



Committee of the Whole Report

For the Meeting of November 28, 2019

To: Committee of the Whole
From: Jocelyn Jenkyns, City Manager
Date: November 18, 2019
Subject: Third Quarter (Q3) Accountability Report

RECOMMENDATION

That Council receive this report for information and provide direction to staff on the subjects/topics for the first two Town Halls in 2020.

EXECUTIVE SUMMARY

The following report provides a summary of major achievements, accomplishments and highlights for the period of July 1, 2019 to September 30, 2019. It includes a summary of work undertaken in Quarter 3 (Q3) of 2019 included in the Strategic Plan and Financial Plan, as well as other information that Council has directed staff to include in quarterly updates.

Strategic Plan Progress Report – Attachment A

A progress report on the 2019-2022 Strategic Plan is contained in Attachment A. This Attachment provides a listing of Strategic Plan action items to be initiated in 2019 and organized by Strategic Plan Objectives. Definitions of the status of various projects are contained below.

- Green = On Track
- Yellow = Some Challenges (initiative delayed by a quarter)
- Red = Major Challenges (initiative delayed by more than one quarter)
- Blue = Complete
- Black = Initiation in Future Quarters

At the end of Q3 2019, 27 of the 63 Strategic Plan initiatives were on track as planned earlier this year (43%), with an additional 8 action items being completed or in operational sustainment mode (13%). Twenty-three initiatives are experiencing challenges, due to delays in meeting the original project schedules or capacity.

Five initiatives and action items contained in the Strategic Plan had not yet been initiated at the end of September 2019, largely related to housing, because of a dependency on hiring new staff in Q3 and Q4 to initiate this work. As approved by Council in July of 2019 through the approval of the Housing Strategy, select actions have been deferred to 2020.



Attachment A includes an explanation of the challenges being experienced for initiatives that are currently noted as being 'yellow' or 'red'. Generally, one of the overall challenges faced by staff is that the approved 2019-2022 Strategic Plan is heavily 'front-loaded' with over two thirds of the actions items to be initiated in the first two years. This, coupled with a the approval of 41 new positions to support Strategic Plan implementation, many of which required the development of new job descriptions and job evaluations prior to posting the opportunity for recruitment has delayed the initiation of a number of actions. A summary of the status of recruiting staff related to the Strategic Plan is below.

Status *	Description	Number
Filled	Position has been filled or no recruitment was required	27
Active	Currently in active competition (includes advertisement, shortlisting, interviews and offer)	8
Planning	Development of a job description and/or job evaluation currently underway	4
On Hold	Requirement for new position being re-assessed	2
Total		41

* As of November 18, 2019

Other issues impacting some of the projects include dependencies on other agencies or levels of government, such as the Baston Square Arts Hub (provincial government) and Rental Zoning (waiting on UBC study). In other areas, staff capacity is an issue due to emerging and unanticipated work such as the upcoming by-election or a Council directed increase of scope such as the expansion of the Strategic Real Estate Strategy to include affordable housing. Difficulties in staff recruitment across departments is a common and on-going issue due to the tight labour market.

Operational Highlights, Accomplishments and Metrics – Attachment B

Major operational accomplishments and metrics are contained in Attachment B and organized by Department. These accomplishments include on-going arts and cultural events and supports, support to small businesses, town halls, and a number of capital project improvements. Select highlights in Q3 include the introduction of a new Council Voting Dashboard, approval of the Housing Strategy (Phase 2), adoption of the Fairfield Neighbourhood Plan, and delivery of almost 60 community emergency preparedness workshops.

Core Service Delivery Work Plan – Attachment C

The City of Victoria provides over 200 services to residents, businesses and visitors. Attachment C is a new addition to the quarterly update report that was introduced in Q1 of 2019 to highlight some of the main service and program areas, as well as key activities, that will be undertaken throughout the year.

Budget Update – Attachment D

An update of the operating and capital budget for Q1 is contained in Attachment D. As of September 30, 2019, the overall operating revenues and expenditures/transfers are 89% and 67%, respectively, of the annual budgeted amount. This compares to 88% and 69% to the prior fiscal period.

Revenues are expected to meet or exceed budget. Revenues from rezoning, short-term rentals, permits and inspections are trending higher than expected for Q3. Dog licenses and business licenses are collected in the first half of the year resulting in a higher percentage of actual to budgeted revenue in that department.

Expenditures/transfers are expected to be within budget. Seasonal variations in municipal operations and accounting processes that occur outside the quarterly basis affect the proportion of revenues received or expenditures incurred to September 30, 2019. Seasonal impacts are reflected in the Parks, Recreation and Corporate budgets due to work programs that commence in Q3 and Q4 such as the Parks Boulevard program, recreation programs and year end accounting entries.

As of September 30, 2019, the actual capital expenditures spent are at 29% of total budgeted expenditures for the year, compared to 19% in the prior year. Capital projects have varying schedules and the majority of the work planned for 2019 started in Q2 and Q3 with some projects starting in Q4.

Council Member Expenses – Attachment E

Attachment E contains all expenses submitted by members of Council for reimbursement during Q3. Carbon pricing is now being added for airline travel in the Council expense report to capture the full cost of air travel. These funds will be transferred to the Climate Action Reserve.

Grant Update – Attachment F

Attachment F contains an update on the grant activity in Q3 2019. This attachment now also includes a list of grants awarded to partner agencies where the City of Victoria has supported an application through letters of support, or Grant in Kind, or other mechanisms. The listing may not be fully comprehensive of all areas where the City supports partner agencies – but is now being included as an extension of the grant reporting function to better leverage external funds to support City priorities.

Awarded Contracts – Attachment G

On March 14, 2019, Council passed a motion that directed staff to report back at quarterly updates on new contracts awarded for external procurement of goods and services where the total anticipated purchase amount exceeds \$50,000. These purchases may extend over several years and are contained Attachment G.

Council Motions (Q3) – Attachment H

In addition to the work that is underway to initiate new actions in the 2019-2022 Strategic Plan and deliver on-going daily service delivery contained in the Financial Plan, Attachment H provides a summary of the 127 Motions that were approved by Council in Q3. These motions are provided to Council through the quarterly update for information have been categorized as into four groups as follows:

- (1) Council Led
- (2) Financial Plan Related
- (2) Operational
- (3) Strategic Plan Related

Council Motions referred to Quarterly Update

Through the regular deliberations of Council, three motions were forwarded to the third quarter update regarding permissive tax exemptions, banning the sale of kittens and puppies, and feedback from BC SPCA on horse drawn carriages – the staff responses are provided below as requested.

Tax Exemptions

Direct staff to report back to Council at the next quarterly update on changes needed to the City's Permissive Tax Exemption Policy to allow applications for tax exemptions from non-profit organizations categorized as:

cultural associations,

Carried

service clubs,

Carried

and the costs and other implications of such policy changes.

Carried

Motion to Refer:

Motion:

That this matter be referred to the next quarterly update for staff to report on the implications of doing this work.

Carried

To determine the implications regarding changing the City's Permissive Tax Exemption Policy allowing exemptions to a broader range of non-profit organizations, staff can approach this using different levels of resources.

At present, staff could do a review using a combination of data including BC Assessment, google searches and current city information to compile a list of organizations that likely fall within each category, in addition to providing the potential financial impact to the City. This analysis would utilize the least amount of resources estimated at approximately 3 – 5 days of staff time to complete.

Staff could complete this analysis using a more comprehensive approach that would include verifying all applicable organizations within the City. This would include a thorough review of all potential applicants on a variety of requirements ranging from non-profit status to principal use of the property and the benefits to the community. This approach would include outreach to all

potential organizations and is labor-intensive requiring additional dedicated staff. It is estimated that this effort would take between 6 – 12 months to complete.

Should Council direct this work to be undertaken, and if Council subsequently directs changes to the current Permissive Tax Exemption Policy, staff recommend that an engagement plan be developed and resourced before any changes take effect so that impacted organization have an opportunity to provide feedback.

Banning the Sale of Puppies and Kittens

During the Quarter 2 Reporting on September 5, 2019, Council passed a motion to report back “*At the next quarterly update for staff to provide an update on the previously approved motion regarding the banning of the sale of puppies, kittens.*”

2018 Council Motion:

Amend our Animal Control Bylaw to prohibit the sale of cats, kittens, dogs, puppies, and rabbits in pet stores or other type of retail premises. The only exemption is if these animals are offered for adoption from a recognized animal rescue society or shelter organization at which time the current bylaw policy would still apply.

There is a required consultation under section 59 of the *Community Charter* for Bylaw provisions that would regulate business in this way. Currently this work is scheduled to occur in Q1 2020. It has been delayed by an impending by-election and the report to Council necessary to address logistical considerations, as well as a forthcoming report providing information on recently passed provincial legislation pertaining to Ride Hailing operations in BC.

BCSPCA Feedback

On September 19, 2019, Council passed the following motion:

“That Council requests that the BC SPCA provide advice to Council on the following possible amendments to regulations respecting horse-drawn carriage operations in the City of Victoria and have the response from the SPCA go to the next quarterly update for Council's consideration:

Specifying that use of the municipal rights of way and parking stands for commercial horsedrawn carriage operations be limited to:

- 1. vehicles pulled by one horse;*
- 2. a geographic area bounded by Humboldt Street to the north, Cook Street to the east, Dallas Road to the south, and Victoria Harbour to the west.*
- 3. working conditions limited to an air temperature not exceeding 28 degrees Celsius measured in the City of Victoria and good air quality consistent with Vancouver Island Health Authority advisories”.*

A letter and related information was received from the BC SPCA on November 8, 2019 and is contained in Attachment J for Council consideration.

Should Council direct this work to be undertaken it would have implications on other work planned in 2020 and a resource implications report is recommended prior to considering undertaking this work.

Advisory Committee Motions – Attachment I

Following up from a Council motion approved on September 5, 2019 during the Q2 Accountability Report discussions, Council directed “*That motions from advisory committees be presented at Committee of the Whole at the next quarterly update or sooner if the matter is time sensitive.*”

Attachment I, attached to this report, provides the motions from the following three advisory committees for Council consideration.

1. Accessibility Working Group
2. Active Transportation Committee
3. Renters Advisory Committee

2020 Town Hall Meeting Topics

As directed by Council, staff are seeking input on the subjects or topics for the first two Town Halls in 2020. Based on Council direction, staff will confirm venues. The town halls are to be held once each quarter – dates for 2020 are as follows:

- February 20
- May 21
- September 10
- November 19 (Budget)

CONCLUSIONS

City staff are continuing work contained in the 2019-2022 Strategic Plan. Within the Service Delivery Work Plan for 2019, all staff resources are fully committed and any new additional work plan items or emerging needs may be accommodated pending trade-off discussions with Council on deferring existing work plan items. The City of Victoria remains committed to transparency and accountability through the provision of quarterly reports to ensure value for tax dollars.

Respectfully submitted,



Jocelyn Jenkyns
City Manager

List of Attachments

- A. Strategic Plan Progress Report
- B. Operational Plan Highlights, Achievements and Metrics
- C. Core Service Delivery Work Plan
- D. Budget Update (Q3 2019)
- E. Council Member Expenses (Q3 2019)
- F. Grant Update (Q3 2019)
- G. Contracts Awarded (Q3 2019)
- H. Council Motions (Q3 2019)
- I. Advisory Committee Motions (Q3 2019)
- J. BC SPCA Letter – Commercial Horse-Drawn Carriage Operations