

From t

SESSION

Marianne Alto

Mayor, City of Victoria



Managing Resident Finances

To Meet Their Individual & Collective Needs

Managing the assets of others

- ▶ The historic & contemporary lands & waters of the Ləkʷəŋən Territories
 - Our & Their 'Rights' to make decisions
- ▶ Managing (mostly) the money of property owners
 - Required Services
 - New land use
 - New services
 - Optional services?
- ▶ Commercial, Industrial & Business Obligations
- ▶ Accountability

Local Government Challenges

▶ Consumer price index/inflation

- CPI continues to decline - in Victoria from **6.96% in 2022 to 2.5% in April 2024**
- Lower inflation may be helpful, but the CPI considers different goods & services than what municipalities buy - our purchases align with construction prices, expected to climb 5-10% in each of the next 5-6 years

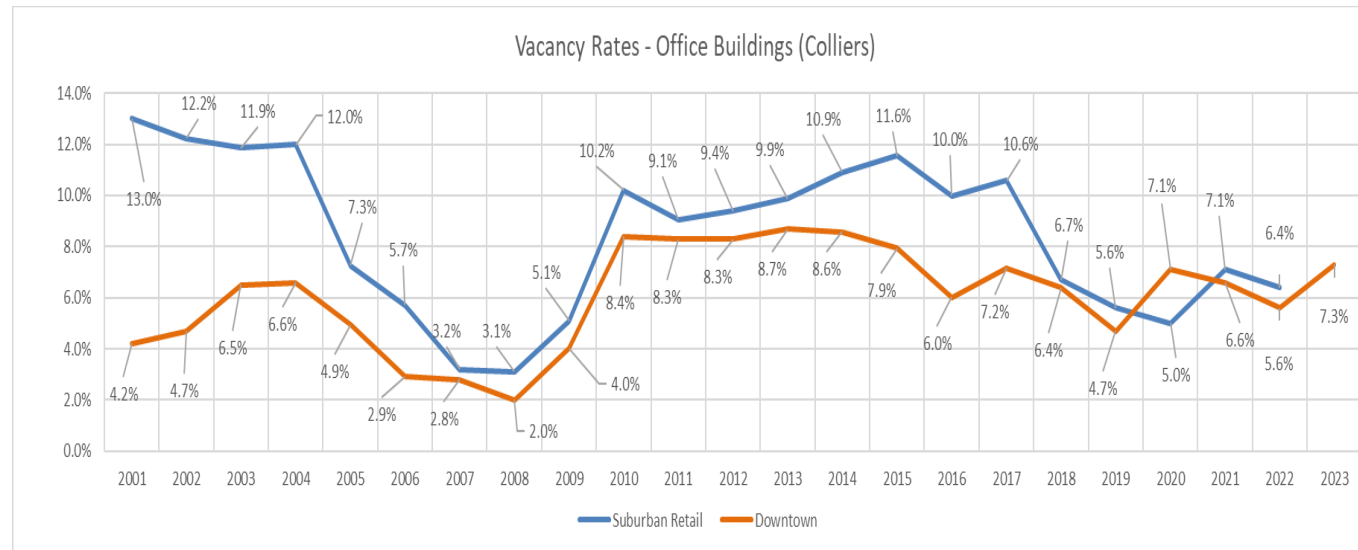
▶ Labour market

- The labour market in Victoria is tight - our **unemployment rate** has remained relatively unchanged over the last 6 months - **4.5% in April**
- Victoria's unemployment rate is lower than the Canadian rate - **6.1% in April**
- Employment forecasts say Victoria needs 19,000 to 40,000 new jobs - which will affect land use & infrastructure & service planning

More Local Government Challenges

► Office/retail vacancy rates

- Downtown retail vacancy rates decreased modestly in 2023 partially attributable to an expansion of the Collier's downtown retail boundaries, adjusted to account for the continuous growth of the downtown core, plus street front retail slated for redevelopment.
- Shopping centre vacancy rates decreased slightly in 2023, attributable to new development coming to the market already leased - speaking to stability in Victoria's shopping centres.



Victoria Challenges

- ▶ Continued **global challenges** coming out of the pandemic
 - **Impact** of climate change, supply chain challenges, increased costs due to high inflation & impacts of ongoing wars
 - Tight labour market = upward pressure on compensation; housing availability & affordability
- ▶ **Asset management challenges** from new provincial & federal regulations & all of the above
 - To deliver infrastructure upgrades asap & avoid cost escalation, Victoria is using **long-term borrowing** as a funding source - higher interest-rate borrowing is overall a lower cost because of expected significant cost escalation
- ▶ City considering **new revenue** generating options
 - **Public expectation** for expanded municipal services to address housing, mental-health & addiction, community safety etc.
 - **Traditional municipal funding** sources (i.e. property taxes & user fees) can't pay for all the needs, challenges & expectations; taxpayer fatigue
 - Tax increases specifically for infrastructure investment?
 - Branding, “Naming Rights”, Partnerships w Indigenous Nations, Non-Profits & Private Investors?
 - **New Fiscal Framework?**

So How do we Decide What to buy?

- ▶ Financial planning + public engagement process = Annual Budget
- ▶ Baseline - Annual Budget at its **core** provides essential high-quality services our residents & businesses
- ▶ City staff develop department budgets to deliver > **200 core services & programs** - then add what's needed to execute City Council's four-year Strategic Plan
- ▶ Thousands of hours of engagement on operational **Master Plans** feed into the budget year over year
- ▶ Council sets annual service levels & allocates funding for all City services, programs, projects & initiatives - informed by department staff's expertise, the City's Strategic Plan, other master planning documents, VicPD, the Greater Victoria Public Library's annual budget & community priorities for investment

How do we hear the Public?

- ▶ Before, City budget listening went like this:
 - City staff presented their draft department budgets to Council & a Draft Financial Plan was developed & presented to Council for consideration - > **800 pages**
 - Council direct staff to put the Draft Plan on the City's website & invite the public to "provide feedback" in a self-select online survey & by emailing the city by a certain date
 - A Budget "Town Hall" was held, the public attending in person at City Hall, & calling in by phone, entering questions & comments before & during the Town Hall, with live responses from staff & Council. The Town Hall was live streamed & archived on the City's website
 - City of Victoria Youth Council held a session to create questions about the budget
 - All the public input was analyzed, summarized & presented in full in an information package to Council to help inform budget deliberations during a series of Special Committee of the Whole meetings

Now

- ▶ Last year, staff introduced a new approach for public engagement to inform the 2024 Draft Budget.
- **Ipsos Telephone Survey** - July 2023, a random sampling of 700 Victoria residents were interviewed on land lines & cell phones about their priorities for civic investment.
- **Series of Community Conversations** - September 2023, the City co-hosted community conversations with 8 equity-seeking organizations, serving urban Indigenous people, youth, seniors, persons with disabilities, immigrants & vulnerable populations unhoused, sheltering in parks & overnight shelters, in supportive or independent housing.
- Participants were asked to rank Council's 8 strategic priorities & add their own priorities. This allowed staff to hear from people we don't often hear from in our typical engagement processes.
- The results of the Ipsos survey & themes heard from equity-seeking groups were presented to Council in November 2023. Budget deliberations continued into February 2024.
- A hybrid, **in-person** & online "Opportunity for Public Comment" was held at City Hall at 6:30pm on April 25, 2024. Promoted widely, only **two individuals spoke in person & no one called in.**

Forward to 2025 →

- ▶ **Random telephone survey** with Victorians to gather input on priorities for investment in the City's 2025 Draft Budget.
- ▶ **Community Conversations** with equity-seeking groups about their priorities for investment in 2025
- ▶ **Input** from survey & community conversations analyzed, summarized & shared with City departments to inform their department budgets.
- ▶ Finance develops five-year 2025-2029 Draft Financial Plan (2025 Draft Budget), put on City's "Have Your Say" engagement platform, robustly marketed to the broader community.
- ▶ **Public comments** with written or video submissions **before** it is seen by Council.
- ▶ **Victoria has never done this before.** Council always considers a Draft Budget before its shared publicly.
- ▶ Adding new opportunities for written & video submissions includes diverse individuals & groups.
- ▶ City staff will prepare a public engagement summary, with analysis of the results of the survey & key themes plus an information package of the written and video submissions.
- ▶ Council's budget deliberations will then begin, after extensive public input, to consider a **Five-Year Financial Plan Bylaw 2025 & Tax Rate Bylaw.**

Why Different Engagement?

Online Engagement

- ▶ Committed to a public engagement process that is accessible & inclusive for all residents.
- ▶ The City's "Have Your Say" online engagement platform offers features that enhance accessibility:
 - compatible with screen readers and other assistive technologies.
 - allows users to choose from over 100 languages to translate content and submit feedback.
 - available 24/7 for users to provide feedback any time that suits their schedule without needing to travel or attend a meeting.
- ▶ Doesn't rely on conventional in-person techniques, timing, or appeals to uniform commentators - but doesn't prohibit comment by mail, email, phone, meeting Council in person etc.

Priorities

▶ Budget priorities reflect core services - but also exist in the political context of an elected Council. This Council chose **8 priorities**:

- ✓ Climate Action & Environmental Stewardship
- ✓ Housing
- ✓ Transportation
- ✓ Parks, Recreation & Gathering Spaces
- ✓ Community Well-Being & Safety
- ✓ Economic Health & Community Vitality
- ✓ Truth & Reconciliation
- ✓ Arts, Culture, Music, Sport & Entertainment

Progress?

- ✓ Climate Action & Environmental Stewardship - EVs, plastics, bylaws
- ✓ Housing - MMH, targets, OCP+
- ✓ Transportation - all things wheeled & walking
- ✓ Parks, Recreation & Gathering Spaces - Blanshard, RAP, pockets & plazas
- ✓ Community Well-Being & Safety - CSWB Initiative
- ✓ Economic Health & Community Vitality - Our Downtown, Industry, Arts & Innovation
- ✓ Truth & Reconciliation - Nurturing Relationships
- ✓ Arts, Culture, Music, Sport & Entertainment - Arts & Culture Master plan, 200 concerts, festivals, arts programs, public markets & events

For Your Consideration

- ▶ The historic & contemporary lands & waters of the Ləkʷəŋən Territories
 - Our & Their ‘Rights’ to make decisions
- ▶ As local government decision-makers, Victoria City Council is managing assets built on lands of the local Nations, under the authority of a provincial government & its Community Charter.
- ▶ Victoria property owners pay for the majority of costs associated with that asset management, enhancement & expansion.
- ▶ We balance what we hear from those “payors” so we can provide the core services upon which they rely, with what an elected Council determines are its own objectives & what Council interprets as community values, while we collaborate with other governments, service agencies, authorities etc.
- ▶ As you make the decisions that are available to you, for which you are responsible, inquire:
 - ▶ Under what/whose authority?
 - ▶ What interests are you balancing, and why?
 - ▶ For what good?

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