



Council

For the Meeting of April 13, 2017

To: Council **Date:** March 30, 2017
From: Susanne Thompson, Director of Finance
Subject: Five Year Financial Plan Bylaw, 2017

RECOMMENDATION

That Council:

1. Amend the Five Year Financial Plan Bylaw, 2017 by replacing the bylaw that was given first reading on November 3, 2017 with the bylaw appended to the Five Year Financial Plan Bylaw, 2017 report, dated March 30, 2017.

EXECUTIVE SUMMARY

The purpose of this report is to outline amendments to the Five Year Financial Plan Bylaw, 2017 that received first reading on November 3, 2017 and recommend second and third readings at today's Council meeting.

During November and December 2016, the City sought input from the public on the draft financial plan. Upon completion of the public consultation and based on the feedback received, Council allocated assessment growth property tax revenue, 2016 surplus and funding from Utility Reserves.

The following allocations are reflected in the amended Five Year Financial Plan Bylaw attached in Appendix A:

1. Ongoing allocation of assessment growth property tax revenue - \$1.195 million

The Draft Financial Plan presented to Council in October 2016 included \$500,000 of the new property tax revenue allocated to the Buildings and Infrastructure Reserve in accordance with the Financial Sustainability Policy.

In November 2016, Council approved reallocating \$250,000 of the \$500,000 to the Accessibility Reserve. In January 2017, Council allocated the remaining \$500,000 based on the estimated new assessment value of \$1 million. Direction was also given regarding the allocation of any amount above the estimate.

BC Assessment has finalized the assessment roll for 2017 enabling the calculation of assessment growth property tax revenue. This revenue has been increased to approximately \$1.195 million from the estimate of \$1 million that Council allocated. The additional \$195,000 increase will allow for ongoing funding for the Tree Care and Greening of the Fleet requests that were originally funded

from the 2016 surplus.

The details are outlined in the following chart:

Ongoing Allocation of Assessment Growth Property Tax		
Buildings and Infrastructure Reserve	\$	250,000
Accessibility Reserve		250,000
Police Core Budget		277,000
Real Estate Function		135,000
Tree Care		128,000
Arts and Culture Support		25,000
Victoria Heritage Foundation		5,125
Victoria Civic Heritage Trust		2,153
Community Garden Volunteer Coordination		6,000
Distribution of Mulch to Community Garden Operators		6,000
Kings Road - Gymnasium		49,000
Greening of Fleet (Vehicle and Heavy Equipment Reserve)		61,722
Total	\$	1,195,000

2. One-time allocation of the 2016 surplus - \$4,032,800

The 2016 surplus was originally estimated at \$3 million. Now that the 2016 year end is complete, the final surplus is \$4 million. The main drivers include revenue from parking, permits and inspections, rezoning applications, recreation and unspent contingency. As directed by Council the additional \$1 million will be transferred to the Buildings and Infrastructure Reserve. Further surplus details will be provided in the 2016 Financial Statement report being presented to Council on April 27, 2017.

As outlined above, the ongoing Tree Care and the Greening of the Fleet (Vehicle and Heavy Equipment) requests have shifted funding from the 2016 surplus to the new assessment revenue. This difference of \$195,000 has been added to the Building and Infrastructure Reserve allocation. The Correspondence Function will continue to be funded from the 2016 surplus as there was not sufficient funding from the new assessment revenue.

The following outlines the 2016 surplus allocation:

One-Time Allocation of the 2016 Surplus		
Correspondence Function	\$	87,000
Canada 150		150,000
Development Services - Temporary Support		42,000
Parks Planning - Temporary Support		103,000
Solid Waste Management Strategy		50,000
Parks Infrastructure		158,000
High Risk Tree Removal		150,000

Public Works Yard Master Plan	50,000
Special Events Traffic Control Support	50,000
Downtown Core Area Plan Implementation	55,000
Zoning Updates	30,000
City Studio (2017 and 2018)	50,000
Accelerate Neighbourhood Planning (2017 and 2018)	500,000
Victoria Housing Strategy Implementation	100,000
South Island Prosperity Project	220,000
Car Free Day (2017, 2018 and 2019)	45,000
Overnight Sheltering - Support and Clean Up	200,000
2017 Canadian Capital Cities Organization Annual Conference	20,000
Fairfield Community Centre (insurance administration)	500
Temporary Moveable Child-Friendly Play Feature in Centennial Square	50,000
Symbol of the Lekwungen Peoples near City Hall	75,000
Youth Strategy	30,000
Temporary Table Tennis and Chess Tables	11,000
Songhees and First Nations Long House	110,000
City's Truth and Reconciliation Commission Calls to Action Task Force	50,000
Victoria Community Association Network	1,200
Buildings and Infrastructure Reserve	1,440,209
Police - Support for Vulnerable Population (net of Esquimalt contribution)	204,891
Total	\$ 4,032,800

3. Funding from the Utility Reserve - \$187,000

Funding from the Utility Reserve	
Water Utility:	
Water leak detection	\$ 22,000
Water meter testing	57,000
Sewer Utility:	
Sewer later repair increase	55,000
Sewer line rapid assessment program	53,000
Total	\$ 187,000

4. Capital Project 2016 Carryforwards and Budget for "TBD" Projects

The Capital Project adjustments include both carry forwards for 2016 projects in progress and budgets for the "to be determined" (TBD) projects that have been added to 2017.

The capital projects that were previously labelled "TBD" are the Crystal Pool Replacement (Facilities) at \$69.4 million, Belleville Street (Complete Streets) at \$3 million with \$1 million funding from Tourism Victoria and the Douglas Street Bus Lane Phase 2B (Active Transportation) which is

fully recoverable from BC Transit at \$2.1 million.

The following chart outlines the change in the Capital Project budget from the Draft Financial Plan introduction in October 2016.

2016 Capital Adjustments		
Carryforwards - 2016 Projects in Progress		
Active Transportation	\$	3,676,000
Complete Streets		292,000
Neighbourhoods		27,000
Parks		1,263,000
Street Infrastructure		959,000
Retaining Walls and Railings		135,000
Bridges		12,672,000
Equipment		3,714,000
Facilities		1,150,000
Environmental Remediation		1,058,000
Sanitary Sewers		1,103,000
Stormwater		1,789,000
Waterworks		1,835,000
Total Carryforwards - 2016 Projects in Progress	\$	29,673,000
Budget Amounts for "TBD" Projects:		
Active Transportation - Douglas Street Bus Lane Phase 2B		2,100,000
Complete Streets - Belleville Street		3,000,000
Facilities - Crystal Pool Replacement		69,400,000
Total Budget Amounts for "TBD" Projects	\$	74,500,000
Total	\$	104,173,000

Since the draft financial plan was introduced in October 2016, Council has given approval to a number of initiatives including the introduction of the Community Association Land Use meeting honorarium of \$250 that will be offset through a fee increase, the approval of \$252,000 allocated from the Climate Action Reserve to commit funding for a two year temporary Community Energy Manager position and to fund outlined priorities for 2017, and the reallocation of \$100,000 from the Strategic Plan Grant budget to fund the Greater Victoria Coalition to End Homelessness.

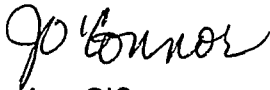
Other adjustments include an increase of \$187,500 in Sustainable Community Development and Planning for additional staffing up to two years that is offset by an equal amount in rezoning fee revenue from Cannabis retailers. As well, an increase of \$60,000 for the Multi Unit Rental Building Retrofit Strategy and \$8,000 to Arboriculture that are both offset from a BC Hydro Grant.

Remaining funding for operating budget projects underway, such as the Gorge Waterway, Waterfront Plan, Downtown Core Public Realm, Downtown Core Area Plan implementation, Downtown Trees and the Cultural Master Plan have been carried forward to the 2017 year in the financial plan.

As part of the ongoing new assessment allocation, Council gave approval for ongoing auxiliary support in Arts and Culture and a full time Real Estate Manager position. Council also approved an additional 0.5 FTE for Public Works seasonal support and 0.33 FTE for garden care in the Horticultural; both funded through existing budgets. The revised total permanent FTE count in the 2017 Financial Plan is 803.10.

The above adjustments do not impact the overall 2.91% residential or the 2.98% business increase for the combined property taxes and utility fees.

Respectfully submitted,

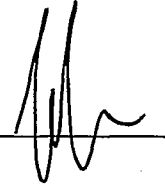


Jo-Ann O'Connor
Manager, Financial Planning



Susanne Thompson
Director of Finance

Report accepted and recommended by the City Manager:



Date:

April 5, 2017

List of Attachments

Appendix A: Five Year Financial Plan Bylaw, 2017