



# Financial Plan Meetings

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For the 2021-2025 Draft Financial Plan

# March 9, 2021

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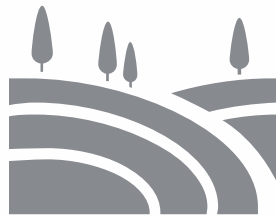
## Departmental Presentations

- Building, Bylaw, Licensing and Legal (BBLL)
- Engineering
- Water Utility
- Sewer Utility

## Capital Budget



# Building, Bylaw, Licensing and Legal (BBLL)



# Building, Bylaw, Licensing and Legal Overview

## Building, Bylaw and Licensing Division

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

## Legal, Risk Management and Lands Division

- Legal Services
  - Lands
  - Risk Management
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# BBLL: 2021 Major Projects

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## **Implementing Council's direction on:**

- Bylaw Policy Review
- Bylaw Hours of Operation
- Parking Enforcement

**Risk Management Policy Development:** Develop an enterprise risk management framework

**Licensing Policy:** Review business licensing regulations and policy related to residential tenancies and short-term vacation rentals

# Overall BBL Budget Comparison

## Cost Drivers

Wage increases and increments


New Associate Solicitor position approved in 2020

Partial year funding for new bylaw and parking enforcement service delivery.

BUDGET SUMMARY	
<b>2021 Net Budget</b>	<b>\$ 1,697,300</b>
<b>2020 Net Budget</b>	<b>\$ 1,333,200</b>
<b>Net Change</b>	<b>\$ 364,100</b>
<b>Change by %</b>	<b>27.31%</b>
<b>2021 FTE</b>	<b>36.08</b>
<b>2020 FTE</b>	<b>31.90</b>
<b>FTE Change</b>	<b>4.18</b>
<b>FTE Change %</b>	<b>13.10%</b>

# Opportunities

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- Alternative service delivery structures related to policy review work
  - Revenue generating services
  - Technology and efficiency measures
  - Effective use of land resources
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# Challenges – BBLL

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- Increasing claims and insurance costs
  - Policy development resources
  - Ongoing demand for legal services
  - Permit and call for service volumes
  - Lands: funding for acquisitions
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BBLL

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Discussion and Questions





# Operating Budget

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Engineering  
Water Utility  
Sewer Utility

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# Department Overview

## Transportation and Public Space



- Walking / Cycling
- Transit
- Road Network
- Electrical Infrastructure
- Snow + Ice

## Water Resources



- Potable Water
- Sewers and Drainage
- Green Infrastructure

## Development Services



- Third Party Utilities
- Development Permits
- Street Permitting

## Greener Garbage



- Solid Waste Collection
- Organics Collection
- Yard Waste Drop-off
- Zero Waste Stations

## Facility Operations



- Strategic Planning
- Facility O+M
- Energy Efficiency
- EV Charging

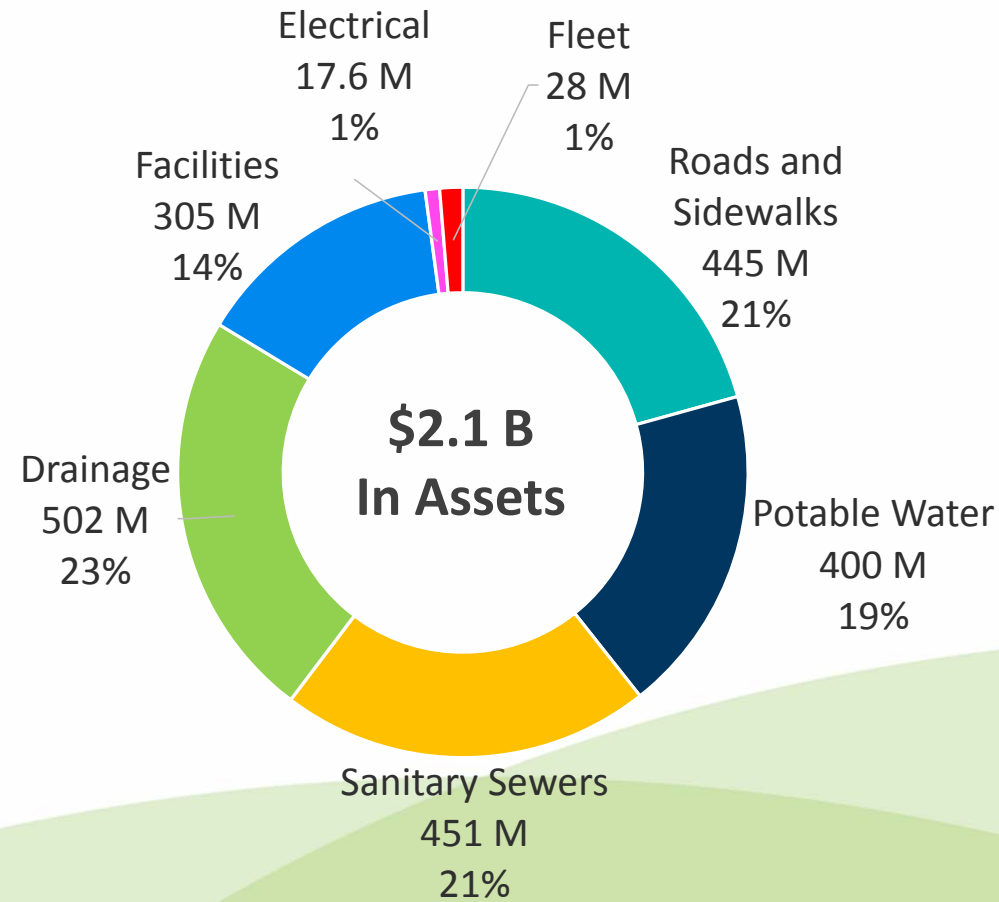
## Fleet



- Fleet O+M
- Procurement

# Department Overview

- 350+ Staff
- 4 Divisions, 16 Sections
- Asset Value: \$2.1B
- Dedication to safety and customer service



# 2021 Major Projects

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Climate action  
and environmental  
leadership

- Advance the recommendations in the staged strategy for an integrated stormwater management plans.
- Support CRD's Active and Safe Routes to School Program.



Affordable  
housing, land use  
and infrastructure  
management

- Fire Station II Rezoning and Development Permit
- Undertake a business case for the redevelopment of Parks and Public Works Yard operations.
- Water Meter Replacement – strategy implementation

# 2021 Major Projects

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Community  
well-being

- Water and Sanitary Sewer Master Plan Updates
- Review Council's sidewalk repair policy to be proactive in addressing potential hazards



Economic  
diversification

- Review/revise relevant bylaws and policies for opportunities to allow for street activation activities
- Advance a pilot for security bonding of site servicing requirements

# 2021 Major Projects

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Organizational  
excellence

- Ensure compliance with the new Professional Governance Act (PGA)
- Update Development Services design, review and approval process
- Develop and evolve additional Project and Quality Management tools and processes

# 2020-21 Budget Comparison

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## Non-discretionary increases

- Maintenance of new assets (bike lanes, bus shelters, traffic signals, litter bins, hydrants, storm mains, catch basins, etc)
  - Water budget increase to meet CRD bulk water rate and material cost increase to support repairs and tool repairs
  - Sewer budget increases to support the CRD Sewage Treatment
  - Facilities – full year budgeting for 3500 Blanshard
- 



# Engineering Comparison

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Cost Drivers:

Increase for adjustment  
to labour costs

Maintenance of new  
assets added in 2020

<b>BUDGET SUMMARY</b>	
<b>2021 Net Budget</b>	<b>\$ 13,538,500</b>
<b>2020 Net Budget</b>	<b>\$ 13,386,900</b>
<b>Net Change</b>	<b>\$ 151,600</b>
<b>Change by %</b>	<b>1.13%</b>
<b>2021 FTE</b>	<b>193.32</b>
<b>2020 FTE</b>	<b>192.30</b>
<b>FTE Change</b>	<b>1.02</b>
<b>FTE Change %</b>	<b>0.53%</b>

# Water Utility Comparison

Cost Drivers:

CRD bulk water rates

Increase for adjustment to  
labour costs

Increase to meet hired  
equipment costs

BUDGET SUMMARY	
<b>2021 Utility Charges</b>	<b>\$ 23,474,000</b>
<b>2020 Utility Charges</b>	<b>\$ 23,525,500</b>
<b>Net Change</b>	<b>\$ (51,500)</b>
<b>Change by %</b>	<b>-0.22%</b>
<b>2021 FTE</b>	<b>51.88</b>
<b>2020 FTE</b>	<b>51.94</b>
<b>FTE Change</b>	<b>0.02</b>
<b>FTE Change %</b>	<b>0.04%</b>

# Sewer Utility Comparison

Cost Drivers:

Regional Sewage  
Program

Increase for adjustment  
to labour costs

Sustain construction  
inflation

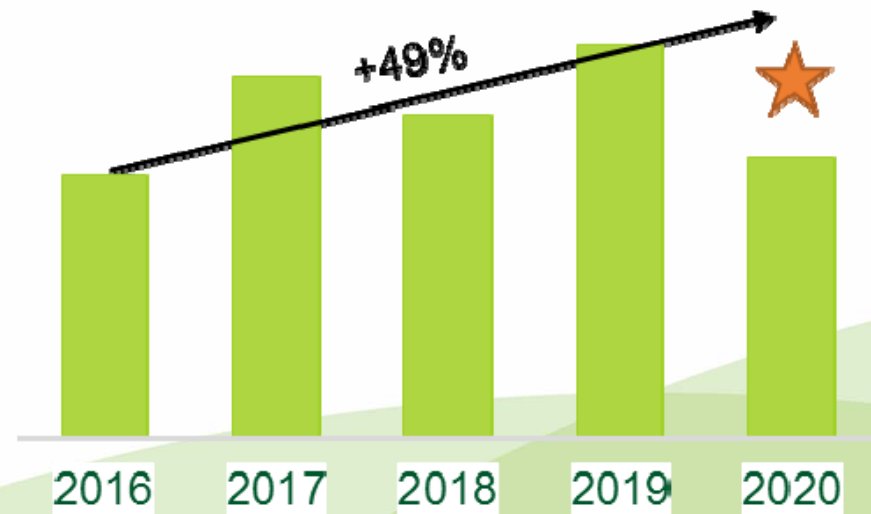
BUDGET SUMMARY	
<b>2021 Utility Charges</b>	<b>\$ 27,311,700</b>
<b>2020 Utility Charges</b>	<b>\$ 25,460,500</b>
<b>Net Change</b>	<b>\$ 1,851,200</b>
<b>Change by %</b>	<b>7.27%</b>
<b>2021 FTE</b>	<b>26.59</b>
<b>2020 FTE</b>	<b>26.59</b>
<b>FTE Change</b>	<b>0.00</b>
<b>FTE Change %</b>	<b>0.00%</b>



# Challenges - Engineering

- Significant call volumes for service related requests
- 49% increase in transportation related calls for service

## Transportation Calls for Service





# Challenges - Engineering

- The Saanich Operations Centre (Parks & Public Works Yard) is in poor condition and worsening.
- Continued need for staff to support regional projects to ensure the District's best interests are met
- Deferral of 2020 Resource Requests
- Access to Market to procure services and equipment
- Ability to implement and support new technology





# Opportunities - Engineering

- Increased energy efficiency realized through renewals/replacements
- Planned construction activities allows for value added approach to subsequent works
- Leveraging infrastructure related grant funding
- Outreach to schools/ participation in job fairs to promote public works and engineering as a viable career
- Partnering with academic institutions to develop creative solutions to municipal challenges while providing practical curriculum to students.

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# Engineering

Discussion and Questions





# 2021 Capital Budget Presentation

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## 2021 General Capital Budget Expenditures

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Budgeted Expenditures			Budget	Budget
	<b>2020 Projects In Progress</b>	<b>2021 Capital Projects</b>	<b>Total 2021</b>	<b>2020</b>
Vehicles, Equipment & Technology	9,120,500	11,791,400	20,911,900	18,945,200
Land Acquisition	-	4,150,000	4,150,000	2,500,000
Transportation	17,875,500	11,014,400	28,889,900	26,822,700
Drainage	11,328,400	9,295,400	20,623,800	24,695,900
Parks	3,549,100	4,500,500	8,049,600	5,653,000
Recreation & Community Services	11,729,000	16,937,500	28,666,500	18,195,600
	<b>53,602,500</b>	<b>57,689,200</b>	<b>111,291,700</b>	<b>96,812,400</b>

# 2021 General Capital Budget Revenue Sources

Source of Funding			Budget	Budget
	2020 Projects In Progress	2021 Capital Projects	Total 2021	2020
General Operating (Core Capital)	-	17,288,200	17,288,200	14,058,700
General Capital Reserves	11,593,600	20,648,000	32,241,600	23,802,600
Gas Tax Reserve	7,899,300	4,930,000	12,829,300	12,985,700
Capital Carryforward Reserve	22,773,000	1,350,000	24,123,000	20,236,400
Lands Sale Reserve	-	650,000	650,000	1,000,000
Development Cost Charges	1,914,400	2,870,800	4,785,200	4,946,900
Equipment Replacement Reserve	2,936,800	3,422,700	6,359,500	4,164,700
Grants & Contributions	2,940,400	1,320,000	4,260,400	3,471,300
Borrowing	3,545,000	5,209,500	8,754,500	12,146,100
	<b>53,602,500</b>	<b>57,689,200</b>	<b>111,291,700</b>	<b>96,812,400</b>

# 2021 Capital Budget Sewer and Water

Description of Program	Budget
	<b>2021</b>
<b>Sewer Capital</b>	
Asbestos Cement Main Replacement	4,363,000
Pump Station Replacement	270,000
Manhole Replacement	50,000
Other	602,000
Transfer to Capital Reserve	3,531,000
	<b>8,816,000</b>

Source of Funding	Budget
	<b>2021</b>
<b>Sewer Capital</b>	
Core Capital	6,011,000
Capital Carryforward Reserve	1,675,000
Development Cost Charges	30,000
Borrowing	1,100,000
	<b>8,816,000</b>

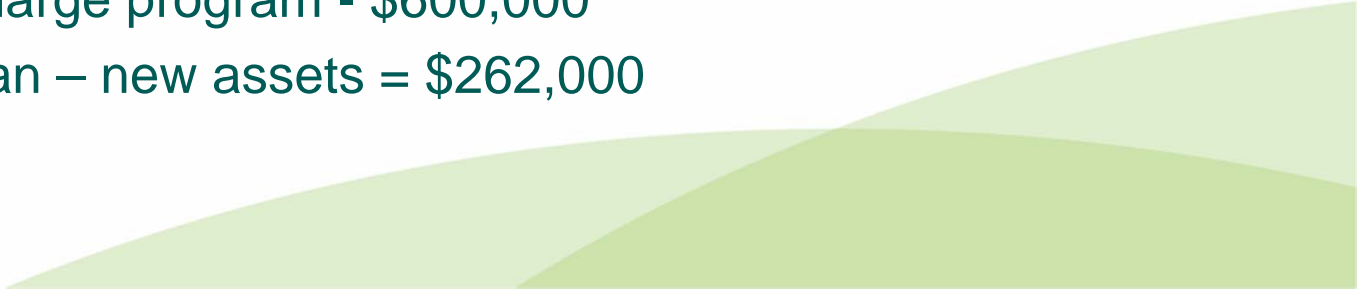
Description of Program	Budget
	<b>2021</b>
<b>Water Capital</b>	
Asbestos Cement & Cast Iron Main Replacement	7,153,000
Meter Replacement	1,050,000
Service Connection Replacement	75,000
Hydrant Replacement	60,000
Other	404,700
Transfer to Capital Reserve	2,544,000
	<b>11,286,700</b>

Source of Funding	Budget
	<b>2021</b>
<b>Water Capital</b>	
Core Capital	8,495,000
Capital Carryforward Reserve	2,500,000
Development Cost Charges	291,700
	<b>11,286,700</b>

# 2021 Additions to Capital Funding

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## Guidelines:

- Core capital (tax funded) 2% increase = \$220,410
  - Reinstating the Facilities Reserve Fund transfer that was reduced in the 2020 budget - \$327,000
  - Increase funds to support major repair work to Saanich facilities = \$250,000
  - Commence sustained funding for information technology = \$750,000
  - Municipal portion required to fund the assist portion of the updated Development Cost Charge program - \$600,000
  - Washroom Capital Plan – new assets = \$262,000
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# Capital Funding Levels

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What is the path forward

- Known deficiencies in annual funding for the corporate technology plan and facility major repair – 5 year plan to address
- Construction cost pressures will continue
- Replacement values need to be updated
- Replacement of “like for like” is unrealistic – funding for current standards (eg playgrounds, facilities – fire halls, SOC)
- Need for increased use of debt financing for facilities

# Capital Funding Levels

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What other factors are there?

- Grants from other levels of government
  - Annual surplus transfers into the Facilities Reserve Funds
  - Changes in technology can reduce project costs
  - Other revenue sources
- 

# Capital Budget

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- Reflects the District's commitment to asset stewardship – taking care of what we already own,

balanced with

- Commitment to moving forward with significant transportation projects – Shelbourne Valley and Active Transportation Plan
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# Capital Budget

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Vehicles  
Equipment  
Technology

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# Vehicles, Equipment & Technology

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## Divided into 6 Sections

- Police Vehicles, Equipment and Technology
- Fire Vehicles, Equipment and Technology
- Engineering Equipment
- Fleet Vehicles (Parks & Public Works)
- Parks and Recreation Equipment
- Print Room
- Information Technology

## Presenter

Finance

Finance

Engineering

Parks & Rec

Corporate Services

Corporate Services

# 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





# Fleet Vehicles

## **Continued Focus on Electric**

- All light duty cars now electric!
- Additional charging stations at Saanich Operations Centre planned late 2021 / early 2022
- Pickup truck EV market 2 years before readily available (estimate)
- Light duty vans now available as EV
- Working with Camosun on training program for mechanics
- Electricity and charging infrastructure at Saanich Operations Centre will be a constraint

## **Replacement of oldest Fleet Vehicle**

- 1995 Aerial truck due for replacement in 2021
- Notable as it's the last yellow vehicle in the fleet

# Parks and Recreation Equipment

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Annual replacements from core and reserves

- Golf course grounds equipment - \$121,000
- Recreation equipment - \$375,000
- Parks equipment - \$285,400



# Corporate Services Equipment

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- Annual replacements from reserves related to the Municipal Hall print and mail room
  - Printer - \$30,000
  - Inserter Machine - \$18,000





# Capital Budget

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Corporate Technology

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# Principles

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## **Council Strategic Plan Initiatives**

Organizational Excellence

## **Corporate Technology Principles**

- Maintain integrity and security of IT systems and infrastructure
  - Maintain compliance with licensing and maintenance
  - Maintain up-to-date versions of corporate applications and infrastructure
  - 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 and Requirements Gathering** – the assessment of business 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
3. **Implementation** – partnership between business and vendor to configure and implement software and adjust internal workflows
4. **Maintenance** of asset and work; budgeting towards **replacement** and return to phase 1



# 5 Year Technology Capital Plan

	2021	2022	2023	2024	2025
Total Capital	\$ 6,830,700	\$ 4,221,700	\$ 5,698,800	\$ 5,632,800	\$ 3,214,400
Associated Operating Costs	\$0	\$ 627,900	\$ 324,200	\$ 396,400	\$ 53,900

- Data for 2021 and 2022 is accurate, data for 2023-2025 is a best estimate
- Operating costs of new hardware and software is estimated at 22% of original cost
- Current estimates see technology capital requests supporting existing IT technologies stabilizing around \$5-\$6 million annually

# 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 Infrastructure/ Business Systems

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



## Capital Existing IT Infrastructure

2021 Capital Plan - \$2,810,900

Infrastructure being upgraded includes:

- Cell phone replacement
- Desktop environment replacement
- Servers and network refresh
- Printer replacement / refresh
- Audio visual equipment into committee rooms



# Capital Existing Business Systems

2021 Capital Plan - \$1,828,400

Systems being upgraded (either major and minor) include:

- Ongoing Tempest Patches
- Ongoing JDE maintenance and patches
- Council technology refresh
- Fire Dispatch/Next Generation 911
- GIS patches, upgrade and Ortho Photos
- Traffic Signal system upgrade



# Capital New Infrastructure/Business Systems


## New initiatives

2021 Capital Plan - \$2,191,400

- Council Agenda Management
- Teams technology expansion
- HR / OHS Disability Management Software
- Parking Enforcement application

# Funding Changes – Increase in Operating

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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
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Questions?

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# Capital Budget

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Engineering  
Water Utility  
Sewer Utility

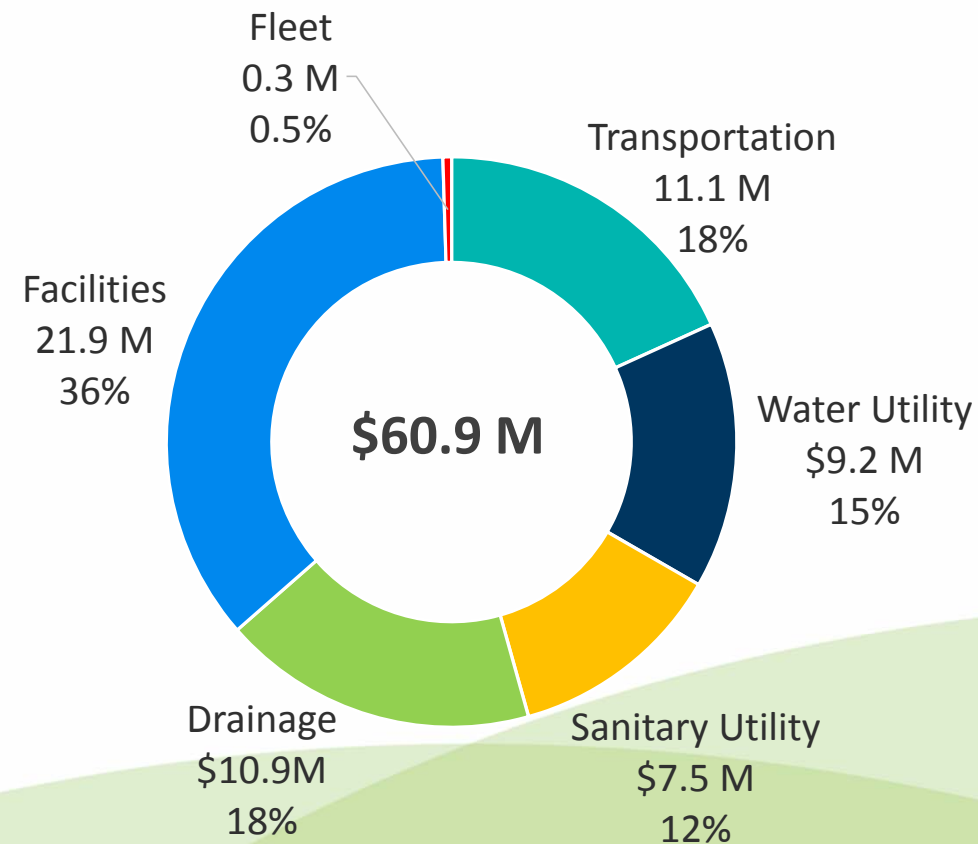
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# Engineering Capital Investments

## Expected Outcomes

- Meet **Regulatory Requirements**
- Continue **Rehabilitation and Renewal** of aging assets
- Deliver **Growth Related Utility Upgrades** in high growth areas
- Provide **Safe and Inclusive Streets**
- Deliver on **Council Strategic Plans**
- Meet **Climate Change Priorities**
- Leverage **Grant and Funding Partner** opportunities





# Facilities

## Major Facility Repairs

- Building interior and exterior repairs
- Electrical replacement
- Elevator replacement

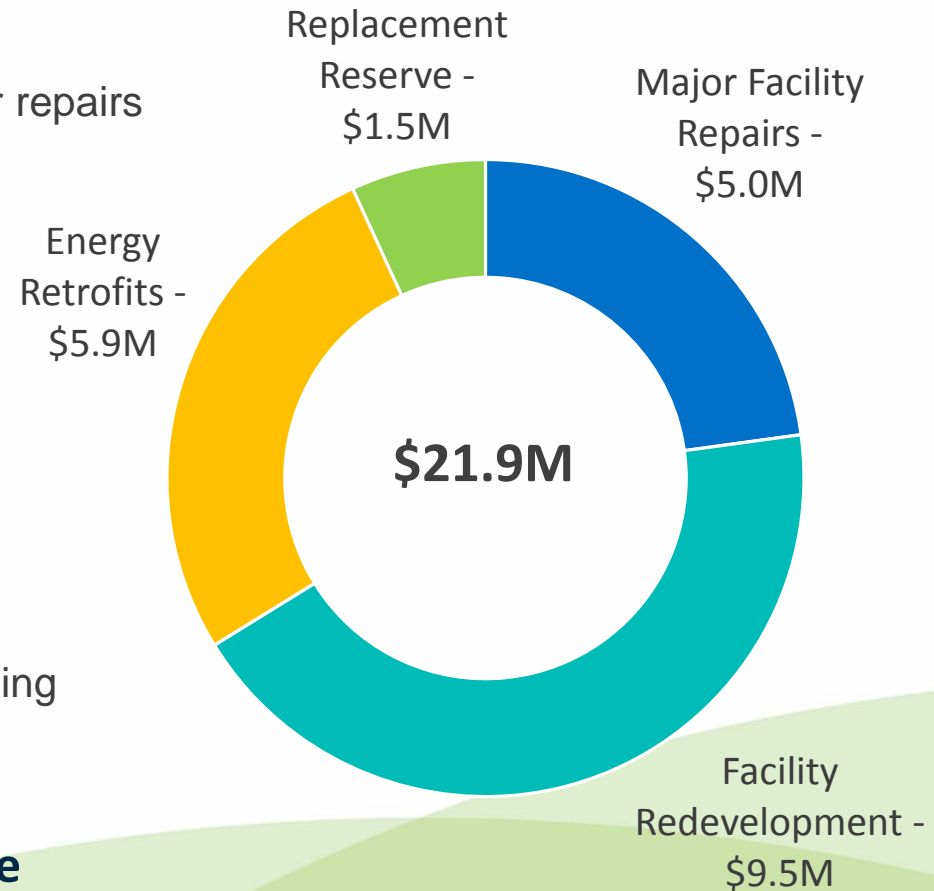
## Energy Retrofits

- Mechanical upgrades to heating and cooling plants
- Lighting upgrades

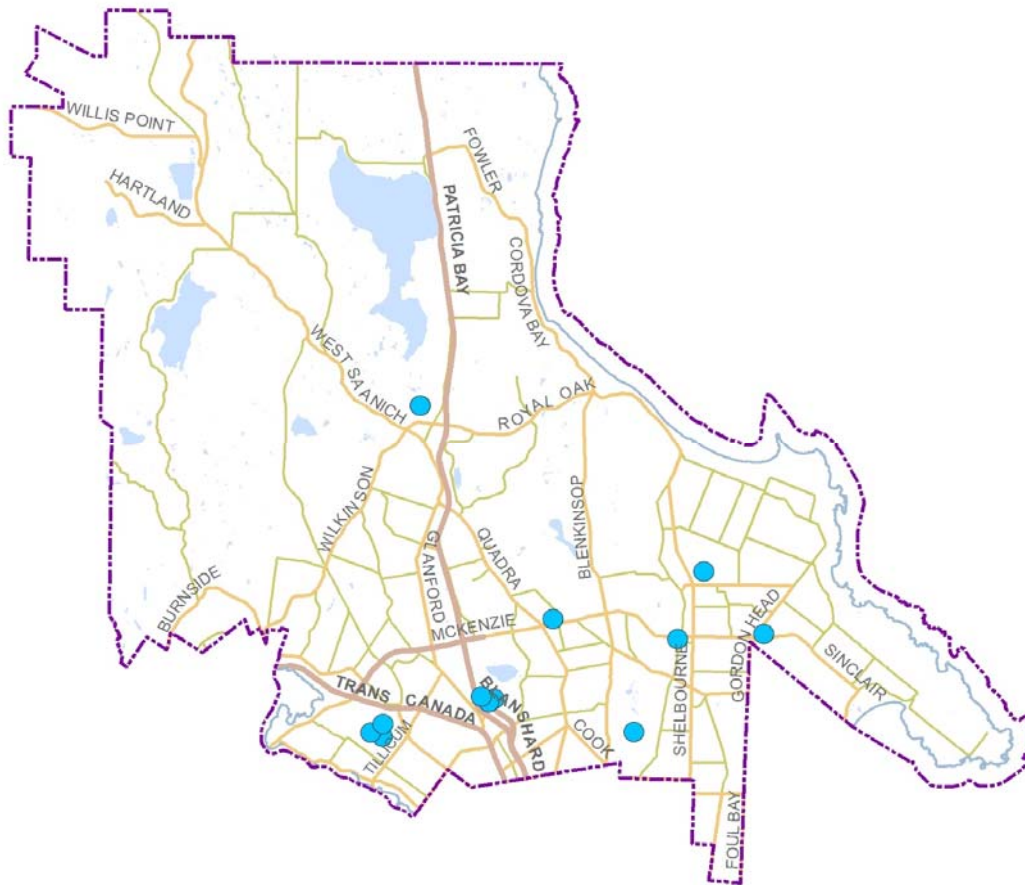
## Facility Redevelopment

- Facilities replacement planning
- Building expansion
- 

## Future Replacement Reserve



# Facilities



## Notable Capital Projects

- SCP Mechanical Upgrades
- Pearkes Slab Remediation
- Pearkes Elevator Replacement
- GHRC Admin and Chemical Storage Additions



# Transportation



## Roads, Transit Stops and Bridges

- Repaving streets
- Upgrading transit stops
- Replacing and upgrading bridges

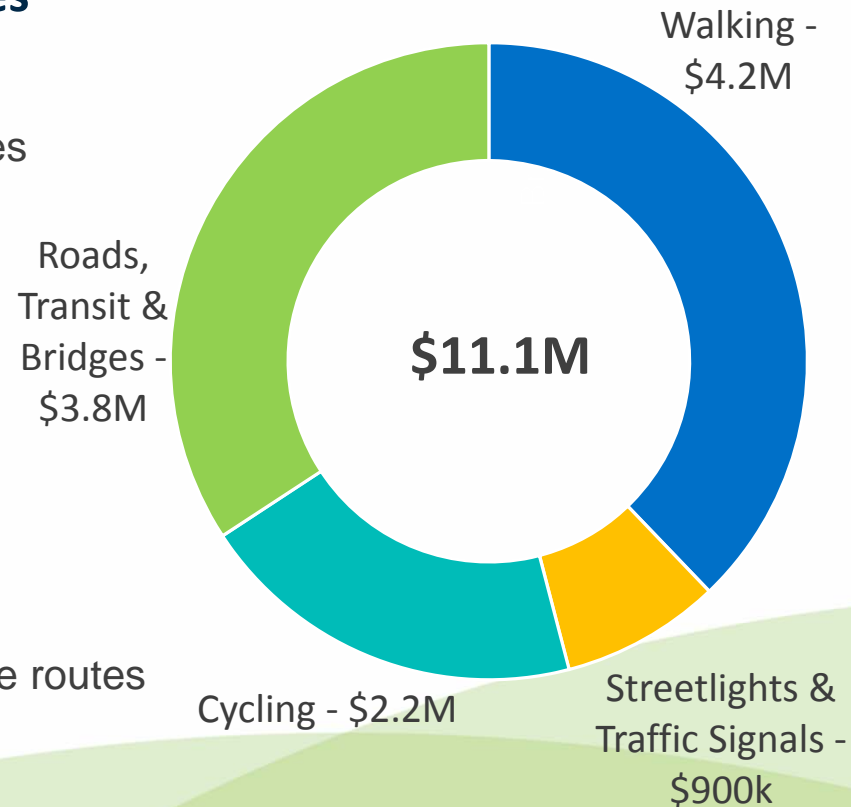
## Walking

- Building new sidewalks
- Upgrading curb ramps
- Installing new crosswalks
- Implementing Safe Routes to School plans

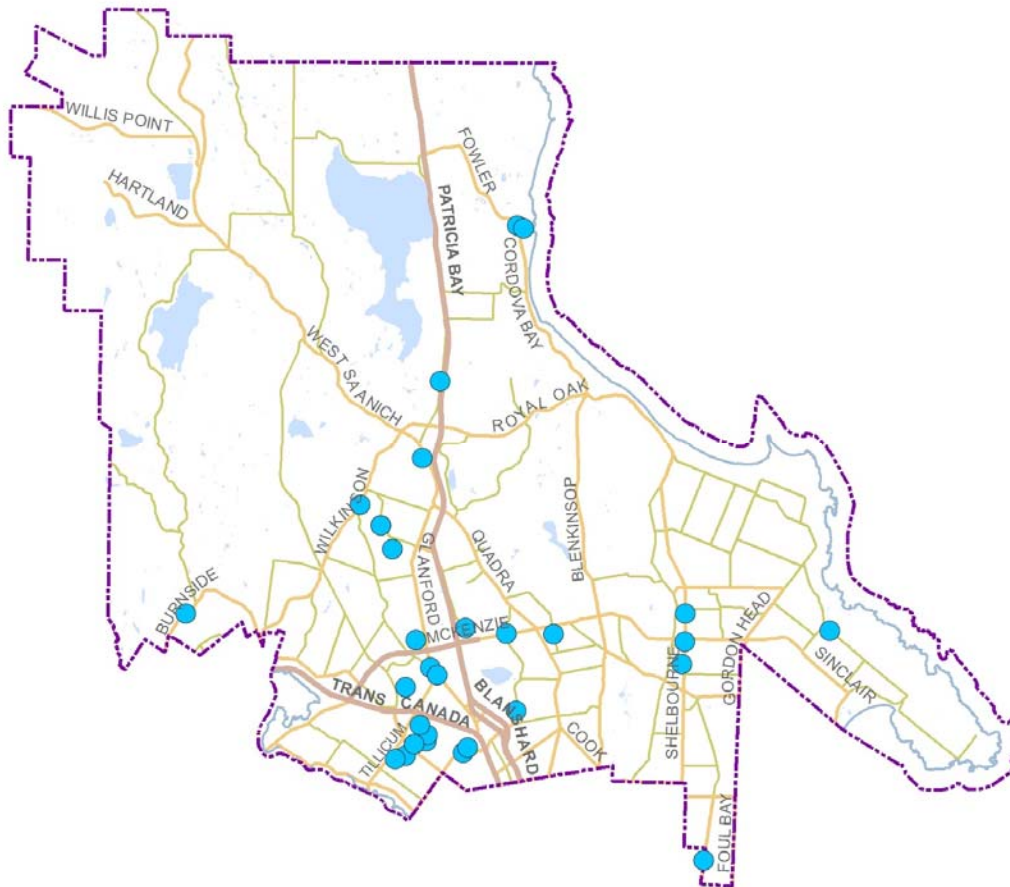
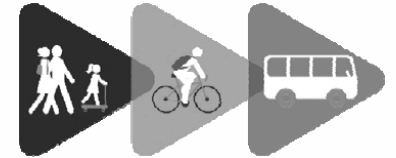
## Cycling

- Building new and upgrading bike routes

## Streetlights and Traffic Signals



# Transportation



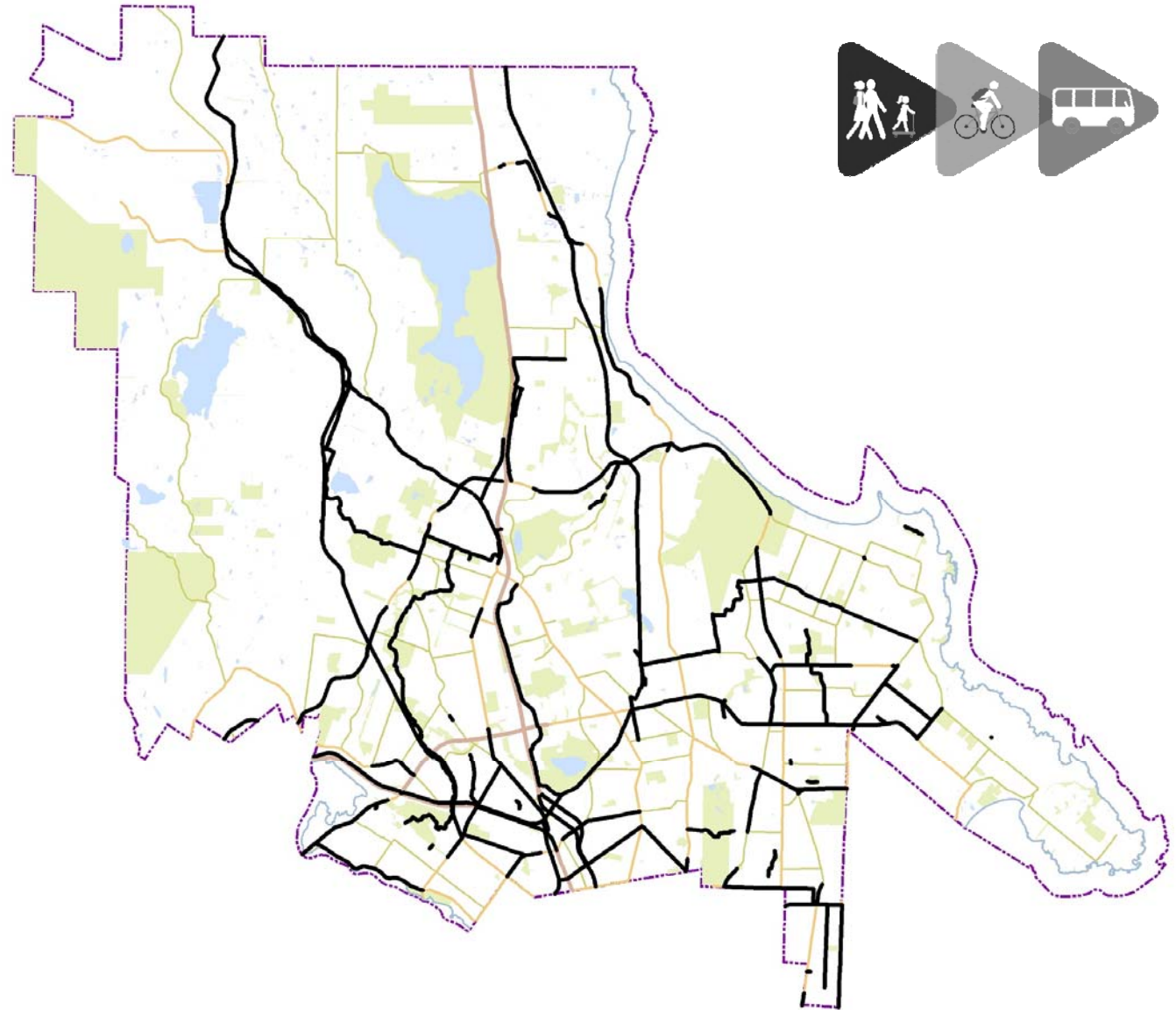
## Notable Capital Projects

- Shelbourne Phase 1
- Prospect Lake / West Saanich / Sparton Intersection Improvements
- Wilkinson Rd Upgrade
- Vanalman Bike Route
- Regional Speed Limit Reduction Pilot Project



# Cycling Network Buildout

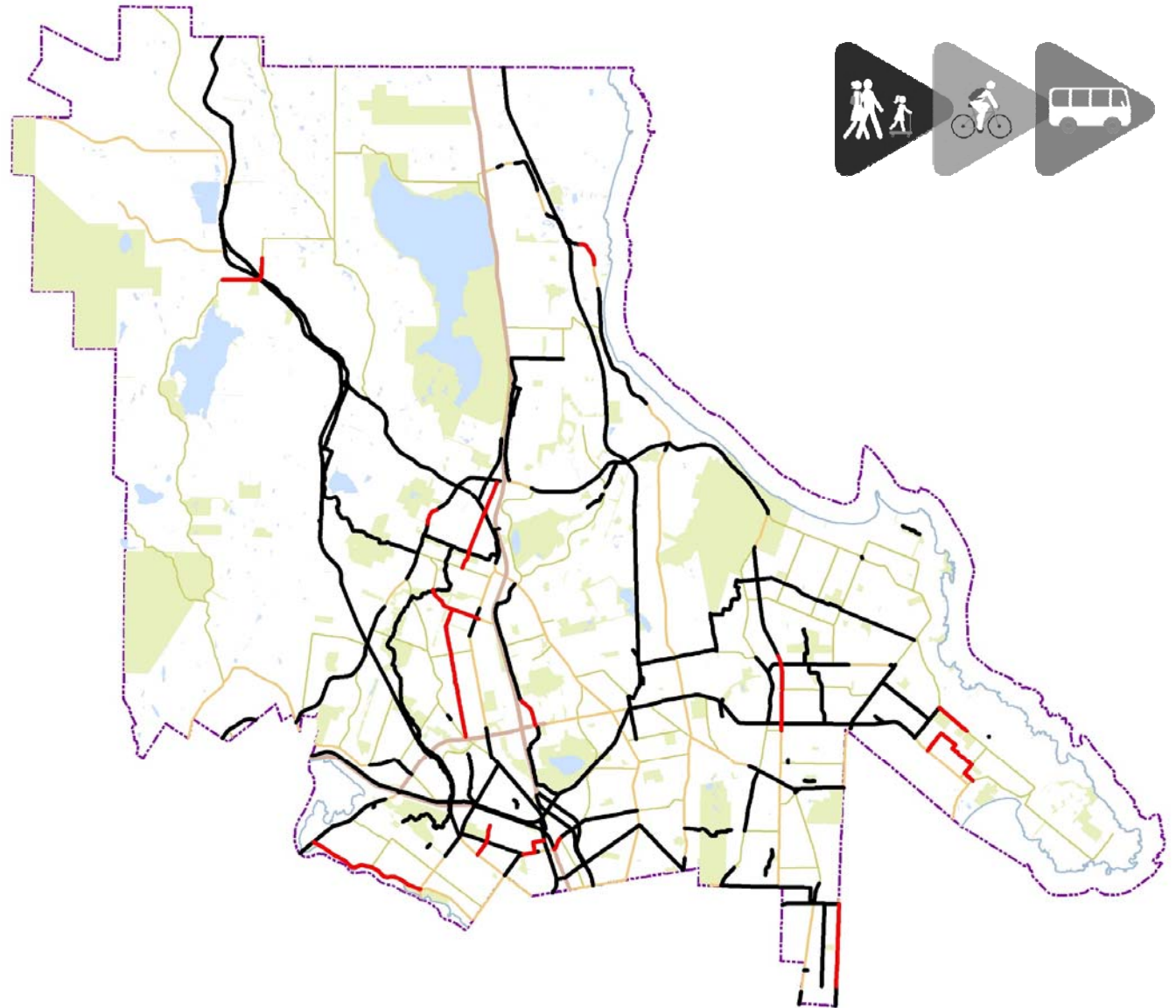
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Existing Network

# Cycling Network Buildout

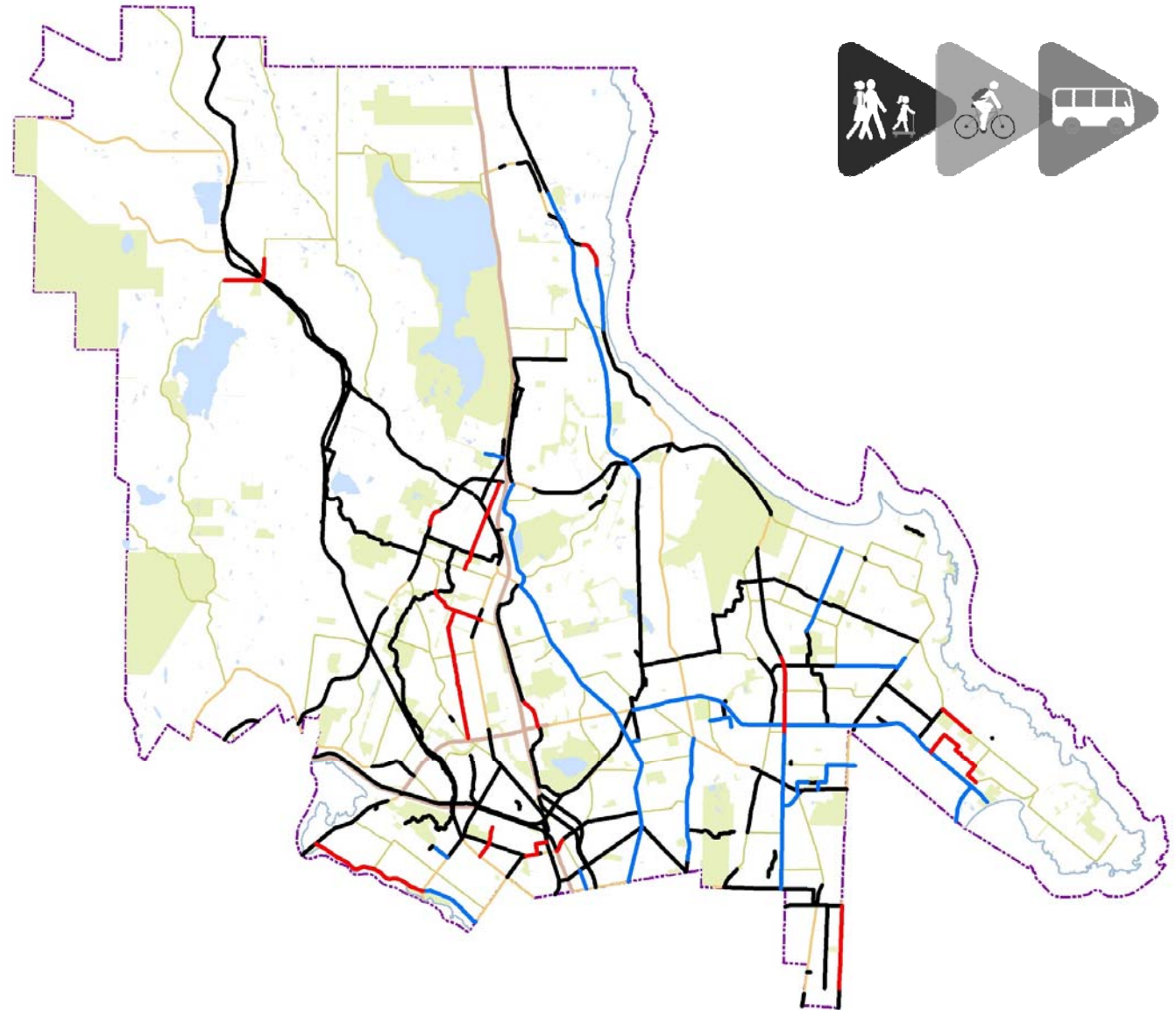
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Existing Network  
2021 Budget Projects

# Cycling Network Buildout

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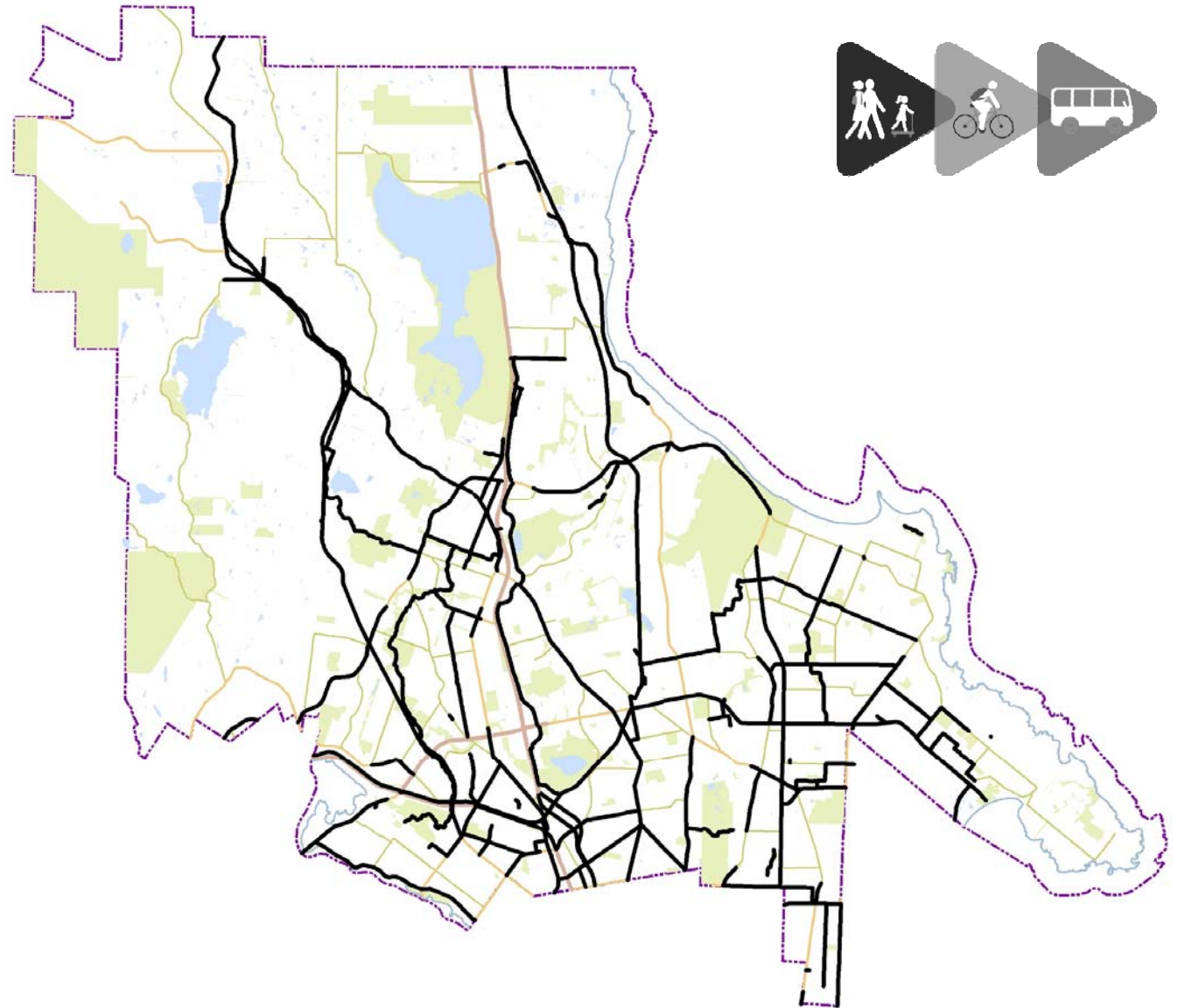


- Existing Network
- 2021 Budget Projects
- 2022-25 Budget Projects



# Cycling Network Buildout

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2025 Network

# Shelbourne Street Improvements Project (SSIP)



The SSIP is a 3-phase project to deliver the short-term improvements identified in the Shelbourne Valley Action Plan.

- Phase 1 (Garnet Rd. to Torquay Dr.) construction started in April, is proceeding well, and is anticipated to be complete by September 2021.
- Phase 2 (North Dairy Rd. to Pear St.) design is underway, construction is anticipated to begin in mid-2022, and is expected to take 15 to 18 months.
- Phase 3 (Pear St. to Garnet Rd.) construction is expected to begin once Phase 2 construction is complete.





# Water Resources Infrastructure

## Sewer, Drainage, and Watermain replacements

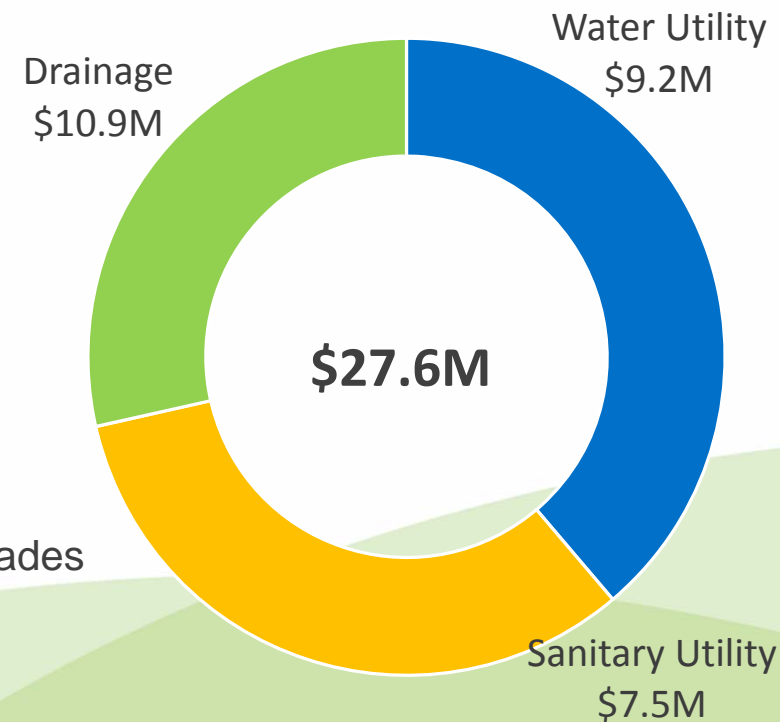
- End-of-lifecycle renewal (age, condition, material, break history, continual maintenance)
- DCC/Growth related renewal
- Planning for future investments
- Major maintenance repairs

## Meter Replacement (\$1M)

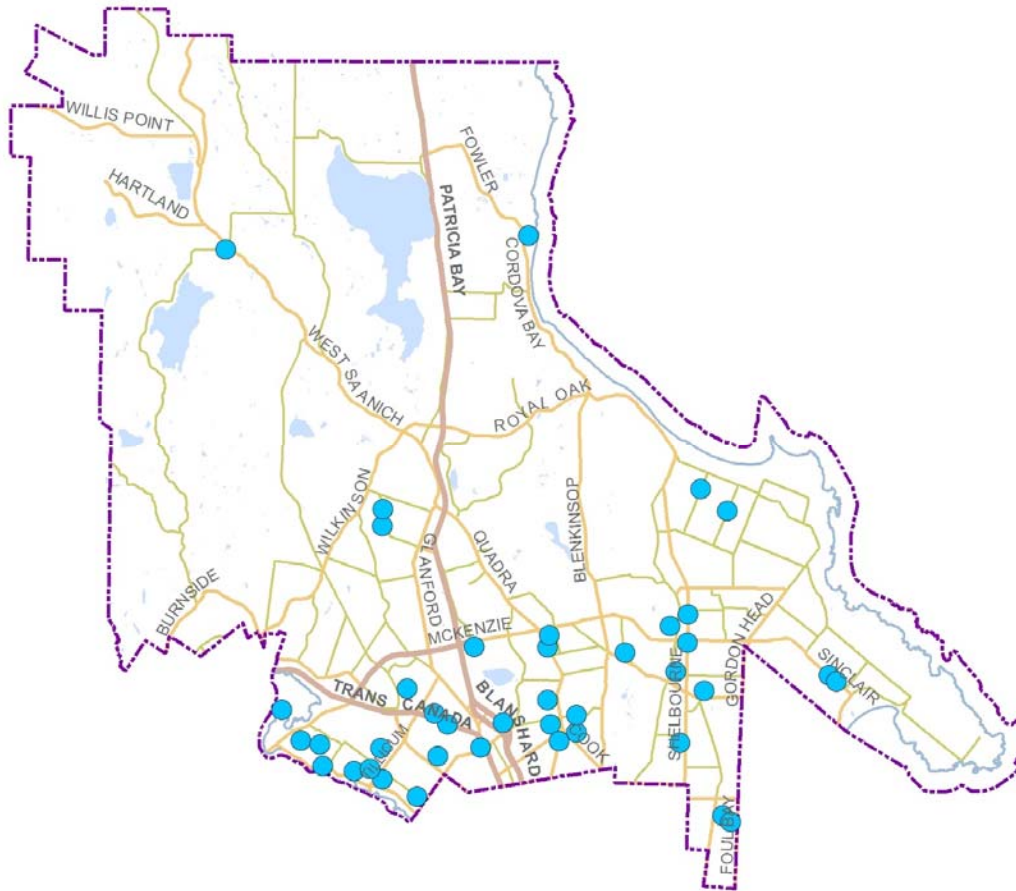
- Aging, obsolete technology/parts
- Build Reserve

## Pump Stations (\$1.3M)

- Infrastructure replacement and upgrades



# Water Resources Infrastructure



## Notable Capital Projects

- Shelbourne Phase 1
- Gordon Head watermain replacements on Majestic Drive and Torquay Drive
- Shelbourne Storm Trunk Rehabilitation (San Juan to Torquay)
- Gorge Road (Admirals to Tillicum) storm drain replacement
- Vanalman Ave, multi-utility (Commerce Circle to Mann)

Questions?

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# Capital Budget

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Parks and Recreation

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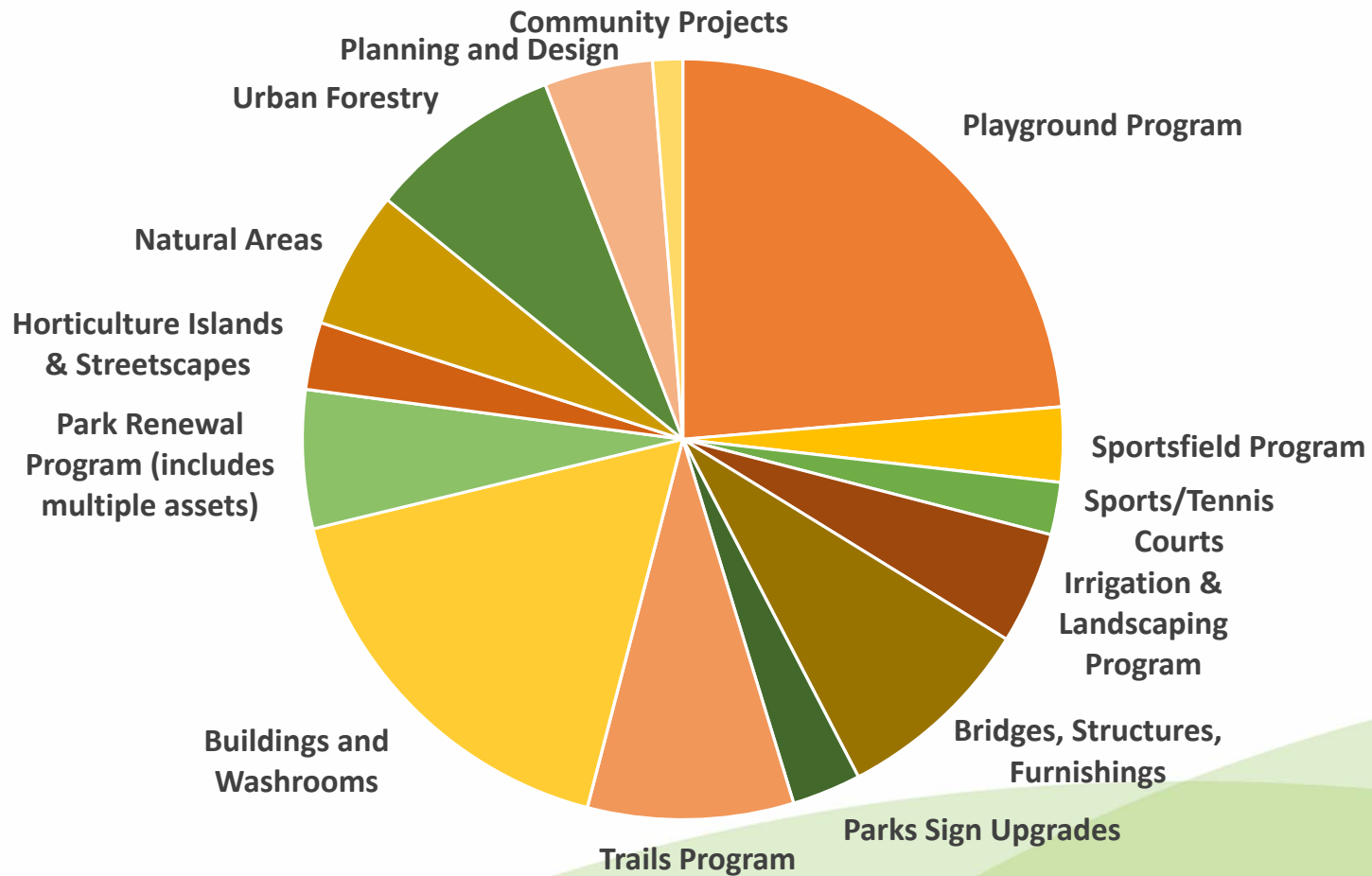




# Parks Asset Values

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

# Parks Capital Programs







# Major Parks Projects

- Playground Program
- Grass field renewal
- Cedar Hill Park Plan Implementation
- Natural Areas Restoration
- Urban Forestry
- Buildings

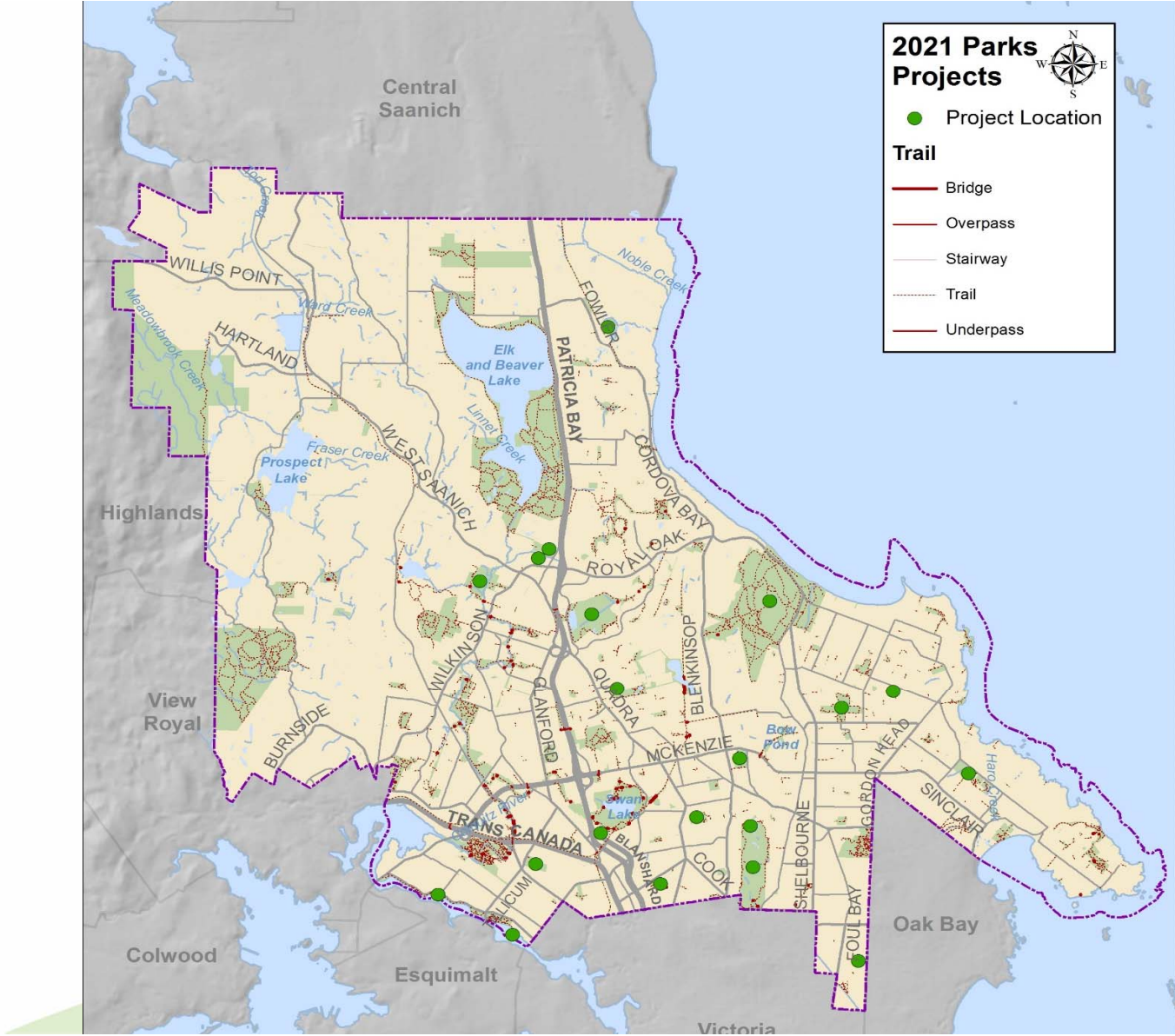


# Additional Parks Projects

- McMinn Park
- George Tripp Youth Park
- New trail and bridge Mount Douglas Park



# Parks Projects





# Recreation

- **Cedar Hill Community Recreation Centre** – Ceramic Studio upgrades, front desk ergonomic improvements, liquor area bounding
- **Gordon Head Community Recreation Centre** – Feltham Room improvements, Lighting upgrades, Continuation of acoustic tiling work in natatorium (Leisure Pool), Doors for Universal Change Rooms; miscellaneous building improvements



# Recreation

- **G.R. Pearkes Community Recreation Centre** – During Gold arena shutdown complete various upgrades (change-room, Score Clock), Lighting upgrades
- **Saanich Commonwealth Place** –renovations in aquatic office, tender for new health and wellness space





Everyone Belongs Here

QUESTIONS