

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 17, 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
Councillor, A. Appleton
Councillor C. Green
Councillor T. Ney
Councillor E. Paterson
Councillor E.W. Zhelka (6:15 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
Director of Parks, Recreation & Culture, R. Herman
Chief Constable, A. Brinton
Fire Chief, D. Hughes
Recording Secretary, V. McKean

Mayor Murdoch called the meeting to order at 6:01 p.m. and explained the order of events for the evening and advised that decisions on grant funding awards would be made at the next Council meeting.

REFERRALS - GRANT APPLICATIONS:

1. **Grant Funding**
 - Addenda - Report – 2019 Grant Requests

The Mayor invited organizations requesting grants to speak briefly to their applications and respond to questions from Committee members.

Applicant	2019 Funds Requested
City of Victoria	\$2,000
Community Association of Oak Bay	\$2,000
Friends of Uplands Park	\$2,500
Greater Victoria Bike to Work Society	\$2,500
Green Teams of Canada	\$8,000
Jeux de la Francophonie Canadienne	\$20,000
Maritime Museum	\$6,500

Applicant	2019 Funds Requested
North Oak Bay Community Association	\$1,000
Oak Bay Figure Skating Club	\$6,500
Oak Bay Heritage Foundation	\$5,000
Oak Bay Lawn Bowling Club	\$4,700
Oak Bay Sea Rescue	\$6,150
Vancouver Island South Film & Media Commission	\$10,000
Victoria Sexual Assault Centre	\$10,000
Victoria Women's Transition House Society	\$2,000
*Halloween Kiwanis	\$500
*Oak Bay High School Scholarship	\$1,500
*Chinese Consolidated Benevolent Fund	\$3,000
*Oak Bay United Church	\$3,500
*South Island Prosperity Project	\$44,331
*Integrated Recreation	\$7,065
Total Funds:	\$148,246

* Perpetual grant funding

ESTIMATES COMMITTEE ITEMS

2. **Long-Term Financial Planning**

- Memorandum – Long-Term Financial Planning Framework
- Addenda – Correspondence – Long-Term Financial Planning

The Chief Administrative Officer gave an overview of the Long-Term Financial Planning Framework and noted that this represents the first step towards a fulsome, long-term Financial Planning framework. Ms. Varela requested direction from Council for staff to develop an enhanced framework for future consideration by Council based upon the proposal presented.

In response to questions from Council, the CAO, stated that the purpose of the framework is to cooperatively establish metrics for measuring performance and identifying risk.

MOVED and seconded: That Council direct staff to collaboratively develop an enhanced framework for a long-term Financial Plan for the District of Oak Bay, based on the proposed draft layout contained in this staff report, for future Council consideration.

CARRIED

3. **Federal Budget**

The Director of Financial Services provided a verbal update on the 2019 Federal Budget and noted that the budget includes several measures to help municipalities in areas such as: housing affordability, tools to help transition to a green economy, and workforce skills training. Ms. Carter identified that the District of Oak Bay achieved carbon neutrality in 2016 and highlighted the 142 electric vehicle charging stations throughout the CRD. Ms. Carter noted that strengthening relations with First Nations communities and moving towards reconciliation was mentioned as a priority in the

Federal Budget. She highlighted the allocation of \$9.1 million towards an Indigenous Legal Lodge at the University of Victoria, noting it is the first of its kind. Ms. Carter identified that \$2.2 billion has been allocated through the Federal Gas Tax Fund in the for short-term infrastructure priorities and said that the District will examine how this will apply to Oak Bay. She added that Gas Tax funds can be used for projects such as infrastructure upgrades including road rehabilitation, transit, community energy systems, and sport and recreation among other uses.

4. **Budget Update**

- Report - 2019-2023 Financial Plan (Dated April 16, 2019)

The Director of Corporate Services gave an overview of the budget process to date and provided additional information and updated staff recommendations on the four items as requested at the previous Financial Plan (Estimates) meeting held April 10, 2019. He noted that staff are recommending that the Microsoft 365 Update and Wi-Fi Upgrades be postponed until a broader IT Master Plan is initiated; the Playground Master Plan be included in the Parks, Recreation and Culture Department Master Plan in 2021 and that \$20,000 be allocated to support fundraising efforts, or make changes to a playground; and that \$50,444 be allocated from the Climate Action Reserve Funds for the LED Street Lights project. Mr. Jones also noted that staff are recommending that the level of grant funding be maintained with a discussion to follow on the allocation on funds. He stated that if the level of grant funding is maintained from 2018, staff can begin to prepare the Financial Plan and Taxation Bylaws.

The Director of Financial Services added that the Strategic Plan refresh can be done in-house so the requested \$10,000 is no longer required. She commented that staff recommend investment revenue increase by approximately \$100,000. Ms. Carter said staff are recommending that the Website Upgrade, Quail Room Floor Replacement and Network Switch Replacement items be deferred, and that the purchasing for the Network Switch Replacement would not occur until 2021.

The Director of Engineering Services responded to questions from Council regarding water supply redundancy, the availability of Gas Tax funding and the potential of a second water supply. He stated that the Water Master Plan report will provide relevant information and noted that the report is being drafted and decisions can be made once that report is received by Council.

The Director of Financial Services stated that \$103,000 is the approximate remainder of funding to allocate after perpetual grants have been calculated that amount to approximately \$100,000. Ms. Carter noted that these figures account for the \$10,000 of grant funding that have been placed in reserve for additional funding requests that may be received later in the year.

In response to questions from Council, the Director of Engineering Services said that collaboration with other municipalities on water redundancy would depend on the solution decided upon and noted that it is a long-term process.

The Mayor invited members of the public to address the Committee. No members of the public came forward.

MOVED and seconded: That the Microsoft 365 and WiFi Upgrades be cancelled and

that the District initiate an IT Master Plan in 2020.

CARRIED

It was requested that consideration be given for interested members of Council to have an opportunity to provide input to the IT Master Plan.

MOVED and seconded: That the Playground Master Plan be scheduled for 2021 as part of the Parks, Recreation & Culture Master Plan and that \$20,000 in the existing \$25,000 budget be allocated for playground improvements and/or seed funding for playground fundraising initiatives.

CARRIED

MOVED and seconded: That \$50,444 of the LED Streetlight Project be funded from the Climate Action Reserve.

CARRIED

MOVED and seconded: That 2019 District grants be maintained at the same level as 2018 (\$211,475) with the remaining \$103,411 to be allocated at a later meeting flowing Council consideration of the requests.

CARRIED

MOVED and seconded: That the removal of \$10,000 for the Strategic Plan Refresh from the 2019 budget be approved.

CARRIED

MOVED and seconded: That the investment revenue be increased by \$100,000.

CARRIED

MOVED and seconded: That the Website Upgrade proposal be deferred and that \$30,000 be removed from the 2019 budget.

In response to questions from Council, the Director of Corporate Services said current communications would not be interrupted if the Website Upgrade was deferred and identified that there is \$6,000 available in the budget for maintenance upgrades. Mr. Jones confirmed that the IT Master Plan will address this item.

The question was then put.

CARRIED

MOVED and seconded: That the Quail Room Floor Replacement be deferred and \$17,000 be removed from the 2019 budget.

The Director of Parks, Recreation and Culture confirmed that no additional costs will arise from deferring the initiative and clarified that the current flooring does not pose a health or safety risk.

The question was then called.

CARRIED

MOVED and seconded: That the Network Switch Replacement be deferred and \$20,000 be removed from the 2019 budget.

The Director of Financial Services said that deferring this project will not put communications with the public at risk. She added that the funds would not be spent in 2019 but the result would be a request for additional funds in 2020. Ms. Carter confirmed that \$30,000 would be spent in each of 2020 and 2021.

The question was then called.

CARRIED

With Mayor Murdoch and Councillor Appleton opposed.

MOVED and Seconded: That the Human Resources adjustments included in the resolutions of the closed meeting held April 15, 2019 be included in the 2019-2023 Financial Plan.

CARRIED

ESTIMATES COMMITTEE APPENDIX ITEMS

5. **Draft 2019-2023 Financial Plan**

- Report – 2019-2023 Financial Plan
- Draft Financial Plan 2019-2023 (Revised)

The Mayor noted that this recommendation is for staff to complete the Financial Plan with the inclusion of the aforementioned changes as discussed in the previous agenda item.

MOVED and seconded: That Council provide direction to Staff for the completion of the District's 2019-2023 Financial Plan and Taxation Bylaws.

CARRIED

Mayor Murdoch asked members of Council for their initial thoughts surrounding the received grant applications. He reminded Council that a previously adopted Grant Policy has been distributed to Council and suggested that members refer to it for a framework for their decision-making.

Mayor Murdoch encouraged Council to consider that the role of grant funding is to support events that can benefit the community, rather than to consistently fund operational costs. He noted that a new process for funding allocations will be utilized where each Councillor will allocate their own proposed funding amount to each application and the average will be taken from those allocations for Council's consideration.

The Director of Financial Services said that funding for Integrated Recreation should be a standalone line item within the grant report as it is funded by Council each year, but was not deducted from the \$113,000 in funds to be allocated as grants. She said that should Council wish to support Integrated Recreation in 2019 it would reduce the total funds for grant disbursements to \$106,346.

Mayor Murdoch thanked staff for their efforts and noted the significant changes in the budgeting process.

The Director of Financial Services confirmed that \$10,000 will be held back so that Council has a discretionary fund for grant requests that may be received throughout the year.

ADJOURNMENT:

6. Motion to adjourn

MOVED and seconded: That the meeting be adjourned.

CARRIED

The meeting adjourned at 7:50 p.m.

Certified Correct:

Chair

Deputy Director of Corporate Services