

COMMUNITY FOCUS

SEPTEMBER 2008



NEWS AND INFORMATION FOR CENTRAL SAANICH



NOVEMBER 15 IS THE DISTRICT OF CENTRAL SAANICH MUNICIPAL ELECTION AND REFERENDUM

Central Saanich is preparing for the civic election. When you vote, you will be asked the following four questions:

Referendum Questions

1. CRD Facilities: Do you support financial participation by the District of Central Saanich in a renovation/expansion of the Panorama Recreation Centre that provides a new swimming pool, financed by Capital Region debt totaling \$8.998 million that will increase annual residential property taxes in Central Saanich by approximately \$8.50 per \$100,000 of assessed property value (\$44.31 per household, on average) over 15 years?
2. Municipal Facilities: Do you agree that the District of Central Saanich should give higher priority to its own projects such as a new public safety building (fire hall or combined fire hall/police station) and reconstruction of East Saanich Road?
3. Financial Sustainability (Operational/Service Levels): Do you favour the District of Central Saanich increasing its revenues primarily through higher property taxes in order to maintain current operational levels of service?
4. Municipal Infrastructure (Major Municipal Projects): Do you favour the District of Central Saanich increasing its long-term financial obligations (such as borrowing) which would need to be recovered through property taxes to finance necessary infrastructure projects?

Question 1 seeks the explicit direction of the electorate on a specific initiative, and the current Council would consider itself obligated to abide by the outcome. Questions 2, 3 and 4 are intended as survey-style questions of a more general nature to assist Council in its future decision-making.

Visit the referendum webpage for more information at www.centralsaanich.ca

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Referendum Open House • Oct 9
5:30-8pm • Fire Hall Training Centre
1903 Mt. Newton X Road

You are invited to attend the referendum open house for a chance to discuss the above topics with municipal Council and staff, view displays, and pick up handout information.

General Voting Day • Nov 15
8am-8pm • Central Saanich Municipal Hall,
1903 Mt. Newton X Road and Central Saanich
Cultural Centre, 1209 Clarke Road.

Advance Voting Day • Nov 5 & 12
8am-8pm • Central Saanich Municipal Hall
1903 Mt. Newton X Road.

REFERENDUM QUESTIONS & BACKGROUND INFORMATION

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QUESTION 1:

CRD Facilities: Do you support financial participation by the District of Central Saanich in a renovation/expansion of the Panorama Recreation Centre that provides a new swimming pool, financed by Capital Region debt totaling \$8.998 million that will increase annual residential property taxes in Central Saanich by approximately \$8.50 per \$100,000 of assessed property value (\$44.31 per household, on average) over 15 years?

Background

The PRC Pool Renovation/Expansion Project will add approximately 7,000 sq.ft. of new space and will include:

- new leisure/lifestyle pool tank incorporating warmer water; lazy river channel; ramped access; shallow tots' area; bubble pad and two 25 metre leisure swimming lanes
- new hot tub
- water slide with elevator for accessibility (35' platform height proposed but under review at press time)
- steam room and sauna
- on-deck and upper level viewing areas
- expanded weight room
- addition of program space above pool

Funding of the \$8,988,000 borrowing is currently being shared by the District of North Saanich and the Town of Sidney. Should residents in Central Saanich choose to join the new service, the debt servicing costs would then be shared between the three municipalities based on the existing allocation formula for the current Panorama Recreation net operating costs. This formula splits the costs based on population (50%) and net taxable value of land and improvements for hospital purposes (50%). All current debt (excluding the pool expansion borrowing) will be

paid down by 2012. The pool expansion borrowing term was for 15 years, finishing in 2023. Just over 50% of the current operating, capital and debt charges are recovered through the collection of user fees and charges, with the balance being provided in the form of a funding requisition by the CRD to the participating municipalities.

Construction has begun, and is expected to be completed in the fall of 2009.

Discussion

If Central Saanich chooses to participate, it would cost Central Saanich taxpayers approximately \$8.50 per \$100,000 assessed residential property value (about \$44.31 for the average household) annually for 15 years in additional property taxes.

On the other hand, if the District chooses not to participate, Central Saanich residents may be required to pay higher user fees or have limited access to programs and facilities compared to participating residents in North Saanich and Sidney. For example, the Peninsula Recreation Commission instituted a 30 per cent surcharge and a 2 week waiting period for program registration for Central Saanich users before Central Saanich became a partner in 1997.

QUESTION 2:

Municipal Facilities: Do you agree that the District of Central Saanich should give higher priority to its own projects such as a new public safety building (fire hall or combined fire hall/police station) and reconstruction of East Saanich Road?

Background

Central Saanich faces aging infrastructure and needs to prioritize several capital projects over the next 10 years, including municipal buildings, the reconstruction of East Saanich Road and rehabilitation of other roads, installation of sidewalks and bike lanes, as well as water, sewer and storm water infrastructure.

Two examples of projects scheduled to proceed to construction within the next 5 years are a proposed new public safety building (fire hall or combined fire hall/police station) and the reconstruction of East Saanich Road.

New Public Safety Building

The Fire Underwriters Survey in 2002 recommended that the District consider either the establishment of a more centralized fire hall, or the establishment of a second 'satellite' fire station to address fire response times in Brentwood Bay and the Keating Business Park. The study evaluating the various options for a separate fire hall or a combined fire hall/police station is still in progress. Depending on the solution chosen, the cost could range from \$10-20 million. Council hopes to have a decision next year.

East Saanich Road. East Saanich Road is a major road used by trucks and farm traffic, and it also provides access to residences and recreational activities. The pavement quality varies from poor to good. Also, safety issues at the East Saanich / Saanich Cross Road intersection have been identified.

The section of East Saanich Road from Polo Park to the North Saanich boundary is slated for bicycle and walking lane construction under the provincial LocalMotion program. In July 2008, the District of Central Saanich received a grant of \$575,000 towards this \$1.15 million upgrade project.

In addition, a major re-build (i.e., pavement rehabilitation, access closures, and possible designation as a truck route) of the section between Island View Road and Cultra Avenue is required. The estimated construction cost is \$7 million, some of which may be offset by grants.

Discussion

The review of facilities requirements and an analysis of various development options are nearing completion, and will be followed by refined concepts, order of magnitude costs and preliminary financing options, a preliminary timeline and construction phasing assessments.

REFERENDUM QUESTIONS & BACKGROUND INFORMATION

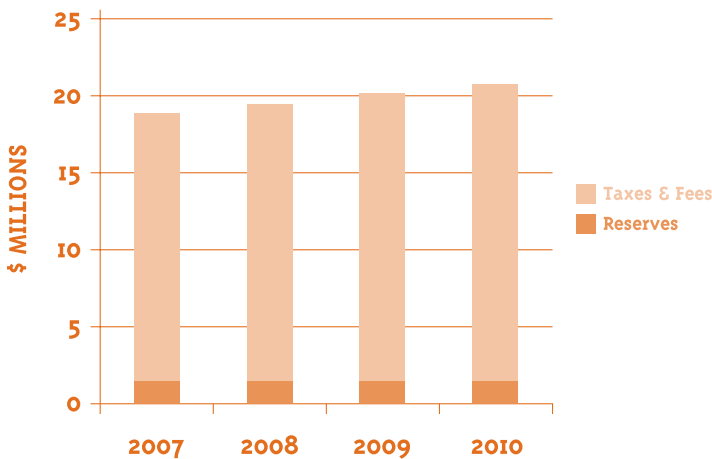
It is possible that these infrastructure projects could be implemented along with supporting the PRC Pool Renovation/Expansion Project, although the combined tax impact of doing so would be significantly greater. In this scenario, Council would carefully assess various financing options and prioritize upcoming infrastructure.

The District has the option of delay. However, deferring either of these projects could result in higher financial costs, as the cost of construction continues to rise. As well, since public safety is at the heart of both projects, there could also be the risk of a social cost in delaying the projects.

QUESTION 3:

Financial Sustainability (Operational/Service Levels): Do you favour the District of Central Saanich increasing its revenues primarily through higher property taxes in order to maintain current operational levels of service?

REVENUES REQUIRED TO MAINTAIN SERVICE LEVELS



Background

Like other municipalities, the District of Central Saanich uses property taxes as the primary means to fund ongoing operational costs, particularly community-wide services such as fire, police, parks, roads, drainage and storm water management, libraries, admin-

istration, etc. Unconditional provincial revenue sharing funding that used to help support such services was eliminated in the 1990s.

Discussion

Tax levels in Central Saanich compare favourably to other local jurisdictions in the area. The District has a limited tax base and, with the elimination of grant funding from senior governments, reserve funds have acted as a buffer to reduce the level of tax increases that would otherwise be needed to meet the rising costs of providing service. However, reserve funds are declining (19% since 2002), and major capital expenditure projects are required in future years. At the same time, the District needs to meet year-to-year operational needs, and maintain a healthy balance in the general reserve for future expenditures.

Unless there is an increase in the tax base, tax increases exceeding the rate of inflation will be required to maintain a healthy balance in Reserve and Surplus Funds and maintain current levels of service.

On the other hand, costs could be cut by reducing service levels in the municipality. Ultimately, there would need to be a decision about which services should be reduced or eliminated as an alternative to higher taxes or borrowing.

QUESTION 4:

Municipal Infrastructure (Major Municipal Projects): Do you favour the District of Central Saanich increasing its long-term financial obligations, such as borrowing, which would need to be recovered through property taxes to finance necessary infrastructure projects?

Background

The current practice of 'Pay as You Go' has enabled the District of Central Saanich to be one of the few municipalities in British Columbia to remain debt free to date. However, with the need to invest \$17-27 million or more in infrastructure, this approach (at least at current tax rates) is no longer sustainable. Accordingly, the District is considering a number of financing alternatives.

In January 2008, a Financing Options Review was completed to assess the District's finances and review options for financing major capital expenditure projects that are also required in future years. The report recommends the District consider using a variety of funding sources to achieve these goals, including property taxation increases, use of Reserve and Surplus funds, public-private and public-public partnership arrangements, grant programs and external borrowing.

External borrowing

Local governments can engage in short or long-term borrowing for items and projects that are considered 'capital' in nature. Typical examples of capital items include fire trucks, buildings, water mains and roads.

Short-term (i.e., less than five years) capital borrowing is governed by the Community Charter and must be approved by bylaw. Short-term borrowing can be used for small capital projects or to 'top-up' funds for larger projects.

Long-term borrowing (i.e., up to thirty years) is also governed by the Community Charter and requires a loan authorization bylaw. Low cost financing is readily available through the Municipal Finance Authority (MFA). Long-term borrowing provides funds for larger capital projects that cannot be financed by Reserve funds or current revenues.

REFERENDUM QUESTIONS & BACKGROUND INFORMATION

Question 4 continued from page 3

Discussion

With two infrastructure projects required in the next 5 years at an estimated \$17-27 million, and more projects on the horizon, it is evident that current tax rates will not allow the District of Central Saanich to accumulate enough savings within a reasonable period of time to undertake the necessary capital works.

External borrowing is widely viewed as being a more equitable means of financing capital projects (compared to higher property taxes in advance of construction, for example), because property owners get to use the infrastructure while paying for it. In addition, the cost of the interest on borrowed money is partially offset by the lower cost of constructing sooner rather than later. A further advantage is that the taxpayer pays less annually for borrowed money (due to extended amortization) than for an accelerated buildup of reserves.

Other financing options include:

Use of Reserve and Surplus Funds. Small capital projects (i.e., under \$1 million in value), or portions of major capital projects, may be financed from operating and reserve funds. However, the level of Reserves must be carefully considered because this fund has decreased by about 19% since 2002.

Public-private and public-public partnerships (P3s). Partnering arrangements are co-operative ventures where local governments combine with another sector to develop infrastructure and facilities, sharing risks and rewards.

Private sector partners have unique strengths and advantages that make possible the provision of community works and services that would be difficult for a local government to provide on its own.

Public sector partnerships occur when local governments share investment with other public authorities such as other local governments, school boards, public health care bodies, provincial and federal governments and First Nations.

Establishing P3s is a complex and time-consuming undertaking, and are generally only considered for projects over a \$5 million construction value.

Grant programs. A wide variety of grant programs are available, including federal/provincial infrastructure grants, green funding for environmental initiatives, gas tax and traffic fine revenue sharing, etc.

The District of Central Saanich will pursue all possible senior government grants and explore linkages of smaller grant programs to major capital projects to ensure maximum local benefit.

For more referendum information, go to:

www.centrialsaanich.ca

www.crd.bc.ca/panorama/

www.centrialsaanich.ca/hall/Departments/Administration/Facilities_Planning_Process.htm

www.centrialsaanich.ca/_shared/assets/Report_of_the_Facilities_Charette1190.pdf

www.centrialsaanich.ca/hall/Departments/finance/Budget.htm?PageMode=HTML

www.centrialsaanich.ca/_shared/assets/Financing_Options_Report1618.pdf

Important information for voters

Please confirm your name is on the voters' list by visiting the Central Saanich Municipal Hall during business hours, and see the Chief Election Officer or the Deputy Chief Election Officer.

Interested in running for office?

For residents who are considering running in the election, please note that the nomination period begins at 9 a.m. on Tuesday, September 30, 2008, and closes at 4 p.m. on Friday, October 10, 2008. Nomination papers can be picked up at the Municipal Hall.

For further information, contact Sara C. Ribeiro, Chief Election Officer, at (250) 544-4202 or sara.ribeiro@csaanich.ca.



DISTRICT OF CENTRAL SAANICH

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Tel: 652-4444 Fax: 652-0135
E-mail: municipalhall@csaanich.ca
Web: www.centrialsaanich.ca

COUNCIL

Mayor Jack Mar Chair of Municipal Council & Central Saanich Police Board 652-8449

Councillors

Alastair Bryson Public Works & Transportation Committee 544-0668

John Garrison Administration & Finance Committee 544-1033

Christopher Graham Water & Waste Management Committee 896-0451

Zeb King Community & Protective Services Committee 652-4642

(Community chats held Thursdays at 7 p.m. at the Fresh Cup Café, 1931 Mt. Newton Cross Rd. and Fridays at 7 p.m. at JJ's Café in Brentwood Bay For more info, contact kingzeb@shaw.ca)

Susan Mason Parks & Facilities Committee 652-0783

Robert Thompson Planning & Development Committee 652-4691

Visit www.centrialsaanich.ca for additional committee, commission and board positions.

MUNICIPAL STAFF

Gary C. Nason Administrator 544-4201

Sara C. Ribeiro Municipal Clerk 544-4202

Rosalyn Tanner Director of Financial Services 544-4207

Nirmal Bhattacharya Municipal Engineer 544-4210

Hope V. Burns Director of Planning and Building Services 544-4209

Bonnie McKenzie Manager of Community Services 544-4218

Ron French Fire Chief 544-4227

Paul Hames Chief Constable 652-4441

Brian Shields Public Works Coordinator 544-4224

OTHER MUNICIPAL CONTACTS

General Information/Mayor's Office 652-4444

Building Inspections/Bylaw Enforcement 544-4217

Property Taxes/Utility Billing 544-4206

Accounts Payable 544-4205

Park Use Reservation 544-4218

Municipal Yard/Public Works - 1703 Keating Cross Road

Public Services & Parks Maintenance 544-4224

After Hours Emergency 652-4441