

AGENDA
FINANCE AND GOVERNANCE STANDING COMMITTEE

To be held at Saanich Municipal Hall, Committee Room 2
Monday October 27, 2025 at 9:30 AM

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. July 14, 2025 Meeting Minutes

B. COMMITTEE BUSINESS ITEMS

1. COUNCIL INVESTMENT POLICY AMENDMENT
2. WATER AND SEWER UTILITY RATES REVIEW - PROJECT JOURNEY, SUMMARY OF 2025 CHANGES, AND NEXT STEPS
3. FUNDING OPTIONS FOR SWAN LAKE & CHRISTMAS HILL LAND MANAGEMENT AGREEMENT FEE
4. 2025 2ND TRIMESTER RESULTS REPORT
5. AMENDING ACCOUNTS RECEIVABLE POLICY
6. MULTICULTURAL FESTIVAL FEASIBILITY REPORT
7. NEW LEASE EXPENSE AT CORDOVA BAY COMMUNITY SPACE
8. SCHEDULE OF 2026 MEETINGS

C. ADJOURNMENT

Next Meeting: TBD

In order to ensure a quorum, please contact Tara Judge at 250-475-5555 or 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, July 14, 2025, at 10 a.m.

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

Staff: Brent Reems, CAO (10:02 a.m.); Bernard Tso, Manager of Accounting Services; and Tara Judge, Executive Administrative Assistant to the CAO

Territorial acknowledgement and inclusivity statement read by Cllr Westhaver:

It is appropriate that we begin by acknowledging that the District of Saanich lies within the territories of the ləkʷəŋən (lay-kwung-gen) peoples represented by the Songhees and Esquimalt Nations and the W̱SÁNEĆ (weh-saanich) peoples represented by the Tsartlip (Sart-Lip), Pauquachin (Paw-Qua-Chin), Tsawout (Say-Out), Tseycum (Sigh-Come) and Malahat (Mal-a-hat) 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.

MINUTES FOR ADOPTION

MOVED by Councillor Westhaver and Seconded by Councillor de Vries: “That the minutes of the Finance and Governance Standing Committee meeting held May 12, 2025, be adopted as circulated.”

CARRIED

2025 1ST TRIMESTER RESULTS REPORT

A report from the Director of Finance with the 1st Trimester Results for 2025 was reviewed (January 1 to April 30, 2025).

Most revenues are reaching targets. Recreation continues to be strong. Interest rates are not as strong as prior year, and below projected values. These may still vary based on inflation and tariffs. Expenditures mainly inline. Police over budget, with projected deficit lower than that realized in 2024.

Water flat rate was increased this year, creating some concerns from the public. Goal for 50% of revenue from the flat fee, with the remaining 50% from consumption. Predicting consumption demand challenging to estimate. Flat rate easier to budget versus only billing on actual usage. Most other municipalities use the flat rate process. We originally tried to keep billing on usage to focus on conservation, but was creating a deficit.

MOVED by Councillor Chambers and Seconded by Councillor de Vries: “That the Finance and Governance Standing Committee receive the 1st Trimester Report for 2025 from the Director of Finance for information and that the report be referred to Council for its consideration.”

CARRIED

DEBT MANAGEMENT POLICY HOUSEKEEPING AMENDMENT

A report from the Director of Finance with the Debt Management Policy Housekeeping Amendment was reviewed.

In January 2024 staff came before Council regarding the Facility Master Plan and related costs and need to borrow. At that time Council approved amending the Debt Management Policy 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. No accommodation for solid waste borrowing was included (mainly needed for solid waste vehicles). This current amendment identifies 10% of solid waste fees billed in the previous years for debt servicing levels similar to sewer and water.

An additional update is to indicate in Section 2.2 the borrowing term for civic building should also include land with up to a 30 year borrowing term. Discussion identified that borrowing over a longer term of 30 years reduces annual costs.

MOVED by Councillor Westhaver and Seconded by de Vries: “That the Finance and Governance Standing Committee recommend to Council that the amended Debt Management Policy be approved.”

CARRIED

ADJOURNMENT

The meeting adjourned at 10:37 a.m.

Susan Brice, Chair

I hereby certify these Minutes are accurate.

Tara Judge, Executive Assistant to the CAO



The Corporation of the District of Saanich

Report

To: Finance and Governance Standing Committee

From: Paul Arslan, Director of Finance

Date: October 8th, 2025

Subject: COUNCIL INVESTMENT POLICY AMENDMENT

RECOMMENDATION

That the Committee recommend to Council the approval of the amendments to the Council Investment Policy.

PURPOSE

The Council-approved Investment Policy was established February 2018. While some of the current amendments are being proposed to provide more clarity, the primary driver for the changes is the addition of language to create guidelines for the use of a new pooled investment fund available through the Municipal Finance Authority of BC (the Diversified Multi-Asset Class, or "DMAC", fund and its sibling fund the Fossil Fuel Free version, "FFFDMAC").

BACKGROUND

The Municipal Finance Authority of BC ("MFA") introduced the Diversified Multi-Asset Class fund ("DMAC") in January 2022 and the Fossil Fuel Free version in September 2023. These funds provide municipalities with the opportunity to earn a greater return than currently available via other authorized investments, albeit at a higher risk, on funds that are not required for a minimum of 10 years.

DISCUSSION

The District has various reserves that are required for infrastructure replacement and growth. In addition, there are several operating reserves that are held for extreme cash flow contingencies. All or portion of those funds will not be utilized for years. It may be desirable to maximize the return on a portion of these funds via an investment vehicle that is suitable for long-term funds. Until a few years ago, the only option for municipalities to invest for the long-term were long-maturity fixed income securities. The relatively new DMAC and FFFDAMC pooled funds from the MFA provide an excellent opportunity to increase overall portfolio diversification and expected investment returns on long term funds beyond what is typically available in fixed income securities, while managing associated risks at acceptable levels.

Section 183 of the Community Charter details the investments a local government may access. The permissible list is effectively limited to Federal, Provincial, and Municipal bills and bonds, deposit-level securities of Chartered Banks and Credit Unions, and Pooled Investments Fund offered by MFA. Prior to the launch of the DMAC Fund, the investment choices available for local

governments with long-term investment horizons were inadequate – either resulting in low expected returns (low interest rates) or concentrated risks (limited investment options). Recognizing this, in late 2020 MFA undertook a rigorous process to explore the development of a well-diversified pooled fund to serve longer investment timelines. MFA launched the DMAC Fund on January 17, 2022, and subsequently launched another multi-asset class Fund, the FFFDMAC Fund on September 19, 2023.

MFA's Diversified Multi-asset Class Funds' Objectives, Return Targets, and Fees

	DMAC	FFFDMAC
Objective	Designed specifically for long-term investment of local government reserves. This investment option provides investors with a professionally managed and diversified portfolio of global assets at low fees.	
Return Target	Achieve a real return of 3.5% annually on average over the long-term while minimizing volatility.	
Fees	33 basis points per annum	

Unlike other previously existing MFA pooled funds, the DMAC funds incorporate equities in their mix, with a target of 60% consisting of Canadian and global equities. The remainder of the fund includes 25% fixed income securities and 15% alternative asset types (e.g. infrastructure, real estate, mortgages). It is typical for multi-asset class funds to exhibit volatile performance in the short-to-mid term, but with overall positive results over the long-term, typically in excess of what is achieved via purely fixed income funds. Risks which cause performance fluctuation for multi-asset class funds include but are not limited to equity, interest rate, and credit risks.

MFA has reported increased participation in both Funds since their respective launches. Most investors have added to their positions since their initial investments and at the same time MFA has reported incremental new participants investing in the Fund. Additionally, Fund performance has met MFA's expectations, limiting downside risks during more turbulent periods, while participating in strong up-markets. The total return on DMAC since inception is 7.21% and for FFFDMAC is 17.90%. One should not expect that these returns are indicative of future returns given the short periods of time these Funds have been operating (only 3 years for DMAC and 2 years for FFFDMAC). Markets have experienced increasing volatility over the last year and may not allow for similar unusually high returns in the future. However, it should be noted that the target for these funds is to achieve returns of 3.5% in excess of inflation over the long run. If long term inflation remains in the 2.5% to 3.5% range, one should expect 10 year or longer returns to reach in the vicinity of 6% to 7%.

MFA's investment Funds aim to be best-in-class: professionally managed, very low-cost, and appropriate and valuable to local governments – big or small.

MFA's Management and its Trustees oversee the performance of its Fund Manager, Phillips Hager, & North (PH&N). PH&N is responsible for the day-to-day investment management of the FFFDMAC and DMAC Funds. Within the bounds of the Funds' investment policies, PH&N has full discretionary investment authority. Amongst other tasks, PH&N monitors the Funds and their

exposures, ensures adherence to policies, forecasts and considers market developments, and executes trades. A formal review of manager performance is conducted by MFA's Trustees on an annual basis. Quarterly, MFA's Management receives a Management Report from PH&N – amongst other things, the Report summarizes PH&N's adherence to the Investment Policy, Objectives and Guidelines agreed-to between the parties. While MFA's Trustees are ultimately responsible for monitoring the performance and operations of the funds, Trustees benefit from a robust governance support structure which includes monitoring and advice from MFA's senior staff of investment professionals as well as advice from a Pooled Fund Advisory Committee- which is comprised of twelve senior local government finance professionals. I have personally been a Member of MFA's PFAC Committee since May of 2024. More generally, MFA's staff facilitate investment transactions and support local government investment professionals through various investment-related educational endeavours.

DMAC & FFFDMAC Exposure Limit Maximums

By mutual agreement with the MFA, the Province has set a maximum investment limit to a local government's investment in the DMAC - calculated as 25% of its previous year's reported Cash & Investments total (for municipalities with a population of greater than 10,000). For the District of Saanich, the maximum investment in the DMAC Fund using the most reported figures is \$81.5 million as illustrated below. A secondary limit has also been set with respect to Reserves that are restricted or a result of deferred revenues. Of that maximum amount \$15.4 million may be derived from restricted/deferred revenue reserves. These limits were put in place to create a cap on exposures to more volatile investments and to ensure restricted and deferred revenue reserves maintain a fair level of liquidity. These maximum limits, as they relate to the District and as calculated using the Province's methodology, are illustrated in the calculation sheet below.

District of Saanich DMAC Investment Limit Calculation	
LGDE* Schedule 301 - Financial Assets as at December 31, 2024 - Cash and Investments	\$ 325,789,409
Population Factor for over 10,000	25%
Total DMAC/FFFDMAC Investment Limit	\$ 81,447,352
Of the "Total DMAC Investment Limit", the Maximum Amount Eligible for DMAC Investment derived from Total Restricted and Deferred Revenue Reserves:	
LGDE* Schedule 302 - Liabilities as at December 31, 2024 - Total Restricted and Deferred Revenue	\$ 61,452,574
Total Restricted and Deferred Revenue Maximum Factor	25%
Amount of Total Restricted and Deferred Revenue Eligible for DMAC/FFFDMAC Investment	\$ 15,363,144
*LGDE = Local Government Data Entry - municipal stats derived from audited financial statements	

The overall limit above is looked at on an overall basis on any local government's investment portfolio. Staff have analyzed all of the District's existing restricted and unrestricted investments (both for Operating and Reserve Funds) and earmarked maximum amounts within each specific internal pool as suitable to be invested in long-term assets. In particular, Staff focused on reserves which have been set aside for long term infrastructure replacement and growth. Further, other pools that are held for contingency reasons were analyzed and a portion of those reserves

were deemed suitable for longer-term investment as they are extremely unlikely to be needed in the short to medium term.

The table below outlines the earmarking of the maximum long-term investments to various funds.

Unrestricted Funds to be Considered for Long Term Investing

	Operating	Reserve Fund	Comments
Insurance Reserve	2,000,000		Used only when large claims are settled and need to be paid
Working Capital	4,450,000		Used for funding operations during a large business interruption
General, Water & Sewer Accumulated Surpluses	25,389,000		Used for funding operations during a large business interruption
Equip Depreciation Reserve Fund		13,169,000	Used to replace end of life equipment
Water Capital Reserve		5,900,000	Used to fund large and backlog capital projects
Sewer Capital Reserve		13,120,000	Used to fund large and backlog capital projects
Capital Works Reserve (General Capital, Gas Tax & Future Improvement)		46,768,700	Used to fund large capital projects in conjunction with annual funding
Total Unrestricted Funds	31,839,000	78,957,700	110,796,700
Restricted for DMAC Investment			66,000,000

Restricted and Deferred Revenue Reserves to be Considered for Long Term Investing

	Operating	Reserve Fund	Comments
DCC		16,398,000	Used to fund pre-planned 20 year growth related capital projects
Sub-Regional Reserve		1,209,700	Used to purchase parkland when needed
Parkland Acquisition Reserve		446,400	Used to purchase parkland when needed
Deposits	29,494,474		Funds held and repayed to depositor when their obligation is fulfilled
Deferred Revenue	11,650,300		Funds received in advance of services being delivered
Total Restricted Funds	41,144,774	18,054,100	59,198,874
Restricted for DMAC Investment			15,000,000
Total Available for DMAC Investment			81,000,000

This report therefore recommends that Council designate a maximum of \$81 million as eligible to be invested in long-term investments for 10 years or longer.

We should note that the DMAC fund has relatively higher liquidity risk than the District's other investments. The DMAC Fund requires a 30 day notice period for withdrawals necessitating planning when cash requirements near. Also, as the DMAC holds alternative investments to enhance the expected risk-adjusted returns of the Fund. Those alternative investments, namely Canadian Core Real Estate, High Yield Mortgages, and Global Infrastructure, may from time-to-time limit or halt redemptions which may extend to the DMAC itself limiting or halting redemptions. This potential liquidity restriction is anticipated to only occur during periods of unusual market stress and would be in place up to a maximum of 3 years. It should be noted this type of restriction is common for alternative investments and MFA's Funds have never restricted redemptions. While investing in the DMAC Fund is locked-in for 10 years, and may be less liquid during periods of severe market distress as described above, these risks can be mitigated by diligent planning and the limits on the maximum investment amount. Only funds that are unlikely to be required for long periods will be considered eligible for this investment, and long-term cash flow forecasts will be reviewed regularly to ensure funds are withdrawn in a timely manner as they are required.

FINANCIAL PLAN IMPLICATION

The DMAC pooled investment fund provides an opportunity to increase long-term returns on monies that are not needed in the short-term. In addition, investing in the DMAC fund would allow diversification of the District's investments away from concentrated investments in bank deposits and Canadian fixed income instruments into a global portfolio of stocks, bonds and alternative assets. This additional expected return will assist, in the long run, with funding of future capital projects and operating expenditure. The return objective of the fund is to provide real returns (i.e., in excess of inflation) of 3.5% over the long term. This is 2.0 to 2.5% higher than the typically available options for fixed income securities invested in by the District. Based on the recommended proportion, this opportunity may generate an additional investment income of \$1 million per year in each of the operating and reserve funds.

The District will have to account for these funds using the estimated market value of these funds at the end of every calendar year. The District may have "unrealized gains" or "unrealized losses" at the end of each year. The term "unrealized" is utilized because while the funds have not been sold, if they were to have been sold at December 31st of that year, that is what the value would have been. When the investment does get sold to pay for several large projects then these amounts would be "realized". In years where DMAC investments are not sold, this would add some volatility to non-cash components of the financial statements (would not impact the operational budget, appears in a statement of remeasurement).

CONCLUSION

Staff are satisfied with the forecasts of future cash flows and the expected needs to sell long-term reserves to fund spending in the future. Staff believe the DMAC Fund would fit well as a component of our overall Investment Portfolio, increasing expected returns while diversifying the portfolio concentration risks. The risks of this Fund are well-understood by Staff and are acceptable in our view. The main tradeoffs to investing in the DMAC are locking-in of a portion of reserves for at least ten years, and an expectation of some downside volatility to the District's balance sheet to account for unrealized gains and losses. Staff suggest Committee accept the recommendations set-forth in this Report.

Prepared by: Paul Arslan, Director of Financial Services

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I endorse the recommendation of the Director of Finance.

Brent Reems, Chief Administrative Officer

SUBJECT:	INVESTMENT POLICY	
DATE OF ISSUE:	FEBRUARY 08, 2018	ORIGIN: FINANCE
AMENDED	October 2025	

PURPOSE

The purpose of the Investment Policy is to provide a framework for investment portfolio management. It is the practice of Saanich to invest funds in a manner that will provide primarily for capital preservation, in addition to investment diversification and risk adjusted rate of returns. The portfolio must meet the short and long-term cash flow needs of the municipality while complying with the statutory requirements for investments under section 183 of the Community Charter.

SCOPE

The investment policy applies to all cash operating funds, capital funds, and reserve funds.

OBJECTIVES**Safety of Principal**

Investments shall be made to ensure preservation of principal within the portfolio. Preservation of principal is accomplished through placement of investments in the safest type of securities, with creditworthy institutions, and through portfolio diversification. Diversification is required to minimize potential losses on individual securities or institutions, and balance returns from a blend of financial products.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all annual operating and other reasonably anticipated cash flow requirements. This will be accomplished by selecting maturity dates that correspond to short and long-term requirements, and securities with active or secondary resale markets where appropriate. Securities purchased are intended to be held until maturity unless favourable market conditions afford a substantial opportunity to sell the security early.

Return on Investment

The rate of return of the investment portfolio shall be maximized without compromising safety of principal or diversification.

STANDARD OF CARE**Prudence**

Portfolio management shall be performed with reasonable judgement, discretion, and care, under market conditions then prevailing. Investments will never be made for/under speculation. Foremost will be consideration for the safety of principal.

Ethics and Conflict of Interest

Staff responsible for investing shall refrain from personal investment activity that could conflict

with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.

Delegation of Authority

Authority to manage the District's investment program is delegated to the Director of Finance under the Officer and Administrative Structure Bylaw, 2017, No. 9424 and in accordance with the provisions of Section 149 of the *Community Charter* as follows:

One of the municipal officer positions must be assigned the responsibility of financial administration, which includes the following powers, duties and functions: (b) ensuring the keeping of all funds and securities of the municipality; (c) investing municipal funds, until required, in authorized investments.

Authorized investments are referred to in Section 183 of the *Community Charter*.

The Manager of Accounting, receiving guidance and transaction authorization from the Director of Finance, is responsible for the development and execution of the District's investment policy.

SAFEKEEPING AND CUSTODY

All security transactions entered into by the District shall be conducted on a delivery versus payment basis, where physical custody is applicable. The Director of Finance must be satisfied that physical possession of the security is in possession or held by a custodial service. All investments must be held in the name of The Corporation of the District of Saanich, or the District of Saanich, by all institutions.

SUITABLE AND AUTHORIZED INVESTMENTS

Investments must comply with Section 183 of the *Community Charter*.

Money held by a municipality that is not immediately required may only be invested or reinvested in one or more of the following:

- *securities of the Municipal Finance Authority;*
- *pooled investment funds under section 16 of the Municipal Finance Authority Act;*
- *securities of Canada or of a province;*
- *securities guaranteed for principal and interest by Canada or by a province;*
- *securities of a municipality, regional district or greater board;*
- *investments guaranteed by a chartered bank;*
- *deposits in a savings institution, or non-equity or membership shares of a credit union;*
- *other investments specifically authorized under this or another Act.*

Investments noted above are subject to the following conditions,

1. Chartered banks, credit unions, savings institutions, or any province must meet one of the following minimum credit quality rating scales when investments are placed with them. Unrated securities will not be considered for investment,

Rating Agency	Short Term Obligations	Long Term Obligations
DBRS	R-1 (low)	A (low)
Standard & Poor's	A-1	A-
Moody's	P-1	A3

2. Pooled investment funds should have environmental, social, and governance (ESG) factors and/or United Nations principals for responsible investment (UNPRI) integrated into their portfolio analysis and holdings.
3. Investment in securities of a municipality or regional district or greater board should be made on an exception basis only, with due care to the amount and terms due to the size and financial depth of the issuer.

Long-term Portfolio (10 years+)

After first ensuring adequate short & mid-term liquidity, if the Director of Finance identifies monies not needed for 10 years or longer they may request Council acknowledge those monies as “long-term: 10 years+” and suitable for investments with long investment horizons. If funds have been designated as “long-term: 10 years+” the Director of Finance may invest those monies in:

- *Any MFA Pooled Investment Fund created specifically for investment of long-term reserves; or*
- *Section 183 investments with a minimum long-term credit rating of A (low).*

MFA constructs its long-term Pooled Investment Funds as stand-alone Funds with appropriate diversification, risk and return characteristics for long-term investing requirements. As such, these Funds do not apply to concentration, credit or other investment policy limits described elsewhere in this Policy.

It is typical for multi-asset class Funds to exhibit volatile performance in the short-to-midterm, but with overall positive results over the long-run. Risks which cause performance fluctuation for multi-asset class funds include but are not limited to equity, interest rate, and credit risks. It is the District's intent to hold perpetual long-term MFA Funds for 10 years or longer – in alignment with but redeemed prior to future obligations.

INVESTMENT PARAMETERS**Diversification**

The District will diversify its investment portfolio by institution, type and sector of investment in order to reduce overall risk of the portfolio given the prevailing market conditions at the time. With the exception of securities issued by the Federal or a Provincial Government, or Municipal Finance Authority pooled funds, not more than 30% of the investment portfolio will be invested with a single institution or entity. However, as market and operational (e.g. tax collection) fluctuations may cause aggregate holdings of a single entity to exceed applicable thresholds, the District is not obligated to sell the securities with immediacy to remain in compliance with this Policy. Rather, the portfolio must be rebalanced when it is most prudent to do so in any manner deemed appropriate.

Reserve funds specifically will be diversified by security type, institution, and take into consideration terms, maturity, and impact on return on investment.

Maturity

To the extent possible, the District will attempt to match its investments maturities with cash flow requirements. The level of cash flow needs and surpluses will be identified by reviewing historical cash levels, the annual financial plan, five year capital plan, and reserves funding anticipated from

one to five years.

Because of the inherent difficulties in accurately forecasting cash flow greater than one year, a portion of the portfolio will be continuously invested in readily available funds to meet ongoing obligations of one year. The portion of the portfolio not attributable to one year's ongoing obligations, or to a specific cash flow requirement or reserve fund will typically be invested in terms of one to five years. Maturities of greater than five years should be reviewed by the Director and approved on individual basis while taking due care with the terms, amount, and resale ability of the investment.

COMPETITIVE BIDS

The District will solicit at minimum two competitive bids and verbal quotations for the purchase and sale of securities where it is prudent to do so. Transactions should be made directly with financial institutions where possible.

An authorized list of investment dealers will be maintained and reviewed annually by the District. Accounts with new dealers must be approved by the Director of Finance, and will not be opened until an investment is made with the dealer. Bidders for investment transactions will at minimum be in good standing of the Investment Industry Regulatory Organization of Canada (IIROC), Mutual Fund Dealers Association (MFDA), or the BC Securities Commission. Professional judgement, due diligence, and care will be exercised when selecting investment dealers.

Memo

To: Finance and Governance Committee

From: Paul Arslan, Director of Finance
Harley Machielse, Director of Engineering

Date: October 15, 2025

Subject: **Water and Sewer Utility Rates Review - Project Journey, Summary of 2025 Changes, and Next Steps**

RECOMMENDATIONS

That the Finance and Governance Standing Committee receive this report for information and recommend the following to Council:

1. That Council continue incrementally adjusting the monthly charge (flat rate) component of water and sewer utility rates for 2026 for the District's portion of the costs.
2. That Council approves the allocation of the 2026 CRD Sewer Requisition increase as a separate flat fee on the utility bill, to enhance transparency for utility customers.

PURPOSE

The purpose of this report is to provide the Finance and Governance Standing Committee with an overview of the District's multi-year journey to review and modernize water and sewer utility rates. This report outlines the utility rate structure and rationale for recent and upcoming changes, describes the intent to continue incremental monthly charge adjustments until new meter data enables more robust rate design options, and highlights the potential for future work towards tiered and/or seasonal rates.

DISCUSSION

Background: The Current Rate Structure and Need for Rate Review

The District's water and sewer utility rates use a combination of monthly charges (flat rate) and consumption-based unit rate charges. For the water utility, customers pay a monthly charge based on the size of their service connection. In addition to the monthly charge, customers pay a variable rate per cubic meter of water consumed. The sewer utility follows a similar structure, with a flat monthly charge applied uniformly across service sizes, and a unit rate for sewage discharge applied against estimated wastewater flows derived from water consumption data.

Over the past decade, several challenges and considerations have emerged, prompting a comprehensive review of utility rates:

- **Aging Infrastructure and Capital Needs:** Both water and sewer systems face significant capital pressures, with aging pipes, pump stations, and reservoirs requiring renewal or replacement. Through the Water Master Plan and Sewer Master Plan, as well as related asset management processes, the District has identified substantial infrastructure backlogs—estimated in 2023 at \$177 million for water and \$96 million for sewer.
- **Revenue Volatility and Escalating Needs:** Historically, about 90% of utility revenue was generated from demand-based (consumption) charges, with only 10% from flat monthly charges. This structure made annual revenue projections highly sensitive to unpredictable consumption patterns, creating challenges for financial planning and risking underfunding of critical capital projects. Additionally, overall revenue needs for both utilities have grown significantly, each increasing by over \$2.8 million from 2024 to pay for service provision. Recent increases are due to factors such as: increases in the cost of purchasing bulk water from the CRD; higher construction costs and capital funding needs for asset replacement; inflationary increases to operating costs; and, increases to the cost for sewage treatment and debt servicing from the CRD.
- **Meter Data Limitations:** Some older water meters were found to be past their optimal service life, which can result in lower-than-actual readings. To ensure accurate measurement and maintain the reliability of demand-based revenue, the District is actively replacing these meters working towards implementing an enhanced meter reading technologies for more frequent and consistent data gathering for both billing and engineering purposes.
- **Best Practice and Equity:** Modern utility finance principles recommend a more balanced approach, with a greater share of revenue from flat rate charges to ensure stable funding for predictable costs – such as infrastructure maintenance, administration, and capital – while still incentivizing conservation through consumption rates. Consumption rates are generally designed to reflect usage and help recover costs associated with water treatment, supply and distribution.

The Project Journey: From Initial Review to 2025 Rate Changes

Recognizing these challenges, the District launched a multi-year initiative to modernize its water and sewer utility rate structures. This effort has involved extensive technical analysis, financial modeling, and policy development, supported by specialized consulting expertise and supported by Council direction. The project has unfolded in deliberate phases—beginning with foundational reviews and meter assessments, progressing through strategic planning and master plan analysis, and culminating in the recent 2025 rate changes. These rate changes apportioned the increased budget requirement to the monthly charge portion of the rate only. Consideration of rising utility rates has been based on the total bill to the average customer—combining both the monthly charge and the consumption-based portion—rather than looking at the year-over-year change in just one part of the rate.

The following section outlines this journey, highlighting key milestones, decisions, and the rationale behind each step.

2020/2021: Initial Review and Business Case for Meter Replacement

In 2020/2021, the District engaged Urban Systems to conduct an initial review of water and sewer rate structures, with a focus on preparing for a major water meter replacement program. Key findings included:

- The need to gradually replace aging and failing water meters to restore measurement accuracy and revenue reliability.
- The importance of shifting toward a more balanced fixed-to-variable revenue ratio (targeting 50:50 flat to consumption based rates over time).
- The risks of making major changes to rate structures (e.g., tiered rates) before new, accurate meter data is available.

2021/2022: Comparisons and Advanced Analysis

Further analysis confirmed that Saanich's monthly charges (flat rate) were among the lowest in the region, while consumption rates were among the highest. This imbalance exposed the utility to revenue volatility and made it difficult to plan for long-term capital needs. The review also highlighted the need for:

- Consistent meter reading schedules to improve data quality, analytics and determine trends.
- Consideration of tiered rates and seasonal pricing would be challenging to establish given the reliability of the data and inconsistent periods over which data is gathered, i.e. rolling billing cycle.
- Incremental, intentional changes to the rate structure to avoid sudden impacts on customers.

2023/2024: Master Plans and Council Direction

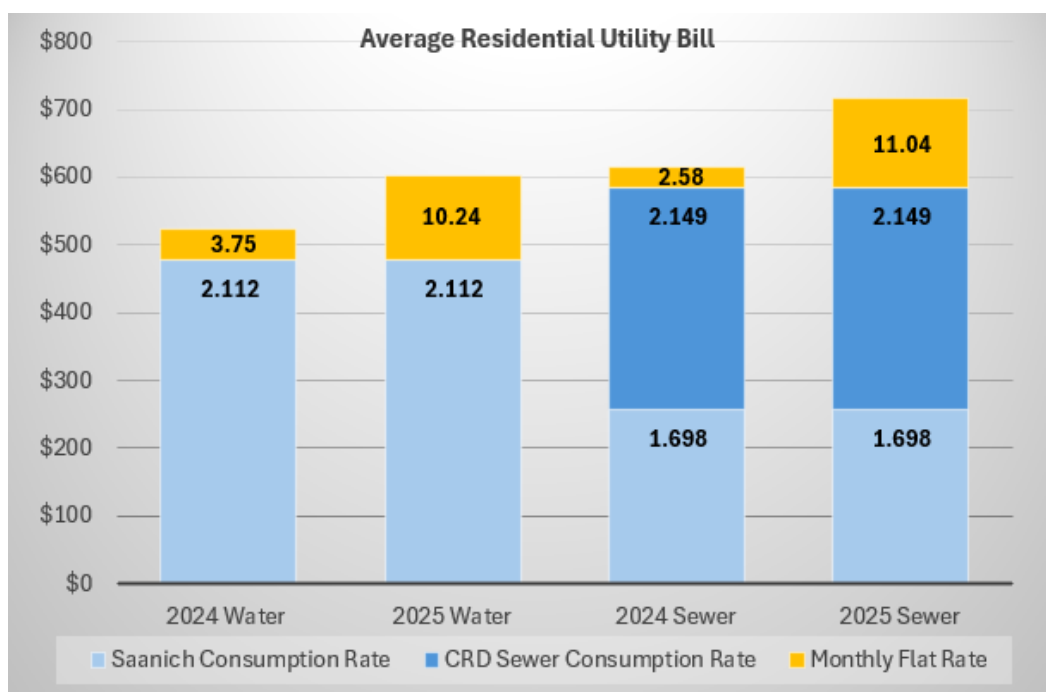
The Water and Sewer Master Plans, completed in 2022 and 2023 respectively, reinforced the need for significant capital investment over the next 20 years to maintain service levels and balance operational risk. In order to fund these programs, the Plans recommended updating the utility rate structures to provide more predictable, sustainable funding. In 2024, Council endorsed a strategy to gradually shift the revenue model toward a more balanced split between consumptive and flat rate charges, in line with best practices.

2024/2025: Implementing the First Major Shift

For the 2025 water and sewer rates, Council approved a new approach: apportioning required revenue increases to the monthly charge component while holding consumption rates steady. This marked the first step in modernizing the rate structure and moving towards a 50/50 allocation between consumption and flat rate revenues. This approach reduces revenue volatility and aligns with best practices in utility finance per the American Water Works Association and the Environmental Protection Agency¹.

¹ The AWWA's *Manual M1* recommends a two-part rate structure—fixed charges to cover predictable, capacity-related costs and variable charges for consumption—to align revenues with costs, stabilize income, and support conservation. The EPA similarly notes that fixed charges provide revenue stability, while variable charges encourage efficiency.

The 2025 utility rate adjustments for the most common residential connection sizes are summarized below, reflecting an average annual residential bill increase of \$77.88 for water and \$101.52 for sewer.



Under the previous rate calculation method, the entire budget increase for each utility was applied exclusively to consumption rates. Had the District continued this approach in 2025 with flat fees unchanged, the water consumption rate would have risen by 8.82%, the District's sewer rate by 10.28% and the CRD sewer rate by 8.88%. While this method would have resulted in the same budgeted revenues for these utilities, the District would still be at risk of under-collecting due to the dependance on the consumption volume.

Financial Context and Rationale

The District's financial needs for water and sewer utilities are predominantly capital-related—replacing aging infrastructure, meeting growth demands, and ensuring regulatory compliance. However, the historic rate structure relied heavily on variable, consumption-based revenues, which are inherently unpredictable. In addition, the aging meters are under-reporting consumption and increasing the uncertainty and volatility of annual revenues. This historical practice has created several challenges:

- **Budgeting Uncertainty:** Each year, the District was forced to estimate anticipated revenue, often with variable accuracy, leading primarily to shortfalls, and some years, surpluses that complicated long-term planning.
- **Risk of Underfunding:** As household water consumption trended downward (due to conservation and efficiency), revenue became less predictable, even as capital needs remained steadily increased.

- **Equity and Conservation:** Even as households conserved water, consumption rates needed to increase to ensure sufficient utility revenue. Tiered and seasonal rates are important tools to promote conservation and fairness; however, implementing them is best done after reliable, consistent and current meter data is available to analyse trends, establish the appropriate division of tiers and avoid unnecessary revisions down the line.

The decision to focus on incremental flat rate charge adjustments reflects a careful balance between financial sustainability, customer impact, and readiness for future modernization.

Future Phasing of Tiered and/or Seasonal Rates

Tiered and/or seasonal rates are valuable in terms of promoting conservation and equity. Tiered rates apply increasing charges as consumption rises (similar to hydro billing) – ensuring that basic water needs remain affordable while higher usage is priced at a premium. Seasonal rates adjust pricing based on the time of year, typically charging more during peak demand periods (i.e. summer) to reflect the increased strain on water systems and encourage efficient use. Both options can be applied to future rate design.

While these approaches are being considered in Saanich, several factors have led the District to temporarily defer implementation to a later date:

- **Meter Data Reliability:** The current meter data is not sufficiently accurate or consistent to support multifaceted rate structures. Implementing tiered or seasonal rates now could create fairness and accounting challenges, especially if new meter data later reveals significant discrepancies from the values used as a basis for the rate design.
- **Transition Management:** Introducing tiered and/or seasonal rates before the new meters are in place could require further adjustments once accurate data is available, creating confusion and potential dissatisfaction among customers. Similarly, meters can be read consistently using a predetermined reading schedule for all customers— replacing the current patchwork of zone-by-zone read dates. This practice is essential in the short term to fine-tune rates that support conservation and efficiency. The District is currently planning a 7 to 10-year program to replace aging meters with new metering / reading technologies, deploying approximately 3,000 – 4,000 meters / transmitters per year.
- **Strategic Timing:** The District's strategy is to continue incremental monthly charge adjustments (flat rates) while the meter replacement program is underway. Once a representative sample of new meters is installed and reliable data is available, the District will be able to explore options for tiered and/or seasonal rates.

Future Directions: Building for Long-Term Sustainability

Meter Replacement Program

The ongoing meter replacement program is critical to the District's long-term cost-recovery strategy. As new meters are installed and data quality improves, the District will be positioned to: revisit the rate structure and consider options for tiered and seasonal rates; improve the accuracy and equity of billing; and, enhance the ability to promote conservation and manage demand.

Continued Monthly Charge Adjustments

Until sufficient new meter data is available, the District will continue to incrementally adjust monthly charges to improve revenue stability and support capital investment and monitor revenue generation. This approach aligns with best practices and provides a stable foundation for future modernization.

Long-Term Strategy

The ultimate goal is a resilient, equitable, and sustainable utility rate structure that: supports both operational and capital needs; aligns with best practices in utility finance; and, enables future conservation incentives (e.g. tiered and/or seasonal rates) and equitable cost recovery.

FINANCIAL IMPLICATIONS

The shift to a higher monthly charge (flat rate) provides more stable and predictable revenue, better supporting the District's capital program and reducing reliance on variable consumption-based income. This approach also positions the District to address infrastructure replacement backlogs and meet long-term funding needs identified in the Master Plans.

On October 28th, 2024, Council endorsed a resolution to adopt this approach in the 2025 Financial Plan:

That Council:

- *Approve apportioning the increased budget requirement for the 2025 Water and Sewer Utility rates to the flat portion of the rate, keeping the consumption rate unchanged; and*
- *Instruct staff to prepare the 2025 Water and Sewer Utility rates and bylaws to reflect this change in approach.*

Financial Analysis

Staff have completed a review of actual versus budgeted revenues for both the consumption and flat fee components of utility charges, covering the period from 2019 to present. The analysis indicates that in four of the past six years reviewed, revenues related to consumption have fallen short of budgeted consumption projections for both utilities.

Water	2019	2020	2021	2022	2023	2024	2025*
Consumption Sales	(907,200)	(1,568,400)	666,200	(1,461,500)	467,200	(741,200)	(490,000)
Flat Fee	41,200	6,400	(193,700)	197,400	14,700	104,700	7,400
Over/(Under) Collection	(866,000)	(1,562,000)	472,500	(1,264,100)	481,900	(636,500)	(482,600)

Sewer	2019	2020	2021	2022	2023	2024	2025*
Consumption Sales	122,800	(257,600)	(52,600)	(815,500)	41,400	(380,200)	(82,600)
Flat Fee	1,500	(5,900)	(3,100)	(13,800)	(2,100)	102,500	1,500
Over/(Under) Collection	124,300	(263,500)	(55,700)	(829,300)	39,300	(277,700)	(81,100)

**Projected Revenue for 2025*

For 2025, a modest surplus is projected in both the water and sewer flat-rate categories. It is important to note that the full 2025 budget increase was allocated to the flat-rate component, with no adjustments made to consumption rates. Consequently, under-collection from consumption charges would have been expected to persist through 2025.

The chart below illustrates historical revenue actuals as well as projected annual surpluses and deficits for the water and sewer utilities from 2019 through 2025. In some years, a surplus was achieved despite lower-than-anticipated consumption (as shown in the charts above). This outcome is primarily due to alternative revenue sources compensating for the shortfall in consumption, as well as actual expenditures being lower than forecasted. Historically, the water utility has recorded more deficit years than surplus years as presented below due to the unpredictable seasonal changes in consumption levels and unaccounted for water losses in the overall system that result real costs incurred by the District in the purchase of bulk water but are not transferrable at the customer meter. Whereas the sewer utility has experienced fewer deficits overall, as these variables do not form part of the consumption formula resulting in less volatility.

Water Utility	2019	2020	2021	2022	2023	2024	2025*
Annual Surplus/(Deficit)	(1,348,100)	-	55,100	(556,600)	420,900	(796,300)	(369,200)

Sewer Utility	2019	2020	2021	2022	2023	2024	2025*
Annual Surplus/(Deficit)	787,400	287,300	740,600	(423,200)	1,385,000	47,900	376,714

*2025 year end projection.

As illustrated, it is in the District's best interest to continue advancing rate modernization efforts to ensure the utilities become fully self-funded through user fees. The long-term objective should be to eliminate annual deficits entirely, promoting financial sustainability.

Lessons Learned in 2025

Staff reflected on the experience of the changes in 2025 to the utility rate design and identified the opportunities below for improvement in 2026:

1. Communication: The change in rate design took effect swiftly at the end of 2024 in establishing the new utility rates in time for 2025 financial planning process. This shift in revenue generation resulted in many questions from rate payers; more than normal. Staff reacted to the questions by producing *Frequently Asked Questions (FAQ)* documents and posting them on the website. In hindsight, more communication materials should be provided with the initial billing cycle. This is an opportunity to improve messaging in 2026.
2. Revenue Generation: It is expected that the budget increases allocated to the flat fee will be collected in full as there is no reliance on consumption volumes. Any deficit or surplus projected for this year is expected to level out over the next few years as the revenues stabilize under this new design approach.
3. CRD Sewer Service Costs: All budget increases in 2025 were allocated to the sewer flat rate including increases from the CRD sewer service. This inflated the flat rate by another \$4.44/per month (or 40%) and split funding sources for the revenue in a manner that added complexity to the accounting. In hindsight, the flat fee adjustment should have included a new CRD flat fee component that with the CRD consumption rate make up the revenue need to pay the full annual CRD requisition.

Moving forward, staff recommend the following strategic considerations.

Continue prioritizing flat fees for rate increases

Given their revenue stability, flat fees should continue to absorb future budget increases in the short term. While this represented a significant change for customers in 2025, continuing the same approach in 2026 will support consistency and predictability.

Create a new CRD Flat Rate Charge

For 2026 utility rate adjustments, staff are proposing to introduce a separate flat fee on the utility bill, in addition to the regular flat fee, to recover the increase in the CRD Sewer Requisition. Last year, this increase was included in the general sewer flat fee, alongside the District's operating and capital budget increases.

In retrospect, this approach reduced transparency and led to the misunderstanding that the entire fee increase was due to the District's own budgetary changes.

It's important to note that the CRD Sewer Requisition is collected on behalf of the Capital Regional District and the full amount is remitted directly to them. The District does not retain any portion of these funds. For this reason, clearly identifying the CRD Sewer Requisition increase through a separate flat fee enhances transparency and helps ensure accurate public understanding.

Ongoing monitoring and adjustments

Work is underway on the 2026 utility budget. Although final figures are not yet available, a similar revenue increase is anticipated. Staff will continue refining projections and rate recommendations as additional data becomes available during the budget process.

STRATEGIC PLAN IMPLICATIONS

This approach aligns with Council's Strategic Plan objective to base financial decisions on predictability, consistency, prudence, and long-term sustainability, and to modernize utility rates to promote water conservation, sustain service delivery and provide equity among users.

CONCLUSION

The District's journey from the initial water meter and rate review to the 2025 rate changes reflects a measured, evidence-based approach to utility finance. By focusing on incremental monthly charge adjustments now, the District is strengthening its ability to meet revenue needs while building a foundation for future modernization—including potential tiered and/or seasonal rates—once reliable data is available.



The Corporation of the District of Saanich

Report

To: Finance and Governance Standing Committee

From: Paul Arslan, Director of Finance

Date: October 8th, 2025

Subject: FUNDING OPTIONS FOR SWAN LAKE & CHRISTMAS HILL LAND MANAGEMENT AGREEMENT FEE

RECOMMENDATION

That the Committee recommend to Council the approval of increasing the annual fees to the Swan Lake Christmas Hill Nature Sanctuary (Society) by prior year's CPI plus 1%.

PURPOSE

At the March 6th Financial Plan meeting, Council provided the following resolution after the Society requested an increase to their annual management fee:

"That it be recommended that Council refer the topic of Swan Lake Christmas Hill Nature Sanctuary management fee and potential funding options to the Finance and Governance Standing Committee."

The purpose of this report is to provide the Committee with annual fee increase options to recommend to Council.

BACKGROUND

Annually the Society can request an increase to their management fee in accordance with the terms of the Land Management Agreement with the District. The relevant sections are as follows:

3. *The Municipality agrees to pay to the Society an annual management fee in accordance with the following terms:*

3.(i) *For each calendar year the Municipality shall pay to the Society a management fee to be determined by the Municipal Council at the Annual Financial Plan Session.*

3.(III) *The Society may in any year during the term of this agreement apply to the Council of the Municipality for an increase in the amount of the management fee.*

12. *The Society shall submit to the Municipality on or before the 1st day of December in each year, an annual budget for the ensuing year, 1st day of January to 31st day of December, for the management, care maintenance, improvement, and operations of the Lands as a Nature Sanctuary...*

15. *The Society shall be responsible for the maintenance and repair of any buildings or other improvements upon the Lands at the date of this agreement or which may be placed or constructed upon the Lands by the society during the term hereof. The Municipality may assist in part or in full in the implementation of said maintenance programs by providing funds or by providing such services to the Society at not more than cost.*

In 2025 the request from the Society was for a 12% increase from the 2024 amount of \$457,250 and one-time capital funding request of \$285,200 to assist with various asset maintenance. This request followed a 17.95% operating increase from the prior year. At end of budget deliberations Council approved a 4% increase to the operating budget bringing it to \$475,550 for the year and \$116,000 for one-time capital funding. Council followed that up with the resolution for the F&GSC to provide Council with funding increase options to be considered that will allow for a sustainable funding model for the Society that is also predictable for the District's budgeting cycle.

DISCUSSION

History

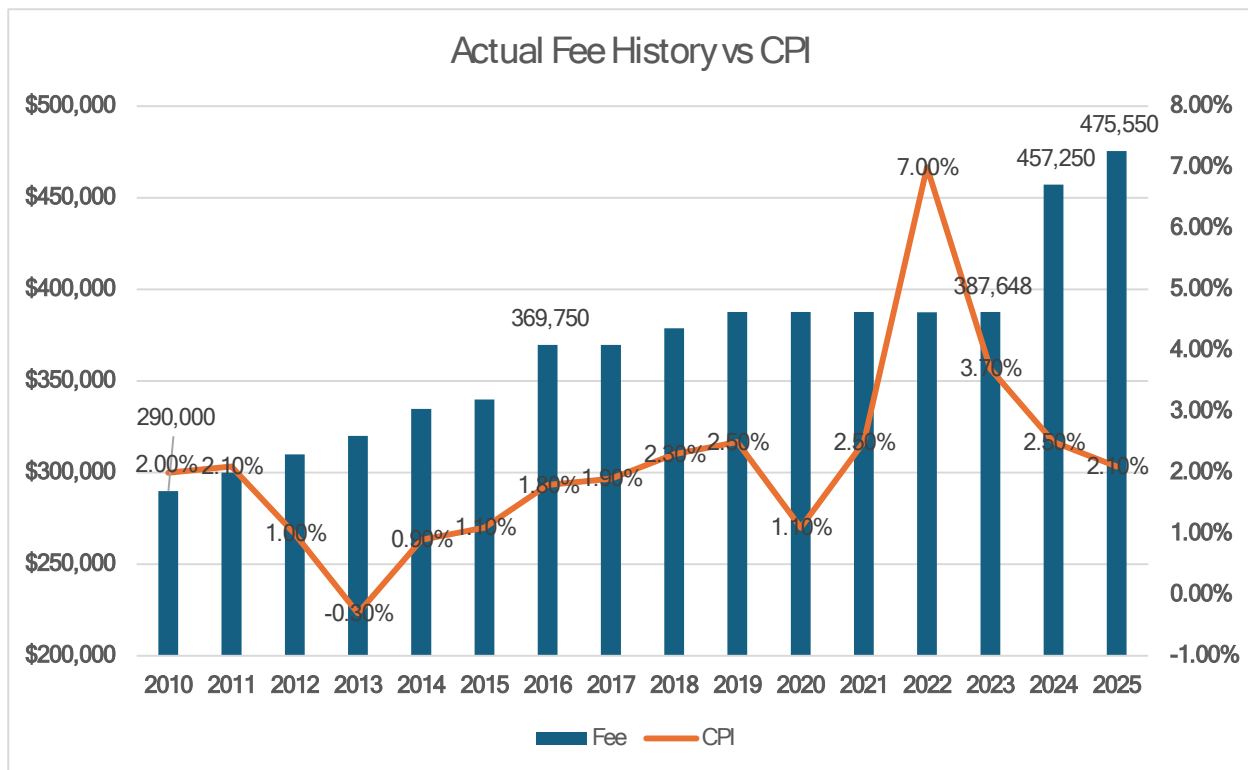
The District and the Society have had a long-term management agreement to operate and maintain certain lands and premises in the vicinity of Swan Lake and Christmas Hill since 1975 when the Society was established.

The agreement has been renewed over the years and the current agreement, which was agreed to in 2020, has been renewed under the same terms until the end of December, 2026. Staff will be working with the Society to come up with a new agreement for the years 2027 and beyond. Should the agreement change materially from its current form, the District will need to review its funding to the Society at that time.

Funding for Society vs others

The Society, in a June email to the Chair of the F&GSC, made some comparisons to the District's funding of Greater Victoria Public Libraries (GVPL) by calculating the funds provided per visit. The implication being that the GVPL gets more funding than the Society when one considers the number of visits or usage of trails. In discussion with Saanich Parks, this is not really an appropriate comparator both in terms of asset structures and of programs and services delivered. A more appropriate comparator would be the funding for the Parks Natural Areas and Community Stewardship Sections as these sections deliver similar services and programs as the Society. Using the information from the 2025 Financial Plan, the District is providing the Society \$475,550 in annual operating funds for the management of about 69 ha which results in roughly \$6,900/ha. In comparison, the District provides Natural Areas and Community Stewardship with about \$1,299,000 in annual operating funds. With approximately 535 ha in natural area status in the parks system this equates to \$2,430/ha or about one third of the value provided to the Society.

In general the District contributes around 46% of the Society's operating funds over the past few years.



As per the table above, the annual management fee has increased gradually from \$290,000 in 2010 to \$387,650 by 2020. That is a 2.97% per year average increase which exceeded the average inflation during that period of 1.5%. The fee then stayed the same for several years only for it to ramp up to \$475,550 in 2025, or a 23% increase. Inflation had increased on average by 3.36% in the past five years while the funding increased on average by 4.39%. So while there was a delay in funding increases from 2020 to 2023, the net result is that the Society has received, on average, above CPI increases over the past 14 years.

In addition, the District has also funded capital improvements when requested by the Society. Over the past five years the annual average capital project funding amounted to \$86,000.

The fee history above highlights the need for consistent increases that would serve the District budget planning better and allow the Society a more predictable and stable fee increase that they can better rely on.

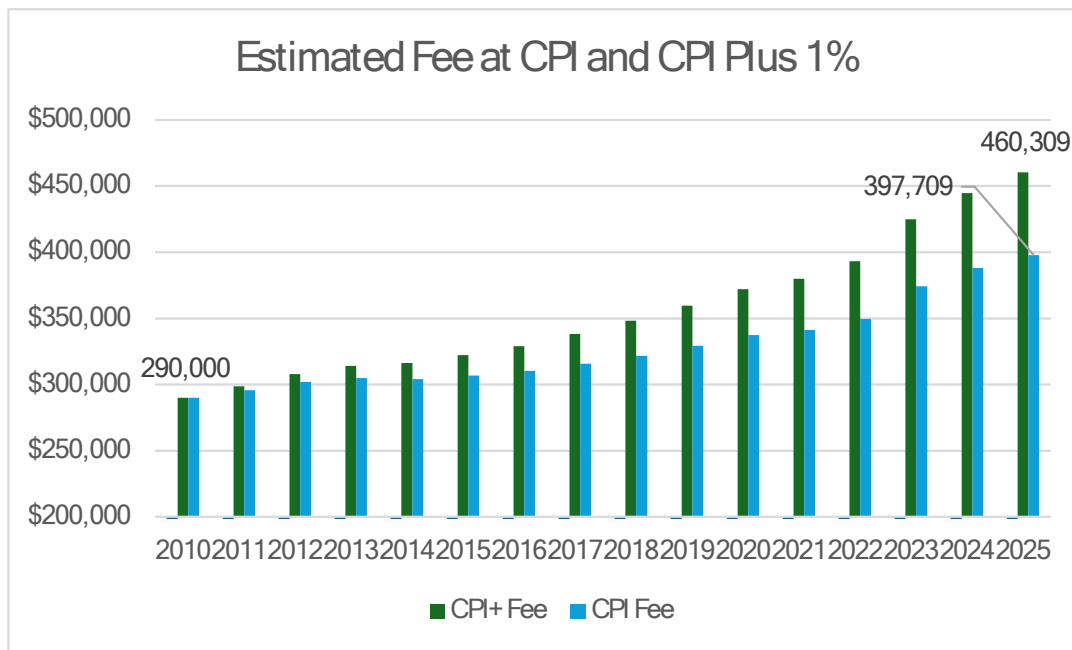
Similar to recent review of Community Association and Service Providers, it would be prudent to come up with funding for the Society that is more consistent, predictable and secure. Below are a number of fee increase options for the Committee to consider. However it should be noted that Council direction to come up with funding options addresses only part 3(i) of the contract which states that the annual funding will be determined by Council at the Annual Financial Plan session. This does not preclude the Society from bringing additional funding requests to Council as per part 3(iii) of the current agreement

Fee options

Option 1: Increase the allocation by previous year's CPI.

This option is similar to what Council had approved last year for an increase to the annual Community Association Operating Grants. This option would ensure that the Society's fee is increased annually thus providing them with more sustainable level of annual funding as well as making it simple for the District to predict its own budget increases.

If this process had been in place for the last fifteen years, the Society would be at \$397,709 as shown by the blue bar in the table below. This would be \$77,841 short of current level of funding.



Option 2: Increase the allocation by previous year's CPI plus one percent.

This option allows for higher than CPI funding, recognizing the fact that some of the expenditure being incurred by the Society is related to construction material which have higher than CPI annual increases. If this process had been in place for the last fifteen years, the Society's management fee would be at \$460,309 at this time as shown by the green bar in the table above. This is only \$15,241 less than what the current level of funding which may contain new initiatives that the Society had undertaken and that Council had approved fee increases for.

Option 3: Keep the grant as is.

This would imply the default position that the Society has adequate level of annual funding and if that is not the case, then the Society would be relying solely, as they do now, on annual requests to the District for additional funding when needed.

FINANCIAL PLAN IMPLICATION

Options one and two above allow for annual budget increases to fees payable to the Society. These options provide a better prediction of what the increases will be and can be included in the draft budgets for Council consideration. However, even with these two options the Society is still able to request additional fee increases if they perceive a need for such or if they desire to pursue

new initiatives. Options one and two do however mitigate the ask from the Society as it does account for some increases to their fee.

CONCLUSION

Council has directed the F&GSC to recommend a management fee increase option that would allow for more predictable and consistent increase to the District's budget and provide more stability to the Society. Option 2 would provide such an outcome for both the District and the Society. The annual fee increase should be revisited should there be any material changes to the future agreement that will be negotiated in the coming year, by District staff and the Society, for 2027 and beyond.

Prepared by: Paul Arslan, Director of Financial Services

Attachments:
Land Management Agreement

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I endorse the recommendation of the Director of Finance.

Brent Reems, Chief Administrative Officer

LAND MANAGEMENT AGREEMENT

THIS AGREEMENT is made in duplicate as of the 23 day of January, 2020.

BETWEEN:

THE CORPORATION OF THE DISTRICT OF SAANICH

(hereinafter called "the Municipality")

OF THE FIRST PART

AND:

**SWAN LAKE CHRISTMAS HILL NATURE SANCTUARY SOCIETY
INCORPORATION NO. 11654**

(hereinafter called "the Society")

OF THE SECOND PART

- A. The Municipality has acquired by purchase, lease or otherwise, certain lands and premises in the vicinity of Swan Lake and Christmas Hill shown on the plan attached hereto as Schedule "A" (hereinafter called "the Lands") and is desirous that the Lands shall be operated and maintained as a Nature Sanctuary;
- B. The Society is authorized by its constitution and by this agreement to operate, maintain and manage Lands of the Nature Sanctuary in the vicinity of Swan Lake and Christmas Hill in accordance with the objectives of the Society as set out in its Constitution;
- C. The parties are desirous of entering into a management agreement permitting the Society to manage the Lands as a Nature Sanctuary.

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto mutually covenant and agree as follows:

- 1. The Municipality grants to the Society the right to manage the Lands and the Society agrees to manage the Lands in accordance with the objects of the Society as set out in its Constitution and with the terms and conditions of this agreement.

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2. The term of this agreement shall be for a period of five (5) years commencing on the 1st day of January, 2020 and terminating on the 31st day of December, 2024. Unless either party gives notice in writing to the other party of its intention not to renew this agreement, which notice must be given not less than 90 days prior to the expiry of the term, this agreement shall automatically renew for one (1) further term of five years commencing on the 1st day of January, 2025 and terminating on the 31st day of December, 2029, on the same terms and conditions save and except with respect to renewal, it being agreed that automatic renewal may only occur one (1) time, and that the maximum term of this agreement inclusive of renewals shall terminate on the 31st day of December, 2029.
3. The Municipality agrees to pay to the Society an annual management fee in accordance with the following terms:
 - (i) For each calendar year the Municipality shall pay to the Society a management fee to be determined by the Municipal Council at the Annual Financial Plan Session.
 - (ii) The management fee shall be paid in two installments: one-third of the fees shall be paid on January 1st and the remaining two-thirds shall be paid on May 1st of each year.
 - (iii) The Society may in any year during the term of this agreement apply to the Council of the Municipality for an increase in the amount of the management fee.
4. On or before the 1st day of October in each year, the Society shall submit to the Municipality a Master Plan of the works projects which it proposes to undertake within the Lands during the following year.
5. The said Master Plan shall include all proposed works projects of a substantial nature and without limiting the generality of the foregoing shall include:
 - (i) Changes to the topography of the Lands;
 - (ii) Buildings or structures to be constructed or placed on the Lands;
 - (iii) Demolition of or alteration to buildings or structures on the Lands;
 - (iv) Cutting and planting of trees;

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- (v) Construction of trails, walkways and bridges;
 - (vi) Major invasive species removal and site rehabilitation.
6. The Municipality shall review the Master Plan and may propose amendments for consideration by the Society.
7. The Society shall not undertake any work of a substantial nature within the Lands which is not included in the Master Plan which is in force and effect at the time the work is undertaken.
8. The Society shall carry out all works projects on the Lands in accordance with all applicable Federal, Provincial or Municipal laws and regulations.
9. (a) The Municipality shall not use the Lands or any part thereof for any purpose except the following:
- (i) Construction, repair and maintenance of sewers, drains, ditches and water pipes;
 - (ii) The improvement or maintenance of Swan Lake Creek or Blenkinsop Creek; and
 - (iii) The widening or improvement of existing roads.
- (b) Notwithstanding subsection (a), the Municipality may, with the written consent of the Society, use the Lands or any part thereof for any purpose whatsoever.
- (c) The Municipality shall not undertake any of the projects referred to in subsection (a) unless,
- (i) The Society has been given 30 days written notice of the proposed undertaking, and
 - (ii) The Society has been afforded an opportunity to object to the proposed undertaking at a meeting of Saanich Council.
10. The Municipality agrees that it will not undertake any work, scheme or operation in the

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vicinity of the Lands which may affect the Lands, without giving reasonable prior written notice of its intentions to the Society; in particular, without restricting the generality of the foregoing, notice shall be given on the following matters:

- (i) Watershed management upstream and downstream of Swan Lake;
 - (ii) Topographical changes in the area;
 - (iii) Vegetation changes including removal of hedgerows adjacent to the Lands; and
 - (iv) Proposed subdivision or major development.
-
- 11. All work undertaken by the Society within the Lands shall be at the cost of the Society and all labour and materials in connection therewith shall be supplied by the Society. The Municipality may assist in part or in full in the implementation of such works by providing funds or by providing such services to the Society at not more than cost.
 - 12. The Society shall submit to the Municipality on or before the 1st day of December in each year, an annual budget for the ensuing year, 1st day of January to 31st day of December, for the management, care maintenance, improvement and operation of the Lands as a Nature Sanctuary in accordance with the aforesaid approved Master Plan or approved Master Plan as amended. The said budget of the Society shall show the estimated revenues from all sources, including the management fee determined as provided for in paragraph 3 hereof, and expenditures, operating and capital, for the ensuing year.
 - 13. Except with the approval of the Council of the Municipality, the Society shall not expend funds received from the Municipality for any purpose not provided for in its annual budget, unless that expenditure is less than \$250.00.
 - 14. The Society shall cause to be prepared annual financial statements by a CPA, CA, CGA or CMA from the books of account and the said books of account shall be kept in such manner and provide such detail as may be required from time to time by the Municipality and the Municipality shall have a right of access to all records, documents, books, accounts and vouchers of the Society and shall be entitled to require from the Directors and Officers of the Society such information and explanations as, in the Municipality's opinion, may be

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necessary to report to the Municipality on the financial position of the Society. Copies of the annual financial statements for the previous year shall be provided to the Municipality by no later than August 31st of each year.

15. The Society shall be responsible for the maintenance and repair of any buildings or other improvements upon the Lands at the date of this agreement or which may be placed or constructed upon the Lands by the society during the term hereof. The Municipality may assist in part or in full in the implementation of said maintenance programs by providing funds or by providing such services to the Society at not more than cost.
16. The Society shall indemnify and hold harmless the Municipality and its officers, employees, officials, agents, representatives and volunteers from and against all liability, loss, claims, demands, costs and expenses, including reasonable legal fees, occasioned wholly or in part by any negligence or acts or omissions by the Society its officers, agents, members, employees, volunteers, heirs, successors, executors, administrators, servants, independent contractors, licensees or others for whom they are responsible at law, arising out of any cause whatsoever, either directly or indirectly through its use and/or operation of the Lands.
17. The Municipality shall, during the term of this Agreement, at its sole cost and expense, be responsible to insure the building and boardwalks against loss through the use of either a commercial "All Risks" property policy, a system of self-insurance or a combination of both.
18. The Society shall, during the term of the Agreement, at its sole expense, obtain and keep in force the following insurance:
 - (a) (i) Tenants' insurance in the form of an "All Risks" policy for not less than 90% of the full replacement cost of the Society's contents and tenant improvements, including coverage for the risks of flood, earthquake, and sewer and drain backup. Such insurance shall be written with full bylaws coverage and provide coverage for extra expense;
 - (ii) Commercial General Liability insurance on an occurrence form, including a minimum of personal injury, tenant's broad form legal liability, host liquor legal liability, contractual liability, cross liability, non-owned automobile, owners' and contractors' protective coverages, and employees, officers,

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volunteers, members and agents as additional insureds. Such policy shall be written with minimum limits of \$2,000,000 for bodily injury, property damage and loss of use thereof, and add the Municipality and its officers, employees, officials, agents, representatives and volunteers as Additional Insureds.

- (b) All policies noted in Clause 18(a)(i) and (ii) shall:
 - (i) contain thirty (30) days prior written notice of cancellation or reduction in coverage in favour of the Municipality, to be delivered by registered mail to the attention of the Risk Manager at the address of the Municipality;
 - (ii) be placed with reputable insurers licenced to do business in the Province of British Columbia;
 - (iii) include a waiver of subrogation or recourse against the Municipality.
 - (c) The Society shall be responsible for any deductibles or reimbursement clauses within the policies noted in Clause 18(a)(i) and (ii).
 - (d) The Society shall provide the Municipality with Certificates of Insurance within two weeks of the expiry dates of the policies to evidence renewal of the policies and continuous coverage.
 - (e) The Municipality shall be under no obligation to verify that the insurance coverages in Clause 18(a)(i) and (ii) are adequate.
19. It is agreed between the parties that it is desirable that the Lands shown dotted and marked "Proposed Acquisition" on the plan attached hereto as Schedule "A", including any dwelling thereon, should become subject to this agreement as soon as possible.
20. In the event the Society breaches any term of this agreement, the Municipality may, at its

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option, in addition to any other remedies, terminate this agreement upon giving 90 days written notice to the Society and may thereupon re-enter the Lands and premises and take possession of any improvements which may have been placed or constructed upon the Lands by the Society.

21. Prior to the expiration of this agreement, the Society may apply to the Municipality for a renewal of this agreement for a further five year term and the Municipality agrees that, in that event, it will give earnest consideration to such an application.
22. The Society may not assign the rights and privileges granted pursuant to this agreement without consent in writing of the Municipality.

IN WITNESS WHEREOF the parties hereto have caused these presents to be executed as of the day and year first written above.

THE CORPORATION OF THE DISTRICT
OF SAANICH by its Authorized Signatory



Brent Reems,
Director of Building, Bylaw, Licensing
and Legal Services

SWAN LAKE CHRISTMAS HILL
NATURE SANCTUARY SOCIETY by its
Authorized Signatory(ies)



(Please print name & title underneath)
Vice Chair



(Please print name & title underneath)
Executive Director.



Memo

To: Finance and Governance Committee
From: Paul Arslan, Director of Finance
Date: October 09, 2025
Subject: **2025 2nd Trimester Results Report**

To provide the Committee with the 2nd Trimester Report for the year 2025



District of Saanich

2nd Trimester Results Report

January 1, 2025 to August 31, 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 2nd Trimester Performance Report Operating Budget Results - January 1 to August 31

(Represents 2/3 or 66% of the year)

Overall results for the period are positive, with most revenues reaching budgeted targets. Recreation revenues are slightly higher than budgeted due to higher participation in recreation programs while interest revenue is lower due to lower interest rates. Expenditures are in line with expectations, however, Policing is 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 and some vacancies.

Revenues:	2024 Actual	2025 Actual	Annual Budget 2025	2025 Budget Remaining	% Revenue Collected	
Property Taxation	(174,918,873)	(189,366,363)	(189,940,641)	(574,278)	100%	1
Utility Tax and Other	(1,697,665)	(1,629,528)	(1,785,000)	(155,472)	91%	1
Water Utility Revenue	(15,702,735)	(17,793,115)	(31,127,202)	(13,334,087)	57%	2
Sewer Utility Revenue	(19,240,232)	(21,047,065)	(33,446,618)	(12,399,553)	63%	
Solid Waste Revenue	(5,732,735)	(6,421,509)	(9,652,336)	(3,230,827)	67%	
Business Licence & Inspection Revenues	(2,994,342)	(3,344,078)	(4,257,010)	(912,932)	79%	3
Recreation Revenues	(12,204,755)	(13,290,368)	(19,406,098)	(6,115,730)	68%	
Grants In Lieu	(3,057,026)	(3,383,075)	(3,654,372)	(271,297)	93%	1
Provincial Grants	(1,339,000)	(1,355,000)	(1,360,000)	(5,000)	100%	1
Interest and Penalties	(5,806,695)	(4,402,154)	(6,276,100)	(1,873,946)	70%	
Surplus Appropriations	-	-	(500,000)	(500,000)	0%	4
Other Revenues	(385,115)	(497,493)	(374,450)	123,043	133%	5
Total Revenue	(243,079,174)	(262,529,748)	(301,779,827)	(39,250,079)	87%	

Explanatory notes for variances over 5%

REVENUES:

- 1 *Property Taxation / Utility Tax / Grants In Lieu / Provincial Grants (91%-100% collected)* – All taxation and grants from various government entities are recorded or received in the second trimester.
- 2 *Water Utility Revenue (57% collected)* - Revenue percentage in line with last year's actual. Revenues increase during the summer months and collected in the fall.
- 3 *Business Licence & Inspection Revenues (79% collected)* - Revenue percentage in line with last year's actual. Business Licence Revenues collected early each year.
- 4 *Surplus Appropriations (0% applied)* - As and when needed to offset revenue reductions.
- 5 *Other Revenues (133% 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	
Expenditures:						
Administration	1,499,678	1,491,797	2,316,305	824,508	64%	
Finance	3,624,661	3,979,168	6,102,840	2,123,672	65%	
Corporate Revenues/Expenses	469,567	1,429,471	2,850,271	1,420,800	50%	1
Fiscal Services	5,098,682	4,723,973	11,159,351	6,435,378	42%	2
Corporate Services	3,174,016	3,524,604	5,357,455	1,832,851	66%	
Information Technology	4,868,743	4,953,090	8,363,927	3,410,837	59%	3
Legislative & Protective Services	5,705,339	5,581,124	8,504,669	2,923,545	66%	
Police Protection	33,958,747	36,553,636	52,199,848	15,646,212	70%	
Fire Protection	16,131,837	16,203,643	24,807,226	8,603,583	65%	
Emergency Program	285,560	267,190	499,272	232,082	54%	4
Planning	3,221,537	3,208,274	4,360,728	1,152,454	74%	5
Engineering	12,288,475	10,948,402	18,358,671	7,410,269	60%	6
Parks	8,042,331	8,408,483	12,885,568	4,477,085	65%	
Recreation and Community Services	19,903,359	20,574,993	33,167,902	12,592,909	62%	
Library, Grants & Economic Development	6,007,159	6,710,648	8,826,592	2,115,944	76%	7
Solid Waste Utility Expenditure	6,408,043	6,536,019	10,915,801	4,379,782	60%	8
Water Utility Expenditure	11,360,038	12,272,597	20,954,902	8,682,305	59%	9
Sewer Utility Expenditure	19,890,925	21,501,545	25,520,898	4,019,353	84%	10
Capital Program (tax and fee funded)	38,574,855	43,930,944	44,627,601	696,657	98%	11
Total Expenditures	200,513,553	212,799,602	301,779,827	88,980,225	71%	
Revenues minus Expenditures	(42,565,621)	(49,730,147)	-	49,730,147		

Explanatory notes for variances over 5%

EXPENSES:

- 1 *Corporate Revenues/Expenses (50% spent)* - Recoveries from water, sewer and solid waste utilities in line, however, labour contingency higher this year.
- 2 *Fiscal Services (42% spent)* - Debt payments in line with last year. Debt payments to MFA occur in 1st and 3rd trimesters.
- 3 *Information Technology (59% spent)* - Spend inline with prior year.
- 4 *Emergency Program (54% spent)* - Training and other expenditure budgets are underspent similar to last year.
- 5 *Planning (74% spent)* - Spend inline with prior year with one-time funding credit to be realized at year-end.
- 6 *Engineering (60% spent)* - Some programs are lagging due to staff vacancies.
- 7 *Library, Grants & Economic Development (76% spent)* - GVPL is paid one month in advance as per agreement.
- 8 *Solid Waste Utility Expenditure (60% spent)* - Operating costs in line with last year. Some programs are lagging due to staff vacancies.
- 9 *Water Utility Expenditure (59% spent)* - Operating costs in line with last year. Some programs are lagging due to staff vacancies.
- 10 *Sewer Utility Expenditure (84% spent)* - Operating costs in line with last year. Payment to CRD constitutes 68% of budget and occurs in August.
- 11 *Capital Program (98% spent)* - Majority of the budget is the transfer of funds to capital for infrastructure funding. This occurs in the 2nd trimester after budget approval.

Capital Program Results

District of Saanich - 2025 2nd Trimester Performance Report Capital Program Results up to August 31, 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
17999 - Sewer Capital	SEWER	1,041,000		1,041,000	266,653	26%	✓	✓	
13528 - Sidewalk Installation-Forrester	SIDEWALKS	1,067,175		1,067,175	1,068,092	100%	✓	✓	
15462 - Sherwood Rd, Arbutus Rd to	WATER	1,068,000		1,068,000	0	0%	✓	✓	
51029 - HRIMS	IT	1,077,000		1,077,000	260,072	24%	✓	✓	
17290 - Tattersall Dr. - Salsbury	SEWER	1,087,000		1,087,000	1,589,484	146%	✓	⚠	3
17280 - Sinclair Rd, Haro - Hobbs	SEWER	1,095,000		1,095,000	907,549	83%	✓	✓	
15433 - Burnside E.(Harriet - Duplin)	WATER	1,144,000	822,437	1,966,437	1,247,204	63%	✓	✓	
11999 - Drains Capital	DRAINS	1,182,000		1,182,000	260,793	22%	✓	✓	
12000 - Transp't'n Emerging Priorities	ROADS	1,192,227		1,192,227	254,807	21%	✓	✓	
15440 - Tyndall (Sereno & Hillcrest)	WATER	1,204,000		1,204,000	451,197	37%	⚠	✓	2
15999 - Water Capital	WATER	1,207,000		1,207,000	195,476	16%	✓	✓	
17277 - Arena Rd, 340 Ker - Dysart Rd	SEWER	1,210,000		1,210,000	9,427	1%	⚠	✓	2
15450 - Douglas St, Saanich- Audley	WATER	1,212,000		1,212,000	33,526	3%	⚠	✓	2
20092 - SCP Waterside Replacement	FACILITIES	1,217,568		1,217,568	342,542	28%	✓	✓	
20077 - SOC EV Chargers	FACILITIES	1,247,296		1,247,296	141,699	11%	✓	✓	
50043 - PKOLS/Mt Doug Tower Rplc	LANDS	1,296,350		1,296,350	37,731	3%	✓	✓	
11415 - Tattersall Dr, 1149 - Salsbury	DRAINS	1,350,000		1,350,000	1,251,504	93%	✓	⚠	1
17289 - Saanich Rd Blanshard-Short	SEWER	1,394,000		1,394,000	34,202	2%	⚠	✓	2
10029 - Cycling Infrastructure Program	BIKEWAYS	1,414,666		1,414,666	157,702	11%	✓	✓	
10119 - Bridge Repairs	BRIDGES	1,432,789	(40,000)	1,392,789	181,567	13%	✓	✓	
12002 - Mt. Doug Shoreline Stab.	ROADS	1,451,789		1,451,789	388,899	27%	✓	✓	
17287 - Madock Ave(Wascana - Harriet)	SEWER	1,528,000		1,528,000	23,829	2%	✓	⚠	2
12578 - Richmond - Newton to Adanac	ROADS	1,551,904		1,551,904	494,764	32%	⚠	✓	2
15451 - Homer Rd- Kamloops Loop-Seaton	WATER	1,561,000		1,561,000	0	0%	✓	✓	
30133 - Playground Replacements	PARKS	1,566,159		1,566,159	517,924	33%	✓	✓	
15428 - Quadra St, Cook - Holmes	WATER	1,567,960		1,567,960	1,561,256	100%	✓	✓	
30127 - Bridges and Structures	PARKS	1,590,903	(8,698)	1,582,205	273,434	17%	✓	✓	
20093 - Leasehold Improvements &	FACILITIES	1,607,647		1,607,647	1,407,497	88%	✓	✓	
12538 - Wilkinson Rd(Greenlea-Quick's)	ROADS	1,611,000		1,611,000	180,352	11%	⚠	✓	2
17262 - Lift Station Capital Works	SEWER	1,617,607		1,617,607	197,151	12%	✓	✓	
11423 - 2875 Colquhoun - Gorge Rd	DRAINS	1,629,000		1,629,000	1,196,445	73%	✓	✓	
12545 - Pavement Renewal Program	ROADS	1,735,036		1,735,036	623,782	36%	✓	✓	
16400 - Small Water Meter Replacement	WATER	1,745,306		1,745,306	523,847	30%	✓	✓	
11409 - Adelaide Ave, 2823 - Cowper	DRAINS	1,852,360		1,852,360	1,842,236	99%	✓	✓	
11366 - Storm Drain - Detailed Design	DRAINS	1,929,315	(56,834)	1,872,481	547,381	29%	✓	✓	
10122 - Durrance Rd Bridge Repl	BRIDGES	1,951,816	(25,301)	1,926,515	582,495	30%	✓	✓	
12583 - Road Safety Action Plan	ROADS	2,000,000		2,000,000	0	0%	✓	✓	
12557 - ShortTerm Soln-Adv Active Tran	ROADS	2,019,350		2,019,350	1,273,264	63%	✓	✓	
17243 - Sanitary Sewer-Detailed Design	SEWER	2,037,168		2,037,168	738,695	36%	✓	✓	
15437 - Pat Bay Hwy Wtrmain Lining	WATER	2,058,000		2,058,000	247,929	12%	✓	✓	
15377 - Water - Detailed Design	WATER	2,062,822	(447,473)	1,615,349	562,082	35%	✓	✓	
13529 - GRANGE RD,BURNSIDE-INTERURBAN	SIDEWALKS	2,100,000		2,100,000	2,077,175	99%	✓	✓	
15429 - Sinclair Rd, Finnerty-Cadboro	WATER	2,168,000		2,168,000	1,790,697	83%	✓	✓	
11334 - Storm Drainage Model Dvlpmt	DRAINS	2,499,870		2,499,870	1,166,036	47%	✓	✓	
10034 - Gorge Rd (Tillicum - Harriet)	BIKEWAYS	2,500,000		2,500,000	426,038	17%	✓	✓	
17000 - Capital Sewers - Main Replac	SEWER	2,726,998	20,110	2,747,108	125,427	5%	✓	✓	
13501 - Sidewalk Installation Program	SIDEWALKS	3,106,468	(27,055)	3,079,413	244,909	8%	✓	✓	
13521 - Seaton-Regina Improvement	SIDEWALKS	3,185,839		3,185,839	3,390,551	106%	✓	✓	
13523 - Albina-Maddock-Orillia Project	SIDEWALKS	3,752,601		3,752,601	1,695,922	45%	✓	✓	
20067 - Pearkes - RTU Replacement	FACILITIES	4,225,524		4,225,524	1,978,189	47%	✓	✓	
15408 - Pump Station & PRV Replacement	WATER	4,336,012		4,336,012	2,086,008	48%	✓	✓	
12555 - Cordova Bay Rd(Walema-Rambler)	ROADS	4,653,000		4,653,000	226,559	5%	✓	✓	
11356 - Gorge Drainage Improvements	DRAINS	4,796,738		4,796,738	4,724,527	98%	✓	✓	
20071 - Green and Inclusive CHRC	FACILITIES	5,223,139		5,223,139	3,276,220	63%	✓	✓	
17292 - Albina-Gorge Utility Upgrades	SEWER	5,371,000		5,371,000	17,432	0%	⚠	✓	2
13510 - Gorge Rd (Sidewalk & Bikelane)	SIDEWALKS	6,483,158		6,483,158	6,391,816	99%	✓	✓	
12521 - W.Saa/Prospect Lk/Sparton Int	ROADS	7,303,886		7,303,886	7,272,922	100%	✓	✓	
20037 - SCP - Mechanical Upgrades	FACILITIES	7,399,486		7,399,486	5,744,555	78%	✓	✓	
20041 - Public Works Yard	FACILITIES	9,166,025		9,166,025	4,721,563	52%	✓	✓	
12539 - Sinclair Rd Improv (Design)	ROADS	10,769,759		10,769,759	7,353,179	68%	✓	✓	
50044 - New Nellie McClung Library	OTHER	17,297,958		17,297,958	21,473	0%	✓	✓	
20052 - Fire Hall#2 - Project Planning	FACILITIES	42,667,115		42,667,115	19,491,098	46%	✓	✓	
SSIP	SSIP	53,207,385		53,207,383	43,764,248	82%	✓	✓	
Total Project Budgets and Cost		265,753,174	237,185	265,990,357	139,861,035	53%			

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

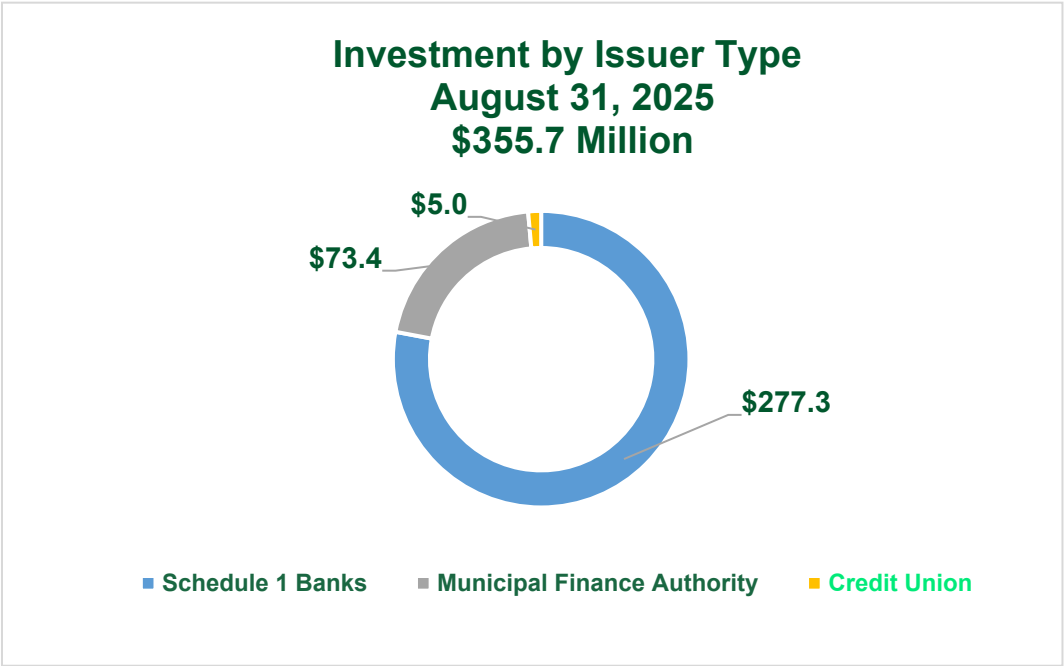
3 Project cost escalation, longer lead time on material delivery or change in scope of the project

* 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

✓	On target
⚠	Caution
⚠	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 \$269.1 million. Most of these funds are either held for specific capital programs or are invested until needed to pay current operating expenses.



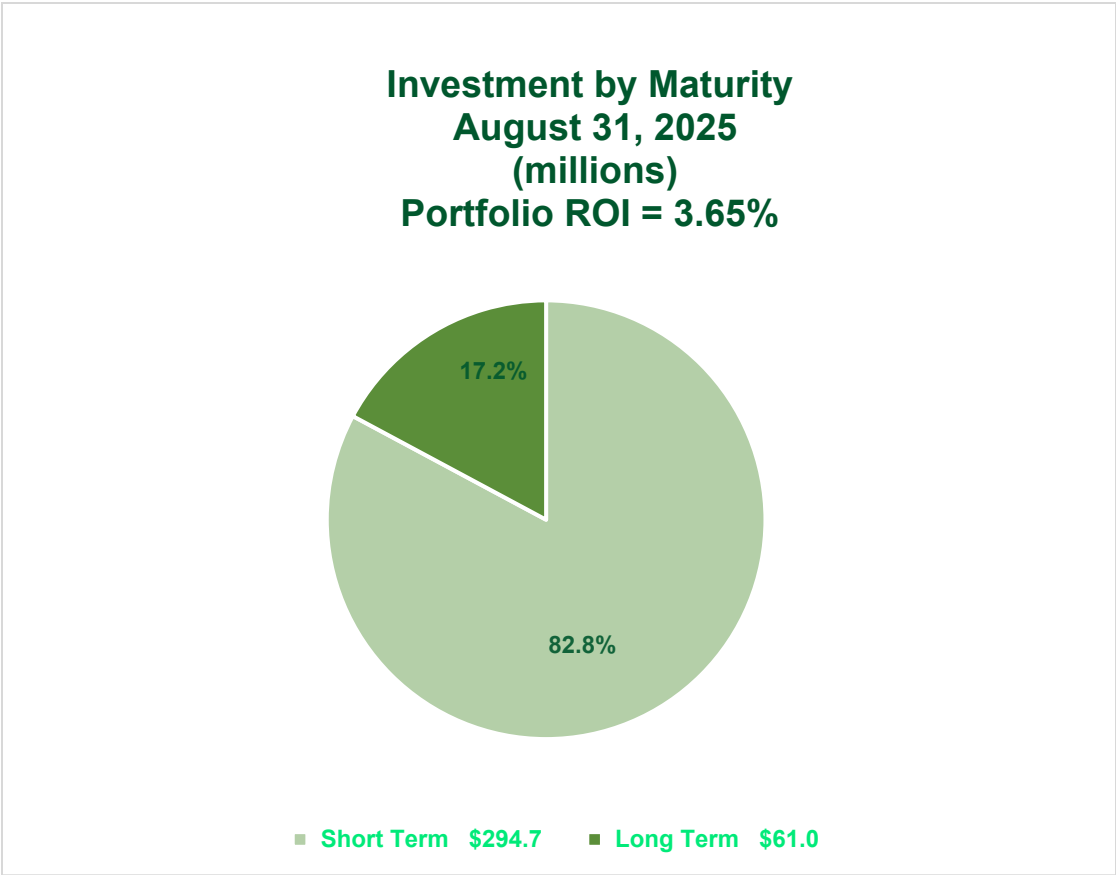
Diversification

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

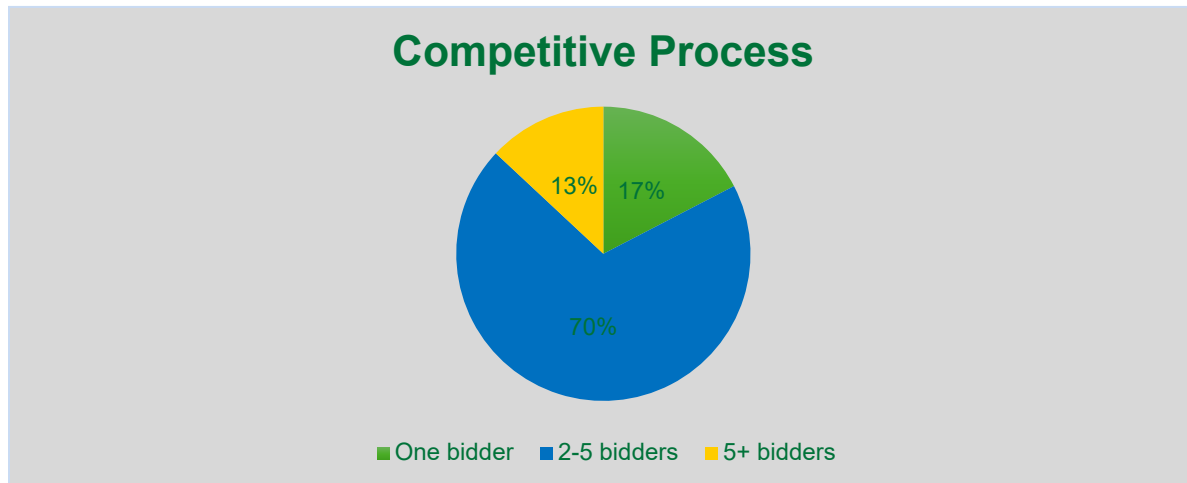
Saanich's investment portfolio earned 3.65% (5.19% April 2025, 6.44% December 2024) while maintaining the investment security established in the Investment Policy. The Bank of Canada held its rates at 2.75% through August 2025. This rate had declined from 3.25% in December 2024 to 2.75% in April 2025.

Any decrease in interest rates 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. Short-term investment holdings continue as a higher percentage than long-term holdings as we remain conservative in our holdings for liquidity purposes. Having said that there still remains an unsettled economic environment due to tariffs which may keep interest rates higher for longer. As GIC's come to maturity within the next six months, an evaluation will take place to determine if any long-term investment opportunity is feasible.

Procurement Results

Competitive Process

83% 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
Bridge Replacement - Durrance Road	\$1,751,377.11	One time	Kanppett Projects Inc.	6
Tandem Trucks	\$959,046.64	One time	Falcon Equipment	CP*
Roof Replacement - Saanich Commonwealth Place	\$802,000.00	One time	Parker Johnston Industries Ltd	4
Lock and Unlock Services	\$660,000.00	5	Canadian Corps of Commissionairs	1
Ceiling Repair - GHRC	Time and Materials**	One time	DKI Pro Pacific	3
Fencing Services	\$433,800.00	5	Tower Fence Products Ltd	2
CAT Excavator - SWW	\$421,500.00	One time	Finning	CP*
Lambrick Park Campus Planning	\$372,526.50	One time	DIALOG BC Architecture Engineering Interior Design Planning Inc.	3
Supply and Delivery of Fertilizer & Grass Seed	\$280,000.00	4	Nutrien AG	3
Design and Construction Services – Underground Utility Replacement (Cedar Hill Phase II and Homer-Kamloops Loop)	\$110,739.00	One time	McElhanney Ltd	5
Records Digitization Services	\$203,624.75	4	DOCUdavit Solutions Inc.	6
Skid Steer Rental	\$264,600.00	3	Westerra Equipment	4
Material Testing and Inspection Services	\$261,490.00	5	Ryzuk Geotechnical	3
Internet Services for Saanich Police	\$258,000.00	5	Rogers Communication	4
Axon Tazer 10 Trail	\$231,441.25	One time	Axon Public Safety Caanda Inc.	Sole
Slab Membrane Replacement – Saanich Commonwealth Place	\$205,171.00	One time	Cascadia West Contracting Ltd	4

Value \$75,000 to \$200,000				
Procurement Description	Value	Years	Supplier	# Bids
Police Motorcycles	\$169,000.00	One time	Barnes Powersports Blackfoot	3
Traffic Detector Loops	\$150,000.00	5	Deaco Installations Ltd.	2
DCC and ACC Bylaw Review and Development	\$146,880.00	One time	Hemson Consulting Ltd	3
Consulting Services Parking Bylaw Update	\$138,706.00	One time	Watt Consulting Group	4
Traffic Study Cordova Bay Road	\$135,017.00	One time	Associated Engineering (BC) Ltd	3
Supply of Fire Fighting Foam Concentrate	\$112,500.00	One time	Rocky Mountain Phoenix	9
Fowler Park Irrigation	\$78,336.14	One time	Living Stones Interlocking	4
Holmatro Rescue Equipment	\$76,004.00	One time	Associated Fire & Safety	Sole
SCP Pool Demolition, Repair, Mods for Waterslide	\$75,000.00	One time	Island Applicators Ltd	Single

* co-operative purchasing

In addition, there were 55 procurement processes with values less than \$75,000 each totalling over \$1,084,178.



The Corporation of the District of Saanich

Report

To: Finance and Governance Standing Committee

From: Paul Arslan, Director of Finance

Date: October 16th, 2025

Subject: AMENDING ACCOUNTS RECEIVABLE POLICY

RECOMMENDATION

That the Committee recommend to Council the approval of the amended Accounts Receivable Policy (attached), including the application of interest charges on delinquent accounts and a formalized procedure for the write-off of uncollectible accounts.

AND that staff be directed to implement the policy effective December 31, 2025 and bring forward a fees and charges bylaw that includes an interest rate charge on delinquent accounts.

PURPOSE

The purpose of this report is to seek Council approval for the implementation of an Accounts Receivable Policy that formalizes current procedures and establishes consistent practices for the management of outstanding receivables, including:

- Charging interest on delinquent accounts,
- Establishing a clear, fair, and consistent process for handling delinquent accounts, and
- Establishing procedures for the write-off of uncollectible accounts.

BACKGROUND

The District provides many services to the public that require collection of funds after the fact. Some of these services such as provision of infrastructure, protective and general services are charged for through taxation and others such as utility services are charged for through utility billing. For these services there are provincial regulations that address what interest rates can be charged on overdue accounts and what mechanisms can be used to ultimately collect delinquent accounts (tax sale). There are, however, some services or costs that are incurred by the District that are billed after the work is done which have no provincial regulations that address the administration of overdue payments or delinquent accounts. For example, cleanup of spills on public lands or creeks or the repair of infrastructure due to third party neglect or vehicle collisions do not have any specific regulation regarding their collection. ICBC regularly disputes the costs that the District incurs to repair its assets and homeowners or businesses that have spills may

not always be able or willing to pay for spill cleanup costs or may have their insurance company settle for partial payment for those costs.

Staff utilize various methods to try and collect outstanding invoices. The following are some of the steps taken:

- Three mail/email reminders in 30-day intervals.
- Consultation with departments that provided the service to determine collection strategy.
- Consulting with Risk Manager or Municipal Solicitor on accounts involving insurance claims or litigation.
- Transfer to a collection agency to recover unpaid balances.

While most overdue accounts are sent to an outside agency for collection, those involving insurance claims are sent to the Municipal Risk Manager and overdue accounts involved in litigation are referred to the Municipal Solicitor.

DISCUSSION

At present, the Municipality has an outdated policy from 2009 that does not adequately manage aged receivables, does not apply interest charges on delinquent accounts, or write off bad debts for uncollectable accounts. Having an updated accounts receivable policy will address all of the above.

Interest Charge

Charging an interest on delinquent accounts receivable is a common practice both in private and public organizations. Most organizations, including municipalities, charge interest on any accounts receivable that are over 30 days old.

The advantages of charging interest are as follows:

- Encourages timely payments - interest acts as a deterrent against late payments. Knowing that additional charges will apply motivates customers or clients to pay on time.
- Compensates for lost cash flow - when payments are delayed, the district foregoes investment interest on the funds used to provide the service.
- Covers administrative costs - chasing late payments involves additional work: sending reminders, handling disputes, reconciling accounts. Charging interest helps recover some of these administrative expenses.
- Reinforces credit terms – by allowing 30 day term for accounts receivable amounts to be paid, the District is essentially extending credit to customers. Charging interest helps enforce these terms and treats them as formal credit arrangements.
- Legal and industry standard - in many sectors, charging interest on overdue accounts is standard practice, and often protected by law or contract terms. It adds a sense of professionalism and formality to business dealings.
- Psychological effect - late fees and interest create a sense of urgency. Clients often prioritize payments that incur interest or penalties over those that don't.

Therefore, establishing an interest rate on overdue accounts is both in line with industry practices and allows for higher rate of timely collection. The Interest will accrue monthly and be calculated on the outstanding principal balance. While most common interest charge in Canada is between 1.5% to 4% per month, the low rate of interest charge of 1.0% per month (12% annually) is

recommended for the District. The District's goal is not to generate revenue as much as trying to encourage overdue account holders to pay their invoices and recover the District's administrative costs.

Bad Debt Write-off

While efforts are made to collect delinquent accounts, some receivables are deemed no longer collectible. Accounts may be deemed uncollectible and recommended for write-off where:

- All reasonable collection efforts have been exhausted;
- The debtor is deceased or bankrupt, with no available estate or assets;
- The account is uneconomical to pursue further.

In those cases, outstanding accounts are considered "bad debt" per accounting terminology, and the accounts are separated from the rest of the accounts receivable listing and written off.

Write-offs will be processed as follows:

- Accounts will be approved for write-off by the Director of Finance or designate;
- Written off accounts over \$10,000 will be reported to Council through the trimester report.

Write-offs do not absolve the debtor of the obligation; the debt may be reinstated if circumstances change.

FINANCIAL PLAN IMPLICATION

Implementing this policy will:

- Improve cash flow through timely collections and interest charges;
- Reduce administrative time and costs associated with long-outstanding accounts;
- Provide transparency and accountability in the handling of public funds.

Prepared by: Paul Arslan, Director of Financial Services

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I endorse the recommendation of the Director of Finance.

Brent Reems, Chief Administrative Officer

SUBJECT: ACCOUNTS RECEIVABLE AND WRITE-OFF OF UNCOLLECTABLE ACCOUNTS	
DATE OF ISSUE: AUGUST 18, 1994	ORIGIN: Finance
REVISION DATES: January 1, 2009 October 2025 DRAFT	Reference:

1.0 POLICY OBJECTIVE

The Accounts Receivable Policy (“the policy”) provides a summary of the District of Saanich’s (“the District”) policies & procedures for the administration, collection and write-off of uncollectable accounts receivable

2.0 SCOPE & APPLICABILITY

This policy applies to District departments and the employees who generate, process, and oversee accounts receivable.

Policy Review

3.0 POLICY

3.1 Administration and Billing of Accounts Receivable

1. All billing of Accounts Receivable is to be completed through the Accounting Services Division via the General Ledger system, except for the following:
 - a.) Recreation Department receivables/billing administered through the Active Net recreation software system, and
 - b.) Receivables administered through the Tempest software system: Property Tax, Utilities, Dog Licences, Business Licences, Bylaw Offence Notices/Municipal Ticket Information Fines and Work for Others Completed by District of Saanich Public Works as part of a Development Servicing Procedure.

3.2 Collection of Overdue Accounts Receivable

1. Recreation Department

The collection procedures for Recreation Service receivables are outlined in the Saanich Recreation Accounting Processes Manual and summarized as follows:

For Recreation Services already rendered, follow up with phone contacts and monthly statements. A letter should be sent with the 3rd statement advising collection action will commence if amount is still unpaid in 10 days, after which the

accounts are forwarded to Accounting Services to be sent out to an outside agency for collection. For Recreation Services still in progress, attempt should be made to contact the parties and, failing to resolve the matter, further services should be withdrawn, and the overdue balances referred to Accounting for collection by an outside agency.

Overdue balances sent to Accounting Services for collection will be moved to the miscellaneous receivable system and subject to interest and administration fees outlined in section 6 of this policy.

2. Property Tax

Delinquent property taxes are recovered through tax sale.

3. Utilities

Delinquent utility charges are added to property tax arrears on January 1 of the following year.

4. Dog Licences, Business Licences, Bylaw Offence Notices (BON's) and Municipal Ticket Information Fines (MTI's)

These activities are not recorded as accounts receivable in our financial system but the various collection procedures for each component are as follows:

a) Dog Licences

Current charges are kept on the account until year end, after which the charges are written off against dog licence revenue.

b) Business Licences

A Call for Service file is opened for any unpaid business licences, and a physical follow up is done by the Business Licence Inspector. Various further measures are employed as needed, such as sending a certified letter or issuing an MTI to ensure collection.

c) Bylaw Offence Notices (BON's) and Municipal Ticket Information Fines (MTI's)

Two weeks after a notice/ticket is issued a reminder letter is sent, followed by a second letter two weeks later. After a total of 6 weeks for BON's, and 60 days for MTI's (per their respective bylaws), the amounts are sent for collection by an outside agency if still unpaid. MTI tickets successfully disputed may be forwarded to the court system for processing.

5. Work for Others Completed by District of Saanich Public Works as part of a Development Servicing Procedure

Development work to be performed by Saanich Public Works is outlined in a signed contract with the Outside Party and must be paid before work can commence. When work is completed, any uncollected deficit of \$250 or more will be covered by the bonding taken for the work. If there is a surplus of greater than \$250, the developer will be reimbursed.

6. Miscellaneous Receivables processed via the General Ledger system

Uncollected billings to provide works and services to land and improvement of private properties such as property and boulevard clean up, false alarms and noxious weeds can be added to property taxes under the following Saanich bylaws: False Alarm Bylaw 8742, Fire Services Operational Bylaw 9713, Collection & Removal of Solid Waste Bylaw 9233, Noxious Weeds Bylaw 8080, Boulevard Regulation Bylaw 9487 and Unsightly Premises Bylaw 9600.

Customers are required to submit any disputes related to Cost recovery invoices for repairs to municipal property damaged by homeowners or external organizations within 45 calendar days from the invoice issue date. Failure to dispute within this period will constitute acceptance of the invoice, and the full amount will be deemed payable.

The collection procedure for other miscellaneous receivables are as follows:

- First Reminder (30 Days) An initial email/mail reminder will be sent 30 days after the invoice issue date.
- Second Reminder (60 Days) A second email/mail reminder will be sent 60 days after the invoice issue date.
- Final Reminder and Collection Notice (90 Days) A third and final email/mail will be sent **with the latest statement**, advising that collection action will begin if payment is not received within 30 days. If the account remains unpaid, it will be referred to an external collection agency for collection.

Interest shall be charged on the overdue invoices. To offset the cost of collection agency commissions, an administration fee will be added to the overdue invoice when it is sent to collections. The District's Fees & Charges Bylaw determines the rates and amounts used for overdue interest and administration fees.

Exceptions to the collection by an outside agency are receivables from government entities, those involving insurance claims being handled by the Municipal Risk Manager and debts involved in litigation referred to the Municipal Solicitor.

The Manager of Accounting Services is responsible for conducting a quarterly review on the collectability of all miscellaneous accounts receivable.

3.3 Bad Debts Provision

1. On an annual basis, as of December 31 of every year, the Accounting Services Division will review the Recreation and Miscellaneous accounts receivable trial balances and identify the accounts with outstanding balances of 90 days or more that pose a potential risk for non-collection. Considering collection efforts up to that point, the Accounting Services Division will then provide a report listing the recommended accounts for bad

debts provision. Once approved, the provision will then be expensed to a Corporate Bad Debts Account.

2. The Municipal Risk Manager/ Municipal Solicitor shall be consulted for accounts involving insurance claims/ litigation.
3. In the case of miscellaneous work orders for services provided to outside parties where charges are disputed and accepted as a lesser amount, if it is in the year the costs are incurred, the adjustment will reduce the amount of the Work Order Recovery instead of an expense to a Corporate Bad Debts Account.
4. The report for specific accounts receivable bad debts must contain the following:
 - Debtor's name & address
 - Description of debt, period of debt and /or date(s) of invoice
 - Methods taken to collect the debt
 - Reason(s) why the debt is uncollectable & provision made
 - Amount of bad debt provision
5. The Director of Finance will approve a bad debts provision for uncollectible Recreation or Miscellaneous Accounts Receivable.
6. A list of written off accounts over \$10,000 will be reported on the following financial report to Council.

4.0 ROLES AND RESPONSIBILITIES

Administrator

1. Approves policy and procedure.

Director of Finance

1. Administers the policy.

Manager of Accounting Services

1. Reviews all related policies.
2. Monitoring and review of account receivable reports
3. Responsible to ensure overdue accounts are followed up according to policy

Department Heads

1. Ensure that all department employees are familiar with the policy.
2. Administer the policy within the department.

Managers and Supervisors

1. Ensure all employees in their division or unit(s) are aware of the policy and review this policy annually.
2. If a breach is suspected, notify the Manager of Accounting Services.
3. Assist the Department Head in the application of the policy as required.

Employees (responsible for accounts receivable processes)

1. Comply with all policies related to accounts receivable.

5.0 GLOSSARY

Accounts Receivables: are represented by a sales invoice or some other form. Under generally accepted accounting principles, accounts receivable are assets recognized when revenues are earned.

Bad Debts: refers to receivables that a customer is unable or unwilling to pay and where all legal collection methods have been exhausted.

Employees: all individuals conducting work for the District including full-time, part-time employees and temporary employees.

Receivables: represents claims for money, goods, services and/or other non-cash assets.

Write-off: to remove an account receivable from the District's accounts receivable records.

DRAFT



The Corporation of the District of Saanich

Report

To: Finance and Governance Standing Committee

From: Suzanne Samborski, Director of Parks, Recreation & Community Services Department

Date: 10/17/2025

Subject: Multicultural Festival Feasibility Report

RECOMMENDATION

That Finance and Governance Standing Committee provide Council with a recommendation regarding the funding or non-funding of a new multicultural festival.

PURPOSE

That the committee consider the feasibility of adding a new multicultural festival in Saanich to replace the former Uptown Multicultural Festival (UMF) and provide Council with a funding and implementation model recommendation.

BACKGROUND

In 2022, Uptown Shopping Centre partnered with the District of Saanich to create a new "Uptown Multicultural Festival" (UMF), guided by a planning committee of Indigenous and ethno-cultural leaders. The first year attracted approximately 7,000 attendees. This success was repeated in 2023. However, logistical constraints soon challenged Uptown's ability to continue the partnership. On behalf of Uptown, La Société Francophone de Victoria has requested Council's intervention to support or assume control of the festival.

On May 12, 2025, Council made a motion for, "staff to explore available resources to support a transition plan for the current Uptown Multicultural Festival to ensure sustainability of this event and staff report back on options and implications to the Finance and Governance Standing Committee."

STRATEGIC IMPLICATIONS

Creation of free, public festivals of this nature is supported by the [2024 Official Community Plan](#), under the Well-being mandate (Section 13.0) and specifically, objectives:

- A.** Foster a diverse, equitable and inclusive community where all residents are engaged and feel a sense of belonging.
- B.** Provide a range of recreation, arts, and culture opportunities for people of all ages, cultural backgrounds and abilities.
- C.** Recognize First Nations heritage and the community's colonial past as part of Saanich's path towards reconciliation.

The District of Saanich has a longstanding history of producing public events that celebrate its diverse cultural heritage. One of the earliest examples was a 2003 celebration designed to highlight Greek, Portuguese and Chinese communities hosted at Saanich Commonwealth Place. Since then, the district has consistently supported events reflecting the diverse cultures within Saanich. Through the Community Services Division (CSD), both the number and diversity of these events have increased significantly, now encompassing a wide range of cultural celebrations and observances.

OPTIONS

Option 1 – Recommend that Council create a new multicultural festival in Saanich to replace the former Uptown Multicultural Festival and provide Council with a funding and implementation model recommendation. Financial implication for this option is an annual budget increase of \$35,000-\$40,000, to be approved through an ongoing resource request during budget review.

Option 2 – Leverage funds allocated to the Autumn Lantern Festival (ALF) by ending that event and transitioning it into a new multicultural festival. Financial implication for this option is an annual budget increase of \$20,000-\$25,000, to be approved through an ongoing resource request during budget review.

Option 3 – Do not fund the proposed new multicultural festival and leave ALF unchanged. No financial implication for this option.

FINANCIAL IMPLICATIONS – New Multicultural Festival

Creating a large-scale, outdoor multicultural event with multiple partners requires significant operating funds to ensure a safe and successful community event. Costs to reproduce UMF include equipment, staffing, security, honorariums, vendor support, marketing, supplies, and artist fees. A preliminary estimate for an event of this nature is \$35,000-\$40,000.

These estimates assume the event will be produced in a Saanich Park, leveraging vendor relationships for discounts, and utilizing existing permanent staff resources. To move forward with this option, full funding would need to be provided. The event cannot move forward with partial funding as safety and quality would be significantly diminished.

FINANCIAL IMPLICATIONS - Leverage funds from Autumn Lantern Festival

An alternative to consider is to end ALF and redirect all funds allocated to it to offset the cost of a new multicultural festival.

Although this event is cherished by residents, community leaders have repeatedly suggested the need to refresh it with input from younger leaders, artists and performers. ALF has a similar, but smaller-scale footprint than the proposed multicultural festival. In 2025, the budget for ALF was \$15,000. Ending this event and redirecting all funds toward the creation of a new multicultural festival would help reduce the cost impact but still leave a \$20,000-\$25,000 shortfall to be funding through Council allocation.

Should there be support for this alternative, ALF artists and partners would be invited to transition to the new event and an effort would be made to combine both planning committees to create a new, harmonious vision for the community.

RECOMMENDATION

That Finance and Governance Standing Committee provide Council with a recommendation regarding the funding or non-funding of a new multicultural festival.

RECOMMENDATION ALTERNATIVES

Option 1 – Recommend that Council create a new multicultural festival in Saanich to replace the former Uptown Multicultural Festival and provide Council with a funding and implementation model recommendation. Financial implication for this option is an annual budget increase of \$35,000-\$40,000, to be approved through an ongoing resource request during budget review.

Option 2 – Leverage funds allocated to the Autumn Lantern Festival (ALF) by ending that event and transitioning it into a new multicultural festival. Financial implication for this option is an annual budget increase of \$20,000-\$25,000, to be approved through an ongoing resource request during budget review.

Option 3 – Do not fund the proposed new multicultural festival and leave ALF unchanged. No financial implication for this option.

Option 4 - Provide alternative direction to staff.

CONCLUSION

The success of the Uptown Multicultural Festival highlights the importance of diverse cultural events to Saanich's residents. These gatherings are vital for celebrating the district's rich artistic and cultural heritage and fosters community cohesion. However, when considering a new event, it is crucial to evaluate the ongoing cost implications.

Prepared by: Cristina Caravaca, Senior Manager of Community Services

Approved by: Suzanne Samborski, Director of Parks, Recreation and Community Services



Report

To: Finance and Governance Standing Committee

October 17, 2025

CC: Paul Arslan, Director of Finance; Brent Reems, Chief Administrative Officer

From: Suzanne Samborski, Director, Parks, Recreation and Community Services

Subject: New Lease Expense at Cordova Bay Community Space

PURPOSE

To inform the Finance and Governance Standing Committee about the upcoming significant increase in costs to support the Cordova Bay 55 Plus Association ('CB 55+') per the longstanding Operating Agreement with School District 63 ('SD 63'). Increased operating costs and the addition of a mandated lease fee will bring the annual cost of the community space at Cordova Bay Community Space to \$100,528, thus adding \$64,064 annually to the current operational deficit.

RECOMMENDATION

That the Finance and Governance Standing Committee endorse Recreation's non-discretionary request for an additional \$64,404 annually to support the new lease obligations, extend the Partnership Agreement with CB 55+, and work with them to cover their own portion of operating costs for the Community Space.

BACKGROUND

In 2005, The District of Saanich entered into agreements with SD 63 for the construction and ongoing operation of the Community Space ('the Space') at Cordova Bay Elementary School. Saanich invested \$350,000 to build the 147m² Community Space in 2005 and a further \$1.25M when the facility was expanded to 372m² in 2008. Under the Operating Agreement, the District of Saanich has been responsible for paying a proportionate share of the operating costs such as maintenance and utilities for the Space. The agreement stipulates that in December 2025, the mid-point of the forty-year term, Saanich becomes responsible to pay an annual lease rate in addition to the shared operating costs. Staff have recently completed lease rate negotiations with SD 63, and annual lease rate expenses have been established at \$64,064, reflective of two thirds the market rate, in addition to the annual operating costs of \$36,464 (2025 rates).

Since it was built, the Community Space has been occupied by CB 55+ under a Partnership Agreement with Saanich Recreation that is overseen by staff at Saanich Commonwealth Place ('SCP'). CB 55+ is a volunteer-run organization for older adults that offers a variety of social, educational, and physical activities to their more than 900 members. Under the Partnership Agreement, CB55+ has priority access to the Space weekdays between 8:00am and 6:00pm, with the Space available for Saanich Recreation programming and rental use on weekday evenings and all-day Saturday and Sunday. The current partnership agreement between Saanich and CB 55+ has a two-year term that expires in June 2026.

Saanich Recreation has offered various evening and weekend programs in the community space since its inception. Presently, the weekly offerings are limited to yoga and line dancing which, while generating approximately \$4,500 in annual revenue, still leaves a deficit after factoring in operating costs. Staff have relocated some programs from the Cordova Bay Community Space to SCP, which has proven to

increase registration and program success. The Space is not frequently rented to outside groups by Saanich due to administrative and site supervision costs required to support rentals in this offsite location exceeding revenue potential. CB 55+ occasionally books evening and weekend rentals which they successfully support with volunteer facility hosts.

In recent years, CB 55+ has approached Saanich Recreation with a desire to expand the Community Space to support their growing membership and demand for more program offerings. SD 63 has made it clear that they will not entertain further development on the school property. To support the request for additional program time, staff amended the Partnership Agreement in 2024 to increase CB 55+ priority access by an additional 10 hours per week.

DISCUSSION

District Support for Senior-Serving Agencies

Non-profit senior-serving agencies play an important role in the delivery of recreational, social and educational programs and services to Saanich's older adult population. Other senior-serving agencies directly supported by District of Saanich include Silver Threads, located at the Les Passmore Centre, and Goward House Society, located at Goward House. Both organizations operate in District-owned facilities for which no lease fee is paid. Saanich Facility Operations (Engineering) oversees maintenance and repair budgets for both locations, and Silver Threads at the Les Passmore Centre receives janitorial, maintenance and grounds services from Saanich staff. The District budget for services at Silver Threads is \$220,484 annually. Goward House, which receives only maintenance upkeep from Saanich, is part of the District's Heritage Building Maintenance budget which is \$26,775.

In addition to the in-kind support of facility provision and maintenance, both organizations receive annual grants from Saanich to support their operating and administration costs. In 2025 Goward House received a \$20,000 operating grant and Silver Threads received \$59,225.

Revenue Generation Opportunities

Saanich Recreation continues to make attempts to build revenue-generating opportunities using the Community Space. Demand for programs and rentals at the location has been limited. Combined with administrative and program staffing costs, the District is unable to significantly offset the additional costs. If not for the fact that CB 55+ uses this location for their programs, the District would have terminated its agreement with SD 63 due to those losses.

OPTIONS

1. Maintain status quo with CB 55+ in a partnership agreement with Saanich Recreation. Staff will submit a non-discretionary request for \$64,064 to increase annual funding to cover the additional lease rate.
2. Maintain the partnership agreement by submitting a non-discretionary request for \$64,064 to increase annual funding to cover the additional lease rate and work with CB 55+ to cover their own portion of operating costs for the Community Space.
3. Terminate the Community Space Operating Agreement, end the Partnership Agreement with CB 55+ and return use of the space to SD 63. Twelve months' notice is required under the Operating Agreement. The Partnership Agreement expires in June 2026.

CONCLUSION

Given CB 55+'s longstanding commitment to providing targeted older adult services to their members, staff recommend maintaining the partnership at this juncture and working with the organization to take on their share of the joint maintenance and utility costs for the Space.

Prepared by: Jennifer Jakobsen, Manager Saanich Commonwealth Place

Consulted: Tiana Solares, Senior Manager Recreation

Suzanne Samborski

Suzanne Samborski,

Director Parks, Recreation and Community Services

Memo

To: Susan Brice, Chair
From: Tara Judge, Executive Administrative Assistant to the CAO
Date: October 17, 2025
Subject: **Schedule of 2026 meetings**

Review potential dates for the 2026 Finance and Governance Standing Committee meetings.

Potential dates include:

- March 9, 2026 – includes review of grants and requires sufficient time to be forwarded to Council
- May 11, 2026
- July 13, 2026
- October 26, 2026