



Committee of the Whole Report For the Meeting of October 17, 2019

To: Committee of the Whole **Date:** October 3, 2019
From: Susanne Thompson, Deputy City Manager and Chief Financial Officer
Subject: 2020-2024 Draft Financial Plan

RECOMMENDATION

That Council receive this report for information and further consideration on December 5, 2019.

EXECUTIVE SUMMARY

Through the annual financial planning process, Council sets service levels and allocates funding to deliver the City's over 200 programs and services, to invest in infrastructure upgrades, and to achieve the City's Strategic Plan. For Council's consideration, the draft financial plan maintains current services at current service levels incorporating efficiencies achieved as a matter of course.

Council has provided direction to incorporate an equity lens in decision making. A separate report seeking further direction regarding the approach for an equity lens, which can range broadly in its application, is on the agenda for the October 17, 2019 Committee of the Whole meeting. Although an equity lens is not currently in place, a number of program areas, such as recreation and engagement, use inclusion considerations in program and event delivery. In addition, Council recently approved the Transgender, Non-Binary and Two Spirit Inclusion Action Plan; and struck a number of committees/working groups including for renters, seniors and peer informed community wellness. Staff recognize that Council's direction is for a more comprehensive equity approach and this will be developed going forward. In the meantime, this report outlines how guiding documents, such as master plans that include a number of prioritization criteria, inform the projects and programs brought forward for Council's consideration as part of the financial planning process. For awareness, attached as Appendix A to this report are maps providing a geographic view of some of the City's current infrastructure.

Four sessions have been scheduled (October 21, 31, November 4 and 15) where staff will provide detailed budget presentations and answer any questions Council may have. On December 5, 2019, Council direction will be sought on new property tax revenue from new development, 2019 surplus, utility rate increases, supplementary requests, and direct-award and other grants.

Council direction on a maximum tax increase of inflation plus 1% was provided through the Strategic Plan. The Consumer Price Index for Victoria (CPI) has ranged from 2.3% - 2.8% so far this year. The July CPI, when this draft plan was developed, was 2.4%, resulting in a maximum tax increase target of 3.4%. The draft financial plan introduced today totals approximately \$258.7 million for operating and \$42.1 million for capital. The proposed budget would result in a tax increase of 3.35%

(1.42% for operating, 0.72% for increased capital investment, 0.06% for the Greater Victoria Public Library, and 1.31% for VicPD plus 0.20% for the full-year cost of the six new officers approved by the Province in 2019, less new property tax revenue from new development to fund capital -0.36%).

Although Council direction relates to tax increases only, the draft financial plan also outlines user fee increases and clearly shows the impact to households and businesses for both utility fees and property taxes. Including utility user fees, the proposed total increase is 3.32% for the average residential property and 3.26% for the typical business.

During the strategic planning and 2019 financial planning processes, a number of resolutions were passed directing staff to bring forward items for consideration during this year's process as outlined in Appendices C and D. Staff are also bringing forward supplementary requests to address capacity challenges in a number of areas as outlined in Appendix B.

The draft financial plan and supporting consultation documentation will be available online by October 17, 2019. Following Council deliberation and adjustments, first reading of the Financial Plan Bylaw is scheduled to take place on November 15 signalling that Council is satisfied that the plan is ready to receive public input. A Town Hall/e-Town Hall meeting is scheduled on November 21. Upon completion of the public consultation, 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 15, staff will recommend that Council:

1. Direct staff to bring forward the Five-year Financial Plan Bylaw, 2020 to the November 15, 2019 daytime Council meeting for consideration of first reading.
2. Direct staff to bring forward bylaws outlining solid waste, sewer utility, water utility and stormwater utility user fee increases to the November 28, 2019 Council meeting for consideration of first, second and third readings.
3. Approve the following allocations of new property tax revenue from new development:
 - a. \$500,000 to the Buildings and Infrastructure Reserve as per the Financial Sustainability Policy
 - b. \$234,333 to fund a permanent increase in community and senior centre operating funding
 - 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 2019 surplus upon completion of public consultation.
5. Direct staff to bring forward options for funding supplementary budget requests upon completion of public consultation.
6. Approve the direct-award grants as outlined in this report.
7. Approve other grants as outlined in this report.
8. Direct staff to bring forward options for funding increased grant requests upon completion of public consultation.

PURPOSE

The purpose of this report is to introduce the draft 2020-2024 Financial Plan for Council's review and discussion prior to consideration of first reading of the 2020 Five Year Financial Plan Bylaw to initiate 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.

In addition, the City's Strategic Plan sets a maximum property tax increase of inflation plus 1%.

As part of the strategic planning process and the 2019 financial planning process, Council provided direction to either include items within the 2020 draft financial plan or to report back as part of the 2020 financial planning process. In addition, a number of reports throughout the year have referred consideration of funding to the 2020 financial planning process. These inclusions have been made and the items referred for consideration are included as appendices to this report.

The financial plan focuses on priorities and outcomes, outlining services and capital projects including costs, revenues and benefits of each. This 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.

Guiding Documents and Inclusion Considerations

The following section provides background information on how existing guiding documents inform the draft financial plan. The intent is to highlight what currently takes place, which could be a starting point for determining what could be improved upon in the context of developing/using an equity lens. The section below is not exhaustive, but provides a snapshot

Service Delivery

The City provides many services to its citizens. The following are examples of some of the considerations taken into account when shaping program delivery for a few of the City's public-facing services.

Recreation

The programs and services delivered through the City's various recreation assets are critical to addressing the overall health and wellness needs of residents of all ages and abilities. The majority of programs and services are delivered through a neighbourhood-based delivery model, whereby not-for-profit societies are supported by the City with funding and facilities, to identify and meet the needs of citizens at the local level. In addition, staff at the Crystal Pool and Fitness Centre also seek input from and collaborate with patrons and stakeholders to tailor program and service offerings for both residents in the local neighbourhood and others in the community, in City facilities and parks. For the past several years, the LIFE initiative has been administered by the City in partnership with

municipalities throughout Greater Victoria to reduce financial barriers to participation for residents with low income.

Engagement

The City is committed to clear, open and transparent two-way communication between the City and the public, with the ability for public input to effect change. Effective engagement means taking everything heard under consideration as decisions are made. The City's commitment to the community is to listen and review the feedback received with equal consideration as part of the City's decision-making process. When new projects are being developed or changes are being considered to plans, policies, programs and services, we want to hear from those who are impacted. We also want to hear from those who have passion and experience in the areas we're working on. Opportunities to provide this feedback are diverse and wide-ranging. From open houses to online surveys, the City seeks a variety of ways to stay engaged with residents that also reduces barriers to participation. For example, childminding is now provided for Council meetings, and new Town Halls provide an opportunity for participants to lead discussions with Council. The City's annual Engagement Summit allows residents to inform us on how we can continue to refine our engagement activities to reduce barriers and increase public participation.

Strategic Real Estate

Based on current direction from City Council, the Strategic Real Estate department manages the real estate portfolio and makes decisions regarding the acquisition, disposition and use of land, based on the triple bottom line approach that takes into account the economic, social and/or environmental returns from the transaction. Through this balanced approach, multiple outcomes can be secured because the City values social and environmental benefits generated through the use of land equally with economic benefits. A balanced approach, taking into consideration all three types of returns, is important for long term sustainability and leveraging the use of land to provide its maximum benefit. For example, economic returns from commercially leased properties help provide funding for City projects and services that deliver social benefits to a wide range of the community. Beyond economic use, the City also chooses to make use of land to directly generate social benefits to ensure a wider group of the public receives benefit. These social benefits can be realized in a number of different ways and by various groups (e.g. non-profits and community groups) who would not be able to operate and deliver their services, or participate in their activities, if they had to incur the economic cost of land necessary for their activities. Recent efforts by the City to support multiple affordable housing and transitional shelter projects, affordable childcare space, community centres, society spaces and community gardens are examples where City real estate is provided throughout the community at nominal rates (no economic return) to deliver social initiatives supporting the City's strategic direction. Finally, the City can also evaluate real estate decisions with respect to environmental impacts as another form of social benefits. Recent examples of this can take the form of protecting fragile ecosystems through acquiring land, to remediating contaminated land as part of converting it to community use or economic development.

Business and Community Relations

Economic Development, Arts Culture & Events, Neighbourhood Team and Victoria Conference Centre are all very public-facing and on a daily basis require staff to assist and work holistically with all residents, businesses, and organizations. The Business Hub operates with an 'open door' policy and welcomes anyone looking to start a business or require assistance working through the City's business processes. The Neighbourhood Team manages the My Great Neighbourhood Grant program that is open to any Victoria resident. They also attend all 13 Neighbourhood Association monthly meetings and are a conduit for an exchange of information between the City and residents. The Victoria Conference Centre is 1 of 20 convention facilities in Canada and welcomes any type of conference, meeting, event or consumer show. The Arts, Culture & Events team

evaluate the majority of new initiatives based on the Create Victoria Implementation Framework as a guiding reference for prioritizing projects. The public art projects are vetted by both the Art in Public Places Committee and an Inter-Departmental Public Art Technical Team. Staff use City planning documents such as Neighbourhood Plans, Parks and Open Space Master Plans, stakeholder input (AIPP and staff) to determine project feasibility and priorities.

Infrastructure Investment

The majority of the City's infrastructure investment is guided by asset master plans as well as the City's Official Community Plan, Neighbourhood Plans, regional plans and the Strategic Plan. These master plans use a range of criteria to determine priorities.

Underground utilities (sewer, storm drains and water) have 20-year asset master plans in place. Asset management planning, and lifecycle costing and analysis include:

- Risk assessment and service delivery
- Condition assessment and remaining design life
- Capacity requirements including future population growth
- Enhance resiliency to meet climate change, tsunami and seismic hazards
- Reduce inflow and infiltration to sewers
- Optimizing energy use

Additional factors taken into account are:

- Coordination with transportation or other right-of-way improvements (bundle projects)
- Number and location of other projects in neighbourhood in consideration of social impacts – network traffic flows

For transportation projects, there are many and varied programs and services provided including crosswalks, sidewalks, road paving and traffic calming. Each program considers a number of criteria, but the overall principles for all transportation projects are:

- Road safety
- Use of standards, established criteria and best practice
- Consistency of implementation to maintain system integrity
- Promoting projects fairly and equitably with the most impact and greatest benefits
- Fiscal responsibility and prudence
- Coordination opportunities

The Parks and Open Spaces Master Plan was developed through city-wide consultation with residents and other stakeholders, to assess community needs and examine investment priorities. The goals of the Plan include a focus on serving the needs of all citizens (*Foster Engaging Experiences for Everyone*).

The ongoing maintenance work relating to “grey” and “green” assets in parks and open spaces is primarily driven by condition assessment data, which provides an objective measure of the state of assets in these public spaces. In recent years, staff have noted that the condition of assets in low-income areas of the city have required additional investment and attention, resulting in major projects in locations such as Cecelia Ravine Park.

The City's investments in buildings are typically based on a few key factors, including data relating to the physical condition of these assets and systems, as well as the service priorities of occupants of these buildings. In the past three years, increased focus has been directed to quantifying and

addressing physical accessibility needs, as well as energy performance, in line with the City's overall strategic plans. Over the next several months, a long-term Facilities Master Plan will be developed, resulting in a road map for decision-making and investments in these assets, based on Council's new strategic principles and goals.

ISSUES & ANALYSIS

Operating Budget

Overview

The draft 2020 operating budget totals \$258.7 million, resulting in a proposed overall increase in property taxes of \$4.68 million or 3.35%. Including utility user fees, the proposed increase is 3.32% for residential and 3.26% for business.

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

Highlights of City Services



The draft financial plan maintains services at current services levels. The main cost drivers are salary increases, capital investment, insurance, training and development, hydro, and software licencing agreements. These increases have been offset in part by increased revenues from recreation and property leases.

The following table summarizes the budget cost drivers and proposed property tax increase for 2020:

Property Tax Impact	Tax Increase	
	Dollars \$	Percentage %
Cost Drivers		
Salaries and Benefits	1,748,932	1.25%
Insurance	118,720	0.08%
Training and Development	100,886	0.07%
Software Licencing	81,872	0.06%
Hydro	58,285	0.04%
Fuel	42,135	0.03%
Asphalt	24,000	0.02%
Police Late Night Task Force	16,150	0.01%
Natural Gas	12,470	0.01%
Grants		
Inflation Growth	28,232	0.02%
Community and Senior Centres Operating Funding	234,333	0.17%
New Property Tax Revenue from New Development	(234,333)	-0.17%
Operating Impacts from Capital Projects		
Johnson Street Bridge Operations	45,000	0.03%
Johnson Street Bridge Public Realm	39,000	0.03%
Expense Savings		
Crystal Garden Retail Water - direct billing to lessee	(33,710)	-0.02%
Revenue Increase		
Recreation Fees	(111,741)	-0.08%
Lease Revenue	(83,814)	-0.06%
PILT Revenue	(15,000)	-0.01%
Dog Licenses	(15,000)	-0.01%
Capital Investment		
Street Upgrades	500,000	0.36%
Building and Infrastructure Reserve	500,000	0.36%
New Property Tax Revenue from New Development	(500,000)	-0.36%
Other Changes		
	(72,395)	-0.05%
City Total	2,484,022	1.78%
Police Operations	1,589,271	1.14%
Six Officers Approved by Province in 2019	283,004	0.20%
Capital Reserve Increase	234,404	0.17%
Police Total	2,106,680	1.51%
Greater Victoria Library	90,504	0.06%
Total Property Tax	4,681,206	3.35%

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

	2018 FTE	2019 FTE	2020 Draft FTE	2019 to 2020 Draft Change
Business and Community Relations	25.91	25.91	25.91	0.00
Bylaw Services	10.00	10.00	10.00	0.00
City Manager's Office	7.00	7.00	7.00	0.00
Corporate Initiatives	0.00	2.00	2.00	0.00
Engagement	12.00	11.00	11.00	0.00
Engineering and Public Works	279.72	296.72	300.72	4.00
Finance	84.26	85.07	85.07	0.00
Human Resources	11.00	13.00	13.00	0.00
Information Systems	19.00	23.00	23.00	0.00
Legal Services	4.00	4.00	4.00	0.00
Legislative Services	12.88	9.88	9.88	0.00
Mayor's Office	0.00	1.00	1.00	0.00
Parks, Recreation and Facilities	179.75	187.75	194.68	6.93
Real Estate	3.00	5.00	5.00	0.00
Sustainable Planning and Community Development	43.43	44.43	44.43	0.00
Victoria Fire Department	124.09	124.09	124.09	0.00
Total	816.04	849.85	860.78	10.93

Notes:

Engagement and Sustainable Planning and Community Development have 1 FTE each reallocated to Corporate Initiatives
 Legislative Services 3 FTE's from records management and archives have reallocated to Information Systems

In 2019, Council approved adding a number of positions to advance initiatives including for affordable housing, urban forest, climate action, strategic real estate and sustainable transportation.

In addition, during the 2019 financial planning process Council passed the following motion:
 "That Council adopts the policy that the FTE count indicated in the Financial Plan for each department / division / business unit is approximate, meaning that the FTE count will not be interpreted in a restrictive manner to prevent in-house delivery of services, subject to expenditures not exceeding the maximum budgeted amount for the relevant department / division / business unit."

Subsequent to that direction, 10.93 FTEs have been added funded within exiting budgets or through related revenue increases for recreation, underground utilities, surface infrastructure and public works.

The current full-time employee equivalent count, excluding VicPD, is 860.78. 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. Should Council approve any supplementary requests or fund additional Strategic Plan initiatives, additional FTEs would be added.

Utilities

The major cost driver for the City's utilities is the CRD bulk water, salaries and capital investment. Staff are proposing to bring forward bylaws for rate increases to the November 28 Council meeting for consideration of first, second and third readings followed by adoption at the December 12 Council meeting. Bringing the bylaws forward in this manner will authorize the increases to come into effect on January 1, 2020. Further details for each utility is provided below.

The proposed Water Utility budget results in a user fee revenue increase of \$847,022 or 3.97% as outlined in the following table:

Water Cost Driver		Dollars \$	Percentage %
CRD Bulk Water	\$	766,969	3.59%
Salaries, materials & equipment		80,053	0.37%
Total	\$	847,022	3.97%

The proposed Sewer Utility budget results in a user fee revenue increase of \$181,085 or 2.28% as outlined in the following table:

Sewer Cost Driver		Dollars \$	Percentage %
Transfer to Capital	\$	122,000	1.53%
Salaries, materials & equipment		59,085	0.74%
Total	\$	181,085	2.28%

The Solid Waste program proposes a user fee revenue increase of \$109,447 or 3.39% as outlined in the following table:

Solid Waste Cost Driver		Dollars \$	Percentage %
Salaries, materials & equipment	\$	109,447	3.39%
Total	\$	109,447	3.39%

The proposed Stormwater Utility budget results in a revenue increase of \$116,117 or 1.69% as outlined in the following table:

Stormwater Cost Driver		Dollars \$	Percentage %
Transfer to Capital	\$	59,000	0.86%
Salaries, materials & equipment		57,117	0.83%
Total	\$	116,117	1.69%

Greater Victoria Public Library (GVPL)

The City's share of the GVPL's operating and facility maintenance budget request, and the City's lease and building costs for its branches is \$5.54 million, which is an increase of approximately \$90,500. The Library Board is scheduled to consider the 2020 budget on October 22, 2019.

New Property Tax Revenue from New Development (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 permanently increase funding for community and seniors centre grants (\$234,333 – subject to report back from the centre operators).

Any additional new property tax revenue from new development has not been factored into the draft 2020 Financial Plan. A conservative early estimate for total new property tax revenue from new development, based on information provided by BC Assessment, is \$2.5 million. However, this is based on incomplete information this early in the year and this amount will likely change before it is finalized in March 2020. BC Assessment will be providing a revised estimate before Council makes funding allocation decisions in December. The final amount will not be known until the end of March when BC Assessment has finalized the assessment roll for the year.

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 portion of this new revenue has been used to fund new services as illustrated in the graph below:

Assessment Growth (Non Market Change) Allocation
2009 to 2019



Council could consider using this revenue to fund strategic plan items, fund supplementary requests, fund additional capital projects, address feedback from public consultation, transfer additional funds to reserve, or reduce taxes. The current reserve contribution to the Buildings and Infrastructure Reserve is \$8.1 million plus the proposed addition of \$500,000 for a total of \$8.6 million in 2020; the estimated unallocated balance at the end of 2019 is \$30.4 million.

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

2015		2016		2017		2018		2019	
Reduce Property Tax Increase	\$1,000,000	Real Estate Function	\$60,000	Police Budget	\$277,000	Buildings and Infrastructure Reserve	\$885,286	Urban Forest Management Plan	\$858,000
Buildings and Infrastructure Reserve	\$500,000	Buildings and Infrastructure Reserve	\$365,000	Buildings and Infrastructure Reserve	\$250,000	James Bay Library Operating	\$345,000	Buildings and Infrastructure Reserve	\$623,545
Community Garden Volunteer Grants	\$36,000			Accessibility Reserve	\$250,000	James Bay Library Capital	\$198,000	Real Estate Function	\$250,000
Interdisciplinary Team	\$300,000			Real Estate Function	\$135,000	Property Tax Decrease	\$197,234	Houseplexes and Townhomes Planners	\$240,000
Downtown Community Centre Funding	\$50,000			Tree Care	\$128,000	Fire Prevention Officer	\$121,000	James Bay Library Capital	\$239,000
Increase Community Centre Funding	\$100,000			Greening of Fleet	\$61,722	Police Civilians	\$114,814	Transportation Planner	\$200,000
Solid Waste Garbage Collection and Waste Separation	\$55,000			New Gymnasium - 950 Kings Rd	\$49,000	Transportation Planner	\$104,000	Disability Coordinator	\$128,500
Village Centre Beautification (Banners)	\$10,000			Arts and Culture Support	\$25,000	Park Planner	\$103,000	Vehicle and Heavy Equipment Reserve	\$123,545
Traffic Calming	\$100,000			Community Garden Volunteer Coordinator	\$6,000	Building Project Administrator	\$99,000	Climate Grant Writer	\$117,000
Sidewalk Maintenance Upgrades	\$80,000			Distribution of Mulch to Community Garden Operators	\$6,000	Sustainability Waste Management Engineer	\$99,000	Mayor's Office Support	\$114,000
Real Estate Function	\$101,000			Victoria Heritage Foundation Grant	\$5,125	Correspondence Coordinator	\$87,000	Climate Outreach Specialist	\$106,000
Total	\$2,332,000	Total	\$425,000	Victoria Civic Heritage Trust Grant	\$2,153	Graphic Design Support	\$81,000	New/Expanded Community Centres	\$106,000
				Medallion Challenge Trophy	\$500	Parks Natural Areas Support	\$63,000	Business Analyst - Information Systems	\$102,000
				Total	\$1,195,500	Festival Investment Grant	\$50,000	Talent Specialist	\$96,500
						Community Garden Program	\$15,000	Asset Management Technician	\$85,500
						Victoria Heritage Foundation	\$10,716	LIFE Program Extension	\$74,000
						Food Systems North Park Neighbourhood Association	\$6,000	Indigenous Artist in Residence	\$72,000
						Victoria Heritage Trust	\$2,186	Festival Investment Grant	\$50,000
						Victoria Community Association Network Grant	\$900	Community Garden Program	\$30,160
						Community Garden Volunteer Coordinator Grants Inflation	\$864	Strategic Plan Grants	\$20,000
						Total	\$2,583,000	Youth Leaders in Training (YLIT)	\$20,000
								Support Department Overhead	\$19,000
								Mayor's Travel Budget	\$15,000
								Town Hall Meetings	\$12,000
								Council Catering	\$10,000
								Living Wage	\$9,000
								Constituency Funds	\$8,000
								Urban Food Table	\$6,000
								Community Input Process	\$5,000
								My Great Neighbourhoods Grant	\$3,000
								Victoria Civic Heritage Trust Grant	\$2,250
								Poet Laureate Program	\$2,000
								Total	\$3,747,000

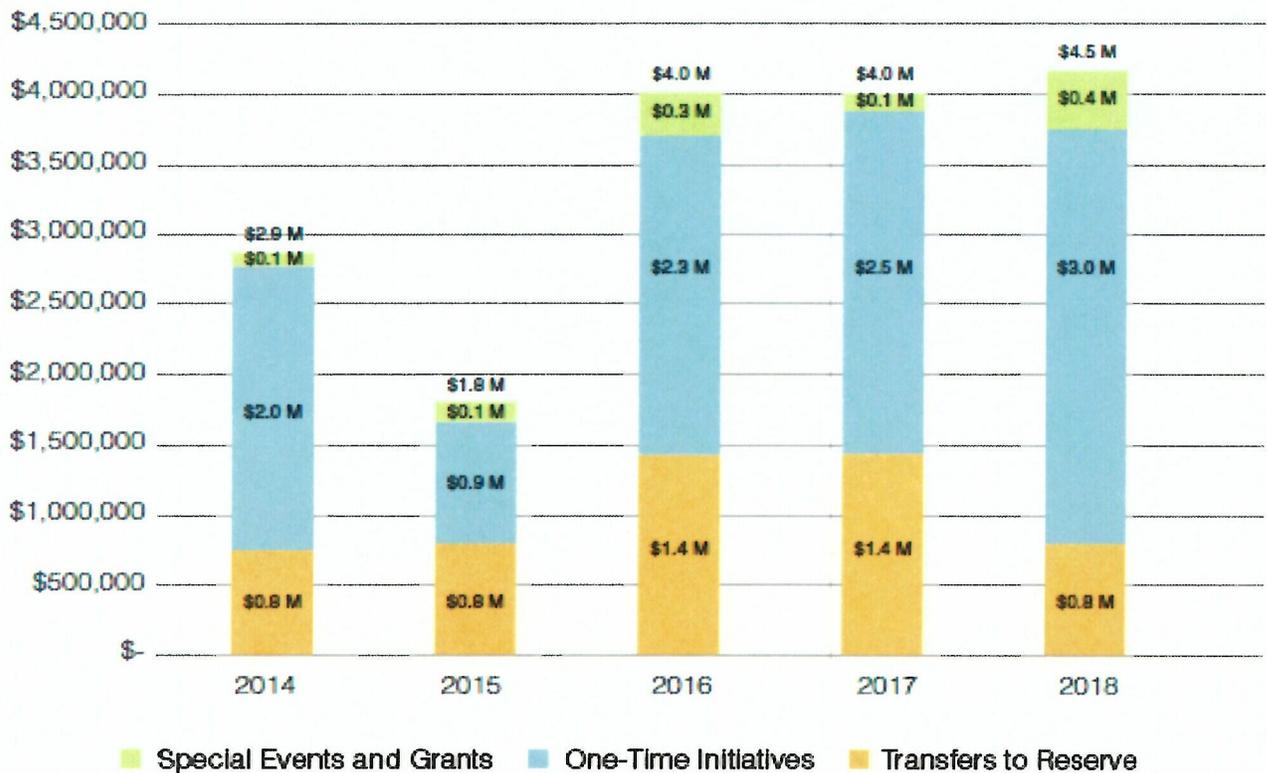
2019 Surplus

Per the Financial Sustainability Policy, prior year surplus can be used for one-time expenditures and/or be transferred to infrastructure reserves. Since the 2019 year is not yet complete and the amount of the 2019 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 2019 surplus be made once the consultation on the draft Financial Plan is complete.

The following graph and table outline the surplus allocation for the past five years:

Surplus Allocation 2014 to 2018



2014		2015		2016		2017		2018	
Victoria Housing Reserve	\$ 750,000	Buildings and Infrastructure Reserve	\$ 552,721	Buildings and Infrastructure Reserve	\$ 1,440,209	Buildings and Infrastructure Reserve	\$ 482,609	Victoria Housing Reserve	\$ 750,000
Buildings and Infrastructure Reserve	\$ 500,000	Parks Overnight Sheltering Support and Clean-Up	\$ 313,000	Accelerated Local Area Planning (2018-2019)	\$ 500,000	Vehicles and Heavy Equipment Reserve	\$ 482,608	Zero Waste Strategy	\$ 400,000
Accessibility Capital Fund	\$ 250,000	Accessibility Capital Fund	\$ 250,000	South Island Prosperity Project (SIPP)	\$ 220,000	Greenways Acquisition Fund Reserve	\$ 482,608	Overnight Sheltering – Support & Clean Up	\$ 362,000
Emergency Management	\$ 250,000	Crosswalk Projects	\$ 200,000	Vulnerable Population Pilot Project	\$ 204,891	Victoria Housing Strategy Implementation	\$ 250,000	Housing Initiatives	\$ 300,000
Parks Master Plan	\$ 250,000	Arboriculture (Urban Forest Mgmt Plan Implementation)	\$ 128,500	Parks Overnight Sheltering	\$ 200,000	South Island Prosperity Project	\$ 220,000	Traffic Calming Initiatives	\$ 250,000
Expediate Local Area Plans	\$ 200,000	Cultural Plan	\$ 116,000	Parks Infrastructure	\$ 158,000	Mental Health Integration	\$ 216,575	Accessibility Framework	\$ 250,000
UBCM Conference	\$ 155,000	Senior Parks Planner	\$ 103,000	High Risk Tree Removal	\$ 150,000	Overnight Sheltering – Support & Clean Up	\$ 200,000	Citizens' Assembly	\$ 250,000
Centennial Square Washroom Upgrades	\$ 125,000	Real Estate Function Consulting	\$ 100,000	Canada 150 Festivities	\$ 150,000	Neighbourhood Transportation Management	\$ 180,000	South Island Prosperity Project	\$ 220,000
Dallas Road Split Rail fence	\$ 125,000	Broad Street Mall Repairs	\$ 15,000	Songhees and Esquimalt First Nations Long House	\$ 110,000	High Risk Tree Removal	\$ 150,000	MSP Premiums	\$ 200,000
Strategic Objectives Account (unallocated)	\$ 109,318	Sidewalk Power-Washing	\$ 15,000	Parks Planning Temporary Support	\$ 103,000	Heritage Planner (2 year term)	\$ 120,000	Community Centre Funding	\$ 170,424
Storage-Homeless Persons' Belongings	\$ 45,000	India Mela and Dragon Boat Society 80% FKG Grants	\$ 11,200	Victoria Housing Strategy Implementation	\$ 100,000	Engagement Advisor	\$ 109,000	Public Washroom - South End of Douglas St	\$ 150,000
Concrete and Brick Pavers Intersection Maintenance	\$ 37,000	Traffic and Parking Improvements	\$ 8,000	Correspondence Coordinator	\$ 87,000	Downtown Public Realm Plan Implementation	\$ 105,000	Tree Preservation Bylaw	\$ 110,000
Strategic Plan Grants - additional funding	\$ 36,164	City of Victoria Youth Council Additional Request	\$ 6,000	Install Symbol of Leikwungen People	\$ 75,000	Community Benefit Hub (2 year)	\$ 100,000	Parks Planner	\$ 107,250
Western Canada Music Awards Grant	\$ 25,000	Total	\$ 1,818,421	Adaptive Management Framework	\$ 55,000	Downtown sidewalk cleaning & snow removal	\$ 99,500	Planner - Development Services	\$ 107,250
Strategic Plan Grants (unspent 2014 Greenways)	\$ 25,000			Temporary Moveable Child Friendly Play Feature in Centennial Square	\$ 50,000	Parks Arboriculture	\$ 97,000	Neighbourhood Led Neighbourhood Planning	\$ 100,000
Island Transformations Railway Crossing Study	\$ 4,000			City Studio (2018-2019)	\$ 50,000	Speed Reader Boards	\$ 85,000	Reconciliation Training	\$ 76,350
VCAN Support	\$ 1,100			Public Works Master Plan	\$ 50,000	International Ice Hockey Federation World Junior Hockey Championship	\$ 70,000	Support Department - Engagement	\$ 75,000
VCAN Support 2016 - First 6 Months	\$ 900			Seasonal Special Events Traffic Control Support	\$ 50,000	Secretary Planning	\$ 67,000	Secretary - Planning	\$ 72,500
Total	\$ 2,888,482			Solid Waste Management Strategy	\$ 50,000	Condition Assessment Pilot Project	\$ 60,000	Secretary - Legislative Services	\$ 72,500
				City's Truth and Reconciliation Commission Calls to Action Task Force	\$ 50,000	Inclusion Policy and Program	\$ 60,000	Support Department - Legal Services	\$ 65,000
				Car Free Day (2018-2020)	\$ 45,000	Environmental Performance Audit	\$ 50,000	Senior Centre Funding	\$ 63,900
				Development Services Temporary Support	\$ 42,000	Professional Certification/Project Management	\$ 50,000	55+ Games BC 2021	\$ 55,000
				Zoning Updates	\$ 30,000	Witness Reconciliation Program	\$ 50,000	Victoria 2020 Francophone Games	\$ 50,000
				Youth Strategy	\$ 30,000	Accessibility Framework	\$ 40,000	Our Place extended hours	\$ 50,000
				2017 Canadian Capital Cities Organization Annual Conference	\$ 20,000	Traffic Signal Timing Update Study	\$ 40,000	Buildings and Infrastructure Reserve	\$ 48,326
				Temporary installation of table tennis and chess tables in Centennial Square	\$ 11,000	Pioneer Square Archaeological Reporting	\$ 37,000	Youth Strategy Coordinator	\$ 30,000
				Victoria Community Association Network	\$ 1,200	Extra Bridge Coverage	\$ 30,000	Best Practices in Respectful Facilitation Training & Engagement	\$ 30,000
				Fairfield Community Centre - Insurance Administration	\$ 500	Single-Use Checkout Bag Regulation	\$ 30,000	Greenway Plan and Design Standard	\$ 30,000
				Total	\$ 4,032,800	Youth Strategy Liaison	\$ 30,000	Government Street Pedestrian Only	\$ 25,000
						Youth Leaders in Training Program	\$ 20,000	Rental Initiatives	\$ 20,000
						Step Code Implementation	\$ 10,000	Municipal Alcohol Policy - Late Night Task Force	\$ 15,000
						Ending Violence Association of BC	\$ 2,500	Childcare at City Hall for Public Hearings	\$ 11,000
						Total	\$ 4,026,400	MacDonald Statue	\$ 10,000
								Council Conflict of Interest	\$ 10,000
								Childcare Strategy	\$ 5,000
								Late Night Task Force (Harassment)	\$ 2,500
								Total	\$ 4,544,000

A conservative early estimate of the 2019 surplus is \$3 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. The numbers assume Council approves a 3.35% tax increase and distributes the tax increase evenly between residential and commercial taxpayers. These estimates were calculated based on 2019 assessed property values and 2019 estimated water usage and actuals will differ as assessed values will change in

2020. Also, these numbers reflect average increases and individual properties will see different increases depending on individual property assessed value changes.

Estimated Average Residential	2020	2021	2022	2023	2024
Property Taxes (\$805,000 assessed value)	\$85	\$82	\$72	\$72	\$75
Water Utility - 80 units	17	15	11	11	12
Sewer Utility - 80 units	4	3	4	11	1
Solid Waste - 120 litre bin	8	5	4	5	5
Stormwater Utility	2	5	7	5	5
Estimated Increase in \$	\$116	\$110	\$98	\$104	\$98
Estimated Increase in %	3.32%	3.05%	2.64%	2.73%	2.50%
Estimated Typical Small Business	2020	2021	2022	2023	2024
Property Taxes (\$644,000 assessed value)	\$237	\$228	\$199	\$201	\$209
Water Utility - 80 units	17	15	11	11	12
Sewer Utility - 80 units	4	3	4	11	1
Stormwater Utility	5	10	16	11	12
Business Licence	-	-	-	-	-
Estimated Increase in \$	\$263	\$256	\$230	\$234	\$234
Estimated Increase in %	3.26%	3.07%	2.68%	2.65%	2.59%

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; 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 corporate-wide prioritization process is undertaken. The supplementary requests for 2020 address capacity challenges in a number of areas as outlined in the table below:

Supplemental Request	On-Going	One Time
Managing Growth and New Development		
Secretary - Planning	\$ 72,500	
Secretary - Legislative Services	\$ 80,500	
Planner - Development Services	\$ 113,500	
Planner - Parks	\$ 113,500	
Strategic Plan Support Services		
Resources Requirements for Legal Services		\$ 84,500
Resource Requirements for Engagement		\$ 75,000
Short-Term Rentals		
Bylaw Position	\$ 73,000	
Bylaw Position	\$ 93,500	
Asset Management		
Asset Management Position	\$ 89,000	
Managing Public Spaces		
Parks Clean Up	\$ 362,000	
Centennial Square	\$ 35,000	
Bylaw Position	\$ 93,500	
Health and Safety		
Health and Safety Position	\$108,000	
Youth Initiatives		
Support Program Implementation		\$ 30,000
Tree Care		
Tree Planting		\$ 140,000
Protocol		
Sister City Delegations		\$ 60,000
Heritage		
Position - Heritage 0.5 FTE	\$ 50,000	
Total	\$ 1,284,000	\$ 389,500

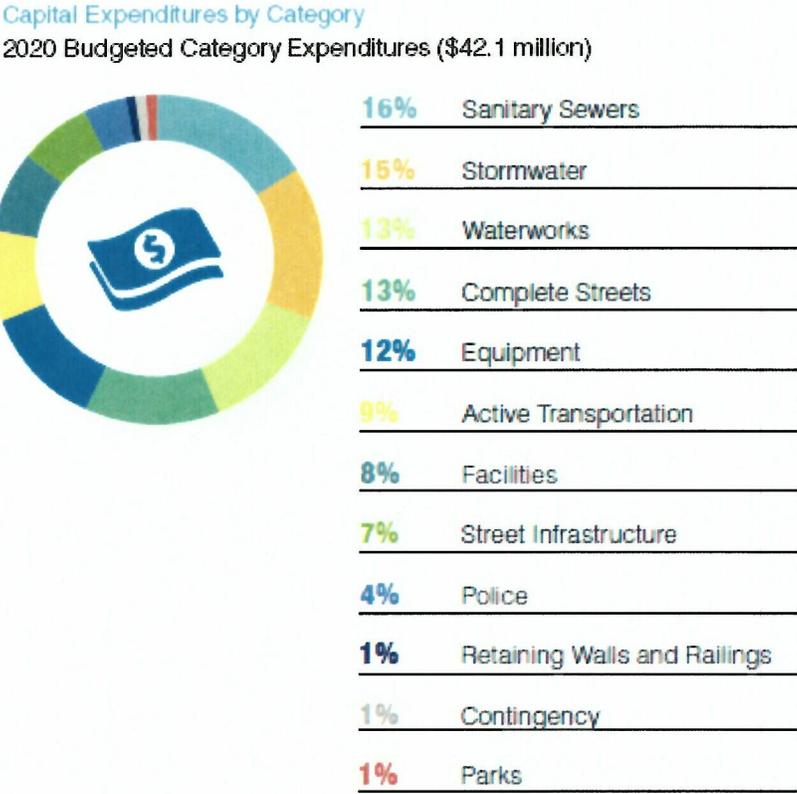
It is anticipated that the positions related to short-term rentals can be funded through the short-term rental licence revenue. Additional details on each are attached as Appendix B.

The public consultation process may result in additional funding needs. Possible funding sources are 2019 surplus, new property tax revenue from new development, 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 2020 totals \$42.1 million. The following chart outlines the proposed capital investment:



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



- | | | | |
|-----------------------|-----------------------|------------------------------|-----------------------|
| Active Transportation | Enhance Public Spaces | Parks | Stormwater |
| Bridges | Equipment | Police | Street Infrastructure |
| Complete Streets | Facilities | Retaining Walls and Railings | Waterworks |
| | Parking | Sanitary Sewers | |

Each budget request includes both the capital cost and the ongoing additional operating costs and FTE requirements. 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 have sufficient funding levels for the near future but may require funding increases beyond that (sewers), some projects are shaped through consultation with the community (park upgrades), some require additional analysis to determine the required funding levels (equipment and surface infrastructure such as street and traffic lights) and some fall short of recommended levels (facilities, roads and fleet).

A facilities condition assessment was completed in 2015 and a Facilities Master Plan was initiated in 2019; both will inform future investment needs and long-term funding strategies.

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 \$500,000 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 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 \$11.1 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 2020, based on the investment needs identified above, it is recommended that \$500,000 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 grants and debt, which is consistent with the City's debt policy.

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 2019. 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. 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 2019 will be completed:

Description	Unallocated Balance at Dec 31, 2019	2020 Budget Transfers In	2020 Budget Transfers out	Projected Balance Dec 31, 2020
Capital Reserves				
Equipment & Infrastructure				
Police				
Police Vehicles, Equipment & Infrastructure	907,573	1,155,000	1,730,000	332,573
Police Emergency Response Team	347,894	10,000	32,000	325,894
City				
City Equipment	10,419,436	1,602,500	1,520,000	10,501,936
City Vehicles & Heavy Equipment	4,004,084	1,890,743	2,452,000	3,442,827
City Buildings & Infrastructure	30,436,928	9,014,832	4,047,000	35,404,760
Accessibility Capital	963,966	250,000	-	1,213,966
Parking Services Equipment and Infrastructure	9,962,191	3,553,427	260,000	13,255,618
Multipurpose Equipment and Infrastructure	758,323	142,000	-	900,323
Recreation Facilities Equipment and Infrastructure	1,164,243	28,300	-	1,192,543
Archives Equipment	32,062	-	-	32,062
Artificial Turf Field	1,197,314	99,465	-	1,296,779
Gas Tax	5,639,535	3,666,000	4,473,000	4,832,535
Water Utility Equipment and Infrastructure	22,230,796	1,770,000	-	24,000,796
Sewer Utility Equipment and Infrastructure	26,820,855	609,407	1,466,000	25,964,262
Stormwater Utility Equipment and Infrastructure	2,459,862	100,000	-	2,559,862
Tax Sale Lands Fund	1,874,956	50,000	-	1,924,956
Parks and Greenways Acquisition Fund	2,167,917	-	-	2,167,917
Tree Conservation	446,746	-	45,290	401,456
Local Amenities Reserve	203,600	-	-	203,600
Development Cost Charges	12,635,787	-	1,388,000	11,247,787
Downtown Core Area Public Realm Improvements	216,180	-	-	216,180
Total Capital Reserves	134,890,248	23,941,674	17,413,290	141,418,633
Operating Reserves				
Financial Stability Reserves				
City	8,087,108	205,000	454,000	7,838,108
Police	590,785	-	-	590,785
Debt Reduction	41,573,802	3,147,368	-	44,721,170
Insurance Claims	4,003,695	-	-	4,003,695
Water Utility	865,658	-	-	865,658
Sewer Utility	814,334	-	-	814,334
Stormwater Utility	429,134	-	-	429,134
Victoria Housing Reserve	3,230,915	250,000	-	3,480,915
Climate Action Reserve	400,390	313,961	105,000	609,351
Art in Public Places	382,467	150,000	200,500	331,967
Heritage Buildings Seismic Upgrades	150,411	-	-	150,411
Development Stabilization Reserve	1,880,449	-	-	1,880,449
Total Operating Reserves	62,409,148	4,066,329	759,500	65,715,977
Total City Reserves ¹	197,299,396	28,008,003	18,172,790	207,134,609

1. Additional interest revenue earned will be allocated throughout each Reserve at year-end

The City currently has \$69.3 million in outstanding debt. 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 that Council has set aside for the replacement of Fire Department Headquarters. There are some smaller debt issues 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	2020 Total
2022	102	Burnside Gorge Community Centre	163,644
2022	102	City Hall Accessibility	162,992
2023	103	Parkades	137,594
2024	105	Parkades	130,394
2024	105	Crystal Gardens	249,198
2025	110	Parkades	493,694
2031	115	Johnson Street Bridge Replacement (CMHC)	743,242
2033	79	Multipurpose Arena	375,514
2033	80	Multipurpose Arena	435,514
2034	81	Multipurpose Arena	435,514
2034	130	Johnson Street Bridge Replacement	1,475,097
2036	139	Johnson Street Bridge Replacement	320,186
2037	142	Johnson Street Bridge Replacement	659,671

Allocation of Annual Gas Tax Funding

The City receives annual funding from the Federal Government through their gas tax program. The expected amount for 2020 is \$3.67 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 2019, 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 2020, the gas tax funding available is \$4.83 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, recreation projects such as the Crystal Pool Replacement and bike lanes. The draft capital plan can be delivered with existing resources. Adding additional projects would be a challenge due to staff capacity; therefore, no allocation from this reserve is proposed for 2020.

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. Once completed, this plan will inform future capital plans. A condition assessment of all parks assets was 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 Topaz Park improvements, design work underway will determine required budgets and can be incorporated into the capital plan once completed.

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 a motion to set aside \$110,000 in funding for a future longhouse in Beacon Hill Park. The funding is set aside in reserve until the First Nations are ready to proceed.

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. Over the last two years, Council has directed a few grants to be allocated outside of the established programs and these have been grouped under “other grants”. Per Council direction, the majority of grants have been increased by inflation.

The Victoria Heritage Foundation has requested additional funding of 2.7% or \$5,962. The Victoria Civic Heritage Trust have indicated they may be requesting additional funding, but have yet to submit a request.

The proposed funding for the direct-award grants is as follows. The last column indicates the additional request.

Organization	Type of Grant	2019 Final Budget	2020 Budget	Change	Additional Requests
Victoria Civic Heritage Trust	Building Incentive	420,000	420,000	0	
Victoria Civic Heritage Trust	Operating	114,250	114,250	0	TBD
Victoria Heritage Foundation	Operating	220,841	220,841	0	5,962
Recreation Integration Victoria	Operating	33,213	33,213	0	
Victoria Youth Council	Operating	26,000	26,000	0	
Quadra Village Community Centre	Operating	75,000	75,000	0	
Quadra Village Community Centre	Youth Programming	8,659	8,875	216	
Quadra Village Community Centre	Lease Grant	43,200	44,064	864	
Fernwood Community Centre	Operating	75,000	75,000	0	
Fernwood Community Centre	Youth Programming	8,659	8,875	216	
Vic West Community Association	Operating	75,000	75,000	0	
Vic West Community Association	Youth Programming	8,659	8,875	216	
Vic West Community Association	Facility (janitorial)	35,566	36,277	711	
Fairfield Community Place	Operating	75,000	75,000	0	
Fairfield Community Place	Youth Programming	8,659	8,875	216	
Fairfield Community Place	Facility (janitorial, recycling)	47,234	48,179	945	
Fairfield Community Place	Liability Insurance	5,500	5,610	110	
Fairfield Community Place	Youth Outreach	15,000	15,000	0	
Cook Street Village Activity Centre	Operating	75,000	75,000	0	
Cook Street Village Activity Centre	Facility (strata fees)	18,062	18,423	361	
Victoria Silver Threads	Operating	75,000	75,000	0	
Victoria Silver Threads	Facility (lease)	122,389	122,389	0	
Burnside Gorge Community Centre	Operating	75,000	75,000	0	
Burnside Gorge Community Centre	Youth Programming	8,659	8,875	216	
Burnside Gorge Community Centre	Youth Outreach	10,000	10,000	0	
James Bay Community School Centre	Operating	75,000	75,000	0	
James Bay Community School Centre	Youth Programming	8,659	8,875	216	
James Bay Community School Centre	Facility (janitorial, recycling)	55,236	56,341	1,105	
James Bay New Horizons	Operating	75,000	75,000	0	
James Bay New Horizons	Facility (janitorial)	27,961	28,520	559	
Oaklands Community Centre	Operating	75,000	75,000	0	
Oaklands Community Centre	Youth Programming	8,659	8,875	216	
Oaklands Community Centre	Facility (janitorial)	17,265	17,611	345	
Cool Aid Downtown Community Centre	Operating	75,000	75,000	0	
Seniors Outreach	Operating	30,000	30,000	0	
Victoria Community Association Network	Operating	918	918	0	
Blanshard (Hillside Quadra)	Per capita base (0.75 times population)	5,684	5,826	142	
Burnside/Gorge	Per capita base (0.75 times population)	5,105	5,233	128	
Downtown (incl Harris Green)	Per capita base (0.75 times population)	4,129	4,233	103	
Fairfield Gonzales	Per capita base (0.75 times population)	12,343	12,652	309	
Fernwood	Per capita base (0.75 times population)	7,358	7,542	184	
James Bay	Per capita base (0.75 times population)	9,032	9,258	226	
North Jubilee	Per capita base (0.75 times population)	2,418	2,478	60	
North Park	Per capita base (0.75 times population)	2,680	2,747	67	
Oaklands	Per capita base (0.75 times population)	5,346	5,479	134	
Rockland	Per capita base (0.75 times population)	2,755	2,824	69	
South Jubilee	Per capita base (0.75 times population)	1,734	1,778	43	
Vic West	Per capita base (0.75 times population)	5,758	5,902	144	
		2,192,591	2,200,714	8,123	

Note: In 2019, the operating funding for the eight community centres and three senior centres were provided one-time increased funding of \$21,300 each for a total budget of \$75,000 each. As per Council direction, on-going funding for the same budget amount has been applied to 2020 budget

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 continued to increase 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. Since 2015, these numbers have increased significantly, with more than 1,500 participating last year.

Efforts in 2019 will continue to increase engagement and the diversity of input. Through an improved budget document, summary materials in print and online, and the e-Town Hall format, more people are participating than ever before and greater dialogue is occurring about the budget.

Although the City has increased participation broadly over the past four years, we continue to work on reaching traditionally under-represented groups and reducing barriers to participation to ensure feedback on the Financial Plan represents an accurate reflection of the community, to the greatest extent possible. We will place a particular focus on connecting with renters in Victoria, as they represent 59% of the population but have participated less than those who own a home, likely due to a misconception that the budget is only connected to property taxes. We will continue to work with the City of Victoria Youth Council to encourage youth to participate in this important engagement process. We will also continue to reach out to the business community, which pays nearly 50% of taxes in Victoria.

The draft budget and materials will be made available for public review in October, and the Budget Town Hall and e-Town Hall is scheduled for November 21. An online survey will also be conducted. City Council will consider the draft financial plan in conjunction with public input at the December 5 Committee of the Whole meeting.

Timeline

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

Dates	Task
October 21, 31, November 4 and 15, 2019	Detailed department presentations of draft Financial Plan, outline Supplemental requests and Strategic Plan and Financial Plan motions
November 15, 2019 Daytime Council	First reading of Financial Plan bylaw
November 2019	Public consultation
November 21, 2019	Town Hall / e-Town Hall meeting
December 5, 2019 Committee of the Whole	Present consultation results and seek direction on changes to Financial Plan and Strategic Plan
April 2020 Committee of the Whole	Final report on Financial Plan including incorporated changes; report on 2020 tax rates
April 2020 Council	Second and third reading of Financial Plan bylaw; first, second and third reading of tax bylaw
April 2020 Council	Adoption of Financial Plan bylaw and tax bylaw

OPTIONS & IMPACTS

Accessibility Impact Statement

Initiatives within the Financial Plan support accessibility improvements.

Strategic Plan

The draft Financial Plan is aligned with the Strategic Plan and contains funding for many of the action items within the Strategic Plan. Appended to this report are funding requirements for additional Strategic Plan action items for Council's consideration during this year's financial planning process.

Impacts to Financial Plan

The 2020-2024 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.

CONCLUSIONS

The 2020-2024 balances many competing priorities and supports the many services and programs provided throughout the city. Council's review, and feedback from the public will further shape the financial plan

Respectfully submitted,



Jo-Ann O'Connor
Deputy Director of Finance



Susanne Thompson
Deputy City Manager and Chief Financial Officer

Report accepted and recommended by the City Manager:

Date:


Oct 15, 2019

List of Attachments

- Appendix A – Maps of Current City Infrastructure
- Appendix B – Supplementary Requests
- Appendix C – Strategic Plan Resource Requirement Assessment
- Appendix D – Financial Plan Motions