

THE CORPORATION OF THE DISTRICT OF OAK BAY

**BYLAW NO. 4899**

A Bylaw respecting the Financial Plan  
for the years 2025, 2026, 2027, 2028 AND 2029

The Municipal Council of The Corporation of the District of Oak Bay in open meeting assembled enacts as follows:

1. Schedule "A" attached hereto and forming a part of this Bylaw is hereby adopted as the Financial Plan of The Corporation of the District of Oak Bay for the calendar years of 2025, 2026, 2027, 2028 and 2029.
2. This Bylaw may be cited as the *2025-2029 Financial Plan Bylaw No. 4899, 2025*.

READ A FIRST TIME the 24<sup>th</sup> day of March 2025.

READ A SECOND TIME the 24<sup>th</sup> day of March 2025.

READ A THIRD TIME the 24<sup>th</sup> day of March 2025.

ADOPTED the 14<sup>th</sup> day of April 2025.

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Mayor

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Director of Corporate Services

# Schedule "A" - The Corporation of the District of Oak Bay

## Five Year Financial Plan

	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029
<b>Revenue</b>					
Property Taxes	\$ 40,303,147	\$ 45,079,835	\$ 48,479,851	\$ 53,358,969	\$ 57,361,544
Parcel (frontage) Taxes	289,872	304,366	319,584	335,563	352,341
Other Taxes	95,260	91,450	87,790	84,280	80,910
Fees and Charges					
Sales of Services	11,267,932	11,710,181	12,168,422	12,643,406	13,135,605
Other Fees and Charges	1,480,180	1,488,360	1,590,583	1,692,851	1,795,163
User Fees	10,881,539	11,149,350	11,396,093	11,648,408	11,906,242
Interest	2,773,000	2,550,300	2,585,430	2,623,577	2,665,233
Grants and Other Govts.	7,879,866	2,214,512	2,229,837	2,280,741	1,896,650
Other	307,760	283,160	283,360	283,570	283,780
<b>Total Revenue</b>	<b>75,278,556</b>	<b>74,871,514</b>	<b>79,140,950</b>	<b>84,951,365</b>	<b>89,477,468</b>
<b>Expenses</b>					
General Municipal	36,480,423	37,103,920	37,981,966	38,464,514	39,322,083
Protective Services	17,488,546	17,255,169	17,273,840	17,695,547	18,315,939
Water	4,935,742	5,094,510	5,258,490	5,427,710	5,602,460
Sewer	4,459,702	4,494,180	4,601,410	4,711,380	4,824,130
Debt Interest	-	617,158	1,223,003	2,809,973	4,173,343
<b>Total Expenses</b>	<b>63,364,413</b>	<b>64,564,937</b>	<b>66,338,709</b>	<b>69,109,124</b>	<b>72,237,955</b>
<b>Accounting Surplus</b>	<b>11,914,143</b>	<b>10,306,577</b>	<b>12,802,241</b>	<b>15,842,241</b>	<b>17,239,513</b>
<b>Add:</b>					
Transfer from Reserve Funds					
Capital Works	16,922,377	6,736,075	6,519,312	6,556,385	6,626,375
Climate Action	305,350	193,050	-	-	-
COVID-19 Restart	900,000	-	-	-	-
Fire Equipment	190,500	494,000	175,000	100,000	570,000
General Surplus	2,874,473	1,018,105	538,144	120,000	100,000
Growing Communities Fund	1,886,787	1,025,000	160,000	125,000	-
Infrastructure Renewal	24,408,410	7,962,600	10,232,400	7,143,400	7,097,880
Machinery and Equipment	1,470,000	500,000	500,000	500,000	500,000
Major Crimes	965,380	1,013,649	1,064,331	1,117,548	1,173,425
Amortization & Accretion	3,210,600	3,371,300	3,539,900	3,716,900	3,902,745
Debt Proceeds	6,600,000	14,550,000	37,100,000	31,900,000	13,800,000
<b>Deduct:</b>					
Capital Expenditures	(56,942,157)	(31,343,475)	(54,894,012)	(46,709,485)	(28,977,155)
Transfers to Reserves					
Capital Works	(4,590,663)	(5,093,680)	(5,609,811)	(6,151,232)	(6,464,065)
Climate Action	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Fire Equipment	(451,100)	(469,100)	(487,800)	(507,400)	(527,600)
Infrastructure Renewal	(9,119,800)	(9,351,695)	(9,877,181)	(10,514,571)	(10,514,571)
Machinery and Equipment	(433,100)	(455,500)	(473,500)	(492,200)	(511,700)
Major Crimes	(84,900)	(91,800)	(95,500)	(99,300)	(99,300)
Tod House Trust	(11,300)	(11,526)	(11,757)	(11,992)	(12,231)
Debt Principal	-	(338,580)	(1,166,767)	(2,620,294)	(3,888,316)
<b>Budgetary Surplus</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

***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 assessment base of which 98.1% of the value is in the Residential class. This concentration of property taxes within the residential class enhances the dependability of the revenue source. Property taxation is a highly dependable and easy to administer revenue source.

Fees and charges, however, may enable ratepayers to exercise choice in consumption, thereby controlling the financial impact of that choice. Such a choice does not exist within the property taxation system.

The objective of Council, therefore, is to achieve a desired balance between utilizing property taxation revenue and relying on user fee revenue. This balance considers the benefits of the revenue dependability versus the desire to restrain property taxation growth. Property taxes will be used to balance the budget after first examining the potential for sustainable revenues from other sources.

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

A parcel tax is a tax levy on land that is not a function of the assessed value. 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.

The objective of Council with regard to the parcel taxes is to ensure that its use fairly relates to the benefits conferred by the service it funds.

Council policy to date has been to use the parcel tax only to fund the cost of maintaining boulevards on specific streets that are serviced by the Municipality. The parcel tax is based on frontage.

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

Fees and charges account for a significant portion of the District's revenue. The largest component of user fee revenue is generated from the District's recreation programs. The objective of Council is to ensure that recreation user fee revenues cover all the direct program costs at a minimum, and a portion of overhead costs if possible.

The District aims 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 objective is to cover the utility costs with a user fee based on consumption.

The Municipality's sewer system is also operated as a utility. Approximately 70% of the municipal costs are recovered via a water consumption based user fee, with the remaining funded through property taxation

The District also levies a sewer user fee to recover 100% of the Core Area Wastewater operating costs. Core Area Wastewater debt and capital costs are funded via property taxation.

### **1.1. Revenue From Other Sources - Objectives and Policies**

Revenue in the "Other Sources" category consists primarily of grants in lieu of taxes and developer contributions. The use of developer contributions is often specifically prescribed in an agreement or by bylaw. Grants in lieu of taxes are incorporated into revenue forecasts prior to property taxes being considered.

### **1.2. 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 for 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.

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

Non-residential properties represent a small proportion of the total tax base. Taxing other classes at a high multiple of the residential rate would be of relatively small benefit. The municipal business tax rate as a multiple of the residential tax rate, therefore, is 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 classes of property after non-market change assessments have been considered.

The policy is to adjust the tax rate ratios each year so that the increase on each property class is equal after non-market change assessments have been removed.

There is one property in the Farm class. The policy is to set the Farm class tax rate to derive the same tax yield as if the property were classified as a residential assessment.

## **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 only for land and improvements appurtenant to property already exempted by statute (e.g., churches), 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.