



# AGENDA

## Special Committee of the Whole Financial Plan Meeting

To be held in the Council Chambers  
Saanich Municipal Hall, 770 Vernon Avenue

**TUESDAY, MARCH 28, 2017, 6:00 P.M.**

1. **PUBLIC INPUT**
2. **2017 BUDGET – MUNICIPAL STAFFING RESOURCE REQUESTS**  
**P. 2** Report of the Chief Administrative Officer dated March 21, 2017 recommending that Council consider the critical resource requests, as recommended by the Personnel Standing Committee.
3. **BUDGET REDUCTION OPTIONS**  
**P. 18** Report of the Chief Administrative Officer dated March 22, 2017 recommending that Council provide direction on the reduction scenarios presented in the report.
4. **COUNCIL REMUNERATION – ANNUAL SURVEY**  
**P. 29** Report of the Director of Finance dated March 20, 2017.
5. **REVENUE, TAX AND TAX EXEMPTION POLICIES AND OBJECTIVES**  
**P. 31** Report of the Director Finance dated March 20, 2017 recommending that Council approve the policies and objectives as outlined in the report for inclusion in the 2017-20201 Financial Plan.

\* \* \* Adjournment \* \* \*

# AGENDA

Special Council Meeting

**Immediately Following the Special Committee of the Whole Meeting**

## MOTION TO CLOSE THE MEETING TO THE PUBLIC

“That the following meeting be closed to the public as the subject matter being considered relates to Section 90(1) (c) of the *Community Charter* as follows:

(c) labour relations or other employee relations”.

\* \* \* Adjournment \* \* \*

SPECIAL “IN CAMERA” COUNCIL MEETING IMMEDIATELY FOLLOWS

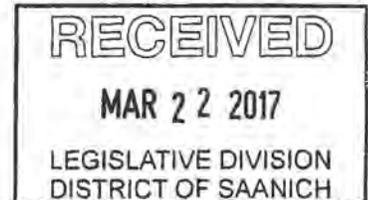


## The Corporation of the District of Saanich

Mayor  
Councillors  
Administrator  
Council  
Administrator  
Media

# Report

**To:** Mayor and Council  
**From:** Paul Thorkelsson, Chief Administrative Officer  
**Date:** March 21, 2017  
**Subject:** 2017 Budget – Municipal Staffing Resource Requests



### Recommendation:

That Council consider the critical resource requests, as recommended by the Personnel Committee.

### Purpose:

To advise and recommend to Saanich Council additional staff resources under the "critical capacity" category of Council's 2017 Budget Guidelines.

### Discussion:

The budget guidelines considered by Council included a provision that:

***"Preliminary 2017 departmental net budget totals will be limited to a 0.0% increase over the 2016 adopted net budget totals, exclusive of existing personnel costs, phased in funding for positions approved by Council in the prior year, core capital increases and non-discretionary expenditures;..."***

***Resource requests for additional operating budgets (including one time projects) and new tax funded personnel will only be considered where critical capacity issues can be clearly demonstrated or where upfront investment will result in longer term savings as outlined in a business case. Resource requests will be reviewed by the senior management team and assessed for alignment with stated strategic priorities and overall corporate benefit. "***

As discussed with Council previously and during the budget presentations the preliminary budget presented to Council does not include any staffing resource requests at this time. There are significant capacity gaps in the organization that have developed over time primarily as the result of fiscal restraint policy decisions since 2008.

The Personnel Standing Committee (PSC) received a report and presentation from the CAO (attached) regarding critical resource requests at their last meeting and has provided the following recommendation to Council:

***"That the Personnel Committee recommend to Saanich Council that the critical resource requests as outlined in the Report be added to the 2017 Saanich Municipal budget and be included in the Financial Plan."***

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The details of the Critical position requests are provided in the attached report as presented to the PSC. It is important to note that all of the positions put forward are considered critical requests and are but part of a longer list compiled by departments. The list of requests has been purposefully narrowed for consideration by Council and given a corporate priority rating by the CAO and Senior Management team. The priority ratings are simply for comparison purposes and should not be interpreted as one position being more critical than another. The ratings have been primarily, except in relatively limited cases, based on the current focus of discussion with Council regarding working towards filling internal resource gaps over gaps in external service delivery.

**Financial Implications:**

As outlined above, the addition of critical resource requests has a financial implication for the 2017 budget as no resource requests have been included to this point. The description for each request includes the estimated 2017 impact and annual funding required.

Over all, the requests combined (excluding Police as they are already included within the SPD budget presented to Council) amount to an additional budget request of \$721,026 for 2017. The positions for SPD represent \$86,008 for 2017 in the budget presented by the Police Board.

**Conclusions:**

The 2017 budget represents a "Fork in the Road" moment for the District of Saanich. Does Saanich continue to be the operationally focused organization that it has been over the past number of years with lagging internal and support resources for the expected levels of service? If so, there are ongoing implications for new initiatives and progressive approaches against service level reductions to meet continued fiscal restraint budget expectations – "doing less with less". If not, the implications over time are for increasing budgets (beyond CPI increases) to adequately resource the organization operationally and strategically. 2017, and the critical resource requests presented represent the opportunity for Council to change the direction of Saanich as an organization.

Prepared by:

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Paul Thorkelsson  
Chief Administrative Officer



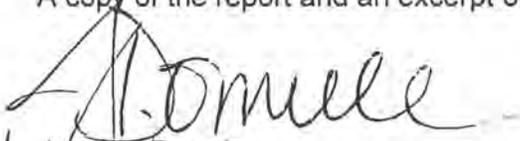
# Memo

**To:** Donna Dupas, Municipal Clerk  
**From:** Jennifer Downie  
**Date:** March 14, 2017  
**Subject:** Resource Requests  
 2017 Budget – Municipal Staffing Resource Request Report

At the March 9, 2017 Personnel Standing Committee meeting members reviewed a report from the CAO, 2017 Budget – Municipal Staffing Resource Request Report, dated March 8, 2017 and resolved:

**“that the Personnel Standing Committee recommend to Council that the critical resource requests as outlined in the report be added to the 2017 Saanich Municipal budget and be included in the Financial Plan.”**

A copy of the report and an excerpt of the minutes are attached for information.

  
 Jennifer Downie  
 Administrative Assistant  
 /jd

Attachments



## RESOURCE REQUESTS

The CAO presented the 2017 Budget – Municipal Staffing Resource Requests report dated March 8, 2017. The purpose of the report was to advise and recommend to the Personnel Committee and Saanich Council additional staff resources under the "critical capacity" category of Council's 2017 Budget.

The CAO reviewed the critical resource requests with the Committee and answered questions from members.

**MOVED by Councillor Plant and seconded by Councillor Brownoff, "that the Personnel Standing Committee recommend to Council that the critical resource requests as outlined in the report be added to the 2017 Saanich Municipal budget and be included in the Financial Plan."**

**CARRIED**



## The Corporation of the District of Saanich

# Report

**To:** Personnel Committee  
**From:** Paul Thorkelsson, Chief Administrative Officer  
**Date:** March 8, 2017  
**Subject:** 2017 Budget – Municipal Staffing Resource Requests

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### Recommendation:

That the Personnel Committee recommend to Saanich Council that the critical resource requests as outlined in the Report be added to the 2017 Saanich Municipal budget and be included in the Financial Plan.

### Purpose:

To advise and recommend to the Personnel Committee and Saanich Council additional staff resources under the "critical capacity" category of Council's 2017 Budget.

### Discussion:

The budget guidelines considered by Council included a provision that:

***"Preliminary 2017 departmental net budget totals will be limited to a 0.0% increase over the 2016 adopted net budget totals, exclusive of existing personnel costs, phased in funding for positions approved by Council in the prior year, core capital increases and non-discretionary expenditures;..."***

***Resource requests for additional operating budgets (including one time projects) and new tax funded personnel will only be considered where critical capacity issues can be clearly demonstrated or where upfront investment will result in longer term savings as outlined in a business case. Resource requests will be reviewed by the senior management team and assessed for alignment with stated strategic priorities and overall corporate benefit. "***

As discussed with Council previously and during the budget presentations the preliminary budget presented to Council does not include any staffing resource requests at this time. There are significant capacity gaps in the organization that have developed over time primarily as the result of fiscal restraint policy decisions since 2008. This restraint approach, while satisfying situational fiscal management priorities over the longer term has resulted in the current state where:

- Organization becomes less and less nimble
- Ongoing informal service reductions to "make things work"
- Becomes more and more difficult to change directions and implement new initiatives
- Increasing frustration from Council regarding "delays" and length of time for analysis and implementation

- Increasing frustration from community (some) about time, cost and quality

Over the past number of months Council has received presentations from staff regarding the capacity issues facing the organization. Every department in the organization continues to struggle to maintain expected service levels with the staffing resources in place. Council is aware of these issues from the recent discussions and presentations, and is certainly keenly aware of concerns regarding the organizations ability to address and satisfy new strategic work and priority projects coming forward from Council. As discussed previously there exists backlogs in:

- Day to day work
- Departments' ability to keep current with best practices
- Prioritized Strategic projects/initiatives with funding conflicting those w/o funding or with inadequate resourcing
- Growing list of additional new initiatives ("parking lot")
- Missed opportunities

As previously reported to Council, the general municipal staffing complement decreased from 2009 to 2012 and has only just recently returned to 2009 levels. Over this timeframe however, the organization is required to do much more due to changes to legislation for privacy, safety, respectful workplace, financial reporting, environmental monitoring and reporting to name a few. These new requirements impact every department at Saanich and slowly erode staff's ability to manage day to day. As a result, the District's management team is now required to be largely operational and struggle to work on the strategic priorities as Council would expect.

In the following discussion, critical resource requests have been identified in the Departments to increase capacity and better align with existing commitments. The addition of these resources will begin to address the back log of day to day work and strategic initiatives, and the "informal" service reductions that have been necessitated in the departments. These resources, however, will not (in the short term) address all of the unfunded strategic priorities, parking lot items and Council referral list, but will shift the emphasis from having to consider how to do "less with less" towards doing "more with more".

It is important to note that although the positions are rated as high, medium and low, all of the resource requests should be considered by Council as 'Critical'. This listing brought forward does not represent all of the capacity need in the organization; staff have narrowed the focus and provided some prioritization for consideration by Council.

## **1. Capacity Issue: Procurement Support**

### Description

- Capital program in the District of Saanich has more than doubled over the past 10 years in terms of both numbers of capital projects and value. At the same time the procurement process has also increased dramatically in complexity in terms of legal expectations and maturation of Saanich processes. The workload for the Procurement group continues to outstrip current resourcing resulting in concerns both internally and externally regarding timeliness of procurement processes and lost opportunities in increasing effectiveness and efficiency in these processes.

### Impact

- Address increasing complexity of procurement needs

- Provide adequate support to Departments with significant capital programs
- Provide for ongoing improvement of inventory management with the potential for greater efficiency and effectiveness.
- Reduce back log of procurement requests and projects from Departments

Proposed Solution

- Provide additional resources, Procurement Specialist.  
Procurement Specialist (2017 = \$47,430 Annually \$89,900)

Priority Recommendation

- HIGH

**2. Capacity Issue: IT Security/Privacy Program**

Description

- Saanich is proceeding through the continued updating and replacement of our core business systems and IT infrastructure. This work, in combination with the added emphasis on privacy and security, requires Saanich to apply new resources to maintaining and managing privacy and security across the District's core applications. Increasingly complex exchanges of data between business applications requires focus and management to maintain privacy and security commitments.
- This resource request is also supportable as an important component of the District's comprehensive Privacy Management Program accepted by the OIPC. This additional resource request is a recommendation of the analysis provided by David Loukidelis in developing the program.

Impact

- Necessary for full integration of systems
- Build full understanding of the organization's integrated business systems, interconnections and interdependencies.
- Provide adequate support to Departments with the implementation on new or replacement business systems
- Meet current privacy and security of data standards.

Proposed Solution

- Provide additional resources, IT Security/Privacy Specialist.  
IT Security/Privacy Specialist (2017 = \$69,138 Annually \$134,616)

Priority Recommendation

- HIGH

**3. Capacity Issue: Legal Advice – In-house Solicitor**

Description

- Cost of legal services at the District of Saanich has increased significantly over the past number of years. In 2010, the full-time City Solicitor position was

eliminated and replaced with part-time general legal support on a contract basis and use of external firms for services. While the increasing need for specialist legal advice in the areas of litigation, labour and privacy will continue the return to in house solicitor model will reduce the use of external general legal support and provide more effective support to the District. The funding of the in-house Solicitor position would primarily come from the use of reallocated existing legal budget funds with a comparatively modest increase from taxes in 2017

Impact

- More efficient and timely support to Departments' general legal support and specialist legal advice needs
- Rationalization of the overall legal budget going forward
- Support internal management of legal/land/risk business unit as part of organizational restructure.

Proposed Solution

- Provide additional resources, In-house Municipal Solicitor.  
Municipal Solicitor (2017 = \$45,000 2018 = \$175,000 est.)

Priority Recommendation

- HIGH

**4. Capacity Issue: Council Strategic Initiatives - Planning**

Description

- Planning Department is currently faced with full resource capacity and workload on existing Strategic Projects prioritized by Council through the Strategic Plan. In addition, there exists a significant backlog of additional "strategic projects" and new initiatives that Council has expressed interest in the District moving forward on. Initiatives and existing workload far outstrips the current complement of resources in the Department. Council has also express interest in the Department generating "faster" through put of initiatives and development application approvals.

Impact

- Additional resources are required to meet Council expectations of strategic and new initiatives
- Requires both direct resources (planners) and support resources to make progress on expectations
- Additional resources in the planning function, and concurrent increase in projects and project completion will put additional pressure on existing capacity of other departments. This is likely to create other, as yet unidentified, capacity issues for the organization.

- Important to note that implementation unlikely to result in instantaneous results to backlog – Council clear and critical prioritization is necessary

Proposed Solution

- Provide additional resources, Planner I, Planning Technician, Planning Graphics Technician.

Planner 1 (2 Positions) (2017 = \$87,959 Annually \$175,918)

Planning Technician (2017 = \$34,307 Annually \$70,613)

Planning Graphics Technician (2017 = \$32,523 Annually \$65)

Priority Recommendation

- MEDIUM/HIGH

**5. Capacity Issues: Recreation Facilities Maintenance (asset stewardship)**

Description

- Managing corporate requirements such as Occupational Health and Safety requirements, WHMIS, COR program,
- Upkeep/maintenance/cleaning of facilities due to increase of space (arts centre), increase in usage and aging assets.
- Peak hour / season coverage for multiple large scale activities
- Coverage for vacation, stat holidays, sick leave

Impact

- Preventative maintenance planning compromised
- Safety programs put at risk
- Complaints due to insufficient cleaning
- Inability to complete timely set ups/take downs
- Longer repair times
- Potential revenue loss
- Facilities without onsite maintenance

Proposed Solution

- Building Service Workers (additional hours) required for all facilities.

Cedar Hill (2017 = \$46,760: Annual = \$93,520)

Gordon Head (2017 = \$34,300: Annual = \$34,300)

Pearkes (2017 = \$20,000: Annual \$40,065)

SCP (2017 = \$20,000: Annual \$32,317)

Cedar Hill Golf Course (2017 = \$17,598)

Priority Recommendation

- MEDIUM/HIGH

**6. Capacity Issue: Coordination of ongoing agreements, security changes and overall managed service strategies.**

Description

- Transition to managed services in the District's IT systems necessitates additional capacity for the department to coordinate and manage ongoing agreements and provide single point of contact to coordinate changes, details on security models and requirements, and to provide overall direction on execution of managed services contracts.

Impact

- Managed services approach reduces the resource requirements of the IT department to directly support business systems.
- Will ensure coordinated technology changes and upgrades
- Reduces compatibility issues and service disruptions
- Manage vendor contracts to ensure that contracted service levels are maintained.

Proposed Solution

- Provide additional resources, IT Vendor Management - SAIII.  
Systems Analyst III (2017 = \$16,750 Annually \$100,363)

Priority Recommendation

- MEDIUM/HIGH

**7. Capacity Issue: Tree Risk Abatement**

Description

- Required labour to support hazard tree removal, clean up in the District following storm events and support to first responders and BC Hydro is consistently outstripping budget allocation. This is a resource request to support additional Park labour in providing this work in the community.

Impact

- Potential increased liability and risk to District with increased and insurance costs and payouts
- Delayed or limited storm response after hours
- Increasing call for service wait times and delay to hazard tree assessments and abatements
- Risk for emergency responders and could slow their response time during storms

Proposed Solution

- Provide additional resources, Parks staff labour hours.

Parks labour hours (2017 = \$50,000 Annually \$100,000)

Priority Recommendation

- MEDIUM/HIGH

**8. Capacity Issue: Design Support.**

Description

- Parks and Recreation is a revenue-dependant department. P&R marketing office consists of 1.7 FTE (Marketing and Communications Specialist (1.0) and Graphic Designer (0.7). Since 2006 these positions have been funded by internal reallocations of resources. Increasing workload (document design, presentation, social media, targeted marketing and support) have outstripped the current part time resource and the ability for the Department to fund adequately to meet demand. This resource is fundamentally important in maintaining and working to increase revenue in P&R.

Impact

- Maintaining and increasing earned revenue relies heavily on marketing support
- Demand for graphic design work from both department and corporation continues to grow.
- Workload is currently outstripping part-time resource
- Without this support the department is unable to fully advertise programs and services to residents and customers in the many communication channels required.

Proposed Solution

- Increase Graphic Designer position to full-time.

Graphic Designer (2017 = \$21,238)

Priority Recommendation

- MEDIUM

**9. Capacity Issue: Timing of building permit applications**

Description

- Increasing development approvals put additional pressure on the Building Permits and Inspections section. More timely and effective processing of permit applications and support for applicants in the process requires additional resources to increase through put.

Impact

- Reduce processing times for complete applications
- Increase efficiency and revenue from higher output of building permits

Proposed Solution

- Provide additional resources, Plan Checker.  
Plan Checker 1 (2017 = \$32,523 Annually \$65,046)

Priority Recommendation

- MEDIUM

**10. Capacity Issue: Delays for tree permit issuance, development/subdivision/site servicing application reviews**

Description

- Since the implementation of the Tree Protection Bylaw in 2014, a 90% increase in tree removal permit applications has been experienced. Reviews of applications for development permits, subdivision applications, site servicing and Engineering referrals have also increased in complexity and quantity by 240%.
- The existing 3.5 FTEs are insufficient to meet current and expected demands. Approximately 50% of this new position is required to respond to requests by Saanich Planning.

Impact

- Potential increases to the District's risk of exposure related to private and infrastructure developments.
- Volume of review work for existing Parks resources beyond current capacity resulting either in delay to development approval processes or project go ahead without Parks' comments.
- Provide adequate support to development approval processes

Proposed Solution

- Provide additional resources, Arboriculture Inspector.  
Arboriculture Inspector (2017 = \$44,500 Annually \$89,000)

Priority Recommendation

- MEDIUM

**11. Capacity Issue: Coordination of the Safety Program at Public Works (Health and safety)**

Description

- Continuous improvement of safety practice and ongoing corporate and imposed safety requirements places growing workload on existing Department resources. Support for safety program and documentation is a key core responsibility for the Engineering Department and is currently under resourced.

Impact

- Maintain and increase safety practice and documentation support activity
- Provide support to PW supervisors/managers for ongoing safety programs
- Centralize PW safety information for greater efficiency/effectiveness
- Assist with the coordination of ongoing training requirements and corporate safety initiatives.

Proposed Solution

- Provide additional resources, Safety Coordination Clerk.  
Safety Coordination Clerk (2017 = \$38,500 Annually \$77,000)

Priority Recommendation

- LOW/MEDIUM

**12. Capacity Issue: Cul de Sac Maintenance**

Description

- There are 450 landscaped cul de sacs in the District of Saanich. While original expectations were that maintenance of these facilities would occur on an annual basis, the capacity for the Parks department to undertake the work has declined to approximately every 3 years. Typically, maintenance priorities are based on reactive response to complaints. Returning the service to expected levels will require significant additional capacity.
- Current level of service receives approximately 100 complaints per year, about 2/3 of the existing facilities are in poor condition

Impact

- Complaint based prioritization is less satisfactory to the community
- Without the additional resource complaints likely to increase as clear service level reduction from expectations will be necessary
- Impact of noxious weeds on private properties is an additional challenge
- Clear delineation of service level by Council is required.

Proposed Solution

- Provide additional resources, Parks Workers.  
Parks Workers (2) (2017 = \$62,500 Annually \$125,000)

Priority Recommendation

- LOW

New staff resources for the Saanich Police Department for 2017 are included below. These resources have been included within the 2017 SPD budget presented to Council by the Police Board.

**1. Capacity Issue: Police policy analysis.**

Description

- Research and Policy Analyst position required to conduct proactive policy analysis, audits of high risk functions, program evaluation and performance measurement. There are continuing demands in these areas arising from changes to legislation, recommendations from inquiries, inquests and commissions, and new policing standards. There is also a higher degree of accountability with respect to demonstrating that the decisions regarding programming and resources are evidence-based.
- The 2012-2017 staffing plan identified the need for two analysts to support the Department through evidence-based research, conducting internal audits and the development of policy, this is the second of those positions.

Impact

- If this position is not staffed, officers will have to be assigned to perform critical audit and evaluation functions, which will reduce frontline policing and the work will be done at a higher cost.
- Without additional resources, outside resources will also have to be engaged, and there are limited funds for such work, and could cost more than hiring for the position.
- Failure to provide capacity in this area increases liability arising from an inability to ensure policies and practices are keeping pace and compliant with issues such as changes to law, legislation, privacy regulations, policing standards, and inquiry recommendations.
- Defers costs to 2018 Police Budget

Proposed Solution

- Provide additional resources, Research and Policy Analyst.  
Research and Policy Analyst (2017 = \$ 50,373 Annually \$100,746)

Priority Recommendation

- HIGH (Police Board)
- MEDIUM / LOW (CAO)

**2. Capacity Issue: Police PRIME Coordinator.**

Description

- A Coordinator position for the Police Records Information Management System (PRIME).
- PRIME was implemented in 2004. It is a mandated Provincial records management system that is resource intensive.
- Staffing levels have not been increased to address the demands placed on staff to manage this system, and those demands are increasing.

- Currently, the Manager of Administrative Services (MAS), the Administration Division Staff Sergeant, and Administration Division Inspector, all share many of the duties to manage this system. The work is largely technical and clerical in nature and is properly performed by civilian support staff. There has been discussion of this position for several years; however, the increased demands for system updates, training, and maintenance, require a dedicated position for this purpose.

#### Impact

- If the new position is not filled in 2017 the MAS will continue to focus on these duties at a higher cost per hour, as will the Staff Sergeant and Inspector, albeit to a much lesser degree.
- Having the MAS focusing on PRIME has a direct impact on capacity to perform other oversight duties, which results in a potential for liability in terms of critical documentation not being processed as per policy and legislative requirements – e.g. purging of records, processing fingerprint documentation and pardon applications. Increasing demands are further reducing capacity to perform these and other duties, and place significant demands on over-burdened staff, which may create staff retention issues.
- Lack of redundancy for this position results in limited availability of corporate knowledge with a heavy reliance on one position, which renders operations vulnerable should the MAS retire or resign.
- Potential elimination of other service, such as volunteer police records checks, in order to reallocate resources.
- Defers cost to 2018 Police Board budget.

#### Proposed Solution

- Provide additional resources, PRIME Coordinator.

PRIME Coordinator (2017 = \$ 35,635 Annually \$71,270)

#### Priority Recommendation

- HIGH (Police Board)
- MEDIUM / LOW (CAO)

#### **Financial Implications:**

As noted in the report, the addition of critical resource requests has a financial implication for the 2017 budget as no resource requests have been included to this point. The description for each request includes the estimated 2017 impact and annual funding required. The funding requirements provided are preliminary and will require some refinement prior to presentation to Council with the Committee's recommendation, but are an accurate depiction of the financial impact to the budget.

Over all, the requests combined (excluding Police as they are already included within the SPD budget presented to Council) amount to an additional budget request of \$721,026 for 2017. The positions for SPD represent \$86,008 for 2017 in the budget presented by the Police Board.

**Conclusions:**

The 2017 budget represents a "Fork in the Road" moment for the District of Saanich. Does Saanich continue to be the operationally focused organization that it has been over the past number of years with lagging internal and support resources for the expected levels of service? If so, there are ongoing implications for new initiatives and progressive approaches against service level reductions to meet continued fiscal restraint budget expectations – "doing less with less". If not, the implications over time are for increasing budgets (beyond CPI increases) to adequately resource the organization operationally and strategically. 2017, and the critical resource requests presented represent the opportunity for Council to change the direction of Saanich as an organization.

Prepared by:

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Paul Thorkelsson, Administrator

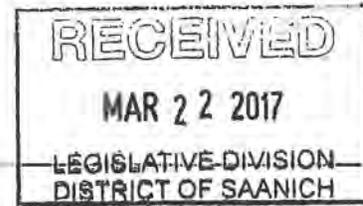


The Corporation of the District of Saanich

Mayor  
Councillors  
Administrator  
Council  
Administrative  
Media

# Report

To: Mayor and Council  
From: Paul Thorkelsson, Chief Administrative Officer  
Date: March 22, 2017  
Subject: Budget Reduction Options



## RECOMMENDATION:

That Council provide direction on the reduction scenarios presented.

## PURPOSE:

To present options for reducing the impact on taxation in accordance with the 2017 Budget Guidelines.

## DISCUSSION:

As part of development of the 2017 Budget Guidelines, Council passed a motion that included the following instructions:

Budget reduction scenarios of 1.0% and 1.5% will be prepared and will include the impacts of reducing service levels, if any;

Reduction options are provided in two themes; strategy and departmental. Strategy options are related to fiscal policy decisions. Departmental options are related to specific operational program areas. Reductions that involve services where impacted employees may be identified are not included in this report in accordance with in-camera provisions for personnel matters.

### STRATEGY OPTION 1 – Reduce additional funding to the capital infrastructure program

In 2007, Saanich Council embraced an informal policy to implement sustained taxation increases of a maximum .75% of current year taxation to address a structural shortfall in infrastructure funding. This strategy is incorporated into the Strategic Plan under F4 - Sustain Community Infrastructure with the strategic initiative "Achieve sustainable infrastructure replacement levels" with a target of Q4 2019.

Targets were established and have been refined over the past decade. The targets are based on the replacement value of all the District's major assets divided by the estimated overall lifespan. This calculation provides the "annual sustainable funding" that has been published annually in the Financial Plan document. Goals were set to attain these levels between 2015 and 2019. Consistent application of the strategy has resulted in significant increases in the funding allocated to infrastructure replacement. The targets have been reached for water and

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transportation assets. Previously set targets for vehicles, equipment and technology have also been met although there is recognition that these need to be reset in consideration of the corporate technology work that is being undertaken and the impact of the rising exchange rate on some vehicles that are only available from the United States.

In responding to Council's direction to consider reductions in the required tax increase for the 2017 budget staff have reviewed the program and confirmed the opportunity to reduce the tax based increase for the infrastructure policy while maintaining the established targets for "annual sustainable funding" as established by Council. However, Council has the ability to adjust this allocation by any amount, including reducing the capital program. However, this would be a dramatic change from a long standing approach to managing the infrastructure deficit and would require resetting the strategic initiative in Council's plan.

The reduction option with the least short term impact would be to reduce the increased amount allocated to Fiscal Services (\$538,000) however this funding is currently supporting transfers to facility and corporate technology reserves to deal with the significant challenges currently facing the District. Council could also reduce the .75 taxation allocation. Depending on the reduction, the sustainability targets could still be met by 2019, or a new target date could be set. This reduction strategy also carries implications that should be of note to Council. The reductions do not necessarily negatively impact the timing of reaching the funding targets, they do however delay specific projects in the 2017 budget to subsequent years.

The main components of the 2017 capital budget increase are:

<b>Funding Increase</b>	<b>Purpose</b>	<b>Amount</b>
1. Transfer to Facilities Reserve	Build reserves for future building replacement	460,000
2. Parks and Trails Capital	To reach sustainability target	268,300
3. Facilities capital	To reach sustainability target	165,700
4. Drainage capital	To reach sustainability target	513,000
5. Various core capital 2%	Core increase for inflation	195,000

1. A reduction in the facilities reserve impacts the implementation of major facilities projects in the future. The current strategy is to build reserves so that a combination of reserve funds and current borrowing capacity can be utilized for significant projects in the future, minimizing the need for tax increases. Future Councils may face the inability to move forward with the Strategic Facility Master Plan without significant tax increases. A sustained gradual increase is preferable to short term dramatic increases that place the burden on a smaller set of taxpayers.
2. Eliminating the increase to Parks and Trails capital would result in deferral of projects:

<b>Description</b>	<b>Core Budget</b>	<b>Primary Impact</b>
Drainage in Layritz Park Diamond 7	\$ 76,000	Defer/ field condition impacts playability for organized ball teams. Little League baseball may expect to use Diamond 7 for practice as part of the 2020 World Series (Little League)
Finlayson parking lot at Cedar Hill Park	\$ 77,700	Defer until park plan is completed in 2018. Existing pavement structure is rapidly deteriorating
Restoration in Cuthbert Holmes Park	\$ 70,000	Provincial funding from McKenzie Interchange can replace - work can still proceed.
Royal Oak/Chatterton renewal and valve replacement	\$ 23,500	Defer to future plan; continue to experience poorly functioning irrigation system.
Sports/tennis courts	\$ 15,600	Spot repairs of courts not done
Playgrounds	5,400	Miscellaneous repairs
Total	<b>\$ 268,300</b>	

3. Eliminating the increase to Facilities capital would result in reduction in the contingency budget and increased risk of insufficient funding where detailed design requires a budget adjustment. This ultimately results in deferral of projects.
4. Eliminating the increase to Drainage capital would result in deferral of projects:

Description	Core Budget	Other Funding	Inter-Utility Dependency	Primary Impact
Substandard drain – Homer	\$306,000	\$0	Sewer Capital \$280,000	Future year construction; carry forward sewer funds; internal construction crew
Wood Stave – Orillia	\$123,200	\$0	None	Future year construction
Wood Stave – Cuddeheth/Boleskin	\$119,600	\$250,000 Borrowing	Sewer Capital \$200,000	Future year construction; carry forward sewer funds
Total	<b>\$548,800</b>	<b>\$250,000</b>	<b>480,000</b>	

5. Eliminating the core capital adjustment erodes the ability of capital programs to be maintained in the face of inflationary pressures.

### STRATEGY OPTION 2 – Reduce the annual operating contingency

The use of a contingency budget is common practice for municipalities as a risk mitigation measure to weather unexpected expenditures without having to “find the money” in an emergency situation (e.g. excessive snow removal requirements). Saanich currently builds \$900,000 into its annual budget to do just this. With the exception of 2014, the annual surplus has included this unallocated \$900,000 (in some cases with minor allocations) in addition to a small operating surplus of between \$1,000,000 and \$1,500,000 million which represents less than 1% of the operating budget. Each year council considers a variety of one time supplementary items and allocates the prior year surplus as funding. This allows Council to address a number of “one-of” needs without impacting the ongoing tax requirement. A reduction to the contingency would decrease the annual surplus and reduce or eliminate this flexibility. Any emergent circumstances requiring unanticipated funds would require a Financial Plan Bylaw amendment either allocating accumulated surpluses, redistributing established expenditure budgets or identifying new revenue sources. The current contingency is reasonable (under 1% of property tax revenue); reduction is not recommended.

#### Surplus History

	2016	2015	2014	2013	2012
Annual operating surplus before appropriations:		2,075,700	854,300	2,647,296	2,468,870
Total appropriations	tbd	1,675,700	653,500	150,000	1,740,000
Transfer to accumulated surplus	tbd	400,000	200,800	2,497,296	728,870

### STRATEGY OPTION 3 – Fund current year operations from prior year surpluses

This budget reduction option is discussed each year during budget deliberations. Many municipalities incorporate this strategy in their budgets, however Saanich moved away from this approach many years ago for sound reasons. This approach requires very stable surpluses in order that they can be relied upon from year to year to fund the subsequent year service levels. In a year where this level is not realized (e.g. 2014) an appropriation from accumulated surplus would be required, a higher than normal increase in the tax rate is necessary or an immediate reduction in service levels would be required. As Saanich is currently maintaining its accumulated surplus at minimum recommended levels, the use of prior year surpluses carries some risk. While other municipalities have opted to keep their tax rates very low this year through this strategy, it should be a very careful consideration for Saanich Council and is not recommended.

### STRATEGY OPTION 4 – Reduce grant funding/permissive tax exemptions

Grant in aid and permissive tax exemptions programs are optional for municipalities. Grant programs reflect the communities' values through Council's grant award process. As such, programs vary widely between municipalities. The current budget for grants funded from taxation is \$582,550. It is divided into several categories:

General Community Grants	536,300
Community Association Operating	28,500
Dry Grad	3,150
Neighbourhood Development	9,600
Small Sparks	5,000
Total budget	\$582,550

Options available to Council to reduce this budget include reducing grant allocations across the board by percentage, restricting the type of organizations eligible or capping grants per organization to defined level(s). There may be significant implications for organizations that rely on municipal grants for financial viability. The permissive exemption bylaw triggers exemption from all other taxes as well (School, CRD, BC Transit etc) so the impact to the organization of a lost exemption is larger than the financial gain to Saanich.

Permissive tax exemptions totalled \$2,668,230 in 2015:

Exemption Classification	Saanich Taxes	All Taxes
Places of Public Worship	469,050	744,609
Schools	248,608	402,586
Sport	126,536	211,148
Community Activity	127,452	212,851
Cultural	37,562	57,540
Agricultural	95,000	153,504
Community Service	282,769	471,344
Community Housing	245,908	414,509
Natural Area Preservation	83	139
Total tax revenue forgone	\$ 1,632,968	\$2,668,230

Notwithstanding compliance with Community Charter provisions for permissive tax exemptions, the decision on which organizations benefit is purely a Council decision, although there is recognition that the recipients are largely based on historical decisions and have not been altered

by incoming Councils. Given the discretion in this area, municipalities can vary widely in the nature and amount of permissive exemptions that are granted under bylaw. As with grants, there may be significant implications for organizations that rely on tax exemptions for financial viability. As current bylaws provide an exemption up to and including 2019, this is likely not a short term budget reduction option, although it deserves consideration as an option for Council in the future.

## **DEPARTMENTAL OPTIONS**

Each department has a number of divisions or sections responsible for providing a wide variety of services both to the public and as internal support. Many of the functions of the District are core public services, which means that they are required to be provided by legislation (e.g. fire service) or basic expectations of the community (water, sewer, roads, building inspection etc). There are also a number of services that are optional although may be highly desirable. The following section describes each department's core services (the must have) and optional services (the want to have or nice to have). Options for reductions are provided where there are considerations for Council related to the optional services provided to the public. Reductions that involve services where impacted employees may be identified are not included in this report in accordance with in-camera provisions for personnel matters.

### **Administration/Council**

All reduction options require reduction in staffing levels.

#### **Corporate Services**

Recognition Banquet	\$ 18,350	<ul style="list-style-type: none"> <li>No banquet held</li> <li>Cut back to a minimum recognition event (\$5,000) – receptionstyle for a couple of hours at end of a day; reduction in gifts; no guests in attendance</li> <li>Morale affected</li> </ul>
Staff Development	\$ 36,450	<ul style="list-style-type: none"> <li>No corporate training program – training would be restricted to individual department budgets – use this to source all training opportunities</li> <li>Lack of consistent training opportunities for staff</li> <li>Reduction in development of staff in specificall targeted areas (e.g. leadership and team building)</li> </ul>
Senior Management Development	\$ 9,980	<ul style="list-style-type: none"> <li>No senior management development</li> <li>Sessions held without external facilitation/guidance</li> </ul>

### **Engineering**

Public Works Yard and Garden Waste Drop Off Facility – Implement User Pay Program	Dependent upon rates charged.  High level estimate \$250K to \$290K	<ul style="list-style-type: none"> <li>Long standing program which is popular with many residents.</li> <li>Potential increase in roadside dumping of material.</li> <li>Increased volumes/costs in GGC, Leaf Collection and Roadside programs</li> <li>Incorporates Council policy to implement alternative revenues and move to user pay where appropriate.</li> </ul>
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### **Finance**

All reduction options require reduction in staffing levels.

## Fire Services/Emergency Program

All reduction options require reduction in staffing levels.

## Legislative Services

The 2017 Financial Plan reductions in the Legislative Services Department listed below reflect areas where the most currently planned 2017 departmental activities are projected to have costs below those contained in the current draft Financial Plan and where it is anticipated that this general level of expenditure will continue going forward in future years.

Lands – Building rental & expenses	\$ 30,930	<ul style="list-style-type: none"> <li>Adjustment to revenues and expenditure based on recent data</li> </ul>
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## Parks and Recreation

Item	Budget Reduction	Impacts
Public Hours (discount is optional): Reducing facility hours at Pearkes with 30 minutes early closure	\$ 3,500	May impact some current pass holders who may cancel their passes.
Removing Drop in sports from the Saanich Access Pass	\$ 10,500	Based on 2016 drop in rates and pass use by drop in sports players, it is estimated that CHRC/SCP would increase drop in sports revenue by approximately \$18,000 annually. Data was not available from Pearkes and GH. Affected sports would be badminton, basketball, table tennis, pickleball, ball hockey, volleyball, archery and netball. There is some concern that annual pass revenue may decline if customers who buy the annual pass just to play specific sports, such as pickleball, would no longer purchase a pass. Loss of pass revenue may be mitigated by the higher per session fees for drop in sports. May be opportunity to create a drop-in sport punch pass.
Rentals (Discount is Optional): Eliminating free/discounted rentals at Cedar Hill Recreation Centre, Gordon Head, Pearkes	\$ 20,000	Organizations may be challenged to afford the space. Rooms and Fieldhouse users include: New Horizons (\$12K), QCHCA (\$1200), Saanich (\$4700). Saanich Firefighters Benefit Association (\$5000), Saanich Neighbourhood Place (\$9000), Garth Homer Society (\$1500), SMHA (\$1200), Saanich Figure Skating Club (\$600), Gorge Tillicum Community Association (\$1000), various internal departments (\$1200). May put additional pressure on District grant funding.

<p>User Pay (discount is optional): Various seniors fees sliding discount; (decrease seniors subsidies)</p>	<p>\$ 29,000</p>	<p><b>Financial:</b></p> <ul style="list-style-type: none"> <li>- Keeping subsidy status quo - assuming purchase trends remain the same - only \$12,000 in new revenue will be generated by this cohort over 5 years;</li> <li>- If the subsidy was decreased by 5%, - assuming purchase trends remain the same - an additional \$46,800 in new revenue would be generated;</li> <li>- If no subsidy was provided - assuming purchase trends remain the same - an additional \$196,000 in new revenue would be generated</li> <li>- With this cohort being the largest and fastest growing demographic, the move from Adult (no subsidy) to Senior (25% subsidy) will result in a 25% decrease in revenue received for every person who turns 60 years and purchases a pass;</li> </ul> <p><b>Social Impacts</b></p> <ul style="list-style-type: none"> <li>- One of the barriers to recreation that is being highlighted in the public research for the OAS is affordability; some seniors cannot afford recreation now so decreasing the subsidy will make recreation even less affordable to many; socialization is a key health factor for seniors that recreation provides, so this could affect the social well-being of the community; more requests to the L.I.F.E. program could result</li> <li>- The OAS research is indicating that older adults do not see themselves as seniors until they are 70 years of age; more and more older adults are still working until their late 60s; another option would be to increase the age of seniors.</li> </ul> <p><b>Regional Consideration:</b></p> <p>All Parks and Recreation Departments in Greater Victoria support the seniors age category as 60+; should Saanich change the ages of this category, Saanich would be the outlier; however it is likely that over time, other Departments will follow Saanich's lead.</p>
<p>Eliminate dust control in parking lots</p>	<p>\$ 13,000</p>	<p>Do not spray to reduce dust from gravel parking lots in parks.</p> <p>Dust control on gravel parking lots is normally done in late May or early June (weather depending). Onetime application of Magnesium Chloride product (environmentally friendly).</p> <p>The locations are:</p> <ul style="list-style-type: none"> <li>- Cadboro-Gyro Park; Horner Park; Lambrick Park – Lawn bowling parking lot; Bert Richmond building parking lot, upper parking lot, Tennis/Lacrosse parking lot; Majestic Park; Ambassador Park; Layritz Park; Rosedale Park; Claremont Park; Lochside Park; Fowler Park; Markham Nursery; Centennial Trail Stores Yard</li> </ul> <p><b>Impact</b></p> <p>Increase in community complaints, especially from neighbouring properties, e.g. Cadboro-Gyro Park.</p>
<p>Discontinue provision of Doggy Bags in parks</p>	<p>\$ 10,000</p>	<p>Remove doggy bag dispensers in the 10 parks (13 total dispensers) that have them - put onus on dog owners to provide their own bags.. Will reduce public service; increase community complaints; possible increase in dog feces in parks.</p> <p>Parks included:</p> <p>Cadboro-Gyro Park (2 dispensers); Agate Park (1 dispenser); Mount Douglas Park lower parking area (1 dispenser); Playfair Park (1 dispenser); Lambrick Park (2 dispenser); Gorge Park (1 dispenser); Browning Park (1 dispenser); Gorge Waterway Park (2 dispensers); Vantreight Park (1 dispenser); Rosedale Park (1 dispenser)</p>

Parking lot sweeping - Discontinue cleaning of parking lots (contractor).	\$ 20,000	<p>Discontinue cleaning of park parking lots by contractor. Increase in community complaints due to unsightly areas and debris interfering with vehicle access</p> <p>Parking lots are swept on a monthly basis with the exception of SCP which may be done twice a month due to size and volume of traffic. Storm events and projects create the need for extra visits. Average visit time is 4 hours (6+ at SCP). The locations are:  - Mount Douglas lower parking lot; Gordon Head Rec Centre; Saanich Commonwealth Place; G.R. Pearkes Arena; Hampton Park; Gorge Park; Gorge Waterway; Tyndall Park; Cedar Hill Rec Centre; Layritz Park; Braefoot Park; Playfair Park; Beckwith Park; Cuthbert Holmes Park</p>
Roadside Mowing	\$ 65,000	<p>No longer perform roadside mowing services.</p> <p>Saanich Hydro mower normally starts in early to mid-April depending on vegetation growth. The parks hydro mower concentrates on sight line issues and hot spots where the long reach is required. Then moves on to rural Saanich area where a side arm flail is needed for the extended reach capabilities.</p> <p>Hired roadside flail commences mid-May normally starting down in the Saanich panhandle. The flail travels down all roads in Saanich and cuts up to 2 meter swath in the vegetation along the roadside when possible - approx. 300 kms of roadway.</p> <p><b>Impacts</b>  Reduced roadside trimming; increase in community complaints; traffic sight line concerns increase; transfer of costs to roads department not affecting overall Saanich budget costs.</p> <p><b>Saanich's Expectation Message:</b>  It is Saanich's expectation that property owners will look after the vegetation adjacent to their properties. However, if they can't or won't Saanich Parks has a rough mow program that mows approximately 1-2 meter swath once a year. Saanich Parks does not do any hand work on boulevards, this is done by Roads Division.</p>
Volunteer work party support/coordinator of volunteers in Saanich Parks	\$ 50,250	<p>Inability of Saanich to meet goals of Council approved Invasive Species Management Strategy and provincial regulations re: invasive species; Loss of over 15,000 hours of community volunteering in invasive species removal. Reduction in volunteers (currently over 150); increased invasive species in Saanich. Weeds would not get pulled.</p>
Festivals and Events	Up to \$86,500	See Attachment

## Planning

Environmental Services: Community Outreach, Incentives and Internal/External Education and Training	\$ 21,460	<p>Elimination of Operating Budget. This would eliminate all community outreach such as the "our backyard" newsletter, support and incentives for invasive species removal for private land owners, education materials for the public, staff and community groups, upgrades to resource materials, and prohibit educational mail-outs re: environmental issues and stewardship</p>
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**Summary:**

<b>Budget Reduction Option</b>	<b>\$ Reduction</b>
Reduce capital program increase	tbd
Reduce grant funding/permissive exemptions	tbd
Fund current year from prior year surpluses	tbd
Discontinue Festivals and Events	tbd
Recognition Banquet	18,350
Staff Development	36,450
Senior Management Development	9,980
Yard and Garden Waste Program User Fee	250,000
Reduce Pearkes Rec Centre Facility Hours	3,500
Remove Drop-In from Saanich Access Pass	10,500
Eliminate Free/Discounted Rentals	20,000
Decrease Seniors Subsidy/Discount	29,000
Eliminate Dust Control	13,000
Discontinue Doggy Bag program	10,000
Discontinue parking lot sweeping	20,000
Discontinue roadside mowing	65,000
Environmental Services	21,460
	<u>507,240</u>

Report prepared by:

  
Paul Thorkelsson, CAO

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## Budget Reduction Scenarios - Special Events

Saanich hosts a variety of community events throughout the year and each one offers a unique opportunity to engage the public in way that is different than regular day to day business. The economic benefits are often easier to define than the social benefits, which can be less visible but equally as important. Events draw people together to celebrate a common cause and the diversity of a community is often on display as all residents want the opportunity to connect, celebrate and enjoy the feeling of belonging and learning about their community.

Saanich events:

- provide an opportunity to showcase our fantastic facilities and parks to community members who might not otherwise have used them
- draw people from a larger region bringing economic benefits to local businesses
- highlight community diversity through performances or planned activities
- promote intergenerational opportunities for families to celebrate together and enjoy what makes their community unique
- provide a platform for home grown talent to showcase their skills through art, dance, or cultural performances
- provide hands-on, experiential learning
- engage the public in a more intimate setting by offering residents a place to express their opinions
- bring communities together and instill a sense of community pride and knowledge of their history
- strengthen relationships with other organizations in the community and offer the chance for businesses to give back to residents
- celebrate organizational achievements and build trust through consistent messaging to help build brand awareness
- showcase the completion of major capital projects and facility upgrades (examples include: Arts Centre at Cedar Hill through the Family Arts Festival; Gyro Park playground completion at the Cadboro Bay Festival)

Several Saanich events have seen participation numbers double in the past decade. Family favourites such as the Saanich Strawberry Festival and Cadboro Bay Festival have grown significantly over the years and attract visitors from the entire CRD region which stimulates the growth of tourism. Festivals also provide free marketing for hosts and local businesses when visitors share their experiences on social media. The economic benefits of successful events can also continue long after the event as participants will often to return to locations they enjoyed visiting.

Event	Description	District Contribution	Attendance Estimates
Family Arts Festival		\$ 4,000	2,500
Music in the Parks	8 events held in 7 different neighbourhood parks plus Goward House. Saanich works collaboratively with community and residents associations and Goward House. Musical celebration in parks bring community together to enjoy music, each other, community resources, and dancing. Great partnerships and community development. Saanich receives sponsorship from Saanich Legacy Foundation of \$5600 plus \$700 for a new 9th event this year geared for Youth bands.	\$ 6,000	10,000
Moon Fest	Builds community and cultural diversity. Saanich funding started in 2016. Long history of event from ICA's Luminara in	\$ 10,000	3,000

	Beacon Hill Park to GHRC location. Builds community and celebrates cultural diversity. Saanich's only cultural special event. Many partnerships including Lambrick Park High School students volunteering.		
New Year's Day Swim	Opportunity to be active and come together to celebrate all that a new year represents.	\$ 1,500	70
Deck the Hall	Eliminating this event results in no light-up celebration; removes opportunity for 4-5 school choirs to perform at the Municipal Hall. The event attracts 800-1000 people including families to watch the students. Includes crafts, outside events and community building. Youth leadership opportunities to assist at event.	\$ 6,000	800-1,000
Cycling Festival	Established over last 7 years. Moved to Municipal Hall in 2016 from Shelbourne St. as that location created challenging logistics and was more expensive for Saanich (closing Shelbourne, police, etc.). Attendance at first year at municipal hall was very good - it became a "cycle to" active transportation event. Not practical to cancel for 2017 as event is in April and work is currently underway. Bringing CRD on board in 2017 to event. Reduction would be realized in 2018.	\$ 6,000	800-1,200
Strawberry Festival	Fifty two years of tradition; loss of low to no cost opportunity to families and seniors; reaches over 3000 residents; regional showcase for the District.	\$ 20,000	3,000
Cadboro Bay Festival	This event started as Sun Fest. Current partners include the Cadboro Bay Business Association, Cadboro Bay Residents Association and sponsorship from others including Island Savings and Pepper's Food. Showcases Cadboro Bay/Gyro Park in a regional event that draws over 2500. Provides a low to no cost art event to families and seniors.	\$ 10,500	2,500
Mother's Day/Canada Day	The only Canada Day event the District supports and participates in. Long standing low to no cost event. Showcases the Gorge Park. Civic pride opportunities for the District to participate in are few. While the event would go on without the District's participation, the absence of the District would be obvious and the enhancement the District brings to the event would be missed. Over 10,000 residents participate in this event.	\$ 19,000	10,000
Remembrance Day	While there are other options in the region, this important recognition ceremony is a part of the District's responsibility to honour those who fought for and continue to fight for Canadian's freedoms.	\$ 3,500	2,000
Saanich Staff Picnic	Annual staff recognition event for employees and their families. Significant morale boosting event. Unions are funding partners to the event.	\$ 8,000	1,200
<b>Total</b>		<b>\$86,500</b>	



The Corporation of the District of Saanich

Mayor  
Councillors  
Administrator  
Council Administrator  
Media

# Report

**To:** Mayor and Council  
**From:** Valla Tinney, Director of Finance  
**Date:** March 20, 2017  
**Subject:** Council Remuneration – Annual Survey

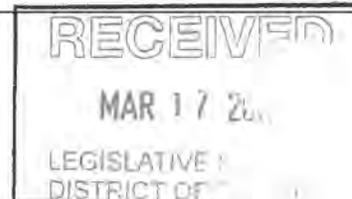
## DISCUSSION

The Council remuneration and expenses policy provides that Council remuneration shall be determined annually by Council during consideration of the Financial Plan and shall be based on the average of the remuneration of council members in other municipalities of comparable size. The comparator municipalities were confirmed by resolution at the November 23, 2015 meeting of Council.

The remuneration amounts shown are the combined annual remuneration, acting Mayor pay and one-third tax exempt allowance for incidental expenses. The City of Victoria's fully taxable figures have been restated for comparison purposes.

Average Remuneration				
MUNICIPALITY	POPULATION	EFFECTIVE DATE	MAYOR \$	COUNCILLOR \$
Abbotsford	141,397	12/16*	100,000.00	40,233.33
Delta	102,238	01/16	118,874.00	51,460.62
Kamloops	90,280	01/17	90,594.00	36,237.60
Kelowna	127,380	01/16	91,637.55	32,423.14
Langley (Township)	117,285	01/17	115,011.00	46,962.43
Nanaimo	90,504	01/16	95,103.00	36,635.79
N. Vancouver (Dist)	85,935	01/17	101,795.60	41,915.86
Victoria	85,792	01/17	95,830.13	39,071.66
AVERAGE	105,101		101,105.66	40,617.55
SAANICH	114,148	1/16	99,362.91	39,492.27
Difference	9,047		1,742.75	1,125.28
			1.75%	2.85%

\* Abbotsford had previously not had an increase since 2012



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Prepared by

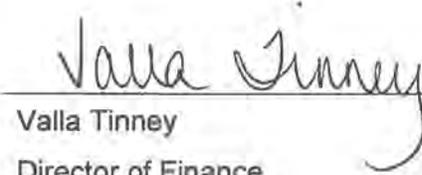


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Paul Arslan

Senior Manager of Financial Services

Approved by



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Valla Tinney

Director of Finance



The Corporation of the District of Saanich

Mayor  
Councillors  
Administrator  
Council  
Administration  
Media

# Report

**To:** Mayor and Council  
**From:** Valla Tinney, Director of Finance  
**Date:** March 20, 2017  
**Subject:** Revenue, Tax and Tax Exemption Policies and Objectives

## RECOMMENDATION

That Council approve the policies and objectives for inclusion in the 2017-2021 Financial Plan Bylaw.

- A. The Municipality will continue to pursue revenue diversification to minimize the overall percentage of revenue raised from property taxes wherever possible. The objective is to continue maintaining a reasonable tax burden by maximizing other revenue sources, lowering the cost of municipal services and shifting the burden to user fees and charges where feasible.
- B. The Municipality will continue to set tax rates to ensure tax stability by maintaining the proportionate relationship between classes and uniform annual tax increases. The 2015-2019 Draft Strategic Plan target for the proportion of business property tax revenue is set at a minimum of 23%, reflecting the goal of increasing economic vibrancy in Saanich.
- C. The Municipality will continue to support local organizations through permissive tax exemptions. The objective is to consider exemptions individually on their merits, in context with the Saanich Strategic Plan.

## PURPOSE

The purpose of this report is to confirm the revenue, tax and tax exemption policy statements for the Financial Plan Bylaw.

## DISCUSSION

Section 165(3.1) of the *Community Charter* requires municipal five-year financial plans to include explicit revenue and tax policy disclosures. This requires municipalities to include in the five-year financial plan, the objectives and policies regarding each of the following:

- the proportion of total revenue that comes from each of the funding sources described in Section 165(7) of the *Community Charter*,
- the distribution of property taxes among the property classes; and
- the use of permissive tax exemptions.



These revenue and tax policy disclosure requirements are intended to further enhance municipal accountability to the public by requiring all municipalities to develop and publicly disclose their objectives and policies in relation to their municipal taxes.

The proposed policy statements and objectives are:

**A. Proportion of Total Revenue**

*The Municipality will continue to pursue revenue diversification to minimize the overall percentage of revenue raised from property taxes wherever possible. The objective is to continue maintaining a reasonable tax burden by maximizing other revenue sources, lowering the cost of municipal services and shifting the burden to user fees and charges where feasible.*

This statement is consistent with prior years.

**B. Distribution of Property Taxes**

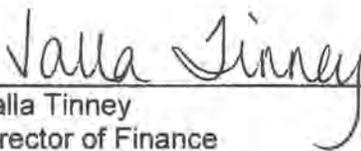
*The Municipality will continue to set tax rates to ensure tax stability by maintaining the proportionate relationship between classes and uniform annual tax increases. The 2015-2018 Strategic Plan target for the proportion of business property tax revenue is set at a minimum of 23%, reflecting the goal of increasing economic vibrancy in Saanich.*

This statement is consistent with prior years.

**C. Permissive Tax Exemptions**

*The Municipality will continue to support local organizations through permissive tax exemptions. The objective is to consider exemptions individually on their merits, in context with the Saanich Strategic Plan.*

This statement is consistent with prior years.

Prepared by   
Valla Tinney  
Director of Finance

**CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:**

I endorse the recommendation of the Director of Finance.

  
Paul Thorkelsson, CAO