



# 2019 Capital Budget Presentation

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# 2019 General Capital Budget Expenditures

<b>Expenditures</b>			<b>Budget</b>
	<b>2018 Projects In Progress</b>	<b>2019 Capital Projects</b>	<b>Total 2019</b>
Police	1,533,000	1,410,800	2,943,800
Fire	1,268,500	35,000	1,303,500
Transportation	9,019,500	14,245,100	23,264,600
Drainage	9,804,900	8,952,300	18,757,200
Parks	1,108,600	3,556,100	4,664,700
Recreation	1,683,300	1,101,600	2,784,900
Fleet Replacement	1,662,600	956,400	2,619,000
Information Technology	4,934,000	5,826,700	10,760,700
Community Facilities	4,855,500	9,950,000	14,805,500
Land Acquisition	-	6,240,400	6,240,400
	<b>35,869,900</b>	<b>52,274,400</b>	<b>88,144,300</b>

# 2019 General Capital Budget Revenue Sources

Source of Funding			Budget
	2018 Projects In Progress	2019 Capital Projects	Total 2019
General Operating (Core Capital)	-	15,226,600	15,226,600
Future Expenditure Reserve	474,100	-	474,100
General Capital Reserves	7,540,700	13,723,200	21,263,900
Gas Tax Reserve	3,616,500	7,213,300	10,829,800
Capital Carryforward Reserve	13,711,900	-	13,711,900
Lands Sale Reserve	-	1,700,000	1,700,000
Development Cost Charges	342,100	2,008,300	2,350,400
Equipment Replacement Reserve	2,909,600	1,402,600	4,312,200
Grants & Contributions	400,000	1,200,000	1,600,000
Borrowing	6,875,000	9,800,400	16,675,400
	<b>35,869,900</b>	<b>52,274,400</b>	<b>88,144,300</b>

# 2019 Capital Budget

## Sewer and Water

Description of Program	Budget
	2019
<b>Sewer Capital</b>	
Asbestos Cement Main Replacement	4,587,000
Pressure Mains	-
Relining	967,000
Pump Station Replacement	295,000
Service Connections	-
Manhole Replacement	50,000
Other	867,000
Transfer to/(Fr) Capital Reserve	278,000
	<b>7,044,000</b>

Description of Program	Budget
	2019
<b>Water Capital</b>	
Asbestos Cement & Cast Iron Main Replacement	6,412,000
Valves	350,000
Pump Station Replacement	-
Meter Replacement	200,000
Service Connection Replacement	100,000
Hydrant Replacement	30,000
Other	873,600
Transfer to/(Fr) Capital Reserve	205,000
	<b>8,170,600</b>

# Additional Capital Funding

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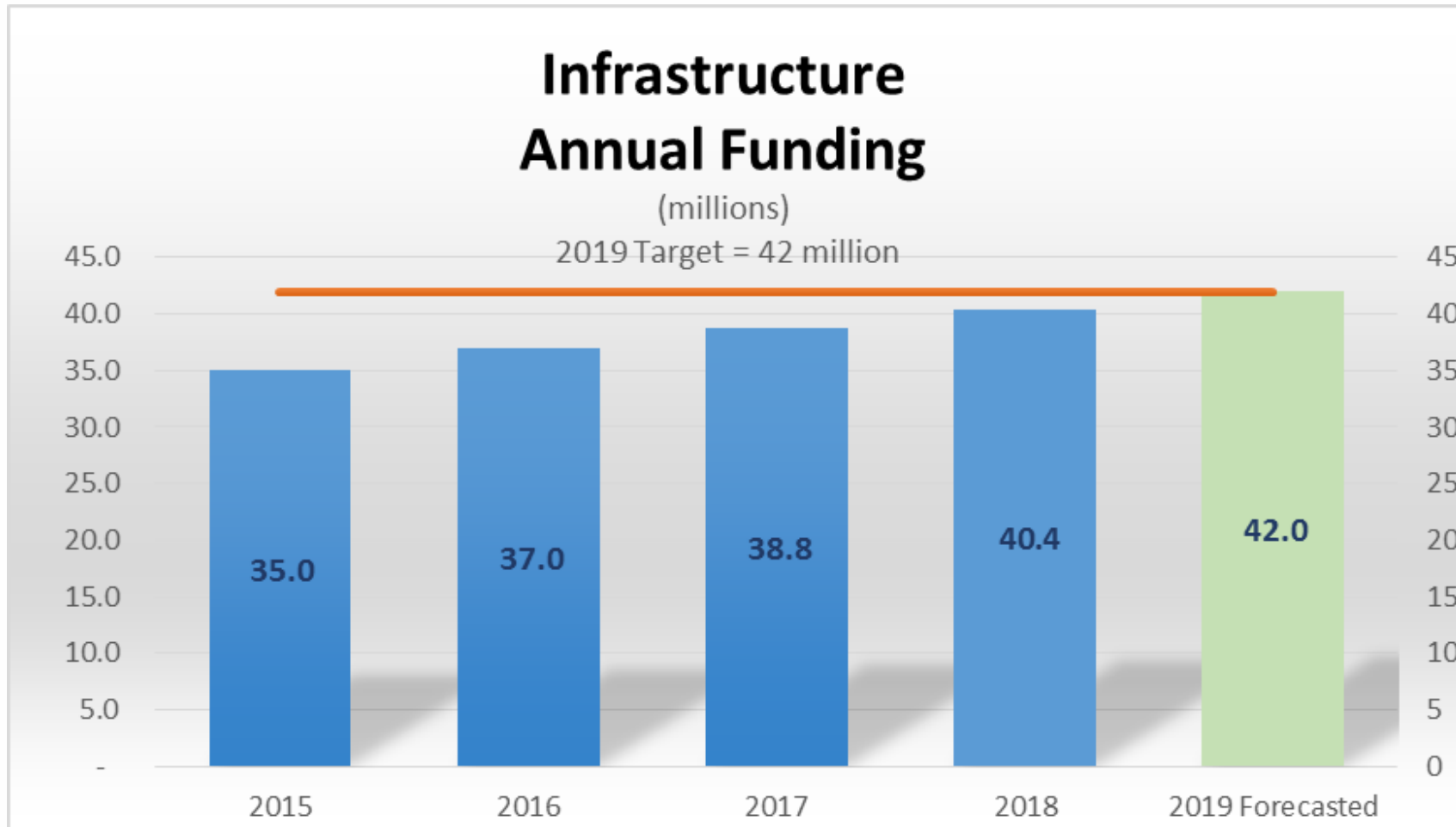
## Policy:

- 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

# Sustainable Funding Targets


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# Sustainable Capital Funding

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It's 2019...are we done?

- Construction cost pressures will continue to create a need to continually increase funding levels.
  - Replacement values need to be updated.
  - Corporate technology plan needs to be annualized.
  - Debt still a funding source for several asset types.
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# Sustainable Capital Funding

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What other factors are there?

- Grants from other levels of government
  - Annual surplus transfers into the IT and Facilities Reserve Funds
  - Changes in technology can reduce project costs
  - Other revenue sources
  - Sharing service delivery with other municipalities
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# Sustainable Capital Funding

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The good news...

- Saanich has made significant progress towards appropriately funding the repair and replacement of its existing assets.
- Saanich is considered a leader in financial commitment to stewardship of capital assets.
- The tax increases have had to balance the need to increase capital funding with the ability of residents and businesses to pay.
- The infrastructure deficit took many decades to accumulate...the solution will also be long term.

# Next steps

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- Update the long term financial plan for the capital program.
  - Calculate the infrastructure deficit.
  - Determine what is needed to stay apace.
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- One time resource request to fund an in-depth capital program assessment.

# Capital Budget

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- Reflects the District's commitment to asset stewardship – taking care of what we already own.
- Capital budget is predominantly repair and replacement.
- Certain asset types have components of net new.
- Budget document has been updated to clearly show which projects are replacement and which are new infrastructure.



# Capital Budget

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Vehicles  
Equipment  
Technology

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# Vehicles, Equipment & Technology

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## Divided into 6 Sections

## Presenter

- Police Vehicles, Equipment and Technology      Police Board
- Fire Vehicles, Equipment and Technology      Finance
- Engineering Equipment      Engineering
- Fleet Vehicles (Parks & Public Works)
- Parks and Recreation Equipment      Parks & Rec
- Information Technology Services      Corporate

# Fire Vehicles and Equipment

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All Fire Vehicle acquisitions are funded from the Vehicles and Equipment Replacement Reserve.

Reserve has annual budgeted funding to manage the replacement of the current fleet.

Impact of USD exchange rate, rising costs



# Engineering Equipment / Fleet Vehicles

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All vehicle replacements are funded from the Vehicles and Equipment Replacement Reserve. A thorough reserve health analysis was completed in 2018 which will ensure this reserve is sustainable for the future.

Vehicles identified for replacement in 2019 include:

- 6 hybrid cars replaced with fully electric
- 9  $\frac{3}{4}$  tonne pickup trucks
- 2 one tonne trucks
- 3 backhoes


Criteria to determine vehicles due for replacement includes age, mileage, condition, and GHG reduction potential



# Parks and Recreation Equipment

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Annual replacements from core and reserves

- Golf course grounds equipment
  - Recreation equipment
  - Parks equipment
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# Capital Budget

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Corporate Technology

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# Principles

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## **Council Strategic Plan Initiatives**

- Implement business technology resource planning
- Integrate and improve the management of electronic records
- Implement asset management
- Strengthen information technology foundation

## **Corporate Technology Principles**

- Maintain integrity and security of large, complex systems
- Maintain functionality of products and services
- Maintain compliance with licensing and maintenance
- Maintain up-to-date versions of corporate applications
- Average life cycle of hardware and software of 3-5 years



# Life Cycle and Costing

As a project becomes better defined, budget estimates become increasingly accurate. The project budgets covers three distinct phases:

- 1. Discovery** – the assessment of needs and scope of project followed by **design and planning** for resources, budget, interdependencies with other systems and creation of RFP
- 2. Awarding** of RFP, creating contractual agreement with vendor followed by construction and installation
- 3. Maintenance** of asset and work; budgeting towards **replacement** and return to phase 1

# Assets



## IT Infrastructure

End user systems and other tools that support all of the computer applications, security and data storage as well as mobile and remote access



## Business Systems

Core systems upon which the entire organization depends to meet legal, statutory, business and citizen requirements



## New Assets / Projects

Projects and items as identified in Council's strategic plans or by departments

# 5 Year Technology Capital Plan

	2019	2020	2021	2022	2023
Total Capital	\$ 5,826,735	\$ 3,822,400	\$ 3,327,600	\$ 4,895,400	\$ 4,063,100
Associated Operating Costs	\$ 674,906	\$ 683,257	\$ 86,800	\$ 61,900	\$ 395,800

- Data for 2019 and 2020 is accurate, data for 2021-2023 is a best estimate
- Operating costs of new hardware and software is estimated at 22% of original cost
- Current sustainable funding = \$400,000 annually
- Remainder is funded through debt servicing (will continue till 2023)
- Current estimates see technology capital requests supporting existing IT technologies stabilizing between \$3 and \$3.5 million annually



# Capital – IT Infrastructure

## Servers

2019 Capital Plan - \$200,000

- 2018 – HCI, systems tools, continue security program and enhance capabilities of the data centers
- 2019 – Continued enhancement of the secondary data center related to disaster recovery
- *Estimated operating increase 2019 - \$40,000*

## Network

2019 Capital Plan - \$350,000

- 2018 – firewalls and network equipment upgrades
- 2019 – upgrade wireless access points, replace core network switches in the data centre
- *Estimated operating increase 2019 - \$47,000*

# Capital – IT Infrastructure

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## Phone

2019 Capital Plan - \$450,000

- 2018 – RFP process and commence implementation of system
- 2019 – System go live, decommission old system
- *Estimated operating increase 2019 - \$50,000*

## Email

2019 Capital Plan - \$450,000

- 2019 – Planning for upgrade of the email system
  - 2020 – implementation of new email system
  - *Estimated operating increase 2019 - \$143,000*
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# Capital – IT Infrastructure

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## Printers

2019 Capital Plan - \$100,000

- 2019 – Discovery related to printer/scanner needs and replacement
- 2020 – Implement new hardware and processes
- *Estimated operating increase 2019 - \$0*

## Desktop/Laptops

2019 Capital Plan - \$800,000

- 2019 – Discovery, purchase of software/hardware and commence implementation
- 2020 – complete Implement
- *Estimated operating increase 2019 - \$0*





# Capital – Business Systems

## Core System upgrades

2018 Approved Funding - \$2,900,000

2019 Capital Plan - \$1,379,052

Systems being upgraded (either major and minor) include:

- JDE (HR & Safety)
  - Fire Dispatch / Ecomm system / 911 next generation
  - Tempest
  - GIS
  - Ortho photos
  - SCADA
  - Traffic signals
- *Estimated operating increase 2019 - \$168,220*



# Capital – New Assets / Projects

Significant work has been undertaken in the last 5 years to

- Modernize the IT foundations (servers, database, switches, backup, licenses)
- Ensure core applications are supported, licensed and current
- Implement privacy and security protocols for new/upgraded applications
- Standardize technology choices across business areas (JDE first, standard issued mobile devices and desktops)
- Leverage external partners for specialized expertise, significant initiatives and major projects

We are now at a place where focus can be placed on new initiatives that will enhance services for the citizen and increase departmental efficiencies.

# Capital – New Assets / Projects

Department	Project	Capital Costs	Operating Costs
Fire	Staff Scheduling software	\$106,900	\$12,300
Finance	Budgeting software	\$300,000	\$25,000
Finance	Purchasing Tool	\$0	\$23,900
Planning / BBLL	Digital Review & Markup Tool	\$173,700	\$11,300
Legislative Services	Agenda Management software	\$500,000	\$25,000
Planning / BBLL	On-line Development Tool	\$180,000	\$10,000

## Notes

- 1) These costs are estimates that will be refined during the discovery phase
- 2) Implementation will occur through 2019 and into 2020 - 2021
- 3) The purchasing tool is a cloud product so there is not capital expenditure

# Funding Changes – Increase Operating / Decrease Capital

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- Maintenance
  - Support
  - Licensing
- } for all hardware and software
- Vendors changing their licensing models
  - Cloud systems vs in-house applications
  - Complexity of systems
  - Special resources required
  - Limiting down time – operations need to keep functioning

# Looking Forward - Large Capital Projects

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2020	Desktop Refresh	\$ 400,000
	JDE – Job Costing	\$ 700,000
	Printer replacement	\$ 650,000
2021	Servers Refresh	\$ 300,000
2022	Asset Management	\$ 800,000
	Servers Refresh	\$1,000,000
2023	Asset Management	\$ 700,000
	Electronic Records Management	\$1,500,000 (unfunded)
	Desktop Refresh	\$1,000,000

# Looking Forward - Large Operating Impacts

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2020	<p>Licensing for Microsoft and Email - tied to desktop replacement project.</p> <p>Previously Microsoft licensing was purchased as a capital asset. Microsoft's 2019 licensing model moves to annual operating costs which will ensure security and software updates and corporate support.</p>	\$550,000
2023	<p>Records Management licensing and support - moving Saanich from a paper based record system to an electronic based system for new records is a complex undertaking budgeted at \$1.5 million, with an annual estimated operating cost of 20%.</p>	\$300,000

Questions?

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# Capital Budget

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Engineering  
Water Utility  
Sewer Utility

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# Engineering Capital Investments



## Facilities

- Fire halls
- Police station
- Parks & Public Works
- Community facilities
- Libraries
- Municipal hall



## Transportation

- Sidewalks
- Bike routes
- Bus stops
- Traffic signals
- Bridges & structures
- Roads



## Underground Infrastructure

- Sewer, water, drain mains
- Pump stations
- Reservoirs
- Service connections
- Fire Hydrants



# Facilities

## Council / Corporate Policies

- Strategic Facilities Master plan
- Corporate GHG emissions reduction of 50% by 2020
- Library Operating Agreement
- Saanich Green Building Policy (LEED Silver for New and >500m2)

## Guiding Principles

- Maintain facilities in acceptable condition
- Support sustainability initiatives to improve municipal operations targets
- Accommodate needs to address growth & changing demographics

## Investment Strategies

- Utilize Carbon Fund to improve facility efficiency.
- Leverage grant funding (BC Hydro rebates, FortisBC Rebates, Rick Hansen Foundation, Strategic Priority Fund)



# Facilities

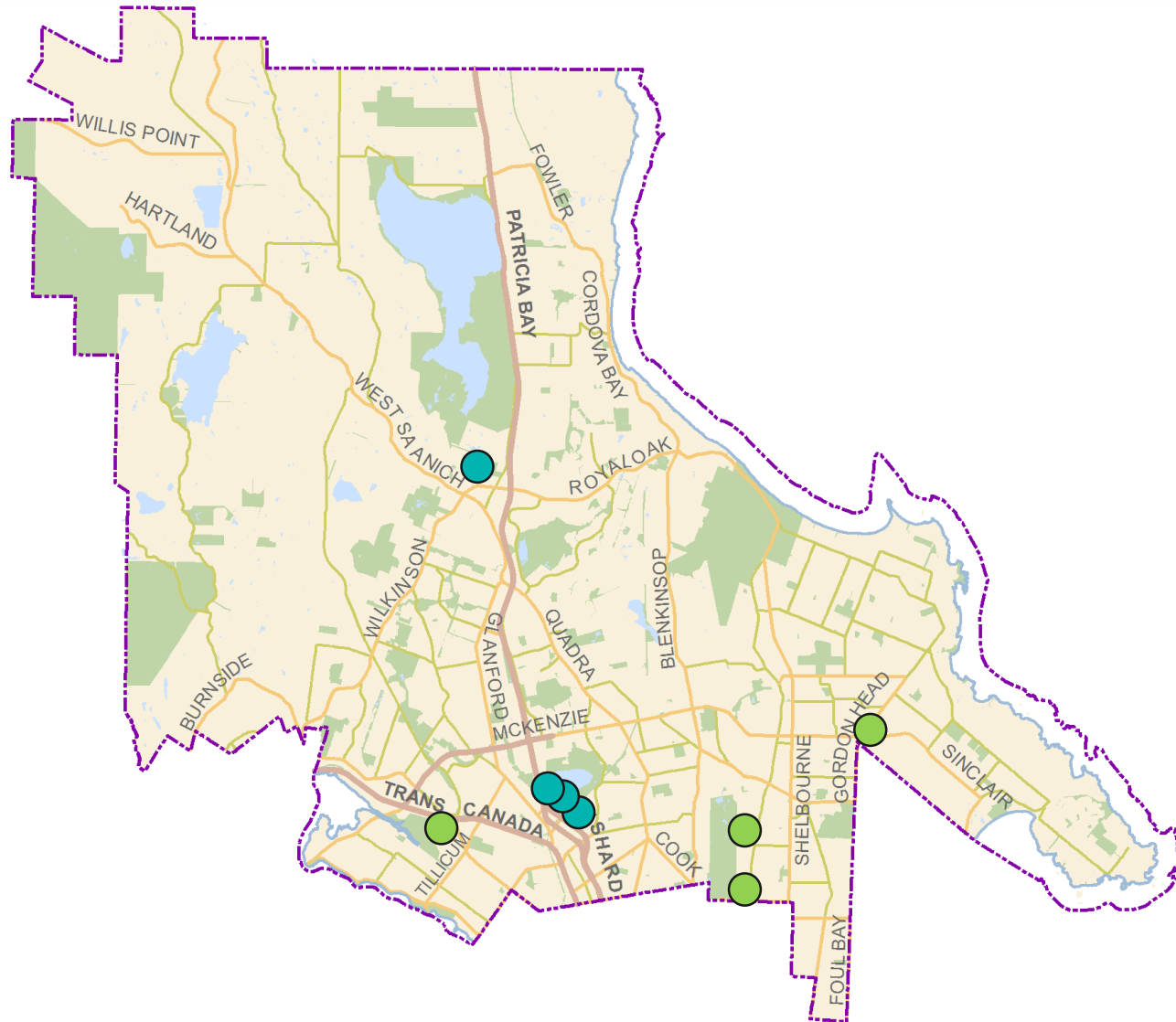
## **Renewal (\$1.55 M)**

- Building Exterior (e.g., roofs, concrete repair)
- Building Interior (e.g., accessible washrooms, fire kitchen)
- Electrical (e.g., emergency lighting, network, distribution, emergency backup power)
- Heating, Ventilation and Air Conditioning (e.g., design, RTU replacement)

## **Future Replacement Reserve (\$2.3 M)**



# Facilities



## 2018 Carry Forward

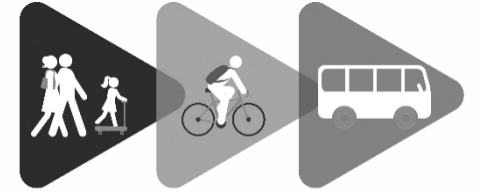
- Saanich Commonwealth Place HVAC design
- Fire Hall 1 barracks refresh

## 2019 Capital Plan

- Annual Roof Replacement Program
- Pearkes Slab Remediation
- Fire Hall 2 Redevelopment
- 3500 Blanshard / Mun Hall-Annex operational re-fits.



# Transportation



## Council / Corporate Policies

- Official Community Plan (39 policies)
- Strategic Plan – C2, C7, F4
- Active Transportation Plan

## Guiding Principles

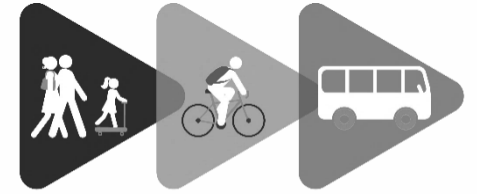
- Encourage walking, cycling, and public transit as preferred transportation options
- Provide safe and active routes to school
- Maintain infrastructure in acceptable condition

## Investment Strategies

- Leverage grant funding (Strategic Priority Fund, BikeBC, ICBC Road Improvement Program)



# Transportation



## Managing the Transportation network (\$10.1M)

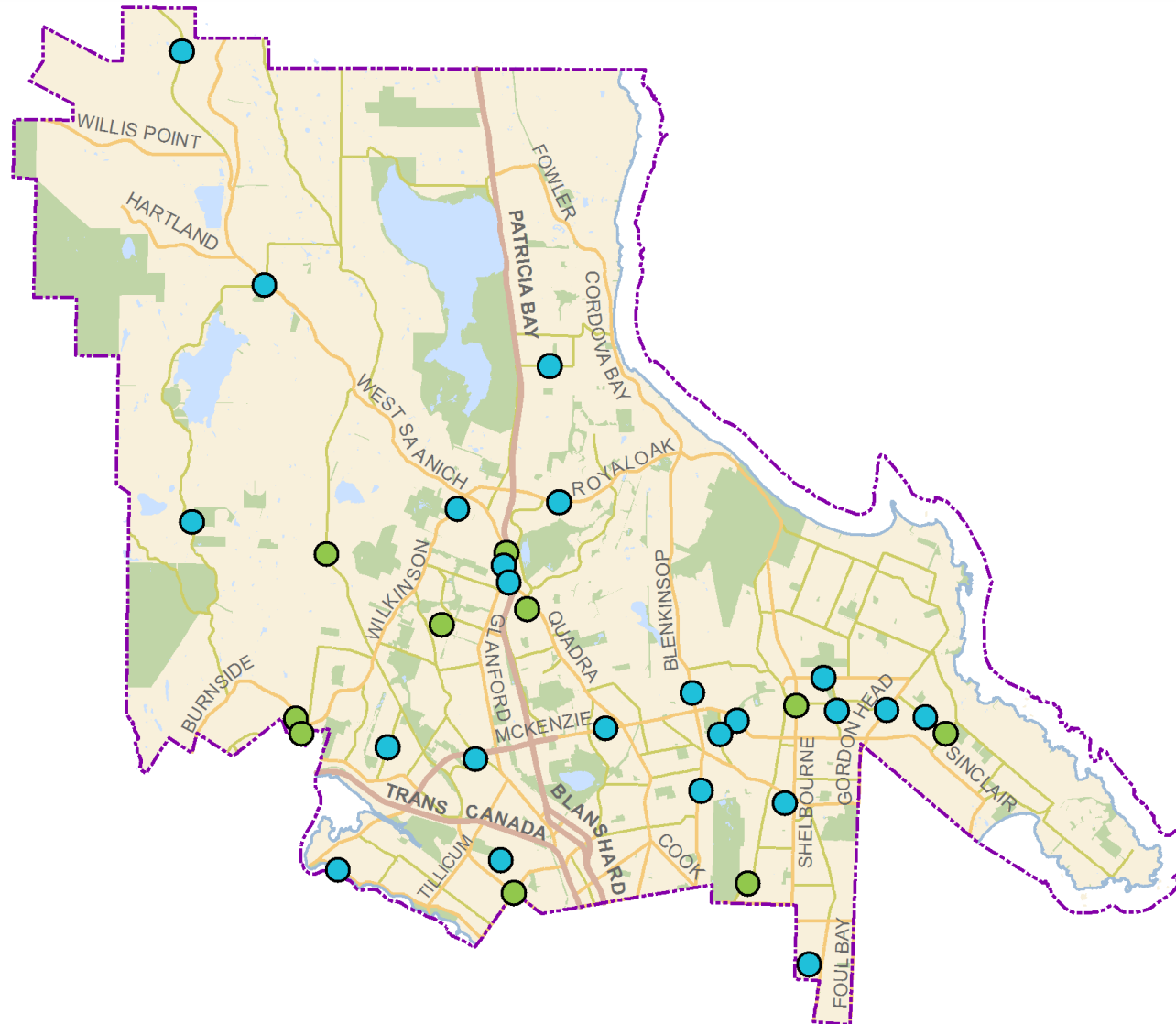
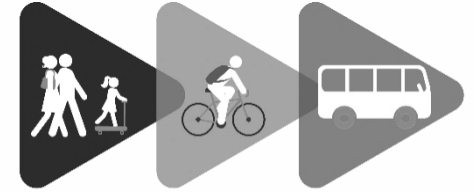
- Reconstructing sidewalks
- Upgrading curb ramps
- Repaving streets
- Replacing a traffic signal
- Upgrading streetlights
- Replacing a bridge

## Expanding Sustainable Transportation Capacity (\$4.0M)

- Building new sidewalks
- Implementing bike routes
- Installing new crosswalks / signals
- Upgrading bus stops



# Transportation



## 2018 Carry Forward

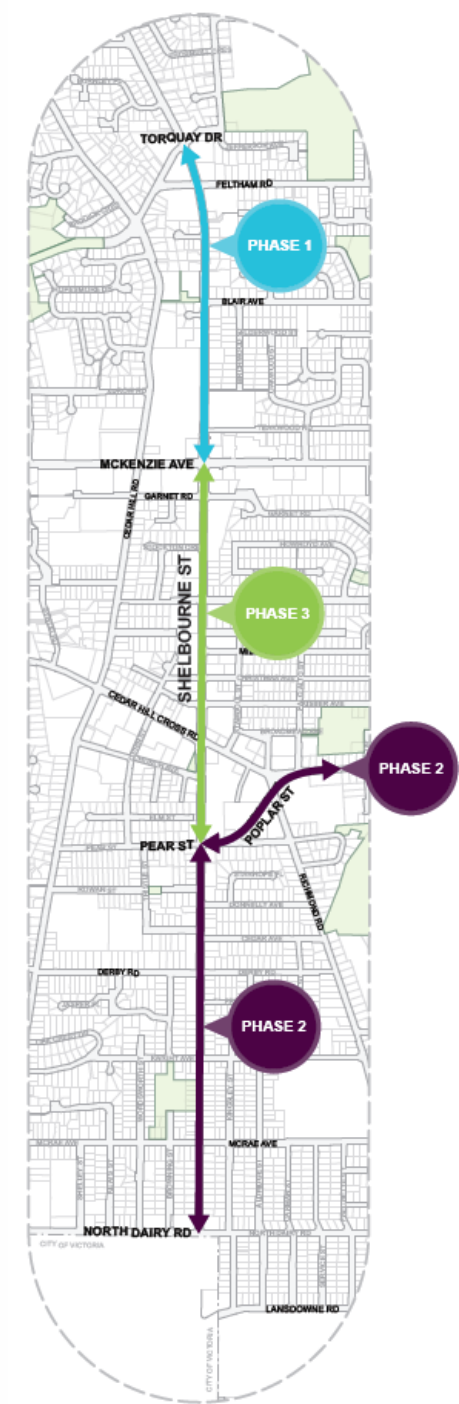
- Finnerty complete street upgrade
- Wilkinson bike lanes and sidewalk upgrade
- Cedar Hill at Doncaster crosswalk

## 2019 Major Projects

- Shelbourne Phase 1
- West Saanich streetscape upgrades
- Prospect Lake / West Saanich / Sparton Intersection Improvements

# Shelbourne Phase 1

- Construction of Phase 1 of the Shelbourne Street Project, from McKenzie Avenue to Torquay Drive to, is planned to begin later in 2019
- This is the first of the 3 phase project to implement the short term mobility goals of the Shelbourne Valley Action Plan, including upgrades to underground infrastructure
- A communications plan has been developed to ensure all stakeholders are kept well informed as the project proceeds and to minimize impacts to users



**Shelbourne**  
#ShelbourneReborn  
A street for everyone.





# Underground Infrastructure

## Council / Corporate Policies

- Official Community Plan (30 policies)
- Strategic Plan – C4, F4

## Guiding Principles

- Proactive maintenance and replacement of infrastructure to sustain service levels
- Upgrade/expand infrastructure to address growth
- Design resilient infrastructure to address climate change

## Investment Strategies

- Enhance cost-effectiveness through strategic procurement & project planning
- Leverage grant funding (Clean Water & Waste Fund, Infrastructure Planning Grant Program, Investing in Canada Infrastructure Program, etc)



# Underground Infrastructure

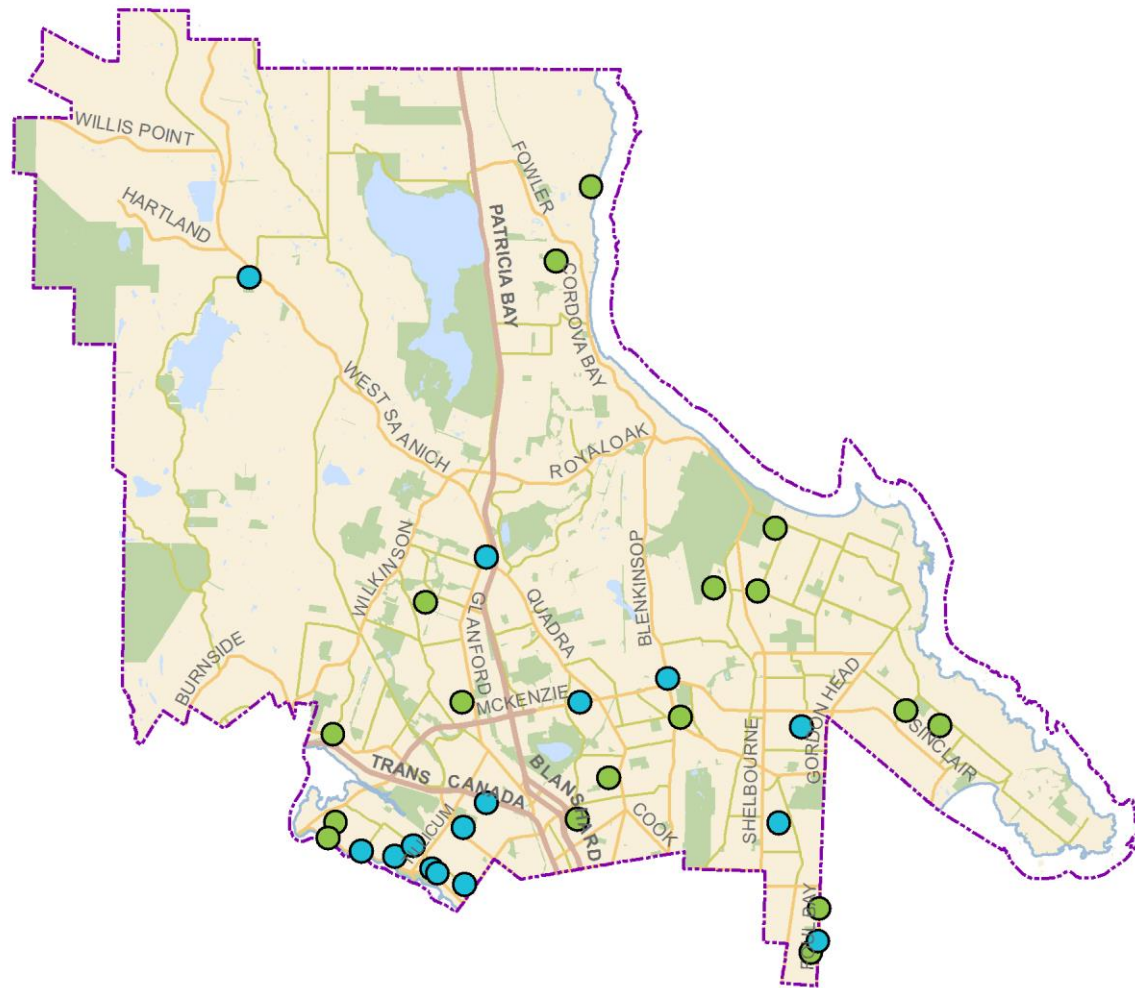
## Managing underground infrastructure (\$25.8M)

- Infrastructure replacement based on end-of-lifecycle (age, condition, material, break history, continual maintenance)
- Infrastructure upgrades to add capacity for pre-existing system deficiencies and to support current growth
- Planning for future investments
- Major maintenance repairs

## 2019 Investment Breakdown

- Water Utility: \$8.2M
- Sanitary Sewer: \$7.8M
- Storm Drainage: \$9.8M

# Underground Infrastructure



## 2018 Carry Forward

- Ridgebank utilities and paving replacement
- Jamaica/Parkside/Winchester multi-utility replacement

## 2019 Major Projects

- Shelbourne Phase 1
- Gorge Road (pt.1) storm drain replacement
- Veterans/Freeman/ St Mathews multi-utility replacement project

Questions?







# Capital Budget

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## Parks and Recreation

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# P&R Capital Investments



## **Park and Trail Structures**

Playgrounds  
Sports fields  
Sports courts  
Parking lots  
Bridges and Structures  
Trails  
Buildings  
Signage  
Natural Areas

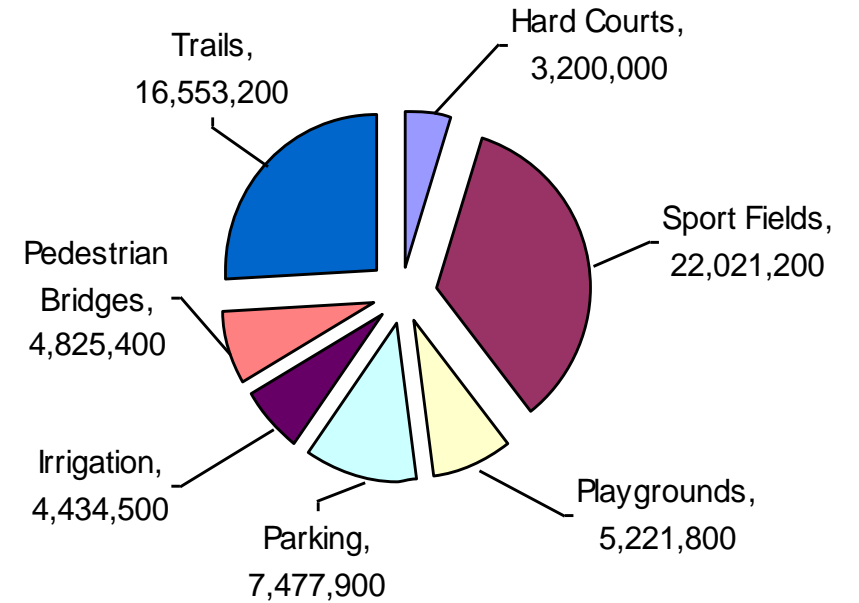


## **Recreation Facilities**

Cedar Hill  
Cedar Hill Golf  
Gordon Head  
G.R. Pearkes  
Commonwealth

# Parks Asset Values

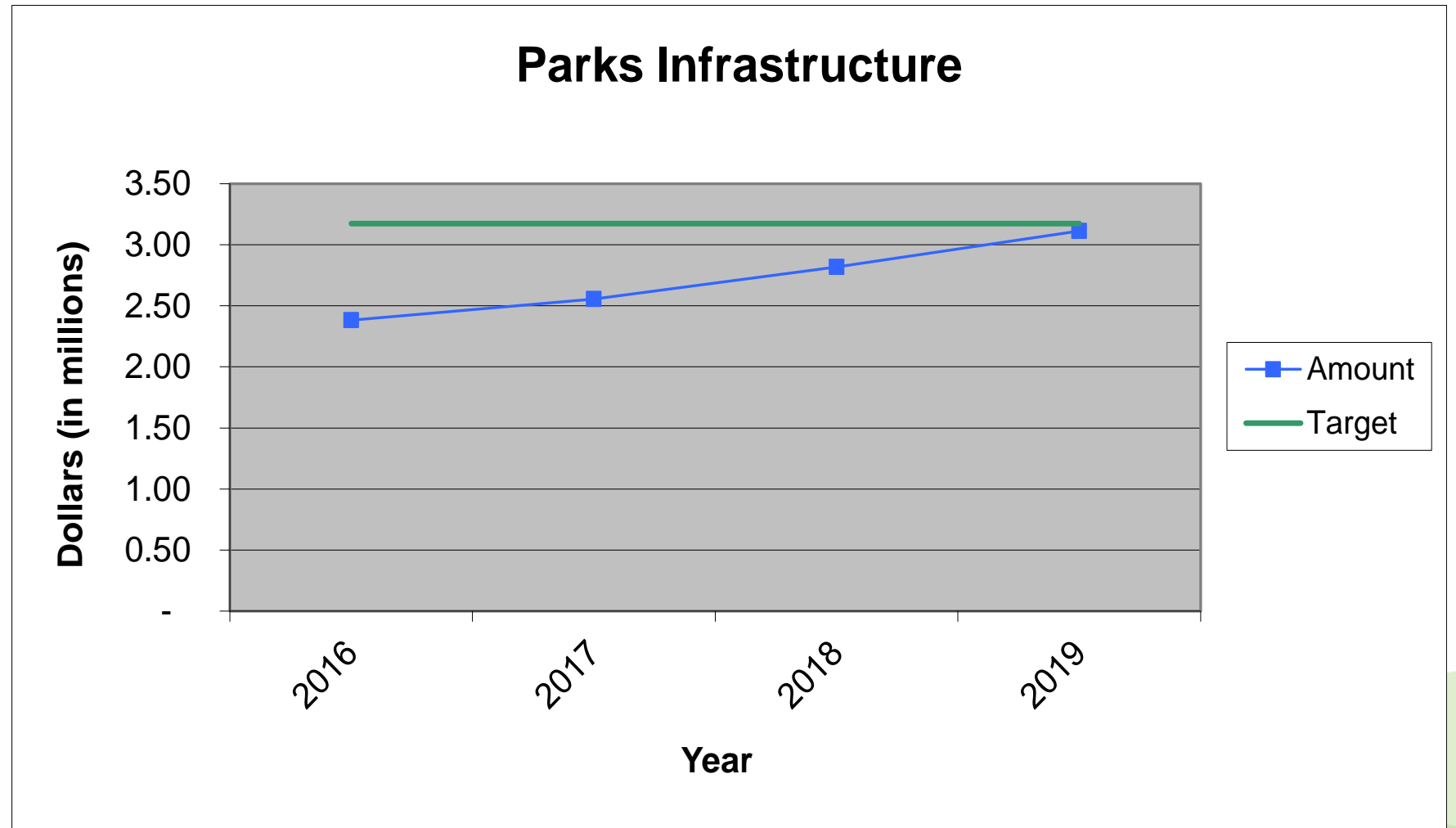
- Over 100 km of trails
- 62 sportsfields
- 35 tennis/pickleball courts
- 21 sports courts
- 56 playgrounds
- 1 water park
- 1 skate park
- 21 public washrooms
- 37 beach accesses
- Over 350 km of irrigation lines
- Over 100 bridges and stairs



**TOTAL VALUE: \$63,000,000**



# Sustainable Investment







# Parks

## **Council / Corporate Policies**

- Official Community Plan
- Strategic Plan – Environmental Integrity, Sustainable Environment, Community Infrastructure, Healthy Community
- Parks and Recreation Master Plan

## **Guiding Principles**

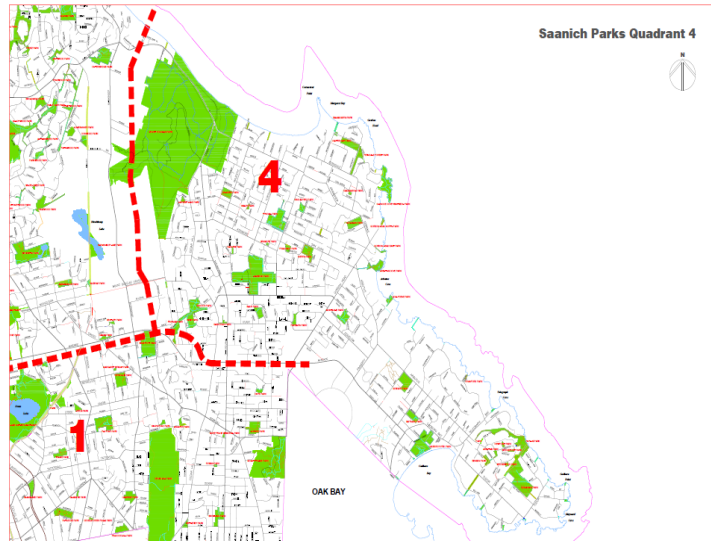
- Replace aging infrastructure to ensure public health and safety
- Respond to community interests as demographics and interests change
- Support residents' physical and mental health by providing diverse outdoors spaces and places

## **Investment Strategies**

- Leverage grant funding and partnership opportunities
- Use third party amenity funds where appropriate
- Own forces are very competitive

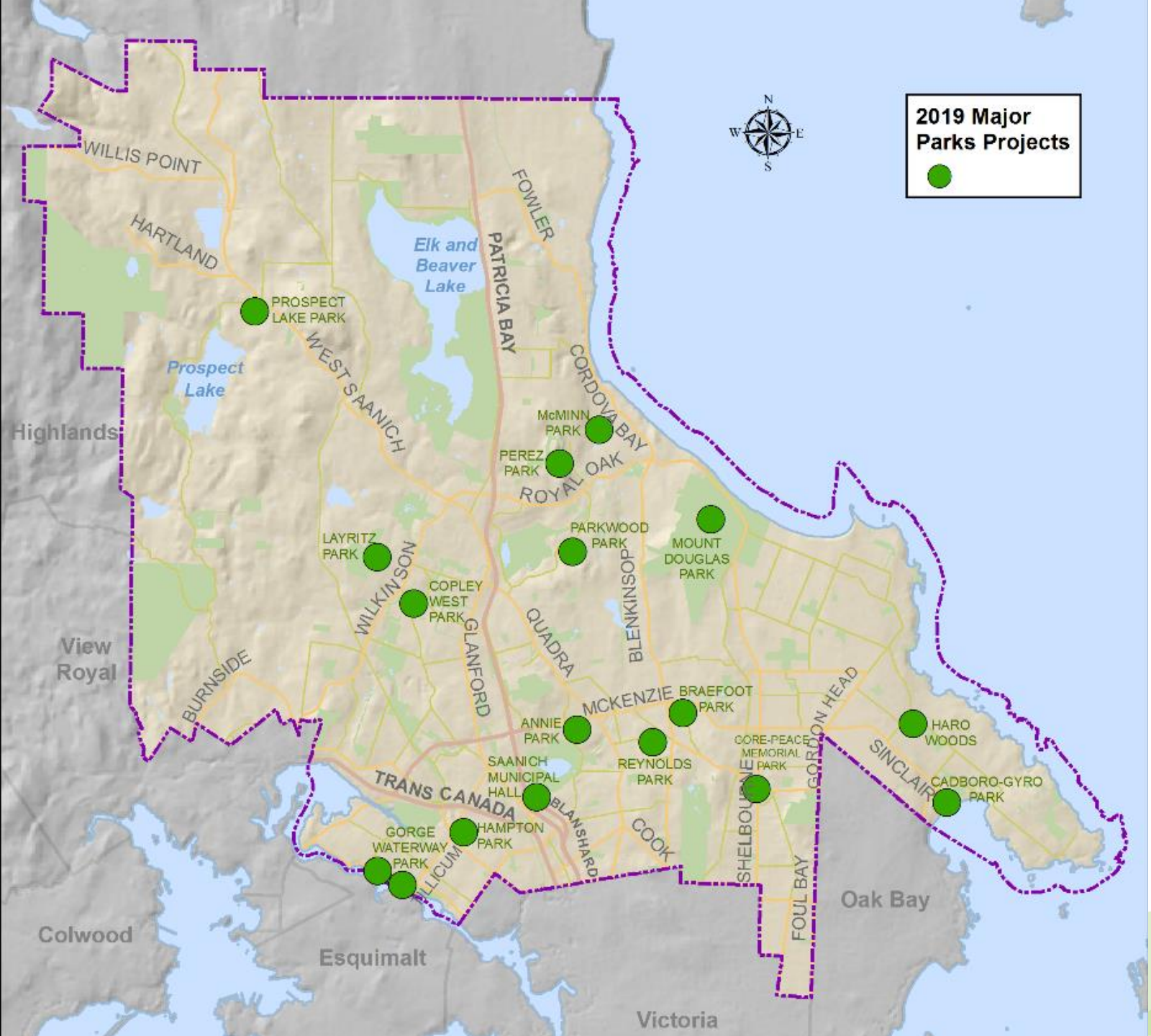


# MAJOR PROJECTS 2019





# MAJOR PROJECTS





# Recreation

- **Cedar Hill Community Recreation Centre** - tennis court resurfacing, front desk upgrade planning.
- **Gordon Head Community Recreation Centre** - acoustic tiling work in its natatorium.
- **G.R. Pearkes Community Recreation Centre** - electrical update and replacement of existing lobby stools.
- **Saanich Commonwealth Place** – plan for renovations in aquatic office, administration office, and the health and wellness area, undergo bathroom partition and locker replacements.



Questions