

**AGENDA**  
**FINANCE AND GOVERNANCE STANDING COMMITTEE**

To be held at Saanich Municipal Hall, Committee Room 2  
Monday July 14, 2025 at 10:00 AM

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*The District of Saanich lies within the territories of the ləkʷəŋən peoples represented by the Songhees and Esquimalt Nations and the W̱SÁNEĆ peoples represented by the Tsartlip, Pauquachin, Tsawout, Tseycum and Malahat Nations.*

*We are committed to celebrating the rich diversity of people in our community. We are guided by the principle that embracing diversity enriches the lives of all people. We all share the responsibility for creating an equitable and inclusive community and for addressing discrimination in all forms.*

**A. ADOPTION OF MINUTES**

1. May 12, 2025 minutes

**B. COMMITTEE BUSINESS ITEMS**

1. 2025 1ST TRIMESTER RESULTS
2. DEBT MANAGEMENT POLICY HOUSEKEEPING AMENDMENT

**C. ADJOURNMENT**

Next Meeting: October 27, 2025 at 10:00 AM

In order to ensure a quorum, please contact Tara Judge at 250-475-5555 or [tara.judge@saanich.ca](mailto:tara.judge@saanich.ca) if you are unable to attend.

**MINUTES  
FINANCE AND GOVERNANCE STANDING COMMITTEE**

Held at Saanich Municipal Hall, Committee Room # 2  
770 Vernon Avenue

Monday, May 12, 2025, at 10 a.m.

**Present:** Councillor Susan Brice (Chair); Councillor Nathalie Chambers; Councillor Zac de Vries; Councillor Mena Westhaver; Mayor Dean Murdock (10:03 a.m.)

**Staff:** Brent Reems, CAO; Angila Bains, Director of Legislative and Protective Services/ Corporate Officer; Suzane Samborski, Director of Parks, Recreation and Community Services; Jennifer Lockhart, Senior Manager of Financial Services; Tiana Solares, Senior Manager of Recreation (10:10 a.m.); Karen Coates, Manager of Accounting Services; Daniela Murphy, Records and Information Services Manager; Bernard Tso, Senior Accountant; and Tara Judge, Executive Administrative Assistant to the CAO

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**MINUTES FOR ADOPTION**

**MOVED by Councillor de Vries and Seconded by Councillor Westhaver: "That the minutes of the Finance and Governance Standing Committee meeting held May 2, 2025, be adopted as circulated."**

**CARRIED**

**INFORMATION ACCESS, PRIVACY & RECORDS MANAGEMENT - 2024 REPORT**

A report from the Manager of Records and Information Services dated May 5, 2025, was presented. This included a review of staffing as well as the role and purpose of the division. A discussion of the education programs and awareness campaigns in place at the District for staff followed.

A review of the statistics related to Freedom of Information (FOI) requests and records destruction applications made in the past year as well as initiatives in progress as well as upcoming projects related to this division was reviewed.

**MOVED by Councillor Chambers and Seconded by Councillor Westhaver: "That the Finance and Governance Standing Committee receive the Information Access, Privacy & Records Management - 2024 Report for information and refer the report to Council for its consideration."**

**CARRIED**

**PARKS, RECREATION AND COMMUNITY SERVICES FEES AND CREDIT CARD SURCHARGE**

A memo from the Director of Parks, Recreation and Community Services (PRCS) dated May 5, 2025, was presented. The memo supplemented information from the Credit Card Fee Recovery Implementation report provided by the Director of Finance at the March 10, 2025, committee meeting, outlining potential impacts to PRCS' customers and processes.

A review of the booking registration process for registered recreation programs and camps, which is primarily conducted online and therefore only transacted via credit card payments, was discussed. This limits users' ability to choose alternative payment methods to avoid the associated transaction fee. Adding this additional fee to recreation programs is seen as a potential deterrent for the public. This concern is particularly relevant given that a 3% fee increase, approved by Council, is already set to take effect in September 2025, with another 3% increase in 2026.

Discussion related to the discontinuing the use of American Express (AMEX) credit card occurred.

Following the discussion the following motions were made:

**MOVED by Councillor de Vries and Seconded by Councillor Westhaver: "That**

- 1. the memo of the Director of Finance titled "Credit Card Fee Recovery Implementation", dated March 3, 2025, be received for information and referred to Council for its consideration.**
- 2. the memo of the Director of Parks, Recreation and Community Services titled "PRCS Fees and Credit Card Surcharge", dated May 5, 2025, be received for information and referred to Council for its consideration.**
- 3. the Finance and Governance Standing Committee recommend that Council direct staff to amend the Credit Card Payment Service Fee Bylaw, 2024, No. 10095 by adding a 2.4% service fee to all payments made by credit card, except for Recreation and Community Services Access Passes, registered programs and drop-in programs registration fees, effective May 1, 2026.**
- 4. the Finance and Governance Standing Committee recommend that Council direct staff to discontinue the acceptance of American Express (AMEX) credit cards as a payment source."**

**CARRIED**

## **2024 3RD TRIMESTER RESULTS REPORT**

A report from the Director of Finance with the 3<sup>rd</sup> Trimester Results for 2024 was reviewed (January 1 to December 31, 2024).

**MOVED by Councillor Chambers and Seconded by Councillor de Vries: “That the Finance and Governance Standing Committee receive the 3<sup>rd</sup> Trimester Report for 2024 from the Director of Finance for information and that the report be referred to Council for its consideration.”**

**CARRIED**

## **SAANICH COMMUNITY GRANTS PROGRAM POLICY AMENDMENT**

A report from the Director of Finance with the Saanich Community Grants Program Policy Amendment was reviewed.

**MOVED by Councillor Chambers and Seconded by Councillor Westhaver: “That the Finance and Governance Standing Committee recommend to Council that the amended Saanich Community Grants Program Council Policy be approved.”**

**CARRIED**

## **ADJOURNMENT**

The meeting adjourned at 10:55 a.m.

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Susan Brice, Chair

I hereby certify these Minutes are accurate.

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Tara Judge, Executive Assistant to the CAO

# Memo

**To:** Finance and Governance Committee  
**From:** Paul Arslan, Director of Finance  
**Date:** July 03, 2025  
**Subject:** **2025 1st Trimester Results**

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To provide the Committee with the 1st trimester results for 2025



# District of Saanich

## 1st Trimester Results Report

**January 1, 2025 to April 30, 2025**

Results reporting is prepared on a trimester basis by the District of Saanich as a means of providing the community, council, and the organization with regular information on the strategic and financial performance of the municipality.

The Trimester Results Report provides information on:

1. Operational Results
2. Capital Program Results
3. Investment Analysis
  - Diversity
  - Liquidity
  - Return
4. Procurement Results
  - % of procurement processes with more than one bidder
  - Procurement



# Operational Results

## District of Saanich - 2025 1st Trimester Performance Report Operating Budget Results - January 1 to April 30

(Represents 1/3 or 33% of the year)

Overall results for the period are positive, with most revenues reaching budgeted targets. Recreation revenues are exceeding budget due to higher participation in recreation programs while interest revenue is lower due to lower interest rates. Expenditures are in line with expectations, however, some departments such as Police Protection and Planning are experiencing higher expenditure due to constant demand for their services while operational departments such as Engineering and Parks & Recreation are experiencing lower expenditure due to seasonal demand for their services.

Revenues:	2024 Actual	2025 Actual	Annual Budget 2025	2025 Budget Remaining	% Revenue Collected	
Property Taxation	-	34,334	(189,940,641)	(189,974,975)	0%	1
Utility Tax and Other	(58,200)	(11,948)	(1,785,000)	(1,773,052)	1%	1
Water Utility Revenue	(7,317,700)	(7,678,705)	(31,127,202)	(23,448,497)	25%	2
Sewer Utility Revenue	(9,937,400)	(10,067,927)	(33,446,618)	(23,378,691)	30%	
Solid Waste Revenue	(2,944,400)	(3,220,722)	(9,652,336)	(6,431,614)	33%	
Business License & Inspection Revenues	(1,273,700)	(1,463,419)	(4,257,010)	(2,793,591)	34%	
Recreation Revenues	(5,779,200)	(6,810,584)	(19,406,098)	(12,595,514)	35%	
Grants In Lieu	-	(140,187)	(3,654,372)	(3,514,185)	4%	1
Provincial Grants	-	-	(1,360,000)	(1,360,000)	0%	1
Interest and Penalties	(2,425,800)	(1,878,748)	(6,276,100)	(4,397,352)	30%	
Surplus Appropriations	-	-	(500,000)	(500,000)	0%	3
Other Revenues	(10,700)	(4,836)	(374,450)	(369,614)	1%	4
<b>Total Revenue</b>	<b>(29,747,100)</b>	<b>(31,242,742)</b>	<b>(301,779,827)</b>	<b>(270,537,085)</b>	<b>10%</b>	

### Explanatory notes for variances over 5%

#### REVENUES:

- 1 *Property Taxation / Utility Tax / Grants In Lieu / Provincial Grants (0%-4% collected)* – All taxation and grants from various government entities are recorded or received in the second trimester.
- 2 *Water Utility Revenue (25% collected)* - Revenue percentage in line with last year's actual. Revenues increase during the summer months.
- 3 *Surplus Appropriations (0% applied)* - As and when needed to offset revenue reductions.
- 4 *Other Revenues (1% collected)* - Revenue percentage in line with last year's actual. Revenues are not received consistently each year.

	2024 Actual	2025 Actual	Annual Budget 2025	2025 Budget Remaining	% Expenditure Spent	
<b>Expenditures:</b>						
Administration	705,800	743,608	2,316,305	1,572,697	32%	
Finance	1,808,900	1,978,657	6,102,840	4,124,183	32%	
Corporate Revenues/Expenses	(313,900)	2,010,175	2,850,271	840,096	71%	1
Fiscal Services	3,936,700	3,923,403	11,159,351	7,235,948	35%	
Corporate Services	1,847,500	1,743,780	5,357,455	3,613,675	33%	
Information Technology	2,811,400	2,330,278	8,363,927	6,033,649	28%	
Legislative & Protective Services	3,240,100	1,960,196	8,504,669	6,544,473	23%	2
Police Protection	17,442,800	19,070,158	52,199,848	33,129,690	37%	
Fire Protection	8,186,500	8,270,666	24,807,226	16,536,560	33%	
Emergency Program	125,400	136,807	499,272	362,465	27%	3
Planning	1,595,300	1,512,343	4,360,728	2,848,385	35%	
Engineering	4,911,600	4,597,728	18,358,671	13,760,943	25%	4
Parks	3,658,700	3,655,039	12,885,568	9,230,529	28%	
Recreation and Community Services	8,847,300	9,261,387	33,167,902	23,906,515	28%	
Library, Grants & Economic Development	3,272,000	2,615,539	8,826,592	6,211,053	30%	
Solid Waste Utility Expenditure	2,865,100	3,039,851	10,915,801	7,875,950	28%	
Water Utility Expenditure	4,201,400	4,775,161	20,954,902	16,179,741	23%	5
Sewer Utility Expenditure	2,171,400	2,034,811	25,520,898	23,486,087	8%	6
Capital Program (tax and fee funded)	2,074,500	3,508,013	44,627,601	41,119,588	8%	7
<b>Total Expenditures</b>	<b>73,388,500</b>	<b>77,167,600</b>	<b>301,779,827</b>	<b>224,612,227</b>	<b>26%</b>	
<b>Revenues minus Expenditures</b>	<b>43,641,400</b>	<b>45,924,858</b>	<b>-</b>	<b>(45,924,858)</b>		

## Explanatory notes for variances over 5%

### EXPENSES:

- 1 *Corporate Revenues/Expenses (42% spent)* - Recoveries from water, sewer and solid waste utilities in line, however, labour contingency recognized in first trimester.
- 2 *Legislative & Protective Services (23% spent)* - Expenditure in line with last year; Insurance premiums were paid in 1st trimester in 2024 but allocated evenly in 2025.
- 3 *Emergency Program (27% spent)* - Savings due to partial year labour vacancy.
- 4 *Engineering (25% spent)* - Seasonal work with higher expenditure occurring in the second trimester.
- 5 *Water Utility Expenditure (23% spent)* - Some maintenance programs are lagging due to staff shortages.
- 6 *Sewer Utility Expenditure (8% spent)* - Operating costs in line with last year. Payment to CRD constitutes 69% of the operating budget and occurs in August.
- 7 *Capital Program (8% spent)* - Transfer of funds for capital infrastructure funding occurs in second trimester after budget approval.



# Capital Program Results

## District of Saanich - 2025 1st Trimester Performance Report Capital Program Results up to April 30, 2025 Projects budgeted over \$1,000,000

Capital Project	Fund	Original 2025 Budget	Budget Transfers *	Revised 2025 Budget	YTD Actual	Percent Spent	Schedule Status	Budget Status	Note
NETWORK EVERGREEN - REPL YR 1	IT	1,000,000		1,000,000	0	0%	R	R	
Sherwood Rd, Arbutus Rd to	WATER	1,068,000		1,068,000	0	0%	N	R	2
HRIMS	IT	1,077,000		1,077,000	169,057	16%	R	R	
Tattersall Dr. - Salsbury	SEWER	1,087,000		1,087,000	895,295	82%	R	R	
SCP Waterslide Replacement	FACILITIES	1,199,919		1,199,919	50,739	4%	R	R	
Arena Rd, 340 Ker - Dysart Rd	SEWER	1,210,000		1,210,000	553	0%	N	R	2
Douglas St, Saanich- Audley	WATER	1,212,000		1,212,000	33,526	3%	R	R	
SOC EV Chargers	FACILITIES	1,234,492		1,234,492	117,180	9%	R	R	
PKOLS/Mt Doug Tower Rplc	LANDS	1,296,350		1,296,350	4,691	0%	N	■	1
Bridge Repairs	BRIDGES	1,392,789		1,392,789	156,753	11%	R	R	
Saanich Rd Blanshard-Short)	SEWER	1,394,000		1,394,000	33,997	2%	R	R	
Cycling Infrastructure Program	BIKEWAYS	1,414,666		1,414,666	66,738	5%	R	R	
Mt. Doug Shoreline Stab.	ROADS	1,451,789		1,451,789	338,500	23%	R	■	1
Madock Ave(Wascana - Harriet)	SEWER	1,528,000		1,528,000	23,829	2%	R	R	
Richmond - Newton to Adanac	ROADS	1,551,904		1,551,904	319,892	21%	R	R	
Homer Rd- Kamloops Loop-Seaton	WATER	1,561,000		1,561,000	0	0%	N	R	2
Playground Replacements	PARKS	1,566,159		1,566,159	261,280	17%	R	R	
Quadra St, Cook - Holmes	WATER	1,567,960		1,567,960	1,561,256	100%	R	R	
Leasehold Improvements	FACILITIES	1,576,909		1,576,909	588,059	37%	R	R	
Bridges and Structures	PARKS	1,582,205		1,582,205	262,559	17%	R	R	
Wilkinson Rd(Greenlea-Quick's)	ROADS	1,611,000		1,611,000	64,013	4%	R	R	
Water - Detailed Design	WATER	1,615,349		1,615,349	495,621	31%	R	R	
Lift Station Capital Works	SEWER	1,617,607		1,617,607	171,661	11%	R	R	
2875 Colquitiz - Gorge Rd	DRAINAGE	1,629,000		1,629,000	1,196,445	73%	R	R	
Pavement Renewal Program	ROADS	1,735,036		1,735,036	39	0%	R	R	
Small Water Meter Replacement	WATER	1,745,306		1,745,306	433,266	25%	R	R	
Adelaide Ave, 2823 - Cowper	DRAINAGE	1,852,360		1,852,360	1,842,236	99%	R	R	
Storm Drain - Detailed Design	DRAINAGE	1,929,315	-56,834	1,872,481	513,987	27%	R	R	
Durrance Rd Bridge Repl	BRIDGES	1,951,816		1,951,816	0	0%	R	R	
Burnside E.(Harriet - Duplin)	WATER	1,966,437		1,966,437	918,277	47%	R	R	
Road Safety Action Plan	ROADS	2,000,000		2,000,000	0	0%	R	R	
Tattersall	ROADS	3,326,000		3,326,000	3,153,816	95%	R	R	
ShortTerm Soln-Adv Active Tran	ROADS	2,019,350		2,019,350	1,271,227	63%	R	R	
Sanitary Sewer-Detailed Design	SEWER	2,037,168		2,037,168	674,927	33%	R	R	
Pat Bay Hwy Wtrmain Lining	WATER	2,058,000		2,058,000	185,484	9%	R	R	
Storm Drainage Model Dvlpmnt	DRAINAGE	2,499,870		2,499,870	1,022,309	41%	R	R	
Parkes - RTU Replacement	FACILITIES	4,215,002		4,215,002	1,520,410	36%	R	R	
Pump Station & PRV Replacement	WATER	4,336,012		4,336,012	1,840,407	42%	■	R	1
Cordova Bay RD	ROADS	4,738,000		4,738,000	84,997	2%	R	R	
Green and Inclusive CHRC	FACILITIES	5,202,606		5,202,606	2,621,317	50%	R	R	
Albina-Gorge Utility Upgrades	SEWER	5,371,000		5,371,000	17,432	0%	N	R	2
W. Saa/Prospect Lk/Sparton Int	ROADS	7,303,886		7,303,886	7,272,922	100%	R	R	
SCP - Mechanical Upgrades	FACILITIES	7,382,817		7,382,817	5,602,674	76%	R	R	
Public Works Yard	FACILITIES	9,166,025		9,166,025	4,022,355	44%	R	R	
Sidewalks Installation Program	ROADS	12,711,249	264,872	12,976,121	6,104,007	47%	R	R	
Gorge Rd	ROADS	14,481,895		14,481,895	11,453,771	79%	R	R	
Sinclair Rd	ROADS	14,558,859		14,558,859	6,358,773	44%	R	R	
New Nellie McClung Library	OTHER	17,297,958		17,297,958	0	0%	R	R	
Fire Hall#2 - Project Planning	FACILITIES	42,667,115		42,667,115	15,002,505	35%	R	R	
SSIP	ROADS	53,207,384		53,207,384	37,514,652	71%	R	R	
<b>Total Project Budgets and Cost</b>		<b>261,205,565</b>	<b>208,037</b>	<b>261,413,603</b>	<b>116,243,433</b>	<b>44%</b>			

1 Costs projected to be higher than budgeted and may require additional funding

2 Project start date was delayed due to internal and contracted resources

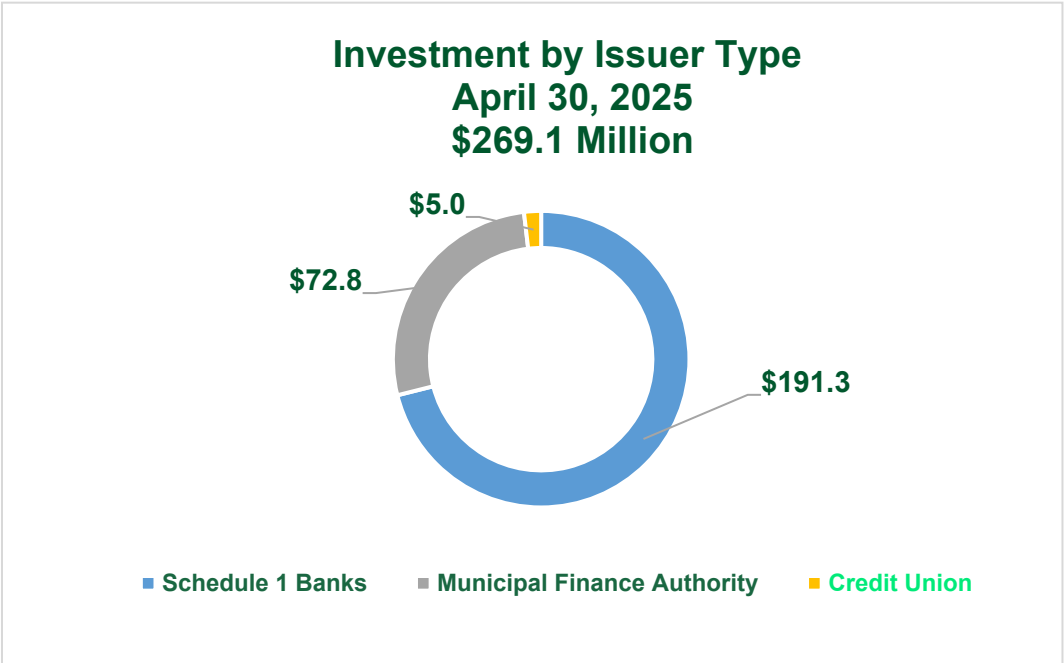
3 Project cost escalation, longer lead time on material delivery or change in scope of the project

\* Budget transfers are usually done from program budgets such as sidewalks, cycling or paving to individual projects once the scope of the work is determined

R	On target
■	Caution
N	Delayed

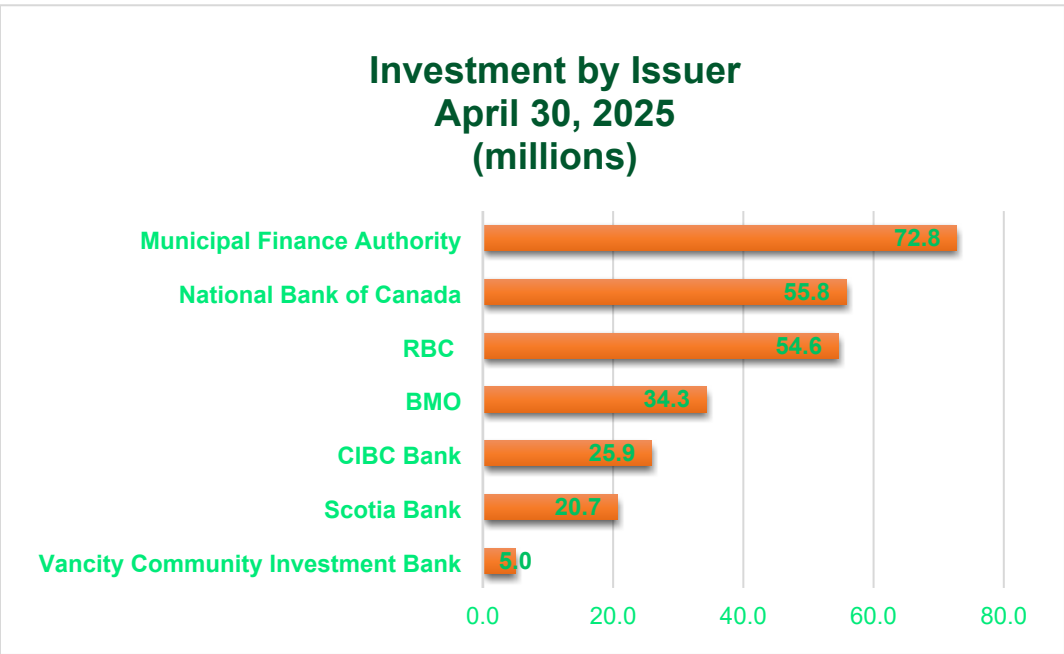
# Investment Analysis

The District of Saanich invests public funds in a prudent manner in accordance with the Council Investment Policy. The investment portfolio is currently valued at \$269 million. Most of these funds are either held for specific capital programs or are invested until needed to pay current operating expenses.



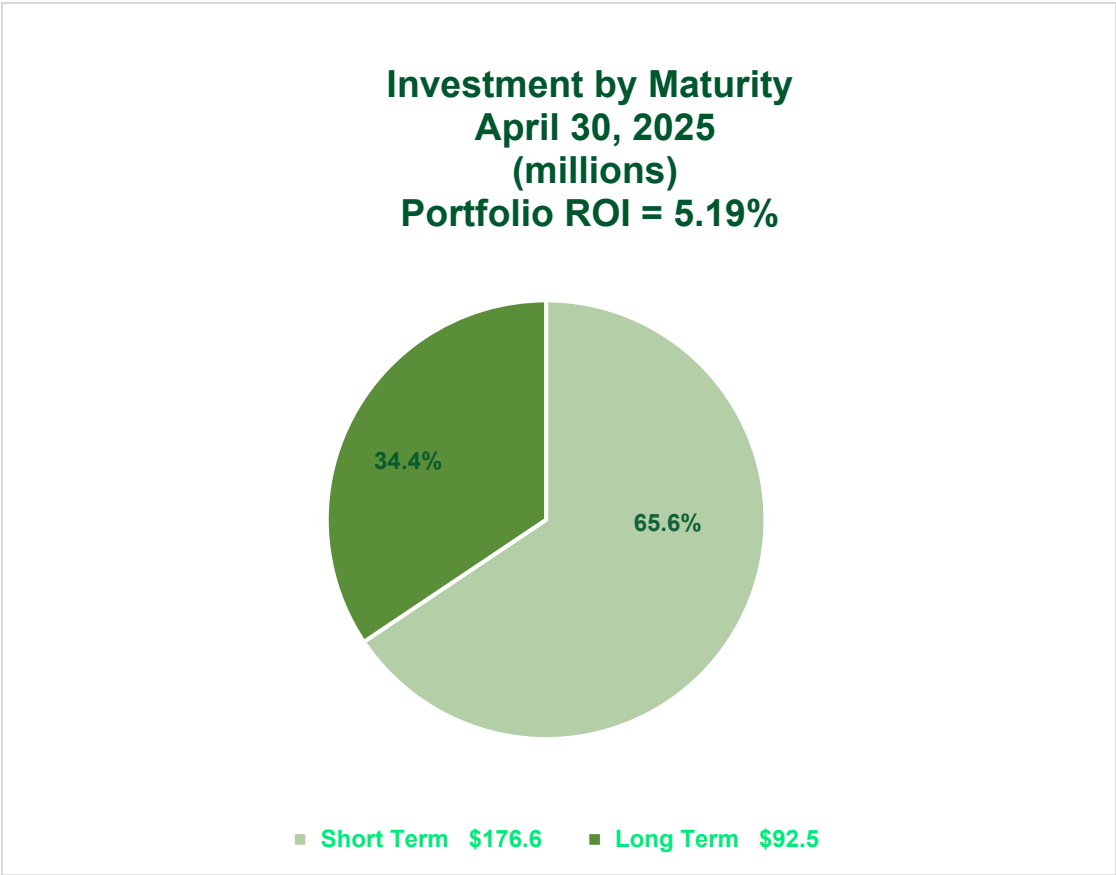
## Diversification

In order to reduce overall portfolio risk, Saanich diversifies its investment holdings across a range of security types and financial institutions.



**Liquidity**

Saanich ensures that the investment portfolio remains sufficiently liquid in order to meet all reasonably anticipated operating and capital cash flow requirements. The majority of the MFA Pooled Funds are held for longer terms as they include various capital reserve funds.



**Return on Investment**

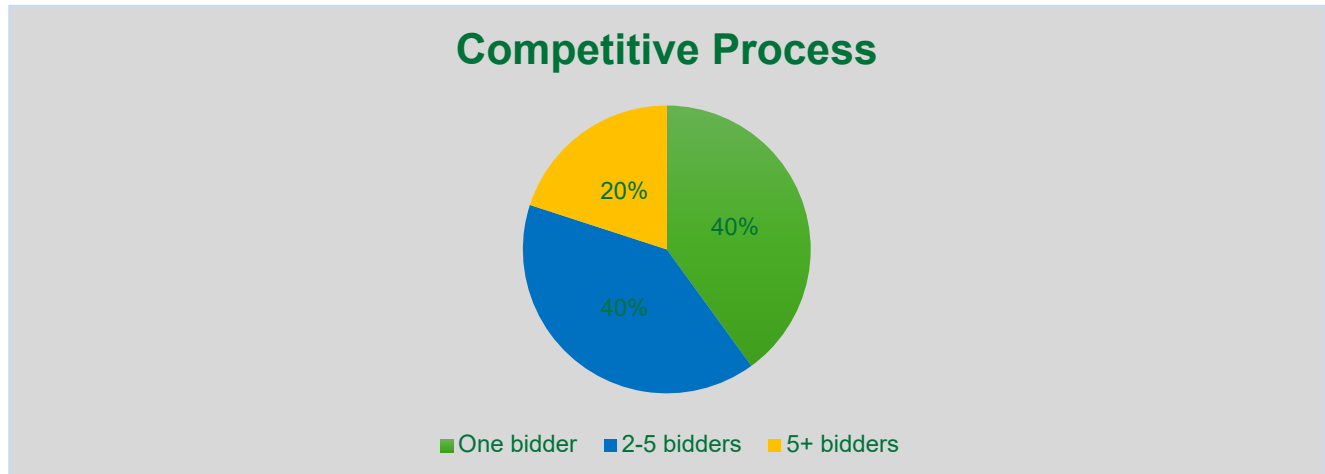
Saanich's investment portfolio earned 5.19% (6.44% in 2024) while maintaining the investment security established in the Investment Policy. The market investment rates for 2025 continues to decline. The Bank of Canada reduced rates from 3.25% in December 2024 to 2.75% in April 2025. This rate remained unchanged at the June 4, 2025 rate announcement.

Any decrease in interest impacts the interest the District receives from both its high interest savings accounts and from newly acquired GIC's. The financial market is expecting further interest rate cuts from the Bank of Canada for the remainder of this year and into the next year. These expectations will drive the investment rates lower in the foreseeable future. Having said that there still remains an unsettled economic environment due to tariffs which may keep interest rates higher for longer.

# Procurement Results

## Competitive Process

60% of procurement processes in the trimester had more than one bidder. This percentage changes each trimester based on the type of goods and services that the District is trying to procure.



## Procurement

Value \$200,000+				
Procurement Description	Value	Years	Supplier	# Bids
Supply and Installation of Fire Training Structure	\$1,007,940.00	One time	ContainerWest Sales Ltd	1
Supply and Delivery of Sign Shop Blanks	\$967,937.75	5	Universal traffic (258) Ltd	2
Supply and Delivery of Sign Shop Materials	\$825,000.00	5	ND Graphics	1
Saanich Commonwealth Place - Interior Renovations	\$576,000.00	One time	Aral Construction	9
Civil Underground Infrastructure Modelling and Analysis Services	\$500,000.00	5	Urban Systems	3
3550 Douglas Street Furniture (CSA)	\$450,790.05	One time	Chase Office Furniture	CP
Purchase of Aerial Truck	\$360,567.00	One time	Altec Industries	CP
Supply and Delivery of Ready-Mix Portland Concrete	\$354,000.00	4	Independent Concrete Trio Ready Mix	2
Senior Business Analyst Services - Level 3	\$350,000.00	2	Bolster Consulting	28
Saanich Municipal Hall Annex - HVAC Upgrades	\$256,745.00	One time	Universal Sheet Metal Ltd	4
Court Facility Surfacing Services - Fowler Park	\$253,389.20	5	Tomko Sports Systems Ltd	2

Value \$75,000 to \$200,000				
Procurement Description	Value	Years	Supplier	# Bids
Police Vehicles - Two Ford F150 XLT 4X4	\$179,572.50	One time	Suburban Motors Ltd	2
Design and Construction Services - Cordova Bay - Lochside Slope Low Pressure Sewer and Storm System	\$171,441.00	One time	McElhanney	1
Vehicle Upfitting - Custom Municipal Sign Installation Truck Bodies	\$153,294.00	One time	Express Custom Manufacturing	2
Design and Construction Services - Watermain Replacements (Del Monte, Piedmont, Sherwood, MacDonald)	\$122,387.00	One time	Associated Engineering	6
EV Charge Station Design for Saanich Operations Centre	\$103,750.00	One time	AES Engineering Ltd	Single
HVAC Cleaning For Saanich Facilities	\$100,000.00	5	Clean Air Services Canada Ltd	4
Campaign CRD ICE	\$90,000.00	One time	Studiothink (514085 BC LTD)	Sole
Teen Centre Interior Renovation - G.R. Peakes Recreation Centre	\$85,860.00	One time	Aral Construction	6
Backhoe Repair using ICBC	\$75,000.00	One time	Finning	Single

*\* co-operative purchasing*

In addition, there were 39 procurement processes with values less than \$75,000 each totalling over \$1,026,769.



## The Corporation of the District of Saanich

# Report

**To:** Finance and Governance Committee

**From:** Paul Arslan, Director of Finance

**Date:** July 3rd, 2025

**Subject:** DEBT MANAGEMENT POLICY HOUSEKEEPING AMENDMENT

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### RECOMMENDATION

That the Finance and Governance Committee recommend to Council the approval of the District's Debt Management Policy as amended.

### PURPOSE

The purpose of this report is to amend the District's Debt Management Council Policy to include Solid Waste Services as one of the funds that can incur debt and to adjust the borrowing terms for Civic building and lands to the maximum borrowing term of 30 years.

### BACKGROUND

At the May 2024 Council meeting, Council amended the debt management policy by increasing the debt servicing level to 14% of property taxes levied for the previous year for the general operating fund and provided a debt servicing level of 10% of water user fees billed in the previous year for the water operating fund.

Considering the need for borrowing to replace aging solid waste vehicles, staff are recommending the addition of solid waste services to the list of funds that can be borrowed for and providing a debt servicing level similar to that of both water and sewer funds. While the borrowing for the vehicles can be done through the general fund, it is more accurate and transparent to have the borrowing done under the name of the fund whose users will be responsible for the debt servicing of the loan.

Prepared by: Paul Arslan, Director of Financial Services

### Attachments:

Debt Management Policy - Amended  
Debt Management Policy - Original

## COUNCIL POLICY

<b>NAME:</b> Debt Management	
<b>ISSUED:</b> August 11, 2014	<b>INDEX REFERENCE:</b>
<b>AMENDED:</b> April 17, 2024 July 3, 2025	<b>COUNCIL REFERENCE:</b> 14/CNCL

### SECTION 1 - OBJECTIVES AND GUIDING PRINCIPLES

#### 1.1 Objectives

The District's objectives in terms of its debt management are set out in this Debt Management Policy. By reaching a clear understanding of its debt objectives, and by continually measuring achievement of those objectives, the District can attain greater accountability and fiscal stability.

#### 1.2 Guiding Principles

The following principles form the basis for this Policy:

- A debt management policy improves the quality of decisions and provides justification of fiscally responsible debt levels;
- Debt management principles need to be consistent with and supportive of realistic longer term financial plans;
- Debt Management needs to conform to the statutory/legal requirements of the *Local Government Act* and the *Community Charter*, generally accepted accounting principles (GAAP) and public sector accounting board (PSAB) recommendations.

### SECTION 2 - POLICY

#### 2.1 Debt Servicing Levels

Debt servicing levels for any year as established in the Financial Plan are restricted to:

General operating fund - 14% of Property Tax Revenue levied in the previous year.

Sewer operating fund - 10% of sewer user fees billed in the previous year.

Water operating fund – 10% of water user fees billed in the previous year.

Solid waste services – 10% of solid waste fees billed in the previous year.

These limits are further restricted by the overall borrowing limits established under the *Community Charter*.

#### 2.2 Borrowing Term

Borrowing terms should be no longer than the estimated useful life of the asset for which the funds are borrowed. The general guideline for borrowing terms shall be:

Machinery and equipment with an expected life of less than 10 years	1 to 5 years
Machinery and equipment with an expected life of 10+ years	5 to 10 years
Replacement of infrastructure (roads, sewers, drains, water systems)	10 to 15 years
Civic buildings and land	15 to 30 years

## 2.3 Debt Surpluses

Any debt surpluses returned to the District by the Municipal Finance Authority shall be transferred to a capital reserve fund aligned with the original purpose of the debt (e.g. general capital, water, sewer, facilities) on January 1<sup>st</sup> of the year following the year of receipt of the debt surplus.

## 2.4 Internal Borrowing

Internal borrowing from specific Reserve Funds, Unappropriated Surplus and Statutory Reserve Fund balances shall be permissible as allowed for by legislation, if a clearly defined and attainable payback plan, including payment of foregone interest, is in place. Paybacks shall be executed according to plan. Internal borrowing payments are to be included in the calculation of the annual debt servicing level.

## 2.5 Responsibilities

The District's Financial Officer shall be responsible for:

- Recommending changes to the debt servicing levels shown in this Policy; and,
- Recommending any revisions or amendments to this Policy, as may be required from time to time, as a result of changes in applicable statutes, accounting standards, economic conditions, etc.

## Section 3 - GLOSSARY

The following terms used in this Policy and are defined as follows:

**(1) Debt servicing limit** – annual debt payments (actual and contingency) provided for in the Saanich Financial Plan for long and short term debt (does not include debt payments made by the Capital Regional District on behalf of the District - e.g. Regional Sewer Debt).

**(2) Property tax revenue** includes property taxes levied under section 197 (1) of the Community Charter and any monies received from the Provincial and Federal Government in lieu of property taxes.

**(3) Sewer user fees** includes all fees collected for the purpose of operating the District's sewer utility.

**(4) Water user fees** includes all fees collected for the purpose of operating the District's water utility.

**(5) Solid waste fees** includes all base and cart fees collected for the purpose of collecting and disposing of both garbage, garden and kitchen waste.