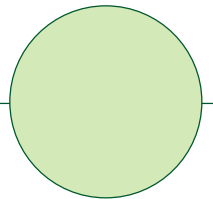
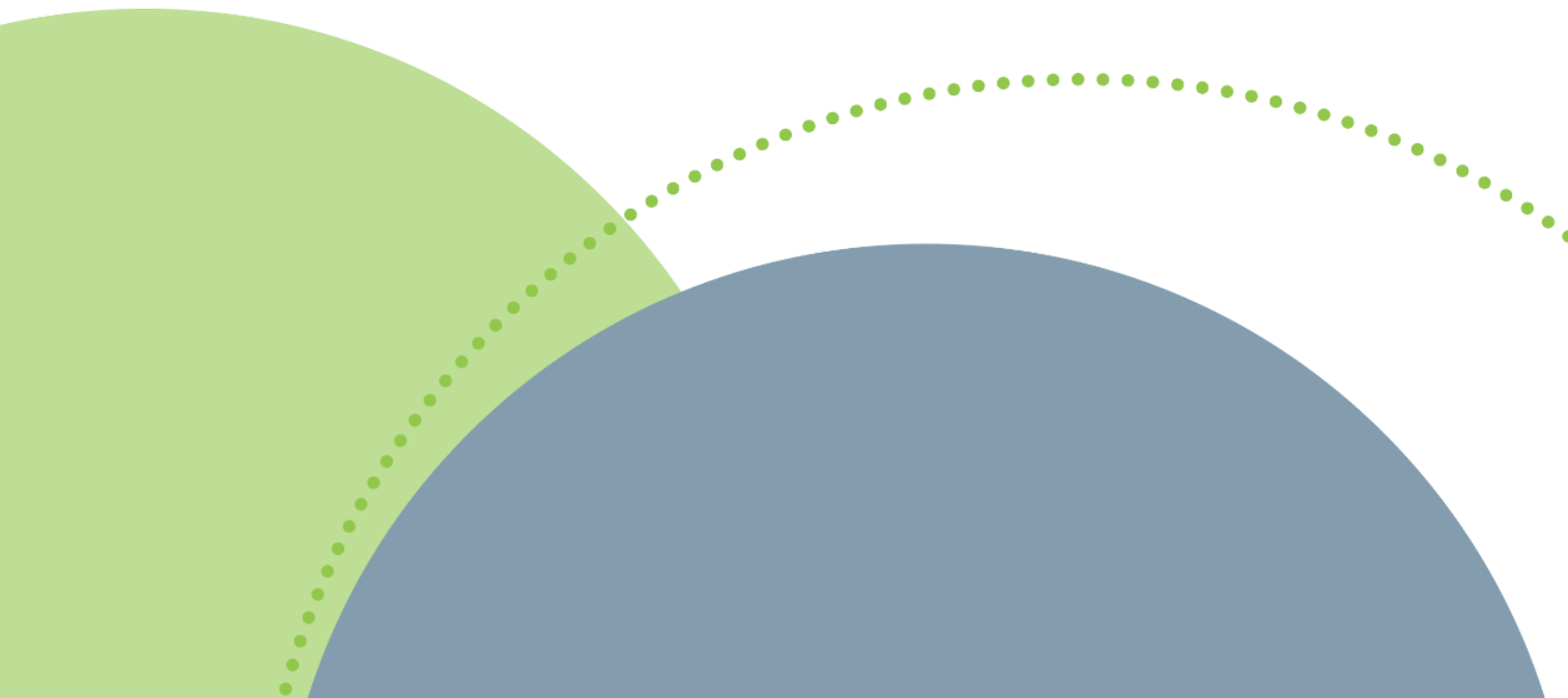




Financial Plan 2019 – 2023



April 29, 2019





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Corporation of the District of Saanich
British Columbia**

For the Fiscal Year Beginning

January 1, 2018

Christopher P. Morill

Executive Director



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EXECUTIVE SUMMARY

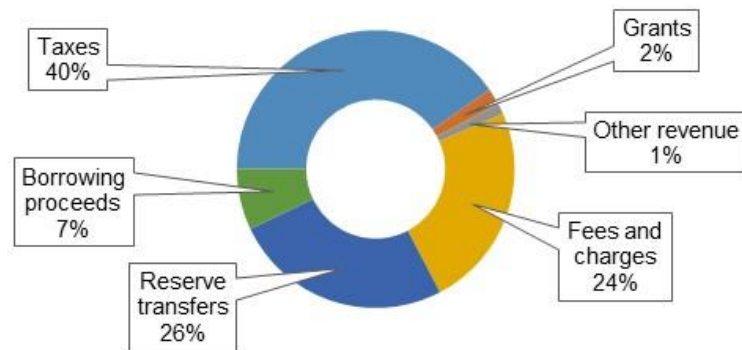
The Community Charter requires that the District of Saanich approve a Five Year Financial Plan bylaw each year prior to the adoption of the annual property tax bylaw. This document provides the supporting details to the 2019-2023 Financial Plan Bylaw, which will be considered for adoption by Council before May 15, 2019.

1. Consolidated Financial Plan Summary

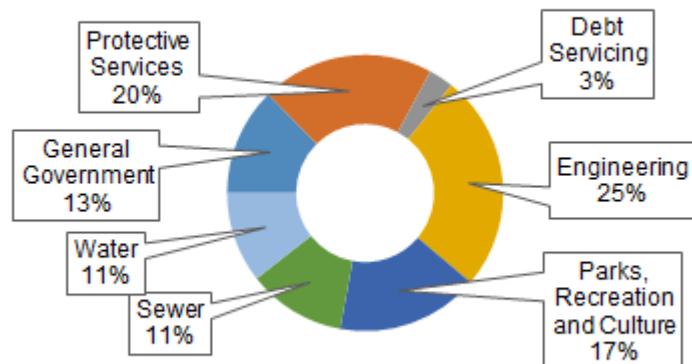
Local governments are required by law to have balanced financial plans. Current revenue, including transfers from reserves, must be sufficient to support current expenditures for each of the three funds.

Saanich's consolidated financial plan for 2019 balances \$317,205,500 in revenues and transfers with \$317,205,500 in expenditures.

Consolidated Revenue



Consolidated Expenditure

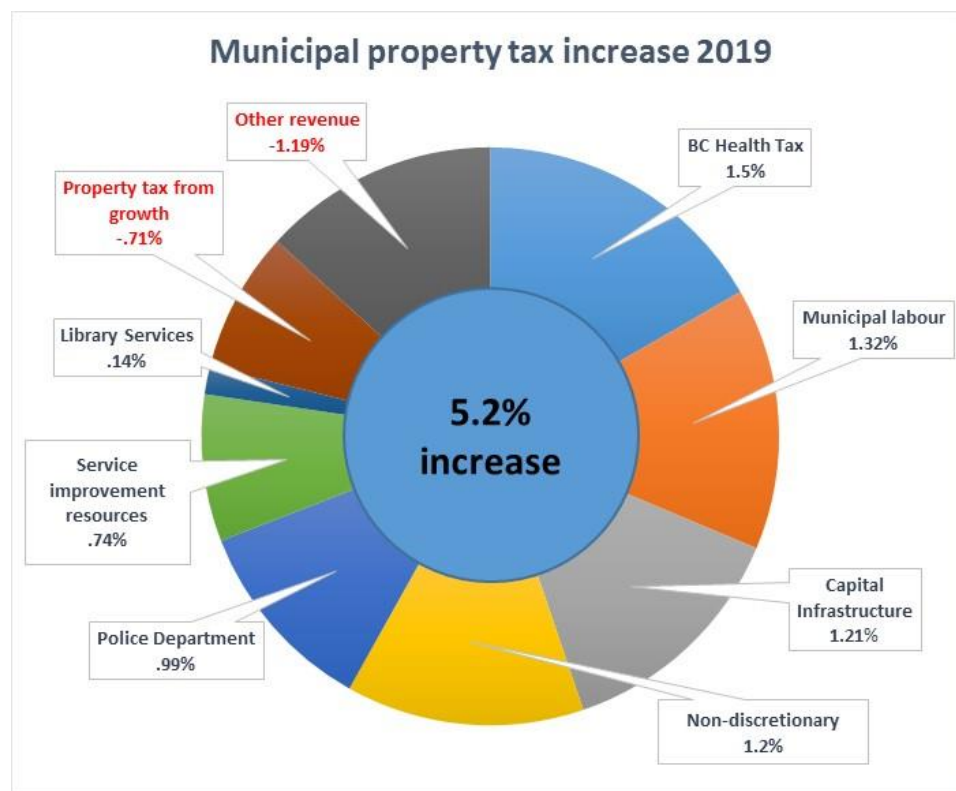


The budget is based on:

1. A municipal property tax increase of 1.36% (\$35.18) for core operations, resource requests and non-discretionary costs, 1.21% (\$31.30) for capital infrastructure replacement, 0.99% (\$25.61) for Police Board, and 0.14% (\$3.62) for the Greater Victoria Public Library. This totals 3.70% or \$95.71 to the average single family homeowner,
2. 1.50% (\$38.80) for the Provincial Health Services (Employer Health Tax),
3. No service reductions from 2018 levels,
4. Utility rates approved in December 2018.

Including all municipal taxes and utilities, an average homeowner is projected to pay about \$198 more in 2019:

	<u>2018</u>	<u>2019</u>	<u>Increase</u>
Property Taxes			
Municipal	\$ 2,587	\$ 2,683	\$ 96
Provincial Health Services	--	39	39
Sewer	466	515	49
Water	471	478	7
Refuse Collection	<u>185</u>	<u>192</u>	<u>7</u>
	<u>\$ 3,709</u>	<u>\$ 3,907</u>	<u>\$ 198</u>



2. Summary of Consolidated Financial Plan Changes From 2018 To 2019

Additional revenues from taxation, reserves and user fees will be used to fund non-discretionary increases in 2019 operating programs, new infrastructure maintenance 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 Shelbourne Street Improvement project:

Consolidated Revenue					
Source	General Operating	General Capital	Sewer & Water Utility	2019 Budget Total	2018 Budget Total
Taxes	112,608,100	15,226,600	-	127,834,700	120,702,200
Grants	4,404,000	1,600,000	-	6,004,000	5,863,200
Other revenue	3,978,300	-	-	3,978,300	3,545,800
Fees and charges	28,944,700	-	46,686,300	75,631,000	72,008,200
Reserve transfers	8,548,100	53,401,600	19,167,400	81,117,100	76,301,700
Borrowing proceeds	-	18,140,400	4,500,000	22,640,400	12,922,000
Total	158,483,200	88,368,600	70,353,700	317,205,500	291,343,100

Consolidated Expenditure					
Function	General Operating	General Capital	Sewer & Water Utility	2019 Budget Total	2018 Budget Total
Administration	2,815,300	-	-	2,815,300	2,723,700
Corporate Services	8,443,100	10,696,900	-	19,140,000	16,192,900
Finance	5,707,000	-	-	5,707,000	5,620,500
Corporate Revenues & Expenses	4,115,300	-	-	4,115,300	3,785,900
Fiscal Services	7,797,700	-	791,100	8,588,800	8,398,900
Building, Bylaw , Licensing & Legal Services	5,774,000	-	-	5,774,000	5,611,000
Police Protection	39,102,500	2,943,800	-	42,046,300	42,408,900
Fire Protection	19,585,200	1,368,500	-	20,953,700	20,840,300
Emergency Program	504,400	-	-	504,400	455,600
Planning	4,200,900	-	-	4,200,900	3,742,500
Engineering	20,458,500	59,631,000	69,562,600	149,652,100	132,871,400
Parks & Recreation	32,039,300	13,728,400	-	45,767,700	40,618,900
Cultural	7,940,000	-	-	7,940,000	8,072,600
Total	158,483,200	88,368,600	70,353,700	317,205,500	291,343,100

Note: The above total figure for General Operating is \$28,318,900 less than the total amount on page 23 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 2018						\$ 291,343,100
Revenues were increased because:						
Increased General Taxes						7,132,500
Increased use of grant revenue mainly for infrastructure spending						140,800
Increased fees and charges from recreation						244,500
Increased fees and charges from water and sewer programs						2,944,900
Increased fees fees and charges from other programs						865,900
Increased borrowing for infrastructure						9,718,400
Increased use of reserve funds (including Work in Progress)						4,815,400
New Consolidated Revenue level for 2019						\$ 317,205,500
Consolidated Expenditures level in 2018						\$ 291,343,100
Expenses were increased because:						
Increased General Operating costs						3,270,300
Increased General Capital costs						21,164,300
Decreased Water System operating and capital costs						(219,300)
Increased Sewer System operating and capital costs						1,647,100
New Consolidated Expenditure level for 2019						\$ 317,205,500

3. 2019 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 expenditures not exceeding revenues. With the exception of reserve funds, all funds are budgeted to remain at 2018 levels. Reserve funds are expected to decrease in 2019 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	23,643,300	23,147,200	18,418,200	19,073,600	132,914,900	217,197,200
Total Revenues	186,802,100	88,368,600	36,998,700	33,355,000	37,728,700	383,253,100
Total Expenditures	(186,802,100)	(88,368,600)	(36,998,700)	(33,355,000)	(73,907,700)	(419,432,100)
Fund Balance, December 31	23,643,300	23,147,200	18,418,200	19,073,600	96,735,900	181,018,200

4. General Operating Fund Summary:

This budget provides for the annual operation of the municipality in 2019 based on a 1.36% increase for core operations, resource requests and non-discretionary costs to maintain 2018 service levels, 1.21% for capital funding, 0.99% for Police Board, 0.14% for the Greater Victoria Public Library and 1.50% for the Provincial Health Services (Employer Health Tax).

This revenue funds the net cost to maintain services at 2018 levels and continues past practice of gradually increasing tax funded capital programs to sustainable levels.

A refuse collection fee of \$192 (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 \$7.00 over prior year is attributable to contracted increases to labour costs, volume increases in landfill disposal, compost hauling and processing fees. The contract for yard drop-off disposal fee for composting organic waste is expiring early next year and is expected to increase significantly. In addition, maintenance of the garbage and organic fleet, specifically the movable arms, is trending much higher than anticipated at acquisition. The District's experience is similar to other



jurisdictions using this technology. An increase in transfer to the fleet maintenance account to support the work performed on these vehicles is being allocated over two years with the first increase in this year's budget.

5. Water Utility Fund Summary:

The Water Utility Budget provides for all operations and capital funding to support the water system. In December 2018 a 1.51% annual increase in water rates was approved to address contracted increases to labour costs, increases in pump station operating costs and maintain sustainable infrastructure funding. The rate increase also covers an increase in CRD bulk water purchase rates of 1.97%. Cost to the average homeowner increased by \$7 from \$471 to \$478 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 2018 a 10.5% increase in sewer rates was approved to support CRD operating and debt costs, higher pump station operating costs and higher Saanich infrastructure replacement funding. Annual cost to the average homeowner increased by \$49 from \$466 to \$515 per year.

7. General Capital Fund Summary:

The 2019 General Capital Program provides for \$88.4 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 2019 include \$1.9 million West Saanich Road streetscape upgrade, \$2.6 million West Saanich/Prospect Lake/Sparton intersection upgrade, \$7.7 million in sub-standard drain replacement, \$3.3 million in parks projects, \$6.0 million in facility upgrades and \$1.5 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 annual funding replacement levels this year. Funding has risen from \$11 million in 2007 to an annual average of over \$25 million in the last three years.

8. Reserve Fund Summary:

Reserve Funds are projected to decrease from \$132,914,900 in 2018 to \$96,735,900 in 2019 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.



9. Debt Summary:

Overall debt levels are projected to increase to \$56.6 million in 2019. This remains well below policy guideline of \$98 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 range from one to five years.

BY-LAW NUMBER	LOAN TYPE	GENERAL \$	SEWER \$	TOTAL \$	SERVICING COST \$	INTEREST RATE %	MATURITY DATE D / M / Y
3197	Long Term		73,404	73,404	53,074	2.00%	02.12.2019
3257	Long Term	566,759		566,759	218,639	1.55%	06.04.2020
3292	Long Term	390,843		390,843	166,302	1.80%	13.10.2020
3363	Long Term	1,124,424		1,124,424	303,822	1.75%	19.10.2021
3466	Long Term	557,067	195,886	752,953	170,071	2.25%	12.01.2022
3968	Long Term	1,551,139		1,551,139	271,898	3.00%	14.10.2024
3726	Long Term	949,177		949,177	154,365	3.35%	01.10.2025
3726	Long Term		620,806	620,806	100,327	3.73%	06.10.2025
3771	Long Term	5,035,445		5,035,445	737,133	3.65%	29.09.2026
3853	Long Term		501,556	501,556	59,206	2.90%	04.10.2027
8409	Long Term	821,814		821,814	64,054	2.10%	03.06.2028
3968	Long Term	2,048,610	1,674,345	3,722,955	377,722	3.00%	14.10.2029
4061	Long Term	4,741,041	2,473,034	7,214,075	627,628	2.60%	19.04.2031
4163	Long Term	2,649,454		2,649,454	228,946	2.80%	07.04.2032
4199	Long Term	2,077,739	1,419,350	3,497,089	315,128	3.15%	04.10.2032
4163	Long Term	794,799		794,799	110,052	3.41%	04.10.2028
9474	Temporary	600,000		600,000	4,599	2.80%	04.10.2019
9475	Temporary	150,000		150,000	1,150	2.80%	04.10.2019
9476	Temporary	950,000		950,000	7,281	2.80%	04.10.2019
9531	Temporary	100,000		100,000	766	2.80%	04.10.2019
9532	Temporary	800,000		800,000	6,132	2.80%	04.10.2019
9533	Temporary	510,000		510,000	3,909	2.80%	04.10.2019
Resolution	Short Term	567,074		567,074	190,574	2.80%	31.12.2021
Resolution	Short Term	98,936		98,936	25,590	2.80%	31.12.2022
Resolution	Short Term	172,000		172,000	36,845	2.80%	31.12.2023
		(176,683)	(23,191)	(199,874)		Accrued Actuarial Gains	
TOTAL		<u>27,079,638</u>	<u>6,935,190</u>	<u>34,014,828</u>	<u>4,235,212</u>		

* Temporary and Short Term loans interest are based on the daily CDOR rates. The above rate is as of December 31st, 2018.



10. Consolidated 2019 Budget Highlights by Strategic Plan Theme Area

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

Safe Community:

- \$150,000 in funding for the Active and Safe Route to School program
- \$1,445,800 in funding to provide fleet, IT and other capital replacement for protective services.

Healthy Community:

- \$3,300,000 for park, playground, trail and other park infrastructure replacement
 - Reynolds playground Replacement
 - Hampton Park parking and pathway improvements
 - Gyro tennis court reconstruction
 - Various tree planting projects

Sustainable Environment:

- \$8,889,000 to continue replacing asbestos cement sewer mains and asbestos cement and cast iron water mains

Balanced Transportation:

- A minimum of \$8,687,000 of road, sidewalk and bikeways additions and improvements in areas such as:
 - Shelbourne Street Improvement 660m sidewalks and 1900m cycling
 - West Saanich Road streetscape south phase 855m sidewalks and 1140m cycling
 - West Saanich/Prospect Lake/Sparton intersection 1100m sidewalks
 - Grange Road (Burnside to Interurban) 1050m sidewalks
 - Hampton Road (Tillicum Road to Harriet Road) 800m sidewalks
 - Royal Oak Ave. (Chatterton Way to 899 Royal Oak Ave.) 770m sidewalks
 - Gorge Road (Admirals to Adelaide) 590m sidewalks
 - Richmond Street south phase 2 950m cycling
 - Larchwood Drive (Feltham to McKenzie) 960m cycling
- \$930,000 in various road improvements to Bus Stops, Signals and Street Lights:
 - Blenkinsop at Judge pedestrian and cycling signal
 - LED street light program

Vibrant Connected Economy:

- \$900,000 for Durrance Road bridge replacement

Service Excellence:

- \$800,000 for network and phone upgrades
- \$800,000 for desktop environment refresh
- \$450,000 for E-Mail upgrades
- \$197,500 for development services programs



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

The District of Saanich lies within the traditional territories of the Lkwungen (Lay-kwung-gen) peoples known today as Songhees and **ᑭᓴᓴᓴᓴᓴᓴ** (Esquimalt) Nations and the **ᑭᓴᓴᓴᓴᓴᓴ** (weh-saanich) peoples known today as **ᑭᓴᓴᓴᓴᓴᓴ** (Tsartlip), **ᑭᓴᓴᓴᓴᓴᓴᓴ** (Pauquachin), **ᑭᓴᓴᓴᓴᓴᓴᓴᓴ** (Tsawout), **ᑭᓴᓴᓴᓴᓴᓴᓴᓴᓴ** (Tseycum) and **ᑭᓴᓴᓴᓴᓴᓴᓴᓴᓴᓴ** (Malahat) Nations.

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.

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.

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.

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.

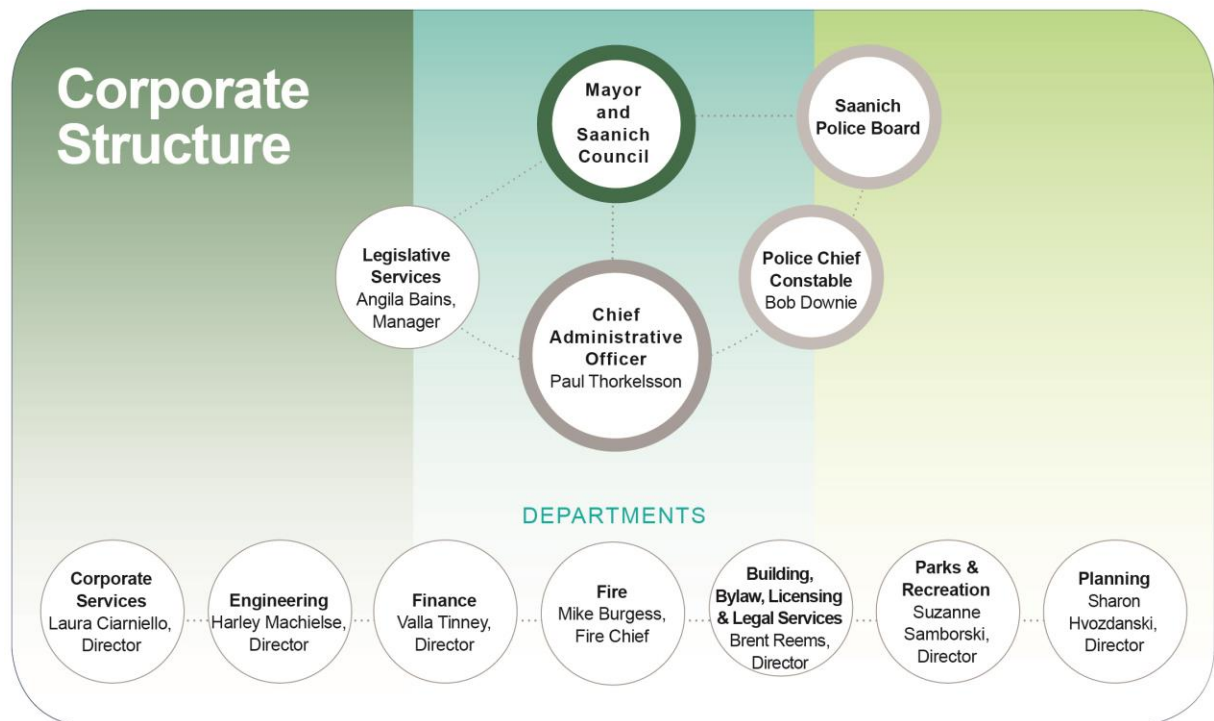
Saanich Council

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 currently comprised of the following members:

Mayor:	Fred Haynes	
Councillors:	Susan Brice	Karen Harper
	Judy Brownoff	Rebecca Mersereau
	Nathalie Chambers	Colin Plant
	Zac de Vries	Ned Taylor

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

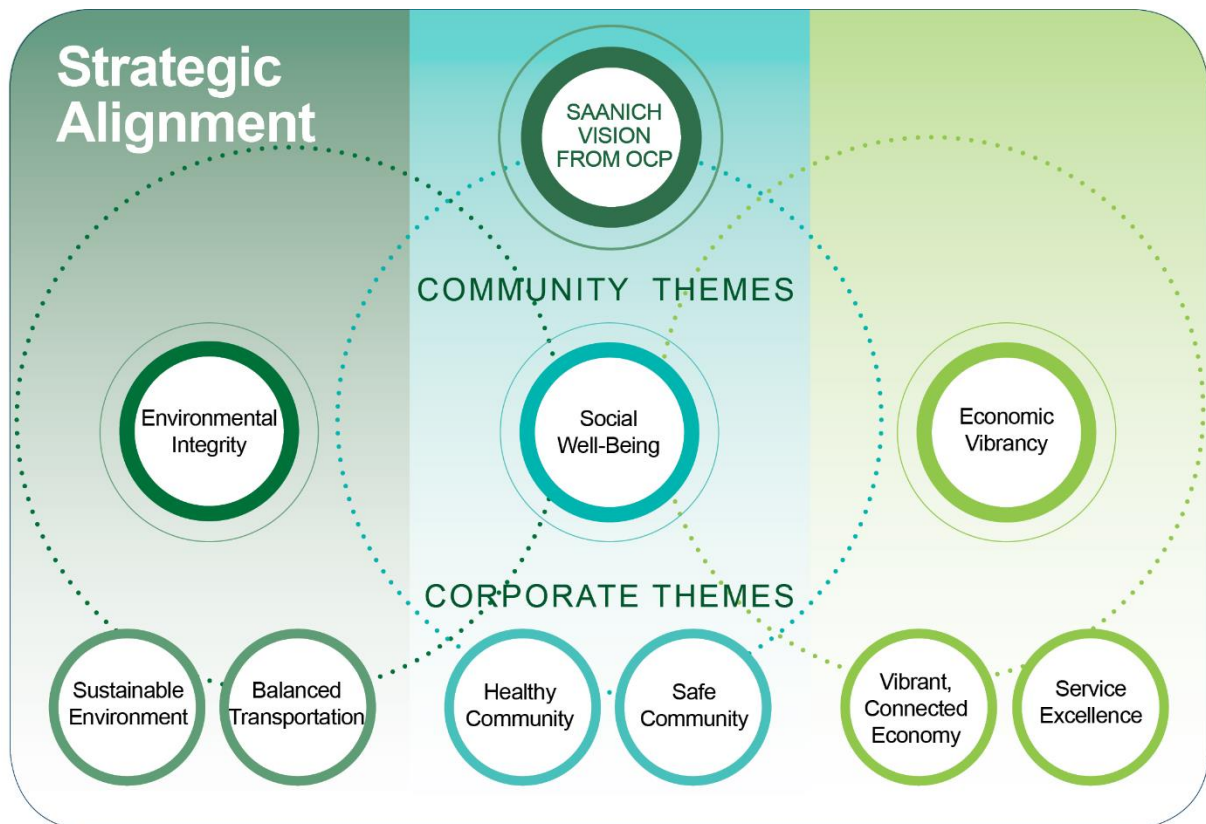
1. Strategic Plan

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 - July	Council develops Budget Guidelines
August – October	Departmental Financial Plans
October – January	Draft Financial Plan is prepared
January - February	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 15.

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 Council review and for public scrutiny and input. Additional meetings related to grants, resource requests and service reduction scenarios are scheduled thereafter to allow further public input for Council's consideration.

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 2019

Council Approved Budget Guidelines

At the June 18, 2018 meeting of Council, the following motion was passed:

The imposition of the Employer Health Tax (EHT) is downloaded cost from the Province that is offset by the elimination of Medical Services Plan (MSP) premiums and will not factor it into the goal for the municipal tax increase and the EHT will be a separate line on the property tax notice;

At this point no service areas were identified that are acceptable for reduction or elimination;

1. Preliminary 2019 departmental net budget totals will be limited to a 0.0 percent increase over the 2018 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 increases;
2. Provide Fleet rental rates when available;
3. Existing personnel costs will be calculated using 2019 bargained rates (or estimates prepared by Finance if not known);
4. Funding for salary and benefits costs arising from job description changes be provided within existing budgets,
5. Remaining implementation of the results of CUPE Letter of Understanding #11 – Job Evaluation, be applied 50% in 2019 and 50% in 2020;
6. Capital expenditures funded from current taxation revenue (Core Capital) be increased by 2% plus a maximum 0.75% property tax increase to fund infrastructure replacement;
7. Resource requests for additional operating budgets (including one time projects) and new tax funded personnel 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.
8. Resource requests will be reviewed by the senior management team and assessed for alignment with stated strategic priorities and overall corporate benefit; and
9. Capital projects will continue to be managed within existing capital budgets (including increases referenced in previous motion);
10. Prepare budget reduction scenarios of 0.5% and 1%;



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 Chartered Professional Accountants of Canada.

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 2019 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 and sewer rates increased annually to accommodate a construction inflation factor of 4% for infrastructure replacement.

The capital component of the Five Year Financial Plan focuses on maintaining funding for infrastructure replacement. This forecast is based on the following assumptions:

1. 2% annual increase from taxation to support construction cost inflationary increases.
2. Debt servicing budget levels maintained within policy.
3. Federal gas tax funding allocated to transportation and drainage projects.
4. New infrastructure funding mainly relies on modest debt room, government grants, community contributions and operating budgets, and
5. All figures shown in current year (2019) 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.

	<u>2018</u>	<u>2019</u>	<u>% Property Tax Levy</u>	<u>Tax Multiple</u>
Residential	2.9529	2.9451	76.24	1.0000
Utilities	30.2356	29.0277	0.35	9.8553
Supportive Housing	2.9529	2.9451	0.00	1.0000
Light Industry	7.8435	6.6177	0.15	2.2468
Business/Other	12.5655	12.1864	23.14	4.1378
Managed Forest	18.6502	17.9444	0.00	6.0926
Rec/Non Profit	8.3025	8.6140	0.12	2.9247
Farm	0.5000	0.5000	0.00	0.1722

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 2018, the legal debt limit is such that average annual servicing costs cannot exceed \$48.2 million or total debt of \$558 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 2019 this limits annual debt servicing costs to no more than \$8.4 million or total debt of \$98 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.

<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	✓						

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

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



5. Staffing Level In 2019

Between 2018 and 2019, total full-time equivalent (FTE) positions are expected to increase by 0.33 FTE or 0.03%. Temporary FTE's hired based on one time funding are not included. Details listed below:

Full time Equivalent (FTE) Employees					
Department	2017	2018	2019	FTE Change	Description of Change
Administration	16.22	16.15	16.15	-	
Corporate Services	43.29	45.56	46.08	0.52	Addition of 0.21 FTE in clerical hours funded from within the department and partial year addition of half time clerical, a safety coordinator and a human resource recruiter
Finance	38.33	38.08	38.81	0.73	Addition of 0.20 FTE in payroll and increase in auxiliary time in Stores funded by reallocation of budget within the department and addition of accountant (partial year)
Building, Bylaw, Licensing and Legal	29.28	29.97	30.84	0.87	Addition of a bylaw officer and plan checker (partial year)
Police Protection	246.97	249.27	238.08	(11.19)	Addition of 2 full year funded positions offset by reduction in telecommunication staff who are transitioning to E-Comm early in 2019
Fire Protection	126.45	126.51	126.85	0.34	0.25 is a duty to accommodate for partial year and 0.1 is for overlap to allow for coverage before retirement
Emergency Program	3.00	3.00	3.00	-	
Planning & Development	26.74	28.44	30.26	1.82	Addition of grant funded position of Energy Specialist and addition partial year of a planner, community engagement coordinator and a planning clerk
Engineering (includes utilities)	261.62	262.59	265.13	2.54	Addition of 2 technical staff in Facility Operations funded from savings in contracted services and increase in auxiliary hours for new inventory maintenance. Also the partial year additions of Surveyor hours and the positions of Managers of infrastructure planning, project delivery and development services
Parks & Recreation	309.85	315.91	320.61	4.70	Net Increase of 1.28 FTE in recreation and greenkeeper hours to accommodate for increases in recreation programs and golfing. All positions are offset by increase in revenue. Also the partial year additions of a booking clerk, a graphic designer and the coordinators of tree permit, volunteer and sports and user groups.
Total	1,101.75	1,115.48	1,115.81	0.33	

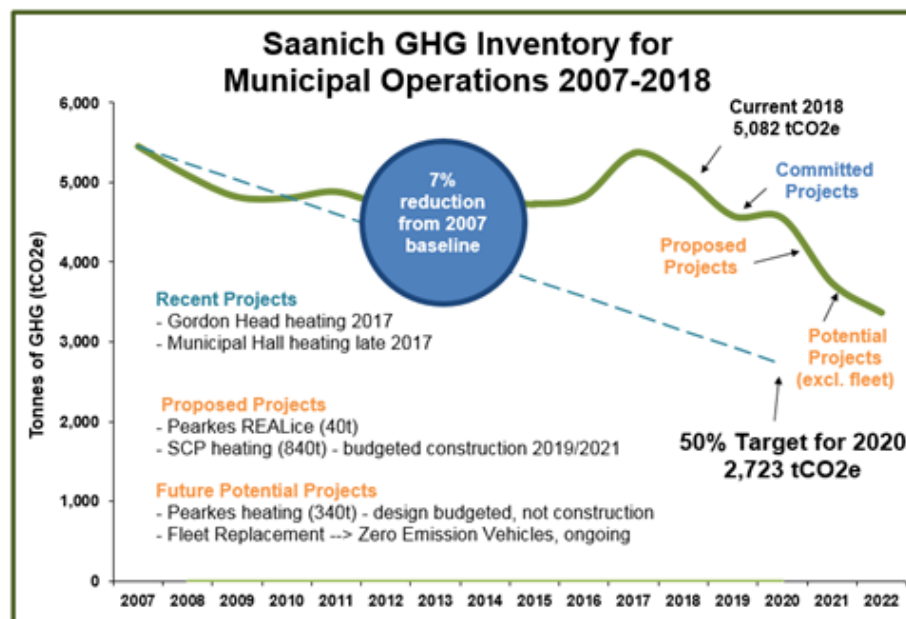


6. Change in Carbon Footprint

In 2010, the District of Saanich approved the Climate Action Plan which committed to a greenhouse gas (GHG) reduction target for corporate emissions of 50% by 2020 from 2007 levels. In recognition of the need to keep global temperature rise below 2 degrees Celsius relative to pre-industrial levels, Saanich adopted a long range target in 2017 to become a 100% Renewable Community and Corporation by 2050. Overall, Saanich saw a decrease of 304.73 tCO₂e in our corporate GHG inventory (or carbon emissions) in 2018. This is a 5.33% reduction from the previous year, and a reduction of 7% from our 2007 baseline (our 2007 baseline

Carbon Footprint (tCO ₂ e)					
Department	2016	2017	2018	GHG Change	Description of Change
Administration	23	22	14	(8)	Boiler upgrade at municipal hall combined with warmer weather
Corporate Services	41	41	31	(10)	
Finance	35	33	21	(12)	
Building, Bylaw, Licensing and Legal	34	29	20	(9)	
Police Protection	514	531	492	(39)	Decrease in vehicle fuel use and decrease in use of heating due to warmer weather
Fire Protection	232	221	218	(3)	Decrease in heating use
Planning	34	30	20	(10)	Boiler upgrade at municipal hall combined with warmer weather
Engineering (includes utilities)	2,079	2,113	2,106	(7)	Savings in public works fleet fuel use due to use of higher ethanol content in gasoline
Parks & Recreation	2,249	2,347	2,159	(188)	Lower natural gas and propane consumption at recreation centres due to warmer weather combined with savings at Gordon Head Recreation Centre due to Heat Pump installation
Total (Baseline 2007 = 5,446)	5,241	5,367	5,081	(286)	

* Previous years' figures have been updated from earlier reported GHG emissions due to changes in methodology. New methodology more fully captures additional emissions (e.g. contractors and vehicle allowances). The new methodology has not been applied to earlier years including the 2007 baseline.



BUDGET PLANNING ISSUES

1. 2019 Financial Planning Issues

Preparation of the 2019 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 has been reached. This increased spending in 2019 at 1.21% of property tax increase. The sustainability levels will be reviewed in the future to determine if any additional funding for capital is needed. 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 at least 4% for infrastructure replacement to reflect the increase in construction costs.

Wage and benefit costs – Except for the Police Association all union contracts are up to date. Contingency estimates have been included for any increases that will arise from upcoming negotiations. The 2019 budget reflects the increases of 2.5% for the IAFF and 2% for CUPE. In addition funds were allocated for CUPE Job Evaluation in accordance with budget guidelines. This allocation is the second of a three year plan to fund the Job Evaluation results. Workers' Compensation Board's rates increased by 25% for law enforcement due to the overall industry experience over the previous years. CPP costs increased for all employees due to the Federal enhancement plan of the program. Dental and extended health benefit costs have also increased by 12% over last year.

New taxes – The province has implemented a new Employer Health Tax (EHT) that applies to all employee groups working for the District. This tax replaces the Medical Services Plan which, depending on the union group, was either cost shared with the District or was fully paid for by the employees. The impact of the EHT on this year's budget is an additional 1.50% increase to property taxes.

Growth – The District experienced modest growth in 2018 which is in line with the historical levels for new tax and permit revenues.

Non-discretionary expenditures – For 2019, an additional 1.20% tax increase was applied to budget for non-discretionary items such as maintenance contracts and software licensing, utility increases, lease and maintenance costs for additional policing space, and various contract services.

Resource Requests – For 2019, an additional 0.74% tax increase was implemented to provide partial year funding for key positions deemed critical to maintain current operations or support implementation of adopted strategies. Positions included a bylaw officer, plan checker, HR recruiter, IT administrative assistant, RTW & OHS coordinator, development services manager, infrastructure planning manager, project delivery manager, surveyor, accountant, tree permit coordinator, volunteer coordinator, sports and user group coordinator, community engagement coordinator, planner, planning clerk, graphic designer and event booking clerk. Funding was also provided for the implementation of the Older Adult Strategy, Haro Woods Management Plan and Truth and Reconciliation program.

Water costs – A large proportion of water costs (40% for 2019) are bulk water purchases from the CRD. These costs are subject to change each year dependant on CRD regional infrastructure work and operating costs. In 2019 the CRD bulk water rate went up 1.97%.

Sewer costs – A significant proportion of overall sewer costs are from CRD regional Sewage Treatment (53.82% for 2019). CRD sewer charges increased by 13.92% over last year due to operational cost increases and to fund new Liquid Waste Management Plan mandated regional sewer treatment.



2. 2020 – 2023 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 1.21% tax increase on property taxes or an equivalent reduction in programs or services that are funded by this grant.

Wage costs uncertainty – The Police Association contract expired the end of 2018 and the IAFF and CUPE contracts will expire by the end of 2019. While the extent of possible wage cost impact is uncertain for the future years, Public Safety and CUPE settlements continue to trend at 2.0% or higher.

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. CPP costs will continue to increase for majority of employees as the Federal enhancement continues to 2025.

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 however is projected to increase as the CRD has projected an increase to its rates of 2.76% annually for the next four years.

Sewer costs – Continued significant increases to the regional sewer charges are anticipated over the next few years as the provincially mandated regional sewer treatment system is built and operations commence. The CRD is projecting increases to its requisition from its participating municipalities at 17% in 2020, 14% in 2021 and then 2% annually after that.

Infrastructure Replacement – The overall plan to increase capital funding to sustainable levels was reached in 2019. Future increases will be based on applying an inflationary increase to keep up with rising costs of construction and as replacement costs are updated.



General Operating Fund

The total tax levy for the General Operating Fund is proposed to increase by \$7,132,500 or 5.20% or \$134.51 to the average single family homeowner in 2019.

The increase in property tax revenue this year is made up of a 1.36% increase for core Municipal, resource requests and non-discretionary costs, 1.21% in infrastructure replacement funding to reach sustainable funding levels in 2019, 0.99% for Police Board, 0.14% for the Greater Victoria Public Library and 1.50% for the Employee Health Tax paid to the Province.

BUDGET SUMMARY	
2019 Tax Levy	\$ 127,814,700
2018 Tax Levy	\$ 120,682,200
Net Change	\$ 7,132,500
Average Single Family Homeowner Increase %	5.20%
2019 FTE	1039.68
2018 FTE	1039.18
FTE Change	0.50
FTE Change %	0.05%
2018 Carbon Footprint (CO _{2e})	5002 Tonnes
2017 Carbon Footprint (CO _{2e})	5309 Tonnes
Carbon Footprint Change	(307) Tonnes

Saanich 2019 Financial Plan	Budget Increase \$	Tax Increase %
Operating Increases		
Core budget		
Existing personnel costs - municipal	1,589,200	1.32%
Resource Requests	893,800	0.74%
Non-discretionary increases	1,449,200	1.20%
General Municipal Core Operating Increase	\$ 3,932,200	3.26%
Increase in non-tax revenue	(1,431,100)	-1.19%
Tax revenue from new sources (preliminary)	(862,000)	-0.71%
Core Increase to Existing Taxpayers	\$ 1,639,100	1.36%
Increase for Capital Infrastructure	1,467,900	1.21%
Total General Municipal Increase	\$ 3,107,000	2.57%
Police Board Budget	\$ 1,191,000	0.99%
Greater Victoria Public Library	166,100	0.14%
General Municipal, Police and Library	\$ 4,464,100	3.70%
Province of BC - Employer Health Tax	\$ 1,806,400	1.50%
Total	\$ 6,270,500	5.20%



BUDGET SUMMARY BY OBJECT

Budget By Object	Actual	Projection	Budget	Budget	% Change
EXPENDITURES	2017	2018	2018	2019	2019/2018
Personnel (1)	98,780,500	106,735,500	107,321,700	105,217,700	(1.96%)
Goods and Services (2)	32,756,000	41,010,900	36,431,200	40,046,200	9.92%
Fiscal Services (3)	3,319,700	3,863,200	3,911,500	4,138,200	5.80%
Grants, Overheads & Transfers (4)	17,189,200	18,854,600	19,770,800	22,173,400	12.15%
Capital (tax funded portion only) (5)	13,182,800	14,200,600	14,086,000	15,226,600	8.10%
TOTAL	165,228,200	184,664,800	181,521,200	186,802,100	2.91%
REVENUES AND RECOVERIES					
Property Taxation	(116,000,000)	(120,641,800)	(120,682,200)	(127,814,700)	5.91%
Parcel Tax	(20,000)	(20,000)	(20,000)	(20,000)	0.00%
Other Corporate Revenues (6)	(7,662,300)	(8,716,900)	(7,557,800)	(8,188,300)	8.34%
Other Departmental Revenues	(29,982,200)	(34,277,300)	(28,266,800)	(28,944,700)	2.40%
Inter-Departmental Recoveries (7)	(10,535,100)	(11,793,400)	(12,217,900)	(13,092,300)	7.16%
Transfer from Reserves (8)	(4,084,100)	(12,147,400)	(12,659,400)	(8,548,100)	(32.48%)
Other Grants	(269,300)	(264,600)	(117,100)	(194,000)	0.00%
TOTAL	(168,553,000)	(187,861,400)	(181,521,200)	(186,802,100)	2.91%
NET OPERATIONS					
	(3,324,800)	(3,196,600)	-	-	0.00%

1. Personnel costs - increase in wage increment is offset by the reduction of \$4.2 million in accumulated retro wages paid out to both Police and CUPE.
2. Goods and Services – increase in one time projects funded from reserves.
3. Fiscal Services – increase to fund additional borrowing costs.
4. Grants, Overhead & Transfers – reflecting the addition of the Employee Health Tax (EHT)
5. Property tax based capital funding - increased to continue progress to sustainable funding levels.
6. Other Corporate Revenues – higher returns on investments.
7. Inter-Departmental Recoveries – increase to recognize actual recovery levels of services.
8. Transfer from Reserves – accumulated retro wages held in reserve were paid out in 2018 and decrease in projects funded from reserves.

Budget Summary by Function:

Operating Budget	Actual	Projection	Budget	Budget	% Change
ALL DEPARTMENTS	2017	2018	2018	2019	2019/2018
Property Taxation	(116,000,000)	(120,641,800)	(120,682,200)	(127,814,700)	5.91%
Parcel Tax	(20,000)	(20,000)	(20,000)	(20,000)	0.00%
Utility and Hotel Tax	(1,574,300)	(1,660,200)	(1,557,700)	(1,621,000)	4.06%
Grants In Lieu	(2,416,000)	(2,572,100)	(2,453,500)	(2,655,900)	8.25%
Interest and Penalties	(1,680,200)	(2,449,900)	(1,677,000)	(2,057,900)	22.71%
Other Revenues	(437,700)	(480,600)	(311,100)	(299,400)	(3.76%)
Capital Contribution	13,182,800	14,200,600	14,086,000	15,226,600	8.10%
Net Departmental Cost	105,620,600	110,427,400	112,615,500	119,242,300	5.88%
SURPLUS/DEFICIT	(3,324,800)	(3,196,600)	-	-	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 5.20% increase in municipal property taxes to the average single family homeowner with an assessed value of \$924,100 and to average business properties. The remaining increase in property tax revenue 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 moderately 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 increased significantly in 2018 due to increase in investment rates and high rate saving products available for municipalities. Investment returns are projected to increase in the near future as the Bank of Canada increases its rates. 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 maximum 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 \$6,626,800 or 5.88% in 2019.

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

Net Department Budget	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Administration	2,294,900	2,285,400	2,311,400	2,465,300	153,900	6.66%
Corporate Services	5,407,300	5,631,600	6,948,100	7,736,300	788,200	11.34%
Finance	3,363,300	3,380,100	3,660,600	3,841,100	180,500	4.93%
Corporate Revenues & Expenses	(443,500)	23,200	(278,500)	932,600	1,211,100	N/A
Fiscal Services	7,224,300	7,295,900	7,407,700	7,734,800	327,100	4.42%
Building, Bylaw, Licensing & Legal Services	(142,400)	1,045,100	1,208,900	1,184,200	(24,700)	(2.04%)
Police Protection	32,462,300	33,574,800	33,574,300	34,765,200	1,190,900	3.55%
Fire Protection	17,528,700	18,315,000	18,182,300	19,026,700	844,400	4.64%
Emergency Program	399,000	417,500	426,000	438,900	12,900	3.03%
Planning	2,313,500	2,468,800	2,745,100	2,884,300	139,200	5.07%
Engineering	12,361,700	12,542,500	12,623,300	12,854,100	230,800	1.83%
Parks and Recreation	15,979,100	16,103,300	16,582,200	17,919,600	1,337,400	8.07%
Cultural	6,949,400	7,344,200	7,224,100	7,459,200	235,100	3.25%
TOTAL	105,697,600	110,427,400	112,615,500	119,242,300	6,626,800	5.88%



Ongoing Resource Requests

2019 APPROVED RESOURCES						
Department	Resource	2019 Budget	2020 Estimate	2021 Estimate	2022 Estimate	2023 Estimate
Bylaw Enforcement	Bylaw Officer	\$ 50,278	\$ 88,674	\$ 90,326	\$ 92,010	\$ 93,728
Cedar Hill Golf Course	Event Booking Support	\$ 26,610	\$ 53,219	\$ 54,283	\$ 55,369	\$ 56,476
Communications	Media Monitoring Tool	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000
Community Development	Sports & User Group Coordinator	\$ 43,642	\$ 89,017	\$ 90,797	\$ 92,613	\$ 94,465
Community Planning	Community Engagement Coordinator	\$ 16,320	\$ 33,292	\$ 33,958	\$ 34,637	\$ 35,330
Community Services	Truth and Reconciliation Funding	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Community Services	Special Events Funding	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Community Services	Older Adult Strategy Implementation	\$ 167,075	\$ 170,417	\$ 173,825	\$ 177,301	\$ 180,847
Corporate Services	Annual Citizen Survey	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Current Planning	Planner	\$ 53,445	\$ 109,028	\$ 111,208	\$ 113,433	\$ 115,701
Engineering	Development Services Manager	\$ 13,410	\$ 45,910	\$ 46,828	\$ 47,765	\$ 48,720
Engineering	Manager of Infrastructure Planning	\$ 14,500	\$ 48,820	\$ 49,796	\$ 50,792	\$ 51,808
Engineering	Manager, Project Delivery	\$ 64,259	\$ 104,767	\$ 106,863	\$ 109,000	\$ 111,180
Engineering	Underground Services - Surveyors	\$ 18,405	\$ 18,773	\$ 19,149	\$ 19,532	\$ 19,922
Finance	Internal Audit, Compliance & Reports	\$ 50,000	\$ 108,120	\$ 110,282	\$ 112,488	\$ 114,738
Human Resources	Human Resources Recruiter	\$ 26,741	\$ 81,831	\$ 83,467	\$ 85,136	\$ 86,839
Information Technology	IT Administrative Assistant	\$ 32,200	\$ 32,844	\$ 33,501	\$ 34,171	\$ 34,854
Inspections	Plan Checker	\$ 51,729	\$ 90,964	\$ 92,654	\$ 94,379	\$ 96,137
Parks	Tree Permit Coordinator	\$ 45,592	\$ 90,967	\$ 92,786	\$ 94,642	\$ 96,535
Parks	Volunteer Coordinator	\$ 34,340	\$ 68,013	\$ 69,373	\$ 70,760	\$ 72,175
Parks	Haro Woods Management Plan	\$ 39,000	\$ 27,000	\$ 27,000	\$ 21,000	\$ 21,000
Planning	Planning Clerk	\$ 33,280	\$ 67,889	\$ 69,247	\$ 70,632	\$ 72,045
Recreation Admin	Graphic Design	\$ 11,557	\$ 23,114	\$ 23,576	\$ 24,048	\$ 24,529
Safety	RTW & OHS Coordinator	\$ 50,400	\$ 100,533	\$ 102,543	\$ 104,594	\$ 106,686
Total Budget Requirement		\$ 893,780	\$ 1,504,190	\$ 1,532,463	\$ 1,555,301	\$ 1,584,716



One Time Resource Requests

Approved Allocation of Annual Surplus and Reserve Funding for One Time Resources	Funding Source	
	Annual Surplus	Reserve Funds
Operating:		
Cedar Holl Golf Course - Business Analysis	50,000	
Fire Department Centennial Recognition	32,500	
Recreation "Class" Software Decommissioning	56,500	
Council Strategic Initiatives Contingency - Affordable Housing)	500,000	
Council Strategic Initiatives Contingency - General	737,420	
Saanich Commonwealth Pool - Duct cleaning	45,000	
Emergency Management Survey & Public Education	25,000	
Recreation Department Emergency Plans	23,000	
Emergency Ops Centre Business Area Analysis	32,000	
Exempt Job Evaluation/Salary Review	43,000	
Fire Station Furniture	42,000	
Fire Department Health and Wellness Program	60,000	
Local Area Plans	125,000	
Long Range Financial Planning	85,000	
Medical Services Premiums - 2019 Transition Funding	209,000	
Older Adult Strategy - Sign Strategy	40,000	
Police Department Recruiting - Prehire Training	203,750	
Police Department - Retirement Overlap	30,000	
Information Technology - Security Retainer	50,000	
Shelbourne Memorial Action Plan	40,000	
Strategic Planning Consultants	10,000	
Subtotal - operating	\$ 2,439,170	
Capital:		
Refuse Truck Arm replacement		200,000
Truck - Water Supervisors		35,000
Multipurpose Water Tanks/Washers		50,000
Flush Truck Washdown Station		43,000
Paramobile (for mobility challenges)	40,000	
Mobile Service Vehicle		65,000
Subtotal - capital	\$ 40,000	\$ 393,000
Other:		
Facilities Major Repairs & Replacement Reserve	717,430	
Subtotal - Other	\$ 717,430	
Total approved allocation of annual surplus and reserve funding	\$ 3,196,600	\$ 393,000



Council, Administration and Legislative Services

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 **Legislative Division** is responsible for legislative and 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 Act* (FIPPA) and oversees the corporate records management program. The Division also conducts the local government elections, referenda, and elector approval processes and provides customer service and information to the general public and Saanich staff through the Municipal Hall reception desk.

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.

BUDGET SUMMARY	
2019 Net Budget	\$ 2,465,300
2018 Net Budget	\$ 2,311,400
Net Change	\$ 153,900
Change by %	6.66%
2019 FTE	16.15
2018 FTE	16.15
FTE Change	0.00
FTE Change %	0.00%
2018 Carbon Footprint (CO2e)	14 Tonnes
2017 Carbon Footprint (CO2e)	22 Tonnes
Carbon Footprint Change	(7) Tonnes

2019 BUDGET CHALLENGES

- Resources for newly established standing committees.
- Additional resource request for professional development and organization memberships on behalf of Council.
- Support for the Citizens Assembly process.
- Initiate discovery process for a corporate Electronic Document Records Management System (EDRMS)



2019 KEY PRIORITIES

Priority Strategic Initiatives include:

Service Excellence:

- Support for the Citizens Assembly process.
- Implementation and maintenance of Privacy Management and Records Management Programs.
- Review the Council Procedure Bylaw.
- Continue to support relationship building with First Nations.
- Continue to ensure citizen engagement in Council proceedings.
- Privacy Management Program – Assessment of program controls.
- Initiate discovery process for an Electronic Document Records Management Program.
- Review options for an electronic bylaw index for all Saanich bylaws.
- Increase online resources on Archives website.

Priority Departmental Initiatives include:

- Increase the number of training sessions for records management and privacy access.
- Review the Document and Information Management Strategy and Local Area Network Restructuring for implementation plan.
- Develop corporate records management strategy for offsite records.
- Review the Council Procedure Bylaw
- Review the organization, access and storage needs for agreements
- Increase online resources on Archives website
- Improve bylaw storage and access.
- Review agenda preparation process and future use of Granicus for agenda management.

CORE BUDGET

The Department's 2019 Budget of \$2,465,300 represents a 6.66% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	%Change
	2017	2018	2018	2019	2019/2018	2019/2018
Council & Committees	505,000	535,800	529,500	619,700	90,200	17.03%
Administration	503,000	458,500	504,300	529,300	25,000	4.96%
Elections						
Revenues	(123,100)	(438,600)	(450,000)	-	450,000	(100.00%)
Expenses	123,100	498,200	450,000	-	(450,000)	(100.00%)
Total	-	59,600	-	-	-	0.00%
Legislative	1,111,500	1,049,400	1,084,500	1,116,400	31,900	2.94%
Archives	175,400	182,100	193,100	199,900	6,800	3.52%
Total	2,294,900	2,285,400	2,311,400	2,465,300	153,900	6.66%

- Council & Committees – professional development, costs for data plans and the increase in Council's remuneration to offset the new federal legislation in 2019 that discontinues the one third expense allowance on Council's wages.
- Administration – wages and benefits.
- Archives – job evaluation.



Corporate Services

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

Communications provides support for internal and external communications. This support includes the Saanich website(s), intranet, social media, media relations, brand management, print publications and public participation activities.

Human Resources provides support to approximately 1,700 employees from initial hire to the end of their employment life cycle, with a full range of services including recruitment and selection, employee and labour relations, collective bargaining, job evaluation, compensation and benefits, wellness and disability management, personnel records management, training, employee recognition and the annual retirement and long service banquet. The Division supports managers and employees to meet operational demands and to achieve their strategic goals.

Information Technology provides computer and technology to nine different locations. The Information Technology Division operates a Helpdesk for staff queries, 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.

Occupational Health and Safety (OHS) provides a corporate-wide OHS Program and Workplace Injury Management (WIM) Program both of which are "COR" certified by WorkSafeBC. The OHS program includes hazard identification and control, training and certification, safety inspections, incident investigations and sub-programs (e.g. asbestos, fall protection, hearing, and respirators). The WIM program includes safety prevention support for all employees of the municipality and return to work support for injured employees.

Strategic Planning manages and supports the strategic planning and progress reporting processes, and conducts the citizen and business surveys.

BUDGET SUMMARY	
2019 Net Budget	\$ 7,736,300
2018 Net Budget	\$ 6,948,100
Net Change	\$ 788,200
Change by %	11.34%
2019 FTE	46.08
2018 FTE	45.56
FTE Change	0.52
FTE Change %	1.14%
2018 Carbon Footprint (CO2e)	31 Tonnes
2017 Carbon Footprint (CO2e)	41 Tonnes
Carbon Footprint Change	(10) Tonnes

2019 BUDGET CHALLENGES

- Meeting the increasing legislative requirements for Human Resources and Safety
- Fluctuating demands for all Corporate Services support.
- Ongoing maintenance and upgrading of IT infrastructure to ensure that corporate needs and service levels can be met.
- Ongoing retention and recruitment of qualified staff
- Aging work force and retirements of long term employees, training of new employees, and transfer of knowledge base



- Resources to implement the security component of the privacy program – keeping citizen and municipal information and data safe and ensuring it is used only by authorized staff and for the purposes for which it was collected.
- Increased public expectations regarding Communications and Engagement
- Capacity limitations

2019 KEY PRIORITIES

Priority Strategic Initiatives include:

- Multi-year initiative to strengthen IT infrastructure.
- Multi-year initiative to upgrade key business applications and programs.
- Increase municipal emergency communications capabilities.

Priority Departmental Initiatives include:

- Adapt software and processes to implement the JDE Human Resource Information System and Occupational Health & Safety modules.
- Replace the current telephone system with a new modern system.
- Conduct the citizen and business surveys to help guide financial and strategic decision making for both Council and staff.

CORE BUDGET

The core budget for 2019 of \$7,736,300 represents an 11.34% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	%Change
	2017	2018	2018	2019	2019/2018	2019/2018
Corporate Services	721,700	687,300	776,300	835,400	59,100	7.61%
Human Resources	1,093,100	1,122,400	1,211,700	1,287,900	76,200	6.29%
Information Technology	3,563,700	3,886,200	4,960,100	5,613,000	652,900	13.16%
Occupational Health/Safety						
Revenue	(542,000)	(605,500)	(564,700)	(633,000)	(68,300)	12.09%
Expense	<u>493,800</u>	<u>541,200</u>	<u>564,700</u>	<u>633,000</u>	<u>68,300</u>	<u>12.09%</u>
Total	28,800	(64,300)	-	-	-	0.00%
Total	5,407,300	5,631,600	6,948,100	7,736,300	788,200	11.34%

- Corporate Services – approved on going funding of annual citizen survey.
- Human Resources – addition (partial year) of a Human Resource Recruiter position and wage increments.
- Information Technology – addition of a half an FTE Administration position, negotiated wage increases and increments and increase in non-discretionary costs for strategic plan initiatives – IT foundation: licensing for network, phone system, mail and fire dispatch software and hardware maintenance.
- Occupational Health/Safety – addition (partial year) of a Return to Work and Occupational Health and Safety Coordinator position. The increase in expense is offset by increased charges to all departmental budgets that rely on this service.



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 \$291 million in annual expenses and revenues; cash management of over \$216 million in investments to maximize the returns and provide additional income to both operating and reserve funds; accounts payable processing over 32,590 invoices annually; coordination of the production of five different payroll groups paid on a bi-weekly basis and benefits records maintenance for over 2,190 staff.

The **Revenue Collection Division** processes all revenues including property taxes, utility bills, dog licenses, business licenses and recreation programs. Over 119,100 utility bills and 43,700 tax notices 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. 176 quotations, tenders and requests for proposals totalling over \$20 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, as well as, the preparation of the financial statements which are audited by an independent accounting firm.

BUDGET SUMMARY	
2019 Net Budget	\$ 3,841,100
2018 Net Budget	\$ 3,660,600
Net Change	\$ 180,500
Change by %	4.93%
2019 FTE	38.81
2018 FTE	38.08
FTE Change	0.73
FTE Change %	1.92%
2018 Carbon Footprint (CO2e)	21 Tonnes
2017 Carbon Footprint (CO2e)	33 Tonnes
Carbon Footprint Change	(12) Tonnes

2019 BUDGET CHALLENGES

- Resources for corporate finance support including internal audit, financial policy compliance and corporate reporting.
- Resources for budget development including support for departments and development of appropriate budget documents.

2019 KEY PRIORITIES

Priority Strategic Initiatives include:

Vibrant, Connected Economy

- Maintaining infrastructure replacement capital spending.

Priority Departmental Initiatives include:

- Enhance the financial management of capital projects from inception to completion.
- Improve reporting and ease of use of the financial software and improve productivity of all departments who use the system.
- Acquire and implement budget software to replace current excel based budgeting.
- Acquire and implement tendering management software to replace current manual system.



CORE BUDGET

The Department's total 2019 net core budget is \$3,841,100 and it represents a 4.93% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Accounting and Payroll	1,716,700	1,660,400	1,847,400	1,991,100	143,700	7.78%
Revenue Collections						
Revenue	(176,100)	(137,100)	(150,000)	(150,000)	-	0.00%
Expense	<u>1,131,700</u>	<u>1,183,500</u>	<u>1,168,200</u>	<u>1,210,300</u>	<u>42,100</u>	<u>3.60%</u>
Total	955,600	1,046,400	1,018,200	1,060,300	42,100	4.13%
Stores	155,700	95,300	136,800	145,400	8,600	6.29%
Purchasing	535,300	578,000	658,200	644,300	(13,900)	(2.11%)
Total	3,363,300	3,380,100	3,660,600	3,841,100	180,500	4.93%

- Accounting and Payroll – addition (partial year) of an Accountant and additional 0.2 FTE funded through transfer from Purchasing.
- Stores – negotiated wage increases and job evaluation.



Corporate Revenues and Expenses

The Finance Department also manages corporate budget allocations related to the corporation as a whole.

These include the following:

Corporate contingency –

- general contingency of \$700,000 for unforeseen events or emerging opportunities
- contingency amounts for wage and benefit increases anticipated for the year pending allocation to departmental budgets

Administrative recoveries –

- recoveries of overhead charges from water and sewer functions to the general operating fund
- recoveries of overhead charges from developers

Government Services –

- provision for retirement severance pay
- municipal dues to other organizations
- corporate postage costs
- Council, Committee of the Whole and other meeting support costs

Employer Health Tax – commencing in 2019 the Provincial Employer Health Tax cost will be shown as a general corporate cost as per Council direction.

2019 Budget Challenges

- Ensuring adequate contingency to react to unforeseen emergencies.

CORE BUDGET

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Corporate Contingency	74,800	1,047,900	909,000	298,900	(610,100)	67.12%
Administrative Recoveries	(1,867,500)	(2,087,000)	(2,090,500)	(2,105,800)	(15,300)	(0.73%)
Government Services	1,349,200	1,062,300	903,000	933,100	30,100	3.33%
Employer Health Tax	-	-	-	1,806,400	1,806,400	100.00%
Total	(443,500)	23,200	(278,500)	932,600	1,211,100	n/a

- Corporate Contingency – implementation of a contingency for staff vacancies and funding of 2019 MSP Premiums through prior year surplus.
- Government Services – FCM dues and non-discretionary postage costs.
- Employer Health Tax – new provincial tax.



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 2018, the total outstanding debt in the general operating fund is approximately \$27 million. This is projected to increase by \$18 million during the year, bringing total outstanding general operating debt to about \$45 million (\$56 million including utilities) by December 2019. This remains well within guideline of a maximum of 7% of property tax revenue.

\$8.2 million in annual debt servicing cost is 6.82% of prior year's property tax revenue and about \$98 million in total debt at current rates. The total legal borrowing limit for Saanich is \$558 million.

The average homeowner's share of servicing debt per capita is \$27 per year (\$25 in 2018).

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 2019, transfers will support technology, drainage and parks and trails infrastructure.

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

CORE BUDGET

Core budget increase of 4.42% reflects the policy of increasing the fiscal services budget up to 7% of property tax revenue. Funds that are not needed in 2019 for debt servicing are transferred to capital reserves to support current and future capital asset replacement.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Interest	729,100	805,400	975,600	1,083,000	107,400	11.01%
Principal	1,599,800	1,954,200	1,895,800	1,992,400	96,600	5.10%
Transfer to Capital Reserves	4,895,400	4,536,300	4,536,300	4,659,400	123,100	2.71%
Total	7,224,300	7,295,900	7,407,700	7,734,800	327,100	4.42%

- Interest – interest payments for new borrowing for capital in 2018 & 2019.
- Principal – principal payments for new borrowing for capital in 2018 & 2019.
- Transfer to Capital Reserves – funding for information technology infrastructure.



Building, Bylaw, Licensing and Legal Services

The Building, Bylaw, Licensing and Legal Services Department has two divisions: the Building, Bylaw, Licensing Division and the Legal, Risk Management and Lands Division. The Department provides a diverse variety of external and internal customer services and is responsible for overseeing regulatory compliance in the municipality.

The **Inspection Services** and **Inspection Administration** Sections are responsible for overseeing the construction, alteration, repair and demolition of buildings in the District by ensuring that construction complies with bylaw requirements, the BC Building Code and applicable regulations. The Sections process a broad range of building applications for residential, commercial, institution and industrial use and provide professional advice to Council, the public, staff and a broad range of stakeholders on building matters.

The **Bylaw Enforcement** Section is responsible for the enforcement of municipal bylaws. The Section responds to public complaints and enquiries and conducts investigations related to alleged bylaw violations. The Section provides professional advice on enforcement matters, educates the public and stakeholders with regard to bylaw and regulatory requirements and works to ensure compliance with bylaws across the District.

The **Business Licensing** Section administers the issuing of business licenses. Over 4,600 business licenses are produced annually. The Section also responds to customer complaints and enquiries, and conducts investigations regarding possible bylaw violations.

The **Legal Services** Section provides legal services to the municipality and is responsible for providing advice to Council and staff, preparing legal documents, negotiating contracts and managing legal proceedings. The Section works closely with the Risk Management and Lands Sections to complete real property acquisitions and dispositions.

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

The **Risk Management** Section promotes policies and procedures designed to prevent incidents causing loss. The Section is also responsible for managing an insurance program that sustains the municipality's ability to deliver services to the community. The Section 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.

BUDGET SUMMARY	
2019 Net Budget	\$ 1,184,200
2018 Net Budget	\$ 1,208,900
Net Change	\$ (24,700)
Change by %	(2.04%)
2019 FTE	30.84
2018 FTE	29.97
FTE Change	0.87
FTE Change %	2.90%
2018 Carbon Footprint (CO2e)	20 Tonnes
2017 Carbon Footprint (CO2e)	29 Tonnes
Carbon Footprint Change	(9) Tonnes



2019 BUDGET CHALLENGES

- Increasing claims costs driven by changes in the legal and regulatory climates;
- Resources for policy development and corporate risk analysis appropriate for a municipality of the size and complexity of Saanich;
- Resources and capacity for planning and policy work with respect to municipal land and bylaw enforcement;
- Continuing to meet building inspection and bylaw enforcement service levels with high permit and call for service volumes and increasing complexity due to municipal growth and density;
- Ongoing recruitment of building inspection officials as a result of mandatory qualification requirements introduced in the *Building Act*;

2019 KEY PRIORITIES

Priority Departmental Initiatives include:

- Prepare draft plastic bag ban bylaw for Council consideration and adoption and engage the public and stakeholders on the bylaw.
- Bring forward new building bylaw for Council's consideration and adoption.
- Review enforcement considerations and approach relating to Building Bylaw violations and secondary suite regulations and decommissioning.
- Review and update municipal land policies and procedures.



CORE BUDGET

The Department's 2019 net core budget of \$1,184,200 represents a 2.04% decrease over prior year. Gross expenditure increased by 5.52% over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Legal Services	703,700	977,600	715,500	765,500	50,000	6.99%
Risk Management	253,300	276,800	289,400	298,000	8,600	2.97%
Insurance & Claims	673,600	824,900	603,700	603,700	-	0.00%
Bylaw Enforcement	464,500	470,300	471,800	553,500	81,700	17.32%
Inspections						
Revenues	(3,633,900)	(2,812,900)	(2,243,600)	(2,502,600)	(259,000)	11.54%
Expenses	<u>1,768,600</u>	<u>1,673,000</u>	<u>1,735,400</u>	<u>1,835,700</u>	<u>100,300</u>	<u>5.78%</u>
Total	(1,865,300)	(1,139,900)	(508,200)	(666,900)	(158,700)	31.23%
Business License						
Revenue	(492,000)	(496,600)	(485,000)	(495,000)	(10,000)	2.06%
Expense	<u>162,600</u>	<u>179,900</u>	<u>160,900</u>	<u>165,100</u>	<u>4,200</u>	<u>2.61%</u>
Total	(329,400)	(316,700)	(324,100)	(329,900)	(5,800)	1.79%
Lands/Property Management						
Revenue	(597,200)	(592,800)	(578,800)	(583,700)	(4,900)	0.85%
Expense	<u>554,400</u>	<u>544,900</u>	<u>539,600</u>	<u>544,000</u>	<u>4,400</u>	<u>0.82%</u>
Total	(42,800)	(47,900)	(39,200)	(39,700)	(500)	1.28%
Total	(142,400)	1,045,100	1,208,900	1,184,200	(24,700)	(2.04%)

- Legal Services – wage increments and benefit.
- Bylaw Enforcement – addition (partial year) of a Bylaw Officer and job evaluation.
- Inspections – permitting revenues increase due to increased cost of construction. Addition (partial year) of a Plan Checker position.



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.

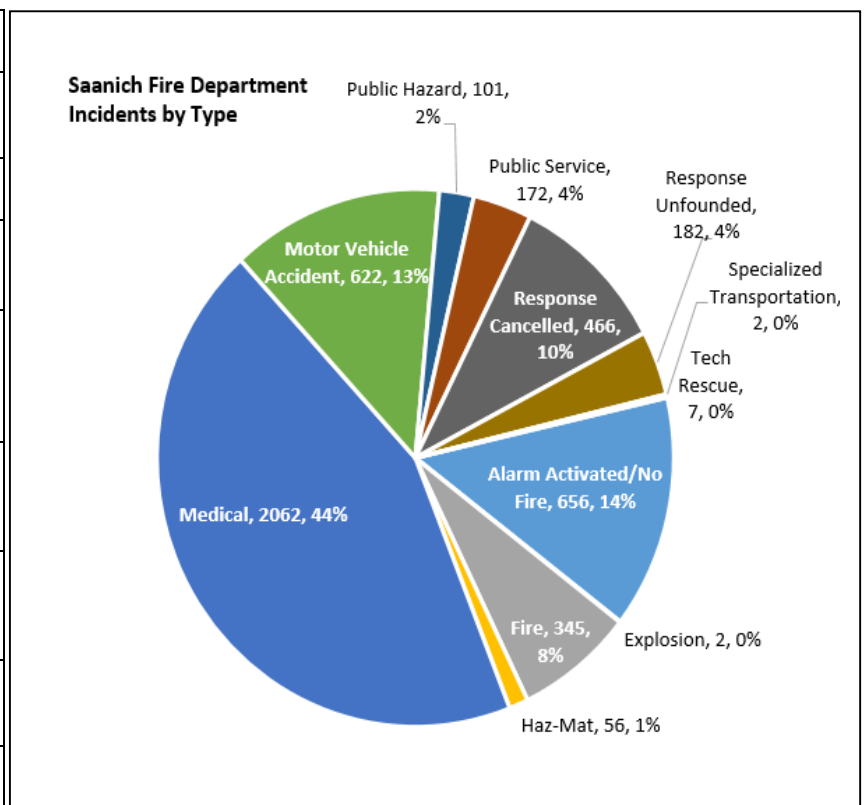
The Department also provides fire safety inspections, public education, fire apparatus, mechanical and high angle rescue services. Fire dispatch services, including emergency and non-emergency call receiving, processing and dispatching are provided to two client municipalities.

The Department employs 120.75 uniformed personnel and 6 support staff working out of 3 fire stations.

BUDGET SUMMARY	
2019 Net Budget	\$ 19,026,700
2018 Net Budget	\$ 18,182,300
Net Change	\$ 844,400
Change by %	4.64%
2019 FTE	126.85
2018 FTE	126.51
FTE Change	0.34
FTE Change %	0.27%
2018 Carbon Footprint (CO2e)	218 Tonnes
2017 Carbon Footprint (CO2e)	221 Tonnes
Carbon Footprint Change	(3) Tonnes

FIRE DEPARTMENT STATISTICAL SUMMARY¹

Population served	113,058 (est)
Protection area in square kilometres	103.43 (est)
Incident responses	4,676
Emergency incident responses	3,953
Number of fire related	Fatalities: 0 Injuries: 1
Total dollar fire loss (est)	\$666,285
Estimated value of property saved	\$122,253,850
Public building inspections	2,600
Incidents dispatched (Saanich and clients)	12,235



¹12 month period ending September 30, 2018



2018 BUDGET CHALLENGES

- **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.
- **Fire Fighter Health and Wellness:** Fire fighters are at significant risk of health challenges related to their specific line of work. Funding is required to provide health and wellness programs to address increasing post-traumatic stress disorder (PTSD) and other health challenges fire fighters / first responders may experience, including anxiety, depression, high stress, intense physical demands and short and long term exposure to chemical and infectious disease.

2019 KEY PRIORITIES

Priority Strategic Initiatives include:

Safe Community

- 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 in Q1 2019.

Priority Departmental Initiatives include:

- Prepare a 10 year vision and planning strategy for long term planning for delivery of fire and life safety services. Identify opportunities for service improvements to provide an efficient, effective, fiscally responsible fire service.
- Migrate to Industry Canada's dedicated public safety radio frequencies. Work collaboratively with CREST to support a safe and effective transition to a Project 25 standard technology radio network.
- Work with Corporate Services to address Department information technology requirements including E-Comm / Dispatch, remediation, transition planning and business continuity.
- Complete planning and transition work to ensure a reliable, stable and redundant dispatch service for Saanich, existing clients and future clients.
- Implement Strategic Facilities Plan to meet short, mid and long term infrastructure needs and funding requirements.
- Commence Fire Station No. 2 placement planning, consultation and design.
- Attend community events and deliver community fire and life safety public education programs to a wide range of audiences at a variety of locations.
- "Working Smoke Alarm in Every Home" – We have adopted the Fire Chiefs Association of BC campaign and are working to ensure there is an operational smoke alarm in every home in Saanich.
- Investigate household insurance reduction discounts associated with fire smart certification and suitability for residents living in rural Saanich.
- Recognize and celebrate Fire Department 100th anniversary of service to Saanich and host a Fire Department Open House.



CORE BUDGET

The Department's 2019 net core budget of \$19,026,700 represents a 4.64% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	%Change
	2017	2018	2018	2019	2019/2018	2019/2018
Administration	1,910,200	1,824,100	2,009,500	2,062,700	53,200	2.65%
Suppression and Rescue	12,269,700	12,933,400	12,603,600	13,036,500	432,900	3.43%
Dispatch						
Revenues	(568,700)	(576,500)	(586,000)	(230,000)	356,000	(60.75%)
Expenses	<u>1,596,500</u>	<u>1,629,300</u>	<u>1,671,400</u>	<u>1,626,900</u>	<u>(44,500)</u>	<u>(2.66%)</u>
Total	1,027,800	1,052,800	1,085,400	1,396,900	311,500	28.70%
Prevention	867,800	953,200	927,100	957,000	29,900	3.23%
Staff Development	401,200	425,400	447,700	440,400	(7,300)	(1.63%)
Equipment Maintenance	931,500	1,022,400	1,000,800	1,023,500	22,700	2.27%
Building Maintenance	120,500	103,700	108,200	109,700	1,500	1.39%
Total	17,528,700	18,315,000	18,182,300	19,026,700	844,400	4.64%

- Suppression and Rescue - negotiated wage increases, wage increments and duty to accommodate.
- Dispatch revenue & expenses – reduction in number of clients serviced by division resulting in decreased costs and revenue.



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	
2019 Net Budget	\$ 438,900
2018 Net Budget	\$ 426,000
Net Change	\$ 12,900
Change by %	3.03%
2019 FTE	3.00
2018 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 136 municipal staff trained in Incident Command System and Emergency Operations Centre response procedures. There are also 90 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.

2019 BUDGET CHALLENGES

- A Business Analysis review of the Emergency Operations Center (EOC) is required to support effective operational use of the facility.

2019 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:

- Support municipal departments to develop and implement Department Operation Centre (DOCs) plans to operate during an emergency.
- 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.
- Update the Emergency Program Strategic Plan using 2018 community EP survey results.
- Saanich Fire Notification System. Implement Phase 2 for notification of staff and volunteers.
- Update three year emergency management training and exercise plan (2019-2021).
- Develop framework for disaster staging areas plan – Phase 1.



- Continue working with provincial government and stakeholders to implement the Regional Emergency Management Partnership to enhance emergency management across the Capital Region.
- 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.

CORE BUDGET

The Department's 2019 net core budget of \$438,900 represents a 3.03% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Program Administration	378,400	390,800	404,500	417,400	12,900	3.19%
Training Programs	12,800	19,100	15,100	15,100	-	0.00%
Neighbour Helping Neighbour	7,800	7,600	6,400	6,400	-	0.00%
Total	399,000	417,500	426,000	438,900	12,900	3.03%

- Program Administration - wage increments and benefits.



Planning

The Planning Department is comprised of four Divisions: Community Planning; Current Planning; Environmental Services; and Sustainability and Climate Change.

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 Local Area Plans, 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.

BUDGET SUMMARY	
2019 Net Budget	\$ 2,884,300
2018 Net Budget	\$ 2,745,100
Net Change	\$ 139,200
Change by %	5.07%
2019 FTE	30.26
2018 FTE	28.44
FTE Change	1.82
FTE Change %	6.40%
2018 Carbon Footprint (CO2e)	20 Tonnes
2017 Carbon Footprint (CO2e)	30 Tonnes
Carbon Footprint Change	(10) Tonnes

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.

Subdivision activity increased between 2017 and 2018. There were 35 applications received in 2018 representing 100 potential new lots. At the present time, there are 92 active subdivision applications in total under review representing 308 potential new lots. It is expected that the trend towards a greater number of small 2-lot style applications will continue.

In 2019, subdivision applications are expected to be consistent with 2018 figures. Rezoning and major project applications in 2019 are expected to be similar to the volume experienced in during 2018.

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.

2019 BUDGET CHALLENGES

- The alignment of Council and Community objectives and expectations with the resources and/or compromises required to meet those service levels.

2019 KEY PRIORITIES

Priority Strategic Initiatives include:

Sustainable Environment

- Completion of the update to the climate action plan under the framework of moving towards “a 100% renewable and resilient Saanich by 2050”.
- Adoption of Terms of Reference for a program of work “to include the topics of Climate Adaptation, a Biodiversity Conservation Strategy, and Stewardship Program to serve as a policy framework for other Saanich environmental policies and programs and a potential new Environmental Development Permit Area”, and commencement of work.

Healthy Community

- Completion of the updates to the Cordova Bay and Cadboro Bay Local Area Plans.
- Completion of the Uptown Douglas Corridor Plan.
- Commencement of the updates to the North Quadra and Quadra Local Area Plans.
- Completion of the garden suite initiative.

Priority Departmental Initiatives include:

- Update the Streamside Development Permit Area Guidelines in response to the 2014 ombudsperson of British Columbia Report.
- Update Pesticide Bylaw in response to new amendments of the Provincial legislation.
- Report to Council for consideration on the potential for a Home Energy Retrofit Financing (LIC) Pilot.
- Energy efficiency incentive programs.
- Step Code, phased implementation.
- Implementation of key initiatives from the Agricultural and Food Security Plan.
- Completion of an Electric Vehicle Strategy.



CORE BUDGET

The Department's 2019 net core budget of \$2,884,300 represents a 5.07% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Planning Administration	628,800	578,400	633,300	689,300	56,000	8.84%
Environmental Services	420,200	430,400	428,000	427,700	(300)	(0.07%)
Community Planning	581,500	759,000	879,300	923,400	44,100	5.02%
Sustainability						
Revenues	(109,700)	(296,400)	(50,000)	(148,000)	(98,000)	196.00%
Expenses	243,900	489,600	<u>156,700</u>	<u>267,100</u>	<u>110,400</u>	<u>70.45%</u>
Total	134,200	193,200	106,700	119,100	12,400	11.62%
Current Planning						
Revenues	(156,600)	(124,900)	(110,000)	(125,000)	(15,000)	13.64%
Expenses	<u>512,300</u>	<u>437,400</u>	<u>582,100</u>	<u>630,900</u>	<u>48,800</u>	<u>8.38%</u>
Total	355,700	312,500	472,100	505,900	33,800	7.16%
Subdivision						
Revenues	(64,600)	(70,100)	(59,100)	(65,200)	(6,100)	10.32%
Expenses	<u>257,700</u>	<u>265,400</u>	<u>284,800</u>	<u>284,100</u>	<u>(700)</u>	<u>(0.25%)</u>
Total	193,100	195,300	225,700	218,900	(6,800)	(3.01%)
Total	2,313,500	2,468,800	2,745,100	2,884,300	139,200	5.07%

- Planning Administration – addition (partial year) of a Planning Clerk position.
- Community Planning – addition (partial year) of a half time Community Engagement Coordinator position and job evaluation.
- Sustainability – job evaluation and addition of one temporary FTE funded by grants.
- Current Planning – addition (partial year) of a Planner position.



Engineering

The Engineering Department is responsible for policy development, design, delivery, construction and management for services and infrastructure on and under the street right-of-way. In addition, the Department is responsible for the design, construction, and maintenance of the major facility buildings. The Department is comprised of four divisions: Transportation and Development Services, Underground Services, Public Works, and Facilities; and also has a Project and Quality Management office.

The **Transportation and Development Services Division** is responsible for the planning, 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.

BUDGET SUMMARY	
2019 Net Budget	\$ 12,854,100
2018 Net Budget	\$ 12,623,300
Net Change	\$ 230,800
Change by %	1.83%
2019 FTE	189.00
2018 FTE	186.29
FTE Change	2.71
FTE Change %	1.45%
2018 Carbon Footprint (CO2e)	2027 Tonnes
2017 Carbon Footprint (CO2e)	2055 Tonnes
Carbon Footprint Change	(28) Tonnes

The **Underground Services Division**, is responsible for managing the municipal water, sanitary sewer and storm drainage systems by undertaking systems planning and analysis; engineering designing and overseeing the construction of infrastructure improvement and replacement programs. As part of the Division, Underground Services also provides surveying services to all engineering divisions and other departments; and is responsible for collecting, housing and publishing the infrastructure digital records and providing mapping services through a department-based GIS team.

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 fleet services and administration round out the Public Works functional responsibility.

The **Municipal Facilities Division** is responsible for ensuring the safe and uninterrupted operations and services delivery through municipally owned facilities. The stewardship of these assets includes strategic planning, design, construction, commissioning, operational efficiency management, maintenance, repair as well as minor and major modifications as required. The portfolio includes the Municipal Hall and Annex, Police headquarters and satellite offices, three Fire stations, four Recreation Centres, and the Parks and Public Works Yard. The Division also provides building support services to four libraries within Saanich.

2019 BUDGET CHALLENGES

- The Parks and Public Works Yard facilities are 50 to 60 years old and well past their designed life cycle. They are in poor condition and non-conforming to codes and standards as well as being very low in seismic capacity. The redevelopment of these facilities was identified in the Strategic Facilities Master Plan as the District's top investment priority.



- The construction industry continues to be busy with land development projects and a number of major infrastructure projects that will continue through 2019. A lack of contractor competition may result in less competitive prices.
- The increase in land development projects has put a strain on our ability to deliver the works and services in a timely manner.
- The continual aging of municipal assets / infrastructure will require ongoing maintenance and attention.

2019 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 next drainage catchments to be modelled include: Colquitz, Tod and Cecilia Creek catchment areas
- Support the Capital Regional District (CRD) project team on the Core Area Wastewater Treatment project.

Balanced Transportation

- Collaborate with the Ministry of Transportation on the Trans-Canada Highway / McKenzie Avenue and Admirals Road interchange project.
- 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 Cordova Bay Road within Mount Douglas Park.
- Begin implementation of the Shelbourne Valley Action Plan (SVAP) short term mobility improvements project. As part of the SVAP, it was identified that short term mobility priorities needed to be implemented along the Shelbourne corridor to enhance the pedestrian, cycling, and transit infrastructure. The existing road structure and underground utilities are also in need of replacement and repair to maintain service levels and/or extend the useful life of each asset.

Priority Departmental Initiatives include:

Transportation and Development Services:

- Update the engineering specifications of the Subdivision Bylaw.
- Develop and implement coordinated signals on Shelbourne and Quadra Street corridors.
- Continue to support safe and active routes to school planning in collaboration with the CRD.

Underground Services:

- Continue with storm main replacement/lining program of Sub-standard and Wood Stave mains.
- Develop staged strategy for an integrated stormwater master plan and drainage master plan delivery.
- Develop storm drain main condition assessment rating framework; and replacement prioritization.

Public Works:

- Continue to foster and promote a healthy respectful workplace and culture of safety.
- Undertake a review of the Sidewalk Inspection Policy.
- Provide training to front line staff on working with customers; and review customer service touch points and implement changes to enhance customer service.



Facilities:

- Complete a business case for the redevelopment of Fire Station 2. Pending approval, begin detailed design and construction documentation.
- Complete a business case for the redevelopment of the Parks and Public Works Yard.
- Complete detailed design of the Saanich Commonwealth Pool mechanical upgrade and start construction.

CORE BUDGET

The Department's 2019 net core budget of \$12,854,100 represents a 1.83% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
ALL DIVISIONS	2017	2018	2018	2019	2019/2018	2019/2018
Engineering Services	2,434,100	2,467,600	2,707,800	2,745,600	37,800	1.40%
Facility Operations	1,581,400	1,630,900	1,604,900	1,788,500	183,600	11.44%
Public Works	8,346,200	8,444,000	8,310,600	8,320,000	9,400	0.11%
Total	12,361,700	12,542,500	12,623,300	12,854,100	230,800	1.83%

Engineering Services

The Division's net core budget of \$2,745,600 represents a 1.40% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
ALL DIVISIONS	2017	2018	2018	2019	2019/2018	2019/2018
Engineering Services						
Revenue	(1,157,600)	(1,425,900)	(1,321,300)	(1,406,100)	(84,800)	6.42%
Expense	<u>3,591,700</u>	<u>3,893,500</u>	<u>4,029,100</u>	<u>4,151,700</u>	<u>122,600</u>	<u>3.04%</u>
Total	2,434,100	2,467,600	2,707,800	2,745,600	37,800	1.40%

- Engineering Services – development permit revenues and cost recovery from utilities offset by additions (partial year) of Manager of Development Services and Manager of Infrastructure Planning.



Facility Operations

The Division's net core budget of \$1,788,500 represents an 11.44% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Administration	120,100	147,100	188,500	254,700	66,200	35.12%
Minor Facility Repair	311,500	321,300	351,200	338,600	(12,600)	(3.59%)
Les Passmore Building	165,300	165,600	165,700	172,400	6,700	4.04%
Municipal Hall Building	610,400	558,900	550,500	571,800	21,300	3.87%
Municipal Annex	145,200	134,400	125,600	135,800	10,200	8.12%
Other Buildings	19,000	39,600	37,900	38,900	1,000	2.64%
Public Safety Building						
Revenues	(563,400)	(579,800)	(579,800)	(573,300)	6,500	(1.12%)
Expenses	<u>723,300</u>	<u>789,600</u>	<u>765,300</u>	<u>849,600</u>	84,300	<u>11.02%</u>
Total	159,900	209,800	185,500	276,300	90,800	100.00%
Public Works and Parks						
Revenues	(261,900)	(280,100)	(280,100)	(324,000)	(43,900)	15.67%
Expenses	<u>311,900</u>	<u>334,300</u>	<u>280,100</u>	<u>324,000</u>	43,900	<u>15.67%</u>
Total	50,000	54,200	-	-	-	0.00%
Total	1,581,400	1,630,900	1,604,900	1,788,500	183,600	11.44%

- Administration – addition (partial year) of a Manager of Project Delivery position.
- Les Passmore, Municipal Hall, Annex, Public Works and Parks – non discretionary utility and maintenance supply costs.
- Public Safety Building – lease costs for the 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 \$8,320,000 increased by 0.11% over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Administration	820,000	669,100	777,100	817,300	40,200	5.17%
Fleet						
Revenue	(4,564,000)	(5,064,700)	(4,810,500)	(5,166,300)	(355,800)	7.40%
Expense	<u>4,739,100</u>	<u>5,251,200</u>	<u>4,810,500</u>	<u>5,166,300</u>	<u>355,800</u>	<u>7.40%</u>
Total	175,100	186,500	-	-	-	0.00%
Solid Waste Services						
Revenue	(6,136,900)	(6,376,300)	(6,378,000)	(6,658,200)	(280,200)	4.39%
Expense	<u>6,300,400</u>	<u>6,669,000</u>	<u>6,672,100</u>	<u>6,988,100</u>	<u>316,000</u>	<u>4.74%</u>
Total	163,500	292,700	294,100	329,900	35,800	12.17%
Storm Drains	1,929,900	1,965,500	1,933,900	1,931,700	(2,200)	(0.11%)
Street Operations	5,257,700	5,330,200	5,305,500	5,241,100	(64,400)	(1.21%)
Total	8,346,200	8,444,000	8,310,600	8,320,000	9,400	0.11%

- Administration – non-discretionary utility and supply costs.
- Fleet – non-discretionary fuel, supplies and insurance costs.
- Solid Waste Services – expected significant increase in yard drop-off disposal fee for composting organic waste. Non-discretionary volume increases in landfill disposal, compost hauling and processing fees. In addition maintenance of the garbage and organic fleet, specifically the movable arms, is trending much higher than anticipated at acquisition.
- Storm Drains – transfer from Sayward Reserve to partially offset aggregate costs.
- Street Operations – transfer from Sayward Reserve to partially offset aggregate costs and fully offset the costs of operating the transfer station.



Parks and Recreation

The Parks and Recreation Department is committed to achieving a Healthy Saanich: residents and their families; community organizations and their volunteers; businesses and their employees; and the natural environment.

The Department does this by fostering and supporting social, mental and physical well-being, helping Saanich residents connect with themselves, their neighbours and with others throughout the region, including the Lkwungen peoples, known today as Songhees and SXIMEŁŁŁ (Esquimalt) Nations and the W̱SÁNEĆ peoples known today as W̱JOLŁŁP (Tsartlip), BOKEĆEN (Pauquachin), S̱TÁUTW (Tsawout), W̱SIKEM (Tseycum) and MÁLEXEL (Malahat) Nations, in whose traditional territories Saanich resides.

The Department's work includes:

- Leveraging Council's investments through strong programs, services and relationships.
- Creating safe and welcoming spaces and places for individuals and families to connect with each other and the community at large.
- Providing a wide-range of programs and services (from arts to special events, cultural to social and environmental to sport) that promote and support (directly and indirectly) active, healthy living.
- Managing and operating Saanich's parks and recreation assets that residents' value and use in pursuit of their self-connections and community engagement.

The Department is organized into two divisions:

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 with more than 100 kilometres of trails, effectively making the Division the District's largest land-owner. Signature parks known throughout the region and beyond include: Mount Douglas, Mount Tolmie, Gorge, Cuthbert Holmes, Cedar Hill and Prospect Lake. The Division's lands are biologically diverse, offering residents a spectrum of active living experiences and opportunities to connect with nature. Recent studies have shown that human health outcomes are improved with access to nature. This requires the Division to provide urban forestry, horticulture and natural areas management services. 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 (Cedar Hill, Gordon Head, G.R. Pearkes and Saanich Commonwealth Place) and the Cedar Hill Golf Course. The facilities, welcoming more than one million visitors annually and generating more than \$12 million in revenues, offer a range of activity areas including: aquatics; arenas; gymnasiums; racquet sport courts, weight rooms; multi-purpose activity spaces; arts and cultural studios and public assembly areas. The Division's functions are supported by

BUDGET SUMMARY	
2019 Net Budget	\$ 17,919,600
2018 Net Budget	\$ 16,582,200
Net Change	\$ 1,337,400
Change by %	8.07%
2019 FTE	320.61
2018 FTE	315.91
FTE Change	4.7
FTE Change %	1.49%
2018 Carbon Footprint (CO2e)	2159 Tonnes
2017 Carbon Footprint (CO2e)	2347 Tonnes
Carbon Footprint Change	(188) Tonnes



its own Administration unit, which also supports the Community Recreation Services Section and the Department's leadership team.

2019 BUDGET CHALLENGES

Parks and Recreation

- Tree-related referrals for building permits and developments along with tree removal permits have been identified as a key challenge due to lack of staff capacity.
- Resource support is needed for an additional parks refuse truck and driver to deal with increasing volumes of park waste and public expectations.
- Funds are required to implement the Haro Woods Management Plan that was approved in 2018.
- Volunteering with Saanich Parks is on the increase. The Pulling Together volunteer program continues to grow and the Mount Douglas Park Ambassador Pilot Project was successful. Increased resources are required to support the growth of these programs.
- The Youth Development strategy outlines the need for a youth-oriented park in the District. Capital funds will be required once a site is determined.
- A fast growing immigrant and New Canadian population is putting steady pressure on Multicultural Services. This is an area that has been traditionally under-funded.
- Some progress has been made on the Older Adults Strategy. To implement the plan in its entirety additional funding is needed.
- A competitive labour market impacts the availability of specialized instructors and other direct program leaders. As an example the number of water fit classes offered by the Department has decreased due to not having enough staff, although demand for this program is increasing.
- Shifting demographics are resulting in a higher level of subsidy for our aging population. This trend is a contributing factor to declining revenues which negatively impacts cost recoveries.
- Residents are requesting more and more programs, services and facilities (eg.: arena, gymnasium space) yet facilities to host existing programs are aging and stagnant.

2019 KEY PRIORITIES

Priority Strategic initiatives include:

Environmental Integrity

- Invasive species removals and restoration plantings with volunteers in many Saanich parks.
- Creek restoration in Swan and Colquitz Creeks.
- Trail restorations in various natural areas including Mount Douglas and Haro Woods Parks.

Sustainable Environment

- Complete the Cedar Hill Park Management Plan.

Healthy Community

- Develop implementation strategy for Market Analysis Study.
- Implement results from the Pass Analysis and the regional LIFE review.

Community Infrastructure

- Reynolds Park playground renewal.
- Layritz Park Little League and Braefoot Park field renewals.



Priority Departmental Initiatives include:

- Review the completed Market Analysis Study, determine the priorities and develop an implementation strategy.
- Determine a community supported management plan that describes the vision, goals and actions for the future of the Cedar Hill Park.
- Carry out invasive species removal and restoration plantings in collaboration with the Pulling Together volunteer program and other parks volunteers such as school and youth groups.
- Work with Federal and Provincial governments to extend the High Performance Sport Trust Fund at Saanich Commonwealth Place which expires in 2019.

CORE BUDGET

The Department's 2019 net core budget of \$17,919,600 represents an 8.07% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	%Change
ALL DIVISIONS	2017	2018	2018	2019	2019/2018	2019/2018
Parks & Rec. Administration	755,300	828,900	829,600	873,500	43,900	5.29%
Parks	6,771,800	6,807,100	7,029,200	7,422,900	393,700	5.60%
Cedar Hill Recreation Centre	1,158,000	1,122,200	1,174,900	1,246,900	72,000	6.13%
Gordon Head Recreation Centre	1,794,300	1,919,800	1,837,000	1,999,000	162,000	8.82%
G R Pearkes Recreation Centre	1,383,100	1,366,400	1,298,700	1,385,400	86,700	6.68%
Saanich Commonwealth Place	2,845,300	2,781,400	3,008,900	3,295,700	286,800	9.53%
Community Services	1,058,700	1,137,500	1,290,200	1,506,200	216,000	16.74%
Cedar Hill Golf Course	212,600	140,000	113,700	190,000	76,300	67.11%
Total net cost	15,979,100	16,103,300	16,582,200	17,919,600	1,337,400	8.07%

- All recreation centres have non-discretionary increases to utility budgets, building maintenance supplies. In addition all Divisions have been allocated funds for job evaluation.

Parks and Recreation Administration

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

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	%Change
	2017	2018	2018	2019	2019/2018	2019/2018
Administration	630,300	628,300	648,000	671,900	23,900	3.69%
Marketing						
Revenues	(218,300)	(231,900)	(179,200)	(179,200)	-	0.00%
Expenses	<u>299,800</u>	<u>388,500</u>	<u>318,600</u>	<u>338,200</u>	<u>19,600</u>	<u>6.15%</u>
Total	81,500	156,600	139,400	159,000	19,600	14.06%
Integration Recreation Victoria	43,500	44,000	42,200	42,600	400	0.95%
Total	755,300	828,900	829,600	873,500	43,900	5.29%

- Administration – approved on going funding for Truth and Reconciliation program.
- Marketing – addition of hours to the Graphic Designer position.



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 by providing parks, trails and natural areas 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 along with over 100 km of trails. It is also responsible for maintaining the urban forest in Saanich. This includes arboriculture in parks and boulevards and the oversight of the Tree Protection Bylaw. With the increase in green infrastructure as Saanich's major roads are redeveloped, the Parks Division has assumed the additional responsibility of caring for the related landscaping on boulevards and in rain gardens. The division's net core budget of \$7,223,200 represents a 2.76% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	%Change
	2017	2018	2018	2019	2019/2018	2019/2018
Administration	581,500	590,300	627,900	662,100	34,200	5.45%
Parks Operations	4,712,700	4,959,100	4,881,800	5,069,000	187,200	3.83%
Design and Development	1,141,800	1,001,800	1,151,100	1,174,800	23,700	2.06%
Community Development & Business Systems	335,800	255,900	368,400	517,000	148,600	40.34%
Total	6,771,800	6,807,100	7,029,200	7,422,900	393,700	5.60%

- Administration - non-discretionary facility maintenance costs.
- Community Development & Business Systems – addition (partial year) of a Tree Permit Coordinator, a Volunteer Coordinator and a Sports and User Group Coordinator positions.



Cedar Hill Community Recreation Centre and Golf Course

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

A wide variety of preschool, youth and adult programs take place in the dance studio, gymnasium, arts studios and meeting rooms. Partnership programs with the Cedar Hill Squash Club, and others allow for enhanced services to residents.

The Gallery Café 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	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Programming & Reception						
Revenues	(145,000)	(131,100)	(141,100)	(145,600)	(4,500)	3.19%
Expenses	<u>1,254,500</u>	<u>1,243,200</u>	<u>1,234,100</u>	<u>1,277,600</u>	<u>43,500</u>	<u>3.52%</u>
Total	1,109,500	1,112,100	1,093,000	1,132,000	39,000	3.57%
Programs						
Revenues	(1,556,900)	(1,624,100)	(1,467,400)	(1,449,900)	17,500	(1.19%)
Expenses	<u>845,600</u>	<u>880,700</u>	<u>758,800</u>	<u>756,100</u>	<u>(2,700)</u>	<u>(0.36%)</u>
Total	(711,300)	(743,400)	(708,600)	(693,800)	14,800	(2.09%)
Maintenance	759,800	753,500	790,500	808,700	18,200	2.30%
Total	1,158,000	1,122,200	1,174,900	1,246,900	72,000	6.13%

- Programming & Reception – non discretionary credit card charges.



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. The golf course has been accepted into the Audubon Co-operative Sanctuary Program for Golf Courses and has received a Certificate of Recognition for Environmental Planning. Junior Golf is supported by the Bill Leutwyler Junior Golf Fund in partnership with the Cedar Hill Golf Club.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	%Change
	2017	2018	2018	2019	2019/2018	2019/2018
Golf Revenues	(1,252,800)	(1,462,300)	(1,305,700)	(1,458,700)	(153,000)	11.72%
Administration	191,600	208,000	190,200	238,300	48,100	25.29%
Pro Shop	69,900	69,300	69,000	74,000	5,000	7.25%
Food and Beverage						
Revenues	(587,800)	(588,800)	(592,200)	(609,200)	(17,000)	2.87%
Expenses	617,900	636,800	618,600	655,400	36,800	5.95%
Total	30,100	48,000	26,400	46,200	19,800	75.00%
Facility Maintenance	224,900	238,900	254,500	267,500	13,000	5.11%
Grounds Maintenance	827,900	917,100	758,300	901,700	143,400	18.91%
Debt, Capital and Overhead	994,200	414,600	414,600	414,600	-	0.00%
Sub-Total	1,085,800	433,600	407,300	483,600	76,300	18.73%
Transfer from Reserves	(873,200)	(293,600)	(293,600)	(293,600)	-	0.00%
Total	212,600	140,000	113,700	190,000	76,300	67.11%

- Golf Revenues – green fee revenue increase due to more rounds played and change in fee structure.
- Administration – addition (partial year) of an Event Booking Clerk position, non-discretionary credit card charges and transfer of part of an FTE from Cedar Hill Community Recreation Centre.
- Facility Maintenance – non discretionary utility costs.
- Grounds Maintenance – non-discretionary utility and supply costs and increase in labour hours to accommodate the increase in golf course usage which is offset by increased revenue.
- Debt, Capital and Overhead – only debt and overhead are supported by reserve transfers.



Gordon Head Community Recreation Centre

Gordon Head Community Recreation Centre, located in Lambrick Park off Feltham Road in the heart of Gordon Head, provides community access to a wide variety of activities which promote healthy lifestyles for preschoolers, youth, adults and seniors. 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 Skateboard Park. 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 also provides valuable community recreation program space for Saanich.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Programming & Reception						
Revenues	(99,900)	(99,500)	(79,800)	(82,600)	(2,800)	3.51%
Expenses	<u>1,272,600</u>	<u>1,301,200</u>	<u>1,264,500</u>	<u>1,315,500</u>	<u>51,000</u>	<u>4.03%</u>
Total	1,172,700	1,201,700	1,184,700	1,232,900	48,200	4.07%
Programs						
Revenues	(2,311,000)	(2,383,500)	(2,277,500)	(2,279,500)	(2,000)	0.09%
Expenses	<u>1,736,100</u>	<u>1,802,300</u>	<u>1,795,000</u>	<u>1,805,800</u>	<u>10,800</u>	<u>0.60%</u>
Total	(574,900)	(581,200)	(482,500)	(473,700)	8,800	(1.82%)
Maintenance	1,196,500	1,299,300	1,134,800	1,239,800	105,000	9.25%
Total	1,794,300	1,919,800	1,837,000	1,999,000	162,000	8.82%

- Programming & Reception – negotiated wage settlement and job evaluation.
- Maintenance – non-discretionary utility and maintenance costs.



G. R. Pearkes Community Recreation Centre

G.R. Pearkes Community Recreation Centre, located adjacent to 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, field house 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 (location of the Saanich Centennial Branch), Queen Alexandra Society, Burnside Gorge After School Care and Kids Klub, as each organization has facilities and services on. Programs and services are also offered at Colquitz Middle School in partnership with School District 61. The Saanich Archives is located within the facility

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

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Programming & Reception						
Revenues	(1,035,300)	(1,049,400)	(1,001,800)	(1,038,000)	(36,200)	3.61%
Expenses	<u>1,109,000</u>	<u>1,140,900</u>	<u>1,110,800</u>	<u>1,150,400</u>	<u>39,600</u>	<u>3.56%</u>
Total	73,700	91,500	109,000	112,400	3,400	3.12%
Programs						
Revenues	(893,400)	(874,200)	(930,000)	(885,100)	44,900	(4.83%)
Expenses	<u>693,000</u>	<u>661,800</u>	<u>580,300</u>	<u>588,600</u>	<u>8,300</u>	<u>1.43%</u>
Total	(200,400)	(212,400)	(349,700)	(296,500)	53,200	(15.21%)
Maintenance	1,509,800	1,487,300	1,539,400	1,569,500	30,100	1.96%
Total	1,383,100	1,366,400	1,298,700	1,385,400	86,700	6.68%

- Programs – reduction in adult pass sales and skate partner program lessons.



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 metre competitive pool, which can be used for international level events, a dive tank, leisure pool, wave pool and waterslide. Other facilities include two specially equipped accessible, change rooms, universal change rooms, a gymnasium, hot tub, steam room, dry sauna, 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.

An integral 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	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Programming & Reception						
Revenues	(467,800)	(418,300)	(414,700)	(393,700)	21,000	(5.06%)
Expenses	<u>1,996,700</u>	<u>1,986,200</u>	<u>2,020,200</u>	<u>2,072,400</u>	<u>52,200</u>	<u>2.58%</u>
Total	1,528,900	1,567,900	1,605,500	1,678,700	73,200	4.56%
Programs						
Revenues	(4,297,600)	(4,500,600)	(4,156,800)	(4,286,900)	(130,100)	3.13%
Expenses	<u>3,512,100</u>	<u>3,605,300</u>	<u>3,454,100</u>	<u>3,642,000</u>	<u>187,900</u>	<u>5.44%</u>
Total	(785,500)	(895,300)	(702,700)	(644,900)	57,800	(8.23%)
Maintenance	2,101,900	2,108,800	2,106,100	2,261,900	155,800	7.40%
Total	2,845,300	2,781,400	3,008,900	3,295,700	286,800	9.53%

- Programs – non-discretionary increase to Royal Oak Middle School lease and job evaluation.
- Maintenance – non-discretionary utility costs and decrease in Trust Fund transfer to cover part of the High Performance related maintenance.



Community Services

Community Services coordinates and supports a wide variety of focus areas including municipal and community special events, community development, volunteerism, financial 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.

It supports the creation of local initiatives that provide opportunities for citizens to lead a healthy, active lifestyle and to be engaged in their community. The goal is to maximize resources in the community by working alongside citizens, schools, non-profit organizations, social service agencies, health care providers, and neighbourhood committees to decrease the barriers many families and individuals face in accessing parks and recreation services.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Programming	539,100	543,800	697,600	758,600	61,000	8.74%
Programs						
Revenues	(221,100)	(162,800)	(218,000)	(221,200)	(3,200)	1.47%
Expenses	<u>740,700</u>	<u>756,500</u>	<u>810,600</u>	<u>968,800</u>	<u>158,200</u>	<u>19.52%</u>
Total	519,600	593,700	592,600	747,600	155,000	26.16%
Total	1,058,700	1,137,500	1,290,200	1,506,200	216,000	16.74%

- Programming – addition of a Programmer II position to implement the Older Adult Strategy.
- Programs – addition of a Programmer I position and goods and services to support the implementation of the Older Adult Strategy.



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 2018-2022 Saanich Police Strategic Plan identifies policing priorities and goals, and guides decisions, especially in relation to resource acquisition and allocation. It also reinforces the strong community-focused services of the Saanich Police and responds to feedback received from the department's extensive community and employee consultation process.

BUDGET SUMMARY	
2019 Net Budget	\$ 34,765,200
2018 Net Budget	\$ 33,574,300
Net Change	\$ 1,190,900
Change by %	3.55%
2019 FTE	238.08
2018 FTE	249.27
FTE Change	(11.19)
FTE Change %	(4.49%)
2018 Carbon Footprint (CO2e)	492 Tonnes
2017 Carbon Footprint (CO2e)	531 Tonnes
Carbon Footprint Change	(39) Tonnes

CORE BUDGET

The Saanich Police Board 2019 net core budget is \$34,765,200 which represents a 3.55% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	%Change
	2017	2018	2018	2019	2019/2018	2019/2018
Executive Administration						
Revenues	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	-	0.00%
Expenses	4,811,100	4,926,400	4,750,000	5,111,100	361,100	7.60%
Total	3,311,100	3,426,400	3,250,000	3,611,100	361,100	11.11%
Staff Development	946,900	1,040,500	998,900	1,207,800	208,900	20.91%
General Administration	6,183,400	6,826,200	6,453,700	6,473,200	19,500	0.30%
Uniform Division	12,779,400	13,016,800	13,250,900	13,524,200	273,300	2.06%
Community Liaison	2,476,800	2,391,400	2,429,100	2,429,200	100	0.00%
Detectives	6,764,700	6,873,500	7,191,700	7,519,700	328,000	4.56%
Total	32,462,300	33,574,800	33,574,300	34,765,200	1,190,900	3.55%

- Traffic Fine revenues are received as an unconditional grant to defray the cost of police services
- Executive Administration - full year cost of Administrative Support.
- Staff Development – full year cost of Training Officer.

The complete [Saanich Police Board 2019 Provisional Budget](#) is available on the Saanich website. The approved budget reflects a 3.55% increase and includes CUPE job evaluation funding.



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	
2019 Net Budget	\$ 7,459,200
2018 Net Budget	\$ 7,224,100
Net Change	\$ 235,100
Change by %	3.25%
FTE	n/a
Carbon Footprint (CO2e)	n/a

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

2019 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	Projection	Budget	Budget	\$ Change	%Change
	2017	2018	2018	2019	2019/2018	2019/2018
Greater Victoria Public Library	5,487,800	5,755,500	5,755,500	5,890,300	134,800	2.34%
Branch Libraries Lease and Maintenance	240,000	258,800	237,100	276,900	39,800	16.79%
Swan Lake Christmas Hill Nature House	369,800	378,700	378,700	387,600	8,900	2.35%
Grants	519,400	539,200	543,300	559,900	16,600	3.06%
Tourism Promotion	194,100	227,500	125,000	160,000	35,000	28.00%
Regional Economic Development	138,300	184,500	184,500	184,500	-	0.00%
Total	6,949,400	7,344,200	7,224,100	7,459,200	200,100	3.25%

- Greater Victoria Public Library – wage increment, materials and supplies.
- Branch Libraries Lease and Maintenance – increase in lease cost of Emily Carr branch and non-discretionary maintenance costs.
- Tourism Promotion – hotel tax revenue is transferred on to Destination Greater Victoria as per agreement to promote more tourism. Increase in revenue and therefore transfer is due to higher hotel bookings.

The complete [Greater Victoria Public Library Budget](#) is available on the Saanich website.



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 \$11.0 million in the year 2007 to an annual average of over \$25 million in the last three years for general capital.

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 2018 budget
2. A maximum 0.75% property tax allocation to infrastructure replacement
3. Council debt management policy
4. All figures shown in 2019 dollars – no inflation allowance

Expenditures			Budget	Budget
	2018 Projects In Progress	2019 Capital Projects	Total 2019	2018
Vehicles, Equipment & Technology	9,350,000	9,246,000	18,596,000	16,469,100
Land Acquisition	-	6,240,400	6,240,400	2,500,000
Transportation	9,090,800	14,245,100	23,335,900	16,746,600
Drainage	9,654,900	8,952,300	18,607,200	15,435,500
Parks	1,062,900	3,410,200	4,473,100	4,259,700
Recreation & Community Services	6,485,600	10,630,400	17,116,000	11,793,400
	35,644,200	52,724,400	88,368,600	67,204,300
Source of Funding			Budget	Budget
	2018 Projects In Progress	2019 Capital Projects	Total 2019	2018
General Operating (Core Capital)	-	15,226,600	15,226,600	14,086,000
General Capital Reserves	7,959,900	13,878,200	21,838,100	13,920,400
Gas Tax Reserve	3,350,600	7,213,300	10,563,900	4,685,400
Capital Carryforward Reserve	12,600,600	-	12,600,600	15,530,100
Lands Sale Reserve	-	1,700,000	1,700,000	2,000,000
Development Cost Charges	83,500	2,008,300	2,091,800	948,000
Equipment Replacement Reserve	2,909,600	1,697,600	4,607,200	5,120,900
Grants & Contributions	400,000	1,200,000	1,600,000	991,500
Borrowing	8,340,000	9,800,400	18,140,400	9,922,000
	35,644,200	52,724,400	88,368,600	67,204,300

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 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Notes:
Vehicles, Equipment & Technology						
Police	1,410,800	1,022,800	1,032,900	1,043,200	1,053,700	1
Fire	100,000	320,000	700,000	1,550,000	1,830,000	
Emergency Program	-	50,000	-	15,000	35,000	
Fleet Replacement	1,156,400	1,819,400	1,552,400	1,664,900	1,430,200	
Engineering	65,000	-	50,000	-	-	
Parks & Recreation	687,100	444,400	291,600	208,400	315,600	2
Information Technology	5,826,700	3,822,400	3,327,600	4,895,400	4,063,100	
	9,246,000	7,479,000	6,954,500	9,376,900	8,727,600	
Land Acquisition	6,240,400	700,000	500,000	500,000	250,000	3
Transportation						
Complete Streets	5,624,300	5,473,300	9,312,500	4,931,000	3,854,000	1
Roads Improvement (includes sidewalk and bikeways components)	5,822,800	7,106,000	7,141,700	6,930,000	6,749,000	
Bus Stops Improvement	155,000	205,000	205,000	205,000	205,000	5
Street Lights/Traffic Signals Improvement	775,000	775,000	775,000	775,000	775,000	
Bridges Replacement	900,000	-	-	-	-	1
Studies, Design & Other	968,000	1,184,900	1,617,000	665,900	675,000	6
	14,245,100	14,744,200	19,051,200	13,506,900	12,258,000	
Drainage						
Wood Stave Replacement	-	1,500,000	4,028,000	1,460,000	500,000	5
Sub-standard Drain Replacement	7,578,000	6,012,000	4,614,000	5,417,000	5,738,000	
Other	995,000	861,000	734,000	905,000	953,000	
Transfer to/(Fr) Capital Reserve	379,300	-	-	-	550,000	
	8,952,300	8,373,000	9,376,000	7,782,000	7,741,000	
Sub Total	38,683,800	31,296,200	35,881,700	31,165,800	28,976,600	

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)

Description of Program	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Notes:
Parks						
Playground Replacement	393,000	68,000	438,000	224,000	74,000	1
Sports Field & Hard Court Replacement	425,000	330,000	295,000	335,000	350,000	
Parking Replacement	225,000	325,000	325,000	100,000	100,000	
Irrigation Replacement	210,000	150,000	150,000	150,000	150,000	
Bridges & Structures Replacement	250,000	200,000	234,000	234,000	234,000	
Trails Replacement	350,500	153,900	153,900	153,900	153,900	
Buildings Replacement	65,000	240,000	260,000	275,000	300,000	
Park Infrastructure Replacement	251,700	750,000	1,025,600	785,000	1,285,000	
Natural Areas and Urban Forestry	591,600	521,600	456,600	456,600	425,600	
Other	498,400	741,900	237,000	748,100	543,800	
	3,260,200	3,480,400	3,575,100	3,461,600	3,616,300	
Recreation & Community Facilities						
Electrical	582,500	257,500	225,000	176,400	33,600	1
Mechanical	1,260,500	1,810,000	1,200,000	-	45,000	
HVAC	-	-	600,000	-	351,000	
Building Envelope	1,297,500	725,000	739,400	1,315,000	722,000	
Building Interior	3,398,500	490,200	459,600	622,300	660,300	
Parking Signage & Grounds	20,000	-	-	-	-	
Building Replacement	-	10,440,000	13,000,000	17,000,000	26,000,000	
Major Facilities Repair & Future Replacement Reserve	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	
Planning & Other	1,271,400	1,798,000	401,300	906,600	913,600	
	10,630,400	18,320,700	19,425,300	22,820,300	31,525,500	
Grand Total	52,574,400	53,097,300	58,882,100	57,447,700	64,118,400	

Notes:

1 – Based on age and condition assessment



Vehicles, Equipment and Technology

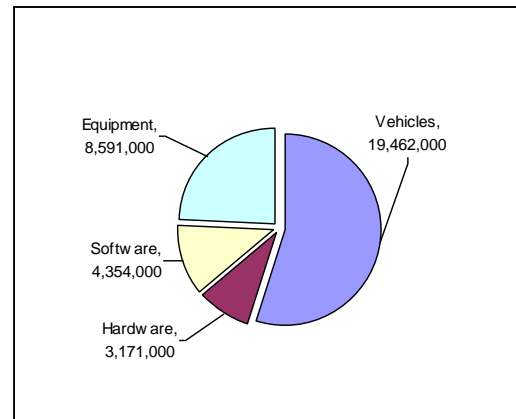
Saanich vehicles, equipment and information technology includes fleet vehicles for parks, public works, police and fire, computer and telephone hardware and software for all departments and a variety of equipment from fitness machines to lawn mowers.

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



The funding for this asset category has reached its planned sustainable level. Adjustments will be required for computer hardware and software once the IT infrastructure strategy has been implemented.

Financial Commitment in Financial Plan	2019
Capital funded directly from property taxation	\$ 857,500
Debt principal for capital purchases	\$ 572,200
Transfer to Reserve Funds for future replacement	\$ 2,300,800
Interest earned on Replacement Reserve Funds	\$ 163,500
Total Financial Commitment	\$ 3,894,000



Police Vehicles, Equipment and Technology

Police Services	Source of Funds			Budget
	Core	Capital Carryover	Reserves	2019
REPLACEMENTS				
Phone System			25,000	25,000
Two-factor Authentication		36,100	25,000	61,100
Minor Projects		27,300	68,900	96,200
Vehicle Replacement Transition			128,000	128,000
Internet Upgrade			25,000	25,000
Vehicles	265,300	230,700	321,000	817,000
Computer Hardware and Software	167,900	67,700	709,000	944,600
Office Equipment	28,000	73,000		101,000
Investigative Equipment	12,100			12,100
Officer & Public Safety Equipment	19,500	39,300	140,000	198,800
Subtotal	492,800	474,100	1,441,900	2,408,800
NEW INITIATIVES				
E-Comm Transition Costs			305,000	305,000
Security Fencing			230,000	230,000
Subtotal	-	-	535,000	535,000
Total	492,800	474,100	1,976,900	2,943,800



Fire Vehicles, Equipment and Technology

Fire Protection	Source of Funds			Budget
	Core	Capital Carryover	Reserves	2019
REPLACEMENTS				
Mini Van			35,000	35,000
SCBA Equipment			20,800	20,800
Shop Fume Hood			12,200	12,200
Protective Gear Washer			25,000	25,000
Engine #3 Replacement			1,000,000	1,000,000
Vehicle Engine Refurbishment			52,300	52,300
Mobile Service Vehicle			65,000	65,000
Vehicle Replacement			158,200	158,200
Total	-	-	1,368,500	1,368,500

For 2019 purchases include 2 pickups, one $\frac{3}{4}$ ton van and a mini-van.

Fleet Vehicles

The Fleet division has developed a long term vehicle replacement program for over 250 vehicles to stabilize the costs of replacement from year to year. An equipment replacement reserve is funded by annual contributions of approximately \$840,600 from the Fleet Division.

Vehicle Equipment Replacement Program	Source of Funds			Budget
	Core	Capital Carryover	Reserves	2019
REPLACEMENTS				
Fleet Vehicle Replacements			2,250,000	2,250,000
Refuse Truck Arm Replacement			200,000	200,000
Subtotal	-	-	2,450,000	2,450,000
NEW INITIATIVES (approved in 2018)				
Trailers for Sewer & Water Crews			77,000	77,000
Service Vehicles - Refir Tech and Electrician			74,000	74,000
Engineering - Asphalt Patch Unit			45,000	45,000
Engineering - Hot Mix Asphalt Paver/Trailer			173,000	173,000
Subtotal	-	-	369,000	369,000

2018 vehicles yet to be received include 2 pickups, 2 half ton vans, 2 backhoes, 1 aerial manlift, and 5 trailers.

Vehicles to be purchased in 2019 include 6 hybrids, 9 $\frac{3}{4}$ ton vans, 3 backhoes, 1 ton flatdeck, and one 2-3 ton flatdeck truck.



Parks and Recreation Equipment

This is the annual replacement of capital equipment used in the delivery of Parks & Recreation services.

Equipment Replacement	Source of Funds				Budget
	Core	Capital Carryover	Reserves	Borrowing	2019
REPLACEMENTS					
Golf Course Equipment Replacement			86,200	60,000	146,200
Recreation Equipment Replacement			175,000		175,000
Ice Resurfacer			180,000		180,000
Parks Equipment Replacement	145,900				145,900
Subtotal	145,900	-	441,200	60,000	647,100
NEW INITIATIVES (approved in 2019)					
Paramobile			40,000		40,000
Total	145,900	-	481,200	60,000	687,100

Golf Course equipment to be replaced includes 1 roller, 1 leaf sweeper/core harvester, 1 glass washer, window coverings and security camera system.

Recreation equipment to be replaced include 10 spin bikes, 2 steppers, 8 treadmills and 1 motion trainer.

Parks equipment to be replaced include a utility vehicle, a turf sweeper implement and a chipper.

Engineering Equipment

Replacement of equipment for Engineering services.

Equipment Replacement	Source of Funds				Budget
	Core	Capital Carryover	Reserves	Borrowing	2019
REPLACEMENTS					
Street Operations Equipment			15,700		15,700
Fluch Truck Washdown Station			15,000		15,000
Multipurpose Water Tanks/Washers			50,000		50,000
Total	-	-	80,700	-	80,700

Street Operations equipment – Solvent Recycler

Survey equipment – Total station and collectors

Land Acquisition

Acquisition of land for either parks or other municipal use.

Land Acquisition	Source of Funds				Budget
	Core	DCC	Reserves	Borrowing	2019
NEW INITIATIVES					
BC Hydro Lands at 2661 Richmond Road & 1843/1845 Kings Road			1,500,000	4,040,400	5,540,400
Land Acquisition Contingency		500,000	200,000		700,000
Total	-	500,000	1,700,000	4,040,400	6,240,400



Information Technology

Hardware and software replacement including project implementation costs.

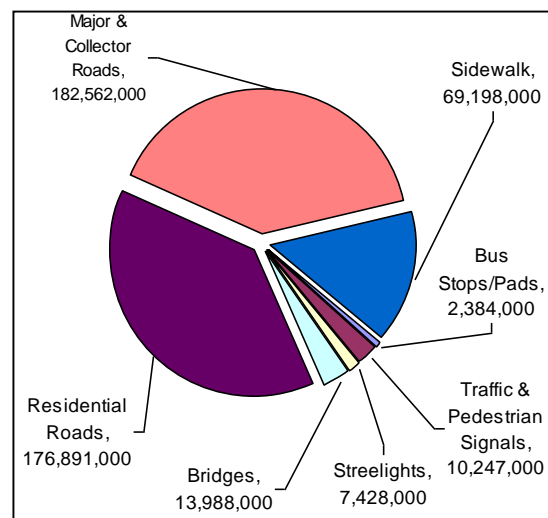
Information Technology	Source of Funds			Budget
	Core	Capital Carryover	Reserves	2019
REPLACEMENTS				
Business Systems:				
Tempest Upgrade			685,900	685,900
JDE Ongoing Upgrade			1,397,100	1,397,100
Fire Dispatch Phases 1 to 3			1,048,300	1,048,300
Fire Dispatch Inter-Government Services			150,000	150,000
911 Next Generation			100,000	100,000
Traffic Signal System (Discovery)		36,200	150,000	186,200
Ortho Photo Update	45,000	31,900		76,900
GIS Upgrade			238,000	238,000
Minor Projects			79,800	79,800
Emerging Priorities			137,900	137,900
IT Infrastructure:				
Desktop Environment Refresh			800,000	800,000
E-Mail Upgrade			700,000	700,000
Servers Upgrade			200,000	200,000
Infrastructure Upgrade			963,600	963,600
Network / Phone Upgrade			1,674,800	1,674,800
Printers Discovery			100,000	100,000
Emerging Priorities			235,200	235,200
Subtotal	45,000	68,100	8,660,600	8,773,700
New Initiatives				
Business Systems:				
Tempest - My City			180,000	180,000
Digital Review and Markup Tool			173,700	173,700
Fire Staffing Software			106,900	106,900
Budgeting Software			300,000	300,000
Council Agenda Management		50,000	500,000	550,000
Technology Improvement Plan Projects	58,100		141,900	200,000
Minor Projects		97,200	53,800	151,000
Emerging Priorities			146,000	146,000
IT Infrastructure:				
Minor Projects	61,600			61,600
Divisional Capital	54,000			54,000
Subtotal	173,700	147,200	1,602,300	1,923,200
Total	218,700	215,300	10,262,900	10,696,900



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



Current Ongoing Financial Commitment to Transportation Infrastructure:

Financial Commitment in Financial Plan	2019
Transportation projects funded directly from property taxation	\$ 3,229,000
Annual Gas Tax and interest earned	\$ 4,421,300
Debt principal for transportation projects	\$ 320,700
Annual contributions from other agencies for transportation projects	\$ 433,000
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	DCC	Gas Tax	Capital Carryover	Reserves	Borrowing	2019
REPLACEMENTS							
Roads:							
Minor Projects	75,000			102,900		30,000	207,900
Pavement Renewal Program			1,067,000		433,000	500,000	2,000,000
Sidewalks:							
Minor Projects	60,000			53,900		80,000	193,900
Sidewalk Rehabilitation Program	300,000					150,000	450,000
Bridges							
Bridge Repair & Replacement				141,200			141,200
Design Durrance Rd Bridge			100,000	100,000			200,000
Durrance Road Bridge Replacement			900,000				900,000
Bus Stops, Signals, Street Lights:							
Traffic Signal Assessment and Timing Updates			200,000			50,000	250,000
Street Light Program (LED Upgrade)	125,000					300,000	425,000
Subtotal	560,000	-	2,267,000	398,000	433,000	1,110,000	4,768,000
MIX OF REPLACEMENT AND CAPACITY BUILDING							
Complete Streets:							
Shelbourne Street Improvement Project	200,000	340,500	1,708,400	411,300	59,000		2,719,200
Design & Investigation of West Saanich/Prospect Lake/Sparton Intersection			150,000	50,000			200,000
Haliburton Road (Pat Bay Hwy to Wesley)		31,400		476,700		-	508,100
Wilkinson Road Upgrades (SIDES & 4525)		52,100		-	640,000	555,000	1,247,100
Finnerty Road (McKenzie to Arbutus)			1,186,400	79,700		265,000	1,531,100
West Saanich Road Streetscape South Phase	500,000				1,420,000		1,920,000
West Saanich / Prospect Lake / Sparton Intersection			2,600,000				2,600,000
Roads:							
Minor Projects	210,000	49,500	50,500	133,400		150,000	593,400
Active and Safe Route to School Plans Implementation	150,000			2,800		125,000	277,800
Transportation Emerging Priorities	150,100			129,700	100,000		379,800
Mount Doug Shoreline				225,000			225,000
Ridgebank (Carey to Vanalman) 50m				180,000		650,000	830,000
Sidewalks:							
Caen Rd/Dieppe Rd 325m				2,500	90,000	205,000	297,500
Gordon Head Road (3912 to Cedar Hill X)				34,000		335,000	369,000
Sidewalk Installation Program	757,500		400,000	82,200	155,200	1,500,000	2,894,900
Bikeways Improvements:							
Feltham Rd (Shelbourne to Tyndall)				81,600		105,000	186,600
Cycling Infrastructure Program	300,000						300,000
Bus Stops, Signals, Street Lights:							
Street Furniture Program	50,000						50,000
Intersections and Traffic Signal Program	211,400	138,600		103,700			453,700
Helmcken & Burnside Signal Upgrades				154,800		225,000	379,800
Interurban Rd (at Camosun College)					138,000		138,000
Transit Infrastructure Improvement Program	140,000			236,900	15,000	75,000	466,900
Subtotal	2,669,000	612,100	6,095,300	2,384,300	2,617,200	4,190,000	18,567,900
Total	3,229,000	612,100	8,362,300	2,782,300	3,050,200	5,300,000	23,335,900



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.

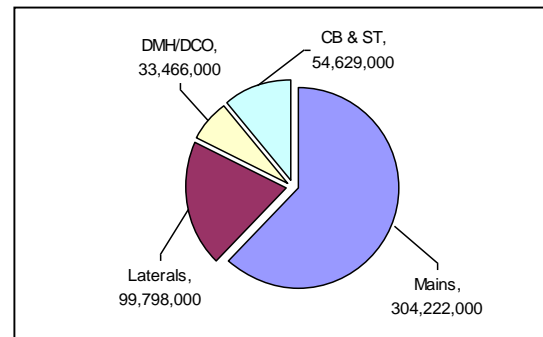
Replacing the remaining four km of large diameter wood stave drain main is our primary priority. Replacing and upgrading problematic small diameter substandard drains is our secondary priority.

What needs to be done?

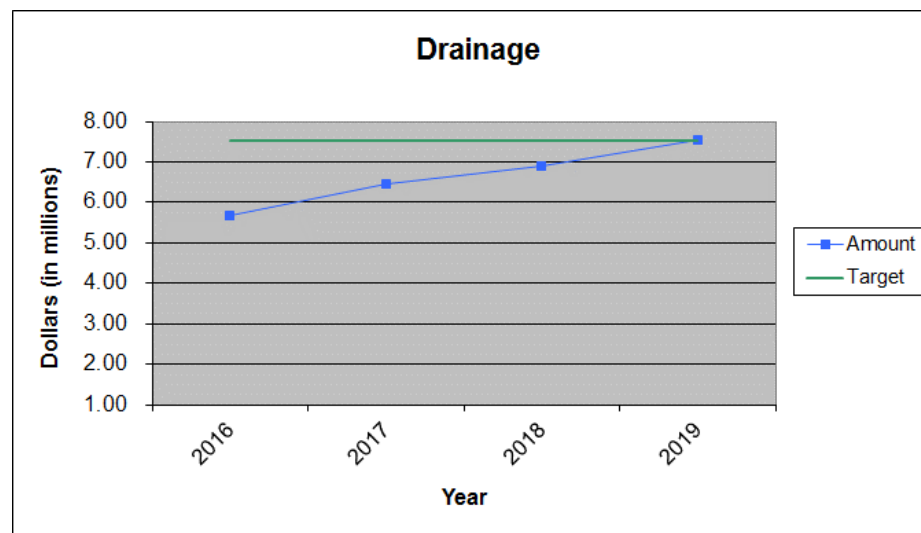
Continue the aggressive replacement of wood stave and substandard drain system to avoid higher construction costs and neighbourhood inconvenience. The goal this year is to replace 1.2 km of wood stave drain main and 500 meters of substandard drains.

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



The funding for this asset category has reached its planned sustainable level. Adjustments may be required when replacement costs are updated.



How do we maintain sustainability?

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



Drainage

Drainage	Source of Funds						Budget
	Core	DCC	Gas Tax	Capital Carryover	Reserves	Borrowing	2019
REPLACEMENTS							
Wood Stave Replacement:							
Vantreight				26,100			26,100
Parker						75,000	75,000
Orillia				106,100			106,100
Gordon Head				(8,700)		200,000	191,300
Minor Projects				123,500		275,000	398,500
Laval				326,400			326,400
Jamaica / Parkside				149,900		200,000	349,900
Culduthel / Boleskine				119,600		250,000	369,600
Sub-standard Drain Replacement:							
Minor Projects				788,400			788,400
Winston/Leslie (SRW Leslie to Falmouth)				30,000		250,000	280,000
Vanalman (Commerce Circle to Mann)				160,000		200,000	360,000
Homer (Tillicum to Seaton)						365,000	365,000
Haliburton (Hwy 17 to Wesley)				23,300		400,000	423,300
Inlet (2833 to Admirals)			400,000	50,000			450,000
Gorge Drainage Improvements				40,000		560,000	600,000
Kingsberry (Richmond to end)				34,300		750,000	784,300
Sims (Battleford to Seton & SRW)			450,000	650,000			1,100,000
Shelbourne Street Improvement Phase 1 Construction		600,000	1,158,000			2,100,000	3,858,000
Veteran - Knight to Derby; Freeman - Veteran to St. Mathews	600,000						600,000
Gorgeview - Gorge to Vincent	255,000						255,000
Gorge Rd. Pt 2 - Adelaide to Parkview	700,000	200,000					900,000
Davida - 438 to Tillicum	360,000					300,000	660,000
Orillia - Hampton to Burnside	210,000						210,000
Orillia - Gorge to Obed	55,000				245,000		300,000
Obed - Harriett to Wascana	140,000				185,000		325,000
Donald - Gorge to Obed	50,000			205,000			255,000
West Saanich Rd - Glanford to BCH Driveway	420,000						420,000
Emerging Priorities	279,300			1,067,600	100,000		1,446,900
Other Programs:							
Minor Projects	95,000			112,200			207,200
CCTV Inspection & Assessment	50,000			159,500			209,500
Large Culvert Repair				250,000			250,000
Shelbourne Street Improvement Phase 1 Design			193,600	72,200			265,800
Drainage Model Implementation	100,000			404,000			504,000
Shelbourne Street Improvement Phase 2 Design	450,000						450,000
Detailed Design Capital Projects	300,000			595,400			895,400
Total	4,064,300	800,000	2,201,600	5,361,300	530,000	5,650,000	18,607,200



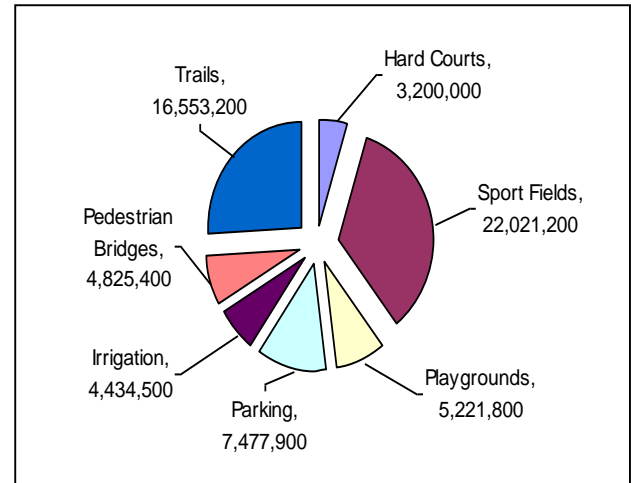
Park and Trail Structures

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.

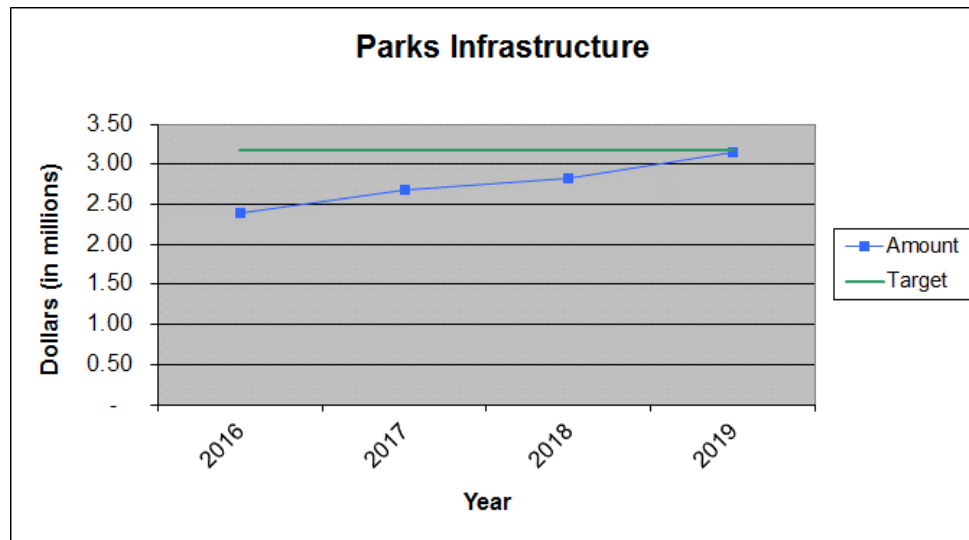
What needs to be done?

- 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



The funding for this asset category has reached its planned sustainable level. Adjustments may be required when replacement costs are updated.



How do we maintain sustainability?

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

Park and Trail Structures

Parks	Source of Funds					Budget
	Core	DCC	Capital Carryover	Reserves	Borrowing	2019
REPLACEMENTS						
Minor Projects & Emerging Priorities	289,400		5,600			295,000
Reynolds Playground Replacement	44,600	80,400			200,000	325,000
Playground Program Minor Projects	68,000		33,700			101,700
Layritz Little League Playing Field	63,100	6,900				70,000
Sportsfield Program Minor Projects	75,000				50,000	125,000
Gyro tennis reconstruction	50,000				150,000	200,000
Sports/Tennis Courts Minor Projects	30,000		16,600		10,000	56,600
Hampton Park (parking and pathway)					225,000	225,000
Irrigation and Landscaping Program	210,000		56,200		40,000	306,200
Bridges, Structures and Furnishings Program	50,000		2,600		285,000	337,600
Gorge Waterway - Railings			10,000		155,000	165,000
Signage Program	112,400	16,600	75,800		-	204,800
Trails Program	206,600	23,900	3,600	120,000	110,000	464,100
Trails - Resurfacing of Quadrant 3, Hyacinth, Rudd & Brydon & Edge Park			65,200		50,000	115,200
Lambrick Accessible Pathway & Lighting			3,600		10,000	13,600
Buildings - Mt. Doug Washroom Roof			8,600		50,000	58,600
McMinn Park - Complete Park Project Phase II					250,000	250,000
Layritz Park - Baseball Repairs, Drainage & Sewer Connection			500		130,000	130,500
Buildings and Washrooms	40,000				25,000	65,000
Complete Park Renewal Program	85,000					85,000
Horticulture Islands & Streetscapes	115,000	10,600				125,600
Natural Areas	91,000		40,900			131,900
Urban Forestry	375,000					375,000
Planning and Design	40,000					40,000
Community Projects	40,000					40,000
Subtotal	1,985,100	138,400	322,900	120,000	1,740,000	4,306,400
NEW INITIATIVES						
Youth Park	125,400	41,300				166,700
Total	2,110,500	179,700	322,900	120,000	1,740,000	4,473,100



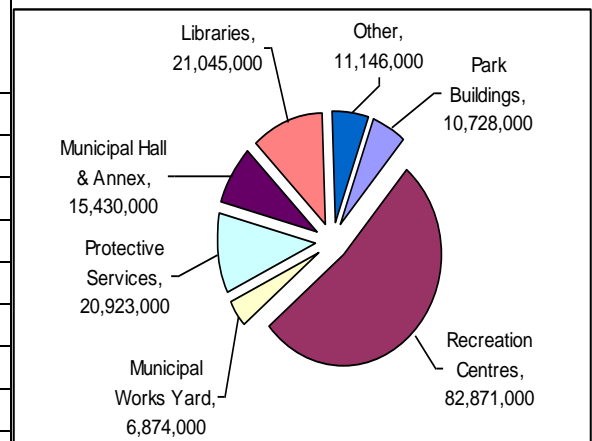
Community and Recreation Facilities

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 over \$305 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.

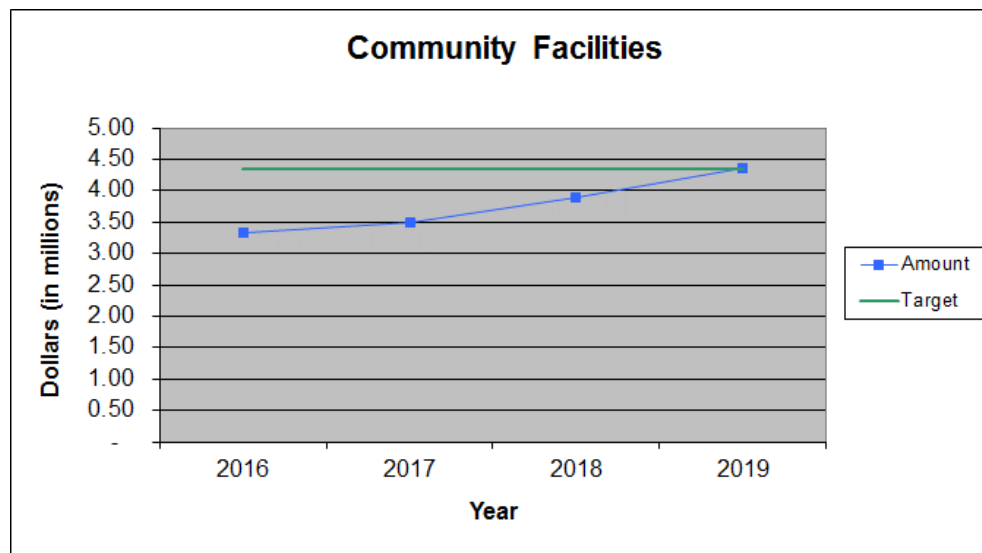
What needs to be done?

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

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2013 \$)
Recreation Centres	75	\$ 1,498,000
Park Buildings	50-75	\$ 197,000
Municipal Works Yard	75	\$ 95,000
Protective Services	75	\$ 398,000
Municipal Hall & Annex	75	\$ 275,000
Libraries	75	\$ 192,000
Other	75	\$ 145,000
Major Repairs	Various	\$ 1,555,000
Total		\$ 4,355,000



The funding for this asset category has reached its planned sustainable level. Adjustments will be required when replacement costs are updated and major repairs are reassessed in light of aging infrastructure.



Community Facilities

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.

Community Facilities	Source of Funds					Budget
	Core	Capital Carryover	Reserves	Grants & Other	Borrowing	2019
REPLACEMENTS						
Pearkes - Ice Slab Remediation			700,000			700,000
Blanshard Interior Renovation & Hall/Annex Retrofit			2,100,000			2,100,000
Facilities Roof Replacement	742,500	163,000				905,500
SCP - Design of Mechanical System Replacement		154,300		400,000		554,300
SCP - Replace Mechanical Systems - Phases 1A & 1B				1,200,000		1,200,000
CHGC - RTU Replacement		102,700	275,000			377,700
IT Network Electrical Wiring					655,000	655,000
Fire Hall #1 - Kitchen/Barracks Upgrade	104,500	285,000				389,500
Fire Hall #1 - Roof Replacement		216,400				216,400
Public Safety - RTU Replacement		251,800				251,800
Les Passmore - Wheelchair Accessibility	44,000	73,500				117,500
GHRC - Concrete Slab Remediation/Chemical Storage		27,100	555,000			582,100
Emergency Lighting Renewal			142,100			142,100
Public Works Yard and Fire Hall #2 Business Case/Feasibility Studies	60,500		287,000			347,500
Fire Hall #3 - Renovation	412,500	688,800				1,101,300
SCP - Lighting Replacement	75,000					75,000
GHRC - North Envelope Rehabilitation & Expansion					695,000	695,000
Fire Hall #2 - Replacement Project Planning			1,040,000			1,040,000
Minor Projects & Emerging Priorities	116,000	421,500				537,500
Total	1,555,000	2,384,100	5,099,100	1,600,000	1,350,000	11,988,200
RESERVE TRANSFERS						
Major Facilities Repair & Future Replacement Reserve	2,800,000					2,800,000
Total	2,800,000	-	-	-	-	2,800,000



Recreation Facilities

Recreation	Source of Funds			Budget
	Core	Capital Carryover	Reserves	2019
REPLACEMENTS				
CHRC - Tennis Court Re-surfacing	35,000			35,000
CHRC - Lobby Renovation	25,000			25,000
CHRC - Minor Facility Renovations		326,100		326,100
CHRC - Ceramics Studio Storage			57,700	57,700
CHRC - Water Ingress & Mechanical Room Fire Separation Studies		30,000		30,000
CHRC - Building Sign		25,000		25,000
CHRC - Air Conditioning for Seniors Wing		45,000		45,000
SCP - Main Floor Bathroom Renovation	35,000			35,000
SCP - Aquatic Office Renovation Design	40,000			40,000
SCP - Health and Wellness Renovations	40,000			40,000
SCP - Minor Facility Renovations	89,000	233,400		322,400
GHRC - Pool Acoustic Tiles (Main Pool)	95,000			95,000
GHRC - Minor Facility Renovations	56,000	86,100		142,100
Pearkes - Electrical Upgrade	95,000			95,000
Pearkes - Minor Facility Renovations	75,000	111,300		186,300
Pearkes - Field House Curtain System Replacement			125,000	125,000
Pearkes - Fitness Change Rooms		123,800		123,800
Pearkes - Ice Rink Improvements		71,700		71,700
CHGC - Building and Grounds		92,800		92,800
CHGC Parking Lot Resurfacing		54,400		54,400
CHGC - Maintenance Building Renovations		147,600		147,600
CHGC - Netting & Fencing		28,000		28,000
Front Desk Planning for Various Centres		42,300		42,300
Subtotal	585,000	1,417,500	182,700	2,185,200
NEW INITIATIVES				
Exterior Digital Signs		100,000		100,000
Recreation Market Study	25,400	17,200		42,600
Subtotal	25,400	117,200	-	142,600
Total	610,400	1,534,700	182,700	2,327,800



Water Utility Fund

The Water Utility system is comprised of over 550 km of water mains and four (4) reservoirs. Bulk water is purchased from the Capital Regional District and then re-distributed to Saanich customers via the municipal distribution system.

The utility provides safe drinking water in accordance with applicable health standards and the Drinking Water Protection Act. It is also designed to support emergency uses for firefighting capability.

The system is self-financed from water charges on a user pay basis. The user charges cover the cost of CRD bulk water purchase, Saanich operations and maintenance; and the infrastructure replacement program.

BUDGET SUMMARY	
2019 Utility Charges	\$ 22,439,000
2018 Utility Charges	\$ 21,492,200
Net Change	\$ 946,800
Change by %	4.41%
2019 FTE	50.61
2018 FTE	50.79
FTE Change	-0.18
FTE Change %	-0.35%
2018 Carbon Footprint (CO2e)	26 Tonnes
2017 Carbon Footprint (CO2e)	24 Tonnes
Carbon Footprint Change	2 Tonnes

2019 BUDGET CHALLENGES

- The construction industry continues to be busy with land development projects and a number of major infrastructure projects that will continue through 2019. A lack of contractor competition may result in less competitive prices.
- The water capital budget is allocating a substantial amount of funding into reserve in anticipation of the future construction of system improvements under the Shelbourne Valley Action Plan – Short Term Mobility Improvements Project. Other water system priority projects will compete for funding over the next 3 years and/or be deferred into future years, as a result.

2019 KEY PRIORITIES

Priority Departmental Initiatives include:

- Continue with the cast iron and asbestos cement watermain replacement program.
- Develop a Leak detection and bulk meter system for water conservation.
- Continue to support the regional sewage treatment facility project through collaboration on water system upgrades to the Hartland water reservoir, pumps and piping.



CORE BUDGET

The 2019 net budget of \$33,355,000 represents a 0.65% decrease in net expenditures over prior year, including a net capital program of \$7,919,600. Water revenues are projected to increase to \$22,439,000 or 4.41% in 2019.

Net Budget By Object	Actual	Projection	Budget	Budget	% Change
EXPENDITURES	2017	2018	2018	2019	2019/2018
Personnel	2,641,100	3,036,900	2,704,300	2,839,400	5.00%
Goods and Services	9,668,900	9,742,800	9,534,400	10,055,900	5.47%
Overheads and Transfers	1,753,200	1,645,100	2,153,800	2,324,800	7.94%
Gross Capital Program	19,084,000	19,171,200	19,181,800	18,134,900	(5.46%)
Total	33,147,200	33,596,000	33,574,300	33,355,000	(0.65%)
REVENUES AND RECOVERIES					
Utility Charges	(20,610,400)	(21,736,900)	(21,492,200)	(22,439,000)	4.41%
Non-Tax Revenues	(112,200)	(115,600)	(163,800)	(205,600)	25.52%
Surplus Appropriation	(250,000)	(200,000)	(250,000)	(250,000)	0.00%
Transfer from Reserves	(11,618,000)	(11,556,500)	(11,668,300)	(10,460,400)	(10.35%)
Total	(32,590,600)	(33,609,000)	(33,574,300)	(33,355,000)	(0.65%)
NET OPERATIONS	556,600	(13,000)	-	-	0.00%

- Personnel – wage increment and job evaluation.
- Goods and Services – increase in water purchase from the CRD.
- Gross Capital Program/Transfers from Reserves- unfinished 2018 projects funded from Transfers from Reserves and an increase in capital funding in line with inflation in construction costs.
- Non-Tax Revenues – increase in recovery for work performed by waterworks for the sewer utility.



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	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
General Administration	1,752,600	1,645,100	1,645,100	1,666,700	21,600	1.31%
Field Operations	888,900	920,800	871,700	888,900	17,200	1.97%
Water Purchases	8,508,100	8,783,400	8,580,000	9,060,000	480,000	5.59%
Waterline Repairs	1,102,100	1,073,800	706,400	732,600	26,200	3.71%
Pump Station Maintenance	642,000	660,600	727,800	787,100	59,300	8.15%
Hydrant Maintenance	128,000	153,000	188,700	195,200	6,500	3.44%
Valve Maintenance	244,300	255,800	322,500	328,200	5,700	1.77%
Meter Repairs/Replacements	193,300	244,600	338,300	347,200	8,900	2.63%
Water Quality & Other Program	491,700	572,100	346,700	363,400	16,700	4.82%
Contingency	-	-	400,000	400,000	-	0.00%
Net Capital Program	7,466,000	7,614,700	7,615,000	7,919,600	304,600	4.00%
Total	21,417,000	21,923,900	21,742,200	22,688,900	946,700	4.35%

- Water Purchases – increase in cost of water purchase from the CRD. CRD rates increased by 1.97% over prior year and consumption increased by 3.4%.
- Waterline Repairs/Hydrant Maintenance/Water Quality Programs – non-discretionary operating costs for new infrastructure added in prior years and job evaluation.
- Pump Station Maintenance – non-discretionary SCADA licence and utility costs increases and job evaluations.
- Net Capital Program – construction inflation increase.



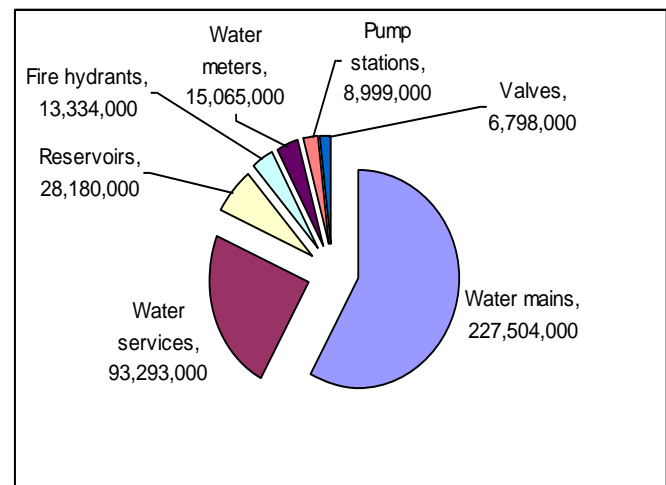
WATER CAPITAL PROGRAM

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 2019 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 (2019 \$)
Water mains	Varies	\$ 2,913,700
Water services	40	\$ 1,716,200
Reservoirs	100	\$ 1,322,600
Fire hydrants	80	\$ 368,200
Water meters	40	\$ 1,107,900
Pump stations	50	\$ 332,600
Valves	80	\$ 158,400
		\$ 7,916,600



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	Budget	Budget	Budget	Budget	Notes:
	2019	2020	2021	2022	2023	
Water Capital						
Asbestos Cement & Cast Iron Main Replacement	6,412,000	7,075,000	8,071,400	6,704,000	6,392,000	1
Valves	350,000	400,000	425,000	-	500,000	2
Pump Station Replacement	-	650,000	-	-	-	3
Meter Replacement	200,000	200,000	700,000	450,000	200,000	
Service Connection Replacement	100,000	100,000	100,000	100,000	100,000	
Hydrant Replacement	30,000	30,000	542,600	30,000	30,000	
Other	873,600	2,853,000	1,045,000	698,000	685,000	
Transfer to/(Fr) Capital Reserve	205,000	(1,039,500)	(1,005,000)	1,016,000	1,357,000	
	8,170,600	10,268,500	9,879,000	8,998,000	9,264,000	

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	DCC	Capital Carryover	2019
REPLACEMENTS				
Asbestos Cement & Cast Iron Main				
Minor Projects	193,000		427,800	620,800
Kings Rd (Foul Bay Rd to Dean Ave)			209,000	209,000
Prospect Lake Rd, West Saanich Rd to Prospect Lake Elementary	160,000	50,000		210,000
Orillia St, Burnside Rd W to Hampton Rd	212,500			212,500
Fremont Pl			221,000	221,000
Donald St, Gorge Rd W to Obed Ave	243,750			243,750
Gorgeview Dr, Gorge Rd W to Vincent Ave	256,250			256,250
Bethune Ave (Saanich Rd to Bethune Ave)			262,500	262,500
West Saanich Road (Markham to Royal Oak)			296,600	296,600
Glanford Avenue Phase 2 (Broadway to Peto Court)			331,200	331,200
Haro Rd (Arbutus Rd to Sutton Rd)			331,500	331,500
Howroyd (Mortimer to 1709)			334,000	334,000
Sims Ave (Seaton St to Wascana St)			351,000	351,000
Garnet Rd, 1715 Garnet Rd to Ansell Rd	390,000			390,000
Laval Ave (Larchwood Dr to Loyola St)			412,000	412,000
Finnerty Rd (McKenzie Ave to Arbutus Rd)			565,900	565,900
Inlet Ave (Gorge Rd W to Admirals Rd)			650,000	650,000
Davida Ave, 462 Davida Ave to Tillicum Rd	650,000			650,000
Foul Bay Rd (Allenby to Landsdowne)			770,000	770,000
Vernon (Nigel Avenue to 894 Vernon)	210,000			210,000
Foul Bay Rd, Haultain St to Allenby St	826,000			826,000
Veteran St / Knight Ave to Cedar Ave; Freeman / Verteran to St Mathews; St Mathews / Freeman to Derby	910,000			910,000
Lodge Ave (Saanich Rd to Hawthorne St)	307,500		676,500	984,000
Parkside/Jamaica/Winchester			1,663,000	1,663,000
Shelbourne Street Improvement Phase 1 Construction	1,900,000	103,000		2,003,000
Emerging Priorities			662,200	662,200
Pump Stations:				
Large Meter & Pump Motor Replacment	100,000		178,800	278,800
Pump Station / PRV Replacement	350,000			350,000
Other Programs:				
Minor Projects	190,000		332,600	522,600
Unidirectional Flushing Program Development			200,000	200,000
Shelbourne Street Improvement Phases 1&2 - Design	202,000	98,000	172,300	472,300
12 mm Copper Service Connection Replacement Program	100,000		215,500	315,500
Detailed Design Capital Projects	513,600		405,900	919,500
Wilkinson to Burnside PRV Replacement			500,000	500,000
Total	7,714,600	251,000	10,169,300	18,134,900
RESERVE TRANSFERS				
Transfer to Water Capital Reserve	205,000			205,000
Total	205,000	-	-	205,000

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.



Sewer Utility Fund

The Sewer Utility collects and conveys of wastewater for the majority of Saanich residents and discharges the effluent to the Capital Regional District trunk sewer system for treatment.

The system is comprised of over 570 kms of sewer mains and 39 pumping stations. The majority of the system was constructed between 1953 and the early 1970's using asbestos cement materials.

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

BUDGET SUMMARY	
2019 Utility Charges	\$ 23,532,700
2018 Utility Charges	\$ 21,583,400
Net Change	\$ 1,949,300
Change by %	9.03%
2019 FTE	25.52
2018 FTE	25.51
FTE Change	0.01
FTE Change %	0.04%
2018 Carbon Footprint (CO2e)	53 Tonnes
2017 Carbon Footprint (CO2e)	34 Tonnes
Carbon Footprint Change	19 Tonnes

2019 BUDGET CHALLENGE

- The construction industry continues to be busy with land development projects and a number of major infrastructure projects that will continue through 2019. A lack of contractor competition may result in less competitive prices.
- The sewer capital budget is allocating a substantial amount of funding into reserve in anticipation of the future construction of system improvements under the Shelbourne Valley Action Plan – Short Term Mobility Improvements Project. Other sewer system priority projects will compete for funding over the next 3 years and/or be deferred into future years, as a result.

2019 KEY PRIORITIES

Priority Departmental Initiatives include:

- Continue with asbestos cement sanitary sewer main replacement/lining program.
- Establish baseline condition of each of the 39 lift stations and create a prioritized upgrade/replacement strategy.
- Continued technical support and involvement in the CRD sewage treatment plant.



CORE BUDGET

The 2019 net budget of \$36,998,700 represents a 4.66% increase in net expenditures over prior year, including a net capital program of \$5,510,000. Sewer revenues are projected to increase to \$23,532,700 or 9.03% in 2019.

Net Budget By Object	Actual	Projection	Budget	Budget	% Change
EXPENDITURES	2017	2018	2018	2019	2019/2018
Personnel	1,491,500	1,744,500	1,552,800	1,581,600	1.85%
Goods and Services	9,943,400	11,503,600	11,900,600	13,478,900	13.26%
Fiscal Services	726,600	769,000	756,800	791,100	4.53%
Overheads and Transfers	2,150,500	2,419,200	2,451,600	2,708,100	10.46%
Gross Capital Program	16,902,600	16,138,950	18,689,800	18,439,000	(1.34%)
Total	31,214,600	32,575,250	35,351,600	36,998,700	4.66%
REVENUES AND RECOVERIES					
Utility Charges	(18,966,000)	(21,264,100)	(21,583,400)	(23,532,700)	9.03%
Non-Tax Revenues	(101,700)	(128,800)	(102,000)	(109,000)	6.86%
Surplus Appropriation	(150,000)	(150,000)	(150,000)	(150,000)	0.00%
Grants	(758,300)	(1,226,400)	(747,000)	-	100.00%
Transfer from Reserves	(9,718,700)	(9,677,550)	(9,769,200)	(8,707,000)	(10.87%)
Borrowing	(1,500,000)	-	(3,000,000)	(4,500,000)	50.00%
Total	(31,194,700)	(32,446,850)	(35,351,600)	(36,998,700)	4.66%
NET OPERATIONS	19,900	128,400	-	-	0.00%

- Goods and Services - CRD services costs.
- Fiscal Services - new borrowing for capital in 2018 & 2019.
- Gross Capital Program/Transfers from Reserves and Borrowing – combination of carrying forward unfinished 2018 projects funded from Transfers from Reserves and Borrowing and the annual capital funding increase per council policy to reach sustainability.
- Non-Tax Revenues – Hartland leachate payments from the CRD.
- 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	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
General Administration	1,455,300	1,758,300	1,640,800	1,682,700	41,900	2.55%
Field Operations	261,100	264,400	146,100	149,000	2,900	1.98%
Cleaning and Repairs	434,400	459,800	460,000	469,100	9,100	1.98%
Pump Station Maintenance	984,200	1,050,300	1,080,400	1,134,600	54,200	5.02%
Man Hole Maintenance	66,400	116,700	71,200	73,600	2,400	3.37%
Sewer Service Maintenance	219,400	312,600	257,700	264,000	6,300	2.44%
CRD Services	9,469,400	11,044,300	11,242,200	12,806,700	1,564,500	13.92%
Debt Charges & Reserve Transfer	1,421,800	1,429,900	1,452,000	1,452,000	-	0.00%
Contingency	-	-	250,000	250,000	-	0.00%
Net Capital Program	4,925,600	5,235,000	5,235,000	5,510,000	275,000	5.25%
Total	19,237,600	21,671,300	21,835,400	23,791,700	1,956,300	8.96%

- Pump Station Maintenance – non-discretionary SCADA licence and utility costs increases.
- Man Hole Maintenance – non-discretionary operating costs for new infrastructure added in prior years.
- CRD - debt servicing costs for the Regional Sewer Treatment Program.
- Net Capital Program – Sustainability increase.



SEWER CAPITAL PROGRAM

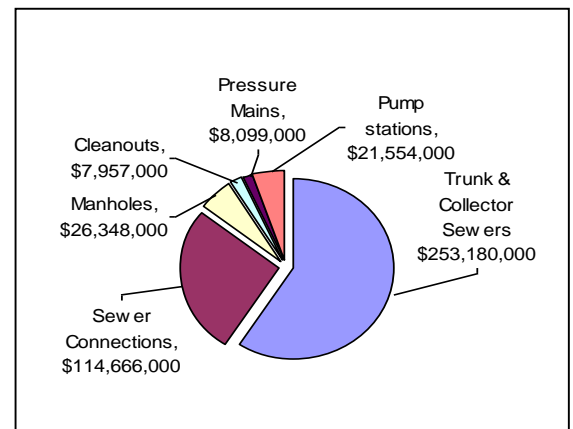
Saanich sewer infrastructure includes 24 km of trunk sewers, 550 km of collector sewers, 18 km of pressure mains, 29,700 service connections and 40 pumping stations valued at \$451 million dollars.

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)

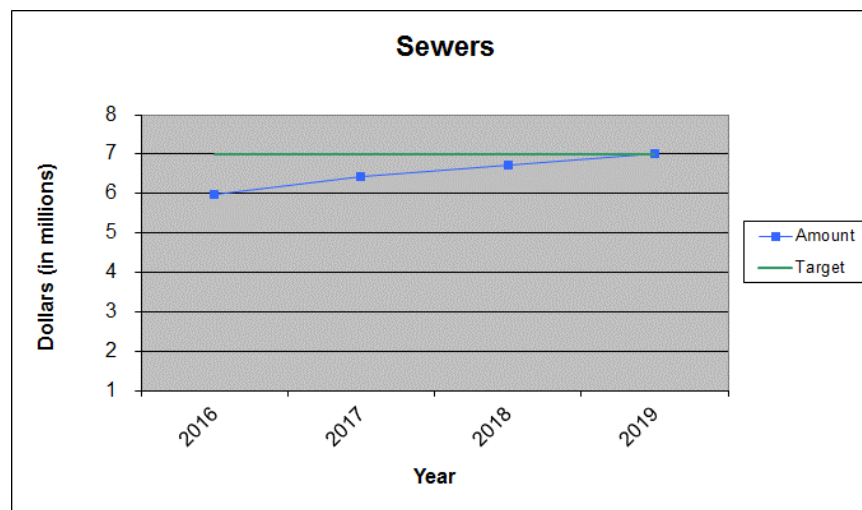
What is needed?

- 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



The funding for this asset category has reached its planned sustainable level. Adjustments may be required when replacement costs are updated.



How do we maintain sustainability?

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



Five Year Sewer Capital Projection

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

Description of Program	Budget 2019	Budget 2020	Budget 2021	Budget 2022	Budget 2023	Notes:
Sewer Capital						
Asbestos Cement Main Replacement	5,315,000	4,366,000	6,613,000	3,639,000	2,942,000	1
Pressure Mains	-	-	350,000	-	-	
Relining	967,000	500,000	1,000,000	1,000,000	710,000	
Pump Station Replacement	295,000	1,895,000	1,150,000	1,020,000	2,950,000	
Service Connections	-	-	-	-	50,000	2
Manhole Replacement	50,000	50,000	45,000	45,000	45,000	
Other	902,500	1,425,000	720,000	719,000	771,000	
Transfer to/(Fr) Capital Reserve	278,000	(500,000)	(1,250,000)	950,000	-	
	7,807,500	7,736,000	8,628,000	7,373,000	7,468,000	

Notes:

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



SEWER CAPITAL

Sewer Utility	Source of Funds					Budget
	Core	DCC	Capital Carryover	Reserves	Borrowing	2019
REPLACEMENTS						
Asbestos Cement Main Replacement:						
Minor Projects			123,700			123,700
Culduthel			200,000			200,000
Laval Ave (Loyola St to Larchwood Dr)			215,700			215,700
Donald - Gorge to Obed	230,000	42,000				272,000
Orillia - Gorge to Obed	230,000	45,000				275,000
Gorgeview - Gorge to end	235,000	45,000				280,000
Obed - Harriet to Qu'Appelle	270,000	50,000				320,000
Vantreight SFM (Pump station to Ferndale)			50,900		320,000	370,900
Homer (Tillicum to Kamloops)			404,500			404,500
Kingsberry (Richmond to end)			176,900		300,000	476,900
Davida - 438 to Tillicum	400,000	80,000				480,000
Inlet Ave (2865 to Gorge)	228,000		205,000		300,000	733,000
Ridgebank (Carey to Vanalman)			160,000		400,000	560,000
Lodge Ave (Saul to Saanich)	330,000		210,000	35,000		575,000
Gordon Head Rd (CH X Rd to Emery)			206,600		410,000	616,600
Vanalman (various locations)	500,000					500,000
Veteran St - Knight to Derby; Freeman - Veteran to St. Mathews	630,000	100,000				730,000
Sims Ave (Tillicum to Wascana)			285,000		500,000	785,000
Jamaica Rd (Jamaica to Cedar Hill Rd)			109,200		770,000	879,200
CIPP Lining Program	967,000		1,511,500			2,478,500
Emerging Priorities			809,100			809,100
Shelbourne Street Improvement Phase 1 Construction		400,000			1,500,000	1,900,000
Pump Stations:						
Minor Projects	95,000		401,500			496,500
Pump Station Condition Assessment			225,000			225,000
Portage Pump Station Construction			230,000			230,000
Pump Station Design	150,000		125,000			275,000
Arc Flash Electrical Lift Station Study & Upgrades	50,000		296,500			346,500
Other Programs:						
Minor Projects	170,000		301,100			471,100
Shelbourne Street Improvement Phase 2 Design	250,000					250,000
Video Inspection & Assessment			322,000			322,000
Manhole Improvements			349,200			349,200
No-Corrode & AC SHC Replacements			484,400			484,400
Detailed Design Capital Projects	497,000		507,200			1,004,200
Total	5,232,000	762,000	7,910,000	35,000	4,500,000	18,439,000
RESERVE TRANSFERS						
Transfer to Sewer Capital Reserve	278,000					278,000
Total	278,000	-	-	-	-	278,000

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 2019 we project a decrease in reserves to \$96,735,900 while funding a variety of initiatives.

	January 1 2019 Balance	2019 Contributions	2019 Appropriations	December 31 2019 Balance
Land Sales	2,789,200	-	1,700,000	1,089,200
Public Safety and Security	2,743,300	906,000	1,746,900	1,902,400
Carbon Neutral	678,300	183,000	167,200	694,100
Sub Regional Parks	1,698,200	-	212,600	1,485,600
Equipment Replacement	5,919,800	1,744,800	4,672,200	2,992,400
Capital Works	36,918,500	11,592,800	14,329,000	34,182,300
Commonwealth Pool Operations	223,700	61,300	285,000	-
Commonwealth Pool HP Repair	150,800	-	20,600	130,200
Sayward Gravel Pit	1,812,400	-	407,500	1,404,900
Development Cost Charges	15,464,000	-	3,104,800	12,359,200
Specific Area Capital Projects	4,483,500	-	2,320,000	2,163,500
Facilities Major Repair & Replacement	11,706,200	2,812,500	2,999,100	11,519,600
Computer Hardware & Software	7,246,400	3,587,600	10,262,900	571,100
Water Capital	4,034,500	205,000	-	4,239,500
Sewer Capital	4,050,900	660,900	-	4,711,800
Capital Reserves for Future Expenditure	30,679,900	15,974,800	30,679,900	15,974,800
Insurance	2,315,300	-	1,000,000	1,315,300
Total	132,914,900	37,728,700	73,907,700	96,735,900

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 2019 are: vehicle replacement and IT equipment replacement.

Carbon Neutral:

This reserve fund provides was established for projects that help reduce carbon emissions from municipal operations.



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. Funds have been committed to pay the CRD for the purchase of the Haro Woods property. The final annual payment of \$212,600 will be made in 2020.

Equipment Replacement:

This reserve provides for the annual replacement of fleet and fire vehicles, public works and 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 planned transfers, a Gas Tax Reserve from transfer of revenues under the federal Community Works Fund, Mount Douglas Reserve 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. The fund will be depleted by end of this year.

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. Funds from this reserve are used annually to offset the costs of aggregate purchases for both transportation and drainage operations and capital projects. This fund is expected to be depleted by 2023.

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.

Specific Area Capital Projects:

This fund was established in 2017 to hold funds transferred from certain DCC reserves for projects to be completed under the 5 Year Capital Plan.

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 2020.

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 2020 - 2023

The Municipality is required under the provisions of the Community Charter to adopt a five year financial plan bylaw on or before May 15. This plan must include 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 \$127,814,700 to \$148,267,800 in 2023 or an average 3.03% annual increase to the average homeowner.

GENERAL OPERATING FUND BUDGET ESTIMATE SUMMARY	
2019 Tax Levy	\$ 127,814,700
2020 Tax Levy	\$ 134,054,400
2021 Tax Levy	\$ 138,813,000
2022 Tax Levy	\$ 143,481,200
2023 Tax Levy	\$ 148,276,100
Annual Increase to Average Homeowner	3.03%

The 2020 - 2023 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 including estimated payroll tax increases
3. 2.0% percent funding increase to the sustainability target per year
4. 1.0% tax allocation per year for non-discretionary operating costs
5. Average increase in property Taxation revenues of 0.75% per year from new construction.



Water Utility Fund Estimates 2020 - 2023

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	
2019 Fees & Charges	\$ 22,439,000
2020 Fees & Charges	\$ 23,102,300
2021 Fees & Charges	\$ 23,738,100
2022 Fees & Charges	\$ 24,387,900
2023 Fees & Charges	\$ 25,050,700
Annual Increase to Average Homeowner	2.79%

The projected net budget funded from water user charges is projected to increase from \$22,439,000 to \$25,050,700 in 2023 or by an average 2.79% increase per year to the average homeowner.

The 2020 - 2023 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 4.0% increase for core capital funding per year
4. An average increase in CRD water rates of 4.0% per year

Sewer Utility Fund Estimates 2020 - 2023

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 \$23,532,700 to \$28,745,900 in 2023 or by an average of 5.16% annual increase to the average homeowner.

SEWER UTILITY BUDGET ESTIMATE SUMMARY	
2019 Fees & Charges	\$ 23,532,700
2020 Fees & Charges	\$ 25,393,200
2021 Fees & Charges	\$ 27,261,700
2022 Fees & Charges	\$ 27,905,400
2023 Fees & Charges	\$ 28,745,900
Annual Increase to Average Homeowner	5.16%

The 2020 – 2023 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. 4.0% percent funding 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 2 years to reflect the construction of a regional treatment solution and 2.0% increase thereafter



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.
	CDOR rates	CDOR is the recognized financial benchmark in Canada for banker's acceptances (Bas) with a term of maturity of one year or less. It is the rate at which banks are willing to lend to companies.
	Community charter	The provincial legislation governing local governments. This legislation replaced the Local Government Act in 2003.
	COR	Certificate of Recognition is given to organizations that meet and exceed the legal requirements for an occupational health and safety program and an occupational injury management / return to work program.
	Council	The eight councillors elected at large that represent the municipality as a whole and the Mayor.
	CUPE	Canadian Union of Public Employees.
	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.
D	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.
	IAFF	International Association of Fire Fighters.
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	OH&S	Occupational Health and Safety is a program that is run by the District to meet the requirements of the Workers Compensation Act.
	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.
	RTW	Return to Work is a program that is run by the District to meet the requirement of the Workers Compensation Act in helping employees return to work either partially or fully.



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.
W	WHIMS	Workplace Hazardous Materials Information System is Canada's national hazard communication standard.



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 9556

Tax Rate Bylaw 9557

