

MINUTES of the BUDGET 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 10, 2019 at 6:00 PM.

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 K. Murdoch, Chair (6:23 p.m.)
Councillor, A. Appleton
Councillor, C. Green
Councillor, T. Ney
Councillor E. Paterson
Councillor E.W. Zhelka (Acting Mayor/Chair until 6:23 p.m.)

REGRETS: Councillor, H. Braithwaite

STAFF: Chief Administrative Officer, L. Varela
Director of Corporate Services, W. Jones
Deputy Director of Corporate Services, D. Hopkins
Director of Financial Services, D. Carter
Deputy Director of Financial Services, D. Costin
Director of Building and Planning, B. Anderson
Manager of Planning, D. Jensen
Director of Engineering, D. Horan
Manager of Public Works, D. Brozuk
Fire Chief, D. Hughes

ESTIMATES COMMITTEE ITEMS:

1. ***Draft 2019-2023 Financial Plan***
 - Draft Financial Plan 2019-2023
 - Addenda - Report – 2019-2023 Financial Plan

The Director of Corporate Services gave a brief summary of the strategic planning and budget process to date, highlighting that staff followed Council's direction to include all proposed initiatives in the budget for consideration. Mr. Jones stated that all the included initiatives and proposals added to the budget represent an 8.4% taxation increase and that Council may decide to alter the proposals or remove them. He identified spending infrastructure as a top Council priority. Mr. Jones explained that the current budget proposal represents a potential \$23 per month increase in taxation per average household, noting that this figure depends upon property values. He reported that the primary cost drivers for this year's budget are contractual obligations and wages, infrastructure reserve spending, and pavement management representing 5.7%. Mr. Jones said that the large remainder of the increases to this budget represents spending on infrastructure to address the identified gaps between the costs of maintaining and replacing infrastructure and the amount of funds previously allocated. Mr. Jones asked Council to give staff direction regarding the preparation of the Financial Plan and Taxation Bylaws.

2. **April 10, 2019 Financial Plan (Estimates) Meeting**

- PowerPoint – April 10, 2019 Budget Estimates Committee Meeting Revised

The Deputy Director of Corporate Services provided an overview of the department's initiatives. Ms. Hopkins noted that the proposed Website Upgrade project was deferred to 2020 given the volume of projects and obligations currently being handled by the department. Ms. Hopkins stated that the proposed initiative represents a significant undertaking and deferral to 2020 will allow for the project to be handled more efficiently and effectively.

The Chief Administrative Officer addressed Council on behalf of the Human Resources Manager regarding the department's proposed Staff Training and Development initiative.

The Director of Financial Services presented a summary of the department's proposed initiatives. Ms. Carter identified that the proposed initiatives will assist the department in long-term financial sustainability, identify current and future sustainable resource requirements and allow the organization to achieve its strategic goals.

The Director of Building and Planning outlined the department's existing services and objectives and illustrated to Council the overlapping nature of the department's proposed initiatives.

The Director of Engineering and Public Works provided an operational and services overview followed by a summary of proposed initiatives. Mr. Horan identified the department's objectives of meeting daily operational service level targets, delivering 2019 Asset Management tasks and achieving sustainable service delivery.

Mayor Murdoch entered the meeting at 6:23 p.m. and assumed the Chair.

The Fire Chief gave a summary of the mission statement of the Oak Bay Fire Department and an overview of proposed initiatives.

The Director of Corporate Services said that the upcoming April 17 Financial Plan (Estimates) meeting will allow for discussion of grant applications as well any request for additional information from tonight's meeting. In response to questions from Committee members he indicated that a large majority of municipalities have grants and they are generally administered in the same way, although the overall amounts vary.

Committee members discussed the departmental proposals and asked questions of staff.

The Director of Financial Services said that the Long Term Financial Sustainability Plan is an important tool to incorporate master plans, the economy and other variables that impact financial planning. Ms. Carter commented that it would be updated annually and would be used to identify risk. The Director of Engineering Services added that the Long Term Financial Plan is part of the Asset Management Program and is an important tool that would facilitate more informed decision-making regarding what's affordable and when for the next 20 years. The Director of Financial Services stated that this is a critical tool that will underpin many other aspects of the District's operations.

The CAO acknowledged the in-stream nature of the strategic planning and budget processes. Ms. Varela noted that Council and staff have been working together to

change and enhance the budget process and it is an ongoing process that will not be completed in 2019. Ms. Varela said the Long-Term Financial Planning Framework is being designed based on what expectations are and to help provide clarity on determining what that next budget process will look like. Ms. Varela stated that it is intended to encourage high level direction from Council so staff can produce a product that will meet Council's expectations and is the subject of the next agenda item.

Mayor Murdoch invited input from the public.

G. Ross, Oak Bay resident, stated that most of Council were elected on the platform of public engagement and encouraged Council to consult with the public. Mr. Ross expressed his disappointment with the small size of the advertisement of the Budget (Estimates) Meeting in the Oak Bay News.

J. Richardson, Oak Bay, asked how deferred taxes are reported in the financial plan and what amount of deferred taxes the municipality has accumulated. She enquired whether the Police Department has a high speed interceptor car in their fleet. Ms. Richardson expressed her concern about waiting three years for a housing pan in Oak Bay and encouraged work on the Tree Bylaw and Development Cost Charges to generate revenues instead of spending money on consultants.

Mayor Murdoch commented that tax deferral is a program whereby the Province pays the deferred taxes to the municipality. He noted that a high proportion of property owners in the municipality access this program. The Mayor said that the Oak Bay Police do not have a high speed interceptor car, and that all vehicles are police certified with a shift in recent years towards SUVs. Mayor Murdoch noted that proposed changes to the Tree Protection Bylaw and to Development Cost Charges are coming forward in 2019 and the co-terminating Secondary Suites Study and Housing Needs Report will function as a housing strategy framework at the end of this year.

The CAO commented that the projects undertaken by the Building and Planning Department stem from the strategic planning process which is a mandate that is directed to staff by Council.

B. Wallace, Oak Bay resident, expressed his concern that the municipal yard seems to be in disrepair. Mr. Wallace suggested that a fee be implemented to assist with the costs of maintenance. He supported the staff training and Council training proposals as presented. Mr. Wallace expressed his appreciation for the process to date and applauded the cooperative integration between Council and staff.

The Director of Corporate Services provided a summary of information requested by Council to be brought forward to the next Financial Plan (Estimates) meeting to be held April 17, 2019.

MOVED and Seconded: That staff be directed to bring a report to the April 17, 2019 Financial Plan (Estimates) meeting regarding the Microsoft 365 Update, the WiFi Upgrade; the Playground Master Plan funding; and the LED Streetlight Project funding.

CARRIED

3. **Long-Term Financial Planning**
- Report – Long-Term Financial Planning Framework

MOVED and Seconded: That the Long-Term Financial Planning Framework be referred to the Budget (Estimates) Committee Meeting on April 17, 2019.

CARRIED

ADJOURNMENT:

4. **Motion to adjourn**

MOVED and seconded: That the meeting be adjourned.

CARRIED

The meeting adjourned at 8:39 p.m.

Certified Correct:

Chair

Deputy Director of Corporate Services