



Council
For the Meeting of April 23, 2020

To: Council **Date:** April 16, 2020
From: Susanne Thompson, Deputy City Manager/Chief Financial Officer
Subject: Five Year Financial Plan Bylaw, 2020

RECOMMENDATION

That Council:

1. Amend the Five Year Financial Plan Bylaw, 2020 by replacing the bylaw that was given first reading on November 15, 2019 with the bylaw appended to the Five Year Financial Plan Bylaw, 2020 report, dated April 16, 2020.
2. That the Five Year Financial Plan Bylaw No. 19-112 as amended be read a second and third time.

EXECUTIVE SUMMARY

The purpose of this report is to outline amendments to the Five Year Financial Plan Bylaw, 2020 that received first reading on November 15, 2019 and recommend second and third readings at today's Council meeting.

During November 2019, 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 property tax revenue from new development and 2019 surplus.

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

1. Ongoing allocation of new property tax revenue from new development - \$3.627 million

During the budget meetings, Council allocated funding of new property tax revenue from new development to various initiatives. On April 9, 2020, Council approved delaying \$1.508 million of the total ongoing allocation for initiatives that have yet to be actioned to create a larger contingency for unforeseen costs and revenue losses due to the COVID-19 pandemic. The delayed initiatives are outlined on page 9 of Appendix B.

The details on the remaining ongoing allocation, that have been actioned are outlined in the following chart:

Actioned Ongoing Allocation of New Property Tax Revenue from New Development	
Grant to Victoria Civic Heritage Trust	\$ 500,000
Community and Senior Centre Funding	\$ 234,333
Children's Book Prize	\$ 5,000
Reduction of Recreation Fee Increase	\$ 16,500
Housing Reserve Fund	\$ 400,000
Asset Management Position - 1 FTE	\$ 89,000
Community Energy and Emissions Specialist - 1 FTE	\$ 108,000
Training and Development for Staff	\$ 10,000
Zero Waste Strategy - 1 FTE	\$ 100,000
Neighbourhood Grants	\$ 28,116
Victoria Civic Heritage Trust Grant Increase	\$ 2,250
Victoria Heritage Foundation Grant Increase	\$ 5,962
Health and Safety Position - 1 FTE	\$ 108,000
Secretary - Planning 1 FTE	\$ 72,500
Centennial Square Clean Up	\$ 35,000
Volunteer Coordinator Grant	\$ 50,000
Growing in the City Start Up Grants	\$ 30,000
Property Tax Penalty Reduction	\$ 201,500
Buildings and Infrastructure Reserve	\$ 61,374
Vehicle and Heavy Equipment Reserve	\$ 61,373
Total	\$ 2,118,908

2. One-time allocation of the 2019 surplus - \$3.330 million

The 2019 surplus was originally estimated at \$3 million. Now that the 2019 year end is complete, the final surplus amount has been confirmed at \$3.330 million, which Council has allocated to various initiatives.

The main driver for the surplus is staff vacancies and higher than expected revenues from parking, property leasing, payment in lieu of taxes and special assessments offset by larger than expected property tax appeals. Further surplus details will be provided in the 2019 Financial Statement report being presented to Council on May 7, 2020.

On April 9, 2020, Council approved delaying \$1.021 million of the total one-time allocation for initiatives that have yet to be actioned to create a larger contingency for unforeseen costs and revenue shortfalls due to the COVID-19 pandemic. The delayed initiatives are outlined on page 9 of Appendix B.

The following chart outlines the 2019 surplus allocation, that have been actioned:

Actioned One-Time Allocation of the 2019 Surplus		
Housing Reserve Fund	\$	250,000
Oil to Heat Pump Incentive Program	\$	100,000
Climate Action Program Investments	\$	165,000
Zero Waste Strategy	\$	200,000
South Island Prosperity	\$	220,000
Bike to Work Week	\$	7,500
Storage Facilities for Our Place	\$	50,000
Overnight Sheltering Support and Clean Up	\$	362,000
Bylaw Position - 1 FTE over 2 years	\$	189,000
Strategic Plan Support Services - Legal Services	\$	84,500
Tree Planting	\$	140,000
Pilot City-sponsored community partnership for spring distributions of gardening materials	\$	8,000
Youth Program Implementation	\$	30,000
Property Tax Penalty Reduction	\$	1,000
By Election	\$	170,000
Buildings and Infrastructure Reserve	\$	166,088
Vehicle and Heavy Equipment Reserve	\$	166,087
Total	\$	2,309,175

3. Capital Project 2020 Adjustments

The capital budget has been updated to include carry forwards for 2019 projects in progress, and additional projects approved by Council after the introduction of the Draft Financial Plan.

In March, staff brought forth reports to Council on the Dallas Road Balustrade Replacement and on Climate Action Corporate Building Energy and GHG Savings initiatives. Council approved to fund \$3.85 million from the Buildings and Infrastructure Reserve to replace the Dallas Road Balustrade. Climate action facility energy and emission upgrades of \$135,000 were approved to be funded from the Climate Action Reserve Fund.

During the budget deliberations, Council allocated funding for a variety of projects including a controlled stop light and Cook and Princess, accessible shoreline access design funded by the Accessibility Reserve, preliminary design and public engagement for the Banfield Park to Selkirk Bike Route from surplus and Climate Action initiatives funded from the Climate Action Reserve.

Council also approved deferring approximately \$22.287 million of capital projects that have yet to be actioned in response to COVID-19. The delayed initiatives are outlined on pages 7 and 9 of Appendix B.

The following chart outlines the 2020 Capital adjustments:

2020 Capital Adjustments		
Active Transportation	\$	8,559,000
Complete Streets	\$	877,000
Parks	\$	3,843,000
Street Infrastructure	\$	(560,000)
Retaining Walls and Railings	\$	3,924,000
Bridges	\$	1,763,000
Equipment	\$	7,129,000
Facilities	\$	6,055,000
Environmental Remediation	\$	1,964,000
Sanitary Sewers	\$	2,272,000
Stormwater	\$	3,062,000
Waterworks	\$	2,648,000
Police	\$	298,000
Total	\$	41,834,000

4. Other Operating Budget Adjustments

Since the draft financial plan was introduced in October 2019, Council has given approval of other initiatives including the Climate Leadership Plan Program funded by the Climate Action Reserve in addition to the ongoing and one-time investments referenced above and the extended hours and services at Our Place.

Remaining funding for operating budget projects underway, such as Victoria Housing Strategy Implementation, Downtown Core Area Plan, Accessibility Framework Training, Citizen's Assembly, Reconciliation and Indigenous Relations, High Risk Tree Removal, Emergency Management, Neighbourhood Transportation and Climate Action initiatives and Social Procurement have been carried forward to the 2020 year in the financial plan.


In response to the COVID-19 pandemic, on April 9, 2020, Council approved the creation of a larger contingency using the funding allocated to the delayed initiatives. In addition, to eliminate the property tax increase for 2020, Council approved the reduction in the transfers to reserves by \$4.68 million proportionately allocated between the Vehicles and Heavy Equipment, City Equipment and the Building and Infrastructure reserves.

Respectfully submitted,


Jo-Ann O'Connor
Deputy Director of Finance


Susanne Thompson
Deputy City Manager/Chief Financial Officer

Report accepted and recommended by the City Manager:


Date: Apr. 17, 2020

List of Attachments

Appendix A: Five Year Financial Plan Bylaw, 2020

Appendix B: 2020 Financial Plan Potential Adjustments Report April 5, 2020