



Committee of the Whole Report

For the Meeting of December 7, 2017

To: Committee of the Whole
From: Jocelyn Jenkyns, A/City Manager
Subject: Third Quarter Operational Plan Report

Date: November 29, 2017

RECOMMENDATION

That Council receive this report for Information.

EXECUTIVE SUMMARY

The following report and attachments detail the City of Victoria's activities and accomplishments on major projects, initiatives, and services contained in the 2015 - 2018 Strategic Plan and the 2017 Financial Plan during the period of July 1 to September 30, 2017.

Highlights

Major accomplishment to deliver on the 2015-2018 Strategic Plan are contained in Attachment A (*Q3 Operational Plan Progress Report*). Highlights include:

- The City partnered with the Greater Victoria Spirit Committee to produce the Spirit of Victoria 150 events culminating in a record breaking gathering in the Inner Harbour on Canada Day with more than 100,000 people attendance.
- The City and Canadian Union of Public Employees (CUPE) Local 50 renewed their collective agreement for a four-year term for the period January 1, 2017 to December 31, 2020. The new agreement represents the first independently-negotiated collective agreement between the City and CUPE Local 50 in more than 40 years.
- The Engagement Roadmap and Engagement Framework were adopted by City Council. The Roadmap outlines when the community can anticipate to provide feedback on important issues; the Framework provides further detail on why, how and when the City engages with the community.
- The draft Victoria West Neighbourhood Plan was released to the community for feedback; emerging directions for Fairfield were approved by Council, and revisions to the Gonzales Plan were prepared for community review.
- The annual development summit attracted 45 participants including developers, architects, builders, and others in the building and land use community. Participants discussed four topics: business hub, building permits, engineering review, and

construction. Feedback was positive and included recognition of the City's ongoing success in streamlining of City processes.

- A mobile bicycle vending pilot project was launched. Three bicycle vendors received business licences to operate on City streets and parks over the summer and fall.
- Short term rental use was removed from transient zones following a public hearing; a regulatory framework and enforcement strategy were also approved; consultation on new business regulations is underway.
- Engagement on the Crystal Pool and Fitness Centre Replacement project took place in Q3. City staff interacted with more than 2,000 people at numerous festivals, community events and coffee shops to discuss the project status, proposed concept designs, as well as patrons' needs and next steps for involvement.
- More than 300 people attended two outdoor open houses in July to provide input on a draft design concept for Ship Point. In September, Council approved the draft concept plan. Further engagement will take place in the fall to inform detailed designs for the Ship Point Master Plan.
- Construction of the new section of the David Foster Harbour Pathway in Reeson Park began and is expected to be completed by the end of 2017. The project consists of a new paved wheelchair-accessible pathway with guardrails and lighting, which connects the lower portion of Reeson Park with neighbouring properties.
- Completion of an acquisition to secure the City's land interests in support of the David Foster Harbour Pathway in front of 407 Wharf Street.
- The community was invited to provide feedback on the draft *Create Victoria* plan, which is designed to guide the City's investment in arts and culture over the next five years.
- 'Follow the Pod', a temporary play feature in Centennial Square, raised awareness of the threatened Southern Resident Orca Whale population by allowing visitors to play and interact with life-sized sculptures.
- Hosted the annual Livable Cities Forum – Advancing Low Carbon Resilience. More than 250 delegates from across Canada, the U.S., and Australia from local, provincial and federal governments, post-secondary institutions and health authorities learned from Canadian and international speakers about innovative examples and proven best practices in responding to climate change.
- Vic-Alert, the City of Victoria's Emergency Notification System, experienced great success since it was introduced in early Q2, with over 5,300 subscribers in the first five months.

Trends and Performance Metrics

Victoria continues to experience high levels of growth and development. At the end of Q3 2017, application volumes were 30% higher than the same period in 2016. This is also reflected in the total value of construction permit values, which almost doubled from 2014 to 2016. Permit values at the end of Q3 was just over \$200 million and expected to surpass 2016 total of \$246 million.

With the lowest unemployment in Canada at 3.8%, well below the national average of 6.3%, coupled with increased in-migration, Victoria's rental market continues to feel pressure. The current rental vacancy rate is 0.7%, which has resulted in a reduced supply of affordable housing. Concurrent with the rental market pressure is an increase in the average home price of 20% compared to the third quarter of 2016 in Victoria. Low unemployment and lack of housing affordability and availability may impact the City's ability to recruit in the future.

Increased economic activity is being seen by the Victoria Conference Centre, which has been experiencing an upward trend in the number of delegate days in recent years. The number of delegate days in 2017 is projected to be 104,250, which is pacing very close to 2016 numbers.

Project Tracking

Of the 92 key initiatives that support the implementation of the Strategic Plan, 18 were completed by the end of the third quarter. An additional 19 projects were experiencing challenges such as:

- Increased capital cost contingencies and tender timelines for major projects due to current construction market conditions
- New priorities and direction related to short term vacation rental policy and an increased number and scope of real estate projects
- Additional time for bike lanes consultations and engagement as requested by the community
- Capacity challenges in select areas due to current staffing levels and expanding workloads

Details of individual projects experiencing challenges are contained in Appendix A. A list of projects that will be carrying forward to next year will be included in the 2018 Operational Plan that will be provided to Council early in the first quarter of 2018.

Budget Update

The budget update in Attachment B outlines the actuals for the operating and capital budgets, as well as staffing levels for the third quarter.

As of September 30, 2017, the overall operating revenues and expenditures are 87% and 69% respectively, of the annual budgeted amount. This compares to 84% and 66% to the prior fiscal period. Revenues are expected to meet or exceed budget apart from traffic fine revenue received from the Provincial Government that is \$217,000 less than what was estimated in the financial plan. Revenues from parking, permits and inspections, rezoning and fire safety plan reviews are trending higher than expected for the third quarter. Operating expenditures are expected to be within budget by year end.

As of September 30, 2017, the actual capital expenditures are at 24% spent of total budgeted expenditures for the year, compared to 39% in the prior year. In 2017, the percentage spent is lower as the overall capital budget is substantially greater than the 2016 budget, mainly due to the Crystal Pool Replacement Project, otherwise the total spend would be similar. Capital projects have varying schedules and at present many have started in Q3 and will continue into Q4.

Grant Summary

The Grant Summary contained in Attachment C provides an overview of grant application activity across City departments. At the end of Q3, seven grant applications were pending award decision. Currently, staff are assessing four grant programs that may be able to provide additional support in

the areas of emergency preparedness, deer management and asset management. Other potential new grant opportunities that align to City of Victoria projects continue to be monitored.

In response to a Council motion, the Transgender, Gender Non-Binary, and Two-Spirit Equity and Inclusion Policy Update report is contained in Attachment D. The Victoria Police Department Quarterly update and presentation is contained in Attachments E and F.

CONCLUSIONS

The City is committed to continuous improvement including transparency and accountable in reporting. Through the project management framework, streamlined processes and improvement continue to be introduced and refined across the City to ensure that citizens receive value for their tax dollars.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Jocelyn Jenkyns', written in a cursive style.

Jocelyn Jenkyns
A/City Manager

List of Attachments

- A. Q3 Quarter Operational Plan Progress Report
- B. Q3 Budget Status Report
- C. Grant Summary
- D. Transgender, Gender Non-Binary, and Two-Spirit Equity and Inclusion Policy Update
- E. Victoria Police Department Quarterly Update
- F. Victoria Policy Department Presentation