DISTRICT OF
OAK BAY

2026-2030
Financial Plan

We acknowledge that the land on which we live and work is the traditional territory of the Coast and Straits Salish Peoples. Specifically, we recognize the Lekwungen people, known today as the Songhees and Esquimalt Nations, and that their historic connections to these lands continue to this day.

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Our Oak Bay

Oak Bay is a beautiful seaside community defined by its residential neighbourhoods, village centres with local businesses, historic character, mature tree canopy, accessible shorelines and abundance of green space. Together these features make Oak Bay one of the world's most desirable communities.

The University of Victoria and Camosun College are partially located in the District. Additional community landmarks include both public and independent schools, three golf courses, a marina, a yacht club and a luxury boutique hotel.

The Corporation of the District of Oak Bay was incorporated in 1906 in the Province of British Columbia, Canada. The District has an approximate population of 18,000, forming part of the Greater Victoria urban area alongside 12 municipal governments. All 13 municipalities form the Capital Regional District.

The municipality is bordered by the Strait of Juan de Fuca to the south, Haro Strait to the east, the District of Saanich to the north and north-west, and the City of Victoria to the south-west. Along with other adjoining bodies of water, the Strait of Juan de Fuca and Haro Strait were officially renamed the Salish Sea in 2010; however the old names are also still in use.

Oak Bay occupies an area of 10.53 km^2 (4.07 sq. miles) and the population density is 1710.3 per km^2.

The municipality operates under the provisions of the Province of British Columbia *Local Government Act*, which sets out all powers, duties and functions for municipal governance across the Province.

Oak Bay falls within the Provincial BC Electoral District of Oak Bay/Gordon Head, and the Federal Elections Canada District of Victoria.

Oak Bay at a Glance

2.3
Average household size
*2021 Census

18,626
Population
*BC Gov 2025 Population Esitmate

49.7
Average age
*2021 Census

105
Properties included in the Community Heritage Registry

7,807
Private dwellings
*2021 Census

$93,000
Median after-tax household income
*2021 Census

$68.1M
Property taxes levied in 2025

2.4km
Water mains replaced in 2025

1.2km
Storm mains replaced in 2025

76+

Hectares of total park space

10,000+

Urban forest trees

300

Benches and picnic tables

5

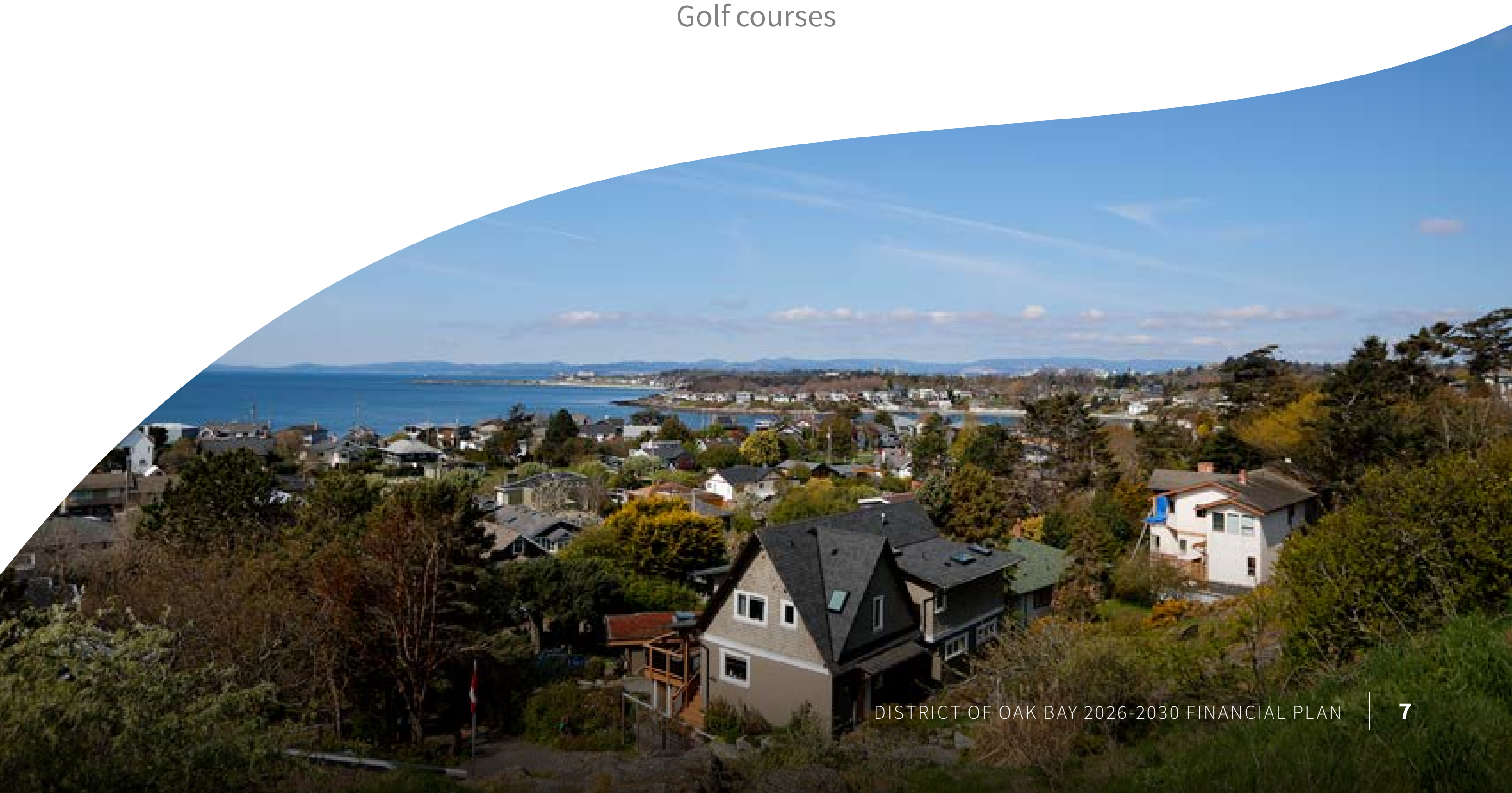
Recreation facilities

3

Golf courses

11

Playgrounds



Message from the Mayor

Dear Oak Bay Residents and Property Owners.

Every year, Council faces the complex challenge of balancing the preservation of Oak Bay's unique character and high service standards with the financial realities of maintaining our community's infrastructure. I am writing today to provide you with context on the decisions that shaped this year's budget and our long-term financial strategy.

Disciplined Budget Reductions

Initial discussions proposed a property tax increase between 11.2% to 13.4%. This was driven by factors such as inflation, rising regional service and regulatory compliance costs, and necessary infrastructure improvements.

Recognizing the cost for Oak Bay households, Council directed staff to review all expenditures, resulting in an approved 8.5% increase focusing on core operations. We understand it's still significant, at approximately $35 a month on a median home. However, this increase ensures we maintain the essential services and infrastructure Oak Bay deserves. We will continue this disciplined work with efficiency initiatives underway.

Capital Replacement & Lifecycle Management

Like many established communities across British Columbia, Oak Bay is required to replacement capital infrastructure at or beyond end-of-life. Our underground utilities, roads, and municipal facilities require significant attention. To manage these substantial costs responsibly over the decades to come, Council has adopted a balanced financial strategy utilizing a mix of borrowing and strategic reserve funds. This approach allows us to smooth out the financial impact of large-scale projects and avoid unmanageable spikes in taxation for residents. This asset management strategy is rooted in minimizing the lifetime cost of our assets. Investing in proactive maintenance and replacements today is also designed to prevent future emergency repairs that can be costly and disruptive to neighbourhoods.

Prioritizing Public Safety

As demands on our Police and Fire services continue to evolve, a cornerstone of the 2026 budget focuses on investing in the necessary personnel, training and equipment to guarantee Oak Bay remains one of the safest and most secure communities in B.C.

You will also see investments in sidewalk repairs, pedestrian crossings, cycling infrastructure and playgrounds. 2026 will also see the first year for our immunocontraception for community-wide deer population reduction.

Navigating a Shifting Fiscal Landscape

We are navigating an era of large federal and provincial deficits, making it hard to rely on higher levels of government for funding. Our expectation is that we can't rely on previously available funding streams (ex. grants) to subsidize our infrastructure deficit; therefore, we must build financial resiliency to ensure Oak Bay controls its own destiny.

Finally, thank you for your robust engagement and feedback throughout the last year. Your input through the 2025 Community Questionnaire helped shape this year's Financial Plan and inform Council's tough decisions. We are committed to delivering the services you value while maintaining the financial health of our community for generations to come.

Kevin Murdoch
Mayor, District of Oak Bay

Questions? We're here to help!

Visit: **oakbay.ca/budget** for the full 2026 budget, financial plan, and supporting documents. Visit to learn more about the District's Debt Strategy and Long Term Investment Forecast – including our borrowing program and how we plan for the future.

Financial Legislation & Policies

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Corporation of the District of Oak Bay
British Columbia

For the Fiscal Year Beginning

January 01, 2025

Christopher P. Morrill

Executive Director

Financial Planning Legislation

Much of the District's financial planning process is guided by the *Community Charter S.* 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

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
Add: transfers from reserves	50,000
Less: Capital expenditures	(60,000)
Less: Debt principal payments	(10,000)
Less: Transfers to reserves	(80,000)
Balanced budget:	-

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.

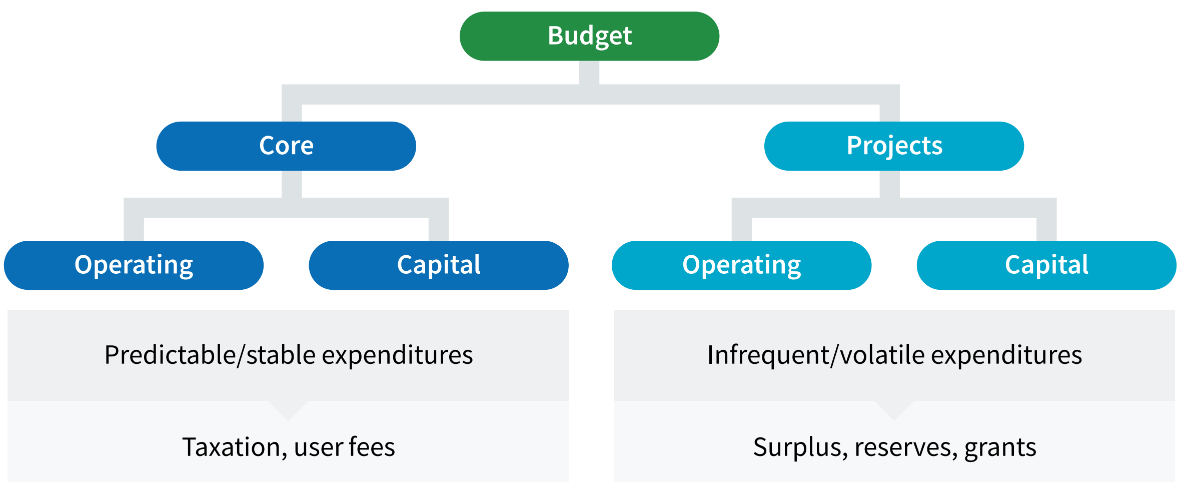
Financial Planning Policy and Best Practice

Council sets financial planning guidelines each year after considering economic conditions, service delivery challenges, infrastructure commitments and financial management strategies. Guidelines provide overall direction for Staff as they develop the financial plan.

The District follows the following budget preparation practices:

1. Service Level Approach: Staff prepare the budget to deliver community services at the standards directed by Council and legislation. Staff do not adjust service levels unless directed by Council or external regulation. Staff describe the financial impact of service-level decisions so that Council can be empowered to make decisions with all available information. Furthermore, staff fund and deliver services in the most cost-effective manner.

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 fluctuations in taxation to pay for fluctuating one-time expenditures. Reserve balances should be maintained with annual budget transfers so funds are available for large, infrequent expenditures.



3. Carryover of Project Budget: The Five-Year Financial Plan authorizes expenditures over the five years. Thus, on January 1, 2026, staff are authorized to continue spending under the 2025–2029 Financial Plan.

4. 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 the annualized asset replacement contributions.

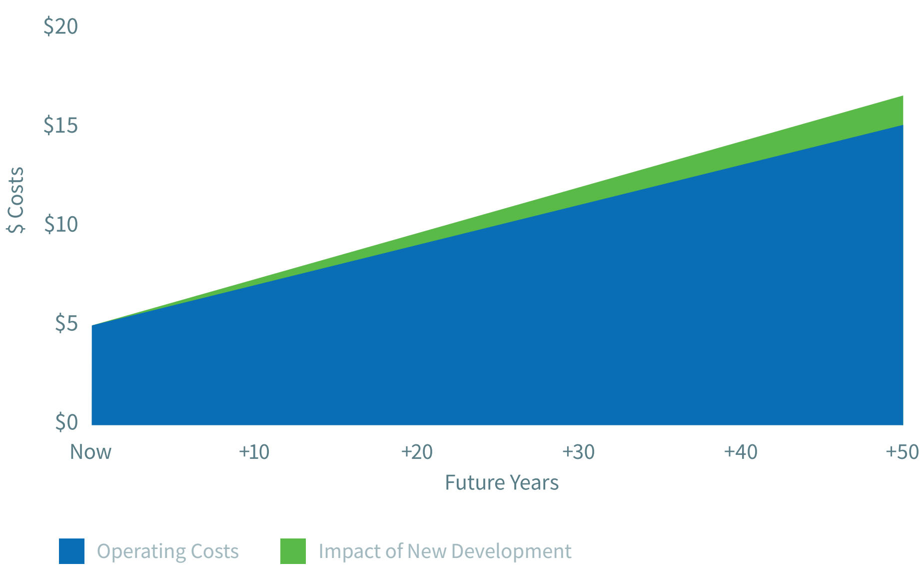
5. Financial Plan Bylaw Transparency: The Financial Plan Bylaw is summarized on a high level to maximize operational flexibility while retaining expenditure authorization. The published Financial Plan document will not form part of the Bylaw but will expand the Bylaw detail for transparency.

Financial Plan Bylaw	• Legal spending authority • Summarized on a high level for operational flexibility
Financial Plan Document	• Presentation for the Community • Expands bylaw in great detail for transparency and accountability

6. Revenue from New Development Taxation (NDT): NDT revenue is derived from new buildings or newly subdivided lots or new zoning that increases the density of the land and is 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. While NDT revenue is primarily intended to fund the incremental costs of growth, the District recognizes that at times it may be necessary to allocate a portion of NDT revenue to alleviate short-term taxation pressures. However, Council is mindful that overuse of NDT for tax relief may limit the District's capacity to fund infrastructure needs and could contribute to fiscal challenges in future years.

Cost of Service Delivery

The graph presents a 50-year projection illustrating how a hypothetical $5 cost base grows over time due to two primary drivers: inflation on existing operating costs, and the incremental impact of new development on service delivery requirements.



Financial Policy Compliance

The 2026–2030 Financial Plan has been prepared in compliance with the District's financial policies, including the Reserves and Surplus Policy, the Investment Policy, Debt Management Policy, Asset Management Policy, and the Sustainable Procurement Policy. The Financial Plan also conforms to the requirements of the Community Charter, Section 165, and the Local Government Act. Where applicable, the plan aligns with GFOA best practices for financial policy frameworks. Staff have confirmed that all budget allocations, reserve transfers, and debt provisions are consistent with the policies approved by Council.

Sustainable Procurement 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, Schools, and Hospital (M.A.S.H) sector trade requirements and purchasing case law.

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 nine 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
9. Growing Communities Reserve Fund

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

The District adopted the Reserves and Surplus Policy in 2018 and most recently amended in 2023. This Policy outlines general objectives of reserves and good reserve background information.

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

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

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

Asset Management Policy

In 2025, 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

Debt Management Policy

At the Regular Council Meeting on July 28, 2025, Council adopted the District's Debt Management Policy. The Policy establishes the framework for the appropriate use of long-term debt to finance capital expenditures while maintaining fiscal responsibility and financial flexibility. The Policy identifies four key objectives: promoting equity amongst taxpayers, maintaining long-term financial flexibility, addressing the risk of asset failure and ensuring sustainable infrastructure service capacity, and maintaining stable tax and utility rates. Long-term debt may be used for capital projects exceeding $1M or for high-priority infrastructure renewal projects below $1M when reserve funds are insufficient. The Policy establishes that total debt servicing costs (principal and interest) cannot exceed 25% of municipal revenues, that debt terms should match the expected useful life of assets (up to a maximum of 30 years), and that debt surpluses are to be transferred to capital reserves aligned with the original purpose of the debt. The Policy also permits interfund borrowing under specified conditions, with oversight provided by Council and the Financial Officer to ensure compliance with the Community Charter and alignment with Government Finance Officers Association best practices.

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.

Corporate Planning

Council Priority Plan 2022-2026

In 2022, Council approved the 2022-2026 Council Priorities Plan. The Council Priorities Plan is implemented through Council decisions and Staff actions. All actions are undertaken under the District's legislated mandate.

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 semi-annually. Both the Council Priorities Plan and semi-annual progress reports are provided on the District's website.

The District's annual budget cycle provides Council with the ability to either confirm or adjust priorities within the context of the annual budget financial impacts.

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, and natural assets and services to preserve or improve long term financial and community value/livability

Transportation

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

Climate Change & Environment

Proactively mitigate and adapt to climate change, and preserve and enhance the environment

Accessibility, Diversity & Inclusion

Cultivate accessibility, diversity and inclusion and ensure a sense of community belonging and safety for people of all abilities, identities, ages and backgrounds

Truth & Reconciliation

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

Service Delivery Cycle

Aspire	**Official Community Plan Vision**	vibrant, safe, sense of community, high-quality, charming, natural, vibrant, well-conserved, dynamic, distinct, resilient, sustainable, protective, adaptive, diverse, active, collaborative	
	Council Priorities	Housing; Livability; Transportation; Climate Change & Environment; Accessibility, Diversity & Inclusion; Truth & Reconciliation	
Align	**Budget**	through the budget process, Council approves the funds required to deliver on Council priorities and ongoing service responsibilities – this constitutes preliminary project approval for listed projects and authorizes staff to start planning how the work will be completed	
	Council Priorities Plan	the Council Priorities Plan identifies timing of funded projects to be carried out to deliver on Council's priorities (reflecting budget approvals)	
	Project Sign-Off	staff check in with Council for approval of key proposed milestones, plans for public/stakeholder input, and Council touchpoints before starting work on most Council Priority Plan projects – Council Project Sign-Off authorizes the project to fully proceed; prior to commencing project work, staff prepare Project Charters	
Act	**Mission**	provide for good government	Delivered by staff through ongoing core services, Council Priority projects, and in response to Council Resolutions.
		provide services, laws etc. for community benefit	
		steward public assets	
		foster economic, social and environmental well-being	
Achieve	**Quarterly Updates**	Q2 Update (reporting on Q1 and Q2 progress on Council Priorities, Council Resolutions, and budget performance)	
		Q4 Update (reporting on Q3 and Q4 progress on Council Priorities, Council Resolutions, and budget performance)	
	Annual Report	previous year departmental highlights	
		metrics (key performance indicators)	
		Statement of Financial Position	
		Financial Information Act reports	

The Budget Process

The District develops its Five-Year Financial Plan through an annual cycle that begins shortly after adoption of the current plan and concludes with bylaw adoption the following spring.

Development
The cycle opens mid-year when Council approves Financial Planning Guidelines, setting the direction and parameters for the coming budget. Departments then prepare their budgets in three sequential waves: salary and staffing budgets are built and validated first, followed by operating budgets, and finally capital budgets. The operating and debt servicing impacts of proposed capital projects are reconciled back into operating budgets before Finance consolidates all submissions into a draft balanced budget in December. New service requests are documented separately and reviewed against Council priorities before inclusion.

Review
Early in the new year, the Senior Leadership Team and Council review budget priorities and new requests, followed by a formal Financial Plan check-in with Council. The draft Five-Year Financial Plan is presented to Council in late winter, and Council conducts budget deliberations in open meetings, where the public may attend and provide input. Community feedback, including input gathered through the District's community questionnaire, informs these deliberations.

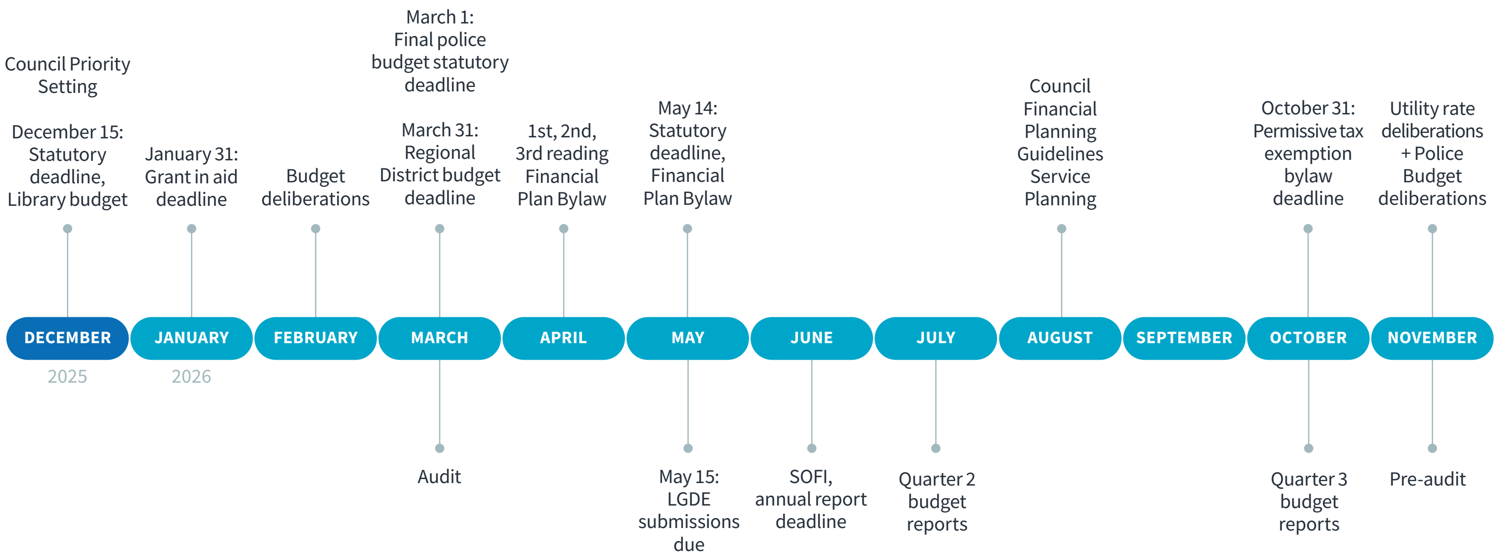
Adoption
Following deliberations, the Financial Plan Bylaw and Tax Rate Bylaw receive three readings and are adopted before the statutory deadline of May 15, as required by Section 165 of the Community Charter.

Amendment
Council may amend the Financial Plan Bylaw at any time during the year, but will generally only do so where authorized expenditure limits are expected to be exceeded — typically as a result of Council direction on new or expanded initiatives, or shifting project timelines that move expenditures between plan years. Budget performance is monitored through trimester financial reports to Council, which identify variances and support any mid-year amendment the plan may require.

Financial Planning and Reporting Timeline

The Districts Financial Planning and Reporting Timeline aligns key milestones.

Financial Planning



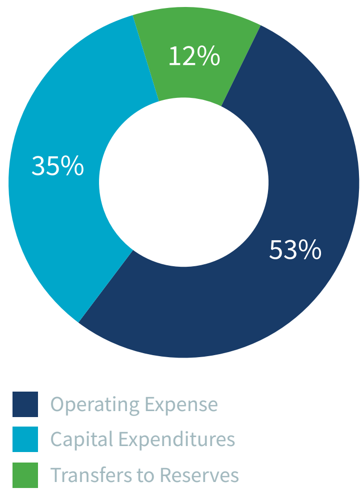
Financial Reporting

2026 Consolidated Financial Plan

2026 Consolidated Financial Plan

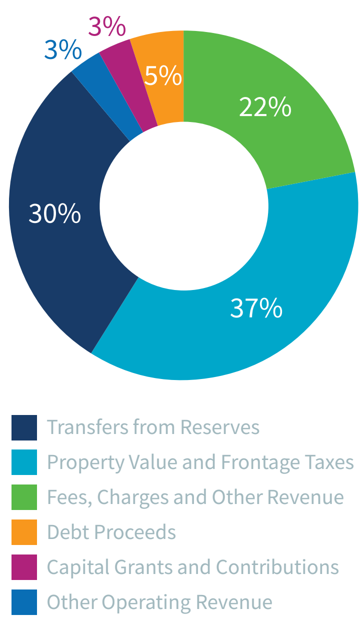
2026 Consolidated Expenditures

Description	2026 Amount
Operating Expense	$64,591,727
Capital Expenditures	42,566,704
Transfers to Reserves	15,153,956
Total	**$122,312,387**



2026 Consolidated Funding

Description	2026 Amount
Property Value and Frontage Taxes	$44,685,240
Transfers from Reserves	36,997,768
Fees, Charges and Other Revenue	27,112,005
Debt Proceeds	6,165,100
Capital Grants and Contributions	4,057,166
Other Operating Revenue	3,295,108
Total	**$122,312,387**



Consolidated Financial Plan – Year Over Year Change with 2024 Forecast

The following tables provide the balanced 2026 financial plan for operating and capital expenditures. This statement is structured in alignment with legislation. The same structure forms the legislated five-year financial plan bylaw. The bylaw is included in Appendix A. Notes and variance explanations in brief form have been included below. Additional detail is provided in other sections of the report.

Revenue	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Variance Notes
Property Value Taxes	$40,292,753	$40,303,147	$44,081,837	$3,778,690	9%	See Revenue Discussion Section for more information
Boulevard Frontage Taxes	289,956	289,872	303,103	13,231	5%	Cost recovery
Grants in Lieu of Taxes	79,424	75,000	78,000	3,000	4%	Modest increase based on senior-government and agency notices
1% Utility Revenue	231,038	232,170	215,232	(16,938)	-7%	Updated projections based on notices regarding utility-related transfers, including flatter hydro allocations
Property Tax Penalties & Interest	286,306	273,000	300,300	27,300	10%	Estimated change consistent with change in property tax value
Grants (Operating)	820,709	631,680	501,876	(129,804)	-21%	Updated estimates of program and operating grants confirmed or expected for 2026
Grants (Capital)	3,937,111	6,536,666	4,057,166	(2,479,500)	-38%	Decrease reflects timing of capital grant receipts; one-time prior-year grants not recurring in 2026
Investment Income	2,507,733	2,250,000	2,250,000	-	0%	Based on assumption that Bank of Canada overnight rates remain unchanged through 2026
Miscellaneous Revenue	6,562	11,100	16,500	5,400	49%	Minor adjustment to reflect prior year levels of misc. revenue
Municipal-Regional District Tax	196,208	250,000	250,000	-	0%	No change, budget held at prior year based on experience
Facilities Dept. Revenue	345,258	358,980	365,944	6,964	2%	Inflation adjustments to municipal facilities rental agreements

2026 Consolidated Financial Plan – Year Over Year Change with 2025 Forecast Continued

Revenue	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Variance Notes
Finance Dept. Revenue	$32,993	$33,750	$31,200	$(2,550)	-8%	Minor increased to reflect prior year levels of school tax commission and tax certificate fees
Building & Planning Dept. Revenue	1,432,547	1,445,500	1,888,000	442,500	31%	Based in forecasted activity levels for building permits, business and dog licences, and development applications consistent with current development activity.
Engineering Dept. Revenue	11,919	-	15,000	15,000	0%	Higher anticipated recoverable works, permits, and service charges tied to private development
Solid Waste Fees	2,092,070	2,099,635	2,251,919	152,284	7%	Approved rate adjustments to support solid waste disposal costs
Sewer Utility Fees	4,998,648	4,890,250	5,313,010	422,760	9%	Approved rate adjustments to support rising regional treatment charges, infrastructure renewal needs, and inflationary cost pressures.
Water Utility Fees	6,499,592	6,490,582	6,945,215	454,633	7%	Approved rate adjustments to address higher wholesale water costs, inflationary operating pressures, and continued funding for system renewal
Parks & Recreational Dept. Revenue	10,415,939	9,605,704	10,285,217	679,513	7%	Expected higher participation across recreation facilities.
Total Revenue	**$74,476,766**	**$75,777,036**	**$79,149,519**	**$3,372,483**	**4%**	

2026 Consolidated Financial Plan – Year Over Year Change with 2025 Forecast Continued

Operating Expenses	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Variance Notes
Corporate Administration	$3,594,114	$3,951,323	$4,099,461	$148,138	4%	Increase reflects expected 2026 municipal election expenses
Oak Bay Tourism	196,207	250,000	250,000	-	0%	No change; funding level maintained at 2025 Budget.
Facilities	364,778	402,320	660,804	258,484	64%	Due to slightly higher maintenance and supplies for various buildings, including the Marina with short term lease increasing usage.
Finance, IT & Asset Mgmt	2,496,024	2,614,069	3,161,989	547,920	21%	Increasing technology costs plus one time investment in IT strategy (Operating Project) and new staffing
Policing	6,589,777	6,788,300	7,821,530	1,033,230	15%	Per Oak Bay Police budget, changes largely attributable to staffing level increase, and minor changes for community satisfaction survey
Fire Protection	6,036,745	5,904,029	6,699,798	795,769	13%	Due to International Association of Fire Fighters (IAFF) rate increase to Dec 31, 2024, Staff Master Plan, and increases to equipment and training costs
Building & Planning	2,664,224	3,880,637	2,839,163	(1,041,474)	-27%	Adjustment attributable to Special projects completed in 2025
Library	1,309,570	1,309,570	1,393,431	83,861	6%	Increase as per Greater Victoria Public Library (GVPL) Board Budget
Engineering & Public Works	6,680,272	7,186,226	7,155,466	(30,760)	0%	
Sewer Utility	3,469,214	4,306,402	4,640,826	334,424	8%	Higher regional treatment and conveyance costs, system maintenance, and contributions to sewer capital.
Water Utility	4,446,111	4,704,742	4,989,185	284,443	6%	Higher regional bulk-water charges, operating inputs, and contributions to water capital.
Parks & Recreation	$16,450,221	$16,175,853	$16,757,914	$582,061	4%	Increased program and facility activity levels, inflationary operating costs, one time public art inventory project

2026 Consolidated Financial Plan – Year Over Year Change with 2025 Forecast Continued

Operating Expenses	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Variance Notes
Fiscal	$200,856	$186,500	$145,000	$(41,500)	-22%	Projecting lower interest expense on prepaid property taxes
Contingencies	1,731,442	2,091,562	2,963,511	871,949	42%	Increase to address estimated labour and contract obligations
Major Crimes Contingency	23,747	965,380	1,013,649	48,269	5%	Provision for regional major-crime and specialty policing costs, consistent with external estimates
Operating Expenses Total	**56,253,302**	**60,716,913**	**64,591,727**	**3,874,814**	**6%**	
Add						
Transfers from reserves	20,325,321	50,976,851	36,997,768	(13,979,083)	-27%	See Reserve Schedules Section for more information
Debt Proceeds	4,173,000	6,600,000	6,165,100	(434,900)	-7%	Slight reduction in planned borrowing, reflecting refined timing and scope of capital works funded by debt
Add Total	**24,498,321**	**57,576,851**	**43,162,868**	**(14,413,983)**	**-26%**	
Deduct						
Capital Expenditures	(27,186,987)	(58,087,131)	(42,566,704)	(15,520,427)	-27%	Planned five year capital expenditures
Transfers to Reserves	(14,690,043)	(14,549,843)	(15,153,956)	604,113	4%	Increase aligned with Council's asset and infrastructure sustainability policies to build reserves for future capital replacement
Deduct Total	**(41,877,030)**	**(72,636,974)**	**(57,720,660)**	**(14,916,314)**	**22%**	
Consolidated Total	**$844,755**	**$ -**	**$ -**	**$ -**		

Operating costs include special operating projects, for more information see Department budgets section

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, Capital, sewer utility, water 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.

Much of the District's financial planning process is guided by the *Community Charter* S. 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

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 and/or as required for tracking.

Budget must be balanced with current revenues, including transfers from reserves, sufficient to support current expenditures, including transfers to reserves. Expenditures include those of a capital nature and debt principal.

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

Long-Range Operating Financial Outlook: 2026-2030 (new)

Key Assumptions

Expense Category	Annual Growth	Basis
Sewer Utility Fees	2.5%	Capital Regional District (CRD) waste water charges + Annual infrastructure replacement rate increases per Council direction
Water Utility Fees	3.0-4.0%	CRD bulk water rate increases + local distribution maintenance
Parks & Rec Fees	2.0%	Parks, Recreation and Culture (PRC) expenses; inflationary increase
General Operating Inflation	2.0-2.5%	BC Consumer Price Index (CPI) forecast; applied to non-wage operating costs
Debt Servicing	Per schedule	Municipal Finance Authority (MFA) indicative rates as of Feb 2025; see Debt Funding Strategy
Reserve Contributions	Targeted	SIR Plan target of $15.7M annually (inflation-adjusted); phased increase
Revenue	**Annual Growth**	**Basis**
Property Value Taxes	Balance Expenses	

Projected Operating Summary — All Funds ($millions)

	2026	2027	2028	2029	2030
Operating					
Operating Revenue	$79.1	$80.4	$85.9	$91.7	$96.0
Operating Expenses	(64.6)	(66.5)	(66.5)	(68.7)	(71.1)
Debt Servicing Expenses (Principal and Interest)	-	(0.8)	(2.4)	(5.5)	(7.4)
Operating Surplus	**$14.6**	**$13.1**	**$17.0**	**$17.5**	**$17.5**
Capital & Reserves					
Transfer from Reserve Funds	$37.0	$26.5	$23.4	$16.7	$17.7
Debt Proceeds (borrowing)	6.2	20.3	40.1	23.6	14.3
Transfers to Reserves	(15.2)	(16.3)	(17.9)	(18.5)	(18.6)
Capital Expenditures	(42.6)	(43.6)	(62.5)	(39.4)	(31.0)
Net Position	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Note: Figures beyond the five-year bylaw period (2026–2030) represent projections subject to Council direction. Figures are estimates based on the assumptions above and are subject to Council direction. The long-range outlook informs the current budget by validating that reserve contribution levels and debt servicing commitments remain sustainable through the projection period. For additional context on capital requirements driving these projections, see the Asset Management Strategy section and the Debt Schedule section of this report

Executive Summary

The following table summarizes the year-over-year change in the annual plan:

	2026 Budget ($Millions)	2025 Budget ($Millions)	$ Increase	% Increase
Operating Revenues	$79.1	$75.8	$3.3	4.35%
Operating Expenses	-64.5	-60.7	-3.8	6.26%
Transfers from Reserves	37	51	-14	-27.45%
Capital Expenditures	-42.6	-58.1	15.5	-26.68%
Debt Proceeds	6.1	6.6	-0.5	-7.58%
Transfers to Reserves	-15.1	-14.6	-0.5	3.42%
Total	**$ -**	**$ -**	**$ -**	**- %**

Discussion of budgetary trends:

Operating expenditures include core operating costs, council priority project costs, new budget request costs and operating project costs. Adjustments to core operating costs include forecasted activity levels based on maintaining service levels and analysis and consideration against 3-year average historical spend levels.

In 2026, operating expenditures increased by $3.8 million or 6.3% compared to 2025. The cost drivers for this increase are:

- + $0.87 million wage contract and agreement indexing obligations
- + $1.03 million increase in Police Board Policing costs
- + $0.8 million increase in Fire Protection including Staff master plan, equipment and training increases
- + $0.5 million increase in Finance, IT & Asset Management due to IT strategy and new staffing
- + $0.5 million increase in Parks Recreation and Culture due to activity levels and inflation
- + $0.3 million in sewer utility, + $0.28 million in water utility costs to cover inflation index and addition of new maintenance crew
- – $1.04 million reduced operating project total costs, with completion of projects

The increase in operating expenditures funds inflationary increases as well as direct adjustments to service capacity. Council approved staffing capacity adjustments for implementation in 2026 in the following areas:

- + 1 FTE Facilities and Asset Management Coordinator on Facilities Management Team
- + 0.67 FTE Information Technology Manager on Finance, IT, and Asset Management Team
- + 0.60 FTE Payroll Time Entry Clerk on Finance, IT, and Asset Management Team
- + 0.67 FTE Sidewalk Labourer on Engineering and Public Works Team
- + 1 FTE Fire Services as approved in Fire Capacity Master Plan
- + 2 FTE Police Services as approved by Police Board

Capital Expenditures

Budgeted capital expenditures have decreased by approximately $15.5 million (-26.7%) from 2025 to 2026. Capital projects are typically front-loaded, receiving full funding in their first year of approval, so year-over-year declines are expected. The 2026 figure is consistent with the decline originally projected in the 2025 Financial Plan, though modestly higher than initially forecast due to capital budget carried forward from 2025 for work still underway or yet to begin.

The capital plan maintains the elevated level of capital replacement and renewal supported by the additional infrastructure funding from taxation. The plan covers major and minor projects as well as equipment replacements. The plan provides for significant investment in the renewal of drainage systems, completion of sewer separation, active transportation, the master plan renewal of Carnarvon Park, the forecasted renewal of the Police and Fire buildings and recreation fitness renovations among others.

Reserve Transfers

The District is steadily increasing its tax- and utility-funded transfers to reserves to support forthcoming capital expenditure. In 2026, contributions have increased $0.6M or 4% over 2025 budgeted transfers.

The District's 2021 Sustainable Infrastructure Replacement Plan (SIR Plan) estimated that $12.8 million is the annual sustainable transfer required. Adjusted for construction cost inflation using the BC Highways Construction Cost Index, this figure is now estimated at approximately $16.3 million. Transfers to reserves are budgeted at $15.1 million in 2026, representing approximately 94% of the sustainability target. The District expects to achieve full sustainability by 2028.

Debt Proceeds

The Sustainable Infrastructure Replacement Plan anticipates funding infrastructure replacement works through a combination of reserves and debt funding. Debt funding is an effective tool to distribute the cost of long-lived assets across current and future ratepayers. The 2026–2030 Financial Plan includes $104.5 million in anticipated debt proceeds, with $6.2 million scheduled in 2026 to support drainage and road rehabilitation projects. Principal and interest payments are not set to commence until 2027, at an estimated $0.8 million or 1.9% increase to taxation, subject to prevailing market interest rates and timing of capital spending.

Revenues

Revenues are budgeted to increase by $3.3M or 4.35%.

This is largely due to a combination of factors:

- $3.4 million or 8.5% increase in property taxation, increases driven by various factors listed in the table below.
- $0.67M or 7% increase in Parks, Recreation, and Culture (PRC) revenues due primarily to forecasted recreational activity. PRC financial performance is discussed in the Revenue Discussion section of this document.
- $0.45 million or 7% increase in water utility revenue and $0.42 million or 9% increase in sewer utility revenue.
- $0.42 million or 31% increase in Building and Planning revenues due to higher levels of development and permit applications.

Overall, the Financial Plan results in a 8.42% tax increase, (or $422 to the median residential property) for 2026:

Reason for tax increase	$ Amount	Tax increase %	$ Increase to Median Residential Property
Police Services	$1,173,770	2.9%	$146.02
Labour and Benefit Obligations	1,512,365	3.8%	188.14
Contract Obligations	365,000	0.9%	45.41
Sustainable Infrastructure Fund Transfer	806,000	2.0%	100.27
Active Transportation Fund Transfer	127,500	0.3%	15.86
Fire Staffing Capacity	225,700	0.6%	28.08
PRC COVID Restart Grant Ending	450,000	1.1%	55.98
2026 Election (net of Recovery)	95,000	0.2%	11.82
Technology Strategy and Roadmap	153,750	0.4%	19.13
Deer Management	85,000	0.2%	10.57
Approved New Staffing	261,000	0.6%	32.47
Transfer to Municipal Asset Reserve	120,000	0.3%	14.93
Fee & Other Revenue Changes	(835,345)	-2.1%	(103.92)
Surplus Transfer	(761,050)	-1.9%	(94.68)
Non-Market Change Credit	(386,753)	-0.9%	(48.11)
Total Change in Taxation	**$3,391,937**	**8.42%**	**$422**

2026 Budget Changes

The proposed financial plan goes through cycles of Council discussion and amendment before reaching the final adopted version. Deliberations on the 2026 budget took place in March 2026 over two open Council meetings, with opportunity for the public to provide input. The following graph shows a summary of major changes between the 2026 proposed and adopted financial plan.

Council amendments – including service level adjustments, deferred staffing, phased subsidy funding, and increased recreation revenues – together with new assessment growth, reduced the proposed tax increase from 11.2% to 8.4%.

	Draft Budget		Adopted Budget	
Reason for Tax Increase	Amount	Tax Inc	Amount	Tax Inc
Labour and Contractual Obligations	2,037,365	5.1%	1,877,365	4.7%
Police Services	1,173,770	2.9%	1,173,770	2.9%
Sustainable Infrastructure Fund Transfer	806,000	2.0%	806,000	2.0%
PRC COVID Restart Grant Funding	700,000	1.7%	450,000	1.1%
Approved New Staffing	653,800	1.6%	261,000	0.6%
Active Transportation Fund Transfer	255,830	0.6%	127,500	0.3%
Fire Staffing Capacity	225,700	0.6%	225,700	0.6%
Technology Strategy and Roadmap	153,750	0.4%	153,750	0.4%
2026 Election (net of recovery)	95,000	0.2%	95,000	0.2%
Deer Management	85,000	0.2%	85,000	0.2%
Transfer to Municipal Asset Reserve			120,000	0.3%
Non-Market Change Credits			(386,753)	-0.9%
Fee & Other Revenue Changes	(775,345)	-1.90%	(835,345)	-2.1%
Surplus Transfer	(895,750)	-2.20%	(761,050)	-1.9%
Total	$4,515,120	11.2%	$3,391,937	8.40%

Principal Issues, Economic Factors, and Short-Term Risks to the 2026 – 2030 Financial Plan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Principal Issues, Economic Factors, and Short Term Risks

The following section notes that the Financial Plan authorizes 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 Financial Plan staff have identified several risks that may impact future financial results.

1. Infrastructure Replacement

The 5-Year Plan estimates that approximately $470M (2022 dollars) worth of the District's assets are past their recommended useful life. The Plan recommends accelerated capital replacement output by three-to-five times per year. Council approved accelerated capital output on June 13, 2022, to help address the backlog of infrastructure replacement.

A significant increase in capital output is funded in the draft 2026–2030 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. Despite a significant increase in funding for core infrastructure replacement forecasts, the District remains below estimated sustainable output targets. Funding levels are approaching sustainable levels, however capacity for capital output is still maturing.

Over the five-year plan, reserve spend will outpace contributions, resulting in a net drawdown of reserves by approximately $26.3 million or 42%. The financial plan includes increased contributions to reserves as outlined in the Sustainable Infrastructure Replacement Plan, as directed by Council and based on Corporate Asset Management Policy lifecycle costing.

Debt funding has been identified for select capital projects in alignment with the District's Sustainable Infrastructure Replacement Plan and Debt Management Policy (2025). The use of debt enables infrastructure renewal to occur when the community needs it, while distributing the burden between both current and future taxpayers. The five-year plan includes $104.5 million in anticipated debt funding toward a total $219.0 million capital plan. Loan Authorization bylaws are required to deliver this capital plan.

2. The Pandemic's Ongoing Impact on Parks, Recreation and Culture (PRC) Recovery

The COVID-19 pandemic had a significant impact on the District's PRC revenue due to government regulations that restricted capacity and reduced overall demand. PRC revenues are rebounding but still fall short of pre-pandemic levels.

Patronage levels are forecasted to continue to increase in 2026. Currently, fees are forecasted to recover 61% of operating expenses, an increase of 2% higher recovery over 2025. While increasing, fees are still not sufficient to meet the historical recovery rate of 69-70%. The COVID Restart Grant funding is anticipated to leave only $0.2 million in one-time funding in 2026, a decrease of $0.7 million from the previous year amount of $0.9 million. Net of COVID funding and fee revenue, additional funding of $0.8 million is required resulting in an impact of 1.7% on the 2026 tax increase.

Council directed use of surplus to help mitigate the impact on taxation by lowering taxation by $0.25 million or 0.6%. A 6% increase in Parks and Recreation admission and pass fees was also incorporated to support revenue recovery.

3. Labour Market

Ongoing labour market pressures affect recruitment, retention, and service capacity. While some moderation in economic growth is anticipated, wage growth and benefits costs remain key considerations for maintaining service levels.

Victoria's unemployment rate was 4.4% in January 2026, up from 3.6% in January 2025. While this marks an easing of local labour market pressures, Victoria is still much lower than the national and provincial unemployment rates which were 6.5% and 6.1% respectively. As the District endeavours toward sustainable service delivery, balancing price escalation and staff capacity annually is foundational to achieving this.

The District continues to experience the impacts of workforce labour shortages. Labour shortages have a negative impact on a department's ability to deliver community services and have also reduced the District's ability to offer a greater volume of recreational programming, which has had a negative impact on the District's ability to recover to pre-pandemic recreational financial performance. These pressures reinforce the importance of deliberate prioritization and sustainable resourcing strategies during budget development.

4. Local Inflation

The 12-month average rate of inflation nationally and provincially in January 2026 were both 2.1% higher than the year previous. Victoria, however, remains higher still in January at 2.3%, reflecting the higher cost escalation experienced locally. The inflation rates are within the Bank of Canada target range, which supports the overnight rate remaining steady through 2026. The current target interest rate set by the Bank of Canada is 2.25% as of February 2026.

Non-discretionary cost pressures in excess of inflation continue to place pressure on base budgets. Price increases for items such as property insurance, employee benefit programs, utility rates and materials continue to outpace average annual inflation over multiple years. Existing contract obligations for certain services such as organic waste collection have, in some cases, prices set higher than inflation as a term of the contract.

Non-residential construction costs rose by 4.1% in 2025, outpacing the national inflation rate of 2.1%, reflecting the ongoing impact of Canadian counter tariffs on U.S. steel, aluminum, and automobiles on prices paid for materials, equipment, and vehicles.

5. Municipalities in British Columbia

Municipalities in British Columbia continue to be financially impacted by the effects of new senior government regulation. Some recent examples are outlined below:

- **Housing Target Orders:** On September 23, 2023 the District and other BC municipalities received a Housing Target Order from the Provincial Minister of Housing. This Order identifies the amount of new housing units that the Province is requiring the District to facilitate being constructed within the next 5 years. In November 2023, the Province introduced a range of new legislation, including the BC Housing Supply Act, to implement the Homes for People Plan. Council authorized a series of Council Priority projects to meet the requirements of the Housing Target Order and the new legislation. Over $2M has been allocated from the Growing Communities Fund for these projects. The long-term, ongoing impacts of the new regulations are unknown but it is expected that staffing will need to be in place to facilitate land-use approvals envisioned by the updated Official Community Plan and Zoning Bylaw.

- **Accessibility:** The Accessible British Columbia Act (the Act) aims to improve accessibility in British Columbia by introducing new accessibility requirements for government and prescribed organizations. Covered organizations must establish an accessibility committee composed of members that reflect the diversity of persons with disabilities in BC, and local governments must develop and implement an accessibility plan that incorporates principles of inclusion, adaptability, diversity, collaboration, self-determination, and universal design. The Act also requires local governments to establish a process for receiving public feedback on their accessibility plans and any barriers to accessibility.

- **WorkSafeBC expanded benefits:** Over several years, WorkSafeBC has been increasing industry premiums, increasing maximum benefits and expanding the scope of coverage. This has resulted in a sharp rise in premiums paid.

- **Mandatory asset management data reporting LGDE:** Local governments in British Columbia must report asset management data via the LGDE system. The reporting covers five sections: Organizational Asset Management (which evaluates governance, risk management, strategy, financial planning, and asset inventory), Asset Management Progress by Asset Type (tracking maturity for each infrastructure category through items like asset plans, risk registers, inventories, and long-term financial plans), and three internal-only sections—Physical Condition, Capacity vs. Demand Utilization, and Functionality—that provide insight into asset health and service capacity. This information aids long-term capital planning and supports provincial sustainable service goals.

- **Accounting Standards:** In Canada, new regulations require municipalities to follow stricter accounting standards, such as those from the Public Sector Accounting Board (PSAB), with additional rules taking effect in 2026. These changes introduce full accrual accounting and clearer reporting on assets, liabilities, and long-term obligations, leading to more consistent financial reporting, better decision-making, and increased public trust.

- **BC Budget 2026 :** On February 17, 2026, the Province released Budget 2026, introducing several policy changes affecting municipalities. Notable impacts include the extension of PST to professional services (effective October 1, 2026) increasing costs for accounting, architectural, engineering, security, and non-residential real estate services. Changes to the property tax deferment program raised the rate from prime minus 2% to prime plus 2% and switched simple interest to monthly compounding, increasing costs for eligible homeowners. The Province also announced workforce reductions, flat or constrained growth in programs potentially impacting municipal service delivery, and delayed or extended capital spending including the University of Victoria student housing expansion. Enrolment of new providers into the $10-a-day Child Care BC program has been paused.

6. Investment Yields & Reserve Balances

The District has improved investment returns since 2019 due to increased reserve balances, increased portfolio performance and increased market yields. Market yields are expected to moderate in the coming years and the District’s reserve balances are forecasted to decline significantly. The Financial Plan integrates reduced investment returns; however, the magnitude of reduced investment returns will depend on the rate of capital output which utilizes the District’s reserves as the primary funding source.

Over the five-year period, total reserve contributions are forecast to be approximately $88.7 million and expenditures funded from reserves are forecast to total $121.3 million. As a result, reserve balances in 2026 of $63.2 million are forecasted to decline over the five years to a projected $30.6 million by 2030.

7. Trade Conditions

Economic volatility continues to require frequent monitoring, to assess whether the financial plan reflects a most likely scenario. Recent announcements regarding trade conditions have introduced uncertainty into the financial planning environment.

On February 20, 2026, the U.S. Supreme Court overturned the U.S. President's import tariffs that drew legal authority from the International Emergency Economic Powers Act (IEEPA) to impose the tariffs. The court now considers them invalid and unenforceable, which benefits Canadian exports. Also on February 20, 2026, the U.S. President signed an executive order imposing a 10% global tariff under Section 122 of the 1974 Trade Act, which are unaffected by the Supreme Court ruling. Tariffs imposed this way can last only for 150 days unless extended. The U.S. President's Administration issued a statement that CUSMA exemptions would remain in effect with this new global tariff, meaning most Canadian goods would not be hit.

Other US tariffs imposed under Section 232 of the Trade Act (a separate authority) are unaffected by the Supreme Court's IEEPA ruling. U.S. tariffs targeting Canadian goods such as steel, aluminum, copper, autos and lumber remain active. Review of CUSMA is underway by the three North American trading partners, Mexico, United States and Canada. CUSMA is set to expire in 2026, and trade negotiations are expected to advance in the coming months.

Canadian 25% counter tariffs remain in place on U.S. steel, aluminum, and automobiles, impacting prices paid for materials, equipment, and vehicles. All other Canadian counter tariffs imposed in March 2025 were removed effective September 1, 2025. Although impacts remain mitigated by CUSMA, non-residential construction costs rose by 4.1% in 2025, outpacing the national inflation rate of 2.1%. Based on most recent analysis, impacts of uncertain trade conditions, pricing volatility, trailing inflationary pressures and persistent unemployment rates remain the main drivers impacting the organization's delivery.

8. BC Economic Outlook

BC is expected to see slow to moderate growth in the economy, with real GDP growth projected at 1.3% in 2026 and 1.8% in 2027, lower levels than previously forecasted due to continued trade uncertainty and impacts from federal government changes to immigration policy.

Housing starts, an indicator of current housing market trends, were up 5.6% over the previous year; however, they slowed through Fall of 2025, elevating this key indicator to a watch-closely status early into 2026.

Fueled by higher interest rates, rising construction costs and economic uncertainty, construction activity forecasts have eased. Building Permits signal future market intentions. In 2025, the capital region experienced a slowdown off the previous year, expecting to end 2025 approximately 7% lower in number of permits and 2% higher in value of permits. Notably, the provincial permit data as of November 2025 showed an increase by 13.0% compared to the previous year, while Victoria's experience was a decline of 12.6% in residential permits through the same period.

Given current economic conditions, market expectations regarding the Bank of Canada's 2% inflation target and policy rate path remain uncertain. Rate reductions in 2025 have had the intended dampening effect on inflation, slowing investment activity and spending. Uneven patterns of economic growth with weaker exports and trade uncertainty has the Bank of Canada monitoring economic conditions closely, not able to chart a path for rates through 2026.

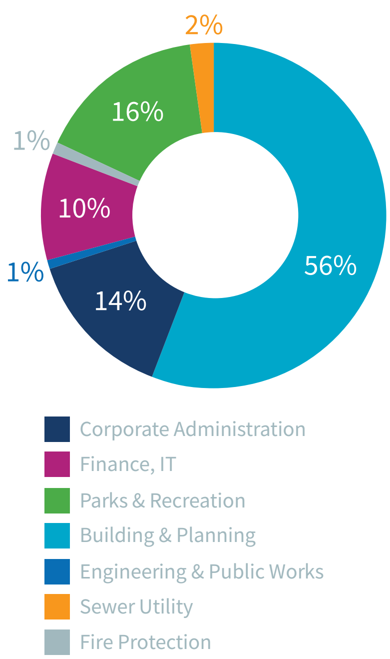
Council Priority Projects

Council Priority Projects

Council Priorities Projects are identified in the Council-approved 2022-2026 Council Priority Plan. Council reviews Council Priority Project progress twice a year. Progress reports are posted on the District's website.

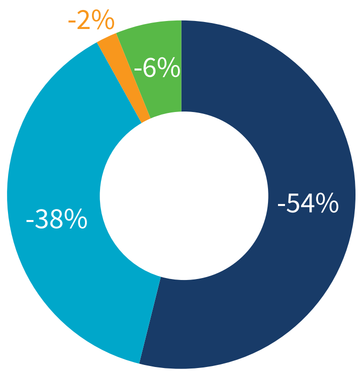
The scope of this plan is limited to the current council term; accordingly, 2027 represents a residual year with minimal new project initiatives. This approach provides the incoming Council with the opportunity to engage meaningfully with the public and establish a refreshed Council Priority Project list for the 2027-2031 term, ensuring community priorities and emerging needs are reflected in future capital planning.

The graph below displays all special initiative project costs (including Council Priority, Housing Action Plan, and other projects) by department currently within the proposed 2026-2030 Financial Plan.



Special Initiatives Budgeted Expenditure	2026	2027	Total
Building & Planning	$638,771	$1,300,360	$1,939,131
Corporate Administration	470,658	-	470,658
Engineering & Public Works	-	50,000	50,000
Finance & IT	253,750	91,250	345,000
Fire Protection	18,500	-	18,500
Parks & Recreation	150,000	410,000	560,000
Sewer Utility	70,000	-	70,000
Total	**$1,601,679**	**$1,851,610**	**$3,453,289**

The total funding for these projects is coming from grants and surplus. The distribution of the funding is shown in Graph below:



Funding Source	Special Initiatives Budget
Transfers from Reserves	
Climate Action	(194,000)
General Fund Operating Surplus	(1,860,658)
Growing Communities Fund	(1,316,131)
Sewer Fund Operating Surplus	(70,000)
Operating Grants	
Corporate Climate Action Plan	(12,500)
Total	**(3,453,289)**

Council Priority Projects – Housing Action Program (HAP)

The projects listed below are based on Council approved initiatives and are updated for work completed to date or still outstanding. These projects are subject to change based on Provincial directives and regulations.

Council Priorities - Housing Directives	2026	2027	Total
SP053 CPP53 5-year Review of Official Community Plan	$29,517	$ -	$29,517
SP055 HAP-Additional Staffing	62,500	31,250	93,750
SP056 CPP76 Pre-zoning to Implement OCP	75,000	25,000	100,000
SP058 CPP78 Development Processes (Provincial triggered)	85,171	50,000	135,171
SP059 CPP79 Respond to increased development	64,130	32,880	97,010
SP060 CPP81 Reserve for Future Projects	-	728,980	728,980
SP062 HAP Contingency	34,453	17,250	51,703
SP193 CPP93 Cedar Hill Corner	40,000	40,000	80,000
Council Priorities - Housing Directives Total	**$390,771**	**$925,360**	**$1,316,131**

Other Council Priority Projects

The projects listed below are based on Council approved initiatives and are updated for work completed to date or still outstanding.

Other Council Priorities	2026	2027	Total
SP004 CPP9 Village area plans	$ -	$300,000	$300,000
SP018 CPP14 PRC Master Plan	140,000	140,000	280,000
SP042 CPP25 Asset Management Plan	100,000	-	100,000
SP078 CPP35 Community Climate Action Plan	100,000	25,000	125,000
SP079 CPP36 Corporate Climate Action Plan	55,000	-	55,000
SP084 CPP70 Uplands Park Management Plan	-	270,000	270,000
SP086 CPP47 Songhees & Esquimalt-Turkey Head	116,000	-	116,000
SP182 CPP82 Heritage Property Maintenance Standard	-	25,000	25,000
SP186 CPP86 Heritage Designates Incentives	-	25,000	25,000
Other Council Priorities Total	**$511,000**	**$785,000**	**$1,296,000**

The following Council Priorities are included in the capital budget due to the nature of the work:

- #15 Design Carnarvon Park Building
- #26/55 Undertake Parking Study & Preliminary Creek / Walkway Design at Oak Bay Rec Centre
- #27/28 Active Transportation Program
- #34 Develop an Erosion Prevention Program for McNeill Bay
- #94 Complete Public Safety Building Feasibility Assessment

Department Budgets

Corporate Administration

Corporate Administration provides executive leadership, governance and legislative support, human resource services, and strategic planning functions for the District. The department supports effective Council operations, legislative compliance, organizational performance, and transparent engagement with the community.

The department is led by the **Chief Administrative Officer (CAO)**, who serves as the administrative head of the Corporation. The CAO provides direction to all departments, implements Council policy, and acts as the principal advisor to Council on operational and strategic matters.

Corporate Administration is organized into five functional areas:

Council

Council represents the elected governing body of the District and is responsible for establishing municipal policy, adopting bylaws, approving the Financial Plan, and setting strategic direction for the organization. For budget purposes, Council expenditures – including remuneration, professional development, and governance-related costs – are presented within Corporate Administration, as the department provides the legislative, administrative, and governance support necessary for Council to fulfill its statutory role.

CAO (Executive Leadership)

Provides overall administrative leadership to the Corporation and ensures coordination across departments to deliver Council's strategic priorities and organizational objectives. The CAO represents the District's interest within regional and other intergovernmental forums and is responsible for building and maintaining relationships with local First Nations and community organizations.

Corporate Services

Led by the Director of Corporate Services, this division supports Council governance and public access to municipal records. It provides legislative services, coordinates council advisory committee and commission meetings and public hearings, administers local elections, maintains official records archives, and manages requests under the Freedom of Information and Protection of Privacy Act (FOIPPA).

Human Resources

Led by the Director of Human Resources, this division oversees workforce planning, recruitment, labour relations, occupational health and safety, disability management, training and development, and employee wellness. It supports a safe, engaged, and high-performing workforce aligned with the District's long-term service delivery needs.

Strategic Initiatives

Led by the Director of Strategic Initiatives, this division advances Council priority projects, major corporate initiatives, intergovernmental partnerships and Indigenous relations, and cross-departmental programs. The division supports long-range planning, community engagement initiatives, and implementation of Council's strategic priorities.

Statistics

Performance Measure	2023 Actual	2024 Actual	2025 Actual
Regular Meetings of Council Supported	40	41	41
Special Meetings of Council Supported	11	12	17
Public Hearings Supported	0	2	4
Town Halls supported	0	1	2
Meeting minutes posted	63	74	77
# FOIPPA requests	19	34	49
FOI requests within statutory deadlines	19	32	49
Bylaws reviewed	25	33	36
Special Events Permits Issued	24	22	27
Block Party Permits Issued	20	28	24
Total web pages viewed	2.9M	1.49M	1.5M
# Social Media posts	833	1,049	986
# Social Media followers	4,011	4,693	6,149
Volunteer Hours Contributed to Archives	100	489	505
District-wide Job Postings (including auxiliary and regular)	143	124	134
Archives Research Inquiries conducted	144	202	112
Archives Program (school programs, history talks, special events)	60 (2)	4	9
Archives Collections Acquired	15	9	10

Beginning in 2026, the operating budgets for each functional area are presented separately. In prior years, Corporate Administration was presented as a consolidated budget. This revised structure improves transparency and provides clearer insight into service delivery responsibilities and cost drivers.

Department Staffing

Position	2025 FTE (Restated)	2026 FTE	2026 Change
Chief Administrative Officer			
Chief Administrative Officer	1	1	0
Executive Assistant to the Mayor & CAO	1	1	0
Corporate Services			
Director of Corporate Services	1	1	0
Deputy Director of Corporate Services	1	1	0
Legislative Coordinator	2	2	0
Archivist	0.5	0.5	0
Human Resources Support Specialist			
Director of Human Resources	1	1	0
Manager of Occupational Health and Safety Specialist	1	1	0
Human Resources Support Specialist	0	1	1
Human Resources Advisor	2	1	-1
Strategic Initiatives			
Director of Strategic Initiatives	1	1	0
Deputy Director of Strategic Initiatives	1	1	0
Communications Manager	1	1	0
Communications Coordinator	1	1	0
Total	**14.5**	**14.5**	**0**

1. The Full-Time Equivalent (FTE) positions shown represent staff reporting to the department and reflect ongoing staffing obligations. In some cases, related salary and benefit costs are funded from sources outside the department's operating budget, including capital funding, cost recovery, or allocations administered by other departments. Auxiliary, on-call, term, and other temporary positions are excluded.
2. Prior-year FTEs restated to current reporting structure; comparatives may differ from prior financial plans (see Workforce Planning and Organizational Structure Section).

Corporate Administration Operating Budget

Overall, the Corporate Administration Department's operating budget requires a 7.1% ($241,980) funding increase to support core service delivery in support of Council's direction and service delivery across operating departments. The operating budget includes new budget request items.

Special initiatives are operating projects delivered by Corporate Administration. The projects include both Council Priority Projects and regular operating projects within each department. All projects reflect Council direction and in some cases are a carry forward of work underway. Special initiatives projects are listed within the department responsible for delivering the work.

Beginning in 2026, the operating budget for each functional area within Corporate Administration is presented separately. In prior years, Corporate Administration was presented as a single consolidated budget. This revised structure improves transparency and provides clearer insight into service delivery responsibilities and cost drivers. The change in structure has been implemented for 2026 and beyond. The changes reflect responsibility under each division. The 2025 comparative figures (prior year budgets) have not been restated as they could not reasonably be determined. The total corporate services operating budget before and after the 2026 separation is comparable.

Operating Expense Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Special Initiatives
Council						
Council	$274,557	$294,363	$322,165	$27,802	9.4%	$ -
Grants, Awards, & Fees for Services	247,660	242,900	221,000	(21,900)	-9.0%	-
Council Total	**522,217**	**537,263**	**543,165**	**5,902**	**1.1%**	**-**
Executive Services						
Executive Services	-	-	435,177	435,177	-	10,000
Corporate Services						
Corporate Services	1,989,490	1,781,136	859,838	(921,298)	-51.7%	-
Archives	53,192	49,256	50,505	1,249	2.5%	-
Elections	431	22,000	130,000	108,000	490.9%	-
Corporate Services Total	**2,043,113**	**1,852,392**	**1,040,343**	**(812,049)**	**-43.8%**	**-**
Human Resources						
Human Resources	496,083	750,908	912,515	161,607	21.5%	135,600
Strategic Initiatives						
Strategic Initiatives	170	-	442,820	442,820	-	325,058
Communications	241,814	246,260	254,783	8,523	3.5%	-
Strategic Initiatives Total	**241,984**	**246,260**	**697,603**	**451,343**	**183.3%**	**325,058**
Corporate Administration Total	**$3,303,397**	**$3,386,823**	**$3,628,803**	**$241,980**	**7.1%**	**$470,658**

The following table provides a reconciliation of the operating budget cost drivers:

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget	$3,386,823			
+ Inflationary Increase	41,678	1.2%	0.1%	$5
+ Council	2,702	0.1%	0.0%	$0
+ 2026 Election	108,000	3.2%	0.3%	$13
+ Greater Victoria Labour Relations	12,400	0.4%	0.0%	$2
+ Triennial compensation survey	25,000	0.7%	0.1%	$3
+ Consulting	15,000	0.4%	0.0%	$2
+ Software maintenance and subscriptions	7,200	0.2%	0.0%	$1
+ Organizational Indigenous Relations training	30,000	0.9%	0.1%	$4
Total Change	241,980	7.1%	0.6%	$30
= 2026 Corporate Administration	**$3,628,803**	**7.1%**		

Council Operating Budget

The following section provides each division operating budget inclusive of special projects (if applicable). Changes in each budget due to the restructure are identified in the change driver reconciliation.

The District's elected governing body, responsible for policy, bylaws, and approval of the Financial Plan. Council expenditures, including remuneration, grants-in-aid, and certain community event funding, are reported within the Council operating budget.

Operating Expense Category	2025 Forecast	2025 Budget	2026 Budget (Restructured)	$ Change	% Change
Council	$274,557	$294,363	$322,165	$27,802	9.4%
Grants in Aid	244,160	234,600	206,300	(28,300)	-12.1%
Fees for Services	3,500	-	6,200	6,200	0.0%
Awards and Events	-	8,300	8,500	200	2.4%
Total	**$522,217**	**$537,263**	**$543,165**	**$5,902**	**1.1%**

The following table provides a reconciliation of the operating budget cost drivers:

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget	$537,263			
+ Inflationary Increase	3,200	0.6%	0.0%	$0
+ Council honorarium and benefits	9,602	1.8%	0.0%	$1
+ Consulting fees, SIRAC advisory committee	15,000	2.8%	0.0%	$2
- Transfer to align with department responsibilities	(21,900)	-4.1%	-0.1%	$(3)
Total Change	5,902	1.1%	0.0%	$0
= 2026 Council Operating	**$543,165**	**1.1%**		

Executive Services (CAO) Operating Budget

Provides overall administrative leadership to the Corporation and ensures coordination across departments to deliver Council's strategic priorities and organizational objectives.

2025 Accomplishments

- Advanced the development of a relationship agreement with local First Nations to support respectful engagement and ongoing collaboration.

Goals, Objectives, and Performance Measures

Linked Council Priority:

Truth & Reconciliation – Advance Truth and Reconciliation with local Indigenous peoples based on respect and desire for shared prosperity

Unit Goal:
Provide overall administrative leadership to the Corporation and ensure coordination across departments to deliver Council's strategic priorities and organizational objectives.

Objectives:

O1: Continue progressing the relationship agreement with local First Nations toward completion.

O2: Advance organizational development strategy with performance metrics.

O3: Enhance capital project delivery governance framework.

Operating Expense Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Special Initiatives
Executive Services						
Executive Services	$ -	$ -	$435,177	$435,177	0%	$10,000
Total	**$ -**	**$ -**	**$435,177**	**$435,177**	**0%**	**$10,000**

Special Initiatives	2026
Other Projects	
SP074 Indigenous Relations	$10,000
Total	**$10,000**

Corporate Services Department Operating Budget

Provides legislative and governance support to Council while ensuring transparency and public access to municipal processes. It administers Council meetings and elections, maintains official records, and oversees requests under the *Freedom of Information and Protection of Privacy Act.*

2025 Accomplishments

- The District developed and adopted a Corporate Accessibility Plan to identify barriers and guide improvements to accessibility across municipal services, facilities, and workplaces.
- Developed and supported efficiencies for council meeting planning, council agenda management and staff report processes across the organization.
- Developed and supported processes for public notifications in response to legislative changes to the *Local Government Act*.
- Continued incremental advancement of the District's Records Management Project by converting two business units' physical records to the LGMA classification and retention schedule.
- Responded to forty-nine Freedom of Information requests within legislative deadlines.
- Supported and attended all meetings of Council, including Public Hearings and Town Hall Sessions.
- Facilitated the development and delivery of the Corporate Annual Report for Council approval.
- Supported multiple Council Advisory Body recruitments cycles and the onboarding of new members.

Goals, Objectives, and Performance Measures

Linked Council Priority:

Accessibility, Diversity & Inclusion – Cultivate accessibility, diversity and inclusion and ensure a sense of community belonging and safety for people of all abilities, identities, ages and backgrounds

Unit Goal:
Support effective Council governance and ensure transparent public access to municipal processes through legislative services, records management, election administration, and freedom of information compliance.

Objectives:

O1: Administer the 2026 General Local Election in compliance with legislative requirements, ensuring a fair, accessible, and well-managed voting process.
O2: Provide orientation for the incoming Council to support an effective transition and informed governance.
O3: Ongoing Records Management Project: Convert two business units physical records to the LGMA records classification and retention schedule.
O4: Advance amendments to the *Council Procedure Bylaw* and *Correspondence Management Policy* to address required changes as a result of revisions to the *Local Government Act*.

Operating Expense Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change
Corporate Services					
Corporate Services	$1,989,490	$1,781,136	$859,838	$(921,298)	-51.7%
Archives	53,192	49,256	50,505	1,249	2.5%
Elections	431	22,000	130,000	108,000	490.9%
Total	**$2,043,113**	**$1,852,392**	**$1,040,343**	**$(812,049)**	**-43.8%**

The following table provides a reconciliation of the operating budget cost drivers:

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget	$1,852,392			
+ Inflationary Increase	46,642	2.5%	0.1%	$6
+ 2026 Election	108,000	5.8%	0.3%	$13
- Staffing budget transfer to align with department responsibilities	(844,000)	-45.6%	-2.1%	$(105)
- Legal fees, consulting, subscription fees budget transfer to align with department responsibilities	(122,691)	-6.6%	-0.3%	$(15)
Total Change	(812,049)	-43.8%	-2.0%	$(101)
= 2026 Corporate Services	**$1,040,343**	**-43.8%**		

Corporate Services Department Capital Plan

Corporate Administration Capital Plan

Capital Purchase/Project	2026	2027	2028	2029	2030
Corporate Services					
A2101 EDRM System	$233,400	$ -	$ -	$ -	$ -
Total	**$233,400**	**$ -**	**$ -**	**$ -**	**$ -**

Capital Project Descriptions

Electronic Document Management System (EDMS)
An EDMS would efficiently and systematically manage the district's electronic and paper documents throughout the life cycle of the document (from creation to destruction). Records would be shared with all individuals who need access, and it would 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. When the EDMS project progresses, electronic records will be readily accessible, and 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.

Human Resources Operating Budget

Manages workforce planning, recruitment, labour relations, and employee health and safety programs. It supports a capable and engaged workforce aligned with the District's service delivery needs.

2025 Accomplishments

- Developed a leadership development program for the District's management team to strengthen organizational capacity, consistency, and succession readiness.
- Engaged with staff to establish a set of shared workplace values to support a positive, accountable, and service-oriented organizational culture.
- Developed and implemented a graduated return-to-work program.
- Delivered bi-annual orientation sessions for new staff to support onboarding, integration, and understanding of municipal operations and culture.
- Participated in ongoing collective bargaining with IAFF and CUPE to support fair, sustainable labour agreements and positive labour relations.
- Initiated a structured staff performance feedback and review program to strengthen accountability, development, and organizational effectiveness.

Goals, Objectives, and Performance Measures

Linked Council Priorities:

Accessibility, Diversity & Inclusion – Cultivate accessibility, diversity and inclusion and ensure a sense of community belonging and safety for people of all abilities, identities, ages and backgrounds

Truth & Reconciliation – Advance Truth and Reconciliation with local Indigenous peoples based on respect and desire for shared prosperity

Unit Goal:
Support a safe, engaged, and high-performing workforce through strategic workforce planning, recruitment, labour relations, occupational health and safety, and employee development programs.

Objectives:

O1: Deliver Indigenous relations training for staff to strengthen cultural awareness, respectful engagement, and alignment with reconciliation commitments.
O2: Provide leadership development training for managers and directors to support effective supervision, decision-making, and organizational capacity.
O3: Undertake a comprehensive review of HR policies to ensure alignment with legislation, best practices, and organizational priorities.

O4: Design and implement a performance planning and development process to support employee growth, accountability, and consistent feedback.

O5: Implement a Human Resources Plan for 2026–2029 to guide workforce planning, recruitment, retention, and organizational development.

O6: Triennial compensation survey to benchmark employee compensation against comparable municipalities and ensure pay structures remain competitive, equitable, and aligned with labour market conditions.

Operating Expense Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Special Initiatives
Human Resources						
Human Resources	$496,083	$750,908	$912,515	$161,607	21.5%	$135,600
Total	**$496,083**	**$750,908**	**$912,515**	**$161,607**	**21.5%**	**$135,600**

Special Initiatives	2026
Other Projects	
SP009 Human Resource Plan Implementation	$42,600
SP023 Occupational Disability Claims Management	93,000
Total	**$135,600**

The following table provides a reconciliation of the operating budget cost drivers:

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget	$750,908			
+ Inflationary Increase	13,886	1.8%		$2
+ Organizational Indigenous Relations training operationalized from Special Project	30,000	4.0%	0.1%	$4
+ GVLRA fee increase	12,400	1.7%	0.0%	$2
+ Triennial compensation survey	25,000	3.3%	0.1%	$3
+ Legal fees, conference, consulting budgets transfer to align with department responsibilities	29,850	4.0%	0.1%	$4
+ Staffing budget transfer to align with department responsibilities	50,471	6.7%	0.1%	$6
Total Change	161,607	21.5%	0.4%	$21
= 2026 Human Resources	**$912,515**	**21.5%**		

Strategic Initiatives Operating Budget

Leads major corporate initiatives, Council priority projects, and intergovernmental collaborations. Its work supports long-term planning, organizational alignment, and community engagement in advancing Council's strategic direction.

2025 Accomplishments

- Extended lease for 1531 Hampshire Rd.
- Obtained geotechnical/seismic evaluation for Turkey Head (Spewhung Point).
- Obtained agreement with Songhees Events and Catering for use of Marina Restaurant.
- Concluded deer management research project.
- Supported Council's bi-annual review of priorities.
- Delivered Annual Community Questionnaire.
- Supported development of Relationship Agreement with Songhees (in progress).
- Sought external grant funding for Council Priority and Capital Plan projects.
- Developed Mission/Vision/Values for District operations.
- Delivered IAP2 engagement training sessions for Council and staff.
- Updated Communications and Engagement Framework.
- Completed website refresh (including new District Intranet).

Goals, Objectives, and Performance Measures

Linked Council Priorities:

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

Accessibility, Diversity & Inclusion – Cultivate accessibility, diversity and inclusion and ensure a sense of community belonging and safety for people of all abilities, identities, ages and backgrounds

Truth & Reconciliation – Advance Truth and Reconciliation with local Indigenous peoples based on respect and desire for shared prosperity

Unit Goal:
Advance Council priority projects, major corporate initiatives, intergovernmental partnerships, and cross-departmental programs to support long-range planning, community engagement, and implementation of Council's strategic direction.

Objectives:

O1: Undertake First Nations and community engagement for Turkey Head (Spewhung Point).
O2: Seek Expressions of Interest for Marina operator.
O3: Review Agreement with Songhees Events and Catering for Use of Marina Restaurant.
O4: Develop Communications and Engagement Policy and toolkit.
O5: Develop videos showcasing District services (for awareness and recruitment).
O6: Inventory District-Owned Lands.
O7: Support Council's mid-year review of priorities.
O8: Seek external grant funding for Council Priority and Capital Plan projects.

Operating Expense Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Special Initiatives
Strategic Initiatives						
Strategic Initiatives	$ -	$ -	$442,820	$442,820		$325,058
Communications	241,985	246,260	254,783	8,523	3.5%	-
Total	**$241,985**	**$246,260**	**$697,603**	**$451,343**	**183.3%**	**$325,058**

Special Initiatives	2026
Council Priorities	
SP086 CPP47 Songhees & Esquimalt-Turkey Head	$116,000
Council Priorities	
SP087 Marina Site Next Steps	209,058
Total	**$325,058**

The following table provides a reconciliation of the operating budget cost drivers:

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget	$246,260			
+ Inflationary Increase	7,950	3.2%	0.0%	$1
+ Software maintenance and subscriptions	7,200	2.9%	0.0%	$1
+ Consulting fees	15,000	6.1%	0.0%	$2
+ Staffing budget transfer to align with department responsibilities	383,193	155.6%	1.0%	$48
+ Legal fees, conference, consulting budgets transfer to align with department responsibilities	31,000	12.6%	0.0%	$4
+ General office budgets transfer to align with department responsibilities	7,000	2.8%	0.0%	$1
Total Change	451,343	183.3%	1.1%	$56
= 2026 Strategic Initiatives	**$697,603**	**183.3%**		

Facilities Management

In 2021, the District established a centralized facilities management function responsible for administrative buildings, residential facilities, and major facility project delivery. The centralized function includes the District-owned administrative buildings listed below:

- Municipal Hall
- 1538 Monterey Avenue
- 1423 Hampshire Avenue
- 1531 Hampshire Avenue
- Tod House
- Oak Bay Marina lands

In 2026, the scope of the centralized facilities management function was extended to include recreation facilities. Facilities Management provides program support, repairs and maintenance, lifecycle capital planning, and project delivery for recreation facilities.

Recreation facilities within scope include:

- Oak Bay Recreation Centre
- Monterey Recreation Centre
- Henderson Recreation Centre
- Windsor Park Recreation Centre
- Carnarvon Park Recreation Centre (redevelopment underway)

The budget presented below includes a modest annual transfer to reserves. These contributions accumulate in a facilities capital reserve and are intended to support future lifecycle renewal and major maintenance. Capital projects are typically periodic, higher-cost investments that extend the useful life of facilities or their major components.

This operating budget excludes facility operating costs associated with Police, Fire, Parks, Recreation and Culture program facilities, and Public Works facilities.

Department Staffing

Position	2025 FTE (Restated)	2026 FTE	2026 Change
Program Manager – Facilities/Asset Management	1	1	0
Recreation Facilities Manager	1	1	0
Facilities and Asset Management Operations Coordinator	1	1	0
Facilities Project Delivery Coordinator	0	1	1
Total	**3**	**4**	**1**

1. The Full-Time Equivalent (FTE) positions shown represent staff reporting to the department and reflect ongoing staffing obligations. In some cases, related salary and benefit costs are funded from sources outside the department's operating budget, including capital funding, cost recovery, or allocations administered by other departments. Auxiliary, on-call, term, and other temporary positions are excluded.
2. Prior-year FTEs restated to current reporting structure; comparatives may differ from prior annual plans (see Workforce Planning and Organizational Structure Section).

2025 Accomplishments

- Improved the District's Asset Management Maturity level by completing a detailed facilities condition assessment on all Municipal Buildings, entering all data into an Asset Management database, and beginning lifecycle cost budgeting.
- In cooperation with Parks, Recreation, and Culture, commenced the detailed design of the Carnarvon Park Master Plan program, including the new main building and park amenities.
- In cooperation with the Police and Fire Departments, continued the work on the Public Safety Building Feasibility Study.
- In cooperation with Strategic Initiatives, completed a seismic and geotechnical analysis of the Turkey Head (Spewhung) parking lot area.
- Conducted an engineering study for the replacement of the Oak Bay Library HVAC unit that has reached the end of its operational life.
- Conducted an engineering study to determine the effectiveness of replacing the Municipal Hall gas boilers with an energy-efficient heat pump system.
- In partnership with BC Hydro, explored the opportunity to install a public DC Fast Charger within the District.
- Initiated a cross-department Asset Management Community of Practice to explore strategic and tactical initiatives to improve the District's asset management maturity.
- In cooperation with Planning – Climate Action, initiated a District-wide EV fleet infrastructure study.
- Renegotiated commercial waste and recycling collection contracts for administrative buildings, resulting in a 30% reduction in costs.
- Centralized washroom and janitorial supply contracts, resulting in approximately 50% cost savings.

Goals, Objectives, and Performance Measures

Linked Council Priorities:

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

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

Unit Goal:
Preserve the value, safety, and functionality of the District’s building assets through centralized facilities management, lifecycle capital planning, preventative maintenance, and coordinated project delivery.

Objectives:

O1: Begin transition to a single point of responsibility under a district-wide Facilities and Asset Management department, with standardized operations, preventative maintenance, levels of service, and project management functions.
O2: In partnership with Public Works, renovate the main office building to improve space utilization, energy efficiency, health and safety, and gender neutrality.
O3: Renew Police station interior lighting to reduce energy usage.
O4: Construct renovations for the Municipal Hall exterior public washrooms.
O5: In partnership with the Regional District, add to the District's public EV charging capacity.
O6: In cooperation with Public Works and Engineering, begin a Business Analysis to identify regulatory requirements of the Public Works yard, for a future feasibility study.
O7: Partnering with Police and Fire, install an Emergency Generator for fleet EV charging to reduce operational risks in converting the Public Safety fleet to electric vehicles.
O8: Complete the detailed design for Carnarvon Park to a tender-ready state.
O9: Renew old Police Station furniture and redesign to increase the space capacity of the building without costly renovations.
O10: Partner with the Parks Department to renew the Information Kiosk area in front of Municipal Hall.

Performance Measures

Measure	Objective	Type	2024 Actual	2025 Actual	2026 Target	Trend
Effectiveness Measures						
Buildings under centralized management	O1	Effective	6	6	64	↑ Target
Buildings with completed condition assessments	O1	Effective	TBD	11	64	↑ Target
Major Capital projects managed	O1	Effective	TBD	TBD	TBD	↑ Target

Facilities Management Operating Budget

Overall, the Facilities operating budget requires a 64.2% ($258,484) increase to support core service delivery in support of Council's direction and service delivery and now includes the cost of administering this centralized function. The maintenance of the library has been re-assigned from Parks, Recreation & Culture department to Facilities Management.

Operating Expense Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change
Lease Revenue					
Lease Revenue	$(345,257)	$(358,980)	$(365,944)	$(6,964)	1.9%
Lease Revenue Total	**(345,257)**	**$(358,980)**	**$(365,944)**	**(6,964)**	**1.9%**
Facilities					
Facilities Administration	-	-	257,168	257,168	
Maintenance - 1538 Monterey	3,329	6,500	6,000	(500)	-7.7%
Maintenance - 1423 Hampshire	32,088	36,000	46,544	10,544	29.3%
Maintenance - 1531 Hampshire	628	5,400	6,000	600	11.1%
Maintenance - Althone Court	107,932	114,020	113,020	(1,000)	-0.9%
Maintenance – Library	11,719	9,400	12,000	2,600	27.7%
Maintenance - Tod House	5,020	8,400	11,168	2,768	33.0%
Maintenance - Municipal Hall	102,676	129,100	108,804	(20,296)	-15.7%
Foreshore Lease	74,875	75,100	75,100	-	0.0%
Maintenance - Oak Bay Marina	26,509	18,400	25,000	6,600	35.9%
Facilities Total	**364,776**	**402,320**	**660,804**	**258,484**	**64.2%**
Operating Budget Total	**$19,519**	**$43,340**	**$294,860**	**$251,520**	**580.3%**

The following table provides a reconciliation of the operating budget cost drivers:

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget	$402,320			
+ Budget transfer from Finance IT & Asset Management	172,968	43.0%	0.4%	$22
+ Core Budget Request-Facilities Project Delivery Coordinator 1.0 FTE	84,200	20.9%	0.2%	$10
+ Lease payments	2,650	0.7%	0.0%	$0
+ Service contracts across facilities	-1,334	-0.3%	0.0%	$0
Total Change	258,484	64.2%	0.6%	$32
= 2026 Administrative Facilities	**$660,804**			

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. This property is currently vacant and only reactive maintenance and repairs are being done.

1423 Hampshire Rd & 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. Most building systems for the library and apartments have reached end of life and capital renewals will be increasing over the next few years. These capital renewals and upgrades will extend the life of the asset, improve energy efficiency, and improve the building's Facility Condition Index (FCI).

1531 Hampshire Road

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, an unspent maintenance budgets will be transferred to a facilities capital reserve at year end.

Tod House

In 2008, the Province 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 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 which no longer includes the Restaurant.

Facilities Management Capital Plan

Facilities Management Capital Projects Placed into Service in 2025

- Completed minor renovations to Police Station furniture to improve ergonomics.
- Constructed the new washrooms and dormitory partitions at the Fire Hall.
- In cooperation with Police and Fire, improved access and signage to the Fire Fighter's parking lot to increase security and safety around emergency services' vehicles and training areas.
- Installed a T-Loop system in Council Chambers to support people with hearing loss.

Facilities Management Capital Projects - In Progress

- Progress was made to advance detailed designs regarding the long-term plan for Carnarvon Park. A report to Council outlining the final designs, projected capital and operating costs, and funding strategy is planned for 2026.
- Deconstruction of the old Carnarvon Park Pavillion.
- Progress continues on the Feasibility Study for a new Public Safety Building.
- Renovations and accessibility upgrades to the Cochran's Common's public washrooms on the exterior of Municipal Hall.
- Police station furniture renewals and interior renovations to maximize space utilization.

Facilities Management Capital Projects – Planned in 2026

- Upgrade the bike shelter for Oak Bay Recreation Centre patrons.
- Explore options to improve the air quality and temperature for users as well as the efficiency of the space in the fitness centre at Oak Bay Recreation Centre.
- Install a new bike/stroller shelter at Windsor Park.
- Complete verification of Facilities Condition Assessment data gathered in 2025 and develop long-term lifecycle costing and capital plans for building system investments for all District buildings.
- In partnership with Public Works and Engineering, engage a consultant to conduct a technical Business Analysis to identify regulatory requirements for the Public Works Yard.
- Detailed Engineering and design to replace the end of life Monterey Centre Library HVAC system. Analysis will consider an energy efficient Heatpump.
- Detailed Engineering and design to replace the end of life Municipal Hall boiler system. Analysis will consider an energy efficient Heatpump which would add cooling capacity to the building.
- Procure and install an Emergency Generator for the Police and Fire EV Fleet.
- In partnership with Public Works, design and begin the interior and exterior renewals to building systems that are beyond end of serviceable life. Optimize the opportunity to improve floor space utilization.
- Take advantage of available grant opportunities to upgrade to LED lighting in several District buildings.
- Renewal of Windsor Pavilion fire protection sprinkler system.
- Monterey Centre fire alarm system renewal.

Facilities Capital Plan

Capital Purchase/Project	2026	2027	2028	2029	2030
Administrative Facilities					
A0006 Marina Structural Repairs	$2,500,000	$ -	$ -	$ -	$ -
A0009 Municipal Hall External Washrooms	138,000	-	-	-	-
A0011 Municipal Hall Boilers Replacement (HVAC)	1,400,000	-	-	-	-
B0000 Facilities General Capital Program	500,000	500,000	500,000	500,000	500,000
B1000 Public Works Office & Storage Building	280,000	300,000	-	-	-
B2302 Recycle Yard Fence Improvements	85,000	-	-	-	-
B2308 Public Works Feasibility Study	50,000	75,000	-	-	-
F0004 Fire/Police Emergency Generator	325,000	-	-	-	-
F2206 Fire Hall/Police Station - Feasibility	80,000	-	-	-	-
F2307 Fire Hall/Police Station - Design/Build	275,000	1,000,000	20,000,000	15,000,000	7,000,000
L0001 Library HVAC Replacement	1,100,000	-	-	-	-
Total	**$6,733,000**	**$1,875,000**	**$20,500,000**	**$15,500,000**	**$7,500,000**

Capital Project Descriptions

Marina Structural Repairs

The Oak Bay Marina lands and facilities are owned by the District of Oak Bay. The buildings need ongoing maintenance to keep them operational. A recently completed draft Facility Condition report identified capital maintenance needs of the facility. Only urgent and required capital maintenance is planned until further decisions are made about the future of Turkey Head.

Municipal Hall Exterior Washrooms

Gutting of the two washrooms and concrete floor removal and replace all under-slab plumbing. Reconstruction of the washrooms would utilize highly durable vandalism resistant fixtures, materials, and finishes as well as upgrade the washrooms to the most current barrier free accessibility standards such as auto-door openers and hands-free fixtures.

Facilities General Capital Program

The general capital program for maintenance on existing facilities is funded by the infrastructure renewal reserve.

Public Works Building Office Renewal (new)

Improving the office space furniture with more modern new items, adding another meeting room, making better use of the second-floor space and completing additional office space for staff who will be involved in the Preventative Maintenance program. This space will allow installation of computers for outside staff giving greater access to District asset information and to update their work information daily.

Recycle Yard Fencing

To upgrade the fence at the Public Works Recycle area to a sound dampening concrete fence and rebuild the retaining wall.

Public Safety Building EV Fleet Emergency Generator (new)

Emergency Generator for Police and Fire EV Fleet. A dedicated, ground mounted 100kW to 150kW diesel generator for emergency power to the Police/Fire fleet EV chargers as well as providing emergency power to the Ladder Apparatus Garage. Risk mitigation for the EV Fleet during long term power outages in the event of a disaster impacting the local Hydro power supply. Price includes civil work and concrete base pad, underground conduit, and automatic transfer switch. Generator can be relocated to the new Public Safety Building, so long term capital cost is protected. Lifecycle costing is approximately $500 per year for maintenance (plus any fuel used).

Public Safety Building – Design & Build

Early stages of scoping and estimating a combined facility to house both Fire and Police detachments, with consideration of an emergency operations center. Conceptual or Class D estimates have not been produced. The budgets represent an estimate for a feasibility study; estimates will be revised upon initial scoping and again in later in the design stage.

Library HVAC Replacement (new)

In co-ordination with the Monterey Recreation Centre Roofing Replacement project (anticipated to be in 2026 or 2027), renew the Library RTU which is past the end of its life and at risk of failure, with an energy efficient heat pump and DDC control systems. Replace the Apartment corridor pressurization fan with a Heat pump system to manage tempering the Air (heating and cooling). Note: The Engineering assessment work is already underway to assist in refining overall scope and budgets.

Financial Services, Information Technology, and Asset Management

The Finance, Information Technology, and Asset Management functions operate under the leadership of the **Chief Financial Officer (CFO)**. Together, these areas safeguard the District's financial sustainability, technological infrastructure, and physical assets.

The CFO is responsible for the overall financial stewardship of the District, including long-term financial planning, fiscal policy implementation, and ensuring alignment with Council's strategic and infrastructure priorities.

The department is organized into three distinct functional areas:

Financial Services

Financial Services is responsible for the systems and processes that support the financial well-being of the district. The division provides financial advice and reporting to Council, staff, and the public, and coordinates expenditures through procurement and the annual budget process.

Core responsibilities include:

- Preparation of financial statements and financial reporting.
- Property taxation and utility billing administration.
- Accounts payable and accounts receivable.
- Payroll administration.
- Insurance and risk management. **Insurance and risk management budget transferred to Financial Services in 2026 to align oversight with corporate financial governance and risk administration.*
- Debt issuance and management.
- Cash flow management to support the Five-Year Financial Plan.
- Asset management planning to ensure long-term infrastructure sustainability.
- Financial Services also delivers front counter financial services to the public and ensures that financial resources are available for long-term infrastructure replacement in accordance with Council direction.
- **Parking operations budget has been reallocated from Financial Services to Building & Planning to align program oversight with operational responsibility.*

Information Technology

The Information Technology division provides corporate-wide technology services to support secure, reliable, and modern service delivery.

Core responsibilities include:

- Network design and infrastructure management
- End-user training and technical support
- Network and cybersecurity oversight
- Software implementation and systems integration
- Business analysis and technology project support
- The division also manages and replaces a substantial inventory of IT hardware, including desktop computers, laptops, mobile devices, printers, servers, and telecommunications equipment.

Asset Management

Asset Management is responsible for the stewardship, maintenance, and lifecycle planning of the district's buildings and major assets. This includes administrative facilities, public safety facilities, and other municipal infrastructure.

The division supports long-term infrastructure planning, capital renewal programs, preventative maintenance, energy management initiatives, and compliance with regulatory requirements.
Its mandate is to preserve asset value, manage lifecycle risk, and ensure facilities remain safe, functional, and aligned with service delivery needs.

Statistics

Performance Measure	2024 Actual	2025 Actual
$ Property Taxes Levied	$61.7M	$68.1M
# Taxable Folios	6,890	6875
# Home Owner Grants Claimed	4,360	4401
# Tax Deferment Applications	1,399	1352
# Cash Receipts/Bank Transactions	31,250	37,266
# T4s and T4As Issued	803	812
# Accounts Payable Invoices	12,500	10,980

Department Staffing

Position	2025 FTE (Restated)	2026 FTE	2026 Change
Chief Financial Officer			
Director of Finance and Asset Management	1	1	0
Financial Services			
Deputy Director of Financial Services	1	1	0
Manager of Financial Operations	1	1	0
Manager of Financial Planning	1	1	0
Procurement Manager	1	1	0
Senior Financial Analyst	1	1	0
Financial Analyst	1	1	0
Payroll Specialist	1	1	0
Payroll Clerk	0	0.6	0.6
Accounts Payable Clerk	1	1	0
Utility Billing Clerk	1	1	0
Tax Clerk	1	1	0
Accounting Clerk	0.5	0.5	0
Financial Service Clerk	1	1	0
Information Technology			
Manager of IT Projects (term)	1	1	0
Information Technology Manager (succession)	0	1	1
Information Technology Technician	1.33	1	-0.33
Total	**14.83**	**16.1**	**1.27**

1. The Full-Time Equivalent (FTE) positions shown represent staff reporting to the department and reflect ongoing staffing obligations. In some cases, related salary and benefit costs are funded from sources outside the department's operating budget, including capital funding, cost recovery, or allocations administered by other departments. Auxiliary, on-call, term, and other temporary positions are excluded.
2. Prior-year FTEs restated to current reporting structure; comparatives may differ from prior annual plans (see Workforce Planning and Organizational Structure Section).

2025 Accomplishments

Financial Services and Asset Management

- Completed Development Cost Charge and Amenity Cost Charge bylaw development, bylaws implemented for 2025.
- Completed Phase 1 Comprehensive Asset Management Plan, launched Phase 2.
- Completed transition to in-house procurement model, launched standards and legal review.
- Designed and onboard enhanced financial services, resources to support project delivery, investment and debt management along with asset management and long-term financial planning.
- Completed Council Debt Management Policy, commencing development of District financial strategy and advancing required borrowing bylaws.

Information Technology

- User Licensing audits and agreements reviewed.
- Executed network hardware upgrades and replacements with zero downtime, improving overall connectivity and performance.
- Implemented Mobile Device Management to control, secure and monitor mobile devices for policy enforcement, track devices, deploy apps, and protect sensitive information.
- Remediated Vadim cost structure to provide balanced operating and capital budgets for all departments, offering daily access to department variance results (refresh weekly).
- Launched IT Staff Advisory Committee to review District AI policy options, evaluate state of technology strategy and complete initial IT risk assessment.
- Review of the District's risks surrounding Information Technology (IT) and Cyber Security.

Goals, Objectives, and Performance Measures

Linked Council Priorities:

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

Unit Goal:

Ensure the long-term financial health and accountability of the District through sound financial management, transparent reporting, and continuous improvement of financial systems and processes.

Objectives:

O1: Achieve GFOA Distinguished Budget Presentation Award (unqualified) by the 2026 submission cycle.
O2: Canadian Award for Financial Reporting.
O3: Complete Phase 2 Comprehensive Asset Management Plan and launch Enterprise Asset Management System development by Q4 2026.

Objectives Continued:

O4: Develop District Technology Strategy and IT Master Plan by Q4 2026.
O5: Remediate Capital Project Cost Management in Vadim, with GL remediation.
O6: Assess readiness for deferred budget software project.
O7: Complete role and responsibility review, develop procedures.
O8: Maintain long term infrastructure forecast.
O9: Complete development of cash management tool, with investment scenario planning model.
O10: Complete development of automated and auditable approvals tracking tool for procurement compliance.
O11: Procurement support for capital project delivery.
O12: Support Staff Advisory Committees continued work on District AI policy options and IT risk register maintenance.
O13: Advance technology investment evaluation criteria.
O14: Remediate and patch systems.
O15: Migrate to new hybrid IT resource model and resource project.

Performance Measures

Measure	Objective	Type	2024 Actual	2025 Actual	2026 Target	Trend
Efficiency Measures and Workload Context						
Help Desk Tickets		Efficient	845	1045	~1050	→ Stable
Effectiveness Measures						
GFOA Budget Award status	O1	Effective	Awarded	Awarded	Awarded	→ Maintain
Canadian Awared for Financial Reporting	O2	Effective	Awarded	Awarded	Awarded	→ Maintain
Average network uptime (all sites)		Effective	99.98%	100%	100%	→ Maintain

Financial Services, IT, and Asset Management Operating Budget

Overall, the Finance Department's operating budget requires a 19.1% ($462,375) funding increase to maintain existing service levels and extend supported service. Financial system renewal will include enhancement of capital and grant tracking and financial plan software functionality.

Operating Expense Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Special Initiatives
Revenue						
Finance Department	$(32,993)	$(33,750)	$(31,200)	$2,550	-7.6%	
Revenue Total	**(32,993)**	**(33,750)**	**(31,200)**	**2,550**	**-7.6%**	
Operating Expenses						
Finance General	1,487,711	1,424,922	1,534,650	109,728	7.7%	100,000
Information Technology	645,701	735,992	1,078,389	342,397	46.5%	153,750
Risk Management	229,301	287,500	295,200	7,700	2.7%	-
Operating Expenses Total	**2,362,713**	**2,448,414**	**2,908,239**	**459,825**	**18.8%**	**253,750**
Net Operating Budget	**$2,329,720**	**$2,414,664**	**$2,877,039**	**$462,375**	**19.1%**	**$253,750**

The following special initiatives are operating projects delivered by Finance and IT. The projects include both Council Priority Projects and regular operating projects within each department. All projects reflect Council direction and in some cases are a carry forward of work underway.

Special Initiatives	2026
Council Priorities	
SP042 CPP25 Asset Management Plan	$100,000
Council Priorities Total	100,000
Other Projects	
SP088 Information Technology Strategy	153,750
Other Projects Total	153,750
Total	**$253,750**

The following table provides a reconciliation of the operating budget cost drivers:

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget	$2,448,414			
+ Inflationary Increase	76,765	3.1%	0.2%	$10
+ Budget transfer to Facilities Management	(172,968)	-7.0%	-0.4%	-$21
+ Core Budget Request-IT Manager term to permanent 0.67 FTE	146,100	6.0%	0.3%	$18
+ Core Budget Request-Business Analyst 2-year term	106,100	4.3%	0.3%	$13
+ Core Budget Request-Accounting Clerk & Payroll Time Entry 1.1 FTE	42,900	1.8%	0.1%	$5
+ Annualization of prior year staffing and step increases	99,000	4.0%	0.2%	$12
+ Software and maintenance	75,528	3.1%	0.2%	$9
+ Consulting, legal, audit	54,200	2.2%	0.1%	$7
+ Insurance, cyber insurance	26,200	1.1%	0.1%	$3
+ Training	6,000	0.2%	0.0%	$1
Total Change	459,825	18.8%	1.1%	$57
= 2026 Finance, IT & Asset Management	**$2,908,239**	**18.8%**		

Financial Services, IT, and Asset Management Capital Plan

Information Technology Capital Projects Placed into Service in 2025

- Replaced 63 computers and 46 monitors to staff.
- Replaced three wireless access points.
- Replaced UPS units.

Information Technology Capital Projects - In Progress

- Exploring options to upgrade or replace our current phone system. The existing system has reached end of life and will require either an upgrade or the procurement of a new solution, whether cloud based or on premise.

Information Technology Capital Projects – Planned in 2026

- Procurement of a failover server to ensure continuity of operations in the event of a primary server failure and to reduce overall business continuity risk.
- Annual hardware replacement and peripherals.
- 33% of wireless access points will reach end of life this year and require replacement.
- Fleet of wireless access points require license renewal.
- Revisit the requirements for asset management software and assess the resources needed for implementation prior to issuing a RFP.

Capital Purchase/Project	2026	2027	2028	2029	2030
Finance, IT & Asset Management					
I0002 IT Network & Other IT Hardware	$282,000	$154,000	$ -	$8,600	$ -
I0003 PC Hardware Replacement	103,600	103,600	103,600	103,600	103,600
I0006 IT Project Mgmt-Division Projects	170,000	170,000	170,000	170,000	170,000
I0009 New PC Hardware	30,000	30,000	30,000	30,000	30,000
I0010 Desktop Phone Replacement	60,000	-	-	-	-
I2301 Asset Management Software	100,000	50,000	-	-	-
Total	**$745,600**	**$507,600**	**$303,600**	**$312,200**	**$303,600**

Capital Project Descriptions

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.

IT Project Management Division
The IT Project Management Division was created in late 2020. Most 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.

New PC Hardware for new Employees
As the District expands its workforce to support the increased operational demands required to maintain current service levels, additional PC hardware workstations are required to equip new staff members.

Desktop Phone Replacement
To replace existing desktop phone system that is at end of life for which replacement or new components are no longer available.

Asset Management Software Implementation
In conjunction with the Comprehensive Asset Management Plan, this project would fund a scoping and implementation of Asset Management Software. An organization's asset management needs are unique and complex and must harmonize with other Enterprise Resource Planning software and existing service levels. Asset Management software will likely require additional staffing resources to maintain. Council will therefore be consulted prior to implementation.

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 wider community, leading to the sharing in the delivery of police services. The Department pledges to treat all people equally and 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.

Statistics

Offence	2023	2024	2025
Robbery	1	0	3
Assaults	31	24	34
Sexual Assaults	12	11	7
Utter Threats	15	15	13
Break and Enter – Business	11	5	2
Break and Enter – Residence	17	16	9
Break and Enter – Other	12	1	6
Theft of Motor Vehicle	7	8	8
Theft from Motor Vehicle	39	26	30
Theft of Bike	28	10	26
Theft Under $5,000	61	57	81
Fraud	58	43	52
Mischief	119	152	113
Cause Disturbance	18	19	29
Counterfeit Currency	0	1	1
Trespass at Night	1	2	3
Breach/Bail Violations	16	12	17
Drug Possession	1	0	0

Statistics Continued

Offence	2023	2024	2025
Impaired Drivers (CC and 90-day IRP)	10	8	8
Bylaw Infractions	206	158	174
Parking Violations	63	106	80
Collisions	94	106	82
Assist Public	632	740	634
Lost and Found	309	239	315
Suspicious Person	347	317	271
False Alarms	224	165	127
Liquor Offenses	29	11	11
Property Check Program	120	125	111
Violation Tickets/Warnings Issued	829	760	813
Police Metrics	**2023**	**2024**	**2024**
Pedestrian Injury Collisions	2	3	4
Total Injury Collisions	16	14	13
Total Number of Collisions	94	106	82
Number of Injured Cyclists	5	5	4

Department Staffing

Position	2025 FTE	2026 FTE	2026 Change
Chief Constable	1	1	0
Deputy Chief Constable	1	1	0
Inspector	0	1	1
Sergeant	5	5	0
Constable	15	15	0
Total Strength	**22**	**23**	**1**
Civilian Support Staff	4	5	1
Reserve Constables	4	4	0
Total	**30**	**32**	**2**

1. New positions reflected in the 2026 FTE schedule were included in the Oak Bay Police Board's 2026 provisional budget and were approved by Council on November 10, 2025, in accordance with the Police Act budget approval process.

2025 Accomplishments

- Established the Community Support Team, which includes a Community Officer, School and Youth Officer, General Investigative Services Sergeant and General Investigative Services Constable.
- Continued participation and support of the regional Greater Victoria Police Foundation Junior and Senior Police Camps.
- 44% decrease in reported residential break-ins.
- All operational female police officers attended the Women in Policing Leadership Conference.
- Expanded OB Rec Teen Center youth connection opportunities to include after school time.
- Over 95% of all uniformed Oak Bay Police Officers are now Bicycle Patrol Trained. "Project Sea Watch" was successfully launched to improve safety, education and connection with our Marine community members.
- Implemented a new, more efficient scheduling system to track training, leave and overtime.
- Increased available and ongoing leadership training and development opportunities to all members of our team. Delivered road safety education programs and initiatives including high-speed traffic enforcement and distracted driving and impaired driving campaigns throughout 2025.

Goals, Objectives, and Performance Measures

Linked Council Priorities:

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

Accessibility, Diversity & Inclusion – Cultivate accessibility, diversity and inclusion and ensure a sense of community belonging and safety for people of all abilities, identities, ages and backgrounds

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

Unit Goal:
Ensure the long-term financial health and accountability of the District through sound financial management, transparent reporting, and continuous improvement of financial systems and processes.

Objectives:

O1: Reintegrate Major Crimes Investigations, Records Services, and Mandatory Use of Force Training back into the Oak Bay Police Department to enhance service delivery and increase autonomy.
O2: Negotiate a new collective bargaining agreement.
O3: Implement a "Bait Bike" initiative as a focused strategy to deter and prevent bicycle theft in the community.
O4: Revitalize the community Block Watch Program and broaden volunteer opportunities to empower residents and strengthen neighbourhood-based crime prevention efforts.
O5: Enhance proactive road safety and traffic enforcement campaigns, with an emphasis on curbing high-speed driving, distracted driving, and impaired driving.
O6: Increase officer training using speed enforcement equipment to support efforts to prevent speed-related offences and risk to community safety.
O7: Broaden community education sessions to cover relationship safety, child exploitation, cybercrime, online scams, and fraud prevention.
O8: Strengthen relationships with the business community to collaboratively address crime prevention, including CPTED evaluations, programs, and strategies to reduce thefts and frauds.

Objectives Continued:

O9: Continue to support connections with youth by running the Oak Bay Teen Drop-in Centre and strengthening relationships within the school community.

O10: Continue to support ongoing leadership and professional development opportunities for all staff.

Oak Bay Police Department Operating Budget

Overall, the Police Department's operating budget requires a 16.3% ($1,134,770) funding increase to maintain existing service levels, including an increase to force of 2 FTE, and increased operating agreement obligations. The Provisional Police Budget was approved by Council on November 10, 2025, and is reflected below.

Operating Expense Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change
Police Board	$13,252	$12,000	$61,700	$49,700	414.2%
Police Administration	916,360	796,300	824,160	27,860	3.5%
Protective Services	5,498,800	5,314,200	6,252,850	938,650	17.7%
Community Program	14,387	$22,100	22,100	-	0.0%
Integrated Units	56,947	510,000	521,000	11,000	2.2%
Police Building Maintenance	51,092	77,600	71,070	(6,530)	-8.4%
Vehicle Maintenance	38,939	56,100	68,650	12,550	22.4%
Operating Expenses Total	**6,589,777**	**6,788,300**	**7,821,530**	**1,033,230**	**15.2%**
Transfer to reserve for Retirement	6,900	6,900	4,440	(2,460)	-35.7%
Transfer to Capital Replacement Reserve – Police Vehicles and Equipment	102,900	102,900	200,000	97,100	94.4%
Transfer to Major Crimes Reserve	84,900	84,900	91,800	6,900	8.1%
Operating Expenses and Reserve Transfers Total	**$6,784,477**	**$6,983,000**	**$8,117,770***	**$1,134,770**	**16.3%**

*This budget is $39,000 less than the council approved total due elimination of short-term equipment financing. This financial plan internally funds planned vehicle acquisitions.

The following table provides a reconciliation of the operating budget cost drivers:

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget	$6,983,000			
+ Police Board	$49,700	0.7%	0.1%	$6
+ Police Administration	27,860	0.4%	0.1%	$3
+ Inspector / Civilian Support Staff + 2.0 FTE	414,200	5.9%	1.0%	$52
+ Benefit rate adjustments	286,650	4.1%	0.7%	$36
+ Service agreements, E-COMM, operating supplies and safety equipment	237,800	3.4%	0.6%	$30
+ Integrated Units	11,000	0.2%	0.0%	$1
+ Building and vehicle maintenance	6,020	0.1%	0.0%	$1
+ Transfers to reserves	101,540	1.5%	0.3%	$13
Total Change	1,134,770	16.3%	2.8%	$141
= 2026 Police Services	**$8,117,770**	**16.3%**		

Police Department Capital Plan

Capital Purchase/Project	2026	2027	2028	2029	2030
Police Vehicles					
P0001 Police Vehicle Replacement	$45,000	$ -	$ -	$ -	$ -
P0100 PC70 Dodge Durango SUV Slick Top-GIS/CST	90,000	-	-	-	-
P0101 PC77 EV SUV for GIS/CST/Admin	80,000	-	-	-	-
P0102 Cargo Trailer	10,000	-	-	-	-
P0103 2020 Ford Explorer Fully Marked Replacement	-	120,000	-	-	-
P0105 2019 Nissan Leaf EV-Admin Replacement	-	70,000	-	-	-
P0104 2021 Kia Niro EV Fully Marked Replacement	-	-	120,000	-	-
P0107 Electric Bikes Replacement	-	-	11,000	-	-
P0106 2022 Ford Mustang EV Fully Marked Replacement	-	-	-	-	140,000
Police Vehicles Total	**225,000**	**190,000**	**131,000**	**-**	**140,000**

Police Department Capital Plan Continued

Capital Purchase/Project	2026	2027	2028	2029	2030
Technology and Traffic Enforcement Equipment					
P0002 Police Computer Equipment Replacement	65,300	25,000	111,000	26,500	-
P0003 Police Traffic Enforcement Equipment	-	55,000	25,000	-	-
P0201 Body Worn Cameras	-	-	185,000	-	-
P0202 Cell Phones	-	-	37,200	-	-
P0203 Radios	-	-	-	-	144,000
Technology and Traffic Enforcement Equipment Total	**65,300**	**80,000**	**358,200**	**26,500**	**144,000**
Firearms					
P0501 Less Lethal Bean Bag Shotguns	40,000	20,000	-	-	-
P0503 Carbine Rifles Replacement	6,000	12,000	-	-	-
P0502 Taser 10s & Storage (15)	-	150,000	-	-	-
Firearms Total	**$46,000**	**$182,000**	**$ -**	**$ -**	**$ -**
Police Facilities					
P0004 Police Building Repairs	$100,000	$ -	$ -	$ -	$ -
P0401 Office Desk/Workstation Replacement	47,000	-	-	-	-
P0402 Verkada Door Security/Cameras	65,000	-	-	-	-
P0403 Foyer/Bathroom Renovation	-	20,000	-	-	-
P0404 Exhibit Storage/Basement/Bike Room	-	30,000	-	-	-
P0405 Atco Trailer Interview Room/Office	-	200,000	-	-	-
Police Facilities Total	**212,000**	**250,000**	**-**	**-**	**-**
Total	**$548,300**	**$702,000**	**$489,200**	**$26,500**	**$284,000**

Capital Project Descriptions

Police Vehicle Replacement

The Police Department maintains a small fleet of patrol vehicles and administrative vehicles. The replacement cycle of these vehicles ranges from 6 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 Technology 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 expenditure.

Police Firearms (new)

Purchase of 2 Colt C8 AR15 Rifles and 4 40mm Launchers to replace existing Bean Bag Shotguns. Recommended by the Use of Force/Firearms Training Team and Sergeants.

Police Facilities

The Police Department operates out of an ageing facility and plans for maintenance work and building enhancements to allow for safe and efficient use of space. In 2026 Building improvements will include a new security system $65,000 and renovations for workstations and Men's changeroom/gender neutral washroom for $147,000.

Fire and Emergency Services

The Oak Bay Fire Department was established in 1938, enacted by Bylaw 848. The Fire Hall is located at 1703 Monterey Avenue. At present, the Fire Department employs 31 career firefighters and two support personnel. Oak Bay Fire Department is a direct provider of fire, rescue and medical first responder emergency services along with non-emergency services to the following:

- Residents of the District of Oak Bay.
- Businesses and customers located within the District of Oak Bay.
- People 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 Esquimalt Fire Department.

The Fire Department is staffed 24 hours, seven days a week with a minimum of five firefighters on duty. 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 also provides the after-hours call answering services for Public Works and Parks emergencies such as: flooding from a broken water line, a serious sewer leak, or municipal trees fallen across a public road or path.

Statistics

Performance Measure	2023	2024	2025
Response to Requests for Assistance • Fire and Other • Medical	1382 579 803	1481 662 819	1520 631 889
Number of Reportable Fires to the Office of the Fire Commissioner	27	29	31
Fire related injuries - civilian	1	1	0
Fire related fatalities	0	0	0
University of Victoria • Response to Requests for Assistance	74	84	67

Department Staffing

Position	2025 FTE (Restated)	2026 FTE	2026 Change
Fire Chief	1	1	0
Deputy Fire Chief	1	1	0
Assistant Chief	1	1	0
Captain (Fire Prevention Officer)	1	1	0
Platoon Captain	0	4	4
Lieutenant	4	4	0
Firefighter	23	20	-3
Emergency Program Manager	1	1	0
Fire Clerk	1	1	0
Total	**33**	**34**	**1**

1. Prior-year FTEs restated to current reporting structure; comparatives may differ from prior annual plans (see Workforce Planning and Organizational Structure Section).
2. New positions reflected in the 2026 FTE schedule arise from service requirements identified in the Fire Capacity Master Plan endorsed by Council and were subsequently incorporated into budgets approved by Council through the annual financial planning process.

2025 Accomplishments

- Implemented incident Resource Allocation Plan (RAP) to support Right Sized response vehicle.
- Completed internal Succession Planning Expression of Interest.
- Replaced Fire Prevention vehicle with a Hybrid.
- Completed initial update of Fire Department and Emergency Program website.
- Completed Fire Station improvements for washrooms, offices and dorms to support a more accessible workplace.
- Co-Hosted Regional Emergency Preparedness Fair.
- Implemented new Emergency Management Planning Committee to support District EM.
- Updated Municipal Emergency Response Plan.
- Initiated multi-year emergency management/Emergency Operations Center training plan.

Goals, Objectives, and Performance Measures

Linked Council Priority:

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

Unit Goal:
Protect public safety and property through responsive, well-equipped fire, rescue, and medical first responder emergency services, while maintaining community preparedness and supporting a safe, professional workforce.

Objectives:

O1: Complete joint (multi-department) Fire Fighter Recruitment.
O2: Support completion of Public Safety Building Feasibility Study.
O3: Complete Fire Hall multi-purpose space to support Department and Municipal Operations Center and training classroom.
O4: Create secure structural firefighting training opportunity.
O5: Install turn-out gear extractor/cleaning equipment to reduce PPE life-cycle replacement and cleaning costs and out of service periods.
O6: Implement Medic right sized response vehicle.
O7: Repurpose Squad Unit to support site Rehab and Confined Space Operations.

Objectives Continued:

O8: Develop firefighter education assistance program to support succession planning.
O9: Complete external fleet services contract to support new Engine, Ladder and after-hours emergency requirements.
O10: Complete community emergency preparedness survey.
O11: Continue multi-year EM/EOC training plan.

Performance Measures

Measure	Objective	Type	2024 Actual	2025 Actual	2026 Target	Trend
Effectiveness Measures						
Fire and Life Safety Inspections		Effective	672	672	672	→ Stable

Fire Protection Operating Budget

Overall, the Fire Department's operating budget requires a 13.5% ($795,769) funding increase to maintain existing service levels and implement the workforce plan.

Operating Expense Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Special Initiatives
Fire Administration	661,332	772,130	$880,633	$108,503	14.1%	$18,500
Fire Facilities	84,220	50,600	54,110	3,510	6.9%	
Fire Prevention	199,832	167,052	193,070	26,018	15.6%	-
Fire Suppression & Rescue	4,691,505	4,538,187	5,185,362	647,175	14.3%	-
Fire Vehicles & Equipment	128,649	98,500	98,850	350	0.4%	-
Training & Staff Development	50,812	67,800	62,220	(5,580)	-8.2%	-
Emergency Program	220,398	191,260	207,053	15,793	8.3%	-
Total	**$6,036,748**	**$5,885,529**	**$6,681,298**	**$795,769**	**13.5%**	**$18,500**

The 2026 budget reflects, in addition to year-over-year changes, new IAFF contract rates effective up to December 31, 2024. The contract went into effect in 2025, resulting in higher wage costs for the 2026 budget.

Special Initiatives	2026
Other Projects	
SP065 Community Emergency Prep Survey	$18,500
Total	**$18,500**

The following table provides a reconciliation of the operating budget cost drivers:

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget Operating Expense	$5,885,529			
+ Contract settlement (2021-2024)	400,260	6.8%	1.0%	$50
+ Staffing increase per workforce plan	225,700	3.8%	0.6%	$28
+ Annualization of prior year staffing, rank increases, benefits	160,800	2.7%	0.4%	$20
+ Uniforms, supplies, and contracted services	9,009	0.2%	0.0%	$1
Total Change	795,769	13.5%	2.0%	$99
= 2026 Fire and Emergency Services	**$6,681,298**	**13.5%**		

At the January 16, 2023 Committee of the Whole meeting, Council received a presentation on the Oak Bay Fire Capacity Master Plan. The Plan outlined organizational model options which, if implemented, would have future staffing implications. At the same meeting, Council resolved that staff report back to a future Council meeting with an impact analysis and phased implementation plan based on the consultant's recommendation to move to Organizational Model Option 3 (Section 10).

Council subsequently approved a 0.75% tax increase (approximately $247,500) at the February 12, 2024 Council meeting to support new staffing beginning in 2024. Council also approved continued funding for implementation in 2025 (approximately $247,500) and forecast funding for 2026–2029 (approximately $184,800 annually).

Funding associated with the phased implementation of the Fire Capacity Master Plan incorporated into successive annual Financial Plans.

For 2025, the master plan 0.75% rate increase ($247,500) approved by Council on January 15, 2024, was subsequently reduced to 0.35% during March 13, 2025, budget deliberations, lowering the increase by $123,750.

	2024	2025	2026	2027	2028	2029
$ funding increase	$247,500	$123,750	$225,700	$251,000	$271,000	$297,000
% tax increase (based on 2023 taxes)	0.75%	0.35%	0.56%	0.56%	0.56%	0.56%

Fire and Emergency Services Capital Plan

Capital Purchase/Project	2025	2026	2027	2028	2029
Fire Equipment					
F0012 Thermal Imaging Protective Equipment	$40,000	$ -	$ -	$ -	$ -
F0015 Structural Training Equipment	50,000	-	-	-	-
F0020 SCBA Compressor Replacement	120,000	-	-	-	-
F0022 Turnout Gear Extractor & Dryer	55,000	-	-	-	-
F2205 Mobile Data Terminals	50,000	-	-	-	-
F2302 Personal Protective Equipment (PPE)	50,000	35,000	35,000	19,000	-
F2601 Wildland Fire Response Equipment	-	35,000	-	-	-
F2201 Gas Detection Equipment	-	60,000	-	-	-
F2309 Technical Rescue Equipment	-	55,000	-	-	-
F2401 Vehicle Extraction Equipment	-	-	50,000	-	-
F2501 Fire Hose and Appliance Replacement	-	-	60,000	-	-
F0021 SCBA Replacement (PPE)	-	-	-	500,000	-
F0023 Automated External Defibrillator	-	-	-	-	25,000
Fire Equipment Total	**365,000**	**185,000**	**$145,000**	**$519,000**	**25,000**
Fire Facilities					
F2503 Fire Hall Kitchen Improvements	25,300	-	-	-	-
Fire Facilities Total	**25,300**	**-**	**-**	**-**	**-**
Fire Vehicles					
F2204 Electric/Hybrid Vehicles	99,000	-	-	-	120,000
Total Fire Vehicles Total	**99,000**	**-**	**-**	**-**	**-**
Total	**$489,300**	**$185,000**	**$145,000**	**$519,000**	**$145,000**

Capital Project Descriptions

Thermal Imaging Equipment (new)

Specialized camera devices that allow firefighters to detect heat patterns and visualize temperature variations in environments that may be otherwise obscured by smoke, darkness, or other challenging conditions. It can be used to locate victims and fire sources and/or hot spots, and navigating in low visibility environments. This will replace equipment that has reached end of life.

Structural Training Equipment (new)

Customizable equipment such as moveable walls, props, etc used to create a simulated environment for firefighters to practice interior search and rescue skills in an unfamiliar environment. This equipment will be used in the Ladder Storage structure and/or Structural Training Structure in conjunction with a smoke machine.

SCBA Compressor

The service company for our SCBA compressor has informed us the unit has reached end of life and requires replacement. This is non-discretionary equipment and is the only unit we have to refill our SCBA bottles which is required PPE for firefighting. Unplanned maintenance/repair costs are escalating and resulting in increased periods of down time.

Turnout Gear Extractor & Dryer

Firefighting turnout gear (PPE) contaminated during firefighting requires cleaning before returning to service. A turnout gear extractor is a specialized high rpm commercial grade washing machine that can safely clean turnout gear in accordance with manufactures requirements. A commercial PPE dryer is also required that meets manufacture requirements, ensuring gear does not get damaged during the drying process. Currently our contaminated PPE is couriered to Vancouver for commercial cleaning and then couriered back to OBFD. This commercial service is very costly and results in our staff requiring a 2nd set of PPE to ensure they always have access to clean PPE. (Purchase of this equipment should result in a reduction in operating costs for turnout gear cleaning and lower capital costs with the option to restructure our PPE inventory/replacement cycle as gear can be returned to service much sooner and less overall sets being required).

Mobile Data Terminals

Replacement of existing Mobile Data Terminals on Fire Apparatus is required 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.

Fire Personal Protective Equipment

This capital program includes firefighter turn-out gear which is required personal protective equipment (PPE). All firefighters are equipped with 2 sets of PPE to maintain safe and effective operations.

Wildland Fire Response Equipment

Funding is required to enhance OBFD's wildland fire fighting capacity and establish new post disaster capabilities and equipment for our community. Funding will enable the purchase of wildland firefighting equipment/tools that will ensure a reliable water supply and enhanced suppression capabilities for wildland fires located in District parks, trail systems, beaches and grassy areas. The portable pumps and bladder systems will allow our rolling stock (Engine apparatus) to be positioned outside the areas of greatest risk during a wildland event.

Gas Detection Equipment (new)

Specialized devices to detect hazardous gases and toxic vapors in the environment during fire or emergency situations. Equipment also includes required testing and calibration equipment and this will replace equipment that has reached end of life.

Technical Rescue Equipment

Specialized equipment used for confined space rescue. Equipment includes items such a tripods, rope/pulley systems, patient packaging systems, closed communication and air supply systems. Some existing equipment has reached end of life and requires replacement while other purchases are for new technology.

Vehicle Extraction Equipment

Rescue Tools (aka, Jaws of Life) used by firefighters to free victims trapped inside vehicles involved in accidents/crashes. This includes heavy duty hydraulic equipment, high pressure air bags and associated hand tools and stabilization equipment. This is replacement equipment for gear that has reached end of life.

Fire Hose and Appliances

This is regular lifecycle replacement of end-of-life fire hose and related equipment. This supports standardization of equipment aligned with industry best practices and includes supply lines, attack lines, apartment packs, nozzles and related appliances required to flow water for firefighting operations.

Self-Contained Breathing Apparatus (SCBA)

SCBA is required firefighting PPE to conduct firefighting and interior rescue operations. Our current equipment is approaching end of service life and requires replacement. Equipment includes SCBA harness assembly, regulator, face masks, air bottles, SKA rescue packs/bottles and verification of interoperability with our mutual aid partners.

Automated External Defibrillator (AED)

The Departments inventory of AED's is approaching life-cycle replacement. This is essential lifesaving equipment for the medical first responder program and greatly improves our effectiveness at cardiac arrest incidents.

Fire Hall Kitchen Improvements

The fire hall kitchen requires improvements to replace countertops, cabinet doors etc. to prolong the life of the kitchen until a new public safety building is constructed. The kitchen is utilized by up to 12 staff day and night, 365 days a year.

Hybrid Truck

The Fire Prevention Division requires a replacement vehicle that can support routine inspections, operations and investigations. A suitable all-wheel drive vehicle will be researched that can also be equipped with an emergency response package to support surge events.

Community Building and Planning

The Community Building and Planning Services Department works with Council and the community to create long-range community plans and land use 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 is also responsible for processing Development Applications and Building Permits, supporting applicants through the process. Bylaw Compliance, including Animal Control and Parking Enforcement, are also services provided by the department, educating the public about the expectations from District bylaws and policies.

The department undertakes the following functions and activities:

- Developments, plans, policies and programs that support Council Priority Projects related to the Official Community Plan, Zoning Bylaw, and Building Bylaw.
- Manages and processes building permits and development applications including Board of Variance applications, 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.
- Provide Bylaw Compliance services, including oversight of contracted parking enforcement and animal control.

Statistics and Service Levels

Permit Type	2023	2024	2025
Residential (existing buildings)	191	144	138
Permits for New Dwellings	26	25	63*
Commercial	14	10	8
Institutional	8	6	4
Accessory Buildings (non-residential)	21	13	12
Accessory Structures	3	5	5
Demolition	14	18	20
House Move	3	4	2
Plumbing	202	189	211
Irrigation	31	18	19
Wood Burning Appliances	3	1	0
Blasting	6	6	6
Signs	3	4	5
Renewal	21	12	4
Total	**546**	**455**	**497**

*2025 new dwelling permits include: 1 Family Residential (14), Accessory Dwelling Unit (9), Duplex (3), Triplex/Row House (4), Fourplex/Row House (5), Multi Family Dwelling (10), Secondary Suites (18).

Statistics and Service Levels Continued

Development Applications	2023	2024	2025
Board of Variance	4	4	2
Covenant Amendment	3	3	1
Development Permit	8	6	11
Development Variance Permit	19	15	13
Heritage Addition	2	0	0
Heritage Alteration Permit	6	1	2
Heritage Revitalization Agreement	4	2	1
OCP Amendment	1	3	2
Uplands Siting and Design	12	14	18
Subdivision	1	6	10
Zoning	6	8	10
Total	**66**	**62**	**70**

Bylaw Compliance	2023	2024	2025
Bylaw Complaints Investigated	336	269	205
MTI Tickets issued – Animal Control	23	53	9
MTI Tickets issued – Property Violations	7	8	2
MTI Tickets issued – Tree Protection	6	5	1
MTI Tickets issued – Fire Prevention	9	0	0
Parking Enforcement – tickets	2573	1536	2166

Departmental Staffing

Position	2025 FTE (Restated)	2026 FTE	2026 Change
Director of Community Building and Planning	1	1	0
Deputy Director of Community Building and Planning	1	1	0
Building Official II	1	1	0
Senior Planner	2	2	0
Senior Planner – Climate Action	1	1	0
Planner/Planning Tech	3	3	0
Building Official/Plans Examiner	1	1	0
Building Official / Plan Checker	1	1	0
Bylaw Compliance Officer	1	1	0
Building/Engineering Licensing Clerk	0.5	0.5	0
Building, Planning and Bylaws Clerk	2.8	2.8	0
Total	**15.3**	**15.3**	**0**

1. The Full-Time Equivalent (FTE) positions shown represent staff reporting to the department and reflect ongoing staffing obligations. In some cases, related salary and benefit costs are funded from sources outside the department's operating budget, including capital funding, cost recovery, or allocations administered by other departments. Auxiliary, on-call, term, and other temporary positions are excluded.
2. Prior-year FTEs restated to current reporting structure; comparatives may differ from prior annual plans (see Workforce Planning and Organizational Structure Section).

2025 Accomplishments

Implement the Housing Action Program Council Priority Projects:

- Implemented the Amenity Cost Charges and Development Cost Charges programs.
- Completed mandated Five-Year review of the Official Community Plan for 20 year housing need.
- Advanced Zoning Bylaw changes for 20 year housing need.
- Facilitated mandated Provincial Advisor review Housing Target Order progress.
- Revised Parking Bylaw requirements for multi-unit buildings.
- Established delegated staff approval for certain minor variances.
- Completed Part 1 of Optimize Development Processes project.
- Reported on Housing Target Order progress.
- Complete Phase 2 changes to the Infill Housing Program.

2025 Accomplishments Continued

Climate Action Program implementation:
- Advanced Climate Action Plan (corporate).
- Facilitation of climate action initiatives.

Other Community Planning initiatives:
- Completed Allan Cassidy Design Awards – 2023.
- Reported back on Blasting Regulations amendments.
- Participate in CRD Climate Action Roundtable, CSPC Regional Household Affordability and Prosperity project; CRD Bowker Creek Initiative, CRD Development Planners Advisory Committee.
- Prepared other eApply options for Building Permit types.
- Advanced Home Based Business review in conjunction with OCP review.
- Developed miscellaneous bylaw and policy updates (Real Estate Offices Zoning Bylaw amendment, Advanced Short-Term Rental regulations, Completed changes and brochure for Heat Pump siting options).

Goals, Objectives, and Performance Measures

Linked Council Priorities:

Housing – Facilitate responsible development that preserves Oak Bay's character while meeting housing and community needs

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

Climate Change & Environment – Proactively mitigate and adapt to climate change, and preserve and enhance the environment

Department Goal:
Create long-range community plans and land use policies that support Oak Bay's economic, environmental, heritage, and social goals, while ensuring efficient development application processing, building safety, and bylaw compliance.

Objectives:

O1: Finalize and implement Official Community Plan changes.
O2: Provide Infill Housing Program update report.
O3: Develop options for Pre-Zoning to implement updated OCP.

Objectives Continued:

O4: Start Part 2 of Optimization of Development Processes.

O5: Advance Planning to support (Pre)Zoning for Cedar Hill Corner.

O6: Start Community Climate Action Plan (community).

O7: Complete Corporate Climate Action Plan initiatives (EV-Ready Fleet Plan, Strategic Energy Management Plan).

O8: Complete and implement Blasting Regulations amendments.

O9: Complete and implement Short-Term Rental program.

10: Prepare other eApply options for Building Permit and other permit types.

11: Report back on options for staff delegated approvals for Permit types.

12: Prepare revisions to the Home-Based Business program.

13: On-boarding of new Parking Enforcement contractor.

14: Update Development Applications Fees and Charges.

Building and Planning Operating Budget

Overall, the Building and Planning Department's operating budget provides a 59.8% ($465,108) net funding reduction while maintaining service levels and meeting forecasted development activity.

Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Special Initiatives
Operating Revenue						
Animal Control	$(61,430)	$(64,000)	$(75,000)	$(11,000)	17.2%	$ -
Bylaw Enforcement	(33,305)	(26,500)	(33,000)	(6,500)	24.5%	-
Building Permits	(1,057,154)	(1,100,000)	(1,500,000)	(400,000)	36.4%	-
Business Licenses	(107,094)	(96,000)	(110,000)	(14,000)	14.6%	-
Planning & Development	(173,564)	(159,000)	(170,000)	(11,000)	6.9%	-
Operating Revenue Total	**(1,432,547)**	**(1,445,500)**	**(1,888,000)**	**(442,500)**	**30.6%**	**-**
Operating Expenses						
Animal Control	102,685	107,200	95,475	(11,725)	-10.9%	85,000
Bylaw Enforcement	263,866	263,100	259,315	(3,785)	-1.4%	-
Climate	142,159	172,500	215,752	43,252	25.1%	163,000
Heritage Commission	1,990	11,100	11,100	-	0.0%	-
Building Permits	507,894	483,700	470,165	(13,535)	-2.8%	29,517
Planning & Development	861,213	1,185,400	1,148,585	(36,815)	-3.1%	361,254
Operating Expenses Total	**1,879,807**	**2,223,000**	**2,200,392**	**(22,608)**	**-1.0%**	**$638,771**
Net Operating Budget	**$447,260**	**$777,500**	**$312,392**	**$(465,108)**	**-59.8%**	**$638,771**

The following special initiatives are operating projects delivered by Building & Planning. The projects include both Council Priority Projects and regular operating projects within each department. All projects reflect Council direction and in some cases are a carry forward of work underway.

Special Initiatives	2026
Council Priorities	
SP078 CPP35 Community Climate Action Plan	$100,000
SP079 CPP36 Corporate Climate Action Plan	55,000
Council Priorities Total	155,000
Council Priorities - Housing Directives	
SP053 CPP53 5-year Review of OCP	29,517
SP055 HAP-Additional Staffing	62,500
SP056 CPP76 Pre-zoning to Implement OCP	75,000
SP058 CPP78 Development Processes (Prov trigd)	85,171
SP059 CPP79 Respond to increased development	64,130
SP062 HAP Contingency	34,453
SP193 CPP93 Cedar Hill Corner	40,000
Council Priorities - Housing Directives Total	390,771
Other Projects	
SP068 Cool It! BC Sustainable Energy Association	8,000
SP114 Deer Management	85,000
Other Projects Total	93,000
Total	**$638,771**

The following table provides a reconciliation of the operating budget cost drivers:

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget	$2,223,000			
- Staffing budget refinement	(21,000)	-0.9%	-0.1%	-$3
- General office budgets refinement	(30,858)	-1.4%	-0.1%	-$4
- Deer control program deferred	(13,000)	-0.6%	0.0%	-$2
+ Consulting fees	42,250	1.9%	0.1%	$5
Total Change	(22,608)	-1.0%	-0.1%	-$3
= 2026 Building & Planning	**$2,200,392**	**-1.0%**		

Building and Planning Capital Plan

Capital Purchase/Project	2026	2027	2028	2029	2030
Vehicles					
VB281 Vehicle Replacement-Building Inspections	$ -	$ -	$80,000	$ -	$ -
Total	**$ -**	**$ -**	**$80,000**	**$ -**	**$ -**

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 infrastructure renewals and replacements.
- Monitoring infrastructure asset management through asset data collection, analysis, planning, and prioritization.
- Scoping, planning, prioritizing, and leading the delivery of capital renewals and capital projects.
- Coordinating construction projects to install, rehabilitate, or renew underground utilities: 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 all road users.
- Providing daily operations and maintenance of infrastructure such as sewers, roads, sidewalks, water distribution, traffic control, and street lighting.
- Maintenance and upkeep of the municipal fleet.
- Curbside solid waste and organics collection.

Department Staffing

Position	2025 FTE (Restated)	2026 FTE	Change
Engineering	14.5	16	1.5
Public Works	65	65	0
Total	**79.5**	**81**	**1.5**

Note 1:

- The Full-Time Equivalent (FTE) positions shown represent staff reporting to the department and reflect ongoing staffing obligations. In some cases, related salary and benefit costs are funded from sources outside the department's operating budget, including capital funding, cost recovery, or allocations administered by other departments. Auxiliary, on-call, term, and other temporary positions are excluded.
- Prior-year FTEs restated to current reporting structure; comparatives may differ from prior annual plans (see Workforce Planning and Organizational Structure Section).

2025 Accomplishments

Capital Project Delivery Improvements in 2025:

- Developed a project close-out template to log lessons learned, and disseminate Capital Project considerations to all Project Delivery staff.
- Managed Delivery of Planned Capital Projects, through project initiation, planning, procurement, design and construction. Continue to work closely with District's teams (Public Works, Planning, etc.), consultants and contractors to manage design reviews, schedule and budget. Completion of MMCD front end, and supplemental General Conditions.
- Development of Capital Project Delivery Procedures (Project Tracking, Change Order documentation and approvals, formalized key Consultant and Contractor communication templates).

Maintenance Planning and Management in 2025:

- Developed operational protocols to support work planning, and coordination with professional archaeologists to reduce regulatory risks and limit delays to emergency/urgent maintenance, within or near registered archaeological sites.
- Created an operational guideline for valve maintenance to improve planning and replacement of aging valves in the water system.
- Enhanced maintenance plan for water quality.
- Enhanced preventative maintenance procedures for pump stations to assess performance and to maintain service.
- Developed an internal web-based infrastructure needs database that will improve coordination of maintenance work planning and capital delivery project planning, as well as service call requests relating to municipal infrastructure.

Goals, Objectives, and Performance Measures

Linked Council Priorities:

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

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

Unit Goal:
Plan, deliver, operate, and renew Oak Bay's infrastructure and utilities to meet current and future community needs. This includes capital project delivery, asset management, and maintenance of core services, supported by sound financial planning, regulatory compliance, and coordination across departments and partners. The focus is on sustaining safe, reliable, and resilient infrastructure while maximizing long-term value for the community.

Objectives:

O1: Deliver Capital Projects included in the 2026-2030 Capital Works Plan.
O2: Document and maintain Project Charters for all major Capital Projects.
O3: Provide District's Owner-led Project Delivery Leadership and Inspections.
O4: Focus on spot repairs in the storm sewer network following severe rainfall events in winter 2025.
O5: Produce an Annual Report for the water distribution system.
O6: Procure updated fleet management software to enable better scheduling/prioritization of key maintenance tasks.
O7: Establish base levels of service for core utilities to guide prioritization and deferred maintenance decisions.
O8: Work with finance to establish key asset management decision criteria (lifecycle cost analysis, total cost of ownership) to guide risk informed prioritization of major maintenance and capital renewals.
O9: Review plans for new developments, subdivisions, and land use changes to ensure they comply with engineering specifications and bylaws.
O10: Review Engineering Services capacity and standards to meet community needs as per the OCP.
O11: Support a development review process initiated by the Planning Department to reduce administrative time and approval times for development applications.
O12: Support the corporate asset management strategy with the Finance Department.
O13: Support the Communications Department to improve communication and coordination of capital project delivery and operations.
O14: Commence implementation of the GIS needs assessment.
O15: Modernize GIS tools and procedures, to support increased Capital renewals, and documentation of conditions.

Performance Measures

Performance Measure	2024	2024 Actual	2025 Actual	2026 Projection
Water mains replaced (m)	O1, O5, O8, O9	688	2,717	1,500
Storm mains installed (m)	O1, O8, O9	1,700	1,900	500*
Road rehabilitation (m^2)	O1, O8, O9	2,922	4,550	39,000
Sidewalk replaced (m)	O1, O8	4,170	750	1,350
Sanitary sewer main replaced (m)	O1, O8, O9	0	430	634
New fire hydrants installed	O1, O8	3	18	8
Catch basins replaced	O1, O8	29	72	36*
Curb drops installed	O1, O8	18	52	TBD

*2026 Stormwater asset forecasts may increase based on stormwater modelling and capacity review currently in progress.

Engineering Services Operating Budget

Overall, the Engineering Services Department's operating budget maintains existing service levels and invests in continuity of the infrastructure maintenance function.

Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change
Operating Revenue					
Engineering Fees	$(10,271)	$ -	$(15,000)	$(15,000)	-
Solid Waste Fees	(2,092,070)	(2,099,635)	(2,251,919)	(152,284)	7.3%
Street Occupancy & Boulevard Fees	(1,648)	-	-	-	-
Operating Revenue Total	**(2,103,989)**	**(2,099,635)**	**(2,266,919)**	**(167,284)**	**8.0%**
Operating Expenses					
Drainage	843,418	928,555	946,653	18,098	1.9%
Engineering Administration	1,632,071	1,643,700	1,693,109	49,4094	3.0%
Events	102,153	112,000	112,518	518	0.5%
Graffiti Removal & Beautification	-	126,000	16,000	-110,000	-87.3%
Leaf Pickup Program	355,658	283,310	291,850	8,540	3.0%
Noxious Weed Program	2,434	7,050	8,115	1,065	15.1%
Other Public Works	(68,228)	244,300	10,060	(234,240)	-95.9%
Road Repair	654,910	695,400	766,330	70,930	10.2%
Safety Program	51,536	44,300	44,300	-	-
Signs and Traffic Signals	309,898	239,390	271,980	32,590	13.6%
Snow Removal	94,791	101,920	104,330	2,410	2.4%
Solid Waste	1,807,644	1,871,531	2,007,274	135,743	7.3%
Stores	147,044	140,300	147,437	7,137	5.1%
Street Cleaning	133,969	145,040	151,240	6,200	4.3%
Street Lighting	383,516	288,950	344,540	55,590	19.2%
Yard & Building	179,420	239,480	239,730	250	0.1
Operating Expenses Total	**6,630,234**	**7,111,226**	**7,155,466**	**44,240**	**0.6%**
Net Operating Budget	**$4,526,245**	**$5,011,591**	**$4,888,547**	**-$123,044**	**-2.5%**

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget	$7,111,226			
+ Inflationary Increase	75,070	1.1%	0.2%	$9
+ Investment Budget Request-Traffic Services 1.0 FTE	60,000	0.8%	0.1%	$8
+ Equipment charges	67,745	1.0%	0.2%	$8
+ Repairs and supplies-signs, traffic signals, street lighting	81,870	1.1%	0.2%	$10
+ Solid waste disposal (recovered through user fees)	85,900	1.2%	n/a	n/a
+ Contracted services	19,000	0.3%	0.0%	$2
- Graffiti removal services	(110,000)	-1.6%	-0.3%	-$13
- Driveway cost recoveries (correction)	(235,345)	-3.3%	-0.6%	-$29
Total Change	44,240	0.6%	-0.1%	-$5
= 2026 Engineering & Public Works	**$7,155,466**	**0.6%**		

Sewer Utility Fund

The district currently owns and operates a large inventory of infrastructure that provides sanitary sewer services. According to the District's Sustainable Infrastructure Replacement Plan, the total replacement cost of the District's sewer assets exceeds $137M. The District is increasing its transfer to reserve for infrastructure replacement budget at a rate of $143,437 per year (or a 2.5% utility rate increase) until 2029. The Sewer Utility Fund 2026 Preliminary Operating Budget was approved by Council November 24th, 2025 and user fee bylaw 4392 amended December 8th 2025.

Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Special Initiatives
Operating Revenue						
Municipal Consumer Charges	$(1,696,712)	$(1,813,175)	$(1,941,745)	$(128,570)	7.1%	$ -
Sewer Utility Penalties	(15,846)	(13,351)	(15,000)	(1,649)	12.4%	-
Municipal Property Taxation	-	(777,075)	(832,176)	(55,101)	7.1%	-
Regional Consumer Charges	(3,286,090)	(3,063,724)	(3,356,265)	(292,541)	9.5%	-
Operating Revenue Total	**(4,998,648)**	**(5,667,325)**	**(6,145,186)**	**(477,861)**	**8.4%**	**-**
Operating Expenses						
Inflow & Infiltration	-	23,929	24,432	503	2.1%	-
Regional Collection & Treatment	3,064,470	3,063,724	3,356,265	292,541	9.5%	-
Sewer Administration	68,096	94,484	97,063	2,579	2.7%	70,000
Collection & Repair Program	336,646	1,054,265	1,093,066	38,801	3.7%	-
Transfer to Reserve for Capital	1,430,923	1,430,923	1,574,360	143,437	10.0%	-
Operating Expenses Total	**4,900,135**	**5,667,325**	**6,145,186**	**477,861**	**8.4%**	**$70,000**
Net Operating Budget	**$(98,513)**	**$ -**	**$ -**	**$ -**		**$70,000**

Special Initiatives	2026
Other Projects	
SP067 Uplands Sewer Separation Conn Grant	$70,000
Total	**$70,000**

Water Utility Fund

The District also currently owns and operates a large inventory of infrastructure providing water services. 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 $154,390 per year (or a 2.5% utility rate increase) until 2029. The District purchases its bulk water from the Capital Regional District. Bulk water costs represent approximately 50% of the District's water utility costs and are expected to rise considerably over the next five years. The Water Utility Fund 2026 Preliminary Operating Budget was approved by Council November 24th, 2025 and user fee bylaw 3370 amended December 8th 2025.

Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change
Operating Revenue					
Consumer Charges	$(6,185,736)	$(6,152,382)	$(6,586,415)	$(434,033)	7.1%
Final Reading Charges	(7,830)	(6,200)	(8,000)	(1,800)	29.0%
Penalties	(18,151)	(17,000)	(20,000)	(3,000)	17.6%
Operating Revenue Total	**(6,211,717)**	**(6,175,582)**	**(6,614,415)**	**$(438,833)**	**7.1%**
Operating Expenses					
Safety program	20,285	35,636	36,500	$864	2.4%
Backflow prevention	26,282	25,373	26,263	890	3.5%
Collection	261,625	221,991	228,957	6,966	3.1%
Maintenance & Valve Turning	1,193,980	1,484,488	1,533,937	49,449	3.3%
Pumping	17,697	10,065	10,276	211	2.1%
Water Administration	119,293	113,483	116,888	3,405	3.0%
Water Purchases	2,806,951	2,813,706	3,036,364	222,658	7.9%
Transfers to Reserves - Water	1,470,840	1,470,840	1,625,230	154,390	10.5%
Operating Expenses Total	**5,916,953**	**6,175,582**	**6,614,415**	**438,833**	**7.1%**
Net Operating Budget	**$(294,764)**	**$ -**	**$ -**	**$ -**	

Engineering and Public Works Capital Plan

Engineering and Public Works Capital Projects Placed into Service in 2025

- Estevan Phase 1 Stormwater upgrades (surface works and stockpile relocation remain).
- Uplands Phase 1 (Humber Catchment) Sanitary and Storm combined sewer separation completed and in service (road, curb and final stockpile relocation remains).
- Florence Rd. Underground Utility Upgrades and Surface Improvements.
- Topp Avenue – replacement of storm drainage system, upgraded watermain, road, curb and boulevard restoration.
- Road Improvements – Granite Street, St. Ann Street.

Engineering and Public Works Capital Projects – In Progress

- McNeill Avenue Underground Utility upgrades and Active Transportation Design and Commencement of Construction.
- Henderson and Haultain Neighbourhood Bikeways construction.
- Advance Active Transportation Network Implementation; Advance intersection safety improvements (Oak Bay and Wilmot, Windsor).
- Preliminary design for North Oak Bay Pressure Zone – Pump Station.
- Preliminary design for the McNeill Bay Erosion Protection.
- Advance scoping, capital project definition for King George Terrace and Radcliffe Sanitary Lift Station major upgrades.
- Advance scoping, capital project definition, and phased construction of the Public Works Yard stormwater drainage and fuel station upgrades.
- Advance detailed design for Currie Rd. Sanitary upgrades.
- Advance scoping, project definition for major maintenance upgrades at Bowker Lift Station.
- Advance the stormwater system review to support 2026-2027 Stormwater Capital Upgrades that are expected to commence construction 2027-onward.

Engineering and Public Works Capital Projects – Planned in 2026

- Aging watermain segment prioritization and capital renewal.
- Stormwater video inspections.
- Stormwater condition assessments, capacity review and prioritization based on consequence of failure and acceptable service levels.
- Stormwater infrastructure maintenance and capital renewals, including Estevan Phase 2.
- Crescent Rd. City of Victoria emergency back-up watermain connection.
- Watermain supply Main No.3 redundancy connection configuration design and implementation.
- Sidewalk improvements.
- Intersection safety improvements.
- District wide paving upgrades.
- Beach access stairs prioritization and maintenance program (that will guide annual upgrades in the coming years).
- Bowker Creek railings design and implementation.
- Bus shelter bases in partnership with BC Transit.

Capital Program Summary

Capital Purchase/Project	2026	2027	2028	2029	2030
Active Transportation Network Implementation	$1,247,000	$717,500	$995,000	$825,000	$667,500
Road Reconstruction Program	3,475,920	3,579,000	5,627,500	3,450,000	3,267,500
Sidewalk Replacement Program	687,000	500,000	500,000	500,000	500,000
Storm Sewer Rehabilitation	5,900,360	4,478,500	5,703,500	2,430,000	2,855,000
Street & Intersection Pole Replacement	1,059,720	215,000	200,000	300,000	200,000
Transportation Safety Improvements	925,000	875,000	930,000	960,000	990,000
Land and Improvements	2,195,000	1,905,000	644,550	644,550	360,000
PW Vehicles and Equipment	2,800,000	675,000	265,000	625,000	1,100,000
Total	**$18,290,000**	**$12,945,000**	**$14,865,550**	**$9,734,550**	**$9,940,000**

Capital Purchase/ Project	Category						2026	2027	2028	2029	2030
	Active Trans-porta-tion	Road	Storm Sewer	Side-walk	Street & Inter-section Pole	Trans-por-tation Safety					
Multi-faceted Projects and Programs											
E2629 ATS - Oak Bay/Beach Dr Connection	✓						$5,000	$ -	$ -	$ -	$ -
E2622 ATS - Cedar Hill Cross Road Phase 1	✓	✓					100,000	-	-	-	-
E2625 ATS - Henderson/Foul Bay Rd Phase 1	✓	✓					100,000	-	-	-	-
E2409 McNeill Traffic Calming/ Utility Replace	✓	✓	✓				809,000	-	-	-	-
E2414 Henderson and Haultain Bike Lanes	✓	✓	✓	✓		✓	1,728,000	-	-	-	-
E2627 ATS - Lansdowne Rd Phase 1	✓	✓					2,500	22,500	-	-	-
E2628 ATS - McNeill Ave/ Beach Dr Connection	✓	✓					2,500	22,500	-	-	-
E2620 ATS - Bowker Avenue	✓	✓					10,000	90,000	-	-	-
E2621 ATS - Cadboro Bay Road Phase 1	✓	✓					30,000	270,000	-	-	-
E2624 ATS - Central Oak Bay Corridor	✓	✓					70,000	630,000	-	-	-
E2623 ATS - Cedar Hill Cross Road Phase 2	✓	✓					20,000	200,000	1,780,000	-	-
E2626 ATS - Henderson/Foul Bay Rd Phase 2	✓	✓					20,000	200,000	1,780,000	-	-
E2802 ATS - Lansdowne Rd Phase 2	✓	✓					-	-	150,000	1,350,000	-
E2801 ATS - Cadboro Bay Rd Phase 2	✓	✓					-	-	30,000	300,000	2,670,000
E2404 Estevan Storm Replacement		✓	✓				1,300,000	720,000	500,000	-	-
E2309 Uplands Storm sewer separation - Humber		✓	✓		✓		4,043,000	-	-	-	-

Capital Purchase/ Project	Category						2026	2027	2028	2029	2030
	Active Trans-porta-tion	Road	Storm Sewer	Side-walk	Street & In-tersec-tion Pole	Trans-por-tation Safety					
Multi-faceted Projects and Programs Continued											
E2619 Uplands Utilities Phase 2 Rutland		✓	✓		✓		-	140,000	-	-	-
E2602 Beach Dr 1800-2100 Block Utilities		✓	✓				-	174,000	1,740,000	-	-
E2603 Cadboro Bay Road Utilities		✓	✓				75,000	-	700,000	-	-
E2605 Foul Bay-Carnarvon to Neal Utilities		✓	✓				$40,000	$80,000	$650,000	$ -	$ -
E2606 Henderson Area Utilities		✓	✓				30,000	90,000	720,000	720,000	720,000
E2607 Monteith Utilities		✓	✓				15,000	80,000	350,000	-	-
E2608 Oak Bay Village Drainage-Wilmot/Theatre		✓	✓				80,000	500,000	-	-	-
E2609 Oliver 2 Utilities		✓	✓				-	176,000	176,000	-	-
E2610 South Oak Bay Utility Corridor Upgrades		✓	✓				50,000	250,000	250,000	250,000	250,000
E2611 Steel Watermain on Cadboro Bay		✓	✓				20,000	-	-	-	-
E2612 Thorpe 460mm Storm Replacement		✓	✓				110,000	270,000	750,000	-	-
E2613 Windsor Rd to Beach Dr/Newport Intersect		✓	✓				-	-	-	85,000	650,000
E2402 Currie Road Utility Project			✓				50,000	1,000,000	250,000	-	-
E2604 Currie Orchard Utilities			✓				25,000	125,000	-	-	-
E2504 Windsor Park Crosswalks						✓	40,000	-	-	-	-
E2507 Rectangular Rapid Flashing Beacons Install						✓	125,000	125,000	-	-	-

Capital Purchase/ Project	Category						2026	2027	2028	2029	2030
	Active Trans-porta-tion	Road	Storm Sewer	Side-walk	Street & In-tersec-tion Pole	Trans-por-tation Safety					
Multi-faceted Projects and Programs Continued											
E2631 Cedar Hill/Cadboro Bay Intersection Safe						✓	100,000	250,000	-	-	-
E2630 Cadboro Bay/Bee St Intersection Safety I						✓	80,000	250,000	-	-	-
E0004 Pavement Management Program		✓					2,255,000	2,250,000	750,000	2,250,000	750,000
E0007 Storm Sewer Rehabilitation Program			✓				1,010,000	1,500,000	1,750,000	1,750,000	1,750,000
E0021 Sidewalk Replacement Program				✓			500,000	500,000	500,000	500,000	500,000
E0037 St. & Intersection Pole Replacement Program					✓		300,000	200,000	200,000	300,000	200,000
E0002 Transportation Safety Improvements Program						✓	150,000	250,000	850,000	880,000	910,000
E2803 Intersection Safety Improvement Program						✓	-	-	80,000	80,000	80,000
Multi-Faceted Projects and Programs Total							**$13,295,000**	**$10,365,000**	**$13,956,000**	**$8,465,000**	**$8,480,000**
Land and Improvements											
E2311 Bowker Creek Walkway Railings							$335,000	$335,000	$ -	$ -	$ -
E2421 Haro Rd Soil Transfer Site							750,000	750,000	-	-	-
E2423 Underground Fuel Tank Replacement							350,000	60,000	-	-	-
E2203 McNeill Bay/McMicking Point Fore Erosion							400,000	400,000	284,550	284,550	-
E2401 Beach Access Stair Rehabilitation							360,000	360,000	360,000	360,000	360,000
Land and Improvements Total							**2,195,000**	**1,905,000**	**644,550**	**644,550**	**360,000**

Capital Purchase/ Project	Category						2026	2027	2028	2029	2030
	Active Trans-portation	Road	Storm Sewer	Side-walk	Street & In-tersec-tion Pole	Trans-portation Safety					
Public Works Vehicles and Equipment											
E2431 New Equip to Support Enhanced Maintenance							265,000	-	-	-	-
V0038 #41 Labrie Garbage Truck Replacement							600,000	-	-	-	-
V0125 #TBD Truck and Weed Killer							100,000	-	-	-	-
V0126 #TBD 440 Backhoe							285,000	-	-	-	-
V0000 PW Vehicle and Equipment Replacement							1,550,000	675,000	265,000	625,000	1,100,000
Public Works Vehicles and Equipment Total							**2,800,000**	**675,000**	**265,000**	**625,000**	**1,100,000**
Total							**$18,290,000**	**$12,945,000**	**$14,865,550**	**$9,734,550**	**$9,940,000**

Capital Project Descriptions

Active Transportation Network Implementation
In 2024, Council created a new Active Transportation Program focusing on new infrastructure as envisioned in the 2011 Active Transportation Strategy and the 2023 Review of the Oak Bay Active Transportation Strategy. Council established a tax increase to fund this program on an ongoing basis. As tax funding builds up over five years, the Financial Plan also utilizes the Growing Community Fund Reserve and Capital Works Reserve (Active Transportation line).

In 2026 this program will fund construction of the Haultain-Estevan and Henderson Neighbourhood Bikeways, as well as design and consultation on several other projects consistent with the January 26, 2026 Committee of the Whole presentation.

Transportation Safety Improvements
This program funds capital construction projects to improve safety for all road users within the District's transportation network. Specific goals in 2026 are intersection safety reviews and upgrades to crosswalks, including installation of pedestrian-controlled flashers at 5 locations in Oak Bay.

Road Reconstruction Program
To develop a sustainable road surface rehabilitation program that achieves a specific service level while maintaining best value for money. This program funds capital maintenance works conducted by Public Works as well as major projects managed by the Engineering division. Several Engineering capital programming staff are partially funded by this program budget as well.

Storm Sewer Rehabilitation
This program captures the refurbishment or replacement of Storm Sewer Mains that have reached end of service life. and funds capital maintenance works conducted by Public Works as well as major projects managed by the Engineering division. Several Engineering capital programming staff are partially funded by this program budget as well.

Sidewalk Replacement Program
This program is funded by the infrastructure renewal reserve and is designed to replace existing sidewalks and curb returns, excluding construction of sidewalk in areas that currently do not have sidewalk.

Street and Intersection Pole Replacement Program
This program will identify and replace end of usable lifespan electrical poles, and develop plans to replace larger contiguous areas of aged poles.

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.

Capital Project Descriptions Continued

McNeill Bay

A preliminary design contract was awarded in 2025 to prepare the preliminary design for a wall structure aimed at mitigating shoreline erosion along approximately 200 meters of McNeill Bay. The project started in November 2025 and is anticipated to be completed by the third quarter of 2026.

McMicking Point Foreshore Erosion Mitigation

This project includes a study identifying options for the mitigation of coastal erosion at McMicking Point, and incorporating considerations from the new Sea Level Rise Study.

The construction costs are unknown at this time and will be better defined once the project is scoped and designs are prepared. This new infrastructure would require an increase in the ongoing operating budget.

Electrical Street Light Kiosks – Uplands and Rutland

The Uplands streetlighting system power supply connects from BC Hydro to Oak Bay at two underground vaults that do not meet present regulated standards. Two new above-ground fabricated electrical Kiosks were installed in 2025, complete with meters. Power to the kiosk's was fed from each underground vault. This item will be closed out following formal commissioning and Uplands Phase 1 (Humber Catchment) Capital Project close-out.

Uplands Sewer Separation

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.

The Uplands Sewer Separation Project is nearing completion. All storm drain infrastructure required under Amendment 12 of the Core Area Liquid Waste Management Plan (CALWMP) was constructed before the December 31, 2025 deadline set by the CRD and the Minister of Environment.

Work remaining in 2026 is completion of concrete curb and sidewalk restoration, paving, and restoration of landscaping.

Total construction value of work as of December 31, 2025 was $11.05M.

	Construction	Contract Administration	Contingency	Total
Humber Catchment Sewer Separation	$8.53M	$0.54M	$1.36M	$10.43M
Road Work	0.45M	0.09M	0.08M	0.62M
Total	**$8.98M**	**$0.63M**	**$1.44M**	**$11.05M**

Capital Project Descriptions Continued

Bowker Creek Walkway Railings
This project is intended to improve safety by replacing approximately 450 metres of chain railings along the Bowker Creek walkway with an improved railing system.

Beach Access Stair Rehabilitation
The District has 41 beach accesses to provide public access to the waterfront throughout the District. These accesses are in varying conditions and are in need of annual maintenance or repair to ensure they continue to provide safe access and limit the risk of injury to a user. In 2024 Engineering and Public Works received an assessment report that identified $1.8M of maintenance activities required over the next 5 years, this budget will allow these high priority activities to be completed.

Haro Road Soil Transfer Site
Due to new soil testing/handling/disposal regulations from the Province of BC, the District must sample and test soil from excavations before either re-using or transporting to a soil remediation or disposal business. For urgent excavations and services, pre-testing is not practical as is the case for Capital Projects. The Haro Road site allows us to store soil for sampling, and then to group soil with similar characteristics for hauling back to the excavation for reuse or as a full load to a disposal business. This is more cost effective than sending partial loads.

This site will be used for excavated material from Sanitary Sewer, Storm Drain, Water Works and Roads projects - Capital and Operating, and from paid services.

For 2026, a request for design services will be prepared to invite consulting engineering firms to submit proposals for improvements to Haro Road. The project's primary purpose is to support soil management and the storage of equipment and materials for the Public Works and Parks departments. The required design work will include a grading the property, stormwater infrastructure design, site surfacing plan, an erosion and sediment control plan, a public trail, and perimeter fencing.

Underground Fuel Tank Replacement
The Oak Bay Public Works Yard has an underground fuel tank for the refueling of vehicles in the municipal fleet. Due to its age and condition, the tank is due to be taken out of service and replaced with above ground fuel storage.

In 2025, District crews completed the installation of storm water upgrades within the Public Works Yard. This was the initial step in a phased sequence of work that will include the replacement of the fuel tanks for the municipal fleet, and improvements to the existing vehicle wash pad.

Design drawings for the yard improvements are completed, including specifications for the new fuel tanks and electrical improvements.

Capital Project Descriptions Continued

Uplands (Humber) Streetlight Replacement Program
At the December 11, 2023 Council meeting, Council provided direction to proceed with streetlight replacement in the Humber catchment of the Uplands to meet current code which includes conduit, junction boxes and wiring.

There are 142 fixtures that must be replaced in total in this phase. It is being planned to take place in conjunction with the sewer project to reduce costs. A total of 119 custom decorative Uplands Style streetlight poles were installed in 2025 with the Uplands Sewer Separation project - complete with concrete bases, conduit, wiring, junction boxes, and new LED globe fixtures.

Firefighters Park Sidewalk Upgrade
The sidewalk on St. Ann does not extend through the parking area at Firefighters' Park. This program seeks funds to add a sidewalk to convey pedestrians from St. Ann Street to the playground at Firefighters' Park. The sidewalk will consist of approximately 30 m of concrete sidewalk, transitioning to a chip trail or gravel trail once it enters the park area.

Engineering General Equipment Replacement
This project budget includes the purchase of a SL-RAT device and a Robotic Total Station. The Robotic Total Station will replace the District's aging total station with a more modern unit. The new total station will be robotic, which means most surveys will only require one staff member.

PW Vehicle and Equipment Replacement
This is an ongoing annual program to replace vehicles and other pieces of fleet equipment that are past their useful lives.

Sewer Utility Capital Plan

Capital Purchase/Project	2026	2027	2028	2029	2030
Sewer Utility					
E2309 Uplands Storm sewer separation - Humber	$53,040	$ -	$ -	$ -	$ -
E2402 Currie Road Utility Project	250,000	2,000,000	500,000	-	-
E2404 Estevan Storm Replacement	1,000,000	500,000	250,000	-	-
E2405 Radcliffe/King George Kiosk Electrical	600,000	600,000	-	-	-
E2409 McNeill Traffic Calming/ Utility Replace	301,000	-	-	-	-
E2414 Henderson and Haultain Bike Lanes	192,000	-	-	-	-
E2602 Beach Dr 1800-2100 Block Utilities	-	87,000	870,000	-	-
E2604 Currie Orchard Utilities	25,000	125,000	-	-	-
E2605 Foul Bay-Carnarvon to Neal Utilities	40,000	80,000	600,000	-	-
E2606 Henderson Area Utilities	30,000	90,000	720,000	720,000	720,000
E2607 Monteith Utilities	30,000	80,000	300,000	-	-
E2610 South Oak Bay Utility Corridor Upgrades	25,000	125,000	125,000	125,000	125,000
E2612 Thorpe 460mm Storm Replacement	50,000	100,000	500,000	-	-
E2613 Windsor Rd to Beach Dr/Newport Intersect	-	-	-	50,000	100,000
E2619 Uplands Utilities Phase 2 Rutland	-	100,000	-	-	-
S0001 Sewer Manholes	-	-	-	-	-
S0002 Sewer Main Rehabilitation	1,150,000	1,750,000	2,100,000	2,100,000	2,100,000
S0014 Bowker Sanitary Lift Station	250,000	-	-	-	-
Total	**$3,996,040**	**$5,637,000**	**$5,965,000**	**$2,995,000**	**$3,045,000**

Sewer Main Rehabilitation & Manhole Replacement
As part of sanitary sewer asset management, Engineering and Public Works replace or refurbish portions of the approximately 100 km of sanitary sewer mains. 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 as required to ensure the sanitary sewer system can be safely accessed, maintained, and operated effectively.

Water Utility Capital Plan

Capital Purchase/Project	2026	2027	2028	2029	2030
Water Utility					
E2309 Uplands Storm sewer separation - Humber	$1,103,960	$ -	$ -	$ -	$ -
E2404 Estevan Storm Replacement	350,000	-	-	-	-
E2409 McNeill Traffic Calming/ Utility Replace	2,040,000	-	-	-	-
E2602 Beach Dr 1800-2100 Block Utilities	-	72,000	720,000	-	-
E2603 Cadboro Bay Road Utilities	25,000	-	80,000	-	-
E2605 Foul Bay-Carnarvon to Neal Utilities	50,000	100,000	700,000	-	-
E2606 Henderson Area Utilities	30,000	90,000	720,000	720,000	720,000
E2607 Monteith Utilities	40,000	100,000	350,000	-	-
E2608 Oak Bay Village Drainage-Wilmot/Theatre	20,000	180,000	-	-	-
E2609 Oliver 2 Utilities	-	291,500	291,500	-	-
E2610 South Oak Bay Utility Corridor Upgrades	25,000	125,000	125,000	125,000	125,000
E2611 Steel Watermain on Cadboro Bay	25,000	-	-	-	-
E2613 Windsor Rd to Beach Dr/Newport Intersect	-	-	-	10,000	50,000
E2619 Uplands Utilities Phase 2 Rutland	-	100,000	-	-	-
W0002 Water Watermain Replacement	1,375,000	2,000,000	2,300,000	2,300,000	2,300,000
W0009 New Water Service Connections	330,800	330,800	330,800	330,800	330,800
W2101 North Oak Bay Pump Station Consolidation	-	150,000	350,000	3,000,000	3,000,000
W2102 Water Distribution System Remote Monitor	100,000	-	-	-	-
W2103 Water Distribution System Studies	226,000	-	-	-	-
Total	**$5,740,760**	**$3,539,300**	**$5,967,300**	**$6,485,800**	**$6,525,800**

Uplands Watermain Replacement (new)

In June 2022, Council approved initiation of the next stages of the Uplands Sewer Separation Project. The focus of the first phase is construction of the Humber and Ripon sub-catchment areas. Starting in January 2023, staff began developing how the project would be undertaken and finalizing the plans.

In conjunction with this, a review was undertaken of other infrastructure in the phase one area. As a result, it was determined that several watermains in the area needed to be replaced including on Exeter (this was already in the design stage), Norfolk, and Ripon Roads. The first two were in poor condition, have had leaks and Norfolk is asbestos cement pipe. The last was determined by modeling to be undersized and needed to be replaced with a larger diameter pipe. Also, the streetlight network required replacement due to its age, ongoing maintenance issues and concerns as to it surviving construction of the other underground networks in this project.

On the February 20, 2024 Council meeting, Council awarded the contract for the Uplands Sewer Separation & Watermain Replacement Humber and Ripon Outfalls Project. As a result the following project budget has been established:

	Construction	Contract Administration	Contingency	Total
Uplands Watermain	$2.96M	$0.18M	$0.47M	$3.61M

In 2025, approximately 1400 meters of new water main was installed with the Uplands Sewer Separation Project - including 10 new fire hydrants with a construction cost of $1.52M.

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 that addresses the maintenance backlog and sustains the current levels of service for water distribution. This includes replacement of aged or damaged pipe as well as size and capacity upgrades for planned increases of density and demand.

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.

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, the District's design consultant is completing a study to verify the location of a new pump station with relation to a new connection to the CRDs main water supply.

This is a major multi-year capital renewal program that includes several upgrades to the existing water system in North Oak Bay.

In 2026, the District is prioritizing the provision of a redundant water supply connection to the CRD supply main that will allow for required maintenance within the Lansdowne chamber.

The District is also working with the CRD to confirm plans for a secondary connection to improve the redundancy and reliability of the Districts water supply.

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, improved decision making, and control of the system. This work will include longer-term options analysis and costing for system-wide remote monitoring upgrades.

Water Distribution System Studies and Capital Projects

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. This includes upgrades to the system to improve availability of water for fire protection, and removal of Asbestos Cement pipe.

Additional water supply system assessments (fire flow, pressure, redundancy) assessments are required, and will be planned to commence in 2026, to support future OCP growth targets, and associated development servicing needs.

Parks, Recreation, and Culture

The Oak Bay Parks, Recreation, and Culture (PRC) department facilitates opportunities for individuals to connect with others, pursue health and wellness goals, and enjoy parks and natural spaces. The PRC team manages programs and services at five recreation facilities including Oak Bay Recreation Centre, Henderson Recreation Centre, Neighbourhood Learning Centre, Monterey Recreation Centre, and Windsor Park Pavilion, and 29 park spaces consisting of a wide range of amenities. The Parks team maintains playing fields, beaches, trails, playgrounds, gardens, sensitive natural areas, and a golf course, in addition to boulevards, 10,000+ trees, and approximately 300 benches and picnic tables. Meanwhile, the Recreation and Culture team supports a diverse collection of community programs, camps, lessons and special events including concerts, studio tours, the Arts Alive Annual Sculpture program, and more.

2025 Accomplishments

- Engaged the community to inform the designs of new amenities for Carnarvon Park.
- Hosted a community celebration to mark the 50th Anniversary of Oak Bay Recreation Centre.
- Installation of field lighting enhancements at Windsor Park.
- Engaged the community and completed the design for a new playground at Quimper Park.
- Completion of the boardwalk and trail enhancement at Uplands Park.
- Implemented Year 4 of the CoolKit Program and hosted/supported tree planting initiatives with community members.
- Supported Victoria Hockey League Society's 'Century Celebration' of the Victoria Cougars winning the Stanley Cup in 1925.
- Completion of Island Health Safety and Resiliency grant to improve staff resilience, mental wellbeing and confidence, and improve accessibility of recreation for community members affected by the toxic drug crisis and mental health issues.
- Installed information plaques to accompany the Staqeya sculpture at Cattle Point.
- Hosted the 9th Arts Alive Outdoor Sculpture Exhibition.
- Completed facility upgrades at the Monterey Recreation Centre, including a new reception area.
- Completed an organizational review and restructure of the Facilities Maintenance group to better support the needs of existing facilities, and future demands.
- Transitioned relationship with Friends of Monterey Society to take on all program and operational responsibilities and allow society to focus on volunteer recruitment, fundraising and program advisory services.

Goals, Objectives, and Performance Measures

Linked Council Priorities:

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

Accessibility, Diversity & Inclusion – Cultivate accessibility, diversity and inclusion and ensure a sense of community belonging and safety for people of all abilities, identities, ages and backgrounds

Truth & Reconciliation – Advance Truth and Reconciliation with local Indigenous peoples based on respect and desire for shared prosperity

Climate Change & Environment – Proactively mitigate and adapt to climate change, and preserve and enhance the environment

Unit Goal:

Facilitate opportunities for individuals to connect with others, pursue health and wellness goals, and enjoy parks and natural spaces, while ensuring the long-term stewardship of recreation facilities, parks, and community assets.

Objectives:

O1: Implementation of process improvements to support the planning and management of safe and enjoyable special events on District property.
O2: Initiation of a Parks Master Plan, including public consultation and technical analysis, to identify strategic priorities relating to parks and open spaces.
O3: Continuation of signage improvement programs for parks and recreation spaces.
O4: Assessment of the condition of trees on municipal property and development of a database to inform long-term planning.
O5: Coordination with regional recreation providers to manage potential service impacts associated with changes to major recreation facilities in neighbouring jurisdictions.
O6: Hosting the 10th Annual Arts Alive Exhibition.
O7: Collaboration with local First Nations to commission Indigenous artwork for municipal hall.
O8: Introduction of a new user code of conduct policy to support inclusive, welcoming and safe facilities, programs and services.
O9: Participation on internal teams to advance District objectives relating to asset management, new or updating policies, process improvements, infrastructure projects, long-term plans, and other corporate priorities.

Performance Measures

Measure	Objective	Type	2024 Actual	2025 Actual	2026 Target	Trend
Efficiency Measures and Workload Context						
Financial recovery rate (actual)		Efficient	61.8%	62.0%	61%	↑ Target
Effectiveness Measures						
Total recreation visits		Effective	1,021,581	1,100,265	~1,100,000	→ Maintain
Arena utilization		Effective	62%	74%	74%	→ Maintain
Indoor Sport Field utilization		Effective	47%	59%	60%	→ Maintain
Number of swim lesson participants		Effective	4,525	5,022	~4,000	→ Maintain
Number of fitness visits		Effective	258,415	285,411	~280,000	→ Maintain
Rounds of golf		Effective	32,164	32,336	~32,000	→ Maintain
Number of racquet sport lessons		Effective	4,572	4,444	~4,500	→ Maintain
Licensed care visits		Effective	35,600	35,620	~35,000	→ Maintain
Approximate number of volunteer hours in parks		Effective	3,696	4,131	~4,000	→ Maintain
Trees planted on public property		Effective	216	149	150	→ Maintain
Trees removed from public property		Effective	93	60	60	↓ Decrease

Recreation Financial Risks and Outlook

The pandemic significantly reduced Parks, Recreation, and Culture (PRC) revenues due to mandated capacity limits and suppressed demand. While revenues continue to recover, user-fee recovery rates have not yet returned to pre-pandemic levels.

The district relied on COVID-19 Restart grant funding to offset these revenue shortfalls and limit the need for tax increases to sustain service levels. The majority of this funding was materially utilized by the end of 2025, with only a residual balance of $200K available in 2026. As anticipated, with the one-time funding source is exhausted, the tax levy required to support PRC operations increased in 2026 by $792,048 or 1.7% taxation impact. The table below reflects the budget overview for 2025 and 2026.

Description	2025 Actual	2025 Budget	Difference	2025 Actual Recovery	2025 Budget Recovery	2026 Budget	2026 Budget Recovery	Budget Change
Fees	$10,415,935	9,605,704	$810,231	63%	59%	10,225,217	61%	$619,513
Property Tax	5,670,149	5,670,149	-	35%	35%	6,462,197	38%	792,048
Reserve	364,137	900,000	(535,863)	2%	6%	200,000	1%	(700,000)
Expenses	(16,450,221)	(16,175,853)	(274,368)	100%	100%	(16,887,414)	100%	(711,561)
Total	**$ -**	**$ -**	**$ -**			**$ -**		**$ -**

Department Staffing

Position	2025 FTE (Restated)	2026 FTE	2026 Change
Parks	18	18	0
Recreation and Culture	23	23	0
Administration	19.48	19.48	0
Facilities	15.75	15.75	0
Total	**76.23**	**76.23**	**0**

1. The Full-Time Equivalent (FTE) positions shown represent staff reporting to the department and reflect ongoing staffing obligations. In some cases, related salary and benefit costs are funded from sources outside the department's operating budget, including capital funding, cost recovery, or allocations administered by other departments. Auxiliary, on-call, term, and other temporary positions are excluded.
2. Prior-year FTEs restated to current reporting structure; comparatives may differ from prior annual plans (see Workforce Planning and Organizational Structure Section).

Parks, Recreation and Culture Operating Budget

Overall, the Parks Recreation and Culture Department's net operating budget requires a 3.9% (626,061) funding increase to maintain existing service levels. The maintenance of the library has been reassigned from Parks to Administrative Facilities.

Category	2025 Forecast	2025 Budget	2026 Budget	$ Change	% Change	Special Initiatives
Operating Revenue						
Administration	$(101,302)	($118,804)	($120,089)	($1,285)	1.1%	$ -
Arts and Culture	(29,252)	(35,000)	(37,720)	(2,720)	7.8%	-
Golf	(392,501)	(294,661)	(377,232)	(82,571)	28.0%	-
Henderson Recreation Centre	(1,715,124)	(1,502,821)	(1,620,595)	(117,774)	7.8%	-
Monterey Recreation Centre	(951,419)	(848,078)	(871,603)	(23,525)	2.8%	-
Oak Bay Recreation Centre	(5,823,587)	(5,383,531)	(5,853,646)	(470,115)	8.7%	-
Neighbourhood Learning Centre	(1,138,488)	(1,153,339)	(1,171,647)	(18,308)	1.6%	-
Park Operations	(247,969)	(269,470)	(232,685)	36,785	-13.7%	-
Facilities Management	(16,294)	-	-	-	-	-
Operating Revenue Total	**(10,415,936)**	**(9,605,704)**	**(10,285,217)**	**(679,513)**	**7.1%**	**-**
Operating Expenses						
Administration	2,479,491	2,566,760	2,681,062	114,302	4.5%	140,000
Arts and Culture	136,423	141,308	147,499	6,191	4.4%	10,000
Golf	236,075	220,779	243,766	22,987	10.4%	-
Henderson Recreation Centre	1,637,667	1,592,961	1,705,101	112,140	7.0%	-
Monterey Recreation Centre	1,204,435	1,193,724	1,191,242	(2,482)	-0.2%	-
Oak Bay Recreation Centre	3,470,133	3,307,707	3,337,053	29,346	0.9%	-
Neighbourhood Learning Centre	1,025,652	976,379	982,639	6,260	0.6%	-
Park Operations	2,872,790	2,655,958	2,856,990	201,032	7.6%	-
Facilities Management	3,387,555	3,326,277	3,462,562	136,285	4.1%	-
Operating Expenses Total	**16,450,221**	**15,981,853**	**16,607,914**	**626,061**	**3.9%**	**150,000**
Total	**$6,034,285**	**$6,376,149**	**$6,322,697**	**$(53,452)**	**-0.8%**	**$150,000**

Special Initiatives	2026
Council Priorities	
SP018 CPP14 PRC Master Plan	$140,000
Council Priorities Total	**140,000**
Other Projects	
SP704 Public Art Asset Inventory	10,000
Other Projects Total	**10,000**
Total	**$150,000**

Reasons for Increase	Amount	% Increase	Tax Impact (%)	Tax Impact ($)
2025 Base Budget	$15,981,853			
+ Inflationary Increase	112,869	0.7%	0.3%	$14
+ Staffing programs	512,223	3.2%	1.3%	$64
+ Small equipment programs	37,000	0.2%	0.1%	$5
- Service contracts across programs	(36,031)	-0.2%	-0.1%	$(5)
Total Change	626,061	3.9%	1.6%	$78
= 2026 Parks, Recreation and Culture	**$16,607,914**	**3.9%**		

Parks, Recreation and Culture Capital Plan

Parks, Recreation and Culture Capital Projects Placed into Service in 2025

- New boardwalk and trail improvements in Uplands Park.
- New field lighting at Windsor Park.
- New playground at Windsor Park.
- New water fountains in parks and green spaces.
- Acquired Megaptera sculpture from Arts Alive exhibition for installation at McNeill Bay.
- Replaced dining room furniture in Sports View Lounge.
- Updated various mechanical systems within recreation facilities.

Parks, Recreation and Culture Capital Projects – In Progress

- Progress was made to advance detailed designs regarding the long-term plan for Carnarvon Park. A report to Council outlining the final designs, projected capital and operating costs, and funding strategy is planned for 2026.
- The playground replacement project for Quimper Park was initiated, and a new design and equipment order were completed in 2025. Installation is planned for spring 2026.

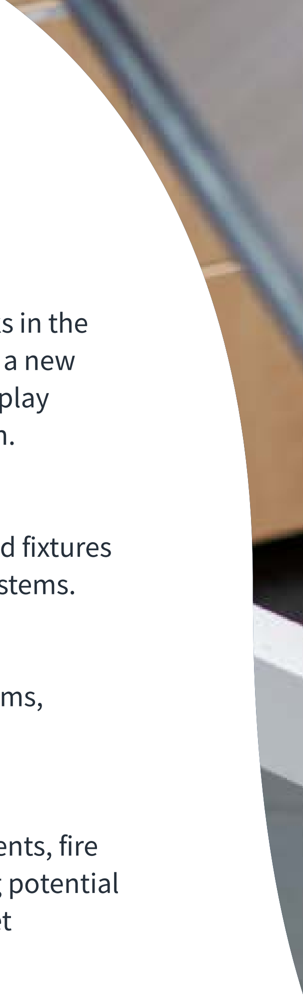
Parks, Recreation and Culture Capital Projects – Planned in 2026

- Collaborate with colleagues in Engineering and Public Works on a design study to improve the location adjacent to Bowker Creek and the Oak Bay Recreation Centre parking lot.
- Upgrade the bike shelter for Oak Bay Recreation Centre patrons.
- Explore options to improve the air quality and temperature for users as well as the efficiency of the space in the fitness centre at Oak Bay Recreation Centre.
- Install a new bike/stroller shelter at Windsor Park.
- Collaborate with the Facilities team to develop long-term plans for building system investments for recreation centres.
- Resurface the tennis courts at Henderson Park.

Parks, Recreation and Culture Capital Plan

Capital Plan Summary	2026	2027	2028	2029	2030
Arts and Culture Assets	$47,000	$20,000	$20,000	$ -	$ -
Total Facilities Program	3,869,920	14,887,100	12,701,700	2,502,900	2,565,200
Total Vehicle & Equipment Replacement Program	861,350	1,207,400	1,458,600	1,320,700	499,000
Parks & Playground Program	1,012,034	2,100,000	-	-	170,000
Total	**$5,790,304**	**$18,214,500**	**$14,180,300**	**$3,823,600**	**$3,234,200**

Capital Purchase/Project	2026	2027	2028	2029	2030
Arts and Culture Assets					
Public Art Acquisitions	$ -	$20,000	$20,000	$ -	$ -
Steqeya Sculpture Signage	20,000	-	-	-	-
Municipal Hall Indigenous Art	27,000	-	-	-	-
Arts and Culture Assets Total	**47,000**	**20,000**	**20,000**	**-**	**-**
Facilities Program					
Carnarvon Park	2,422,150	12,200,000	12,200,000	1,900,000	-
Henderson Recreation Centre	37,100	165,000	60,200	-	786,500
Monterey Recreation Centre	19,700	1,927,400	266,200	222,000	-
Oak Bay Recreation Centre	1,318,330	594,700	175,300	380,900	1,778,700
Neighborhood Learning Centre	25,000	-	-	-	-
Parks	47,640	-	-	-	-
Facilities Program Total	**3,869,920**	**14,887,100**	**12,701,700**	**2,502,900**	**2,565,200**
Vehicle & Equipment Replacement Program					
Henderson Recreation Centre	64,000	12,100	183,700	-	-
Monterey Recreation Centre	23,000	127,500	-	93,000	22,000
Oak Bay Recreation Centre	609,400	1,067,800	1,274,900	1,227,700	477,000
Parks	164,950	-	-	-	-
Vehicle & Equipment Replacement Program Total	**861,350**	**1,207,400**	**1,458,600**	**1,320,700**	**499,000**
Parks and Playgrounds					
Preliminary Creek & Waterway Design Study	70,000	-	-	-	-
Educational Signage Uplands Park	30,000	-	-	-	-
Lafayette Park Playground Equipment	245,100	-	-	-	-
Parks and Playground Program	100,000	-	-	-	-
Quimper Park Playground Equipment	266,934	-	-	-	-
Henderson Court Resurfacing	300,000	-	-	-	-
Firefighters Park and Playground	-	-	-	-	170,000
Carnarvon Splash Park and Playground	-	1,500,000	-	-	-
Willows Park and Playground	-	600,000	-	-	-
Parks & Playground Program Total	**1,012,034**	**2,100,000**	**-**	**-**	**170,000**
Total	**$5,790,304**	**$18,214,500**	**$14,180,300**	**$3,823,600**	**$3,234,200**



Capital Project Descriptions

Carnarvon Park Redevelopment Project
This project involves the development and planning of enhancements for one the largest parks in the District. The scope includes demolition of the existing end-of-life building and construction of a new recreational facility, as well as replacing existing sport courts and splash pad, along with new play features, pathways, a dog park, and trees, as recommended in the Carnarvon Park Master Plan.

Henderson Recreation Centre Facilities Program
This capital budget is proposed for investments in assets including replacement of flooring and fixtures as well as the assessment and development of long-term investment plans for the building systems.

Monterey Recreation Centre Facilities Program
This budget is proposed for asset management relating to fixtures, flooring and building systems, including replacement of the facility roof.

Oak Bay Recreation Centre (OBRC) Facilities Program
This capital budget includes replacement of flooring, interior lighting, accessibility improvements, fire alarm system upgrade, and rooftop air handling unit. This also include the planning regarding potential renovation to the fitness centre to improve utilization of the floor space, address lifecycle asset management requirements and improve indoor climate control.

Henderson Park Tennis Court Resurfacing
This budget is proposed to refurbish the surface and apply new sport paint for the tennis court facility next to Henderson Recreation Centre. This investment will help to ensure the continued safe use of this popular recreation amenity.

Parks and Playground Program
PRC is continuing the program to update and replace playground equipment in parks. Playground equipment at end of life will be replaced to improve accessibility, safety and the play experiences of children and youth. The goal is to replace one playground per year until all playgrounds have been upgraded. The proposed order of playgrounds to be replaced:

1. Quimper Park – 2025/2026
2. Lafayette Park – 2026/2027
3. Willows Park – 2027/2028
4. Firefighter's Park – to be determined
5. Carnarvon Park Splash Pad and Playground **
6. Henderson Park – to be determined

**Note: The replacement and upgrade of the Carnarvon Park Splash Park is to be scheduled and completed with the replacement of the building at Carnarvon Park as the mechanical controls for the splash park will be located within the building structure.

Operating Projects

Operating Projects

The following projects are part of core service delivery and are contained within departmental operating budgets. The following is a listing of all the operating projects and project descriptions.

Other Projects	Funding Source	2026	2027	Total
SP009 Human Resource Plan Update	General Operating Surplus	$42,600	$ -	$42,600
SP019 Security Audit	General Operating Surplus	-	40,000	40,000
SP023 Occupational Disability Claims Management	General Operating Surplus	93,000	-	93,000
SP063 Natural Assets & Green Infrastructure Scoping	General Operating Surplus	-	50,000	50,000
SP065 Community Emergency Prep Survey	Climate Action Plan	18,500	-	18,500
SP067 Uplands Sewer Separation Connection Grant	Sewer Fund Operating Surplus	70,000	-	70,000
SP068 Cool It! BC Sustainable Energy Association	Climate Action Plan	8,000	-	8,000
SP074 Reconciliation Learning and Activities (New)	General Operating Surplus	10,000	-	10,000
SP087 Marina Site Next Steps (New)	General Operating Surplus	209,058	-	209,058
SP114 Deer Management (New)	General Operating Surplus	85,000	-	85,000
SP088 Information Technology Strategy (New)	General Operating Surplus	153,750	51,250	205,000
SP704 Public Art Asset Inventory (New)	General Operating Surplus	10,000	-	10,000
Other Projects Total		**$699,908**	**$141,250**	**$841,158**

Operating Project Descriptions

Human Resource (HR) Plan Update

This update is designed to support a comprehensive review and update of the District's HR Plan, including an assessment of related policies, procedures, and processes.

Security Audit

The District is engaging in a comprehensive review of its technology environment to support continuous improvements and future planning.

Occupational Disability Claims Management

The objective of the project is to improve occupational health and safety, reduce productivity loss, and reduce WorkSafeBC premiums.

Natural Assets and Green Infrastructure Scoping

This project explores the incorporation of municipal services related to the management of natural assets and green infrastructure, in conjunction with the Storm Water Master Plan.

Community Emergency Preparedness Survey

The Oak Bay Emergency Program (OBEP) plans to complete a Community Emergency Preparedness Survey (CEPS) to assess the perceptions and preparedness of Oak Bay residents regarding disasters and major emergencies in their community. The results of this survey will support the development of a long-term strategic plan for community preparedness, education, and engagement, with a specific focus on building community resilience.

Once a baseline of information has been obtained and a long-term strategic plan has been formulated and approved, the survey will be repeated every five years. Aligning the completion cycles of these two services will ensure the emergency program can utilize the most relevant hazard analysis and community-driven data when revising and updating the Emergency Response and Recovery Plans (ERRP).

Uplands Sewer Separation Connection Grant

Supports eligible property owners with the cost of connecting private sewer laterals as part of the District's sewer separation program. To date, the grant program has not been accessed, as property owners are waiting until the project is complete.

Cool It! BC Sustainable Energy Association

Funds participation in the BC Sustainable Energy Association's Cool It! Program, which provides climate change education and action-focused solutions for elementary and high school students.

Reconciliation Learning and Activities (New)

Provides funding for Indigenous relations and reconciliation activities, including government-to-government relationship building, support for cultural recognition and expression, and the incorporation of Indigenous perspectives into planning and conservation initiatives.

Operating Project Descriptions Continued

Marina Site Next Steps (New)
Supports non-engagement-related consulting work related to the future use of the Oak Bay Marina site following the expiration of the District's lease arrangements.

Deer Management (New)
Provides funding for the continued use of non-lethal wildlife management measures to help stabilize the local deer population, reducing community concerns over time.

Information Technology Strategy (New)
Develop a District-wide IT governance model and technology strategy to improve security, manage risk, and guide modernization. Through a current-state assessment and roadmap, it will define priority actions, resourcing needs, and a multi-year implementation plan for Council consideration.

Public Art Asset Inventory (New)
This project will develop a comprehensive inventory of the District's public art collection, documenting artist information, materials, fabrication details, and supporting records for each piece. A specialized consultant will engage with artists to establish maintenance requirements, lifecycle considerations, and cost estimates, enabling the District to implement structured annual and long-term maintenance planning for its public art assets.

Major Capital and Capital Plan Summaries

Major Capital and Capital Plan Summaries

2026-2030 Capital Plan Major Projects (>500K)

The 2026-2030 Financial Plan includes capital expenditures of $219 million. The below table is a listing of all projects where costs are equal to or exceeding $500,000.

Projects by Department	% of Total	2026 Budget ($)	2027-2030 Budget ($)	Total Budget ($)	Funding Source
Facilities Management					
Marina Structural Repairs[1]		$2,500,000	$ -	$2,500,000	Reserves
Municipal Hall Boilers Replacement (HVAC)[1]		1,400,000	-	1,400,000	Reserves
Facilities General Capital Program[1]		500,000	2,000,000	2,500,000	Reserves
Public Works Building Office Renewal[1]		280,000	300,000	580,000	Reserves
Public Safety Building[1]		275,000	43,000,000	43,275,000	Reserves, Debt
Library HVAC Replacement[1]		1,100,000	-	1,100,000	Reserves
Facilities Management Total	**23.4%**	**6,055,000**	**45,300,000**	**51,355,000**	
Engineering & Public Works					
Transportation Safety Improvements		150,000	2,890,000	3,040,000	Reserves
Pavement Management Program		2,255,000	6,000,000	8,255,000	Reserves, Debt
Storm Sewer Rehabilitation		1,010,000	6,750,000	7,760,000	Reserves, Debt
Sidewalk Replacement Program		500,000	2,000,000	2,500,000	Reserves
Street & Intersection Pole Replacement		300,000	900,000	1,200,000	Reserves
McNeill Bay/McMicking Pt Foreshore Erosion		$400,000	$ 969,100	$1,369,100	Reserves
Uplands Storm Sewer separation – Humber		$4,043,000	$ -	$4,043,000	Reserves, Grant

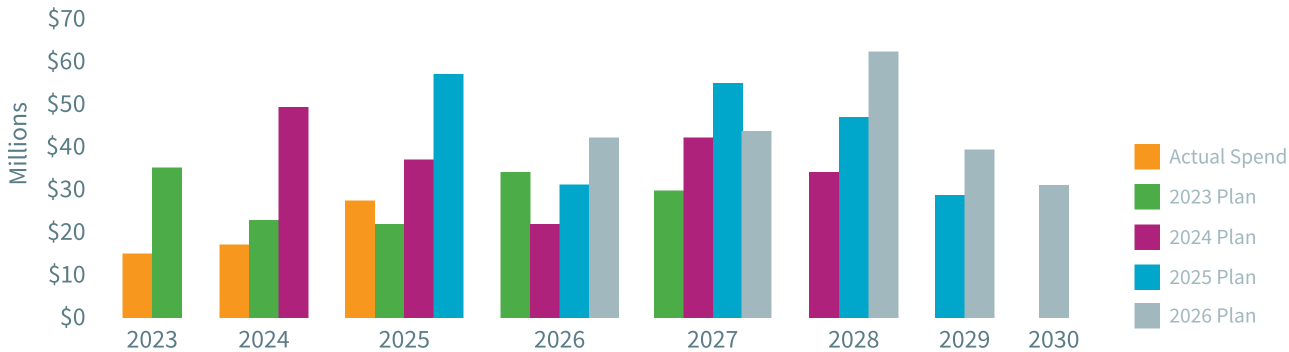
Projects by Department	% of Total	2026 Budget ($)	2027-2030 Budget ($)	Total Budget ($)	Funding Source
Engineering & Public Works Continued					
Bowker Creek Walkway Railings		335,000	335,000	670,000	Reserves
Beach Access Stair Rehabilitation		360,000	1,440,000	1,800,000	Reserves
Currie Road Utility Project		50,000	1,250,000	1,300,000	Reserves, Debt
Estevan Storm Replacement		1,300,000	1,220,000	2,520,000	Reserves, Debt
McNeill Traffic Calming/Utility Replacement		809,000	-	809,000	Reserves, Debt
Henderson and Haultain Bike Lanes		1,728,000	-	1,728,000	Reserves, Debt
Haro Rd Soil Transfer Site		750,000	750,000	1,500,000	Reserves
Beach Dr 1800–2100 Block Utilities		-	1,914,000	1,914,000	Reserves, Debt
Cadboro Bay Road Utilities		75,000	700,000	775,000	Reserves, Debt
Foul Bay-Carnarvon to Neal Utilities		40,000	730,000	770,000	Reserves, Debt
Henderson Area Utilities		30,000	2,250,000	2,280,000	Reserves, Debt
Oak Bay Village Drainage-Wilmot/Theatre		80,000	500,000	580,000	Reserves, Debt
South Oak Bay Utility Corridor Upgrades		50,000	1,000,000	1,050,000	Reserves, Debt
Thorpe 460mm Storm Replacement		110,000	1,020,000	1,130,000	Reserves, Debt
Windsor Rd to Beach Dr/Newport Intersect		-	735,000	735,000	Reserves, Debt
ATS – Cedar Hill Cross Road Phase 2		20,000	1,980,000	2,000,000	Reserves, Debt
ATS – Central Oak Bay Corridor		$70,000	$630,000	$700,000	Reserves, Debt
ATS - Henderson/Foul Bay Rd Phase 2		$20,000	$1,980,000	$2,000,000	Reserves, Debt
ATS - Cadboro Bay Rd Phase 2		-	3,000,000	3,000,000	Reserves, Debt
ATS - Lansdowne Rd Phase 2		-	1,500,000	1,500,000	Reserves, Debt
PW Vehicle and Equipment Replacement		1,550,000	2,665,000	4,215,000	Reserves
#41 Labrie Garbage Truck Replacement		600,000	-	600,000	Reserves
Engineering & Public Works Total	**28.2%**	**$16,635,000**	**$45,108,100**	**$61,743,100**	

Projects by Department	% of Total	2026 Budget ($)	2027-2030 Budget ($)	Total Budget ($)	Funding Source
Finance, IT & Parking					
PC Hardware Replacement		$103,600	$414,400	$518,000	Reserves
IT Project Management-Division Projects		170,000	680,000	850,000	Reserves
Finance, IT & Parking Total	**0.6%**	**$273,600**	**$1,094,400**	**$1,368,000**	
Fire					
Fire Personal Protective Equipment		$ -	$500,000	$500,000	Reserves
Fire Total	**0.2%**	**-**	**$500,000**	**$500,000**	
Parks, Recreation & Culture					
Carnarvon Park Master Plan/Design & Build[1]		$2,422,150	$26,300,000	$28,722,150	Reserves, Debt
OBRC Cardio/Strength Equip Replacement[1]		23,800	500,000	523,800	Reserves
OBRC Motor Control Centre's[1]		-	852,700	852,700	Reserves
Monterey Roof[1]		-	1,881,700	1,881,700	Reserves
OBRC Solar System[1]		-	770,000	770,000	Reserves
Carnarvon Splash Park and Playground[1]		-	1,500,000	1,500,000	Debt
OBRC Fitness Centre Renovation[1]		200,000	1,000,000	1,200,000	Reserves
Willow's Park and Playground		-	600,000	600,000	Reserves
Henderson Parking Lot Resurfacing[1]		-	650,000	650,000	Reserves
Parks, Recreation & Culture Total	**16.8%**	**$2,645,950**	**$34,054,400**	**$36,700,350**	
Sewer Utility					
Currie Road Utility Project		$250,000	$2,500,000	$2,750,000	Reserves
Estevan Storm Replacement		1,000,000	750,000	1,750,000	Reserves
Radcliffe/King George Kiosk Electrical		600,000	600,000	1,200,000	Reserves
Beach Dr 1800-2100 Block Utilities		-	957,000	957,000	Reserves
Foul Bay-Carnarvon to Neal Utilities		$40,000	$680,000	$720,000	Reserves

Projects by Department	% of Total	2026 Budget ($)	2027-2030 Budget ($)	Total Budget ($)	Funding Source
Sewer Utility Continued					
Henderson Area Utilities		30,000	2,250,000	2,280,000	Reserves
South Oak Bay Utility Corridor Upgrades		25,000	500,000	525,000	Reserves
Thorpe 460mm Storm Replacement		50,000	600,000	650,000	Reserves
Sewer Main Rehabilitation		1,150,000	8,050,000	9,200,000	Reserves
Sewer Utility Total	**9.1%**	**$3,145,000**	**$16,887,000**	**$20,032,000**	
Water Utility					
Uplands Storm sewer separation - Humber		$1,103,960	$ -	$1,103,960	Reserves
McNeill Traffic Calming/Utility Replace		2,040,000	-	2,040,000	Reserves
Beach Dr 1800-2100 Block Utilities		-	792,000	792,000	Reserves
Foul Bay-Carnarvon to Neal Utilities		50,000	800,000	850,000	Reserves
Henderson Area Utilities		30,000	2,250,000	2,280,000	Reserves
Oliver 2 Utilities		-	583,000	583,000	Reserves
South Oak Bay Utility Corridor Upgrades		25,000	500,000	525,000	Reserves
Water Watermain Replacement		1,375,000	8,900,000	10,275,000	Reserves
North Oak Bay Pump Station Consolidation		-	6,500,000	6,500,000	Reserves, Debt
New Water Service Connections		330,800	1,323,200	1,654,000	Utility Fees
Water Utility Total	**12.1%**	**$4,954,760**	**$21,648,200**	**$26,602,960**	
Total Major Projects	**90.5%**	**$33,709,310**	**$164,592,100**	**$198,301,410**	
Total Capital Projects < $500,000	**9.5%**	**8,857,394**	**11,883,500**	**20,740,894**	Reserves
2026-2030 Capital Plan	**100%**	**$42,566,704**	**$176,475,600**	**$219,042,304**	

(1) Facilities Management provides ongoing facility management, planning and project delivery for these facilities.

Capital Plan vs. Actual Spend

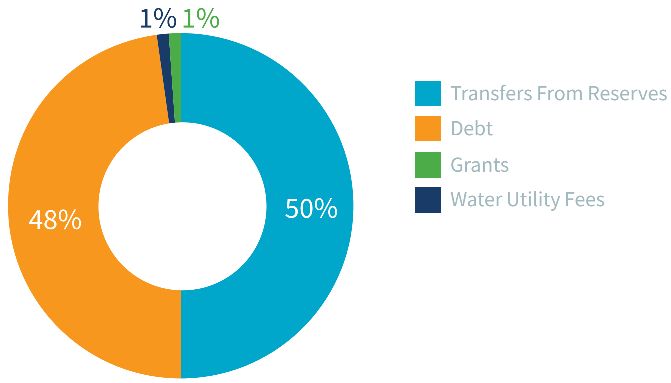


2026-2030 Capital Plan

Department	2026	2027	2028	2029	2030	Total	% of Total
Facilities Management	$6,733,000	$1,875,000	$20,500,000	$15,500,000	$7,500,000	$52,108,000	23.8%
Building & Planning Vehicles	-	-	80,000	-	-	80,000	0.0%
Corporate Administration	233,400	-	-	-	-	233,400	0.1%
Engineering & Public Works	18,290,000	12,945,000	14,865,550	9,734,550	9,940,000	65,775,100	30.0%
Finance, IT & Parking	745,600	507,600	303,600	312,200	303,600	2,172,600	1.0%
Fire Department	489,300	185,000	145,000	519,000	145,000	1,483,300	0.7%
Parks, Recreation & Culture	5,790,304	18,214,500	14,180,300	3,823,600	3,234,200	45,242,904	20.7%
Oak Bay Police Department	548,300	702,000	489,200	26,500	284,000	2,050,000	0.9%
Sewer Utility	3,996,040	5,637,000	5,965,000	2,995,000	3,045,000	21,638,040	9.9%
Water Utility	5,740,760	3,539,300	5,967,300	6,485,800	6,525,800	28,258,960	12.9%
Total	**$42,566,704**	**$43,605,400**	**$62,495,950**	**$39,396,650**	**$30,977,600**	**$219,042,304**	**100.0%**

Note: The updated five-year capital program reflects a lower overall funding profile compared to prior plans, as projects have been reprioritized using the District's Capital Investment Prioritization Framework. Expenditures have been distributed more evenly across the planning horizon, rather than being front-loaded, following a comprehensive reassessment of timing and delivery capacity. This approach supports more effective long-term funding strategies and contributes to greater stability in tax and fee impacts over time.

2026-2030 Capital Funding by Source



2026-2030 Capital Plan Funding Summary

Capital Funding Source	2026	2027	2028	2029	2030	Total	% of Total
Grants	$3,174,600	$ -	$ -	$ -	$ -	$3,174,600	1.4%
Water Utility Fees	330,800	330,800	330,800	330,800	330,800	1,654,000	0.8%
Transfers From Reserves							
Capital Renewal Reserves							
Fire Equipment	464,000	185,000	145,000	519,000	145,000	1,458,000	0.7%
Machinery and Equipment	1,550,000	675,000	265,000	625,000	825,000	3,940,000	1.8%
Infrastructure Renewal	15,523,280	8,222,250	11,815,700	7,634,900	7,578,750	50,774,880	23.2%
Capital Works General Fund	8,330,161	6,446,600	2,956,250	2,420,950	3,082,300	23,236,261	10.6%
Capital Works Water Fund	2,255,000	1,058,500	2,266,500	1,855,000	2,545,000	9,980,000	4.6%
Capital Works Sewer Fund	2,943,000	3,887,000	2,275,000	1,995,000	2,045,000	13,145,000	6.0%

2026-2030 Capital Plan Funding Summary Continued

Capital Funding Source	2026	2027	2028	2029	2030	Total	% of Total
Operating Reserves:							
Growing Communities Fund	229,763	150,000	350,000	418,116	-	1,147,879	0.5%
General Fund Operating Surplus	200,000	210,000	140,000	-	140,000	690,000	0.3%
Water Fund Operating Surplus	1,401,000	1,350,000	720,000	-	-	3,471,000	1.6%
Water Fund Operating Surplus	-	750,000	1,100,000	-	-	1,850,000	0.8%
Debt	6,165,100	20,340,250	40,131,700	23,597,884	14,285,750	104,520,684	47.7%
Capital Funding Total	**$42,566,704**	**$43,605,400**	**$62,495,950**	**$39,396,650**	**$30,977,600**	**$219,042,304**	**100.0%**

Operating Budget Impacts of the Capital Plan

Capital investment decisions affect the District's current and future operating budgets, and these impacts are considered during annual budget development. They fall into three categories.

Debt servicing
Projects funded through long-term borrowing generate incremental annual principal and interest costs beginning the year after borrowing and continuing for the term of the debt. These costs are quantified by year in the Projected Debt Servicing Costs schedule (page 196) and are fully reflected in the operating budget and tax requirement for each year of the Financial Plan.

Maintenance and lifecycle costs
New and expanded assets add ongoing operating costs and increase the annual reserve contributions required to fund their eventual renewal. Where a project introduces material new operating costs, these are added to the affected department's operating budget in the year the asset enters service.

Operating cost reductions
Renewal projects that replace assets at the end of their service life reduce reactive maintenance pressures. Most capital projects in the plan are like-for-like renewals of existing assets and do not add incremental operating costs.

Workforce Planning and Organizational Structure

Workforce Planning

To deliver on Council Priorities, workforce planning is undertaken by departments in addition to other measures such as process streamlining and systems integration. Workforce planning is developed and reported to Council where departments are undergoing change or service delivery milestones. Workforce analysis enables departments to respond effectively to growth in core service needs.

Full-Time Equivalent Chart (FTE)

For the 2026 budget year, FTE figures reflect a review and alignment of standard FTE reporting practices with the Financial Plan. To support comparability, the impacts of these reporting changes have been applied to the 2025 figures and presented in the 2025 (Restated) column, with corresponding baseline treatment reflected in the 2026 FTE column. These changes do not affect approved budgets or the accuracy of the Financial Plan but improve the consistency and transparency of reported FTEs.

Changes between the 2025 (Restated) and 2026 FTE figures reflect staffing proposed in the 2026 budget requests, including new staffing requests summarized in Appendix 4 – Summary of New Requests, as well as positions associated with the Fire Capacity Master Plan and the Police Board Budget.

Table 1 lists the full-time-equivalent positions by year

Department	2024 FTEs	2025 FTEs	2025 Change	2025 (Restated)	2026 FTEs	Change
Corporate Administration	13.64	14.64	-0.14	14.50	14.50	0
Finance, IT, and Asset Management	10.91	12.91	1.92	14.83	16.10	+1.27
Facilities Management	1.00	1.00	2.00	3.00	4.00	+1.00
Police Department	29.00	30.00	0	30.00	32.00	+2.00
Fire Services	32.00	33.00	0	33.00	34.00	+1.00
Community Building and Planning Services	13.80	15.30	0	15.30	15.30	0
Engineering and Public Works	46.25	52.25	27.25	79.50	81	+1.5
Parks, Recreation, and Culture	155.50	155.50	-79.27	76.23	76.23	0
Total	**302.10**	**314.60**	**-48.24**	**266.36**	**273.13**	**+6.77**

2025 Review Findings and Restatement

During 2025 budget development, a comprehensive review of all departmental positions was undertaken to reconcile reported FTE counts with the current organizational structure and to align reporting across departments with standard FTE reporting practices. The objective of the review was to improve consistency, transparency, and comparability of FTE reporting while maintaining the integrity of the Financial Plan.

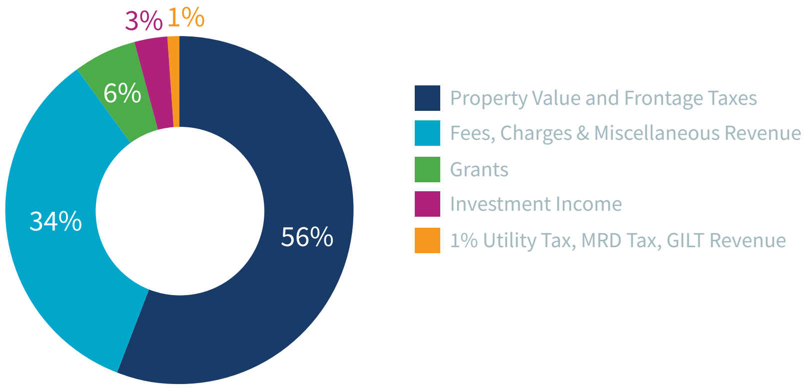
The following adjustments are reflected in the 2025 (Restated) column:

	2025 restate
(1) Auxiliary Positions Auxiliary and seasonal positions have been excluded from the core FTE charts to present ongoing organizational capacity that reflects permanent staffing commitments. These positions continue to be funded and operationally managed but are no longer included in reported FTE totals, as they do not represent ongoing full-time staffing obligations.	-82.14
(2) Departmental Reporting Alignment FTEs are reported under the department to which the full position functionally reports, rather than prorated by funding source (e.g., capital, cost recovery, or inter-departmental charge-outs). This change aligns reporting with organizational accountability and structure.	33.90
Total	**-48.24**

Organizational Structure

Revenue Discussion

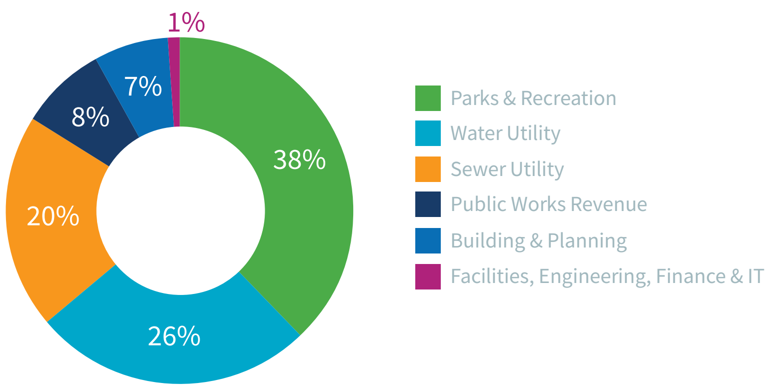
Revenue Discussion



Revenue	2025 Budget	2026 Budget	$ Change	% Change
Property Value Taxes	$40,303,147	$44,081,837	$3,778,690	9%
Fees and Charges	24,924,401	27,095,505	2,171,104	9%
Grants (Capital)	6,536,666	4,057,166	(2,479,500)	-38%
Grants (Operating)	631,680	501,876	(129,804)	-21%
Investment Income	2,250,000	2,250,000	-	0%
Municipal-Regional District Tax	250,000	250,000	-	0%
Boulevard Frontage Taxes	289,872	303,103	13,231	5%
1% Utility and GILT Revenue	307,170	293,232	(13,938)	-5%
Property Tax Penalties & Interest	273,000	300,300	27,300	10%
Miscellaneous Revenue	11,100	16,500	5,400	49%
Total Revenue	**$75,777,036**	**$79,149,519**	**$3,372,483**	**4%**
Debt Proceeds	$6,600,000	$6,165,100	$(434,900)	-7%
Transfers from Reserves	$50,976,851	$36,997,768	$(13,979,083)	-27%
Total Funding From Other Sources	**$57,576,851**	**$43,162,868**	**$(14,413,983)**	**-25%**
Total Revenue and Funding from Other Sources	**$133,353,887**	**$122,312,387**	**$(11,041,500)**	**-8%**

Projected total 2026 Operating Revenue is $79.8 million, an overall increase of 5% over the prior year. Property Taxation and User Fees account for 56% and 34%, respectively.

User Fees



Department	2025 Budget	2026 Budget	$ Change	% Change
Building & Planning Dept. Revenue	$1,445,500	$1,888,000	$442,500	31%
Engineering Dept. Revenue	-	15,000	15,000	-
Facilities Dept. Revenue	358,980	365,944	6,964	2%
Finance Dept. Revenue	33,750	31,200	(2,550)	-8%
Parks & Recreational Dept. Revenue	9,605,704	10,285,217	679,513	7%
Sewer Utility Fees	4,890,250	5,313,010	422,760	9%
Solid Waste Fees	2,099,635	2,251,919	152,284	7%
Water Utility Fees	6,490,582	6,945,215	454,633	7%
Total Department Revenue	**$24,924,401**	**$27,095,505**	**$ 2,171,104**	**9%**

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. 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:

Parks, Recreation and Culture

Facility User Fees

The District charges user fees for access to recreational facilities, including community centres, sports fields, tennis courts, aquatic facilities, and related public spaces.

Passes and Memberships

Passes and memberships provide users with unlimited or extended access to facilities for a fixed fee and help manage both operating costs and service demand. These include:

- **Aquatic Passes** – Individual and family options providing unlimited pool access for defined terms (monthly, quarterly, or annual), available to residents and non-residents.
- **Fitness Passes** – Provide access to fitness centres and group classes for a specified duration.
- **Seasonal Passes** – Offer unlimited access to certain facilities, such as outdoor sports fields, golf courses, or tennis courts, for the duration of a season.
- **Multi-Facility Passes** – Bundled passes that provide access to multiple facilities (e.g., aquatic, fitness, and community spaces) at a reduced combined rate.

Program Registration Fees

Separate registration fees apply to organized programs delivered within District facilities, including fitness classes, swimming lessons, camps, and other instructional or recreational programming.

Engineering & Public Works

The District funds its utility services primarily through user fees, with limited reliance on property taxation where appropriate. Rates are established by bylaw to recover operating, maintenance, and long-term infrastructure costs associated with service delivery.

Sewer User Fees (Municipal System)

The District levies sewer user fees to recover approximately 70% of the costs associated with maintaining the municipal sanitary sewer conveyance system. The remaining 30% of these costs are recovered through property taxation. Sewer consumption charges are calculated using an estimate of 60% of water consumption to approximate wastewater discharge.

CRD Sewer User Fee (Regional Service)

The District also levies a sewer user fee to recover 100% of the operating costs associated with regional wastewater services, including treatment at the Core Area Wastewater Treatment Plant operated by the Capital Regional District. In November 2020, Council resolved to recover regional sewer operating costs through user fees, while regional sewer capital and debt costs are funded through property taxation.

Water User Fees

Water services are funded entirely through user fees consisting of both a fixed charge and a consumption-based charge. These fees recover 100% of the costs associated with providing retail water service, including the purchase of bulk water from the Capital Regional District. The fixed fee recovers approximately 35% of costs, while consumption charges recover the remaining 65%. For properties with two or fewer units, the fixed charge is currently $0.92 per day ($335.80 annually).

Solid Waste User Fees

The District levies a solid waste user fee under the Refuse Collection and Disposal Bylaw to fund refuse collection, recycling, and related services. Fee revenues exceed the division's direct operating costs and are used to support long-term infrastructure replacement and shared corporate overhead related to solid waste service delivery.

Fee Adjustments

Utility and solid waste user fee bylaws are typically amended in the fall each year, with revised rates taking effect January 1 of the following year. Other fees and charges are reviewed annually and amended, where required, upon adoption of the Financial Plan.

Recreation Recovery %

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 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.

Patronage levels are forecasted to continue to increase in 2026. Currently, forecasted fees are expected to recover 63%, a slight increase of 1% over the 2025 recovery percentage. Fees are still not sufficient to meet the historical recovery rate of 69-70%.

After incorporating 2026 forecasts, COVID funding will now be completely drawn down in 2026 instead of 2025. Net of COVID funding and fee revenue, additional funding of $603K is required. This results in an impact of 2% on the 2026 tax increase, unless fees are increased.

Recreation recovery rates (2025 actual vs 2025 Budget; 2026 Budget $ and %)

Description	2025 Actual $	2025 Budget $	Difference $	2025 Actual Recovery %	2025 Budget Recovery %	2026 Budget $	2026 Budget Recovery %	Budget Change $
Fees	$10,415,935	9,605,704	810,231	62%	59%	$10,285,217	61%	$679,513
Property Tax	5,670,149	5,670,149	0	34%	35%	6,272,697	37%	602,548
Reserve	364,137	900,000	(535,863)	5%	6%	200,000	1%	(700,000)
Expenses	(16,450,221)	(16,175,853)	(274,368)	100%	100%	(16,757,914)	100%	(582,061)
Net	$ -	$ -	$ -			$ -		$ -

Five-year forecast recovery rates for fees and taxation

Descrip-tion	2026 Budget $	2026 Budget Recov-ery %	2027 Budget $	2027 Budget Recov-ery %	2028 Budget $	2028 Budget Recov-ery %	2029 Budget $	2029 Budget Recov-ery %	2030 Budget $	2030 Budget Recov-ery %
Fees	$10,285,217	61%	$10,367,506	60%	$10,539,721	62%	$10,787,181	62%	$10,762,379	61%
Property Tax	6,272,697	37%	6,735,207	39%	6,401,677	37%	6,405,488	37%	6,687,907	38%
Reserve	200,000	1%	0	0%	0	0%	0	0%	0	0%
Expenses	(16,757,914)	99%	(17,102,713)	99%	(16,941,398)	99%	(17,192,669)	99%	(17,450,286)	99%

Taxation

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 98% 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 significant reduction in assessed values would be unlikely to disrupt such revenues.

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 Parks crew maintains 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. Staff have increased the boulevard maintenance budget significantly to regain the 75% policy objective.

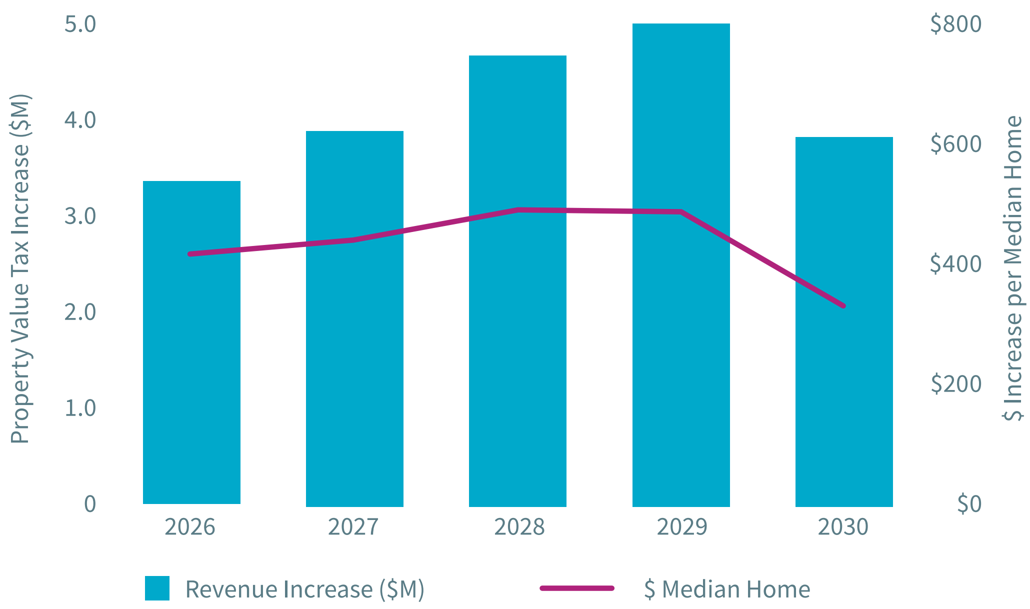
The 2026 Boulevard Frontage Taxes are $303,103, an increase of 5%.

Permissive Tax Exemptions

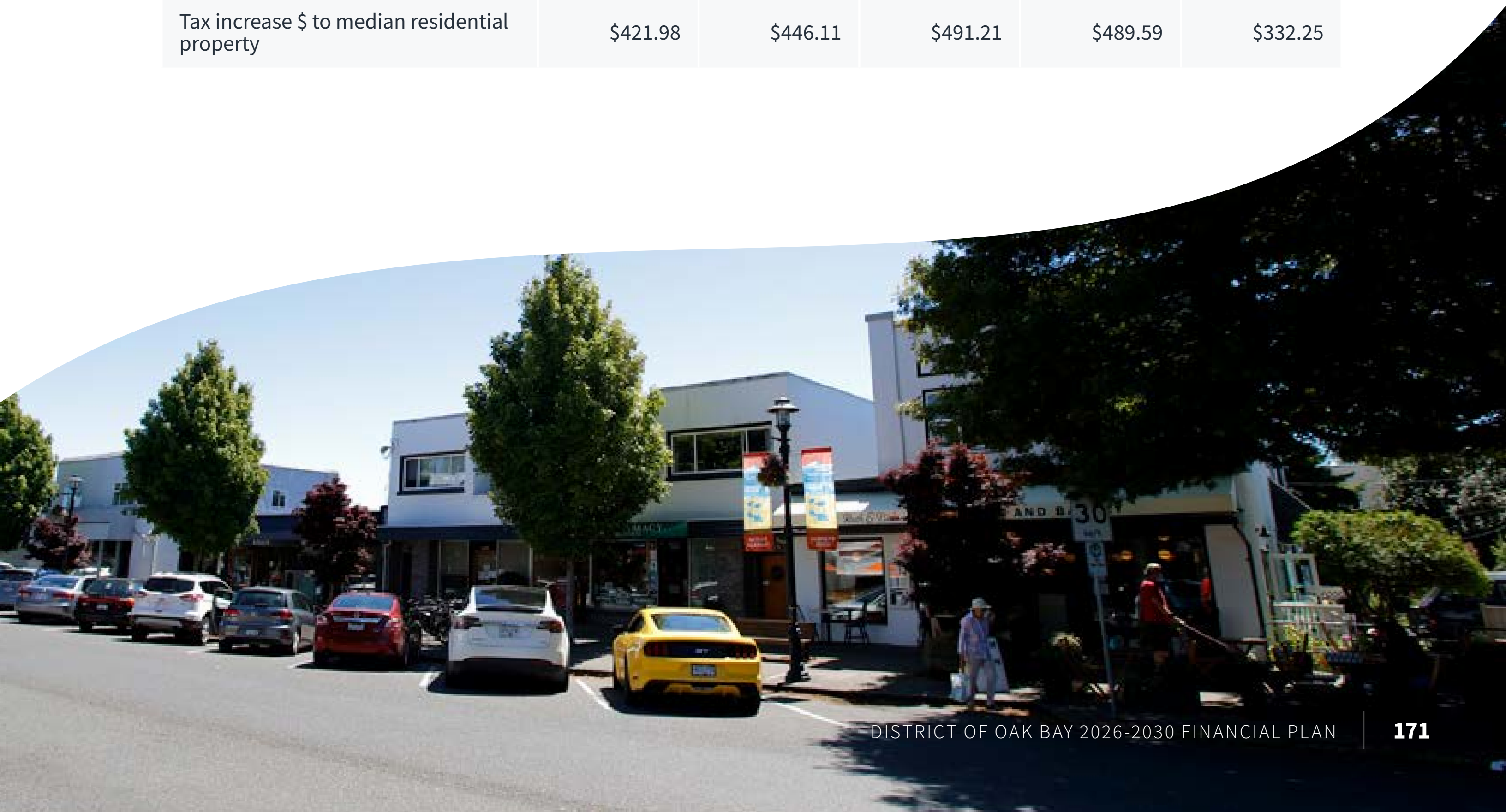
With the objective of distributing the tax burden fairly among properties receiving municipal services, Council makes very little use of its authority to grant permissive tax exemptions. The policy to date has been to grant permissive exemptions for land and improvements appurtenant to property already 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.

Five Year of Taxation Revenue

$ Increase in Revenue and $ Cost per Median Home



	2026	2027	2028	2029	2030
Tax increase	8.42%	8.90%	9.80%	9.76%	6.63%
Tax increase $ to median residential property	$421.98	$446.11	$491.21	$489.59	$332.25



Objectives and Policies

As required by the LGA, District objectives and policies are confirmed by Council and form part of the Council approved bylaw. See Appendix A Schedule C for more information.

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 % tax increase < Total District % tax increase
Average assessment increase/ decrease	Individual % tax increase = Total District % tax increase
Higher than average assessment increase/decrease	Individual % tax increase > Total District % tax increase

The initial 2026 Assessment Roll included a 1.04% increase in residential property values. The property tax increase for 2026 is 8.42%, which means that for properties with an assessment change above 1.04% increase in assessed value, the property will incur a tax increase greater than 8.42% for the municipal portion of taxes levied.

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 make 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 Advanced Education, Skills and Training 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 $517M in 2026. The grant in lieu of taxes ($65,000) is equivalent to approximately 2.0% of the taxation revenue that would be due on taxable assessment. The foregone taxes demonstrate the District's significant investment in post-secondary education.

1% Utility Revenue

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.

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.

Summary of Revenue Estimation Methodology

The District uses the following methods to estimate revenue for the budget year:

Revenue Source	Method	Description
Property Value Taxes	Council Direction	Tax revenue targets are set through Council's financial planning guidelines and deliberations. The rate is calculated by dividing the revenue target by the total assessed value (set independently by BC Assessment).
Sewer & Water Utility Fees	Cost Recovery	Rates are set to recover the full cost of service delivery, including CRD bulk charges, local operations, and infrastructure replacement contributions. CRD rates are provided annually by the Capital Regional District.
Parks, Recreation & Culture Fees	Trend Analysis + Activity Forecasting	Fee revenue is projected based on three-year average patronage trends, adjusted for known changes in programming and facility availability. Recovery rates are monitored against the 60–70% target range.
Building & Planning Revenue	Professional Judgment + Trend	Permit revenue is estimated based on development activity trends, known applications in the pipeline, and professional judgment regarding market conditions.
Investment Income	Market Rates + Cash Flow	Projected using Bank of Canada rate forecasts applied to the District's average investable cash balance. Adjustments are made for anticipated capital outflows that reduce the investable balance during the year.
Grants	External Confirmation	Operating and capital grants are budgeted based on confirmed or anticipated funding agreements with senior levels of government. Capital grants are recognized when eligibility criteria are expected to be met.
1% Utility, GILT, MRDT	Prior-Year Actuals	These revenues are based on amounts remitted by external parties for the prior year. The budget is set based on the most recent actual remittance, which provides a high degree of accuracy.

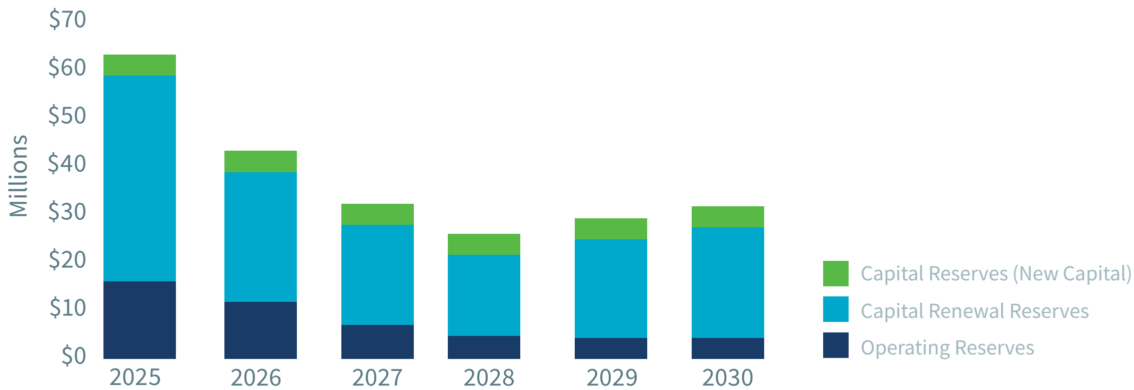
Reserve Schedules

Reserve Projections

Reserve balances are expected to decline from $63.2M at the end of 2025 to $36.8M by 2030, 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 forecast to be approximately $88.6M and expenditures funded from reserves are forecast to total $111.6M.

Projected Reserve Balances



Projected Reserve Balances by Fund

Reserve	2025	2026	2027	2028	2029	2030
General Fund						
Operating Reserves	$10,515,431	$7,384,889	$4,806,614	$4,328,914	$4,025,098	$3,918,988
Capital Renewal Reserves	37,792,964	24,062,049	21,546,975	20,667,415	23,960,524	26,827,426
Capital Reserves (New Capital)	4,229,917	4,349,917	4,469,917	4,589,917	4,709,917	4,829,917
Total General Fund Reserves	**52,538,312**	**35,796,855**	**30,823,506**	**29,586,246**	**32,695,539**	**35,576,331**
Sewer Fund						
Operating Reserves	2,162,195	2,092,195	1,342,195	242,195	242,195	242,195
Capital Renewal Reserves	4,102,179	2,733,539	576,279	190,970	252,101	306,411
Total Sewer Fund Reserves	**6,264,374**	**4,825,734**	**1,918,474**	**433,165**	**494,296**	**548,606**
Water Fund						
Operating Reserves	3,639,978	2,238,978	888,978	168,978	168,978	168,978
Capital Renewal Reserves	736,833	107,063	839,153	535,353	822,143	463,913
Total Water Fund Reserves	**4,376,811**	**2,346,041**	**1,728,131**	**704,331**	**991,121**	**632,891**
Total	**$63,179,497**	**$42,968,630**	**$34,470,111**	**$30,723,742**	**$34,180,956**	**$36,757,828**

Detailed Listing (Forecast)

	2025	2026	2027	2028	2029	2030
Operating Reserves						
Operating Fund - General	$4,366,248	$2,281,340	$843,320	$601,320	$601,320	$378,820
Operating Fund - Sewer	2,162,195	2,092,195	1,342,195	242,195	242,195	242,195
Water Fund Operating Surplus	3,639,978	2,238,978	888,978	168,978	168,978	168,978
Growing Communities Fund	3,193,319	2,572,785	1,497,425	1,147,425	729,309	729,309
Climate Action	655,640	338,740	178,345	193,345	208,345	223,345
Major Crimes	1,100,224	1,192,024	1,287,524	1,386,824	1,486,124	1,587,514
COVID-19 Restart	200,000	–	–	–	–	–
Financial Stability Reserve	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Operating Reserves Total	**16,317,604**	**11,716,062**	**7,037,787**	**4,740,087**	**4,436,271**	**4,330,161**
Capital Renewal Reserves						
Fire Equipment	510,792	497,892	763,992	1,070,092	1,002,192	1,308,292
Machinery and Equipment	1,554,728	455,228	248,728	470,928	352,628	38,238
Capital Works - General Fund	11,278,892	4,888,037	653,121	194,225	441,482	28,214
Capital Works - Sewer Fund	4,102,179	2,733,539	576,279	190,970	252,101	306,411
Capital Works - Water Fund	736,833	107,063	839,153	535,353	822,143	463,913
Infrastructure Renewal	23,822,270	17,585,684	19,236,794	18,278,489	21,500,984	24,779,629
Tod House Trust	137,955	146,881	156,013	165,354	174,911	184,726
Legacy Trust	488,327	488,327	488,327	488,327	488,327	488,327
Capital Renewal Reserves Total	**42,631,976**	**26,902,651**	**22,962,407**	**21,393,738**	**25,034,768**	**27,597,750**
Capital Reserves (New Capital)						
Heritage	2,539,684	2,539,684	2,539,684	2,539,684	2,539,684	2,539,684
Village Parking	1,086,883	1,086,883	1,086,883	1,086,883	1,086,883	1,086,883
Land Sale	43,518	43,518	43,518	43,518	43,518	43,518
Parks Acquisition	541,271	541,271	541,271	541,271	541,271	541,271
Tax Sale Property	2,077	2,077	2,077	2,077	2,077	2,077
Alternative Transportation Infrastructure	16,484	16,484	16,484	16,484	16,484	16,484
DCC/ACC Municipal Assist Capital	-	120,000	240,000	360,000	480,000	600,000
Capital (New Capital) Reserves Total	**4,229,917**	**4,349,917**	**4,469,917**	**4,589,917**	**4,709,917**	**4,829,917**
Total	**$63,179,497**	**$42,968,630**	**$34,470,111**	**$30,723,742**	**$34,180,956**	**$36,757,828**

2026 Change in Reserves

	2026 Opening	2026 Transfer In	2026 Transfer From	2026 Ending
Operating Reserves				
General Fund Operating Surplus	$4,366,248	$ -	$(2,084,908)	$2,281,340
Sewer Fund Operating Surplus	2,162,195	-	(70,000)	2,092,195
Water Fund Operating Surplus	3,639,978	-	(1,401,000)	2,238,978
Growing Communities Fund	3,193,319	-	(620,534)	2,572,785
Climate Action	655,640	15,000	(331,900)	338,740
Major Crimes	1,100,224	91,800	-	1,192,024
COVID-19 Restart Grant Reserve	200,000	-	(200,000)	-
Financial Stability Reserve	1,000,000	-	-	1,000,000
Total Operating Reserves	**16,317,604**	**106,800**	**(4,708,342)**	**11,716,062**
Capital Renewal Reserves				
Fire Equipment	510,792	451,100	(464,000)	497,892
Machinery and Equipment	1,554,728	450,500	(1,550,000)	455,228
Capital Works - General Fund	11,278,892	1,939,306	(8,330,161)	4,888,037
Capital Works - Sewer Fund	4,102,179	1,574,360	(2,943,000)	2,733,539
Capital Works - Water Fund	736,833	1,625,230	(2,255,000)	107,063
Infrastructure Renewal	23,822,270	9,286,694	(15,523,280)	17,585,684
Tod House Trust	137,955	8,926	-	146,881
Legacy Trust	488,327	-	-	488,327
Total Capital Renewal Reserves	**42,631,976**	**15,336,116**	**(31,065,441)**	**26,902,651**
Capital (New Capital) Reserves				
Heritage	2,539,684	$ -	$ -	2,539,684
Village Parking	1,086,883	-	-	1,086,883
Land Sale	43,518	-	-	43,518
Parks Acquisition	541,271	-	-	541,271
Tax Sale Property	2,077	-	-	2,077
Alternative Transportation Infrastructure	16,484	-	-	16,484
DCC/ACC Municipal Assist Capital	-	120,000	-	120,000
Total Capital (New Capital) Reserves	**4,229,917**	**120,000**	**-**	**4,349,917**
Total Reserves	**$63,179,497**	**$15,562,916**	**$(35,773,783)**	**$42,968,630**

Individual Reserve Fund Projections

Name	Description
Climate Action Reserve	The District signed the BC Climate Action Charter, committing to carbon-neutral corporate operations through ongoing measurement, reporting, and energy-efficiency improvements. As a signatory, the District received a full rebate of annual carbon taxes through the CARIP Grant, which has been transferred to the Climate Action Reserve since 2012. In May 2021, the Province announced that the CARIP program would end in 2021, with 2020 as the final reporting year.
CARIP Grant	The CARIP Grant was replaced by the Local Government Climate Action Program (LGCAP), which funds local governments to plan and implement climate actions that reduce emissions, support the clean economy, and strengthen climate resilience. As with CARIP, initial LGCAP proceeds were transferred to the District's Climate Action Reserve. At its September 25, 2023, meeting, Council added "Implementation of Climate and Sustainability Related Projects and Programs" as a priority in the Council Priority Plan, including establishing and funding a full-time climate position. This position is funded directly through the LGCAP grant, which appears to be ongoing. As a result, LGCAP funds are now used to support operations rather than transferred to reserve.
Major Crimes Reserve	The Police Board budgets an annual transfer to the Major Crimes Reserve, with funds set aside in accordance with its annual budget request. Use of this reserve is governed by the District's Reserve and Surplus Policy.
Fire Machinery and Equipment Reserve Fund	The Fire Machinery and Equipment Reserve Fund was originally established under Bylaw No. 3773, *Fire Machinery and Equipment Depreciation Reserve Fund Bylaw*, 1993, and later replaced by Bylaw No. 4747, the *Reserve Funds Bylaw*, 2020. Money in this reserve, including interest earned, may only be used to extend the useful life of, upgrade, or replace fire machinery and equipment.
Heritage Reserve Fund	Money in this fund, including interest earned, may only be used for land development projects and other capital projects that support or enhance land development. The principal balance originated from net profits generated through the Municipality's development of the Wessex Close subdivision in 1980-81.
Machinery and Equipment	The Machinery and Equipment Reserve Fund was originally established under Bylaw No. 2074, *Reserve for Machinery and Equipment Bylaw*, and Bylaw No. 3773, *Machinery and Equipment Depreciation Reserve*. These were repealed and replaced by Bylaw No. 4747, the *Reserve Funds Bylaw*, 2020. Money in this reserve, including interest earned, may only be used to extend the useful life of, upgrade, or replace machinery and equipment. Much of the District's fleet is scheduled for replacement over the next five years; however, reserve funding levels are expected to remain sustainable over the long term. For further details on asset replacement funding, see the State of Asset Replacement Funding section of this Financial Plan.
Parks Acquisition Reserve Fund	Under Section 510 of the *Local Government Act*, owners subdividing land into three or more lots must either provide parkland or pay cash in lieu. Section 188 of the Community Charter requires that these payments be placed in a statutory reserve fund, which may only be used to acquire new parkland.

Individual Reserve Fund Projections Continued

Name	Description
Capital Works Reserve Fund	This reserve fund was originally established under Bylaw No. 3775, the *Capital Works and Equipment Reserve Fund Bylaw*, and later replaced by Bylaw No. 4747, the *Reserve Funds Bylaw*, 2020. The Capital Works Reserve Fund provides a means of financing major repairs and asset replacements while helping moderate tax increases. Annual contributions for water main replacement, sewer rehabilitation, and other transfers are directed to this reserve.
Village Parking Reserve Fund	Section 525 of the *Local Government Act* allows a local government to collect payments in lieu of providing off-street parking as a condition of a building permit. These payments must be placed in a reserve and were deposited into the District's Village Parking Reserve, established under Bylaw No. 3631, the *Parking Reserves Fund Establishment Bylaw*, 1989.
Alternative Transportation Infrastructure Reserve Fund	After the District established its Village Parking Reserve, subsequent legislation permitted the reserve to be used for transportation infrastructure that supports walking, cycling, and public transit, in addition to new off-street parking. The District then created the Alternative Transportation Infrastructure Reserve under Bylaw No. 4422, the *Alternative Transportation Infrastructure Reserve Fund Establishment Bylaw*, 2008.
Infrastructure Renewal Reserve	The Infrastructure Renewal Reserve was established through administrative practice during the 2017 budget deliberations. The District receives approximately $800,000 annually in gas tax funding through the Union of BC Municipalities, which is deposited into this reserve. In addition, the Financial Plan allocates annual property tax funded transfers to the reserve. In 2019, Council directed that property taxes increase by 2% per year to support a sustained annual transfer. The reserve is composed of three components, each with distinct intended uses: • Property tax funded portion — governed by Council direction through the Financial Plan. • Community Works Fund (gas tax) portion — restricted to infrastructure categories defined in the Canada Community Building Fund agreement. • Uplands Sewer Separation portion — see the Uplands Sewer Separation Gas Tax Reserve Fund description for further details.
Legacy Trust	The Legacy Trust consists of various bequests made to the Municipality for designated purposes, such as enhancements to the Seniors' Activity area of the Monterey Centre or contributions to 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 transferred its share to Oak Bay on the condition that the property continue to be used for managing the Tod House Heritage Site; if that use were to change, the District would be required to remit 50% of the property's market value to the Province at that time. The Trust is built from net rental revenues.

Department / Fund Relationship Matrix

Functional Unit	General Fund	Sewer Utility Fund	Water Utility Fund	Reserve Funds	Trust Funds
Corporate Administration	✓			✓	
Facilities Management	✓	✓	✓	✓	✓
Finance, IT & Asset Management	✓			✓	
Police Services	✓			✓	
Fire & Emergency Services	✓			✓	
Community Building & Planning	✓			✓	
Engineering & Public Works	✓	✓	✓	✓	
Parks, Recreation & Culture	✓			✓	✓
Library	✓				
CARIP Grant	✓			✓	✓

✓ indicates the functional unit receives or expends funds from that fund. The General Fund and Reserve Funds serve all departments. The Sewer and Water Utility Funds are self-financing and are managed through Engineering & Public Works. Trust Funds (Tod House Trust, Legacy Trust) relate to specific Parks and Corporate functions.

Asset Management Strategy

Asset Management Strategy

The District has invested significant effort to update its historical asset management practices and adopt industry-standard sustainable service delivery principles and practices.

Largely, the program's strategy remains focused on expanding revenue and organizational capacity to adopt sustainable lifecycle costs and replacement plans. Significant progress has been made in:

- Organizational capacity, implementation of capital planning and project delivery capacity.
- Master planning for municipal asset replacement and, with completion of the Development Cost Charge (DCC) and Amenity Cost Charge (ACC) Programs, planning for anticipated growth-related asset investment.
- Funding capacity – executed on year 4 of the Council-approved 6-8-year funding strategy to grow dedicated asset funding and share costs with developers in completion of the DCC and ACC programs.

Objectives:

1. Master plans for all major asset systems, Council guided service levels
2. Target funding levels based on lifecycle costing
3. Support organizational capacity to sustainably maintain asset infrastructure

1. Master plans

Assets	Services	Plans
Natural	Recreation	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 (2023)
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) Carnarvon Park Master Plan

2. Target Funding Levels Based on Lifecycle Costing

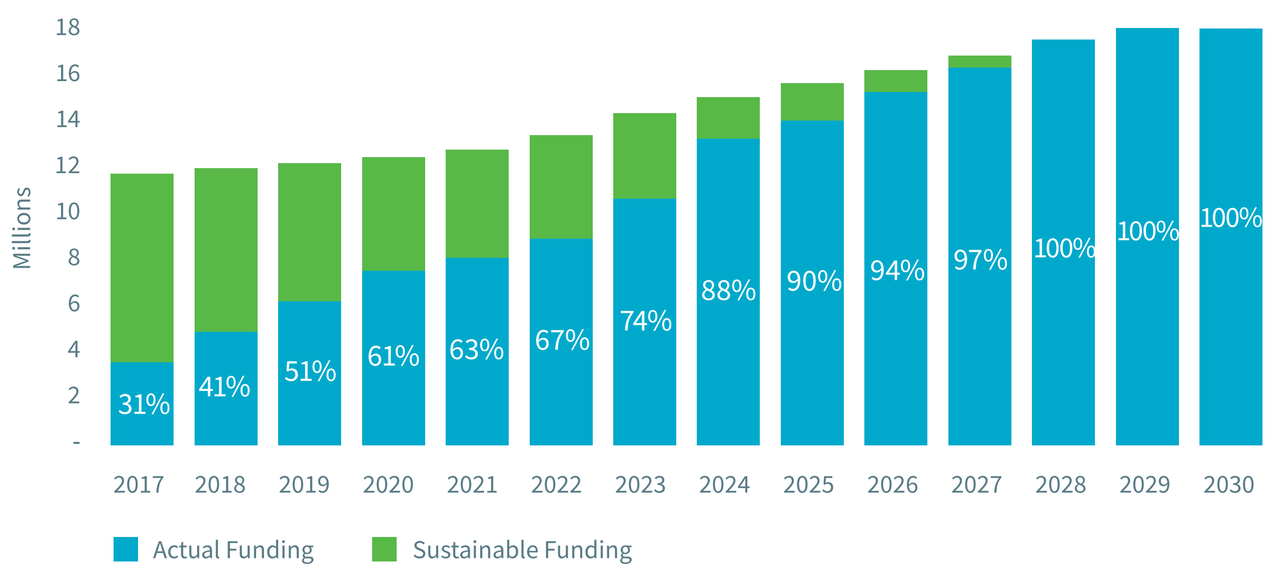
The District has made significant progress toward ensuring sustainable asset replacement is supported by permanent, predictable revenue (taxation and utility fees). The District has increased annual funding over the past five years of the 6–8-year plan. Overall, when completed, this will result in annual reserve transfers sufficient to address existing and historical asset commitments.

Annual Asset Replacement Funding Progress – Five-Year Forecast

The 2026-2030 Financial Plan continues to increase asset replacement funding based on the District's Sustainable Infrastructure Replacement Plan (SIRP). Sustainable infrastructure replacement funding to maintain existing assets is estimated to be $16.3 million in 2026. The District has made significant progress in closing the infrastructure funding gap since 2017. In 2017, funding levels were estimated to be at approximately 31% of sustainable levels. The draft Financial Plan closes this estimated funding gap, reaching 100% by 2028, after which funding levels will remain in place and be regularly evaluated as per the Asset Management and Reserve Policies.

The SIRP lays out the increase in funding required to align with the lifecycle replacement cost of existing assets. As master plans, condition and risk assessments, and the 20-year capital plan are completed, sustainable funding targets are subject to change to incorporate the Council-directed service levels of the District's asset systems.

Asset Replacement Funding as a % of Estimated Sustainable Funding



Year	Funding Level ($millions)	Estimated Sustainable Funding ($millions)	% Sustainability	Estimated Funding Shortfall ($millions)
2017	$3.7	$11.8	31%	$8.1
2018	$5.0	$12.1	41%	$7.1
2019	$6.3	$12.3	51%	$6.0
2020	$7.6	$12.5	61%	$4.9
2021	$8.1	$12.8	63%	$4.7
2022	$9.0	$13.5	67%	$4.5
2023	$10.7	$14.4	74%	$3.7
2024	$13.3	$15.1	88%	$1.8
2025	$14.1	$15.7	90%	$1.6
2026	**$15.3**	**$16.3**	**94%**	**$1.0**
2027	$16.4	$16.9	97%	$0.5
2028	$17.6	$17.6	100%	$0.0
2029	$18.1	$18.1	100%	$0.0
2030	$18.2	$18.2	100%	$0.0

Note: Estimated sustainable funding levels were established in the 2021 Sustainable Infrastructure Replacement Plan to be $12.8M. Replacement costs have increased significantly since and new sustainable funding levels have been calculated using the BC Highway Construction Cost index

3. Support organizational capacity

Sustainable capital investment means the District is replacing its assets at a rate sufficient to meet community needs. Target levels of capital renewal are based on a complex suite of planning variables which result in fluctuating investment in assets. Council plays a key role in achieving this objective by supporting capacity and performance in this regard.

As an example, if a water main is expected to last 80 years, organizational capacity should be designed to replace the asset based on the lifecycle and risk assessment.

Council has made significant investments in supporting organizational capacity by adding new functions and staff to deliver replacement plans. The State of the Infrastructure reports 1 and 2 are examples where staff are developing and executing capacity improvements.

The organization is currently holistically assessing capacity as it enters Phase 2 of the Asset Management Strategy which targets renewing processes and tools to optimize capacity and to integrate more frequent and dynamic engagement on asset service levels. Council can expect to see capacity recommendations from staff throughout the year in governance decisions and in the financial plan requests.

Debt Funding Strategy

Debt Funding Strategy

Responding to a state of aged infrastructure, the District has taken steps to increase the level and pace of capital replacement. Infrastructure replacement projections anticipate $470 million in capital requirements over the next 25 years, with many of these assets expected to service the community over the following 30 years.

To help fund this work, the District has taken significant steps to increase reserve contributions substantially between 2019 and 2030, targeting sustainable annual funding levels. But additional financing strategies are needed to meet cashflow requirements and better match the costs of infrastructure to the residents who will rely on those assets in the future. As such, the infrastructure replacement plans will also rely on borrowing to fund this work.

Council approved the District's Debt Management Policy (FIN-019) in July 2025, establishing principles for when and how debt may be used and ensuring Council review at each stage of the borrowing process.

In September 2025, Council also approved Loan Authorization Bylaws for priority infrastructure programs, providing the legislative authority required to proceed with long-term borrowing in accordance with the 2025 Financial Plan.

The *Community Charter* limits local government debt by restricting annual debt servicing costs to no more than 25% of the previous year's revenue. In 2026, this legislative limit equates to approximately $162.6 million in debt capacity (15-year term at 4.48%), or $15.8 million in annual debt servicing costs. To manage interest rate risk and maintain financial flexibility, the District's Long-Term Borrowing Guidelines establish a more conservative internal limit of 15%, equivalent to about $97.6 million in debt capacity, or $9.5 million annually. The District remains below both thresholds, with debt servicing payments beginning in 2027.

In 2025 $7.12M of drainage and roads assets were renewed. Of the amount, $3.88M is in progress to be funded from borrowing and to be repaid over 15 years, with the life of these assets expected to exceed 30 years.

The table to the right shows forecasted borrowing implications per the 2026-2030 Financial Plan. Municipal long-term borrowing in BC must occur through the Municipal Finance Authority (MFA). MFA provides debenture debt over various optional terms (5, 10, 15, 20, 25 and 30 years) at prevailing rates at the time of issue. Most commonly, the MFA will issue an initial 10-year term, with 5-year renewals thereafter for the remaining amortization period.

MFA provides an indicative rate table for municipalities to use in financial planning for borrowing. The table shows the indicative rates by term as of February 2, 2026.

Indicitive Lending Rate

5 years*	**3.22%**
10 years**	**3.98%**
15 years	4.48%
20 years	4.71%
25 years	4.71%
30 years	4.71%

Projected Borrowing and Service Costs

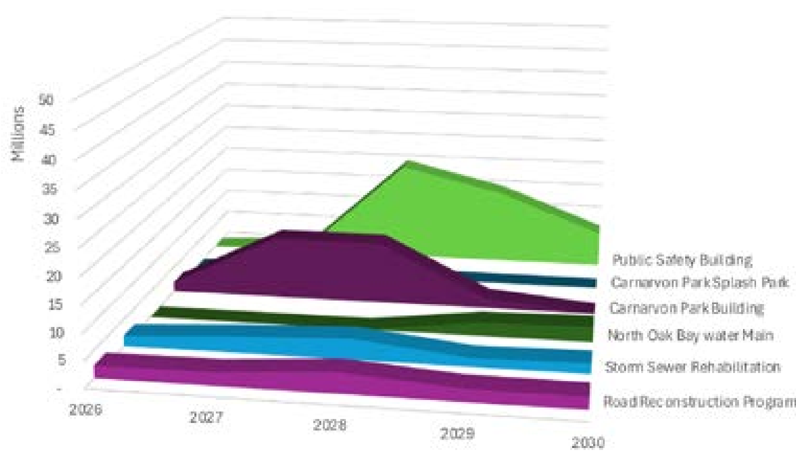
Based on MFA indicative rates and the District's Debt Management Policy, the following borrowing has been incorporated into the five-year plan.

5-Year Financial Plan Projected Borrowing by Project and Chart

Debt Funding by Project	2026	2027	2028	2029	2030	total
Road Reconstruction Program (15 Years; 4.48%)	$2,316,300	$2,505,300	$3,939,250	$2,415,000	$2,287,250	$14,893,100
Storm Sewer Rehabilitation (15 Years; 4.48%)	$1,948,800	3,134,950	3,992,450	1,701,000	1,998,500	16,036,700
North Oak Bay water Main (15 Years; 4.48%)	-	-	-	2,581,884	3,000,000	5,581,884
Carnarvon Park Building (25 Years; 4.71%)	1,900,000	12,200,000	12,200,000	1,900,000	-	28,200,000
Carnarvon Park Splash Park (25 Years; 4.71%)	-	1,500,000	-	-	-	1,500,000
Public Safety Building (25 Years; 4.71%)	-	1,000,000	20,000,000	15,000,000	7,000,000	43,000,000
Total Proceeds	**$6,165,100**	**$20,340,250**	**$40,131,700**	**$23,597,884**	**$14,285,750**	**$109,211,684**

5-Year Borrowing by Project

The graphic illustrates projected borrowing by project over the five-year financial plan period. Cashflow requirements vary by project type, and borrowing strategies are aligned with the timing and magnitude of each project's anticipated expenditures.



Debt-funded Capital Projects

Capital Project	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget
Road and Storm Sewer Rehabilitation					
E0004 Pavement Management Program	$1,578,500	$1,575,000	$525,000	$1,575,000	$525,000
E0007 Storm Sewer Rehabilitation	707,000	1,050,000	1,225,000	1,225,000	1,225,000
E2402 Currie Road Utility Project	35,000	700,000	175,000	-	-
E2404 Estevan Storm Replacement	910,000	504,000	350,000	-	-
E2409 McNeill Traffic Calming/Utility Replace	344,400	-	-	-	-
E2414 Henderson and Haultain Bike Lanes	308,700	-	-	-	-
E2602 Beach Dr 1800-2100 Block Utilities	-	121,800	1,218,000	-	-
E2603 Cadboro Bay Road Utilities	52,500	-	490,000	-	-
E2604 Currie Orchard Utilities	17,500	87,500	-	-	-
E2605 Foul Bay-Carnarvon to Neal Utilities	28,000	56,000	455,000	-	-
E2606 Henderson Area Utilities	21,000	63,000	504,000	504,000	504,000
E2607 Monteith Utilities	10,500	56,000	245,000	-	-
E2608 Oak Bay Village Drainage-Wilmot/Theatre	56,000	350,000	-	-	-
E2609 Oliver 2 Utilities	-	123,200	123,200	-	-
E2610 South Oak Bay Utility Corridor Upgrades	35,000	175,000	175,000	175,000	175,000
E2611 Steel Watermain on Cadboro Bay	14,000	-	-	-	-
E2612 Thorpe 460mm Storm Repl	77,000	189,000	525,000	-	-
E2613 Windsor Rd to Beach Dr/Newport Intersect	-	-	-	59,500	455,000
E2619 Uplands Utilities Phase 2 Rutland	-	87,500	-	-	-
E2620 ATS - Bowker Avenue	-	31,500	-	-	-
E2621 ATS - Cadboro Bay Road Phase 1	-	94,500	-	-	-
E2622 ATS - Cedar Hill Cross Road Phase 1	35,000	-	-	-	-
E2623 ATS - Cedar Hill Cross Road Phase 2	-	70,000	934,500	-	-
E2624 ATS - Central Oak Bay Corridor	-	220,500	-	-	-

Capital Project	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget
Road and Storm Sewer Rehabilitation Continued					
E2625 ATS - Henderson/Foul Bay Rd Phase 1	$35,000	$ -	$ -	$ -	$ -
E2626 ATS - Henderson/Foul Bay Rd Phase 2	-	70,000	934,500	-	-
E2627 ATS - Lansdowne Rd Phase 1	-	7,875	-	-	-
E2628 ATS - McNeill Ave/Beach Dr Connection	-	7,875	-	-	-
E2801 ATS - Cadboro Bay Rd Phase 2	-	-	-	105,000	1,401,750
E2802 ATS - Lansdowne Rd Phase 2	-	-	52,500	472,500	-
W2101 North Oak Bay Pump Station Consolidation	-	-	-	2,581,884	3,000,000
Total Road and Storm Sewer Rehabilitation	**4,265,100**	**5,640,250**	**7,931,700**	**6,697,884**	**7,285,750**
Facilities					
F2307 Fire Hall/Police Station - Design/Build	-	1,000,000	20,000,000	15,000,000	7,000,000
R2315 Carnarvon Park Master Plan - Park Design	1,900,000	12,200,000	12,200,000	1,900,000	-
R2625 Carnarvon Splash Park and Playground	-	1,500,000	-	-	-
Total Facilities	**1,900,000**	**14,700,000**	**32,200,000**	**16,900,000**	**7,000,000**
Total	**$6,165,100**	**$20,340,250**	**$40,131,700**	**$23,597,884**	**$14,285,750**

Based on the Projected borrowing by project, the debt servicing costs, comprising interest and principal, are as follows.

5-Year Financial Plan Projected Debt Servicing Costs

Incremental Impact of Borrowing	2027	2027	2028	2029	2030
2026 Debt Servicing Interest	$ -	$422,792	$422,792	$422,792	$422,792
2026 Debt Servicing Principal		349,556	349,556	349,556	349,556
2027 Debt Servicing Interest			941,603	941,603	941,603
2027 Debt Servicing Principal			711,681	711,681	711,681
2028 Debt Servicing Interest				1,871,960	1,871,960
2028 Debt Servicing Principal				1,240,808	1,240,808
2029 Debt Servicing Interest					1,101,994
2029 Debt Servicing Principal					715,070
2030 Debt Servicing Interest					
2030 Debt Servicing Principal					
Total Debt Servicing		772,348	2,425,632	5,538,400	7,355,463
Year over Year Change	$ -	$772,348	$1,653,284	$3,112,768	$1,817,063

Projected Debt Servicing Cost, Debt Servicing % & Tax Increase %’s

Incremental Impact of Borrowing	2026	2027	2028	2029	2030
Total Annual Principal & Interest	$ -	$772,348	$2,425,632	$5,538,400	$7,355,463
% of Revenue		1%	3%	6.5%	8%
$ Increase in Principal & Interest		$772,348	$1,653,284	$3,112,768	$1,817,063
% Tax Impact		1.9%	3.7%	6.4%	3.4%
Debt Servicing Percentage (Servicing over Prior Year Calculated Revenue)		1%	2%	4%	2%

The 2026–2030 Financial Plan incorporates borrowing proceeds related to Loan Authorization Bylaws previously approved by Council in 2025 for the Storm Sewer and Road Rehabilitation programs. In addition, the 2026 Financial Plan includes anticipated borrowing proceeds for the Carnarvon Park building project. The corresponding Loan Authorization Bylaw is expected to be brought forward for Council consideration prior to the end of 2026.

Glossary

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.

Audit: A financial audit is an independent examination of an organization's financial statements to ensure accuracy and compliance with accounting standards and regulations. It involves verifying financial records, assessing internal controls, and evaluating accounting policies. The goal is to provide assurance that the financial statements are free from material misstatement.

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.

Fund Balance / Net Position: The cumulative difference between a fund’s assets and liabilities, representing the financial resources available to support future operations and capital investment. Under Canadian public sector accounting, the equivalent concept is accumulated surplus (deficit).

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.

Goal: A broad, long-term statement of desired outcomes that guides the direction of a department or the organization as a whole. Goals are general in nature and typically span multiple years.

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, maintenance 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.

Objective: A specific, measurable, and time-bound target that supports the achievement of a goal. Objectives define what will be accomplished, by when, and to what standard.

Official Community Plan: Under the *Local Government Act* Section 471, 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.

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.

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

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, and 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.

Appendices

Appendix A: 2026-2030 Financial Plan Bylaw No. 4957

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	day of	, 2026
READ A SECOND TIME the	day of	, 2026
READ A THIRD TIME the	day of	, 2026
ADOPTED the	day of	, 2026

Mayor

Corporate Officer

Schedule "A" – The Corporate 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)
Debt Principal	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
DCC/ACC Municipal Assist Capital	-	(349,556)	(1,061,237)	(2,302,045)	(3,017,115)
Bugetary Surplus	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Schedule "B" – The Corporate 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" – The Corporate of the District of Oak Bay 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.

Appendix B: 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. Parks and recreation 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 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.

While the District's financial statements are prepared on the accrual basis in accordance with Canadian Public Sector Accounting Standards, the District's budget (Financial Plan) is prepared on a modified accrual basis. Under this approach, revenues are recognized when measurable and available, and expenditures are recognized when the related liability is incurred. The key distinction from the accrual basis of accounting is that the Financial Plan includes capital expenditures and debt principal payments as budgeted expenditures, and excludes non-cash items such as amortization, accretion, and changes in employee future benefit obligations. A reconciliation of the budgetary basis to the accounting basis can be found in the District's Annual Report.

Much of the District's financial planning process is guided by the Community Charter S. 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.

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 and/or as required for tracking.

The budget must be balanced with current revenues, including transfers from reserves, sufficient to support current expenditures, including transfers to reserves. Expenditures include those of a capital nature and debt principal.

Accounting surplus differs significantly from a budgetary surplus. A balanced budget includes expenditures that are not recognized under Public Sector Accounting Standards, such as capital expenditures and debt principal payments.

Appendix C: 2024-2026 Consolidated Budgets and Actuals (Unaudited)

	Actual 2024	Actual 2025	Budget 2025	Budget 2026	YoY $ Change	YoY % Change
Revenue						
Property Value Taxes	$36,031,695	$40,292,753	$40,303,147	$44,081,837	$3,778,690	9%
Boulevard Frontage Taxes	268,647	289,956	289,872	303,103	13,231	5%
Grant In Lieu of Taxes	75,427	79,424	75,000	78,000	3,000	4%
1% Utility Revenue	230,842	231,037	232,170	215,232	(16,938)	(7%)
Property Tax Penalties & Interest	277,956	$282,645	273,000	300,300	27,300	10%
Grants (Operating)	405,389	1,160,755	631,680	501,876	(129,804)	(21%)
Grants (Capital)	3,588,150	5,029,284	6,536,666	4,057,166	(2,479,500)	(38%)
Developer Contributions	-	-	-	-	-	-
Investment Income	3,515,891	2,509,236	2,250,000	2,250,000	-	-
Miscellaneous Revenue	3,290	6,541	11,100	16,500	5,400	49%
Municipal-Regional District Tax	269,154	196,208	250,000	250,000	-	-
Facilities Dept. Revenue	347,114	345,257	358,980	365,944	6,964	2%
Finance Dept. Revenue	29,245	32,993	33,750	31,200	(2,550)	(8%)
Building & Planning Dept. Revenue	987,590	1,057,470	1,445,500	1,888,000	442,500	31%
Engineering Dept. Revenue	24,518	12,039	-	15,000	15,000	-
Solid Waste Fees	1,862,819	2,092,070	2,099,635	2,251,919	152,284	7%
Sewer Utility Fees	4,153,689	4,777,028	4,890,250	5,313,010	422,760	9%
Water Utility Fees	5,263,062	6,707,514	6,490,582	6,945,215	454,633	7%
Parks & Recreational Dept. Revenue	9,657,205	10,558,230	9,605,704	10,285,217	679,513	7%
Total Revenue	**66,991,682**	**75,660,441**	**75,777,036**	**79,149,519**	**3,372,483**	**4%**
Operation Expenses						
Corporate Administration	3,062,577	3,748,831	3,951,323	4,099,461	148,138	4%
Oak Bay Tourism	269,154	196,208	250,000	250,000	-	-
Facilities	445,214	372,380	402,320	660,804	258,484	64%
Finance & IT	2,526,240	2,574,853	2,614,069	3,161,989	547,920	21%
Policing	6,145,508	7,226,426	6,788,300	7,821,530	1,033,230	15%
Fire Protection	6,303,672	6,402,972	5,904,029	6,699,798	795,769	13%
Building & Planning	2,131,861	2,718,753	3,880,637	2,839,163	(1,041,474)	(27%)
Library	1,295,239	1,314,821	1,309,570	1,393,431	83,861	6%
Engineering & Public Works	6,004,633	6,804,729	7,186,226	7, 155,466	(30,760)	(0%)
Sewer Utility	3,248,258	3,432,102	4,306,402	4,640,826	334,424	8%
Water Utility	4,180,432	4,506,001	4,704,742	4,989,185	284,443	6%
Parks and Recreation	15,618,529	16,882,572	16,175,853	16,757,914	582,061	4%
Fiscal	199,717	233,565	186,500	145,000	(41,500)	(22%)
Debt Interest	(32,766)	-	-	-	-	-
Contingencies	134,022	241,407	2,091,562	2,963,511	871,949	42%
Major Crimes Contingency	-	-	965,380	1,013,649	48,269	5%
Total Operating Expenses	**51,532,291**	**56,655,622**	**60,716,913**	**64,591,727**	**3,874,814**	**6%**
Add:						
Amortization & Accretion	($23,998)	47,050	-	-	-	-
Transfers from Reserves	14,930,528	24,678,841	50,976,851	36,997,768	(13,979,083)	(27%)
Debt Proceeds	-	-	6,600,000	6,165,100	(434,900)	(7%)
Deduct:	**14,906,530**	**24,725,890**	**57,576,851**	**43,162,868**	**(14,413,983)**	**25%**
Capital Expenditures						
Transfers to Reserves	($17,765,946)	(27,095,650)	($58,087,131)	($42,566,704)	15,520,427	(27%)
Debt Principal	($15,046,324)	(16,179,133)	($14,549,843)	($15,153,956)	(604,113)	4%
	-	-	-	-	-	-
	(32,812,270)	**(43,274,782)**	**(72,636,974)**	**(57,720,660)**	**14,916,314**	**(21%)**
Surplus or (Deficit)	**$(2,446,349)**	**$455,927**	**$ -**	**$ -**	**$ -**	**-**

Note: YoY columns compare Budget 2026 vs Budget 2025.
Actuals for 2026 are not yet available.

DISTRICT OF
OAK BAY

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