



- Shaping future growth and development through **neighbourhood planning** to inform investment within the financial planning process.
- **More than doubling the annual investment for capital infrastructure** in asset renewal and the Buildings and Infrastructure Reserve from \$20 million to \$44 million since 2007.
- **Fleet modularity** - a new approach to managing the City's vehicle/equipment fleet will result in a more functional, common, adaptable, flexible and right-sized fleet that will improve operational capability, and stretch future funding.
- The **Strategic Real Estate Office** is designed to strategically administer the City's portfolio of commercial properties and manage the City's real estate holdings. Significant projects underway include the negotiations for the sale and development of the Apex Lands, negotiations for a new fire hall, negotiations with federal and private property owners in support of the David Foster Harbour Pathway project, the library branch in James Bay, Belleville Terminal Improvement project, and the development of a Strategic Real Estate Strategy.
- In 2016, the City opened its new **Business Hub** as a way to support new business development as a welcoming and collaborative first point of contact for business start-ups, relocations, expansions, investors, property owners, leasing agents and other interested in creating prosperity in Victoria.
- The **Victoria Housing Strategy** is comprised of multiple actions to improve housing affordability that fall under three Strategic Directions: Increase Supply, Encourage Diversity and Build Awareness.
- **Victoria Housing Reserve Fund** continues to provide grant funding to affordable housing projects throughout the City and region. City investment in this fund resulted in the development of 217 new units of affordable housing from 2015-2017.
- Completion of the **Parks and Open Spaces Master Plan** to help prioritize improvements to meet goals and objectives within the Plan
- **Cycling Network** implementation of Phase 1 of the All Ages and Abilities (AAA) Active Transportation Network. Active and multi-modal transportation.
- **Traffic Calming Initiatives** keep neighbourhoods safer, through the installation of smaller scale traffic calming measures including speed reader boards, permanent blocking of certain roads, installation of pedestrian connection signage, and installation of crosswalks.
- The City has entered an agreement with the Capital Park development to acquire space for a **library branch in James Bay** which is expected to open early 2018
- The City's **Cultural Master Plan**, currently underway, is an overview of the strategic priorities, goals and actions for arts and culture in Victoria. It provides a roadmap for the City's investment in cultural development, which is broader than simply the arts.
- Victoria is the first municipality in BC to **replace all street lights with LEDs** resulting in annual savings of \$220,000 in 2018 and anticipated higher ongoing annual savings starting in 2019.
- **Climate Action Program** establishes a long term greenhouse gas reduction target of 80% by 2050; including a corresponding specific target of 100% renewable energy. Climate rebates accumulated in the City's **Climate Action Reserve** are re-invested in climate related initiatives.
- **Investments in Information Technology** – significant investment has been made to provide stable and reliable IT infrastructure as well as improved applications. Examples of IT investment include **Open Data Portal, Development Tracker, Victoria Ready website, cloud based infrastructure and applications, ConnectVictoria App, Electronic Council and Committee Agendas, and Mobile Devices**

The draft 2018 Financial Plan was developed based on Council's direction for a maximum tax increase of inflation plus 1% as well as the City's Financial Sustainability Policy. The most recently

published inflation rate for Victoria is 1.8% (August). As presented, the draft operating budget totals approximately \$233.3 million and the draft capital budget totals approximately \$43.1 million for 2018. The proposed budgets would result an overall property tax increase of 2.77%. Factoring in utility user fee increases, the total is 2.80%. To meet Council's objectives, as part of staff's ongoing due diligence to support the City's commitment to 'better is possible' and providing taxpayers value for their tax dollars, staff continue to explore opportunities to streamline operations resulting in cost savings and increased efficiencies without compromising service levels and in some cases being able to take on additional services and initiatives within existing funding envelopes. Examples of this streamlining are provided starting on page 12 of this report; highlights include:

- A review of the inventory, service standards and resourcing for both the Parks and Facilities divisions were conducted in 2016 resulted in the shifting of one leadership position from Parks to Facilities to meet the increased demand for asset management oversight.
- Before requesting new funding for increased staffing levels, reviews of existing operations and positions are done to take advantage of opportunities to restructure and therefore eliminate the need to request additional funding.
- Numerous efficiencies have resulted in savings (cost and time) including return to work programs, staff scheduling, and bringing some work in-house.
- The launch of the ConnectVictoria App makes it easier to connect with the City enabling residents to submit service requests through their mobile devices.
- The Council correspondence function that was implemented in 2016 has resulted in faster turnaround times for meaningful responses.
- The City continues to participate in many cooperative efforts between municipalities. Examples are provided in Appendix A, outlining over 90 ongoing efforts.
- As directed by Victoria Council and three neighbouring Councils, collaboration in regards to the development of a common communication platform for further integration of Fire Service is underway.

As the population in our community grows and as the community densifies, the additional demand on our services is likely to continue. Before staff bring forward requests for additional funding, a rigorous and strategic evaluation of each need is undertaken to ensure that it cannot be managed in some other way. Also, some growth related demands are temporary in nature and as such would only require temporary increases. This approach aligns with Council's policy for new or expanded services, and the allocation of new assessment revenue and prior year surplus. In addition, the revamping of the quarterly reporting process including more streamlined metrics and trends will enable staff to communicate changes to service demands to Council in a structured way on an ongoing basis. As outlined in Appendix B, this year's supplementary requests are largely focused on building capacity for infrastructure planning, managing growth and development, housing and homelessness, public safety, and organizational resources to support effective delivery of City projects

As part of our continuous improvement efforts, the City's Service Review Policy commits to undertaking two reviews per year. In the Bylaw Services Division, calls for service have increased from approximately 1900 in 2015 to 4800 in 2016 and is expected to reach at least the same level for 2017. In view of the impacts of this calls for service increase, it is proposed that a Strategic Enforcement Workshop with Council be undertaken to identify clear enforcement priorities followed by an in-depth service review building on the earlier review of the service. This next level review would focus on resource requirements to effectively deliver the service levels desired by Council. The second review is yet to be determined.

Council has also directed staff to take into account the feedback received during last year's public consultation process. This feedback indicated that the majority were satisfied with the programs

and services the City offers, and the majority indicated that capital spending was “just right”. In addition, the highest response for the use of new assessment tax revenue was to fund new initiatives and transfer to infrastructure reserve, and the highest response for the use of surplus was to fund invest some in one-time initiatives and some in reserves. Taking this feedback into account, the proposed budget results in a tax increase (2.77%) that is slightly below Council’s target, and maintains existing services and service levels.

The fourth year of the implementation of the new financial planning process continued to align service level deliverables and improving performance metrics as well as identifying one-time funding allocations separate from core budgets. New for this year, as requested by Council and with the cooperation of the Police Board, the timeline for the budget submission from VicPD has been aligned with remaining City departments. In addition, their budget submission is also in a similar format providing greater context to the reader and enables Council’s consistent review of all departments.

Informed by the public input received during last year’s process, the proposed public consultation will build on the activities and tools used during the 2017 financial planning process including a “budget snapshot” to each neighbourhood to create awareness of what is planned to take place during the year. In addition, as directed by Council for the 2018 financial planning process increased consultation with neighbourhoods will take place. For the 2018 budget, foundational education and information sharing with neighbourhoods is already underway; for future years consultation with neighbourhoods will take place early in the year to allow for input earlier in the process. Over the last two years the City has seen a significant increase in public input, which has helped shape the financial plan. For 2015 and 2016, the majority of feedback came from citizens; however for 2017 focussed outreach to the business community led to increased input from business owners compared to prior years. The new financial plan format will continue to be the foundation for meaningful engagement and community feedback. Improved budget information, using visuals and plain language, will be provided to the community through a variety of tools aimed to increase reach and understanding of the City’s financial planning process. These tools include the budget explainer video, Budget at a Glance, and a Budget Summary that provides a very short summary of the budget highlights. Through the Financial Plan, Council will be able to articulate the value the community receives for their tax dollars.

Upon completion of the public consultation and tentatively scheduled for the early December, Council will have an opportunity to consider the feedback and make changes to the financial plan before giving final approval prior to May 15 as required by legislation. A summary of the public input will be included in the final financial plan itself. Tax notices will be sent out once the financial plan and tax rate bylaws have been adopted by Council.

After the detailed presentations have concluded on November 7, 2017, staff will recommend that Council:

1. Direct staff to bring forward the Five-year Financial Plan Bylaw, 2018 to the November 9, 2017 Council meeting for consideration of first reading prior to commencing public consultation.
2. Direct staff to bring forward bylaws outlining solid waste, water utility and stormwater utility user fee increases to the November 9, 2017 Council meeting for consideration of first, second and third readings
3. Approve the following allocations of assessment growth (non-market change) property tax revenue:

- a. \$500,000 to the Buildings and Infrastructure Reserve as per the Financial Sustainability Policy
  - b. \$87,000 for to maintain the position of correspondence coordinator (as directed by Council during the 2017 financial planning process)
  - c. Direct staff to bring forward options for the use of the remainder upon completion of public consultation
4. Direct staff to bring forward options for the use of 2017 surplus upon completion of public consultation.
5. Direct staff to bring forward options for funding supplementary budget requests upon completion of public consultation.
6. Allocate \$2,450,000 of the annual gas tax funding to the Storm Drain Brick Main project and direct staff to bring forward options for the allocation of the remainder upon completion of public consultation.
7. Create a direct-award grant for seniors outreach funded by a re-allocation \$30,000 from the Strategic Plan Grant program
8. Approve the direct-award grants as outlined in this report.
9. Direct staff to bring forward options for funding increased grant requests upon completion of public consultation.
10. Approve adding 1.0 FTE carpenter currently managed through auxiliary staffing and funded through existing budgets.

## **PURPOSE**

The purpose of this report is to introduce the draft 2018 Financial Plan for Council's review and fulsome discussion prior to consideration of first reading of the 2018 Five Year Financial Plan Bylaw prior to commencing public consultation.

## **BACKGROUND**

Section 165 of the *Community Charter* requires that a financial plan be approved annually following public consultation as required by section 166. The financial plan must be approved before the tax rate bylaw is approved, and before May 15 as required by section 197.

Three policies guide the financial planning process: Financial Sustainability Policy; Reserve Fund Policy; and Revenue and Tax Policy.

This is the fourth year of the implementation of a new financial planning process moving from an expense based budget that focused primarily on the dollars allocated to each department toward one with an emphasis on priorities and outcomes, outlining services and capital projects including costs, revenues and benefits of each. The new format enables the City to better demonstrate the value tax and rate payers receive for their dollars. Greater emphasis is also being placed on staff and community involvement in the planning process. Approximately 70 staff from across the organization continued to be involved in compiling the information for the financial plan and detailed reviews of all departmental budget submissions have been completed by staff.

### **Strategic Plan Achievements**

In support of Council's goals and outcomes outlined in the City's Strategic Plan, staff continue to deliver where Council has allocated funding. Significant achievements include:

<b>Innovate and Lead</b>		
Project Management	Framework	As part of the City's adoption of the Project Management Framework, standardized criteria to define projects and programs has resulted in improved planning and forecasting of milestones for the annual Operational Plan. This also included the introduction of a dashboard tool, where staff can quickly update project information, which has resulted in a savings of staff time, as well better transparency and accountability of project progress on a monthly and quarterly basis.
	Capital Cost Estimates Policy	The Capital Cost Estimates Policy was introduced in early 2017 to provide consistent definitions and guidance to staff and Council for appropriate cost estimate contingency levels depending on the stage of a project. This Policy has been applied to a number of projects such as the Crystal Pool and Wellness Centre replacement, Fire Hall #1 replacement project and the Ship Point Master Plan. The Policy has resulted in more effective communication to Council and within the organization on estimated budget requirements.
	Lessons Learned Policy	The Lessons Learned Policy, adopted in the spring of 2017, is another demonstration of the City's commitment to continuous improvement by providing directives for on-going and formal evaluations of major projects. This Policy has been applied to the Crystal Pool and Wellness Centre project which has used the lessons learned from the Johnson Street Bridge project to inform project planning and costing. The Policy also complements requirements to capture lessons learned in smaller projects through the Project Management Framework to support future projects through improved knowledge capture and management.
<b>Engage and Empower the Community</b>		
Investments in Information Technology	Open Data Portal	Since 2013, the City has continuously added data sets to our Open Data Catalogue, improving access to information and data. Work is underway to launch a new Open Data Portal which will allow all users to better understand and contextualize our data through visualizations, graphs and other tools. This will create further meaningful uses for the data and paving the way for increasing transparency further.
	ConnectVictoria App	This app was launched in 2016 to make it easier to connect with the City. The App was created to take online connection points on the City's website and to provide them in an easily accessible mobile app. The app allows residents to search for jobs, latest news, media releases, events, contact information and submit a service request through their mobile functions.

Engagement Framework and Roadmap		In January, the City hosted the first annual Engagement Summit. The purpose of the event was to develop, with the community, clear expectations on opportunities for the public to participate in City decision-making. The Engagement Framework and Public Engagement Roadmap were developed as a result of the summit and adopted by Council in July. The Roadmap makes engagement more predictable by letting people know what they can expect and when. The Framework formalizes current engagement practices and introduces improvements based on national best practices, feedback received and lessons learned. Both will be updated and reviewed with the community at the annual Engagement Summit.
Youth Engagement Strategy		A three-year Youth Engagement Strategy was adopted by Council in spring of 2017 and is now being implemented.
<b>Strive for Excellence in Planning and Land Use</b>		
Development Services Related Improvements	Turnaround times	Through process improvements and the use of technology upgrades, applications meeting target turnaround times have been increased from 55% to 81% for development applications and from 75% to 90% for permit applications.
	Transparency	The Development Tracker was launched in 2015, which allows the tracking of development applications by developers and anyone in the community interested in a particular development or land use change, providing more transparency.
Neighbourhood planning		The City has embarked on a process to update 10 neighbourhood plans before February 2019. These plans will shape future growth and development in the neighbourhood including transportation, housing, parks and other infrastructure and will inform investment decisions within the financial planning process.
Downtown Public Realm and Streetscape Plan		A Downtown Public Realm and Streetscape Plan is close to completion, providing guidelines for street infrastructure in the Downtown (lights, benches, signage etc.)
<b>Build the Financial Capacity of the Organization</b>		
Infrastructure and Equipment	Infrastructure capital investment	Council has more than doubled the City's annual investment to prudently manage our aging assets (from \$20 million to \$44 million since 2007). This necessary increase in capital investment and savings in the Buildings and Infrastructure Reserve enables the City to sustainably manage and maintain infrastructure to uphold the safety and quality of life of residents and visitors. These programs include investment in roads, crosswalks, sidewalks, facilities and parks to name a few.
	Fleet modularity	This new approach to managing the City's vehicle/equipment fleet will result in a more functional, common, adaptable, flexible and right-sized fleet that will improve operational capability, and stretch future funding.
Strategic Real Estate Office		The Strategic Real Estate Office is designed to strategically administer the City's portfolio of commercial properties,

		<p>manage the City's real estate holdings and provide operational support to other City business areas in real property transactions. Significant projects underway include the negotiations for the sale and development of the Apex Lands, negotiations for a new fire hall, negotiations with SD 61 on land consolidation and affordable housing opportunities, negotiations with federal and private property owners in support of the David Foster Pathway Project, the James Bay Library branch opening, Belleville Terminal Improvement Project, Johnson Street Bridge federal land securement and the development of a Strategic Real Estate Strategy. During the year the SRO also completed a number of important projects, including acquisitions of strategic portions of the David Foster Pathway on Swift Street and the Inner Harbour, King's Gym Community Use, My Place Transitional Housing, Douglas Street Bus Terminal Pilot Program and completing organizational changes in support of more effective operations. From an operational perspective, 2017 will also see a significant number of the City's key commercial leases negotiated in house by the SRO to align them with commercial market rents. In total these lease negotiations will amount to over \$700,000 in annual revenue and approximately \$97,000 in lease commission savings this year. On an ongoing basis, these savings are estimated to be approximately \$84,000 annually, \$54,000 of which is related to 812 Wharf and goes toward the repayment of the funding borrowed from reserve.</p>
Investments in Information Technology	Electronic Council and Committee Agendas	Electronic devices were provided to staff and members of Council to allow for agenda reading and markup on a mobile device, eliminating the need for paper copies and reducing staff time required for printing and delivering agendas.
	Mobile Devices	Mobile devices (phones and laptops) were upgraded and provided to staff resulting in increased staff productivity for the numerous staff who work and attend meetings in multiple locations. In addition, negotiating a new corporate phone plan reduced annual costs by approximately \$40,000.
<b>Create Prosperity Through Economic Development</b>		
Business Hub		In 2016, the City opened its new Business Hub as a way to support new business development as a welcoming and collaborative first point of contact for business start-ups, relocations, expansions, investors, property owners, leasing agents and other interested in creating prosperity in Victoria.
Parking Ambassadors		The parking ambassador program is positively changing the relationship with customers and downtown businesses to support vibrant and welcoming downtown. Streamlining of customer access points saves customers time. The adjudication process has resulted in days of time savings for staff and minimized time required for a customer to appeal a parking ticket.

Business licencing		<p>A pilot program was initiated in 2017 to allow mobile street vending to take place in the City. Three vendor licences were issued during the pilot and the experience will be used to inform a decision on whether to allow mobile street vending on a permanent basis.</p> <p>New sidewalk patio regulations have created eight new sidewalk patios across the City, creating more space for businesses to operate and adding more vibrancy to downtown streets.</p>
<b>Make Victoria More Affordable</b>		
Housing	Victoria Housing Strategy	<p>The Victoria Housing Strategy is comprised of multiple actions to improve housing affordability that fall under three Strategic Directions: Increase Supply, Encourage Diversity and Build Awareness. Completed actions include:</p> <ul style="list-style-type: none"> <li>• creation of a standard minimum unit size and allow for smaller units if affordability is proposed on a project by project basis;</li> <li>• removal of the rezoning requirement for garden suites,</li> <li>• relaxing of restrictions in zoning around secondary suites,</li> <li>• a workshop on affordable home ownership,</li> <li>• fee reductions for non-profit housing providers, and</li> <li>• an update to the Victoria Housing Reserve Fund to encourage more affordable housing development.</li> </ul>
	Victoria Housing Reserve Fund	<p>The Victoria Housing Reserve Fund continues to provide grant funding to affordable housing projects throughout the City and region. City investment in this fund resulted in the development of 217 new units of affordable housing from 2015-2017.</p>
<b>Facilitate Social Inclusion and Community Wellness</b>		
Crystal Pool and Fitness Centre		<p>Planning is underway to replace the ageing Crystal Pool and Fitness Centre to make it a better place for everyone to have fun and to stay healthy and active for generations to come.</p> <p>The City is actively seeking support from other levels of governments to help fund this new centre. In case funding from external sources is not sufficient, the City may need to borrow funds which would require a referendum.</p>
Transgender Policy		<p>Council is moving to create a transgender policy for the City. The objectives are making civic facilities, operations and programs safe, inclusive, and equitable for people of all genders, gender identities, and gender expressions, and their communities in areas such as</p> <ol style="list-style-type: none"> <li>a) Signage and Literature</li> <li>b) Public Spaces (including washrooms and change-rooms)</li> <li>c) Human Resource Training and Staff Policies</li> <li>d) Programming (including “all-bodies” programming)</li> <li>e) Collaborative Public and Community Partnerships</li> </ol>

	f) Forms and records and instruments of data collection and management.
<b>Enhance and Steward Public Spaces, Green Spaces and Food Systems</b>	
Parks and Open Spaces Master Plan	Approved by City Council in 2017, this Plan helps the City prioritize improvements to meet the goals and objectives within the Plan.
Community Gardens	A new community garden is now growing on a vacant property in downtown Victoria due to an innovative City Studio initiative between the City, the University of Victoria and the Downtown Residents' Association.
Urban Agriculture	Six urban agriculture licences are now in place in the City due to new regulations that allow residents to grow and sell food on their property.
<b>Complete a Multi-Modal and Active Transportation Network</b>	
Cycling Network	Implementation of Phase 1 of the All Ages and Abilities (AAA) Active Transportation Network. Active and multi-modal transportation is a key strategic priority for Council and AAA bike routes are designed to improve safety while encouraging new demographics to cycle more often, and responds existing demand for high quality safer cycling facilities as well as projected population growth. 10.96 kilometres of marked bike lanes have been added to the network over the past five years (2013-2017).
Traffic Calming Initiatives	With an eye to keeping neighbourhoods safer through the installation of smaller scale traffic calming measures including Speed Reader Boards that have been installed to reduce speeding by increasing driver awareness of posted speed limits and providing instant feedback by displaying the actual speed being travelled. Other initiatives include permanent blocking of certain roads, installation of pedestrian connection signage, and installation of crosswalks.
Signage	Pedestrian/cycling only connections have been signed throughout the City.
<b>Nurture Our Arts, Culture and Learning Capital</b>	
Library Branch in James Bay	The City has entered an agreement with the Capital Park development to acquire space for a library branch in James Bay, which is expected to open early 2018.
Cultural Master Plan	The City's Cultural Master Plan, currently underway, is an overview of the strategic priorities, goals and actions for arts and culture in Victoria. It provides a roadmap for the City's investment in cultural development, which is broader than simply the arts. The Plan will include a number of initiatives to assist individual artists and creative entrepreneurs to excel at their work, including: <ol style="list-style-type: none"> <li>1. Linking artists with spaces and making spaces more affordable</li> <li>2. Providing opportunities for artists work to be showcased</li> <li>3. Offering training and skills development opportunities</li> </ol>

		<p>4. Easing City processes to support artist-led creative projects</p> <p>5. Creating music-friendly and musician-friendly policies</p> <p>6. Developing a Creative-Worker Attraction and Retention Strategy</p>
Indigenous Artist in Residence		<p>The new Indigenous Artist in Residence program provides the opportunity for a local artist to develop artistic works and engage the community in dialogue, workshops, events, and activities throughout a one-year term. Iroquois Mohawk artist Lindsay Katsitsakatste Delaronde was selected as the City's first Indigenous Artist in Residence.</p> <p>The Indigenous Artist in Residence will engage the community and City staff to produce a range of artistic works, which may include for example an exhibition, performance, publication or forum. There will also be an opportunity to create collaborative artwork with the City's current Artist in Residence Luke Ramsey.</p>
Canada 150		A number of Canada 150 community events and initiatives are underway in 2017 to celebrate the country's sesquicentennial.
<b>Steward Water Systems and Waste Streams Responsibly</b>		
Stormwater		The City introduced a Stormwater Utility in 2016 to align the fee paid with the impact a property has on the City's stormwater infrastructure resulting in a more transparent, fair and equitable way to fund the stormwater system. In addition, this system enables the City to offer incentives to encourage and reward properties that manage rainwater more sustainably. Property owners can influence how much they pay by reducing impervious areas in new builds/major renovations and/or managing stormwater on site. All properties that use stormwater services are now contributing, similar to the water and sewer utilities. Under the old system only those paying property tax contributed, while some large properties with large impact on the system did not.
Waste Management		Community consultation on the regulation of single-use plastic bags is underway engaging local stakeholders to better understand the benefits, barriers, concerns and success stories related to a reduction of single-use checkout bags (plastic and paper).
<b>Take Climate Action and Prepare for Emergencies</b>		
Climate Leadership	Streetlight Replacement (LED)	Victoria is the first municipality in BC to replace all streetlights with LEDs resulting in annual savings of \$220,000 in 2018 and anticipated higher ongoing annual savings starting in 2019.
	Climate Action Program	The Climate Action Program establishes a long term greenhouse gas reduction target of 80% by 2050; including a corresponding specific target of 100% renewable energy. The following efforts are underway:

		<ul style="list-style-type: none"> <li>○ A community emissions model is being updated that accurately and comprehensively quantifies emissions by source to help invest in the required energy reductions to meet the City's GHG targets. Climate rebates accumulated in the City's <b>Climate Action Reserve</b> are re-invested in these initiatives.</li> <li>○ The City is working towards educating, informing and encouraging and influencing positive behaviour towards our Climate Action Goals and is a leader on climate mitigation and adaptation to invest prudently and wisely to inspire meaningful GHG improvements and reduce long term risks.</li> </ul>
Emergency Management	Investments in Information Technology	<p>The launch of the <b>Victoria Ready</b> website provides citizens with important information related to the City's emergency management program.</p> <p>The City is embracing cloud based infrastructure and applications to improve the City's resiliency by increasing redundancy and enabling our critical systems to operate with minimum interruption in the event of an emergency.</p>
	Infrastructure	<p>Planning for a new Fire Department Headquarters is underway. Utilizing a market sounding process for the first time to seek innovative ideas and potential interest in partnering with the City, the City is currently negotiating with one proponent to replace the facility.</p>

### **Continuous Improvement and Streamlining**

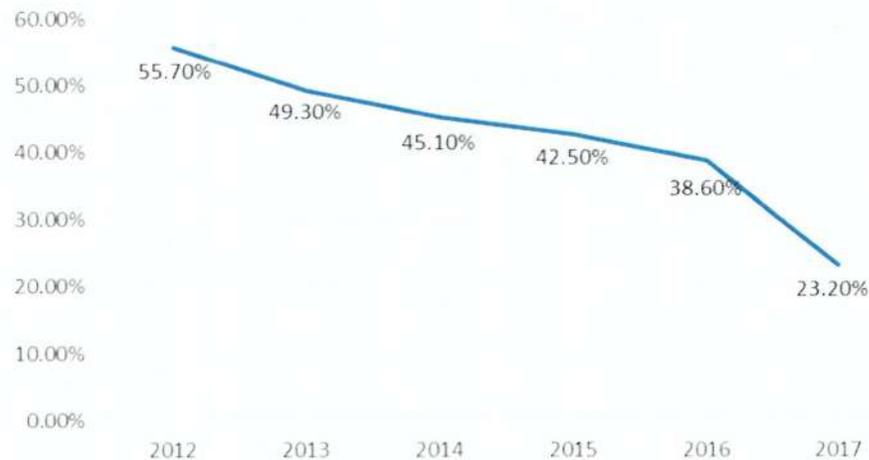
The internal budget process incorporates the philosophy of continuous improvement and requires departments to explore efficiencies to provide better value and service to the community. Each year staff are asked to engage in open dialogue to encourage a "better is possible" mindset, question current processes and seek ways to make improvements, including exploring reallocation of resources and collaboration with other departments to maximize efficiencies. The following table outlines a number of streamlining initiatives:

<b>Service standards and benchmarking</b>	A review of the inventory, service standards and resourcing for both the Parks and Facilities divisions were conducted in 2016. In addition to identifying standards and targets that can be measured, this review resulted in the shifting of one leadership position from Parks to Facilities to meet the increased demand for asset management oversight.
<b>Assessment of staffing needs</b>	As part of our regular operations, before requesting new funding for increased staffing levels, reviews of existing operations and positions are done to take advantage of opportunities to restructure and therefore eliminate the need to request additional funding. Examples include: Grant Specialist, Active Transportation Project Management Specialist, Planner, Building Inspector, and Fleet Asset Management Project Coordinator.
<b>Efficiencies</b>	Over the last number of years, significant effort has been made to support staff in their return to work after illness or injury resulting in significant reductions in time off and also in WorkSafe BC premium surcharges. WCB claims costs have been reduced by more than half, from over \$500,000 in

2012 to approximately \$200,000 in 2016. And the surcharge on WCB premiums have been reduced from 55.5% in 2012 to 23.2% in 2017.

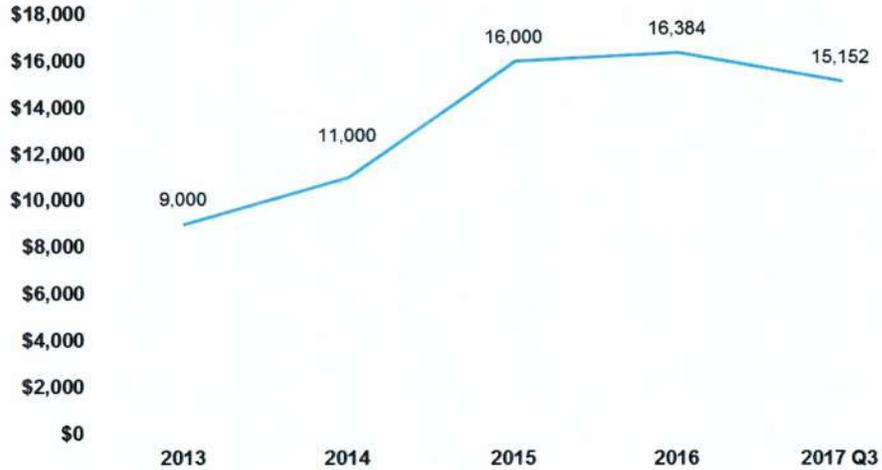


### WorksafeBC Premium Surcharge

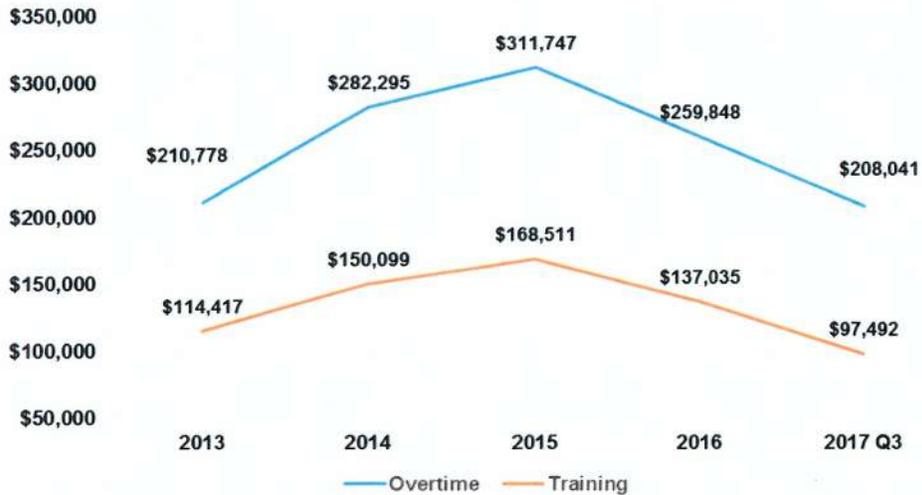


Specific to the Fire Department, a multi-pronged approach to scheduling has not only resulted in cost savings, but also increased and more equitable distributed training opportunities for staff.

**Training Hours 2013-2017**



**Overtime and Training Costs 2013-2017**



The Strategic Real Estate Office is now negotiating key commercial leases in house rather than through a third party, saving the City approximately \$84,000 on an ongoing basis annually.

Bringing collective agreement bargaining in-house has resulted in annual savings of \$40,000

**Calls for service**

The launch of the ConnectVictoria App makes it easier to connect with the City enabling residents to submit service requests through their mobile functions.

	In addition, the streamlined approach to correspondence implemented in 2016 has resulted in faster turnaround times for meaningful responses (target turnaround is 5 days).
	In the Bylaw Services Division, calls for service have increased from approximately 1900 in 2015 to 4800 in 2016 and that is expected to reach at least the same level for 2017. In view of the impacts of this calls for service increase, it is proposed that a Strategic Enforcement Workshop with Council be undertaken to identify clear enforcement priorities followed by an in-depth service review building on the earlier review of the service. This next level review would focus on resource requirements to effectively deliver the service levels desired by Council.
<b>Service integration with other municipalities</b>	The City continues to participate in many cooperative efforts between municipalities. Examples are provided in Appendix A, outlining over 90 ongoing efforts.
	As directed by Victoria Council and three neighbouring Councils, collaboration in regards to the development of a common communication platform for further integration of Fire Service is underway.

The budget process itself is one of continuous improvement and will be enhanced each year. Through the financial planning process, Council sets service levels and allocates funding based on input from staff across the organization as well as input from the community. Staff will seek Council's feedback to ensure the financial plan and process meet Council's expectations.

Council passing first reading of the financial plan bylaw indicates preliminary approval of the financial plan and signals to the public that Council has had an opportunity to review the draft. Once the public feedback has been considered, Council can make adjustments to the financial plan before final approval and adoption of the bylaw before May 15, 2018.

## ISSUES & ANALYSIS

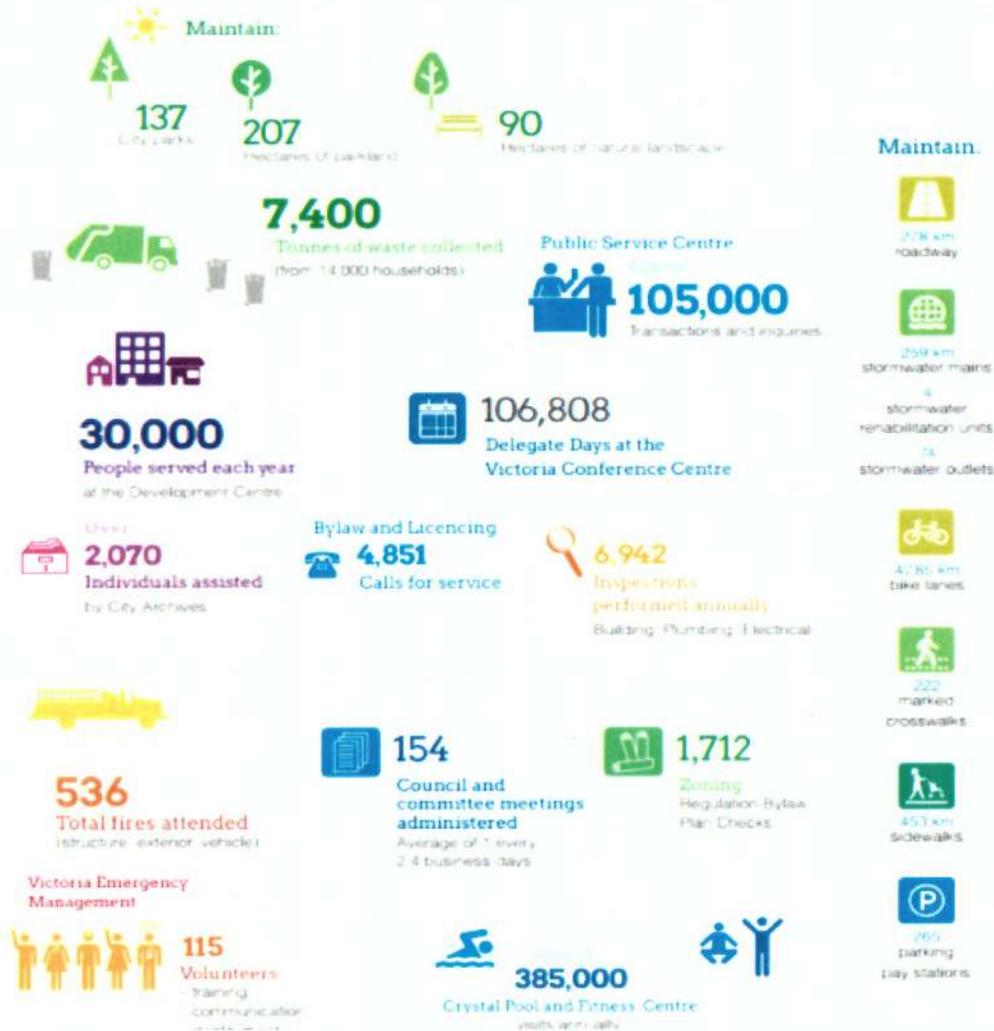
### Operating Budget

#### Overview

The draft 2018 operating budget totals \$233.3 million, which represents a proposed overall increase in property taxes of \$3.46 million or 2.77%. Including utility user fees, the proposed increase is 2.80%.

As outlined in the draft Financial Plan, the City delivers approximately 200 services, and over 200 capital projects are included.

# Highlights of City Services



As part of the 2015-2018 Strategic Plan, Council set a target maximum tax increase of inflation plus 1%. The most recently posted inflation is 1.8% for Victoria (August). The draft financial plan maintains services at current services levels. The main cost drivers are salary increases, capital investment, 2018 election costs, a decrease in traffic fine revenue from the Province, insurance, software maintenance agreements and the costs for the new library branch in James Bay. These increases have been offset in part by increased revenues from the Victoria Conference Centre, payment in lieu of taxes, recreation programming, plumbing permits and franchise fees from Fortis BC. In addition, as a result of the implementation of the LED streetlight conversion project, hydro and maintenance savings of \$220,000 are expected for 2018; it is proposed that these savings be transferred to the Climate Action Reserve for future funding of climate mitigation and adaptation strategies that target energy and GHG reductions.

The following table summarizes the proposed property tax increase and budget cost drivers for 2018:

Property Tax Impact	Tax Increase	
	Dollars \$	Percentage %
<b>City</b>		
<u>Cost Drivers</u>		
Salaries and Benefits	\$ 1,636,385	1.30%
Elections	279,000	0.22%
Insurance	77,300	0.06%
Software Licencing	66,000	0.05%
Credit Card Discount Fees	41,000	0.03%
Grants	24,000	0.02%
EFAP Program Revamp	20,000	0.02%
<u>Expense Savings</u>		
In House Collective Bargaining	(40,000)	-0.03%
In House Lease Negotiations	(30,000)	-0.02%
Hydro - LED streetlight conversion	(120,000)	-0.10%
Repairs and Maintenance - LED streetlight conversion	(100,000)	-0.08%
Climate Action Reserve - savings from LED streetlight conversion	220,000	0.18%
<u>Revenue Increases</u>		
Victoria Conference Centre - Sales, Parkade and Client Services	(248,000)	-0.20%
Payment In Lieu of Taxes	(204,000)	-0.16%
Fortis Franchise Fees	(40,000)	-0.03%
Recreation Programming	(34,000)	-0.03%
Plumbing Permits	(10,000)	-0.01%
<u>Capital Investment</u>		
Major Streets Rehabilitation- Road Surface Repair	250,000	0.20%
Building and Infrastructure Reserve	500,000	0.40%
New Property Tax Revenue due to Growth (Non-Market Change)	(500,000)	-0.40%
Other Changes	220,798	0.18%
<b>City Total</b>	<b>2,008,483</b>	<b>1.60%</b>
<b>Police</b>		
Operations	1,115,933	0.89%
Revenue Decrease - Traffic Fine Revenue	218,000	0.18%
<b>Police Total</b>	<b>1,333,933</b>	<b>1.07%</b>
<b>Greater Victoria Library</b>	<b>120,305</b>	<b>0.10%</b>
<b>Total Property Tax</b>	<b>\$ 3,462,721</b>	<b>2.77%</b>

The following table outlines the full-time equivalent (FTE) position count:

	2016 FTE	2017 FTE	Draft 2018 FTE	2017 to 2018 Change
City Manager's Office	5.00	5.00	5.00	0.00
Deputy City Manager	2.00	2.00	2.00	0.00
Arts, Culture and Events	7.00	7.29	7.29	0.00
Economic Development	1.00	1.00	1.00	0.00
Engagement	15.00	15.00	15.00	0.00
Legislative and Regulatory Services	20.88	21.88	21.88	0.00
Real Estate	2.00	3.00	3.00	0.00
Victoria Conference Centre	13.62	13.62	13.62	0.00
Engineering and Public Works	273.22	273.72	273.72	0.00
Finance	102.26	102.26	102.26	0.00
Human Resources	11.00	11.00	11.00	0.00
Legal Services	4.00	4.00	4.00	0.00
Parks, Recreation and Facilities	176.48	176.81	176.81	0.00
Sustainable Planning and Community Development	43.43	43.43	43.43	0.00
Victoria Fire Department	123.09	123.09	123.09	0.00
<b>Total</b>	<b>799.98</b>	<b>803.10</b>	<b>803.10</b>	<b>0.00</b>

**Note:**

- The 2017 FTE's have been restated to reflect departmental reorganizations for the employee shifts between department
- Building Services reallocated to Parks, Recreation and Facilities from Engineering and Public Works
  - Executive Administration and Correspondence Coordinator reallocated to City Manager's Office from Engagement

In 2017, Council approved adding one additional FTE to enforce the business licence regulations for medical cannabis businesses, funded through a business licence fee; 0.5 FTE for Public Works and 0.33 FTE for the horticulture team both funded through reduction in existing overtime budgets that were previously used to meet those needs; 0.29 FTE support for Arts and Culture, and 1 FTE for the real estate function.

The current full-time employee equivalent count, excluding VicPD, is 803.10. The City has numerous part-time and casual employees in addition to those who are full-time, resulting in a headcount of approximately 1,000.

For 2018, it is proposed that 1.0 permanent FTE carpenter position be added replacing auxiliary staffing funded through existing budgets. Should Council approve any supplementary requests, additional FTEs would be added.

It is anticipated that future years will require additional resources as a result of additional inventory related to capital projects, developer amenity contributions, as well as expected growth. Through the improved quarterly reporting process to Council, staff will be able to regularly provide better metrics to highlight resource needs in a structured way, which will inform Council's decision-making in regards to resource allocation.

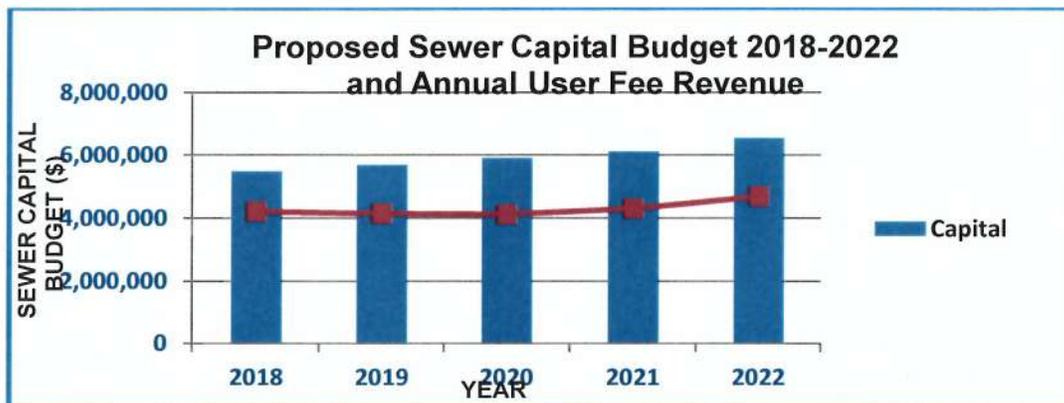
Utilities

The major cost driver for the City’s utilities is capital investment, CRD bulk water and tipping fees. Further details for each utility is provided below.

The proposed Water Utility budget results in a user fee revenue increase of \$602,256 or 3.12% as outlined in the following table:

Water Cost Driver	Dollars \$	Percentage %
CRD Bulk Water	\$ 176,154	0.91%
Salaries, materials & equipment	99,102	0.51%
Capital investment	327,000	1.70%
<b>Total</b>	<b>\$ 602,256</b>	<b>3.12%</b>

Subsequent to the CRD’s decision on the location for the sewage treatment facility, the update to the sewer master plan is underway and will inform future budgets. Pending the outcome of the master planning, no revenue increase is proposed for 2018. Additional capital projects are proposed for 2018 with funding from the sewer utility reserve, which has been accumulating funding for these projects pending the CRD decision for the sewage treatment facility. Having transferred funding into reserve has enabled smoothing out the impact of these projects in later years. The following graph shows the capital spending amounts as bars and the annual user fee as the straight line, with the difference coming from the reserve:



The Solid Waste program proposes a user fee revenue increase of \$93,625 or 3.07% as outlined in the following table:

Solid Waste Cost Driver	Dollars \$	Percentage %
Tipping Fees - garbage/organics	\$ 55,000	1.80%
Salaries, materials & equipment	38,625	1.27%
<b>Total</b>	<b>\$ 93,625</b>	<b>3.07%</b>

The proposed Stormwater Utility budget for 2018 results in a revenue increase of \$318,980 or 5.07% as outlined in the following table:

Stormwater Cost Driver	Dollars \$	Percentage %
Salaries, materials & equipment	\$ 62,980	1.00%
Capital investment	256,000	4.07%
<b>Total</b>	<b>\$ 318,980</b>	<b>5.07%</b>

Greater Victoria Public Library (GVPL)

The City's share of the GVPL's operating and facility maintenance budget request, is \$5 million, which is an increase of approximately \$120,000 over 2017. On top of this increase, the budget also includes the operating costs for the new branch in James Bay as well as the City's lease and facility costs for this new branch. As directed by Council, all costs associated with the branch in James Bay will be funded through new tax revenue generated by the Capital Park development. The Library Board will consider the 2018 provisional budget request on October 24, 2017 and the budget will be submitted to each municipality by October 31. The final budget will be submitted in March 2018.

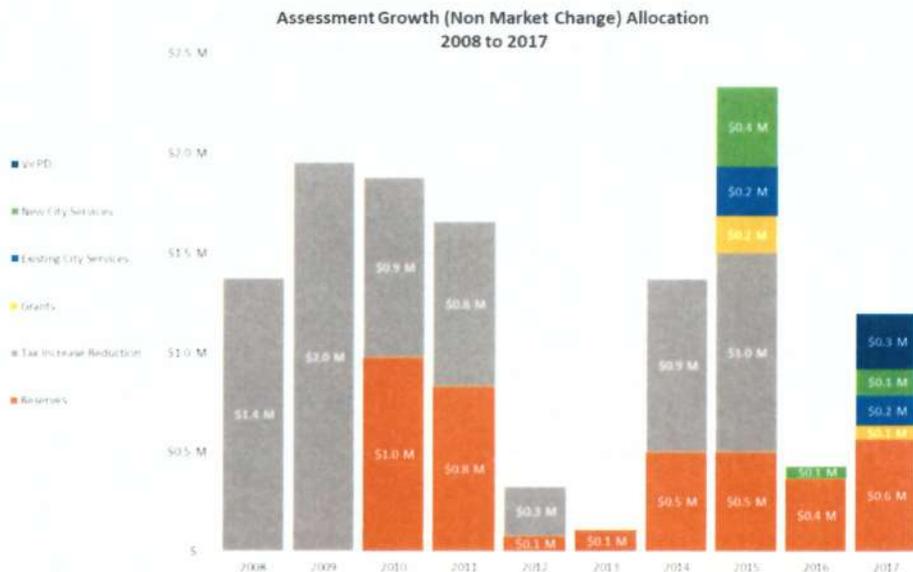
Assessment Growth (Non-Market Change)

As per the Financial Sustainability Policy, the first \$500,000 of new property tax revenue resulting from new construction is transferred to reserve and as directed by Council, funding has been allocated to maintain the Correspondence Coordinator function (\$87,000) that, due to lack of ongoing funding in 2017, had only received funding for one year in the 2017 Financial Plan.

In addition, Council has previously approved funding from the new tax revenue from the Capital Park development for the new library branch in James Bay (ongoing operations as well as repayment of the capital costs to the Buildings and Infrastructure Reserve). The Draft Financial Plan currently includes \$848,000 (\$345,000 for operating and lease costs, and \$503,000 to repay the reserve). However, the early estimate of new tax revenue from this development for 2018 is only \$450,000. Should the new tax revenue be insufficient, the capital cost repayment amount transferred to the Buildings and Infrastructure Reserve will be reduced to offset.

Additional assessment growth revenue has not been factored into the 2018 Draft Financial Plan. A conservative early estimate, based on information provided by BC Assessment but excluding the revenue from Capital Park, is \$1.9 million leaving an estimated \$1.3 million unallocated. However, this is based on incomplete information this early in the year and this amount will likely change before it is finalized in March 2018. BC Assessment will be providing a revised estimate in November before Council makes funding allocation decisions in December.

Over the last decade, Council has used the majority of the new tax revenue for capital investment (savings in reserves) and reducing the annual tax increase. Only a small portion of this new revenue has been used to fund new services as illustrated in the graph below:



For 2018, Council could consider using this revenue to fund supplementary requests, fund additional capital projects or other strategic plan items, address feedback from public consultation, transfer additional funds to reserve, or reduce taxes. The current reserve contribution to the Buildings and Infrastructure Reserve is \$6.1 million plus the proposed addition of \$500,000 for a total of \$6.6 million in 2018; the estimated unallocated balance at the end of 2017 is \$15.2 million taking the allocation for the Crystal Pool project into account. The preliminary non-market change amount is equivalent to an approximate 1.5% tax reduction.

The following table outlines the uses of assessment growth revenue for the last five years:

2013		2014		2015		2016		2017	
Buildings and Infrastructure Reserve	\$108,000	Reduce Property Tax Increase	\$968,845	Reduce Property Tax Increase	\$1,000,000	Real Estate Function	\$60,000	Police Budget	\$277,000
		Buildings and Infrastructure Reserve	\$500,000	Buildings and Infrastructure Reserve	\$500,000	Buildings and Infrastructure Reserve	\$365,000	Buildings and Infrastructure Reserve	\$250,000
<b>Total</b>	<b>\$108,000</b>	<b>Total</b>	<b>\$1,368,845</b>	Community Garden Volunteer Grants	\$36,000			Accessibility Reserve	\$250,000
				Interdisciplinary Team	\$300,000			Real Estate Function	\$135,000
				Downtown Community Centre Funding	\$50,000			Tree Care	\$128,800
				Increase Community Centre Funding	\$100,000			Greening of Fleet	\$61,722
				Solid Waste Garbage Collection and Waste Separation	\$55,000			New Gymnasium - 950 Kings Rd	\$49,000
				Beautification (Banners)	\$10,000			Arts and Culture Support	\$25,000
				Traffic Calming	\$100,000			Community Garden Volunteer Coordinator	\$6,000
				Sidewalk Maintenance Upgrades	\$80,000			Distribution of Mulch to Community Garden Operators	\$6,000
				Real Estate Function	\$101,000			Victoria Heritage Foundation Grant	\$5,125
				<b>Total</b>	<b>\$2,332,000</b>	<b>Total</b>	<b>\$425,000</b>	Victoria Civic Heritage Trust Grant	\$2,153
								Medallion Challenge Trophy	\$500
								<b>Total</b>	<b>\$1,195,500</b>

### 2017 Surplus

Per the Financial Sustainability Policy, prior year surplus can be used for one-time expenditures and/or be transferred to infrastructure reserves. Since the 2017 year is not yet complete and the amount of the 2017 surplus is not finalized, no surplus has been included in the draft Financial Plan. It is proposed that a decision on the use of the 2017 surplus be made once the consultation on the draft Financial Plan is complete.

The following table outlines the surplus allocation for the past five years:

2012		2013		2014		2015		2016	
Buildings and Infrastructure Reserve	\$ 1,228,387	Additional staffing to expedite planning applications	\$ 350,000	Expedite Local Area Plans	\$ 200,000	Crosswalk Projects	\$ 200,000	Buildings and Infrastructure Reserve	\$ 1,440,209
		Active Transportation Projects	\$ 124,559	Victoria Housing Reserve	\$ 750,000	Broad Street Mail Repairs	\$ 15,000	Accelerated Local Area Planning (2018-2019)	\$ 500,000
		Buildings and Infrastructure Reserve	\$ 2,800,000	Buildings and Infrastructure Reserve	\$ 500,000	Buildings and Infrastructure Reserve	\$ 552,721	South Island Prosperity Project (SIPP)	\$ 220,000
<b>Total</b>	<b>\$ 1,228,387</b>	<b>Total</b>	<b>\$ 3,274,559</b>	Centennial Square Washroom Upgrades	\$ 125,000	Arboriculture (Urban Forest Mgmt Plan Implementation)	\$ 128,500	Vulnerable Population Pilot Project	\$ 204,891
				Accessibility Capital Fund	\$ 250,000	Accessibility Capital Fund	\$ 250,000	Parks Overnight Sheltering	\$ 200,000
				Emergency Management	\$ 250,000	Real Estate Function Consulting	\$ 100,000	Parks Infrastructure	\$ 158,000
				Storage Homeless Persons' Belongings	\$ 45,000	City of Victoria Youth Council Additional Request	\$ 6,000	High Risk Tree Removal	\$ 150,000
				UBCM Conference Housing	\$ 155,000	Cultural Plan	\$ 116,000	Canada 150 Festivities	\$ 150,000
				VCAN Support	\$ 1,100	Senior Parks Planner	\$ 103,000	Songhees and Esquimalt First Nations Long House	\$ 110,000
				VCAN Support 2016 - First 6 Months	\$ 900	Sidewalk Power-Washing	\$ 15,000	Parks Planning Temporary Support	\$ 103,000
				Island Transformations Railway Crossing Study	\$ 4,000	Parks Overnight Sheltering Support and Clean-Up	\$ 313,000	Victoria Housing Strategy Implementation	\$ 100,000
				Western Canada Music Awards Grant	\$ 25,000	Traffic and Parking Improvements	\$ 8,000	Correspondence Coordinator	\$ 87,000
				Concrete and Brick Pavers Intersection Maintenance	\$ 37,000	India Mele and Dragon Boat Society 80% FIG Grants	\$ 11,200	Install Symbol of Lekwungen People	\$ 75,000
				Parks Master Plan	\$ 250,000	<b>Total</b>	<b>\$ 1,818,421</b>	Adaptive Management Framework	\$ 55,000
				Dallas Road Split Rail fence	\$ 125,000			Temporary Moveable Child Friendly Play Feature in Centennial Square	\$ 50,000
				Strategic Plan Grants (unused 2014 Greenways)	\$ 25,000			City Studio (2018-2019)	\$ 50,000
				Strategic Plan Grants - additional funding	\$ 36,964			Public Works Master Plan	\$ 50,000
				Strategic Objectives Account (unallocated)	\$ 109,318			Seasonal Special Events	\$ 50,000
				<b>Total</b>	<b>\$ 2,888,482</b>			Traffic Control Support	\$ 50,000
								Solid Waste Management Strategy	\$ 50,000
								City's Truth and Reconciliation Commission Calls to Action Task Force	\$ 50,000
								Car Free Day (2018-2020)	\$ 45,000
								Development Services	\$ 42,000
								Temporary Support	\$ 30,000
								Zoning Updates	\$ 30,000
								Youth Strategy	\$ 30,000
								2017 Canadian Capital Cities Organization Annual Conference	\$ 20,000
								Temporary installation of table tennis and chess tables in Centennial Square	\$ 11,000
								Victoria Community Association Network	\$ 1,200
								Fairfield Community Centre Insurance Administration	\$ 500
								<b>Total</b>	<b>\$ 4,932,800</b>

A conservative early estimate of the 2017 surplus is \$2 million. The final number is likely to be different than this estimate.

### Five-Year Operating Budget

To develop the future years of the five-year operating budget a number of assumptions have been incorporated including: no changes to services or service levels; collective agreement increases; known cost increases, such as hydro, at already announced rates; and unknown cost increases (the majority) at an inflationary factor of 2%.

The following table outlines the estimated impact to tax and rate payers. These estimates were calculated based on 2017 assessed property values and 2017 estimated water usage.

<b>Estimated Average Residential</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Property Taxes (\$641,000 assessed value)	\$65	\$52	\$55	\$54	\$56
Water Utility - 80 units	13	7	10	11	11
Sewer Utility - 80 units	-	-	1	6	11
Solid Waste - 120 litre bin	7	4	4	5	5
Stormwater Utility	7	10	7	5	5
<b>Estimated Increase in \$</b>	<b>\$92</b>	<b>\$73</b>	<b>\$77</b>	<b>\$81</b>	<b>\$88</b>
<b>Estimated Increase in %</b>	<b>2.80%</b>	<b>2.17%</b>	<b>2.24%</b>	<b>2.30%</b>	<b>2.45%</b>
<b>Estimated Typical Small Business</b>					
<b>Estimated Typical Small Business</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Property Taxes (\$540,000 assessed value)	\$186	\$148	\$157	\$155	\$160
Water Utility - 80 units	13	7	11	11	11
Sewer Utility - 80 units	-	-	1	6	11
Stormwater Utility	16	23	17	12	12
Business Licence	-	-	-	-	-
<b>Estimated Increase in \$</b>	<b>\$215</b>	<b>\$178</b>	<b>\$186</b>	<b>\$184</b>	<b>\$194</b>
<b>Estimated Increase in %</b>	<b>2.80%</b>	<b>2.25%</b>	<b>2.30%</b>	<b>2.22%</b>	<b>2.29%</b>

### **Supplementary Operating Budget Requests**

Before any requests for increased funding is brought to Council for consideration, staff first evaluate each need and possible ways to meet those needs without requesting additional funding from Council; this includes process improvements that create efficiencies and free up existing staff time, shifting resources between areas, or exploring funding opportunities. To ensure only those requests that are the highest priority are brought forward, a rigorous corporate-wide prioritization process is undertaken.

The highest priority areas for 2018 focus largely on building capacity for infrastructure planning, managing growth and new development, housing and homelessness, public safety, and organizational resources to support effective delivery of City projects.

The following table outlines this year's requests:

<b>Supplemental Description</b>	<b>2018 Ongoing</b>	<b>2018 One-Time</b>
<b>Managing Growth and New Development</b>		
Parks Planner	\$103,000	
Transportation Planner	\$104,000	
Secretary Planning		\$67,000
Parks Arboriculture		\$97,000
<b>Managing Public Safety</b>		
Fire Prevention Officer	\$121,000	
<b>Managing Green Spaces</b>		
Overnight Sheltering – Support & Clean Up		\$300,000
Community Garden Program	\$15,000	
Parks Natural Area Support	\$63,000	
High Risk Tree Removal		\$150,000
Pioneer Square Archaeological Reporting		\$37,000
Downtown Public Realm Plan Implementation		\$105,000
<b>Managing Public Engagement</b>		
Graphic Design Support	\$81,000	
Engagement Advisor		\$109,000
<b>Managing Accessibility</b>		
Accessibility Framework		\$40,000
<b>Youth Initiatives</b>		
Youth Leaders in Training Program	\$20,000	
Youth Strategy Liaison		\$30,000
<b>Active Transportation</b>		
Neighbourhood Transportation Management		\$180,000
Speed Reader Boards		\$85,000
<b>Multi-Modal Transportation Network</b>		
Street Occupancy and Parking Support	1 FTE Only	
Traffic Signal Timing Update Study		\$40,000
Extra Bridge Coverage		\$30,000
<b>Asset Management</b>		
Building Project Administrator	\$99,000	
Condition Assessment Pilot Project		\$60,000
Professional Certification/Project Management		\$50,000
<b>Managing Climate Action and Sustainability</b>		
Sustainability Waste Management Engineer	\$99,000	
Step Code Implementation		\$10,000
Environmental Performance Audit		\$50,000
<b>Managing Housing</b>		
Victoria Housing Strategy Implementation		\$20,000
<b>Total</b>	<b>\$705,000</b>	<b>\$1,460,000</b>

Additional details on each are attached as Appendix A.

The City has also committed to the South Island Prosperity Project and for 2018, the City's share is approximately \$220,000. Their Five-Year Strategy is attached as Appendix D.

VicPD has also put forward supplementary budget requests as outlined in their submission.

The public consultation process may result in additional funding needs. Possible funding sources are 2017 surplus, assessment growth (non-market change) property tax revenue or an additional property tax increase. It is recommended that Council consider these requests along with feedback from public consultation on the draft Financial Plan.

**Capital Budget**

Overview

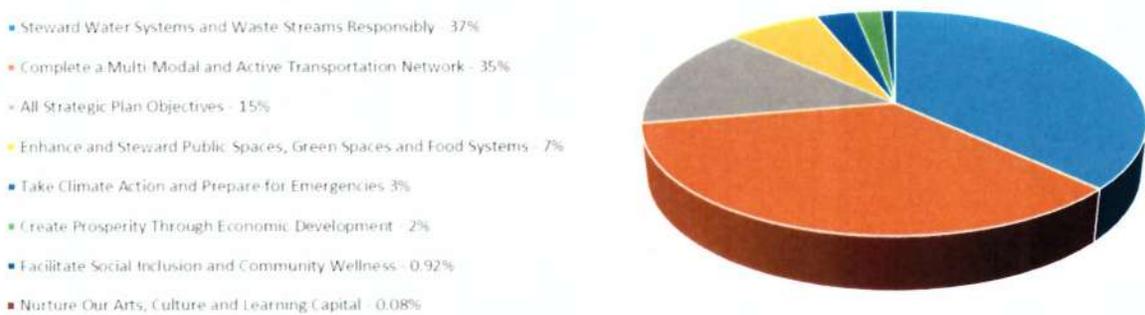
The draft capital budget for 2018 totals \$43.1 million, which is larger than the typical \$30-35 million primarily due to the Johnson Street Bridge replacement, Bicycle Master Plan Implementation and the Wharf Street Revitalization.

For 2018, each capital project has been aligned with the 2015-2018 Strategic Plan as follows:

- **Complete a Multi-Modal and Active Transportation Network:** Infrastructure for all active modes of transportation including bike lanes, crosswalks, bus shelters, sidewalks, pathways, roads, bridges, retaining walls, wayfinding, street and traffic lights
- **Facilitate Social Inclusion and Community Wellness:** Recreation and community centre buildings and infrastructure
- **Enhance and Steward Public Spaces, Green Spaces and Food Systems:** Park upgrades and infrastructure, playgrounds, upgrades to City facilities and street infrastructure such as benches, cluster lamps and railings
- **Steward Water Systems and Waste Streams Responsibly:** Water, Sewer and Stormwater Infrastructure projects
- **Take Climate Action and Prepare for Emergencies:** Energy conservation projects, and emergency management equipment
- **Create Prosperity through Economic Development:** Parkade upgrades, Victoria Conference Centre upgrades, and seasonal animation
- **Nurture Our Arts, Culture and Learning Capital:** Festival equipment
- **All Strategic Plan Objectives:** Equipment, which includes vehicles, information technology and various equipment replacements

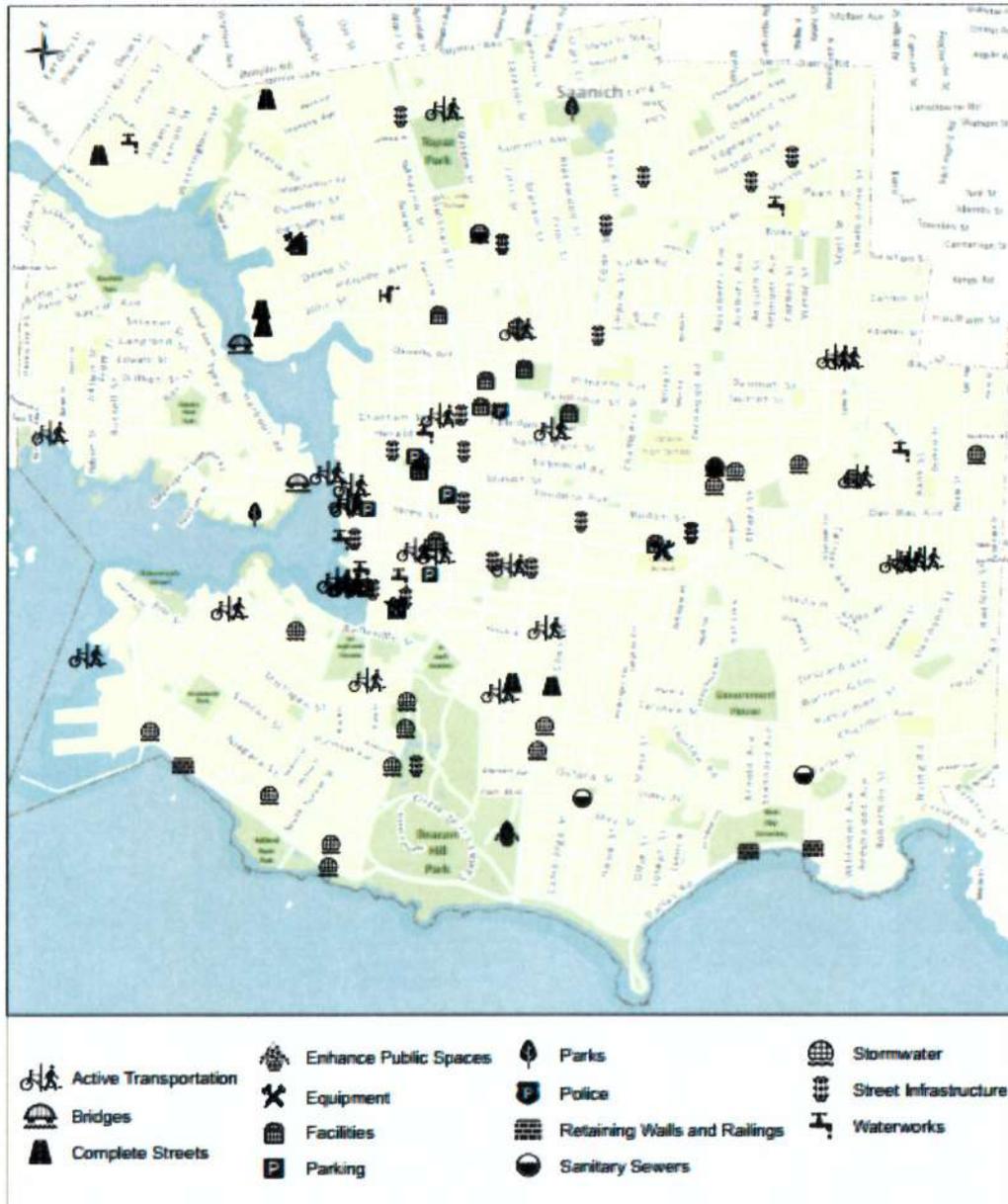
The following chart outlines the proposed capital investment by strategic plan objective:

**Capital Expenditures by Strategic Plan Objectives**  
**2018 Budgeted Strategic Plan Objectives Expenditures (\$43.1 million)**



Each project has also been mapped to provide a geographic picture of where the planned capital investment is proposed to take place.

2018 Draft Capital Projects:



Each budget request includes both the capital cost and the ongoing additional operating costs and FTE requirement. The ongoing operating costs have been incorporated into the appropriate future years in the operating budget.

The capital budget was developed based on the principle that all asset groups are allocated some funding. In addition, the annual capital investment needs are determined through asset master plans and condition assessments. Asset master plans outline the level of funding that is considered sustainable to maintain current service levels and the priorities for infrastructure investment.

The capital budget funding levels have reached sustainable levels for some assets (water), some are close to sustainable levels (storm drains), some projects are shaped through consultation with the community (park upgrades), some require additional analysis to determine the required funding levels (sewer, equipment and surface infrastructure such as street and traffic lights) and some fall short of recommended levels (facilities, roads and fleet).

Identified as a priority in the 2015-2018 Strategic Plan, a Parks Master Plan was approved by Council in 2017 and the proposed next step is to do a full condition assessment in 2018. Together, the Plan and the condition assessment will identify priority areas for parks investment and will inform future capital plans.

A facilities condition assessment was completed in 2015. This was the first step in the process to determine future investment needs. Further work is required to develop tactical plans for significant cost items; one of those, a roofing plan, was completed in 2017. Also, the condition assessment assumed that all buildings would continue to be used as currently operated and did not consider operational needs nor included a "highest and best use" analysis. The 2018 capital plan only includes the "must-do" projects as identified through the facilities assessment process.

The sewer master plan was put on hold pending the Capital Regional District's decision regarding sewage treatment. With the decision for a single plan at McLoughlin Point, the sewer master plan update is now underway. This plan will inform future financial plans and it is anticipated that additional annual funding will be required.

The pavement management plan indicates that additional funding is needed to maintain existing service levels. Staff continue to investigate alternative rehabilitation strategies, such as thin asphalt overlays, and mill and fill replacements, to achieve more upgrades within available funding. This year's draft financial plan is proposing increasing the funding in this area by \$250,000 to avoid widening the existing gap in funding.

The City is in process of developing a fleet management master plan that will define the long-term strategy to optimize future fleet utilization. In 2015, the City undertook an industry benchmark review and condition assessment, the result of which confirmed that there is a significant backlog-need for fleet replacement. Work is underway to right-size the fleet, as well as exploring "modular" vehicles where the chassis is the same but the back-end can be changed depending on need, and exploring the used market viability for heavy duty low utilisation vehicles. This multi-pronged approach is part of the strategy to reduce the current funding gap.

Capital plan funding levels are determined through policy decisions, taking into account the City's risk tolerance. Historically, Council has increased property taxes for capital projects that address deferred maintenance for roads, facilities and storm drains. Since 1999, Council has increased annual capital budget funding through property taxes from \$2.5 million to \$10.2 million. As per the Financial Sustainability Policy, additional funding decisions through an increase in property taxes, will be considered by Council based on proposed projects identified by staff. For 2018, based on the investment needs identified above, it is recommended that \$250,000 of increased funding be provided to roads and this has been factored into draft financial plan. Each year from 2013 to 2015 a 1.25% property tax increases was levied for the capital budget. This level of increase takes a conservative approach in reaching sustainable funding levels; an alternate option for Council's consideration would be to spread the increases over a longer time-period to balance taxpayer affordability while being aware of the risk.

Historically, the City's capital plan has been funded by a combination of property taxes, utility user fees, grants, debt and reserves. Approximately one third of the City's typical \$30-\$35 million capital budget is funded from reserves for investments such as vehicle and equipment replacements,

remediation of City properties, and some building upgrades. Larger projects, such as a bridge replacement or construction of an arena, have primarily been funded through debt and grants which is consistent with the City's policy on debt.

The proposed capital budget includes projects that are underway but will not be completed before year-end. The funding for these projects must be carried forward from 2017. The budgets for these projects will be updated to reflect remaining amounts once year-end has been completed.

**Reserves and Debt**

The City's Reserve Fund Policy was updated in 2015, including a methodology for determining target balances. The minimum target balances have already been achieved for all reserves except the stormwater utility reserve which was created in 2016. However, the minimum balances are only one part of the equation and recommended capital budget spend levels also need to be taken into account as outlined in the section above in this report. The following table outlines the estimated uncommitted year-end reserve fund balances based on the assumption that all planned work for 2017 will be completed:

Description	Projected Balance Dec 31, 2017	2018 Budget Transfers In	2018 Budget Transfers out	Projected Balance Dec 31, 2018
<b>Capital Reserves</b>				
<b>Equipment &amp; Infrastructure</b>				
<b>Police</b>				
Police Vehicles, Equipment & Infrastructure	1,929,138	1,056,000	1,953,000	1,032,138
Police Emergency Response Team	263,714		240,000	23,714
<b>City</b>				
VCC Equipment and Infrastructure	1,476			1,476
City Equipment	8,193,727	1,602,500	1,481,000	8,315,227
City Vehicles & Heavy Equipment	2,781,113	1,623,104	2,615,000	1,789,217
City Buildings & Infrastructure	15,190,109	7,535,036	5,988,000	16,737,144
Accessibility Capital	675,002	250,000	56,000	869,002
Parking Services Equipment and Infrastructure	4,289,978	1,849,929	358,000	5,781,907
Multipurpose Equipment and Infrastructure	954,757	140,000	133,000	961,757
Recreation Facilities Equipment and Infrastructure	1,051,887	25,500		1,077,387
Archives Equipment	11,931		10,000	1,931
Artificial Turf Field	977,716	86,700		1,064,416
Gas Tax	3,780,281	3,591,000	5,058,000	2,313,281
Water Utility Equipment and Infrastructure	15,137,565	1,850,000		16,987,565
Sewer Utility Equipment and Infrastructure	25,881,990	771,564	2,040,000	24,613,554
Stormwater Utility Equipment and Infrastructure	99,539			99,539
Tax Sale Lands Fund	4,369,775	50,000	250,000	4,169,775
Parks and Greenways Acquisition Fund	1,846,203		300,000	1,546,203
Local Amenities Reserve	501,008		145,290	355,718
Development Cost Charges	13,479,862			13,479,862
Downtown Core Area Public Realm Improvements	151,034			151,034
<b>Total Capital Reserves</b>	<b>101,567,804</b>	<b>20,431,333</b>	<b>20,627,290</b>	<b>101,371,847</b>
<b>Operating Reserves</b>				
<b>Financial Stability Reserves</b>				
City	6,231,102	100,000	352,000	5,979,102
Police	744,821		100,000	644,821
Debt Reduction	37,780,401	3,025,346		40,805,747
Insurance Claims	3,855,063			3,855,063
Water Utility	682,312			682,312
Sewer Utility	617,688			617,688
Stormwater Utility	235,610			235,610
Victoria Housing Reserve	2,878,280	250,000		3,128,280
Dockside Affordable Housing	254,445			254,445
Climate Action Reserve	653,867	313,961	50,000	917,828
Art in Public Places	399,639	135,000	327,500	207,139
Heritage Buildings Seismic Upgrades	87,709			87,709
<b>Total Operating Reserves</b>	<b>54,420,936</b>	<b>3,824,307</b>	<b>829,500</b>	<b>57,415,743</b>
<b>Total City Reserves</b>	<b>155,988,740</b>	<b>24,255,640</b>	<b>21,456,790</b>	<b>158,787,590</b>

The City currently has \$73.6 million in outstanding debt, with additional authorized but yet to be issued debt of approximately \$700,000 for the Johnson Street Bridge replacement. According to the Financial Sustainability Policy, debt servicing charges should be kept at a maximum of 7% of the prior year's property tax levy. Currently, there is approximately \$3 million of budget room for debt servicing, which is transferred to the Debt Reduction Reserve. This is the funding room that Council has set aside for the replacement of Fire Department Headquarters. There are some smaller debt issuing falling off in 2022; however, the next significant debt issue to retire is in 2031. The following table outlines the current debt issues, year of retirement and the annual debt servicing costs.

Final Year	Issue	MFA Issue - Purpose	2018 Total
2022	102	Burnside Gorge Community Centre	221,701
2022	102	City Hall Accessibility	220,817
2023	103	Parkades	173,594
2023	105	Parkades	178,094
2024	105	Crystal Gardens	340,359
2025	110	Parkades	493,694
2031	115	Johnson Street Bridge Replacement (CMHC)	743,242
2033	79	Multipurpose Arena	360,514
2033	80	Multipurpose Arena	390,514
2034	81	Multipurpose Arena	390,514
2034	130	Johnson Street Bridge Replacement	1,475,097
2036	139	Johnson Street Bridge Replacement	320,186
2037	142	Johnson Street Bridge Replacement	668,311

#### Allocation of Annual Gas Tax Funding

The City receives annual funding from the Federal Government through their gas tax program. The expected amount for 2018 is \$3.59 million. Each year, amounts received are transferred to the City's Gas Tax Reserve which Council approves allocations from through the annual capital plan. The majority of the projects funded through the gas tax reserve to-date have been storm drain infrastructure projects. For 2015 to 2017, Council allocated funding for the David Foster Harbour Pathway implementation, storm drain brick main replacement, LED streetlight replacement, and new bike lanes in priority areas. With the expected amount for 2018, the gas tax funding available is \$4.7 million.

The City is required to report annually through the Union of BC Municipalities on which projects have been funded using gas tax and the agreement outlines which types of projects are eligible. There are a number of capital projects that would qualify for this funding including storm drain projects and bike lanes. It is proposed that the Storm Drain Brick Main project (\$2.45 million) continues to be funded through gas tax and that the remaining funding (\$2.3 million) be allocated upon completion of the public consultation process.

#### 20-Year Capital Plan

For many capital investments, such as water, stormwater, sidewalks and complete streets projects, longer-term asset master plans identify the priority order of renewals for a number of years. Those plans also indicate the estimated funding for those renewals. For these investments, ongoing budgets have been included in the 20-year capital plan.

For facilities, the future years show as “TBD” (to be determined) because a long-term plan that accounts for the strategic opportunities and functional requirements relating to City-owned buildings does not yet exist. Work on this plan is underway and upon completion will inform future capital plans. It is proposed that a condition assessment of all parks assets be undertaken in 2018. Together with the goals within the Parks and Open Space Master Plan, this will inform future priority setting for parks projects. Therefore, budgets for future year park projects are labeled “TBD”. For others, such as Gate of Harmonious Interest and Ship Point, condition assessments and design work underway will determine the extent of the work required and budgets for the renewal investments can be developed once the condition assessments have been completed and will be incorporated into the capital plan at that point.

It can be difficult to determine the exact funding needs far into the future; therefore all future year amounts are best estimates only.

**Outstanding Council Motions**

Council passed the following motion in relation to Vic High School sports facility refurbishment:

Matching grant of up to \$250,000 subject to:

- a. Community consultation for the project by School District 61 or its designate
- b. Council approval of the final design of the project
- c. Entering into a joint use agreement between the City and School District 61

This grant has not yet been factored into the 2018-2022 Financial Plan. As per Council direction, the funding for this project will be considered once all terms of the Council motion have been addressed.

**2015-2018 Strategic Plan Funding**

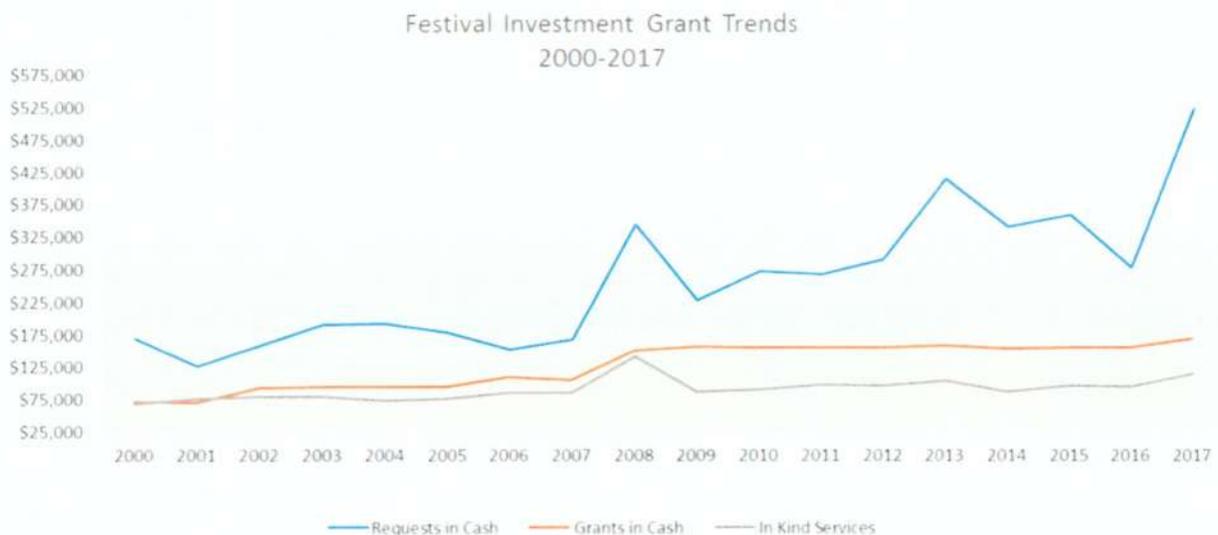
The majority of action items within the Strategic Plan are fully funded. However, some of the items still require funding as follows:

<b>Action Year</b>	<b>Action</b>	<b>Funding Need</b>
2015	Prioritize “special places” along the David Foster Harbour Pathway and identify funding opportunities	Possible funding source is annual gas tax.
2016	Working toward establishing supervised consumption services, in collaboration with Island Health, VicPD and YES2SCS.	City’s funding needs unclear at this point.
2016	Complete the Douglas/Blanshard Corridor Master Plan and allocate funds in Financial Plan for quality-of-life infrastructure.	This is part of the Burnside/Gorge local area plan and priority projects have been identified within this plan and will inform financial plans.
2016	Build upon input from Parks Master Plan process and hold a placemaking activity at Ship Point to advance a site plan in the Harbour Principles. Consult public on specific design, and allocate money in 2018 capital budget to complete	Funding for capital improvements to be determined once plan is complete.

## Grants

As directed by Council, grants have been grouped into five categories: direct-award grants, festival investment grants, community garden volunteer coordinator grants, My Great Neighbourhood grants, and Strategic Plan grants, which include micro-grants.

Starting in 2016, Council directed staff to include inflationary increases for community and seniors centres operating and youth programming grants, as well as the festival investment grant budget. As previously reported to Council, the festival investment grant budget continues to be oversubscribed each year.



This program, that provides cash grants and in-kind support, nurtures the development of high quality, accessible and affordable events, and creates significant economic activity in the city. This program achieves many of the action items within the draft Arts and Culture Master Plan and Official Community Plan. Council may consider increasing the funding for this grant program to meet the increased demand.

For Council's consideration in 2018 is to shift senior's outreach funding (\$30,000) from Strategic Plan grants to direct award. In 2015, Council approved a \$5,000 Strategic Plan grant for Victoria Silver Threads and James Bay New Horizons to pilot a new senior outreach program in the James Bay and Jubilee neighbourhoods. The concept was simple – have an Outreach Worker meet with seniors where they live, make connections, listen to concerns and inform seniors of available services to help them remain independent. By connecting with property and building managers, coffee parties (information sessions) were held in 24 buildings and connections made with 110 seniors. Some of the issues identified included cost of living, housing, food, health care and transportation. A significant concern is loneliness and lack of social connectedness. In 2016, Council approved a second grant of \$10,000 and these two organizations leveraged this funding to get an additional small grant from the provincial government to expand the program. A total of 64 coffee parties were held and connections were made with over 300 seniors. In 2017, Council approved a third grant for \$9,000 for these organizations to take this pilot project into the second stage, keeping these 410 seniors connected to services and programs. Following the success of this pilot program, together the three seniors centres have requested a total of \$30,000 in pooled funding. Should Council approve this shifting, this seniors outreach service would be incorporated into the operating agreements with these organizations and the City.

A few direct award grant organizations have requested additional funding. The Victoria Heritage Foundation has requested a 5.1% or \$10,716 increase in funding and the Victoria Civic Heritage Trust is requesting a 2% or \$2,186 increase (letters attached as Appendix C).

In addition to operating and youth programming grants, the City also provides support to community and seniors centres for facility-related costs such as janitorial and strata fees. These budgets have been increased to reflect expected inflationary increases. All other grant funding is proposed to remain at the 2017 budget level.

The proposed funding for the direct-award grants is as follows. The last column indicates the additional requests some organizations have submitted.

Organization	Type of Grant	2017 Final Budget	2018 Draft Budget	Change	Additional Requests
Victoria Civic Heritage Trust	Building Incentive	420,000	420,000	0	
Victoria Civic Heritage Trust	Operating	109,814	109,814	0	2,186
Victoria Heritage Foundation	Operating	210,125	210,125	0	10,716
Recreation Integration Victoria	Operating	30,656	30,656	0	
Victoria Youth Council	Operating	26,000	26,000	0	
Quadra Village Community Centre	Operating	51,612	52,644	1,032	
Quadra Village Community Centre	Youth Programming	8,323	8,489	166	
Quadra Village Community Centre	Lease Grant	43,200	43,200	0	
Fernwood Community Centre	Operating	51,612	52,644	1,032	
Fernwood Community Centre	Youth Programming	8,323	8,489	166	
Vic West Community Association	Operating	51,612	52,644	1,032	
Vic West Community Association	Youth Programming	8,323	8,489	166	
Vic West Community Association	Facility (janitorial)	34,185	34,869	684	
Fairfield Community Place	Operating	51,612	52,644	1,032	
Fairfield Community Place	Youth Programming	8,323	8,489	166	
Fairfield Community Place	Facility (janitorial, recycling)	45,400	46,308	908	
Fairfield Community Place	Liability Insurance	5,000	5,000	0	
Fairfield Community Place	Youth Outreach	15,000	15,000	0	
Cook Street Village Activity Centre	Operating	51,612	52,644	1,032	
Cook Street Village Activity Centre	Facility (strata fees)	17,260	17,708	448	
Victoria Silver Threads	Operating	51,612	52,644	1,032	
Victoria Silver Threads	Facility (lease)	122,389	122,389	0	
Burnside Gorge Community Centre	Operating	51,612	52,644	1,032	
Burnside Gorge Community Centre	Youth Programming	8,323	8,489	166	
Burnside Gorge Community Centre	Youth Outreach	10,000	10,000	0	
James Bay Community School Centre	Operating	51,612	52,644	1,032	
James Bay Community School Centre	Youth Programming	8,323	8,489	166	
James Bay Community School Centre	Facility (janitorial, recycling)	53,091	54,153	1,062	
James Bay New Horizons	Operating	51,612	52,644	1,032	
James Bay New Horizons	Facility (janitorial)	26,875	27,413	538	
Oaklands Community Centre	Operating	51,612	52,644	1,032	
Oaklands Community Centre	Youth Programming	8,323	8,489	166	
Oaklands Community Centre	Facility (janitorial)	16,595	16,927	332	
Cool Aid Downtown Community Centre	Operating	51,612	52,644	1,032	
Blanshard (Hillside Quadra)	Per capita base (0.75 times population)	5,434	5,684	250	
Burnside/Gorge	Per capita base (0.75 times population)	4,395	5,105	710	
Downtown (incl Harris Green)	Per capita base (0.75 times population)	3,454	4,129	675	
Fairfield Gonzales	Per capita base (0.75 times population)	11,869	12,343	474	
Fernwood	Per capita base (0.75 times population)	7,069	7,358	289	
James Bay	Per capita base (0.75 times population)	8,430	9,032	602	
North Jubilee	Per capita base (0.75 times population)	2,288	2,418	130	
South Jubilee	Per capita base (0.75 times population)	1,643	1,734	91	
North Park	Per capita base (0.75 times population)	2,588	2,680	92	
Oaklands	Per capita base (0.75 times population)	5,119	5,346	227	
Rockland	Per capita base (0.75 times population)	2,618	2,755	137	
Vic West	Per capita base (0.75 times population)	5,104	5,758	654	
		<b>1,871,594</b>	<b>1,892,413</b>	<b>20,819</b>	<b>12,902</b>

The per capita base budget is subject to change based on the final release of the 2016 Canada census figures. The overall increase will not change though the distribution may change.

Note the City provides janitorial services to Quadra Village Community Centre and Fernwood Community Centre and Cook Street Village Activity Centre; no support is provided to Burnside Gorge Community Centre

It is recommended that Council approve the direct-award grants as outlined in the second column of the table above, and consider any funding increase requests upon completion of the public consultation.

## Public Information and Consultation

Public participation in the development of the City of Victoria's budget has exponentially increased in recent years due to a number of measures introduced to improve the budget information and the tools used to solicit greater input and involvement. Prior to the 2015 process, the City would hear from less than 30 people during the budget process. In 2015, 2016 and 2017 the numbers increased to over 2,000, 800 and 950 respectively. The initial rise in 2015 was largely attributed to the alignment with the strategic planning process and the opportunity for the public to inform the investment of unallocated surplus and new assessment revenue.

In the spirit of continuous improvement, efforts that continue to increase engagement and the diversity of input will continue. Budget information and input mechanisms have become more accessible than in years past. Through an improved budget document, summary materials in print and online, the introduction of a budget simulator and the E-Town Hall format, more people are participating than ever before, and greater dialogue is occurring about the budget.

Last year, a budget simulator tool was developed and will be promoted widely during the 2018 budget process to assist in educating taxpayers of the trade-offs of different budget decisions.



### City of Victoria's Budget Simulator

The City of Victoria invites you to use the budget simulator to help better understand the budget process. This exercise allows you to experience the types of decisions City Council and staff make when developing and allocating funds.

Like any business or household, the needs and wants within a municipality are often greater than what the budget can be afforded at one time. Each year as part of the budget process, choices must be made that directly impact the taxes you pay and the level of services the City of Victoria can provide. Our budget looks to balance competing priorities and challenges with the ability to provide high quality services for all our customers.

We welcome you to use our budget simulator to help you understand the budget process and gain insight into the types of decisions City Council and staff face when developing and approving the budget.

#### What you will learn:

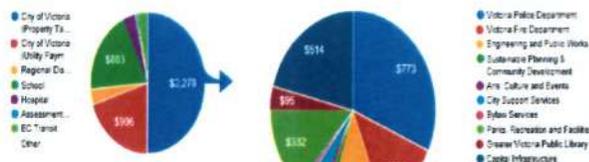
- Learn how the tax dollars are invested in the City of Victoria, based on your property's assessed value.
- Learn how funding changes to services will affect the level of service and your property tax bill.
- Learn the challenges the City faces at budget time, this means finding revenues to pay for what matters to you by either reducing funds from other services or increasing your property taxes, including finding ways to pay for programs and services that are important to taxpayers, by either reducing funds from other services or increasing your property taxes.

#### Let's get started!

This tool is for educational purposes; information is not collected. Feel free to explore as many scenarios as you like.

- Move the sliders to the left or right to indicate the desired amount of tax dollars that you feel should be allocated to that service. You can simulate a budget increase or decrease, or leave the service at the 2016 approved amount.
- Leave the sliders at the spots you like the best and see the overall impact to your property taxes.
- After you have made your choices, check back to see how you did. How does your City budget impact your property taxes and overall tax levy?

Learn more about Victoria's 2016 Budget.



Sustainable Planning and Community Development is key to supporting quality development and economic health of the city. The department is committed to the 'triple bottom line' approach - balancing economic prosperity, social development and environmental sustainability in order to address Victoria's future.

The department has a broad range of policy, regulatory and program responsibilities including community and city-wide land use planning, urban design, heritage, planning applications including zoning, development and variance permits, demographic and other planning information services and permitting and inspection services.



**Did you know...**  
The City of Victoria issued 3,424 permits with a construction value of \$235 million in 2015.

Move the slider to see the impact of a funding change to Sustainable Planning and Community Development.

Increase: \$6.33  
\$14  
\$14

Could result in faster processing times for development applications, processing of building, electrical and plumbing permits in addition to city-wide and local area planning.

#### ARTS, CULTURE AND EVENTS [Learn more](#)

Your choice

The City coordinates and leads efforts to improve and enhance the social, recreation, economic and cultural health of our community, and works to create a city that is vibrant and people centered. Arts, Culture and Events supports, facilitates and coordinates arts and culture initiatives including free events, concerts and programs in Centennial Square and Cameron Sandshell. Merary events, Canada Day celebrations, public art and maintenance, First Nations Artist Forum, annual Butler Book Prize and Film Commission launch.

The City also provides for Festival Investment Grants designed to provide support to organizations producing festivals and celebrations that deliver significant economic impact, vitality and vibrancy within the city, particularly in the downtown core.



**Did you know...**  
The City of Victoria organized over 150 free events and concerts held at Centennial Square and Deacon Hill Park and about 40,000 people attend the Canada Day Celebrations.

Move the slider to see the impact of a funding change to Arts, Culture and Events.

Decrease: \$8.42  
\$27  
\$27

Could result in reduced arts and culture programs such as the public art program, Butler Book Prize, First Laureate program, free programs at Centennial Square and Cameron Sandshell and support to arts and culture organizations within the City.

The budget simulator provides the taxpayer greater ability to assess how changes to the budget have different impacts.

Although the City has increased participation broadly over the past three years, we continue to add new focus areas to the process. We will continue to reach out to the business community, which represents nearly 50% of taxpayers in Victoria. We will focus on youth outreach, seeking to build a foundation for engagement in this demographic. And we will work to create a greater sense of ownership over the budget process in those who rent in Victoria, as they represent 59% of the population, but have been traditionally underrepresented in budget engagement.

Following first reading of the financial plan bylaw tentatively scheduled for November 9, it is planned that the budget materials and engagement process will commence on November 10. The draft budget and materials will be made available for public review on that date, with the Town Hall session tentatively scheduled for the week of November 27. Input will be collected until December 8, 2017, allowing four weeks of full consultation. City Council will consider the draft financial plan in conjunction with the input at the December 14, 2017 Committee of the Whole meeting.

### **Timeline**

The following table outlines the proposed timeline for this year's process.

<b>Tentative Dates</b>	<b>Task</b>
October 30, 31 and November 7, 2017	Detailed presentations of draft Financial Plan
November 9, 2017 Council	First reading of Financial Plan bylaw
November 2017	Public consultation
Week of November 27, 2017	Town Hall / e-Town Hall meeting
December 14, 2017 Committee of the Whole	Present consultation results and seek direction on changes to Financial Plan
April 2018 Committee of the Whole	Final report on Financial Plan including incorporated changes; report on 2018 tax rates.
April 2018 Council	Second and third reading of Financial Plan bylaw; first, second and third reading of tax bylaw
April 2018 Council	Adoption of Financial Plan bylaw and tax bylaw

### *2015 – 2018 Strategic Plan*

The draft Financial Plan was developed in alignment with the 2015-2018 Strategic Plan.

### *Impacts to the Financial Plan*

The 2018-2022 Financial Plan will replace the current year's plan.

### *Official Community Plan Consistency Statement*

The many initiatives included within the financial plan are consistent with many policies within the Official Community Plan including support for infrastructure asset management objectives, in particular, policy 11.4 to maintain and enhance the allocation of resources for civic infrastructure repairs, upgrades and replacement

## CONCLUSION

The draft Financial Plan aims to balance high quality service provision with taxpayer affordability. Council's review as well as feedback from the public will further shape the financial plan and will set the service levels for staff to implement.

Respectfully submitted,



Jo-Ann O'Connor  
Manager of Financial Planning



Susanne Thompson  
Director of Finance



Jocelyn Jenkyns  
Acting City Manager

### Attachments:

- Appendix A: Examples of Cooperative Efforts between Municipalities
- Appendix B: Supplementary Operating Budget Requests
- Appendix C: Additional Grant Requests
- Appendix D: South Island Prosperity Project – Five-Year Strategy