

# 2023 - 2027 Financial Plan



# Version Control

This page will detail changes between 2023 Financial Plan drafts as budget deliberations progress.



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## Our Oak Bay

We acknowledge that the land on which the District is located in the traditional territories 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.

The District is located on the southern tip of Vancouver Island in British Columbia, and the City of Victoria borders. The District of Oak Bay wishes to appropriately recognize the pre-incorporation history of the lands the District now occupies and seeks to develop such context in consultation with the Songhees and Esquimalt Nations.

Oak Bay's west boundary, and the District of Saanich lie to the north. Oak Bay is one of 13 member municipalities comprising the Capital Regional District.

The University of Victoria is partially located in the District, as is a small portion of Camosun College. Community landmarks include other public and independent schools, two golf courses, a marina, a yacht club, and a luxury boutique hotel.

Oak Bay is a beautiful seaside community with a population of approximately 18,000, defined by residential neighbourhoods, village centres with local businesses, historic character, a canopy of mature trees, accessible shorelines, and an abundance of green space.





# Financial Legislation, Policy, and Best Practices



# Financial Planning Legislation

Much of the District's financial planning process is guided by the Community Charters 165. *The Charter requires the District to adopt a Five-Year Financial Plan Bylaw before May 15 annually.*

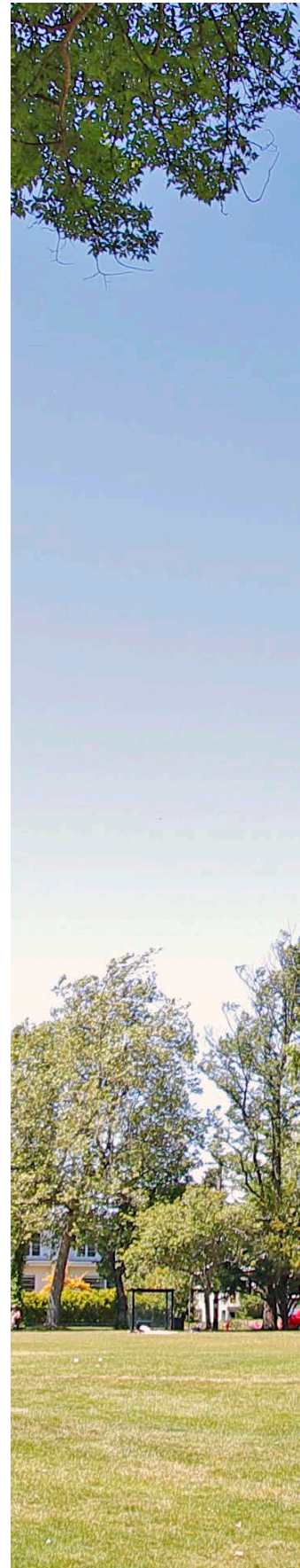
Such a Bylaw must:

1. Set out proposed expenditures, funding sources, and transfers between funds
2. Set policy and objectives related to identified funding sources, distribution of property taxes, and the use of permissive tax exemptions
3. Disclose amounts for specific expenditures such as debt interest, debt principal, and capital expenditures
4. Disclose amounts for specific funding sources such as property taxes, parcel taxes, and fees
5. Disclose the use of, and transfer to, specific reserves
6. Council may amend the Financial Plan at any point during the year but will only do so if authorized expenditure limits are likely to be exceeded

**Balanced budget:** Current revenues, including transfers from reserves, must be sufficient to support current expenditures, including transfers to reserves. Expenditures include those of a capital nature and debt principal.

Example Balanced Budget	
Revenues	\$1,000,000
Operating expenses	(\$900,000)
Accounting surplus	\$100,000
<b>Add:</b> Transfers from reserves	\$50,000
<b>Less:</b> Capital expenditures	(\$60,000)
<b>Less:</b> Debt principal payments	(\$10,000)
<b>Less:</b> Transfers to reserves	(\$80,000)
<b>Balanced budget:</b>	<b>\$-</b>

Notice that an accounting surplus differs significantly from a budgetary surplus. A balanced budget includes expenditures that are not considered expenses under Public Sector Accounting Standards such as capital expenditures and debt principal payments.

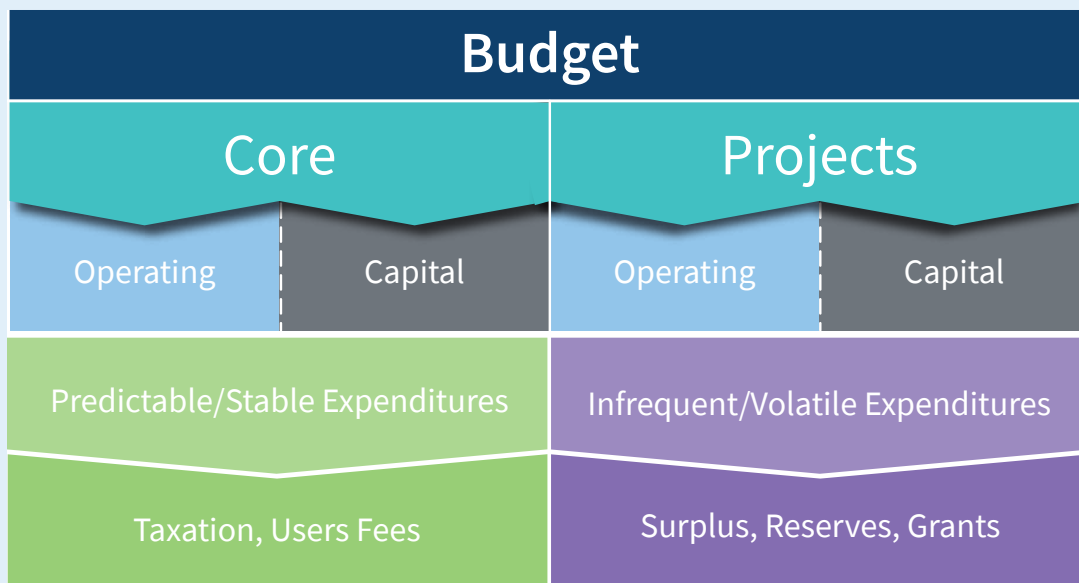


## Financial Planning Policy and Best Practice

The District endorses a budget approach that Staff use to carry out budget deliberations. At the November 12, 2019 Regular Meeting of Council, Council endorsed a budget approach with the following principals:

- 1. Service Level Approach:** Staff prepare the budget to deliver community services at the standard directed by Council and legislation. Staff do not increase nor decrease service levels unless directed by Council or external regulation. Staff endeavour to describe the financial impact of service-level decisions so that Council can be empowered to make decisions with all available information. Furthermore, Staff endeavour to fund and deliver services in the most cost-effective manner. Service delivery expectations will be further considered and refined by Council in 2023.
- 2. Alignment of Funding Sources:** Staff recommend aligning expenditure funding sources as follows:
  - **Predictable, stable, and ongoing expenditures** should be funded using predictable, stable revenues such as property taxes and user fees.
  - **Infrequent, volatile, or less predictable expenditures** should be funded using reserves or debt. This will help avoid steep tax increases for capital expenses or significant operating initiatives. Reserve balances should be maintained with annual budget transfers so funds are available for large, infrequent expenditures.

*Staff prepare the budget to deliver community services at the standard directed by Council and legislation*



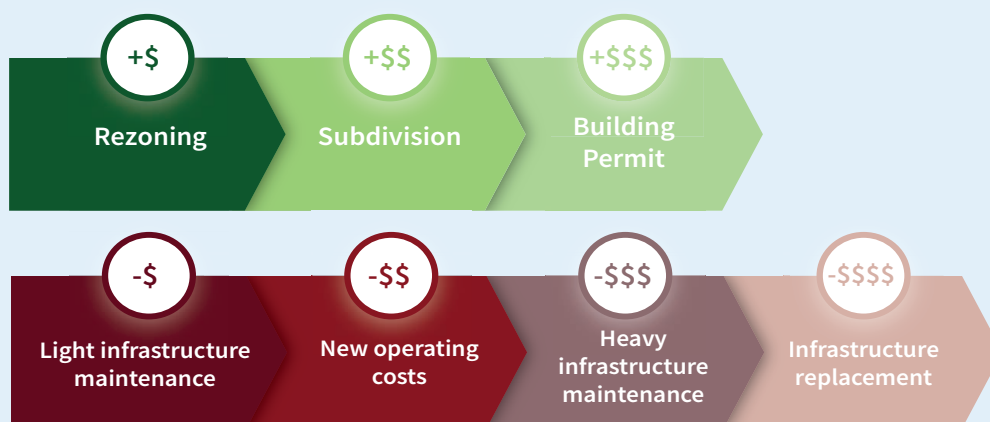
- 3. Carryover of Project Budget:** The Five-Year Financial Plan authorizes expenditures over the five years. Thus, on January 1, 2023, Staff are authorized to continue spending under the Financial Plan Bylaw 2022 - 2026, No. 4811. Projects that were underway in 2022 will continue, and projects authorized to commence in 2023 will begin. Operations are not necessarily paused while the District embarks on adopting a new Five-Year Financial Plan.



4. **Five-Year Expenditure Authorization:** Staff endeavour to prepare a Five-Year Financial Plan that is as accurate as possible and that reflects Council direction and service-level expectations. In this way, Staff work can continue while the Financial Plan is being refined in the first quarter of the year. The 2023 Financial Plan will outline general operations as well as specific initiatives planned for the entire five-year cycle. Council approval of the Financial Plan Bylaw will be considered endorsement and direction for the listed projects, initiatives, and operating expenditures that make up the rolled-up bylaw totals.
5. **Financial Plan Bylaw Transparency:** The Financial Plan Bylaw is summarized on a high level to maximize operational flexibility while retaining expenditure authorization. The published Financial Plan document will not form part of the Bylaw but will expand the Bylaw detail for transparency.



6. **Life-Cycle Costing:** Staff will integrate annual life-cycle costs into the Financial Plan when new capital expenditures are approved. Life-cycle costs include the additional operating costs to maintain the asset and as annualized asset replacement contributions.
7. **Revenue from New Development Taxation (NDT):** NDT revenue is derived from new buildings or newly subdivided lots and are considered taxation revenue from assessed values that did not exist in the previous year. As the District develops, so will the pressure on existing services and infrastructure required to serve new citizens. The District will use NDT revenue to fund the incremental costs of new development, including expanded operating expenses, as well as infrastructure maintenance and replacement. It is recommended that the District not use NDT revenue to reduce the tax burden for existing citizens, as this is unsustainable and will result in sharper future tax increases and intergenerational funding inequity.



# Financial Planning and Reporting Timeline

	Fin. Planning	Fin. Reporting
Jan	Jan 31: Grant in Aid Deadline	January
Feb	February: Budget deliberations	February
Mar	March 1: Final Police budget statutory deadline March 31: Regional District budget deadline	March: audit
Apr	April: 1st, 2nd, 3rd reading Financial Plan Bylaw	April
May	May 14: Statutory deadline, Financial Plan Bylaw	May 15: LGDE submissions due
Jun	June	June 30: Quarter 2 end June 30: SOFI, annual report deadline
Jul	July	July: Quarter 2 budget reports
Aug	August	August
Sep	September	Sept 30: Quarter 3 end
Oct	Oct 31: Permissive tax exemption bylaw deadline	Oct 30: Quarter 3 budget reports
Nov	Nov: Utility rate deliberations + Police Budget deliberations	Nov: pre-audit
Dec	Dec 15: Statutory Deadline, Library budget	December

Note that budget deliberations have been deferred from the regular February time frame to March due to Strategic Priority deliberations.

## Purchasing Bylaw/Policy

The authority to make purchasing decisions, and to bind the Corporation contractually rests with Council unless delegated by bylaw. The District's *"Delegated Authority of Administrative Functions Bylaw, 2004"* delegates this authority to specific staff within limits.

This bylaw was amended in 2019 to grant this authority to specific Managers and Directors, as well as the Chief Administrative Officer. The District's purchasing bylaw refers to a recently adopted (2019) Sustainable Procurement Policy, which sets purchasing limits and processes for Staff. Additionally, the policy outlines procedures for asset disposal and emergency expenditures. This policy complies with Municipal, Academic Institution, School, and Hospital (M.A.S.H) sector trade requirements and purchasing case law.

References: Bylaw No. 4239, *Delegated Authority of Administrative Functions Bylaw*; *Special Meeting of Council December 12, 2019*



## Reserve Fund Bylaw and Reserves and Surplus Policy

The *Community Charter* empowers Council to establish, by Bylaw, reserve funds. These reserve funds may not be spent except for the specified reserve fund purposes, as outlined by the Bylaw. Use of funds is authorized via the annual Financial Plan Bylaw. In early 2020, Council adopted the “*Reserve Funds Bylaw, 2020*” which consolidated the already established reserve funds, and repealed 10 historical reserve fund Bylaws in the process.

The eight reserve funds specified in this Bylaw include:

1. Machinery and Equipment
2. Fire Machinery and Equipment
3. Heritage
4. Land Sale
5. Park Acquisition
6. Capital Works
7. Alternative Transportation
8. Village Parking

*Reserve funds may not be spent except for the specified reserve fund purposes*

\*For more information on fund balances and purposes, please see the Capital Plan section of this Financial Plan.

The District adopted the *Reserves and Surplus Policy* in 2018. This Policy outlines general objectives of reserves and good reserve background information.

References: Bylaw No. 4747, *Reserve Funds Bylaw, 2020*; Regular meeting of Council January 27, 2020



## Investment Policy

In early 2020, the Council adopted the District's *Investment Policy, 2020*, wherein section 183 of the *Community Charter* lists the security types that the District may invest in.

These securities include:

1. Securities of the Municipal Finance Authority (MFA)
2. Pooled investment funds under Section 16 of the Municipal Finance Authority Act
3. Securities of Canada or of a province
4. Securities guaranteed for principal and interest by Canada or by a province
5. Securities of a municipality, regional district, or greater board
6. Investments guaranteed by a **Chartered bank**
7. Deposits in a savings institution or non-equity membership shares of a credit union

Prior to 2020, the District's Investment Policy had not been updated since 2004. The 2004 Policy restricted the District's investments to MFA pooled funds, chartered banks, or Canadian treasury bills.

The new Policy sets diversification limits and articulates investment objectives in the following order:

1. Preservation of capital
2. Liquidity
3. Return on investment

*References: Investment Policy, 2020; Regular meeting of Council January 13, 2020*

## Asset Management Policy

In 2018, Council adopted the District's *Asset Management Policy*. The Policy captures Council's direction regarding asset management practices and infrastructure renewal in the District, with the fundamental aim of an asset management approach focused on the development of a plan and execution of a framework that ensures sustainable service delivery. Some of the guiding principles found in the Policy include:

- Sustainable service delivery
- Sustainable service delivery may require innovative solutions but will leverage lessons learned in other communities.

*An additional key deliverable of the Asset Management Policy will be the creation and implementation of decision-making tools enabling Council to manage infrastructure risk as a core part of capital planning.*

## Expense Reimbursement Policy

At the Regular Council Meeting on October 26, 2020, the District adopted its new Travel and Expense Reimbursement Policy. This Policy governs reimbursement for staff travel and accommodation for work-related purposes. The Policy objective is to ensure travel is appropriately authorized, care has been exercised to minimize costs, and employees are fairly reimbursed for out-of-pocket expenses.



### Department Budget Transfer Policy

At the Regular Council Meeting on October 26, 2020, the District adopted its new Department Budget Transfer Policy. This Policy governs the use of authorized expenditures within department operating and capital budgets.

### Property Tax Exemption Policy

Section 165 of the Community Charter requires the District to set out the objectives and policies related to the use of permissive tax exemptions in its annual Financial Plan Bylaw.

The following is an excerpt from the Financial Plan Bylaw 2019, No. 4727:

*“The objective being to distribute tax burden fairly among properties receiving municipal services, Council makes very little use of its authority to grant permissive tax exemptions. The Policy to date has been to grant permissive exemptions only for land and improvements appurtenant to property already exempted by statute (e.g., churches), portions of municipal land leased or licensed to non-profit organizations providing a service complementary to municipal services, and, in one case, an institution of childhood learning not statutorily exempt.”*

### Grant in Aid Policy

In 2015, a Grant Policy working group was brought together to work on a policy to provide Council with guidance on the evaluation of grant in-aid applications. Council adopted the Policy in 2015. Some of the Policy’s features can be summarized as follows:

- Grants should align with the OCP and strategic priorities
- Grants should primarily benefit Oak Bay residents
- Grants should not subsidize services normally funded by other levels of government
- One-time grants are given preference over recurring
- Grants should not be provided to an individual

### Whistleblower Policy – Reporting, Investigation, and Protection

At the Regular Meeting of Council of February 10, 2020, Council adopted the District’s Whistleblower Policy. The purpose of the Policy is to facilitate the disclosure of wrongdoing that is contrary to the public interest. A Whistleblower Policy encourages a culture where wrongdoing can be addressed quickly and appropriately.

*A Whistleblower Policy encourages a culture where wrongdoing can be addressed quickly and appropriately*





# Organizational Profile



## Organization Chart

Full Time Equivalent Chart					
Department	2021 FTEs	2022 FTEs	2023 FTEs	Change	
Corporate Services	11.50	11.50	13.50	+2.0	Note 1 & 2
Financial Services	9.08	9.58	10.58	+1.0	Note 3 & 4
Police Department	25.00	25.00	25.00	-	
Fire Services	28.00	28.00	30.00	+2.0	Note 4
Building and Planning	8.10	9.10	11.80	+2.7	Note 4
Engineering and Public Works	46.25	46.25	46.25	-	Note 5
Parks, Recreation, and Culture	122.20	130.60	152.3	+21.7	Note 6
<b>Total</b>	<b>250.13</b>	<b>260.03</b>	<b>289.43</b>	<b>+29.4</b>	

1. +1.0 Deputy Director of Strategic Initiatives. The majority of this funding was approved in the 2022-2026 Financial Plan.
2. +1.0 Communications Specialist created primarily to support infrastructure renewal program increase approved by Council June 27, 2022. Infrastructure renewal funding was repurposed therefore there is no 2023 tax impact.
3. +1.0 FTE Accountant position to create Financial Reporting capacity to free up Asset Management Capacity in the department. Funded by repurposed infrastructure renewal funding.
4. +2.0 FTE Fire Suppression Subject to Council approval.
5. Departments may also fund staffing via cost-recovery and/or capital budgets. Such staffing is not reflected in this chart.
6. Majority of these new FTEs are funded by increased recreational programming revenue with the exception of the positions listed in the Parks, Recreation, and Culture Operating Budget Summary.

# Council Priorities and Other Initiatives

Council Priorities and other initiatives are one-time or infrequent operating projects that do not include capital projects. The initiatives below are a combination of Council-directed priority projects as well as staff recommended initiatives. Initiative progress is recorded and tracked in the Council Priorities Plan.

## Initiatives Funding

These projects are not integrated into the ongoing operating budget since taxes and user fees fund the operating budget. Integrating these projects into the operating budget would result in significant tax and user fee volatility. Instead, these projects receive funding through grants and any accumulated surpluses, with no impact to tax rates.

Using accumulated surplus to fund expenditures is not generally sustainable since the fund has a finite balance. Legislation prevents the District from budgeting transfers to the accumulated surplus fund, therefore Council exercises discretion when approving the use of accumulated surplus funds.

Staff propose these projects be funded as proposed in the chart on page 18. However, actual completion of these projects—and the related expenditures—will likely carry forward to future years.

*Council exercises discretion when approving the use of accumulated surplus funds*





## Council Priority Projects and Other Operating Projects

Council priority projects are one-time or infrequent projects not funded by core operating budgets.

Integrating Council priority projects into the operating budget would result in significant tax and user fee volatility. So, instead, these projects are funded by grants and accumulated surpluses, with no impact to tax rates. If there are no surpluses, funding priority projects would increase tax rates.

The District's annual budget cycle provides Council with the ability to either confirm or adjust priorities. Council's 2022-2026 priority themes were identified in late 2022, following the municipal election. Priority themes are as follows:



**Housing:** Enable creation of more diverse and affordable housing that is responsive to current and future community/regional needs and climate change imperatives



**Livability:** Invest in infrastructure, facilities, natural assets and services to preserve or improve long term financial sustainability and community value/livability



**Transportation:** Advance low and no carbon, accessible, and active transportation mobility infrastructure and services



**Climate Change and Environment:** Proactively mitigate and adapt to climate change to preserve and enhance the environment



**Diversity and Inclusion:** Cultivate diversity and inclusion and ensure a sense of community belonging and safety for people of all identities, ages, and backgrounds



**Truth and Reconciliation:** Advance Truth and Reconciliation with Indigenous peoples based on respect and desire for shared prosperity

Each year, Council decides which projects to fund to advance priority themes. Council's decisions are then reflected in the Five-Year Financial Plan. Funded projects are listed in the Council Priorities Plan and progress is reported bi-annually. Both the Council Priorities Plan and bi-annual progress reports are provided on the District's website.



Please see Appendix A for Operating Project descriptions.

One-Time/Infrequent Operating Projects	2023	2024	2025	2026	2027
Storm Sewer Master Plan	225,900	-	-	-	-
Natural Assets & Green Infrastructure Scoping (new)	50,000	-	-	-	-
Sidewalk Patio Regulation Review	50,000	-	-	-	-
Emergency Plan (carry-over)	-	-	-	-	-
FOIPPA Training (carry-over)	10,000	-	-	-	-
Human Resource Plan Implementation (carry-over)	62,600	-	20,000	-	-
Records Management	63,000	-	-	-	-
Network Security Audit (carry-over)	-	35,000	-	40,000	-
Parking Enforcement Services Review (carry-over)	7,000	-	-	-	-
Occupational Disability Claims Management (new)	100,000	100,000	-	-	-
Marina Lease Negotiation (carry-over)	131,000	-	-	-	-
Deer Management Study (new)	76,000	-	-	-	-
Parks, Recreation & Culture Master Plan	-	159,100	-	-	-
Animal Control Bylaw/Dog Off-leash Policy	50,000	20,000	-	-	-
Urban Forest Management - Garry Oak Inventory (carry-over)	25,000	-	-	-	-
CCAWG Recommendation - Coolkit Program (carry-over)	65,100	-	-	-	-
CCAWG - GHG Reduction Retrofit Program (carry-over)	20,000	-	-	-	-
Council Priorities Projects	900,000	350,000	300,000	-	-
<b>Total Special Initiatives</b>	<b>\$ 1,835,600</b>	<b>\$ 664,100</b>	<b>\$ 320,000</b>	<b>\$ 40,000</b>	<b>\$ -</b>



# Consolidated Financial Plan – 2021 Executive Summary

The proposed 2023-2027 Financial Plan is summarized as follows:

	2022 Budget	2023 Budget	\$ Increase	% Increase
Operating Revenues	\$52.1M	\$63.4	+\$11.3M	+21.9%
Operating Expenses	(\$44.8)M	(\$49.0)	-\$4.2M	+9.4%
Transfers from Reserves	\$20.5M	\$30.4	+\$9.9M	+48.1%
Capital Expenditures	(\$18.9)M	(\$34.1)	-\$15.2M	+80.4%
Debt Principal	(\$0.1)M	(\$0.1)	-	-
Transfers to Reserves	(\$8.8)M	(\$10.6)	-\$1.8M	+21.4%
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

Discussion of budgetary trends:

**Revenues:** Revenues are budgeted to increase by \$11.3M or 21.9%. This is largely due to a combination of factors:

- Grants (Capital) are planned to increase by \$5.7M. Last year the District had applied to the Investing in Canada Infrastructure grant Program in support of the Uplands Sewer Separation project. This application is under consideration. This project and others are grant contingent.
- Property taxes are budgeted to increase by \$3.5M or 11.6%. Please see a breakdown of this increase below.
- Parks, Recreation, and Culture (PRC) revenues are forecasted to rise by \$1.0M. The PRC financial performance is discussed on page 68 of this Plan.
- Investment Income is budgeted to increase by \$639,000 (or 96.55%). The primary driver of this increase is a significant increase in market yields since early 2022. The District expects to utilize a significant portion of its reserves over the life of this Financial Plan, thereby reducing investment returns.

*Property taxes are  
budgeted to increase by  
\$3.5M or 11.6%*

**Expenses:** Expenses are budgeted to increase by \$4.2M (9.4%). Much of this increase (\$1.2M) is the result of a rise in PRC's operating department expenditures which are offset by more than a \$1.0M increase in PRC revenues. Forced growth has been estimated to be approximately 6.8%.

**Capital Expenditures:** Budgeted capital expenditures have increased by approximately \$15.2M (80.4%). Inclusion of the Uplands Sewer Separation project accounts for \$8.8M. Furthermore, on June 27, 2022, Council authorized a significant expansion to the District's core infrastructure renewal programs: Pavement, Sanitary Sewer, Drainage, and Water. Lastly, the District's Facility Capital Budget has been created and funded to carry out projects found in the Facilities Master Plan and other general capital renewal projects.

**Reserve transfers:** The District is rapidly increasing its utility and tax funded transfers reserve to support forthcoming capital expenditures. The District's recently published draft Sustainable Infrastructure Replacement Plan (SIR Plan) estimates that \$12.8M is the annual sustainable transfer. The 2023 Financial Plan increases the annual transfer to \$10.8M which is 70% of the recommended \$12.8M. Note that replacement costs are likely to have significantly increased since the preparation of the SIR Plan. Staff have estimated that the annualized cost of infrastructure replacement (sustainable transfer) may exceed \$15M by 2027.

**Overall, the Financial Plan results in a 11.6% tax increase, (or \$395 to the median residential property) for 2023:**

Reason for tax increase	\$ Amount	Tax Increase %	\$ Increase to Median Residential Property
Forced growth	\$2,093,700	6.93%	\$235
Infrastructure (transfer to reserve funding)	\$603,000	2.00%	\$68
New staffing to support sustainable service delivery	\$816,800	2.71%	\$92
<b>Total</b>	<b>\$3,513,500</b>	<b>11.64%</b>	<b>\$395</b>

**Forced growth is discussed in the subsequent section below:**

New staff funding is subject to Council approval. The senior leadership team is recommending the following priority order for staff funding consideration:

Position	Total Cost	Tax % Increase	Tax \$ Increase per Median Residential Property	Comment
Deputy Director of Strategic Initiatives	\$170,100	0.56%	\$19	Majority of Funding previously approved in the 2022-2026 Financial Plan
+1.0 FTE Facilities Maintenance Person	\$95,000	0.31%	\$11	
+2.0 Fire Suppression Staff	\$287,500	0.96%	\$33	See Fire Master Plan Committee of the Whole January 16, 2023
+2.7 Planning Staff	\$224,200	0.75%	\$25	See Workforce Plan February 6, 2023
+0.5 FTE Parks Clerk	\$40,000	0.13%	\$4	Maintain Urban Forest Management Strategy Objectives; figure includes additional revenue forecasted.
<b>TOTAL:</b>	<b>\$816,800</b>	<b>2.71%</b>	<b>\$92</b>	



# Principal Issues, Economic Factors, and Short-Term Risks to the 2023 - 2027 Financial Plan

This 2023 – 2027 Financial Plan has been prepared by combining known economic conditions with existing Council direction. Note that the Financial Plan authorized overall organizational spending authority for Council envisioned service levels. The Financial Plan is not a spending forecast as authorized spending often exceeds actual spending. *The leadership team have identified several risks that may impact future financial results:*

## 1. Infrastructure replacement

The District's recently published draft SIR Plan estimates that approximately \$297M (2021 dollars) worth of the District's assets are past their recommended useful life. The Plan recommends accelerated capital replacement output by three-five times per year, estimated to be an additional \$30-60M over the life of this Financial Plan. Council approved accelerated capital output on June 27, 2022 to help address the backlog of infrastructure replacement.

A significant increase in capital output is authorized in the draft 2023-2027 Financial Plan. Although reserve contributions continue to escalate at a fast pace, overall reserve balances are forecasted to drop significantly due to increased capital output. See page 82 for the reserve forecast section.

*Council approved accelerated capital output on June 27, 2022 to help address the backlog of infrastructure replacement*

## 2. COVID-19

The pandemic had a significant impact on the District's PRC revenue due to ongoing Government regulations that restricted capacity and reduced overall demand. PRC revenues are rebounding but still fall short of pre-pandemic levels. The 2023 Financial Plan's net PRC budget (revenues less expenditures) falls short of the pre-pandemic budget by approximately \$1.4M (adjusted for inflation). This shortfall is currently being offset by use of the COVID-19 restart grant. As the pandemic is still ongoing, PRC revenue and expense forecasts may materially change the forecasts prepared to inform this Financial Plan.

## 3. Oak Bay Marina Lease Negotiation

On October of 2022, the District signed a five-year lease with a Lessee for the Oak Bay Marina. Lease terms provide the District and the Lessee with the ability to terminate the lease of the Restaurant and Coffee Shop with 30 days' notice. This presents the District with cash flow risk. The 2023-2027 has integrated reduced forecasted lease cash flows as result.

## 4. Workforce Labour Shortages

The District is currently experiencing the impacts of workforce labour shortages. It is estimated that District job posting volume increased by over 44% from 2021 to 2022 and by over 175% since 2020. Labour shortages have a negative impact on a Department's ability to deliver community services.

These workforce challenges currently reduce the District's ability to offer a greater volume of recreational programming. This has had a negative impact on the District's ability to recover to pre-pandemic recreational financial performance.



## 5. Fire Master Plan

The 2023-2027 Financial Plan does not include additional expenditures contemplated in the Fire Master Plan presented to the Committee of the Whole on January 16, 2023. A funding request for two Full Time Equivalent (FTE) firefighters has been integrated into the 2023-2027 Financial Plan, subject to Council approval.

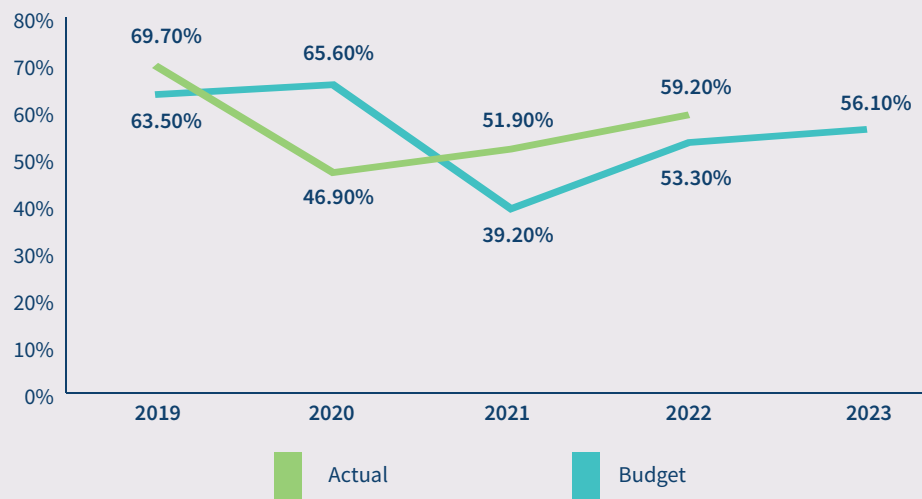
## 6. Parks, Recreation, and Culture Financial Performance:

The pandemic had a significant impact on the District's Parks, Recreation, and Culture (PRC) revenue due to ongoing Government regulations that restricted capacity and reduced overall demand. PRC revenues are rebounding but still fall short of pre-pandemic levels user fee recovery rates.

The District has been utilizing COVID-19 Restart grant proceeds to offset the impact of revenue losses. This practice has reduced the need to increase taxes to maintain PRC service levels. This reserve is forecasted to be almost completely utilized by the end of 2023, unless PRC net expenses exceed budget.

Should the PRC net financial performance not improve beyond 2023 budgeted levels, increased taxation will be required to maintain existing service levels. It is estimated that the current funding gap (when compared to 2020 budgeted net financial performance) is \$1.2m (or 4% property tax increase), after net financial performance has been adjusted for inflation.

Parks, Recreation, & Culture  
Recover Rates



## 7. Inflation and Forced Growth

Inflation has significantly impacted the local government sector in BC through 2022 and into 2023. The Victoria Consumer Price Index (CPI) from December 2021 to December 2022 was approximately 6.4%. CPI is not often a great indicator of municipal costs as municipalities face a variety of different cost pressures, and in different weightings than that of the conventional CPI measure. Consequently, local governments thoroughly review their individual cost drivers and determine overall funding increases to maintain existing service levels. Some of the noteworthy cost drivers for the 2023 Financial Plan are noted below:

- **Municipal Wages:** Collective bargaining for the Canadian Union of Public Employees (CUPE) Local 374 and the Oak Bay Police Association recently concluded. Wage settlements were substantially higher than what was predicted in the 2022 Financial Plan. This creates a compounding impact in the 2023 Financial Plan. For instance, CUPE wages were forecasted to increase by 2% for 2022 and 2023 in the 2022 – 2026 Financial Plan. Actual wage increases were 3.25% and 4% respectively. Accordingly, the 2023 increase was 4% plus the underestimate from 2022 resulting in an overage wage increase of above 5%.
- **Natural Gas:** Natural gas unit rates rose over 20% in 2022.
- **Equipment Costs:** Equipment costs are pooled and include insurance, gasoline, repairs and parts, and forecasted replacement costs. While a comprehensive review of equipment costs was not conducted, significant cost pressures are clearly evident, including gasoline and replacement costs. Consequently, equipment costs were increased by 10% in the 2023 Financial Plan.
- **Oak Bay Marina Lease:** expected cash flows from the restaurant and café lease were discounted due to uncertainty imposed by new month to month lease terms.
- **Insurance Costs:** property and general liability insurance premiums have been increased by 15%. This premium includes a 4% rate stability discount through MIABC which will be removed in time. The District is currently paying an additional 15% 'experience adjustment' factor in general liability premiums due to claims history.
- **Legal Costs:** Staff have been escalating the legal budget incrementally by 13-15% per year since 2021 in order to establish a budget that resembles historical actuals.

# Consolidated Financial Plan

## – Year Over Year Change

Revenue	2022 Budget	2023 Budget	\$ Change	% Change
Property Value Taxes	\$ 30,166,900	\$ 33,680,400	\$ 3,513,500	11.6%
New Construction Property Taxes		0	-	0.0%
Boulevard Frontage Taxes	232,400	255,600	23,200	10.0%
Grant In Lieu of Taxes	61,500	67,000	5,500	8.9%
1% Utility Revenue	223,400	236,100	12,700	5.7%
Property Tax Penalties & Interest	174,200	194,100	19,900	11.4%
Grants (Operating)	1,852,700	1,926,400	73,700	4.0%
Grants (Capital)	1,703,100	7,372,900	5,669,800	332.9%
Investment Income	662,500	1,301,500	639,000	96.5%
Miscellaneous Revenue	10,300	11,300	1,000	9.7%
Municipal-Regional District Tax	150,000	300,000	150,000	100.0%
Facilities Dept. Revenue	414,900	220,000	(194,900)	-47.0%
Finance Dept. Revenue	51,300	51,600	300	0.6%
Building & Planning Dept. Revenue	922,800	920,800	(2,000)	-0.2%
Engineering Dept. Revenue	22,100	22,100	-	0.0%
Public Works Dept. Revenue	1,728,000	1,812,700	84,700	4.9%
Sewer Utility Fees	1,472,500	1,553,200	80,700	5.5%
Water Utility Fees	5,027,200	5,360,800	333,600	6.6%
Parks & Recreational Dept. Revenue	7,184,200	8,186,000	1,001,800	13.9%
<b>Total Revenue</b>	<b>52,060,000</b>	<b>63,472,500</b>	<b>11,412,500</b>	<b>21.9%</b>



Operating Expenses				
Corporate Administration	2,875,000	3,350,800	475,800	16.5%
Oak Bay Tourism	150,000	300,000	150,000	100.0%
Facilities	221,000	236,500	15,500	7.0%
Finance & IT	1,860,700	1,977,000	116,300	6.3%
Policing	5,482,100	5,710,500	228,400	4.2%
Fire Protection	5,138,500	5,412,300	273,800	5.3%
Building & Planning	1,311,400	1,617,100	305,700	23.3%
Library	1,162,000	1,235,500	73,500	6.3%
Engineering Services	1,311,600	1,404,300	92,700	7.1%
Public Works	3,947,300	4,198,600	251,300	6.4%
Sewer Utility	833,600	895,800	62,200	7.5%
Water Utility	3,808,200	4,018,000	209,800	5.5%
Parks and Recreation	13,514,700	14,720,800	1,206,100	8.9%
Fiscal	57,800	103,600	45,800	79.2%
Debt Interest	134,400	134,400	-	0.0%
Contingencies	526,200	1,026,800	500,600	95.1%
Major Crimes Contingency	885,000	775,000	(110,000)	-12.4%
Special Initiatives	1,545,900	1,835,600	289,700	18.7%
<b>Total Operating Expenses</b>	<b>44,765,400</b>	<b>48,952,600</b>	<b>4,187,200</b>	<b>9.4%</b>
<b>Add:</b>				
Transfers from Reserves	20,521,900	30,387,900	9,866,000	48.1%
<b>Deduct:</b>				
Capital Expenditures	(18,921,100)	(34,139,400)	(15,218,300)	80.4%
Transfers to Reserves	(8,752,800)	(10,625,800)	(1,873,000)	21.4%
Debt Principal	(142,600)	(142,600)	-	0.0%
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

# Consolidated Financial Plan

## – 2023 to 2027

Revenue	2023	2024	2025	2026	2027
Property Value Taxes	33,680,400	36,604,400	38,812,500	41,486,600	44,069,600
New Construction Property Taxes	-	-	-	-	-
Boulevard Frontage Taxes	255,600	268,400	281,800	295,900	310,700
Grant In Lieu of Taxes	67,000	67,200	67,400	67,600	67,800
1% Utility Revenue	236,100	240,800	245,600	250,600	255,600
Property Tax Penalties & Interest	194,100	194,800	200,700	205,400	211,800
Grants (Operating)	1,926,400	1,002,400	506,900	511,500	516,300
Grants (Capital)	7,372,900	1,026,800	1,386,900	1,683,200	1,739,900
Investment Income	1,301,500	1,327,500	1,354,000	1,381,100	1,408,700
Miscellaneous Revenue	11,300	11,300	11,300	11,300	11,300
Municipal-Regional District Tax	300,000	200,000	200,000	200,000	200,000
Facilities Dept. Revenue	220,000	222,400	224,800	227,300	229,800
Finance Dept. Revenue	51,600	51,900	52,200	52,500	52,800
Building & Planning Dept. Revenue	920,800	931,100	931,100	931,100	931,100
Engineering Dept. Revenue	22,100	17,100	17,100	17,100	17,100
Public Works Dept. Revenue	1,812,700	1,867,000	1,918,900	1,962,100	2,002,500
Sewer Utility Fees	1,553,200	1,590,300	1,642,800	1,694,300	1,744,900
Water Utility Fees	5,360,800	5,732,200	6,114,900	6,510,200	6,920,200
Parks & Recreational Dept. Revenue	8,186,000	9,004,600	9,905,100	10,697,500	11,018,400
<b>Total Revenue</b>	<b>\$ 63,472,500</b>	<b>\$ 60,360,200</b>	<b>\$ 63,874,000</b>	<b>\$ 68,185,300</b>	<b>\$ 71,708,500</b>

Operating Expenses					
Corporate Administration	3,350,800	3,476,800	3,584,600	3,738,300	3,766,800
Oak Bay Tourism	300,000	200,000	200,000	200,000	200,000
Facilities	236,500	242,200	247,900	253,800	259,500
Finance & IT	1,977,000	2,041,700	2,101,500	2,156,200	2,205,100
Policing	5,710,500	5,892,600	5,975,600	6,066,100	6,157,600
Fire Protection	5,412,300	5,486,100	5,561,500	5,640,000	5,720,300
Building & Planning	1,617,100	1,669,800	1,716,300	1,758,500	1,791,600
Library	1,235,500	1,275,700	1,317,200	1,360,000	1,404,200
Engineering Services	1,404,300	1,451,900	1,494,300	1,531,500	1,562,500
Public Works	4,198,600	4,383,200	4,545,600	4,695,100	4,810,200
Sewer Utility	895,800	922,600	948,000	972,100	994,700
Water Utility	4,018,000	4,270,600	4,535,900	4,815,200	5,109,200
Parks and Recreation	14,720,800	15,162,400	15,617,300	16,085,800	16,568,400
Fiscal	103,600	71,000	72,000	73,100	74,200
Debt Interest	134,400	306,000	573,400	1,337,400	1,910,400
Contingencies	1,026,800	1,426,700	1,925,300	2,433,800	2,802,500
Major Crimes Contingency	775,000	855,000	935,000	1,015,000	1,095,000
Special Initiatives	1,835,600	664,100	320,000	40,000	0
<b>Total Operating Expenses</b>	<b>\$ 48,952,600</b>	<b>\$ 49,798,400</b>	<b>\$ 51,671,400</b>	<b>\$ 54,171,900</b>	<b>\$ 56,432,200</b>
<b>Add:</b>					
Transfers from Reserves	30,387,900	16,535,000	15,963,600	14,508,600	15,642,300
Debt Proceeds	0	8,000,000	7,000,000	20,000,000	15,000,000
<b>Deduct:</b>					
Capital Expenditures	(34,139,400)	(23,146,600)	(22,197,400)	(34,235,300)	(30,382,200)
Transfers to Reserves	(10,625,800)	(11,768,000)	(12,627,100)	(13,489,500)	(14,397,500)
Debt Principal	(142,600)	(182,200)	(341,700)	(797,200)	(1,138,900)
<b>Total Budget Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



# Revenue Discussion

## Taxation Discussion

Property value tax is the principal source of revenue for most local governments. It is a tax levied on the value of land and improvements (i.e., *building and fixtures*). Municipalities levy property value taxes based on tax revenue needs set out in their annual budget (*financial plan*). Property value taxes are calculated by applying a set tax rate against the assessed value of a property. Municipal tax rates are annually set by Council, and the assessed values are set independently by BC Assessment.

## Tax Stability, Predictability, Collectability

In most years, taxation revenue is predictable and stable with the District's tax base being 96% residential. Therefore, disruptions in non-residential assessments would not interfere with tax revenues enough to significantly impact the predictability of tax revenues overall. In fact, a uniform and significant reduction in assessed values would be unlikely to disrupt such revenues.

The British Columbia legislated model of property taxation administration is one of the most efficient in the world. Tax revenue collection is highly likely in most cases. The *Local Government Act* requires the District to commence tax sale proceedings in cases where three years of taxes remain unpaid. Section 250 of the *Community Charter* writes:

*"Taxes accrued and to accrue on land and improvements... are a charge that; (a) is a special charge on the land and improvements, (b) has priority over any claim, lien, privilege, or encumbrance of any person except the Crown..."*

Therefore, taxes are discharged, at a minimum, when the property changes ownership or during tax sale proceedings. Although exceedingly rare, tax sale proceedings can result in the property being auctioned, which ensures property taxes are collectible.

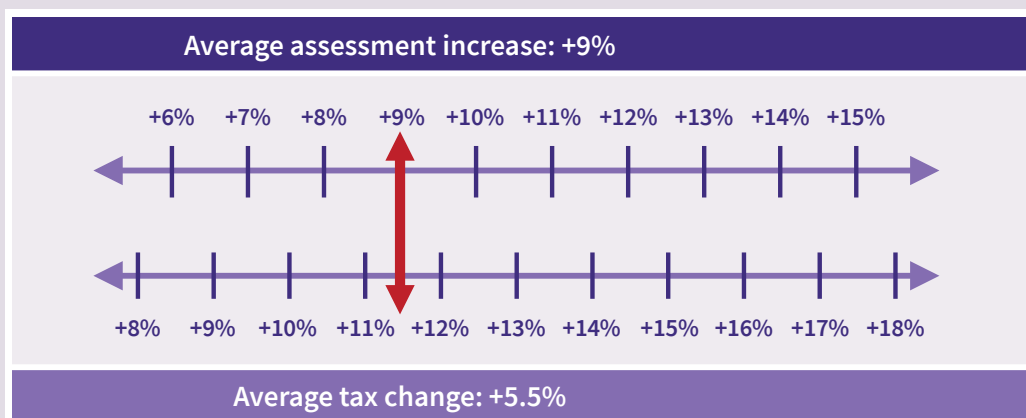


## Relationship between Assessments and Taxation

Municipalities use assessed values to apportion property taxes to individual taxpayers. For instance, if a taxpayer's assessment represents 5% of the entire taxable assessment base, that taxpayer will pay 5% of the municipal property tax budget. A common misconception is that a significant increase in assessed value will necessarily result in a significant increase in property taxes. It is more important for a taxpayer to consider the assessed value in relation to the average assessment increase. It is possible for one's assessment to decrease while taxes increase and vice versa.

Assessment Change	Property Tax Impact
Lower than average assessment increase/decrease	Individual percentage tax increase less than total district percentage tax increase
Average assessment increase/decrease	Individual percentage tax increase equals the total district percentage tax increase
Higher than average assessment increase/decrease	Individual percentage tax increase greater than total district percentage tax increase

The 2023 Completed Assessment Roll indicates a 9% average increase in residential assessed properties. The preliminary property tax increase for 2023 is 11.6%. This means that properties with an assessment change above 9% will incur a tax increase greater than 11.6%.



### New Development Taxation (NDT) Revenue

NDT revenue is derived from new buildings or newly subdivided lots. In other words, NDT is taxation revenue from assessed values that did not exist in the prior year. Staff have estimated approximately \$XX derived from NDT Revenue in 2022 with final NDT numbers available in March with the release of the revised assessment roll. NDT revenues are currently being set aside to increase the transfer to reserve for infrastructure replacement budgets.

### Five-Year Property Taxation Forecasts

The draft 2023 – 2027 Financial Plan forecasts an average tax increase of 7.9% for the five years and an average increase of \$312 for 2023 through 2027.

	2023	2024	2025	2026	2027	Average
Tax increase	11.6%	8.7%	6.0%	6.9%	6.2%	7.9%
Tax increase \$ to median residential property	\$394	\$328	\$247	\$300	\$289	\$312

Forecasted tax increases are driven by the following factors:

% Increase by Cost Driver	2023	2024	2025	2026	2027
Forced Growth	\$2,093,700	\$1,835,800	\$1,031,200	\$704,600	\$1,068,300
Infrastructure Renewal	\$603,000	\$877,000	\$600,000	\$600,000	\$600,000
New Staffing	\$816,800		\$150,000	\$150,000	-
Debt Servicing (Retirement)	-	(\$277,000)	-	-	-
Debt Servicing - Carnarvon	-	\$488,200	-	-	-
Debt Servicing - North Oak Bay Watermain	-	-	\$365,900	-	-
Debt Servicing - Public Safety Building	-	-	\$61,000	\$1,219,500	\$914,700
<b>Total Operating Expenses</b>	<b>\$3,513,500</b>	<b>\$2,924,000</b>	<b>\$2,208,100</b>	<b>\$2,674,100</b>	<b>\$2,583,000</b>

% Increase by Cost Driver	2023	2024	2025	2026	2027
Forced Growth	6.94%	5.45%	2.82%	1.82%	2.58%
Infrastructure Renewal	2.00%	2.60%	1.64%	1.55%	1.45%
New Staffing	2.71%	0%	0.41%	0.39%	0%
Debt Servicing (Retirement)	0%	-0.82%	-	-	-
Debt Servicing - Carnarvon	0%	1.45%	0%	0%	0%
Debt Servicing - North Oak Bay Watermain	0%	0%	1.00%	0%	0%
Debt Servicing - Public Safety Building	0%	0%	0.17%	3.14%	2.20%
<b>Total Operating Expenses</b>	<b>11.65%</b>	<b>8.68%</b>	<b>6.03%</b>	<b>6.89%</b>	<b>6.23%</b>



\$ Impact to Median Residential Property	2023	2024	2025	2026	2027
Forced Growth	\$234	\$206	\$115	\$79	\$119
Infrastructure Renewal	\$68	\$98	\$67	\$67	\$67
New Staffing	\$92	-	\$17	\$17	-
Debt Servicing (Retirement)	-	(\$31)	-	-	-
Debt Servicing - Carnarvon	-	\$55	-	-	-
Debt Servicing - North Oak Bay Watermain	-	-	\$41	-	-
Debt Servicing - Public Safety Building	-	-	\$7	\$137	\$103
<b>Total Operating Expenses</b>	<b>\$394</b>	<b>\$328</b>	<b>\$247</b>	<b>\$300</b>	<b>\$289</b>

### Boulevard Frontage Taxes

The District levies a boulevard frontage tax subject to the “*Boulevard Frontage Tax Bylaw, 1982*”. Properties identified in this Bylaw pay a tax based on taxable frontage. The District’s Park’s crew maintain the boulevards adjacent to these properties.

The District has an administrative policy of setting its boulevard tax revenue budget to recover approximately 75% of the boulevard maintenance costs. Boulevard maintenance costs have exceeded the budget every year since at least 2017. Staff have increased the boulevard maintenance budget significantly in 2023 to reflect this trend. As such, an increase to the tax will be required. Staff are recommending a 10% per year phase-in approach until the 75% ratio is achieved.

Boulevard Maintenance Budget	2017	2018	2019	2020	2021	2022	2023
Levy	\$192,766	\$199,500	\$207,816	\$215,300	\$221,300	\$232,500	\$255,600
Increase	4.9%	3.49%	4.34%	3.60%	2.8%	5.0%	10%
Levy / Budgeted Expenses	76%	77%	77%	75%	77%	66%	67%

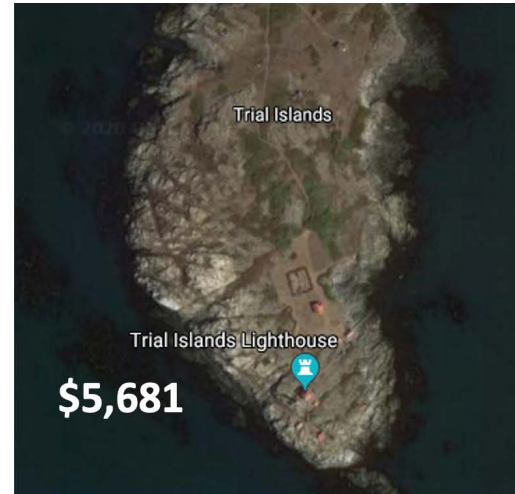
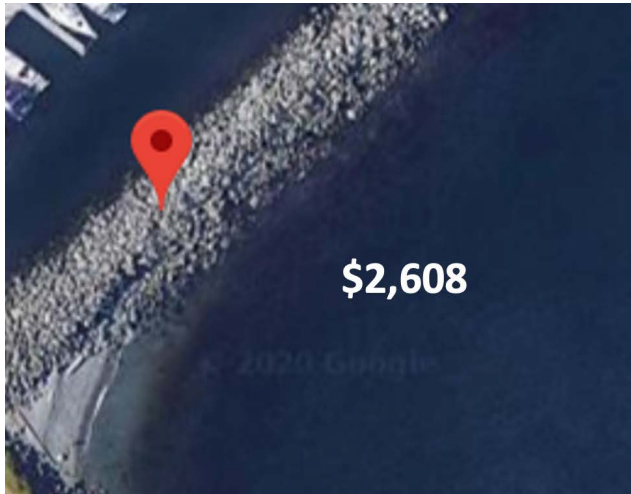
Boulevard Frontage Tax Budget	2017	2018	2019	2020	2021	2022	2023
Budget	\$254,075	\$259,123	\$269,476	\$286,000	\$286,000	\$354,600	\$380,600
Actual	\$266,001	\$277,087	\$312,953	\$328,554	\$310,132	\$241,898	
Actual/Budget	105%	107%	116%	115%	108%	82%	

### Business Improvement Area

The District levies a business improvement area tax subject to the “*Oak Bay Business Improvement Area Bylaw, 2020*”. Properties identified in this Bylaw pay a tax based on taxable assessment. Taxes from this levy are remitted to the Oak Bay Business Improvement Association (BIA). The Oak Bay BIA exists to promote local member businesses and contribute to the community at large. The BIA’s term expires on December 31, 2024 if it is not renewed with another bylaw.

## Grant in Lieu of Taxes

**Federal Payment in Lieu of Tax:** Federally owned properties are generally exempt from taxes under Section 125 of the federal *Constitution Act, 1867*. Federal properties may, however, be subject to a payment in lieu of taxes according to the federal *Payments in Lieu of Taxes Act*. Two such federally owned, tax exempt properties in the District pay a payment in lieu of tax, and they are: (1) Turkey Head Breakwater, and (2) Trial Island Lighthouse.



Federal grant in lieu payments are generally equivalent to the amount of taxation that would have been due had the properties not been exempt.

## Grant in Lieu of Taxes, University of Victoria:

The University of Victoria (UVic) is exempt from taxes pursuant to section 54 of the *University Act*. The University is situated partially in the District of Oak Bay and partially in the District of Saanich. The Ministry of Post-Secondary Education and Future Skills distributes an annual grant in lieu of taxes to local governments with universities. The funds are apportioned based on the proportional assessed value of university property within the municipality. The total grant fund budget has not changed in many years, with the actual value of the UVic property within Oak Bay assessed at \$410.5M. The grant in lieu of taxes is equivalent to approximately 2.1% of the taxation revenue that would be due on \$410.5M of taxable assessment. The foregone taxes demonstrate the District's significant investment in post-secondary education.



### 1% Utility Revenue

Pursuant to Section 644 of the *Local Government Act* and the *Hydro and Power Authority Annual Grants Order*, utility companies must pay each municipality 1% of the revenues earned within that municipality in the preceding year. Since this revenue is based on prior year financials and amounts remitted to the District, the budget is very accurate. For 2023, 1% of revenues are forecasted as follows:

Utility Company	2021 Budget	2022 Budget	2023 Budget	Change
Shaw Communications	\$28,300	\$27,300	\$25,600	-\$1,700/-6.2%
Telus	\$18,500	\$18,200	\$17,500	-\$700/-3.8%
Fortis	\$38,400	\$41,200	\$50,500	+\$9,300/+22.6%
BC Hydro	\$136,500	\$136,700	\$142,500	+\$5,800/+4.1%
<b>Total</b>	<b>\$221,700</b>	<b>\$223,400</b>	<b>\$236,100</b>	<b>+\$12,700/+5.7%</b>

### Municipal Regional District Tax (MRDT)

The Municipal and Regional District Tax (MRDT) is a tax of up to 3% on the purchase of accommodation imposed in specific geographic areas of the Province (*designated accommodation areas*) on behalf of municipalities, regional districts, or eligible entities. The District is a designated accommodation area according to the *Designated Accommodation Area Tax Regulation 93/2013*.

Funds raised through the MRDT must be used for a prescribed purpose, such as tourism marketing or sport hosting marketing. As such, MRDT funds raised in the municipality of Oak Bay are used to fund Oak Bay Tourism.

### User Fees

Section 194 of the *Community Charter* enables Council to impose a fee for all or part of a municipal service. In general, user fees are charged when the benefit of a service accrues to identifiable individuals, and taxes are levied when the benefit of a service accrues broadly to the public. However, Council has the authority to vary the mix and imposition of taxes and user fees as appropriate.

Below are some of the user fees that the District levies:

**Sewer User Fees:** The District levies a sewer user fee to recover 70% of the costs to maintain the municipal sanitary sewer conveyance system. Property taxes recover the remaining 30% of such costs. The sewer user fee also partially funds an annual transfer to reserve for capital asset replacement and rehabilitation. Sewer user fees are calculated by multiplying the sewer rate by 60% of water consumption for residential properties. Rates are applied to 100% of the water used by properties that are not residential, have mixed-use, or have two water meters.



**Capital Regional District Sewer User Fee:** The District levies a user fee to recover 100% of the operating costs related to providing regional sewer service, including the Core Area Wastewater Treatment Plant. This levy has experienced steep increases for several years while the Capital Regional District phased in the cost of construction. When construction was completed, costs shared between participating municipalities converted mainly to operating costs.

At the Regular Meeting of Council on November 9, 2020, Council elected to recover the regional sewer operating costs via a CRD sewer user fee and the regional sewer debt and capital costs via a CRD property tax levy. At the time of writing this plan, the 2023 Draft CRD budget envisioned a moderate decrease the Core Area Wastewater Operations budget. However, the CRD sewer user fee rate was increased by 1% to reflect consumption trends.

*The CRD sewer user fee rate was increased by 1% to reflect consumption trends*

**Water User Fee:** The District levies a water consumption charge and a fixed user fee to recover 100% of the costs related to the provision of retail water. Most of the costs relate to the purchase of bulk water from the Capital Regional District for distribution to District citizens. The fixed fee recovers 35%, while the consumption fee recovers 65%. For properties with two or fewer units, the fixed fee is \$0.72 per day or \$262.80 per year.

**Solid Waste User Fee:** The District levies a solid waste fee under the District's Refuse Collection and Disposal Bylaw. The solid waste fee funds various services (described below). The District's solid waste fee revenue exceeds the solid waste division's direct costs and funds solid waste service infrastructure replacement and general District overhead.

Solid Waste Division Service	2023 Budget	Proportion	Service Description
Solid Waste	\$679,200	40%	Bi-weekly curbside pickup and unlimited drop off at depot
Organics	\$462,200	27%	Bi-weekly curbside pickup
Garden Waste Program	\$212,400	13%	Unlimited drop off at depot, compost sales
Beach Cleanup	\$12,900	1%	Two to four clean up crew days per year, or one sunken sailboat removal
Garden Waste Pickup Week	\$115,100	7%	One day per-week, per property annual curbside garden waste
Recycling Depot	\$206,100	12%	Unlimited drop off at depot
<b>Total</b>	<b>\$1,687,900</b>	<b>100.0%</b>	

## Grants (Operating)

The District's operating grant budget is comprised of the following four main grants:

1. Small Community Grant
2. Traffic Fine Revenue Sharing Grant
3. Local Government Climate Action Program Grant
4. Project-Related Grants
5. COVID-19 Restart Grant

Grant	2022 Forecast	2022 Budget	2023 Budget	Change
Small Community Grant	\$187,000	\$145,000	\$150,000	+\$5,000
Traffic Fine Revenue Sharing	\$200,817	\$220,000	\$202,000	-\$18,000
Local Government Climate Action Program Grant	\$146,082	-	\$146,000	+\$146,000
Project-related grants	\$63,360	\$55,700	\$37,900	-\$17,800
COVID-19 Restart Grant*	\$572,900	\$1,428,600	\$1,387,800	-\$40,800
Other	\$321,791	\$3,400	\$2,700	-\$700
<b>Total</b>	<b>\$1,491,950</b>	<b>\$1,852,700</b>	<b>\$1,926,400</b>	<b>+\$73,700</b>

*\*This grant was remitted to the District in late 2020. Accounting standards require that the grant be recorded as revenue in 2020. The District has transferred it to its reserves for use to offset anticipated 2021, 2022, and 2023 PRC revenue shortfalls. The grant is placed in this chart for transparency; however, it will appear as a "transfer from reserve" in the Financial Plan Bylaw.*

**Small Community Grant:** This grant is an unconditional grant paid by the Province to the District. The formula that determines the grant amount is complex and is phased out as a community grows.

**Traffic Fine Revenue Sharing Grant:** This grant amount is determined by total Provincial traffic fine revenue collected in the year prior. Oak Bay's share of the funds is determined by the District's policing costs as a proportion of the entire Province's policing costs. It is difficult to forecast traffic fine revenue as it varies from year to year.

**Local Government Climate Action Program Grant (LGCAP):** This grant is the successor to the Climate Action Revenue Incentive Program (CARIP Grant). The CARIP grant was a conditional grant program that provided funding to local governments which signed the BC Climate Action Charter. The grant was equal to 100% of the carbon taxes the District paid to support local government operations. In September 2021, the Province announced that 2021 would be the final year of the program.

The CARIP Grant was replaced with the LGCAP Grant. The LGCAP provides funding for local governments to develop and implement a climate action plan that will reduce emissions, create new opportunities for people in the clean economy, and prepare communities for future climate impacts. As part of the program, recipients of funding will be required to report on their actions. Proceeds from this grant are being transferred to the District's Climate Action reserve, much like the previous CARIP Grant funds.

## Grants (Capital)

**Gas tax:** The Administrative Agreement on the Federal Gas Tax Fund in British Columbia took effect on April 1, 2014. The tripartite Agreement between Canada-British Columbia-UBCM replaced the 2005-2014 Agreement and provides the administrative framework for the delivery of federal Gas Tax funding to local governments and other recipients in BC over 10 years (2014-2024).

The Gas Tax fund provides predictable, long-term, and stable funding to local governments in BC for investment in infrastructure and capacity building projects. The gas tax allocation table sets out funding through 2024.

2019	2020	2021	2022	2023	2024
\$851,133.48	\$816,756.82	\$816,756.82	\$853,872.73	\$853,873.73	\$890,979.58

In 2014, when the new agreement was signed, the eligible project categories expanded significantly, prompting many communities to change their gas tax revenue recognition practices.

## Investment Revenue

Investment returns grew considerably from 2015 – 2019 due to two main factors:

(1) increased investment balances, and (2) increased money market performance.

Approximately 80% of the District's portfolio had been invested in the Municipal Finance Authority's Money Market Fund.

	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019	2020	2021	2022
Investment revenues	\$340,809	\$304,755	\$357,143	\$744,099	\$996,143	\$831,556	\$727,480	\$1,705,977
Investment revenue budget	\$174,000	\$152,000	\$130,000	\$140,000	\$301,500	\$825,000	\$562,500	\$662,500
Cash and Investment balance	\$35.7M	\$41.0M	\$46.5M	\$54.1M	\$60.1M	\$72.2M	\$70.1M	-
MFA money market return %	0.85%	0.79%	0.97%	1.65%	1.88%	0.85%	0.15%	1.93%

The investment return budget has been increased by \$639,000 from 2022 to 2023. Market yields have increased at a historical pace since the World's Central Banks began increasing rates. For instance, the Municipal Finance Authority Money Market Fund yield has increased from an annualized rate of 0.15% in December 2021 to 1.93% in December 2022.

The Bank of Canada signaled a conditional end to rate increases at the January 2023 meeting.





# Operating Department Summaries



# Corporate Administration

Administration consists of the Chief Administrative Officer (CAO), the Director of Corporate Services (DCS), the Deputy DCS, the Director of Strategic Planning, the Deputy Director of Strategic Initiatives, the Director of Human Resources, a Communications Specialist, the Executive Assistant to the CAO, and the Mayor, *(as well as an administrative support staff person)*. The CAO is the general manager for the Corporation, providing guidance and direction to all operating departments, and is the principal advisor to Council. The DCS works closely with Council, is the main link between Council and the public, and is the contact for information on all Council matters. The DCS is also the custodian of municipal records and is responsible for requests submitted under the BC Freedom of Information and Protection of Privacy Act.

## Performance measures and Statistics

Performance Measure	2020 Actual	2021 Actual	2022 Actual	2023 Forecast
Meetings of Council Supported	75	66	63	60
Meeting minutes posted on time (adopted at next Council meeting)	52	64	63	60
# FOIPPA requests	32	23	19	25
Bylaws reviewed	5	5	25	20
Special Events Permits Issued	10	6	24	25
Block Party Permits Issued	0	10	20	20
Total web pages viewed	2.5M	3.4M	2.9M	3.2M
# Social Media posts	812	837	833	830
# Social Media followers	2,496	3,246	4,011	4,800
Volunteer Hours Contributed to Archives	210	100	100	300
District-wide FTE (budget)	288.10	250.13	260.03	XX
District-wide Job Postings (including auxiliary and regular)	52	99	143	140
Archives Research Inquiries conducted	111	143	144	140
Archives Program (school programs, history talks, special events)	84 (3)	60 (2)	60 (2)	60 (2)
Archives Collections Acquired	3	12	15	10
FOI requests within statutory deadlines	100%	100%	100%	100%

## Staffing History and Forecast

Position	2021 FTEs	2022 FTEs	2023 FTEs	Change
Chief Administrative Officer	1.00	1.00	1.00	-
Director of Corporate Services	1.00	1.00	1.00	-
Director of Strategic Initiatives	1.00	1.00	1.00	-
Deputy Director of Strategic Initiatives	0.00	0.00	1.00	+1.0
Deputy Director of Corporate Services	1.00	1.00	1.00	-
Director of Human Resources	1.00	1.00	1.00	-
Occupational Health and Safety Specialist	1.00	1.00	1.00	-
Communications Specialist	1.00	1.00	2.00 <sup>1</sup>	+1.0
Executive Assistant to the Mayor and CAO	1.00	1.00	1.00	-
Secretary III	2.00	0.00	0.00	-
Legislative Assistant	0.00	2.00	2.00	-
Administration Program Assistant	1.00	1.00	1.00	-
Archivist	0.50	0.50	0.50	-
<b>Total</b>	<b>11.50</b>	<b>11.50</b>	<b>13.50</b>	<b>+2.0</b>

1. On June 27, 2022, Council approved five full time equivalent positions to enhance the District's infrastructure capital delivery capability including one communications position. This position will be funded from previously dedicated infrastructure renewal funds.

## 2022 Accomplishments

- Finalized and led the introduction of new FOI Policy and Procedures Manual
- Launched in-house video based FOIPPA training program with system for tracking completion
- Supported community discussions on CRD-led Oak Bay Lodge discussions
- Committees and Commissions – completed Council-directed policy changes and operational improvements outlined in one year review; completed orientation of new members
- Completed bylaw(s) pertaining to single-use-plastics
- Administered the 2022 General Local Election
- Orientation of new Council (2022-2026 term)
- Began to develop a Social Media Policy
- Procured Public Engagement Software
- Developed a Public Engagement Strategy
- Commenced foundational work for website refresh
- Created a HR SharePoint, Occupational Health and Safety SharePoint and Management Resources SharePoint
- Established OH&S benchmark statistics
- Coordinated and facilitated delivery of Respectful Workplace and Bullying and Harassment training
- Coordinated delivery of Diversity and Inclusion training
- Coordinated Safety training for Parks and Public Works (Traffic Control and First Aid)



- 143 job postings – 20 re-posts
- Finalized the core Occupational Health and Safety program
- Improved modified return to work practices
- Recruited Fire Chief, Director of Community Building and Planning, Deputy Director of Community Building and Planning, Deputy Director of Financial Services, Director of Engineering and Public Works, Director of Parks, Recreation and Culture, Manager of Recreation and Culture, and Program Manager, Facilities; facilitated hiring of CAO.
- Developed Performance Feedback and Review policy
- Developed Learning and Development policy and tuition re-imbursement process
- Advanced deer management
- Supported Council in identifying priorities for 2022-2026 term
- Negotiated lease for 1531 Hampshire Rd.
- Completed marina lease negotiations

### **2023 Planned Accomplishments**

- Coordinate Safety training for Parks and Public Works (Crane Truck/Forklift)
- Coordinate delivery of Due Diligence training for Managers/Supervisors
- Create and implement workplace impairment policy
- Create a graduated return to work program
- Roll out bi-annual corporate orientation day
- Develop Total Compensation policy
- Conduct employee survey
- Develop and facilitate long service recognition event
- Coordinate delivery of Indigenous Competency training for Council and Staff
- Reduce Worksafe BC experience rating and premium costs
- Complete media and social media policies
- Undertake comprehensive website refresh
- Establish terms of reference and recruit for Accessibility Committee
- Develop Public Engagement and Communications Strategy
- Support community learning for reconciliation
- Obtain Council direction on future use of 1538 Monterey Ave.
- Prepare 2022-2026 Council Priorities Plan
- Oversee deer management research project
- Undertake options analysis for marina (near-term and long-term)
- Begin to seek Songhees and Esquimalt Nations and community input into future of Turkey Head (Spewhung)
- Establish grants management program

## Corporate Administration Operating Budget

Overall, the Corporate Administration Department's operating budget requires a 10.8% (\$330,700) 2023 funding increase to incorporate Council direction and forced growth factors. This does not include additional funding requests detailed below:

Corporate Administration Operating Budget						
Operating Expense Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change	Note
Council	\$ 162,769	\$ 172,700	\$ 270,200	\$ 97,500	56.5%	Note 1
Corporate Administration	1,413,705	1,379,100	1,437,300	63,200	4.2%	
Human Resources	457,313	492,500	565,600	73,100	14.8%	Note 2
Communications	155,508	166,400	174,900	8,500	5.1%	
Risk Management	358,334	316,300	360,200	43,900	13.9%	Note 3
Grants & Fee for Service	176,731	193,400	205,900	12,500	6.5%	
Events	126,107	106,900	115,600	8,700	8.1%	
Archives	44,791	47,700	51,000	3,300	6.9%	
<b>Total Operating Expenses</b>	<b>\$ 2,895,257</b>	<b>\$ 2,875,000</b>	<b>\$ 3,180,700</b>	<b>\$ 310,700</b>	<b>10.6%</b>	
<b>Impact to average residential property</b>				<b>\$ 34.82</b>	<b>1.0%</b>	

1: Per Council Remuneration Bylaw No. 4822, 2022.

2: In 2023, two employee positions were reclassified in this division.

3: Property and General Liability Insurance premiums +15%. Legal budget +14%.

## New Operating Budget Funding

In addition to forced growth funding increases recommended above, the following funding increase has been integrated into the 2023 Financial Plan. This majority of this funding was approved in the 2022-2026 Financial Plan as it included \$150,000 in unallocated staff funding, allocated as follows:

Reasons for increase:		% Increase	Tax Impact*
+1.0 FTE Deputy Director of Strategic Initiatives	\$ 170,100	5.9%	\$ 19.06
<b>Total New Operating Budget Items</b>	<b>\$ 170,100</b>	<b>5.9%</b>	<b>\$ 19.06</b>
<b>+ Status Quo Budget</b>	<b>\$ 3,180,700</b>	<b>10.6%</b>	<b>\$ 34.26</b>
<b>= Total Corporate Administration</b>	<b>\$ 3,350,800</b>	<b>16.5%</b>	<b>\$ 53.32</b>

# Administrative and Residential Facilities

The District owns, operates, and maintains several administrative buildings including:

- Municipal Hall,
- 1538 Monterey Ave,
- 1423 Hampshire Ave,
- 1531 Hampshire Ave,
- Tod House, and
- Oak Marina lands.

The budget below includes a modest transfer to reserve budgets. This funding accumulates in a capital reserve until such time that these reserves are required to fund capital maintenance. Capital expenditures are much larger, more expensive, and prolong the building or building component life.

This operating budget does not include the facility operating costs of the Police, Fire, Parks, Recreation, and Culture, and Public Works facilities.

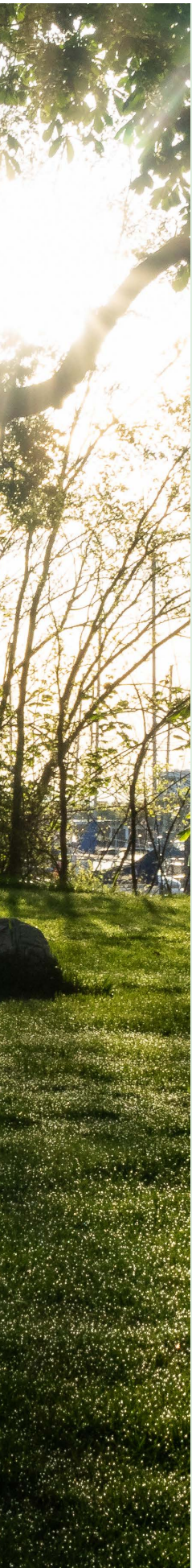
## Administrative Facilities

Operating Revenue Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change	Note 1
Lease Revenue	\$ 396,921	\$ 414,900	\$ 220,000	\$ (194,900)	-47.0%	Note 1
<b>Total Operating Revenues</b>	<b>\$ 396,921</b>	<b>\$ 414,900</b>	<b>\$ 220,000</b>	<b>-\$ 194,900</b>	<b>-47.0%</b>	

Operating Expense Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change	Note
Maintenance - 1538 Monterey	\$ 367	\$ 5,100	\$ 6,200	\$ 1,100	21.6%	Note 2
Maintenance - 1423 Hampshire	44,972	29,100	34,500	5,400	18.6%	Note 3
Maintenance - 1531 Hampshire	60	5,100	5,400	300	5.9%	
Maintenance - Tod House	13,924	7,600	8,100	500	6.6%	
Maintenance - Municipal Hall	78,847	90,500	96,000	5,500	6.1%	
Foreshore Lease	68,812	66,300	68,500	2,200	3.3%	
Maintenance - Oak Bay Marina	-	17,300	17,800	500	2.9%	
Transfers to Reserves for Facilities	33,840	39,400	40,900	1,500	3.8%	
Transfers to Tod House Trust	6,016	12,100	11,600	(500)	-4.1%	
Transfers to Marina Reserve	37,800	37,800	38,900	1,100	2.9%	
<b>Total Operating Expenses</b>	<b>\$ 284,638</b>	<b>\$ 310,300</b>	<b>\$ 327,900</b>	<b>\$ 17,600</b>	<b>5.7%</b>	
<b>Net Operating Budget</b>	<b>\$ (112,283)</b>	<b>\$ (104,600)</b>	<b>\$ 107,900</b>	<b>\$ 212,500</b>	<b>203.2%</b>	
<b>Impact to average residential property</b>				<b>\$ 23.81</b>	<b>0.7%</b>	

1. The 30-year Marina lease expired December 31, 2022. This lease was replaced with a five-year lease. Terms of this lease provide both parties with the option to terminate the Café and Restaurant building lease with 30 days written notice. Given the significant cash flow uncertainty this creates lease revenues from the Café and Restaurant have been wholly removed from budget forecasts.
2. As the District does not currently have a tenant occupying this property, the District becomes responsible for maintenance and utilities.
3. The District currently engages a property management group for the management of the rental suites in this property. The property management group negotiated a significant management fee increase for this service with the District in 2022. The District is currently reviewing options to go out for Request for Proposal for these services and/or managing the property internally.





### **1538 Monterey Avenue**

This property was purchased in 2016 using funds in the District's Land Sale Reserve. Long-term use of the property will be explored when the District undertakes a Village Area Planning process in 2023 to examine land-uses on the properties to be vacated by VIRCS and the surrounding Oak Bay Avenue area (or earlier if Council directs).

On January 23, 2023, Council passed the following resolution:

*"THAT staff be directed to initiate necessary building renovations and a rezoning process for 1538 Monterey Avenue to accommodate offices for municipal staff until sufficient office space is available in other municipal facilities, recognizing that in the longer term, other options remain for the property".*

### **1423 Hampshire Rd and 1442 Monterey Avenue**

The District owns the building at 1442 Monterey Avenue which is used as a branch of the Greater Victoria Public Library, the Monterey Recreation Centre, and several residential units (1423 Hampshire portion). The District contracts with a property management company to manage the residential tenancy in the building.

### **1531 Hampshire Rd.**

This property was purchased by the District in 1990, and in 2022 the District signed a lease agreement with the Inter-Cultural Association of Greater Victoria for residential use of the property. The terms of the lease require the tenant to pay for routine interior maintenance and utilities. The District has established a maintenance budget for contingency purposes. Furthermore, any unspent maintenance budgets will be transferred to a facilities capital reserve at year end.

### **Tod House**

In 2008 the Province of BC gave its 50% share of the Tod House heritage property to the District. Concurrently the Province registered a "Possibility of Reverter" against the property, which 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"*.

### **Oak Bay Marina**

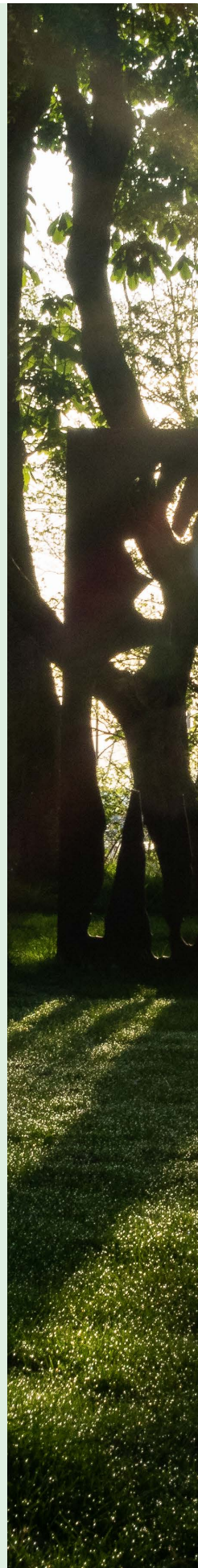
The Oak Bay Marina lands and facilities are primarily owned by the District of Oak Bay, but also include lands covered by water and foreshore leased from the Province. The District signed a five-year lease with the Oak Bay Marine Group for 2023-2027 except for the Restaurant and Coffee Shop which have a month-to-month term.

### 2022 Accomplishments

- Completed Facilities Operating Model
- Completed Facilities Master Plan

### 2023 Planned Accomplishments

- Embark on Public Safety Building Feasibility Assessment
- Begin introducing a Preventative Maintenance program for District Buildings, prioritizing life safety systems, and building envelope.
- Commence updating Building Facilities Condition Assessments for Lifecycle management, system renewals, and energy upgrades.
- Begin renovations on 1538 Monterey Avenue
- Complete Asbestos abatement at Oak Bay Library Branch
- Site Preparation and Install of Garage Structure for the new Fire Department Ladder Truck.
- In cooperation with Parks, Recreation, and Culture, begin the design of Carnarvon Park Building and Playground
- In cooperation with Parks, Recreation, and Culture, replace Parks Roof,
- Begin Municipal Hall exterior washrooms Design and Engineering Study
- Begin Fire Hall Washroom Renovation Engineering Study
- Install Fire Hall New Heatpump
- Begin Marina Building Envelope Assessment
- Complete Municipal Hall Electric Furnace renewal
- Complete Windsor Pavilion Building Envelope Repairs (budget pending)
- Complete Windsor Pavilion Building Exhaust systems renewals (required by Code)
- Complete Windsor Pavilion Terrace Deck Renewals
- Conduct Municipal Hall Space Planning and Related Renovations



# Financial Services and Information Technology

The Finance department is responsible for the systems and processes that support the financial well-being of the District, providing advice and information to Council, staff, and the public. This department coordinates expenditures through the annual budget process, prepares financial statements and reports, and administers property taxation, utility billing, accounts payable, accounts receivable, payroll, as well as insurance and risk management. It also secures and manages debt and ensures that cash flow is managed so that funds are available to fulfill the five-year Financial Plan. The department is entrusted with ensuring that financial resources are available for long-term infrastructure replacement based on Council direction and is also responsible for delivery of front counter service. The Information Technology division is responsible for a wide variety of IT support including:

- Network design
- Network security
- End-user training and support
- Software implementation

The division also maintains and replaces a large inventory of IT hardware including PCs, printers, mobile devices, and phone hardware.

## Staffing History and Forecast

Position	2021 FTEs	2022 FTEs	Change
Director of Finance and Asset Management	1.00	1.00	-
Deputy Director of Financial Services	1.00	1.00	-
Manager of IT Projects <sup>1</sup>	0.33	0.33	-
Program Manager – Facilities/Asset Management <sup>2</sup>	1.00	1.00	-
Accountant <sup>3</sup>	0.00	1.00	+1.00
Assistant Accountant	1.00	2.00	+1.00
Financial Analyst	1.00	0.00	-1.00
Payroll Coordinator	1.00	1.00	-
Accounts Payable Clerk <sup>4</sup>	0.75	0.75	-
Utility Billing Clerk <sup>5</sup>	0.00	0.00	-
Accounting Clerk	0.50	0.50	-
Treasury Clerk	1.00	1.00	-
Information Technology Technician	1.00	1.00	-
Audio Visual Technician <sup>6</sup>	0.00	0.14	+0.14
<b>Total</b>	<b>9.58</b>	<b>10.58</b>	<b>+1.14</b>

1. 0.33 funded by taxation, 0.66 funded by capital

2. This position was transferred from the Engineering Department budget in 2023

3. Funding for this position was transferred from infrastructure renewal funding. There is therefore a \$0 net budgetary increase as a result of this position.

4. 25% funded through water utility budget

5. Funded through water utility budget

6. This position was created by repurposing IT consulting budget funds already within the approved budget. There is therefore a \$0 net budgetary increase as a result of this position.



## Performance measures and Statistics

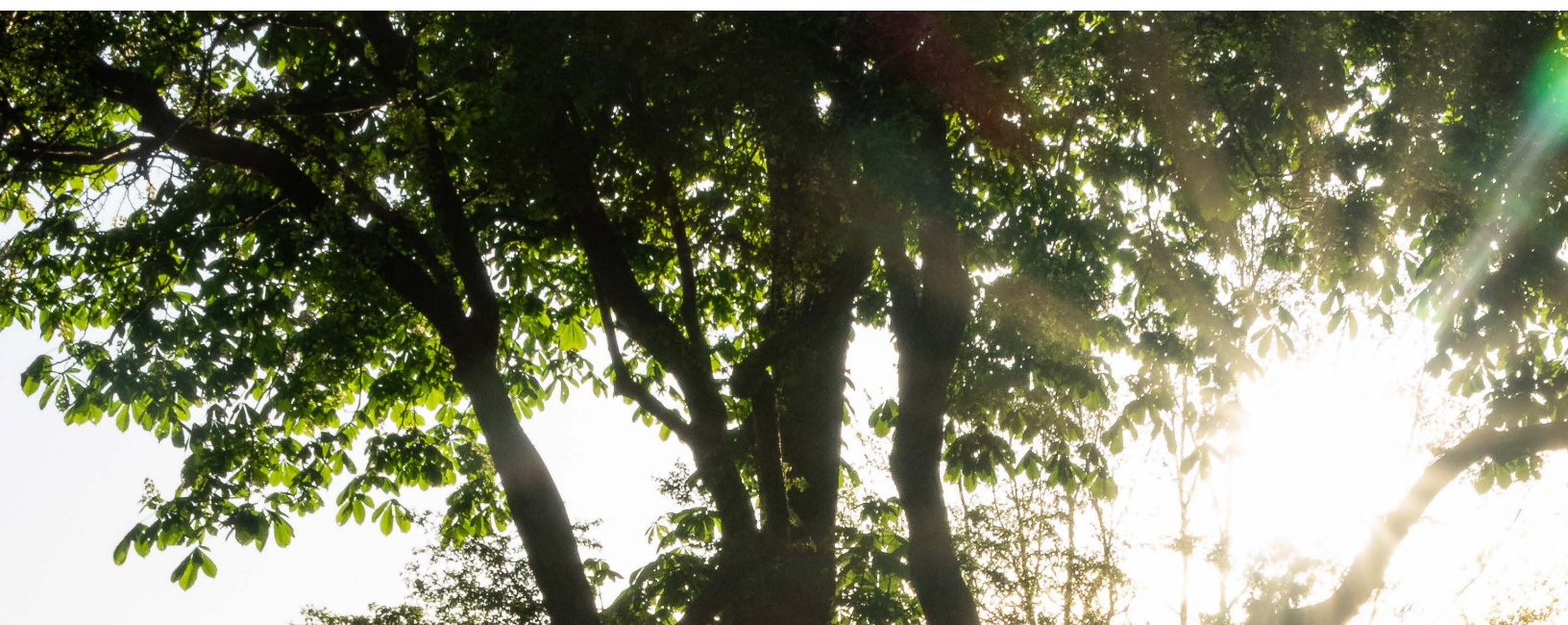
Performance Measure	2021 Actual	2022 Actual	2023 Forecast
\$ Property Taxes Levied	\$50.3	\$53.2M	\$56.4M
# Taxable Folios	6,884	6,943	6,950
# Home Owner Grants Claimed	4,366	4,354	4,325
# Tax Deferment Applications	1,166	1,217	1,275
# Cash Receipts/Bank Transactions	29,537	28,093	29,000
# T4s and T4As Issued	633	765	TBD
# Accounts Payable Invoices	9,549	10,625	11,000
\$ Interest Earnings	\$724,000	\$1,706,000	\$1,800,000
Distinguished Budget Report	Awarded	Awarded	Awarded
Canadian Award for Financial Reporting	Awarded	Awarded	Awarded
Help Desk Tickets	1,326	1,032	1,200
Terabytes of Data	12	12	12
Email Boxes	218	222	230
Email Storage	840GB	1.31TB	2.0TB
Network uptime	Hall: 99.98% Henderson: 99.94% NLC: 99.99% Tempest: 99.47%	Hall: 100% Public Works: 100% OBRC: 100% NLC: 99.96% Henderson: 99.98% Windsor: 100% Tempest: 99.99%	Service Target: 99%

## 2022 Accomplishments

- Concluded Asset Retirement Obligation engagement
- Began Parking Enforcement Standard Operating Procedure engagement
- Amended Tangible Capital Assets policy to include Developer Contribution and Asset Retirement Obligation components
- Began Utility Billing Process Review
- Achieved Government Finance Officer's Association's Distinguished Budget Report
- Contributed to achieving the Canadian Award for Financial Reporting with Corporate Services
- Prepared first draft of Debt Management Policy
- Prepared first draft of Surplus Allocation Policy
- Began Utility Billing Process Review
- Installed WIFI at Public Works

## 2023 Planned Accomplishments

- Conduct network security awareness training
- Complete Utility Billing Process review
- Implement Council direction from Utility Billing process review recommendations
- Implement Business Licensing electronic application software in partnership with Building and Planning
- Implement Network Security Audit Recommendations
- Begin Comprehensive Asset Management Plan
- Scope Asset Management Software
- Establish Project Management Governance Framework
- Complete Parking Enforcement Review and implement process improvement and Standard Operating Procedures
- Install Firehall WIFI services



## Finance and Information Technology Operating Budget

Overall, the Finance Department's operating budget requires a 6.3% (\$116,300) 2023 funding increase to maintain existing service levels.

Financial and Information Technology Operating Budget						
Operating Revenue Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change	Note
School Tax Commission	\$ 16,528	\$ 16,000	\$ 16,300	\$ 300	1.9%	
Tax Certificates & Info Requests	12,410	\$ 17,000	17,000	-	0.0%	
NSF Fees	480	\$ 1,000	1,000	-	0.0%	
Parking & MTI Fines	9,365	\$ 17,300	17,300	-	0.0%	
<b>Total Revenue</b>	<b>\$ 38,783</b>	<b>\$ 51,300</b>	<b>\$ 51,600</b>	<b>\$ 300</b>	<b>0.6%</b>	
Operating Expense Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change	Note
Finance General	\$ 1,014,541	\$ 1,211,400	\$ 1,263,700	\$ 52,300	4.3%	Note 1
Parking Enforcement	47,974	\$ 50,500	58,400	7,900	15.6%	Note 2
Information Technology	563,046	\$ 598,800	654,900	56,100	9.4%	Note 3
<b>Total Operating Expenses</b>	<b>\$ 1,625,561</b>	<b>\$ 1,860,700</b>	<b>\$ 1,977,000</b>	<b>\$ 116,300</b>	<b>6.3%</b>	
<b>Net Operating Budget</b>		<b>\$ 1,809,400</b>	<b>\$ 1,925,400</b>	<b>\$ 116,000</b>	<b>6.4%</b>	
<b>Impact to average residential property</b>				<b>\$ 13.00</b>	<b>0.4%</b>	

1. This division now includes salaries and benefits for the Program Manager-Facilities/Asset Management. This position was previously reported to Engineering and thus was incorporated into the Engineering Department budget. The 2022 budget has been restated as if the position was a part of the Finance Department budget for comparability purposes.
2. The parking enforcement contracted services price increased. The District conducted a Request for Proposal in 2022 and awarded to the submission with best value for money.
3. The majority of this increase is due to escalating Microsoft 365 licensing costs due to a significant increase of users (employees) since 2022.



# Police Services

The Oak Bay Police Department (OBPD) has served the residents of Oak Bay since 1906, contributing to Oak Bay's reputation as one of Canada's safest communities. The members of the OBPD are committed to partnerships with the community, leading to the sharing in the delivery of police services. The Department pledges to treat all people equally, with respect, and to uphold the Canadian Charter of Rights and Freedoms: to serve, protect, and work with the community and other agencies to prevent and resolve problems that affect community safety and quality of life.

## Staffing History and Forecast

Position	2021 FTEs	2022 FTEs	Change
Chief Constable	1.0	1.0	-
Deputy Chief Constable	1.0	1.0	-
Sergeant	6.0	6.0	-
Constable	13.0	13.0	-
<b>Total Strength</b>	<b>21.0</b>	<b>21.0</b>	<b>-</b>
Civilian Support Staff	4.0	4.0	-
Reserve constables	7.0	4.0	-3.0



## Performance measures and Statistics

Offence	2020	2021	2022
Robbery	0	0	0
Assaults	26	27	17
Sexual Assaults	7	10	9
Utter Threats	21	14	14
Break and Enter - Business	7	9	14
Break and Enter - Residence	17	16	25
Break and Enter - Other	9	8	10
Theft of Motor Vehicle	3	6	2
Theft from Motor Vehicle	126	44	45
Theft of Bikes	26	27	28
Theft Under \$5,000	71	85	87
Fraud	59	60	55
Mischief	102	83	137
Cause Disturbance	31	11	19
Counterfeit Currency	0	1	0
Trespass at Night	2	4	0
Breach/Bail Violations	25	14	24
Drug Possession	4	1	3
Impaired Drivers (CC and 90-day IRP)	14	28	14
Bylaw Infractions	241	225	195
Parking Violations	107	103	98
Collisions	84	93	105
Assist Public	677	771	685
Lost and Found	338	324	276
Suspicious Person	490	368	402
False Alarms	158	144	163
Liquor Offenses	33	19	15
Property Check Program	99	63	105
Violation Tickets/Warnings Issued	741	778	866
Prime File Count	4,159	4,027	3,984



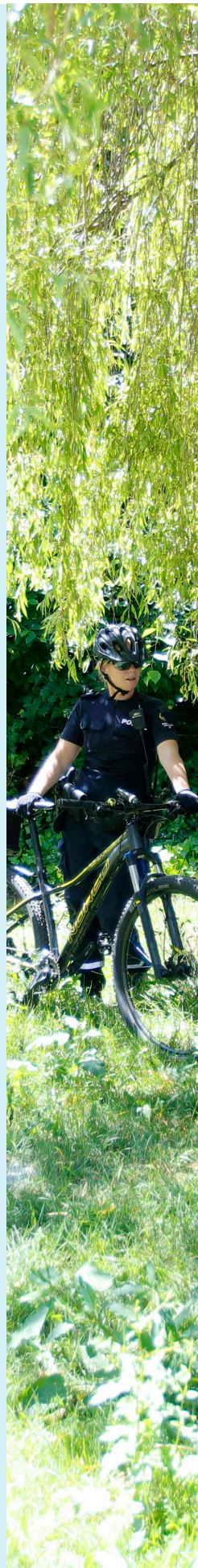
Police Metrics*	2020	2021	2022
Pedestrian Injury Collisions	3	2	6
Total Injury Collisions	11	12	19
Total Number of Collisions	86	93	105
Number of Injured Cyclists	4	5	5

### 2022 Accomplishments

- Hired a second Special Municipal Constable
- Hired the first female Deputy Chief Constable in the region
- Hired a new Chief Constable
- Purchased OBPD's first two electric bicycles
- Established a Peer-to-Peer Support Program and trained two officers in Peer-to-Peer Support
- Initiated the 'Coffee With A Cop' Program

### 2023 Planned Accomplishments

- Work with the Police Board to finalize a new three-year Strategic Plan for the department
- Additional leadership training for OBPD Sergeants
- Executive training for the new Deputy Chief Constable
- Participation in and support of the re-establishment of the Regional Youth Police Camp
- Fair and Impartial Training Course for any employees that have not received this training
- Purchase a second electric marked/operational police vehicle
- Deliver Police Officer Down enhanced first aid training to all members of the OBPD





## Oak Bay Police Department Operating Budget

Oak Bay Police Department						
Operating Expense Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change	Note
Police Board	\$ 8,034	\$ 12,000	\$ 12,000	\$ -	0.0%	
Police Administration	720,424	\$ 708,100	723,600	15,500	2.2%	
Protective Services	4,868,036	\$ 4,453,400	4,638,900	185,500	4.2%	Note 1 / Note 2
Community Program	1,545	\$ 19,800	19,800	-	0.0%	
Integrated Units	164,235	\$ 165,900	189,600	23,700	14.3%	
Police Building Maintenance	39,015	\$ 63,600	67,600	4,000	6.3%	
Vehicle Maintenance	58,576	\$ 59,300	59,000	(300)	-0.5%	
Transfer to reserve for Retirement	8,200	\$ 8,200	8,400	200	2.4%	
Transfer to Capital Reserve	20,600	\$ 20,600	21,800	1,200	5.8%	
Transfer to Major Crimes Reserve	82,400	\$ 82,400	84,900	2,500	3.0%	
Transfer to Police Vehicle Reserve	46,400	\$ 46,400	47,800	1,400	3.0%	
<b>Total Operating Expenses</b>	<b>\$ 6,017,465</b>	<b>\$ 5,639,700</b>	<b>\$ 5,873,400</b>	<b>233,700</b>	<b>4.1%</b>	
<b>Impact to average residential property</b>				<b>\$ 26.19</b>	<b>0.8%</b>	

1. This figure does not include forecasted collective agreement increases which have been integrated elsewhere in the consolidated budget. Negotiations have concluded in 2023, however, the Police Board funding request was submitted to the District prior to negotiations concluding.
2. Overspending in 2022 was due to a major crimes investigation. The budget overrun was funded by the major crimes reserve contingency. The Police Department also received approval for a grant in the amount of \$260,446 which offset much of the 2022 budget overspending.



# Fire and Emergency Services

The Oak Bay Fire Department was established in 1937, enacted by Bylaw 848. The Fire Hall is located at 1703 Monterey Avenue. At present, the Fire Department employs 26 career firefighters and two support personnel. Oak Bay Fire Department is a direct provider of emergency and non-emergency services to the following:

- Residents of the District of Oak Bay
- Businesses and customers located within the District of Oak Bay
- Persons attending and working at the University of Victoria
- Residents of the panhandle area of the District of Saanich (automatic response area). Other municipal departments (e.g., Police, Public Works, Parks Department plus Administration)
- Mutual aid partners: Saanich Fire Department, Victoria Fire Department, and British Columbia Ambulance Service

The Fire Department is staffed 24 hours, seven days a week by four rotating six-person fire suppression crews. The Fire Chief is the Department Head and normally works Monday to Friday. The Fire Prevention Division works a similar weekday shift. The Fire Department is also the after-hours Public Works and Parks dispatch for emergencies such as flooding from a broken water line, a serious sewer leak, or municipal trees fallen across a public road or path.







## Performance Measures and Statistics

Fire Services Metrics	2020	2021	2022
Response to Requests for Assistance	899	1,120	1,304
• Medical	262	369	544
• Fire and Other	637	751	760
Response to Significant Fires	1	29	15
• Estimated Value of Fire Loss	\$817,700	\$1,134,510	\$343,250
Fire Prevention Inspections	236	41	260
New Business Inspections	8	0	33
Company Inspections and Pre-plan Updates	4	19	155
Smoke Alarm Program and Inspections	54	36	40
Significant Life-Safety Building Upgrades	33	0	0
Review of Building Plans and Code Research	27	4	17
Education Sessions (Fire Drills at UVic)	4	19	26
• Public Education			26
• Fire Hall Tours			10
University of Victoria			
• Response to Requests for Assistance	56	19	83
• Fire Prevention Inspections and Consultations	19	19	19
Investigation of Fire Services Bylaw Complaints	10	0	12
Underground Oil Storage Tank Inspections	122	75	75
Department Personnel Training Hours Completed	10,724	12,377	13,500

## Staffing History and Forecast

Position	2022 FTEs	2023 FTEs	Change
Fire Chief	1.00	1.00	-
Deputy Fire Chief	1.00	1.00	-
Assistant Chief	3.00	4.00	+1.0 <sup>1</sup>
Captain	1.00	1.00	-
Lieutenant	4.00	4.00	-
Firefighter	16.00	17.00	+1.0 <sup>1</sup>
Emergency Coordinator	1.00	1.00	
Fire Clerk	1.00	1.00	-
<b>Total</b>	<b>28.00</b>	<b>30.00</b>	<b>+2.0<sup>1</sup></b>

<sup>1</sup> Subject to Council Approval.



## 2022 Accomplishments

- Completed Fire Master Plan for review by Council
- Facilitated District's partnership with CANOE Procurement Group
- Completed purchase order process for new Engine and Ladder apparatus
- New Engine uses green technology that reduces carbon footprint and noise pollution
- New Ladder apparatus uses technology to reduce turning radius and minimize impact to street design
- Standardized communication protocols and use of CREST Digital Vehicle Repeater Systems with Victoria and Saanich Fire Departments
- Completed Fire Fighter recruitment competition
- Hired five recruit Fire Fighters, including our first female Fire Fighter in Department history
- Completed recruitment and hiring of Fire Chief
- Onboarded new Fire Prevention Officer
- Hired Administration Support Clerk
- Created standalone Fire Department Occupational Health and Safety Committee
- Developed new return to work processes/support material in partnership with District OH&S
- Developed a Job Demands Analysis for Fire Prevention Officer and Fire Fighter positions
- Updated Tsunami mapping for District, presentation delivered to Council
- Developed District's response to heat events, presentation delivered to Council
- Piloted Emergency Operations Center training (Just In Time) delivered by EMBC
- Purchased new group lodging supplies through grant funding
- Initiated privacy and records retention review in partnership with Corporate Services
- Installed hard wired municipal IT network access to upper floor of fire station and training room
- Implemented electronic roster management program
- Redesigned Admin office to improve workflow and customer service
- Secured new oversight Director for Medical First Responder Program
- Replaced inventory of Gas Monitors/sensors

## 2023 Planned Accomplishments

- Complete site preparation and installation of temporary apparatus bay
- Develop implementation plan for Fire Master Plan recommendations
- Complete installation of municipal WIFI throughout Fire Hall
- Take delivery of new Engine and Ladder apparatus
- Complete driver/operator certification for new Engine and Ladder apparatus
- Complete options analysis for delivery of Department's training program
- Develop new resource allocation plan to support Officer development and more efficient use of apparatus
- Complete Saanich and Oak Bay Fire Department joint Confined Space training at UVic
- Increase time-frame allocated for training of new recruits



## Performance Measures and Statistics

Fire Protection						
Operating Expense Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change	Note
Fire Administration	\$ 620,644	\$ 737,400	\$ 774,400	\$ 37,000	5.0%	Note 1
Suppression / Rescue	4,042,146	\$ 3,929,700	3,839,600	(90,100)	-2.3%	Note 1
Fire Prevention	146,030	\$ 157,200	165,200	8,000	5.1%	Note 1
Fire Hall	41,016	\$ 36,400	39,000	2,600	7.1%	
Training & Staff Development	48,648	\$ 51,300	67,800	16,500	32.2%	
Fire Vehicles & Equipment	105,319	\$ 87,900	93,000	5,100	5.8%	
Emergency Program	116,801	\$ 138,600	145,800	7,200	5.2%	
<b>Total Operating Expenses</b>	<b>\$ 5,120,603</b>	<b>\$ 5,138,500</b>	<b>\$ 5,124,800</b>	<b>(13,700)</b>	<b>-0.3%</b>	
<b>Impact to average residential property</b>			<b>-\$ 1.54</b>		<b>0.0%</b>	

*1: Funding increases do not reflected forecasted collective agreement increases. The District's collective agreement with the International Association of Fire Fighters Local NO. 1856 expired in 2021. Forecasted collective agreement increases have been integrated elsewhere in the consolidated Financial Plan.*

Reasons for increase:		% Increase	Tax Impact*
+2.0 FTE Suppression Staff	\$ 287,500	5.6%	\$ 32.22
<b>Total New Operating Budget Items</b>	<b>\$ 287,500</b>	<b>5.6%</b>	<b>\$ 32.22</b>
<b>+ Status Quo Budget</b>	<b>\$ 5,124,800</b>	<b>-0.3%</b>	<b>\$ 16.96</b>
<b>= Total Fire Protection Operating Budget</b>	<b>\$ 5,412,300</b>	<b>5.3%</b>	<b>\$ 49.18</b>

At the January 16, 2023 Committee of the Whole, Council received a presentation of the Oak Bay Fire Master Plan. The Plan outlined Organizational Model Options which, if implemented, will have future staffing impacts. The following resolution was adopted at the same meeting "THAT staff report back to a future Council meeting with an impact analysis and a phased in implementation plan based on the Consultant's recommendation to move to Organizational Model Option 3 (Section 10)".

# Community Building and Planning

The Community Building and Planning Department works with residents, stakeholders, the development community, and Council to manage change and guide the District's sustainable growth. The department is responsible for long-range land use planning and special projects, and for processing land use applications and Building Permits. The Building and Planning department works with Council and the community to create long-range plans and policies that support our economic, environmental, heritage, and social goals to ensure a safe, healthy, and sustainable lifestyle for the residents of Oak Bay. The department undertakes the following functions and activities:

- Develops policies and programs that support the vision of the Official Community Plan, Zoning Bylaw, and Building Bylaw
- Manages and processes: Board of Variance submissions, Building Permits, Development Permits, Development Variance Permits, Heritage additions, Heritage Alteration Permits, Heritage Revitalization Agreements, Official Community Plan amendments, rezoning proposals, siting and design submissions, and subdivision proposals
- Provides technical and administrative support to the Advisory Design Panel, Advisory Planning Commission, Board of Variance, and Heritage Commission
- Reviews and issues business licenses for businesses operating within the District of Oak Bay
- Provides stewardship of records and files for land use applications, building permits, bylaw complaint files, and business licenses

*The department is responsible for long-range land use planning and special projects*

## Performance Measures, Statistics, and Service Levels

	2021	2022	2023 Forecast
<b>Bylaw Enforcement</b>			
• Complaints Received	118	273	300
• Site Investigations	106	260	300
• Animal Control MTIs	23	6	10
• Property Violation MTIs	12	1	5
• Tree Protection MTIs	9	1	5
<b>Building Inspections</b>	2,209	2,146	2,300
<b>Properties on Heritage Register</b>	105	107	107
<b>OCP Engagement Events</b>	-	-	5



Permit Type	2020	2021	2022	2023
<b>Residential</b>				
• Single Family Dwelling	237	289	216	240
• Multi Family Dwelling	33	29	26	30
<b>Commercial</b>	18	15	7	8
<b>Institutional</b>	2	9	11	8
<b>Accessory Buildings</b>	26	26	1	15
<b>Accessory Structures</b>	7	9	5	8
<b>Demolition</b>	25	25	27	30
<b>House Move</b>	1	3	5	5
<b>Plumbing</b>	252	274	223	250
<b>Irrigation</b>	18	30	43	50
<b>Wood Burning Appliances</b>	0	0	0	0
<b>Blasting</b>	12	11	10	10
<b>Signs</b>	4	3	2	2
<b>Renewal</b>	12	12	19	24
<b>Secondary Suites</b>	N/A	N/A	4	8
<b>Total</b>	<b>647</b>	<b>735</b>	<b>599</b>	<b>688</b>

Application Type	2021	2022	2023 Forecast
Board of Variance	3	3	3
Building Permits	735	740	750
Covenant Amendment	0	1	1
Development Permit	4	3	5
Development Variance Permit	13	9	12
Heritage Addition	0	1	10
Heritage Alteration Permit	0	4	4
Heritage Revitalization Agreement	0	-	3
OCP Amendment	0	-	2
Siting and Design	15	11	15
Subdivision	2	4	6
Zoning	1	2	4
<b>Total</b>	<b>773</b>	<b>778</b>	<b>815</b>



## Staffing History and Forecast

Position	2021 FTEs	2022	Change
Director of Community Building and Planning	1.00	1.00	-
Manager of Planning	1.00	1.00	-
Senior Planner	0.00	1.00	+1.00
Building Official II	1.00	1.00	-
Planner	2.00	2.00	-
Building Official/Plans Examiner	1.00	1.00	-
Planning Technician	0.00	1.00	+1.00 <sup>1</sup>
Plan Checker	0.00	1.00	+1.00 <sup>1</sup>
Bylaw Compliance Officer	1.00	1.00	-
Building/Engineering Licensing Clerk	0.50	0.50	-
Building and Planning Clerk	1.00	1.70	+0.7 <sup>1</sup>
Development Service and Licensing Clerk	0.60	0.60	-
<b>Total</b>	<b>9.10</b>	<b>11.80</b>	<b>+2.70</b>

<sup>1</sup> Subject to Council Approval.

## 2022 Accomplishments

- Completed Secondary Suites changes to bylaws
- Completed draft Infill Housing Strategy: Guiding Principles and Key Directions
- Conducted bylaw compliance review and policy
- Advanced Blasting Bylaw amendments
- Informed owners of Land Use Contracts expiry
- Drafted Allan Cassidy Design Awards Policy
- Advanced department service excellence through a service review
- Started Sidewalk Patio Expansion Program project
- Supported Climate Action Tool Kit
- Participated in CRD Climate Action Roundtable

## 2023 Planned Accomplishments

- Complete new Sidewalk Patio Expansion Program
- Complete Infill Housing Strategy and program implementation
- Commence Village Area Planning project
- Allan Cassidy Design Awards – 2023 round and finalize policy
- Create GHG Reduction Retrofit Program
- Update Land Use Procedures Bylaw
- Complete bylaw compliance review and policy
- Complete Blasting Bylaw amendments
- Support Climate Action Tool Kit
- Participate in CRD Climate Action Roundtable
- Advance Building Permits eApply options (in partnership with Finance Department)

## Building and Planning Operating Budget

Building & Planning					
Revenue Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change
Business Licences	\$ 97,272	\$ 96,000	\$ 96,000	\$ -	0.0%
Dog Licences	64,406	64,000	64,000	-	0.0%
Building Permits	818,582	717,500	717,500	-	0.0%
Development Permits	11,098	17,000	16,000	(1,000)	-5.9%
Subdivision Fees	2,800	1,000	2,000	1,000	100.0%
Other Fees & Permits	23,639	27,300	25,300	(2,000)	-7.3%
<b>Total Revenue</b>	<b>\$ 1,017,796</b>	<b>\$ 922,800</b>	<b>\$ 920,800</b>	<b>\$ (2,000)</b>	<b>-0.2%</b>
Operating Expense Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change
Planning	\$ 541,356	657,000	\$ 699,600	\$ 42,600	6.5%
Inspections	323,183	269,000	291,000	22,000	8.2%
Bylaw Enforcement	208,166	202,500	215,500	13,000	6.4%
Animal Control	82,694	90,600	92,400	1,800	2.0%
Deer Management	-	50,700	51,700	1,000	2.0%
Heritage Commission	100	11,000	11,500	500	4.5%
Climate Action Grants & Rebates	-	30,600	31,200	600	2.0%
<b>Total Operating Expenses</b>	<b>\$ 1,155,499</b>	<b>\$ 1,311,400</b>	<b>\$ 1,392,900</b>	<b>\$ 81,500</b>	<b>6.2%</b>
<b>Net Operating Budget</b>	<b>\$ 137,703</b>	<b>\$ 388,600</b>	<b>\$ 472,100</b>	<b>\$ 83,500</b>	<b>21.5%</b>
Impact to average residential property				\$ 9.36	0.3%

## New Operating Budget Items

Reasons for increase:	% Increase		Tax Impact*
+2.7 Planning Staff	\$ 224,200	17.1%	\$ 25.13
<b>Total New Operating Budget Items</b>	<b>\$ 224,200</b>	<b>17.1%</b>	<b>\$ 25.13</b>
<b>+ Status Quo Budget</b>	<b>\$ 1,392,900</b>	<b>6.2%</b>	<b>\$ Change</b>
<b>= Total Building and Planning Budget</b>	<b>\$ 1,617,100</b>	<b>23.3%</b>	<b>\$ 25.13</b>

At the February 6, 2023 Council meeting, Council considered a request for additional staff capacity needed to address core services and Council Priority.



# Engineering Services and Public Works

The Engineering and Public Works Department is responsible for the District's key infrastructure services including water distribution, wastewater collection, solid waste collection, and transportation. Under the guidance of Council, the department is committed to developing and renewing Oak Bay's municipal infrastructure and utilities in sustainable ways to meet the community's present and future needs. The team accomplishes this through the following major functions:

- Planning and design of municipal engineering services
- Monitoring infrastructure asset management through asset data collection, analysis, planning, and prioritization
- Managing and supporting capital projects
- Coordinating construction projects to install, rehabilitate, or renew storm drains, sanitary sewers, and water mains
- Completing construction projects to resurface or replace sidewalks and roads
- Implementing construction projects that deliver safer streets for pedestrians, cyclists, and drivers
- Providing daily operations and maintenance of infrastructure such as sewers, roads, sidewalks, water distribution, traffic control, and street lighting

## Performance measures and Statistics

	2021	2022	2023 Forecast
Storm Mains Replaced (conventional)	208m	0m	609m
Sanitary Sewer Main Replaced	186m	312m	758m
New Fire Hydrants	6	5	5
Catch Basins Replaced	20	25	20
Road Rehabilitation Completed	16,613 m <sup>2</sup> (Additional 2840 m <sup>2</sup> planned but deferred to 2022 due to wet fall)	19,003 m <sup>2</sup>	22,500 <sup>2</sup>
Sidewalk Replaced	250 m	250m	250m
Curb Drops Installed	16	4	4
CCTV Pipe Condition Assessment: Storm Sewer	17.1 km	0m	0m
CCTV Pipe Condition Assessment: Sanitary Sewer	5.8 km	0m	0m



## Staffing History and Forecast

Position	2022 FTEs	2023 FTEs	Change
Engineering	10.50 <sup>1</sup>	10.50	-
Public Works	35.75 <sup>2</sup>	35.75	-
Total	46.25	46.75	-

1. Departments may also fund staffing via cost-recovery and/or capital budgets. Such staffing is not reflected in this chart.

2. This denotes staffing funded by the operating department budgets. The Public Works department also funds 15.75 FTEs through cost recovery and capital budgets.

## 2022 Accomplishments

- Construction of EV charging stations (Oak Bay and Henderson Recreation Centres)
- Initiated work to begin expanding capital infrastructure program output by 3-5x
- Initiated Stormwater Master Plan (planned for 2022-2023)
- Replaced aging water mains on Lincoln Road and Victoria Avenue
- Completed Phase 2 of the Windsor Road Sanitary Sewer Replacement Project
- Improved water quality by installing or replacing 14 flushing ports
- Improved 19,000m<sup>2</sup> of 50 mm asphalt
- Stabilized a portion of bank of Bowker Creek adjacent to Oak Bay Recreation Centre after it failed in a landslide

## 2023 Planned Accomplishments

- Begin construction of a new storm sewer in the Humber catchment in Uplands
- Onboard 4 new technical staff members
- Update the District's pavement condition assessment
- Conduct a sidewalk and curb condition assessment
- Conduct a streetlight pole and base condition assessment
- Replace the railings along the Bowker Creek walkway
- Update the 2011 Active Transportation Plan
- Continue increasing the output of capital infrastructure delivery
- Repair to seawall at McNeil Bay
- Replace outfall structure along ocean from King George Terrace
- Review and develop policies and procedures at Public Works
- Replace sanitary sewer and storm drain on Dalhousie
- Develop 5 year replacement program based on a comprehensive asset condition assessment
- Develop SS and SD review and plans for Public Works
- Develop maintenance management program for Public Works



## Engineering Services Operating Budget

Engineering Services					
Revenue Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change
Engineering Fees	\$ -	\$ 10,000	\$ 15,000	\$ 5,000	50.0%
Street Occupancy & Boulevard Fees	7,332	\$ 12,100	7,100	(5,000)	-41.3%
<b>Total Revenue</b>	<b>\$ 7,332</b>	<b>\$ 22,100</b>	<b>\$ 22,100</b>	<b>\$ -</b>	<b>0.0%</b>
Operating Expense Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change
Engineering Administration	\$ 1,236,365	\$ 1,311,600	\$ 1,404,300	\$ 92,700	7.1%
<b>Total Operating Expenses</b>	<b>\$ 1,236,365</b>	<b>\$ 1,311,600</b>	<b>\$ 1,404,300</b>	<b>\$ 92,700</b>	<b>7.1%</b>
<b>Net Operating Budget</b>		<b>\$ 1,289,500</b>	<b>\$ 1,382,200</b>	<b>\$ 92,700</b>	<b>7.2%</b>
<b>Impact to average residential property</b>				<b>10</b>	<b>0.3%</b>





# Public Works

Public Works						
Revenue Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change	
Solid Waste Fees	\$ 1,719,867	\$ 1,728,000	\$ 1,812,700	\$ 84,700	4.9%	
<b>Total Revenue</b>	<b>1,719,867</b>	<b>\$ 1,728,000</b>	<b>\$ 1,812,700</b>	<b>\$ 84,700</b>	<b>4.9%</b>	
Operating Expense Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change	
Yard & Building	\$ 181,983	\$ 215,900	\$ 230,700	\$ 14,800	6.9%	
Safety Program	56,882	\$ 26,400	33,600	7,200	27.3%	
Stores	140,480	\$ 127,900	135,400	7,500	5.9%	
Road Repair	497,810	\$ 601,900	639,000	37,100	6.2%	
Drainage	560,511	\$ 493,300	531,800	38,500	7.8%	
Street Cleaning	128,563	\$ 119,500	129,700	10,200	8.5%	
Leaf Pickup Program	215,524	\$ 228,400	249,600	21,200	9.3%	
Snow Removal	123,895	\$ 86,300	92,300	6,000	7.0%	
Noxious Weed Program	8,544	\$ 15,800	6,600	(9,200)	-58.2%	
Street Lighting	291,942	\$ 256,000	275,300	19,300	7.5%	
Signs and Traffic Signals	252,092	\$ 210,700	229,300	18,600	8.8%	
Solid Waste	1,492,389	\$ 1,550,900	1,626,600	75,700	4.9%	
Other Public Works	7,719	\$ 14,300	18,700	4,400	30.8%	
<b>Total Operating Expenses</b>	<b>\$ 3,958,334</b>	<b>\$ 3,947,300</b>	<b>\$ 4,198,600</b>	<b>\$ 251,300</b>	<b>6.4%</b>	
<b>Net Operating Budget</b>		<b>\$ 2,219,300</b>	<b>\$ 2,385,900</b>	<b>\$ 166,600</b>	<b>7.5%</b>	
<b>Impact to average residential property</b>				<b>\$ 18.67</b>	<b>0.6%</b>	

# Sewer Utility

The District currently owns and operates a large inventory of infrastructure that provides sanitary sewer services to its residents. According to the District's recently published Sustainable Infrastructure Replacement Plan, the total replacement cost of the District's water assets exceeds \$137M. The District is increasing its transfer to reserve for infrastructure replacement budget at a rate of \$50,500 per year (or a 2.5% utility rate increase).

Sewer Utility (Municipal)						
Revenue Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	Change	Note
Municipal Consumer Utility Fees	\$ 1,429,194	\$ 1,463,500	\$ 1,543,200	\$ 79,700	5.4%	
Municipal Property Taxation	627,500	627,500	661,500	34,000	5.4%	
Sewer Utility Penalties	12,708	9,000	10,000	1,000	11.1%	
<b>Total Revenue</b>	<b>\$ 2,069,403</b>	<b>\$ 2,100,000</b>	<b>\$ 2,214,700</b>	<b>\$ 114,700</b>	<b>5.5%</b>	
Operating Expenses:	2022 Forecast	2022 Budget	2023 Budget	\$ Change	Change	Note
Sewer Administration	\$ 63,860	\$ 85,000	\$ 89,200	\$ 4,200	4.9%	
Sewer Collection & Repair Program	539,692	\$ 726,800	784,100	57,300	7.9%	Note 1
Inflow & Infiltration	-	\$ 21,800	22,500	700	3.2%	
Transfers to Reserve for Capital - S	1,266,400	\$ 1,266,400	1,318,900	52,500	4.1%	
<b>Total Expenses</b>	<b>\$ 1,869,952</b>	<b>\$ 2,100,000</b>	<b>\$ 2,214,700</b>	<b>\$ 114,700</b>	<b>5.5%</b>	

1. See "2023 Municipal and Regional Sewer Rates" Report on November 28, 2022 Council agenda.

Revenue Category					
	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Municipal Consumer Utility Fees	1,543,200	1,582,600	1,634,900	1,686,200	1,736,600
Municipal Property Taxation	661,500	701,200	724,100	746,700	768,700
Sewer Utility Penalties	10,000	7,700	7,900	8,100	8,300
<b>Total Revenue</b>	<b>2,214,700</b>	<b>2,291,500</b>	<b>2,366,900</b>	<b>2,441,000</b>	<b>2,513,600</b>
Operating Expenses					
	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Sewer Administration	89,200	91,900	94,300	96,600	98,600
Sewer Collection & Repair Program	784,100	807,700	830,200	851,500	871,600
Inflow & Infiltration	22,500	23,000	23,500	24,000	24,500
Transfers to Reserve for Capital - S	1,318,900	1,368,900	1,418,900	1,468,900	1,518,900
<b>Total Expenses</b>	<b>2,214,700</b>	<b>2,291,500</b>	<b>2,366,900</b>	<b>2,441,000</b>	<b>2,513,600</b>

### Sewer Utility Rate Five-Year Forecast

	2023	2024	2025	2026	2027
% Increase	5.5%	3.5%	2.6%	2.4%	2.0%
\$ Increase (average SFD)	\$11	\$8	\$8	\$8	\$8

These increases do not include increases to the Capital Regional District (CRD) Sewer User Fee. This user fee is levied to recover the operating costs of the Core Area Liquid Waste Treatment Plant (CALWTP) operated by the CRD. A review of the CRD's draft 2023-2027 Financial Plan indicates approximately 2% increases to the net CALWTP requisitions for each year 2023-2027.





# Water Utility

The District currently owns and operates a large inventory of infrastructure providing water services to its residents. According to the District's SIR Plan, the total replacement cost of the District's water assets exceeds \$168M. The District is increasing its transfer to reserve for infrastructure replacement budget at a rate of \$116,000 per year (or a 2.5% utility rate increase). The District purchases its bulk water from the Capital Regional District. Bulk water costs represent approximately 50% of the District's water utility cost and are expected to rise considerably over the next five years.

Water Utility - Operating Budget						
Revenue Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	Change	Note
Consumer Charges	\$ 4,951,165	\$ 4,869,700	5,199,300	\$ 329,600	6.8%	
Final Reading Charges	4,560	\$ 6,200	6,200	-	0.0%	
Penalties	15,291	\$ 13,300	14,500	1,200	9.0%	
<b>Total Revenue</b>	<b>\$ 4,971,016</b>	<b>\$ 4,889,200</b>	<b>\$ 5,220,000</b>	<b>\$ 330,800</b>	<b>6.8%</b>	
Operating Expenses:	2022 Forecast	2022 Budget	2023 Budget	\$ Change	Change	Note
Administration	\$ 111,380	\$ 102,900	\$ 107,200	\$ 4,300	4.2%	
Maintenance & Valve Turning	817,497	\$ 1,003,500	1,070,500	67,000	6.7%	
Backflow Prevention	30,193	\$ 22,000	23,600	1,600	7.3%	
Pumping	14,974	\$ 9,200	9,300	100	1.1%	
Collection	204,062	\$ 195,100	208,900	13,800	7.1%	
Safety program - W	28,209	\$ 32,900	34,000	1,100	3.3%	
Water Purchased	2,454,320	\$ 2,442,600	2,564,500	121,900	5.0%	
Transfers to Reserves - Water	1,081,000	\$ 1,081,000	1,202,000	121,000	11.2%	Note 1
<b>Total Operating Expenses</b>	<b>\$ 4,741,638</b>	<b>\$ 4,889,200</b>	<b>\$ 5,220,000</b>	<b>\$ 330,800</b>	<b>6.8%</b>	

1. See "2023 Water Utility Rates" Report on November 28, 2022 Council agenda.

Revenue Category					
	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Consumer Charges	5,199,300	5,568,700	5,949,700	6,344,700	6,754,400
Final Reading Charges	6,200	6,000	6,000	6,000	6,000
Penalties	14,500	13,900	14,200	14,500	14,800
<b>Total Revenue</b>	<b>5,220,000</b>	<b>5,588,600</b>	<b>5,969,900</b>	<b>6,365,200</b>	<b>6,775,200</b>
Operating Expenses					
	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget
Administration	107,200	111,000	114,300	117,200	119,600
Maintenance & Valve Turning	1,070,500	1,106,100	1,139,100	1,169,200	1,196,200
Backflow Prevention	23,600	24,400	25,100	25,800	26,300
Pumping	9,300	9,500	9,700	9,900	10,100
Collection	208,900	215,000	220,800	226,200	231,000
Safety Program	34,000	34,900	35,600	36,300	37,000
Water Purchased	2,564,500	2,769,700	2,991,300	3,230,600	3,489,000
Transfers to Reserves - Water	1,202,000	1,318,000	1,434,000	1,550,000	1,666,000
<b>Total Operating Expenses</b>	<b>5,220,000</b>	<b>5,588,600</b>	<b>5,969,900</b>	<b>6,365,200</b>	<b>6,775,200</b>

#### Water Utility Rate Five-Year Forecast

	2023	2024	2025	2026	2027
% Increase	6.8%	7.1%	6.8%	6.6%	6.5%
\$ Increase (average SFD)	\$39	\$41	\$42	\$44	\$45



# Parks, Recreation, and Culture

Oak Bay Parks, Recreation, and Culture (PRC) creates opportunities for citizens to gather, learn, exercise, and grow. PRC operates five recreation centres and two food services outlets, and maintains 29 park spaces, including natural areas, playing fields, beach access, gardens, playgrounds, and a golf course. In addition to park spaces, the team maintains public irrigated boulevards, municipal hedging, 10,000+ trees, and 300 benches and picnic tables. Oak Bay recreation services include myriad programs available throughout the year for residents of all ages and abilities. The Culture division supports concerts, studio tours, outstanding artistic merit awards, Oak Bay Arts and Culture Days, and the Arts Alive Public Sculpture program.

## Performance Measures and Statistics

	2019	2020	2021	2022	2023
Financial recovery rate (Actual)	69.7%	46.9%	51.9%	59.2%	N/A
Financial recovery rate (Budget)	63.5%	65.6%	39.2%	53.3%	56.1%

	2020	2021	2022
Total visits	502,281	998,934	1,242,832
Trees planted on municipal property	176	88	152
Calls for Service – Trees – Received	549	701	428
Calls for Service – Trees – Completed	471	467	329
Tree Permits for Private Property	403	437	476
Trees removed for Construction (over 30 cm diameter)	34	54	101
• Trees Replanted (As per Tree Protection Bylaw)	65	85	173
Trees Removed from Private lands (dead, diseased, or dying)	159	234	161
• Trees Replanted (as per Tree Protection Bylaw)	159	200	160
Municipal Trees Removed on Public Lands (dead, diseased, dying)	140	110	130
• Municipal Trees replanted on Private Lands	157	143	162
Friends of Uplands Park Education and Stewardship Events			
• Total Participants	2,098	2,008	3,590
Public School Volunteer Hours			
• Uplands Park, Trfalgar, and Walbran Park	2815.25	1,919	2,953
• Anderson Hill	711.50	793	552
• Native Plant Garden	130	75	75
• Brighton Walkway	200	278	150
• Green Team at Uplands and Anderson Hill Parks	278	240	126
• Kitty Islet/McNeill Bay	306	555	470.5
Total biomass removed from nature area parks			
• Chipped (cubic yards)	170	620	80
• Unchipped (cubic yards)	430	3,100	1,875



## Recreation Financial Risks and Outlook

Division	Risk or Opportunities
Fitness	<ul style="list-style-type: none"> <li>• Labour challenges have constrained capacity to generate greater revenue.</li> <li>• Significant inflation has eroded capacity for greater net revenue.</li> <li>• Fees increase planned to combat inflation.</li> <li>• Studio at OBRC is very busy from 4:00 pm to 8:00 pm, midday hours have capacity. Focused attention on the recent increase in retirements and the 65+ population are seen as opportunities for increased participation.</li> <li>• Opportunity to develop outdoor spaces to offer outdoor fitness classes, although capital expenditures may be required.</li> <li>• Proposed new program to subsidize/reimburse certification fees to attract new front line workers and thus address labour challenges.</li> <li>• Proposed reduction in late night hours (i.e. after 10:00 pm) is expected to produce net savings in expenses given downward trends in participation rates.</li> </ul> <p>Post Pandemic fears of returning to group classes appears to be waning, group fitness classes are nearing 2019 registration levels; expect continued innovations in program offerings to meet fitness trends.</p>
Aquatics	<ul style="list-style-type: none"> <li>• Labour challenges have constrained capacity to generate greater revenue.</li> <li>• Significant inflation has eroded capacity for greater net revenue.</li> <li>• Fees increase planned to combat inflation.</li> <li>• Significant certification required to meet job qualifications.</li> <li>• Plan to subsidize/reimburse certification fees may help attract new front line workers who are often 16-20 year olds and have expressed that certification costs are a barrier to working in aquatics.</li> <li>• Planned improvements of physical accessibility options for older adults and individuals with health concerns/disabilities may increase participation.</li> <li>• Demographic shifts of the “baby boom” generation and pandemic retirements are expected to increase participation rates in daytime swimming and aquafit programs which are popular with this age demographic.</li> <li>• Post pandemic increase in demand for lessons, coupled with staffing shortages lead to service delivery changes to focus on group lessons over private lessons (i.e. less staff can teach more children), however, private lessons have a higher net revenue. Long term return to offering more private lessons will provide increased net revenue opportunities in aquatics.</li> <li>• Proposed reduction in late night hours (i.e. after 10:00 pm) is expected to produce net savings in expenses given downward trends in participation rates after 10:00 pm.</li> </ul>
Arena	<ul style="list-style-type: none"> <li>• Arena assets are well utilized and used in a revenue-efficient and community service maximizing way.</li> <li>• Significant inflation has eroded capacity for greater net revenue.</li> <li>• Fees increase planned to combat inflation.</li> <li>• Secured new insurance option for individual/private renters to obtain insurance without being part of organized group sport which could increase rentals in Spring/ Summer months.</li> </ul>

Food Services	<ul style="list-style-type: none"> <li>Labour challenges have constrained capacity to generate greater revenue.</li> <li>Significant inflation has eroded capacity for greater net revenue.</li> <li>Important venue to promote social connectedness, belonging and culture.</li> <li>Post pandemic return of regular special events to the Monterey Centre will provide small growth opportunity.</li> <li>Similarly, the return of concerts and events to the OBRC Sportsview Lounge has been steady and increasing through 2022/23.</li> <li>Group meeting and/or party rentals of OBRC Lounge have grown in 2022/23 post pandemic. Small growth opportunity here for future years.</li> </ul>
Indoor Sports Field	<ul style="list-style-type: none"> <li>Fees increase planned to combat inflation.</li> <li>Secured new insurance option for individual/private renters to obtain insurance without being part of organized group sport which could increase rentals during less popular rental times.</li> <li>Facility is heavily utilized by Oak Bay High School PE classes.</li> </ul>
Sailing	<ul style="list-style-type: none"> <li>No opportunities here. Currently runs with contract with Sooke, volunteers coordinate the administration which poses some challenges. Expanded to full summer program. OB pays for marina lease. 2023 have budgeted to pay for 15 hr per week in summer for a OBPRC leader to help at lunches. Revenue neutral. Society takes care of boat maintenance/costs. Evan has expanded into a fall program, but revenue will be minimal.</li> </ul>
Licensed Care	<ul style="list-style-type: none"> <li>Provincial grants for families are reducing childcare costs; requires increased admin time for OBPRC staff.</li> <li>Demand exists for growth as there are waitlists for all childcare spaces.</li> <li>Labor challenges have constrained capacity to generate greater revenue in 2022/23, reduced provision of child care spots and reduced revenues. However, expected rebounding of child care labor will result in the ability to offer more spots; currently offering approx.. 75% of full, licensed capacity thus some growth potential in this area.</li> <li>Licensed Care is regulated heavily, staff to child ratios must be observed. However, if labour shortage continues to be reduced (current hiring underway), overall numbers of participants can be increased.</li> <li>Labour pool is restricted by Licensing requirements which require employees to be 19 years of age, as well as the specific hours of operation make it difficult for students.</li> </ul>
Community Recreation	<ul style="list-style-type: none"> <li>Camps and childcare are bound by staff to child ratios. If labour shortages are reduced, there is capacity for growth in the delivery of camps and programs for children.</li> <li>Currently, camps are in high demand, but labour challenges have constrained capacity to generate greater revenue. Medium growth is expected through contracted camps, but this may also be impacted by labour challenges.</li> <li>New Supported Child Development grant may assist in expanding one on one inclusion support services but this too, may be impacted by labour challenges.</li> <li>Increased grant opportunities currently exist for youth and student employment positions which will help offset wage expenses.</li> </ul>
Youth Centre	<ul style="list-style-type: none"> <li>Space is seen as a “community asset,” for youth in terms of providing a space place for youth to gather. Fully subsidized space as no fees are charged other than birthday party rentals.</li> <li>Birthday party rentals have a small growth opportunity.</li> <li>Opportunity to increase use of the space with revenue neutral impact though partnerships with community groups such as the Inter-Cultural Association, Victoria Immigrant and Refugee Centre Society and Community Living Victoria.</li> </ul>

Tennis	<ul style="list-style-type: none"> <li>Recent structural changes have been made to lessons format to generate more efficient revenue generation.</li> <li>Significant inflation has eroded capacity for greater net revenue.</li> <li>Fees increase planned to combat inflation.</li> <li>Staffing challenges have not been felt as acutely in Tennis. Program structure facilitates mentorship of young coaches.</li> <li>Increase in hosting tennis tournaments for improved patron engagement, potential sponsorships (may need to address with Council) and growth of participation in the sport.</li> <li><b>Note:</b> demand for pickleball exceeds court availability. Focus is on group use rather than private rentals.</li> </ul>
Monterey Centre	<ul style="list-style-type: none"> <li>Staff continue to examine ways to creatively and efficiently utilize space to provide maximum community benefit and maximize financial performance.</li> <li>Significant inflation has eroded capacity for greater net revenue.</li> <li>Fees increase planned to combat inflation.</li> <li>Pandemic retirements and the continued movement of the “baby boom,” demographic through retirement ages 60-70+ is expected to contribute to increased growth of participation in programs, events, trips etc. at the Monterey Centre for the next 5-10 years.</li> <li>Growth in demand for older adult fitness programs expected to continue.</li> <li>Post pandemic fears of registering in traditional, art and general interest programs continue as people in this age category are hesitant to sit in smaller spaces with others, however, that fear is slowly waning as we are seeing growth in program registration and expect continued growth in this area. This is a potential area for growth in return to pre-pandemic operations.</li> <li>Special event and out trips canceled due to the pandemic have only returned to approximately 25% of pre-Pandemic levels. As fears from the Pandemic continue to be reduced in the general population, more events and trips will be offered. This is a potential area for growth in return to pre-pandemic operations.</li> <li>Providing increased administrative support for MMRA club, rebuilding membership after COVID, and better use of space.</li> </ul>
Par 3 Golf	<ul style="list-style-type: none"> <li>Service is very weather dependent, however recent trends have seen more favorable Spring and Fall operations.</li> <li>Demographic shift of “baby boom,” generation through retirement ages is expected to contribute to the participation in golf in general.</li> <li>Increased demand for inter-generational activities could see greater usage in future as course is very child friendly.</li> </ul>
Neighbourhood Learning Centre	<ul style="list-style-type: none"> <li>Recent regulatory requirements have constrained revenues.</li> <li>Failure of room dividers has diminished the capacity for childcare spaces and fitness programs. These room dividers are slated to be replaced within the next year.</li> <li>Maintenance staffing challenges have hindered rentals and usage of this space for evenings and weekends. Addressing this staff challenge should support increased rental and programming of this space.</li> </ul>



Division	Capacity for Greater Revenue?	Likelihood of Greater Revenue
Fitness	Medium	Medium - Likely
Aquatics	High	Medium - Likely
Arena	Low	Unlikely
Food Services	Medium	Neutral
Indoor Sports Field	Medium	Medium - Likely
Sailing	None	Unlikely
Licensed Care	Low to Medium	Likely (demand exists)
Youth Centre	None	Unlikely
Tennis	Low	Unlikely
Monterey Centre	Medium	Likely (demographics)
Par 3 Golf	Low	Neutral
Neighbourhood Learning Centre	Low	Low to unlikely

### Staffing History and Forecast

Position	2022 FTEs	2023 FTEs	Change
Auxiliary Staff	60.0	81.7	+21.7
Regular	70.6	70.6	-
Total	130.6	152.3	+21.7

### 2022 Accomplishments

- Resurfaced all 7 indoor tennis courts at the Oak Bay Recreation Centre and 4 outdoor courts at Carnarvon Park.
- Developed and implemented an Oak Bay specific swim lesson curriculum for children 4 months to 12 years old, due to the discontinuation of the Canadian Red Cross swim program.
- Replaced the roof over the arena, sports field, and lounge at the Oak Bay Recreation Centre
- Completed implementation of Year 1 of the Coolkit program in Oak Bay neighbourhoods.
- Hosted table tennis, tennis, and cribbage for the BC 55+ Games.
- Completed upgrades to the Sportsview Lounge service area, bar, and flooring.
- Completed sound mitigation project for Pickleball courts at Carnarvon Park.
- Implemented Provincial \$10/day childcare subsidy program to the Paddington Station Daycare and Licensed Afterschool Care programs at the Neighbourhood Learning Centre; saving parents on average between \$400-600 per month.

### 2023 Planned Accomplishments

- Complete replacement of arena chiller (March 2023), decreasing the amount of ammonia used by 65%.
- Install energy efficient heating system for the 3-court tennis bubble at the Oak Bay Recreation Centre.
- Undertake process to complete the detailed new building design at Carnarvon Park - recommended in the Carnarvon Park Master Plan

- Replace and upgrade playground equipment at Henderson Kiwanis Park.
- Implement Year 2 of the Coolkit program.
- Re-introduce special events and trips to the Monterey Centre programming after a hiatus due to COVID-19.
- Develop the next 5-year plan of the Urban Forest Strategy.
- Replace and upgrade street and building signage at the Oak Bay Recreation Centre and Henderson Recreation Centre.

### Parks, Recreation, and Culture Operating Budget

	Pre-pandemic Budget	2021 Budget	2022 Budget
Revenues	\$8,921,700	\$4,749,100	\$7,184,200
Expenses	\$13,678,200	\$12,113,400	\$13,464,700
PRC Net Cost	\$4,756,500	\$7,364,300	\$6,280,500
COVID-19 Restart Grant Contribution to Operations	-	\$2,557,000	\$1,378,600
% of pre-pandemic net cost		155%	132%



Parks, Recreation & Culture					
Operating Revenue Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	% Change
Tree Cutting & Planting-R	\$ 56,175	\$ 35,000	\$ 50,000	\$ 15,000	0.0%
Henderson	993,765	\$ 819,800	921,800	102,000	12.4%
Henderson Fitness	326,816	\$ 354,200	370,000	15,800	4.5%
OBRC Fitness	648,046	\$ 697,900	763,400	65,500	9.4%
Aquatics	1,398,203	\$ 1,448,600	1,539,000	90,400	6.2%
Arena	780,733	\$ 754,800	834,800	80,000	10.6%
Food Services	250,532	\$ 195,900	289,900	94,000	48.0%
Indoor Sports Field	431,134	\$ 350,300	439,700	89,400	25.5%
Sailing	45,088	\$ 41,300	41,600	300	0.7%
Licensed Care	946,749	\$ 907,900	966,200	58,300	6.4%
Youth Centre	45,870	\$ 49,900	47,800	(2,100)	-4.2%
Tennis	920,821	\$ 759,600	902,200	142,600	18.8%
Monterey Centre	610,686	\$ 397,900	537,000	139,100	35.0%
Par 3 Golf	252,072	\$ 211,700	253,300	41,600	19.7%
Cultural Events	32,712	\$ 25,200	39,300	14,100	56.0%
Reception Product Sales	39,161	\$ 30,000	40,000	10,000	33.3%
Carnarvon & Windsor Rental	33,771	\$ 14,000	43,100	29,100	207.9%
Field & Park Permits	64,490	\$ 38,600	55,300	16,700	43.3%
HSP Grant	62,814	\$ 50,000	50,000	-	100.0%
Library Board	3,200	\$ 1,600	1,600	-	100.0%
<b>Total Operating Revenues</b>	<b>\$ 7,942,838</b>	<b>\$ 7,184,200</b>	<b>\$ 8,186,000</b>	<b>\$ 1,001,800</b>	<b>13.9%</b>



Parks, Recreation & Culture					
Operating Expense Category	2022 Forecast	2022 Budget	2023 Budget	\$ Change	Change
Administration-R	2,217,380	\$ 2,347,800	2,491,700	143,900	6.1%
Building Maintenance-OBPR	2,562,303	\$ 2,563,100	2,733,200	170,100	6.6%
Henderson-E	1,063,617	\$ 1,071,100	1,166,900	95,800	8.9%
Henderson Fitness-E	273,935	\$ 284,900	275,200	(9,700)	-3.4%
OBRC Fitness-E	264,214	\$ 315,600	284,600	(31,000)	-9.8%
Aquatics-E	1,216,673	\$ 1,218,800	1,183,500	(35,300)	-2.9%
Arena-E	289,208	\$ 292,700	309,600	16,900	5.8%
Food Services-E	275,654	\$ 275,300	363,400	88,100	32.0%
Indoor Sports Field-E	192,203	\$ 157,600	199,900	42,300	26.8%
Sailing-E	44,622	\$ 36,000	37,500	1,500	4.2%
Licensed Care-E	691,573	\$ 755,600	787,600	32,000	4.2%
Youth Centre-E	77,768	\$ 71,500	93,700	22,200	31.0%
Tennis-E	518,438	\$ 467,700	532,600	64,900	13.9%
Monterey Centre-E	892,685	\$ 852,700	1,016,600	163,900	19.2%
Par 3 Golf-E	207,137	\$ 229,500	233,600	4,100	1.8%
Cultural Events-E	93,149	\$ 78,400	106,000	27,600	35.2%
Invasive Species Removal	85,824	\$ 83,600	99,000	15,400	18.4%
Public Works-E	31,591	\$ 26,000	26,800	800	3.1%
Tree Cutting & Planting	754,087	\$ 639,200	762,900	123,700	19.4%
Benches	18,953	\$ 12,900	18,700	5,800	45.0%
Playgrounds	668,760	\$ 662,500	707,000	44,500	6.7%
Lawn & Garden	263,148	\$ 257,200	279,300	22,100	8.6%
Field Maintenance	168,576	\$ 199,200	211,600	12,400	6.2%
Boulevard Maintenance	288,307	\$ 354,600	380,600	26,000	7.3%
Small Buildings	243,443	\$ 220,600	240,600	20,000	9.1%
Leaf Clearing	14,454	\$ 40,600	43,700	3,100	7.6%
<b>Total Operating Expenses</b>	<b>\$ 13,417,703</b>	<b>\$ 13,514,700</b>	<b>\$ 14,585,800</b>	<b>\$ 1,071,100</b>	<b>7.9%</b>
<b>Net Operating Budget</b>		<b>\$ 6,330,500</b>	<b>\$ 6,399,800</b>	<b>\$ 69,300</b>	<b>1.1%</b>
<b>Impact to average residential property</b>				<b>-</b>	<b>0.0%</b>

Reasons for increase:		% Increase	Tax Impact*
+1.0 FTE Gardener	\$ 95,000	0.7%	\$ 10.65
+0.5 FTE Parks Clerk	\$ 40,000	0.7%	\$ 4.48
<b>Total New Operating Budget Items</b>	<b>\$ 135,000</b>	<b>1.0%</b>	<b>\$ 15.13</b>
<b>+ Status Quo Budget</b>	<b>\$ 14,585,800</b>	<b>7.9%</b>	<b>\$ -</b>
<b>= Total Parks, Recreation and Culture Budget</b>	<b>\$ 14,720,800</b>	<b>8.9%</b>	<b>\$ 15.13</b>

*The District's leadership team has prioritized the new Gardener Full Time Equivalent request as the staff funding request top priority for Council consideration. The proposed Parks Clerk position would support increased demand that has grown out of the District's Urban Forest Management Strategy.*





The background of the slide is a photograph of a sunset or sunrise. The sky is filled with horizontal bands of orange, yellow, and dark grey clouds. In the lower third of the image, the silhouette of a lighthouse and a small building sits atop a dark, rounded hill. The water in the foreground is dark and calm.

# Asset Management





# State of Asset Management

Measuring asset management performance is complex. Over the coming years the District's objective is, with respect to asset management progress, to answer three questions:

## One: How Well Are We Planning?

- Should have Master Plans complete for all major asset classes by 2023
- Water Master Plan complete
- Sanitary Sewer Master Plan complete
- Facilities Master Plan underway
- Stormwater Master Plan 2022-2023

## Two: How Well Are We Funding?

- District has made significant progress increasing annual funding
- District's draft Sustainable Infrastructure (SIR) Plan estimates sustainable annual funding to be \$12.8M (current funding: \$8.2M)
- SIR Plan estimates a cumulative infrastructure funding deficit of \$463.5M as of 2021

## Three: How Well Are We Replacing?

- District has increased capital replacement output alongside funding increase
- SIR Plan recommends increasing capital output by 300-500% for road, storm, sewer, and water over the next 15 years
- Council approved five new positions for capital programming beginning in 2023

### How well are we planning?

The District provides numerous capital services for the enjoyment of its residents and visitors, as detailed below. Many of these services required significant initial investment and residents expect these services to continue uninterrupted well into the future. The District has developed Master Plans and guiding documents to support the long-term provision of these high-quality services.

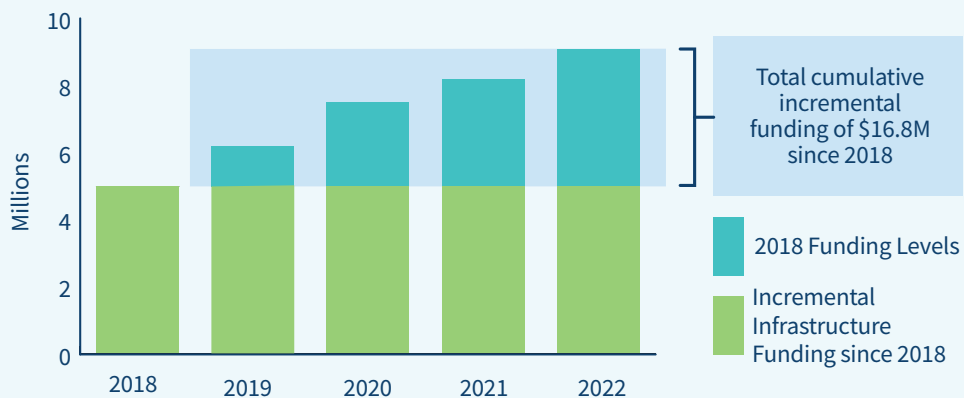
Assets	Services	Plans
Natural	Recreation, Health	Urban Forest Strategy
Road	Transportation	Pavement Management Program
Parks	Parks, Trails, Playgrounds	Parks, Rec and Culture Master Plan (2023)
Sanitary Sewer	Sanitary Sewer Conveyance and Treatment	Sewer Master Plan (2021)
Drainage	Storm Water Conveyance and Quality Assurance	Asset Management Report (2016) Storm Sewer Master Plan (2022/23)
Water	Water Conveyance and Quality Assurance	Water Master Plan (2019)
Vehicles and Equipment	Support of all Capital Services	Vehicle and Equipment Replacement Plans
Buildings	Recreation, Policing, Fire, Administration	Building Asset Management Plan (2016) Facilities Master Plan (2021/22)

### How well are we funding?

This District has made significant progress toward ensuring sustainable asset replacement is supported by permanent, predictable revenue (taxation and utility fees). The District increased annual funding by \$1.3M in 2019, \$1.3M in 2020, and \$500,000 in 2021, and \$1.0M in 2022. The draft 2023 Financial Plan increases annual asset replacement funding by an additional \$1.8M (approx. 600k due to investment returns improving). Overall, this will result in \$16.8M in cumulative funding being set aside in reserves over the course of 2008 - 2023.

*The draft 2023 Financial Plan increases annual asset replacement funding by an additional \$1.8M*

### Increase to Infrastructure Funding since 2018



### Asset Replacement Funding Scorecard

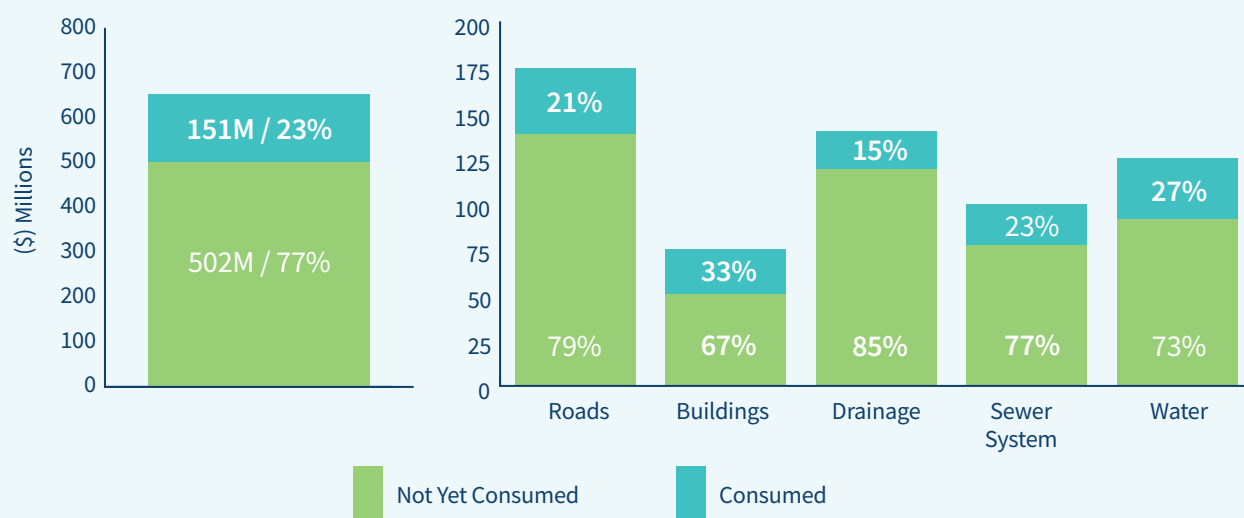
Asset Type	2023 Annual Funding Total	Funding Target	% Target	Funding Sustainability Rating	Dedicated Funding?
Natural Assets		Unknown			
Park Structures	\$0.2M	\$0.2M	86%	Good	No
Roads	\$2.9M	\$3.5M	84%	Good	No
Facilities	\$2.0M	\$2.3M	85%	Good	Some
Vehicles and Equipment	\$1.1M	\$1.0M	110%	Great	Yes
Drainage	\$2.1M	\$2.5M	84%	Good	No
Sewer Infrastructure	\$1.3M	\$1.4M	94%	Great	Yes
Water Infrastructure	\$1.2M	\$1.9M	63%	Bad	Yes
<b>Total</b>	<b>\$10.8M</b>	<b>\$12.8M</b>	<b>84%</b>		



*The replacement value for the District's depreciable assets is approximately \$653.0M*

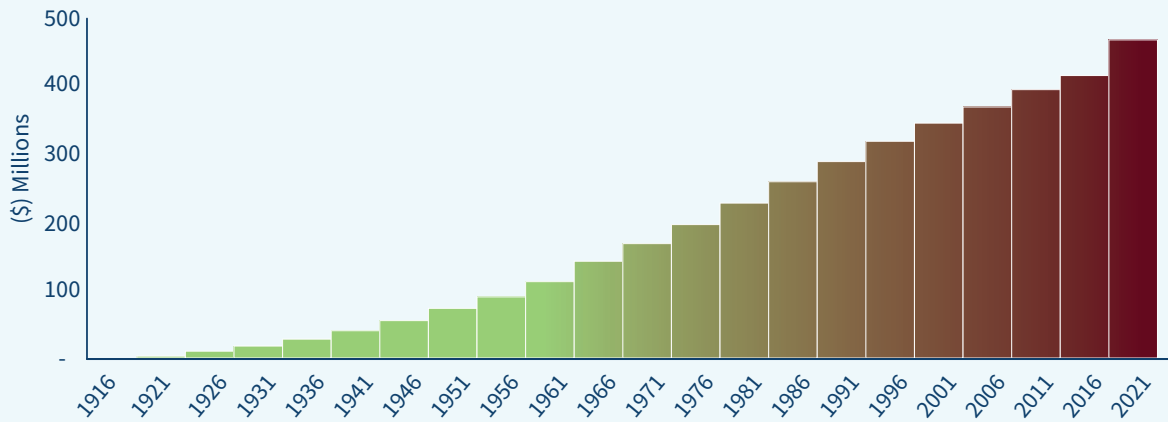
The SIR Plan estimated that the replacement value for the District's depreciable assets is approximately \$653.0M. On average, these assets were estimated to be 77% through their useful lives ("depreciation"). The value of this depreciation is therefore \$502.0M ( $653.0M \times 77\%$ ). In other words, sustainable funding would have resulted in the District either replacing or saving for approximately \$502.0M. The District's reserves available for capital replacement were estimated to be approximately \$38.5M, resulting in a \$463.5M cumulative infrastructure funding gap. These figures were prepared for the 2021 Sustainable Infrastructure Replacement (SIR) Plan. Replacement costs have escalated since the SIR Plan was prepared.

### Major Assets - Portion Consumed



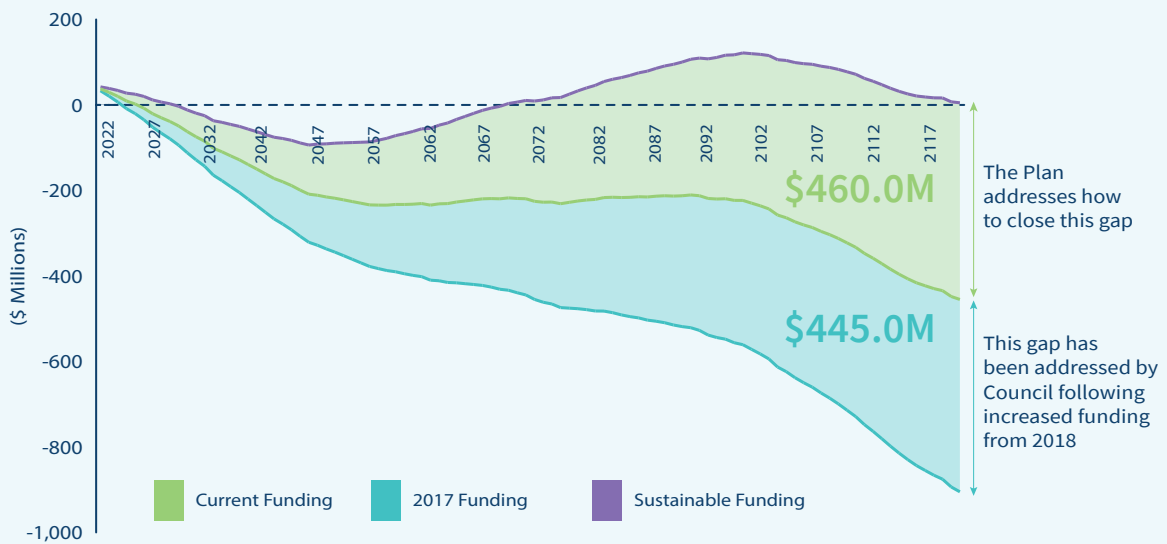
Asset	Replacement Value (except land)	Sustainable Reserve Target	Reserve Balances	Cumulative Infrastructure Funding Gap
Natural Assets	Unknown	-	\$1.2M	(\$1.2M)
Park Structures	\$6.7M	\$3.1M	\$0.4m	\$2.7M
Roads	\$171.5M	\$135.3M	\$4.6M	\$130.7M
Facilities	\$80.7M	\$54.3M	\$4.2M	\$50.1M
Vehicles and Equipment	\$15.7M	\$10.3M	\$6.5M	\$3.8M
Drainage	\$142.4M	\$121.7M	\$5.0M	\$116.7M
Sewer Infrastructure	\$105.9M	\$81.9M	\$8.7M	\$73.2m
Water Infrastructure	\$130.1M	\$95.4M	\$7.9M	\$87.5m
<b>Total</b>	<b>\$653.0M</b>	<b>\$502.0M</b>	<b>\$38.5M</b>	<b>\$463.5m</b>

## Forecasted Cumulative Infrastructure Gap 1916-2076 (2021 \$s)



The District's cumulative infrastructure funding gap has accumulated over many decades. Council's efforts to close the annual funding gap has reduced the forecasted 100-year funding gap by \$445.0M.

## Reserve Forecasts 2017 Current vs. Sustainable Funding

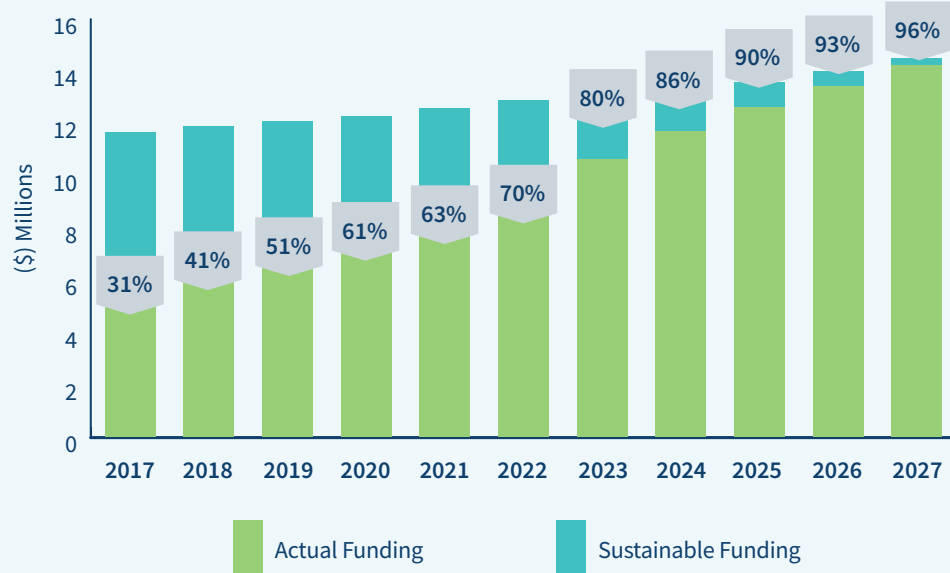


*The District has made significant progress in closing the infrastructure funding gap since 2017*

### Asset Replacement Funding Progress – Five-Year Forecast

The draft 2023-2027 Financial Plan continues to increase asset replacement funding. Sustainable infrastructure replacement funding is estimated to be \$12.8M in 2021 dollars. The District has made significant progress in closing the infrastructure funding gap since 2017. In 2017, funding levels were estimated to be at approximately 37% of sustainable levels. The draft Financial Plan closes this estimated funding gap to 96% by 2027. Note, however, that replacement costs have increased since the Sustainable Infrastructure Replacement Plan was prepared in 2021.

### Annual Replacement Funding As a % of Estimated Sustainable Funding



Year	Funding Level	Estimated Sustainable Funding <sup>1</sup>	% Sustainability	Estimated Funding Shortfall
2017	\$3.7M	\$11.8M	31%	\$8.1M
2018	\$5.0M	\$12.1M	41%	\$7.1M
2019	\$6.3M	\$12.3M	51%	\$6.0M
2020	\$7.6M	\$12.5M	61%	\$4.9M
2021	\$8.1M	\$12.8M	63%	\$4.7M
2022	\$9.1M	\$13.1M	69%	\$4.0M
2023	\$10.0M	\$13.4M	75%	\$3.4M
2024	\$11.9M	\$13.9M	86%	\$2.0M
2025	\$12.8M	\$14.3M	90%	\$1.5M
2026	\$13.6M	\$14.7M	93%	\$1.1M
2027	\$14.5M	\$15.1M	96%	\$0.6M

1. These funding levels were based on 2021 replacement values. Replacement costs have increased significantly since and these funding targets will be revised with future revisions of the District's Sustainable Infrastructure Replacement Plan.



## How Well Are We Replacing?

The District has increased capital replacement output significantly over the past five years. Capital progress output may be measured in the context of the total size and age of the District's existing asset inventory. The District will be providing asset replacement output information in its asset management strategy. This information will be integrated into future financial plans.

Some capital replacement output measures may include:

- Physical measurement of assets replaced, such as linear or square meters; number of units replaced
- Proportion of system replaced
- Weighted average age of asset class
- Proportion of asset class beyond recommended useful life
- Condition assessment information by asset class

*The District has increased capital replacement output significantly over the past five years*

This information, combined with the District's forthcoming Infrastructure Replacement Plan, will be used to provide options for Council to consider the pace that assets can be replaced.

## Asset Class Inventory

Asset Type	Information and Assumptions
Roads	Staff use pavement unit rates to multiply pavement quantities to estimate replacement costs. This estimate should be revised once a pavement condition assessment is complete.
Buildings	Staff used recent insurance appraisals to value the replacement cost of our current inventory stock. Staff also considered the Building Asset Management report prepared by Moore Wilson Architects Inc.
Drainage	Staff use annual replacement cost information from the Opus International Consultants 2016 Asset Management report. Costs have been adjusted for inflation, but it is possible that rising costs have outpaced inflation.
Vehicles and Equip. (Fire)	Staff use a detailed apparatus replacement plan to forecast asset replacement costs.
Vehicles and Equip. (Police)	Staff use a succinct Police vehicle and equipment replacement plan to forecast replacement costs. A more detailed plan is underway.
Vehicles and Equip. (General)	Staff use a detailed Public Works vehicle and equipment plan to forecast asset replacement costs.
Vehicles and Equip. (Rec)	A detailed recreation and equipment replacement plan has yet to be developed but is underway. As a result, the estimate above may change significantly.
IT Equip. and Furniture	Staff have developed a detailed PC and IT network hardware replacement plan to forecast asset replacement costs.
Sewer Infrastructure	Staff use annual replacement cost information from the Opus International Consultants 2016 Asset Management report. Costs have been adjusted for inflation, but it is possible that rising costs have outpaced inflation.
Water Infrastructure	Staff use annual replacement cost information from the Opus International Consultants 2016 Asset Management report. Costs have been adjusted for inflation, but it is possible that rising costs have outpaced inflation.
Natural Assets	No work has been conducted by Staff to quantify the District's natural assets, but the Urban Forest Strategy estimates 10,000 public trees. Staff will need to analyze current funding levels and future needs.



# CAPITAL PLAN

## Reserve Projections 2023-2024

Total reserve balances, as of January 1, 2023 are estimated to be \$56.1M. The District's 2023 Financial Plan authorizes a maximum transfer to reserves of \$62.9M to reserves. Furthermore, the Plan authorizes the maximum use of \$93M (forecasted to be \$88M per below).

	2023	2023	2023	2023
	Opening	Tsfr in	Tsfr from	Ending
<b>Operating Reserves:</b>				
General Fund Operating Surplus	\$ 3,831,000	\$ -	\$ (1,727,600)	\$ 2,103,400
Sewer Fund Operating Surplus	1,533,800	-	-	1,533,800
Water Fund Operating Surplus	3,511,303	-	(200,000)	3,311,303
Climate Action	305,786	146,000	-	451,786
Major Crimes	774,141	84,900	-	859,041
COVID-19 Restart Grant Reserve	1,912,760	-	(1,387,788)	524,972
<b>Total Operating Reserves</b>	<b>\$ 11,868,790</b>	<b>\$ 230,900</b>	<b>\$ (3,315,388)</b>	<b>\$ 8,784,302</b>
<b>Capital Renewal Reserves</b>				
Fire Equipment	\$ 1,540,736	\$ 419,500	\$ (2,435,000)	\$ (474,764)
Machinery and Equipment	2,265,225	416,400	(1,984,300)	697,325
Capital Works - General Fund	10,998,178	709,800	(4,620,400)	7,087,578
Capital Works - Sewer Fund	4,049,153	1,318,900	(2,800,000)	2,568,053
Capital Works - Water Fund	495,511	1,202,000	(2,612,500)	(914,989)
Infrastructure Renewal	20,630,850	6,691,000	(12,804,800)	14,517,050
Tod House Trust	62,000	11,600	-	73,600
Legacy Trust	472,000	-	-	472,000
<b>Total Capital Renewal Reserves</b>	<b>\$ 40,513,652</b>	<b>\$ 10,769,200</b>	<b>\$ (27,257,000)</b>	<b>\$ 24,025,852</b>
<b>Capital Reserves (New Capital)</b>				
Heritage	\$ 2,250,392	\$ -	\$ -	\$ 2,250,392
Village Parking	963,000	-	-	963,000
Land Sale	38,561	-	-	38,561
Parks Acquisition	479,615	-	-	479,615
Tax Sale Property	1,841	-	-	1,841
Alternative Transportation Infrastructure	14,600	-	-	14,600
<b>Total Capital (New Capital) Reserves</b>	<b>\$ 3,748,009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,748,009</b>
<b>Total Reserves</b>	<b>\$ 56,130,451</b>	<b>\$ 11,000,100</b>	<b>\$ (30,572,388)</b>	<b>\$ 36,558,163</b>



	2023	2023	2023	2023
	Opening	Tsfr in	Tsfr from	Ending
<b>General Fund Reserves</b>				
Operating Reserves	\$ 6,823,687	\$ 230,900	\$ (3,115,388)	\$ 3,939,199
Capital Renewal Reserves	35,968,989	8,248,300	(21,838,500)	22,378,789
Capital Reserves (New Capital)	3,748,009	-	-	3,748,009
<b>Total General Fund Reserves</b>	<b>\$ 46,540,685</b>	<b>\$ 8,479,200</b>	<b>\$ (24,953,888)</b>	<b>\$ 30,065,996</b>
<b>Sewer Fund Reserves</b>				
Operating Reserves	\$ 1,533,800	\$ -	\$ -	\$ 1,533,800
Capital Renewal Reserves	4,049,153	1,318,900	(2,800,000)	2,568,053
Capital Reserves (New Capital)	-	-	-	-
<b>Total Sewer Fund Reserves</b>	<b>\$ 5,582,953</b>	<b>\$ 1,318,900</b>	<b>\$ (2,800,000)</b>	<b>\$ 4,101,853</b>
<b>Water Fund Reserves</b>				
Operating Reserves	\$ 3,511,303	\$ -	\$ (200,000)	\$ 3,311,303
Capital Renewal Reserves	495,511	1,202,000	(2,612,500)	(914,989)
Capital Reserves (New Capital)	-	-	-	-
<b>Total Water Fund Reserves</b>	<b>\$ 4,006,814</b>	<b>\$ 1,202,000</b>	<b>\$ (2,812,500)</b>	<b>\$ 2,396,314</b>
<b>Total Reserves</b>	<b>\$ 56,130,451</b>	<b>\$ 11,000,100</b>	<b>\$ (30,566,388)</b>	<b>\$ 36,564,163</b>



[Chris to place a chart and description about water and sewer fund here for GFOA comments]

## Five Year Reserve Projections

Reserve balances for 2023 are expected to be reduced from \$56M to \$33M in 2027, should the District proceed with full authorized capital expenditures. In this timeframe, significant capital expenditures and reserve contributions are forecasted. Over the five-year period the total reserve contributions are forecasted to be approximately \$63M. Total capital expenditures over the five-year period are forecasted to be approximately \$144M (\$50M of which is debt funded).

	2022	2023	2024	2025	2026	2027
	Ending	Ending	Ending	Ending	Ending	Ending
<b>Operating Reserves:</b>						
General Fund Operating Surplus	\$ 3,831,000	\$ 2,103,400	\$ 1,714,000	\$ 1,414,000	\$ 1,414,000	\$ 1,414,000
Sewer Fund Operating Surplus	1,533,800	1,533,800	1,533,800	1,533,800	1,283,800	1,283,800
Water Fund Operating Surplus	3,511,303	3,311,303	2,941,303	2,715,303	2,715,303	2,456,103
Climate Action	305,786	451,786	602,186	757,086	916,586	1,080,886
Major Crimes	774,141	859,041	946,441	1,036,441	1,129,141	1,224,641
COVID-19 Restart Grant Reserve	1,912,760	524,972	-	-	-	-
<b>Total Operating Reserves</b>	<b>\$11,868,790</b>	<b>\$ 8,784,302</b>	<b>\$ 7,737,730</b>	<b>\$ 7,456,630</b>	<b>\$ 7,458,830</b>	<b>\$ 7,459,430</b>
<b>Capital Renewal Reserves</b>						
Fire Equipment	\$ 1,540,736	\$ (474,764)	\$ (134,664)	\$ 222,036	\$ 490,336	\$ 962,336
Machinery and Equipment	2,265,225	697,325	604,225	867,025	862,625	854,425
Capital Works - General Fund	10,998,178	7,093,578	6,338,078	5,602,778	5,152,178	4,272,478
Capital Works - Sewer Fund	4,049,153	2,568,053	1,936,953	1,355,853	1,074,753	2,593,653
Capital Works - Water Fund	495,511	(914,989)	(2,187,389)	(753,389)	796,611	129,311
Infrastructure Renewal	20,630,850	14,517,050	15,019,850	13,059,850	12,624,350	12,584,450
Tod House Trust	62,000	73,600	85,500	97,200	108,700	120,000
Legacy Trust	472,000	472,000	472,000	472,000	472,000	472,000
<b>Total Capital Renewal Reserves</b>	<b>\$40,513,652</b>	<b>\$24,031,852</b>	<b>\$22,134,552</b>	<b>\$20,923,352</b>	<b>\$21,581,552</b>	<b>\$21,988,652</b>
<b>Capital Reserves (New Capital)</b>						
Heritage	\$ 2,250,392	\$ 2,250,392	\$ 2,250,392	\$ 2,250,392	\$ 2,250,392	\$ 2,250,392
Village Parking	963,000	963,000	963,000	963,000	963,000	963,000
Land Sale	38,561	38,561	38,561	38,561	38,561	38,561
Parks Acquisition	479,615	479,615	479,615	479,615	479,615	479,615
Tax Sale Property	1,841	1,841	1,841	1,841	1,841	1,841
Alternative Transportation Infrastructure	14,600	14,600	14,600	14,600	14,600	14,600
<b>Total Capital (New Capital) Reserves</b>	<b>\$ 3,748,009</b>	<b>\$ 3,748,009</b>	<b>\$ 3,748,009</b>	<b>\$ 3,748,009</b>	<b>\$ 3,748,009</b>	<b>\$ 3,748,009</b>
<b>Total Reserves</b>	<b>\$56,130,451</b>	<b>\$36,564,163</b>	<b>\$33,620,291</b>	<b>\$32,127,991</b>	<b>\$32,788,391</b>	<b>\$33,196,091</b>



	2022	2023	2024	2025	2026	2027
<b>General Fund Reserves</b>						
Operating Reserves	\$ 6,823,687	\$ 3,939,199	\$ 3,262,627	\$ 3,207,527	\$ 3,459,727	\$ 3,719,527
Capital Renewal Reserves	35,968,989	22,378,789	22,384,989	20,320,889	19,710,189	19,265,689
Capital Reserves (New Capital)	3,748,009	3,748,009	3,748,009	3,748,009	3,748,009	3,748,009
<b>Total General Fund Reserves</b>	<b>\$46,540,685</b>	<b>\$30,065,996</b>	<b>\$29,395,625</b>	<b>\$27,276,425</b>	<b>\$26,917,925</b>	<b>\$26,733,225</b>
<b>Sewer Fund Reserves</b>						
Operating Reserves	\$ 1,533,800	\$ 1,533,800	\$ 1,533,800	\$ 1,533,800	\$ 1,283,800	\$ 1,283,800
Capital Renewal Reserves	4,049,153	2,568,053	1,936,953	1,355,853	1,074,753	2,593,653
Capital Reserves (New Capital)	-	-	-	-	-	-
<b>Total Sewer Fund Reserves</b>	<b>\$ 5,582,953</b>	<b>\$ 4,101,853</b>	<b>\$ 3,470,753</b>	<b>\$ 2,889,653</b>	<b>\$ 2,358,553</b>	<b>\$ 3,877,453</b>
<b>Water Fund Reserves</b>						
Operating Reserves	\$ 3,511,303	\$ 3,311,303	\$ 2,941,303	\$ 2,715,303	\$ 2,715,303	\$ 2,456,103
Capital Renewal Reserves	495,511	(914,989)	(2,187,389)	(753,389)	796,611	129,311
Capital Reserves (New Capital)	-	-	-	-	-	-
<b>Total Water Fund Reserves</b>	<b>\$ 4,006,814</b>	<b>\$ 2,396,314</b>	<b>\$ 753,914</b>	<b>\$ 1,961,914</b>	<b>\$ 3,511,914</b>	<b>\$ 2,585,414</b>
<b>Total Reserves</b>	<b>\$56,130,451</b>	<b>\$36,564,163</b>	<b>\$33,620,291</b>	<b>\$32,127,991</b>	<b>\$32,788,391</b>	<b>\$33,196,091</b>

1. Reserve projections do not include use of Major Crimes Reserve despite the draft budget authorizing expenditures from this reserve.

**Individual reserve fund projections are outlined below.**

### Climate Action Reserve


The District was a signatory of the BC Climate Action Charter. Under the Charter, the District commits to becoming carbon neutral in corporate operations by measuring and reporting progress and creating a more energy-efficient community. As a signatory, the District is eligible to receive 100% of the carbon taxes paid during the year as a rebate (CARIP Grant). Proceeds from this rebate have been transferred to the District's Climate Action Reserve since 2012.

In May of 2021, the Provincial Government announced this program would be wrapping up in 2021, with 2020 as the last reporting period.

The CARIP Grant was replaced with the LGCAP Grant. The LGCAP provides funding for local governments to plan and implement climate action that will reduce emissions, create new opportunities for people in the clean economy, and prepare communities for future climate impacts. As part of the program, recipients of funding will be required to report on their actions. Proceeds from this grant are being transferred to the District's Climate Action reserve, much like the previous CARIP Grant funds.

### Major Crimes Reserve

Annually, the Police Board budgets for a transfer to the major crime reserve. These funds are set aside pursuant to the annual budget request from the Police Board. Specific provision in the District's Reserve and Surplus Policy relate to the use of these funds.



### Fire Machinery and Equipment Reserve Fund

The Fire Machinery and Equipment reserve fund was originally established pursuant to Bylaw No. 3773, “*Fire Machinery and Equipment Depreciation Reserve Fund Bylaw, 1993*”. This bylaw was repealed and replaced by Bylaw No. 4747, the “*Reserve Funds Bylaw, 2020*”. Money in this fund, and interest earned on it, shall only be used for extending the useful life, upgrading, or replacing fire machinery and equipment.

Two of the Fire Department’s major pieces of apparatus are due for replacement between 2022-2023: (1) Engine with light rescue, and (2) 75-ft Ladder Truck. These vehicles are expected to cost over \$3.2M. The Fire Machinery and Equipment reserve balance was approximately \$1.5M at the beginning of 2023. As a result of these purchases, the reserve is expected to be negative. Staff intend to temporarily borrow from other reserves to fund the purchases.

*Two of the Fire Department’s major pieces of apparatus are due for replacement*

### Heritage Reserve Fund

Money in this fund and interest earned on it shall only be used for land development projects and other capital projects designed to augment land development projects. The principal proceeds in this reserve were generated from the net profit from the Municipality’s development of the Wessex Close subdivision in 1980-81.

### Machinery and Equipment

The Machinery and Equipment reserve fund was originally established pursuant to Bylaw No. 2074, “*Reserve for Machinery and equipment By-law*” and Bylaw No. 3773, the “*Machinery and equipment Depreciation Reserve*”. These bylaws were repealed and replaced by Bylaw No. 4747, the “*Reserve Funds Bylaw, 2020*”. Money in this fund, and interest earned on it, shall only be used for extending the useful life, upgrading, or replacing machinery and equipment.

Much of the District’s fleet is due for replacement—and will be replaced in the next five years, however, reserve funding levels are believed to be sustainable for the long term. For further information on the asset replacement funding, please see the State of Asset Replacement Funding section of this Financial Plan.

### Parks Acquisition Reserve Fund

Under Section 510 of the *Local Government Act*, an owner of land being subdivided into three or more lots must either provide park land or pay cash in lieu. Section 188 of the *Community Charter* requires that such payments be credited to a statutory reserve fund. This reserve fund may only be used for the purpose of acquiring new park lands.

### Capital Works Reserve Fund

This reserve fund was originally established through Bylaw no. 3775, the “*Capital Works and Equipment Reserve Fund Bylaw*”. This bylaw has since been repealed, and replaced with Bylaw No. 4747, the “*Reserve Fund Bylaw, 2020*.” The primary purpose of the Capital Works Reserve Fund is to provide a means of financing major repairs or replacement of physical assets while moderating tax increases. Annual contributions for water main replacement and sewer rehabilitation are directed to this reserve, among other transfers.

**\*Note** that this fund is consolidated into one balance in the District's annual public sector accounting standard financial statements. For budgeting purposes, the District has separated the capital works reserve into three funds: general, sewer, and water. The District is entering an era of significant infrastructure replacement. As a result, the District's Capital Works reserve is budgeted to decrease significantly over the next five years, despite increasing investment annual transfers. Capital Works Reserve funded projects include:

Projects	2023	2024	2025	2026	2027
Sanitary Sewer Rehabilitation	\$2.8M	\$2.0M	\$2.0M	\$1.8M	-
Watermain Replacement	\$2.6M	\$2.6M	-	-	\$2.3M
Foreshore	\$1.3M	-	-	-	-
Administration and Finance	\$0.7M	\$0.1M	\$0.3M	\$0.2M	-
Marina	\$0.6M	-	-	-	-
Fire Department Projects	\$0.4M	\$0.3M	-	\$0.1M	\$0.1M
Facilities Department Projects	\$0.4M			\$0.1M	\$0.1M
Parks and Recreation	\$0.7M	\$0.8M	\$1.0M	\$0.8M	\$1.3M
Other	\$0.5M	\$0.2M	\$0.2M	-	\$0.2M
Total Use of Reserve 2023-2027	\$10.0M	\$6.0M	\$3.5M	\$3.0M	\$4.0M
Total Transfers in 2023-2027	\$3.2M	\$3.4M	\$3.6M	\$3.8M	\$4.0M
Net Transfers	-\$6.8M	-\$2.6M	+\$0.1M	+\$0.8M	+\$0.0M

### Alternative Transportation Infrastructure Reserve Fund

Section 525 of the Local Government Act permits a local government to collect a payment in lieu of off-street parking as a condition of a building permit. These payments must be placed in a reserve. Such payments were deposited to the District's Village Parking Reserve, established under Bylaw No. 3631, the "*Parking Reserves Fund Establishment Bylaw, 1989*".

After the establishment of the District's Village Parking Reserve, legislation was enacted to allow Council to use the reserve for transportation infrastructure supporting walking, bicycling, and public transit, in addition to the provision of new off-street parking. The District then created its Alternative Transportation Infrastructure reserve pursuant to Bylaw No. 4422, the "*Alternative Transportation Infrastructure Reserve Fund Establishment Bylaw, 2008*".



## Infrastructure Renewal Reserve

This reserve was established by administrative practice and not by bylaw. The District established this reserve through budget deliberations in 2017. The City receives approximately \$800k in gas tax funds via the Union of BC Municipalities on an annual basis. These funds are deposited into the infrastructure renewal reserve. Furthermore, the annual Financial Plan allocates property tax funded transfers to this reserve. In 2019, Council directed that property taxes be increased by 2% per year so that an annual transfer could be established.

The Infrastructure Renewal Reserve funded projects 2023-2027 include:

Project/Program	2023	2024	2025	2026	2027
Road Restoration	\$3.6M	\$2.5M	\$2.5M	\$2.5M	\$2.5M
Uplands Sewer Separation	\$2.4M	-	-	-	-
Storm Sewer Rehabilitation	\$1.5M	\$1.5M	\$1.6M	\$1.6M	\$1.6M
Facilities	\$1.9M	\$0.4M	\$0.4M	\$0.4M	\$0.4M
Marina	\$0.8M	\$0.3M	\$0.4M	\$0.2M	-
Transportation Safety Improvement	\$0.5M	\$0.6M	\$0.6M	\$0.6M	\$0.6M
Active Transportation	\$0.4M	\$0.2M	-	\$0.2M	\$0.2M
Parks and Recreation	\$0.6M	\$1.3M	\$1.7M	\$1.0M	\$2.1M
Carnarvon Park Design	\$0.7M	-	-		
Other	\$0.4M	\$0.3M	\$0.4M	\$0.3M	\$0.2M
Watermain Replacement	-	-	\$2.6M	\$2.6M	-
Sewer Main Rehabilitation	-	-	-	-	\$2.0M
Total Use of Reserve 2022-2026	\$12.8M	\$7.1M	\$10.2M	\$9.4M	\$9.6M
Total Transfers in 2023-2027	\$6.7M	\$7.6M	\$7.3M	\$8.9M	\$9.6M
Net Transfers	-\$6.1M	-\$0.5M	-\$2.9M	-\$0.5M	- M

## Legacy Trust

The Legacy Trust consists of various bequests made to the Municipality for specific purposes, such as improvements to the Seniors' Activity portion of the Monterey Centre or the Public Art Fund.

## Tod House Trust

The Tod House Trust was established to fund repairs to the historic residence at 2564 Heron Street, which was jointly owned by the Municipality and the Province. In 2008, the Province gave its share to Oak Bay, but only "for so long as the land is used for the specific purpose of managing the Tod House Heritage Site". Correspondence with the Province suggests that if the property use were to change, the District will pay to the Province 50% of the market value of the property at the time that its use changed. The Trust is built up from the net rental revenue.

In 2022, the Trust fund balance was used to fund capital renovations on the building. Annual net rents (rental income less annual maintenance) are deposited to the credit of this Trust fund.

### **Upland Sewer Separation Gas Tax Reserve Fund**

The District has accumulated and set aside \$6.1M in gas tax funds specifically for the Uplands sewer separation project. These funds were classified as a liability in the District's financial statements due to the public nature of the commitment to this specific project until December 13, 2021. At the December 13, 2021 Regular Meeting of Council, Council adopted the following resolutions:

*“THAT the Gas Tax funds dedicated to the Uplands Sewer Separation Project, found in Note 3 of the District's Financial Statements, be disencumbered and be made available for general infrastructure expenditures per the terms of the 2014 - 2024 Community Works Agreement;*

*AND FURTHER THAT Council direct staff to dedicate a portion of its property tax funded Infrastructure Renewal Reserve to the Uplands Sewer Separation Project (subject to Provincial grant approval) in the 2022-2026 Financial Plan.”*

Subsequent to this resolution, funds in the Uplands Sewer Separation Gas Tax Reserve were transferred to the District's Infrastructure Renewal Reserve and were made available for general infrastructure renewal. A portion of the District's other funds in the Infrastructure Renewal Reserve has been dedicated to the Uplands Sewer Separation project in the 2023-2027 Financial Plan.

### **Debt Management – Five-Year Forecast**

The District may choose to incur debt to finance capital expenditures. The *Community Charter* and *Municipal Liabilities Regulation* establishes debt limits for the District. The maximum amount of debt a municipality may undertake is subject to the liability servicing limit. A municipality may not incur debt if the total annual debt servicing cost is greater than 25% of the annual controllable sustainable revenues.

Municipal long-term borrowing in BC must occur through the Municipal Finance Authority (MFA), and the financing must be undertaken by the municipality's regional district. This legislated relationship creates a joint and several liability between the regional district members. The MFA has the legislated authority to levy taxation on all taxable properties within BC. These factors create a strong institutional, governance framework that helps the MFA retain a triple-A credit rating and exceptionally lowering borrowing costs on behalf of BC municipalities.

When municipalities borrow, principal payments are invested by the MFA. Investment earnings are returned to the borrowing municipality via reduced principal payments. For instance, in 2004, the District borrowed \$4.7M to upgrade the Oak Bay Rec Centre, with debt forecast to be paid off in 2023. Over the 20 years, the District's debt principal will have been reduced by approximately \$1.86M. These debt principal reductions are referred to as “actuarial adjustments”.

In the 2023 – 2027 Financial Plan, the District’s annual controllable sustainable revenues will exceed \$50M, making its annual liability servicing limit approximately \$12.5M. Annual debt servicing costs are expected to exceed \$3M which amounts to approximately 21.1% of the District’s liability servicing limit if the District proceeds with proposed borrowing outlined in the Financial Plan. Debt payments including interest and principal for the next five years are forecasts as follows:

Year	Beg. Balance	New Debt*	End. Balance	\$ Principal	\$ Interest*	\$ Total Pmts.	\$ Actuarial	% Liability Servicing Limit**
2022	\$703,495	-	\$360,328	\$142,594	\$134,378	\$276,972	\$200,573	2.3%
2023	\$360,328	-	-	\$142,594	\$134,378	\$276,972	\$217,734	2.2%
2024	\$ -	\$8M	\$ -	\$182,200	\$306,000	\$488,200	\$ -	3.8%
2025	\$7,817,800	\$7M	\$14,471,600	\$341,700	\$573,000	\$915,100	\$4,500	6.7%
2026	\$14,471,600	\$20M	\$33,661,200	\$797,200	\$1,337,400	\$2,134,600	\$13,200	15.2%
2027	\$33,661,200	\$15M	\$47,488,800	\$1,138,900	\$1,910,400	\$3,049,300	\$33,500	21.1%

\* Debt interest rate is assumed to be 3.83% which is the indicative 10 year rate posted by the Municipal Finance Authority at the time this was written (February 2023). Debt amortization is assumed to be 30 years. Actuarial capitalization rate assumed 2.5%.

\*\*Assumes a 2.5% annual increase to controllable sustainable revenues

The SIR Plan estimates that the District will incur \$1.3B in infrastructure replacement costs between 2022 and 2121. Approximately 36% of this (or \$469.7M) is forecasted to occur over the next 25 years. The forecasts indicate that even with rapidly increasing reserve contribution funding, the District will need to incur between \$175M and \$220M to replace its infrastructure between 2026 and 2076.



## Approval of the Electors

Local governments may undertake long-term capital borrowing through a loan authorization bylaw. The bylaw must include the purpose of the borrowing, the maximum amount to be borrowed, and the maximum duration of the borrowing; for regional district loans the specific service that the loan relates to must also be specified. All loan authorization bylaws must receive approval of the Inspector of Municipalities before any borrowing can be done. In most cases, approval of the electors (municipalities) or participating area approval (regional districts) is required before the bylaw can be adopted.

Per the *Municipal Liabilities Regulation*, approval of the electors is not required so long as the annual cost of debt servicing does not exceed 5% of annual controllable sustainable revenues.

It is estimated that the District can issue an additional \$40.9M in debt before exceeding the Approval-free Liability Zone as calculated below. The 2023-2027 Financial Plan proposes issuing \$49M in new debt, thereby exceeding the Approval-free Liability Zone.

Estimated annual controllable sustainable revenues	\$50.0M
5%	\$2,500,000
Assumed long term interest rate though MFA	3.83%
Assumed actuarial adjustment capitalization rate	2.50%
Gross debt required for additional \$1,767,200 annual debt servicing	\$40,931,510



Capital Expenditures	2022	2023	2024	2025	2026	Total
Corporate Administration	\$ 372,200	\$ -	\$ -	\$ -	\$ -	\$ 372,200
Finance and Information Technology	417,000	297,000	477,000	337,200	215,000	1,743,200
Facilities	3,693,000	881,000	1,792,000	20,698,900	15,475,000	42,539,900
Police Department	180,000	155,000	150,000	145,000	150,000	780,000
Fire Protection	2,852,000	189,000	106,300	279,000	134,000	3,560,300
Engineering & Public Works	18,793,500	6,352,000	6,071,600	6,215,900	6,298,500	43,731,500
Parks, Recreation & Culture	2,078,400	10,168,600	2,637,000	1,821,800	3,372,200	20,078,000
Sewer Utility	2,800,000	2,000,000	2,000,000	2,000,000	2,000,000	10,800,000
Water Utility	2,953,300	3,104,000	8,963,500	2,737,500	2,737,500	20,495,800
<b>Total</b>	<b>\$ 34,139,400</b>	<b>\$ 23,146,600</b>	<b>\$ 22,197,400</b>	<b>\$ 34,235,300</b>	<b>\$ 30,382,200</b>	<b>\$ 144,100,900</b>

Funding Sources						
Reserves	\$ 27,497,000	\$ 14,847,100	\$ 14,536,400	\$ 13,278,000	\$ 14,368,200	\$ 84,526,700
Fees and Charges	140,800	143,600	145,000	145,000	145,000	719,400
Grants	6,481,600	135,900	496,000	792,300	849,000	8,754,800
Taxes	20,000	20,000	20,000	20,000	20,000	100,000
Borrowing	-	8,000,000	7,000,000	20,000,000	15,000,000	50,000,000
<b>Total</b>	<b>\$ 34,139,400</b>	<b>\$ 23,146,600</b>	<b>\$ 22,197,400</b>	<b>\$ 34,235,300</b>	<b>\$ 30,382,200</b>	<b>\$ 144,100,900</b>
	\$ -	\$ -	\$ -	\$ 100	\$ -	

Capital Expenditures	2022	2023	2024	2025	2026	Total
Building	\$ 4,884,700	\$ 9,238,900	\$ 3,778,800	\$ 21,133,960	\$ 17,053,000	\$ 56,089,360
Vehicle	4,509,300	684,000	239,000	724,500	557,000	6,713,800
Equipment	1,691,200	2,069,700	1,233,500	1,562,940	2,193,200	8,750,540
Road	6,107,200	4,300,000	4,332,000	4,164,600	4,197,900	23,101,700
Drainage	10,332,000	1,530,000	1,560,600	1,591,800	1,623,600	16,638,000
Land Impr.	861,700	220,000	90,000	320,000	20,000	1,511,700
Sewer	2,800,000	2,000,000	2,000,000	2,000,000	2,000,000	10,800,000
Water	2,953,300	3,104,000	8,963,500	2,737,500	2,737,500	20,495,800
<b>Total</b>	<b>\$ 34,139,400</b>	<b>\$ 23,146,600</b>	<b>\$ 22,197,400</b>	<b>\$ 34,235,300</b>	<b>\$ 30,382,200</b>	<b>\$ 144,100,900</b>

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Fees and Charges	140,800	143,600	145,000	145,000	145,000	719,400
Grants	6,481,600	135,900	496,000	792,300	849,000	8,754,800
Taxes	20,000	20,000	20,000	20,000	20,000	100,000
Borrowing	-	8,000,000	7,000,000	20,000,000	15,000,000	50,000,000
<b>Total</b>	<b>\$ 34,139,400</b>	<b>\$ 23,146,600</b>	<b>\$ 22,197,400</b>	<b>\$ 34,235,300</b>	<b>\$ 30,382,200</b>	<b>\$ 144,100,900</b>

# Corporate Administration Capital Plan

Corporate Administration Capital Plan						
Capital Purchase/Project	Asset Type	2023	2024	2025	2026	2027
EDRM System	Equipment	252,200	-	-	-	-
Website Upgrade (carry-over)	Equipment	120,000	-	-	-	-
<b>Total Corporate Admin Capital</b>		<b>372,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Electronic Document Management System

An EDMS will efficiently and systematically manage the District's electronic and paper documents throughout the life cycle of the document (*from creation to destruction*). Records will be shared with all individuals who need access, and it will support the automatic enforcement of consistent policies and styles across the District, as well as ensure that Oak Bay is following Provincial and Federal legislation. As the EDMS project progresses and electronic records are more readily accessible, it will allow the District to reduce the physical space required to store paper documents and physical records and will keep vital records safe from physical hazards like fire, floods, or other damage.

## Website Upgrade (carry forward)

The current municipal website is a key tool for citizen communication and public engagement but needs revision. This project would upgrade the website to refresh the look and feel, improve navigation, and optimize search capabilities, as well as provide for content management functionality. This project will support communications and service excellence, and address a recommendation to invest in the website from the Mayor's Task Force on Public Engagement. Phase 2 of this project proposes the development of an internal intranet for staff use. Project scoping of Phase 2 has not been fully developed. This project was deferred until 2023 and the project budget has been increased by \$60,000 to accommodate the upgrade of the Parks, Recreation, and Culture website.

*The current municipal website is a key tool for citizen communication and public engagement but needs revision*



# Finance and IT Capital Plan

Financial & Information Technology Capital Plan						
Capital Purchase/Project	Asset Type	2023	2024	2025	2026	2027
IT Proj. Management Div Projects	Equipment	170,000	170,000	170,000	170,000	170,000
Network & Other IT Hardware	Equipment	147,000	22,000	112,000	117,200	20,000
PC Hardware Replacement	Equipment	60,000	105,000	195,000	50,000	25,000
New PC Hardware for New Employees	Equipment	40,000	-	-	-	-
Asset Management Software Phase 1: Scoping	Equipment	50,000	-	-	-	-
Asset Management Software Phase 2+: Implementation	Equipment	Project costs not yet determine as significant scoping required				
<b>Total Finance Capital</b>		<b>467,000</b>	<b>297,000</b>	<b>477,000</b>	<b>337,200</b>	<b>215,000</b>

## IT Project Management Division

This division was created in late 2020. The majority of costs incurred in this division are for staffing and the remainder is for software acquisition and consulting. The leadership team is responsible for prioritizing the activities in this division, as it is intended to support corporate operations and Council strategic goals.

## Network Switch and Other IT Hardware

This capital project includes the following multi-year components:

Position	2023	2024	2025	2026	2027
Network Switch Replacement			\$88,000		
Firewall				\$7,200	
Phone System Upgrade (carry-over)	\$60,000				
Uninterrupted Power Supply	\$8,100		\$5,800		
Servers	\$60,400				
Backups					
Wireless Access Points				\$60,000	
Fibre Optics	\$10,000	\$5,000	\$5,000	\$5,000	
Contingency	\$8,500	\$17,000	\$13,200	\$45,000	\$20,000
<b>Total</b>	<b>\$147,000</b>	<b>\$22,000</b>	<b>\$112,000</b>	<b>\$117,200</b>	<b>\$20,000</b>

### PC Hardware Replacement

The Information Technology (IT) Division deploys and maintains over 250 pieces of hardware for over 300 users. This inventory is valued at nearly \$250,000 and does not include printers or network hardware. Staff have established annual reserve contributions so that the financial impact of hardware replacement is not volatile. In 2020, the PC Hardware Replacement program was accelerated, funded primarily by savings in the Network Hardware replacement capital program. This was necessary to support a shift to remote working, as well as security patching and a unified support model.

*This inventory is valued at nearly \$250,000 and does not include printers or network hardware*

### New PC Hardware for new Employees

The District has approved several new employee positions since the 2022 Financial Plan including several Engineering Capital programming staff. Furthermore, there are several positions proposed in the 2023-2027 Financial Plan. The District's PC Replacement fund is reserved for the replacement of existing hardware, not the purchase of new hardware for new positions.

### Asset Management Software Phase 1: Scoping

In conjunction with the Comprehensive Asset Management Plan, this project would fund a scoping exercise for the purchase and implementation of Asset Management Software. An organization's asset management needs are unique and complex and must be harmonized with other Enterprise Resource Planning software and existing service levels.

# Facilities Capital Plan

Facilities Capital Plan						
Capital Purchase/Project	Asset Type	2023	2024	2025	2026	2027
Public Works Yard Improvements	Building	150,000	-	-	-	-
Public Works Heat / Air Exchanger	Building	45,000	-	-	-	-
Recycle Yard Fence Improvements	Building	85,000	-	-	-	-
Park's Roof	Building	90,000	-	-	-	-
Marina Structural Repairs (carry-over)	Building	1,386,000	266,000	392,000	223,900	-
Feasibility Study - Fire Hall/Police Station	Building	100,000	-	-	-	-
Fire Hall/Police Station -Design & Build	Building	50,000	215,000	1,000,000	20,000,000	15,000,000
Fire Hall Heat Pump	Building	45,000	-	-	-	-
Fire Hall Washroom	Building	180,000	-	-	-	-
Facilities General Capital Program	Building	450,000	400,000	400,000	400,000	400,000
1538 Monterey Capital Repairs	Building	635,000	-	-	-	-
Tod Hous Feasibility Study	Building	12,000	-	-	-	-
Municipal Hall External Washrooms	Building	100,000	-	-	-	-
Monterey Apartments/Library/Recreation Centre Feasibility Study	Building	15,000	-	-	-	-
Public Works Building Feasibility Study	Building	250,000	-	-	-	-
Library Emergency Asbestos Abatement	Building	100,000	-	-	-	-
Recreation Centres Feasibility Study	Building	-	-	-	75,000	-
Municipal Hall Feasibility Study	Building	-	-	-	-	75,000
<b>Total Facilities Capital</b>		<b>3,693,000</b>	<b>881,000</b>	<b>1,792,000</b>	<b>20,698,900</b>	<b>15,475,000</b>

## Public Works Yard Improvements

This project would see repairs to the:

- Storage housing area,
- Salt storage housing area, and
- Garbage compactor bin concrete base.

All areas are at end-of-life and failing. Repairs are short term fixes to extend life five to 10 years.







### **Public Heat / Air Exchange (new)**

Public Works Heat/Air Exchanger is needed as the current unit is well past end-of-life. Ongoing failures occur and mechanical engineers have been called five times over the last year. As the unit parts in need of repair are now obsolete and unobtainable, failures will continue to occur and replacement is recommended.

### **Recycle Yard Fencing (new)**

This project would see the fence at the Public Works Recycle area upgraded to a sound dampening concrete fence. In order to install this fencing, the retaining wall will need to be rebuilt. Engineered design and/or options analysis needs to be completed before construction starts.

### **Park's Roof (new)**

The low sloped conventional Styrene-Butadiene-Styrene (SBS) membrane roof on the Workshop/Cafeteria is an older roof system in service for 25 years. The SBS membrane surface is in poor condition, ridged, and is experiencing granule loss as well as ponding in the centre. The insulation is wet from previously water ingress events. The SBS membrane is nearing the end of its expected service life of 25 to 30 years and should be replaced as soon as possible.

### **Marina Structural Repairs (carry-over)**

The District-owned (and leased out) Marina buildings need ongoing maintenance to keep them operational. The Marina facilities are currently leased to Oak Bay Marine Group Ltd. The lease expired at the end of 2022 and was renewed for an additional five years.

A recently completed draft Facility Condition report identifies capital maintenance needs of the facility. Capital maintenance was deferred until 2023. It is unlikely that these capital maintenance items will occur until further decisions are made about the future of Turkey Head.

### **Feasibility Study – Firehall/Police Station (new)**

This project originates from the Facilities Master Plan and would procure a feasibility study to review requirements, identify stakeholders, define future requirements, define options, analyze options against criteria, and develop next steps for the replacement of the Protective Services building.

### **Firehall Heat Pump (new)**

The Fire Hall has an existing air conditioner (A/C), installed in 1999, that services the main office area. This A/C unit is inefficient, is beyond its useful life, and is no longer manufactured. Parts for repairs and maintenance are reportedly no longer available. The Fire Hall is heated by a natural gas boiler installed in 1990, which circulates hot water to radiators throughout the hall.

The sleeping quarters and training room, located on the upper floor of the building, have no A/C and during the summer months it gets uncomfortably warm and is not suitable for sleeping. With hotter average annual temperatures, this issue is expected to only get worse as the building has very poor insulation.

As the Fire Hall is a Heritage building, options to replace the roofing material with a high albedo material to reflect the heat and reduce the solar gain is not possible. Windows are also single pane and ineffective at keeping the daytime heat out of the space.

### Firehall Washrooms (new)

The Fire Hall was constructed in 1938 and operates with the original sink, toilet, and shower access and layout (one room containing two common sinks, two individual toilet stalls, and two individual showers with an open/common change area). These are the only toilets and showers in the Fire Hall, supporting a mixed-gender workforce (currently 26 uniformed members along with two civilian employees, the department has previously employed one female firefighter and aspires to support a workforce representative of the community).

When staff utilize the shower/s, the only door to access the washroom is usually locked, which prevents all other staff from accessing the sinks, toilets, or shower/s. Staff must wait until the door is unlocked or utilize the Parks public washroom at Firefighters Park, which creates response delays for in-service staff.

Prior to leaving fire incidents and some other structural calls, crews perform a gross (Level 1) decontamination of their equipment and Personal Protective Equipment (PPE i.e., Turn Out Gear) at the scene to leave as many contaminants at the scene as possible. Once crews return to the station, they immediately deep clean/decontaminate their apparatus and equipment and restore the vehicle to full response readiness. Then, all crew exposed to contaminants (i.e., smoke, fumes) are expected to shower and change uniforms. This is an industry standard practice and supports the health and safety of staff by reducing the occurrence of occupational/presumptive cancers.

There are washroom re-design options available within the existing washroom footprint for the creation of a single gender-neutral shower/change area, single gender-neutral toilet and sink, and a single gender-neutral toilet, sink, and shower/change area (resulting in two people able to shower and keep one toilet and sink available as each is self-contained and private/secure).

*All crew exposed to contaminants ... are expected to shower and change uniforms*

### Facilities General Capital Program (new)

This capital program would be for general capital maintenance on existing facilities and would be funded by the infrastructure renewal reserve.

### 1538 Monterey Avenue

On January 23, 2023, Council passed the following resolution:

*“THAT staff be directed to initiate necessary building renovations and a rezoning process for 1538 Monterey Avenue to accommodate offices for municipal staff until sufficient office space is available in other municipal facilities, recognizing that in the longer term, other options remain for the property.”*

The project budget includes the cost to proceed with urgent repairs to stop further deterioration as well as costs to achieve occupancy and commercial conversion requirements.

### Tod House Feasibility Study

A feasibility study for Tod House is identified as a Year One activity in the facilities road map. Staff will ensure an options analysis and service level summary are completed so guidance about the long term plans for Tod House can be sought from Council.

### **Municipal Hall Exterior Washrooms**

The under-slab plumbing for the two Municipal Hall Public Washrooms has eroded and collapsed leading to regular backups. The washrooms are also difficult to clean and susceptible to vandalism and graffiti as there are no floor drains. The project would involve the gutting of the two washrooms to be able to jackhammer the concrete floors (some excavation may also be required along the exterior sidewalk where the lines run to Oak Bay Ave) and replace all under-slab plumbing. Reconstruction of the washrooms would utilize highly durable vandalism-resistant fixtures, materials, and finishes. We would take the opportunity to upgrade the washrooms to the most current barrier-free accessibility standards such as auto-door openers and hands-free fixtures.

### **Feasibility Studies – Monterey Apartments/Library, Public Works, Recreation Centres, and Municipal Hall**

These projects originate from the Facilities Master Plan and would procure a feasibility study to review requirements, identify stakeholders, define future requirements, define options, analyze options against criteria, and develop next steps for these facilities.





# Police Department Capital Plan

Oak Bay Police Department Capital Plan						
Capital Purchase/Project	Asset Type	2023	2024	2025	2026	2027
Police Vehicle Replacement	Vehicle	90,000	70,000	60,000	75,000	80,000
Police Computer Equipment Replacement	Equipment	40,000	70,000	70,000	50,000	50,000
Traffic Enforcement Equipment	Equipment	5,000	5,000	5,000	5,000	5,000
Police Firearms	Equipment	35,000	-	-	-	-
Police Building Repairs	Building	10,000	10,000	15,000	15,000	15,000
<b>Total Oak Bay Police Capital</b>		<b>180,000</b>	<b>155,000</b>	<b>150,000</b>	<b>145,000</b>	<b>150,000</b>

## Police Vehicle Replacement

The Police Department maintains a small fleet of patrol vehicles and administrative vehicles. The replacement cycle of these vehicles ranges from six to 10 years. The department is reviewing options for deploying reduced emission vehicles. Total cost of the vehicles includes manufacturing and transportation as well as outfitting with equipment and branding.

## Police Computer Equipment Replacement

IT for the District's police force is managed by the Saanich Police Department (SPD). The SPD advises an IT equipment replacement plan, including equipment expenditures forecasted to be approximately \$280,000 over the next five years.

## Traffic Enforcement Equipment

The Police Department maintains a small annual budget to replace traffic enforcement equipment to meet the priority of Traffic Safety.

## Police Firearms

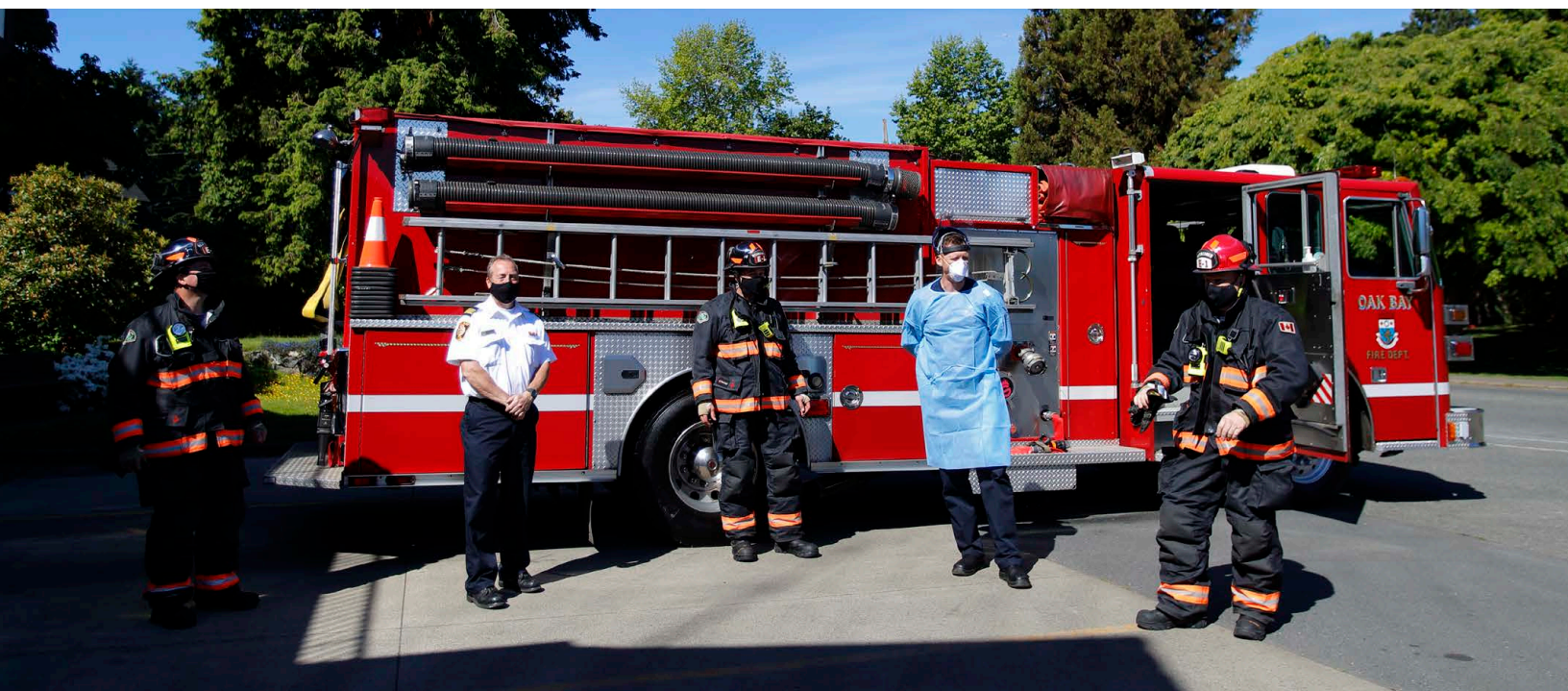
The department's handguns are overdue for replacement and have reached the point where the armourers are having difficulty sourcing replacement parts. The usual lifecycle for police handguns is about 10 years. This budget includes the amounts for new handguns and holsters.

## Police Building Repairs

The Police Department operates out of an aging facility and plans for pending maintenance work and building enhancements to allow for safe and efficient use of space.

# Fire Department Capital Plan

Fire Department Capital Plan						
Capital Purchase/Project	Asset Type	2023	2024	2025	2026	2027
Engine with Light rescue (carry-over)	Vehicle	910,000	-	-	-	-
Site Preparation: Portable Apparatus Bay (carry-over)	Land Impr.	250,000	-	-	-	-
Ladder Truck with Heavy Rescue (carry-over)	Vehicle	1,435,000	-	-	-	-
Thermal Imaging Protective Equipment (carry-over)	Equipment	36,000	-	-	70,000	-
Electric Pickup Truck	Vehicle	90,000	92,000	-	190,000	-
Mobile Data Terminals (carry-over)	Equipment	20,000	-	-	-	-
Technical Rescue Protective Equipment	Equipment	50,000	-	-	-	55,000
AED Replacement	Equipment	15,000	-	-	-	-
Training Room Modernization	Equipment	30,000	-	-	-	-
Vehicle-Extrication Protective Equipment	Equipment	-	80,000	-	-	-
Fire Hose & Appliances	Equipment	-	-	88,300	-	-
Fire Personal Protective Equipment	Equipment	16,000	17,000	18,000	19,000	19,000
Gas Detection Protective Equipment	Equipment	-	-	-	-	60,000
<b>Total Fire Department Capital</b>		<b>2,852,000</b>	<b>189,000</b>	<b>106,300</b>	<b>279,000</b>	<b>134,000</b>







### **Engine with Light Rescue (carry-over)**

This capital project would replace the District's 1990 Fire Engine (Engine) with a new National Fire Protection Association (NFPA) and Underwriter's Laboratories of Canada (ULC) compliant Engine. The primary standards that govern the design, maintenance, performance, and replacement lifecycles for motorized fire apparatus are ULC S515, NFPA 1901, and Canadian Fire Underwriters Survey. Under these standards, Engines and Quints are permitted to operate in a primary capacity for 15 years and have a reserve capacity of five years. Thus a 20-year maximum service lifecycle is the industry standard.

The 1990 Engine reached the end of its service lifecycle in February of 2010. This Engine is now 10 years past due for replacement. Consequently, no credit is extended towards the District's current Fire Underwrite Survey (FUS) Grading. When current procurement and build times within the fire apparatus industry are considered, it is projected this Engine will not be replaced until late 2022. Delaying this purchase will negatively impact the District's current FUS Grading, resulting in an increased financial cost of fire insurance for residents, businesses, and institutions.

### **Site Preparation: Portable Apparatus Bay (carry-over)**

This capital budget funds the installation of a leased portable apparatus bay, and the renovation of a 1963-era apparatus bay door. The initial capital funding will be used to prepare for and install the portable apparatus bay while improving the apparatus bay door. After the initial installation and renovation, monthly lease payments will require ongoing funding. Leasing a portable apparatus storage bay will create space for a modern 100+ foot quint designed to meet the needs of the community.

The dynamics of the legacy 1938/1962 Oak Bay Fire Department (OBFD) station have created apparatus design issues for the past 30 years. Both the 1990 Engine and the 2002 Quint were designed to fit into the station rather than be optimized to serve the community. The fire station is well beyond its useful lifecycle, however replacement will take time. The addition of the portable apparatus bay and renovation of the door will buy the District time to plan for replacement. The current lease option of the portable apparatus bay provides financial flexibility and will allow the District to allocate capital towards the renewal of the fire fleet, ensuring excellent service delivery. Leasing allows the District to consider the long-term plan for the fire station. The portable apparatus storage carries a number of lease buy out options.

### **Ladder Truck with Heavy Rescue Capabilities**

The capital budget would fund the replacement of the 2002 68-foot Quint with a new modern NFPA and ULC compliant 100+ foot Quint in 2022. The primary standards that govern the design, maintenance/ performance, and replacement lifecycles for Engines are ULC S515, NFPA 1901, and the Canadian Fire Underwriters Survey. Under these standards, Quints are permitted to operate in a primary capacity for 15 years and a reserve capacity for an additional five years, with a maximum service lifecycle of 20 years. This is permitted as long as the prescribed preventative maintenance and performance testing is completed and documented throughout the life of the apparatus.



The 2002 Quint will reach the end of its service lifecycle in July of 2022. This 2002 Quint is the only Aerial Device serving Oak Bay. Due to the age of the 1990 Engine, the Quint is also the only backup Engine serving Oak Bay. Considering current procurement and build times, it is likely this Quint will not be replaced until early to mid-2022. Delaying this purchase beyond the 2022-23 budget years could negatively impact the current Fire Insurance Grading and is likely to increase the financial cost of fire insurance for residents, businesses, and institutions within the District.

The OBFD fleet has not been expanded since 1962. Due to its small size, it simply lacks the capacity to compensate for an Engine or Quint reaching the end of its service lifecycle. Larger Fire departments have additional capacity within their fleets to negate this type of compression. The lean nature of the OBFD makes it critical FUS replacement schedules are judiciously maintained. Compliance with these standards will manage fire insurance costs and protect the community from undue risk and liability associated with operating expired fire equipment.

**This purchase would result in the current 68-foot aerial ladder truck being replaced with a 100-foot ladder truck.** The current 2002 Quint had to be built with a 75-foot aerial ladder to accommodate fire station limitations. When the 2002 Quint arrived, it did not fit lengthwise into the apparatus bay. Unfortunately, the solution was to physically cut down the ladder to make it fit, leaving it with a total length of 68-feet. The net change from 85 feet to 68 feet represented a 20% reduction in the overall reach. Investment in a new Engine and new 100+ foot Quint to meet community needs is critical.

To accommodate the 100+ foot Quint, new apparatus storage is required. The new apparatus storage adds approximately 17.5% in life-cycle costs, but the Quint would have an additional 47% servicing potential. The 100ft ladder would also assist the District in maintaining strong relationships with the three core municipalities of Victoria, Saanich, and Esquimalt.

*The OBFD fleet has not been expanded since 1962*



*Photo Courtesy of Spartan Fire Apparatus*

### Thermal Imaging Protective Equipment (carry-over)

Thermal Imaging Cameras (TICs) are a significant expenditure and have been integrated into the equipment reserve-funded replacement program by staff. TICs provide firefighters the gift of sight in dark and smoky conditions and are arguably the single most important advancement in the global firefighting industry in the past 20 years. TICs expedite search and rescue, as well as fire attack, when seconds count. This Capital Project will allow the OBFD to ensure the replacement of this critical safety equipment and manage health and safety over the long term.

Over the past 20 years, the use of lightweight synthetic composites in building construction materials and furnishings has created an extremely challenging fire environment. Fires in 2023 do not 'burn hotter' than in the past, instead today's fires reach peak temperatures more rapidly, generating extremely dark toxic smoke conditions quickly and expediting structural collapse. TICs allow firefighters to work efficiently in these extreme conditions. TIC technology is constantly advancing and replacement should occur every five years. By reinvesting in state-of-the-art TICs the District will be making significant strides towards meeting this evolving threat and optimizing firefighter effectiveness.





### Electric Pickup Truck

This Capital budget will fund the replacement of the 2008 Toyota Camry Sedan (Camry) in 2023 with a new Hybrid or true Electric 4x4 Pick-Up Truck (Pick-Up). The change from a Camry to a Pick-Up is intended to provide the fire department with a more appropriate vehicle. The Camry currently serves as a logistics and on-call duty officer vehicle. The Camry is a medium sized four-door sedan-style passenger car not suited for use in the fire service. The Camry does not have an NFPA 1901 compliant lights and sirens safety package. A new Pick-Up would be NFPA 1901 compliant, have added safety features, and be much more useful.

In addition to the fact that the Camry is not suited for the role that it currently fills, it is starting to show its age. The vehicle is a hybrid but it is first generation technology and significant repairs to the battery system are looming. By the time of replacement, the Camry will be 15 years old and it will have an estimated 150,000 to 160,000 kilometers. Furthermore, the lack of an NFPA 1901 compliant lights and sirens package restricts it to non-emergency use. A new Pick-Up will provide a vehicle that is much safer, more effective, able to function post-disaster, and contribute towards the District's environmental stewardship. OBFD staff are currently researching replacement options and anticipate that a true Electric Pick-Up will be the best option.

*The change ... is intended to provide the fire department with a more appropriate vehicle*

### Mobile Data Terminals (carry-over)

Replacement of existing Mobile Data Terminals on Fire Apparatus as they are at the end of their service life. These Data Terminals provide critical information regarding location, nature, and details of emergency calls and are integral to the computerized dispatch of fire apparatus.

### Technical Rescue Protective Equipment

The two primary standards that govern the use, care, and replacement of Technical Rescue Equipment (TRE) are NFPA 1983 and WorkSafe BC Part 32. These standards require all "soft-goods" be replaced after five years of active service. They also require replacement if TRE is physically damaged or contaminated with chemical or biological substances. Soft goods comprise all harnesses, ropes, webbing, and anchor straps, while hardware represents carabiners, pulleys, belay devices, tripods, stretchers, and all the supporting safety equipment. TRE replacement has been integrated into the fire equipment replacement plan and funded by annual reserve contributions.

### Automated External Defibrillator Replacement

The OBFD has an inventory of four Automatic External Defibrillators (AEDs) and would like to increase this inventory to five. AEDs are a critical lifesaving device for Oak Bay residents, as delivered through the medical First Responder Program. This equipment is carried on frontline fire apparatus and increasing inventory will allow support vehicles such as Fire Prevention to be equipped and more accessible to the community. The four AEDs in service have reached the end of their service life and require replacement in 2023.



### Training Room Modernization

Until June of 2022, the fire department training room did not have any supporting technology and remained nearly unchanged from its 1938 origins. Municipal network access (WIFI and hardwired) was installed in 2022 but did not include supporting equipment. Supporting technology includes a computer and audio/visual hardware such as large screen monitor, phone/s, conferencing system etc.

This equipment is considered the minimum requirement to support department training activities that are heavily reliant on hardware, web-based software, online fire service related curriculum, and the departments Incident Command System interactive training platform, which is currently inaccessible in the existing training room. Updating will provide for virtual learning opportunities and communications with our neighboring departments (i.e., Mutual Aid partners) that we have not previously had the ability to support.

### Gas Detective Protective Equipment

Gas Detectors are one of the most effective tools for protecting first responders from unseen and unknown atmospheric hazards. They provide early detection and allow firefighters to take precautionary steps to protect themselves and the residents they serve. This Capital Project will ensure the replacement of this critical safety equipment and manage health and safety over the long term.

There is a continual need to actively manage Gas Detectors to protect the health and safety of firefighters. Wear and tear on the internal electronic components of Gas Detectors at incidents and during training are major stressors. The electrochemical sensors within Gas Detectors are always “working” as they are constantly exposed to the atmosphere. These factors are compounded when continual advancements in technology render legacy Gas Detectors obsolete, and after five years of service replacement is warranted to ensure reliability and optimum performance. By reinvesting in Gas Detectors the District will be able to maintain this critical safety equipment.

The life-cycle costs have been integrated into the District’s equipment replacement plan and will be funded by annual reserve contributions.

*By reinvesting in Gas Detectors the District will be able to maintain this critical safety equipment*

# Engineering Services Capital Plan

Engineering Services Capital Plan						
Capital Purchase/Project	Asset Type	2023	2024	2025	2026	2027
Transportation Safety Improvements	Road	500,000	600,000	612,000	624,200	636,700
Road Reconstruction Program	Road	3,600,000	2,500,000	2,500,000	2,500,000	2,500,000
Storm Sewer Rehabilitation	Drainage	1,500,000	1,530,000	1,560,600	1,591,800	1,623,600
Uplands Sewer Separation	Drainage	8,832,000	-	-	-	-
Active Transportation Program	Road	208,100	1,000,000	1,020,000	1,040,400	1,061,200
Active Transportation Program - carry-over portion	Road	200,000	-	-	-	-
Street and Intersection Pole Replacement Program	Road	150,000	150,000	150,000	-	-
Electrical Streetlight Kiosks - Uplands and Rutland	Road	130,000	-	-	-	-
McNeill Bay/McMicking Point Foreshore Erosion Mitigation	Road	1,269,100	-	-	-	-
Foreshore Infrastructure	Road	50,000	50,000	50,000	-	-
Bowker Creek Walkway Railings	Land Impr.	250,000	-	-	-	-
Public Works Vehicle and Equipment Replacement	Vehicle	1,984,300	522,000	179,000	459,500	477,000
Engineering General Equipment	Equipment	70,000	-	-	-	-
<b>Total Engineering Services Capital Plan</b>		<b>18,743,500</b>	<b>6,352,000</b>	<b>6,071,600</b>	<b>6,215,900</b>	<b>6,298,500</b>

## Transportation Safety Improvements


This program aims to deliver projects to improve safety for all road users within the District. Projects delivered under this program include crosswalks, traffic-calming initiatives, intersection improvements, and other safety-related capital works.

## Road Reconstruction Program

The aim of the Road Reconstruction Program is to develop a sustainable road surface rehabilitation program that achieves a specific service level while maintaining best value for money. The District's Pavement Management Study, completed in 2013, identified over \$2M in road rehabilitation that needs to occur annually in order to maintain the pavement conditions identified in that year.

## Storm Sewer Rehabilitation

This program captures the refurbishment or replacement of Storm Sewer Mains that have reached end of service life. Based on asset management program targets, the program gradually increases capital expenditures for Storm Sewer Rehabilitation to \$1.1M per year. The program has been underfunded in recent years: the 2016 budget was \$212,000, the 2017 budget was \$117,000 (funded from reserves), and the 2018 budget was \$265,000.



Consistent and predictable funding for Storm Sewer Rehabilitation is essential to ensure capital projects are done efficiently and with best value for money. This funding commitment allows for a more cost-effective planned approach to repairs and rehabilitation, as opposed to a more expensive and reactive approach to repairs.

### **Uplands Sewer Separation (Partially Grant Funded)**

The Uplands neighbourhood currently has a single sewer system that accommodates both sanitary sewage and stormwater flows. During heavy rainfall, the storm water volume exceeds the capacity of the system and a combination of stormwater and raw sewage discharges into the shallow ocean waters at the Rutland Road and Humber Road pump stations. Separating combined sewers and eliminating overflows at the Humber and Rutland pump stations is necessary under BC's Municipal Wastewater Regulation. In October 2016, Council committed to a plan to separate combined sewers in the Uplands. The plan involves constructing approximately 5km of new storm mains, progressively diverting stormwater flows from homes and catch basins to the new storm sewers. This plan has the added benefit of reducing the volume of stormwater in the sanitary sewer system, enabling the District to take positive steps towards meeting its sewer flow commitments under the Core Area Liquid Waste Management Plan.

Refreshed estimates for the project were prepared in early 2022:

<b>Humber Construction</b>	Class B	\$8,832,000
<b>Rutland Detailed Design</b>	Class B	\$415,000
<b>Rutland Construction</b>	Class C	\$16,347,300
<b>Total</b>	-	<b>\$25,594,300</b>

The District has submitted a third application to the Investing in Canada Infrastructure Grant Program (ICIP). This program provides up to 73.33% of funding for eligible projects.

<b>Funding Source</b>	<b>Funding Proportion</b>	<b>Funding Total</b>
<b>ICIP (Provincial Government)</b>	33.33%	\$8,531,500
<b>ICIP (Federal Government)</b>	40.00%	\$10,237,800
<b>District of Oak Bay (Reserves)</b>	26.67%	\$6,825,000
<b>Total</b>	<b>100.00%</b>	<b>\$25,594,300</b>

### **Active Transportation Program**

This Capital Program represents an active transportation program focusing on issues such as bicycle lanes, pathways, and pedestrian-friendly infrastructure improvements.

### **Street and Intersection Pole Replacement Program (new)**

This project will identify and replace end-of-lifespan electrical poles, and to develop plans to replace larger contiguous areas of aged poles.



### Electrical Street Light Kiosks – Uplands and Rutland (new)

The Uplands streetlighting system power supply connects from BC Hydro to Oak Bay at two underground vaults. These vaults are old and do not meet current standards. The problem with the vaults is that they are confined spaces and have water infiltration, and the high voltage wiring has poor insulation and connections. After the vaults, power for the Uplands streetlights is transmitted via an underground beeswax-wrapped 112-year-old copper line. On this line failures are starting to occur more often as it is at the end of its life and needs to be replaced. Currently Oak Bay's Electricians have to enter the vault as many as 12 times a month to reset or shutdown the system to perform repairs. Above ground kiosks meet today's standards.

### McNeill Bay/McMicking Point Foreshore Erosion Mitigation

This project includes two separate studies identifying options for the mitigation of ocean erosion on McNeill Bay and McMicking Point. The project will incorporate considerations from the new Sea Level Rise Study.

Year	Component	Amount
2021	Project definition, concept planning, public engagement	\$30,000
2022	Preliminary and detailed design	\$50,000
2023	Construction	\$1,200,000

The construction costs are unknown at this time and will be better defined once detailed design work is complete. This new infrastructure would require an increase in the ongoing operating budget.

### Foreshore Infrastructure

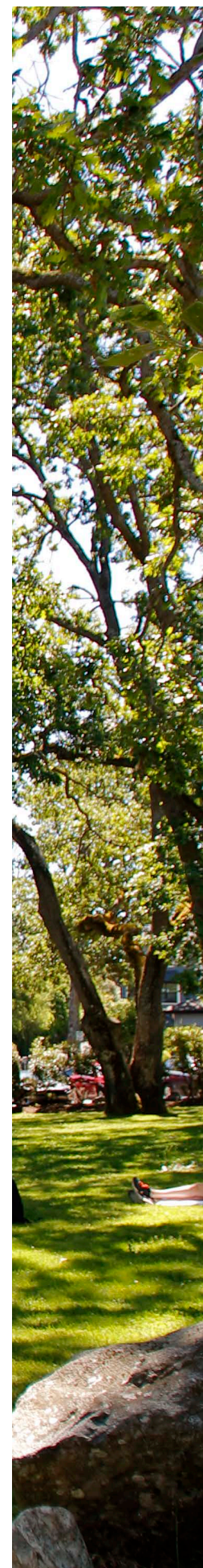
The natural areas along the foreshore of the District—including Willows Beach, Oak Bay, McNeill Bay, and others — are extremely popular for walkers. The metal railings used for pedestrian safety in these areas are exposed to the elements, especially salt-water spray, resulting in accelerated corrosion and failure. As part of an ongoing safety program, the District conducts periodic maintenance to refurbish or replace these railings. This annual program also addresses minor repairs to stairs and other foreshore access points.

### Bowker Creek Walkway Railings (new)

There are approximately 450 metres of chain railings along the Bowker Creek walkway, which are in an advanced state of disrepair. The chain railings are not up to a safe standard and should be replaced with a metal three-bar railing.

### Public Works Vehicle and Equipment Replacement

Much of the District's fleet is due for replacement and will be replaced in the next five years. However, reserve-funding levels are believed to be sustainable for the long term. For further information on the asset replacement funding, please see the State of Asset Replacement Funding section of this Financial Plan.



*This will significantly  
cut down on how  
much time it takes to  
inspect our pipes*

### **Engineering General Equipment Replacement**

This project budget includes the purchase of a SL-RAT device and a Robotic Total Station. The SL-RAT device will allow Public Works staff to quickly assess whether a given segment of the sewer or storm drain is blocked. The device consists of a transmitter and a receiver, which send an audible pulse down the pipe and measure the quality of the signal. The device then assigns the pipe a score from 0-10 based on how much of the signal made it to the other end of the pipe. This will significantly cut down on how much time it takes to inspect our pipes, because if a pipe scores seven or higher there is no need for further action such as flushing or root cutting.

The Robotic Total Station will replace the District's aging total station with a more modern unit. As a bonus, the new total station will be robotic, which means most surveys will only require one staff member. Before, we needed two staff members to survey with the total station.





# Sewer Utility Capital Plan

Sewer Utility Capital Plan						
Capital Purchase/Project	Asset Type	2023	2024	2025	2026	2027
Sewer Main Rehabilitation & Manhole Replacement	Sewer	2,800,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>Total Sewer Utility Capital Plan</b>		<b>2,800,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>

## Sewer Main Rehabilitation and Manhole Replacement

As part of sanitary sewer asset management, Engineering Services replace or refurbish portions of the approximately 100 km of sanitary sewer mains. These main replacements are typically done as conventional excavations or, if possible, via less disruptive and less expensive trench-less rehabilitation, such as cured-in-place pipe lining. The aim of this work is to install new pipe or extend the life span of an existing pipe for another 50-70 years. There are 1,316 sewer manholes or utility access holes. District staff either refurbish, replace, or install new manholes on a regular basis to ensure the sanitary sewer system can be maintained and operated effectively.

*Engineering Services replace or refurbish portions of the ... 100 km of sanitary sewer mains*





# Water Utility Capital Plan

Water Utility Capital Plan						
Capital Purchase/Project	Asset Type	2023	2024	2025	2026	2027
Watermain & Hydrant Replacement	Water	2,612,500	2,590,400	2,592,500	2,592,500	2,592,500
New Service Connections	Water	140,800	143,600	145,000	145,000	145,000
Water Distribution System Remote Monitoring Upgrade (carry-over)	Water	200,000	-	-	-	-
North Oak Bay Pump Station Consolidation & Water Main Upgrades (carry-over)	Water	-	250,000	6,000,000	-	-
Water Distribution System Studies and Capital Projects (carry-over)	Water	-	120,000	226,000	-	-
<b>Total Water Utility Capital Plan</b>		<b>2,953,300</b>	<b>3,104,000</b>	<b>8,963,500</b>	<b>2,737,500</b>	<b>2,737,500</b>

## Watermain and Hydrant Replacement

A portion of the District's 115 km of water main are rehabilitated or replaced each year as part of the Water Distribution System Master Plan.

The 2023 plan for water main rehabilitation represents a significant increase in output. This change is due to the significant backlog of water infrastructure work identified in the District's asset management work between 2016 and 2019. The Water Master Plan, followed by the staff's significant work in 2020 to flesh out a more robust capital improvement program for water infrastructure, enables the District to accelerate much needed water main replacements. This acceleration represents the first step in a multi-year program to address the maintenance backlog and sustain the current levels of service for water distribution.

The District has 494 hydrants to service firefighting needs. Each year, hydrants are replaced, or new hydrants installed, as part of the annual capital refurbishment plan, which falls within the Water Distribution Master Plan.

*The Water Master Plan  
... enables the District  
to accelerate much  
needed water main  
replacements*

## Water Distribution System Remote Monitoring System

This project would include the installation of new Supervisory Control and Data Acquisition remote monitoring equipment at the Pressure Reducing Valves at Lansdowne and Middowne stations to properly monitor and control water pressure in several of Oak Bay's pressure zones and identify water losses. This work will include longer-term options analysis and costing for system-wide remote monitoring upgrades.

## North Oak Bay Pump Station Consolidation and Water Main Upgrades

This multi-year project comes from a major recommendation from the Water Supply System Master Plan. Currently in the options analysis/project definition phase, the aim of the project is to define a consolidation and renewal program of several pump stations and mains in North Oak Bay.

### Water Distribution System Studies and Capital Projects (carry-over)

There are new projects that will require funding to pursue, as part of the water distribution system capital improvement program. The water distribution system capital improvement program is a result of the District's Water Master Plan that was completed in 2020.

2024	Cost
Detailed Condition Inspections and Investigation of Backup Power, Pump Stations, and Pressure Reducing Stations (Study and Capital Project Definition)	\$50,000
Cross-border Connection (Victoria and Oak Bay) Technical Investigation (Project Definition)	\$10,000
Cross-border Connection (Saanich and Oak Bay) Technical Investigation (Project Definition)	\$10,000
Water Asset Management Strategy update study	\$50,000
<b>2024 Total</b>	<b>\$120,000</b>
2025	Cost
Cross-border Connection (Victoria and Oak Bay) Implementation/Construction	\$26,000
Cross-border Connection (Saanich and Oak Bay) Implementation/Construction	\$200,000
<b>2025 Total</b>	<b>\$226,000</b>



# Parks, Recreation, and Culture Capital Plan

Parks and Recreation Capital Plan					
Capital Purchase/Project	2023	2024	2025	2026	2027
<b>Total Facilities Program</b>	<b>1,230,700</b>	<b>8,297,900</b>	<b>1,921,800</b>	<b>370,060</b>	<b>1,513,000</b>
<b>Total Vehicle &amp; Equipment Replacement Program</b>	<b>535,000</b>	<b>1,600,700</b>	<b>575,200</b>	<b>1,081,740</b>	<b>1,789,200</b>
<b>Total Parks &amp; Playground Replacement Program</b>	<b>202,700</b>	<b>200,000</b>	<b>70,000</b>	<b>300,000</b>	<b>-</b>
Public Art	60,000	20,000	20,000	20,000	20,000
Capital Contingency	50,000	50,000	50,000	50,000	50,000
<b>Total Parks and Recreation Capital Plan</b>	<b>2,078,400</b>	<b>10,168,600</b>	<b>2,637,000</b>	<b>1,821,800</b>	<b>3,372,200</b>

Parks and Recreation Capital Plan						
Capital Purchase/Project	Asset Type	2023	2024	2025	2026	2027
<b>PRC Facilities Program</b>						
OBRC Facilities Maintenance	Building	136,700	170,700	127,800	207,760	267,900
OBRC Roofing - Arena, Lounge, ISF	Building	-	-	-	-	-
OBRC Parking Lot Rehabilitation Options	Land Impr.	99,000	-	-	-	-
Henderson Gym Roof Replacement	Building	266,000	-	-	-	-
Parks Facilities	Building	68,200	58,500	-	-	-
Carnarvon Park Building & Park Design and Build	Building	655,000	8,000,000	-	-	-
Monterey Building Maintenance	Building	5,800	68,700	83,800	104,200	89,400
OBRC Fire Alarm System	Building	-	-	130,200	-	-
E-Bike Shelter (new)	Building	-	-	50,000	-	-
Monterey Roof	Building	-	-	1,530,000	-	-
Henderson Building Maintenance	Building	-	-	-	58,100	155,700
Fitness Centre Renovation	Building	-	-	-	-	1,000,000
<b>Total Facilities Program</b>		<b>1,230,700</b>	<b>8,297,900</b>	<b>1,921,800</b>	<b>370,060</b>	<b>1,513,000</b>

## Oak Bay Recreation Centre (OBRC) Facilities Maintenance

This capital budget includes replacement of flooring, exterior doors, fitness centre flooring systems, exterior lighting, cedar siding, exterior painting, interior lighting, windows, and counters, along with exterior painting and tennis bubble court resurfacing.

## Oak Bay Recreation Centre Parking Lot Rehabilitation Options

This budget is the carry-over from the parking lot repaving project in 2021. The lower parking lot was successfully repaved. The upper parking lot has not been repaved pending the review of Bowker Creek stability considerations.

## Henderson Gym Roof Replacement

This project involves replacement of the roof over the gymnasium at the Henderson Recreation Centre.





### **Parks Facilities**

This capital budget includes the Anderson Hill Park kiosk and capital maintenance of Quimper Park washrooms.

### **Carnarvon Park Building Design and Build (Updated Pricing)**

This project involves demolition of the old building and construction of a new two-story building, as recommended in the Carnarvon Park Master Plan. The building design would be conducted in 2024.

### **Monterey Building Maintenance**

This capital budget includes the replacement of exterior and interior lighting, linoleum, automatic front doors, and flooring.

### **OBRC Fire Alarm System**

This project is the lifecycle replacement of the fire alarm system currently in service at the OBRC. This is a lifecycle project for a system that was installed in 2003.

The system is computer based and we've had some electronic equipment failures over the years. We had an issue in with a control board in 2018, the service company was able to service it but advised that this system is no longer supported in its current format, and parts are becoming increasingly hard to source. We were advised to consider upgrading soon. The system is checked and maintained annually and has held out to date, but a major component failure could potentially lead to costly emergency service.

### **E-Bike Shelter - OBRC (new)**

This would be the renovation of the bike shelter area and the addition of charging stations for e-bikes.

### **Monterey Roof**

This capital budget would fund the removal and replacement of all the roofing, gutter, and downspout systems at the Monterey Recreation Centre. It includes six line items in the OBPRC capital plan document scheduled for 2025. The current roofing systems were installed in 2000. A roofing audit in 2013 recommended roofing systems be replaced by 2023 if certain conditions were met at the time of report, which they were. By 2025, the systems will have reached their recommended lifespan and be several years past the date recommended in the 2013 report. The current conditions reflect the age and the gutters require regular checking and repair. Waiting too long would result in damage to wood structures underneath and lead to a significant increase in costs once exposed. Another key upgrade would be to add tie-in points and guardrails to protect staff and contractors on the roof.

### **Henderson Building Maintenance**

This capital budget includes capital maintenance to the gym floor, chimney removal, millwork, and window replacement.

### **Fitness Centre Renovation**

This capital budget includes capital maintenance to the gym floor, chimney removal, millwork, and window replacement.

Capital Purchase/Project	Asset Type	2023	2024	2025	2026	2027
<b>PRC Vehicle &amp; Equipment Replacement Program</b>						
Parks Equipment	Equipment	72,900	-	-	-	-
Tennis Bubble Heating Upgrade	Equipment	300,000	-	-	-	-
Henderson General Equipment	Equipment	10,000	-	43,600	-	24,100
OBRC General Equipment	Equipment	146,400	276,500	197,600	328,840	403,200
Monterey General Equipment	Equipment	5,700	24,200	23,000	52,900	101,900
Pool Dehumidifier	Equipment	-	1,050,000	-	-	-
OBRC Cardio/Strength Equipment Replacement	Equipment	-	250,000	-	-	500,000
Boiler #2 Replacement & Upgrades (OBRC)	Equipment	-	-	175,000	-	-
Xplor Recreation Software RFP	Equipment	-	-	136,000	-	-
Solar System (OBRC)	Equipment	-	-	-	700,000	-
Motor Control Centres (OBRC)	Equipment	-	-	-	-	760,000
<b>Total Vehicle &amp; Equipment Replacement Program</b>		<b>535,000</b>	<b>1,600,700</b>	<b>575,200</b>	<b>1,081,740</b>	<b>1,789,200</b>

### Oak Bay Recreation Centre General Equipment

This capital budget includes the replacement of an edger, pool filters, a boiler, ducts, a fire alarm system, floor scrubbers, pool controllers, an air compressor, air handling equipment, an ice machine, a walk-in cooler, patio furniture, and kitchen exhaust system.

### Oak Bay Recreation Centre Air Unit

This project involves the lifecycle replacement of the desert-aire dehumidification system for the pool natatorium at the Oak Bay Recreation Centre.

### Parks Equipment

This capital budget includes the replacement of a flagpole and a fields verticutter, and the implementation of a tree inventory system.

### Henderson General Equipment

This capital budget includes the replacement of a bouncy castle, a boiler, heating circulation pumps, and a water heater.

### Monterey General Equipment

This capital budget includes the replacement of exhaust fans, furnaces, a dishwasher, roof exhaust, and a fire alarm system.

### Oak Bay Recreation Centre Cardio Equipment Replacement

This capital budget fund involves the lifecycle replacement of all cardio equipment, which includes treadmills, steppers, stationary bikes (i.e., recumbent), elliptical trainers, and hand ergometers.



### **Boiler #2 Replacement and Upgrade**

This project is the replacement of the secondary boiler at the OBRC. The project would ideally be a redesign of the boiler system to tie into existing and future energy saving considerations.

The second boiler has been in service since 1973. It reliably does what it is required to do but is far from efficient in the process. It is dated technology, taking up a large amount of space. Ideally a new high-efficiency boiler would be put in its place, tied into current and future heat reclaim and energy saving initiatives. The existing boiler #1 would then become the standby system for emergencies.

### **Recreational Software RFP**

This is the lifecycle update of the software PRC uses for managing operations and membership, processing payments, and program coordination.

### **Solar System**

This project would involve the removal, disposal, and replacement of the solar system on the roof above the aquatic area of the OBRC. Ideally the project would replace the existing solar water heating system installed in 1984 with a photovoltaic system to generate electricity, or a combination panel that could generate electricity and hot water if cost effective. The existing system has been reconfigured over the years and is currently used as a domestic water pre-heat. It has become quite corroded, leaks large amounts of water, and requires significant regular maintenance for little return. It has far exceeded its lifespan and some sections are decommissioned because of failure. The surface area it occupies could be put to better use as demands from the facility have changed.

### **Motor Control Centres**

This project is the replacement of the Motor Control Centers (MCC) for the OBRC. This is a lifecycle project for a system installed in 1973. The MCC's are original equipment and are critical pieces of the electrical distribution system for the OBRC. The equipment has far exceeded its expected life, is deemed obsolete, and does not meet current standards and codes. The switchgear is worn and does not give correct feedback. Parts are no longer available, requiring costly and time-consuming repairs when equipment fails. The switchgear is not protected from shorting and surging properly, allowing incidents to cause more damage than would be normal. The MCC was thermal scanned in 2021, and although there were only a couple minor issues, the system is so old and fragile a major event could cause severe damage to equipment and personnel, leading to a long and costly emergency shutdown.



Capital Purchase/Project	Asset Type	2023	2024	2025	2026	2027
<b>PRC Parks &amp; Playground Program</b>						
Henderson/Kiwanis Park Playground Equipment	Land Impr.	202,700	-	-	-	-
Windsor Playground	Land Impr.	-	200,000	-	-	-
Lafayette Park Playground Equipment	Land Impr.	-	-	70,000	-	-
Henderson Court Resurfacing	Land Impr.	-	-	-	300,000	-
<b>Total Parks &amp; Playground Replacement Program</b>		<b>202,700</b>	<b>200,000</b>	<b>70,000</b>	<b>300,000</b>	<b>-</b>

### Henderson/Kiwanis Park Playground Equipment

This project involves replacement of the playground equipment at Henderson Park in the same location, using the same footprint.

### Windsor Playground

This project involves replacement of the playground equipment at Windsor Park in the same location, using the same footprint.

### Lafayette Park Playground Equipment

This project involves replacement of the playground equipment at Lafayette Park in the same location, using the same footprint.

### Henderson Court Resurfacing

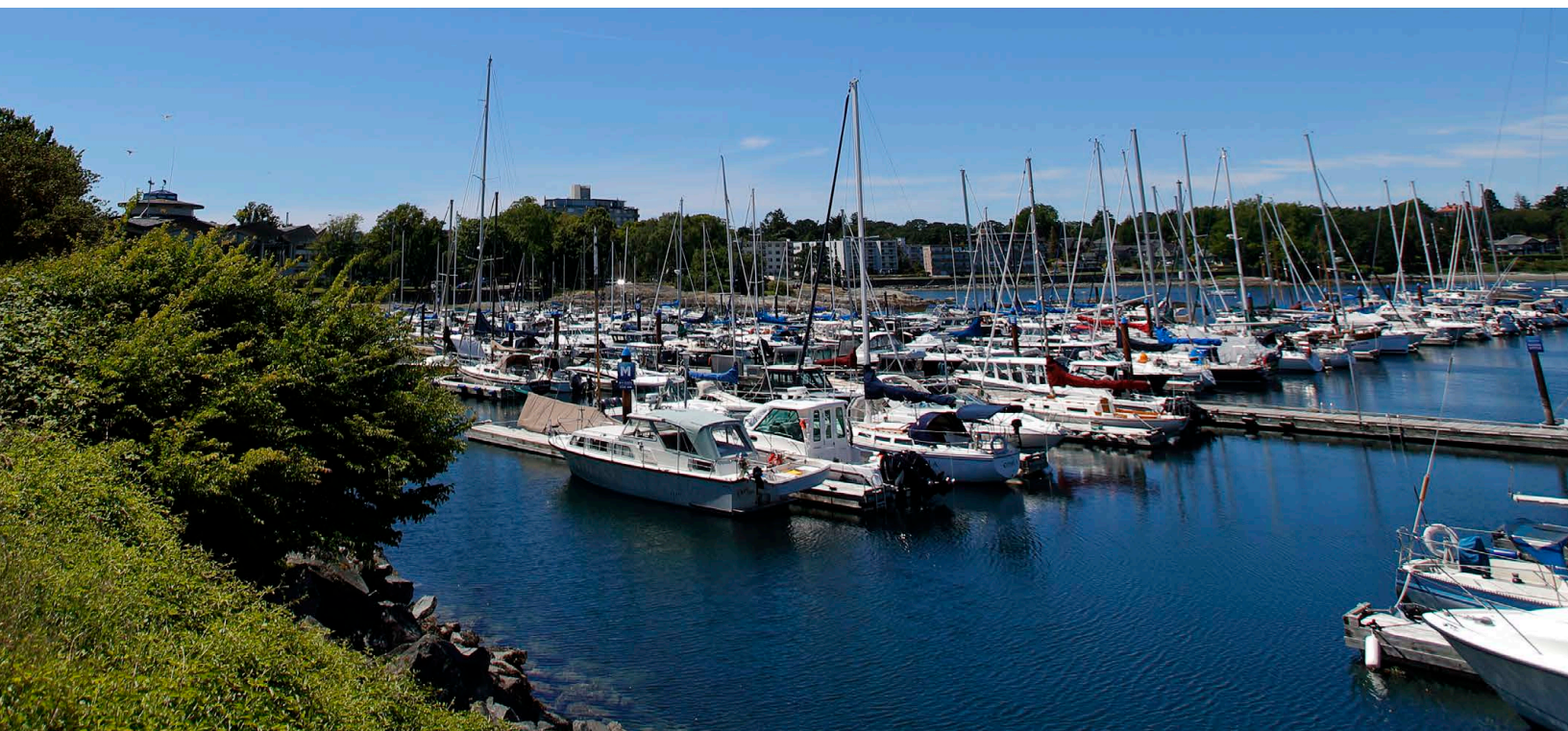
This project part of a preventative maintenance plan to and maximize the lifecycle of district assets and continue to provide safe and enjoyable experiences for users. Due to foundation movement, expansion, and contraction from the elements and weeds, staff anticipate some crack repairing using various techniques depending on the severity. Staff also anticipate replacing any damaged or worn fixtures such a poles and netting. If left too long the surface can become dangerous from slipping, increasing the risk of injury and making it harder to play on for users. To remedy this, the courts will be painted with silica-injected paint. Further, the silica-injected paint will preserve the lifespan of the courts and improve the overall appearance and value to our users.

# Operating Impact of New Capital Services

As new capital is acquired and constructed, the District is subject to increasing operating costs to maintain said capital. For example, when a road is built, the District must then maintain that road and keep it clear of debris. Furthermore, often the community forms an expectation that the capital service will continue in perpetuity, and thus the infrastructure will be replaced at the end of its life. As a result, staff endeavor to present the full life-cycle costs of capital budget items so Council may consider the entire financial impact of budget approval.

Below you will find the new capital items being considered in the scope of this Financial Plan. “New” capital does not include capital expenditures for maintaining or replacing existing capital services. For instance, the replacement of an existing road is not a new capital expenditure because the ongoing operating and maintenance costs of that capital are already integrated into the operating budget. New capital includes a brand-new capital service or enhancement to existing capital services.

New Capital Expenditure	Capital Cost*	Capital Cost Year	Life Cycle Costs*
Uplands Sewer Separation	\$8,800,000	2023-2027	\$10,200,000
EDRM System	\$265,000	2021-2022	\$640,000
Carnarvon Park Building Construction	\$8,000,000	2024	\$29,800,000
McNeill Bay erosion mitigation assets	\$1,280,000	2022-2024	\$2,180,000
E-Bike Shelter	\$50,000	2025	\$60,000



### Uplands Sewer Separation – Humber Catchment Life Cycle Costing

Cost Type	Amount
Capital Cost	\$8.8M
Operating, maintenance, utilities	\$1.4M
<b>Total</b>	<b>\$10.2M</b>

The new infrastructure that results from the Uplands Sewer Separation project is expected to have a useful life of approximately 80 years. The total lifecycle costs are estimated to be \$10.2M. Annualized over 80 years, this is approximately \$127,500 per year, and is equivalent to a 0.4% tax increase, or \$14 to the median residential property.

### Electronic Document Records Management System

Cost Type	Amount	Comment
Capital Cost	\$265,000	
Operating, Maintenance, Utilities	\$375,000	\$25,000 per year X 15 years
<b>Total</b>	<b>\$640,000</b>	
Annualized Cost	15 year life span	\$42.667
Equivalent Tax Increase %		0.16%
Equivalent Tax Increase	Annually to the average residential property	\$5.13

### Carnarvon Building Life Cycle Costing

Cost Type	50 Year	75 Year
Capital Cost	\$8,000,000	\$8,000,000
Operating, Maintenance, Utilities	\$10,550,000	\$15,825,000
Operating Revenues	\$(1,850,000)	\$(2,775,000)
Component Replacement*	\$5,112,100	\$8,770,759
<b>Total</b>	<b>\$21,812,100</b>	<b>\$29,820,759</b>
Annualized Cost	\$436,242	\$397,608
Equivalent Tax Increase %	1.45%	1.33%
Equivalent Tax Increase	\$49.16	\$44.81

### McNeill Bay Erosion Mitigation

Cost Type	Amount	Comment
Capital Cost	\$1,280,000	
Operating, Maintenance, Utilities	\$900,000	\$12,000 per year x 75 years
<b>Total</b>	<b>\$2,180,000</b>	
Annualized Cost	\$29,066	75 year life span
Equivalent Tax Increase %	0.11%	
Equivalent Tax Increase	\$3.29	Annually to the average residential property



# Glossary

**Accounting Surplus:** An accounting surplus is revenues less expenses. It does not include expenditures made for capital, on debt principal, or transfers to or from reserves. Local governments may budget for an accounting surplus or deficit but not a budget surplus or deficit. See the definition of a balanced budget.

**Accrual:** An accounting method measuring the financial performance and position of an organization by recognizing economic events when they happen, regardless of when the related cash changes hands. For instance, revenue is recognized in the financial statements when earned, not when received.

**Accumulated Surplus:** The accumulated surplus is a pool of accumulated funds resulting from all historical budgetary surpluses. Budgetary surpluses result in funds remaining in accumulated surplus (unappropriated) or transferred to reserve (appropriated).

**Appropriated:** When a fund is appropriated, it is subject to certain restrictions on what the fund can be used for.

**Approval of the Electors:** Approval of the electors is required when a local government decision may have a significant impact on the community over the longer term. Some examples are: (1) Long-term borrowing (loan authorization) for municipalities, (2) Disposal of certain utilities other than a water or sewage system, (3) Exchange or other disposal of parkland, (4) Liabilities under some types of agreement, or (5) Removing the reservation or dedication from property.

**Approval-free Liability Zone:** The approval-free liability zone is 5% of controllable and sustainable municipal revenue. Once the total annual cost of servicing liabilities exceeds the 5% approval free limit, all subsequent borrowing must receive elector approval.

**Balanced Budget:** A financial plan where the sum of current revenue, transfers from reserves, and debt proceeds, equals the sum of current operating expenditures, debt principal payments, and capital expenditures.

**Capital Asset:** An asset that has physical substance, is used to supply a service, lasts longer than a year, and is not for sale in the ordinary course of operations.

**Capital Expenditure:** The expenditure of monies for the purchase or construction of a capital asset.

**Deferred Revenue:** Refers to payments received in advance for services which have not yet been performed. The most common form of deferred revenue in municipal accounting consists of Development Cost Charges that are advanced payments for future capital services needed because of growth.

**Financial Plan:** This term is used interchangeably with “budget” but will also usually refer to the five-year budget bylaw.

**Forced growth:** Increased costs the District must incur to continue to provide existing services at the same service level. For instance, collective agreement increases, inflation, and contractual increases are forced growth factors. Forced growth is not increases to service delivery costs resulting from elective changes or enhancements to existing programs.

**Fund:** A pool of money set aside for a specific purpose.

**FTE (Full Time Equivalent):** A statistic to compare staffing levels between departments, organizations, or years. It is calculated by dividing the total number of hours that one full-time staff member would work during a year.

**LGDE (Local Government Data Entry):** The LGDE forms provide a standardized financial measure of local government activities over the previous fiscal year. Local governments must annually submit their forms by May 15 to the Ministry of Municipal Affairs and Housing. These forms are a standardized presentation of a local government's financial position and activities, such as assets, liabilities, revenue, and expenditures over the course of the previous fiscal year (based on the audited financial statements).

**Life-Cycle Costs:** Full life-cycle costs refer to the total costs incurred by a piece of capital during the entirety of its useful life. For instance, full life-cycle costs would include the acquisition or construction cost, maintenances costs, and the cost of ongoing annual repairs and maintenance for continued provision of the capital service.

**Liability:** Liabilities are present obligations a reporting entity has to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefit.

**Municipal Finance Authority (MFA):** The Municipal Finance Authority of British Columbia (MFA) was created in 1970 to contribute to the financial wellbeing of local governments throughout BC. The MFA pools the borrowing and investment needs of BC communities through a collective structure and can provide a range of low cost and flexible financial services to clients equally, regardless of the size of the community. The MFA is independent from the Province of British Columbia and operates under the governance of a Board of Members appointed from the various Regional Districts within the province.

**New Construction Taxation Revenue:** Taxation revenue resulting from taxable land or buildings not subject to taxes in the previous year. For example, newly built taxable buildings, previously exempt taxable property, newly subdivided land, or valuation increase due to zoning amendments.

**Official Community Plan:** Under the Local Government Act Section 875, an OCP is a statement of objectives and policies to guide decisions on planning and land use management within the area covered by the plan, respecting the purposes of local government.

**Operating Costs:** Expenses which are related to the operation of a business, or related device, component, piece of equipment, or facility.

**Reserve Fund:** A fund established by bylaw for a specific purpose. Monies placed in a reserve fund can only be used for the purpose for which the reserve was established.

**Revenue:** Income from business services and fees.

**Service Plans:** These plans depict the operating costs/revenues and related performance measures of a District Department.

**RFP:** A Request For Proposal is issued at an early stage in a procurement process, where an invitation is presented for suppliers to submit a proposal on a commodity or service.

**SOFI (Statement of Financial Information):** The SOFI is a financial statement prepared pursuant to the Financial Information Act. The SOFI contains audited financial statements, as well as other mandated schedules including the schedule of remuneration and expenses, as well as the schedule showing payments made for the provision of goods or services.

**Special Initiatives:** One-time operating projects outside the normal course of work performed by staff.

**Sustainable infrastructure replacement funding:** This refers to the annual funding required so an asset can be replaced at the end of its useful life without borrowing.



# Appendix A: Special Project Descriptions

## **Storm Sewer Master Plan (2022-2023)**

This Master Plan will incorporate an updated storm sewer hydraulic model and a growth capacity analysis, and current asset management and capital improvement plans. The 2021 Financial Plan approved \$150,000 spending in both 2022 and 2023. The 2023 Financial Plan proposes carry forward spending of \$225,000 in 2023.

*Reference: Asset Management Strategy, January 24, 2019 Special Committee of the Whole*

## **Natural Assets and Green Infrastructure Scoping (new)**

Many of the District's infrastructure policy objectives outlined in the OCP include the development of stormwater/rainwater management bylaws (encouraging low impact development), expansion of capital projects (including better creek-side pathways and daylighting), and consideration of the creek as a natural asset. This project would explore incorporating municipal services related to management of natural assets and green infrastructure. The intent would be to complete this work in conjunction with the Storm Water Master Plan.

*Reference: November 22, 2021 Council Meeting*

## **Emergency Communications Plan (carry-over)**

The Province is modernizing the Emergency Program Act and all the associated processes. The strategic plan for the Oak Bay Emergency Program is to enable the District to keep pace with the subsequent changes to legislated accountabilities. This budget item will be used to update emergency plans and processes, buy equipment and materials, and train staff and volunteers at a pace that enables the District to maintain a preparedness level appropriate to its size and responsibilities. It will be used in conjunction with the Program's associated budget items and external funding opportunities.

## **Sidewalk Patio Regulation Review (new)**

Since the beginning of the COVID-19 pandemic, the District has been taking advantage of the Provincial Government's Temporary Expansion of Service Area (TESA) authorizations process. The TESAs allowed businesses to follow a temporary permitting process for the expansion of operational footprints and to allow for the service of food/liquor on public property. The Province has now moved to make these service area authorizations permanent, with an updated application process for Provincial approvals. The appropriate final permitting, and approvals process remains within the authorities of local governments. Currently, the District does not have a permanent process or set of guidelines in place. Council directed staff to keep the current temporary regulations and practices related to temporary sidewalks and parking stall patios in place until June 1, 2022. Staff will be requesting an extension to this date. Further, Council directed that a more fulsome discussion regarding the use of public space for liquor and food services be referred to Council priorities planning. It is proposed that this project be completed in several stages with the first one focusing on identifying issues and proposing solutions for Council's consideration. A potential second stage would be required to prepare a permanent program for implementation. Any public consultation would be part of this second stage.

### Freedom of Information and Protection of Privacy Training (carry-over)

This initiative will provide training for Council and Senior Management regarding the Freedom of Information and Protection of Privacy Act. Council and Staff comprehension and compliance with current FOIPPA legislation is critical in daily municipal operations.

### Human Resource (HR) Plan Implementation (carry-over)

The purpose of the HR plan is to ensure that the District of Oak Bay has adequate human resources to meet the District's strategic goals. It's about ensuring that we have the right people with the right skills at the right time to deliver on Council's priorities. It is critical that we position the District of Oak Bay as an employer of choice to attract and retain the best talent to ensure future success and sustainability. The various initiatives of the plan will focus on HR planning, attracting, and retaining great staff, as well as promoting performance excellence and a commitment to employee safety and wellness.

The HR Plan has the following components, and costs:

	2021 Budget	2021 Actual	2022 Carry Over	2023 Carry Over	2024 Budget	2025 Budget
Learning and Development	- Integrated into operating budget -					
Employee Engagement	\$20,000		\$20,000	20,000		\$20,000
Performance Feedback and Evaluation	\$10,000	\$1,400	\$8,600	\$8,600		
Health and Wellness	- Integrated into operating budget -					
Recognition	- Integrated into operating budget -					
Policy Review	\$14,000		\$14,000	\$14,000		
Occupational Health and Safety	\$20,000	\$10,000	\$20,000	\$20,000		
Total	\$64,000		\$62,600	\$62,600		\$20,000

### Records Management (approved in 2021 – 2025 Financial Plan)

Records Management is an integral component of municipal operations for legislative and productivity reasons. The current system needs updating to incorporate best practices, improve business processes, and ensure regulatory compliance. This initiative is a multi-year undertaking.

*Reference: Budget Estimates Committee, April 17, 2019*

### Parking Enforcement Services Review (carry-over)

Parking enforcement focuses on the requirements found in the District's Streets and Traffic Bylaw. The Bylaw traffic infraction fines have not been reviewed in over a decade. It is proposed that Council be given the opportunity to provide governance direction on enforcement policy as well as approach.

The scope of this project would include:

- Review and modernization of the District's Streets and Traffic bylaw
- Review of existing parking enforcement hardware, software, and interdepartmental business processes
- Council engagement on enforcement policy and approach
- Council engagement on revenue targets
- Creation of standard operation procedures for parking enforcement

### **Occupational Disability Claims Management (new)**

Annually the District funds (or partially funds) numerous programs, benefits and insurance premiums related to the health and wellbeing of staff including long term disability, annual sick leave, employee assistance program, extended health care and WorkSafe BC insurance. Occupational disability management is the responsibility of management. Disability management must include thorough coordination between employees, management, premium providers, case managers, health care professionals, and unions.

Failure to engage in adequate disability management can result in high WorkSafe BC premiums, low employee morale and significant productivity loss.

Annually the District pays Worksafe BC premiums to provide insurance coverage for its workers. These premiums represent a significant expense in the District's operating budget and impact all service areas.

This project funds contracted disability management services. The objective of the project is to improve occupational health and safety, reduce productivity loss and reduce WorkSafe BC premiums. The project is proposed on a pilot basis. Staff are optimistic that the project will reduce WorkSafe BC premiums and add ongoing funding to increase disability management capacity from within the organization.

### **Marina Lease Negotiations (carry-over)**

The District of Oak Bay's lease with the Province for the foreshore/aquatic crown lands occupied by Oak Bay Marina expired in December 2022. The Oak Bay Marina's lease with the District of Oak Bay also expired in December 2022.

### **Deer Management Study (new)**

The Ministry of Forests, Lands and Natural Resource Operations and Rural Development has provided grant funding of \$37,906 to supplement the District's contribution of \$38,050 to continue the Oak Bay deer management research project being undertaken by the Urban Wildlife Stewardship Society (UWSS). UWSS will analyze and report on deer population response after 3 years of Immuno-contraceptive (IC) treatment by modelling population density and relative fawn abundance for 2021 and 2022. UWSS will also collect another year of data in fall 2023 to evaluate how the population is responding following a pause in IC treatment in fall 2022.



### **Parks, Recreation, and Culture Master Plan (2024)**

The District of Oak Bay has not undertaken the preparation of a comprehensive Parks and Recreation Master Plan that engages the community to understand their specific interests and needs. The District's Official Community Plan recommends preparation of this Plan given the passion for parks and recreation in the community, and the need for continued upgrading and maintenance of facilities. The project's deliverables will include:

- A community survey to assess existing use patterns, satisfaction, and needs in relation to parkland, sports fields, trails/paths, playgrounds, other park amenities, recreation centres, and recreation programs
- An analysis of existing and forecasted demographics and best practices to support the community needs analysis
- Identification of existing and future community needs for different types and locations of parkland, park amenities, paths/trails, recreation facilities and recreation programs, considering the needs of people of all ages and abilities
- Consideration of the need for upgrading the pool or other amenities at Oak Bay Recreation Centre, potentially in partnership with the School District, to satisfy the needs of students as well as all members of the community

*References: (1) Budget Estimates Committee, April 17, 2019, (2) Official Community Plan, 2014, Section 4.6.1 and 4.6.2*

### **Animal Control Bylaw/Dog Off-Leash Policy**

The scope of this project would include a dogs-in-parks policy review as well as a broader animal control review including bylaw amendments. The Parks, Recreation and Culture department will collaborate with Corporate Administration and Strategic Initiatives to realize operational efficiencies and cost savings to streamline the process. Community engagement can be conducted with one comprehensive process instead of two separate processes. Furthermore, bylaw development can avoid multiple amendments or disjointed purposes.

### **Urban Forest Management – Garry Oak Inventory (vary-over)**

Information collected, and efforts made to conduct an inventory of the Garry Oak, and associated ecosystems in Oak Bays natural areas parks will assist in the design of trail networks and provide a baseline for measuring success of restoration activities. Accumulated data is extremely useful and will be reported to the provincial and federal agencies to track the overall recovery or decline of rare plant species in both Oak Bay area and Canada's natural parks. The data will also help establish federal funding priorities for recovery activities such as habitat restoration.

### **CCAWG Recommendation – Coolkit Program (carry-over)**

The Coolkit program has been developed through the University of British Columbia (UBC) Forestry program to function as a toolkit to engage with community residents. Its focus is on impacting climate change and urban forestry; with an overall intent to engage the community in a conversation around climate action, to lead to positive action on both public and private lands. The program is designed to involve everyone from individual residents, their families, and communities, to organizations and local governments in determining what climate action they should focus on. One core element focuses on urban forestry; however it also includes items such as urban food gardens, home improvements, car-pooling, and other local forms of active transportation. The program is designed to be applicable at the neighbourhood level to achieve the greatest impact.

#### **CCAWG Recommendation #4 –GHG Reduction Retrofit Program (carry-over)**

Recommendation #4 from the District's Community Climate Action Working Group was to help, *“create two separate programs and associated policies to accelerate GHG and energy reductions for the retrofit and adaptation of existing buildings, and for new building construction.”*

This recommendation is intended to increase energy efficiency and reduce greenhouse gas emissions in both new and existing housing stock. Programs that address new housing stock could include initiatives such as implementing higher levels of the BC Energy Step Code, developing an informational program to promote available rebates and incentives for homeowners, or developing an expedited building permit program.

Budget for this project would fund a consultant to design the program, however on-going operational costs for such a program has not yet been integrated into the Financial Plan.

#### **Council Priority Projects**

At the February 6, 2023, Council meeting, Council received a Council Priority Project reports that included several project backgrounders requested from Council. This funding would enable that priority projects selected by Council are funded through 2025 using the Council Priorities Reserve. Staff are currently preparing a Council Priorities Plan which would detail all of the selected projects.

## Appendix B: 2020 Preliminary Financial Results



## Appendix C: Basis of Accounting and Budgeting

The accounting policies of the District conform to Canadian Generally Accepted Accounting Principles for local governments and the Consolidated Financial Statements are prepared as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants. The District uses various funds to account for its revenues and expenditures. The revenue in each fund may be spent only for the purpose specified in the fund. Each fund belongs to one of five categories: general, parks and recreation, sewer, water, or reserve. General funds are used for general government and protective services. Recreational funds are used for the day-to-day operations of the District's Parks, Recreation and Culture department. Water and Sewer funds are self-financed utilities, except for a general fund contribution to the sewer fund. Both utility funds are used for operating and capital purposes. Reserve funds accumulate revenue and interest that will be used to pay for major capital expenses in future years.

All funds, (general, sewer utility and reserves) are accounted for on the accrual basis. Sources of revenue are recognized when earned. Revenue unearned in the current period is reported on the balance sheet as deferred revenue.

# Appendix D: Draft Financial Plan Bylaw

# Schedule “A”

## The Corporation of the District of Oak Bay Five-Year Financial Plan

	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
<b>Revenue</b>					
Property Taxes					
Parcel (frontage) Taxes					
Other Taxes					
Fees and Charges					
Sales of Services					
Other Fees and Charges					
User Fees					
Interest					
Grants and Other Gov'ts.					
Other					
<b>Total Revenue</b>	-	-	-	-	-
<b>Expenses</b>					
General Municipal					
Protective Services					
Water					
Sewer					
Debt Interest					
<b>Total Expenses</b>	-	-	-	-	-
Accounting Surplus	-	-	-	-	-



# Schedule “A” Continued

## The Corporation of the District of Oak Bay Five Year Financial Plan

	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget
<b>Revenue</b>					
Add:					
Transfer from Reserve Funds					
Capital Works					
Climate Action					
Fire Equipment					
General Surplus					
Heritage					
Infrastructure Renewal					
Machinery and Equipment					
Major Crimes					
Tod House Trust					
Amortization					
Debt proceeds					
Deduct					
Capital Expenditure					
Transfers to Reserves					
Fire Equipment					
Capital Works					
General Reserve					
Major Crimes					
Infrastructure Renewal					
Climate Action					
Debt Principal					
<b>Budgetary Surplus</b>					

## **SCHEDULE “A”, continued**

### **Objectives and Policies regarding:**

- 1.** Funding Sources
- 2.** Property Value Tax Distribution
- 3.** Permissive Tax Exemptions

#### **1. Funding Sources**

##### **1.1 Revenue from Property Value Taxes - Objectives and Policies**

The Municipality has a property tax base within which 97.6% of the value is in the Residential class. The high percentage of Residential value, which by its nature is spread over a very large number of properties as opposed to being concentrated in a single industry or sector, enhances the dependability of the property tax as a revenue source. The higher the proportion of total revenue attributable to the property tax, the more predictable are actual revenues for the year and the lower is the likelihood of a shortfall relative to the budgeted revenue amount.

On the other side of the issue, whereas with respect to alternative sources of revenue such as user fees there may be scope for the individual taxpayer to make choices that affect the amount paid, the amount of the value-based tax levy for a parcel of land is something over which the owner has virtually no control.

The objective of Council with respect to the property tax, therefore, is to achieve a balance between the revenue predictability that this source provides on the one hand, and the goal of restraining the growth of the property value-based tax burden on the other.

Council policy is to use the property tax levy to balance the expenditure side of the budget for each year after examining the potential for sustainable revenues from all other sources.

##### **1.2 Revenue From Parcel Taxes - Objectives and Policies**

A parcel tax is a tax levy on land, the amount of which is not a function of the assessed value of the land. It can be the same amount for every parcel regardless of size, or it can vary with the area or frontage of a parcel.

Only in limited circumstances is a parcel tax an alternative to a property value-based tax. It can only be applied to properties receiving a particular service and cannot be used for the funding of general services.

With the property tax taking into account the value of improvements as well as land, there is a higher probability, compared to a parcel tax, that it will be related to ability to pay.

The objective of Council with regard to the parcel tax concept is to ensure that its use is fair in light of the actual distribution of the benefits conferred by the service that it is intended to fund.

Council policy to date has been to use the parcel tax only to cover part of the cost of maintaining boulevards on a limited number of streets where this service is provided by the Municipality. With the value of the service directly related to the amount of boulevard to be maintained, the parcel tax in this case is based on frontage.

### **1.3 Revenue From Fees - Objectives and Policies**

Fees charges for specific services form a large part of the municipal revenue stream, adding approximately another 50% to the amount raised by the property value-based tax levy.

The largest component of user fee revenue is that which is generated from the Municipality's recreation programs. The objective of Council is to ensure that recreation user fee revenues cover all of the direct program costs, and to maximize the coverage of fixed overhead costs as well.

Council policy is to review recreation user fees annually, against the backdrop of the regional market.

Much smaller than recreation fee revenue, but still significant in terms of the property value-based tax increase that would be required to replace it, is the solid waste collection and disposal charge, which is a fixed amount for each collection unit (e.g., a dwelling unit or small business) served by municipal crews. The principal objective, with respect to the use of a solid waste charge rather than the property value-based tax is to avoid double-charging properties that, due to volume and the nature of the equipment used, must contract privately for solid waste collection services.

Council policy is to recover 100% of its solid waste disposal and collection costs through the solid waste fee.

The Municipality also operates a water distribution system. Its fiscal objective, with respect to the system, is to cover the associated costs on a user-pay basis, and the policy in this regard is to set water consumption rates and connection fees at a level which achieves this goal without any requirement for subsidization from the property value-based tax.

The Municipality's sewer system is also operated as a utility, which has traditionally been funded through the property value-based tax, with minor contributions from connection fees.

With large capital costs forthcoming in order to comply with the Capital Regional District's Core Area Liquid Waste Management plan, along with the Provincial Municipal Sewage Regulation, Council has set an objective of funding a greater portion of sewer utility costs from user fees.

With household water consumption closely tied to capacity requirements in the sewer system, Council has determined to raise 70% of its sewer utility costs from a water consumption-based user fee by policy.

### **1.4 Revenue From Other Sources - Objectives and Policies**

Revenue in the "Other Sources" class consists primarily of appropriations from internal municipal reserve funds. The proportion of total revenue from this source will vary significantly from one year to the next.

The principal objective with respect to the use of reserve funds is to finance capital asset depreciation and avoid the use of such funds to offset ongoing operating costs. The rationale for this being that the latter would not be sustainable in the long-term, and would eventually require a property value-based tax spike.

Council policy is to use its reserve funds to finance capital works which, in the main, are not undertaken by municipal crews and which therefore may increase or decrease in the amount of the expenditure budget that they represent without affecting the permanent workforce.



### **1.5 Proceeds From Borrowing - Objectives and Policies**

The objective of Council is to maintain its long-term debt servicing costs at a manageable level by replacing infrastructure on an incremental “pay as you go” basis.

Council policy is to limit the creation of long-term debt to the financing of large capital projects, which cannot efficiently be undertaken on an incremental basis, or where such an approach would not be adequate to meet requirements with respect to public safety, health or senior government regulations.

The objective for short-term borrowing, (less than 5 years) is to maintain the outstanding debt at a relatively constant level so that with the amortization of the debt on a project so financed, further investments in the assets of the Municipality can be made without tax impact. The amount of short-term debt that can be outstanding at any one time is relatively low—pursuant to the requirements of the Community Charter. Projects funded in this manner therefore tend to be relatively small; alternatively, the short-term debt may represent only part of the overall funding package.

### **2. Property Value Tax Distribution**

With non-residential properties representing a very small proportion of the total tax base, taxing other classes at a high multiple of the residential rate would be of relatively small benefit to the homeowner, while imposing a disproportionate burden on business property owners and their commercial tenants.

The municipal business tax rate as a multiple of the residential tax rate, therefore, is very low relative to most local governments throughout British Columbia. There is no property in the Industry class, and only a small amount in the Recreation class.

The objective of Council is to distribute future property value tax increases equitably among the three main classes of property within the Municipality.

The policy is to adjust the tax rate ratios each year so that the increase on the average individual property is approximately the same for each of the main classes.

There is one property in the Farm class. The value of the property, however, is in its residential use, and the policy is to set the Farm tax rate so as to produce for that one property a municipal tax levy comparable to what it would have been had it remained in the Residential class and increased in assessed value at a rate comparable to other residential properties in its immediate neighbourhood.

### **3. Permissive Tax Exemptions**

The objective being to distribute the tax burden fairly among properties receiving municipal services, Council makes very little use of its authority to grant permissive tax exemptions.

The policy to date has been to grant permissive exemptions for land and improvements appurtenant to property already exempted by statute (e.g., churches). These exemptions have also been extended to portions of municipal land leased, or licensed to a non-profit organization providing a service complementary to municipal services, and in one case, an institution of childhood learning not statutorily exempt.

# Appendix D: 2019 - 2021 Consolidated Budgets and Actuals

Revenue	Actual 2019	Actual 2020	Budget 2020	Budget 2021
Property Value Taxes	\$ 24,650,807	\$ 26,525,158	\$ 26,530,000	\$ 28,451,200
Boulevard Frontage Taxes	208,215	215,418	215,300	221,300
Grant In Lieu of Taxes	53,198	77,529	53,200	53,300
1% Utility Revenue	228,748	220,371	220,300	221,700
Property Tax Penalties & Interest	198,509	156,913	127,400	167,800
Grants (Operating)	460,910	4,209,323	530,500	3,049,200
Grants (Capital)	1,738,296	936,824	866,700	6,956,100
Developer Contributions		-	-	232,500
Investment Income	955,127	834,759	825,000	562,500
Miscellaneous Revenue	68,729	7,239	15,300	15,300
Municipal-Regional District Tax	178,987	66,621	154,000	150,000
Facilities Dept. Revenue	386,231	401,064	429,900	396,200
Finance Dept. Revenue	59,833	49,388	53,200	51,700
Building & Planning Dept. Revenue	712,193	847,502	975,600	907,600
Engineering Dept. Revenue	43,846	61,338	27,100	27,100
Public Works Dept. Revenue	1,543,095	1,596,610	1,603,400	1,669,800
Parks & Recreational Dept. Revenue	8,912,265	4,797,002	8,921,700	4,750,600
Sewer Utility Fees	1,160,680	1,447,587	1,370,600	1,414,900
Water Utility Fees	4,119,817	5,004,931	4,628,800	4,798,300
<b>Total Revenue</b>	<b>45,679,486</b>	<b>47,455,576</b>	<b>47,548,000</b>	<b>54,097,100</b>
<b>Operating Expenses</b>				
Corporate Administration	2,181,005	2,198,291	2,377,800	2,747,800
Oak Bay Tourism	178,987	138,500	260,000	150,000
Facilities	213,400	160,205	195,100	211,100
Finance & IT	1,225,919	1,284,662	1,398,400	1,500,500
Policing	4,815,267	4,565,489	5,112,400	5,255,400
Fire Protection	4,687,642	4,839,102	4,706,300	4,884,500
Building & Planning	986,214	801,680	1,098,600	1,099,800
Engineering Services	1,082,172	1,264,567	1,270,900	1,451,100
Public Works	3,379,588	3,572,088	3,695,500	3,825,600
Parks and Recreation	12,788,399	10,649,319	13,678,200	12,113,400
Library	1,192,670	1,200,414	1,202,400	1,128,300
Sewer Utility	276,607	574,962	849,300	802,500
Water Utility	2,856,300	3,136,214	3,646,500	3,700,700
Fiscal	71,616	86,385	75,500	91,400
Debt Interest	134,378	134,378	134,400	134,400
Contingencies	-	10,835	962,400	285,200
Major Crimes Contingency	-	-	725,000	805,000
Special Initiatives	85,124	215,370	1,301,000	1,307,000
<b>Total Operating Expenses</b>	<b>36,155,288</b>	<b>34,832,460</b>	<b>42,689,700</b>	<b>41,493,700</b>
<b>Add:</b>				
Transfers from Reserves	2,628,731	5,747,586	14,882,700	17,141,300
<b>Deduct:</b>				
Capital Expenditures	(3,541,773)	(5,904,577)	(12,105,300)	(21,412,600)
Transfers to Reserves	(7,650,606)	(10,800,572)	(7,493,100)	(8,189,500)
Debt Principal	(142,594)	(142,594)	(142,600)	(142,600)
<b>Total</b>	<b>\$ 817,957</b>	<b>\$ 1,522,959</b>	<b>\$ -</b>	<b>\$ -</b>

## Appendix E: Operating Budget Increases by Cost Object