

MINUTES of a meeting of the ESTIMATES COMMITTEE of the Municipal Council of The Corporation of the District of Oak Bay, held in the Council Chambers, Oak Bay Municipal Hall, 2167 Oak Bay Avenue, Oak Bay, B.C., on Wednesday, April 12, 2017.

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

PRESENT: Mayor N. Jensen, Chair
Councillor T. Croft
Councillor M. Kirby
Councillor K. Murdoch
Councillor T. Ney
Councillor E. Zhelka

STAFF: Acting CAO & Director of Financial Services, D. Carter
Director of Corporate Services, W. Jones
Deputy Director of Financial Services, D. Costin
Director of Building and Planning, R. Thomassen
Director of Engineering Services, D. Horan
Manager of Public Works, D. Brozuk

Mayor Jensen called the meeting to order at 5:33 PM.

The Mayor introduced the process by which the Estimates Committee would consider budget items. He said this meeting is an opportunity to learn more about the day-to-day operations of the District's departments from the people directing those activities and for members of the public to share their views with Council.

The Acting CAO provided a brief introduction and planned schedule to consider the 2017 Budget.

COMMUNICATIONS:

1. ***Strategic Priorities 2017 - 2018***

- Verbal Report – Director of Corporate Services

The Director of Corporate Services provided a brief overview of Council's 2017 – 2018 Strategic Priorities. He noted that the priorities identified by Council (highlighted in green) were included in the draft budget. He said Council still needed to make decisions in relation to the "Secondary Suites" and "Duplex" issues.

The Director of Corporate Services said that staff remain concerned that they would not be able to deliver the "Heritage Conservation Area" ("HCA"), "Secondary Suites" and "Duplex" projects simultaneously. He suggested that if Council wanted to complete the three initiatives that the District start with HCA and then once capacity allows staff move forward with either the "Secondary Suite" or "Duplex" project (as directed by Council) and again once capacity allows the third project would be initiated.

The Director of Corporate Services reminded Council that the Citizen Survey was included in their budget binders and that it was important to keep in mind the views of residents throughout the budget process.

1. **2016 Municipal Budget**

- Report: Director of Financial Services, April 9, 2017

The Director of Financial Services provided an overview of the 2017 budget as outlined in her memorandum to the Estimates Committee. She noted that the draft budget represents a 3.31% overall increase in municipal taxation; the average single-family residence would see a 2.96% increase after considering solid waste charges. She noted that of the 3.31% increase 3.22% is attributable to salaries and benefits. For the average house in Oak Bay, this would equate to an increase of \$97.91 over 2016.

The Director of Financial Services noted that staff are proposing to bring forward suggestions to Council for implementing a multi-year mill rate strategy – a more forward looking financial planning process that may assist in “smoothing taxes” especially in consideration of the significant infrastructure challenges facing the District.

Ms. Carter outlined the sources of the District’s revenue and expenses. She highlighted the infrastructure financing challenges facing the District and said that staff are proposing that Council allocate an additional 1% in taxes that would be applied directly toward infrastructure renewal.

3. **Departmental Budgets (Operating and Capital)**

Corporate & Finance:

The Director of Financial Services provided an overview of the 2017 budget for the Corporate and Finance budget areas. She highlighted the need to provide additional resources to address technology issues that impact the organization as a whole. She said the draft budget includes funding for an IT Manager position starting half way through 2017. Ms. Carter noted that while new funding is needed it may not be necessary at this time to hire a permanent staff position and that consulting or short-term contracts may be an option.

The Director of Financial Services noted that the Council conference budget increased as a result of the UBCM Conference being held in Vancouver in 2017 versus Victoria in 2016.

Building and Planning:

The Director of Building and Planning was in attendance and responded to questions from Council on a number of issues, including staffing levels, consulting fees, potential development cost charges and sea level rise planning. He noted that the day-to-day processing of applications continues to increase which makes the completion of additional projects more challenging.

Engineering Services:

The Director of Engineering Services was in attendance and responded to questions from Council about staffing levels, service delivery and the status of several projects. Some members of Council questioned whether the \$33,000 budget for “curb drops” was sufficient to respond to current needs.

Council asked that the staff: (1) recirculate the “Reserve Report” to Council; (2) provide an update on the McNeill Bay erosion program/plans; and (3) provide an update on the organics/kitchen scraps program.

PUBLIC PARTICIPATION PERIOD:

4. The following speakers addressed Committee during Public Participation Period:

James Murtagh, North Oak Bay resident, said that he applauded the objective of preparing multi-year budgets and plans. He asked that Council not default to raising taxes to raise funds as Council should first be looking to savings in existing budgets that could be reallocated for infrastructure needs. He suggested that Council look at the boulevard maintenance budget to determine if there are potential savings or more cost effective service delivery options.

Esther Patterson, Oak Bay resident, encouraged Council to focus on asset management planning. She stated that the two reports outlining the condition of municipal assets were a good foundation upon which a financial plan should be built. She said it will be important that Council look at a number of funding models for infrastructure renewal and that the options should be discussed by the community.

James Sultanum, South Oak Bay, asked questions and received responses from staff as follow;

1. Question: Building and Planning is estimating \$550,000 in building permit fees and just \$6,000 in Development Permit fees. Why are the Development Permit fees so low?
Response: Fee revenues have been described and accounted for differently in the 2017 budget document. Fees overall are estimated to be similar to 2016 levels.
2. Question: There seems to be a token revenue amount of \$1,000 related to the municipally-owned property at 1531 Hampshire. Why?
Response: There is a small amount budgeted. There are no final plans for use of the property at 1531 Hampshire.
3. Question: Why have legal expenditures increased from \$45,000 to \$74,000?
Response: The legal budget has increased in response to anticipated and known labour relations expenditures.

Mr. Sultanum suggested that it would be nice if there were a water fountain in Municipal Hall and asked why there was not a BC and Oak Bay flag in the Council Chambers.

Michael Prince, Oak Bay resident, thanked Council for the inclusion of funds in the draft budget to move the Heritage Conservation Area project forward. He said residents are excited about the project and that they are looking forward to working with Council and staff on the initiative.

5. ***Summary of Adjustments***

There were no adjustments affecting the tax base made at this meeting.

MOVED and seconded: That the meeting of the Estimates Committee be concluded and review of the budget be continued at the next Estimates Committee meeting scheduled for April 19, 2017, at 5:30 PM.

CARRIED

ADJOURNMENT:

The Estimates Committee meeting was adjourned at 8:40 PM.

Chair

Director of Corporate Services