



**Special Committee of the Whole  
Financial Plan Meeting**  
To Be Held In the Council Chambers  
Saanich Municipal Hall, 770 Vernon Avenue  
**TUESDAY, APRIL 12, 2016 AT 7:00 P.M**

1. **PUBLIC INPUT**
2. **REVENUE, TAX AND TAX EXEMPTION POLICIES AND OBJECTIVES**  
Report of the Director of Finance dated April 6, 2016 recommending that Council approve the policies and objectives for inclusion in the 2016 – 2020 Financial Plan Bylaw.
3. **2016 ONE-TIME RESOURCE REQUESTS**  
Report of the Director of Finance dated April 6, 2016 recommending that Council review the 2015 surplus in consideration of one-time resource requests and transfers to reserves.
4. **2016 CREST LEVY**  
Report of the Director of Finance dated April 7, 2016 recommending Council approve the 2016 CREST Levy of \$594,363.
5. **2016 BUDGET SUBMISSION (POLICE BOARD)**  
Report of the Saanich Police Board dated April 5, 2016.
6. **CADBORO BAY VILLAGE BUSINESS IMPROVEMENT AREA FUNDING REQUEST**  
Report of the Director of Finance dated April 7, 2016 recommending Council approve the 2016 Cadboro Bay Village Business Improvement Association funding request and property taxation levy of \$20,000.
7. **2016 COUNCIL REMUNERATION – ANNUAL SURVEY**  
Report of the Director of Finance dated April 7, 2016.
8. **BUDGET REDUCTION OPTIONS**  
Report of the Chief Administrative Officer dated April 6, 2016.
9. **BUDGET DELIBERATION**

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



The Corporation of the District of Saanich

april 6  
✓ Mayor  
✓ Councillors  
✓ Administrator  
Com. Assoc.  
Applicant

# Report

**To:** Mayor and Council  
**From:** Valla Tinney, Director of Finance  
**Date:** April 6, 2016  
**Subject:** Revenue, Tax and Tax Exemption Policies and Objectives

## PURPOSE

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

## BACKGROUND

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.

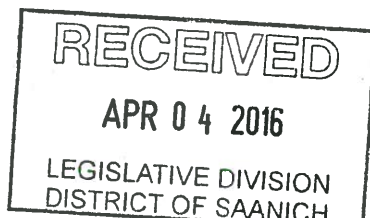
## DISCUSSION

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.

**RECOMMENDATION:**

That Council approve the policies and objectives for inclusion in the 2016-2020 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.

Prepared by   
Valla Tinney  
Director of Finance

**CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:**

I endorse the recommendation of the Director of Finance.

  
Paul Thorkelsson, CAO



The Corporation of the District of Saanich

# Report

**To:** Mayor and Council  
**From:** Valla Tinney, Director of Finance  
**Date:** April 6, 2016  
**Subject:** 2016 One-time Resource Requests

✓ Mayor  
✓ Councillors  
✓ Administrator  
✓ Com. Assoc.  
Applicant

## PURPOSE

The purpose of this report is to provide information on the 2015 surplus and requests for consideration for use of the surplus.

## BACKGROUND

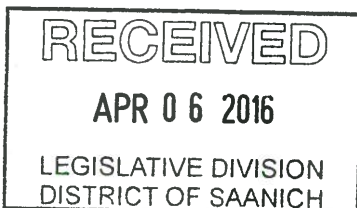
The annual surplus derives from actual operational results for revenue and expenditures for the year. The 2015 general operating surplus is \$2,075,700. This represents \$900,000 in unallocated contingency and an overall operating surplus of just over \$1 million. This represents .62% of the \$190.6 million general operating and capital budget.

While accumulating annual surpluses to ensure a healthy accumulated surplus balance is prudent, there is also recognition that there are one time expenditures to be considered each year. The unappropriated accumulated surplus was \$6.25 million at the end of 2014, but dropped to \$5.6 million in 2015 due to changes in post-employment benefit amounts deriving from contract settlements. The recommended range for Saanich based on best practice is \$5 to \$15 million. Returning the accumulated surplus balance to over \$6 million should be a consideration for the 2015 surplus.

One time resource requests for Saanich operating budgets submitted for surplus funding total \$783,750; additions for fleet and equipment total \$207,230 and are appropriately funded from the Machinery and Equipment Reserve Fund. Significant one time grant requests from external organizations conducting work on Saanich assets totalling \$275,000 have also been presented for consideration of surplus funding.

## DISCUSSION

The "Introduction of Draft 2016-2020 Financial Plan" report dated February 2, 2016 indicated that a detailed submission of the resource requests and confirmation of the availability of surpluses or other funding sources would be brought forward prior to finalization of the financial plan. A list of items and the recommended funding source is provided below. Details for each request are provided in Appendix A.



As any approved items would be funded from prior year surplus or reserves there is no additional impact to the taxation increase for 2016. Conversely, not approving an item would not reduce the taxation increase for 2016.

There are six requests totalling \$207,230 that are recommended to be funded with the Machinery and Equipment Reserve Fund. Interest income on the reserve over the years has surpassed expectations and as a result there are funds available for these additions to the fleet without hindering the ability of the reserve to support continued lifecycle replacement of the existing fleet.

In consideration of the funding that is anticipated for significant facility upgrades and replacement over the coming decade, it is also recommended to transfer a portion of the 2015 surplus to the Facility Replacement Reserve after returning the accumulated surplus to more comfortably within the recommended range.

One time Resource Requests	Budget Estimate	Funding Source	
		Annual Surplus	M&E Reserve Fund
<b>Total 2015 Annual Surplus</b>		<b>(2,075,700)</b>	
<b>Saanich Operating Budget</b>			
1 50th Celebration Strawberry Festival	7,750	7,750	
2 Archives Accession/Photo Inventory Application Replacement	15,000	15,000	
3 Telephone maintenance - bridge to replacement	16,000	16,000	
4 Older Adults Strategy - one time staffing to coordinate	17,000	17,000	
5 Financial Plan communication materials	20,000	20,000	
6 Panama Flats mowing/tilling	20,000	20,000	
7 Emergency Program annex improvements	25,000	25,000	
8 Renovations to Municipal Hall (Planning and Legislative)	30,000	30,000	
9 EDPA - Consulting Services	50,000	50,000	
10 Payroll Software implementation support - one time staffing	75,000	75,000	
11 IT Consulting - Incident response and remediation	75,000	75,000	
12 Police - Overlap funding for 2016 staff hired in 2015	162,000	162,000	
13 Police - 4 recruit pre hires for 2017 retirements	271,000	271,000	
<b>Other Organizations</b>			
14 Fusion Soccer - Field Lighting	25,000	25,000	
15 Swan Lake - Ralph Street House Demolition	50,000	50,000	
16 Swan Lake - Boardwalk	200,000	200,000	
<b>Saanich Capital Budget</b>			
Survey Equipment Upgrade	50,000		50,000
Asphalt Compactor	45,000		45,000
Asphalt Planer	25,000		25,000
Sweeper Attachment	10,000		10,000
Portable Ground Penetrating Radar	27,230		27,230
Wildland firefighting equipment	50,000		50,000
<b>Total one time requests</b>	<b>1,265,980</b>	<b>1,058,750</b>	<b>207,230</b>
<b>Balance for accumulated surplus and reserves</b>		<b>(1,016,950)</b>	

**RECOMMENDATIONS:**

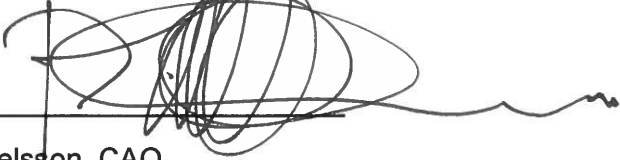
1. That Council approve acquisition of listed equipment totalling \$207,230 funded from the Machinery and Equipment Reserve Fund.
2. That Council approve returning the accumulated surplus to over \$6 million with a transfer of \$400,000.
3. That Council consider the one-time resource requests funded from surplus and pass a resolution for incorporation into the final Financial Plan and associated bylaw.
  - a. That the following projects are approved funded from 2015 surplus...  
*Example – Request #1 – 50<sup>th</sup> Strawberry Festival Celebration - \$7,750*
  - b. That the following projects are not approved.  
*Example – Request X – funding not approved.*
4. That Council approve transfer of the remaining 2015 surplus (minimum \$616,950) to the Facility Replacement Reserve Fund.

Prepared by   
Valla Tinney  
Director of Finance

Attachments

**CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:**

I endorse the recommendation of the Director of Finance.

  
\_\_\_\_\_  
Paul Thorkelsson, CAO

<b>Appendix A</b>			
<b>2016 One Time Resource Request Detail</b>			
#	Request Title	Description	Funding Request
1	50th Celebration Strawberry Festival	In celebration of the 50 <sup>th</sup> anniversary of the Saanich Strawberry Festival - additional one-time funds to enhance the annual celebrations. The last two years saw over 7,500 people attending this event. Proposed additions include a Cultural Stage and Farmer's Market.	\$ 7,750
2	Archives Accession/Photo Inventory Application Replacement	Short term staffing to support editing, conversion and migration of Archives data to new externally hosted application.	\$ 15,000
3	Telephone maintenance - bridge to replacement	Due to the age of the phone system, interface cards are failing more frequently. These cards are not on any service agreement, and are acquired on a best efforts basis by our service provider. The funding requested will address the current rate of failure until the new phone system is in place.	\$ 16,000
4	Older Adults Strategy - one time staffing to coordinate	Based on the experience of time commitment requirements for the Youth Development Strategy - additional one day per week of wages to ensure there are sufficient staff resources for the OAPRS.	\$ 17,000
5	Financial Plan communication materials	Graphics/communication specialist contract to update the 2017 Financial Plan to align with infographics format of the Strategic Plan and Annual Report and develop educational materials for the public.	\$ 20,000
6	Panama Flats mowing/tilling	In 2012, Saanich received numerous complaints about strong odour from Panama Flats. Decaying vegetation was identified as a contributing factor, and an annual program to mow/till the field areas was implemented in subsequent years with a local farmer. This is a short-term cost until such time as a long-term arrangement for agricultural use is in place.	\$ 20,000
7	Emergency Program Annex improvements	The Emergency Program Annex is an ATCO modular building that was purchased used in 1992. The building was purchased to provide meeting and training space for Emergency Program volunteers and Fire Department members. In 2004, a portion of the building was repurposed as office space for Emergency Program staff. It is a very well used space that also supports more than 100 Emergency Program volunteers. The building requires funds to replace rotten siding, paint and conduct general updates.	\$ 25,000
8	Renovations to Municipal Hall (Planning and Legislative)	Renovation work required to accommodate new positions in the Legislative Division (Privacy Officer) and to update the functionality of the Planning Department's front counter.	\$ 30,000

#	Request Title	Description	Funding Request
9	EDPA Consulting Services	Estimate for cost of a consultant contract to conduct the next phase of the EDPA Bylaw review.	\$ 50,000
10	Payroll Software implementation support - one time staffing	Short term backfill for positions in payroll to ensure payroll software is successfully implemented while ongoing requirement to conduct weekly pay runs is maintained.	\$ 75,000
11	IT Consulting - Incident response and remediation	Access to contractors or specialized help to assist the IT department with incident response and remediation. During 2015 this support has been required to address the two JDE system failures, the telephone outage and many other emergent issues that affect Saanich's core business systems that are relied upon to conduct business. This request reflects current experience; as systems are replaced the expectation is that this requirement will reduce to a lower sustainable level.	\$ 75,000
12	Police - Overlap funding for 2016 staff hired in 2015	Bridge funding to accommodate higher staffing levels carried forward from 2015 due to a higher number of retirements than anticipated during the year, officers being accommodated for health reasons, operational requirements and 2016 retirements occurring later than anticipated.	\$ 162,000
13	Police - 4 recruit pre-hires for 2017 retirements	Pre-hire of recruits in anticipation of 2017 retirements to ensure consistent staffing levels and to reduce costs of hiring experienced officers in future years.	\$ 271,000
14	Fusion Soccer - Field Lighting	Grant Application	\$ 25,000
15	Swan Lake – Ralph Street Demolition	Grant Application	\$ 50,000
16	Swan Lake - Boardwalk	Grant Application	\$ 200,000





The Corporation of the District of Saanich

Report

To: Mayor and Council  
From: Valla Tinney, Director of Finance  
Date: April 7, 2016  
Subject: 2016 CREST Levy

april 30  
✓ Mayor  
✓ Councillors  
✓ Administrator  
Com. Assoc.  
Applicant

DISCUSSION

Capital Region Emergency Service Telecommunications (CREST) provides radio communications for 40 agencies in British Columbia's Capital Region through a wide-area radio system that provides emergency communications for police, fire, ambulance and other safety service providers. CREST is funded through user fees paid by the agencies using the system. The fees are based on the geographic size of the area served, population, the number of radios required, and radio traffic.

The allocation for Saanich for 2016 is \$504,363 (Fire - \$160,426 and Police - \$343,937) which represents a 2.38% decrease over 2015. In addition, an estimated monthly levy of \$15,000 to cover the new radio purchases (Fire and Police) is scheduled to commence July of 2016. This would bring the total levy for the year to \$594,363. This expenditure is incorporated into the proposed 2016-2020 Financial Plan.

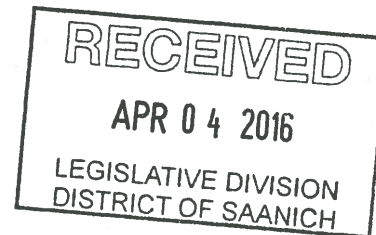
A resolution of Council is required to approve the 2016 CREST levy.

RECOMMENDATION

That Council approve the 2016 Crest Levy of \$594,363.

Prepared by Paul Arslan  
Paul Arslan  
Senior Manager of Financial Services

Approved by Valla Tinney  
Valla Tinney  
Director of Finance



CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I endorse the recommendation of the Director of Finance.

Paul Thorkelsson, CAO



# SAANICH POLICE

## OFFICE OF THE SAANICH POLICE BOARD

ap 16  
ap 30  
✓ Mayor  
✓ Councillors  
✓ Administrator  
Com. Assoc.  
Applicant

DATE: April 5, 2016

TO: Mayor Atwell and Members of Saanich Council

FROM: Saanich Police Board

### RE: 2016 BUDGET SUBMISSION

This memorandum is in response to the Council Motion of March 15, 2016, which directed the CAO to provide Council with the *impact* of achieving 0.3% and 0.5% reductions to the Municipal Budget, including considerations of the Saanich Police Critical Staffing Resources.

### BOARD POSITION

It is the Board's position that in order to prevent reductions of police services, the 2016 Saanich Police Board budget needs to be approved as submitted, including the funding for four additional police officers and one civilian support position, as outlined in the Police Board memo to Council dated December 30, 2015, revised January 19, 2016. Further, the Board is cautioning against any reduction to the approved core budget as this may cause a deficit in 2016 and increase financial pressures in 2017.

### RATIONALE

Any delay, deferment or elimination of funding for staff positions will result in reductions in service that will impact police operations and public safety in Saanich. Patrol officers were deferred from 2015 in order to bring operational funding to required levels. Further deferment is not acceptable and if funding for the positions is not approved, the Board will be required by circumstance to move staff from other sections, or reduce services, in order to provide adequate resources for Patrol. Possible strategies include but are not limited to the following: eliminating the Bike Section; eliminating the School Liaison Program; reducing the Traffic Safety Unit; or, reducing the types of calls that Patrol Officers respond to. None of these strategies are deemed acceptable by the Board. It is imperative these positions are hired in 2016.

If the civilian position is not approved the clerical work currently being done by management positions will have to be reassigned to either Professional Standards investigators and/or to relief positions. The resulting impacts would be reduced ability to meet legislated timelines, and program overspending, respectively. Again, neither option is acceptable.

Details of the impacts described above can be found at Appendix A.

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LEGISLATIVE DIVISION  
DISTRICT OF SAANICH

Any reduction to the already approved core budget of \$920,000 simply defers the funding need to 2017. While specific line items may have room for adjustment, there are new financial pressures for 2016 that are not necessarily accounted for in the budget, which will consume any funds identified through such reallocation. If the core is reduced, the amount of the reduction will increase the risk of a deficit budget in 2016 and will add to new and existing demands for 2017. This will make it increasingly difficult to meet the Board's stated funding thresholds for 2017 and 2018. For these reasons, the Board recommends that if Council wishes to consider this strategy, it does so with an abundance of caution.

## **CONCLUSION**

The Board is not supportive of any strategy that sees a further delay in staffing the five approved positions. Deferment of the positions to the end of the year is also not recommended as it will escalate the 2017 police budget percentage increase that has already been proposed, which will be exacerbated if burdened with other unexpected costs.

The Board understands and respects that Council may have to make adjustments to meet taxation targets that were not in place when the core budget and staff positions were approved. The Board is respectfully asking that Council not consider police department staff funding in any reduction strategies, and that caution is exercised if considering any reductions to the core budget.

Respectfully submitted for Council's consideration.

Saanich Police Board

## BACKGROUND

On October 13, 2015, members of Saanich Council met with the Saanich Police Board at which time the Board asked what Council's expectations were for the 2016 Police budget. Subsequently, on October 20<sup>th</sup>, the Board received a motion memorandum stating, "That Council advise the Police Board to manage within a 3.5% increase cap for 2016." In response, the Board reduced its 2016 budget submission as requested. This reduction included funding to hire four additional police officers in September of 2016 and one additional support position in October of 2016, and noted the supporting rationale for those resources.

On January 26, 2016, Council approved the police core increase of \$920,000 and referred the request of \$126,100 for the five positions to "the resource request review process at the February 23, 2016, Special Committee of the Whole Meeting for the Financial Plan."

On February 22, 2016, members of Council were provided with information pertaining to minimum staffing levels for the Patrol Division as context to the Police Board's resource requests.

On February 23, 2016, Council moved and carried a motion, "That it be recommended that Council approve the 2016 resource requests as outlined in the report from the Chief Administrative Officer dated January 18, 2016." This report included reference to the Police Board resource requests, which was confirmed by Councillor Murdock before the motion was passed.

On March 15, 2016, Council passed a motion that directed the CAO to prepare a report showing the impact of reducing *all* submitted resource requests to achieve a 0.3% and 0.5% reduction to core budget.

## ISSUE

The Saanich Police Board complied with Council's direction by reducing its budget to achieve the 3.5% cap requested by Council. The Board, in consultation with the Chief Constable, reviewed and assessed priorities and deferred operational initiatives in order to fund only critical needs. The Board did not expect that Council would separate out the funding for the required positions in order to compare these with other Municipal staffing requests.

Under the *Police Act*, the Board is solely responsible for establishing the strategic priorities, operational requirements, staffing levels, and adequate overall funding for the Department. Respectfully, Council has a right to be satisfied that the Police Board has done its duty in determining needs and developing a budget that adequately justifies the requests before Council. Where Council is not satisfied, they should identify the level of funding they are willing to provide to the Board, and the Board would then assess whether it can conduct operations within such a funding envelope. Discussions around the police budget are the sole responsibility of the Board and Council, while setting staffing levels is the sole responsibility of the Board.

The Police Board has worked with Council to establish a revised 2016 budget within Council's requested 3.5% cap, which included critical resource requirements. Although Council has since asked for information about the impact of reductions to the police

resource requirements, the Police Board cannot support any reductions to the staff positions, which were approved by the Board in accordance with its mandate under the *Police Act* and added to the core budget within Council's 3.5% cap.

### **IMPACT OF NOT APPROVING CRITICAL STAFFING INCREASES**

Any reduction to the police positions will result in reductions in police services to the citizens of Saanich. Four positions are required to meet minimum staffing levels on patrol shifts. As explained in the budget submission, and again in the explanation of minimum staffing needs, with a four platoon system, one officer is required on each platoon to achieve necessary minimum staffing in the Patrol Division.

If the positions are not approved, even in part, the Board and Chief Constable will have to make decisions on which services to cut, or which specialized units to eliminate or reduce, in order to move officers to patrol.

While there are several options available, and each has detrimental impacts, the following are provided as examples of the impact on police services of failing to provide one or more of the four additional constables and one civilian employee:

- Eliminate Schools Program – Transfer School Liaison Officers to Patrol
  - Eliminates a long standing, forward looking, preventative program that provides the greatest opportunity to have positive interaction with children and families
  - Eliminates the opportunity for police to provide education regarding making smart choices in relation to personal and community safety
- Eliminate Bike Section - Transfer Bike Officers to Patrol
  - Eliminates specialized services working to reduce the effects of homelessness
  - Eliminates specialized approach to graffiti investigation / eradication
  - Reduces park and trail safety
  - Reduces police presence at Saanich summer events, including the ability to utilize Reserve Police who work under the supervision of Bike Officers at many events
- Reduce Traffic Safety Unit (TSU) – Transfer 4 TSU officers to Patrol
  - Reduces police commitment to public's #1 priority – road safety
    - Reduces traffic enforcement capacity
    - If one team is eliminated - reduces coverage which places greater demand on Patrol resources
    - If the reduction is spread between teams, this would result in an inability to meet minimum staffing levels for TSU
    - Potential for increase in frequency and severity of collisions
  - Reduces staff available at peak times for calls for service

**Note: Schools, TSU and Bikes each backfill for Patrol for 20 Mandatory Training Days per year. If these resources are reduced or eliminated,**

**additional overtime or accrued time will be incurred to deliver this required training.**

- Reduce demand on Patrol by no longer taking certain calls for service
  - Stop attending residential intrusion alarms
    - This would reduce the feeling of safety and security of citizens and reduce the effectiveness of the presence of an alarm as a deterrent to property crime
  - Stop attending motor vehicle collisions unless there are injuries or there is serious damage
    - This would increase traffic congestion and potentially increase conflict between citizens involved in the incident

None of the above strategies are supported by the Board and are seen as significant and inappropriate reductions in police services.

The civilian support position is also required as detailed in the budget submission. If funding for the position is not provided it will result in staff who hold management positions continuing to perform clerical duties at a higher cost (an inefficient and costly option) and to the detriment of their own duties. In particular, the clerical work being performed by a Patrol staff sergeant will be reassigned back to the Professional Standards sergeants, which will result in delays in completing *Police Act* investigations. This is inappropriate and unfair to people making complaints and the affected officers, and will increase the number of files that will not be concluded within legislated timelines.

This position would also be responsible for performing data entry related to personnel and human resource issues. Failing to provide this support will result in the Staff Development inspector and two sergeants engaging in clerical duties that are not part of their responsibility. While this could result in labour management issues, it will most certainly contribute to an already over-burdened workload, and increase the cost of such clerical duties when performed by higher paid personnel. Alternatively, relief staff will have to be engaged to perform these duties which will result in relief accounts being overspent.

Again, the Board does not support this position being deferred or eliminated.

### **IMPACT OF REDUCTION TO CORE BUDGET**

Any reduction to the core budget simply defers the need for funding to 2017. Within the approved 2016 police budget a deferral of 0.1% equates to approximately \$30,000. While specific line items may have room for adjustment, there are new financial pressures for 2016 that are not necessarily accounted for, and that will consume any funds identified through such reallocation. If the core is reduced, the amount of the reduction will increase the risk of a deficit budget in 2016 and will add to new and existing demands for 2017. This will make it increasingly difficult to meet Council's expectations and the Board's stated funding thresholds for 2017 and 2018. For these reasons, the Board recommends caution when exercising this strategy.

1410.04 Finance  
X: 2120.30 CB

Sp. C/W F/Y  
Apr. 12/16



The Corporation of the District of Saanich

✓ Mayor  
✓ Councillors  
✓ Administrators  
✓ Com. Assoc.  
✓ Applicant  
Apr. 6

# Report

**To:** Mayor and Council  
**From:** Valla Tinney, Director of Finance  
**Date:** April 7, 2016  
**Subject:** Cadboro Bay village Business Improvement Area Funding Request

## DISCUSSION

Please find attached a 2016 funding request from the Cadboro Bay Business Improvement Society. In accordance with Bylaw 9264, the Society has requested \$20,000 in funding for 2016 and submitted a pro forma business promotion budget for the year. A Certificate of Insurance for 2016 and the 2015 Financial Statements are attached.

A resolution of Council is required to authorize the 2016 property tax levy on the properties outlined in schedule 'A' of Bylaw 9264.

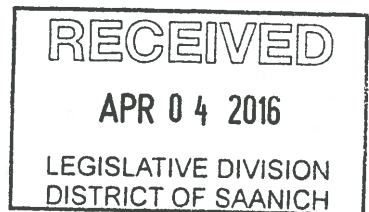
## NEXT STEPS

That Council approve the 2016 Cadboro Bay Business Improvement Society funding request and property taxation levy of \$20,000.

Prepared by Paul Arslan  
Paul Arslan

Senior Manager of Financial Services

Approved by Valla Tinney  
Valla Tinney  
Director of Finance



Attachments

## CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I endorse the recommendation of the Director of Finance.

Paul Thorkelsson  
Paul Thorkelsson, CAO



## Cadboro Bay Village Business Improvement Association

Valla Tinney, Director of Finance.  
District of Saanich  
770 Vernon Avenue  
Victoria, BC V8X 2W7

April 1, 2016

Dear Ms. Tinney and members of Saanich Council,

On behalf of the Cadboro Bay Village Business Improvement Association, I would like to submit this letter as our formal request for funding for 2016 to the total of \$20,000.

This year our organization has decided to round out the calendar by hosting a community event each season. We recently completed our first ever "Virtual Easter Egg Hunt" as our spring event. Our annual "Festival of Fine Arts" will highlight the summer; show casing 24 local artists and several local musicians in July, followed closely by our participation in Saanich's Sunfest event "Cadboro Bay Days". Fall will bring "Trick or Treating in the Village" and we will finish the year with our annual "Caroling in the Village" event that has been a fixture in the community for over 20 years.

Our Association has also voted to invest in a professional photographer and videographer this year, to help promote the local businesses as well as the natural beauty surrounding Cadboro Bay Village.

Attached, please find a copy of our financial statement for 2015, our estimated budget for 2015 and a copy of our certificate of insurance. We greatly appreciate the ongoing support from the District of Saanich in helping to fund our BIA so that we might, in turn, give back to our community.

Should you have any questions or concerns please do not hesitate to contact me.

Sincerely,

Leanne Allen  
Community Coordinator  
Cadboro Bay Village Business Improvement Association  
(250) 891-1975

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P.O. Box 55020, Victoria, B.C. V8N 6L8

[www.cadborobayvillage.com](http://www.cadborobayvillage.com)

email: [cadborobayvillage@gmail.com](mailto:cadborobayvillage@gmail.com)





Cadboro Bay Village  
Business Improvement Association

**2016 BIA Budget Forecast**

Opening Balance January 2015 (including petty cash) **\$4960.55**  
Requested Funding From Saanich (approx. July 2016) **\$20,000**

**Expenses**

AGM Room Rental	\$0
Legal fees	\$638
Website Hosting	\$135
Insurance	\$850
Administrator Wages	\$6000
Printing/Photocopy/Postage	\$200
Community Art Festival	\$7500
Sunfest Sandcastle Sponsorship	\$1000
Caroling In the Village	\$6000
Post Office Box	\$164
Landscaping	\$300
Banking Fees	\$75
Photographer/Videographer	\$1500
<b>Total</b>	<b><u>\$24,362</u></b>
Remaining balance	\$598.55



Cadboro Bay Village  
Business Improvement Association

**2015 BIA Expense Break Down**

Opening Balance January 2014	\$5,670
Funding From Saanich (received July 2015)	\$20,000

**Expenses**

AGM Room Rental	\$105
Legal fees	\$638
Website Hosting	\$129
Insurance	\$422
Administrator Wages	\$6000
Printing/Photocopy/Postage	\$494
Community Art Festival	\$5161
Sunfest Sandcastle Sponsorship	\$1000
Caroling In the Village	\$5865
Post Office Box	\$164
Landscaping	\$630
Banking Fees	\$72
<b>Total</b>	<b><u>\$20,680</u></b>
Remaining balance rolled over to 2015	\$4932
Petty cash	\$58



CERTIFICATE OF INSURANCE

We confirm that insurance coverage has been placed as follows:

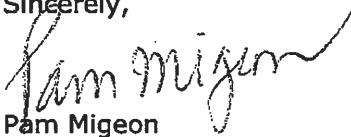
Insured: Cadboro Bay Village Business Improvement Association  
Mailing Address: PO Box 55020, Victoria, BC V8N 6L8  
Effective Date: 01/15/16  
Expiry Date: 01/15/17  
Company: Intact Insurance  
Policy Number: 5V2147263  
Coverage: \$2,000,000 Commercial General Liability – per occurrence  
\$5,000,000 Commercial General Liability – per aggregate

Additional Insured: **The Corporation of Saanich & it's Officers, Employees, Officials, Agents, Representatives & Volunteers**, but only with respect to liability arising from work performed by, or on behalf of, the named insured.

Subject to the Statutory Conditions of the Province of British Columbia.

Subject to the said Insurer's policy terms, conditions and exclusions.

Sincerely,

  
Pam Migeon

Coastal Community Insurance Services (2007) Ltd.

This Certificate of Insurance neither affirmatively, nor negatively amends, extends, or alters the coverage afforded by the policies scheduled herein. It is furnished as a matter of information only, confers no rights upon the holder, and is issued with the understanding that the rights and liabilities of the parties will be governed by the original policy or policies as they may be lawfully amended by endorsement. E.& O.E.

Should the above described policy be cancelled before the expiration date thereof, the Insurer will endeavor to mail 15 days written notice to the Certificate Holder, but failure to mail such notice shall impose no obligation or liability of any kind upon either the Insurer or Coastal Community Insurance Services (2007) Ltd.





Mayor  
Councillors  
Administrator  
Com. Assoc.  
Applicant

APR 16  
30

The Corporation of the District of Saanich

**Report**

**To:** Mayor and Council  
**From:** Valla Tinney, Director of Finance  
**Date:** April 7, 2016  
**Subject:** Council Remuneration – Annual Survey

RECEIVED  
APR 04 2016  
LEGISLATIVE DIVISION  
DISTRICT OF SAANICH


**DISCUSSION**

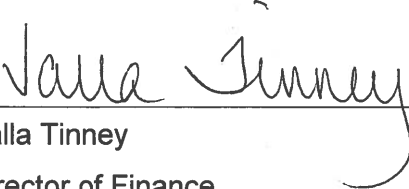
The Council remuneration and expenses policy provides that Council remuneration shall be determined annually by Council during consideration of the Financial Plan and shall be based on the average of the remuneration of council members in other municipalities of comparable size. The comparator municipalities 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	140,235	12/12*	95,200.00	38,293.33
Delta	100,337	01/15	117,841.00	51,09.01
Kamloops	87,647	01/16	87,277.26	32,729.05
Kelowna	122,455	01/16	91,637.55	32,423.14
Langley (Township)	107,505	01/16	114,195.00	46,593.63
Nanaimo	87,515	01/15	95,103.00	35,447.00
N. Vancouver (Dist)	89,437	01/16	99,594.56	41,009.55
Victoria	84,360	01/16	94,054.92	38,343.42
<b>AVERAGE</b>	<b>102,436</b>		<b>99,362.91</b>	<b>39,492.27</b>
<b>SAANICH</b>	<b>114,013</b>	<b>1/14</b>	<b>97,719.05</b>	<b>38,625.01</b>
<b>Difference</b>	<b>11,577</b>		<b>1,643.86</b>	<b>867.26</b>
			<b>1.68%</b>	<b>2.25%</b>

\* Abbotsford has not had an increase since 2012

Prepared by   
Paul Arslan  
Senior Manager of Financial Services

Approved by   
Valla Tinney  
Director of Finance

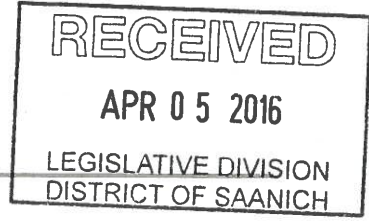


The Corporation of the District of Saanich

✓ Mayor  
✓ Councillors  
✓ Administrator  
✓ Com. Assoc.  
✓ Applicant  
✓ Dir. Finance  
APR 6 50

Report

To: Mayor and Council  
From: Paul Thorkelsson, Chief Administrative Officer  
Date: April 6, 2016  
Subject: Budget Reduction Options



PURPOSE:

To present options for reducing the impact on taxation in the 2016 proposed budget.

DISCUSSION:

At the March 15, 2016 Special Committee of the Whole Meeting on the Financial Plan, Council requested that staff report back with options for a .3% and .5% reduction in the tax increase for 2016. Staff understand that request as a desire for Council to achieve reductions in the 3.25% tax increase of the 2016 budget to 2.95% and 2.75% for consideration.

Staff reviewed revenue and expenditures estimates based on new information available since the preparation of the proposed budget in January and have revised the CREST Levy and GVPL budget based on their finalized budget requirements. In addition, adjustments have been made to several revenue projections, based on new information and a slightly less conservative approach to projections. With these changes the revised 2016 budget proposal, prior to any additional reduction scenarios, now reflects a 3.13% increase to existing taxpayers.

The first section of the attached table outlines these changes and the resulting reduction from the proposed 3.25% tax increase to 3.13%. The following sections of the chart provide Council with two reduction options for further reducing the increase to 2.94% and 2.75% respectively as requested.

OPTION 1 – Reductions in Critical Resource Requests

Following the budget guidelines established by Council Staff have prepared the 2016 budget with 0% increases to operational budgets excepting the impacts of contracted wage amounts. Any new requests were brought forward as Critical Resource Requests for the consideration by Council for new resources to support the implementation of Council adopted initiatives and/or additional resources necessary to maintain existing service.

The second section of the attached chart provides for Council a scenario for reductions to the Critical Resource Requests to achieve the 0.3% reduction requested by Council. The criteria used to provide a re-evaluation of the resource requests for Council was to focus

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reductions on the requests in those areas that are providing new/additional level(s) of service by Saanich and limit reductions to areas where the request for additional resources are aimed at maintaining existing service, except in one notable case where the additional ongoing request for funding for Regional Economic Development is maintained representing Council's commitment to fund this new area of service.

It is important for Council to note that reductions to the Critical Resource Requests have implications in all cases for ongoing operations and/or implementation of Council approved initiatives. Those implications and impacts are outlined below for Council's consideration. It is also noteworthy that this report does not include the implications for additional reductions to the resource requests that are not included in the Option #1 approach.

#### Parks and Recreation – Defer 2 Youth Leader Positions

The funding requested for 2016 supports the implementation of the Youth Development Strategy approved in late 2015. The funding as originally proposed would provide Youth Leader II staffing in the three teen centres and increase the school outreach to connect with a greater number of youth. The funding would also enhance Youth Leader staffing at CHRC where no teen centre currently exists.

Reducing the requested funding would result in a decrease of the additional hours at the existing teen centres from 8 to 5.5 per week with no additional hours being provided at Cedar Hill. This reduction will limit the expanded outreach and programming to youth through the schools and slow the implementation of the recommendations and findings of the Youth Development Strategy.

#### Parks and Recreation – Building Service Worker

The Building Service Worker complement at Cedar Hill Recreation Centre has remained unchanged since prior to the opening of the Arts Centre in 2011. Programming, overall activity and floor space in the Centre has increased significantly since that time and the ability of the Building Maintenance staff to support the program needs, increased OH&S requirements, increased cleaning requirements and ongoing maintenance is severely stretched.

Worker safety and the ability to maintain the building and equipment is a concern given the increased programs and services requiring support following the addition of the Arts Centre. Additional programming beyond current levels will not be able to be undertaken without strengthening the capacity in the maintenance area.

#### Corporate Services (IT) – Network Maintenance

These funds were requested to support the maintenance of core network equipment connecting Saanich systems to the internet and provides for required expertise and parts inventory to assist in risk mitigation from failures. While recommended as a reduction in the resource requests, it is recommended that these funds be provided as part of the one-time funding requests to mitigate the risks associated with system failure and potential loss of internet connection and the significant implication that would have on service provision and operations.

The one-time funding approach will provide the funding support while planned network upgrades are undertaken and completed, and the ongoing funding levels are determined following that work.

Planning (Building Inspection) – Microfilming Permit Drawings/Documents

This work is part of the ongoing process to effectively and efficiently store Permit materials for future reference. There is a limited impact on ongoing operations to eliminating this request, however the need will remain to address storage and reference needs in this department and simply defer the necessary funding to subsequent years.

Corporate Services/Legislative Services – Webcast support

Council has approved the approach to Webcasting for the Council Chamber. This funding is necessary to provide the administrative and technical support for the webcasting system and materials as approved by Council. The adjustment to the Resource Request represents a partial year implementation of the system and recognizes that the impact on the 2016 budget can be reduced accordingly.

Corporate Services (HR) – Health and Wellness consulting support

These funds would be used to support the Healthy Workplace Program (introduced in 2013) - to assist employees to improve their wellness and their ability to remain at work, avoiding Long Term Disability and to continue the HR Department's work on reducing paid sick leave costs.

Without the ongoing funding, and support it provides, the organization risks increased paid sick time costs, reduced "Stay at Works", delayed "Return to Works", and increases to the number of employees who proceed to LTD due to lack of interventions.

Legislative Services (Legal) – Legal Services

An increase is needed in the funds provided for general legal services. General legal services include legal advice for all departments and Council, legislation and bylaw interpretation, information and privacy matters, preparation and review of legal documents, bylaw offences and other general litigation, finance and purchasing matters, and human resource activities.

Legal costs can fluctuate dramatically from year to year depending on the issues the District is dealing with. One complex information and privacy issue, labour relations matter or bylaw litigation can quickly add up. Additionally, the increase in and complexity of legislation and other regulations invariably translates to an increase in legal costs.

Following the 2010 reorganization and contract approach to legal services the funding requirements for general legal services has returned to a level aligned with the budget in place in 2010, and significantly higher than recent budget amounts. This trend supports the necessity for increase to this operational area of the budget. The reduction in the request proposed represents an incremental approach to aligning this budget with expenditures. This is possible with the recognition by Council that transfers from contingency amounts will be required to manage the budget shortfall in this area until this alignment is achieved.



**OPTION 2 – Infrastructure program reductions (Infrastructure Sustainability Target)**

In 2007, Saanich Council embraced an informal policy to implement sustained taxation increases equal to .75% of current year taxation to address a structural shortfall in infrastructure funding. Targets were established and have been refined over the past eight years. 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. The increases have been consistently applied resulting in significant increases in the funding allocated to infrastructure replacement.

In responding to Council’s direction to consider a 0.5% reduction in the required tax increase for the 2016 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.

The third section of the attached chart describes the reduction potential in the areas of “Drainage” and “Transportation” of \$144,000 and \$55,000 respectively. The table below includes the proposed adjustments and confirms that the funding target amounts are achieved by the 2019 date:

<b>Infrastructure Target Projection - .5% taxation increase per year</b>					
<b>General Capital</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	
	Increase targets @2% per year for inflation				
<b>Target</b>	27,278,000	27,823,600	28,380,000	28,947,600	
<b>Funding</b>					
Capital budget supported by property tax	12,472,100	13,063,600	13,673,000	14,301,000	1
Transfers to capital reserves	2,500,000	2,500,000	2,500,000	2,500,000	2
Grants - Gas Tax (plus interest)	4,610,000	4,832,000	4,832,000	5,055,000	3
Debt servicing budget (principal & transfers)	5,733,400	6,033,400	6,333,400	6,691,600	4
Fortis revenue	310,000	400,000	400,000	400,000	5
	<u>25,625,500</u>	<u>26,829,000</u>	<u>27,738,400</u>	<u>28,947,600</u>	

These reductions to the 2016 budget, combined with the reductions described above, provide Council with the opportunity to reduce the 2016 tax increase to meet the requested 0.5% reduction.

As is the case with the proposed reductions to the resource requests in Option #1, infrastructure reductions to the 2016 budget also carry with them implications that should be of note to Council. The reductions do not negatively impact the timing of reaching the funding targets, they do however delay specific projects in the 2016 budget to subsequent years.

At a small scale, each year Saanich does not undertake projects funded through the infrastructure policy adds to a backlog of infrastructure replacement projects for subsequent years. This increment has a very small but potential impact on the long term replacement of our infrastructure.

**OPTIONS:**

Instruct staff to finalize the 2016 Financial Plan based on:

1. the revised budget proposal reduction of 0.12% (3.25% increase to 3.13% increase)
2. incorporation of the additional option #1 reductions of 0.19% (3.13% increase to 2.94% increase)
3. incorporation of the additional option #2 reductions of 0.19% (2.94% increase to 2.75% increase)

Report prepared by:

  
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Paul Thorke, CAO

PT\wt

**2016 Financial Plan - Options for reduction to tax increase**

	Budget Reduction	Tax % Impact	Net tax increase
<b>Original Proposed Budget</b>			<b>3.25%</b>
<b>Budget changes based on March review:</b>			
Reduction to CREST Levy requirement	(80,000)		
Reduction to GVPL Budget	(14,660)		
Net increase to various revenue projections	(115,000)		
Reduction in actual tax from new sources	82,550		
<b>Revised budget proposal</b>	<b>(127,110)</b>	<b>-0.12%</b>	<b>3.13%</b>
<b>Resource requests:</b>			
	Current Budget	Reduce to:	
Police Patrol	108,500	108,500	-
Admin Support	17,600	17,600	-
Fire Admin Support	16,300	16,300	-
Finance Budget Analyst	27,000	27,000	-
PW Stores	32,200	32,200	-
P&R Youth Leaders - defer 2 leaders	37,000	18,500	(18,500)
P&R Building Service	47,800	-	(47,800)
Network Maintenance - one time funding	10,000	-	(10,000)
IT Consulting	13,000	13,000	-
Microfilm building plans - defer	15,000	-	(15,000)
Webcast Support - 1/2 year	30,000	15,000	(15,000)
Health and Wellness - defer	30,000	-	(30,000)
IT Storage	57,600	57,600	-
Regional Economic Development	79,150	79,150	-
Legal Services	100,000	30,000	(70,000)
<b>Total changes to Resource Requests</b>	<b>621,150</b>	<b>414,850</b>	<b>(206,300)</b>
<b>Option #1 - reduce by .3%</b>	<b>(333,410)</b>	<b>-0.31%</b>	<b>2.94%</b>
Capital Budget			
Drainage	(144,000)		
Transportation	(55,000)		
<b>Option #2 - reduce by .5%</b>	<b>(532,410)</b>	<b>-0.50%</b>	<b>2.75%</b>