



Financial Plan Meetings

For the 2020-2024 Draft Financial Plan

A decorative graphic at the bottom of the page consisting of several overlapping, semi-transparent teal and light blue wave-like shapes that create a sense of movement and depth.

March 3, 2020

- Budget Overview
- Operating Budget Presentations
 - General Government Services
 - Council, Administration and Legislative Services
 - Corporate Services
 - Finance/Fiscal Services/Corporate Revenue & Expenditures
 - Cultural Services
 - Building, Bylaw, Licencing and Legal



The purpose of local government

Local governments are created to provide a broad range of localized services for the betterment of the quality of life of its residents; local government exists to provide services and have been granted powers to collect revenue to pay for those services through property taxes and user fees.

Council's role

The services Saanich provides and the level at which they are provided have been collectively developed and agreed upon over the past century by Councils acting in the best interests of the citizens who elected them.

This Council has taken that baton and continues its forward movement with the 2020 Budget and 2020 – 2024 Financial Plan.

Purpose of budget meetings

The services Saanich will provide to the community now and into the future must be balanced between

- Expected (or desired) level of services
- Willingness and ability to pay

The purpose of council is to make decisions about service delivery in the best interest of the whole community taking these competing goals into consideration.

The budget process allows Council to evaluate the levels of service and the cost to provide those levels of service to ensure the municipality can meet community expectations.

What does a budget do?

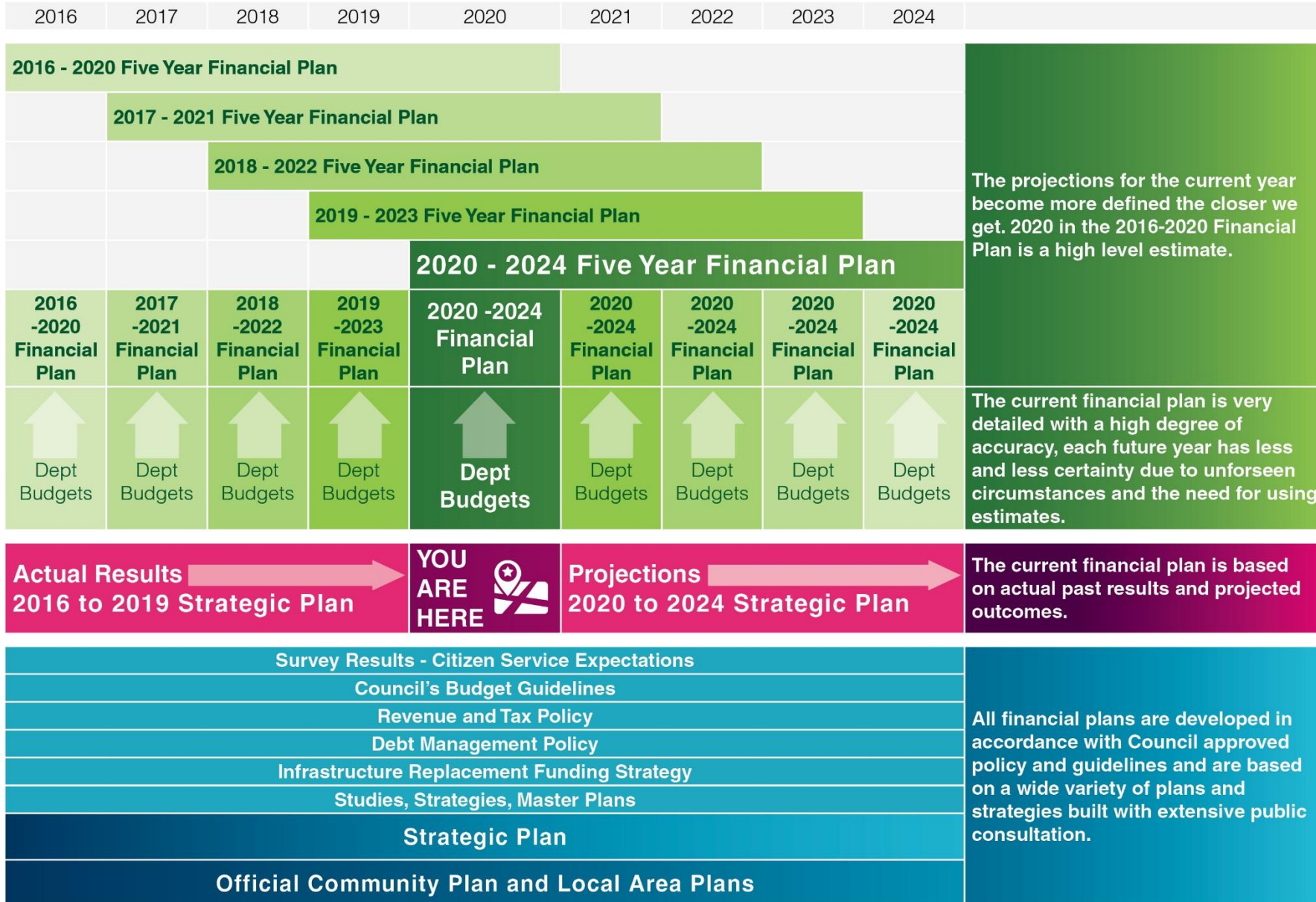
The annual budget ensures continuous service delivery to meet expectations.

Provides financial commitment to moving towards the Saanich Vision and implementing Council's strategic goals.





Financial Planning Framework



2020

Budget Introduction



Draft Budget Presentation

“Budget Book” will be presented from March 3rd to 12th

Current agenda:

- Financial Plan Overview
 - Departmental Presentations
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Budget Book

- Book provided is a draft budget – compilation of all departmental and corporate budgets
- Book is updated at the end of the process to reflect the decisions of Council made over the coming months
- New financial impacts are possible – Council will be apprised of any changes that occur during deliberation that may impact the budget (grants, assessment appeal results etc)
- 2019 projections are preliminary – year end adjustments will be ongoing until early April

Financial Plan Overview

- The Community Charter requires that local governments approve a Five Year Financial Plan bylaw by May 15th each year prior to the adoption of the annual property tax bylaw
- Year 2 of the 2019-2023 bylaw is the current legal authority to spend to continue municipal operations
- Key feature of a municipal budget
The Financial Plan must be balanced – identified revenue sources for all expenditures

Budget Process

- July 2019: Budget Guidelines were debated and adopted by Council in open meeting
- August to October – staff prepared departmental plans; developed budgets and submitted to Finance
- November to February – Finance staff reviewed submissions, conducted detailed analysis, assessed and determined financial strategy and consolidated and compiled the budget document

Budget Process

- March and April – Budget deliberation process
 - May – Bylaw adoption
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Budget Guidelines

- Draft budget was developed based on the “Budget Guidelines” adopted by Council in July 2019. Guidelines are the Council direction provided to staff that set the parameters for budget development.
- Guidelines were discussed in an open meeting of Council with public input opportunity.

Budget Guidelines – Key Components

- 2020 departmental net budget totals will be limited to a 0% increase over 2019 - exclusive of:
 - existing personnel costs
 - core capital increases
 - non-discretionary increases
- Capital expenditures for infrastructure replacement:
 - Core Capital - 2% increase plus a maximum 0.5% property tax increase for facility capital repairs and information technology


Budget Guidelines – Key Components

- Requests for additional operating budgets considered where critical capacity issues can be clearly demonstrated or where upfront investment will result in longer term savings.
- Strategy related budget reduction scenarios of 1% and 2%.
- Council will consider resourcing needs for those strategic initiatives in the 2019 – 2023 Strategic Plan that have partial or no funding.

Public Consultation



Charter Requirement

- Community Charter requires that Council undertake a process of public consultation regarding the proposed financial plan before it is adopted.
 - 2020 processes are enhanced from the policy requirement and reflect the commitment to incorporate more opportunities for the public.
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Public Input - Surveys


Reports on the latest surveys are available at [saanich.ca](https://www.saanich.ca) on the Corporate & Annual Reports page.

<https://www.saanich.ca/EN/main/local-government/corporate-annual-reports/surveys.html>

Annual survey will be developed in 2020.



Survey Reliance

- Statistically valid survey – completed January 2019
 - Council's best source of information and feedback – broad and representative engagement data
 - Specific questions to assist Council with budget decisions
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Public Input - Surveys

- Public consultation tool Saanich utilizes to obtain feedback on:
 - Overall direction Saanich is taking
 - Is Saanich doing a good job?
 - Value for tax dollar
 - Level of services

Public Input - Surveys

Are residents pleased with the overall direction Saanich is taking?

- A majority of residents (78%) are pleased with the overall direction Saanich is taking.
 - Normative resident benchmark is 58%

Do Saanich residents feel the District of Saanich is doing a good job in general?

- 90% of residents agree that Saanich is doing a good job.


Public Input - Surveys

Do residents feel they receive good value for their tax dollars?

- A notable majority of Saanich residents (81%) and Saanich business owners (88%) either strongly or somewhat agree that they receive good value for their tax dollars.
 - Normative resident benchmark is 58%

Public Input - Surveys

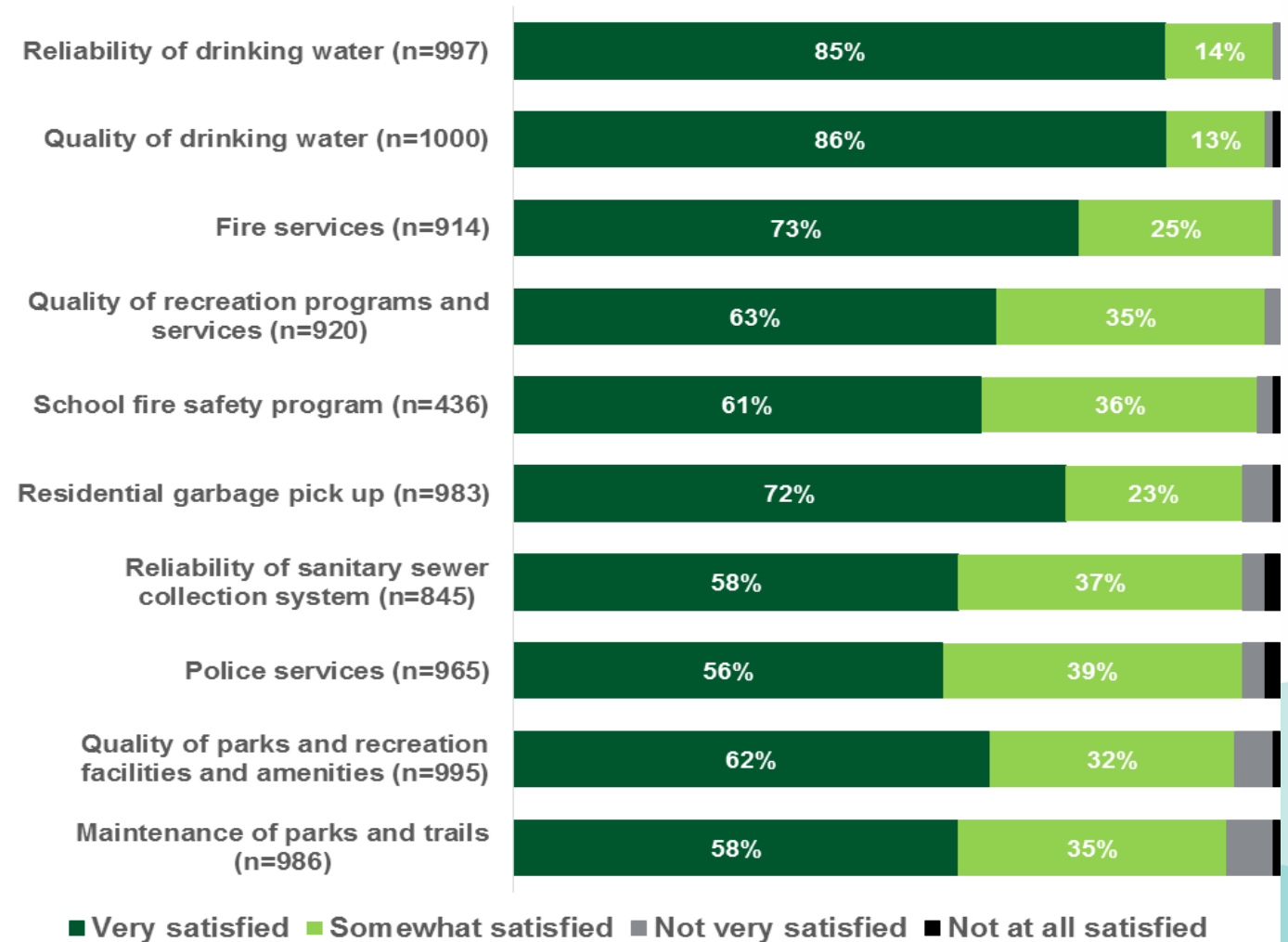
Resident's opinion of taxation and levels of service:

- 38% - same level of municipal services with managed tax increases
 - 20% - reduce services with lower taxes
 - 15% - improve municipal services with higher taxes
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Resident Satisfaction

- Satisfaction with services amongst Saanich residents remains strong

Satisfaction with services (Top 10)



Public Input - Opportunities

- The public can obtain the presentation slides on the website and hear the additional information provided by Directors in person or through webcasting
 - Public input opportunities are provided at each Financial Plan meeting
 - New online budget tool is available for the public from March 3rd to April 3rd.
 - Council will be deliberating until bylaws finalized early May.
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Public Input - Opportunities

Ways to participate:

- Attend the meetings and provide input in person
- Watch the webcast in real time or at your convenience
- Email your comments or questions to: budget@Saanich.ca
- Use the online budget tool: Saanich.ethelo.net (with Google Chrome)
- Engage with us on Social Media

2020 Draft Budget



Cost Drivers

Labour costs – \$2.275 million (collective agreement increases, benefits, stat deductions) and full year for new positions approved in 2019 (\$668K)

Non-discretionary costs

Challenges

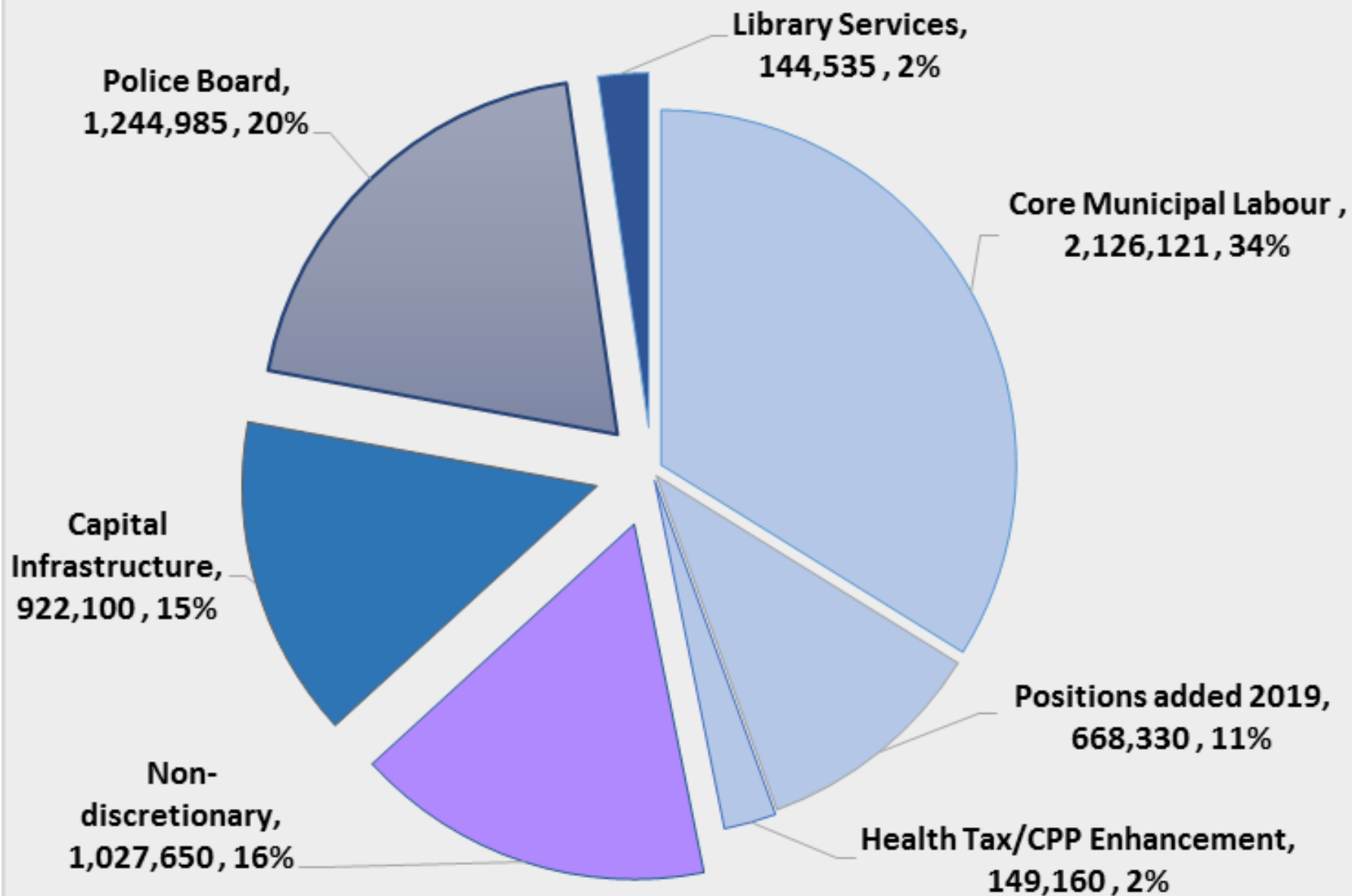
Weak new construction revenue

Opportunities

Non-tax revenue increases

Saanich 2020 Financial Plan	Budget Increase	Tax Increase
	\$	%
Operating Increases		
Core budget		
Existing personnel costs - municipal	2,943,611	2.31%
Non-discretionary increases	1,027,650	0.81%
General Municipal Core Operating Increase	\$ 3,971,261	3.12%
Increase in non-tax revenue	(549,056)	-0.43%
Tax revenue from new sources (preliminary)	(958,600)	-0.75%
Core Operating Increase to Existing Taxpayers	\$ 2,463,605	1.94%
Increase for Capital Infrastructure	922,100	0.72%
Total General Municipal Increase	\$ 3,385,705	2.66%
Police Board Budget Submission	\$ 1,244,985	0.97%
Greater Victoria Public Library	144,535	0.11%
General Municipal, Police and Library	\$ 4,775,225	3.74%

What is increasing the budget?



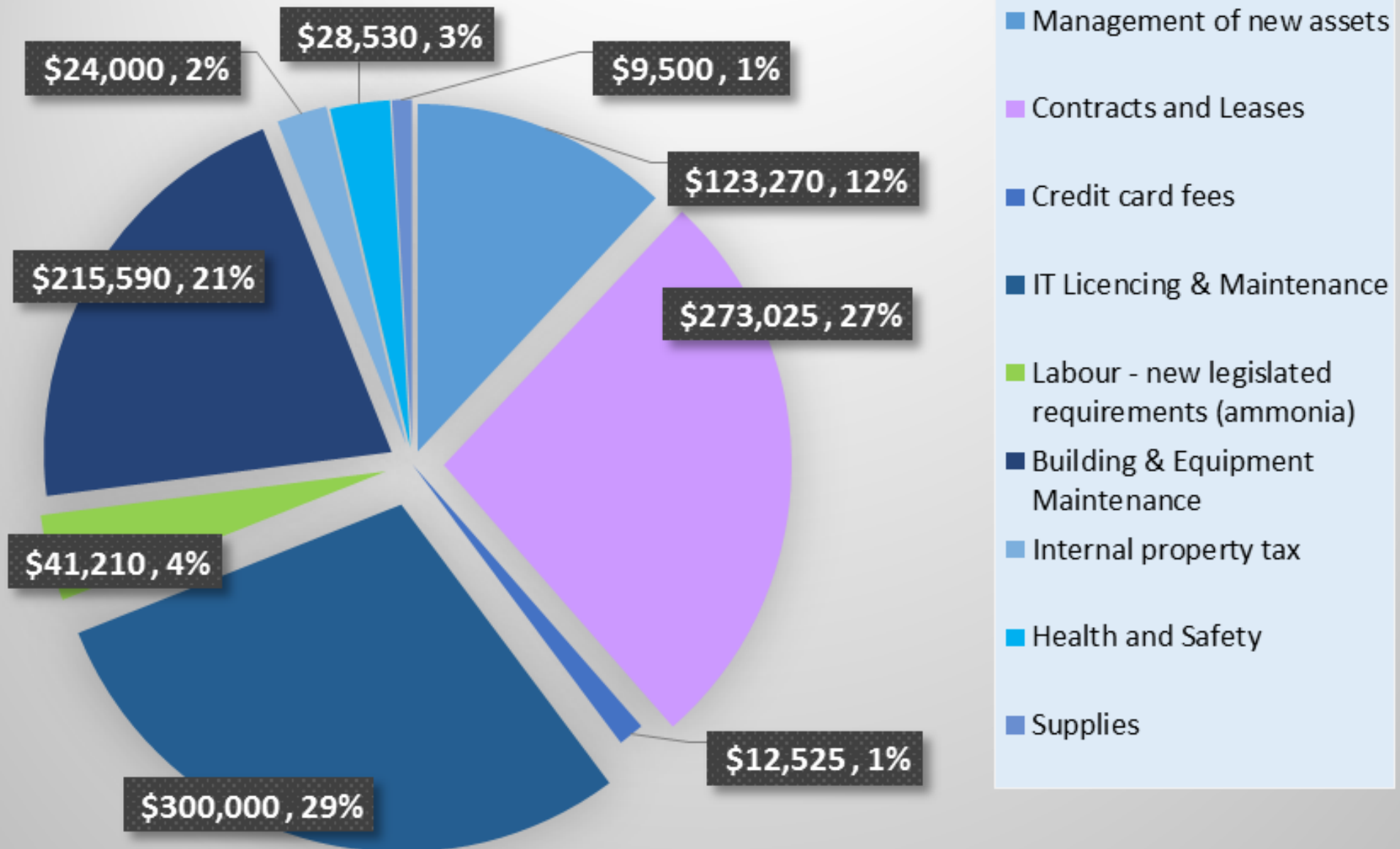
Existing personnel costs

Based on current capacity (maintain service levels)

Major increase factors:

- Increases under collective agreements (or estimates)
 - Increments for stepped positions
 - New positions added in 2019 – full year funding
 - CPP Enhancement program/Annual EHT Adjustment
 - WCB Premiums
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- Total increase \$2.94 million

Non-Discretionary Increases



Non-Discretionary Increases

Cost driver	Budget
Management of new assets	\$ 123,270
Contracts and Leases	\$ 273,025
Credit card fees	\$ 12,525
IT Licencing & Maintenance	\$ 300,000
Labour - new legislated requirements (ammonia)	\$ 41,210
Building & Equipment Maintenance	\$ 215,590
Internal property tax	\$ 24,000
Health and Safety	\$ 28,530
Supplies	\$ 9,500
Total	\$ 1,027,650
Tax Impact	0.81%

Additional Capital Funding

Budget Guideline:

- Core capital (tax funded) 2% increase = \$282K
- Additional annual capital funding for Facilities and IT = \$640K

Total capital funding addition = \$922K



Revenue Impacts

- New construction preliminary data - still less than 1% of taxation.
- Investment income continues to strengthen
- Permit revenue up slightly – confidence that it will maintain over the coming year, but not rise substantially
- Offset by some revenue losses
- Total net revenue opportunities = \$549K
- Net reduction in tax requirement by under .43%

Impact to the “average taxpayer”

The draft core budget developed in accordance with Council guidelines results in:

A municipal property tax increase to existing taxpayers of 3.74% or \$100

- 1.94% (\$ 52) for general municipal operations
- 0.72% (\$ 19) capital funding
- 0.97% (\$ 26) for Police Board Provisional 2020 Budget
- 0.11% (\$ 3) for Greater Victoria Public Library 2020 Budget

Average homeowner

A residential property owner whose single family home is assessed at \$897,000 in 2020 and their assessment decreased by 1.9% over 2019.

Draft Budget - 2020

Water, sewer and garbage rates considered and approved by Council in December 2019

Increases for the average homeowner:

Impact to the average residential homeowner				
Revenue Source	2019	2020	Change \$	Change %
Total Property Tax	2,660	2,760	100	3.74%
Sewer Fees	517	560	43	8.32%
Water Fees	481	495	14	2.91%
Refuse Collection Fees	192	199	7	3.65%
	\$ 3,850	\$ 4,014	\$ 164	4.25%

Employer Health Tax

- 2020 is final year of transition from MSP premiums to the EHT. The average residential homeowner saw an increase of \$39 for the EHT in 2019. The final removal of MSP premiums in 2020 will reduce total costs to a family of 4 who paid their own premiums by a net \$899.
- For example:

	2017	2018	2019	2020
MSP Premiums	1,800	900	900	-
Property Tax - EHT	-	-	39	40
Total Premiums/Tax	1,800	900	939	40
Increase (Savings)		(900)	39	(899)

Family of 4 who pay their own MSP premiums and have a house assessed at the average of \$924,100

Overview

Questions?



Council/Administration and Legislative Services



Council/Administration/Legislative Services Overview

Council and Committees

- Costs related to Council and Committees

Administration

- Corporate leadership and administrative support to the Mayor and Chief Administrative Officer

Legislative Services (Office of the Municipal Clerk)

- Management, information and support services to Council, Committees, Foundation and Boards

Information Services

- Freedom of Information & Privacy, Records Management and Municipal Hall Reception - Customer Service

Archives

2020 Major Projects

- Finalize the new Council Procedure Bylaw.
- Integrate electronic records management. (preliminary work)
- Review structure, roles and appointment process for Advisory Committees and other Council appointments.
- Support for the Citizens' Assembly Process
- Implementation and ongoing maintenance of Privacy Management and Records Management Programs


Council/Admin Budget Comparison

Cost driver

Increase for adjustment
to labour costs.

BUDGET SUMMARY	
2020 Net Budget	\$ 2,531,800
2019 Net Budget	\$ 2,465,300
Net Change	\$ 66,500
Change by %	2.70%
2020 FTE	16.14
2019 FTE	16.15
FTE Change	(0.01)
FTE Change %	(0.06%)

Challenges

- Ongoing support and resources for established standing & advisory committees
 - Continued support of the Citizens' Assembly Process
 - Discovery process for a Corporate Electronic Document Records Management System
 - Electronic Agenda Management Project
 - Expectations for technology to conduct business in the Council Chambers
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Opportunities

- Continue to improve on efficiencies in Council Proceedings and options to ensure high citizen engagement.
- Supporting Council's effective decision making process.
- Support and provide guidance to all departments to ensure consistency with the Records Management and Privacy Programs.
- Support organization with developing relationships with our local First Nations.

Council/Administration/Legislative Services

Discussion and Questions



Corporate Services



Corporate Services Overview



- Human Resources
- Information Technology
- Communications
- Occupational Health and Safety
- Strategic Planning

We provide a broad range of services to support all departments

2020 Major Projects

- Enhance the Saanich Spotlight newsletter and increase subscribers
- Collective Bargaining with all unions
- Refresh the Healthy Workplace / Attendance Management Program
- Replace the email system
- Refresh and replace desktop computers
- Implement a Safety, Return to Work and training software package
- Support the corporate goal of mental health practice
- Implement statistically valid online citizen survey

Corporate Services Budget

Cost Drivers

Wage increases and increments (16%)


Non-discretionary increase for licensing and maintenance of new corporate IT infrastructure (84%)

BUDGET SUMMARY	
2020 Net Budget	\$ 8,750,600
2019 Net Budget	\$ 7,820,000
Net Change	\$ 930,600
Change by %	11.90%
2020 FTE	47.27
2019 FTE	46.08
FTE Change	1.19
FTE Change %	2.58%

Non discretionary budget

- A key requirement from the IT Division is \$300,000 to support the implementation of new software and the completion of major projects
- This amount is less than initially considered. The reduction in our requirement is due to:
 - project delays;
 - the signing of Enterprise Agreements with contractors/vendors taking advantage of pricing opportunities given the volumes that Saanich is purchasing; and
 - administrative and finance changes that are being undertaken.

Challenges – Corporate Services

- Increasingly complex cases (WSBC, arbitration, human rights)
 - Increased public expectations of communication and engagement
 - IT infrastructure maintenance and replacement
 - Security of our technology and data
 - Balancing capacity and services levels
 - Retention, recruitment and training of staff
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Opportunities – Corporate Services



- Modern business software that allows more flexibility and business opportunities
- Additional protection for Saanich data and systems
- Collaborative approach to building internally consistent practices and procedures
- Support organization initiatives from unique perspective of seeing across all departments
- Ongoing efficiencies

Corporate Services

Discussion and questions



Finance



Finance Overview

- **Financial Services**
 - Coordinate preparation of the budget
 - Capital project budgeting, tracking and reporting support
 - Policy review and development
 - Payroll/benefits services for 1600+ employees
 - Purchasing services to support all departments
 - Stores management at the Saanich Operations Centre

Finance Overview

- Accounting Services
 - Accounts payable processing
 - Banking/cash management
 - Investment management
 - Financial reporting (Financial Statements, SOFI, LGDE)
 - Coordinate audit of Financial Statements
 - Account reconciliations
- Revenue Division
 - Property taxation (homeowner grant, permissive exemptions)
 - Cashier services
 - Utility billing (water, sewer and garbage)

2020 Major Projects

Continue implementation of improvements to financial planning education and participation.
2020 - budget engagement event.

Long Term Financial Plan



Permissive Tax Exemption Policy

Complete software implementation that commenced in 2019 (budget & procurement)

Finance Budget Comparison

Cost Drivers

Wage increases and increments

Full year budgeting of Assistant Accountant approved in 2019.

Elimination of internal storeskeeping charges.

BUDGET SUMMARY	
2020 Net Budget	\$ 4,118,100
2019 Net Budget	\$ 3,841,100
Net Change	\$ 277,000
Change by %	7.21%
2020 FTE	41.37
2019 FTE	39.81
FTE Change	1.56
FTE Change %	3.92%

Challenges

Capacity related to increased capital program – procurement

Recruitment of staff to build on training, internal audit and financial reporting capabilities

Capacity to develop programs to address higher levels of expectation for engagement on financial topics



Opportunities

Implementation of upgraded software functionality to improve financial processes, data analysis, reporting capabilities throughout the organization.

Ability to reduce manual processes through implementation of new software.



Finance

Discussion and Questions





Corporate Revenue and Expenditures

Corporate Revenue and Expenditures

BUDGET SUMMARY	
2020 Net Budget	\$ 886,600
2019 Net Budget	\$ 848,900
Net Change	\$ 37,700
Change by %	4.44%
FTE	n/a

Net Budget By Function	Budget	Budget	\$ Change	%Change
	2019	2020	2020/2019	2020/2019
Corporate Contingency	298,900	493,900	195,000	65.24%
Administrative Recoveries	(2,105,800)	(2,309,400)	(203,600)	(9.67%)
Government Services	849,400	851,100	1,700	0.20%
Employer Health Tax	1,806,400	1,851,000	44,600	2.47%
Total	848,900	886,600	37,700	4.44%

Corporate Revenue & Expenditure

Discussion and Questions



Fiscal Services



Fiscal Services

BUDGET SUMMARY	
2020 Net Budget	\$ 7,734,800
2019 Net Budget	\$ 7,734,800
Net Change	\$ -
Change by %	0.00%
FTE	n/a

Net Budget By Function	Budget	Budget	\$ Change	%Change
	2019	2020	2020/2019	2020/2019
Interest	1,083,000	1,244,200	161,200	14.88%
Principal	1,992,400	2,678,800	686,400	34.45%
Transfer to Capital Reserves	4,659,400	3,811,800	(847,600)	(18.19%)
Total	7,734,800	7,734,800	-	0.00%

Major Reserve Funds

	January 1 2020 Estimate	2020 Contributions	2020 Appropriations	December 31 2020 Estimate
Land Sales	1,010,000	-	1,000,000	10,000
Public Safety and Security	2,890,000	819,000	874,000	2,835,000
Carbon Neutral	790,000	114,200	-	904,200
Sub Regional Parks	1,770,000	-	-	1,770,000
Equipment Replacement	6,259,600	1,756,600	4,064,700	3,951,500
Capital Works	45,360,000	5,372,300	17,371,900	33,360,400
Commonwealth Pool Operations	98,400	61,300	155,000	4,700
Commonwealth Pool HP Repair	210,000	10,000	20,600	199,400
Sayward Gravel Pit	1,490,000	-	409,700	1,080,300
Development Cost Charges	16,150,000	-	7,059,300	9,090,700
Specific Area Capital Projects	3,070,000	-	1,326,100	1,743,900
Facilities Major Repair & Replacement	15,050,000	2,800,000	3,661,400	14,188,600
Computer Hardware & Software	8,100,000	4,511,000	11,722,300	888,700
Urban Forest	-	50,000	-	50,000
Water Capital	4,275,000	285,200	160,700	4,399,500
Sewer Capital	4,385,000	499,300	514,800	4,369,500
Capital Reserves for Future Expenditure	43,771,700	25,500,000	43,771,700	25,500,000
Insurance	2,315,300	-	1,000,000	1,315,300
Total	156,995,000	41,778,900	93,112,200	105,661,700

Fiscal Services

Discussion and Questions





Operating Budget

Cultural Services

Cultural Services

Greater Victoria Public Library

- GVPL Budget Submission
- Branch Lease and Maintenance

Swan Lake Christmas Hill Nature Sanctuary

Grant Programs

Cultural Services

Net Budget By Function	Budget	Budget	\$ Change	% Change
	2019	2020	2020/2019	2020/2019
Greater Victoria Public Library	5,890,300	6,026,800	136,500	2.32%
Branch Libraries Lease and Maintenance	276,900	285,300	8,400	3.03%
Swan Lake Christmas Hill Nature House	387,600	387,600	-	0.00%
Grants	559,900	559,900	-	0.00%
MRD Tax (Tourism)	160,000	430,000	270,000	168.75%
Regional Economic Development	184,500	184,500	-	0.00%
Total	7,459,200	7,874,100	144,900	5.56%

Building, Bylaw, Legal and Licensing



Building, Bylaw, Licensing and Legal Overview

Building, Bylaw and Licensing Division

- Inspections Services and Inspection Administration
- Bylaw Enforcement
- Business Licensing

Legal, Risk Management and Lands Division

- Legal Services
 - Lands
 - Risk Management
- 

BBLL: 2020 Major Projects

- **Bylaw policy review:** reinforce and conduct ongoing reviews of bylaws and review Saanich's bylaw enforcement approach
- **Bylaw hours of operation:** in conjunction with bylaw policy review, review the hours of operation for bylaw enforcement
- **Parking enforcement:** work with Saanich Police Department to research a better model for parking enforcement

Overall BBLL Budget Comparison

Cost Drivers


Wage increases and increments
Full year cost of Bylaw Officer approved in 2019.

Insurance costs


Offset by increase in permitting revenues

BUDGET SUMMARY	
2020 Net Budget	\$ 1,335,300
2019 Net Budget	\$ 1,184,200
Net Change	\$ 151,100
Change by %	12.76%
2020 FTE	31.90
2019 FTE	30.84
FTE Change	1.06
FTE Change %	3.44%

Opportunities

- Alternative service delivery structures related to policy review work
 - Reviewing and improving revenue generating services as a component of policy review work
 - Technology and efficiency measures
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Challenges – BBLL

- Increasing claims and insurance costs
 - Policy development resources
 - Continuing to meet demand for legal services and being positioned to provide legal services related to the initiatives outlined in the Strategic Plan (2019-2023)
 - High permit and call for service volumes
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BBLL

Discussion and Questions

