

SPECIAL BUDGET COMMITTEE OF THE WHOLE MEETING
FEBRUARY 12, 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; P. Bruce – Deputy Fire Chief; P. Sparanese – Director of Engineering; E. Robertson – Manager, Support Services, Engineering; D. Oxendale - Manager, Finance & I.T., Conference Centre; K. Josephson – Manager, Communications.

1. CALL TO ORDER

The Chair called the meeting to order at 9:03 a.m.

2. APPROVAL OF THE AGENDA

Action: Councillor Hughes moved that the Agenda of the February 12, 2008 Special Budget Committee of the Whole Meeting be approved as amended.

CARRIED 08/107

3. 2008 OPERATING AND CAPITAL BUDGET

3.1 Finalize the Review of the 2008 Operating Budget

The City Manager reviewed for Committee the 2008 Operating budget which staff have worked hard to keep at a minimum while listening to the concerns of Council. Also noted were the capacity and work load issues that continue to challenge staff and are not sustainable in the long run. This year a number of reviews will take place to provide Council with informed planning information for 2009 budget year.

Committee members discussed the police budget request for 19 new officers:

- The hiring process to ensure high caliber officers are hired;
- Hiring less than 19; this number is necessary to complete the various teams;
- Directing a portion of these funds to community programs;
- Some of the police work can be counted as preventative;
- How to measure the efficacy of their work in relation to preventative measures;
- 19 officers will address over-capacity work load issues;
- Develop a process to help approach for next year's request for more officers.

The City Manager advised Committee that Interim Chief Naughton could be asked to speak to Committee to address issues raised today.

Staff noted that today's request is for preliminary approval of the City portion of the budget; the police budget being separate. Also noted was that Saanich may be looking at a tax increase of 5-6%.

The Director of Finance outlined for Committee the finalization of the review for supplementary requests and additional grant requests, capital funding strategies and preliminary approval for the budget. She also informed Committee that the library was contacted regarding their budgetary concerns and was informed that they don't anticipate approaching municipalities for additional requests.

Committee was also advised that two items were removed from the supplementary request, though the work will proceed through the operating budget. Committee members discussed the following:

- the Scotts Tournament of Hearts and their funding request.
- The affordable housing position and putting it into a one-time supplementary request.
- The need for an affordable housing position to do programming work.
- The new homeless commission and how it affects an affordable housing position.
- A housing program which is separate from housing the homeless.
- Communication strategy to inform the public about capacity issues.
- The value of preventative work in health, housing and community programming; how surpasses the support they are receiving.

Councillor Thornton-Joe left the meeting at 9:56 a.m.

The Mayor reviewed staff's comments regarding the budget limitations and the police request, noting a 5.69% tax increase is palatable but would like staff to review the possibility of working that percentage down. Committee members and staff discussed the following:

- Where further cuts would come from and how it would impact services; core program changes.
- Using some surplus to lower increase; an increase in assessment revenues.
- The challenges of using surplus and capital project funds to lower the increase; better to review services.
- The impact on commercial properties and sustaining a retail/commercial downtown.

- The impact of a tax increase on long term residents.

Councillor Coleman withdrew from the meeting at 10:17 a.m.

- The budget in relation to the Centennial Square redevelopment project with staff advising that design approval would come back to Council.

Councillor Coleman returned to the meeting at 10:19 a.m.

Action: Councillor Chandler moved that it be recommended to Council that Victoria City Council give preliminary approval of the 2008 Operating Budget, excluding the Police, as presented by staff in a presentation dated February 12, 2008.

CARRIED 08/106

Councillor Young voted against this motion.

3.2 Finalize the Review of the 2008 Capital Budget

The Director of Finance advised that staff will be bringing forward a financial sustainability strategy through the finance committee so that Council will be well informed moving into next year's budget deliberations. Committee members discussed the capital budget levy of 1.5% which has been a good strategy in the past.

Action: Councillor Fortin moved that City Council:

1. Give preliminary approval of the 2008 Capital Budget as presented by staff in a presentation dated February 5, 2008.
2. Approve to levy an annual 1.5% increase in property taxes to be directed to the capital budget from 2009 to 2012.
3. Increase transfers to reserve funds by \$600,000 per year starting in 2009.
4. Transfer annual operating surplus into the Buildings and Infrastructure Reserve Fund.
5. Actively pursue third party funding (infrastructure grants, etc.).
6. Where possible defer projects that require debt funding and/or use debt reduction reserve to minimize impact on taxes.

CARRIED 08/105

The City Manager thanked Committee for their support and assured them that management will continue to look for ways to make City operations as efficient as possible. An infrastructure review and long term financial sustainability plan are important work being brought forward to help Council plan future budgets. Staff are conscious of the small tax base that serves the downtown and the region. Staff take pride working for the City and thank Council for their support.

4. ADJOURNMENT

Action: Councillor Coleman moved that the Special Budget meeting of February 12, 2008 be adjourned at 10:28 a.m.

CARRIED 08/104

Mayor Lowe, Chair