



The Corporation of the District of Saanich

# Report

**To:** Mayor and Council

**From:** Angila Bains, Director of Legislative and Protective Services / Corporate Officer

**Date:** January 10, 2025

**Subject:** Alternative Approval Processes – Capital Program Loan Authorization Bylaws No. 10023, 10024, 10025, 10026, and 10027.

**File:** 1500-20

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## RECOMMENDATION(S)

1. That an Alternative Approval Process be approved and conducted with respect to elector approval for "Sewer Capital Program Loan Authorization Bylaw, 2024, No. 10023"; and
  - a. That the deadline for receiving elector responses for Bylaw No. 10023 be 4:30 PM, Wednesday, March 19, 2025, following the 30-day statutory elector response period; and
  - b. That the total number of eligible electors with respect to Bylaw No. 10023 be determined to be 82,883 with a 10 percent threshold of 8,288; and
  - c. That with respect to Bylaw No. 10023 the Elector Response Form be established and approved as presented.
  
2. That an Alternative Approval Process be approved and conducted with respect to elector approval for "Storm Drainage Capital Program Loan Authorization Bylaw, 2024, No. 10024"; and
  - a. That the deadline for receiving elector responses for Bylaw No. 10024 be 4:30 PM, Wednesday, March 19, 2025, following the 30-day statutory elector response period; and
  - b. That the total number of eligible electors with respect to Bylaw No. 10024 be determined to be 87,353 with a 10 percent threshold of 8,735; and
  - c. That with respect to Bylaw No. 10024 the Elector Response Form be established and approved as presented.
  
3. That an Alternative Approval Process be approved and conducted with respect to elector approval for "Transportation Capital Program Loan Authorization Bylaw, 2024, No. 10025"; and
  - a. That the deadline for receiving elector responses for Bylaw No. 10025 be 4:30 PM, Wednesday, March 19, 2025, following the 30-day statutory elector response period; and

- b. That the total number of eligible electors with respect to Bylaw No. 10025 be determined to be 87,353 with a 10 percent threshold of 8,735; and
    - c. That with respect to Bylaw No. 10025 the Elector Response Form be established and approved as presented.
4. That an Alternative Approval Process be approved and conducted with respect to elector approval for “Parks Capital Program Loan Authorization Bylaw, 2024, No. 10026”; and
  - a. That the deadline for receiving elector responses for Bylaw No. 10026 be 4:30 PM, Wednesday, March 19, 2025, following the 30-day statutory elector response period; and
  - b. That the total number of eligible electors with respect to Bylaw No. 10026 be determined to be 87,353 with a 10 percent threshold of 8,735; and
  - c. That with respect to Bylaw No. 10026 the Elector Response Form be established and approved as presented.
5. That an Alternative Approval Process be approved and conducted with respect to elector approval for “Community Facilities Capital Projects Loan Authorization Bylaw, 2024, No. 10027”; and
  - a. That the deadline for receiving elector responses for Bylaw No. 10027 be 4:30 PM, Wednesday, March 19, 2025, following the 30-day statutory elector response period; and
  - b. That the total number of eligible electors with respect to Bylaw No. 10027 be determined to be 87,353 with a 10 percent threshold of 8,735; and
  - c. That with respect to Bylaw No. 10027 the Elector Response Form be established and approved as presented.
6. That notice for each of the five separate Alternative Approval Processes be published in accordance with Section 86(2) of the *Community Charter*.
7. That elector response forms for each of the five separate Alternative Approval Processes be accepted in any one of the following ways:
  - Delivered in person to the Corporate Officer, District of Saanich Municipal Hall, 770 Vernon Ave, Victoria, BC, V8X 2W7 during regular office hours (Monday to Friday, 8:30 am to 4:30 pm, excluding statutory holidays), or after hours if deposited into the 24-hour secure drop box at the entrance of the Municipal Hall
  - By mail: Corporate Officer, the District of Saanich, 770 Vernon Ave, Victoria BC, V8X 2W7
  - By emailing a legible scanned copy: [aap@saanich.ca](mailto:aap@saanich.ca)

## **PURPOSE**

The purpose of this report is to obtain Council approval to proceed with five separate and concurrent Alternative Approval Processes (AAPs) for capital program borrowing under Bylaws No. 10023, 10024, 10025, 10026, and 10027 (Attachment 2).

**BACKGROUND**

**Loan Authorization Bylaws**

Bylaws No. 10023, 10024, 10025, 10026, and 10027 were introduced and read three times at the Special Council meeting held on Monday, May 6, 2024. Each bylaw provides authorization to borrow for a term not exceeding 15 years in the amount approved in the 2024 Financial Plan to support the capital program, as follows:

1.	Sewer Capital Program (Bylaw No. 10023)	400,000
2.	Storm Drainage Capital Program (Bylaw No. 10024)	1,700,000
3.	Transportation Capital Program (Bylaw No. 10025)	3,100,000
4.	Parks Capital Program (Bylaw No. 10026)	1,200,000
5.	Community Facilities Capital Projects (Bylaw No. 10027)	<u>3,215,000</u>
		<b><u>\$9,615,000</u></b>

The bylaws facilitate funding for the following projects approved in the 2024 Financial Plan:

**Sewer:** Albina-Gorge Forcemain Upgrade.

**Storm Drainage:** Substandard drain replacement for Shelbourne Street, Homer Road, Kamloops Avenue, Hodgson Place, Jamaica Road, Albina Street, Orillia Street, and Maddock Avenue.

**Transportation:** Active Transportation programs such as sidewalk and cycling infrastructure installation, bike facilities and crosswalk installation, as well as street light replacement and sidewalk rehabilitation.

**Parks:** Fowler Park pickleball courts; Cedar Hill Golf Course parking lot; Maynard Playground; Viewmont Tennis Court reconstruction; Streetscapes; bridges and structures programs.

**Community Facilities:** Cedar Hill Recreation Centre climate retrofits and green and inclusive upgrades, Saanich Commonwealth Place waterslide replacement, Municipal Hall Annex HVAC upgrades, Les Passmore Centre and Cedar Hill Golf Course Maintenance building electrification retrofits.

The Loan Authorization bylaws received approval from the Provincial Inspector of Municipalities on December 10, 2024, enabling the District to move forward with Alternative Approval Processes in accordance with the *Community Charter*. Bylaw approvals were delayed in 2024 due to the provincial election in October.

The District has strategically used long-term borrowing to fund core service items in the capital program to ensure asset maintenance and service delivery levels are met without requiring the funding to come from property taxation. This strategy allows the District to spread the cost of the work over time and avoid sharp increases in year-over-year taxation to raise the amount required to sustain service delivery. The costs of servicing the debt are included in the 2024 debt servicing budget and are part of the District’s Council-approved long-term debt-servicing strategy. The District’s future plan is to reduce the need for annual borrowing as a funding source for regular

asset replacement as was approved by Council in the infrastructure replacement funding strategy. If the District is unable to borrow, property taxes would have to increase by 5.25% to allow for these projects to continue.

In past years the District has not been required to obtain elector consent for standard budget-approved borrowing as the total borrowing has been within legislated limits. The legislation governing borrowing provides that a local government must obtain consent of the electors for borrowing where the costs for servicing its total debt exceed five percent of eligible revenues. The District is at the five percent level requiring an elector approval process for annual borrowing. Future borrowing will be brought forward within the financial planning framework set by Council that was developed with reference to both long term financial planning principles outlined in planning work conducted by KPMG and operational and service-level requirements and future capital needs facing the District. The two key elements of this framework are the debt-servicing funding strategy (referenced above) and the Debt Management Policy. The Debt Management Policy provides for a debt-servicing level of 14% of property taxes levied for the previous year for the general operating fund. This Policy operates as a key governance constraint on management of the appropriate levels of long-term debt. The debt servicing limit is stricter than the level set by the *Community Charter*, which limits debt servicing to 25% of total municipal revenues collected in the previous year.

### **Alternative Approval Process**

Saanich's borrowing activities are guided by provisions of the *Community Charter*, the *Local Government Act*, BC Municipal Liabilities Regulation 254/2004, and Council Policy – Debt Management. Elector approval via Alternative Approval Process (AAP) for the above noted bylaws is required under Section 180 of the *Community Charter*.

AAPs are routinely used throughout BC to seek elector approval for borrowing towards capital initiatives. The process includes public notice followed by an opportunity for qualified electors to register written opposition. If more than 10 percent of electors submit a valid Elector Response Form prior to the deadline established by Council, the loan authorization bylaws may not be adopted without further assent. Alternatively, if fewer than 10 percent of electors are opposed, the bylaws will have received elector approval and may proceed for adoption.

Saanich has not undertaken an AAP in recent years, as the District's debt servicing level has not required elector approval. However, AAPs are becoming more frequent in BC, as more municipalities undertake long-term borrowing or reach the elector approval threshold under the current legislation. The District's long-term borrowing is financed through the Municipal Finance Authority.

Following the AAP process, the Corporate Officer will determine and certify, on the basis of the elector response forms received before the deadline, whether elector approval has been obtained for each AAP. All approved bylaws will be included on a subsequent agenda for adoption, currently scheduled for April 28, 2025.

Municipalities may also obtain elector approval for an initiative by holding a referendum in accordance with the *Local Government Act*, to determine the will of a majority of voters in the community. For Bylaws No. 10023-10027 more than one concurrent referenda may be required. Staff do not recommend referenda at this time due to the costs associated with a community-wide vote. However, if Bylaws No. 10023-10027 are not approved via AAP, staff will bring forward options which may include referenda for Council consideration.

## **DISCUSSION**

### **Unified AAP**

Staff recommend conducting five separate concurrent AAPs for Bylaws No. 10023, 10024, 10025, 10026, and 10027, giving electors the opportunity to register opposition, at their own discretion, to any or none of the initiatives. For example, an elector may oppose borrowing for storm drainage replacements under Bylaw No. 10024, while not opposing any other bylaws. AAPs that are held concurrently in this manner are referred to as Unified AAPs. By conducting a Unified AAP, the District will minimize costs toward supplies and staff contingencies compared with AAPs held at different times. Statutory public notification will be conducted via newspaper as well as on the District's website, [www.saanich.ca](http://www.saanich.ca), where resources and background are available. A mailout notice campaign is not planned for this initiative and is not typically used for AAPs.

### **Electors and Response Forms**

As part of the process, Council is required to make a fair determination of the total number of electors of the area to which each AAP applies. For Bylaws No. 10024, 10025, 10026, and 10027, which apply to the entire municipality, staff have determined the number of electors to be 87,353 with a 10 percent threshold of 8,735, using the Provincial Voters List, as provided by Elections BC. Borrowing costs for each of these bylaws would be paid by the entire municipality.

For Bylaw No. 10023 the number of electors has been determined to be 82,883 with a 10 percent threshold of 8,288, by referring to the number of properties in the Sewer Service Area as a percentage of the entire District and the Provincial Voters List. Only electors within the Service Area will be eligible to submit a response for Bylaw No. 10023, as the borrowing costs for this initiative would be paid only by the participating properties.

Council is required to approve the Elector Response Forms, as attached for consideration (Attachment 1) and to establish the deadline for receiving the Forms. Staff are recommending March 19, 2025 as the deadline for each of the separate AAPs which will provide time for public notices and the statutory response period.

For transparency, staff also recommend that Council formally approve the notification process under the *Community Charter* and approve the methods by which Elector Response Forms may be accepted.

## **COUNCIL OPTIONS**

1. That Council approve the recommendation(s) as outlined in the staff report.
2. That Council receive this report for information
3. That Council provide alternate direction to staff.

## **FINANCIAL IMPLICATIONS**

Costs related to holding a Unified Alternative Approval Process with these five separate and concurrent AAPs are estimated at \$30,000. This includes all public notifications, with approximately \$20,000 in savings on supplies and staff contingencies compared with separate AAPs.

As noted above, the borrowing authorized by the bylaws allows the District to execute necessary work to sustain service delivery without raising the required funds through an increase in the annual property taxation amount. If the District is unable to borrow, property taxes would have to increase by 5.25% to allow for these projects to continue. The borrowing fits within the Council-approved long-term borrowing strategy and does not require additional budget increases for debt-servicing costs as these amounts are accounted for in the strategy and included in Financial Plan. The borrowing is well within the borrowing limits established by Council in the Debt Management Policy, which provides a debt-servicing level of 14% of property taxes levied for the previous year for the general operating fund.

## **STRATEGIC PLAN IMPLICATIONS**

The recommendations directly support the following Council Strategic Plan 2023-2027 objectives:

- 6.1** We balance efficiency, transparency, and engagement.
- 6.2** We base financial decisions on predictability, consistency, prudence, and long-term sustainability.

## **CONCLUSION**

Elector consent is required to proceed with borrowing approved in the 2024 Financial Plan and necessary to fund the capital program and sustain service levels. It is recommended that Council direct staff to proceed with the alternative approval process outlined above.

Prepared by: Matt O'Halloran, Deputy Manager, Legislative Services / Deputy Corporate Officer

Reviewed by: Paul Arslan, Director of Financial Services

Approved by: Angila Bains, Director of Legislative and Protective Services / Corporate Officer

### **Attachments:**

1. Elector Response Forms – Bylaws No. 10023, 10024, 10025, 10026, 10027
2. Loan Authorization Bylaws

## **ADMINISTRATOR'S COMMENTS:**

I endorse the recommendation from the Director of Legislative and Protective Services/ Corporate Officer .

Brent Reems, Chief Administrative Officer

# ATTACHMENT 2

## THE CORPORATION OF THE DISTRICT OF SAANICH

### BYLAW NO. 10023

#### TO AUTHORIZE BORROWING FOR SEWER CAPITAL PROGRAM

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WHEREAS it is deemed desirable and expedient to improve the sewer system in the Sewer Service Area of the Municipality of Saanich;

AND WHEREAS the estimated cost including expenses incidental thereto is the sum of \$400,000 which is the amount of debt intended to be created by this bylaw;

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

1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out, the construction of improvements to the sewer system in the Sewer Service Area of the Municipality of Saanich, generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing, to borrow upon the credit of the Municipality, a sum not exceeding \$400,000.
2. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 15 years.
3. This bylaw may be cited as the "**SEWER CAPITAL PROGRAM LOAN AUTHORIZATION BYLAW, 2024, No. 10023**".

Read a first time this 6<sup>th</sup> day of May, 2024.

Read a second time this 6<sup>th</sup> day of May, 2024.

Read a third time this 6<sup>th</sup> day of May, 2024.

Received the approval of the Inspector of Municipalities on the 10<sup>th</sup> day of December, 2024.

Adopted by Council, signed by the Mayor and Corporate Officer and sealed with the Seal of the Corporation on the    day of   , 2024.

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Corporate Officer

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Mayor

THE CORPORATION OF THE DISTRICT OF SAANICH

BYLAW NO. 10024

**TO AUTHORIZE BORROWING FOR STORM DRAINAGE CAPITAL PROGRAM**

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WHEREAS it is deemed desirable and expedient to improve the storm drainage system in the Municipality of Saanich;

AND WHEREAS the estimated cost including expenses incidental thereto is the sum of \$1,700,000 which is the amount of debt intended to be created by this bylaw;

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

1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out, the construction of improvements to the storm drainage system, generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing, to borrow upon the credit of the Municipality, a sum not exceeding \$1,700,000.
2. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 15 years.
3. This bylaw may be cited as the "**STORM DRAINAGE CAPITAL PROGRAM LOAN AUTHORIZATION BYLAW, 2024, No. 10024**".

Read a first time this 6<sup>th</sup> day of May, 2024.

Read a second time this 6<sup>th</sup> day of May, 2024.

Read a third time this 6<sup>th</sup> day of May, 2024.

Received the approval of the Inspector of Municipalities on the 10<sup>th</sup> day of December

Adopted by Council, signed by the Mayor and Corporate Officer and sealed with the Seal of the Corporation on the    day of   , 2024.

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Corporate Officer

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Mayor



THE CORPORATION OF THE DISTRICT OF SAANICH

BYLAW NO. 10025

**TO AUTHORIZE BORROWING FOR TRANSPORTATION CAPITAL PROGRAM**

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WHEREAS it is deemed desirable and expedient to improve the transportation infrastructure in the Municipality of Saanich;

AND WHEREAS the estimated cost including expenses incidental thereto is the sum of \$3,100,000 which is the amount of debt intended to be created by this bylaw;

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

1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out, the construction of improvements to the transportation infrastructure, generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing, to borrow upon the credit of the Municipality, a sum not exceeding \$3,100,000.
2. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 15 years.
3. This bylaw may be cited as the "**TRANSPORTATION CAPITAL PROGRAM LOAN AUTHORIZATION BYLAW, 2024, No. 10025**".

Read a first time this 6<sup>th</sup> day of May, 2024.

Read a second time this 6<sup>th</sup> day of May, 2024.

Read a third time this 6<sup>th</sup> day of May, 2024.

Received the approval of the Inspector of Municipalities on the 10<sup>th</sup> day of December.

Adopted by Council, signed by the Mayor and Corporate Officer and sealed with the Seal of the Corporation on the    day of   , 2024.

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Corporate Officer

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Mayor

THE CORPORATION OF THE DISTRICT OF SAANICH

BYLAW NO. 10026

**TO AUTHORIZE BORROWING FOR PARKS CAPITAL PROGRAM**

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WHEREAS it is deemed desirable and expedient to improve the parks infrastructure in the Municipality of Saanich;

AND WHEREAS the estimated cost including expenses incidental thereto is the sum of \$1,200,000 which is the amount of debt intended to be created by this bylaw;

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

1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out, the construction of improvements to the parks infrastructure, generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing, to borrow upon the credit of the Municipality, a sum not exceeding \$1,200,000.
2. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 15 years.
3. This bylaw may be cited as the "**PARKS CAPITAL PROGRAM LOAN AUTHORIZATION BYLAW, 2024, No. 10026**".

Read a first time this 6<sup>th</sup> day of May, 2024.

Read a second time this 6<sup>th</sup> day of May, 2024.

Read a third time this 6<sup>th</sup> day of May, 2024.

Received the approval of the Inspector of Municipalities on the 10<sup>th</sup> day of December.

Adopted by Council, signed by the Mayor and Corporate Officer and sealed with the Seal of the Corporation on the    day of   , 2024.

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Corporate Officer

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Mayor

THE CORPORATION OF THE DISTRICT OF SAANICH

BYLAW NO. 10027

**TO AUTHORIZE BORROWING FOR COMMUNITY FACILITIES CAPITAL PROGRAM**

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WHEREAS it is deemed desirable and expedient to construct (improve) community facilities in the Municipality of Saanich;

AND WHEREAS the estimated cost including expenses incidental thereto is the sum of \$3,215,000 which is the amount of debt intended to be created by this bylaw;

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

1. The Council is hereby empowered and authorized to undertake and carry out or cause to be carried out, the construction of (improvements) to community facilities, generally in accordance with general plans on file in the municipal office and to do all things necessary in connection therewith and without limiting the generality of the foregoing, to borrow upon the credit of the Municipality, a sum not exceeding \$3,215,000.
2. The maximum term for which debentures may be issued to secure the debt created by this bylaw is 15 years.
3. This bylaw may be cited as the "**COMMUNITY FACILITIES CAPITAL PROJECTS LOAN AUTHORIZATION BYLAW, 2024, No. 10027**".

Read a first time this 6<sup>th</sup> day of May, 2024.

Read a second time this 6<sup>th</sup> day of May, 2024.

Read a third time this 6<sup>th</sup> day of May, 2024.

Received the approval of the Inspector of Municipalities on the 10<sup>th</sup> day of December.

Adopted by Council, signed by the Mayor and Corporate Officer and sealed with the Seal of the Corporation on the    day of    , 2024.

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Corporate Officer

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Mayor