



Council
For the Meeting of April 19, 2018

To: Council **Date:** April 12, 2018
From: Susanne Thompson, Director of Finance
Subject: Five Year Financial Plan Bylaw, 2018

RECOMMENDATION

That Council:

1. Amend the Five Year Financial Plan Bylaw, 2018 by replacing the bylaw that was given first reading on November 9, 2017 with the bylaw appended to the Five Year Financial Plan Bylaw, 2018 report, dated April 12, 2018.
2. Give second and third reading to the Five Year Financial Plan Bylaw No. 17-124, as amended.

EXECUTIVE SUMMARY

The purpose of this report is to outline amendments to the Five Year Financial Plan Bylaw, 2018 that received first reading on November 9, 2017 and recommend second and third readings at today's special Council meeting.

During November and December 2017, the City sought input from the public on the draft financial plan. Upon completion of the public consultation and based on the feedback received, Council allocated new assessment growth property tax revenue from new construction and 2017 surplus.

The following allocations are reflected in the amended Five Year Financial Plan Bylaw attached in Appendix A:

1. Ongoing allocation of assessment growth property tax revenue - \$2.04 million

The Draft Financial Plan presented to Council in October 2017 included \$500,000 of the new property tax revenue allocated to the Buildings and Infrastructure Reserve in accordance with the Financial Sustainability Policy.

During the 2018 budget deliberations, Council allocated \$2,087,860 of the estimated new assessment value of \$2.1 million excluding the allocation for the new library in James Bay. As well, Council directed staff to report back on the final amount of new assessment which was done on April 5, 2018 at which time Council allocated the remaining \$385,000 to the Buildings and Infrastructure Reserve.

The details are outlined in the following chart:

Ongoing Allocation of Assessment Growth Property Tax	
Transfer to Capital Reserve	\$ 500,000
Correspondence Coordinator	87,000
Building Project Administrator	99,000
Community Garden Program	15,000
Community Garden Volunteer Coordination - Inflation	860
Community Garden Volunteer Coordination - North Park	6,000
Festival Investment Grant Additional Funding	50,000
Fire Prevention Officer	121,000
Graphic Design Support	81,000
Parks Natural Area Support	63,000
Parks Planner	103,000
Sustainability Waste Management Engineer	99,000
Transportation Planner	104,000
Victoria Civic Heritage Trust	2,200
Victoria Heritage Foundation	10,720
Victoria Community Association Network Grant ¹	900
Additional Police Civilian Staff	114,820
Decrease to Property Tax Increase	197,200
Buildings and Infrastructure Reserve	385,300
Total	\$ 2,040,000

Note:

1. Victoria Community Association Network Grant allocated COTW Jan 25, 2018

As previously directed by Council and in addition to these allocations, new assessment revenue from the Capital Park development of \$543,000 has been incorporated into the Financial Plan to support the ongoing operating costs (\$345,000) of the new library in James Bay as well as partial repayment of the funds for the capital works (\$198,000).

2. One-time allocation of the 2017 surplus - \$4,026,400

The 2017 surplus was originally estimated at \$3 million. Now that the 2017 year end is complete, the final surplus amount has been confirmed at \$4.026 million. The main difference between the estimate and the actual is the result of assessment appeals resolved at lower amounts than previously estimated (\$865,000). The main drivers for the surplus include revenue from parking, vacancies, lower than expected assessment appeals and unspent contingency.

Council allocated the \$3 million estimate during the financial planning discussions and directed that any remainder be transferred equally to the Buildings and Infrastructure Reserve, the Vehicles and Heavy Equipment Reserve and the Parks and Greenways Acquisition Fund. Further surplus details will be provided in the 2017 Financial Statement report being presented to Council on April 26, 2018.

The following chart outlines the 2017 surplus allocation:

One-Time Allocation of the 2017 Surplus	
Accessibility Framework	\$ 40,000
Community Benefit Hub (2 year)	100,000
Condition Assessment Pilot Project	60,000
Downtown Public Realm Plan Implementation	105,000
Downtown sidewalk cleaning & snow removal	99,500
Ending Violence Association of BC	2,500
Engagement Advisor	109,000
Environmental Performance Audit	50,000
Extra Bridge Coverage	30,000
Heritage Planner (2 year term)	120,000
High Risk Tree Removal	150,000
Inclusion Policy and Program	60,000
International Ice Hockey Federation World Junior Hockey Championship	70,000
Mental Health Integration	216,575
Neighbourhood Transportation Management	180,000
Overnight Sheltering – Support & Clean Up	200,000
Parks Arboriculture	97,000
Pioneer Square Archaeological Reporting	37,000
Professional Certification/Project Management	50,000
Secretary Planning	67,000
Single-Use Checkout Bag Regulation	30,000
South Island Prosperity Project	220,000
Speed Reader Boards	85,000
Step Code Implementation	10,000
Traffic Signal Timing Update Study	40,000
Victoria Housing Strategy Implementation	250,000
Witness Reconciliation Program	50,000
Youth Leaders in Training Program	20,000
Youth Strategy Liaison	30,000
Buildings and Infrastructure Reserve	482,609
Vehicles and Heavy Equipment Reserve	482,608
Greenways Acquisition Fund Reserve	482,608
Total	\$ 4,026,400

4. Capital Project 2017 Carryforwards and Budget for “TBD” and New Projects

The Capital Project adjustments include both carry forwards for 2017 projects in progress and budgets for the “to be determined” (TBD) projects that have been added to 2018.

The capital projects that were previously labelled “TBD” are the Firehall #1 Replacement (Facilities) at \$35.9 million (\$3.9 million in 2018), the new Douglas Street Bus Lane Phase 2B (Active Transportation) which is fully recoverable from BC Transit at \$3.597 million and the new

Audible/Accessible Pedestrian Signals (Street Infrastructure) that is funded from the Accessibility Capital Reserve.

The following chart outlines the change in the Capital Project budget:

2018 Capital Adjustments		
Carryforwards - 2017 Projects in Progress		
Active Transportation	\$	9,039,000
Complete Streets		3,252,000
Neighbourhoods		89,000
Parks		1,307,000
Street Infrastructure		284,000
Retaining Walls and Railings		417,000
Bridges		4,716,000
Equipment		4,555,000
Facilities		71,782,000
Environmental Remediation		480,000
Sanitary Sewers		2,048,000
Stormwater		666,000
Waterworks		1,748,000
Police		90,000
Total Carryforwards - 2017 Projects in Progress	\$	100,473,000
Budget Amounts for 'TBD' and New Projects:		
Facilities - Firehall #1 Replacement		3,900,000
Active Transportation - Douglas Street Bus Lanes Phase 2B		3,597,000
Audible/Accessible Pedestrian Signals		70,000
Total Budget Amounts for 'TBD' and New Projects	\$	7,567,000
Total	\$	108,040,000

Since the draft financial plan was introduced in October 2017, Council has given approval to a number of initiatives including the creation of a direct-award grant for seniors outreach funded by the reallocation of \$30,000 from the Strategic Plan Grant program, the introduction of the short term rental regulation program effective April 1, 2018 in the amount of \$375,000 that will be offset by the revenue generated from the new annual business licence fee and approval of \$460,000 allocated from the Climate Action Reserve to commit funding for the Climate Leadership Plan that includes temporary staffing and priority actions. As well, previous Council direction to identify accessibility initiatives that can be achieved in 2018 have been incorporated in the amount of \$70,000 allocated from the Accessibility Reserve. Approval was also provided for the extension of the Indigenous Artist in Residence term to December 31, 2018 in the amount of \$61,500 allocated from the Art in Public Places Reserve.

Other adjustments include an increase of \$14,104 for the Inclusive Swimming Program to Crystal Pool Aquatic Recreation offset from a Victoria Foundation grant, an increase of \$24,750 for

Emergency Services Training and Development to Emergency Management offset from a grant from the Emergency Preparedness Fund, an increase of \$150,000 for Quality System Tools for the Asset Management program offset from a grant from the Gas Tax Strategic Priorities Fund and an increase of \$27,875 in Community Planning for Step Code offset from a BC Hydro Grant.

Remaining funding for operating budget projects underway, such as the Gorge Waterway, Waterfront Plan, Downtown Public Realm, Accelerated Local Area Planning, Records Management, Participatory Budgeting, Witness Reconciliation Program, Symbol of Lekwungen, Solid Waste Management Strategy, Victoria Housing Strategy Implementation and High Risk Tree Removal have been carried forward to the 2018 year in the financial plan.

During the introduction of the draft financial plan, Council approved the addition of 1 FTE carpenter currently managed through auxiliary staffing and funded through existing budgets. As part of the ongoing new assessment property tax allocation, Council gave approval of 8 FTE's for a full time Correspondence Coordinator, Transportation Planner, Fire Prevention Officer, Graphic Designer, Building Project Administrator, Sustainability Waste Management Engineer, Parks Planner, Street Occupancy Permit Inspector and an additional 0.93 FTE for Parks Natural Areas Support. As well 2 FTE's were approved for the Pedestrian Trip and Fall Reduction Program. The revised total permanent FTE count in the 2018 Financial Plan is 816.03.

The above adjustments do not impact the overall tax increase except for the approved \$197,000 new assessed revenue allocation to decrease the increase in property taxes. With the allocation of new assessed revenue for a property tax reduction, the overall property tax increase is now 2.62%; combined with utility fees, the overall residential increase is 2.71% and the overall business increase is 2.66%.


Respectfully submitted,


Jo-Ann O'Connor
Manager, Financial Planning


Susanne Thompson
Director of Finance

Report accepted and recommended by the City Manager.

Date:


April 13, 2018

List of Attachments

Appendix A: Five Year Financial Plan Bylaw, 2018