



Township of Esquimalt, British Columbia, Canada

# 2019 Annual Report

For the year ended December 31, 2019

Township of  
**ESQUIMALT**





# Welcome to ESQUIMALT

## Our vision

The Township of Esquimalt is a vibrant, distinct and diverse community for people to discover and belong.

## Our mission

The Township of Esquimalt works to make our economic, cultural, social and environmental community a better place for today and for the future.

## Our core values

**Accountability**—We are transparent and take responsibility for our policies, our decisions and our actions.

**Integrity**—We practice high standards of ethical behaviour and open communication that inspires trust.

**Respect**—We value people and treat everyone with dignity and fairness.

**Service excellence**—We meet community needs and achieve high-quality results through teamwork, partnerships, innovation and creativity.

**Passion**—We approach our work with conviction and enthusiasm.



Image: Esquimalt Archives 016-04-011a

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## Township operations

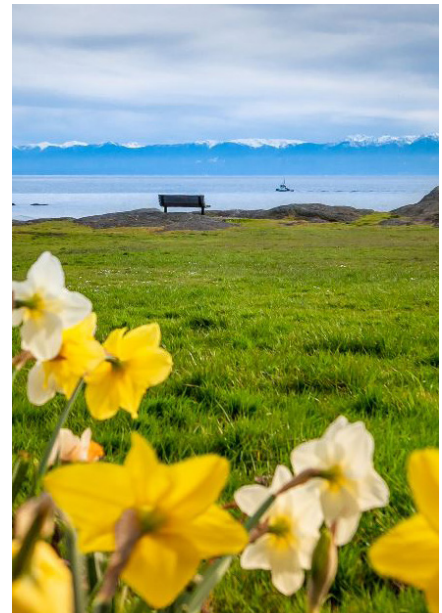
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# Esquimalt 2019: year in review



Springtime at Saxe Point Park



## Defined by the sea

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.

Esquimalt 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 home to rocky headlands, coves and bays, and several beaches with public access.

## 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 more than 17,000 residents.
- Esquimalt boasts several local businesses and a grav-ing dock.
- The municipality covers approximately 10 square kilo-metres (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.
- The Township’s highest point is 71m at Highrock Park.

# Mayor's message



## On behalf of Esquimalt Council, I am proud to share our 2019 highlights.

This has been an incredible year for the Township of Esquimalt. Council established our strategic plan and priorities in early 2019 and have been working hard on delivering on these goals.

The \$17 million McLoughlin Amenity Fund process is moving forward. Public input informed a council decision to provide a multipurpose building and fenced-in dog park at Gorge Park, and—funding allowing—a boardwalk along the seafront of Saxe Point Park for a total of \$7 million. I envision the building including art and storytelling works that will honour the First Nation and also the Japanese cultures to whom this land is significant. The public safety building is in progress as well and will provide a welcomed update to our safety infrastructure.

Two significant projects in the Township—the CRD's wastewater treatment project and the Esquimalt Town Square—made significant progress in 2019 and we look forward to their completion.

This was a banner year for events in Esquimalt with favourites like Buccaneer Days, Ribfest, Music in the Park, Esquimalt Art Festival, the expansion of the award-winning Farmers Market, Celebration of Lights and many more events drawing people from Esquimalt together as well as bringing people from outside our borders to enjoy our community. We welcomed first-time Esquimalt guests Petapalooza and Indigefest in 2019.

We also had successful staff events out in the community, notably our annual Esquimalt Fire Department open house and our participation in the Great BC Shakeout at CFB Esquimalt. Engaging directly with residents give staff an opportunity to listen to the community and share the great work they are doing.

Following the closure of a medical facility in Esquimalt in 2018, council began the important work of facilitating new health facilities in Esquimalt. We welcomed input from the public and local experts, specifically Dr. Eileen Pepler's report and the ensuing community conversations at a town hall this past spring.

At the end of 2019, Esquimalt council had 1,400 units of new housing on the books, either in process or approved. This growth gives Esquimalt significant opportunity for increased tax revenue and for new businesses and services to be provided locally, bolstering our community vision: "The Township of Esquimalt is a vibrant, distinct and diverse community for people to discover and belong."

Council has also set new initiatives in motion for the next few years through working with SIPP (South Island Prosperity Project) to create an economic development assessment and business investment roadmap for Esquimalt. We also endorsed a Terms of Reference for the Climate Action Planning Project after earlier this year declaring a climate emergency. The plan includes a goal for Esquimalt to become a 100 per cent renewable community by 2050.

Esquimalt is a community with passion and people who care for each other. Thank you to our residents, volunteer and staff who help keep our community the special place it is.

A handwritten signature in black ink that reads "Barbara Desjardins". The signature is fluid and cursive.

Barbara Desjardins  
Mayor of the Township of Esquimalt

# Mayor and Council



## Barbara Desjardins - Mayor

- *Appointments*
- Capital Regional District Board/Hospital Board
- Capital Region Housing Corporation Board
- Victoria and Esquimalt Police Board (Co-Chair)
- Municipal Insurance Association of British Columbia (Alternate #2)
- South Island Prosperity Project
- Te'mexw Treaty Advisory Committee (Alternate)
- *Internal Appointments*
- Department of National Defence Liaison
- Emergency Executive Committee
- Local Grants Committee
- School Liaison (Alternate)
- Esquimalt High School Sport Field Working Group (Alternate #2)



## Esquimalt Mayor and Council 2018-2022

The Mayor and Council of the Township of Esquimalt were elected for a four-year term in October 2018.

Mayor and Council adopt bylaws and policies, approve the municipal budget, and serve on various committees within the municipality and region.



**Ken Armour - Councillor**

*Appointments*

- Capital Regional District Arts Commission (Alternate)
- South Island Prosperity Project
- Te'mexw Treaty Advisory Committee

*Internal Appointments*

- Environmental Advisory Committee
- Celebration of Lights Committee
- Esquimalt Ribfest Liaison
- Local Grants Committee
- Township Community Arts Council



**Meagan Brame - Councillor**

*Appointments*

- Capital Regional District Board / Hospital Board (Alternate)
- Capital Regional District Arts Commission
- Capital Regional Housing Corporation Board (Alternate)
- Greater Victoria Harbour Authority (Alternate)

*Internal Appointments*

- Advisory Planning Commission (APC) Liaison
- APC Design Review Committee (DRC) Liaison
- Buccaneer Days Liaison
- School Liaison



**Jacob Helliwell - Councillor**

*Appointments*

- Capital Regional Climate Action Inter-Municipal Task Force
- Greater Victoria Labour Relations Association (Alternate)
- Greater Victoria Harbour Authority
- Municipal Insurance Association of British Columbia

*Internal Appointments*

- Advisory Planning Commission (APC) Liaison
- APC Design Review Committee (DRC) Liaison



**Lynda Hundleby - Councillor**

*Appointments*

- Capital Regional Housing Trust Fund Commission
- Capital Regional Water Supply Commission (Alternate)
- Greater Victoria Labour Relations Association
- Municipal Insurance Association of British Columbia (Alternate #1)

*Internal Appointments*

- Environmental Advisory Committee
- Esquimalt Farmers Market Liaison



**Tim Morrison - Councillor**

*Appointments*

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

*Internal Appointments*

- Esquimalt Together Against Graffiti (ETAG)
- Local Grants Committee
- Parks and Recreation Advisory Committee
- Esquimalt High School Sport Field Working Group (Alternate #1)



**Jane Vermeulen - Councillor**

*Appointments*

- Greater Victoria Public Library Board
- Victoria/Esquimalt Harbour Society
- Art of Reconciliation Project

*Internal Appointments*

- Parks and Recreation Advisory Committee
- Celebration of Lights Liaison



# Message from the Chief Administrative Officer



It is my pleasure to present the Township of Esquimalt's 2019 Annual Report on behalf of Corporate Administration.

The Township's annual report provides an opportunity to reflect on the accomplishments and financial reporting of the past year.

This year Council undertook significant work to update the strategic plan and corporate values. Based on this updated information staff developed work and financial plans. Staff have been diligently focused on a number of key initiatives, often behind the scenes, to ensure that essential and quality of life services are provided and that Council is supported to achieve its strategic priorities.

Subsequent to the extensive public engagement on the McLoughlin Amenity Funds that took place throughout 2018, Council assessed projects and made decisions on how to proceed on some significant projects. Staff then moved forward with a process to design a pavilion at Gorge Park as well as assess the feasibility of a new public safety building. Project consultants and architects have been engaged for these next steps on these exciting civic initiatives.

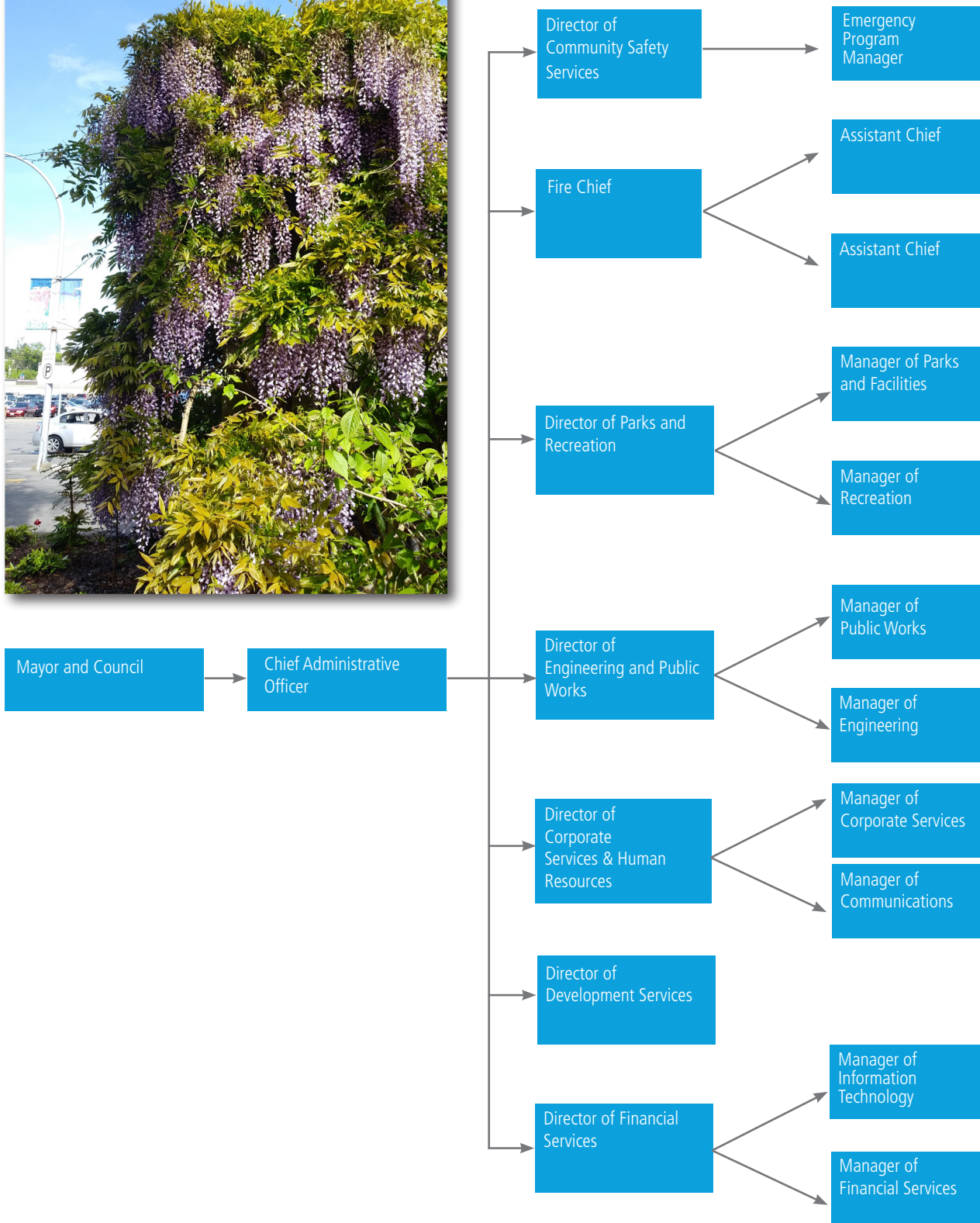
Council declared a climate emergency in April 2019 and staff moved forward with a Climate Action Planning Project, which will outline Esquimalt's 10-year plan to address the climate emergency. Significant time and efforts were directed to this project and will continue into 2020. Continued progress on the Esquimalt Town Centre project was achieved during the year with some units offered for presales. We are expecting the completion of the new library space in the near future.

These are just a few of the exciting initiatives being undertaken and I invite everyone to review this annual report, which highlights these achievements as we move forward.

A handwritten signature in black ink that reads "L. Hurst". The signature is fluid and cursive.

**Laurie Hurst**  
Chief Administrative Officer

# Organizational Chart



# Strategic Priorities & Goals

# 2019-2023

## The report

Mayor and Council met in late 2018 and January 12, 2019 to develop and identify key strategic priorities and goals to be undertaken during the term of Council 2019 – 2023.

The Chief Administrative Officer and senior leadership group then used the draft strategic priorities and goals in a separate workshop to update and develop operational strategies and work plans to support the direction set by Council. The operational strategies were developed with consideration to capacity and resource requirements.

The draft Strategic Priorities and Goals including supporting operational strategies were then presented for public input and adopted by Council on April 15, 2019.

The 2019-2023 Strategic Priorities Report is a “living document” that is regularly reviewed and updated by Council during its term. Members of the public or of any Township advisory committee may at any time submit comments to Council on the document. Any input received will be brought forward to Council by staff on a regular basis when the report is reviewed and updated.

## 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 provide a handy reference for Council, staff and the public. The supporting operational strategies lists the various actions to be undertaken by the Township in order to implement the direction set out by Council in the chart, and assigns responsibility for priorities to staff with regular monitoring, updating and reporting progress to Council and the public.

The chart and operational strategies are 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 will ensure that their work plans are focused on assisting Council and staff to achieve these strategic priorities. The strategic priorities chart is reviewed regularly to make adjustments, update priorities and celebrate achievements.

**See [esquimalt.ca](http://esquimalt.ca) for a copy of the 2019-2023 Strategic Priorities Report.**

# Strategic Priorities & Goals

# 2019-2023

## RESILIENT & DIVERSE ECONOMIC ENVIRONMENT



- Develop and seek opportunities for the municipal lands within the Esquimalt Town Centre
- Support revitalization and beautification initiatives along Esquimalt Road
- Boost investment in the local economy and promote the growth and diversity of businesses

## EXCELLENCE IN PUBLIC SERVICE



- Support Chief Administrative Officer to maintain an organizational culture of collaboration, learning and engagement consistent with the Township's core values
- Ensure capacity is adequate to support the goals in the Strategic Plan
- Engage, respect and respond to the needs of our community

## LOCAL SERVICES & INFRASTRUCTURE



- Identify infrastructure repair and proactively plan for replacement needs
- Identify long term financial requirements for local services and infrastructure
- Promote opportunities to share services where operationally and financially beneficial
- Work to achieve equitable costing and optimization of policing in Esquimalt
- Support ongoing improvements to transportation corridors
- Plan for continuity of core local services and infrastructure in the event of an emergency

## HEALTHY, LIVABLE & DIVERSE COMMUNITY



- Support community growth, housing and development consistent with our Official Community Plan (OCP)
- Support multi-modal transportation strategies that reflect the cumulative impact of business and residential development
- Support the arts, culture and heritage community
- Enhance opportunities for Parks & Recreation
- Fully utilize the McLoughlin amenity funds to maximum potential
- Advance the work of reconciliation with Indigenous People
- Control deer in partnership with other governments
- Develop and implement strategies that reduce impact on the environment consistent with our Climate Action Charter goals
- Develop health strategies for our community

## BUILD AND ENHANCE PARTNERSHIPS



- Work with Esquimalt and Songhees First Nations to support economic, cultural, social and environmental opportunities
- Work with governments, school districts and stakeholders to enhance relationships and advance issues impacting the community
- Work with Esquimalt community groups to advance economic, cultural, social and environmental opportunities

# 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.

# Engaged Esquimalt

Esquimalt shines at events! Working with the community, volunteers, staff and partner organizations, 2019 saw events for kids of all ages.

## Special events

The Parks and Recreation Department hosts many special events and provides support to several community events.

Some community events organized by the Township include and by community groups include:

- Esquimalt Buccaneer Days
- Memorial Park Music Fest
- Blooming Beautiful Garden Tour
- Bard Across the Bridge
- StoryFest
- Esquimalt ArtsFest
- Community movie nights
- Esquimalt RibFest
- Seniors Appreciation Day Tea
- Halloween bonfire
- Esquimalt Celebration of Lights
- Christmas Tree Village
- Holiday Celebration Lunch
- New Year's Day Levée

Of course, community groups and partners put on many more events over the year as well. We appreciate the energy and value these events bring to our residents and visitors.



2019's Holiday Celebration Lunch was as fun as ever. The event was attended by members of the community who were served by staff from the Esquimalt Fire Department, Victoria Police Department, Recreation and Esquimalt Council.



StoryFest lets kids big and small explore their silly side with animated tales and well-loved classics.



The Halloween community bonfire received the social media treatment as part of Esquimalt's commitment to engaging with our residents.

# Corporate Services



The Corporate Services Department is comprised of administration, legislative matters (Council and its committees), communications, archives, and human resources. The department supports internal and external communications, administration and records management, including handling of access to records requests.

## Administration

During 2019, the Director of Corporate Services retired and a new department structure was formed. The Director of Human Resources (HR) took the helm as Director of Corporate Services and HR and the former Deputy Corporate Officer was promoted to Corporate Officer as part of a succession plan administered by the Chief Administrative Officer. Staff continued to focus on Council's strategic priorities including "Excellence in Public Service" by enhancing corporate processes as follows:

### Highlights

- New records management staff procedures were implemented. Staff moved full steam ahead with the Local Government Management Association (LGMA) classification of paper municipal records by entering more than 1,400 records into an electronic database creating a streamlined and accurate process for storage and retrieval of records;
- New electronic records classification structure was introduced. More than 1,200 electronic records were moved to the new system;
- The municipal website was enhanced to provide clear and concise information to residents regarding council meetings and public hearing processes including:
  - » Council meeting schedule;
  - » How to access agendas, minutes and reports;
  - » How to provide public input;
  - » Section on frequently asked questions; and
- Review of Council committee processes was implemented to review and enhance support and encourage community involvement in an advisory role as directed by Council.

## Communications

Corporate communications in the Township oversees social media content and account management, the public website, corporate branding, the staff intranet, media relations and community newsletters in print and digital format, as well as working with community groups and organizations to support events in Esquimalt.

### Highlights

- Introduced new social media and communications policies;
- Launched Esquimalt Alert, a multi-platform public notification system in September;
- Expanded the Township's social media reach by adding LinkedIn and Instagram accounts;
- Published 3 editions of The Current, a digital and hard copy newsletter that is distributed to every household and business in Esquimalt;
- Supported several public participation initiatives, including Designing Density neighbourhood project, Checkout Bag Bylaw, Esquimalt-Gorge Park design discussion and Hither Green Park design discussion; and
- Liaised with community organizations, including the Esquimalt Chamber of Commerce, the United Way, the Esquimalt Farmers Market, Ribfest and the Township Community Arts Council.

### Connecting to strategies and priorities

- **Encourage and facilitate community involvement that supports non-governmental initiatives**
- **Consider improvement to user services on website to make more accessible**



## Archives

The Esquimalt Municipal Archives preserves and make available the municipal records of enduring value to the Township of Esquimalt, as well as private-sector material of historical significance. In 2019 archival staff and volunteers focused on updating our internal processes to improve retrieval of archival material.

### Highlights

- Awarded \$1,000 from the Terry Reksten Memorial Fund for the purchase of archival supplies for storing and preserving the Archive's collection of property assessment rolls;
- New Council Policy, HER-07, approved to provide an operational framework for the Archives and replace HER-01;
- Created a term of use agreement and associated procedures for external individuals or organizations using the Archive's photos in their publications; and
- Engaged with local community members and other individuals interested in Esquimalt's rich history at several events, including:
  - » Fort Macaulay historic interpretative event—May 25
  - » Esquimalt Neighbourhood Party—June 1
  - » "Road to Victory: D Day and the Normandy Campaign" event at the Bay Street Armoury —June 29
  - » CFB Esquimalt Naval and Military Museum open house—July 13



*Photo of south side of 1300 block Esquimalt Road. Businesses are Esquimalt Meat Market, Mr. Craven's Plumbing Shop (with house behind), drug store, Western Supply Store. Streetcar track is visible on north side of unpaved road. On the far north side of Esquimalt Rd. is the Coach and Horses Hotel. Circa 1920. Ref 994-26-001.*



# Community Safety Services



The department aims to strengthen community safety through a focused and coordinated approach that improves the quality of life for all residents.

The Community Safety Services Department is the primary liaison between the Township and the Victoria Police Department, and is comprised of bylaw enforcement, building inspection, business licencing and the emergency program.

## Business Licencing

The Township monitors and controls the types and kinds of businesses that are allowed within the Township. This is done through the business licence program. Prior to issuing a business licence, the application is reviewed by the Development Services Department to ensure it meets the zoning for the intended location. The application is then reviewed by the Fire Department to ensure that the building is suitable from a fire safety perspective for its intended use, and finally the Building Department ensures that the structure, signage and building construction are suitable for the intended business use. Once all of the checks are satisfactory, the business licence officer reviews and approves the licence if appropriate.

### Highlights

- Esquimalt led the Capital Regional District in the adoption of the Inter-Community Business Licence (ICBL) bylaw which is a business-friendly bylaw that allows those businesses that work in multiple areas in the lower island (construction companies, trades etc.) to purchase one licence applicable to all participating communities in the lower island. At the end of 2019, 13 municipalities had signed on with more being added as time goes on. Esquimalt issued 7 ICBLs in 2019.
- The Township issued 750 business licences in 2019, an increase of 11 over 2018.

### Connecting to strategies and priorities

- **Advocate with intergovernmental entities to promote issues affecting Esquimalt**
- **Ensure processes for business and development are clear and consistent**
- **Control deer in partnership with other governments**
- **Facilitate policy discussion for private use of public lands**

## Bylaw Enforcement

Esquimalt Bylaw Enforcement monitors and enforces municipal bylaws and takes a proactive approach to encouraging voluntary compliance through public education and awareness of municipal regulations.

During 2019, Bylaw Officers investigated 495 occurrences (a 2 per cent decrease over 2018) and wrote 465 bylaw enforcement tickets (a 7 per cent decrease over 2018) for various offences.

We are also responsible for animal management and the administration of our contract with Victoria Animal Control Services.

Animal Control investigated 640 incidents issuing 319 written notices and 40 tickets impounding 99 animals.

## Building Inspection

Building Inspection is responsible for the regulation of construction, alteration, repair or demolition of buildings and structures within the Township and helps ensure the safety and integrity of buildings and structures in the municipality.

Building Inspectors conduct inspections at various stages of construction and keep records on file for future reference. 2019 saw a consistent demand in permit applications with a moderate decrease in construction values.

## Emergency Program

The Esquimalt Emergency Program manages overall emergency planning for the Township and is comprised of municipal staff members, protection services, and volunteers. The program is responsible for training, public education, activating the municipal Emergency Operations Centre and liaising with federal, provincial and regional emergency management partners. The program also coordinates and maintains the Emergency Response and Recovery plans for the Township, which includes business continuity, and updates the plans annually with input from staff members.



Volunteers are a vital component of the program with the delivery of public education through the Neighbourhood Emergency Preparedness Program. The Emergency Social Services team helps to coordinate essential services for residents that are displaced from their homes and the Emergency Radio Communications (ERC) Team provides back up communications when they are needed most.

ERC provides communications back-up within Esquimalt and between Greater Victoria municipalities in the event that traditional means of communication are lost.

ERC consists of certified amateur radio volunteers who operate base station and portable radio equipment capable of communicating locally, across B.C. and the Pacific Northwest using voice and data protocols.

### Highlights

- The ESS team was called out on April 7 to assist residents of a 47 unit apartment that was evacuated due to fire on Craigflower Road. Eight ESS volunteers, in addition to six District of Saanich volunteers activated via mutual aid, responded within 40 minutes to the Church of the Nazarene which already opened its doors to residents. They registered and referred services to 67 people and secured 33 hotel rooms in less than five hours.
- The ESS team was called out by the Saanich ESS team on June 21 to assist residents of a significant apartment fire that resulted in 65 evacuees. Five ESS volunteers and staff responded to the Cedar Hill Recreation Centre and provided valuable leadership due to the recent experience gained in Esquimalt. The Township is fortunate to have such a skilled and dedicated group of volunteers. This was a remarkable event with almost all ESS teams in the Region responding to assist evacuees.
- Staff partnered with CFB Esquimalt to host the Quake Cottage earthquake simulator on September 24 in the Canex parking lot. A total of 185 people experienced the simulated earthquake, along with 120 Rockeheights Middle School students that were also provided with an overview of tsunami risk in our area.
- Staff was successful in obtaining a \$25,000 UBCM grant for ESS to build local capacity to provide emergency social services through training, volunteer recruitment and retention, and the purchase of equipment. The grant will see the purchase of three new sea cans with one being located at the

Church of the Nazarene to allow for redundancy in the location of Reception Centre supplies. Funds will also be used to purchase additional needed supplies.

- Staff partnered with the City of Victoria and Victoria Police Department to apply for a UBCM Emergency Operations Centre Training and Exercises grant and was successful in a joint \$50,000 application. The intent of the project is to conduct a series of joint exercises to assist in our response planning and communication when both municipalities are impacted by an event.
- As a member of the Local Government Emergency Program Advisory Commission (LGEPAC) Public Education Working group, staff contributed in the update of the regional PrepareYourself website.
- ERC members met regularly to test equipment, practice message handling skills and maintain radio liaison with neighbouring municipalities.
- The Neighbourhood Emergency Preparedness Program distributed 180 starter emergency preparedness kits during this period to grade 3 and 4 students at Macauley and Victor Brodeur elementary schools, along with emergency preparedness information sessions. Staff were also invited to speak to a grade 8 class at Rockheights Middle school on tsunami and earthquake risks.
- The Township launched Esquimalt Alert on September 28. Staff were on hand at the Esquimalt Fire Open House to help residents sign up for the service. Esquimalt Alert allows residents to receive both emergency alerts and information on community topics like events and road closures. As of the end 2019, 1,050 residents had subscribed to the free service.



*Esquimalt Alert, launched in September, helps keep residents informed of emergencies and vital Township news.*

# Development Services



The Development Services Department is responsible for ensuring that community development within Esquimalt occurs in a manner consistent with the goals and policies set out in the Official Community Plan.

## Community planning overview

The Development Services Team spent much of 2019 identifying solutions to the twin crises of climate change and affordable housing. These two crises are inextricably linked. One of the synergistic solutions to address both is to increase housing density. In addition to the many benefits of increased housing density, there are some issues, particularly around social connectedness. That is why Development Services initiated and lead the, "Designing Density Project". Funded by a \$10,000 grant from the PlanH Healthy Communities Fund, staff and a consultant spent most of 2019 convening focus groups and consulting the public on best practices to facilitate social cohesiveness in multi-family housing. The results have been published in a document entitled, Designing Density: Planning for Social Connectedness in Multi-family Housing that is available on the Township's website.

## Climate action overview

2019 was an active year for Climate Action. Based on recommendations from the CAO and Development Services Department, Council undertook a series of initiatives that were aimed at reducing Esquimalt's greenhouse gas emissions footprint starting on February 4, 2019, when Council passed a resolution au-

thorizing the Township to join the Partners in Climate Protection program.

This is a national coalition of local governments under the auspices of the Canadian Federation of Municipalities that is focused on reducing greenhouse gas emissions at the municipal level. Membership is free and allows the Township to access a variety of programs related to the reduction of greenhouse gas emissions.

This initiative was followed on March 18, 2019, by Council's declaration of a climate emergency. Through this declaration, Council acknowledged the need for the Township take urgent action to reduce its greenhouse gas emissions.

In response to these two initiatives and in accordance with the Strategic Plan, Development Services prepared the Terms of Reference for the Climate Action Planning Project. These were endorsed by Council on October 22, 2019. The request for proposals was issued on December 13, 2019 capping off a busy year on the climate file.

## Development overview

As indicated by the 21 public hearings that Council held in 2019, it was a busy year on the development side of the department. Council adopted a variety of rezoning bylaw that cumulatively will accommodate another approximately 150 dwelling units in Esquimalt.

The vast majority of these units are a mixture of rental and strata titled multi-family. There were also a total of 16 new rezoning applications submitted in 2019—the vast majority of these are residential in nature. In order to help Council, residents, and staff keep track of the number of housing units the department prepared a housing inventory.

As of October 2019, there were a total of 8,596 dwelling units in Esquimalt. The department will update the inventory periodically so that the rate of growth of the inventory can be monitored and housing policy adjusted accordingly.

### Connecting to strategies and priorities

- **Support community growth, housing and development consistent with our Official Community Plan**
- **Ensure processes for business and development are clear and consistent**
- **Advocate with intergovernmental entities to promote issues affecting Esquimalt**

# 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 Council's strategic objectives.

## Financial Services

The Financial Services Department serves as the first point of contact at the municipal hall. In addition to addressing all general enquiries, the department is responsible for overall cash management. This includes collection of property tax, dog and business licence payments, investment of funds and securities, management of payroll and benefits and processing of disbursements made by the Township. Additionally, to ensure the Township is protected against the effects of damage on accidental loss, staff maintain claims and insurance premiums and work closely with other departments to ensure that risks to the Township are minimized.

Each year, a detailed budget identifies all revenues and funding sources for operating and capital expenditures, including projections for a five year period. This financial plan and the annual taxation levies necessary to support the service levels of municipal operations are approved by Council. Additionally, the Township's reserves are assessed to ensure long term fiscal sustainability and adequacy of funding for future capital projects.

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

## Highlights

- Increased transparency and public information sharing through the offering of financial and taxation sessions;
- Financial management of reserves, investments and costs related to the McLoughlin Amenity and Esquimalt Town Square projects; and
- Council approved two revitalization tax exemption applications in 2019 with exemptions to be effective in 2020

## Information Technology

The Information Technology (IT) Department is responsible for the design, deployment, management and support of services to enable the efficient use of technology across all departments. This includes all network hardware and software, security and telephone systems, cellular phones, wireless technologies, mobile applications and audio/video presentation infrastructure, at all municipal locations. IT staff are also responsible for backup and replication of systems and data for business continuity and recovery in the event of an emergency or disaster.

### Connecting to strategies and priorities

- **Identify long term financial requirements for infrastructure**
- **We achieve excellence in customer service**
- **We encourage a resilient and diverse economic environment**

# Engineering and Public Works



The Engineering and Public Works Department maintains, upgrades and develops municipal infrastructure.

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.

The infrastructure falls into three main groups: linear (roads, sidewalks, sewers, drains), vertical (building maintenance, signage, intersections, streetlights) and mobile (purchase and maintenance of vehicles).

## Engineering highlights:

In 2019, Engineering staff took part in several areas of work including undertaking capital projects for linear and vertical infrastructure like sidewalks, road paving and traffic lights.

The department also maintained existing infrastructure and planned for forthcoming linear and vertical infrastructure as part of asset management. This includes data collection and the maintenance of recorded information for infrastructure systems.

New developments and new building permits are reviewed by staff in collaboration with the Development Services Department to ensure efficient customer service.

## Highlights

- obtained aerial photographs of the Township;
- completed proposed road cross section and boulevard layout for Lyall Street;
- replaced street lights along Colville Road with energy-efficient LEDs;
- carried out design for various infrastructure programs (sidewalk replacement, pipe replacement);
- maintained assets and collected data for improved asset management;
- upgraded light and pole fixtures on Head Street and Esquimalt Road as well as modified sidewalks and road surfaces;
- issued 10 traffic orders;
- submitted application of Certificates of Compliance to Ministry of Environment for Esquimalt Town Square;
- reviewed 61 development applications; and
- reviewed 84 building permits.



*Street sweeping is an important part of keeping drains clear and preventing flooding.*



*Adding and upgrading sidewalks is part of the Esquimalt Sidewalk Master Plan.*



*We had all roads in Esquimalt scanned and assessed for potential repairs as part of a methodical approach to street maintenance.*



## Public Works highlights:

In 2019, Public Works staff took part in several areas of work which consisted mainly on operating and maintaining existing infrastructure systems for linear, vertical and mobile assets. Where needed, staff constructed new, replaced or upgraded portions of the infrastructure systems in addition to purchasing new mobile assets.

### Highlights

- sanitary service laterals installed (14);
- blocked sanitary service laterals repaired (17);
- storm service laterals installed (16);
- blocked storm service laterals repaired (6);
- pump station maintenance;
- catch basin cleaning;
- oil/water/grit separator cleaning;
- street sweeping;
- pothole repair and sink hole repair;
- road marking/curbs painted;
- road repairs (504 tonnes of asphalt placed);
- sidewalk maintenance (782 metres);
- trip hazards repaired (5);
- maintenance for parks infrastructure and vertical infrastructure;
- intersection lighting maintenance;
- fleet unit maintenance;
- collection of:
  - » 1,054 tonnes of garbage
  - » 549 tonnes of kitchen scraps
  - » 1,089 tonnes of yard and garden;
- construction of new sidewalk along Admirals Road and Bewdley Avenue;
- repaired 20 metres of 600 mm diameter storm drain on Paradise Street; and
- began replacement of a backup generator at Public Works.

### Connecting to strategies and priorities

- **Research and consider best practices for multi-modal traffic initiatives and strategies**
- **Obtain Certificate of Compliance**
- **Finalize storm and sanitary servicing**
- **Enhance intersection safety and explore parking options**
- **Continued implementation of sidewalk master plan**
- **Continued implementation of roadway master plan**
- **Continued implementation of street lighting improvements and upgrades**
- **Explore local initiatives for other waste streams**
- **Complete and update infrastructure and asset inventory**
- **Development of asset management strategy and plans**
- **Promote opportunities to share services where operationally and financially beneficial**
- **Develop management plan with the Department of National Defence and Public Works Canada for storm drain spill events**
- **Evaluate transportation corridors for opportunities and options for enhancement**

# 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 residents and hosts sporting and special events in the community.

## Parks

The Parks Department is 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 2019 parks staff— working alongside volunteers, community organizations, and youth groups— also provided support for a variety of Township events.

## Recreation

The Esquimalt Recreation Centre maintains operation 365 days a year with modified hours on January 1 (1-3 p.m., free admissions), December 24 (5:30 a.m.-4 p.m.), December 25 (1:30 p.m.-4 p.m., \$2 admissions) and December 31 (5:30 a.m.-4 p.m.).

Recreation programming is inclusive of all ages and abilities. A variety of drop-in options bolster membership sales and contribute to the popularity of the Township's services.

## Highlights

Parks staff have been working on developing long-range design plans for major parkland areas.

- Natural area management plans for major park areas under development; and
- Gorge Park enhancement being developed through the McLoughlin Amenity Fund.

Keeping climate change in mind as we assess operations, staff evaluated all public buildings for potential energy efficiencies.

- LED and motion sensor installation in both the Esquimalt Recreation Centre and the Archie Browning Sports Centre 75 per cent complete; and
- HVAC system's direct digital control upgrade at the Esquimalt Recreation Centre.

2019 also saw public engagement on parks and recreation services.

- Community consultation for the usage of Hither Green Park was completed. Overwhelmingly (81.7 per cent), of respondents indicated that they would like to see a play structure in the park; this was followed by parks benches (46.7 per cent), picnic tables (41.7 per cent) and landscaping (38.3 per cent)
  - » Pertaining to play structure preference, respondents indicated a preference for nature-inspired equipment (60 per cent); this was followed by traditional-style play equipment for children 5-12 years of age (45 per cent) and then traditional-play equipment for children aged 2-8 years (31.7 per cent)
  - » Active presence on social media to encourage open dialog with residents and stakeholders
- Ongoing recreation customer feedback survey with over 500 responses

There was also progress in moving forward on identifying and facilitating the selection of projects to be funded by McLoughlin amenity funds (emergency services and public safety facilities, waterfront park improvements and recreation/public space improvements):

- Round 3 engagement on waterfront parks was conducted
- Online survey received 1,032 responses
- Two open houses on September 11 and 19 saw over 200 residents attend

The free summer EcoChamps program is an example of an opportunity to promote healthy and active living through community activities.

EcoChamps provides a fun and inclusive way for kids to learn the basics of ecological awareness, conservation, and stewardship. In 2019, this program ran for 6 weeks July 16-August 20 taking place at different public parks including Highrock, Saxe Point, Esquimalt Gorge Park and Anderson Park.

Esquimalt is part of a larger community of service providers who support the region with recreation program-



*Our Branch Out! program combines staff and volunteers from the Greater Victoria Green Team. This partnership has helped support Esquimalt's natural areas by both planting new trees and shrubs as well as removing damaging invasive species.*

ming. In 2019, we collaborated with CFB Esquimalt, school districts and other municipalities on efficiencies and partnerships in Parks and Recreation Services.

- Youth Leadership Training program conducted in partnership with School District 61;
- Contribution to Macaulay Elementary School Library through Annual StoryFest Celebration;
- Partnership programs with other municipalities include Leisure Involvement For Everyone (L.I.F.E.), Leisure Assistance Pass (L.A.P), Regional Access Pass, and Positive Ticking Program with all police and bylaw in Capital Regional District:
  - » The L.I.F.E. Program assists individuals and families with low income to access Esquimalt's recreation programs and services;
  - » L.A.P. is for people with disabilities, of all ages, who require the assistance of a support person when engaging in leisure activities. Upon presentation of the pass at a participating venue, one support person will be given free or reduced admission; facilitating participation, while ensuring the person does not pay double for their admission.

#### Connecting to strategies and priorities

- **Support the arts, culture and heritage community**
- **Enhance opportunities for Parks & Recreation**
- **Fully utilize the \$17 million McLoughlin amenity funds to maximum potential**
- **Develop and implement strategies that reduce impact on the environment consistent with our Climate Action Charter goals**
- **Develop health strategies for our community**
- **Work with governments, school districts and stakeholders to enhance relationships and advance issues impacting the community**



# Fire Rescue



The 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 materials response.

In 2019, Esquimalt Fire Department responded to 1,066 incidents, a slight decrease of 3.7 per cent as compared to 1,105 incidents in 2018. The department responded to 564 calls on day shifts and 502 on night shifts. Day shifts are scheduled from 8 a.m. to 6 p.m. and night shifts from 6 p.m. to 8 a.m.

The Township of Esquimalt signed our first Mutual Aid Agreement with the City of Langford in 2019.

This agreement bolsters the amount of available resources during large scale or complex emergencies. While we maintained a similar call volume to 2018, several significant events required the assistance of our mutual and automatic aid partners: CFB Esquimalt Fire Department, Victoria Fire Department and View Royal Fire Rescue. One of these events was the tragic apartment fire at 843 Craigflower Road. Our sincerest thanks go out to the members of both our department and the other departments that responded to this fire on April 7. The fire was extremely challenging due to fire conditions upon arrival and the amount of civilians that required rescue.

2019 was also a year of continued progress for public education within the Township. Members of the department participated in a targeted smoke alarm campaign that connected with over 300 residences. In addition, crews also attended all elementary schools with programs being offered from Grade 1 to 5.

## 2019 responses by category

| Type of response        | 2019         | Overall %   |
|-------------------------|--------------|-------------|
| Alarm calls             | 135          | 7.52%       |
| Assist public           | 65           | 5.80%       |
| Burning complaints      | 23           | 2.70%       |
| Electrical emergency    | 15           | 1.20%       |
| Hazardous materials     | 15           | 1.80%       |
| Medical aid             | 690          | 69%         |
| Motor vehicle incidents | 46           | 5.60%       |
| Other fires             | 13           | 2.20%       |
| Other responses         | 31           | 2.50%       |
| Rescue                  | 4            | 0.10%       |
| Structure fires         | 29           | 1.70%       |
| <b>TOTAL</b>            | <b>1,105</b> | <b>100%</b> |

*Per cent adjusted for rounding. Table total = 100.12%*

### Connecting to strategies and priorities

- **Proactively address emerging trends in public safety**



*Esquimalt Fire Rescue ladder truck*

# Victoria Police Department—Esquimalt Division

The dedicated officers of the Esquimalt Division are committed to the residents and business community of the Township of Esquimalt. Their mission is to “deliver excellence in public safety for two diverse communities through engagement, prevention, innovative policing and the Framework Agreement”.

VicPD’s Esquimalt Division is located in the heart of the Township of Esquimalt and serves the communities of Esquimalt and the City of Victoria’s Vic West neighbourhood.

The members and staff at the Division are proud of the progress we have made in realizing VicPD’s vision of “A Safer Community Together.”

Supporting the Esquimalt Community Patrol Officers, the Esquimalt Division includes two civilian staff members, the Officer-in-Charge, two Community Resource Officers and one Administrative Sergeant. The Division also includes the K-9 Section, which is a shared resource with Victoria. The Mobile Youth Services Team (MYST) officer—who is an integrated, region-wide resource—is also based out of Esquimalt Division.

Members of the Division are dedicated to providing a highly visible and engaged police presence. Division members are front and centre at most events in the community. Due to the inability to staff the School Resource Officer positions, the other members of the Division have made it a priority to be available to our schools’ students and staff.

2019 proved to be a challenge with the lack of dedicated school resources and the reduction of VicPD K9 by one team. Despite the challenges, we remained positive and adjusted priorities so we could support yet another successful Summer Action Plan, which saw members deployed on bikes in the community during most weekends in July and August. The program proved so popular that Community Resource Officers continued with their bike patrols into the fall and winter months as well. In addition to the Summer Action Plan deployment, several high profile investigations were also successfully undertaken in Esquimalt.

The Esquimalt Division was proud to be part of many of the community events which make Esquimalt a special and unique community in which to live, work and play.

## These events included:

- Supporting the Great BC Shakeout , along with CFB Esquimalt Fire Department, Esquimalt Fire Department, Township of Esquimalt Emergency Management and many other partners.
- Serving up burgers at McHappy Days
- Connecting with young Esquimalt residents at neighbourhood parties
- Planting trees for Earth Day
- Helping keep students, staff and the community safe by conducting lock-down drills in local high schools
- Partnering with the Victoria Royals Hockey Club to promote healthy lifestyle choices in schools
- Working with the Housing Action Response Team (HART) resources to find alternate housing for people living on the street in Esquimalt and Vic West.

We also enhanced our presence and visibility by having Esquimalt Division members show new Patrol members around the community and make introductions. These introductions have been important in continuing to build on our close connections with all residents in the Township of Esquimalt.



*McHappy Days, 2019*

# Township operations by the numbers in 2019



## Corporate Services:

- 99** agendas, notices and minutes prepared for regular, special and In Camera Council and Committee of the Whole Meetings
- 18** Freedom of Information request responses and 14 requests for access to public records
- 123** Archives requests for research and information
- 10** terms of use agreements signed for use of archival photos in publications
- 21** donations of archival material were received;
- 2** proclamations prepared and posted to website
- 77** documents were commissioned for residents by the Corporate Officer and Deputy Corporate Officer
- 10** statutory public hearing notices & 30 statutory meeting notices and associated newspaper advertisements
- 41** development permit and development variance permits electronically registered at the land titles office
- 52** public service announcements and news releases issued through the corporate website
- 746,833** page views on corporate website
- 273** new followers on municipal Twitter account
- 307** new likes on municipal Facebook account
- 201** followers on new Instagram account
- 54** followers on new LinkedIn account
- 1,051** subscribers to Esquimalt Alert emergency notification service



## Engineering and Public Works oversees:

- 47 km** of roads
- 27 km** of line markings
- 38** bus shelters
- 55 km** of sidewalks
- 70 km** of storm drains
- 59 km** of sanitary sewers
- 11** pump stations
- 84** mobile assets



## Fire Rescue:

- 1,066** total responses to incidents
- 29** structure fire responses
- 690** medical aid responses
- 4** rescues



## Development Services:

- 21** public hearings
- 16** new rezoning applications
- 17** new development applications
- 12** new development variance permit applications
- 10** new subdivision applications
- 1** new heritage alteration permit
- 3** temporary use permits
- 0** board of variance applications



## Financial Services and Information Technology:

- 5,321** property tax notices generated
- 530** property tax certificates
- 1,523** dog licences issued
- 6,520** vendor invoices processed



## Parks and Recreation:

- 19,250** program registrations
- 4,250** program offerings
- 50+** events hosted or supported



## Community Safety Services:

- 739** business licences issued or renewed
- 36** new business licence applications
- 118** plumbing permits issued
- 118** building permits issued (\$57M in construction value)
- 465** bylaw enforcement tickets issued



*Historic and scenic Macaulay Point began as a Hudson Bay farm, then later became part of Fort Macaulay. It has been managed as a municipal park since 1985.*

# Financial Section

Financial Reporting Responsibility

Auditors' Report

Financial Statements

Statistical Information

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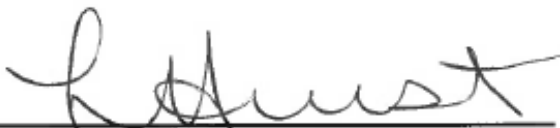
# Management's responsibility for financial statements

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.



Chief Administrative Officer



Director of Financial Services

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



KPMG LLP  
St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7  
Canada  
Telephone 250-480-3500  
Fax 250-480-3539

## INDEPENDENT AUDITORS' REPORT

To Mayor and Councillors of the Township of Esquimalt

### **Opinion**

We have audited the financial statements of the Township of Esquimalt (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, 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.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Victoria, Canada  
June 1, 2020

# The Corporation of the Township of Esquimalt

## Statement of Financial Position

December 31, 2019, with comparative information for 2018

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
| <b>Financial assets:</b>                             |                      |                      |
| Cash and cash equivalents (note 2)                   | \$ 52,112,170        | \$ 47,828,594        |
| Property taxes receivable                            | 629,892              | 492,692              |
| Accounts receivable                                  | 834,939              | 726,781              |
| MFA debt reserve cash (note 12(b))                   | 238,206              | 232,784              |
|  | <u>53,815,207</u>    | <u>49,280,851</u>    |
| <b>Liabilities:</b>                                  |                      |                      |
| Accounts payable and accrued liabilities             | 7,968,653            | 8,629,474            |
| Deferred revenue and deposits (note 3)               | 21,259,048           | 20,165,666           |
| Debt (note 4)  | 5,436,953            | 6,621,053            |
| Obligations under short term borrowing (note 5)      | 2,999                | 18,200               |
| Employee benefit and retirement obligations (note 6) | 1,323,087            | 1,204,394            |
|  | <u>35,990,740</u>    | <u>36,638,787</u>    |
| <b>Net financial assets</b>                          | <u>17,824,467</u>    | <u>12,642,064</u>    |
| <b>Non-financial assets:</b>                         |                      |                      |
| Tangible capital assets (note 7)                     | 80,496,030           | 81,786,180           |
| Inventory of supplies                                | 150,637              | 153,983              |
| Prepaid expenses                                     | 97,724               | 80,569               |
|  | <u>80,744,391</u>    | <u>82,020,732</u>    |
| Commitments and contingencies (note 12)              |                      |                      |
| <b>Accumulated surplus (note 8)</b>                  | <u>\$ 98,568,858</u> | <u>\$ 94,662,796</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, 2019, with comparative information for 2018

|  | Financial plan<br>(note 13) | 2019                 | 2018                 |
|--|-----------------------------|----------------------|----------------------|
| <b>Revenues:</b>   |                             |                      |                      |
| Taxes for municipal purposes (note 9)                    | \$ 17,011,718               | \$ 16,965,769        | \$ 16,310,208        |
| Payments in place of taxes (note 10)                     | 12,724,744                  | 12,746,911           | 12,997,197           |
| Sale of services   | 3,523,046                   | 4,116,938            | 3,778,670            |
| Other revenue from own sources                           | 943,960                     | 3,120,663            | 2,242,424            |
| Conditional transfers from other governments (note 11)   | 2,157,434                   | 2,166,871            | 1,179,520            |
| Unconditional transfers from other governments (note 11) | 568,722                     | 556,366              | 566,086              |
| <b>Total revenue</b>                                     | <b>36,929,624</b>           | <b>39,673,518</b>    | <b>37,074,105</b>    |
| <b>Expenses:</b>   |                             |                      |                      |
| General government                                       | 4,080,027                   | 3,894,933            | 4,404,198            |
| Protective services                                      | 13,800,941                  | 13,770,663           | 13,248,452           |
| Transportation   | 3,513,180                   | 4,974,174            | 4,892,638            |
| Environmental health                                     | 1,180,572                   | 1,551,803            | 1,567,945            |
| Environmental development                                | 941,144                     | 853,330              | 744,711              |
| Recreation, parks and culture                            | 9,827,878                   | 10,722,553           | 10,178,320           |
| <b>Total expenses</b>                                    | <b>33,343,742</b>           | <b>35,767,456</b>    | <b>35,036,264</b>    |
| <b>Annual surplus</b>                                    | <b>3,585,882</b>            | <b>3,906,062</b>     | <b>2,037,841</b>     |
| <b>Accumulated surplus, beginning of year</b>            | <b>94,662,796</b>           | <b>94,662,796</b>    | <b>92,624,955</b>    |
| <b>Accumulated surplus, end of year</b>                  | <b>\$ 98,248,678</b>        | <b>\$ 98,568,858</b> | <b>\$ 94,662,796</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, 2019, with comparative information for 2018

|  | Financial plan<br>(note 13) | 2019          | 2018          |
|--|-----------------------------|---------------|---------------|
| Annual surplus                                     | \$ 3,585,882                | \$ 3,906,062  | \$ 2,037,841  |
| Contributed tangible capital assets                | -                           | (86,621)      | (91,488)      |
| Acquisition of tangible capital assets             | (11,872,023)                | (2,175,356)   | (2,882,159)   |
| Acquisition of capital lease                       | -                           | -             | -             |
| Adjustment of tangible capital assets              | -                           | -             | -             |
| Amortization of tangible capital assets            | -                           | 3,551,358     | 3,550,759     |
| Proceeds on disposal of tangible capital assets    | -                           | 589,970       | 1,000         |
| Loss (gain) on disposal of tangible capital assets | -                           | (589,201)     | 462,869       |
|  | (11,872,023)                | 1,290,150     | 1,040,981     |
| Acquisition of inventory supplies                  | -                           | (150,637)     | (153,983)     |
| Consumption of inventory supplies                  | -                           | 153,983       | 126,689       |
| Acquisition of prepaid expenses                    | -                           | (97,724)      | (80,569)      |
| Consumption of prepaid expenses                    | -                           | 80,569        | 122,623       |
|  |                             | (13,809)      | 14,760        |
| Change in net financial assets (debt)              | (8,286,141)                 | 5,182,403     | 3,093,582     |
| Net financial assets, beginning of year            | 12,642,064                  | 12,642,064    | 9,548,482     |
| Net financial assets, end of year                  | \$ 4,355,923                | \$ 17,824,467 | \$ 12,642,064 |

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, 2019, with comparative information for 2018

|  | 2019          | 2018          |
|--|---------------|---------------|
| Cash provided by (used in):                          |               |               |
| <b>Operating activities</b>                          |               |               |
| Annual surplus                                       | \$ 3,906,062  | \$ 2,037,841  |
| Items not involving cash:                            |               |               |
| Contributed tangible capital assets                  | (86,621)      | (91,488)      |
| Amortization of tangible capital assets              | 3,551,358     | 3,550,759     |
| Change in employee benefits and other liabilities    | 118,693       | 123,552       |
| Actuarial adjustment on debt                         | (399,620)     | (359,639)     |
| Loss (gain) on disposal of tangible capital assets   | (589,201)     | 462,869       |
| Change in non-cash operating assets and liabilities: |               |               |
| Property taxes receivable                            | (137,200)     | (1,793)       |
| Accounts receivable                                  | (108,158)     | 49,630        |
| MFA debt reserve fund cash                           | (5,422)       | (4,957)       |
| Accounts payable and accrued liabilities             | (660,821)     | 25,465        |
| Deferred revenue and deposits                        | 1,093,382     | 16,808,769    |
| Inventory of supplies                                | 3,346         | (27,294)      |
| Prepaid expenses and deposits                        | (17,155)      | 42,054        |
|  | 6,668,643     | 22,615,768    |
| <b>Capital activities:</b>                           |               |               |
| Acquisition of tangible capital assets               | (2,175,356)   | (2,882,159)   |
| Proceeds on disposal of tangible capital assets      | 589,970       | 1,000         |
|  | (1,585,386)   | (2,881,159)   |
| <b>Financing activities:</b>                         |               |               |
| Short term loan obligation repaid                    | (15,201)      | (15,805)      |
| Debt principal repaid                                | (784,480)     | (784,480)     |
|  | (799,681)     | (800,285)     |
| Increase in cash and cash equivalents                | 4,283,576     | 18,934,324    |
| Cash and cash equivalents, beginning of year         | 47,828,594    | 28,894,270    |
| Cash and cash equivalents, end of year               | \$ 52,112,170 | \$ 47,828,594 |
| <b>Supplemental cash flow information:</b>           |               |               |
| Cash paid for interest                               | \$ 360,008    | \$ 347,579    |
| Cash received from interest                          | 1,321,849     | 944,443       |

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, 2019

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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, 2019

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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, 2019

### 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, 2019

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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) Liability for contaminated sites:

The Township records a liability in its financial statements when contamination on non-active property exceeds an accepted environmental standard and the Township is directly responsible, or accepts responsibility, for the damage. The liability is measured at the Township's best estimate of the costs directly attributable to remediation of the contamination.

No contaminated sites liabilities have been recorded in these financial statements.

#### (l) 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.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

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### 2. Cash and cash equivalents:

|  | 2019 |            | 2018 |            |
|--|------|------------|------|------------|
| Cash and bank deposits                         | \$   | 2,298,893  | \$   | 2,687,267  |
| Municipal Finance Authority Money Market Funds |      | 49,813,277 |      | 45,141,327 |
|  | \$   | 52,112,170 | \$   | 47,828,594 |

### 3. Deferred revenue and deposits:

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

|                               | 2019 |            | 2018 |            |
|-------------------------------|------|------------|------|------------|
| Trust and deposit liabilities | \$   | 2,330,842  | \$   | 1,667,598  |
| Unearned recreation fees      |      | 352,538    |      | 291,299    |
| Property tax instalments      |      | 1,219,780  |      | 943,535    |
| McLoughlin Amenity grants     |      | 16,908,292 |      | 16,985,918 |
| Miscellaneous                 |      | 447,596    |      | 277,316    |
|                               | \$   | 21,259,048 | \$   | 20,165,666 |

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

### 4. Debt:

| Bylaw                             | Purpose           | Matures    | Rate   | Original<br>Amount | Repayments<br>and Actuarial<br>Earnings | Net Balance  |              |
|-----------------------------------|-------------------|------------|--------|--------------------|---|--------------|--------------|
|                                   |                   |            |        |                    |   | 2019         | 2018         |
| <u>General Capital</u>            |                   |            |        |                    |   |              |              |
| 2492                              | Recreation Centre | 2023/03/10 | 2.850% | \$ 2,800,000       | \$ 2,027,655                            | \$ 772,345   | \$ 950,466   |
| 2492                              | Recreation Centre | 2022/03/12 | 2.250% | 4,000,000          | 3,137,875                               | 862,125      | 1,127,168    |
| 2834                              | Roads and Streets | 2024/10/14 | 3.000% | 1,200,000          | 545,972                                 | 654,028      | 771,942      |
|                                   |                   |            |        | 8,000,000          | 5,711,502                               | 2,288,498    | 2,849,576    |
| <u>Sewer Capital</u>              |                   |            |        |                    |   |              |              |
| 2565                              | Sanitary Sewers   | 2027/12/01 | 2.250% | 2,353,000          | 1,191,200                               | 1,161,800    | 1,283,834    |
| 2565                              | Sanitary Sewers   | 2026/10/19 | 1.750% | 1,129,000          | 635,416                                 | 493,584      | 554,757      |
| 2565                              | Sanitary Sewers   | 2025/10/13 | 1.800% | 2,012,000          | 1,252,027                               | 759,973      | 874,292      |
| 2565                              | Sanitary Sewers   | 2024/02/12 | 2.250% | 1,256,000          | 822,902                                 | 433,098      | 508,594      |
|                                   |                   |            |        | 6,750,000          | 3,901,545                               | 2,848,455    | 3,221,477    |
| <u>General Capital Short Term</u> |                   |            |        |                    |   |              |              |
| LUA-Oct 27/14                     | Recreation Centre | 2019/10/27 | 2.578% | 550,000            | 550,000                                 | -            | 100,000      |
| LUA-Jun 27/16                     | Recreation Centre | 2021/06/27 | 2.578% | 750,000            | 450,000                                 | 300,000      | 450,000      |
|                                   |                   |            |        | 1,300,000          | 1,000,000                               | 300,000      | 550,000      |
|                                   |                   |            |        | \$ 16,050,000      | \$ 10,613,047                           | \$ 5,436,953 | \$ 6,621,053 |

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.

In 2014, the Council of the Township adopted Bylaw No. LUA-Oct 27/14 to authorize the replacement of the front façade of the Archie Browning Sports Centre and to borrow short term upon the credit of the Township a sum not to exceed \$550,000.

In 2016, the Council of the Township adopted Bylaw No. LUA-Jun 27/16 to authorize the development and construction of Fraser Park and to borrow short term upon the credit of the Township a sum not to exceed \$750,000.

Total interest on debt for the year was \$353,192, including accrued interest of \$52,442 (2018 - \$345,140, including accrued interest of \$53,703).

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

### 4. 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 debt for the next five years are as follows:

|      |    |         |
|------|----|---------|
| 2020 | \$ | 684,480 |
| 2021 |    | 684,480 |
| 2022 |    | 534,480 |
| 2023 |    | 413,509 |
| 2024 |    | 328,830 |

### 5. Obligations under short term borrowing:

The Township financed specific municipal hall and recreation department equipment by entering into fixed interest rate short term loans with the MFA. Repayments due are as shown.

|  |    |       |
|--|----|-------|
| 2020   | \$ | 3,009 |
| Total minimum payments                                 |    | 3,009 |
| Less: Amounts representing interest (at prime plus 1%) |    | (10)  |
| Present value of net minimum capital lease payments    | \$ | 2,999 |

Total interest on repayments for the year was \$283 (2018 - \$597).

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

### 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:

|   | 2019         | 2018         |
|---|--------------|--------------|
| Accrued benefit obligation, beginning of year | \$ 1,204,394 | \$ 1,080,842 |
| Service cost                                  | 114,800      | 116,300      |
| Interest cost                                 | 44,800       | 39,000       |
| Benefits payments                             | (38,000)     | (35,100)     |
| Past agreement refund accrual                 | (2,907)      | 3,352        |
| Accrued benefit obligation, end of year       | \$ 1,323,087 | \$ 1,204,394 |

The actuarially accrued benefit obligation set out in the actuarial valuation is \$1,426,300 (2018 - \$1,273,200), resulting in a variance of \$103,213 between the obligation and the accrued benefit liability of \$1,323,807 (2018 - \$1,204,394). The variance is composed of the following two amounts: an actuarial net loss of \$141,500 (2018 - \$102,800) and the special agreement refund accrual of \$38,287 (2018 - \$33,994). This actuarial loss is being amortized over a period equal to the employees' average remaining service lifetime of 12 years. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$152,400 (2018 - \$153,300).

The accrued benefit obligations and the net periodic benefit cost were estimated by actuarial valuation as of December 31, 2019. At December 31, 2019, 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:

|  | 2019          | 2018          |
|--|---------------|---------------|
| Discount rates   | 2.70%         | 3.30%         |
| 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, 2019

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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 administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the Plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Plan as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021 with results available in 2022.

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, resulting in no consistent and reliable basis for allocating the obligation, assets, and cost to the individual employers participating in the Plan.

The Township paid \$1,190,891 (2018 - \$1,105,895) for employer contributions while employees contributed \$990,665 (2018 - \$935,876) to the plan in fiscal 2019.

#### 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, 2018. At December 31, 2018, the total plan provision for approved and unreported claims was \$18,160,100 with a net surplus of \$3,016,917. The actuary does not attribute portions of the unfunded liability to individual employers. The Township paid \$66,671 (2018 - \$69,796) for employer contributions in fiscal 2019.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

### 7. Tangible capital assets:

| Cost                                | Balance<br>December 31,<br>2018 | Additions           | Disposals/<br>transfers | Balance<br>December 31,<br>2019 |
|-------------------------------------|---------------------------------|---------------------|-------------------------|---------------------------------|
| Land and land improvements          | \$ 45,384,087                   | \$ 132,428          | \$ (769)                | \$ 45,515,746                   |
| Building and building improvements  | 25,218,484                      | 648,313             | (10,564)                | 25,856,233                      |
| Vehicles, machinery and equipment   | 11,110,091                      | 452,249             | (83,618)                | 11,478,722                      |
| Water and wastewater infrastructure | 25,458,411                      | 258,584             | (2)                     | 25,716,993                      |
| Roads infrastructure                | 38,704,708                      | 688,104             | (13,701)                | 39,379,111                      |
| Work in progress                    | 727,055                         | 401,475             | (319,176)               | 809,354                         |
| <b>Total</b>                        | <b>\$ 146,602,836</b>           | <b>\$ 2,581,153</b> | <b>\$ (427,830)</b>     | <b>\$ 148,756,159</b>           |

| Accumulated amortization            | Balance<br>December 31,<br>2018 | Disposals           | Amortization<br>expense | Balance<br>December 31,<br>2019 |
|-------------------------------------|---------------------------------|---------------------|-------------------------|---------------------------------|
| Land and land improvements          | \$ 10,976,795                   | \$ -                | \$ 349,696              | \$ 11,326,491                   |
| Building and building improvements  | 12,737,706                      | (10,565)            | 890,384                 | 13,617,525                      |
| Vehicles, machinery and equipment   | 7,053,651                       | (83,620)            | 611,672                 | 7,581,703                       |
| Water and wastewater infrastructure | 12,825,905                      | -                   | 411,428                 | 13,237,333                      |
| Roads infrastructure                | 21,222,599                      | (13,700)            | 1,288,178               | 22,497,077                      |
| <b>Total</b>                        | <b>\$ 64,816,656</b>            | <b>\$ (107,885)</b> | <b>\$ 3,551,358</b>     | <b>\$ 68,260,129</b>            |

| Net book value                      | Balance<br>December 31,<br>2018 | Balance<br>December 31,<br>2019 |
|-------------------------------------|---------------------------------|---------------------------------|
| Land and land improvements          | \$ 34,407,292                   | \$ 34,189,255                   |
| Building and building improvements  | 12,480,778                      | 12,238,708                      |
| Vehicles, machinery and equipment   | 4,056,440                       | 3,897,019                       |
| Water and wastewater infrastructure | 12,632,506                      | 12,479,660                      |
| Roads infrastructure                | 17,482,109                      | 16,882,034                      |
| Work in progress                    | 727,055                         | 809,354                         |
| <b>Total</b>                        | <b>\$ 81,786,180</b>            | <b>\$ 80,496,030</b>            |

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

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

(a) Assets under construction

Assets under construction having a value of \$809,354 (2018 - \$727,055) have not been amortized. Amortization of these assets will commence when the asset is available for 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 \$86,621 during the year (2018 - \$91,488).

(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 (2018 - \$nil).



# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

### 8. Accumulated surplus:

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

|  | 2019                 | 2018              |
|--|----------------------|-------------------|
| <b>Surplus:</b>  |                      |                   |
| Equity in tangible capital assets                                | 75,056,078 \$        | 75,146,927        |
| Unappropriated operating funds                                   | 11,130,551           | 9,934,354         |
|  | <u>86,186,629</u>    | <u>85,081,281</u> |
| <b>Appropriated operating funds:</b>                             |                      |                   |
| Future expenditures  | 643,024              | 727,275           |
| Casino revenue   | 422,550              | 389,101           |
| Community Works Fund   | 2,612,863            | 1,919,626         |
| Library Reserve Fund   | 429,860              | 283,443           |
| Community Impact Fund  | 171,917              | 111,623           |
| Uncollected taxes  | 100,000              | 100,000           |
| Working capital  | 400,000              | 400,000           |
|  | <u>4,780,214</u>     | <u>3,931,068</u>  |
| <b>Reserve funds set aside for specific purposes by Council:</b> |                      |                   |
| Capital Projects   | 2,845,119            | 2,028,953         |
| Local Improvement  | 179,727              | 171,811           |
| Machinery and Equipment  | 2,708,076            | 2,427,160         |
| Municipal Archives Trust   | 4,104                | 3,933             |
| Parkland Acquisition   | 88,210               | 86,602            |
| Tax Sale Lands   | 120,440              | 118,243           |
| Sustainability   | 40,895               | 99,962            |
| Eva Chafe  | 27,814               | 34,179            |
| Infrastructure and Revitalization                                | 1,140,097            | 562,751           |
| Public Art   | 51,649               | 38,125            |
| McLoughlin Amenity-Waterfront Parks                              | 163,188              | 32,485            |
| McLoughlin Amenity-Recreation Improvements                       | 116,563              | 23,204            |
| McLoughlin Amenity-Public Safety Facilities                      | 116,133              | 23,039            |
|  | <u>7,602,015</u>     | <u>5,650,447</u>  |
|  | <u>98,568,858 \$</u> | <u>94,662,796</u> |

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

### 9. Taxes:

|                               | 2019                 | 2018                 |
|-------------------------------|----------------------|----------------------|
| Taxes for municipal purposes: |                      |                      |
| Property tax                  | \$ 16,717,720        | \$ 16,065,796        |
| Local Improvement             | 4,686                | 4,686                |
| 1% Utility tax                | 243,363              | 239,726              |
|                               | <u>\$ 16,965,769</u> | <u>\$ 16,310,208</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.

|  | 2019                 | 2018                |
|--|----------------------|---------------------|
| Taxes, requisitions and levies collected on behalf of the following agencies are not included in these statements: |                      |                     |
| Province of British Columbia - school purposes   | \$ 5,654,829         | \$ 5,406,187        |
| Capital Regional District - requisition  | 2,915,704            | 2,540,728           |
| Capital Regional District - 9-1-1 call answer levy   | 66,273               | 43,226              |
| Capital Regional Hospital District - requisition   | 932,246              | 922,870             |
| British Columbia Assessment Authority  | 190,863              | 183,801             |
| British Columbia Transit - Victoria Regional Transit Commission  | 909,664              | 838,976             |
| Municipal Finance Authority  | 887                  | 806                 |
|  | <u>\$ 10,670,466</u> | <u>\$ 9,936,594</u> |

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

### 10. Payments in place of taxes:

|   | 2019                 | 2018                 |
|---|----------------------|----------------------|
| <b>Payments in place of taxes received for municipal purposes:</b>  |                      |                      |
| Federal government  | \$ 12,652,597        | \$ 12,907,689        |
| British Columbia Hydro & Power Authority  | 91,700               | 86,923               |
| Provincial Rental Housing Corporation   | 2,614                | 2,585                |
|   | <b>\$ 12,746,911</b> | <b>\$ 12,997,197</b> |
| <b>Payments in place of taxes collected on behalf of the following agencies are not included in these statements:</b> |                      |                      |
| Province of British Columbia - school purposes  | \$ 2,385,927         | \$ 2,567,205         |
| Capital Regional District   | 2,170,206            | 2,001,595            |
| Capital Regional Hospital District  | 456,113              | 483,494              |
| British Columbia Assessment Authority   | 165,228              | 175,478              |
| British Columbia Transit - Victoria Regional Transit Commission   | 663,837              | 614,501              |
| Municipal Finance Authority   | 441                  | 431                  |
|   | <b>\$ 5,841,752</b>  | <b>\$ 5,842,704</b>  |

### 11. Transfers from other governments:

|  | 2019                | 2018                |
|--|---------------------|---------------------|
| <b>Conditional transfers from other governments:</b>   |                     |                     |
| Federal  | \$ 1,594,726        | \$ 792,776          |
| Provincial   | 570,145             | 383,244             |
| Other agencies   | 2,000               | 3,500               |
|  | <b>2,166,871</b>    | <b>1,179,520</b>    |
| <b>Unconditional transfers from other governments:</b> |                     |                     |
| Small communities protection                           | 231,836             | 244,760             |
| Traffic fine revenue sharing                           | 324,530             | 321,326             |
|  | <b>556,366</b>      | <b>566,086</b>      |
| <b>Total transfers from other governments</b>          | <b>\$ 2,723,237</b> | <b>\$ 1,745,606</b> |

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

### 12. Commitments and contingencies:

#### (a) Contractual commitments:

At December 31, 2019, the following major contracts were in progress:

|                              | Total amount<br>of contract | Paid on<br>contract to<br>December 31,<br>2019 |
|------------------------------|-----------------------------|--|
| Commercial Building Cleaning | \$ 207,648                  | \$ 65,845                                      |
| Ellice Recycling Limited     | 468,967                     | 39,777   |
| Fort Garry Fire Trucks       | 704,495                     | -  |
| G & E Contracting LP         | 338,439                     | 110,617  |
| Iredale Architecture         | 235,665                     | -  |
| Praxis Architecture          | 27,200                      | -  |
| SLR (Consulting) Canada Ltd  | 440,203                     | 394,193  |
| Universal Sheet Metal        | 261,512                     | 219,600  |
|                              | <u>\$ 2,684,129</u>         | <u>\$ 830,032</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 \$238,206 (2018 - \$232,784) 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, 2019, there were contingent demand notes of \$464,917 (2018 - \$464,917), 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, 2019

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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 estimated 2020 required contributions on behalf of the Township are \$8,591,428 (14.7% of the draft 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) In February 2017, the Township entered into agreements with the Capital Regional District related to the hosting for the Core Area Wastewater Treatment Facility. These agreements outline the amenities to be received by the Township, which include annualized payments for the duration of the facility's useful life, allowances for the restoration of transportation infrastructure and a total of \$17,000,000 to be held in Township reserve funds for the purposes of public safety, recreation facility and waterfront park improvements. For 2019, the Township received an annualized payment of \$58,219 (2018 - \$55,715).
- (g) The Township entered into a five year agreement with the City of Surrey effective July 3, 2018. Under the terms of the agreement, the City of Surrey will provide emergency dispatch and non-emergency after hour call answering services for the Township. The annual charge to the Township will be based on actual costs for the calendar year, including any adjustments for changes in calls for service, labour costs, and inflation costs as determined in the agreement. The Township paid \$98,571 for the 2019 fiscal year.
- (h) 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, 2019

### 13. Financial plan data:

The financial plan data presented in these financial statements is based upon the 2019 operating and capital financial plan approved by Council on May 6, 2019. 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.

|                           | Financial plan amount |
|---------------------------|-----------------------|
| Revenues:                 |                       |
| Operating budget          | \$ 49,324,922         |
| Less:                     |                       |
| Transfer from other funds | (12,395,298)          |
| Proceeds on debt issue    | -                     |
| Total revenue             | 36,929,624            |
| Expenses:                 |                       |
| Operating budget          | 49,324,922            |
| Less:                     |                       |
| Capital expenditures      | (11,872,023)          |
| Transfer to other funds   | (3,324,675)           |
| Debt principal payments   | (784,482)             |
| Total expenses            | 33,343,742            |
| Annual surplus            | \$ 3,585,882          |

### 14. Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This situation presents uncertainty over the Township's future cash flows, and may have a significant impact on the Township's future operations. Potential impacts on the Township's business could include future decreases in revenue, future increases in expenses, impairment of receivables, impairment of investments or reduction in investment income, and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effect on the Township is not practicable at this time.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

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### 15. 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 community safety and 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, 2019

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### 15. 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 for co-ordinating and leading efforts to enhance our neighbourhoods, fostering arts and culture, and working 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, 2019

### 15. Segmented information (continued):

| 2019                             | General government   | Protective services    | Transportation        | Environmental health  | Environmental development | Recreation, parks and culture | Total               |
|----------------------------------|----------------------|------------------------|-----------------------|-----------------------|---------------------------|-------------------------------|---------------------|
| <b>Revenues:</b>                 |                      |                        |                       |                       |                           |                               |                     |
| Taxation                         | \$ 29,712,680        | \$ -                   | \$ -                  | \$ -                  | \$ -                      | \$ -                          | \$ 29,712,680       |
| Goods and services               | 3,018,098            | 93,749                 | 401,982               | 279,728               | 58,162                    | 3,385,882                     | 7,237,601           |
| Government transfers             | 2,138,661            | 371,222                | 121,700               | -                     | 50,913                    | 40,741                        | 2,723,237           |
| <b>Total revenue</b>             | <b>34,869,439</b>    | <b>464,971</b>         | <b>523,682</b>        | <b>279,728</b>        | <b>109,075</b>            | <b>3,426,623</b>              | <b>39,673,518</b>   |
| <b>Expenses:</b>                 |                      |                        |                       |                       |                           |                               |                     |
| Salary and wages                 | 2,451,072            | 4,474,086              | 1,977,061             | 384,021               | 658,794                   | 6,312,584                     | 16,257,618          |
| Materials, supplies and services | 1,104,683            | 9,115,551              | 1,270,474             | 642,104               | 194,536                   | 3,271,123                     | 15,598,471          |
| Interest and other               | 6,817                | -                      | 13,356                | 134,036               | -                         | 205,800                       | 360,009             |
| Amortization                     | 332,361              | 181,026                | 1,713,283             | 391,642               | -                         | 933,046                       | 3,551,358           |
| <b>Total expenses</b>            | <b>3,894,933</b>     | <b>13,770,663</b>      | <b>4,974,174</b>      | <b>1,551,803</b>      | <b>853,330</b>            | <b>10,722,553</b>             | <b>35,767,456</b>   |
| <b>Annual surplus (deficit)</b>  | <b>\$ 30,974,506</b> | <b>\$ (13,305,692)</b> | <b>\$ (4,450,492)</b> | <b>\$ (1,272,075)</b> | <b>\$ (744,255)</b>       | <b>\$ (7,295,930)</b>         | <b>\$ 3,906,062</b> |

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2019

### 15. Segmented information (continued):

| 2018                             | General government   | Protective services    | Transportation        | Environmental health  | Environmental development | Recreation, parks and culture | Total               |
|----------------------------------|----------------------|------------------------|-----------------------|-----------------------|---------------------------|-------------------------------|---------------------|
| <b>Revenues:</b>                 |                      |                        |                       |                       |                           |                               |                     |
| Taxation                         | \$ 29,307,405        | \$ -                   | \$ -                  | \$ -                  | \$ -                      | \$ -                          | \$ 29,307,405       |
| Goods and services               | 2,191,570            | 146,906                | 277,497               | 249,904               | 88,898                    | 3,066,319                     | 6,021,094           |
| Government transfers             | 1,367,437            | 329,446                | 27,400                | -                     | -                         | 21,323                        | 1,745,606           |
| <b>Total revenue</b>             | <b>32,866,412</b>    | <b>476,352</b>         | <b>304,897</b>        | <b>249,904</b>        | <b>88,898</b>             | <b>3,087,642</b>              | <b>37,074,105</b>   |
| <b>Expenses:</b>                 |                      |                        |                       |                       |                           |                               |                     |
| Salary and wages                 | 2,336,837            | 4,236,035              | 1,911,164             | 366,032               | 560,122                   | 5,774,717                     | 15,184,907          |
| Materials, supplies and services | 1,720,373            | 8,807,979              | 1,271,390             | 687,005               | 184,589                   | 3,281,683                     | 15,953,019          |
| Interest and other               | 2,235                | -                      | 17,904                | 123,014               | -                         | 204,426                       | 347,579             |
| Amortization                     | 344,753              | 204,438                | 1,692,180             | 391,894               | -                         | 917,494                       | 3,550,759           |
| <b>Total expenses</b>            | <b>4,404,198</b>     | <b>13,248,452</b>      | <b>4,892,638</b>      | <b>1,567,945</b>      | <b>744,711</b>            | <b>10,178,320</b>             | <b>35,036,264</b>   |
| <b>Annual surplus (deficit)</b>  | <b>\$ 28,462,214</b> | <b>\$ (12,772,100)</b> | <b>\$ (4,587,741)</b> | <b>\$ (1,318,041)</b> | <b>\$ (655,813)</b>       | <b>\$ (7,090,678)</b>         | <b>\$ 2,037,841</b> |

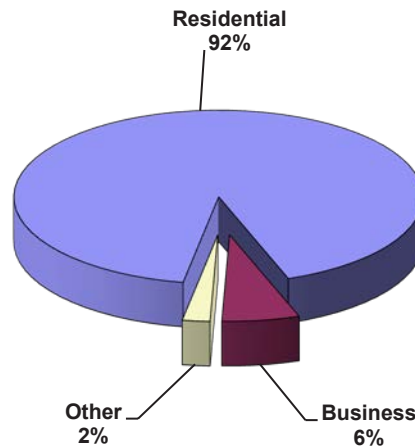
# Statistical information

As per BC Assessment Roll Tax Base Report

Taxable assessments of land and improvements 2015-2019

| Property Class        | 2019                   | 2018                   | 2017                   | 2016                   | 2015                   |
|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Residential           | \$3,624,061,090        | \$3,262,899,805        | \$2,747,081,005        | \$2,367,034,105        | \$2,251,694,305        |
| Utilities             | 1,447,300              | 1,382,800              | 1,281,000              | 1,142,100              | 1,113,200              |
| Major Industry        | 52,208,600             | 43,055,200             | 41,963,600             | 37,662,200             | 42,718,800             |
| Light Industry        | 15,247,600             | 14,060,400             | 8,335,300              | 8,251,100              | 8,244,300              |
| Business              | 230,161,901            | 216,925,351            | 183,079,551            | 171,602,451            | 179,736,202            |
| Recreation Non-Profit | 14,894,900             | 16,101,400             | 13,562,200             | 12,921,500             | 11,603,700             |
|                       | <b>\$3,938,021,391</b> | <b>\$3,554,424,956</b> | <b>\$2,995,302,656</b> | <b>\$2,598,613,456</b> | <b>\$2,495,110,507</b> |

2019 assessment by type



Source: BC Assessment

# Statistical information

Property tax rates 2015 - 2019

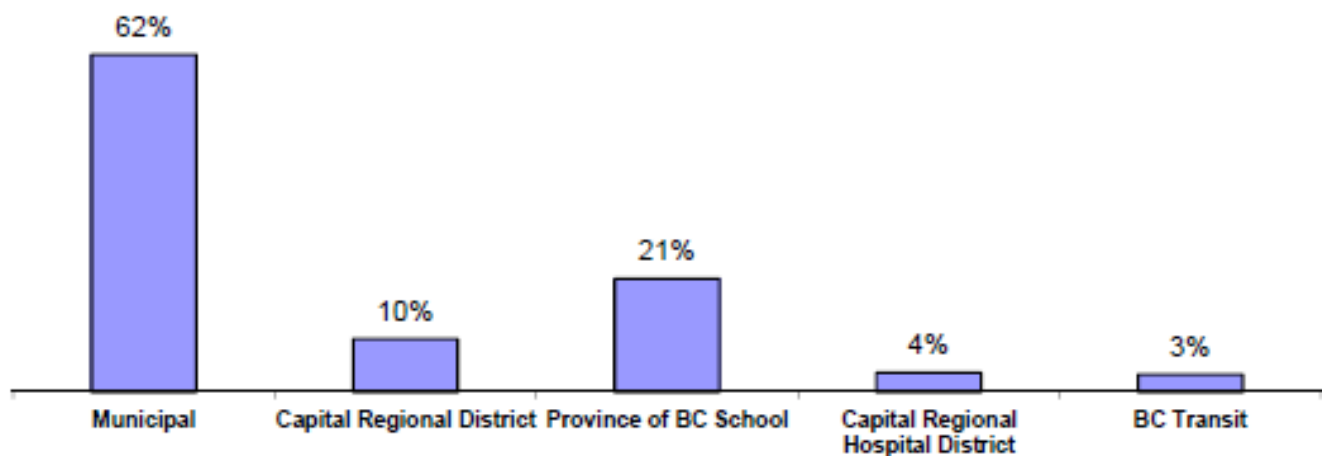
|   | 2019                | 2018                | 2017                | 2016                | 2015                |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Municipal (\$ per 1000 assessment)</b>       |                     |                     |                     |                     |                     |
| Residential                                     | 3.53754             | 3.69828             | 4.24570             | 4.89152             | 5.01609             |
| Utilities                                       | 19.00219            | 19.26066            | 20.20531            | 22.55000            | 22.69072            |
| Major Industry                                  | 30.81798            | 30.41794            | 31.55795            | 32.29971            | 32.91671            |
| Light Industry                                  | 13.48568            | 15.59522            | 17.64999            | 17.74134            | 17.41464            |
| Business & Other                                | 10.78225            | 11.88120            | 12.76677            | 13.38699            | 12.50032            |
| Recreation/Non-profit                           | 4.49214             | 4.75059             | 4.68132             | 4.88897             | 4.92856             |
| <b>Total (\$ per 1000 assessment)</b>           |                     |                     |                     |                     |                     |
| Residential                                     | 5.77784             | 5.97029             | 6.73365             | 7.82484             | 7.99558             |
| Utilities                                       | 37.67143            | 37.88016            | 38.93618            | 41.92409            | 41.85162            |
| Major Industry                                  | 42.02199            | 41.57157            | 43.29535            | 44.90333            | 45.48500            |
| Light Industry                                  | 21.29920            | 24.03500            | 27.02874            | 27.97418            | 27.77191            |
| Business & Other                                | 17.92485            | 19.51361            | 21.19714            | 22.73613            | 21.97694            |
| Recreation/Non-profit                           | 7.99802             | 8.44971             | 8.56720             | 9.26594             | 9.44506             |
| <b>Municipal Tax Billings by Property Class</b> |                     |                     |                     |                     |                     |
| Residential                                     | \$12,820,261        | \$12,067,117        | \$11,663,282        | \$11,578,395        | \$11,294,701        |
| Utilities                                       | 27,502              | 26,634              | 25,883              | 25,754              | 25,259              |
| Major Industry                                  | 1,115,760           | 1,057,107           | 1,052,844           | 1,029,404           | 859,442             |
| Light Industry                                  | 205,624             | 276,378             | 147,118             | 146,386             | 143,572             |
| Business & Other                                | 2,481,663           | 2,562,069           | 2,397,550           | 2,297,240           | 2,246,760           |
| Recreation/Non-profit                           | 66,910              | 76,491              | 63,489              | 63,173              | 57,190              |
|   | <b>\$16,717,720</b> | <b>\$16,065,796</b> | <b>\$15,350,166</b> | <b>\$15,140,352</b> | <b>\$14,626,924</b> |

# Statistical information

Property tax levied and collected 2015- 2019

|                                    | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Municipal                          | \$ 16,717,720        | \$ 16,065,796        | \$ 15,350,166        | \$ 15,140,352        | \$ 14,626,924        |
| Capital Regional District          | 2,915,704            | 2,540,728            | 2,191,494            | 2,110,509            | 1,757,464            |
| Province of BC School              | 5,654,829            | 5,406,187            | 5,059,036            | 5,288,532            | 5,421,471            |
| Capital Regional Hospital District | 932,246              | 922,870              | 874,119              | 864,755              | 856,844              |
| BC Transit                         | 909,664              | 838,976              | 818,624              | 862,493              | 866,368              |
| BC Assessment Authority            | 190,863              | 183,801              | 166,656              | 178,067              | 183,854              |
| Municipal Finance Authority        | 887                  | 806                  | 679                  | 597                  | 572                  |
|                                    | <b>\$ 27,321,913</b> | <b>\$ 25,959,164</b> | <b>\$ 24,460,774</b> | <b>\$ 24,445,305</b> | <b>\$ 23,713,497</b> |
| Total Current Taxes Levied         | 27,321,913           | 25,959,164           | 24,460,774           | 24,445,305           | 23,713,497           |
| Current Taxes Collected            | 26,895,757           | 25,687,647           | 24,181,248           | 24,172,366           | 22,804,970           |
| Percentage                         | 98.44%               | 98.95%               | 98.86%               | 98.88%               | 96.18%               |

2019 taxes by jurisdiction



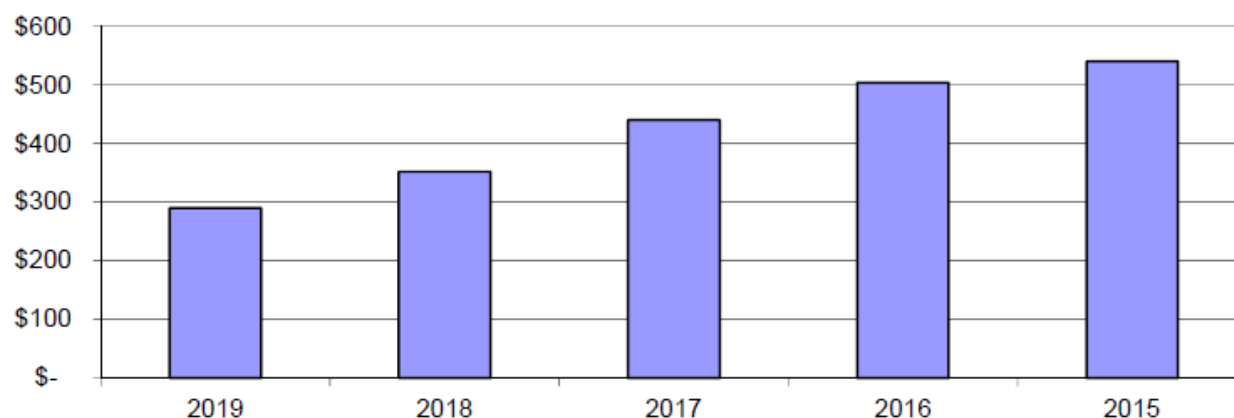
Source: Corporation of the Township of Esquimalt Finance Department

# Statistical information

Debenture debt 2015 - 2019

|                                       | 2019                | 2018                | 2017                | 2016                | 2015                |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Gross Outstanding Debt                | \$16,050,000        | \$16,050,000        | \$16,050,000        | \$16,050,000        | \$15,300,000        |
| Less: Repayments & Actuarial Earnings | 9,613,047           | 8,678,947           | 7,784,828           | 6,929,110           | 6,110,009           |
| Short-term Debt Payments              | 1,000,000           | 750,000             | 500,000             | 220,000             | 120,000             |
| <b>Net Debt</b>                       | <b>\$ 5,436,953</b> | <b>\$ 6,621,053</b> | <b>\$ 7,765,172</b> | <b>\$ 8,900,890</b> | <b>\$ 9,069,991</b> |
| General                               | \$ 2,588,498        | \$ 3,399,576        | \$ 4,185,122        | \$ 4,976,205        | \$ 4,814,019        |
| Sewer                                 | 2,848,455           | 3,221,477           | 3,580,050           | 3,924,685           | 4,255,972           |
|                                       | \$ 5,436,953        | \$ 6,621,053        | \$ 7,765,172        | \$ 8,900,890        | \$ 9,069,991        |
| Debt Servicing Costs                  |                     |                     |                     |                     |                     |
| Property Tax Supported                | \$ 884,690          | \$ 872,864          | \$ 956,510          | \$ 799,575          | \$ 847,267          |
| Casino                                | 275,000             | 275,000             | 275,000             | 275,000             | 275,000             |
| <b>Total Debt Servicing Costs</b>     | <b>\$ 1,159,690</b> | <b>\$ 1,147,864</b> | <b>\$ 1,231,510</b> | <b>\$ 1,074,575</b> | <b>\$ 1,122,267</b> |
| Population                            | 18,716              | 18,818              | 17,656              | 17,655              | 16,800              |
| Net Debt per Capita                   | \$ 290              | \$ 352              | \$ 440              | \$ 504              | \$ 540              |
| Debt Servicing per Capita             | \$ 62               | \$ 61               | \$ 70               | \$ 61               | \$ 67               |
| Debt Service as % of Expenditures     | 3.24%               | 3.28%               | 3.68%               | 3.32%               | 3.58%               |
| # of Households                       | 8,742               | 8,742               | 8,742               | 8,742               | 8,309               |
| Gross Debt Servicing Limit            | \$ 9,179,759        | \$ 9,049,397        | \$ 8,555,372        | \$ 8,335,382        | \$ 8,069,309        |
| Debt Capacity Available               | \$ 8,020,069        | \$ 7,901,533        | \$ 7,323,862        | \$ 7,260,807        | \$ 6,947,042        |

Per capita net debt



Source: Municipal Finance Authority  
Population information: Statistics Canada Census/ CRD population growth estimates

# Statistical information

## Revenue and expenses 2015-2019

| Revenue  | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Property taxes                                 | \$ 16,965,769        | \$ 16,310,208        | \$ 15,591,975        | \$ 15,386,828        | \$ 14,886,294        |
| Payments in place of taxes                     | 12,746,911           | 12,997,197           | 12,631,127           | 12,612,222           | 11,776,021           |
| Sale of services                               | 4,116,938            | 3,778,670            | 3,489,915            | 3,259,558            | 3,199,598            |
| Other revenue from own sources                 | 3,120,663            | 2,242,424            | 3,054,872            | 1,388,976            | 1,502,314            |
| Unconditional transfers from other governments | 556,366              | 566,086              | 578,985              | 595,310              | 641,380              |
| Conditional transfers from other governments   | 2,166,871            | 1,179,520            | 1,219,383            | 1,255,129            | 3,767,767            |
|  | <b>\$ 39,673,518</b> | <b>\$ 37,074,105</b> | <b>\$ 36,566,257</b> | <b>\$ 34,498,023</b> | <b>\$ 35,773,374</b> |
| <b>Expenses by Function</b>                    |                      |                      |                      |                      |                      |
| General government                             | \$ 3,894,933         | \$ 4,404,198         | \$ 3,478,644         | \$ 3,725,462         | \$ 3,829,666         |
| Protective services                            | 13,770,663           | 13,248,452           | 12,944,164           | 12,331,201           | 11,591,642           |
| Transportation                                 | 4,974,174            | 4,892,638            | 4,577,312            | 4,336,627            | 4,140,798            |
| Environmental health                           | 1,551,803            | 1,567,945            | 1,525,356            | 1,521,243            | 1,677,345            |
| Environmental development                      | 853,330              | 744,711              | 917,477              | 883,147              | 761,131              |
| Recreation, parks and culture                  | 10,722,553           | 10,178,320           | 10,059,871           | 9,535,515            | 9,361,456            |
|  | <b>\$ 35,767,456</b> | <b>\$ 35,036,264</b> | <b>\$ 33,502,824</b> | <b>\$ 32,333,195</b> | <b>\$ 31,362,038</b> |
| <b>Expenses by object</b>                      |                      |                      |                      |                      |                      |
| Salary, wages & benefits                       | \$ 16,257,618        | \$ 15,184,907        | \$ 15,007,742        | \$ 14,496,427        | \$ 13,598,751        |
| Materials, supplies and services               | 15,598,471           | 15,953,019           | 14,620,879           | 14,032,337           | 13,869,676           |
| Interest and other                             | 360,009              | 347,579              | 400,937              | 421,842              | 456,904              |
| Amortization                                   | 3,551,358            | 3,550,759            | 3,473,266            | 3,382,589            | 3,436,707            |
|  | <b>\$ 35,767,456</b> | <b>\$ 35,036,264</b> | <b>\$ 33,502,824</b> | <b>\$ 32,333,195</b> | <b>\$ 31,362,038</b> |

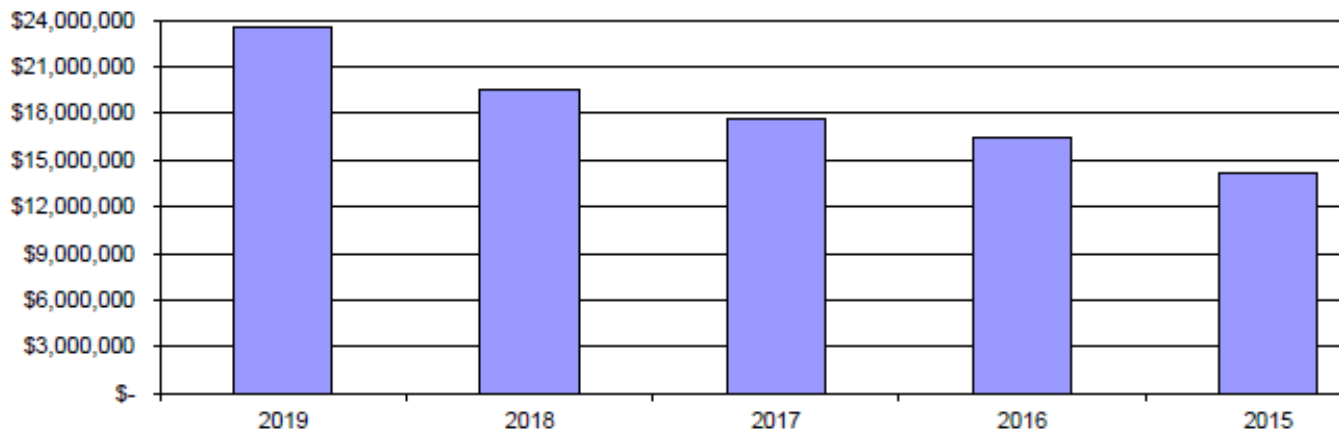
Source: Corporation of the Township of Esquimalt Finance Department

# Statistical information

Reserve funds and appropriated and unappropriated operating funds 2015- 2019

| Description                                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Reserve Funds</b>                        |                      |                      |                      |                      |                      |
| Capital Projects                            | \$ 2,845,119         | \$ 2,028,953         | \$ 1,951,874         | \$ 1,677,118         | \$ 1,701,786         |
| Local Improvement                           | 179,727              | 171,811              | 164,374              | 158,114              | 152,189              |
| Machinery and Equipment                     | 2,708,076            | 2,427,160            | 2,371,264            | 2,326,492            | 1,924,834            |
| Municipal Archives Trust                    | 4,104                | 3,933                | 3,693                | 2,992                | 2,972                |
| Parkland Acquisition                        | 88,210               | 86,602               | 85,197               | 84,369               | 83,698               |
| Tax Sale Lands                              | 120,440              | 118,243              | 116,321              | 115,190              | 114,273              |
| Sustainability                              | 40,895               | 99,962               | 174,101              | 157,232              | 196,123              |
| Eva Chafe                                   | 27,814               | 34,179               | 33,624               | 33,297               | 33,032               |
| Infrastructure & Revitalization             | 1,140,097            | 562,751              | 751,480              | 3,480,703            | 3,191,090            |
| Public Art                                  | 51,649               | 38,125               | 24,900               | 12,009               | -                    |
| McLoughlin Amenity-Waterfront Parks         | 163,188              | 32,485               | -                    | -                    | -                    |
| McLoughlin Amenity-Recreation Improvements  | 116,563              | 23,204               | -                    | -                    | -                    |
| McLoughlin Amenity-Public Safety Facilities | 116,133              | 23,039               | -                    | -                    | -                    |
|   | <u>7,602,015</u>     | <u>5,650,447</u>     | <u>5,676,828</u>     | <u>8,047,516</u>     | <u>7,399,997</u>     |
| <b>Appropriated Operating Funds</b>         |                      |                      |                      |                      |                      |
| Future expenditures                         | 643,024              | 727,275              | 694,094              | 687,843              | 893,597              |
| Casino revenue                              | 422,550              | 389,101              | 309,963              | 254,972              | 200,731              |
| Community Works Fund                        | 2,612,863            | 1,919,626            | 1,951,104            | 1,927,695            | 1,781,042            |
| Library Reserve                             | 429,860              | 283,443              | 140,000              | -                    | -                    |
| Community Impact Fund                       | 171,917              | 111,623              | 55,000               | -                    | -                    |
| Uncollected taxes                           | 100,000              | 100,000              | 100,000              | 100,000              | 100,000              |
| Working capital                             | 400,000              | 400,000              | 400,000              | 400,000              | 400,000              |
|   | <u>4,780,214</u>     | <u>3,931,068</u>     | <u>3,650,161</u>     | <u>3,370,510</u>     | <u>3,375,370</u>     |
| <b>Unappropriated Operating Funds</b>       | <u>11,130,551</u>    | <u>9,934,354</u>     | <u>8,269,982</u>     | <u>5,057,402</u>     | <u>3,393,428</u>     |
| <b>Total</b>                                | <u>\$ 23,512,780</u> | <u>\$ 19,515,869</u> | <u>\$ 17,596,971</u> | <u>\$ 16,475,428</u> | <u>\$ 14,168,795</u> |

Total reserve funds, appropriated and unappropriated operating funds



Source: Corporation of the Township of Esquimalt Finance Department



# Statistical information

## 2019 grants

| Organization  | Exemption From<br>Property Taxes | Grants     | Total      |
|---|----------------------------------|------------|------------|
| Big Brothers Big Sisters of Victoria  | -                                | 2,000      | 2,000      |
| Boys and Girls Club Services of Greater Victoria                              | 23,634                           | -          | 23,634     |
| Buccaneer Days  | -                                | 25,497     | 25,497     |
| Celebration of Lights   | -                                | 12,689     | 12,689     |
| Corporation of the City of Victoria - Canada Day                              | -                                | 500        | 500        |
| Corporation of the City of Victoria - Portion of Barnard Park off Sea Terrace | 1,208                            | -          | 1,208      |
| Esquimalt Anglers' Association  | 2,155                            | -          | 2,155      |
| Esquimalt Chamber of Commerce   | 3,542                            | -          | 3,542      |
| Esquimalt Farmers Market  | -                                | 22,532     | 22,532     |
| Esquimalt High School   | -                                | 800        | 800        |
| Esquimalt High School - Terry Fox Scholarship                                 | -                                | 500        | 500        |
| Esquimalt High School - Township of Esquimalt Scholarship                     | -                                | 750        | 750        |
| Esquimalt Neighbourhood House Society   | 11,885                           | -          | 11,885     |
| Esquimalt Ribfest   | -                                | 15,861     | 15,861     |
| Esquimalt United Church   | -                                | 1,500      | 1,500      |
| Geronimo Canoe Club   | -                                | 500        | 500        |
| Gorge Waterway Action Society   | -                                | 1,000      | 1,000      |
| Greater Victoria Bike to Work Society   | -                                | 1,500      | 1,500      |
| Greater Victoria Volunteer Society  | -                                | 1,000      | 1,000      |
| Green Teams of Canada   | -                                | 6,000      | 6,000      |
| Habitat Acquisition Trust   | 13,676                           | -          | 13,676     |
| Indigifest  | -                                | 1,516      | 1,516      |
| Island Community Mental Health Association                                    | 15,784                           | -          | 15,784     |
| Island Corridor Foundation  | 7,445                            | -          | 7,445      |
| L'École Victor Brodeur  | -                                | 750        | 750        |
| Macaulay Elementary School Parents' Advisory Council - Crossing Guard         | -                                | 10,000     | 10,000     |
| Michael Dunahee Keep the Hope Alive Drive                                     | -                                | 900        | 900        |
| Need2 Suicide Prevention Education & Support                                  | -                                | 1,000      | 1,000      |
| Prostitutes Empowerment Education & Resource Society                          | 4,633                            | -          | 4,633      |
| Rockheights Middle School   | -                                | 4,150      | 4,150      |
| WITS Program (Rock Solid) Foundation  | 4,160                            | -          | 4,160      |
| The Compassionate Resource Warehouse Society                                  | 17,889                           | -          | 17,889     |
| Township of Esquimalt Community Arts Council                                  | -                                | 25,308     | 25,308     |
| Vancouver Island South Film & Media Commission                                | -                                | 3,000      | 3,000      |
| Victoria Literacy Connection  | -                                | 1,000      | 1,000      |
| Victoria Association For Community Living                                     | 5,388                            | -          | 5,388      |
| Victoria Nikkei Cultural Society  | -                                | 1,500      | 1,500      |
| Victoria Operatic Society   | 5,792                            | -          | 5,792      |
| Victoria Rainbow Kitchen Society  | -                                | 5,000      | 5,000      |
| Victoria Tool Library   | -                                | 1,000      | 1,000      |
| World Fisheries Trust   | -                                | 650        | 650        |
|   | \$ 117,191                       | \$ 148,403 | \$ 265,594 |



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