



Committee of the Whole Report

For the Meeting of April 5, 2018

To: Committee of the Whole **Date:** April 3, 2018
From: Susanne Thompson, Director of Finance
Subject: 2018 Final New Assessment Property Tax Revenue from New Construction

RECOMMENDATION

That Council direct staff to transfer the remaining new assessment property tax revenue from new construction of \$385,000 to the Buildings and Infrastructure Reserve.

EXECUTIVE SUMMARY

The purpose of this report is to seek Council's direction on the allocation of the remaining unallocated amount of new assessment property tax revenue now that the final assessment information has been received by BC Assessment.

This report has been added to the agenda as a planned late report since as per BC Assessments' annual timelines, the City received the final assessment roll this week. The direction is sought at this meeting to enable the calculation of tax rate options, which will be brought to Council for consideration on April 12, 2018. These decisions are required in order for Council to adopt the financial plan and tax rate bylaws before May 15 as is required under the *Community Charter*.

During budget deliberations for 2018, Council allocated \$2,087,860 of the estimated \$2.1 million of new assessment property tax revenue to various initiatives, excluding the allocation for the new library in James Bay. A summary is outlined in Appendix A. A portion (\$197,200) of the new tax revenue was used to reduce the overall property tax increase, which is currently at 2.62%.

As part of the allocations at the January meetings, Council approved the Police Board's request for six additional police officers subject to approval by the Township of Esquimalt. Esquimalt Council declined this request, which results in the need for new direction regarding the allocation of that portion. The Police Board may request, under the *Police Act*, that the Director of Police Services reviews and determines whether the Police Board's request is needed for adequate and effective policing of the two communities. If the Director determines that is the case, the City would be required to include the amount in its budget for the year. However, such a review is unlikely to conclude in time for any funding to be required in 2018.

On January 11, 2018, Council directed staff to report back on the final amount of new assessment property tax revenue for 2018. The final number excluding the allocation for the new library in James Bay is approximately \$2.04 million, which is approximately \$48,000 less than what was allocated. However, the amount previously set aside for the proposed new police officers provides sufficient

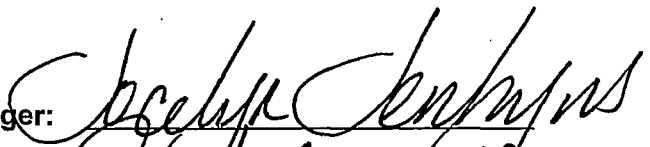
funding to offset this shortfall and \$385,000 remains to be allocated. The recommendation to transfer the remainder to the Buildings and Infrastructure Reserve is consistent with the recommendation brought to Council within the draft Financial Plan report and is in support of the funding required to upgrade the City's infrastructure according to asset master plans. The remaining unallocated new tax revenue equates to a 0.3% tax increase reduction.

Respectfully submitted,


Susanne Thompson
Director of Finance

Report accepted and recommended by the City Manager:

Date:


April 4, 2018

List of Attachments

Appendix A: Summary of Approved Allocations from 2018 New Assessment Property Tax Revenue from New Construction