



Financial Plan Meetings

For the 2019-2023 Draft Financial Plan

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February 26, 2019

- Budget Submission Report – Overview by Director of Finance
- Operating Budget Presentations
 - Community Services
 - Planning, Environmental and Sustainability
 - Parks and Recreation
 - Protective Services
 - Police Board 2019 Provisional Budget
 - Fire and Emergency Program
 - Building Inspection/Bylaw Enforcement



The purpose of local government

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

Council's role

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

This Council takes that baton and moves it forward with the 2019 Budget and 2019 – 2023 Financial Plan



Purpose of budget meetings

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

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

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

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

What does a budget do?

The annual budget ensures continuous service delivery to meet expectations.

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



Financial Planning Framework										
2015	2016	2017	2018	2019	2020	2021	2022	2023		
2015 - 2019 Five Year Financial Plan										The projections for the current year become more defined the closer we get. 2019 in the 2015-2019 FP is a high level estimate
			2016 - 2020 Five Year Financial Plan							
		2017 - 2021 Five Year Financial Plan								
			2018 - 2022 Five Year Financial Plan							
				2019 - 2023 Five Year Financial Plan						
2015 - 2019 Financial Plan	2016 - 2020 Financial Plan	2017 - 2021 Financial Plan	2018 - 2022 Financial Plan	2019 - 2023 Financial Plan	2019 - 2023 Financial Plan	2019 - 2023 Financial Plan	2019 - 2023 Financial Plan	2019 - 2023 Financial Plan	The current financial plan is very detailed with a high degree of accuracy, each future year has less and less certainty due to unforeseen circumstances and the need for using estimates.	
↑ Dept Budgets	↑ Dept Budgets	↑ Dept Budgets	↑ Dept Budgets	↑ Dept Budgets	↑ Dept Budgets	↑ Dept Budgets	↑ Dept Budgets	↑ Dept Budgets		
Actual Results → → → → →				You are here	Projections → → → → →				The current financial plan is based on actual past results and projected outcomes.	
Survey Results - Citizen Service Expectations										
Council's Budget Guidelines										
Council Revenue Policy										
Debt Policy										
Infrastructure Replacement Funding Strategy										
Studies, Strategies, Master Plans										
2015 to 2018 Strategic Plan					2019 to 2023 Strategic Plan					
Official Community Plan and Local Area Plans										
All financial plans are developed in accordance with Council approved policy and guidelines and are based on a wide variety of plans and strategies all built with public consultation.										

2019

Budget Introduction



Draft Budget Presentation

“Budget Book” will be presented from Feb 26th to 28th

Current agenda for the first of 3 daytime meetings

- Financial Plan Overview
 - Departmental Presentations
- 

Budget Book

- Book provided is a draft budget – compilation of all departmental and corporate budgets
- Book is updated at the end of the process to reflect the decisions of Council made over the coming months
- New financial impacts are possible – Council will be apprised of any changes that occur during deliberation that may impact the budget (grants, assessment appeal results etc)
- 2018 projections are preliminary – year end adjustments will be ongoing until early April

Financial Plan Overview

- The Community Charter requires that local governments approve a Five Year Financial Plan bylaw by May 15th each year prior to the adoption of the annual property tax bylaw
- Year 2 of the 2018-2022 bylaw is the current legal authority to spend to continue municipal operations
- Key feature of a municipal budget
The Financial Plan must be balanced – identified revenue sources for all expenditures

Budget Process

- June 2018: Budget Guidelines were debated and adopted by Council in open meeting
- July to October – staff prepared departmental plans; developed budgets and submitted to Finance
- November to February – Finance staff reviewed submissions, conducted detailed analysis, assessed and determined financial strategy and consolidated and compiled the budget document

Budget Process

- February to April – Budget deliberation process
 - May – Bylaw adoption
- 


Budget Guidelines

- Draft budget was developed based on the “Budget Guidelines” adopted by Council in June 2018. Guidelines are the Council direction provided to staff that set the parameters for budget development.
- Guidelines were discussed in an open meeting of Council with public input.

Budget Guidelines – Key Components

- 2019 departmental net budget totals will be limited to a 0% increase over 2018 - exclusive of:
 - existing personnel costs
 - core capital increases
 - non-discretionary increases
- Capital expenditures for infrastructure replacement:
 - Core Capital - 2% increase plus a maximum 0.75% per year property tax

Budget Guidelines – Key Components

- Requests for additional operating budgets considered where critical capacity issues can be clearly demonstrated or where upfront investment will result in longer term savings.
 - Budget reduction scenarios of .5% and 1.0% be prepared.
- 

Public Consultation



Charter Requirement

- Community Charter requires that Council undertake a process of public consultation regarding the proposed financial plan before it is adopted.
- Council's has a "Financial Plan – Public Consultation Policy"
- 2019 processes are enhanced from the policy requirement and result from feedback during 2018 engagement on strategic and financial planning.


Public Input - Surveys

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

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



Survey Reliance

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

Public Input - Surveys

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

Public Input - Surveys

Are residents pleased with the overall direction Saanich is taking?

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

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

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


Public Input - Surveys

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

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

Public Input - Surveys

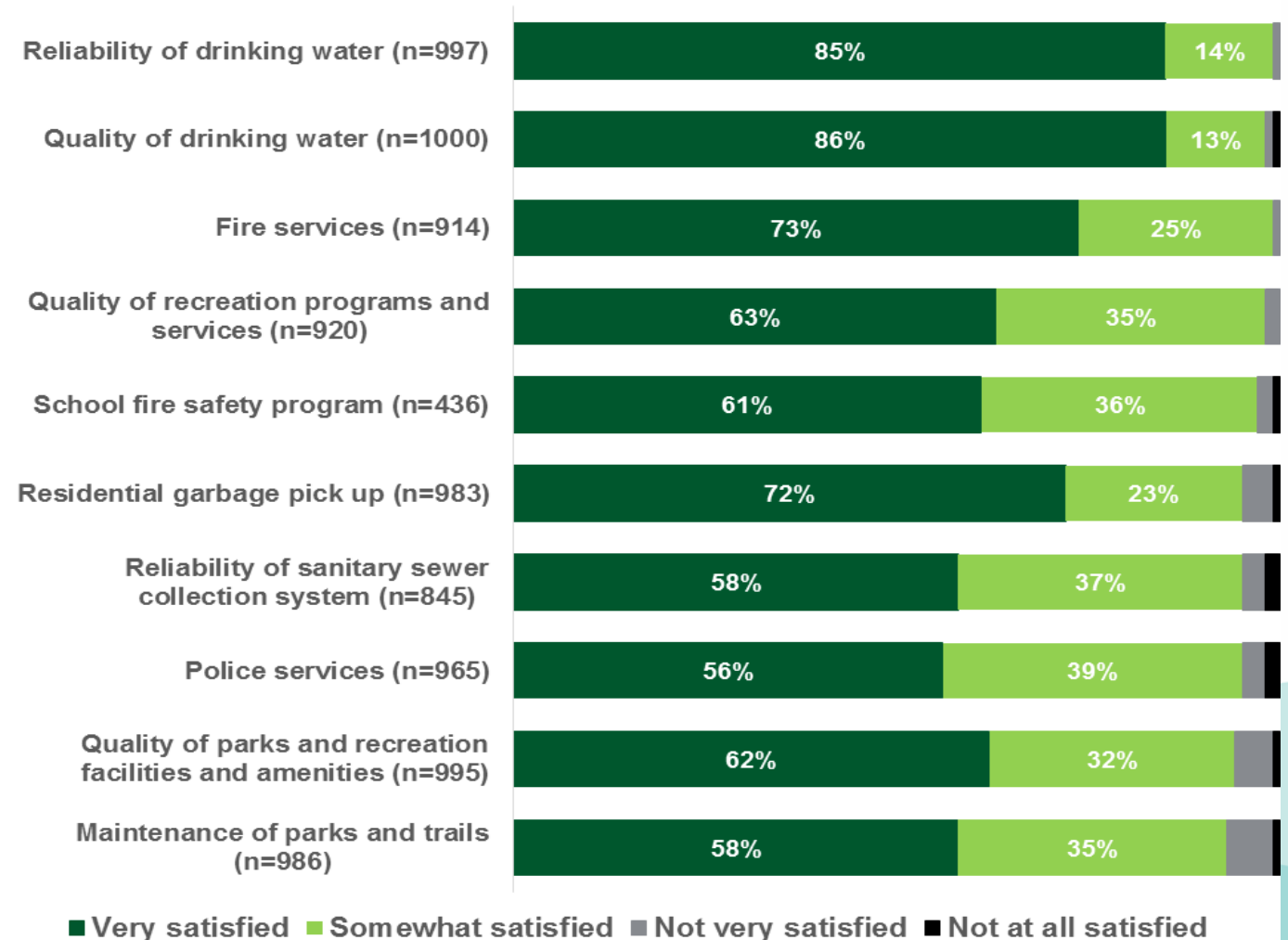
Resident's opinion of taxation and levels of service:

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


Resident Satisfaction

- Satisfaction with services amongst Saanich residents remains strong

Satisfaction with services (Top 10)



Public Input - Opportunities

- The public can obtain the presentation slides on the website and hear the additional information provided by Directors in person or through webcasting
 - Public input opportunities are provided at each Financial Plan meeting
 - Council will be deliberating until bylaws finalized early May.
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Public Input - Opportunities

Ways to participate:

- Attend the meetings and provide input in person
- Watch the webcast in real time or at your convenience
- Email your comments or questions to: budget@Saanich.ca
- Engage with us on Social Media

2019 Draft Budget



Cost Drivers

Labour costs – average \$2.5 million annually (collective agreement increases, benefits, stat deductions)

Capital commitment – sustainability targets

Non-discretionary costs

Challenges

Weak new construction revenue

Opportunities

Non-tax revenue increases

Saanich 2019 Draft Financial Plan

Budget
Increase
\$

Tax
Increase
%

Operating Increases

Core budget

Existing personnel costs - municipal

2,198,227

1.82%

Non-discretionary increases

1,423,579

1.18%

General Municipal Core Operating Increase

\$ 3,621,806

3.00%

Increase in non-tax revenue

(1,215,267)

-1.01%

Tax revenue from new sources (preliminary)

(858,400)

-0.71%

Core Increase to Existing Taxpayers

\$ 1,548,139

1.28%

Increase for Capital Infrastructure

1,967,884

1.63%

Total General Municipal Increase

\$ 3,516,023

2.91%

Police Board Provisional Budget

\$ 1,668,122

1.38%

Greater Victoria Public Library

166,140

0.14%

General Municipal, Police and Library

\$ 3,682,163

4.43%

Province of BC - Employer Health Tax

\$ 1,806,430

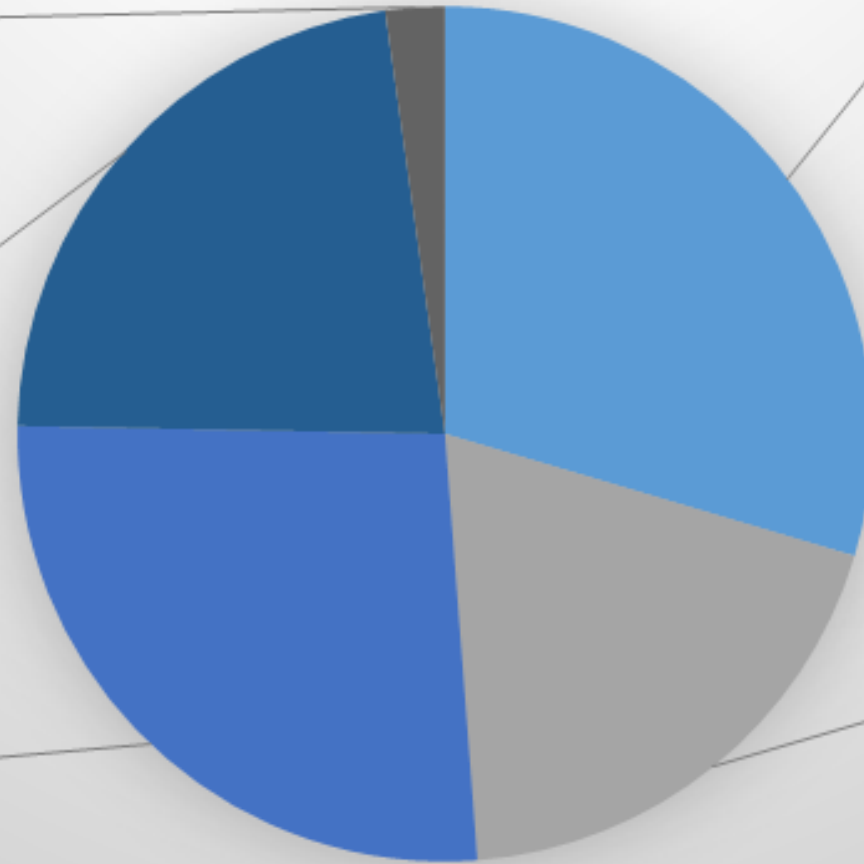
1.50%

What is increasing the budget?

Library Services
166,140,
.14%

Police Board
1,668,122,
1.38%

**Capital
Infrastructure**
1,967,884,
1.63%



Municipal Labour
2,198,227,
1.82%

Non-Discretionary
1,423,579,
1.18%

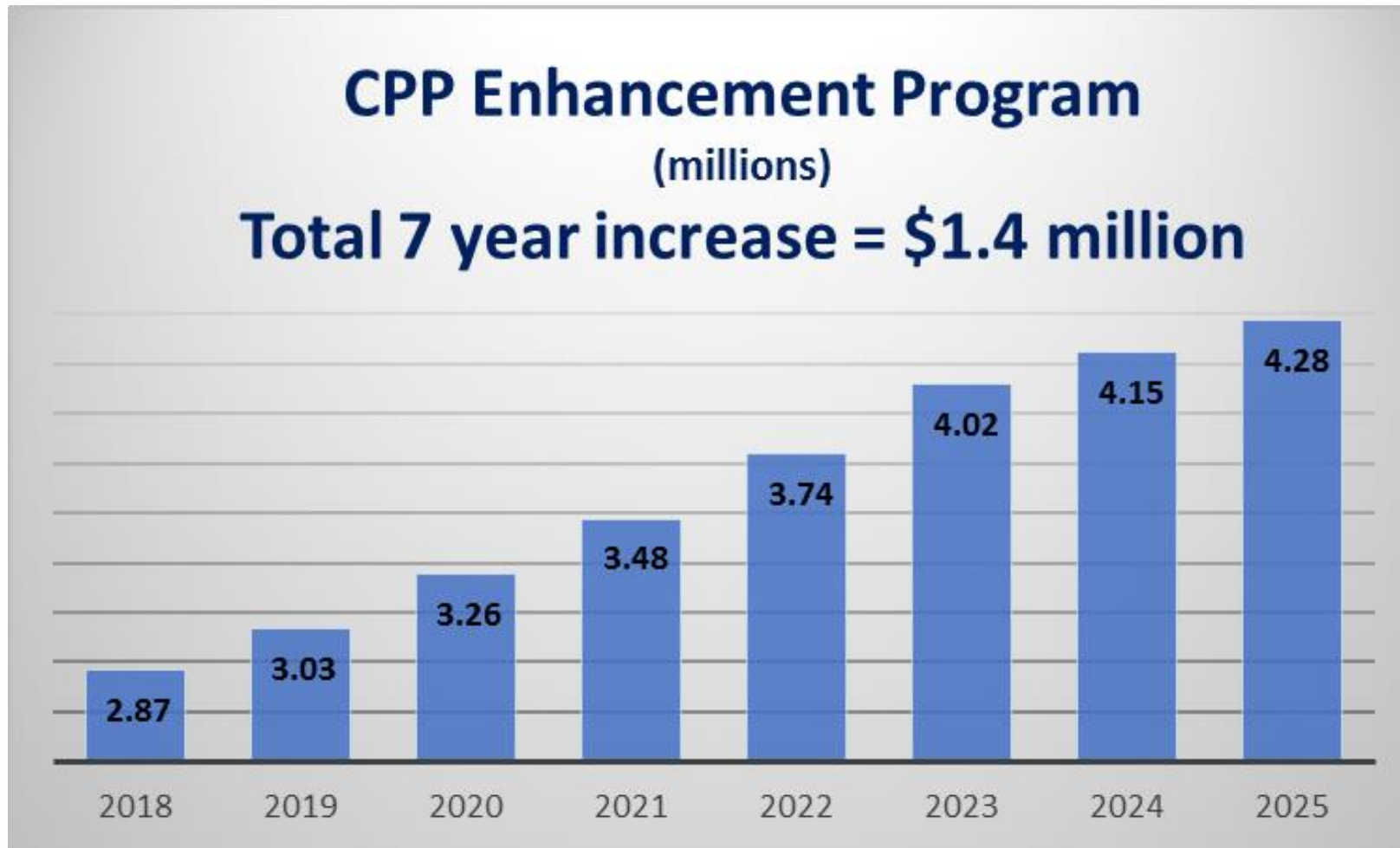
Existing personnel costs

Based on current capacity (maintain service levels)

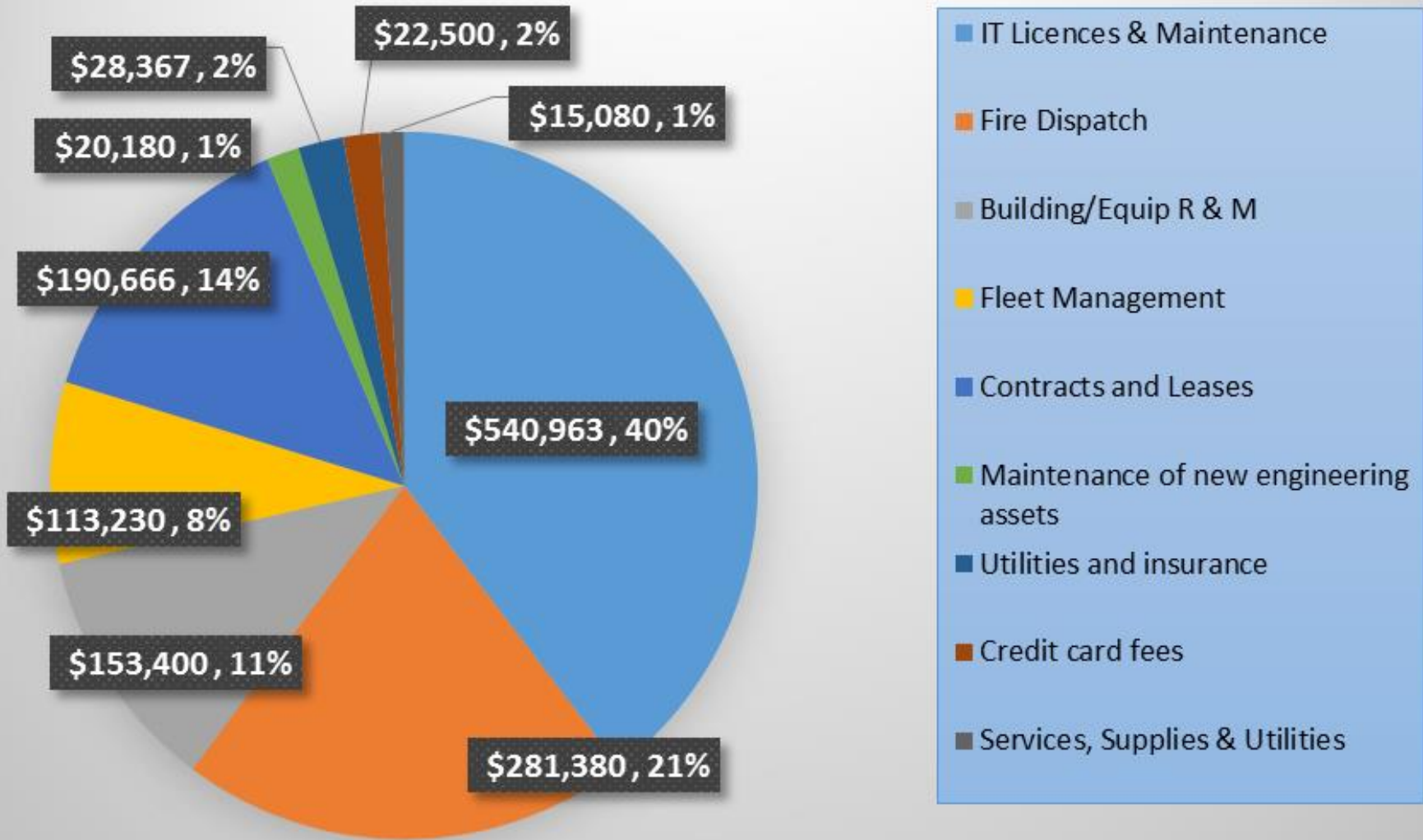
Major increase factors:

- Increases under collective agreements (or estimates)
 - Increments for stepped positions
 - Worksafe premiums
 - CPP Enhancement program
 - Benefit plans – extended health and dental
-
- Total increase \$2.2 million

Non-discretionary personnel costs



Non-Discretionary Increases



Non-Discretionary Increases

Cost driver	Budget Increase
IT Licences & Maintenance	\$ 540,963
Fire Dispatch net revenue loss	\$ 281,380
Building/Equip R & M	\$ 153,400
Fleet Management	\$ 113,230
Contracts and Leases	\$ 190,666
Maintenance of new assets	\$ 20,180
Utilities and insurance	\$ 28,367
Credit card fees	\$ 22,500
Services, Supplies & Utilities	\$ 72,893
Total	\$ 1,423,579
Tax Impact	1.18%

Additional Capital Funding

Policy:

- Core capital (tax funded) 2% increase = \$235K
- Additional infrastructure replacement = .75% of taxation = \$906K
- Debt servicing for capital projects = \$827K

Total capital funding addition = \$1.968 million

Revenue Impacts

- New construction preliminary data - still less than 1% of taxation.
- Investment income strengthening
- Permit revenue up slightly – confidence that it will maintain over the coming year, but not rise substantially
- Total revenue opportunities = \$1.2 million
- Reduces tax requirement by 1%

Impact to the “average taxpayer”

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

A municipal property tax increase to existing taxpayers of 4.43% or \$114.47

- 1.28% (\$ 33.07) for general municipal operations
- 1.63% (\$ 42.12) capital funding
- 1.38% (\$ 35.66) for Police Board Provisional 2019 Budget
- 0.14% (\$ 3.62) for Greater Victoria Public Library 2019 Budget

A new employer health tax levy:

- 1.5% (\$39.67) for the new BC Employer Health Tax

Average homeowner

A residential property owner whose single family home is assessed at \$924,100 in 2019 and their assessment increased by 5.2% over 2018.

Draft Budget - 2019

Water, sewer and garbage rates considered and approved by Council in December 2018

Increases for the average homeowner:

	2018	2019	Change
Property Tax			
Municipal Services	2,584	2,698	114
Employer Health Tax	-	39	39
Sewer Fees	466	515	49
Water Fees	471	478	7
Refuse Collection Fees	185	192	7
	\$ 3,706	\$ 3,922	\$ 216

Employer Health Tax

- The average residential homeowner will see an increase of \$39 for the EHT. This must be compared to any savings realized through reduction in Medical Services Plan premiums to determine the cost or savings.
- Tax = \$4.87 per \$100,000 of assessment

• For example:

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

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

Overview

Questions?





Community Services

Planning, Environmental and Sustainability
Parks and Recreation

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Operating Budget

Planning, Environmental, Sustainability

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Department Overview

4 Divisions

- Community Planning
 - Current Planning
 - Environmental Services
 - Sustainability & Climate Change
-
- **29.34 FTE**
-
- **Broad Range of Services** most involving
Significant Community Engagement



2019 Major Projects

- Cordova & Cadboro Bay Local Area Plans
- North Quadra & Quadra Local Area Plans
- Bio Diversity Plus Strategy
- Food Security & Agriculture Plan
- Electric Vehicle (EV) Strategy
- 100 % Renewable and Resilient Saanich Plan
- Uptown Douglas Corridor Plan
- Garden Suite Initiative
- Tempest Update & Ongoing Efficiency Work
- Energy Efficiency Incentive programs
- Step Code Phased Implementation

Planning Budget Comparison

Cost Drivers

Wage increases
and increments

BUDGET SUMMARY	
2019 Net Budget	\$ 2,791,800
2018 Net Budget	\$ 2,745,100
Net Change	\$ 46,700
Change by %	1.70%
2019 FTE	29.34
2018 FTE	28.44
FTE Change	0.90
FTE Change %	3.16%



Challenges - Planning

- **Growing** Demand For Services
 - **Balancing** Capacity & Service Levels
 - **Enhanced** Community Engagement
 - **Support** for Partners
 - **Ongoing** Retention & Recruitment
- 



Opportunities - Planning

- **Evolving Service Delivery**
- **Partnerships**
- **Fees**
- **Supportive Technology**
- **Focused Actions**



Planning, Environmental and Sustainability

Discussion and Questions





Operating Budget

Parks & Recreation

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Parks and Recreation Overview



2019 Budget: \$17,297,000

Annual Cost Per Capita: \$151.53

Daily Cost Per Capita: \$0.415

Requested Net Increase: \$714,800

Annual Cost Per Capita: \$6.26

Daily Cost Per Capita: \$0.017

Parks and Recreation Overview



Staffing

Parks and Recreation FTE's

- Total: 317.19
- Parks: 79.37
- Recreation: 237.82
 - 28.5% over-all FTE
 - 26.43 FTE's per manager

Parks and Recreation Total Staff

- 1500-1800 total Saanich
- Based on 1681
 - 831 Employees
 - 49% overall employees
 - 12 managers
 - 70 employees per manager



2019 Major Projects Parks

- Creek restoration
- Trail restoration
- Complete the Cedar Hill Park Management Plan
- Expand the Park Ambassador program
- Reynolds Park playground renewal
- Layritz Park Little League and Braefoot Park field renewals

2019 Major Projects Recreation

- Complete and Implement the Recreation Market Analysis
- Implement results from the Pass Analysis
- Complete and Implement Regional LIFE Review
- Fully implement the Older Adult Strategy
- Transition Saanich Commonwealth Place to new funding model





Parks Challenges

- Capacity
- Investment in Volunteer Programs
- Increase in Volume of Users / Increasing volumes of park waste
- Implementing Park Management Plans
- Demographics
- Maintaining versus New



Recreation Challenges

- Competitive Labour Market
- Demographics and declining revenue
- Implementing the Older Adults Strategy
- Aging and Stagnant Facilities
- Capacity and Service Pressures
- Supporting Immigrants and New Canadians
- SCP Trust Fund



Parks Opportunities

- Leveraging relationships and resources
- Alternate service delivery options
- Investment in spaces and places
 - Youth related parks
- Partnerships



Recreation Opportunities

- Leveraging relationships and resources
- Market Analysis
- Alternate service delivery options
- Investment in spaces and places
- Partnerships
- Exploration of subsidization rates

Parks and Recreation Comparison

BUDGET SUMMARY	
2019 Net Budget	\$ 17,297,000
2018 Net Budget	\$ 16,582,200
Net Change	\$ 714,800
Change by %	4.31%
2019 FTE	317.19
2018 FTE	315.91
FTE Change	1.28
FTE Change %	0.41%

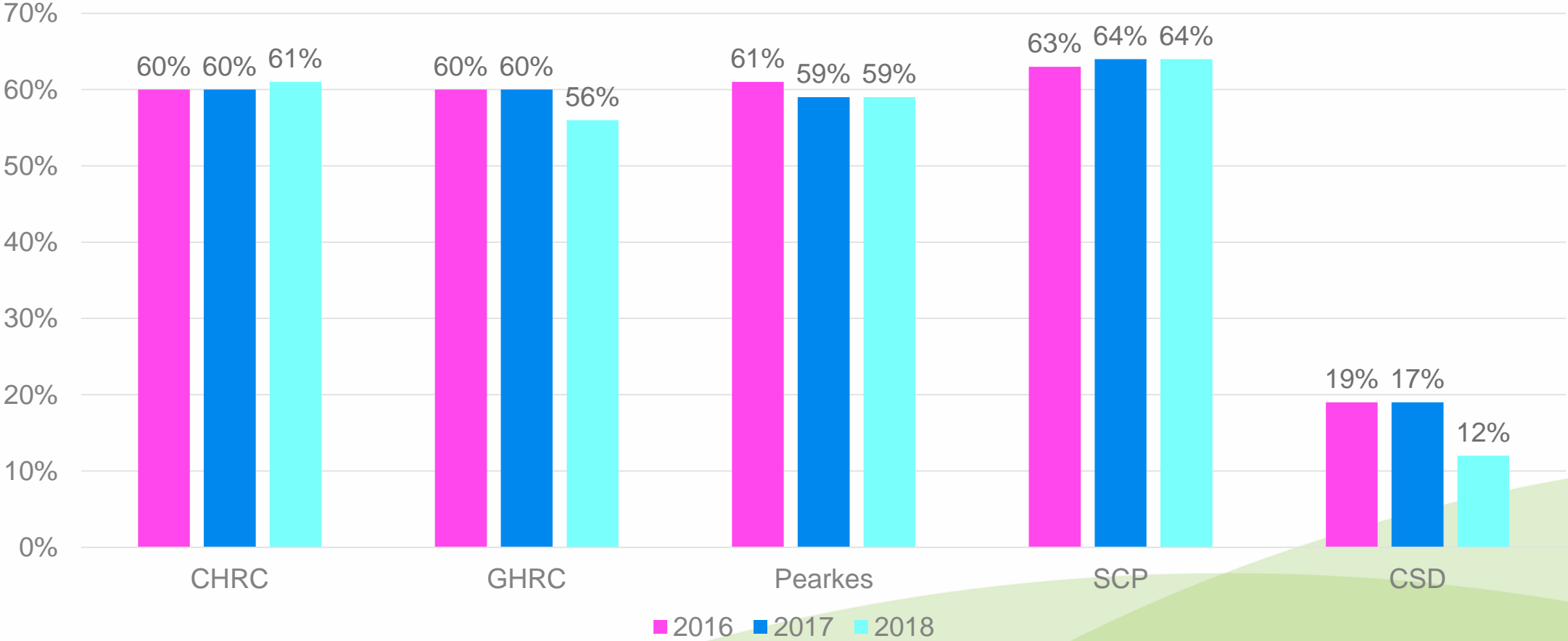


Cost Drivers

- Wage increases and increments
- Non-discretionary increases

Recreation Facility Performance Metrics

Actual Recovery Rates (costs covered by user fees instead of taxes)





Questions

Parks and Recreation

2019-2020 Parks and Recreation Fees and Charges
recommendation





Protective Services

Police Board Provisional Budget

Fire Services

Emergency Program

Building Inspection and Bylaw Enforcement



Police Board Provisional Budget



2019 Operating Budget

Fire Department

2019 Budget Summary

Cost Drivers:

Negotiated wage increases, wage increments, duty to accommodate

Dispatch revenue and expenses – reduction in number of clients serviced by division resulting in decreased costs and revenue

BUDGET SUMMARY	
2019 Net Budget	\$ 18,916,800
2018 Net Budget	\$ 18,182,300
Net Change	\$ 734,500
Change by %	4.04%
2019 FTE	126.85
2018 FTE	126.51
FTE Change	0.34
FTE Change %	0.27%
2018 Carbon Footprint (CO₂e)	218 Tonnes
2017 Carbon Footprint (CO₂e)	221 Tonnes
Carbon Footprint Change	(3) Tonnes

Saanich's fire protection costs remain one of the lowest in the province

- \$146.84 per capita – 3% increase from 2016

Saanich Fire Department

The Department's mandate is to protect citizens and property; to provide all proper measures to prevent, control and extinguish fires and provide assistance to medical emergencies, land and marine rescue operations, requests from other fire services, hazardous materials incidents and requests for public service.

The Department is also responsible for the administration of the Saanich Emergency Program. The mandate of the program is to provide for continuity in government and the preservation of life and property through a coordinated response by elected officials, municipal departments, volunteer services, and such outside agencies as may be able to assist during a major emergency or disaster.

Fire Department Division Overview

Seven divisions provide fire and life safety services:

Administration	12
Suppression/Rescue	94.35
Communications	10.5
Fire Prevention	6
Training and Staff Development	2
Mechanical and Fleet Maintenance	2
Emergency Program	3
TOTAL	129.85 FTEs



Emergency Response Profile

- 4,575 emergency incident responses in 2018
- Medical incidents decreased 6% from 2017 to 2018
- Fire incidents decreased 4% from 2017 to 2018
- Alarm activation calls remain static and represent 14% of incidents
- Motor vehicle incidents increasing and represent 13% of total incidents

2019 Major Projects

Fire Services Review

- Complete comprehensive review to evaluate how the Fire Department is meeting the current and future needs of Saanich and guide long term planning for the delivery of fire and rescue safety services

Health and Wellness

- Provide holistic, proactive and preventative health and wellness programs to address and potentially prevent long term impacts of post traumatic stress

Strategic Facilities Plan

- Station No. 2 replacement business case
- Station No. 3 upgrade completion

2019 Major Projects

Fire Department Centennial

- Celebrate Department's legacy and contributions to public safety
- Strengthen relationships with members, residents, stakeholders and community

Business Process Review

- Evaluate business current practices to identify enhancements and opportunities for improvements and efficiencies

Fire Dispatch Remediation / Move

- Given Saanich Police Dispatch's move to South Island Dispatch, shared police/fire business critical dispatch capabilities require remediation. In conjunction with this work being carried out, Fire Dispatch will move into the former Police dispatch area.

Opportunities

Regional Opportunities

- Automatic aid
- Dispatch consolidation

Shared Service Agreements

- Mutual aid agreement with City of Victoria
- Authorization bylaw update

Deployment Strategy Efficiencies

- Cross-staffing
- GPS based dispatching

Budget Challenges

- Non-discretionary increases
- Loss of revenues
- Staffing backfill and overtime expenditures
- Station maintenance and upgrades
- Mechanical fleet maintenance, fuel and insurance

Cost Drivers

- Labour and burden
- Long term illness, injury and accommodations
- Health and safety programs, requirements and standards
- Fire fighter training and certifications
- Technological change

2019 Core Budget

The Department's 2019 net core budget of \$18,916,800 represents a 4.04% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	% Change
	2017	2018	2018	2019	2019/2018	2019/2018
Administration	1,910,200	1,824,000	2,009,500	2,052,500	43,000	2.14%
Suppression and Rescue	12,269,700	12,934,400	12,603,600	12,959,500	355,900	2.82%
Dispatch						
Revenues	(568,700)	(576,500)	(586,000)	(230,000)	356,000	(60.75%)
Expenses	1,596,500	1,629,300	1,671,400	1,613,600	(57,800)	(3.46%)
Total	1,027,800	1,052,800	1,085,400	1,383,600	298,200	27.47%
Prevention	867,800	952,600	927,100	951,200	24,100	2.60%
Staff Development	401,200	424,700	447,700	438,500	(9,200)	(2.05%)
Equipment Maintenance	931,500	1,022,200	1,000,800	1,021,800	21,000	2.10%
Building Maintenance	120,500	103,700	108,200	109,700	1,500	1.39%
Total	17,528,700	18,314,400	18,182,300	18,916,800	734,500	4.04%

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



Saanich Emergency Program

The Saanich Emergency Program supports municipal efforts to prepare for, respond to and recover from major emergencies and disasters.

The Emergency Program:

- Ensures continuity in government.
- Provides a plan for preserving life and property.
- Coordinates response from elected officials, municipal departments, volunteer services and outside agencies.

2019 Major Projects

Emergency Program Strategic Plan

- Update the Emergency Strategic Plan based on results of 2018 resident survey
- Update public education offerings to increase resident and business emergency preparedness in Saanich

Municipal Department Operation Centres

- Continue to support municipal departments to develop their Department Operation Centres to ensure they are able to operate during an emergency

Opportunities

Pursue funding through UBCM, provincial and federal grants and programs.

Increase resident and business emergency preparedness through enhanced education program offerings

Standardize volunteer orientation and training

Achieve efficiencies through using technology (i.e. Saanich Fire Notification System, volunteer management software)

Challenges

Municipal Emergency Operations Centre is a shared multi-use location

Ongoing challenges with space workflow, IT equipment access, use configuration and connectivity

Business analysis required in 2019 to support effective use of facility during Emergency Operations Centre activation

2019 Core Budget

The Emergency Program's 2019 net core budget of \$436,400 represents a 2.44% increase over prior year.

Net Budget By Function	Actual	Projection	Budget	Budget	\$ Change	%Change
	2017	2018	2018	2019	2019/2018	2019/2018
Program Administration	378,400	391,500	404,500	414,900	10,400	2.57%
Training Programs	12,800	19,000	15,100	15,100	-	0.00%
Neighbour Helping Neighbour	7,800	7,600	6,400	6,400	-	0.00%
Total	399,000	418,100	426,000	436,400	10,400	2.44%

* SEP – negotiated wage increases, wage increments

Fire Department & Emergency Program

Discussion and Questions

Agenda

6. Public Input

7. Budget Deliberations

