

Here are the answers to your questions regarding the civic redevelopment project in Central Saanich:

How did the District arrive at \$55M for the civic redevelopment?

The \$55M estimate for the civic redevelopment project is based on high-level cost estimates including a Class D estimate on basic square footage needs and potential land sales.

Does the \$55M civic redevelopment estimate include the \$5M already spent on Hovey Road?

The \$55M estimate includes the \$5M spent on acquiring the Hovey Road property.

How will property taxes be affected if the cost of the civic redevelopment project increases from \$55M to \$70M, \$80M, \$90M?

The estimate of \$55 million is high and includes contingencies.

Although the District's Asset Management Plan (AMP) identifies these facilities for replacement, the plan is based on the high level estimate, which includes reasonable contingencies. Although unlikely, if the project cost increased beyond the forecasted high estimate including contingency, the District would reassess the project and financial strategy, including any tax impact. A guiding principle from the outset of this project has been to minimize the impact on taxpayers and the District remains committed to this. Currently, no additional taxes above the annual AMP levy are anticipated and the District aims to use reserves and borrowing within manageable limits.

If the civic development estimate increases from \$55M to \$70M, \$80M, \$90M, will the incremental debt servicing cost come from reserves or increased debt?

As per the previous response, the plan is based on the high level estimate, which includes reasonable contingencies. Although unlikely, if the project cost increased beyond the forecasted high estimate including contingency, the District would reassess the project and financial strategy, including any reserve or debt (or tax) impact.

If the civic redevelopment exceeds \$55M, will interfund borrowing be required? If so, from where?

As per the previous response, the plan is based on the high level estimate, which includes reasonable contingencies. Although unlikely, if the project cost increased beyond the forecasted high estimate including contingency, sources for interfund borrowing could be considered and would be determined based on the District's financial policies and available reserves.

Nareka Jacques

From: David Lawson [REDACTED]
Sent: Friday, April 4, 2025 9:46 AM
To: Municipal Hall
Cc: Fernando Pimentel; Mayor Ryan Windsor; Chris Graham; Gordon Newton; Niall Paltiel; Sarah Riddell; Bob Thompson; Zeb King
Subject: April 7th Special (Open) Council Meeting

Please add these questions to the April 7th Special (Open) Council Meeting.

- How did the District arrive at \$55M for the civic redevelopment?
- Does the \$55M civic redevelopment estimate include the \$5M already spent on Hovey Road?
- How will property taxes be affected if the cost of the civic redevelopment project increases from \$55M to \$70M, \$80M, \$90M?
- If the civic development estimate increases from \$55M to \$70M, \$80M, \$90M, will the incremental debt servicing cost come from reserves or increased debt?
- If the civic redevelopment exceeds \$55M, will interfund borrowing be required. If so, from where?
- What does the BC Assessment Authority assess the 1903 Mt. Newton property to be worth?
- What term was used to estimate the \$55M civic redevelopment debt. Would a different term be factored in if cost estimates for the project increased to \$70M, \$80M, \$90M?
- What will adjusted reserves to liability service levels ratio be if \$21.5M from reserves is used to fund the civic redevelopment?
- As stated on page 68, 'Major buildings are in reasonable condition, though the public works facility and Municipal Hall Complex are approaching their end of life'. Specifically, what does 'approaching' mean ... 1 year, 5 year, 10 year?
- When the loss of interest on \$21.5M from reserves is used for capital (facilities), what will the actual debt servicing cost (debt servicing + loss of interest on reserves) to taxpayers be for 2025~2029.
- In 2 years, the District will be faced with a shortfall in optimum reserves levels of \$7,945,926. If reserves are topped up to optimum at that time, will that affect the ability to draw from reserves supporting the funding of capital projects from 2025~2029?
- Why is the District budgeting money for facilities which are rated at level C, when there is more urgent need for drainage, water and sewer which are assessed below level C?
- The projected rating for 'facilities in 2027 at proposed funding' is estimated at level B. Why wouldn't it be rated at level A?

- Please confirm that the District's budget in 2027 and 2028 will drop by 40% and 12%, respectfully.
- Please confirm that the District's budget for property taxes from 2026 to 2029 will drop to about 4.5% annually?
- Debt servicing in 2024 consumed 5.3% of the District's surplus. Please confirm that in 2027, 2028, 2029, debt servicing, as a percentage of surplus, will jump to 34%, 38% and 37%, respectfully?

- How does the population growth rate from 2024 to 2025 compare to the following department cost increases?
 - o Fire Department increase by 15.8% over 2024.
 - o Police services increase by \$486,800 or 7.6% over 2024.
 - o Finance department increase of 14.8% over 2024.
 - o Planning, Building & Bylaw Services of 37.9% over 2024.
- Across all departments, what is the estimated FTE hours needed to support the civic redevelopment project?

- Across all departments, what is the estimated cost of staffing the civic redevelopment project?
- What is the scope of the new facilities project coordinator role?

- Grant revenue in 2024 was \$2,876,053. In 2025, it is budgeted to be \$4,810,500. What is the source of the approximate \$2M increase in grant revenue?
- What cost saving programs are identified in the budget, and what will be the savings to the taxpayer?

- Has contingency been created for the effects of tariffs on vehicles, equipment, supplies, etc, for operational expenses and capital initiatives?
 - o What is the value of the contingency?
- Has contingency been created for a potential loss of the Hovey Road lawsuit?
 - o What is the value of the contingency?
 - o Does the contingency include legal fees?
- What are the Hovey Road cumulative legal costs-to-date?

- Risk management is budgeted to cost the District \$168K. I could find no notes in previous financial statements that listed any identified risks. What work product is generated from this role?

David Lawson

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