



City of Colwood

Financial Plan 2018 - 2022






Colwood

2018-2022

Financial Plan

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Since time immemorial the Kwsepsum, Lekwungen, Scia'new, and T'Sou-ke nations of the Coast Salish area have stewarded and cared for the lands and waters that make up Colwood today. Colwood is situated in the Capital Regional District (CRD) on the southern-most end of Vancouver Island, directly on the Salish Sea and within the Cascadia bio-region. Most of Colwood was historically covered with coastal Douglas-fir forest, as well as some Garry Oak-dominated forest.

Prepared by the City of Colwood
Finance Department



Demonstrate Management Excellence



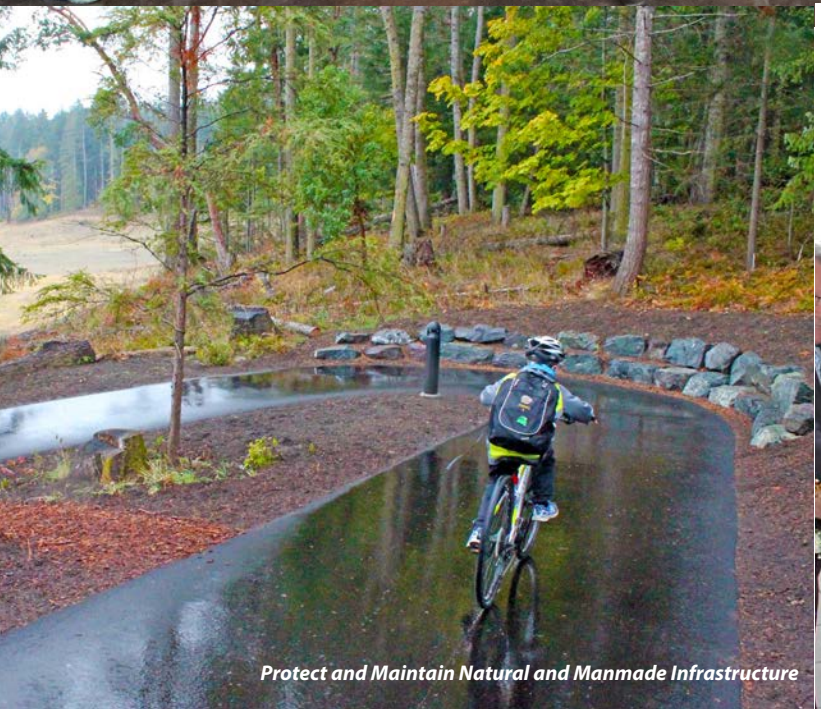
Enhance Community Well Being



Strengthen Relationships with First Nations



Promote Well Planned Economic & Community Growth



Protect and Maintain Natural and Manmade Infrastructure



Create an Inclusive Community for People of All Ages

Letter from the CAO

I am pleased to present the Colwood 2018 financial plan on behalf of the City of Colwood staff.

This plan delivers on many of Council's strategic priorities and invests significantly in the long term while respecting taxpayer affordability. The budget is based on a 1.38% property tax increase, or approximately \$24 to the average taxpayer. A 5% increase to the City's sewer user fee has been included which will result in a \$9.25 increase to the average user.

This year, the City transformed its financial plan to better suit the needs of the public. The new framework presents the budget from a service-level and performance perspective. The plan also highlights recent accomplishments and short term planning priorities.

This financial plan places a renewed focus on asset management and sustainable infrastructure replacement. You will find the City's capital budget presented from an asset management perspective. Many projects designed will be delivered to strengthen the City's asset management practices including:

- Stormwater master plan
- Parks master plan
- Pavement condition assessment
- City hall space planning
- Development Cost Charge bylaw update, and
- Transfer to reserve funding modeling

This financial plan strengthens the City's core financial condition by increasing sustainable reserve funding, setting aside an additional \$2.1M in reserves for future capital budget needs. The five year plan invests in strategic community assets such as park and road infrastructure and a fire pumper truck.

The City is in the process of preparing a refreshed Official Community Plan. The comprehensive consultation has resulted in many priorities that are reflected in this financial plan:

- Land use bylaw update
- Area planning
- Demographics study, and
- Subdivision bylaw update

I am grateful to have the opportunity to work with Council and staff to deliver these important services to the community in 2018 and beyond.

Sincerely,

Ian Howat
Chief Administrative Officer



Visiting historic sites like Fort Rodd Hill and Fisgard Lighthouse

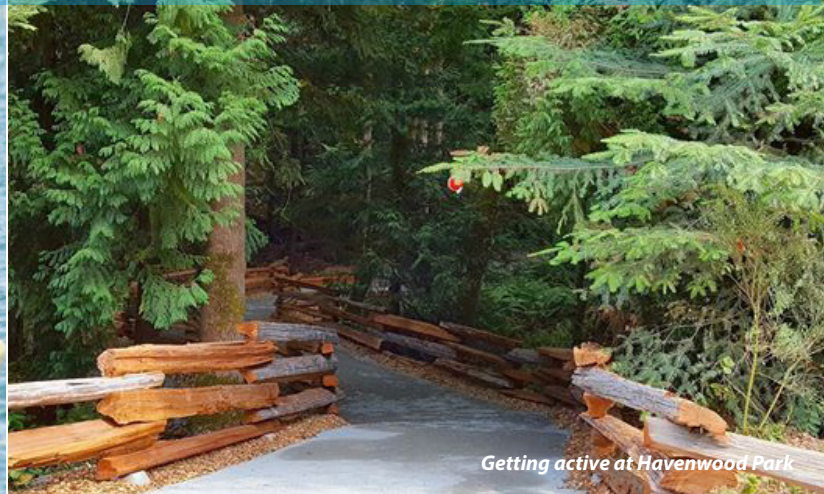


Enjoying food and music at weekly beach events.

Community Overview



Kayaking from the Royal Bay Beachpark



Getting active at Havenwood Park



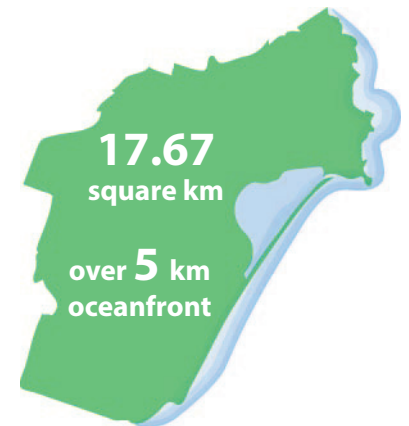
Living in family-friendly neighbourhoods



Celebrating community at events and festivals

Community Overview

Colwood is a spectacular seaside community set apart by its outstanding natural setting and exceptional quality of life. Colwood boasts three national historic sites: Hatley Castle, Fort Rodd Hill, and Fisgard Lighthouse, and is home to Esquimalt Lagoon National Migratory Bird Sanctuary. The City is full of energy and opportunities to enjoy a healthy lifestyle, with three golf courses, West Shore Parks and Recreation Centre, the Juan de Fuca Library and the Q Centre Arena. Colwood is home to Royal Roads University, one high school, two middle schools and four elementary schools.



Incorporation year	1985
Population (2016)	16,859
Households (2016)	5,799
Assessed Value (2018)	\$4,380,279,000
Median Age	41.6
Total Area	17.67 square km
Parkland	89 hectares
Number of Parks	60
Storm Sewer	35 km
Sanitary Sewer	50 km
Paved Roads	95 km
Businesses	546

Population

16,859



17%	0 to 14 years
67%	15 to 64 years
16%	65+ years



5,799
Households

Assessed value: \$4,380,279,000

546
Businesses





Organization Profile

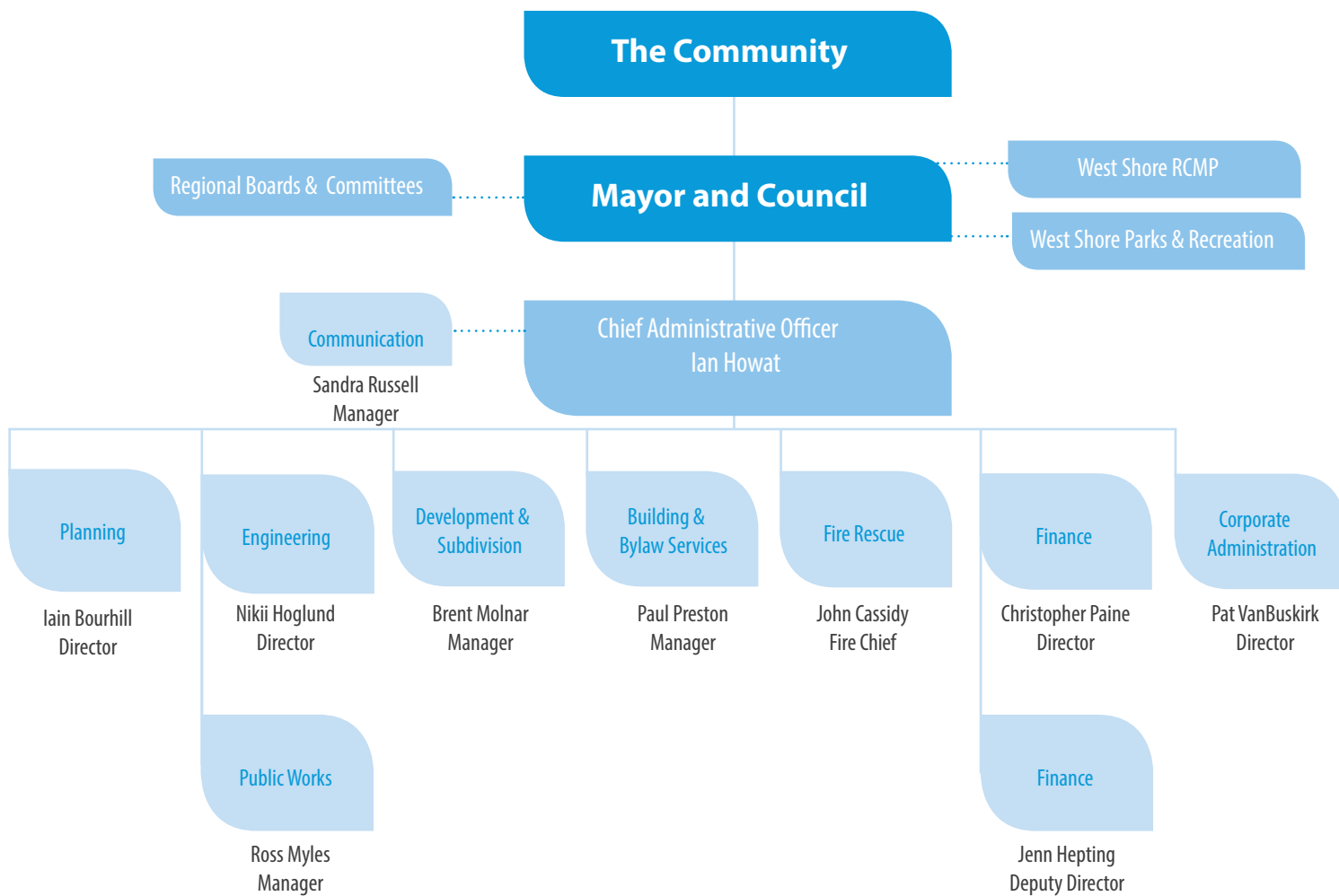
The City of Colwood provides a wide and important range of municipal services to the community. The value of these services are reflected in the department budgets outlined in the Service Plan section. These services include Corporate Administration, Finance, Policing, Fire Protection, Planning, Building Inspections and Bylaw Services, Engineering, Public Works, Parks and Sewer Service. The City also levies and remits funds to support the West Shore Parks and Recreational Centre, the Greater Victoria Public Library, and School District 62.

The Colwood Municipal Council represents citizens of the community and provides leadership, vision and strategic direction to Colwood staff. Council is elected on a four year term: Mayor Carol Hamilton, Councillors Lilja Chong, Cynthia Day, Gordie Logan, Jason Nault, Rob Martin, and Terry Trace.

The Chief Administrative Officer leads a small team of dedicated employees responsible for providing the services detailed in this plan as well as providing recommendations and policy advice to Council. The City of Colwood employs approximately 82 employees as detailed below.

Some staff changes are recommended starting in the 2018 year. Such changes are outlined in more detail in the respective departmental service plans.

<i>Department</i>	<i>2017</i>	<i>2018</i>	<i>Change</i>	<i>Comments</i>
Corporate Administration	8.75	9.25	+0.5	Phase in 1.0 FTE Human Resources
Finance	6.0	6.0	-	
Information Technology	1.0	2.0	+1.0	New independent IT department
Policing	6.5	7.0	+0.5	Increase to Court Liaison/Exhibit Clerk
Fire Rescue	9.5	9.5	-	
Building & Bylaw	7.2	6.6	-0.6	-1.0 Bylaw Enforcement, +0.4 Building Inspector
Planning	6.5	6.5	-	
Engineering	9.0	9.0	-	Includes land development
Public Works, Parks, Sewer	28	28	-	
TOTAL	82.45	83.85	+1.4	





Vision, Mission and Values

Vision

Colwood is a spectacular seaside community set apart by its outstanding natural setting and exceptional quality of life.

Mission

As stewards of the quality of life cherished by those who work, live and play in Colwood, we provide excellent service that respects the uniqueness and diversity of the community. We work to continually improve services and build positive relationships with citizens & partners.

Values

Accountability

We serve the needs of the community, consulting with residents & stakeholders regularly and providing timely reports on progress.

Collaboration

We focus on partnerships and on informing and involving residents and stakeholders to ensure excellence.

Innovation

We embrace creative ideas and have the courage to lead with innovation.

Flexibility

We are responsive to the needs of our community and continually evaluate and strive to improve our service.

Integrity

We honour the public trust by being transparent in decision making and using local knowledge and industry best practice to protect our environment and quality of life for residents.



Strategic Priorities and Goals

Strategic Priorities

Community Well Being

We promote a safe, attractive and active community. We inform and involve residents in decisions that affect them, promoting shared responsibility and strong, connected neighbourhoods. We advocate for the availability and affordability of housing and public services.

Community Planning

Our city is planned and designed to maximize livability while maintaining affordability and protecting air, land, water, green spaces and forests. The City's Official Community Plan, Land Use Bylaws and Transportation Plans work together to create a vibrant community.

Economic Diversity

Colwood provides a strong, sustainable economy with a wide range of business and investment opportunities. Careful management and active promotion create the environment for businesses to succeed. We proactively invest in economic growth and quality of place.

Infrastructure Management

We focus on building resilience and long term stability by ensuring our natural and man made infrastructure and assets are maintained and funded over the long term. We prepare for future expenditures by planning proactively.

Sound Governance

We build community capacity to prevent future problems and expenditures. Careful management, fiscal responsibility, innovation, monitoring and community involvement create the environment, infrastructure, services and workforce required to succeed.

Goals

Colwood's waterfront is a gently-enjoyed, world class destination for residents and visitors alike.

People and nature are exceptionally well-connected.

Family friendly neighbourhoods provide housing choices.

Residents have realistic transportation choices.

Vibrant streets & public spaces promote community connections.

Colwood is carbon neutral, energy positive, water smart and prepared to adapt to a changing world.



Budget Policy, Approach & Timelines

Each year, the City embarks on a financial planning process that will result in the adoption of a five year financial plan. The financial plan must be balanced as mandated by provincial legislation. Current revenue, including transfers from reserves, must be sufficient to support current expenditures for each fund. The City must adopt a financial plan bylaw each year before May 15 for the current year.

The City's financial year is the calendar year. The City operates under the authority of the financial plan approved in the prior year until the current year financial plan is approved. For instance, the City's 2018 expenditures are incurred under the authority of the 2017-2021 financial plan until the 2018-2022 financial plan bylaw is approved.

This year, the City's budget was built on four core principles:

- 1. Fiscal Responsibility:* Prudent fiscal stewardship and careful financial planning are used to balance the budget each year, with a long-range view in mind. This ensures long-term priorities are pursued in a financially sustainable and resilient manner and considers external economic conditions that could impact citizens and businesses.
- 2. Affordability and cost effectiveness:* Long-term planning supports affordability. The City will deliver relevant services that result in desired public outcomes while integrating value for money through productivity and innovation to ensure property taxes and utilities remain affordable.
- 3. Sustainable infrastructure replacement:* The City has acquired and constructed a number of assets to provide valuable services to the community. These assets must be maintained and replaced to ensure efficient and affordable service provision for future generations. Sustainable funding levels are established to ensure there is no interruption to service delivery.
- 4. Capital investment optimization:* Before replacing assets, the municipality considers repurposing and right-sizing existing assets, and continues to advance the principles of co-location and functional integration

of services. This enhances operational efficiency and customer service. New assets will be designed with flexible, adaptable, and expandable spaces to accommodate changing demographics and future growth. The City has integrated industry best practices into this financial plan:

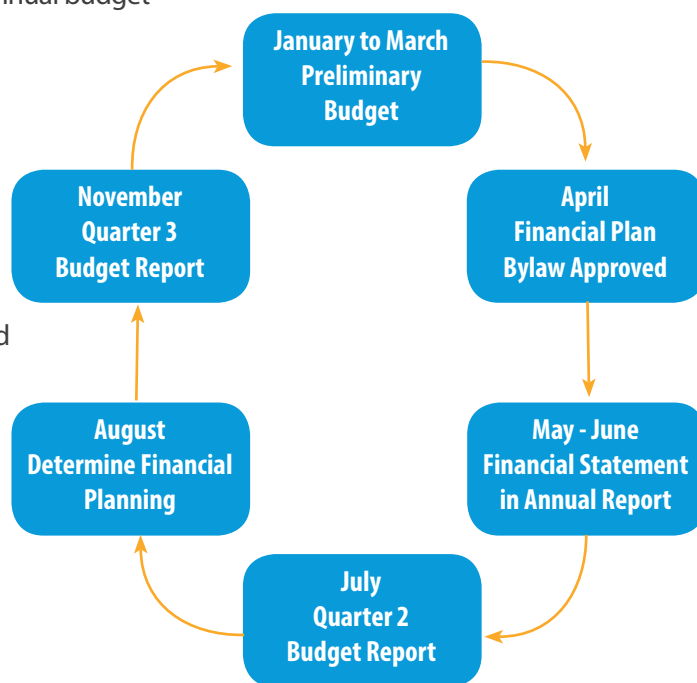
Service delivery perspective: This budget is being prepared from a service delivery perspective. The cost of providing each major City service is tabulated and presented. The budget is prepared with the intention of maintaining current service levels. All significant changes to the level of service will be presented separately and must be approved by Council to proceed. Staff are expected to integrate value for money practices to ensure services are delivered in the most affordable manner. Council provides governance, strategic direction and service delivery targets.

Strategic plan integration: Priorities identified in the current strategic plan will continue to be quantified and integrated into the budget. The financial plan will also integrate the new draft Official Community Plan, and other supplementary master plans, into long-term infrastructure and capital planning.

Project continuation: Projects approved in the preceding financial plan that are underway are carried forward in the current financial plan.

Timelines Although the Community Charter imposes annual budget deadlines, the City's budget process is a continuous cycle. Objectives and spending outlined in the financial plan are reviewed quarterly to help inform the preparation of the next financial plan. Estimates are continually refined and the City is held to account for completion of the financial plan objectives. The financial plan is linked to the strategic planning process as well as the annual year-end reporting process. Objectives outlined in the financial plan are reviewed in the annual municipal report. The timeline for 2018-2022 is:

- January - March: Council considers operating and capital budgets.
- April: Council adopts financial plan and tax rate bylaws.
- May: Prior year financial statements presented with variances.
- June: Prior year annual report prepared and made public.
- July: Current year second quarter budget reports presented.
- August: 2019 — 2023 financial planning approach discussed.
- November: Current year third quarter budget reports with full year projections presented.





Consolidated Budget

The Community Charter requires that the City of Colwood approve a Five Year Financial Plan bylaw and property tax bylaw before May 15 of each year. Each year the financial plan is updated and includes proposed expenditures and revenues for the operating, capital and utility funds.

The Community Charter mandates that the expenditures including reserve transfers and capital spending be balanced by current year revenues including transfers from reserves. The City's Sewer Utility Fund also operates on a balanced budget basis.

The plan also focuses its attention on sustainable infrastructure replacement. While sustainable funding levels have not been established, this will likely be considered in the 2019 – 2023 Financial Plan.

The 2018 Colwood Financial Plan is summarized as follows:

Operating Revenues	\$ 22 M
Operating Expenses	(19) M
Transfers from Reserves	2.9 M
Debt Repayment	(1.0) M
Capital Projects	(2.8) M
Transfers to Reserves	(2.1) M
Total	-

Overall, the financial plan is projecting a 1.4% increase, or \$24 to the average residential tax payer in property taxes for 2018.

The plan recommends \$264,700 in spending on new operating budget items that result from growth pressures. It is proposed that these items be funded from new construction revenue so there is no impact to existing taxpayers. The new operating budget items proposed are summarized as follows:

\$66,000	To increase the Human Resource position from 0.5 to 1.0 full time equivalent as proposed and approved in the 2017 financial plan
\$112,400	For the creation of an independent Information Technology division at the City and a transition away from contracted IT support services
\$41,300	To increase the Court Liaison/Exhibit Clerk full time equivalent by 0.5 at the Langford RCMP detachment to address growing demand
\$45,000	To increase the building inspector full time equivalent by 0.4 so service standards can be maintained for an increased building permit and inspection volume
\$264,700	TOTAL

Lastly this plan recommends increasing the annual transfer to the infrastructure deficit reserve by \$237,700. This would continue to move the City closer to sustainable infrastructure replacement while funding levels are being determined. This increased transfer would be funded by the remaining new construction tax revenue.

Special Projects

Every year Council may choose to approve special projects that are outside the normal course of work performed by staff. In general, departments reserve some capacity in their work plans annually to devote to special projects. Alternatively, staff may engage consultants or temporary staff when additional capacity is needed.

Special projects are loosely defined as follows:

Focused on strategic priorities – normally closely linked to Council approved strategic plan.

Operating in nature – no physical tangible good is produced such as in capital projects.

Outside normal service levels – they are in addition to typical work plans or services provided to citizens via the operating budget.

Variable in nature – special projects are not typical, consistent, or predictable expenses as are most expenses in the operating budget. Nor do they represent an ongoing, consistent service provided to the public. Rather, they may be a one-time service or product provided to the public. Some special projects lead ongoing operating expenses but only by the direction of Council.

Funding – best practice is to fund special projects by accumulated surplus amounts from previous budgets. Since special projects are not consistent, funding via taxation could create significant variance in tax rates.



'McGnarly the Beach Ent' - Public Art at the waterfront in Colwood

<i>2018 Special Projects</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Corporate Administration					
Citizen Survey	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -
City Hall Space Planning	-	50,000	-	-	-
First Nations Outreach	15,000	-	-	-	15,000
Public Art Project	5,000	-	-	-	-
Waterfront Branding	9,700	-	-	-	-
Information Technology					
IT Department Migration	101,000	-	-	-	-
Network Security Audit	-	20,000	-	-	20,000
Fire Department					
Firehall Painting	30,000	-	-	-	-
Firehall Security System	-	11,000	-	-	-
Planning					
Area Planning Project	100,000	-	-	-	-
Affordable Housing Contributions	548,000	-	-	-	-
Demographics Study	20,000	-	-	-	-
Energy & Emissions Plan	-	50,000	-	-	-
Land Use Bylaw Update	50,000	100,000	-	-	-
OCP Implementation	20,000	-	-	-	-
Engineering & Subdivision					
Coastline Erosion Study	49,000	50,000	32,000	-	-
Confined Space Consulting	8,500	-	-	-	-
DCC Bylaw	18,400	-	-	-	-
Geospatial Survey	11,000	-	-	-	-
Lagoon & Pedestrian Bridge Insp.	50,000	-	35,000	-	-
Meadow Park Electrical Upgrades	6,900	-	-	-	-
Ocean Boulevard Park & Ride	20,000	-	-	-	-
Pavement Condition Assessment	76,000	-	-	-	-
Stormwater Master Plan	130,000	-	-	-	-
Subdivision Bylaw	9,500	-	-	-	-
Traffic study	50,000	-	-	-	-
Parks Department					
Parks & Trails Master Plan	-	75,000	-	-	-
TOTAL SPECIAL PROJECTS	\$ 1,328,000	\$ 366,000	\$ 67,000	\$ 10,000	\$ 35,000

Please see department budget summaries for project details.



Major Revenue Sources

Property Taxes

Property taxes remain the City's single largest revenue source. The system of property taxation is relative easy to administer and understand. It provides a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay system. Property tax revenues are nearly 100% collectible as the City has statutory powers to sell a property to collect delinquent taxes. Property tax revenues are calculated by determining funding needs and projecting other revenue sources.

New Construction Property Taxes

These property taxes are unique because they are taxes typically generated from brand new buildings. As the community grows, so will its tax base. These new taxes are used to fund the expanded operating expenditures that are a result of growth as well as future infrastructure replacement needs. Annually, BC Assessment provides the City with assessment values that have been derived from new construction. The 2019 through 2022 financial plan has been populated with conservative projections as there is significant development uncertainty.

Local Area Service (LAS) Taxes

Properties connected to one of the City's Local Area Services for sewer service are required to pay LAS taxes. These taxes are used to retire the debt associated with the related sewer main construction. LAS taxes are projected based on debt retirement schedules provided to the City from the Municipal Finance Authority.

Grants in Lieu of Taxes

The City is proud to host many federally and provincially owned properties. These properties are exempt from paying property taxes pursuant to relevant legislation. The Crown, however, contributes a grant

in lieu of taxes to offset what would otherwise be lost revenue. This revenue is projected using BC Assessment actual value information and anticipated municipal tax rates. Grants are typically expected to grow at the same pace as property taxes.

Grants (Operating)

Operating grants help offset the funding needed for various municipal programs. The City receives three major operating grants:

1. casino revenue sharing from Elements Casino in View Royal,
2. small community grant, and
3. traffic fine revenue sharing grant.

The casino revenue sharing grant is projected after discussion and analysis with casino management. Casino revenues are projected to rise by 7% due to a recent expansion and by an inflationary factor thereafter. The small community grant is paid to the City from the Province based on a legislated formula. This formula allocates funding based on assessment and population statistics. This grant is phased out when a City reaches 19,000 in population; thus beginning in 2019, the City will start reducing its reliance on this grant. The traffic fine revenue sharing grant is paid from the Province to the City. The City is allocated a proportion of provincial traffic fine revenues based on the City's policing costs. As the City's policing costs are relatively low compared to other municipalities, a conservative estimate has been used.

Grants (Capital)

Annually the City receives gas tax funds from the Union of BC Municipalities. These funds are allocated on a per-capita basis with a funding floor. The funding allocations are set every 4 years and therefore predictable. Projections beyond the 4-year agreement window have been based on inflation. When the City receives these funds, they are deposited into the City's gas tax deferred revenue fund. The City uses these funds on an as-needed basis to fund capital projects. When the capital projects proceed, the City recognizes the use of these funds as revenue. Capital grant revenues will therefore correspond closely to capital spending in all five years in the financial plan.

Sewer User Fees

Sewer user fees are used to fund the sewer utility fund. This revenue is correlated to spending in the utility fund. As spending is projected to increase, revenues are increased. The revenue is based on historical water consumption data which makes it quite predictable.

<i>Revenue</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Property Taxes	\$ 13,487,500	\$ 14,284,200	\$ 14,725,200	\$ 15,147,100	\$ 15,594,100
New Construction Property Taxes	502,400	150,000	150,000	100,000	100,000
Local Service Area Taxes	621,000	339,500	339,500	339,500	339,500
Grants In Lieu of Taxes	2,109,600	2,181,500	2,237,300	2,294,500	2,353,200
1% Utility Revenue	185,800	189,600	193,300	197,300	201,200
Natural Gas 3% Utility Revenue	62,500	63,800	65,100	66,400	67,700
Property Tax Penalties & Interest	120,000	120,600	121,200	121,800	122,500
Grants (Operating)	709,700	723,500	737,500	752,000	766,500
Grants (Capital)	1,204,400	687,400	2,646,000	325,500	439,200
Developer Contributions	698,400	397,000	287,000	155,000	155,000
Investment Income	175,000	175,000	175,000	175,000	175,000
Finance Revenue	45,800	46,700	47,600	48,600	49,500
Building & Bylaw Revenue	1,044,600	858,900	819,100	819,300	819,500
Police Revenue	14,500	14,800	15,100	15,400	15,700
Engineering Revenue	216,600	219,500	222,500	225,400	228,500
Public Works Revenue	14,600	14,900	15,200	15,500	15,800
Planning Revenue	159,100	162,200	165,600	168,800	172,300
Parks Revenue	29,100	29,700	30,200	30,800	31,500
Sewer Connection Fees	186,200	189,600	189,600	193,500	201,400
Sewer User Fees	562,800	582,100	607,900	635,000	645,700
Total Revenue	\$ 22,150,100	\$ 21,430,500	\$ 23,793,800	\$ 21,830,200	\$ 22,493,800
<i>Operating Expenses</i>					
Corporate Administration	\$ 2,037,900	\$ 2,040,900	\$ 2,065,000	\$ 2,114,500	\$ 2,174,800
Finance	711,900	724,500	739,000	753,600	768,700
Information Technology	424,500	432,100	440,700	451,700	460,000
Policing	3,660,600	3,769,200	3,893,000	4,023,000	4,160,500
Fire	2,076,300	2,096,600	2,139,600	2,188,700	2,238,200
Building & Bylaw	831,800	843,300	861,000	877,700	894,900
Engineering & Development Svcs	1,033,700	1,046,400	1,077,500	1,091,300	1,121,800
Public Works	2,322,600	2,364,200	2,414,800	2,463,600	2,511,000
Planning	824,300	838,500	856,400	874,600	893,200
Parks	2,717,700	2,733,400	2,787,700	2,843,000	2,897,700
Sewer	659,800	669,700	682,400	696,500	710,200
Fiscal	7,500	7,600	7,800	7,900	8,100
Debt Interest	581,500	542,700	533,700	525,400	509,500
Special Projects	1,328,000	366,000	67,000	10,000	35,000
Total Operating Expenses	\$ 19,218,100	\$ 18,475,100	\$ 18,565,600	\$ 18,921,500	\$ 19,383,600
Add					
Transfer from Reserves	\$ 2,937,500	\$ 780,500	\$ 1,184,400	\$ 568,900	\$ 162,400
Debt Proceeds	28,300	28,300	28,300	28,300	28,300
Deduct					
Capital Expenditures	(2,779,300)	(1,026,800)	(3,688,300)	(807,800)	(488,400)
Transfer to Reserves	(2,103,100)	(1,978,500)	(2,045,900)	(2,041,300)	(2,153,300)
Debt Principal	(1,015,400)	(758,900)	(706,700)	(656,700)	(659,200)
	-	-	-	-	-



Service Plans





Corporate Administration

Corporate Administration provides a broad range of services to City departments, Council and the community. The Chief Administrative Officer and Administration, Director, and Administrative team work closely with Council to oversee corporate services including customer service, records management, meeting management, information and privacy compliance, human resources, health and safety, legal and risk management, communications, community engagement, web and social media, archives and the election process. The department strongly participates in customer service at the front counter and reception. The department takes a strong leadership role in the corporation by leading labour relations and assisting Council with strategic planning.

Performance Measures & Key Statistics

<i>Activity</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Employees	8.25	8.75	9.25
Freedom of Information Requests	26	14	10 to 15
Agenda packages & minutes	69	66	70
Community events planned & delivered	15	37	40
Community event attendees	1000+	3000+	3000+
Website pageviews	361,983	373,115	385,000
Social media followers	5,077	7,104	8,000

Corporate Administration Operating Budget

<i>Operating Expenses</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Corporate Administration	\$ 926,701	\$ 1,034,034	\$ 1,093,500	5.8%
Council & Committee	130,133	144,968	147,500	1.7%
Communications	196,675	213,546	217,600	1.9%
Risk Management	210,610	185,000	186,900	1.0%
Human Resources	116,876	217,676	223,900	2.9%
Grant in Aid & Fee for Service	103,555	102,010	96,500	-5.4%
Total Operating Expenses	\$ 1,684,550	\$ 1,897,234	\$ 1,965,900	3.6%
Net Property Tax Required		\$ 1,897,234	\$ 1,965,900	3.6%

The 2018-2022 financial plan includes a 3.6% overall increase to the Corporate Administration Budget before new operating budget items are considered. This year the corporate administration division will manage the 2018 general election which has contributed to a 5.8% increase. These costs are recurring every four years.

New Operating Budget Items

In 2017, Council approved a financial plan that introduced a full time Human Resource Manager position. The 2018 – 2022 financial plan continues with this transition as the remaining 0.5 FTE has been introduced into the budget. Recruitment was planned for 2017 but did not occur. Recruitment will occur in 2018. This will have a 0.51% tax impact or \$8.88 to a typical single family dwelling.

	<i>2018 Budget \$</i>	<i>Dept Increase %</i>	<i>Tax Impact %</i>	<i>Tax Impact \$</i>
Opening Core Budget	\$ 1,965,900			
Increase HR Manager from 0.5 to 1.0 FTE	66,000	3.36%	0.51%	\$ 8.88
Expanded Core Budget	\$ 2,031,900			

Corporate Administration continued

Accomplishments from 2017

- Completely eliminated Occupational Health and Safety incidents, positively impacting the safety and well-being of Colwood staff; this resulting in a reduction of \$32,000 in WorkSafe BC Premiums
- Audio/Visual upgrades in Council Chambers and Committee Room
- Emergency Preparedness equipment and supplies upgrades
- Updated numerous policies and regulatory bylaws to meet Council's current needs and comply with legislative authorities.
- Completed heritage artifact archival process, register and collection list and developed procedures for accepting archival donations.
- Undertook a review of the City's committee structure and trial Committee of the Whole to replace existing Standing Committees
- Upgraded the online renewal system for business owners to cut red tape and provide enhanced business data and statistics
- Worked closely with First Nations communities to develop and build strong and respectful working – and friendship – relationships
- Hosted more than 30 beach events to encourage community connections and promote the City's waterfront
- Implemented a comprehensive engagement process including multiple events, workshops, surveys and communications to involve community members in the Official Community Plan process
- Engaged an independent research company to undertake a citizen survey to better understand resident needs and perceptions

Plans for 2018

- Finalize negotiation of a CUPE contract acceptable to all stakeholders
- Review and update council procedure bylaw and a delegation of authority bylaw
- Continue providing all staff with opportunities to cross train and practice their new skill in any position, any time.
- Update the City's records management software management system
- Initiate an audit of information and privacy practices and procedures and develop new policies

- Manage the 2018 general local election process and candidate / council orientations.
- Events: Easter Egg Hunt, Beach Food Fridays and Saturdays, Eats & Beats, Driftwood Days, Seaside Festival, Halloween Pumpkin Town, Winter Wonderland, Christmas Light Up
- Wayfinding and Parks Signs
- Public Art and Boulevard Garden Standards

Special Projects

<i>Description</i>	<i>2018 Budget</i>	<i>2019 Budget</i>	<i>2020 Budget</i>
Citizen Survey	\$ -	\$ 10,000	\$ -
City Hall Space Planning	-	50,000	-
First Nations Outreach	15,000	-	-
Public Art Project	5,000	-	-
Waterfront Interpretive Signs	9,700	-	-
Total Special Projects	\$ 29,700	\$ 60,000	\$ -

Citizen Survey - \$10,000 (2019)

The City of Colwood engages an independent research company to conduct citizen satisfaction surveys by telephone every two years, to help Council and staff better understand citizen needs and expectations.

City Hall Space Planning - \$50,000 (2019)

This project will address the City's growing work force and future space needs. There will be a need to renovate City Hall or construct a new building at some point in the future. This project would provide detailed space specifications for the City's work force, Council, the Public and other stakeholders.

First Nations Outreach - \$15,000

This special project is a contingency for when funding is required to respect First Nation cultural and ceremonial considerations. This project is funded by surplus and is only used in the event that it is needed.

Public Art Project - \$5,000

Continue the City's street banner program and explore options to collaborate with local artists and students on murals and sculptures.

Waterfront Interpretive Signs - \$9,700

Enhance awareness of the waterfront's natural and historical significance and promote pride of place with beautiful and informative interpretive signs that describe the wildlife, geography, First Nations history and surrounding historic sites.



Council to Council Dinner with Songhees Nation in June 2017



Finance

The Finance department is responsible for the financial well-being of the City, providing advice and information to Council, staff, and the public. This department coordinates expenditures through the annual budget process, prepares financial statements, and administers accounts payable, receivables, payroll, and insurance and risk management. Cash flow is managed to ensure funds are available to fill spending plans in the five-year financial plan. The department is entrusted with long term financing to ensure financial resources are available for long term infrastructure replacement. The department also secures and manages City debts.

Performance Measures & Key Statistics

<i>Activity</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Employees	6	6	6
Cash receipts/bank transactions	11,275	10,893	11,000
T4's issued	150	150	150
Property tax collected \$	\$23.6M	\$24.6M	\$25.6M
Property tax folios #	5730	6049	6119
Accounts Payable/Receivable Invoices	7,300	6,602	6,600

Finance Operating Budget

<i>Funding</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
School Tax Admin Fee	\$ 8,169	\$ 8,200	\$ 8,200	0.0%
Tax Certificate Fees	33,877	30,287	33,500	10.6%
Other Finance Dept Revenue	6,787	4,020	4,100	2.0%
Total Funding	\$ 48,833	\$ 42,507	\$ 45,800	7.7%
<i>Operating Expenses</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Finance General	\$ 600,854	\$ 705,709	\$ 711,900	0.9%
Total Operating Expenses	\$ 600,854	\$ 705,709	\$ 711,900	0.9%
Net Property Tax Required		\$ 663,202	\$ 666,100	0.4%

Accomplishments from 2017

- Recruitment of an Information Technology Coordinator
- Creation and implementation of a new chart of accounts
- Implementation of a pre-authorized payment plan for tax payers

Plans for 2018

- Implementation of a service-oriented detailed budget document
- Creation of parcel tax to repay Colwood Central Local Area (sewer) Service
- Increase City's investment returns while retaining liquidity and diversification needs
- Improve ratio of suppliers using electronic payment means
- Implement HRisMyWay electronic timesheet program
- Review of City's reserve fund policy
- Continue review of the City's purchasing policy and purchasing function
- Improve ratio of suppliers using electronic payment means
- Work with City's Engineering department to develop an asset management roadmap and related sustainable infrastructure replacement funding levels
- Work with the City's Planning department to implement life-cycle costing considerations for planning decision
- Work with the City's Engineering department to review and renew the City's Development Cost Charge Bylaw
- Establish an asset management roadmap that outlines planned progress toward a comprehensive system



Information Technology

The Information Technology Division manages a wide variety of computer and technology services for the Municipality. The division manages a significant inventory of hardware such as computer workstations, mobile computers, a networked phone system, network servers, and audio visual equipment. The division also supports end users by updating software, implementing new software, training and troubleshooting, managing helpdesk requests and liaising with third party providers. The division is also responsible for planning and implementation of hardware and software as they become obsolete. The Communications division and Information Technology work together to support the City's website and other online services. The division also responsible for ensuring the City's data and network remain safe and secure.

Performance Measures & Key Statistics

<i>Activity</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Employees	0	1	2
Helpdesk requests (approximate)	400	400	450
Network Uptime during working hours	new	new	98%

Information Technology Operating Budget

<i>Operating Expenses</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
IT General	\$ 239,428	\$ 311,350	\$312,100	0.2%
Total Operating Expenses	\$ 239,428	\$ 311,350	\$ 312,100	0.2%
Net Property Tax Required		\$ 311,350	\$ 312,100	0.2%

New Operating Budget Items

The City currently contracts the City of Langford for much of its Information Technology support services. This model has served Colwood well for many years, but recently has made it more difficult for the City of Colwood to quickly respond to growing citizen expectations.

The City has been developing a migration strategy to implement a 100% independent and internal Information Technology Division. This division would be completely responsible for managing existing technology requirements and planning for future demands. The structure of the division would ensure that:

- IT support staff would be available 24/7/365
- IT equipment replacement is planned and funded through a robust capital program with a new transfer to reserve budget in 2018
- IT contracts for printing, mobile devices, leasing and other are managed internally
- IT staff can participate in new technology implementation as required by City departments

In the 2017 financial plan, the budget for the IT department was \$311,350. New annual operating funding in the amount of \$112,400 would be required to support a fully functioning internal IT department. Additionally, \$101,000 is needed as a one time cost in the special projects budget to support the migration.

	<i>2018 Budget \$</i>	<i>Dept Increase %</i>	<i>Tax Impact %</i>	<i>Tax Impact \$</i>
Opening Core Budget	\$ 312,100			
Develop internal IT department	112,400	36.01%	0.86%	\$ 15.13
Expanded Core Budget	\$ 424,500			

Information Technology continued

Accomplishments from 2017

- In-house support technician hired
- GIS Shared Services Agreement signed with the CRD
- Server room outfitted with air conditioner
- Council Chamber video feed and audio visual display improvements
- Began preparing for information technology asset inventory for long-term planning, which is now 85% complete
- Entered into new mobile phone agreement reducing costs by 25%

Plans for 2018

- Complete information technology asset inventory
- Establish sustainable infrastructure replacement funding for PCs, monitors, laptops, network and other IT infrastructure
- Make use of Canadian cloud services where appropriate for network backup redundancy
- Prepare a robust disaster recovery plan
- Begin migration of Colwood IT network to internal service

Special Projects

<i>Description</i>	<i>2018 Budget</i>	<i>2019 Budget</i>	<i>2020 Budget</i>
IT Department Migration	\$ 101,000	-	\$ -
Network Security Audit	-	20,000	-
Total Special Projects	\$ 101,000	\$20,000	\$ -

IT Department Migration - \$101,000

The City would incur some initial costs to migrate to a fully internal IT division. This estimate includes billable hours needed to migrate from the Langford IT department as well as overtime incurred by Colwood staff. The migration would occur in phases to ensure there are no service outages.

Network Security Audit - \$20,000 (in 2019)

The City of Colwood is entrusted with important and sensitive personal information and has a legislated obligation to protect this information. Furthermore, the City's data is a valuable resource which supports the delivery of important community services. Should the City proceed with migration to a fully independent information technology division, a security audit will be necessary. This audit will ensure the City's system is secure and vulnerabilities are identified. Such a security audit should be conducted once every three years.



Audio visual equipment in Colwood Council Chambers



Fire Department

The Colwood Fire Department has been protecting Colwood residents since 1946. The department is the West Shore's longest servicing fire department. The department consists of 32 volunteers, 8 career firefighters and 2 administrative professionals. Together they provide valuable services to the community including emergency response to fire and medical emergencies, fire prevention and education, fire safety inspections, firefighter training, hazardous material response, as well as water and confined space rescue.

The department provides a level of service consistent with the provincial Office of the Fire Commissioner full service fire department standard as well as National Fire Protection Agency standards that govern the activities of the fire service. These standards serve to set the bar for the fire service operations and how those services are delivered to the community.

Performance Measures & Key Statistics

<i>Activity</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Employees	9.5	9.5	9.5
Volunteers	28	28	32
Training Hours	5,761	6,450	6,200
Responses (emergency & non-emerg)	584	670	757
Fire Investigations	11	18	unknown
Fire Inspections	798	763	790

Fire Department Operating Budget

<i>Operating Expenses</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Fire Administration	\$ 516,748	\$ 552,955	\$ 615,500	11.3%
Fire Investigation & Prevention	124,993	135,237	137,600	1.7%
Fire Suppression	880,997	968,530	986,200	1.8%
Fire Fleet	227,184	284,287	294,600	3.6%
Emergency Support Services	35,412	42,335	42,400	0.2%
Total Operating Expenses	\$ 1,785,334	\$ 1,983,344	\$ 2,076,300	4.7%
Net Property Tax Required		\$ 1,983,344	\$ 2,076,300	4.7%

The 2018-2022 financial plan includes a 4.7% overall increase to the Fire Department budget. The notable increase to the fire administration department is due to escalating fire dispatch costs with our regional partner, the District of Saanich. Colwood will be participating in a joint municipal request for proposal to ensure dispatch cost increases are minimized. Other cost increases are due to regular inflationary pressures and labour increases.

Accomplishments from 2017

In 2017 the fire department underwent a series of internal changes and started initiatives to streamline the effectiveness of our delivery of service to the community. These changes included:

- Outfitting two fire engines with full medical equipment (trauma, airway management, AED)
- Outfitting our fire engines with Rapid Intervention Packs (RIT) to allow for firefighter rescue within Immediately Dangerous to Life and Health (IDLH) environments
- Redesign of hose loading and deployment process and review of hose replacement requirements
- Expansion of departmental ventilation fans for home ventilation
- Upgrade heavy rescue hydraulic hoses to new "Core" technology for automobile extrication and rescue.
- Implementation of Wildland Gator for forested area
- Outfitting of our one ton utility truck in the summer months as a wildland / bush truck
- Completion of full equipment reconfiguration on the rescue truck
- Overhaul of Incident Command Management System to allow for easier management tracking and accountability at larger and complex incidents.

Fire Department continued

- Implementation of time management review resulting in redistribution of service portfolio
- Improvement to response time and 365 day firefighter presence due to shift scheduling changes
- Remodelling of front office area for improved information sharing and customer service
- Completion of fire hall parking lot paving and water drainage improvements
- Replacement of a utility vehicle with a vehicle with enhanced equipment transportation capability

Plans for 2018

- Develop and implement refreshed midrise building deployment strategy
- Outfit both fire engines with electric combination (cutter/spreader) tools for automobile extrication
- Upgrade and replace CREST radios and pagers
- Perform equipment evaluation on both fire engines
- Perform equipment evaluation on tower ladder
- Prepare inventory of confined spaces in cooperation with engineering department
- Perform water rescue program review
- Begin fire department strategic planning process
- Design and Implement an Officer Development Program

Special Projects

<i>Description</i>	<i>2018 Budget</i>	<i>2019 Budget</i>	<i>2020 Budget</i>
Fire Hall Painting	\$ 30,000	\$ -	\$ -
Fire Hall Security System	-	11,000	-
Total Special Projects	\$ 30,000	\$ 11,000	\$ -

Fire Hall Painting - \$30,000

The exterior of the fire hall and museum have not been painted since the fire hall seismic upgrade in 2006. The buildings are starting to show some age and requires repainting and maintenance to ensure that the life expectancy of the building is maintained.

Fire Hall Security System - \$11,000 (2019)

The fire hall has a security system that manages and tracks access to the fire hall building through an electronic key fob system. Originally installed in the 1990's this system has served the department exceptionally well however the computer hardware and software is now extremely outdated and needs to be replaced and updated.



Colwood Fire Rescue at the Emergency Preparedness Fair in Colwood



Policing

Under the Police Act, municipalities with populations exceeding 5,000 must provide their own law enforcement. The City of Colwood contracts with the provincial government for policing services. The Provincial government has contracted with the Royal Canadian Mounted Police for provision of policing services. Municipalities are responsible for providing the police detachment building, prisoner cells, as well as civilian support staff.

The City of Colwood helps fund the West Shore detachment of the RCMP, located in Langford. This detachment serves View Royal, Langford, Metchosin, Highlands, Songhees First Nation and Esquimalt First Nation in addition to Colwood. The City of Colwood directly employs 7 full time equivalent support staff for the detachment.

Performance Measures & Key Statistics

<i>Activity</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
RCMP Police Strength (FTE)	16.6	16.6	16.6
RCMP Support Staff	6	6.5	7

RCMP Policing Operating Budget

<i>Funding</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Criminal Record Check/Other	\$ 18,954	\$ 13,500	\$ 14,500	7.4%
Total Funding	\$ 18,954	\$ 13,500	\$ 14,500	7.4%
<i>Operating Expenses</i>				
Contracted Policing Services	\$ 2,126,808	\$ 2,799,402	\$ 2,866,400	2.4%
Support Services & Building	711,046	738,899	743,700	0.6%
Crime Prevention Program	13,640	9,040	9,200	1.8%
Total Operating Expenses	\$ 2,851,504	\$ 3,547,341	\$ 3,619,300	2.0%
Net Property Tax Required		\$ 3,533,841	\$ 3,604,800	2.0%

New Operating Budget Items

The Court Liaison Officer and Exhibits Clerk processes all Court related matters and act as the liaison between members of the Detachment, Crown Counsel and Court personnel. More specifically, these positions involve high volume workloads, professional-level duties, independence and judgment, and advanced knowledge of the Canadian Police Information Centre (CPIC), Justice Information System (JUSTIN), Police Records Information Management Environment (PRIME), iScreen - iBook Digital Fingerprinting Systems, Public Agencies Identification Number (PAIN) and the Firearm Reference Table (FRT). The West Shore detachment has led the way in advancing exemplary detachment protocols and minimizing risk when it comes to the handling of exhibits. The resources required, however, to continue to provide needed services have exceeded current staffing levels (currently at 2.0 FTEs). Increasing the FTEs by 0.5 would allow the department to respond accordingly to the increasing and evolving work load.

	<i>2018 Budget \$</i>	<i>Dept Increase %</i>	<i>Tax Impact %</i>	<i>Tax Impact \$</i>
Opening Core Budget	\$ 3,619,300			
Increase Court Liaison FTE by 0.5	\$ 41,300	1.14%	0.32%	\$ 5.56
Expanded Core Budget	\$ 3,660,600			



Building & Bylaw Department

The Building Inspection Department is committed to providing excellent service to the construction sector, including homeowners, designers, contractors and professional consultants. They work to protect people and property by ensuring that newly constructed and renovated buildings conform to safety codes and regulations. The goal is to help avoid costly and time consuming pitfalls by providing building permits and inspection services as well as advice on the Building Bylaw, BC Building Code, numerous Federal and Provincial standards and regulations, and the City of Colwood Land Use Bylaw

Bylaw Officers protect safety and quality of life by ensuring residents and businesses understand and comply with the City's bylaws, and by being a watchful presence in our community. They receive and investigate complaints, monitor issues and work with individuals to encourage voluntary compliance through education and mediation. To improve the service delivery of the bylaw department and to ensure the expectations of the community are met, a service review was undertaken at the end of 2017. Throughout 2018 the focus will be to implement the areas identified in the review and to continue to build on the achievements of the department. The city watch and graffiti programs continue to be successful with all identified graffiti damage for the year being remediated.

Performance Measures & Key Statistics

<i>Activity</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Employees	6	7.2	6.6
Building Permits Issued	254	524	300
Building Permit Revenue	566k	1,012k	936k
New Construction Tax Revenue	312k	419k	459k

Building & Bylaw Operating Budget

<i>Funding</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Building Permit Fees	\$ 1,011,897	\$ 1,241,609	\$ 936,000	-24.6%
Plumbing Permit Fees	134,332	137,957	90,000	-34.8%
Dog License Fees	11,140	8,330	8,500	2.0%
Business License Fees	9,550	2,000	2,000	0.0%
Commercial Vehicle Licenses	4,140	4,100	4,100	0.0%
Municipal Ticketing Fines	5,856	4,000	4,000	0.0%
Total Funding	\$ 1,176,916	\$ 1,397,996	\$ 1,044,600	-25.3%
<i>Operating Expenses</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Bylaw Enforcement	\$ 271,956	\$ 387,332	\$ 298,800	-22.9%
Animal Control	61,800	61,820	62,400	0.9%
Building Inspection	460,194	466,090	425,600	-8.7%
Total Operating Expenses	\$ 793,950	\$ 915,242	\$ 786,800	-14.0%
Net Property Tax Required		\$ (482,754)	\$ (257,800)	-46.6%

New Operating Budget Items

The City has seen a significant increase in building permit revenue over a number of years. In 2017, Council approved the addition of 2 x 0.6 FTE building inspector funding. This year an additional 0.4 FTE is being requested to supplement. The additional funding would allow the department greater flexibility in succession planning as well as general capacity. There may be a need for additional funding in the future should current permit volumes continue but the City can take a measured and cautious approach while market conditions become less uncertain.

	<i>2018 Budget \$</i>	<i>Department Increase %</i>	<i>Tax Impact %</i>	<i>Tax Impact \$</i>
Opening Core Budget	\$ 786,800			
Increase Building Inspector by 0.4 FTE	\$ 45,000	5.72%	0.35%	\$ 6.06
Expanded Core Budget	\$ 831,800			

Building & Bylaw Department continued

Accomplishments from 2017

- This year saw a surge in home construction with 542 building permits being issued, including 114 single family dwellings and 49 secondary suites and many residential and commercial projects.
- The first phase of the Royal Bay subdivision single family dwellings is progressing with approval of further subdivisions being issued.
- Construction of Brookes School is well underway with the completion scheduled for the middle of 2018.
- The first phase of Pacific Landing on Heatherbell Road was completed.



New homes in Royal Bay

Plans for 2018

- To ensure the building department is equipped for the continuing construction activity and to ensure the expectations of the construction industry are met, a review of the departments processes and procedures will be carried out to identify areas that may be improved to optimize service delivery
- The new owners of Colwood Corners are moving forward with construction that is anticipated to start in early 2018
- The next phase of Royal Bay will begin, including multifamily development in addition to further single family dwellings
- The Seniors' independent living development located at 333 Wale road is underway and is expected to be complete this year
- Further development of Pacific landing on Heatherbell Road is expected to continue this year



Development planned for Colwood Corners



Planning Department

The Planning department works with the community and Council to develop long range plans that enhance the livability of Colwood. The department oversees Colwood’s Official Community Plan and Land Use Bylaw, which describe the City’s vision for how our community will evolve in terms of land use, density and housing types. The department leads coordination of the following approval processes:

- Development permits;
- Development variance permits;
- Rezoning;
- Official Community Plan amendments;
- Sign permits;
- Private property tree management permits; and
- Business Licences.

Performance Measures & Key Statistics

Activity	2016	2017	2018
Employees	6.5	6.5	6.5
Planning and development applications processed	118	105	100

Planning Department Operating Budget

<i>Funding</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Rezoning Fees	\$ 45,192	\$ 40,000	\$ 40,800	2.0%
Subdivision Fees	54,881	50,000	51,000	2.0%
Development Permit Fees	170,856	66,000	67,300	2.0%
Other Permit Fees	515	-	-	0.0%
Total Funding	\$ 271,444	\$ 156,000	\$ 159,100	2.0%
<i>Operating Expenses</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Planning Administration	\$ 718,371	\$ 801,076	\$ 792,400	-1.1%
Economic Development	23,489	23,489	31,900	35.8%
Total Operating Expenses	\$ 741,859	\$ 824,565	\$ 824,300	0.0%
Net Property Tax Required		\$ 668,565	\$ 665,200	-0.5%

Accomplishments from 2017

- 2017 work on the Official Community Plan (OCP) culminated with the release of a draft OCP in November
- Provided support towards the establishment of the Colwood Planning Advisory Commission
- Delivered a presentation highlighting work on climate change issues within the City of Colwood at the annual Planning Institute of British Columbia conference in Prince George
- Collaborated with Royal Roads University on multiple student planning and research projects
- Continued to be engaged in the review of the Regional Growth Strategy with the Capital Regional District throughout 2017 including non-binding mediation process in December
- Continued quarterly reporting of development applications and projects for Planning and Land Use Committee and for Council
- Assisted in the development and implementation of the Urban Forest Bylaw
- Staff coordinated 41 Development Review Meetings to provide preliminary comments to land owners and developers considering projects in respect to the Official Community Plan, Developer Permit Areas/Guidelines, zoning, and anticipated off site upgrades
- Provided planning guidance on significant developments: Royal Bay, Olympic View, Colwood Corners, Brookes School and more
- Processed 41 Development Permit applications, 26 Development Variance Permit applications, 3 Official Community Plan amendments, 4 Zoning amendments, 20 Secondary Suite Permits and 11 Sign Permit applications

Planning Department continued

Plans for 2018

- Continue toward adoption of an updated Official Community Plan, and support implementation
- Undertake proposed 2018 action items in draft OCP, as directed by Council –e.g. 2018 demographic study
- Initiate the review and update of the Land Use Bylaw
- Continue to provide effective services support to development projects in an environment of increasing development activity
- Continue to strengthen internal working relationships and organization to optimize service delivery and departmental function
- Encourage even greater citizen participation in the planning decision-making
- Continue to work with Royal Roads University to create learning opportunities for students on projects that support the City's sustainability goals
- Implement key actions flowing from the Colwood Economic Development Strategy

Special Projects

<i>Description</i>	<i>2018 Budget</i>	<i>2019 Budget</i>	<i>2020 Budget</i>
Affordable Housing Contributions	\$ 548,000	\$ -	\$ -
Area Planning Project	100,000	-	-
Demographics Study	20,000	-	-
Energy & Emissions Plan	-	50,000	-
Land Use Bylaw Update	50,000	100,000	-
OCP Implementation	20,000	-	-
Total Special Projects	\$ 738,000	\$150,000	\$ -

Affordable Housing Contributions - \$548,000

In 2010, the City established an Affordable Housing Reserve fund through bylaw 1334. The purpose of this reserve fund was to assist in the provision of affordable housing within the City of Colwood. In 2017

Council passed resolutions that authorized expenditure from this reserve to support two affordable housing developments. These developments are the Pacifica Housing development at 2006 Sooke Rd and the Greater Victoria Housing Society development at 324 Goldstream Avenue.

Area Planning Project - \$100,000

As a high priority, the draft Official Community Plan recommends updating the Olympic View Area Plan to account for significant changes in circumstances since the plan was prepared in 2002.

Demographics Study - \$20,000

This project would provide Colwood with an up-to-date 20-year population projection to assist in community planning and corporate decision making. The latest demographics study was prepared in 2014 on behalf of the CRD and staff feel is no longer accurate. This project is proposed as an “Immediate” action item in the Draft OCP.

Energy & Emissions Plan - \$50,000 (2019)

This project would develop an updated Community Energy and Emissions Plan that defines achievable GHG reduction targets. The new targets should maintain Colwood’s leadership role in climate action, and have a workable implementation strategy. Its objectives include achievement of Colwood’s GHG emission reduction targets by valuing natural assets as links and contributors to climate change mitigation.

Land Use Bylaw Update - \$50,000 (+ \$100,000 in 2019)

This project would aim to improve the function of Land Use regulation and bring the bylaw up to date with Colwood’s OCP and current community expectations for regulatory performance. Improvement of the Land Use Bylaw would also streamline planning operations and reduce associated overhead. Outcomes include improved function of Land Use regulations through easier to understand language, illustrations and updated rules.



Involving citizens in the creation of the new OCP at the Making Waves Big Ideas Fair in January 2017.



Engineering Department

Land development and engineering staff provided referral comments, plan and drawing reviews, subject matter expertise, and face to face meetings with developers for 27 Development Permit files, 11 Development Variance Permit files, 4 rezoning application files, 17 new subdivision files, 38 pre-subdivision files, 28 open project files and three road closures from April to December of 2017.

The Engineering department ensures the safety and effectiveness of Colwood's infrastructure by planning, constructing and maintaining its parks, roads, sidewalks, drains, sewers, streetlights, traffic signals, bridges and city owned buildings. Along with Planning and Building, staff work closely with homeowners, businesses and developers to ensure projects enhance the livability of Colwood in accordance with the City's Official Community Plan.

Performance Measures & Key Statistics

Activity	2016	2017	2018
Employees	9.0	9.0	9.0

Engineering Department Operating Budget

Funding	2017 Actual	2017 Budget	2018 Budget	% Change
Right of Way Permit Fees	\$ 106,967	\$ 141,800	\$ 144,600	2.0%
Works and Services Admin	67,931	-	50,000	100.0%
Other Engineering Revenue	8,086	12,000	7,000	-41.7%
Total Funding	\$ 182,984	\$ 153,800	\$ 201,600	31.1%
Operating Expenses	2017 Actual	2017 Budget	2018 Budget	% Change
Engineering Administration	\$ 739,710	\$ 739,885	\$ 752,200	1.7%
Land Development	196,634	200,000	202,300	1.2%
Crossing Guard Program	14,000	14,000	14,000	0.0%
Total Operating Expenses	\$ 950,344	\$ 953,885	\$ 968,500	1.5%
Net Property Tax Required		\$ 800,085	\$ 766,900	-4.1%

New Operating Budget Items

In 2017, Council approved a financial plan that introduced a full time Manager of Development and Subdivision Services in place of a Deputy Director of Engineering. The position was not filled until part way through the year so the budget introduced funding for 75% of the position. The 2018 – 2022 financial plan continues this transition with the remaining 0.25 FTE in the budget. The increase also includes additional related consulting, training, and professional development costs.

	<i>2018 Budget \$</i>	<i>Dept. Increase %</i>	<i>Tax Impact %</i>	<i>Tax Impact \$</i>
Opening Core Budget	\$ 968,500			
Increase Development Mgr 0.75 to 1.0 FTE	\$ 55,200	5.70%	0.42%	\$ 7.43
New Service - Rockface Monitoring	\$10,000	1.03%	0.08%	\$ 1.35
Expanded Core Budget	\$ 1,033,700	6.73%	0.50%	\$ 8.78

Accomplishments from 2017

- Implemented a new Municipal Street Tree Policy aimed at ensuring the long-term sustainability of the City's urban forest assets
- Created a Traffic Calming Policy adopted by Council
- Issued an RFP and constructed a sidewalk, bike lanes, a crosswalk and traffic calming on Metchosin Road between Hatley and Lagoon Rd.
- Installed handrails and signage at Blue Sky stairs, a popular trail leading to Lookout Lake as part of the City's risk mitigation program.
- Issued RFP for the installation of a new backup generator at City Hall
- Replaced 3 aging fleet cars with EV's and installed charging stations
- Revamped the City's RFP templates
- Began work on DCC and Subdivision Servicing bylaws
- Painted Metchosin Road bike lanes
- Repairs conducted on Lagoon Bridge, pedestrian bridges and culverts
- Installed new crosswalk and pedestrian signal at Wishart & Metchosin
- Lookout Brook Dam stability analysis on to guide asset management and risk mitigation
- Created terms of reference for Development Management Plan and Traffic Impact studies.
- Issued an RFP and began multi-year phased Coastline Erosion Study

Plans for 2018

- Replace approx. 110 streetlights with LED bulbs
- Continued repairs of pedestrian bridges and culverts started in 2017
- Completion of coastline erosion study started in 2017
- Completion of Lookout Brook Dam upgrades started in 2017
- Completion of Hatley to Lagoon Metchosin Rd improvement project
- Completion of the Metchosin Rd bike lane project started in 2017
- Completion of DCC and subdivision servicing bylaws started in 2017
- Design traffic calming solutions for the Lagoon/Milburn/Ocean boulevard area if survey indicates neighbourhood support
- A number of special projects are detailed on the next page
- Esquimalt Lagoon Bridge Inspection

Engineering Department continued

Special Projects

<i>Description</i>	<i>2018 Budget</i>	<i>2019 Budget</i>	<i>2020 Budget</i>
Coastline Erosion Study	\$ 49,000	\$ 50,000	\$ 32,000
Confined Space Consulting	8,500	-	-
DCC Bylaw	18,400	-	-
Geospatial Survey	11,000	-	-
Lagoon and Pedestrian Bridge Insp	50,000	-	35,000
Meadow Park Electrical Upgrades	6,900	-	-
Ocean Boulevard Park & Ride	20,000	-	-
Pavement Condition Assessment	76,000	-	-
Stormwater Master Plan	130,000	-	-
Subdivision Bylaw	9,500	-	-
Traffic Study	50,000	-	-
Total Special Projects	\$ 429,300	\$ 50,000	\$ 67,000

Coastline Erosion Study - \$49,000 (+\$50,000 in 2019 and \$32,000 in 2020)

The Coastline Erosion Study is a multi-year project with three phases. A request for proposals was issued in 2017 and the contract has been awarded. Phase 1 includes a risk analysis and protection plan for Ocean Boulevard from the pump station to Lagoon Bridge. Phase 1 was underway in 2017 and continues into 2018. Phase 2 includes risk analysis and protection plan for Ocean Boulevard from the pump station to perimeter 2 park. Phase 3 includes risk analysis and protection plan for bridge approaches and abutments.

Confined Space Consulting

Occupational Health and Safety regulations outline requirements related to ensure the safety of employees working in confined spaces. This project would review the City's confined space program to ensure compliance, assess the City's ten pump stations, and create a confined space inventory accessible by City staff.

Development Cost Charge Bylaw Review - \$18,400

Development cost charges are charges collected by local governments to help pay for infrastructure expenditures related to service growth. To collect DCCs, municipalities must adopt a bylaw that specifies the amount of DCCs that will be collected. A bylaw review will help the City harmonize its DCCs charges with current long term plans.

Geospatial Survey - \$11,000

This project would provide a geospatial survey of boulevard trees and ditches to complement the City's goals related to natural assets in the draft Official Community Plan, as well as other asset-management related projects and efforts slated for 2018.

Lagoon and Pedestrian Bridge Inspections - \$50,000

The Lagoon bridge is due for inspection in 2018 and pedestrian bridges in 2020. These inspections will inform repair efforts for the subsequent five years.

Meadow Park Electrical Upgrades - \$6,900

This project will provide electrical receptacles on 10 park ornamental light standards to allow music and light festivals to be held in the park.

Pavement Condition Assessment - \$76,000

A Pavement Condition Assessment (PCA) will help the City support its effort for comprehensive asset management and sustainable infrastructure replacement funding. PCA's are utilized by most municipalities to document and prioritize the timely and effective management of road assets. A PCA is comprised of the collection, conversion and entry of roughness and surface distress data via a specialized vehicle. This assessment would encompass approximately 95kms - the City's paved road network.

Ocean Boulevard Park & Ride - \$20,000

The property on Ocean Boulevard and Island Highway which is currently used as a Park & Ride site is designated as highway dedication.

Stormwater Master Plan - \$130,000

A stormwater master plan will help the City support its effort for comprehensive asset management and sustainable infrastructure replacement funding. The ultimate goal of the master plan is to protect our rivers, streams and ground water for now and for the future. A stormwater master plan will provide the City with a preferred stormwater management strategy to identify, protect and enhance both natural assets and physical drainage infrastructure.

Subdivision Bylaw Review - \$9,500

The City's current bylaw requires update, along with design standards and specifications to utilize the Master Municipal Construction Documents where appropriate. The bylaw would be supplemented with local standards that encourage sustainable design in the areas of road design, rainwater management, water balance, geotechnical design, street lighting, traffic signals and transit. The bylaw review would incorporate best practice benchmarks, metrics and service levels as they relate to design criteria.

Traffic Study - \$50,000

In 2017, the City underwent a thorough process to develop a draft Official Community Plan. The City also has previously had a Transportation Master Plan completed. As a result of the OCP, the transportation master plan should be updated to include transportation implications to Latoria and Veterans Memorial Parkway as well as drainage implications to the same area.



Public Works Department

The Public Works division of the Engineering department is responsible for maintenance and repair of most infrastructure including roads, bridges, sidewalks, bus shelters, storm drains, culverts, creeks and waterways. The division also manages the maintenance and repair of the City’s fleet excluding the fire department, and provides a bi-weekly branch drop off program, a spring cleanup program and snow removal.

Public Works maintains:

- 95 kms of road
- Lagoon Bridge and 8 other pedestrian bridges
- Over 1,300 catch basin drains
- 6 kms of culvert
- 35 kms of stormdrain pipe
- 9 bus shelters
- 25 kms of drainage ditches
- 7 traffic signals

Performance Measures & Key Statistics

<i>Activity</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Employees	17	17	17

Public Works Department Operating Budget

<i>Funding</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Bus shelter revenue	\$ 16,395	\$ 15,000	\$ 15,000	0.0%
Spring Clean Up Fees	14,620	14,280	14,600	2.2%
Total Funding	\$ 31,015	\$ 29,280	\$ 29,600	1.1%
<i>Operating Expenses</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Public Works Administration	\$ 779,128	\$ 841,669	\$ 782,800	-7.0%
Solid Waste & Branch Drop Off	166,175	189,777	194,100	2.3%
Spring Clean Up	29,768	31,970	32,400	1.3%
Road Maintenance	367,948	516,302	517,500	0.2%
Sidewalk Maintenance	72,943	84,137	84,400	0.3%
Drainage	72,584	169,840	171,800	1.2%
Streets & Traffic	258,970	250,837	255,600	1.9%
Snow Clearing	123,393	127,751	134,400	5.2%
Public Works Fleet Maint.	142,036	147,909	149,600	1.1%
Total Operating Expenses	\$ 2,012,945	\$ 2,360,192	\$ 2,322,600	-1.6%

Accomplishments from 2017

- Over 200 yards of branch drop-off material recycled into re-usable mulch for City use; accommodated 15,189 vehicles in 2017
- 543 cars visited the Spring Cleanup Program generating 32 tons of refuse. Metal, electronics, cardboard and batteries were recycled.
- Improved pedestrian safety at Wishart and Owens intersection
- Construction of permeable sidewalk on Metchosin Rd to allow bike lanes to be installed
- Conducted line painting for all 95 kms of City road
- Repainted crosswalk markings at all school zones
- Installed speed reader boards at three locations
- Installed shoulder improvements on Ocean Blvd along the Lagoon.
- Installed wayfinding signage for galloping goose trail connections

Plans for 2018

- Storm drain infrastructure repair
- Roadway crack sealing for approximately 22 kms of road
- Road repair to Sooke and Island Highway patching and paving
- Implementation of new traffic calming measures
- Improve drainage at archeologically sensitive Coburg Peninsula
- Achieve sustainable infrastructure funding for general fleet replacement
- Preliminary levels of services for Public Works created for Council consideration as part of ongoing asset management strategy.



Parks, Recreation & Culture

The Parks division of the Engineering department works to maintain and enhance Colwood's parks, greenspaces, trails boulevards and hanging baskets. The division maintains over 50 parks and trails ranging from neighbourhood greenspaces to vast forested parks and trails. The City also maintains St. John the Baptist Church which has been restored and designated as heritage.

Colwood is a partner in the West Shore Parks and Recreation centre. This facility offers an outstanding variety of recreation and leisure opportunities including a swimming pool, exercise facilities, ice rinks, a golf course, playing fields, playgrounds, outdoor tennis and volleyball, lawn bowling, lacrosse, a bmx track and a velodrome.

Performance Measures & Key Statistics

<i>Activity</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Employees	6.5	7.5	7.5

Accomplishments from 2017

- Havenwood crosswalk was constructed and included a connector trail to Parkway Place and Windthrop Road
- Added a landscape drainage pond to Colwood Creek Park
- Installed swallow boxes in Colwood Creek Park to help reduce mosquitos
- Installed new splash park at Colwood Creek Park
- Improved drainage at Latoria Park trail and installed split rail fencing

Parks Department Operating Budget

<i>Funding</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Facility Rental Fees	\$ 22,540	\$ 23,000	\$ 23,500	2.2%
Other Fees	1,603	5,500	5,600	1.8%
Total Funding	\$ 24,143	\$ 28,500	\$ 29,100	2.1%
<i>Operating Expenses</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Recreation Centre	\$ 1,110,077	\$ 1,108,463	\$ 1,137,800	2.6%
Library	819,229	842,633	857,300	1.7%
Heritage	16,318	26,100	27,500	5.4%
Parks & Trails	722,083	659,417	660,600	0.2%
Parks Fleet Maintenance	41,311	38,996	34,500	-11.5%
Total Operating Expenses	\$ 2,709,017	\$ 2,675,609	\$ 2,717,700	1.6%
Net Property Tax Required		\$ 2,675,609	\$ 2,717,700	1.6%

Plans for 2018

- Continue to maintain 60 park and green spaces and trails
- Construct parking lot at Colwood Creek Park
- Creation of a street trees maintenance program in keeping with the City's new Municipal Street Tree bylaw

Special Projects

Parks & Trails Master Plan - \$75,000

A Parks & Trails Master Plan will help the City support its effort for comprehensive asset management and sustainable infrastructure replacement funding. The City does not currently have a comprehensive Parks & Trails Master Plan to provide overall direction and guide decision-making for managing its Parks assets and investments over a defined horizon (suggested 10-15 years).



Sewer Utility

Approximately 30% of existing Colwood households are currently hooked up to sewer service. These property owners pay a sewer user fee on their property tax bill to help keep the nearly 50 km of pipes and infrastructure, including 10 lift stations, in safe working order. The City’s system also services commercial properties including Royal Roads University, DND lands, two golf courses, schools, and the West Shore Parks & Recreation Centre. Colwood's Sewer Master Plan shows how sewers could be built throughout Colwood, but the major funding required is not available at this time. As new developments are built in Colwood, there will be more opportunities for property owners to connect.

The City’s Sewer utility is self-funding. As a result, all costs related to the maintenance, repair and replacement of the sewer system is financed through the sewer user fee. Parcel tax fees are determined by the Local Service Area each ratepayer belongs to.

Performance Measures & Key Statistics

Activity	2016	2017	2018
Employees	3.5	3.5	3.5

Sewer Utility Operating Budget

<i>Funding</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Local Service Area Tax	\$ 492,927	\$ 487,988	\$ 621,000	27.3%
Sewer User Fees	536,593	535,914	562,800	5.0%
Sewer Connection Fees	111,735	101,334	135,200	33.4%
Sewer Enhancement Fees	80,171	50,000	51,000	2.0%
Transfer from Operating Reserve	-	204,216	11,500	0.0%
Total Funding	\$ 1,221,426	\$ 1,379,452	\$ 1,381,500	0.1%
<i>Operating Expenses</i>	<i>2017 Actual</i>	<i>2017 Budget</i>	<i>2018 Budget</i>	<i>% Change</i>
Sewer Administration	\$ 66,147	\$ 80,570	\$ 82,200	2.0%
Trunk Maintenance (CRD)	198,145	202,371	204,800	1.2%
Main Maintenance	53,242	53,278	54,300	1.9%
Connections	80,207	80,056	80,900	1.1%
Pump Station Maintenance	108,157	142,498	157,100	10.2%
Sewer Fleet Maintenance	72,486	78,475	80,500	2.6%
Transfer to Reserve Capital	80,171	50,000	137,200	174.4%
Transfer to Sewer Op Surplus	-	11,068	17,600	59.0%
LSA Debt Payments	681,137	681,136	614,900	-9.7%
Total Operating Expenses	\$ 1,339,692	\$ 1,379,452	\$ 1,429,500	3.6%

Accomplishments from 2017

- Connected 8 new residential hookups to the Colwood sewer system
- Construction of Colwood Central sewer main which added capacity to service approximately 80 additional homes.
- Constructed and installed new pump station as part of Central sewer main construction.
- Replaced a backhoe with a new excavator used primarily for digging trenches and installing sewer and storm drain pipe .

Plans for 2018

- Continue to implement planned sewer main flushing
- Creation of parcel tax roll for Central Sewer local area service



Capital Plan



Asset Inventory

The City of Colwood was incorporated in 1985. The City inherited many essential, service-providing infrastructure and has since built additional infrastructure. This infrastructure provides many valuable services that the citizens of Colwood and visitors have come to enjoy. The City is blessed with an abundance of natural assets that also need to be maintained for the enjoyment of all.

<i>Asset</i>	<i>Cost (\$M)</i>	<i>Service Provided</i>
Land	\$ 58.5	Civic & Recreational
Buildings	5.8	Civic & Recreational
Vehicles & Equipment	9.0	Asset Maintenance
Storm & Sanitary Sewer	32.8	Storm & Sanitary Sewer
Parks	2.8	Parks & Recreation
Roads	70.1	Transportation

Sustainable Infrastructure Replacement

The City purchases and constructs assets to provide various services to its citizens. In order for service delivery to continue well into the future, the City needs to make strategic decisions early. There are a variety of strategies Council may choose to undertake to address community need:

1. Discontinue services in the future
2. Incur debt to continue services in the future
3. Set aside a sustainable transfer to reserve for future capital expenditures
4. Combination of debt and reserve funding

The City's financial statements demonstrate that assets are currently deteriorating at a rate of \$2.5M per year. With no price inflation, this is the amount the City would need to save annually to sustainably fund replacement of these assets. The true replacement cost of these assets is likely much higher. The City's 2017 financial plan set aside \$2.0M in infrastructure reserve/gas tax funding (1.5M in sustainable funding). The City's 2018 financial plan sets aside \$2.1M in infrastructure reserve/gas tax funding (1.8M in sustainable funding).

The City has been busy developing its asset management program which incorporates many variables. In the 2018 – 2022 financial plan the studies that will support asset management include: stormwater master plan, parks master plan, and a pavement condition assessment.

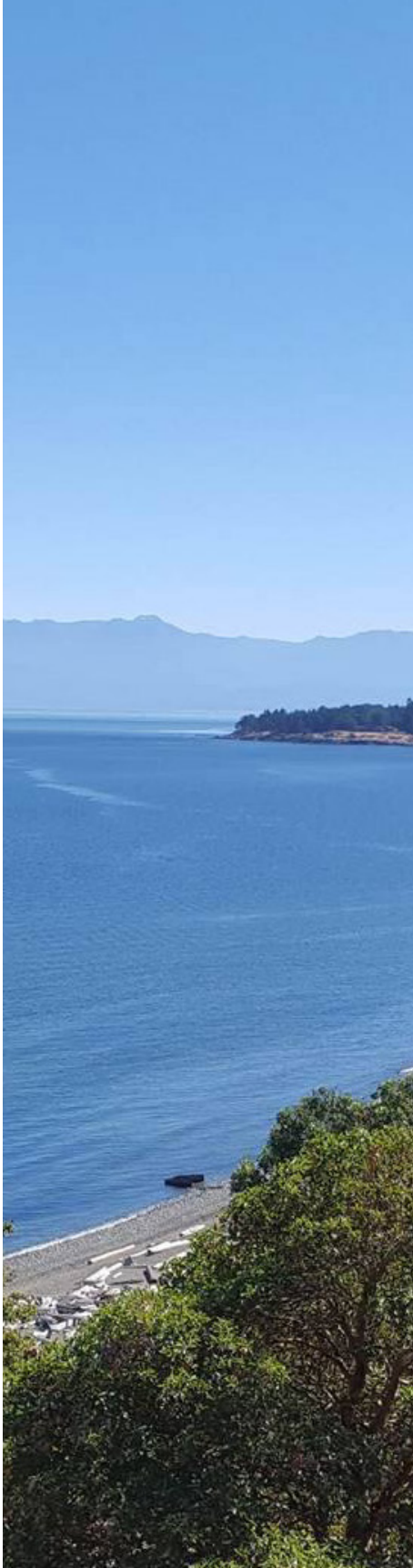
The chart on the following page provides a full inventory of City asset management activities.



As master plans and condition assessments are completed, sustainable infrastructure funding levels can be calculated. These levels would be subject to many variables and assumptions but would provide Council with high-level information on funding needs. In the meantime, the City can take steps to gradually close the gap between sustainable funding and current funding levels by the implementation of an infrastructure levy. This plan includes an increase of \$230,500 funded by new construction revenue for an increase in transfer to reserves.

ASSET MANAGEMENT in PROGRESS

Asset	Status	Action
Buildings	Not sustainable	City Hall Space Planning 2019
Fire Fleet	Sustainable	Transfer to reserve plan in place
General Fleet	Sustainable	Transfer to reserve plan in place
Sewer Fleet	Not Sustainable	Transfer to reserve plan in place
IT Infrastructure	Sustainable	Transfer to reserve plan in place
Other Equipment	Not sustainable	Long term plan needed
Sewer	Not sustainable	Sewer Master Plan Update Needed
Drainage	Not sustainable	Stormwater Master Plan 2018
Parks	Not sustainable	Parks Master Plan 2019
Roads	Not sustainable	Pavement Condition Plan 2018
Rec & Culture	Not sustainable	Long term plan needed



The view from Lagoon Road in Colwood

Expanded Services

In addition to reserves set aside for infrastructure replacement, Council will have to consider the cost of expanded services and the assets required to provide those services. This financial plan aims to demonstrate full life-cycle costs of all service increase requests especially those that require the acquisition or construction of capital assets. These considerations are important when acquiring donated capital. Such capital will provide expanded services to Colwood citizens but come with replacement and maintenance expectations from the community. Accordingly, life-cycle costs should be considered when acquiring donated capital.

Natural Assets

The City of Colwood is home to many natural features such as parks, trails, beaches, creeks, urban forests, indigenous plants, ditches, and other features enjoyed by the community. Some of these assets are unfortunately not recognized in the City's financial statements as they do not meet the definition of a Tangible Capital Asset according to Public Sector Accounting Standards. Nevertheless, these natural assets provide service to the community. Some examples are creeks that provide a natural solution to rain water management and the foreshore that provides recreational services to the community.

A community expectation that these natural services be maintained in the future results in a social obligation to plan for long term maintenance of natural assets. This obligation is well expressed and supported in the City's draft Official Community Plan which is expected to be adopted in 2018.

Reserve, Surplus, and Deferred Revenue Summary

The City of Colwood maintains various reserves (including surplus and deferred revenue). Generally capital projects are funded by these reserves to reduce volatility in taxation levels. Below you will find a summary of reserve, surplus and deferred revenue balances (estimated) as of December 31, 2017. The reserve balances are estimates only, as the financial year-end audit has not been completed.

	<i>2018 Opening Balance</i>	<i>2018 Transfers To</i>	<i>2018 Transfers From</i>	<i>2018 Ending Balance</i>
Future operating expenditures	\$ 2,199,748	\$ 32,000	\$ (452,410)	\$ 1,699,348
Capital projects	619,532	306,100	(120,900)	804,732
Sewer capital projects	992,397	59,000	-	1,051,397
General fleet replacement	405,236	205,000	(80,700)	529,536
Fire fleet replacement	956,946	295,000	(900,000)	351,946
Sewer fleet replacement	74,765	39,200	(35,000)	78,965
Equipment replacement	1,049	50,000	(64,500)	(13,451)
Community amenities	1,586,146	567,500	(75,000)	2,078,646
Affordable housing	728,613	141,900	(548,000)	322,513
RCMP surplus	916,659	2,000	-	918,659
Police building	149,975	1,000	(92,000)	58,975
New fire hall	208,123	1,000	-	209,123
St. John's Heritage Church	97,387	15,400	(26,500)	86,287
Infrastructure deficit	570,118	370,400	-	940,518
Public Art	23,205	-	(5,000)	18,205
Surplus (General Fund)	5,615,307	-	(537,500)	5,077,807
Surplus (Sewer Fund)	511,598	17,600	-	529,198
Gas tax	2,506,361	700,000	(1,129,800)	2,076,561
Parklands (cash in lieu)	456,056	-	-	456,056
Development cost charges	3,403,776	-	-	3,403,776
Sidewalk fund	236,223	-	-	236,223
Frontage	656,881	-	-	656,881
West Shore Parks & Recreation	302,753	-	-	302,753
Other	122,014	-	-	122,014
Total	\$ 23,260,868	\$ 2,803,100	\$ (4,067,300)	\$ 21,996,668

Debt Management

Prudent debt management is important to supplement reserve fund financing of large capital projects from time to time. Debt may also be a preferred method to finance initial capital investment since existing taxpayers will fund debt payments as they use capital services.

The Community Charter and related Municipal Liabilities Regulation establishes debt limits for the City by defining a liability servicing limit. The City's debt interest and principal payments cannot exceed 25% of its controllable sustainable revenues. Such revenues include property taxes, building permit revenue, user fees and unconditional grants.

In the 2018 – 2022 financial plan, the City's sustainable revenues will exceed \$19M, making its liability servicing limit approximately \$4.75M. Debt servicing costs are expected to be \$1.6M which amounts to 34% of the City's liability servicing limit. These debt payments are almost completely supported by Local Area Service Parcel Taxes.

Debt payments (interest and principal) for the next 5 years are projected as follows:

<i>Year</i>	<i>Balance</i>	<i>Principal*</i>	<i>Interest**</i>	<i>Total</i>	<i>% Limit</i>
2018	10,884,775	1,015,400	581,500	1,596,900	34%
2019	9,869,376	758,900	542,700	1,301,600	27%
2020	9,110,476	706,700	533,700	1,240,400	26%
2021	8,403,776	656,700	525,400	1,182,100	25%
2022	7,747,076	659,200	509,500	1,168,700	25%

* In 2018, general fund principal payments are expected to be \$622,100 and sewer fund principal payments are expected to be \$393,300.

** In 2018, general fund interest payments are expected to be \$359,900 and sewer fund interest payments are expected to be \$221,600

Capital Program Summary

<i>Capital Expenditures</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Road Infrastructure	\$ 1,068,000	\$ 562,300	\$ 663,900	\$ 248,900	\$ 361,000
Buildings	142,000	-	-	-	-
Equipment	456,600	242,500	52,400	126,900	14,400
Vehicles	980,700	215,000	345,000	425,000	106,000
Park Infrastructure	107,000	7,000	107,000	7,000	7,000
Drainage Infrastructure	-	-	-	-	-
Sewer Infrastructure	25,000	-	2,500,000	-	-
Total Expenditures	\$ 2,779,300	\$ 1,026,800	\$ 3,688,300	\$ 807,800	\$ 488,400
<i>Funding Source</i>					
Reserves, Surplus, Deferred Revenue	\$ 2,779,300	\$ 1,026,800	\$ 3,688,300	\$ 807,800	\$ 488,400

Road Infrastructure

The following table details planned expenditures and funding sources for capital projects related to road infrastructure, followed by descriptions of the planned improvements.

<i>Capital Expenditures</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Metchohsin Rd Bike Lanes	\$ 120,000	\$ -	\$ -	\$ -	\$ -
Metchohsin Rd Lagoon to Hatley	168,000	-	-	-	-
Metchohsin Rd Benhomer to Cotlow Design	79,000	-	-	-	-
Painter Road Upgrades Design	79,000	-	-	-	-
Bus Stop Improvements	91,600	-	-	-	-
Lagoon Bridge Repairs	113,000	-	-	-	-
Ocean Boulevard Gate	12,000	-	-	-	-
Sooke at Metchohsin Service Pole	12,600	-	-	-	-
Bridge & Culvert Repairs/Upgrades	71,500	30,300	39,900	13,000	13,300
Traffic Calming	34,400	19,500	20,500	21,300	22,100
Wayfinding Signage	18,400	18,700	19,100	19,500	-
Speed Reader Signs	10,100	10,400	10,700	11,000	11,100
Streetlight Upgrades - LED Program	52,400	37,400	33,700	34,100	-
Lookout Brook Dam Safety Upgrades	206,000	36,000	-	-	-
Metchohsin Rd Wishart to Painter Design	-	100,000	-	-	-
Traffic Signal Upgrades	-	310,000	115,000	-	-
Latoria Rd Wishart to VMP Bike Lanes	-	-	425,000	-	-
Bike Lanes	-	-	-	150,000	-
Metchohsin Rd Sooke to Wishart Design	-	-	-	-	280,000
Total Expenditures	\$ 1,068,800	\$ 562,300	\$ 663,900	\$ 248,900	\$ 361,000
<i>Funding Source</i>					
Reserves, Surplus, Deferred Revenue	\$ 1,068,800	\$ 562,300	\$ 663,900	\$ 248,900	\$ 361,000

Metchohsin Road Bike Lanes

This project creates bike lanes on the west side of Metchohsin Rd and paints lanes on both sides. The design work on the bike lanes is complete and the work order has been issued for the first of a series of sidewalk segments; work on segment 1 was completed in 2017.

Metchohsin Road Upgrades - Lagoon Road to Hatley Drive

The primary objectives of this project were to design and construct sidewalk, boulevard and drainage improvements for approximately 500m along the east side of Metchohsin Road between Lagoon Road and Hatley Drive. This project is well underway and will continue into 2018. Costs are expected to be within the original budget set in the 2017 – 2021 financial plan.

Metchosin Road - Benhomer to Cotlow Design

This project is for the design only of a continuation of sidewalk and bike lanes along Metchosin from Benhomer to Cotlow. This would complement and/or tie into the Metchosin Road from Hatley to Lagoon Project that commenced in 2017 and will be complete in 2018.

Painter Road Upgrades Design

This project is for the design only of sidewalks and bike lanes on Painter Road from Metchosin Road to Painter Trail. This will provide a major cycling and walking connection for Royal Bay High School and Sangster and Dunsmuir Schools.

Bus Stop Improvements

In 2017 Council resolved to end a 3rd party contract for installation and maintenance of 23 bus benches. This project would have the 23 bus benches formerly provided via this contract installed on accessible pads. In addition, there are 8 locations not included in the above list from Intermunicipal Advisory Committee on Disability Issues which are now incorporated into a single master list and a single capital project for 2018.

Lagoon Bridge Repairs

Council approved \$111,000 in the 2017–2021 financial plan for repairs to the lagoon bridge. These repairs are underway and are expected to be completed in 2018. Repairs include cap beam repairs, fungus treatment, top rail replacement, and pile replacement. In 2017, the project's structural engineer recommended additional repairs required that have resulted in an additional \$33,000 being requested in addition to the carry over amount.

Ocean Boulevard Gates

Construction of gates on Ocean Boulevard would allow Public Works or any of the City's emergency responders or partners to close the area to traffic in the event of an emergency or special events.

Sooke and Metchosin Service Pole

The 100 Amp Service and Signal pole at Sooke and Metchosin is in need of replacement. This project would remove the existing service and replace with a new 100A service, new type 3 galvanized signal pole, stainless steel service panel and new concrete signal base. The 100 Amp Service and Signal pole at Sooke and Metchosin is in need of replacement. This project would remove the existing service and replace with a new 100A service, new type 3 galvanized signal pole, stainless steel service panel and new concrete signal base.



Metchosin Road upgrade area

Bridge and Culvert Repairs / Upgrades

In 2015, the City hired engineering consultants to undertake inspections of Colwood's pedestrian bridges and large culverts as part of its infrastructure asset management program. The consultants prepared recommendations for a five year repair and maintenance program as a result. Council approved the inclusion of the program into the financial plan beginning in 2016 and the amounts found in the 2018-2022 financial plan represent a continuation of the program. The current planned maintenance schedule ends in 2020. Staff will seek Council direction to engage consultants to prepare another 5-year program prior to the expiry of the current program.

Traffic Calming

Council recently adopted a traffic calming policy to help identify and prioritize appropriate community traffic calming projects. In 2017 a budget was established but very little spending was undertaken while the traffic calming policy was being developed. This 2017 budget has been carried forward to 2018 in addition to the \$18,800 budget that was already established totalling \$34,200.

Wayfinding Signage

The City began implementing a wayfinding program in Colwood in 2017 to encourage people to explore Colwood parks, trails and attractions, enhance usability and mobility, promote the community as a vibrant and active destination, and reinforce the City's brand and vision. The design is based on the CRD Pedestrian and Cycling Master Plan standards. Phase one in 2017 included installation of signs directing people to the Galloping Goose Regional Trail. During 2018, an evaluation of the first set of signs will inform the installation of signs directing people to other parks, trails and sites.

Speed Reader Signs

Speed reader signs are a standard part of the capital budget. Speed reader sign installations are planned near David Cameron School for 2018 and future installation locations are to be determined.

Street Light Upgrades

The City currently uses high pressure sodium lights to provide street lighting to the community. This program would continue to replace current bulbs with energy efficient LED bulbs. This will result in reduced utility costs. Full return on investment from the program is expected within 5-10 years. Immediate operating cost savings could be realized as early as 2019.



Lagoon Bridge on Ocean Boulevard

Lookout Brook Dam Safety Upgrades

Lookout Brook Dam is an earth filled structure located in Lookout Lake Park. The City has retained an engineering consultant to provide a dam stability analysis, recommend water level monitoring equipment and analyze flow capacity of the spillway route. This project was approved in the 2017 – 2021 financial plan and significant progress has been made. Further work is planned for 2018 and 2019 including the procurement of water level monitoring equipment, and the raising of the dam crest to reduce the risk of flooding.

Metchosin Road - Wishart to Painter Design

This project is for the design only of sidewalk improvements and bike lane improvements on Metchosin Road from Wishart to Painter.

Traffic Signal Upgrades

A budget for traffic signal upgrades was developed in the 2017 – 2021 financial plan. Planned upgrades included \$155,000 for Sooke and Metchosin Rd and \$155,000 for Sooke and Aldeane in 2019. Design work in the amount of \$115,000 is planned for 2020 which will help populate the budget for the subsequent years.

Latoria Road Bike Lanes - Wishart to Veterans Memorial Parkway

This project is for the design and construction of a buffered bike lane on Latoria Road from Wishart to Veterans Memorial Parkway.

Bike Lanes

This is a placeholder budget for design only of bike lane improvements for Wishart Road (Metchosin to Owens), Cairndale Road, and possibly one more identified in the Transportation Master Plan or by Council or Staff.

Metchosin Road - Sooke to Wishart Design

This project is for the design only of sidewalk improvements, pedestrian signal improvements, bus pullout improvements, and bike lane improvements on Metchosin Road from Sooke to Wishart.



Lookout Brook Dam Safety Upgrades

Building Infrastructure

The following table details planned expenditures and funding sources for capital projects related to building infrastructure, followed by descriptions of the planned improvements.

<i>Capital Expenditures</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
City Hall Renovations	\$ 23,500	\$ -	\$ -	\$ -	\$ -
St. John's Church Improvements	26,500	-	-	-	-
RCMP Detachment Repairs	92,000	-	-	-	-
Total Expenditures	\$ 142,000	\$ -	\$ -	\$ -	\$ -
<i>Funding Source</i>					
Reserves, Surplus, Deferred Revenue	\$ 142,000	\$ -	\$ -	\$ -	\$ -

City Hall Renovations

In 2017, the City renovated part of City hall to increase capacity in the building department. Improvements were also made to the front counter to facilitate and streamline customer service at the front counter. Some minor work is still outstanding at the beginning of 2018 including security upgrades and furniture. Additional office space in City Hall is needed to accommodate increased staffing levels included in the 2018 financial plan. And additional \$11,500 has been added to the scope of the project for these improvements.

St. John's Church Improvements

An Energy Audit Report for the Hall and Church was completed in 2016. St. John Church is presently heated by oil and the Hall is heated by propane and electricity. This project would include the installation of an air source heat pump and ceiling fans with a ductless split heat pump.

RCMP Detachment Repairs

Repairs at the Westshore RCMP Detachment building are planned for 2018. These repairs include work on the HVAC system, roof repair, and exhaust fan repair. Funds are also needed to expand office capacity, provide additional furnishings, and complete related electrical work.

Equipment

The following table details planned expenditures and funding sources for capital projects related to equipment, followed by descriptions of the planned improvements.

<i>Capital Expenditures</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Corporate Laminator Replacement	\$ 7,200	\$ -	\$ -	\$ -	\$ -
Council Chambers Furniture	18,900	-	-	-	-
Respiratory Fit Testing Machine	26,000	-	-	-	-
Emergency Storage Container	5,000	-	-	-	-
Emergency Generator	125,000	-	-	-	-
SCADA Software Upgrades	30,500	-	-	-	-
Public Works Equipment 24 Replace	35,000	-	-	-	-
Desktop Replacement Program	24,100	-	-	91,900	-
Radio Repeater Replacement	38,000	30,000	-	-	-
Software Upgrades	56,500	20,000	-	-	-
Land Development Software	50,000	150,000	-	-	-
It Network Hardware	40,400	18,500	32,400	18,000	14,400
Firehall Training Area Lights	-	12,000	-	-	-
Public Works Equipment 34 Replace	-	12,000	-	-	-
Sewer Equipment 75 Replace	-	-	20,000	-	-
Public Works Equipment 50 Replace	-	-	-	\$17,000	-
Total Expenditures	\$ 456,600	\$ 242,500	\$ 52,400	\$ 126,900	\$ 14,400
<i>Funding Source</i>					
Reserves, Surplus, Deferred Revenue	\$ 456,600	\$ 242,500	\$ 52,400	\$ 126,900	\$ 14,400

Corporate Laminator Replacement

The City's current laminator is near the end of its life and a new unit is required. The current unit has a 12" laminating capacity which would be upgraded to a 27" capacity. This additional capacity would help support much of the work that the City has done to improve communications and engagement over the last few years.

Council Chambers Furniture

Furniture in the Council Chamber and committee room is between 10 and 20 years old. Much of the furniture is showing wear and some can no longer retain position settings. Furniture utilized in the Committee room is a combination of donated sets. This funding would replace chairs in Council chambers and the committee room with 30 new uniform chairs.

Respiratory Fit Testing Machine

Annually the City's fire department conducts respiratory fit testing for all firefighters in compliance with Work Safe BC. Similarly, Public Works has also recently begun fit testing in 2016 using the fire department equipment. This equipment is near the end of its useful life and the software is no longer supported. The required fit testing can be conducted by a third party but there is a stronger return on investment from purchasing the equipment outright.

Emergency Storage Container

Storage container for emergency response equipment and supplies to enable the City to respond effectively in the event of an earthquake or other disaster.

Emergency Generator

In the 2017 – 2021 financial plan, Council authorized the design and construction of an emergency generator. The generator would be available to provide power during an event so that City Hall could function as an Emergency Operations Centre. The work was tendered in 2017 and will be completed in 2018. Amounts budgeted in the 2018 financial plan represent a carry-over from the previous year.

SCADA Upgrades

The City currently operates and manages 10 sewer lift stations. These lift stations communicate with public works via SCADA software in the case of power or pump failures. Current hardware and software is outdated and upgrades are required to ensure monitoring continues without interruption.

Public Works Equipment 24 Replacement

This purchase would replace an equipment flat deck trailer that has reached the end of its life. This equipment trailer is primarily used by Public Works to transport various equipment.

Desktop Replacement Program

The 2017 financial plan established an evergreen program in the IT operating budget in the amount of \$25k per year for the replacement of work stations, laptops and monitors. This program has been replaced with annual transfers to reserve for equipment replacement. The equipment replacement reserve fund will be used to fund desktop replacement in the capital budget as needed. This allows the City to procure workstations through larger competitions and benefit from larger quantity savings.

Radio Repeater Replacement

The City public works yard currently uses a radio communication that consists of 19 digital mobiles, 6 analog mobiles, 3 analog base stations, 5 digital portables, and an analog repeater. This analog repeater was installed in 2001, is at the end of its life and utilized outdated technology. This cost of the upgrade is expected to cost approximately \$38,000. This funding would ensure the firmware of the existing radios would be upgraded while outdated radios would be replaced. A new antenna and tower would be installed. A

second phase to this project is currently under consideration for 2019. Phase two would ensure the digital conversation would be enabled to work with a TRBONet dispatch system.

Software Upgrades

The City's bylaw division currently uses software for the provision of bylaw services. An upgrade is needed to record the location of hazardous materials. In addition, the City is considering implementing a virtual city hall web portal that would allow citizens to access a myriad of civic information in one place. Other software being considered by the City include asset management and work order software.

Land Development Software

It is a Council priority to improve timely response to development requests and provide the development community with the ability to review the status of their applications. Land Development software will improve collaboration between departments and increase efficiency in reviewing development applications. Many software solutions will be evaluated to ensure the City gets the right product at the best value.

IT Network Hardware

The IT department has developed a 5-year capital plan for the replacement of IT network infrastructure. Network hardware acquisition will be funded by an equipment replacement reserve. Previously, replacement was supported by an operating budget that has consequently been reduced to help fund a newly established annual transfer to reserve. The 2018 – 2021 financial plan recommends spending in the amount of \$123,700 over 5 years. Purchases would include firewall hardware, switches, wireless routers, and a storage area network.

Fire Hall Training Area Lights

The City's fire department conducts regular training of over 30 volunteers and 8 career members to ensure members meet training standards and provide a broad range of community support. Much of this training is conducted in an exterior fenced area of the fire hall. This area is currently not illuminated which limits the department's ability to conduct training year round. Lighting will increase the department's training capacity and flexibility and ensure the department can continue to fulfill growing community demands.

Public Works Equipment 34 Replacement

This is a small equipment trailer used primarily by the Public Works department for transportation of lawn mowers and small parks equipment.

Sewer Equipment 75 Replacement

This piece of equipment is a diesel plate tamper and has reached the end of its useful life.

Public Works Equipment 50 Replacement

This equipment is a Vermac message trailing used by all departments for general transportation.

Vehicles

The following table details planned expenditures and funding sources for capital projects related to vehicles, followed by descriptions of the planned improvements.

<i>Capital Expenditures</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Fire Truck 51 Replacement	\$ 900,000	\$ -	\$ -	\$ -	\$ -
Public Works Vehicle 67 Replace	5,700	-	-	-	100,000
Sewer Vehicle 26 Repair	35,000	-	-	-	-
Parks Vehicle 52 Replacement	40,000	-	-	-	-
Public Works Vehicle 48 Replace	-	180,000	-	-	-
Sewer Vehicle 57 Replacement	-	35,000	-	-	-
Public Works Vehicle 53 Replace	-	-	200,000	-	-
Parks Vehicle 64 Replacement	-	-	35,000	-	-
Parks Vehicle 10 Replacement	-	-	110,000	-	-
Public Works Vehicle 51 Replace	-	-	-	35,000	-
Public Works Vehicle 62 Replace	-	-	-	75,000	-
Public Works Vehicle 68 Replace	-	-	-	40,000	-
Public Works Vehicle 71 Replace	-	-	-	40,000	-
Public Works Vehicle 73 Replace	-	-	-	40,000	-
Parks Vehicle 60 Replacement	-	-	-	45,000	-
Sewer Vehicle 74 Replacement	-	-	-	150,000	-
Sewer Vehicle 49 Replacement	-	-	-	-	6,000
Total Expenditures	\$ 980,700	\$ 215,000	\$ 345,000	\$ 425,000	\$ 106,000
<i>Funding Source</i>					
Reserves, Surplus, Deferred Revenue	\$ 980,700	\$ 215,000	\$ 345,000	\$ 425,000	\$ 106,000

The financial plan recommends that the sewer fleet transfer to reserve be increased to sustainable levels over a three year period to help moderate utility rate increases.

The City has developed long term plans for the replacement of its fire, general and sewer utility fleet needs. The City funds its vehicle purchases by annually setting aside and transferring funds to respective vehicle replacement funds. Each year, staff review the vehicle inventory and revise projections for replacement year and value. This year, all funding appears to be at or near sustainable levels except the general fleet replacement. As a result, this financial plan recommends that annual general fleet replacement funding be increased by \$20,000.

In the 2018 – 2022 financial plan, the City intends on replacing a number vehicles, all of which will be funded by reserves. Below find a description of the vehicles being replaced:

<i>Vehicle</i>	<i>Description</i>
Fire Truck 51 Replacement	This 1994 Spartan diesel triple combination pumper truck is a crucial piece of pumping apparatus and a key component to the Fire Department's ability to meet the requirements of the Fire Underwriter's pumping capacity rating for the City. It has now reached the point where it no longer meets the service life expectancy of the insurance industry as a reliable rated pumping unit. Further, Engine 51 it is not equipped with many of the modern safety features. The other standard for automotive fire apparatus that is recognized by departments in North America is the NFPA 1901 standard, which specifically states that any fire apparatus that is 25 years or older and not manufactured with current safety features to protect firefighters and operators should be replaced.
Public Works 67 Replacement	This budget is needed to replace the 2002 sweeper attachment for the bobcat.
Sewer 26 Repair only	Vactor sewer cleaning and hydro excavator truck used primarily by roads and utilities for sewer and storm drain infrastructure cleaning. This truck is also used for locating underground utilities such as gas, hydro and water.
Public Works 52 Replacement	This purchase will replace a pick-up truck used primarily in the Parks department.
Public Works 48 Replacement	This vehicle is a sterling tandem axle dump truck equipped with an underbody snow plow primarily used to transport materials and plowing snow.
Sewer Vehicle 57 Replacement	This vehicle is a 2012 Chevrolet pick-up truck used primarily by the utilities department for sewer maintenance.
Public Works 53 Replacement	This vehicle is a 2009 Sterling single axle 5 ton dump truck equipped with snow plow and salt spreader. It is used primarily by the roads and utilities divisions for the transport of materials and road crack seal operations.
Parks 64 Replacement	This vehicle is a 2013 GMC pick-up truck used primarily by the Parks foreman for general parks tasks.
Parks 10 Replacement	This vehicle is a 2002 Ford F550 Flat deck dump truck that is used primarily by the parks department for the transport of materials, irrigation maintenance and irrigation installation.
Public Works 51 Replacement	This vehicle is a 2008 Subaru Forester that is used by all departments at City Hall for various transportation needs.
Public Works 62 Replacement	This vehicle is a 2013 Ford F550 truck used primarily by the mechanics division.
Public Works 68 Replacement	This vehicle is a 2015 Chevrolet crew cab pickup truck used primarily by the Roads and Utilities department for general maintenance, transport and repair.
Public Works 71 Replacement	This vehicle is a 2014 Chevrolet crew cab pick-up truck used primarily by the Public Works Manager.
Public Works 73 Replacement	This vehicle is a 2015 Chevrolet pick-up truck used primarily by the Public Works department for traffic control.
Parks 60 Replacement	This vehicle is a John Deere 1445 front mount mower equipped with snow blade and snow blower and is used primarily by the Parks department for grass mowing.
Sewer 74 Replacement	This vehicle is a 2015 F550 crew cab dump truck and is used primarily by the Roads and Utilities department for general maintenance and transportation.
Sewer Vehicle 49 Replacement	This vehicle is a 2006 flat deck trailer used primarily by Sewers for the portable back-up generator for sewer pump stations.

Parks Infrastructure

The following table details planned expenditures and funding sources for capital projects related to parks infrastructure, followed by descriptions of the planned improvements.

<i>Capital Expenditures</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Colwood Creek Pathway Lighting	\$ 12,000	\$ -	\$ -	\$ -	\$ -
Latoria Creek Park Stairway Replace	50,000	-	-	-	-
Colwood Creek Park Improvements	25,000	-	60,000	-	-
Park Signage	20,000	7,000	7,000	7,000	7,000
Herm Williams Park Improvements	-	-	60,000	-	-
Total Expenditures	\$ 107,000	\$ 7,000	\$ 127,000	\$ 7,000	\$ 7,000
<i>Funding Source</i>					
Reserves, Surplus, Deferred Revenue	\$ 107,000	\$ 7,000	\$ 127,000	\$ 7,000	\$ 7,000

Colwood Creek Park Lighting

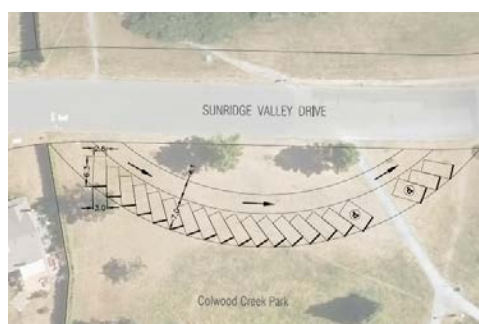
The pathway lighting service panel at Colwood Creek park is at the end of its life and needs to be replaced in order for lighting to continue.

Latoria Creek Park Stairway Replacement

This project will replace an aging stairway located within the City's trail system in Latoria Creek Park. Normally this project would be considered as a component in the scheduled Parks and Trails Master Plan, however, attention is required prior to the master plan being developed.

Colwood Creek Park Improvement

The City has recently constructed park improvements at Colwood Creek Park including the addition of a water park for community enjoyment. The City also improved drainage to support the water park and fountain features. In 2018, the City plans on constructing parking to support increased usage of the splash park. Approximately twenty stalls along Sunridge Valley Drive are planned including two accessible spots. There is also funding in the 2020 budget for installation of washroom facilities to replace the current portable.



Parking proposed for Colwood Creek Park

Parks Signage

In 2017 the City began a program to install signs at each of Colwood's significant parks. The signs serve as important wayfinding guides, as well as reflecting the City's brand and promoting pride of place.

Herm Williams Park Improvement

This capital project would replace the current portable with a more permanent and aesthetically pleasing washroom for parks users.



Havenwood Park



Lookout Lake Park



Colwood Waterfront Park



Herm Williams Park



Colwood Creek Park Spray & Play



Colwood Creek Park

Sewer Utility Infrastructure

The following table details planned expenditures and funding sources for capital projects related to sewer utility infrastructure, followed by descriptions of the planned improvements.

<i>Capital Expenditures</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Ocean Boulevard Pump Station	\$ 25,000	\$ -	\$ 2,500,000	\$ -	\$ -
Total Expenditures	\$ 25,000	\$ -	\$ 2,500,000	\$ -	\$ -
<i>Funding Source</i>					
Reserves, Surplus, Deferred Revenue	\$ 25,000	\$ -	\$ 2,500,000	\$ -	\$ -

Ocean Boulevard Pump Station

The Ocean Boulevard Sewage Pump Station is located at the southern end of the Coburg Peninsula. The station is located directly adjacent to the beach and has been impacted by seawater during storm events. This capital project would see that the pump station is relocated to so that it can continue to operate while protecting coastline enjoyed by the public.



The Lagoon Pump Station (at right)

Basis of Accounting and Budgeting

The accounting policies of the City conform to Canadian generally accepted accounting principles for local governments and the Consolidated Financial Statements are prepared as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants. The City uses various funds to account for its revenues and expenditures. The revenue in each fund may be spent only for the purpose specified in the fund. Each fund belongs to one of three categories: operating, capital or reserve. Operating funds are used for day to day operations. Capital funds pay for physical assets with a life of more than one year. Reserve funds accumulate revenue and interest that will be used to pay for major capital expenses in future years.

All funds (general, sewer utility and reserves) are accounted for on the accrual basis. Sources of revenue are recognized when earned. Revenue unearned in the current period is reported on the balance sheet as deferred revenue. All funds are appropriated for specific purposes as follows:

GENERAL OPERATING FUND – used to account for all general operating revenues and expenses of the municipality other than sewer operations.

SEWER UTILITY FUND – community sewage disposal system revenues and expenses are accounted for separately in this fund. Revenues are primarily recovered from consumption based utility billings.

GENERAL CAPITAL FUND (CAPITAL PROGRAMS) – used to account for all capital expenditures except sewer capital.

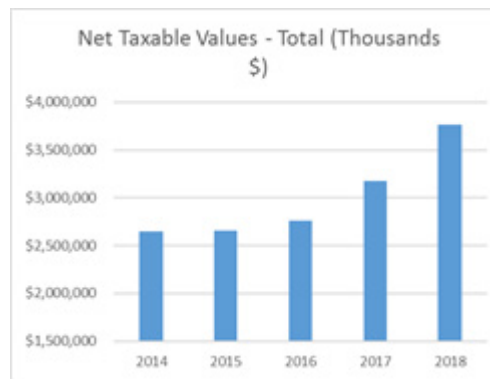
SEWER UTILITY CAPITAL FUND - used to account for all sewer utility capital expenditures.

RESERVE FUND – used to account for all statutory reserve revenues and transfers

Statistics

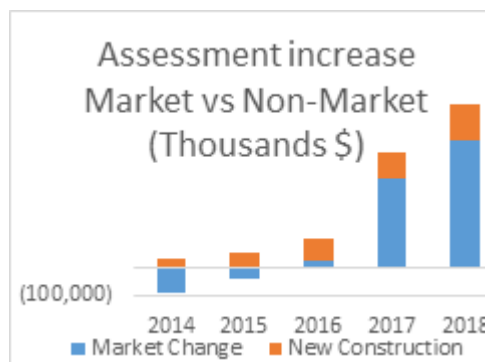
Assessments - Net Taxable Values (\$ Thousands)

	2014	2105	2016	2017	2018
Residential	\$ 2,445,449	\$ 2,467,012	\$ 2,568,872	\$ 2,974,424	\$ 3,526,804
Utlity	1,515	1,534	1,535	1,833	2,109
Industry	2,572	2,625	2,642	2,763	3,026
Business	195,514	180,016	184,625	203,856	226,205
Recreational	5,267	5,338	5,363	5,939	6,190
Farm	15	3	3	3	3
Total	\$ 2,650,332	\$ 2,658,527	\$ 2,763,041	\$ 3,178,827	\$ 3,764,336



Assessment Increase - Market vs Non-Market (\$ Thousands)

	New Construction	Market Change	Total Assess. Inc.	Market Growth: New Construction
2014	30,158	(86,694)	(56,536)	-287%
2015	59,872	(42,677)	8,195	-84%
2016	80,878	23,636	104,514	29%
2017	94,372	321,414	415,786	341%
2018	126,028	459,482	585,510	365%



Glossary

Capital Asset: An asset that has physical substance, is used to supply a service, lasts longer than a year and is not for sale in the ordinary course of operations.

Capital Expenditure: The expenditure of monies for the purchase or construction of a capital asset.

Deferred Revenue: Refers to payments received in advance for services which have not yet performed. The most common form of deferred revenue in municipal accounting consists of Development Cost Charges which are advanced payments for future capital services needed as a result of growth.

Financial Plan: This term is used interchangeably with “budget” but will also usually refer to the 5-year budget bylaw.

Fund: A pool of money set aside for a specific purpose.

FTE (Full Time Equivalent): A statistic to compare staffing levels between departments, organizations, or years. It is calculated by dividing the total number of hours that one full-time staff member would work during a year.

Official Community Plan: Under the Local Government Act section 875, an OCP is a statement of objectives and policies to guide decisions on planning and land use management, within the area covered by the plan, respecting the purposes of local government.

Operating Costs: Expenses which are related to the operation of a business, or related device, component, piece of equipment or facility.

Reserve Fund: A fund established by bylaw for a specific purpose. Monies placed in a reserve fund can only be used for purpose for which the reserve was established.

Revenue: Income from business services and fees.

Service Plans: These plans depict the operating costs/revenues and related performance measures of a City department.



CITY OF COLWOOD

BYLAW NO. 1720

A BYLAW TO AUTHORIZE THE FINANCIAL PLAN FOR THE YEARS 2018 TO 2022

WHEREAS Section 165 of the *Community Charter* requires a Financial Plan be approved by bylaw;

NOW THEREFORE the Municipal Council of the City of Colwood in open meeting assembled enacts as follows:

1. CITATION

This Bylaw may be cited for all purposes as the “**Five Year Financial Plan (2018 - 2022) Bylaw No. 1720, 2018**”.

2. FINANCIAL PLAN

Schedule A attached hereto and forming part of this Bylaw is hereby adopted as the Five Year Financial Plan for the City of Colwood for 2018 to 2022.

Schedule B attached hereto and forming part of this Bylaw is hereby adopted as the Financial Plan Statement for the City of Colwood for 2018 to 2022.

3. TRANSFER of FUNDS

The Council of the City of Colwood may authorize the transfer of funds from one category to another category.

4. SIGNING AUTHORITY

All cheques drawn on the bank must be signed by the designated official of the administration and countersigned by either Mayor or one Councillor.

5. PAYMENT AUTHORIZATION

All payments already made from municipal revenues for the current year are ratified and confirmed.

READ A FIRST TIME THIS 9TH DAY OF APRIL, 2018.

READ A SECOND TIME THIS 9TH DAY OF APRIL, 2018.

READ A THIRD TIME THIS DAY 9TH OF APRIL, 2018.

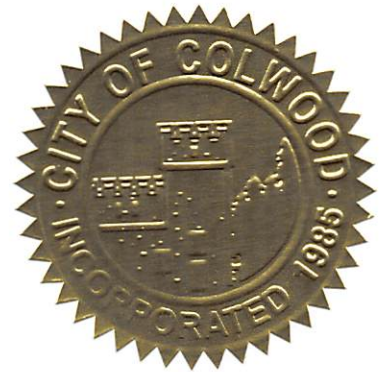
ADOPTED BY THE MUNICIPAL COUNCIL OF THIS CITY OF COLWOOD THIS 23rd DAY OF APRIL, 2018.



MAYOR



CORPORATE OFFICER



City of Colwood 2018 - 2022 Financial Plan Bylaw No. 1720
Schedule A: Five Year Financial Plan

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget
Revenue					
Taxes					
Property Taxation	\$ 13,989,900	\$ 14,434,200	\$ 14,875,200	\$ 15,247,100	\$ 15,694,100
Parcel Taxes	621,000	339,500	339,500	339,500	339,500
Payments in Lieu of Taxes	2,295,400	2,371,100	2,430,600	2,491,800	2,554,400
User Fees	2,324,200	2,170,500	2,170,000	2,210,500	2,235,500
Fines and Penalties	126,500	127,100	127,800	128,500	129,200
Investment Income	175,000	175,000	175,000	175,000	175,000
Unconditional Government Transfers	703,000	716,700	730,600	744,900	759,300
Conditional Government Transfers	1,211,600	694,200	2,652,900	332,600	446,400
Developer Contributions	698,400	397,000	287,000	155,000	155,000
Other	5,100	5,200	5,200	5,300	5,400
Total Revenues	22,150,100	21,430,500	23,793,800	21,830,200	22,493,800
Expenses					
General Government	3,379,800	3,367,700	3,335,400	3,420,900	3,515,200
Protective Services	6,979,500	7,100,900	7,274,400	7,470,200	7,674,400
Engineering and Transportation Services	4,782,900	4,505,700	4,594,200	4,579,300	4,646,300
Solid Waste Management	226,500	222,900	227,100	231,800	236,300
Planning and Development Services	1,869,800	1,251,500	1,125,100	1,148,900	1,173,500
Parks, Recreation and Culture	3,063,000	3,138,700	3,118,000	3,173,200	3,242,900
Sewer Services	855,200	865,100	877,800	891,900	905,600
Debt Interest	581,500	542,700	533,700	525,400	509,500
Total Expenses	21,738,200	20,995,200	21,085,700	21,441,600	21,903,700
Accounting Surplus	411,900	435,300	2,708,100	388,600	590,100

City of Colwood 2018 - 2022 Financial Plan Bylaw No. 1720

Schedule A: Five Year Financial Plan

Add:

Transfers from:

Surplus	537,500	466,000	-	10,000	20,000
Future Operating Exp. Reserve	452,400	69,000	42,000	7,000	22,000
Capital Project Reserve	120,900	-	-	-	-
General Fleet Reserve	80,700	192,000	345,000	292,000	100,000
Fire Fleet Reserve	900,000	-	-	-	-
Equipment Replacement Reserve	64,500	18,500	32,400	109,900	14,400
Community Amenities Reserve	75,000	-	120,000	-	-
Police Building Reserve	92,000	-	-	-	-
Affordable Housing Reserve	548,000	-	-	-	-
St. John's Heritage Church Reserve	26,500	-	-	-	-
Public Art Reserve	5,000	-	-	-	-
Sewer Capital Reserve	-	-	625,000	-	-
Sewer Fleet Reserve	35,000	35,000	20,000	150,000	6,000
Debt Proceeds	28,300	28,300	28,300	28,300	28,300
Amortization	2,520,100	2,520,100	2,520,100	2,520,100	2,520,100

Deduct:

Capital Expenditures	(2,779,300)	(1,026,800)	(3,688,300)	(807,800)	(488,400)
Debt Principal Payments	(1,015,400)	(758,900)	(706,700)	(656,700)	(659,200)

Transfers to Reserves

Future Operating Exp. Reserve	(32,000)	(32,000)	(32,000)	(32,000)	(32,000)
Capital Project Reserve	(306,100)	(313,200)	(313,200)	(313,200)	(313,200)
Sewer Capital Project Reserve	(59,000)	(60,000)	(61,100)	(62,100)	(63,200)
General Fleet Reserve	(205,000)	(209,000)	(213,100)	(217,200)	(221,500)
Fire Fleet Reserve	(295,000)	(300,800)	(306,700)	(312,800)	(318,900)
Equipment Replacement Reserve	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Community Amenities Reserve	(567,500)	(326,000)	(242,000)	(132,000)	(132,000)
Affordable Housing Reserve	(141,900)	(82,000)	(56,000)	(34,000)	(34,000)
St. John's Heritage Church Reserve	(15,400)	(15,700)	(16,000)	(16,300)	(16,700)
Infrastructure Deficit Reserve	(370,400)	(520,400)	(670,400)	(770,400)	(870,400)
RCMP Surplus Reserve	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Police Building Reserve	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
New Firehall Reserve	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Surplus	(17,600)	(10,200)	(10,200)	(10,200)	(10,200)
Sewer Fleet Reserve	(39,200)	(55,200)	(71,200)	(87,200)	(87,200)

Budgetary Surplus (Deficit)

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SCHEDULE B

Financial Plan Statement Page # 1

In accordance with Section 165(3.1) of the *Community Charter*, the City of Colwood ("City") is required to include in the Five Year Financial Plan, objectives and policies regarding each of the following:

1. The proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the *Community Charter*;
2. The distribution of property taxes among the property classes; and
3. The use of permissive tax exemptions.

FUNDING SOURCES**TABLE I – SOURCES OF REVENUE**

Revenue Source	% of Total	Dollar Value
Property Value Taxes	63.08	13,989,900
Parcel Taxes	2.80	621,000
Payments in Lieu of Taxes	10.35	2,295,400
Government Transfers	8.63	1,914,600
Borrowing	0.13	28,300
User fees and charges	10.48	2,324,200
Other Sources	4.53	1,005,000
Total	100.00	22,178,400

Table I shows the proportion of total revenue proposed to be raised from each funding source in 2018. The largest individual sources of revenue are Property Taxes (63.08%) & User fees (10.48%). The system of property taxation is relatively easy to administer and understand. It provides a stable and consistent source of revenue for many services that are difficult or undesirable to fund on a user-pay basis. These include services such as police protection, fire protection and transportation services. For these reasons, property value taxation will continue to be one of the major sources of municipal revenue.

Parcel Taxes (2.8%) are levied for various Sewer Local Area Services based on taxable area and debt repayment schedules.

Payment in Lieu of Taxes represent 10.35% of the total revenue. This revenue includes 1% revenue paid by utility companies as well as grants paid by senior levels of government in lieu of property taxes.

Government transfers account for 8.63% of planned revenue. These are monies from Federal gas tax and infrastructure grant programs.

Other sources of revenue (4.53%) include investment income, developer contributions and fines and penalties.

User fees account for 10.48% of the City's revenue. Many municipal services such as sewer, building inspections and development services can be measured and charged on a user-pay basis.

Property Tax Revenue Objectives:

- Increase the percentage of revenue from sources other than property value taxes over time by looking to new initiatives that increase non-tax revenues and tax base.
- Consider implementing property tax strategies or incentives that promote economic development within the community.

Property Tax Revenue Policies:

- Consider the annual property tax increase required to cover the projected cost of the existing service levels as well as any new or enhanced services.
- Set annual property tax rates after considering significant gains or loss of assessment in each property class.
- Use the property tax levy and payments in lieu of taxes to balance the budget each year after reviewing the potential for sustainable revenue from all other sources.
- Mitigate the impact on property taxes by researching non-property tax revenue sources whenever possible, applying for government grants, charging appropriate user fees and developing strategic alliances, partnerships and shared project funding to reduce costs of service delivery.

Debt Management Objectives:

- Maintain the long term debt servicing liability at a manageable level, within the maximum established by the Community Charter. Debt funding provided by the Municipal Finance Authority is to be used for capital projects rather than operational programs.

Debt Management Policies:

- Limit the creation of long term debt to the financing of large infrastructure projects.
- Minimize debt costs by seeking out and applying for provincial and federal government grants whenever possible.
- The City will continue to monitor the costs that the user fees are intended to cover with a view to increasing these fees wherever appropriate.
- Project and quantify the expected replacement year and replacement value of infrastructure and set aside appropriate reserves to complement debt financing.

User Fees and Charges Objectives:

- User fees may be charged for services that are identifiable to specific users, versus levying a general tax to all property owners.
- The City will review user fees and charges on a regular basis to ensure they are adequately meeting both the capital and delivery costs of the service.

User Fees and Charges Policies:

SCHEDULE B

Financial Plan Statement Page # 3

- Review fees and charges to ensure the City is working towards full recovery for the cost of services provided, and the charges are consistent with similar fees within the region.
- Fees required to recover the cost of services may be reduced by government grants or transfers allocated to specific programs.
- The City will collect user fees to recover the full cost of services where it is determined that a service, product or the use of City facilities or resources provide direct benefits to identifiable individuals, groups of individuals or businesses, beyond those that accrue to the general public.

DISTRIBUTION OF PROPERTY TAXES AMONG THE PROPERTY CLASSES**TABLE II – DISTRIBUTION OF PROPERTY TAX REVENUE**

Property Class	% of Total	Dollar Value
Class 1 - Residential	76.32	10,677,790
Class 2 - Utilities	0.54	75,034
Class 5 - Light Industrial	0.82	114,370
Class 6 - Business/Other	21.66	3,029,956
Class 8 - Recreational/Non-Profit	0.66	92,191
Class 9 - Farm	0.00	399
Total	100.00	13,989,740

Table II provides the distribution of property tax revenue among the property classes. The City's distribution of taxes among the property classes is typical, where the residential class is proportionately the largest of the total tax base at approximately 76%. Properties in the business class provide the second largest portion of the tax base at approximately 22%. The remaining 2.0% represents minimal light industry, recreation, and utility classes.

The practice of Council has been to set tax rates in order to maintain tax stability. This is accomplished by Council considering the following:

- Each property class total assessed value and the amount of property taxes borne by each class;
- The historical proportion of taxes paid by each property classification before consideration of non-market changes in the property class; and
- Tax levy on an average home and business.

Council is constrained in its ability to shift the tax burden as a means of driving change in the community. Shifting the burden of one property tax class to drive new initiatives will result in higher tax rates applied against the other classes. Consequently, the tax burden may only be shifted over time by looking to new initiatives that increase non-tax revenue and the tax base.

Objective

- In the long-term, ensure that business property tax rates are aligned with those of other competitive municipalities in Greater Victoria.

Policies

- Ensure that property tax rates are in line with the larger community goals and policies, such as those specified within the Official Community Plan;
- Continue to maintain and encourage economic development initiatives designed to attract more retail and commercial businesses to invest in the community. New investment from these areas will diversify the tax base and help offset the reduction to residential (Class 1) taxation while providing more revenue for the City.
- Align the distribution of tax rates among the property classes with the social and economic goals of the community; particularly to encourage a range of employment opportunities.

THE USE OF PERMISSIVE TAX EXEMPTIONS

The Annual Municipal Report for will contain a list of permissive exemptions granted for the taxation year and the amount of tax revenue foregone. The list demonstrates the policy of Council that permissive exemptions are granted to not-for-profit institutions that form a valuable part of our community. These include religious institutions and societies.

Objective

- The City will continue to support local not-for-profit organizations who qualify for permissive tax exemptions on their merits under Section 224 of the Community Charter.

Policies

- Permissive tax exemptions will be considered to encourage activities that: (a) are consistent with the quality of life (economic, social, cultural) objectives of the municipality; (b) provide direct access and benefit to the public; and (c) would otherwise be provided by the municipality.
- Review permissive tax exemptions in conjunction with other financial support provided by the City to ensure funding is reasonable and appropriate.
- Continue to review and update the existing evaluation criteria to ensure the City is receiving benefits from organizations that receive tax exemptions.



CITY OF COLWOOD

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