank you for your vision and ongoing support of the role public libraries play in building strong and vibrant communities.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rob Martin', is written over a horizontal line.

Rob Martin
Chair, Greater Victoria Public Library Board

Enclosures

Copies: Jocelyn Jenkyns, Acting City Manager, City of
Susanne Thompson, Director of Finance, City of Victoria
Victoria Maureen Sawa, CEO, Greater Victoria Public Library
Paul McKinnon, Director of Finance and Facilities, Greater Victoria Public Library



**GREATER VICTORIA
PUBLIC LIBRARY**

2018 Final Budget and 2018-2022 Five Year Financial Plan

Approval Dates:

Finance Committee – September 12, 2017

Finance Committee – October 10, 2017

Library Board – October 24, 2017

Municipal Councils – October 31, 2017



2018 Budget and Five-Year Financial Plan

Revenues

Municipal contributions - operating
Municipal contributions - start-up
Provincial grants
Federal grants
Fines, fees and printing
Contracts for service
Investment income
Donations and other grants

2017

\$ 16,538,399
698,000
642,339
5,534
503,800
28,111
74,000
72,943

18,563,126

2018

17,017,338
460,600
642,339
7,379
502,191
28,450
74,000
49,300

18,781,597

Change

\$ 478,939
\$ (237,400)
\$ -
\$ 1,845
\$ (1,609)
\$ 339
\$ -
\$ (23,643)

\$ 218,471

Change%

2.9%
-34.0%
0.0%
33.3%
-0.3%
1.2%
0.0%
-32.4%

1.2%

Notes

1
2

3
4
5

2019

\$ 17,552,855
-
642,339
7,379
483,681
28,450
74,000
42,000

18,830,704

2020

\$ 17,899,008
-
642,339
7,379
466,306
28,450
74,000
42,000

19,159,482

2021

\$ 18,200,911
-
642,339
7,379
449,995
28,450
74,000
42,000

19,445,074

2022

\$ 18,517,623
-
642,339
7,379
434,700
28,450
74,000
42,000

19,746,491

Expenses

Salaries and benefits
Library materials
Amortization
Supplies and services
Building occupancy
Other expenses

13,127,210
865,492
1,764,700
1,076,382
783,144
360,341

17,977,269

13,491,583
903,000
1,688,300
1,077,525
762,838
361,831

18,285,077

364,373
37,508
(76,400)
1,143
(20,306)
1,490

\$ 307,808

2.8%
4.3%
-4.3%
0.1%
-2.6%
0.4%

1.7%

6
7
8
9
9
9

13,978,534
903,000
1,561,500
1,082,001
761,846
352,436

18,639,317

14,259,107
903,000
1,446,400
1,095,323
773,074
356,531

18,833,435

14,542,433
903,000
1,357,000
1,083,161
784,365
359,268

19,029,227

14,830,355
903,000
1,275,580
1,083,215
794,654
362,020

19,248,824

Annual Surplus/(Deficit)

585,857

496,520

(89,337)

-15.2%

191,387

326,047

415,847

497,667

Add back: Unfunded Amortization

1,764,700

1,688,300

(76,400)

-4.3%

1,561,500

1,446,400

1,357,000

1,275,580

2,350,557

2,184,820

(165,737)

-7.1%

1,752,887

1,772,447

1,772,847

1,773,247

Municipal contributions-operating increase

2.9%

2.90%

3.1%

2.0%

1.7%

1.7%



GREATER VICTORIA PUBLIC LIBRARY

Balance forward from Page 1

Capital Expenses

Library collection - operating

Hardware - operating

Furniture and equipment - operating

Building Improvement - operating

Vehicles - operating (financed)

Branch Start-ups:

Library collection - James Bay Branch

Library collection - Esquimalt Branch

Hardware James Bay Branch

Hardware Esquimalt Branch Relocation

Furniture & equipment James Bay Branch

Furniture & equipment Esquimalt Branch Relocation

Building Improvement James Bay Branch

Transfers

Unrest. donations: Marketing Research

Unrest. donations: Capital planning

Endowment: Lynda.com

Contingency Reserve Fund

Transfers to/(from) Reserve Funds

Transfers to/(from) Accumulated Surplus

Debt repayments

Financed assets

Financial Plan Balance

	<u>2017</u>	<u>2018</u>	<u>Change</u>	<u>Change%</u>	<u>Notes</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Balance forward from Page 1	2,350,557	2,184,820	(165,737)	-7%		1,752,887	1,772,447	1,772,847	1,773,247
Capital Expenses									
Library collection - operating	1,458,895	1,459,887	992	0%	7/10	1,459,887	1,459,887	1,459,887	1,459,887
Hardware - operating	96,000	93,000	(3,000)	-3%	10	93,000	93,000	93,000	93,000
Furniture and equipment - operating	60,000	60,000	-	0%		60,000	60,000	60,000	60,000
Building Improvement - operating	80,000	120,000	40,000	50%	10	120,000	120,000	120,000	120,000
Vehicles - operating (financed)	-	-	-	0%		-	60,000	-	-
Branch Start-ups:									
Library collection - James Bay Branch	220,250	74,250	(146,000)	100%	2	-	-	-	-
Library collection - Esquimalt Branch	-	10,000	10,000	0%	2	-	-	-	-
Hardware James Bay Branch	64,914	-	(64,914)	100%	2	-	-	-	-
Hardware Esquimalt Branch Relocation	-	66,000	66,000	0%	2	-	-	-	-
Furniture & equipment James Bay Branch	360,928	-	(360,928)	100%	2	-	-	-	-
Furniture & equipment Esquimalt Branch Relocation	-	284,500	284,500	0%	2	-	-	-	-
Building Improvement James Bay Branch	9,790	-	(9,790)	100%	2	-	-	-	-
	2,350,777	2,167,637	(183,140)	-8%		1,732,887	1,792,887	1,732,887	1,732,887
Transfers									
Unrest. donations: Marketing Research	(4,000)	-	4,000	100%		-	-	-	-
Unrest. donations: Capital planning	(32,500)	-	32,500	100%		-	-	-	-
Endowment: Lynda.com	(21,700)	(15,000)	6,700	100%		-	-	-	-
Contingency Reserve Fund	36,000	20,000	(16,000)	-44%		20,000	20,000	20,000	20,000
Transfers to/(from) Reserve Funds	(22,200)	5,000	27,200	-123%	11	20,000	20,000	20,000	20,000
Transfers to/(from) Accumulated Surplus	-	-	-	0%	12	-	-	-	-
Debt repayments	21,980	12,183	(9,797)	-45%	13	-	19,560	19,960	20,360
Financed assets	-	-	-	0%		-	(60,000)	-	-
	(220)	17,183	17,403	-7910%		20,000	(20,440)	39,960	40,360
Financial Plan Balance	-	-	-			-	-	-	-

Notes to the 2018 Budget and Five-Year Financial Plan

Budget context

GVPL is committed to operating efficiently and effectively to deliver library service to 10 municipalities. The library system leverages more than 100 active community partnerships to expand programs and lifelong learning opportunities for Greater Victoria residents.

In 2016, operational efficiencies were actively pursued and achieved. As a result, service enhancements for the community were delivered without increasing the staff complement. The Langford Heritage Branch was added to the existing 10-branch system. Library IT staff developed a new mobile catalogue. With external funding support from the Victoria Foundation and Friends of the Library, GVPL purchased a new outreach vehicle to extend service beyond 11 physical locations.

In 2017, to meet demand for new and expanding services, the Library continues to find efficiencies and to pursue cost avoidance strategies. As the lease at 747 Fort Street was discontinued, an offsite storage solution for IT servers was arranged at the University of Victoria and 17 staff members were relocated into reconfigured Central Branch work space. A new virtual branch (gvpl.ca) launched in August, created by GVPL staff with minimal external costs. These costs were offset by a grant from the Friends of the Library. The virtual branch offers expanded online services and operates within the existing staff complement. Modest revenue generation opportunities will be explored in 2018. Budgeted staffing levels remain flat at 147.56 FTE, identical to 2017. The existing staff complement will be used to operate a new branch in James Bay.

Components of the 2018 budget include the following:

1 – Municipal contributions - operating

Increase \$478,939

Of the 2.90% increase in municipal contributions, the majority (82.9%) is attributed to salaries and benefits which are jointly negotiated through the GVLRA. Salaries and benefits are the key cost driver for GVPL.

Library materials costs account for 8% of the municipal contribution increase. This is due to fixed cost increases for subscriptions, processing and supplemental funding for a new digital resource.

As in previous years, overall revenues are conservatively projected which results in a 4.3% of the municipal contribution increase.

Building improvement fund contribution increases result in the remaining 3.6% increase in municipal contributions.

2 – Municipal contributions – start-up

Decrease \$237,400

In 2018 there is a decrease in the amounts for new and relocated branch start-up costs (furnishing and equipping the branch, as well as a collection inventory for new branches). These are funded by the individual municipalities providing the facilities:

One-time contributions to GVPL	Source	2016	2017	2018 Change	2018	Total
James Bay Branch	Victoria		\$698,000	(\$623,000)	\$75,000	\$773,000
Esquimalt Branch (Relocation)	Esquimalt			\$385,600	\$385,600	\$385,600
Net budget decrease				(\$237,400)		

The majority of these contributions are for capital expenditures, with a small percentage of start-up funding going towards non-capital costs, such as moving and some supplies below the asset threshold.

3 - Fines, fees and printing revenue

Revenue from fines, fees and printing is estimated to continue to decline modestly. Fees (e.g. meeting room rentals) are under review and additional opportunities for revenue generation will be explored in 2018. GVPL is currently investigating potential revenue sources such as fees for scanning and fees for overdue holds not picked up.

4 – Investment Income**No Change \$0**

Investment revenue is conservatively estimated to reflect projected continuation of modest earnings in the Municipal Finance Authority bond fund.

5 – Donations and Other Grants**Decrease \$23,643**

2017 to 2018 change in one-time funding for Canada 150 Project – Victoria Foundation and donations	(\$12,350)
2017 to 2018 change in DigiLab project funding - United Way	(\$11,293)
	(\$23,643)

Decrease relates to one-time funding received in 2017 that will not be received in 2018: Canada150 funding (\$12,350) and second year draw-down of the United Way DigiLab Project three year funding total (\$11,293).). New funding opportunities will continue to be explored in 2018, in tandem with new donor engagement strategies.

6 – Salaries and Benefits**Increase 364,373**

The library's CUPE Collective Agreement expired on December 31, 2016.

The full-time equivalent (FTE) count for regular employees (including full and part time employees) remains at 147.56 FTE. Salaries and benefits account for 71.9% of the library's overall budget in 2018. No additional staffing costs for the system will be incurred with the opening of the James Bay Branch in 2018 as the branch will be staffed through redeployment of staff vacancies, realignment of staffing levels elsewhere in the organization and savings achieved through attrition.

This budget includes employee benefit costs and payroll withholding costs such as EI and CPP. Total benefits are estimated to increase due to 1) the anticipated CUPE negotiated wage increase and 2) the annual increment increase for CUPE employees already supported in the current CUPE collective agreement. The rate of benefits and withholding costs will remain at 24.5% of total salaries and wages.

7 – Library materials (expensed and capitalized)**Combined Increase \$38,500**

The library materials budget is split between Expenses, for periodicals and eResources, and Capital Expenses, for books, audio visual and electronic materials, which are capitalized as assets and amortized over 7 years. The net combined increase is:

Expensed – Library materials	\$37,508
Capitalized as asset – Library collection-operating	\$992
Total, excluding branch startup collection assets	\$38,500

Increase is due to anticipated fixed costs for increases in library materials subscriptions, processing and to provide new digital resources.

8 – Amortization**Decreased \$76,400**

This is the estimated amortization expense for tangible capital assets, in accordance with the Board's Tangible Capital Asset policy. Since this is an unfunded expense, it is added back to the budgeted annual surplus.

9 – Supplies and Services, Building Occupancy and Other

Supplies and services	\$1,143
Building occupancy	(\$20,306)
Other expenses	\$1,490
Total	(\$17,623)

The net decrease is primarily related to Building Occupancy due to the 747 Fort Street office space lease ending May 31, 2017. The lease was not renewed and a more permanent and secure location was found at the University of Victoria's Data Centre for the library's IT servers. The 17 HR, Finance and Facilities and I.T. personnel were relocated back to the Central Branch, which will serve as the most viable temporary location until a long term solution for administrative space is identified. The bulk of the savings realized from the termination of the 747 Fort Street lease and related moves have offset increases to other Building Occupancy budget lines.

10 – Capital Expenditures**Increased \$37,992**

Library collection-operating	\$992	Primarily a shifting from non-capitalized library collection budget (periodicals and eResources) – Refer also to Note 7
Hardware	(\$3,000)	\$3,000 reduction in funded Digi-Lab project.
Building Improvement	\$40,000	The annual contribution level increase in 2018 from \$80,000 to \$120,000 is to correct historic underfunding for basic tenant improvement needs and are a pro-ration of original funding levels which were based on an 8 branch system in the late 1990s. This will improve capacity to modernize spaces for service delivery in GVPL's 12 branches and provide for more timely lifecycle improvements such as interior re-painting, flooring and window covering replacements and minor renovations.

All other budget variances relate to new branch start-up capital costs, as outlined in Note 2.

11 – Transfers to/(from) Reserve Funds**Change in Net Transfer From Reserves \$27,200**

Unrestricted Donations - \$4,000 removed for one-time market research in 2017.

Unrestricted Donations - \$32,500 removed for one-time funding for capital planning and implementation support for branch projects in 2017.

Endowment Fund – (\$15,000) for cost to introduce Lynda.com online training platform for library users and staff in 2018, a decrease from (\$21,700) in 2017.

Contingency Reserve - \$16,000—removed for a one-time pension liability in the 2015 fiscal year; the contingency fund was depleted to a zero balance in 2016 in order to replenish a negative balance in the operating fund. Board policy requires that the contingency reserve target 1% of total operating budget within five years. This will replenish the reserve within the time period mandated by the policy, with no further annual increases in subsequent years.

12 – Transfers to/(from) Accumulated Surplus**Change in transfers from surplus \$0**

One-time transfers from accumulated surplus-in 2016-were removed in 2017.

13 – Debt Repayments**Reduction \$9,797**

Debt repayments budgeted in 2018 for Shuttle vehicle loan through MFA \$12,183 (loan maturity 2018).



2018 MUNICIPAL CONTRIBUTIONS

	2017		2018							
	2017	Total Requisition 2017	Share 2018	Operating Budget	Rent Adjustment ¹	Total Requisition 2018	Increase		Building Maint. Costs ²	Total Municipal Budget 2018
							\$	%		
Central Saanich	5.14%	\$859,172	5.20%	\$884,902	\$9,204	\$894,106	\$34,934	4.10%	\$0	\$894,106
Colwood	4.76%	793,604	4.69%	\$798,113	6,278	804,391	10,787	1.40%	26,787	831,178
Esquimalt	5.44%	895,495	5.42%	\$922,340	(4,021)	918,319	22,824	2.50%	0	918,319
Highlands	0.69%	115,041	0.65%	\$110,613	871	111,484	(3,557)	-3.10%	3,877	115,361
Langford	10.95%	1,825,747	10.04%	\$1,708,541	13,541	1,722,082	(103,665)	-5.70%	57,900	1,779,982
Metchosin	1.50%	250,070	1.43%	\$243,348	1,897	245,245	(4,825)	-1.90%	8,933	254,178
Oak Bay	6.43%	1,058,442	6.88%	\$1,170,793	(4,771)	1,166,022	107,580	10.20%	0	1,166,022
Saanich	33.32%	5,487,794	33.95%	\$5,777,386	(21,859)	5,755,527	267,733	4.90%	0	5,755,527
Victoria	28.85%	4,768,973	28.73%	\$4,889,081	(2,317)	4,886,764	117,791	2.50%	0	4,886,764
View Royal	2.92%	484,061	3.01%	\$512,222	1,177	513,399	29,338	6.10%	0	513,399
Total	100%	\$16,538,399	100%	\$17,017,338	\$0	\$17,017,338	\$478,939	2.90%	\$97,497	\$17,114,835

¹ The **Rent Adjustment** is calculated in accordance with Section 8.12 (a), (b) and (c) of the Library Operating Agreement and relates to portions of buildings used to benefit all member municipalities: the Collection and Technical Services section of the Juan de Fuca Branch building and the Administrative portion of the Central Branch building. Municipalities which did not contribute to the initial acquisition of such building or who did not subsequently purchase a portion of such building pays reasonable rent to those Municipalities that did.

² **Building Maintenance Costs for jointly owned buildings** are additional municipal budget amounts that are over-and-above the requisition for the library operating budget. The two branches that are jointly owned are the Central Branch and the Juan de Fuca Branch. Similar costs at other branches do not flow through GVPL and are paid by the municipalities directly. Other than the contributions to the Juan de Fuca Major Asset Maintenance Trust fund ("JF MAM"), building costs are estimates. Once actual costs are known, GVPL invoices the municipalities. Budgeted building costs for the branch portion of the jointly-owned buildings, excluding administrative area costs that are included in the library operating budget, are as follows:

	Juan de Fuca Branch	Total
Direct property manager costs (repairs, maintenance, misc.)	22,389	45,681
Building insurance	10,404	27,943
JF MAM trust fund contribution	64,704	64,704
	\$ 97,497	169,583



GREATER VICTORIA PUBLIC LIBRARY

2018 MUNICIPAL PER CAPITA CONTRIBUTIONS

	2018			
	Total Requisition 2018	Population ¹	Cost Per Capita 2018	Increase per capita
Central Saanich	\$884,902	15,895	\$55.67	\$2.20
Colwood	\$798,113	17,583	45.39	\$0.61
Esquimalt	\$922,340	16,830	54.80	\$1.36
Highlands	\$110,613	2,394	46.20	-\$1.49
Langford	\$1,708,541	39,936	42.78	-\$2.60
Metchosin	\$243,348	4,792	50.78	-\$1.01
Oak Bay	\$1,170,793	17,368	67.41	\$6.19
Saanich	\$5,777,386	110,889	52.10	\$2.41
Victoria	\$4,889,081	85,192	57.39	\$1.38
View Royal	\$512,222	10,137	50.53	\$2.89
Total	\$17,017,338	321,016	\$53.01	\$1.49

¹ Source of 2018 population figures - BC Stats website:

<<http://www.bcstats.gov.bc.ca/StatisticsBySubject/Demography/PopulationEstimates.aspx>>, 2016 population estimates, accessed on January 12, 2017.

General note: Percentage share of costs by municipality are determined based on 50% property assessment value and 50% population estimate. More detailed information on assessment values and population are available on request.



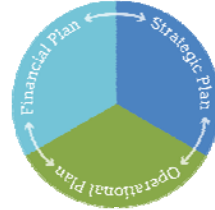
Overview

- Council sets service levels and allocates funding through the financial planning process
- Draft Financial Plan was introduced to Council on October 26
- Each department will present operating and capital budgets today and on October 31 and November 7
- Opportunity for Council to review and discuss the draft budget

- Council direction for maximum tax increase of inflation plus 1%; most recent inflation is 1.8% (August)
- Draft operating budget totals \$233.3 million and the draft capital budget totals \$43.1 million
- Proposed overall property tax increase 2.77%, including utilities 2.80%

Alignment with Strategic Plan

- At the outset of Council's term, the Strategic Plan and the Financial Plan were aligned for the first time
- Cumulative improvements to the process have been made, including foundational pieces
 - Better service level and budget information
 - Project management framework and practices
 - Technology
 - Engagement



Your Priorities. Your Budget. Your City.
Get Involved.



Achievements

- We are seeing results across all areas of the Strategic Plan
- Strategic Plan includes 136 actions to support 76 outcomes
- 85% of the actions have been achieved, are underway or have been paused by Council
- The remainder are incorporated into the draft financial plan



Achievements

Innovate and Lead

- Project Management Framework

Engage and Empower the Community

- Engagement Framework and Roadmap
- Youth Engagement Strategy
- Technology investment - ConnectVictoria App and Open Data Portal



Achievements

Strive for Excellence in Planning and Land Use

- Development turnaround times and transparency
- Neighbourhood planning

Launch the Development Tracker
Get up-to-date information on developments happening in your neighbourhood and community.

Launch the App



Build the Financial Capacity of the Organization

- Infrastructure investment
- Fleet modularity
- Strategic Real Estate Office
- Technology investment – electronic agendas and mobile devices



Achievements

Create Prosperity Through Economic Development

- Business Hub
- Parking ambassadors
- Mobile street vending
- Sidewalk patio regulations

Business Hub

Looking to open a business in Victoria? Start at the Business Hub!



Make Victoria More Affordable

- Victoria Housing Strategy



Achievements

Facilitate Social Inclusion and Community Wellness

- Crystal Pool and Fitness Centre
- Transgender policy

Planning for the future of Crystal Pool and Fitness Centre



Enhance and Steward Public Spaces, Green Spaces and Food Systems

- Parks and Open Spaces Master Plan
- Community gardens
- Urban agriculture

Parks and Open Spaces Master Plan



Achievements

Complete a Multi-Modal and Active Transportation Network

- Cycling network
- Traffic calming initiatives
- Signage



Nurture Our Arts, Culture and Learning Capital

- Library branch in James Bay
- Cultural Master Plan
- Indigenous Artist in Residence
- Canada 150



Achievements

Steward Water Systems and Waste Streams Responsibly

- Stormwater Utility
- Waste management

Stormwater Management

The stormwater system helps to manage rain and runoff in our city.

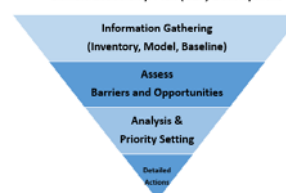


Take Climate Action and Prepare for Emergencies

- LED streetlight replacement
- Climate Action Program and Reserve
- Emergency management
 - VictoriaReady
 - Cloud based information technology
- Fire Department Headquarters



Climate Leadership Plan (CLP) Development



Continuous Improvement

- Service standards and benchmarking
 - Parks and facilities
- Assessment of staffing needs
 - Restructuring without requesting additional funding
- Efficiencies
 - WorkSafeBC claims costs
 - Fire Department scheduling
 - Strategic Real Estate Office negotiating leases
 - Collective bargaining brought in-house
- Calls for service
 - ConnectVictoria App
 - Council correspondence function
 - Pressures in Bylaw Services



Continuous Improvement

- Service integration with other municipalities
 - Ongoing cooperative efforts
 - Common communication platform for Fire Service



Service Pressures

- Additional demand on services
- Strategic review of needs, aligned with Council's policy for new or expanded services, the allocation of growth related new tax revenue, and surplus
- This year's supplementary requests are largely focused on building capacity for:
 - infrastructure planning
 - managing growth and development
 - housing and homelessness
 - public safety
 - organizational resources to support effective delivery of projects



Supplementary Requests



Managing Growth and New Development

Strategic Objective: Strive for Excellence in Planning and Land Use

- Substantial growth in development and building permit applications (value and complexity) over the past four years
- Volumes expected to continue for at least the next 24 months
- Requires staffing resources from multiple departments
- Process improvements have supported improved turnaround times with existing staff resources, however additional resources needed to maintain service levels
- Projected additional revenues from development and permit applications of \$100,000 for 2018 will mitigate costs associated with supplemental requests

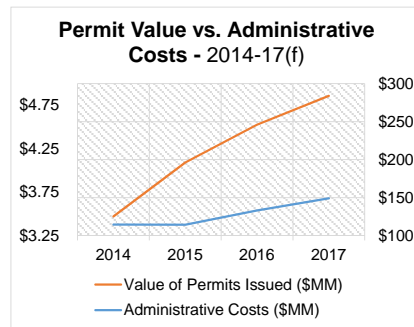
2018 Supplemental Requests

Ongoing:

- Parks Planner \$103,000
- Transportation Planner \$104,000

One Time:

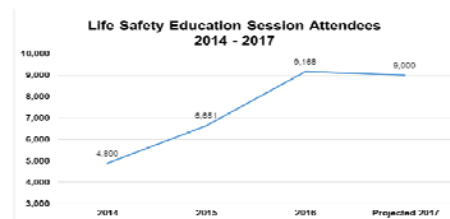
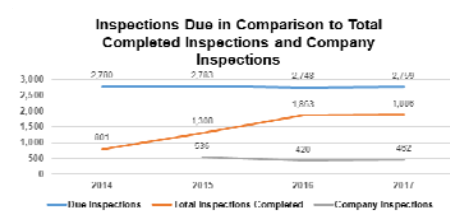
- Secretary – Planning \$67,000
- Parks Arboriculture \$97,000



Managing Public Safety – Fire Prevention Officer

Strategic Objective: Take Climate Action and Prepare for Emergencies

- Substantial growth in development and density triggering greater demand and more complex fire inspections
- Expected increased gap between actual fire inspections completed to what should be completed as per Fire Prevention Bylaw 14-100
- Substantial growth in calls for service since 1997; directly resulting in a decline of active duty fire fighters able to complete fire inspections
- Significant increase in plan reviews, H.E.A.T Program, oil tank/burner permits and increased focus on School and Community Life and Fire Safety Education in combination with Emergency Management and Earthquake Preparedness since 2017
- Potential decline in life and property service levels to provide effective fire and life safety



Managing Public Safety – Fire Prevention Officer

Strategic Objective: Take Climate Action and Prepare for Emergencies

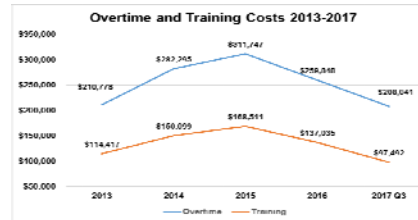
Efficiencies Implemented

- Implementation of a company inspection program where fire fighters are cross trained to conduct commercial fire inspections during their active duty shifts

2018 Supplemental Requests

Ongoing:

- Fire Prevention Officer \$121,000



Managing Public Green Spaces - Sheltering

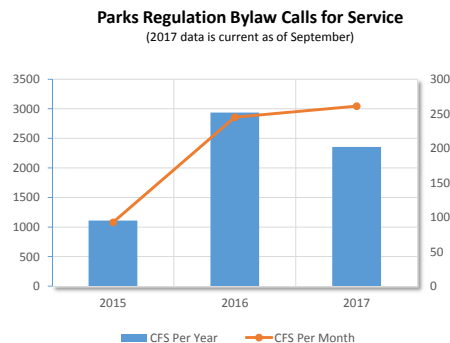
Strategic Objective: Enhance and Steward Public Spaces and Food Systems

- Substantial increase in Parks Bylaw Calls for Service from 2015
- The Overnight Sheltering Program responds to demands associated with outdoor sheltering in parks
- Costs include extended washroom hours at select parks, security patrols, cleaning support, adjacent bus shelters and streets

2018 Supplemental Requests

One Time:

- Overnight Sheltering – Support & Clean Up \$300,000



Managing Public Green Spaces

Strategic Objective: Enhance and Steward Public Spaces, Green Spaces and Food Systems

- The City's public spaces and natural assets are a key driver of livability
- They also support the City's economic development as quality of urban spaces and parks amenities are drivers of business and worker attraction
- Supporting this quality requires management and refurbishment of some key public spaces as well as management of 33,000 trees on City property
- Currently there are approximately 900 trees requiring risk assessment and potential hazard mitigation
- Approximately 400 trees will be assessed in 2018 with the removal of up to 250 trees that have been assessed as hazardous

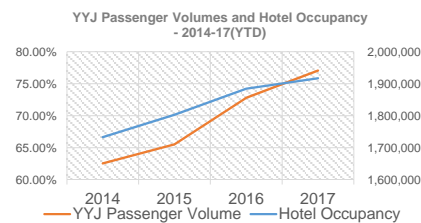
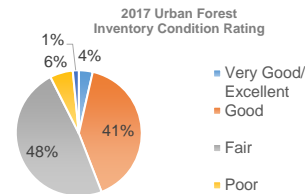
2018 Supplemental Requests

Ongoing:

- | | |
|------------------------------|----------|
| • Community Garden Program | \$15,000 |
| • Parks Natural Area Support | \$63,000 |

One Time:

- | | |
|---|-----------|
| • High Risk Tree Removal | \$150,000 |
| • Pioneer Square Archaeological Reporting | \$ 37,000 |
| • Downtown Public Realm Plan Implementation | \$105,000 |



Managing Public Engagement

Strategic Objective: Engage and Empower the Community

- Substantial growth in the number of Engagement Initiatives resulting in the substantial increase in the demand for graphic services
- Additional design and engagement resources will increase productivity and reduce outsourcing
- 400% growth in number of engagement activities supporting city decision making
- Additional engagement support identified by departments to complete major corporate initiatives including Neighbourhood Planning, Ship Point, Active Transportation, Climate Leadership, Crystal Pool and implement Engagement Framework

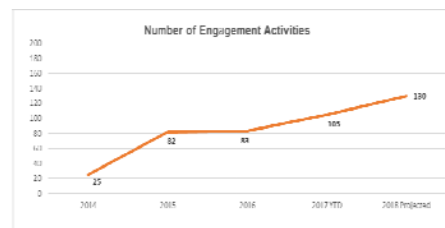
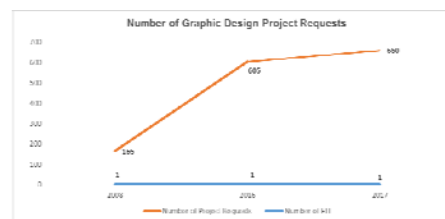
2018 Supplemental Requests

Ongoing:

- | | |
|--------------------------|----------|
| • Graphic Design Support | \$81,000 |
|--------------------------|----------|

One Time:

- | | |
|----------------------|-----------|
| • Engagement Advisor | \$109,000 |
|----------------------|-----------|



Managing Accessibility

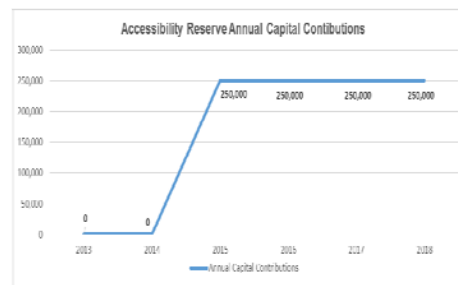
Strategic Objective: Facilitate Social Inclusion and Community Wellness

- On January 26, 2017, Council approved that staff report back with resource and timing implications regarding the recommendation that an individual be contracted/hired to work with the AWG in identifying barriers for persons with disabilities, examine existing City accessibility policies and procedures, make policy recommendations, develop an accessibility framework, and provide on-going staff training and support

2018 Supplemental Requests

One Time:

- Accessibility Framework \$40,000



Youth Initiatives

Strategic Objective: Engage and Empower the Community

- The number and percentage of Youth in Victoria has increased since the 2011 census
- Youth Leaders in Training (YLIT) is an employment readiness program for youth that helps individuals gain skills in the fields of childcare, recreation and education
- Implement the Council approved Youth Strategy, including the following:
 - Youth hiring strategy and recruitment brochure
 - Curriculum development to engage youth on what the City does, how decisions will impact them and how they can affect change in their community
 - Launch Youth Hub

2018 Supplemental Requests

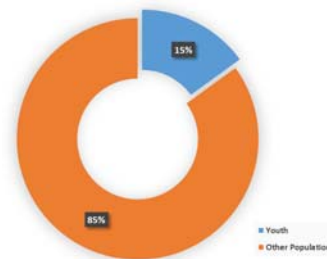
Ongoing:

- Youth Leaders in Training Program \$20,000

One Time:

- Youth Strategy Liaison \$30,000

Percentage of Youth (Ages 12 - 24) in the City of Victoria



Active Transportation – Managing Road Safety

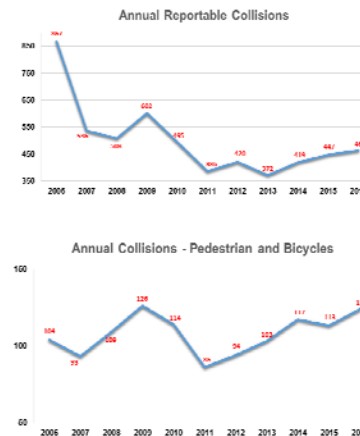
Strategic Objective: Complete a Multi-Modal and Active Transportation Network

- Annual collisions trends have been rising since 2013
- Pedestrian and Bicycle collisions are on the rise
- Public requests and Council direction have identified the need for additional analysis of neighbourhood transportation analysis, prioritization, planning and implementation. The work aligns directly with the upcoming Local Area Plans
- Speed reader boards are needed to promote safer vehicle behavior throughout the community

2018 Supplemental Requests

One Time:

- Neighbourhood Transportation Management \$180,000
- Speed Reader Boards \$85,000



Multi-Modal Transportation Network – Traffic and Parking

Strategic Objective: Complete a Multi-Modal and Active Transportation Network

- Review of existing traffic signal timings is a needed requirement for the City to optimize the demand imposed by changes to traffic patterns, volume, congestion and development
- Resources required to manage the training and operations throughout the transition to the new JSB Bridge
- Ongoing increase in public parking inquiries/street occupancy permits consume significant staff time
- Street Occupancy and Parking Support would improve compliance with permit applications and with set-ups that meet safety requirements

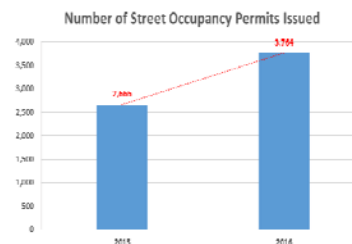
2018 Supplemental Requests

Ongoing:

- Street Occupancy and Parking Support 1 FTE
(Funded through Permit Fees)

One Time:

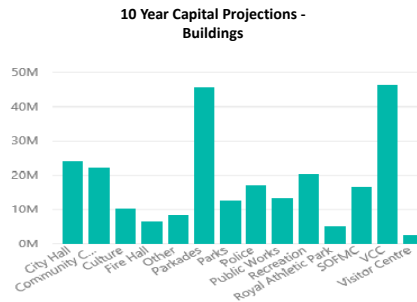
- Traffic Signal Timing Update Study \$ 40,000
- Extra Bridge Coverage \$ 30,000



Asset Management

Strategic Objective: Build the Financial Capacity of the Organization/Innovate and Lead

- Facilities Condition Assessment was completed in 2015 that provided investment recommendations for building systems
- Immediate priorities include several major projects across the City, including the Crystal Pool and Firehall 1 Replacement Project
- City surveys are mainly completed by physical observations and surveys of infrastructure, which can be time consuming to complete, and analyze. International best-practice uses a series of automation to quickly and accurately assess infrastructure, allowing staff more time to plan and optimize city assets
- Increased demand and complexity of projects requires professional certification and training to develop project management skills resulting in enhanced service quality, delivery and asset management skills



2018 Supplemental Requests

Ongoing:

- Building Project Administrator \$99,000

One Time:

- Condition Assessment Pilot Project \$60,000
- Professional Certification/Project Management \$50,000

Managing Climate Action and Sustainability

Strategic Objective: Plan for Emergencies Including Climate Change Short and Long-Term

- The development of the City's Sustainable Waste Management Strategy has clearly identified a current shortfall in resources required to propel City-wide waste programs to reach sustainability targets and avoid risks
- Sustainable Planning and Community Development aligns with Climate initiatives to deliver step code implementation, energy efficiency strategies and sustainability performance review
- An environmental audit will define current environmental performance, risks and recommended actions to reduce risk to the natural ecosystems across public works and engineering programs. This process will also provide a framework for cross-departmental environmental impacts to define priority actions within the City

2018 Supplemental Requests

Ongoing:

- Sustainability Waste Management Engineer \$99,000

One Time:

- Step Code Implementation \$10,000
- Environmental Performance Audit \$50,000

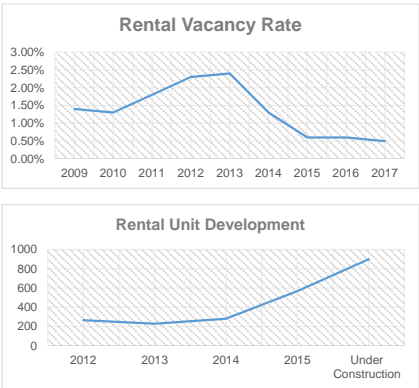
Managing Housing

Strategic Objective: Make Victoria More Affordable

- The Victoria Housing Strategy, approved by Council in 2016, is a 10 year strategy that includes strategic directions to meet housing targets
- The Strategy also includes action items for implementation over a 3 year period
- Support implementation of action items identified in the Strategy for 2018, including the following:
 - Consideration for voluntary guidelines for post-construction accessibility features to encourage adaptable housing
 - Revisiting the secondary suite grant program to encourage accessible suites
 - Hosting workshops on various housing-related topics with external partners and stakeholders to investigate opportunities

Supplemental requests for 2018

- One Time:**
- Victoria Housing Strategy Implementation \$20,000



Finance



DEPARTMENT SUMMARY

Finance

Core Services/Service Areas

- Financial Planning
- Accounting Services
- Information Technology
- Revenue Services
- Supply Management
- Parking Services



DEPARTMENT SUMMARY

Finance

Budget Summary

2018 Base Expenditures	15,850,149
2018 One Time Expenditures	0
2018 Proposed Expenditures	<u>15,850,149</u>
2017 Base Expenditures	14,923,288
2017 One Time Expenditures	30,000
2017 Approved Expenditures	<u>14,953,288</u>
Base Budget Change	926,861
Change by %	6.21%
2018 Base Revenues	16,882,800
2018 One Time Revenues	0
2018 Proposed Revenues	<u>16,882,800</u>
2017 Base Revenues	16,012,800
2017 One Time Revenues	30,000
2017 Approved Revenues	<u>16,042,800</u>
Base Budget Change	870,000
Change by %	5.43%
2018 FTE	102.26
2017 FTE	102.26
Change	0
Change by %	0.00%

Expanded summaries on pages 516, 541



DEPARTMENT SUMMARY

Finance

Proposed Initiatives for 2018

- Social Procurement Pilot and Framework
- Provide financial advice and support for:
 - Johnson Street Bridge replacement
 - Fire Station No. 1 replacement
 - Crystal Pool and Wellness Centre replacement
- Parking equipment and customer service improvements:
 - Replace parkade gates, security system and pay stations
 - Pilot parkade entry system – entry by smart phone app
- Technology improvements:
 - Online applications for business licences and dog licences
 - Electronic records management solution
 - Continue rollout of asset management solution
 - Continue rollout of business intelligence tools
 - Continue rollout of project management tools
 - Continue rollout of Office 365 collaboration tools



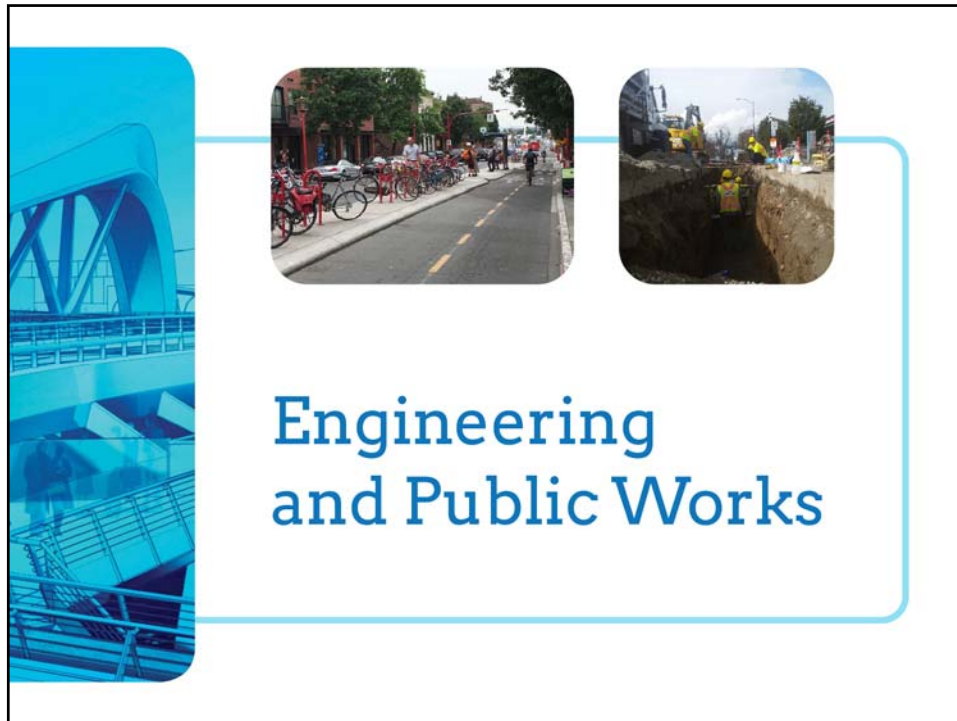
DEPARTMENT SUMMARY

Finance

Draft Financial Plan Document

Operating Budget pages 507-574

Capital Budget pages 1047-1051, 1065-1066, 1091



DEPARTMENT SUMMARY

Engineering and Public Works

Core Services/Service Areas

- **Engineering:**
 - Utilities: Design, engineering and asset management for water, sewer and stormwater systems
 - Engineering Corporate Services: Structural, coastal, GIS, assets and climate action programs
- **Transportation:** Engineering, design, construction, planning and operations in support of all transportation assets and network systems
- **Public Works:** Operation, maintenance and construction of all City infrastructure assets in the following groups:
 - Streets: Roads and bridges, concrete, electrical and traffic signals
 - Underground Utilities: Sewer, storm and water operations, maintenance and construction
 - Above-Ground Infrastructure: Fabrication, maintenance and management of all City public assets that are not underground
 - Fleet Management: Management, maintenance of all City fleet assets, including VicPD and support to VFD
 - Sanitation, Solid Waste, Street Cleaning and Special Events support and after hours response
 - Public Works Support Services



DEPARTMENT SUMMARY

Engineering and Public Works

Budget Summary

Engineering and Public Works
excluding Utilities

2018 Base Expenditures	14,094,685
2018 One Time Expenditures	12,000
2018 Proposed Expenditures	<u>14,106,685</u>

2017 Base Expenditures	13,938,105
2017 One Time Expenditures	789,416
2017 Approved Expenditures	<u>14,727,521</u>

Base Budget Change	156,580
Change by %	1.12%

2018 Base Revenues	857,923
2018 One Time Revenues	12,000
2018 Proposed Revenues	<u>869,923</u>

2017 Base Revenues	856,423
2017 One Time Revenues	639,416
2017 Approved Revenues	<u>1,495,839</u>

Base Budget Change	1,500
Change by %	0.18%



DEPARTMENT SUMMARY

Engineering and Public Works

Utilities

2018 Base Expenditures	37,557,533
2018 One Time Expenditures	0
2018 Proposed Expenditures	<u>37,557,533</u>

2017 Base Expenditures	36,542,672
2017 One Time Expenditures	187,000
2017 Approved Expenditures	<u>36,729,672</u>

Base Budget Change	1,014,861
Change by %	2.78%

2018 Base Revenues	37,557,533
2018 One Time Revenues	0
2018 Proposed Revenues	<u>37,557,533</u>

2017 Base Revenues	36,542,672
2017 One Time Revenues	187,000
2017 Approved Revenues	<u>36,729,672</u>

Base Budget Change	1,014,861
Change by %	2.78%

2018 FTE	273.72
2017 FTE	273.72
Change	0
Change by %	0.00%

Expanded summaries on pages 265, 267,
345, 363, 381, 431, 469



DEPARTMENT SUMMARY

Engineering and Public Works

Proposed Initiatives for 2018

- Major Street Rehabilitation (\$1.75m)
- Critical water, sewer and storm system upgrades, repairs and replacements (\$14m)
- Repairs and Upgrades to Point Ellice (Bay Street) Bridge (TBD)
- Wharf Street Complete Streets Upgrades (\$2m)
- Belleville Street Sidewalk and Plaza improvements
- New Crosswalks, upgrades (in addition to work via implementation of the cycling network)
- Sidewalk and pathway repairs, reconstruction and upgrades (>\$800k)
- Bike Master Plan – Phase I completion (downtown)
- Johnson Street Bridge completion
- Critical fleet asset replacement (\$2.6m)
- Ross Bay Seawall and Dallas Road Ballustrade Design
- Program Delivery:
 - Asset Management Program
 - Accessibility Framework Development
 - Sustainable Mobility / Transportation Strategy
 - Sustainable Waste Management Strategy
 - Climate Leadership Strategy Implementation
 - David Foster Harbour Pathway Program



DEPARTMENT SUMMARY

Engineering and Public Works

Draft Financial Plan Document

Operating Budget pages 247-506

Capital Budget pages 961-983, 995-1018, 1061-1064, 1071-1090



DEPARTMENT SUMMARY

Parks, Recreation and Facilities

Core Services/Service Areas

Parks

- Manage and maintain 207 hectares of park and open spaces, including 137 parks:
 - 72 hectares of natural areas
 - Ross Bay Cemetery
 - 33,000 trees on public land
 - 40 playgrounds, 23 tennis courts, 12 dog off-leash areas, a skate park, bike park
 - 500 flower and shrub beds, 1,300 hanging baskets, and nine rain gardens
 - 17 public washrooms
 - Litter pick-up and garbage collection
 - 208,063 m2 of boulevards
- Plan and design park spaces and features
- Participate in development permit review, tree permit applications and public realm projects across the city



DEPARTMENT SUMMARY

Parks, Recreation and Facilities

Core Services/Service Areas

Recreation

- Operation of Crystal Pool and Fitness Centre
- Administer the Leisure Involvement for Everyone (LIFE) program for low-income residents
- Deliver community programs at Save-On-Foods Memorial Centre (SOFMC)
- Administration of bookings for sport fields, sport courts and Royal Athletic Park
- Youth Services
- Partner with Community and Seniors Centre operators in program delivery



DEPARTMENT SUMMARY

Parks, Recreation and Facilities

Core Services/Service Areas

Facilities

- Oversee maintenance of the City's inventory of approximately 109 buildings and parking lots, totaling 1.9 million square feet of floor space
- Project manage facility related capital investments
- Long-term planning and analysis of building use, structures and systems
- Oversight of the security program



DEPARTMENT SUMMARY

Parks, Recreation and Facilities

Budget Summary

2018 Base Expenditures	20,464,945
2018 One Time Expenditures	119,750
2018 Proposed Expenditures	<u>20,584,695</u>
2017 Base Expenditures	20,299,318
2017 One Time Expenditures	745,109
2017 Approved Expenditures	<u>21,044,427</u>
Base Budget Change	165,627
Change by %	0.82%
2018 Base Revenues	2,678,951
2018 One Time Revenues	119,750
2018 Proposed Revenues	<u>2,798,701</u>
2017 Base Revenues	2,652,857
2017 One Time Revenues	334,109
2017 Approved Revenues	<u>2,986,966</u>
Base Budget Change	26,094
Change by %	0.98%
2018 FTE	176.81
2017 FTE	176.81
Change	0
Change by %	0.00%

Expanded summaries on pages 618, 619, 659,
685, 711, 733



DEPARTMENT SUMMARY

Parks, Recreation and Facilities

Proposed Initiatives for 2018

Recreation

- Crystal Pool and Wellness Centre Replacement Project



DEPARTMENT SUMMARY

Parks, Recreation and Facilities

Draft Financial Plan Document

Operating Budget pages 607-746

Capital Budget pages 987-994, 1019-1044, 1069



Victoria Fire Department



DEPARTMENT SUMMARY

Victoria Fire Department

Core Services/Service Areas

- **Fire Suppression:** 24 hour emergency response to citizens in support of emergency and non-emergency incidents, including harbour response
- **Fire Prevention:** Conducts fire inspections, delivers public fire safety education, and provides 24 hour fire investigation response
- **Mechanical:** Professional, cost-effective and efficient emergency and non-emergency maintenance of fire apparatus, specialty equipment, marine vessels and fleet. Regional fleet maintenance facility. Specialized training relating to vehicle operations, equipment use and marine vessel operation.
- **Harbour Response:** 24 hour emergency harbour response with the Fire Boat Protector and Rapid Response Marine vessel for rescue, environmental and inter-departmental responses



DEPARTMENT SUMMARY

Victoria Fire Department

Core Services/Service Areas

- **Communication:** 24 hour emergency and non-emergency communications, and monitoring the Public Works after hours line
- **Training:** Responsible for the facilitation and delivery of all training associated with fire department and emergency response to members of the department
- **Administration:** Office of the Fire Chief, two Deputy Fire Chiefs and administrative professionals
- **Emergency Management:** Responsible for training City staff and coordinating an emergency response in the event of a disaster. Responsible for facilitation of Emergency Social Services programs in post incident situations



DEPARTMENT SUMMARY

Victoria Fire Department

Budget Summary

2018 Base Expenditures	16,933,870
2018 One Time Expenditures	0
2018 Proposed Expenditures	<u>16,933,870</u>

2017 Base Expenditures	16,579,168
2017 One Time Expenditures	81,700
2017 Approved Expenditures	<u>16,660,868</u>
Base Budget Change	354,702
Change by %	2.14%

2018 Base Revenues	79,000
2018 One Time Revenues	0
2018 Proposed Revenues	<u>79,000</u>

2017 Base Revenues	78,000
2017 One Time Revenues	81,700
2017 Approved Revenues	<u>159,700</u>
Base Budget Change	1,000
Change by %	1.28%

2018 FTE	123.09
2017 FTE	123.09
Change	0
Change by %	0.00%

Expanded summary on page 778




DEPARTMENT SUMMARY

Victoria Fire Department

Proposed Initiatives for 2018

- Emergency Management Renewal



DEPARTMENT SUMMARY

Victoria Fire Department

Draft Financial Plan Document

Operating Budget pages 773-834
Capital Budget pages 1055-1060





Legislative and Regulatory Services



DEPARTMENT SUMMARY

Legislative and Regulatory Services

Core Services/Service Areas

- **Legislative Services:** administrative support and governance advice to Council and Council Committees; official records of Council and Committees of Council; policy analysis; grant applications strategic support; maintain, consolidate and revise City bylaws; administer civic elections and referenda
- **Archives and Records Management:** records management; coordinate and assist with Freedom of Information requests and privacy impact assessments as required under the *Freedom of Information and Protection of Privacy Act*; printing facility and mail room; City Archives
- **Bylaw and Licensing Services:** bylaw enforcement, compliance and investigations; business licence reviews and compliance checks



DEPARTMENT SUMMARY

Legislative and Regulatory Services

Budget Summary

2018 Base Expenditures	3,053,904
2018 One Time Expenditures	10,000
2018 Elections	279,000
2018 Proposed Expenditures	3,342,904
2017 Base Expenditures	3,035,936
2017 One Time Expenditures	40,000
2017 Approved Expenditures	3,075,936
Base Budget Change	17,968
Change by %	0.58%
2018 Base Revenues	247,350
2018 One Time Revenues	10,000
2018 Proposed Revenues	257,350
2017 Base Revenues	247,350
2017 One Time Revenues	40,000
2017 Approved Revenues	287,350
Base Budget Change	0
Change by %	0.00%
2018 FTE	21.88
2017 FTE	21.88
Change	0
Change by %	0.00%

Expanded summary on page 165



DEPARTMENT SUMMARY

Legislative and Regulatory Services

Proposed Initiatives for 2018

- Archived Material Digitization
- Records Management System
- Election/Referendum



DEPARTMENT SUMMARY

Legislative and Regulatory Services

Draft Financial Plan Document

Operating Budget pages 157-178



DEPARTMENT SUMMARY

Engagement

Core Services

- **Engagement:** leadership and implementation of engagement processes, citizen and budget surveying, engagement tools and techniques and the Great Neighbourhoods initiatives
- **Communications:** graphic design, communications planning and implementation to support City services and programs
- **Customer Service:** front line customer service, victoria.ca, employee communications, and physical customer service areas



DEPARTMENT SUMMARY

Engagement

Budget Summary

2018 Base Expenditures	1,855,994
2018 One Time Expenditures	0
2018 Proposed Expenditures	<u>1,855,994</u>
 2017 Base Expenditures	 1,850,718
2017 One Time Expenditures	30,000
2017 Approved Expenditures	<u>1,880,718</u>
Base Budget Change	5,276
Change by %	0.29%
 2018 FTE	 15.00
2017 FTE	15.00
Change	0
Change by %	0.00%

Expanded summary on page 137



DEPARTMENT SUMMARY

Engagement

Proposed Initiatives for 2018

- Implementation of Public Engagement Road Map
- Victoria.ca redevelopment
- Implementation of Youth Strategy



DEPARTMENT SUMMARY

Engagement

Draft Financial Plan Document

Operating Budget pages 133-156



Human Resources



DEPARTMENT SUMMARY

Human Resources

Core Services/Service Areas

- Talent management (attracting, retaining and developing)
- Strategic workforce planning
- Employee and labour relations
- Compensation and benefits
- Health, safety and wellness
- Learning and development



DEPARTMENT SUMMARY

Human Resources

Budget Summary

2018 Base Expenditures	1,886,988
2018 One Time Expenditures	0
2018 Proposed Expenditures	<u>1,886,988</u>
2017 Base Expenditures	1,910,393
2017 One Time Expenditures	0
2017 Approved Expenditures	<u>1,910,393</u>
Base Budget Change	(23,405)
Change by %	-1.23%
2018 FTE	11.00
2017 FTE	11.00
Change	0
Change by %	0.00%

Expanded summary on page 579



DEPARTMENT SUMMARY

Human Resources

Proposed Initiative for 2018

- Corporate Learning Needs Assessment
- Corporate Orientation Program
- Implement People + Performance

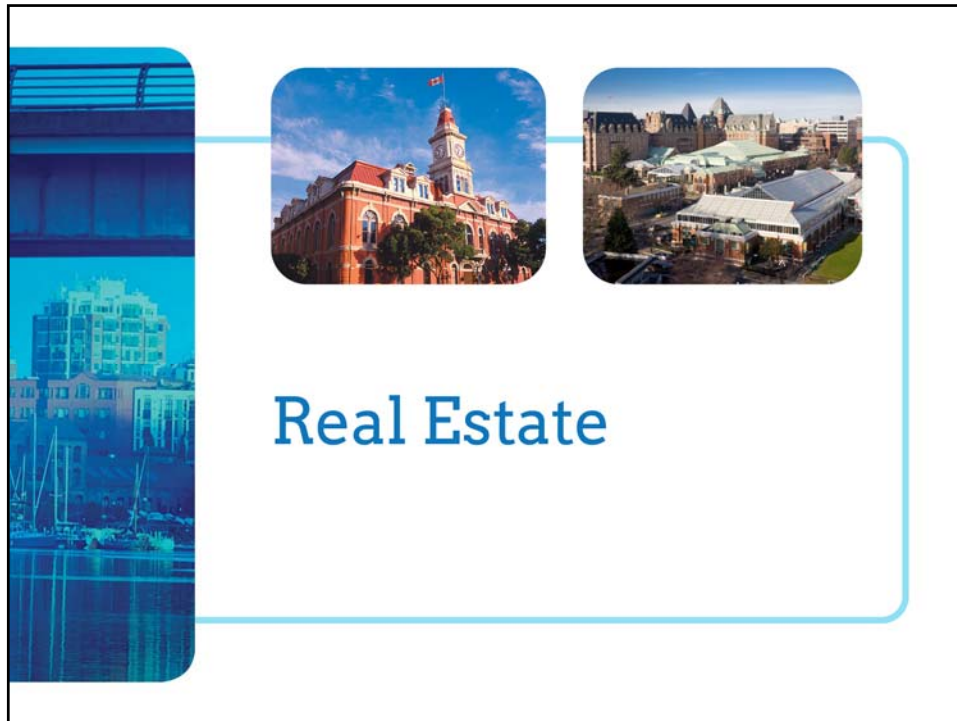


DEPARTMENT SUMMARY

Human Resources

Draft Financial Plan Document

Operating Budget pages 575-596



DEPARTMENT SUMMARY

Real Estate

Core Services/Service Areas

- Manage all aspects of the City's real estate holdings based on an established real estate philosophy and strategy, based on a triple bottom line perspective
- Provide strategic advice and direction related to real estate transactions involving City interests
- Conduct investigations and obtain appraisals on proposed acquisitions and sales, and negotiate all aspects of those transactions
- Negotiate and ongoing contract management of all lease agreements, licenses of use, easements, statutory rights-of-way and other property-related agreements



DEPARTMENT SUMMARY

Real Estate

Core Services/Service Areas

- Development and ongoing management of a comprehensive real estate inventory
- Respond to enquiries from applicants, their agents and City departments about City-owned property
- Work with the development community to identify opportunities to leverage the City's real estate holdings
- Monitor local real estate industry data and trends



DEPARTMENT SUMMARY

Real Estate

Budget Summary

2018 Base Expenditures	1,568,213
2018 One Time Expenditures	0
2018 Proposed Expenditures	1,568,213
2017 Base Expenditures	1,565,903
2017 One Time Expenditures	48,600
2017 Approved Expenditures	1,614,503
Base Budget Change	2,310
Change by %	0.15%
2018 Base Revenues	1,751,085
2018 One Time Revenues	0
2018 Proposed Revenues	1,751,085
2017 Base Revenues	1,738,150
2017 One Time Revenues	48,600
2017 Approved Revenues	1,786,750
Base Budget Change	12,935
Change by %	0.74%
2018 FTE	3.00
2017 FTE	3.00
Change	0
Change by %	0.00%

Expanded summary on page 182



DEPARTMENT SUMMARY

Real Estate

Proposed Initiatives for 2018

- Real Estate Strategic Plan
- Securement of David Foster Harbour Pathway Land Interests
- Completion of Apex Land Competition
- Operational Procedures Improvement
- Review of commercial leasing rates to maximize revenue



DEPARTMENT SUMMARY

Real Estate

Draft Financial Plan Document

Operating Budget pages 179-194



DEPARTMENT SUMMARY

Arts, Culture and Events

Core Services/Service Areas

- Special event liaison and permitting
- Film permitting, Film Commission liaison and coordination support
- Special Event Technical Committee
- Festival Investment Grant program
- Festival Equipment Loan coordination and maintenance
- Noise bylaw exemptions, special occasion licences, block party permits
- Public art commissioning and maintenance
- Poet Laureate and Youth Poet Laureate programs
- Marketing and promotional support for programming and festivals
- Community development support to arts and culture organizations



DEPARTMENT SUMMARY

Arts, Culture and Events

Budget Summary

2018 Base Expenditures	1,384,807
2018 One Time Expenditures	207,500
2018 Proposed Expenditures	1,592,307
2017 Base Expenditures	1,354,957
2017 One Time Expenditures	435,800
2017 Approved Expenditures	1,790,757
Base Budget Change	29,850
Change by %	2.20%
2018 Base Revenues	203,250
2018 One Time Revenues	207,500
2018 Proposed Revenues	410,750
2017 Base Revenues	202,000
2017 One Time Revenues	195,800
2017 Approved Revenues	397,800
Base Budget Change	1,250
Change by %	0.62%
2018 FTE	7.29
2017 FTE	7.29
Change	0
Change by %	0.00%

Expanded summary on page 95



DEPARTMENT SUMMARY

Arts, Culture and Events

Proposed Initiatives for 2018

- Arts and Culture Master Plan Implementation



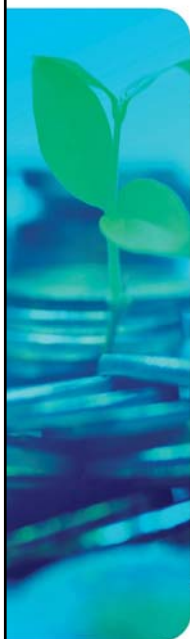
DEPARTMENT SUMMARY

Arts, Culture and Events

Draft Financial Plan Document

Operating Budget pages 91-122

Capital Budget page 986, 1053



Economic Development



DEPARTMENT SUMMARY

Economic Development

Core Services/Service Areas

- Streamlining business processes and barriers within City Hall for businesses and social enterprises
- Provide customer service to new and established businesses within the Business Hub
- Support innovation, creativity and collaboration between the City and community and business stakeholders to increase business investment in Victoria



DEPARTMENT SUMMARY

Economic Development

Budget Summary

2018 Base Expenditures	250,000
2018 One Time Expenditures	25,000
2018 Proposed Expenditures	<u>275,000</u>
2017 Base Expenditures	250,000
2017 One Time Expenditures	245,000
2017 Approved Expenditures	<u>495,000</u>
Base Budget Change	0
Change by %	0.00%
2018 Base Revenues	0
2018 One Time Revenues	25,000
2018 Proposed Revenues	<u>25,000</u>
2017 Base Revenues	0
2017 One Time Revenues	0
2017 Approved Revenues	<u>0</u>
Base Budget Change	0
Change by %	0.00%
2018 FTE	1.00
2017 FTE	1.00
Change	0
Change by %	0.00%



DEPARTMENT SUMMARY

Economic Development

Proposed Initiatives for 2018

- Business Hub
- City Studio
- Trade Mission



DEPARTMENT SUMMARY

Economic Development

Draft Financial Plan Document

Operating Budget pages 123-132



DEPARTMENT SUMMARY

Victoria Conference Centre

Core Services/Service Areas

- Sell, manage and service conference, special events, meeting and trade and consumer shows in Victoria
- Liaison for destination management and business development with business, tourism and hospitality industry partners on the Victoria Conference Optimization Network (VCON)



DEPARTMENT SUMMARY

Victoria Conference Centre

Budget Summary

Victoria Conference Centre (VCC)

2018 Base Expenditures	3,568,591
2018 One Time Expenditures	0
2018 Proposed Expenditures	3,568,591
2017 Base Expenditures	3,503,818
2017 One Time Expenditures	0
2017 Approved Expenditures	3,503,818
Base Budget Change	64,773
Change by %	1.85%
2018 Base Revenues	3,987,405
2018 One Time Revenues	0
2018 Proposed Revenues	3,987,405
2017 Base Revenues	3,739,138
2017 One Time Revenues	0
2017 Approved Revenues	3,739,138
Base Budget Change	248,267
Change by %	6.64%



DEPARTMENT SUMMARY

Victoria Conference Centre

VCC Event Costs Paid by Clients

2018 Base Expenditures	3,460,000
2018 One Time Expenditures	0
2018 Proposed Expenditures	3,460,000
2017 Base Expenditures	3,460,000
2017 One Time Expenditures	0
2017 Approved Expenditures	3,460,000
Base Budget Change	0
Change by %	0.00%
2018 Base Revenues	3,460,000
2018 One Time Revenues	0
2018 Proposed Revenues	3,460,000
2017 Base Revenues	3,460,000
2017 One Time Revenues	0
2017 Approved Revenues	3,460,000
Base Budget Change	0
Change by %	0.00%
2018 FTE	13.62
2017 FTE	13.62
Change	0
Change by %	0%

Expanded summary on page 201



DEPARTMENT SUMMARY

Victoria Conference Centre

Proposed Initiatives for 2018

- Improved/revamped website
- Strengthen new partnerships with key 3rd party meeting planner organizations
- Align and partner sales initiatives with Business Events Canada
- Update marketing collateral



DEPARTMENT SUMMARY

Victoria Conference Centre

Draft Financial Plan Document

Operating Budget pages 195-246

Capital Budget page 1067



DEPARTMENT SUMMARY

Sustainable Planning and Community Development

Core Services/Service Areas

Community Planning:

- City-wide and Local Area Planning
- Current Policy and Regulatory Initiatives
- Heritage Policy, Programs and Applications
- Housing Policy and Administration of the Housing Reserve Fund
- Urban Design and Public Realm Planning

Development Services:

- Zoning/Rezoning including Community Association Land Use Committee processes
- Development and Variance Permits including support to Community Association Land Use Committees, Advisory Design Panel and Board of Variance
- Heritage Alteration Permits, Heritage Designations and Tax Incentive Program Applications



DEPARTMENT SUMMARY

Sustainable Planning and Community Development

Core Services/Service Areas

Permits and Inspections:

- Regulation and inspection of new development to ensure compliance with the BC Building Code
- Processing, administration and related inspections for building, plumbing, electrical, sign and liquor licence permit applications



DEPARTMENT SUMMARY

Sustainable Planning and Community Development

Budget Summary

2018 Base Expenditures	4,839,289
2018 One Time Expenditures	393,750
2018 Proposed Expenditures	<u>5,233,039</u>
2017 Base Expenditures	4,833,488
2017 One Time Expenditures	1,131,552
2017 Approved Expenditures	<u>5,965,040</u>
Base Budget Change	5,801
Change by %	0.12%
2018 Base Revenues	2,928,750
2018 One Time Revenues	393,750
2018 Proposed Revenues	<u>3,322,500</u>
2017 Base Revenues	2,915,000
2017 One Time Revenues	604,552
2017 Approved Revenues	<u>3,519,552</u>
Base Budget Change	13,750
Change by %	0.47%
2018 FTE	43.43
2017 FTE	43.43
Change	0
Change by %	0.00%

Expanded summary on page 752



DEPARTMENT SUMMARY

Sustainable Planning and Community Development

Proposed Initiatives for 2018

- New Neighbourhood Plans for Fernwood, North Park, Rockland, as well as North and South Jubilee
- Updates to the Downtown Core Area Plan
- Ongoing implementation of the Housing Strategy
- Finalization of the Ship Point Master Plan
- Implementation of Visual Victoria
- Ongoing Development/Permit Application Process Improvements



DEPARTMENT SUMMARY

Sustainable Planning and Community Development

Draft Financial Plan Document

Operating Budget pages 747-772

Capital Budget page 985



DEPARTMENT SUMMARY

Legal Services

Core Services/Service Areas

- Provide legal advice to Council, City Manager and City staff
- Negotiate, prepare and oversee execution of contracts, leases and agreements authorized by Council
- Provide legal assistance related to land-use and development
- Assistance with real estate transactions
- Represent the City in legal proceedings
- Draft, revise and consolidate City bylaws and assist City staff in bylaw interpretation and application of bylaws and applicable provincial legislation
- Monitor changes and developments in laws affecting City and provide proactive advice to mitigate impacts on the City



DEPARTMENT SUMMARY

Legal Services

Budget Summary

2018 Base Expenditures	741,615
2018 One Time Expenditures	0
2018 Proposed Expenditures	741,615
2017 Base Expenditures	737,615
2017 One Time Expenditures	0
2017 Approved Expenditures	737,615
Base Budget Change	4,000
Change by %	0.54%
2018 FTE	4.00
2017 FTE	4.00
Change	0
Change by %	0.00%

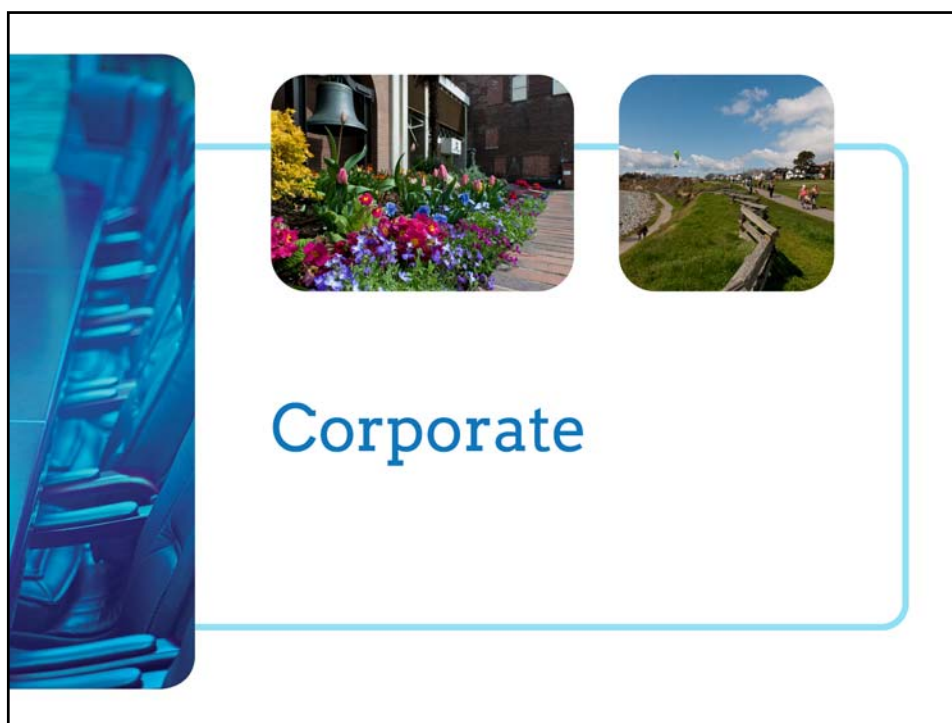


DEPARTMENT SUMMARY

Legal Services

Draft Financial Plan Document

Operating Budget pages 597-605



DEPARTMENT SUMMARY

Corporate

Core Services/Service Areas

- Grants
- Taxation
- Insurance
- Debt
- Reserves



DEPARTMENT SUMMARY

Corporate

Budget Summary

2018 Base Expenditures	43,662,642
2018 One Time Expenditures	0
2018 Proposed Expenditures	<u>43,662,642</u>
2017 Base Expenditures	40,998,524
2017 One Time Expenditures	2,270,809
2017 Approved Expenditures	<u>43,269,333</u>
Base Budget Change	<u>2,664,118</u>
Change by %	6.50%
2018 Base Revenues	23,855,327
2018 One Time Revenues	0
2018 Proposed Revenues	<u>23,855,327</u>
2017 Base Revenues	23,583,092
2017 One Time Revenues	3,960,809
2017 Approved Revenues	<u>27,543,901</u>
Base Budget Change	<u>272,235</u>
Change by %	1.15%

Expanded summary on page 837, 838



DEPARTMENT SUMMARY

Corporate

Draft Financial Plan Document

Operating Budget pages 835-896

Recommendations

On November 7, staff will recommend that Council:



1. Direct staff to bring forward the Five-year Financial Plan Bylaw, 2018 to the November 9 Council meeting for consideration of first reading prior to commencing public consultation
2. Direct staff to bring forward bylaws outlining solid waste, stormwater and water utility user fee increases to the November 9 Council meeting for consideration of first, second and third readings
3. Approve the following allocations of assessment growth (non-market change) property tax revenue:
 - a. \$500,000 to the Buildings and Infrastructure Reserve as per the Financial Sustainability Policy
 - b. \$87,000 to maintain the correspondence coordinator position (as directed by Council during 2017 financial planning process)
 - c. Direct staff to bring forward options for the use of the remainder upon completion of public consultation

Recommendations, continued



4. Direct staff to bring forward options for the use of 2017 surplus upon completion of public consultation
5. Direct staff to bring forward options for funding supplementary budget requests upon completion of public consultation
6. Allocate \$2,450,000 of the annual gas tax funding to the Storm Drain Brick Main project and direct staff to bring forward options for the allocation of the remainder upon completion of public consultation
7. Create a direct-award grant for seniors outreach funded by a reallocation of \$30,000 from the Strategic Plan Grant program
8. Approve the direct-award grants as outlined in this report


Recommendations, continued

9. Direct staff to bring forward options for funding increased grant requests upon completion of public consultation
10. Approve adding 1.0 FTE carpenter currently managed through auxiliary staffing and funded through existing budgets




Timeline

Tentative Dates	Task
October 30, 31 and November 7	Detailed presentations of draft Financial Plan
November 9 Council	First reading of Financial Plan bylaw
November	Public consultation
Week of November 27	Town Hall / e-Town Hall meeting
First meeting in January 2018 Committee of the Whole	Present consultation results and seek direction on changes to Financial plan
April 2018 Committee of the Whole	Final report on Financial Plan including incorporated changes; report on 2018 tax rates.
April 2018 Council	Second and third reading of Financial Plan bylaw; first, second and third reading of tax bylaw
April 2018 Council	Adoption of Financial Plan bylaw and tax bylaw



GREATER VICTORIA
PUBLIC LIBRARY



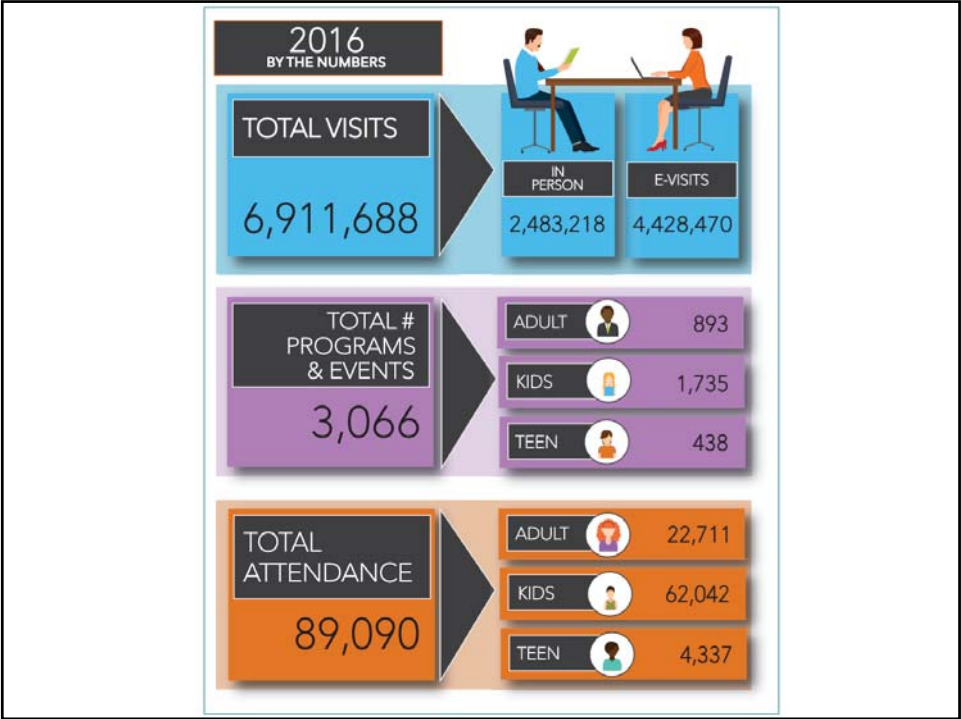
LIBRARY

2018 Library Budget Presentation
City of Victoria
November 7, 2017
Rob Martin, Board Chair
Maureen Sawa, CEO

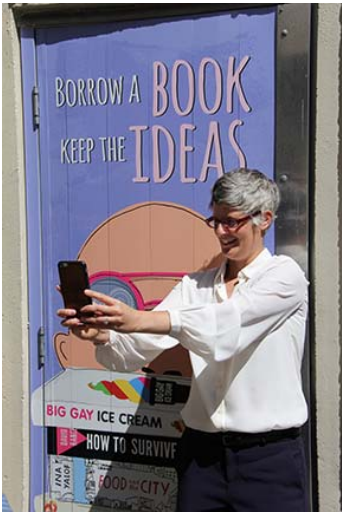
Community-Inspired Library Service

Greater Victoria Public Library's Strategic Plan
2016 to 2020

 <h3>CREATE</h3> <p>great library spaces to meet unique user needs – in person and through our multiple e-service channels.</p>	 <h3>ENGAGE</h3> <p>passionate library members, funders and partners to expand the library's reach and impact.</p>
 <h3>INSPIRE</h3> <p>discovery through programs, collections and services that enhance literacy and lifelong learning.</p>	 <h3>LEAD</h3> <p>with support for innovative ideas, service models and governance.</p>



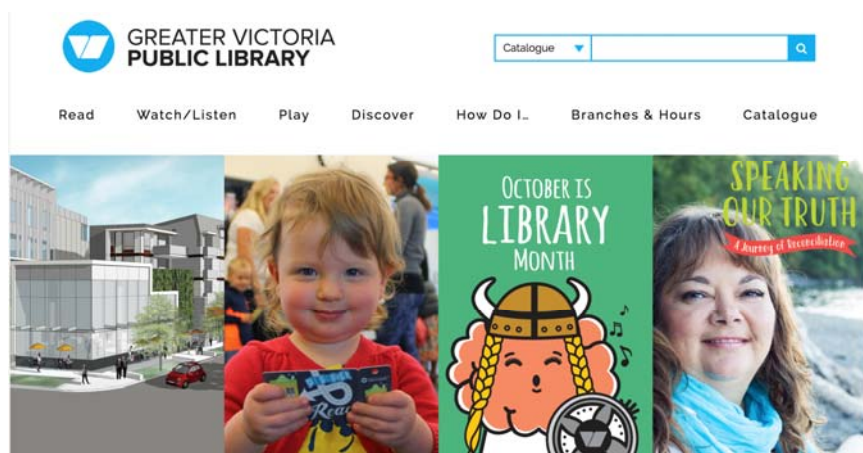
Libraries & literacy go hand in hand



New branch in James Bay



Virtual branch: gvpl.ca



Outreach & social inclusion



BUDGET SAVERS



BUDGET DRIVERS



2018 Budget

	2017 Budget Approved	2018 Budget Request	Change (\$)	Change (%)
Salaries and Benefits	\$13,127,210	\$13,491,583	\$364,373	2.8%
Library Materials, Including Capitalized	2,544,637	2,447,137	(97,500)	(3.8%)
Supplies, Services and Other	1,436,723	1,439,356	2,633	0.2%
Building Occupancy	783,144	762,838	(20,306)	(2.6%)
Capital Expenses-Other	671,632	623,500	(48,132)	(7.2%)
Total Expenditures	\$18,563,346	\$18,764,414	\$201,068	1.08%
Transfers to/(From) Reserves/Surplus	(22,200)	5,000	27,200	(122.5%)
Debt Repayments	21,980	12,183	(9,797)	(44.6%)
Branch Start-Up Funding	(698,000)	(460,600)	237,400	(34.0%)
Revenues	(1,326,727)	(1,303,659)	23,068	(1.7%)
Municipal Contribution - Operating	\$16,538,399	\$17,017,338	\$478,939	2.90%

City of Victoria 2018 Contribution

2017 Share	2017 Requisition	2018 Requisition	Contribution Increase		Per Capita Increase	Per Capita Total
28.85%	\$4,768,973	\$4,886,764	\$117,791	2.50%	\$1.38	\$57.39

"A library in the middle of a community is a cross between an emergency exit, a life raft and a festival. They are cathedrals of the mind; hospitals of the soul; theme parks of the imagination. On a cold, rainy island, they are the only sheltered public spaces where you are not a consumer, but a citizen, instead." -- Caitlin Moran

Thank you



GREATER VICTORIA
PUBLIC LIBRARY