

**Looking at the numbers:
Comparing Saanich and Victoria taxes requires context and information**

Recently, a series of charts and graphs was distributed to the Saanich Community Association Network (SCAN) by Saanich Councillor Fred Haynes, with a copy to Amalgamation Yes. The material was reportedly developed by Saanich Municipal CAO, Paul Thorkelsson. The material included 14 spreadsheets based on BC Ministry of Municipal Affairs and Housing data (formerly Ministry of Community, Sport and Cultural Development) and several graphs that were based on the 2016 populations of the two municipalities, used for comparison purposes. The source spreadsheets can be viewed and downloaded at: http://www.cscd.gov.bc.ca/lgd/infra/statistics_index.htm

Upon reviewing the charts and graphs distributed, it was noted that the selection of charts was misleading in at least several important aspects:

1. The analysis did not include *Schedule 707 – Assessments, Tax Rates, Municipal Taxes, Class Proportions of Taxes and Assessments* from the Ministry website that contains important data on Municipal Property Taxation. Schedule 707 provides details on Total Property Taxes by each Property Type (Residential, Utilities, Supportive Housing, Major and Light Industry, Business, Managed Forest, Recreation and Farm) and the tax rate per \$1,000 of assessed value by property class. Residential and Business taxpayers pay most of taxes in both municipalities. There is, however, a very significant difference between the Saanich and Victoria tax bases, as follows (All figures are for 2016):

	Municipal Purposes Residential Taxes Collected	% of total	Municipal Purposes Business Taxes Collected	% of total	Tax Class Multiplier, Business to Residential	Business % of Total Assessed Property value
Saanich	\$88,579,145	77%	\$26,699,055	23%	3.34	8%
Victoria	\$63,810,342	51%	\$59,308,969	48%*	3.04	24%

Due to the higher amount of taxes paid by businesses in Victoria (over 3 times the mil rate of residential taxes) and almost 1/2 of the property taxes collected for Municipal purposes, any comparison using a 'per capita' rate is not reflective of the taxes paid by residential taxpayers. See Schedule 707 below for details.

2. The analysis did not include *Schedule 704, Taxes and Charges on a Representative House* (also available on the Ministry website). The *Total Taxes Collected Per Capita Chart*, included in the email to SCAN, might lead one to believe that taxes on a typical Victoria residence are higher than in Saanich, but that is not the case. The Ministry calculates the taxes on a Representative House as follows:
“Assessed Value on Schedule 704 is calculated by taking the total general municipal assessment value for land and improvements for the single family residential subclass properties in each municipality divided by the number of single family residential subclass counts.”

The applicable municipal tax rate plus fees are then calculated to determine the taxes and fees/charges on the representative house in each municipality.

For the purposes on comparing Saanich and Victoria residential property taxes and fees, the amount of Municipal Purposes Property Taxes and Fees were calculated on the extreme right column, eliminating taxes payable to other governments or agencies that municipalities collect e.g. Hospital District, CRD, BC Transit, MFA, BC Assessment, Schools.

The municipal taxes and fees on single-family residences in Saanich and Victoria have differed by less than \$100 annually since 2013.

This is an accurate comparison of actual property taxes, whereas the 'per capita' method used in the chart(s) distributed previously to SCAN, including Business, Residential and other property taxes divided by the population was a misrepresentation of actual taxation on residential properties.

3. Even though Victoria has higher expenditures (e.g. policing of the region's downtown core), its strong business tax base allows the City to maintain residential taxation at the same level as Saanich. This is due to the Business & Industry Tax Multiplier on the large Business Tax Base. Victoria also has at least one revenue stream that Saanich lacks: parking fees. According to Susanne Thompson, Victoria Director of Finance, the City of Victoria realized \$13,249,110 in 2016 from parkade, on-street and city owned parking lots.

The following comparisons, from the Ministry and the 2017 Municipal Audited Financial Statements, should have been included in the comparisons previously sent to SCAN and its Community Associations.

Schedule 707 – Assessments, Tax Rates, Municipal Taxes, Class Proportions of Taxes and Assessments, Saanich & Victoria: 2016 (other years available on request).

707 - 2016 Assessments, Tax Rates, Municipal Taxes and Class Proportions of Taxes and Assessments

Municipalities	Type RD	July 1, 2015 BC STATS Population Estimates (Dec. 2015 Release)	Property Class	Authenticated Roll General Taxable Values	Municipal Purposes Tax Rates	Tax Class Multiples	Total Municipal Variable Rate Taxes	Flat Taxes, Split Rate Taxes, Ports Property Taxes, Tax Sharing	Total Municipal Taxes	% Total Taxes	% Total Assessment	Municipal Taxes Per Capita
Saanich	D CAP	110,803	Residential	22,052,514,473	3.85680	1.00	85,052,138	0	85,052,138	77	92	768
Saanich	D CAP	110,803	Utilities	12,176,200	31.89540	8.27	388,365		388,365	0	0	0
Saanich	D CAP	110,803	Supportive Housing	12	3.85680	1.00	0		0	0	0	0
Saanich	D CAP	110,803	Major Industry	0	9.43040	2.45	0		0	0	0	0
Saanich	D CAP	110,803	Light Industry	17,409,300	9.43040	2.45	164,177		164,177	0	0	0
Saanich	D CAP	110,803	Business/Other	1,910,211,201	13.31570	3.45	25,435,799		25,435,799	23	8	0
Saanich	D CAP	110,803	Managed Forest	11,700	22.38760	5.80	262		262	0	0	0
Saanich	D CAP	110,803	Recreation	14,590,000	7.92110	2.05	115,569		115,569	0	0	0
Saanich	D CAP	110,803	Farm	3,594,700	0.50000	0.13	1,797		1,797	0	0	0
Saanich	D CAP	110,803	Totals	24,010,507,586			111,158,107	0	111,158,107	100	100	1,003
Victoria	C CAP	84,793	Residential	14,306,429,803	4.27460	1.00	61,154,265	0	61,154,265	51	76	721
Victoria	C CAP	84,793	Utilities	14,795,900	36.81240	8.61	544,673		544,673	0	0	0
Victoria	C CAP	84,793	Supportive Housing	18	4.27460	1.00	0		0	0	0	0
Victoria	C CAP	84,793	Major Industry	9,528,000	13.05460	3.05	124,384		124,384	0	0	0
Victoria	C CAP	84,793	Light Industry	59,313,000	13.05460	3.05	774,307		774,307	1	0	0
Victoria	C CAP	84,793	Business/Other	4,393,091,837	13.05460	3.05	57,350,057		57,350,057	48	23	0
Victoria	C CAP	84,793	Managed Forest	0	0.00000	0.00	0		0	0	0	0
Victoria	C CAP	84,793	Recreation	26,763,300	7.16810	1.68	191,842		191,842	0	0	0
Victoria	C CAP	84,793	Farm	0	0.00000	0.00	0		0	0	0	0
Victoria	C CAP	84,793	Totals	18,809,921,858			120,139,528	0	120,139,528	100	100	1,417

Schedule 704 - Taxes and Charges on A Representative House, Saanich & Victoria: 2017
 (other years available on request)

704 - Taxes and Charges on a Representative House - 2017

Municipalities	Type	RD	House Value	School	General Municipal Total	Regional District	Hospital	BCA, MFA and Other	Total Res Variable Rate Taxes	Total Res Parcel Taxes	Total Res. User Fees	Total Residential Property Taxes And Charges	Total Municipal & Fees
Saanich	D	CAP	758,149	1,035	2,521	197	196	192	4,141	0	1,182	5,323	3,703
Victoria	C	CAP	740,694	1,011	2,715	191	192	188	4,296	40	927	5,264	3,682

Notes:

Assessed Value of Representative House

Definition: The amount for House Value on Schedule 704 is calculated by taking the total general municipal assessment value for land and improvements for single family residential subclass properties divided by single family residential subclass occurrence counts.

Municipal Charges - Property Tax, Parcel Taxes and Residential User Fees

Total Residential Property Taxes, including Taxes collected for Others

4. Another area that lacked clarity concerned Financial Assets and Liabilities. Municipalities are required to prepare Audited Financial Statements by June of each year for the previous year. The Saanich and Victoria 2017 Audited Statements are currently being approved by their respective councils - drafts can be viewed at:

Saanich:

(see pg. 4) http://saanich.ca.granicus.com/MetaViewer.php?view_id=1&event_id=96&meta_id=6990

Victoria:

(see pg. 5) <https://pub-victoria.escribemeetings.com/filestream.ashx?DocumentId=12043>

Their Financial Assets and Liabilities are very similar. See below:

Municipality	Assets	Liabilities	Net Assets
Saanich	\$206,255,653	\$100,285,621	\$105,970,032
Victoria	\$282,831,847	\$160,885,233	\$121,946,614

There is a difference between Saanich and Victoria Non-Financial Assets:

Municipality	Non-Financial Assets	Geographic size of municipality (square kilometres of land)
Saanich	\$851,737,575	103.7
Victoria	\$495,784,736	19.5

Non-Financial Assets are made up of Land (Parks, Works Yards, etc), Buildings, Vehicles & Equipment, Storm Drainage, Sanitary Sewer and Water Supply systems and Roads. As the Saanich land mass is over 5 times that of Victoria, it naturally has more roads and pipes.

CONCLUSION:

The only way to obtain accurate and objective data, upon which the residents of the two municipalities can make an informed decision on whether or not they should be amalgamated, is through an objective, thorough and impartial study to identify costs and benefits, advantages and disadvantages. A Citizens Assembly provides a path for doing so.

Colin Nielsen
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* Remaining 1% from industry