

AGENDA

FINANCE AND GOVERNANCE STANDING COMMITTEE Monday, April 11, 2022 10:00 to 11:30 AM COUNCIL CHAMBERS

MEETING BY ELECTRONIC PARTICIPATION

Due to the COVID-19 pandemic, we strongly encourage residents to use the option noted below to hear the meeting. Although in-person attendance is now permitted, space for attendees in the council chambers is extremely limited due to COVID-19 related safety measures. It will be available on a first-come, first-served basis. It is recommended that any residents who wish to attend the meeting in person have an alternate plan for electronic participation in case space is not available.

To hear this meeting by phone, please call: 1-833-214-3122
Access code: 740 043 072#

MS Teams callers are identified by their phone number, which will be viewed on screen by all attendees of the meeting, and not retained.

1. **MINUTES FOR ADOPTION (attachment)**
 - March 7, 2022
2. **3RD TRIMESTER REPORT – January 1, 2021 to December 31, 2021 (attached)**
 - For receipt by Committee and forward to Council
3. **ASSET MANAGEMENT PROGRAM – Verbal Update**
 - Presentation by Jacqueline Weston, Asset Management Program Manager
4. **UBCM REPORT – ENSURING LOCAL GOVERNMENT FINANCIAL RESILIENCY AUGUST 2021 (Standing Item)**
 - #4 - “BC local governments, with the support of the Province and UBCM, continue to develop and implement asset management best practices in order to deliver service, and manage infrastructure, in a sustainable, cost-effective way.”

… ADJOURNMENT …

**MINUTES OF THE
FINANCE AND GOVERNANCE STANDING COMMITTEE
COUNCIL CHAMBERS
SAANICH MUNICIPAL HALL, 770 VERNON AVENUE
MONDAY, MARCH 7, 2022 AT 1:00 PM**

Present: Chair: Councillor Susan Brice
Members: Mayor Haynes, Councillors Mersereau and deVries
Staff Members: Paul Arslan, Senior Manager; Angel Chen, Manager of Financial Planning; Jennifer Downie, Administrative Assistant.

MEETING BY ELECTRONIC PARTICIPATION

Due to COVID-19 measures, the Saanich Municipal Hall is currently open to the public however, residents were strongly encouraged to participate via the electronic format provided.

Members of the public were provided with information on how to access and listen to the proceedings.

MINUTES FOR ADOPTION

MOVED by Mayor Haynes and seconded by Councillor Mersereau: "That the minutes of the Finance and Governance Standing Committee meeting of January 17, 2022 be adopted as circulated."

CARRIED

2022 STRATEGIC PRIORITIES GRANT APPLICATIONS and 2022 COMMUNITY BUILDING GRANT APPLICATIONS

Two reports of the Director of Finance dated February 28, 2022 were presented.

Requests for funding in 2022 amounts to \$411,750; the budget available for both the Strategic Priorities and Community Building Grants for 2022 is \$202,081.00. The total amount of grant funding last year was \$202,080.

Consensus was to review all the grant applications with a formal motion being made at the end of the review.

Individual motions will not be made after review of each item. The Senior Manager of Finance will keep a running tally with the Committee doing a final review at the end, at which time a formal motion with a recommendation to Council will be made.

Strategic Priorities Grant	Amount Requested This Year	Amount Recommended for Approval
Balfour's Friends Foundation	\$3,000	\$0
Capital Region Food and Agriculture Initiatives Roundtable	\$15,000	\$13,000
Community Social Planning Council of Greater Victoria	\$9,500	\$9,500
Creatively United for the Planet Society	\$2,800	\$2,800
Crisis Intervention & Public Info Society of GV-Need 2 Suicide Prevention	\$10,000	\$5,000

Fateh Care Charity	\$30,000	\$0
FED Urban Agriculture Society	\$4,000	\$0
Friends of Mount Douglas Park Society	\$2,575	\$2,575
Greater Victoria Acting Together	\$0	\$0
Greater Victoria Sports Tourism Commission	\$2,500	\$2,500
Greater Victoria Visitors & Convention Bureau (Destination Greater Victoria)	\$15,000	\$15,000
Greater Victoria Volunteer Society (Volunteer Victoria)	\$10,000	\$10,000
Human-Nature Counselling Society	\$5,030	\$0
Junior Achievement B.C. (JABC)	\$4,000	\$0
Leadership Victoria Society	\$2,500	\$1,000
LifeCycles Project Society	\$20,000	\$18,000
Maritime Museum of British Columbia Society	\$5,000	\$0
Peninsula Streams Society	\$30,000	\$22,500
Saanich Marine Rescue Society	\$10,000	\$5,000
Saanich Neighbourhood Place (\$9,100 in Kind)	\$50,000	\$20,000
Shelbourne Community Kitchen Society	\$10,000	\$10,000
South Island Centre for Counselling and Training	\$30,000	\$0
Take a Hike Foundation	\$10,000	\$0
The Rithet's Bog Conservation Society	\$1,100	\$1,100
Vancouver Island South Film & Media Commission	\$60,000	\$37,500
Victoria Brain Injury Society	\$3,000	\$0
Victoria Sexual Assault Centre	\$25,000	\$5,000
	\$370,005	\$180,475
Community Well-being and Place-making		
Falaise Community Association	\$3,095	\$3,095
Gorge Tillicum Community Association	\$0	\$0
Green Teams of Canada (for Greater Victoria Green Team Program)	\$3,300	\$3,300
Prospect Lake District Community Association	\$0	\$0
	\$6,395	\$6,395
Community Events		
British Columbia Environmental Film Festival Society - Norooz Festival	\$850	\$0
British Columbia Environmental Film Festival Society - BCEFF Film Festival	\$7,500	\$0
Capital Bike (formerly Bike Victoria Society and The Greater Victoria Bike to Work Society)	\$7,500	\$5,000
Cedar Hill Golf Club-Ladies'Division	\$6,000	\$0
Friends of Bowker Creek Society	\$1,500	\$1,500
Gorge Tillicum Community Association	\$7,000	\$7,000
Victoria and Vancouver Island Greek Community Society	\$5,000	\$2,000
	\$35,350	\$15,500

Grand Total	\$411,750	\$202,370
Budget Available	\$202,081	\$202,081
Funds Still Available		-\$289

Following the review of the grant applications the following motion was made:

Moved by Councillor deVries and seconded by Councillor Mersereau: “That the Finance and Governance Standing Committee advance their recommendations for grant funding totaling \$202,370 to Council.”

CARRIED

2022 COMMUNITY SERVICE PROVIDER GRANTS – SCHEDULE A

Report of the Director of Finance dated March 3, 2021 was not reviewed by the Committee; as such, no recommendations were put forward. The Chair of the Finance and Governance Standing Committee will present this item at the March 22, 2022 Council of the Whole meeting.

IN CAMERA MOTION

MOVED by Councillor Mersereau and seconded by Mayor Haynes: “That pursuant to Section 90 (1) (c) of the Community Charter, Part 4, Division 3, the meeting be closed to the public as the subject matter being considered relates to labour relations or other employee relations.”

CARRIED

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Mayor Haynes recused himself (2:00 PM) during the in-camera discussion.
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Chair

I hereby certify these Minutes are accurate.

Committee Secretary

District of Saanich

3rd Trimester Results Report

January 1, 2021 to December 31, 2021

Results reporting is prepared on a trimester basis by the District of Saanich as a means of providing the community, council and the organization with regular information on the strategic and financial performance of the municipality.

The Trimester Results Report provides information on:

1. Operational Results
2. Capital Program Results
3. Investment Analysis
 - Diversity
 - Liquidity
 - Return
4. Procurement Results
 - % of procurement processes with more than one bidder
 - Procurement
5. Building Permit Statistics



Operational Results

District of Saanich - 2021 3rd Trimester Performance Report Operating Budget Results - January 1 to December 31

While these numbers are not final, as year end work is still on-going, overall results for the year are encouraging with most revenues reaching budgeted targets or better. Overall expenditures are in line with budget. Most departments have come in below or at budget with exception of Finance - Corporate and BBLL. The additional expenditure are related to higher claims, insurance, retirement and severance costs.

Revenues:	2020 Actual	2021 Actual	Annual Budget 2021	2021 Budget Remaining	% Revenue Collected	
Property Taxation	(131,685,200)	(140,067,400)	(140,167,200)	(99,800)	100%	
Utility Tax and Other	(1,644,600)	(1,733,800)	(1,668,300)	65,500	104%	
Water Utility Revenue	(22,194,000)	(23,977,400)	(23,674,000)	303,400	101%	
Sewer Utility Revenue	(25,259,800)	(26,928,800)	(27,505,200)	(576,400)	98%	
Solid Waste Revenue	(6,941,800)	(7,304,200)	(7,331,500)	(27,300)	100%	
Business License & Inspection Revenues	(3,748,100)	(4,255,300)	(3,347,600)	907,700	127%	1
Recreation Revenues	(7,217,900)	(8,935,100)	(7,908,800)	1,026,300	113%	2
Grants In Lieu	(2,753,000)	(3,034,900)	(2,886,500)	148,400	105%	
Provincial Grants	(1,500,000)	(1,500,000)	(1,500,000)	-	100%	
Interest and Penalties	(1,809,400)	(1,808,400)	(1,624,200)	184,200	111%	3
Surplus Appropriations	(250,000)	(250,000)	(400,000)	(150,000)	63%	4
Other Revenues	(360,600)	(336,100)	(331,900)	4,200	101%	
COVID-19 Restart Grant	(3,086,300)	(2,436,900)	(3,415,300)	(978,400)	71%	4
Total Revenue	(208,450,700)	(222,568,300)	(221,760,500)	807,800	100%	

Expenditures:	2020 Actual	2021 Actual	Annual Budget 2021	2021 Budget Remaining	% Expenditure Spent	
Administration	2,452,900	2,564,400	2,745,700	181,300	93%	1
Finance - Departmental	3,888,900	3,699,100	4,102,900	403,800	90%	2
Finance - Corporate	3,683,800	2,790,500	1,804,400	(986,100)	155%	3
Fiscal Services	7,514,800	7,795,900	7,989,300	193,400	98%	
Corporate Services	7,462,200	7,642,100	8,350,900	708,800	92%	4
Building, Bylaw, Licensing & Legal	4,340,900	5,617,500	4,930,000	(687,500)	114%	5
Police Protection	36,044,900	39,396,100	38,857,900	(538,200)	101%	
Fire Protection	18,743,900	20,674,500	20,758,100	83,600	100%	
Emergency Program	436,200	382,200	443,500	61,300	86%	6
Planning	3,049,600	3,217,700	3,642,100	424,400	88%	7
Engineering and Public Works	20,098,200	21,160,900	21,481,600	320,700	99%	
Parks	7,488,400	8,195,900	8,608,200	412,300	95%	
Recreation	18,922,300	20,577,600	20,926,400	348,800	98%	
Library, Grants & Economic Development	7,596,300	7,586,500	7,494,500	(92,000)	101%	
Water Utility Expenditure	15,159,400	16,465,400	16,149,000	(316,400)	102%	
Sewer Utility Expenditure	19,436,400	20,563,800	21,644,200	1,080,400	95%	
Capital Program (tax and fee funded only)	28,033,700	31,768,500	31,831,800	63,300	100%	
Total Expenditures	204,352,800	220,098,600	221,760,500	1,661,900	99%	
Revenues minus Expenditures	(4,097,900)	(2,469,700)	-	2,469,700		

Explanatory notes for variances over 5%

REVENUES:

- 1 *Business License & Inspection Revenues (127% collected)* - Inspection revenue varies from year to year based on construction projects undertaken in the community.
- 2 *Recreation Revenues (113% collected)* - Golf and program revenues performed better than expected with changes to public health orders.
- 3 *Interest and Penalties (111% collected)* - Penalties have come in higher than expected; first year implementation of staggered penalty dates.
- 4 *Surplus Appropriations / COVID-19 Restart Grant (63% and 71% applied)* - As and when needed to offset revenue reductions or COVID expenditure.

EXPENSES:

- 1 *Administration (93% spent)* - Staff vacancies and savings in conference and travel expenditure.
- 2 *Finance - Departmental (90% spent)* - Staff vacancies and savings in conference and travel expenditure.
- 3 *Finance - Corporate (155% spent)* - COVID related costs incurred plus higher number of retirements and severance pay.
- 4 *Corporate Services (92% spent)* - Vacancies in all sections and savings in corporate training and long service events expenditure.
- 5 *Building, Bylaw, Licensing & Legal (114% spent)* - Higher insurance premiums and legal and claims costs.
- 6 *Emergency Program (86% spent)* - Training and other expenditure budgets are underspent due to COVID.
- 7 *Planning (88% spent)* - Staff vacancies and savings in conference and travel expenditure.

Capital Program Results

District of Saanich - 2021 3rd Trimester Performance Report Capital Program Results up to December 31, 2021

Projects budgeted over \$1,000,000

Capital Project	Fund	Duration	Original 2021 Budget	Budget Transfers	Revised 2021 Budget	Actual	Percent Spent	Schedule Status	Budget Status	
Arena Rd, 340 Ker Ave to Dysart Rd	Sewer	One time	1,037,000	-	1,037,000	-	0%			1
Torquay Dr, San Juan Ave to Ash Rd	Water	One time	1,106,000	-	1,106,000	-	0%			
Cycling Infrastructure Program	Transportation	Annual	1,362,232	(93,750)	1,268,482	55,430	4%			5
Sanitary Sewer - Detailed Design	Sewer	Annual	1,292,005	-	1,292,005	510,233	39%			
Sanitary Sewer CIPP Lining	Sewer	Annual	1,293,102	-	1,293,102	675,157	52%			
Storm Drain - Detailed Design	Drainage	Annual	1,332,399	-	1,332,399	812,040	61%			
Portage Pump Station Construction	Sewer	One time	1,380,000	115,000	1,495,000	881,384	59%			
GHRC North Envelope Rehab & Expansion	Facilities	Multiyear	1,460,160	-	1,460,160	898,200	62%			
Gorge-Albina Sewer Sinkhole	Sewer	Multiyear	1,574,470	-	1,574,470	1,169,224	74%			
Desktop Environment Refresh	IT	One time	1,625,811	-	1,625,811	1,607,750	99%			2
Pearkes - Ice Slab Remediation	Facilities	Multiyear	2,340,000	(100,000)	2,240,000	2,088,888	93%			
Saanich Operation Centre Redevelopment	Facilities	Multiyear	2,390,007	-	2,390,007	710,604	30%			3
Sims Avenue	Various	Multiyear	2,470,573	-	2,470,573	2,263,708	92%			
2021 Pavement Renewal Program	Transportation	Annual	2,500,000	(27,400)	2,472,600	1,314,088	53%			
Regina Avenue	Various	One time	2,520,000	-	2,520,000	2,127,585	84%			
Sinclair Rd, Finnerty Rd to Cadboro Bay	Various	Multiyear	3,293,300	(23,635)	3,269,665	5,777				
Gorge Drainage Improvements Phases 1&2	Drainage	Multiyear	3,071,700	-	3,071,700	-	0%			
Mann Ave. Vanalman Ave. & Parkridge	Various	Multiyear	3,942,500	-	3,942,500	9,587	0%			
West Saanich/Prospect Lk/Sparton Rd	Transportation	One time	2,883,750	2,000,500	4,884,250	493,506	10%			3/5
SCP - Mechanical Upgrades	Facilities	Multiyear	6,306,945	-	6,306,945	1,345,949	21%			4
Fire Hall #2 - Project Redevelopment	Facilities	Multiyear	8,160,000	-	8,160,000	868,803	11%			3
Sidewalk Installation Program	Transportation	Annual	9,105,909	(1,934,530)	7,171,379	4,545,743	63%			5
Shelbourne Street Improvement Project	Various	Multiyear	16,013,694	(14,929)	15,998,765	10,857,725	68%			

1 Project start date delayed due to grant application opportunity

2 Program start date was delayed due to market supply issues

3 Overall delay in project due changes in scope and consultation

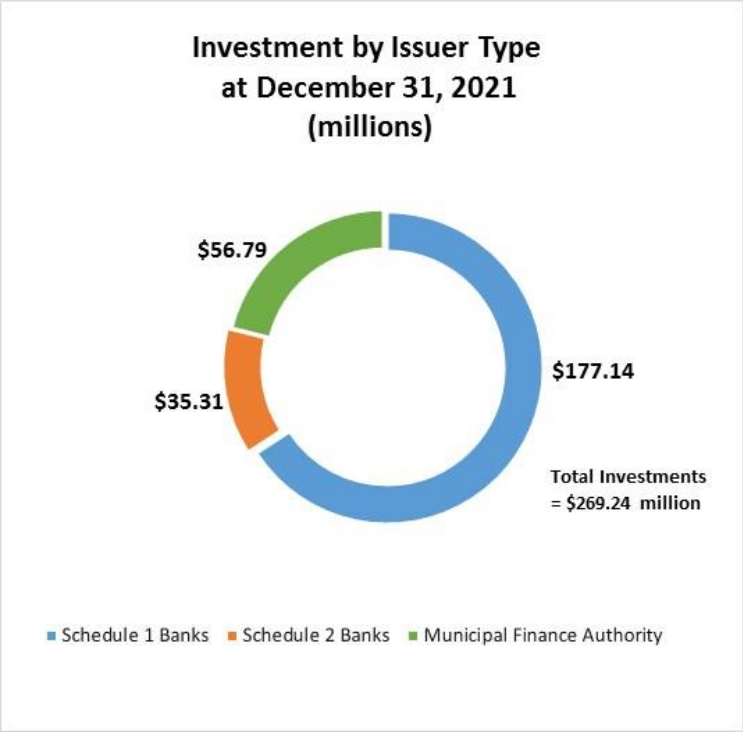
4 Tender results have come in higher than budget; tenders canceled causing schedule delays; alternative approaches are being considered

5 Budget Transfers are mainly from Program Budgets such Sidewalks and Bikeways to Specific Projects incorporating those works

	On target
	Caution
	Delayed

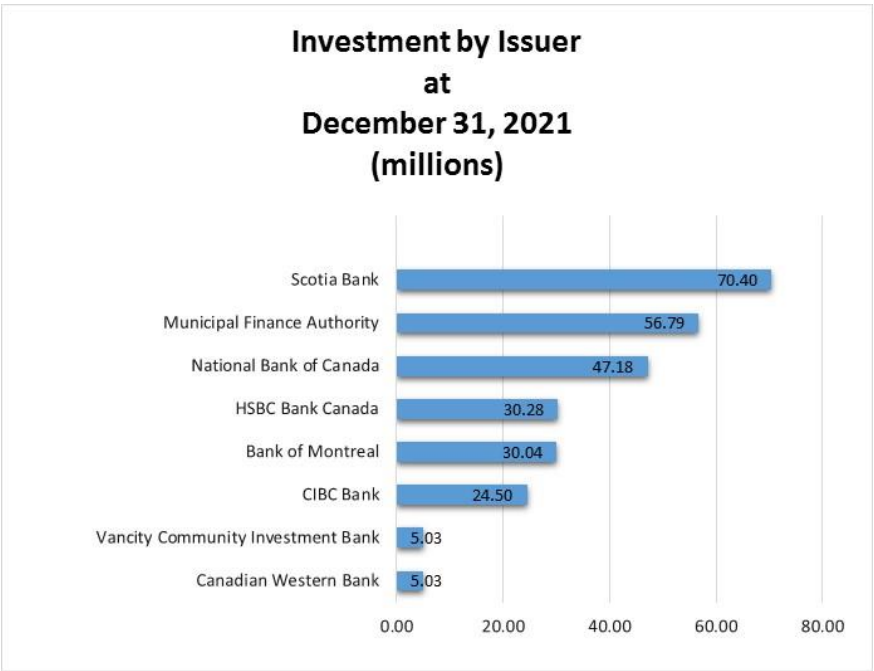
Investment Analysis

The District of Saanich invests public funds in a prudent manner in accordance with the Council Investment Policy. The investment portfolio is currently valued at \$269.24 million. Most of these funds are either held for specific capital programs or are invested until needed to pay current operating expenses.



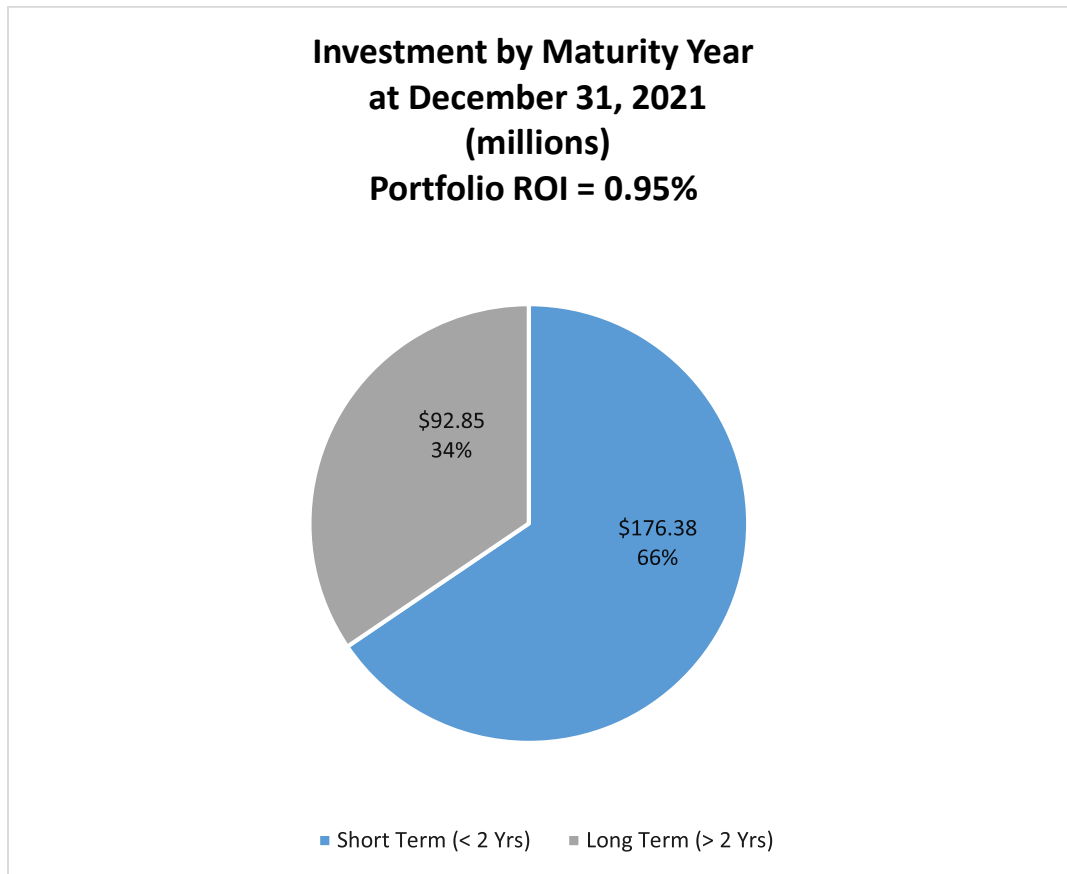
Diversification

In order to reduce overall portfolio risk, Saanich diversifies its investment holdings across a range of security types and financial institutions.



Liquidity

Saanich ensures that the investment portfolio remains sufficiently liquid in order to meet all reasonably anticipated operating and capital cash flow requirements. Funds held within the current year and into 2022 consist of high interest savings accounts, MFA Money Market Fund, and GIC's. Longer term funds include GIC's due within two years and the MFA Short Term Bond Fund and the Government Focused Ultra-Short Bond Fund. Longer terms include various capital reserve funds.



Return on Investment

Saanich's investment portfolio is currently earning a rate of approximately 0.95% while maintaining the investment security established in the Investment Policy. 2021 returns overall were lower due to historically lower rates attributed to the Bank of Canada policies in response to the pandemic. With the rise in interest rates, bond prices fall, however, we still receive positive distributions each month for the bonds and would only experience a real loss if we were to sell at a price lower than what was paid. Additionally, the funds held in these bonds are long term and for reserve purposes. The market investment rates for 2022 have already increased and the Bank of Canada is expected to increase the prime rate by another 0.75% to 1.0% for the rest of this year which will continue to drive the market investment rates higher.

Procurement Results

Competitive Process

92% of procurement processes in the trimester had more than one bidder.



Procurement

Value \$200,000+				
Procurement Description	Value	Years	Supplier	# Bids
Transportation Design	\$361,260.00		Morrison Hershfield	4
½ Tonne Pickup Trucks	\$303,880.00		Jenner Chevrolet Buick GMC	3
Rock Wall Construction	\$300,000.00	5	Pacheco Landscaping Saanich Landscaping Ltd.	2
Community Amenity Contribution and Inclusionary Housing Program	\$224,854.00		Urban Systems Ltd.	1
Temporary Portal Fencing Rentals	\$204,640.00	5	Super Save Fence Rentals Inc.	2

Value \$75,000 to \$200,000				
Procurement Description	Value	Years	Supplier	# Bids
Saanich Police Drive Team Products and Services	\$150,000.00	5	Aqua Lung Canada	Sole
Underground Utility Replacement	\$132,703.20		ISL Engineering & Land Service	7
Two 2022 Ford F150 Lightnigh Electric Trucks	\$130,000.00		Suburban Motors	Single
Work Shirts, Tactical and Cargo Trousers	\$102,000.00	3	Frontline Outfitters Ltd.	Sole
Supply of Storage Tanks & Propane	\$100,000.00	5	Columbia Fuels	2
Underground Utility Replacement Projects	\$96,142.20		ISL Engineering & Land Service	6
Material Testing and Inspection Services	\$89,610.00	3	Thurber Engineering Ltd.	4
Public Safety Building Lighting Upgrade	\$83,959.15		Commercial Lighting Products Ltd.	3
Supply and Delivery of Toro Groundsmaster 3310	\$81,500.00		Oakcreek Golf & Turf Inc.	2
Yard Maintenance Services	\$75,000.00	5	Benchmark Landscape Management	3

In addition there were 28 procurement processes with value less than \$75,000

Building Permit Statistics

Year to Date	No. of Permits			Dwelling Units			Construction Value (millions)		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
SFD/Duplex	73	86	100	98	111	149	56.4	52.5	72.8
Apartments	0	2	12	0	50	360	0.0	24.5	127.4
Townhouses	7	2	6	30	5	33	10.1	3.0	11.6
Commercial	144	88	101	0	0	0	26.8	29.5	33.8
Gov't/Inst.	32	96	39	0	0	97	51.8	157.0	49.3
Miscellaneous	356	368	335	55	39	35	30.9	29.3	31.4
Totals	612	642	593	183	205	674	\$176.1	\$ 295.9	\$ 326.2

