



Township of Esquimalt, British Columbia, Canada

# 2014 Annual Report

For the year ended December 31, 2014

Township of  
**ESQUIMALT**



# Mission Statement

Focusing on community priorities, the Township of Esquimalt works to make our community and environment a better place for today and the future.

# Corporate Values

**Accountability** – we acknowledge and take responsibility for our actions, decisions and policies.

**Integrity** – we practice high standards of ethical behaviour and open communication that inspire trust.

**Respect** – we foster an environment of fairness where people are valued and treated with dignity.

**Service** – we strive to meet community needs and achieve high-quality results through teamwork, innovation and creativity.



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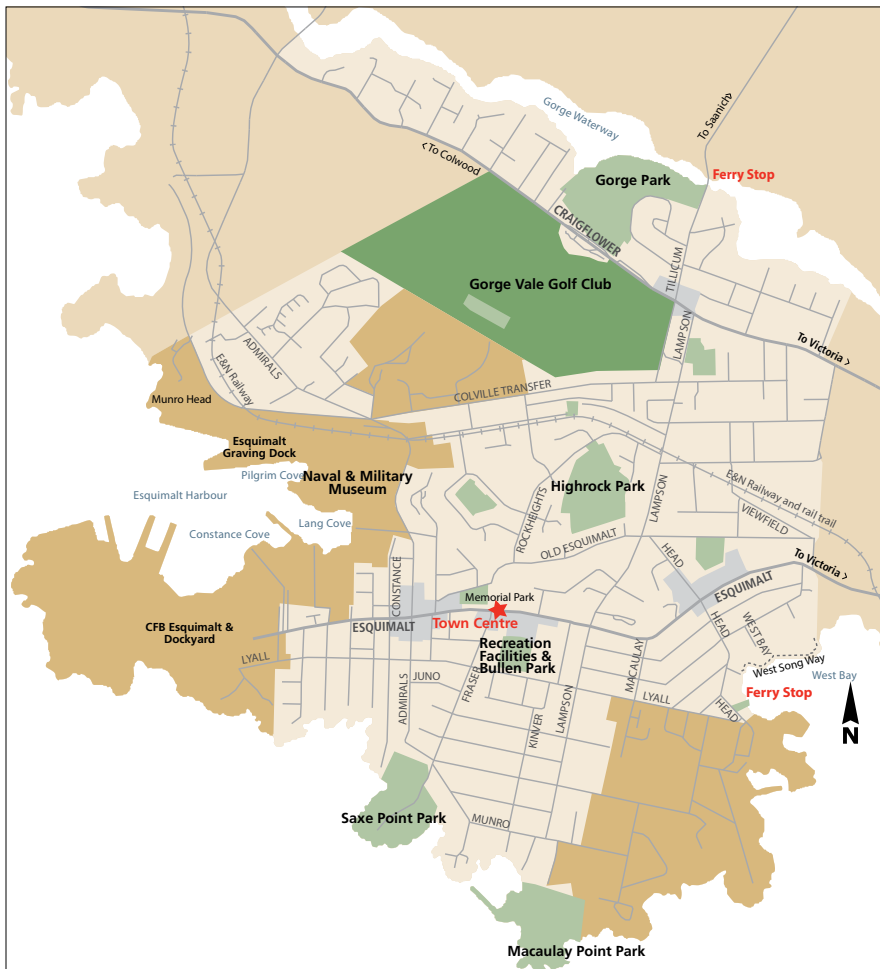
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# Esquimalt: Fascinating Past, Promising Future



## A Quality Location

For the First Nations people who have resided here for centuries, Esquimalt means “place of gradually shoaling waters.” In fact, it was the quality of Esquimalt’s natural harbour which led to the community being selected as the site for the headquarters of the Royal Navy’s Pacific Squadron in 1865. Today, this same site serves as home to the Canadian Forces Base Esquimalt. The naval base is now the largest employer in Esquimalt, and the original town site has disappeared inside the boundaries of the Base.

The community is defined by the water and shores that surround it. It is comprised of a peninsula bounded on the south by the Juan de Fuca Strait, on the west by Esquimalt Harbour, and on the north by a long finger-like inlet of tidal water called the Gorge Waterway. Moving inland, the landscape is characterized by rocky outcrops and hills in the west and central areas, and relatively level lands to the south and north. The ocean shoreline is characterized by rocky headlands, coves and bays, and several beaches with public access.

Today, the compact community reflects on its fascinating history while maintaining a contemporary outlook as a vital and friendly municipality within the Capital Regional District.

## Esquimalt at a Glance

- The area now known as Esquimalt has been inhabited by Coast Salish First Nations for over 4,000 years.
- Esquimalt (pronounced Ess-KWY-malt) is an anglicized version of the First Nations word “es-woy-malth,” which means the place of gradually shoaling waters.
- Year of incorporation: September 1, 1912.
- Esquimalt is home to approximately 17,000 residents living in over 8,300 dwellings.
- The municipality covers approximately 10 square kilometres (or 1,000 hectares).
- Esquimalt has over 40 hectares of parkland, many of these parks overlooking waterways along the Strait of Juan de Fuca and the Gorge Waterway.
- The Township is endowed with over 30 parks, beaches and green spaces.
- Esquimalt Gorge Park was first established in 1905 and was the site of the 2012 Community Centennial Celebration.
- The highest point in Esquimalt is 71 metres at Highrock Park.

# Mayor's Message



On behalf of Esquimalt Council, I am proud to share our 2014 highlights.

Reflecting back on the year, 2014 truly was a year of milestones and achievement. Here is a snapshot of a very successful year.

**Wastewater Treatment** — The longstanding issue of regional wastewater treatment and re-source recovery took a giant step forward in 2014 with the creation of the Westside Solutions Select Committee. Meaningful public engagement was initiated and a technical working group was struck to look at wastewater options and technologies. We are on the right track to finding the right technological solution that meets the public's expectations and needs.

**Economic Development Strategy** — In October of 2014 Council was proud to approve the Township of Esquimalt Economic Development Strategy, which was shaped over two years with input from a variety of local stakeholders, and reviewed by the wider public. This is a document that provides specific direction and actions for future economic prosperity; it maps out our direction, but also will be revisited annually to ensure we're on course for the future.

**Waste Resource Management** — As part of Council's strategic priority of waste resource management, we transitioned to a new Waste Management Program at the Township in order to collect both kitchen scraps and garbage from the curbside. The initiative has resulted in the diversion of hundreds of tonnes of organic material from the Hartland Landfill while reducing greenhouse gas emissions.

**Community Safety** — During 2014 we signed an historic policing agreement with the City of Victoria and the Victoria and Esquimalt Police Board. The agreement resulted in stronger reporting relationships with the two municipalities, a dedicated Esquimalt Division with branded vehicles, and a revised funding formula. The agreement set the stage for a new era of policing in the Township.

**Fiscal Responsibility** — For the third year in a row Council held the line at a 0% tax revenue increase in 2014. Council's continuing commitment is to exceptional service for residents without raising tax rates.

**Esquimalt Village Project** — Momentum for the Esquimalt Village Project continued to build in 2014. Our vision is for a lively and sustainable town centre incorporating a mix of uses. This project is a key component of economic development in the Township.

**Arts, Culture and Heritage in the Community** — What a wonderful celebration of the arts in 2014. The recently formed Township Community Arts Council promoted and hosted three major events throughout the year: the Memorial Park Music Fest, the Sculpture Splash at Macaulay Park, and the Esquimalt Arts Festival at Gorge Park. The Township also held a World War 1 Commemoration event at Memorial Park in September and ongoing popular events include Bloomin' Beautiful, our annual 5K run and Buccaneer Days.

**Township Innovation** — We enhanced our municipal program of community engagement with two new initiatives: webcasting of Council meetings and a new website for municipal archives. These are exciting initiatives that provide convenience and encourage public participation to our residents.

Please review the rest of our report for more details on our accomplishments. I'd like to thank my Council colleagues, Township staff, our municipal committees and residents of Esquimalt for their ongoing commitment to making the community the best that it can be.

A handwritten signature in black ink that reads "Barbara Desjardins". The signature is written in a cursive, flowing style.

Barbara Desjardins  
Mayor of the Township of Esquimalt

# Mayor and Council



## **Barb Desjardins - Mayor**

### *Appointments*

CRD Board/Hospital Board  
CRD Core Area Liquid Waste Management Committee  
CRD Finance Committee  
CRD Governance Committee  
CRD Planning, Transportation & Protective Services Committee  
CRD Transportation Select Committee  
CRD Westside Wastewater Treatment and Resource Recovery Select Committee  
Greater Victoria Labour Relations Association  
Local Government Treaty Committee (Te'Mexw Treaty Advisory Committee)  
Municipal Insurance Association of British Columbia

### *Internal Appointments*

Department of National Defence Liaison



## **Esquimalt Mayor and Council 2014 - 2018**

The Mayor and Council of the Township of Esquimalt were elected for a four-year term in November 2014. Mayor and Council create bylaws and policies, approve the municipal budget, and serve on various committees within the municipality and region.



**Meagan Brame - Councillor**

*Appointments*

Capital Regional District Arts Committee  
Greater Victoria Harbour Authority (Member Representative)

*Internal Appointments*

Celebration of Lights Committee  
Environmental Advisory Committee  
School Liaison



**Beth Burton-Krahn - Councillor**

*Appointments*

CRD Westside Wastewater Treatment and Resource Recovery Select Committee  
Greater Victoria Public Library Board  
Capital Regional Water Supply Commission

*Internal Appointments*

Buccaneer Days Committee  
Environmental Advisory Committee  
Local Grant Committee  
School Liaison (Alternate)



**Lynda Hundleby - Councillor**

*Appointments*

Capital Regional District (Alternate)  
CRD Board/Hospital Board (Alternate)  
CRD Core Area Liquid Waste Management Committee (Alternate)  
CRD Finance Committee (Alternate)  
CRD Governance Committee (Alternate)  
CRD Planning, Transportation & Protective Services Committee (Alternate)  
Federation of Canadian Municipalities  
Greater Victoria Harbour Authority (Alternate Representative)  
Greater Victoria Labour Relations Association  
Local Government Treaty Committee (Te'Mexw Treaty Advisory Committee) (Alternate)

*Internal Appointments*

Esquimalt Together Against Graffiti (ETAG)  
Heritage Advisory Committee  
Local Grant Committee



**Olga Liberchuk - Councillor**

*Appointments*

Capital Regional District Arts Committee (Alternate)  
Capital Regional Emergency Services Telecommunication (C.R.E.S.T.) (Alternate)  
Victoria Family Court and Youth Justice Committee

*Internal Appointments*

Heritage Advisory Committee  
Local Grant Committee  
Parks and Recreation Advisory Committee



**Susan Low - Councillor**

*Appointments*

Capital Region Housing Trust Fund Commission  
Municipal Insurance Association of British Columbia (Alternate)  
Victoria/Esquimalt Harbour Society

*Internal Appointments*

Advisory Planning Commission Liaison



**Tim Morrison - Councillor**

*Appointments*

CRD Regional Water Supply Commission  
Capital Regional Emergency Services Telecommunications (C.R.E.S.T.)

*Internal Appointments*

Advisory Planning Commission Liaison  
Parks & Recreation Advisory Committee



# Message from the Chief Administrative Officer



**It is my pleasure to present the Township of Esquimalt's 2014 Annual Report on behalf of Corporate Administration.**

There were many accomplishments during 2014 with significant resources dedicated to a number of focus areas including economic development, wastewater treatment, Esquimalt Village Project, policing framework agreement and infrastructure revitalization. The Township was able to make significant progress in all focus areas with no increase to tax revenues, no reduction to existing service levels and an increase to reserve funds for infrastructure renewal.

After an extensive process and significant public input and consultation, Council adopted a comprehensive Economic Development Strategy. The strategy was coordinated and developed over two years and incorporated multiple public input opportunities. The strategy provides the foundation for moving forward with strategies and actions over the next five years to stimulate and promote economic development.

There were several other major focus areas for the Township in 2014. Esquimalt partnered with other westside communities in the Westside Wastewater Treatment & Resource Recovery project (Westside Solutions) to deliver an economical and environmentally viable solution for westside wastewater treatment. The implementation of the new policing framework agreement culminated with an unveiling celebration of VicPD's Esquimalt Division team and branded police cars. The Esquimalt Village Project continued to move forward with remediation and detailed site investigation. As part of our public engagement initiative, the Township began webcasting of all Council meetings.

Other successes of note for the year were the restoration of the Memorial Park Trophy Guns, reduced municipal greenhouse gas emissions for the third consecutive year, extensive renovations at the Esquimalt Recreation Centre and the Archie Browning Sports Centre, and the launch of our online municipal archives' Capturing our History digitization project.

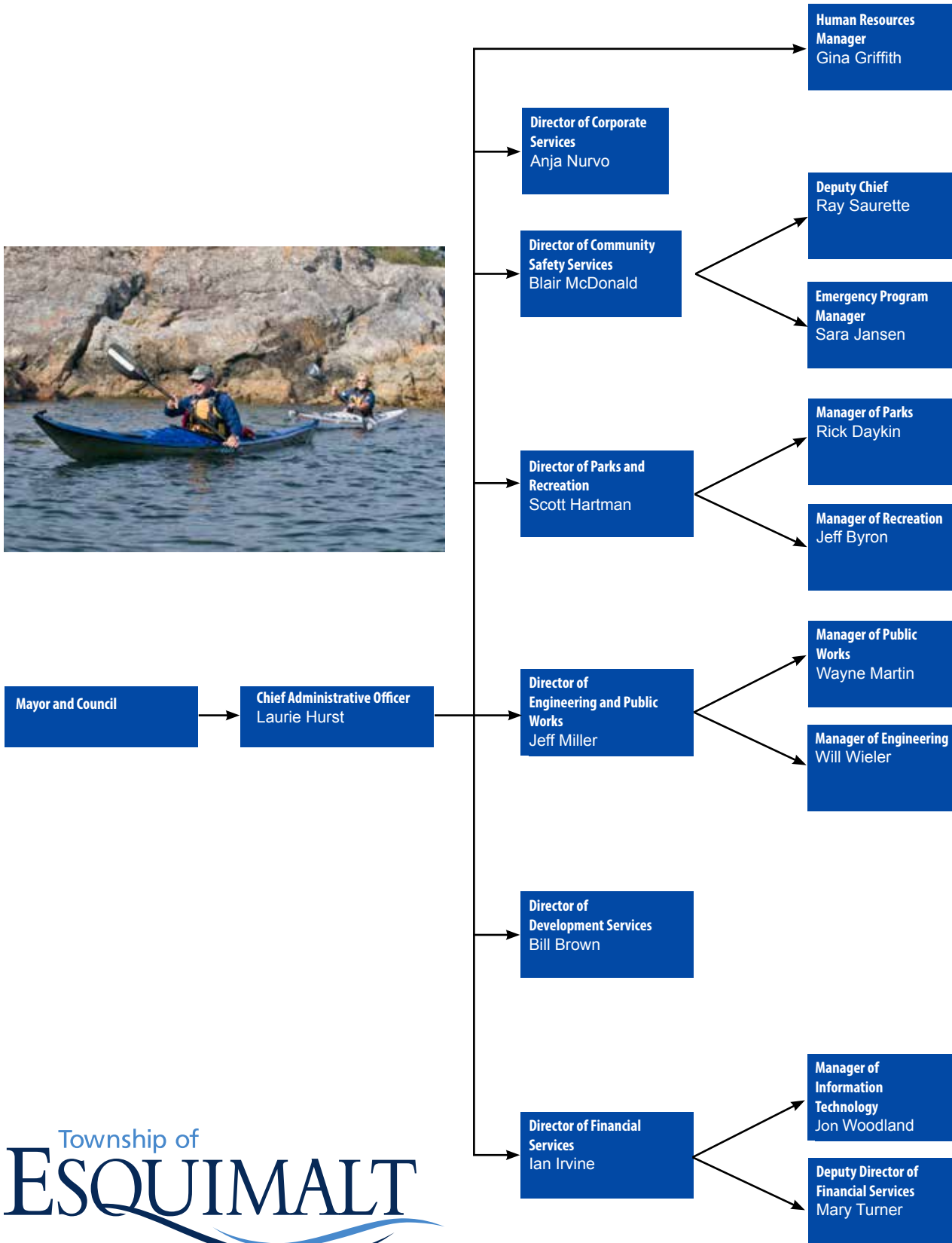
All Township staff can take pride in the achievements of 2014 and I invite everyone to review this annual report, which highlights these achievements.

A handwritten signature in black ink that reads "LHurst". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

**Laurie Hurst**  
Chief Administrative Officer



# Organizational Chart



# Township Strategic Priorities

In January 2012, Council held a workshop to set short-term strategic priorities and longer-term strategic directions. A draft report was prepared, which was released for public input and circulated for review and comment to management staff and Council Advisory Committees. The finalized 2012 Strategic Priorities Report was approved by Council on May 7, 2012. This report is intended to be reviewed regularly to ensure it remains consistent with Council's priorities. As a part of this workshop, Council commenced a process to regularly set, monitor and adjust short-term strategic priorities.



## Updating Township Strategic Priorities

On January 25, 2014, Council and the Chief Administrative Officer held a workshop to update the Strategic Priorities Report. The workshop process involved the following steps:

1. Reviewing existing Strategic Priorities Chart to determine which items can be removed as either completed or incorporated into day-to-day operations.
2. Reviewing the remaining items to determine whether there is any change in priority due to new information, changing conditions or internal capacity issues.
3. Identifying current and emerging issues that have arisen in our community during the past year, due to changing external and internal influences, and determine whether they should be included as strategic priorities at this time.
4. Determining whether items are "Council Priorities" (requiring political attention) or "Operational Strategies" (to be dealt with by staff with Council's oversight).
5. Assigning responsibility for implementation of priorities to appropriate departments.

## Strategic Priorities Chart

The preparation of a 'Strategic Priorities Chart' is an important part of the strategic planning process to translate plans into action and to assign responsibility for priorities and strategies with target dates for regular monitoring and updating.

The updated chart on the following page provides a summary of short-term matters requiring attention. It was used by staff to prepare a draft budget and financial plan for Council's consideration, and to develop departmental work programs. It is also intended that Council's Advisory Committees ensure that their annual work plans are focused on assisting Council and staff achieve these strategic priorities. The Strategic Priorities Chart is a living document that is reviewed regularly to make adjustments, update priorities and celebrate achievements.

Township of Esquimalt  
**STRATEGIC PRIORITIES CHART**

**COUNCIL PRIORITIES: "SHAPING OUR FUTURE"**

<p><b>NOW</b> (Not listed in priority order)</p> <ul style="list-style-type: none"> <li>• <b>ECONOMIC DEVELOPMENT STRATEGIES</b></li> <li>• <b>ESQUIMALT VILLAGE PROJECT ADVANCEMENT</b></li> <li>• <b>WASTE RESOURCE MANAGEMENT</b></li> <li>• <b>OFFICIAL COMMUNITY PLAN REVIEW</b></li> <li>• <b>HOUSING STRATEGIES</b></li> </ul>		<p>2014 Ongoing 2014 2014 2014</p>
<p><b>NEXT</b> (Not listed in priority order)</p> <ul style="list-style-type: none"> <li>• TRAFFIC MANAGEMENT STRATEGIES (Ongoing)</li> <li>• ARTS AND CULTURE TRANSITION (2014)</li> <li>• UNSIGHTLY PROPERTIES (2014)</li> </ul>	<p><b>ADVOCACY</b></p> <ul style="list-style-type: none"> <li>• <i>Strengthening Relationships – Esquimalt &amp; Songhees Nations</i></li> </ul>	
<p><b>OPERATIONAL STRATEGIES</b> (CAO/Staff)</p>		
<p><b>CHIEF ADMINISTRATIVE OFFICER</b></p> <ul style="list-style-type: none"> <li>• <b>WASTE RESOURCE MANAGEMENT</b></li> <li>• Policing Framework Agreement (March 2014)</li> <li>• Service Delivery Assessment (Ongoing)</li> <li>• Performance Management (Ongoing)</li> </ul>	<p><b>DEVELOPMENT SERVICES</b></p> <ul style="list-style-type: none"> <li>• <b>ECONOMIC DEVELOPMENT STRATEGIES</b> (Spring 2014, Public Consultation/Fall 2014, Final Strategy)</li> <li>• <b>ESQUIMALT VILLAGE PROJECT ADVANCEMENT:</b> Provincial Environmental Certification (2014); Zoning Bylaw/Public Hearing (2014)</li> <li>• <b>WASTE RESOURCE MANAGEMENT</b></li> <li>• <b>OFFICIAL COMMUNITY PLAN REVIEW</b></li> <li>• <b>HOUSING STRATEGIES</b></li> <li>• Zoning Bylaw Review (2015)</li> </ul>	
<p><b>ENGINEERING</b></p> <ul style="list-style-type: none"> <li>• <b>ESQUIMALT VILLAGE PROJECT ADVANCEMENT</b></li> <li>• <b>WASTE RESOURCE MANAGEMENT</b></li> <li>• TRAFFIC MANAGEMENT STRATEGIES</li> <li>• Multi-Modal Transportation (Ongoing)</li> <li>• Manhole Separation (December 2014)</li> <li>• Sidewalk Continuity Plan (October 2014)</li> <li>• EVP Brownfield Remediation (2014)</li> </ul>	<p><b>COMMUNITY SAFETY SERVICES</b></p> <ul style="list-style-type: none"> <li>• UNSIGHTLY PROPERTIES</li> <li>• Business Continuity Plan: Emergency Program Community Education (February 2014)</li> <li>• Safe Community: Operational Audit (2014)</li> <li>• Monitor Implementation of Policing Framework Agreement (Ongoing)</li> <li>• Implement New Process for Bylaw Ticketing and Collection (2014)</li> </ul>	
<p><b>CORPORATE SERVICES</b></p> <ul style="list-style-type: none"> <li>• ARTS AND CULTURE TRANSITION</li> <li>• Webcasting of Council Meetings (2014)</li> <li>• Bylaw Review: Target List (next group Mar 2014)</li> <li>• Records Management: Paperless Agendas (2014), Update (Ongoing)</li> <li>• Public Engagement (Ongoing)</li> <li>• Comprehensive Arts Policy</li> </ul>	<p><b>FINANCE</b></p> <ul style="list-style-type: none"> <li>• <b>ECONOMIC DEVELOPMENT STRATEGIES</b></li> <li>• HOUSING STRATEGIES</li> <li>• UNSIGHTLY PROPERTIES</li> <li>• Revitalization Tax Exemption Program Bylaw (October 2014)</li> <li>• Parkland Reserve Fund Replenishment (December 2014)</li> </ul>	
<p><b>RECREATION</b></p> <ul style="list-style-type: none"> <li>• ARTS AND CULTURE TRANSITION</li> <li>• Special Events Management Strategy (Ongoing)</li> <li>• Urban Forest/Greenway Management (2014)</li> <li>• Infrastructure Renewal Strategy (Ongoing)</li> <li>• Centennial Legacy Projects – Walkway &amp; Annual Home and Garden Contest (Ongoing)</li> <li>• Comprehensive Arts Policy</li> </ul>	<p><b>FIRE SERVICES</b></p> <ul style="list-style-type: none"> <li>• Underwriter Survey (July 2014)</li> <li>• Seniors Fire Safety Public Education Program</li> <li>• Continuing Public Education – Oil Tanks</li> </ul>	

**CODES:** BOLD CAPITALS = Council NOW Priorities; CAPITALS = Council NEXT Priorities; Regular Title Case = Operational items; *Italics* = Council *ADVOCACY* items

Updated as of January 25, 2014

# We Value our Environment

We use our energy, skills, and resources to protect and nurture community assets for the greater good of all residents. We think and work locally, but our actions and results have global impact.

With majestic waterways, Garry oak uplands, quiet coves, and serene forested parks, Esquimalt's environment inspires us to conserve and protect our many assets. The Township works to minimize its impact on the environment and provide community leadership on environmental initiatives in a number of ways.

## Climate Action

For a third year in a row, the Township of Esquimalt was able to reduce its consumption of energy and production of greenhouse gas (GHG) emissions. In 2014, the Township produced 968 tonnes of GHG emissions from its municipal operations compared to 1,038 tonnes in 2013, a reduction of seven per cent. Two-thirds of GHG emissions come from the operation of municipal facilities and one-third from the use of the municipal fleet vehicles and equipment. The Township received a Carbon Tax Grant of \$26,961 in 2014 which is deposited to the Sustainability Reserve Fund used to help fund future GHG emission reduction projects.

## 2014 Earth Hour

The Township encouraged residents and businesses to turn off lights and electrical devices for one hour on Saturday, March 29, 2014. Esquimalt placed second out of 69 participating BC communities with energy savings of 5.8% during the hour.

## 2014 Earth Day

The Annual Earth Day Celebration expanded in 2014 to over 1,000 participants including students from Macaulay Elementary, Rockheights, Esquimalt High and l'ecole Victor-Brodeur. Students devoted several hours during the celebration to restore Highrock Park by removing invasive species and planting some 200 native plants and three trees. The Garry Oak Ecosystems Recovery Team Society was a welcome participant in the 2014 celebration.

## LiveSmart BC: Small Business Program

The Township helped with the promotion of the provincial LiveSmart BC: Small Business Program offering free energy assessments to small and medium sized businesses. Information on the program was included with the mail-out of 2014 business licence renewal notices. A total of nine Esquimalt businesses participated in the program.

## Waste Management/ Kitchen Scraps Program

Waste Resource Management and Sustainability Implementation were both identified as Council priorities in the Township's 2011-2014 strategic priorities document. The new Waste Management Program, launched in March 2014, addresses both of these priorities. The program includes separation and collection of kitchen scraps and curbside pickup of both garbage and kitchen scraps.

Organic material from kitchen scraps diversion can be converted into compost or fertilizer, supporting waste reduction and a decrease in greenhouse gas emissions. From March to the end of 2014, the Township diverted approximately 360 tons of organics from the Hartland Landfill.









# A Focus on Community

We are committed to enhancing the health and liveability of the community by building a vibrant and sustainable arts, culture and heritage community.

## Arts and Culture

In 2014 arts and culture events and initiatives became the responsibility of the Township's Parks & Recreation Department.

Throughout the summer of 2014, a Music in the Park series was held in Memorial Park, promoted and coordinated by the Township Community Arts Council. Six outdoor concerts featuring local musicians were held on Tuesday evenings during June and July.

The first annual Sculpture Splash at Macaulay Point Park—also organized by the Township Community Arts Council—was held on September 20<sup>th</sup> and 21<sup>st</sup>. The event brought together 18 artists from across the

Island and beyond to display 50 sculptures throughout the park. The Ribbon of Life sculpture, winner of the People's Choice Award at the event, was subsequently purchased for public display in Township facilities.

The Esquimalt Recreation Centre was also the site of a local photography exhibit displaying works from the Esquimalt Photography Club. The exhibit kicked off with an evening open house with local photographers, followed by the exhibit on display throughout the month of March.

The Third Annual Bloomin' Beautiful Home and Garden Contest was a success again in 2014, introducing a new category celebrating the



*Ribbon of Life by Chemainus-based artist Daniel Cline.*

artistic impression, ornamental enhancements and landscape designs of homes and gardens in the "Best Artistic Garden" category.

Throughout the year at the Recreation Centre, there were 1,220 registrations in 64 arts and cultural programs. These programs included music, dance, photography and digital arts.

## Esquimalt: made for movies

Increasingly Esquimalt is being seen to be the place to film for TV series and movies. During the year a Hallmark Channel movie entitled *The Gourmet Detective* was shot at the English Inn. In addition, the TV show *Ma caravane au Canada* filmed a one-hour episode at Esquimalt's Saxe Point Park in July.



## Heritage

### World War 1 Commemoration

As part of First World War commemorations 1914–1918, the Township initiated and/or participated in a number of events and activities in 2014. This included:

- Restoring the Memorial Park Trophy Guns.
- Installing a First World War memorial tree plaque at Lampson Street School on August 14<sup>th</sup>, 2014 to honour Esquimalt students killed in action during the First World War.
- A community commemoration event at Memorial Park on September 4<sup>th</sup>, 2014.
- Development of two First World War interpretive banners honouring the lives of Esquimalt residents who served in the First World War, including Victoria Cross recipient Commander Rowland Bourke, V.C., D.S.O.



Commander Rowland Bourke, V.C., D.S.O.



### Heritage Advisory Committee

A Heritage Values open house hosted by the Heritage Advisory Committee and Heritage BC invited community members to share their thoughts on Esquimalt, its assets and its heritage. Heritage value statements developed through the workshop will be useful for future community planning.

The Heritage Advisory Committee also honoured the first fifteen properties in the 'Best of 100' campaign by developing a poster and publishing it to the municipal website. This campaign will have three phases celebrating the best maintained homes and buildings 100 years old or older in the Township.

### Esquimalt digitization project

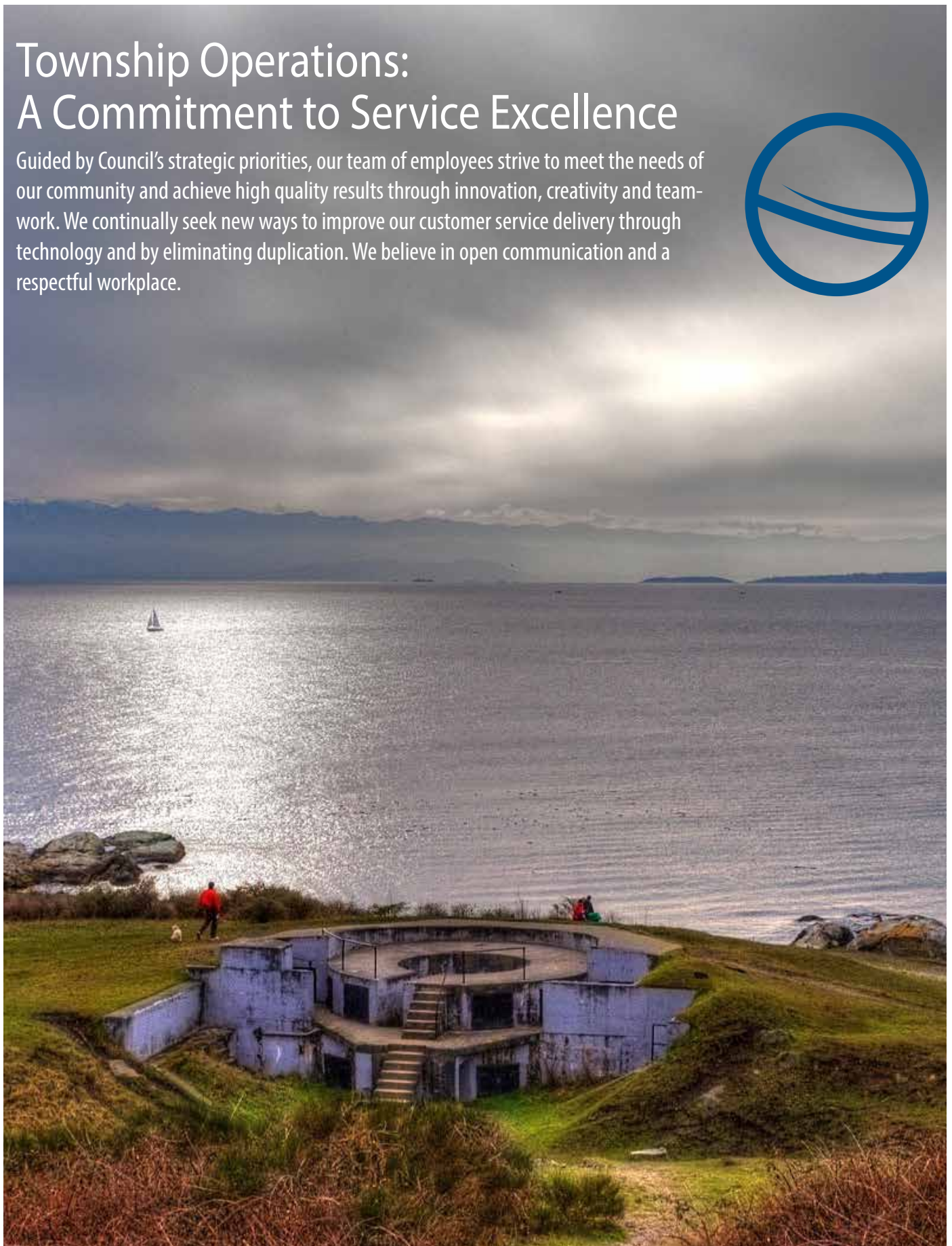
Some 2000 images held by the Esquimalt Archives got a new life on the Internet in 2014 with the Township's *Capturing our History* digitization project.

The goal of the project—partially funded by a \$9000 grant from the Irving K. Barber Learning Centre at the University of British Columbia—was to digitize and make available historical images of Esquimalt covering the past 150 years. The project increased online access to Township historical images while also preserving them digitally.



# Township Operations: A Commitment to Service Excellence

Guided by Council's strategic priorities, our team of employees strive to meet the needs of our community and achieve high quality results through innovation, creativity and teamwork. We continually seek new ways to improve our customer service delivery through technology and by eliminating duplication. We believe in open communication and a respectful workplace.





# Corporate Services

The Corporate Services Department is comprised of staff members involved in administration, legislative matters, (Council and its Committees), communications, archives, and business licensing. It provides internal and external communications support, administrative support and records management, including handling of freedom of information requests.



In 2014, the department launched webcasting and video archiving of Council and Committee of the Whole meetings, initiated paperless agendas and new agenda management software for digital viewing of Council materials, reviewed, updated or replaced several regulatory bylaws and updated several Council and management policies. The department also continued with updating of content on both the corporate website and the new internal website, and launched an archives website involving the digitization of some 2000 historical images.

With the municipal election in 2014, staff members coordinated the local government and school board elections throughout the summer and fall. The election included a separate ballot for two non-binding referendum questions on shared services and amalgamation.

Municipal Archives staff and volunteers were busy with new acquisitions of historical materials, as well as continuing to assist the media, Township staff and residents with research and providing background information on request.

The communications program, working with information technology, launched a new internal website, and promoted public engagement through social media, online surveys and the corporate website.



## Reference to Strategic Priorities

**Bylaw Review** – Operational Strategy

**Webcasting of Council Meetings** - Operational Strategy

**Paperless Agenda Project** – Operational Strategy

**Public Engagement** – Operational Strategy (Communications)

**Comprehensive Arts Policy and Arts & Culture Transition** – Operational Strategy (Communications)



# Community Safety Services



Community Safety Services commenced its first year of operation in 2014. The department enhances community safety by creating a service hub with a focussed and coordinated approach to community safety aimed at improving the quality of life for all residents. The department — the primary liaison between the Township and the Victoria Police Department — is comprised of bylaw enforcement, building inspection and the emergency program.

Esquimalt bylaw enforcement focusses on public education and awareness of municipal regulations to encourage voluntary compliance. During 2014, the department prepared a new unsightly properties regulatory bylaw and adopted a new bylaw notice system that has improved the overall efficiency of the ticketing process.

Efficiencies were also created in municipal building inspections by adopting an electronic filing and inspection system.

The department also conducted a safe community audit process during 2014 which provides an opportunity for residents to assess their own neighbourhood safety and provide feedback to the Township.

## Emergency Program

The Esquimalt Emergency Program is comprised of municipal staff members, protection services, and volunteers and is responsible for emergency planning, training, public education, activating the municipal Emergency Operations Centre and liaising with provincial and regional emergency management organizations. The program also coordinates the development of business continuity plans for the Township, updating the plans with input from staff members.

The program delivers emergency preparedness sessions through its Neighbourhood Emergency Preparedness Program (NEPP). NEPP volunteers also provide emergency preparedness information at many events throughout the year.

The Emergency Social Service (ESS) team, participated in a regional exercise with 101 volunteers from throughout the region and was also activated three times throughout the year to provide support to displaced residents as a result of fires. The ESS team celebrated its five-year anniversary on December 1<sup>st</sup>, 2014.

The program continued with testing, maintenance, and training in the use of the Township desalination unit which, in the event of an emergency, is capable of producing 2800 gallons of fresh water per day.

During Emergency Preparedness Week staff also provided preparedness presentations and resources to parents and students in the Township.



### Reference to Strategic Priorities

**Unsightly properties bylaw** - Operational Strategy

**Business continuity planning** - Operational Strategy



# Development Services



Development Services is responsible for community planning and development for the Township of Esquimalt.

Community planning includes long range policy planning and development planning which is related to the processing of various development applications as well as communicating with all stakeholders to ensure that permit processing proceeds in a fair and transparent manner consistent with the laws of British Columbia. Community development includes economic development and tourism as well as initiatives related to social planning. In addition, the department is responsible for building partnerships with First Nations, neighbouring local governments, senior levels of government, and private enterprises in support of community planning and development initiatives.

During 2014 the department coordinated economic development round tables as part of the Township Economic Development Strategy. In addition to the round tables, staff held two public open houses and published an online survey. The results were synthesized into a draft economic development strategy that was reviewed by Council and subsequently adopted by Council on October 27, 2014.

Meetings were held with the Justice Institute of British Columbia during the year to discuss the possibility of incorporating a JIBC campus into the Esquimalt Village Project. Proximity to CFB Esquimalt, the Emergency Services Building, the Recreation Centre, the Municipal Hall and Downtown Victoria are all assets associated with this location.

Additional planning projects the department participated in throughout the year included the West Bay Neighbourhood Design Guidelines, the McLoughlin Point wastewater treatment issue, and a review of the Capital Regional District's Regional Growth Strategy.



## Reference to Strategic Priorities

**Esquimalt Village Project Advancement** – Operational Strategy

**Economic Development Strategies** - Operational Strategy



# Engineering and Public Works



The Esquimalt Engineering and Public Works Department maintains, upgrades and develops municipal infrastructure. The infrastructure falls into three main groups: linear (roads, sidewalks, sewers, drains), vertical (building maintenance, transit shelters), and mobile (maintenance of vehicles and purchase). Engineering focuses on the planning, design and project management of new infrastructure and upgrading existing infrastructure along with proposed new developments. Public Works ensures that the existing infrastructure is maintained and operated in an effective manner as well as providing additions or improvements to existing infrastructure.

## Engineering Department Highlights:

- Completed the first phase of a detailed site investigation of Esquimalt Village Project lands. Additional funding was received for site investigation in 2015.
- Detailed design of Admirals Road Corridor Improvement project was completed, setting the stage for construction in 2015.
- The Fairview Road corridor was upgraded with new storm, sidewalk, rail and road infrastructure.
- Supported the Westside Solutions Project in locating potential sites for wastewater treatment facilities in the westside communities of Esquimalt, Songhees Nation, View Royal, Colwood and Langford.
- Development of designs for various infrastructure projects such as the Sidewalk Continuity Plan (Arcadia) and Sidewalk Upgrade Program (Joffre).



## Public Works Department Highlights:

- Transitioned the Township from backyard pickup of garbage to curbside pickup of both garbage and kitchen scraps, collecting 1145 tonnes of garbage and 163 tonnes of kitchen scraps in the process.
- The manhole separation project completed its fourth year of a five year program, separating six manholes in 2014.
- Maintenance and improvement projects ranged from the installation of new concrete sidewalks (Arcadia) to the replacement of existing sidewalks (Joffre and tripping hazards). Additional maintenance activities included storm water catch basin replacement (15), crack sealing of roads, pump station maintenance and extensive surface repairs to the Colville Road.
- The Memorial Park Trophy Guns were restored as part of a World War 1 commemoration project.



### Reference to Strategic Priorities

**Waste Resource Management** – Council Priority

**Traffic Management Strategies** - Council Priority

**Esquimalt Village Plan Advancement** - Council Priority

**Multi-Modal Transportation** - Operational Strategy

**Manhole Separation** - Operational Strategy

**Sidewalk Continuity Plan** - Operational Strategy

**EVP Brownfield Remediation** - Operational Strategy

# Financial Services and Information Technology



**The Financial Services and Information Technology Departments are responsible for management of the Township's financial affairs and technology requirements to ensure public accountability and transparency while supporting the strategic objectives as established by Council.**

Financial Services serves as the first point of contact at the Municipal Hall and addresses all general enquiries. The department is responsible for overall cash management including collection of property tax and licence revenue, investment of funds and securities, management of payroll and benefits and processing of all payments issued by the Township. All transactions occur within a system of internal controls designed to safeguard assets, ensure proper authorization and provide for accurate and timely financial reporting.

Each year, Financial Services leads the process to develop a five-year financial plan that outlines the level of services to be delivered within the Township. This plan, developed by senior management with input from the public, is approved by Council each year. This process involves the determination of annual tax levies necessary to support municipal operations. Additionally, the level of reserves is assessed to ensure the Township's long term fiscal sustainability and adequacy of funding for future projects.

The Township's financial statements, prepared in accordance with generally accepted accounting principles and Public Sector Accounting Board recommendations, are audited annually. In addition to satisfying all audit and regulatory reporting requirements, the department generates timely financial information for review and analysis by Council and senior management in order to ensure fiscal accountability.

The Information Technology Department is responsible for the design, deployment, management and support of services to enable the efficient use of technology for business functions. This includes all computer network hardware and software, security systems, telephone systems, cellular phones, wireless technologies, mobile applications and audio/video presentation systems, at all municipal locations. They are also responsible for backup and replication of systems and data for business continuity and disaster recovery.

# Fire Rescue



The Esquimalt Fire Department provides fire suppression, investigation, prevention, and education services to residents of the Township. Other services the department provides include medical first responder, confined space entry, and hazardous material response.

In 2014, Esquimalt Fire Rescue responded to 1243 incidents compared to 1133 in 2013. This included seven structure fires, the most significant of which occurred on December 22<sup>nd</sup> in an apartment complex and resulted in the evacuation of approximately 50 units.

The department also completed a Fire Underwriters Survey for the purpose of updating fire insurance grading classifications and to make recommendations to help improve the overall level of public fire protection. Education efforts included free training to businesses in the Township and youth tours of the fire hall, as well as the popular open house to promote community safety.

Esquimalt Fire Rescue maintains mutual aid agreements with Victoria, Saanich, and CFB Esquimalt fire departments.



## Fire Activity

Call Type/Volume		Routine Activities	
Alarm calls	50	Assist other agencies	5
Assist public	27	Bylaw inquiries	9
Burning complaints	9	General Inquiries	6
Hazardous materials	9	Oil tank inspections	52
Structure fires	7	Placed on standby	15
Other fires	6	Plan review	2
Other responses	1	Public Ed I Hall tour	1
Medical aid	264	Fire investigations	1
MVI	23	Business licenses	11
Rescue	1	Car seat inspection	2
Electrical emergency	5		
Total Period	402	Total Period	104
Responses YTD	1243	Responses YTD	182

## Prevention and Inspection Data

Platoon	Total Premises	Inspections Completed	Inspection Ongoing
A	128	122	6
B	136	118	3
C	133	133	0
D	127	119	5

Reference to Strategic Priorities

Fire Underwriter Survey – Operational Strategy





# Parks and Recreation



Esquimalt is a compact community with a wealth of parks and recreation opportunities maintained and operated by the Parks and Recreation Department. The department provides programs and services for local and regional customers and hosts sporting and special events in the community.

The department provides services in three main areas: 1) parks and sports fields, 2) recreation, leisure, and fitness programs for all age groups, and 3) facility rentals.

Our programs and services generate revenue directly through user fees. Additional economic activity is also generated from staging and promoting sporting and special events in the community, such as the Live Potted Christmas Tree Village and the LifeMark Esquimalt 5k Fun Run and Walk. In 2014 there were 286,734 visits to Parks and Recreation Department services and programs.

## Parks

Parks staff members are responsible for the maintenance and conservation of Esquimalt's stunning parks, trails and beaches. While maintaining Township parks to a high standard, staff members follow principles of sustainability and ecology, ensuring that future generations will continue to enjoy our coastal and upland parks and greenways. Throughout 2014 parks staff — working with volunteers, community organizations, First Nations, and youth groups — also provided support for a variety of Township events.



Refurbishment of the Colville Sport Courts was completed in 2014, and a joint use agreement for the courts was established between Esquimalt High School and the Township. Additional park and trail upgrades completed in 2014 included new soft surfacing material at the Lugrin and Paradise playgrounds, and a new park trail installed at Saxe Point Park to connect the forest trail to the ocean side trail.



The annual Earth Day Celebration expanded in 2014 to over 1,000 participants, including students from Macaulay Elementary, Rockheights Middle School, Esquimalt High and l'ecole Victor-Brodeur, all working to restore Highrock Park. The Garry Oak Ecosystems Recovery Team Society was a welcome addition to the Celebration in 2014.

The Third Annual Bloomin' Beautiful Home and Garden contest was held with 70 entries in the following categories: best large garden, best small garden, best curb appeal, best environmental practices, best artistic garden (new) and people's choice (new). Some 341 votes were cast in the People's Choice category with all participants celebrated in an awards evening enjoyed by nearly 80 attendees.

The Esquimalt Recreation Centre was home to a Live Potted Christmas Tree Village throughout the month of December. Some 28 live trees were decorated by local businesses and community groups lending a festive atmosphere to the facility. The trees will be planted in Esquimalt's Gorge Park, Saxe Point Park and Highrock Park in the spring of 2015.

## Parks and Recreation continued...



## Recreation

### Arts and Culture:

In 2014 an arts and culture portfolio was added to the Parks and Recreation Department. As part of its arts and culture mandate, the department hosts special events and provides support to several community events. In 2014, this included:

- Recreation Centre Open House, January 4<sup>th</sup>
- Free Community Skate Sponsored by Coast Capital Savings, March 21<sup>st</sup>
- Community 5K with 1K Kid's Fun Run presented by LifeMark Health, March 22<sup>nd</sup>
- Free Community Easter Event: Lions' Easter Egg Hunt at Esquimalt's Gorge Park, April 20<sup>th</sup>
- Earth Day, April 22<sup>nd</sup>
- Esquimalt's Gigantic Garage Sale, April 26<sup>th</sup>
- Neighbourhood Block Party & Block Watch Kick-Off Event, May 31<sup>st</sup>
- Esquimalt's Outdoor Cinema Series - six movies throughout the summer at varying parks June 27<sup>th</sup>-September 5<sup>th</sup>
- Esquimalt's RibFest, September 12<sup>th</sup>-14<sup>th</sup>
- Esquimalt Children's Story Fest, October 4<sup>th</sup>
- Free Community Skate sponsored by Coast Capital Savings, October 30<sup>th</sup>
- National Children's Day, November 22<sup>nd</sup>
- Lions' Skate with Santa, December 13<sup>th</sup>
- Holiday Drive-In Movies, throughout December
- Esquimalt's Live Potted Christmas Tree Village, throughout December
- Christmas Café, December 18<sup>th</sup> & 23<sup>rd</sup>

## Special Event Highlights

Additional special event highlights included:

- A community celebration for Family Day on February 10<sup>th</sup>, 2014. Some 1,500 people attended the event and enjoyed swimming, a bouncy castle, face painting and other family-friendly activities.
- Supporting Esquimalt's RibFest, where an estimated 40,000 people enjoyed a festival of music, food and activities over the September 12<sup>th</sup>-14<sup>th</sup> weekend. The 2014 event featured "Ribbers" from Ontario, Florida, Saskatchewan, Alberta and British Columbia.
- The annual Lions' Skate with Santa, which featured an additional special guest in 2014: Elsa from Disney's *Frozen*. Santa and Elsa helped to pack the free community skate with 242 participants. The event was sponsored by Coast Capital Savings and the Esquimalt Lions.

## Facilities

Both the Esquimalt Recreation Centre and the Archie Browning Sports Centre were busy in 2014 with registered and drop-in programs as well as bookings by community and private groups. The Wellness Centre was upgraded with new cardiovascular and weight training equipment and a redesigned layout.

Comprehensive renovations at the Sports Centre began in 2014 to create an expanded and accessible multi-purpose room, administrative offices, and a redesigned front entranceway and plaza. These renovations are slated for completion in the summer of 2015.

### Reference to Strategic Priorities

**Arts and Culture Transition** - Operational Strategy

**Urban Forest/Greenway Management** – Operational Strategy

**Centennial Legacy Projects (Home and Garden Contest)** - Operational Strategy

**Infrastructure Renewal Strategy** - Operational Strategy

# Victoria Police Department - Esquimalt Division

The officers of the Esquimalt Division are committed to service to the Township of Esquimalt focusing on community and stakeholder engagement as part of an overall community policing approach to ensuring a safe and healthy Township.

The Esquimalt Division of the Victoria Police Department is located in the Township of Esquimalt's Public Safety Building at 500 Park Place, just off Esquimalt Road near Municipal Hall.

In 2014, the Esquimalt Division included three School Resource Officer positions, one at-risk youth investigator (Mobile Youth Services Team), and a Community Resource Officer. The division also houses the police department's K9 Unit, which is comprised of four general-duty German Shepherds and two Labradors trained for explosives and drug detection.

The Esquimalt Division is supervised by one Inspector and one Sergeant. The School Resource Officers are responsible for police services directed toward youth and schools within the City of Victoria and Township of Esquimalt. The K9 Unit provides services to both the City of Victoria and Township of Esquimalt. The Community Resource Officer provides services to the community of Esquimalt, and the neighbourhood of Vic West.

Moving into 2015, the Esquimalt Division is expanding with the addition of a Community Resource Officer, and a group of dedicated community patrol officers. In addition to being responsive to emerging trends in the community, a major focus of the Esquimalt Division's policing efforts will be the areas of priority as identified by Esquimalt citizens in the recent VicPD Community Survey.



# Township Operations by the Numbers in 2014



## Corporate Services:

- 83** Agendas, notices and minutes prepared for regular, special and *In Camera* Council and Committee of the Whole Meetings
- 51** staff reports on various topics
- 654** business licences issued or renewed
- 26** Freedom of Information request responses
- 221** Municipal Archives requests for research/information
- 28** media releases issued to regional media
- 106** public service announcements and news items issued through the corporate website
- 116** event notices posted to website
- 248,856** visits to corporate website (9% increase from 2013)
- 1,539,904** page views on corporate website (9.4% increase from 2013)
- 600** new followers on municipal Twitter account
- 130** new likes on municipal Facebook account

## Applications to Development Services:

- 3** Board of Variance
  - 28** Development Permit
  - 9** Development Variance Permit
  - 3** Rezoning applications
  - 7** Subdivision applications
- Total: **50**

## Engineering and Public Works oversees:

- 47** kilometres of roads
- 9** kilometres of boulevard
- 11** pump stations
- 65** kilometres of storm and sanitary sewer pipes

## Parks and Recreation:

- 286,734** visits to services and programs
- 1,000** participants in 2014 Earth Day Celebration
- 70** entries in Third Annual Bloomin' Beautiful contest
- 1,220** registrations in arts and culture programs
- 27** events hosted or supported

## Fire Rescue:

- 1,243** total responses to incidents
- 7** structure fire responses
- 264** medical aid responses
- 492** inspections





# Financial Section

Financial Reporting Responsibility

Auditors' Report

Financial Statements

Statistical Information

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# Management's Responsibility for Financial Statements

The accompanying financial statements of the Corporation of the Township of Esquimalt (the "Township") are the responsibility of management and have been prepared in compliance with applicable legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to Council's approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Township. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Township's financial statements.



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Chief Administrative Officer



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Director of Financial Services

# Auditor's Report to the Mayor and Councillors of the Corporation of the Township of Esquimalt



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**Chartered Accountants**  
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Victoria BC V8W 3Y7  
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## INDEPENDENT AUDITORS' REPORT

*To the Mayor and Councilors of the Corporation of the Township of Esquimalt*

We have audited the accompanying financial statements of the Corporation of the Township of Esquimalt which comprise the statement of financial position as at December 31, 2014, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Esquimalt as at December 31, 2014, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 4, 2015  
Victoria, Canada

# The Corporation of the Township of Esquimalt

## Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets:</b>		
Cash and cash equivalents (note 2)	\$ 23,325,093	\$ 22,411,042
Property taxes receivable	687,951	659,100
Accounts receivable	1,689,697	984,809
MFA debt reserve cash (note 12(b))	211,965	194,252
	<u>25,914,706</u>	<u>24,249,203</u>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	9,007,671	9,119,900
Deferred revenue and deposits (note 3)	1,929,099	2,652,704
Long-term debt (note 4)	9,420,230	8,870,573
Obligations under capital leases (note 5)	10,925	18,934
Employee benefit and retirement obligations (note 6)	1,026,953	1,207,980
	<u>21,394,878</u>	<u>21,870,091</u>
<b>Net financial assets</b>	<u>4,519,828</u>	<u>2,379,112</u>
<b>Non-financial assets:</b>		
Tangible capital assets (note 7)	78,291,313	77,380,922
Inventory of supplies	123,071	107,641
Prepaid expenses	51,147	55,302
	<u>78,465,531</u>	<u>77,543,865</u>
Commitments and contingencies (note 12)		
<b>Accumulated surplus (note 8)</b>	<u>\$ 82,985,359</u>	<u>\$ 79,922,977</u>

The accompanying notes are an integral part of these financial statements.



Director of Financial Services



# The Corporation of the Township of Esquimalt

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2014, with comparative information for 2013

	Financial plan (note 13)	2014	2013
<b>Revenues:</b>			
Taxes for municipal purposes (note 9)	\$ 14,448,381	\$ 14,361,965	\$ 14,355,732
Payments in place of taxes (note 10)	10,950,800	11,500,408	10,578,629
Sale of services	3,174,992	3,192,990	3,248,302
Other revenue from own sources	1,477,318	1,486,100	1,629,734
Conditional transfers from other governments (note 11)	2,980,479	2,348,211	922,627
Unconditional transfers from other governments (note 11)	400,532	399,455	399,323
<b>Total revenue</b>	<b>33,432,502</b>	<b>33,289,129</b>	<b>31,134,347</b>
<b>Expenses:</b>			
General government	3,673,631	3,523,853	3,419,071
Protective services	11,502,517	11,866,531	11,300,118
Transportation	2,762,237	4,051,865	3,755,113
Environmental health	1,164,225	1,545,558	1,534,056
Environmental development	819,412	579,855	533,187
Recreation, parks and culture	8,417,444	8,659,085	8,917,810
<b>Total expenses</b>	<b>28,339,466</b>	<b>30,226,747</b>	<b>29,459,355</b>
<b>Annual surplus</b>	<b>5,093,036</b>	<b>3,062,382</b>	<b>1,674,992</b>
<b>Accumulated surplus, beginning of year</b>	<b>79,922,977</b>	<b>79,922,977</b>	<b>78,247,985</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 85,016,013</b>	<b>\$ 82,985,359</b>	<b>\$ 79,922,977</b>

The accompanying notes are an integral part of these financial statements.

# The Corporation of the Township of Esquimalt

## Statement of Change in Net Financial Assets

Year ended December 31, 2014, with comparative information for 2013

	Financial plan (note 13)	2014	2013
Annual surplus	\$ 5,093,036	\$ 3,062,382	\$ 1,674,992
Contributed tangible capital assets	-	(60,350)	(164,800)
Acquisition of tangible capital assets	(8,086,730)	(3,999,955)	(3,080,824)
Acquisition of capital lease	-	-	(6,605)
Amortization of tangible capital assets	-	3,059,172	2,974,374
Proceeds on sale of tangible capital assets	-	18,961	4,565
Loss on disposal of tangible capital assets	-	71,781	57,295
	(8,086,730)	(910,391)	(215,995)
Acquisition of inventory supplies	-	(123,071)	(107,641)
Consumption of inventory supplies	-	107,641	108,034
Acquisition of prepaid expenses	-	(51,147)	(55,302)
Consumption of prepaid expenses	-	55,302	39,223
		(11,275)	(15,686)
Change in net financial assets (debt)	(2,993,694)	2,140,716	1,443,311
Net financial assets, beginning of year	2,379,112	2,379,112	935,801
Net financial assets (debt), end of year	\$ (614,582)	\$ 4,519,828	\$ 2,379,112

The accompanying notes are an integral part of these financial statements.

# The Corporation of the Township of Esquimalt

## Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
<b>Operating activities</b>		
Annual surplus	\$ 3,062,382	\$ 1,674,992
Items not involving cash:		
Contributed tangible capital assets	(60,350)	(164,800)
Amortization of tangible capital assets	3,059,172	2,974,374
Change in employee benefits and other liabilities	(181,027)	50,303
Actuarial adjustment on debt	(222,211)	(193,475)
Loss on disposal of tangible capital assets	71,781	57,295
Change in non-cash operating assets and liabilities:		
Property taxes receivable	(28,851)	(63,451)
Accounts receivable	(704,888)	(222,346)
Government grant receivable	-	677,339
MFA debt reserve fund cash	(17,713)	(9,029)
Accounts payable and accrued liabilities	(112,229)	2,212,095
Deferred revenue and deposits	(723,605)	(441,824)
Inventory of supplies	(15,430)	393
Prepaid expenses and deposits	4,155	(16,079)
	4,131,186	6,535,787
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(3,999,955)	(3,080,824)
Proceeds on disposal of tangible capital assets	18,961	4,565
	(3,980,994)	(3,076,259)
<b>Financing activities:</b>		
Capital lease obligation repaid	(8,009)	(37,444)
Long-term debt issued	1,200,000	-
Long-term debt principal repaid	(428,132)	(428,132)
	763,859	(465,576)
Increase in cash and cash equivalents	914,051	2,993,952
Cash and cash equivalents, beginning of year	22,411,042	19,417,090
Cash and cash equivalents, end of year	\$ 23,325,093	\$ 22,411,042
<b>Supplemental cash flow information:</b>		
Cash paid for interest	\$ 467,468	\$ 512,852
Cash received from interest	586,385	418,140
Assets acquired under capital lease	-	6,605

The accompanying notes are an integral part of these financial statements.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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The Corporation of the Township of Esquimalt (the "Township") was incorporated on September 1, 1912 under the Municipal Act, a statute of the Province of British Columbia. Its principal activities are the provisions of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, sewer and fiscal services.

### 1. Significant accounting policies:

The financial statements of the Township are prepared by management in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board ("PSAB") of The Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Township are as follows:

#### (a) Reporting entity:

The financial statements include a combination of all the assets, liabilities, accumulated surplus, revenues and expenses of all of the Township's activities and funds. Inter-departmental balances and organizational transactions have been eliminated. The Township does not control any significant external entities and accordingly, no entities have been consolidated in these financial statements.

#### (b) Basis of accounting:

The Township follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### (c) Government transfers:

Government transfers with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability for the recipient government.

Government transfers without stipulations restricting their use are recognized in the financial statements as revenue in the period in which the transfers are authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made.



# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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### 1. Significant accounting policies (continued):

(d) Deferred revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenditures are incurred, services performed, or the tangible capital assets are acquired thereby extinguishing the related liability.

(e) Property tax revenue:

Property tax revenue is recognized on the accrual basis using the approved mill rates and the anticipated assessment related to the current year.

(f) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(g) Cash and cash equivalents:

Cash and cash equivalents include investments in the Municipal Finance Authority of British Columbia (the "MFA") Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

(h) Long-term debt:

Long-term debt is reported net of related payments and actuarial earnings.

(i) Employee future benefits:

The Township and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Sick leave benefits and other retirement benefits are also available to the Township's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. The actuarial losses or gains are amortized over a period equal to the employee's average remaining service lifetime.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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### 1. Significant accounting policies (continued):

#### (j) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

#### (i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life in years
Land improvements	15 - 50
Building and building improvements	10 - 40
Vehicles, machinery and equipment	3 - 30
Water and wastewater infrastructure	25 - 60
Roads infrastructure	20 - 80

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to the Township's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

#### (ii) Contributions of tangible capital assets

Tangible capital assets received as contributions including tangible capital assets received in lieu of a developer cost charge, are recorded at fair value at the date of receipt and also are recorded as revenue.

#### (iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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### 1. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(iv) Interest capitalization

The Township does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(vi) Inventories of supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(k) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets and estimating provisions for accrued liabilities including employee future benefits. Actual results could differ from those estimates.

(l) Future accounting pronouncements:

A number of new standards and amendments to standards are not yet effective for the year ended December 31, 2014 and have not been applied in preparing these financial statements. Those expected to potentially impact the financial statements of the Township are as follows:



# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

### 1. Significant accounting policies (continued):

#### (l) Future accounting pronouncements (continued):

##### (i) PS 3450 Financial Instruments

Financial Instruments PS 3450 and Foreign Currency Translation PS 2601 have been approved by the PSAB and are effective for years commencing on or after April 1, 2016. The standards are to be adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation, and disclosure of financial instruments and foreign currency transactions. Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the entity's accounting policy choices.

##### (ii) PS 3260 Contaminated Sites

This section establishes recognition, measurement, and disclosure standards for liabilities relating to contaminated sites. The Township will be required to recognize liability when contamination exceeds an accepted environmental standard and the Township is directly responsible, or accepts responsibility for, the damage. The liability will be measured at the Township's best estimate of the costs directly attributable to remediation of the contamination. The Section is effective for fiscal periods beginning on or after April 1, 2014. The impact of the adoption of this standard is being evaluated by management and is not known or reasonably estimable at this time.

#### (m) Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

### 2. Cash and cash equivalents:

	2014	2013
Cash and bank deposits	\$ 2,496,245	\$ 2,735,492
Municipal Finance Authority Money Market Funds	20,828,848	19,675,550
	\$ 23,325,093	\$ 22,411,042

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

### 3. Deferred revenue and deposits:

Deferred revenue, reported on the statement of financial position, includes the following:

	2014	2013
Gas Tax Agreement Funds	\$ -	\$ 627,916
Trust and deposit liabilities	663,559	465,542
Unearned recreation fees	337,019	314,364
Property tax instalments	728,447	634,690
Miscellaneous	200,074	610,192
	<u>\$ 1,929,099</u>	<u>\$ 2,652,704</u>

### Schedule of Receipts and Disbursements of Gas Tax Agreement Funds:

	2014	2013
Balance, beginning of year	\$ 627,916	\$ 914,543
Add:		
Amounts received during the year	712,284	510,178
	<u>1,340,200</u>	<u>1,424,721</u>
Less:		
Eligible expenditures	(151,309)	(796,805)
Recognized in revenue and transferred to reserves	(1,188,891)	-
Balance, end of year	<u>\$ -</u>	<u>\$ 627,916</u>

The Township receives Gas Tax funds from the Federal Government through an agreement with the Union of BC Municipalities. Effective April 1, 2014 the agreements were revised for all new funding and for amounts unspent from prior periods. The new agreement broadened the scope of eligible expenditures for these funds and eliminated certain potential repayment criteria. These changes have resulted in a change in the accounting from the previous policy to defer such funds until eligible expenditures were incurred to recognize all amounts into revenue when received, including recognizing as revenue all amounts previously deferred.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

### 4. Long-term debt:

Bylaw	Purpose	Matures	Rate	Original Amount	Sinking Fund*	Net Balance	
						2014	2013
<u>General Capital</u>							
2492	Recreation Centre	2023-03-10	4.775%	\$ 2,800,000	\$ 1,217,687	\$ 1,582,313	\$ 1,721,928
2492	Recreation Centre	2022-03-12	5.370%	4,000,000	1,932,886	2,067,114	2,274,808
2834	Roads and Streets	2024-10-14	3.000%	1,200,000	-	1,200,000	-
				8,000,000	3,150,573	4,849,427	3,996,736
<u>Sewer Capital</u>							
2565	Sanitary Sewers	2027-12-01	4.820%	2,353,000	626,158	1,726,842	1,827,154
2565	Sanitary Sewers	2026-10-19	4.430%	1,129,000	352,141	776,859	827,150
2565	Sanitary Sewers	2025-10-13	4.170%	2,012,000	721,233	1,290,767	1,384,037
2565	Sanitary Sewers	2024-02-12	4.975%	1,256,000	479,665	776,335	835,496
				6,750,000	2,179,197	4,570,803	4,873,837
				\$ 14,750,000	\$ 5,329,770	\$ 9,420,230	\$ 8,870,573

\* Sinking fund column includes principal payments and actuarial earnings.

In 2002, the Council of the Township adopted Bylaw No. 2492 to authorize the borrowing for estimated renovation and upgrade costs for the Esquimalt Recreation Centre in the sum of \$6,800,000.

In 2003, the Council of the Township adopted Bylaw No. 2565 to authorize the construction of improvements to the sanitary sewer system and to borrow upon the credit of the Township a sum not to exceed \$6,750,000.

In 2014, the Council of the Township adopted Bylaw No. 2834 to authorize the construction of improvements to the Admirals Road corridor and to borrow upon the credit of the Township a sum not to exceed \$1,200,000.

Total interest on long-term debt for the year was \$461,016, including accrued interest of \$70,024 (2013-\$527,516, including accrued interest of \$65,278).



# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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#### 4. Long-term debt (continued):

The Township issues its debt instruments through the MFA. The debt is issued on a sinking fund basis, whereby MFA invests the Township's principal payments so that the payments, plus investment income, will equal the original outstanding debt amount at the end of the repayment period. Actuarial earnings on debt represent the repayment and/or forgiveness of debt by the MFA using surplus investment income generated by the principal payments.

Principal payments on long-term debt for the next five years are as follows:

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2015	\$	528,081
2016		528,081
2017		528,081
2018		528,081
2019		528,081

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#### 5. Obligations under capital leases:

The Township financed specific municipal hall and recreation department equipment by entering into capital leases with the MFA Leasing Corp. The Township will acquire ownership of the equipment at the end of the lease term. Repayments are due as shown.

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2015	\$	4,217
2016		3,561
2017		2,667
2018		806
Total minimum payments		11,251
Less: Amounts representing interest (at prime plus 1%)		(326)
Present value of net minimum capital lease payments	\$	10,925

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Total interest on leases for the year was \$296 (2013 - \$692).

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

### 6. Employee benefit and retirement obligations:

The Township provides sick leave and certain benefits to its employees. These amounts and other employee related liabilities that require funding in future periods are set out below:

Accumulated sick leave represents the liability for sick leave banks accumulated for estimated draw downs at future dates. Retirement benefit payments represent the Township's share of the cost to provide employees with various benefits upon retirement including lump sum retirement payments, death benefits, certain vacation entitlements in the year of retirement, and pension buyback arrangements for qualified employees.

Information about liabilities for employee benefit plans is as follows:

	2014	2013
Accrued benefit obligation, beginning of year	\$ 1,207,980	\$ 1,157,677
Service cost	89,000	87,900
Interest cost	42,800	38,500
Benefits payments	(284,800)	(67,200)
Past agreement refund accrual	(28,027)	(8,897)
Accrued benefit liability, end of year	\$ 1,026,953	\$ 1,207,980

The actuarially accrued benefit obligation set out in the actuarial valuation is \$985,100 (2013 - \$995,200), resulting in a variance of \$41,853 between the obligation and the accrued benefit liability of \$1,026,953 (2013 - \$1,207,980). The variance is composed of the following two amounts: an actuarial net gain of \$31,900 (2013 - \$194,900) and the special agreement refund accrual of \$9,953 (2013 - \$17,879). This actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime of 11 years. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$111,700 (2013 - \$115,600).

The accrued benefit obligations and the net periodic benefit cost were estimated by actuarial valuation as of December 31, 2014. At December 31, 2014, the valuation was updated to reflect specific changes in the assumptions adopted in measuring the Township's accrued employee benefit obligations. The significant assumptions adopted in measuring the Township's accrued benefit obligations are as follows:

	2014	2013
Discount rates	3.20%	4.10%
Expected inflation rate	2.50%	2.50%
Expected wage and salary increase, based on age and gender	2.58% - 4.63%	2.58% - 4.63%

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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### 6. Employee benefit and retirement obligations (continued):

#### **Municipal Pension Plan**

The Township and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local government.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets, and cost to the individual employers participating in the Plan.

The Township paid \$908,830 (2013 - \$874,402) for employer contributions while employees contributed \$763,878 (2013 - \$718,935) to the plan in fiscal 2014.

#### **GVLRA - CUPE Long-Term Disability Trust**

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employee locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The Township and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2014. At December 31, 2014, the total plan provision for approved and unreported claims was \$15,368,300 with a net surplus of \$270,044. The Township paid \$67,016 (2013 - \$67,037) for employer contributions in fiscal 2014.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

### 7. Tangible capital assets:

Cost	Balance December 31, 2013	Additions	Disposals/ transfers	Balance December 31, 2014
Land and land improvements	\$ 40,339,140	\$ 752,044	\$ -	\$ 41,091,184
Building and building improvements	22,090,131	401,123	-	22,491,254
Vehicles, machinery and equipment	8,679,942	1,352,382	(595,324)	9,437,000
Water and wastewater infrastructure	22,101,902	268,133	-	22,370,035
Roads infrastructure	34,407,751	656,778	(50,868)	35,013,661
Work in progress	866,439	1,089,918	(460,073)	1,496,284
<b>Total</b>	<b>\$ 128,485,305</b>	<b>\$ 4,520,378</b>	<b>\$ (1,106,265)</b>	<b>\$ 131,899,418</b>

Accumulated amortization	Balance December 31, 2013	Disposals	Amortization expense	Balance December 31, 2014
Land and land improvements	\$ 9,755,503	\$ -	\$ 232,299	\$ 9,987,802
Building and building improvements	8,662,981	-	770,324	9,433,305
Vehicles, machinery and equipment	5,086,147	(509,065)	517,973	5,095,055
Water and wastewater infrastructure	10,759,502	-	371,762	11,131,264
Roads infrastructure	16,840,250	(46,385)	1,166,814	17,960,679
<b>Total</b>	<b>\$ 51,104,383</b>	<b>\$ (555,450)</b>	<b>\$ 3,059,172</b>	<b>\$ 53,608,105</b>

Net book value	Balance December 31, 2013	Balance December 31, 2014
Land and land improvements	\$ 30,583,637	\$ 31,103,382
Building and building improvements	13,427,150	13,057,949
Vehicles, machinery and equipment	3,593,795	4,341,945
Water and wastewater infrastructure	11,342,400	11,238,771
Roads infrastructure	17,567,501	17,052,982
Work in progress	866,439	1,496,284
<b>Total</b>	<b>\$ 77,380,922</b>	<b>\$ 78,291,313</b>



# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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### 7. Tangible capital assets (continued):

(a) Assets under construction

Assets under construction having a value of \$1,496,284 (2013 - \$866,439) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed tangible capital assets are recognized at fair market value at the date of contribution. There were contributed tangible capital assets having a value of \$60,350 during the year (2013 - \$164,800).

(c) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category to which nominal values were assigned.

(d) Works of art and historical treasures

The Township manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at Township sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(e) Write-down of tangible capital assets

There were no write-downs of tangible capital assets during the year (2013 - \$nil).

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

### 8. Accumulated surplus:

Accumulated surplus includes unappropriated operating funds and various appropriated operating accounts and reserve funds.

	2014	2013
<b>Surplus:</b>		
Equity in tangible capital assets	\$ 68,860,158	\$ 68,491,415
Unappropriated operating funds	4,269,327	4,931,713
	<u>73,129,485</u>	<u>73,423,128</u>
<b>Appropriated operating funds:</b>		
Future expenditures	496,592	156,301
Casino revenue	157,224	174,281
Community Works Fund	1,206,960	-
Uncollected taxes	100,000	100,000
Working capital	400,000	400,000
	<u>2,360,776</u>	<u>830,582</u>
<b>Reserve funds set aside for specific purposes by Council:</b>		
Capital Projects	1,921,257	2,240,990
Local Improvement	136,934	135,438
Machinery and Equipment	2,121,643	2,871,814
Municipal Archives Trust	2,628	5,671
Parkland Acquisition	82,988	82,082
Tax Sale Lands	113,302	113,489
Sustainability	165,673	185,700
Eva Chafe	34,460	34,083
Infrastructure and Revitalization	2,916,213	-
	<u>7,495,098</u>	<u>5,669,267</u>
	<u>\$ 82,985,359</u>	<u>\$ 79,922,977</u>

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

### 9. Taxes:

	2014	2013
Taxes for municipal purposes:		
Property tax	\$ 14,108,109	\$ 14,100,670
Local Improvement	4,686	4,686
1% Utility tax	249,170	250,376
	<u>\$ 14,361,965</u>	<u>\$ 14,355,732</u>

As well as taxes for its own purposes, the Township is required to collect taxes on behalf of, and transfer these amounts to, the government agencies noted below. Taxes levied over or under the amounts requisitioned are recorded as accounts payable or receivable.

	2014	2013
Taxes, requisitions and levies collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 5,423,794	\$ 5,533,182
Capital Regional District - requisition	2,196,311	1,927,436
Capital Regional District - 9-1-1 call answer levy	50,723	54,152
Capital Regional Hospital District - requisition	863,289	857,377
British Columbia Assessment Authority	185,162	187,733
British Columbia Transit - Victoria Regional Transit Commission	856,673	824,355
Municipal Finance Authority	560	573
	<u>\$ 9,576,512</u>	<u>\$ 9,384,808</u>

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

### 10. Payments in place of taxes:

	2014	2013
Payments in place of taxes received for municipal purposes:		
Federal government	\$ 11,382,604	\$ 10,459,631
British Columbia Hydro & Power Authority	98,773	100,271
Liquor Distribution Branch	-	16,348
Songhees Nation Investment Corporation	16,546	-
Provincial Rental Housing Corporation	2,485	2,379
	<u>\$ 11,500,408</u>	<u>\$ 10,578,629</u>
Payments in place of taxes collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 3,138,089	\$ 3,047,673
Capital Regional District	1,726,695	1,415,479
Capital Regional Hospital District	544,724	495,040
British Columbia Assessment Authority	167,266	158,496
British Columbia Transit - Victoria Regional Transit Commission	755,006	660,673
Municipal Finance Authority	359	336
	<u>\$ 6,332,139</u>	<u>\$ 5,777,697</u>

### 11. Transfers from other governments:

	2014	2013
<b>Conditional transfers from other governments:</b>		
Federal	\$ 1,347,817	\$ 805,218
Provincial	980,969	108,672
Other agencies	19,425	8,737
	<u>2,348,211</u>	<u>922,627</u>
<b>Unconditional transfers from other governments:</b>		
Small communities protection	137,293	138,153
Traffic fine revenue sharing	262,162	261,170
	<u>399,455</u>	<u>399,323</u>
<b>Total transfers from other governments</b>	<u>\$ 2,747,666</u>	<u>\$ 1,321,950</u>



# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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### 12. Commitments and contingencies:

(a) Contractual commitments:

At December 31, 2014, the following major contracts were in progress:

	Total amount of contract	Paid on contract to December 31, 2014
Associated Engineering (BC) Ltd.	\$ 270,000	\$ 209,788
Hughes Condon Marler Architects	55,600	40,109
Rocky Mountain Phoenix	700,102	332,954
Story Construction Ltd.	1,067,187	456,207
	<u>\$ 2,092,889</u>	<u>\$ 1,039,058</u>

(b) MFA debt reserve fund deposits:

Under borrowing arrangements with the MFA, the Township is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits totalling \$211,965 (2013 - \$194,252) are included in the Township's financial assets as restricted cash and are held by the MFA as security against the possibility of debt repayment default. At December 31, 2014 there were contingent demand notes of \$464,917 (2013 - \$408,943), which are not recorded in the financial statements of the Township. If the debt is repaid without default, the deposits are refunded to the Township and demand notes are cancelled.

(c) Capital Regional District (the "District") debt, under a provision of the Local Government Act, is a direct, joint and several liability of the District and each member municipality within the District, including the Township.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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### 12. Commitments and contingencies (continued):

- (d) The Township is a shareholder and member of the Capital Regional Emergency Service Telecommunications (CREST) Incorporated whose services provide centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.
- (e) The Township entered into a long-term contract with the City of Victoria and the Victoria and Esquimalt Police Board (the "Police Board") effective January 1, 2014 and extending until December 31, 2023. Under the terms of this contract, the Township is responsible to fund a percentage of the annual police budget. The 2015 required contributions on behalf of the Township are \$7,332,628 (15.0% of the Police Board budget). Further contributions may be required by the Township in respect to the settlement of claims and insurance deductibles, or in the event that insufficient funds are available to the Police Board in the event of a deficit. The extent of any further contributions will be recorded when a liability is likely and determinable.
- (f) The Township is a defendant in various lawsuits. An accrual is recorded in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. The Township is self-insured through membership in the Municipal Insurance Association of British Columbia. Under this program, member municipalities are to share jointly for general liability claims against any member in excess of \$10,000. Should the Association pay out claims in excess of premiums received, it is possible that the Township, along with the other participants, would be required to contribute towards the deficit.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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### 13. Financial plan data:

The financial plan data presented in these financial statements is based upon the 2014 operating and capital financial plan approved by Council on May 12, 2014. Amortization, a non-cash item, was not included in the development of the financial plan and, as such, has not been budgeted. The chart below reconciles the approved financial plan to the financial plan figures reported in these financial statements.

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	Financial plan amount
Revenues:	
Operating budget	\$ 38,308,097
Less:	
Transfer from other funds	(4,641,033)
Proceeds on debt issue	(234,562)
Total revenue	33,432,502
Expenses:	
Operating budget	38,308,097
Less:	
Capital expenditures	(8,086,730)
Transfer to other funds	(1,453,760)
Debt principal payments	(428,141)
Total expenses	28,339,466
Annual surplus	\$ 5,093,036

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# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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### 14. Segmented information:

The Township is a diversified municipal organization that provides a wide range of services to its citizens. For management reporting purposes, the Township's operations and activities are organized and reported by service area. Municipal services are provided by departments and their activities are reported in these service areas. Service areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government:

The general government operations provide the functions of building services and maintenance, corporate administration, finance, human resources, legislative services and any other functions categorized as non-departmental.

(b) Protective Services:

Protective services is comprised of four functions, including the Township's emergency program services, fire, police and regulatory and development services. The emergency program services prepare the Township to be more prepared and able to respond to, recover from, and be aware of the devastating effects of a disaster or major catastrophic event that will impact the community. The fire department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies.

The police services provided by the City of Victoria ensure the safety of the lives and property of the Township as well as Victoria citizens through the enforcement of municipal bylaws, criminal laws and the laws of British Columbia, the maintenance of law and order, and the prevention of crime. The mandate of the regulatory and development services is to promote, facilitate and enforce general compliance with the provisions of bylaws that pertain to the health, safety and welfare of the community and to provide a full range of planning services related to zoning, development permits, variance permits and current regulatory issues.

(c) Transportation:

Transportation services is responsible for a wide variety of transportation functions such as parking, engineering operations and street maintenance management. This department provides infrastructure, traffic control and transportation planning services, as well as providing services related to infrastructure, land development impacts on transportation, traffic management, pedestrian and cycling issues and on-street parking regulations.



# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

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### 14. Segmented information (continued):

(d) Environmental Health:

Environmental and health services include solid waste services and services related to sanitary and storm sewer systems. Solid waste services include collection of solid waste, household garbage and recycling. Sanitary and sewer services include the construction and maintenance of the sewer distribution systems to protect the environment and public health from the impacts of liquid wastes generated as a result of human occupation and development in the Township.

(e) Environmental Development:

Environmental development works to achieve the Township's community planning goals through the official community plan, neighbourhood plans, special sector and precinct plans and urban design and other policy initiatives. The department is also responsible for the heritage program, downtown vitality and public use of space.

(f) Recreation, Parks and Culture:

Recreation services facilitates the provision of recreation and wellness programs and services through the Township's pool, arena, community and seniors' centres. The parks department preserves and enhances green spaces on public lands; and is responsible for the maintenance, planning and development of all park facilities such as ornamental gardens, natural ecosystems, sport and entertainment venues and playgrounds for recreational and cultural enjoyment in a beautiful and safe environment. The cultural department is responsible to co-ordinate and lead efforts to enhance our neighbourhoods, foster arts and culture, and work to create a Township that is vibrant and people-centric.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

2014	General government	Protective services	Transportation	Environmental health	Environmental development	Recreation, parks and culture	Total
Revenues:							
Taxation	\$ 25,862,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,862,373
Goods and services	1,485,155	56,328	467,994	190,455	7,726	2,471,432	4,679,090
Government transfers	1,642,156	262,162	399,007	-	9,938	434,403	2,747,666
Total revenue	28,989,684	318,490	867,001	190,455	17,664	2,905,835	33,289,129
Expenses:							
Salary and wages	1,997,937	4,025,366	1,693,134	327,295	391,352	5,068,781	13,503,865
Materials, supplies and services	1,245,226	7,697,124	774,445	549,522	188,503	2,734,222	13,189,042
Interest and other	1,707	-	7,200	306,847	-	158,914	474,668
Amortization	278,983	144,041	1,577,086	361,894	-	697,168	3,059,172
Total expenses	3,523,853	11,866,531	4,051,865	1,545,558	579,855	8,659,085	30,226,747
Annual surplus (deficit)	\$ 25,465,831	\$ (11,548,041)	\$ (3,184,864)	\$ (1,355,103)	\$ (562,191)	\$ (5,753,250)	\$ 3,062,382

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2014

### 14. Segmented information (continued):

2013	General government	Protective services	Transportation	Environmental health	Environmental development	Recreation, parks and culture	Total
Revenues:							
Taxation	\$ 24,934,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,934,361
Goods and services	1,601,308	54,412	322,294	140,528	10,881	2,748,613	4,878,036
Government transfers	153,863	264,857	554,779	-	-	348,451	1,321,950
<b>Total revenue</b>	<b>26,689,532</b>	<b>319,269</b>	<b>877,073</b>	<b>140,528</b>	<b>10,881</b>	<b>3,097,064</b>	<b>31,134,347</b>
Expenses:							
Salary and wages	2,005,303	3,519,982	1,581,993	322,368	369,459	5,066,025	12,865,130
Materials, supplies and services	1,113,530	7,642,614	661,356	544,125	163,728	2,981,646	13,106,999
Interest and other	1,551	-	-	309,816	-	201,485	512,852
Amortization	298,687	137,522	1,511,764	357,747	-	668,654	2,974,374
<b>Total expenses</b>	<b>3,419,071</b>	<b>11,300,118</b>	<b>3,755,113</b>	<b>1,534,056</b>	<b>533,187</b>	<b>8,917,810</b>	<b>29,459,355</b>
<b>Annual surplus (deficit)</b>	<b>\$ 23,270,461</b>	<b>\$ (10,980,849)</b>	<b>\$ (2,878,040)</b>	<b>\$ (1,393,528)</b>	<b>\$ (522,306)</b>	<b>\$ (5,820,746)</b>	<b>\$ 1,674,992</b>

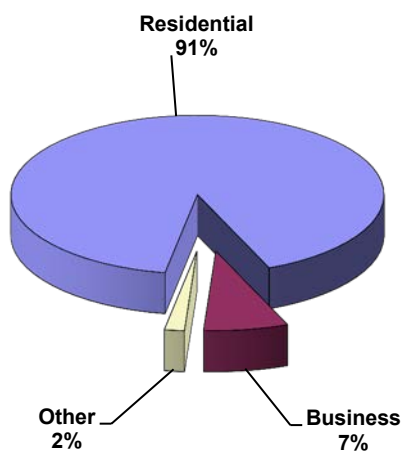
# Statistical Information

As per BC Assessment Roll Tax Base Report

Taxable Assessments of Land and Improvements 2010 - 2014

Property Class	2014	2013	2012	2011	2010
Residential	\$2,196,096,305	\$2,267,102,604	\$2,342,337,304	\$2,382,432,704	\$2,238,867,104
Utilities	1,172,500	1,147,600	1,000,800	975,800	998,000
Major Industry	20,834,900	18,150,000	17,644,500	15,225,900	8,874,800
Light Industry	8,443,500	13,843,400	14,354,700	14,560,500	16,123,100
Business	176,944,602	178,257,552	178,165,002	170,037,002	167,111,803
Recreation Non-Profit	11,268,900	10,457,000	11,100,500	11,173,800	10,983,900
	<b>\$2,414,760,707</b>	<b>\$2,488,958,156</b>	<b>\$2,564,602,806</b>	<b>\$2,594,405,706</b>	<b>\$2,442,958,707</b>

2014 Assessment by Type



Source: BC Assessment



# Statistical Information

## Property Tax Rates 2010 - 2014

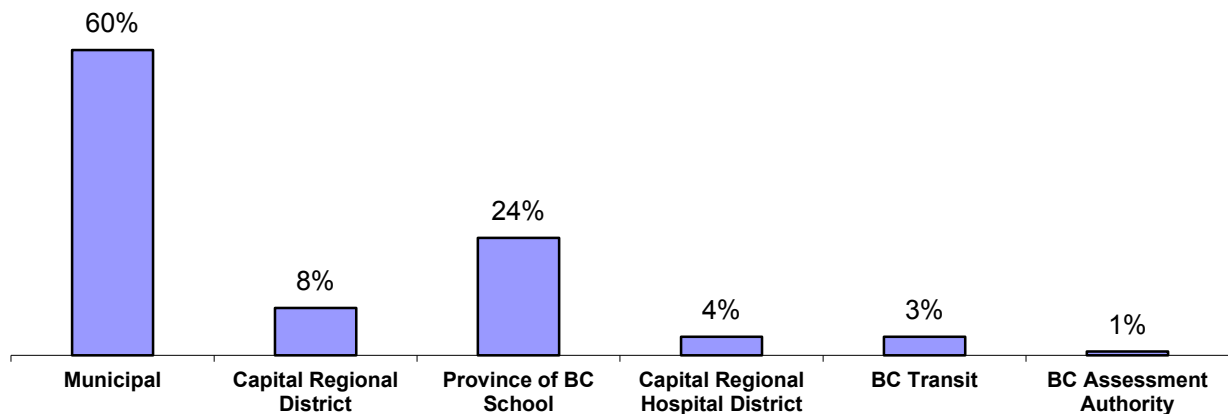
	2014	2013	2012	2011	2010
<b>Municipal (\$ per 1000 assessment)</b>					
Residential	5.019200	4.855100	4.632580	4.531350	4.610070
Utilities	21.089750	21.547430	21.788650	22.346970	21.029720
Major Industry	32.203620	31.456650	30.862070	31.260560	29.433200
Light Industry	16.645940	16.523400	17.148110	17.915020	15.571150
Business & Other	12.393880	12.450600	13.052350	12.942040	12.645310
Recreation/Non-profit	4.910430	5.440520	5.079090	5.049380	4.943870
<b>Total (\$ per 1000 assessment)</b>					
Residential	8.22219	7.88723	7.42522	7.31825	7.47365
Utilities	40.82699	41.26040	40.94194	41.52335	40.22631
Major Industry	46.02978	44.69310	43.16752	43.89641	41.95111
Light Industry	27.72844	31.97989	27.64361	28.74974	26.21412
Business & Other	22.52334	22.46523	22.82946	22.95371	22.67617
Recreation/Non-profit	9.70568	10.19192	9.59901	9.57460	9.54082
<b>Municipal Tax Billings by Property Class</b>					
Residential	\$11,022,647	\$11,007,009	\$10,851,065	\$10,795,636	\$10,321,333
Utilities	24,728	24,728	21,806	21,806	20,988
Major Industry	671,819	570,938	544,546	475,970	261,214
Light Industry	140,550	228,740	246,156	260,852	251,055
Business & Other	2,193,030	2,212,363	2,325,472	2,200,626	2,113,181
Recreation/Non-profit	55,335	56,892	56,380	56,421	54,303
	<b>\$14,108,109</b>	<b>\$14,100,670</b>	<b>\$14,045,425</b>	<b>\$13,811,311</b>	<b>\$13,022,074</b>

# Statistical Information

## Property Tax Levied and Collected 2010- 2014

	2014	2013	2012	2011	2010
Municipal	\$ 14,108,109	\$ 14,100,670	\$ 14,045,425	\$ 13,811,311	\$ 13,022,074
Capital Regional District	2,196,311	1,927,436	1,528,918	1,541,363	1,463,012
Province of BC School	5,423,794	5,533,182	5,590,526	5,629,749	5,606,271
Capital Regional Hospital District	863,289	857,377	848,605	841,022	820,388
BC Transit	856,673	824,355	753,754	746,555	570,602
BC Assessment Authority	185,162	187,733	189,767	195,789	194,711
Municipal Finance Authority	560	573	588	591	557
	<b>\$ 23,633,898</b>	<b>\$ 23,431,326</b>	<b>\$ 22,957,583</b>	<b>\$ 22,766,380</b>	<b>\$ 21,677,615</b>
Total Current Taxes Levied	23,633,898	23,431,326	22,957,583	22,766,380	21,677,615
Current Taxes Collected	23,264,304	23,082,089	22,645,228	22,342,793	21,286,532
Percentage	98.44%	98.51%	98.64%	98.14%	98.20%

### 2014 Taxes by Jurisdiction



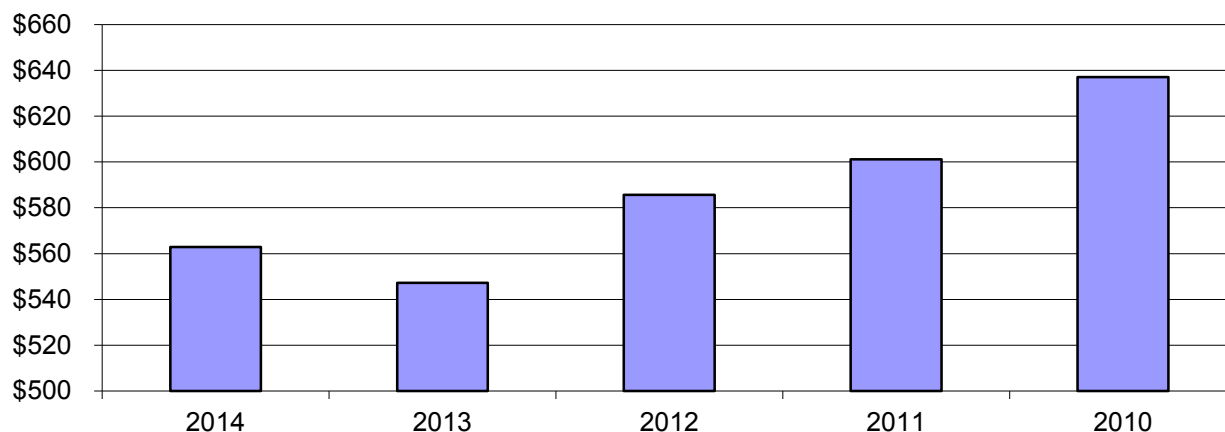
Source: Corporation of the Township of Esquimalt Finance Department

# Statistical Information

## Debenture Debt 2010 - 2014

	2014	2013	2012	2011	2010
Gross Outstanding Debt	\$14,750,000	\$13,550,000	\$13,975,000	\$13,975,000	\$13,975,000
Less: Sinking Fund Payments	5,329,770	4,679,427	4,482,820	3,852,561	3,247,283
Net Debt	\$ 9,420,230	\$ 8,870,573	\$ 9,492,180	\$10,122,439	\$10,727,717
General	\$ 4,849,427	\$ 3,996,736	\$ 4,327,507	\$ 4,642,567	\$ 4,942,545
Sewer	4,570,803	4,873,837	5,164,673	5,479,872	5,785,172
	\$ 9,420,230	\$ 8,870,573	\$ 9,492,180	\$10,122,439	\$10,727,717
Debt Servicing Costs					
Property Tax Supported	\$ 957,884	\$ 888,112	\$ 851,629	\$ 851,629	\$ 909,522
Casino	275,000	275,000	275,000	275,000	275,000
Total Debt Servicing Costs	\$ 1,232,884	\$ 1,163,112	\$ 1,126,629	\$ 1,126,629	\$ 1,184,522
Population	16,734	16,209	16,209	16,840	16,840
Net Debt per Capita	\$ 563	\$ 547	\$ 586	\$ 601	\$ 637
Debt Servicing per Capita	\$ 74	\$ 72	\$ 70	\$ 67	\$ 70
Debt Service as % of Expenditures	4.08%	3.95%	3.98%	4.11%	4.40%
# of Households	8,309	8,038	8,038	8,038	8,317
Gross Debt Servicing Limit	\$ 7,758,796	\$ 7,240,032	\$ 7,210,376	\$ 6,581,601	\$ 6,906,607
Debt Capacity Available	\$ 6,855,187	\$ 6,548,219	\$ 6,083,747	\$ 5,312,139	\$ 5,397,079

Per Capita Net Debt



Source: Municipal Finance Authority

Source: Population: Statistics Canada

# Statistical Information

## Revenue and Expenses 2010 - 2014

<b>Revenue</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Property taxes	\$ 14,361,965	\$ 14,355,732	\$ 14,294,912	\$ 14,057,224	\$ 13,245,998
Payments in place of taxes	11,500,408	10,578,629	8,979,202	9,126,457	8,303,212
Sale of services	3,192,990	3,248,302	3,273,914	3,085,378	3,099,673
Other revenue from own sources	1,486,100	1,629,734	1,894,117	2,227,366	1,596,316
Unconditional transfers from other governments	399,455	399,323	830,320	806,811	211,887
Conditional transfers from other governments	2,348,211	922,627	1,617,418	1,036,409	4,852,141
	<b>\$ 33,289,129</b>	<b>\$ 31,134,347</b>	<b>\$ 30,889,883</b>	<b>\$ 30,339,645</b>	<b>\$ 31,309,227</b>
<b>Expenses by Function</b>					
General government	\$ 3,523,853	\$ 3,419,071	\$ 3,142,752	\$ 3,108,758	\$ 3,197,530
Protective services	11,866,531	11,300,118	11,135,571	10,909,700	10,389,997
Transportation	4,051,865	3,755,113	3,490,019	3,262,687	3,185,809
Environmental health	1,545,558	1,534,056	1,511,999	1,510,825	1,458,837
Environmental development	579,855	533,187	672,967	460,351	444,685
Recreation, parks and culture	8,659,085	8,917,810	8,330,839	8,142,206	8,240,505
	<b>\$ 30,226,747</b>	<b>\$ 29,459,355</b>	<b>\$ 28,284,147</b>	<b>\$ 27,394,527</b>	<b>\$ 26,917,363</b>
<b>Expenses by object</b>					
Salary, wages & benefits	\$ 13,503,865	\$ 12,865,130	\$ 12,220,107	\$ 11,917,350	\$ 11,807,455
Materials, supplies and services	13,189,042	13,106,999	12,521,747	12,004,192	12,028,806
Interest and other	474,668	512,852	667,023	750,635	680,135
Amortization	3,059,172	2,974,374	2,875,270	2,722,350	2,400,967
	<b>\$ 30,226,747</b>	<b>\$ 29,459,355</b>	<b>\$ 28,284,147</b>	<b>\$ 27,394,527</b>	<b>\$ 26,917,363</b>

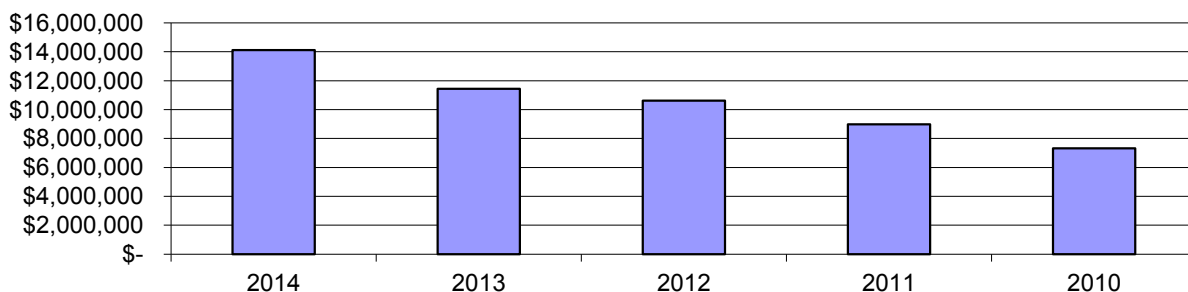
Source: Corporation of the Township of Esquimalt Finance Department

# Statistical Information

## Reserve Funds and Appropriated and Unappropriated Operating Funds 2010- 2014

Description	2014	2013	2012	2011	2010
<b>Reserve Funds</b>					
Capital Projects	\$ 1,921,257	\$ 2,240,990	\$ 3,130,446	\$ 2,683,943	\$ 1,347,922
Local Improvement	136,934	135,438	133,906	127,860	121,915
Machinery and Equipment	2,121,643	2,871,814	2,627,538	2,460,723	1,596,758
Municipal Archives Trust	2,628	5,671	5,562	5,444	5,306
Parkland Acquisition	82,988	82,082	81,154	38,496	246
Tax Sale Lands	113,302	113,489	146,589	145,044	143,561
Sustainability	165,673	185,700	141,721	89,125	64,082
Eva Chafe	34,460	34,083	38,720	38,154	37,020
Infrastructure & Revitalization	2,916,213	-	-	-	-
	<b>7,495,098</b>	<b>5,669,267</b>	<b>6,305,636</b>	<b>5,588,789</b>	<b>3,316,810</b>
<b>Appropriated Operating Funds</b>					
Celebrations Rainy Day	-	-	8,000	8,000	8,000
Future expenditures	496,592	156,301	212,349	226,874	416,133
Casino revenue	157,224	174,281	-	-	-
Community Works Fund	1,206,960	-	-	-	-
Property acquired for taxes	-	-	-	-	181,200
Uncollected taxes	100,000	100,000	100,000	100,000	100,000
Working capital	400,000	400,000	400,000	400,000	400,000
	<b>2,360,776</b>	<b>830,582</b>	<b>720,349</b>	<b>734,874</b>	<b>1,105,333</b>
<b>Unappropriated Operating Funds</b>	<b>4,269,327</b>	<b>4,931,713</b>	<b>3,599,026</b>	<b>2,667,772</b>	<b>2,896,319</b>
<b>Total</b>	<b>\$ 14,125,201</b>	<b>\$ 11,431,562</b>	<b>\$ 10,625,011</b>	<b>\$ 8,991,435</b>	<b>\$ 7,318,462</b>

Total Reserve Funds, Appropriated and Unappropriated Operating Funds



Source: Corporation of the Township of Esquimalt Finance Department



# Statistical Information

## 2014 Grants

Organization	Exemption From Property Taxes	Grants	Total
2483 PPCLI Army Cadet Corps - Parents Sponsoring Committee	\$ 3,953	\$ -	\$ 3,953
Big Brothers Big Sisters of Victoria	-	1,000	1,000
Boys and Girls Club Services of Greater Victoria	6,853	-	6,853
Capital Mental Health Association	7,624	-	7,624
Cascadia Green Building Council	-	7,000	7,000
City of Victoria - Canada Day Celebrations	-	1,000	1,000
Community Social Planning Council of Greater Victoria	-	6,000	6,000
Corporation of the City of Victoria - Portion of Barnard Park off Sea Terrace	3,260	-	3,260
Creatively United For The Planet	-	6,600	6,600
Esquimalt Anglers' Association	249	-	249
Esquimalt Arts Festival	-	5,600	5,600
Esquimalt High School	-	1,300	1,300
Esquimalt High School - Athletic Team Funding	-	2,750	2,750
Esquimalt High School - Terry Fox Scholarship	-	500	500
Esquimalt High School - Township of Esquimalt Scholarship	-	250	250
Esquimalt High School - Alumni Association	-	500	500
Esquimalt Lantern Festival Society	-	5,000	5,000
Esquimalt Neighbourhood House Society	10,604	-	10,604
Esquimalt Residents Association	-	4,750	4,750
Greater Victoria Film Commission	-	1,000	1,000
Habitat Acquisition Trust	11,762	-	11,762
Help Fill A Dream Foundation	-	2,000	2,000
His Highness Prince Aga Khan Shia Imami Ismaili Council for British Columbia	14,645	-	14,645
Island Corridor Foundation	5,731	-	5,731
L'Ecole Victor Brodeur – Athletic Team Funding	-	1,750	1,750
L'Ecole Victor Brodeur	-	750	750
Macaulay Elementary School Parents' Advisory Council - Crossing Guard	-	14,480	14,480
Michael Dunahee Keep the Hope Alive Drive	-	2,100	2,100
Need Crisis and Information Line	-	1,500	1,500
Prostitutes Empowerment Education & Resource Society	10,523	-	10,523
Rock Solid Foundation	3,910	-	3,910
Rockheights Middle School	-	1,500	1,500
Royal Canadian Legion Esquimalt Dockyard Branch 172	20,400	-	20,400
Shoreline Community Middle School	-	2,500	2,500
Society of St. Vincent de Paul Vancouver Island	17,028	-	17,028
St. John Ambulance Association	-	1,000	1,000
TCAC - Music Festival	-	6,000	6,000
TCAC - Sculpture Splash	-	5,000	5,000
The Compassionate Resource Warehouse Society	19,803	-	19,803
World Fisheries Trust	-	2,500	2,500
Victoria Association for Community Living	2,386	-	2,386
Victoria Marine Rescue Society	-	2,437	2,437
Victoria Operatic Society	13,655	-	13,655
Victoria Rainbow Kitchen Society	-	10,000	10,000
	<u>\$ 152,386</u>	<u>\$ 96,767</u>	<u>\$ 249,153</u>



Township of  
**ESQUIMALT**

A decorative blue wave graphic that starts under the 'E' of 'ESQUIMALT', dips down, and then rises back up under the 'T', creating a stylized wave effect.