



# The Corporation of the District of Central Saanich

## REGULAR COUNCIL REPORT

For the Regular Council meeting on Monday, April 28, 2025

Re: 2025 Financial Plan Adoption

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### **RECOMMENDATION(S):**

1. *That the Central Saanich 2025-2029 Financial Plan as presented in the March 28<sup>th</sup> staff report and meetings March 28<sup>th</sup> and April 7<sup>th</sup>, with additions and deletions detailed in Appendix C of the Financial Plan report (attached), be adopted.*
2. *That 2025-2027 three-year Capital Plan approval for core replacement programs, as identified in Table 8. of the March 28<sup>th</sup> staff report, plus/minus any budget changes noted in Appendix C, be approved.*

### **PURPOSE:**

To adopt the Draft 2025 Financial Plan with amendments, and three-year approval of core capital replacement programs.

### **BACKGROUND:**

Each year, municipalities are faced with the challenge of balancing the budget as mandated by the legislation. The Community Charter requires that local governments in British Columbia approve a Five-Year Financial Plan (in bylaw format) and Property Taxation Bylaw before May 15 of each year. To produce this bylaw, the District updates its Five-Year Financial Plan which includes Operating Budgets, Projects and Strategic Initiatives, Water and Sewer Utilities and Capital Programs.

The 2025 Financial Plan provides a status quo operations approach for the continuation of services expected by the community in addition to the following,

- Police Services support for two specialized knowledge casual labour contracts
- Fire Department implementation of a Fire Inspections position, and transition out of housing and coordination of Hazmat Regional Services
- Year two of the 2025-2027 Work Force Plan to enable the Strategic Implementation Plan in areas of facilities redevelopment, occupational health and safety, roads maintenance and fire inspections
- Continuation of Asset Management Plan financial strategies for both future replacement (1.25%) and new infrastructure (0.50%)

Funding is also provided for projects and strategic initiatives to move priorities of Council and the community forward such as infrastructure master plans (transportation, parks, drainage, water, sewer), ongoing facilities redevelopment work, Provincial housing legislation implementation, Firesmart program and climate adaptation planning.

The Draft Plan presented March 31<sup>st</sup> was summarized as a 6.05% or \$153 increase for operations and 1.75% or \$46 for capital, totalling 7.80% or \$199 to an average homeowner.

The 2025 Water Utility budget is based on a water rate of \$2.054 per cubic meter (5.55% increase) and a fixed charge of \$141 annually for a total of \$641 to a median residential property (\$26 increase over 2024). The Sewer Utility budget is based on a sewer rate of \$2.244 per cubic meter (9.93% increase) or \$402 to a median residential property (\$36 increase over 2024). The combined annual water and sewer utility increases for capital reserves funding have been set to ensure both utilities can reach targeted AMP funding levels by 2032.

The five-year capital plan consists of \$130.8 million of work, including facilities replacement, which is ambitious given the Districts size and staff capacity. Asset management planning has identified the need for significant amounts of underground pipe replacement over the next ten to twenty years for asbestos concrete, steel, and vitrified clay pipes as they reach the end of their useful lives, as well as major facilities replacement. The next update of the Asset Management Plan and financial strategies will start Q4 2025 and into 2026 for 2027 Financial Plan review and consideration.

**DISCUSSION:**

The Draft 2025 Financial Plan was presented to Council on March 31st and April 7th. Budget amendments are summarized in Appendix C and page 116 of the Financial Plan. Based on these changes, the revised increase to average residential property is shown in Table 1.

Table 1. Revised draft increase to average residential property

Municipal operations	3.32%	\$84
Police operations	1.99%	51
Library	0.14%	4
Subtotal	5.45%	\$139
Infrastructure replacement	1.25%	33
New infrastructure	0.50%	13
Total	7.20%	\$185

Budget Amendments as per Council direction:

1. Municipal Budget Amendments

Operations:

- 2025 revised roll non-market BC Assessment values (April 1<sup>st</sup>) have been used to reduce the average home tax increase. A 0.6% or \$14 decrease from the Draft Plan forecast

Projects and Initiatives:

- Addition of Wayfinding Signage, WSANEC Place Naming and Interpretation Boards, \$50,000. Funded from Reserve for Future Expenditures

Capital:

- Removal of a light or medium duty vehicle purchase from the 2025 budget. A light duty truck, \$85,000, from the Parks Department has been removed from the 2025 budget and carried forward to 2026

2. Police Budget Amendments

As per the Council motion at the April 7, 2025, Committee of the Whole meeting:

*That the amendment regarding the Inlet Protection Management Pilot (\$40k) be referred to the Police Board prior to budget ratification.*

The Police Board approved an amended draft budget as presented on April 14th, 2025, to include the grant funding of \$250,000 from the federal Guns and Gangs Violence Action Fund, administered by the Province of British Columbia and \$40,000 from prior year surplus.

**Projects and Initiatives:**

- Addition of Inlet Protection Management Pilot, \$40,000. Funded from Reserve for Future Expenditures
- Addition of Guns and Gang Violence Action Fund Grant (Police Department), \$200,000 for operations including temporary staffing, project development, training and recruitment

**Capital:**

- Addition of Guns and Gang Violence Action Fund Grant, \$50,000 for equipment

**Three-year Capital Plan**

As detailed in the March 31<sup>st</sup> staff report (Table 2. below), staff are requesting three-year approval for core capital replacement programs to assist with both procurement and longer-term contracts and pricing for this ongoing work.

*Table 2. Three-year Capital Plan approval from Council for core replacement programs*

Infrastructure Renewal	2025	2026	2027
Road Reconstruction	\$1,300,000	\$800,000	\$800,000
Active Transportation \$10.4M Plan	\$2,468,000	\$2,210,000	\$2,905,000
Storm Water Drain Replacement	\$110,000	\$115,000	\$120,000
Fleet Replacements - General	\$2,251,000	\$728,000	\$1,815,000
Fleet Replacements - Water	\$120,000	\$230,000	\$0
Fleet Replacements - Sewer	\$850,000	\$0	\$0
Water Pipe Replacement	\$3,800,000	\$2,000,000	\$2,500,000
Sewer Pipe Replacement	\$500,000	\$650,000	\$2,000,000

**OPTIONS:**

Option 1

1. That the Central Saanich 2025-2029 Financial Plan as presented in the March 28<sup>th</sup> staff report and meetings March 28<sup>th</sup> and April 7<sup>th</sup>, with additions and deletions detailed in Appendix C of the Financial Plan report (attached), be adopted.
2. That 2025-2027 three-year Capital Plan approval for core replacement programs, as identified in Table 8. of the March 28<sup>th</sup> staff report, plus/minus any budget changes noted in Appendix C, be approved.

Option 2

That staff be provided alternate direction.

**CONCLUSION:**

The 2025 Financial Plan provides for status quo delivery of services expected by the community as well as continued implementation of the 2024-2027 Work Force Plan to enable successful delivery of operations, strategic projects and capital programs.

As part of the Districts asset management financial strategies, an annual 1.25% tax increase for future infrastructure replacement funding is included, in addition to 0.50% for new and active transportation infrastructure.

Financial Plan and Tax Rates Bylaws will be presented once the Plan with any further amendments is adopted, together with a summary of revisions to the draft Plan.

Once adopted, the 2025 Financial Plan will be updated with all amendments and posted online as well as submitted to the Government Finance Officers Association of North America for their Distinguished Budget Award program.

Respectfully written and submitted by:	Fernando Pimentel, Acting Director of Finance and Technology Services
Concurrence by:	Christine Culham, Chief Administrative Officer

**ATTACHMENTS:**

Appendix A: 2025 Financial Plan, Dated April 7, 2025

Appendix B: 2025 Financial Plan, Appendix C: Changes to the Draft 20255 Financial Plan

Appendix C: March 31<sup>st</sup> Staff Report, 2025 Draft Financial Plan