



DISTRICT OF  
**OAK**  **BAY**

# 2024-2028 Financial Plan

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





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## Version Control

In addition to typographical, and grammatical error corrections, the following material change have been made:

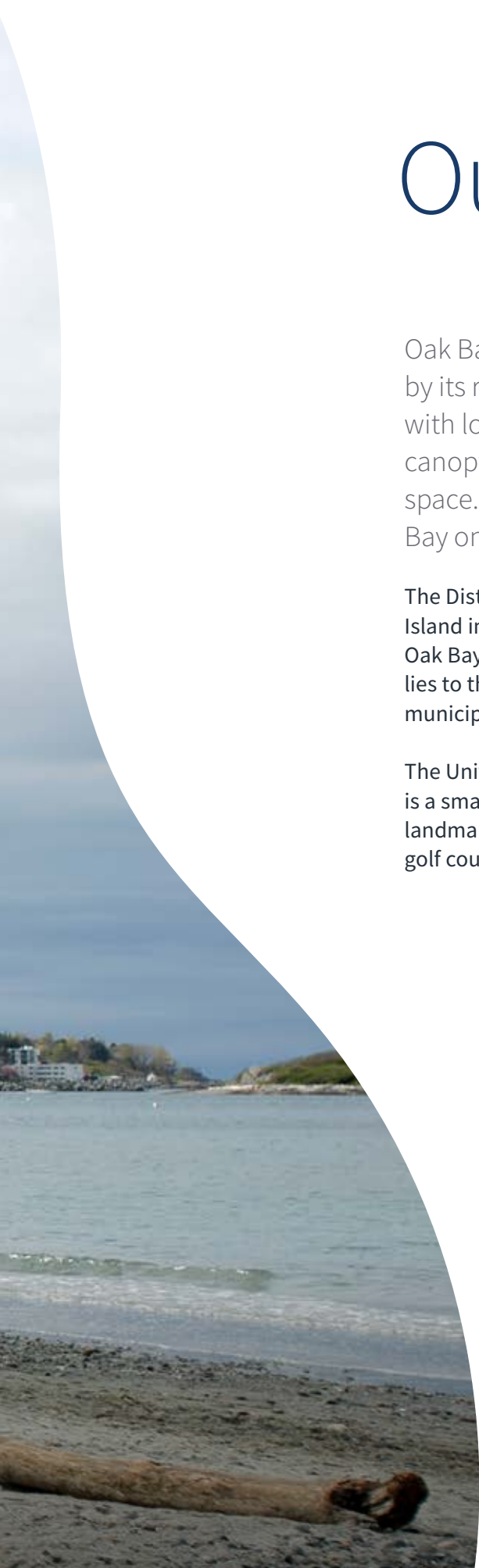
1. Inclusion of the Streetlights Replacement capital program budget in the Engineering and Public Works, Capital budget.
2. Updated figures for the Uplands Streetlight replacement capital project in the Engineering and Public Works Capital budget.
3. Updated Special Initiatives budget totals.
4. Refined reserve forecasts and Five Year Consolidated totals as a result of the changes listed above.

# Our Oak Bay

Oak Bay is a beautiful seaside community defined by its residential neighbourhoods, village centres with local businesses, historic character, mature tree canopy, accessible shorelines and abundance of green space. Together these features combine to make Oak Bay one of the world's most desirable communities.

The District is located on the southern tip of Vancouver Island in British Columbia. The City of Victoria borders Oak Bay's west boundary, and the District of Saanich lies to the north. Oak Bay is one of 13 member municipalities that form 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 both public and independent schools, two golf courses, a marina, a yacht club and a luxury boutique hotel.



# 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, and 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
6. 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 Balanced 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)
<b>Balanced budget:</b>	-

*Notice 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 principal payments.*



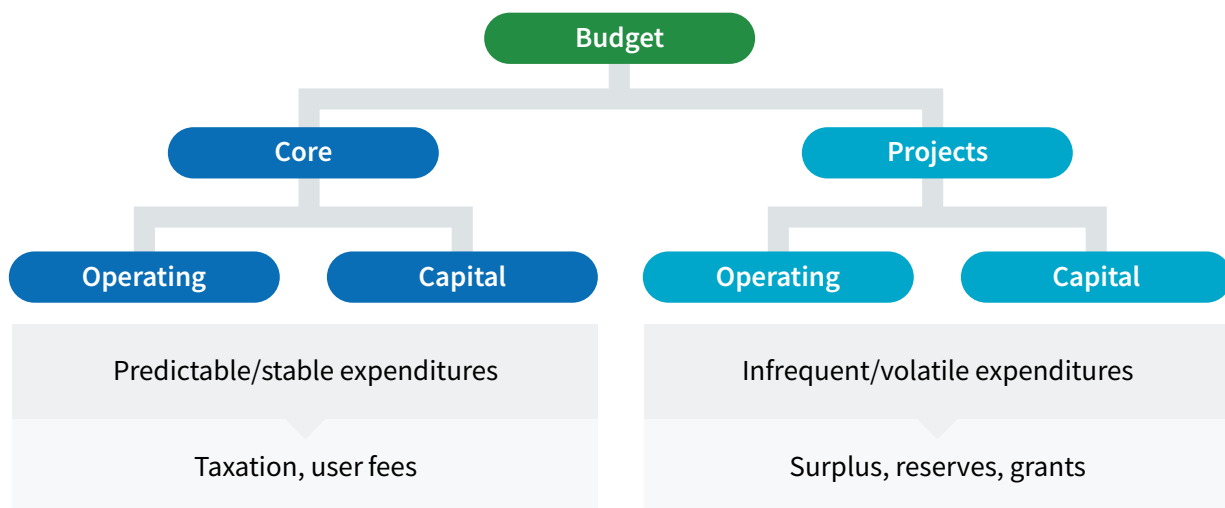
## Financial Planning Policy and Best Practice

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 principals:

**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 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 2024.

**2. Alignment of Funding Sources:** 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. Reserve balances should be maintained with annual budget transfers so funds are available for large, infrequent expenditures



**3. Carryover of Project Budget:** The Five-Year Financial Plan authorizes expenditures over the five years. Thus, on January 1, 2024, Staff are authorized to continue spending under the Financial Plan Bylaw 2023 - 2027, No. 4833. Projects that were underway in 2023 will continue, and projects authorized to commence in 2024 will begin. Operations are not necessarily paused while the District embarks on adopting a new Five-Year Financial Plan.

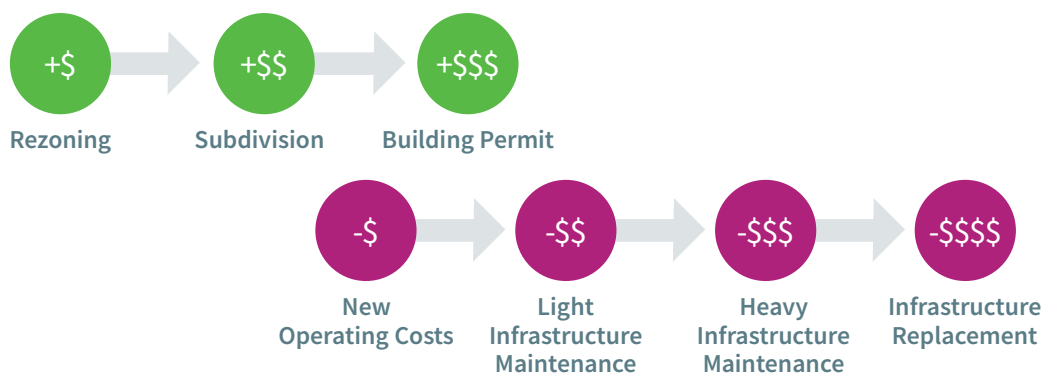
**4. Five Year Expenditure Authorization:** Staff endeavour to prepare a Five-Year Financial Plan that is as accurate as possible and that reflects Council direction and service-level expectations. In this way, Staff work can continue while the Financial Plan is being refined in the first quarter of the year. The 2024 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 bylaw totals.

**5. Financial Plan Bylaw Transparency:** The Financial Plan Bylaw is summarized on a high level 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.



**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 to maintain the asset and as annualized asset replacement contributions.

**7. Revenue from New Development Taxation (NDT):** NDT revenue is derived from new buildings or newly subdivided lots and are considered taxation revenue from assessed values that did not exist in the previous 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, as well as infrastructure maintenance and replacement. It is recommended that the District not use NDT revenue to reduce the tax burden for existing citizens, as this is unsustainable and will result in sharper future tax increases and intergenerational funding inequity.



## Financial Planning and Reporting Timeline

	Financial Planning	Financial Reporting
JAN	January 31: Grant in aid deadline	
FEB	Budget deliberations	
MAR	March 1: Final police budget statutory deadline March 31: Regional District budget deadline	Audit
APR	April: 1st, 2nd, 3rd reading Financial Plan Bylaw	
MAY	May 14: Statutory deadline, Financial Plan Bylaw	May 15: LGDE submissions due
JUN		SOFI, annual report deadline
JUL		Quarter 2 budget reports
AUG		
SEP	Internal Budget Deliberations	
OCT	October 31: Permissive tax exemption bylaw deadline	October: Quarter 3 budget reports
NOV	Utility rate deliberations + Police Budget deliberations	Pre-audit
DEC	December 15: Statutory deadline, Library budget	



## Financial Planning and Reporting Timeline

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.

This bylaw was amended in 2019 to grant this authority to specific Managers and Directors, as well as the Chief Administrative Officer. The District’s purchasing bylaw refers to a recently adopted (2019) Sustainable Procurement Policy which sets purchasing limits and processes for Staff. Additionally, the policy outlines procedures for asset disposal and emergency expenditures. This policy complies with Municipal, Academic Institution, Schools, and Hospital (M.A.S.H) sector trade requirements and purchasing case law.

## Reserve Fund Bylaw and Reserves and Surplus Policy

The *Community Charter* empowers Council to establish, by Bylaw, reserve funds. These reserve funds may not be spent except for the specified reserve fund purposes, as outlined by the Bylaw. Use of funds is authorized via the annual Financial Plan Bylaw. In early 2020, Council adopted the “*Reserve Funds Bylaw, 2020*” which consolidated the already established reserve funds, and repealed 10 historical reserve fund Bylaws in the process.

The nine 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
7. Alternative Transportation
8. Village Parking
9. Growing Communities Reserve Fund

For more information on fund balances and purposes, please see the Capital Plan section of this Financial Plan.

The District adopted the *Reserves and Surplus Policy* in 2018 and most recently amended in 2023. This Policy outlines general objectives of reserves and good reserve background information.

## Investment Policy

In early 2020, the Council adopted the District's Investment Policy, 2020, wherein 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. Deposits in a savings institution, or non-equity membership shares of a credit union

The Policy sets diversification limits and articulates investment objectives in the following order:

1. Preservation of capital
2. Liquidity
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, with the fundamental aim of an asset management approach focused on the development of a plan and execution of a framework that ensures sustainable service delivery. Some of the guiding principles found in the Policy include:

- Sustainable service delivery
- Sustainable service delivery may require innovative solutions but will leverage lessons learned in other communities

## Expense Reimbursement Policy

At the Regular Council Meeting on October 26, 2020, the District adopted its new Travel and Expense Reimbursement Policy. This Policy governs reimbursement for staff travel and accommodation for work-related purposes. The Policy objective is to ensure travel is appropriately 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 on 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.

## 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 2019, No. 4727:

*“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 organizations 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 Grant Policy working group was brought together to work on a policy to 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 appropriately.



# Organizational Profile









# Organizational Structure



## Full Time Equivalent Chart

Department	2022 FTEs	2023 FTEs	2024 FTEs	Change
Corporate Administration	11.50	13.64	13.64	-
Financial Services <sup>1</sup>	9.58	10.58	11.91	+1.33
Police Department	25.00	25.00	25.00	-
Fire Services <sup>2</sup>	28.00	30.00	32.00	+2.00
Building and Planning <sup>3</sup>	9.10	10.80	13.80	+3.00
Engineering and Public Works	46.25	46.25	46.25	-
Parks, Recreation, and Culture <sup>4</sup>	130.60	152.30	155.50	+3.20
<b>Total</b>	<b>260.03</b>	<b>288.57</b>	<b>298.10</b>	<b>+9.53</b>

Notes:

1. The Finance Department was significantly restructured in 2024 whereby the funding for 2 x Assistant Accountant positions were redistributed to 3 new positions (Financial Analyst, Payroll Clerk, and Tax Clerk). Additional funding was also transferred from the Finance Department consulting budget to make this reorganization a net \$0 budgetary increase (other than forced growth)
2. Note that Council approved a 0.75% tax increase or approximately \$247,500 in funding for new staffing at the February 12, 2024 Council meeting. This new staffing funding has not been dedicated to specific positions at the time of writing this Financial Plan. However, it is approximately equivalent to 2 FTE firefighter positions.
3. Note these positions are funded either by grant or new land use application revenues and thus have no property tax impact in the short term. However, 1.50FTE are funded by the Growing Communities Fund which is temporary funding and will need to be replaced with core funding (development revenue or taxation) in the future.
4. +1.70 FTEs are funded by increased PRC revenues; +1.50 FTEs is a new staffing request of 1.00 Arborist + 0.5 FTE Park's Booking Clerk. The 0.50 FTE Booking Clerk funding request is net of new parks permit revenues.

# Council Priorities and Other Initiatives

Council Priorities and other projects are one-time or infrequent operating projects that generally do not include capital projects. The initiatives below are a combination of Council-directed priority projects as well as staff recommended initiatives. Council Priority Project progress is recorded and tracked in the Council Priorities Plan.

## Council Priorities Project Funding

These projects are not integrated into the ongoing operating budget since taxes and user fees fund the operating budget. Integrating these projects into the operating budget would result in significant tax and user fee volatility. Instead, these projects receive funding through grants and any accumulated surpluses, with no impact to 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 funds.

Staff propose these projects be funded as noted in the chart on page 18. However, actual completion of these projects—and the related expenditures—will likely carry forward to future years.



# Council Priority Projects & Other Operating Projects

Council priority projects are one-time or infrequent projects not funded by core operating budgets. The District's annual budget cycle provides Council with the ability to either confirm or adjust priorities. Council's 2022-2026 priority themes were identified in late 2022, following the municipal election. Priority themes are as follows:



## Housing

Enable creation of more diverse and affordable housing that is responsive to current and future community/regional needs and climate change imperatives



## Livability

Invest in infrastructure, facilities, and natural assets and services to preserve or improve long term financial and community value/livability



## Transportation

Advance low and no carbon, accessible, and active transportation mobility infrastructure and services



## Climate Change & Environment

Proactively mitigate and adapt to climate change, and preserve and enhance the environment



## Diversity & Inclusion

Cultivate diversity and inclusion and ensure a sense of community belonging and safety for people of all identities, ages, and backgrounds



## Truth & Reconciliation

Advance Truth and Reconciliation with local Indigenous peoples based on respect and desire for shared prosperity

Each year, Council decides which projects to fund to advance priority themes. Council's decisions are then reflected in the Five-Year Financial Plan. Funded projects are listed in the Council Priorities Plan and progress is reported bi-annually. Both the Council Priorities Plan and bi-annual progress reports are provided on the District's [website](#).

# Council Priority Projects & Other Operating Projects

For numbered initiatives, please see the District’s published Council Priorities Plan.  
Please see Appendix A for Special Initiatives descriptions.

One-Time/Infrequent Operating Projects	2024	2025	2026	2027	2028
<b>Council Priorities - Housing Directives</b>					
72 – Update Zoning Bylaw to accommodate Small Scale Multi Unit Zoning (Provincially Required)	\$50,000	\$ -	\$ -	\$ -	\$ -
73 – Update OCP to accommodate Small Scale Multi Unit Zoning (Provincially Triggered)	20,000	-	-	-	-
74 – Complete Interim Housing Needs Report (Provincially Required)	20,000	-	-	-	-
75 – Complete Mandated Five-Year Review of OCP (Provincially Required)	300,000	-	-	-	-
76 – Complete Mandated Pre-Zoning to Implement Updates OCP (Provincially Required)	75,000	-	-	-	-
77 – Prepare Tracking Program (Provincially Required)	25,000	-	-	-	-
78 – Optimize Development Processes (Provincially Triggered)	225,000	-	-	-	-
79 – Responding to increased development interest (Provincially Triggered)	250,000	-	-	-	--
80 – Prepare Amenity Cost Charge (ACC) Bylaw and Development Cost Charge (DCC) Bylaw (Provincially Required)	200,000	-	-	-	-
81 – Reserve for any yet-to-come projects required (or triggered) by the Province	560,000	-	-	-	-
Project Management	600,000	-	-	-	-
Contingency	150,000	-	-	-	-
Less: GCF salaries funding in Building & Planning operating budget	(232,600)	-	-	-	-
<b>Total</b>	<b>\$2,242,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

One-Time/Infrequent Operating Projects	2024	2025	2026	2027	2028
<b>Council Priorities - Other</b>					
14 – Parks, Recreation & Culture Master Plan	\$280,000	\$ -	\$ -	\$ -	\$ -
18 – Prepare an Options Analysis for a Potential Temporary OffLeash Dog Park	48,000	-	-	-	-
25 – Comprehensive Asset management Plan	275,000	-	-	-	-
35 – Develop Community Climate Action Pan	50,000	-	-	-	-
36 – Develop Energy Plan For Municipal Operations	50,000	-	-	-	-
45 – Develop Program to Improve Diversity and Inclusion	25,000	-	-	-	-
47 – Seek Songhees and Esquimalt Nations and Community Input into Future of Turkey Head (Spewhung)	140,000	-	-	-	-
52 – Undertake Options Analyses for Marina (near-term and longterm)	300,000	-	-	-	-
53 – Implement GHG and Energy Reduction in Buildings Program (CCAWG Report Implementation)	20,000	-	-	-	-
54 – Collaborate on Sitchanalth Willows Shared Knowledge Planning Project	10,000	-	-	-	-
70 – Uplands Park Comprehensive Management Plan	-	-	270,000	-	-
<b>Total</b>	<b>\$1,198,000</b>	<b>\$ -</b>	<b>\$270,000</b>	<b>\$ -</b>	<b>\$ -</b>

Note:

The following Council Priorities are included in the capital budget:

- #27 Prepare Active Transportation Program based on increased levels of funding / determine how network can be fully constructed (I see your note about duplicating it last year)
- #34 Develop an erosion prevention program for McNeill Bay (note - this one shows up with \$1.2M in the capital plan but actually had an additional \$120K allocated through Council Priorities last year, should that amount be added?)
- #55 Outline options to advance the vision for the Bowker at Bee Street area as shared in the Friend of Bowker Creek correspondence, including a public engagement component (\$70K and this is to advance in 2025 or beyond, per Council direction on Dec 14, 2023)

One-Time/Infrequent Operating Projects	2024	2025	2026	2027	2028
<b>Special Initiatives</b>					
Village Area Plans	\$300,000	\$ -	\$ -	\$ -	\$ -
Natural Assets & Green Infrastructure Scoping	50,000	-	-	-	-
Human Resource Plan Implementation	62,600	-	20,000	-	-
Network Security Audit	35,000	-	40,000	-	-
Occupational Disability Claims Management	100,000	100,000	-	-	-
Communications Department Needs Assessment	25,000	-	-	-	-
Marina Lease Negotiation	20,000	-	-	-	-
Deer Management Study	54,600	-	-	-	-
Animal Control Bylaw/Dog Off-leash Policy	50,000	20,000	-	-	-
CCAWG Recommendation - Coolkit Program	65,100	-	-	-	-
First Nations Truth and Reconciliation	50,000	-	-	-	-
Hazard, Risk, Vulnerability Analysis	22,000	-	-	-	-
Community Emergency Preparedness Survey	-	18,500	-	-	-
Other contingency	25,000	-	-	-	-
Uplands Sewer Separation Connection Grant	70,000	-	-	-	-
Cool It! BC Sustainable Energy Association	3,200	-	-	-	-
Council Priority Projects Operationalized by Council (Dec 14, 2023)	177,500	-	-	-	-
<b>Total</b>	<b>\$1,110,000</b>	<b>\$138,500</b>	<b>\$60,000</b>	<b>\$ -</b>	<b>\$ -</b>



# Consolidated Financial Plan – 2024 Executive Summary

The proposed 2024-2028 Financial Plan is summarized as follows:


	2022 Budget (\$Millions)	2023 Budget (\$Millions)	\$ Increase	% Increase
Operating Revenues	\$61.7	\$67.2	\$5.5	8.9%
Operating Expenses	(48.5)	(54.6)	(6.1)	12.6%
Transfers from Reserves	32.1	50.1	18.0	56.1%
Capital Expenditures	(34.6)	(49.6)	(15.0)	43.4%
Debt Principal	(0.1)	-	0.1	-100.0%
Transfers to Reserves	(10.6)	(13.1)	(2.5)	23.6%
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

## Discussion of budgetary trends:

**Revenues:** Revenues are budgeted to increase by \$5.5M or 8.9%.

This is largely due to a combination of factors:

- Property taxes are budgeted to increase by \$2.9M or 8.6%. Please see a breakdown of this increase below.
- Parks, Recreation, and Culture (PRC) revenues are forecasted to rise by \$0.6M. The PRC financial performance is discussed on page 86 of this Plan.
- Investment Income is budgeted to increase by \$1.2M (or 92.2%). The primary driver of this increase is a significant increase in market yields since early 2022. The District expects to utilize a significant portion of its reserves over the life of this Financial Plan, thereby reducing investment returns. Investment income is forecasted to moderate from 2025-2028 as reserve balances are reduced and yields lower.



**Operating Expenses:** Expenses are budgeted to increase by \$6.2M (12.7%). Much of this increase (\$2.5M) is the result of funding being set aside to address the Housing Target Order received from the Provincial Minister of Housing in September of 2023. The projects are being funded by the Growing Communities Grant reserve. Other notable operating budget variances are as follows:

- Facilities +\$124,400 (+52.6%): this increase is largely driven by two new Athlone Court leases to house Engineering staff and make room for a growing work force at Municipal Hall.
- Building & Planning +\$520,200 (+35.1%): additional Staffing is required to address the Housing Target Order, for the creation of a climate function and for core development functions.
- Engineering & Public Works +\$677,100 (+11.8%): nearly half of this increase (\$300,000) is due to the creation of funding to offset connection fees that would otherwise be expected to rise due to newly implement contaminated soil regulations.
- Fiscal +\$52,000 (+50.2%): the District is having to pay higher interest costs on prepaid property taxes due to rising yields. This increase is offset by increased investment returns however.

**Capital Expenditures:** Budgeted capital expenditures have increased by approximately \$14.2M (41.1%). Budget approval for capital projects are typically “front-loaded” meaning they receive full funding in the full year for approval. For instance, the full budget for the Uplands Sewer Separation project is represented in the 2024 budget year, but this project will likely take at least 2 years to complete. Thus, maximum authorized capital expenditures often exceed actual capital expenditures within the year.

The District has been building capital output capacity for many years now which has corresponded with an increased capital expenditure budget value. Secondly, the Parks, Recreation, and Culture program is undergoing a significant refresh of major equipment, facilities, and parks capital programs. Please see the capital budget section of this Financial Plan for further information.

**Reserve transfers:** The District is rapidly increasing its utility and tax funded transfers reserve to support forthcoming capital expenditures. The District’s recently published draft Sustainable Infrastructure Replacement Plan (SIR Plan) estimates that \$12.8M is the annual sustainable transfer. This figure is now estimated to be approximately \$15.1M after the BC Highways Construction Cost Index has been applied.

The 2024 Financial Plan increases the annual transfer to \$13.1M which is 87% of the recommended \$15.1M.



**Overall, the Financial Plan results in a 8.63% tax increase, (or \$318 to the median residential property) for 2024:**

Reason for tax increase	\$ Amount	Tax increase %	\$ Increase to Median Residential Property
Forced growth	\$1,163,000	3.52%	\$130
Infrastructure (transfer to reserve funding)	600,000	1.81%	67
New staffing to support sustainable service delivery (net of grant, reserve and new revenue funding)	438,000	1.32%	49
Contaminated Soil Fund	225,000	0.68%	25
New Service – Beautification/Graffiti	126,000	0.38%	14
New Athlone leases	110,700	0.33%	12
Active Transportation Program	191,400	0.58%	21
<b>Total</b>	<b>\$2,854,100</b>	<b>8.63%</b>	<b>\$318</b>

Forced growth is discussed in the subsequent section below.

# Principal Issues, Economic Factors, and Short-Term Risks to the 2024 – 2028 Financial Plan

This 2024 – 2028 Financial Plan has been prepared by combining known economic conditions with existing Council direction. Note that the Financial Plan authorizes overall organizational spending authority for Council envisioned service levels. The Financial Plan is not a spending forecast as authorized spending often exceeds actual spending. *The leadership team have identified several risks that may impact future financial results:*

## **1. Infrastructure replacement**

The District's recently published draft SIR Plan estimates that approximately \$297M (2021 dollars) worth of the District's assets are past their recommended useful life. The Plan recommends accelerated capital replacement output by three-five times per year, estimated to be an additional \$30-60M over the life of this Financial Plan. Council approved accelerated capital output on June 27, 2022, to help address the backlog of infrastructure replacement.

A significant increase in capital output is funded in the draft 2024-2028 Financial Plan. Although reserve contributions continue to escalate at a fast pace, overall reserve balances are forecasted to drop significantly due to increased capital output. See page 106 for the reserve forecast section. Despite a significant increase in funding for core infrastructure replacement forecasts, the District remains below estimated sustainable output targets. Funding levels are approaching sustainable levels, however capacity for capital output is still maturing.

## **2. COVID-19**

The pandemic had a significant impact on the District's PRC revenue due to ongoing Government regulations that restricted capacity and reduced overall demand. PRC revenues are rebounding but still fall short of pre-pandemic levels. The 2024 Financial Plan's net PRC budget (revenues less expenditures) falls short of the pre-pandemic budget by approximately \$1.2M (adjusted for inflation). This shortfall is currently being offset by use of the COVID-19 restart grant which is forecasted to be completed used by the end of 2024. Thus the District will need to replace this funding with new user fees/property taxation, service changes or a combination thereof.



### 3. Workforce Labour Shortages

The District is currently experiencing the impacts of workforce labour shortages. It is estimated that District job posting volume increased by over 44% from 2021 to 2022 and by over 175% since 2020. Labour shortages have a negative impact on a Department’s ability to deliver community services.

These workforce challenges currently reduce the District’s ability to offer a greater volume of recreational programming. This has had a negative impact on the District’s ability to recover to pre-pandemic recreational financial performance.

### 4. Parks, Recreation, and Culture Financial Performance

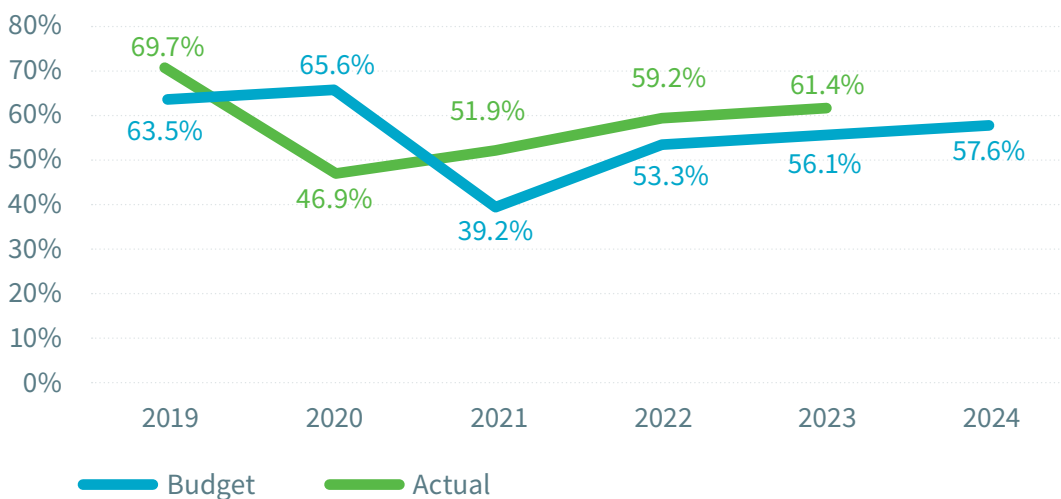
The pandemic had a significant impact on the District’s Parks, Recreation, and Culture (PRC) revenue due to ongoing Government regulations that restricted capacity and reduced overall demand. PRC revenues are rebounding but still fall short of pre-pandemic user fee recovery rates.

The District has been utilizing COVID-19 Restart grant proceeds to offset the impact of revenue losses. This practice has reduced the need to increase taxes to maintain PRC service levels. This reserve is forecasted to be completely utilized by the end of 2024, unless PRC net expenses are less than budgeted or revenues exceed budget.

Should the PRC net financial performance not improve beyond 2024 budgeted levels, increased taxation will be required to maintain existing service levels. It is estimated that the current funding gap (when compared to 2020 budgeted net financial performance) is \$1.2m (or 4% property tax increase), after net financial performance has been adjusted for inflation.

In 2023 the District engaged an economic consulting firm to conduct an Parks, Recreation, and Culture Economic Analysis. The aim of this engagement was to analyze the price elasticity of demand for each program area. Such an analysis would identify user fee rates that could be increased without reducing user demand such that net profit would be reduced. With this information Council may consider user fee increases, property taxes increases, or service adjustments to address this financial gap. This information is expected to be presented to Council in 2024.

#### Parks, Recreation, & Culture Recovery Rates



## 5. Inflation & Forced Growth

Inflation has significantly impacted the local government sector in BC through 2022 and into 2023. The Victoria Consumer Price index (CPI) from December 2022 to December 2023 was approximately 2.8%. CPI is not often a great indicator of municipal costs as municipalities face a variety of different cost pressures, and in different weightings than that of the conventional CPI measure. Consequently, local governments thorough review their individual cost drivers and determine overall funding increases to maintain existing service levels. Some of the noteworthy cost drivers for the 2023 Financial Plan are noted below:

- **Municipal Wages:** Collective bargaining for the Canadian Union of Public Employees (CUPE) Local 374 and the Oak Bay Police Association was concluded in 2023. A reasonable estimate has been applied to future wages (2025-2028). The Oak Bay Police Association Collective agreement was settled with increases of 4.4% for 2023 and 4.5% for 2024. The District's Collective Agreement with the International Association of Fire Fighters, Local No. 1856 expired in 2021. The District's Financial Plan integrates reasonable estimates for increases between 2022 – 2024.
- **Natural Gas:** Natural gas unit rates rose over 4.5% in 2023.
- **Equipment Costs:** Equipment costs are pooled and include insurance, gasoline, repairs and parts, and forecasted replacement costs. While a comprehensive review of equipment costs was not conducted, significant cost pressure are clearly evident including gasoline and replacement costs. Consequently, equipment costs were increased by 10% in the 2023 Financial Plan.
- **Insurance Costs:** property and general liability insurance premiums have been increased by 7%. The District is currently paying an additional 15% 'experience adjustment' factor in general liability premiums due to claims history.



## 6. Increased Regulation

Municipalities in British Columbia continue to be financially impacted by the effects of new senior government regulation. Some recent examples are outlined below:

- **Housing Target Orders:** On September 26, 2023 the District and 9 other BC municipalities received a Housing Target Order from the Provincial Minister of Housing. This Order identifies the amount of new housing units that the Province is requiring the District to facilitate being constructed within the next 5 years. In November 2023, the Province introduced a range of new legislation to implement the Homes for People Plan. These changes articulate very specific solutions to create housing options which require Official Community Plan and Zoning Bylaw changes in short order by all affected municipalities. Council authorized a series of Council Priority projects to meet the requirements of the Housing Target Order and the new legislation. Over \$2M has been allocated from the Growing Communities Fund for these projects. The long term, ongoing impacts of the new regulations is unknown but it is expected that staffing will need to be in place to facilitate land-use approvals envisioned by the updated Official Community Plan and Zoning Bylaw.
- **Accessibility:** The Accessible British Columbia Act (the Act) aims to improve accessibility in British Columbia (BC) by introducing new accessibility requirements for government and prescribed organizations. Covered organizations must establish an accessibility committee composed of members that reflect the diversity of persons with disabilities in BC, and local governments must develop and implement an accessibility plan that incorporates principles of inclusion, adaptability, diversity, collaboration, self determination, and universal design. The Act also requires local governments to establish a process for receiving public feedback on their accessibility plans and any barriers to accessibility.
- **Soil remediation:** On March 31, 2023 amendments to the BC Contaminated Sites Regulations (CSR) came into effect, which has impacted disposal of excavated material to our usual material handling company's sites. The District hasn't historically considered its soils as "contaminated" and testing wasn't required unless we had reason to suspect it (e.g. bad smell or an oil sheen on the soil). The new thresholds are significantly lower resulting in a much higher volume of material now being classified as contaminated. As a result we require soil testing, storage, double handling, and there are changes as to where we can take it for either disposal or treatment. New amendments to the CSR include limits on chloride (salt) in soils, which is widespread. Some is naturally occurring from proximity to the ocean and its inland influence prior to development of these lands, and some is due to the application of salt to our roads in the winter for de-icing. Other items that we find in some locations are metals (e.g. nickel and others). Some naturally occurring, and others from industry of the past (mechanic shops, etc.). We also frequently find high levels of hydrocarbons in the upper levels of the soil or gravel (at times we find pools of semi-liquid tar) sometimes from industry, but more widespread from a time when it was used on gravel or dirt roads to keep the dust down. This was a common practice before asphalt became regularly used.
- **New statutory holidays:** In 2021, the Government of Canada passed legislation making September 30th a federal statutory holiday. In 2023, the Province of British Columbia passed legislation to make September 30 a statutory holiday. The District's Collective Agreements observe Federal and Provincial Statutory holidays.

- **Five paid sick days:** Effective Jan 1, 2022 eligible employees were entitled to a minimum of five paid sick days pursuant to legislation passed by the Province of BC. District employees are entitled to sick days pursuant to the various Collective Agreements. However, auxiliary employees were not previously entitled to sick pay as they received a payment in lieu of benefits. This new legislation expands auxiliary entitlement.
- **WorkSafeBC expanded benefits:** Over several years, WorkSafeBC has been increasing industry premiums, increasing maximum benefits and expanding the scope of coverage. This has resulted in sharp rise in premiums paid. For instance in 2019 premiums paid were approximately \$385,000. In 2023 premiums paid exceeding \$870,000.
- **Canadian Pension Plan enhancement:** As of 2019, the Canada Pension Plan (CPP) is gradually being enhanced. The CPP enhancement will increase the amount working Canadians receive in the CPP retirement pension, post-retirement benefit, disability pension and survivor's pension. Phase 1 of the enhancement resulted in a 1% increase to premiums. Phase 2 of the enhancement creates an additional benefit range for which employers are required to provide contributions.

	In-Kind Staffing Hours	Incremental One-time Cost	Incremental On going Cost
Housing Target Order/ New Housing Regulations	Very high	\$2,000,000+ (\$0 net of Growing Communities Fund)	unknown
Accessibility	Moderate	\$25,000	\$10,000
Soil Remediation	High	\$1,700,000	\$300,000
New statutory holiday	Low	\$ -	\$50,000
5-day sick pay	Low	\$ -	\$45,000
WorkSafeBC expanded benefits	Moderate	\$ -	\$485,000
Canada Pension Plan Enhancement Program	Low	\$ -	\$250,000
<b>Total</b>		<b>\$3,725,000</b> <b>(\$1,725,000 net of GCF)</b>	<b>\$1,140,000</b>

## 7. Investment Yields & Reserve Balances

The District has improved investment returns since 2019 due to increased reserve balances, increased portfolio performance and increased market yields. Market yields are expected to moderate in the coming years and the District's reserve balances are forecasted to decline significantly. The Financial Plan integrates reduced investment returns however, the magnitude of reduced investment returns will depend on the rate of capital output which utilizes the District's reserves as the primary funding source.



# Consolidated Financial Plan – Year Over Year Change

Revenue	2023 Budget	2024 Budget	\$ Change	% Change
Property Value Taxes	\$33,059,300	\$35,913,400	\$2,854,100	8.6%
New Construction Property Taxes	-	100,000	100,000	0.0%
Boulevard Frontage Taxes	255,600	268,400	12,800	5.0%
Grant In Lieu of Taxes	67,000	68,000	1,000	1.5%
1% Utility Revenue	236,100	230,800	(5,300)	-2.2%
Property Tax Penalties & Interest	194,100	215,600	21,500	11.1%
Grants (Operating)	610,800	528,000	(82,800)	-13.6%
Grants (Capital)	7,473,100	7,441,900	(31,200)	-0.4%
Investment Income <sup>1</sup>	1,301,500	2,501,500	1,200,000	92.2%
Miscellaneous Revenue	11,300	11,300	-	0.0%
Municipal-Regional District Tax	300,000	300,000	-	0.0%
Facilities Dept. Revenue <sup>2</sup>	220,000	334,900	114,900	52.2%
Finance Dept. Revenue	51,600	59,000	7,400	14.3%
Building & Planning Dept. Revenue	1,003,300	1,082,500	79,200	7.9%
Engineering Dept. Revenue	22,100	22,100	-	0.0%
Public Works Dept. Revenue	1,812,700	1,866,700	54,000	3.0%
Sewer Utility Fees	1,553,200	1,614,500	61,300	3.9%
Water Utility Fees	5,360,800	5,853,600	492,800	9.2%
Parks & Recreational Dept. Revenue	8,186,000	8,794,100	608,100	7.4%
<b>Total Revenue</b>	<b>\$61,718,500</b>	<b>\$67,206,300</b>	<b>\$5,487,800</b>	<b>8.9%</b>

Notes:

1. Mostly transferred to reserve
2. Marina revenue calc error 2023

Operating Expenses	2023 Budget	2024 Budget	\$ Change	% Change
Corporate Administration	\$3,244,200	\$ 3,392,200	\$148,000	4.6%
Oak Bay Tourism	300,000	300,000	-	0.0%
Facilities <sup>1</sup>	236,500	360,900	124,400	52.6%
Finance & IT	1,968,000	2,063,400	95,400	4.8%
Policing	5,742,700	6,137,400	394,700	6.9%
Fire Protection <sup>2</sup>	5,292,200	5,580,700	288,500	5.5%
Building & Planning <sup>3</sup>	1,481,600	2,013,900	532,300	35.9%
Library	1,235,500	1,287,600	52,100	4.2%
Engineering & Public Works <sup>4</sup>	5,718,500	6,467,100	748,600	13.1%
Sewer Utility	895,800	927,500	31,700	3.5%
Water Utility	4,018,000	4,221,600	203,600	5.1%
Parks and Recreation	14,598,600	15,427,900	829,300	5.7%
Fiscal <sup>5</sup>	103,600	155,600	52,000	50.2%
Debt Interest <sup>6</sup>	134,400	-	(134,400)	-100.0%
Contingencies	866,800	927,900	61,100	7.0%
Major Crimes Contingency	775,000	940,000	165,000	21.3%
Council Priorities - Housing Directives	-	2,242,400	2,242,400	N/A
Council Priorities - Other	900,000	1,198,000	298,000	N/A
Special Initiatives	1,010,600	1,060,000	49,400	4.9%
<b>Total Operating Expenses</b>	<b>\$48,522,000</b>	<b>\$54,704,100</b>	<b>\$6,182,100</b>	<b>12.7%</b>
<b>Add:</b>				
Transfers from Reserves	32,121,300	50,145,500	18,024,200	56.1%
<b>Deduct:</b>				
Capital Expenditures <sup>7</sup>	(34,582,400)	(49,562,900)	(14,980,500)	43.3%
Transfers to Reserves	(10,592,800)	(13,062,900)	(2,470,100)	23.3%
Debt Principal <sup>8</sup>	(142,600)	-	142,600	-100.0%
<b>Budgetary Surplus</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

Notes:

- |   |                                   |
|---|-----------------------------------|
| 1. Athlone Court leases                       | 5. Offset by interest revenue     |
| 2. Fire Master Plan FTEs                      | 6. Retired - now trans to reserve |
| 3. Reserve funded staff increases             | 7. See capital schedule           |
| 4. Soil contamination & Active Transportation | 8. Retired - now trans to reserve |

# Consolidated Financial Plan – 2024 to 2028

Revenue	2024	2025	2026	2027	2028
Property Value Taxes	\$35,913,400	\$40,891,800	\$45,598,800	\$48,700,200	\$51,183,200
New Construction Property Taxes	100,000	-	-	-	-
Boulevard Frontage Taxes	268,400	281,800	295,900	310,700	326,200
Grant In Lieu of Taxes	68,000	68,200	68,400	68,600	68,800
1% Utility Revenue	230,800	235,400	240,100	244,900	249,800
Property Tax Penalties & Interest	215,600	206,700	213,100	218,300	225,100
Grants (Operating)	528,000	498,000	498,000	498,000	498,000
Grants (Capital)	7,441,900	890,900	890,900	890,900	890,900
Investment Income	2,501,500	2,251,500	1,996,500	1,736,400	1,471,100
Miscellaneous Revenue	11,300	11,300	11,300	11,300	11,300
Municipal-Regional District Tax	300,000	200,000	200,000	200,000	200,000
Facilities Dept. Revenue	334,900	333,900	333,900	333,900	333,900
Finance Dept. Revenue	59,000	59,000	59,000	59,000	59,000
Building & Planning Dept. Revenue	1,082,500	1,088,600	1,088,600	1,088,600	1,088,600
Engineering Dept. Revenue	22,100	22,100	22,100	22,100	22,100
Public Works Dept. Revenue	1,866,700	1,954,800	2,022,900	2,080,600	2,124,400
Sewer Utility Fees	1,614,500	1,667,600	1,719,800	1,770,800	1,820,700
Water Utility Fees	5,853,600	6,250,300	6,661,300	7,150,200	7,667,300
Parks & Recreational Dept. Revenue	8,794,100	9,063,000	9,334,900	9,614,900	9,903,300
<b>Total Revenue</b>	<b>\$67,206,300</b>	<b>\$65,974,900</b>	<b>\$71,255,500</b>	<b>\$74,999,400</b>	<b>\$78,143,700</b>

Operating Expenses	2024	2025	2026	2027	2028
Corporate Administration	\$3,392,200	\$3,500,200	\$3,661,900	\$3,702,500	\$3,784,800
Oak Bay Tourism	300,000	200,000	200,000	200,000	200,000
Facilities	360,900	369,200	378,300	387,900	397,300
Finance & IT	2,063,400	2,140,100	2,217,700	2,275,300	2,326,600
Policing	6,137,400	6,247,800	6,336,200	6,432,100	6,525,200
Fire Protection	5,580,700	5,889,200	6,075,400	6,264,100	6,454,000
Building & Planning	2,013,900	2,069,900	2,127,000	2,178,400	2,219,700
Library	1,287,600	1,329,400	1,372,600	1,417,200	1,463,300
Engineering & Public Works	6,467,100	6,719,100	6,964,900	7,191,300	7,345,900
Sewer Utility	927,500	953,300	977,900	1,000,800	1,022,000
Water Utility	4,221,600	4,487,300	4,766,500	5,122,900	5,506,600
Parks and Recreation	15,427,900	15,895,000	16,371,900	16,863,100	17,369,000
Fiscal	155,600	156,900	148,100	139,500	130,900
Debt Interest	-	618,800	2,358,400	2,685,300	2,685,300
Contingencies	927,900	1,214,300	1,614,100	2,027,900	2,456,100
Major Crimes Contingency	940,000	1,024,900	1,113,200	1,205,000	1,300,500
Special Initiatives	4,500,400	118,500	330,000	-	-
<b>Total Operating Expenses</b>	<b>\$54,704,100</b>	<b>\$52,933,900</b>	<b>\$57,014,100</b>	<b>\$59,093,300</b>	<b>\$61,187,200</b>
<b>Add:</b>					
Transfers from Reserves	50,145,500	24,969,600	21,330,400	19,530,700	16,595,000
Debt Proceeds	-	13,250,000	2,250,000	23,500,000	18,500,000
<b>Deduct:</b>					
Capital Expenditures	(49,584,800)	(36,901,100)	(21,974,400)	(41,867,300)	(33,849,800)
Transfers to Reserves	(13,062,900)	(14,111,200)	(14,901,000)	(15,991,900)	(17,124,100)
Debt Principal	-	(248,300)	(946,400)	(1,077,600)	(1,077,600)
<b>Total Budget Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



# 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 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 with the District's tax base being 96% residential. Therefore, disruptions in non-residential assessments would not interfere with tax revenues enough to significantly impact the predictability of tax revenues overall. In fact, a uniform and significant reduction in assessed values would be unlikely to disrupt such 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 in most cases. The *Local Government Act* requires the District to commence tax sale proceedings in cases where three 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...”*

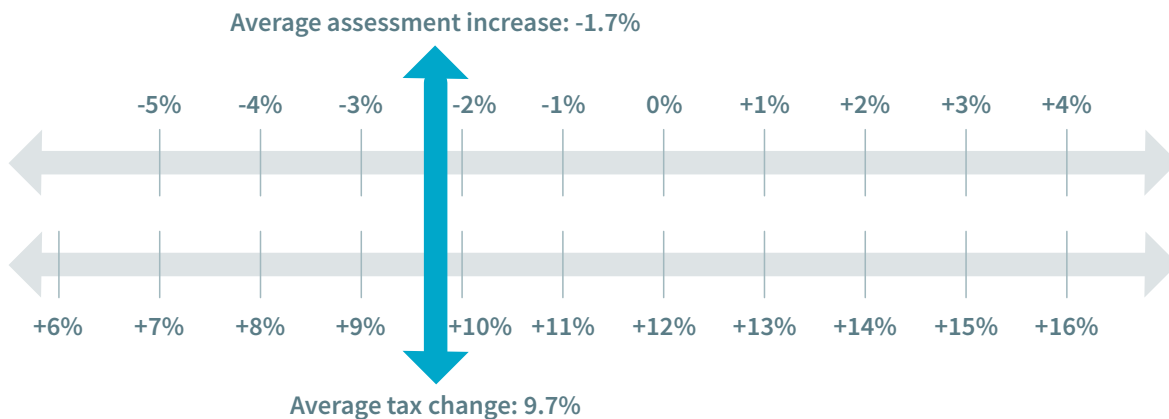
therefore, taxes are discharged, at a minimum, when the property changes ownership or during tax sale proceedings. Although exceedingly rare, tax sale proceedings can result in the property being auctioned, which ensures property taxes are collectible.

## 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 2024 Completed Assessment Roll indicates a 1.8% average decrease in residential assessed properties. The preliminary property tax increase for 2024 is 9.7%. This means that properties with an assessment change above -1.8% will incur a tax increase greater than 9.7%.



## 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. Staff have estimated approximately \$100,000 derived from NDT Revenue in 2024 with final NDT numbers available in March with the release of the revised assessment roll.

## Five Year Property Taxation Forecasts

The draft 2024 – 2028 Financial Plan forecasts an average tax increase of 8.8% for the five years and an average increase of \$386 for 2024 through 2028

	2024	2025	2026	2027	2028	average
Tax increase	8.63%	13.55%	11.51%	6.80%	5.10%	9.12%
Tax increase \$ to median residential property	\$318	\$543	\$524	\$345	\$276	\$422

Forecasted tax increases are driven by the following factors:

\$ Increase by Cost Driver	2024	2025	2026	2027	2028
Forced Growth	\$1,163,000	\$1,574,100	\$1,631,400	\$1,536,900	\$1,568,100
Infrastructure Renewal	600,000	600,000	600,000	600,000	600,000
New Staffing	438,000	247,500	123,500	315,000	123,500
Contaminated Soil Fund	225,000	-	-	-	-
COVID-19 Restart Grant Ending	-	1,398,300	-	-	-
New Service - Graffiti/Beautification	126,000	-	-	-	-
New Leases - Athlone	110,700	-	-	-	-
Active Transportation	191,400	191,400	191,400	191,400	191,400
Debt Servicing - North Oak Bay Watermain	-	343,600	-	-	-
Debt Servicing - Carnarvon Park Building	-	523,500	-	-	-
Debt Servicing - Carnarvon Splash Park	-	-	72,500	-	-
Debt Servicing - Public Safety Building	-	-	2,088,200	-	-
Debt Servicing - Core Infrastructure	-	-	-	458,100	-
<b>Total Operating Expenses</b>	<b>\$2,854,100</b>	<b>\$4,878,400</b>	<b>\$4,707,000</b>	<b>\$3,101,400</b>	<b>\$2,483,000</b>

<b>% Increase by Cost Driver</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Forced Growth	3.53%	4.37%	3.97%	3.36%	3.21%
Infrastructure Renewal	1.81%	1.67%	1.47%	1.32%	1.24%
New Staffing	1.32%	0.69%	0.30%	0.70%	0.26%
Contaminated Soil Fund	0.68%	0.00%	0.00%	0.00%	0.00%
COVID-19 Restart Grant Ending	0.00%	3.89%	0.00%	0.00%	0.00%
New Service - Graffiti/Beautification	0.38%	0.00%	0.00%	0.00%	0.00%
New Leases - Athlone	0.33%	0.00%	0.00%	0.00%	0.00%
Active Transportation	0.58%	0.53%	0.47%	0.42%	0.39%
Debt Servicing - North Oak Bay Watermain	0.00%	0.95%	0.00%	0.00%	0.00%
Debt Servicing - Carnarvon Park Building	0.00%	1.45%	0.00%	0.00%	0.00%
Debt Servicing - Carnarvon Splash Park	0.00%	0.00%	0.18%	0.00%	0.00%
Debt Servicing - Public Safety Building	0.00%	0.00%	5.12%	0.00%	0.00%
Debt Servicing - Core Infrastructure	0.00%	0.00%	0.00%	1.00%	0.00%
<b>Total Operating Expenses</b>	<b>8.63%</b>	<b>13.55%</b>	<b>11.51%</b>	<b>6.80%</b>	<b>5.10%</b>

<b>\$ Impact to Median Residential Property</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Forced Growth	\$130	\$175	\$182	\$171	\$174
Infrastructure Renewal	67	67	67	67	67
New Staffing	49	28	14	35	14
Contaminated Soil Fund	25	-	-	-	-
COVID-19 Restart Grant Ending	-	156	-	-	-
New Service - Graffiti/Beautification	14	-	-	-	-
New Leases - Athlone	12	-	-	-	-
Active Transportation	21	21	21	21	21
Debt Servicing - North Oak Bay Watermain	-	38	-	-	-
Debt Servicing - Carnarvon Park Building	-	58	-	-	-
Debt Servicing - Carnarvon Splash Park	-	-	8	-	-
Debt Servicing - Public Safety Building	-	-	232	-	-
Debt Servicing - Core Infrastructure	-	-	-	51	-
<b>Total Operating Expenses</b>	<b>\$318</b>	<b>\$543</b>	<b>\$524</b>	<b>\$345</b>	<b>\$276</b>



## 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 Park’s crew maintain the boulevards adjacent to these properties.

The District has an administrative policy of setting its boulevard tax revenue budget to recover approximately 75% of the boulevard maintenance costs. Staff have increased the boulevard maintenance budget significantly to regain the 75% policy objective.

Boulevard Maintenance Budget	2018	2019	2020	2021	2022	2023	2024
Levy	\$199,500	\$207,816	\$215,300	\$221,300	\$232,500	\$255,600	\$268,400
Increase	3.49%	4.34%	3.60%	2.8%	5.0%	10%	5.0%
Levy / Budgeted Expenses	77%	77%	75%	77%	66%	67%	69%

Boulevard Frontage Tax Budget	2018	2019	2020	2021	2022	2023	2024
Budget	\$259,123	\$269,476	\$286,000	\$286,000	\$354,600	\$380,600	\$388,700
Actual	\$277,087	\$312,953	\$328,554	\$310,132	\$287,425	\$323,832	
Actual/Budget	107%	116%	115%	108%	81%	85%	

## 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 from this levy are remitted to the Oak Bay Business Improvement Association (BIA). The Oak Bay BIA exists to promote local member businesses and contributes to the community at large. The BIA’s term 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 under section 125 of the federal *Constitution Act, 1867*. Federal properties may, however, be subject to a payment in lieu of taxes according to the federal *Payments in Lieu of Taxes Act*. Two such federally owned, tax exempt properties in the District pay a payment in lieu of tax, and they are; (1) Turkey Head Breakwater, and (2) Trial Island Lighthouse.

Federal grant in lieu payments are generally equivalent to the amount of taxation that would have been due had the properties not been exempt.

### **Grant in Lieu of Taxes, University of Victoria:**

The University of Victoria (Uvic) 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. The Ministry of Advanced Education, Skills and Training distributes an annual 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, with the actual value of the UVic property within Oak Bay assessed at \$410.8M. The grant in lieu of taxes is equivalent to approximately 2.0% of the taxation revenue that would be due on \$410.5M of taxable assessment. The foregone taxes demonstrate the District's significant investment in post-secondary education.



# 1% Utility Revenue

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 2024, 1% of revenues are forecasted as follows:

Utility Company	2022 Budget	2023 Budget	2024 Budget	Change
Rogers Communications	\$27,300	\$25,600	\$23,400	-\$2,200/-8.6%
Telus	18,200	17,500	15,600	-\$1,900/-10.9%
Fortis	41,200	50,500	63,300	+\$12,800/+25.3%
BC Hydro	136,700	142,500	128,500	-14,000/-9.8%
<b>Total</b>	<b>\$223,400</b>	<b>\$236,100</b>	<b>\$230,800</b>	<b>-\$5,300/-2.2%</b>

# Municipal Regional District Tax (MRDT)

The Municipal and Regional District Tax (MRDT) is a tax of up to 3% 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 according to the *Designated Accommodation Area Tax Regulation 93/2013*.

Funds raised through the MRDT must be used for a prescribed purpose, such as tourism marketing or sport hosting marketing. As such, MRDT funds raised in the municipality of Oak Bay are used to fund Oak Bay Tourism.

## User Fees

Section 194 of the *Community Charter* enables Council to impose a fee for 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. Property taxes recover the remaining 30% of such costs. 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 several years while the Capital Regional District phased in the cost of construction. When construction was completed, costs shared between participating municipalities converted mainly to operating costs.

At the Regular Meeting of Council on November 9, 2020, Council elected to recover the regional sewer operating costs via a CRD sewer user fee and the regional sewer debt and capital costs via a CRD property tax levy.

The District amends its CRD sewer user fee in the fall to be effective for the following year. So for 2024, the bylaw amendments were made in December of 2023. The CRD bases its 2024 sewer requisition on sewer flows from October 1, 2022 through September 30, 2023. The District is allocated its portion of the 2024 sewer requisition budget based on its proportion of flows compared to the entire system flows. The CRD has so far been unable to provide a reliable preview of the District's proportion shift prior to rates being prepared. Accordingly, the District's methodology for determining CRD sewer user fee rates has been to increase the rate by the CRD provisional budget increase. The 2024 Provisional CRD Budget indicated a 13.73% increase in Core Wastewater operations costs.

**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. Most 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 fewer units, the fixed fee is \$0.78 per day or \$284.70 per year.

**Solid Waste User Fee:** The District levies a solid waste fee under the District’s Refuse Collection and Disposal Bylaw. The solid waste fee funds various services (described below). The District’s solid waste fee revenue exceeds the solid waste division’s direct costs and funds solid waste service infrastructure replacement and general District overhead.

Solid Waste Division Service	2022 Budget	Proportion	Service Description
Solid Waste	\$700,200	40%	Bi-weekly curbside pickup and unlimited drop off at depot
Organics	490,600	28%	Bi-weekly curbside pickup
Garden Waste Program	197,100	12%	Unlimited drop off at depot, compost sales
Beach Cleanup	13,300	1%	Two to four clean-up crew days per year, or one sunken sailboat removal
Garden Waste Pickup Week	118,000	7%	One day per-week, per property annual curbside garden waste
Recycling Depot	212,700	12%	Unlimited drop off at depot
<b>Total</b>	<b>\$1,731,900</b>	<b>100.0%</b>	

## Grants (Operating)

The District’s operating grant budget is comprised of the following four main grants:

1. Small Community Grant
2. Traffic Fine Revenue Sharing Grant
3. Local Government Climate Action Program Grant
4. Project-Related Grants

Grant	2023 Forecast	2023 Budget	2024 Budget	Change
Small Community Grant	\$143,000	\$150,000	\$150,000	\$ -
Traffic Fine Revenue Sharing	188,000	202,000	202,000	-
Local Government Climate Action Program Grant	146,082	146,000	146,000	-
Project-related grants	37,819	37,900	27,300	-\$10,600
Other	4,773,000	2,700	2,700	-
<b>Total</b>	<b>\$5,287,901</b>	<b>\$538,600</b>	<b>\$528,000</b>	<b>-\$10,600</b>



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

**Traffic Fine Revenue Sharing Grant:** This grant amount is determined by total Provincial traffic fine revenue collected in the year prior. Oak Bay’s share of the funds is determined by the District’s policing costs as a proportion of the entire Province’s policing costs. It is difficult to forecast traffic fine revenue as it varies from year to year.

**Local Government Climate Action Program Grant (LGCAP):** This grant is the successor to the Climate Action Revenue Incentive Program (CARIP Grant). The CARIP grant was a conditional grant program that provided funding to local governments that signed the BC Climate Action Charter. The grant was equal to 100% of the carbon taxes the District paid to support local government operations. In September 2021, the Province announced 2021 would be the final year of the program.

The CARIP Grant was replaced with the LGCAP Grant. The LGCAP provides funding for local governments to develop and implement a climate action plan that will reduce emissions, create new opportunities for people in the clean economy, and prepare communities for future climate impacts. As part of the program, recipients of funding will be required to report on their actions. Proceeds from this grant are now being used to fund a Senior Planner – Climate position in the Community Building & Planning operating budget.

## 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 BC over 10 years (2014-2024).

The Gas Tax Fund provides predictable, long-term, and stable funding to local governments in BC 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	\$853,873.73	\$890,979.58

In 2014, when the new agreement was signed, the eligible project categories expanded significantly, prompting many communities to change their gas tax revenue recognition practices.



## Investment Revenue

Investment returns grew considerably from 2021 – 2023 due to two primary factors: (1) sharp increase in yields, and (2) growth in the District’s reserve balances.

	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019	2020	2021	2022	2023
Investment revenues	\$340,809	\$304,755	\$357,143	\$744,099	\$996,143	\$831,556	\$727,480	\$1,705,977	\$2,904,511
Investment revenue budget	174,000	152,000	130,000	140,000	301,500	825,000	562,500	662,500	1,301,500
Cash and Investment balance	35.7M	41.0M	46.5M	54.1M	60.1M	72.2M	70.1M	74.3M	81.0M
MFA money market return %	0.85%	0.79%	0.97%	1.65%	1.88%	0.85%	0.15%	1.93%	5.07%

The investment return budget has been increased by \$1.2M from 2023 to 2024. As the majority of our investment returns are earned on reserve balances, the 2024 budget integrates and offsetting transfer to reserve. Thus this budgetary increase does not directly impact property taxation. However, it does impact the District’s assessment of sustainable infrastructure replacement funding levies.



# Operating Department Summaries

# Corporate Administration

Administration consists of the Chief Administrative Officer (CAO), the Director of Corporate Services (DCS), the Deputy DCS, the Director of Strategic Initiatives, the Deputy Director of Strategic Initiatives, the Director of Human Resources, a Manager of Occupational Health, Safety and Wellness, a Manager of Communications, the Executive Assistant to the CAO, and the Mayor, (*as well as an administrative support staff person*). The CAO is the general manager for the Corporation, providing guidance and direction to all operating departments, and is the principal advisor to Council. The DCS works closely with Council, is the main link between Council and the public, and is the contact for information on all Council matters. The DCS 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	2021 Actual	2022 Actual	2023 Actual
Meetings of Council Supported	66	63	53
Meeting minutes posted on time (adopted at next Council meeting)	64	63	53
# FOIPPA requests	23	19	18
FOI requests within statutory deadlines	23	19	17
Bylaws reviewed	5	25	21
Special Events Permits Issued	6	24	17
Block Party Permits Issued	10	20	25
Total web pages viewed	3.4M	2.9M	2.2M
# Social Media posts	837	833	820
# Social Media followers	3,246	4,011	11,401
Volunteer Hours Contributed to Archives	100	100	112
District-wide FTE (budget)	250.13	260.03	288.57
District-wide Job Postings (including auxiliary and regular)	99	143	137
Archives Research Inquiries conducted	143	144	149
Archives Program (school programs, history talks, special events)	60 (2)	60 (2)	
Archives Collections Acquired	12	15	9

## Staffing History and Forecast

Position	2022 FTEs	2023 FTEs	2024 FTEs	Change
Chief Administrative Officer	1.00	1.00	1.00	-
Director of Corporate Services	1.00	1.00	1.00	-
Director of Strategic Initiatives	1.00	1.00	1.00	-
Deputy Director of Strategic Initiatives	0.00	1.00	1.00	-
Deputy Director of Corporate Services	1.00	1.00	1.00	-
Director of Human Resources	1.00	1.00	1.00	-
Occupational Health and Safety Specialist	1.00	1.00	1.00	-
Communications Specialist <sup>1</sup>	1.00	2.00	2.00	-
Executive Assistant to the Mayor & CAO	1.00	1.00	1.00	-
Legislative Assistant	2.00	2.00	2.00	-
Administration Program Assistant	1.00	1.00	1.00	-
Audio Visual Technician <sup>2</sup>	0.00	0.14	0.14	-
Archivist	0.50	0.50	0.50	-
<b>Total</b>	<b>11.50</b>	<b>13.64</b>	<b>13.64</b>	<b>-</b>

Notes:

1. On June 27, 2022, Council approved five full time equivalent positions to enhance the District's infrastructure capital delivery capability including one communications position. This position will be funded from previously dedicated infrastructure renewal funds.
2. This position and its funding has been moved from the Finance and IT department effective 2024.





## 2023 Accomplishments

- Prepared 2022-2026 Council Priorities Plan
- Oversaw deer management research project
- Established grants management program
- Advanced Council-to-Council meetings with the Songhees Nation
- Obtained water lot lease for the marina
- Obtained dock assessment
- Obtained resident input through Annual Questionnaire
- Supported Council review of priorities
- Arranged long service recognition awards event – 90 employees recognized with 1,800 combined years of service
- Received Safety Improvement Award from the British Columbia Municipal Safety Association
- Provided a wide range of safety training to Parks and Public Works staff
- Provided Due Diligence training to 52 managers and supervisors
- Created and implemented Workplace Impairment policy
- Developed Flexible Work Arrangements policy
- Created a Graduated Return to Work program
- Achieved reduction in WorkSafeBC experience rating and premium costs
- Created and implemented exposure control plan for Public Works staff working with asbestos containing pipe
- Planned and facilitated employee wellness lunch hour sessions

## 2024 Planned Accomplishments

- Support Council with next step deliberations for Marina
- Advance efforts to obtain First Nations and Community Input on Future of Turkey Head (Spewhung)
- Issue RFP and award contract for Animal Control Services for 2024-29
- Seek external grant funding for Council Priority and capital plan projects
- Obtain resident input through Annual Questionnaire (with new survey software)
- Support Council’s annual review of priorities
- Facilitate bi-annual orientation day for new employees
- Implement Flexible Work Arrangements policy and procedures
- Conduct employee survey
- Deliver performance feedback and review training
- Implement Graduated Return to Work program
- Arrange annual long service recognition awards event
- Train managers/supervisors on recruitment and selection best practices
- Conduct training and development needs assessment

# Corporate Administration Operating Budget

Overall, the Corporate Administration Department’s operating budget requires a 4.3% (\$134,900) 2024 funding increase to incorporate Council direction and forced growth factors. This does not include additional funding requests detailed below.

Operating Expense Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Council	\$244,961	\$270,200	\$276,600	\$6,400	2.4%
Corporate Administration	1,518,366	1,616,400	1,667,100	50,700	3.1%
Human Resources	520,339	565,600	579,400	13,800	2.4%
Communications <sup>1</sup>	154,366	174,900	209,300	34,400	19.7%
Risk Management <sup>2</sup>	324,668	360,200	381,800	21,600	6.0%
Grants & Fee for Service <sup>3</sup>	231,284	205,900	216,000	10,100	4.9%
Archives	44,662	51,000	52,000	1,000	2.0%
<b>Total Operating Expenses</b>	<b>\$3,038,647</b>	<b>\$3,244,200</b>	<b>\$3,382,200</b>	<b>\$138,000</b>	<b>4.3%</b>
<b>Impact to average residential property</b>				<b>\$15.41</b>	<b>0.4%</b>

Notes:

1. Position reclassifications
2. Insurance
3. Crossing guard + 2 days

## New Operating Budget Funding

In addition to forced growth funding increases recommended above, the following funding increase has been integrated into the 2024 Financial Plan. At the September 5, 2023 Special Council Meeting, the following resolution was adopted: “THAT Council approve financial sponsorship in the amount of \$10,000 for the 2023 South Island Powwow on the National Day for Truth and Reconciliation”.

Reasons for Increase		% Increase	Tax Impact*
Funding request for South Island Powwow	\$10,000	0.3%	\$1.12
<b>Total New Operating Budget Items</b>	<b>\$10,000</b>	<b>0.3%</b>	<b>\$1.12</b>
<b>+ Status Quo Budget</b>	<b>\$3,382,200</b>	<b>4.3%</b>	<b>\$15.41</b>
<b>= Total Corporate Administration</b>	<b>\$3,392,200</b>	<b>4.6%</b>	<b>\$16.53</b>

# Administrative and Residential Facilities

The District owns, operates, and maintains several administrative buildings including:

- Municipal Hall,
- 1538 Monterey Ave,
- 1423 Hampshire Ave,
- 1531 Hampshire Ave,
- Tod House, and
- Oak Bay Marina lands.

The budget below includes a modest transfer to reserve budgets. This funding accumulates in a capital reserve until such time that these reserves are required to fund capital maintenance. Capital expenditures are much larger, more expensive, and prolong the building or building component life.

This operating budget does not include the facility operating costs of the Police, Fire, Parks, Recreation and Culture, and Public Works facilities.



## Administrative Facilities

Operating Revenue Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Lease Revenue <sup>1</sup>	\$368,183	\$220,000	\$334,900	\$114,900	52.2%
<b>Total Operating Revenues</b>	<b>\$368,183</b>	<b>\$220,000</b>	<b>\$334,900</b>	<b>\$114,900</b>	<b>52.2%</b>

Operating Expense Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Maintenance - 1538 Monterey	\$1,046	\$6,200	\$6,500	\$300	4.8%
Maintenance - 1423 Hampshire <sup>2</sup>	34,533	34,500	36,000	1,500	4.3%
Maintenance - 1531 Hampshire	446	5,400	5,400	-	0.0%
Maintenance - Tod House <sup>2</sup>	6,330	8,100	8,400	300	3.7%
Maintenance - Municipal Hall	118,800	96,000	100,400	4,400	4.6%
Foreshore Lease <sup>3</sup>	75,125	68,500	75,100	6,600	9.6%
Maintenance - Oak Bay Marina	5,892	17,800	18,400	600	3.4%
Transfers to Reserves for Facilities	40,900	40,900	40,400	(500)	-1.2%
Transfers to Tod House Trust	13,325	11,600	11,300	(300)	-2.6%
Transfers to Marina Reserve	38,900	38,900	40,200	1,300	3.3%
<b>Total Operating Expenses</b>	<b>\$335,297</b>	<b>\$327,900</b>	<b>\$342,100</b>	<b>\$14,200</b>	<b>4.3%</b>
<b>Net Operating Budget</b>	<b>\$(32,886)</b>	<b>\$107,900</b>	<b>\$7,200</b>	<b>\$(100,700)</b>	<b>93.3%</b>
<b>Impact to average residential property</b>				<b>-\$11.24</b>	<b>-0.3%</b>

### Notes:

1. The 30-year Marina lease expired December 31, 2022. This lease was replaced with a 5-year lease. Terms of this lease provide both parties with the option to terminate the Café and Restaurant building lease with 30 days written notice. In the 2023 Financial Plan, the budgeted lease revenue was reduced to reflect this. However, an administrative error occurred reducing budgeted revenue further than was required. This has been corrected in the 2024 Financial Plan.
2. These facilities have a revenue component. Net operating surpluses are transferred to reserve for facilities capital. Any net increase in operating expenditures are offset with reduced transfers to reserve.
3. This increase to the foreshore lease was negotiated with the Province. This increase is offset by the water lot lease on the Marina lands.



# New Operating Budget Funding

In addition to forced growth funding increases recommended above, the following funding increase has been integrated into the 2024 Financial Plan. At the June 12, 2023 Council Meeting, the following resolution was adopted: “AND THAT, as space becomes available at Athlone Court, staff be authorized to enter into a lease to secure that additional municipal office space to run concurrent with the lease on 207A Athlone to augment office space needs for approved staffing levels”.

Reasons for Increase		% Increase	Tax Impact*
Athlone Court Leases	\$110,700	33.8%	\$12.36
<b>Total New Operating Budget Items</b>	<b>\$110,700</b>	<b>33.8%</b>	<b>\$12.36</b>
+ Status Quo Budget	\$7,200	93.3%	\$(11.24)
<b>= Total Administration Facilities</b>	<b>\$117,900</b>	<b>127.1%</b>	<b>\$1.12</b>

### 1538 Monterey Avenue

This property was purchased in 2016 using funds in the District’s Land Sale Reserve. Long-term use of the property will be explored when the District undertakes a Village Area Planning process.

### 1423 Hampshire Rd & 1442 Monterey Avenue

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, and in 2022 the District signed a lease agreement with the Inter-Cultural Association of Greater Victoria for residential use of the property. 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

In 2008, the Province gave its 50% share of the Tod House heritage property to the District. Concurrently, the Province registered a “Possibility of Reverter” against the property, which 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 signed a five-year lease with the Oak Bay Marine Group for 2023-2027 which no longer includes the Restaurant and Coffee Shop area.



## 2023 Accomplishments

- Introduced a Preventative Maintenance program for District Buildings within the Facilities and Asset Management portfolio, prioritizing life safety systems, reliability, and building envelope
- Commenced updating Building Facilities Condition Assessments for Lifecycle management, system renewals, and energy upgrades
- Completed Asbestos abatement at Oak Bay Library Branch
- In cooperation with Parks, Recreation, and Culture, began the Carnarvon Park Master Plan Refresh and Main Building Design project
- In cooperation with Parks, Recreation, and Culture, replaced the Parks building roof
- Begin Municipal Hall exterior public washrooms Design and Engineering Study
- Begin Fire Hall Washroom Renovation Engineering Study
- Installed Fire Hall New Heat Pump
- In Cooperation with Strategic Initiatives, completed the Marina Building Envelope Assessment
- Completed Municipal Hall Electric Furnace renewal with a new Heatpump
- Conducted Municipal Hall Space Planning Optimization & Related Renovations
- Revised Municipal Hall HVAC Controls programming, projecting Natural Gas savings of over 40% and Electricity savings of over 20%
- Turned off lights in empty rooms 1462 times

## 2024 Planned Accomplishments

- Site Preparation and Install of Garage Structure for the new Fire Department Ladder Truck
- Expand EV charging capacity at the Oak Bay Police Station & Fire Hall to support EV Fleet vehicles
- Embark on Public Safety Building Feasibility Assessment
- Continue with the Carnarvon Park Master Plan Refresh and Main Building Design project
- Begin construction on the Fire Hall Washroom Renovations
- Begin construction on the Municipal Hall Exterior Public Washroom Renovations
- Continue Municipal Hall Space Optimization project

# Financial Services and Information Technology

The Finance department is responsible for the systems and processes that supporting the financial well-being of the District, providing advice and information to Council, staff, and the public. This department coordinates expenditures through the annual budget process, prepares financial statements and reports, and administers property taxation, utility billing, accounts payable, accounts receivable, and payroll, as well as insurance and risk management. It also secures and manages debt and ensures that cash flow is managed so that 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 based on Council direction and 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
- Software implementation

The division also maintains and replaces a large inventory of IT hardware including PCs, printers, mobile devices, and phone hardware.



## Staffing History and Forecast

Position	2023 FTEs	2024 FTEs	Change
Director of Finance and Asset Management	1.00	1.00	-
Deputy Director of Financial Services	1.00	1.00	-
Manager of IT Projects <sup>1</sup>	0.33	0.33	-
Program Manager – Facilities/Asset Management	1.00	1.00	-
Accountant	1.00	1.00	-
Assistant Accountant <sup>2</sup>	2.00	0.00	-2.00
Financial Analyst <sup>2</sup>	0.00	1.00	+1.00
Payroll Coordinator	1.00	1.00	-
Payroll Clerk <sup>2</sup>	0.00	1.00	+1.00
Accounts Payable Clerk <sup>3</sup>	0.75	0.75	-
Utility Billing Clerk <sup>4</sup>	0.00	0.00	-
Tax Clerk	0.00	1.00	+1.00
Accounting Clerk	0.50	0.50	-
Treasury Clerk	1.00	1.00	-
Information Technology Technician <sup>5</sup>	1.00	1.33	+0.33
<b>Total</b>	<b>10.58</b>	<b>11.91</b>	<b>+1.33</b>

Notes:

- 0.33 funded by taxation, 0.66 funded by capital
- The Finance Department was significantly restructured in 2024 whereby the funding for 2 x Assistant Accountant positions were redistributed to 3 new positions (Financial Analyst, Payroll Clerk, and Tax Clerk). Additional funding was also transferred from the Finance Department consulting budget to make this reorganization a net \$0 budgetary increase.
- 25% funded through water utility budget
- Funded through water utility budget
- This position was created by repurposing IT consulting budget funds already within the approved budget. There is therefore a \$0 net budgetary increase as a result of this position.

## Performance Measures and Statistics

Performance Measure	2022Actual	2023Actual
\$ Property Taxes Levied	\$53.2M	57.6M
# Taxable Folios	6,943	6,941
# Home Owner Grants Claimed	4,354	4,263
# Tax Deferment Applications	1,217	1,308
# Cash Receipts/Bank Transactions	28,093	29,295
# T4s and T4As Issued	765	805
# Accounts Payable Invoices	10,625	10,877
\$ Investment Returns	\$1,706,000	\$2,904,000
Distinguished Budget Report	Awarded	Awarded
Canadian Award For Financial Reporting	Awarded	Awarded
Helpdesk Tickets	1,032	915
Amount of Data	12 Terabytes	24.5 Terabytes
Email Boxes	222	331
Email Storage	1.3TB	1.4TB
Network uptime	Hall: 100% Public Works: 100% OBRC: 100% NLC: 99.96% Henderson: 99.98% Windsor: 100% Tempest: 99.99%	Hall: 99.97% Public Works: 100% OBRC: 100% NLC: 99.92% Henderson: 100% Windsor: 99.95% Tempest: 99.93%

## 2023 Accomplishments

- Introduced new Asset Retirement Obligation Financial Report standards
- Began Comprehensive Asset Management Plan project
- Substantially completed Parking Enforcement Standard Operating Procedure Project
- Completed recommendations phase of Utility Billing Process Review
- Achieved Government Finance Officer's Association's Distinguished Budget Report
- Contributed to achieving the Canadian Award for Financial Reporting with Corporate Services
- Completed scoping phase of asset management software project
- Introduced capital output performance measures into quarterly budget reports
- Began to implement network security audit recommendations
- Installed Firehall Wifi services

## 2024 Planned Accomplishments

- Implement Council direction from Utility Billing process review recommendations
- Continue to implement Network Security Audit Recommendations
- Establish Project Management Governance Framework
- Complete phase 1 of Comprehensive Asset Management Plan Project
- Lead implementation of Development Cost Charge and Amenity Cost Charge bylaw development





## Finance and Information Technology Operating Budget

Overall, the Finance Department’s operating budget requires a 4.6% (\$88,100) 2024 funding increase to maintain existing service levels.

Operating Revenue Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
School Tax Commission	\$17,679	\$16,300	\$17,700	\$1,400	8.6%
Tax Certificates & Info Requests	11,540	17,000	17,000	-	0.0%
NSF Fees	455	1,000	1,000	-	0.0%
Parking & MTI Fines	28,065	17,300	23,300	6,000	34.7%
<b>Total Operating Revenues</b>	<b>\$57,739</b>	<b>\$51,600</b>	<b>\$59,000</b>	<b>\$7,400</b>	<b>14.3%</b>

Operating Expense Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Finance General	\$1,244,335	\$1,263,700	\$1,306,000	\$42,300	3.3%
Parking Enforcement	54,391	58,400	58,400	-	0.0%
Information Technology <sup>1</sup>	585,433	645,900	699,100	53,200	8.2%
<b>Total Operating Expenses</b>	<b>\$1,884,160</b>	<b>\$1,968,000</b>	<b>\$2,063,500</b>	<b>\$95,500</b>	<b>4.9%</b>
<b>Net Operating Budget</b>	<b>\$1,826,421</b>	<b>\$1,916,400</b>	<b>\$2,004,500</b>	<b>\$88,100</b>	<b>4.6%</b>
<b>Impact to average residential property</b>				<b>\$9.84</b>	<b>0.3%</b>

Note:

1. The primary cost driver is escalating licensing fees for an expanding work force.

# Police Services

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

## Staffing History and Forecast

Position	2023 FTEs	2024 FTEs	Change
Chief Constable	1.00	1.00	-
Deputy Chief Constable	1.00	1.00	-
Sergeant	6.00	6.00	-
Constable	13.00	13.00	-
Total Strength	21.00	21.00	-
Civilian Support Staff	4.00	4.00	-
Reserve Constables	7.00	4.00	-3.00

## Performance Measures and Statistics

Offence	2021	2022	2023
Robbery	0	0	1
Assaults	27	17	31
Sexual Assaults	10	9	12
Utter Threats	14	14	15
Break and Enter – Business	9	14	11
Break and Enter – Residence	16	25	17

# Performance Measures and Statistics Continued

Offence	2021	2022	2023
Break and Enter – Other	8	10	12
Theft of Motor Vehicle	6	2	7
Theft from Motor Vehicle	44	45	39
Theft of Bike	27	28	28
Theft Under \$5,000	85	87	61
Fraud	60	55	58
Mischief	83	137	119
Cause Disturbance	11	19	18
Counterfeit Currency	1	0	0
Trespass at Night	4	0	1
Breach/Bail Violations	14	24	16
Drug Possession	1	3	1
Impaired Drivers (CC and 90-day IRP)	28	14	10
Bylaw Infractions	225	195	206
Parking Violations	103	98	63
Collisions	93	105	94
Assist Public	771	685	632
Lost and Found	324	276	309
Suspicious Person	368	402	347
False Alarms	144	163	224
Liquor Offenses	19	15	29
Property Check Program	63	105	120
Violation Tickets/Warnings Issued	778	866	829

Police Metrics	2021	2022	2023
Pedestrian Injury Collisions	2	6	2
Total Injury Collisions	12	19	16
Total Number of Collisions	93	105	94
Number of Injured Cyclists	5	5	5

## 2023 Accomplishments

- Collaborated with the Oak Bay Police Board and developed the 2024-2027 Strategic Plan
- Acquired a second fully marked electric operational police vehicle
- Established a full time Youth and Community Liaison Officer position
- Negotiated a new 2023-2024 Collective Agreement with the Oak Bay Police Association
- Police Officer Down Enhanced First Aid Program delivered to all officers
- Mental Health Resilience Training for 4 officers
- Participation and support of the Regional Youth Police Camp
- Significant decreases in residential break and enters and pedestrian injury collisions

## 2024 Planned Accomplishments

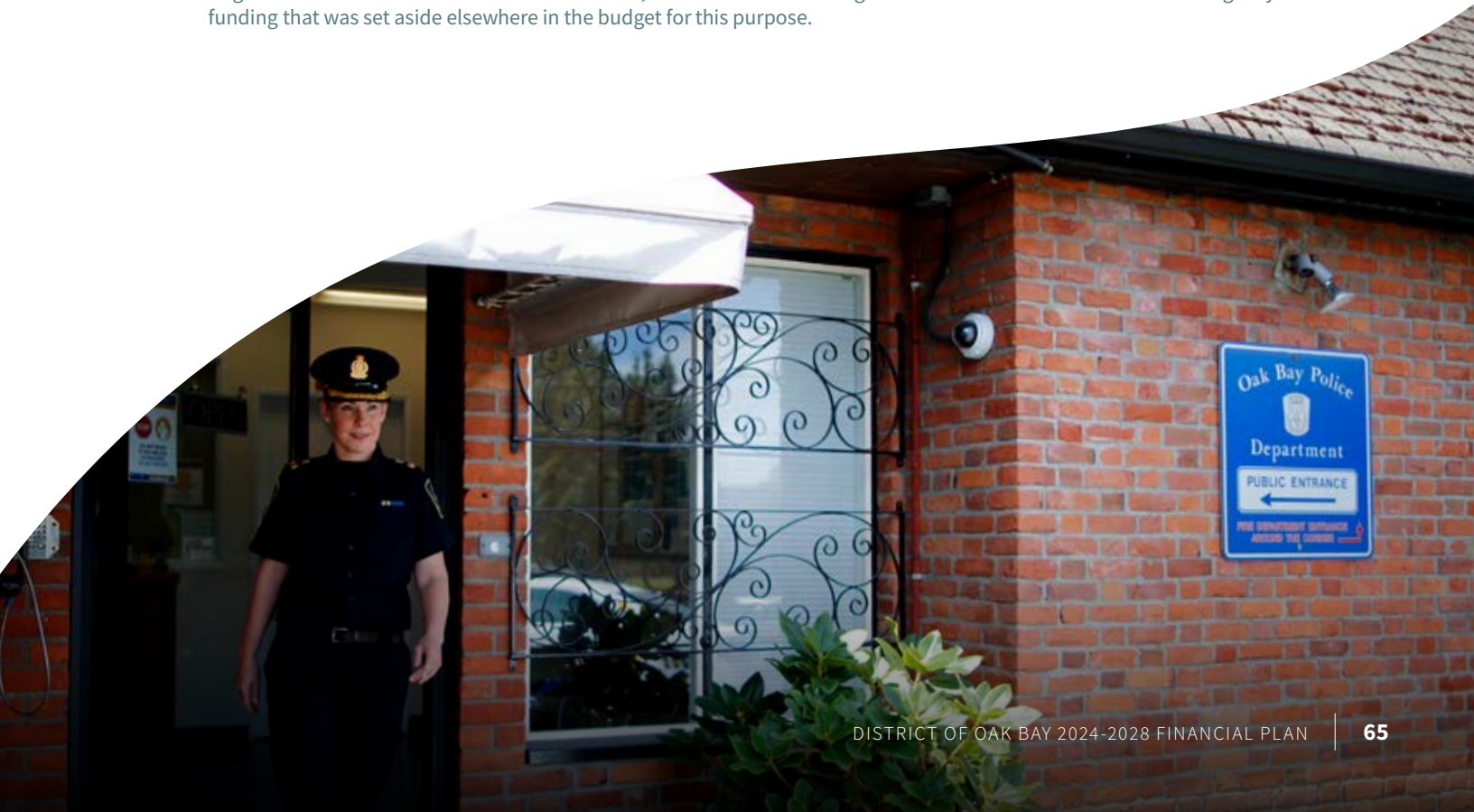
- Educational presentations on fraud awareness and prevention
- Develop a Bait Bike Program to prevent and curb bicycle thefts
- Develop and deliver community presentations on online safety and healthy relationships
- Gang Awareness Presentation to parents and students
- Additional leadership training for OBPD Sergeants
- Fair and Impartial Training Course for any employees that have not received the training
- Purchase two more electric marked/operational police vehicles to replace others in the fleet
- Purchase an automated license plate reader to support traffic safety enforcement work in the community
- Train all employees and implement the Digital Evidence Management System (DEMS)
- Expand the Coffee with a Cop Program to additional locations in the community

# Oak Bay Police Department Operating Budget

Operating Expense Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Police Board	\$6,538	\$12,000	\$12,000	\$ -	0.0%
Police Administration	721,357	746,000	787,200	41,200	5.5%
Protective Services	4,893,575	4,807,000	4,990,100	183,100	3.8%
Community Program	1,661	19,800	17,100	(2,700)	-13.6%
Integrated Units	199,182	189,600	186,700	(2,900)	-1.5%
Police Building Maintenance	50,487	67,600	74,900	7,300	10.8%
Vehicle Maintenance	67,018	59,000	69,400	10,400	17.6%
Transfer to reserve for Retirement	-	8,400	8,400	-	0.0%
Transfer to Capital Reserve	21,800	21,800	21,800	-	0.0%
Transfer to Major Crimes Reserve	82,400	84,900	84,900	-	0.0%
Transfer to Police Vehicle Reserve	47,800	47,800	77,800	30,000	62.8%
<b>Total Operating Expenses</b>	<b>\$6,091,817</b>	<b>\$6,063,900</b>	<b>\$6,330,300</b>	<b>266,400</b>	<b>4.4%</b>
<b>Impact to average residential property</b>				<b>\$29.74</b>	<b>0.8%</b>

Notes:

1. Negotiations have concluded in 2024. As a result, the 2023 and 2024 budgets have been restated to include contingency funding that was set aside elsewhere in the budget for this purpose.





# 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. At present, the Fire Department 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 District of Oak Bay
- Businesses and customers located within the District of Oak Bay
- Persons attending and working at the University of Victoria
- Residents of the panhandle area of the District 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, and British Columbia Ambulance Service

The Fire Department is staffed 24 hours, seven days a week by four rotating six-person fire suppression crews. The Fire Chief is the Department Head and normally works Monday to Friday. The Fire Prevention Division works a similar weekday shift. The Fire Department is also the after-hours 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	2021	2022	2023
Response to Requests for Assistance	1,120	1,304	1382
<ul style="list-style-type: none"> <li>• Medical</li> <li>• Fire and Other</li> </ul>	369 751	544 760	579 803
Number of Reportable Fires to the Office of the Fire Commissioner	30	16	27
Fire and Life Safety Inspections	60	415	672
University of Victoria			
<ul style="list-style-type: none"> <li>• Response to Requests for Assistance</li> </ul>	19	83	74

# Staffing History and Forecast

Position	2023 FTEs	2024 FTEs	Change
Fire Chief	1.00	1.00	-
Deputy Fire Chief	1.00	1.00	-
Assistant Chief	4.00	4.00	-
Captain	1.00	1.00	-
Lieutenant	4.00	4.00	-
Firefighter	17.00	19.00	+2.00 <sup>1</sup>
Emergency Coordinator	1.00	1.00	-
Fire Clerk	1.00	1.00	-
<b>Total</b>	<b>30.00</b>	<b>32.00</b>	<b>+2.00<sup>1</sup></b>

Notes:

1. Council approved a 0.75% tax increase or approximately \$247,500 in funding for new staffing at the February 12, 2024 Council meeting. This new staffing funding has not been dedicated to specific positions at the time of writing this Financial Plan. However, it is approximately equivalent to 2 FTE firefighter positions.

## 2023 Accomplishments

- Developed Job Descriptions for Emergency Program Manager, Deputy Chief and Assistant Chief
- Completed competitions and hired Emergency Program Manager, Deputy Chief and Assistant Chief
- Increased time frame for training of new recruits
- On-boarded 1 Fire Fighter recruit
- Created secure auto extrication/ fire ground survival training area
- Coordinated De-Escalation training for municipal staff
- Renewed Saanich and Victoria Mutual/ Auto Aid Agreement to include Esquimalt
- Renewed Fire Dispatch Agreement
- Developed new Fire Department and Emergency Program branding and logo's
- Hosted Community Safety Fair in partnership with UVic
- Installed municipal network WIFI throughout the fire hall
- Provided municipal network access and licensing for all staff

## 2024 Planned Accomplishments

- Complete Fire Fighter Recruit competition
- Take delivery of Temporary Apparatus Structure
- Place new Engine and Ladder into service
- Complete electrical/backup power audit to support electric vehicle requirements
- Implement new Provincial Minimum Training Standards
- Provide mental health/resiliency peer support training to staff
- Enhance Pre-hospital care training/service levels
- Transition to new records management system (EComm)
- Complete Community Risk Assessment
- Update Emergency Response and Recovery Plan
- Update Emergency Program Bylaw
- Develop and implement District Emergency Management training plan
- Fire Protection Operating Budget



## Fire Protection Operating Budget

Operating Expense Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Fire Administration <sup>1</sup>	\$581,438	\$744,300	\$750,200	\$5,900	0.8%
Suppression / Rescue <sup>1</sup>	4,143,610	4,037,100	4,068,500	31,400	0.8%
Fire Prevention <sup>1</sup>	167,764	165,200	160,600	(4,600)	-2.8%
Fire Hall	64,492	39,000	40,300	1,300	3.3%
Training & Staff Development	38,550	67,800	67,800	-	0.0%
Fire Vehicles & Equipment	96,069	93,000	93,800	800	0.9%
Emergency Program	87,318	145,800	152,000	6,200	4.3%
<b>Total Operating Expenses</b>	<b>\$5,179,241</b>	<b>\$5,292,200</b>	<b>\$5,333,200</b>	<b>41,000</b>	<b>0.8%</b>
<b>Impact to average residential property</b>				<b>\$4.58</b>	<b>0.1%</b>

Notes:

1. Funding increases do not reflected forecasted collective agreement increases. The District's collective agreement with the International Association of Fire Fighters Local NO. 1856 expired in 2021. Forecasted collective agreement increases have been integrated elsewhere in the consolidated Financial Plan.

Reasons for Increase		% Increase	Tax Impact*
Fire Master Plan Position Funding	\$247,500	4.7%	\$27.64
<b>Total New Operating Budget Items</b>	<b>\$247,500</b>	<b>4.7%</b>	<b>\$27.64</b>
<b>+ Status Quo Budget</b>	<b>\$5,333,200</b>	<b>0.8%</b>	<b>\$4.58</b>
<b>= Total Fire Protection</b>	<b>\$5,580,700</b>	<b>5.5%</b>	<b>\$32.21</b>

At the January 16, 2023 Committee of the Whole, Council received a presentation of the Oak Bay Fire Master Plan. The Plan outlined Organizational Model Options which, if implemented, will have future staffing impacts. The following resolution was adopted at the same meeting “THAT staff report back to a future Council meeting with an impact analysis and a phased in implementation plan based on the Consultant's recommendation to move to Organizational Model Option 3 (Section 10)”.

Council subsequently approved a 0.75% tax increase or approximately \$247,500 in funding for new staffing at the February 12, 2024 Council meeting for 2024. Council also approved the following funding increases for 2025-2028:

	2024	2025	2026	2027	2028
\$ funding increase	\$247,500	\$184,800	\$184,800	\$184,800	\$184,800
% tax increase (based on 2023 taxes)	0.75%	0.56%	0.56%	0.56%	0.56%



# Community Building and Planning

The Community 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 Building and Planning Department works with Council and the community to create long-range plans and policies that support our economic, environmental, heritage, and social goals to ensure a safe, healthy, and sustainable lifestyle for the residents of Oak Bay. The department undertakes the following functions and activities:

- Develops, plans, policies and programs that support the vision of the Official Community Plan, Zoning Bylaw, and Building Bylaw
- Manages and processes development applications including: Board of Variance applications, 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
- Reviews and issues business licenses for businesses operating within the District of Oak Bay



## Performance Measures, Statistics and Service Levels

	2022	2023	2024 Forecast
Bylaw Enforcement			
• Complaints Received	273	336	350
• Site Investigations	260	315	325
• Property Violation MTIs	1	5	3
• Tree Protection MTIs	1	5	3
Building Inspections	2,146	2,161	2,150
Properties on Heritage Register	107	107	107
OCP Engagement Events	-	0	3

Permit Type	2021	2022	2023	2024 Forecast
Residential				
• Single Family Dwelling	289	216	196	225
• Multi Family Dwelling	29	26	17	20
Commercial	15	7	14	12
Institutional	9	11	8	10
Accessory Buildings	26	1	20	20
Accessory Structures	9	5	3	5
Demolition	25	27	14	25
House Move	3	5	3	5
Plumbing	274	223	202	225
Irrigation	30	43	31	35
Wood Burning Appliances	0	0	3	2
Blasting	11	10	6	6
Signs	3	2	3	3
Renewal	12	19	21	20
Secondary Suites	n/a	4	28	30
<b>Total</b>	<b>735</b>	<b>599</b>	<b>569</b>	<b>643</b>

Application Type	2022	2023	2024 Forecast
Board of Variance	3	4	3
Covenant Amendment	1	3	3
Development Permit	3	8	7
Development Variance Permit	9	19	15
Heritage Addition	1	2	1
Heritage Alteration Permit	4	6	4
Heritage Revitalization Agreement	-	4	2
OCP Amendment	-	1	1
Siting and Design	11	12	15
Subdivision	4	1	2
Zoning	2	6	8
<b>Total</b>	<b>38</b>	<b>66</b>	<b>61</b>



# Staffing History and Forecast

Position	2023 FTEs	2024 FTEs	Change
Director of Community Building and Planning	1.00	1.00	-
Deputy Director of Community Building and Planning	1.00	1.00	-
Building Official II	1.00	1.00	-
Senior Planner	0.50	1.00	+0.50 <sup>1</sup>
Senior Planner – Climate Action	0.00	1.00	+1.00 <sup>1</sup>
Planner	2.00	3.00	+1.00 <sup>1</sup>
Building Official/Plans Examiner	1.00	1.00	-
Plan Checker	1.00	1.00	-
Bylaw Compliance Officer	1.00	1.00	-
Building/Engineering Licensing Clerk	0.50	0.50	-
Building and Planning Clerk	1.80	2.30	+0.50 <sup>1</sup>
<b>Total</b>	<b>10.80</b>	<b>13.80</b>	<b>+3.00<sup>1</sup></b>

Notes:

1. These positions are funded either by grant or new Development revenues and thus have no property tax impact in the short term. However, 1.50FTE are funded by the Growing Communities Fund which is temporary funding and will need to be replaced with core funding (development revenue or taxation) in the future.





## 2023 Accomplishments

- Sidewalk Patio Expansion Program completed
- Infill Housing Program scope of work defined
- Allan Cassidy Design Awards – 2021 round completed
- GHG Reduction Retrofit and Rebate Program commenced
- Land Use Procedures Bylaw Updated
- Municipal Ticket Information Bylaw Updated
- New Planning and Building Permit fees and Charges Bylaw created
- Bee keeping regulation updated
- Car Share policies review
- Resumed Blasting Bylaw amendments preparation
- Participate in CRD Climate Action Roundtable, Regional Household Affordability and Prosperity project; Extreme Heat Portal, Bowker Creek Initiative, Development Planners Advisory Committee.
- Prepared Building Permits eApply options (in partnership with Finance Department)
- Grant application submitted to the Federal Housing Accelerator Fund (with Strategic Initiatives)
- Completed Housing Target Order process with the Province
- Developed Housing Action Program Council Priority Projects in response to Provincial legislative changes
- Started GHG Retrofit Program Council Priority Project
- Started Home Based Business review

## 2024 Planned Accomplishments

- Develop Infill Housing Program (see also Housing Action Program)
- Action the Housing Action Program Council Priority Projects in response to Provincial legislative changes:
  - Update Zoning Bylaw to incorporate mandated Small Scale Multi Unit (SSMU) housing options (prioritized)
  - Update OCP for SSMU housing options (prioritized)
  - Establish an Amenity Cost Charges and Development Cost Charges programs (prioritized)
  - Start mandated Interim Housing Needs Report project
  - Start mandated Five-Year review of the Official Community Plan
  - Start mandated Pre-zoning to implement updated Official Community Plan
  - Start Optimize Development Processes project
  - Start Housing Action Program tracking, Housing Target Order reporting, and communications with community
- Implement GHG Reduction Retrofit and Rebate Program
- Start Climate Action Plan (community)
- Start Climate Action Plan (corporate)
- Start expanded implementation and facilitation of climate action initiatives
- Complete Allan Cassidy Design Awards – 2023
- Complete Blasting Regulations amendments
- Participate in CRD Climate Action Roundtable, CSPC Regional Household Affordability and Prosperity project; CRD Bowker Creek Initiative, CRD Development Planners Advisory Committee.
- Implement Plumbing Permits eApply options (in partnership with Finance Department)
- Complete Home Based Business review
- Develop miscellaneous bylaw and policy updates to address outdated regulation or in response to operational challenges



## Building and Planning Operating Budget

Operating Revenue Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Business Licenses	\$89,536	\$96,000	\$96,000	\$ -	0.0%
Dog Licenses	71,190	64,000	64,000	-	0.0%
Building Permits	981,898	800,000	800,000	-	0.0%
Development Permits <sup>1</sup>	28,000	16,000	45,900	29,900	186.9%
Subdivision Fees	900	2,000	2,000	-	0.0%
Other Fees & Permits	34,522	25,300	33,500	8,200	32.4%
<b>Total Operating Revenues</b>	<b>\$1,206,046</b>	<b>\$1,003,300</b>	<b>\$1,041,400</b>	<b>\$38,100</b>	<b>3.8%</b>

Operating Expense Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Planning <sup>2</sup>	\$700,963	\$788,300	\$902,200	\$113,900	14.4%
Inspections	316,828	291,000	323,200	32,200	11.1%
Bylaw Enforcement	209,633	215,500	224,200	8,700	4.0%
Animal Control	79,637	92,400	92,400	-	0.0%
Deer Management	-	51,700	51,700	-	0.0%
Heritage Commission	1,021	11,500	11,500	-	0.0%
Climate	-	31,200	31,300	100	0.3%
<b>Total Operating Expenses</b>	<b>\$1,308,082</b>	<b>\$1,481,600</b>	<b>\$1,636,500</b>	<b>\$154,900</b>	<b>10.5%</b>
<b>Net Operating Budget</b>	<b>\$102,036</b>	<b>\$478,300</b>	<b>\$595,100</b>	<b>\$116,800</b>	<b>24.4%</b>
<b>Impact to average residential property</b>				<b>\$13.04</b>	<b>0.4%</b>

Notes:

1. Increased fees introduced in 2023.
2. Council approved new positions in 2023, but provided 2023 funding that covered 65% of the cost. This increase represents the remaining 25%

# New Operating Budget Items

Reasons for Increase	Amount
+0.50 FTE Senior Planner <sup>1</sup>	\$72,500
Funded by one time grant (GCF)	\$(72,500)
+1.00 FTE Senior Planner – Climate Action <sup>2</sup>	\$144,800
Annual grant funding (LGCAP)	\$(144,800)
+1.00 FTE Planner <sup>3</sup>	\$119,000
Funded by one time grant (GCF)	\$(119,000)
+0.50 FTE Building & Planning Clerk <sup>4</sup>	\$41,100
Funded by increased development revenues	\$(41,100)

Notes:

1. This position complements the +0.50 FTE Core funding provided in 2023 and is funded by the Growing Communities Fund. This position will largely support the Housing Action Plan.
2. At the September 25, 2023 Council meeting Council resolved to add the “Implementation of Climate and Sustainability-Related projects and Programs” as a priority project in the Council Priority Plan. This included the creation and funding of a full time climate position. This position is funded by the Local Government Climate Action Program grant which initially appears to be ongoing and annual.
3. This position would be funded by the Growing Communities Fund initially as it would assist with the Housing Action Plan. However, the position would be needed to provide core services in the future which would require dedicated permanent funding.
4. This position would primarily assist with core services and thus will be funded by anticipated department revenue increases.



# Engineering Services and Public Works

The Engineering 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 through 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	2021	2022	2023	2024 Forecast
Water Mains Replaced			532m	2,442m
Storm Mains Replaced (conventional)	208m	0m	382m	870m
Sanitary Sewer Main Replaced	186m	312m	813m	795m
New Fire Hydrants	6	5	3	14
Catch Basins Replaced	20	25	26	20
Road Rehabilitation Completed	16,613m <sup>2</sup>	19,003m <sup>2</sup>	28,552m <sup>2</sup>	39,000m <sup>2</sup>
Sidewalk Replaced	250m	250m	200m	200m
Curb Drops Installed	16	4	2	2 to 4

# Staffing History and Forecast

Position	2023 FTEs	2024 FTEs	Change
Engineering	10.50 <sup>1</sup>	10.50	-
Public Works	35.75 <sup>2</sup>	35.75	-
<b>Total</b>	<b>46.25</b>	<b>46.25</b>	<b>-</b>

Notes:

1. Departments may also fund staffing via cost-recovery and/or capital budgets. Such staffing is not reflected in this chart.
2. This denotes staffing funded by the operating department budgets. The Public Works department also funds 15.75 FTEs through cost recovery and capital budgets.



## 2023 Accomplishments

- Onboarded 3 new technical staff members
- Commenced an update to the District's pavement condition assessment
- Conducted a sidewalk and curb condition assessment
- Conducted a streetlight pole and base condition assessment
- Conducted an assessment of beach access stairs/ramps
- Commenced an update to the 2011 Active Transportation Plan
- Continued increasing the output of capital infrastructure delivery
- In concert with City of Victoria, delivered enhanced active transportation facilities on Foul Bay Road between Goldsmith Street and Cadboro Bay Road
- Delivered major capital works projects such as Phase 1 of the Oliver Street Water Main project, Margate Sanitary Sewer project, Runnymede Avenue Utility Upgrade, and commenced the Dalhousie Street Sewer project
- Purchased the Sewer Line Rapid Assessment Tool (SL-RAT) and integrated it into Public Works operations
- Began a review of policies and procedures at Public Works
- Began developing a maintenance management program at Public Works
- Began a review of engineering standard specifications

## 2024 Planned Accomplishments

- Continue to deliver major capital works, such as Phase 2 of the Oliver Street Water Main project, Topp Avenue Water Main Replacement, Cadboro Bay and Thompson Water Main, Florence Street Sanitary Sewer Replacement, Meadow Place Storm Main Replacement, Estevan Avenue Storm Main Replacement, McNeill Avenue utility upgrades, and Currie Road Sanitary Sewer Replacement
- Begin construction of a new storm sewer in the Humber catchment in Uplands
- Replacement of water mains in Humber catchment on Norfolk, Exeter, and Ripon
- Replacement of streetlights in Humber catchment
- Begin replacing damaged/poor condition streetlights across the District
- Begin replacing high-priority sidewalks
- Replace the railings along the Bowker Creek walkway
- Finalize reports and studies such as the Storm Water Master Plan, Pavement Condition Assessment, and North Oak Bay Water Pressure Zone Consolidation
- Install new bike parking locations
- Develop a laydown site at Haro Road
- Enhance the Public Works yard through the replacement of damaged fill bunkers, replacement of fuel tanks, and installation of stormwater management systems
- Identify and prioritize implementation of Active Transportation Plan projects
- Identify and apply for funding partnerships for municipal infrastructure delivery
- Enter into a maintenance agreement with District of Saanich to cover cross-boundary responsibilities on Foul Bay Road
- Prepare a capital project prioritization policy for Council endorsement
- Advance maintenance management program at Public Works for planning and replacement of aging infrastructure
- Support Finance with asset management tracking and reporting
- Continue to assess foreshore erosion along McNeill Bay
- Assist Next Generation 911 (NG911) program through GIS data support



## Engineering Services Operating Budget

Operating Revenue Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Solid Waste Fees	\$1,805,429	\$1,812,700	\$1,866,700	\$54,000	3.0%
Engineering Fees	33,644	15,000	15,000	-	0.0%
Street Occupancy & Boulevard Fees	6,677	7,100	7,100	-	0.0%
<b>Total Operating Revenues</b>	<b>\$1,845,750</b>	<b>\$1,834,800</b>	<b>\$1,888,800</b>	<b>\$54,000</b>	<b>2.9%</b>

Operating Expense Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Engineering Administration <sup>1</sup>	\$1,443,672	\$1,404,300	\$1,492,300	\$88,000	6.3%
Yard & Building	193,529	230,700	239,200	8,500	3.7%
Safety Program	83,550	33,600	34,300	700	2.1%
Stores	142,366	135,400	140,300	4,900	3.6%
Road Repair	542,598	639,000	664,800	25,800	4.0%
Drainage	535,953	531,800	552,600	20,800	3.9%
Street Cleaning <sup>2</sup>	143,245	129,700	138,000	8,300	6.4%
Leaf Pickup Program	358,983	249,600	262,900	13,300	5.3%
Snow Removal	43,782	92,300	97,000	4,700	5.1%
Noxious Weed Program	3,150	6,600	6,800	200	3.0%
Street Lighting	287,034	275,300	285,500	10,200	3.7%
Signs and Traffic Signals	279,366	229,300	237,700	8,400	3.7%
Solid Waste	1,466,966	1,626,600	1,675,900	49,300	3.0%
Other Public Works	11,169	18,700	19,300	600	3.2%
Events	126,490	115,600	119,400	3,800	3.3%
<b>Total Operating Expenses</b>	<b>\$5,661,854</b>	<b>\$5,718,500</b>	<b>\$5,966,000</b>	<b>\$247,500</b>	<b>4.3%</b>
<b>Net Operating Budget</b>		<b>\$3,883,700</b>	<b>\$4,077,200</b>	<b>\$193,500</b>	<b>5.0%</b>
<b>Impact to average residential property</b>				<b>\$21.60</b>	<b>0.6%</b>

Notes:

1. Position reclassifications.
2. The District distributes the cost of its fleet to the various departments that use the fleet. Such costs include fuel, insurance, repairs and maintenance, and expected fleet replacement costs. As the replacement cost of machinery and equipment rose significantly post-Covid, a 10% equipment cost allocation rates increase has been applied across all divisions. The increase reflected in the street cleaning division is driven largely by this increase.

Reasons for Increase		% Increase	Tax Impact*
Contaminated Soil Fund	\$225,000	3.9%	\$25.12
New Service – Active Transportation Programming	\$150,000	2.6%	\$16.75
New Service – Graffiti Removal/Beautification	\$126,000	2.2%	\$14.07
<b>Total New Operating Budget Items</b>	<b>\$501,000</b>	<b>8.8%</b>	<b>\$55.94</b>
<b>+ Status Quo Budget</b>	<b>\$5,966,100</b>	<b>4.3%</b>	<b>\$21.62</b>
<b>= Total Engineering &amp; Public Works</b>	<b>\$6,467,100</b>	<b>13.1%</b>	<b>\$77.56</b>

## Sewer Utility Fund

The District currently owns and operates a large inventory of infrastructure that provides sanitary sewer services. According to the District’s recently published Sustainable Infrastructure Replacement Plan, the total replacement cost of the District’s water assets exceeds \$137M. The District is increasing its transfer to reserve for infrastructure replacement budget at a rate of \$50,500 per year (or a 2.5% utility rate increase).

Operating Revenue Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Municipal Consumer Utility Fees <sup>1</sup>	\$1,510,079	\$1,543,200	\$1,601,500	\$58,300	3.8%
Municipal Property Taxation	627,500	661,500	686,400	24,900	3.8%
Sewer Utility Penalties	15,577	10,000	13,000	3,000	30.0%
<b>Total Operating Revenues</b>	<b>\$2,153,156</b>	<b>\$2,214,700</b>	<b>\$2,300,900</b>	<b>\$86,200</b>	<b>3.9%</b>

Operating Expense Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Sewer Administration	\$62,925	\$89,200	\$92,000	\$2,800	3.1%
Sewer Collection & Repair Program	549,326	784,100	812,200	28,100	3.6%
Inflow & Infiltration	-	22,500	23,300	800	3.6%
Transfers to reserve for capital <sup>2</sup>	1,318,900	1,318,900	1,373,400	54,500	4.1%
<b>Total Operating Expenses</b>	<b>\$1,931,151</b>	<b>\$2,214,700</b>	<b>\$2,300,900</b>	<b>\$86,200</b>	<b>3.9%</b>

Notes:

1. See “2024 Municipal and Regional Sewer Rates” Report on November 27, 2023 Council agenda.
2. Per the recommendations in the Sustainable Infrastructure Replacement Plan, 2021.

Operating Revenue Category	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Municipal Consumer Utility Fees	\$1,601,500	\$1,654,600	\$1,706,800	\$1,757,800	\$1,807,700
Municipal Property Taxation	686,400	709,100	731,500	753,400	774,700
Sewer Utility Penalties	13,000	13,000	13,000	13,000	13,000
<b>Total Operating Revenues</b>	<b>\$2,300,900</b>	<b>\$2,376,700</b>	<b>\$2,451,300</b>	<b>\$2,524,200</b>	<b>\$2,595,400</b>

Operating Expense Category	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Sewer Administration	\$92,000	\$94,500	\$97,100	\$99,400	\$101,400
Sewer Collection & Repair Program	812,200	835,000	856,500	876,600	895,300
Inflow & Infiltration	23,300	23,800	24,300	24,800	25,300
Transfers to reserve for capital <sup>2</sup>	1,373,400	1,423,400	1,473,400	1,523,400	1,573,400
<b>Total Operating Expenses</b>	<b>\$2,300,900</b>	<b>\$2,376,700</b>	<b>\$2,451,300</b>	<b>\$2,524,200</b>	<b>\$2,595,400</b>

## Sewer Utility Rate Five-Year Forecast

	2024	2025	2026	2027	2028
\$ Increase	3.8%	3.3%	3.2%	3.0%	2.8%
\$ Increase (average SFD)	\$8	\$7	\$7	\$7	\$7

These increases do not include increases to the Capital Regional District (CRD) Sewer User Fee. This user fee is levied to recover the operating costs of the Core Area Liquid Waste Treatment Plant (CALWTP) operated by the CRD. The 2024 Provisional CRD Budget indicated a 13.73% increase in Core Wastewater operations cost

## Water Utility Fund

The District also currently owns and operates a large inventory of infrastructure providing water services. According to the District’s SIR Plan, the total replacement cost of the District’s water assets exceeds \$168M. The District is increasing its transfer to reserve for infrastructure replacement budget at a rate of \$116,000 per year (or a 2.5% utility rate increase). The District purchases its bulk water from the Capital Regional District. Bulk water costs represent approximately 50% of the District’s water utility costs and are expected to rise considerably over the next five years.

Operating Revenue Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Consumer Charges <sup>1</sup>	\$5,299,785	\$5,199,300	\$5,531,400	\$332,100	6.4%
Final Reading Charges	5,850	6,200	6,200	-	0.0%
Penalties	18,414	14,500	16,000	1,500	10.3%
<b>Total Operating Revenues</b>	<b>\$5,324,049</b>	<b>\$5,220,000</b>	<b>\$5,553,600</b>	<b>\$333,600</b>	<b>6.4%</b>

Operating Expense Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Administration	\$157,035	\$107,200	\$110,500	\$3,300	3.1%
Maintenance & Valve Turning	946,744	1,070,500	1,130,300	59,800	5.6%
Backflow prevention	31,012	23,600	24,500	900	3.8%
Pumping	14,903	9,300	9,800	500	5.4%
Collection	268,781	208,900	215,500	6,600	3.2%
Safety program	26,317	34,000	34,700	700	2.1%
Water purchased <sup>2</sup>	2,578,383	2,564,500	2,696,300	131,800	5.1%
Transfers to Reserves - Water <sup>3</sup>	1,202,000	1,202,000	1,332,000	130,000	10.8%
<b>Total Operating Expenses</b>	<b>\$5,225,174</b>	<b>\$5,220,000</b>	<b>\$5,553,600</b>	<b>\$333,600</b>	<b>6.4%</b>

Notes:

1. See “2024 Municipal and Regional Sewer Rates” Report on November 27, 2023 Council agenda.
2. CRD Bulk water rate increase of 5.14% implemented for 2024.
3. Per the recommendations in the Sustainable Infrastructure Replacement Plan, 2021.

Operating Revenue Category	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Consumer Charges	\$5,531,400	\$5,915,400	\$6,310,300	\$6,782,400	\$7,281,800
Final Reading Charges	6,200	6,000	6,000	6,000	6,000
Penalties	16,000	13,900	14,200	14,500	14,800
<b>Total Operating Revenues</b>	<b>\$5,553,600</b>	<b>\$5,935,300</b>	<b>\$6,330,500</b>	<b>\$6,802,900</b>	<b>\$7,302,600</b>

Operating Expense Category	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget
Administration	\$110,500	\$114,400	\$117,800	\$120,700	\$123,100
Maintenance & Valve Turning	1,130,300	1,168,100	1,203,100	1,235,000	1,263,600
Backflow prevention	24,500	25,300	26,200	27,000	27,700
Pumping	9,800	10,000	10,200	10,400	10,600
Collection	215,500	221,900	227,900	233,300	238,300
Safety program	34,700	35,600	36,300	37,000	37,800
Water purchased	2,696,300	2,912,000	3,145,000	3,459,500	3,805,500
Transfers to Reserves – Water	1,332,000	1,448,000	1,564,000	1,680,000	1,796,000
<b>Total Operating Expenses</b>	<b>\$5,553,600</b>	<b>\$5,935,300</b>	<b>\$6,330,500</b>	<b>\$6,802,900</b>	<b>\$7,302,600</b>

## Water Utility Rate Five-Year Forecast

	2024	2025	2026	2027	2028
\$ Increase	6.4%	7.8%	6.7%	7.5%	7.34%
\$ Increase (average SFD)	\$46	\$60	\$55	\$66	\$69



# Parks, Recreation, and Culture

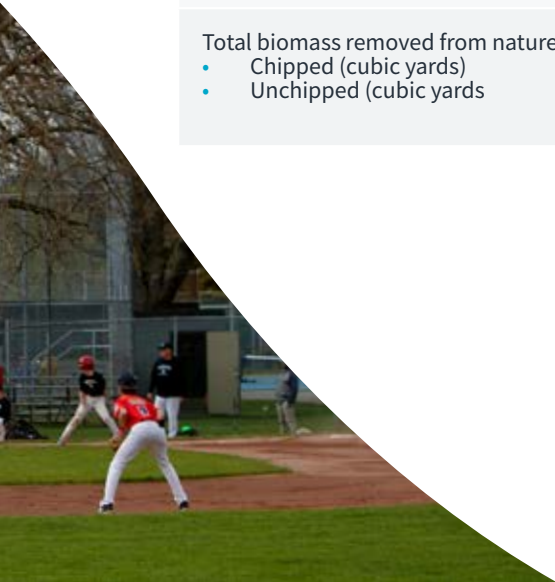
Oak Bay Parks, Recreation, and Culture (PRC) creates opportunities for citizens to gather, learn, exercise, and grow. PRC operates five recreation centres and two food services outlets, and maintains 29 park spaces, including natural areas, playing fields, beach access, gardens, playgrounds, and a golf course. In addition to park spaces, the team maintains public irrigated boulevards, municipal hedging, 10,000+ trees, and 300 benches and picnic tables. Oak Bay recreation services include a myriad of programs available throughout the year for residents of all ages and abilities. The Culture division supports concerts, studio tours, outstanding artistic merit awards, Oak Bay Arts and Culture Days, and the Arts Alive Public Sculpture program.



# Performance Measures and Statistics

	2019	2020	2021	2022	2023	2024
Financial recovery rate (Actual)	69.7%	46.9%	51.9%	59.2%	61.4%	N/A
Financial recovery rate (Budget)	63.5%	65.6%	39.2%	53.3%	56.1%	56.1%

Performance Measure	2020	2021	2022	2023
Total visits	502,281	998,934	1,242,832	1,379,080
Trees planted on municipal property	176	88	152	216
Calls for Service – Trees – Received	549	701	428	378
Calls for Service – Trees – Completed	471	467	329	290
Tree Permits for Private Property	403	437	476	263
Trees removed for Construction (over 30 cm diameter)	34	54	101	130
• Trees Replanted (As per Tree Protection Bylaw)	65	85	173	184
Trees Removed from Private lands (dead, diseased, or dying)	159	234	130	146
• Trees Replanted (as per Tree Protection Bylaw)	159	200	162	142
Municipal Trees Removed on Public Lands (dead, diseased, dying)	140	110	130	93
• Municipal Trees replanted on Private Lands	157	143	162	216
Friends of Uplands Park Education and Stewardship Events				
• Total Participants	2,098	2,008	3,590	4,096
Public School Volunteer Hours				
• Uplands Park, Trafalgar, and Walbran Park	2815.25	1,919	2,953	2,517
• Anderson Hill	711.50	793	552	548
• Native Plant Garden	130	75	75	80
• Brighton Walkway	200	278	150	130
• Green Team at Uplands and Anderson Hill Parks	278	240	126	298
• Kitty Islet/McNeill Bay	306	555	470.5	129
Total biomass removed from nature area parks				
• Chipped (cubic yards)	170	620	80	N/A
• Unchipped (cubic yards)	430	3,100	1,875	2,700



# Recreation Financial Risks and Outlook

The pandemic had a significant impact on the District’s Parks, Recreation, and Culture (PRC) revenue due to ongoing Government regulations that restricted capacity and reduced overall demand. PRC revenues are rebounding but still fall short of pre-pandemic levels user fee recovery rates.

The District has been utilizing COVID-19 Restart grant proceeds to offset the impact of revenue losses. This practice has reduced the need to increase taxes to maintain PRC service levels. This reserve is forecasted to be completely utilized by the end of 2024, unless PRC net expenses are less than budgeted or revenues are higher.

Should the PRC net financial performance not improve beyond 2024 budgeted levels, increased taxation will be required to maintain existing service levels. It is estimated that the current funding gap (when compared to 2020 budgeted net financial performance) is \$1.2m (or 4% property tax increase), after net financial performance has been adjusted for inflation.

In 2023 the District engaged an economic consulting firm to conduct an Parks, Recreation, and Culture Economic Analysis. The aim of this engagement was to analyze the price elasticity of demand for each program area. Such an analysis would identify user fee rates that could be increased without reducing user demand such that net profit would be reduced. With this information Council may consider user fee increases, property taxes increases, or service adjustments to address this financial gap. This information is expected to be presented to Council in 2024.

Division	Capacity for Greater Revenue	Likelihood of Greater Revenue
Fitness	Medium	Medium – Likely
Aquatics	Low - Medium	Neutral
Arena	Low	Unlikely
Food Services	Medium	Neutral
Indoor Sports Field	Medium	Medium – Likely
Sailing	None	Unlikely
Licensed Care	Low - Medium	Likely (demand exists)
Youth Centre	None	Unlikely
Tennis	Low	Unlikely
Monterey Centre	Medium	Medium – Likely
Par 3 Golf	Low - Medium	Neutral
Neighbourhood Learning Centre	Low	Unlikely



## Staffing History and Forecast

Position	2023 FTEs	2024 FTEs	Change
Auxiliary Staff	81.7	82.0	+0.30
Regular	70.6	73.5	+2.90
<b>Total</b>	<b>152.3</b>	<b>155.5</b>	<b>+3.20</b>

## 2023 Accomplishments

- Installed energy efficient heating system for the 3-court tennis bubble at the Oak Bay Recreation Centre.
- Purchased and implemented a new electric ice resurfer with laser leveling system.
- Installed the Steqeya sculpture at Cattle Point and held an unveiling ceremony on site in partnership with the Songhees First Nation.
- Implemented Year 2 of the Coolkit program with continued growth in the number of neighbourhood groups joining the program in 2023.
- Developed the next 5-year plan of the Urban Forest Strategy.
- Initiated the Parks, Recreation and Culture Advisory Committee.
- Updated and implemented the Public Art Policy.
- Implemented an update to the Leisure Involvement for Everyone (LIFE) program to support participation for low-income individuals and families.
- Received an Age Friendly Cities grant to purchase and install hearing assistive technology at the Monterey Recreation Centre.
- Successful application to and implementation of a new agreement with Island Health for the Supported Child Development program to support children’s participation in recreation activities and camps.
- Successful application to Canada Summer Jobs (federal funding) to support youth employment opportunities in leading summer camps for the District.

## 2024 Planned Accomplishments

- Initiate the development of a Parks, Recreation and Culture Master Plan
- Replace and complete energy efficiencies upgrades to pool dehumidification system at the Oak Bay Recreation Centre
- Undertake process to complete the detailed design of a new building at Carnarvon Park as recommended in the Carnarvon Park Master Plan
- Install sections of floating boardwalk at Uplands Park to improve winter walking opportunities while protecting sensitive ecosystems and endangered plant species
- Replace and upgrade playground equipment at Henderson Kiwanis Park, Lafayette Park and Windsor Park
- Replace and upgrade all cardio fitness equipment at both the Oak Bay and Henderson Recreation Centres
- Implementing Year 3 of the CoolKit Program
- Replace and upgrade street and building signage at the Oak Bay Recreation Centre and the Henderson Recreation Centre

## Parks, Recreation and Culture Operating Budget

	Pre-pandemic budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget
Revenues	\$8,921,700	\$4,749,100	\$7,184,200	\$8,186,000	\$8,794,100
Expenses	\$13,678,200	\$12,113,400	\$13,514,700	\$14,598,600	\$15,427,900
PRC Net Cost	\$4,756,500	\$7,364,300	\$6,330,500	\$6,412,600	\$6,633,800
COVID-19 Restart Grant Contribution to Operations	-	\$2,557,000	\$1,378,600	\$1,315,600	\$1,176,600
% of pre-pandemic net cost		155%	133%	135%	139%



Operating Revenue Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Tree Cutting & Planting	\$43,883	\$50,000	\$50,000	\$ -	0.0%
Henderson	1,094,072	921,800	1,113,000	191,200	20.7%
Henderson Fitness	381,113	370,000	361,900	(8,100)	-2.2%
OBRC Fitness	883,601	763,400	861,700	98,300	12.9%
Aquatics	1,503,642	1,539,000	1,309,000	(230,000)	-14.9%
Arena	902,123	834,800	927,900	93,100	11.2%
Food Services	330,782	289,900	311,000	21,100	7.3%
Indoor Sports Field	426,657	439,700	454,000	14,300	3.3%
Sailing	-	41,600	32,000	(9,600)	-23.1%
Licensed Care	992,232	966,200	1,048,300	82,100	8.5%
Youth Centre	52,222	47,800	52,500	4,700	9.8%
Tennis	973,753	902,200	996,800	94,600	10.5%
Monterey Centre	845,517	537,000	741,600	204,600	38.1%
Par 3 Golf	309,352	253,300	263,500	10,200	4.0%
Cultural Events	43,644	39,300	47,500	8,200	20.9%
Reception Product Sales	54,218	40,000	41,000	1,000	2.5%
Carnarvon & Windsor Rental	40,391	43,100	66,800	23,700	55.0%
Field & Park Permits	65,670	55,300	64,000	8,700	15.7%
HSP Grant	50,000	50,000	50,000	-	100.0%
Library Board	1,700	1,600	1,600	-	100.0%
<b>Total Operating Revenues</b>	<b>\$8,994,572</b>	<b>\$8,186,000</b>	<b>\$8,794,100</b>	<b>\$608,100</b>	<b>7.4%</b>

Operating Expense Category	2023 Forecast	2023 Budget	2024 Budget	\$ Change	% Change
Administration	\$2,264,060	\$2,491,700	\$ 2,561,000	\$69,300	2.8%
Building Maintenance-OBPR	2,919,639	2,769,400	2,910,800	141,400	5.1%
Henderson <sup>1</sup>	1,199,107	1,166,900	1,322,200	155,300	13.3%
Henderson Fitness <sup>2</sup>	281,724	275,200	273,200	(2,000)	-0.7%
OBRC Fitness <sup>1</sup>	325,451	284,600	292,700	8,100	2.8%
Aquatics <sup>3</sup>	1,299,241	1,183,500	1,123,600	(59,900)	-5.1%
Arena <sup>1</sup>	329,758	309,600	337,200	27,600	8.9%
Food Services <sup>1</sup>	347,619	363,400	391,700	28,300	7.8%
Indoor Sports Field	177,053	199,900	182,200	(17,700)	-8.9%
Sailing <sup>2</sup>	10,726	37,500	31,800	(5,700)	-15.2%
Licensed Care	742,221	787,600	772,300	(15,300)	-1.9%
Youth Centre <sup>1</sup>	85,593	93,700	100,200	6,500	6.9%
Tennis <sup>1</sup>	618,548	532,600	603,600	71,000	13.3%
Monterey Centre <sup>1</sup>	1,110,865	1,016,600	1,178,700	162,100	15.9%
Par 3 Golf	207,142	233,600	241,100	7,500	3.2%
Cultural Events <sup>1</sup>	125,065	106,000	120,300	14,300	13.5%
Invasive Species Removal	99,149	99,000	101,200	2,200	2.2%
Public Works	23,840	26,800	27,400	600	2.2%
Tree Cutting & Planting	683,884	762,900	778,000	15,100	2.0%
Benches	13,937	18,700	18,900	200	1.1%
Playgrounds	697,783	683,600	707,800	24,200	3.5%
Lawn & Garden	300,325	279,300	286,800	7,500	2.7%
Field Maintenance	188,236	211,600	223,400	11,800	5.6%
Boulevard Maintenance	319,313	380,600	388,700	8,100	2.1%
Small Buildings	235,653	240,600	259,200	18,600	7.7%
Leaf Clearing	48,210	43,700	44,500	800	1.8%
<b>Total Operating Expenses</b>	<b>\$14,654,142</b>	<b>\$14,598,600</b>	<b>\$15,278,500</b>	<b>\$679,900</b>	<b>4.7%</b>
<b>Net Operating Budget</b>		<b>\$6,412,600</b>	<b>\$6,484,400</b>	<b>\$71,800</b>	<b>1.1%</b>
<b>Impact to average residential property</b>				<b>-</b>	<b>0.2%</b>

Notes:

1. Offsetting revenue increase.
2. Offsetting revenue decrease.
3. 8-week shut down year.

Reasons for Increase		% Increase	Tax Impact*
+0.5 FTE Park's Booking Clerk	\$38,400	0.3%	\$4.29
+1.0 FTE Arborist	\$94,000	0.6%	\$10.50
Contracted Arborist services	\$17,000	0.1%	\$1.90
<b>Total New Operating Budget Items</b>	<b>\$149,400</b>	<b>1.0%</b>	<b>\$16.68</b>
<b>+ Status Quo Budget</b>	<b>\$15,278,500</b>	<b>4.7%</b>	<b>\$8.02</b>
<b>= Total Parks, Recreation, and Culture</b>	<b>\$15,427,900</b>	<b>5.7%</b>	<b>\$24.70</b>



# Asset Management









# State of Asset Management

Measuring asset management performance is complex. Over the coming years, the District's objective is, with respect to asset management progress, to answer three questions:



## How well are we planning?

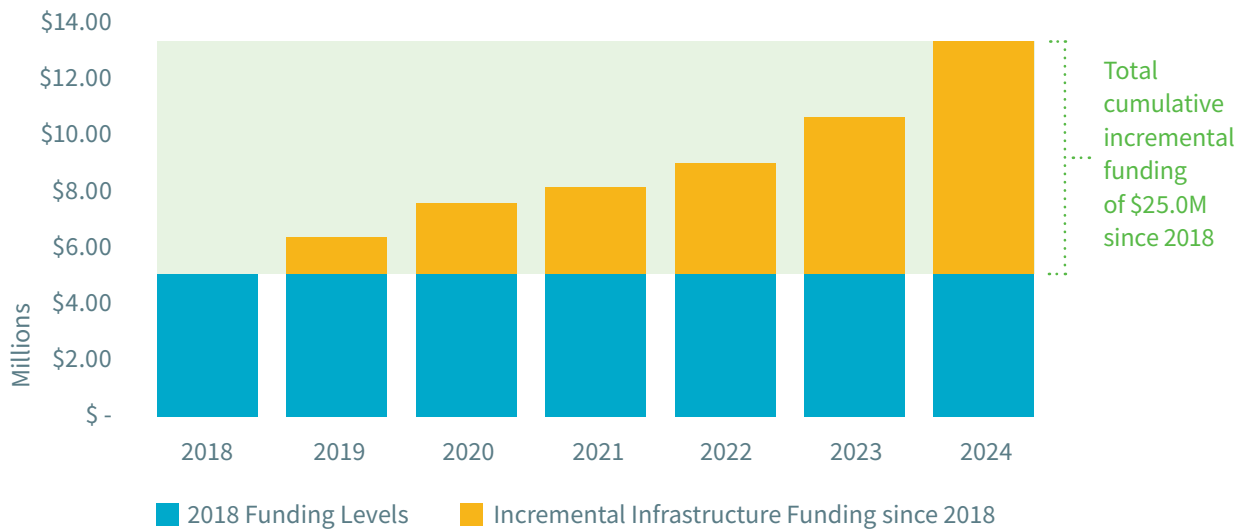
The District provides numerous capital services for the enjoyment of its residents and visitors, as detailed below. Many of these services required significant initial investment, and residents expect these services to continue uninterrupted well into the future. The District has developed Master Plans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



## 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). The District increased annual funding by \$1.3M in 2019, \$1.3M in 2020, \$500,000 in 2021, \$900,000 in 2022, and \$1.6M in 2023. The draft 2024 Financial Plan increases annual asset replacement funding by an additional \$2.6M (approx. \$1.2M due to investment returns improving). Overall, this will result in \$25.0M in cumulative funding being set aside in reserves over the course of 2018 - 2024.

### Increase to Infrastructure Funding since 2018



## Asset Replacement Funding Scorecard

Asset Type	2024 Annual Funding Total	Funding Target	% Target	Funding Sustainability Rating	Dedicated Funding?
Natural Assets		Unknown			
Park Structures	\$0.2M	0.2M	94%	Great	No
Roads	3.9M	4.1M	96%	Great	No
Facilities	2.6M	2.7M	95%	Great	Some
Vehicles and Equipment	1.1M	1.2M	92%	Great	Yes
Drainage	2.8M	3.0M	96%	Great	No
Sewer Infrastructure	1.4M	1.7M	83%	Good	Yes
Water Infrastructure	1.3M	2.2M	60%	Bad	Yes
<b>Total</b>	<b>\$13.3M</b>	<b>\$15.1M</b>	<b>84%</b>		

Note:

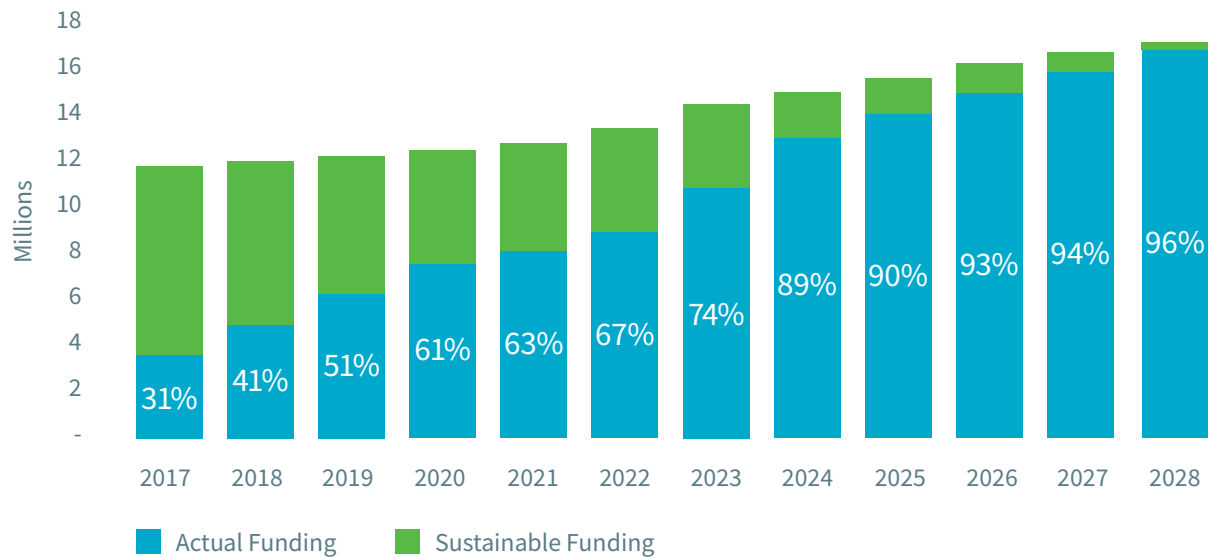
The Funding target per the 2021 Sustainable Infrastructure Replacement Plan was \$12.8M. Due to inflation, funding targets have increased. To estimate new funding targets, the BC Highway Construction Cost index was applied as follows:

(1) 2022 – 5.51%, (2) 2023 – 6.97%, and (3) 2024 – 4.18%.

## Annual Asset Replacement Funding Progress – Five-Year Forecast

The 2024-2028 Financial Plan continues to increase asset replacement funding. Sustainable infrastructure replacement funding is estimated to be \$15.1 in 2024 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 31% of sustainable levels. The draft Financial Plan closes this estimated funding gap to 96% by 2028.

**Asset Replacement Funding as a % of Estimated Sustainable Funding**





Year	Funding Level (\$millions)	Estimated Sustainable Funding (\$millions)	% Sustainability <sup>1</sup>	Estimated Funding Shortfall (\$millions)
2017	\$3.7	\$11.8	31%	\$8.1
2018	\$5.0	\$12.1	41%	\$7.1
2019	\$6.3	\$12.3	51%	\$6.0
2020	\$7.6	\$12.5	61%	\$4.9
2021	\$8.1	\$12.8	63%	\$4.7
2022	\$9.0	\$13.5	67%	\$4.5
2023	\$10.7	\$14.4	74%	\$3.7
2024	\$13.3	\$15.1	88%	\$1.8
2025	\$14.1	\$15.7	90%	\$1.6
2026	\$15.1	\$16.3	93%	\$1.2
2027	\$15.9	\$16.9	94%	\$1.0
2028	\$16.9	\$17.6	96%	\$0.7

Note:

Estimated sustainable funding levels were established in the 2021 Sustainable Infrastructure Replacement Plan to be \$12.8M. Replacement costs have increased significantly since and new sustainable funding levels have been calculated using the BC Highway Construction Cost index.

## How Well Are We Replacing?

Sustainable capital output means the District is replacing its assets at the same rate at which they are wearing out. So for instance, if a water main is expected to last 80 years, capital output measures would demonstrate that 1.25% (1 year/80 years) of the system is being replaced annually. Below you will find information detailing the quantity of the District’s core infrastructure inventories. This information is paired with useful life assigned to these inventories. This information is combined to determine a key performance measure referred to as the “sustainable annual output”. This is the target capital output that the District would complete to replace its assets as they age.

Core Infrastructure Program	Quantity	Useful Life <sup>1</sup>	Sustainable Annual Output Target
Sanitary Sewer	100km	80 years	1.25km
Storm Sewer	141km	75 years	1.88km
Water	116km	75 years	1.55km
Road (Top Layer) <sup>1</sup>	994,000m <sup>2</sup>	30 years	33,100 m <sup>2</sup>

Note:

1. This is the estimated useful life of the approximate median main and road top. However, historical mains and roads are constructed using various materials and are assigned useful lives on a sub aggregate level. The approximate median useful life is utilized to develop reasonable capital output performance measures. The useful lives will be refined as the District’s reporting and performance monitoring abilities are enhanced.

In addition to the annual sustainable output target, the District aims to address it’s ‘backlog’ of infrastructure due for replacement. The ‘backlog’ includes infrastructure that has exceeded its assigned useful life. An infrastructure’s physical life may exceed it’s useful life. A physical life is the length of time before an asset fails. To mitigate the risk of asset failure, the District assigns useful lives that are less than expected physical life. Therefore, assets that have exceeded their assigned useful life are at a higher risk of failure than those that have not exceeded their useful life.

Core Infrastructure Program	Quantity overdue (2021)	Backlog Output target per year (over 25 years)	Backlog Output target per year (over 15 years)	Total Output target (Sustainable + 25 year backlog annual output target)	Total Output target (Sustainable + 15 year backlog annual output target)
Sanitary Sewer	60 km	2.40km	4.00km	3.65km	5.25km
Storm Sewer	103 km	4.12km	6.87km	6.00km	8.75km
Water	49 km	1.96km	3.27km	3.51km	4.82km
Road (Top Layer) <sup>1</sup>	313,900m <sup>2</sup>	12,600m <sup>2</sup>	20,900m <sup>2</sup>	45,700m <sup>2</sup>	54,000m <sup>2</sup>

Note:

1. This is the median useful life for the road top layer only and does not include the sub base or base layer.

Core Infrastructure Program	Forecasted Output 2024	% Sustainable Annual Output Target	% Total Output Target (25 year backlog)
Sanitary Sewer	795m	63.6%	21.8%
Storm Sewer	870m	46.3%	14.5%
Water	2,442m	157.5%	69.6%
Road (Top Layer)	39,000m <sup>2</sup>	117.8%	85.3%

## Asset Class Inventory

Asset Type	Information and Assumptions
<b>Roads</b>	Staff use pavement unit rates to multiply pavement quantities to estimate replacement costs. This estimate should be revised once a pavement condition assessment is complete.
<b>Buildings</b>	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.
<b>Drainage</b>	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.
<b>Vehicles and Equip. (Fire)</b>	Staff use a detailed apparatus replacement plan to forecast asset replacement costs.
<b>Vehicles and Equip. (Police)</b>	Staff use a succinct Police vehicle and equipment replacement plan to forecast replacement costs. A more detailed plan is underway.
<b>Vehicles and Equip. (General)</b>	Staff use a detailed Public Works vehicle and equipment plan to forecast asset replacement costs.
<b>Vehicles and Equip. (Rec)</b>	A detailed recreation and equipment replacement plan has yet to be developed but is underway. As a result, the estimate above may change significantly.
<b>IT Equip. and Furniture</b>	Staff have developed a detailed PC and IT network hardware replacement plan to forecast asset replacement costs.
<b>Sewer Infrastructure</b>	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.
<b>Water Infrastructure</b>	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.
<b>Natural Assets</b>	No work has been conducted by Staff to quantify 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 2024-2025

Total reserve balances, as of January 1, 2024 are estimated to be \$62.2M. Should the majority of authorized spending occur, the ending 2024 balance is projected to be 27.0M by December 31, 2024. Note that forecasts do not include the Major Crimes Reserve balance. Also, it is unlikely that the District will achieve all of the capital spending authorized in this Financial Plan in 2024.



	2024	2024	2024	2024
	Opening	Tsfr in	Tsfr from	Ending
<b>Operating Reserves</b>				
General Fund Operating Surplus	\$3,522,114	\$ -	\$(2,470,700)	\$1,051,414
Sewer Fund Operating Surplus	2,287,407	-	(70,000)	2,217,407
Water Fund Operating Surplus	3,930,357	-	(3,630,600)	299,757
Growing Communities Fund	4,773,000	-	(3,633,900)	1,139,100
Climate Action	452,262	-	(88,300)	363,962
Major Crimes	942,713	84,900	-	1,027,613
COVID-19 Restart Grant Reserve	1,176,572	-	(1,176,572)	-
<b>Total Operating Reserves</b>	<b>\$17,084,425</b>	<b>\$84,900</b>	<b>\$(11,070,072)</b>	<b>\$6,099,253</b>
<b>Capital Renewal Reserves</b>				
Fire Equipment	\$207,626	\$433,800	\$(910,600)	\$(269,174)
Machinery and Equipment	1,654,306	416,400	(1,000,000)	1,070,706
Capital Works - General Fund	12,218,048	1,415,100	(7,015,500)	6,617,648
Capital Works - Sewer Fund	4,129,698	1,373,400	(3,000,000)	2,503,098
Capital Works - Water Fund	975,930	1,332,000	(2,600,000)	(292,070)
Infrastructure Renewal	21,469,502	8,369,100	(23,072,500)	6,766,102
Tod House Trust	93,711	11,300	-	105,011
Legacy Trust	468,639	-	(52,700)	415,939
<b>Total Capital Renewal Reserves</b>	<b>\$41,217,460</b>	<b>\$13,351,100</b>	<b>\$(37,651,300)</b>	<b>\$16,917,260</b>
<b>Capital Reserves (New Capital)</b>				
Heritage	\$2,326,995	\$ -	\$ -	\$2,326,995
Village Parking	995,860	-	-	995,860
Land Sale	39,873	-	-	39,873
Parks Acquisition	496,941	-	-	496,941
Tax Sale Property	1,903	-	-	1,903
Alternative Transportation Infrastructure	15,103	-	-	15,103
<b>Total Capital (New Capital) Reserves</b>	<b>\$3,876,676</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$3,876,676</b>
<b>Total Reserves</b>	<b>\$62,178,561</b>	<b>\$13,436,000</b>	<b>\$(48,721,372)</b>	<b>\$26,893,189</b>

	2024	2024	2024	2024
	Opening	Tsfr in	Tsfr from	Ending
<b>General Fund Reserves</b>				
Operating Reserves	\$10,866,661	\$84,900	\$(7,369,472)	\$3,582,089
Capital Renewal Reserves	36,111,832	10,645,700	(32,051,300)	14,706,232
Capital Reserves (New Capital)	3,876,676	-	-	3,876,676
<b>Total General Fund Reserves</b>	<b>\$50,855,169</b>	<b>\$10,730,600</b>	<b>\$(39,420,772)</b>	<b>\$22,164,997</b>
<b>Sewer Fund Reserves</b>				
Operating Reserves	\$2,287,407	\$ -	\$(70,000)	\$2,217,407
Capital Renewal Reserves	4,129,698	1,373,400	(3,000,000)	2,503,098
Capital Reserves (New Capital)	-	-	-	-
<b>Total Sewer Fund Reserves</b>	<b>\$6,417,105</b>	<b>\$1,373,400</b>	<b>\$(3,070,000)</b>	<b>\$4,720,505</b>
<b>Water Fund Reserves</b>				
Operating Reserves	\$3,930,357	\$ -	\$(3,630,600)	\$299,757
Capital Renewal Reserves	975,930	1,332,000	(2,600,000)	(292,070)
Capital Reserves (New Capital)	-	-	-	-
<b>Total Water Fund Reserves</b>	<b>\$4,906,287</b>	<b>\$1,332,000</b>	<b>\$(6,230,600)</b>	<b>\$7,687</b>
<b>Total Reserves</b>	<b>\$62,178,561</b>	<b>\$13,436,000</b>	<b>\$(48,721,372)</b>	<b>\$26,893,189</b>





# Reserve Projections 2024-2028

Reserve balances for 2024 are expected to be reduced from \$62M to \$16M in 2028, should the District proceed with full authorized capital expenditures. In this timeframe, significant capital expenditures and reserve contributions are forecasted. Over the five-year period the total reserve contributions are forecasted to be approximately \$77M. Total capital expenditures over the five year period are forecasted to be approximately \$179M (58M of which is debt funded).





	2023	2024	2025	2026	2027	2028
<b>Operating Reserves</b>						
General Fund Operating Surplus	\$3,522,114	\$1,051,414	\$1,157,614	\$827,614	\$827,614	\$827,614
Sewer Fund Operating Surplus	2,287,407	2,217,407	687,707	687,707	305,107	305,107
Water Fund Operating Surplus	3,930,357	299,757	73,757	73,757	73,757	(186,243)
Growing Communities Fund	4,773,000	1,139,100	97,600	(93,900)	(93,900)	(93,900)
Climate Action	452,262	363,962	378,962	393,962	408,962	423,962
Major Crimes	942,713	1,027,613	1,115,913	1,207,713	1,303,213	1,402,513
COVID-19 Restart Grant Reserve	1,176,572	-	-	-	-	-
<b>Total Operating Reserves</b>	<b>\$17,084,425</b>	<b>\$6,099,253</b>	<b>\$3,511,553</b>	<b>\$3,096,853</b>	<b>\$2,824,753</b>	<b>\$2,679,053</b>
<b>Capital Renewal Reserves</b>						
Fire Equipment	\$207,626	\$(269,174)	\$81,926	\$87,026	\$514,826	\$962,226
Machinery and Equipment	1,654,306	1,070,706	1,003,506	953,306	920,706	906,306
Capital Works - General Fund	12,218,048	6,617,648	5,367,048	4,844,248	3,341,848	3,422,848
Capital Works - Sewer Fund	4,129,698	2,503,098	2,396,698	809,098	(345,902)	1,227,498
Capital Works - Water Fund	975,930	(292,070)	(1,444,070)	119,930	1,799,930	1,255,930
Infrastructure Renewal	21,469,502	6,766,102	2,711,702	(890,598)	(1,645,898)	(472,798)
Tod House Trust	93,711	105,011	116,911	128,611	140,111	151,411
Legacy Trust	468,639	415,939	415,939	415,939	415,939	415,939
<b>Total Capital Renewal Reserves</b>	<b>\$41,217,460</b>	<b>\$16,917,260</b>	<b>\$10,649,660</b>	<b>\$6,467,560</b>	<b>\$5,141,560</b>	<b>\$7,869,360</b>
<b>Capital Reserves (New Capital)</b>						
Heritage	\$2,326,995	\$2,326,995	\$2,326,995	\$2,326,995	\$2,326,995	\$2,326,995
Village Parking	995,860	995,860	995,860	995,860	995,860	995,860
Land Sale	39,873	39,873	39,873	39,873	39,873	39,873
Parks Acquisition	496,941	496,941	496,941	496,941	496,941	496,941
Tax Sale Property	1,903	1,903	1,903	1,903	1,903	1,903
Alternative Transportation Infrastructure	15,103	15,103	15,103	15,103	15,103	15,103
<b>Total Capital (New Capital) Reserves</b>	<b>\$3,876,676</b>	<b>\$3,876,676</b>	<b>\$3,876,676</b>	<b>\$3,876,676</b>	<b>\$3,876,676</b>	<b>\$3,876,676</b>
<b>Total Reserves</b>	<b>\$62,178,561</b>	<b>\$26,893,189</b>	<b>\$18,037,889</b>	<b>\$13,441,089</b>	<b>\$11,842,989</b>	<b>\$14,425,089</b>

	2023	2024	2025	2026	2027	2028
<b>General Fund Reserves</b>						
Operating Reserves	\$10,866,661	\$3,582,089	\$2,750,089	\$2,335,389	\$2,445,889	\$2,560,189
Capital Renewal Reserves	36,111,832	14,706,232	9,697,032	5,538,532	3,687,532	5,385,932
Capital Reserves (New Capital)	3,876,676	3,876,676	3,876,676	3,876,676	3,876,676	3,876,676
<b>Total General Fund Reserves</b>	<b>\$50,855,169</b>	<b>\$22,164,997</b>	<b>\$16,323,797</b>	<b>\$11,750,597</b>	<b>\$10,010,097</b>	<b>\$11,822,797</b>
<b>Sewer Fund Reserves</b>						
Operating Reserves	\$2,287,407	\$2,217,407	\$687,707	\$687,707	\$305,107	\$305,107
Capital Renewal Reserves	4,129,698	2,503,098	2,396,698	809,098	(345,902)	1,227,498
Capital Reserves (New Capital)	-	-	-	-	-	-
<b>Total Sewer Fund Reserves</b>	<b>\$6,417,105</b>	<b>\$4,720,505</b>	<b>\$3,084,405</b>	<b>\$1,496,805</b>	<b>\$(40,795)</b>	<b>\$1,532,605</b>
<b>Water Fund Reserves</b>						
Operating Reserves	\$3,930,357	\$299,757	\$73,757	\$73,757	\$73,757	\$(186,243)
Capital Renewal Reserves	975,930	(292,070)	(1,444,070)	119,930	1,799,930	1,255,930
Capital Reserves (New Capital)	-	-	-	-	-	-
<b>Total Water Fund Reserves</b>	<b>\$4,906,287</b>	<b>\$7,687</b>	<b>\$(1,370,313)</b>	<b>\$193,687</b>	<b>\$1,873,687</b>	<b>\$1,069,687</b>
<b>Total Reserves</b>	<b>\$62,178,561</b>	<b>\$26,893,189</b>	<b>\$18,037,889</b>	<b>\$13,441,089</b>	<b>\$11,842,989</b>	<b>\$14,425,089</b>

Note:

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 below:

### **Climate Action Reserve**

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

In May of 2021, the Provincial Government announced this program would be wrapping up in 2021, with 2020 as the last reporting period.

The CARIP Grant was replaced with the LGCAP Grant. The LGCAP provides funding for local governments to plan and implement climate action that will reduce emissions, create new opportunities for people in the clean economy, and prepare communities for future climate impacts. As part of the program, recipients of funding will be required to report on their actions. Proceeds from this grant are being transferred to the District's Climate Action reserve, much like the previous CARIP Grant funds.

At the September 25, 2023 Council meeting Council resolved to add the "Implementation of Climate and Sustainability-Related projects and Programs" as a priority project in the Council Priority Plan. This included the creation and funding of a full time climate position. This position is funded by the Local Government Climate Action Program grant which initially appears to be ongoing and annual. As a result, the LGCAP grant is no longer transferred to reserve and is instead used directly to fund operations.

### **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. Specific provision in the District's Reserve and Surplus Policy relate to the use of these funds.

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

The Fire Machinery and Equipment reserve fund was originally established pursuant to Bylaw No. 3773, "*Fire Machinery and Equipment Depreciation Reserve Fund Bylaw, 1993*". This bylaw was 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 replacing fire machinery and equipment.

Two of the Fire Department's major pieces of apparatus are due for replacement between 2022-2024: (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 \$200,000 at the beginning of 2024. As a result of these purchases, the reserve is expected to be negative. The District will temporarily borrow from other reserves to fund the purchases.

### **Heritage Reserve Fund**

Money in this fund and interest earned on it shall only be used for land development projects and other capital projects designed to augment land development projects. The principal proceeds in this reserve were generated from the net profit from the Municipality's development of the Wessex Close subdivision in 1980-81.

### **Machinery and Equipment**

The Machinery and Equipment reserve fund was originally established pursuant to Bylaw No. 2074, "Reserve for Machinery and equipment By-law" and Bylaw No. 3773, the "Machinery and equipment Depreciation Reserve". These bylaws were 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 replacing machinery and equipment.

Much of the District's fleet is due for replacement—and will be replaced in the next five 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 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 be 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 through 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 budgeted to decrease significantly over the next five years, despite increasing annual transfers. Capital Works Reserve funded projects include:

Projects	2024	2025	2026	2027	2028	Total
Sanitary Sewer Rehabilitation	3.0M	1.5M	3.1M	2.7M	-	10.3M
Parks and Recreation	2.3M	1.3M	1.3M	2.3M	1.1M	8.3M
Watermain Replacement	2.6M	2.6M	-	-	2.3M	7.5M
Active Transportation	-	0.8M	0.8M	0.8M	0.8M	3.2M
Administration & Finance	0.7M	0.4M	0.1M	0.1M	0.2M	1.5M
Foreshore	1.3M	0.1M	-	-	-	1.4M
Haro Road Soil Transfer Site	1.1M	-	-	-	-	1.1M
Facilities Department Projects	0.3M	0.1M	0.2M	0.1M	0.1M	0.8M
Other	0.3M	0.1M	-	-	0.2M	0.6M
Marina	0.6M	-	-	-	-	0.6M
Fire Department Projects	0.3M	0.1M	-	-	-	0.4M
<b>Total Use of Reserve 2024-2028</b>	<b>12.5M</b>	<b>7.0M</b>	<b>5.5M</b>	<b>6.0M</b>	<b>4.7M</b>	<b>35.7M</b>
<b>Total Transfers in 2024-2028</b>	<b>4.1M</b>	<b>4.5M</b>	<b>5.0M</b>	<b>5.3M</b>	<b>5.8M</b>	<b>24.7M</b>
<b>Net Transfers</b>	<b>-8.4M</b>	<b>-2.5M</b>	<b>-0.5M</b>	<b>-0.7M</b>	<b>+1.1M</b>	<b>-11.0M</b>



### **Village Parking 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, established under Bylaw No. 3631, the "*Parking Reserves Fund Establishment Bylaw, 1989*".

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

After the establishment of the District's Village Parking Reserve, legislation was enacted to allow Council to use the reserve for transportation infrastructure supporting 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*".

### **Infrastructure Renewal Reserve**

This reserve was established by administrative practice and not by bylaw. The District established this reserve through budget deliberations in 2017. The City receives approximately \$800k in gas tax funds via the Union of BC Municipalities on an annual basis. These funds are deposited into the infrastructure renewal reserve. Furthermore, the annual Financial Plan allocates property tax funded transfers to this reserve. In 2019, Council directed that property taxes be increased by 2% per year so that an annual transfer could be established.

The Infrastructure Renewal Reserve is composed of three parts, each of which have different intended uses:

- Property tax funded portion: this portion is limited only by Council direction in the Financial plan,
- Community Works Fund (gas tax) funded portion: This portion is limited to infrastructure classes detailed in the Canada Community-Building Fund agreement, and
- Uplands Sewer Separation Portion: See Uplands Sewer Separation Gas Tax Reserve Fund discussion below.

The Infrastructure Renewal Reserve funded projects 2024-2028 include:

Project/Program	2024	2025	2026	2027	2028	Total
Road Restoration	3.5M	3.5M	3.5M	3.5M	3.5M	17.5M
Storm Sewer Rehabilitation	3.5M	3.5M	3.5M	-	-	10.5M
Watermain & Hydrant Replacement	-	-	2.6M	2.6M	-	5.2M
Uplands Sewer Separation	4.6M	-	-	-	-	4.6M
Street Light Replacement Program	0.7M	0.7M	0.8M	0.8M	0.8M	3.9M
Active Transportation	0.8M	0.8M	0.9M	0.9M	0.9M	4.2M
Uplands Streetlight Replacement	3.2M	1.3M	-	-	-	4.5M
Sewer Main Rehabilitation	-	-	-	-	3.0M	3.0M
Sidewalk Replacement	0.5M	0.5M	0.5M	0.5M	0.5M	2.5M
Facilities	0.7M	0.4M	0.4M	0.4M	0.4M	2.3M
Other	-	0.5M	0.1M	0.4M	0.4M	2.1M
Marina	0.7M	0.3M	0.4M	0.2M	-	1.7M
Monterey roof	-	1.5M	-	-	-	1.5M
OBRC Air Unit	1.0M	-	-	-	-	1.0M
Uplands Watermain Replacement	0.9M	-	-	-	-	0.9M
Temporary Apparatus Bay	0.8M	-	-	-	-	0.8M
OBRC Motor Control Centres	-	-	0.1M	0.7M	-	0.8M
OBRC Solar System	-	-	0.1M	0.7M	-	0.8M
Underground Fuel Tank Replacement	0.7M	-	-	-	-	0.7M
Carnarvon Park Design	0.7M	-	-	-	-	0.7M
<b>Total Use of Reserve 2024-2028</b>	<b>23.1M</b>	<b>13.0M</b>	<b>12.9M</b>	<b>10.7M</b>	<b>9.5M</b>	<b>69.2M</b>
<b>Total Transfers in 2024-2028</b>	<b>8.4M</b>	<b>9.0M</b>	<b>9.3M</b>	<b>9.9M</b>	<b>10.6M</b>	<b>47.2M</b>
<b>Net Transfers</b>	<b>-14.7M</b>	<b>-4.0M</b>	<b>-3.6M</b>	<b>-0.8M</b>	<b>+1.1M</b>	<b>-22.0M</b>

### **Legacy Trust**

The Legacy Trust consists of various bequests made to the Municipality for specific purposes, such as improvements to the Seniors' Activity portion of the Monterey Centre or the Public Art Fund.

### **Tod House Trust**

The Tod House Trust was established to fund repairs to the historic residence at 2564 Heron Street, which was 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.

In 2022, the Trust fund balance was used to fund capital renovations on the building. Annual net rents (rental income less annual maintenance) are deposited to the credit of this Trust fund.

### **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 were classified as a liability in the District's financial statements due to the public nature of the commitment to this specific project until December 13, 2021. At the December 13, 2021 Regular Meeting of Council, Council adopted the following resolutions:

*"THAT the Gas Tax funds dedicated to the Uplands Sewer Separation Project, found in Note 3 of the District's Financial Statements be disencumbered and be made available for general infrastructure expenditures per the terms of the 2014 - 2024 Community Works Agreement;*

*AND FURTHER THAT Council direct staff to dedicate a portion of its property tax funded Infrastructure Renewal Reserve to the Uplands Sewer Separation Project (subject to Provincial grant approval) in the 2022-2026 Financial Plan."*

Subsequent to this resolution, funds in the Uplands Sewer Separation Gas Tax Reserve were transferred to the District's Infrastructure Renewal Reserve and were made available for general infrastructure renewal. A portion of the District's other funds in the Infrastructure Renewal Reserve has been dedicated to the Uplands Sewer Separation project in the 2024-2028 Financial Plan.

### Growing Communities Reserve Fund

On February 10, 2023, the Province of BC announced the new Growing Communities Fund (GCF) – a one-time total of \$1 billion in allocated grant funding for all BC municipalities and regional districts. The funding formula for this program was based on population size and growth. The District of Oak Bay received \$4,773,000.

Council dedicated this funding on May 8, 2023 with refinements on June 26, 2023 and December 14, 2023 as follows:

Project	Allocated Amount
North Oak Bay Pump Station Consolidation	\$1,000,000
Active Transportation Network	\$750,000
Public Safety Building	\$100,000
Housing Related Initiatives	\$2,700,000
Playgrounds	\$200,000
Unallocated	\$23,000
<b>Total</b>	<b>\$4,773,000</b>



# 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% of the annual controllable sustainable revenues.

Municipal long-term borrowing in BC 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 BC. These factors create a strong institutional, governance framework that helps the MFA retain a triple-A credit rating, and exceptionally lowering 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, which was paid down 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 2024 – 2028 Financial Plan, the District’s annual controllable sustainable revenues will exceed \$59M, making its annual liability servicing limit approximately \$14.8M. Annual debt servicing costs are expected to approach \$3.8M which amounts to approximately 19.7% of the District’s liability servicing limit if the District proceeds with proposed borrowing outlined in the Financial Plan. Debt payments including interest and principal for the next five years are forecasts as follows:

Year	Beg. Balance	New Debt	End. Balance	\$ Principal	\$ Interest <sup>1</sup>	\$ Total Pmts.	Actuarial	% Liability Servicing Limit**
2023	\$360,328	\$ -	\$ -	\$142,594	\$134,378	\$276,972	\$217,734	1.9%
2024	-	-	-	-	-	-	-	0.0%
2025	-	\$13,250,000	\$12,995,457	\$248,335	\$618,775	\$867,110	\$6,208	5.4%
2026	\$12,995,457	\$37,500,000	\$49,536,401	\$946,484	\$2,358,350	\$3,304,834	\$12,572	18.9%
2027	\$14,286,401	\$7,000,000	\$55,422,172	\$1,077,680	\$2,685,250	\$3,762,930	\$36,549	20.5%
2028	\$36,672,172	\$0	\$54,280,088	\$1,077,680	\$2,685,250	\$3,762,930	\$64,404	19.7%

Note:

1. Debt interest rate is assumed to be 4.6% which is the indicative 10 year rate posted by the Municipal Finance Authority at the time this was written (February 2024). Debt amortization is assumed to be thirty years. Actuarial capitalization rate assumed 2.5%.



The SIR Plan estimates that the District will incur \$1.3B in infrastructure replacement costs between 2022 and 2121. Approximately 36% of this (or \$469.7M) is forecasted to occur over the next 25 years. The forecasts indicate that even with rapidly increasing reserve contribution funding, the District will need to incur between \$175M and \$220M to replace its infrastructure between 2026 and 2076.

## Approval of the Electors

Local governments may undertake long-term capital borrowing through a loan authorization bylaw. The bylaw must include the purpose of the borrowing, the maximum amount to be borrowed and the maximum duration of the borrowing; for regional district loans the specific service that the loan relates to must also be specified. All loan authorization bylaws must receive approval of the Inspector of Municipalities before any borrowing can proceed. In most cases, approval of the electors (municipalities) or participating area approval (regional districts) is required before the bylaw can be adopted.

Per the *Municipal Liabilities Regulation*, approval of the electors is not required so long as the annual cost of debt servicing does not exceed 5% of annual controllable sustainable revenues.

It is estimated that the District can issue an additional \$45.1M in debt before exceeding the Approval-free Liability Zone as calculated below. The 2024-2028 Financial Plan proposes issuing \$57.5M in new debt, thereby exceeding the Approval-free Liability Zone.

Estimated annual controllable sustainable revenues	\$ 59.0M
5%	\$ 2,950,000
Assumed Interest rate	4.67%
Assumed actuarial adjustment capitalization rate	2.50%
Gross debt for \$2.95M annual debt servicing at 4.67%	\$ 45,077,910

## Five Year Capital Budget Summaries

	2024	2025	2026	2027	2028	Total
<b>Capital Expenditures</b>						
Corporate Administration	\$357,400	\$ -	\$ -	\$ -	\$ -	\$357,400
Finance and Information Technology	463,600	528,400	358,100	292,000	411,200	2,053,300
Facilities	2,621,000	1,006,000	1,804,000	20,698,900	15,475,000	41,604,900
Police Department	236,000	160,000	162,000	47,000	123,000	728,000
Fire Protection	2,029,600	130,000	464,000	60,000	60,000	2,743,600
Engineering & Public Works	29,182,500	11,924,800	10,459,000	10,494,100	10,530,000	72,590,400
Parks, Recreation & Culture	4,610,700	10,951,400	2,735,500	4,267,000	1,224,900	23,789,500
Sewer Utility	3,000,000	3,059,500	3,061,000	3,061,000	3,061,000	15,242,500
Water Utility	7,084,000	9,141,000	2,930,800	2,947,300	2,964,700	25,067,800
<b>Total</b>	<b>\$49,584,800</b>	<b>\$36,901,100</b>	<b>\$21,974,400</b>	<b>\$41,867,300</b>	<b>\$33,849,800</b>	<b>\$184,177,400</b>
<b>Funding Sources</b>						
Reserves	\$42,727,500	\$23,316,100	\$19,373,600	\$18,000,000	\$14,965,100	\$118,382,300
Fees and Charges	300,000	315,000	330,800	347,300	364,700	1,657,800
Grants	6,550,600	-	-	-	-	6,550,600
Taxes	6,700	20,000	20,000	20,000	20,000	86,700
Borrowing	-	13,250,000	2,250,000	23,500,000	18,500,000	57,500,000
<b>Total</b>	<b>\$49,584,800</b>	<b>\$36,901,100</b>	<b>\$21,974,400</b>	<b>\$41,867,300</b>	<b>\$33,849,800</b>	<b>\$184,177,400</b>

## Five Year Capital Budget Summaries Continued

	2024	2025	2026	2027	2028	Total
<b>Capital Expenditures</b>						
Building	\$4,904,700	\$10,857,200	\$2,692,400	\$22,027,300	\$16,212,400	\$56,694,000
Vehicle	1,944,800	675,000	800,000	500,000	560,000	4,479,800
Equipment	3,207,800	1,333,600	1,141,200	2,992,600	841,700	9,516,900
Road	11,002,500	7,924,800	6,459,000	6,494,100	6,530,000	38,410,400
Drainage	14,550,000	3,500,000	3,500,000	3,500,000	3,500,000	28,550,000
Land Impr.	3,891,000	410,000	1,390,000	345,000	180,000	6,216,000
Sewer	3,000,000	3,059,500	3,061,000	3,061,000	3,061,000	15,242,500
Water	7,084,000	9,141,000	2,930,800	2,947,300	2,964,700	25,067,800
<b>Total</b>	<b>\$49,584,800</b>	<b>\$36,901,100</b>	<b>\$21,974,400</b>	<b>\$41,867,300</b>	<b>\$33,849,800</b>	<b>\$184,177,400</b>
<b>Funding Sources</b>						
Reserves	\$42,727,500	\$23,316,100	\$19,373,600	\$18,000,000	\$14,965,100	\$118,382,300
Fees and Charges	300,000	315,000	330,800	347,300	364,700	1,657,800
Grants	6,550,600	-	-	-	-	6,550,600
Taxes	6,700	20,000	20,000	20,000	20,000	86,700
Borrowing	-	13,250,000	2,250,000	23,500,000	18,500,000	57,500,000
<b>Total</b>	<b>\$49,584,800</b>	<b>\$36,901,100</b>	<b>\$21,974,400</b>	<b>\$41,867,300</b>	<b>\$33,849,800</b>	<b>\$184,177,400</b>

# Corporate Administration Capital Budget

## Corporate Administration Capital Plan

Capital Purchase/ Project	Asset Type	2024	2025	2026	2027	2028
EDRM System	Equipment	\$ 237,400	\$ -	\$ -	\$ -	\$ -
Website Upgrade	Equipment	120,000	-	-	-	-
<b>Total Corporate Admin Capital</b>		<b>\$357,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Electronic Document Management System (EDMS)

(approved funding carried forward)

An EDMS 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, and it will support the automatic enforcement of consistent policies and styles across the District, as well as ensure that Oak Bay is following Provincial and Federal legislation. As the EDMS 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.

### Website Upgrade

(approved funding carried forward)

The current municipal website is a key tool for citizen communication and public engagement but needs revision. This project would upgrade the website to refresh the look and feel, improve navigation, and optimize search capabilities, as well as provide for content management functionality. This project will support communications and 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 the development of an internal intranet for staff use. Project scoping of Phase 2 has not been fully developed.

# Finance and IT Capital Budget

## Financial & Information Technology Capital Plan

Capital Purchase/ Project	Asset Type	2024	2025	2026	2027	2028
IT Proj. Management Div Projects	Equipment	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000
Network & Other IT Hardware	Equipment	93,600	133,400	88,100	22,000	101,200
PC Hardware Replacement	Equipment	125,000	175,000	50,000	100,000	140,000
New PC Hardware for new Employees	Equipment	25,000	-	-	-	-
Asset Management Software Implementation	Equipment	50,000	50,000	50,000	-	-
<b>Total Finance Capital</b>		<b>\$463,600</b>	<b>\$528,400</b>	<b>\$358,100</b>	<b>\$292,000</b>	<b>\$411,200</b>

## IT Project Management Division

The IT Project Management Division was created in late 2020. Most costs incurred in this division are for staffing and the remainder is 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 goals.



# Network Switch and Other IT Hardware

This capital project includes the following multi-year components:

	2024	2025	2026	2027	2028
Network Switch Replacement	\$1,100	\$108,000	\$ -	\$ -	\$ -
Firewall	2,500	-	\$7,200	-	\$10,000
Phone System Upgrade (carry-over)	60,000	-	-	-	-
Uninterruptible Power Supply	2,000	7,200	\$900	\$2,000	\$5,800
Servers	-	-	-	-	\$60,000
Backups	-	-	-	-	-
Wireless Access Points	5,000	-	\$70,000	-	\$15,400
Fibre Optics	7,500	\$5,000	\$5,000	\$5,000	\$5,000
Hardware tokens (new)	-	-	-	-	-
Contingency	15,500	\$13,200	\$5,000	\$15,000	\$5,000
<b>Total</b>	<b>\$93,600</b>	<b>\$133,400</b>	<b>\$88,100</b>	<b>\$22,000</b>	<b>\$101,200</b>

# PC Hardware Replacement

The Information Technology (IT) Division deploys and maintains over 250 pieces of hardware for over 300 users. This inventory is valued at nearly \$250,000 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. This was necessary to support a shift to remote working, as well as security patching and a unified support model.



## New PC Hardware for new Employees

The District recently renovated a portion of the Public Works Yard building second floor and enabled Wi-Fi and other IT services. This will provide computers for a shared workspace to be utilized by public works employees who previously did not have access to computers on a regular basis. These employees would now access the computers to perform maintenance functions, work orders, and access as-built information.

## Asset Management Software Implementation

In conjunction with the Comprehensive Asset Management Plan, this project would fund a scoping and implementation of Asset Management Software. An organization's asset management needs are unique and complex and must be harmonized with other Enterprise Resource Planning software and existing service levels. Asset Management software will likely require additional staffing resources to maintain. Council will therefore be consulted prior to implementation.

# Facilities Capital Budget

## Facilities Capital Plan

Capital Purchase/ Project	Asset Type	2024	2025	2026	2027	2028
Public Works Yard Improvements	Building	\$150,000	\$ -	\$ -	\$ -	\$ -
Public Works Heat / Air Exchanger	Building	45,000	-	-	-	-
Recycle Yard Fence Improvements	Building	85,000	-	-	-	-
Marina Structural Repairs	Building	1,386,000	266,000	392,000	223,900	-
Fire Hall/Police Station -Design & Build	Building	50,000	215,000	1,000,000	20,000,000	15,000,000
Fire Hall Washroom	Building	180,000	-	-	-	-
Facilities General Capital Program	Building	400,000	400,000	400,000	400,000	400,000
Municipal Hall External Washrooms	Building	100,000	-	-	-	-
Facilities Feasibility Studies	Building	225,000	125,000	12,000	75,000	75,000
<b>Total Facilities Capital</b>		<b>\$2,621,000</b>	<b>\$1,006,000</b>	<b>\$1,804,000</b>	<b>\$20,698,900</b>	<b>\$15,475,000</b>

## Public Works Yard Improvements

(funding previously approved and carried forward)

This project would see repairs to the:

- Storage housing area,
- Salt storage housing area, and
- Garbage compactor bin concrete base.

All areas are at end of life and failing. Repairs are short term fixes to extend life five to 10 years.



## **Public Heat / Air Exchange**

(approved funding carried forward)

A new Public Works Heat/Air Exchanger is needed as the current unit is well past end-of-life. Ongoing failures occur and mechanical engineers have been called five times over the last year. As the unit parts in need of repair are now obsolete and unobtainable, failures will continue to occur and replacement is recommended.

## **Recycle Yard Fencing**

(approved funding carried forward)

This project would see the fence at the Public Works Recycle area upgraded to a sound dampening concrete fence. In order to install this fencing, the retaining wall will need to be rebuilt. Engineered design and/or options analysis needs to be completed before construction starts.

## **Marina Structural Repairs**

(approved funding carried forward)

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 expired at the end of 2022 and was renewed for an additional five years.

A recently completed draft Facility Condition report identifies capital maintenance needs of the facility. Capital maintenance has been deferred until 2024. It is unlikely that these capital maintenance items will occur until further decisions are made about the future of Turkey Head.

## **Firehall/Police Station – Design & Build**

(approved funding carried forward)

There is a total of \$36,000,000 allocated in the 2024-2028 Financial Plan for the design and build of the new Public Safety Building. However, no conceptual or Class D estimates have been produced as very little scoping has been conducted. Council decision could significantly change the cost of the project. Rather the budgets represent high level expenditure authority. However, the design stage will see that the project is scoped and costed and incorporated into the Financial Plan.

## Firehall Washrooms

(approved funding carried forward)

The Fire Hall was constructed in 1938 and operates with the original sink, toilet, and shower access and layout (one room containing two common sinks, two individual toilet stalls, and two individual showers with an open/common change area). These are the only toilets and showers in the Fire Hall, supporting a mixed-gender workforce (currently 26 uniformed members along with two civilian employees, the department has previously employed one female firefighter and aspires to support a workforce representative of the community).

When staff utilize the shower/s, the only door to access the washroom is usually locked, which prevents all other staff from accessing the sinks, toilets, or shower/s. Staff must wait until the door is unlocked or utilize the Parks public washroom at Firefighters Park, which creates response delays for in-service staff.

Prior to leaving fire incidents and some other structural calls, crews perform a gross (Level 1) decontamination of their equipment and Personal Protective Equipment (PPE i.e., Turn Out Gear) at the scene to leave as many contaminants at the scene as possible. Once crews return to the station, they immediately deep clean/decontaminate their apparatus and equipment and restore the vehicle to full response readiness. Then, all crew exposed to contaminants (i.e., smoke, fumes) are expected to shower and change uniforms. This is an industry standard practice and supports the health and safety of staff by reducing the occurrence of occupational/presumptive cancers.

There are washroom re-design options available within the existing washroom footprint for the creation of a single gender-neutral shower/change area, single gender-neutral toilet and sink, and a single gender-neutral toilet, sink, and shower/change area (resulting in two people able to shower and keep one toilet and sink available as each is self-contained and private/secure).

## Facilities General Capital Program

The general capital program for maintenance on existing facilities is funded by the infrastructure renewal reserve. In 2024, it is proposed that 1.0 FTE facilities staffing be funded through this program.





## Municipal Hall Exterior Washrooms

(approved funding carried forward)

The under-slab plumbing for the two Municipal Hall Public Washrooms has eroded and collapsed leading to regular backups. The washrooms are also difficult to clean and susceptible to vandalism and graffiti as there are no floor drains. The project would involve the gutting of the two washrooms to be able to jackhammer the concrete floors (some excavation may also be required along the exterior sidewalk where the lines run to Oak Bay Ave) and replace all under-slab plumbing. Reconstruction of the washrooms would utilize highly durable vandalism resistant fixtures, materials, and finishes. We would take the opportunity to upgrade the washrooms to the most current barrier free accessibility standards such as auto-door openers and hands-free fixtures.

## Facilities Feasibility Studies

These projects originate from the Facilities Master Plan and would procure a feasibility study to review requirements, identify stakeholders, define future requirements, define options, analyze options against criteria, and develop next steps for these facilities.



# Police Department Capital Plan

Capital Purchase/ Project	Asset Type	2024	2025	2026	2027	2028
Police Vehicle Replacement	Vehicle	\$209,000	\$100,000	\$60,000	\$ -	\$60,000
Police Computer Equipment Replacement	Equipment	5,000	33,000	75,000	20,000	36,000
Traffic Enforcement Equipment	Equipment	12,000	12,000	12,000	12,000	12,000
Police Building Repairs	Equipment	10,000	15,000	15,000	15,000	15,000
<b>Total Oak Bay Police Capital</b>		<b>\$236,000</b>	<b>\$160,000</b>	<b>\$162,000</b>	<b>\$47,000</b>	<b>\$123,000</b>

## Police Vehicle Replacement

The Police Department maintains a small fleet of patrol vehicles and administrative vehicles. The replacement cycle of these vehicles ranges from six to 10 years. 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

IT for the District's police force is managed by the Saanich Police Department (SPD). The SPD advises an IT equipment replacement plan, including equipment expenditures forecasted to be approximately \$169,000 over the next five-years. The Police Department maintains a small annual budget to replace traffic enforcement equipment to meet the priority of Traffic Safety.



## 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 Department Capital Plan

Capital Purchase/Project	Asset Type	2024	2025	2026	2027	2028
Engine with Light rescue	Vehicle	\$396,800	\$ -	\$ -	\$ -	\$ -
Ladder Truck with Heavy Rescue	Vehicle	199,000	-	-	-	-
Site Preparation: Portable Apparatus Bay	Land Impr.	250,000	-	-	-	-
Temporary Apparatus Bay (new)	Building	777,000	-	-	-	-
Mobile Data Terminals	Equipment	20,000	-	-	-	-
Training Room Modernization	Equipment	30,000	-	-	-	-
Electric Vehicle Charging Infrastructure (new)	Land Impr.	42,000	-	-	-	-
Fire Hose & Appliances	Equipment	88,300	-	-	-	-
Electric Vehicles	Vehicle	140,000	75,000	-	-	-
Fire Personal Protective Equipment	Equipment	86,500	-	189,000	60,000	60,000
Fire Hall Kitchen Improvements (new)	Building	-	30,000	-	-	-
Digital/LED Fire Extinguisher Training Equipment (new)	Equipment	-	25,000	-	-	-
Wildand Fire Response Equipment (new)	Equipment	-	-	35,000	-	-
Battalion Replacement (new)	Vehicle	-	-	240,000	-	-
<b>Total Fire Department Capital</b>		<b>\$2,029,600</b>	<b>\$130,000</b>	<b>\$464,000</b>	<b>\$60,000</b>	<b>\$60,000</b>

## **Engine with Light Rescue**

(approved funding carried forward)

The construction and purchase of this apparatus is substantially complete.

## **Ladder Truck with Heavy Rescue Capabilities**

(approved funding carried forward)

The construction and purchase of this apparatus is substantially complete.

## **Site Preparation: Portable Apparatus Bay**

(approved funding carried forward)

This capital budget funds the installation of a 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 while improving the apparatus bay door. After the initial installation and renovation, monthly lease payments will require ongoing funding. Leasing a portable apparatus storage bay will create space for a modern 100+ foot quint designed to meet the needs of the community.

## **Temporary Apparatus Bay**

(new)

In anticipation of receiving the temporary apparatus bay, the District established an operating budget to fund the expected lease. In fall of 2023, the District conducted a financial analysis that determined that internal borrowing could save the District over \$100,000 in financing costs. As a result, Council authorized that the apparatus bay be purchased, financed by internal borrowing. The internal borrowing will be repaid by utilizing what would have been the lease payment operating budget.



## Mobile Data Terminals

(approved funding carried forward)

Replacement of existing Mobile Data Terminals on Fire Apparatus as needed, as they are at the end of their service life. These Data Terminals provide critical information regarding location, nature, and details of emergency calls and are integral to the computerized dispatch of fire apparatus.

## Training Room Modernization

(approved funding carried forward)

Until June of 2022, the fire department training room did not have any supporting technology and remained nearly unchanged from its 1938 origins. Municipal network access (WIFI and hardwired) was installed in 2022 but did not include supporting equipment. Supporting technology includes a computer and audio/visual hardware such as large screen monitor, phone/s, conferencing system etc.

This equipment is considered the minimum requirement to support department training activities that are heavily reliant on hardware, web-based software, online fire service related curriculum, and the departments Incident Command System interactive training platform, which is currently inaccessible in the existing training room. Updating will provide for virtual learning opportunities and communications with our neighboring departments (i.e., Mutual Aid partners) that we have not previously had the ability to support.

## Electric Vehicle Charging Infrastructure

(new)

The Fire Department has approved Capital funding to replace 2 light vehicles, both of which are 15 years old, gas powered and are expected to be replaced with fully electric vehicles. Approved funding is not adequate to support installation of required electric vehicle charging infrastructure (min 80 amp charging capability/vehicle) and procurement of electric vehicles that meet the business needs of the department. If there is not adequate power and/or funding with this proposal to support charging requirements, the Fire Department will need to continue to operate gas and/or hybrid vehicles.

## Electric Vehicles

The first vehicle must have the ability to support 24/7 duty chief requirements and operate in a reserve capacity for the departments Battalion/Squad emergency response vehicle and/or use during high call volume or severe weather events.

It is further recommended that replacement of the second vehicle occur in 2025 or 2026 as manufacturers are expected to release a greater variety of electric vehicle models that are more aligned to meet the needs of the Fire Prevention Division (\$75,000 additional funding required).

The historical planned replacement and amortization schedule for these light vehicles was every 10 years, however it is recommended that the electric vehicle replacement cycle is every 8 years.

Overall, the reduced operating cost for electric vehicles should fund the difference in replacement schedule (ie. fuel, maintenance).

## Fire Personal Protective Equipment

(approved funding carried forward)

This capital program includes thermal imaging, gas detection, technical rescue, vehicle extrication and general fire personal protective equipment (PPE). The department produces and maintains a 10+ year capital plan for its apparatus and PPE and funds replacement via the Fire Machinery and Equipment Reserve.

## Fire Hall Kitchen Improvements

(new)

The fire hall kitchen requires improvements to replace countertops, cabinet doors etc. that have reached their end of life and/or are no longer operable. The kitchen is utilized by up to 12 staff day and night, 365 days a year.

No previous replacement/maintenance schedule or funding has been requested for the kitchen. The above requested improvements will prolong the life of the kitchen until a new public safety building is constructed.

## Digital/LED Extinguisher Training Equipment

(new)

Digital/LED fire extinguisher training system that supports 2 council priority themes (Climate Change and Environment/Diversity and inclusion) by supplying an environmentally safe alternative for fire extinguisher training for all citizens including people with accessibility and mobility challenges. The system includes LED fire extinguisher, carrying case, interactive display monitor and educational material to provide fire extinguisher training to members of the public, local businesses, schools, senior facilities, interest groups and municipal employees. This system is safe and environmentally friendly for all users, can be delivered indoors and requires only one staff member to deliver the training.

## Wildland Fire Response Equipment

(new)

Funding is required to enhance OBFD's wildland fire fighting capacity and establish new post disaster capabilities and equipment for our community. Funding will enable the purchase of wildland fire fighting equipment/tools that will ensure a reliable water supply and enhanced suppression capabilities for wildland fires located in District parks, trail systems, beaches and grassy areas. This portable pump and bladder system will also ensure that our rolling stock (Engine apparatus) will be positioned outside the areas of greatest risk during a wildland event.

## Battalion Replacement

(\$50,000 additional funding being requested)

The 2023-2027 Financial Plan approved \$190,000 funding for the replacement of Battalion 1 in 2026. Additional funds are requested to support a more suitable 4 Wheel Drive Medic/Squad response vehicle. This vehicle will allow for a "Right Size Response" for the District, improve service to the community, ensure there is a staffed response for concurrent calls and enable a more efficient use of personnel and apparatus.

# Engineering and Public Works Capital Plan

Capital Purchase/Project	Asset Type	2024	2025	2026	2027	2028
Road Reconstruction Program	Road	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Storm Sewer Rehabilitation	Drainage	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Uplands Sewer Separation	Drainage	11,050,000	-	-	-	-
Active Transportation Program	Road	700,000	832,000	864,600	897,900	931,800
Active Transportation - New Infrastructure	Road	791,400	832,800	824,200	815,600	807,000
Sidewalk Replacement Program (new)	Road	500,000	510,000	520,200	530,600	541,200
Street and Intersection Pole Replacement Program	Road	150,000	150,000	-	-	-
Street Light Replacement Program	Road	750,000	750,000	750,000	750,000	750,000
Uplands (Humber) Streetlight Repl. (new)	Road	3,162,000	1,300,000	-	-	-
Electrical Streetlight Kiosks - Uplands and Rutland	Road	130,000	-	-	-	-
McNeill Bay/McMicking Point Foreshore Erosion Mitigation	Road	1,219,100	-	-	-	-
Foreshore Infrastructure	Road	100,000	50,000	-	-	-
Bowker Creek Walkway Railings	Land Impr.	250,000	-	-	-	-
Haro Road Soil Transfer Site (new)	Land Impr.	1,700,000	-	-	-	-
Underground fuel tank replacement (new)	Land Impr.	650,000	-	-	-	-
Public Works Vehicle and Equipment Replacement	Vehicle	1,000,000	500,000	500,000	500,000	500,000
Engineering General Equipment	Equipment	30,000	-	-	-	-
<b>Total Engineering Services Capital Plan</b>		<b>\$29,182,500</b>	<b>\$11,924,800</b>	<b>\$10,459,000</b>	<b>\$10,494,100</b>	<b>\$10,530,000</b>

## Road Reconstruction Program

The aim of the Road Reconstruction Program is to develop a sustainable road surface rehabilitation program that achieves a specific service level while maintaining best value for money. This program funds capital maintenance works conducted by Public Works as well as major projects managed by the Engineering division. Several Engineering capital programming staff are partially funded by this program budget as well.

## Storm Sewer Rehabilitation

This program captures the refurbishment or replacement of Storm Sewer Mains that have reached end of service life. This program funds capital maintenance works conducted by Public Works as well as major projects managed by the Engineering division. Several Engineering capital programming staff are partially funded by this program budget as well.

## 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 shallow 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 BC's Municipal Wastewater Regulation. In October 2016, 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 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 were prepared in early 2022:

Humber Construction	Class B	\$8,832,000
Rutland Detailed Design	Class B	\$415,000
Rutland Construction	Class C	\$16,347,300
<b>Total</b>		<b>\$25,594,300</b>



The District has submitted a third application to the Investing in Canada Infrastructure Grant Program (ICIP). This program provides up to 73.33% of funding for eligible projects. This application was successful in securing grant funding for 73.33% the submitted Class B estimate, or approximately \$6,481,600.

At the February 20, 2024 Council meeting, Council awarded the contract for the Uplands Sewer Separation & Watermain Replacement Humber and Ripon Outfalls Project. As a result the following project budget has been established:

	Construction	Contract Administration	Contingency	Total
Humber Catchment Sewer Separation	\$8.53M	\$0.54M	\$1.36M	\$10.43M
Road Work	0.45M	0.09M	0.08M	0.62M
<b>Total</b>	<b>\$8.98M</b>	<b>\$0.63M</b>	<b>\$1.44M</b>	<b>\$11.05M</b>

## Active Transportation Program

Starting in 2024, the Active Transportation Program and the program formally referred to as the Transportation Safety Improvement have been combined. These programs were for primarily replacing existing transportation assets with improved infrastructure such as bicycle lanes, pathways, pedestrian-friendly infrastructure, crosswalks, traffic calming initiatives, intersection improvements, and other safety related capital works. This program is funded by the infrastructure renewal reserve since it replaced existing infrastructure.

On March 25th Council meeting, Council created a new Active Transportation focusing on new infrastructure as envisioned in the 2023 Oak Bay Active Transportation Strategy. Council established a tax increase to fund this program on an ongoing basis. As tax funding builds up over five years, the Financial Plan also utilizes the Growing Community Fund Reserve and Capital Works Reserve (Active Transportation line).

Funding source	2024	2025	2026	2027	2028
Taxes	\$41,400	\$232,800	\$424,200	\$615,600	\$807,000
Growing Communities Fund	750,000	-	-	-	-
Capital Works Reserve	-	600,000	400,000	200,000	-
<b>Total Oak Bay Police Capital</b>	<b>\$791,400</b>	<b>\$832,800</b>	<b>\$824,200</b>	<b>\$815,600</b>	<b>\$807,000</b>

Note that \$150,00 has also been integrated into the operating budget to support the hiring of active transportation program staffing costs.

## Sidewalk Replacement Program

(new)

Many sidewalks in Oak Bay are in poor condition and need to be replaced. A sidewalk condition assessment will be completed in early 2024 which will give us a priority listing to start working on. This new annual program will allow us to make headway on replacement which will improve pedestrian safety in the District. This is a new program that would be funded by the infrastructure renewal reserve. This capital program would be used to replace existing sidewalks only and not for the construction of sidewalk in areas that currently do not have sidewalk.

## Street and Intersection Pole Replacement Program

(approved funding carried forward)

This project will identify and replace end of life-span electrical poles, and to develop plans to replace larger contiguous areas of aged poles.

## Street Light Replacement Program

(new)

This budget request is to replace steel streetlight poles and bases that are in poor condition and are at risk of falling over. Our consultant's report conducted in 2023/24 identified 162 in very poor condition and 243 in poor condition. This budget is to replace a reasonable number each year until we are able to get through these ones. There will also be follow up assessments conducted every 3 years to update the rating for the remaining poles. The cost per replacement will be determined in Q2.

## Uplands (Humber) Streetlight Replacement Program

(new)

At the December 11, 2023 Council meeting, Council provided direction to proceed with streetlight replacement in the Humber catchment of the Uplands. As part of Sewer Separation Project, the streetlighting was found to be in poor condition. This includes the direct bury wire, the concrete bases and the streetlight fixtures. They are all nearing 100 years of age. With excavation for the sewer project, the wire will be damaged in many places and will not be able to be repaired. This will be updated to meet current code with includes conduit, junction boxes and wiring. There are 142 fixtures that must be replaced in total in this phase. It is being planned to take place in conjunction with the sewer project to reduce costs.

## Electrical Street Light Kiosks – Uplands and Rutland

(approved funding carried forward)

The Uplands streetlighting system power supply connects from BC Hydro to Oak Bay at two underground vaults. These vaults are old and do not meet current standards. The problem with the vaults is that they are confined spaces and have water infiltration, and the high voltage wiring has poor insulation and connections. After the vaults, power for the Uplands streetlights is transmitted via an underground beeswax-wrapped 112-year-old copper line. On this line failures are starting to occur more often as it is at the end of its life and needs to be replaced. Currently Oak Bay's Electricians have to enter the vault as many as 12 times a month to reset or shutdown the system to perform repairs. Above ground kiosks meet today's standards.

## McNeill Bay/McMicking Point Foreshore Erosion Mitigation

(approved funding carried forward)

This project includes two separate studies identifying options for the mitigation of ocean erosion on McNeill Bay and McMicking Point. The project will incorporate considerations from the new Sea Level Rise Study. The construction costs are unknown at this time and will be better defined once detailed design work is complete. This new infrastructure would require an increase in the ongoing operating budget.

## Foreshore Infrastructure

(approved funding carried forward)

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

## Bowker Creek Walkway Railings

(approved funding carried forward)

There are approximately 450 metres of chain railings along the Bowker Creek walkway, which are in an advanced state of disrepair. The chain railings are not up to a safe standard and should be replaced with a metal three-bar railing.

## Haro Road Soil Transfer Site

(new)

Due to new soil testing/handling/disposal regulations from the Province of BC, the District must sample and test soil from excavations before either re-using or transporting to a soil remediation or disposal business. For urgent excavations and services, pre-testing is not practical as is the case for Capital Projects. The Haro Road site will allow us to store soil for sampling, and then to group soil with similar characteristics for hauling back to the excavation for reuse or as a full load to a disposal business. This is more cost effective than sending partial loads.

This site will be used for excavated material from Sanitary Sewer, Storm Drain, Water Works and Roads projects - Capital and Operating, and from paid services.

## Engineering General Equipment Replacement

(approved funding carried forward)

This project budget includes the purchase of a SL-RAT device and a Robotic Total Station. The Robotic Total Station will replace the District's aging total station with a more modern unit. As a bonus, the new total station will be robotic, which means most surveys will only require one staff member. Before, we needed two staff members to survey with the total station.

# Sewer Utility Capital Plan

Capital Purchase/ Project	Asset Type	2024	2025	2026	2027	2028
Sewer Main Rehabilitation & Manhole Replacement	Sewer	\$3,000,000	\$3,059,500	\$3,061,000	\$3,061,000	\$3,061,000
<b>Total Sewer Utility Capital Plan</b>		<b>\$3,000,000</b>	<b>\$3,059,500</b>	<b>\$3,061,000</b>	<b>\$3,061,000</b>	<b>\$3,061,000</b>

## Sewer Main Rehabilitation & Manhole Replacement

As part of sanitary sewer asset management, Engineering Services replace or refurbish portions of the approximately 100 km of sanitary sewer mains. 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 new pipe or extend the life span of an existing pipe for another 50-70 years. There are 1,316 sewer manholes or utility access holes. District staff either refurbish, replace, or install new manholes on a regular basis to ensure the sanitary sewer system can be maintained and operated effectively.



# Water Utility Capital Plan

Capital Purchase/Project	Asset Type	2024	2025	2026	2027	2028
Watermain & Hydrant Replacement	Water	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000	\$2,600,000
Uplands Watermain Replacement (new)	Water	3,614,000	-	-	-	-
New Service Connections	Water	300,000	315,000	330,800	347,300	364,700
Water Distribution System Remote Monitoring Upgrade	Water	200,000	-	-	-	-
North Oak Bay Pump Station Consolidation & Water Main Upgrades	Water	250,000	6,000,000	-	-	-
Water Distribution System Studies and Capital Projects	Water	120,000	226,000	-	-	-
<b>Total Water Utility Capital Plan</b>		<b>\$7,084,000</b>	<b>\$9,141,000</b>	<b>\$2,930,800</b>	<b>\$2,947,300</b>	<b>\$2,964,700</b>

## Watermain and Hydrant 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 2023 plan for water main rehabilitation represented a significant increase in output. This change was due 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 to address the maintenance backlog and sustain the current levels of service for water distribution.

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.

## Uplands Watermain Replacement

(new)

In June 2022, Council approved initiation of the next stages of the Uplands Sewer Separation Project. The focus of the first phase is construction of the Humber and Ripon sub-catchment areas. Starting in January 2023, staff began developing how the project would be undertaken and finalizing the plans. In conjunction with this, a review was undertaken of other infrastructure in the phase one area. As a result, it was determined that several watermains in the area needed to be replaced including on Exeter (this was already in the design stage), Norfolk, and Ripon Roads. The first two were in poor condition, have had leaks and Norfolk is asbestos cement pipe. The last was determined by modeling to be undersized and needed to be replaced with a larger diameter pipe. Also, the streetlight network required replacement due to its age, ongoing maintenance issues and concerns as to it surviving construction of the other underground networks in this project. As part of a comprehensive planning approach, it was determined that all the underground work should be undertaken as part of the same tender to take advantage of one contractor being on site and to combine surface restoration work.

On the February 20, 2024 Council meeting, Council awarded the contract for the Uplands Sewer Separation & Watermain Replacement Humber and Ripon Outfalls Project. As a result the following project budget has been established:

	Construction	Contract Administration	Contingency	Total
Uplands Watermain	\$2.96M	\$0.18M	\$0.47M	\$3.61M

## Water Distribution System Remote Monitoring System

(approved funding carried forward)

This project would include the installation of new Supervisory Control and Data Acquisition remote monitoring equipment at the Pressure Reducing Valves at Lansdowne and Middowne stations 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

(approved funding carried forward)

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 and Capital Projects

(approved funding carried forward)

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



# Parks, Recreation and Culture Capital Plan

Capital Purchase/Project	Asset Type	2024	2025	2026	2027	2028
<b>Total Facilities Program</b>		\$1,545,700	\$9,756,200	\$823,400	\$1,263,400	\$672,400
<b>Total Vehicle &amp; Equipment Replacement Program</b>		\$2,115,000	\$735,200	\$472,100	\$2,608,600	\$322,500
<b>Total Parks &amp; Playground Replacement Program</b>		\$880,000	\$390,000	\$1,370,000	\$325,000	\$160,000
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
<b>Total Parks, Recreation, and Culture Capital Plan</b>		<b>\$4,610,700</b>	<b>\$10,951,400</b>	<b>\$2,735,500</b>	<b>\$4,267,000</b>	<b>\$1,224,900</b>
<b>PRC Facilities Program</b>						
OBRC Facilities Maintenance	Building	\$373,800	\$ -	\$213,600	\$262,000	\$48,400
OBRC Parking Lot Rehabilitation Options	Land Impr.	99,000	-	-	-	-
Monterey Building Maintenance	Building	141,200	46,000	51,700	45,700	7,000
Parks Facilities	Building	88,700	-	-	-	-
Carnarvon Park Building & Park Design and Build	Building	723,000	8,000,000	-	-	-
Field Lighting	Building	120,000	-	-	-	-
OBRC Fire Alarm System	Building	-	130,200	-	-	-
E-Bike Shelter	Building	-	50,000	-	-	-
Monterey Roof	Building	-	1,530,000	-	-	-
Henderson Court Resurfacing	Building	-	-	300,000	-	-
Fitness Centre Renovation	Building	-	-	200,000	800,000	-
Henderson Building Maintenance	Building	-	-	58,100	155,700	-
Switchgear & Breaker Panels	Building	-	-	-	-	242,000
Tennis Bubble Rotating Door	Building	-	-	-	-	375,000
<b>Total Facilities Program</b>		<b>\$1,545,700</b>	<b>\$9,756,200</b>	<b>\$823,400</b>	<b>\$1,263,400</b>	<b>\$672,400</b>

## Oak Bay Recreation Centre (OBRC) Facilities Maintenance

This capital budget includes replacement of flooring, exterior doors, fitness centre flooring systems, exterior lighting, cedar siding, exterior painting, interior lighting, windows, and counters, along with exterior painting and tennis bubble court resurfacing.

## Oak Bay Recreation Centre Parking Lot Rehabilitation Options

(approved funding carried forward)

This budget is the carry-over from the parking lot repaving project in 2021. The lower parking lot was successfully repaved. The upper parking lot has not been repaved pending the review of Bowker Creek stability considerations.

## Monterey Building Maintenance

This capital budget includes the replacement of exterior and interior lighting, linoleum, automatic front doors, and flooring.

## Parks Facilities

This capital budget includes the Anderson Hill Park kiosk and capital maintenance of Quimper Park washrooms.

## Carnarvon Park Building Design and Build

(Updated Pricing)

This project involves demolition of the old building and construction of a new two-story building, as recommended in the Carnarvon Park Master Plan. The building design would likely be started in 2024 or 2025.

## Field Lighting

(new)

The first phase of improving the lighting for sports field usage will be focused on Windsor Park for 2024 and improving the ability of sports users to practice on previously unlit or poorly lit sections of the field. This should support the growing registrant base of the local rugby club and other field users. Furthermore, this will help minimize the overall impact of high use areas of the park's natural turf. Future planning is underway to improve field lighting at both Carnarvon and Henderson fields, however, further assessment of infrastructure needs at those parks is required.

## **OBRC Fire Alarm System**

(approved funding carried forward)

This project is the lifecycle replacement of the fire alarm system currently in service at the OBRC. This is a lifecycle project for a system that was installed in 2003.

The system is computer based and we've had some electronic equipment failures over the years. We had an issue in with a control board in 2018, the service company was able to service it but advised that this system is no longer supported in its current format, and parts are becoming increasingly hard to source. We were advised to consider upgrading soon. The system is checked and maintained annually and has held out to date, but a major component failure could potentially lead to costly emergency service.

## **E-Bike Shelter - OBRC**

(approved funding carried forward)

This would be the renovation of the bike shelter area and the addition of charging stations for e-bikes.

## **Monterey Roof**

(approved funding carried forward)

This capital budget would fund the removal and replacement of all the roofing, gutter, and downspout systems at the Monterey Recreation Centre. It includes six line items in the OBPRC capital plan document scheduled for 2025. The current roofing systems were installed in 2000. A roofing audit in 2013 recommended roofing systems be replaced by 2023 if certain conditions were met at the time of report, which they were. By 2025 the systems will have reached their recommended lifespan and be several years past the date recommended in the 2013 report. The current conditions reflect the age and the gutters require regular checking and repair. Waiting too long would result in damage to wood structures underneath and lead to a significant increase in costs once exposed. Another key upgrade would be to add tie-in points and guardrails to protect staff and contractors on the roof.

## **Henderson Court Resurfacing**

(new)

This project is part of a preventative maintenance plan to and maximize the lifecycle of district assets and continue to provide safe and enjoyable experiences for users. Due to foundation movement, expansion, and contraction from the elements and weeds, staff anticipate some crack repairing using various techniques depending on the severity. Staff also anticipate replacing any damaged or worn fixtures such a poles and netting. If left too long the surface can become dangerous from slipping, increasing the risk of injury and making it harder to play on for users. To remedy this, the courts will be painted with silica-injected paint. Further, the silica-injected paint will preserve the lifespan of the courts and improve the overall appearance and value to our users.

## **Fitness Centre Renovation**

(approved funding carried forward)

This capital budget includes capital maintenance to the gym floor, chimney removal, millwork, and window replacement.

## **Henderson Building Maintenance**

This capital budget includes capital maintenance to the gym floor, chimney removal, millwork, and window replacement.

## **Switchgear & Breaker Panels**

This project entails the lifecycle replacement of the electrical switchgear for the Oak Bay Recreation Centre. The original equipment, installed in 1974, using equipment designed in the late 60's, has exceeded typical lifecycle of 25-30 years. The equipment has been well maintained over the years but replacement parts for original equipment has become difficult to find, as it is no longer manufactured, and inventories have been depleted.

## **Parks Equipment**

This capital budget includes the replacement of a flagpole, a fields verticutter, and the implementation of a tree inventory system.

Capital Purchase/Project	Asset Type	2024	2025	2026	2027	2028
<b>PRC Vehicle &amp; Equipment Replacement Program</b>						
Parks Equipment	Equipment	\$205,000	\$ -	\$ -	\$ -	\$ -
OBRC General Equipment	Equipment	414,800	345,600	306,500	419,600	151,900
Henderson General Equipment	Equipment	15,000	55,600	-	12,100	85,000
Monterey General Equipment	Equipment	80,200	23,000	25,600	101,900	85,600
OBRC Air Unit	Equipment	975,000	-	-	-	-
OBRC Cardio/Strength Equipment Replacement	Equipment	250,000	-	-	500,000	-
Audio Paging Systems	Equipment	175,000	-	-	-	-
Boiler #2 Replacement & Upgrades (OBRC)	Equipment	-	175,000	-	-	-
Recreation Software RFP	Equipment	-	136,000	-	-	-
Solar System (OBRC)	Equipment	-	-	70,000	700,000	-
Motor Control Centres (OBRC)	Equipment	-	-	70,000	700,000	-
Heat Recovery Ventilators	Equipment	-	-	-	175,000	-
<b>Total Vehicle &amp; Equipment Replacement Program</b>		<b>\$2,115,000</b>	<b>\$735,200</b>	<b>\$472,100</b>	<b>\$2,608,600</b>	<b>\$322,500</b>

## Oak Bay Recreation Centre General Equipment

This capital budget includes the replacement of an edger, pool filters, a boiler, ducts, a fire alarm system, floor scrubbers, pool controllers, an air compressor, air handling equipment, an ice machine, a walk-in cooler, patio furniture, and kitchen exhaust system.

## Henderson General Equipment

This capital budget includes the replacement of a bouncy castle, a boiler, heating circulation pumps, and a water heater.

## Monterey General Equipment

This capital budget includes the replacement of exhaust fans, furnaces, a dishwasher, roof exhaust, and a fire alarm system.



## **Oak Bay Recreation Centre Air Unit**

(approved funding carried forward)

This project involves the lifecycle replacement of the desert-air dehumidification system for the pool natatorium at the Oak Bay Recreation Centre.

## **Oak Bay Recreation Centre Cardio Equipment Replacement**

(approved funding carried forward)

This capital budget fund involves the lifecycle replacement of all cardio equipment, which includes treadmills, steppers, stationary bikes (i.e., recumbent), elliptical trainers and hand ergometers.

## **Audio Paging Systems**

(new)

This project is the replacement and upgrade of the audio (i.e. music) and paging systems for the Oak Bay Recreation Centre. This system has seen incremental and piecemeal replacements throughout the years. This has led to an incongruous system of components and wiring that can be hard to troubleshoot when issues arise. Some components exceed 30 years of service. User needs, paging system requirements and the front-end interfaces required to work with modern devices are constant sources of feedback from public and staff, indicating the need for a ground up design and implementation.

## **Boiler #2 Replacement and Upgrade**

(approved funding carried forward)

This project is the replacement of the secondary boiler at the OBRC. The project would ideally be a redesign of the boiler system to tie into existing and future energy saving considerations.

The second boiler has been in service since 1973. It reliably does what it is required to do but is far from efficient in the process. It is dated technology, taking up a large amount of space. Ideally a new high efficiency boiler would be put in its place, tied into current and future heat reclaim and energy saving initiatives. The existing boiler #1 would then become the standby system for emergencies.

## **Recreational Software RFP**

(approved funding carried forward)

This is the lifecycle update of the software PRC uses for managing operations and membership, processing payment and program coordination.

## Solar System

(approved funding carried forward)

This project would involve the removal, disposal, and replacement of the solar system on the roof above the aquatic area of the OBRC. Ideally the project would replace the existing solar water heating system installed in 1984 with a photovoltaic system to generate electricity, or a combination panel that could generate electricity and hot water if cost effective. The existing system has been reconfigured over the years and is currently used as a domestic water pre-heat. It has become quite corroded, leaks large amounts of water, and requires significant regular maintenance for little return. It has far exceeded its lifespan and some sections are decommissioned because of failure. The surface area it occupies could be put to better use as demands from the facility have changed.

## Motor Control Centres

(approved funding carried forward)

This project is the replacement of the Motor Control Centers (MCC) for the OBRC. This is a lifecycle project for a system installed in 1973. The MCC's are original equipment and are critical pieces of the electrical distribution system for the OBRC. The equipment has far exceeded its expected life, is deemed obsolete, and does not meet current standards and codes. The switchgear is worn and does not give correct feedback. Parts are no longer available, requiring costly and time-consuming repairs when equipment fails. The switchgear is not protected from shorting and surging properly, allowing incidents to cause more damage than would be normal. The MCC was thermal scanned in 2021, and although there were only a couple minor issues, the system is so old and fragile a major event could cause severe damage to equipment and personnel, leading to a long and costly emergency shutdown.

## Heat Recovery Ventilators

This project is the lifecycle replacement of the Heat Recovery Ventilators (HRV's) that service the Fitness Centre of the Oak Bay Recreation Centre. The HRV's are the primary source of air handling for the fitness centre, meeting the necessary cooling, heating, and fresh air requirements for the associated spaces. These units are critical in maintaining comfort and air quality standards for building occupants. The existing units were installed in 2003. Units of this nature when well maintained can expect to last 20 years. In the last few years, major components such fans, cooling equipment, recovery media and gas heating systems have started to require more and more significant annual maintenance. Re-engineering and replacing the units would lead to improvements in energy recovery, utility consumption and air quality standards.

Capital Purchase/Project	Asset Type	2024	2025	2026	2027	2028
<b>PRC Parks &amp; Playground Program</b>						
Henderson/ Kiwanis Park Playground Equipment	Land Impr.	\$280,000	\$ -	\$ -	\$ -	\$ -
Windsor Playground	Land Impr.	300,000	-	-	-	-
Parks and Playground Program	Land Impr.	15,000	50,000	-	-	75,000
Uplands Park Boardwalk	Land Impr.	285,000	-	-	-	-
Lafayette Park Playground Equipment	Land Impr.	-	110,000	-	-	-
Water Fountain Replacement	Land Impr.	-	120,000	-	-	-
Quimper Park and Playground	Land Impr.	-	110,000	-	-	-
Carnarvon Splash Park and Playground	Land Impr.	-	-	1,250,000	-	85,000
Firefighters Park and Playground	Land Impr.	-	-	120,000	-	-
Willow's Park and Playground	Land Impr.	-	-	-	325,000	-
<b>Total Parks &amp; Playground Replacement Program</b>		<b>\$880,000</b>	<b>\$390,000</b>	<b>\$1,370,000</b>	<b>\$325,000</b>	<b>\$160,000</b>

## Henderson/Kiwanis Park Playground Equipment

(increased funding requested)

This project involves replacement of the playground equipment at Henderson Park in the same location, using the same footprint. Increased funding relates to funding external project management and installation rather than in-kind.

## Windsor Playground Equipment

(increased funding requested)

This project involves replacement of the playground equipment at Windsor Park in the same location, using the same footprint. Increased funding relates to funding external project management and installation rather than in-kind.

## Parks and Playground Program

PRC is continuing the program to update and replace playground equipment in the District's Parks. The replacement of equipment will follow the District's Playground Replacement Policy adopted in October 2023. As such, playground equipment will be replaced and selected to improve accessibility, safety and the play experiences of children and youth. The goal is to replace a minimum of one playground per year until all playgrounds have been upgraded. The following is the proposed order of playgrounds to be replaced:

1. Kiwanis Henderson Park – February 2024
2. Windsor Park - 2024
3. Lafayette Park – 2025
4. Quimper Park – 2025
5. Firefighter's Park – 2026
6. Carnarvon Park Splash Pad and Playground – 2026\*\*
7. Willow's Park – 2027

\*\*Note: The replacement and upgrade of the Carnarvon Park Splash Park is to be scheduled and completed with the replacement of the building at Carnarvon Park as the mechanical controls for the splash park will be located within the building structure

## Uplands Park Boardwalk

(new)

This project involves adding accessible, floating boardwalk to the most wet and muddy sections of the primary loop trail system in Uplands Park. Raised boardwalks which sit on top of firm ground will be utilized to help minimize the widening of trails and thus the trampling of sensitive and in some cases endangered flora in the park as pedestrians move around areas of high water and mud. The additional boardwalks, coupled with some areas of gravel screenings will formalize a loop trail system in Uplands Park and improve the abilities of user to complete the full loop through the Winter months.



## Lafayette Park Playground Equipment

(increased funding requested)

This project involves replacement of the playground equipment at Lafayette Park in the same location, using the same footprint. Increased funding relates to funding external project management and installation rather than in-kind.

## Water Fountain Replacement

(new)

The first phase of this project is proposed for 2025 and is focused on replacing and upgrading the water fountains in Parks along Beach Drive with a focus on Willows Park in particular. The fountains in this area have or are reaching their lifecycle and are in need of replacement. With the replacement of these fountains further amenities may be added such as improved water access for dogs and pets and misting stations for extreme heat events.





# Operating Impact of New Capital Services

As new capital is acquired and constructed, the District is subject to increasing operating costs to maintain said 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 endeavor to present the full life-cycle costs of capital budget items so 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 are already integrated into the operating budget. New capital includes a brand-new capital service or enhancement to existing capital services.

New Capital Expenditure	Capital Cost*	Capital Cost Year	Life Cycle Costs*
Uplands Sewer Separation	\$8,800,000	2023-2027	\$10,200,000
EDRM System	\$265,000	2024-2025	\$640,000
Carnarvon Park Building Construction	\$8,000,000	2024	\$ 29,800,000
Public Safety Building	\$36,000,000	2026-2028	\$unknown, but significant
Haro Road Soil Transfer Site	\$1,700,000	2024	\$0
McNeill Bay erosion mitigation assets	\$1,280,000	2024-2025	\$2,180,000
E-Bike Shelter	\$50,000	2025	\$60,000



# Uplands Sewer Separation – Humber Catchment Life Cycle Costing

Cost Type	Amount
Capital Cost	\$8.8M
Operating, maintenance, utilities	\$1.4M
<b>Total</b>	<b>\$10.2M</b>

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 \$10.2M. Annualized over 80 years, this is approximately \$127,500 per year, and is equivalent to a 0.4% tax increase, or \$14 to the median residential property.

# Electronic Document Records Management System

Cost Type	Amount
Capital Cost	\$265,000
Operating, maintenance, utilities <sup>1</sup>	\$375,000
<b>Total</b>	<b>\$640,000</b>
Annualized Cost <sup>2</sup>	\$42,667
Equivalent tax increase %	0.16%
Equivalent tax increase \$ <sup>3</sup>	\$5.13

- Notes:
1. 15 years, \$25,000 per year
  2. 15 year life span
  3. Annually to the average residential property

## Carnarvon Building Life Cycle Costing

Cost Type	50 Year	75 Year
Capital Cost	\$8,000,000	\$8,000,000
Operating, maintenance, utilities	10,550,000	15,825,000
Operating Revenues	(1,850,000)	(2,775,000)
Component Replacement*	5,112,100	8,770,759
<b>Total</b>	<b>\$21,812,100</b>	<b>\$29,820,759</b>
Annualized Cost	\$436,242	\$397,608
Equivalent tax increase %	1.45%	1.33%
Equivalent tax increase \$	\$49.16	\$44.81

## Public Safety Building

The current Fire Hall will remain as the building is a Heritage designated building. Thus the new Public Safety Building will incur additional lifecycle costs. The new building has not been scoped and thus capital and lifecycle costs are difficult to estimate. Lifecycle costs will be developed as the design stage proceeds and Council and the Public will be provided with this information proactively.

## McNeill Bay Erosion Mitigation

Cost Type	Amount
Capital Cost	\$1,280,000
Operating, maintenance, utilities <sup>1</sup>	\$900,000
<b>Total</b>	<b>\$2,180,000</b>
Annualized Cost <sup>2</sup>	\$29,066
Equivalent tax increase %	0.11%
Equivalent tax increase \$ <sup>3</sup>	\$3.29

Notes:

1. \$12,000 per year x 75 years
2. 75 year life span
3. 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 surplus or deficit. See the definition of a balanced budget.

**Accrual:** An accounting method measuring the financial performance and position of an organization by recognizing economic events when they happen, regardless of when the related cash 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.

**Approval of the Electors:** Approval of the electors is required when a local government decision may have a significant impact on the community over the longer term. Some examples are: (1) Long-term borrowing (loan authorization) for municipalities, (2) Disposal of certain utilities other than a water or sewage system, (3) Exchange or other disposal of parkland, (4) Liabilities under some types of agreement, or (5) Removing the reservation or dedication from property.

**Approval-free Liability Zone:** The approval-free liability zone is 5% of controllable and sustainable municipal revenue. Once the total annual cost of servicing liabilities exceeds the 5% approval free limit, all subsequent borrowing must receive elector approval.

**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, and 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 that are advanced payments for future capital services needed because of growth.

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

**Forced growth:** Increased costs 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 their forms by May 15 to the Ministry of Municipal Affairs and Housing. These forms are a standardized presentation of a local government's financial position and activities, such as assets, liabilities, revenue, and 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, 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 wellbeing of local governments throughout BC. The MFA pools the borrowing and investment needs of BC communities through a collective structure and can provide a range of low cost and flexible financial services to 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 resulting from taxable land or buildings 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 471, 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.

**Reserve Fund:** A fund established by bylaw for a specific purpose. Monies placed in a reserve fund can only be used for the purpose for which the reserve was established.

**Revenue:** Income from business services and fees.

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

**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.

**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 outside the normal course of work performed by staff.

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







# Appendices

# Appendix A: Special Project Descriptions

## Village Area Plans

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. The District's Official Community Plan, provides policy direction to consider the provision of a range of housing opportunities.

## Natural Assets and Green Infrastructure Scoping <sup>(new)</sup>

Many of the District's infrastructure policy objectives outlined in the OCP include the development of stormwater/rainwater management bylaws (*encouraging low impact development*), expansion of capital projects (*including better creek-side pathways and daylighting*), and consideration of the creek as a natural asset. This project would explore incorporating municipal services related to management of natural assets and green infrastructure. The intent would be to complete this work in conjunction with the Storm Water Master Plan.

*[Reference: November 22, 2021 Council Meeting]*

## Human Resource (HR) Plan Implementation (carry-over)

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. 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, as well as promoting performance excellence and a commitment to employee safety and wellness.

The HR Plan has the following components, and costs:

	2021 Budget	2021 Actual	2022 (carry-over)	2023 (carry-over)	2024 (carry-over)	2025 Budget
Learning and Development	- Integrated into operating budget -					
Employee Engagement	\$20,000	\$ -	\$20,000	\$20,000	\$20,000	\$20,000
Performance Feedback and Evaluation	10,000	1,400	8,600	8,600	8,600	-
Health and Wellness	- Integrated into operating budget -					
Recognition	- Integrated into operating budget -					
Policy Review	14,000	-	14,000	14,000	14,000	-
Occupational Health and Safety	20,000	10,000	20,000	20,000	20,000	-
<b>Total</b>	<b>\$64,000</b>	<b>-</b>	<b>\$62,600</b>	<b>\$62,600</b>	<b>\$62,600</b>	<b>\$20,000</b>

## Network Security Audit

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.

## **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 WorkSafeBC 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 WorkSafeBC premiums, low employee morale and significant productivity loss.

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

## **Marina Lease Negotiations and Related Feasibility and Facility Studies** (carry-over)

The District of Oak Bay's lease with the Province for the foreshore/aquatic crown lands occupied by Oak Bay Marina expired in December 2022. The Oak Bay Marina's lease with the District of Oak Bay also expired in December 2022.

## **Deer Management Study**

The District continues to watch for the opening of the Provincial Urban Deer Cost-Share Program to support the continuation of this project in partnership with the Urban Wildlife Stewardship Society in 2024.



## Parks, Recreation, and Culture Master Plan (2024)

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. 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. 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 community 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 as well as a broader animal control review including bylaw amendments. The Parks, Recreation and Culture department will collaborate with Corporate Administration and Strategic Initiatives to realize operational efficiencies and cost savings to streamline the process. Community engagement can be conducted with one comprehensive process instead of two separate processes. Furthermore, bylaw development can avoid multiple amendments or disjointed purposes.

## CCAWG Recommendation – Coolkit Program (carry-over)

The Coolkit program has been developed through the University of British Columbia (UBC) Forestry program to function as a toolkit to engage with 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, to lead to positive action on both public and private lands. The program is designed to involve everyone from individual residents, their families, and communities, to organizations and local governments in determining what climate action they should focus on. One core element focuses on urban forestry; however it also includes 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.

## Hazard, Risk, Vulnerability Analysis

The current risk assessment (HRVA) and Emergency Response and Recovery Plan (ERRP) were completed in 2012 and are now considered out of date. As part of the operational priorities of the Emergency Program, both bodies of work are to receive immediate attention to ensure there is a comprehensive and updated understanding of the hazards, risks, and vulnerabilities in the District.

The requirement to complete these bodies of work is concurrent with the provincial government introducing a modernized emergency management bill into the Legislative Assembly. Royal assent of this bill will come with requirements to complete various bodies of work to ensure legislative compliance – two of which are the HRVA and ERRP.

To support operational priorities the Emergency Program has sought a proposal from a qualified consultant to assist in the facilitation and collation of the HRVA and subsequent revisions to the ERRP. The attached proposal was prepared by a consultant with a unique understanding and knowledge of the District due to their work on our 2012 ERRP and various neighboring municipality HRVAs. The intimate knowledge of the District the consultant will bring, as well as their regional familiarity, will ensure the project is completed within a reasonable timeframe and represents a fiscally responsible approach to completing the work. The consultant has divided this proposal into two phases: phase 1 being the completion of the HRVA (\$13,191) and phase 2 being the revisions to the ERRP (\$9,062). Completing this work will ensure the District is not at compliance risk with the upcoming modernization of Provincial emergency management legislation while enhancing our climate and emergency preparedness.

## Community Emergency Preparedness Survey

The Oak Bay Emergency Program (OBEP) would like to complete a Community Emergency Preparedness Survey (CEPS) to assess the perceptions and preparedness of Oak Bay residents regarding disasters and major emergencies in their community. The results of this survey will aid in the development of a long-term strategic plan for community preparedness education and engagement with a specific focus on building community resilience.

The OBEP would engage a survey company with specific emergency management experience to guide the development of the survey instrument. The following represents some of the relevant information that could be included in such a survey:

- Identifying which major emergency or disaster type residents perceive as the greatest risk;
- Assessing residents' current level of preparedness for major emergencies or disasters;
- Identifying which aspects of the OBEP residents are aware of;
- Identifying which services residents think the OBEP should consider a priority; and,
- Identifying where/how residents find out about/updates about major emergencies and disasters.

Once a baseline of information has been obtained, and a long-term strategic plan formulated and approved, the intent will be to repeat this survey every five years. This five-year cycle will align with the requirements to review and reassess our hazard, risk, and vulnerability analysis (HRVA/Community Risk Assessment). Having these two services aligned in their completion cycles will ensure the emergency program is able to utilize the most relevant hazard analysis and community-driven data possible when revising and updating our Emergency Response and Recovery Plans (ERRP). Additionally, the five-year survey cycle will allow the OBEP to determine if there are changes in residents' perception and preparedness for major emergencies or disasters between the survey period and aid in determining the efficacy of the strategic plan while highlighting any amendments are required moving forward.



## Uplands Sewer Separation Connection Grant

At the June 12, 2023 Council meeting, Council adopted the following resolution:

“ THAT a one-time grant in the amount of \$4,500 be available only to those residential property owners in the Humber and Rutland project areas who were directed to install a wye inside their property line to join their separated storm sewer service into their sewer service. This is for extending their storm sewer service from the wye that was installed inside the property line to beyond the property line where it will connect to the new storm sewer lateral. Applications for this grant may be made upon completion and acceptance by the District Plumbing Inspector of the private property works”.

## Cool It! BC Sustainable Energy Association

On October 10, 2023 Council approved one-time funding to support the BC Sustainable Energy Association’s Cool It! Climate Leadership Training workshops in Oak Bay.





# Appendix B: 2023 Preliminary Financial Results (Unaudited)

Revenue	2023 Budget	2023 Preliminary	YTD %	Preliminary Variance
Property Value Taxes	\$33,059,300	33,051,452	100.0%	\$(7,848)
Boulevard Frontage Taxes	255,600	255,671	100.0%	71
Grant In Lieu of Taxes	67,000	74,926	111.8%	7,926
1% Utility Revenue	236,100	236,115	100.0%	15
Property Tax Penalties & Interest	194,100	306,860	158.1%	112,760
Grants (Operating)	610,800	5,210,725	853.1%	4,599,925
Grants (Capital)	7,473,100	1,197,964	16.0%	(6,275,136)
Investment Income	1,301,500	3,651,431	280.6%	2,349,931
Miscellaneous Revenue	11,300	67,817	600.2%	56,517
Municipal-Regional District Tax	300,000	314,228	104.7%	14,228
Facilities Dept. Revenue	220,000	368,183	167.4%	148,183
Finance Dept. Revenue	51,600	57,739	111.9%	6,139
Building & Planning Dept. Revenue	1,003,300	1,211,433	120.7%	208,133
Engineering Dept. Revenue	22,100	40,821	184.7%	18,721
Public Works Dept. Revenue	1,812,700	1,805,429	99.6%	(7,271)
Parks & Recreational Dept. Revenue	8,186,000	9,044,956	110.5%	858,956
Sewer Utility Fees	1,553,200	1,525,675	98.2%	(27,525)
Water Utility Fees	5,360,800	5,508,303	102.8%	147,503
<b>Total Revenue</b>	<b>61,718,500</b>	<b>63,929,727</b>	<b>103.6%</b>	<b>2,211,227</b>
<b>Operating Expenses</b>				
Corporate Administration	3,244,200	3,040,937	93.7%	203,263
Oak Bay Tourism	300,000	314,228	104.7%	(14,228)
Facilities	236,500	286,689	121.2%	(50,189)
Finance & IT	1,968,000	1,924,160	97.8%	43,840
Policing	5,901,000	5,957,519	101.0%	(56,519)
Fire Protection	5,292,200	5,191,744	98.1%	100,456
Building & Planning	1,481,600	1,308,735	88.3%	172,865
Engineering & Public Works	5,718,500	5,716,413	100.0%	2,087
Parks and Recreation	14,598,600	14,705,331	100.7%	(106,731)
Library	1,235,500	1,227,493	99.4%	8,007
Sewer Utility	895,800	622,083	69.4%	273,717
Water Utility	4,018,000	4,029,416	100.3%	(11,416)
Fiscal	103,600	130,329	125.8%	(26,729)
Debt Interest	134,400	134,378	100.0%	23
Contingencies	708,500	-	0.0%	708,500
Major Crimes Contingency	775,000	-	0.0%	775,000
Special Initiatives	1,910,600	470,056	24.6%	1,440,544
<b>Total Operating Expenses</b>	<b>48,522,000</b>	<b>45,059,511</b>	<b>92.9%</b>	<b>3,462,489</b>
<b>Add:</b>				
Transfers from Reserves	32,121,300	14,304,829	44.5%	17,816,471
<b>Deduct:</b>				
Capital Expenditures	(34,582,400)	(14,231,238)	41.2%	(20,351,162)
Transfers to Reserves	(10,592,800)	(16,624,764)	156.9%	6,031,964
Debt Principal	(142,600)	(142,594)	100.0%	(6)
<b>Budgetary Surplus</b>	<b>\$ -</b>	<b>\$ 2,176,450</b>		<b>\$(2,176,450)</b>



# Appendix C: 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 and recreation, sewer, water, or reserve. General funds are used for general government and protective services. Recreational funds are used for the day-to-day operations of the District's Parks, Recreation and Culture department. Water and Sewer funds are self-financed utilities, 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 D: Draft Financial Plan Bylaw

**THE CORPORATION OF THE DISTRICT OF OAK BAY**

**BYLAW NO. 4860**

A Bylaw respecting the financial plan for the years 2024, 2025, 2026, 2027 AND 2028

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 2024, 2025, 2026, 2027 and 2028.
- 2. This Bylaw may be cited as the Financial Plan Bylaw 2024 - 2028, No. 4860.

READ a first, second and third time by the Municipal Council on

ADOPTED and FINALLY PASSED by the Municipal Council on

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Director of Corporate Services

*Sealed with the Seal of The Corporation of the District of Oak Bay.*

# Schedule "A" – The Corporate of the District of Oak Bay Five Year Financial Plan

<b>Revenue</b>	<b>Budget 2024</b>	<b>Budget 2025</b>	<b>Budget 2026</b>	<b>Budget 2027</b>	<b>Budget 2028</b>
Property Taxes	\$36,013,400	\$40,891,800	\$45,598,800	\$48,700,200	\$51,183,200
Parcel (frontage) Taxes	268,400	281,800	295,900	310,700	326,200
Other Taxes	102,300	104,300	106,400	108,500	110,700
<b>Fees and Charges</b>					
Sales of Services	10,142,600	10,816,800	11,396,000	12,056,500	12,748,900
Other Fees and Charges	1,191,800	1,190,900	1,190,900	1,190,900	1,190,900
User Fees	9,879,500	11,017,800	11,357,800	11,695,500	12,027,700
Interest	2,950,500	2,691,600	2,443,000	2,188,100	1,929,600
Grants and Other Govts.	9,067,000	1,616,900	1,616,900	1,616,900	1,616,900
Other	265,300	261,900	264,700	267,600	270,500
<b>Total Revenue</b>	<b>69,880,800</b>	<b>68,873,800</b>	<b>74,270,400</b>	<b>78,134,900</b>	<b>81,404,600</b>
<b>Expenses</b>					
General Municipal	34,205,400	33,909,300	35,660,000	36,726,500	38,123,000
Protective Services	17,491,600	15,293,700	15,702,500	16,137,800	16,565,800
Water	4,435,800	4,831,200	5,128,000	5,503,000	5,906,200
Sewer	3,930,600	4,005,500	4,154,100	4,306,100	4,461,600
Debt Interest	-	618,800	2,358,400	2,685,300	2,685,300
<b>Total Expenses</b>	<b>60,063,400</b>	<b>58,658,500</b>	<b>63,003,000</b>	<b>65,358,700</b>	<b>67,741,900</b>
<b>Accounting Surplus</b>	<b>9,817,400</b>	<b>10,215,300</b>	<b>11,267,400</b>	<b>12,776,200</b>	<b>13,662,700</b>
<b>Add:</b>					
Transfer from Reserve Funds					
Capital Works	12,615,500	7,052,400	5,510,800	6,360,000	4,692,700
Climate Action	229,600	-	-	-	-
Fire Equipment	910,600	100,000	464,000	60,000	60,000
General Surplus	6,345,100	2,242,800	652,100	708,300	589,400
Infrastructure Renewal	23,072,500	13,008,000	12,898,800	10,697,400	9,452,400
COVID-19 Restart	1,398,300	-	-	-	-
Machinery and Equipment	1,000,000	500,000	500,000	500,000	500,000
Major Crimes	940,000	1,024,900	1,113,200	1,205,000	1,300,500
Legacy Trust	-	-	-	-	-
Growing Communities Fund	3,633,900	1,041,500	191,500	-	-
Amortization & Accretion	3,057,900	3,210,600	3,371,300	3,539,900	3,716,900
Debt proceeds	-	13,250,000	2,250,000	23,500,000	18,500,000
<b>Deduct:</b>					
Capital Expenditures	(49,584,800)	(36,901,100)	(21,974,400)	(41,867,300)	(33,849,800)
Transfers to Reserves					
Capital Works	(4,120,500)	(4,543,400)	(4,964,400)	(5,382,600)	(5,803,100)
Fire Equipment	(433,800)	(451,100)	(469,100)	(487,800)	(507,400)
Climate Action	-	(15,000)	(15,000)	(15,000)	(15,000)
Infrastructure Renewal	(8,369,100)	(8,953,600)	(9,296,500)	(9,942,100)	(10,625,500)
Machinery and Equipment	(416,400)	(432,800)	(449,800)	(467,400)	(485,600)
Major Crimes	(84,900)	(88,300)	(91,800)	(95,500)	(99,300)
Tod House Trust	(11,300)	(11,900)	(11,700)	(11,500)	(11,300)
Debt Principal	-	(248,300)	(946,400)	(1,077,600)	(1,077,600)
<b>Budgetary Surplus</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## 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 within which 98.1% of the value is in the Residential class. The high percentage of Residential value, which by its nature is spread over a very large number of properties as opposed to being concentrated in a single industry or sector, enhances the dependability of the property tax as a revenue source. The higher the proportion of total revenue attributable to the property tax, the more predictable are actual revenues for the year and the lower is the likelihood of a shortfall relative to the budgeted revenue amount.

On the other side of the issue, with respect to alternative sources of revenue such as user fees there may be scope for the individual taxpayer to make choices that affect the amount paid, the amount of the value-based tax levy for a parcel of land is something over which the owner has virtually no control.

The objective of Council with respect to the property tax, therefore, is to achieve a balance between the revenue predictability that this source provides on the one hand, and the goal of restraining the growth of the property value-based tax burden on the other.

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

#### **1.2. Revenue From Parcel Taxes - Objectives and Policies**

A parcel tax is a tax levy on land, the amount of which is not a function of the assessed value of the land. It can be the same amount for every parcel regardless of size, or it can vary with the area or frontage of a parcel.

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.

With the property tax taking into account the value of improvements as well as land, there is a higher probability, compared to a parcel tax, that it will be related to ability to pay.

The objective of Council with regard to the parcel tax concept is to ensure that its use is fair in light of the actual distribution of the benefits conferred by the service that it is intended to fund.

Council policy to date has been to use the parcel tax 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 in this case is based on frontage.

### **1.3. Revenue From Fees - Objectives and Policies**

Fees charges for specific services form a large part of the municipal revenue stream, adding approximately another 50% to the amount raised by the property value-based tax levy.

The largest component of user fee revenue is that which is generated from the Municipality's recreation programs. The objective of Council is to ensure that recreation user fee revenues cover all of the direct program costs, and to maximize the coverage of fixed overhead costs as well.

Council policy is to review recreation user fees annually, against the backdrop of the regional market.

Much smaller than recreation fee revenue, but still significant in terms of the property value-based 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. The principal objective, with respect to the use of a solid waste charge rather than the property value-based tax is to avoid double-charging properties that, due to volume and the nature of the equipment used, must contract privately for solid waste collection services.

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, with respect to the system, is to cover the associated costs on a user-pay basis, and the policy in this regard is to set water consumption rates and connection fees at a level which achieves this goal without any requirement for subsidization from the property value-based tax.

The Municipality's sewer system is also operated as a utility, which has traditionally been funded through the property value-based tax, 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, 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 has determined to raise 70% of its sewer utility costs from a water consumption-based user fee by policy.



#### **1.4. Revenue From Other Sources - Objectives and Policies**

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 respect to the use of reserve funds is to finance capital asset depreciation and avoid the use of such funds to offset ongoing operating costs. The rationale for this being that the latter would not be sustainable in the long-term, and would eventually require a property value-based tax spike.

Council policy is to use its reserve funds to finance capital works which, in the main, are not undertaken by municipal crews and which therefore may increase or decrease in the amount of the expenditure budget that they represent without affecting the permanent workforce.

#### **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.

The objective for short-term borrowing, (less than five years) is to maintain the outstanding debt at a relatively constant level so that with the amortization of the debt on a project so financed, further investments in the assets of the Municipality can be made without tax impact. The amount of short-term debt that can be outstanding at any one time is relatively low—pursuant to the requirements of the Community Charter. Projects funded in this manner therefore tend to be relatively small; alternatively, the short-term debt may represent only part of the overall funding package.



## 2. Property Value Tax Distribution

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 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 three main classes of property within the Municipality.

The policy is to adjust 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.

There is one property in the Farm class. The value of the property, however, is in its residential use, and the policy is to set the Farm tax rate so as to produce for that one property a municipal tax levy comparable to what it would have been had it remained in the Residential class and increased in assessed value at a rate comparable to other residential properties in its immediate neighbourhood.

## 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 for land and improvements appurtenant to property already exempted by statute (e.g., churches). These exemptions have also been extended to 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 E: 2021 - 2024 Consolidated Budgets and Actuals (Unaudited)

Revenue	Actual 2021	Actual 2022	Budget 2023	Actual 2023	Budget 2024
Property Value Taxes	\$28,470,841	\$30,159,255	\$33,059,300	\$33,051,452	\$36,013,400
Boulevard Frontage Taxes	220,858	232,463	255,600	255,671	268,400
Grant In Lieu of Taxes	76,011	73,839	67,000	74,926	68,000
1% Utility Revenue	221,784	223,375	236,100	236,115	230,800
Property Tax Penalties & Interest	242,400	235,749	194,100	306,860	215,600
Grants (Operating)	560,481	918,169	610,800	5,210,725	528,000
Grants (Capital)	8,436,952	1,316,232	7,473,100	1,197,964	7,441,900
Developer Contributions	186,000	-	-	-	-
Investment Income	727,480	1,705,122	1,301,500	3,651,431	2,501,500
Miscellaneous Revenue	21,471	(1,499)	11,300	67,817	11,300
Municipal-Regional District Tax	44,613	150,997	300,000	314,228	300,000
Facilities Dept. Revenue	399,521	398,021	220,000	368,183	334,900
Finance Dept. Revenue	46,643	38,783	51,600	57,739	59,000
Building & Planning Dept. Revenue	1,058,451	1,002,734	1,003,300	1,211,433	1,082,500
Engineering Dept. Revenue	(2,460)	16,252	22,100	40,821	22,100
Public Works Dept. Revenue	1,655,679	1,719,867	1,812,700	1,805,429	1,866,700
Sewer Utility Fees	1,392,961	1,441,903	1,553,200	1,525,675	1,614,500
Water Utility Fees	4,721,371	5,160,628	5,360,800	5,508,303	5,853,600
Parks & Recreational Dept. Revenue	6,200,947	7,957,534	8,186,000	9,044,956	8,794,100
<b>Total Revenue</b>	<b>54,682,005</b>	<b>52,749,424</b>	<b>61,718,500</b>	<b>63,929,727</b>	<b>67,206,300</b>
<b>Operation Expenses</b>					
Corporate Administration	2,466,992	2,802,470	3,244,200	3,040,937	3,392,200
Oak Bay Tourism	75,210	150,996	300,000	314,228	300,000
Facilities	173,284	209,085	236,500	286,689	360,900
Finance & IT	1,355,352	1,643,507	1,968,000	1,924,160	2,063,400
Policing	4,971,893	5,834,578	5,901,000	5,957,519	6,137,400
Fire Protection	5,007,404	5,296,753	5,292,200	5,191,744	5,580,700
Building & Planning	972,721	1,183,579	1,481,600	1,308,735	2,013,900
Engineering & Public Works	5,008,029	5,411,610	5,718,500	5,716,413	6,467,100
Parks and Recreation	11,935,548	13,313,447	14,598,600	14,705,331	15,427,900
Library	1,124,144	1,163,363	1,235,500	1,227,493	1,287,600
Sewer Utility	694,365	634,507	895,800	622,083	927,500
Water Utility	3,389,626	3,819,363	4,018,000	4,029,416	4,221,600
Fiscal	75,798	69,925	103,600	130,329	155,600
Debt Interest	134,378	134,378	134,400	134,378	-
Contingencies	89,593	279,545	708,500	-	927,900
Major Crimes Contingency	-	-	775,000	-	940,000
Special Initiatives	476,700	679,528	1,910,600	470,056	4,500,400
<b>Total Operating Expenses</b>	<b>37,951,036</b>	<b>42,626,634</b>	<b>48,522,000</b>	<b>45,059,511</b>	<b>54,704,100</b>
<b>Add:</b>					
Transfers from Reserves	6,660,931	16,338,181	32,121,300	14,304,829	50,145,500
<b>Deduct:</b>					
Capital Expenditures	(6,775,295)	(8,074,076)	(34,582,400)	(14,231,238)	(49,584,800)
Transfers to Reserves	(14,001,886)	(17,222,166)	(10,592,800)	(16,624,764)	(13,062,900)
Debt Principal	(142,594)	(142,594)	(142,600)	(142,594)	-
<b>Budgetary Surplus</b>	<b>\$2,472,125</b>	<b>\$1,022,135</b>	<b>\$ -</b>	<b>\$2,176,450</b>	<b>\$ -</b>







DISTRICT OF  
**OAK**  **BAY**

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