

2021-2025 FINANCIAL PLAN





GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Corporation of the District of Oak Bay

British Columbia

For the Fiscal Year Beginning

January 1, 2020

Christopher P. Morill

Executive Director

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OUR OAK BAY

We acknowledge the land on which the District is located is the traditional territories of the Coast and Straits Salish Peoples. Specifically we recognize the Lekwungen-speaking people known today as the Songhees and Esquimalt Nations, and that their historic connections to these lands continue to this day.

Oak Bay's west boundary, and the District of Saanich lies to the north. Oak Bay is one of 13 member municipalities comprising the Capital Regional District.

The University of Victoria is partially located in the District, as is a small portion of Camosun College. Additional community landmarks include other public and independent schools, two golf courses, a marina, a yacht club and a luxury boutique hotel.

Oak Bay is a beautiful seaside community with a population of approximately 18,000, that is defined by its residential neighbourhoods, village centres with local businesses, historic character, mature tree canopy, accessible shorelines and abundance of green space. All of these features combined make Oak Bay one of the world's most desirable communities in which to live, work, and play.



FINANCIAL LEGISLATION, POLICY AND BEST PRACTICES



FINANCIAL PLANNING LEGISLATION

Much of the District's financial planning process is guided by the *Community Charter S. 165*. The *Charter* requires the District to adopt a *Five Year Financial Plan Bylaw* before May 15 annually. Such a Bylaw must:

1. Set out proposed expenditures, funding sources, and transfers between funds;
2. Set policy and objectives related to identified funding sources, distribution of property taxes and the use of permissive tax exemptions;
3. Disclose amounts for specific expenditures such as debt interest, debt principal, capital expenditures;
4. Disclose amounts for specific funding sources such as property taxes, parcel taxes and fees;
5. Disclose the use of and transfer to specific reserves.

Council may amend the Financial Plan at any point during the year but will only do so if authorized expenditure limits are likely to be exceeded.

Balanced budget: current revenues, including transfers from reserves, must be sufficient to support current expenditures, including transfers to reserves. Expenditures include those of a capital nature and debt principal.

Example Balance Budget	
Revenues	\$1,000,000
Operating expenses	(900,000)
Accounting surplus	100,000
Add: transfers from reserves	50,000
Less: Capital expenditures	(60,000)
Less: Debt principal payments	(10,000)
Less: Transfers to reserves	(80,000)
Balanced budget:	-

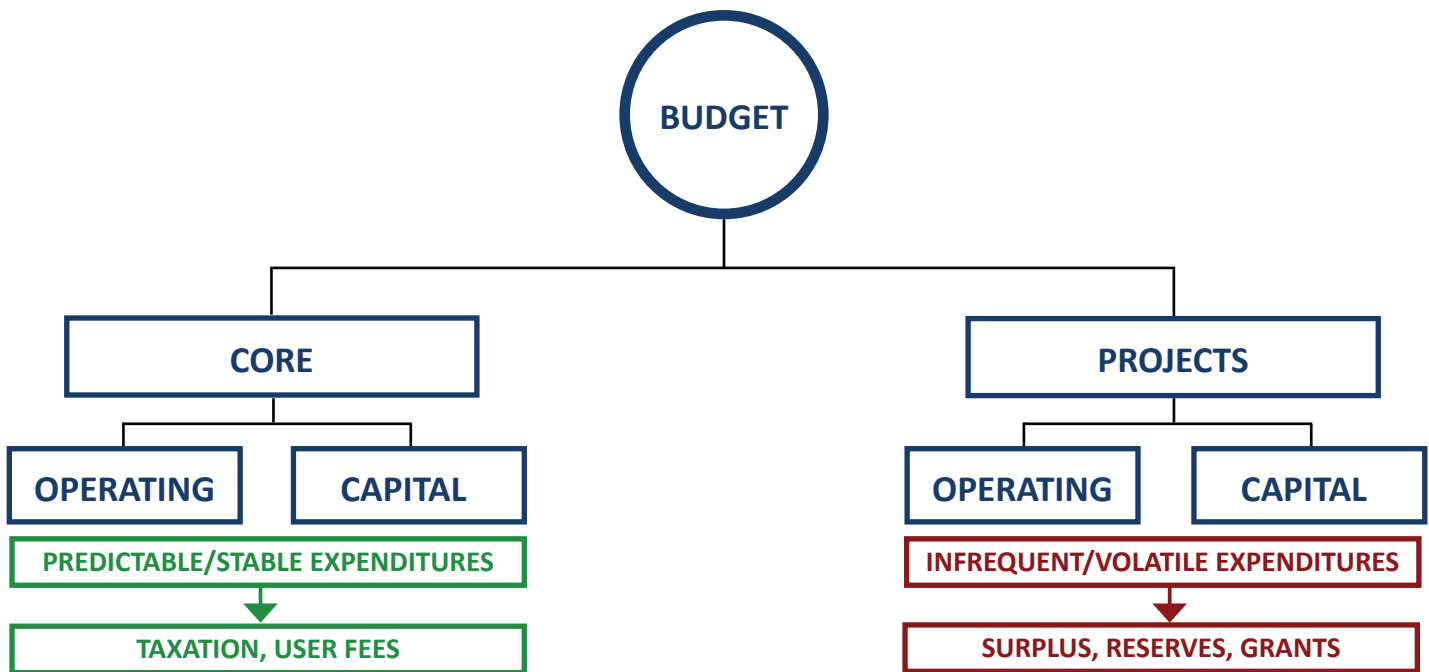
Note that an *accounting surplus* differs significantly from a *budgetary surplus*.

A *balanced budget* includes expenditures that are not considered expenses under Public Sector Accounting Standards such as *capital expenditures* and *debt principle payments*.

FINANCIAL PLANNING POLICY AND BEST PRACTICE

The District endorses a budget approach that staff use to carry out budget deliberations. At the November 12, 2019 Regular Meeting of Council, Council endorsed a budget approach with the following principles:

1. **Service Level approach:** Staff prepare the budget to deliver community services at the standard directed by Council and legislation. Staff do not increase nor decrease service levels unless directed by Council or external regulation. Staff endeavour to describe the financial impact of service level decisions so that Council can be empowered to make service level decisions with all available information. Furthermore, staff endeavour to fund and deliver services in the most cost effective manner. Service delivery expectations will be further considered and refined by Council in 2021.
2. **Funding source alignment:** Staff recommend aligning expenditure funding sources as follows:
 - *Predictable, stable, and ongoing expenditures* should be funded using predictable, stable revenues such as property taxes and user fees.
 - *Infrequent, volatile, or less predictable expenditures* should be funded using reserves or debt. This will help avoid steep tax increases for capital expenses or significant operating Initiatives. Reserves balances should be maintained with annual budget transfers so funds are available for large, infrequent expenditures.



3. **Project budget carry-over:** The Financial Plan authorizes expenditures over five years. Thus, on January 1, 2021, staff are authorized to continue spending under the *Financial Plan Bylaw 2020*, No. 4752. Projects that were underway in 2020 will continue, and projects authorized to begin in 2021 will begin. Operations are not paused while the District embarks on adopting a new Five Year Financial Plan.
4. **Five-year expenditure authorization:** Staff endeavour to prepare a Five-Year Financial Plan that is as accurate as possible and that reflects Council direction and service-level expectations. This way, staff work continues while the Financial Plan is being refined in the first quarter of the year. The 2021 Financial Plan will outline general operations as well as specific Initiatives planned for the entire five-year cycle. Council approval of the *Financial Plan Bylaw* will be considered endorsement and direction for the listed projects, Initiatives and operating expenditures that make up the rolled-up totals contained in the Bylaw.
5. **Financial Plan Bylaw transparency:** The Financial Plan Bylaw is summarized on a high level in order to maximize operational flexibility while retaining expenditure authorization. The published Financial Plan document will not form part of the Bylaw but will expand the Bylaw detail for transparency.

Financial Plan Bylaw

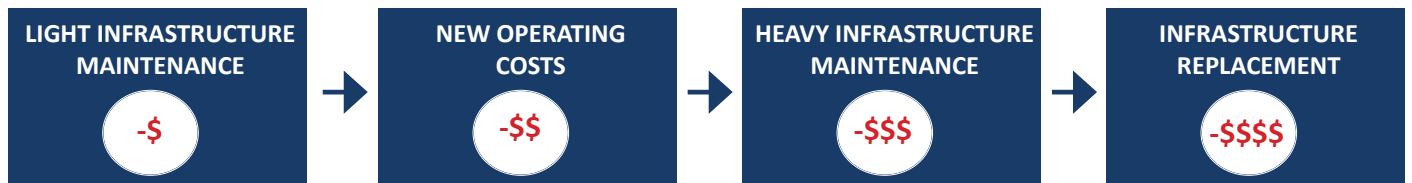
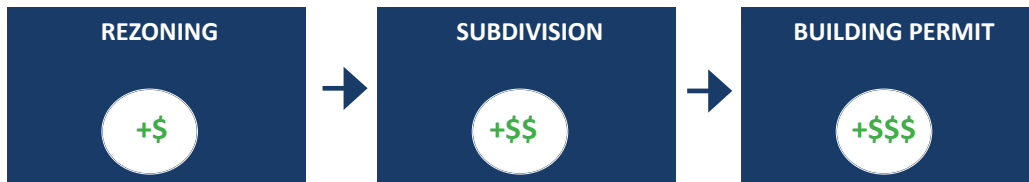
- Legal spending authority
- Summarized on a high-level for operational flexibility

Financial Plan Document

- Minimal legal basis
 - Expands Bylaw in great detail for transparency and accountability
-

6. **Life-cycle costing:** Staff will integrate annual life-cycle costs into the Financial Plan when new capital expenditures are approved. Life-cycle costs include the additional operating costs required to maintain the asset as well as annualized asset replacement contributions.

7. New development taxation (NDT) revenue: NDT revenue is derived from new buildings or newly subdivided lots. In other words, NDT is taxation revenue from assessed values that did not exist in the prior year. As the District develops, so will the pressure on existing services and infrastructure required to serve new citizens. The District will use NDT revenue to fund the incremental costs of new development including expanded operating expenses and infrastructure maintenance and replacement. Staff recommend that the District does not use NDT revenue to reduce the tax burden for existing citizens. The practice of using NDT revenue to reduce the tax burden for existing taxpayers is unsustainable and will result in sharper future tax increases and intergenerational funding inequity.



FINANCIAL PLANNING AND REPORTING TIMELINE

Financial Planning	Financial Reporting
<p>January 31, 2021 Grant in Aid Deadline</p>	<p>March Audit</p>
<p>February Budget deliberations</p>	<p>May 15, 2021 Local Government Data Entry (LGDE) submissions due</p>
<p>March 1, 2021 Final Police budget statutory deadline</p>	<p>June 30, 2021</p> <ul style="list-style-type: none"> • Quarter 2 end • Statement of Financial Information (SOFI) deadline • Annual Report deadline
<p>March 31, 2021 Regional District budget deadline</p>	<p>July Quarter 2 budget reports</p>
<p>April 1st, 2nd, and 3rd reading of the Financial Plan Bylaw</p>	<p>September 30, 2021 Quarter 3 end</p>
<p>May 14, 2021 Statutory deadline for the Financial Plan Bylaw</p>	<p>October Quarter 3 budget reports</p>
<p>October 31, 2021 Permissive Tax Exemption Bylaw deadline</p>	<p>November Pre-audit</p>
<p>November Water and Sewer rate deliberations</p>	
<p>December 15, 2021 Statutory deadline for the Library budget</p>	

Purchasing Bylaw/Policy

The authority to make purchasing decisions and to bind the Corporation contractually rests with Council unless delegated by Bylaw. The District's *"Delegated Authority of Administrative Functions Bylaw, 2004"* delegates this authority to specific staff within limits.¹ In 2019, this Bylaw was amended to delegate such authority to specific Managers, Directors and the Chief Administrative Officer.

The District's purchasing policy to a recently adopted (2019) *Sustainable Procurement Policy* which sets purchasing limits and processes for staff. The policy also outlines procedures for asset disposal and emergency expenditures. This policy complies with M.A.S.H sector trade requirements and purchasing case law.²

Reserve Fund Bylaw and Reserves and Surplus Policy

The *Community Charter* empowers Council to establish, by Bylaw, reserve funds. Funds placed in these reserve funds may not be spent except for the reserve fund purpose specified in the Bylaw. Use of funds are authorized via the annual *Financial Plan Bylaw*.

¹ Bylaw No. 4239, *Delegated Authority of Administrative Functions Bylaw; Special Meeting of Council December 12, 2019*

² The M.A.S.H. sector includes Municipalities, School Boards, Publicly-Funded Academia, Health and Social Services Entities

In early 2020, Council adopted the “*Reserve Funds Bylaw, 2020*”.³ This Bylaw consolidated already established reserve funds and repealed ten historical reserve fund Bylaws. The seven reserve funds specified in this Bylaw include: (1) Machinery and Equipment, (2) Fire Machinery and Equipment, (3) Heritage, (4) Land Sale, (5) Park Acquisition, (6) Capital Works, and (7) Alternative Transportation. Please see the Capital Plan section of this Financial Plan for further information on fund balances and purposes.

The District adopted the *Reserves and Surplus Policy* in 2018. This policy outlines general objectives of reserves and provides important background information.

Investment Policy

In early 2020, Council adopted the District’s *Investment Policy, 2020*.⁴ Section 183 of the *Community Charter* lists the security types that the District may invest in. These securities include: (1) securities of the Municipal Finance Authority (MFA), (2) pooled investment funds under section 16 of the Municipal Finance Authority Act, (3) securities of Canada or of a province, (4) securities guaranteed for principal and interest by Canada or by a province, (5) securities of a municipality, regional district or greater board, (6) investments guaranteed by a chartered bank, (7) or deposits in a savings institution, or non-equity membership shares of a credit union.

Prior to 2020, the District’s investment policy had not been updated since 2004. The 2004 policy restricted the District’s investments to MFA pooled funds, chartered banks, or Canadian treasury bills. The new policy sets diversification limits and articulates investment objectives in the following order: (1) preservation of capital, (2) liquidity, and (3) return on investment.

Asset Management Policy

In 2018, Council adopted the District’s *Asset Management Policy*. The policy captures Council’s direction regarding asset management practices and infrastructure renewal in the District. The fundamental aim of an asset management approach is to create a planning and execution framework that delivers sustainable service delivery. Some of the guiding principles found in the policy include:

- Sustainable service delivery may require innovative solutions, but will leverage lessons learned in other communities;
- A key deliverable of the asset management program will be decision making tools, which will enable Council to manage infrastructure risk as a core part of capital planning.

Expense Reimbursement Policy

At the Regular Council Meeting of October 26, 2020, the District adopted its new *Travel and Expense Reimbursement Policy*. This policy governs reimbursement for staff travel and accommodation in the course of work. The policy objectives is to ensure that travel is properly authorized, care has been exercised to minimize costs and employees are fairly reimbursed for out of pocket expenses.

Department Budget Transfer Policy

At the Regular Council Meeting of October 26, 2020, the District adopted its new *Department Budget Transfer Policy*. This policy governs the use of authorized expenditures within department operating and capital budgets.

³ Bylaw No. 4747, *Reserve Funds Bylaw, 2020*; Regular meeting of Council January 27, 2020

⁴ *Investment Policy, 2020*; Regular meeting of Council January 13, 2020

Property Tax Exemption Policy

Section 165 of the *Community Charter* requires the District to set out the objectives and policies related to the use of permissive tax exemptions in its annual *Financial Plan Bylaw*. The following is an excerpt from the *Financial Plan Bylaw 2020, No. 4752*:

“The objective being to distribute tax burden fairly among properties receiving municipal services, Council makes very little use of its authority to grant permissive tax exemptions. The Policy to date has been to grant permissive exemptions only for land and improvements appurtenant to property already exempted by statute (e.g., churches), portions of municipal land leased or licensed to non-profit organization providing a service complementary to municipal services, and in one case, an institution of childhood learning not statutorily exempt.”

Grant in Aid Policy

In 2015, a working group was brought together to work on a grant policy that would provide Council with guidance on the evaluation of grant in aid applications. Council adopted the policy in 2015. Some of the policy’s features can be summarized as follows:

- Grants should align with the OCP and Strategic Priorities
- Grants should primarily benefit Oak Bay residents
- Grants should not subsidize services normally funded by other levels of government
- One time grants are given preference over recurring
- Grants should not be provided to an individual

Whistleblower Policy – Reporting, Investigation, and Protection

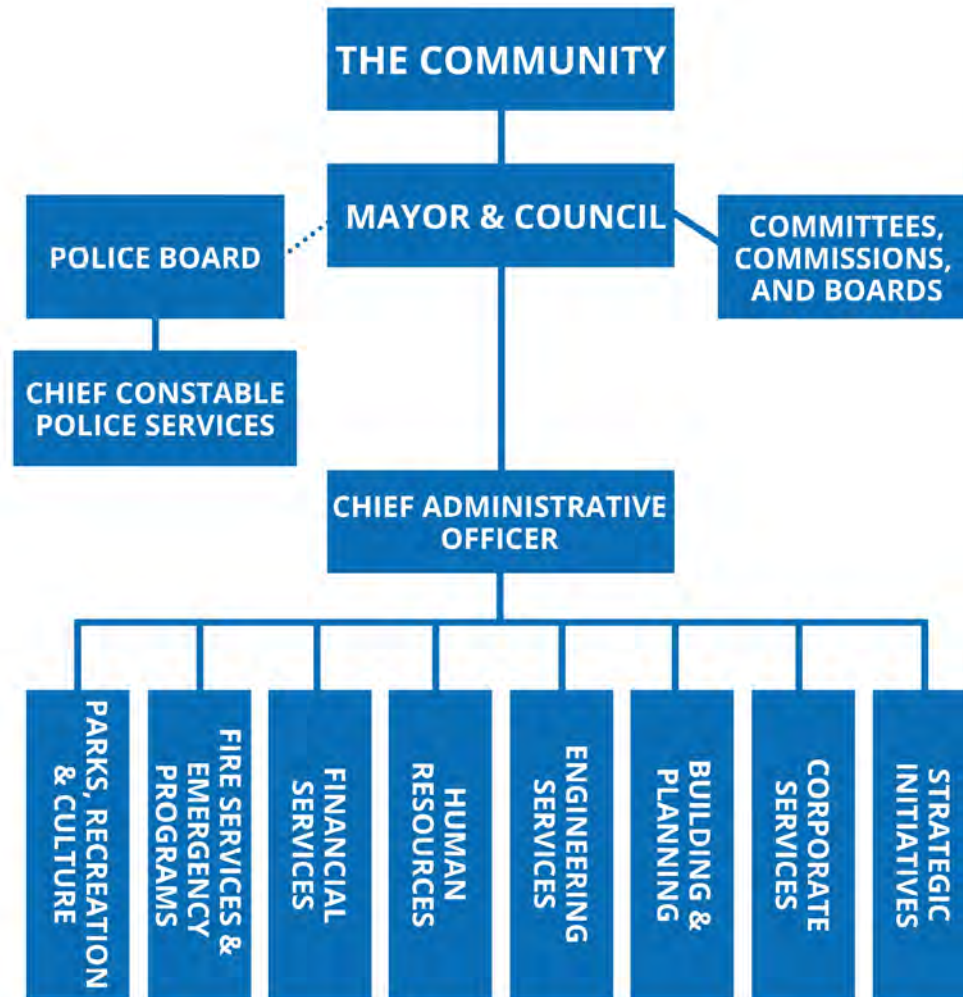
At the Regular Meeting of Council of February 10, 2020, Council adopted the District’s *Whistleblower Policy*. The purpose of the policy is to facilitate the disclosure of wrongdoing that is contrary to the public interest. A Whistleblower Policy encourages a culture where wrongdoing can be addressed quickly and potentially before reputational damage. It is an important tool in deterring or halting financial wrongdoing.



ORGANIZATIONAL PROFILE



ORGANIZATIONAL PROFILE



Department	2020 FTEs	2021 FTEs	Change
Corporate Services	9.00	11.50	+2.50
Financial Services**	7.75	8.08	+0.33
Police Department*	27.00	25.00	-2.00
Fire Services	28.00	28.00	-
Building and Planning	8.10	8.10	-
Engineering	10.50	11.50	+1.00
Public Works**	35.85	35.85	-
Parks, Recreation & Culture	150.00	122.20	-27.80
Sewer Utility**	3.10	3.10	-
Water Utility**	8.80	8.80	-
Total	288.10	262.13	-25.97

*augmented with new agreement for investigation services with the District of Saanich.

** these departments may also fund staffing via cost-recovery and/or capital budgets. Such staffing is not reflected in this chart.

COUNCIL PRIORITIES AND OTHER INITIATIVES

Council Priorities and other Initiatives are one-time or infrequent operating projects. Operating projects do not include capital projects. The Initiatives below are a combination of Council-directed priority Initiatives as well as staff recommended Initiatives. Initiative progress is recorded and tracked in the Corporate Plan.

Initiatives Funding

These projects are not integrated into the ongoing operating budget since the operating budget is funded by taxes and user fees. Integrating these projects into the operating budget would result in significant tax and user fee volatility. These projects are funded by accumulated surplus and grants and therefore do not directly impact tax rates.

Using accumulated surplus to fund expenditures is not generally sustainable since the fund has a finite balance. Legislation prevents the District from budgeting transfers to the accumulated surplus fund. Therefore Council exercises discretion when approving the use of accumulated surplus fund.

Staff propose that these projects be funded as proposed in the chart below. However, actual completion of these projects, and the related expenditures, will likely carry forward to future years. The Initiative budget average from 2021-2025 is approximately \$450,000. Historically, the District has returned budget surpluses near this mark.



COUNCIL PRIORITIES

The District's annual budget cycle provides for Council to either confirm or adjust Priorities each year. Council's 2019-2022 Priorities were identified early in 2019 and confirmed on June 10, 2019 and again on January 16, 2020. Council's Priorities are as follows:

- Ensure access to **diverse housing** options within the built environment by reviewing and planning for community needs while reflecting Oak Bay's unique character;
- Achieve **sustainable service** by integrating an Asset Management Program within a long-term Financial Plan;
- Provide **service excellence** by optimizing operational effectiveness and fostering public engagement;
- Enhance and promote **quality of life** and sense of place by stewarding the community's history, landscape, culture and amenities within the context of Southern Vancouver Island; and
- Demonstrate leadership in fostering **community health and resilience** by committing to economic, environmental and social sustainability within the District's operations and decision making.

Each year, Council decides which Initiatives to fund to advance Priorities. Council's decisions are then reflected in budget documents, including annual budgets and the Five Year Financial Plan. Upon budget approval, funded Initiatives are listed in the District's Corporate Plan, which in turn drives departmental work plans. Periodic quarterly updates provide Council with progress reports, thus supporting both transparency and accountability.



SPECIAL INITIATIVES

	2021	2022	2023	2024	2025
Diverse Housing					
Secondary Suites Study (carry-over)	\$23,600	\$ -	\$ -	\$ -	\$ -
Infill Housing - Neighbourhoods (carry-over)	120,000	-	-	-	-
Village Area Plans (carry-over)	-	150,000	-	-	-
Comprehensive Zoning Bylaw Update	-	-	150,000	-	-
Sustainable Services					
Sanitary Sewer Master Plan (carry-over portion)	82,200	-	-	-	-
Sanitary Sewer Master Plan	150,000	-	-	-	-
Storm Sewer Master Plan	-	150,000	150,000	-	-
Emergency Plan (carry-over)	25,000	-	-	-	-
Pavement Condition Assessment (carry-over)	95,000	-	-	-	-
Facilities Master Plan	50,000	50,000	-	-	-
Occupational Disability Claims Management (new)	35,000	36,100	-	-	-
Asset Retirement Obligation Review (new)	30,000	-	-	-	-
Service Excellence					
FOIPPA Training (carry-over)	7,800	-	-	-	-
Human Resources Plan Implementation (carry-over)	64,000	-	20,000	-	-
Records Management	45,000	35,000	35,000	-	-
Emergency Evacuation Plan (new funding source)	10,000	-	-	-	-
Fire Master Plan (carry-over)	50,000	-	-	-	-
Network Security Audit	30,000	-	-	31,000	-
Utility Billing Process Review (new)	15,000	-	-	-	-
Parking Services Review (new)	10,000	-	-	-	-
Quality of Life					
Marina Lease Negotiation (carry-over portion)	84,000	-	-	-	-
Marine Lease Negotiation (approved in 2020 plan)	6,000	60,000	-	-	-
Marina Lease Negotiation (new funding)	89,000	-	-	-	-
Deer Management	84,400	-	-	-	-
Sea Level Rise Study (carry-over)	25,000	-	-	-	-
Parks, Recreation and Culture Master Plan	-	-	-	159,100	-
Animal Control Bylaw/Dog Off-leash Policy	-	-	40,000	10,000	-
Community Health and Resilience					
Oak Bay High School Track Resurfacing Grant	50,000	-	-	-	-
Urban Forest Management - Garry Oak Inventory	25,000	-	-	-	-
CCAWG Recommendation (carry-over portion)	66,000	-	-	-	-
CCAWG Recommendation - Coolkit Program	35,000	15,000	-	-	-
CCAWG Recommendation #4	20,000	-	-	-	-
Total Special Initiatives	\$1,327,000	\$496,100	\$395,000	\$200,100	-

Carry-over

Price Change

Year Change

New Item

DIVERSE HOUSING

Secondary Suite Study (carried over from 2020)

The District of Oak Bay is working on a housing framework that considers a wide range of potential housing options to meet current and future community needs. One of these housing options is to allow for secondary suites. The Secondary Suites Study is intended to review the policies and regulations necessary for secondary suites to be permitted in Oak Bay.

The Oak Bay Official Community Plan includes content that speaks to developing a policy and regulatory framework to permit secondary suites as a way of providing affordable housing in the community, and Council also included secondary suites in their 2017-2018 strategic Priorities. As a result, the Secondary Suites Study is intended to review the options for secondary suites as one possible form of housing within the community. The study will address key items identified through the process, and provide options that benefit the community and property owners. New policies and regulations will be identified including, for example, possible updates to the Zoning Bylaw.

Infill Housing - Neighbourhoods (carried over from 2020)

The Infill Housing – Neighbourhoods initiative is intended to identify infill housing opportunities and specific housing options based on housing needs for neighbourhoods. Infill housing forms include duplexes, triplexes, laneway houses, garden suites, as well as heritage conversions. This initiative would develop an approach to provide for identified priority housing needs. Preparation of policy criteria and design guidelines for integration of infill housing in neighbourhoods, together with regulatory (*Zoning Bylaw*) changes, would inform a community engagement process to consider actions that lead to the addition of more diverse housing options in Oak Bay.¹

Village Area Plans (carried over from 2020)

This initiative will result in Area Plans being prepared for the Oak Bay Village/Cadboro Bay Road corridor and Secondary Village areas. The Area Plans will consider opportunities for housing in the form of additional multi-family residential and mixed-use development in the village centres and corridor areas. Area Plans are proposed for the areas identified and will address housing policy, residential form and density, urban design (guidance for both building and streetscape design), transportation, servicing, and the economics of public and private investment in these key areas of Oak Bay. This project will support Council's Strategic Priority "***Ensure Access to Diverse Housing Options Within the Built Environment***".² Furthermore, the District's Official Community Plan, provides policy direction to consider the provision of a range of housing opportunities.³

¹ Budget Estimates Committee, April 17, 2019

² Budget Estimates Committee, April 17, 2019

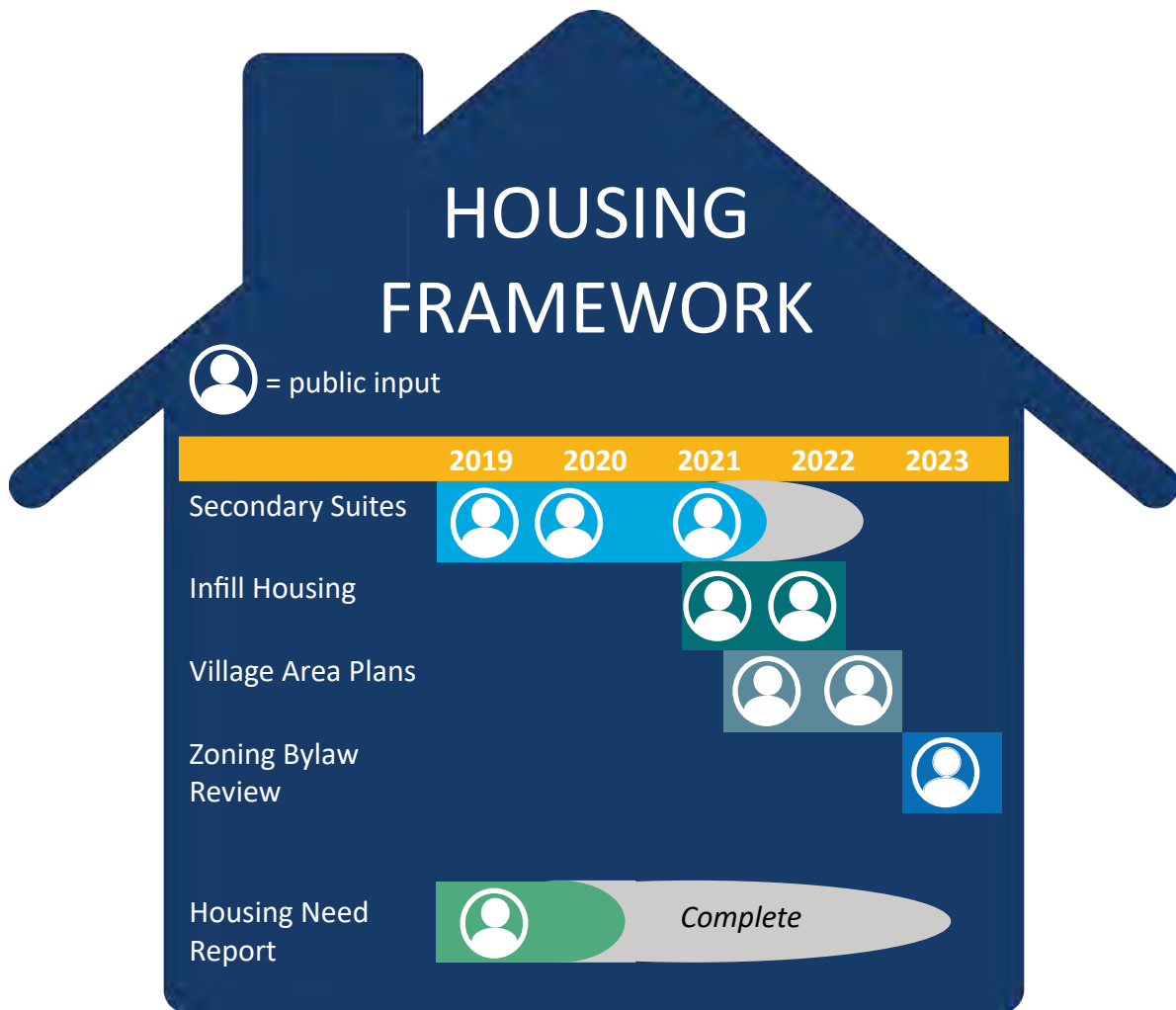
³ Official Community Plan, 2014, Section 4.3.1

Comprehensive Zoning Bylaw Update (scheduled for 2023-2024)

This initiative will address a range of issues respecting the *Zoning Bylaw* and the regulation of land use in the District. The update will implement the policy directions provided in the Official Community Plan (OCP), bring the document up to date respecting legislation, best practices, and also address issues that have arisen over the years since the last version of the *Zoning Bylaw* (No. 3531, 1986).

The *Zoning Bylaw* update will comprise phases of research, review and analysis, draft Bylaw revisions, community engagement, and preparation of a final *Zoning Bylaw* update for the legislated approvals process.

The *Zoning Bylaw* provides for the permitted use of land in Oak Bay, as well as the conditions (or regulations) related to the use of land such as lot size and coverage, height, and yard setbacks, for example. The update is intended to produce a more user-friendly document through content reorganization, use of plain language, and to allow for more simplified interpretation and calculations when applying regulations within zones. Implementation of any new policy directions arising from reviews related to housing options will be included in the update to the *Zoning Bylaw*.



Staff are recommending an increase of \$50,000 for the *Zoning Bylaw* update (from \$100,000 total to \$150,000). The increased costs are to fund increased scope for legal review and more robust public engagement.⁴

SUSTAINABLE SERVICE

Sanitary Sewer Master Plan (2020-2021)

This Master Plan will incorporate an updated sanitary sewer hydraulic model, a growth capacity analysis, and up-to-date asset management and capital improvement plans.¹

Storm Sewer Master Plan (2022-2023)

This Master Plan will incorporate an updated storm sewer hydraulic model, a growth capacity analysis, and up-to-date asset management and capital improvement plan.²

Emergency Communications Plan (carried over from 2020)

The Province is modernizing the Emergency Program Act and all of the associated processes. The strategic plan for the Oak Bay Emergency Program is to enable the District to keep pace with the subsequent changes to legislated accountabilities. This budget item will be used to update emergency plans and processes, buy equipment and materials, and train staff and volunteers at a pace that enables the District to maintain a preparedness level appropriate to its size and responsibilities. It will be used in conjunction with the program's associated budget items and external funding opportunities.

Staff are recommending that the project budget be increased by \$5,000 due to an expected increase in consulting costs.

Pavement Condition Assessment (carried over from 2020)

A Pavement Condition Assessment (PCA) will help the District support its effort for comprehensive asset management and sustainable infrastructure replacement funding. PCAs are utilized by most municipalities to document and prioritize the timely and effective management of road assets. A PCA is comprised of the collection, conversion and entry of roughness and surface distress data via a specialized vehicle. This assessment would encompass approximately 105kms of the District's paved road network. This project is currently contingent on \$55,000 in grant funding.

Facilities Master Plan

Building on the work done related to facilities condition assessment, a strategic Facilities Master Plan details timeframes, costs and options for facilities upgrades or replacements. A Facilities Master Plan needs to be developed with decision making options and risk assessment disclosed publicly and allowing for Council to set direction.³



¹ Asset Management Strategy, January 24, 2019 Special Committee of the Whole

² Asset Management Strategy, January 24, 2019 Special Committee of the Whole

³ Asset Management Strategy, January 24, 2019 Special Committee of the Whole

Occupational Disability Claims Management (new)

Annually the District funds (or partially funds) numerous programs, benefits and insurance premiums related to the health and wellbeing of staff including long term disability, annual sick leave, employee assistance program, extended health care and WorkSafe BC insurance. Occupational disability management is the responsibility of management. Disability management must include thorough coordination between employees, management, premium providers, case managers, health care professionals, and unions.

Failure to engage in adequate disability management can result in high WorkSafe BC premiums, low employee morale and significant productivity loss.

Annually the District pays Worksafe BC premiums to provide insurance coverage for its workers. These premiums represent a significant expense in the District's operating budget and impact all service areas. Since 2015, the District's total premium expenditure has risen by \$225,000, or 71% (2015 - \$315,000, 2020 - \$540,000)

The increase in premiums is due to several factors. For instance, there have been legislative changes that have widened the scope of WorkSafe BC insurance coverage. Annually WorkSafe BC reports the District's experiencing rating. This rating is a discount or surcharge based on the District's health and safety record. The District's 2020 experience rating was a 36% surcharge. Based on the District's 2020 WorkSafe BC Employer report, the District is paying an annual surcharge of over \$141,000. Furthermore, the maximum potential savings on premiums is estimated to be \$337,000.

This project funds contracted disability management services. The objective of the project is to improve occupational health and safety, reduce productivity loss and reduce WorkSafe BC premiums. The project is proposed on a pilot basis. Staff are optimistic that the project will reduce WorkSafe BC premiums and add ongoing funding to increase disability management capacity from within the organization.

Asset Retirement Obligation (new)

Section 3280 of the Public Section Accounting Standards was issued by the Public Section Accounting Standards Board in August of 2018. This section is effective for the District's 2022 fiscal year end. The standard provides guidance on how to account for and report asset retirement obligations (AROs). An asset retirement obligation is the legal obligation associated with the retirement of a tangible capital asset. The most common example of an ARO is legal requirement to dispose of a building containing asbestos in a acceptably safe and environmentally friendly way. The District will need to identify all tangible capital assets that meet the ARO definition and estimate the associated retirement costs.

SERVICE EXCELLENCE

Freedom of Information and Protection of Privacy Training (carried over from 2020)

This initiative will provide training for Council and staff regarding the Freedom of Information and Protection of Privacy Act. Council and staff comprehension and compliance with current FOIPPA legislation is critical in daily municipal operations. Some training was provided in 2020 and the remaining training funds are being carried forward.

Human Resource Plan Implementation

The purpose of the HR plan is to ensure that the District of Oak Bay has adequate human resources to meet the District's strategic goals. It's about ensuring that we have the right people with the right skills at the right time to deliver on Council's Priorities. In addition, it is critical that we position the District of Oak Bay as an employer of choice to attract and retain the best talent to ensure future success and sustainability. The various Initiatives of the plan will focus on HR planning, attracting and retaining great staff, promoting performance excellence and commitment to employee safety and wellness.

	2020 Budget	2020 Actual	2021 (carry-over)	2022 Budget	2023 Budget
Learning and Development	-Integrated into operating budget-				
Employee Engagement	\$20,000	-	\$20,000	-	\$20,000
Performance Feedback and Evaluation	\$10,000	-	\$10,000	-	-
Health and Wellness	-Integrated into operating budget-				
Recognition	-Integrated into operating budget-				
Policy Review	\$14,000	-	\$14,000	-	-
Occupational Health and Safety	\$30,000	\$10,000	\$20,000	-	-
Total	\$74,000	\$10,000	\$64,000	-	\$20,000

Records Management (approved in 2020 - 2024 Financial Plan)

Records Management is an integral component of municipal operations for legislative and productivity reasons. The current system needs updating to incorporate best practices, improve business processes and ensure regulatory compliance. This initiative is a multi-year undertaking.¹

Emergency Evacuation Plan (grant funding declined - Council approval needed)

In 2020, the Oak Bay Emergency Program submitted a grant application to the Community Emergency Preparedness Fund for its participation in a regional evacuation route planning project. The grant application was not approved since previous applications have already been awarded to the District. The District would like to proceed with the project to develop a regional emergency evacuation route. The District would lead the project and has garnered support from regional and First Nations partners.

Fire Master Plan (carried over from 2020)

A Fire Master Plan will provide the District with a holistic platform that goes well beyond the Fire Underwriters Survey and the traditional Oak Bay Fire Department Strategic Plan. In order to develop such a plan the District would need to secure the services of a consulting firm. Such a firm must have extensive experience in fire and emergency services, as well as corporate planning, governance, organizational issues, law and communications. The key output from the consulting team would be the ability to connect fire services and community needs with the greater Capital Region fire operational and political context.

¹ Budget Estimates Committee, April 17, 2019

Network Security Audit (new for 2021 & 2024)

The District is entrusted with important and sensitive personal information and has a legislated obligation to protect this information. Furthermore, the District's data is a valuable resource which supports the delivery of important community services. This audit will identify potential security vulnerabilities and provide recommendations to ensure the District's systems are protected to industry standards. Such a security audit should be conducted once every three years.

Utility Billing Process Review (new)

The scope of this project would include:

- Review and modernization of the District's Water Rates, Sewer User Charges, and Refuse Collection and Bylaw,
- Review of utility billing processes including existing hardware, software and interdepartmental business processes,
- Review of external utility billing services, and
- Creation of standard operation procedures and formal billing policies.

Staff feel that existing technology could be better leveraged for more efficient services. Furthermore there is opportunity for greater interdepartmental cooperation and more equitable billing practices.

Parking Enforcement Services Review (new)

In 2020, the District refocused its parking enforcement services on educational objectives. The District recognized that parking patterns changed in the advent of the COVID-19 pandemic. Parking enforcement focuses mainly on the requirements found in the District's *Streets and Traffic Bylaw*. The traffic infraction fines have not been reviewed in over a decade. Furthermore, Council should be given the opportunity to provide governance direction on enforcement policy and approach.

The scope of this project would include:

- Review and modernization of the District's *Streets and Traffic Bylaw*;
- Review of parking enforcement existing hardware, software and interdepartmental business processes;
- Council engagement on enforcement policy and approach;
- Council engagement on revenue targets;
- Creation of standard operation procedures for parking enforcement.

QUALITY OF LIFE

Marina Lease Negotiations

The District of Oak Bay's lease with the Province for the foreshore/aquatic crown lands occupied by Oak Bay Marina expires and Oak Bay Marina's lease with the District of Oak Bay expires in December 2022. The District is undertaking a public, competitive process to determine uses/conditions associated with updated lease(s) for the Oak Bay Marina lands and will require consulting services, as detailed below, to support the process.

2020 carry-over	Cost
Project funding carried over from 2020	\$84,000
2020 Total	\$84,000

2021	Cost
Public input on proposals	\$6,000
New Funding	\$89,000
2021 Total	\$95,000

2022	Cost
Lease Bylaw legal review & preparation	\$30,000
Lease transition plan	\$20,000
Contingency	\$10,000
2022 Total	\$60,000



Deer Management (New for 2021)

The District of Oak Bay and the Urban Wildlife Stewardship Society (UWSS) have partnered to implement a scientifically-based urban deer management strategy for Oak Bay. The UWSS has made significant progress over the past three years working with the District, scientific community, the Province of BC and other stakeholders. Until 2019, the majority of work was focused on strategies for studying deer populations, densities, space use, habitat selection, distribution and movement patterns, equipment acquisition and approvals by senior governments of immuno-contraception methods. In 2019, the emphasis shifted to initiating immuno-contraceptive field work. The Province provided a grant in the amount of \$31,560 which was matched by the District of Oak Bay.



	2020	2021
Total Budget	\$96,100	\$84,400
Grant	\$42,300	\$42,200
Reserve (carried forward)	\$11,300	
Taxation	\$42,500	\$42,200
Total funding	\$96,100	\$84,400

The District has again been awarded a grant by the Province of BC to help fund 2021 operations.

Sea Level Rise Study (carried over from 2020)

The larger sea level rise project being undertaken by the CRD (with participation from Oak Bay) was completed in 2020. In 2021, District staff will be presenting the information to Council as part of next steps to develop implementation measures to address climate change, and specifically sea level rise as warranted by the results of the sea level rise mapping project.

Parks, Recreation, and Culture Master Plan (deferred)

To date, the District of Oak Bay has not undertaken the preparation of a comprehensive Parks and Recreation Master Plan that engages the community to understand their specific interests and needs.¹ The District's Official Community Plan recommends preparation of this plan given the passion for parks and recreation in the community, and the need for continued upgrading and maintenance of facilities.² The project's deliverables will include:

- A community survey to assess existing use patterns, satisfaction and needs in relation to parkland, sports fields, trails/paths, playgrounds, other park amenities, recreation centres, and recreation programs.
- An analysis of existing and forecasted demographics and best practices to support the needs analysis.
- Identification of existing and future community needs for different types and locations of parkland, park amenities, paths/trails, recreation facilities and recreation programs, considering the needs of people of all ages and abilities.
- Consideration of the need for upgrading the pool or other amenities at Oak Bay Recreation Centre, potentially in partnership with the School District, to satisfy the needs of students as well as all members of the community.

Animal Control Bylaw/Dog Off-Leash Policy

The scope of this project would include a dogs in parks policy review and broader animal control review including the development of a new, modernized bylaw. Previously these reviews were planned as separate projects but the Parks, Recreation and Culture department will collaborate with Corporate Administration and Strategic Initiatives to realize operational efficiencies and cost savings. In particular, community engagement can be conducted with one comprehensive process instead of two separate processes. Furthermore, bylaw development will be coordinated and comprehensive, thereby avoiding multiple amendments or disjointed purposes.



¹ Budget Estimates Committee, April 17, 2019

² Official Community Plan, 2014, Section 4.6.1 & 4.5

COMMUNITY HEALTH AND RESILIENCE

Urban Forest Management – Garry Oak Inventory

The information collected by inventorying the Garry Oak and associated ecosystems in Oak Bay's natural area parks will be useful in designing trail networks and will provide a baseline for measuring success of our restoration activities. The collected data is extremely useful and will be reported to the Provincial and Federal agencies to track the overall recovery or decline of rare plant species in Canada and in Oak Bay's natural area parks. The data will also help establish Federal funding Priorities for recovery activities such as habitat restoration.

Coolkit Program

The Coolkit program has been developed through the University of British Columbia (UBC) Forestry program. Developed as a toolkit for engaging community residents, its focus is on impacting climate change and urban forestry; with an overall intent to engage the community in a conversation around climate action, which ultimately leads to positive action on both public and private lands. The program is designed to involve everyone from individual residents, to families, entire neighbourhoods, organizations and local governments in determining what climate action they would they would like to focus on. One of the main elements focuses on urban forestry, but previous groups have also included items such as urban food gardens, home improvements, car pooling and other local forms of active transportation. The program is designed to be applicable at the neighbourhood level to achieve the greatest impact.



CONSOLIDATED FINANCIAL PLAN — 2021 EXECUTIVE SUMMARY

The proposed 2021-2025 financial plan is summarized as follows:

	2020	2021	\$ Increase	% Increase	Comment
Operating Revenues	\$47.5M	\$54.0M	+\$6.5M	+13.6%	Capital Grants and COVID-19 restart grant
Operating Expenses	(42.7)M	(41.9)M	-0.8M	-1.8%	Reduced COVID contingency
Transfers from Reserves	14.9M	16.9M	+2.1M	+13.8%	Corresponds with increased capital spending
Capital Expenditures	(12.1)M	(21.1)M	+9.0M	+74.4%	See Capital Plan section
Debt Principal	(0.1)M	(0.1)M	-	-	
Transfers to Reserves	(7.5)M	(7.8)M	+0.3M	+4.0%	Increase for asset management targets
Total	\$-	\$-			

Discussion of budgetary trends:

Revenues: Revenues are budgeted to increase by 6.5M or 13.6%. This is due to a combination of factors:

- Property taxes are budgeted to increase by 1.7M or 6.5%. Please see a breakdown of this increase below.
- Capital Grants are budgeted to increase by \$6M primarily in anticipation of grant funding for the Uplands Sewer Separation capital project. This funding request is under review and there is significant uncertainty in possible success of the grant application.
- Parks, Recreation and Culture revenues are forecasted to fall by approximately \$4.2M but are offset by \$1.6M in forecasted reduced spending. The net impact to the PRC department is offset by use of the COVID-19 restart grant in the amount of approximately \$2.6M.

Expenses: Expenses are budgeted to decrease by \$763,000 or 1.8%. This is primarily due to: (1) a forecasted 1.2M decrease in PRC spending, (2) a decrease in the contingency budget of \$484,000, and (3) increase in other expenses by approximately \$1.3M.

Capital Expenditures: Budgeted capital expenditures have increased by \$9.0M from \$12.1M to \$21.1M. The District is significantly expanding its capital program in response to a large portion of assets coming due for replacement.

Reserve transfers: The District is rapidly increasing its utility and tax funded transfers to reserve to support forthcoming capital expenditures. Transfers from reserves correlate closely to reserve funded capital expenditures.

Overall, the Financial Plan results in a **6.49%** tax increase, or **\$208** to the median residential property for 2021:

Reason for tax increase:	\$ Amount	Tax increase %	\$ Increase to Median Residential property
New Development Taxation Revenue	\$(218,500)	-0.82%	-\$26.41
Forced growth	920,200	3.47%	111.22
Infrastructure (transfer to reserve funding)	500,000	1.88%	60.43
New staffing to support sustainable service delivery	377,000	1.42%	45.56
Fire department apparatus bay lease	90,000	0.34%	10.88
Enhanced bylaw enforcement	52,000	0.20%	6.28
Total	\$1,720,700	6.49%	\$207.96

SHORT-TERM RISKS TO THE 2021 - 2025 FINANCIAL PLAN

The 2021 – 2025 financial plan has been prepared by integrating known economic conditions and existing Council direction. There are several risks that may impact the future financial results as discussed below:

1.COVID-19

Incremental COVID-19 expenses and reduced revenue impacts

The District has integrated the expected financial impact of the COVID-19 pandemic into the financial plan. In particular, the District is forecasting approximately \$4.2M in reduced Parks, Recreation and Culture revenues offset by approximately \$1.6M in reduced program expenditures for a net financial impact of \$2.6M in the 2021 budgetary year.

In 2020, the District was the recipient of a \$3.6M COVID-19 restart grant. On November 23, 2020 Council resolved to use this grant to fund forecasted Parks, Recreation, and Culture revenue short falls in 2021 and 2022. Use of this grant has been integrated into the financial plan for 2021 and 2022.

There is significant uncertainty around the timing and financial impact of the COVID-19 pandemic. Should revenues not rebound quickly in 2022, Council will need to decide between reducing service, increasing taxes (or fees), or using additional reserves. Any of these strategies will materially impact the financial plan.

In 2020, the District incurred approximately \$458,000 in incremental expenditures related to the COVID-19 pandemic. Approximately \$99,800 of this is recoverable and relates to the cost of operating the District's Emergency Operations Centre

Department	2020 Incremental COVID-19 Expenses*	Recoverable	Net 2020 Incremental COVID-19 Expenses
Corporate Administration	\$56,312	\$(45,733)	\$10,579
Administrative Facilities	8,170	-	8,170
Finance & IT	18,639	(17,499)	1,140
Policing	13,406		13,406
Fire and Emergency Services	36,504		36,504
Building & Planning	809	(809)	-
Engineering Services	7,593	(1,111)	6,482
Public Works	174,475		174,475
Sewer Utility	1,618	-	1,618
Water Utility	2,832	-	2,832
Parks, Recreation & Culture	137,812	(34,602)	103,210
Total	\$458,170	(\$99,754)	\$358,416

*COVID-19 expenses include incremental expenses that in the judgment of staff have become necessary as a result of the COVID-19 pandemic and were otherwise not incurred prior to the advent of the pandemic.

The District is expecting to continue to incur incremental COVID-19 related expenses in 2021.

This risk of an exposure even has not been quantifiably integrated into the financial plan. For instance, should an entire platoon in the District's fire or police department experience an exposure event, significant overtime would be incurred. Similarly, should an exposure event occur at one of the District's recreational facilities, a major disruption to recreational revenues would be expected.

Investment Revenues

The District's forecasted investment returns have been significantly reduced in the 2021-2025 financial plan when compared to the 2020 financial plan. The largest portion of the District's investment portfolio is invested in Municipal Finance Authority funds including the Money Market Fund, the Short-Term Bond fund, and the Fossil Fuel Free fund. Bond yields have fallen significantly since the onset of the COVID-19 pandemic as investors retreat from equities and seek out safer investments such as bonds. The District also has funds placed in interest bearing high interest savings accounts and term deposits. Interest rates offered by financial institutions have declined significantly as the Bank of Canada has eased monetary policy providing inexpensive access for financial institutions to cash resources. As a result, there is the risk that investment returns could further decline. In this case, forecasted reserve balances would fall if not offset with corresponding tax increases.

2. Reserve Balances

Capital Grants

The 2021-2025 financial plan includes the \$22.97M Uplands Sewer Separation project. This project is currently contingent on grant funding. The proposed funding sources are \$6.9M in reserve funding and \$16.0M in grant funding.

As a party to the Core Area Liquid Waste Management Plan, the District has committed to separating combined sewers in the Uplands, both to meet the Province's Municipal Wastewater Regulation but also to significantly reduce the amount of inflow of stormwater into the sanitary sewer system. This latter requirement is tied to the core area municipalities' commitments to reduce inflow/infiltration in the sanitary sewer system to specific benchmarks by 2030. If the District's grant application for this project is unsuccessful, the District's ability to meet the 2030 inflow/infiltration targets will be significantly compromised. The District may need to fund the additional \$16M through other means in order to deliver on its Core Area Liquid Waste Management Plan commitments.

The District has submitted a grant application for Tod House repairs. The District has identified the need for approximately \$300,000 - \$400,000 in needed deferred maintenance repairs plus an additional \$400,000 - \$500,000 in needed heritage conservation repairs. The District has dedicated reserves that could be used to fund the deferred maintenance repairs. Should the District be unsuccessful in its grant application, the District will need to utilize alternative funding or not proceed with heritage repairs.

Asset Master Plans

The 2021 financial plan allocated funding to complete the District's Sanitary Sewer Master Plan, Storm Sewer Master Plan, Facilities Master Plan, and Parks Recreation and Culture Master Plan. These plans will further populate the District's asset management/capital plan. This will likely put additional pressure on the District's reserve balances.

3. Collective bargaining

The District's collective agreements with the International Association of Fire Fighters Local No. 1856 and the Oak Bay Police Association have expired in 2019. Forecasted collective agreement increases have been integrated into the District's consolidated financial plan. Conditions used to forecast collective agreement increases change often.

CONSOLIDATED FINANCIAL PLAN — YEAR OVER YEAR CHANGE

Revenue	2020 Budget	2021 Budget	\$ Change	% Change	Comment
Property Value Taxes	\$26,530,000	\$28,250,700	\$1,720,700	6.5%	
New Construction Property Taxes	-	218,500	218,500	0.0%	
Boulevard Frontage Taxes	215,300	221,300	6,000	2.8%	
Grant In Lieu of Taxes	53,200	53,300	100	0.2%	
1% Utility Revenue	220,300	221,700	1,400	0.6%	
Property Tax Penalties and Interest	127,400	167,800	40,400	31.7%	
Grants (Operating)	530,500	3,050,900	2,520,400	475.1%	COVID-19 restart grant
Grants (Capital)	866,700	6,923,700	6,057,000	689.9%	Uplands sewer separation grant
Developer Contributions	-	186,000	186,000	100.0%	Bowker/Cadboro Bay intersection
Investment Income	825,000	562,500	(262,500)	-31.8%	85% decrease in money market return
Miscellaneous Revenue	15,300	15,300	-	0.0%	
Municipal-Regional District Tax	154,000	150,000	(4,000)	-2.6%	
Facilities Department Revenue	429,900	396,200	(33,700)	-7.8%	OB Marina lease revenue reduction
Finance Department Revenue	53,200	51,700	(1,500)	-2.8%	
Building and Planning Department Revenue	975,600	907,600	(68,000)	-7.0%	adj. Building and Planning revenue from historical high
Engineering Department Revenue	27,100	27,100	-	0.0%	
Public Works Department Revenue	1,603,400	1,669,800	66,400	4.1%	
Sewer Utility Fees	1,370,600	1,414,900	44,300	3.2%	
Water Utility Fees	4,628,800	4,798,300	169,500	3.7%	
Parks, Recreation and Culture Department Revenue	8,921,700	4,750,600	(4,171,100)	-46.8%	Significant reduction in volume
Total Revenue	47,548,000	54,037,600	6,489,900	13.6%	

CONSOLIDATED FINANCIAL PLAN — YEAR OVER YEAR CHANGE *continued*

Operating Expenses	2020	2021	\$ Change	% Change	Comment
Corporate Administration	\$2,377,800	\$2,747,800	\$370,000	15.6%	+2.5 FTE to support sustainable service
Oak Bay Tourism	260,000	150,000	(110,000)	-42.3%	Significant reduction in volume
Facilities	195,100	211,100	16,000	8.2%	New maintenance obligations
Finance and IT	1,398,400	1,500,500	102,100	7.3%	+0.33 FTE IT Project Management
Policing	5,112,400	5,475,400	363,000	7.1%	
Fire Protection	4,706,300	4,884,500	178,200	3.8%	
Building and Planning	1,098,600	1,099,800	1,200	0.1%	
Engineering Services	1,270,900	1,451,100	180,200	14.2%	+1.00 FTE Program Manager
Public Works	3,695,500	3,825,600	130,100	3.5%	
Library	1,202,400	1,128,300	(74,100)	-6.2%	
Sewer Utility	849,300	802,500	(46,800)	-5.5%	
Water Utility	3,646,500	3,700,700	54,200	1.5%	
Parks, Recreation and Culture	13,678,200	12,113,400	(1,564,800)	-11.4%	Significant reduction in volume
Fiscal	75,500	91,400	15,900	21.1%	Credit card usage for building and planning
Debt Interest	134,400	134,400	-	0.0%	
Contingencies	962,400	478,200	(484,200)	-50.3%	Eliminate COVID-19 contingency
Major Crimes Contingency	725,000	805,000	80,000	11.0%	Corresponds to capital expenditure
Special Initiatives	1,301,000	1,307,000	6,000	0.5%	
Total Operating Expenses	42,689,700	41,926,700	(763,000)	-1.8%	
Add:					
Transfers from Reserves	14,882,700	16,936,700	2,053,800	13.8%	Corresponds to capital expenditures
Deduct:					
Capital Expenditures	(12,105,300)	(21,110,600)	(9,005,800)	74.4%	Expanded asset management
Transfers to Reserves	(7,493,100)	(7,795,500)	(301,400)	4.0%	
Debt Principal	(142,600)	(142,600)	-	0.0%	
Total	\$ -	\$ -	\$ -	-	-

CONSOLIDATED FINANCIAL PLAN — 2021 - 2025

Revenue	2021	2022	2023	2024	2025
Property Value Taxes	\$28,250,700	\$30,016,800	\$31,540,200	\$33,126,600	\$34,797,200
New Construction Property Taxes	218,500	50,000	50,000	50,000	50,000
Boulevard Frontage Taxes	221,300	231,900	237,700	243,600	249,700
Grant In Lieu of Taxes	53,300	53,500	53,600	53,800	54,000
1% Utility Revenue	221,700	235,000	240,200	245,500	250,900
Property Tax Penalties and Interest	167,800	172,800	178,000	183,400	189,000
Grants (Operating)	3,050,900	1,419,000	382,000	382,000	382,000
Grants (Capital)	6,923,700	3,353,800	8,392,300	8,429,400	890,900
Developer Contributions	186,000	-	-	-	-
Investment Income	562,500	599,000	649,000	699,000	749,000
Miscellaneous Revenue	15,300	15,300	15,300	15,300	15,300
Municipal-Regional District Tax	150,000	200,000	200,000	200,000	200,000
Facilities Department Revenue	396,200	465,800	473,100	481,400	489,400
Finance Department Revenue	51,700	52,300	52,600	52,900	53,200
Building and Planning Department Revenue	907,600	925,600	925,600	925,600	925,600
Engineering Department Revenue	27,100	27,100	27,100	27,100	27,100
Public Works Department Revenue	1,669,800	1,705,000	1,740,900	1,777,800	1,815,600
Water Utility Fees	1,414,900	1,447,600	1,495,400	1,543,600	1,592,200
Sewer Utility Fees	4,798,300	4,980,700	5,210,600	5,420,000	5,649,100
Parks, Recreation and Culture Department Revenue	4,750,600	8,017,900	9,282,100	9,467,700	9,657,100
Total Revenue	\$54,037,900	\$53,969,100	\$61,145,700	\$63,324,700	\$58,037,300

CONSOLIDATED FINANCIAL PLAN — 2021 - 2025 *continued*

Operating Expenses	2021	2022	2023	2024	2025
Corporate Administration	\$2,747,800	\$2,803,400	\$2,860,200	\$2,917,600	\$2,976,600
Oak Bay Tourism	150,000	200,000	200,000	200,000	200,000
Facilities	211,100	216,300	221,200	226,100	231,000
Finance and IT	1,500,500	1,555,600	1,586,700	1,618,400	1,650,800
Policing	5,475,400	5,607,500	5,722,800	5,845,300	5,967,000
Fire Protection	4,884,500	4,929,300	4,960,200	4,991,600	5,023,600
Building and Planning	1,099,800	1,121,200	1,142,800	1,164,800	1,186,900
Engineering Services	1,451,100	1,480,600	1,510,600	1,541,200	1,572,400
Public Works	3,825,600	3,922,600	4,018,900	4,117,800	4,219,700
Library	1,128,300	1,165,000	1,202,900	1,242,000	1,282,400
Sewer Utility	802,500	820,700	839,300	858,500	878,400
Water Utility	3,700,700	3,777,700	3,904,800	4,011,400	4,139,100
Parks, Recreation and Culture	12,113,400	13,951,800	14,230,800	14,515,400	14,805,700
Fiscal	91,400	80,000	81,300	82,600	83,800
Debt Interest	134,400	134,400	134,400	-	125,000
Contingencies	478,200	744,100	1,059,00	1,335,200	1,569,900
Major Crimes Contingency	805,000	885,000	965,000	1,045,000	1,125,000
Special Initiatives	1,327,000	496,100	395,000	200,100	-
Total Operating Expenses	41,926,700	43,891,300	45,035,900	45,913,000	47,037,300
Add:					
Transfers from Reserves	16,936,500	12,053,500	16,257,200	8,892,700	8,912,500
Debt Proceeds	-	-	-	-	5,000,000
Deduct:					
Capital Expenditures	(21,110,600)	(13,075,200)	(22,352,800)	(15,102,500)	(12,701,700)
Transfers to Reserves	(7,792,500)	(8,913,500)	(9,871,600)	(11,201,900)	(12,064,400)
Debt Principal	(142,600)	(142,600)	(142,600)	-	(146,400)
Total Budget Balance	\$ -	\$ -	\$ -	\$ -	\$ -

REVENUE DISCUSSION

TAXATION DISCUSSION

Property value tax is the principal source of revenue for most local governments. It is a tax levied on the value of land and improvements (i.e. building and fixtures). Municipalities levy property value taxes based on the tax revenue needs set out in their annual budget (Financial Plan). Property value taxes are calculated by applying a set tax rate against the assessed value of a property. Municipal tax rates are annually set by Council, and the assessed values are set independently by BC Assessment.




TAX STABILITY, PREDICTABILITY, COLLECTABILITY

In most years, taxation revenue is predictable and stable. The District's tax base is 96% residential. Therefore, disruptions in non-residential assessments would not disrupt tax revenues enough to significantly impact the predictability of tax revenues. In fact, a uniform and significant reduction in assessed values would be unlikely to disrupt tax revenues.

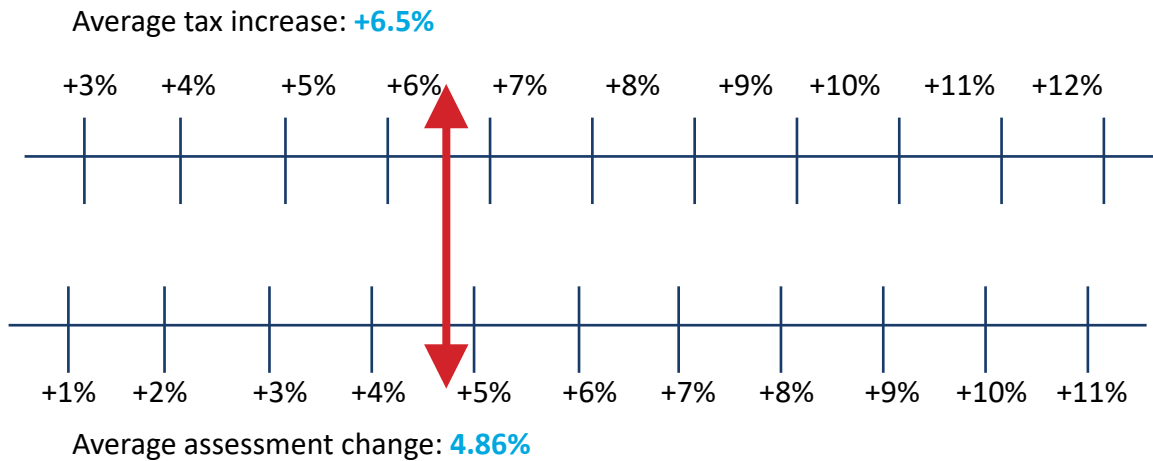
The British Columbia legislated model of property taxation administration is one of the most efficient in the world. Tax revenue collection is highly likely, almost certain in most cases. The *Local Government Act* requires the District to commence tax sale proceeds in the cases where 3 years of taxes remain unpaid. Section 250 of the *Community Charter* writes, "Taxes accrued and to accrue on land and improvements... are a charge that, (a) is a special charge on the land and improvements, (b) has priority over any claim, lien, privilege or encumbrance of any person except the Crown...". Therefore taxes are discharged, at a minimum, when the property changes ownership or during tax sale proceedings. Tax sale proceedings can result in the property being auctioned (although exceedingly rare), which ensures property taxes are highly collectible.

RELATIONSHIP BETWEEN ASSESSMENTS AND TAXATION

Municipalities use assessed values to apportion property taxes to individual taxpayers. For instance, if a taxpayer's assessment represents 5% of the entire taxable assessment base, that taxpayer will pay 5% of the municipal property tax budget. A common misconception is that a significant increase in assessed value will necessarily result in a significant increase in property taxes. It is more important for a taxpayer to consider the assessed value in relation to the average assessment increase. It is possible for one's assessment to decrease while taxes increase and vice versa.

	ASSESSMENT CHANGE	PROPERTY TAX IMPACT
	Lower than average assessment increase/decrease	Individual % tax increase < Total District % tax increase
	Average assessment increase/decrease	Individual % tax increase % = Total District % tax increase
	Higher average assessment increase/decrease	Individual % tax increase % > Total District % tax increase

The 2021 Completed Assessment Roll indicates a 4.86% average increase in residential assessed properties. The property tax increase for 2021 is **6.5%**. Therefore, properties with an assessment change above 4.86% will incur a tax increase greater than 6.5%.



NEW DEVELOPMENT TAXATION (NDT) REVENUE

NDT revenue is derived from new buildings or newly subdivided lots. In other words, NDT is taxation revenue from assessed values that did not exist in the prior year. Staff have estimated approximately \$200,000 derived from New Development Taxation Revenue in 2021. Final NDT numbers become available in March with the release of the revised assessment roll. NDT revenues are currently being set aside to increase the transfer to reserve for infrastructure replacement budget.

FIVE YEAR PROPERTY TAXATION FORECASTS

The draft 2021 – 2025 Financial Plan forecasts an average tax increase of **5.53%** for the five year horizon and an average increase of **4.94%** for 2022 through 2025:

	2021	2022	2023	2024	2025	Average
Tax increase	6.49%	5.62%	4.95%	4.95%	4.95%	5.39%
Tax increase \$ to median residential property	\$208	\$192	\$179	\$187	\$197	\$193

Forecasted tax increases are driven by the following factors:

\$ Increase by cost driver	2021	2022	2023	2024	2025
New Development Revenue	(\$218,500)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)
Forced Growth	920,200	571,400	587,400	800,500	883,500
Contingency for operating impact of new capital services			50,000	-	-
Infrastructure renewal reserve	500,000	900,000	725,000	917,000	420,000
Fire Department apparatus bay lease	90,000	-	-	-	-
New staffing	377,000	150,000	150,000	150,000	100,000
Enhanced bylaw enforcement	52,000	-	-	-	-
Debt retirement/new debt	-	-	-	(277,000)	271,400
Total	\$1,720,700	\$1,571,400	\$1,462,400	\$1,540,500	\$1,624,900

% Increase by cost driver	2021	2022	2023	2024	2025
New Development Revenue	-0.82%	-0.18%	-0.17%	-0.16%	-0.15%
Forced Growth	3.47%	2.01%	1.95%	2.53%	2.66%
Contingency for operating impact of new capital services	-	-	0.17%	-	-
Infrastructure renewal reserve	1.88%	3.16%	2.41%	2.90%	1.26%
Fire Department apparatus bay lease	0.34%	-	-	-	-
New staffing	1.42%	0.53%	0.50%	0.47%	0.30%
Enhanced Bylaw enforcement	0.20%	-	-	-	-
Debt retirement/new debt	-	-	-	-0.88%	0.82%
Total	6.49%	5.52%	4.86%	4.86%	4.89%

\$ Impact to median residential property by cost driver	2021	2022	2023	2024	2025
New Development Revenue	(\$26.41)	(\$6.00)	(\$5.99)	(\$5.98)	(\$5.97)
Forced Growth	111.22	68.53	70.39	95.74	105.52
Contingency for operating impact of new capital services	-	-	5.99	-	-
Infrastructure renewal reserve	60.43	107.94	86.87	109.67	50.16
Fire Department apparatus bay lease	10.88	-	-	-	-
New staffing	45.56	18.00	17.97	17.94	11.94
Enhanced Bylaw enforcement	6.28	-	-	-	-
Debt retirement/new debt	-	-	-	(33.13)	32.41
Total	\$207.96	\$188.47	\$175.23	\$184.24	\$194.06

BOULEVARD FRONTAGE TAXES

The District levies a boulevard frontage tax subject to the *Boulevard Frontage Tax Bylaw, 1982*. Properties identified in this Bylaw pay a tax based on taxable frontage. The District's Parks crew maintain the boulevards abutting these properties.

The draft Financial Plan proposes a 2.8% tax increase which represents increased labour, fuel, and equipment costs.

Year	2016	2017	2018	2019	2020	2021 Draft
Levy	\$183,725	\$192,766	\$199,500	\$207,816	\$215,300	\$221,300
Increase		4.9%	3.49%	4.34%	3.60%	2.8%

BUSINESS IMPROVEMENT AREA

The District levies a business improvement area tax subject to the “*Oak Bay Business Improvement Area Bylaw, 2020*”. Properties identified in this bylaw pay a tax based on taxable assessment. Taxes collected from this levy are remitted to the Oak Bay Business Improvement Association. The Oak Bay BIA exists to promote local member businesses and to contribute to the community at large. The funding arrangement with the BIA expires on December 31, 2024 if it is not renewed with another bylaw.

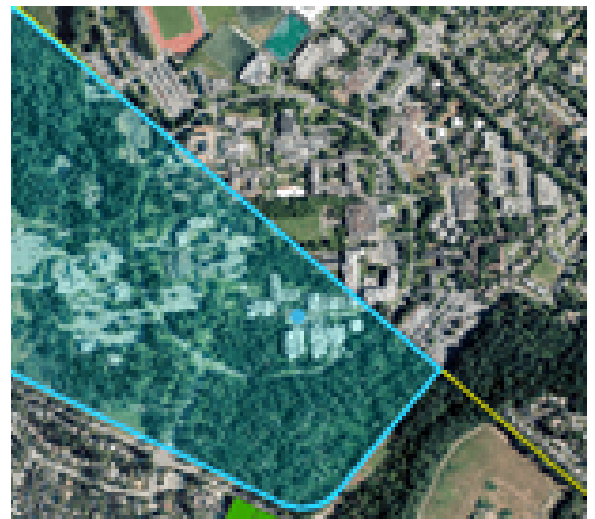
GRANT IN LIEU OF TAXES

Federal Payment in Lieu of Tax: Federally owned properties are generally exempt from taxes pursuant to section 125 of the *Federal Constitution Act, 1867*. Federal properties may, however, be subject to a payment in lieu of taxes pursuant to the *Federal Payments in Lieu of Taxes Act*. Two federally owned, tax exempt properties in the District pay a payment in lieu of taxes: (1) Turkey Head Breakwater, and (2) Trial Island Lighthouse.



**Please note, the numbers detailed above are 2020 numbers.*

Grant in Lieu of Taxes, University of Victoria: The University of Victoria is exempt from taxes pursuant to section 54 of the University Act. The University is situated partially in the District of Oak Bay and partially in the District of Saanich. Annually the Ministry of Advanced Education, Skills and Training distributes a grant in lieu of taxes to local governments with universities. The funds are apportioned based on the proportional assessed value of university property within the municipality. The total grant fund budget has not changed in many years. Actual value of UVic property within Oak Bay is assessed at \$351M. The grant in lieu of taxes is equivalent to approximately 2.2% of the taxation revenue that would be due on \$351M of taxable assessment. The foregone taxes demonstrates the District’s significant investment in post-secondary education.



1% UTILITY REVENUE

Pursuant to section 644 of the *Local Government Act* and the *Hydro and Power Authority Annual Grants Order*, utility companies must pay each municipality 1% of the revenues earned within that municipality in the preceding year. Since this revenue is based on prior year financials and amounts remitted to the District, the budget is very accurate. For 2021, 1% revenues are forecasted as follows:

Utility Company	2020 Budget	2020 Actual	2021 Budget	Change
Shaw Communications	\$29,300	\$29,290	\$28,300	-1,000/-3.4%
Telus	18,900	18,914	18,500	-400/-2.1%
Fortis	35,400	35,427	38,400	+3,000/+8.5%
BC Hydro	136,700	136,740	136,500	-200/+0.0%
Total	\$220,300	\$220,371	\$221,700	+0.1%

MUNICIPAL REGIONAL DISTRICT TAX (MRDT)

The Municipal and Regional District Tax (MRDT) is a tax of up to three percent on the purchase of accommodation imposed in specific geographic areas of the province (designated accommodation areas) on behalf of municipalities, regional districts or eligible entities. The District is a designated accommodation area pursuant to the Designated Accommodation Area Tax Regulation 93/2013

Funds raised by means of the MRDT must be used for a prescribe purpose including: tourism marketing and sport hosting marketing. As such, MRDT funds raised in the municipality of Oak Bay fund Oak Bay Tourism.

USER FEES

Section 194 of the *Community Charter* enables Council to impose a fee in respect of all or part of a municipal service. In general, user fees are charged when the benefit of a service accrues to identifiable individuals and taxes are levied when the benefit of a service accrues broadly to the public. However, Council has the authority to vary the mix and imposition of taxes and user fees as appropriate. Below are some of the user fees that the District levies.

Sewer User Fees: The District levies a sewer user fee to recover 70% of the costs to maintain the municipal sanitary sewer conveyance system. The remaining 30% of such costs are recovered by property taxes. The sewer user fee also partially funds an annual transfer to reserve for capital asset replacement and rehabilitation. Sewer user fees are calculated by multiplying the sewer rate by 60% of water consumption for residential properties. Rates are applied to 100% of the water used by properties that are not residential, have mixed use, or have two water meters.

Capital Regional District Sewer User Fee: The District levies a user fee to recover 100% of the operating costs related to providing regional sewer service including the Core Area Wastewater Treatment Plant. This levy has experienced steep increases for a number of years while the Capital Regional District phases in the cost of construction. In 2021, the treatment plant costs are expected to convert from capital to operating costs. It is expected that the increase in 2021 will be moderate when compared to historical increases. However, in 2021, the District is expecting a 22.5% increase in the requisition (property tax funded) cost from \$3.4M to \$4.2M.

Water User Fee: The District levies a water consumption charge and a fixed user fee to recover 100% of the costs related to the provision of retail water. The majority of the costs relate to the purchase of bulk water from the Capital Regional District for distribution to District citizens. The fixed fee recovers 35%, while the consumption fee recovers 65%. For properties with two or less units, the fixed fee is \$0.62 per day or \$226.30 per year.

Solid Waste User Fee: The District levies a solid waste fee pursuant to the District's Refuse Collection and Disposal Bylaw. The solid waste fee funds a myriad of services described below. The District's solid waste fee revenue exceeds the solid waste division direct costs but also funds solid waste service infrastructure replacement and general District overhead.

Solid Waste Division Service	2021 Budget	Proportion	Service Description
Solid Waste	\$601,400	38.2%	Bi-weekly curbside pickup and unlimited drop off at depot
Organics	444,200	28.2%	Bi-weekly curbside pickup
Garden Waste Program	214,100	13.6%	Unlimited drop off at depot, compost sales
Beach Cleanup	6,200	0.4%	2-4 clean up crew days per year or 1 sunken sailboat removal
Garden Waste Pickup Week	126,700	8.1%	One day per week per property per year curbside garden waste
Recycling Depot	180,000	11.5%	Unlimited drop off at depot
Total	\$1,572,600	100.0%	



Grants (Operating)

The District's operating grant budget is composed of four main grants: (1) Small Community Grant, (2) Traffic Fine Revenue Sharing Grant, (3) Climate Action Revenue Incentive Program Grant (CARIP), and (4) project-related grants.

Grant	2020 Forecast	2020 Budget	2021 Budget	Change
Small Community Grant	\$145,462	\$150,000	150,000	-
Traffic Fine Revenue Sharing	223,660	223,700	210,000	-13,700
CARIP	34,472	34,400	35,000	+600
Project-related Grants	93,494	122,400	97,200	-25,200
COVID-19 Restart Grant*	3,589,000		2,557,000	+2,557,000
Other operating Grants	-	-	1,700	+1,700
Total	\$4,086,088	\$530,500	\$3,050,900	+\$2,520,400

*This grant was remitted to the District in late 2020. Accounting standards require that the grant be recorded as revenue in 2020. The District has transferred it to reserves to use to offset anticipated 2021 and 2022 Parks, Recreation, and Culture revenue shortfalls. The grant is placed in this chart for transparency. However, it will appear as a "transfer from reserve" in the financial plan bylaw.

Small Community Grant: This grant is an unconditional grant paid by the Province to the District. The formula that determines the grant amount is complex. The grant is phased out as a community grows.

Traffic Fine Revenue Sharing Grant: This grant amount is determined by the total Provincial traffic fine revenue collected in the year prior. Oak Bay's share of the funds are determined by the District's policing costs as a proportion of the entire Province's policing costs.

CARIP Grant: The CARIP grant is a conditional grant program that provides funding to local governments that have signed the B.C. Climate Action Charter, equal to 100 percent of the carbon taxes they pay directly to support local government operations. The program encourages investment in climate action.

Project related grants: : Project grants contemplated in the 2021 budget year include: (1) \$55,000 from the Municipal Asset Management Program through the Federation of Canadian Municipalities to help fund a Pavement Condition Assessment, and (2) \$42,000 from the Provincial Urban Deer Operation Cost Share Program for half the cost of the District's partnership with the Urban Wildlife Stewardship Society.

Grants (Capital)

Gas tax: The Administrative Agreement on the Federal Gas Tax Fund in British Columbia took effect on April 1, 2014. The tripartite Agreement between Canada-British Columbia-UBCM replaced the 2005-2014 Agreement and provides the administrative framework for the delivery of Federal Gas Tax funding to local governments and other recipients in British Columbia over a ten year period (2014-2024).

The Gas Tax fund provides predictable, long-term and stable funding to local governments in British Columbia for investment in infrastructure and capacity building projects. The gas tax allocation table sets out funding through 2024.

2019	2020	2021	2022	2023	2024
\$851,133.48	\$816,756.82	\$816,756.82	\$853,872.73	\$853,872.73	\$890,979.58

In 2014 when the new agreement was signed, the eligible project categories expanded significantly. This prompted many communities to change their gas tax revenue recognition practice. Previously, all gas tax revenues had been deferred and listed as a liability on the financial statements until used for eligible projects at which time the revenue was recognized. Since use of the funds is less restricted, the common accounting practice is to recognize the receipt of funds as revenue immediately. In fact, the District's 2018 Audit Findings report recommended this accounting practice (see Special Meeting of Council agenda May 6, 2019). Beginning in 2020, the District will change its accounting practice to immediately recognize the receipt of gas tax funds as revenue.

Gas tax funds are allocated to the District's Infrastructure Renewal reserve through the course of this Financial Plan. The 2019 capital grants revenue category has been restated to include all gas tax payments even though the majority of such payments were recorded in the deferred liability account. The purpose of the restatement is to promote fiscal period comparability.

INVESTMENT REVENUE

Investment returns grew considerably from 2015 - 2019 due to two main factors: (1) increased investment balances, and (2) increased money market performance. Approximately 80% of the District's portfolio had been invested in the Municipal Finance Authority's Money Market Fund.

	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019	2020 (preliminary)
Investment Revenues	\$442,099	\$418,239	\$483,431	\$883,881	\$996,143	\$834,000
Investment Revenues Budget	\$174,000	\$152,000	\$130,000	\$140,000	\$301,500	\$825,000
Cash and Investment Balance	\$35.7M	\$41.0M	\$46.5M	\$54.1M	\$60.1M	
MFA money market return %	0.85%	0.79%	0.97%	1.65%	1.88%	

The investment return budget has been increased by \$523,500 to reflect the changing investment environment. The majority of our investment funds belong to reserve funds. Interest earned on these balances must be retained in the reserve funds. As a result staff, have increased the transfer to reserve budget by a corresponding amount:

	2020 Budget	2021 Budget	Change
Investment Returns	\$825,000	\$526,500	-\$262,500
General Revenue	-450,000	-449,000	+(1,000)
Transfer to Reserve	-375,000	-113,500	+(261,500)
Total budgetary impact	\$ -	-	-

Linking investment returns to reserve contributions is crucial for a number of reasons:

1. There is a legislated requirement to ensure investment returns earned by reserve funds remain within the reserve fund.
2. General revenue linked investment returns can significantly increase tax rate volatility. For instance, should investment returns fall, tax revenues will have to rise to offset the loss.
3. Investment returns from reserve funds are part of the District's annual, permanent, ongoing funding for infrastructure replacement.

Recreation
Oak Bay
OAK BAY
RECREATION CENTRE
1975 BEE STREET

OPERATING DEPARTMENT SUMMARIES



CORPORATE ADMINISTRATION

Administration consists of the Chief Administrative Officer (CAO), the Director of Corporate Services, the Deputy Director of Corporate Services, the Director of Strategic Planning, the Manager of Human Resources, a Communications Specialist, the Executive Assistant to the CAO and Mayor, and an administrative support staff person. The CAO is the general manager for the Corporation as a whole, provides guidance and direction to all operating departments, and is the principal advisor to Council. The Director of Corporate Services works closely with Council, is the main link between Council and the public at large, and is the contact for information on all Council matters. The Director of Corporate Services is also the custodian of municipal records, and is responsible for requests submitted under the BC Freedom of Information and Protection of Privacy Act.

Performance Measures and Statistics

Performance Measure*	2019 Actual	2020 Actual	2021 Forecast
Meetings of Council Supported	69	75	50
Meeting minutes posted on time (adopted at next Council meeting)	59	52	50
# FOIPPA requests	21	32	30
FOI requests within statutory deadlines	100%	100%	100%
# Social Media posts	423	812	500
# Social Media followers	1,606	2,496	3,000
Total web pages viewed	1.9M	2.5M	2.5M
Volunteer hours contributed to Archives	1,335	210	200
Archives research inquiries conducted	400	111	150
Archives Program (school programs, history talks, special events)	335	84	120

*Please note that the some of these performance measures were impacted due to the COVID-19 Pandemic.

Staffing History and Forecasted Requests

Position	2020 FTEs	2021 FTEs	Change
Chief Administrative Officer	1.00	1.00	-
Director of Corporate Services	1.00	1.00	-
Director of Strategic Initiatives	1.00	1.00	-
Deputy Director of Corporate Services	1.00	1.00	-
Manager of Human Resources	1.00	1.00	-
Occupational Health & Safety Officer	0.00	1.00	+1.00
Communications Specialist	1.00	1.00	-
Confidential Administrative Support Clerk	2.00	1.00	-1.00
Secretary III	0.00	3.00	+3.00
Casual Pool	0.50	0.00	-0.50
Archivist	0.50	0.50	-
Total	9.00	11.50	+2.50

2020 Accomplishments

- Provided Freedom of Information and Protection of Privacy Act and media training for Council
- Advanced negotiation of Marina Lease
- Supported CRD in discussions surrounding future of Oak Bay Lodge
- Advanced Deer Management Research Project
- Substantial Progress on Human Resources Plan components - began implementation on some parts of HR Plan
- Applied for grant for Tod House for emergency repairs and conservation work
- Refined the Corporate Plan, Budget and Annual Report processes
- Mapped District Services (Service Level Overview)
- Prepared Business Continuity Plan
- Established framework for departmental work plans
- Applied for CanFR award
- Finalist for UBCM Excellence awards
- Implemented quarterly Priorities reported with integrated financial quarterly reporting
- Developed organization-wide work planning framework
- Leased 2 District-owned homes (for 3 years) to Victoria Immigrant and Refugee Society to provide supportive housing for refugees
- Completed restoration of Cenotaph
- Procured public engagement software platform
- Reviewed and revamped Occupational Health & Safety Program
- Completed Council Procedure Bylaw
- Completed Committee and Commission Policy and began implementing associated changes
- Led Emergency Operations Centre Activation in response to COVID-19 pandemic
 - Led the development and review of safety plans for re-start of operations
 - Created and updated District-wide pandemic protocols
 - Developed COVID-19 Management Guidelines
 - Initiated COVID-19 safe Council meetings
 - Developed and implemented COVID-19 policies/procedures (i.e. Working from Home)
 - Developed and implemented wellness sessions for staff
- Transitioned webcasting to new, more intuitive software
- Provided Respectful Workplace training for Council
- Recruited Director of Corporate Services, Deputy Director of Corporate Services, Archivist, and Executive Assistant to the Mayor and CAO

2021 Planned Accomplishments

- Select proponent with whom to initiate Marina lease negotiations (negotiations to be completed in 2022)
- Commence implementation of Tod House Assessment Report recommendations (full completion dependent on grant award)
- Complete Deer Management Research
- Advance rezoning application for 1538 Monterey Avenue
- Operate Emergency Operations Centre to support pandemic response
- Recruit Occupational Health & Safety Officer and HR/Strategic Initiatives Assistant
 - Implement components of the Human Resource plan
 - Provide management/supervisory training and implement Performance Feedback and Review Policy and procedures
 - Implement Learning and Development Policy (including Tuition Re-imbursement)
 - Advance revamp of Occupational Health and Safety Program
 - Develop Total Compensation policy
- Complete Council Chambers Audio/Visual technological upgrade, including integration with video communications and webcasting software, to improve opportunities for electronic participation in Council and Committee of the Whole meetings and enhance the viewer/participant experience.
- Enhance use of CivicWeb Portal to improve internal and external communications
- Expand use of meeting management software to improve operational efficiency and effectiveness as it relates to the production of Council/Advisory Body agendas and minutes, resolution (decision) tracking and progress reporting.
- Issue Request for Proposals and award contract for Animal Control services
- Develop new FOI Policy and Procedures Manual
- Formalize corporate FOI and Records Management training program
- Investigate and consult on regulatory options for banning single-use plastics
- Continued implementation of corporate records classification and retention system – complete inventory of all in-house and off-sites records, commence transition to electronic filing, re-organize and improve physical storage/security systems for paper-based files, including all vital records.
- Committee and Commission Review – develop and deliver interactive orientation program for volunteers, complete one-year review of Committee and Commission Policy, initiate recruitment for appointments beginning in 2022.
- Complete derelict boat vessel review

Operating Budget

Operating Expense Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Council	\$126,234	\$154,900	\$158,000	\$3,100	2.0%	
Corporate Administration	128,780	1,162,200	1,197,100	34,900	3.0%	
Human Resources	237,680	309,000	355,100	46,100	14.9%	Note 1
Communications	110,701	154,300	154,900	600	0.4%	
Risk Management	293,481	278,200	305,000	26,800	9.6%	Note 2
Grants and Fee for Service	143,881	175,000	176,100	1,100	0.6%	
Events	47,814	97,900	105,000	7,100	7.3%	
Archives	41,581	46,300	46,700	400	0.9%	
Total Operating Expenses	\$2,130,153	\$2,377,800	\$2,497,900	\$120,100	6.8%	
Impact to median residential property				\$14.52	0.50%	

Note 1: The reasons for this increase include \$13,000 in increased Greater Victoria Labour Relations Association dues and integrated staff salary increments.

Note 2: Insurance rates have risen significantly across the industry. The District's general liability insurance has risen 15% or approximately \$25,000.

New Operating Budget Requests

Reasons for increase	\$ Increase	% Increase	Tax Impact*
+1.00 Occupational Health and Safety Officer	\$ 135,600	5.7%	\$16.39
+2.00 Secretary III	\$146,600	6.2%	\$17.72
-0.50 Part Time Funding	\$(32,300)	-1.4%	\$(3.90)
Total Net Operating Budget Items	\$249,900	10.5%	\$30.20
+ Status Quo Budget	\$2,497,900	5.1%	\$14.52
= Total Corporate Administration Budget	\$2,747,800	15.6%	\$44.72



ADMINISTRATIVE AND RESIDENTIAL FACILITIES

The administrative and residential facilities budget is currently a shared responsibility between the senior leadership. In previous financial plans, the administrative facilities budget had been blended into the corporate administration operating budget. However, for transparency, the operating budget is being presented separately. This operating budget does not include the operating costs of the Police, Fire, Parks, Recreation, and Culture, and Public Works facilities.

The District owns, operates and maintains a several administrative and residential buildings including: (1) Municipal Hall, 1538 Monterey Ave, 1423 Hampshire Ave, 1531 Hampshire Ave, Tod House, and the Oak Bay Marina lands. The budget below includes modest transfer to reserve budgets. This funding accumulates in a capital reserve until such time that these reserves are used to fund capital maintenance. Capital expenditures are much larger, more expensive and prolong the building or building component life.

Operating Budget

Operating Revenue Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Lease Revenue	\$401,301	\$429,900	\$396,200	(\$33,700)	-7.8%	Note 1
Total Operating Revenue	\$379,409	\$408,000	\$373,300		-8.3%	
Operating Expense Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Maintenance - 1538 Monterey	\$196	\$-	\$5,000	\$5,000	100.0%	Note 2
Maintenance - 1423 Hampshire	22,777	28,400	28,400	-	0.0%	
Maintenance - 1531 Hampshire	705	5,000	5,000	-	0.0%	
Maintenance - Tod House	6,692	6,400	7,500	1,100	17.2%	
Maintenance - Municipal Hall	63,087	70,100	83,200	13,100	18.7%	Note 3
Foreshore Lease	64,974	68,200	65,000	(3,200)	-4.7%	
Maintenance - Oak Bay Marina	-	17,000	17,000	-	0.0%	
Transfers to Reserves for Facilities	43,300	43,300	51,500	8,200	18.9%	Note 4
Transfers to Tod House Trust	13,300	12,200	12,200	-	0.0%	
Transfers to Marina Reserve	16,500	16,500	16,800	300	1.8%	
Total Operating Expenses	\$231,531	\$267,100	\$291,600	\$24,500	9.2%	
Net Operating Budget		\$162,800	\$104,600	\$29,800	-35.7%	
Impact to median residential property				\$3.60	0.1%	

Note 1: Lease revenue from the Oak Bay Marina lands are contingent on revenue generated from the property's tenants. Revenues were significantly impacted in 2020 as a result of the COVID-19 pandemic and are expected to impair 2021 revenues.

Note 2: This is a new lease, please see below.

Note 3: Municipal Hall maintenance was underspent in 2020 because the Municipal Hall Refurbishment project is underway. Historically, however, this maintenance budget is overspent. For instance, this budget was overspent by \$10,000 in 2019. Furthermore, the District is incurring approximately \$3,000 in additional expenses due to the need for increased cleaning.

Note 4: The District has signed a new lease agreement for 1538 Monterey Avenue. The net proceeds from this lease (lease revenues less maintenance expenditures) will be transferred to a facilities capital reserve.

1538 Monterey Avenue

This property was purchased in 2016 using funds in the District's Land Sale Reserve. In 2020, the District entered into a lease agreement with the Victoria Immigrant and Refugee Centre Society (VIRCS) for residential use of the property. Under the agreement, VIRCS will utilize this property to provide transitional congregate housing to newly arrived refugees. The terms of the lease require the tenant to pay for routine interior maintenance and utilities. The District has established a maintenance budget for contingency purposes. Furthermore, any unspent maintenance budgets will be transferred to a facilities capital reserve at year end.

1423 Hampshire Rd.

The District owns the building at 1442 Monterey Avenue which is used as a branch of the Greater Victoria Public Library, the Monterey Recreation Centre, and several residential units (1423 Hampshire portion). The District contracts with a property management company to manage the residential tenancy in the building.

1531 Hampshire Rd.

This property was purchased by the District in 1990. In 2020, the District renewed a lease agreement with the Victoria Immigrant and Refugee Centre Society (VIRCS) for residential use of the property. Under the agreement, VIRCS will utilize this property to provide transitional congregate housing to newly arrived refugees. The terms of the lease require the tenant to pay for routine interior maintenance and utilities. The District has established a maintenance budget for contingency purposes. Furthermore, any unspent maintenance budgets will be transferred to a facilities capital reserve at year end.

Tod House

During 2008 the Province of BC gave its share (50%) of the heritage property known as Tod House to the District. Concurrently the Province registered a "Possibility of Reverter" against the property. This states that the Province has granted its interest to the District "for so long as the land is used for the specific purpose of managing the Tod House Heritage Site".

Oak Bay Marina

The Oak Bay Marina lands and facilities are primarily owned by the District of Oak Bay, but also include lands covered by water and foreshore leased from the Province. The District's lease with the Province and the District's sublease with the current lessee (Oak Bay Marina) expire in December 2022. The District is currently evaluating proposals to enter into a 30-year lease.



FINANCIAL SERVICES AND INFORMATION TECHNOLOGY



The Finance Department is responsible for the financial well-being of the District and providing advice and information to Council, staff, and the public. This Department coordinates expenditures through the annual budget process, prepares financial statements and reports, administers property taxation, utility billing, accounts payable, accounts receivable, payroll, insurance and risk management, and secures and manages debt. Cash flow is managed to ensure funds are available to fulfill the five-year Financial Plan. The Department is entrusted with ensuring financial resources are available for long term infrastructure replacement. The Department is also responsible for delivery of front counter service. The Information Technology division is responsible for a wide variety of IT support including network design, end user training and support, network security, and software implementation. The division also maintains and replaces a large inventory of IT hardware including PCs, printers, mobile devices, and phone hardware.

Performance Measures and Statistics

Performance Measure	2019 Actual	2020 Actual	2021 Forecast
\$ Property tax collections	\$45.4M	\$46.7M	\$49.0M
# Taxable folios	6,828	6,828	
# Home Owner Grants claimed	4,454	4,403	
# Tax deferment applications	1,012	1,112	1,223
# Cash receipts/bank transactions	53,408		
# T4s issued	744		
# Accounts Payable invoices			
\$ Interest earnings	\$953,281	\$835,000	\$600,000
% Interest earnings	New	Awarded	Yes
Distinguished budget report	TBD	TBD	Yes
Canadian Award for Financial Reporting	TBD	TBD	Yes
Helpdesk tickets	612	1,281	900
Terabytes of data	13	16	20
Email boxes	New	225	225
Email storage	Unknown	600 GB	720 GB
Emails allowed	Unknown	Approx. 290,000	290,000
Emails blocked (spam/phishing)	Unknown	Approx. 275,000	275,000
Network uptime	New	Hall: 100%* Henderson: 99.99% NLC: 99.95% Tempest: 99.67%	99.9%
Phishing-test success rate	New		

*there was one event in 2020 which impacted many users for approximately 1 day but email service as a whole was still active for the majority of users and through office.com

Staffing History and Forecasted Requests

Position	2020 FTEs	2021 FTEs	Change
Director of Financial Services	1.00	1.00	-
Deputy Director of Financial Services	1.00	1.00	-
Manager of IT Projects*	0.00	0.33	+0.33
Assistant Accountant	1.00	1.00	-
Financial Analyst	1.00	1.00	-
Payroll Coordinator	1.00	1.00	-
Accounts Payable Clerk**	0.75	0.75	-
Utility Billing Clerk***	0.00	0.00	-
Treasury Clerk	1.00	1.00	-
Information Technology Technician	1.00	1.00	-
Total	7.75	8.08	+0.33

*0.33 funded by taxation, 0.66 funded by capital

**25% funded through the water utility budget

***funded through water utility budget

2020 Accomplishments

- Implemented network security awareness software
- Achieved Government Finance Officer's Association's Distinguished Budget Report
- Contributed to achieving the Canadian Award for Financial Reporting with Corporate Services
- Implemented phase 1 new payroll software
- Implemented Network Switch Replacement
- Upgraded all District user accounts to Office 365
- Completed Information Technology Master Plan
- Accelerated and expanded PC replacement and deployment plan
- Rewrote Corporate Investment Policy
- Rewrote Expense Reimbursement Policy
- Wrote Department Budget Transfer Policy
- Rewrote and consolidated Reserve Bylaws
- Transitioned Solid Waste Fee to utility billing
- Transitioned to online property tax deferral program
- Initiated Alternative Tax Scheme Bylaw which provided for property tax penalty deferral
- Purchased accounts receivable software
- Delivered significantly enhanced five year financial plan which was a component of the District's project shortlisted for a Union of BC Municipalities Excellence Award
- In partnership with Corporate Administration, transitioned Council meeting web streaming service to new product
- Implemented Accounts Payable supplier payment by electronic funds transfer

2021 Planned Accomplishments

- Conduct parking services review
- Complete payroll transition project
- Rewrite District's IT policies
- Conduct Utility Billing Process review
- Begin Asset Retirement Obligation review
- Prepare first draft of the District's long term infrastructure replacement plan
- In partnership with Building and Planning, implement development tracker software
- Conduct network security audit and provide security awareness training
- Draft Parks, Recreation & Culture Fees and Charges Bylaw for Council consideration
- Undertake network security audit

Operating Budget

Operating Expense Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
School Tax Commission	\$14,363	\$15,100	\$15,400	\$300	2.0%	
Tax Certificate and Information Requests	18,150	15,800	16,000	200	1.3%	
NSF Fees	1,049	3,000	2,000	(1,000)	-33.3%	
Parking and MTI Fines	15,825	19,300	18,300	(1,000)	-5.2%	
Total Revenue	\$49,388	\$53,200	\$51,700	-\$1,500	-2.8%	

Operating Expense Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Finance General	\$854,536	\$838,700	\$873,200	\$34,500	4.1%	Note 1
Parking Enforcement	42,959	46,300	47,700	1,400	3.0%	Note 2
Information Technology	386,768	513,400	529,600	16,200	3.2%	
Total Operating Expenses	\$1,284,662	\$1,398,400	\$1,450,500	\$52,100	3.7%	
Net Operating Budget	\$1,235,274	\$1,345,200	\$1,398,800	\$53,600	4.0%	
Impact to median residential property				\$6.48	0.2%	

Note 1: Some small adjustments to salary wages were made to recognize staff salary increments, expected acting paying, and vacation coverage funding.

Note 2: The parking enforcement contract keeps costs static for 2021 but the contract expires at the end of 2021. An inflationary increase has been added to mitigate a potential compounded increase in 2022.

New Operating Budget Requests

Reasons for increase	\$ Increase	% Increase	Tax Impact*
+0.33 Manager of IT Projects	\$50,000	3.6%	\$6.04
Total New Operating Budget Items	\$50,000	3.6%	\$6.04
+ Status Quo Budget	\$ 1,450,500	3.7%	\$6.48
= Total Finance Budget	\$1,500,500	7.3%	\$12.52

At the Special Council Meeting of November 2, 2020, Council approved the creation of a IT Project Manger position. This position is envisioned to be 2/3rd funded from the capital project budget where the projects would have been funded in the first place. This position leverages internal knowledge and offsets external consulting costs that would otherwise be utilized to deliver the projects.

POLICE SERVICES



The Oak Bay Police Department has served the residents of Oak Bay since 1906, and has contributed to Oak Bay's reputation as one of Canada's safest communities. The members of the Oak Bay Police Department are committed to partnerships with the community, leading to the sharing in the delivery of police services. The Department pledges to treat all people equally and with respect, to uphold the Canadian Charter of Rights and Freedoms and to serve, protect and work with the community and other agencies to prevent and resolve problems that affect community safety and quality of life.

Performance Measures and Statistics

Performance Measure	2018 Actual	2019 Actual	2020 Actual	2021 Forecast
Overall file count	4,812	4,986	4159	4800
Vehicle Collision (all types)	121	126	84	90
Violation tickets/warnings issued	1,321	1,178	656	800
Impaired driving offences	16	23	14	15
Bylaw infractions	36	212	241	220
Theft from Motor Vehicle	105	131	124	120
Break and Enter Residential	18	36	17	20
Theft Under \$5,000	77	94	73	70
Theft of Bicycle	42	34	26	25
Mischief (vandalism)	138	127	99	100
Fraud and cybercrime (with victim)	38	47	43	45
Liquor Offences	41	41	32	35
Assaults (common, with weapon, sexual)	38	31	35	33
Cause Disturbance	22	25	31	30
Mental Health	77	71	61	65
Suspicious Person	334	565	487	500
Assist general public	756	645	668	650

Staffing History and Forecasted Requests

Position	2020 FTEs	2021 FTEs	Change
Chief Constable	1.00	1.00	-
Deputy Chief Constable	1.00	1.00	-
Sergeant	6.00	6.00	-
Constable	15.00	13.00	-2.00
Total Strength	23.00	21.00	-2.00
Civilian Support Staff	3.6	4.00	-
Reserve Constables	7.00	7.00	-

2020 Accomplishments

- Promoted OBPD's first female Sergeant (promoted two females during that competition)
- Promoted our first female Reserve Sergeant
- Purchased our first electric vehicle (administrative vehicle)
- Renewed/Updated Service Agreement with Saanich PD
- Created new Agreement for Police Dog Services with RCMP
- Hired four new members
- Trained five members in mountain bike patrol
- Conducted (mid-5 year) Community Survey
- Created new Accountability Report for Police Board

2021 Planned Accomplishments

- Purchase our first electric marked vehicle
- Create a Trauma-Informed Interview Room
- Renovate/Create a Training Room
- Train remaining members in mountain bike patrol
- Decrease size of Department by two members
- Enhance development of constables & sergeants

Operating Budget

Operating Expense Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change
Police Board	\$5,314	\$12,000	\$12,000	\$-	0.0%
Police Administration	561,458	582,700	577,100	(5,600)	-1.0%
Protective Services	3,734,225	4,227,800	4,597,200	369,400	8.7%
Community Programs	4,021	18,500	18,900	400	2.2%
Integrated Units	146,109	146,600	152,500	5,900	4.0%
Police Building Maintenance	51,892	63,100	60,200	(2,900)	-4.6%
Vehicle Maintenance	62,470	61,700	57,500	(4,200)	-6.8%
Transfer to reserve for Retirement	8,000	8,000	8,200	200	2.5%
Transfer to Capital Reserve	20,000	20,000	20,600	600	3.0%
Transfer to Major Crimes Reserve	80,000	80,000	82,400	2,400	3.0%
Transfer to Police Vehicle Reserve	45,000	45,000	46,400	1,400	3.1%
Total Operating Expenses	\$4,718,489	\$5,265,400	\$5,633,000	\$367,600	7.0%
Impact to average residential property				\$44.43	1.4%

On March 10, 2021, the Oak Bay Police Board and the Oak Bay Police Association entered into a Memorandum of Settlement for the Collective agreement proposed for the term of January 1, 2020 through December 31, 2021.

FIRE AND EMERGENCY SERVICES

The Oak Bay Fire Department was established in 1937, enacted by Bylaw 848. The Fire Hall is located at 1703 Monterey Avenue. The Fire Department currently employs 26 career firefighters and two support personnel. Oak Bay Fire Department is a direct provider of emergency and non-emergency services to the following:

- Residents of the Municipality of Oak Bay.
- Businesses and customers located within the Municipality of Oak Bay.
- Persons attending and working at the University of Victoria.
- Residents of the panhandle area of the Municipality of Saanich (automatic response area). Other municipal Departments (e.g. Police, Public Works, Parks Department plus Administration).
- Mutual aid partners: Saanich Fire Department, Victoria Fire Department, Esquimalt Fire Department and British Columbia Ambulance Service.

The Fire Department is staffed 24 hours, 7 days a week by four rotating 6-person fire suppression crews. The Fire Chief is the Department Head and normally works a Monday to Friday shift. The Fire Prevention Division works a similar weekday shift. The Fire Department is also the afterhours Public Works and Parks dispatch for emergencies such as flooding from a broken water line, a serious sewer leak or municipal trees fallen across a public road or path.

Performance Measures and Statistics

Performance Measure	2019 Actual	2020 Actual	2021 Forecast
Response to Requests for Assistance - Medical	600	272	600
Response to Requests for Assistance - Fire	519	631	520
Response to Requests for Assistance - Uvic	59	55	58
Fire Prevention Inspections	439	236	300
Education sessions	68	4	20
Department Personnel Training Hours	8,538	10,724	9,000
Proportion of fire suppression incidents responded to within 5 minutes (NFPA 1710 standard is 90%)	90%	86%	90%
Average response time	4:10	4:46	4:30

Staffing History and Forecasted Requests

Position	2020 FTEs	2021 FTEs	Change
Fire Chief	1.00	1.00	-
Deputy Fire Chief	1.00	1.00	-
Assistant Chief	3.00	3.00	-
Captain	1.00	1.00	-
Lieutenant	4.00	4.00	-
Firefighter	16.00	16.00	-
Emergency Coordinator	1.00	1.00	-
Fire Clerk	1.00	1.00	-
Total	28.00	28.00	-

2020 Accomplishments

- Painted interior of Fire Station including all fire apparatus bays and offices
- Prepared Emergency Evacuation Plan
- Began procurement for Engine with Light Rescue
- Replace Emergency Program Vehicle
- Fire Underwriters Survey
- Firefighting Protective Gear Replacement
- Fire Hall Alerting System

2021 Planned Accomplishments

- Site preparation and procurement of portable apparatus bay
- Begin procurement for Ladder Truck replacement
- Finish procurement for Engine with Light Rescue
- Replace emergency generators
- Replacement of thermal imaging cameras
- Fire Master Plan – Fire Services Review
- Emergency Support Services Initiative (Grant)
- Emergency Operations Center Initiative (Grant)

Operating Budget

Operating Expense Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Fire Administration	\$939,235	\$947,800	\$941,100	\$(6,700)	-0.7%	
Fire Fighting Force	3,546,969	3,380,900	3,460,200	79,300	2.3%	Note 1
Fire Hall	172,778	158,300	161,800	3,500	2.2%	
Fire Vehicles and Equipment	69,106	87,600	89,000	1,400	1.6%	
Emergency Program	111,015	131,700	133,800	2,100	1.6%	
Total Operating Expenses	\$4,839,103	\$4,706,300	\$4,785,900	\$79,600	1.7%	
Impact to median residential property				\$9.62	0.2%	

Note 1: the amounts above do not include forecasted collective agreement increases. The District's collective agreements with the International Association of Fire Fighters Local No. 1856 expired in 2019.

New Operating Budget Requests

Reasons for increase	\$ Increase	% Increase	Tax Impact*
Portable Aparatus Bay Lease	\$90,000	1.9%	\$10.88
Location Annual Licensing Fee	8,600	0.2%	1.04
Total New Operating Budget Items	\$98,600	2.1%	\$11.92
+ Status Quo Budget	\$4,785,900	1.7%	\$9.62
= Total Fire and Emergency Services Budget	\$4,884,500	3.8%	\$21.54

BUILDING AND PLANNING



The Building and Planning Department works with residents, stakeholders, the development community, and Council to manage change and guide the District's sustainable growth. Building and Planning is responsible for long-range land use planning and special projects, and for processing land use applications and Building Permits. The Department works with Council and the community to create long-range plans and policies that support our economic, environmental, heritage and social goals in order to ensure a safe, healthy and sustainable lifestyle for the residents of Oak Bay. The Department undertakes the following functions and activities:

- Develops policies and programs that support the vision of the Official Community Plan, Zoning Bylaw and Building Bylaw
- Manages and processes: Official Community Plan amendments; rezoning proposals, Heritage Revitalization Agreement, Development Permits, Development Variance Permits, Heritage Alteration Permits, Heritage additions, siting and design submissions, subdivision proposals, Board of Variance submissions and Building Permits
- Provides technical and administrative support to the Advisory Design Panel, Advisory Planning Commission, Heritage Commission, Board of Variance and Community Climate Action Working Group
- Reviews and issues business licences for businesses operating within the District of Oak Bay
- Provides stewardship of records and files for land use applications, Building Permits, Bylaw complaint files and business licences

Performance Measures and Statistics

Performance Measure	2019 Actual	2020 Actual	2021 Forecast
# Building and Plumbing Permits	577	647	650
# Development Permits	4	4	4
# Development Variance Permits	9	10	10
# Board of Variance Permits	2	2	3
# Heritage Alteration Permits	2	1	2
# Covenant Amendments	1	0	0
# Heritage Register Addition	1	0	1
# OCP Amendments	1	0	1
# Subdivisions	3	0	3
# Zoning Bylaw Amendments	1	1	4
# Building Inspections	2,430	2,042	2,250
#Siting and Design	11	14	15
#Land Use Contracts	0	0	0
# Heritage Revitalization Agreements	0	0	1
# Business License	657	633	650
# Bylaw files	164	270	210

Staffing History and Forecasted Requests

Position	2020 FTEs	2021 FTEs	Change
Director of Building and Planning	1.00	1.00	-
Manager of Planning	1.00	1.00	-
Building Official II	1.00	1.00	-
Planner	1.00	1.00	-
Building Official/Plans Examiner	0.00	1.00	+1.00
Building/Bylaw Official I	1.00	0.00	-1.00
Bylaw Compliance Officer	0.00	1.00	+1.00
Plans Examiner	1.00	0.00	-1.00
Building/Engineering Licensing Clerk	0.50	0.50	-
Building and Planning Clerk	1.00	1.00	
Development Service and Licensing Clerk	0.60	0.60	-
Total	8.10	8.10	-

2020 Accomplishments

- Housing Needs Report engagement and final report
- Recipient of the Housing Needs grant from UBCM
- Completed Community Climate Action Working Group process
- Implemented Level 3 of the BC Energy Step Code
- Presented Allan Cassidy Design Awards to recipients
- Prepared Draft Strategy for Secondary Suites Study
- Implemented The Prospect Heritage Conservation Area

2021 Planned Accomplishments

- Complete Final Strategy for the Secondary Suites Study
- Implementation Measures Resulting from CRD Sea Level Rise Study
- Identify infill housing opportunities for neighbourhoods
- Commence Oak Bay Village / Corridor Area Plan
- Update Land Use Procedures and Fees Bylaw
- Commence Community Climate Action Recommendations
- Present 2021 Allan Cassidy Design Awards



Operating Budget

Operating Revenue Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Business Licenses	\$87,245	\$96,000	\$96,000	\$-	0.0%	
Dog Licenses	58,719	64,000	64,000	-	0.0%	
Building Permits	660,229	750,000	700,000	(50,000)	-6.7%	Note 1
Development Permits	15,060	24,000	16,000	(8,000)	-33.3%	
Subdivision Fees	-	5,000	1,000	(4,000)	-80.0%	
Other Fees and Permits	26,249	36,600	30,600	(6,000)	-16.4%	Note 2
Total Revenue	\$847,502	\$975,600	\$907,600	(68,000)	-7.0%	

Operating Expense Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Planning	\$416,631	\$618,300	\$532,000	\$(86,300)	-14.0%	Note 3
Inspections	201,868	238,300	246,000	7,700	3.2%	
Bylaw Enforcement	108,506	112,600	192,100	79,500	70.6%	Note 4
Animal Control	73,716	88,600	88,900	300	0.3%	
Heritage Commission	960	10,800	10,800	-	0.0%	
Climate Action Grants and Rebates	-	30,000	30,000	-	0.0%	
Total Operating Expenses	\$801,680	\$1,098,600	\$1,099,800	\$1,200	0.1%	
Net Operating Budget		\$123,000	\$192,200	\$69,200	56.3%	
Impact to average residential property				\$8.36	0.3%	

Note 1: The volume of building permits increased in 2020 but the value of the permits decreased. The District's historical \$750,000 budget was likely high as permit revenue peaked during a time when some large projects were underway.

Note 2: Other permits include zoning applications fees, heritage alteration fees, uplands siting and design fees, heritage revitalization agreement fees, public hearing fees and other. The reduced revenue is reflected in the zoning application, uplands siting and design and heritage revitalization agreement fees.

Note 3 and 4: These budgets integrate a net increase of 0.5 FTE enhanced bylaw enforcement as directed by Council and a reduce 0.5 FTE funding for Plans examiner position. The department's staffing is currently under review and the department may use internal departmental operating budget funding for additional planning salaries if needed.

ENGINEERING AND PUBLIC WORKS



The Engineering Services and Public Works department is responsible for the District's key infrastructure services including: water distribution, wastewater collection, solid waste collection, and transportation. Under the guidance of Council, the department is committed to developing and renewing Oak Bay's municipal infrastructure and utilities in sustainable ways to meet the community's present and future needs. The team accomplishes this via the following major functions:

- Planning and design of municipal engineering services
- Monitoring infrastructure asset management through asset data collection, analysis, planning, and prioritization
- Managing and supporting capital projects
- Coordinating construction projects to install, rehabilitate or renew storm drains, sanitary sewers and water mains
- Completing construction projects to resurface or replace sidewalks and roads
- Implementing construction projects that deliver safer streets for pedestrians, cyclists and drivers
- Providing daily operations and maintenance of infrastructure such as sewers, roads, sidewalks, water distribution, traffic control, and street lighting

Performance Measures and Statistics

Performance Measure	2019 Actual	2020 Actual	2021 Forecast
Storm Mains Replaced (conventional)	151 m	405 m	265 m
Storm Mains Replaced (trenchless)	0 m	447 m	0 m
New Fire Hydrants	9	4	6
Catch Basins Replaced	8	29	12
Sanitary Sewer Mains Rehabilitated (trenchless)	0	3600 m	
Sanitary Sewer Mains Replaced (conventional)	0	90 m	1900
Road Rehabilitation Completed	15,556 m ²	20,941 m ²	22,000 m ²
Sidewalk Replaced	330 m	225 m	225 m
Curb Drops Installed	16	22	15
CCTV Pipe Condition Assessment: Storm Sewer	10.5 km	13.2 km	
CCTV Pipe Condition Assessment: Sanitary Sewer	0	3.1 km	6 km
Storm/Sanitary/Water Service Connections	Demand: 184 Completed: 139	Demand: 216 Completed: 192	Demand: 185 Planned: 155



Staffing History and Forecast

Position	2020 FTEs	2021 FTEs	Change
Director of Engineering and Public Works	1.00	1.00	-
Superintendent of Public Works	0.50	0.50	-
Manager of Engineering Services	1.00	1.00	-
Program Manager - Facilities and Asset Management	0.00	1.00	+1.00
Manager of Operations	0.50	0.50	-
Design Engineer	1.00	1.00	-
Engineering Technologist	3.00	3.00	-
GIS Technologist	1.00	1.00	-
Yard Clerk	2.00	2.00	-
Building/Engineering Licensing Clerk	0.50	0.50	-
Total	10.50	11.50	+1.00

2020 Accomplishments

- Delivered on increased maintenance and capital works performance targets (compared to 2019), despite significant challenges and changes in practice due to COVID-19
- Developed a capital improvement program for 2021-2023 that responds to Council's direction to achieve sustainable service delivery in water, wastewater and transportation safety
- Completed installation of final phase of LED Street Light Project
- After competitive selection process, engaged an engineering consulting firm to begin development of Sanitary Sewer Master Plan
- Upgraded traffic signals at Oak Bay Avenue and Foul Bay Road, with support from the ICBC Road Improvement Program
- Installed Rapid Rectangular Flashing Beacons at two crosswalks: Foul Bay/Leighton and San Carlos/Beach Drive
- Reconfigured and upgraded the Beach Drive/King George Terrace intersection to improve safety
- Completed an Electric Vehicles charging station options analysis
- Established a temporary yard waste transfer station at the Oak Bay Recreation Centre (April through June) to alleviate lines at the Elgin Street facility during the COVID shutdown
- Adapted the Street Occupancy Permit process to enable businesses to use public space (sidewalks, public parking) for patios, in response to COVID-19
- Implemented temporary sidewalk widening and traffic calming measures to enable social distancing
- Engaged a new service provider for curbside organics pickup, including an expansion in level of service to include yard waste

2021 Planned Accomplishments

- Begin development of Sewer Master Plan (asset management and capital improvement plans)
- Complete Municipal Hall renovation project
- Construction of EV charging stations
- Recruit Program Manager – Asset Management/Facilities
- Significant expansion of capital improvement program, particularly in water, wastewater, and transportation safety

Operating Budget

Revenue Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Engineering Fees	\$10,715	\$20,000	\$20,000	-	0.0%	
Street Occupancy & Boulevard Fees	50,623	7,100	7,100	-	0.0%	
Total Revenue	\$61,338	\$27,100	\$27,100	-	0.0%	

Operating Expense Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Engineering Administration	\$1,264,474	\$1,270,900	\$1,301,100	\$30,200	2.4%	Note 1
Total Operating Expenses	\$1,264,474	\$1,270,900	\$1,301,100	\$30,200	2.4%	
Net Operating Budget		\$1,243,800	\$1,274,000	\$30,200	2.4%	
Impact to average residential property				\$3.65	0.1%	

Note 1: +1.0 FTE Program Manager - Facilities and Asset Management

New Operating Budget Requests

Reason for Increase:	\$ Increase	% Increase	Tax Impact
+1.00 Program Manager - Facilities and Asset Management	\$150,000	11.8%	\$18.13
Total Operating Budget Items	\$150,000	11.8%	\$18.13
+Status Quo Budget	\$1,301,100	2.4%	\$3.65
=Total Engineering Budget	\$ 1,451,100	14.2%	\$21.78



Operating Budget

Revenue Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Solid Waste Fees	\$1,596,610	\$1,603,400	\$1,669,800	\$66,400	4.1%	Note 1
Total Revenue	\$1,596,610	\$1,603,400	\$1,669,800	\$66,400	4.1%	

Operating Expense Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Yard and Building	\$190,006	\$206,400	\$209,600	\$3,200	1.6%	
Safety Program	32,158	26,000	26,300	300	1.2%	
Stores	97,248	124,600	126,800	2,200	1.8%	
Road Repair	470,575	547,600	581,000	33,400	6.1%	Note 2
Drainage	582,601	461,300	473,000	11,800	2.6%	
Street Cleaning	85,625	112,500	116,300	3,800	3.4%	
Leaf Pickup Program	231,778	213,600	211,800	(1,800)	-0.8%	
Snow Removal	76,740	84,500	85,800	1,300	1.5%	
Noxious Weeds Program	5,758	14,900	15,300	400	2.7%	
Street Lighting	166,154	242,900	248,600	5,700	2.3%	
Signs and Traffic Signals	186,291	201,400	204,300	2,900	1.4%	
Solid Waste	1,448,571	1,431,700	1,439,100	7,400	0.5%	
Other Public Works	900	28,100	28,600	500	1.8%	
Total Operating Expenses	\$3,574,405	\$3,695,500	\$3,766,600	\$71,100	1.9%	
Net Operating Budget		\$2,092,100	\$2,096,800	\$4,700	0.2%	
Impact to average residential property			\$9.02	\$0.57	0.0%	

Note 1: At the Special Council Meeting of December 14, 2020 Council adopted Refuse Collection and Disposal Amendment bylaw No. 4371, Amendment bylaw No. 4775, 2020. This amendment bylaw increased the annual solid waste fee by 4.1%, or \$11.41. The fee increase integrated forced growth costs as well as new costs for the new garden waste curbside pickup service.

Note 2: \$25,000 has been added to the road repair budget as additional flaggers are required per Worksafe BC and to reflect increased cost in road repair supplies.

New Operating Budget Requests

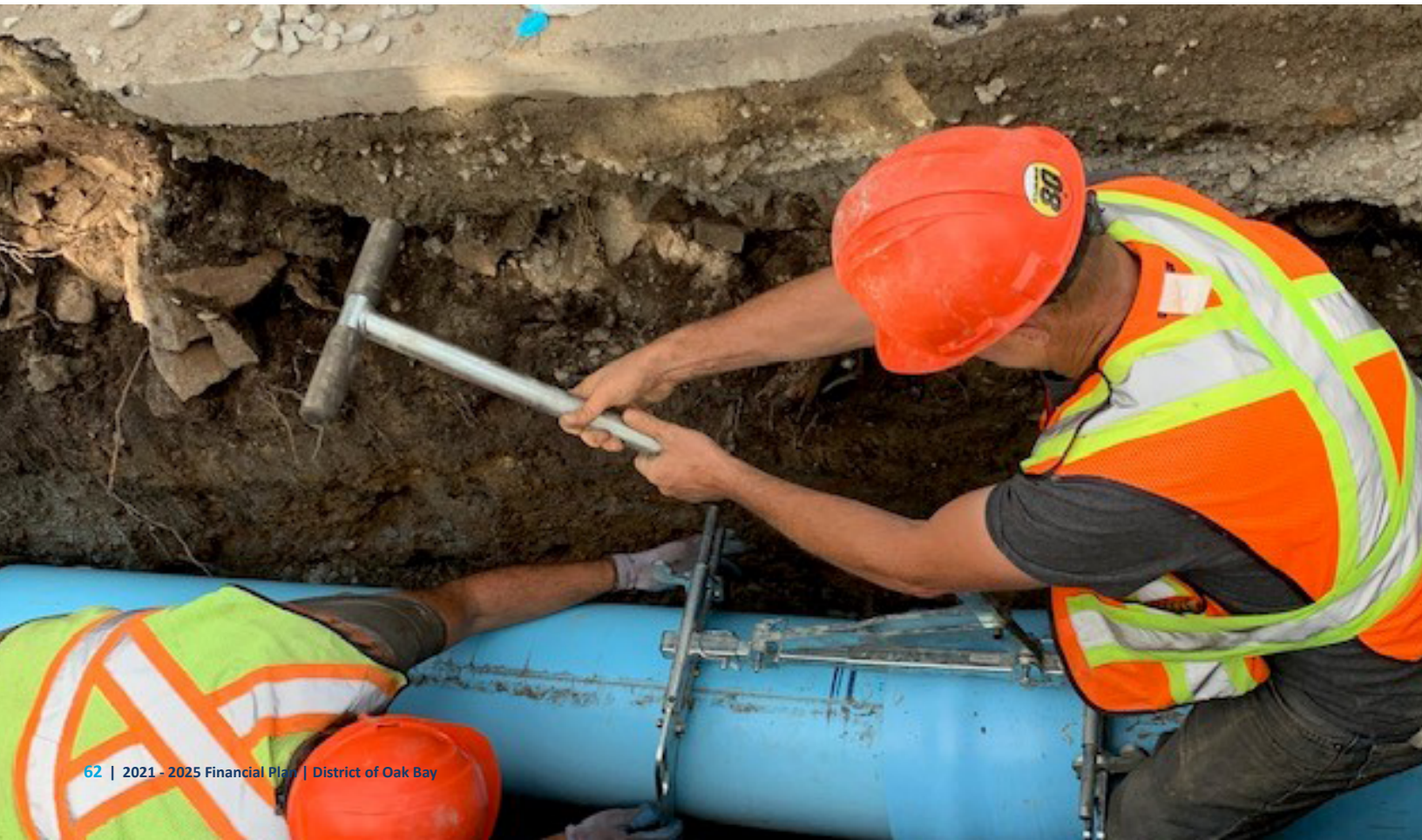
Reason for Increase:	\$ Increase	% Increase	Tax Impact
Garden Waste Curbside Service Enhancement	\$59,000	1.6%	\$7.13
Total Operating Budget Items	\$59,000	1.6%	\$7.13
+Status Quo Budget	\$3,766,600	1.9%	\$0.57
=Total Public Works Budget	\$3,825,600	3.5%	\$7.70

PUBLIC WORKS

Staffing History and Forecast

Position	2020 FTEs	2021 FTEs	Change
Superintendent of Public Works*	-	-	-
Electrician II	0.60	0.60	-
General Foreman	2.00	2.00	-
Journeyman, General Trades	1.00	1.00	-
Mechanic	3.00	3.00	-
Foreman	3.50	3.50	-
Lead Skilled Labourer	2.00	2.00	-
Equipment Operator II	6.00	6.00	-
Skilled Labourer	5.00	5.00	-
Sewer and Storm Drain Maintenance Person	1.00	1.00	-
Labourer	6.75	6.75	-
Electrician I	1.00	1.00	-
Semi-Skilled Labourer	2.00	2.00	-
Stores Clerk	1.00	1.00	-
Yard Clerk	1.00	1.00	-
Total	35.85	35.85	-

*The Superintendent's salary is allocated to the Engineering, sewer utility, and water utility divisions of the Engineering and Public Works Department budget.



SEWER UTILITY



Staffing History and Forecast

Position	2020 FTEs	2021 FTEs	Change
Superintendent of Public Works	0.20	0.20	-
Operations Manager	0.20	0.20	-
Foreman	1.00	1.00	-
Electrician	0.20	0.20	-
Equipment Operator III	1.00	1.00	-
Sewer and Storm Drain Maintenance Person	0.50	0.50	-
Total	3.10	3.10	-

Sewer Utility (Municipal)

Revenue Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Municipal Consumer Utility Fees	\$1,363,619	\$1,370,600	\$1,407,600	\$37,000	2.7%	
Municipal Property Taxation	587,400	587,400	603,500	16,100	2.7%	
Sewer Utility Penalties	2,968	-	\$7,300	7,300	100.0%	
Total Operating Revenues	\$1,953,987	\$1,958,000	\$2,018,400	\$60,400	3.1%	
Operating Expense	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Sewer Administration	\$78,241	\$82,100	\$83,800	\$1,700	2.1%	
Sewer Collection	288,881	458,300	403,300	(55,000)	-12.0%	Note 1
Repair Program	196,200	287,900	294,000	6,100	2.1%	
Inflow and Infiltration	11,640	21,000	21,000	400	2.4%	
Transfers to reserve for capital	1,115,900	1,115,900	1,215,900	100,000	9.0%	
Total Operating Expenses	\$1,690,862	\$1,965,200	\$2,018,400	\$53,200	2.7%	

Note 1: Additional staff funding was added for 2020. Staffing structure was reviewed in 2020 and which further clarified additional needed positions. The cost of the additional staffing was less than funding originally added.



Sewer Utility (Municipal) - Operating Budget 5 Year Forecast

Revenue Category	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Municipal Consumer Utility Fees	\$1,407,600	\$1,440,200	\$1,487,900	\$1,535,900	\$1,584,300
Municipal Property Taxation	603,500	639,000	659,800	680,800	702,100
Sewer Utility Penalties	7,300	7,400	7,500	7,700	7,900
Total Revenue	\$2,018,400	\$2,086,600	\$2,155,200	\$2,224,400	\$2,294,300
Operating Expenses	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Sewer Administration	\$83,800	\$85,400	\$87,000	\$88,700	\$90,500
Sewer Collection	403,300	413,000	422,900	433,100	443,700
Repair Program	294,000	300,500	307,200	314,100	321,100
Inflow and Infiltration	21,400	21,800	22,200	22,600	23,100
Transfers to reserve for capital	1,215,900	1,265,900	1,315,900	1,365,900	1,415,900
Total Expenses	\$2,018,400	\$2,086,600	\$2,155,200	\$2,224,400	\$2,294,300

WATER UTILITY



Staffing History and Forecast

Position	2020 FTEs	2021 FTEs	Change
Superintendent of Public Works	0.20	0.20	-
Operations Manager	0.20	0.20	-
Foreman	0.50	0.50	-
Stores Clerk	0.50	0.50	-
Utility Locator	2.00	2.00	-
Fitter II	3.00	3.00	-
Fitter I	0.00	0.00	-
Electrician	0.20	0.20	-
Water Clerk	1.00	1.00	-
Accounts Payable Clerk	0.20	0.20	-
Meter Reader	1.00	1.00	-
Total	8.80	8.80	-

Water Utility - Operating Budget

Revenue Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Consumer Charges	\$4,673,200	\$4,492,800	\$4,647,000	\$154,200	3.4%	
Final Reading Charges	6,960	6,000	6,000	-	0.0%	
Penalties	3,275	-	12,700	12,700	100.0%	
Total Revenue	\$4,683,435	\$4,498,400	\$4,665,700	\$166,900	3.7%	
Operating Expenses	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Note
Administration	\$98,100	\$99,600	\$101,400	\$1,800	1.8%	
Maintenance	558,030	839,500	829,200	(10,300)	-1.2%	Note 1
Valve turning	36,220	151,900	141,400	(10,500)	-6.9%	Note 1
Backflow prevention	32,224	21,100	21,500	400	1.9%	
Pumping	7,753	8,900	9,100	200	2.2%	
Collection	190,945	186,300	189,100	2,800	1.5%	
Safety program	17,711	32,000	32,600	600	1.9%	
Water purchased	2,195,231	2,307,200	2,376,400	69,200	3.0%	
Transfers to Reserves - Water	865,000	865,000	965,000	100,000	11.6%	
Total Expenses	\$4,001,214	\$4,511,500	\$4,665,700	\$154,200	3.4%	

Note 1: Additional staff funding was added for 2020. Staffing structure was reviewed in 2020 and which further clarified additional needed positions. The cost of the additional staffing was less than funding originally added.

Water Utility - Operating Budget 5 Year Forecast

Revenue Category	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Consumer Charges	\$4,647,000	\$4,823,400	\$5,050,200	\$5,256,500	\$5,483,900
Final Reading Charges	6,000	6,000	6,000	6,000	6,000
Penalties	12,700	13,300	13,600	13,900	14,200
Total Revenue	\$4,665,700	\$4,842,700	\$5,069,800	\$5,276,400	\$5,504,100
Operating Expenses	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
Administration	\$101,400	\$103,400	\$105,400	\$107,500	\$109,600
Maintenance	829,200	847,900	867,000	886,800	906,900
Valve turning	141,400	144,800	148,300	151,800	155,500
Backflow prevention	21,500	22,000	22,500	23,000	23,500
Pumping	9,100	9,300	9,500	9,700	9,900
Collection	189,100	193,100	197,200	201,400	205,700
Safety program	32,600	33,300	34,000	34,700	35,400
Water purchased	2,376,400	2,423,900	2,520,900	2,596,500	2,692,600
Transfers to Reserves - Water	965,000	1,065,000	1,165,000	1,265,000	1,365,000
Total Operating Expenses	\$4,665,700	\$4,842,700	\$5,069,800	\$5,276,400	\$5,504,100

Long term forecast analysis

Water utility fees are expected to rise from \$575 to the average residential consumer to \$701 by 2025. The forecasted increase is due to two main factors: (1) infrastructure replacement funding, and (2) bulk water price increases.

Forecasted utility fees	2020	2021	2022	2023	2024	2025
Average residential fee	\$574	\$593	\$616	\$645	\$672	\$701
Average residential increase \$		\$19.70	\$22.54	\$28.98	\$26.36	\$29.05
Average residential increase %		3.4%	3.8%	4.7%	4.1%	4.3%

The District currently owns and operates a large inventory of infrastructure that provides water services to its residents. The estimated replacement cost of all water assets is believed to be above \$65M. Estimated annual replacement costs are nearly \$1M. The District is increasing its transfer to reserve for infrastructure replacement budget at a rate of \$100,000 per year. The District purchases its bulk water from the Capital Regional District. Bulk water costs represent approximately 50% of the District's water utility cost and are expected to rise over the next five years.

PARKS, RECREATION AND CULTURE

Oak Bay Parks, Recreation and Culture (OBPRC) creates many opportunities for citizens to gather, learn, exercise, and grow. Our natural resources provide an excellent environment for supporting healthy lifestyle choices. OBPRC operates five recreation centres, two food services outlets, and maintains 29 park spaces, including natural areas, playing fields, beach access, gardens, playgrounds and a golf course. In addition to our park spaces, our team maintains public irrigated boulevards, municipal hedging, 10,000+ trees in our urban forest, and 300 benches and picnic tables. Our recreation services include a myriad of programs, which are available 365 days a year, to citizens of all ages and abilities. Our Culture division supports concerts, studio tours, outstanding artistic merit awards, Oak Bay Arts & Culture Days, and our Arts Alive Public Sculpture program.

Performance Measures and Statistics

	2018	2019	2020
Total visits	Unknown	1,186,604	502,281
Financial recovery rate	69.8%	69.7%	46.9%
Trees planted on municipal property	117	143	176

Parks, Recreation and Culture	2020 FTES	2021 FTES	Change
Auxiliary Staff	79.40	51.60	-27.80
Regular	70.60	70.60	-
Total	150.00	122.20	-27.80



2020 Accomplishments

- Completed a revision of the Tree Protection Bylaw, as recommended in the Urban Forest Strategy
- Completed replacement of the roof over the pool at the Oak Bay Recreation Centre
- Applied for grant under the Community Economic Recovery Infrastructure Program for replacement of the chiller in the arena
- Added two pieces of permanent art to Oak Bay's inventory of sculptures: Harmony Humpbacks & Winds of Time
- Council inducted Margaret Lidkea of the Friends of Uplands Park into the Oak Bay Wall of Fame in recognition of her years of effort in conservation and environmental education in our community
- Managed departmental operations and community use of facilities, parks and programs through the COVID-19 pandemic
 - Daily monitoring of direction/regulations coming from the Province, the Provincial Health Office, Island Health, WorkSafe BC, viaSport and the BCRPA
 - Closure of all facilities in March (included layoff of 300 auxiliary employees)
 - Implemented an Ambassador Program at Willows Beach during the busy summer months
 - Implemented a take-out food service at Monterey Centre for seniors in the community
 - Re-opened facilities as permitted in late spring & summer (included bringing back most of the auxiliary staff)
 - Continually managed programs & activities to ensure adherence to guidelines & orders

2021 Planned Accomplishments

- Repave the parking lot at the Oak Bay Recreation Centre
- Replace & update strength equipment in the Fitness Studios
- Initiate the process to replace the chiller in the arena, contingent on grant funding
- Undertake public Wi-Fi upgrades in all facilities
- Resurface the outdoor tennis courts at Windsor Park



Operating Budget

Operating Revenue Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change	Comment
Tree Cutting and Planting	\$49,121	-	\$25,000	\$25,000	100.0%	
Henderson	551,387	957,600	590,700	(366,900)	-38.3%	
Henderson Fitness	242,056	579,700	200,700	(379,000)	-65.4%	
OBRC Fitness	363,966	953,700	374,300	(579,400)	-60.8%	
Aquatics	583,240	1,827,800	584,400	(1,243,400)	-68.0%	
Arena	450,192	776,200	572,800	(203,400)	-26.2%	
Food Services	140,522	411,100	58,000	(353,100)	-85.9%	
Indoor Sports Field	198,095	338,700	281,800	(56,900)	-16.8%	
Sailing	25,740	25,400	25,400	-	0.0%	
Licensed Care	804,288	998,000	863,500	(134,500)	-13.5%	
Youth Centre	13,971	55,100	13,100	(42,000)	-76.2%	
Tennis	592,165	702,900	552,000	(150,900)	-21.5%	
Monterey Centre	436,520	909,200	352,500	(556,700)	-61.2%	
Par 3 Golf	119,855	201,300	106,400	(94,900)	-47.1%	
Cultural Events	134,580	15,000	20,200	5,200	34.7%	
Reception Product Sales	12,672	45,000	25,000	(20,000)	-44.4%	
Carnarvon and Windsor Rental	12,628	41,300	24,400	(16,900)	-40.9%	
Field and Park Permits	26,012	50,800	46,000	(4,800)	-9.4%	
HSP Grant	37,846	32,900	32,900	-	0.0%	
Total Operating Revenue	\$4,794,857	\$8,921,700	\$4,749,100	\$(4,172,600)	-46.8%	



Operating Expense Category	2020 Actual	2020 Budget	2021 Budget	\$ Change	% Change
Ambassador Program	\$40,574	-	-	-	-
Administration	1,857,498	2,226,400	2,193,200	(33,200)	-1.5%
Building Maintenance - OBPR	2,117,447	2,438,400	2,491,200	52,800	2.2%
Henderson	814,701	1,121,100	909,800	(211,300)	-18.8%
Henderson Fitness	220,449	419,000	266,900	(152,100)	-36.3%
OBRC Fitness	207,144	363,500	280,900	(82,600)	-22.7%
Aquatics	704,388	1,333,700	869,900	(463,800)	-34.8%
Arena	213,887	295,300	228,400	(66,900)	-22.7%
Food Services	201,291	403,000	158,000	(245,000)	-60.8%
Indoor Sports Field	98,539	136,700	113,300	(23,400)	-17.1%
Sailing	25,306	23,900	23,600	(300)	-1.3%
Licensed Care	579,941	755,100	730,700	(24,400)	-3.2%
Youth Centre	49,652	90,700	40,900	(49,800)	-54.9%
Tennis	387,170	408,100	367,200	(40,900)	-10.0%
Monterey Centre	701,428	1,107,900	818,000	(289,900)	-26.2%
Par 3 Golf	197,886	230,700	212,400	(18,300)	-7.9%
Cultural Events	108,995	83,000	48,500	(34,500)	-41.6%
Invasive Species Removal	62,331	61,900	62,800	900	1.5%
Public Works	26,903	21,900	25,600	3,700	16.9%
Tree Cutting and Planting	477,040	526,400	600,600	74,200	14.1%
Benches	11,657	39,900	31,500	(8,400)	-21.1%
Playgrounds	562,706	557,100	569,000	11,900	2.1%
Lawn and Garden	228,442	302,300	311,700	9,400	3.1%
Field Maintenance	169,142	209,400	215,900	6,500	3.1%
Boulevard Maintenance	325,809	278,100	286,000	7,900	2.8%
Small Buildings	209,078	211,300	223,300	12,000	5.7%
Leaf Clearing	32,036	33,400	34,100	700	2.1%
Total Operating Expenses	\$10,649,319	\$13,678,200	\$12,113,400	\$(1,564,800)	-11.4%
Net Operating Budget	\$5,854,462	\$4,756,500	\$7,364,300	\$2,607,800	54.8%
Impact to average residential property				\$-	0.0%*

*Offset by CERIP Grant



ASSET MANAGEMENT



STATE OF ASSET MANAGEMENT

Measuring asset management performance is complex. Over the coming years, the District's objective is to be able to answer three broad questions with respect to asset management progress: (1) How well are we planning, (2) How well are we funding, and (3) how well are we replacing assets?

HOW WELL ARE WE PLANNING?

- Should have Master Plans complete for all major asset classes by 2023
- Water Master Plan complete, Water Capital Improvement Planning studies underway
- Sanitary Sewer Master Plan underway
- Facilities Master Plan 2021-2022
- Stormwater Master Plan 2022-2023

HOW WELL ARE WE FUNDING?

- District has made significant progress increasing annual funding
- District has not quantified an "cumulative infrastructure funding deficit" but staff expect this amount is considerable
- District may wish to obtain debt to fund a potential funding deficit in the mid-term

HOW WELL ARE WE REPLACING?

- District has increased capital replacement output alongside funding increase
- Additional information will be provided in 2021 to put output levels in context

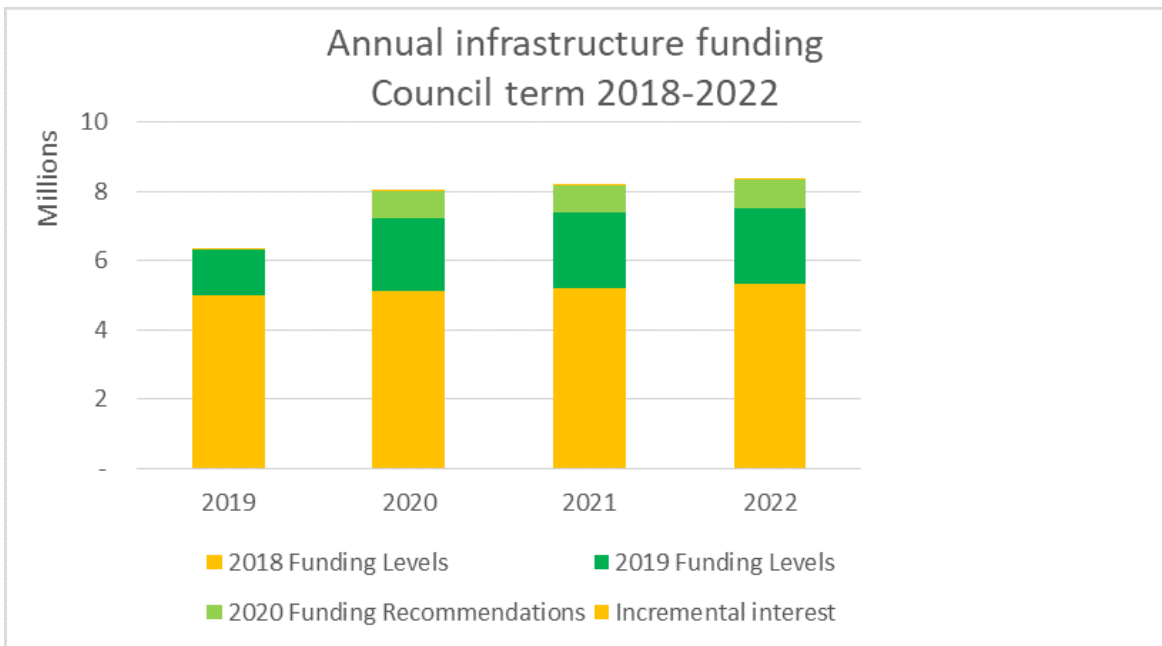
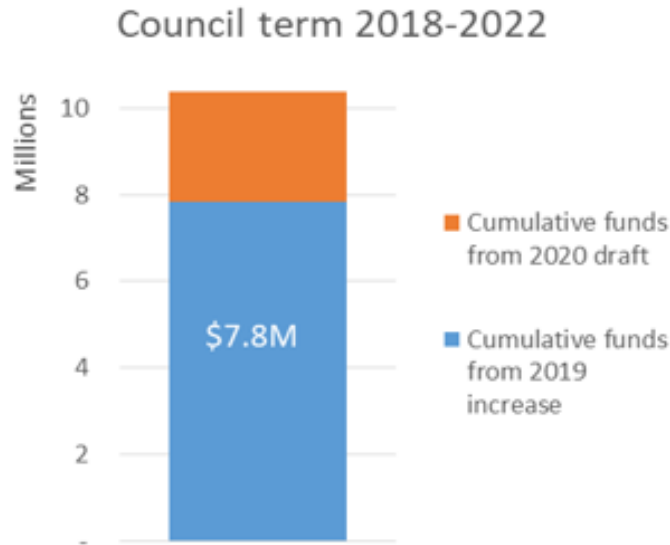
HOW WELL ARE WE PLANNING?

The District provides numerous capital services for the enjoyment of its citizens and visitors as detailed below. Many of these capital services required significant initial investment. Citizens expect these services to continue uninterrupted well into the future. The District has developed many Master Plans and guiding documents to support the long-term provision of high quality services.

ASSETS	CAPITAL	PLAN
Natural	Recreation, Health	Urban Forest Strategy Foreshore Capital Plan/Natural Assets Master Plan (2023+)
Road	Transportation	Pavement Management Program Pavement Condition Assessment (2010)
Parks	Parks, Trails, Playgrounds	Parks, Recreation and Culture Master Plan (2021)
Sanitary Sewer	Sanitary Sewer conveyance and treatment	Sewer Master Plan (2020/21)
Drainage	Storm water conveyance and quality assurance	Asset Management Report (2016) Storm Sewer Master Plan (2022/23)
Water	Water conveyance and quality assurance	Water Master Plan (2019) Water Capital Imp
Vehicles and Equipment	Support of all capital services	Vehicles and Equipment Replacement Plans
Buildings	Recreation, Policing, Fire Administration	Buildings Asset Management Plan (2016) Facilities Master Plan 2021/22

HOW WELL ARE WE FUNDING?

This District has made significant progress toward ensuring sustainable asset replacement is supported by permanent, predictable revenue (taxation and utility fees). In 2019, the District increased annual funding by \$1.3M. The draft 2021 Financial Plan increases annual asset replacement funding by an additional \$300,000. Overall, this will result in an additional \$10.4M in cumulative funding being set aside in reserves over the course of the current Council term (2018-2022). A decision to increase taxes by 3% in 2019, 3% in 2020 for asset replacement, will result in an additional \$115M funding over the next 50 years.



Asset Replacement Funding Scorecard

Asset Type	2021 Annual Funding Total	Funding Target	% Target	Funding Sustainability Rating	Dedicated Funding?
Roads		\$2,000,000	87%	Good	No
Buildings		\$2,000,000	87%	Good	No
Drainage		\$1,300,000	87%	Good	No
Vehicles & Equip. (Fire)		\$370,000	100%	Great	Yes
Vehicles & Equip.(Police)		\$45,000	100%	Great	Yes
Vehicles & Equip. (General)		\$350,000	100%	Great	Yes
Vehicles & Equip. (Rec)		\$200,000	87%	Good	No
IT Equip & Furniture		\$100,000	87%	Good	No
Sewer Infrastructure		\$1,200,000	93%	Good	Yes
Water Infrastructure		\$1,200,000	72%	Bad	Yes
Natural Assets		\$500,000	0%		
Total		\$9,265,000	82%	Okay	

Asset Replacement Funding Progress

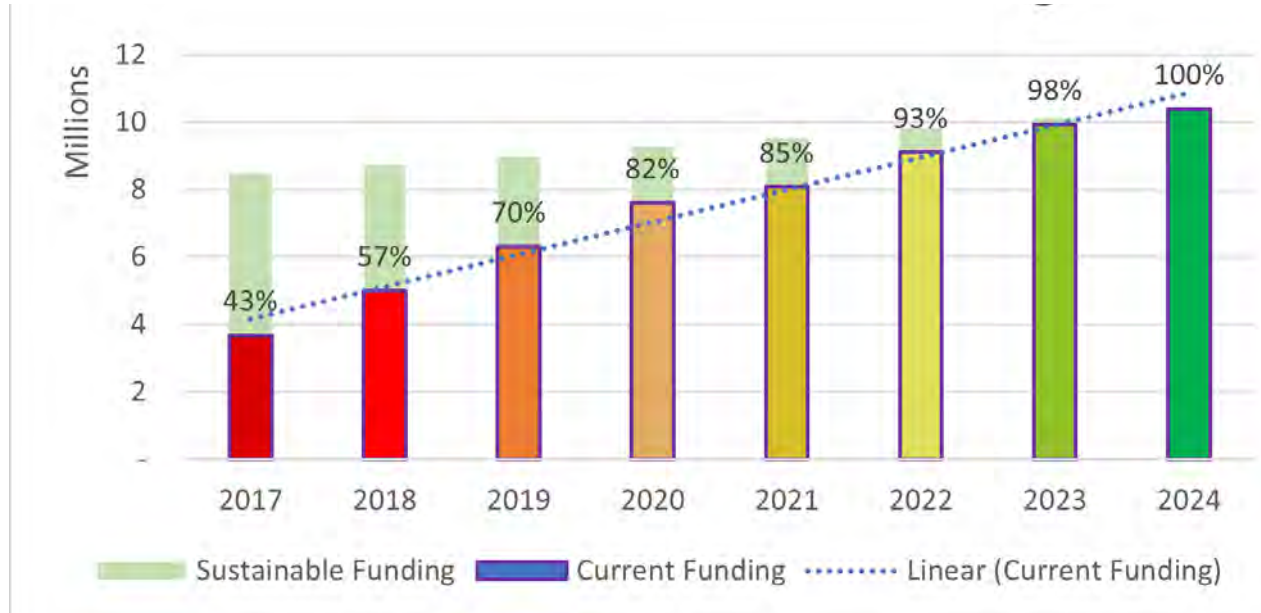
Asset Type	2018 Annual Funding	2019 Annual Funding	2020 Annual Funding	2021 Annual Funding	% Target			
					2018	2019	2020	2021
Roads	\$1,148,900	\$1,528,300	\$1,735,300	\$1,798,800	58%	70%	86%	87%
Buildings	\$1,148,900	\$1,528,300	\$1,735,300	\$1,798,800	58%	70%	86%	87%
Drainage	\$746,800	\$993,400	\$1,128,000	\$1,169,200	58%	70%	86%	87%
Vehicles & Equip. (Fire)	\$184,000	\$190,000	\$370,000	\$380,900	50%	51%	100%	100%
Vehicles & Equip. (Police)	\$35,000	\$35,000	\$45,000	\$46,400	70%	70%	100%	100%
Vehicles & Equip. (General)	\$300,000	\$300,000	\$350,000	\$367,500	86%	86%	100%	100%
Vehicles & Equip. (Rec)	\$114,900	\$152,800	\$173,500	\$179,900	58%	70%	86%	87%
IT Equip & Furniture	\$57,400	\$76,400	\$86,800	\$89,900	58%	70%	86%	87%
Sewer Infrastructure	\$908,000	\$1,115,900	\$1,115,900	\$1,215,900	78%	93%	93%	98%
Water Infrastructure	\$733,000	\$765,000	\$865,000	\$965,000	61%	64%	72%	80%
Total	\$5,376,900	\$6,685,100	\$7,604,800	\$8,012,300	59%	68%	82%	85%

Important note for readers: The above scorecard only highlight's the District's progress in achieving annual funding targets. These funding targets are derived by dividing the replacement cost of an asset class by its average useful life. If such funding targets are implemented as soon as capital is constructed, then in theory, the District should have enough funding in its reserves to fund replacement at the end of an asset's useful life.

However, the District has **not integrated sustainable funding levels** during the lifespan of most of its assets. Therefore, there the District has likely accumulated a cumulative infrastructure funding deficit as is the case with the vast majority of all Canadian municipalities. The District intends on quantifying and reporting its cumulative infrastructure funding deficit in an infrastructure replacement plan. This plan is expected by fall of 2022 at the latest and fall of 2021 at the earliest.

ASSET REPLACEMENT FUNDING PROGRESS - FIVE YEAR FORECAST

The draft 2021-2025 financial plan continues to increase asset replacement funding. Sustainable infrastructure replacement funding is estimated to be \$9.492M in 2021 dollars. The District has made significant progress in closing the infrastructure funding gap since 2017. In 2017, funding levels were estimated to be at approximately 43% of sustainable levels. The draft financial plan closes this estimated funding gap completely by 2024.



	2017	2018	2019	2020	2021	2022	2023	2024
Funding Level	3.7M	5.0M	6.3M	7.6M	8.1M	9.1M	9.9M	10.4M
Estimated Sustainable Funding	8.5M	8.7M	9.0M	9.3M	9.5M	9.8M	10.1M	10.4M
% Sustainability	43%	57%	70%	82%	85%	93%	98%	100%
Estimated Funding Shortfall	4.8M	3.7M	2.7M	1.7M	1.4M	0.7M	0.2M	-

Staff have estimated sustainable annual funding to be \$10.4M in 2024, however this figure is subject to further change and refinement. The replacement cost of the assets represented in this estimate may be subject to volatile cost escalation as construction costs rise. Furthermore, the District is planning to conduct the following asset master plans that may impact estimates: (1) Facilities Master Plan, (2) Sanitary Sewer Master Plan, and (3) Stormwater Master Plan.



HOW WELL ARE WE REPLACING?

The District has increased capital replacement output significant over the past five years. Capital progress output may be measured in the context of the total size and age of the District's existing asset inventory. The District will be providing asset replacement output information in its asset management strategy. This information will be integrated into future financial plans.

Some capital replacement output measures may include:

- Physical measurement of assets replaced such as linear or square meters, number of units replaced,
- Proportion of system replaced,
- Weighted average ages of asset class,
- Proportion of asset class beyond recommended useful life, and
- Condition assessment information by asset class.

This information combined with the District's forthcoming infrastructure replacement plan will be used to provide options for Council to consider the pace at which assets can be replaced.

ASSET CLASS INVENTORY

Asset Type	Information and Assumptions
Roads	Staff use pavement unit rates to multiply by pavement quantities to estimate replacement costs. This estimate should be revised once a pavement condition assessment is complete.
Buildings	Staff used recent insurance appraisals to value the replacement cost of our current inventory stock. Staff also considered the Building Asset Management report prepared by Moore Wilson Architects Inc.
Drainage	Staff use annual replacement cost information from the Opus International Consultants 2016 Asset Management report. Costs have been adjusted for inflation but it is possible that rising costs have outpaced inflation.
Vehicles & Equip. (Fire)	Staff use a detailed apparatus replacement plan to forecast asset replacement costs.
Vehicles & Equip.(Police)	Staff use a succinct Police vehicle and equipment replacement plan to forecast replacement costs. A more detailed plan is underway.
Vehicles & Equip. (General)	Staff use a detailed Public Works vehicle and equipment plan to forecast asset replacement costs.
Vehicles & Equip. (Rec)	A detailed recreation and equipment replacement plan has yet to be developed but is underway. As a result, the estimate above may change significantly.
IT Equip. & Furniture	Staff have developed a detailed PC and IT network hardware replacement plan to forecast asset replacement costs.
Sewer Infrastructure	Staff use annual replacement cost information from the Opus International Consultants 2016 Asset Management report. Costs have been adjusted for inflation but it is possible that rising costs have outpaced inflation.
Water Infrastructure	Staff use annual replacement cost information from the Opus International Consultants 2016 Asset Management report. Costs have been adjusted for inflation but it is possible that rising costs have outpaced inflation.
Natural Assets	No work has been conducted by staff to quantify all of the District's natural assets but the Urban Forest Strategy estimates 10,000 public trees. Staff will need to analyze current funding levels and future needs.

CAPITAL PLAN



RESERVE PROJECTIONS

Total reserve balances as of January 1, 2021 are estimated to be **\$56M**. The District's 2021 Financial Plan will transfer approximately **\$8.2M** into reserves (forecasted to be \$8.1M per below). Furthermore, the plan authorizes the maximum use of **\$21.2M** (forecasted to be \$20.5M per below).

	2021 Opening Balance	2021 Transfer In	2021 Transfer From	2021 Ending Balance
General Surplus and General Reserves	\$14,450,000	\$29,600	\$(1,263,300)	\$13,216,300
Climate Action	240,400	35,000	(66,000)	209,400
Major Crimes	725,895	80,000	-	805,895
Fire Equipment	1,846,900	380,900	(3,626,000)	(1,398,200)
Land Sale	38,029	-	-	38,029
Machinery and Equipment	1,626,800	367,500	(1,713,300)	281,000
Heritage	2,219,337	-	-	2,219,337
Tax Sale Property	1,815	-	-	1,815
Parks Acquisition	472,997	-	-	472,997
Capital Works	17,861,900	2,742,500	(4,837,100)	15,767,300
Alternative Transportation Infrastructure	964,191	-	-	964,191
Infrastructure Renewal	5,655,800	4,457,700	(4,199,100)	5,914,400
Legacy Trust	446,779	-	-	446,779
Tod House Trust	343,322	12,200	(342,600)	12,922
Uplands Sewer Separation (Gas Tax)	6,232,255	-	(1,618,500)	4,613,755
COVID-19 Restart Grant Reserve	3,589,000	-	(2,557,000)	1,032,000
	\$56,715,420	\$8,105,400	\$(20,222,900)	\$44,597,920

FIVE YEAR RESERVE PROJECTIONS

Reserve balances are expected to reduce from **\$56M** in 2021 to **\$44M** in 2025. In this timeframe, significant capital expenditures and reserve contributions are forecasted. Total reserve contributions over the 5 year period are forecasted to be approximately **\$52M**. Total capital expenditures over the 5 year period are forecasted to be approximately **\$84M** (16.8M grant funded).

	2020	2021	2022	2023	2024	2025
General Surplus and Reserves	\$11,287,140	\$10,051,040	\$9,425,240	\$8,898,240	\$8,563,940	\$8,427,440
Climate Action	240,400	155,500	140,500	140,500	140,500	140,500
Major Crimes	725,895	808,295	889,895	977,295	1,067,295	1,159,995
Fire Equipment	1,870,299	(1,374,801)	(1,115,701)	(761,601)	(512,001)	(171,601)
Land Sale	38,561	38,561	38,561	38,561	38,561	38,561
Machinery and Equipment	2,065,225	599,425	372,925	450,825	642,425	651,025
Heritage	2,250,392	2,250,392	2,250,392	2,250,392	2,250,392	2,250,392
Tax Sale Property	1,841	1,841	1,841	1,841	1,841	1,841
Parks Acquisition	479,615	479,615	479,615	479,615	479,615	479,615
Capital Works - General Fund	12,516,478	10,018,078	8,082,314	1,553,914	1,112,714	950,014
Alternative Transportation Infrastructure	14,606	14,606	14,606	14,606	14,606	14,606
Infrastructure Renewal	5,750,732	6,372,832	7,825,632	8,632,132	11,605,932	15,015,532
Legacy Trust	459,924	459,924	459,924	459,924	459,924	459,924
Tod House Trust	362,273	11,473	23,773	35,873	47,773	59,473
Uplands Sewer Separation (Gas Tax)	6,319,464	4,700,964	3,950,964	1,689,414	(572,136)	(572,136)
COVID-19 Restart Grant Reserve	3,589,000	899,800				
Total General Fund Reserves	48,016,845	35,487,545	32,840,481	24,861,531	25,341,381	28,905,181
Sewer Fund Operating Surplus	750,890	750,890	750,890	750,890	750,890	750,890
Capital Works - Sewer Fund	4,005,712	4,496,412	4,834,512	5,482,912	6,168,312	6,881,912
Total Sewer Fund Reserves	4,756,602	5,247,302	5,585,402	6,233,802	6,919,202	7,632,802
Water Fund Operating Surplus	1,759,819	1,759,819	1,759,819	1,759,819	1,759,819	1,759,819
Capital Works - Water Fund	1,496,436	1,257,836	-	-	289,600	662,100
Total Water Fund Reserves	3,256,255	3,017,655	1,759,819	1,759,819	2,049,419	2,421,919
Total Reserves	\$56,029,702	\$43,752,502	\$40,185,702	\$32,885,152	\$34,310,002	\$38,959,902

Note 1: Reserve projections do not include use of Major Crimes Reserve despite the draft budget authorizing expenditures from this reserve.

Individual reserve fund projections are outlined on the following pages.

Climate Action Reserve

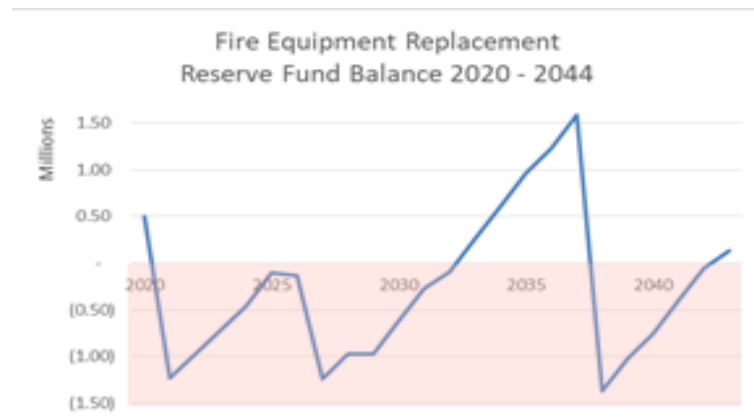
The District is a signatory of the BC Climate Action Charter. Under the Charter, the District commits to becoming carbon neutral in corporate operations, measuring and reporting progress and creating more energy efficient communities. As a signatory, the District is eligible for to receive 100% of the carbon taxes paid during the year as a rebate. Proceeds from this rebate have been transferred to the District's Climate Action Reserve since 2012.

Major Crimes Reserve

Annually the Police Board budgets for a transfer to the Major Crime Reserve. These funds are set aside pursuant to the annual budget request from the Police Board.

Fire Machinery and Equipment Reserve Fund

The Fire Machinery and Equipment reserve fund was originally establish pursuant to Bylaw No. 3773, "*Fire Machinery and Equipment Depreciation Reserve Fund Bylaw, 1993*". This Bylaw was recently repealed and replaced by Bylaw No. 4747, the "*Reserve Funds Bylaw, 2020*". Money in this fund and interest earned on it shall only be used for extending the useful life, upgrading or replacement of fire machinery and equipment.



Two of the Fire Department's major pieces of apparatus are due for replacement between 2020-2022: (1) Engine with light rescue, and (2) 75-ft Ladder Truck. These vehicles are expected to cost over \$3.2M. The Fire Machinery and Equipment reserve balance was approximately \$1.5M at the beginning of 2020. As a result of these purchases, the reserve is expected to be negative. Staff intend on borrowing from other reserves to fund the purchases.

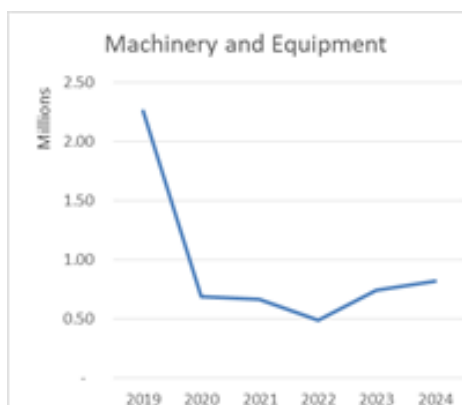
Staff analyzed the annual fire equipment reserve funding levels and determined that this funding needs to be doubled approximately from \$190k to \$370k annually. This will ensure that fire apparatus is funded sustainable for the entire fleet. Staff will appropriate a portion of the annual infrastructure renewal reserve funding to increase the fire equipment reserve funding. The Reserve fund is forecasted to remain negative for many years until a healthy and sustainable reserve fund balance can be restored.

Heritage Reserve Fund

The principal of the Heritage Reserve Fund represents the net profit from the Municipality's development of the Wessex Close subdivision in 1980-81. Over and above the statutory requirement that monies in the fund be expended only for the purpose of capital projects, the Bylaw establishing the Heritage Reserve Fund provides further that with the exception of interest, no monies may be appropriated from the Fund "save those required for the purpose of land development projects and other capital investments designed to augment the net present value of the principal."

Machinery and Equipment

The Machinery and Equipment reserve fund was originally established pursuant to Bylaw No. 2074, “Reserve for Machinery and Equipment Bylaw” and Bylaw No. 3773, the “Machinery and equipment Depreciation Reserve”. These Bylaws were recently repealed and replaced by Bylaw No. 4747, the “Reserve Funds Bylaw, 2020”. Money in this fund and interest earned on it shall only be used for extending the useful life, upgrading or replacement of machinery and equipment.



Much of the District’s fleet is due for replacement in and will be replaced in the next 5 years. However, reserve funding levels are believed to be sustainable for the long term. For further information on the asset replacement funding, please see the State of Asset Replacement Funding section of this Financial Plan.

Parks Acquisition Reserve Fund

Under the Section 510 of the *Local Government Act*, an owner of land being subdivided into three or more lots must either provide park land or pay cash in lieu. Section 188 of the *Community Charter* requires that such payments are credited to a statutory reserve fund. This reserve fund may only be used for the purpose of acquiring new park lands.

Capital Works Reserve Fund

This reserve fund was originally established via Bylaw no. 3775, the “Capital Works and Equipment Reserve Fund Bylaw”. This Bylaw has since been repealed and replaced with Bylaw No. 4747, the “Reserve Fund Bylaw, 2020”. The primary purpose of the Capital Works Reserve Fund is to provide a means of financing major repairs or replacement of physical assets while moderating tax increases. Annual contributions for water main replacement and sewer rehabilitation are directed to this reserve, among other transfers.

Note that this fund is consolidated into one balance in the District’s annual public sector accounting standard financial statements. For budgeting purposes, the District has separated the capital works reserve into three funds: general, sewer and water. The District is entering an era of significant infrastructure replacement. As a result, the District’s Capital Works reserve is forecasted to decrease significantly. Some significant capital works reserve funded projects include:

Projects	2021	2022	2023	2024	2025
Municipal Hall Renovation	\$1.2M				
Parks and Recreation Projects	0.7M	0.3M	0.5M	0.6M	0.6M
Oak Bay Recreation Centre Roof		1.5M			
Sewer Rehabilitation	0.6M	0.7M	0.6M	0.6M	0.6M
Watermain Replacement	1.0M	2.3M	0.8M	0.9M	0.9M
North Oak Bay Pump Station		0.2M	6.0M		

Alternative Transportation Infrastructure Reserve Fund

Section 525 of the *Local Government Act* permits a local government to collect a payment in lieu of off-street parking as a condition of a building permit. These payments must be placed in a reserve. Such payments were deposited to the District's Village Parking Reserve which was established under Bylaw No. 3631, the "*Parking Reserves Fund Establishment Bylaw, 1989*".

Subsequent to the establishment of the District's Village Parking Reserve, legislation was enacted to allow Council to use the reserve for transportation infrastructure that supports walking, bicycling, and public transit, in addition to the provision of new off-street parking. The District then created its Alternative Transportation Infrastructure reserve pursuant to Bylaw No. 4422, the "*Alternative Transportation Infrastructure Reserve Fund Establishment Bylaw, 2008*". These reserves were subsequently combined via Bylaw No. 4747, the "*Reserve Funds Bylaw, 2020*".

Combining the Village Parking and Alternative Transportation Infrastructure reserves enabled Council to use the combined balances of nearly \$1M for either purpose.

Infrastructure Renewal Reserve

This reserve was established by administrative practice and not by Bylaw. The District established this reserve through budget deliberations in 2017. Annually, the District receives approximately \$800k in gas tax funds via the Union of BC Municipalities. These funds are deposited into the infrastructure renewal reserve.

Annual gas tax proceeds are deposited to the credit of this reserve. In 2021, the significant capital expenditures funded by this reserve include: (1) Pavement Management Plan (\$1.3M), (2) Transportation Safety Improvements (\$0.5M), and (3) Storm Sewer Rehabilitation (\$0.6M).

Legacy Trust

The Legacy Trust consists of various bequests to the Municipality for specific purposes — i.e. improvements to the Seniors' Activity portion of the Monterey Centre. The Public Art Fund is also included here.

Tod House Trust

The Tod House Trust was established to fund repairs to the historic residence at 2564 Heron Street, which used to be jointly owned by the Municipality and the Province. In 2008 the Province gave its share to Oak Bay, but only "for so long as the land is used for the specific purpose of managing the Tod House Heritage Site". Correspondence with the Province suggests that if the property use were to change, the District will pay to the Province 50% of the market value of the property at the time that its use changed. The Trust is built up from the net rental revenue.

Upland Sewer Separation Gas Tax Reserve Fund

The District has accumulated and set aside \$6.1M in gas tax funds specifically for the Uplands Sewer Separation Project. These funds are classified as a liability in the District's financial statements due to the public nature of the commitment to this specific project. Therefore, the total dollar value of this reserve fund can be found in Note 3 of the financial statements. Most other reserves are found in Note 7 of the financial statements. Gas tax revenues received subsequent to 2018 have been transferred and will continue to be transferred to the infrastructure renewal reserve. This deferred revenue reserve balance is capped at the estimated cost of the Humber Catchment construction project.

DEBT MANAGEMENT FIVE YEAR FORECAST

The District may choose to incur debt to finance capital expenditures. The *Community Charter* and *Municipal Liabilities Regulation* establishes debt limits for the District. The maximum amount of debt a municipality may undertake is subject to the liability servicing limit. A municipality may not incur debt if the total annual debt servicing cost is greater than 25 percent of annual controllable sustainable revenues.

Municipal long term borrowing in British Columbia must occur through the Municipal Finance Authority (MFA) and the financing must be undertaken by the municipality's regional district. This legislated relationship creates a joint and several liability between the regional district members. The MFA has the legislated authority to levy taxation on all taxable properties within British Columbia. These factors create a strong institutional and governance framework that helps the MFA retain a triple-A credit rating and exceptionally low borrowing costs on behalf of BC municipalities.

When municipalities borrow, principal payments are invested by the MFA. Investment earnings are returned to the borrowing municipality via reduced principal payments. For instance, in 2004, the District borrowed \$4.7M to upgrade the Oak Bay Rec Centre. The debt from this will be paid off in 2023. Over the 20 years, the District's debt principal will have been reduced by approximately \$1.86M. These debt principal reductions are referred to as 'actuarial adjustments'.

In the 2020 – 2024 Financial Plan, the District's annual controllable sustainable revenues will exceed \$46M, making its annual liability servicing limit approximately \$11.5M. Annual debt servicing costs are not expected to exceed \$300,000 which amounts to approximately 2.6% of the District's liability servicing limit. Debt payments including interest and principal for the next five years are forecasts as follows:

Year	Beginning Balance	New Debt*	End Balance	\$ Principal	\$ Interest	\$ Total Payments	\$ Actuarial	% Liability Servicing Limit**
2021	\$1,030,323		\$703,495	142,594	134,378	276,972	184,234	2.3%
2022	703,495		360,328	142,594	134,378	276,972	200,573	2.3%
2023	360,328		-	142,594	134,378	276,972	217,734	2.2%
2024	-		-	-	-	-	-	0.0%
2025	-	5,000,000	5,000,000	128,149	100,000	228,149	-	1.8%

*New debt for Carnarvon Park Building with 30-year amortization, presumed debt interest rate of 2.0%

**Assumes a 2.5% annual increase to controllable sustainable revenues

The District is expecting to have an infrastructure replacement report published by fall 2021 through fall of 2022. This report may recommend incurring debt in the short term to fund capital asset replacement. This may be necessary to avoid exhausting reserves or deferring recommended capital replacement.

CAPITAL BUDGET SUMMARY BY DEPARTMENT

Capital Expenditures	2021	2022	2023	2024	2025	Total
Corporate Administration	\$145,000	\$310,000	-	-	-	\$455,000
Finance and IT	285,600	210,000	266,200	292,000	424,200	1,478,000
Police Department	114,500	155,000	125,000	155,000	125,000	674,500
Fire Protection	4,196,800	133,200	50,000	166,600	88,300	4,634,900
Engineering Services	10,724,400	5,823,400	12,452,000	11,600,000	4,134,500	44,734,300
Public Works	1,858,300	605,000	312,000	210,000	405,000	3,390,300
Parks, Recreation and Culture	1,604,600	1,970,000	1,420,700	879,400	5,684,900	11,559,600
Water Utility	725,200	927,800	667,500	680,500	702,300	3,703,300
Sewer Utility	1,456,200	2,940,800	7,059,400	1,119,000	1,137,500	13,712,900
Total	\$21,110,600	\$13,075,200	\$22,352,800	\$15,102,500	\$12,701,700	\$84,342,800
Funding Sources:						
Reserves	16,303,500	11,187,200	16,935,050	9,681,950	7,556,700	61,664,400
Developer Contributions	186,000	-	-	-	-	186,000
Fees and Charges	132,600	138,000	140,800	143,600	145,000	700,000
Grants	4,488,500	1,750,000	5,276,950	5,276,950	-	16,792,400
Borrowing	-	-	-	-	5,000,000	5,000,000
Total	\$21,110,600	\$13,075,200	\$22,352,800	\$15,102,600	\$12,701,700	\$84,342,800

CAPITAL BUDGET SUMMARY BY ASSET CLASS

Capital Expenditures	2021	2022	2023	2024	2025	Total
Building	\$2,314,600	\$2,088,000	\$1,054,700	\$400,000	\$5,392,400	\$11,249,700
Vehicle	5,272,800	758,200	80,000	496,600	475,000	7,082,600
Equipment	2,218,400	667,000	1,544,200	906,400	557,500	5,893,500
Road	2,334,200	2,403,400	3,818,500	2,941,500	3,234,500	14,732,100
Drainage	6,270,000	3,190,000	7,958,500	8,338,500	850,000	26,607,000
Land Impr.	519,200	100,000	170,000	220,000	352,500	1,361,700
Sewer	725,200	927,800	667,500	680,500	702,300	3,703,300
Water	1,456,200	2,940,800	7,059,400	1,119,000	1,137,500	13,712,900
Total	\$21,110,600	\$13,075,200	\$22,352,800	\$15,102,500	\$12,701,700	\$84,342,800
Funding Sources:						
Reserves	16,303,500	11,187,200	16,933,050	9,681,950	7,556,700	61,664,400
Developer Contributions	186	-	-	-	-	232,500
Fees and Charges	132,600	138,000	140,800	143,600	145,000	700,000
Grants	4,488,500	1,750,000	5,276,950	5,276,950	-	16,792,400
Borrowing	-	-	-	-	5,000,000	5,000,000
Total	\$21,110,600	\$13,075,200	\$22,352,800	\$15,102,500	\$12,701,700	\$84,342,800

CORPORATE ADMINISTRATION 

Capital Purchase/Project	Asset Type	2021	2022	2023	2024	2025
Website Upgrade (carry-over)	Equipment	-	\$60,000	-	-	-
Council Chambers Audio Equipment Upgrade (carry-over)	Equipment	70,000	-	-	-	-
Electronic Document Management System	Equipment	15,000	250,000	-	-	-
Municipal Hall Shelving	Equipment	60,000	-	-	-	-
Total Corporate Admin Capital		\$145,000	\$310,000	-	-	-

Carry-over Price Change Year Change New Item

Website Upgrade (\$60,000 carried forward)

The current municipal website is a key tool for citizen communication and public engagement that needs to be refreshed. This project would upgrade the website to refresh the look and feel, improve navigation, optimize search capabilities and provide for content management functionality. This project will support communications, service excellence and address a recommendation to invest in the website from the Mayor's Task Force on Public Engagement. Phase 2 of this project proposes to develop an internal intranet for staff use. Project scoping of phase 2 has not been fully developed.

Council Chambers Audio Equipment Upgrade (price change, scope increase)

The equipment currently in use in the Council Chambers has surpassed the end of life schedule and requires upgrading. The current equipment is fragile and subject to failure.

In 2020, staff proposed to purchase a central processing unit along with new wireless microphones to provide greater flexibility for a variety of meeting setups in the Council Chambers. New equipment will reduce or eliminate equipment malfunctions, require less staff time for meeting setups, and support the new operational requirements of providing amplified sound for all Council, Committee and Commission meetings held inside the Council Chambers. This equipment will improve audio provisions for in-person attendees, as well as for those viewing the proceedings via livestream or archived video.

The scope of this project has increased as a result of the COVID-19 pandemic. The pandemic has highlighted the need to support meetings that combine remote and in-person attendance. Staff aim to be able to provide a full suite of remote participation options to the public while supporting limited in person staff and Council attendance. As a result, more hardware such as digital media presentation hardware and a new camera as well as additional wiring is required.

Electronic Document Management System (new)

An EDRMS will efficiently and systematically manage the District's electronic and paper documents throughout the life-cycle of the document (from creation to destruction). Records will be shared with all individuals who need access. It also supports the automatic enforcement of consistent policies and styles across the District and ensures Oak Bay is in compliance with Provincial and Federal legislation. As the EDRMS project progresses and electronic records are more readily accessible, it will allow the District to reduce the physical space required to store paper documents and physical records, and will keep vital records safe from physical hazards like fire, floods or other damage.

Municipal Hall Shelving (new)

The physical records phase of the Records Management project commenced in 2020 and continues into 2021. The Municipal Hall Renovation project provides an excellent opportunity to install appropriate record and box storage shelving that will reduce the amount of space required for storage overall and increase capacity by 40-50% reducing costs for offsite storage (or increasing space for other uses).



FINANCIAL SERVICES AND INFORMATION TECHNOLOGY



Capital Purchase/Project	Asset Type	2021	2022	2023	2024	2025
IT Project Management Division						
Payroll Software Phase I	Equipment	\$14,000	-	-	-	-
Payroll Software Phase II	Equipment	34,000	-	-	-	-
Payroll Software Phase III	Equipment	53,200	-	-	-	-
Development Tracker	Equipment	68,000	-	-	-	-
Other IT Project Management Division Projects	Equipment	-	170,000	170,000	170,000	170,000
Network and Other IT Hardware	Equipment	46,400	25,000	65,600	17,000	101,200
PC Hardware Replacement	Equipment	70,000	15,000	30,600	105,000	153,000
IT Master Plan Items	Equipment	<<Master Plan recommendations under review>>				
Total Finance Capital		\$285,600	\$210,000	\$266,200	\$292,000	\$424,200

Carry-over Price Change Year Change New Item

IT Project Management Division

This division was created in late 2020. The majority of costs incurred in this division are for staffing and the remainder are for software acquisition and consulting. The leadership team is responsible for prioritizing the activities in this division as it is intended to support corporate operations and Council strategic Priorities. The payroll project and the development tracker have been prioritized for 2021. Projects 2022+ have not been selected, although there are a number of projects that have been shortlisted.

The scope of the payroll software project phase I includes the transition of inside staff, fire, and police over to the centralized payroll software. Payroll payment processing is currently outsourced. The process is currently inefficient as data has to be exported to external payment providers, then re-imported into the District's general ledger system. The new software has seamless integration with the District's general ledger system and main financial institution. The product also provides many self-serve options to our employees and eliminates the need for printed paystubs.

The scope of payroll software phase II includes the transition to an integrated timesheeting and entitlement balancing system. This will eliminate many redundant processes and improves internal controls over entitlement balancing.

The scope of payroll software phase III includes the transition of the remaining payrolls to the centralized payroll software including auxiliary staff.

The development tracker is a mobile application integrated with our land use system. This application provides 24/7 online access to land-use applications and related information. As this would be a new capital service, approval of this project would create a perpetual tax increase/ to support ongoing operating costs and eventual software replacement.

Network Switch and other IT Hardware

This capital project includes the following multi-year components:

	2021	2022	2023	2024	2025
Network Switch Replacement	-	-	-	-	\$64,000
Firewall	-	8,000	-	-	4,000
Phone system upgrade	-	15,000	-	15,000	1,200
Uninterruptible Power Supply	-	-	1,700	-	-
Servers	8,900	-	61,900	-	-
Backups	-	-	-	-	-
Wireless Access Points	5,500	-	-	-	-
Oak Bay Recreation Centre Camera System	30,000	-	-	-	30,000
Contingency	2,000	2,000	2,000	2,000	2,000
Total	\$46,400	\$25,000	\$65,600	\$17,000	\$101,200

PC Hardware Replacement

The Information Technology division deploys and maintains over 250 pieces of hardware for over 300 users. This inventory is valued at nearly \$200,000 and does not include printers or network hardware. Staff have established annual reserve contributions so that the financial impact of hardware replacement is not volatile. In 2020, the PC Hardware Replacement program was accelerated, funded primarily by savings in the Network Hardware Replacement Capital program. The acceleration was necessary to support a shift to remote working as well as security patching, and a unified support model.

IT Master Plan

As part of the 2019-2022 Council Priorities, an Information Technology Master Plan has been developed. Information Technology is a corporate division whose primary function is to support internal department business processes. The departments deliver external services to the community as directed by Council. The IT Master Plan provides in-depth information related to IT support of District operations. The plan also contains many recommendations that need to be considered by the leadership team. The leadership team is charged with weighing risk vs cost implications of recommending resources that support Council directed community services.

POLICE SERVICES



Capital Purchase/Project	Asset Type	2021	2022	2023	2024	2025
Police Vehicle Replacement	Vehicle	\$74,500	\$70,000	\$70,000	\$70,000	\$70,000
Police Computer Equipment Replacement	Equipment	30,000	70,000	40,000	70,000	40,000
Traffic Enforcement Equipment	Equipment	-	5,000	5,000	5,000	5,000
Police Building Repairs	Building	10,000	10,000	10,000	10,000	10,000
Total Oak Bay Police Capital		\$114,500	\$155,000	\$125,000	\$155,000	\$125,000

Carry-over Price Change Year Change New Item

Police Vehicle Replacement

The Police Department maintains a small fleet of patrol vehicles and administrative vehicles. The replacement cycle of these vehicles range from 6 to 10 years. The Department expects to replace four patrol vehicles between 2020 and 2023 and one administrative vehicle in 2024. The Department is reviewing options for deploying reduced emission vehicles. Total cost of the vehicles includes manufacturing and transportation as well as outfitting with equipment and branding.

Police Computer Equipment Replacement

Information Technology for the District's police force is managed by the Saanich Police Department (SPD). SPD advises on an IT equipment replacement plan. Computer equipment expenditures are forecasted to be approximately \$250,000 over the next five years.

Traffic Enforcement Equipment

The Police Department maintains a small annual budget to replace traffic enforcement equipment to meet the priority of Traffic Safety.

Police Building Repairs

The Police Department operates out of an aging facility and plans for pending maintenance work and building enhancements to allow for safe and efficient use of space.



FIRE AND EMERGENCY SERVICES



Capital Purchase/Project	Asset Type	2021	2022	2023	2024	2025
Engine with light rescue (carry-over)	Vehicle	\$1,300,000	-	-	-	-
Fire Personal Protective Equipment (carry-over)	Equipment	110,000	-	-	-	-
Fire Hall Interior Painting (carry-over)	Building	21,000	-	-	-	-
Emergency Generator (carry-over)	Equipment	196,000	-	-	-	-
Hall Door Enlargement (carry-over)	Building	250,000	-	-	-	-
Emergency Program Vehicle Replacement (carry-over)	Vehicle	70,000	-	-	-	-
EOC Equipment and Training (carry-over)	Equipment	8,800	-	-	-	-
Emergency Support Services Equipment (carry-over)	Equipment	25,000	-	-	-	-
C-Can Based Training Prop	Equipment	100,000	-	-	-	-
Ladder Truck with Heavy Rescue	Vehicle	2,050,000	-	-	-	-
Thermal Imaging Protective Equipment	Equipment	66,000	-	-	-	-
Technical Rescue Protective Equipment	Equipment	-	50,000	-	-	-
Electric Pickup Truck	Vehicle	-	83,200	-	86,600	-
Gas Detection Protective Equipment	Equipment	-	-	50,000	-	-
Vehicle-Extrication Protective Equipment	Building	-	-	-	80,000	-
Fire Hose and Appliances	Equipment	-	-	-	-	88,300
Total Fire Department Capital		\$4,196,800	\$133,200	\$50,000	\$166,600	\$88,300

Carry-over

Price Change

Year Change

New Item

Engine with Light Rescue (carry-over)

This capital project would replace the District's 1990 Fire Engine (Engine) with a new NFPA and ULC compliant Engine. The primary standards that govern the design, maintenance, performance and replacement lifecycles for motorized fire apparatus are; ULC S515, NFPA 1901 and Canadian Fire Underwriters Survey (FUS). Under these standards, Engines and Quints are permitted to operate in a primary capacity for 15-years and a reserve capacity for 5-years. Thus a 20-year maximum service lifecycle is the industry standard.

The 1990 Engine reached the end of its service lifecycle in February of 2010. This Engine is now 10-years past due for replacement. Consequently, no credit is being given towards the District's current FUS Grading. When current procurement and build times within the fire apparatus industry are considered; it is projected that this Engine will not be physically replaced until late 2021. Delaying this purchase will negatively impact the District's current FUS Grading. This will likely increase the financial cost of fire insurance for residents, businesses and institutions.

Personal Protective Equipment (PPE) (carry-over)

PPE is the protective ensemble that firefighters wear while responding to fires, vehicle accidents, fire alarms and other calls. Arguably, PPE sees the most wear and tear of any safety equipment in use with Oak Bay firefighters. This capital project will allow the District to ensure the replacement of this critical safety equipment while managing safety and risk over the long term.

Within the global firefighting industry, the occurrence of cancer within firefighters has become a significant occupational hazard. If the District is able to prevent a single presumptive firefighter cancer claim the savings are substantial. Such claims can cost hundreds of thousands of dollars and can significantly impact WorkSafe premiums for years. Such an illness would have a severe impact on an individual, their family and the organization. PPE manufacturers are engineering new features into their garments that protect against carcinogens. By investing in these new protective features the District will be making significant strides towards managing this threat.

The life-cycle costs have been integrated into the District's equipment replacement plan and will be funded by annual reserve contributions.

Fire Hall Interior Painting (carry-over)

This project would result in painting of the apparatus bays, offices and corridors. The interior apparatus bays were last painted in 2004 and the offices and corridors have had a patchwork of painting and repairs occur since that time. Regular painting of areas projects a positive and professional image to our residents as we have several public tours and educational sessions held in the station throughout the year.

Emergency Generator (carry-over)

The District currently owns two generators that are at end of life (44 years and 35 years respectively). In 2017, Emery Electric conducted a survey of electrical power requirements for the Police and Fire Departments and found that the emergency generator units are at times over capacity and at risk of failure. A failure of either generator during a power outage would have significant impact on the operations of the Fire and Police Departments. The new generator would supply power for both departments for an increased duration and higher degree of reliability.¹

Hall Door Enlargement (carry-over)

This capital budget funds the installation of a leased portable apparatus bay and the renovation of a 1963 era apparatus bay door. The initial capital funding will be used to prepare for and install the portable apparatus bay and improve an apparatus bay door. After the initial install and renovation, monthly lease payments will require ongoing funding. Leasing a portable apparatus storage bay will create space for a modern 100+ Foot Quint that is designed to meet the needs of the community. Renovating a 1963 era apparatus bay door creates a space for a modern Engine that is designed to meet the needs of the community.

¹ Budget Estimates Committee, April 17, 2019



Conceptual Drawing Courtesy of Extreme Portable Buildings

The dynamics of the legacy 1938/1962 OBFD fire station has created apparatus design issues for the past 30-years. Both the 1990 Engine and the 2002 Quint were designed to fit into the station rather than be optimized to serve the community. The fire station is well beyond its useful lifecycle however, replacement will take time. The addition of the portable apparatus bay and renovation of the door will buy the District time to plan for replacement. The lease options of the portable apparatus bay provides financial flexibility. Leasing also allows the District to allocate capital towards the renewal of the fire fleet which will ensure excellent service delivery. Leasing allows the District to consider the long term plan for the fire station. The portable apparatus storage carries a number of lease buy out options.

Emergency Program Vehicle Replacement (carry-over)

The current Municipal Emergency Response Vehicle (MERV) is 30 years old and has far exceeded its life cycle. The current vehicle is not conducive to towing three Emergency Program trailers and lacks standard safety enhancements. The purchase of a short box 4 wheel drive pickup truck will allow the Emergency Program Volunteers the ability to safely and effectively respond to calls for service regardless of road conditions and will allow the option of responding in a simple pickup truck or truck and trailer combination as required.

Emergency Operations Centre (EOC) Equipment and Training (Grant funded, carry-over)

The Union of BC Municipalities has established a grant program called the Community Emergency Preparedness Fund. One of the grant streams available supports Emergency Operations Centres & Training. Staff are preparing a grant application but have yet to identify what specific training and equipment would be part of the application.

Emergency Support Services Equipment (Grant Funded, carry-over)

The Union of BC Municipalities has established a grant program called the Community Emergency Preparedness Fund. One of the grant streams available supports Emergency Support Services. Staff are preparing a grant application but have not yet determined the specific grant contents.

C-Can Based Training Prop

This is a capital project to install a new C-Can Based Training Prop (Prop) near the fire station. This plan also includes the re-design and integration of the 1967 era Training Tower (Tower). This new Prop would better simulate firefighting operations in the single-family, multi-family and commercial occupancies found in Oak Bay. Unfortunately, the Tower is unrealistic and provides limited training value. This dynamic is further complicated by the fact that access to realistic training locations within the District is becoming more restrictive. This location supports on-duty training which is important given current OBFD staffing models. In addition to being unrealistic, the Tower is starting to show its age. It was built in 1967 and has never seen any significant upgrades. Repairs for corrosion and structural concerns were completed in 1987 and 2007. Integration of the Tower into a new Prop would bring this piece of Oak Bay firefighting history back to life.

Under WorkSafe BC and the OFC Playbook; the District has a moral and legal obligation to train its firefighters to NFPA standards. Furthermore, a commitment to training has always been part of the OBFD's culture. Creating this new training space, with a combination of legacy and new materials supports this culture. It will ensure that Oak Bay firefighters secure a safe, realistic and adaptable training location for the long-term.



Ladder Truck with Heavy Rescue Capabilities

This capital budget would fund the replacement of the 2002 68 foot Quint with a new modern NFPA and ULC compliant 100+Foot Quint in 2020. The primary standards that govern the design, maintenance/ performance and replacement lifecycles for Engines are ULC S515, NFPA 1901 and Canadian Fire Underwriters Survey. Under these standards, Quints are permitted to operate in a primary capacity for 15-years and a reserve capacity for an additional 5-years. Maximum service lifecycle is 20-years. Provided that prescribed preventative maintenance and performance testing is successfully performed/documentated throughout the life of the apparatus.

The 2002 Quint will reach end of its service lifecycle in July of 2022. This 2002 Quint is the only Aerial Device serving Oak Bay. Due to the age of the 1990 Engine the Quint is also the only backup Engine serving Oak Bay. When current procurement and build times within the fire apparatus market are considered, it is likely that this Quint will not physically be replaced until early to mid 2022. Delaying this purchase beyond the 2021 budget year could negatively impact the current Fire Insurance Grading. This is likely to increase the financial cost of fire insurance for residents, businesses and institutions within the District.

The OBFD fleet has not been expanded since 1962. Due to its small size, it simply lacks the capacity to compensate for an Engine or Quint that is reaching the end of its service lifecycle. Larger Fire Departments have additional capacity within their fleets to negate this type of compression. The lean nature of the Oak Bay Fire Department makes it critical that FUS replacement schedules are judiciously maintained. Compliance with these standards will manage fire insurance costs and protect the community from undue risk and liability associated with operating expired fire equipment.

This purchase would result in the current 68-foot aerial ladder truck being replaced with a 100-foot ladder truck. The current 2002 Quint had to be built with a 75-foot Aerial Device in order to accommodate fire station limitations. When the 2002 Quint arrived, it did not fit length-wise into the apparatus bay. Unfortunately the solution was to physically cut-down the Aerial Device to make it fit. The result was a reduced Aerial Device with total length of 68-feet. The net change from 85-feet to 68-feet represented a 20% reduction in the overall reach. The current condition of the fire fleet is such that investment in a new Engine and a new 100+Foot Quint that meet community needs is critical.

In order to accommodate the 100+Foot Quint, new apparatus storage is required. The new apparatus storage adds approximately 17.5% in life-cycle costs but the quint will have an additional 47% servicing potential. The 100ft ladder will also assist the District in maintaining strong relationships with the other core-three municipalities: Victoria, Saanich, and Esquimalt.



Photo Courtesy of Spartan Fire Apparatus
Example of Ladder Truck with Heavy Rescue Capabilities

Thermal Imaging Protective Equipment

Thermal Imaging Cameras (TICs) are a significant expenditure and staff have integrated the equipment into the reserve-funded replacement program. TIC's provide firefighters the gift of sight in dark and smoky conditions. They are arguably the single most important advancement in the global firefighting industry in the past 20-years. TIC's expedite search and rescue as well as fire attack when seconds count. This Capital Project will allow the OBFD to ensure the replacement of this critical safety equipment and manage health and safety over the long term.

Over the past 20 years, the use of light weight synthetic composites in building construction materials and furnishings has created a fire environment that is extremely challenging. Fires in 2020 do not 'burn hotter' than they did in the past. Modern fires reach peak temperatures much more rapidly and quickly generate extremely dark toxic smoke conditions while they expedite structural collapse. TIC's allow firefighters to work efficiently in these extremely dark toxic smoke conditions. TIC technology is constantly advancing and replacement should occur every five-years. By reinvesting in state of the art TIC's the District will be making significant strides towards meeting this evolving threat and optimizing firefighter effectiveness.

Technical Rescue Protective Equipment

The two primary standards that govern the use, care and replacement of Technical Rescue Equipment (TRE) are NFPA 1983 and WorkSafe BC Part 32. These standards require that all 'soft-goods' be replaced after five-years of active service. They also require replacement if TRE is physically damaged or contaminated with chemical and biological substances. Soft-goods comprises all harnesses, ropes, webbing and anchor straps. Hardware represents carabiners, pulleys, belay devices, tripods, stretchers and all the supporting safety equipment. TRE replacement has been integrated into the fire equipment replacement plan and funded by annual reserve contributions.

Electric Pickup Truck

This Capital budget will fund the replacement of the 2008 Toyota Camry Sedan (Camry) in 2022 with a new Hybrid or true Electric 4x4 pickup truck. The change from a Camry to a pickup is intended to provide the fire Department with an appropriate tool for the job. The Camry currently serves as a logistics and on-call duty officer vehicle. The Camry is a medium sized 4-door sedan style passenger car and it is not well suited for use in the fire service. The Camry does not have an NFPA 1901 compliant lights and sirens safety package. A new pickup would be NFPA 1901 compliant, have added safety features and be much more useful. In addition to the fact that the Camry is not suited for the role that it currently fills, it is starting to show its age.

The vehicle is a hybrid but, it is first generation technology and significant repairs to the battery system are looming. By the time of replacement, the Camry will be 15 years old and it will have an estimated 150,000 to 160,000 kilometers. The lack of an NFPA 1901 compliant lights and sirens package restricts it to non-emergency use. A new Pick-Up will provide a vehicle that is much safer, more effective, able to function post-disaster and contribute towards the Districts environmental stewardship. OBFD staff are currently researching replacement options and anticipate that a true Electric Pick-Up will be available by 2022.

Gas Detective Protective Equipment

Gas Detectors are one of the most effective tools for protecting first responders from unseen and unknown atmospheric hazards. They provide a means of early detection and allow firefighters to take precautionary steps to protect themselves and the citizens they serve. This capital project will allow the Fire Department to ensure the replacement of this critical safety equipment and manage health and safety over the long term.

There is a continual need to actively manage gas detectors in order to protect the health and safety of firefighters. Wear and tear on the internal electronic components of gas detectors at incidents and during training are major stressors. The electrochemical sensors within gas detectors are always 'working' as they are constantly exposed to the atmosphere. These factors are compounded when continual advancements in technology render legacy gas detectors obsolete. After five-years of service, replacement is warranted in order to ensure reliability and optimum performance. By reinvesting in gas detectors the District will be making significant strides towards maintaining this critical safety equipment.

The life-cycle costs have been integrated into the District's equipment replacement plan and will be funded by annual reserve contributions.

Vehicle-Extrication Protective Equipment

Vehicle extrication equipment is a significant expenditure and staff have integrated the equipment into the reserve-funded replacement program. The automotive industry is constantly working to reduce weight and improve the strength of vehicle structural components. The introduction of high strength low alloy steel and hydro-formed parts has yielded significant advancements. Jaws of life can now become obsolete in as little as five-years. Scheduled replacement is required in order to ensure these challenges are met. This capital project will allow the District to ensure the replacement of this critical safety equipment over the long term.

Fire Hose and Appliance

The two primary standards that govern the use, care and replacement of FHA are NFPA 1962 and WorkSafe BC Part 31. These standards require ongoing maintenance and testing. If FHA is physically leaking or otherwise becomes damaged replacement is typically required. During a pre-budget audit of firefighting equipment in 2019, it was evident that a significant amount of firehose and appliances (FHA) was in poor condition or past the end of its service lifecycle. Major renewal of equipment has been prioritized and this is the final step in the 6-year process.

ENGINEERING AND PUBLIC WORKS



Capital Purchase/Project	Asset Type	2021	2022	2023	2024	2024
Facilities Capital Program		-	-	-	-	-
Municipal Hall Refurbish (carry-over)	Building	\$1,057,200	-	-	-	-
Municipal Hall Refurbish - Furniture	Equipment	165,000	-	-	-	-
Tod House Improvements (carry-over)	Building	363,000	-	-	-	-
Marina Structural Repairs (carry-over)	Building	425,000	180,000	625,000	270,000	-
Work Order Management Infrastructure (carry-over)	Equipment	25,000	-	-	-	-
1538 Monterey Capital Repairs	Building	35,000	-	-	-	-
Facilities Contingency	Building	50,000	50,000	50,000	50,000	50,000
Transportation Safety Improvements	Road	500,000	500,000	500,000	600,000	612,000
Pavement Management Program	Road	1,346,000	1,599,400	1,860,400	2,129,200	2,406,000
Storm Sewer Rehabilitation	Drainage	605,000	690,000	420,000	800,000	850,000
Storm Sewer - New Assets	Drainage	270,000	-	-	-	-
Uplands Sewer Separation	Drainage	5,395,000	2,500,000	7,538,500	7,538,500	-
Active Transportation Program	Road	200,000	204,000	208,100	212,300	216,500
Electric Vehicle Stations	Road	50,000	-	-	-	-
McNeill Bay/McMicking Point Shoreline Protection	Road	30,000	50,000	1,200,000	-	-
Foreshore Infrastructure	Road	50,000	50,000	50,000	-	-
University Drive Connection Pathway	Road	158,200	-	-	-	-
Total Engineering Services Capital		\$10,724,400	\$5,823,400	\$12,452,000	\$11,600,000	\$4,134,500

Carry-over	Price Change	Year Change	New Item
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FACILITIES CAPITAL PROGRAM

Municipal Hall Refurbish

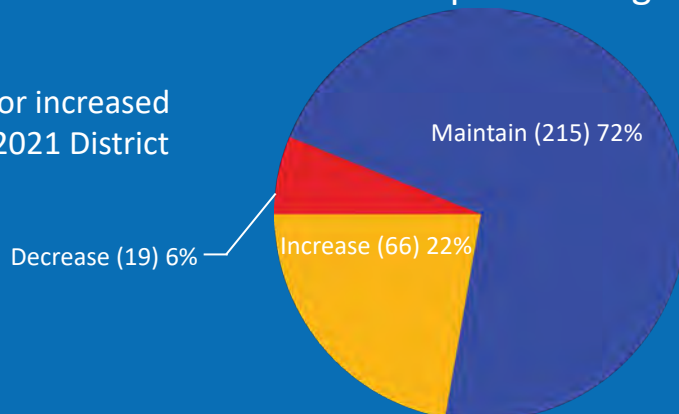
In the 2019 - 2023 Financial Plan, Council approved a number of capital projects related to Municipal Hall renovations:

- Main Door Replacement - \$35,000 spanning 2019 – 2020
- Fire Alarm Replacement - \$40,000 spanning 2019 – 2020
- Carpet Replacement - \$86,000 spanning 2019 – 2020
- Painting - \$130,000 spanning 2019 – 2020

Did you know?

94% of respondents supported current or increased municipal building maintenance in the 2021 District of Oak Bay Budget Questionnaire.

Municipal Buildings



- Boiler rebuild, Air handling system repairs and electronic furnace controls \$30,000 2019

The building repairs were managed in phases with phase one being completed. Phase two is the administrative area and the basement office areas. The administrative office area has not been updated since 1983, the furniture and workstations are well beyond their life expectancy. There is floor tile under the carpeted areas that contain asbestos which should be remediated. The electrical components of the building need to be upgraded to meet today's load demand requirements. The existing space does not provide for an efficient or effective workspace without a reorganization. The request for Municipal Hall infrastructure funds follows the Moore Wilson recommendation of providing funding to the building to extend the working life and allow Council the opportunity to plan for infrastructure replacement. This proposed renovation budget and the subsequent annual repair budget funding for this facility will extend the Municipal Hall working life ten to fifteen years. This estimate is based on the quality of new materials being upgraded, workspace planning, and the opportunity to upgrade building infrastructure such as electrical, insulation and some minor structure repairs.

There is no point in pursuing seismic upgrading to this building as the cost is prohibitive compared to the cost of the replacement of the facility which would meet current code.

Tod House Improvements (partially contingent on grant funding)

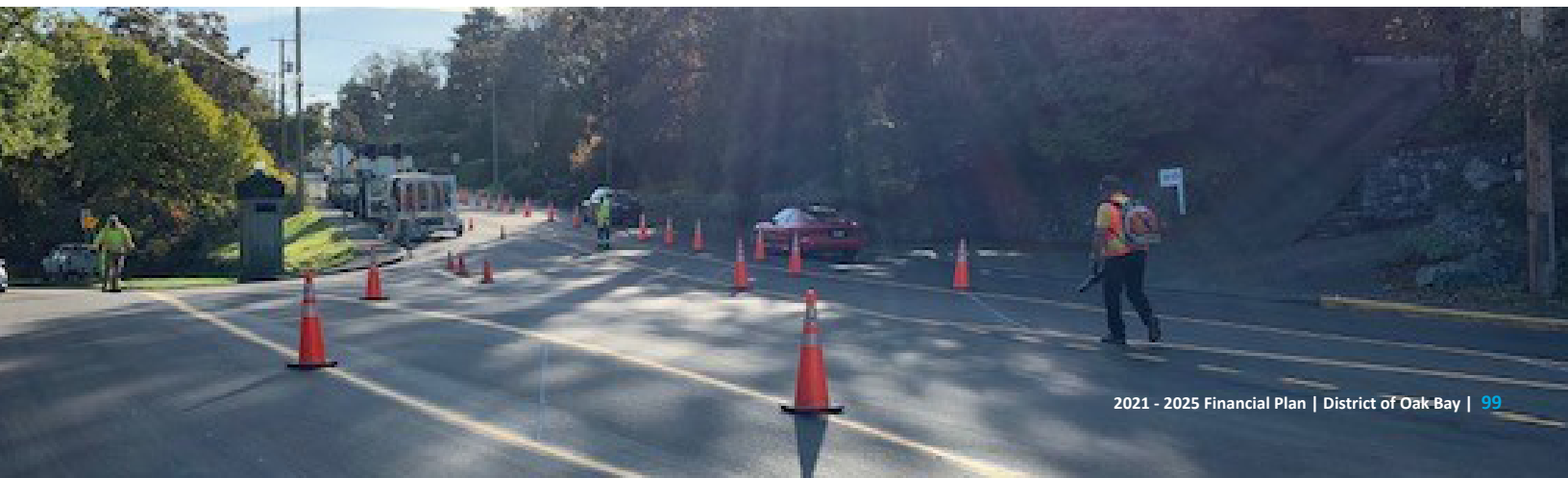
In 2019, the District engaged a consultant to identify practical solutions for the conservation of the Tod House consistent with best heritage practice. The consultants completed and delivered an assessment to the District in 2020. The assessment identified approximately \$300,000 - \$400,000 in deferred maintenance repairs that were high priority and an additional \$400,000 - \$500,000 to conform to heritage conservation best practices.

In late 2020, the Province of British Columbia introduced a grant program entitled the Community Economic Recovery Infrastructure Program (CERIP). The program included a Unique Heritage Infrastructure stream which focused on the conservation, repair, and rehabilitation of cultural heritage infrastructure. The program funds 100% project costs. The District submitted a grant application and is expecting to hear back in spring 2021. The District submitted a grant application and received the response in March of 2021 that this grant application was unsuccessful.

Marina Structural Repairs (carry-over)

The District-owned (and leased out) marina buildings need ongoing maintenance to keep them operational. The marina facilities are currently leased to Oak Bay Marine Group Ltd. The lease expires at the end of 2022. The District of Oak Bay is preparing to negotiate a new 30 year lease.

A recently-completed draft Facility Condition report identifies a need to repair asphalt and concrete, replace two hot water storage tanks, and repair buried drainage pipes at an anticipated cost of \$182,100. Significant additional repairs are anticipated to be needed in the immediate future (\$422,076 in 2021; \$175,099 in 2022; \$619,891 in 2023 and \$266,058 in 2024).



Work Order Management Infrastructure (carry-over from 2019)

This project was approved in the 2019 Financial Plan but no spending has occurred to date. This capital project will add workstations for the Foremen/Lead Hands in Public Works including two new workstations, and modernization of existing workstations. Currently, work-order management and maintenance management is conducted using traditional paper based methods. These paper-based records are then integrated into the computer-based management system, creating an unnecessary duplication of work.

This project was deferred as it has become necessary to reconsider workstation orientation as a result of the COVID-19 pandemic. This project may be deferred to 2022 accordingly.

1538 Monterey Capital Repairs (new)

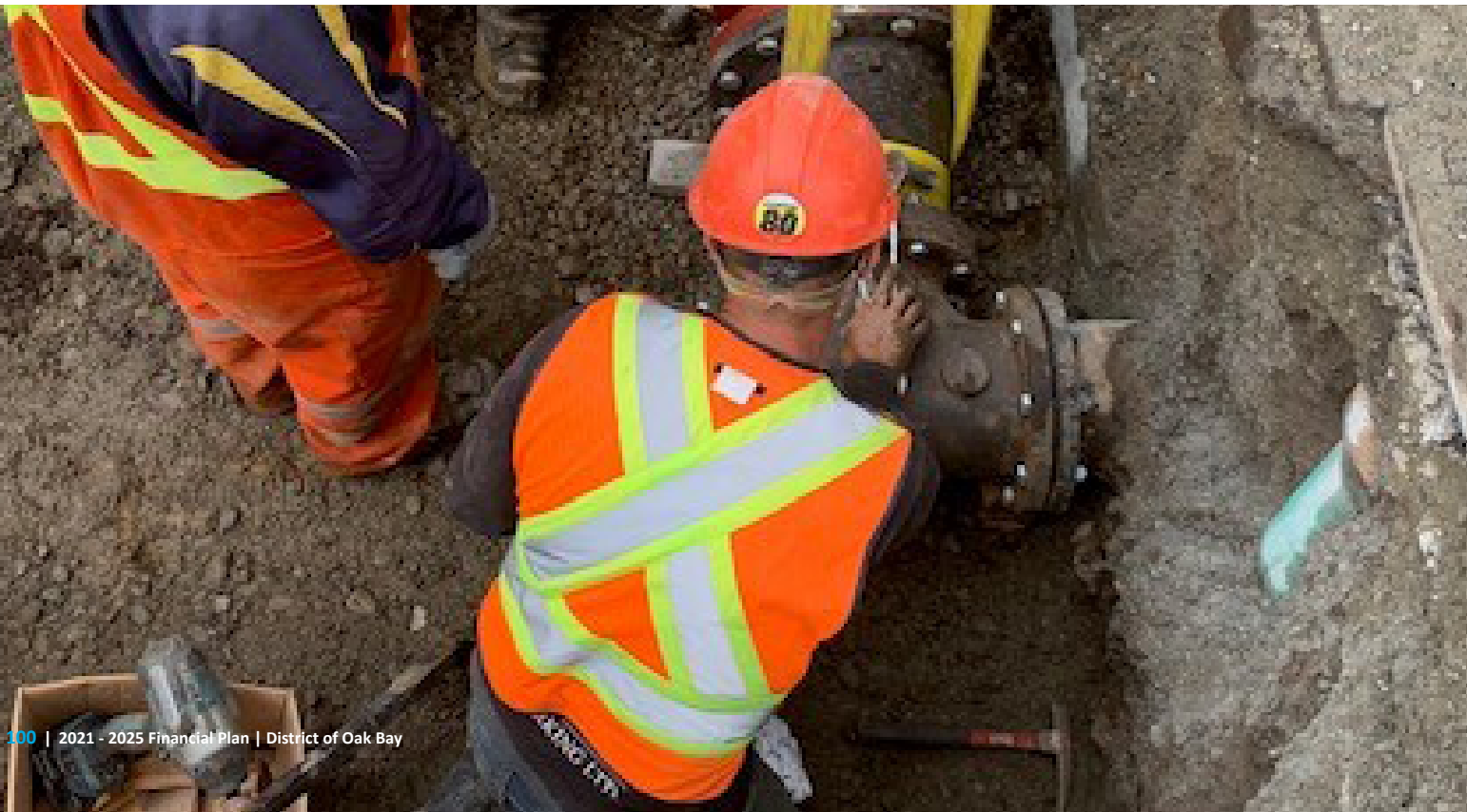
The District owns the house at 1538 Monterey Avenue. In 2020, the District signed a lease for the house in which the District committed to addressing major exterior issues such as problem tree removal, drainage issues, water and sewer hookup and shed structure.

Facilities Contingency

This contingency budget would be used for unexpected capital expenditures. In early 2020 the heaters in the mechanic's shop failed. It was a 25 year old heavily used forced air heater. The system heated the 3-bay garage area, a fab shop and office area. The heater was assessed as unrepairable. Installation of a new energy efficient radiant heating system. This system is expected to reduce energy consumption by approximately 50%. Reduced costs from the reduction in energy consumption will exceed the capital cost of the new system over the life of the asset.

Transportation Safety Improvements

This program aims to deliver projects to improve on safety for all road users within the district. Projects delivered under this program include crosswalks, traffic calming, intersection improvements, and other safety-related capital works. In 2021 this program will deliver wheelchair ramps at approximately 5 locations, design of safety upgrades at 5 intersections, an updated pedestrian and sidewalk master plan, and various other

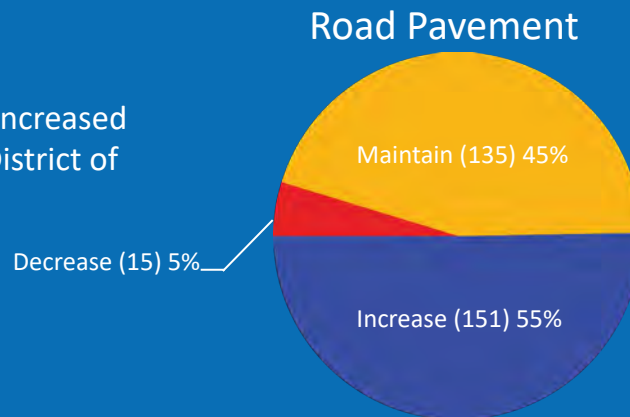


Pavement Management Program

The road surface rehabilitation program, known in Oak Bay as Pavement Management, has been ongoing for several years. The aim is to develop a sustainable management program that achieved a specific service level while maintaining best value for money. The District's Pavement Management Study, completed in 2013, identified over \$2M of road rehabilitation would need to occur each year in order to maintain the pavement condition identified in that year.

Did you know?

95% of respondents supported current or increased road pavement maintenance in the 2021 District of Oak Bay Budget Questionnaire.



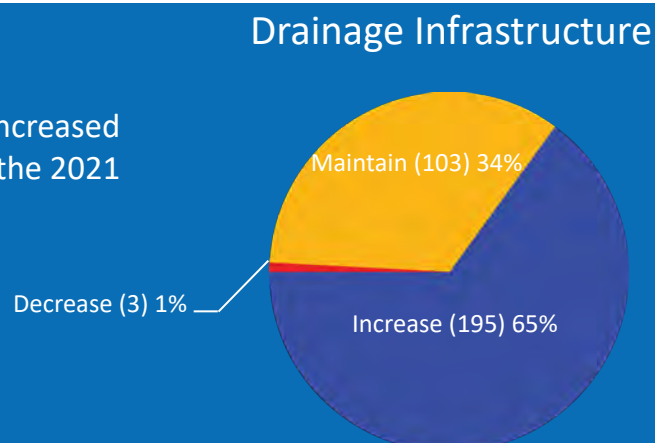
Storm Sewer Rehabilitation

This program captures the refurbishment or replacement of Storm Sewer Mains that have reached end of service life. Based on asset management program targets, the program gradually increases capital expenditures for Storm Sewer Rehabilitation to \$1.1M per year. The program has been underfunded in recent years: the 2016 budget was \$212,000, the 2017 budget was \$117,000 (funded from reserves) and the 2018 budget was \$265,000.

Consistent and predictable funding for Storm Sewer Rehabilitation is essential to ensure that capital projects are done efficiently and with best value for money. This funding commitment allows a more cost effective planned approach to repairs and rehabilitation, as opposed

Did you know?

99% of respondents supported current or increased maintenance on drainage infrastructure in the 2021 District of Oak Bay Budget Questionnaire.



Storm Sewer Rehabilitation – New Assets

These projects represent either new infrastructure, or project definition studies to identify requirements and preliminary designs/costing for new infrastructure, all related to the storm drainage system.

This budget includes:

- a sub-catchment modelling & condition assessment of St. Patrick Pump Station which will determine the requirements related to outfall relocation, and a McNeill Bay erosion project requirement
- new storm main assets for Victoria avenue

2021	Cost
Sub-catchment modelling & condition assessment of St. Patrick Pump Station	\$30,000
New Storm Main - Victoria Avenue	\$240,000
2021 Total	\$270,000

This area of Victoria Avenue currently has no storm sewers. As a result, stormwater flows through the sanitary sewer system and to the Wastewater Treatment Plant. This project would support the District's commitment to reduce its inflow and infiltration as Core Area Liquid Waste Management Plan.

Uplands Sewer Separation (Partially Grant Funded)

The Uplands neighbourhood currently has a single sewer system that accommodates both sanitary sewage and stormwater flows. During heavy rainfall, the storm water volume exceeds the capacity of the system and a combination of stormwater and raw sewage discharges into the shallows ocean waters at the Rutland Road and Humber Road pump stations. Separating combined sewers and eliminating overflows at the Humber and Rutland pump stations is necessary under British Columbia's Municipal Wastewater Regulation. In October 2016, the District of Oak Bay's Council committed to a plan to separate combined sewers in the Uplands. The plan involves constructing approximately 5km of new storm mains, progressively diverting stormwater flows from homes and from catch basins to the new storm sewers. This plan has the added benefit of reducing the volume of stormwater in the sanitary sewer system, enabling the District to take positive steps towards meeting its sewer flow commitments under the Core Area Liquid Waste Management Plan.

Refreshed estimates for the project was prepared in early 2020:

Humber Construction	Class B	\$7,500,000
Rutland Detailed Design	Class B	\$395,000
Rutland Construction	Class C	\$15,077,000
Total		\$22,972,000

The District submitted an application to the Investing in Canada Infrastructure Grant Program (ICIP) in 2020. This program provides up to 73.33% funding for eligible projects

Funding Source	Funding Proportion	Funding Total
ICIP (Provincial Government)	33.33%	\$7,656,568
ICIP (Federal Government)	40.00%	9,188,800
District of Oak Bay (Reserves)	26.67%	6,126,632
Total	100.00%	\$22,972,000

Active Transportation Program

This capital program represents an active transportation program focusing on issues such as bicycle lanes, pathways, and pedestrian-friendly infrastructure improvements.

Electric Vehicle Stations

At the January 30, 2020 Special Meeting of Council, Council asked staff to include an initiative in the 2021 – 2025 financial plan to install electric vehicle charging stations. At the January 25, 2021 Regular Council meeting, Council reviewed a number of options and the construction of stations are expected to occur in 2021. Council also resolved to levy a \$1 per hour user fee for the electric vehicle stations. This may offset lifecycle cost as revenues may be reinvested in infrastructure replacement.

McNeill Bay/McMicking Point Foreshore Erosion Mitigation

This project includes two separate studies identifying options for mitigation of ocean erosion on McNeil Bay and McMicking Point. The project will incorporate considerations from new Sea Level Rise Study.

Year	Component	Amount
2021	Project definition, concept planning, public engagement	\$30,000
2022	Preliminary and detailed design	\$50,000
2023	Construction	\$1,200,000

The construction costs are unknown at this time and will be better defined once detailed design is complete. This infrastructure is new infrastructure and as such would require an increase to the ongoing operating budget.

Foreshore Infrastructure

The natural areas along the foreshore of the District - including Willows Beach, Oak Bay, McNeill Bay and other areas - are extremely popular for walkers. The metal railings used for pedestrian safety in those areas are exposed to the elements, especially salt water spray. This results in accelerated corrosion and failure of the railings. As part of an ongoing safety program, the District conducts periodic railings maintenance to refurbish or replace these railings. This annual program also addresses minor repairs to stairs and other foreshore access points.

University Drive Connection Pathway

The District partnered with University of Victoria (UVic) to submit an application to the BC Active Transportation Infrastructure Grant Program for the University Drive Connection Pathway. The District was successful in this application and has been awarded a maximum grant of \$316,380. This grant is being remitted to UVic who is managing the project and will own and maintain the infrastructure. In 2020, approximately 50% of the work was complete and thus the budget of \$158,200 represents approximately 50% of the remaining grant funds. This project includes a new 215 meter long and 3 meter wide two-way bicycle pathway and the replacement of 200 meters of existing asphalt pedestrian pathway.

PUBLIC WORKS



Capital Purchase/Project	Asset Type	2021	2022	2023	2024	2025
#89 Parks dump box truck Replacement (carry-over)	Vehicle	\$65,000	-	-	-	-
#97 Garbage Truck Replacement (carry-over)	Vehicle	355,000	-	-	-	-
#18 Flat Deck Crane Truck Replacement (carry-over)	Vehicle	178,000	-	-	-	-
#10 Crew Van Replacement (carry-over)	Vehicle	100,000	-	-	-	-
#78 Crew Van Replacement (carry-over)	Vehicle	100,000	-	-	-	-
#96 Mower Replacement (carry-over)	Equipment	40,000	-	-	-	-
#27a Medium Salt/Sand Spreader Replacement (carry-over)	Equipment	28,000	-	-	-	-
#4 Front End Loader Replacement (carry-over)	Vehicle	225,000	-	-	-	-
#5 Single Axle Dump Replacement (carry-over)	Vehicle	140,000	-	-	-	-
#58 Flat Deck Replacement (carry-over)	Vehicle	110,000	-	-	-	-
#69 Parks Field Sweeper Replacement (carry-over)	Vehicle	60,000	-	-	-	-
#79 Parks Crew Pickup Replacement (carry-over)	Vehicle	40,000	-	-	-	-
Public Works Fencing (carry-over)	Land Impr.	25,000	-	-	-	-
#70 Crew Van Replacement (carry-over)	Vehicle	57,300	-	-	-	-
#31 Vac Leaf Machine Replacement	Vehicle	75,000	-	-	-	-
#82 Single Axle Dump Truck Replacement	Vehicle	140,000	-	-	-	-
#26 Midsize Hydrovac Unit Replacement	Vehicle	120,000	-	-	-	-
#36 Dump Replacement	Vehicle	-	90,000	-	-	-
#72 Flusher Truck Replacement	Equipment	-	340,000	-	-	-
#50 Parks Small Tractor Replacement	Land Impr.	-	75,000	-	-	-
#77 Parks Curbster Garbage Truck Replacement	Equipment	-	100,000	-	-	-
#38 Chipper Replacement	Vehicle	-	-	60,000	-	-
#42 Boulevards Mower Replacement	Equipment	-	-	40,000	-	-
#44 Mower Replacement	Equipment	-	-	20,000	-	-
#76 Mower Replacement	Equipment	-	-	65,000	-	-
#83 Flat Deck Replacement	Equipment	-	-	105,000	-	-
#86 Small Mower Trailer Replacement	Vehicle	-	-	10,000	-	-
#25A Belly Plow Replacement	Vehicle	-	-	12,000	-	-
#8 Locators Pick Up Truck Replacement	Vehicle	-	-	-	90,000	-
#17 Tractor Replacement	Equipment	-	-	-	120,000	-
#41 Garbage Truck Replacement	Vehicle	-	-	-	-	405,000
Total Public Works Capital Plan		\$1,858,300	\$605,000	\$312,000	\$210,000	\$405,000

Carry-over
Price Change
Year Change
New Item

VEHICLE AND EQUIPMENT REPLACEMENT DESCRIPTIONS

Unit #	Vehicle/Equipment	Description of use
Unit #	Vehicle/Equipment	Description of use
89	Pick-up truck with dump box	Parks operations at work sites as needed
97	Garbage Truck	Daily solid waste pick-up
18	Crane flat deck material transporter	Public works operations, capital and servicing
10	Supply van	Public works operations, capital and servicing
78	Supply van	Public works operations, capital and servicing
96	Fields and boulevard mower	Parks operations
27a	Salt and sand spreader	Public works operations
4	Front-end loader	Public works operations, capital and servicing, primarily in public works yard for loading trucks and bins
5	Dump truck	Public works operations, capital and servicing, primarily roads rehabilitation
58	Crew support truck	Public works operations, capital and servicing, primarily concrete rehabilitation
69	Field maintainer	Parks operations
79	Pick-up truck	Parks operations
70	Van	Public works operations, traffic services support
31	Leaf pickup machine	Public works operations used in annual leaf pick-up program
82	Single Axle dump truck	Public works operations, primarily
36	Utility truck with dump box	Public works operations
72	Freightliner flusher truck	Public works operations, storm/sanitary sewer flushing
50	Parks Small Trailer	
77	Parks Curbster Garbage Truck	
38	Vermeer chipper	Parks operations
42	Mower	Parks operations
44	Mower	Parks operations
76	Side winder mower	Parks operations
83	International flat deck	Public works operations, capital and servicing, primarily construction crew
86	Mower trailer	Parks operations
25a	Snow plow attachment	Public works operations
8	Pick-up truck	Public works operations
17	Tractor	Parks operations
41	Garbage truck	Curbside solid waste collection

SEWER UTILITY

Capital Purchase/Project	Asset Type	2021	2022	2023	2024	2025
Utility Access Holes	Sewer	\$65,200	\$67,800	\$69,100	\$70,500	\$72,300
Sewer Capital - New Assets	Sewer	100,000	150,000	-	-	-
Sewer Main Rehabilitation	Sewer	560,000	710,000	598,400	610,000	630,000
Total Sewer Capital Plan		\$725,200	\$927,800	\$667,500	\$680,500	\$702,300



Utility Access Manholes

There are 1,316 utility access holes. District staff refurbish, replace or install new manholes on a regular basis to ensure the sanitary sewer system can be maintained and operated effectively.

Sewer Capital - New Assets

These projects represent either new infrastructure, or project definition studies to identify requirements and preliminary designs/costing for new infrastructure, all related to the sanitary sewer system.

2021	Cost
Capital Requirements to Support Sanitary Sewer Master Plan, Flow Monitoring equipment	\$25,000
Remote Monitoring/SCADA for Sanitary Sewer, project definition	\$25,000
Beach Drive (Hibbens to Rippon), options analysis and project definition	\$50,000
2021 Total	\$100,000

2022	Cost
Remote Monitoring/SCADA for Sanitary Sewer, implementation	\$150,000
2022 Total	\$150,000

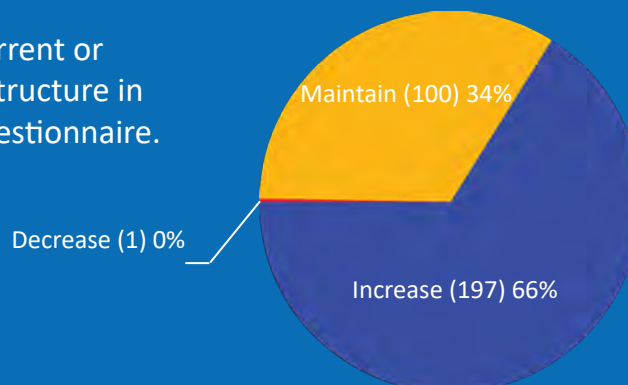
Sewer Main Rehabilitation

As part of the sanitary sewer asset management, Engineering and Public Works replaces or refurbishes portions of the approximately 100 km of sanitary sewer mains that service the District. These main replacements are typically done as conventional excavations or, if possible, via less disruptive and less expensive trenchless rehabilitation such as cured-in-place-pipe lining. The aim of this work is to install a new pipe or extend the life span of an existing pipe for another 50-70 years.

Did you know?

Over 99% of respondents supported current or increased maintenance on sewer infrastructure in the 2021 District of Oak Bay Budget Questionnaire.

Sewer Infrastructure



WATER UTILITY

Capital Purchase/Project	Asset Type	2021	2022	2023	2024	2025
Cross Connections	Water	\$20,400	\$21,200	\$21,600	\$22,000	\$23,000
Watermain Replacement	Water	990,000	2,290,000	830,000	885,000	900,000
Hydrants	Water	51,000	53,000	54,100	55,200	56,000
Other Repairs	Water	12,200	12,600	12,900	13,200	13,500
New Service Connections	Water	132,600	138,000	140,800	143,600	145,000
Water Distribution System Remote Monitoring Upgrade	Water	80,000	-	-	-	-
North Oak Bay Pump Station Consolidation and Water Main Upgrades	Water	50,000	200,000	6,000,000	-	-
Water Distribution System Studies and Capital Projects	Water	120,000	226,000	-	-	-
Total Water Utility Services Capital		\$1,456,200	\$2,940,800	\$7,059,400	\$1,119,000	\$1,137,500



Cross Connections

Strict rules and regulations exist related to cross connection control, to ensure that water from private properties does not backflow into the municipal water distribution system. This funding is to enable staff to complete cross connection control and backflow prevention work to protect the quality of the District’s water.

Watermain Replacement

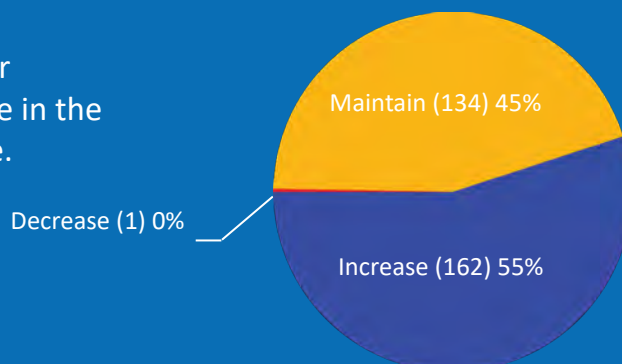
A portion of the District’s 115 km of water main are rehabilitated or replaced each year as part of the water distribution system master plan.

The 2022 plan for water main rehabilitation represents a significant increase in output. This change comes in response to the significant backlog of water infrastructure work identified in the District’s asset management work between 2016 and 2019. The Water Master Plan, followed by the staff’s significant work in 2020 to flesh out a more robust capital improvement program for water infrastructure, enables the District to accelerate much needed water main replacements. This acceleration represents the first step in a multi-year program that aims to address the maintenance backlog and sustain the current levels of service for water distribution.

Did you know?

Over 99% of respondents supported current or increased maintenance on water infrastructure in the 2021 District of Oak Bay Budget Questionnaire.

Water Infrastructure



Hydrants

The District has 494 hydrants to service firefighting needs. Each year, hydrants are replaced or new hydrants installed as part of the annual capital refurbishment plan, which falls within the Water Distribution Master Plan.

New Service Connections

As residents request new service connections for their homes to the water system, Engineering and Public Works staff work together to estimate, plan, construct and close out these mini-projects. Though these service connections are completed on cost-recovery basis, this budget line item provides the funding for planning purposes related to parts and services in preparation for this work.

Water Distribution System Remote Monitoring System

This project would include the installation of new SCADA remote monitoring equipment at the pressure reducing valves at Lansdowne and Middowne stations, in order to properly monitor and control water pressure in several of Oak Bay's pressure zones and identify water losses. This work will include longer term options analysis and costing for system-wide remote monitoring upgrades.

North Oak Bay Pump Station Consolidation and Water Main Upgrades

This multi-year project comes from a major recommendation from the Water Supply System Master Plan. Currently in the options analysis/project definition phase, the aim of the project is to define a consolidation and renewal program of several pump stations and mains in North Oak Bay.

Water Distribution System Studies Capital Projects (new)

There are new projects that we will require funding to pursue, as part of the District's water distribution system capital improvement program. The water distribution system capital improvement program results from the District's Water Master Plan that was completed in 2020.

2021	Cost
Detailed Condition Inspections and Investigation of Backup Power, Pump Stations and Pressure Reducing Stations (Study and capital project definition)	\$50,000
Cross-border Connection (Victoria & Oak Bay) Technical Investigation (Project Definition)	\$10,000
Cross-border Connection (Saanich & Oak Bay) Technical Investigation (Project Definition)	\$10,000
Water Asset Management Strategy update study	\$50,000
2021 Total	\$120,000

2022	Cost
Cross-border Connection (Victoria & Oak Bay) Implementation/Construction	\$26,000
Cross-border Connection (Saanich & Oak Bay) Implementation/Construction	\$200,000
2022 Total	\$226,000

PARKS, RECREATION AND CULTURE

Capital Purchase/Project	Asset Type	2021	2022	2023	2024	2025
Total Facilities Program		\$742,200	\$1,573,000	\$319,700	\$20,000	\$287,400
Total Vehicle and Equipment Replacement Program		719,000	22,000	877,000	589,400	-
Total Parks and Playground Replacement Program		73,400	305,000	154,000	200,000	5,327,500
Public Art	Land Impr.	20,000	20,000	20,000	20,000	20,000
Capital Contingency	Building	50,000	50,000	50,000	50,000	50,000
Total Parks, Recreation and Culture Capital Plan		\$1,604,600	\$1,970,000	\$1,420,700	\$879,400	\$5,684,900

Parks, Recreation and Culture Facilities Program	Asset Type	2021	2022	2023	2024	2025
OBRC Transformer Replacement (carry-over)	Equipment	\$240,000	-	-	-	-
Electronic Road Sign for Oak Bay Recreation Centre	Equipment	30,000	-	-	-	-
OBRC Parking Lot Paving	Land Impr.	350,000	-	-	-	-
Windsor Tennis Court Resurfacing/Repair	Land Impr.	68,800	-	-	-	5,000
Henderson Building Maintenance	Building	25,000	43,000	-	-	-
Monterey Building Maintenance	Building	28,400	-	12,700	-	12,000
OBRC Roofing - arena, lounge, ISF	Building	-	1,450,000	-	-	-
Tennis Court Bubble Resurfacing	Land Impr.	-	80,000	-	-	-
Henderson Roof	Building	-	-	266,000	-	-
OBRC Pool Capital Maintenance	Building	-	-	41,000	-	-
OBRC Building General	Building	-	-	-	20,000	246,400
Henderson Boiler Replacement	Building	-	-	-	-	24,000
Total Facilities Program		\$742,200	\$1,573,000	\$319,700	\$20,000	\$287,400

Carry-over
Price Change
Year Change
New Item

OBRC Transformer Replacement (carry-over)

The main electrical service to the Oak Bay Recreation Centre was installed in 1973. The life expectancy of the equipment is 30-40 years, and it has now been in service for nearly 47 years. The existing installation, while grandfathered, does not meet current electrical codes and replacement parts are no longer available. The District currently owns this equipment. Replacement of the equipment would ensure we are compliant with current electrical codes, and ownership of the transformer would transfer to BC Hydro (meaning BC Hydro would be responsible for maintenance and replacement in the future). In addition, phase protection against single phase disruptions would be installed, protecting expensive equipment that can often require replacement after such events.

Electronic Road Sign for Oak Bay Recreation Centre

This project would see the replacement of the electronic road sign on Cadboro Bay Rd which can be updated with current pertinent information for the public. The sign is currently inoperable and the company which manufactured the sign has since gone out of business. Due to its age and other challenges it has been deemed unrepairable.

OBRC Parking Lot Paving

This project involves re-paving the main parking lot (upper and lower). The current condition of the parking lot is such that waiting much longer will potentially require a significantly more costly renovation.

Windsor Park Tennis Court Resurfacing

This project involves crack repair and resurfacing of three tennis courts at Windsor Park. This work is required to maintain the courts in a safe, playable condition.

Henderson Building Maintenance

Planned maintenance includes washrooms, hot water tank, and roof exhaust fans. Maintenance in 2022 includes replacement of the gym floor and the on demand water heater.

Monterey Building Maintenance

Planned maintenance includes washrooms and kitchen.

OBRC Arena, Lounge, & ISF Roof Replacement at OBRC

This project involves replacement of the roof over the arena, indoor sports field and Sports View Lounge. This project can be phased if required.

Tennis Bubbles Court Resurfacing

This project involves crack repair and resurfacing of courts in both bubbles at OBRC. This work is required to maintain the courts in a safe, playable condition.

Henderson Gymnasium Roof Replacement

This project involves replacement of the roof over the gymnasium at the Henderson Recreation Centre.

OBRC Pool Capital Maintenance

Maintenance in 2023 includes a chlorine system upgrade, pool filter replacement and pool controller replacement.

OBRC Building General

In 2023 this includes replacement of the pool chemical control system and filters for the learn pool and a door replacement in 2024.

Henderson Boiler Replacement

This would be a lifecycle replacement of the heating boiler at the Henderson Recreation Centre. It would entail removal and replacement of the existing boiler with minor modifications to plumbing to suit the new unit installed and meet any code changes.

Parks, Recreation and Culture Vehicle and Equipment Replacement Program	Asset Type	2021	2022	2023	2024	2025
Software Acquisition (carry-over)	Equipment	\$13,000	-	-	-	-
Floor Scrubber Replacement	Equipment	11,000	-	-	-	-
OBRC Chiller	Equipment	583,000	-	-	-	-
Henderson Equipment	Equipment	8,000	-	-	8,000	-
Fitness Equipment	Equipment	104,000	-	-	250,000	-
Printers	Building	-	12,000	-	-	-
Parks Software	Equipment	-	10,000	-	-	-
Field Verticutter/Aerator	Equipment	-	-	60,000	-	-
OBRC Air Unit	Equipment	-	-	817,000	-	-
OBRC Pool Capital Maintenance	Building	-	-	-	81,400	-
Electric Zamboni Replacement	Building	-	-	-	250,000	-
Total Vehicle and Equipment Replacement Program		\$719,000	\$22,000	\$877,000	\$589,400	-

Carry-over Price Change Year Change New Item

Floor Scrubber Replacement

The Monterey Centre currently has 2 floor scrubbers in various states of disrepair. One machine is a demonstration model, purchased used and handed down from OBRC around seven years ago. It is a large machine, not sized properly for the areas it is used for. The second machine was purchased at unknown date and time but is estimated to be around 15 years old. The average life expectancy for floor scrubbers can vary from 6-10 years depending on environment, usage and maintenance. Both units have surpassed their expected lifecycle and require a significant investment to get running effectively again.

It would be a better use of funds to invest in a new machine, consolidating two machines into one properly sized machine, lower annual operating and repair costs, and reset the lifecycle. The new, more modern machine will be more efficient with battery, chemical, and water consumption. Ongoing maintenance costs for a new unit will be lower early in lifecycle, only having to replace normal wear and tear parts. Staff will have an easier time using the machine. They will be able to do a better job, in less time, with less cleaning product.

OBRC Chiller Replacement

This project involves replacement of the chiller, which is a significant piece of the refrigeration infrastructure in the arena. The chiller is at the end of its expected lifespan, and needs to be replaced during an Arena shutdown year. A failed chiller was the root cause of the incident in Fernie, BC which claimed three lives.

Henderson Equipment

Expenditures in 2021 and 2024 are for bouncy castle replacement.

Fitness Equipment

In 2021 this project involves replacement of spin bikes that were purchased in 2014 for programs at the Henderson Recreation Centre. The bikes have been well-used and have now outlasted their 5 year life expectancy. Replacement with up to date bikes will help to ensure strong attendance at spin classes is maintained.

Card Printer Replacement

This project involves replacement of three pass card printers, one at each of the main recreation centres. This project will be evaluated in 2021 to ensure timing for the replacement is appropriate

Parks Tree Inventory Software

This project involves purchase of software to collect and maintain data for trees in the community. This is a recommendation of the Urban Forest Management Strategy and is noted in the 2018-2022 Implementation Plan approved by Council.

Fields Aerator

This project involves purchase of a deep tine aerator/verti-cutter to maintain sports fields in good condition. Currently the District borrows an old piece of equipment from the District of Saanich, but it is becoming costly to maintain.

OBRC Desert Air Replacement

This project involves replacement of the dehumidification unit in the pool. The unit has been requiring costly repairs on a more regular basis. When the unit is not functioning well the air quality in the pool suffers, leading to patron complaints, employee health concerns and potential long-term damage to the building structure.

OBRC Equipment

This project includes replacement of an air handling unit and an ice edger.

OBRC Ice Resurfacer Replacement

This project involves replacement of the current electric Zamboni.



Parks, Recreation and Culture Parks and Playground Program	Asset Type	2021	2022	2023	2024	2025
Anderson Hill Park Kiosk (carry-over)	Land Impr.	\$8,400	-	-	-	-
Lafayette Park Irrigation	Land Impr.	7,000	-	-	-	-
Cattle Point Maritime Meadow Protective Fencing	Land Impr.	40,000	-	-	-	-
Sportsview Lounge Equipment	Equipment	18,000	-	4,000	-	-
Carnarvon Park New Building	Building	-	305,000	-	-	5,000,000
Henderson/Kiwanis Park Playground Equipment	Land Impr.	-	-	150,000	-	-
Windsor Playground	Land Impr.	-	-	-	200,000	-
Carnarvon Park Design	Land Impr.	-	-	-	-	257,500
Lafayette Park Playground Equipment	Land Impr.	-	-	-	-	70,000
Total Vehicle and Equipment Replacement Program		\$73,400	\$305,000	\$154,000	\$200,000	\$5,327,500

Carry-over Price Change Year Change New Item

Anderson Hill Park Kiosk

The current information kiosk at Anderson Hill Park is rapidly deteriorating and contains outdated information. A new kiosk would help to support the efforts of an active volunteer group who work to remove invasive species from the park and to maintain the endangered Garry Oak ecosystem. The panels would be included which explain the park's history and note species of plants and wildlife found in the park.

Lafayette Park Irrigation

This project involves installation of digital controls to the irrigation system, as has been done in other major park spaces in the past few years. This provides for efficient use of staff time.

Cattle Point Maritime Meadow Protective Fencing

Cattle Point is a popular destination for hikers, dog walkers, boaters and others seeking to connect with nature and to enjoy the spectacular views of volcanoes, islands and mountains off our shore. The open areas between the parking lot and the sea contain a very rare type of meadow. This meadow is home to a unique group of animals and plants, some found in few other places on earth. It is also an ecologically significant area, one of national conservation importance and one that is under considerable strain and at risk of disappearing forever.

We have reached the point where the Cattle Point meadows are under severe strain and at risk of being lost forever if not managed carefully. Eight endangered plant species are found here, a very large number for such a small area. Cattle Point is also home to several beautiful flowering plants that only grow in these types of meadows. The meadows are very sensitive to foot traffic during the wet season (October to June) and are extremely fragile during the months of April, May and June.

Sports View Lounge Equipment

This project includes two smaller projects: replacement of table tops in the Lounge, and replacement of the bar fridge. Both projects are considered normal building maintenance issues.

In 2023 this project involves replacement of the ice machine in the Sports View Lounge.

Carnarvon Building Construction

This project involves demolition of the old building and construction of a new two-storey building, as recommended in the Carnarvon Park Master Plan.

Henderson/Kiwanis Park Playground Equipment

This project involves replacement of the playground equipment at Henderson Park in the same location, using the same footprint.

Windsor Playground

This project involves replacement of the playground equipment at Windsor Park in the same location, using the same footprint.

Carnarvon Park Design

This project involves detailed design and production of a construction drawing package for all elements included in the Carnarvon Park Master Plan (save for the building, which is being addressed separately).

Lafayette Park Playground Equipment



OPERATING IMPACT OF NEW CAPITAL SERVICES

As new capital is acquired and constructed, the District is subject to increased operating costs to maintain such capital. For example, when a road is built, the District must then maintain that road and keep it clear of debris. Furthermore, often the community forms an expectation that the capital service will continue in perpetuity and thus the infrastructure will be replaced at the end of its life. As a result, staff endeavour to present the full life-cycle costs of capital budget items so that Council may consider the entire financial impact of budget approval.

Below you will find the new capital items being considered in the scope of this financial plan. “New” capital does not include capital expenditures for maintaining or replacing existing capital services. For instance, the replacement of an existing road is not a “new” capital expenditure because the ongoing operating and maintenance costs of that capital will already be integrated into the operating budget. “New” capital includes a brand new capital service or an enhancement to existing capital services.

New Capital Expenditures	Capital Cost*	Capital Cost Year	Life Cycle Costs*
Electric Vehicle Charging Stations	\$65,000	2021	\$165,000
Uplands Sewer Separation	\$23.0M	2021-2024	\$26,700,000
Development Tracker Software	\$68,000	2021	\$90,500
EDRM System	\$265,000	2021-2022	\$640,000
Carnarvon Park Building Construction	\$5.0M	2023	\$29.6M
New storm sewer assets	\$240,000	2021	\$472,500
McNeill Bay erosion mitigation assets	\$1,280,000	2021-2023	\$2,180,000
New sanitary sewer assets	\$250,000	2021-2022	\$418,750
Water distribution system, new assets	\$446,000	2021-2023	\$496,000

Electric Vehicle Charging Stations Life Cycle Costing

Cost type	Amount	Comment
Capital Cost	\$65,000	2020 options analysis + 2021 capital expenditure
Operating, maintenance, utilities	\$100,000	10 years, \$10,000 per year
Total	\$165,000	

At the January 25, 2021 Regular Council meeting, Council resolved to levy a \$1 per hour user fee for the electric vehicle stations. This may offset lifecycle cost as revenues may be reinvested in infrastructure replacement.

Uplands Sewer Separation Life Cycle Costing

Cost type	Amount	Comment
Capital Cost	\$23.0M	
Operating, maintenance, utilities	\$3.7M	\$46,000/year x 80 years
Total	\$26.7M	

The new infrastructure that results from the Uplands Sewer Separation project is expected to have a useful life of approximately 80 years. The total lifecycle costs are estimated to be \$26.7M. Annualized over 80 years, this is approximately \$334,000 per year. This is equivalent to a 1.26% tax increase, or \$41 to the median residential property.

Development Tracker Software

Cost type	Amount	Comment
Capital Cost	\$68,000	
Operating, maintenance, utilities	\$22,500	\$1,500 per year x 15 years
Total	\$90,500	-

Annual cost	\$6,033	
Equivalent tax increase %	negligible	
Equivalent tax increase \$**	negligible	

Electronic Document Records Management System

Cost type	Amount	Comment
Capital Cost	\$265,000	
Operating, maintenance, utilities	\$375,000	15 years, \$25,000 per year
Total	\$640,000	

Annual cost	\$42.667	15-year life span
Equivalent tax increase %	0.16%	
Equivalent tax increase \$**	\$5.13	Annually to the average residential property

Carnarvon Building Life Cycle Costing

Cost type	50 Years	75 Years
Capital Cost	\$5,000,000	\$5,000,000
Operating Costs	10,550,000	15,825,000
Operating Revenue	(1,850,000)	(2,775,000)
Component Replacement*	5,112,100	8,770,759
Total	\$18,812,100	\$26,820,759
Annual cost	\$376,241.99	\$357,610.12
Equivalent tax increase %	1.53%	1.45%
Equivalent tax increase \$**	\$45.78	\$43.51

New Storm Sewer Assets

Cost type	Amount	Comment
Capital Cost	\$270,000	
Operating, maintenance, utilities	\$202,500	\$2,700 per year x 75 years
Total	\$472,500	
Annual cost	\$6,033	75-year life span
Equivalent tax increase %	negligible	
Equivalent tax increase \$**	negligible	Annually to the average residential property

McNeill Bay Erosion Mitigation

Cost type	Amount	Comment
Capital Cost	\$1,280,000	
Operating, maintenance, utilities	\$900,000	\$12,000 per year x 75 years
Total	\$2,180,000	
Annual cost	\$29,066	75-year life span
Equivalent tax increase %	0.11%	
Equivalent tax increase \$**	\$3.29	Annually to the average residential property

New Sanitary Sewer Assets

Cost type	Amount	Comment
Capital Cost	\$250,000	
Operating, maintenance, utilities	\$168,750	\$2,250 per year x 75 years
Total	\$418,750	
Annual cost	\$5,583	75-year life span
Equivalent tax increase %	negligible	
Equivalent tax increase \$**	negligible	Annually to the average residential property

Water Distribution System, New Assets

Cost type	Amount	Comment
Capital Cost	\$346,000	
Operating, maintenance, utilities	\$150,000	\$2,000 per year x 75 years
Total	\$496,000	
Annual cost	\$6,613	75-year life span
Equivalent tax increase %	negligible	
Equivalent tax increase \$**	negligible	Annually to the average residential property

GLOSSARY

Accounting Surplus: An accounting surplus is revenues less expenses. It does not include expenditures made for capital, on debt principal or transfers to or from reserves. Local governments may budget for an accounting surplus or deficit but not a budget deficit or surplus. See the definition of a balanced budget.

Accrual: An accounting method which measures the financial performance and position of an organization by recognizing economic events when they happen, regardless of when the related cash actually changes hands. For instance, revenue is recognized in the financial statements when earned, not when received.

Accumulated Surplus: The accumulated surplus is a pool of accumulated funds resulting from all historical budgetary surpluses. Budgetary surpluses result in funds remaining in accumulated surplus (unappropriated) or transferred to reserve (appropriated).

Appropriated: When a fund is appropriated, it is subject to certain restrictions on what the fund can be used for.

Balanced Budget: A financial plan where the sum of current revenue, transfers from reserves and debt proceeds, equals the sum of current operating expenditures, debt principal payments plus capital expenditures.

Capital Asset: An asset that has physical substance, is used to supply a service, lasts longer than a year and is not for sale in the ordinary course of operations.

Capital Expenditure: The expenditure of monies for the purchase or construction of a capital asset.

Deferred Revenue: Refers to payments received in advance for services which have not yet been performed. The most common form of deferred revenue in municipal accounting consists of Development Cost Charges which are advanced payments for future capital services needed as a result of growth.

Financial Plan: This term is used interchangeably with “budget” but will also usually refer to the 5-year budget Bylaw.

Forced growth: Increased costs that the District must incur to continue to provide existing services at the same service level. For instance, collective agreement increases, inflation and contractual increases are forced growth factors. Forced growth is not increases to service delivery costs resulting from elective changes or enhancements to existing programs.

Fund: A pool of money set aside for a specific purpose.

FTE (Full Time Equivalent): A statistic to compare staffing levels between Departments, organizations, or years. It is calculated by dividing the total number of hours that one full-time staff member would work during a year.

LGDE (Local Government Data Entry): The LGDE forms provide a standardized financial measure of local government activities over the previous fiscal year. Local governments must annually submit to the Ministry of Municipal Affairs and Housing their forms by May 15. These forms are a standardized presentation of a local government's financial position and activities, such as assets, liabilities, revenue, expenditures, over the course of the previous fiscal year (based on the audited financial statements).

Life-Cycle Costs: Full life-cycle costs refer to the total costs incurred by a piece of capital during the entirety of its useful life. For instance, the full life-cycle costs would include the acquisition or construction cost, maintenance costs, and the cost of ongoing annual repairs and maintenance for continued provision of the capital service.

Liability: Liabilities are present obligations a reporting entity has to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefit.

Municipal Finance Authority (MFA): The Municipal Finance Authority of British Columbia (MFA) was created in 1970 to contribute to the financial well-being of local governments throughout BC. The MFA pools the borrowing and investment needs of BC communities through a collective structure and is able to provide a range of low cost and flexible financial services to our clients equally, regardless of the size of the community.

The MFA is independent from the Province of British Columbia and operates under the governance of a Board of Members appointed from the various Regional Districts within the province.

New Construction Taxation Revenue: Taxation revenue that results from taxable land or buildings that were not subject to taxes in the previous year. For example, newly built taxable buildings, previously exempt taxable property, newly subdivided land, or valuation increase due to zoning amendments.

Official Community Plan: Under the *Local Government Act* Section 875, an OCP is a statement of objectives and policies to guide decisions on planning and land use management, within the area covered by the plan, respecting the purposes of local government.

Operating Costs: Expenses which are related to the operation of a business, or related device, component, piece of equipment or facility.

Revenue: Income from business services and fees.

RFP: A Request For Proposal is issued at an early stage in a procurement process, where an invitation is presented for suppliers to submit a proposal on a commodity or service.

Service Plans: These plans depict the operating costs/revenues and related performance measures of a District Department.

SOFI (Statement of Financial Information): The SOFI is a financial statement prepared pursuant to the Financial Information Act. The SOFI contains audited financial statements as well as other mandated schedules including the schedule of remuneration and expenses and the schedule showing payments made for the provision of goods or services.

Special Initiatives: One-time operating projects that are outside the normal course of work performed by staff.

Sustainable infrastructure replacement funding: this refers to the annual funding that is required so an asset can be replaced at the end of its useful life without borrowing.

APPENDIX A: PRELIMINARY 2020 FINANCIAL RESULTS

Revenue	2020 Budget	2020 Preliminary	YTD %	Preliminary Variance
Property Value Taxes	\$26,530,000	\$26,525,158	100.0%	\$(4,842)
Boulevard Frontage Taxes	215,300	215,418	100.1%	118
Grant In Lieu of Taxes	53,200	77,529	145.7%	24,329
1% Utility Revenue	220,300	220,371	100.0%	71
Property Tax Penalties and Interest	127,400	156,913	123.2%	29,513
Grants (Operating)	530,500	4,209,323	793.5%	3,678,823
Grants (Capital)	866,700	936,824	108.1%	70,124
Investment Income	825,000	834,759	101.2%	9,759
Miscellaneous Revenue	15,300	7,239	47.3%	(8,061)
Municipal-Regional District Tax	154,000	66,621	43.3%	(87,379)
Facilities Department Revenue	429,900	401,064	93.3%	(28,836)
Finance Department Revenue	53,200	49,388	92.8%	(3,812)
Building and Planning Department Revenue	975,600	847,502	86.9%	(128,098)
Engineering Department Revenue	27,100	61,338	226.3%	34,238
Public Works Department Revenue	1,603,400	1,596,610	99.6%	(6,790)
Parks, Recreation and Culture Department Revenue	8,921,700	4,797,002	53.8%	(4,124,698)
Sewer Utility Fees	1,370,600	1,366,587	99.7%	76,987
Water Utility Fees	4,628,800	4,829,931	104.3%	376,131
Total Revenue	\$47,548,000	\$47,199,576	99.3%	(\$92,424)

APPENDIX A: PRELIMINARY 2020 FINANCIAL RESULTS *CONTINUED*

Operating Expenses	2020 Budget	2020 Preliminary	YTD %	Preliminary Variance
Corporate Administration	\$2,377,800	\$2,198,291	92.5%	\$179,509
Oak Bay Tourism	260,000	138,500	53.3%	121,500
Facilities	195,100	160,205	82.1%	34,895
Finance and IT	1,398,400	1,284,662	91.9%	113,738
Policing	5,112,400	4,565,489	89.3%	546,911
Fire Protection	4,706,300	4,839,102	102.8%	(132,802)
Building and Planning	1,098,600	801,680	73.0%	296,920
Engineering Services	1,270,900	1,264,567	99.5%	6,333
Public Works	3,695,500	3,572,088	96.7%	123,412
Parks, Recreation and Culture	13,678,200	10,649,319	77.9%	3,028,881
Library	1,202,400	1,200,414	99.8%	1,986
Sewer Utility	849,300	574,964	67.7%	274,338
Water Utility	3,646,500	3,136,214	86.0%	510,286
Fiscal	75,500	86,385	114.4%	(10,885)
Debt Interest	134,400	134,378	100.-%	23
Contingencies	962,400	10,835	1.1%	951,565
Major Crimes Contingency	725,000	-	0.0%	725,000
Special Projects	1,301,000	215,370	16.6%	1,085,630
Total Operating Expenses	42,689,700	34,832,463	81.6%	7,857,240
Add:				
Transfers from Reserves	14,882,700	5,747,586	38.6%	9,135,114
Deduct:				
Capital Expenditures	(12,105,300)	(5,904,577)	48.8%	(6,200,723)
Transfers to Reserves	(7,493,100)	(10,800,572)	144.1%	3,307,472
Debt Principal	(142,600)	(142,594)	100.0%	(6)
Total	\$-	\$1,266,959		(\$1,266,959)

These preliminary financial results are unaudited. Staff are currently completing all financial transactions to compile the 2020 Financial Statements. Staff estimate that final results may be between +/- \$500,000 to the preliminary results.

APPENDIX B: BASIS OF ACCOUNTING AND BUDGETING

The accounting policies of the District conform to Canadian Generally Accepted Accounting Principles for local governments and the Consolidated Financial Statements are prepared as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants. The District uses various funds to account for its revenues and expenditures. The revenue in each fund may be spent only for the purpose specified in the fund. Each fund belongs to one of five categories: general, parks & recreation, sewer, water, or reserve. General funds are used for general government and protective services. Recreational funds are used for day to day operating of the District's Parks, Recreation and Culture department. Water and Sewer funds are self-financed utilizes, except for a general fund contribution to the sewer fund. Both utility funds are used for operating and capital purposes. Reserve funds accumulate revenue and interest that will be used to pay for major capital expenses in future years.

All funds (general, sewer utility and reserves) are accounted for on the accrual basis. Sources of revenue are recognized when earned. Revenue unearned in the current period is reported on the balance sheet as deferred revenue.

APPENDIX C: FINANCIAL PLAN BYLAW

THE CORPORATION OF THE DISTRICT OF OAK BAY
BYLAW NO. 4792

A Bylaw respecting the financial plan
for the years 2021, 2022, 2023, 2024, AND 2025

The Municipal Council of The Corporation of the District of Oak Bay in open meeting assembled enacts as follows:

1. Schedule "A" attached hereto and forming a part of this Bylaw is hereby adopted as the Financial Plan of The Corporation of the District of Oak Bay for the calendar years of 2021, 2022, 2023, 2024 and 2025.
2. This Bylaw may be cited as the Financial Plan Bylaw 2021 - 2025, No. 4792.

READ a first and second time by the Municipal Council on April 26, 2021

READ a third time by the Municipal Council on April 26, 2021

ADOPTED and FINALLY PASSED by the Municipal Council on May 10, 2021

Mayor

Director of Corporate Services

Revenue	2021	2022	2023	2024	2025
Property Taxes	\$28,469,200	\$30,066,800	\$31,590,200	\$33,176,600	\$34,847,200
Parcel (frontage) Taxes	221,300	231,900	237,700	243,600	249,700
Other Taxes	85,200	90,000	92,300	94,600	97,000
Fees and Charges					
Sales of Service	8,834,500	9,128,200	9,486,900	9,827,900	10,191,500
Other Fees and Charges	1,026,700	1,037,700	1,037,900	1,038,900	1,039,500
User Fees	6,420,400	9,722,900	11,023,000	11,245,500	11,472,700
Interest	1,016,900	1,127,300	1,189,600	1,252,300	1,315,300
Grants and Other Governments	7,464,700	3,936,800	8,975,300	9,012,400	1,473,900
Other	431,100	260,400	263,700	267,200	270,700
Total Revenue	53,970,000	55,602,000	63,896,600	66,159,000	60,957,500
Expenses					
General Municipal	26,184,500	28,061,100	28,928,200	29,578,800	30,175,100
Protective Services	12,886,600	12,870,500	12,993,000	13,218,600	13,464,200
Water	3,829,700	3,905,800	4,032,000	4,137,700	4,264,500
Sewer	3,708,700	3,804,300	3,902,700	4,004,000	4,108,500
Debt Interest	134,400	134,400	134,400	-	125,000
Total Expenses	46,743,900	48,776,100	49,990,300	50,939,100	52,137,300
Accounting Surplus	7,226,100	6,825,900	13,906,300	15,219,900	8,820,200
Add:					
Transfer from Reserve Funds					
Capital Works	5,077,100	5,807,600	8,998,800	2,752,300	2,530,700
Climate Action	121,000	15,000	-	-	-
Fire Equipment	3,626,000	133,200	50,000	166,600	88,300
General Surplus	3,964,700	1,733,300	598,700	407,300	210,800
Infrastructure Renewal	3,835,600	3,941,400	5,362,700	4,341,500	4,582,700
Machinery and Equipment	1,833,300	605,000	312,000	210,000	405,000
Major Crimes	805,000	885,000	965,000	1,045,000	1,125,000
Tod House Trust	363,000	-	-	-	-
Amortization	2,563,400	2,563,400	2,563,400	2,563,400	2,563,400
Debt proceeds					5,000,000
Deduct					
Capital Expenditure	(21,110,600)	(13,075,200)	(22,352,800)	(15,102,500)	(12,701,700)
Transfers to Reserves					
Capital Works	(2,785,800)	(2,952,100)	(3,118,800)	(3,286,100)	(3,454,100)
Climate Action	(36,100)	(37,200)	(38,300)	(39,400)	(40,600)
Fire Equipment	(380,900)	(392,300)	(404,100)	(416,200)	(428,700)
General Reserve	(39,400)	(40,500)	(41,700)	(43,000)	(44,300)
Infrastructure Renewal	(4,457,700)	(5,394,200)	(6,169,200)	(7,315,300)	(7,992,300)
Machinery and Equipment	(367,500)	(378,500)	(389,900)	(401,600)	(413,600)
Major Crimes	(82,400)	(84,900)	(87,400)	(90,000)	(92,700)
Tod House Trust	(12,200)	(12,300)	(12,100)	(11,900)	(11,700)
Debt Principal	(142,600)	(142,600)	(142,600)	-	(142,400)
Budgetary Surplus					

Schedule "A", Continued**Objectives and Policies regarding:**

- 1. Funding Sources**
- 2. Property Value Tax Distribution**
- 3. Permissive Tax Exemptions**

1. Funding Sources**1.1. Revenue from Property Value Taxes - Objectives and Policies**

The Municipality has a property tax base of which 97.6% of the value is in the Residential class. This concentration of property taxes within the residential calls enhances the dependability as revenue source. Property taxation is a highly dependable and easy to administer revenue source.

Fees and charges, however, may enable ratepayers to exercise choice in consumption, thereby controlling the financial impact of that choice. Such a choice does not exist within the property taxation system.

The objective of Council, therefore, is to achieve a desired balance between utilizing property taxation revenue. This balance considers the benefits of the revenue dependability vs the desire to restrain property taxation growth. Property taxes will be used to balance the budget after first examining the potential for sustainable revenues from other sources.

1.2. Revenue From Parcel Taxes - Objectives and Policies

A parcel tax is a tax levy on land that is not a function of the assessment. Only in limited circumstances is a parcel tax an alternative to a property value-based tax. It can only be applied to properties receiving a particular service and cannot be used for the funding of general services.

The objective of Council with regard to the parcel taxes is to ensure that its use fairly in relation to the benefits conferred by the service it funds.

Council policy to date has been to use the parcel tax only to fund the cost of maintaining boulevards on specific streets that are serviced by the Municipality. The parcel tax is based on frontage.

1.3. Revenue From Fees - Objectives and Policies

Fees and charges account for a significant portion of the District's revenue. The largest component of user fee revenue is generated from the District's recreation programs. The objective of Council is to ensure that recreation user fee revenues cover all the direct program costs at a minimum, and a portion of overhead costs if possible.

The District aims to recover 100% of its solid waste disposal and collection costs through the solid waste fee.

The Municipality also operates a water distribution system. Its objective is to cover the utility costs on with a user fee based on consumption.

The Municipality's sewer system is also operated as a utility. Approximately 70% of the municipal costs are recovered via water consumption based user fee, with the remaining funded through property taxation.

The District also levies a sewer user fee to recover 100% of the Core Area Wastewater operating costs. Debt and capital costs are funded via property taxation.

1.4. Revenue From Other Sources - Objectives and Policies

Revenue in the “Other Sources” class consists primarily grants in lieu of taxes and developer contributions. The use of developer contributions is often specifically prescribed in an agreement or by bylaw. Grants in lieu of taxes are incorporated into revenue forecasts prior to property taxes being considered.

1.5. Proceeds From Borrowing - Objectives and Policies

The objective of Council is to maintain its long term debt servicing costs at a manageable level by replacing infrastructure on an incremental “pay as you go” basis.

Council policy is to limit the creation of long term debt to the financing of large capital projects which cannot efficiently be undertaken on an incremental basis, or where such an approach would not be adequate to meet requirements with respect to public safety, health or senior government regulations.

2. Property Value Tax Distribution

Non-residential properties represent a small proportion of the total tax base. Taxing other classes at a high multiple of the residential rate would be of relatively small benefit. The municipal business tax rate as a multiple of the residential tax rate, therefore, is low relative to most local governments throughout British Columbia. There is no property in the Industry class, and only a small amount in the Recreation class.

The objective of Council is to distribute future property value tax increases equitably among the classes of property after non-market change assessments have been considered.

The policy is to adjust the tax rate ratios each year so that the increase on each property class is equal after non-market change assessments have been removed.

There is one property in the Farm class. The policy is to set the Farm class tax rate to derive the same tax yield as if the property were classified as a residential assessment.

3. Permissive Tax Exemptions

The objective being to distribute the tax burden fairly among properties receiving municipal services, Council makes very little use of its authority to grant permissive tax exemptions.

The policy to date has been to grant permissive exemptions only for land and improvements appurtenant to property already exempted by statute (e.g., churches), portions of municipal land leased or licensed to a non-profit organization providing a service complementary to municipal services, and in one case, an institution of childhood learning not statutorily exempt.

APPENDIX D: 2019 - 2021 CONSOLIDATED BUDGETS AND ACTUALS

Revenue	2019 Actual	2020 Actual	2020 Budget	2021 Budget
Property Value Taxes	\$24,650,807	\$26,525,158	\$26,530,000	\$28,469,200
Boulevard Frontage Taxes	208,215	215,418	215,300	221,300
Grant In Lieu of Taxes	53,198	77,529	53,200	53,300
1% Utility Revenue	228,748	220,371	220,300	221,700
Property Tax Penalties and Interest	198,509	156,913	127,400	167,800
Grants (Operating)	460,910	4,209,323	530,500	3,050,900
Grants (Capital)	1,738,296	936,824	866,700	6,923,700
Developer Contributions	-	-	-	186,000
Investment Income	955,127	834,759	825,000	562,500
Miscellaneous Revenue	68,729	7,239	15,300	15,300
Municipal-Regional District Tax	178,987	66,621	154,000	150,000
Facilities Department Revenue	386,231	401,064	429,900	396,200
Finance Department Revenue	59,833	49,388	53,200	51,700
Building and Planning Department Revenue	712,193	847,502	975,600	907,600
Engineering Department Revenue	43,846	61,338	27,100	27,100
Public Works Department Revenue	1,543,095	1,596,610	1,603,400	1,669,800
Parks, Recreation and Culture Department Revenue	8,912,265	4,797,002	8,921,700	4,750,600
Sewer Utility Fees	1,160,680	1,366,587	1,370,600	1,414,900
Water Utility Fees	4,119,817	4,829,931	4,628,800	4,798,300
Total Revenue	\$45,679,486	\$47,199,576	\$47,548,000	\$54,037,900

APPENDIX D: 2019 - 2021 CONSOLIDATED BUDGETS AND ACTUALS *CONTINUED*

Operating Expenses	2019 Actual	2020 Actual	2020 Budget	2021 Budget
Corporate Administration	\$2,181,005	\$2,198,291	\$2,377,800	\$2,747,800
Oak Bay Tourism	178,987	138,500	260,000	150,000
Facilities	213,400	160,205	195,100	211,100
Finance and IT	1,225,919	1,284,662	1,398,400	1,500,500
Policing	4,815,267	4,565,489	5,112,400	5,475,400
Fire Protection	4,687,642	4,839,102	4,706,300	4,884,500
Building and Planning	986,214	801,680	1,098,600	1,099,800
Engineering Services	1,082,172	1,264,567	1,270,900	1,451,100
Public Works	3,379,588	3,572,088	3,695,500	3,825,600
Parks, Recreation and Culture	12,788,399	10,649,319	13,678,200	12,113,400
Library	1,192,670	1,200,414	1,202,400	1,128,300
Sewer Utility	276,607	574,964	849,300	802,500
Water Utility	2,856,300	3,136,214	3,646,500	3,700,700
Fiscal	71,616	86,385	75,500	91,400
Debt Interest	134,378	134,378	134,400	134,400
Contingencies	-	10,835	962,400	478,200
Major Crimes Contingency	-	-	725,000	805,000
Special Projects	85,124	215,370	1,301,000	1,307,000
Total Operating Expenses	36,155,288	34,832,460	42,689,700	41,926,700
Add:				
Transfers from Reserves	2,628,731	5,747,586	14,882,700	16,936,500
Deduct:				
Capital Expenditures	(3,541,773)	(5,904,577)	(12,105,300)	(21,110,600)
Transfers to Reserves	(7,650,606)	(10,800,572)	(7,493,100)	(7,794,500)
Debt Principal	(142,594)	(142,594)	(142,600)	(142,600)
Total	\$817,957	\$1,266,959		\$-



DISTRICT OF
OAK  BAY