



The District of Oak Bay

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2014 Annual Report

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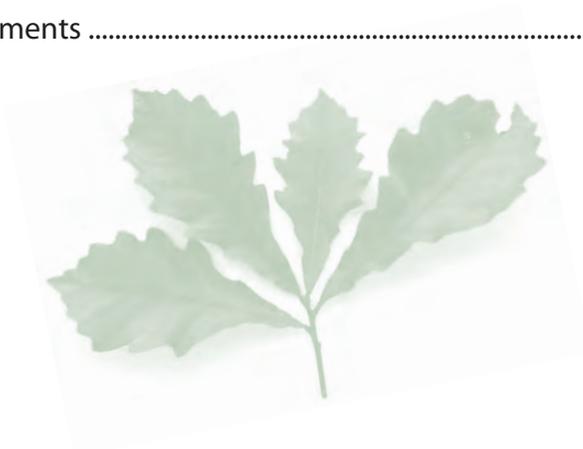
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This Annual Report provides an overview of the administration of the District of Oak Bay's annual budget. It also provides a comprehensive synopsis of the work that is being undertaken by municipal government on behalf of residents to support the unique community that we're all proud to call home.

The joy and pride we feel living in Oak Bay is not accidental. The quality of life that we experience in our community comes about as a result of engaged citizens providing direction to Council and helping inform policies and land-use decisions that have established and maintained Oak Bay's unique and desirable character.

The November 2014 municipal election resulted in the election of a refreshed Council. I want to formally acknowledge the contributions of all Oak Bay citizens who have stepped forward to serve the community on Council over the years. Their hard work and dedication has contributed to a proud legacy for which we are all grateful. Our community is truly a reflection of all the people who live and work here - they infuse our neighborhoods, our local businesses, our schools and our parks with energy, creativity and knowledge. Council's overarching responsibility is to maintain and nurture the social, environmental and economic vibrancy and viability of our community through investments in infrastructure development, maintenance and repair, and the efficient and effective delivery of numerous municipal services.

Ensuring an Inclusive, Vibrant and Livable Community

Looking back at 2014, the year was an inspiring period of renewal and change – one of increased citizen engagement, new business enterprises, cultural vitality, and some challenging leadership decisions for Council. The renewal of our Official Community Plan was the dominant initiative of 2014. The last time a comprehensive review of Oak Bay's Official Community Plan (OCP) was undertaken was in 1997, and our citizens – in unprecedented numbers – came forward and worked diligently with staff on the renewal of our OCP that was adopted by Council last fall. Oak Bay's new OCP is the key planning tool for setting out principles that are relevant in today's context helping our community adapt to the shifting needs of our citizens over the long term. The new Official Community Plan was an enormous achievement by the broad community, and the interpretation and implementation of the plan is at the heart of Council's new Strategic Plan that will guide the work of staff for the next four years.

Oak Bay joined municipalities throughout the CRD in January implementing a community-wide residential kitchen scraps collection program to divert organic waste from the landfill. Increased public safety, improved traffic flow efficiencies, and street enhancements for pedestrians and cyclists were primary objectives for the District's Engineering Department. We set the groundwork to welcome a municipal planner to the team in 2015 who, along with other staff, will be responding to the community's calls for more housing options and reasoned community growth.

We also hosted a number of film productions in Oak Bay during 2014, the highest profile of which was Gracepoint, the television series. Gracepoint brought many visitors to Oak Bay, and highlighted Oak Bay's charm and beauty, displaying it as the wonderful community that we all enjoy. The District also introduced our first Arts Laureate, Barbara Adams, whose creativity infused our neighbourhoods last summer with a spirit of surprise, music and social connection. Council anticipates officially adding culture to the Parks and Recreation Department with a mandate to promote arts and culture throughout our community to nurture social and economic development opportunities.

We all watched, with great anticipation, the construction of the new Oak Bay High School – a stunning contemporary building that celebrates the school's academic, athletic and leadership achievements. The new school will be a catalyst for building community connections. The District of Oak Bay has agreed to contribute \$1 million towards the new theatre, and the Parks and Recreation Department will occupy the Neighbourhood Learning Centre – a very special community amenity that will offer programs and activities connecting our residents of all ages to life-long learning and wellness opportunities.

Fostering a culture of citizen engagement and active living is an important and ongoing priority for Council. As we look forward and plan for the next generation, we have more important work and challenging decisions to make. Much of our infrastructure is aged, many of our systems are antiquated, and there are operational risks that will cost us more if we don't act responsibly now. Council has committed to a four year Strategic Plan to guide us thoughtfully and skillfully forward to ensure that Oak Bay continues to be an intentional and enduring community for the long term.

In closing, I would like to recognize the dedicated municipal employees who oversee and deliver our programs and essential public services to residents, businesses and institutions, and acknowledge those who keep our community safe. Their collective contributions are integral to the quality of life that we enjoy and have come to expect. On behalf of Council and all citizens of Oak Bay, my thanks to our management team, and to the employees who work daily to ensure that Oak Bay continues to be one of the most desirable communities in British Columbia in which to live.



Top row left to right: Councillor Cairine Green, Councillor Tara Ney, Councillor John Herbert, Councillor Michelle Kirby
 Bottom row left to right: Councillor Kevin Murdoch, Mayor Nils Jensen, Councillor Pam Copley

The Mayor and Council were elected for a three year term in November 2011. Each member of Council represents the District at large and may be appointed to both District and regional committees.

Council's role is to ensure that policies established and decisions made are in the best interests of the District of Oak Bay citizens and the community for now and future generations.

Public Meetings

Oak Bay Municipal Council consists of a Mayor and six Councillors, elected on 4-year terms commencing in 2014. Council meetings are generally held at 7:30pm on the second and fourth Mondays of each month, with Committee of the Whole scheduled for 7:00pm on the third Monday of the month. This schedule may vary, however, and it is advisable to check the municipal calendar on the District's website at www.oakbay.ca, or the Municipal Clerk's office to ascertain the date and agenda for any meeting you may wish to attend. Agendas for all Council and Committee meetings are posted each Friday afternoon on the website, on notice boards at the Municipal Hall and at the Kiosk adjacent to Athlone Court on Oak Bay Avenue.

As local government representatives in a small community, you will find your members of Council easy to approach: individual contact information can be found in the Mayor and Council Profiles on the District's website.

The District of Oak Bay's management team and staff are charged with the responsibility for successfully implementing programs and direction from our Mayor and Council. The District of Oak Bay's 2014 Annual Report is an overview of our accomplishments. This is a particularly important event for me as I have just completed my first full year as the chief administrative officer for the municipality, and share with my staff our pride for what Council has accomplished for the benefit of our citizens and our special community.

As you will see, this report provides an overview on the various routine operations of our municipality and provides a snapshot of the programs and services that the District of Oak Bay provides to its residents. These services include clean water, garbage collection, sewer systems, roads and sidewalks, streetlights, fire and police protection, emergency management programs, and our outstanding parks and recreational programs. The delivery of these core services happens every day all around us and functions seamlessly. This report also reflects on some of the more visible accomplishments of the past year, and looks ahead at the priorities set by a recently elected council.

The renewal of the Official Community Plan (OCP) was a key priority for Council last year. Staff worked diligently with a Council-appointed advisory committee, and thousands of dedicated Oak Bay citizens who volunteered their advice and time to shaping and informing this important document that now serves as a planning tool guiding the direction of the municipality for decades to come. The implementation of the OCP has commenced and will roll out over the coming years with plenty of opportunities for continued community participation.

Initiatives that either maintain or improve the natural environment of Oak Bay continue to be a priority for Council. 2014 saw the full implementation of the Oak Bay Kitchen Scraps program. While backyard composting is still encouraged, residents have responded positively separating their kitchen waste from their garbage thereby reducing the impact on the landfill and ensuring that organic matter is repurposed. The municipality continued with its partnership with BC Hydro to identify energy efficient opportunities across the community. This relationship results in financial savings for the municipality, and softens our carbon footprint. Council has directed staff to implement several new initiatives in 2015 including the much anticipated Urban Forest strategy to ensure the health and sustainability of our tree canopies across the community.

In response to growing concerns for public safety and environmental impact, implementing the Capital Regional District's Deer Management Strategy Urban Pilot project was a key priority in 2013-2014. Our primary objective was to reduce deer-human conflicts in Oak Bay. Population reduction was a debated issue during this past November election. This election reinforced direction to Council that the negative impacts of the rapidly expanding urban deer population in our community would continue to be a priority, and a challenging social and environmental issue. The District's emergency management planning initiative that provides the municipality and citizens with a critical incident response strategy progressed further this year through the development of our Business Continuity Plan. This aspect of the plan ensures that priority public services would continue while emergency response is underway.

2014 was also a year when collective bargaining processes were undertaken and settlements reached for both our Municipal and Fire Department employees. Our negotiations with staff were facilitated by their pride in working for our community as evidenced by the long-term commitments that many of them have made to the District.

Underpinning all of the staff's work is Council's desire to continue to improve access to information, ensure citizen-informed decision making, and bring Oak Bay in line with best practises and services held by municipalities across the province. The District's website is functioning more effectively as an information tool, and residents can expect to see communications improvements in the coming year. The District will be webcasting to live-stream Council meetings and investing in new communications tools and initiatives that will increase our information efficiencies and improve the quality and timeliness of information available to our citizens.

This was a very busy year, and with Council's approval of Oak Bay's Strategic Plan, staff will continue to work on initiatives and services that strengthen and protect the character of the community we all love. I want to acknowledge and thank all your District staff who arrive to work every day proud to serve the community well. On a personal note, I would like to thank everyone for welcoming me to Oak Bay this past year. I consider it a privilege to work with my team to support Council's leadership, and I look forward to another productive year.

— Helen Koning, CAO

Strategic Priorities 2014

At the start of 2014, Municipal Council and senior staff embarked upon a one-year priority setting session for planned work for the final year in the 2011-2014 Council term.

This session focused on establishing Council's objectives, and the related work plan priorities, as follows:



2014 Strategic Priorities and Objectives Progress Report

The following table outlines accomplishments related to Council’s 2014 objectives and priorities:

We will proactively support reasoned community growth:

Priorities	Accomplishments
Complete the modernization of the OCP	<ul style="list-style-type: none"> • New OCP adopted
We balance our History and Our Future when making decisions about development	<ul style="list-style-type: none"> • Refined Heritage Revitalization Agreement application process implemented • Floor Area Review Committee recommendations made to Council regarding floor area regulations in residential zones
We will ensure the Oak Bay Lodge is consistent with the principles in the OCP	<ul style="list-style-type: none"> • Mayor/CAO met with CEO of Vancouver Island Health Authority to discuss – for future consideration when formal future plans proposed; continue to advocate for community enhancing development



We will develop, maintain and protect our infrastructure:

Priorities	Accomplishments
<p>We will actively protect our community by addressing storm and waste water</p>	<ul style="list-style-type: none"> • Participated in the ongoing process for implementing regional wastewater treatment • Storm sewer upgrades on Thompson Avenue and Musgrave Street • Ongoing planning work on the Uplands sewer separation project including preliminary sewer surveys, topographic surveys and building elevations • Storm main connection with new bio-swale in Goldsmith Street parking lot • Worked with the Building and Planning Department to implement storm sewer dye testing process prior to building permit issuance • Proactively encouraged storm water management on-site for residential properties where appropriate • Expanded use of trenchless technology for storm main maintenance (Greatford Place)
<p>Proactively plan for infrastructure replacement</p>	<ul style="list-style-type: none"> • Ongoing application of pavement management system – Repairs Cadboro Bay Road from Eastdowne Road to Kinross Avenue • Planning for future assessment of municipal wide infrastructure needs • Tangible Capital Assets program maintained and updated • Televised in selective areas to determine condition of sewer and storm mains • New sidewalks on Dryfe Street and the east side of Musgrave Street
<p>Manage internally with a view to the future</p>	<ul style="list-style-type: none"> • GIS expanded data base and improvement for public access • Interdepartmental infrastructure funding planning • Purchased/installed meeting management software and launched electronic Council meeting agendas in December 2014

We take an active role in building a safe and livable community:

Priorities	Accomplishments
Address the impact of deer on our community	<ul style="list-style-type: none"> • Proactively initiated a deer management program including education and reduction • Undertook community communication in relation to deer management through the municipal website and the distribution of brochures through the Oak Bay News, entitled: <i>Deer in the Capital Regional – Information for Residents and Reducing Deer-Human Conflict</i> • Revised Bylaws regarding fines for feeding deer • Deer fence installed in Native Plant Garden to protect native plants
Actively ensure the safety of our residents	<ul style="list-style-type: none"> • Police Department strategic plan developed • Continued implementation of Fire Department strategic plan • Staff trained in emergency management • Business continuity plan developed
Value our trees and greenspace in the community	<ul style="list-style-type: none"> • Background work on implementation of an urban forest strategy • Grant funding obtained to augment the District's purchase of trees • Grant funding obtained to augment the District's funding for invasive species removal from Uplands Park



We recognize the importance of diverse transportation options to building our community:

Priorities	Accomplishments
Continue to ensure vehicle traffic is efficient and effective	<ul style="list-style-type: none"> • Grant funding obtained from the Province, ICBC and the CRD for upgrades to the Foul Bay Road/Lansdowne Road intersection • Completed study to improve traffic safety at the Musgrave Street/Estevan Avenue intersection and Haultain Street/Foul Bay Road intersection • Vehicle speeds monitored and speed limit changed on Granite Street • Completed study to improve pedestrian safety at the Cadboro Bay Road/Thompson Avenue intersection
Develop innovative options around active transportation	<ul style="list-style-type: none"> • Installed bike corral on Hampshire Road at Oak Bay Avenue • Wayfinding signage erected on Haultain Street and Estevan Avenue • New bus shelter on Oak Bay Avenue and Foul Bay Road • Design completed for improved public pathway through the Bowker Creek rehabilitation project • Constructed bike lanes at the Foul Bay Road/Lansdowne Road intersection • Grant funding obtained for an Age Friendly Action Plan
Ensure we have a regional lens on our transportation strategy	<ul style="list-style-type: none"> • Actively participated on the CRD's regional Transportation Advisory Committee on the Regional Transportation Plan and other regional transportation issues • Ongoing coordination with adjacent communities on road infrastructure improvements (eg Foul Bay and Lansdowne Road intersection)



Council Strategic Plan 2015

The following table illustrates Council’s objectives and related strategic priorities for the year 2015, and in the years to come, progress towards initiatives in each year of the four year Council term will be covered in subsequent Annual Reports:

Council Strategic Plan			
Council Objectives	Initiatives	Tasks	Time
Proactively support reasoned community growth	OCP Implementation	<u>Land Use Application Procedures & Fees Bylaw</u>	2015
		<u>Developers - Sustainability Checklist</u>	2015
		<u>Infill Development guidelines and policies</u>	2015
		<ul style="list-style-type: none"> • RFP - Consultant • Public Consultation • Guidelines and Policies report • Draft bylaw amendments • Public Hearing 	2016
		<u>Secondary Suites review</u> <ul style="list-style-type: none"> • Public Engagement • Report to COW 	2015 2016
Focus on being well managed and well governed to serve our residents	Communications	<u>Floor Area Review</u>	2015
		<ul style="list-style-type: none"> • Final Report • Amendment to Zoning Bylaw • Public Hearing 	
		<u>Webcasting/Live stream Council meetings</u>	2015
		<ul style="list-style-type: none"> • Identify options & IT requirements • Investigate privacy issues • Determine staff requirements for installation and future operation of the system • Award contract and start installation • Staff trained • Live 	

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Council Strategic Plan 2015 (cont'd)

Cont'd from previous page...	Information	<p><u>Comprehensive municipal wide - F.O.I.P.P.A. program</u></p> <ul style="list-style-type: none"> • Engage Consultant 	2015
		<p><u>Develop policy regarding purchasing (procurement cards)</u></p> <ul style="list-style-type: none"> • Review of sample policy • Present policy to Council • Review whether to go for RFP or use purchasing group • Implement use of purchasing cards in departments 	2015
			2016
	Public Engagement	<p><u>Roles of Council Committees</u></p> <ul style="list-style-type: none"> • Report to Council • Terms of Reference • Appointments • Training of members 	2015
	Software Upgrades	<p><u>Budget software - new</u></p> <ul style="list-style-type: none"> • Review implications of tying into Vadim software • Preliminary review of software • Issue RFP • Close RFP, review proposals • Evaluate final entrants • Implement new software and in place for 2016 Estimates 	2015
		<p><u>Business Licensing software - replacement</u></p>	2016
		<p><u>Recreation Registration software (CLASS) - replacement</u></p> <ul style="list-style-type: none"> • Pre-qualification of software providers • Funding approval • RFP • Successful provider • Project installation and completion 	2015
	<p><u>E-billing for property taxes - new</u></p>	2017	
		2015	
Review Staffing	<p><u>Identify Staffing needs, training H.R. Manager</u></p> <ul style="list-style-type: none"> • Job description • Advertise/interview • Hire • Succession Planning 	2015	

Council Strategic Plan 2015 (cont'd)

Take an active role in building a safe livable community	Expand Mandate: Parks, Recreation & Culture	<u>Add Culture</u> <ul style="list-style-type: none"> • Confirm decision and financial resources • Bylaw amendment to Parks & Recreation Commission to include Culture • Hire part time Programmer 	2015
	Fire Department Emergency Services	<u>Increase Emergency Coordinator to Full Time</u>	2015
	Deer Management	<u>Capital Regional District Deer Management Pilot Project</u> <ul style="list-style-type: none"> • Report to Council • Follow up - Next Steps (future years) 	2015
	Review of Municipal Properties	<u>Sports View Lounge - future use</u> <ul style="list-style-type: none"> • Commission/Council discussion • Public Consultation • Budget 2016 	2015
		<u>1531 Hampshire - future use</u> <ul style="list-style-type: none"> • Report to Council 	2015
	Neighbourhood Learning Centre	<u>Completion and Occupancy - NLC</u> <ul style="list-style-type: none"> • Identify equipment requirements • Obtain cost estimates and procure needed equipment • Final approval of operating agreement • Physical move into space • Coordinate move of portable Teen Centre off site • Joint use agreement 	2015
Archivist Services	<u>Request to fund a position</u> <ul style="list-style-type: none"> • Develop job description and hire 	2015	



Council Strategic Plan 2015 (cont'd)

Develop, maintain and protect our infrastructure	Implement formal Asset Management Plan	<p><u>Expanded televised work on sewer and storm drains</u></p> <p><u>Review of conditions, current and future use requirement of all municipal buildings</u></p> <ul style="list-style-type: none"> • Apply for grant to help finance initial assessment and develop a plan for Asset Management Plan • Consultant to develop plan for Asset Management <p><u>Research appropriate equipment for road work & repair and underground infrastructure</u></p>	<p>2015-2025 2015-2020</p> <p>2015</p> <p>2015</p>
	Uplands Combined Sewer Separation Project	<p><u>Determine option for sewer separation</u></p> <ul style="list-style-type: none"> • RFP Concepts • Council selection of concept • RFP Final Design • Funding and timeline for construction 	<p>2015</p> <p>2016</p>
	G.I.S. Mapping System	<p><u>Recording and inventory of where our water mains, storm drains, sewer mains and streetlights are located</u></p> <ul style="list-style-type: none"> • Research equipment • Costing of equipment • Implementation and staff training 	<p>2015</p> <p>2016</p>
	Urban Forest Strategy	<p><u>Urban Forest Strategy</u></p> <ul style="list-style-type: none"> • Finalize funding details • Funding approval • Completed RFP document • Successful consultant identified • Project complete 	<p>2015</p> <p>2016</p>
	Police Station/ Fire Hall Buildings	<p><u>Needs analysis for future building needs</u></p>	<p>2015</p>
	Infrastructure Improvements	<p><u>Storm Main Upgrades</u></p> <ul style="list-style-type: none"> • Identify/select pipes • Project completion 	<p>2015</p>
		<p><u>Water Main Upgrades</u></p> <ul style="list-style-type: none"> • Identify/select pipes • Project completion 	<p>2015</p>

Council Strategic Plan 2015 (cont'd)

<p>Recognize the importance of diverse transportation options to building our community</p>	<p>Complete Streets Program</p>	<p><u>Complete Streets Program</u></p> <ul style="list-style-type: none"> • Consultant • Project/Report complete <p><u>Traffic Speed Study</u></p> <ul style="list-style-type: none"> • Consultant 	<p>2015</p> <p>2015</p>
	<p>Infrastructure Improvements</p>	<p><u>Curb Drop Program</u></p> <ul style="list-style-type: none"> • Select locations • Project Completion 	<p>2015</p>
		<p><u>Sidewalk and Crosswalk Program</u></p> <ul style="list-style-type: none"> • Cadboro Bay Road/Thompson Reconfiguration • Project completion 	<p>2015</p>
		<p><u>Bike lanes</u></p> <ul style="list-style-type: none"> • Cadboro Bay Road: Bee Street to Bowker • Cadboro Bay Road: Foul Bay Road to Bee Street • Consultant, Public Consultation • Project completion 	<p>2015</p>
		<p><u>Pathways Feasibility Study</u></p> <ul style="list-style-type: none"> • Goldsmith Pathway • Elgin Pathway to Public Works • Consultant • Project completion 	<p>2015</p>
		<p><u>Road Works/Traffic - Estevan/Musgrave - Intersection Improvements</u></p> <ul style="list-style-type: none"> • Construction 	<p>2015</p>
		<p><u>Road Works/Traffic - Weald Road Water Control</u></p> <ul style="list-style-type: none"> • Construction 	<p>2015</p>
<p>We work closely and collaboratively with our regional neighbours</p>	<p>Capital Regional District</p>	<p><u>CRD Regional Sewage Treatment Project</u></p> <p><u>Bowker Creek Restoration Project</u></p> <ul style="list-style-type: none"> • Consultant/CRD (BCI) • Construction • Completion 	<p>2015</p>
	<p>First Nations Relations (Esquimalt & Songhees)</p>	<p><u>Community to Community Forums</u></p> <ul style="list-style-type: none"> • Set up meeting between Oak Bay Council and First Nations Council • Funding application UBCM 	<p>2015</p>

Finance Department Report

Patricia Walker, Municipal Treasurer

Mission Statement, Finance Department

To ensure proper financial management of the District's activities in accordance with statutory requirements and best practices, and to promote the efficient and effective use of financial and information technology resources in support of Council policies.

Value Statement, Finance Department

The Department is responsible for the management of the District's financial affairs. This includes ensuring the safe-keeping of all funds, investing funds in an authorized manner and expending and disbursing money in accordance with the approved budget. We also ensure that accurate records and full accounts of the financial affairs of the District are prepared, maintained and kept safely, and exercise control and supervision over all other financial affairs of the District. We will treat our customers with respect and dignity, and strive to provide quick service when they bring us questions and other issues relating to the finances of the District. We will be open to the added opportunities for customer service that new technology brings, balancing the benefits that these opportunities offer against the costs and risks involved.

Finance Department Customers

The Finance Department serves, or responds to, the following:

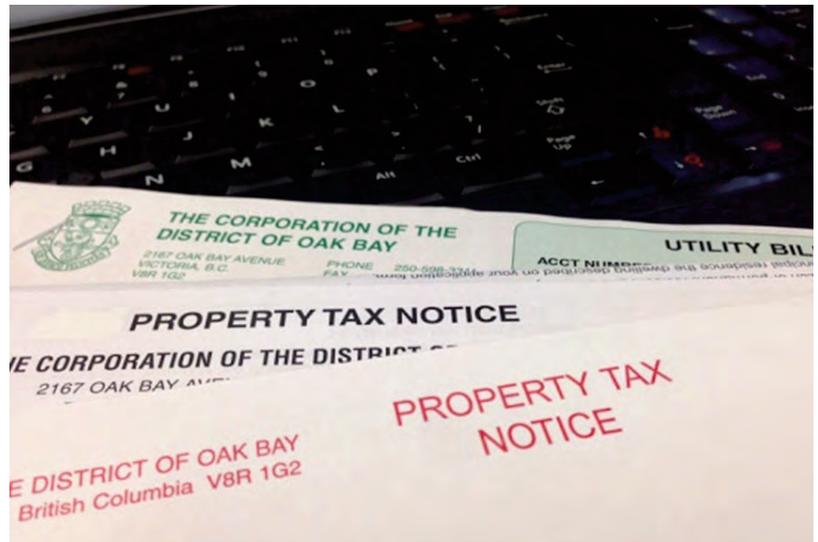
- Oak Bay property owners – regarding water, tax and dog licence inquiries, and collecting money from them for water, tax, licences, parking tickets and other miscellaneous revenues.
- Municipal operating departments – providing accurate and timely financial information to them, preparing budget documents and responding to queries regarding all financial aspects of the Municipality's operations. The Finance Department also acts as a resource regarding computer and technological issues faced by other departments.
- Providers of services and goods – paying invoices in a timely manner.
- District employees – providing payroll and benefit administration.
- Other local and higher level governments – contributing information and discussing current issues that are of mutual interest.
- Oak Bay Council members – providing monthly and annual financial information and reports on financial issues.
- Claimants – responding to individuals who feel that they have a claim against the Municipality.

Finance Department Services

The Finance Department is responsible for the provision of service in the following areas:

Receiving and keeping of all funds paid to the District

- Money is received at various locations in the District. Controls are in place to ensure that money is appropriately counted, recorded and deposited at the bank. During the time that it is in our custody, money is stored in a responsible, safe manner. The Finance Department reconciles all bank accounts on a monthly basis, following up any anomalies in a timely manner.



- Annual property tax notices are issued within the timelines specified by legislation and the Finance Department sends additional notices as it receives notification of ownership changes until at least the middle of June.
- Utility bills are issued three times a year for each property, and a 5% penalty is added to any that remain unpaid thirty days after issuance.

Investing of municipal funds in authorized investments

- The investment of funds is made in accordance with the investment policy approved by Council. Either quotations for investments are evaluated and the investment is made in an instrument that best meets the requirements of the District with respect to term and rates or the funds are invested in one of the Municipal Finance Authority investment funds.

Expending municipal money in the manner authorized by Council

- The Financial Plan Bylaw provides the authority to expend municipal money, and therefore all expenditures must fall within the scope of the Bylaw. Although the Bylaw covers a five year period, it is amended each year to reflect the current year's priorities in spending.
- All payments must be authorized by the Department Heads and the Treasurer, or their delegates, and must be for services and goods that have been chosen through the application of the District's purchasing policy.
- All cheques over \$5,000 must be manually signed by one of either the Treasurer or the Deputy Treasurer and one of the following: Chief Administrative Officer, Deputy Chief Administrative Officer, Mayor, or Acting Mayor.

Ensuring that accurate records are prepared, maintained and kept safe

- Budget: Prepare, administer and take responsibility for the annual budget. This involves liaising with the other municipal departments to ensure that their portions of the budget are prepared in a timely manner. Each department's requests for funding of capital projects must be evaluated in relation to other departments' requests and the various funding options available.
- Monthly financial information: ensure that monthly entries are entered into the system in a timely manner so that department managers can access useful, current financial information at all times. Revenue and expenditure summaries, along with explanations for variances, and details of the financial status of capital projects are provided each month to the Committee of the Whole.
- Homeowner accounts: responsible for the maintenance of water and tax accounts for each property in the municipality. All queries are dealt with, and adjustments to information and amounts owing are made, in a timely manner.
- Annual financial statements are prepared by the Finance Department and examined by an independent auditor who, in accordance with the Community Charter provisions, reports to Council.
- Financial information that is maintained electronically is backed up daily, in an off-site location. The backed-up information covers at least seven years of financial data. The paper copies of reports and financial information and back-up are kept in either a fire safe vault or in off-site storage.

Providing help to other departments with technological issues and maintaining an overall technological vision for the District

- The Finance Department is responsible for ensuring that the financial software is technologically sound and sufficient to be of use to other departments. It also acts as a liaison or "sounding board" for other departments who may not have the same expertise within their employees.
- Finance Department personnel are responsible for being aware of technological changes in the marketplace, and for bringing possible improvements to the attention of the Chief Administrative Officer.

Payroll

- The Finance Department is responsible for the payroll function for the District. It maintains the benefit packages and ensures that employees are paid in a timely manner for the work that they have done.
- The Department also acts as a liaison between employees and benefit carriers.

Significant Issues and Trends

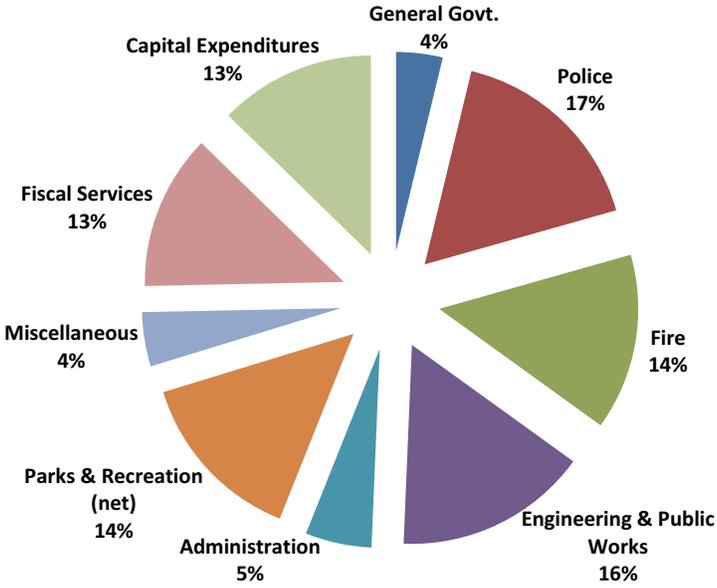
The 2014 budgeted expenditures are broken down between the various areas as follows:

- The future upgrades to the sanitary sewer system that are being dictated by the Capital Regional District’s Core Area Liquid Waste Management Plan and the Province’s Municipal Sewage Regulation will result in rising costs in the Sewer Fund. In 2005 a reserve was established to begin to build up funds for these future costs, but still higher annual expenditures may eventually be required. The federal government’s gas tax revenue transfer payments are also being reserved for sewer projects driven by the Municipal Sewage Regulation. Additional costs relating to sewer treatment will be passed on to Oak Bay residents through the Capital Regional District’s tax requisition.

- The aging infrastructure requires additional funds to maintain or replace it, leading to a strain on the budget. The challenge of keeping the property tax increases at an acceptable level makes it difficult to maintain and renew the physical assets of the Municipality.

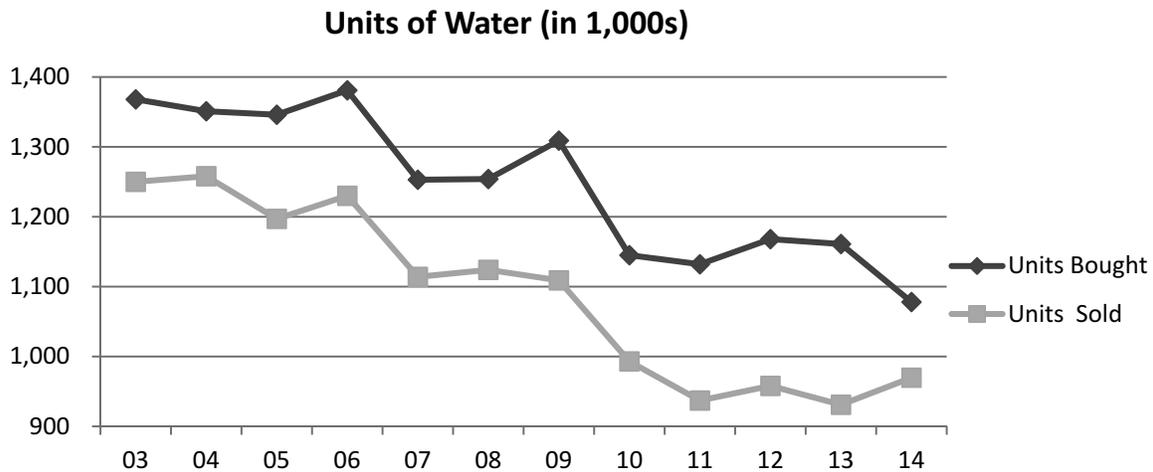
- We have improved our technological and network systems so that they require less constant monitoring and vigilance. The hardware is being replaced on a regular basis, to ensure that financial and administrative functions will continue uninterrupted by sudden failures.

2014 Expenditure Budget



- In the last twelve years the volume of water sold to consumers has dropped by 22.9%. This can be attributed to a number of causes: the increasing utility rates for sewer and water, the installation of water saving devices in houses and the greater acceptance of brown lawns are the most obvious ones. This in turn necessitates increasing prices just to maintain current levels of income.

The following chart shows the volume of water purchased from the Capital Regional District and the amount of water sold to property owners. The difference between the two is unmetered water that is used in parks, boulevards, and public works maintenance work.



- The Fire Fighters’ Union Agreement expired on December 31, 2009, the Police Association’s Agreement expired on December 31, 2012 and the Canadian Union of Public Employees’ Agreement expired on December 31, 2013. Only the latter had been settled by December 31, 2014.

Departmental Achievements in 2014

We will develop, maintain and protect our infrastructure:

- The 2014 increase in municipal tax, including the solid waste charge, on an average house was 4.13%.
- Potential contaminated sites were reviewed in consultation with the Public Works, Engineering and Parks Departments and a policy regarding contaminated sites was developed in preparation for the new Accounting Standard “Liability for Contaminated Sites” which will come into effect for the 2015 fiscal year.
- The module “Calls for Service” had a soft roll out in 2014, with the plan to publicize it to the population when the 2015 property tax notices are mailed out. This module allows members of the public and staff to submit requests for service and complaints online, and gives the staff responsible for the issues the ability to track the entry, dispatch and follow-through to ensure that they are dealt with in a prompt manner.
- A computer technician was hired to replace the consulting firm that had previously been used to deal with departments’ computer issues. This addition to the staff has resulted in many more hours of help for a very similar cost to the municipality.

Parks & Recreation Department Report

Ray Herman, Director

Mission Statement, Parks and Recreation Department

To enhance life in our community through the provision of quality leisure services.

Operational Principles

- Plan and deliver parks and recreation services in a cost effective and publicly accountable manner.
- Maximize services and resources within approved spending levels.
- Deliver our services through a courteous, knowledgeable team working in an atmosphere of integrity and innovation.
- Focus on customer satisfaction in the delivery of our services.
- Respond quickly to changing trends and service needs in a manner that benefits our community.
- Protect and enhance green space in the community for the enjoyment and benefit of all residents.
- Provide a well maintained, safe and welcoming environment for all users of municipal leisure services.

2014 Quick Facts

Parks and Recreation operates under the auspices of the Parks and Recreation Commission, a body appointed by Municipal Council. The Commission provides policy level advice to Council and acts as a vehicle for the coordination of leisure services in the community. Parks and Recreation employs a staff of 72 full-time and regular part-time employees and over 300 auxiliary employees are on the payroll. On average, in any given year, departmental staff welcome over a million visitors to Oak Bay's facilities.



The Department’s many recreation programs operate from the following five facilities:

Oak Bay Recreation Centre

The largest of the facilities, this Centre houses an arena, indoor pool, artificial turf field, a licensed social lounge, 7200 square foot fitness studio, administration offices, seven indoor tennis courts, teen centre, activity rooms, and related amenities.



Statistics:

Aquatics/fitness drop-in attendance:

- 2014: 414,265
- 2013: 381,474
(maintenance shutdown year)
- 2012: 381,891

Arena drop-in attendance:

- 2014: 26,038
- 2013: 25,999
(maintenance shutdown year)
- 2012: 25,692
(maintenance shutdown year)

Henderson Recreation Centre

With a gymnasium, multi-purpose rooms, coffee lounge, fitness studio, a par 3 golf course, 6 outdoor tennis courts, and playing fields, this centre has a strong sports focus. In addition, after school care programs operating out of Henderson, OBRC, and Willows School and community recreation pre-school programs are under the umbrella of Henderson staff.



Statistics:

Henderson fitness drop-in attendance:

- 2014: 35,569
- 2013: 29,407
(closed two weeks during construction)
- 2012: 31,768

Number of rounds of golf played:

- 2014: 23,317
- 2013: 24,261
- 2012: 26,663

Monterey Recreation Centre

This facility, with its many multi-purpose rooms, food services, and computer lab is home to the Oak Bay Seniors Activity Association that hosts more than forty activity clubs with the support of approximately 200 volunteers. The Centre has a 50+ age focus during the day with programs ranging from fitness and carpet bowling to photography and computer courses and offers programs catering to a 19+ age focus from the late afternoon into the evenings and on weekends.

Statistics:

Oak Bay Seniors Activity Association
Members:

2014: 2,111
2013: 1,995
2012: 2,002

Monterey Drop-In Program Attendance:

2014: 25,945
2013: 23,532
2012: 22,245

Windsor Pavilion

Windsor Pavilion provides community meeting rooms and is utilized by a wide range of community sports and arts groups. Group instructional programs are offered for pre-schoolers through to adults. Also located in Windsor Park are soccer, rugby, field hockey, softball, and cricket fields, a children's play area, three tennis courts, and the Windsor Rose Garden.

Carnarvon Centre

This centre is home to licensed "Paddington Station" day care (for 3 -5 year olds) and a number of the Department's pre-school and after-school children's programs. Adjacent to the Centre is the Carnarvon Water Park, lacrosse box, tennis courts, and playing fields. The park is also home to the Oak Bay Lawn Bowling Club.



Parks Division

The Department's Parks division is responsible for the stewardship of municipal green space and liaison with community field sport groups and passive park users. Responsibilities include:

- 76.48 hectares of park land including playing fields, playgrounds, sports fields, passive parks, lawns and gardens.
- 27 kilometers of public boulevards and beach accesses.
- The municipal tree resource of over 10,000 trees.
- Maintenance of the Henderson Par 3 golf course.
- Greenery and floral displays – Municipal Hall, Recreation Centres, and streetscape green areas.



2014 Departmental Highlights:

- Supported significant filming activity in Oak Bay, with the highest profile productions being Gracepoint and The Amazing Race Canada.
- Six temporary arts installations were created by the Arts Laureate.
- Two free summer outdoor concerts were held in Willows Park.
- Live concerts were successfully initiated in the Upstairs Lounge at the Oak Bay Recreation Centre.
- A \$25,000 New Horizons grant enabled improved acoustics to be realized at the Monterey Centre.
- Spin classes were added at Henderson Recreation Centre after the purchase of 16 new bikes.
- A new informational kiosk was unveiled at Uplands Park on Tree Appreciation Day.
- A \$35,000 Habitat Stewardship Program grant was obtained to help continue efforts to remove invasive species in Uplands Park.
- More than 360 volunteers contributed countless hours helping remove invasive species from parks in 2014.

Best in the City Awards by the News Group for 2014

- ★ #1 Best Recreation Centre – Oak Bay Recreation Centre
- ★ #2 Best Swimming Pool – Oak Bay Recreation Centre
- ★ Entrance Park – One of Victoria's Hidden Gems

Community Support

The Parks and Recreation Commission and staff are very grateful to the many community groups and individuals who continue to volunteer their time in order to enhance the parks and recreation amenities in the Oak Bay Community.

Some of these community groups include:

- Girl Guides
- Oak Bay Rotary Club
- Oak Bay Seniors Association
- Brighton Trail Volunteers
- Native Plant Garden Volunteers
- Garry Oak Sea Scouts
- Kiwanis Club of Oak Bay
- Monterey Volunteers
- Friends of Uplands Park



Public Works Department Report

Joe Brooks, Acting Superintendent

Mission Statement, Public Works Department

To maintain and upgrade the District's infrastructure to a standard that supports the preservation and enhancement of a safe, liveable and attractive community.

Value Statement, Public Works Department

The Department will take the responsibility and be accountable for the effective stewardship of the District's infrastructure and physical assets. We will manage these assets with vigilance, and in an effective manner. We will take a proprietary interest in our areas of responsibility. As managers, we will be open to constructive suggestions for improvements from customers and employees. We will confront change as an opportunity for organizational and personal growth. We will provide a safe and supportive workplace. We will treat our customers with respect and dignity and will strive to provide quick and effective service.

Public Works Department Customers

The Public Works Department serves or responds to the following customers:

- Oak Bay Engineering Department – as a contractor tasked with carrying out infrastructure construction and renewal projects large and small.
- Municipal operating departments (e.g., Fire, Police, Administration) – as a consultant, contract manager and contractor on building maintenance and renovation; and as a vehicle fleet manager.
- Oak Bay citizens – as a direct provider of a wide range of public services.
- Oak Bay businesses – as a supporting partner in community events sanctioned by Council. In co-operation with the Parks Department, as a principal agency responsible for the upkeep and maintenance of public property in business areas.

Public Works

The District's Engineering and Public Works Department designs, builds, maintains and is responsible for the District's physical infrastructure assets. These include water mains, storm sewers, sanitary sewers, roads, street lights, sidewalks, public amenities, vehicle fleets, and solid waste collection infrastructure.



Major highlights for 2014:**Water System**

The District of Oak Bay aims to consistently meet community service expectations with cost-effective and sustainable delivery of safe, adequate, secure, reliable and aesthetically pleasing potable water. The water distribution system provides high-quality potable water and water flow for fire protection to more than 18,000 District residents. In 2014, 85m of water main was replaced on Dryfe Street, and 100m on Valdez Place.

The District has been working towards reducing energy use and greenhouse gas emissions in its delivery of services. For example, the District is using trenchless technology where possible to replace pipes, which reduces carbon emissions. Last year 205m of water main on Crescent Road were lined.

Storm Sewer System

Oak Bay's storm sewer system includes many older pipes and there is an annual replacement program to upgrade the pipe. In 2014, 253m were replaced on Hampshire Road, 228m on Musgrave Street, 167m on Thompson Avenue and 125m on Central Avenue. Additionally, 9 catch basins and 2 storm drain manholes in various locations were replaced in 2014.

Roads and Sidewalks

Oak Bay allocates funds for annual road repair and maintenance. This includes sidewalk replacement, and curb-drops. In 2014, 5550 square meters of asphalt was replaced on Cadboro Bay Road, 228m of sidewalk on Musgrave Street, 222m of sidewalk on Dryfe Street and 125m of sidewalk on Central Avenue. Moreover, 12 curb drops were installed in various locations.

Solid Waste and Recycling Management

Oak Bay collects solid waste, which is directed to the Hartland landfill. Curbside recycling and garden waste are collected by a private operator and transported to a sorting depot in Victoria. In 2014 just over 1.1million tonnes of solid waste were collected.

Oak Bay also operates a municipal yard and recycling facility where in 2014, over 2,734 tonnes of organics were collected, 871 thousand kilograms of solid waste, 518 thousand kilograms of recyclable steel and 288 thousand kilograms of mixed recyclables.



Engineering Department Report

David Marshall, Director

Mission Statement, Engineering Department

To provide and manage the District's infrastructure in such a way that will maintain and enhance the Municipality's health and safety in a sustainable and businesslike manner.

Definitions:

As-built – Engineering drawings of various sizes showing exact measurements of underground infrastructure.

Block Plans – Engineering drawings of cadastral information that covers about 1 city block.

Catchment – A delineated area around a network of pipes and/or the topography from a high point to a low or single exit point.

Digitized – Transferring the location and attribute information from one source into the GIS to archive for future use and perform statistics on the captured data.

GIS – Geographic Information System is the system to organize data using maps to connect information to data contained in digital files enabling the user to query and generate statistics.

Installed – An object such as a manhole that is physically secured in place to perform a specific function.

Value Statement, Engineering Department

The Engineering Department will assume responsibility and take ownership for the design and project management required to achieve its mission.

The Department will:

- Use best practices.
- Strive for efficiency and cost-effectiveness.
- Create works that are environmentally sustainable.
- Seek information from appropriate sources.
- Strive to keep information current and accurate.
- Strive to develop improved processes for the collection, maintenance and distribution of data.
- Maintain good engineering standards.
- Meet with its peer agencies to exchange ideas for mutual benefit.
- Function within the confines of its bylaws.

- Work proactively to enhance its existing bylaws and policies.
- Support staff training and skill upgrading.

The Department will gather the necessary information and data from its employees, its customers and other professionals in order to fulfill its mandate and goals. The Engineering Department will treat its customers with respect and strive to provide effective and efficient service within a safe and supportive workplace environment.

Engineering Department Customers

The Engineering Department serves or accommodates the following customers:

Municipal Council – as an advisory body serving elected officials with specialized information and advice.

Municipal Ratepayers and Residents – as the provider of infrastructure for the health, safety and daily living enjoyment of the community. To provide relevant information to the public on municipal works and services in general.

Oak Bay Volunteer Sub-committee Groups – as a developer and supplier of information maps and supporting documents.

Municipal Businesses – as a supporting partner in community events sanctioned by Council.

Other Municipal Operating Departments – as a provider of cost estimates for the annual Municipal budget, as a maintainer of financial records for goods and services provided and received and as a consultant, project manager and data provider on capital works and other initiatives.

Peer Government Agencies – as a participant in group committees resolving common problems.

Private and Public Utilities – as a source of municipal bylaws and infrastructure information for utility design.

Engineering Department Services

The Engineering Department is responsible for the design and layout of services within the public and dedicated rights-of-way for the following infrastructure:

- Sanitary sewer mains
- Storm-water mains
- Water Mains (potable)
- Roads
- Sidewalks
- Sewer, storm & water pump stations
- Street lighting
- Traffic control signage



The design and layout service is performed through the following functions:

Data Collection:

- Collect visual and video information.
- Gather data electronically.
- Design databases.
- Develop data collection procedures.
- Optimize tools and methods for data selection.
- Perform quality data control and storage.

Data Dissemination:

- Distribute information both internally and externally.
- Service an ever-expanding user community.
- Create electronic file structures to facilitate data access.
- Develop and maintain data and search tools.

Project Management and Maintenance Support:

- Perform cost analysis, scheduling input, infrastructure layout, construction documentation, construction progress monitoring, plan modifications (as required) and record maintenance.
- Identify priority areas for new construction and maintenance.

Data Analysis:

- Review and aggregate data.
- Combine data streams.
- Create reports, studies and maps.
- Develop recommendations and conclusions.

Design:

- Collect data as input to electronic design software.
- Design by traditional methods.
- Apply engineering knowledge.
- Prepare working documents.



Significant Issues and Trends

- The continual aging of municipal infrastructure that requires additional maintenance and attention.
- Increasing demand for off-site servicing for residential SFDs projects as well as smaller subdivisions.
- The ongoing dissemination of information and education upgrading to other operating departments.
- The increase in time and work commitment in dealing with the environmental issues included in the CORE Liquid Waste Management Plan; the scarcity of financial resources to carry out the infrastructure upgrades mandated by the Liquid Waste Management Plan.
- Funding for sewer upgrading has been made available through the federal fuel tax revenue-sharing program. Under the program rules, however, these monies may not be used to fund work carried out by municipal employees. In Oak Bay, the long-standing practice has been for infrastructure renewal to be done by our own construction crews. For projects funded through the fuel tax revenue sharing program, however, the work will have to be contracted out. This will require that the Engineering Department take on a contract management role to a much greater degree than it has in the past. Training will be required to develop the necessary in-house expertise in this area, and eventually additional personnel may also be required to manage and oversee the contracted work.
- The workplace and community changes that will enable easier and more independent access to electronic data.
- The addition of technologies to allow additional tasks to be carried out more efficiently and effectively in the workplace.
- The move by senior governments to place bans on additional recyclable products from land-filling.
- The increasing emphasis on conducting work with the minimum amount of environmental impact (e.g. relining pipes where possible rather than conventional 'dig & replace').
- The increasing emphasis on the control of 'I & I' (inflow & infiltration) in an effort to reduce the amount of storm water carried by the municipal sewer mains. This involves detailed reviews of sewer infrastructure on the public right-of-way and will eventually involve private sewer laterals.
- The development of an asset management program for the municipal pipes, roads as well as other municipal infrastructure.

Departmental Achievements in 2014 (General)

The Engineering Department streamlined and improved its internal procedures by:

- Updating its traffic accident data (MV104's) inventory.
- Continuing to apply a 'Pavement Management System' for roads.
- Gathering and updating its curb drop inventory.
- Scanning the 'as built', 'historical drawings' and 'block plans' information for use in digital format.
- Collecting fire hydrant flow information by an electronic digital data recorder.

cont'd on next page...

- Data gathering for a manhole rim and pipe invert information.
- Consolidating both its manual and electronic sources of data into a current and accessible format (i.e. Geodatabase).
- Creating a logical electronic filing system for easier access.
- Continuing to collect data related to the Uplands sewer/storm separation project.
- The Department continued to work with the Parks Department and its use of the Municipal Geographical Information System [GIS].
- The Department upgraded the GIS for improved public use and expanded the GIS database.
- The Department gathered additional technical information on the possible use of epoxy (or alternate) as a water-main liner.
- The Department evaluated a number of technical scenarios related to its water distribution model and, with the assistance of a local consultant, has started developing a 'water model' to assist with greater understanding and decision making relating to the water system.
- The Department worked with the Capital Regional District Engineering Department to install flow meters and weirs to collect hydraulic data in south Oak Bay and in north Oak Bay at University Woods.
- The Department continued to work with its consultants and the CRD in an effort to address the Uplands sewer separation issue.
- The Department designed, site inspected and catalogued data for various capital projects.
- The Department continued working on a potable water cross connection potential inventory program. A compilation of potential cross connections within municipal buildings was generated. From the list, the most severe hazard locations were addressed by the installation of the appropriate cross connection device. Work will continue into 2014.



Building & Planning Department Report

Roy Thomassen, Director

The Building and Planning Department provides advice and services to the regulation of development activity and community growth. Development application processing, building inspection, business licensing, and bylaw enforcement are basic services provided by the Building and Planning Department in order to ensure a safe, healthy and sustainable lifestyle for the residents of Oak Bay.

Building and Planning Department Clients

- Municipal Council, Committees, Commissions and Municipal Departments – perform assigned tasks; provide information and assistance as required or requested.
- Oak Bay citizens, owners, business owners, and members of the building industry – providing bylaw and land use information, monitoring building projects, and consultation with professional architects and engineers, contractors and developers regarding development within the Municipality of Oak Bay.

Building and Planning Department Services

Planning and Zoning:

- Ensuring planning and zoning compliance in conjunction with the issuance of building permits.
- Providing planning and zoning information to residents, builders, developers, real estate agents and Council.
- Managing and processing Board of Variance applications, development permit applications, and development variance permit applications, rezoning applications, sub-division applications, heritage alteration permits, heritage revitalization agreements and Official Community Plan amendments.
- Stewardship of the Zoning Bylaw and the Official Community Plan.

Building Inspection:

- Ensuring health and safety requirements of the B.C. Building Code are met when processing building permit applications.
- Providing Building Code related information to residents, and members of the building industry.
- Consulting with property owners, developers and members of the building industry regarding proposed developments.

Bylaw Enforcement:

- Provide bylaw information as requested to customers.
- Investigate written complaints when received.
- Take appropriate action to achieve bylaw compliance.

Business Licensing:

- Ensuring that business licences are issued for each business operating within the District of Oak Bay.
- Providing bylaw-related information to customers.
- Consulting with other local jurisdictions regarding businesses operating within the Capital Regional District.

What we said we would do in 2014

Complete Official Community Plan

Development of the OCP was initiated in 2012 with the formation of the Oak Bay OCP Project Advisory Committee. The Committee provided valuable input and extensive volunteer hours to the process with the final OCP being adopted by Council in September 2014.

Review Oak Bay Floor Areas in RS-4 and RS-5 Zones

The Oak Bay Floor Area Review (FAR) Committee was formed by motion of Council in 2013 to look at Zoning Bylaw regulations in the RS-4 and RS-5 residential zones. Several public sessions were held in 2014 which assisted in a final recommendation report going to Council in early 2015.

Other Projects

The Oak Bay High School replacement project began in January 2014 and is scheduled for completion in July 2015.

Consulting planners assisted in development projects over the 2014 calendar year providing a planning lens to new developments.

The "Clive" apartment building received approval for development replacing an older apartment with a substantially larger building.



The "Clive" under construction



Statistical Summary of Activities

Land Use Planning Fees: January–December 31:

Type of Application	2014	2013
Subdivision	\$3650	\$1,800
DP/DVP/Rezoning	\$22,725	\$25,125
Year end Total	\$26,375	\$26,925

Building Permit Fees: January–December 31:

Type of Application	2014	2013
Residential	\$812,355	\$386,265
Year End Total	\$812,355	\$386,265

Construction Value: January–December 31:

Type	2014	2013
Residential	\$34,524,600	\$27,609,700
Commercial	\$46,864,000	\$3,860,400
Year End Total	\$81,388,600	\$31,470,000

Planned projects for 2015

OCP implementation projects include the following for 2015:

- Infill development guidelines and policies.
- Secondary suites review.
- Land use procedures & Fees Bylaw.
- Sustainability checklist for developments.
- 1531 Hampshire Road – future use.
- Review of conditions, current and future use requirements for all municipal buildings.



The new Oak Bay High School under construction



Fire Department Report

David G. Cockle, Fire Chief

Mission Statement, Fire Department

Provide enhanced fire protection and public safety services that will avoid the loss of life and property through fire prevention, emergency preparedness and intervention

Value Statement, Fire Department

We stress prevention, early intervention and emergency preplanning to avoid or minimize the loss of life and property. We will accept great personal risk to save another person's life, moderate risk to save property and minimal risk to save what is already lost. We commit to provide quality public safety programs, professional development and exemplary maintenance of equipment. We endeavour to provide a seamless co-response with other protective services and municipal departments. We treat our customers with respect and strive to provide quick and effective service.

Fire Department Customers

Oak Bay Fire Department is a direct provider of emergency and non-emergency services to the following customers:

- The citizens of the Municipality of Oak Bay.
- The businesses, employees and customers located within the Municipality of Oak Bay.
- Persons attending and working at the University of Victoria.
- The citizens of the panhandle area of the Municipality of Saanich (automatic response area).
- Other Municipal Departments (e.g. Police, Public Works, Parks and Recreation Department, including Administration).
- Mutual aid partners – Saanich Fire Department, Victoria Fire Department, Esquimalt Fire Department and the CRD Haz-mat Response Team.

Fire Department Services

The Fire Department is committed to the delivery of protective and emergency management services that are community based. This commitment to community ensures that our Fire Department and Emergency Program tailor their programs and priorities to align with the needs of the residents and businesses in the District of Oak Bay. Oak Bay Fire Department members continue to participate actively in community events such as the Remembrance Day Service, Halloween Bonfire, Christmas Light up, Christmas Sail- Past, Victoria Day Parade, Oak Bay Summer Markets and the Oak Bay Tea Party Parade.

The Department also attends block parties and community special events which enhances our service commitment with the community. Department members also raised funds in the community to support Muscular Dystrophy, Santas Anonymous, and towards the purchase of a bus for the Oak Bay High School. The Department/IAFF Local 1856 Honour Guard participated in twelve functions during 2014, including the, Tea Party Parade, and Remembrance Day Ceremonies.

Significant Issues and Trends

Underground Oil Storage Tanks:

The Department has been apprised of recent changes to the BC Fire Code regarding the way the District deals with abandoned underground oil storage tanks. The new Code states that the removal, abandonment, disposal or temporary taking out of service of an underground storage tank shall be in conformance with good engineering practice. The Insurance and Financial industries are lobbying clients to remove their abandoned underground storage tanks. The Department has had a significant increase in tank removal inspections last year with 147 inspections. This is a 33% increase in UST removal inspections and our expectation is that the numbers will increase in the coming years as residents renew insurance policies and mortgages.

Medical First Responder:

The Oak Bay Fire Department participates in the Provincial First Responder Program, providing emergency medical assistance to our residents. The British Columbia Ambulance Service has recently revamped their dispatch protocols provincially based on their Resource Allocation Plan. This plan addresses the response procedure for all medical first responders in the province and prescribes the qualification, mode and first responder attendance for a given 911 call. The new Resource Allocation Plan is recommending a thirty-five percent reduction in First Responder attendance at medical calls. To date the department has identified a moderate increase in calls. We will continue to monitor the changes to ensure the requirements of our residents are met.

CRD Hazmat Team:

The Department continues to take a lead role in the Capital Regional District Hazardous Materials Response Team. This team has been fully operational over the past year, with the Oak Bay Fire Department having 14 members trained and ready. Over the past year we were not requested to respond outside our jurisdiction as part of the team. The overall team has been split into four platoons, aligned with Fire Department shift structures to provide immediate response to an incident. The four platoon leader positions are currently staffed by Oak Bay Fire Department personnel who are responsible for the training and coordination of the CRD regional Hazmat team. Time spent attending an incident, required training session, or meetings is paid to the members from the fire department overtime budget but is reimbursed to the department by the CRD.

Voluntary Fire/Life Safety Upgrade Program:

The voluntary fire/life safety inspection building upgrade program for private buildings continues to progress as a systematic way for the department to work with property owners to enhance fire safety for residents. There were seven significant life safety building upgrades completed in 2014 with five active upgrades at various stages of completion. The department reviewed 46 building plan requests and Code research requirements. The department provided 44 public education sessions including fire extinguisher training, school fire drills, school fire safety education, fire station tours, senior fire safety, apartment and condo fire safety, municipal staff fire safety, etc.



Community Equipment Donations:

This year, several organizations – Athlone Travel, the Business Improvement Association and the Oak Bay Kiwanis Club – came forward to assist the Fire Department to raise funds to purchase a new set of Jaws of Life for the community. The department now has the capability of meeting the National Fire Protection Association Standard for Auto Extrication and Rescue. We thank the community for their continued support of life safety in the community.

Priorities	Accomplishments
<p>Prioritize and replace aging fire equipment</p>	<ul style="list-style-type: none"> • Created a 5 year hose replacement plan to update fire hose to current NFPA standard • Updated confined space rescue equipment • Replaced the department’s self-contained breathing apparatus to meet NFPA 2013 standards • Worked with community fundraisers to purchase two Hurst Jaws of Life rescue tools
<p>Initiate a Health and Wellness Program for the department</p>	<ul style="list-style-type: none"> • Identified job related health risk factors for employees • Created a comprehensive and holistic wellness program to meet the needs of all members • Completed a comprehensive Health Risk Assessment for all members to measure functional fitness levels including physical measurements, nutritional factors, psychological factors and life style practices • Educated firefighters on the requirement for ongoing health screening • Reduced lifestyle risk factors by 45% • Improved overall health risk assessments by 31% • Members able to serve their community with an even higher standard of excellence
<p>Fire Prevention: Expand opportunities for Fire Prevention/Public Education</p>	<ul style="list-style-type: none"> • Developed new school presentation programs and delivered to 10 classes • Delivered 30 fire extinguisher training sessions to a broad group of residents • Continued our public information sessions on smoke detectors, fire extinguishers and general fire prevention information at public events • Developed community partnerships with business improvement associations to enhance relationships • Continue to update information to current standards for installation and removal of underground oil storage tanks
<p>Review Governance</p>	<ul style="list-style-type: none"> • Update municipal Bylaw 3803 and 4144
<p>Address coordinated fire investigation procedures</p>	<ul style="list-style-type: none"> • Review current process • Work with Police to develop a coordinated team approach to manage fire investigations
<p>Expand partnerships with municipal stakeholders</p>	<ul style="list-style-type: none"> • Work with internal, stakeholders, planning, building and engineering to streamline information sharing and increase productivity to our clients • Engage with external stakeholders to share current information on bylaw, code and regulation changes
<p>Firefighter training: Identify the need to increase training requirements to meet industry standards</p>	<ul style="list-style-type: none"> • Develop a five year training plan for the department • Address training requirements to meet industry standards, employee and fire department certification and contractual agreements

Oak Bay Emergency Program

David G. Cockle, Fire Chief/Emergency Planning Coordinator

Vision

Oak Bay is a resilient municipality supported by an outstanding team of staff and volunteers.

Mission Statement

To create and maintain a cooperative organization to manage risks from major emergencies and disasters that may affect the municipality and its residents.

“Neighbours Helping Neighbours Build a Disaster Resilient Community.”



Values Statement

At the direction of Oak Bay’s Council, the Oak Bay Emergency Program (OBEP) endeavours to provide for the protection of public safety, health, the environment, critical infrastructure and economic stability through the mutual cooperation with government and community. The Program provides a framework for active cooperation among District staff, designated OBEP volunteers and Oak Bay citizens to identify, mitigate and manage risks and respond to emergency events such as major storms, earthquakes, chemical releases, fires and marine oil spills. The OBEP operates under the legislative requirements of the BC Emergency Program Act and the District of Oak Bay Emergency Program Bylaw No. 4489.

Community Resiliency

The District of Oak Bay is actively engaged in becoming a “Disaster Resilient Community”. A disaster resilient community is defined as one that provides for the protection of public safety and health, the environment, critical infrastructure and property, and economic stability. While no community can ever be completely safe from hazards, we work to minimize our vulnerability by applying the principles of risk management and emergency response and recovery planning to include risk assessment, mitigation, business continuity and recovery.

The District of Oak Bay is recognized by the United Nations as the Role Model for Participatory Community Resilience in Risk Reduction. As a Role Model City, Oak Bay will share its knowledge and benefit from the interaction with other cities working toward the same goals.

Emergency Program Customers

The Oak Bay Emergency Program (OBEP) is a direct provider of emergency disaster services to the following:

- The citizens of the District of Oak Bay.
- Oak Bay businesses and their employees .
- Persons working and attending the University of Victoria.
- District Mayor and Council.
- District departments and agencies, including Administration, Engineering, Parks and Recreation, Planning, Police, and Public Works.
- Mutual aid partners as defined in the 2000 Regional Disaster Mutual Aid Agreement.

Emergency Program Services

Emergency Incident Response and Recovery:

- Develops comprehensive disaster management plans for mitigation and preparedness before, response during and recovery after an incident.
- Facilitates access to food, clothing, shelter, transportation and medical services to those affected by emergencies and disasters through Emergency Support Services (ESS).
- Provides alternate communications through a network of Amateur Radio Operators (Comms).
- Educates Oak Bay Council, staff and OBEP volunteers on risk assessment, disaster response, business continuity and disaster recovery.
- Provides information to Oak Bay citizens and businesses to enable them to respond to and recover from an emergency/disaster event.
- Assists local regional governments on request through a Mutual Aid Agreement.



Administration:

- Provides District staff and OBEP volunteers with training in their responsibilities within the Program.
- Prepares, administers and is accountable for the management of the Emergency Program.
- Ensures the Oak Bay Emergency Program reflects the requirements of Bylaw 4489 and the BC Emergency Program Act of 1993 as amended.
- Advises District Mayor and Council and Administration on emergency planning, identified hazards and state of preparedness of the community, as requested.
- Assists other District departments and agencies with disaster risk management and make recommendations on disaster reduction policies to enhance response and recovery for the District.
- Administers the Emergency Program budget and contracts.
- Maintains Emergency Program databases.
- Ensure Emergency Program vehicles and equipment are maintained in good repair and are operational at all times.

Public Education:

- Provides Emergency Preparedness information to Oak Bay citizens, including children, families, seniors; community organizations, and businesses making them aware of life safety issues within the District and more capable of responding to and recovering from emergencies and disasters.
- Provides Emergency Response and Recovery Plan training for Mayor and Council, District Staff and OBEP Volunteers.
- Provides training for District staff and OBEP volunteers on Emergency Management courses, including Emergency Operation Centre (EOC) and Emergency Support Services (ESS) to enhance response and recovery capabilities.

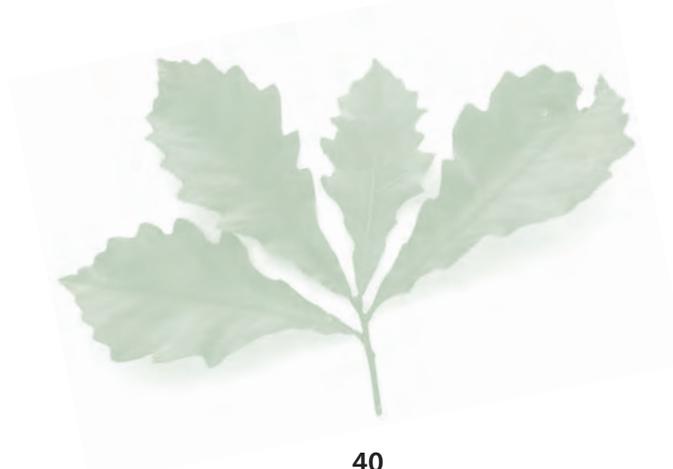
Significant Issues and Trends

- Oak Bay emergency planners have identified through the Emergency Program Strategic Plan a need to upgrade the Municipal Hall as the primary EOC site for the District. The following planning concerns have been identified for the building:
 - Sustainability of the building during an earthquake. Unreinforced masonry buildings are susceptible to failure during extended shaking. A Seismic infrastructure study for the building should be considered.
 - Alternate EOC sites include Windsor Park Pavilion, The Scout Hall and the Fire and Police station. Each has its own operational concerns and none are designed to manage multiple work stations with communication.
- Oak Bay emergency planners have also identified infrastructure concerns with the Municipal Hall, Public Works Administration Building and Police Station for seismic upgrade studies. This process has been put forward in the 2014 budget for approval.
- The OBEP officers and staff continue to actively participate at local, regional and provincial government levels to develop and implement plans for disaster response and recovery.

Program Achievements

Priorities	Accomplishments
Continue implementation of the OBEP Strategic Plan	<ul style="list-style-type: none"> • Developed a process to notify residents of a tsunami warning or emergency evacuation • Began the process to undertake a municipal infrastructure assessment for seismic upgrade requirements to the Municipal Public Works building and Police station
Develop partnerships and collaborations in the Region	<ul style="list-style-type: none"> • Renewed all of our agreements with local suppliers to provide goods and services to emergency evacuees • Began renewing our Mutual Aid Agreements with local municipalities and the Canadian Red Cross • Began negotiating Memorandums of Understanding with local facilities, services and organizations to support the OBEP during the response and recovery phases of an emergency or disaster • Developed numerous productive relationships, collaborations and partnerships that have enabled us to expand and extend our people and material resources
Continue to build the OBEP Volunteer Program	<ul style="list-style-type: none"> • Rebranded the OBEP and its three teams: Emergency Support Services (ESS), Emergency Preparedness Education (EPP) and Amateur Radio (Comms) • Attracted new members to each of the three teams: 3 to Comms, 1 to EPP and 10 to ESS • Began the restructuring process of the Level One Response Team • Worked with Emergency Management BC, the Capital Regional District and local municipalities to revitalize the provincial volunteer programs that will be expected to respond during an emergency or disaster

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Program Achievements

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<p>Provide Emergency Management and Response training to staff and volunteers</p>	<ul style="list-style-type: none"> • Completed the 2014 Business Continuity Plan for use by Oak Bay Council and staff • Undertook development of an in-house, 6-module Emergency Operation Centre training program for staff, fire and police in 2015 • Provided Oak Bay staff, fire and police with 14 external Emergency Operations Centre and Emergency Management training opportunities • Provided OBEP volunteers with 26 external, internal and online ESS and Amateur Radio learning opportunities. OBEP volunteers also participated in a Regional ESS exercise
<p>Work with community volunteers and organizations to develop a disaster resilient community</p>	<ul style="list-style-type: none"> • Delivered EPP to all Oak Bay Grade three students. • Developed a coordinated OBEP communications plan, which has included the development of new Emergency Preparedness educational materials. We also worked with our regional partners to develop new regional education materials. We had displays and/or materials at all the Oak Bay public events including the Wednesday Night Markets, the Tea Party Parade and all the Block Watch and block parties and participated in several regional Emergency Preparedness displays. • Presented ten public and private Emergency Preparedness information sessions • Renewed all the ESS and EOC Response kits



Police Department Report

Andy Brinton, Chief Constable

Mission Statement, Police Department

The members of the Oak Bay Police Department are committed to the promotion of partnerships with the community, leading to sharing in the delivery of police services. We pledge to: treat all people equally and with respect, uphold the Canadian Charter of Rights and Freedoms, serve, protect and work with the community and other agencies to prevent and resolve problems that affect the community's safety and quality of life.

Value Statement, Police Department

The Oak Bay Police Department is a community based policing organization. The Department recognizes that investigation, detection and the apprehension of offenders is only part of the police function. This activity is and always will be a vital component of the police role. By itself, however, it is not the answer as crime rates and calls for service demonstrate. The Oak Bay Police mandate is not limited or restricted to dealing with crime. It is much broader in scope and includes a response to social disorder and calls of a general assistance nature. Noisy parties, bylaw enforcement, traffic safety, youth problems and issues, neighbourhood disputes, public education, problem children, alcoholism and drug abuse and issues regarding mental health are all part of the Department's workload.

The Oak Bay Police Department believes that our community safety and well-being is best achieved by addressing the root causes of criminal behaviour. The Department advocates community partnerships with a multi-agency approach and collaboration as a means of enhancing public safety and problem solving. It is through community policing and particularly problem oriented policing that the Oak Bay Police Department fulfils its role.

Police Department Customers

The Police Department serves or responds to the following customers/agencies:

- All Oak Bay citizens and those passing through our community.
- All Oak Bay businesses.
- Municipal/Provincial/Federal criminal justice and non-criminal justice agencies.
- School and university populations.
- Oak Bay Police Board.
- Courts and Restorative Justice.
- First nations (Songhees) at Willows Beach (Sitchamalth).

Police Department Services

Under the auspices of the Oak Bay Police Board, which is chaired by the Mayor and has four other members appointed from the community at large, the Oak Bay Police force as an independent department provides a complete range of services to the community of Oak Bay. Although members of the Department are municipal police officers, they in fact have jurisdiction within the entire province of British Columbia.

Investigations:

- Conduct statutory investigations in relation to the following laws and enactments: criminal, federal, provincial, municipal bylaws.

General Patrol:

- Uniformed members conduct random preventative patrols of the entire community and while so doing focus on traffic enforcement and attempt to quell developing problem spots such as noisy parties or other unruly behaviour. Focused patrols are conducted in areas identified by the public or police statistics as being problematic.

Public Assistance:

- Provide a broad range of general assistance to the public on matters not specifically mandated by legislation.

School Liaison:

- A full time officer dedicated to working within the schools, dealing with youth issues and the delivery of youth programs.

Business and Community Liaison:

- A full time officer dedicated to working with the businesses and community service groups in the delivery of crime prevention programming.

Detective Services:

- Conduct criminal investigations beyond the capacity of General Patrol members.

Regional Participation:

- The Department participates with other regional police agencies, including the RCMP, in numerous regional policing Memorandums of Understanding and Agreements, which enables the Department to provide a full spectrum of police services in a cost effective manner. Among other things, such agreements cover: Emergency Response Team, Regional Domestic Violence Unit, Integrated Mobile Response Team, Mobile Youth Services Team, Crowd Management Unit, Serious Crime Investigations, Homicides and Canine Services.

Agency Participation:

- Members of the Department participate with numerous regional support agencies that provide support and services to the police, e.g., Victim Services, Greater Victoria Police Diversity Committee, Violence Against Women In Relationships Regional Committee, Alzheimer Society, Mental Health, Regional Crown, Provincial Emergency Preparedness, Business Improvement Association, Business Watch, Block Watch.

Secondment Opportunities:

- Members of the Oak Bay Police Department participate as seconded members to the Combined Forces Special Investigations Unit, the Capital Region Integrated Road Safety Unit, and the Mobile Youth Services Team.

Significant Issues and Trends

Hiring of a New Chief Constable: Hiring of a New Chief Constable: Chief Constable Mark Fisher left the department in March 2014 and was replaced by the hire of Chief Constable Andy Brinton. Chief Constable Brinton came to the department with 32 years of experience with the RCMP.

Hiring of One New Officer: The department realized a vacancy due to the commitment to MYST and an upcoming retirement. Time allowed for a hire of an officer from a Lower Mainland Department. She comes with a good range of experience and is an asset to this organization.

Implementation of Department Strategic Plan: Continued implementation of the department's strategic plan. Of note was a series of initiatives focusing on youth and senior safety.

2014 Statistical Summary

REPORTABLE TO STATS CANADA

Offence Category	2012	2013	2014
Robbery	5	4	4
Assault/Sex Assaults	21	30	30
Utter Threats	10	19	14
B&E – business	18	12	7
B&E – residence	21	31	17
B&E – other	21	11	4
Theft of Motor Vehicle	1	12	6
Theft from Motor Vehicle	218	110	86
Theft under \$5,000	109	119	91
Fraud	36	45	33
Mischief	144	111	117
Cause Disturbance	7	19	11
Counterfeit Currency	2	0	1
Trespass at night	5	2	1
Breach/Bail violations	26	12	7
Drug Possession	38	29	48
Impaired Drivers ¹⁵	15	18	31
Fail to Stop (Provincial)	22	28	26

NON-REPORTABLE TO STATS CANADA

Offence Category	2012	2013	2014
Bylaws	222	210	227
Parking Violations	115	140	118
Collisions	159	161	156
Assist Public	718**	599	620
Lost and Found	333	273	252
Suspicious Persons	480	443	477
False Alarms	529	479	460
Liquor Offences	86	58	72
Property Check Program	225	224	262
Violation Tickets/Warnings Issued	1171	1173	1543
TOTAL FILE COUNT	4933	4495	4606



Appendix "B"

Report on Permissive Tax Exemptions

THE DISTRICT OF THE CORPORATION OF OAK BAY

2014 Permissive Property Tax Exemptions

<u>Name</u>	<u>Municipal Tax Relief</u>
Emmanuel Baptist Church	\$10,464.09
Guide Hall	\$881.29
Kiwanis Manor	\$5,464.28
Kiwanis Tea Room	\$457.36
Oak Bay Lawn Bowling Club	\$5,419.37
Oak Bay United Church	\$9,352.43
Queenswood Montessori School	\$2,798.34
St. Mary's Church	\$6,698.40
St. Patrick's Church	\$25,396.42
St. Phillip's Church	\$3,192.79
Scout Hall	\$1,468.38
	<hr/>
	<u>\$71,593.16</u>

Appendix "C"

Financial Information Act Reports

THE CORPORATION OF THE DISTRICT OF OAK BAY

SCHEDULE SHOWING THE REMUNERATION AND EXPENSES PAID
TO OR ON BEHALF OF EACH EMPLOYEE
FOR THE YEAR: 2014

1. ELECTED OFFICIALS

	<u>Remuneration</u>	<u>Expenses</u>	<u>Benefits</u>	<u>Total</u>
Braithwaite, H.	508.36	28.52	\$ 254.18	\$791.06
Copley, P. J.	\$7,470.70	\$590.38	\$ 3,733.35	\$11,794.43
Croft, T. H.	\$508.36		\$ 254.18	\$762.54
Green, C. J.	\$7,470.70	\$1,273.00	\$ 3,733.35	\$12,477.05
Herbert, J. D.	\$7,470.70	\$2,405.12	\$ 3,733.35	\$13,609.17
Jensen, N. B.	\$18,748.08	\$3,928.24	\$ 9,369.33	\$32,045.65
Kirby, M. W.	\$7,956.96	\$2,493.49	\$ 3,976.33	\$14,426.78
Murdoch, K.	\$7,956.96	\$437.61	\$ 3,976.33	\$12,370.90
Ney, T.	\$7,956.96	\$2,109.88	\$ 3,976.33	\$14,043.17
Zhelka, E.	\$508.36		\$ 254.18	\$762.54
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u><u>\$66,556.14</u></u>	<u><u>\$13,266.24</u></u>	<u><u>\$33,260.91</u></u>	<u><u>\$113,083.29</u></u>

**THE CORPORATION OF THE DISTRICT OF OAK BAY
SCHEDULE SHOWING THE REMUNERATION AND EXPENSES PAID
TO OR ON BEHALF OF EACH EMPLOYEE
FOR THE YEAR: 2014**

2. OTHER EMPLOYEES

<u>Name</u>	<u>Remuneration</u>	<u>Expenses</u>
Adam, Daniel	\$ 77,081	\$ 544
Adsett, Duane	\$ 124,441	\$ 631
Ahokas, Jason	\$ 109,599	\$ 1,181
Ballantyne, John	\$ 122,516	\$ 680
Barclay, Janet	\$ 96,662	
Barnett, Philip	\$ 111,625	
Beaumont, Kyle	\$ 108,369	\$ 412
Brooks, D. Joe	\$ 103,688	
Brown, Cody	\$ 78,505	\$ 631
Brown, Grant	\$ 93,807	\$ 145
Buser, Rene	\$ 78,761	\$ 700
Cliff, George	\$ 77,991	
Cockle, David	\$ 147,076	\$ 690
Currie, John	\$ 84,435	
Ding, K. Richard	\$ 90,060	\$ 1,154
Herman, Ray	\$ 133,492	\$ 245
Hilton, Loranne	\$ 109,837	\$ 1,936
Hodge, Jason	\$ 79,119	\$ 271
Hughes, Darren	\$ 140,613	\$ 4,017
Hyde-lay, Christopher	\$ 92,966	\$ 190
Ireland, Riley	\$ 98,806	\$ 643
Josephson, Michael	\$ 111,290	\$ 631
Joynson, Jason	\$ 122,768	\$ 1,898
Kivell, Robert	\$ 113,732	\$ 1,701
Koning, Helen	\$ 158,717	\$ 3,721
Malinosky, Kris	\$ 116,276	\$ 409
Marshall, David	\$ 121,489	\$ 1,238
Marshall, R. Gordon	\$ 128,007	\$ 968
Michaluk, Andrew	\$ 106,477	\$ 271
Pearse, Thomas	\$ 142,567	\$ 1,519
Pimentel, Fernando	\$ 98,165	\$ 2,827
Popham, Jonathan	\$ 129,067	\$ 1,715
Roskelley, Donald	\$ 140,930	\$ 5,760
Scott, Brad	\$ 117,961	\$ 854
Stewart, C. Roger	\$ 126,361	\$ 1,390
Swan, Gregory	\$ 105,488	\$ 631
Thomassen, Roy	\$ 116,020	\$ 1,349
Thomson, Cameron	\$ 139,998	\$ 539
Thorneloe, Adam	\$ 113,517	\$ 754
Trenholm, Bradley	\$ 110,359	\$ 631
Trumble, Douglas	\$ 119,205	\$ 631
Walker, Patricia	\$ 123,093	\$ 2,682
Total of Employees > \$75,000	\$ 4,643,855	
Others, Police or less than \$75,000	\$ 12,043,573	
TOTAL EARNINGS -OTHER EMPLOYEES	\$ 16,687,428	

THE CORPORATION OF THE DISTRICT OF OAK BAY

3. RECONCILIATION OF REMUNERATION

YEAR ENDING DECEMBER 31, 2014

Remuneration of elected officials	\$ 66,556
Total remuneration - other employees	<u>\$ 16,687,428</u>
Subtotal	\$ 16,753,984
Total per Statement of Revenue and Expenditure (includes employee benefits)	<u>\$ 19,585,580</u>
Variance	<u>\$ 2,831,596</u>

Remuneration in the financial statements is on an accrual basis, whereas the above amounts paid are on a cash basis. In addition, employee benefits are not included in the remuneration figure, and some costs are charged to non-expense accounts. It is not practical to reconcile these two sets of data.

THE CORPORATION OF THE DISTRICT OF OAK BAY

SCHEDULE OF DEBTS

YEAR ENDING DECEMBER 31, 2014

Long Term Debt

Information on the long term debt of this organization is shown in Note 5 to the Financial Statements.

Debts covered by sinking funds or reserves

As shown in Notes 5 and 9(a) to the Financial Statements, long term debt of \$4,715,000 has been borrowed through the Municipal Finance Authority. The debentures are issued on a sinking fund basis. At December 31, 2014 the debt total was \$3,062,263.

THE CORPORATION OF THE DISTRICT OF OAK BAY
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS
YEAR ENDING DECEMBER 31, 2014

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

THE CORPORATION OF THE DISTRICT OF OAK BAY

STATEMENT OF SEVERANCE AGREEMENTS

YEAR ENDING DECEMBER 31, 2014

There were no severance agreements made between The Corporation of the District of Oak Bay and its non-unionized employees during 2014.

THE CORPORATION OF THE DISTRICT OF OAK BAY

**SCHEDULE SHOWING PAYMENTS MADE FOR THE PROVISION OF
GOODS OR SERVICES**

YEAR ENDING DECEMBER 31, 2014

Suppliers who received aggregate payments exceeding \$25,000

Acklands-Grainger Inc.	\$	33,893
Acme Supplies Ltd.	\$	61,974
Acoustics West Installations Limited	\$	34,868
Ads Environmental Services	\$	29,348
Aon Reed Stenhouse Inc.	\$	133,434
Aquashine Building Services	\$	43,006
B.C. Hydro and Power Authority	\$	401,698
B.C. Life & Casualty Company	\$	67,174
B.C. Pension Corporation	\$	1,732,963
Billet, K.	\$	30,089
Bison Properties Ltd.	\$	73,705
Black Press	\$	58,356
Bloom Yoga	\$	42,163
Butler Brothers Supplies Ltd.	\$	62,214
Canada Customs & Revenue Agency	\$	889,657
Capital Regional District	\$	3,247,661
Catherine Berris Associates Inc.	\$	98,454
Chevron Canada Limited	\$	270,957
City of Victoria	\$	83,020
Commissionaires, The	\$	37,513
Corix Water Products	\$	188,130
Crest	\$	55,656
Dell Computer Corporation	\$	42,397
Dillstone, M.	\$	33,264
Ells, K.	\$	48,778
Emco Corporation	\$	31,264
Ementerra Environmental	\$	386,936
Finning (Canada) C3176	\$	48,656
Fitness Town Commercial	\$	25,747
Fortis BC	\$	110,924
Gordon Food Service Canada Ltd.	\$	51,204
Greater Victoria Labour Relations Assoc.	\$	34,551
Great-West Life Assurance Co.	\$	63,399
Greater Victoria Public Library	\$	1,137,079
Guillevin International Co.	\$	53,933
GVLRA - CUPE Ltd. Trust	\$	92,235
Hillside Printing	\$	29,024
Hot House Marketing	\$	25,549
Houle Electric Ltd.	\$	108,873
H2X Contracting Ltd	\$	35,718
IGI Resources Inc.	\$	57,325
Insurance Corporation of B.C.	\$	74,311
Island Asphalt Company	\$	448,755
Jenner Chev Olds Ltd.	\$	25,435
Kerr Wood Leidel Associates Ltd.	\$	114,020

KPMG LLP	\$	27,825
Lehigh Materials Ltd	\$	237,047
Lopeter Trucking Ltd.	\$	48,489
Metro Motors Ltd.	\$	54,908
Michell Brothers Farm Composting	\$	158,577
Ministry of Provincial Revenue	\$	199,116
Ministry of Finance & Corporate Relations	\$	136,290
Monk Office Supply Ltd.	\$	51,917
Municipal Insurance Association of BC	\$	173,568
Music Together Victoria	\$	61,269
Nordic Industries Ltd.	\$	36,674
Novus Consulting Inc.	\$	77,812
Pace Group Communications Inc.	\$	25,465
Pacific Blue Cross	\$	464,896
Pacific Audio Works	\$	26,669
Pitneyworks Prepaid	\$	30,240
Polaris Land Surveying Inc	\$	54,810
Prairie Coast Equipment	\$	79,183
Richardson Sport Inc.	\$	34,839
Rocky Mountain Phoenix	\$	27,998
Rolins Machinery	\$	131,493
Saanich, the Corporation of the	\$	548,269
Scho's Line Painting Ltd.	\$	56,491
Soccertron Jem Enterprises Inc.	\$	50,040
Softchoice Corporation	\$	26,599
Stewart McDannold Stuart	\$	30,060
Sysco Victoria Inc.	\$	81,732
Telus communications (BC) Inc	\$	48,416
Telus Mobility	\$	54,922
Tempest Development Group	\$	72,986
Tomko Sports Systems Inc	\$	41,649
Victoria Animal Control Services	\$	78,228
Victoria Landscape Gravel Mart Ltd.	\$	28,613
Vimar Equipment Ltd.	\$	31,098
W A Jones and Sons Trucking Ltd.	\$	33,167
Westerra Equipment LP	\$	47,171
Workers Compensation Board of BC	\$	273,198
Xerox Canada Ltd.	\$	53,051
Young, J.	\$	27,800
<hr/>		
Total Suppliers Equal and Over \$25,000	\$	14,477,885
Other Suppliers Less Than \$25,000	\$	3,733,738
<hr/>		
	\$	18,211,622
<hr/>		

Payment to suppliers for grants and contributions exceeding \$25,000

Oak Bay Business Improvement Association	\$	64,000
Oak Bay Volunteer Services	\$	<u>25,000</u>
	\$	<u><u>89,000</u></u>

Reconciliation

Total of suppliers receiving > \$25,000	\$	14,477,885
Total of suppliers receiving < \$25,000	\$	3,733,737.54
Total grants and contributions > \$25,000	\$	<u>64,000.00</u>
		\$ 18,275,622.07
Total per Note 15 of financial statements		<u>\$ 10,907,467.00</u>
Variance		<u>\$ 7,368,155.07</u>

Expenditures in the financial statements are on an accrual basis, whereas the above amounts paid are on a cash basis. It is important to note that not all payments are expenditures, and that not all expenditures are payments. It is not practical to reconcile these two sets of data.

THE CORPORATION OF THE DISTRICT OF OAK BAY

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

"original signed by"

Patricia Walker
Municipal Treasurer
June 14, 2015

Appendix "D"

Audited Financial Statements

THE CORPORATION OF THE DISTRICT OF OAK BAY

Financial Statements

Year ended December 31, 2014

Financial Statements

Management's Responsibility for the Financial Statements	1
Independent Auditors' Report	2
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Change in Net Financial Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the District of Oak Bay (the "District") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with public sector accounting principles established by The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the District. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the District's financial statements.



Chief Administrative Officer



Treasurer



KPMG LLP
Chartered Accountants
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada

Telephone (250) 480-3500
Fax (250) 480-3539
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of The Corporation of the District of Oak Bay

We have audited the accompanying financial statements of The Corporation of the District of Oak Bay which comprise the statement of financial position as at December 31, 2014, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Corporation of the District of Oak Bay as at December 31, 2014, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 11, 2015
Victoria, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
Financial assets:		
Cash and cash equivalents	\$ 671,770	\$ 173,133
Investments (note 2)	35,016,436	32,118,920
Taxes receivable	1,198,877	411,142
Other accounts receivable	1,399,081	889,184
	<u>38,286,164</u>	<u>33,592,379</u>
Financial liabilities:		
Accounts payable and accrued liabilities	2,798,172	2,161,855
Deposits	1,243,683	1,065,713
Prepaid property taxes	1,436,840	1,547,189
Deferred revenue (note 3)	5,767,266	4,522,262
Employee future benefit obligations (note 4)	1,654,900	1,774,400
Long-term debt (note 5)	3,062,263	3,220,527
	<u>15,963,124</u>	<u>14,291,946</u>
Net financial assets	22,323,040	19,300,433
Non-financial assets:		
Tangible capital assets (note 6)	51,960,750	51,044,004
Inventory of supplies	571,729	524,292
Prepaid expenses	465,715	307,497
	<u>52,998,194</u>	<u>51,875,793</u>
Accumulated surplus (note 7)	<u>\$ 75,321,234</u>	<u>\$ 71,176,226</u>

Commitments and contingent liabilities (note 9)

See accompanying notes to financial statements.



Treasurer

THE CORPORATION OF THE DISTRICT OF OAK BAY

Statement of Operations and Accumulated Surplus

Year ended December 31, 2014, with comparative information for 2013

	Financial plan (note 11)	2014	2013
Revenue:			
Taxation, net (note 8)	\$ 21,248,856	\$ 21,321,544	\$ 20,187,305
Sales and services	6,895,417	7,336,815	6,809,408
Other revenues	2,200,782	1,999,405	1,359,933
Government transfers	466,917	531,336	759,967
Investment income	175,000	463,156	370,581
Sales of water and sewer charges	4,933,982	4,998,544	4,551,283
Total revenue	35,920,954	36,650,800	34,038,477
Expenses:			
General government	4,086,627	4,038,860	4,177,323
Protective services	8,894,462	8,552,620	8,884,060
Transportation services	2,724,475	3,104,355	3,075,352
Environmental health services	1,200,827	1,270,674	1,032,845
Recreation services	10,806,278	11,238,283	11,189,631
Water utilities	2,691,284	2,757,301	2,720,351
Sewer collection system	1,481,803	1,543,699	1,118,148
Total expenses	31,885,756	32,505,792	32,197,710
Annual surplus	4,035,198	4,145,008	1,840,767
Accumulated surplus, beginning of year	71,176,226	71,176,226	69,335,459
Accumulated surplus, end of year	\$ 75,211,424	\$ 75,321,234	\$ 71,176,226

See accompanying notes to financial statements.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Statement of Change in Net Financial Assets

Year ended December 31, 2014, with comparative information for 2013

	Financial plan (note 11)	2014	2013
Annual surplus	\$ 4,035,198	\$ 4,145,008	\$ 1,840,767
Acquisition of tangible capital assets	(4,831,206)	(2,906,049)	(3,569,925)
Amortization of tangible capital assets	-	1,899,585	1,805,200
Loss on disposal of tangible capital assets	-	45,918	255,612
Proceeds on disposal of tangible capital assets	-	43,800	13,400
	(4,831,206)	(916,746)	(1,495,713)
Use of inventory of supplies	-	(47,437)	(64,550)
Use of prepaid expenses	-	(158,218)	30,227
	-	(205,655)	(34,323)
Change in net financial assets	(796,008)	3,022,607	310,731
Net financial assets, beginning of year	19,300,433	19,300,433	18,989,702
Net financial assets, end of year	\$ 18,504,425	\$ 22,323,040	\$ 19,300,433

See accompanying notes to financial statements.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 4,145,008	\$ 1,840,767
Items not involving cash:		
Amortization of tangible capital assets	1,899,585	1,805,200
Loss on disposal of tangible capital assets	45,918	255,612
Change in non-cash operating assets and liabilities:		
Taxes receivable	(787,735)	(59,280)
Other accounts receivable	(509,897)	(73,235)
Accounts payable and accrued liabilities	636,317	108,185
Deposits	177,970	(233,171)
Prepaid property taxes	(110,349)	254,599
Deferred revenue	1,245,004	292,634
Employee future benefit obligations	(119,500)	147,800
Inventory of supplies	(47,437)	(64,550)
Prepaid expenses	(158,218)	30,227
	6,416,666	4,304,788
Capital activities:		
Acquisition of tangible capital assets	(2,906,049)	(3,569,925)
Proceeds on disposal of tangible capital assets	43,800	57,250
	(2,862,249)	(3,556,525)
Investing activities:		
Investments	(2,897,516)	(1,666,779)
Financing activities:		
Long-term debt issued	187,013	247,238
Long-term debt repaid	(345,277)	(340,784)
	(158,264)	(93,546)
Increase (decrease) in cash	498,637	(1,012,062)
Cash, beginning of year	173,133	1,185,195
Cash, end of year	\$ 671,770	\$ 173,133
Supplemental cash flow information:		
Cash paid for interest	\$ 113,160	\$ 197,836
Cash received from interest	411,599	463,506

See accompanying notes to financial statements.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements

Year ended December 31, 2014

The Corporation of the District of Oak Bay (the "District") was incorporated on July 2, 1906 under the Municipal Act, a statute of the Province of British Columbia. Its principal activities are the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, sewer and fiscal services.

1. Significant accounting policies:

The financial statements of the District are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the District are as follows:

(a) Reporting entity:

The financial statements include a combination of all the assets, liabilities, accumulated surplus, revenues and expenses of all of the District's activities and funds. Inter-departmental balances and organizational transactions have been eliminated.

(i) Consolidated entities

The District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

(ii) Funds held in trust

The financial statements exclude trust assets that are administered for the benefit of external parties (note 10).

(b) Basis of accounting:

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Cash and cash equivalents:

Cash and cash equivalents are defined as cash on hand, demand deposits, and short-term highly liquid investments with a maturity date of less than 3 months at acquisition that are readily converted to known amounts of cash and which are subject to an insignificant risk of change in value.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

1. Significant accounting policies (continued):

(d) Investments:

Investments are recorded at cost. Investments in the Municipal Finance Authority of British Columbia ("MFA") Bond, Intermediate and Money Market Funds are recorded at cost plus earnings reinvested in the funds.

(e) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received for which expenses are not yet incurred are included in deferred revenue.

(f) Deferred revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

(g) Property tax revenue:

Property tax revenue is recognized on the accrual basis using the approved mill rates and the anticipated assessment related to the current year.

(h) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(i) Long-term debt:

Long-term debt is recorded net of related principal repayments and actuarial adjustments.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

1. Significant accounting policies (continued):

(j) Employee future benefits:

The District and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Sick leave and other retirement benefits are also available to the District's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(k) Non-financial capital assets:

Non financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Land improvements	15 - 50
Building and building improvements	25 - 100
Machinery and equipment	3 - 30
IT equipment	5 - 8
Vehicles	10 - 20
Roads and drainage	25 - 100

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

1. Significant accounting policies (continued):

(k) Non-financial capital assets (continued):

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Interest capitalization

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(vi) Inventories of supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(l) Use of estimates:

The preparation of financial statements in conformity with public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets, estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits. Actual results could differ from these estimates.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

2. Investments:

	2014	2013
MFA Money Market Fund	\$ 25,403,675	\$ 23,523,595
MFA Bond Fund	215,607	209,027
MFA Intermediate Fund	9,397,154	8,386,298
	<u>\$ 35,016,436</u>	<u>\$ 32,118,920</u>

The fair value of the Funds approximates the recorded value.

3. Deferred revenue:

Deferred revenue, reported on the statement of financial position, is made up of the following:

	2014	2013
Gas Tax Agreement Funds balance	\$ 4,267,689	\$ 3,443,583
Unearned revenues	1,499,577	1,078,679
Total deferred revenue	<u>\$ 5,767,266</u>	<u>\$ 4,522,262</u>

Gas Tax Agreement funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

Schedule of Gas Tax Agreement Funds

	2014	2013
Opening balance of unspent funds	\$ 3,443,583	\$ 2,878,890
Add:		
Amounts received during the year	785,987	531,044
Interest earned	38,119	33,649
	<u>824,106</u>	<u>564,693</u>
Closing balance of unspent funds	<u>\$ 4,267,689</u>	<u>\$ 3,443,583</u>

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

4. Employee future benefit obligations:

The District provides sick leave and certain benefits to its employees. These amounts and other employee related liabilities will require funding in future periods and are set out below.

Accumulated sick leave represents the liability for sick leave banks accumulated for estimated draw downs at future dates. Retirement benefit payments represent the District's share of the cost to provide employees with various benefits upon retirement including lump sum retirement payments, death benefits, certain vacation entitlements in the year of retirement, and pension buyback arrangements for qualified employees. The accrued employee benefit obligations and the net periodic benefit cost were estimated by an actuarial valuation completed effective for December 31, 2013.

Information about liabilities for employee benefit plans is as follows:

	2014	2013
Accrued benefit liability, beginning of year	\$ 1,774,400	\$ 1,626,600
Service cost	107,100	116,800
Interest cost	56,800	51,900
Long-term disability expense	(154,300)	105,700
Amortization of net actuarial gain	(12,600)	(100)
Benefit payments	(116,500)	(126,500)
Accrued benefit liability, end of year	\$ 1,654,900	\$ 1,774,400

The difference between the actuarially accrued benefit obligation of \$1,601,600 (2013 - \$1,650,000) and the accrued benefit liability of \$1,654,900 (2013 - \$1,774,400) is an actuarial net gain of \$53,300 (2013 - \$124,400). This actuarial gain is being amortized over a period equal to the employees' average remaining service period of 10 years.

The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$9,600 (2013 - \$274,400).

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

4. Employee future benefit obligations (continued):

The significant actuarial assumptions adopted in measuring the District's accrued benefit obligations are as follows:

	2014	2013
Discount rates	3.10 %	4.00 %
Expected future inflation rates	2.50 %	2.50 %
Expected wage and salary increases	2.59 to 4.63 %	2.59 to 4.63 %

Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2012 indicated an unfunded liability of \$1,370 million for basic pension benefits. The next valuation will be as at December 31, 2015, with results available later in 2016. The actuary does not attribute portions of the unfunded liability to individual employers. The District paid \$1,531,844 (2013 - \$1,537,497) for employer contributions and District employees paid \$1,241,300 (2013 - \$1,238,353) for employee contributions to the plan in fiscal 2014.

GVLRA – CUPE Long-Term Disability Trust

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employees representing a number of CUPE locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The District and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined at December 31, 2012. At December 31, 2014, the total plan provision for approved and unreported claims was \$15,368,300 with a net deficit of \$729,956. The actuary does not attribute portions of the unfunded liability to individual employers. The District paid \$91,619 (2013 - \$92,483) for employer contributions and District employees paid \$99,521 (2013 - \$95,015) for employee contributions to the plan in fiscal 2014.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

5. Long-term debt:

	2014	2013
Debenture debt - MFA Issue 80 payable at \$142,594 annually; fixed interest payments 4.775% paid semi-annually (\$112,571). Final payment October 3, 2023.	\$ 2,689,200	\$ 2,921,470
Capital leases - MFA, payable monthly; payments include interest between 2.00 - 4.00%; terms from 2010 to 2019.	373,063	299,057
Total General Capital Fund debt	\$ 3,062,263	\$ 3,220,527

(a) Debenture debt:

The loan agreements with the Capital Regional District and the MFA provide that if, at any time, the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect of such borrowings, the resulting deficiency becomes a liability of the District.

The District issues its debentures through the MFA. Debentures are issued on a sinking fund basis, where the MFA invests the District's sinking fund payments so that the payments, plus investment income, will equal the original outstanding debt amount at the end of the repayment period. The gross value of debenture debt at December 31, 2014 is \$4,715,000.

(b) The aggregate amount of payments required on the District's long-term debt during each of the next five years is as follows:

	Minimum lease payments	Estimated sinking fund payments	Total
2015	\$ 131,600	\$ 192,594	\$ 324,194
2016	115,625	192,594	308,219
2017	59,979	192,594	252,573
2018	37,775	192,594	230,369
2019	28,084	192,594	220,678
	\$ 373,063	\$ 962,970	\$ 1,336,033

(c) Total interest expense on long-term debt for the year ending December 31, 2014 amounted to \$114,519 (2013 - \$200,158).

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

6. Tangible capital assets:

Cost	Balance December 31, 2013	Additions	Disposals/ Transfers	Balance December 31, 2014
Land	\$ 2,852,877	\$ -	\$ -	\$ 2,852,877
Land improvements	711,673	75,613	-	787,286
Building and building improvements	22,900,282	186,706	(4,952)	23,082,036
Machinery and equipment	2,586,221	442,989	(328,274)	2,700,936
IT equipment	749,520	99,505	(40,355)	808,670
Vehicles	5,375,953	380,681	(131,665)	5,624,969
Roads, drains, sewer and water	52,596,931	1,634,111	(71,980)	54,159,062
Assets under construction	462,141	86,444	-	548,585
Total	\$ 88,235,598	\$ 2,906,049	\$ (577,226)	\$ 90,564,421

Accumulated amortization	Balance December 31, 2013	Disposals	Amortization expense	Balance December 31, 2014
Land improvements	\$ 140,015	\$ -	\$ 35,187	\$ 175,202
Building and building improvements	7,254,136	(2,905)	402,460	7,653,691
Machinery and equipment	1,391,545	(281,179)	204,964	1,315,330
IT equipment	411,963	(39,780)	121,541	493,724
Vehicles	2,385,139	(94,659)	295,925	2,586,405
Roads, drains, sewer and water	25,608,796	(68,983)	839,506	26,379,319
Total	\$ 37,191,594	\$ (487,506)	\$ 1,899,583	\$ 38,603,671

Net book value	December 31, 2013	December 31, 2014
Land	\$ 2,852,877	\$ 2,852,877
Land improvements	571,658	612,084
Building and building improvements	15,646,146	15,428,345
Machinery and equipment	1,194,676	1,385,606
IT equipment	337,557	314,946
Vehicles	2,990,814	3,038,564
Roads, drains, sewer and water	26,988,135	27,779,743
Assets under construction	462,141	548,585
Total	\$ 51,044,004	\$ 51,960,750

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

6. Tangible capital assets (continued):

(a) Assets under construction

Assets under construction having a value of \$548,585 (2013 - \$462,141) have not been amortized. Amortization of these assets will commence when the asset is available for service.

(b) Contributed tangible capital assets

There were no contributed assets recognized during 2014 or 2013.

(c) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, tangible capital assets are recognized at a nominal value. Land is the only category where nominal values have been assigned.

(d) Works of art and historical treasures

The District manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at District sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(e) Write-down of tangible capital assets

The write-down of tangible capital assets during the year was \$nil (2013 - \$nil).

(f) Comparative figures

Certain comparative figures have been reclassified to conform with the financial presentation of the current year.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

7. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2014	2013
Surplus:		
Equity in tangible capital assets	\$ 48,898,487	\$ 47,823,477
Operating Fund	4,065,108	3,558,948
Total surplus	52,963,595	51,382,425
Reserve Funds:		
Village Parking	885,814	875,209
Fire Equipment	737,129	637,428
Land Sale	1,753,341	1,752,651
Machinery and Equipment	1,621,983	1,717,066
Heritage	2,162,802	2,161,709
Tax Sale Property	1,754	1,744
Parks Acquisition	267,454	264,330
Capital Works	14,913,527	12,368,190
Alternative Transportation Infrastructure	13,835	15,474
Total reserve funds	22,357,639	19,793,801
	\$ 75,321,234	\$ 71,176,226

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

8. Taxation:

As well as taxes for its own purposes, the District is required to collect taxes on behalf of, and transfer these amounts to, the government agencies noted below. Taxes levied over or under the amounts requisitioned are recorded as accounts payable or receivable.

	2014	2013
Taxes		
Property tax	\$ 36,500,656	\$ 35,757,509
Payments in lieu of taxes	177,608	172,091
Special assessments and local improvements	229,972	242,223
1% Utility tax	136,067	144,534
Waste disposal fees	1,449,027	1,224,803
Penalties and interest	201,514	122,020
	<u>38,694,844</u>	<u>37,663,180</u>
Less taxes levied on behalf of:		
Provincial government - school taxes	9,622,577	9,779,253
Capital Regional District	2,635,204	2,636,778
Telus (CREST) - CRD	70,504	73,180
Provincial Government - Non-residential school	1,179,440	1,177,403
Capital Regional Hospital District	1,804,817	1,794,658
Municipal Finance Authority	1,165	1,197
BC Assessment Authority	366,419	372,423
BC Transit Authority	1,629,171	1,564,986
Business Improvement Area	64,003	75,997
	<u>17,373,300</u>	<u>17,475,875</u>
Net taxes available for municipal purposes	<u>\$ 21,321,544</u>	<u>\$ 20,187,305</u>

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

9. Commitments and contingent liabilities:

In the normal course of business, the District enters into commitments for both capital and operational expenses. These commitments have been budgeted for within the appropriate annual financial plan and have been approved by Council.

(a) MFA debt reserve fund deposits:

Under borrowing arrangements with the MFA, the District is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are included in the District's financial assets as cash and are held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the District. At December 31, 2014 there were contingent demand notes of \$136,718 (2013 - \$136,718) which are not included in the financial statements of the District.

(b) Capital Regional District (CRD) debt, under the provision of the Local Government Act, is a direct, joint and several liability of the CRD and each member municipality within the CRD, including the District.

(c) The District is a shareholder and member of the Capital Regional Emergency Service Telecommunications (CREST) Incorporated whose services provide centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

(d) In the normal course of business, the District is a defendant in various lawsuits for which no liability is reasonably determinable at this time. Should the claims be successful as a result of litigation, amounts will be recorded when a liability is likely and determinable.

The District is self-insured for general liability claims through membership in the Municipal Insurance Association of British Columbia, a reciprocal insurance exchange. Under this program, member municipalities jointly share claims against any member in excess of their deductible. Should the Association pay out claims in excess of premiums received, it is possible that the District, along with the other participants, would be required to contribute towards the deficit. The District's deductible is \$10,000.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

9. Commitments and contingent liabilities (continued):

- (e) During 2008 the Province of BC gave its share (50%) of the heritage property known as Tod House to the District. The value of this transaction was recorded as \$395,000. Concurrently the Province registered a "Possibility of Reverter" against the property. This states that the Province has granted its interest to the District "for so long as the land is used for the specific purpose of managing the Tod House Heritage Site". Previous correspondence with the Province suggests that if the property use is changed the District will pay to the Province 50% of the market value of the property at the time that its use changed. The District has no plans to change the use of Tod House.
- (f) During 2010 the District, under the approval of Council, committed to provide funding of \$1,000,000 towards the construction of a new Community Theatre and art facilities for the new Oak Bay High School. A payment of \$500,000 was made in the prior year, with the remainder to be paid upon completion of the project. The remaining contribution will be recognized in the financial statements when the recipient has met the eligibility criteria for the funding which is expected in the year 2015.

10. Trust funds:

Trust funds administered by the District have not been included in the statement of financial position nor have their operations been included in the statement of operations.

	Heritage House Trust	Legacy Trusts	2014	2013
Financial assets:				
Cash	\$ 605	\$ 945	\$ 1,550	\$ 1,464
Investments	250,782	378,097	628,879	608,189
Due from operating fund	14,044	-	14,044	14,074
	<u>\$ 265,431</u>	<u>\$ 379,042</u>	<u>\$ 644,473</u>	<u>\$ 623,727</u>

Since the use of Trust Funds is restricted, their assets and liabilities are not recorded in the financial statements.

The District has received bequests that are to be used for various purposes. These are maintained in the Legacy Trusts, with authorized expenditures being funded from it, and earnings on investments being added to the Trust.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

11. Financial plan data:

The financial plan data presented in these financial statements is based upon the 2014 operating and capital financial plans approved by Council on May 12, 2014 and subsequent amendments. Amortization was not contemplated in the development of the financial plan and, as such, has not been included. The following reconciles the approved financial plan to the financial plan figures reported in these financial statements.

	Financial plan amount
Revenues:	
Financial plan	\$ 39,198,493
Less:	
Transfers from own funds	(1,227,020)
Financial plan amendments	(2,050,519)
Total revenue	35,920,954
Expenses:	
Financial plan	39,198,493
Less:	
Capital expenses	(4,871,206)
Transfer to other funds	(1,257,824)
Debt principal payments	(257,532)
Financial plan amendments	(926,175)
Total expenses	31,885,756
Annual surplus	\$ 4,035,198

The annual surplus above represents the planned results of operations prior to the budgeted transfers between reserve funds, debt repayments and capital expenditures.

12. Segmented information:

The Corporation of the District of Oak Bay is a diversified municipal organization that provides a wide range of services to its citizens. For management reporting purposes, the District's operations and activities are organized and reported by service areas. Municipal services are provided by departments and their activities are reported in these service areas. Service areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

12. Segmented information (continued):

(i) General Government:

The departments within General Government are Corporate Administration, Building and Planning, Finance, and Information Technology. These departments are responsible for adopting bylaws, adopting administrative policy, levying taxes, ensuring effective financial management, monitoring performance and ensuring that high quality municipal service standards are met.

(ii) Protective Services:

Protective Services is made up of Police, Fire, Building and Planning and Animal Control. The Police Department ensures the safety of the lives and property of Oak Bay citizens through the enforcement of municipal bylaws and criminal law, the maintenance of law and order, and the prevention of crime. The Fire Department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire emergencies. The Fire Department also coordinates the District's emergency program. The Building and Planning department provides a full range of building services related to permits and current regulatory issues and through its Bylaw Enforcement division promotes, facilitates and enforces general compliance with bylaws. Animal Control services enforce the animal control bylaws and operate the pound and adoption centre for animals.

(iii) Transportation Services:

Transportation Services is responsible for the construction and maintenance of roads and sidewalks throughout Oak Bay. Other duties include street cleaning, leaf pickup, snow removal and street lighting. This department is also responsible for the construction and maintenance of the storm drain collection systems.

(iv) Environmental Health Services:

The Environmental Health Services is responsible for the collection and disposal of household garbage.

(v) Recreation Services:

Recreation Services is responsible for providing, facilitating the development of, and maintaining the high quality of parks, recreation facilities, and cultural services.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

12. Segmented information (continued):

(vi) Water Utilities and Sewer Collection System:

The Water Utilities and Sewer Collection System Departments operate and distribute the water and sewer networks. They are responsible for the construction and maintenance of the water and sewer distribution systems, including mains and pump stations.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. Taxation and payments-in-lieu of taxes are apportioned to General Government, Protective, Transportation, and Recreation Services based on current year expenditures. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

12. Segmented information (continued):

2014	General Government	Protective Services	Transportation Services	Environmental Health	Recreation Services	Water Utility	Sewer Collection System	Total
Revenue:								
Taxation	\$ 2,595,586	\$ 8,824,079	\$ 3,685,518	\$ 1,449,027	\$ 4,767,334	\$ -	\$ -	\$ 21,321,544
Sales and service	65,500	-	-	9,177	7,262,138	3,234,467	1,764,077	12,335,359
Government transfers	350,666	180,670	-	-	-	-	-	531,336
Other revenues	956,599	1,012,319	30,487	-	-	-	-	1,999,405
Investment income	463,156	-	-	-	-	-	-	463,156
Total revenue	4,431,507	10,017,068	3,716,005	1,458,204	12,029,472	3,234,467	1,764,077	36,650,800
Expenses:								
Salaries and wages	1,298,350	7,442,276	1,788,107	320,315	7,750,904	559,917	425,711	19,585,580
Materials, supplies and services	2,636,193	955,659	725,553	781,399	2,816,547	1,968,109	1,024,007	10,907,467
Interest and other	-	-	-	-	113,160	-	-	113,160
Amortization	104,317	154,685	590,695	168,960	557,672	229,275	93,981	1,899,585
Total expenses	4,038,860	8,552,620	3,104,355	1,270,674	11,238,283	2,757,301	1,543,699	32,505,792
Annual surplus	\$ 392,647	\$ 1,464,448	\$ 611,650	\$ 187,530	\$ 791,189	\$ 477,166	\$ 220,378	\$ 4,145,008

THE CORPORATION OF THE DISTRICT OF OAK BAY

Notes to Financial Statements (continued)

Year ended December 31, 2014

12. Segmented information (continued):

2013	General Government	Protective Services	Transportation Services	Environmental Health	Recreation Services	Water Utility	Sewer Collection System	Total
Revenue:								
Taxation	\$ 2,516,669	\$ 8,544,738	\$ 3,198,727	\$ 1,224,803	\$ 4,702,368	\$ -	\$ -	\$ 20,187,305
Sales and service	80,045	2,785	-	9,570	6,717,008	3,111,159	1,440,124	11,360,691
Government transfers	579,297	180,670	-	-	-	-	-	759,967
Other revenues	753,687	573,340	32,906	-	-	-	-	1,359,933
Investment income	370,581	-	-	-	-	-	-	370,581
Total revenue	4,300,279	9,301,533	3,231,633	1,234,373	11,419,376	3,111,159	1,440,124	34,038,477
Expenses:								
Salaries and wages	1,598,947	7,741,915	1,736,012	321,513	7,525,330	540,742	339,688	19,804,147
Materials, supplies and services	2,470,691	1,004,361	784,148	551,242	2,932,853	1,961,295	685,937	10,390,527
Interest and other	-	-	-	-	197,836	-	-	197,836
Amortization	107,685	137,784	555,192	160,090	533,612	218,314	92,523	1,805,200
Total expenses	4,177,323	8,884,060	3,075,352	1,032,845	11,189,631	2,720,351	1,118,148	32,197,710
Annual surplus	\$ 122,956	\$ 417,473	\$ 156,281	\$ 201,528	\$ 229,745	\$ 390,808	\$ 321,976	\$ 1,840,767