

THE CORPORATION OF THE DISTRICT OF OAK BAY

BYLAW NO. 4957

A Bylaw respecting the Financial Plan for the years 2026, 2027, 2028, 2029 AND 2030

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 part of this Bylaw, is hereby adopted as the Five-Year Financial Plan of The Corporation of the District of Oak Bay for the calendar years 2026 through 2030.
2. Schedule “B”, attached hereto and forming part of this Bylaw, is hereby adopted as the Five-Year Capital Expenditures Plan of The Corporation of the District of Oak Bay for the calendar years 2026 through 2030.
3. Schedule “C”, attached hereto and forming part of this Bylaw, is hereby adopted as the Objectives and Policies for the Financial Plan of The Corporation of the District of Oak Bay.
4. This Bylaw may be cited as the “2026–2030 Financial Plan Bylaw No. 4957, 2026.”

READ A FIRST TIME the 23rd day of March , 2026

READ A SECOND TIME the 23rd day of March , 2026

READ A THIRD TIME the 23rd day of March , 2026

ADOPTED the 13th day of April , 2026

Mayor

Corporate Officer

SCHEDULE "A"

The Corporation of the District of Oak Bay

Five-Year Financial Plan

	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030
Revenue					
Property Taxes	\$ 44,081,837	\$ 47,969,484	\$ 52,668,952	\$ 57,811,809	\$ 61,642,649
Parcel (frontage) Taxes	303,103	303,103	305,058	307,134	309,252
Other Taxes	215,232	214,910	212,910	211,910	210,910
Fees and Charges					
Sales of Services	12,138,495	12,601,995	13,079,355	13,572,234	13,850,370
Other Fees and Charges	2,171,944	2,179,047	2,286,292	2,093,681	2,195,828
User Fees	11,690,368	11,898,285	12,108,888	12,395,889	12,427,627
Interest	2,550,300	2,580,330	2,613,275	2,649,625	2,649,625
Grants and Other Govts.	5,674,010	2,311,837	2,327,741	2,343,650	2,343,650
Other	199,500	195,050	195,550	196,050	196,550
Total Revenue	79,024,789	80,254,041	85,798,021	91,581,982	95,826,461
Expenses					
General Municipal	39,230,142	40,433,218	41,565,622	43,309,051	45,243,459
Protective Services	18,166,114	18,836,563	17,705,704	18,001,546	18,274,613
Water	5,230,955	5,349,541	5,471,025	5,595,585	5,725,956
Sewer	4,802,126	4,838,115	4,946,605	5,057,590	5,169,692
Debt Interest	-	422,792	1,364,395	3,236,355	4,338,349
Total Expenses	67,429,337	69,880,229	71,053,351	75,200,127	78,752,069
Accounting Surplus	11,595,452	10,373,812	14,744,670	16,381,855	17,074,392
Add:					
Transfer from Reserve Funds					
Capital Works	13,528,161	11,392,100	7,497,750	6,270,950	7,672,300
Climate Action	331,900	175,395	-	-	-
COVID-19 Restart	200,000	-	-	-	-
Fire Equipment	464,000	185,000	145,000	519,000	145,000
General Surplus	3,766,244	3,676,164	2,162,000	100,000	322,500
Growing Communities Fund	620,534	1,075,360	350,000	418,116	-
Infrastructure Renewal	15,523,280	8,222,250	11,815,700	7,634,900	7,578,750
Machinery and Equipment	1,550,000	675,000	265,000	625,000	825,000
Major Crimes	1,013,649	1,064,331	1,117,548	1,173,425	1,173,425
Amortization & Accretion	3,371,300	3,539,900	3,716,900	3,902,745	3,938,020
Debt Proceeds	6,165,100	20,340,250	40,131,700	23,597,884	14,285,750
Deduct:					
Capital Expenditures (Schedule B)	(42,566,704)	(43,605,400)	(62,495,950)	(39,396,650)	(30,977,600)
Transfers to Reserves					
Capital Works	(5,138,896)	(5,732,014)	(6,349,745)	(6,866,128)	(6,955,112)
Climate Action	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Fire Equipment	(451,100)	(451,100)	(451,100)	(451,100)	(451,100)
Infrastructure Renewal	(9,286,694)	(9,873,360)	(10,857,395)	(10,857,395)	(10,857,395)
Machinery and Equipment	(450,500)	(468,500)	(487,200)	(506,700)	(510,610)
Major Crimes	(91,800)	(95,500)	(99,300)	(99,300)	(101,390)
Tod House Trust	(8,926)	(9,132)	(9,341)	(9,557)	(9,815)
DCC/ACC Municipal Assist Capital	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
Debt Principal	-	(349,556)	(1,061,237)	(2,302,045)	(3,017,115)
Budget Surplus	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE "B"

The Corporation of the District of Oak Bay

Five-Year Capital Expenditures Plan

Capital Expenditures	2026	2027	2028	2029	2030
Corporate Administration	\$ 233,400	\$ -	\$ -	\$ -	\$ -
Facilities	6,733,000	1,875,000	20,500,000	15,500,000	7,500,000
Financial Services, IT and Asset Management	745,600	507,600	303,600	312,200	303,600
Police Services	548,300	702,000	489,200	26,500	284,000
Fire and Emergency Services	489,300	185,000	145,000	519,000	145,000
Community Building and Planning	-	-	80,000	-	-
Engineering Services and Public Works	18,290,000	12,945,000	14,865,550	9,734,550	9,940,000
Sewer Utility	3,996,040	5,637,000	5,965,000	2,995,000	3,045,000
Water Utility	5,740,760	3,539,300	5,967,300	6,485,800	6,525,800
Parks, Recreation and Culture	5,790,304	18,214,500	14,180,300	3,823,600	3,234,200
Capital Expenditures Total	\$ 42,566,704	\$ 43,605,400	\$ 62,495,950	\$ 39,396,650	\$ 30,977,600

SCHEDULE "C"

Objectives and Policies**1. Funding Sources****1.1 Revenue from Property Value Taxes**

The Municipality's assessment base is predominantly residential, with approximately 98 percent of the total assessed value within the Residential property class. This concentration provides a stable and dependable source of revenue through property taxation.

Council's objective is to maintain an appropriate balance between property taxation and revenues derived from user fees and charges. In doing so, Council recognizes the stability of property taxation while seeking to moderate increases where feasible.

Where appropriate, user fees and charges will be structured to recover the cost of providing specific services, consistent with the principle that users of a service should bear an appropriate share of its cost.

Property taxation will be used to balance the Municipality's financial plan after first considering opportunities to support municipal services through sustainable user fees, charges, and other revenue sources.

Revenue Source	Budget 2026	% 2026 Revenue
Property Taxes	\$ 44,081,837	55.8%
Parcel (frontage) Taxes	303,103	0.4%
Other Taxes	215,232	0.3%
Fees and Charges	26,000,807	32.9%
Interest	2,550,300	3.2%
Grants and Other Govts.	5,674,010	7.2%
Other	199,500	0.2%
Total	\$ 79,024,789	100.0%

1.2 Revenue from Parcel Taxes

A parcel tax is a tax imposed on land that is not based on assessed value. Under provincial legislation, parcel taxes may only be applied in relation to a specific service and are generally used where the properties receiving that service can be clearly identified.

Council's objective is to ensure that parcel taxes are applied in a manner that reasonably reflects the benefit received from the service they support.

Parcel taxes will generally be considered only where a service provides a direct and identifiable benefit to a defined group of properties.

Currently, parcel taxes are used to recover the costs associated with maintaining boulevards on specific streets serviced by the Municipality. The parcel tax is calculated based on property frontage.

Where parcel taxes are applied, Council will seek to ensure that the method of calculation reasonably reflects the distribution of benefits and costs among the affected properties.

Parcel taxes will be reviewed periodically to ensure that the method of calculation and the level of taxation continue to reflect the cost of the service and the benefits received by the affected properties

1.3 Revenue from Fees and Charges

Fees and charges account for a significant portion of the Municipality's revenue. The largest component of user fee revenue is generated through recreation programs.

Council's objective is that recreation user fees recover, at a minimum, the direct costs of providing programs and, where feasible, contribute toward a portion of related overhead costs. Council also recognizes that not all municipal services are appropriate for full cost recovery and may consider broader community benefits when establishing fees and charges.

Where appropriate, fees and charges will be structured to recover the cost of providing specific services.

The Municipality aims to recover 100 percent of the costs associated with solid waste collection and disposal through the solid waste fee.

The water distribution system operates as a utility, with costs recovered through a user fee based on water consumption.

The sewer system also operates as a utility. Approximately 70 percent of municipal sewer costs are recovered through water consumption-based user fees, with the remaining costs funded through property taxation.

A sewer user fee is also levied to recover 100 percent of the operating costs associated with the Core Area Wastewater system, including associated capital and debt servicing costs.

Utility rates will be structured to support the long-term financial sustainability of the utilities, including operating costs, infrastructure renewal, and the prudent accumulation of reserves required to fund future capital replacement.

Fees and charges will be reviewed periodically to ensure they remain aligned with the cost of providing services and the Municipality's financial sustainability objectives.

1.4 Revenue from Other Sources

Revenue within this category consists primarily of grants in lieu of taxes and developer contributions.

Developer contributions are typically governed by provincial legislation, agreements, or municipal bylaws and are generally restricted to specific purposes.

Developer contributions may include Development Cost Charges, Amenity Cost Charges, density bonus contributions, or other growth-related funding tools authorized under provincial legislation.

These revenues are incorporated into the financial plan only where their timing and intended use can be reasonably determined.

Developer contributions will be managed in accordance with applicable municipal bylaws and long-term infrastructure planning.

The Municipality will seek to ensure that growth-related infrastructure costs are funded, where appropriate, by development rather than existing taxpayers.

Such revenues are considered supplementary to the Municipality's primary revenue streams and are generally not relied upon to fund ongoing operating costs.

1.5 Proceeds from Borrowing

Council's objective is to maintain long-term debt servicing costs at a manageable level by funding infrastructure renewal primarily on a pay-as-you-go basis.

Long-term borrowing will generally be limited to major capital projects that cannot reasonably be financed incrementally or where immediate investment is required to address public safety, health, or regulatory requirements.

When debt financing is used, Council will consider the expected life of the asset, the distribution of benefits between current and future taxpayers, and the Municipality’s overall debt servicing capacity.

Borrowing decisions will also consider the Municipality’s long-term financial plan, asset management strategy, and overall financial sustainability.

2. Property Value Tax Distribution

Non-residential properties represent a relatively small proportion of the Municipality’s assessment base. Increasing tax rate ratios for non-residential classes would therefore produce limited additional revenue.

Council’s objective is to distribute property value tax increases equitably among property classes after accounting for non-market changes in assessed values.

Tax rate ratios (multipliers) may be adjusted annually to ensure that the tax increase experienced by each property class is generally equivalent after removing the effects of non-market assessment changes.

Property Class	2025 Multiplier
Class 1 – Residential	1.000
Class 2 – Utility	3.425
Class 6 – Business / Commercial	2.800
Class 8 – Recreation / Non-profit	2.237

3. Permissive Tax Exemptions

The objective of Council is to distribute the tax burden associated with permissive tax exemptions fairly among properties receiving municipal services.

Permissive tax exemptions may be granted only in limited circumstances, including, but not limited to, properties already exempted by statute, municipal lands leased to non-profit organizations providing community services, and certain institutions that provide demonstrable community benefit.

Applications for permissive tax exemptions are generally considered on a periodic basis, typically once during each Council term, or as otherwise determined by Council.

Permissive tax exemptions will be reviewed periodically to ensure they continue to provide demonstrable public benefit.

4. Reserve Funds

Council supports the establishment and maintenance of reserve funds as a means of promoting financial stability, supporting long-term infrastructure investment, and mitigating fluctuations in operating revenues and expenditures.

Reserve funds form an important component of the Municipality's long-term financial planning and asset management framework by helping ensure that resources are available for the replacement, renewal, and rehabilitation of municipal infrastructure and equipment.

Reserve funds may be established and maintained for purposes including, but not limited to:

- infrastructure replacement and renewal
- equipment and vehicle replacement
- operating stabilization and revenue fluctuations
- funding of future capital projects
- other purposes as authorized by Council

Where appropriate, reserve funds will be supported through regular contributions from operating revenues, surplus funds, or other available funding sources.

Council will seek to maintain reserve balances at levels that support long-term financial sustainability and the orderly replacement of municipal assets.

Reserve fund balances and contribution levels will be periodically reviewed to ensure they remain aligned with the Municipality's financial plan, capital program, and asset management objectives