

2017 – 2021 Draft Financial Plan

February 23, 2017





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Executive Director

Date **October 05, 2016**

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EXECUTIVE SUMMARY

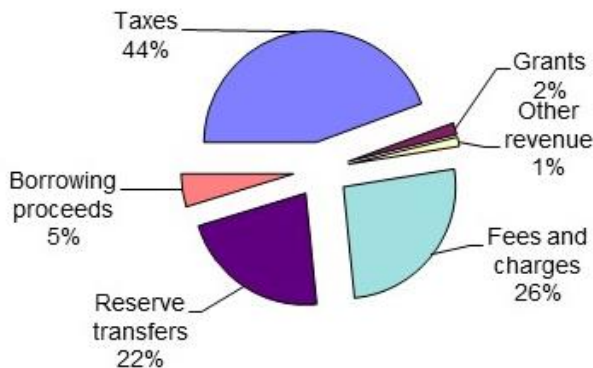
The Community Charter Act requires that the District of Saanich approve a Five Year Financial Plan bylaw each year prior to the adoption of the annual property tax bylaw. This document provides the supporting details to the 2017-2021 Financial Plan Bylaw, which will be considered for adoption by Council before May 15, 2017.

1. Consolidated Financial Plan Summary

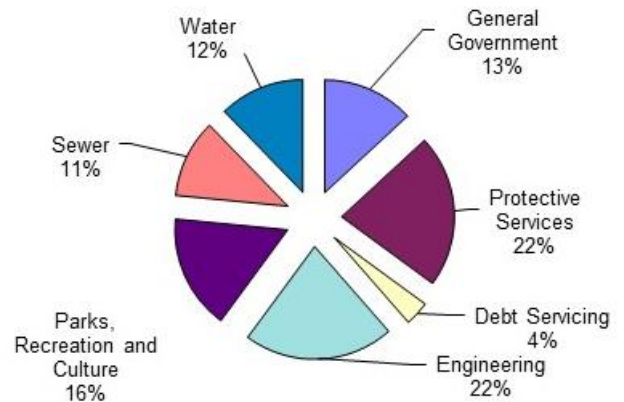
Local governments are required by law to have balanced financial plans. Current revenue, including transfers from reserves, must be sufficient to support current expenditures for each of the three funds.

Saanich's consolidated financial plan for 2017 balances \$263,082,600 in revenues and transfers with \$263,082,600 in expenditures.

Consolidated Revenue



Consolidated Expenditure



The budget is based on:

1. A municipal property tax increase of 1.25% (\$30.41) for core Municipal and Police operations, 1.42% (\$34.60) for capital infrastructure replacement, 1.18% (\$28.75) for non-discretionary costs and 0.10% (\$2.44) for the Greater Victoria Public Library. This totals 3.95% or \$96.20 to the average single family homeowner,
2. No service reductions from 2016 levels,
3. Utility rates approved in December 2016,

Including all municipal taxes and utilities, an average homeowner is projected to pay about \$155 more in 2017:

	<u>2016</u>	<u>2017</u>	<u>Increase</u>
Property Taxes	\$ 2,436	\$ 2,532	\$ 96
Sewer	437	490	53
Water	513	513	0
Refuse Collection	<u>173</u>	<u>179</u>	<u>6</u>
	<u>\$ 3,559</u>	<u>\$ 3,714</u>	<u>\$ 155</u>

2. Summary of Consolidated Financial Plan Changes From 2016 To 2017

Additional revenues from taxation, reserves and user fees will be used to fund non-discretionary increases in 2017 operating programs, new infrastructure maintenance, new service costs and increased capital replacement. Grants from senior levels of government and some reserves will also be used to fund large capital projects such as the Finnerty Road complete streets project:

Consolidated Revenue					
Source	General Operating	General Capital	Sewer & Water Utility	2017 Budget Total	2016 Budget Total
Taxes	103,172,200	13,500,800	-	116,673,000	111,179,600
Grants	3,914,000	611,200	-	4,525,200	6,251,400
Other revenue	3,513,700	-	-	3,513,700	3,499,800
Fees and charges	27,254,400	-	41,092,900	68,347,300	65,394,100
Reserve transfers	5,302,900	33,151,100	19,088,900	57,542,900	54,781,800
Borrowing proceeds	-	9,480,500	3,000,000	12,480,500	16,441,000
Total	143,157,200	56,743,600	63,181,800	263,082,600	257,547,700

Consolidated Expenditure					
Function	General Operating	General Capital	Sewer & Water Utility	2017 Budget Total	2016 Budget Total
Administration	2,346,100	-	-	2,346,100	2,267,400
Corporate Services	6,475,500	8,343,000	-	14,818,500	13,285,900
Finance	8,056,200	30,800	-	8,087,000	6,532,400
Fiscal Services	7,768,300	-	1,452,000	9,220,300	9,349,100
Legislative Services	4,376,200	-	-	4,376,200	4,312,300
Police Protection	36,007,300	2,234,400	-	38,241,700	37,820,100
Fire Protection	18,434,200	566,500	-	19,000,700	18,601,800
Emergency Program	429,700	55,000	-	484,700	480,500
Planning	4,942,000	-	-	4,942,000	5,023,000
Engineering	19,327,100	37,304,000	61,729,800	118,360,900	116,796,200
Parks & Recreation	28,899,400	8,209,900	-	37,109,300	37,093,600
Cultural	6,095,200	-	-	6,095,200	5,985,400
Total	143,157,200	56,743,600	63,181,800	263,082,600	257,547,700

Note: The above total figure for General Operating is \$25,012,700 less than the total amount on page 22 due to the removal of the inter-departmental recoveries and the allocation of the capital expenditure funded by property taxes to the General Capital Fund.

Consolidated Revenue level in 2016		\$ 257,547,700
Revenues were increased because:		
General Taxes were increased by 2.64% to average homeowner		5,493,400
Decreased use of grant revenue mainly for infrastructure spending		(1,726,200)
Increased fees and charges from recreation		442,600
Increased fees and charges from water and sewer programs		2,182,000
Increased fees and charges from other programs		342,500
Decreased borrowing for infrastructure		(3,960,500)
Increased use of reserve funds (including Work in Progress)		2,761,100
New Consolidated Revenue level for 2017		\$ 263,082,600

Consolidated Expenditures level in 2016				\$ 257,547,700
Revenues were increased because:				
	Increased General Operating costs			4,650,800
	Decreased General Capital costs			(4,956,000)
	Increased Water System operating and capital costs			2,899,300
	Increased Sewer System operating and capital costs			2,940,800
New Consolidated Expenditure level for 2017				\$ 263,082,600

3. 2017 Consolidated Fund Balance Summary

Municipal activities are accounted for on a fund basis. Under the Community Charter municipalities are required to have a balanced budget with expenditure not exceeding revenue. With the exception of reserve funds, all funds are budgeted to remain at 2016 levels. Reserve funds are expected to decrease in 2017 as funds are appropriated for equipment replacement, capital projects and estimated land purchases.

Fund Balances						
	<u>General Operating</u>	<u>General Capital</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Reserve Fund</u>	<u>Total</u>
Fund Balance, January 1	19,771,300	20,321,400	15,388,800	13,967,700	97,893,100	167,342,300
Total Revenues	168,169,900	56,743,600	30,936,300	32,245,500	41,825,300	329,920,600
Total Expenditures	(168,169,900)	(56,743,600)	(30,936,300)	(32,245,500)	(49,196,700)	(337,292,000)
Fund Balance, December 31	19,771,300	20,321,400	15,388,800	13,967,700	90,521,700	159,970,900

4. General Operating Fund Summary:

This budget provides for the annual operation of the municipality in 2017 based on a 1.25% increase for core operations, 1.18% for non-discretionary costs to maintain 2016 service levels, 0.10% for the Greater Victoria Public Library and 1.42% for capital funding.

This revenue funds the net cost to maintain services at 2016 levels, continues past practice of gradually increasing tax funded capital programs to sustainable levels.

A refuse collection fee of \$179 (based on cart sizes of 120 Litre each for garbage and organic) per household is charged on the utility bill to fund refuse, garden and kitchen waste collection and disposal. The increase of \$6.00 over prior year is attributable to contracted increases to labour costs, volume increases in hauling of compost, yard drop-off and garbage, and reimbursement to the general operating fund for support work provided to the garbage utility.

5. Water Utility Fund Summary:

The Water Utility Budget provides for all operations and capital funding to support the water system. There is no change to the Regular Water rates for 2017. Although there are increases in various expenditures in 2017 over 2016, the projected increase in overall water consumption within the district is sufficient to generate the extra revenue requirement. Cost to the average homeowner remains at \$513 per year.

6. Sewer Utility Fund Summary:

The Sewer Utility Budget provides for all operations and capital to support the sewage disposal system. In December 2016 a 12.10% increase in sewer rates was approved to support CRD operating and debt costs and higher Saanich infrastructure replacement spending. Annual cost to the average homeowner increased by \$53 from \$437 to \$490 per year.

7. General Capital Fund Summary:

The 2017 General Capital Program provides for a \$56.7 million program of infrastructure and equipment replacement funded from a mixture of property taxation, debt, reserves, grants and development cost charges. Significant new capital projects in 2017 include \$1.5 million Finnerty Road complete streets, \$3.8 million in wood stave replacement, \$2.5 million in parks upgrades, \$2 million in facility upgrades and \$1.0 million in total fleet replacement.

The Capital Plan matches the District's needs for investment in capital with available financial resources. Replacement of aging infrastructure is given priority in balancing capital requirements with funding. Funding is being gradually increased to fund both current replacement infrastructure spending and future replacement spending through transfers to capital reserves to assist the District in reaching sustainable funding replacement levels by 2019. Funding has risen from \$11 million in 2007 to an annual average of over \$24 million in the last three years.

8. Reserve Fund Summary:

Reserve Funds are projected to decrease from \$97,893,100 in 2016 to \$90,521,700 in 2017 as work in progress reserves are used to complete capital projects planned in previous years and funding is provided for equipment replacement, capital projects and land purchases.

Debt Summary:

Overall debt levels are projected to increase to \$42.9 million in 2017. This remains well below policy guideline of \$89.5 million in general debt. Current outstanding debt, interest rates and maturity dates are listed below. Temporary borrowing will be paid off and replaced by long term borrowing approved by Council in the last financial plan. The short term borrowing is used for financing equipment purchases and they can be anywhere from one to five years and they do not require a bylaw, however, they do require a resolution by Council.

BY-LAW NUMBER	LOAN TYPE	GENERAL	SEWER	TOTAL	SERVICING COST	INTEREST RATE	MATURITY DATE
		\$	\$	\$	\$	%	D / M / Y
8293	Long Term		36,702	36,702	20,837	3.05%	01.06.2017
8344	Long Term		55,053	55,053	40,405	2.10%	03.12.2017
3197	Long Term		209,891	209,891	53,074	2.00%	02.12.2019
3257	Long Term	1,090,759		1,090,759	218,639	1.55%	06.04.2020
3292	Long Term	755,703		755,703	166,302	1.80%	13.10.2020
3363	Long Term	1,803,810		1,803,810	303,822	1.75%	19.10.2021
3466	Long Term	804,492	282,890	1,087,382	226,343	4.82%	12.01.2022
3968	Long Term	1,992,208		1,992,208	271,898	3.00%	14.10.2024
3726	Long Term	1,182,522		1,182,522	154,365	3.35%	01.10.2025
3726	Long Term		769,053	769,053	100,327	3.73%	06.10.2025
3771	Long Term	6,084,352		6,084,352	737,133	3.65%	29.09.2026
3853	Long Term		590,945	590,945	59,206	2.90%	04.10.2027
8409	Long Term	943,304		943,304	62,929	2.10%	03.06.2028
3968	Long Term	2,335,112	1,908,505	4,243,617	377,722	3.00%	14.10.2029
4061	Long Term	5,300,000	2,764,600	8,064,600	627,628	2.60%	19.04.2031
9405	Temporary	659,640		659,640	662,294	1.44%	12.04.2017
9406	Temporary	826,360		826,360	829,685	1.44%	12.04.2017
9407	Temporary	836,630		836,630	839,997	1.44%	12.04.2017
Resolution	Short Term	920,000		920,000	190,575	1.44%	31.12.2021
		(124,601)	(23,052)	(147,653)			Accrued Actuarial Gains
TOTAL		<u>25,410,291</u>	<u>6,594,587</u>	<u>32,004,878</u>	<u>5,943,181</u>		

9. Consolidated 2017 Budget Highlights by Strategic Plan Theme Area

Funding of key initiatives has been allocated to each Strategic Plan theme area as follows:

Safe Community:

- \$50,000 in funding for the Safe Route to School program
- \$1,794,000 in funding to provide fleet, IT and other capital replacement for protective services.

Healthy Community:

- \$2,555,000 for park, playground, trail and other park infrastructure replacement
 - Mt. Douglas Improvements
 - Sierra Park playground replacements
 - Allenby and Copley West sports fields upgrades
 - Hampton Park Tennis court upgrade and trail resurfacing
 - McMinn Park complete park upgrade

Sustainable Environment:

- \$9,419,000 to continue replacing asbestos cement sewer mains and asbestos cement and cast iron water mains

Balanced Transportation:

- A minimum of \$4,224,000 of sidewalk and bikeways additions and improvements in areas such as:
 - Finnerty Road (McKenzie to Arbutus) 500m sidewalks & 1000m cycling (Gas Tax Funded - \$1,140,000)
 - Haliburton Road (Pat Bay Hwy to Arbutus) 500m sidewalks & 1400m cycling
 - West Saanich Road (Elk Lake to Pipeline) 150m sidewalks & cycling
 - Gordon Head Road (3912 to Cedar Hill X) 500m sidewalks
 - Ansell Road Phase 1 (Midgard to Garnet) 300m
- \$2,710,000 in various road improvements to Bus Stops, Signals and Street Lights:
 - Quadra/McKenzie traffic signal rehabilitation
 - Traffic signal and timing update
 - LED street light program

Vibrant Connected Economy:

- \$175,000 in funding for Active Transportation Plan

Service Excellence:

- \$950,000 for IT infrastructure and Network upgrades
- \$600,000 for Fire Dispatch upgrades
- \$700,000 for Recreation Software upgrade

INTRODUCTION

COMMUNITY PROFILE

Population

Saanich's population was reported to be 114,148 in the 2016 census making Saanich the eighth largest municipality in British Columbia.

Age Distribution

The population is distributed among age groups similar to other cities in the province. Saanich's population is slightly older than that of the provincial average, with a higher percentage of its population in the highest two age groups.

Age and Gender Distribution

Ages	Male	Female	Total	Percent	BC
0 to 14	7,765	7,275	15,040	13.7%	15.5%
15 to 24	7,955	7,625	15,580	14.2%	12.6%
25 to 44	12,565	13,060	25,625	23.3%	26.3%
45 to 64	15,635	17,815	33,450	30.5%	30.0%
65+	9,010	11,035	20,045	18.3%	15.6%
Total	52,930	56,810	109,740	100.0%	100.0%

History

Since incorporation on March 1, 1906, Saanich has become a major residential area in the Capital Regional District. The history of Saanich and its pattern of settlement are still evident in many of the old buildings and structures located throughout the district. Geographically, elevations range from sea level to 213 meters, and the municipality is complemented by 817.49 hectares of fresh water lakes and 30 km of marine shoreline.

Saanich's appealing, clean environment, its recreation and parks amenities, skilled workforce & responsive public service make the municipality a great community to live, work & do business in.

Today, Saanich is the largest of the municipalities in Greater Victoria, with an area of 10,334 hectares and a population of approximately 114,000. Located in a core position within the metropolitan area – the Trans Canada Highway enters from the west and the Pat Bay Highway enters from the north, converging within the Municipality and running parallel into the City of Victoria. Traditionally, Saanich has been the bedroom community or “gateway” to the downtown core of Victoria, by virtue of its location and strong historical rural roots.

Saanich is a thriving community that benefits from strong infrastructure and a wide range of community-based services for youth, families, adults, and seniors. This infrastructure helps sustain local economic development, while meeting or exceeding social and environmental commitments.

ORGANIZATION PROFILE

The District of Saanich has a motto in Latin – "*Populo Serviando*" – which means serving the people. It is a message that all Councillors and staff take to heart in their respective roles.

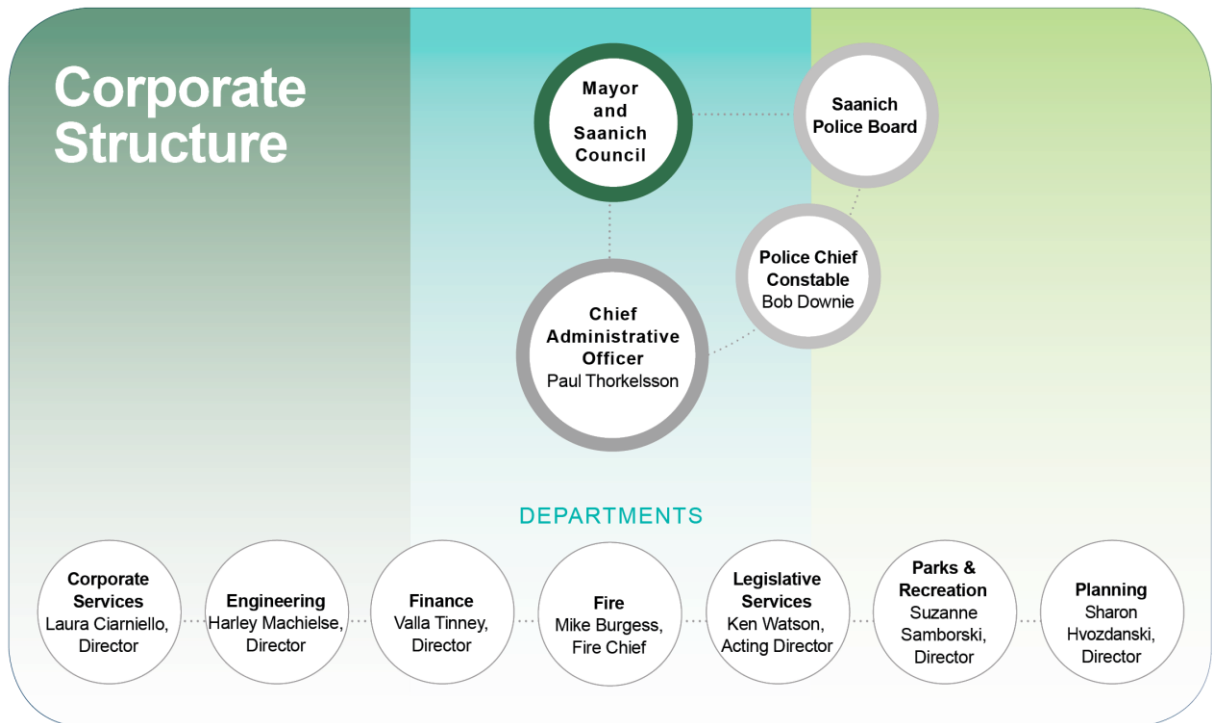
Saanich Council

The Saanich municipal council represents the citizens of Saanich and provides leadership as the legislative and policy-making body for the organization. Saanich Council is made up of a Mayor and eight Councillors who are elected for four-year terms. Saanich Council is comprised of the following members:

Mayor:	Richard Atwell	
Councillors:	Susan Brice	Dean Murdock
	Judy Brownoff	Colin Plant
	Vic Derman	Vicki Sanders
	Fred Haynes	Leif Wergeland

Senior Management Team

The Chief Administrative Officer (CAO) leads a senior management team responsible for providing recommendations to Council and coordinating the day-to-day operations of municipal staff. The senior management team also provides vision and leadership in the annual development and implementation of Strategic Plan initiatives. As illustrated in the following diagram, the senior management team consists of the CAO, Directors of the municipal departments, the Fire Chief and the Chief Constable:



STRATEGIC CONTEXT

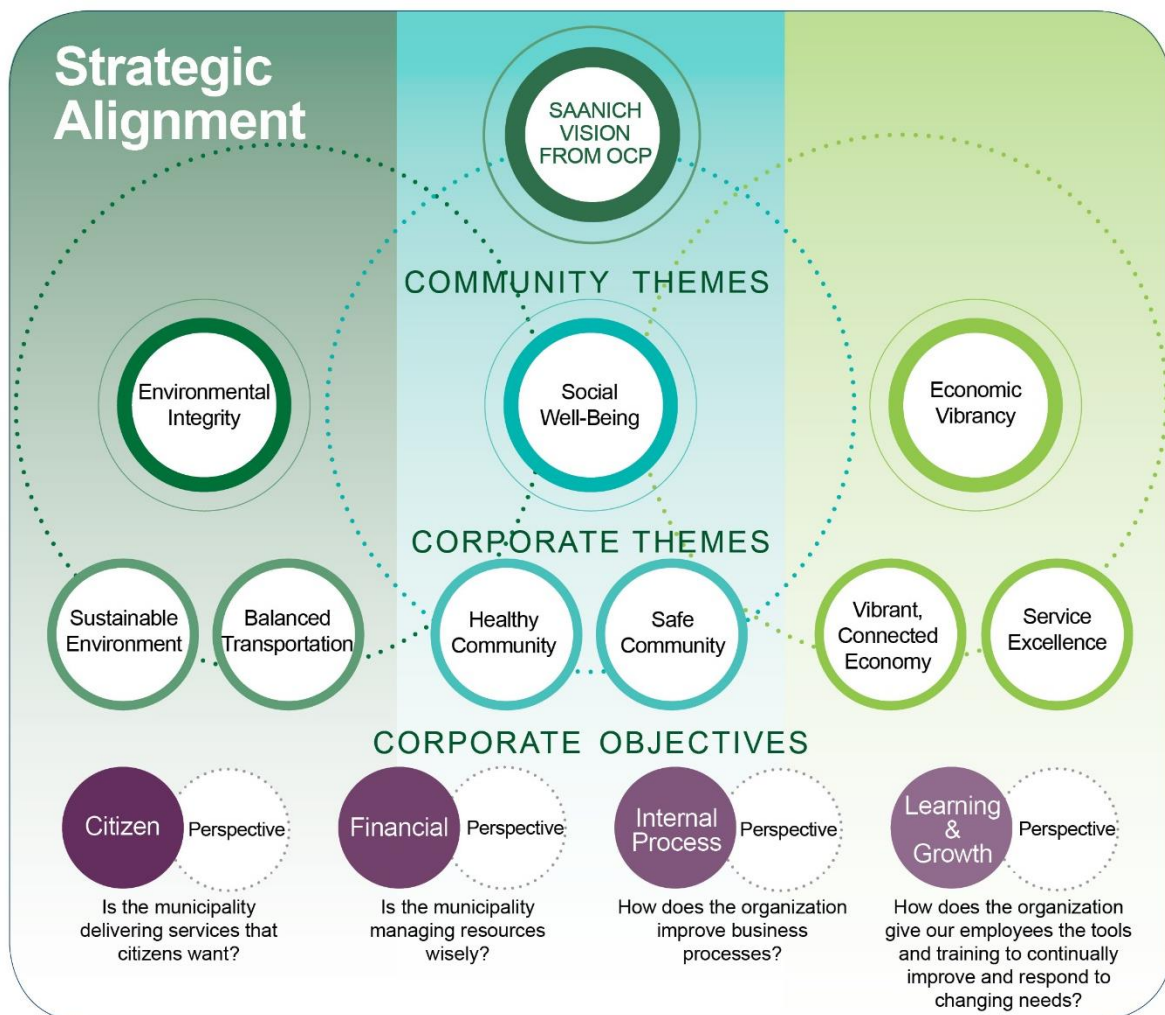
1. Strategic Plan

The Saanich Strategic Plan offers a framework to focus and measure progress towards the preferred future as a municipality. Specifically, moving towards and achieving the Saanich Vision. The development of the plan is based on public consultation involving council, citizens and staff. Using the Balanced Scorecard planning approach, the plan identifies priority initiatives within six key community themes aligned with Saanich's Official Community Plan's three overarching themes:

Environmental Integrity	Social Well-Being	Economic Vibrancy
➤ Sustainable Environment	➤ Healthy Community	➤ Vibrant, Connected Economy
➤ Balanced Transportation	➤ Safe Community	➤ Service Excellence

The value of using the Balanced Scorecard approach is its ability to address a traditional challenge within organizations: the need to effectively link long-term strategy (achieving the Saanich Vision) with short-term actions (annual departmental activities) in a balanced, integrated way. It helps do this by using four balanced perspectives; Customer, Financial, Internal Process and Learning and Growth to determine organizational objectives and priorities

Each of the six Corporate Theme Groups has cross-departmental representatives composed of staff members working toward the initiatives selected for the theme. The following diagram outlines the departmental groupings of each theme.



2. Financial Planning Process

Financial planning is an on-going year round process. The cycle begins in June and continues until the following May when the plan is adopted by Council:

June – August	Departmental Work Plans
August	Council adopts Budget Guidelines
August – October	Departmental Financial Plans
October – December	Draft Financial Plan
January	Senior Management Review
February – April	Public Budget Meetings
May	Final Financial Plan and bylaws adopted

Departmental Work Plans - Each department prepares a work plan that contains major activities to accomplish in the coming year, including those initiatives contained in the Strategic Plan.

Budget Guidelines – See details on page 13.

Departmental Financial Plans - Based on the activities planned for the next year, departmental budgets are compiled, outlining expected costs and associated revenue.

Draft Financial Plan - The departmental budgets are compiled to create a draft financial plan. The draft is compared to the current strategic plan to ensure consistency.

Senior Management Review – The Director of Finance and Chief Administrative Officer review the draft financial plan.

Public Meetings - Several public meetings are scheduled where each department presents its portion of the financial plan, allowing for public scrutiny and input.

Final Financial Plan - As input is received from the public and Council discusses financial plan priorities, the proposed financial plan is revised until a final version is reached. This becomes the document the District uses to develop the Financial Plan Bylaw. The property tax revenue requirement established in the Financial Plan Bylaw forms the basis for the tax rates approved through the property tax bylaw. The financial plan may be amended by bylaw at any time during the five-year period.

BUDGET GUIDELINES FOR 2017

Council Approved Budget Guidelines

At the August 15, 2016 meeting of Council, the following motion was passed:

WHEREAS Council supports staff taking advantage of any opportunities to increase operational efficiencies and cost saving initiatives and reporting on the impact, if any;

AND WHEREAS Council wishes to provide direction to staff for the preparation of the 2017 Financial Plan;

NOW THEREFORE Council resolves to establish the following Budget Guidelines for the 2017 Financial Plan upon which departmental submissions shall be based:

1. Preliminary 2017 departmental net budget totals will be limited to a 0.0% increase over the 2016 adopted net budget totals, exclusive of existing personnel costs, phased in funding for positions approved by Council in the prior year, core capital increases and non-discretionary expenditures;
2. Fleet rental rates will be limited to a maximum 1.0% increase over 2016 levels;
3. Existing personnel costs calculated using 2017 bargained rates (or estimates prepared by Finance if not known);
4. Funding for salary and benefit costs arising from Job Evaluation changes must be provided within existing budgets, with the exception of any impacts resulting from CUPE Letter of Understanding #11 – Job Evaluation, which will be negotiated and incorporated into the budget as a standalone item;
5. Capital expenditures funded from current taxation revenue (Core Capital) will be increased by 2% plus a maximum of 0.75% property tax increase to fund infrastructure replacement;
6. A maximum 0.10% tax increase for operating costs arising from previous year addition;
7. Resource requests for additional operating budgets (including one time projects) and new tax funded personnel will only be considered where critical capacity issues can be clearly demonstrated or where upfront investment will result in longer term savings as outlined in a business case. Resource requests will be reviewed by the senior management team and assessed for alignment with stated strategic priorities and overall corporate benefit. Capital projects will continue to be managed within existing capital budgets (including increases referenced in #5); and;
8. Budget reduction scenarios of 1.0% and 1.5% will be prepared and will include the impacts of reducing service levels, if any;

BUDGET POLICY AND PRINCIPLES

1. Financial Plan Policies and Assumptions

Balanced Financial Plan

The District of Saanich, under the Community Charter, is required to have a balanced financial plan. Expenditures may not exceed the total of revenues, transfers from reserves and proceeds from debt.

Financial performance is monitored through quarterly budget variance analysis at the department level and monthly at division and section levels.

Accounting

The accounting policies of the District 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 Accountants.

The District uses various funds to account for its revenue and expenditures. The revenue in each fund may be spent only for the purpose specified by 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 two years. Reserve funds accumulate revenue and interest that will be used to pay for major capital expenses in future years.

All funds (general, water utility, 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 water and sewer operations.

Water Utility Fund - provides for all revenues and expenses related to the operation of the municipal water system. Revenues are collected through water billing based on volume of water consumed.

Sewer Utility Fund - community sewage disposal system revenues and expenditure are accounted for separately. Revenues are primarily recovered from consumption based utility billings.

General Capital Fund (Capital Programs) - used to account for all capital expenditures.

Statutory Reserve Fund - used to account for all statutory reserve revenues and transfers.

The operating component of the Five Year Financial Plan is focused on 2017 but includes a general forecast for the balance of the five year horizon based on the following:

1. 0% annual inflation factor applied to most expenditures.
2. 1% annual inflation factor applied to fees and charges.
3. Wage and benefit costs per collective agreement commitments.
4. Water rates increased annually by an inflation factor of 2% for infrastructure replacement.
5. Sewer rates increased a minimum 3% annually for infrastructure replacement.

The capital component of the Five Year Financial Plan focuses on increasing infrastructure replacement to sustainable levels. This forecast is based on the following assumptions:

1. 2% annual increase in core capital funding from taxation.
2. Property taxation increased a minimum 0.75% annually for infrastructure replacement.
3. Debt servicing budget levels maintained within policy.
4. Federal gas tax funding allocated to transportation projects.
5. New infrastructure funding mainly relies on modest debt room, government grants, community contributions and operating budgets, and
6. All figures shown in current year (2017) dollars – no inflation allowance,

2. Revenue And Tax Policies

Proportion of Total Revenue: The Municipality will continue to pursue revenue diversification to minimize the overall percentage of revenue raised from property taxes wherever possible. The objective is to continue maintaining a reasonable tax burden by maximizing other revenue sources and shifting the burden to user fees and charges where feasible.

Distribution of Property Taxes: The Municipality will continue to set tax rates to ensure tax stability by maintaining a consistent proportionate relationship between classes and uniform annual tax increases. The 2015 – 2018 Strategic Plan target for the proportion of business property tax revenue is set at a minimum of 23%.

In order to maintain the current share of taxation between property classes and have a uniform tax increase, minor adjustments are made to the tax multiples to account for market based assessment variation between the classes.

Estimated tax rates are provided in the table below and provide for a balanced tax impact among property classes. These rates are based on the completed assessment roll and are subject to change upon receipt of the revised assessment roll. Properties in Supportive Housing Class 3 will remain tax exempt per Provincial regulation.

	<u>2016</u>	<u>2017</u>	<u>% Property Tax Levy</u>	<u>Tax Multiple</u>
Residential	3.8568	3.3367	76.29%	1.0000
Utilities	31.8954	31.7730	0.36	9.5222
Supportive Housing	3.8568	3.3367	0.00	1.0000
Light Industry	9.4304	9.0054	0.17	2.6989
Business/Other	13.3157	12.7229	23.08	3.8130
Managed Forest	22.3876	20.4726	0.00	6.1356
Rec/Non Profit	7.9211	8.1580	0.10	2.4449
Farm	0.5000	0.5000	0.00	0.1498

Permissive Tax Exemptions: The Municipality will continue to support local organizations through permissive tax exemptions. The objective is to consider exemptions individually on their merits, in context with the Saanich Strategic Plan.

3. Expenditure Policies

Debt Limit Policy

The Community Charter sets a limit on the amount of debt a Local Government may carry. The limit states that no additional debt may be issued if it would result in the total annual debt servicing costs exceeding 25% of the revenue collected in the previous year. At the end of 2016, the legal debt limit is such that average annual servicing costs cannot exceed \$44.7 million or total debt of \$514 million.

The municipality limits debt internally to a maximum of 7% of the property tax revenue collected in the previous year. At the end of 2017 this limits annual debt servicing costs to no more than \$7.8 million or total debt of \$89.5 million.

Debt principal repayments are charged to financial activities when payments are made.

4. Relationship Between Funds and District's Departments

While the District's finances are structured according to funds, its daily activities are structured by functional departments (e.g., Engineering Services, Fire, Police, etc.). Funds and departments overlap somewhat with some departments using all funds.

G - General
 R - Reserves
 W - Water Utility
 S - Sewer Utility

 GC - General Capital
 WC - Water Capital
 SC - Sewer Capital

<i>Use of Funds by Departments</i>							
<i>Department</i>	<i>Operating Fund</i>			<i>Capital Fund</i>			<i>Reserve Fund</i>
	<i>G</i>	<i>W</i>	<i>S</i>	<i>GC</i>	<i>WC</i>	<i>SC</i>	<i>R</i>
Administration	✓						
Corporate Services	✓			✓			✓
Finance	✓						
Legislative Services	✓						
Police Protection	✓			✓			✓
Fire Protection	✓			✓			✓
Emergency Program	✓			✓			✓
Planning & Development	✓						
Engineering	✓	✓	✓	✓	✓	✓	✓
Parks & Recreation	✓			✓			✓
Cultural	✓						

5. Staffing Level In 2017

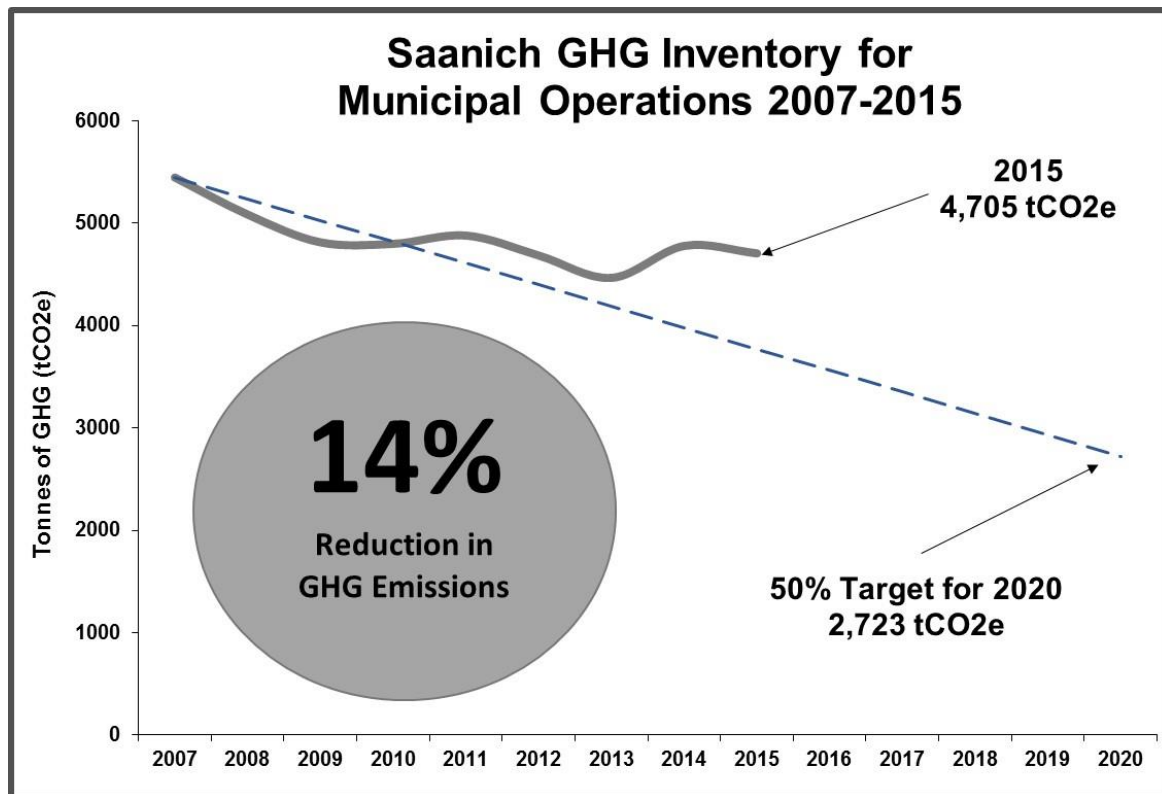
Between 2016 and 2017, total full-time equivalent (FTE) positions are expected to increase by a net of 2.44 FTE or 0.23%. Details listed below:

Full time Equivalent (FTE) Employees						
Department	2015	2016	2017	FTE Change	Description of Change	
Administration	3.07	3.07	3.07	-		
Corporate Services	42.72	43.66	43.66	-		
Finance	32.44	34.08	34.70	0.62	FTE increase due to addition of a Financial Analyst position approved prior year.	
Legislative Services	19.81	19.62	19.41	(0.21)	0.21 FTE decrease is due to reduction in one time funding for project work in Archives.	
Police Protection	241.88	248.33	246.46	(1.87)	Net impact of temporary increase in 2016 for pre-hires due to retirements and full year for 1 civilian and 4 patrol positions	
Fire Protection	125.50	126.17	126.45	0.28	FTE increase due to Administrative Assistant approved prior year.	
Emergency Program	3.00	3.00	3.00	-		
Planning & Development	46.61	46.61	46.61	-		
Engineering (includes utilities)	256.82	255.33	256.52	1.19	FTE increase is due primarily to addition of Building Service labour to maintain the new Police offices on	
Parks & Recreation	296.83	300.40	302.83	2.43	Net Increase of 1.56 FTE in recreation centres to accommodate for increases in recreation programs, 0.87 FTE increase in Community Services due to addition of youth leaders approved prior year.	
Total	1,068.68	1,080.27	1,082.71	2.44		

Change in Carbon Footprint

The municipality has made a Climate Action Plan commitment to reduce carbon footprint by 50% of 2007 levels by the year 2020. 2016 Carbon amounts will be available with the final budget document in April.

Carbon Footprint (tCO ₂ e)					
Department	2014	2015	2016 TBD	GHG Change	Description of Change
Administration	8	8		(8)	
Coporate Services	40	38		(38)	
Finance	38	35		(35)	
Legislative Services	35	35		(35)	
Police Protection	592	596		(596)	
Fire Protection	202	192		(192)	
Planning & Development	60	57		(57)	
Engineering (includes utilities)	1,730	1,686		(1,686)	
Parks & Recreation	2,073	2,058		(2,058)	
Total (Baseline 2007 = 5,446)	4,778	4,705	-	(4,705)	



BUDGET PLANNING ISSUES

1. 2017 Financial Planning Issues

Preparation of the 2017 budget proposal has taken into account the following financial planning issues:

Infrastructure – Replacement of aging infrastructure is a priority. An overall plan to increase capital funding to reach sustainable levels by 2019 is in place. This increased spending is estimated at a minimum of 0.75% property tax increase per year in addition to the inflationary cost increase of operations. This target is reviewed each year. Capital program funding from utility charges have also been increased at a minimum of 3% per year for Sewer. Water rates increased annually by an inflation factor of 2% for infrastructure replacement.

Wage and benefit costs – The Police Association and CUPE collective agreements expired December 2015. Negotiations will be conducted over the coming year. Negotiated Fire increase for 2017 is 2.5%.

Growth – The District experienced modest growth in 2016 which is in line with the historical levels for new tax and permit revenues.

New Infrastructure Maintenance and Services Operating Cost - For 2017, an additional 0.1% tax increase was applied primarily to fund maintenance for new parks, trails and trees, and sweeping, road markings and cleaning of new roads, sidewalks, bike lanes and bus shelters.

Non-discretionary expenditures – For 2017, an additional 1.18% tax increase was applied to budget for non-discretionary items such as maintenance contracts and software licensing, lease and maintenance costs for additional policing space, and various contract services.

Water costs – A large proportion of water costs (39% for 2017) are bulk water purchases from the CRD. These costs are subject to change each year dependant on CRD regional infrastructure work and operating costs, however, the CRD has indicated that their rate increases will be below 2% annually for the next four years.

Sewer costs – A significant proportion of overall sewer costs are from CRD regional Sewage Treatment. CRD sewer charges increased by 14.84% over last year due to operational cost increases and to fund new Liquid Waste Management Plan mandated regional sewer treatment.

2. 2018 – 2021 Financial Planning Issues

Future year budget planning will take into account the following more significant issues:

Economic uncertainty – Economic impact on the local community due to trade and regulation uncertainty with the United States, Canada's largest trading partner.

Provincial grants – Unconditional operating grants of \$1.56 million are paid annually by the Province of BC based on sharing of traffic fine revenues. It is uncertain whether this grant will continue in the long term given the current economic climate. Should the grant be discontinued the equivalent effect would be a 1.40% tax increase on property taxes or an equivalent reduction in programs or services that are funded by this grant.

Wage costs uncertainty – The extent of possible wage cost impact is uncertain at this time as contract negotiations with CUPE and the Police union are in progress. Public Safety and CUPE settlements continue to trend at higher than annual CPI increases.

Benefit costs increases – Based on historical trends and future outlook from benefit providers, all benefits will be experiencing increases in the long term due to aging workforce, longer life spans and rising health care costs.

Water purchases – Water sale volumes in the municipality have started to stabilize after declining for many years due to homeowner's conservation of water use. The cost of bulk water purchases from the CRD is also expected to be less than 2% in the next several years due to water consumption no longer declining.

Sewer costs – Continued increases to the regional sewer charges are anticipated over the coming years as the provincially mandated regional sewer treatment system is built and operations commence.

Infrastructure Replacement – The overall plan to increase capital funding to sustainable levels by 2019 requires consistent funding increases over the next two years.

General Operating Fund

The total tax levy for the General Operating Fund is proposed to increase by \$5,494,800 or 3.95% or \$96.78 to the average single family homeowner in 2017.

The increase in property tax revenue this year is made up of a 1.25% increase for core Municipal and Police operations, 1.42% in infrastructure replacement funding to continue the commitment to reach sustainable funding levels by 2019, 1.18% for non-discretionary costs and 0.10% for the Greater Victoria Public Library.

BUDGET SUMMARY	
2017 Tax Levy	\$ 116,653,000
2016 Tax Levy	\$ 111,158,200
Budget Change	\$ 5,494,800
Average Single Family Homeowner Increase %	3.95%
2017 FTE	1010.01
2016 FTE	1007.57
FTE Change	2.44
FTE Change %	0.24%
2016 Carbon Footprint (CO _{2e})	TBD Tonnes
2015 Carbon Footprint (CO _{2e})	4646 Tonnes
Carbon Footprint Change	(0) Tonnes

BUDGET ITEM	Budget Increase \$	Tax Increase %
Operating Increases		
Core budget		
Existing personnel costs	2,405,850	2.16%
Prior year commitments	507,442	0.46%
New Inventory Funding	111,158	0.10%
Other	14,386	0.01%
Non-discretionary increases	<u>1,316,752</u>	<u>1.18%</u>
General Municipal Core Operating Increase	\$ 4,355,588	3.92%
Additional revenue	(545,129)	
Tax Revenue from new sources	<u>(1,100,000)</u>	<u>-1.48%</u>
Core Increase to Existing Taxpayers	\$ 2,710,459	2.44%
Additional Increase for Capital Infrastructure	1,575,830	1.42%
Total Municipal Increase	\$ 4,286,289	3.86%
Greater Victoria Public Library	108,586	0.10%
Net Increase to Existing Taxpayers	<u>\$ 4,394,875</u>	<u>3.95%</u>

BUDGET SUMMARY BY OBJECT

Budget By Object	Actual	Actual	Budget	Budget	% Change
EXPENDITURES	2015	2016	2016	2017	2017/2016
Personnel	98,922,300	95,508,200	95,853,400	99,754,700	4.07%
Goods and Services	33,079,400	34,462,500	31,796,700	32,570,900	2.43%
Fiscal Services	2,790,600	2,716,700	3,388,200	3,291,100	(2.87%)
Grants, Overheads & Transfers	12,783,400	13,002,100	17,724,100	19,052,400	7.49%
Capital (tax funded portion only) (1)	11,920,300	12,305,200	12,472,100	13,500,800	8.25%
TOTAL	159,496,000	157,994,700	161,234,500	168,169,900	4.30%
REVENUES AND RECOVERIES					
Property Taxation	(106,691,600)	(110,908,300)	(111,158,200)	(116,653,000)	4.94%
Parcel Tax	(21,700)	(21,400)	(21,400)	(20,000)	(6.54%)
Other Corporate Revenues	(7,579,700)	(7,321,500)	(7,226,700)	(7,360,300)	1.85%
Other Departmental Revenues	(29,059,900)	(30,309,400)	(26,483,200)	(27,254,400)	2.91%
Inter-Departmental Recoveries (2)	(9,286,700)	(9,587,700)	(10,290,600)	(11,511,900)	11.87%
Transfer from Reserves (3)	(8,798,400)	(2,178,500)	(6,008,400)	(5,302,900)	(11.74%)
Other Grants	(170,400)	(190,700)	(46,000)	(67,400)	0.00%
TOTAL	(161,608,400)	(160,517,500)	(161,234,500)	(168,169,900)	4.30%
NET OPERATIONS	(2,112,400)	(2,522,800)	-	-	0.00%

1. Property tax based capital funding increased 8.25% to continue progress to sustainable funding levels.
2. Inter-Departmental Recoveries increased by 11.87% to recognize actual recovery levels.
3. Transfers from Reserves - decrease in projects funded from reserves

Budget Summary by Function:

Operating Budget	Actual	Actual	Budget	Budget	% Change
ALL DEPARTMENTS	2015	2016	2016	2017	2017/2016
Property Taxation	(106,691,600)	(110,908,300)	(111,158,200)	(116,653,000)	4.94%
Parcel Tax	(21,700)	(21,400)	(21,400)	(20,000)	(6.54%)
Utility and Hotel Tax	(1,535,500)	(1,542,100)	(1,494,700)	(1,505,100)	0.70%
Grants In Lieu	(2,251,500)	(2,307,300)	(2,168,400)	(2,292,500)	5.72%
Interest and Penalties	(1,794,200)	(1,594,300)	(1,722,000)	(1,708,400)	(0.79%)
Other Revenues	(440,000)	(323,700)	(283,100)	(300,200)	6.04%
Capital Contribution	11,920,300	12,305,200	12,472,100	13,500,800	8.25%
Net Departmental Cost	98,701,800	101,869,100	104,375,700	108,978,400	4.41%
SURPLUS/DEFICIT	(2,112,400)	(2,522,800)	-	-	0.00%

Property Taxation - The largest single source of revenue for the Municipality is property taxes. Property taxes are levied on owners of property situated in Saanich based on the assessed value of their property. This core budget provides for a 3.95% increase in municipal property taxes to the average single family homeowner with an assessed value of \$758,700 and to average business properties. The remaining increase in property taxes is from new tax revenues on construction completed during the previous year.

Utility and Hotel Tax - This includes the 1% revenue tax from utilities such as Fortis, Shaw, BC Hydro and Telus and 2% hotel revenue tax on hotels that operate within Saanich. These are projected to continue to increase marginally in the future.

Grants in Lieu - Grants in Lieu are similar to property taxes and are paid by Federal and Provincial Crown Agencies. Because these agencies are exempt from property taxation by law, they pay the

Municipality a grant in lieu of the property taxes they would otherwise pay. These grants are projected to increase in the future in line with assessment changes.

Provincial Grants - The Province continues to provide a single unconditional grant program to share traffic fine revenues. These funds are used to offset on-going public safety programs in the Saanich Police Department. A portion of the funds is transferred to the Police Equipment Replacement Reserve and used to fund police capital costs recommended by the Police Board and approved by Council. This grant continues to be marginally reduced every few years.

Interest and Penalties - The majority of revenues are collected in July whereas expenses are paid throughout the year. Until expenses are incurred, funds are available to invest. Revenue from these investments is an important source of operating funds and reduces the amount needed from property taxes. Investment returns remained similar to 2015 and are projected to remain consistent in the near future. Property owners who do not pay their property taxes by the deadline are assessed penalties and interest based on provincial legislation.

Other Revenues - This includes a mixture of sundry revenues such as early payment discounts, refund of worker's compensation payments and school tax collection commissions.

Capital Contribution - A portion of the core capital program is funded from property taxation. This continues the practice of increasing capital funding from property taxation by an additional minimum of 0.75%.

Net Departmental Cost

Net departmental operating costs include total expenditure less revenues or recoveries generated by the departments. The net departmental costs are projected to rise by \$4,602,700 or 4.41% in 2017.

Specific details for each department have been provided in the departmental budget section later in this document.

Net Department Budget	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Administration	1,685,500	1,772,100	1,792,600	1,873,600	81,000	4.52%
Corporate Services	4,391,300	4,979,200	5,293,700	6,184,300	890,600	16.82%
Finance	1,910,400	2,644,500	3,083,700	3,208,500	124,800	4.05%
Fiscal Services	6,196,800	6,374,800	7,030,200	7,568,200	538,000	7.65%
Legislative Services	2,539,800	2,740,100	2,670,500	2,755,100	84,600	3.17%
Police Protection	30,577,600	30,614,200	30,984,300	32,312,200	1,327,900	4.29%
Fire Protection	16,349,900	17,162,400	17,102,500	17,762,000	659,500	3.86%
Emergency Program	388,800	356,100	417,000	421,200	4,200	1.01%
Planning and Development	2,092,100	1,629,700	2,446,600	2,465,000	18,400	0.75%
Engineering	11,980,100	12,195,300	12,372,400	12,718,100	345,700	2.79%
Parks and Recreation	14,745,200	15,397,600	15,196,800	15,619,700	422,900	2.78%
Cultural	5,844,300	6,003,100	5,985,400	6,090,500	105,100	1.76%
TOTAL	98,701,800	101,869,100	104,375,700	108,978,400	4,602,700	4.41%

Council, Administration and Grants

This budget provides for the operation of Municipal Council, committees and corporate administration.

In addition various special events and community grant programs are grouped under this heading.

The **Council and Committees** section provides for the direct costs of Council and committees activities.

The **Administration** section is responsible for corporate leadership for all municipal operations and providing strategic advice to Council.

The **Grants** section provides for a mixture of community, social, environmental and other grants to organizations in the Greater Victoria Area as approved annually by Council.

BUDGET SUMMARY	
2017 Net Budget	\$ 1,873,600
2016 Net Budget	\$ 1,792,600
Budget Change	\$ 81,000
Change by %	4.52%
2017 FTE	3.07
2016 FTE	3.07
FTE Change	0
FTE Change %	0.00%
2016 Carbon Footprint (CO2e)	8 Tonnes
2015 Carbon Footprint (CO2e)	8 Tonnes
Carbon Footprint Change	0 Tonnes

CORE BUDGET

The Department's 2017 Budget of \$1,873,600 represents a 4.52% increase over prior year.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	%Change
	2015	2016	2016	2017	2017/2016	2017/2016
Council & Committees	516,500	505,000	510,800	510,400	(400)	(0.08%)
Administration	426,700	455,400	504,100	500,100	(4,000)	(0.79%)
Grants	742,300	811,700	777,700	863,100	85,400	10.98%
Total	1,685,500	1,772,100	1,792,600	1,873,600	81,000	4.52%

- Grants - increase due mainly to approved additional funding for Regional Economic Development Strategy.

Corporate Services

The **Corporate Services Department** is comprised of: Communications, Human Resources, Information Technology and Occupational Health and Safety.

The **Communications Section** provides support for internal and external communications. This support includes the Saanich website(s), intranet, social media, media relations, print publications and public participation activities. The Section also provides customer service and information to the general public and Saanich staff through the Municipal Hall reception desk.

The **Human Resources Division** provides support to a work force of approximately 1,600 employees. The Division provides a full range of Human Resources services to managers, employees, and the public. These include; recruitment and selection, job evaluation, learning and development, employee recognition, wellness management, support for succession planning initiatives and employee and labour relations, and employee records management. The Division supports managers and employees to meet operational demands and to achieve their strategic goals.

The **Information Technology Division** provides computer and technology to nine different locations. The Information Technology Division operates a Helpdesk for internal support, conducts technology training courses, assesses new products and upgrades existing corporate applications. Network Services operates a geographical dispersed integrated data and voice network with secure access to the internet. The Saanich website is maintained in conjunction with a group of departmental web authors throughout the organization.

The **Occupational Health and Safety Division** provides a comprehensive corporate safety program that meets the Certification of Recognition standards of the Worksafe BC program. This program includes safety prevention support for all employees of the municipality and return to work support for injured employees.

BUDGET SUMMARY	
2017 Net Budget	\$ 6,184,300
2016 Net Budget	\$ 5,293,700
Budget Change	\$ 890,600
Change by %	16.82%
2017 FTE	43.66
2016 FTE	43.66
FTE Change	0.00
FTE Change %	0.00%
2016 Carbon Footprint (CO2e)	TBD Tonnes
2015 Carbon Footprint (CO2e)	38 Tonnes
Carbon Footprint Change	Tonnes

2017 BUDGET CHALLENGES

- Meeting the increasing legislative requirements and fluctuating demands for Human Resources and Safety services and support.
- Ongoing maintenance and upgrading of IT infrastructure to implement strategic plan initiatives and to ensure that service levels can be met.
- Challenges with recruitment of qualified IT staff and ensuring staff capacity to complete approved capital projects.
- Retirements of long term employees – resulting in increased recruitment and training of new employees to transfer the knowledge base.
- Resources to implement the security component of the privacy program – keeping citizen and municipal data safe and ensuring it is used by authorized staff and for the purposes for which it was collected.

KEY 2016 ACCOMPLISHMENTS

Communications Section

- Successfully launched and maintained Saanich’s new website – Saanich.ca
- Implemented a social media strategy, enabling the District to become more active on mainstream social media channels.
- Issued 40 media releases since January 2016 - a 60 % increase from last year.
- Raising awareness of external communication throughout the organization.

Human Resources Division

- Successfully refreshed the CUPE Job Evaluation Plan; reformatted job descriptions and completed Job Evaluation reviews for every position within the District.
- Effectively supported the recruitment and selection of 225 positions throughout the organization.
- Improved and streamlined the Duty to Accommodate process for staff, union and management – Many employees have been successfully returned to meaningful work.

Information Technology Division

- Upgraded the server and storage systems to provide capacity for current needs and future growth.
- Established the JD Edwards technology infrastructure to provide for and support the upgrade of the financial system.

Occupational Health and Safety Division

- Implemented an expanded program for workplace injury management, including a new policy, procedures, kits, and corporate-wide training.
- Updated, enhanced and trained staff on programs on fall protection and WHMIS 2015.
- Initiated a project to update and expand job demand analyses for positions where Saanich sees the most injuries.

2017 KEY PRIORITIES

Priority Strategic Initiatives include:

Service Excellence

- Implement business system technology resource planning.
- Strengthen the information technology foundation.
- Implement webcasting of Council meetings.

Priority Departmental Initiatives include:

1. CUPE and Police Collective Bargaining	Conclude a new collective agreement with the Unions. Implement and train staff of changes.	L1 Service Excellence
2. Safety Training	Create and conduct a Supervisory Orientation training program	L1 Service Excellence
3. JD Edwards HR and Payroll system	Implement the new HR / Payroll system	L1 Service Excellence

CORE BUDGET

The core budget for 2017 of \$6,184,300 represents a 16.82% increase over prior year.

Net Budget By Function	Actual 2015	Actual 2016	Budget 2016	Budget 2017	\$ Change 2017/2016	% Change 2017/2016
Corporate Services	577,100	608,800	632,900	660,900	28,000	4.42%
Human Resources	1,029,200	1,072,500	1,165,200	1,176,600	11,400	0.98%
Information Technology	2,766,200	3,269,200	3,495,600	4,346,800	851,200	24.35%
Occupational Health/Safety						
Revenue	(524,500)	(518,700)	(527,200)	(552,900)	(25,700)	4.87%
Expense	<u>543,300</u>	<u>547,400</u>	<u>527,200</u>	<u>552,900</u>	<u>25,700</u>	<u>4.87%</u>
Total	18,800	28,700	-	-	-	0.00%
Total	4,391,300	4,979,200	5,293,700	6,184,300	890,600	16.82%

- Corporate Services – wage increments.
- Information Technology – wage increments and increase in non-discretionary costs for strategic plan initiatives - IT foundation: licensing for JDE upgrade and managed services, HCI, Network, Offsite Data Centre and Fire Dispatch software and hardware maintenance.
- Occupational Health/Safety – wage increments.

Finance

The Finance Department is responsible for the overall management of the financial affairs of the municipality and the procurement of all required goods and services.

The **Accounting and Audit Section** provides accounting and audit services for over \$250 million in annual expenses and revenues; cash management of up to \$210 million in investments to maximize the returns and provide additional income to both operating and reserve funds; accounts payable processing of over 11,100 cheque and electronic fund transfer payments and 42,000 invoices annually; coordination of the production of five different payroll groups paid on a bi-weekly basis and benefits records maintenance for over 1,800 staff.

BUDGET SUMMARY	
2017 Net Budget	\$ 3,208,500
2016 Net Budget	\$ 3,083,700
Budget Change	\$ 124,800
Change by %	4.05%
2017 FTE	34.70
2016 FTE	34.08
FTE Change	0.62
FTE Change %	1.82%
2016 Carbon Footprint (CO2e)	TBD Tonnes
2015 Carbon Footprint (CO2e)	35 Tonnes
Carbon Footprint Change	Tonnes

The **Revenue Collection Division** processes all revenues including property taxes, utility bills, dog licenses, business licenses and recreation programs. Over 111,900 utility bills, 42,900 tax notices and 4,600 business licenses are produced annually. This section also manages a pre-approved instalment tax payment system and a web based online payment system.

The **Financial Services Division** provides a complete range of purchasing services to all departments. Over 210 quotations, tenders and requests for proposals totalling \$40 million dollars are managed and processed in a year. The division also supports departments with their financial analysis and coordinates the annual budgeting process and financial policy development.

Finance also manages the corporate Contingency & Administration Recoveries, as well as, general Government Service budgets, which contain budget items that are attributable to the whole organization such as retirement severance pay.

2017 BUDGET CHALLENGES

- Resources for procurement processes due to increased complexity and volume.

KEY 2016 ACCOMPLISHMENTS

- GFOA Financial Reporting Award received.
- GFOA Distinguished Budget Presentation Award received.
- Implementation of JD Edwards (Financial Software) upgrade.
- Development of DCC transition plan.

2017 KEY PRIORITIES

Priority Strategic Initiatives include:

Vibrant, Connected Economy

- Maintaining comparable taxes and fees within the Victoria Region.
- Maintaining infrastructure replacement capital spending.

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Capital Budgeting, Monitoring and Reporting	Enhance the financial management of capital projects from inception to completion	P3 Service Excellence
2. JD Edwards HR and Payroll system	Implement the JDE HR / Payroll system and migrate data from the old HR / Payroll system	L1 Service Excellence
3. Tempest Software Upgrade	Platform technical upgrade which will impact some user processes	L1 Service Excellence
4. Implementation of new recreation software program	Assist with the acquisition and implementation of a new recreation software system	L1 Service Excellence

CORE BUDGET

The Department's total 2017 net core budget is \$3,208,500 and it represents a 4.05% increase over prior year. Excluding contingency and government services the 2017 net core budget of \$2,649,500 is an increase of 5.46% over prior year.

Net Budget By Function	Actual 2015	Actual 2016	Budget 2016	Budget 2017	\$ Change 2017/2016	%Change 2017/2016
Accounting and Payroll	1,572,200	1,598,500	1,721,100	1,820,500	99,400	5.78%
Revenue Collections						
Revenue	(673,900)	(700,400)	(674,000)	(676,300)	(2,300)	0.34%
Expense	859,400	944,800	892,800	911,700	18,900	2.12%
Total	185,500	244,400	218,800	235,400	16,600	7.59%
Purchasing	506,700	537,800	572,400	593,600	21,200	3.70%
Total Operations	2,264,400	2,380,700	2,512,300	2,649,500	137,200	5.46%
Contingency & Administration Recoveries	(1,267,700)	(871,400)	(322,700)	(339,600)	(16,900)	(5.24%)
Government Services	913,700	1,135,200	894,100	898,600	4,500	0.50%
Total	1,910,400	2,644,500	3,083,700	3,208,500	124,800	4.05%

- Accounting and Payroll – full year funding of the 2016 approved Budget Analyst position.
- Purchasing – wage increments.

Fiscal Services

Under the Community Charter, all long term debenture financing is coordinated by the Capital Regional District through the Municipal Finance Authority. There are two debenture issues per year, spring and fall. To authorize the financing request, a Council resolution is required.

As of December 2016, the total outstanding debt in the general operating fund is approximately \$25.4 million. This is projected to increase by \$9.5 million during the year, bringing total outstanding general operating debt to about \$34.9 million (\$44.4 million including utilities) by December 2017.

This remains well within guideline of a maximum of 7% of property tax revenue. This is \$7.8 million in annual debt servicing cost or about \$89.5 million in total debt at current rates. The total legal borrowing limit for Saanich is \$514 million.

The average homeowner's share of servicing debt per capita is \$21 (\$21 in 2016 adjusted for the new census data).

The debt servicing budget is maintained each year within Debt Policy levels. The debt service room is used each year for capital projects through expenditure or transfer to reserves until such time as it is needed. In 2017, transfers will support technology infrastructure.

Royal Oak Burial Park debt servicing costs of \$62,929 per year are 100% recovered.

CORE BUDGET

Core budget increase of 7.65% reflects the policy of increasing the fiscal services budget to 7% of property tax revenue. Funds that are not needed in 2017 for debt servicing are transferred to capital reserves to support current and future capital asset replacement.

BUDGET SUMMARY	
2017 Net Budget	\$ 7,568,200
2016 Net Budget	\$ 7,030,200
Budget Change	\$ 538,000
Change by %	7.65%
FTE	n/a
Carbon Footprint (CO_{2e})	n/a

Net Budget By Function	Actual 2015	Actual 2016	Budget 2016	Budget 2017	\$ Change 2017/2016	% Change 2017/2016
Interest	685,800	691,000	1,296,800	994,900	(301,900)	(23.28%)
Principal	1,071,600	1,096,000	1,145,600	1,403,000	257,400	22.47%
Transfer to Capital Reserves	4,439,400	4,587,800	4,587,800	5,170,300	582,500	12.70%
Total	6,196,800	6,374,800	7,030,200	7,568,200	538,000	7.65%

- Interest – one debt maturing, one debt refinanced reducing interest payments by \$120,000 and some borrowing delayed as related projects are still in progress.
- Principal – payments on IT and Golf Course equipment financing of \$184,000 is new in 2017.

Legislative Services

The Legislative Services Department comprises the Lands, Legal, Legislative, and Risk Management Divisions, and the Archives and Strategic Planning Sections. The Department provides a diverse variety of external and internal customer services.

The **Lands Division** acquires, manages, and disposes of real property on behalf of the Municipality. The Division negotiates, prepares and registers Municipal rights-of-way, and supports the subdivision process. The Division manages the rental housing stock and the Mt. Douglas and Mt. Tolmie communication facilities.

The **Legal Division** provides legal services to the Municipality and is responsible for providing advice to Council and staff, preparing legal documents, negotiating contracts, managing legal proceedings, and representing the municipality on treaty advisory claims. The Division works closely with the Risk Management Division to manage and settle claims, and the Lands Division to complete real property acquisitions and dispositions.

The **Legislative Division** is responsible for corporate administration, and provides management, information and support services for Council, its advisory committees, and the Board of Variance. The Division administers the *Freedom of Information and Protection of Privacy* legislation and oversees the corporate records management program. The Division also conducts the local government elections, referenda, and elector approval processes. The **Archives Section** as part of the Legislative Division collects and preserves the documentary heritage of Saanich and makes this information available through public reference room services, website resources, and public outreach.

The **Risk Management Division** promotes policies and procedures designed to prevent incidents causing loss. The Division is also responsible for managing an insurance program that sustains the Municipality's ability to deliver services to the community. The Division receives, investigates and adjusts claims filed by citizens or businesses and assists with recovery of costs when the Municipality suffers a loss as a result of a third party.

The **Strategic Planning Section** manages and supports the strategic planning and progress reporting processes, providing corporate advice and coordination on reporting for the past year, implementation in the current year, and planning for future years. The Section also undertakes other corporate initiatives such as the citizen and business surveys which provide feedback to help guide corporate decision making.

BUDGET SUMMARY	
2017 Net Budget	\$ 2,755,100
2016 Net Budget	\$ 2,670,500
Budget Change	\$ 84,600
Change by %	3.17%
2017 FTE	19.41
2016 FTE	19.62
FTE Change	(0.21)
FTE Change %	(1.07%)
2016 Carbon Footprint (CO2e)	TBD Tonnes
2015 Carbon Footprint (CO2e)	27 Tonnes
Carbon Footprint Change	Tonnes

2017 BUDGET CHALLENGES

- Resources for policy development and long range planning with respect to property assets.
- Meeting the increased need for legal services due to complexity of issues.
- Meeting the increased requirements for the provision of management and support services for Council and its committees
- Resources for implementation of the privacy management and records management programs.
- Regular appraisal services to determine asset replacement costs for insurance purposes.

- Resources for policy development and corporate risk analysis appropriate for a Municipality of the size and complexity of Saanich.

KEY 2016 ACCOMPLISHMENTS

- Undertook lease and licence renewal agreements; acquired property and rights-of-way; completed agreements for the disposal of surplus municipal property.
- Continued implementation of the privacy management program based on the comprehensive privacy management plan.
- Continued to implement the records management program, including a review of the records classification and retention schedule and Council adoption of a records management bylaw.
- Continued the multi-year “Saanich Remembers World War One” project to commemorate the men and women of Saanich who served in the First World War; partnered with the GVPL to hold a public lecture series.
- Held risk management workshops for staff and conducted risk assessments on parks, facilities and equipment in order to prevent loss.
- Updated the look and feel of the 2015 Annual Report, including a greater use of infographics, to ensure easier access to the information across a broader audience.

2017 KEY PRIORITIES

Priority Strategic Initiatives include:

- Integrate and improve the management of electronic records.
- Implement webcasting of Council meetings.

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Privacy Management and Records Management Programs	Continue to implement these foundational corporate programs.	P3 Service Excellence
2. Policy Review	Review and update the policies for the acquisition and disposition of property and the management of municipal lands holdings.	P3 Service Excellence
3. Animals Bylaw Update	Prepare a new Animals Bylaw, separating out and enhancing kennel regulations.	P3 Service Excellence
4. 2018 Local Government Elections	Begin planning for the 2018 elections including a review of available technologies to replace the aging electronic voter system.	C1 Healthy Community L2 Service Excellence
5. Saanich Remembers WW1 Project	Continue the multi-year project.	C1 Healthy Community

CORE BUDGET

The Department's 2016 net core budget of \$2,755,100 represents a 3.17% increase over prior year.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Legal Services	590,000	655,500	478,200	545,700	67,500	14.12%
Strategic Planning	132,000	155,300	162,000	164,600	2,600	1.60%
Legislative	839,400	910,400	969,300	991,800	22,500	2.32%
Archives	183,900	177,000	187,200	190,500	3,300	1.76%
Risk Management	278,000	290,700	287,900	287,900	0	0.00%
Insurance & Claims	590,000	619,700	610,600	610,600	-	0.00%
Lands/Property Management						
Revenue	(596,200)	(571,800)	(567,600)	(576,600)	(9,000)	1.59%
Expense	<u>522,700</u>	<u>503,300</u>	<u>542,900</u>	<u>540,600</u>	<u>(2,300)</u>	<u>(0.42%)</u>
Total	(73,500)	(68,500)	(24,700)	(36,000)	(11,300)	45.75%
Total	2,539,800	2,740,100	2,670,500	2,755,100	84,600	3.17%

- Legal Services – align legal services budget using the average of three year historical levels.

Police Services

The Mission of the Saanich Police is to provide quality service by working with the community to keep Saanich Safe.

The police department consists of the Saanich Police Board providing civilian oversight to the Office of the Chief Constable, which is responsible for delivering services through the following divisions: Administration, Community Engagement, Detectives, Patrol, Professional Standards, and Staff Development.

The Saanich Police Strategic Plan identifies policing priorities and goals, and guides decisions, especially in relation to resource acquisition and allocation. It reinforces the strong community-focused services of the Saanich Police.

BUDGET SUMMARY	
2017 Net Budget	\$ 32,312,200
2016 Net Budget	\$ 30,984,300
Budget Change	\$ 1,327,900
Change by %	4.29%
2017 FTE	246.46
2016 FTE	248.33
FTE Change	(1.87)
FTE Change %	(0.75%)
2016 Carbon Footprint (CO2e)	TBD Tonnes
2015 Carbon Footprint (CO2e)	609 Tonnes
Carbon Footprint Change	Tonnes

Council's commitment to providing appropriate resources to the police department, along with organizational restructuring, increased staffing levels, the introduction of advanced technology, improved facilities, and engagement in activities that have balanced pro-active and reactive policing strategies, have all made a positive impact on community safety and policing effectiveness.

Continued effort and specific strategies will be required to meet the increasing demands placed on police services in general, and for the Saanich Police specifically. This presents an important challenge to address, as the ongoing investments that will be required place a significant financial burden on Saanich in years to come.

2017 BUDGET CHALLENGES

The challenge for 2017 is to meet immediate budgetary requirements in consideration of financial pressures expected in future years. Budget requirements for 2017 include:

- Both the Saanich Police Association and CUPE contracts are expired and funding is required for anticipated wage settlements.
- Police and civilian positions hired in 2016 were funded for part of the year, resulting in a further increase in 2017 to annualize those wages and benefit costs.
- Expenses associated to occupying new building space, such as building maintenance, and phone and data services, require ongoing operational funding.
- Costs for the Capital Region Emergency Services Telecommunications (CREST) have increased in relation to fees, and new radios and infrastructure required in 2017.
- Funding associated with integrated policing units have increased.
- Two new civilian support positions are required in 2017 to support the Provincial Records Information Management Environment (PRIME) and to improve capacity in research, audits and policy development.
- One-time funding is required to support training new recruits in anticipation of retirements, to improve facility security, and to study the most effective and efficient use of limited police resources.
- Reserve funds are required for several capital projects including fleet upgrades, replacing aged weapons, and post disaster response support.

KEY 2016 ACCOMPLISHMENTS

- Saanich Police are in the process of developing their 2017-2021 Strategic Plan which will provide a roadmap of the organization's direction for the next five years and lay out its key internal and external strategic priorities.
 - Saanich Police engaged in extensive public engagement to support their strategic planning process and invited residents, partner agencies, community organizations, business owners, seniors, and youth to participate in consultation sessions.
- With the support of Council and Municipal staff, Saanich Police succeeded in acquiring much needed additional building space for personnel at 57 Cadillac Avenue.
- Saanich Police continues to use intelligence-led policing to improve crime reduction strategies. In 2016, the Patrol Division used daily and weekly crime information produced from data analysis to focus patrol resources on high crime areas.
- Ensuring traffic safety in high-risk areas continues to be a priority for the police department.
 - In order to effectively reduce harm, Saanich Police in collaboration with ICBC identified crash locations that result in the most significant injury to persons. As a result, Saanich Police have conducted targeted enforcement in these key locations and the corridors feeding onto them.
- Saanich Police has completed Departmental Operations and Evacuation Plans to address the need for response and evacuation in the event of a natural disaster.
- The Saanich Police are continuing to build partnerships to enhance services to the community.
 - In 2016, Saanich Police developed new working relationships with local probation officers to increase the accountability of offenders and increase awareness of offender's compliance with court imposed conditions.
 - Saanich Police have been working with health care professionals to reduce the trauma associated with police interactions for people with mental illnesses through their work on the Island Health and Police Partnership Committee and the Psychiatric/Emergency Department/Police Subcommittee working group.
- School Liaison Officers worked with School Districts to develop consistent policies and practices to improve the safety of students and staff in the face of an active threat in the schools.
- A second officer was moved to the Youth and Schools Section to focus on working with at-risk youth to ensure a coordinated community response in providing services.
- Staff from local police agencies worked together to explore opportunities for further integration and sharing of services; this work is ongoing.

2017 KEY PRIORITIES

Priority Strategic Initiatives Include:

- The completion of the 2017-2021 Saanich Police Strategic Plan, including implementation and communication of identified goals and strategies.
- Front line deployment models will be re-examined to determine which model most effectively meets the needs of the community.
- Efforts will be made to better understand how to maximize effectiveness and efficiencies in service delivery from a regional perspective.
- We will continue to improve transportation safety throughout the municipality.

Priority Departmental Initiatives include:

Item	Description	Supports Corporate Strategic Plan
1. Road Safety Initiatives	The Traffic Safety Unit will continue to work with ICBC to reduce the frequency and severity of crashes by targeting locations that experience the highest volume of the most severe and injury related crashes.	C6 – Safe Community
2. Assessment of the Coordinated Response to Problem Properties (CORPP)	The CORPP was implemented to identify problem properties that require a coordinated community response to successfully intervene and address policing and social concerns affecting neighbourhoods. The program will be evaluated to assess its effectiveness.	C6 – Safe Community
3. Use Intelligence-led Policing to Improve Crime Reduction Strategies	The Department will continue to improve its capacity to develop, analyze, and rely on data to inform decisions as to the most effective and efficient use of limited resources. Efforts will be specifically focussed toward investigative, patrol and traffic responsibilities.	C6 – Safe Community
4. Increased Focus on Vulnerable Seniors	For several years we have focused on providing fraud, financial and internet crime prevention education to a number of seniors groups, and this will continue. Moving forward, we will focus more on the most vulnerable seniors; providing support, education and referrals.	C6 – Safe Community
5. Integration Opportunities	Saanich has a long history of collaboration and integration with regional partners to provide the highest level of police services. Opportunities to be more effective and efficient will continue to be explored with our regional partners.	C6 – Safe Community
6. Police Records Information Management Environment (PRIME) Support	PRIME is the Provincial records management system mandated for use in BC. It was implemented in 2004 and requires considerable resources for its maintenance. A new civilian staff position is required for this purpose as the work is no longer manageable within existing resources.	C6 – Safe Community
7. Research and Policy Analysis	A civilian staff position is required to support capacity for research, audits, policy development and planning. Police are expected to make the most of resources and need to rely on evidence-based practices to do so. Further demands arising from new standards, inquiries, training requirements and other factors also drive this need.	C6 – Safe Community

CORE BUDGET

The Saanich Police Board 2017 net core budget is \$32,312,200 which represents a 4.29% increase over prior year.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Executive Administration						
Revenues	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	-	0.00%
Expenses	<u>4,183,700</u>	<u>4,409,900</u>	<u>4,160,300</u>	<u>4,442,100</u>	<u>281,800</u>	<u>6.77%</u>
Total	2,683,700	2,909,900	2,660,300	2,942,100	281,800	10.59%
Staff Development	862,700	927,900	896,700	913,000	16,300	1.82%
General Administration	5,259,000	5,911,300	5,941,300	6,134,000	192,700	3.24%
Uniform Division	11,883,400	11,944,200	12,378,700	12,947,700	569,000	4.60%
Community Liaison	2,126,600	2,367,700	2,445,800	2,517,500	71,700	2.93%
Detectives	7,737,600	6,567,800	6,661,500	6,857,900	196,400	2.95%
Secondments	24,600	(14,600)	-	-	-	0.00%
Total	30,577,600	30,614,200	30,984,300	32,312,200	1,327,900	4.29%

- Traffic Fine revenues are received as an unconditional grant to defray the cost of police services
- Contingency for anticipated wage settlements are included in each function
- Executive Administration - full year cost of FTE Administrative Assistant position approved in 2016 budget; reduction in Oak Bay Police Service Agreement; building maintenance for additional office space at 57 Cadillac; wage increments; and, contractual operating increases.
- General Administration - wage increments; contractual operating increases (CREST, PRIME, Commissionaires)
- Uniform Division – full year cost of four patrol officers approved in 2016 budget; wage increments; contractual operating increases (Commissionaires, Garage Charges)

Fire Protection

The Fire Department provides high quality, efficient and caring emergency response, fire prevention and life-safety education services to the District of Saanich.

Saanich Fire responds to a range of emergency incidents including fire suppression, medical response, vehicle extrication, land and marine rescue, mutual aid requests, hazardous materials incidents and requests for public service.

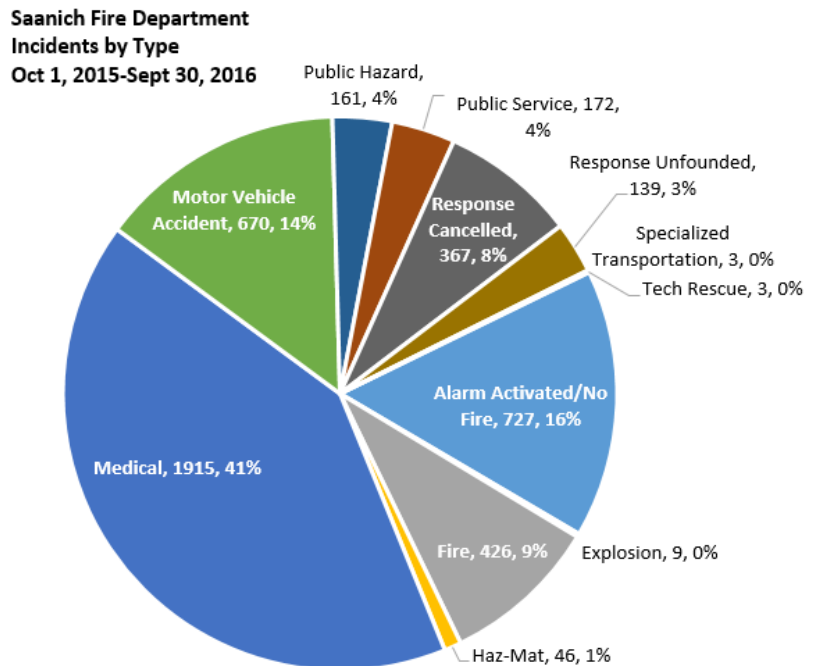
The Department also provides fire safety inspections, public education, fire apparatus, mechanical and high angle rescue services. Fire dispatch services, including emergency and non-emergency call receiving, processing and dispatching are provided to seven client municipalities.

The Department employs 121.5 uniformed personnel and 5.5 support staff working out of three fire stations.

BUDGET SUMMARY	
2017 Net Budget	\$ 17,762,000
2016 Net Budget	\$ 17,102,500
Budget Change	\$ 659,500
Change by %	3.86%
2017 FTE	126.45
2016 FTE	126.17
FTE Change	0.28
FTE Change %	0.22%
2016 Carbon Footprint (CO2e)	TBD Tonnes
2015 Carbon Footprint (CO2e)	192 Tonnes
Carbon Footprint Change	Tonnes

FIRE DEPARTMENT STATISTICAL SUMMARY¹

Population served	113,058 (est)
Protection area in square kilometres	103.43 (est)
Incident responses	4,640
Emergency incident responses	3,884
Number of fire related	Fatalities: 0 Injuries: 8
Total dollar fire loss (est)	\$5,935,835
Estimated value of property saved	\$173,726,235
Public building inspections	3,008
Incidents dispatched (Saanich and clients)	12,601



¹12 month period ending September 30, 2016

2017 BUDGET CHALLENGES

- **Technology:** Significant information technology projects require completion to address key 24/7 business functions and safeguard the Fire Dispatch Centre and Emergency Operations Centre functionality and operations.
- **Stations and Facilities:** Some fire stations and facilities are more than 60 years old. Emergency operations, training and space requirements have changed significantly. Funding is required to maintain aging stations and address the department's short, medium and long term infrastructure and service delivery needs.
- **Health and Safety:** Increasing costs to procure, replace and maintain protective equipment (i.e. self-contained breathing apparatus, turnout gear, ventilation systems) and ensure workplace safety (i.e. fire fighter training, medical testing, wellness/mental health programs, adequate working areas).

KEY 2016 ACCOMPLISHMENTS

- **Suppression/Rescue:** 4,640 incidents for fire, medical, motor vehicle incidents, marine, hazardous materials and technical rescues where 92% of the time the first apparatus arrived within 8 minutes of the request for service
- **Fire Prevention:** 3,008 public building inspections completed, 294 new construction plans reviewed and 714 oil burner and tank inspections and re-inspections carried out.
- **Public Education:** 94 fire and life-safety programs provided to more than 18,308 participants of all ages (i.e. Learn Not to Burn, Grade 5 Fire Expo, Fire Prevention Week events).
- **Community Safety:** Fire Department members installed 23 smoke alarms and provided 28 battery replacements for residents requesting assistance as part of the Department's ongoing public safety program for every home to have a working smoke alarm.
- **Community Relations:** Suppression/Rescue and Fire Prevention attended 44 community events with an estimated 25,000 participants (i.e. Music in the Park, Strawberry Festival, Community Association Days) and provided 25 fire station tours to 400 participants.
- **Infrastructure Improvements:** Some infrastructure upgrades completed at Fire Station No. 2. Commenced planning and design work to address staffing and living quarter requirements at Station No. 1.
- **Fire Services Agreement:** A mutually beneficial agreement was established to enhance level of fire protection and life safety resources between the municipalities of Central Saanich, Esquimalt, Saanich, Oak Bay and View Royal without incurring additional costs. The agreement enables parties to provide resources, emergency response and mutual aid to each other.
- **First Responder Training:** In response to a growing number of overdoses, fire fighters were trained to administer the overdose-reversing medication, Naloxone, which prevents patients from going into cardiac arrest.
- **Fire Fighter Training:** The Department entered into a one year agreement with Rio Can property leasing service for the use of the unoccupied Kelsey's Restaurant at Tillicum Mall for no charge. The property is being used for fire fighter training, including multi-unit training exercises with other municipal fire departments.
- **Emergency Operations:** The Department took delivery of a new 2015 Smeal fire engine equipped with anti-idle "green power" technology which can eliminate carbon emissions by up to 13% and save an average 11% in fuel costs each year.

- **P25 Radio Technology:** As part of the Capital Region Emergency Service Telecommunications (CREST) radio communications system upgrade, Saanich Fire’s portable and mobile units were replaced. This replacement technology supports a transition to a new P25 radio network which will provide improved communications reliability, increased capacity, superior audio clarity and better coverage.
- **Confined Space Rescue Services:** Saanich and Oak Bay fire departments renewed their five year agreement with the University of Victoria to provide joint confined space rescue services on the university campus.
- **Tower Crane Rescue Services:** Saanich and Victoria fire departments renewed their five year agreement to provide joint tower crane rescue services to the municipalities of Colwood, Esquimalt, Oak Bay, Sidney and View Royal.

2017 KEY PRIORITIES

Priority Strategic Initiatives include:

Safe Community

- **Increase municipal emergency management capabilities.** Work with Police, Public Works and Corporate Services to develop and implement a strategy to provide timely public communications in a major emergency. The strategy includes the effective use of social media and the municipal website to engage the community and allow for the sharing and dissemination of vital information.
- **Migrate to Industry Canada’s dedicated public safety radio frequencies.** Work collaboratively with Capital Region Emergency Services Telecom (CREST) to support a safe and effective transition to a Project 25 standard technology radio network for emergency communications which will support all emergency communications for Saanich Fire, Police and its dispatch clients.

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Emergency Operations Support	Work with Corporate Services to address Department information technology requirements including E-Comm / Dispatch, remediation, Dispatch expansion, transition planning and business continuity.	SC – Safe Community C6 – Enhance Public Safety F4 – Sustain Community Infrastructure
2. Emergency Operations Support	Implement Strategic Facilities Plan to meet short, mid and long term infrastructure needs and funding requirements.	SC – Safe Community F4 – Sustain Community Infrastructure
3. Emergency Operations Support	Complete Fire Station No. 3 renovations to sustain fire infrastructure and accommodate workplace and staffing requirements.	SC – Safe community C6 – Enhance Public Safety F4 – Sustain Community Infrastructure
4. Community Engagement and Education	Attend community events and deliver community fire and life safety public education programs to a wide range of audiences at a variety of locations.	SC – Safe community C6 – Enhance Public Safety P1 – Continue Community Engagement

5. Community Engagement and Education	A working smoke alarm in every home – provide fire fighter-delivered door-to-door fire prevention education and smoke alarm inspections to reduce frequency and severity of residential structure fires.	SC – Safe community C6 – Enhance Public Safety P1 – Continue Community Engagement
6. Community Engagement and Education	Attract and retain a skilled workforce that reflects the community it serves. Identify outreach opportunities to recruit and encourage people of diverse backgrounds to apply to the fire department.	SC – Safe Community L1 – Develop and Retain a Skilled Municipal Workforce

CORE BUDGET

The Department's 2017 net core budget of \$17,762,000 represents a 3.86% increase over prior year.

Net Budget By Function	Actual 2015	Actual 2016	Budget 2016	Budget 2017	\$ Change 2017/2016	%Change 2017/2016
Administration	1,249,600	1,620,100	1,613,500	2,002,100	388,600	24.08%
Suppression and Rescue	12,055,700	12,285,400	12,262,800	12,395,800	133,000	1.08%
Dispatch						
Revenues	(517,400)	(556,300)	(544,900)	(563,500)	(18,600)	3.41%
Expenses	<u>1,428,900</u>	<u>1,530,600</u>	<u>1,571,300</u>	<u>1,617,300</u>	<u>46,000</u>	<u>2.93%</u>
Total	911,500	974,300	1,026,400	1,053,800	27,400	2.67%
Prevention	833,400	877,800	874,600	906,300	31,700	3.62%
Staff Development	398,000	446,200	428,100	447,300	19,200	4.48%
Equipment Maintenance	795,400	846,700	811,500	854,100	42,600	5.25%
Building Maintenance	106,300	111,900	85,600	102,600	17,000	19.86%
Total	16,349,900	17,162,400	17,102,500	17,762,000	659,500	3.86%

- Administration - wage increments, \$32,100 in CREST levy, allocation of \$258,800 of personnel costs from Suppression and Rescue and full year funding for 2016 approved of half time Fire Secretary.
- Dispatch expenses - increase of \$10,900 in ECOMM services.
- Prevention / Staff Development / Equipment & Building Maintenance – non-discretionary increases to supplies, course fees, vehicle operating costs and building maintenance costs.

Emergency Program

The Saanich Fire Department is responsible for administration of Saanich's Emergency Program. The program provides for continuity in government and preservation of life and property through a coordinated response by elected officials, municipal departments, volunteer services and outside agencies who are able to assist during a major emergency or disaster.

The Deputy Fire Chief is the Emergency Program Coordinator and is responsible for maintaining Saanich's emergency plan and ensuring key municipal staff and departments are trained in emergency preparedness practices and ready to respond should a major emergency or disaster unfold.

BUDGET SUMMARY	
2017 Net Budget	\$ 421,200
2016 Net Budget	\$ 417,000
Budget Change	\$ 4,200
Change by %	1.01%
2017 FTE	3.00
2016 FTE	3.00
FTE Change	0.00
FTE Change %	0.00%
Carbon Footprint (CO2e)	n/a

Complementing the Emergency Program and Saanich's emergency response and recovery capacity are more than 140 municipal staff trained in Incident Command and Emergency Operations Centre (EOC) response procedures. There are also 94 Emergency Program volunteers in three emergency response divisions. Services provided to the community by Emergency Program volunteers include emergency social services, search and rescue, emergency communications, and neighbourhood emergency preparedness.

2017 BUDGET CHALLENGES

- **Fleet Replacement:** Support of operational needs has been a priority over capital replacement.

KEY 2016 ACCOMPLISHMENTS

- **Emergency Management Training:** 140 municipal staff provided with Emergency Operations Centre and/or Incident Command System training.
- **Emergency Preparedness:** In conjunction with the Province's ShakeOut BC exercise, completed a Fire Department Operations Centre exercise, including activation of the Emergency Notification Page on the Saanich website.
- **Community Engagement and Education:** 43 community presentations were provided to 1,003 citizens, including 39 neighbourhood emergency preparedness presentations to 872 attendees and 4 staff presentations to 131 attendees.
- **Emergency Preparedness School Programs:** Emergency Program volunteers assisted with delivering 30 emergency preparedness presentations to 996 Grade 4 students. The presentations included an emergency preparedness talk followed by two relay races to reinforce good choices when compiling an emergency preparedness kit. In partnership with Thrifty Foods, all students received a starter Grab and Go Bag to take home and complete.
- **Community Engagement and Education:** To increase public awareness of local earthquake risk, Emergency Program collaborated with regional partners to sponsor access to Shake Zone Earthquake Simulator events in Saanich and provide residents with information to prepare for, respond to and recover from earthquakes and other disasters.

- **Joint Partnerships:** Supported establishment of a Regional Emergency Management Partnership with the Province and CRD to enhance emergency management activity across the Capital Region. Through the partnership, the CRD and Province will provide resources to municipalities and electoral areas to prepare for emergencies or disasters that are multi-jurisdictional or impact the entire region. Saanich staff members are active members of the REMP Committee.

2017 KEY PRIORITIES

Priority Strategic Initiatives include:

Safe Community

- Support municipal departments to develop and implement Department Operation Centre (DOCs) plans to operate during an emergency.

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Emergency Management Systems	Support municipal departments to develop and implement Department Operation Centre (DOCs) plans to operate during an emergency.	SC – Safe Community C6 – Enhance Public Safety
2. Emergency Management Training	Coordinate and support Emergency Operations Centre (EOC) and Incident Command System (ICS) training and exercises for municipal staff assigned to the EOC and working at key municipal facilities	SC – Safe Community C6 – Enhance Public Safety L1 – Develop and Retain a Skilled Municipal Workforce
3. Emergency Management Systems	Work with provincial government and stakeholders to implement the Regional Emergency Management Partnership to enhance emergency management across the Capital Region.	SC – Safe Community C6 – Enhance Public Safety
4. Emergency Management Systems	Develop an evacuation plan to support municipal response agencies.	SC – Safe Community C6 – Enhance Public Safety
5. Emergency Management Systems	Develop a municipal Rapid Damage Assessment (RDA) process to support post disaster response and recovery.	SC – Safe Community C6 – Enhance Public Safety
6. Emergency Management Systems	Expand the use of GIS mapping to include hazard risk vulnerability assessment mapping and other key information to support emergency response and recovery activities for the EOC and Saanich Command Vehicle.	SC – Safe Community C6 – Enhance Public Safety
7. Emergency Management Systems	Continue implementation of the Long Term Emergency Program Strategic Plan.	SC – Safe Community C6 – Enhance Public Safety

CORE BUDGET

The Department's 2017 net core budget of \$421,200 represents a 1.01% increase over prior year.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Program Administration	375,200	344,100	395,500	399,700	4,200	1.06%
Training Programs	9,300	5,700	15,100	15,100	-	0.00%
Neighbour Helping Neighbour	4,300	6,300	6,400	6,400	-	0.00%
Total	388,800	356,100	417,000	421,200	4,200	1.01%

Planning and Inspections

The Planning Department is comprised of five Divisions: Community Planning; Current Planning; Environmental Services; Sustainability and Climate Change; and Building Inspections and Bylaw Enforcement.

The **Community Planning Division** works with Council, residents and a range of stakeholder on plans and policies that guide growth and change in the community. The Division's work includes comprehensive plans such as the ongoing Douglas Corridor-Uptown initiative, and more focused projects such as looking at means to develop more affordable housing and ways to support agriculture and long-term food security. The Division also works with the regional community on cross boarder issues such as mobility, land use, economic matters, health issues and housing. The Division provides professional advice to Council, the public, staff, and a broad range of stakeholders on community planning matters and regulatory documents.

The **Current Planning Division** oversees a broad range of development related applications such as; Rezoning, Development Permits, Variances, Subdivision; building stratification, Agricultural Land Reserve; Liquor; and Antenna. The Division provides professional advice to Council, the public, staff, property owners, the development community and other stakeholders on a range of land use and development matters and regulatory documents.

The **Environmental Services Division** works with Council, staff, residents and a range of stakeholder on plans and policies that support a healthy natural environment. The Division's work includes comprehensive plans and programmes such as the management of invasive species in partnership with the Parks Division, and the protection of streams and associated riparian areas through the Streamside Development Permit Areas. The Division also undertakes more focused work reviewing development proposals, community outreach and the provision of educational programs for both staff and the public. The Division provides professional advice to Council, the public, staff, and a broad range of stakeholders on environmental matters and regulatory documents.

The **Sustainability and Climate Change Division** works with Council, residents, staff and a range of stakeholder on implementing the goals and objectives of both the Climate Change Mitigation and Climate Change Adaptation Plans. The work is both corporate and community in nature with the overarching objective of reducing GHG emissions and making our community and region more resilient to the effects of Climate Change. The Division's works and success relies heavily on partnerships with other local governments, institutions and community organizations. The Division provides professional advice to Council, the public, staff, and a broad range of stakeholders on sustainability and climate change matters and regulatory documents.

The **Building Inspections and Bylaw Enforcement Division** oversees: health and safety issues related to the construction of new buildings and the redevelopment of existing buildings; and the enforcement of a range of Council Bylaws, respectively. The Division oversees a broad range of building applications for residential, commercial, institutional and industrial use and ensures adherence to BC Building Code and other relevant policies and procedures. The Division also responds to customer

BUDGET SUMMARY	
2017 Net Budget	\$ 2,465,000
2016 Net Budget	\$ 2,446,600
Budget Change	\$ 18,400
Change by %	0.75%
2017 FTE	46.61
2016 FTE	46.61
FTE Change	0.00
FTE Change %	0.00%
2016 Carbon Footprint (CO2e)	TBD Tonnes
2015 Carbon Footprint (CO2e)	57 Tonnes
Carbon Footprint Change	Tonnes

complaints and enquiries, and conducts investigations regarding possible bylaw violations. The Division provides professional advice to Council, the public, staff, and a broad range of stakeholders on building and bylaw enforcement matters and regulatory documents.

2017 BUDGET CHALLENGES

- The need to more accurately align Council expectation for service levels, to the resources required to meet those service levels.

KEY 2016 ACCOMPLISHMENTS

- Completed Phase 1 and Phase 2 and initiated Phase 3 of the Uptown Douglas Corridor Plan, which included background research, public engagement and development of project vision and goals.
- Completed Phase 1 and Phase 2 of the Agriculture and Food Security Plan, which included the developed themes and draft actions based on public engagement input.
- Worked with Engineering to develop and seek public input on short-term options for mobility improvements related to the Shelbourne Valley Action Plan. The final comprehensive Shelbourne Valley Action Plan will appear before Council in second quarter of 2017.
- As part of our “100% Renewable Energy in Municipal Buildings by 2025” initiative, staff in conjunction with Engineering oversaw the upgrading of the heating system at the Gordon Head Community Centre.
- Preliminary work undertaken on developing a Plan and companion programs to move Saanich as a community towards 100% renewable energy.
- Implemented a Residential Building Retrofit Strategy that will help residents improve energy efficiency and save money. The program is multi-faceted including increased energy assessment opportunities, incentives for heating system and building improvements and one-on-one support.

2017 KEY PRIORITIES

Priority Strategic Initiatives include:

- Present Shelbourne Valley Action Plan to Council for final review and consideration and seek direction on implementation schedule.
- Complete Agriculture and Food Security Plan.
- Complete Draft Uptown-Douglas Corridor Plan.
- Update the Streamside Development Permit Area Guidelines in response to the 2014 Ombudsperson of British Columbia Report.
- Update the Pesticide Bylaw in response to new amendments of Provincial regulations.
- Present process options to Council on the potential for “garden cottages” on single family lots.
- Seek Council direction and prioritization of outstanding requests for community planning initiatives, research and policy development.
- Present to Council for review and consideration terms of reference for both a Plan and companion program(s) to move Saanich as a community towards 100% renewable energy.

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Review of Development Applications, overseeing the construction of new buildings, and enforcing of Council Bylaws.	A significant portion of the Department's work revolves around the daily activities related to building and maintaining a healthy community. The ongoing review of how we can continually improve the delivery of these services is a key part of this work.	P3 - Service Excellence C1 - Healthy Community C2 - Foster Liveable Neighbourhoods C5 - Support Economic Development
2. Continue to implement key initiatives from the Climate Action Plans.	The focus for 2017 will be on community and corporate initiatives related to improving building energy efficiency and moving towards 100% renewable energy.	C4 - Sustainable Environmental
3. Canada 150 Celebration	Support relevant Council approved initiatives, including overseeing process related to installation of "commemorative" public art piece.	C2 - Foster Liveable Neighbourhoods
4. EDPA Bylaw	Implement required actions related to the independent EDPA Bylaw review, as directed by Council.	C4 - Sustainable Environmental

CORE BUDGET

The Department's 2017 net core budget of \$2,465,000 represents a 0.75% increase over prior year. Gross expenditure increased by 2.57% over prior year.

Net Expenditure By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Planning Administration	603,300	593,000	607,400	613,700	6,300	1.04%
Environmental Services	361,400	369,400	371,700	378,200	6,500	1.75%
Community Planning	676,300	724,900	709,900	739,600	29,700	4.18%
Current Planning						
Revenues	(71,800)	(139,400)	(110,000)	(110,000)	-	0.00%
Expenses	<u>490,500</u>	<u>503,900</u>	<u>519,800</u>	<u>529,900</u>	<u>10,100</u>	<u>1.94%</u>
Total	418,700	364,500	409,800	419,900	10,100	2.46%
Subdivision						
Revenues	(22,500)	(65,000)	(59,100)	(59,100)	-	0.00%
Expenses	<u>187,600</u>	<u>260,000</u>	<u>261,300</u>	<u>274,600</u>	<u>13,300</u>	<u>5.09%</u>
Total	165,100	195,000	202,200	215,500	13,300	6.58%
Inspections						
Revenues	(2,209,000)	(2,806,300)	(1,993,600)	(2,093,600)	(100,000)	5.02%
Expenses	<u>1,696,000</u>	<u>1,779,500</u>	<u>1,743,700</u>	<u>1,711,000</u>	<u>(32,700)</u>	<u>(1.88%)</u>
Total	(513,000)	(1,026,800)	(249,900)	(382,600)	(132,700)	53.10%
Bylaw Enforcement	380,300	409,700	395,500	480,700	85,200	21.54%
Total	2,092,100	1,629,700	2,446,600	2,465,000	18,400	0.75%

- Community Planning – allocation of budget from Inspections, wage increments.
- Inspections revenues – revenue increase based on actual trends and expected applications for 2017.
- Bylaw Enforcement – an FTE allocated to Bylaw from Inspections

Engineering

The Engineering Department is responsible for all municipal infrastructures, which include roads, water, sewers, drains, street and traffic lights, and municipal facilities. The Department is comprised of four divisions: Transportation and Development Services, Underground Services, Public Works, and Facility Operations.

The **Transportation and Development Services Division** is responsible for the design and implementation of all aboveground infrastructure and transportation systems. In addition, the Division processes, approves and inspects of all works installed by private developers that become municipal property.

The **Underground Services Division**, is responsible for coordinating the design, rehabilitation, improvement and reconstruction of all underground infrastructure and supporting systems. As part of the Division, Underground Services also provides surveying, drafting, and GIS support to the Department.

The **Public Works Division** is responsible for the maintenance and repair of roads, bridges, traffic signals, streetlights, sidewalks, bus shelters, residential refuse collection, leaf pick up, roadside litter control, garden waste drop off and disposal, storm drainage, creeks and waterways maintenance, wastewater collection including sewer lift station maintenance, water main and service repair and replacement, hydrant, valve and meter maintenance, water sample collection and testing, and the maintenance of six finished water reservoirs and 30 pressure regulating stations. Management of materials in our Stores section, Fleet services, and Administration round out the Public Works functional responsibility.

The **Facility Operations Division** is responsible for ensuring the safe and uninterrupted operation of corporate facilities, including Municipal Hall, the Police Station, Fire Halls, Recreation Centres, and Public Works Yard buildings. The Division also provides support services to several libraries within Saanich. To ensure the smooth operation of these facilities the Division actively manages the construction, maintenance and repair, and day-to-day efficiency of complex building systems.

BUDGET SUMMARY	
2017 Net Budget	\$ 12,718,100
2016 Net Budget	\$ 12,372,400
Budget Change	\$ 345,700
Change by %	2.79%
2017 FTE	183.82
2016 FTE	182.63
FTE Change	1.19
FTE Change %	0.65%
2016 Carbon Footprint (CO2e)	TBD Tonnes
2015 Carbon Footprint (CO2e)	1622 Tonnes
Carbon Footprint Change	Tonnes

2017 BUDGET CHALLENGES

- The current Public Works Yard is in substandard condition and doesn't meet minimum Building Code requirements. There are operational space challenges and vectors are disrupting operations.
- The continual aging of municipal assets / infrastructure will require ongoing maintenance and attention.
- The development of an Asset Management Program for our municipal infrastructure.
- Retirements of long term employees, training of new employees, and transfer of knowledge base.

KEY 2016 ACCOMPLISHMENTS

Transportation & Development Services

- The Active Transportation Plan is underway.
- The Wilkinson Road bridge replacement combined with the Colquitz River Trail project is well underway with anticipated completion in the first quarter of 2017
- Construction of the missing gap on the Lochside Trail on Borden and Cedar Hill Road is also underway with completion estimated for spring 2017
- Lansdowne Bicycle facilities were implemented from Foul Bay to City of Victoria municipal boundary just east of Hillside providing new facilities for all ages and abilities
- A multi-year LED Street light replacement program was initiated and is now underway
- Development Services processes over 600 development and utility applications

Underground Services

- Completion of the Austin pump station and Gorge Road sewer replacement project.
- Completion of the GIS drainage layer for the urban area, which is a significant milestone as all of the underground utilities are mapped and ready to be used for modelling studies and asset management. The GIS layers will continue to be updated and improved as new data comes in.
- Replacement of 5,000 m of watermains, replacement of 3,040 m of sanitary sewers, 860 m of substandard storm drains, and 1,325 m of wood stave storm drains.

Public Works

- Development of the Department Operational Centre (DOC) for Public Works complete with a practical drill/exercise.
- Successfully commissioned the instrumentation and controls at the new Rithet Reservoir and Austin Sewer lift station.
- Pilot Project with Warm Mix Asphalt as part of our Pavement Overlay program, to assist with the reduction Green House Gases
- Successful partnership with Department of National Defense (DND) to make drainage improvements and rehabilitation to a portion of Tod Creek
- Redistribution of refuse collection routes to maximize efficiencies and improve service levels

Facility Operations

- Replacement of boiler plant at Gordon Head Recreation will significantly reduce the facility's GHG emissions by approximately 450 tonnes of greenhouse gas.
- Remediation of building envelope at Gordon Head Recreation Centre.
- Replacement of the Pearkes Gold Arena Roof.
- Replacement of Public Safety Roof (Detectives Wing) and increased seismic capacity.

2017 KEY PRIORITIES

Priority Strategic initiatives include:

Sustainable Environment

- Complete a Drainage Master Plan. Saanich has made a long-term commitment to improve its storm drain network and reduce the risk of flooding. As part of this commitment a Drainage Master Plan will be completed and the first step is to model all drainage basins. These models will consider the impact of climate change, identify deficiencies and solutions, and evaluate the impact of storm water management improvements. The first drainage basin to be modelled is the Blenkinsop/Swan Creek watershed.

Balanced Transportation

- Collaborate with the Ministry of Transportation on the Trans-Canada Highway / McKenzie Avenue and Admirals Road interchange project.
- Develop an Active Transportation Master Plan to serve as a long-term strategic vision for the District that will help guide active transportation decisions and public investments for the years ahead.
- Collaborate with BC Transit on transportation initiatives such as the transit exchange at Uptown Centre and implementation of bus rapid transit on Douglas Street.
- Develop a strategic plan to protect or relocate Cordova Bay Road within Mount Douglas Park.

Healthy Community

- Develop and implement a major Facilities Master Plan. Over the next decade, Saanich will complete a number of initiatives to ensure the long-term sustainability of aging municipal facility infrastructure.

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
Transportation and Development Services		
1. Tillicum St bike lanes from Highway 1 to Burnside	Provide new cycling facilities	C7 - Balanced Transportation
2. West Saanich Rd Upgrade	Provide sidewalks and cycling facilities	C7 - Balanced Transportation
3. Active Transportation Plan	Planning and prioritizing pedestrian & cycling networks and infrastructure	C7 - Balanced Transportation
Underground Services		
1. Sewer Master Plan Implementation	Take the recommendations from the Sewer Master Plan and incorporate them into the 5-year plan.	F4 – Sustainable Environment
2. CRD Sewage Treatment Project	Continued technical support and involvement in the CRD sewage treatment plant.	F4 – Sustainable Environment C4 - Sustainable Environment
3. Water Master Plan Completion	Complete the water master plan and incorporate the recommendations into the 5-year capital plan.	F4 – Sustainable Environment
4. Wood Stave and Substandard Drain Replacement	Continue with the wood stave and substandard drain replacement project.	F4 – Sustainable Environment
Public Works		
1. Conversion of HPS street lights to LED	Year 2 of the conversion of High Pressure Sodium (HPS) fixtures to LED Street Light fixtures (approx 1000 units)	F4 – Sustainable Environment P3 – Service Excellence P2 – Sustainable Environment
2. Arc Flash Study Implementation	Implementation of the Arc Flash Study recommendation on 16 sanitary sewer lift stations.	C6 – Safe Community
3. Ongoing commitment for OH&S	Continue to foster and promote a healthy respectful workplace and culture of safety.	C6 – Safe Community L1 – Service Excellence L3 – Service Excellence

Facility Operations		
1. Mechanical Replacement Design – SCP	Improve energy efficiency, reduce carbon emissions, and provide redundancy to the building systems.	P2 – Sustainable Environment P3 – Service Excellence
2. Lighting Replacement – Nellie McClung	Reduce energy consumption and redesign lighting layout to align with the Library's new floorplan.	F4 – Sustainable Environment P3 – Service Excellence
3. Mechanical and electrical master specification	Develop a set of guidelines to standardize the mechanical and electrical installations commonly practiced throughout the various facilities.	L3 – Service Excellence P3 – Service Excellence F4 – Sustainable Environment

CORE BUDGET

The Department's 2017 net core budget of \$12,718,100 represents a 2.79% increase over prior year.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
ALL DIVISIONS	2015	2016	2016	2017	2017/2016	2017/2016
Engineering Services	2,456,400	2,474,700	2,679,600	2,749,000	69,400	2.59%
Facility Operations	1,104,500	1,465,800	1,335,300	1,490,300	155,000	11.61%
Public Works	8,419,200	8,254,800	8,357,500	8,478,800	121,300	1.45%
Total	11,980,100	12,195,300	12,372,400	12,718,100	345,700	2.79%

Engineering Services

The Division's net core budget of \$2,749,000 represents a 2.59% decrease over prior year.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
ALL DIVISIONS	2015	2016	2016	2017	2017/2016	2017/2016
Engineering Services						
Revenue	(1,092,700)	(1,180,400)	(1,192,700)	(1,223,700)	(31,000)	2.60%
Expense	<u>3,549,100</u>	<u>3,655,100</u>	<u>3,872,300</u>	<u>3,972,700</u>	<u>100,400</u>	<u>2.59%</u>
Total	2,456,400	2,474,700	2,679,600	2,749,000	69,400	2.59%

- Engineering Services Division – wage increments.

Facility Operations

The Division's net core budget of \$1,490,300 represents an 11.61% increase over prior year.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Administration	203,400	155,500	149,700	186,400	36,700	24.52%
Minor Facility Repair	(23,000)	354,100	344,500	351,200	6,700	1.94%
Les Passmore Building	169,700	209,100	161,900	162,400	500	0.31%
Municipal Hall Building	587,700	584,600	547,900	541,000	(6,900)	(1.26%)
Municipal Annex	164,700	132,300	118,900	124,600	5,700	4.79%
Other Buildings	21,600	20,800	12,400	11,800	(600)	(4.84%)
Public Safety Building						
Revenues	(481,400)	(483,600)	(496,300)	(563,400)	(67,100)	13.52%
Expenses	<u>425,100</u>	<u>443,500</u>	<u>496,300</u>	<u>676,300</u>	<u>180,000</u>	<u>36.27%</u>
Total	(56,300)	(40,100)	-	112,900	112,900	100.00%
Public Works and Parks						
Revenues	(237,200)	(241,600)	(241,600)	(261,900)	(20,300)	8.40%
Expenses	<u>273,900</u>	<u>291,100</u>	<u>241,600</u>	<u>261,900</u>	<u>20,300</u>	<u>8.40%</u>
Total	36,700	49,500	-	-	-	0.00%
Total	1,104,500	1,465,800	1,335,300	1,490,300	155,000	11.61%

- Administration – partial budget allocation from municipal hall and Annex buildings, wage increments.
- Public Safety Building – lease costs and custodial services for Police building on 57 Cadillac.

Public Works

The Public Works Division provides diverse services to the community from above ground services such as roads, bridges and refuse collection to underground services such as waterworks, drainage and sewer collection. The Division's net core budget of \$8,478,800 increased 1.45% over prior year.

Net Budget By Function	Actual 2015	Actual 2016	Budget 2016	Budget 2017	\$ Change 2017/2016	%Change 2017/2016
Administration	909,400	592,400	788,500	786,700	(1,800)	(0.23%)
Stores	175,300	119,100	105,200	127,100	21,900	20.82%
Fleet						
Revenue	(4,761,400)	(4,582,400)	(4,671,500)	(4,741,000)	(69,500)	1.49%
Expense	<u>4,761,400</u>	<u>4,582,400</u>	<u>4,671,500</u>	<u>4,741,000</u>	<u>69,500</u>	<u>1.49%</u>
Total	-	-	-	-	-	0.00%
Solid Waste Services						
Revenue	(5,742,500)	(5,908,100)	(5,890,400)	(6,107,600)	(217,200)	3.69%
Expense	<u>6,017,300</u>	<u>6,079,100</u>	<u>6,149,900</u>	<u>6,371,200</u>	<u>221,300</u>	<u>3.60%</u>
Total	274,800	171,000	259,500	263,600	4,100	1.58%
Storm Drains	2,089,600	1,971,700	2,004,400	2,006,400	2,000	0.10%
Street Operations	4,970,100	5,400,600	5,199,900	5,295,000	95,100	1.83%
Total	8,419,200	8,254,800	8,357,500	8,478,800	121,300	1.45%

- Stores – full year funding for 2016 approved part time Storeskeeper

Parks and Recreation

The Parks and Recreation Department promotes active, healthy living through the effective provision of a wide range of programs, services and facilities. It also promotes the engagement of community members in a variety of arts, special events, cultural, social and environmental activities to encourage strong community connections.

The Department is comprised of two Divisions that plan and manage a number of municipal services.

The **Parks Division** is responsible for planning, designing, constructing managing, programming and maintaining the District's 171 parks (ranging from neighbourhood parks, to multi-sport athletic parks to natural areas and open spaces) covering more than 825 hectares and more than 100 kilometres of trails, effectively making the Division the District's largest land-owner. The Division's lands are biologically diverse offering residents a spectrum of active living opportunities and requiring the Division to provide urban forestry, horticulture and natural areas management services. Signature parks known throughout the region and beyond include: Mount Douglas, Mount Tolmie, Gorge, Cuthbert Holmes and Prospect Lake Park. The Division's functions are supported by its own Administration unit.

The **Recreation Division** is responsible for planning, coordinating and delivering a continuum of active living programs and services spanning all ages and abilities; and for planning, managing and maintaining the District's four recreation centres and the Cedar Hill Golf Course. The facilities, welcoming more than one million visitors annually and generating over \$12 million in revenues annually, offer a range of activity areas including: aquatics; arenas; gymnasiums; racket sport courts, studios and multi-purpose activity areas; arts and cultural studios and public assembly areas. The Division's functions are supported by its own Administration unit, which provides similar support to the Community Services Section and the Department's leadership team.

The **Community Recreation Services Section** is responsible for planning, coordinating and delivering a spectrum of active living programs and services in association with community organizations and groups, including but not limited to: programming designed specifically for youth and older adults, developing and supporting recreational opportunities for low income residents; multi-cultural programs; special events; volunteer services and community delivered activities.

BUDGET SUMMARY	
2017 Net Budget	\$ 15,619,700
2016 Net Budget	\$ 15,196,800
Budget Change	\$ 422,900
Change by %	2.78%
2017 FTE	302.83
2016 FTE	300.40
FTE Change	2.43
FTE Change %	0.81%
2016 Carbon Footprint (CO2e)	TBD Tonnes
2015 Carbon Footprint (CO2e)	2058 Tonnes
Carbon Footprint Change	Tonnes

2017 BUDGET CHALLENGES

Parks

- Ongoing budget challenges to maintain landscaped cul-de-sacs and streetscapes, especially related to the continued development of complete streets in Saanich that include Saanich maintained landscaping.
- Ongoing challenges to meet expectations regarding turn-around times for Tree Removal permits and referrals from development applications.

- Heightened community expectations around public engagement in developing park plans and other projects.
- High community expectations regarding support to sports user group partnership projects and other projects from a variety of community, volunteer and “friends of” groups.
- Balancing the completion of Council approved projects with community driven projects that engage and improve park services for Saanich residents.

Recreation

- Meeting service level demands from residents with an aging infrastructure and ongoing budget constraints.
- Balancing resident expectations and industry trends within the Division’s present mandate.
- Managing increasing operating expenses while keeping fees of services and programs affordable
- The unpredictability of weather patterns directly affects Golf operations and revenues associated with golf; rendering expense neutral deliverables unpredictable.
- Competition from regional service providers directly impacts the Divisions ability to maintain expected cost recovery rates.

KEY 2016 ACCOMPLISHMENTS

Parks

- Renovation of Tolmie Park including the provision of Saanich’s first dedicated outdoor pickleball court
- Pulling Together volunteer program that covers 42 parks with over 200 dedicated volunteers to remove invasive species and restore disturbed natural areas.
- Acquisition of Kardum Park, which together with Saanich lands has created a natural area park of about 3 hectares.
- Replacement of the East Copley Park Playground.
- Design and installation of way finding and interpretive signs in Gorge Waterway, Cadboro Gyro, Cuthbert Holmes, Feltham, McMinn parks as well as Tod Flats.
- Completion of Mount Douglas Park Access Study.
- Ongoing restoration of Douglas Creek in partnership with the Friends of Mount Douglas.
- Major renovation of Layritz Baseball Diamond 7.

Recreation

- Implementation of year #1 of the Youth Development Strategy
- Completion of phases 1 and 2 out of 3 of the Older Adult Parks and Recreation Strategy
- New location and program offering for Saanich Cycling Festival
- Installation of new seating in Gold Rink at G.R. Pearkes Recreation Centre
- Inaugural Arts, Culture and Heritage Awards were presented
- Completion of energy efficient boiler project at Gordon Head Recreation Centre.

2017 KEY PRIORITIES

Priority Strategic initiatives include:

Sustainable Environment

- Implementation of Cuthbert Holmes Management Plan
- Implement the Invasive Species Management Strategy Implement the Urban Forest Strategy

Healthy Community

- Completion of Older Adult Parks and Recreation Strategy
- Review of Recreation Volunteer Services
- Signing of Health and Recreation Partnership Agreement with Island Health

Community Infrastructure

- Develop Plans for the management and use of Cedar Hill Park and Haro Woods

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Lindsay portion of Colquitz Trail	Complete trail project	F4 - Healthy Community
2. Park plans for Haro Woods and Cedar Hill Parks	Engage community in developing appropriate plans to manage parks.	F4 - Healthy Community
3. Implement the Invasive Species Management Strategy and Urban Forest Strategy	Provide education for residents, treat invasives, develop best management practices, strengthen tree planting program	C4 - Sustainable Environment
4. Implementation of new enterprise software program	Replacement of CLASS	P2 - Service Excellence

CORE BUDGET

The Department's 2017 net core budget of \$15,619,700 represents a 2.78% increase over prior year.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
ALL DIVISIONS	2015	2016	2016	2017	2017/2016	2017/2016
Parks & Rec. Administration	837,800	865,500	782,200	814,400	32,200	4.12%
Parks	6,465,800	6,799,500	6,695,300	6,769,800	74,500	1.11%
Cedar Hill Recreation Centre	1,018,300	1,080,800	1,271,100	1,278,600	7,500	0.59%
Gordon Head Recreation Centre	1,538,900	1,618,700	1,630,400	1,694,500	64,100	3.93%
G R Pearkes Recreation Centre	1,208,200	1,316,500	1,185,700	1,234,700	49,000	4.13%
Saanich Commonwealth Place	2,658,700	2,646,300	2,565,200	2,697,900	132,700	5.17%
Community Services	1,017,500	1,050,300	1,066,900	1,129,800	62,900	5.90%
Cedar Hill Golf Course	-	20,000	-	-	-	0.00%
Total net cost	14,745,200	15,397,600	15,196,800	15,619,700	422,900	2.78%

- Parks & Rec Administration due to wage increments.
- Small increase in Cedar Hill Recreation Centre net budget is due to increases in revenues at the centre.
- Budget redistribution was completed between the recreation centres to better align actual revenues and costs.
- Community Services increased 5.90% due to full cost of 2016 approved implementation of the Youth Development Strategy and to wage increments.

Parks and Recreation Administration

Parks and Recreation administration provides management, marketing, volunteer and support services.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Administration	674,500	685,500	607,900	635,300	27,400	4.51%
Marketing						
Revenues	(183,000)	(188,500)	(157,100)	(179,000)	(21,900)	13.94%
Expenses	305,500	326,800	290,000	316,300	26,300	9.07%
Total	122,500	138,300	132,900	137,300	4,400	3.31%
Integration Recreation Victoria	40,800	41,700	41,400	41,800	400	0.97%
Total	837,800	865,500	782,200	814,400	32,200	4.12%

- Administration - wage increments.
- Marketing – increases in revenue attributed to marketing offset by increases in advertising and other associated costs.

Parks Division

The Parks Division works in partnership with the community to support healthy lifestyles and to preserve and protect the natural environment. This is achieved through the provision of parks that meet a variety of community needs. The Division is responsible for the planning, design, development and operation of 171 parks covering more than 825 hectares. The division's 2017 net core budget of \$6,769,800 represents a 1.11% increase over prior year.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Administration	597,400	563,700	563,300	606,300	43,000	7.63%
Parks Operations	4,595,700	4,761,900	4,727,400	4,619,700	(107,700)	(2.28%)
Design and Development	1,053,500	1,153,600	1,175,700	1,134,600	(41,100)	(3.50%)
Community Development & Business Systems	219,200	320,300	228,900	409,200	180,300	78.77%
Total	6,465,800	6,799,500	6,695,300	6,769,800	74,500	1.11%

- Administration – custodial services budget allocated from PW Administration and wage increments.
- Commencing in 2017 Parks has implemented a reorganization of its sections to better align the work functions within the division. Budgets were reallocated within the sections to accommodate the reorganization.

Cedar Hill Community Recreation Centre and Golf Course

Cedar Hill Community Recreation Centre, which opened in 1973, is located at the corner of Finlayson and Cedar Hill Road, on the Saanich/Victoria border. The facility welcomes over 318,000 participants per year. Services unique to Cedar Hill include tennis, squash, a senior's club, easy access to the 3.5km (2.2 mile) walking trail surrounding the Cedar Hill Golf Course, and the Arts Centre at Cedar Hill completed in 2011. A variety of events of interest to the region are hosted here such as provincial and international racquet sport tournaments and the Family Arts Festival.

A wide variety of preschool, youth and adult programs take place in the dance studio, auditorium, and meeting rooms. Partnership programs with the Cedar Hill Squash Club, New Horizons Seniors Club, Tennis BC, and others allow for enhanced services to residents. Cedar Hill is a designated National Tennis Development Centre for U12 players.

The Gallery Café, adjacent to the main entrance, provides a welcoming, social environment for participants and neighbours and serves as a venue for local artists to display their work.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Programming & Reception						
Revenues	(141,300)	(144,600)	(149,100)	(140,500)	8,600	(5.77%)
Expenses	<u>1,098,300</u>	<u>1,167,000</u>	<u>1,189,600</u>	<u>1,222,200</u>	<u>32,600</u>	<u>2.74%</u>
Total	957,000	1,022,400	1,040,500	1,081,700	41,200	3.96%
Programs						
Revenues	(1,395,300)	(1,488,900)	(1,222,700)	(1,326,900)	(104,200)	8.52%
Expenses	<u>750,000</u>	<u>793,200</u>	<u>739,800</u>	<u>784,100</u>	<u>44,300</u>	<u>5.99%</u>
Total	(645,300)	(695,700)	(482,900)	(542,800)	(59,900)	12.40%
Maintenance	706,600	754,100	713,500	739,700	26,200	3.67%
Total	1,018,300	1,080,800	1,271,100	1,278,600	7,500	0.59%

- Programming & Reception - decrease in rental revenues and increase in credit card charges and wage increments.

Cedar Hill Golf Course, located on Derby Road off Cedar Hill Road, provides "close to home" golf for beginners and experienced players on an 18 hole, 5100 yard course. CPGA instruction, pro shop sales and services, a short club practice range, FootGolf, licensed light snacks and beverages and banquet and meeting services round out the available services. Green fee play and pass holder tee times are facilitated through an on-line booking system.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Golf Revenues	(1,189,300)	(1,299,700)	(1,187,000)	(1,317,200)	(130,200)	10.97%
Administration	184,600	189,500	191,000	184,100	(6,900)	(3.61%)
Pro Shop	73,800	74,200	68,200	69,000	800	1.17%
Food and Beverage						
Revenues	(474,300)	(598,600)	(488,500)	(592,200)	(103,700)	21.23%
Expenses	<u>544,800</u>	<u>587,800</u>	<u>533,500</u>	<u>619,800</u>	<u>86,300</u>	<u>16.18%</u>
Total	70,500	(10,800)	45,000	27,600	(17,400)	(38.67%)
Facility Maintenance	221,300	233,100	202,900	218,400	15,500	7.64%
Grounds Maintenance	681,400	743,400	674,100	735,800	61,700	9.15%
Debt, Capital and Overhead	508,200	476,400	729,800	795,800	66,000	9.04%
Sub-Total	550,500	406,100	724,000	713,500	(10,500)	0.00%
Transfer from Reserves	(550,500)	(386,100)	(724,000)	(713,500)	10,500	0.00%
Total	-	20,000	-	-	-	0.00%

- Except for Debt, Capital and Overhead overall operation is budgeted at sustainable levels with no property tax funding required.
- The reserve to support additional capital expenditure needed at the Golf Course totalled \$320,000 at December 31, 2016 and the full amount is budgeted to be used in 2017.
- Debt, Capital and Overhead - additional funding required for critical facility repairs.

Gordon Head Community Recreation Centre

Gordon Head Community Recreation Centre is nestled in Lambrick Park off Feltham Road in the heart of Gordon Head and provides community access to a wide variety of activities which promote healthy lifestyles.

Facilities include a 25 metre pool with climbing wall and a lift to assist people with disabilities, a river pool, leisure and tot pools, steam room and sauna and accessible and universal change rooms. The Centre also supports a Youth Activity Centre and Youth Activity Skateboard Park, providing youth in the Gordon Head area with additional healthy lifestyle choices. Gordon Head provides programs and services for preschoolers, youth, adults and seniors.

In addition, Gordon Head has a highly accessible weight room, multipurpose rooms and auditorium. The Centre provides many community programs that focus on fitness, arts and culture, and multicultural programming. Community partnerships with health serving agencies allow for services such as physiotherapy, kinesiology and massage therapy. Partnerships with IHA provide recovery programs as well as preventative services.

A partnership with School District 61 at Gordon Head Middle School provides valuable community recreation program space for Saanich. Facilities include double gymnasium, dance studio, textiles and food rooms, art room, and music studio available in the evenings, on weekends and on all school non-instructional days. Programming and rentals also take place in the Bert Richman building.

Gordon Head underwent significant remediation on its pool walls due moisture penetration issues. Remediation included repairs to the structural steel as well as insulation and exterior resurfacing. This has also resulted in the remediation and rebuild of the Steam Room which is slotted to reopen in March 2017.

Net Budget By Function	Actual 2015	Actual 2016	Budget 2016	Budget 2017	\$ Change 2017/2016	% Change 2017/2016
Programming & Reception						
Revenues	(88,500)	(92,600)	(67,700)	(79,300)	(11,600)	17.13%
Expenses	<u>1,194,700</u>	<u>1,228,000</u>	<u>1,191,500</u>	<u>1,221,900</u>	<u>30,400</u>	<u>2.55%</u>
Total	1,106,200	1,135,400	1,123,800	1,142,600	18,800	1.67%
Programs						
Revenues	(2,251,300)	(2,348,500)	(2,184,900)	(2,260,000)	(75,100)	3.44%
Expenses	<u>1,627,200</u>	<u>1,745,800</u>	<u>1,672,200</u>	<u>1,759,700</u>	<u>87,500</u>	<u>5.23%</u>
Total	(624,100)	(602,700)	(512,700)	(500,300)	12,400	(2.42%)
Maintenance	1,056,800	1,086,000	1,019,300	1,052,200	32,900	3.23%
Total	1,538,900	1,618,700	1,630,400	1,694,500	64,100	3.93%

- Maintenance – increase in building maintenance and supplies.

G. R. Pearkes Community Recreation Centre

G.R. Pearkes Community Recreation Centre, located behind the Tillicum Mall, offers a variety of community programs for all ages, focusing on fitness, preschool and family activities, skating and physical literacy. The facility hosts a number of District special events and major trade shows which attract participants from around the region. The facility is home to two indoor ice arenas, indoor multi-use sport courts, a fitness centre, meeting rooms and a youth activity centre.

The partnership with Saanich Neighbourhood Place provides licensed preschool programs and family support opportunities for local residents. Further partnerships are in place with the Greater Victoria Public Library, Queen Alexandra Society and Kids Klub as each organization has facilities and services on site at Pearkes. Programs and services are also offered at Colquitz Middle School in partnership with School District 61.

The facility is home to a number of community and sports associations including Gorge Tillicum Community Association, Saanich Minor Hockey, Saanich Braves Jr. B Hockey Club, Saanich Figure Skating Club, Saanich Lacrosse and the Greater Victoria Minor Ball Hockey Association.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Programming & Reception						
Revenues	(990,700)	(987,500)	(977,200)	(988,500)	(11,300)	1.16%
Expenses	<u>1,048,100</u>	<u>1,088,500</u>	<u>1,077,100</u>	<u>1,101,800</u>	<u>24,700</u>	<u>2.29%</u>
Total	57,400	101,000	99,900	113,300	13,400	13.41%
Programs						
Revenues	(886,900)	(930,400)	(911,500)	(928,500)	(17,000)	1.87%
Expenses	<u>597,700</u>	<u>619,700</u>	<u>576,400</u>	<u>617,100</u>	<u>40,700</u>	<u>7.06%</u>
Total	(289,200)	(310,700)	(335,100)	(311,400)	23,700	(7.07%)
Maintenance	1,440,000	1,526,200	1,420,900	1,432,800	11,900	0.84%
Total	1,208,200	1,316,500	1,185,700	1,234,700	49,000	4.13%

- Programming & Reception – increase to credit card charges, equipment maintenance and wage increments.
- Programs – increases in overall program revenues were impacted by reductions in expected revenues in Aerobics and Weight programs due to the opening of two fitness facilities locally.

Saanich Commonwealth Place

Saanich Commonwealth Place, built for the 1994 Commonwealth Games, is located on Elk Lake Drive in the Royal Oak/Broadmead area and serves both local residents and the larger community, with its world class aquatics facilities. These include a 50 meter competitive pool which can be used for international level events, a dive tank, leisure pool, wave pool and waterslide. Other facilities within the building include two specially equipped accessible, change rooms, universal change rooms, a gymnasium, hot tub, steam & dry saunas, dance studio, fitness centre, multi-purpose rooms, pro shop, café, the Victoria offices of Pacific Sport, and the Bruce Hutchison Branch of the Greater Victoria Library.

A major component of the Centre's programming occurs off site at Royal Oak Middle School through the Department's agreement with School District #63.

At both the Centre and the off-site locations, numerous programs and activities are offered for all ages and abilities. Several health service partnerships are also in place including physiotherapy, massage and rehabilitative therapy.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	%Change
	2015	2016	2016	2017	2017/2016	2017/2016
Programming & Reception						
Revenues	(411,500)	(414,100)	(392,700)	(373,200)	19,500	(4.97%)
Expenses	<u>1,832,100</u>	<u>1,897,400</u>	<u>1,831,800</u>	<u>1,893,500</u>	<u>61,700</u>	<u>3.37%</u>
Total	1,420,600	1,483,300	1,439,100	1,520,300	81,200	5.64%
Programs						
Revenues	(4,122,000)	(4,221,800)	(4,014,500)	(4,105,300)	(90,800)	2.26%
Expenses	<u>3,245,300</u>	<u>3,310,300</u>	<u>3,151,700</u>	<u>3,251,000</u>	<u>99,300</u>	<u>3.15%</u>
Total	(876,700)	(911,500)	(862,800)	(854,300)	8,500	(0.99%)
Maintenance	2,114,800	2,074,500	1,988,900	2,031,900	43,000	2.16%
Total	2,658,700	2,646,300	2,565,200	2,697,900	132,700	5.17%

- Programming & Reception – revenue reductions to facilities rental and increase to credit card charges.

Community Services

Community Services supports access to Saanich recreation facilities and the creation of local initiatives that provide opportunities for citizens to lead a healthy lifestyle and to be engaged in their community. The goal is to maximize resources in the community by working alongside citizens, schools, social serving agencies, health care providers, special interest groups and neighbourhood committees to create quality recreation programs and to decrease the barriers many families and individuals face in accessing recreation services.

The Section provides a wide variety of services including municipal and community special events, community development, volunteering, inclusion and accessibility services for low income citizens, youth services and teen centres, summer playground programs, seniors and active aging initiatives, parks programming, multicultural and social programs, and healthy eating initiatives.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Programming	542,500	546,000	559,200	569,500	10,300	1.84%
Programs						
Revenues	(242,500)	(247,300)	(192,600)	(204,200)	(11,600)	6.02%
Expenses	717,500	751,600	700,300	764,500	64,200	9.17%
Total	475,000	504,300	507,700	560,300	52,600	10.36%
Total	1,017,500	1,050,300	1,066,900	1,129,800	62,900	5.90%

- Programs revenues – full cost of the 2016 approved increases to Youth Leaders to implement the Youth Development Strategy.

Cultural Services

The Cultural Services budget is primarily comprised of Library Services and the Swan Lake Nature House.

Library Services are provided by the Greater Victoria Public Library in accordance with the Library Operating Agreement at the downtown main branch and at four branches located in Saanich: Bruce Hutchison, Nellie McClung, Emily Carr and Centennial Library. Maintenance of the branch libraries is performed by Saanich staff.

BUDGET SUMMARY	
2017 Net Budget	\$ 6,209,600
2016 Net Budget	\$ 5,985,400
Budget Change	\$ 224,200
Change by %	3.75%
FTE	n/a
Carbon Footprint (CO2e)	n/a

The Swan Lake Christmas Hill Nature House is operated under the terms of a management contract.

2017 Budget Challenges

- Maintain funding for increased library and Swan Lake Nature House services in an uncertain economic climate.

CORE BUDGET

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
Greater Victoria Public Library	5,263,900	5,395,100	5,395,100	5,487,800	92,700	1.72%
Branch Libraries Lease and Maintenance	240,400	238,200	220,500	232,900	12,400	5.62%
Swan Lake Christmas Hill Nature House	340,000	369,800	369,800	369,800	-	0.00%
Total	5,844,300	6,003,100	5,985,400	6,090,500	105,100	1.76%

- Greater Victoria Public Library – increase due to wage increment offset by reductions in other costs.
- Branch Libraries Lease and Maintenance – lease of storage space which was part of original agreement but not billed to the District until 2016.

General Capital Program

The Capital Plan matches the District's needs for investment in capital with its available financial resources. Replacement of ageing infrastructure is the primary factor in determining capital requirements in Saanich. Saanich infrastructure spending is gradually addressing this need, increasing from \$4.0 million in the year 2000 to an annual average of over \$24 million in the last three years for general capital.

Spending has historically been balanced between replacing existing infrastructure and building new facilities. The focus is replacement of existing infrastructure. The estimates outlined in each section are based on the following assumptions:

1. A net 2% increase in tax funded core capital over 2016 budget
2. A minimum 0.75% property tax allocation to infrastructure replacement
3. Debt Financing Guideline
4. All figures shown in 2017 dollars – no inflation allowance

Expenditures			Budget	Budget
	2016 Projects In Progress	2017 Capital Projects	Total 2017	2016
Police	912,200	1,322,200	2,234,400	2,429,300
Fire	94,200	472,300	566,500	871,600
Emergency Program	55,000	-	55,000	55,000
Finance	30,800	-	30,800	25,000
Transportation	9,124,100	7,721,000	16,845,100	21,573,800
Drainage	4,627,900	7,327,000	11,954,900	9,067,000
Parks	919,200	2,815,200	3,734,400	3,519,100
Recreation	755,500	1,220,000	1,975,500	1,490,800
Fleet Replacement	1,008,800	1,050,000	2,058,800	2,306,200
Information Technology	3,186,100	5,156,900	8,343,000	7,449,000
Community Facilities	1,636,600	4,808,600	6,445,200	9,070,100
Parkland Acquisition	-	2,500,000	2,500,000	3,842,700
	22,350,400	34,393,200	56,743,600	61,699,600
Source of Funding			Budget	Budget
	2016 Projects In Progress	2017 Capital Projects	Total 2017	2016
General Operating (Core Capital)	-	13,500,800	13,500,800	12,472,100
Future Expenditure Reserve	343,400	150,000	493,400	1,025,300
General Capital Reserves	16,155,200	10,070,200	26,225,400	25,019,100
Lands Sale Reserve	-	2,000,000	2,000,000	2,000,000
Development Cost Charges	156,400	1,335,000	1,491,400	2,842,700
Equipment Replacement Reserve	1,263,500	1,677,400	2,940,900	3,685,500
Grants & Contributions	511,200	100,000	611,200	2,478,500
Borrowing	3,920,700	5,559,800	9,480,500	12,176,400
	22,350,400	34,393,200	56,743,600	61,699,600

The capital projects listed in the following tables are a representative list of projects planned to commence during the year. As many of these budget estimates are at a "Class D" level, budget transfers occur between projects during the year.

Five Year General Capital Projection

The following is a projection of infrastructure and facility capital replacement by program:

Description of Program	Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Notes:
Vehicles, Equipment & Technology						
Police	1,322,200	1,048,200	1,117,900	1,007,800	1,012,900	
Fire	472,300	98,000	24,000	380,000	700,000	
Emergency Program	-	-	50,000	-	-	
Finance	-	10,000	20,000	-	-	1
Fleet Replacement	1,050,000	1,046,600	961,000	1,032,500	1,002,600	
Engineering	25,000	-	-	-	-	
Parks & Recreation	410,300	399,700	405,700	466,000	357,200	
Information Technology	5,156,900	5,372,500	2,518,000	2,358,500	4,718,000	2
Parkland Acquisition	2,500,000	1,500,000	1,000,000	1,000,000	500,000	3
	10,936,700	9,475,000	6,096,600	6,244,800	8,290,700	
Transportation						
Complete Streets	2,450,000	2,400,000	7,250,000	4,000,000	3,200,000	
Roads Improvement (includes sidewalk and bikeways components)	2,360,000	4,135,000	2,095,000	3,792,000	3,270,000	1
Sidewalk Improvement	1,344,000	1,593,000	2,150,000	850,000	2,100,000	4
Bikeways Improvement	15,000	1,050,000	2,000,000	1,105,800	1,100,000	
Bus Stops Improvement	145,000	190,000	190,000	190,000	190,000	
Street Lights/Traffic Signals Improvement	1,030,000	305,000	345,000	345,000	345,000	5
Bridges Replacement	-	800,000	-	-	-	1
Other	352,000	271,000	185,000	185,000	85,000	6
	7,696,000	10,744,000	14,215,000	10,467,800	10,290,000	
Drainage						
Wood Stave Replacement	3,840,800	5,051,100	4,550,500	6,220,000	-	
Sub-standard Drain Replacement	1,980,200	1,232,900	1,467,500	2,719,000	7,102,000	5
Other	895,000	510,000	410,000	447,800	429,000	
Transfer to Capital Reserve	611,000	400,000	1,100,000	-	-	
	7,327,000	7,194,000	7,528,000	9,386,800	7,531,000	

Notes:

- 1 – Based on age and condition assessment
- 2 – Based on replacement schedule
- 3 – Based on the OCP, LAPs and opportunity
- 4 – Based on need and ROW acquisition
- 5 – Annual program
- 6 – Safe route to school and planning and design costs

Five Year General Capital Projection (Continued)

6 - Safe Route to School and planning and design costs						
Description of Program	Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Notes:
Parks						
Playground Replacement	295,000	198,000	288,000	370,000	507,400	
Sports Field & Hard Court Replacement	418,000	320,000	747,000	427,000	602,000	
Parking Replacement	99,000	-	-	294,000	339,000	
Irrigation Replacement	43,000	79,000	85,000	68,000	68,000	
Bridges & Structures Replacement	211,000	237,000	220,000	200,000	200,000	1
Trails Replacement	481,000	121,000	132,000	482,000	143,000	
Buildings Replacement	37,000	44,000	124,000	146,000	146,000	
Park Infrastructure Replacement	678,800	1,516,400	1,231,400	819,700	821,000	
Natural Areas and Urban Forestry	113,100	126,400	204,000	238,000	238,000	
Other	179,000	175,000	81,100	99,200	61,500	
	2,554,900	2,816,800	3,112,500	3,143,900	3,125,900	
Recreation & Community Facilities						
Electrical	1,061,500	525,000	-	187,500	322,500	
Mechanical	232,000	135,000	345,000	750,000	750,000	
HVAC	671,700	360,000	825,000	465,000	-	
Building Envelope	171,800	554,400	450,000	120,000	517,500	
Building Interior	581,700	951,400	925,400	572,600	635,100	1
Parking Signage & Grounds	301,000	67,000	-	50,000	-	
Major Facilities Repair & Future Replacement Reserve	2,000,000	2,298,700	2,800,000	2,856,000	2,913,100	
Planning & Other	738,900	15,000	165,000	100,000	100,000	
	5,758,600	4,906,500	5,510,400	5,101,100	5,238,200	

Notes:

1 – Based on age and condition assessment

Vehicles, Equipment and Technology

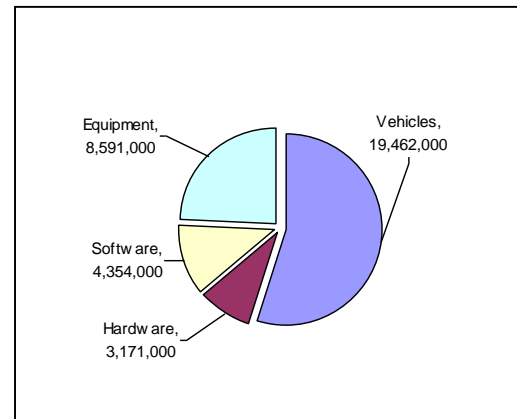
Saanich vehicles, equipment and information technology includes fleet vehicles for parks, public works, police and fire, computer and telephone hardware and software for all departments and a variety of equipment from fitness to lawn mowers.

Ensuring that there are sufficient funds to replace these items as they complete their useful life is of primary concern.

What needs to be done?

Investigate if existing equipment are required to be replaced in the future. Ensure that all major equipment and technology purchased have adequate replacement funds set aside in a reserve for future replacement.

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2014 \$)
Vehicles	4-25	\$ 2,163,000
Computer Hardware	4-6	\$ 714,000
Computer Software	4-20	\$ 343,000
Major Equipment	4-30	\$ 674,000
		\$ 3,894,000



This asset category was reviewed in 2014 and the average annual replacement cost was adjusted accordingly. Replacement values were also added for police vehicles and information technology. The revised annual replacement target was achieved in 2016 through additional transfer to the various reserve funds. Adjustments will be required for computer hardware and software once the IT infrastructure strategy has been implemented.

Financial Commitment in Financial Plan	2017
Capital funded directly from property taxation	\$ 824,200
Debt principal for capital purchases	\$ 517,100
Transfer to Reserve Funds for future replacement	\$ 2,483,800
Interest earned on Replacement Reserve Funds	\$ 68,900
Total Financial Commitment	\$ 3,894,000

Police Vehicles, Equipment and Technology

Police Services	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2016 Projects in Progress:					
Two-factor Authentication		61,100			61,100
New Building IT Infrastructure & Furniture		80,600			80,600
Office Equipment & File System		109,000			109,000
Patrol Long Gun Replacement		160,700			160,700
Vehicle AED		72,500			72,500
Video Conferencing		116,000			116,000
Building Improvements		100,000			100,000
Enhancement of Building Security & Front Desk		150,000			150,000
Ion Scanner & Pressurized Exhibit Station		50,000			50,000
It Server Room Air Conditioning		12,300			12,300
Total	-	912,200	-	-	912,200
2017 Capital Projects:					
ERT Rescue Vehicle		77,000			77,000
Vehicle Replacement Transition		200,000			200,000
Long Range Accoustical Devices		31,000			31,000
Conducted Energy Weapon Upgrade		32,200			32,200
Glock Replacement		52,000			52,000
Officer & Public Safety Equipment	37,900				37,900
Investigative Equipment	27,900				27,900
Office Equipment	58,600				58,600
Building Improvements	61,100				61,100
Hardware and Software	33,200	318,600			351,800
Annual Vehicle Replacement	255,000	137,700			392,700
Total	473,700	848,500	-	-	1,322,200

Of the 2017 Police projects of \$848,500 will be funded from the Public Safety and Security Reserve.

Fire Vehicles, Equipment and Technology

Fire Protection	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2016
2016 Projects in Progress:					
Vehicle Replacement - Electric Vehicle		44,000			44,000
Vehicle Replacement		50,200			50,200
Total	-	94,200	-	-	94,200
2017 Capital Projects:					
SCBA Equipment		425,000			425,000
Vehicle Replacement		47,300			47,300
Total	-	472,300	-	-	472,300

For 2017 a UTV Trailer will be purchased and Engine 11 and Ladder 1 vehicles to be refurbished.

Emergency Program

Emergency Program	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2016
2016 Projects in Progress:					
Emergency Pogram Equipment		55,000			55,000
Total	-	55,000	-	-	55,000

Mobile Communications Trailer

Finance Equipment

Equipment Replacement	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2016 Projects in Progress:					
Municipal Hall Equipment		30,800			30,800
Total	-	30,800	-	-	30,800

Production Printer

Fleet Vehicles

The Fleet division has developed a long term vehicle replacement program for over 250 vehicles to smooth out the costs of replacement from year to year. An equipment replacement reserve is funded by annual contributions of approximately \$737,000 from the Fleet Division.

Vehicle Equipment Replacement Program	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2016 Projects in Progress:					
Fleet Vehicle Replacements, Various Small trucks and vehicles		1,008,800			1,008,800
Total	-	1,008,800	-	-	1,008,800
2017 Capital Projects:					
Fleet Vehicle Replacements, Various trucks and vehicles		1,050,000			1,050,000
Total	-	1,050,000	-	-	1,050,000

2016 Vehicles yet to be received include 3 Tandem Dump Trucks, 1 Hydro Excavator and 1 Asphalt Roller.

Vehicles to be purchased in 2017 include 1 Tandem Dump Trucks; 2 Park Trucks; 1 Sweeper, 1 Patch Truck, 1 Pound Van, 1 Single Axel and 2 full size PW Trucks.

Parks and Recreation Equipment

This is the annual replacement of equipment capital for Parks & Recreation.

Equipment Replacement	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2017 Capital Projects:					
Golf Course Equipment Replacement		13,900		126,000	139,900
Recreation Equipment Replacement		130,100			130,100
Parks Equipment Replacement	140,300				140,300
Total	140,300	144,000	-	126,000	410,300

Golf Course equipment to be replaced in 2017 includes 1 mower, 1 Toro Groundsmaster, 1 turbine blower, 1 mechanics lift and 1 beverage cart.

Recreation equipment to be replaced in 2017 14 Treadmills, 4 Spin Bikes, 3 Cross Trainers, 2 Rowers, 1 ARC Trainer.

Engineering Equipment

Annual replacement of equipment for Engineering.

Equipment Replacement	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2017 Capital Projects:					
Street Operations Equipment		25,000			25,000
Total	-	25,000	-	-	25,000

Street Operations equipment - Tac Tank

Information Technology

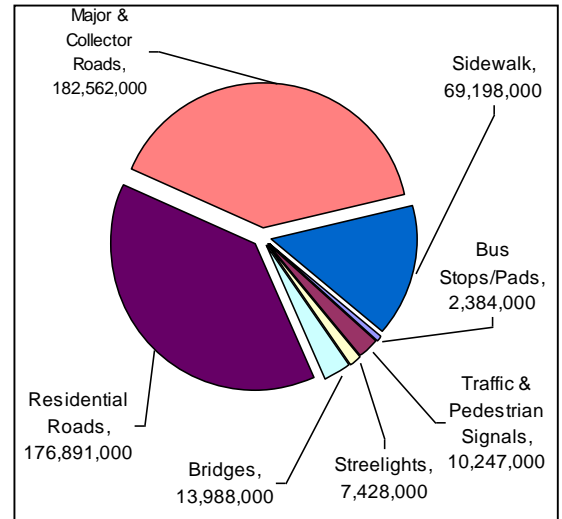
Hardware and software replacement including project implementation costs.

Information Technology	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2016 Projects in Progress:					
IT Infrastructure:					
Telephone System		974,300			974,300
IT Infrastructure Upgrades		550,800			550,800
Network Upgrade		943,900			943,900
Business Systems:					
Council Webcast		213,500			213,500
Agenda Management		50,000			50,000
Data Security		72,500			72,500
Fire Dispatch Phase 1		331,100	50,000		381,100
Total	-	3,136,100	50,000	-	3,186,100
2017 Capital Projects:					
IT Infrastructure:					
Email Upgrades		250,000			250,000
IT Infrastructure Upgrades		750,000			750,000
Network Upgrade		200,000			200,000
Business Systems:					
JD Edwards Implementation		1,400,000			1,400,000
Next Generation Web Implementation		28,500			28,500
Webcasting		50,000			50,000
Tempest Upgrades		200,000			200,000
Fire Dispatch Phase 2		450,000			450,000
Fire Dispatch Inter-Government Services		150,000			150,000
Dispatch Move (Discovery)		60,000			60,000
Traffic Signal System (Discovery)	40,000				40,000
Elections (Discovery)		100,000			100,000
Ortho Photo Update	45,000				45,000
GIS Application Upgrade		110,000			110,000
Recreation Software Upgrade		699,200			699,200
New Assets/Projects:					
Capital Contingency		445,200			445,200
OC Plotter at PW/Parks	21,200	53,800			75,000
DOC Public Works Update	50,000				50,000
Division Capital	54,000				54,000
Total	210,200	4,946,700	-	-	5,156,900

Transportation

Saanich transportation infrastructure includes 178 km of major or collector roads, 370 km of residential roads, 141 km of bike lanes, 249 km of sidewalks and 32 bridges valued at \$468 million dollars.

Asset	Component	Estimated Asset Life	Average Annual Replacement Cost (2013 \$)
Roads	Major & Collectors	20-80	\$ 3,399,000
	Residential	40-100	\$ 2,378,000
Sidewalks	Concrete & asphalt pedestrian facilities	15-50	\$ 1,749,000
Bridges	Timber, concrete	60-100	\$ 172,000
Streetlights	Pole mount, steel Standard, post top	30	\$ 248,000
Traffic & Pedestrian Signals	Pedestrian control, Solar beacons	25	\$ 410,000
Bus Stops & Pads	Concrete & Asphalt	15-50	\$ 48,000
		Total:	\$ 8,404,000



Of the \$13,190,900 budgeted for transportation capital in 2016, it is estimated that \$3,960,000 is for the construction of new sidewalks and bike lanes. As the infrastructure replacement program has reached sustainable annual funding levels, future considerations will be for funding new infrastructure needs.

How did we work toward the target?

- Allocated Federal Gas Tax to road and bridge rehabilitation.
- Allocated a portion of annual capital program tax increase.
- Supplemented with borrowing.
- Supplemented with Federal and/or Provincial Grants where possible.
- Pursued emerging technologies which may lower replacement costs or extend useful life.

Current Ongoing Financial Commitment to Transportation Infrastructure:

Financial Commitment in Financial Plan	2017
Transportation projects funded directly from property taxation	\$ 2,739,000
Annual Gas Tax and interest earned	\$ 4,600,000
Debt principal for transportation projects	\$ 213,200
Transfer to reserve fund for transportation projects	\$ 710,100
Interest earned on Transportation reserve funds	\$ 126,700
Annual contributions from developers for transportation projects	\$ 15,000
Total Financial Commitment	\$ 8,404,000

How do we maintain sustainability?

- Continue with annual increases in capital funding to keep up with construction cost indices.

Transportation

Transportation	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2016 Projects in Progress:					
Complete Streets:					
Shelbourne Valley Concept Plan		632,900			632,900
Active Transportation Plan		201,600			201,600
McKenzie Avenue (Cedar Hill to Shelbourne) 190m				750,000	750,000
Roads:					
Uptown Traffic Study		127,800			127,800
Other Projects In Progress		230,100			230,100
Glanford/Mann		100,000			100,000
Tillicum Road (Maddock to Trans Canada Hwy) 800m				800,000	800,000
Ashphalt Overlay Program		238,900			238,900
Sidewalks:					
Haliburton Road (to Cherry Tree Bend)		156,400			156,400
Morris Drive		300,000			300,000
Other Projects In Progress		156,300			156,300
Blanshard / Ravine / Vernon 100m		60,000			60,000
Burnside Road (Helmecken to Little) 300m		55,000		45,000	100,000
Interurban Road (Meadowview to 4125 Interurban) 170m		250,000			250,000
Linwood Avenue (Cook to Tolmie) 500m		500,000			500,000
Sidewalk Rehabilitation Program		192,300			192,300
Bikeways:					
Lansdowne Road (Shelbourne to Foul Bay)		359,900			359,900
Borden Street (McKenzie to Cedar Hill Cross) 400m		207,700			207,700
Shelbourne Street (Torquay to Arbordale) 1200m		76,500			76,500
Carey Bus Exchange 75m				100,000	100,000
Dean Avenue (Allenby to Haultain)				130,000	130,000
Cedar Hill X Rd Overlay and Bikelaness		100,000			100,000
Galloping Goose Carey Road Connection			125,000	175,000	300,000
Bus Stops, Signals, Street Lights:					
McKenzie / Quadra Traffic Signal		200,900	58,700		259,600
Various Bus Stop Improvements		98,300			98,300
UPS Installations		32,100			32,100
Emergency Vehicle Pre-emption		12,400			12,400
Streetlight Program		37,400			37,400
Bus Stop Concrete Pad Improvements		68,100			68,100
Traffic Signal Rehabilitation		42,800			42,800
Bridges:					
Bridge Review & Assessment		33,800			33,800
Bridge Repair & Replacement		116,400			116,400
Keats Pedestrian Bridge includes 30m sidewalk		199,300			199,300
Wilkinson Bridge (Colquitz Trail)		1,891,000	262,500		2,153,500
Total	-	6,677,900	446,200	2,000,000	9,124,100

Transportation (Continued)

Transportation	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2017 Capital Projects:					
Complete Streets:					
Finnerty Road (McKenzie to Arbutus) 500m S/W & 1000m Cycling		1,235,000		265,000	1,500,000
Haliburton Road (Pat Bay Hwy to Wesley) 500m S/W & 1400m cycling		290,000		310,000	600,000
Shelbourne Valley Property Acquisition	350,000				350,000
Roads:					
McKenzie Avenue Warranty	20,000				20,000
Marigold/Daffodil Crosswalk	25,000				25,000
West Saanich Road (Elk Lake to Pipeline) 150m S/W & cycling		545,000		260,000	805,000
Ashphalt Overlay Program	1,200,000	310,000			1,510,000
Sidewalks:					
Ansell Road Phase 1 (Midgard to Garnet) 300m	50,000			350,000	400,000
Gordon Head Road (3912 to Cedar Hill X) 500m	49,000			320,000	369,000
Judah Street (Roy to Bremerton) 150m	30,000			245,000	275,000
Sidewalk Rehabilitation Program	250,000				250,000
Corner Ramp Program	50,000				50,000
Bikeways Improvements:					
Bike Count Program	15,000				15,000
Bus Stops, Signals, Street Lights:					
Bus Stop Improvements	130,000	15,000			145,000
Traffic Signal Assessment and Timing Updates		200,000		50,000	250,000
Quadra / McKenzie Traffic Signal Rehabilitation		275,000			275,000
LED Street Light Program	250,000				250,000
Traffic & Street Light Rehabilitation	55,000			200,000	255,000
Other:					
Safe Route to School	50,000	87,000			137,000
Right of Way Acquisition	40,000				40,000
Active Transportation Plan	175,000				175,000
Total	2,739,000	2,957,000	-	2,000,000	7,696,000

Drainage

Saanich storm drainage infrastructure includes 600 km of main drains, 30,000 laterals and 14,000 catch basins valued at \$502 million dollars. The majority of the municipal drainage system is in fair condition. Pipe installed prior to 1975 (approx. 168 km) is in varying degrees of decline.

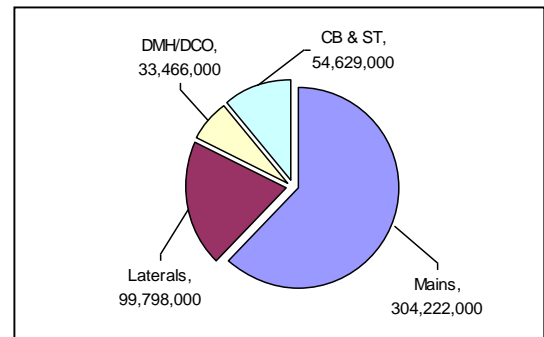
Replacing the remaining fourteen km of large diameter wood stave drain main is our primary priority. Replacing and upgrading problematic small diameter substandard drains is our secondary priority.

What needs to be done?

Continue the aggressive replacement of wood stave and substandard drain system to avoid higher construction costs and neighbourhood inconvenience. The goal this year is to replace 1.2 km of wood stave drain main and 500 meters of substandard drains.

Investigate environmentally sensitive methods of storm water collection, conveyance, and treatment.

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2013 \$)
Gravity Mains	Varies	\$ 4,856,000
Laterals	40	\$ 1,425,000
DMH / DCO	50	\$ 446,000
CBs & STs	50	\$ 780,000
		\$ 7,507,000

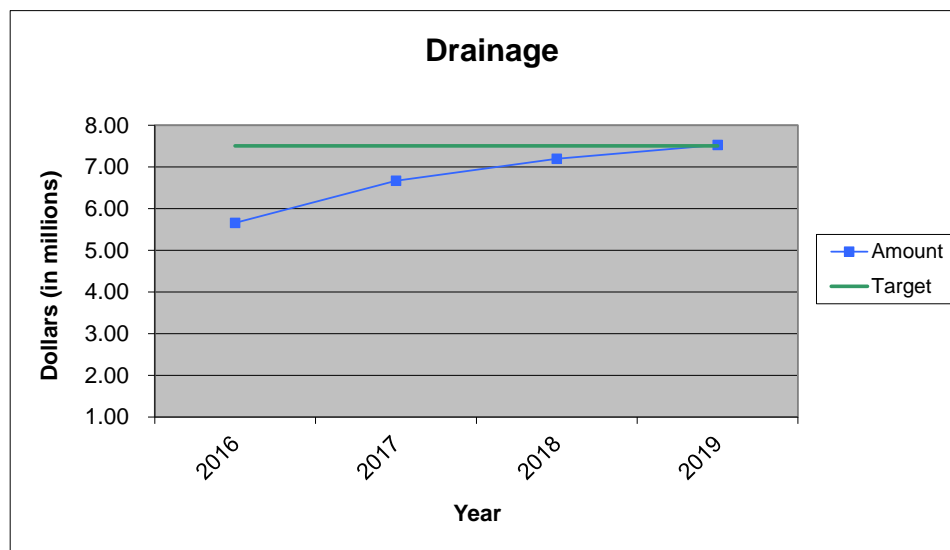


Current Ongoing Funding: \$6,671,000

Future Funding Target: \$7,507,000

How do we work toward this target?

- Allocate a portion of annual capital program tax increase.
- Supplement with borrowing.
- Pursue emerging technologies which may lower replacement costs or extend useful life.



Drainage

Drainage	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2016 Projects in Progress:					
Wood Stave Replacement:					
Glanford		55,000			55,000
Hampton		33,000			33,000
Cedarwood Plan C		63,300			63,300
Cedarwood Plan B		43,200			43,200
Fowler		30,200			30,200
Borden (Cedar Hill X to Public Works Yard)		156,100			156,100
Dean (Allenby to Haultain)				643,000	643,000
Whittier / Tennyson		100,000		200,000	300,000
Bellevue		200,000			200,000
Sub-standard Drain Replacement:					
Kingsley Street (North Dairy to Lansdowne Road)				240,000	240,000
Emerging Priorities		707,700			707,700
Woodley		75,000			75,000
Burnside Ditch Enclosure		102,200			102,200
Hampton (Lurline to Hampton)		260,000			260,000
Union (Palmer to Union)		47,900			47,900
Donald (Maddock to Donald)		204,000			204,000
Wyndeatt (Gorge to Wyndeatt)		432,000			432,000
Maplewood Oceanview		133,100			133,100
Morris Drive (Lucas to Ambassador)		200,000			200,000
Other:					
Drainage Model Implementation		2,000		302,000	304,000
Video Inspection & Assessment		96,900			96,900
Wood Stave Drain Design		182,700			182,700
Drain House Connection Replacement		52,200			52,200
Storm Drainage Model Development		66,400			66,400
Total	-	3,242,900	-	1,385,000	4,627,900

Drainage (Continued)

Drainage	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2017 Capital Projects:					
Wood Stave Replacement:					
Jamaica / Parkside	250,000			500,000	750,000
Laval	175,000			300,000	475,000
Lambrick Park	220,000			1,000,000	1,220,000
Culduthel / Boleskine	169,600			200,000	369,600
Blenkinsop Culvert	80,000				80,000
Gordon Head	448,000				448,000
Orillia	123,200				123,200
Carmen	375,000				375,000
Sub-standard Drain Replacement:					
Emerging Priorities	168,200				168,200
Gorge Drainage Improvements	600,000				600,000
Abbey		296,000			296,000
Homer	306,000				306,000
Pike / Maplewood	150,000				150,000
Vanalman / Colquitz Creek Culverts		360,000			360,000
Waterway Restoration Projects	100,000				100,000
Other:					
Drain House Connection Replacement	35,000				35,000
Storm Drain Design	700,000				700,000
Storm Drainage Model Development	100,000				100,000
CCTV Inspection & Assessment	60,000				60,000
Transfer to Capital Reserve Fund	611,000				611,000
Total	4,671,000	656,000	-	2,000,000	7,327,000

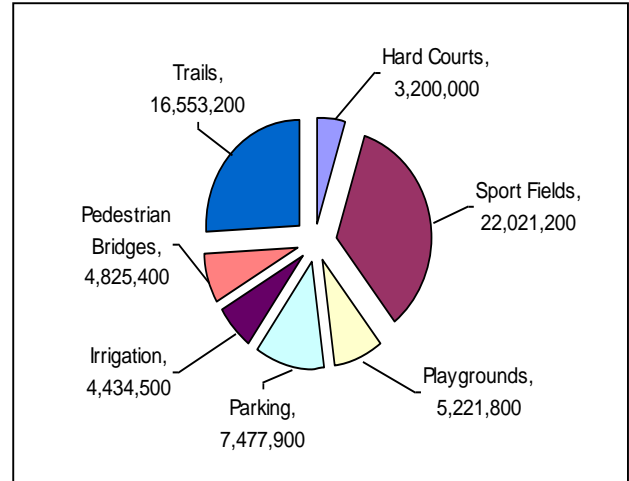
Park and Trail Structures

Parks and Trails structures include over 40 hard courts, 62 sport fields, 56 playgrounds, 50 pedestrian bridges and 100 km of trails valued at \$63 million dollars.

What needs to be done?

- Continue repairing high priority items as they become known.
- Continue utilizing grants and contributions from sports associations to replace aging fields and playgrounds.

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2013 \$)
Hard Courts	15-20	\$ 158,000
Sport Fields	15-40	\$ 834,000
Playgrounds	15	\$ 342,000
Parking	15-40	\$ 314,000
Irrigation	15	\$ 290,000
Pedestrian Bridges	15-50	\$ 245,000
Trails	15-20	\$ 990,000
		\$ 3,173,000

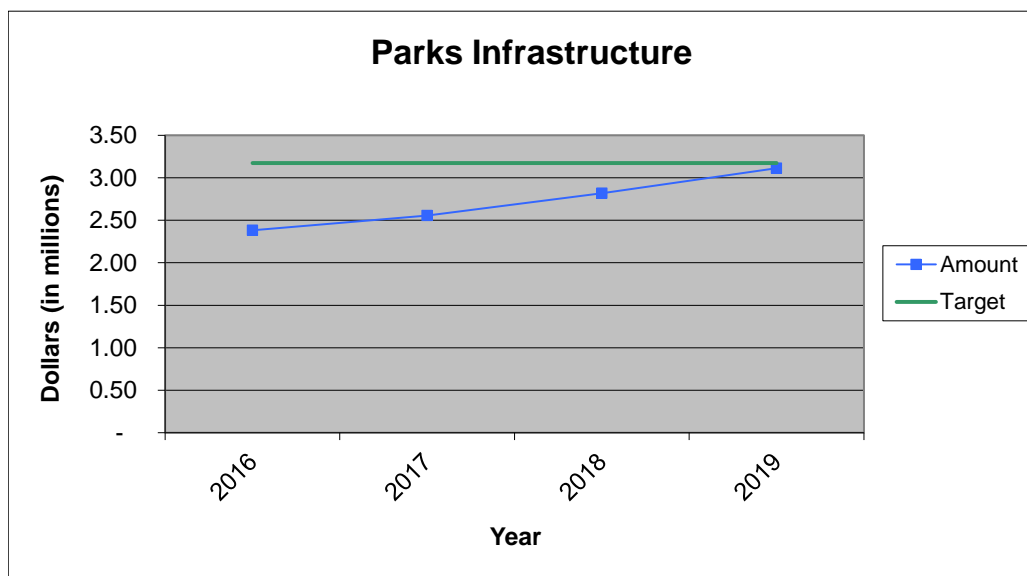


Current Ongoing Funding is \$2,479,900

Future Funding Target is \$3,173,000

How do we work toward this?

- Allocate a portion of annual capital program tax increase.
- Supplement with borrowing.
- Supplement with Federal and/or Provincial Grants if possible.



Park and Trail Structures

Park Improvements	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2016 Projects in Progress:					
Playgrounds - Copley East Replacement & Wood Surface Top-ups		5,900			5,900
Sports Fields - Maynard, Cost Sharing Clubs & Upgrades		25,900			25,900
Parking - Cedar Hill (Finlayson), Agate, Mount Douglas				77,700	77,700
Irrigation - Valve Replacement Program		73,500			73,500
Bridges & Structures - Shadywood, Swan Creek, Doumac, Boulderwood & Furniture & Minor Structure Replacement		24,500		25,000	49,500
Trails - Resurfacing of Quad. 1 (Southeast), Rithets Bog, Rosedale, Gloria Beach Access, Hyacinth & Layritz Lighting				184,300	184,300
Buildings - Nursery		66,900		14,700	81,600
General Park/Landscape - Cuthbert Holmes Phase 1				76,700	76,700
Layritz Park - Baseball Repairs, Drainage & Sewer Connection				95,300	95,300
Planning & Design - Env. Assessments; Park Management Plans		34,700			34,700
Mount Douglas - Signs, Creek, Trail Rebuilding & Closures		128,900			128,900
Other Projects in Progress		85,200			85,200
Total	-	445,500	-	473,700	919,200

Park and Trail Structures (continued)

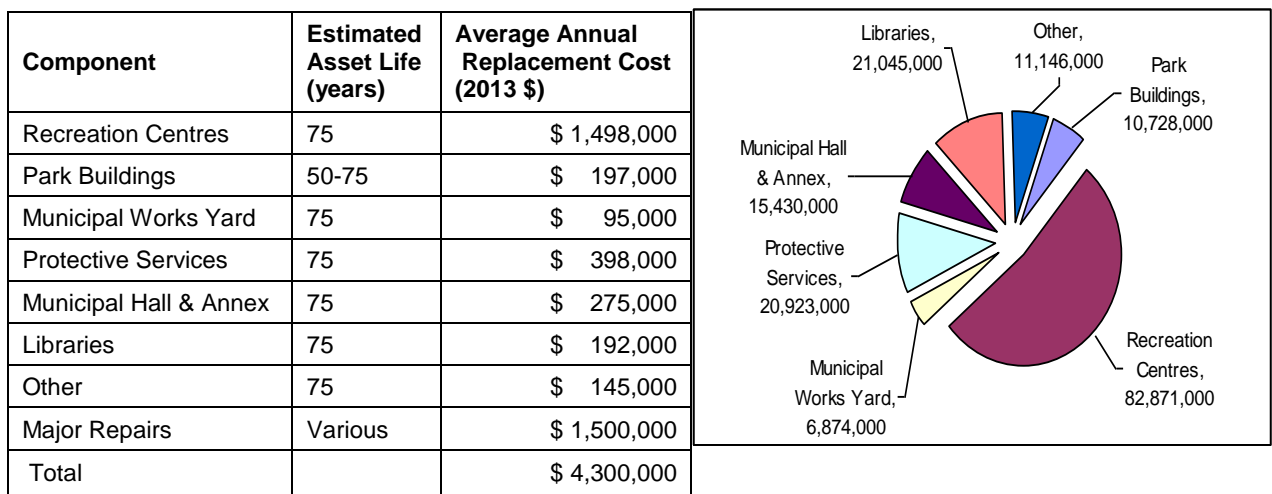
Park Improvements	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2017 Capital Projects:					
Playgrounds - Sierra Park Replacement & Wood Surface Top-ups	95,000			200,000	295,000
Sports Fields - Allenby and Copley West Upgrades	53,000			200,000	253,000
Sports/Tennis Courts - Hampton Park	165,000				165,000
Parking - Gorge Water & Mount Douglas	99,000				99,000
Irrigation - Playfair Park, Condition Assessment & Valve Replacement Program	43,000				43,000
Bridges & Structures - Blenkinsop Greenway, Browning, Swan Creek & Furniture & Minor Structure Replacement	111,000			100,000	211,000
Beckwith Lands Fencing		120,000			120,000
Signage - Interpretive, Wayfinding & Regulatory Program	71,000				71,000
Trails - Resurfacing of Quad. 1 (Glanford, Hampton), Quad. 2 (Copley, Edge, Interurban Rail), Quad. 3 (Ambassador)	131,000			350,000	481,000
Buildings - Minor Replacements	37,000				37,000
General Park/Landscape - Gorge Park Bridge History 50th	50,800				50,800
McMinn Park - Complete Park Project	90,000			450,000	540,000
Streetscape Renovations	88,000				88,000
Natural Areas - Restoration Initiatives	45,000				45,000
Urban Forestry - Tree Planting Program	68,100				68,100
Planning & Design - Park Management Plans	33,000				33,000
Mount Douglas - Creek, Trail Rebuilding & Closures		75,000			75,000
Subtotal Operations	1,179,900	195,000	-	1,300,000	2,674,900
Land Acquisition reserve		2,500,000			2,500,000
Total	1,179,900	2,695,000	-	1,300,000	5,174,900

Community and Recreation Facilities

Saanich owns and operates a variety of facilities: the Municipal Hall, Public Safety Building, libraries, fire halls, a public works yard, many park structures, several recreation centres and a golf course. Total square footage is in excess of 590,000 square feet with a replacement cost of \$168 million dollars. These estimates will be refined as the municipality continues to review the condition of its facilities and will produce a plan for the required capital improvements.

What needs to be done?

- Prepare Long Term Major Facilities Capital Replacement Plan.
- Continue repairing high priority items as they become known.
- Continue seismic analysis and upgrades.

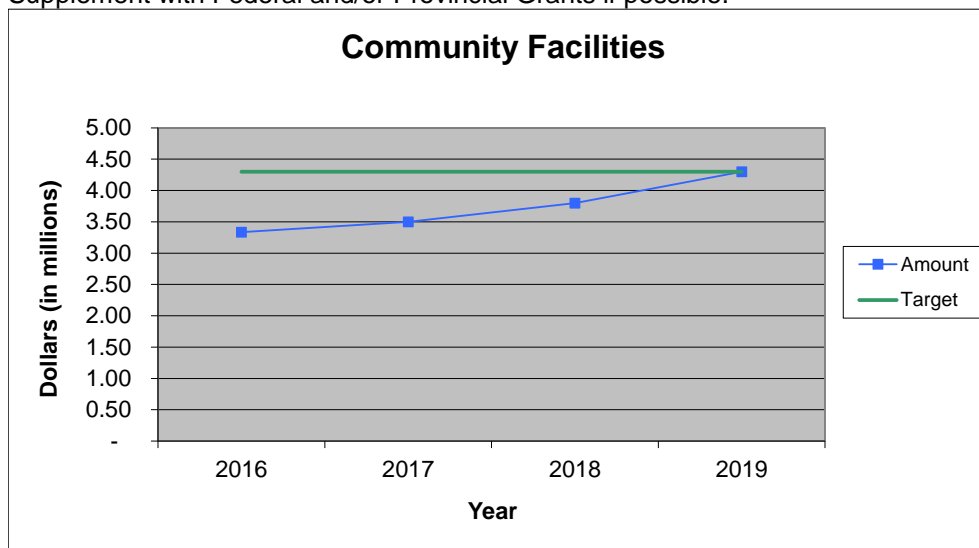


Current Funding is \$3,500,000

Future Funding Target is \$4,300,000

How do we work toward this?

- Allocate majority of the annual capital program tax increase.
- Supplement with Federal and/or Provincial Grants if possible.



Community Facilities

Municipal Facilities	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2016 Projects in Progress:					
Parks & Public Works Yard Buildings		200,000			200,000
Boiler Replacement at GHRC		147,000		62,000	209,000
HVAC Unit Replacements (Annex, Pearkes, Protective Services, CHRC)		165,500			165,500
Cedar Hill Recreation Centre Roof & Envelope		19,600			19,600
Fire Hall #3 Upgrades (Electrical)		500,000			500,000
GHRC Building Envelope Upgrades		26,000			26,000
Nellie McLung Washroom Renovation		45,200			45,200
Legislative/Planning Office Renovation		64,200			64,200
Municipal Hall Boiler		367,100	15,000		382,100
Emergency Ops Centre Annex		25,000			25,000
Total	-	1,559,600	15,000	62,000	1,636,600
2017 Capital Projects:					
CHRC Admin/Dance Studio Envelope Remediation	154,000				154,000
Repairs to Dehumidification Units at SCP	100,000				100,000
SCP Design for Phased Replacement of Mechanical System	165,000				165,000
CHGC RTU Replacement		400,000			400,000
Public Safety Roof Top HVAC Units	77,200				77,200
Pearkes Make-up Air Unit	55,000				55,000
Municipal Hall & Annex Lighting	41,700	243,300	100,000		385,000
GHRC Pool Filter Replacements	132,000				132,000
IT Network Replacement	231,000	212,700		133,800	577,500
GHRC Steam Room Remediation	60,000	80,000			140,000
Nellie McLung Lighting Replacement	69,000	30,000			99,000
Facility Master Planning	160,000	108,800			268,800
Major Facilities Capital Contingency	255,100				255,100
Total	1,500,000	1,074,800	100,000	133,800	2,808,600
2017 Reserve Transfers					
Major Facilities Repair & Future Replacement Reserve	2,000,000				2,000,000
Total	2,000,000	-	-	-	2,000,000

Given that the majority of facility replacement expenditures are for large one time projects, a significant portion of annual funding is transferred to the Facilities Reserve Fund for future use.

Recreation Facilities

Recreation Facilities	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2016 Projects in Progress:					
Building Improvements at Various Centres		127,800			127,800
Field House Floor Servery and Ramp		117,000			117,000
Front Desk Construction Various Centres		39,800			39,800
Gordon Head Building Improvements		50,100			50,100
Cedar Hill Front Entrance & Pro Shop Improvements		175,000			175,000
Cedar Hill Various Improvements		47,000			47,000
SCP Front Desk Design & Improvements		164,600			164,600
SCP Various Improvements		34,200			34,200
Total	-	755,500	-	-	755,500
2017 Capital Projects:					
CHGC Building and Grounds Improvement		67,800			67,800
CHGC Grounds Maintenance Building Improvements		139,500			139,500
CHGC Parking Lot Resurfacing		156,000			156,000
Exterior Digital Signs	100,000				100,000
Gordon Head Various Improvements	78,700				78,700
Cedar Hill Various Improvements	65,000				65,000
Cedar Hill Water Ingress & Mechanical Room Fire Separation Studies	30,000				30,000
SCP Various Improvements	116,000				116,000
Pearkes Fitness Change Rooms	80,000				80,000
Pearkes Ice Rink Improvements	82,000				82,000
Pearkes Various Improvements	35,000				35,000
Total	586,700	363,300	-	-	950,000

Water Utility Fund

The Water Utility system is comprised of over 547 km of water mains and four (4) reservoirs. The system is maintained by the Engineering Department's Public Works division and is self-financed from water charges on a user pay basis. Bulk water is purchased from the Capital Regional District and then distributed to customers via the Municipal Distribution System.

The utility provides safe drinking water for domestic and emergency use and meets firefighting standards, applicable health standards and the Drinking Water Protection Act.

BUDGET SUMMARY	
2017 Net Budget	\$ 21,002,800
2016 Net Budget	\$ 20,620,200
Budget Change	\$ 382,600
Change by %	1.86%
2017 FTE	48.68
2016 FTE	48.68
FTE Change	0.00
FTE Change %	0.00%
2016 Carbon Footprint (CO2e)	TBD Tonnes
2015 Carbon Footprint (CO2e)	20 Tonnes
Carbon Footprint Change	Tonnes

Activity levels continued to be high in 2015. The Department repaired over 266 water service leaks and 22 water main breaks. Over 300 km of water mains were flushed, over 2,175 system gate valves serviced and 1,400 water meters were replaced. The Department also responded to over 2,100 service requests from our customers.

2017 BUDGET CHALLENGES

- The CRD identified and replaced a bulk meter that was significantly underestimating the water volume transferred from the CRD to Saanich. The result will be significantly more water being purchased from the CRD.
- The construction industry is busy with land development projects and some major infrastructure projects will be starting up in 2017. A lack of contractor competition may result in less competitive prices.

KEY 2016 ACCOMPLISHMENTS

- Completion of the Glanford Avenue, Grange Road, Phyllis Street and Dean Road watermain projects.
- Replacement of 5,000 m of watermains.

2017 KEY PRIORITIES

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Water Master Plan Completion	Complete the water master plan and incorporate the recommendations into the 5-year capital plan.	F4 – Sustainable community infrastructure
2. Water Meter Study	Select a consultant to complete a water meter study to develop recommendations for meter technology upgrades.	F4 – Sustainable community infrastructure L3 – Foster corporate excellence

3. CI and AC Watermain Replacement	Continue with the small diameter cast iron and asbestos cement watermain replacement program.	F4 – Sustainable community infrastructure
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CORE BUDGET

The 2017 net budget of \$32,245,500 represents a 9.88% increase in net expenditures over prior year, including a net capital program of \$7,466,000. Water revenues are projected to increase to \$21,002,800 or 1.86% in 2017.

Net Budget By Object	Actual	Actual	Budget	Budget	% Change
EXPENDITURES	2015	2016	2016	2017	2017/2016
Personnel	2,695,700	2,611,400	2,728,200	2,765,600	1.37%
Goods and Services	8,429,200	10,002,500	9,052,400	9,225,200	1.91%
Fiscal Services	107,600	125,600	105,000	117,000	11.43%
Overheads and Transfers	1,268,000	1,327,000	1,781,200	1,861,400	4.50%
Gross Capital Program	14,049,700	15,670,800	15,679,400	18,276,300	16.56%
Total	26,550,200	29,737,300	29,346,200	32,245,500	9.88%
REVENUES AND RECOVERIES					
Utility Charges	(20,371,700)	(21,413,700)	(20,620,200)	(21,002,800)	1.86%
Non-Tax Revenues	(100,600)	(104,400)	(116,600)	(132,100)	13.29%
Surplus Appropriation	-	-	(250,000)	(250,000)	0.00%
Transfer from Reserves	(6,871,700)	(8,359,400)	(8,359,400)	(10,860,600)	29.92%
Total	(27,344,000)	(29,877,500)	(29,346,200)	(32,245,500)	9.88%
NET OPERATIONS	(793,800)	(140,200)	-	-	0.00%

- Fiscal Services - increase in credit card use and associated fees.
- Overheads and Transfers – reimburse the general operating fund for work performed on water related operations.
- Gross Capital Program - unfinished 2016 projects and an increase in capital funding in line with inflation in construction costs.

NET BUDGET BY FUNCTION

The summary below highlights the major cost centres and indicates that they are within our guideline including the capital program policy increase in replacement spending and contingency.

Net Budget By Function	Actual	Actual	Budget	Budget	\$ Change	% Change
	2015	2016	2016	2017	2017/2016	2017/2016
General Administration	1,268,000	1,327,000	1,312,000	1,341,800	29,800	2.27%
Field Operations	627,900	709,100	661,900	673,500	11,600	1.75%
Water Purchases	7,745,400	8,802,700	8,120,000	8,230,000	110,000	1.35%
Waterline Repairs	921,200	1,005,800	672,700	681,100	8,400	1.25%
Pump Station Maintenance	573,600	533,300	668,000	706,700	38,700	5.79%
Hydrant Maintenance	201,200	196,800	177,600	180,700	3,100	1.75%
Valve Maintenance	242,000	229,500	306,600	311,200	4,600	1.50%
Meter Repairs/Replacements	283,300	315,000	321,700	326,100	4,400	1.37%
Water Quality Programs	380,300	311,600	313,100	336,400	23,300	7.44%
Billing and Collection	548,000	531,300	546,600	549,300	2,700	0.49%
Contingency	-	-	450,000	450,000	-	0.00%
Net Capital Program	7,178,000	7,311,400	7,320,000	7,466,000	146,000	1.99%
Total	19,968,900	21,273,500	20,870,200	21,252,800	382,600	1.83%

- Pump Station Maintenance – utility costs and SCADA system licensing cost increases.
- Water Quality Programs – laboratory costs of water sample testing previously paid for by CRD.

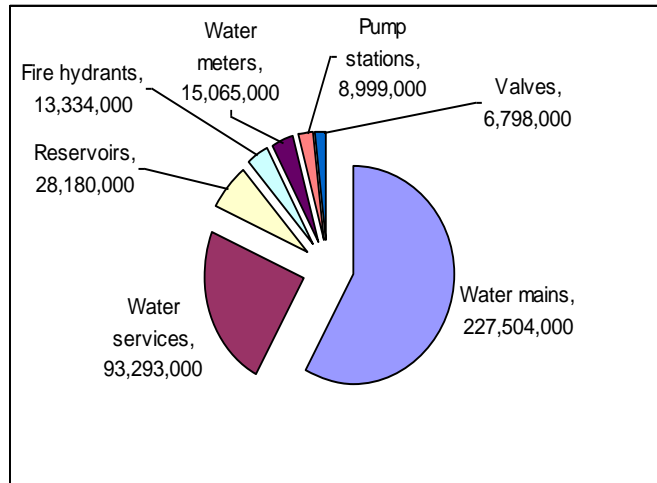
WATER CAPITAL PROGRAM

Saanich water infrastructure includes 547 km of water mains, 29,700 water services, 4 reservoirs, 18 pump stations, 7,916 valves and 2,260 fire hydrants valued at \$400 million.

The replacement of water mains, pump stations and reservoirs is based on an established multi-year program to steadily increase core capital spending to sustainable levels. For 2017 the focus will remain on:

- Replacement of asbestos cement mains
- Regular and on-going end-of-life replacement of water mains, valves and water meters.

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2015 \$)
Water mains	Varies	\$ 2,696,000
Water services	40	\$ 1,586,000
Reservoirs	100	\$ 1,222,000
Fire hydrants	80	\$ 340,000
Water meters	40	\$ 1,024,000
Pump stations	50	\$ 307,000
Valves	80	\$ 146,000
		\$ 7,320,000



Current Funding Level is \$7,466,000

Future Funding Target is \$7,466,000

The Water Capital Program has reached sustainable annual funding levels.

How did we work toward the target?

- Continued 'Pay as You Go' practice of increasing core capital spending on water infrastructure replacement with a minimum 3% rate increase each year.
- Supplemented with Federal and/or Provincial Grants when possible.
- Supplemented with reserves and DCC funding when possible

How do we maintain sustainability?

- Continue annual increases in capital funding in line with construction cost indices.

Five Year Water Capital Projection

The following is a projection of the infrastructure capital replacement by program:

Description of Program	Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Notes:
Water Capital						
Asbestos Cement & Cast Iron Main Replacement	5,279,900	5,330,000	7,197,000	4,812,300	4,390,000	1
Other Mains	-	85,000	-	2,029,700	1,960,000	2
Pump Station Replacement	120,000	570,000	220,000	920,000	120,000	3
Meter Replacement	335,000	460,000	210,000	230,000	230,000	
Service Connection Replacement	100,000	100,000	100,000	100,000	100,000	
Hydrant Replacement	30,000	30,000	30,000	50,000	50,000	
Other	960,000	640,000	660,000	680,000	730,000	
Transfer to Capital Reserve	900,000	1,250,000	1,450,000	1,200,000	500,000	

Notes:

- 1 -- Based on condition assessment
- 2 – System improvements as per condition assessments and consultant recommendations
- 3 – Annual Program

WATER CAPITAL

Water Utility	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2016 Projects in Progress:					
Asbestos Cement & Cast Iron Main Replacement:					
Kingsley Street (North Dairy to Lansdowne)		143,100			143,100
Arbutus Road (Gordon Head to Locarno Lane)		375,400			375,400
Beckwith Avenue (Quadra to Beckwith)		464,000			464,000
Arbutus Road (Locarno Lane to Rowley Road)		970,300			970,300
Baxter Avenue (Raymond St. to Glanford)		271,100			271,100
Cedar Hill Cross Road (Shelbourne to Gordon Head) Phase 2		519,900			519,900
Keats Street (Bowker Creek)		24,500			24,500
Mount Baker View		232,400			232,400
Rithet Reservoir Drain Upgrade (Various)		895,900			895,900
Arbutus Road (Rowley to Telegraph Bay)		1,100,000			1,100,000
Dean Avenue (Haultain Kings)		146,400			146,400
Donald Street (Maddock to Burnside)		294,000			294,000
Glanford Avenue Phase 2 (Broadway to Peto Court)		600,000			600,000
Parkside Crescent		635,200			635,200
Quadra Street (Rogers to Nicholson)		717,900			717,900
West Saanich Road (Markham to Royal Oak)		797,500			797,500
Wilkinson Road (Mann to 4462 Wilkinson)		194,900			194,900
Wyndeatt Avenue (Gorge to 2896 Wyndeatt)		441,500			441,500
Miscellaneous Watermain Construction		319,800			319,800
Pump Stations:					
Large Meter & Pump Motor Replacment		180,300			180,300
Other:					
Data Historian Software (SCADA)		33,700			33,700
Rithet Reservoir Seismic Upgrade		562,000			562,000
Meter Replacements		95,400			95,400
12 mm Copper Service Connection Replacement Program		131,600			131,600
Hydrant Replacement Program		43,100			43,100
Detailed Design Capital Projects		210,300			210,300
Water Supply Master Plan		33,900			33,900
SCADA Servers		95,200			95,200
Lavender Avenue (979 Lavender to Grange, Montcalm & Lavender to Snowdrop)		22,100			22,100
Total	-	10,551,400	-	-	10,551,400

WATER CAPITAL (continued)

Water Utility	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2017 Capital Projects:					
Asbestos Cement & Cast Iron Main Replacement:					
Ansell Rd (Midgard Ave to McKenzie Ave)	627,000				627,000
Bethune Ave (Saanich Rd to Bethune Ave)	262,500				262,500
Broadway St (Raymond St N to Broadway St)	432,000				432,000
Feltham Rd (Tyndall Ave to Fairburn Dr)	77,700	258,900			336,600
Finnerty Rd (McKenzie Ave to Arbutus Rd)	657,000				657,000
Jamaica Rd	533,500				533,500
Kings Rd (Foul Bay Rd to Dean Ave)	209,000				209,000
Laval Ave (Larchwood Dr to Loyola St)	357,500				357,500
Lodge Ave (Saanich Rd to Hawthorne St)	676,500				676,500
Majestic Dr (Kenmore Rd to Woodley Rd)	506,000				506,000
Winchester Rd (Winchester to Parkside)	154,000				154,000
Woodley Rd	231,000				231,000
Emerging Priorities	297,300				297,300
Pump Stations:					
Large Meters and Pump Motors Replacement	120,000				120,000
Other:					
Sinclair Rd Bulk Meter	125,000				125,000
Tillicum PRV Replacement	250,000				250,000
Meter Replacements	210,000				210,000
12 mm Copper Service Connection Replacement Program	100,000				100,000
Machinery & Equipment Replacement	60,000				60,000
Hydrant Replacement Program	30,000				30,000
Detailed Design Capital Projects	650,000				650,000
Transfer to Water Capital Reserve	900,000				900,000
Total	7,466,000	258,900	-	-	7,724,900

The capital projects listed in the preceding tables are a representative list of projects planned to commence during the year. As many of these budget estimates are at a "Class D" level, budget transfers may be required between projects.

Sewer Utility Fund

The Sewer Utility is maintained by the Engineering Department's Public Works division to collect and dispose of wastewater. The system is comprised of over 550 kms of sewer mains, 5,300 manholes and 39 pumping stations. The Municipality is also responsible for over 29,000 lateral connections from the sewer main to the property line.

The majority of the system was constructed between 1953 and the early 1970's using asbestos cement materials. The system collects wastewater for the majority of Saanich residents and discharges the effluent to the regional sewer system operated by the Capital Regional District.

BUDGET SUMMARY	
2017 Net Budget	\$ 19,458,000
2016 Net Budget	\$ 17,674,100
Budget Change	\$ 1,783,900
Change by %	10.09%
2017 FTE	24.02
2016 FTE	24.02
FTE Change	0.00
FTE Change %	0.00%
2016 Carbon Footprint (CO2e)	TBD Tonnes
2015 Carbon Footprint (CO2e)	39 Tonnes
Carbon Footprint Change	Tonnes

The system is self-financed from sewer charges on a user pay basis. The user charges cover the cost of operations, CRD sewage disposal and an infrastructure replacement program.

2017 BUDGET CHALLENGE

- The construction industry is busy with land development projects and some major infrastructure projects will be starting up in 2017. A lack of contractor competition may result in less competitive prices.

KEY 2016 ACCOMPLISHMENTS

- Completion of a new sewage lift station in Gorge Park which replaces two existing aged stations and new public washroom facilities for the users of Gorge Park.
- Completion of the sewer master plan.
- Replacement of the East Copley Park footbridge and the supporting structure for a 250 mm sanitary sewer crossing of Colquitz River.
- Replacement/rehabilitation of 3,040 m of sanitary sewer mains.

2017 KEY PRIORITIES

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Sewer Master Plan Implementation	Take the recommendations from the Sewer Master Plan and incorporate them into the 5-year plan.	F4 – Sustainable community infrastructure
2. Grange Lift Station Replacement	Full replacement of Grange Sewage Lift Station. Waiting for completion of Phase 1 of the McKenzie interchange.	F4 – Sustainable community infrastructure

3. Wilkinson Sewage Lift Station Upgrade	Generator retrofit and valve upgrade for Wilkinson Sewage Lift Station. Waiting for completion of Phase 1 of the McKenzie interchange.	F4 – Sustainable community infrastructure
4. Portage Low Pressure System	Replacement of the Ashley, Glenwood and Murray sewers with a low pressure sewer system (LPS)	F4 – Sustainable community infrastructure
5. CRD Sewage Treatment Project	Continued technical support and involvement in the CRD sewage treatment plant	F4 – Sustainable community infrastructure C4 - Protect and enhance air, water and land quality

CORE BUDGET

The 2017 net budget of \$30,936,300 represents a 10.50% increase in net expenditures over prior year, including a net capital program of 4,935,000. Sewer revenues are projected to increase to \$19,458,000 or 10.09% in 2017.

Net Budget By Object	Actual	Actual	Budget	Budget	% Change
EXPENDITURES	2015	2016	2016	2017	2017/2016
Personnel	1,367,100	1,374,600	1,545,100	1,576,200	2.01%
Goods and Services	8,185,200	8,574,900	9,027,900	10,293,100	14.01%
Fiscal Services	948,200	1,270,600	1,452,000	1,452,000	0.00%
Overheads and Transfers	1,305,100	1,385,900	1,414,100	1,481,900	4.79%
Gross Capital Program	11,109,800	13,037,300	14,556,400	16,133,100	10.83%
Total	22,915,400	25,643,300	27,995,500	30,936,300	10.50%
REVENUES AND RECOVERIES					
Utility Charges	(15,329,700)	(17,365,200)	(17,674,100)	(19,458,000)	10.09%
Non-Tax Revenues	(102,200)	(100,000)	(100,000)	(100,000)	0.00%
Surplus Appropriation	-	-	(150,000)	(150,000)	0.00%
Transfer from Reserves	(7,285,500)	(5,806,800)	(5,806,800)	(8,228,300)	41.70%
Borrowing	-	(2,764,600)	(4,264,600)	(3,000,000)	(29.65%)
Total	(22,717,400)	(26,036,600)	(27,995,500)	(30,936,300)	10.50%
NET OPERATIONS	198,000	(393,300)	-	-	0.00%

- Goods and Services - CRD services costs.
- Overhead and Transfers - reimburse the general operating fund for work performed on sewer related operations.
- Gross Capital Program – increase due to a combination of carrying forward unfinished 2016 projects (funded from reserves and borrowing) and the annual capital funding increase per council policy to reach sustainability.
- Borrowing – dependent on when a project is expected to commence and end.

NET BUDGET BY FUNCTION

The summary below highlights the major cost centres and indicates that they are within our guideline including the capital program policy increase in replacement spending and contingency.

Net Budget By Function	Actual 2015	Actual 2016	Budget 2016	Budget 2017	\$ Change 2017/2016	% Change 2017/2016
General Administration	1,305,100	1,385,900	1,417,800	1,441,200	23,400	1.65%
Field Operations	173,700	182,200	134,100	135,200	1,100	0.82%
Cleaning and Repairs	460,400	485,900	454,800	461,300	6,500	1.43%
Pump Station Maintenance	899,600	895,200	1,004,200	1,053,000	48,800	4.86%
Man Hole Maintenance	66,200	59,000	66,700	69,500	2,800	4.20%
Sewer Service Maintenance	281,600	265,400	250,100	253,700	3,600	1.44%
CRD Services	8,133,900	8,061,900	8,409,500	9,657,100	1,247,600	14.84%
Debt Charges & Reserve Transfer	698,200	1,270,600	1,452,000	1,452,000	-	0.00%
Contingency	-	-	250,000	250,000	-	0.00%
Net Capital Program	4,035,000	4,465,900	4,485,000	4,935,000	450,000	10.03%
Total	16,053,700	17,072,000	17,924,200	19,708,000	1,783,800	9.95%

- Pump Station Maintenance – utility costs and SCADA system licensing cost increases.
- CRD - debt servicing costs for the Regional Sewer Treatment Program.
- Net Capital Program – Sustainability increase.

SEWER CAPITAL PROGRAM

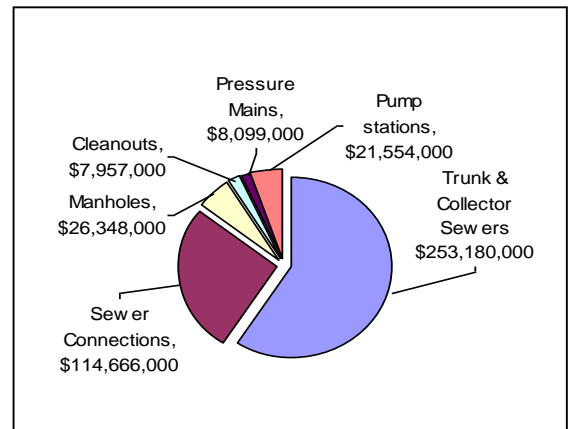
Saanich sewer infrastructure includes 24 km of trunk sewers, 550 km of collector sewers, 18 km of pressure mains, 29,700 service connections and 40 pumping stations valued at \$451 million dollars.

Asbestos cement pipe service life is not likely more than 70 years (64% of system). About 30% of inspected manholes require moderate rehabilitation for deteriorated rungs, defective joints and cracked concrete. Pumping station electrical, mechanical and structural components are nearing their end of useful life (some pumps and electrical are over 20 years old)

What is needed?

- Replacing asbestos cement pipe continues to be a priority
- Accelerate manhole inspection program
- Continue to complete and begin implementing a detailed pump station upgrade and pump replacement plan to reduce risk of pump station failure, lower maintenance costs, and ensure station capacities meet sewer and Infiltration and Inflow demands

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2013 \$)
Trunk & Collector Sewers	Varies	\$ 3,993,000
Sewer Connections	100	\$ 1,685,000
Manholes	100	\$ 351,000
Cleanouts	100	\$ 106,000
Pressure Mains	100	\$ 113,000
Pump stations	50	\$ 744,000
		\$ 6,992,000

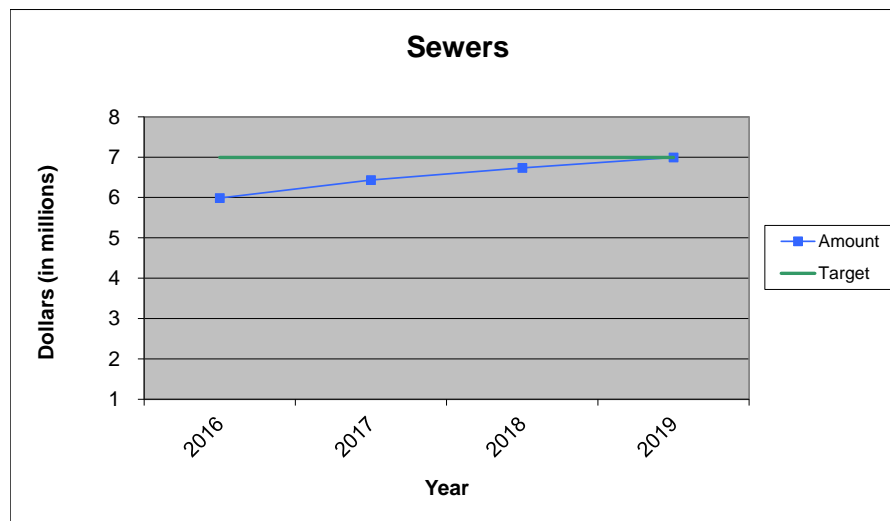


Current Ongoing Funding is \$6,435,000

Future Funding Target is \$6,992,000

How do we work toward this target?

- Continue increasing core capital spending on sewer infrastructure replacement
- Supplement with Federal and/or Provincial Grants if possible.
- Supplement with borrowing as needed



Five Year Sewer Capital Projection

The following is a projection of the infrastructure capital replacement by program:

Description of Program	Budget 2017	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Notes:
Sewer Capital						
Asbestos Cement Main Replacement	3,095,000	4,285,000	3,225,000	3,625,000	4,141,000	1
Relining	1,000,000	700,000	1,750,000	816,000	900,000	
Pump Station Replacement	710,000	350,000	1,450,000	2,800,000	1,000,000	
Service Connections	300,000	300,000	300,000	300,000	300,000	2
Manhole Replacement	100,000	100,000	100,000	100,000	100,000	
Other	835,000	350,000	350,000	350,000	482,000	
Transfer to Capital Reserve	440,000	1,150,000	1,017,000	-	-	

Notes:

- 1 – Based on condition assessment
- 2 – Annual program

SEWER CAPITAL

Sewer Utility	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2017
2016 Projects in Progress:					
Asbestos Cement Main Replacement:					
North Dairy (Shelbourne Trunk Re-routing)		582,900			582,900
Broadmead (Broadmead to Shelbourne)		275,000			275,000
Woodley Road		200,000			200,000
Tennyson (Whittier/Ardersier/Tennyson)		300,000			300,000
Quadra (Nicholson to McBriar)		250,000			250,000
Donald (Donald to Maddock)		169,700			169,700
Dean (Townley to Haultain)		253,400			253,400
Falmouth (Saanich to Saul)		250,000			250,000
Richmond (Pear to Cedar Hill X)		199,900			199,900
Wyndeatt (Gorge to 2896 Wyndeatt)		485,000			485,000
Hampton (18 Hampton to Lurline)		235,000			235,000
Bellevue (Cook to Wicklow in SRW)		380,900			380,900
Cedarwood		59,600			59,600
Linwood (3256 Linwood to Tolmie)		140,000			140,000
Pump Stations:					
Pump & Motor Replacements		119,700			119,700
Arc Flash Electrical Lift Station Study		78,200			78,200
Portage Pump Station Construction		578,200			578,200
Wilkinson & Grange Design		38,600			38,600
Austin Sewage Lift Station		58,700			58,700
Grange Lift Station Construction		600,000			600,000
Wilkinson Lift Station Construction		400,000			400,000
Tolmie Sewage Lift Station				900,000	900,000
Other:					
Manhole Improvements		217,200			217,200
No-Corrode & AC SHC Replacements		341,900			341,900
Sewer Model Migration		24,700			24,700
Haliburton Force Main Rehabilitation		416,300			416,300
2015 Sanitary Sewer CIPP Lining		354,200			354,200
Kerr/Newburry CIPP Lining		104,300			104,300
Video Inspection & Assessment		293,700			293,700
McKenzie Interchange		100,000			100,000
Other Sewer Projects & Contingencies		327,000			327,000
2016 Sanitary Sewer CIPP Lining		145,000		600,000	745,000
Sanitary Sewer Detail Design		174,000			174,000
Total	-	8,153,100	-	1,500,000	9,653,100

SEWER CAPITAL (continued)

Sewer Utility	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2016
2017 Capital Projects:					
Asbestos Cement Main Replacement:					
Jamaica Rd (Jamaica to Cedar Hill Rd)	320,000				320,000
Laval Ave (Loyola St to Larchwood Dr)	320,000				320,000
Gordon Head Rd (Cedar Hill X Rd to Emer	430,000				430,000
Homer Rd (Tillicum to Seaton)	280,000				280,000
Lodge Ave (Saul to Saanich)	210,000	35,000			245,000
Downham PI (Lasalle to Blenkinsop)	300,000				300,000
Keats St (Bowker Creek to North Dairy)	150,000				150,000
Culduthel	200,000				200,000
Vantreight SFM (Pump station to Ferndale)	50,000			650,000	700,000
2017 Sanitary Sewer CIPP Lining	140,000	10,000		850,000	1,000,000
Emerging Priorities	150,000				150,000
Pump Stations:					
Pump Station Design	300,000				300,000
Portage Inlet Low Pressure Conversion	150,000				150,000
Pump Station Arc Flash Electrical Upgrade	150,000				150,000
SCADA (node, HW/SW Replacement)	60,000				60,000
2017 Pump and Motor Replacement	50,000				50,000
Other:					
Trunk Main Flushing and Debris Removal	135,000				135,000
No-Corrode & AC Lateral Replacements	300,000				300,000
Manhole Improvements	100,000				100,000
Sanitary Sewer Detail Design	580,900				580,900
CCTV Inspection	100,000				100,000
Machinery & Equipment	19,100				19,100
Transfer to Sewer Capital Reserve	440,000				440,000
	4,935,000	45,000	-	1,500,000	6,480,000

The capital projects listed in the preceding tables are a representative list of projects planned to commence during the year. As many of these budget estimates are at a "Class D" level, budget transfers may be required between projects.

Reserve Funds

The Municipality maintains statutory and other general reserve funds for a variety of purposes. Revenues are contributed to each reserve as they are received. These revenues could include contributions from the general operating fund for a future project, investment income earned on the reserve balance, revenues from the sale of land, development cost charges received or other fees and contributions.

A work in progress reserve is used to bring funding forward for projects that take more than one year to complete. In addition we identify a contingency allocation from the insurance reserve of \$1,000,000 in each year for use in the event claims are made. In 2017 we project a decrease in reserves to \$88,160,800 while funding a variety of initiatives.

	January 1 2017 Balance	2017 Contributions	2017 Appropriations	December 31 2017 Balance
Land Sales	3,000,400	-	2,000,000	1,000,400
Public Safety and Security	2,086,900	825,700	1,497,300	1,415,300
Carbon Neutral	827,400	238,200	481,000	584,600
Sub Regional Parks	1,156,300	-	212,600	943,700
Equipment Replacement	5,658,800	1,646,900	2,940,900	4,364,800
Capital Works	25,903,800	5,101,600	5,987,400	25,018,000
Commonwealth Pool Operations	738,600	61,300	330,000	469,900
Commonwealth Pool HP Repair	214,500	20,000	10,600	223,900
Sayward Gravel Pit	1,863,900	-	200,000	1,663,900
Development Cost Charges	18,502,100	-	1,664,700	16,837,400
Facilities Major Repair & Replacement	5,650,300	2,460,200	0	8,110,500
Computer Hardware & Software	3,950,500	4,554,200	7,774,600	730,100
Water Capital	-	900,000	-	900,000
Sewer Capital	926,700	1,141,600	-	2,068,300
Capital Reserves for Future Expenditure	25,097,600	24,875,600	25,097,600	24,875,600
Insurance	2,315,300	-	1,000,000	1,315,300
Total	97,893,100	41,825,300	49,196,700	90,521,700

Land Sales:

All revenues from the sale of land are mandated under the Community Charter to be placed in this reserve and used for land and property development purposes.

Public Safety and Security:

This reserve is funded from a portion of annual Provincial Traffic Fine revenue grants and other revenues. The main projects being funded from this reserve in 2017 are: vehicle replacement, IT equipment and weapon upgrade and replacement.

Carbon Neutral:

This reserve fund provides was established for projects that help reduce carbon emissions from municipal operations. In 2017 the focus will be on subsidising the replacement of Municipal Hall, Annex and Nellie McLung library lighting, as well as, subsidize positions in the Sustainability section in Planning.

Sub Regional Parks:

This reserve is funded from contributions made by developers during the subdivision process and may be used to purchase or develop parks of this type. Majority of the funds have been committed to pay the CRD for the purchase of the Haro Woods property. The final annual payment will be made in 2020.

Equipment Replacement:

This reserve provides for the annual replacement of fleet and fire vehicles, photocopiers and some recreation equipment. Annual contributions from departmental core budgets accumulate in this account and are used to replace equipment based on long term replacement plans.

Capital Works:

This reserve has four components: a General Infrastructure Reserve accumulated from GST rebates and planned transfers, a Gas Tax Reserve from transfer of revenues under the federal Community Works Fund, Mount Douglas and Mount Tolmie Reserves for the purchase of parkland and site renovations and a Future Improvement Reserve which has been accumulated from revenues received from developers for specific projects.

Commonwealth Pool Operations:

This reserve was established during the Commonwealth Games and \$330,000 is used annually to subsidize the utility costs of the centre for high performance users in accordance with agreements signed in 1994.

Commonwealth Pool High Performance (HP) Area Repair and Replacement:

This reserve was established to fund the repair or replacement of equipment and improvement of the high performance area of the SCP Aquatic Pool. Contributions are received from high performance user groups.

Sayward Gravel Pit:

This fund was established from the sale proceeds of the Sayward Pit in the 1990's. In 2017 it provides funding for public works yard site improvements.

Development Cost Charges:

The Municipality has established a development cost charge program that requires the payment of DCC's from developers during the development approval process. These funds are collected and held for a variety of specific purposes and used for capital projects and parkland purchase as required.

Facilities Major Repairs and Replacement:

This reserve fund was established to fund major repair, upgrading, expansion or replacement of municipal buildings and ancillary structures.

Computer Hardware and Software:

The reserve fund was established to fund corporate information technology infrastructure and enterprise software.

Capital Reserves for Future Expenditure:

Each year funding for the balance of approved projects that are not completed by year end are reserved and carried forward to the following year to complete the projects. These funds will be used by end of the current year and a new reserve set up for projects to be carried forward to 2017.

Water Capital:

This reserve fund is established for significant water capital projects requiring multi-year funding.

Sewer Capital:

This reserve fund is established for significant sewer capital projects requiring multi-year funding.

Insurance:

The municipality maintains a self-insurance appropriation to fund insurance claims. \$1,000,000 of this reserve is brought into revenue each year as a contingency even though it is not expected to be used.

General Operating Fund Estimates 2018 - 2021

The Municipality is required by the Community Charter Act to adopt a five year financial plan bylaw on or before May 15. This plan includes five year operating estimates. Given the dynamic nature of the municipal environment, five year estimates are prepared on a broad brush basis with adjustments made for significant cost factors where they are known with some certainty.

The projected net budget funded from property taxation is projected to increase from \$116,653,000 to \$131,445,800 in 2021 or an average 2.28% increase to the average homeowner.

GENERAL OPERATING FUND BUDGET ESTIMATE SUMMARY	
2017 Tax Levy	\$ 116,653,000
2018 Tax Levy	\$ 121,133,800
2019 Tax Levy	\$ 124,432,200
2020 Tax Levy	\$ 127,273,800
2021 Tax Levy	\$ 130,607,800
Annual Increase to Average Homeowner	2.12%

The 2017 - 2020 operating estimates have been prepared using the following criteria:

1. 0% increase per year in operating costs
2. Wage and benefit costs per collective agreement commitments or estimates where contracts are pending.
3. 2.0% percent increase in Core Capital funding per year
4. 0.75% tax allocation per year to infrastructure replacement up to and including 2019
5. 0.10% tax allocation per year for new infrastructure operating costs
6. Average increase in property Taxation revenues of 0.75% per year from new construction.

Water Utility Fund Estimates 2018 - 2021

Water Utility expenditures are expected to be influenced over the next five years by the cost to purchase bulk water from the Capital Regional District, capital funding of infrastructure replacement, inflation and personnel costs.

The balance of five year estimates are prepared on a broad brush basis with adjustments made for significant cost factors where they are known with some certainty.

WATER UTILITY BUDGET ESTIMATE SUMMARY	
2017 Fees & Charges	\$ 21,002,800
2018 Fees & Charges	\$ 21,432,500
2019 Fees & Charges	\$ 21,814,900
2020 Fees & Charges	\$ 22,200,300
2021 Fees & Charges	\$ 22,588,700
Annual Increase to Average Homeowner	1.84%

The projected net budget funded from water user charges is projected to increase from \$21,002,800 to \$22,588,700 in 2021 or by an average 1.84% increase per year to the average homeowner.

The 2018 - 2021 operating estimates have been prepared using the following criteria:

1. 0% increase per year in operating costs
2. Wage and benefit costs per collective agreement commitments or estimates where contracts are pending.
3. A 2.0% increase for core capital funding per year
4. An average increase in CRD water rates of 2.0% per year

Sewer Utility Fund Estimates 2018 - 2021

Sewer Utility expenditures during the next five years will be influenced by significantly increased CRD regional treatment system debt, and CRD regional treatment operating costs.

In addition, the Municipality is gradually increasing the sewer capital replacement program each year until a sustainable program is achieved.

The projected net budget funded from sewer user charges is projected to increase from \$19,458,000 to \$26,394,500 in 2021 or by an average of 7.93% annual increase to the average homeowner.

SEWER UTILITY BUDGET ESTIMATE SUMMARY	
2017 Fees & Charges	\$ 19,458,000
2018 Fees & Charges	\$ 21,363,800
2019 Fees & Charges	\$ 23,202,700
2020 Fees & Charges	\$ 24,723,600
2021 Fees & Charges	\$ 26,394,500
Annual Increase to Average Homeowner	7.93%

The 2018 – 2021 operating estimates have been prepared using the following criteria:

1. 0% increase per year in operating costs
2. Wage and benefit costs per collective agreement commitments or estimates where contracts are pending.
3. A 3.0% rate increase for core capital funding per year
4. An additional increase of \$1,550,000 annually in CRD sewer debt financing costs for the next 5 years to reflect the construction of a regional treatment solution.

Glossary

A	Accrual	An accounting method which measures the financial performance and position of an organization by recognizing economic events when they happen, regardless of when the related cash actually changes hands.
	Appropriated	When a fund is appropriated, it is subject to certain restrictions on what its assets can be used for.
	Asset	Anything you own that has monetary value plus any money you are owed.
B	Balanced budget	A financial plan where current revenue, including transfers from operating reserves, equals current operating expenditures.
C	Capital asset	General capital assets are those in excess of \$10,000 with a useful life of two or more years (e.g. land, buildings).
	Capital budget	A financial plan outlining projected expenditures on capital assets during a given fiscal period.
	Capital project	Creation or improvement of infrastructure assets.
	Carbon footprint	Amount of carbon dioxide (CO₂e) that is emitted by the municipality.
	Community charter	The provincial legislation governing local governments. This legislation replaced the Local Government Act in 2003.
	Council	The eight councillors elected at large that represent the municipality as a whole and the Mayor.
D	Development cost charge (DCC)	A fee paid by a developer to help fund cost related to developing a property. Often these fees are used for parks and streets, and for infrastructure used to provide water, sanitary sewer and storm drainage services.
	Development permit	A permit that allows development of a property subject to certain conditions such as the timing or sequence of construction, density of development, alteration of specific requirements of the zoning of the property etc.
F	Fee	A fee is a charge to recover the cost of providing a service.
	Financial plan	This term is used interchangeably with “budget”.
	Full-time equivalent (FTE) staff	A statistic used to compare staffing levels between departments or organizations, and is calculated by dividing the total number of hours one full-time staff member is scheduled to work in a year.
	Fund	A pool of money normally set apart for a specific purpose.
	Fund balance	The excess of assets over liabilities in a fund.

G	GHG	Green House Gases are gasses generated from fossil fuel burning, released into the atmosphere and linked to climate change.
	Grant	Funds given to an organization from another organization (senior government to local government) which may have conditions attached to it and require specific spending to occur or goal to be accomplished in order to retain the funds.
	GVDA	Greater Victoria Development Agency facilitates and promotes the development of a strong economic base in Greater Victoria.
H	Hotel tax	A compulsory financial levy imposed on hotel room rentals. Funds collected are utilized on tourism initiatives.
I	Infrastructure	Physical structures that form the foundation for development. Infrastructure includes: wastewater and waterworks, electric power, communications, transit and transportation facilities and oil and gas pipelines and associated facilities.
L	Liability	A loan, expense, or any other form of claim on the assets of an entity that must be paid or otherwise honoured by that entity.
O	Operating budget	A financial plan outlining projected revenue and expenditures for the on-going, day-to-day activities of an organization during a given fiscal period.
R	Revenue	The money collected in exchange for providing a product or service.
	RFP	A Request For Proposal is issued at an early stage in a procurement process, where an invitation is presented for suppliers to submit a proposal on a commodity or service.
S	Sanitary sewer	The sewage system that carries substances requiring sanitation treatment.
	Sustainability	In terms of community development, sustainability is that which meets the needs of the present without compromising the ability of future generations to meet their own needs
T	Tax	A compulsory financial contribution imposed by a government to raise revenue.
U	Utility	A business organization performing a public service and subject to special governmental regulation.
	Utility tax	A financial contribution imposed by Provincial legislation to substitute taxation based on assessment for applicable utility companies. Tax calculation based on gross revenues.
V	VIIMCU	A regional force whose acronym stands for Vancouver Island Integrated Major Crime Unit.

Budget Bylaws

Council is required by the Community Charter to adopt a Five Year Financial Plan Bylaw on or before May 15 of each year. The attached bylaw is the legal authority for the municipality to conduct its operations. The budget document provides the basis for development of the bylaw, but it is not considered to be part of, or a schedule to the bylaw. The budget can be amended from time to time through adoption of an amending bylaw.

The following bylaws are attached for reference purposes:

Financial Plan Bylaw #####

Tax Rate Bylaw #####