



**2012—2016
FINANCIAL PLAN**

May 7th 2012

Approved Final Version

“Serving the People”





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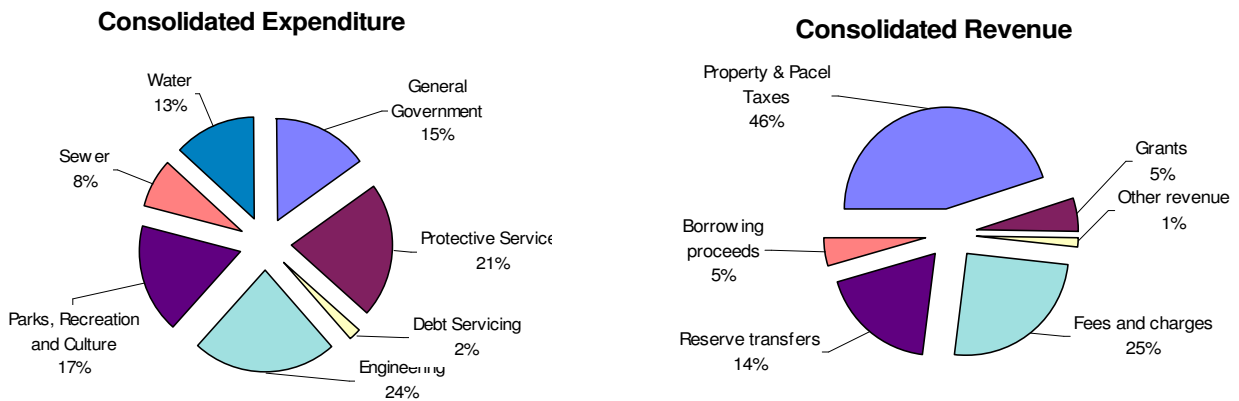
EXECUTIVE SUMMARY

The Community Charter Act Requires that the District of Saanich approve a Five Year Financial Plan bylaw each year prior to the adoption of the annual property tax bylaw. This document provides the supporting details to the 2012-2016 Financial Plan Bylaw, which will be considered for adoption by Council on or before May 15, 2012.

1. Consolidated Financial Plan Summary

Local governments are required by law to have balanced financial plans. Current revenue, including transfers from reserves, must be sufficient to support current expenditures for each of the three funds.

Saanich's consolidated financial plan for 2012 balances \$208,798,700 in revenues and transfers with \$208,798,700 in expenditures.



The budget is based on:

1. A municipal property tax increase of 2.16% (\$43.45) for operations, 0.75% (\$15.09) for additional infrastructure replacement and 0.34% (\$6.84) for new infrastructure operating costs. This totals 3.25% or \$65.38 to the average homeowner,
2. Utility rates approved in December 2011, and
3. A refuse collection fee of \$149.60 per household (No increase over 2011).

Including all municipal taxes and utilities, an average home is projected to pay about \$112 more in 2012:

	<u>2011</u>	<u>2012</u>
Property Taxes	\$ 2,009	\$ 2,074
Sewer	269	292
Water	397	421
Refuse Collection	<u>150</u>	<u>150</u>
	\$ <u>2,825</u>	\$ <u>2,937</u>

2. Summary of Consolidated Financial Plan Changes From 2011 To 2012

Additional revenues from taxation, reserves and user fees will be used to fund inflationary increases in 2012 operating programs, new infrastructure maintenance, new service costs and increased capital replacement. Grants from senior levels of government and some reserves will also be used to fund large capital projects such as the Craigflower Bridge replacement work:

Consolidated Revenue

Source	General Operating	General Capital	Sewer & Water Utility	2012 Budget Total	2011 Budget Total	2011 Actuals Total	2010 Actuals Total
Taxes	85,003,000	8,964,000	-	93,967,000	89,805,900	89,736,700	84,876,800
Grants	3,596,400	7,475,900	-	11,072,300	10,484,000	9,593,900	7,391,200
Other revenue	2,885,000	-	-	2,885,000	3,446,300	3,790,700	3,364,200
Fees and charges	23,233,300	-	29,609,300	52,842,600	52,106,200	53,430,100	52,302,300
Reserve transfers	7,123,800	19,115,400	12,325,800	38,565,000	33,201,300	28,742,600	24,061,600
Borrowing proceeds	-	5,950,000	3,516,800	9,466,800	6,412,600	8,400,000	2,947,000
Total	121,841,500	41,505,300	45,451,900	208,798,700	195,456,300	193,694,000	174,943,100

Consolidated Expenditure

Function	General Operating	General Capital	Sewer & Water Utility	2012 Budget Total	2011 Budget Total	2011 Actuals Total	2010 Actuals Total
Administration	1,590,800	-	-	1,590,800	1,599,600	1,546,525	1,589,900
Corporate Services	1,954,300	-	-	1,954,300	1,779,700	1,870,100	1,381,600
Finance	17,466,900	1,719,500	-	19,186,400	16,762,900	9,267,700	9,257,900
Debt Servicing	2,744,600	-	1,452,000	4,196,600	4,148,700	3,334,300	3,328,300
Legislative Services	4,129,200	-	-	4,129,200	4,065,200	3,315,000	2,555,800
Police Protection	28,714,000	1,717,700	-	30,431,700	28,900,300	29,110,500	28,181,600
Fire Protection	13,810,700	175,200	-	13,985,900	13,550,900	13,435,400	14,746,400
Emergency Program	354,800	-	-	354,800	349,100	355,700	349,000
Planning	4,825,500	-	-	4,825,500	4,480,100	4,968,200	4,493,500
Engineering & PW	16,974,700	30,766,800	43,999,900	91,741,400	79,019,200	62,836,900	49,921,400
Parks & Recreation	24,115,800	7,126,100	-	31,241,900	35,870,200	34,787,700	36,429,900
Cultural	5,160,200	-	-	5,160,200	4,930,400	4,940,600	4,716,500
Total	121,841,500	41,505,300	45,451,900	208,798,700	195,456,300	169,768,625	156,951,800

Note: The above total figure for General Operating is \$17,551,500 less than the total amount on page 20 due to the removal of the inter-departmental recoveries and the allocation of the capital expenditure funded by property taxes to the General Capital Fund.

Consolidated Revenue level in 2011	\$ 195,456,300
Revenues were increased because:	
General Taxes were increased by 3.25% to average homeowner	4,161,100
More grants received for infrastructure spending	588,300
Surplus appropriation eliminated	(660,100)
Increased revenue from 1% utility taxes, grants-in-lieu and interest	98,800
Fees and charges from recreation decreased	(1,078,300)
Fees and charges from various permits increased	835,000
Fees and charges from water and sewer programs increased	979,700
Borrowing for infrastructure will increase	3,054,200
Reserve funds (Work in Progress) use has increased	5,363,700
New Consolidated Revenue Level for 2012	\$ 208,798,700

Consolidated Expenditures level in 2011	\$ 195,456,300
Expenses were increased because:	
General Operating costs increased	4,172,700
General Capital costs increased	4,413,500
Water System operating and capital costs increased	2,624,800
Sewer System operating and capital costs decreased	2,131,400
New Consolidated Expenditure Level in 2012	\$ 208,798,700

3. 2012 Consolidated Fund Balance Summary

Municipal activities are accounted for on a fund basis. Total fund balances are expected to remain approximately at 2011 levels, with an expected reduction in work in progress reserves as capital projects are completed.

Fund Balances					
	<u>General Operating</u>	<u>General Capital</u>	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Reserve Fund</u>
Fund Balance, January 1	13,072,155	12,697,000	7,806,528	8,910,973	84,816,100
Total Revenues	(121,841,500)	(41,505,300)	(18,328,400)	(27,123,500)	(27,611,300)
Total Expenditures	121,841,500	41,505,300	18,328,400	27,123,500	47,985,200
Fund Balance, December 31	13,072,155	12,697,000	7,806,528	8,910,973	64,442,200

4. General Operating Fund Summary:

This budget provides for the annual operation of the municipality in 2012 based on a 2.16% increase for core operations, 0.34% increase for new infrastructure maintenance and other operating costs and an additional policy increase in infrastructure spending of 0.75% in municipal property taxes. A separate refuse collection fee of \$149.60 (no change from prior year) per household is added to the tax bill to fund refuse collection and disposal.

This revenue funds the net cost to maintain services at 2011 levels, continues Council's policy of gradually increasing tax funded capital programs to sustainable levels and reflects the economic circumstances that will limit municipal revenue increases for 2012. No additional resource requests have been submitted.

5. Water Utility Fund Summary:

The Water Utility Budget provides for all operations and capital funding to support the water system. In December 2011 a 6.0% annual increase in water rates was approved to support increased infrastructure replacement spending. Cost to the average homeowner increased by \$24 from \$397 to \$421 per year.

6. Sewer Utility Fund Summary:

The Sewer Utility Budget provides for all operations and capital to support the sewage disposal system. In December 2011 an 8.6% increase in sewer rates was approved to support CRD operating and debt cost and higher Saanich infrastructure replacement spending. Annual cost to the average homeowner increased by \$23 from \$269 to \$292 per year.

7. General Capital Fund Summary:

The 2011 General Capital Program provides for a \$41.5 million program of infrastructure and equipment replacement funded from a mixture of property taxation, debt, reserves, grants and development cost charges. Significant capital projects starting in 2012 include the first \$1,475,000 of the two year \$10.7 million Craigflower Bridge Replacement, \$6 million Rithet Reservoir Replacement, \$2.6 Million Colquitz/Gorge View Sewer Lift Station Replacement and \$3.9 million Mckenzie Avenue (McGill to Cadboro Bay Road) work.

The Capital Plan matches the District's needs for investment in capital with available financial resources. Replacement of ageing infrastructure is given priority in balancing capital requirements with funding. Replacement infrastructure spending is being gradually increased to reach sustainable levels, rising from \$7 million in 2001 to an annual average of over \$25 million in the last three years.

8. Reserve Fund Summary:

Reserve Funds are projected to decrease from \$84,816,100 in 2011 to \$64,442,200 in 2012 as work in progress reserves are used to complete capital projects planned in previous years.

Reserves and surplus (excluding work in progress), while relatively lean, are above average for comparative municipalities (\$42 million versus \$28 million);

9. Debt Summary:

Overall debt levels are projected to remain around \$25 million in 2012. This remains well below policy guideline of \$55 million in general debt. Current outstanding debt, interest rate and maturity dates are listed below:

BY-LAW NUMBER	GENERAL	SEWER	TOTAL	INTEREST RATE	MATURITY DATE
	\$	\$	\$		Year
7864	447,850		447,850	4.25%	2013
7973	6,009	156,755	162,764	3.15%	2014
8073		323,117	323,117	3.15%	2015
8132	10,204	391,142	401,346	3.15%	2015
8181		333,689	333,689	3.05%	2016
8293		195,601	195,601	3.05%	2017
8344		293,402	293,402	5.37%	2017
8409	1,199,884		1,199,884	5.49%	2028
3197	854,318	498,145	1,352,463	4.98%	2014
3257	2,234,267		2,234,267	4.55%	2020
3292	1,842,378		1,842,378	4.17%	2020
3363	3,286,411		3,286,411	4.43%	2021
3466	1,344,440	472,756	1,817,196	4.82%	2022
3726	1,702,835		1,702,835	3.35%	2025
3726		1,092,568	1,092,568	3.73%	2025
3771	8,400,000		8,400,000	3.65%	2026
	(91,493)	(43,703)	(135,196)	Accrued Actuarial Gains	
TOTAL	<u>21,237,103</u>	<u>3,713,472</u>	<u>24,950,575</u>		

10. Consolidated 2012 Budget Highlights by Strategic Plan Theme Area

Funding of key initiatives has been allocated to each Strategic Plan theme area as follows:

Safe Community:

- \$273,000 in additional police funding to cover new positions approved in 2011,
- \$370,000 for Mobile Data Terminal replacement,
- \$900,000 for Emergency Response Mobile Command Vehicle.
- \$400,000 for cell block facility upgrades

Healthy Community:

- \$173,000 for the Gordon Head HVAC System,
- Completion of the \$2 million roof replacement at Saanich Commonwealth Place.

Sustainable Environment:

- \$1,475,000 to replace the Craigflower Bridge over two years,
- \$2,600,000 to complete Colquitz and Gorge view Sewer Pump Station upgrades,
- \$6,400,000 to start seismic upgrading of the Rithet Reservoir,
- \$2,700,000 to continue replacing asbestos cement sewer and water mains,
- \$100,000 to finalize the Shelbourne Corridor Action Plan.

Balanced Transportation:

- A minimum of \$1,075,000 of sidewalk additions and improvements in areas such as:
 - Haliburton Road (to Cherry Tree Bend Road)
 - Forrester Street
 - Prospect Lake Road (4933 to Park)
 - Cedar Hill Road (Rowan to Cedar Hill)
 - Telegraph Road
- \$1,610,000 for bikeways additions and improvements in areas such as:
 - Cedar Hill (Hopesmore to Feltham)
 - Douglas Connector (various sections)
 - McKenzie Avenue (Shelbourne to Gordon Head)
- Over \$6,750,000 in various road improvements including:
 - McKenzie Avenue (McGill to Cadboro Bay Road)
 - Admirals Road Phase 4 & 5 (Cowper to Gorge)
 - Sayward / Fowler / Hunt Intersection
 - Cedar Hill / Finlayson Intersection

Vibrant Connected Economy:

- \$200,000 for Douglas Corridor and Uptown Centre Planning Study.

Service Excellence:

- \$800,000 for Desktop Replacement,
- \$200,000 for Office Software Replacement,
- \$150,000 for web/social media/collaboration upgrades.

INTRODUCTION

COMMUNITY PROFILE

Population

Saanich's population was reported to be 109,752 in the 2011 census making Saanich the eighth largest municipality in British Columbia.

Age Distribution

The population is distributed among age groups similar to other cities in the province. Saanich's population is slightly older than that of the provincial average, with a higher percentage of its population in the highest two age groups.

Age and Gender Distribution

Ages	Male	Female	Total	Percent	BC
0 to 14	8,210	7,810	16,020	14.8%	16.5%
15 to 24	7,850	7,640	15,490	14.3%	13.1%
25 to 44	12,565	13,520	26,085	24.1%	27.4%
45 to 64	14,835	16,705	31,540	29.1%	28.4%
65+	8,425	10,705	19,130	17.7%	14.6%
Total	51,885	56,380	108,265	100.0%	100.0%

History

Since incorporation on March 1, 1906, Saanich has become a major residential area in the Capital Regional District. The history of Saanich and its pattern of settlement are still evident in many of the old buildings and structures located throughout the district. Geographically, elevations range from sea level to 213 meters, and the municipality is complemented by 817.49 hectares of fresh water lakes and 30 km of marine shoreline.

Saanich's appealing, clean environment, its recreation and parks amenities, skilled workforce & responsive public services make the municipality a great community to live, work & do business in.

Today, Saanich is the largest of the municipalities in Greater Victoria, with an area of 11,179 hectares and a population of approximately 114,000. Located in a core position within the metropolitan area – the Trans Canada Highway enters from the west and the Pat Bay Highway enters from the north, converging within the Municipality and running parallel into the City of Victoria. Traditionally, Saanich has been the bedroom community or “gateway” to the downtown core of Victoria, by virtue of its location and strong historical rural roots.

Saanich is a thriving community that benefits from strong infrastructure and a wide range of community-based services for youth, families, adults, and seniors. This infrastructure helps sustain local economic development, while meeting or exceeding social and environmental commitments.

ORGANIZATION PROFILE

The District of Saanich has a motto in Latin – "*Populo Serviendo*" – which means serving the people. It is a message that all Councillors and staff take to heart in their respective roles.

Saanich Council

The Saanich municipal council represents the citizens of Saanich and provides leadership as the legislative and policy-making body for the organization. Saanich Council is made up of a Mayor and eight Councillors who are elected for three-year terms. Saanich Council is comprised of the following members:

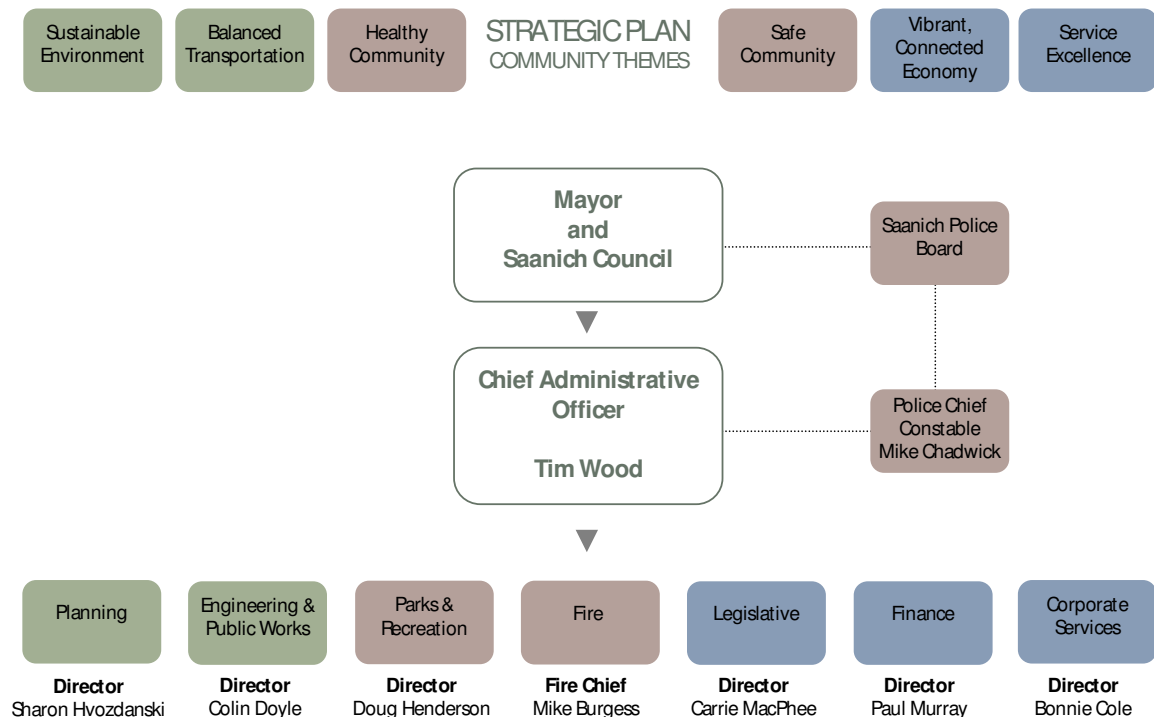
Mayor: Frank Leonard

Councillors: Susan Brice Dean Murdock
Judy Brownoff Vicki Sanders
Vic Derman Nicola Wade
Paul Gerrard Leif Wergeland



Senior Management Team

The Chief Administrative Officer (CAO) leads a senior management team responsible for providing recommendations to Council and coordinating the day-to-day operations of municipal staff. The senior management team also provides vision and leadership in the annual development and implementation of Strategic Plan initiatives. As illustrated in the following diagram, the senior management team consists of the CAO, Directors and Managers of the departments, the Fire Chief and the Chief Constable:



STRATEGIC CONTEXT

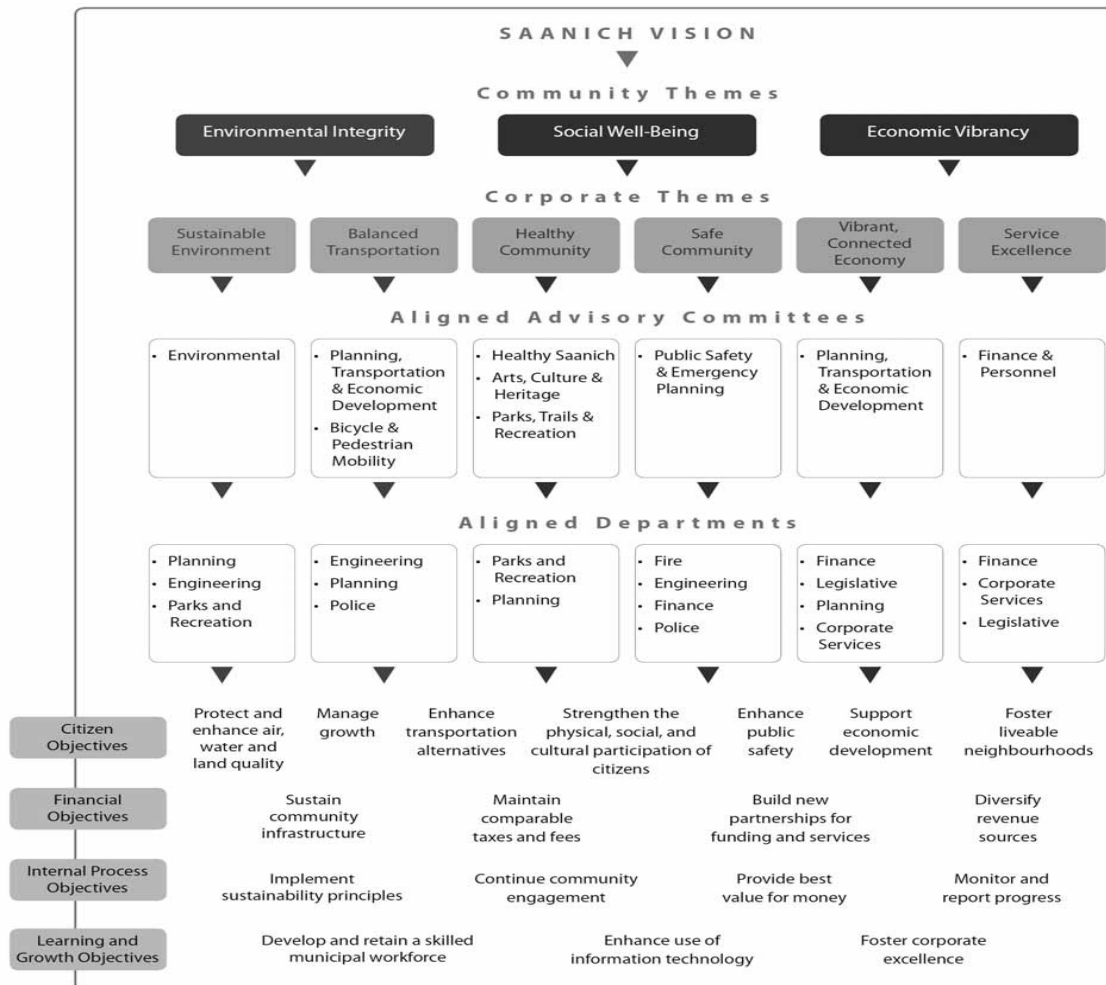
1. Strategic Plan

The 2012 - 2016 Saanich Strategic Plan offers a framework to focus and measure progress towards the preferred future as a municipality. Specifically, moving towards and achieving the Saanich Vision. The development of the plan was based on public consultation involving council, citizens and staff. Using the Balanced Scorecard planning approach, the plan identifies priority initiatives within six key community themes aligned with Saanich's Official Community Plan's three overarching themes:

Environmental Integrity	Social Well-Being	Economic Vibrancy
➤ Sustainable Environment	➤ Healthy Community	➤ Vibrant, Connected Economy
➤ Balanced Transportation	➤ Safe Community	➤ Service Excellence

The value of using the Balanced Scorecard approach is its ability to address a traditional challenge within organizations: the need to effectively link long-term strategy (achieving the Saanich Vision) with short-term actions (annual departmental activities) in a balanced, integrated way. It helps do this by using four balanced perspectives; Customer, Financial, Internal Process and Learning and Growth to determine organizational objectives and priorities

Each of the six Corporate Theme Groups has cross-departmental representatives composed of staff members working toward the initiatives selected for the theme. The following diagram outlines the departmental groupings of each theme.



2. Financial Planning Process

Financial planning is an on-going process. Planning activities begin as early as June and continue until the following May when the plan is adopted by Council:

June – August	Departmental Strategic Plans
August – October	Departmental Financial Plans
October – December	Draft Financial Plan
February – April	Public Budget Meetings
May	Final Financial Plan and bylaws adopted

Departmental Strategic Plans - Using the six key community themes, each department lists all the major activities to accomplish in the coming year. The plans specify what needs to be done, who is responsible and when the action will be completed.

Departmental Financial Plans - Based on the activities planned for the next year, departmental budgets are compiled, outlining expected costs and associated revenue.

Draft Financial Plan - The departmental budgets are compiled to create a draft financial plan. The draft is compared to the current strategic plan to ensure consistency.

Public Meetings - Several public meetings are scheduled where each department presents its portion of the financial plan, allowing for public scrutiny and input.

Final Financial Plan - As input is received from the public and Council discusses financial plan priorities, the proposed financial plan is revised until a final version is reached. This becomes the document the District is required to adopt by bylaw. This bylaw then becomes the basis for adoption of the annual property tax bylaw. The financial plan may be amended by bylaw at any time during the five-year period.

BUDGET POLICY AND PRINCIPLES

1. Financial Plan Policies and Assumptions

Balanced Financial Plan

The District of Saanich, under the Community Charter, is required to have a balanced financial plan. Expenditures may not exceed the total of revenues, transfers from reserves and proceeds from debt.

Financial performance is monitored through quarterly budget variance analysis at the department level and monthly at division and section levels.

Accounting

The accounting policies of the District conform to Canadian generally accepted accounting principles for local governments and the Consolidated Financial Statements are prepared as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Operating and capital expenditures are recognized on the accrual basis in the period incurred.

The District uses various funds to account for its revenue and expenditures. The revenue in each fund may be spent only for the purpose specified by the fund. Each fund belongs to one of three categories: operating, capital, or reserve. Operating funds are used for day-to-day operations. Capital funds pay for physical assets with a life of more than two years. Reserve funds accumulate revenue and interest that will be used to pay for major capital expenses in future years.

All funds (general, water utility, sewer utility and reserves) are accounted for on the accrual basis. Sources of revenue are recognized when earned. Revenue unearned in the current period is reported on the balance sheet as deferred revenue. All funds are appropriated for specific purposes as follows:

General Operating Fund - used to account for all general operating revenues and expenses of the Municipality other than water and sewer operations.

Water Utility Fund - provides for all revenues and expenses related to the operation of the municipal water system. Revenues are collected through water billing based on volume of water consumed.

Sewer Utility Fund - community sewage disposal system revenues and expenditure are accounted for separately. Revenues are primarily recovered from consumption based utility billings.

General Capital Fund (Capital Programs) - used to account for all capital expenditures.

Statutory Reserve Fund - used to account for all statutory reserve revenues and transfers.

Budgets

Each Department prepared core 2012 budget submissions within a zero increase in controllable operating expenses, a 2% increase in core capital expenditures, salary and benefit costs within approved wage and benefit plans and an additional property tax contribution per year for infrastructure replacement. Each department (excluding fire and police) was also asked for a 1% reduction scenario which was then used to reduce the annual tax levy to an acceptable level.

The operating component of the Five Year Financial Plan is focused on 2012 but includes a general forecast for the balance of the five year horizon based on the following:

1. 2 - 3% annual inflation factor applied to most expenditures.
2. 1% annual inflation factor applied to fees and charges.
3. Wage and benefit costs per collective agreement commitments.
4. Water rates increased a minimum 3% annually for replacement infrastructure.
5. Sewer rates increased a minimum 3% annually for replacement infrastructure.

The capital component of the Five Year Financial Plan focuses on increasing infrastructure replacement to sustainable levels. This forecast is based on the following assumptions:

1. 2% annual increase in core capital funding from taxation.
2. Property taxation increased a minimum 0.75% annually for infrastructure replacement.
3. Debt levels maintained at guideline.
4. Federal gas tax funding allocated to transportation.
5. New infrastructure funding mainly relies on modest debt room, government grants, community contributions and operating budgets, and
6. All figures shown in current year (2012) dollars – no inflation allowance,

2. Revenue And Tax Policies

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.

Distribution of Property Taxes: The Municipality will continue to set tax rates to ensure tax stability by maintaining a consistent proportionate relationship between classes and uniform annual tax increases. The 2012 Saanich Strategic Plan target for the proportion of business property tax revenue is set at a minimum of 20%, consistent with prior years.

In order to maintain the current share of taxation between property classes and have a uniform tax increase, minor adjustments are made to the tax multiples to account for market based assessment variation between the classes.

The adjusted rates are reflected in the table below and provide for a balanced tax impact among property classes. Properties in Supportive Housing Class 3 will remain tax exempt per Provincial regulation.

	<u>2011</u>	<u>2012</u>	<u>% Property Tax Levy</u>	<u>Tax Multiple</u>
Residential	3.2034	3.3303	78.81%	1.0000
Utilities	27.1147	26.9534	0.36	8.0934
Supportive Housing	3.2034	3.3303	0.00	1.0000
Light Industry	11.7732	11.7953	0.08	3.5418
Business/Other	12.1162	11.9608	20.61	3.5915
Managed Forest	16.7545	18.9158	0.00	5.6799
Rec/Non Profit	6.5391	6.2457	0.14	1.8754
Farm	0.5000	0.5000	0.00	0.1501

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



3. Expenditure Policies

Debt Limit Policy

The District of Saanich adheres to the Community Charter which sets a limit on the amount of debt a Local Government may have. The limit states that no additional debt may be issued if it would result in the total annual debt servicing costs to exceed 25% of the revenue collected in the previous year. At the end of 2011, the legal debt limit is such that average annual servicing costs cannot exceed \$32.8 million.

The municipality limits debt internally to a maximum of 7% of the revenue collected in the previous year. At the end of 2012 this limits annual debt servicing costs to no more than \$6.1 million.

Debt principal repayments are charged to financial activities when payments are made.

4. Relationship Between Funds and District's Departments

While the District's finances are structured according to funds, its daily activities are structured by functional departments (e.g., Engineering Services, Fire, Police, etc.). Funds and departments overlap somewhat with some departments using all funds.

<i>Use of Funds by Departments</i>							
<i>Department</i>	<i>Operating Fund</i>			<i>Capital Fund</i>			<i>Reserve Fund</i>
	<i>G</i>	<i>W</i>	<i>S</i>	<i>GC</i>	<i>WC</i>	<i>SC</i>	<i>R</i>
Administration	✓						
Corporate Services	✓						
Finance	✓			✓			✓
Legislative Services	✓						
Police Protection	✓			✓			✓
Fire Protection	✓			✓			✓
Emergency Program	✓			✓			
Planning & Development	✓						
Engineering & Public Works	✓	✓	✓	✓	✓	✓	✓
Parks & Recreation	✓			✓			✓
Cultural	✓						

G - General
R - Reserves
W - Water Utility
S - Sewer Utility

GC - General Capital
WC - Water Capital
SC - Sewer Capital

5. Staffing Level In 2012

Between 2011 and 2012, total full-time equivalent (FTE) positions decreased by a net of 8.1 FTE or 0.78% as follows:

Full-Time Equivalent (FTE) Employees			
Department	2010	2011	2012
Administration	12.1	12.1	11.8
Corporate Services	16.9	16.8	17.8
Finance	54.9	55.6	55.2
Legislative	18.8	17.4	17.8
Police Protection	229.4	230.0	232.6
Fire Protection	114.0	115.6	119.6
Emergency Program	2.5	2.5	2.5
Planning and Development	43.2	42.6	43.6
Engineering and Public Works (includes utilities)	261.9	258.9	256.3
Parks and Recreation	293.3	289.3	275.5
Total	1,047.0	1,040.8	1,032.7

Corporate Services – 1.0 FTE corporate projects coordinator increase mitigated by a 0.5FTE reduction in other Finance staffing.

Police – 2.75 FTE increase in secondments to joint forces and a .5 FTE increase of a Sergeant in staff development mitigated by a reduction of .65 FTE in other areas.

Fire – 4.0 FTE increase in suppression rescue to achieve emergency response standard.

Engineering and Public Works – hours reduced equivalent to 2.6 FTE from adjustments to operations.

Parks and Recreation – 7.3 FTE reduced with closure to golf course clubhouse food and beverage operations. In addition hours

reduced equivalent to 7.6 FTE due to changes in recreation programs.

Others – 2.3 FTE increase in other departments from adjustments in operations.



6. Change In Carbon Footprint

The municipality has made a Climate Action Plan commitment to reduce carbon footprint by 50% of 2007 levels by the year 2020.

Department	Carbon Footprint (CO ₂ e)		
	2009	2010	2011
Administration	8	8	9
Corporate Services	13	14	14
Finance	65	68	72
Legislative Services	95	86	92
Police Protection	633	645	601
Fire Protection	311	320	266
Planning and Development	60	66	68
Engineering and Public Works (includes utilities)	1,600	1,549	1,529
Parks and Recreation	2,029	2,043	2,229
Total (Baseline 2007 = 5,446)	4,814	4,799	4,880

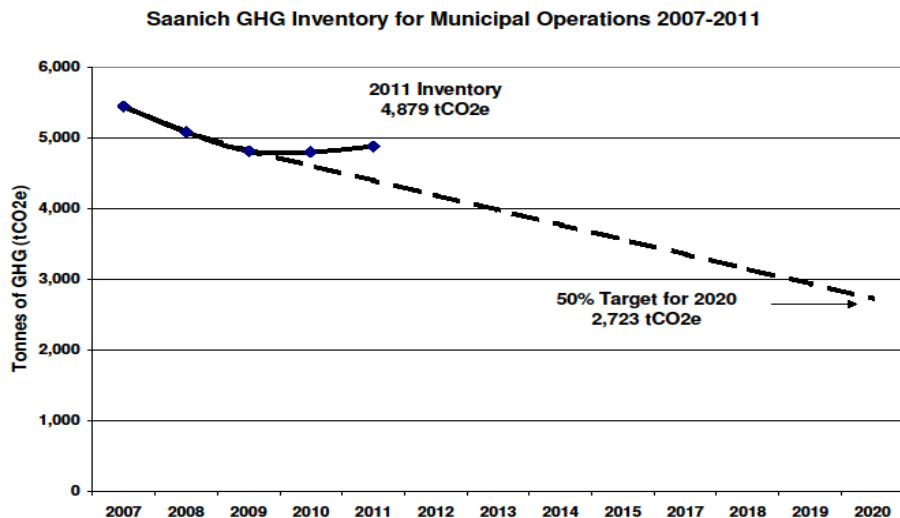
Overall GHG emissions increased over 2010 for a variety of reasons including weather, ageing equipment and expansion of facilities. The municipality has still reduced its carbon footprint by 10.4% since 2007

Departments located in the municipal hall experienced some increase in shared GHG emissions from increased use of natural gas. Replacement of the existing inefficient boiler will help reduce future consumption.

Legislative Services GHG increased by 5 due to an increase in heating oil used in the rented dwellings managed by the lands division.

Police, Fire and the Engineering and Public Works footprint decreased as fuel consumption continues to improve from efficiencies in fleet vehicle operations.

Parks and Recreation GHG emissions increased from expansion at Cedar Hill and Gordon Head and an ageing HVAC and boiler systems that need to be upgraded or replaced.



BUDGET PLANNING ISSUES

1. 2012 Financial Planning Issues

Preparation of the 2012 budget proposal has taken into account the following financial planning issues:

Infrastructure – Replacement of ageing infrastructure is a priority. An overall plan to increase capital spending to reach sustainable levels by 2019 is in place. This increased spending is estimated at a minimum of 0.75% property tax increase per year in addition to the inflationary cost increase of operations. This target is reviewed each year and may need to be increased in future should replacement cost estimates change. Capital program funding from utility charges have also been increased at a minimum of 3% per year in both Water and Sewer.

Wage and benefit costs – Labour contract negotiations are currently underway as the CUPE contract ended December 2011 and the IAFF Fire contract ended December 2009. Pension and Employment Insurance are expected to increase. Contingency estimates have been included in the financial plan for these items.

Economic Impact - Given the continued economic uncertainty which began in 2008 and is still affecting the municipality, the departmental expense budget reduction process continued. Most departments reduced operating budgets by 1% for 2012. This reduced the overall budget by \$446,800 or .5% of a tax increase.

New Infrastructure Maintenance and Services Operating Cost - For 2012, an additional .34% tax increase has been identified to fund a portion of new net operating costs at the Arts Centre at Cedar Hill and new Saanich Police positions approved in 2011. The balance of the funding of those new costs will be found through adjustments to other services and existing budgets in those departments.

Water costs – A significant proportion of water costs are bulk water purchases from the CRD. These costs are subject to change each year dependant on CRD regional infrastructure work and operating costs.

Sewer costs – A significant proportion of sewer costs are from CRD regional Sewage Treatment. CRD sewer charges increased by over 3.3% over last year due to operational cost increases and to fund new Liquid Waste Management Plan mandated regional sewer treatment.

2. 2013 – 2016 Financial Planning Issues

Future year budget planning will take into account the following more significant issues:

Economic uncertainty - The provincial and federal governments have begun cost cutting measures to cope with increasing deficits due to the current economic uncertainty. The District of Saanich has also for the last four budget years implemented 1% to 2% expense reductions for most departments to reduce the impact on property taxes. The expectation is that for the near future this practice will continue to be considered each year during the budget process.

Provincial grants – Unconditional operating grants of \$1.6 million are paid annually by the Province of BC based on sharing of traffic fine revenues. It is uncertain whether this grant will continue in the long term given the current economic climate. Should the grant be discontinued the equivalent effect would be a 1.7% tax increase on property taxes or an equivalent reduction in police service programs that are funded by this grant.

Wage costs uncertainty – The extent of possible wage cost impact is uncertain at this time as contract negotiations are incomplete, however, labour costs over the past five years have trended upward and are expected to moderate given the current economic uncertainty. Public Safety settlements continue to trend at higher than CPI rates.

Benefit costs increases – Increased costs in LTD, Pension and EI are expected. For 2012 these costs were somewhat offset by reduced WorkSafe premiums achieved via the COR program but this is not expected to continue into 2013 and beyond.

Solid Waste Services – The Regional District is planning to implement a landfill ban of all garden and kitchen waste. In anticipation of this ban the municipality is undertaking a pilot program in 2012 to collect curbside garbage and kitchen scraps from a selected area in the municipality.

Water purchases – Water sale volumes in the municipality have been slowly declining as homeowners continue to conserve water use. The cost of bulk water purchases from the CRD may increase above inflation to offset reductions in volume as most of regional water costs are fixed in nature.

Sewer costs – Regional sewer charges are likely to increase significantly in the next four years as the provincially mandated regional sewer treatment system is built and operated.

Demand for new services – The 2007 Fire Services Review recommended an increase in staffing to reduce response times for emergencies. Establishing two new 24-7 fire fighter FTE positions requires the hiring of ten new full time firefighting personnel. The addition of the first five full time firefighters occurred in 2011/2012. The second five firefighters have not been approved to date.

The Current Police Department Strategic Plan envisions significant regular staff increases over the next twenty five years. The Plan includes possible entry into the Vancouver Island Major Crime Unit in 2013.

Infrastructure Replacement – The overall plan to increase capital spending to sustainable levels by 2019 requires consistent funding increase over the next eight years. In 2012 facility replacement costs will be refined and adjustments to the plan will be considered. The following is a snapshot of the current plan to reach sustainability:

Current Capital Sustainable Funding Levels

Capital Program	Average Annual Replacement Needed	Total Current Funding Levels	Core Funding (Taxes/Utility)	Reserves	Borrowing	Grants	Year Program is Sustainable
Water	6,973,000	6,195,500	6,195,500				2016
Sewer	6,792,000	4,214,300	2,714,300		1,500,000		2018
Transportation	8,170,000	7,090,000	4,090,000			3,000,000	2015
Drainage	7,292,000	4,000,000	700,000		3,300,000		2019
Facility	2,661,000	1,498,200	1,498,200				2016
Parks	2,993,000	1,398,000	1,398,000				2019
	34,881,000	24,396,000	16,596,000	-	4,800,000	3,000,000	

General Operating Fund

Total General Operating Fund expenditures are expected to increase by \$5,055,600 or 3.77% in 2012. Revenues will also increase by 3.77% as summarized in the table below.

The primary source of revenue is Property Taxation.

The increase in property tax revenue this year is made up of a 2.16% increase for current operations, 0.34% increase in operating cost of new infrastructure maintenance and new service costs approved in the previous year and a policy increase of 0.75% in infrastructure replacement spending. Overall property tax revenues are estimated to rise by 3.25% (\$65.38) to the average residential homeowner.

Given the current economic circumstances, no operating resource requests have been submitted.

BUDGET SUMMARY	
2012 Tax Levy	\$93,943,000
2011 Tax Levy	\$89,781,900
Budget Change	4,161,100
Average Homeowner Increase %	3.25%
2012 FTE	965.13
2011 FTE	972.67
FTE Change	(7.54)
FTE Change %	(0.78%)
2011 Carbon Footprint (CO₂e)	4746 Tonnes
2010 Carbon Footprint (CO₂e)	4636 Tonnes
Carbon Footprint Change	110 Tonnes

BUDGET SUMMARY BY OBJECT

Budget By Object	Actual	Actual	Budget	Budget	% Change
EXPENDITURES	2010	2011	2011	2012	2012/2011
Personnel	75,458,600	78,211,900	79,136,900	80,601,600	1.85%
Goods and Services	29,057,300	30,065,200	28,449,900	28,387,000	(0.22%)
Fiscal Services	1,860,300	2,280,400	1,832,000	2,900,100	58.30%
Grants, Overheads & Transfers	10,539,800	11,209,900	16,426,200	18,225,900	10.96%
Capital (tax funded portion only)	9,872,200	11,091,000	8,178,000	8,964,000	9.61%
TOTAL	126,788,200	132,858,400	134,023,000	139,078,600	3.77%
REVENUES AND RECOVERIES					
Property Taxation	(84,852,800)	(89,712,700)	(89,781,900)	(93,943,000)	4.63%
Parcel Tax	(24,000)	(24,000)	(24,000)	(24,000)	0.00%
Other Corporate Revenues	(6,870,900)	(7,414,900)	(6,973,300)	(6,481,400)	(7.05%)
Other Departmental Revenues	(26,923,400)	(26,939,100)	(23,476,600)	(23,233,300)	(1.04%)
Inter-Departmental Recoveries	(6,988,200)	(7,002,100)	(8,176,200)	(8,273,100)	1.19%
Reserves And Others	(2,001,000)	(2,888,600)	(5,521,200)	(7,123,800)	29.03%
Other Grants	(234,900)	(129,800)	(69,800)	-	(100.00%)
TOTAL	(127,895,200)	(134,111,200)	(134,023,000)	(139,078,600)	3.77%
NET OPERATIONS	(1,107,000)	(1,252,800)	-	-	0.00%

Notes:

- Fiscal services increased to fund new debt charges for wood stove drainage work.
- Grants, overheads and transfers increased to establish corporate wage and benefit contingencies.
- Property tax based capital funding increased 9.61% per infrastructure spending policy.
- Other corporate revenues decreased by 7.05% due to a decrease in recreation revenues.
- Revenue from reserves and others increased due to an increase in projects funded from reserves.

Budget Summary By Function:

Operating Budget	Actual	Actual	Budget	Budget	% Change
ALL DEPARTMENTS	2010	2011	2011	2012	2012/2011
Property Taxation	(84,852,800)	(89,712,700)	(89,781,900)	(93,943,000)	4.63%
Parcel Tax	(24,000)	(24,000)	(24,000)	(24,000)	0.00%
Utility and Hotel Tax	(1,403,800)	(1,450,800)	(1,443,500)	(1,487,900)	3.08%
Grants In Lieu	(1,897,700)	(2,042,800)	(1,918,000)	(2,015,000)	5.06%
Interest and Penalties	(1,039,200)	(1,505,700)	(1,196,000)	(1,246,100)	4.19%
Surplus Appropriations	(750,000)	(660,100)	(660,100)	-	(100.00%)
Other Revenues	(171,200)	(174,100)	(146,700)	(151,000)	2.93%
Capital Contribution	9,872,200	11,091,000	8,178,000	8,964,000	9.61%
Net Departmental Cost	79,159,500	83,226,400	86,992,200	89,903,000	3.35%
SURPLUS/DEFICIT	(1,107,000)	(1,252,800)	-	-	0.00%

Property Taxation - The largest single source of revenue for the Municipality is property taxes. Property taxes are levied on owners of property situated in Saanich based on the assessed value of their property. This core budget provides for a 3.25% increase in municipal property taxes to the average homeowner with an assessed value of \$622,830 and business properties. The remaining increase in property taxes is from new tax revenues on new construction completed during the previous year.

Utility and Hotel Tax - This includes the 1% revenue tax from utilities such as Terasen, Shaw, BC Hydro and Telus and 2% hotel revenue tax on hotels that operate within Saanich. These are projected to continue to increase between 2% to 3% a year.

Grants in Lieu - Grants in Lieu are similar to property taxes and paid by Federal and Provincial Crown Agencies. Because these agencies are exempt from property taxation by law, they pay to the Municipality a grant in lieu of the property taxes they would otherwise pay.

Provincial Grants - The Province continues to provide a single unconditional grant program to share traffic fine revenues. These funds are used to offset on-going public safety programs in the Saanich Police Department. A portion of the funds is transferred to the Police Equipment Replacement Reserve and used from year to year to fund police capital costs approved by Council. This grant was reduced in 2011 but is projected to remain consistent in the near term.

Interest and Penalties - The majority of revenues are collected in July whereas expenses are paid throughout the year. Until expenses are incurred, funds are available to invest. Revenue from these investments is an important source of operating funds and reduces the amount needed from property taxes. Property Owners who do not pay their property taxes by deadline are assessed penalties and interest based on provincial guidelines. Investment returns remained low in 2011 and are projected to remain the same in 2012.

Surplus Appropriation – To reduce the dependence on prior year surpluses, the surplus appropriation budget has been eliminated.

Other Revenues - This includes a mixture of sundry revenues such as early payment discounts and school tax collection commissions.

Capital Contribution - A portion of the core capital program is funded from property taxation. This continues the practice of increasing capital funding from property taxation by a minimum of 0.75% or \$675,000 each year. This appears as a funding source in the capital program shown later in this document and supplemented by other funding from reserves, grants and long term debt.

Net Departmental Cost

Net departmental operating costs include total expenditure less revenues or recoveries generated by the departments. The net departmental costs are projected to rise by \$2,910,800 or 3.35% in 2012. The majority of this increase is attributable to police wage and benefit costs, a reduction in recreation revenues, an increase in library operating costs of 4.76% and increases in general and debt service contingencies.

More specific details relative to each Department have been provided in each Departmental budget section later in this document.

Net Department Budget	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Administration	1,517,300	1,499,800	1,534,700	1,537,900	0.21%
Corporate Services	1,138,700	1,224,100	1,254,100	1,225,500	(2.28%)
Finance	7,072,200	7,218,000	11,695,500	12,946,000	10.69%
Debt Servicing	1,679,700	2,068,400	2,112,300	2,210,200	4.63%
Legislative Services	2,096,900	2,780,000	2,252,300	2,102,900	(6.63%)
Police Protection	22,108,900	23,506,000	23,901,000	24,871,400	4.06%
Fire Protection	12,656,800	12,745,700	12,879,400	13,166,800	2.23%
Emergency Program	339,400	344,200	345,600	346,900	0.38%
Planning and Development	1,624,000	2,047,400	2,044,200	2,026,900	(0.85%)
Engineering & Public Works	11,577,200	11,433,100	11,637,200	11,533,900	(0.89%)
Parks and Recreation	12,631,900	13,419,100	12,405,500	12,774,400	2.97%
Cultural	4,716,500	4,940,600	4,930,400	5,160,200	4.66%
TOTAL	79,159,500	83,226,400	86,992,200	89,903,000	3.35%

- Finance increased by 10.69% due to higher general, golf course and debt management contingencies.
- Debt servicing increased by 4.63% to fund wood stave drainage replacement.
- Legislative services decreased by 6.63% due to cost reductions and elimination of the prior year's election budget of \$160,100.
- Police increased by 4.06% due to wage increases and the addition of 2.61 in personnel.
- Cultural increased 4.66% due to a 4.76% increase in GVPL funding to cover 2012 operating costs.

Council, Administration and Grants

This budget provides for the operation of Municipal Council, committees and corporate administration.

In addition various special events and community grant programs are grouped under this heading.

The **Council and Committees** section provides for the direct costs of operating Council and a variety of committees. This also includes the **Municipal Grants** section where Council provides a mixture of community, social, environmental and other grants to organizations in the Greater Victoria Area. In 2011 over \$640,000 was disbursed.

BUDGET SUMMARY	
2012 Net Budget	1,537,900
2011 Net Budget	1,534,700
Budget Change	3,200
Change by %	0.21%
2012 FTE	11.83
2011 FTE	12.07
FTE Change	(0.24)
FTE Change %	(2.00%)
2011 Carbon Footprint (CO ₂ e)	9 Tonnes
2010 Carbon Footprint (CO ₂ e)	8 Tonnes
Carbon Footprint Change	1 Tonnes

The **Administration** section is responsible for municipal operations, developing policies and programs, liaising with other levels of government and coordinating the budget process.

CORE BUDGET

The Department's 2012 Budget of \$1,537,900 represents a 0.21% increase over 2011.

Net Budget By Function	Actual 2010	Actual 2011	Budget 2011	Budget 2012	% Change 2012/2011
Council & Committees	437,800	450,400	463,800	474,900	2.39%
Administration	426,800	408,200	420,500	405,000	(3.69%)
Grants	652,700	641,200	650,400	658,000	1.17%
Total	1,517,300	1,499,800	1,534,700	1,537,900	0.21%

Administration decreased by 3.69% due to the overall cost containment strategy.

Corporate Services

The Corporate Services Department is comprised of three distinct areas: Corporate Projects, Human Resources and Occupational Health and Safety.

Corporate Projects provides support for the Strategic Planning process, Vibrant Economy Theme Group and other corporate initiatives such as citizen, business and employee surveys, service delivery assessment and service standards. The section provides communication and engagement support. Other special projects are coordinated as assigned.

The **Human Resources** Division provides support to a work force of approximately 1600 employees. The Division provides a full range of Human Resources services to managers, employees and the public. These include; Recruitment and Selection, Job Evaluation, Training, Management Development, Employee Recognition, Leave Management, Pension Counselling and Labour Relations. The Division supports managers and employees in meeting operational demands and achieving their strategic goals.

The **Occupational Health and Safety Section** provides a comprehensive corporate safety program for all employees of the municipality and return to work support for injured employees.

BUDGET SUMMARY	
2012 Net Budget	1,225,500
2011 Net Budget	1,254,100
Budget Change	(28,600)
Change by %	(2.28%)
2012 FTE	17.76
2011 FTE	16.76
FTE Change	1.00
FTE Change %	6.0%
2011 Carbon Footprint (CO₂e)	14 Tonnes
2010 Carbon Footprint (CO₂e)	14 Tonnes
Carbon Footprint Change	0 Tonnes

2012 BUDGET CHALLENGES

- Hiring and training staff to maintain current service levels.

KEY 2011 ACCOMPLISHMENTS

Corporate Projects

- Completed web based survey to determine what citizens want in the Municipal website and social media needs

Occupational Health and Safety

- Maintained Work Safe BC certificate of recognition designation in safety (prevention) and disability management.

Human Resources Division

- Completed review and update of employee orientation program in a web based environment

2012 KEY PRIORITIES

Service Excellence

- Monitor aligned OCP policies and assign progress levels (red, amber green)
- Service Delivery Assessment – 33% of departmental services selected for review.
- Report progress on 2012 initiatives from January 1 to September 30 for Mayor's annual address.

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Supervisory Training	<ul style="list-style-type: none"> • Needs identification and development of a supervisory training program 	L1 Service Excellence
2. COR Re-certification	<ul style="list-style-type: none"> • Maintain COR certifications for safety and return to work Pass BC Municipal Safety Association re-certification audits 	L3 Service Excellence
3. Citizen, Business & Employee Surveys	<ul style="list-style-type: none"> • Conduct citizen, business and employee surveys 	L3 Service Excellence

CORE BUDGET

The core budget for 2012 of \$1,225,500 represents a (2.28%) decrease over 2011.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Corporate Services	322,700	407,600	440,000	494,700	12.43%
Human Resources	889,400	907,900	889,900	824,300	(7.37%)
Occupational Health & Safety					
Revenue	(572,300)	(550,900)	(563,800)	(574,500)	1.90%
Expense	<u>498,900</u>	<u>459,500</u>	<u>488,000</u>	<u>481,000</u>	<u>(1.43%)</u>
Total	(73,400)	(91,400)	(75,800)	(93,500)	23.35%
Total	1,138,700	1,224,100	1,254,100	1,225,500	(2.28%)

- Corporate Services increased 12.43% due to the addition of one FTE through a staff restructure from the Finance Department.
- Human Resources decreased 7.37% due to 2% expense reduction as part of the overall cost containment strategy and the increase in costs recovered for work performed on disability management.

Finance

The Finance Department is responsible for the overall management of the financial affairs of the municipality, purchasing, and information technology.

The **Accounting/Payroll Section** provides the following: accounting, audit and budgeting of over \$200 million in annual expenses and revenues; cash management of up to \$185 million in investments is provided on a daily basis to maximize the returns and provide additional income to both operating and reserve funds; accounts payable processing over 11,000 cheque payments and 18,000 purchasing transactions per year; payroll coordinates the production of five different payroll groups paid on a bi-weekly basis and maintains benefits records for over 1,700 staff.

BUDGET SUMMARY	
2012 Net Budget	12,946,000
2011 Net Budget	11,695,500
Budget Change	1,250,500
Change by %	10.69%
2012 FTE	55.18
2011 FTE	55.55
FTE Change	(0.37)
FTE Change %	(0.76%)
2011 Carbon Footprint (CO₂e)	72 Tonnes
2010 Carbon Footprint (CO₂e)	68 Tonnes
Carbon Footprint Change	4 Tonnes

The **Revenue Collection Section** manages the daily billing and collection process of all revenues including property taxes, utility bills, dog licenses, business licenses and recreation programs. Over 100,000 utility bills, 42,000 tax notices and 4,500 business licenses are produced annually. A pre-approved instalment tax payment system and web based online payment system is managed.

The **Purchasing Division** provides a complete range of purchasing, and printing services to all departments.

The **Information Technology Division** provides computer and telephone technology to nine different locations. The Information Technology Division operates a Helpdesk for staff queries, conducts technology training courses, assesses new products, and upgrades existing corporate applications.

Network Services operates a geographically dispersed integrated data and voice network with secure access to the internet. The Saanich website is maintained in conjunction with a group of departmental web authors throughout the organization.

2012 BUDGET CHALLENGES

- Budgeting for various contingencies such as wage and benefit increases for Fire services, CUPE contract wage settlement for the upcoming year and Pension, Employment Insurance and LTD costs.

KEY 2011 ACCOMPLISHMENTS

- GFOA Financial Reporting Award received.
- GFOA Distinguished Budget Presentation Award received.
- Completed an organizational restructure of the Information Technology Division.

2012 KEY PRIORITIES

Priority Strategic Initiatives include:

Vibrant, Connected Economy

- Maintaining comparable taxes and fees within the Victoria Region.
- Maintaining infrastructure replacement capital spending.
- Continue to support the work of the GVDA to retain and enhance existing businesses, and attract new environmentally friendly businesses in the region.

Service Excellence

- Implement Information technology upgrades to PCs, networks and internet/intranet.
- Update RFP and tender documents to reflect current legal and industry standards.

Sustainable Environment

- Implement sustainable purchasing program using the action plans created in 2011.

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Network Infrastructure	• Complete analysis of entire infrastructure.	P3 Service Excellence
2. Purchasing Policy Update	• Review services to provide enhanced service at lower cost	P3 Service Excellence
3. Printer Use Plan	• Review printer requirements to reduce printers and improve efficiency.	P2 Sustainable Environment
4. Electronic pay stub distribution	• Reduce paper pay stub printing and distribution	P2 Sustainable Environment
5. Wireless service at municipal buildings	• Provide wireless service to the public at all municipal buildings	P3 Service Excellence

CORE BUDGET

The Department's 2012 net core budget of \$12,946,000 represents a 10.69% increase over prior year. Excluding contingencies the 2012 net core budget would have increased 1.48% over 2011.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Accounting and Payroll	1,453,300	1,348,300	1,335,400	1,353,400	1.35%
Revenue Collections					
Revenue	(641,000)	(632,600)	(644,000)	(644,000)	0.00%
Expense	<u>757,500</u>	<u>813,600</u>	<u>764,100</u>	<u>776,600</u>	<u>1.64%</u>
Total	116,500	181,000	120,100	132,600	10.41%
Purchasing	303,700	329,400	326,300	327,100	0.25%
Print Shop & Photocopy Service	71,900	65,400	65,200	63,700	(2.30%)
Information Technology	2,593,400	2,923,200	2,897,100	2,957,000	2.07%
Sundry Costs & Recoveries	1,461,000	1,325,400	5,888,200	7,052,800	19.78%
Government Services	1,072,400	1,045,300	1,063,200	1,059,400	(0.36%)
Total	7,072,200	7,218,000	11,695,500	12,946,000	10.69%

- Sundry Costs increased 10.78% for wage and debt management contingencies.

Debt Management

Under the Community Charter, all long term debenture financing is coordinated by the Capital Regional District through the Municipal Finance Authority. There are two debenture issues per year, spring and fall. To authorize the financing request, a Council resolution is required.

As of December 2011, the total general outstanding debt is approximately \$21.2 million. This is projected to decrease by \$1.4 million during the year, bringing total outstanding general operating debt to about \$19.8 million by December 2012.

This remains well within guideline of a maximum of 7% of property tax revenue. This is \$6.1 million in annual debt servicing cost or about \$55 million in total debt at current rates.

The average homeowner's share of total outstanding debt would be about \$468 (\$463 in 2011).

The debt servicing budget is maintained each year at borrowing guideline levels and the balance held in a finance debt management contingency. This debt service room is used each year for other projects until such time as it is needed.

Interest charges are projected to decrease 25.45% as the interest rates on new CMHC debt were lower than originally anticipated.

Royal Oak Burial Park debt servicing costs of \$113,000 per year are 100 % recovered.

CORE BUDGET

Core budget increase of 4.63% reflects the net increase in debt due to new borrowing for drainage projects.

BUDGET SUMMARY	
2012 Net Budget	2,210,200
2011 Net Budget	2,112,300
Budget Change	97,900
Change by %	4.63%
2011 FTE	n/a
2010 FTE	n/a
Carbon Footprint (CO₂e)	n/a

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Interest	742,400	1,001,100	1,144,700	853,400	(25.45%)
Principal	937,300	1,067,300	967,600	1,356,800	40.22%
Total	1,679,700	2,068,400	2,112,300	2,210,200	4.63%

Legislative Services

The Legislative Services Department comprises the Lands, Legal, Legislative, and Risk Management Divisions, and the Archives Section. The Department provides a diverse variety of external and internal customer services and its Mission Statement is: To serve the interests of the community and meet the Municipality of Saanich strategic objectives, the Legislative Services Department through its collective expertise, provides administrative and legal services to manage and protect municipal assets.

The **Lands Division** acquires, develops, manages, and disposes of real property on behalf of the Municipality. The Division provides research and data, negotiates, prepares and registers Municipal rights-of-way, and calculates the 5% cash-in-lieu contribution for subdivisions. The Division manages the rental housing stock and the Mt. Douglas and Mt. Tolmie communication facilities.

The **Legal Division** provides legal services to the Municipality and is responsible for providing advice to Council and staff, preparing legal documents, negotiating contracts, managing legal proceedings, and representing the municipality on treat advisory claims. The Division works closely with the Risk Management Division to manage and settle claims, and the Lands Division to complete real property acquisitions and dispositions.

The **Legislative Division** is the official secretariat for Council and its committees. The Division is responsible for corporate administration; processing, coordinating, and managing Council and Committee business; conducting elections and referenda; managing the information and privacy program; and managing the corporate records program. The **Archives Section** as part of the Legislative Division collects and preserves the documentary heritage of Saanich and makes this information available through public reference room services, website resources, and public outreach.

The **Risk Management Division** is responsible for the promotion of policies and procedures designed to prevent incidents causing loss. The Division is also responsible for managing an insurance program that sustains the Municipality's ability to deliver services to the community. The Division receives, investigates and adjusts claims filed by citizens or businesses and assists with recovery of costs when the Municipality suffers a loss as a result of a third party.

BUDGET SUMMARY	
2012 Net Budget	2,102,900
2011 Net Budget	2,252,300
Budget Change	(149,400)
Change by %	(6.63%)
2012 FTE	17.80
2011 FTE	17.37
FTE Change	0.43
FTE Change %	2.47%
2011 Carbon Footprint (CO₂e)	92 Tonnes
2010 Carbon Footprint (CO₂e)	86 Tonnes
Carbon Footprint Change	6 Tonnes

2012 BUDGET CHALLENGES

- Funding sufficient staff resources to implement the Corporate Document and Information Management Strategy.
- Maintaining current service levels in the Legislative Division and Archives Section with reduced staff resources.
- Undertaking necessary corporate risk analysis with current staff resources in the Risk Management Division.

KEY 2011 ACCOMPLISHMENTS

Lands Division

- Integral part of the staff team that achieved the acquisition of Panama Flats which included the rezoning and disposition of the Saanich-owned Cherry Road properties.
- Integral part of the staff team that assembled the land exchange between Saanich and the CRD for the Haro Woods properties.

Legal Division

- Represented Saanich in the ongoing BC Farm Industry Review Board (BCFIRB) complaint and hearing process concerning normal farm practice and the use of propane cannons.
- Recommended strategies to help manage rabbits and deer within Saanich and prepared accompanying bylaw amendments to regulate deer, rabbits, and urban chickens.

Legislative Division

- As part of the Document and Information Management Strategy, implemented the records classification and retention schedule in five pilot/test locations
- Introduced the mail-in ballot option for local government elections to ensure those who are unable to physically attend a voting place have the opportunity to vote.

Archives Section

- Continued to improve public access to and preservation of the photographic collection by digitizing and making available on-line, 1500 new images.
- Completed a conservation project for the long-term preservation of photographic negatives with approximately 1300 negatives re-housed and indexed in preparation for cold storage.

Risk Management Division

- Continued to settle significant damage claims in an equitable, timely, and cost effective manner.
- Conducted more than 30 risk assessments on parks, facilities, and equipment in order to prevent loss.

2012 KEY PRIORITIES

Priority Strategic Initiatives include:

Service Excellence

- Secure resources and continue to implement the Document and Information Management Strategy by rolling out the records classification and retention schedule in selected departments and developing accompanying organizational procedures.
- Initiate a review of voting opportunities and potential election technologies as key components of an Elections Future Strategy.
- Implement a review of Council policies to remove superseded and redundant regulations.
- Through service delivery assessment and staffing/financial reviews, develop a strategy to continue providing statutory and priority services while providing resources for needed corporate projects and expanded services in critical areas.

Healthy Community

- Successful completion of the Saanich/CRD Haro Woods land exchange.
- Continued representation of Saanich in the BCFIRB complaint and hearing process concerning normal farm practice and the use of propane cannons.
- Continue to build a beneficial relationship between Archives and the Saanich Centennial Library Branch (GVPL) by developing joint programs and exhibits
- Expand public accessibility to archival and reference resources using the Archives website.

Vibrant, Connected Economy

- Renegotiation of license agreements with users of the Mt. Douglas communication tower and facilities.
- Renew and standardize indemnity and insurance provisions in contracts and agreements to maximize financial protection for the Municipality through risk transfer.

Priority Departmental Initiatives in the 2012 – 2016 Strategic Plan include:

Item	Description	Supports Strategic Plan
1. Implement Corporate Document and Information Management Strategy	The Strategy, developed in 2009, is designed to meet the needs of advancing technologies and information growth. In 2012/2013, the new records classification and retention schedule will be rolled out in all departments and standard records procedures and practices will be adopted.	L2 Service Excellence
2. Develop an Elections Future Strategy	Review voting opportunities and new technologies for local government elections as key components of the development of an Elections Future Strategy.	P1 Service Excellence

CORE BUDGET

The Department's 2012 net core budget of 2,102,900 represents a 6.63% decrease over 2011.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Legal Services	429,300	359,900	369,500	370,200	0.19%
Legislative	711,600	712,200	707,900	748,100	5.68%
Elections	-	160,100	160,100	-	(100.00%)
Archives	152,300	149,700	145,500	165,300	13.61%
Risk Management	228,200	246,200	289,400	301,700	4.25%
Insurance & Claims	552,500	1,117,200	546,800	505,000	(7.64%)
Lands & Property Management					
Revenue	(383,100)	(360,000)	(359,400)	(308,100)	(14.27%)
Expense	<u>406,100</u>	<u>394,700</u>	<u>392,500</u>	<u>320,700</u>	<u>(18.29%)</u>
Total	23,000	34,700	33,100	12,600	(61.93%)
Total	2,096,900	2,780,000	2,252,300	2,102,900	(6.63%)

- Legislative, Archives and Risk Management divisions increased above guidelines due to allocation of budget funds within the department to better align benefits budgets to actual benefits charged.
- Lands division decreased 61.93% due to a combination of property revenue and cost reductions.

Police Services

The Mission of the Saanich Police is to provide quality service by working with the community to keep Saanich Safe.

The Saanich Police Strategic Plan provides direction and assists in decision-making processes, as well as resource acquisition and allocation. It reinforces the strong community-focused traditions of the Saanich Police.

Increased staff, the introduction of advanced technology, improved facilities, organizational restructuring, and the introduction of activities that have balanced pro-active and reactive policing strategies have made a positive impact on community safety and policing effectiveness.

Continued, planned and incremental improvements in these areas will allow the Saanich Police to sustain and enhance the level of service the community currently enjoys in the face of increased demands and societal changes.

BUDGET SUMMARY	
2012 Net Budget	24,871,400
2011 Net Budget	23,901,000
Budget Change	970,400
Change by %	4.06%
2012 FTE	232.64
2011 FTE	230.03
FTE Change	2.61
FTE Change %	1.13%
2011 Carbon Footprint (CO₂e)	601 Tonnes
2010 Carbon Footprint (CO₂e)	645 Tonnes
Carbon Footprint Change	(44) Tonnes

2012 BUDGET CHALLENGES

- Personnel:** Funding the positions identified in the Saanich Police staffing plan will be challenging in 2012 and for the years that follow. While every effort has been made to gain efficiencies and effectiveness wherever possible, increased responsibilities, complexities and demands for service require additional staff in key positions to ensure Saanich Police continue to provide the highest level of police service to keep Saanich safe.
- Investigative Capacity:** Funding participation in the Vancouver Island Integrated Major Crime Unit (VIIMCU), which investigates homicides, police involved shootings, in-custody deaths for participating agencies on Vancouver Island. This commitment will require funding for the additional positions required to meet Saanich's contribution to the unit of three (3) constables, a crime analyst, capital and operating costs.
- Building Space Acquisition:** Saanich Police restructured in 2011 to create a new Community Liaison Division (CLD) to provide a greater focus on Community Engagement. To accommodate increasing demands for space and provide better opportunities for volunteers and other members of the community to work with CLD staff, new building space is required.
- Public Safety Building:** Resources are required to move forward with plans for the public safety building remediation project, which will ensure police accommodations will survive in a post disaster environment, and that facilities will meet the needs and demands of the Police and Fire departments, today, tomorrow and beyond.
- Mobile Data Terminal (MDT) and Information Technology Replacement:** Each year the portion of the police capital budget that is consumed by replacing technology is increasing, and this has a detrimental effect on the ability of police to stay current with equipment and other capital needs. Establishment of a technology and equipment replacement reserve with incremental regular annual funding is needed.

KEY 2011 ACCOMPLISHMENTS

- **Staffing:** In 2011, staff positions were filled to address requirements placed on the police through government policy and direction. A constable was hired to backfill the officer assigned to the Regional Domestic Violence Unit; a new sergeant position was created to coordinate force options response and training and to action the recommendations arising from the Braidwood Inquiry, and a constable position was identified to be converted to the rank of inspector to oversee the new Community Liaison Division.
- **Technology:** In 2011, many IT projects were completed including the implementation of the new Automated License Plate Recognition program, which enables police to identify prohibited drivers, stolen vehicles and people with outstanding warrants; increasing the number of Mobile Data Terminals to allow staff better accesses to dispatched call information and to PRIME data; accessing the PRIME Data Warehouse Project; and, managing the capture, storage and retrieval of digital evidence arising from various sources including, CCTV, interviews, in-car video, dispatch and call recordings, and, digital images gathered through the course of investigation. While much was accomplished, many of these projects will be carried forward to 2012, including in-car video, digital evidence recovery, and the Data Warehouse project.
- **Post Disaster/Emergency Preparedness:** A commitment was made to find resources required to meet obligations to increase police response and recovery capacity in the context of a Post Disaster environment with the acquisition of a shared Mobile Incident Command Communications Vehicle and the development of operational response and recovery plans.

DEPARTMENTAL

The new Police Strategic Plan has identified 15 *Key Strategic Priorities* which have been selected to improve service delivery in order to meet the needs of staff and the community. The priorities reflect the input of staff and the community and target the areas of service that have been deemed as important and requiring a focused effort in order to meet the challenges and demands facing police today, tomorrow and beyond.

Annual Work Plans: Each year, each division within the Saanich Police undertake initiatives that target each of those key strategic priorities. In total, there were 75 initiatives identified and acted on in 2011. Many of these will continue into 2012. Samples of some of the Saanich Police initiatives are noted below. A complete list will be available online in 2012. At the end of each initiative the targeted *Key Strategic Priority* is noted in parenthesis.

- **Enable Real Time Identification (RTID) civil fingerprint submission:** RTID technology allows for civil fingerprints to be taken and submitted digitally, drastically reducing the time required to process applications and improving service delivery to the public. Turn around time for criminal record checks that require fingerprint submissions will be reduced from months, to weeks and perhaps even days. (Technology / Business Process Analysis)
- **Detention Facility Upgrade:** The Saanich Police Cell block was built in the 1960s. The capacity within the cellblock no longer meets the requirements or specifications for today's demands and upgrades were identified. In 2011, beds were replaced, CCTV has been upgraded and a renovation process began to add four additional cells to house female and young offenders held in custody. (Building Remediation / Research)
- **Reduce Victimization of Seniors:** The elderly, at times, are taken advantage of in crimes such as Internet Fraud, Identity Thefts and scams of various types. Public awareness and education are tools that can minimize the number of victims of these crime types. In 2011, Saanich Police Financial Crimes and Crime Prevention Officers set a goal of providing six education sessions for seniors. A total of 14 presentations were completed as well, numerous media and Block Watch advisories were made raising awareness of various scams. (Seniors Programs)

- **Increase Drug Enforcement – Both locally and regionally:** A need was identified to improve the Saanich Police focus on drug enforcement. The primary responsibility for these investigations falls to the Street Crime Unit (SCU). The SCU has been restructured to allow for the development of greater expertise in this area. The mandate of SCU has been clarified, and stronger relationships have been built with regional partners. These are first steps to an eventual expansion of SCU to allow for more resources to be applied to this priority. (Drug Enforcement)
- **Completion of the 2012-2016 Saanich Police Strategic Plan:** Much work was done with the community, the Saanich Police Board and other stakeholders to complete community consultation and identify *Key Strategic Priorities* in 2010. In 2011, staff started working on the priorities and focused on producing a document to make a public commitment as to the future direction. The Strategic Plan document will be produced by the end of 2011 and will be available online in January 2012. The 2011 Community Report and 2012 Calendar will highlight aspects of the plan. (Core Function)
- **Implement a Content Management System (CMS) for the Intranet and Website:** During the course of 2011, the Saanich Police Website was restructured and a new Content Management System was put in place to allow for a more effective management of both systems. (Technology / Community Engagement)
- **Deliver Diversity Training:** In 2011, staff received training from the community including piloting the "The Spirit has no Colour" workshop for the Province, and sessions from the Intercultural Association. The sessions were well received by staff and the presenters appreciated the opportunity to share. (Competency Development / Diversity)
- **Improve Delivery of Online Training:** In 2011, Saanich Police saved time and money by having staff participate in online learning. Topics included Use of Force, and Critical Incident Stress Management, and the number of courses being accessed is increasing. (Personnel / Technology)
- **Target Traffic Enforcement to Key Crash Locations:** The mandate of the Traffic Safety Unit (TSU) is to reduce the frequency and severity of crashes in Saanich. In order to do this they target the locations where enforcement will have the greatest impact. Research has been conducted and the top crash locations have been identified. Enforcement has been focused in these areas and initial reports indicate a decrease in crashes, however, Saanich Police will monitor the crash rate over the long term to better assess the impact. (Road Safety, Business Process Analysis)
- **Increase Presence at UVic:** In order to have a greater presence at UVic, and thereby having the opportunity to interact with students and the community and create a safe environment for learning and reduce the occurrence of public disorder, several initiatives were undertaken, including an increase in focus on road safety at UVic. Saanich Police were also provided with office space so officers can attend UVic to conduct business rather than driving back to police headquarters. Each of these strategies has improved the overall police presence at Uvic. (Core Functions / Road Safety / Working with Youth)
- **Refresh Block Watch Participation:** Due to resourcing issues it is difficult to maintain enrollment in the Block Watch program and ensure block participants stay active. Community Liaison Division staff set a goal of re-engaging 10 Block Watch blocks in 2011 and actually re-engaged 14 blocks, making those neighbourhoods safer. (Community Engagement)

2012 KEY PRIORITIES

Priority Strategic Initiatives for 2012 include:

Item	Description	Supports Corporate Strategic Plan
1. Community Engagement	Restructure to create a new Community Liaison Division with a greater capacity to develop strategies and initiatives to maximize community engagement and partnerships. Additional building space to house the new division will be needed.	C1 Safe Community C6 Safe Community
2. Investigative Capacity	Partner with the Vancouver Island Integrated Major Crime Unit (VIIMCU) by hiring and assigning additional staff to the unit for homicide investigations.	C6 Safe Community
3. Public Safety Building Remediation Project	Secure resources to start planning for improvements to the public safety building in order to meet the needs for improved and additional accommodation for police, as identified in a space needs analysis completed in 2008, and as required to meet the needs of Saanich Fire.	C6 Safe Community
4. Post Disaster Response	Acquisition of a Mobile Incident Command Communications Vehicle and development of response and recovery plans are the focus of the next phase of the Police Post Disaster Plan	C6 Safe Community
5. Strategic Plan Implementation	Inculcate the new strategic plan throughout the organization enabling staff to action the plan and serve the community.	C6 Safe Community
6. Focus on Staff	To maximize ability of staff to serve the community there will be renewed focus on staff engagement and employee fulfillment.	C6 Safe Community L1 Service Excellence
7. Technology	Continue to plan for and implement new technology and digital evidence management systems	C6 Safe Community L2 Service Excellence
8. Business Process Analysis	To ensure that limited resources are deployed effectively and efficiently, new strategies and existing programs will be analyzed from a systems perspective	C6 Safe Community L3 Service Excellence

CORE BUDGET

The Saanich Police Board 2012 net core budget is \$24,871,400 which represents a 4.06% increase over 2011.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Executive Administration					
Revenues	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	0.00%
Expenses	<u>2,461,000</u>	<u>2,536,100</u>	<u>2,632,000</u>	<u>2,851,000</u>	<u>8.32%</u>
Total	961,000	1,036,100	1,132,000	1,351,000	19.35%
Staff Development	578,300	646,500	640,200	721,000	12.62%
General Administration	4,387,800	4,653,000	4,497,200	4,655,100	3.51%
Uniform Division	9,515,900	10,323,200	10,393,900	10,804,800	3.95%
Community Liaison	1,517,700	1,513,100	1,631,300	1,670,100	2.38%
Detectives	4,617,900	4,931,700	5,015,100	5,117,200	2.04%
Secondments	530,300	402,400	591,300	552,200	(6.61%)
Total	22,108,900	23,506,000	23,901,000	24,871,400	4.06%

- Traffic fine revenues are received as a conditional grant to defray the cost of police services
- Executive Administration increased 19.35% due to the full costing of a staff sergeant position which was previously funded from surplus.
- Staff Development increased 12.62% due to the full year costing of a sergeant position.

Fire Protection

Saanich Fire Department's mandate is to protect citizens and property by providing proper measures to prevent, control and extinguish fires. The Department also responds to medical emergencies, land and marine rescue operations, requests from other fire services, hazardous materials incidents and requests for public service.

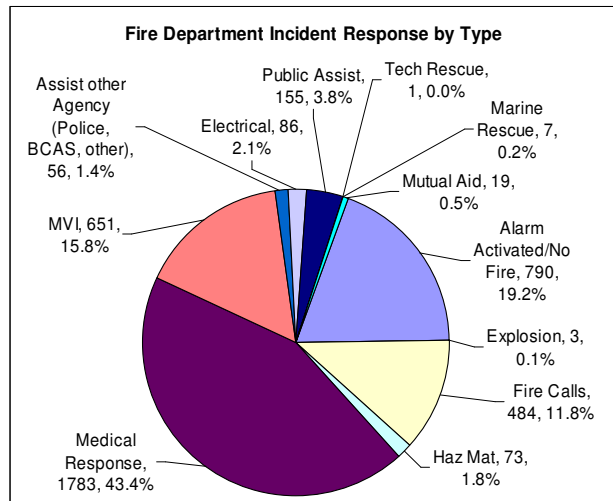
The Fire Department has been providing fire fighting and rescue services to residents since it was established in 1919.

Over time, programs and service delivery has expanded to include contracts for delivery of Fire Dispatch, Fire Apparatus Mechanical services and High Angle Rescue services for a number of neighbouring municipalities. Currently the Department employs 115 uniformed personnel and 6 support staff.

BUDGET SUMMARY	
2012 Net Budget	13,166,800
2011 Net Budget	12,879,400
Budget Change	287,400
Change by %	2.23%
2012 FTE	119.62
2011 FTE	115.60
FTE Change	4.02
FTE Change %	3.47%
2011 Carbon Footprint (CO₂e)	266 Tonnes
2010 Carbon Footprint (CO₂e)	320 Tonnes
Carbon Footprint Change	(54) Tonnes

FIRE DEPARTMENT STATISTICAL SUMMARY¹

Population served	114,000 (est)
Protection area in square kilometers	103.43 (est)
Incident responses	4,108
Emergency incident responses	3,363
Number of fire related	Fatalities: 0 Injuries: 7
Total dollar fire loss (est)	\$2,313,700
Public building inspections	3,436
Incidents dispatched (Saanich and clients)	8,354



¹ Twelve month period ending September 30, 2011

2012 BUDGET CHALLENGES

- **Revenue Generation:** New revenues are required to reduce increased staffing costs and budget pressures. Revenue opportunities exist and are being pursued with potential fire dispatch service clients. Permit and enforcement revenues are declining, as a result of increased public awareness and enforcement activities and completion of upgrade programs.
- **Staffing:** Department administrative and management capacity requires further support through the replacement of the Operational Deputy Chief position left vacant in 2010.
- **Programs & Services:** Maintenance and delivery of non-mandatory programs and services continues to be challenging with reduced operating funds and increased cost pressures.
- **Stations & Facilities:** Funding is required to address immediate facility maintenance issues and to assess medium and long term fire station building needs and funding requirements.

KEY 2011 ACCOMPLISHMENTS

- **Leadership Development:** Established leadership working group and developed formal Mission, Vision and Values statements for the Saanich Fire Department.
- **Seniors Fire Safety:** Developed seniors fire safety and fall protection program curriculum. Delivered presentations to 70 seniors at 3 different community based seniors' organizations.
- **Energy Efficiency Upgrades:** Worked with Facility Operations to complete energy efficiency audit of facilities. Climate action funding allocated for radiant heating panels at Station No.3.
- **Business Continuity Planning:** Developed business continuity plan and capability for long term displacement from fire dispatch centre.
- **Fire Dispatch Services:** Participated in CRD 911 and fire dispatch service reviews. Continue to promote Regional fire computer aided dispatch and records management systems.
- **High Rise Fire Fighting:** Investigated best practices for high rise fire fighting operations including development of related operational procedures and training requirements.
- **Hazardous Materials Response Capability:** Increased participation in CRD Hazmat Response Program and number of members trained to Hazmat Technician level.

2012 KEY PRIORITIES

Priority Strategic Initiatives include:

Safe Community

- Promote regional use of fire Computer Aided Dispatch (CAD) and Records Management System (RMS) technologies.
- Develop smoke alarm replacement program and campaign for Fire Prevention Week.
- Children First: Home fire escape planning through community engagement.

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Regional partnerships	Promote regional use of fire computer aided dispatch (CAD) and records management systems (RMS).	F3 Vibrant Connected Economy
2. Community engagement and education	Develop smoke alarm replacement program and campaign for fire prevention week.	P1 Service Excellence C6 Safe Community
3. Community engagement and education	Children First: Home fire escape planning through community engagement.	P1 Service Excellence C6 Safe Community
4. Emergency operations support capacity	Develop Fire Department capacity to support extended emergency operations and response to major incidents.	C6 Safe Community
5. Emergency management partnerships	Enhance Municipal emergency management capabilities through joint partnerships with Saanich Police.	C6 Safe Community
6. Leadership Development	Develop Fire Department strategic leadership plan.	L1 Service Excellence
7. Emergency Response and Deployment	Implement revised staffing and deployment model for a trial and assessment period, to assess emergency response and coverage capacity.	P3 Service Excellence
8. Illness/Injury management	Review and update Department attendance management policies relating to absence and rehabilitation resulting from illness injury.	P4 Service Excellence

CORE BUDGET

The Department's 2012 net core budget of \$13,166,800 represents a 2.23% increase over 2011.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Administration	913,100	941,200	945,000	1,022,900	8.24%
Suppression and Rescue	9,144,800	9,285,000	9,261,900	9,631,400	3.99%
Dispatch					
Revenues	(318,200)	(370,400)	(351,800)	(494,400)	40.53%
Expenses	<u>1,104,400</u>	<u>1,033,300</u>	<u>1,157,900</u>	<u>1,218,200</u>	<u>5.21%</u>
Total	786,200	662,900	806,100	723,800	(10.21%)
Prevention	757,400	767,700	785,600	779,000	(0.84%)
Staff Development	244,700	252,000	252,200	253,300	0.44%
Equipment Maintenance	727,500	752,800	755,300	682,900	(9.59%)
Building Maintenance	83,100	84,100	73,300	73,500	0.27%
Total	12,656,800	12,745,700	12,879,400	13,166,800	2.23%

- Administration increased 8.24% due to reorganization of personnel which included reducing a mechanic position and adding a deputy fire fighter position.
- Suppression and Rescue increased 3.99% due to an increase in number of firefighters. The increase is offset with decreases in overtime and other discretionary costs, and increases in fire dispatch revenues.

Emergency Program

The Saanich Fire Department is responsible for the administration of the Saanich Emergency Program. The mandate of the Program is to provide for continuity in government and the preservation of life and property through a coordinated response by elected officials, municipal departments, volunteer services, and such outside agencies as may be able to assist during a major emergency or disaster.

The Deputy Fire Chief is the Emergency Program Coordinator and is responsible for maintaining Saanich's emergency plan and ensuring key municipal staff and departments are trained in emergency preparedness practices and ready to respond should a major emergency or disaster unfold.

Complementing the Emergency Program and Saanich's emergency response and recovery capacity are more than 100 Municipal staff trained in Emergency Operations Centre (EOC) response procedures. There are also 170 Emergency Program volunteers in 3 emergency response divisions. Services provided to the community by Emergency Program volunteers include emergency social services, search & rescue, emergency communications, and neighbourhood emergency preparedness.

BUDGET SUMMARY	
2012 Net Budget	346,900
2011 Net Budget	345,600
Budget Change	1,300
Change by %	0.38%
2012 FTE	2.50
2011 FTE	2.50
FTE Change	0
FTE Change %	0%
Carbon Footprint (CO₂e)	n/a

2012 BUDGET CHALLENGES

- Limited funding for the Emergency Social Services Coordinator position (.5 FTE) is proving to be a staff retention challenge
- Limited ability to develop services such as Urban Search and Rescue

KEY 2011 ACCOMPLISHMENTS

- Nominated as a "Role Model City" by Royal Roads University as part of the United Nations Disaster Resilient Cities Initiative
- Completed a residential evacuation exercise utilizing all three Emergency Program response components; Saanich residents participated in and observed the exercise
- Delivered Grade 4 emergency preparedness presentations to 22 schools and 1,032 students
- Delivered over 50 presentations as part of the Neighbourhood Emergency Preparedness Program (NEPP) to approximately 2,700 individuals
- Sponsored Emergency Program Officer to attend Christchurch, New Zealand to review earthquake damage, and participate in emergency planning during the response phase
- Net recruiting increase to Emergency Program by approximately 30 volunteers
- Provided three emergency operations centre courses to municipal staff
- Completed an emergency operation centre exercise involving 30 Municipal Staff
- Coordinated Municipal planning and participation in "Shake Out BC" earthquake drill

2012 KEY PRIORITIES

Priority Strategic Initiatives include:

Safe Community

- Attain Role Model City status through the United Nations Disaster Resilient Cities initiative
- Develop a long term strategic plan for the emergency program

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. United Nations Role Model City	Attain Role Model City status through the United Nations Disaster Resilient Cities initiative.	C6 Safe Community F4 Service Excellence L3 Service Excellence
2. Emergency Program Strategic Plan	In 2012 conduct a community emergency preparedness survey to establish priorities for developing a long term strategic plan. In 2013, develop and implement strategic plan; identifying priorities established through community engagement and national best practices based on the 4 pillars of emergency management (Mitigation, Preparedness, Response and Recovery)	C6 Safe Community P1 Service Excellence P4 Service Excellence
3. Neighbourhood Emergency Preparedness Program	Establish partnerships with community organizations, schools, businesses and governments for delivery of neighbourhood emergency preparedness programs (NEPP).	C6 Safe Community F4 Service Excellence P1 Service Excellence
4. Staff training	Coordinate and support emergency preparedness training for staff assigned to our EOC and working at key municipal facilities.	C6 Safe Community L1 Service Excellence

CORE BUDGET

The Department's 2012 net core budget of \$346,900 represents a 0.38% increase over 2011.

Net Budget By Function	Actual 2010	Actual 2011	Budget 2011	Budget 2012	% Change 2012/2011
Program Administration	299,400	303,600	305,000	309,700	1.54%
Training Programs	32,000	32,000	32,000	28,600	(10.63%)
Neighbour Helping Neighbour	8,000	8,600	8,600	8,600	0.00%
Total	339,400	344,200	345,600	346,900	0.38%

- Training Programs decreased 10.63% due to cost reductions.

Planning and Inspections

The Planning Department is comprised of five Divisions: Community Planning; Environmental Services; Sustainability; Subdivision; and Inspections (which includes Bylaw Enforcement). These Divisions manage all activities and applications relating to long range and current planning, subdivision review, building construction, environmental protection, and climate change mitigation & adaptation. The Bylaw Enforcement Section responds to customer complaints and enquiries, and conducts investigations regarding alleged bylaw violations.

The Department continued to experience staff departures in 2011, as a result of people seeking new career opportunities and retirements. Retention and recruitment of a qualified core of staff remains a priority for the Department.

Following a year of work, the Climate Change Adaption Plan has been completed and approved by Council. The purpose of the Climate Change Adaptation Plan is to identify priority adaptation impacts and actions the municipality should focus on in the short and long-term. Implementation of key initiatives from the Climate Action plan was also undertaken in 2011, and will continue in 2012.

Long range planning work and community outreach continued on a variety of issues during 2011, including land use, the environment, mobility, agriculture and food security, heritage and affordable housing. The demand for long range planning and policy development on a range of issues continues to increase.

In 2011, there was a steady level of application activity, which included major projects such as the ongoing development activity associated with *Uptown*, and a range of smaller commercial and multiple family developments across the District. Both the number of commercial and residential Building Permits held steady from the numbers issued in 2010. Construction values and building permit revenue continue to be consistent with figures over the last 5 years (excluding increases related to *Uptown*).

It is anticipated that with the exception of *Uptown*, there will be no large scale projects in 2012, but a continued and steady level of mid-size and smaller project activity. Twelve multi-family building permits were issued in 2011, which is a slight increase from 2010, when five multi-family building permits were issued. It is anticipated that a modest increase in multi-family residential development will occur in 2012.

Subdivision activity was similar between 2010 and 2011. There were 29 applications received in 2010 representing 55 potential new lots. At the present time, there are 60 active subdivision

BUDGET SUMMARY	
2012 Net Budget	2,026,900
2011 Net Budget	2,044,200
Budget Change	(17,300)
Change by %	(0.85%)
2012 FTE	43.61
2011 FTE	42.61
FTE Change	(1.0)
FTE Change %	(2.34%)
2011 Carbon Footprint (CO₂e)	68 Tonnes
2010 Carbon Footprint (CO₂e)	66 Tonnes
Carbon Footprint Change	2 Tonnes

applications in total under review representing 65 potential new lots. It is expected that the trend towards a greater number of small 2-lot style applications will continue.

In 2012 subdivision applications are expected to be consistent with 2011 figures. Rezoning and major project applications in 2012 are expected to be similar to the volume experienced in during 2011.

2012 BUDGET CHALLENGES

- General economic slowdown may continue to result in reduced application revenue.
- Increasing requests for new services and service levels.

KEY 2011 ACCOMPLISHMENTS

- Adoption of the Climate Change Adaptation Plan.
- Implementation of key initiatives from the Climate Change Adaptation Action Plan.
- Completion of new District wide Environmental Development Area Guidelines.
- Community Outreach Campaign on the Douglas Creek Watershed

2012 KEY PRIORITIES

Priority Strategic Initiatives include:

Sustainable Environment

- Implement High priority actions from the Climate Change Adaptation Plan
- Implement High priority actions from the Climate Action Plan
- Complete Action Plan for Shelbourne Corridor
- Expand Inventory and mapping of sensitive ecosystems

Balanced Transportation

- Develop Electric Vehicle Strategy
- Undertake Parking Standards Study for “Centres” and “Villages”
- Advocate for Saanich residents on the Victoria Regional Rapid Transit Project.

Healthy Community

- Undertake Sustainable Saanich Learning Series with a focus on: the Climate Action Plan; Climate Change Adaptation Plan; and Farming and Food Security.
- Implement Key initiatives from the Heritage Action Plan.
- Continue work on Affordable Housing Initiatives

Vibrant, Connected Economy

- Update Population/Growth Projection Scenarios for the District.

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Climate Change Adaptation Plan	Implement High priority actions	C4 Sustainable Environment
2. Climate Action Plan	Implement High priority actions	C4 Sustainable Environment
3. Affordable Housing Initiatives	Pursue Discussions on other Secondary suites study areas; securing affordable units as part of market housing projects; and finalize rental retention strategy	C2 Healthy Community
4. Protection of sensitive ecosystems	Expand Inventory and mapping of	C4 Sustainable Environment
5. Parking Standards	Undertake Parking Standards Study for "Centres" and "Villages"	C7 Balanced Transportation
6. Growth Projection Scenarios	Update Population/Growth Projection Scenarios for Saanich	C3 Vibrant, Connected Economy

CORE BUDGET

The Department's 2012 net core budget of \$ 2,026,900 represents a 0.85% decrease over 2011.

Net Expenditure By Function	Actual 2010	Actual 2011	Budget 2011	Budget 2012	% Change 2012/2011
Planning Administration	494,200	519,200	513,300	530,500	3.35%
Environmental Services	354,100	376,600	348,700	338,800	(2.84%)
Community Planning					
Revenues	(242,100)	(181,200)	(148,300)	(112,000)	(24.48%)
Expenses	<u>1,109,700</u>	<u>1,068,700</u>	<u>1,032,900</u>	<u>1,098,500</u>	<u>6.35%</u>
Total	867,600	887,500	884,600	986,500	11.52%
Subdivision					
Revenues	(65,900)	(46,800)	(64,100)	(59,100)	(7.80%)
Expenses	<u>154,000</u>	<u>160,200</u>	<u>226,400</u>	<u>230,500</u>	<u>1.81%</u>
Total	88,100	113,400	162,300	171,400	5.61%
Inspections					
Revenues	(2,091,300)	(2,205,700)	(1,752,600)	(1,919,600)	9.53%
Expenses	<u>1,554,600</u>	<u>1,969,100</u>	<u>1,538,300</u>	<u>1,562,600</u>	<u>1.58%</u>
Total	(536,700)	(236,600)	(214,300)	(357,000)	66.59%
Bylaw Enforcement	356,700	387,300	349,600	356,700	2.03%
Total	1,624,000	2,047,400	2,044,200	2,026,900	(0.85%)

- Environmental Services decreased 2.84% due to reductions in contract services.
- Community planning net expenditures increased 11.52% due to an increase in staffing, contract and professional services.
- Subdivision net expenditures increased 5.61% due to reduction in anticipated subdivision permit revenue budget to reflect current experience.
- Inspections net revenues increased 66.59% due to the adjustment of permit revenue to reflect higher volume of permits being processed.

Engineering

The Engineering Department is responsible for all municipal infrastructure, which includes roads, water, sewers, drains, street and traffic lights, and municipal facilities.

The Department is comprised of three divisions: Engineering Design, Development and Facility Operations, and Public Works.

The **Engineering Division**, comprising of Transportation and Underground Services, is responsible for coordinating the design, rehabilitation, improvement and reconstruction of all municipal infrastructure and facilities. To help build community awareness and understanding, Engineering also co-ordinates a public information process that occurs during the development of a project.

The **Development and Facilities Division** are responsible for two main areas: 1) processing, approving and inspecting all works installed by private developers that become municipal property, and 2) the construction of and the safe and efficient operation of a number of municipal facilities.

The **Public Works Division** is responsible for the maintenance and repair of roads, bridges, traffic signals, streetlights, street signs, sidewalks, bus shelter maintenance, residential refuse collection, leaf pick up, roadside litter control, garden waste drop off and disposal, storm drainage, sanitary sewer collection, water main and service repair and replacement, hydrant, valve and meter maintenance, water system sampling and testing, as well as the maintenance of six finished water reservoirs and over 30 pressure regulating stations.

BUDGET SUMMARY	
2012 Net Budget	11,533,900
2011 Net Budget	11,637,200
Budget Change	(103,300)
Change by %	(0.89%)
2012 FTE	188.72
2011 FTE	190.92
FTE Change	(2.2)
FTE Change %	(1.15%)
2011 Carbon Footprint (CO₂e)	1396 Tonnes
2010 Carbon Footprint (CO₂e)	1387 Tonnes
Carbon Footprint Change	9 Tonnes

2012 BUDGET CHALLENGES

Engineering:

- Not enough staff in Facilities to do long range planning and asset management. Only able to keep up with the critical demands.
- Increase in Capital Budget requires increased design and project management effort.
- Space constraints at Municipal Hall as a result of Underground staff increases.

Public Works:

- Continued operational budget reductions to core maintenance programs such as ditch and watercourse maintenance.
- Deteriorating workplace conditions for administrative staff at 1040 McKenzie Avenue.
- Increased demands for services such as litter control, vegetation control and graffiti removal.

KEY 2011 ACCOMPLISHMENTS

Engineering and Public Works

- New sidewalks were constructed on Grandview Avenue, Dysart Road, Cordova Bay Road, Pat Bay Highway, Kenmore Street and Maddock Street.
- Crossings were installed at Carey Seaton (Solar), Quadra Lodge, Interurban Meadowview, Cedar Hill Cross Road at Richmond.
- Twelve new corner ramps were installed.
- Forty-five new bus stops and shelters were installed.
- Reynolds storm drain and sewer rehabilitation.
- Garnet / Mortimer sanitary and storm replacement.
- Cadboro / Gyro wood stave replacement.

Engineering Design -- Transportation

- Tattersall Road was rebuilt with sidewalks, bikelanes and rain gardens.
- Admirals Road from Cowper to Westing was rebuilt with a new sidewalk and bikelanes.
- Conceptual designs for the Craigflower Bridge Replacement were complete.
- McKenzie Avenue and Burnside Road was designed for construction in 2012.
- Schedule H was revised with improved pedestrian standards.
- A Pedestrian Priority Implementation Plan has been prepared to guide scheduling of new sidewalk projects.

Engineering Design – Underground Services

- Replaced 3547 m wood stave drain which had reached the end of its service life.
- Replaced 410 m substandard drains which had reached the end of its service life.
- Replaced 5045 m cast iron and asbestos cement water mains which had reached the end of its service life.

Engineering – Development/Drafting

- Provided inspection services for Tattersall Street Beautification project, Uptown Centre and other developments.
- Continued ongoing updating of digital record drawings of Municipal utilities

Engineering – Facility Operations

- Completed the Arts Centre at Cedar Hill Recreation Centre.
- Completed re-roofing of Saanich Commonwealth Place.
- Completed cross connection control projects at G.R.Pearkes Recreation Centre and at Cedar Hill Recreation Centre.
- Installed and implemented security locks for Municipal Hall and Annex.
- Installed energy efficient heating and lighting at the Fleet Centre.

Public Works

- Improvements to snow and ice response, including salter storage equipment.
- Continued excellence in prevention of damage to underground utilities.
- Successful COR Audit result for Public Works.

2012 KEY PRIORITIES

Priority Strategic Initiatives include:

Sustainable Environment

- Implement best practice for stormwater management

Balanced Transportation

- Work with the CRD to implement the Pedestrian and Cycling Master Plan
- Update the Pedestrian Priorities Implementation Planning Tool (PPIP)

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
Engineering Design		
1. Wood Stave Replacement Program	Complete the 2011-12 wood stave replacement projects by March 31/12 (CMHC Loan Deadline)	C7 Safe Community
2. Sidewalk Program	Install three km of sidewalk	C7 Safe Community
3. Bridge Program	Replace the Craigflower Bridge	C7 Safe Community
4. Pedestrian Safety	Install five new pedestrian crossings	C7 Safe Community
5. Bikelanes Program	Install three new bikelane projects	C7 Safe Community
Development and Facility Operations		
6. Facility Infrastructure	Continue to identify major improvements required to facilities for seismic, code compliance, building envelope and operational requirements and continue to request budget approvals.	C7 Safe Community
Public Works		
7. Bus Stops	Upgrade transit shelters in priority locations	C7 Balanced Transportation
8. Road Maintenance	Increase use of energy conserving asphalt, markings in road construction/ repairs	C4 Sustainable Environment
9. Waterways & Ditches	Transfer maintenance of waterways, ditches to Storm and Wastewater Section, and integrate with storm drain O&M programs	L1 Service Excellence

CORE BUDGET

The Department's 2012 net core budget of \$ 11,533,900 represents a 0.89% decrease over 2011.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
ALL DIVISIONS	2010	2011	2011	2012	2012/2011
Engineering Services					
Revenue	(1,045,000)	(1,101,800)	(942,200)	(1,072,500)	13.83%
Expense	<u>3,200,200</u>	<u>3,348,100</u>	<u>3,409,300</u>	<u>3,466,000</u>	<u>1.66%</u>
Total	2,155,200	2,246,300	2,467,100	2,393,500	(2.98%)
Facility Operations	1,267,300	1,251,900	1,148,200	1,200,400	4.55%
Public Works	8,154,700	7,934,900	8,021,900	7,940,000	(1.02%)
Total	11,577,200	11,433,100	11,637,200	11,533,900	(0.89%)

Engineering Services

Net Engineering Services Division costs noted above are projected to decrease 2.98% primarily from an increase in engineering services revenue recoveries from utility companies and developers.

Facility Operations

The Division's net core budget of \$1,200,400 represents a 4.55% increase over 2011. The increase of 5.94% in administration is due to wage increases and the increase of 8.04% in Municipal Hall Building budget reflects personnel restructuring between Public Works Administration and Facility Operations.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Administration	140,400	131,800	112,800	119,500	5.94%
Minor Facility Repair	238,100	204,900	342,000	348,800	1.99%
Les Passmore Building	136,700	156,300	143,400	144,300	0.63%
Municipal Hall Building	555,000	579,300	442,600	478,200	8.04%
Municipal Annex	123,800	83,800	107,400	109,600	2.05%
Public Safety Building	53,600	78,000	-	-	
Public Works and Parks	19,700	17,800	-	-	
Total	1,267,300	1,251,900	1,148,200	1,200,400	4.55%

Public Works

The Public Works Division provides diverse services to the community from above ground services such as roads, bridges and refuse collection to underground services such as waterworks, drainage and sewer collection. The Division's net core budget decreased 1.02% over 2011. The decrease in Administration and Manufacturing budgets reflect personnel restructuring. The proposed curb side kitchen scraps and waste pilot project is included in the Solid Waste Services budget with funding from prior years surplus.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Administration	669,100	650,600	577,000	531,300	(7.92%)
Stores	157,200	163,700	155,200	157,400	1.42%
Fleet					
Revenue	(4,085,100)	(4,136,200)	(4,011,200)	(4,038,800)	0.69%
Expense	<u>4,073,400</u>	<u>4,099,400</u>	<u>4,002,700</u>	<u>4,030,300</u>	<u>0.69%</u>
Total	(11,700)	(36,800)	(8,500)	(8,500)	0.00%
Solid Waste Services					
Revenue	(4,471,300)	(5,002,000)	(5,004,300)	(5,002,600)	(0.03%)
Expense	<u>4,934,400</u>	<u>5,352,000</u>	<u>5,466,300</u>	<u>5,448,700</u>	<u>(0.32%)</u>
Total	463,100	350,000	462,000	446,100	(3.44%)
Storm Drains	1,621,800	1,800,100	1,914,200	1,921,800	0.40%
Manufacturing	741,900	743,000	751,500	681,800	(9.27%)
Electrical	1,253,600	1,186,000	1,231,100	1,251,300	1.64%
Roads	3,259,700	3,078,300	2,939,400	2,958,800	0.66%
Total	8,154,700	7,934,900	8,021,900	7,940,000	(1.02%)

Parks and Recreation

The Parks and Recreation Department promotes active, healthy living through the effective provision of a wide range of programs, services and facilities. It also promotes the engagement of community members in a variety of arts, special events, cultural and social activities to encourage strong community connections.

The Department is comprised of three Divisions that plan and manage a number of municipal services. Our mission is to work in partnership with other Saanich Departments and the community to create a quality of life that fosters and supports healthy citizens and community environments.

BUDGET SUMMARY	
2012 Net Budget	12,774,400
2011 Net Budget	12,405,500
Budget Change	368,900
Change by %	2.97%
2012 FTE	275.47
2011 FTE	289.26
FTE Change	(13.79)
FTE Change %	(4.85%)
2011 Carbon Footprint (CO₂e)	2229 Tonnes
2010 Carbon Footprint (CO₂e)	2043 Tonnes
Carbon Footprint Change	186 Tonnes

Parks

Saanich Parks has something for everyone – oceans, beaches, creeks, lakes, meadows, forests, playgrounds, multi-use trails and sports fields. With over 168 parks covering more than 800 hectares, Saanich Parks are unique for their ecological diversity and leisure opportunities. The Parks Division encompasses park planning and design, construction, maintenance, horticulture, natural areas management and urban forestry.

Cedar Hill Golf Course

Cedar Hill Golf Course is a picturesque 5100 yard 18 hole public golf course open year round for the recreational to experienced golfer. Services include a fully stocked Pro Shop with a “warm up” range and CPGA golf instruction. The clubhouse provides a licensed light snack and beverage service to the public and supports tournaments and special events for groups. The course is surrounded by a nature trail with sensational views of the golf course and surrounding area.

Recreation

The Recreation Division is comprised of four Recreation Centres and a Community Services section. Features vary from Centre to Centre and include: aquatic facilities; arenas; fitness studios; gymnasiums; youth activity centres; art studios; indoor tennis courts; food services and a variety of multipurpose program space. The Community Services section provides many arts, cultural and community special events as well as programming specifically designed for youth and seniors. Thousands of affordable community programs are enjoyed by people of all ages.

2012 BUDGET CHALLENGES

Parks

- Balancing service demands from new inventory and ever increasing public expectation with limited core operating budgets.
- Maintaining levels of service acceptable to the public in light of budget reductions. Approximately \$250,000 of new park inventory maintenance costs have been absorbed within existing budgets over the last two years. Service level impacts to existing parks, streetscapes, rain gardens and urban forestry can be expected to occur.

Parks (Continued):

- Resources to respond to the growth in natural area stewardship (Invasive Species Pulling Together Program) and increased emphasis on Early Detection Rapid Response species
- Balancing capital funding for existing infrastructure with community expectation for expanded parks/services.

Recreation

- Balancing increased utility costs in recreation centres without any increase in the utility budgets.
- Balancing the decrease of program and service revenues over the escalating costs of operation.
- Reduction in admissions, pass sales and registrations, partially linked to continued fee increases
- Annual budget reductions continue to focus remaining funding on core services, limiting the flexibility to pursue new program opportunities
- Growing need for expert help in how to reduce costs for energy, recycling, and carbon footprint costs.

Golf

- Establishing long term financial sustainability
- Minimal operating funding for marketing and promotion
- Revenue challenges due to market competition
- Ongoing effort to increase green fee play to improve overall revenue per round
- Potential errant ball mitigation costs
- Change in management

KEY 2011 ACCOMPLISHMENTS

Parks

- Complete RInC Program for priority park/playground upgrades
- Completed 5 interpretive signs plus additional direction signage
- Completed Marigold, Fairburn & Mt View Park development
- Completed Mt Douglas Creek/Weir Study & continued in-stream work.
- Completed Invasive Species Management Strategy
- Supported 20+ groups/30+ sites for Natural Area Stewardship under Pulling Together

Recreation

- Building and opening of the Cedar Hill Arts Centre.
- Completion of the Early Childhood Study
- Substantial completion of the Parks, Recreation and Culture Master Plan.
- Reduction of Active Living Guides delivered through newspaper as our commitment to reducing the carbon footprint of our Department.
- Increase visibility of the Parks and Recreation Department through electronic media and social media sites.

Golf

- Improved access to Green Fee play through iGolf
- Marketing report completed through Royal Roads University MBA Program
- Addressed neighbours concerns regarding safety
- Clubhouse improvements (paint, carpet, motion sensor light switches)

2012 KEY PRIORITIES

Priority Strategic initiatives include:

Sustainable Environment

- Undertake policy review and development for local food procurement.
- Continue to work with stakeholders to enhance golf course and trail (Golf Course)
- Work with volunteers to eradicate invasive species in Cedar Hill Park (Golf Course)
- Continue to implement Urban Forest Strategy
- Implement Invasive Species Management Strategy

Balanced Transportation

- Rolston Trail Pedestrian Only Pilot Project

Healthy Community

- Complete Parks, Recreation & Culture Master Plan
- Continue to review Departmental marketing activities and ensure linkage with new technologies and social media
- Continue to review programming to focus on new approaches to encourage physical activity in critical age groups.
- Continue the installation of interpretative and directional signage for Saanich Parks and Trails
- Strengthen linkages with community organizations, non profit and governmental agencies to ensure a coordinated approach is used in providing services.
- Establish a long term strategy for renovating and maintaining aging parks and recreation infrastructure.
- Enhance current level of local sourcing for healthier menu choices (Golf Course)
- Complete park plans for Cadboro-Gyro & Cuthbert Holmes Parks as well as initiate planning models for Panama Flats & Haro Woods.

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Master Plan	Complete Parks, Recreation and Culture Master Plan	C2 Healthy Community
2. Urban Forest Strategy	Continue Implementation of the Urban Forest Strategy	C4 Service Excellence
3. Park Concept Plans	Complete park concept plans for Cadboro-Gyro and Cuthbert Holmes	F4 Healthy Community
4. Interpretive Signs	Continue the installation of interpretative and directional signage for Saanich Parks and Trails	F4 Healthy Community
5. Golf Course	Restructure operations to move to financial Sustainability	C4 Service Excellence
6. Healthy Living	Explore new opportunities for increasing activity levels in seniors and youth	F4 Healthy Community

CORE BUDGET

The Department's 2012 net core budget of \$12,774,400 represents a 2.97% increase over 2011.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
ALL DIVISIONS	2010	2011	2011	2012	2012/2011
Parks & Rec. Administration	691,700	697,600	731,200	686,100	(6.17%)
Parks	5,696,400	5,770,200	5,711,700	5,774,900	1.11%
Cedar Hill Recreation Centre	697,900	1,026,100	893,600	979,600	9.62%
Gordon Head Recreation Centre	1,425,600	1,457,800	1,359,100	1,394,500	2.60%
G R Pearkes Recreation Centre	902,400	1,031,900	917,200	956,600	4.30%
Saanich Commonwealth Place	2,148,100	2,263,700	1,917,600	2,090,500	9.02%
Community Services	893,200	875,800	875,100	892,200	1.95%
Cedar Hill Golf Course	176,600	296,000	-	-	0.00%
Total net cost	12,631,900	13,419,100	12,405,500	12,774,400	2.97%

- Increase of 9.62% in Cedar Hill Recreation Centre is due to the full year operational cost of the new Arts Centre and reduction in preschool revenue.
- Increase of 4.30% in Pearkes Recreation Centre is due mainly to increase in utility rates.
- Increase of 9.02% in Saanich Commonwealth Place is due to a reduction in revenues from the pool closure over the summer to facilitate the skylights replacement.

Parks and Recreation Administration

Parks and Recreation administration provides management, marketing, volunteer and support services.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Administration	723,900	658,200	691,300	646,700	(6.45%)
Enterprise Fund	(71,800)	-	-	-	0.00%
Integration Recreation Victoria	39,600	39,400	39,900	39,400	(1.25%)
Total	691,700	697,600	731,200	686,100	(6.17%)

- Decrease of 6.17% in Parks & Rec. Administration is due to personnel restructuring.

Parks Division

The Parks Division works in partnership with the community to create a quality of life that supports healthy lifestyles and preserves and protects the natural environment. This is achieved through the provision of parks that meet a variety of community needs. The Division is responsible for the planning, design, development and operation of more than 166 parks covering 780 hectares of parkland.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Administration	575,100	624,800	584,600	594,300	1.66%
Planning and Design	248,800	276,100	307,600	328,200	6.70%
UF, Hort. & Natural Area	1,806,200	1,881,400	1,862,900	1,869,000	0.33%
Construction & Maintenance	3,066,300	2,987,900	2,956,600	2,983,400	0.91%
Total	5,696,400	5,770,200	5,711,700	5,774,900	1.11%

- Planning and Design budget increased by 6.70% due to a reallocation of funds from the Urban Forestry, Horticulture and Natural Areas budget to fund the replacement of the Parks Planning and Design Manager position that was vacant since 2010.

Cedar Hill Community Recreation Centre

Cedar Hill Recreation Centre, which opened in 1973, is located at the corner of Finlayson and Cedar Hill Road, on the Saanich/Victoria border. The facility welcomes over 318,000 participants per year. Services unique to Cedar Hill include tennis, squash, a senior's centre, easy access to the 3.5km (2.2 mile) walking trail surrounding the Cedar Hill Golf Course, and the Arts Centre at Cedar Hill completed in 2011. A variety of events of interest to the region are hosted here such as a Men's Professional Indoor Tennis Challenge and the Celebration of the Arts Festival.

A wide variety of preschool, youth and adult programs take place in the dance studio, auditorium, and meeting rooms. Partnership programs with the Cedar Hill Squash Club, Community Arts Council of Greater Victoria, New Horizons Seniors Club, Tennis BC, and others allow us to enhance the services offered to our residents. Cedar Hill is a designated National Tennis Development Centre for U12 players.

The Gallery Café, adjacent to the main entrance, provides a welcoming, social environment for participants and neighbours and serves as a venue for local artists to display their work.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Administration					
Revenues	(138,700)	(143,400)	(163,500)	(186,200)	13.88%
Expenses	<u>909,600</u>	<u>1,090,200</u>	<u>1,052,700</u>	<u>1,103,900</u>	<u>4.86%</u>
Total	770,900	946,800	889,200	917,700	3.21%
Programs					
Revenues	(1,168,500)	(1,119,300)	(1,237,200)	(1,187,200)	(4.04%)
Expenses	<u>545,900</u>	<u>623,300</u>	<u>668,000</u>	<u>654,000</u>	<u>(2.10%)</u>
Total	(622,600)	(496,000)	(569,200)	(533,200)	(6.32%)
Maintenance	549,600	575,300	573,600	595,100	3.75%
Total	697,900	1,026,100	893,600	979,600	9.62%

- Administration net expenses increased 3.21% due to the full year operational cost of the new Arts Centre.
- Programs net revenues decreased 6.32% due to the reduction in adult programs and elimination of school age and preschool programs which were under utilized.
- Maintenance increased by 3.75% due to increase in utility rates.
- The deficits in operations for 2011 reflects lower than expected food and beverage revenues in administration and lower than expected net program revenues from operations during construction transition.

Gordon Head Community Recreation Centre

The Gordon Head Community Recreation Centre is nestled in Lambrick Park off Feltham Road in the heart of Gordon Head and provides community access to a wide variety of activities which promote healthy lifestyles.

Facilities include a 25 meter pool with climbing wall and a lift to assist people with disabilities, a river pool, leisure and tot pools, steam room and sauna and recently (2010) renovated change rooms. The Centre also supports a Youth Activity Centre and Youth Activity Skateboard Park, providing youth in the Gordon Head area with additional healthy lifestyle choices.

In addition, the weight room, multipurpose rooms and auditorium provide many community programs that focus on fitness, arts and culture, multicultural programming, and community partnerships with health serving agencies which provide programs such as cardiac rehabilitation. Gordon Head provides programs and services for preschoolers, youth, adults and seniors. A partnership with School District 61 at Gordon Head Middle School provides valuable community recreation program space for Saanich. Facilities include double gymnasium, dance studio, textiles and food rooms, art room, and music studio available in the evenings, on weekends and on all school non-instructional days.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Administration					
Revenues	(64,700)	(70,700)	(61,000)	(65,700)	7.70%
Expenses	<u>966,600</u>	<u>999,900</u>	<u>1,022,800</u>	<u>1,017,700</u>	(0.50%)
Total	901,900	929,200	961,800	952,000	(1.02%)
Programs					
Revenues	(1,447,300)	(1,707,600)	(1,610,000)	(1,684,200)	4.61%
Expenses	<u>1,074,300</u>	<u>1,213,600</u>	<u>1,120,100</u>	<u>1,208,400</u>	7.88%
Total	(373,000)	(494,000)	(489,900)	(475,800)	(2.88%)
Maintenance	896,700	1,022,600	887,200	918,300	3.51%
Total	1,425,600	1,457,800	1,359,100	1,394,500	2.60%

- Maintenance increased by 3.51% due to increase in utility rates.
- The deficit in 2011 operations is due partially to the increase in utility and maintenance costs. The aging boiler at the centre is scheduled to be replaced with a more efficient heating/cooling system.

G. R. Pearkes Community Recreation Centre

Pearkes Community Recreation Centre, located on Tillicum Road behind the Tillicum Mall, offers a variety of community programming opportunities for all ages, in addition to playing host to District special events and major trade shows. The facility is home to two indoor ice arenas, indoor multiuse sport courts, a fitness centre, meeting rooms and a youth activity centre. Partnerships are in place with the Greater Victoria Library, Saanich Neighbourhood Place and Queen Alexandra Society, as each organization has facilities and services on site at Pearkes. Programs and services are also offered at Colquitz Middle School in partnership with School District 61. The facility is also home to a number of community and sports associations including Gorge Tillicum Community Association, Saanich Minor Hockey, Saanich Braves Jr. B Hockey Club, Saanich Skating Club and Saanich Lacrosse.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Administration					
Revenues	(884,500)	(949,100)	(894,800)	(962,700)	7.59%
Expenses	<u>941,400</u>	<u>963,000</u>	<u>912,400</u>	<u>951,800</u>	<u>4.32%</u>
Total	56,900	13,900	17,600	(10,900)	(161.93%)
Programs					
Revenues	(1,025,300)	(924,000)	(1,020,100)	(940,100)	(7.84%)
Expenses	<u>651,900</u>	<u>587,100</u>	<u>705,800</u>	<u>616,700</u>	<u>(12.62%)</u>
Total	(373,400)	(336,900)	(314,300)	(323,400)	2.90%
Maintenance	1,218,900	1,354,900	1,213,900	1,290,900	6.34%
Total	902,400	1,031,900	917,200	956,600	4.30%

- Administration decreased by \$28,500 due mainly to increased ice rink and sport rentals which exceeded expectation last year.
- Maintenance increased by 6.34% due to increase in utility rates.

Saanich Commonwealth Place

Saanich Commonwealth Place is located on Elk Lake Drive in the Royal Oak/Broadmead area and serves both local residents and the larger community, with its world class aquatics facilities. These include a 50 meter competitive pool which can be used for international level events, a dive tank, leisure pool, wave pool and waterslide. Other facilities within the building include two accessible change rooms, a gymnasium, hot tub, steam & dry sauna, dance studio, fitness centre, multi-purpose rooms, pro shop, a café, the Victoria Offices of Pacific Sport, and the Bruce Hutchison Branch of the Greater Victoria Library.

A major component of the Centre's programming occurs off site at locations such as Claremont High School, Royal Oak Middle School, Lochside and Cordova Bay Elementary Schools, and at local parks and businesses.

At both the Centre and the offsite locations, numerous programs and activities are offered for all ages and abilities. Several health service partnerships are also in place including physiotherapy, massage and rehabilitative therapy.

Net Budget By Function	Actual 2010	Actual 2011	Budget 2011	Budget 2012	% Change 2012/2011
Administration					
Revenues	(427,900)	(386,000)	(372,200)	(313,000)	(15.91%)
Expenses	<u>1,681,900</u>	<u>1,681,500</u>	<u>1,619,100</u>	<u>1,526,100</u>	<u>(5.74%)</u>
Total	1,254,000	1,295,500	1,246,900	1,213,100	(2.71%)
Programs					
Revenues	(3,823,900)	(3,785,300)	(3,767,100)	(3,359,400)	(10.82%)
Expenses	<u>2,993,700</u>	<u>2,981,700</u>	<u>2,818,100</u>	<u>2,600,800</u>	<u>(7.71%)</u>
Total	(830,200)	(803,600)	(949,000)	(758,600)	(20.06%)
Maintenance	1,724,300	1,771,800	1,619,700	1,636,000	1.01%
Total	2,148,100	2,263,700	1,917,600	2,090,500	9.02%

- Program net revenues decreased by 20.06% due to a reduction in revenues from the pool closure over the summer to facilitate the skylight replacement.

Community Services

Community Services fulfills a unique role by facilitating access to recreation and leisure opportunities for the underserved through the development of neighbourhood and departmental initiatives and youth services. This is achieved by developing programs which are affordable and accessible for all people. Community Services endeavours to develop partnerships with social service agencies, local businesses and individuals to maximize resources in the community.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Administration	533,700	485,000	495,800	499,200	0.69%
Programs					
Revenues	(202,400)	(174,900)	(173,400)	(170,000)	(1.96%)
Expenses	<u>561,900</u>	<u>565,700</u>	<u>552,700</u>	<u>563,000</u>	<u>1.86%</u>
Total	359,500	390,800	379,300	393,000	3.61%
Total	893,200	875,800	875,100	892,200	1.95%

- Community Service's budget increased by 1.95% due to increased wages mitigated by a decrease in various expenses.

Golf Course Division – Cedar Hill Golf Course

The Cedar Hill Golf Course, located on Derby Road off Cedar Hill Road, provides "close to home" golf for beginners and experienced players on an 18 hole, 5100 yard course. CPGA instruction, pro shop sales and services, a short club practice range and licensed light snack and beverage service round out the golf experience. Green fee play and pass holder tee times are facilitated through an on-line booking system. The course is surrounded by a 3.5km (2.2mile) walking trail with scenic views of the Olympic Mountains and access to the unique King's Pond area.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Golf Revenues	(1,176,500)	(1,034,100)	(1,190,800)	(1,025,000)	(13.92%)
Administration	271,800	266,100	285,700	205,900	(27.93%)
Pro Shop	57,400	58,800	61,000	81,500	33.61%
Food and Beverage					
Revenues	(894,300)	(798,700)	(975,000)	(341,800)	(64.94%)
Expenses	<u>939,500</u>	<u>855,000</u>	<u>887,000</u>	<u>400,400</u>	<u>(54.86%)</u>
Total	45,200	56,300	(88,000)	58,600	(166.59%)
Facility Maintenance	256,900	229,500	237,400	162,800	(31.42%)
Grounds Maintenance	656,400	688,400	656,900	626,500	(4.63%)
Debt, Capital and Overhead	<u>65,400</u>	<u>218,200</u>	<u>225,000</u>	<u>661,200</u>	<u>193.87%</u>
Sub-Total	176,600	483,200	187,200	771,500	0.00%
Transfer from Reserves	-	(187,200)	(187,200)	(771,500)	0.00%
Total Loss from Operations	176,600	296,000	-	-	0.00%

- The deficit for 2012 is funded from prior year surplus as part of the approved three year plan to achieve financial sustainability.

Cultural Services

The Cultural Services budget is primarily comprised of Library Services and maintenance and the Swan Lake Nature House.

Library Services are provided by the Greater Victoria Public Library in accordance with the Library Operating Agreement at the downtown main branch and at four branches located in Saanich: Bruce Hutchison, Nellie McClung, Emily Carr and Centennial Library. Maintenance of the branch libraries is performed by Saanich staff.

The Swan Lake Christmas Hill Nature House is operated under the terms of a Management contract.

BUDGET SUMMARY	
2012 Net Budget	5,160,200
2011 Net Budget	4,930,400
Budget Change	229,800
Change by %	4.66%
2012 FTE	n/a
2011 FTE	n/a
FTE Change	n/a
FTE Change %	n/a
Carbon Footprint (CO₂e)	n/a

2011 Budget Challenges

- Maintain funding for increased library and Swan Lake Nature House services in an uncertain economic climate.

CORE BUDGET

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
Greater Victoria Public Library	4,375,900	4,582,200	4,579,800	4,799,600	4.80%
Branch Libraries Maintenance	50,600	58,400	50,600	50,600	0.00%
Swan Lake Christmas Hill Nature House	290,000	300,000	300,000	310,000	3.33%
Total	4,716,500	4,940,600	4,930,400	5,160,200	4.66%

- The 4.80% increase in library services is due mainly to wage and library collection increases.
- The 3.33% increase in Swan Lake land management costs includes the partial funding of a contracted fund raising position which is expected to increase revenues for both operating and capital projects for the coming years.

Water Utility Fund

The Water Utility system is comprised of over 545 km of water mains and five (5) reservoirs. The system is maintained by the Engineering Department's Public Works division and is self financed from water charges on a user pay basis. Bulk water is purchased from the Capital Regional District and then distributed to customers via the Municipal Distribution System.

The utility provides safe drinking water for domestic and emergency use and meets fire fighting standards, applicable health standards and the Drinking Water Protection Act.

Activity levels continued to be high in 2011. The Department repaired over 200 service leaks and 15 water main breaks. Over 395 km of water mains were flushed, over 2500 Gate Valves serviced and 1100 water meters were replaced. The Department also responded to over 2000 service requests from our customers.

In December 2010 Council approved a 6.0% annual increase in water rates to support this budget. The increase is due to higher CRD bulk water rates and increased municipal capital program funding. Cost to the average homeowner increased by \$24 from \$397 to \$421 per year.

KEY 2011 ACCOMPLISHMENTS

- Replacement of Hartland, Old West Saanich and Maplewood Pump Station complete
- Replacement of 4.5 km of AC and cast iron water main
- Additional technologist hired to address increasing work load due to increased sewer infrastructure replacement funding

2012 BUDGET CHALLENGES

- Minimizing the impacts of Operating Budget reductions on service levels to the public
- Funding of replacement of the Rithet Reservoir
- Decreasing average water consumption is causing the CRD to increase Bulk Water Rates faster than the rate of inflation

2011 KEY PRIORITIES

Item	Description	Supports Strategic Plan
1. Water Main Replacement Program	Replace 4.2 km of cast iron and asbestos cement water mains which have reached the end of their service life	F1 Sustainable Environment
2. Reservoir Program	Start construction of Rithet Reservoir replacement	F1 Sustainable Environment
3. Pump Station Program	Complete upgrading of Cherry Tree Bend pump station	F1 Sustainable Environment

BUDGET SUMMARY	
2012 Budget	27,123,500
2011 Budget	24,498,700
Budget Change	2,624,800
Change by %	10.71%
2012 FTE	41.89
2011 FTE	42.30
FTE Change	(0.41)
FTE Change %	(0.97%)
2011 Carbon Footprint (CO₂e)	44 Tonnes
2010 Carbon Footprint (CO₂e)	60 Tonnes
Carbon Footprint Change	(16) Tonnes

CORE BUDGET

The 2012 net budget of \$27,123,500 represents a 10.71% increase in net expenditures over prior year, including a net capital program of \$6,195,500. Water revenues are projected to increase to \$18,599,600 or 1.42% in 2012.

Net Budget By Object	Actual	Actual	Budget	Budget	% Change
EXPENDITURES	2010	2011	2011	2012	2012/2011
Personnel	2,398,900	2,639,100	2,502,300	2,474,600	(1.11%)
Goods and Services	8,442,800	8,594,700	9,504,700	9,214,700	(3.05%)
Fiscal Services	65,400	57,700	30,000	30,000	0.00%
Overheads and Transfers	1,237,500	1,215,700	1,455,600	1,798,200	23.54%
Gross Capital Program	10,034,800	10,229,700	11,006,100	13,606,000	23.62%
Total	22,179,400	22,736,900	24,498,700	27,123,500	10.71%
REVENUES AND RECOVERIES					
Utility Charges	(16,480,500)	(16,590,600)	(18,338,600)	(18,599,600)	1.42%
Non-Tax Revenues	(100,500)	(93,600)	(107,400)	(107,400)	0.00%
Reserves and Others	(5,536,400)	(6,052,700)	(6,052,700)	(8,416,500)	39.05%
Total	(22,117,400)	(22,736,900)	(24,498,700)	(27,123,500)	10.71%
NET OPERATIONS	62,000	-	-	-	0.00%

- Overheads and Transfers increased 23.54% to establish contingencies for collective bargaining and for revenue shortfall in case of lower than expected consumption.
- Gross Capital Program increased 23.62% from a combination of carrying forward unfinished 2011 projects (funded from reserves) and the annual capital funding increase per council policy to reach sustainability.

NET BUDGET BY FUNCTION

The summary below highlights the major cost centres and indicates that most are within our guideline including the capital program policy increase in replacement spending and contingency.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
General Administration	978,400	1,034,700	1,051,900	1,051,900	0.00%
Field Operations	852,700	853,000	791,600	794,900	0.42%
Water Purchases	7,462,100	7,582,600	8,580,000	8,290,000	(3.38%)
Waterline Repairs	726,600	869,500	671,300	640,200	(4.63%)
Pump Maintenance	498,200	483,700	551,200	551,200	0.00%
Hydrant Maintenance	218,600	209,600	213,300	213,300	0.00%
Valve Maintenance	246,400	248,100	288,900	288,900	0.00%
Meter Repairs and Replacements	327,800	329,500	310,400	310,400	0.00%
Water Quality Programs	260,600	347,900	284,500	284,500	0.00%
Billing and Collection	407,400	454,900	442,100	442,200	0.02%
Contingency	64,000	-	200,000	542,600	171.30%
Net Capital Program	4,499,700	4,177,000	4,953,400	6,195,500	25.08%
Total	16,542,500	16,590,500	18,338,600	19,605,600	6.91%

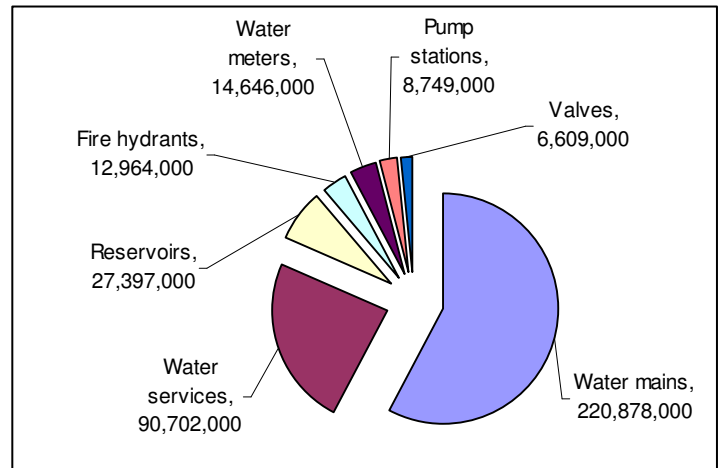
WATER CAPITAL PROGRAM

Saanich water infrastructure includes 541 km of water mains, 29,768 water services, 5 reservoirs, 18 pump stations, 7,883 valves and 2,177 fire hydrants valued at \$382 million.

The replacement of water mains, pump stations and reservoirs is based on an established multi year program to steadily increase core capital spending to sustainable levels. For 2012 the focus will remain on:

- Seismic upgrade of vulnerable reservoirs such as Rithet
- Replacement of asbestos cement mains
- Regular and on going end-of-life replacement of water mains, valves and water meters.

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2010 \$)
Water mains	Varies	\$2,566,000
Water services	40	\$1,512,000
Reservoirs	100	\$1,165,000
Fire hydrants	80	\$324,000
Water meters	40	\$976,000
Pump stations	50	\$292,000
Valves	80	\$138,000
		\$6,973,000

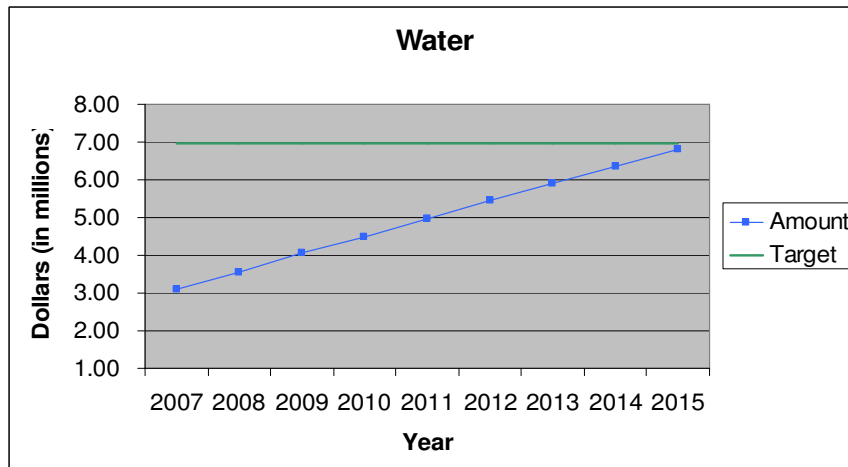


Current Funding Level is \$5,439,500

Future Funding Target is \$6,973,000

How do we work toward this target?

- Continue 'Pay as You Go' practice of increasing core capital spending on water infrastructure replacement with a minimum 3% rate increase each year.
- Supplement with Federal and/or Provincial Grants if possible.
- Supplement with reserves and DCC funding if possible



WATER CAPITAL

Water Utility	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Projects in Progress:					
Asbestos Cement Main Replacement:					
Garnet Road		167,000			167,000
Burnside		85,000			85,000
Mortimer Street		113,700			113,700
Vernon Avenue		44,000			44,000
Watson Street		34,400			34,400
San Juan Avenue		91,400			91,400
Howroyd Avenue		228,000			228,000
Sheridan Avenue		124,200			124,200
Stamboul Street		83,000			83,000
Magdelin Street		220,300			220,300
Ashdale Place		95,400			95,400
Annette Place		37,000			37,000
Longacre Drive		91,800			91,800
Michelle Place		89,300			89,300
Edgemont Road		273,000			273,000
Cast Iron Main Replacement:					
Cook Street (Maplewood to Camrose Cres.)		230,500			230,500
Pump Stations:					
Mount Tolmie (electrical)		479,400			479,400
Cherry Tree		794,300			794,300
Old West Saanich Road Upgrade		44,600			44,600
Cromwell Pumpstation Replacement		511,200			511,200
Other:					
2011 Detailed Design Capital Projects		75,400			75,400
Update Water Distribution System Computer Model		119,700			119,700
Data Historian Software (SCADA)		50,000			50,000
Misc. Water Main Replacements		183,900			183,900
Total	-	4,266,500	-	-	4,266,500

WATER CAPITAL (continued)

Water Utility	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2012 Core Capital:					
Asbestos Cement Main Replacement:					
Bermuda Place	32,400				32,400
Burnside Road (1245 to Wilkinson Road)	191,700				191,700
Chelsea Place	85,900				85,900
Crestview Road	95,600				95,600
Greenridge Crescent (Saanich to Quadra)	280,800				280,800
Loretta Drive	47,500				47,500
Ridgeway Place	85,300				85,300
Ridgeway Street	71,300				71,300
Schofield Place	30,200				30,200
Seaview (Tudor to FH 584)	187,300				187,300
Tracksell Avenue (Blenkinsop to FH 732)	136,300				136,300
Tulsa Drive	43,200				43,200
Whiteside Street	110,700				110,700
Cast Iron Main Replacement:					
Admirals Road (Cowper to Westing)	44,000				44,000
Cook Street (Camrose Cres. To Cloverdale)	178,800				178,800
Raymond Street S. (Whiteside to Mountfield)	51,300				51,300
Reynolds Road (Borden St. to Reynolds Crt.)	85,200				85,200
Tudor Avenue (Telegraph Bay to Bedford Rd)	420,000				420,000
Pump Stations:					
Pump Station Motor Replacement	120,000				120,000
Other:					
Markham Road (4461)	42,300				42,300
2012 Detailed Design Capital Projects	80,000				80,000
Rithet Reservoir Replacement (Total project \$7,500,000)	2,500,000	3,900,000			6,400,000
Hydrant Storz Connection Program	137,500				137,500
Misc. Water Main Replacements	120,000				120,000
Meter Replacements	205,200				205,200
Machinery & Equip Replacement	57,000				57,000
Total	5,439,500	3,900,000	-	-	9,339,500

Sewer Utility Fund

The Sewer Utility is maintained by the Engineering Department's Public Works division to collect and dispose of wastewater. The system is comprised of over 550 kms of sewer mains, 5,300 manholes and 40 pumping stations. The Municipality is also responsible for over 29,000 lateral connections from the sewer main to the property line.

The majority of the system was constructed between 1953 and the early 1970's using asbestos cement materials. The system collects wastewater for the majority of Saanich residents and discharges the effluent to the regional sewer system operated by the Capital Regional District.

The system is self financed from sewer charges on a user pay basis. The user charges cover the cost of operations, CRD sewer treatment and an infrastructure replacement program. In December 2010 Council approved an 8.6% increase in sewer rates to support this budget. Annual cost to the average homeowner increased by \$23 from \$269 to \$292 per year.

BUDGET SUMMARY	
2012 Budget	18,328,400
2011 Budget	16,197,000
Budget Change	2,131,400
Change by %	13.16%
2012 FTE	25.67
2011 FTE	25.67
FTE Change	0
FTE Change %	0%
2011 Carbon Footprint (CO₂e)	89 Tonnes
2010 Carbon Footprint (CO₂e)	102 Tonnes
Carbon Footprint Change	(13) Tonnes

2012 BUDGET CHALLENGES

- Prepare for impact of Sewage Treatment by CRD
- Coordination of sewer replacement with wood stave drain replacement program
- Minimizing the impacts of Operating Budget reductions on service levels to the public

2011 ACCOMPLISHMENTS

- Rehabilitation of 1.2 km of AC sanitary sewer using trenchless technology
- Three (3) Portage Sewage Lift Station upgrades complete
- 2011 sewer relining projects, in the Maplewood and Boleskine areas contract awarded, and expected to be complete by year end.

2012 KEY PRIORITIES

Priority Departmental Initiatives include:

Item	Description	Supports Strategic Plan
1. Pump Station Program	Replacement/rehabilitation of Gorgeview and Colquitz sewage lift stations	F1 Sustainable Environment
2. Sewer Main Program	Replacement/rehabilitation of 1.2 km of AC sanitary sewer main	F1 Sustainable Environment
3. Inspections Program	Focus "CCTV" program on critical sewer mains	F1 Sustainable Environment

CORE BUDGET

The 2012 net budget of \$18,328,400 represents a 13.16% increase in net expenditures over prior year, including a net capital program of \$2,714,300. Sewer revenues are projected to increase to \$10,658,300 or 5.64% in 2012.

Net Budget By Object	Actual	Actual	Budget	Budget	% Change
EXPENDITURES	2010	2011	2011	2012	2012/2011
Personnel	1,234,400	1,362,600	1,475,800	1,461,600	(0.96%)
Goods and Services	3,630,500	3,934,700	4,155,300	4,120,800	(0.83%)
Fiscal Services	1,451,200	1,068,500	1,452,000	1,452,000	0.00%
Overheads and Transfers	743,100	1,246,200	900,400	1,379,700	53.23%
Gross Capital Program	7,369,200	8,187,600	8,213,500	9,914,300	20.71%
Total	14,428,400	15,799,600	16,197,000	18,328,400	13.16%
REVENUES AND RECOVERIES					
Utility Charges	(8,700,600)	(9,699,800)	(10,089,600)	(10,658,300)	5.64%
Non-Tax Revenues	(97,300)	(107,000)	(94,000)	(244,000)	159.57%
Reserves and Others	(3,935,300)	(3,889,800)	(3,889,800)	(3,909,300)	0.50%
Borrowing	(1,150,000)	(2,123,600)	(2,123,600)	(3,516,800)	65.61%
Total	(13,883,200)	(15,820,200)	(16,197,000)	(18,328,400)	13.16%
NET OPERATIONS	545,200	(20,600)	-	-	0.00%

- Overheads and Transfers increased 53.23% to establish contingencies for collective bargaining and for revenue shortfall in case of lower than expected consumption.
- Gross Capital Program increased 20.71% from a combination of carrying forward unfinished 2011 projects (funded from reserves) and the annual capital funding increase per council policy to reach sustainability.

NET BUDGET BY FUNCTION

The summary below highlights the major cost centres and indicates that most are within our guideline including the capital program policy increase in replacement spending and contingency.

Net Budget By Function	Actual	Actual	Budget	Budget	% Change
	2010	2011	2011	2012	2012/2011
General Administration	944,000	1,033,200	1,028,600	1,028,600	0.00%
Field Operations	221,300	206,900	128,900	129,600	0.54%
Cleaning and Repairs	499,200	537,900	543,600	526,600	(3.13%)
Pump Station Maintenance	914,600	736,000	926,500	926,500	0.00%
Man Hole Maintenance	42,000	57,000	61,900	61,900	0.00%
Sewer Service Maintenance	231,900	309,000	235,300	235,300	0.00%
CRD Services	3,052,100	3,290,700	3,361,800	3,474,400	3.35%
Debt Charges	1,451,200	1,068,500	1,452,000	1,452,000	0.00%
Contingency	-	202,000	100,000	353,100	253.10%
Net Capital Program	1,986,800	2,345,000	2,345,000	2,714,300	15.75%
Total	9,343,100	9,786,200	10,183,600	10,902,300	7.06%

SEWER CAPITAL PROGRAM

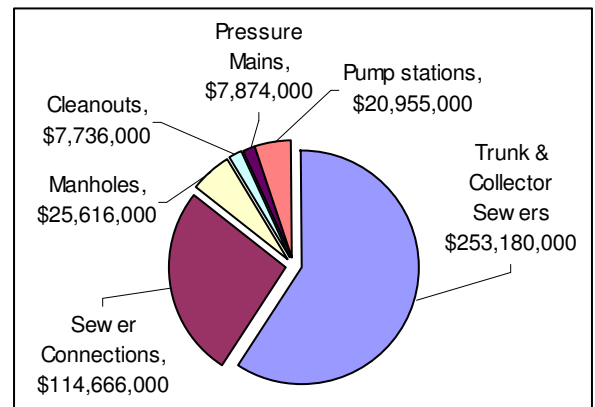
Saanich sewer infrastructure includes 43 km of trunk sewers, 507 km of collector sewers, 41 km of pressure mains, 29,706 service connections and 40 pumping stations valued at \$430 million dollars.

AC pipe service life is not likely more than 50 years (64% of system). About 30% of inspected manholes require moderate rehabilitation such as infiltration, defective pipe/joints and cracked concrete. Pumping station electrical, mechanical and structural components are nearing their end of useful life (some pumps and electrical are over 20 years old)

What is needed?

- Replacing AC pipe continues to be a priority
- Accelerate manhole inspection program
- Continue to complete and begin implementing a detailed pump station upgrade and pump replacement plan to reduce risk of pump station failure, lower maintenance costs, and ensure station capacities meet sewer and I & I flow demands

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2010 \$)
Trunk & Collector Sewers	Varies	\$ 3,877,000
Sewer Connections	100	\$ 1,638,000
Manholes	100	\$ 342,000
Cleanouts	100	\$ 103,000
Pressure Mains	100	\$ 109,000
Pump stations	50	\$ 723,000
		\$ 6,792,000

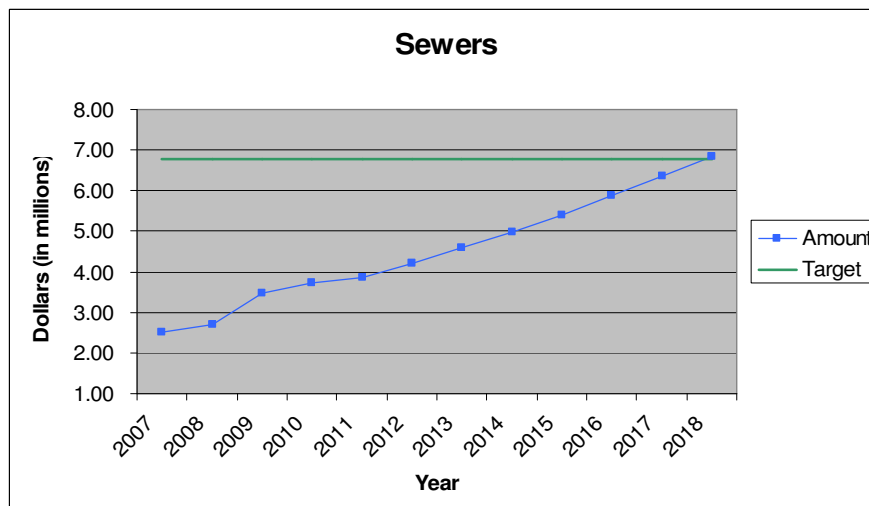


Current Ongoing Funding is \$4,214,300

Future Funding Target is \$6,792,000

How do we work toward this target?

- Continue increasing core capital spending on sewer infrastructure replacement
- Supplement with Federal and/or Provincial Grants if possible.
- Supplement with borrowing as needed



SEWER CAPITAL

Sewer Utility	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Projects in Progress:					
Asbestos Cement Main Replacement:					
Ferndale / Arbutus		39,900			39,900
Blair Avenue (Larchwood)		96,000			96,000
Cherrilee Crescent (Sheiling)		154,000			154,000
St. Peters (Union Road to St. Peters)		84,300			84,300
Royal Oak Tunnel		288,700			288,700
Cook Street (Quadra to Crown Cres.)				230,000	230,000
Pump Stations:					
Colquitz / Gorge View Upgrade Design		185,700			185,700
Colquitz / Gorge View Replacement		1,269,200		1,330,800	2,600,000
Portage Upgrade Design				286,000	286,000
2011 Pump & Motor Replacements		101,200			101,200
Other:					
2011 Sewer Area Relining (Maplewood Avenue & Boleskine Avenue)		497,400		170,000	667,400
Sewer Model Migration		40,000			40,000
Manhole Improvements		185,000			185,000
No-Corrode SHC Replacements		288,700			288,700
2011 Project Design		36,100			36,100
2011 Misc. Sewer Projects		417,000			417,000
Total	-	3,683,200	-	2,016,800	5,700,000
2012 Core Capital:					
Asbestos Cement Main Replacement:					
Admirals Road (Cowper to Gorge)	675,000				675,000
Murray Drive (Ashley to Admirals)	165,000				165,000
Emily Carr (Rithetwood Intersection)	40,000				40,000
Reynolds Road (Crocus Court to Quadra)	100,000				100,000
Nigel Avenue (Hall to pump station)	210,000				210,000
Vanalman	40,000				40,000
Pump Stations:					
Beach Park & Haliburton Pump Station Stand-by Power Generator Upgrades				150,000	150,000
Portage Pump Station Construction				1,200,000	1,200,000
Wilkinson & Grange Design				100,000	100,000
Other:					
2012 Sewer Area Relining (St. Peters/Tattersal/Quadra/Cook)	900,000			50,000	950,000
Swan Cres. Crossing Bank Stabilization	25,200				25,200
Manhole Improvements	100,000				100,000
No-Corrode & AC SHC Replacements	300,000				300,000
2012 Project Design	40,000				40,000
2012 Misc. Sewer Projects & Contingencies	100,000				100,000
Machinery & Equip Replacement	19,100				19,100
Total	2,714,300	-	-	1,500,000	4,214,300

General Capital Program

The Capital Plan matches the District's needs for investment in capital with its available financial resources. Replacement of ageing infrastructure is the primary factor in determining capital requirements in Saanich. Saanich infrastructure spending is gradually addressing this need, increasing from \$7 million to an annual average of over \$ 25 million in the last three years.

Spending has historically been balanced between replacing infrastructure and new facilities. For the next few years the focus is expected to shift toward replacement of existing infrastructure, particularly in transportation, drains, community facilities and the sewer and water utilities. The estimates outlined in each section are based on the following assumptions:

1. A net 2% increase in tax funded core capital over 2011 budget.
2. A minimum 0.75% property tax allocation to infrastructure replacement
3. Debt Financing Guideline
4. All figures shown in current year (2012) dollars – no inflation allowance

Expenditures	Budget	Budget
	2011	2012
Police	1,248,200	1,717,700
Fire	152,000	175,200
Transportation	13,598,300	18,649,700
Drainage	6,254,100	6,668,200
Parks	2,743,300	2,652,800
Recreation	6,117,400	2,073,300
Fleet Replacement	1,061,300	1,448,300
Information Technology	1,855,000	1,719,500
Community Facilities	1,662,200	4,000,600
Parkland Acquisition	2,400,000	2,400,000
	37,091,800	41,505,300
Source of Funding	Budget	Budget
	2011	2012
General Operating (Core Capital)	8,178,000	8,964,000
General Capital Reserves	8,391,100	11,856,900
Lands Reserve	1,900,000	1,900,000
Development Cost Charges	1,850,000	1,887,400
Equipment Replacement Reserve	5,596,500	3,471,100
Grants & Contributions	6,887,200	7,475,900
Long Term Debt	4,289,000	5,950,000
	37,091,800	41,505,300

Vehicles, Equipment and Technology

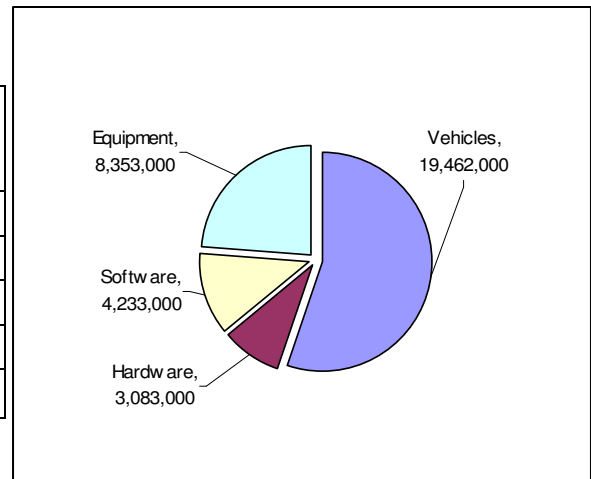
Saanich vehicles, equipment and information technology includes fleet vehicles for parks, public works, police and fire, computer and telephone hardware and software for all departments and a variety of equipment from fitness to lawn mowers.

Ensuring that there are sufficient funds to replace these items as they complete their useful life is of primary concern.

What needs to be done?

Investigate if existing equipment are required to be replaced in the future. Ensure that all major equipment and technology purchased have adequate replacement funds set aside in a reserve for future replacement.

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2012 \$)
Vehicles	4-25	\$ 1,297,000
Computer Hardware	4-6	\$ 514,000
Computer Software	4-20	\$ 212,000
Major Equipment	4-30	\$ 557,000
		\$ 2,580,000



Current Funding: \$2,676,100

Future Funding Target: \$2,580,000

Current expenditure funding is on target. Overall, the equipment replacement reserve is replenished adequately to maintain most future funding for replacement, however, reassessment and adjustment of the funding in each of the categories is needed.

Police Vehicles, Equipment and Technology

Police Services	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Project in Progress:					
Hardware and Software		40,300			40,300
In Car Video Program (20 vehicles)		134,600			134,600
Annual Vehicle Replacement		28,800			28,800
Total	-	203,700	-	-	203,700
2012 Core Capital:					
Hardware and Software	114,000				114,000
Annual Vehicle Replacement (8 vehicles)	280,000				280,000
Mobile Command Vehicle		750,000			750,000
MDT Replacement		370,000			370,000
Total	394,000	1,120,000	-	-	1,514,000

Fire Vehicles, Equipment and Technology

Fire Protection	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Projects in Progress:					
Fire Vehicle (Van)		25,200			25,200
Total	-	25,200	-	-	25,200
2012 Core Capital:					
Mobile Command Vehicle		150,000			150,000
Total	-	150,000	-	-	150,000

One mobile command vehicle is to be shared jointly between the Police and Fire departments.

Fleet Vehicles

The Fleet division has developed a long term vehicle replacement program to smooth out the costs of replacement from year to year. An equipment replacement reserve is funded by annual contributions of approximately \$650,000 from the Fleet Division.

Vehicle Equipment Replacement Program	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Project in Progress:					
Fleet Vehicle Replacements, Various small trucks and vehicles		426,500			426,500
Total	-	426,500	-	-	426,500
2012 Core Capital:					
Fleet Vehicle Replacements, Various trucks and vehicles		1,021,800			1,021,800
Total	-	1,021,800	-	-	1,021,800

2011 Vehicles yet to be received include one tandem dump truck and an aerial tree care truck.

Vehicles to be purchased in 2012 include seven pick ups, two tandem dump trucks, two backhoes, two vans, one refuse packer and one salter/sander unit.

Parks and Recreation Equipment

This is the annual replacement of equipment capital for Parks & Recreation.

Equipment Replacement	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Project in Progress:					
Parks Equipment Replacement		108,500			108,500
Total	-	108,500	-	-	108,500
2012 Core Capital:					
Fitness Equipment Replacement		145,200			145,200
Golf Course Equipment Replacement		77,800			77,800
Parks Equipment Replacement	127,100				127,100
Total	127,100	223,000	-	-	350,100

Engineering and Public Works Equipment

This is the annual replacement of equipment capital for Engineering & Public Works.

Equipment Replacement	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2012 Core Capital:					
Manufacturing Latex Printer		32,400			32,400
Engineering OCE printer & Plotter		60,000			60,000
Total	-	92,400	-	-	92,400

Information Technology

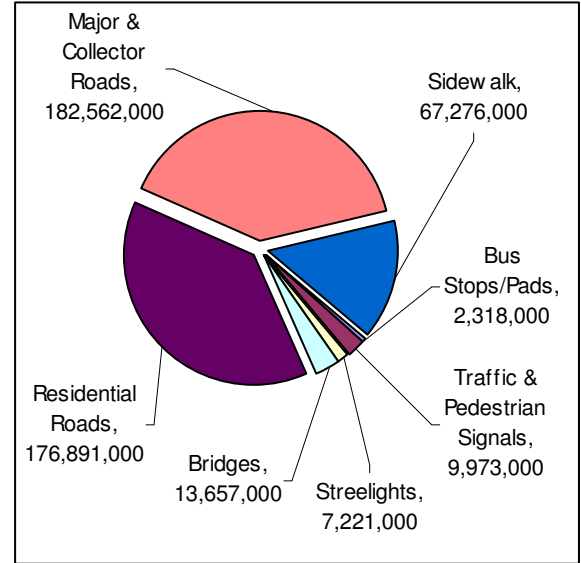
The items below include hardware and software replacement as well as project implementation costs for hardware and software.

Information Technology	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Project in Progress:					
Hardware and Software		38,800			38,800
Core Financials and Recreation System Upgrades		34,700			34,700
Total	-	73,500	-	-	73,500
2012 Core Capital:					
Hardware and Software	58,700				58,700
Core Application Systems	100,000	133,500			233,500
Emerging Technology HW/SW Program	6,500	8,000			14,500
WiFi Cabling	25,000				25,000
Asset Management Software		44,300			44,300
Saanich Web 3.0 Strategy		150,000			150,000
Various Projects		50,000			50,000
Phone Upgrades		70,000			70,000
Desktop Replacement Program		800,000			800,000
Office Software Replacement Program		200,000			200,000
Total	190,200	1,455,800	-	-	1,646,000

Transportation

Saanich transportation infrastructure includes 178 km of major or collector roads, 370 km of residential roads, 141 km of bike lanes, 255 km of sidewalks and 32 bridges valued at \$460 million dollars.

Asset	Component	Estimated Asset Life	Average Annual Replacement Cost (2010 \$)
Roads	Major & Collectors	20-80	\$3,305,000
	Residential	40-100	\$2,312,000
Sidewalks	Concrete & asphalt pedestrian facilities	15-50	\$1,700,000
Bridges	Timber, concrete	60-100	\$ 168,000
Streetlights	Pole mount, steel Standard, post top	30	\$ 240,000
Traffic & Pedestrian Signals	Pedestrian control, Solar beacons	25	\$ 399,000
Bus Stops & Pads	Concrete & Asphalt	15-50	\$ 46,000
		Total:	\$8,170,000

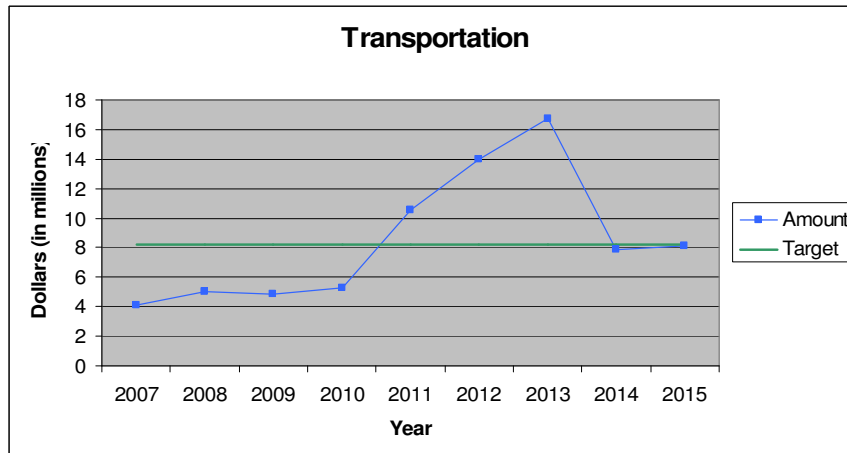


Current Ongoing Funding is \$7,590,000

Future Funding Target is \$8,170,000

How do we work toward this target?

- Continue to allocate Federal Gas Tax to road and bridge rehabilitation.
- Allocate a portion of annual capital program tax increase.
- Supplement roads and sidewalks with borrowing.
- Supplement with Federal and/or Provincial Grants if possible.
- Pursue emerging technologies which may lower replacement costs or extend useful life.



Transportation

Transportation	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Projects in Progress:					
Roads:					
Iris Avenue		26,200			26,200
Wilkinson Road (upgrade road fronting SIDES)		250,000			250,000
West Saanich Road (Elk Lake to Pipeline)		250,000			250,000
Admirals Road Phase 3 (Arundel to Cowper)		51,600	61,500		113,100
Burnside Road West Phase 2 & 3			1,219,400		1,219,400
Bikelane Priority Study		25,000			25,000
Uptown Traffic Study		46,000			46,000
Sinclair Road (Haro to Pitcombe)		92,400			92,400
Miscellaneous Road Projects		74,500			74,500
Sidewalks:					
Quadra Road – Lily to Beckwith		20,500			20,500
Miscellaneous Corner Ramps		24,900			24,900
Cardova Bay Road (Haliburton to 5110)		462,400			462,400
Dysart Avenue (Gorge to Ker)		119,000			119,000
Miscellaneous sidewalk projects		81,300			81,300
Bikeways:					
Cedar Hill X Road (Merriman to Synod)		42,800			42,800
Bus Stops, Signals, Street Lights:					
Bus Shelter Uptown		42,900			42,900
McKenzie / Braefoot Signal Upgrades		98,900			98,900
Shelbourne / Pear Signal Upgrade		65,000			65,000
Miscellaneous bus stop improvements		137,200			137,200
Miscellaneous Streetlight Program (Replace Standards and Pinto Heads)		30,400			30,400
Miscellaneous Signal Upgrades		120,100			120,100
Bridges:					
Bridge Major Repairs		82,600			82,600
Total	-	2,143,700	1,280,900	-	3,424,600

Transportation (Continued)

Transportation	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2012 Core Capital:					
Roads:					
Admirals Road Ph 4 (Cowper to Murray)			1,000,000		1,000,000
Admirals Road Ph 5 (Murray to Gorge)			500,000		500,000
Gorge Road (Admirals to Inlet)			150,000		150,000
MacKenzie Avenue (McGill to Cadboro Bay Road)		1,230,000	2,620,000		3,850,000
Admirals Road	100,000				100,000
Cook Street	150,000				150,000
Saanich Road (at Greenridge)	375,000				375,000
Sayward / Fowler / Hunt Intersection				1,000,000	1,000,000
Cedar Hill / Finlayson Intersection				400,000	400,000
Tolmie Curb	75,000				75,000
Traffic Calming (Bodega Traffic Circles)	200,000				200,000
Traffic Corridor Counts & Synchro Modelling			100,000		100,000
Annual Paving Program	1,000,000				1,000,000
Miscellaneous Road Projects	250,000	30,000			280,000
DCC Subsidy & Cost Share	120,000				120,000
Sidewalks:					
Cedar Hill Road (Rowan to Cedar Hill)	400,000				400,000
Haliburton Road (to Chy Tree Bend)		350,000			350,000
Forrester Street	75,000				75,000
Prospect Lake Road (4933 to Park)	125,000				125,000
Miscellaneous sidewalk projects	125,000				125,000
Bikeways:					
Cedar Hill Road (Hopesmore to Feltham)				750,000	750,000
Douglas Connector (Various Sections)	100,000	10,000	100,000		210,000
McKenzie Avenue (Shelbourne to GH)	150,000			500,000	650,000
Bus Stops, Signals, Street Lights:					
Miscellaneous bus stop improvements	100,000	15,000			115,000
Miscellaneous Streetlight Program (Replace Standards and Pinto Heads)	50,000				50,000
Traffic Signal Upgrades to Wireless			250,000		250,000
Shelbourne / Pear Traffic Signal	125,000				125,000
Carey / Ravine Traffic Signal		150,000			150,000
West Saanich Viewmont Traffic Signal		150,000			150,000
Signal Cabinet Replacement Program	75,000				75,000
Pedestrian Controlled Crosswalks	85,000				85,000
Miscellaneous Signal Upgrades	60,000				60,000
Bridges:					
Craigflower Bridge Replacement (Cost Share with View Royal)		262,700	1,475,000		1,737,700
Durance Bridge Design & Replacement	50,000				50,000
Goyette Bridge Design & Repair	250,000				250,000
Bridge Major Repairs	50,000				50,000
Total	4,090,000	2,197,700	6,195,000	2,650,000	15,132,700

Drainage

Saanich storm drainage infrastructure includes 600 km of main drains, 30,000 laterals and 14,000 catch basins valued at \$478 million dollars. The majority of the municipal drainage system is in fair condition. Pipe installed prior to 1975 (approx 168 km) is in varying degrees of decline.

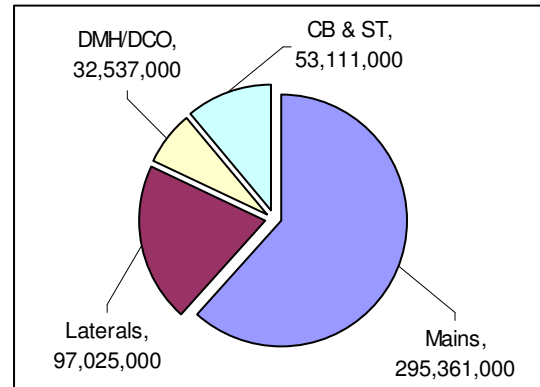
Replacing the remaining fourteen km of large diameter wood stave drain main is our primary concern. Replacing and upgrading problematic small diameter substandard drains is our secondary priority.

What needs to be done?

Continue the aggressive replacement of wood stave and substandard drain system to avoid higher construction costs and neighbourhood inconvenience. The goal this year is to replace 1.2 km of wood stave drain main and 500 meters of substandard drains.

Investigate environmentally sensitive methods of storm water collection, conveyance, and treatment.

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2010 \$)
Gravity Mains	Varies	\$ 4,715,000
Laterals	40	\$ 1,386,000
DMH / DCO	50	\$ 433,000
CBs & STs	50	\$ 758,000
		\$ 7,292,000

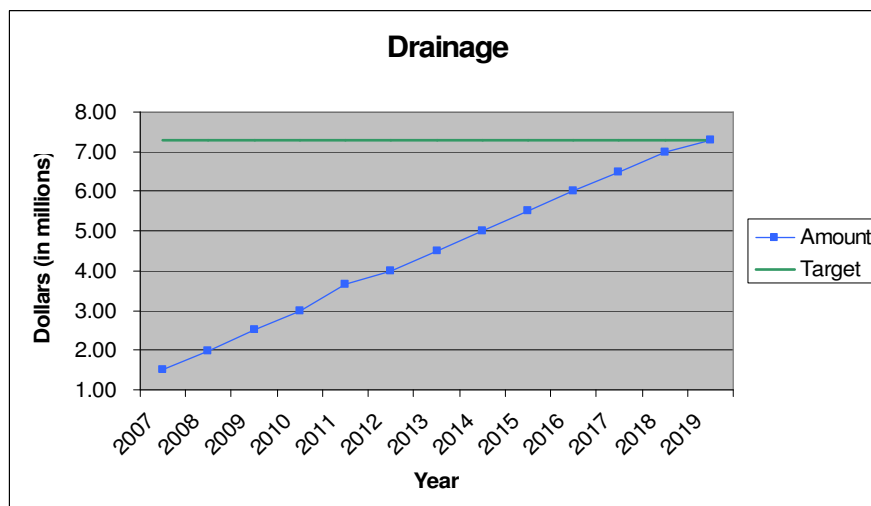


Current Ongoing Funding: \$4,000,000

Future Funding Target: \$7,292,000

How do we work toward this target?

- Continue 'Pay as you Go' practice to incrementally increase drain replacement.
- Pursue emerging technologies which may lower replacement costs or extend useful life.
- Research the Storm Water Utility Funding Model.



Drainage

Drainage	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Capital Projects in Progress:					
Sub-standard Drain Replacement:					
Murray Drive		393,400			393,400
Maddock Avenue		75,000			75,000
Other:					
Drainage Model Impelementation		240,100			240,100
Misc 2011 Drainage Projects		289,500			289,500
Total	-	998,000	-	-	998,000
2012 Core Capital:					
Wood Stave Replacement:					
St. Peters (year 2 cost)				197,200	197,200
McKenzie (year 2 cost)				245,000	245,000
Garnet (year 2 cost)				433,000	433,000
Stockton Crescent (year 2 cost)				254,000	254,000
Reynolds Road (year 2 cost)				245,000	245,000
Service / Frechette (year 2 cost)				75,800	75,800
Barbon Place / Dupplin Road (year 2 cost)				370,000	370,000
Nigel Avenue (year 2 cost)				428,000	428,000
Kisber / Mortimer (year 2 cost)				335,000	335,000
Richmond / Frechetter (year 2 cost)				94,600	94,600
Sotia Street (year 2 cost)				172,000	172,000
Bethune Avenue (year 2 cost)				123,000	123,000
Cloverdale / Blanshard (year 2 cost)				327,400	327,400
Darwin Ave (at Municipal Hall & Galloping Goose Trail)		100,000			100,000
Pendene Pl. (from Easter to Swan Lake Park)		279,000			279,000
Reynolds Road (Borden to Crocus Ln)		130,000			130,000
Knight Street (Shelbourne to 1704 Knight)		504,000			504,000
Cowper Street (at Admirals)		50,000			50,000
Alpine Replacement to Outfall		556,000			556,000
Cedar Hill Golf Course Drainage		51,200			51,200
Sub-standard Drain Replacement:					
Frechette Street	120,000				120,000
Vanalman (ROW thru 626 Vanalman)	70,000				70,000
Broadmead Avenue	105,000				105,000
Mileva Lane	100,000				100,000
Other:					
2013 Drainage Design	100,000				100,000
Drainage Model Impelementation	50,000				50,000
Misc 2012 Drainage Projects	155,000				155,000
Total	700,000	1,670,200	-	3,300,000	5,670,200

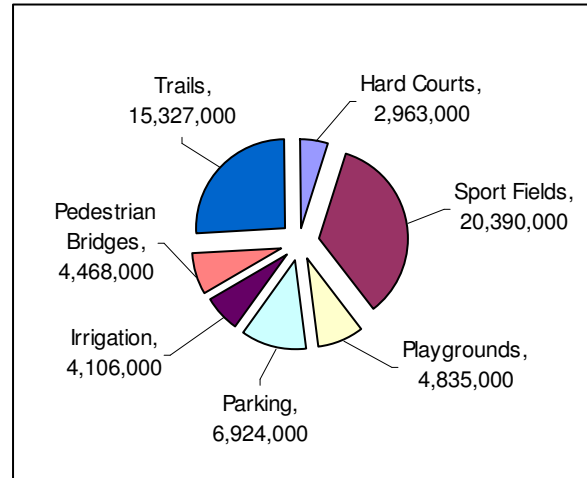
Park and Trail Structures

Parks and Trails structures include over 40 hard courts, 60 sport fields, 53 playgrounds, 50 pedestrian bridges and 86 km of trails.

What needs to be done?

- Continue repairing high priority items as they become known.
- Continue utilizing grants and contributions from sports associations to replace aging fields and playgrounds.

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2010 \$)
Hard Courts	15-20	\$ 149,300
Sport Fields	15-40	\$ 786,600
Playgrounds	15	\$ 322,300
Parking	15-40	\$ 296,000
Irrigation	15	\$ 273,700
Pedestrian Bridges	15-50	\$ 231,000
Trails	15-20	\$ 934,100
		\$ 2,993,000

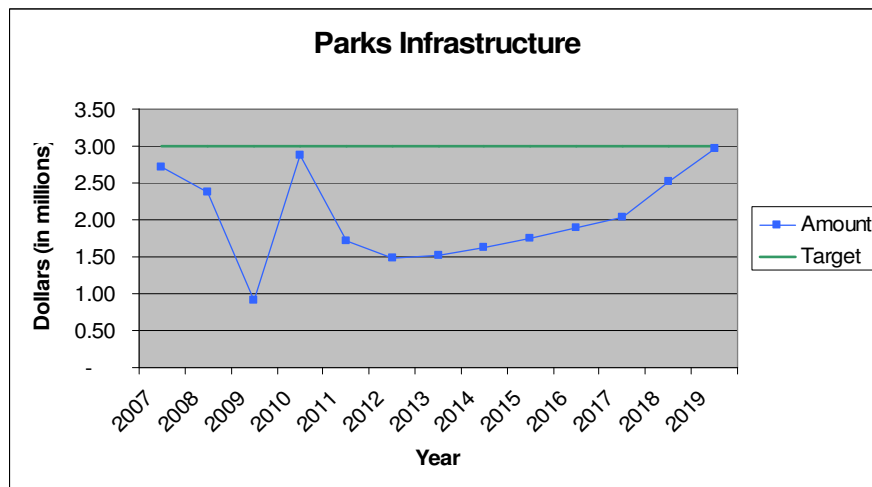


Current Ongoing Funding is \$1,398,000

Future Funding Target is \$2,993,000

How do we work toward this?

- Reallocate debt funding which will provide an additional \$700,000 per year .
- Allocate a portion of annual capital program tax increase to parks starting in 2013.
- Supplement with Federal and/or Provincial Grants if possible.



Park and Trail Structures

Park Improvements	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Projects in Progress:					
Layritz Park - Trails		35,800			35,800
Playgrounds Replacement		51,900			51,900
Bowker Creek Greenway - Phase 1		88,800			88,800
Douglas Creek Weir		14,900			14,900
Trail Resurfacing (Gordon Head)		41,200			41,200
Centennial Trails Phase 2		117,200			117,200
Bridges/Structures Replacement (Walema, Phyllis)		40,300			40,300
Mount Doug Improvements (Signs, Trails and Parking and Trail Connections from 4439 Blenkinsop Road)		157,800			157,800
Mount View/Carey Park Development		55,500			55,500
Fowler Park Phase 1 pre-loading		67,500			67,500
Cuthbert Holmes (Trails & Signs)		32,300			32,300
Miscellaneous Projects in Progress		161,000			161,000
Total	-	864,200	-	-	864,200
2012 Core Capital:					
Playgrounds Replacement & Retrofit Cadboro Gyro, Majestic and Beckwith Water Park)	248,000				248,000
Park Infrastructure Replacement & Retrofit	234,000				234,000
Court & Field Renovation	162,000				162,000
Parking Lot Replacement Program	128,000				128,000
Irrigation Replacement Program	134,000				134,000
Trail Resurfacing	100,000				100,000
General Park & Landscape (gorge, McMorran's, Prospect Lake dock)	138,000				138,000
Streetscape	49,000				49,000
Natural Areas / Urban Forestry Major Maintenance	49,000				49,000
Park Signage & Way Finding	61,000				61,000
Mount Doug Improvements (Signs, Creek and 20th Anniversary Project)		85,000			85,000
Cost Sharing - sport clubs	69,000				69,000
Park Planning & Design	26,000				26,000
Haro Woods Concept Plan		20,000			20,000
Panama Flats Concept & Management Plan		50,000			50,000
Land Acquisition Reserve		2,400,000			2,400,000
Total	1,398,000	2,555,000	-	-	3,953,000

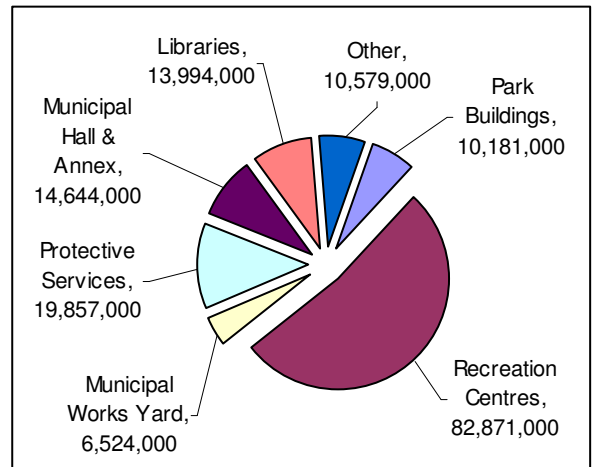
Community and Recreation Facilities

Saanich owns and operates a variety of facilities: the Municipal Hall, Public Safety Building, libraries, fire halls, a public works yard, many park structures, several recreation centres and a golf course. Total square footage is in excess of 590,000 square feet with a replacement cost of \$158 million dollars. These estimates will be refined as the municipality reviews the condition of its facilities in 2011 and produces a plan for capital improvements.

What needs to be done?

- Prepare Long Term Major Facilities Capital Replacement Plan
- Continue repairing high priority items as they become known such as SCP roof.
- Continue seismic analysis and upgrades

Component	Estimated Asset Life (years)	Average Annual Replacement Cost (2010 \$)
Recreation Centres	75	\$ 1,398,000
Park Buildings	50-75	\$ 191,000
Municipal Works Yard	75	\$ 92,000
Protective Services	75	\$ 386,000
Municipal Hall & Annex	75	\$ 267,000
Libraries	75	\$ 186,000
Other	75	\$ 141,000
		\$ 2,661,000

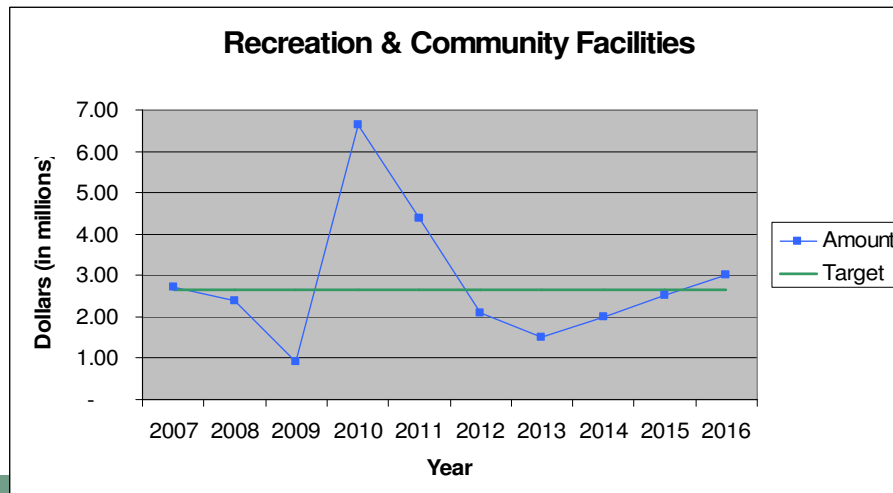


Current Funding is \$2,064,700

Future Funding Target is \$2,661,000

How do we work toward this?

- Reallocate debt funding which will provide a total of \$1,000,000 per year.
- Increase the above debt by \$500,000 each year starting in 2014.
- Top up budgets each year by allocating additional one time annual funding from GST Revenues, one time borrowing room, surplus or reserves through the annual budget process.
- Supplement with Federal and/or Provincial Grants if possible.



Community Facilities

Municipal Facilities	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Projects in Progress:					
Municipal Hall & Annex Renovation		125,900			125,900
Cell Block Improvements		400,000			400,000
Total	-	525,900	-	-	525,900
2012 Core Capital:					
Parks & Public Works Yard Building Improvements Year 3 (3 year project; \$500,000 per year)		1,497,600			1,497,600
Fire Station 2 Skylight, HVAC & Apparatus Bay Door Replacement		30,000			30,000
Fire Station 3 HVAC Replacement & Training Tower Repair		30,000			30,000
Municipal Hall Roof Replacement		134,300			134,300
Police Building Improvements	35,100				35,100
Seismic Upgrade Designs for Municipal Buildings	200,000	24,200			224,200
Strategic Facilities Planning	200,000				200,000
Major Facilities Capital Contingency	1,098,200	225,300			1,323,500
Total	1,533,300	1,941,400	-	-	3,474,700

Recreation Facilities

Recreation Facilities	Source of Funds				Budget
	Core	Reserves	Grants & Other	Borrowing	2012
2011 Projects in Progress:					
Building Improvements at various Centres		130,900			130,900
Cedar Hill HVAC System		114,800			114,800
Total	-	245,700	-	-	245,700
2012 Core Capital:					
SCP Skylight Replacement	336,400	664,900			1,001,300
Deck Surface Replacement at CHGC		140,500			140,500
Golf Course Improvements		25,600			25,600
Cedar Hill Replacement of Doors & Hardware		50,000			50,000
Building Improvements at various Centres		25,000			25,000
Water Fountains & Fill Stations		42,000			42,000
Pearkes Reception Area Improvements		75,000			75,000
Cedar Hill Building Improvements	85,000				85,000
Gordon Head HVAC System	110,000	50,200			160,200
Total	531,400	1,073,200	-	-	1,604,600

Reserve Funds

The Municipality maintains statutory and other general reserve funds for a variety of purposes. Revenues are contributed to each reserve as they are received. These revenues could include contributions from the general operating fund for a future project, investment income earned on the reserve balance, revenues from the sale of land, development cost charges received or other fees and contributions.

A work in progress reserve is used to bring funding forward for projects that take more than one year to complete. In addition we identify a contingency allocation from the insurance reserve of \$1,000,000 in each year for use in the event claims are made. In 2012 we project a decrease in reserves to \$64,442,200 while funding a variety of initiatives.

	January 1 2012 Balance	2012 Contributions	2012 Appropriations	December 31 2012 Balance
Land Sales	1,912,100	1,500,000	1,900,000	1,512,100
Public Safety and Security	2,215,900	477,600	1,176,000	1,517,500
Carbon Neutral	327,700	189,000	95,000	421,700
Sub Regional Parks	1,695,400	650,000	500,000	1,845,400
Equipment Replacement	6,220,500	1,640,100	2,644,700	5,215,900
Capital Works	16,090,600	4,181,100	7,127,300	13,144,400
Commonwealth Pool Operations	992,100	40,000	330,000	702,100
Commonwealth Pool HP Repair	122,100	14,500	20,000	116,600
Sayward Gravel Pit	1,730,500	80,000	1,500,000	310,500
Development Cost Charges	18,389,100	950,000	2,387,400	16,951,700
Work in Progress	27,804,800	17,749,000	27,804,800	17,749,000
Working Capital	5,000,000	100,000	1,500,000	3,600,000
Insurance	2,315,300	40,000	1,000,000	1,355,300
Total	84,816,100	27,611,300	47,985,200	64,442,200

Land Sales:

All revenues from the sale of land are mandated to be placed in this reserve and used for land and property development purposes.

Public Safety and Security:

The reserve is funded from a portion of annual Provincial Traffic Fine revenue grants and other revenues. In 2012, it provides funding for cell block improvements and the purchase of the mobile command vehicle.

Carbon Neutral:

This provides funding for projects to help reduce carbon emissions from municipal operations such as the pool area lighting at SCP, insulation work at one heritage home and Police purchase of an elective vehicle.

Sub Regional Parks:

This reserve is funded from contributions made by developers during the subdivision process and may be used to purchase or develop parks of this type.

Equipment Replacement:

This provides for the annual replacement of fleet and fire vehicles, computers, photocopiers and some recreation equipment. Annual contributions from individual core budgets accumulate in this account and are used to replace equipment based on long term plans maintained by each department. In 2012 majority of this will be spent on fleet vehicles and IT hardware and software.

Capital Works:

This reserve has four components: a General Infrastructure Reserve of \$788,300 accumulated from GST revenues, a Gas Tax Reserve of \$7,987,900 from transfer of revenues under the Federal *New Deal* agreement, a Mount Douglas and Mount Tolmie Reserves of \$1,684,500 for the purchase of parkland and site renovations and a Future Improvement Reserve of \$5,629,800 which has been accumulated from revenues received from developers for specific projects.

Commonwealth Pool Operations:

This reserve was established during the Commonwealth Games and \$330,000 is used annually to subsidize the utility costs of the Recreation Centre for high performance users in accordance with agreements signed in 1994.

Commonwealth Pool High Performance (HP) Area Repair and Replacement:

This reserve was established to fund the repair or replacement of equipment and improvement of the high performance area of the SCP Aquatic Pool. Contributions are received from high performance user groups.

Sayward Gravel Pit:

This fund was established from the sale proceeds of the Sayward Pit in the 1990's. In 2012 it provides funding for public works yard site improvements.

Development Cost Charges:

The Municipality has established a development cost charge program that requires the payment of DCC's from developers during the development approval process. These funds are collected and held for a variety of specific purposes and used for capital projects and parkland purchase as required.

Work in Progress:

Each year funding for the balance of approved projects that are not completed by year end are reserved and carried forward to the following year to complete the projects. These funds will be used by end of the year and a new reserve set up for projects to be carried forward to 2012.

Working Capital:

The municipality maintains a working capital reserve in the operating fund to provide funding for accounts payable, materials and supplies.

Insurance:

The municipality maintains a self insurance reserve to fund insurance claims. \$1,000,000 of this reserve is brought into revenue each year as a contingency even though it is not expected to be used.

General Fund Operating Estimates 2012 - 2016

The Municipality is required by the Community Charter Act to adopt a five year financial plan bylaw on or before May 15. This plan includes five year operating estimates. Given the dynamic nature of the municipal environment, five year estimates are prepared on a broad brush basis with adjustments made for significant cost factors where they are known with some certainty.

GENERAL FUND OPERATING BUDGET SUMMARY	
2012 Tax Levy	93,943,000
2013 Tax Levy	97,327,900
2014 Tax Levy	101,126,500
2015 Tax Levy	105,340,800
2016 Tax Levy	108,958,900
Annual Increase to Average Homeowner	3.85%

The projected net budget funded from property taxation is projected to increase from \$93,943,000 to \$108,958,900 in 2016 or an average 3.85% increase to the average homeowner. This includes a 3.0% increase in operations, 0.1% for new infrastructure operating costs and 0.75% increase for infrastructure replacement.

The 2012 -2016 operating estimates have been prepared using the following criteria:

1. 3.0% increase per year in operating costs
2. 2.0% percent increase in Core Capital funding per year
3. 0.75% tax allocation per year to infrastructure replacement
4. 0.10% tax allocation per year for new infrastructure operating costs
5. Average increase in property Taxation revenues of 0.75% per year from new construction.

Budget By Object	Budget	Budget	Budget	Budget	Budget
EXPENDITURES	2012	2013	2014	2015	2016
Personnel	80,601,600	83,019,600	85,510,200	88,075,500	90,717,800
Goods And Services	28,387,000	29,238,600	30,115,800	31,019,300	31,949,900
Fiscal Services	2,900,100	3,895,400	4,210,300	4,718,400	5,025,000
Grants, Overheads And Transfers	18,225,900	13,381,000	13,349,700	13,796,400	13,379,600
Capital	8,964,000	9,505,300	10,246,500	10,989,700	11,784,700
TOTAL	139,078,600	139,039,900	143,432,500	148,599,300	152,857,000
REVENUES/RECOVERIES					
Property Taxation	(93,943,000)	(97,327,900)	(101,126,500)	(105,340,800)	(108,958,900)
Parcel Tax	(24,000)	(24,000)	(5,300)	(1,700)	(1,400)
Other Corporate Revenues	(6,481,400)	(6,600,500)	(6,722,900)	(6,848,700)	(6,978,000)
Non – Tax Departmental Revenues	(23,233,300)	(23,465,600)	(23,700,300)	(23,937,300)	(24,176,700)
Program Credits	(8,273,100)	(8,521,300)	(8,776,900)	(9,040,200)	(9,311,400)
Reserves And Others	(7,123,800)	(3,100,600)	(3,100,600)	(3,430,600)	(3,430,600)
Grants	-	-	-	-	-
TOTAL	(139,078,600)	(139,039,900)	(143,432,500)	(148,599,300)	(152,857,000)

Water Utility Fund Estimates 2012 - 2016

Water Utility expenditures are expected to be influenced over the next five years by the cost to purchase bulk water from the Capital Regional District, capital funding of infrastructure replacement, inflation and personnel costs.

The balance of five year estimates are prepared on a broad brush basis with adjustments made for significant cost factors where they are known with some certainty.

The projected net budget funded from water user charges is projected to increase from \$18,703,700 to \$22,243,500 in 2016 or by an average 4.4% increase to the average homeowner.

The 2012 - 2016 operating estimates have been prepared using the following criteria:

1. An increase of 3.0% per year in operating costs
2. A 3.0% rate increase for core capital funding per year
3. An average increase in CRD water rates of 3.0% per year

WATER UTILITY BUDGET SUMMARY	
2012 Net Budget	18,599,600
2013 Net Budget	19,465,100
2014 Net Budget	20,342,800
2015 Net Budget	21,233,000
2016 Net Budget	22,136,100
Annual Increase to Average Homeowner	4.45%

Sewer Utility Fund Estimates 2012 - 2016

Sewer Utility expenditures during the next five years will be significantly influenced by significantly increased CRD regional treatment system debt, and increased CRD regional treatment operating costs.

In addition, the Municipality is gradually increasing the sewer capital replacement program each year until a sustainable replacement program is achieved.

The projected net budget funded from sewer user charges is projected to increase from \$10,712,300 to \$15,169,700 in 2016 or by an average of 9.10% annual increase to the average homeowner.

The 2012 – 2016 operating estimates have been prepared using the following criteria:

1. An increase of 3.0% per year in operating costs
2. A 3.0% rate increase for core capital funding per year
3. An average increase of 13.0% in CRD water rates of 3.0% per year services to reflect the construction and operation of the regional treatment plant.

SEWER UTILITY BUDGET SUMMARY	
2012 Net Budget	10,658,300
2013 Net Budget	11,797,800
2014 Net Budget	12,801,200
2015 Net Budget	13,902,100
2016 Net Budget	15,108,900
Annual Increase to Average Homeowner	9.10%

Capital Context Statement

The current Ten Year Capital forecast is a very broad indicator of future capital expenditures that can be accommodated within the Council borrowing guideline and other sources of funding.

In general terms, capital expenditures are projected to gradually increase over the next 5 to 8 years as the municipality continues to move toward sustainable levels of infrastructure replacement.

Funding for these increased expenditures is expected from Federal Community Works (Gas Tax) funding for infrastructure, the receipt of grants for Parks and Recreation projects and a continued emphasis on the use of a mixture of core annual property taxation revenues, debt financing and development cost charges for replacement of sewer, water, community facilities and road infrastructure.

Expenditures	Budget	Budget	Budget	Budget	Budget
	2012	2013	2014	2015	2016
Police	1,717,700	4,437,600	446,400	455,300	464,400
Fire	175,200	1,052,500	560,500	300,000	200,000
Transportation	18,649,700	18,440,000	7,890,000	8,090,000	8,240,000
Drainage	6,668,200	4,500,000	5,000,000	5,500,000	6,000,000
Parks and Recreation	7,126,100	5,411,800	3,797,700	3,453,300	3,562,200
Fleet Vehicle Equipment	1,448,300	1,000,000	1,000,000	1,000,000	1,000,000
Information Technology	1,719,500	194,000	197,900	201,900	1,205,900
Community Facilities	4,000,600	2,450,000	2,450,000	2,450,000	450,000
Water	13,606,000	5,868,400	6,328,400	6,788,400	7,248,400
Sewer	9,914,300	4,565,200	4,965,200	5,395,200	5,855,200
	65,025,600	47,919,500	32,636,100	33,634,100	34,226,100
Source of Funding	Budget	Budget	Budget	Budget	Budget
	2012	2013	2014	2015	2016
General Operating (Core Capital)	8,964,000	9,505,300	10,246,500	10,989,700	11,784,700
Utility Revenues	8,909,800	8,933,600	9,793,600	10,683,600	11,603,600
General Capital Reserves	11,856,900	-	-	-	-
Utility Reserves	11,093,700	-	-	-	-
Lands Reserves	1,900,000	1,000,000	1,000,000	500,000	500,000
Development Cost Charges	1,887,400	500,000	500,000	500,000	500,000
Equipment Reserve	3,471,100	1,425,600	1,226,000	1,360,800	2,237,800
Grants & Contributions	7,475,900	12,000,000	3,000,000	3,000,000	3,000,000
Long Term Debt	9,466,800	14,555,000	6,870,000	6,600,000	4,600,000
	65,025,600	47,919,500	32,636,100	33,634,100	34,226,100

Glossary		
A	Accrual	An accounting method which measures the financial performance and position of an organization by recognizing economic events when they happen, regardless of when the related cash actually changes hands.
	Appropriated	When a fund is appropriated, it is subject to certain restrictions on what its assets can be used for.
	Asset	Anything you own that has monetary value plus any money you are owed.
B	Balanced budget	A financial plan where current revenue, including transfers from operating reserves, equals current operating expenditures.
C	Capital asset	General capital assets are those in excess of \$10,000 with a useful life of two or more years (e.g. land, buildings).
	Capital budget	A financial plan outlining projected expenditures on capital assets during a given fiscal period.
	Capital project	Creation or improvement of infrastructure assets.
	Carbon footprint	Amount of carbon dioxide (CO₂e) that is emitted by the municipality.
	Community charter	The provincial legislation governing local governments. This legislation replaced the Local Government Act in 2003.
	Council	The eight councillors elected at large that represent the city as a whole.
D	Development cost charge (DCC)	A fee paid by a developer to help fund cost related to developing a property. Often these fees are used for parks and streets, and for infrastructure used to provide water, sanitary sewer and storm drainage services.
	Development permit	A permit that allows development of a property subject to certain conditions such as the timing or sequence of construction, density of development, alteration of specific requirements of the zoning of the property etc.
F	Fee	A fee is a charge to recover the cost of providing a service.
	Financial plan	This term is used interchangeably with “budget”.
	Full-time equivalent (FTE) staff	A statistic used to compare staffing levels between departments or organizations, and is calculated by dividing the total number of hours one full-time staff member is scheduled to work in a year.

	Fund	A pool of money normally set apart for a specific purpose.
	Fund balance	The excess of assets over liabilities in a fund.
G	GHG	Green House Gases are gasses generated from fossil fuel burning, released into the atmosphere and linked to climate change.
	Grant	Funds given to an organization from another organization (senior government to local government) which may have conditions attached to it and require specific spending to occur or goal to be accomplished in order to retain the funds.
	GVDA	Greater Victoria Development Agency facilitates and promotes the development of a strong economic base in Greater Victoria.
H	Hotel tax	A compulsory financial levy imposed on hotel room rentals. Funds collected are utilized on tourism initiatives.
I	Infrastructure	Physical structures that form the foundation for development. Infrastructure includes: wastewater and waterworks, electric power, communications, transit and transportation facilities and oil and gas pipelines and associated facilities.
L	Liability	A loan, expense, or any other form of claim on the assets of an entity that must be paid or otherwise honoured by that entity.
O	Operating budget	A financial plan outlining projected revenue and expenditures for the on-going, day-to-day activities of an organization during a given fiscal period.
R	Revenue	The money collected in exchange for providing a product or service.
	RFP	A Request For Proposal is issued at an early stage in a procurement process, where an invitation is presented for suppliers to submit a proposal on a commodity or service.
S	Sanitary sewer	The sewage system that carries substances requiring sanitation treatment.
	Sustainability	In terms of community development, sustainability is that which meets the needs of the present without compromising the ability of future generations to meet their own needs
T	Tax	A compulsory financial contribution imposed by a government to raise revenue.
U	Utility	A business organization performing a public service and subject to special governmental regulation.
	Utility tax	A financial contribution imposed by Provincial legislation to substitute taxation based on assessment for applicable utility companies. Tax calculation based on gross revenues.

Budget Bylaws

Council is required by the Community Charter to adopt a Five Year Financial Plan Bylaw on or before May 15 of each year. The attached bylaw represents, in summary form, the operating and capital budget for the Municipality as identified in this document. The budget can be amended from time to time should Council adopt an amending bylaw, although this is generally not a frequent occurrence.

The following bylaws are attached for reference purposes:

Financial Plan Bylaw 9178

Tax Rate Bylaw 9180



THE CORPORATION OF THE DISTRICT OF SAANICH

BYLAW NO. 9178

TO ADOPT THE FINANCIAL PLAN FOR THE PERIOD 2012 TO 2016

WHEREAS the Municipal Council has caused to be prepared the Financial Plan for the period 2012 to 2016 in accordance with the provision of Section 165 of the Community Charter;

THEREFOR the Municipal Council of The Corporation of the District of Saanich enacts as follows:

1. The Financial Plan for the period 2012 to 2016 being Schedule "A" - General; Schedule "B" - Water Utility; Schedule "C" - Sewer Utility; and, Schedule "D" - Revenue and Tax Policy Disclosure; all attached to this Bylaw, is hereby adopted.
2. This Bylaw may be cited for all purposes as the "**FINANCIAL PLAN BYLAW, 2012, NO. 9178**".

Read a first time this 7th day of May, 2012.

Read a second time this 7th day of May, 2012.

Read a third time this 7th day of May, 2012.

Adopted by Council, signed by the Mayor and Clerk and sealed with the Seal of the Corporation on the 14th day of May, 2012.

"DONNA DUPAS"

Municipal Clerk

"FRANK LEONARD"

Mayor

THE CORPORATION OF THE DISTRICT OF SAANICH
**FINANCIAL PLAN
 BYLAW NO. 9178**
SCHEDULE "A"
GENERAL

	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$
REVENUES					
Taxation					
Property Taxes	93,943,000	97,327,900	101,126,500	105,340,800	108,958,900
Parcel Taxes	24,000	24,000	5,300	1,700	1,400
Utilities & Other	1,487,900	1,532,500	1,578,500	1,625,900	1,674,700
	<u>95,454,900</u>	<u>98,884,400</u>	<u>102,710,300</u>	<u>106,968,400</u>	<u>110,635,000</u>
Fees and Charges	23,233,300	23,465,600	23,700,300	23,937,300	24,176,700
Other Revenues					
Grants-in-lieu of Taxes	2,015,000	2,075,500	2,137,800	2,201,900	2,268,000
Provincial Unconditional Grants	1,581,400	1,581,400	1,581,400	1,581,400	1,581,400
Conditional Grants & Contributions	7,475,900	12,000,000	3,000,000	3,000,000	3,500,000
Development Cost Charges	1,887,400	500,000	500,000	500,000	500,000
Other	1,397,100	1,411,100	1,425,200	1,439,500	1,453,900
	<u>14,356,800</u>	<u>17,568,000</u>	<u>8,644,400</u>	<u>8,722,800</u>	<u>9,303,300</u>
TOTAL	<u>133,045,000</u>	<u>139,918,000</u>	<u>135,055,000</u>	<u>139,628,500</u>	<u>144,115,000</u>
EXPENSES					
Municipal Services					
General Government	14,496,000	12,785,000	13,168,500	13,563,500	13,970,400
Public Safety and Protection	43,217,900	44,297,700	45,870,300	47,258,500	48,671,700
Planning and Development	4,847,600	4,264,000	4,391,900	4,523,600	4,659,400
Solid Waste Management	5,555,800	5,516,500	5,682,000	5,852,500	6,028,100
Engineering and Public Works	18,041,400	18,711,700	19,445,600	20,134,600	20,866,800
Parks, Recreation and Cultural	32,726,800	33,184,000	34,164,800	35,206,100	36,277,600
	<u>118,885,500</u>	<u>118,758,900</u>	<u>122,723,100</u>	<u>126,538,800</u>	<u>130,474,000</u>
TOTAL	<u>118,885,500</u>	<u>118,758,900</u>	<u>122,723,100</u>	<u>126,538,800</u>	<u>130,474,000</u>
OPERATING SURPLUS	14,159,500	21,159,100	12,331,900	13,089,700	13,641,000
ADD BACK NON CASH ITEM					
Amortization Expense	11,736,400	12,088,500	12,451,100	12,824,600	13,209,400
CASH SURPLUS	<u>25,895,900</u>	<u>33,247,600</u>	<u>24,783,000</u>	<u>25,914,300</u>	<u>26,850,400</u>
FUNDS TRANSFERRED IN					
Borrowing Proceeds	5,950,000	13,055,000	5,370,000	5,100,000	3,100,000
Transfers from Reserves	24,351,800	5,526,200	5,326,600	4,631,400	5,424,800
Transfers from Surplus	0	0	0	0	0
	<u>30,301,800</u>	<u>18,581,200</u>	<u>10,696,600</u>	<u>9,731,400</u>	<u>8,524,800</u>
FUNDS USED/TRANSFERRED OUT					
Capital Expenditure	41,505,300	37,485,900	21,342,500	21,450,500	21,122,500
Debt Principle Repayment	1,356,800	2,210,100	2,072,900	2,382,900	2,480,600
Transfers to Reserves	13,335,600	12,132,800	12,064,200	11,812,300	11,772,100
	<u>56,197,700</u>	<u>51,828,800</u>	<u>35,479,600</u>	<u>35,645,700</u>	<u>35,375,200</u>
NET TRANSFERES TOTAL	<u>(25,895,900)</u>	<u>(33,247,600)</u>	<u>(24,783,000)</u>	<u>(25,914,300)</u>	<u>(26,850,400)</u>
Financial Plan Balance	0	0	0	0	0



THE CORPORATION OF THE DISTRICT OF SAANICH

FINANCIAL PLAN
BYLAW NO. 9178

SCHEDULE "B"

WATER UTILITY

	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$
REVENUES					
Parcel Taxes	3,300	0	0	0	0
Other Revenue	107,400	107,400	107,400	107,400	107,400
Fees and Charges	18,596,300	19,465,100	20,342,800	21,233,000	22,136,100
Development Cost Charges	500,000	0	0	0	0
TOTAL	19,207,000	19,572,500	20,450,200	21,340,400	22,243,500
EXPENSES					
Operations	15,408,000	15,870,200	16,346,300	16,836,700	17,341,800
TOTAL	15,408,000	15,870,200	16,346,300	16,836,700	17,341,800
OPERATING SURPLUS	3,799,000	3,702,300	4,103,900	4,503,700	4,901,700
ADD BACK NON CASH ITEM					
Amortization Expense	1,890,500	1,947,200	2,005,600	2,065,800	2,127,800
CASH SURPLUS	5,689,500	5,649,500	6,109,500	6,569,500	7,029,500
FUNDS TRANSFERRED IN					
Transfers from Reserves	7,666,500	0	0	0	0
Transfers from Surplus	250,000	250,000	250,000	250,000	250,000
	7,916,500	250,000	250,000	250,000	250,000
FUNDS USED/TRANSFERRED OUT					
Capital Expenditure	13,606,000	5,899,500	6,359,500	6,819,500	7,279,500
NET TRANSFERES TOTAL	(5,689,500)	(5,649,500)	(6,109,500)	(6,569,500)	(7,029,500)
Financial Plan Balance	0	0	0	0	0

THE CORPORATION OF THE DISTRICT OF SAANICH
**FINANCIAL PLAN
 BYLAW NO. 9178**
SCHEDULE "C"
SEWER UTILITY

	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$
REVENUES					
Other Revenue	54,000	55,600	57,300	59,000	60,800
Fees and Charges	10,658,300	11,797,800	12,801,200	13,902,100	15,108,900
Development Cost Charges	40,000	40,000	40,000	40,000	40,000
TOTAL	10,752,300	11,893,400	12,898,500	14,001,100	15,209,700
EXPENSES					
Operations	10,235,800	10,770,700	11,367,700	12,034,200	12,808,700
TOTAL	10,235,800	10,770,700	11,367,700	12,034,200	12,808,700
OPERATING SURPLUS	516,500	1,122,700	1,530,800	1,966,900	2,401,000
ADD BACK NON CASH ITEM					
Amortization Expense	2,164,100	2,229,000	2,295,900	2,364,800	2,435,700
CASH SURPLUS	2,680,600	3,351,700	3,826,700	4,331,700	4,836,700
FUNDS TRANSFERRED IN					
Borrowing Proceeds	3,516,800	1,500,000	1,500,000	1,500,000	1,500,000
Transfers from Reserves	3,909,300	0	0	0	0
Transfers from Surplus	150,000	150,000	150,000	150,000	150,000
	7,576,100	1,650,000	1,650,000	1,650,000	1,650,000
FUNDS USED/TRANSFERRED OUT					
Capital Expenditure	9,914,300	4,584,300	4,984,300	5,414,300	5,874,300
Debt Principle Repayment	342,400	417,400	492,400	567,400	612,400
	10,256,700	5,001,700	5,476,700	5,981,700	6,486,700
NET TRANSFERES TOTAL	(2,680,600)	(3,351,700)	(3,826,700)	(4,331,700)	(4,836,700)
Financial Plan Balance	0	0	0	0	0



THE CORPORATION OF THE DISTRICT OF SAANICH

FINANCIAL PLAN
BYLAW NO. 9178

SCHEDULE "D"

REVENUE AND TAX POLICY DISCLOSURE

Proportions of Total Revenue

<u>Funding Sources</u>	
Property Taxes	45.00%
Fees and Charges	25.10%
Borrowing Proceeds	4.60%
Other Sources	25.30%
	100.00%

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.

Distribution of Property Taxes

<u>Property Class</u>	
1 Residential	78.81%
2 Utilities	0.36%
3 Supportive Housing	0.00%
5 Light Industry	0.08%
6 Business & Other	20.61%
7 Managed Forest	0.00%
8 Rec/Non-Profit	0.14%
9 Farm	0.00%
	100.00%

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 2012 Saanich Strategic Plan target for the proportion of business property tax revenue is set at a minimum of 20%.

Permissive Tax Exemptions

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

THE CORPORATION OF THE DISTRICT OF SAANICH

BYLAW NO. 9180

FOR THE LEVYING OF RATES AND TAXES FOR THE YEAR 2012

The Council of The Corporation of the District of Saanich, in open meeting assembled, enacts as follows:

1. The following rates are hereby imposed and levied for the year 2012:
 - (a) For all lawful general purposes of the municipality on the assessed value of land and improvements taxable for general municipal purposes, rates appearing in column "A" of the Schedule attached hereto and forming a part hereof.
 - (b) For purposes of the Capital Regional District on the assessed value of land and Improvements taxable for general municipal purposes, rates appearing in column "B" of the Schedule attached hereto and forming a part hereof.
 - (c) For hospital purposes on the assessed value of land and improvements taxable for Regional Hospital District purposes, rates appearing in column "C" of the schedule attached hereto and forming a part hereof.
 - (d) For purposes of the expenses related to the Cadboro Bay Village Business Improvement Association and referred to in Bylaw No. 8537 on the assessed value of all land and improvements that fall into Class 6 of the assessments within the designated business improvement area as defined in Bylaw No. 8537 and referred to as the Cadboro Bay Village Business Improvement Area, \$1.30121 per \$1,000 taxable value.
2. The aforesaid rates and taxes shall be considered to have been imposed on and from the First (1st) day of January 2012. Such rates and taxes are not deemed to be paid until payment is received in the office of the Collector of The Corporation at 770 Vernon Avenue, Victoria, B.C.
3. This bylaw may be cited for all purposes as the "**TAX BYLAW, 2012, NO. 9180**".

Read a first time this 7th day of May, 2012.

Read a second time this 7th day of May, 2012.

Read a third time this 7th day of May, 2012.

Adopted by Council, signed by the Mayor and Clerk and sealed with the Seal of the Corporation on the 14th day of May, 2012.

"DONNA DUPAS"

Municipal Clerk

"FRANK LEONARD"

Mayor

**2012
SCHEDULE**

Tax Rates (dollars of tax per \$1000 taxable value)

Property Class	A	B	C
	Municipal General	Regional District	Regional Hospital District
(1) Residential	3.3303	0.2568	0.2903
(2) Utilities	26.9534	2.0784	1.0161
(3) Supportive Housing	3.3303	0.2568	0.2903
(4) Major Industry	11.7953	0.9095	0.9870
(5) Light Industry	11.7953	0.9095	0.9870
(6) Business/Other	11.9608	0.9223	0.7112
(7) Managed Forest	18.9158	1.4586	0.8709
(8) Recreational/Non Profit	6.2457	0.4816	0.2903
(9) Farm	0.5000	0.0386	0.2903