

Financial Plan Motions - Report Back

APPENDIX A

VICTORIA MUSIC STRATEGY

That Council direct staff to comment on the financial implications of the creation of a \$150,000 grant to activate the Victoria Music Strategy.

BACKGROUND

Staff could incorporate a stream under the Cultural Infrastructure Grant program specific to activating the Victoria Music Strategy (VMS). One of the opportunities highlighted in VMS is to maximize use of underutilized spaces to host music events and concert series including the need for all age venues. The grant program would fulfill the current funding gap between what venues can provide and musicians can afford. VMS grant stream may cover staffing and security costs, insurance fees, equipment purchases and rentals and other expenses to operate spaces for music production, rehearsal, and performances. KPIs to measure impact would be aligned to VMS outcomes and incorporated as part of the final reporting process.

FINANCIAL AND HUMAN RESOURCE IMPLICATIONS

Based on Council's previous discussion, staff assumed that Council did not wish to reallocate funding from another existing grant program. Therefore, should Council wish to approve this initiative, the recommended funding source would be the 2023 contingency budget.

Financial Plan Motions - Report Back

PARKING – EXTENDED HOURS FOR PAID PARKING

That Council direct staff to comment on the financial implications of implementing paid on-street and parkade parking from 8am - 9am and 7pm - 8pm, at rates to be determined by staff, with all funds to be re-invested in the downtown core towards beautification and maintenance, cultural opportunities, and new public parks and amenities.

BACKGROUND

The City currently has five parking zones where fees apply, five parkades and three surface lots. As previously reported, on-street parking management uses a utilization target of 85% and this is achieved through rate-setting, with more convenient spaces charged at a higher rate compared to areas further away from the core.

Staff's evaluation and resulting recommended option would continue long-established parking management principles of supporting the desired turn-over in the 90-minute zone while providing lower cost options in the other on-street zones and within the parkades where there is still capacity for increased usage.

Given the short turn-around time for this report-back and the need to test current equipment capabilities for differential rates and time limits, staff are unable to outline exactly what the rate structure and time limits would be should this initiative move forward. However, staff would implement rates and time limits that support the above principles and would also monitor and report back if the intended results do not materialize.

An amendment to the Streets and Traffic Bylaw would be required to extend paid parking into the evening and staff would bring this bylaw amendment to Council to enable an implementation effective date of May 1, 2023.

FINANCIAL AND HUMAN RESOURCE IMPLICATIONS

While it is difficult to estimate the additional amount of revenue extended hours of paid parking will generate due to lack of transaction details, staff estimate that an additional net amount of \$700,000 for 2023 could be expected, which would be available for the beautification initiatives to be determined by staff.

STORAGE FOR PEOPLE SHELTERING

That Council direct staff to comment on the financial and operational implications of creating a pilot project to provide storage for people sheltering. The suggested initial cost allocation of \$50,000 would come from an application to the provincial government, or if unsuccessful, then from surplus and/or contingency funds.

FINANCIAL AND HUMAN RESOURCE IMPLICATIONS

Additional scoping of this project is required before any additional information can be provided.

If approved, the \$50,000 from either a grant or the City's contingency budget would be available to implement the solution developed. The full amount of 2022 surplus has already been allocated by Council.

Financial Plan Motions - Report Back

RESERVE FUND ALLOCATIONS

That Council direct staff to comment on the City's allocations among three reserve funds: the Parking Reserve Fund, the Development Stabilization Reserve, and the Debt Reduction Reserve, with the goal of lowering the tax lift in 2023.

BACKGROUND

The City's budget includes annual allocations to reserves. An overview of the purpose, methodology for determining target balance and restrictions was provided in the report to Council that introduced the Draft 2023-2027 Financial Plan on January 20, 2023.

Parking Reserve

The current allocation to this reserve is \$3.55 million and the balance at the end of 2022 was approximately \$20 million. This reserve funds upgrades to the City's parkades and all parking equipment across the city.

A condition assessment of all City parkades was completed in 2015 and an additional assessment for immediate repairs for the next 3-5 years was completed in 2022. The estimated cost to maintain and repair these facilities is projected to be \$25 - \$30 million. In addition, approximately \$6 million in equipment upgrades is needed within the next few years.

Development Stabilization Reserve

Development and construction fees are regulatory fees that are collected to offset the cost of delivering the regulatory scheme. Fees are established based on average activity and, depending on that activity, some years will see surpluses and others shortfall. Allocations to this reserve are any surpluses generated, which are available to cover shortfalls in years where development activity is lower. The last several years have seen increased construction activity and therefore, the reserve balance has increased.

Debt Reduction Reserve

This reserve was established to finance internal borrowing for capital projects and paying down the City's outstanding debt. The balance at the end of 2022 was approximately \$21.8 million. Internal borrowing was used to fund the City's new Fire Station #1 and the annual transfer to this reserve (\$3.1 million) is the repayment of that internal borrowing. Council has the authority to reduce the amount of this repayment and instead lower the tax increase by that amount.

FINANCIAL AND HUMAN RESOURCE IMPLICATIONS

Given the cost of identified upgrades and equipment replacement needs for the City's parking system, it is recommended that the current level of reserve allocation to the Parking Reserve be maintained.

The Development Stabilization Reserve is a restricted reserve that can only be used to cover the cost of the regulatory scheme for which the fees were collected. As such, allocations to this reserve cannot be redirected to reduce the property tax increase.

The Debt Reduction Reserve can be used as a funding source for capital project such as several significant ones identified in the Strategic Plan, including Crystal Pool, a new library or Ship Point. Therefore, it is recommended that the current level of allocation be maintained.

Financial Plan Motions - Report Back

RENT BANK

That Council direct staff to comment on the financial implications of allocating sustaining funds of \$110,000 annually for 2023-27 to the Greater Victoria Community Social Planning Council to support the Greater Victoria Rent Bank from surplus and/or the contingency funds or the Housing Reserve Fund.

AND THAT the Community Social Planning Council be requested to provide annual reports on the performance of the Rent Bank Program prior to the following year's annual City budget deliberations.

BACKGROUND

The City provided a one-time grant for this initiative in 2022.

FINANCIAL AND HUMAN RESOURCE IMPLICATIONS

If approved, the recommended funding source would be to reduce the transfer to the Housing Reserve Fund from \$660,000 to \$550,000 for 2023-2027. Based on current application volumes, the funding in that reserve would remain sufficient in the near-term. Should this change, staff would report back to Council.