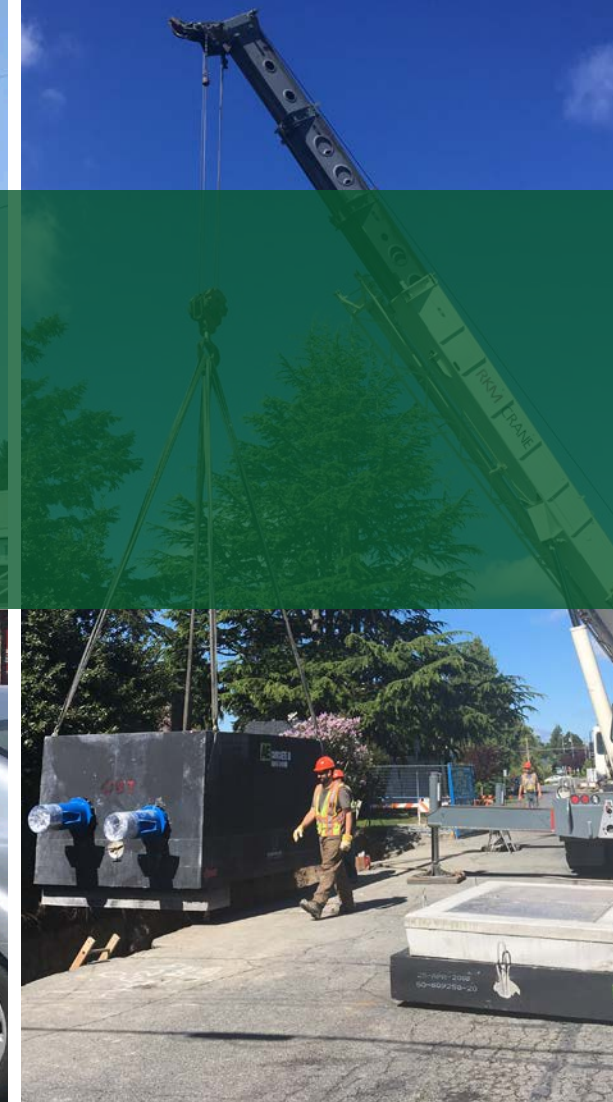


# DISTRICT OF OAK BAY

**DRAFT FINANCIAL PLAN 2019-2023**









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*We acknowledge that the land on which we gather is the Traditional Territory 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*





# SCENTED GARDEN





# INTRODUCTION AND OVERVIEW

Each year, the District adopts a five-year financial plan. Traditionally, the current year of the plan is reviewed in detail and the next four years are refreshed. In 2019, the District of Oak Bay commenced a new process for financial planning that is more integrated with two broader planning documents – the Official Community Plan (OCP) and Council’s new draft Strategic Plan.

The OCP represents the community vision for the future; it is based on the community’s values, aspirations, concerns and desires. The OCP states where the community wants to be in the future. Once that future vision is set, the next step is for Council to create a Strategic Plan.

The draft Strategic Plan outlines the priorities for the short term to support the community vision. It says what we are going to do now to get where we want to be in the future, it directs and unifies all other corporate planning documents and guides decision making for staff, Council and various committees and task forces.

The Financial Plan attaches resources (financial and human) to achieve the priorities outlined in the OCP and Strategic Plan. From there, departmental work plans provide detailed implementation steps and performance measures to monitor progress, which is publicly reported on each year in the Annual Municipal Report.



Oak Bay is predominantly a residential community resulting in a tax base that is primarily residential. The community is largely built out and therefore cannot accommodate any significant new growth to share the cost of services.

The District of Oak Bay is 113 years old and like many older municipalities around the province, our infrastructure is showing its age. The District has commenced asset management plans, which will provide Council with information on the condition of our infrastructure and recommend a sustainable response plan. The need to plan for the replacement of infrastructure is not unique to Oak Bay; it is a recognized and significant issue across Canada. The District is actively pursuing funding assistance from other levels of government to assist with infrastructure replacement.

Coming to grips with competing pressures on our finite resources is foundational in the path forward. Within this context, Council's new Strategic Plan sets out key focus areas and priorities for the municipality which are then resourced within the Financial Plan. This new integrated process will continue to evolve and improve over time, particularly to ensure that the plans are achievable and closely aligned. To assist citizens in understanding and participating in these processes, we created a dedicated Strategic Planning and Budgeting Process web page on the municipal website as a central place to access current information regarding strategic planning and budgeting. We welcome and encourage you to be involved!





## MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

On behalf of Oak Bay staff I am pleased to present the District's draft 2019 – 2023 Financial Plan.

This year, a new format has been introduced for the budget process demonstrating Council's commitment to provide accessible and relevant information to citizens. This draft Financial Plan aims to more strongly align municipal budget and financial information with the vision and goals outlined in the Official Community Plan, and Council's strategic planning priorities. The goal is to align the cost of delivering high quality services with the importance of responsible fiscal stewardship and long-term planning, as both are essential to ensure a sustainable and resilient municipality that offers a highly desirable quality of life.

The 2019 budget includes a specific property tax increase for asset renewal, an introduction of the new provincially imposed Employer Health Tax (see FAQ section), and contractual and inflationary increases in municipal costs. This plan continues to advance asset management to provide a consistent and predictable property tax strategy to cope with the municipality's aging infrastructure. This effort ensures that the burden of infrastructure replacement is not unfairly placed on future generations.

We will continue to enhance the process over the coming years. We appreciate your support and understanding as we work towards this goal of excellence in financial and strategic planning.

I am grateful for the support of Council and staff in the production of this plan and its eventual implementation over the next five years.

Lou Varela  
Chief Administrative Officer





# OAK BAY MUNICIPAL COUNCIL

Oak Bay Council consists of a Mayor and six Councillors who are elected for four-year terms. Members of the current Council were elected in October 2018 and took office in November 2018.

Council is responsible for local government leadership. Responsibilities include establishing priorities and policies and making decisions that reflect the best interests of Oak Bay citizens and the community today and for the future. Each member of Council represents the District of Oak Bay at large. Council members may also serve on both District and Capital Regional District committees, boards and advisory groups where their function is to provide strategic input and direction on District initiatives, establish budget priorities and to provide advice on regional issues.

Council generally meets the second and fourth Monday of each month and sits as Committee of the Whole the third Monday of each month. Both meetings start at 7 pm in Council Chambers unless otherwise noted. Meeting information is available at [www.oakbay.ca](http://www.oakbay.ca).



**Top row left to right:** Councillor Tara Ney, Councillor Andrew Appleton, Councillor Hazel Braithwaite, Councillor Cairine Green

**Bottom row left to right:** Councillor Esther Paterson, Mayor Kevin Murdoch, Councillor Eric Wood Zhelka



# YOUR OAK BAY

Oak Bay is a picturesque seaside community located on the southern tip of Vancouver Island in British Columbia. The municipality occupies 10.53 km<sup>2</sup> (4.07 sq. miles) and is primarily a residential community with a population of approximately 18,000. Recognized as one of the most desirable places to live in the world, its character is defined by village centres, local businesses, mature tree canopy, gardens, shorelines and green space. Oak Bay is one of 13 member municipalities comprising the Capital Regional District and is bounded on two sides by the Salish Sea; the District of Saanich to the north and north-west; and the provincial capital, the City of Victoria, to the west.

The Corporation of the District of Oak Bay was incorporated in 1906.

## OAK BAY COMMUNITY PROFILE

**Incorporated on  
July 2, 1906**

**Average Citizen Age  
49.2 years\***

**Total Population  
18,094\***

**Total Land Area  
10.5 km<sup>2</sup>**

**Roads: 105 km  
Sidewalks: 142 km**

**Total Park Space  
76 Ha**

**Properties included  
on Heritage Register  
102**

**Urban Forest  
over 10,000 trees**

**Total Recreation  
Facilities  
5 & 1 Golf Course**

**Total Business  
Licences 515  
Commercial Licences  
292**

**Total Building Permit  
Revenue  
\$723,773**

**Total Construction  
Value  
\$77.2 Million**

\* Statistics from 2016 Canada Census; District information from 2018



## OAK BAY COMMUNITY SATISFACTION SURVEY

**72%** of residents say they are satisfied with the opportunity to engage with the District of Oak Bay.

**63%** of residents report that future priorities for Oak Bay include walking and biking infrastructure and preservation of heritage houses.

**94%** of residents say they are very or somewhat satisfied with the overall level and quality of municipal services.

### Infrastructure funding:

**61%** of respondents say they would prefer that the District of Oak Bay set aside funds each year to fund future large projects, while **21%** would prefer that the District borrow funds.

Another **8%** would ideally raise taxes to meet demands, while **3%** would prefer some combination of saving, borrowing, and taxation.

**2%** indicate that their preference would depend on the particular project.

### Balancing budgetary requirements with revenue levels:

**30%** of respondents support an increase in taxes in order to maintain current service levels as well as contribute to reserve funds for future projects.

**18%** support an increase in taxes to maintain current service levels, but without the contributions to reserve funds.

**67%** of all respondents would increase taxes in order to maintain or expand service levels, sometimes paired with the ability to contribute to reserve funds.

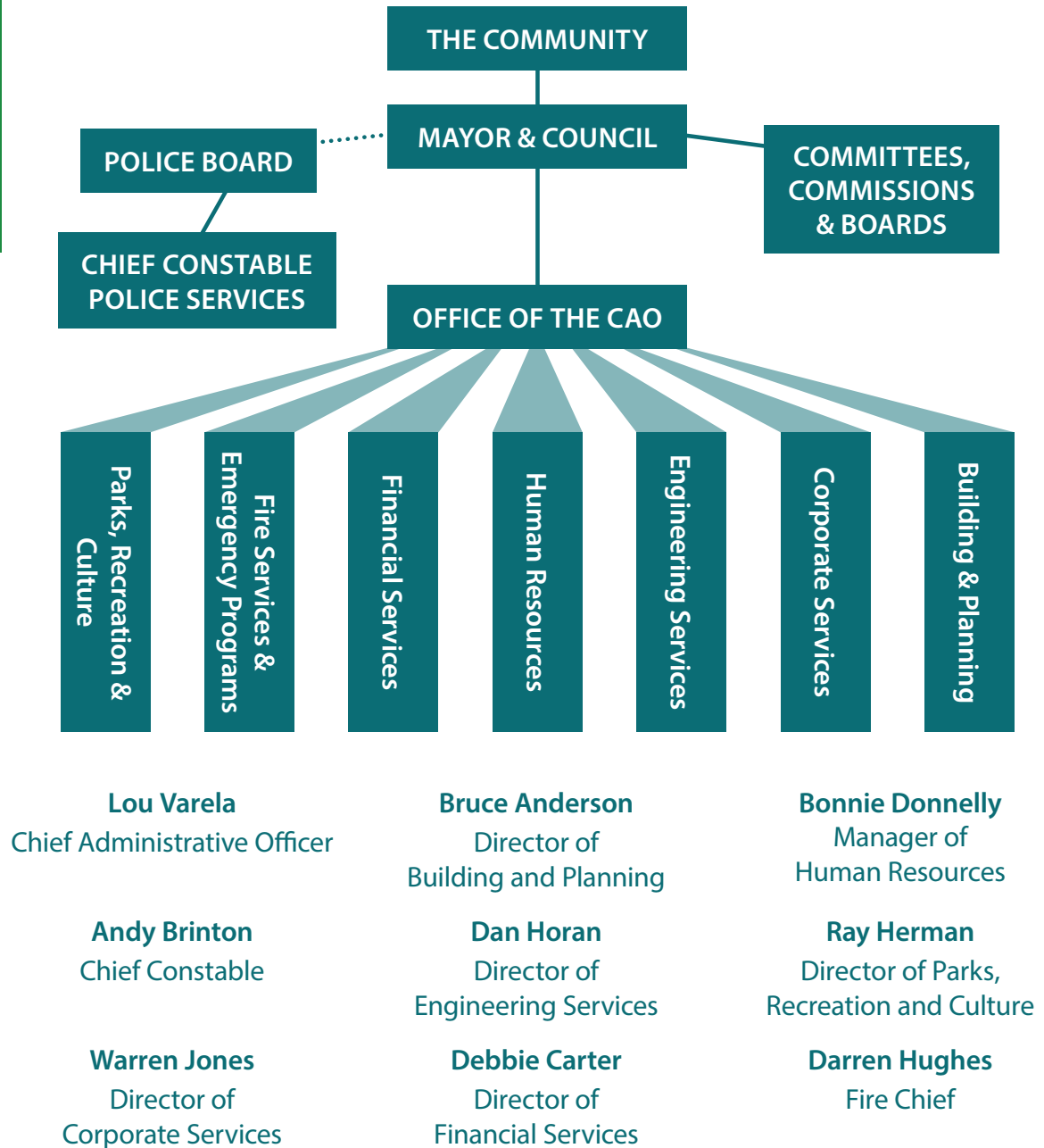
**21%** of respondents would prefer an option where service levels were cut, when considering whether to maintain current tax levels or to decrease them.

**48%** in all select an option that would maintain current service levels through increased taxes, while 19% choose an option that would allow for expanded or enhanced service levels via an increase in taxes.

The District is committed to strengthening its communications and outreach with the community to ensure our citizens continue to help inform Council's decisions. In 2016, the District undertook its first Community Satisfaction Survey to help guide Council's future priorities, corporate plans and budget. This information, along with input from the Citizen Budget and the Budget Open House, served as a baseline for Council's new draft Strategic Plan and proposed 2019 Financial Plan.



# DISTRICT OF OAK BAY ORGANIZATIONAL STRUCTURE







# OFFICIAL COMMUNITY PLAN AND STRATEGIC PLANNING





## OAK BAY OFFICIAL COMMUNITY PLAN VISION STATEMENT

The vision statement is expressed in the present tense, as it represents the community's aspirations for how Oak Bay will be described in the future.

*Oak Bay is a vibrant and safe community located in a spectacular natural setting. Residents are passionate and proud of the many qualities that make Oak Bay one-of-a-kind. These include its sense of community, streetscapes, village charm, residential character, natural coastal environment, parks, recreation facilities and opportunities, enviable quality of life, vibrant arts and culture scene, high quality education opportunities, heritage values, mixed architectural styles, and well-conserved historic architecture.*

*Oak Bay is a dynamic community that respects and enhances the existing community structure and core characteristics that make it distinct from adjacent communities, while supporting the changes necessary to meet current and future needs. These features are central to Oak Bay's resilience and sustainability; protecting the best of what we have and adapting to embrace the future.*

*Oak Bay is a community that values and supports diversity in its population. It offers a broad range of residential, social, and cultural opportunities as well as commercial activities for its residents, and strives to be economically, environmentally and socially sustainable in its practices. Oak Bay's residents are active contributors in local decision-making, working collaboratively with municipal Council and staff to ensure that Oak Bay will continue to thrive for years to come.*



## Official Community Plan Goals

**Climate Change and Energy** – Work towards climate change mitigation and adaptation to address the diverse impacts of climate change, including water and energy conservation, reduction of greenhouse gases, and effective management of environmental resources, land and infrastructure.

**Natural Environment** – Protect and enhance the natural features that make the community environmentally and socially healthy and resilient, including the terrestrial and marine ecosystems, foreshore habitats, creeks, and tree canopy.

**Neighbourhoods** – Sustain the characteristics of Oak Bay’s neighbourhoods that contribute to a sense of place and attachment to the community.

**Built Environment** – Conserve the community’s architectural, streetscape and garden heritage while also embracing creative new design approaches that complement the community’s character and reflect changing needs.

**Housing** – Encourage and support the development of diverse and inclusive housing options that accommodate residents of all ages, incomes, and family situations, including those with special needs.

**Business and Commerce** – Support the improvement of Oak Bay’s economy through strategic opportunities that enhance the villages and other commercial centres and encourage new businesses to establish and flourish.

**Heritage** – Maintain, conserve and enhance Oak Bay’s built heritage to retain and renew this legacy for future generations.

**Community and Social Well-being** – Encourage and support community and social facilities and services that benefit residents of all ages and needs, foster interaction across generations and cultures, and strengthen community networks and services in recreation, education, and health and well-being.

**Arts and Culture** – Encourage and support arts and culture in Oak Bay for the benefit of residents, tourists, and economic development.

**Parks and Open Space** – Maintain and enhance parks and open space, including trails and walkways, and provide opportunities for residents to enjoy the natural beauty of the municipality and to pursue active and healthy outdoor lifestyles.

**Transportation** – Offer a diverse range of transportation options, and encourage and establish infrastructure for active modes of transportation to enhance safety, mobility, connectivity and access within Oak Bay and to surrounding communities.



# STRATEGIC PLANNING

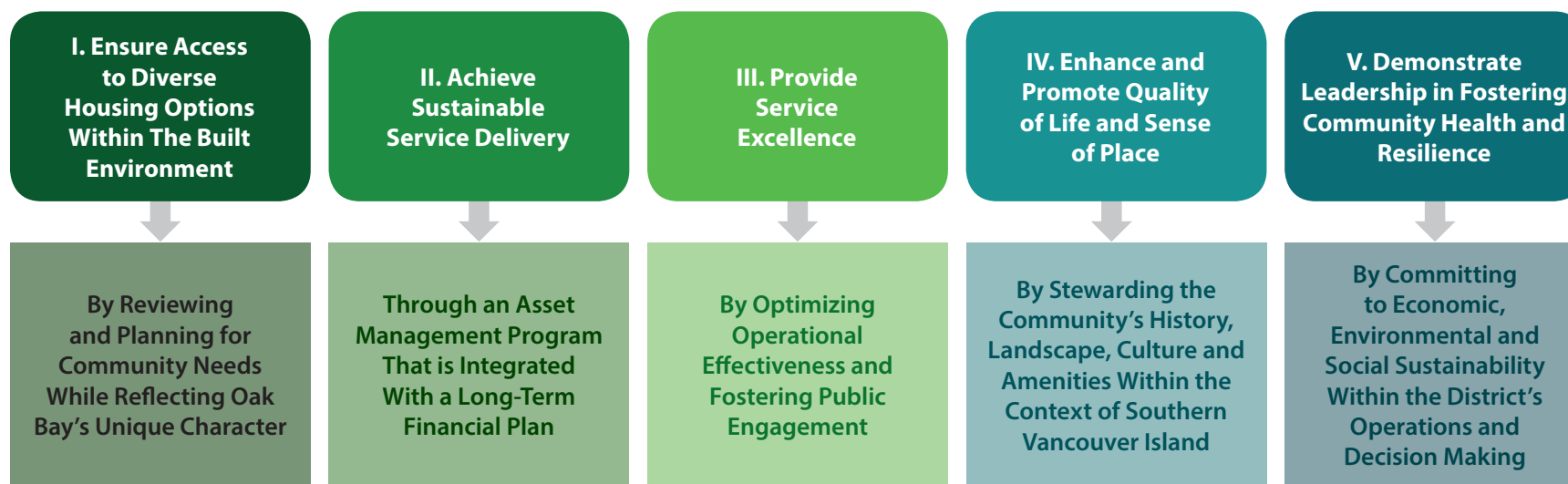
## COUNCIL STRATEGIC PRIORITIES

(Draft)





## STRATEGIC PRIORITIES & CORPORATE GOALS



### Alignment of Strategic Priorities with Corporate Goals

<ul style="list-style-type: none"> <li>• Neighbourhoods</li> <li>• Built Environment</li> <li>• Housing</li> </ul>	<ul style="list-style-type: none"> <li>• Transportation</li> <li>• Utilities and Services</li> <li>▶ Facilities Management</li> </ul>	<ul style="list-style-type: none"> <li>▶ Systems, Processes and Practices</li> <li>▶ Plans, Bylaws and Policies</li> <li>▶ OCP Monitoring and Implementation</li> <li>▶ Public Engagement and Communications Plan</li> <li>▶ Public Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Heritage</li> <li>• Arts and Culture</li> <li>• Emergency Management</li> <li>• Community Institutional and Social Well-Being</li> <li>• Business and Commerce</li> <li>▶ Youth</li> <li>▶ Relationship Building with the Lekwungen Peoples (Esquimalt and Songhees Nations)</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change and Energy</li> <li>• Natural Environment</li> <li>• Parks and Open Spaces</li> </ul>
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**Legend**

- = OCP goal
- ▶ = Corporate goal

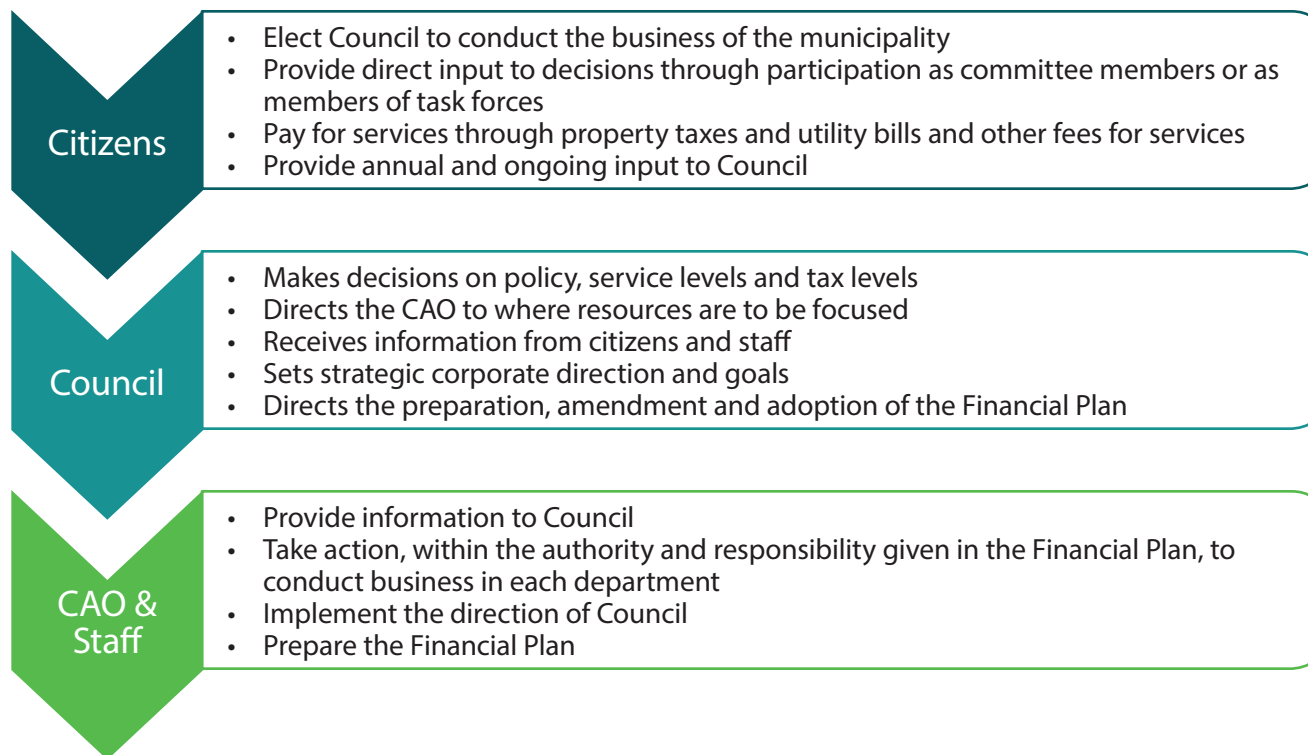


# FINANCIAL PLANNING

## THE FINANCIAL PLANNING PROCESS

Each year, the District adopts a five-year Financial Plan; the first year of which is the detailed budget. The Financial Plan underpins everything the District does – it allocates the resources necessary to carry out the work of staff, which has been carefully planned to support the implementation of Council’s strategic priorities as determined (and reviewed annually) in their Strategic Plan. Council commenced their current (draft) Strategic Plan in December 2018.

### Roles and Responsibilities in the Financial Process





## THE 2019-2023 FINANCIAL PLAN – WHAT YOU NEED TO KNOW

- The main sources of revenue (income) for the District of Oak Bay are property taxes and user fees.
- In determining annual property tax rates, Council must consider how much money is needed to deliver services that will meet the community's needs, along with how much is needed to fund capital projects and what should be set aside for long-term maintenance, renewal and expansion of infrastructure. The discussion about tax rates will take place in April after the Assessment Roll is completed. The Assessment Roll is the final listing of all properties in the District of Oak Bay, and their values, as determined by BC Assessment.
- Council's direction is to focus on its key strategic priorities – the priorities and the details of this direction are contained in this document.



## JOIN THE CONVERSATION

Citizen engagement is a key Council priority. Council wants to hear what you think about the draft Strategic Plan and draft Financial Plan, and how they plan to spend local tax dollars for your community. Budget discussions began in January 2019, appearing as an agenda item at several Council meetings. Like any financial decision, these meetings are open to the public and citizen input is sought during the discussion. Citizen Budget 2019, the online budget simulator tool was offered from the District's website for the second year with increased public participation. This feedback is incorporated in the budget planning process. We continue to encourage you to get involved, ask questions and let us know your thoughts. Community feedback helps us to improve so we encourage broad public participation so we can receive diverse opinions.

### Opportunities for involvement:

- Send feedback to Council directly by email to [obcouncil@oakbay.ca](mailto:obcouncil@oakbay.ca)

All input received through this process will be presented to Council for consideration as they work to finalize the 2019-2023 Financial Plan by the statutory date of May 15, 2019.

- Attend a Council meeting

The Regular Council meetings are on the second and fourth Monday each month at 7:00 p.m. Council may also schedule additional meetings to discuss the Financial Plan. Check [www.oakbay.ca](http://www.oakbay.ca) for a full meeting schedule, or call Municipal Hall at 250-598-3311 to find out about any additional meetings.

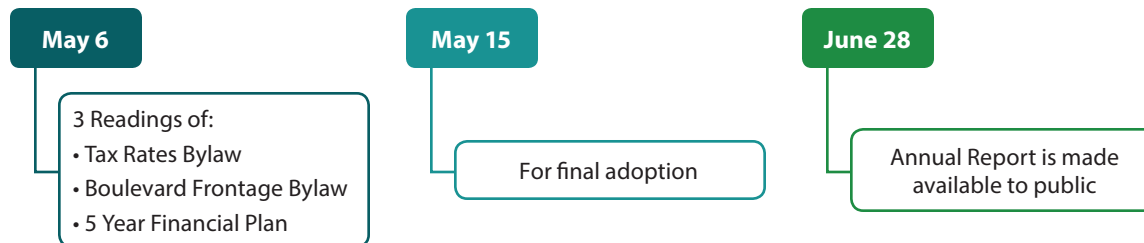
## The Process to Date...



## Next Steps



## Deadlines





## Some Frequently Asked Questions

### How do you fund the budget?

Oak Bay, like other Canadian cities, provides a broad range of services, and we fund them from a limited revenue stream with only three main sources:

- Property taxes;
- Utility fees; and
- User fees (such as parking meter fees; dog and business licences; parking and building permits; recreation programs including pools, rinks, and fitness centres).

Approximately half of our operating revenues come from property taxes paid by residents and businesses. Almost one quarter comes from fees and other revenues, with the remainder from utilities.

### How is the budget created?

The annual budget is not just about revenues and expenditures. It reflects what Council, businesses, residents, and the community value. It's a year-round process:

The current budget cycle:

- September to December: Draft budget prepared by Departments
- December to February: Strategic priority sessions with Council
- March-April: The Budget is revised, introduced and reviewed
- May 15: The statutory deadline for budget and tax rate bylaw approval

The future years budget cycle:

- June: The budget guideline for the next year's plan is developed
- September to November: The user fee review is completed
- September to November: The Twenty-Five Year Capital Plan is drafted and updated
- November to January: The Budget Proposal is prepared
- February to April: The Budget Proposal is introduced and reviewed
- May 15: The statutory deadline for budget and tax rate bylaws approval

### Can the District of Oak Bay incur debt?

Municipal governments are required by provincial legislation to balance their budgets. While a municipality can incur debt to pay for large capital acquisitions, it cannot incur a deficit to fund day-to-day operations the same way senior levels of government can.

### What is the Employer Health Tax?

A new impact on finances for many employers in 2019, including the District of Oak Bay, is the provincial government's imposed Employer Health Tax initiative. This provincial program eliminates the Medical Services Plan (MSP) premiums for all British Columbians and is offset through an annual tax on remuneration paid to employees. The tax applies to all employers whose payroll exceeds \$500,000 annually.

# POLICY AND PRINCIPLES

## GOVERNING POLICY AND REGULATORY REQUIREMENTS

Section 165 of the *Community Charter* (CC) requires municipalities to prepare an annual five-year Financial Plan. The plan must be adopted by bylaw prior to the adoption of the annual property tax bylaw. Section 166 of the CC requires that a public consultation process be undertaken prior to the adoption of the financial plan bylaw.

Section 6 of the CC (Financial Management) contains legislative requirements that the municipality outline objectives and policies in relation to the following:

- For each of the funding sources, the proportion of revenue that is proposed to come from that funding source.
- The distribution of property taxes among the property classes that may be subjected to taxes.
- The use of permissive tax exemptions.
- The total of the proposed expenditures and transfers to other funds for a year must not exceed the total of proposed funding sources and transfers from other funds for the year (no deficit).

## OAK BAY SPECIFIC POLICIES

In Oak Bay, approximately 98% of the property tax base value is in the residential class. This high residential value is spread over many properties as opposed to being concentrated in a single industry or sector. The high proportion of total revenue from residential property tax means that actual tax revenues for the year are predictable and are expected to be achieved in the year (low risk of shortfall).

Council uses the property tax levy to balance the expenditure side of the budget each year after examining the potential for sustainable revenues from all other sources.

Council policy has been to use parcel taxes only to cover part of the cost of maintaining boulevards on a limited number of streets where this service is provided by the municipality. With the value of the service directly related to the amount of boulevard to be maintained, the parcel tax is based on frontage. There is an option to use parcel taxes for other purposes, such as water and sewer capital.

Fee charges for specific services form a large part of the municipal revenue stream, adding approximately another 50% to the amount raised by the property tax levy. The largest component of user fee revenue is from the municipality's recreation programs. The objective of Council is to ensure that recreation user fee revenues cover the direct program costs and maximize the coverage of fixed overhead costs. Council policy is to review recreation user fees not less than annually, against the backdrop of the regional market.

Much smaller than recreation fee revenue, but still significant in terms of the property tax increase that would be required to replace it, is the solid waste collection and disposal charge, which is a fixed amount for each collection unit (e.g., a dwelling unit or small business) served by municipal crews. Council policy is 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 fiscal objective is to cover the associated costs on a user-pay basis, and



the policy is to set water consumption rates and connection fees at a level which achieves this goal without any requirement for subsidization from property taxes.

The municipality's sewer system has traditionally been funded through property taxes, with minor contributions from connection fees. With large capital costs forthcoming in order to comply with the Capital Regional District's Core Area Liquid Waste Management Plan along with the Provincial Municipal Sewage Regulation, however, Council has set an objective of funding a greater portion of sewer utility costs from user fees. With household water consumption closely tied to capacity requirements in the sewer system, Council, by policy, determined to raise 70% of its sewer utility costs from a water consumption-based user fee.

Revenue in the "Other Sources" class consists primarily of appropriations from internal municipal reserve funds. The proportion of total revenue from this source will vary significantly from one year to the next.

The principal objective with the use of reserve funds has been to finance capital asset depreciation and avoid the use of these funds to offset ongoing operating costs, the rationale being that the latter would not be sustainable in the long term and would eventually require a property value-based tax spike.

Current Council policy uses reserve funds to finance capital works, which primarily are not undertaken by municipal crews, and therefore may increase or decrease in amount without affecting the permanent workforce.

Past Councils established an objective to maintain its long-term debt servicing costs at a manageable level by replacing infrastructure on an incremental "pay as you go" basis.







At present, Council policy limits long-term debt to the financing of large capital projects which cannot efficiently be completed 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.

With non-residential properties representing a very small proportion of the total tax base, taxing other classes at a high multiple of the residential rate would be of relatively small benefit to the homeowner, while imposing a disproportionate burden on business property owners and their commercial tenants. The municipal business tax rate as a multiple of the residential tax rate, therefore, is very low compared to most local governments in British Columbia. There is no property in the industry class, and only a small amount in the recreation class.

Past Councils aimed to distribute future property value tax increases equitably among the three main classes of property within the municipality. The policy adjusts the tax rate ratios each year so that the increase on the average individual property is approximately the same for each of the main classes.

As the objective is 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 grants 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.



## RESERVES

There are two types of reserve funds held by the District of Oak Bay; Statutory Reserve Funds and Non-Statutory Reserve Funds. The statutory reserves have been created through bylaws, in accordance with the provincial legislation that governs municipalities. The non-statutory reserves have been created in order to manage the municipality's finances, ensuring that appropriate amounts are being set aside for known future requirements. These would include for example, funds held in trust for specific purposes (restricted funds), and projects that have been approved by Council and not yet completed and therefore, the funds need to be carried forward for future years.

### Statutory Reserve Funds

**Heritage Reserve Fund** (Balance @ December 31, 2018: \$2,178,532)

The principal of the Heritage Reserve Fund represents the net profit from the municipality's development of the Wessex Close subdivision in 1980-81.

Beyond 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 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."



### **Land Sale Reserve Fund**

(Balance @ December 31, 2018: \$37,378)

Established pursuant to the statutory requirement that all proceeds from the sale of municipal land be placed in a special fund. There are no bylaw restrictions on the use of monies in the Fund beyond the statutory requirement limiting appropriations to the funding of capital projects.

In the past, monies in the Land Sale Reserve Fund funded the municipality's own projects. For example, money from the Fund was loaned to the Parks and Recreation Commission, which, in turn, was included the repayment of interest and principal in its operating budget over the term of the loan. In 2016, the District purchased 1538 Monterey Avenue for \$1,702,133.

### **Capital Works Reserve Fund**

(Balance @ December 31, 2018: \$21,241,568)

Established by bylaw in 1993, the primary purpose of the Fund is to finance major repairs to or replacement of physical assets without the need for spikes in the tax rate, interruption of the underground infrastructure renewal program, layoffs, or a combination of all three.

The Capital Works Reserve Fund is segregated into several sub-accounts, which are directed for specific purposes. Included in these sub-accounts is \$9.4 million that was set aside over the years for the Uplands sewer separation project. Of this amount, approximately \$6.8 million is from gas tax money.

There are several specifically budgeted annual transfers to the Fund in the municipal operating budget. The equity in the Fund was built up from general revenue surplus, plus interest earned over the years.

### **Village Parking Reserve Fund**

(Balance @ December 31, 2018: \$929,921)

Under the Parking Facilities Bylaw, developers in many situations have the option of paying cash in lieu of providing the required number of off-street parking spaces.

Monies paid pursuant to the Parking Facilities Bylaw must be credited to a Statutory Reserve Fund, and originally could only be used for the provision of off-street parking. Provincial legislation now allows these funds to be transferred to the Alternative Transportation Infrastructure Reserve Fund.

### **Alternative Transportation Infrastructure Reserve Fund**

(Balance @ December 31, 2018: \$14,197)

Established in 2008 for the provision of transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation. To date, this Fund offsets the cost of installing bus shelters.

### **Park Land Acquisition Reserve Fund**

(Balance @ December 31, 2018: \$463,757)

Under 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. Such payments must be credited to a Statutory Reserve Fund.

At present, such funds may only be used for the purpose of acquiring new park lands, although from time to time there has been talk of amending the *Act* to broaden the allowable uses to include the upgrading of existing parks.



### **Fire Machinery and Equipment Fund**

(Balance @ December 31, 2018: \$1,289,037)

Established to fund the replacement of existing vehicles and equipment (i.e., it would not be used to augment the existing fleet).

Except for a transfer from general revenue surplus which occurred in 2000, this Fund is being built up through annual contributions from the operating budget.

### **Machinery and Equipment Fund**

(Balance @ December 31, 2018: \$2,233,674)

Established to provide for the systematic replacement of vehicles in the Equipment Pool without the need for tax spikes from one year to the next.

The Fund is built up through year-end transfers of the net earnings on the entire fleet (i.e., the total of all Equipment Pool charges minus the vehicle operating and maintenance costs. The latter includes the wages of full-time mechanics.)

## **Non-Statutory Reserve Funds**

### **Tod House Trust**

(Balance @ December 31, 2018: \$236,980)

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.

### **Legacy Trust**

(Balance @ December 31, 2018: \$372,485)

The Legacy Trust consists of various bequests to the municipality for specific purposes (e.g., improvements to the Seniors’ Activity portion of the Monterey Centre).

### **Third Party Liability Reserve**

(Balance @ December 31, 2018: \$375,000)

This is an insurance reserve created in recognition of the high deductible amount per occurrence under the Municipal Insurance Association (MIA) policy, and in consideration of the exposure that arises through the exclusions contained within the policy.

### **Bike Lanes**

(Balance @ December 31, 2018: \$152,527)

Bike lane money budgeted in previous years but not spent is set aside in this reserve for future use.

### **Major Crime Investigations**

(Balance @ December 31, 2018: \$185,895)

In 2012 we began to reserve funds by way of an annual transfer from the Police Department budget into this reserve in case of old crimes that may be reopened.

### **Legal Cost Reserves**

(Balance @ December 31, 2018: \$190,000)

There are two legal reserve accounts; police (\$40,000) and general (\$150,000). The money in these two reserves is set aside for any unexpected legal costs which may occur. The municipality’s annual legal budget is small, and this reserve was set up to offset any significant one-time costs that may be incurred.



### **Climate Action**

(Balance @ December 31, 2018: \$121,165)

This reserve was set up to meet the requirements of the Climate Action Revenue Incentive Program, whereby we are setting money aside for future projects rather than purchasing carbon offsets.

### **General Government Projects**

(Balance @ December 31, 2018: \$291,781)

Funds were set aside for various studies and projects which will be required in the near future. Examples include continuing reviews of facilities, election expenses, housing strategy, replacement of budget software, asset management and replacement of the Public Works Yard fencing.

### **Fire Retirement Reserve**

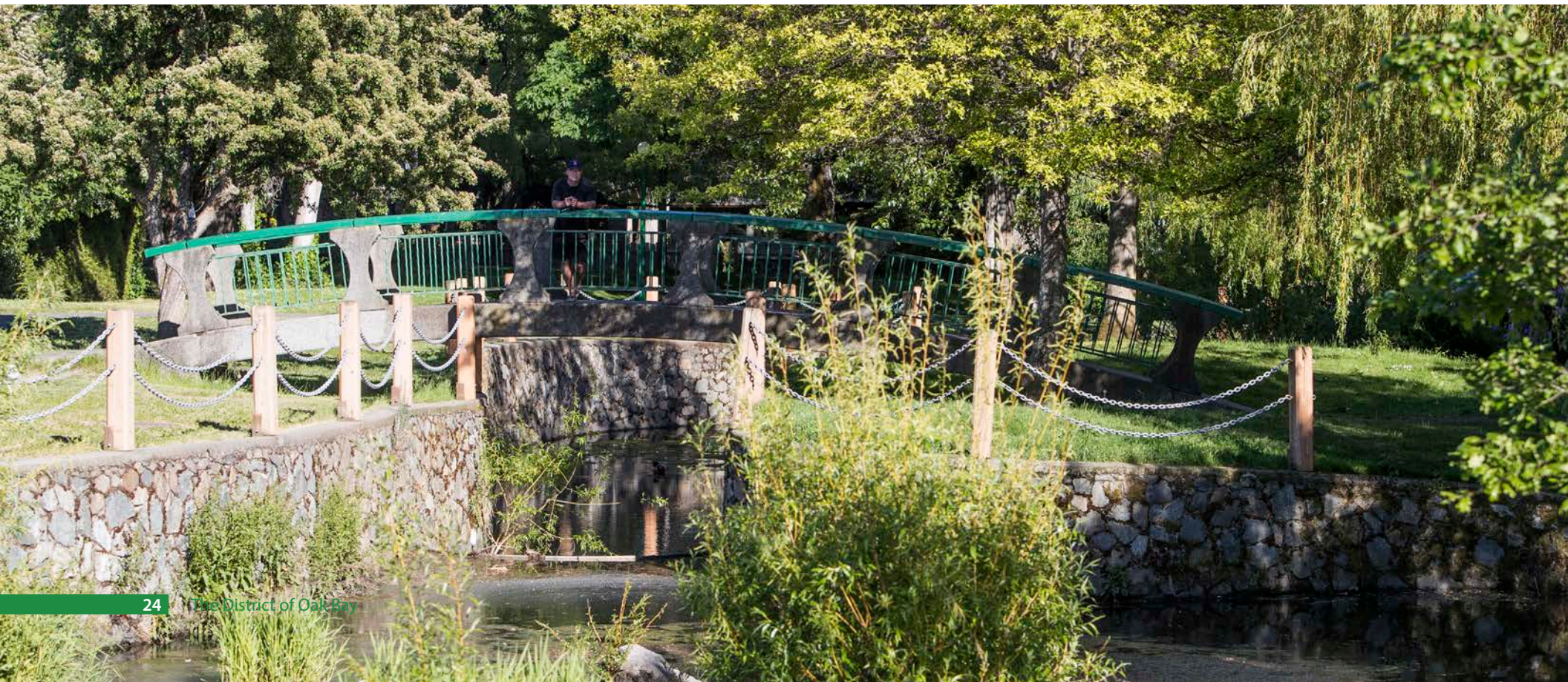
(Balance @ December 31, 2018: \$118,218)

This reserve is built up through regular annual contributions in the Fire Department operating budget. It covers retirement costs which arise out of the retirement pay provisions of the collective agreement with the International Association of Fire Fighters.

### **Police Retirement Reserve**

(Balance @ December 31, 2018: \$76,664)

This reserve funds the payment of retirement costs but it is not at the same level as the corresponding Fire Department reserve because Police Department retirement costs calculations occurred largely on a pay-as-you-go basis, and we are now building it up with annual transfers.





# BUDGET PROCESS AND PLANNING

Text





# FINANCIAL PLAN CONSIDERATIONS

**A sustainable community is one that is economically, environmentally, and socially healthy and resilient.** It meets challenges through integrated solutions rather than through fragmented approaches that meet one of those goals at the expense of the others. And it takes a long-term perspective—one that's focused on the present and future, well beyond the next budget or election cycle. As a result, a sustainable community manages its human, natural, and financial resources to meet current needs while ensuring that adequate resources are equitably available for future generations. It seeks a better quality of life for the whole community without compromising the well-being of other communities.

*Extracted from the President's Council on Sustainable Development, ISC's Elements of a Sustainable Community, Sustainable Communities Task Force Report 1997*

## FINANCIAL PLAN CONSIDERATIONS

The preparation of the 2019-2023 Financial Plan considers the following financial planning issues:

1. **Inflation:** The inflationary pressures faced by local government are different than those that compile a Consumer Price Index, which considers inflation pressure on household goods such as food, shelter, transportation etc.
2. **Wage and Benefit Costs:** The new Provincial Employer Health Tax imposes an increase of 1.95% on wages and some benefits. The municipal, police and fire wages include contractual wage increases which are reflected in this budget.
3. **Capacity:** In addition to the taxpayer ability to fund projects, there is also an organizational human resource capacity to take into consideration. In small organizations, staff often perform multiple duties and organizational change can put significant pressure on individuals and groups of workers. During the process of project selection, consideration must be given to the ability of people to maintain appropriate levels of a work-life balance and therefore achieve the highest levels of productivity for the organization.
4. **Service Levels:** Increased communications and engagement (Council direction) are included in this financial plan process and other organizational processes during the year.
5. **Sustainable Infrastructure Investment:** Council has directed that a 2% property tax increase be included for asset renewal and additional 1% be directed toward pavements.



6. Change in direction: Council has directed that financial and strategic planning be better aligned and the process for this change started with meetings in December 2018. The production of this Financial Plan is a work in progress towards the alignment of financial and strategic plans. It is a framework, which will be built on in the next year, and should include service plans and longer term financial and asset management plans.

**Budget Estimate Discussions:**

Council has directed that all projects be included for consideration in the 2019 budget estimate discussions. Taxpayer ability to pay and organizational capacity to complete the projects will be part of the budget estimate meetings in April. The first submission of this budget therefore includes all projects for consideration. Council will discuss and decide which projects are to be funded in 2019. The significant cost drivers are summarized as follows:

<b>Operating Expenses increase</b>	<b>640,000</b>	<b>2.7%</b>
<b>Provincial Health Tax</b>	<b>360,000</b>	<b>1.5%</b>
<b>Reserves Increase</b>	<b>480,000</b>	<b>2.0%</b>
<b>Strategic Capital from Taxes</b>	<b>730,000</b>	<b>3.0%</b>
		<b>9.2%</b>
<b>Estimated non market growth</b>		<b>0.7%</b>
<b>Net</b>		<b>8.5%</b>



## General Fund Summary

District of Oak Bay	2019 General Fund Budget Estimates				
	2018 Budget (restated)	2018 Projected	2019 Budget	2018 to 2019 Change %	
<b>Operating Revenues</b>					
Taxation	24,231,900	24,236,451	26,481,700	2,249,800	9.3%
Sales of Services	9,842,100	10,361,826	10,180,200	338,100	3.4%
Other Revenue	2,082,300	2,258,901	2,094,100	11,800	0.6%
Grants	1,502,100	1,546,370	830,700	(671,400)	-44.7%
	<u>37,658,400</u>	<u>38,403,548</u>	<u>39,586,700</u>	<u>1,928,300</u>	5.1%
<b>Operating Expenses</b>					
General Government Services	3,547,100	3,266,476	3,980,600	433,500	12.2%
Protective Services	10,678,800	10,165,470	10,878,300	199,500	1.9%
Transportation Services	4,567,200	4,158,822	4,696,400	129,200	2.8%
Recreation and Cultural Services	14,144,500	13,913,142	14,718,500	574,000	4.1%
Total Operating Expenses	<u>32,937,600</u>	<u>31,503,910</u>	<u>34,273,800</u>	<u>1,336,200</u>	4.1%
<b>Net from Operations</b>	4,720,800	6,899,638	- 5,312,900	592,100	12.5%
<b>Add</b>					
Equity for Amortization	2,000,000		2,000,000	-	0.0%
Reserves Used for Capital	3,230,900	1,915,231	3,374,900	144,000	4.5%
<b>Deduct</b>					
Capital Expenses	4,899,400	2,731,145	5,377,800	478,400	9.8%
Amortization Expense	2,000,000	-	2,000,000	-	0.0%
Transfer to Reserves	2,722,600	2,635,479	2,957,100	234,500	8.6%
Debt Servicing	329,700	335,707	352,900	23,200	7.0%
<b>Total Budget for the Year</b>	<u>-</u>	<u>3,112,538</u>	<u>-</u>	<u>-</u>	
<b>Operating Expenses increase</b>	<b>640,000</b>	<b>2.7%</b>			
<b>Provincial Health Tax</b>	<b>360,000</b>	<b>1.5%</b>			
<b>Reserves Increase</b>	<b>480,000</b>	<b>2.0%</b>			
<b>Strategic Capital from Taxes</b>	<b>730,000</b>	<b>3.0%</b>			
		<b>9.2%</b>			
<b>Estimated non market growth</b>		<b>0.7%</b>			
<b>Net</b>		<b>8.5%</b>			



## Operating Expenses– Administration and Finance

District of Oak Bay		2019 Budget Estimates				
		2018	2018	2019	Change	
Operating Expenses		Budget (restated)	Projected	Budget	\$\$	%
<b>General Government</b>						
Legislative		132,800	119,196	149,100	16,300	12.3%
Administration						
Administration and Finance		1,733,700	1,531,120	1,794,900	61,200	3.5%
Risk Management		201,000	180,367	203,300	2,300	1.1%
Grants		212,500	197,294	261,800	49,300	23.2%
Other		120,100	89,229	115,000	(5,100)	-4.2%
Elections		40,000	75,556	10,000	(30,000)	-75.0%
Technology		361,500	336,477	429,100	67,600	18.7%
Facilities		67,900	52,901	65,600	(2,300)	-3.4%
Tourism		238,000	120,491	217,000	(21,000)	-8.8%
Special events		117,400	117,386	131,900	14,500	12.4%
Contingency		199,200	344,158	205,000	5,800	2.9%
Projects and Initiatives		123,000	102,301	397,900	274,900	223.5%
		3,547,100	3,266,476	3,980,600	433,500	12.2%
<b>Projects, Strategic Initiatives</b>						
Public Engagement						
Financial and Strategic Plan Refresh						
Marina Plan Review						
Procurement Review						
Records Management						
Website						

## Operating Expenses – Protective and Planning Services

District of Oak Bay		2019 Budget Estimates				
		2018	2018	2019	Change	
Operating Expenses		Budget (restated)	Projected	Budget	\$	%
<b>Protective Services</b>						
Police Service						
	Board	16,000	3,422	12,000	(4,000)	-25.0%
	Administration	573,800	536,094	580,600	6,800	1.2%
	Protective Services	4,005,000	3,493,617	4,012,700	7,700	0.2%
	Community Program	18,500	21,417	18,500	-	0.0%
	Training	27,500	17,450	27,500	-	0.0%
	Facilities	59,800	52,557	61,300	1,500	2.5%
	Vehicles	102,100	98,975	99,400	(2,700)	-2.6%
	Integrated Services	113,000	115,322	138,400	25,400	22.5%
Fire Rescue						
	Administration	924,500	928,264	955,000	30,500	3.3%
	Fire Fighting Force	3,130,100	3,435,448	3,204,200	74,100	2.4%
	Fire Alarms	59,200	54,029	60,500	1,300	2.2%
	Prevention and Education	2,000	1,394	2,000	-	0.0%
	First Responder	6,500	6,579	7,000	500	7.7%
	Training	50,100	44,794	50,100	-	0.0%
	Facilities	33,400	32,288	35,500	2,100	6.3%
	Equipment	289,000	307,262	297,700	8,700	3.0%
	Emergency Services	134,900	130,595	134,600	(300)	-0.2%
	Planning and Building	901,200	722,378	878,100	(23,100)	-2.6%
	Animal and Pest Control	122,200	115,475	151,800	29,600	24.2%
	Projects and Initiatives	110,000	48,110	151,400	41,400	37.6%
		10,678,800	10,165,470	10,878,300	199,500	1.9%
<b>Projects, Strategic Initiatives</b>						
Housing Needs Review						
Sea Level rise						
Secondary Suites						



## Operating Expenses – Transportation

District of Oak Bay		2019 Budget Estimates				
		2018	2018	2019	Change	
Operating Expenses		Budget (restated)	Projected	Budget	\$\$	%
<b>Transportation Services</b>						
Engineering		1,015,400	1,004,541	1,040,200	24,800	2.4%
Public Works						
Yard		194,700	161,100	200,200	5,500	2.8%
Safety Program		25,800	27,801	25,600	(200)	-0.8%
Stores		117,100	107,982	121,600	4,500	3.8%
Roads		438,800	379,684	436,100	(2,700)	-0.6%
Sidewalks		75,000	75,279	100,000	25,000	33.3%
Storm Sewers		374,300	353,235	401,900	27,600	7.4%
Street Cleaning		109,500	94,788	108,700	(800)	-0.7%
Leaf Pickup		209,100	206,827	212,600	3,500	1.7%
Snow removal		82,500	37,036	82,700	200	0.2%
Noxious Weeds		14,700	1,913	14,600	(100)	-0.7%
Driveways		8,900	8,500	8,500	(400)	-4.5%
Street Lighting		271,300	179,620	270,500	(800)	-0.3%
Signs and Signals		198,500	197,096	196,500	(2,000)	-1.0%
Village Parking		49,700	48,764	55,000	5,300	10.7%
Garbage Collection and Disposal		954,800	922,029	961,700	6,900	0.7%
Garden Waste Program		268,000	226,641	282,000	14,000	5.2%
Recycle Depot		104,800	79,876	112,000	7,200	6.9%
Beach Clean Up		6,000	-	6,000	-	0.0%
Projects, Strategic Initiatives		48,300	46,110	60,000	11,700	24.2%
		4,567,200	4,158,822	4,696,400	129,200	2.8%
<b>Projects, Strategic Initiatives</b>						
<b>Additional Auxiliary Assistance at Recycle Depot</b>						
<b>Engineering feasibility design studies</b>						

## Operating Expenses – Recreation

District of Oak Bay		2019 Budget Estimates				
		2018	2018	2019	Change	
Operating Expenses		Budget (restated)	Projected	Budget	\$\$	%
<b>Recreation</b>						
	Parks and Recreation Commision	12,781,000	12,624,984	13,359,500	578,500	4.5%
	Archives	34,900	36,165	37,100	2,200	6.3%
	Greater Victoria Public Library	1,166,000	1,167,563	1,193,600	27,600	2.4%
	Heritage Commision	12,100	2,721	10,800	(1,300)	-10.7%
	Heritage Structures	17,000	(18,480)	(13,300)	(30,300)	-178.2%
	Marine Structures	83,500	70,828	85,200	1,700	2.0%
	Projects, Strategic Initiatives	50,000	29,361	45,600	(4,400)	-8.8%
		14,144,500	13,913,142	14,718,500	574,000	4.1%
<b>Projects, Strategic Initiatives</b>						
	<b>Playground Master Plan</b>					
	<b>Carnarvon Park</b>					



## Capital Summary

District of Oak Bay						
	2019	Capital Works	Reserve for Future	Funding Source	Other Reserves, Grants	Taxation
	Budget	Reserve	Expenses	Equipment Reserves	and Contributions	
<b>2019 Capital Plan</b>						
General Services						
Office Equipment - General	19,000	19,000				
Office Equipment - Engineering	25,000					25,000
Computer Equipment - Finance	203,300	10,200	4,000		135,000	54,100
Computer Equipment - Engineering	18,400	18,400				
Municipal Hall Renovations	155,000	77,500				77,500
Marina Roof and Structure Repairs	130,000	130,000				
Public Art	38,000				18,000	20,000
Protective Services						
Police Equipment	24,400	7,000			17,400	
Fire Hall Renovation	158,000	33,000				125,000
Emergency Program	20,000				20,000	
Police Vehicles	105,000	105,000				
Police Computers	60,500	35,000	10,000			15,500
Fire Vehicles	2,800			2,800		
Transportation						
Plant General	1,447,000			1,447,000		
Public Works Equipment	271,000			271,000		
Road Construction						
Sidewalk Drops	50,000					50,000
Bus Shelters	20,000		2,000			18,000
Traffic Calming	47,500		26,900		12,500	8,100
Pavement Management	926,700	100,000				826,700
Complete Streets	95,000					95,000
Sidewalks						
Sidewalks	100,000					100,000
St Patrick Storm Sidewalk	98,000		98,000			
Lighting						
Street lights	110,000		59,600			50,400
Storm Drains						
Catch Basins	40,000					40,000
Manholes	30,000		30,000			
Inflow and Infiltration Lining	60,000		28,800			31,200
Uplands Storm Drain	122,400	20,800			101,600	
St Patrick Storm Main	12,900		12,900			
Storm Mains	300,000					300,000
Parks and Recreation						
OBRC Equipment	138,200	13,900	41,300		500	82,500
OBRC Lounge Floor	25,300					25,300
Uplands Park Kiosk	100,000	75,000			25,000	
OBRC Energy Program	85,200		6,000		79,200	
Henderson Building	58,600		39,100			19,500
Monterey Upgrades	33,500	18,000			15,500	
Parks Upgrades	92,100		22,900			69,200
Caernarvon Park	10,000					10,000
Other						
Foreshore	120,000	70,000				50,000
Fencing	25,000				10,000	15,000
	<b>5,377,800</b>	<b>732,800</b>	<b>381,500</b>	<b>1,720,800</b>	<b>434,700</b>	<b>2,108,000</b>

## Sewer Utility (2019-2023)

District of Oak Bay		2019 Budget Estimates							
	2018	2018	2019	Change		2020	2021	2022	2023
Sewer Utility	Budget	Actual	Budget	\$	%	Budget	Budget	Budget	Budget
<b>Revenues</b>									
Consumer Charges	3,022,700	3,091,135	3,333,400	310,700	10.3%	3,567,900	3,755,600	3,826,200	3,859,300
Property Taxation	1,422,500	1,422,491	1,491,600	69,100	4.9%	1,541,500	1,604,400	1,686,600	1,755,800
Penalties	7,000	10,000	7,000	-	0.0%	7,000	7,000	7,000	7,000
	<u>4,452,200</u>	<u>4,523,626</u>	<u>4,832,000</u>	<u>379,800</u>	<u>8.5%</u>	<u>5,116,400</u>	<u>5,367,000</u>	<u>5,519,800</u>	<u>5,622,100</u>
<b>Expenses</b>									
Administration	78,900	80,404	80,400	1,500	1.9%	206,300	81,300	81,300	81,300
Sewage Collection	265,900	269,684	282,000	16,100	6.1%	286,100	286,600	287,200	284,600
Repair Program	177,500	144,300	280,900	103,400	58.3%	109,200	109,200	109,200	109,200
Inflow and Infiltration	20,500	10,000	20,500	-	0.0%	20,500	20,500	20,500	20,500
Regional Sewage Treatment	3,044,800	3,044,763	3,132,300	87,500	2.9%	3,325,400	3,530,600	3,582,600	3,637,600
	<u>3,587,600</u>	<u>3,549,151</u>	<u>3,796,100</u>	<u>208,500</u>	<u>5.8%</u>	<u>3,947,500</u>	<u>4,028,200</u>	<u>4,080,800</u>	<u>4,133,200</u>
<b>Surplus from Operations</b>	864,600	974,475	1,035,900	171,300	19.8%	1,168,900	1,338,800	1,439,000	1,488,900
<b>Add</b>									
Reserves used for operating	105,000	25,000	80,000	(25,000)		70,000	-	-	-
Reserves Used for Capital	686,000	53,683	578,900	3,381,900	(107,100)	688,900	788,900	888,900	938,900
Equity for Amortization	200,000	-	200,000	-		200,000	200,000	200,000	200,000
<b>Deduct</b>									
Capital Expenses	686,000	226,355	578,900	5,392,500	(107,100)	688,900	788,900	888,900	938,900
Amortization Expense	200,000	-	200,000	-	-	200,000	200,000	200,000	200,000
Transfer to Reserves	969,600	805,000	1,115,900	2,957,100	146,300	1,238,900	1,338,800	1,439,000	1,488,900
				352,900					
<b>Total Budget for the Year</b>	<u>-</u>	<u>21,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



## Water Utility (2019-2023)

District of Oak Bay		2019 Budget Estimates				Change		2020	2021	2022	2023
Water Utility	2018 Budget	2018 Actual	2019 Budget		Change \$	Change %	Budget	Budget	Budget	Budget	
<b>Revenues</b>											
Consumer Charges	3,753,700	3,795,056	3,976,700		223,000	5.9% *1	4,095,700	4,177,300	4,262,600	4,355,700	
Service Connections	130,000	130,000	130,000		-	0.0%	130,000	130,000	130,000	130,000	
Final Reading Charges	7,000	6,000	6,000		(1,000)	-14.3% *2	6,000	6,000	6,000	6,000	
Penalties	12,500	13,500	12,500		-	0.0%	12,500	12,500	12,500	12,500	
	<u>3,903,200</u>	<u>3,944,556</u>	<u>4,125,200</u>		<u>222,000</u>	<u>5.7%</u>	<u>4,244,200</u>	<u>4,325,800</u>	<u>4,411,100</u>	<u>4,504,200</u>	
<b>Expenses</b>											
Administration	93,600	96,237	99,100		5,500	5.9%	101,100	101,100	101,100	101,100	
Maintenance	421,400	425,932	449,300		27,900	6.6%	455,800	456,600	457,400	457,400	
Valve Turning	137,800	137,370	148,800		11,000	8.0%	151,300	151,300	151,300	151,300	
Backflow Prevention	19,200	19,554	20,600		1,400	7.3%	20,900	20,900	20,900	20,900	
Pumping	8,800	8,800	8,800		-	0.0%	9,200	9,200	9,200	9,200	
Collection	170,200	173,524	182,300		12,100	7.1%	185,700	186,000	186,200	186,200	
Safety Program	30,200	31,126	31,300		1,100	3.6%	31,500	31,500	31,500	31,500	
Water Purchased	2,175,000	2,188,000	2,240,000		65,000	3.0%	2,302,700	2,367,200	2,433,500	2,501,600	
	<u>3,056,200</u>	<u>3,080,543</u>	<u>3,180,200</u>		<u>124,000</u>	<u>4.1%</u>	<u>3,258,200</u>	<u>3,323,800</u>	<u>3,391,100</u>	<u>3,459,200</u>	
<b>Surplus from Operations</b>	847,000	864,013	945,000		98,000	11.6%	986,000	1,002,000	1,020,000	1,045,000	
<b>Add</b>											
Reserves used for operating	93,000	14,000	-		(93,000)		-	-	-	-	
Reserves Used for Capital	1,245,400	1,135,770	978,000	3,381,900	(267,400)		1,060,000	1,035,000	1,025,000	1,050,000	
Capital Grants	678,100	678,094	-		(678,100)		-	-	-	-	
Equity for Amortization	200,000	-	200,000		-		200,000	200,000	200,000	200,000	
<b>Deduct</b>											
Capital Expenses	1,923,500	1,813,864	978,000	5,392,500	(945,500)		1,060,000	1,035,000	1,025,000	1,050,000	
Amortization Expense	200,000	-	200,000	-	-		200,000	200,000	200,000	200,000	
Transfer to Reserves	940,000	878,013	945,000	2,957,100	5,000		986,000	1,002,000	1,020,000	1,045,000	
				352,900							
<b>Total Budget for the Year</b>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	

# STRATEGIC CONSIDERATIONS BY DEPARTMENTS

Council and staff met in a strategic planning session on February 23, 2019. This session was open to the community and Council considered information from staff in setting strategic priorities. This section includes the priorities that were considered at that meeting.

## ADMINISTRATION

Administration includes the office of the Chief Administrative Officer (CAO), Financial Services, Human Resources and Corporate Services. These departments provide support services to the Mayor and Council, the Corporation and ensure that Council priorities are implemented.

The CAO is Council's single employee and is responsible for implementing Council's priorities and policies with the support of all other staff. The CAO provides advice to Council and is responsible for implementing Council's decisions.

Financial Services oversees long-term financial planning, develops the District's annual budget and Financial Plan, prepares and collects property taxes and utility charges.

The Administration staff play an important role in advancing municipal priorities and activities:

- assist with the preparation of Council's strategic priorities
- prepare the five-year Financial Plan and Annual Report

- produce agendas and provide meeting management for Council and Committee of the Whole
- responsible for records management
- ensure compliance to Freedom of Information and Protection of Privacy policies
- administer payroll and benefits management

## Corporate Services and Administration Priorities

- support information technology
- provide corporate financial administration and management
- deliver human resource services including recruitment and selection, workforce planning, training and development, employee and labour relations, disability management, job evaluation and health and safety
- coordinate corporate communications
- facilitate archives services
- monitor parking enforcement
- implement animal control



## Finance and Administration Projects Submitted for Consideration February 23, 2019

Initiatives	2019	2020	2021	2022	2023	Priority	Direction
Long Term Financial Sustainability Plan	\$60,000					III	Best Practices and Asset Management
Budgeting Software	\$30,000	\$21,000	\$21,000	\$21,000	\$21,000	III	Op. Requirement
Payroll Software Upgrade		\$100,600	\$85,600	\$85,600	\$85,600	III	Op. Requirement
Procurement Review	\$10,000					III, IV	Op. Requirement
Network Switch Replacement	\$20,000	\$20,000	\$20,000			III	Op. Requirement
Tempest Web Service & Web Application Upgrade	\$20,000					III	Op. Requirement
Microsoft 365 Update	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	III	Op. Requirement
Committee Meeting Room Refit & Lobby Viewing	\$7,000					III	Op. Requirement
Website Support	\$6,000					III	Best Practices
Website Upgrade	\$30,000					III	Best Practices
Records Management	\$50,000	\$35,000	\$35,000	\$35,000	\$35,000	III	Best Practices
Public Engagement	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	III	Toolkit
FOI & Media Training for Council and Senior Management	\$10,000					III	Best Practices
Staff Training and Development	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	III	Best Practices
Commissions & Committees Review	N/A	N/A				III	Best Practices
Budget Process Review**	N/A	N/A	N/A			III	Best Practices
Organizational Optimization	N/A	N/A	N/A	N/A		III	Best Practices

\*Multi-Departmental

\*\*Finance and Corp. Services Department

## PARKS, RECREATION AND CULTURE

The Parks, Recreation & Culture Department operates under the auspices of the Parks, Recreation & Culture Commission, a body appointed by Council and established by bylaw. The Department provides a wide array of programs and services including the operation of the Oak Bay Recreation Centre, Henderson Recreation Centre, Monterey Recreation Centre, Windsor Pavilion and the Neighborhood Learning Centre in Oak Bay High School. The Department maintains over 76 hectares of park spaces which include playing fields, natural areas, lawns and gardens and the Henderson Par 3 golf course. The Parks Division also maintains 27 kilometers of public boulevards and beach accesses and an urban forest with over 10,000 trees. The Culture Division, introduced in 2016, supports a wide variety of arts and culture initiatives in the community including public art displays, ArtsAlive, concerts in the park and numerous special events.

### Parks, Recreation and Culture Priorities

- completion of the Carnarvon Park Master Plan
- completion of the Energy Loop project at the Oak Bay Recreation Centre. This project will further reduce our carbon footprint by taking waste heat from our ice refrigeration plant and using it in a variety of ways (e.g. heating in tennis bubbles, domestic hot water etc.)
- completion of an Uplands Park Management Plan
- replacement of cardio equipment in the Oak Bay Recreation Centre & Henderson Recreation Centre Fitness Studios, as per our normal 3-year cycle
- WiFi upgrades at multiple centres to provide better service to the public
- ongoing efforts to implement the recommendations of the Urban Forest Management Plan





## Parks, Recreation and Culture Projects Submitted for Consideration February 23, 2019

Initiatives	2019	2020	2021	2022	2023	Priority	Direction
WiFi Upgrade - Multiple Centres	\$75,000					III, IV	Best Practice
Walbran Park Railing Project	\$40,000					II, IV, V	Best Practice
Sports View Lounge Carpet Replacement	\$25,000					II, III, IV	Best Practice
Windsor Park Picnic Shelter	\$18,000					II, III, IV	Best Practice
Monterey Lobby Carpet Replacement	\$18,000					II, III, IV	Best Practice
Quail Room Floor Replacement	\$17,000					II, III, IV	Best Practice
Anderson Hill Park Kiosk Replacement	\$11,000					II, III, IV, V	Best Practice
Elimination of 1-Guard Pool Shifts	\$6,915	\$5,000	\$5,000	\$5,000	\$5,000	III, IV	Best Practice
*OBRC - Arena, Lounge, ISF Roof				\$450,000		II, IV	Capital Plan
OBRC - Arena Chiller		\$170,000				II, III, IV	Capital Plan
OBRC - Re-pave Parking Lot		\$300,000				II	Staff (PW) Recommendation
OBRC - Pool Roof Replacement		\$350,000				II, IV	Capital Plan
Parks, Rec. and Culture Master Plan			\$200,000+			II, III, IV	OCP
Urban Forest Strategy Implementation	\$43,000	\$50,000	\$45,000	\$20,000		V	Urban Forest Strategy
Review Tree Protection Bylaw	N/A					IV	OCP
Special Events Policy		N/A				IV	OCP
**Carnarvon Park Priority Implementation		TBD	TBD	TBD		IV	Plan (Completion in May 2019)
Trail/Path/Sidewalk Plan				TBD		IV	OCP
Commission Priority - Update Dog-Use Policies		\$50,000 +/-				III, IV, V	Commission Recommendation
Commission Priority - Playground Master Plan	\$40,000 +/-					III, IV, V	Commission Recommendation

\*Could be phased over 2-3 years

\*\*15 +/- Year Planning Horizon - Pending Completion of Carnarvon Park Master Plan

## 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. The Department is responsible for long range land use planning and special projects, and for processing land use applications and Building Permits. The Department works with 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:

- develops policies and programs that support the vision of the Official Community Plan, Zoning Bylaw and Building Bylaw
- manages and processes: Board of Variance submissions; Building Permits; Development Permits; Development Variance Permits; Heritage additions; Heritage Alteration Permits; Heritage Revitalization Agreements; Official Community Plan amendments; rezoning proposals; siting and design submissions; and subdivision proposals

- Provides technical and administrative support to the Advisory Design Panel, Advisory Planning Commission, Board of Variance and Heritage Commission

### Building and Planning Priorities

- Reviewing and issuing business licences for businesses operating within the District of Oak Bay
- Providing stewardship of records and files for land use applications, building permits, bylaw complaint files and business licences

### Building and Planning Projects Submitted for Consideration February 23, 2019

Initiatives	2019	2020	2021	2022	2023	Priority	Direction
Housing Review*	\$75,000					I	OCP
Infill Housing - Neighbourhoods		\$50,000	\$50,000			I	OCP
Village Area Plans		\$70,000	\$50,000			I	OCP
Comprehensive Zoning Bylaw				\$50,000	\$50,000	I	OCP

\*Additional grant of \$25,000 anticipated May 2019



## ENGINEERING AND PUBLIC WORKS

The Engineering Services 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 and building of capital projects
- monitoring infrastructure asset management through asset data collection, analysis, planning and prioritization
- providing daily operations and maintenance of infrastructure such as sewers, roads, sidewalks, water distribution, traffic control and street lighting

### Engineering and Public Works Priorities

- Sewer Condition Assessment program – accelerate completion to enable development of Sewer Asset Management Plan in 2020
- LED Street Light Project Final Phase – complete the project and cut electricity costs to the District by 2/3
- Sewer Main Rehabilitation – expand renewal of sanitary and storm mains
- Transportation Safety Improvements – expand curb drop, crosswalk and intersection safety upgrades
- Pavement Rehabilitation – expand annual program to improve road conditions



- water main rehabilitation projects – complete the final phase of the Island Road water main upgrade, as well as Uplands Road water main and up to 1 more water main replacement
- transportation safety improvements – continue the curb drop program (to increase accessibility), add up to 2 new crosswalks or crosswalk improvements, and an intersection safety upgrade (subject to negotiation of potential cost-sharing with ICBC)
- expansion of annual pavement rehabilitation program
- sewer main rehabilitation projects – expand the scope of our successful annual trenchless sewer main rehabilitation program
- implement and modernize Public Works maintenance management practices, enabling more effective work order management and benchmarking of maintenance activities to establish levels of service and performance metrics

### Engineering and Public Works Projects Submitted for Consideration February 23, 2019

Initiatives	2019	2020	2021	2022	2023	Priority	Direction
Municipal Hall Heating System	\$7,000					III	Op. Requirement
Painting Municipal Hall	\$67,500	\$67,500				II	Op. Requirement
Carpet Replacement Municipal Hall	\$43,000	\$43,000				II, III	Op. Requirement
Municipal Hall Fire Alarm Replacement	\$20,000	\$20,000				II, III	Op. Requirement
Main Door Replacement	\$17,500	\$17,500				II, III	Op. Requirement
District Support to CRD Watershed Team	\$10,800	\$10,900	\$11,000	\$11,100	\$11,200	II, V	Bowker Creek Blueprint
LED Street Light Project Final Phase	\$110,000					II	OCP
Work Order Management Infrastructure	\$25,000					II, III	Asset Management Program
Transportation Safety Improvements	\$200,000	\$300,000	\$400,000	\$500,000	\$500,000	II, III	Asset Management Program
Infrastructure Reserve Savings Program	\$660,000	\$1,100,000	\$1,540,000	\$1,980,000	\$2,420,000	II	Asset Management Program
Pavement Management	\$826,000	\$1,052,000	\$1,278,000	\$1,504,000	\$1,730,000	II	Asset Management Program
Storm Sewer Rehabilitation	\$300,000	\$400,000	\$500,000	\$600,000	\$700,000	II	Asset Management Program



## POLICE SERVICES

The members of the Oak Bay Police Department are committed to the promotion of partnerships with the community, leading to sharing in the delivery of police services. We pledge to treat all people equally and with respect, uphold the Canadian Charter of Rights and Freedoms, serve, protect and work with the community and other agencies to prevent and resolve problems that affect the community's safety and quality of life. The Police Department is responsible for law enforcement, conducts investigations and provides prevention programs and community outreach and communication to maintain order.

The Oak Bay Police Department works closely with its Police Board to develop a budget that ensures the police service is delivered in an effective yet responsible manner. The police department is in its second year of its five year strategic plan. Details can be found at <http://oakbaypolice.org/wp-content/uploads/2018/01/Strategic-Plan-2018-2022.pdf>.



# OAK BAY



# FIRE DEPT.

## FIRE SERVICES

The mission of the Oak Bay Fire Department is to provide exceptional fire protection and public safety services to prevent the loss of life and property through:

- emphasizing prevention, early intervention and emergency preplanning to ensure the protection of life, property and the environment
- delivering prompt and effective fire prevention, emergency preparedness and intervention services
- delivering fire and emergency management services that are community based by ensuring that our programs and priorities align with the needs of the residents and businesses in the District of Oak Bay
- taking an integrated, systematic approach to emergency and public safety issues and services
- providing support to both team members and victims after trauma and crisis

### Fire Department Projects Submitted for Consideration February 23, 2019

Initiatives	2019	2020	2021	2022	2023	Priority	Direction
Fire Hall Bay Door Alteration	\$125,000					II	Op. Requirement
Fire Station Interior Painting		\$23,000				II	Op. Requirement
Fire Hall Exterior Painting	\$33,000					II	Op. Requirement
Emergency Generator for Police and Fire		\$165,000				II	Op. Requirement





## EMERGENCY PROGRAMS

The mission of the Emergency Services program is to create and maintain a collaborative organization to assist the District of Oak Bay to mitigate/prevent, prepare for, respond to and recover from major emergencies and disasters that may affect the municipality and its residents.

# CONSOLIDATED YEAR END RESULTS

Work in progress...



# LONG TERM FINANCIAL PLAN



Work in progress...



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