

2012-326

**To:** Committee of the Whole, Finance Section  
**From:** Municipal Treasurer  
**Date:** November 9, 2012  
**Re:** Commentary on the Monthly Statement of Revenues and Expenditures

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This memorandum ties into the numbers on the Statement of Revenues and Expenditures, with explanations for variances that are +/- 5% beyond what might be expected.

## REVENUES

### (1) Taxes and Services Provided to Other Governments

The property taxes were due July 3. While the tax notices include the solid waste charge, the unpaid taxes have not been prorated between the Taxes and the Solid Waste Charge lines. Instead, they have all been deducted off the taxes billed. The fee for services to other governments was received in July when the first school tax payment was remitted to the Province.

### (2) Grants in Lieu of Taxes

These grants are received at various times of the year, which are usually expected at: Federal Government – late August; University of Victoria – October; Hydro – tax due date. The Federal grant is budgeted on the low side since the government determines the fair value of its land, and calculates the grant using this figure.

(3) Licenses and Permits      YTD: \$571,207      Budget: \$547,900      104.25%

This is high because the dog and business licenses are paid at the beginning of the year, and the building permit revenue does not come in at a steady rate. At August 31 the licenses and permits are as follows:

	Year to Date	Budget	% Collected
Dog licenses	\$60,419	\$55,000	109.85%
Business licenses	\$85,752	\$84,000	102.09%
Building permits	<u>\$374,103</u>	<u>\$360,000</u>	103.92%
	<u>\$520,274</u>	<u>\$499,000</u>	104.26%

(4) Rentals      YTD: \$265,436      Budget: \$295,000      89.98%

In keeping with previous months, Oak Bay Marina paid next month's rent at the end of this month, and has also paid its annual portion of the rent relating to the foreshore lease (\$74,487).

(5) Returns on Investment YTD: \$138,839 Budget: \$142,000 97.77%

With the low rates of return over the last few years, we budget conservatively in this account. During September we received a dividend of \$16,800 from the Municipal Insurance Association, representing a portion of its 2011 surplus.

(6) Penalties and Interest on Taxes YTD: \$120,461 Budget: \$115,500 104.30%

Penalties are added once per year, the day after the tax due date (July 4). This year the penalties totaled \$110,475 (budget is \$100,000). Interest is paid as taxes in arrear and delinquent are paid, with the outstanding interest at the end of the year being added each December 31.

(7) Transfers from Reserve Funds YTD: \$0 Budget: \$2,895,188

Transfers from our own reserve funds are made at the end of the year. This is done for two reasons: most of the transfers fund particular projects and if monthly transfers were to be made it would involve a great deal of additional accounting work without any real benefit, and, for those funds which are in statutory reserves, keeping the money in the reserves until the year-end means that the reserves earn interest on that money.

(8) Miscellaneous Other Revenues YTD: \$96,251 Budget: \$485,606 19.82%

82% of the budget is made up of internal transfers (\$300,000) and donations/grants from non-government organizations (\$68,000). The internal transfers take place at the end of the year, and show up as an expense of the same amount in "Transfer to own Reserves and Utilities" line under expenditures. The grants will be received later in the year, once the related capital projects have been completed.

(9) Conditional Transfer from Federal Government YTD: \$2,500 Budget: \$740,500 0.34%

Most of this is for the capital grant for Bowker Creek remediation (\$738,000), which has not been received.

(10) Transfers from Provincial Government YTD: \$835,074 Budget: \$865,806 96.45%

During May we received the capital grant of \$373,718 for the expansion of Henderson Centre. In June we received the second payments of the Small Communities and Traffic Fine Revenue Sharing Grants (total \$430,200).

(11) Conditional Transfers from Other Local Governments

YTD: \$74 Budget: \$10,300 0.72%

Almost all of this budget is the \$10,000 which is recorded at the end of the year for the fee paid to Oak Bay for collecting the money related to the CREST program; this is in turn paid back to the CRD who does all the accounting work for this.

EXPENDITURES

(12) Other General Government YTD: \$384,388 Budget: \$1,077,589 35.67%

Included in this category is the \$500,000 grant to the School Board which has not yet been paid. Without this, the costs to date would be at 66.55% of budget. The property insurance premium for October – December will be paid in November.

(13) Emergency Preparedness YTD: \$45,222 Budget: \$93,342 48.45%

Approximately half of the \$11,000 budget for EOC training of staff and Council members has been spent. \$6,000 will be transferred at the end of the year towards the cost of developing a business plan for the municipality, and another \$5,000 which will be reserved to eventually replace the emergency response vehicle. To date, nothing has been spent on secretarial services, for which there is a budget of \$8,165.

(14) Common Services (Engineering) YTD: \$854,345 Budget: \$1,159,191 73.70%

Various small pieces of equipment and software have not been replaced yet.

(15) Roads, Sidewalks, Transportation YTD: \$1,181,037 Budget: \$1,647,028 71.71%

This category covers a number of different areas, all relating to roads and transportation. The following is a breakdown of the major ones:

	YTD	Budget	
Road & sidewalk maintenance	\$557,984	\$653,084	85.44%
Storm drain maintenance	\$221,823	\$301,912	73.47%
Street cleaning, leaf pickup, snow clearing	\$215,281	\$385,153	55.89%
Street lighting	\$186,691	\$261,979	71.26%

At the end of October \$51,839 of the \$200,744 leaf clearing budget has been used.

(16) Garbage Collection & Disposal YTD: \$733,653 Budget: \$971,922 75.48%

The tipping fees for October have not yet been paid.

(17) Other Recreational & Cultural Services YTD: \$64,389 Budget: \$96,289 66.87%

Included in this category are the Heritage Commission and the Archives, both of which are very underbudget. Oak Bay has recently entered into a contract for a review of the Archives, and this will bring the actual costs in line with the budget. The Heritage Commission’s budget includes \$17,500 for a consultant to work on a community heritage strategic plan. In both cases the first payment for consultant work was made in October.

(18) Debt Charges YTD: \$506,064 Budget: \$548,690 92.23%

Included in this line is the principle repayment of \$142,600 on the recreation centre long term debt, which is paid once per year, in September.

(19) Transfer to Own Reserves & Utilities YTD: \$1,502,788 Budget:\$2,425,558 61.96%

A monthly transfer is made to the Sewer Fund. During July a number of the one time transfers to the Capital Works Replacement Reserve Fund were made, but the largest ones will be carried out at year end.

(20) Transfer to Library, Social Grants YTD: \$916,831 Budget: \$916,761 100.01%

Under the terms of the Library agreement, we have to pay the library two months in advance. Therefore the amount paid by the end of October was for December. In July the social grants were paid to the organizations.

(21) Capital Expenditures YTD: \$1,531,153 Budget: \$3,884,094 39.42%

Until the budget was adopted in mid-May, only capital projects that had received early approval from Council or those that were carried over from 2011 could proceed. Please see the Capital Projects Financial Report for more details of what is included in these figures.

(22) Transmit Taxes to Others YTD: \$15,542,483 Budget: \$15,717,308 98.89%

These are the taxes collected on the Oak Bay property tax notices and subsequently remitted to various organizations. In most cases the remittances must be made by the beginning of August. School taxes and Transit taxes are paid as they are collected.

(23) Miscellaneous Other Services YTD: \$167,255 Budget: \$358,373 46.67%

The budget contains money for contingencies, property tax adjustments, certain grants, tea party costs and retirement payments. The major costs that have been incurred to October 31 include decorations (hanging baskets), the Oak Bay tea party and Oak Bay Volunteers grants, costs related to the tea party and retirement payments.

WATER UTILITY FUND

(24) Internal Revenues                      YTD: \$0              Budget: \$464,631

These internal revenues come from our own reserve funds. Please see the explanation above regarding "Transfers from Reserve Funds".

SEWER UTILITY FUND

(25) Internal Revenues                      YTD: \$1,060,290              Budget: \$1,611,170              65.81%

\$1,272,352 of the budget is the transfer of revenue from the General Fund to the Sewer Fund and the year to date figure represents eight months of these transfers. The remaining \$338,818 is made up of various transfers from reserves to finance specific projects, and these transfers will not take place until the end of the year.

(26) Grants                      YTD: \$266,771                      Budget: \$531,324                      50.21%

The gas tax revenue transfer is given to us in two payments. We received the first one in July, and expect the second one in December.

(27) Sewer Supply & Operation              YTD: \$1,569,913              Budget: \$2,801,113              56.05%

Included in the budget figure is \$901,324 for transfers to the Capital Works Replacement fund. This transfer is done at year end. If this is not included, the year to date costs represent 82.64% of the budget.



Patricia Walker  
Municipal Treasurer

**To:** Committee of the Whole, Finance Section  
**From:** Municipal Treasurer  
**Date:** November 15, 2012  
**Re:** 2013 Water and Sewer User Charges

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Attached are the 2013 budgets for the Water and Sewer Funds. Bylaws amending the user charges for both these Funds will be presented at the November 26 Council meeting for consideration and first three readings. The bylaws will be prepared using the methods to fund the two utilities that were approved in 2011. Each utility has different funding formulas in place, which are described in this memo along with the proposed changes in the rates for 2013.

In 2010 and 2011 we experienced a significant reduction in water usage. This reversed somewhat in 2012, but continues to be an issue when trying to forecast rates. In developing the rates shown below, the water quantities used are the average of only the last three years since the years prior to 2010 were so much higher and would therefore skew the calculations.

**WATER**

The Water Fund has been self-sustaining for many years. There is a flat, daily charge and a consumption charge. The philosophy behind the daily charge is that the infrastructure has to be maintained whether or not water is used, and this allows us to do so, regardless of the amount of water consumed. In 2004 Council directed that 35% of the net costs of the Water Fund should be recovered through the flat charge.

Using this formula, the rates will change as follows:

	2011	2012	Change
Daily charge	43.12 cents	43.12cents	0.0%
Consumption charge	\$1.961	\$2.167	10.5%

Last year we had an overall increase of 0.05%. This year the increase is only in the consumption charge, which has been done to maintain the 35/65 split between the fixed and variable charges. The wholesale cost of water from the CRD is proposed to increase by 3.32%, though this will not receive final approval from the CRD Board until December 12. This, combined with the reduced water usage and fixed costs has resulted in the increase.

## SEWER

Until 2006 the Sewer Fund costs were covered completely by property taxes. A significant portion of the costs in this fund are the CRD sewer costs, and again, until recently these were raised through the CRD requisition on the Oak Bay property tax notice.

Starting in 2006, Council directed that 70% of the municipal costs in the Sewer Fund were to be collected through a user charge, based on the quantity of water used by a property. The remaining 30% continues to be raised through taxes, fulfilling the same function as the fixed, daily charge for the Water Fund rates.

At the same time, Council decided that 70% of any “new” Oak Bay regional sewer debt should be funded through a user charge, with the rest of the CRD requisition continuing to be collected on the property tax notice. This “new” debt covers the following projects: the North East Trunk, East Coast Interceptor, integrated treatment facility work, and the Humber and Rutland pump stations.

At the beginning of 2011 Council directed that starting that year this percentage should be increased by 10% each year, which means that 100% of the post-2006 CRD debt costs will be covered through the utility charges this year. For 2013 we expect to be paying the CRD a total of \$1,240,564<sup>1</sup> for our share of the regional sewer costs, with \$406,000 (2012 - \$341,205) of that coming from a user charge, and the remaining costs being covered by the CRD taxes.

	2012	2013	Change
Municipal	\$1.0189	\$1.2227	20.00%
CRD Debt	76.53 cents	97.96 cents	28.00%

In most cases the sewer user rates are applied to 60% of consumed water. This is done to reflect that not all water is used within a house, and therefore it does not all go through the sewers.

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<sup>1</sup> The \$1,240,564 amount comprises (1) “new” debt charges; (2) pre-2007 debt charges; and (3) operating costs.

## EFFECT ON AN AVERAGE HOUSE

Using an average consumption of 129 units of water per year, the change in costs with the above described rates and methodology is:

	2012	2013	Change	
			\$	%
Fixed water charge	\$157.39	\$157.39	-	-
Water consumption	<u>\$252.97</u>	<u>\$279.53</u>	<u>\$ 26.56</u>	<u>10.50%</u>
Total Water	<u>\$410.36</u>	<u>\$436.92</u>	<u>\$ 25.56</u>	<u>6.23%</u>
Municipal sewer	\$ 78.86	\$ 94.64	\$ 15.77	20.00%
CRD debt	\$ 59.23	\$ 75.82	\$ 16.59	28.00%
<b>Total</b>	<b>\$548.45</b>	<b>\$607.38</b>	<b>\$58.93</b>	<b>10.74%</b>

It should be noted that while the percentage increase figures are higher than usual, the actual dollar increase is just under \$5 per month. The increases are mainly attributable to continuing lower than expected water usage, the change from 90% to 100% of the CRD debt being covered by usage charges and the funding of a sewer lining project.

## CONCLUSION

The Director of Engineering Services and I will be available at the meeting to answer any questions that the Committee has about the Sewer and Water budgets for 2013. If the Committee is satisfied with the budgets and methods used to calculate the user charges, receipt of this report and the instruction to staff to prepare the amendments to the relevant bylaws would be appropriate.



Patricia Walker  
Municipal Treasurer



2012-329

**TO:** Committee of the Whole  
**FROM:** Director of Building and Planning  
**SUBJECT:** 2280 Estevan Avenue  
Lot 21, Section 61, Victoria District, Plan 5527  
**ZONE:** Rezoning to a Two Family Residential

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**DATE:** November 15, 2012

### **Background**

At the Committee of the Whole meeting on September 17, 2012 the committee directed staff to draft an amendment to the Zoning Bylaw to add a duplex zone after considering the request for a spot zoning to the above property to accommodate construction of a two family dwelling.

### **Discussion**

The Committee felt that further consideration of the requested rezoning was supportable based on the “special circumstances” of the subject lot; in particular, the fact that the lot is situated on a corner, is adjacent to a village area, and is along a high traffic corridor with existing non-conforming duplexes on the street.

In consideration of the “special circumstances”, review of the existing zoning map identified approximately 45 other properties with the same characteristics. These other properties exist around the village areas on Central Avenue, Estevan Avenue, Oak Bay Avenue, Newport Avenue, Cadboro Bay Road and Foul Bay Road.

The last duplex zoning to be permitted in 1965 required 836 square meters (9000 square feet) of “Open Space” which was defined as “...the portions of a lot which are unoccupied and unobstructed by any structure from the ground upward.” This parameter resulted in low impact development and preservation of the single-family character in most neighborhoods as lot sizes tended to be around 1100 square meters (12000 square feet) in order to accommodate the duplex development.

Keeping this in mind, and the OCP concept of quiet, low-density residential neighborhoods, the attached duplex regulations have been drafted.

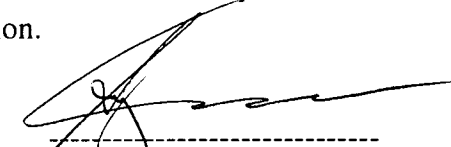
The three factors that need careful scrutiny in drafting duplex zoning regulations are minimum lot size, floor area ratio, and maximum lot coverage.

Given that the current OCP states that any duplex zone created should tightly control building density and massing, the Floor Area Ratio of .4 to 1 is considered appropriate. I would not recommend a change to this density factor for duplex zoning.

The draft duplex regulations have been prepared keeping the above three factors in mind along with the current OCP objective of maintaining a lower density character for Oak Bay. The proposal that is currently before Council would not meet the requirements as contained in the draft regulations.

**Recommendation**

That Committee receive this report for consideration and direction.



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Roy Thomassen , Director of  
Building and Planning

Note from Municipal Administrator:

I concur with the commentary by the Director of Building and Planning. Although staff is presenting a proposed draft for a new Duplex Zone, it is not our recommendation that this matter proceed at this time. Density and the mix of housing in the community is one of the fundamental issues to be addressed in the OCP review. In our opinion, it would be premature to proceed until the OCP review is completed.

2012-330

## Memorandum

<b>TO:</b>	Committee of the Whole	<b>DATE:</b> November 6, 2012
<b>FROM:</b>	Director of Building and Planning	
<b>SUBJECT:</b>	<b><u>Uplands Building Permit Application</u></b> <b>3295 Upper Terrace Rd</b> <b>Lot C, Section 31, Victoria Plan 3741</b>	

### **Background**

An application has been submitted to the Advisory Design Panel for the construction of an elevator to be added onto the existing house located at 3295 Upper Terrace Road.

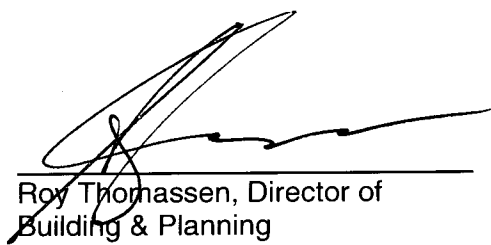
### **Discussion**

Attached for your information are:

- (a) The reports of the Advisory Design Panel meetings of November 6, 2012 and October 2, 2012 regarding the proposed work.
- (b) Reduced copies of the plans of the proposed work.
- (c) Memo dated September 26, 2012 from the Municipal Arborist regarding the trees on the subject property.

### **Recommendation**

THAT it be recommended to Council that the proposed plans for the construction of an elevator to be added onto the existing house located at 3295 Upper Terrace be approved as to siting and architectural design.



Roy Thomassen, Director of  
Building & Planning

2012- 331

## Memorandum

<b>TO:</b>	Committee of the Whole	<b>DATE:</b> November 6, 2012
<b>FROM:</b>	Director of Building and Planning	
<b>SUBJECT:</b>	<u>Uplands Park – Kiosk</u>	

### Background

The proposal is for the construction of an informational kiosk near the entrance of Uplands Park.

The Friends of Uplands Park applied for permission from Oak Bay Council to install a kiosk in Uplands Park. Committee of the Whole forwarded the application to the panel for design approval.


### Discussion

Attached for your information are:

- (a) The report of the Advisory Design Panel meeting of November 6, 2012 and regarding the proposed work.
- (b) Reduced copies of the plans of the proposed work.

### Recommendation

THAT it be recommended to Council that the proposal for the installation of one informational kiosk near the entrance of Uplands Park be approved in principle as to siting and architectural design.



Roy Thomassen, Director of  
Building & Planning

2012- 332

## Memorandum

**TO:** Committee of the Whole **DATE:** November 16, 2012  
**FROM:** Director of Building and Planning  
**SUBJECT:** Uplands Building Permit /Development Variance Application  
3125 Midland Road  
Lot 9, Block 13, Section 31, Victoria District, Plan 1216A

### Background

An Uplands building permit application has been made for removal of the attached pool addition with the pool remaining as an outdoor pool. The other renovations involve an addition to the rear of the building and restoring a roof and deck where the pool joined the main house. The existing siting of the building does not meet the required minimum side yard setback requirements; consequently a variance to the Zoning Bylaw is required to accommodate this proposal.

Attached for your information are:

- (a) The report of the Advisory Design Panel meetings of October 2, and November 6th, 2012 relating to the proposed addition and removal of the covered pool building at 3125 Midland Road.
- (b) Reduced copies of the plans of the proposed work.
- (b) Memo from Municipal Arborist dated September 26, 2012 regarding trees on the subject property.

### Discussion

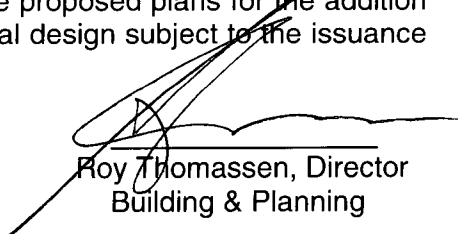
The applicant is requesting a Development Variance Permit granting relief from the following section(s) of the Zoning Bylaw:

<u>Zoning Bylaw Section</u>	<u>Required</u>	<u>Requested</u>	<u>Variance</u>
6.2.4.(2)(c) + schedule 'C' Minimum Interior Side Lot Line Setback	3.96m (13 ft)	3.44m (11.3 ft)	0.52 m (1.7 ft)
6.2.4. (2)(e) + Schedule 'C' Minimum Combined Side Lot Line Setback	9.75m (32 ft)	6.85m (22.5 ft)	2.9m (9.5 ft)

- Imperial measurements are approximate and for convenience only.

### Recommendation

THAT Committee of the Whole recommends to Council that the proposed plans for the addition at 3125 Midland Road be approved as to siting and architectural design subject to the issuance of a Development Variance Permit as described herein.

  
Roy Thomassen, Director  
Building & Planning