



Council
For the Meeting of April 27, 2023

To: Council **Date:** April 14, 2023
From: Susanne Thompson, Deputy City Manager/Chief Financial Officer
Subject: Five Year Financial Plan Bylaw, 2023

RECOMMENDATION

That the following bylaw be given the first, second and third readings:

1. Five Year Financial Plan Bylaw, 2023 No. 23-042

EXECUTIVE SUMMARY

The purpose of this report is to outline changes that have been incorporated into the 2023 Financial Plan and form part of the Five Year Financial Plan Bylaw attached in Appendix A.

1. Ongoing allocation of new property tax revenue from new development

The 2023 Draft Financial Plan presented to Council in January 2023 included \$500,000 of the new property tax revenue allocated to the Buildings and Infrastructure Reserve in accordance with the Financial Sustainability Policy. Also, as directed by Council, the draft included \$200,000 for a Reconciliation Grant to Songhees and Esquimalt Nations, \$90,240 for School District #61 to provide school crossing guards, and \$561,890 for 4 additional police officers resulting from the Director of Police Services decision under Section 27 of the *Police Act* in 2022. The total allocation in the draft was \$1.352 million.

BC Assessment has released the final roll and the new property tax revenue is \$1.308 million resulting in a shortfall of \$43,836. As part of the final budget deliberation wrap-up motions, Council directed that any remaining new property tax revenue from new development be transferred to the Buildings and Infrastructure Reserve, and this shortfall has therefore been offset against that reserve transfer.

2. Operating One-Time Allocations

The 2022 surplus was allocated to mitigating the impacts of overnight sheltering in public space, additional Bylaw support, grants to Our Place, and a portion of the Pandora Caretakers program which was also allocated funding from the contingency budget.

Funding has also been carried forward from 2022 for one-time initiatives that are underway including the Victoria Housing Strategy Implementation, the development of the Patio Regulation

Bylaw and Program, Vision Zero Program Development and Action Plan, Zoning Bylaw Development, Training Professional Support, Arts and Innovation District, Newcomer Sport and Recreation Consulting, Senior's Action Plan, Tenant Support Toolkit, Witness Reconciliation Dialogues, Climate Action Initiatives, Internship Program, Oaklands Community Centre Facility Programming Study, Government Street Concept, Housing Initiatives, Zero Waste - Building Deconstruction, Official Community Plan Implementation and a Motor Vehicle Act pilot project.

3. Other Operating Adjustments

To reduce the property tax increase, Council reduced expenditure budgets for Communications and Engagement (townhalls and participatory budgeting), reserve transfers to the Debt Reduction and Parking reserves and several VicPD budget items. In addition, Council approved extended time periods and increased rates for paid on-street and parkade parking with a portion of the additional revenue to fund downtown beautification and the Local Amenities Reserve. Furthermore, the transfer to the Victoria Housing Reserve was reduced to fund a grant to the Greater Victoria Community Social Planning Council for the Rent Bank Program. Council also added \$35,200 for VicPD to fund a two-month foot patrol to the downtown core and approximately \$245,000 for downtown revitalization.

4. Capital Project Adjustments

During the budget deliberations, Council allocated additional funding for the Crystal Pool Replacement project from the Building and Infrastructure Reserve. In addition, staff were directed to temporarily delay work on the Beacon Hill Park - Circulation and Accessibility Study and to pause the Dogs in Parks review.

The capital budget has also been updated to include funding carried forward for 2022 projects in progress including the Multi-Modal Corridor Improvements, David Foster Harbour Pathway, Pedestrian Network Improvements, Major and Local Street Rehabilitation, Topaz Park Artificial Turf Replacement, Playground Improvements, Fire Hall #1 Replacement, Public Washroom Improvements, Electric Vehicle Infrastructure, IT infrastructure and Applications, Parking Equipment Upgrades, Vehicle and Heavy Equipment Replacements, Gate of Harmonious Interest, and Water, Sewer and Storm Water mains replacement projects.

Prior to the budget deliberations, the draft property tax increase was 8.99%. Incorporating the adjustments outlined in this report, the overall property tax rate has been reduced to 6.32%.

Respectfully submitted,

Emily-Anne Therrien
Manager of Financial Planning

Jo-Ann O'Connor
Deputy Director of Finance

Susanne Thompson
Deputy City Manager/CFO

Report accepted and recommended by the City Manager