



Committee of the Whole Report

For the Special Meeting of January 18, 2021

To: Committee of the Whole **Date:** January 7, 2021
From: Susanne Thompson, Deputy City Manager and Chief Financial Officer
Subject: 2021-2025 Draft Financial Plan – Remaining Recommendations

RECOMMENDATION

That Council:

1. Consider and provide direction on funding:
 - a. resource requirements for financial plan motion report-backs and 2021 Strategic Plan action items,
 - b. items deferred in 2020,
 - c. additional grant requests,as determined by Council based on information contained in Appendix 1 and 2 to this report
2. Approve allocating additional new property tax revenue from new development as follows:
 - a. additional Legal Services resources of \$183,410
 - b. any remaining amount to the Buildings and Infrastructure Reserve
3. Approve a one-time allocation of \$30,000 to continue the implementation of the Youth Strategy with funding from the one-time envelope as outlined in this report
4. Approve the direct-award grants as outlined in Appendix 3 to this report
5. Approve other grants as outlined in Appendix 4 to this report
6. Direct staff to bring forward the Five-Year Financial Plan Bylaw, 2021, as amended, to the April 22, 2021 Council meeting

EXECUTIVE SUMMARY

Council deliberated and provided initial direction on the draft 2021-2025 Financial Plan in November and December of 2020, followed by a public consultation period on the draft Plan that concluded with an E-Town Hall on January 13, 2021.

Two special meetings, January 18 and 25, have been scheduled for Council to consider the feedback from public consultation and provide further direction on any amendments to the draft Plan. Appendix 1 to this report summarizes the items that Council directed staff to bring back for

consideration at these meetings. They include supplementary requests; resource requirements related to financial plan motion report-backs and 2021 Strategic Plan action items; additional grant requests; and items deferred in 2020. Furthermore, Appendix 2 provides new financial plan motion report-backs from motions passed at the November 30, 2020 special Committee of the Whole meeting. The initiatives outlined in appendices 1 and 2 are a combination of ongoing, one-time and capital.

Consistent with previous financial planning processes, staff recommend funding supplementary requests brought forward by staff first since these outline capacity challenges to support current service delivery and would result in reduced service levels if not funded.

Due to the pandemic, there is no surplus to allocate from 2020 and Council has already provided direction on allocating \$1 million of new property tax revenue from new development. As outlined in previous reports for the financial planning process, the actual amount of new property tax revenue from new development will likely be different than the \$1 million estimate. The actual amount can be calculated once BC Assessment (BCA) has provided the final assessment roll at the end of March, incorporating results of assessment appeals. However, based on current information released in early January by BCA this may be in the range of \$1.3 million. Staff recommend that the supplementary request for additional resources in Legal Services be funded from this additional revenue and that any remaining funds be allocated to the Buildings and Infrastructure Reserve to support narrowing the funding gap for the three asset groups identified in previous financial plan reports: roads, facilities and fleet. All other ongoing funding has already been allocated, however, options for Council's consideration to create additional ongoing funding include increasing property taxes above inflation plus 1% or reducing service levels and reallocating funding from other services.

In addition, in reviewing other funding options for Council's consideration, staff have calculated an envelope of one-time funding of \$582,000 that could be used to fund some of the items in appendices 1 and 2. This takes into account the full amount of the *Restart Grant* from the Province, which Council has previously allocated the majority of (\$5.74 million of the total \$6.522 million.) However, it does not set aside any funding related to the motion passed by Council on November 12, 2020 to help fund solutions that will move people indoors. It is likely that funding will be needed for logistical start-up costs for the transitional tiny home community at 940 Caledonia, should that project be undertaken, although an exact amount is not yet known. Should Council wish to set aside funding, the remaining grant amount would of course be lower. For clarity, the grant funding would be used to fund expected revenue shortfalls and additional COVID-related expenses, which is consistent with the conditions for this funding.

Since it is currently unknown how long the City's finances will be impacted by the pandemic, Council may wish to consider that using the entire *Restart Grant* in 2021 may not be desired. However, the City also has its Financial Stability Reserve (approximately \$7.8 million) which could be used to fund further unforeseen, and/or prolonged, impacts during 2021 and 2022; this is in addition to the regular \$1 million contingency that is included in the draft 2021 Financial Plan.

In addition to the one-time funding envelope, there are a few other potential funding sources for some of the initiatives outlined in the appendices to this report. Capital items could be funded by a portion of the \$3 million of funding to be added back to the Capital Plan. While the majority of that funding is earmarked for complete streets programs; Pemberton Park improvements; Peter Pollen Waterfront Park cultural and educational design; and the feasibility study for the Central Library, approximately \$200,000 could be allocated. Also, a few of the items involve retaining external consultants and could be funded through the Corporate Consulting budget. The summary page for appendices 1 and 2 notes the potential funding sources for these initiatives.

Council also directed staff to seek out grant funding for the Reconciliation Dialogues, exploring options for an Indigenous Relations Function, and the work related to the International Decade for People of African Descent. There are a few grant opportunities available, however, they appear to be better aligned with future phases rather than the scoping work that is contemplated first. Therefore, staff have provided suggestions for alternate funding sources for now but will continue to monitor and research further grant opportunities.

While Council has already allocated budgets to the City's various grant programs, the authorization to pay 'direct-award' and 'other' grants to specific organizations has yet to be given. This report recommends approval of grants to the organizations listed in appendices 3 and 4 attached to this report.

Before the Financial Plan Bylaw, as amended, is brought to Council for consideration of approval, it will be updated to include all projects that are in progress and will be carried forward from 2020.

Respectfully submitted,

Susanne Thompson
Deputy City Manager and Chief Financial Officer

Report accepted and recommended by the City Manager

List of Attachments

Appendix 1 – Summary of Supplementary Requests, Resource Requirements for Financial Plan Motion Report-backs and Strategic Plan Action Items, 2020 Deferred Items, and Additional Grant Requests
Appendix 2 – New Financial Plan Motion Report-backs
Appendix 3 – Listing of Direct Award Grant Organizations
Appendix 4 – Listing of Other Grant Organizations