



Committee of the Whole Report

For the Meeting of May 23, 2019

To: Committee of the Whole
From: Jocelyn Jenkyns, City Manager
Subject: First Quarter Accountability Report

Date: May 17, 2019

RECOMMENDATION

That Council receive this report for information.

EXECUTIVE SUMMARY

The following report provides a summary of major achievements, accomplishment and highlights for the period of January 1, 2019 to March 31, 2019.

The City of Victoria's General Municipal Election took place on October 20, 2018 and the new City Council inauguration took place on November 1, 2018. Shortly after the new Council was sworn into office, all members of Council participated in a number of planning workshops, led by Mayor Helps, to develop a draft 2019-2022 Strategic Plan, which was adopted in December 2018 for further public consultation and staff assessment starting in Q1.

In order to inform Council decision-making, two streams of work were completed in the first quarter of 2019. The first stream of work was a staff assessment of the human and financial resources required to achieve the draft plan priorities. The second stream was public consultation that included both a survey and a Strategic Plan Summit. Deliberations on the Strategic Plan began early February and the final 2019-2022 Strategic Plan for the City of Victoria was approved on March 14, 2019. The Strategic Plan articulates Council priorities, including strategic objectives, actions and measurable outcomes for the next four years.

Concurrent with the Council workshop development of the draft Strategic Plan in the fall of 2018, staff brought forward the draft 2019 Financial Plan on November 17, 2018. Similar to the Strategic Plan, residents, businesses and stakeholders provided feedback through an on-line survey and/or participated in an E-Budget Town Hall, held on January 16, 2019. The public consultation, as well as the resource assessment of additional budget requirements to achieve the new Strategic Plan objectives informed the 2019 Financial Plan, which was adopted on April 25, 2019.

The following report provides a summary of work undertaken in the first quarter of 2019 included in the Strategic Plan and Financial Plan, as well and other information that Council has directed staff to include in future quarterly updates starting this year. These new items include new staff recruitment updates to achieve the objectives contained in the Strategic Plan, as well as Council member expenses, and a listing of awarded contracts over \$50,000 each quarter by the City.

In addition to the direction from Council above, the Quarterly Updates for 2019 include additional improvements based on lessons learned from the previous cycle in terms of tracking and reporting out of Council priorities separate from operational management of core service lines and operational projects. The benefit for this separation is that core service operations are more fluid in terms of shifting work plans to address emergent community needs. As such, a new Service Delivery Work Plan is also provided in this report for Council and the public to provide more information for transparency and accountability.

Strategic Plan Progress Report – Attachment A

The Strategic Plan Progress Report is contained in Attachment A. This Attachment provides a listing of all Strategic Plan action items assigned to staff to initiate in 2019, organized by Strategic Objective. The progress report provides an indication of action items that are expected to be completed by the end of the year. In many cases, the action items are multi-year and will extend into 2020 and beyond. Additionally, because the Strategic Plan was approved two weeks before the end of the first quarter, a number of initiatives were not initiated in Q1, but will be in future quarters as outlined in the report.

Imbedded within the Strategic Plan Progress report work plan is an indication of where advancement of Council strategic direction is contingent on new staff recruitment. Staff recruitment has been a challenge in recent years due to the low unemployment rate, demand for specialized talent and the higher cost of living in the region compared to other jurisdictions. As part of the strategic and financial planning process undertaken in the first quarter, an additional 36 new positions were approved through the 2019 Financial Plan. It is anticipated that recruitment for some positions may require up to one year, particularly specialized positions that require new job descriptions and new job classification evaluations prior to posting.

Starting in Q2 2019, the status of each of the action items in the 2019-2022 Strategic Plan will be included in quarterly update as follows:

- Green = On Track
- Yellow = Some Challenges
- Red = Major Challenges
- Blue = Complete

In addition to the hard copy quarterly update, Council will also have access to an interactive dashboard tool to track these initiatives starting in the second quarter.

Operational Highlights, Accomplishments and Metrics – Attachment B

Major operational accomplishments and metrics are contained in Appendix B and organized by department. These accomplishments include, but not limited to completion of significant public engagement events, including the Housing and Strategic Plan Summits, successful co-hosting of the IIHF World Junior Hockey Championship, adoption of Old Town Design Guidelines, and a number of transportation related projects. Highlights of some of the performance indicators and trends include:

- An estimated \$39.1 million of economic activity flowed into Vancouver and Victoria as a result of the IIHF World Junior Hockey Championship tournament, including an estimated \$6 million in local economic activity
- 86% of businesses who completed the first annual business survey said that business performance exceeded their expectations in the last 12 months

- At the end of Q1, the value of construction in Victoria as \$82,800,000, a 56% increase over the same time period in 2018
- The Victoria Fire Department responded to 1,578 calls this quarter. The Opioid epidemic continued to increase overdose related calls, with 213 in Q1 2019 in comparison to 177 in Q1 2018, a 20% increase
- Fire Prevention and Suppression completed 1,106 inspections and re-inspections in Q1 2019, in comparison to 868 Q1 2018, a 17% increase

Also included in Attachment B are some emerging issues and challenges – these include on-going vacancies, aging facilities and infrastructure, construction coordination with private development and utility providers on right-of-ways, as well as changes in winter weather patterns.

Core Service Delivery Work Plan – Attachment C

The City of Victoria provides over 200 services to citizens. Attachment C is a new addition to the quarterly update report to highlight some of the main service and program areas, as well as key activities that will be undertaken throughout the year. Also included within the work plan are 2015-2018 Strategic Plan actions that were still in progress at the end 2018.

Council Motions (Q1) – Attachment D

In addition to the work that is underway to initiate new actions in the 2019-2022 Strategic Plan and deliver on-going daily service delivery contained in the Financial Plan, Attachment D provides a summary of the 127 Council Motions approved in Q1. These Motions have been categorized as into three groups as follows: (1) Council Added, (2) Operational and (3) Strategic Plan and are being provided to Council through the quarterly update for information.

Budget Update – Attachment E

An update of the operating and capital budget for the first quarter is contained in Attachment E. As of March 31, 2019, the overall operating revenues and expenditures/transfers are 8% and 17% respectively, of the annual budgeted amount. This compares to 8% and 18% to the prior fiscal period.

Revenues are expected to meet or exceed budget; revenues from short-term rental business licencing, permits and inspections and rezoning are trending higher than expected for the first quarter. The overall low percentage of actual to budgeted revenue is directly related to the property tax and payment in lieu of tax payments that are generally collected in the second half of the year. Conversely, dog licences and business licenses are collected in the first half of the year resulting in a higher percentage of actual to budgeted revenue in those departments.

Expenditures/transfers are expected to be within budget. Seasonal variations in municipal operations and accounting processes that occur outside the quarterly basis affect the proportion of revenues received or expenditures incurred to March 31, 2019. Seasonal impacts are reflected in Parks, Recreation, Sustainable Planning and Community Development and Corporate budgets due to work programs that will commence in the second and third quarter such as the Parks Boulevard program, summer recreation programs, Official Community Plan, Downtown Area Core Plan, and Canada Day celebrations.

As of March 31, 2019, the actual capital expenditures are at 8% spent of total budgeted expenditures for the year, compared to 6% in the prior year. Capital projects have varying schedules and the majority of the work planned for 2019 is scheduled to start in Q2 and Q3.

Council Member Expenses – Attachment F

Attachment F contains all expenses submitted by members of Council for reimbursement in the first quarter of 2019. This is a new attachment to the quarterly report and fulfils the new strategic plan objective to more openly report on expenses. Starting in Q2 2019, the cost of carbon offsets for any airline travel will be included in the report to capture the full cost of travel. There were no airline receipts submitted in Q1.

Grant Update – Attachment G

Attachment G contains an update on the grant activity in Q1 2019. Highlights for the quarter include receipt of a \$25,000 grant through the UBCM Community Emergency Preparedness Fund for evacuation route planning, as well as a successful co-application (with Esquimalt) for a \$50,000 grant through the UBCM Community Emergency Preparedness Fund for joint exercises between municipalities to test our Emergency Planning together.

Awarded Contracts – Attachment H

On March 14, 2019, Council passed a motion that directed staff to report back at quarterly updates on new contracts awarded for external procurement of goods and services where the total anticipated purchase amount exceeds \$50,000. These purchases may extend over several years and are contained Appendix H.

New Position Recruitment – Attachment I

Through the 2019 financial planning process, Victoria City Council approved 36 new positions to support advancement of strategic objectives and actions starting in 2019 identified in the 2019-2022 Strategic Plan. A summary of the status of retaining staff related to the Strategic Plan is contained in Attachment I.

CONCLUSIONS

City staff are continuing work outlined contained in the 2019-2022 Strategic Plan. Within the Service Delivery Work Plan for 2019, all staff resources are fully committed and any new additional work plan items or emerging needs may be accommodated pending trade-off discussions with Council on deferring existing work plan items. The City of Victoria remains committed to transparency and accountability through the provision of quarterly reports to ensure that citizens receive value for tax dollars.

Respectfully submitted,



Jocelyn Jenkyns
City Manager

List of Attachments

- A. Strategic Plan Progress Report
- B. Operational Plan Highlights, Achievements and Metrics
- C. Core Service Delivery Work Plan
- D. Council Motions (Q1)
- E. Budget Update
- F. Council Member Expenses

- G. Grant Update
- H. Contracts Awarded (Q1 2019)
- I. New Position Recruitment