



## **Committee of the Whole Report For the Special Meeting of November 30, 2020**

---

**To:** Committee of the Whole **Date:** November 24, 2020  
**From:** Susanne Thompson, Deputy City Manager and Chief Financial Officer  
**Subject:** Update Report - 2021-2025 Draft Financial Plan

---

### **RECOMMENDATION**

That Council:

1. Direct staff to incorporate the following mitigation strategies, as outlined in the November 5, 2020 Draft 2021-2025 Financial Plan report, into the Five-year Financial Plan Bylaw, 2021 to reduce the overall tax increase to \$2.5 million or 1.75%:
  - a. Service/program adjustments of \$3.9 million
  - b. Additional new property tax revenue from new development \$500,000
  - c. Portion of estimated provincial *Restart Grant* \$4.1 million
2. Direct staff to include in the 2021 Financial Plan a budget of \$1.74 million for mitigating impacts of sheltering with funding from the *Restart Grant* from the Province.
3. Direct staff to bring forward the Five-year Financial Plan Bylaw, 2021 to the December 3, 2020 daytime Council meeting for consideration of first reading.
4. Direct staff to bring forward bylaws outlining sewer utility and water utility user fee increases for 2021 to the December 3, 2020 daytime Council meeting for consideration of first, second and third readings.
5. Upon completion of public consultation, direct staff to bring forward direct-award grants and other grants as outlined in this report for consideration of approval.
6. Upon completion of public consultation, consider funding additional grant requests, supplementary requests, resource requirements for financial plan motion report backs and 2021 Strategic Plan action items, and items deferred in 2020 originally funded by 2019 surplus, as determined by Council.

### **EXECUTIVE SUMMARY**

As planned, at today's meeting, Council direction will be sought on the proposed mitigation strategies so that the projected 2021 property tax increase can be determined prior to the commencement of the public consultation period. The final decision on the 2021 Financial Plan will be made once feedback from the consultation has been considered in January 2021.

The purpose of this report is to update staff's recommendations provided in the November 5, 2020 financial plan report that introduced the draft budget, now that the amount of the provincial *Restart Grant* is known (\$6.522 million). There are three changes to the recommendations:

1. Reduction in the capital reallocation
2. Providing funding for mitigating impacts of sheltering
3. To offset the above, increasing the allocation from the *Restart Grant*

As noted during the presentation on November 5, staff recommend eliminating the reallocation from the capital budget, which will enable the originally planned (pre-pandemic) increases for the Complete Streets programs to be added, which will address the current funding gap. While completion of the additional projects would span a few years, the need has already been identified and allocating the funding now will allow staff to ramp up the planning and design work to enable the construction to begin. Furthermore, projects with funding flagged as "to be determined" would be funded. They include Pemberton Park improvements, Peter Pollen Waterfront Park cultural and educational design, and the feasibility study for the Central Library.

In addition, staff are requesting direction on the supplementary request for mitigating impacts of sheltering to ensure that this service continues uninterrupted. Current funding for this program is only in place until December 31, 2020. Staff recommend that a portion of the grant from the Province be used to cover this cost.

The following table has been updated to show the recommended approach (low range) for achieving Council's direction for a tax increase of no more than inflation plus 1%. For clarity, in each scenario, the *Restart Grant* would be used to fund the expected revenue shortfalls as well as the additional costs for mitigating impacts of sheltering. This is consistent with the conditions for this grant funding.

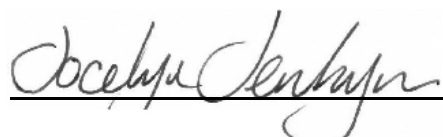
	Low Range	High Range
<b>Cost Drivers</b>		
Salaries and Benefits	\$ 2,269,150	\$ 2,269,150
New Assets - Operating Impacts	540,000	540,000
Insurance	280,000	280,000
<b>Revenue Changes</b>		
Parking	4,670,000	4,670,000
Victoria Conference Centre	2,000,000	2,000,000
City-Owned Property Leases	430,000	430,000
Business Licenses	300,000	300,000
Arena Ticket Surcharges	114,000	114,000
Payment In-lieu of Taxes	(240,000)	(240,000)
Other Changes	(143,219)	(143,219)
City Sub-Total	\$ 10,219,931	\$ 10,219,931
Police	\$ 747,039	\$ 747,039
Greater Victoria Public Library	\$ 24,000	\$ 24,000
Sub-total Before Mitigation Strategy	\$ 10,990,970	\$ 10,990,970
<b>Supplementary Request</b>		
Mitigating Impacts of Sheltering	1,740,000	1,740,000
<b>Mitigation Strategies</b>		
Capital Budget Reallocation of Funding	(3,000,000)	(3,000,000)
Service/Program Adjustments		
Reduce Travel, Conference and Training Budgets	(350,000)	(350,000)
Reduce Special Events Budgets	(25,000)	(590,000)
Reduce Late Night Great Night Budget	(135,000)	(270,000)
Vacancy Management	(3,000,000)	(3,500,000)
Eliminate Office Lease	(70,000)	(70,000)
Delay Re-opening of Victoria Conference Centre	(300,000)	(300,000)
Remaining New Property Tax Revenue from New Development	(500,000)	(500,000)
Restart Grant from Province of BC *	(5,840,000)	(4,640,000)
Total Mitigation Strategies	(10,220,000)	(10,220,000)
<b>Draft Property Tax Increase \$</b>	<b>\$ 2,510,970</b>	<b>\$ 2,510,970</b>
<b>Draft Property Tax Increase %</b>	<b>1.75%</b>	<b>1.75%</b>

\* The total grant is \$6.522 million.

Respectfully submitted,

  
 Susanne Thompson  
 Deputy City Manager and Chief Financial Officer

Report accepted and recommended by the City Manager:

  
 \_\_\_\_\_

Date: November 26, 2020