

**MINUTES OF THE SPECIAL COMMITTEE OF THE WHOLE MEETING  
HELD TUESDAY, FEBRUARY 5, 2008  
Committee Room # 1, 9:00 a.m.**

**Committee Members Present:** Mayor Lowe in the Chair; and Councillors Chandler, Coleman, Fortin, Holland, Hughes, Madoff, Thornton-Joe, Young.

**Staff Present:** P. Ballantyne – City Manager; M. McCliggott – Assistant City Manager; R. Woodland – Corporate Administrator; C. Havelka – Recording Secretary.

**Staff Present for a Portion of the Meeting:** T. Scott – Director of Human Resources; D. Day – Director of Planning and Development; B. Warner – Director of Finance; S. Thompson – Manager, Budgets and Financial Planning; L. O’Keeffe – Financial Analyst, Budget; K. Friars – Director of Parks, Recreation and Community Development; J. Jenkyns – Acting General Manager, Conference Centre; D. Angrove – Fire Chief; P. Sparanese – Director of Engineering; E. Robertson – Manager, Support Services, Engineering; D. Oxendale - Manager, Finance & I.T., Conference Centre; Communications; M. Mayhew – Executive Assistant.

**1. CALL TO ORDER**

The Chair called the meeting to order at 9:02 a.m.

**2. APPROVAL OF THE AGENDA**

**Action:** Councillor Thornton-Joe moved that the Agenda of the February 5, 2008 Special Committee of the Whole Meeting be approved as amended.

CARRIED 08/081

**3. 2008 CAPITAL BUDGET**

The Director of Finance outlined for Committee the intent during 2008 to work on the 20 year Capital Plan in more detail, including the Tangible Capital Asset inventory project and infrastructure condition assessments that Engineering is engaged in, and working on ways of financing the Capital Plan.

The Manager of Budget and Financial Planning reviewed the agenda with Committee.

**Capital Budget Challenges:**

- Capital expenditure requirements exceed funding available.
- Aging infrastructure requires more maintenance and / or capital improvements.
- Increased construction activity and a shortage of construction trades are causing labour and material costs to increase dramatically.
- Need to focus more on long-term capital planning.

- Need to review the capital budget expenditure program in conjunction with available resources.
- Increasing pressure to use debt to fund capital projects.

#### **Proposed Capital Budget Principles:**

- Give preference to projects and programs that support the Corporate Strategic Plan.
- Give preference to projects and programs that maintain, preserve and extend the life of existing assets as opposed to create new ones.
- Give preference to projects that attract non-City funding.
- Give preference to projects that generate cost savings and support customer service.
- Where possible, defer major building projects until 2010 or once the building boom subsides.
- Where possible, defer projects that require debt funding until 2009 or 2011 when some large debt issues are retired.

#### **Proposed Funding Strategies:**

- Levy an annual **1.5%** increase in property taxes to be directed to the capital budget from **2009 to 2012**.
- Increase transfers to reserve funds by **\$600,000** per year starting in 2009.
- Transfer annual operating surplus into the Buildings and Infrastructure Reserve Fund.
- Actively pursue third party funding (infrastructure grants etc)
- Where possible defer projects that require debt funding and/or use debt reduction reserve to minimize impact on taxes.

#### **Reserve Funds and Debt** were reviewed, including **Debt Financing Capacity and Operating Budget Impact**.

#### **Review Capital Plan**

Committee members discussed with staff the following:

- Revenue from raising taxes but also new assessment revenues; possibility of reserving these funds for capital budget projects, need to improve communications to public about how tax dollars for capital works are spent.
- Terms of reference for the Reserve Funds
- Whether there is a need to pay interest to the Self Insurance reserve fund if it is capped at \$4 million, or can we use the interest to offset taxes. The reserve fund bylaw currently states that interest must be paid, but this could be amended. Finance will be engaged in reviewing risk management issues during 2008 which may have an impact on our insurance reserve fund requirements.
- Funds from business licences; look at increase, the impact on home-based businesses; rates for different types of businesses, an increase could potentially be used to offset police costs

Staff advised that a report on Business Licences will be brought back to Council in 2008

- Parks reserve fund; for every property we sell, 10% is put into the Greenways Acquisition fund.

*Councillor Young withdrew from the meeting at 9:30 a.m.*

- Housing reserve funds; Langford has mandated 10% levy towards housing reserve fund. Discussed that this was for subdivisions. Requested that Council look at allocating more funds for that reserve.

*Councillor Young returned to the meeting at 9:33 a.m.*

- Pop-up Urinals, finalizing the RFP and identifying two locations for them. The cost for two urinals is less than maintaining portables. Funding for the Centennial Square washroom upgrades is included in this project.
- Water utility rates, the City's rates are in line with those from other municipalities.
- Building review, finishing off review off all City owned civic facilities; this review didn't include leased property.

*Councillor Fortin withdrew from the meeting at 9:46 a.m.*

- Covered on-site bike facility at the Multi-purpose arena undergoing a cost review. Tenant improvements for 2<sup>nd</sup> floor of facility discussed.
- Buckerfield site remediation; condition of sale was for the City to carry-out this remediation.

*Councillor Fortin returned to the meeting at 9:55 a.m.*

- Harbour Road leased sites; environmental obligations remain. Waiting for development opportunities for the sites.
- Ross Bay perimeter; south/west corner of memorial crescent where there had been discussion of turning asphalt into greenspace. Funded from an outside source but enough money for maintenance into perpetuity? Staff will bring forward a report with a full plan for Ross Bay Cemetery.

*Councillor Fortin withdrew from the meeting at 10:00 a.m.*

- Nature Interpretation Centre; funded from trust. Staff will bring forward details on the project.

*Councillor Fortin returned to the meeting at 10:02 a.m.*

- RAP upgrades, review the kinds of activities the City should be hosting there. Staff advised that policies may have to be changed to be competitive.

*Councillor Fortin withdrew from the meeting at 10:03 a.m.*

- Downtown beautification, a sign providing a sense of arrival on Blanshard Street: welcome to the City of Victoria, Capital of B.C. Also be appropriate for the Inner Harbour and to celebrate the 150<sup>th</sup> anniversary of the province. The City Manager advised that staff could undertake this on a priority basis.

*Councillor Fortin returned to the meeting at 10:04 a.m.*

*Councillor Chandler withdrew from the meeting at 10:12 a.m.*

*Councillor Coleman withdrew from the meeting at 10:15 a.m.*

- Police budget; last year budget reduced and put in contingency fund, this contingency fund could be used in 2008 to lower rate below 5%.

*Councillor Chandler returned to the meeting at 10:16*

*Councillor Coleman returned to the meeting at 10:18 a.m.*

## **2008 Operating Budget, summaries were reviewed as were 2008 Supplementary Requests**

Committee members discussed with staff the following:

New position: Affordable Housing Policy and Program Work;

- This is a back-up to help applicants manoeuvre through various policies and procedures to create affordable housing. The Governance Council for Homelessness, the CRD and VIHA's recent support may be doing some of this work. This position may be open to other priority work in the future.

*Councillor Fortin left the meeting at 10:30 a.m.*

- Significant salary for one staff member, but will help address this complex issue especially with the Planning Department working beyond capacity. The Housing Advisory Committee feels policy is in place, need someone work with applicants.

*The Mayor withdrew from the meeting at 10:38 a.m.*

- Lobbying upper levels of government with respect to overall tax increase related to mental health and addiction.

*The Mayor returned to the meeting at 10:39 a.m.*

- In relation to the Mayor's Task Force, need to fully grasp what this person would be doing. The City of Richmond could be an example in terms of leveraging money and opportunities.

The City Manager advised that this supplementary request will be deferred to give staff an opportunity to bring back more information to provide a better understanding of how it fits in with the governance council of the Mayor's Task Force.

Victoria Conference Centre – New Governance Structure:

- This request was bracketed and put aside until the committee has met.

*Councillor Coleman withdrew from the meeting at 10:46 a.m.*

Communications Coordinator:

- Inquiries regarding the need for this position. Staff advised that continually hearing the need to communicate more effectively. Work load not sustainable and unseen part is numerous inquiries requiring fast and accurate information. Has been incredible improvement, need for more. Funding for the graphic designer was pulled from departmental budget; \$300,000 used for printing and graphic design. Might have to come back to this request, there was general consent for it.

*Councillor Coleman returned to the meeting at 10:47 a.m.*

Street Cleaning Positions:

- Discussed having one instead of two street cleaners. Communications and bylaw enforcement would help make people aware of this issue. This issue diverts resources from regular street cleaning, creating time lag. Awareness campaign using a series of articles targeted for late March, obligations to dispose of materials properly. Long term communications regarding litter and graffiti; people need to accept responsibility. Focus on environmental impact, the capacity at Hartland, contrary to diversion targets.

Needle Disposal Box Program:

- A question whether funds could be used for a secondary program; need more discussion on this program. It was a Council decision to install boxes; this program is for on-going maintenance.

Graffiti Removal Program:

- Status of this program, need more information.

Parks Leadhand and Seasonal Parks Mtce Worker:

- Require two positions? Further rationale needed.

Firefighters:

- No further information needed.

**Next Steps:**

- Operating Budget
  - Addition of any Supplementary Budget Requests
  - Addition of any Additional Grant Requests
  - Approval of Capital Funding Strategies
- Preliminary approval of the Operating Budget
- Preliminary approval of the Five-year Capital Plan, subject to annual review.

**4. CLOSED MEETING - 11:16 a.m.**

**Committee Members Present:** Mayor Lowe in the Chair, Councillors Chandler, Coleman, Holland, Hughes, Madoff, Thornton-Joe and Young.

**Regrets:** Councillor Fortin.

**Staff Present:** P. Ballantyne – City Manager; R. Woodland – Corporate Administrator; B. Warner – Director of Finance; M. McCliggott, Assistant City Manager, D. Day - Director of Planning and Development; P. Sparanese, Director of Engineer; M. Mayhew – Executive Assistant; J. Wollenberg – Coriolis Consulting; C. Havelka – Recording Secretary.

**Action:** Councillor Hughes moved that Committee of the Whole convene a closed meeting that excludes the public under Section 11(6) of the Council Bylaw for the reason that the following agenda items deal with matters specified in Section 11 (3) and/or (4) of the Council Bylaw.

CARRIED 08/080

A recess was convened at 11:16 a.m.

Committee reconvened at 11:24 a.m.

**5. Land – Centennial Square Redevelopment**

Committee received a presentation from Jay Wollenberg of Coriolis Consulting with respect to Land – Centennial Square Redevelopment.

This discussion was recorded and kept confidential.

*Councillor Hughes left the meeting at 1:07 p.m.*

**6. ADJOURNMENT**

**Action:** Councillor Thornton-Joe moved that the Special Committee of the Whole meeting of February 5, 2008 be adjourned at 1:09 p.m.

CARRIED 08/079

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Mayor Lowe, Chair