



Township of Esquimalt, British Columbia, Canada

# 2016 Annual Report

For the year ended December 31, 2016

Township of  
**ESQUIMALT**



# Mission Statement

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

# Corporate Values

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

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

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

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



# Contents

- Introduction ..... 2
- Mayor’s Message..... 3
- Mayor and Council..... 4
- Message from the CAO..... 6
- Organizational Chart..... 7
- Strategic Priorities ..... 8
- Strategic Priorities Chart January 2015 ..... 9
- We Value our Environment ..... 10
- A Focus on Community..... 12

## Township Operations

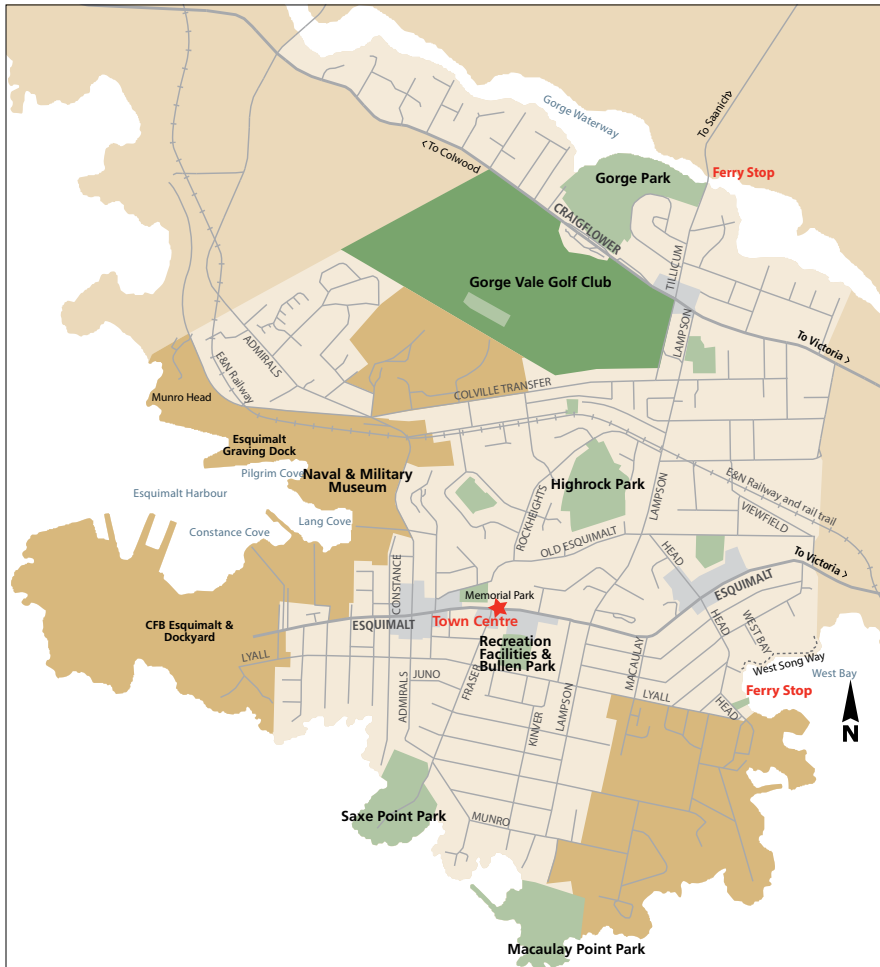
- Corporate Services..... 15
- Community Safety Services..... 16
- Development Services ..... 17
- Engineering and Public Works..... 18
- Financial Services and Information Technology ..... 19
- Fire Rescue..... 20
- Parks and Recreation..... 21
- Victoria Police Department - Esquimalt Division..... 23
- Operations by the Numbers..... 24

## Financial Section

- Management’s Responsibility for Financial Statements ..... 26
- Auditor’s Report..... 27
- Financial Statements..... 29
- Statistical Information ..... 54



# Esquimalt 2016: Year in Review



## A Quality Location

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

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

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

## Esquimalt at a Glance

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

# Mayor's Message



**On behalf of Esquimalt Council, I am proud to share our 2016 highlights.**

On behalf of Esquimalt Council, I am proud to share our 2016 highlights.

Looking back on the year, 2016 was a year that the Township took a huge step forward in many areas, and raised its profile regionally and provincially.

The Esquimalt Town Square project, a community development initiative several years in the making, moved from planning to implementation. In March the Township signed an agreement with Aragon Properties to create a Town Square that will be the symbolic centrepiece and the social gathering place for our community. Late in 2016 we began preparing the site for development and completion is expected in 2019.

With public input every step of the way, we took huge strides with our Official Community Plan (OCP) Review. The OCP is a critical document—reviewed every seven years -- that creates a road map for future growth and economic development in the community. Our age-friendly assessment, a part of the OCP review, provided some interesting statistics, including the fact that 33% of all trips taken within Esquimalt are by foot, compared to 7% in the core area. We are a walkable community and we are working to promote additional walking and cycling opportunities in the municipality!

The Core Area Wastewater Treatment project took an important step forward during the year. We established Wastewater Treatment Guiding Principles which recognized the need for sewage treatment in the core area while setting out a number of principles to ensure that the project serves the interests of both Esquimalt residents and the region as a whole. These guidelines set the stage for negotiations between Township staff and the Capital Regional District on amenities later in the process. Staff worked very hard on the community's behalf in this regard.

Esquimalt continues to reinforce its reputation as a regional leader in arts and events through the efforts of the Township Community Arts Council (TCAC), community organizations, Township staff and residents. The Memorial Park Music Fest, Sculpture Splash, RibFest, the new Farmers Market and the Esquimalt 5K -- to name a few popular events -- have become must-attend events on the regional event calendar.

Our infrastructure improvements over the year were significant, including the upgrading of Esquimalt Road, sidewalks, and Parks and Recreation facilities.

During the year we saw several new businesses locate in the community, and new residential and commercial development. The region is discovering our community and we have been planning for this growth.

Other highlights included:

- A 2016 budget with a modest increase of 1.96%, which ensured we maintained core municipal services, replenished reserve funds, and budgeted \$4.8 million for capital costs and infrastructure improvement;
- Redesigning our corporate website to make it easier for web visitors to access information on municipal services and programs.

I'd like to thank my Council colleagues, Township staff, our municipal committees and residents of Esquimalt for their ongoing commitment to our community and its future.

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



## **Barb Desjardins - Mayor**

### *Appointments*

CRD Board/Hospital Board  
CRD Finance Committee  
CRD Governance Committee  
CRD Planning, Transportation & Protective Services Committee  
CRD Transportation Select Committee  
Greater Victoria Labour Relations Association  
Municipal Insurance Association of British Columbia  
Victoria and Esquimalt Police Board (Co-Chair)  
Victoria Regional Transit Commission

### *Internal Appointments*

Local Grants Committee  
Department of National Defence Liaison



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

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



**Meagan Brame - Councillor**

*Appointments*

Capital Regional District Arts Committee  
Capital Region Water Supply Commission  
Greater Victoria Harbour Authority (Alternate)  
Island Corridor Foundation

*Internal Appointments*

Buccaneer Days Liaison  
Parks and Recreation Advisory Committee  
Local Grants Committee  
School Liaison



**Beth Burton-Krahn - Councillor**

*Appointments*

CRD Arts Committee (Alternate)  
Greater Victoria Public Library Board  
Greater Victoria Harbour Authority

*Internal Appointments*

Advisory Planning Commission  
Township Community Arts Council Liaison  
Local Grants Committee



**Lynda Hundleby - Councillor**

*Appointments*

Capital Regional District (Alternate)  
Capital Regional Emergency Services  
Telecommunications (CREST) (Alternate)  
Greater Victoria Labour Relations Association

*Internal Appointments*

Environmental Advisory Committee  
Esquimalt Together Against Graffiti Liaison



**Olga Liberchuk - Councillor**

*Appointments*

Regional Housing Trust Fund Commission  
Victoria Esquimalt Harbour Society

*Internal Appointments*

Design Review Committee  
Environmental Advisory Committee  
Ribfest Liaison  
School Liaison



**Susan Low - Councillor**

*Appointments*

Greater Victoria Labour Relations Association  
(Alternate)  
South Vancouver Island Economic Development  
Association  
Te'mexw Treaty Advisory Committee (Alternate)

*Internal Appointments*

Parks and Recreation Advisory Committee  
Celebration of Lights Liaison



**Tim Morrison - Councillor**

*Appointments*

Capital Regional Emergency Services  
Telecommunications (C.R.E.S.T.)

# Message from the Chief Administrative Officer



**It is my pleasure to present the Township of Esquimalt's 2016 Annual Report on behalf of Corporate Administration.**

For 2016 the operational strategies were once again updated to ensure that resources were focused to support and advance strategic priorities set by Mayor and Council.

Following last year's successful efforts to develop and enhance tools to promote economic development, 2016 was a year of action. Activity included initiating the comprehensive review process for our Official Community Plan, completion of the Westbay Neighbourhood Design Guidelines, launching of the public process to develop urban design guidelines for Esquimalt Road, and significant advancement of site remediation and detailed design for new library space as part of the Esquimalt Town Square. In addition to this the Township completed an upgrade of Esquimalt Road and construction commenced on Esquimalt Adventure Park.

Other accomplishments of note for 2016 were the adoption of a Public Art Policy, updating and streamlining of several internal development approval processes to create efficiencies, and amenity and host community agreements were finalized for the McLoughlin Point Wastewater Treatment Facility.

The Township was able to make significant progress in all strategic areas while holding the increase to tax revenues to 1.96%. Core municipal services were maintained and reserve funds were replenished while still investing approximately \$5 million in capital and infrastructure improvements.

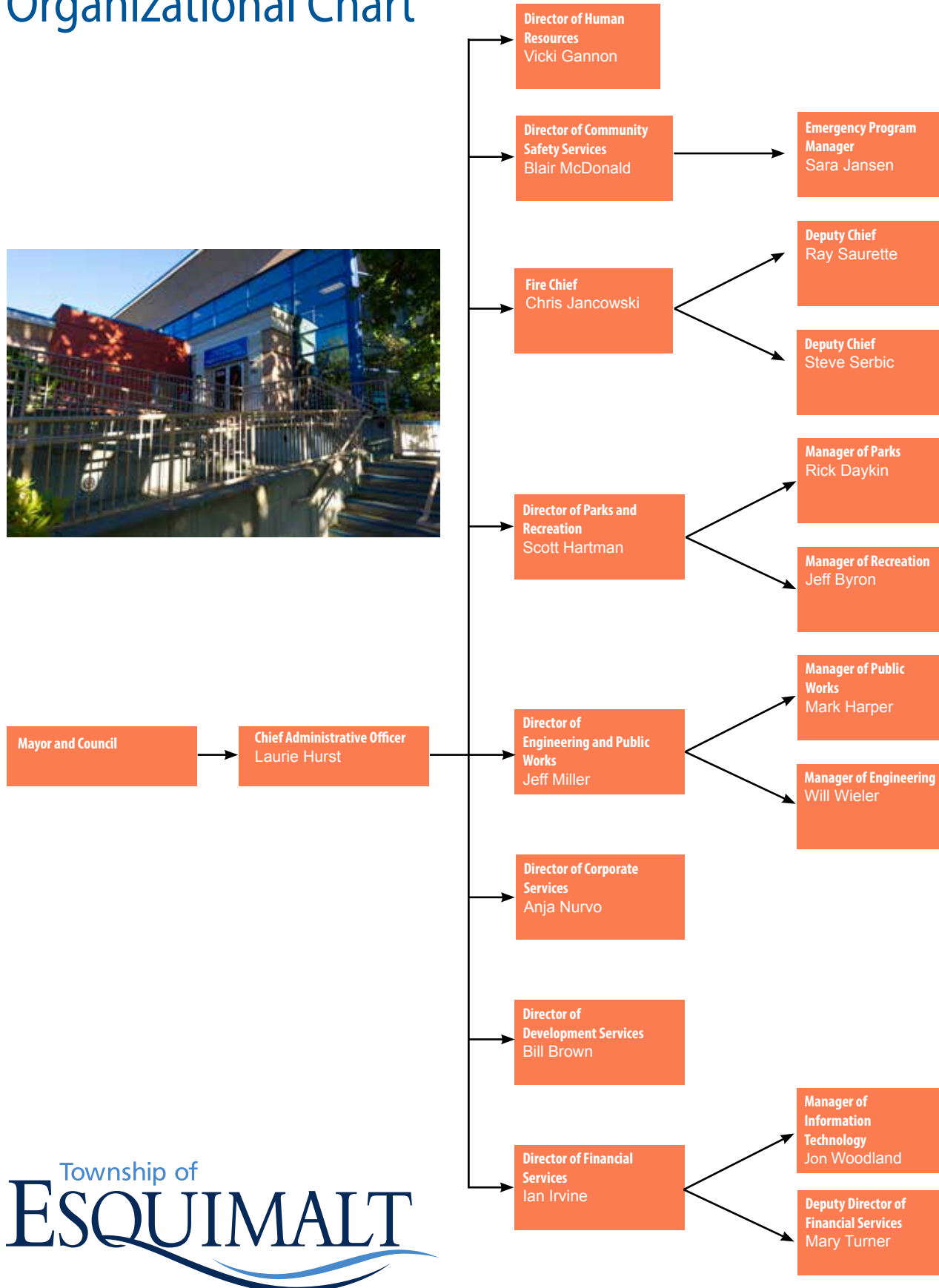
I invite everyone to review this annual report, which highlights these achievements as we move forward.

A handwritten signature in black ink that reads "LHurst".

**Laurie Hurst**  
Chief Administrative Officer



# Organizational Chart



# Township Strategic Priorities

The 2015 - 2019 Strategic Priorities Report was approved by Council on April 27, 2015. It is a “living document” that will be 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 Report, 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 achieve these strategic priorities. The Strategic Priorities Chart (at right) will be reviewed regularly to make adjustments, update priorities and celebrate achievements.



## 2016 Update

In January 2016, Council held a strategic planning workshop to update the current Strategic Priorities. At the Committee of the Whole meeting on March 14, 2017, Council reviewed and discussed the 2015 Strategic Priorities and Operational Strategies. As a result of the direction given from Council, staff updated the Strategic Priorities Chart and Operational Strategies. The updated 2015 – 2019 Strategic Priorities Chart and Operational Strategies were adopted by Council on March 21, 2016. See [www.esquimalt.ca](http://www.esquimalt.ca) for a copy of the report.



## Strategic Priorities 2015 – 2019



### **We continue to enhance the health and liveability of the community**

- Support community growth and development consistent with our Official Community Plan
- Ensure multi-modal traffic strategies consider and reflect business and residential growth and development
- Continue to build a vibrant and sustainable arts, culture and heritage community
- Continue with Parks & Recreation enhancements and strategic parkland acquisition and expansion
- Ensure heritage values are considered in land use decisions



### **We recognize the importance of, and will enhance relationships with our neighbours and other levels of government**

- Advocate at the regional level for voice and equity in regional services
- Work with First Nations and the Esquimalt community to support economic, social and cultural opportunities
- Advocate with intergovernmental entities to promote issues affecting Esquimalt
- Continue working with government and school district stakeholders to promote positive relationships and advance issues impacting the community



### **We encourage a resilient and diverse economic environment**

- Continue to actively market opportunities in the Esquimalt Village Project
- Implement Economic Development Strategy
- Support revitalization and beautification initiatives along Esquimalt Road
- Ensure processes for business and development are clear and consistent
- Encourage and facilitate community involvement that supports non-governmental initiatives



### **We continue to address the operational and financial requirements of our infrastructure**

- Proactively plan for integrated waste strategies
- Identify infrastructure repair and proactively plan for replacement needs
- Identify long term financial requirements for infrastructure

# We Value our Environment

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

## Climate Action

In 2016, the Township produced 1,113 tonnes of greenhouse gas (GHG) emissions from its municipal operations. This is a reduction of 15% compared to the first year data was collected in 2012, when GHG emissions totalled 1,312 tonnes. Two-thirds of GHG emissions come from the operation of municipal facilities and one-third from the use of municipal fleet vehicles and equipment. The Township received a Carbon Tax Grant of \$31,769 which is deposited to the Sustainability Reserve Fund used to help fund future GHG emission reduction projects.



## Ready, Set, Solve

A team of University of Victoria Law students drafted Development Permit Area guidelines that address climate action through water conservation, energy conservation, and GHG emissions reduction. The initiative was part of the CRD's *Ready, Set, Solve Program* and won second place out of 13 student teams. The guidelines will be considered in the adoption of new Development Permit Areas for the Township during the review and update of the Official Community Plan.



### Connecting to Strategies and Priorities

- *Continue to work with development partner on Esquimalt Town Square Project*
- *Participate in integrated waste strategies*

## Green Event Planning Guide

After several years of development and the hands-on experience of staff and members of the Environmental Advisory Committee, Council adopted a Green Event Planning Guide. The guide, designed as a resource for organizers of Township or community events, provides suggestions on making greener choices when it comes to venue selection, transportation planning, equipment and materials procurement, food services, and waste diversion. Council also updated its Local Grant Policy to include criteria for grant recipients organizing events to identify and report back on the green actions they have taken.

## Earth Day 2016

In April, the Township hosted the 4th Annual Earth Day celebration in Highrock Park, which drew 800 local students and residents of local neighbourhoods. Event activities included invasive pulling of broom, English Ivy and Himalayan Blackberry, which threaten the Garry oak ecosystem in the park. Participants were assisted in plant-pulling by 11 eager goats, who happily consumed invasive plants in areas that humans and machinery were unable to access.

## Waste Management/ Kitchen Scraps Program

Organic material from kitchen scraps diversion can be converted into compost or fertilizer, supporting waste reduction and a decrease in greenhouse gas emissions. In 2016, the second full year of its Kitchen Scraps Program, the Township diverted almost 526 tonnes of organics from the Hartland Landfill.

## Esquimalt Town Square

The Esquimalt Town Square project will include a number of sustainable features, including:

- alternative management methods for rainwater and energy;
- bicycle and pedestrian-friendly spaces, with easy access to transit;
- maintaining heritage trees on-site; and,
- green building concepts in all buildings and infrastructure.



# A Focus on Community

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

## Heritage

For Heritage Week 2016, staff members organized a Heritage Celebration at Esquimalt Gorge Park on February 21. This free event acknowledged the natural, cultural, and historical aspects of the park, including its one-of-a-kind Japanese Garden, which was originally constructed in 1907.

The event included performances by the Furosata Dancers and the Victoria Japanese Heritage Language School Youth Choir, a historical walking tour of the park guided by Dennis Minaker, author of "The Gorge of Summers Gone", a Japanese calligraphy demonstration and workshop, and interpretive displays at the Gorge Waterway Nature House.



The Township submitted an application for funding from the Department of Canadian Heritage's Canada 150 Fund to hold sesquicentennial events in the Township. Funding was subsequently approved to hold events in Macaulay Point Park and Esquimalt Gorge Park during Canada 150, and to design interpretive signage for Fort Macaulay.

Staff members prepared Stop of Interest submissions to the Province of BC to recognize significant historic and cultural locations within the Township. These locations included Gorge Park, Saxe Point Park, Fort Macaulay, Memorial Park, Fleming Beach and Captain Jacobson Park.

Some 1600 historical images were added to the Township's digital archives during the year and are

now available for online viewing. The project was a continuation of the *Capturing our History* project begun in 2014 to increase online access to Esquimalt historical images while also preserving them digitally. The added images focus on several themes, including travel, transportation and family life.

The project was partially funded by a grant from the Irving K. Barber Learning Centre at the University of British Columbia.

Esquimalt Archivist Gregory Evans continued throughout 2016 with his popular history columns in *Victoria News*, which provide an intriguing look back at the people, places and events that have helped shape the Township.



### Connecting to Strategies and Priorities

- **Build a vibrant and sustainable arts, culture and heritage community**
- **Continue to work with development partner on Esquimalt Town Square Project**
- **Promote and encourage a diverse range of community events**

## Arts and Culture

Throughout the year at the Recreation Centre, there were 9,893 registrants in 216 different program offerings, including dance, mixed media, music, computer and language courses.

During the summer of 2016, a Music in the Park series was again held in Memorial Park, promoted and coordinated by the Township Community Arts Council, and sponsored by the Township through its Local Grants Program. Six outdoor concerts featuring local musicians were held on Tuesday evenings during June and July in this historic park. In addition a Township Classics concert series was held at the English Inn featuring magnificent classical works during the fall and winter of 2016.

The third annual “Sculpture Splash” on the Macaulay Point walkway—also organized by the Township



Community Arts Council and sponsored by the Township—was held on September 17 and 18. The event included a lead up exhibit at the English Inn during the week before the main event, with special guest speaker Robert Bateman on hand opening night.

During March, the Esquimalt Recreation Centre atrium was again the site of a local photography



exhibit displaying works from the Esquimalt Photography Club. The exhibit kicked off with an evening open house on March 3rd with local photographers.

The second season of the Esquimalt Farmers Market was a success again in 2016. The market was held throughout the summer months in Esquimalt Town Square behind Municipal Hall. The market features vendors with high quality, locally grown produce, food products and a variety of arts and crafts.

## Esquimalt Town Square

In March 2016, the Township signed a Memorandum of Understanding with Aragon Investments Ltd. to proceed with the acquisition and development of the Esquimalt Town Square project lands adjacent to Municipal Hall.

Leading architectural firm D'AMBROSIO architecture + urbanism designed a concept plan for the project that includes civic, residential and commercial uses. When completed, the village will feature a public square and a through-block art walk, as well as the proposed relocation of the Esquimalt Branch of the Greater Victoria Public Library.

The square is expected to be a catalyst for development in the community for years to come, and is envisioned to be a lively and sustainable town centre, incorporating a mix of uses and community recreation needs, amenities and services. Construction is expected to commence in 2017 and be completed within two years. A public information meeting on the project was held on September 26, 2016,



# Township Operations: A Commitment to Service Excellence



Guided by Council's strategic priorities, our team of employees strive to meet the needs of our community and achieve high quality results through innovation, creativity and teamwork.

We continually seek new ways to improve our customer service delivery through technology and by eliminating duplication. We believe in open communication and a respectful workplace.





# Corporate Services



The Corporate Services Department is comprised of administration, legislative matters (Council and its Committees), communications, archives, and human resources. It provides internal and external communications support, administrative support and records management, including handling of access to records requests.

In 2016, the department's initiatives in support of Council priorities included:

- Conducting a review of Committee governance to ensure alignment with strategic priorities.
- Reviewing, updating or replacing several regulatory bylaws and policies to ensure efficient processes; amend and update as necessary.
- Launching a redesigned corporate website in March with enhanced search features, and optimized for use on all platforms and devices.
- Engaging with local service organizations to ensure input is considered to support strategic priorities.
- Assessing additional social media opportunities to promote communications with stakeholders.
- Promoting and encouraging a diverse range of community events, including Township Community Arts Council events, the Esquimalt Farmers Market, Ribfest, emergency preparedness sessions and a welcoming event for new residents.
- Assessing advertising opportunities in appropriate economic development media.
- Successfully applying for Canada 150 funding to hold Canada 150 events in 2017.
- Submissions to Stops of Interest Program.
- Providing information updates to residents via a digital screen now located in Municipal Hall.

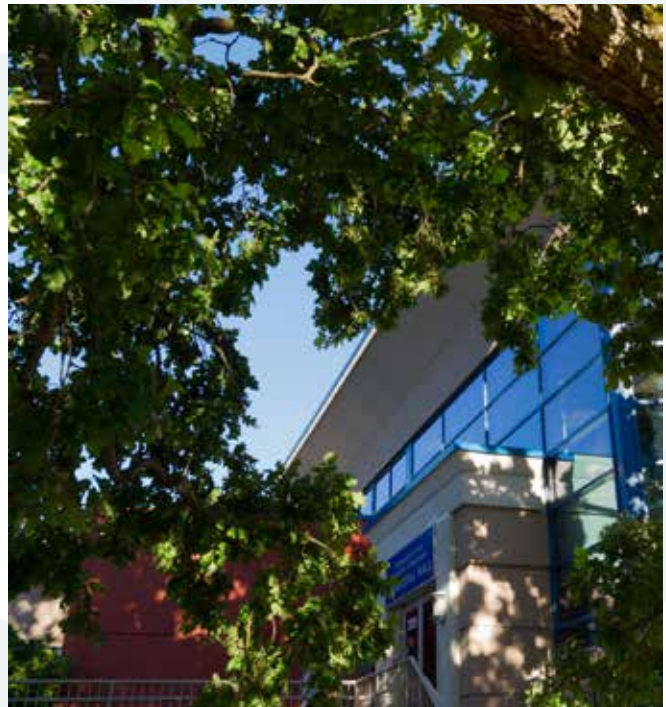
Staff acted as recording secretaries for several Advisory Committees, and managed the annual recruitment process for Committees, Commissions and Boards.

Municipal Archives staff and volunteers were busy with new acquisitions of historical materials, as well as with continuing to assist the media, Township staff and residents with research and providing background information on request. Archives completed phase 2 of its Digitization Project "Capturing Our History" with the assistance of a grant from the Irving K. Barber Learning Centre of the University of British Columbia. As a result of this project, over 3,600 historical images are now available to the public through our website.

The communications program continued to promote public engagement and resident involvement in Township initiatives through the redesigned website, corporate social media pages and other digital tools. The news release and newsletter programs continued throughout the year, informing the media and residents of new municipal programs and initiatives.

## Connecting to Strategies and Priorities

- *Promote and encourage a diverse range of community events*
- *Support community groups through Township communications resources*
- *Leverage advertising opportunities*
- *Ensure processes for business and development are clear and consistent*



# Community Safety Services



The Community Safety Services Department aims to strengthen community safety through a focused and coordinated approach that improves the quality of life for all residents. The department is the primary liaison between the Township and the Victoria Police Department, and is comprised of bylaw enforcement, building inspection and the emergency program.

## 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 2016, Bylaw Officers investigated 645 occurrences and wrote over 200 bylaw enforcement tickets for various offences. We are also responsible for animal management and the administration of our contract with Victoria Animal Control Services.

## 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. We issued over 100 building permits in 2016 representing just over \$19 million in construction value.

## 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 organizations. 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. Emergency preparedness sessions and public education are delivered through the Neighbourhood Emergency Preparedness Program with volunteers providing emergency preparedness information at many events.

### Connecting to Strategies and Priorities

- **Promote emergency preparedness through shared initiatives and training**
- **Utilize Community Safety Working Group on issues affecting the community**



# Development Services



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

Community planning includes long range policy planning and development planning which is related to the processing of various development applications. It also includes communicating with all stakeholders to ensure that permit processing proceeds in a fair and transparent manner consistent with the laws of British Columbia.

Community development includes economic development and tourism as well as initiatives related to social planning. We are also responsible for building partnerships with First Nations, neighbouring local governments, senior levels of government, and private enterprises in support of community planning and development initiatives.

In 2016 we worked to advance the development of the Esquimalt Town Square project. On July 11, 2016 Council adopted two bylaws: one to amend the Official Community Plan and one to amend the Zoning Bylaw to create the policy and regulatory land use frameworks to guide development of the project, which is seen as a catalyst for economic development in the community for years to come.



Another major initiative in 2016 was the continuing review of the Official Community Plan. On May 4, 2016 the Township hosted a “Looking Forward Forum” to provide residents with an opportunity to let Mayor and Council and staff know what they would like to see included in the new Official Community Plan. In addition, community members had an opportunity to complete an online survey and local youth were also engaged. A total of 787 people were consulted in the community engagement phase of the Official Community Plan review.

We also commenced the Esquimalt Road Urban Design Guidelines project during the year, a key component of the Township’s Economic Development Strategy and Official Community Plan Review process. The guidelines will provide Council with a policy framework to guide decision making processes related to the redevelopment of both the public and private realm along Esquimalt Road.



## Connecting to Strategies and Priorities

*Continue to work with development partner on Esquimalt Town Square Project*

*Support community growth and development consistent with our Official Community Plan (OCP)*

*Support revitalization and beautification initiatives along Esquimalt Road*

*Work with First Nations and Esquimalt community to support economic, cultural, and social opportunities*

# Engineering and Public Works



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

## Engineering Department Highlights:

- Upgraded Colville/Hutchinson intersection to improve transit facilities and pedestrian access.
- Upgraded Esquimalt Road and Lampson intersection with the installation of new traffic signals and posts.
- Upgraded the Lampson/Head/Old Esquimalt Road intersection signal with the installation of new signals for improved visibility and repainted existing poles.
- Improvements to Esquimalt Road including road base and surface improvement from Lampson Street to Head Street, and the replacement of the three entryways into Esquimalt Plaza.
- Completed the repair of concrete walls at Esquimalt Municipal Hall to control water seepage
- Completed remediation work in the Esquimalt Town Square site in advance of development work in 2017.
- Designed various infrastructure projects in the community including the Sidewalk Continuity Plan between Old Esquimalt and Esquimalt Road and the Sidewalk Upgrade Program on Head Street.
- Issued 12 traffic orders dealing with parking, speed limits and stopping throughout the Township.

## Public Works Department Highlights:

- Maintenance activities included seventeen storm water catch basin replacements, crack sealing of roads, pump station maintenance, street sweeping, catch basin cleaning, road markings, oil/water/grit cleaning, and repair of sanitary sewer laterals.
- Surface projects included the installation of a new concrete sidewalk at Head street and removal of tripping hazards in various Township locations.
- Crews collected 1032 tonnes of garbage, 526 tonnes of kitchen scraps and 2268 tonnes of yard/garden materials.
- Installed three new sidewalk ramps.
- Managed a storm event in late December with snow and ice control.
- Responded to a spill into the municipal storm water collection system.
- Purchased three new units for the municipal fleet.

### Connecting to Strategies and Priorities

- *Continue to work with development partner on Esquimalt Town Square Project*
- *Participate in integrated waste strategies*
- *Identify infrastructure repair and proactively plan for replacement needs*



# Financial Services and Information Technology



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

## Financial Services

The Financial Services Department serves as the first point of contact at Municipal Hall and addresses all general enquiries. We are responsible for overall cash management including collection of property tax and licence payments, investment of funds and securities, management of payroll and benefits and processing of disbursements made by the Township. Additionally, to ensure the financial stability of the Township is protected against the effects of accidental loss, we maintain information related to claims and insurance premiums and work closely with other departments to ensure that risks to the Township are minimized.

Each year, we prepare a detailed budget identifying all revenues and funding sources for operating and capital expenditures, including projections for the next five years. This financial plan and the calculation of annual taxation levies necessary to support the planned level 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 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, we generate timely and accurate financial information for review and analysis by Council and senior management to ensure fiscal accountability and facilitate decision making.

## Information Technology

The Information Technology 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. We are also responsible for backup and replication of systems and data for business continuity and recovery in the event of an emergency or disaster.



# Fire Rescue



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

In 2016, Esquimalt Fire Rescue responded to 1491 incidents compared to 1414 in 2015.

During the year, the Esquimalt Fire Department continued to improve operations by renewing existing agreements and building new partnerships as part of Council's Strategic Priorities. In the spring, the department renewed its Fire Dispatch Agreement with Saanich Fire Department. This agreement, and a subsequent agreement reached in December, will extend fire dispatch services until the end of 2017. In August, we participated in negotiations for a Regional Fire Services Agreement that presently incorporates Central Saanich, Esquimalt, Oak Bay, Saanich and View Royal Fire Departments. This agreement establishes the provisions of mutual aid and establishes a framework for other best practices that involve Automatic Aid and Closest Apparatus Response.

As part of Esquimalt Town Square Project we began planning for a small addition to the Public Safety Building Apparatus Bay. This project provides a short term solution to the department's needs and is consistent with Council's Strategic Priority of maintaining critical infrastructure needs. This addition was designed to provide limited storage of equipment and second line apparatus. The Department moved apparatus into parts of the expanded building at the end of December.



## 2016 Responses by Category

Type of Response	2016	%	% change
Alarm Calls	121	8.2%	+0.4%
Assist the Public	93	6.3%	+0.3%
Burning Complaints	21	1.4%	-0.8%
Hazardous Materials	18	1.2%	-0.3%
Structure Fires	8	0.6%	+0.3%
Other Fires	50	3.4%	+0.7%
Other Responses	6	0.4%	-1.7%
Medical Aid	1098	73.7%	+0.8%
Motor Vehicle Incidents	52	3.5%	+0.2%
Rescue	6	0.4%	0%
Electrical Emergency	18	1.2%	0%
<b>TOTAL</b>	<b>1491</b>	<b>100%</b>	



# Parks and Recreation



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

## Parks

We are responsible for the maintenance and conservation of Esquimalt's scenic parks, trails and beaches. While maintaining Township parks to a high standard, we follow principles of sustainability and ecology, ensuring that future generations will continue to enjoy our coastal and upland parks and greenways. Throughout 2016 parks staff – working alongside volunteers, community organizations, First Nations, and youth groups -- also provided support for a variety of Township events.

### Highlights and Upgrades

- Phase 2 of the Memorial Park playground was completed.
- Twenty new oriental lights were installed in Esquimalt Gorge Park.
- Four *Branch Out* events were held in 2016 at Macaulay Point Park, Saxe Point Park, Highrock Park and Esquimalt Gorge Park. Branch Out community events—hosted in conjunction with the Greater Victoria Green Team—provide an opportunity for residents and visitors to work together to restore park lands.
- The Annual Earth Day Celebration included 800 participants from Macaulay Elementary, Rockheights, Esquimalt High and L'école Victor-Brodeur, all working to restore Highrock Park. A popular component of the event—with both participants and the media—was again bringing several goats to the park to assist students and residents in removing invasive species.
- The Fifth Annual Bloomin' Beautiful Home and Garden contest was celebrated once again with a new feature: inviting residents to share their stories. Several distinctly Esquimalt stories were shared and posted to the Township website.



## Recreation

At Esquimalt Recreation, 9,893 registrants participated in 216 different program offerings. New programs added in 2016 included: Little drummers, Move & Groove, Tiny Tutus for More Experienced Dancers, Mixed Media Mash-up, ArtLab, Intro to Improv, Acrylics for Absolute Beginners, Creating a Visual Workbook, Flavours of Punjab, Essential Oils Workshops, Intro to iPad, Japanese for Beginners, Make a Spring Bulb Container, Watercolours for Absolute Beginners, Music Jam (50+ drop-in), Aqua HIIT, Water Running, Zoomer (50+).

## Parks and Recreation continued...



The successful Park Play program—hosted at a different Township park each week—continued once a week throughout the summer and was enjoyed by approximately 1,000 people. Activities included bouncy castle, crafts, sandcastle building, baseball and nature walks.

A highlight of the department's Movie in the Park program, held adjacent to Bullen Park, was a showing of *In Search of The Holy Grail*. The showing was the most popular of the season and included spectators in costume and live action role play.

### Special Events:

We host many special events and provide support to several community events. In 2016, more than 30 events were hosted in the Township, including our Family Day Celebration, the Free Community Skate Sponsored by Coast Capital Savings, the Esquimalt 5K with 1K Kid's Fun Run, Earth Day, Ocean's Day Celebration at Esquimalt's Gorge Park, Buccaneer Days, Esquimalt Lantern Festival, RibFest, Celebration of Lights, and the Christmas Tree Village and Christmas Café.

### Special Event Highlights

- Family Day 2016 included participation by approximately 2,000 people who enjoyed a swim sponsored by the Angler's Association, face painting, a magician, a bouncy castle, and other family-friendly activities.
- Esquimalt's RibFest was popular again in 2016 with an estimated 50,000 people enjoying a festival of music, food and activities over the September 9<sup>th</sup> to 11<sup>th</sup> weekend. The 2016 event featured Ribbers from Ontario, Florida, Saskatchewan, Alberta and British Columbia.
- Esquimalt's Christmas Tree Village, which has quickly become a favorite regional holiday experience, included participation from 40 local businesses and community groups decorating trees at both the Esquimalt Recreation Centre and Archie Browning Sports Centre. An estimated 29,000 people enjoyed the festive village in 2016.
- The Esquimalt Farmer's Market hosted a successful second season. The market drew hundreds of attendees each week and has become a must-visit event in the local farmers market circuit. The successful summer season prompted market organizers to add monthly pop-up markets in the Recreation Centre in the off-season.
- Esquimalt was also a host partner of the popular Color Vibe 5K, attracting 2,500 participants from across Vancouver Island.

### Facilities

A number of upgrades were completed in both facilities including upgrades to flooring, exterior painting, replacement of hot water lines, installation of a new audio paging system, renovation of both walk-in coolers at the Archie Browning Sports Centre, and installation of digital marketing screens in both centres.

Both the Esquimalt Recreation Centre and the Archie Browning Sports Centre continue to be busy with registered and drop-in programs as well as bookings by both community and private groups.

### Connecting to Strategies and Priorities

- **Build a vibrant and sustainable arts, culture and heritage community**
- **Promote and encourage a diverse range of community events**



# 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 serving the public trust through engagement, prevention, and enforcement.

The Esquimalt Division of the Victoria Police Department (VicPD) is located in the Township of Esquimalt's Public Safety Building at 500 Park Place. The division includes three School Resource Officers (one dedicated to Esquimalt and Vic West), one Mobile Youth Services Team officer, and two dedicated Community Resource Officers that provide services to the community of Esquimalt and the neighbourhood of Vic West. The division also houses the police department's K-9 Unit, which is comprised of four general duty German Shepherds, two Labradors trained for explosive detection, and one Labrador trained to locate illicit drugs. The Esquimalt Division is supervised by one Inspector and one Sergeant and is assisted by two civilian staff members

At the end of 2016, the Esquimalt Division completed its second year of operation under the new Policing Framework Agreement. Patrol officers assigned to Esquimalt were initially asked for a two-year commitment to the area; a high number of officers have requested to stay longer. These officers, along with the Esquimalt Division members and VicPD volunteers, are dedicated to making the community as safe as possible by being highly visible in areas identified through intelligence-led policing principles, at community events, and during general patrol duties.

Officers and volunteers attended many community events in 2016 including the VicPD / Esquimalt Residents Association Community Safety Talk, Buccaneer Days, Esquimalt Block Party, Music in The Park, Christmas Light parade, Esquimalt Seniors Lunch, and Earth Day at Highrock Park.



# Township Operations by the Numbers in 2016



## Corporate Services:

**125** agendas, notices and minutes prepared for regular, special and *In Camera* Council and Committee of the Whole Meetings

**817** business licences issued or renewed

**35** Freedom of Information request responses

**211** Municipal Archives requests for research and information

**17** media releases issued to regional media

**94** public service announcements and news items issued through the corporate website

**845,108** page views on corporate website

**553** new followers on municipal Twitter account

**210** new likes on municipal Facebook account

## Applications to Development Services:

**4** Board of Variance applications

**16** Development Permit applications

**13** Development Variance Permit applications

**1** Heritage Alteration Permit application

**6** Rezoning applications

**40 Total applications**

## Engineering and Public Works oversees:

**47** kilometres of roads

**9** kilometres of boulevards

**11** pump stations

**65** kilometres of storm and sanitary sewer pipes

## Parks and Recreation:

**9,893** program registrations

**216** program offerings

**30** events hosted or supported

## Fire Rescue:

**1,491** total responses to incidents

**8** structure fire responses

**1098** medical aid responses

**6** rescues



# Financial Section

Financial Reporting Responsibility

Auditors' Report

Financial Statements

Statistical Information

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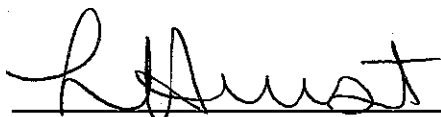
# Management's Responsibility for Financial Statements

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

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

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

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



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Chief Administrative Officer



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Director of Financial Services

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



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

We have audited the accompanying financial statements of the Corporation of the Township of Esquimalt which comprise the statement of financial position as at December 31, 2016, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### *Auditors' Responsibility*

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

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

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

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.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Esquimalt as at December 31, 2016, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

May 15, 2017  
Victoria, Canada

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.

# The Corporation of the Township of Esquimalt

## Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets:</b>		
Cash and cash equivalents (note 2)	\$ 25,748,089	\$ 22,639,027
Property taxes receivable	501,025	1,251,441
Accounts receivable	827,408	1,295,385
MFA debt reserve cash (note 12(b))	223,469	217,393
	<u>27,299,991</u>	<u>25,403,246</u>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	7,983,247	8,171,489
Deferred revenue and deposits (note 3)	2,080,339	2,343,561
Debt (note 4)	8,900,890	9,069,991
Obligations under capital leases (note 5)	50,097	68,350
Employee benefit and retirement obligations (note 6)	991,633	1,034,639
	<u>20,006,206</u>	<u>20,688,030</u>
<b>Net financial assets</b>	<u>7,293,785</u>	<u>4,715,216</u>
<b>Non-financial assets:</b>		
Tangible capital assets (note 7)	82,037,082	82,366,241
Inventory of supplies	131,146	110,681
Prepaid expenses	99,510	204,557
	<u>82,267,738</u>	<u>82,681,479</u>
Commitments and contingencies (note 12)		
<b>Accumulated surplus (note 8)</b>	<u>\$ 89,561,523</u>	<u>\$ 87,396,695</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, 2016, with comparative information for 2015

	Financial plan (note 13)	2016	2015
<b>Revenues:</b>			
Taxes for municipal purposes (note 9)	\$ 15,393,952	\$ 15,386,828	\$ 14,886,294
Payments in place of taxes (note 10)	12,211,666	12,612,222	11,776,021
Sale of services	3,237,022	3,259,558	3,199,598
Other revenue from own sources	731,810	1,388,976	1,502,314
Conditional transfers from other governments (note 11)	500,850	1,255,129	3,767,767
Unconditional transfers from other governments (note 11)	583,722	595,310	641,380
<b>Total revenue</b>	<b>32,659,022</b>	<b>34,498,023</b>	<b>35,773,374</b>
<b>Expenses:</b>			
General government	4,349,611	3,725,462	3,829,666
Protective services	12,053,934	12,331,201	11,591,642
Transportation	3,147,267	4,336,627	4,140,798
Environmental health	1,110,875	1,521,243	1,677,345
Environmental development	1,161,789	883,147	761,131
Recreation, parks and culture	8,750,308	9,535,515	9,361,456
<b>Total expenses</b>	<b>30,573,784</b>	<b>32,333,195</b>	<b>31,362,038</b>
<b>Annual surplus</b>	<b>2,085,238</b>	<b>2,164,828</b>	<b>4,411,336</b>
Accumulated surplus, beginning of year	87,396,695	87,396,695	82,985,359
<b>Accumulated surplus, end of year</b>	<b>\$ 89,481,933</b>	<b>\$ 89,561,523</b>	<b>\$ 87,396,695</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, 2016, with comparative information for 2015

	Financial plan (note 13)	2016	2015
Annual surplus	\$ 2,085,238	\$ 2,164,828	\$ 4,411,336
Contributed tangible capital assets	-	-	(224,694)
Acquisition of tangible capital assets	(4,797,052)	(3,109,764)	(7,302,208)
Acquisition of capital lease	-	-	(74,706)
Adjustment of tangible capital assets	-	-	(252,715)
Amortization of tangible capital assets	-	3,382,589	3,436,707
Proceeds on sale of tangible capital assets	-	535	5,350
Loss on disposal of tangible capital assets	-	55,799	337,338
	(4,797,052)	329,159	(4,074,928)
Acquisition of inventory supplies	-	(131,146)	(110,681)
Consumption of inventory supplies	-	110,681	123,071
Acquisition of prepaid expenses	-	(99,510)	(204,557)
Consumption of prepaid expenses	-	204,557	51,147
		84,582	(141,020)
Change in net financial assets (debt)	(2,711,814)	2,578,569	195,388
Net financial assets, beginning of year	4,715,216	4,715,216	4,519,828
Net financial assets, end of year	\$ 2,003,402	\$ 7,293,785	\$ 4,715,216

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, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
<b>Operating activities</b>		
Annual surplus	\$ 2,164,828	\$ 4,411,336
Items not involving cash:		
Contributed tangible capital assets	-	(224,694)
Adjustment of tangible capital assets	-	(252,715)
Amortization of tangible capital assets	3,382,589	3,436,707
Change in employee benefits and other liabilities	(43,006)	7,686
Actuarial adjustment on debt	(284,621)	(252,157)
Loss on disposal of tangible capital assets	55,799	337,338
Change in non-cash operating assets and liabilities:		
Property taxes receivable	750,416	(563,490)
Accounts receivable	467,977	394,312
MFA debt reserve fund cash	(6,076)	(5,428)
Accounts payable and accrued liabilities	(188,242)	(836,182)
Deferred revenue and deposits	(263,222)	414,462
Inventory of supplies	(20,465)	12,390
Prepaid expenses and deposits	105,047	(153,410)
	6,121,024	6,726,155
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(3,109,764)	(7,302,208)
Proceeds on disposal of tangible capital assets	535	5,350
	(3,109,229)	(7,296,858)
<b>Financing activities:</b>		
Capital lease obligation repaid	(18,253)	(17,281)
Debt issued	750,000	550,000
Debt principal repaid	(634,480)	(648,082)
	97,267	(115,363)
Increase (decrease) in cash and cash equivalents	3,109,062	(686,066)
Cash and cash equivalents, beginning of year	22,639,027	23,325,093
Cash and cash equivalents, end of year	\$ 25,748,089	\$ 22,639,027
<b>Supplemental cash flow information:</b>		
Cash paid for interest	\$ 421,842	\$ 456,904
Cash received from interest	532,452	454,586
Assets acquired under capital lease	-	74,706

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, 2016

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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, 2016

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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, 2016

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

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

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

#### (i) Tangible capital assets

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

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

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

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

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

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

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

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

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

(j) Non-financial assets (continued):

(iv) Interest capitalization

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

(v) Leased tangible capital assets

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

(vi) Inventories of supplies

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

(k) Use of estimates:

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

(l) 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.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

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

(m) Comparative figures:

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

### 2. Cash and cash equivalents:

	2016	2015
Cash and bank deposits	\$ 983,021	\$ 2,850,776
Municipal Finance Authority Money Market Funds	24,765,068	19,788,251
	<u>\$ 25,748,089</u>	<u>\$ 22,639,027</u>

### 3. Deferred revenue and deposits:

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

	2016	2015
Trust and deposit liabilities	\$ 764,746	\$ 382,575
Unearned recreation fees	200,013	340,757
Property tax instalments	861,360	1,382,155
Miscellaneous	254,220	238,074
	<u>\$ 2,080,339</u>	<u>\$ 2,343,561</u>

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

### 4. Debt:

Bylaw	Purpose	Matures	Rate	Original Amount	Sinking Fund*	Net Balance	
						2016	2015
<u>General Capital</u>							
2492	Recreation Centre	2023/03/10	4.775%	\$ 2,800,000	\$ 1,518,209	\$ 1,281,791	\$ 1,435,762
2492	Recreation Centre	2022/03/12	5.370%	4,000,000	2,379,947	1,620,053	1,849,058
2834	Roads and Streets	2024/10/14	3.000%	1,200,000	205,639	994,361	1,099,199
				8,000,000	4,103,795	3,896,205	4,384,019
<u>Sewer Capital</u>							
2565	Sanitary Sewers	2027/12/01	4.820%	2,353,000	838,979	1,514,021	1,622,524
2565	Sanitary Sewers	2026/10/19	4.430%	1,129,000	458,839	670,161	724,565
2565	Sanitary Sewers	2025/10/13	4.170%	2,012,000	920,488	1,091,512	1,194,661
2565	Sanitary Sewers	2024/02/12	4.975%	1,256,000	607,009	648,991	714,222
				6,750,000	2,825,315	3,924,685	4,255,972
<u>General Capital Short Term</u>							
LUA-Oct 27/14	Recreation Centre	2020/03/25	1.380%	550,000	-	330,000	430,000
LUA-Jun 27/16	Recreation Centre	2021/06/27	1.380%	750,000	-	750,000	-
				1,300,000	-	1,080,000	430,000
				\$ 16,050,000	\$ 6,929,110	\$ 8,900,890	\$ 9,069,991

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

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

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

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

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 \$419,669, including accrued interest of \$55,029 (2015 - \$465,201, including accrued interest of \$59,682).



# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

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#### 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:

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2017	\$	794,480
2018		794,480
2019		794,480
2020		684,480
2021		684,480

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#### 5. Obligations under capital leases:

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

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2017	\$	18,362
2018		16,496
2019		15,713
2020		818
Total minimum payments		51,389
Less: Amounts representing interest (at prime plus 1%)		(1,292)
Present value of net minimum capital lease payments	\$	50,097

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Total interest on leases for the year was \$1,023 (2015 - \$1,339).

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

### 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:

	2016	2015
Accrued benefit obligation, beginning of year	\$ 1,034,639	\$ 1,026,953
Service cost	95,500	97,600
Interest cost	35,200	33,900
Benefits payments	(174,600)	(125,900)
Past agreement refund accrual	894	2,086
Accrued benefit obligation, end of year	\$ 991,633	\$ 1,034,639

The actuarially accrued benefit obligation set out in the actuarial valuation is \$1,049,900 (2015 - \$998,100), resulting in a variance of \$58,267 between the obligation and the accrued benefit liability of \$991,633 (2015 - \$1,034,639). The variance is composed of the following two amounts: an actuarial net loss of \$84,700 (2015 - gain of \$17,400) and the special agreement refund accrual of \$26,433 (2015 - \$19,139). This actuarial loss is being amortized over a period equal to the employees' average remaining service lifetime of 11 years. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$124,300 (2015 - \$124,400).

The accrued benefit obligations and the net periodic benefit cost were estimated by actuarial valuation as of July 31, 2016. At December 31, 2016, 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:

	2016	2015
Discount rates	3.50%	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, 2016

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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 trustees 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, 2015, the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local government.

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 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 is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018 with results available in 2019.

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 \$990,330 (2015 - \$1,007,820) for employer contributions while employees contributed \$871,884 (2015 - \$885,945) to the plan in fiscal 2016.

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

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employee locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The Township and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2014. At December 31, 2015, the total plan provision for approved and unreported claims was \$19,101,700 with a net deficit of \$1,519,599. The actuary does not attribute portions of the unfunded liability to individual employers. The Township paid \$71,782 (2015 - \$70,031) for employer contributions in fiscal 2016.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

### 7. Tangible capital assets:

Cost	Balance December 31, 2015	Additions	Disposals/ transfers	Balance December 31, 2016
Land and land improvements	\$ 41,568,572	\$ 208,941	\$ (25,988)	\$ 41,751,525
Building and building improvements	23,805,640	543,826	(17,835)	24,331,631
Vehicles, machinery and equipment	10,395,807	398,557	(151,735)	10,642,629
Water and wastewater infrastructure	24,522,090	135,439	-	24,657,529
Roads infrastructure	36,909,555	677,097	(360,585)	37,226,067
Work in progress	491,019	1,258,018	(112,115)	1,636,922
<b>Total</b>	<b>\$ 137,692,683</b>	<b>\$ 3,221,878</b>	<b>\$ (668,258)</b>	<b>\$ 140,246,303</b>

Accumulated amortization	Balance December 31, 2015	Disposals	Amortization expense	Balance December 31, 2016
Land and land improvements	\$ 10,081,299	\$ (25,987)	\$ 265,294	\$ 10,320,606
Building and building improvements	10,227,018	(17,838)	831,267	11,040,447
Vehicles, machinery and equipment	5,502,270	(149,407)	601,198	5,954,061
Water and wastewater infrastructure	11,605,529	-	411,921	12,017,450
Roads infrastructure	17,910,326	(306,578)	1,272,909	18,876,657
<b>Total</b>	<b>\$ 55,326,442</b>	<b>\$ (499,810)</b>	<b>\$ 3,382,589</b>	<b>\$ 58,209,221</b>

Net book value	Balance December 31, 2015	Balance December 31, 2016
Land and land improvements	\$ 31,487,273	\$ 31,430,919
Building and building improvements	13,578,622	13,291,184
Vehicles, machinery and equipment	4,893,537	4,688,568
Water and wastewater infrastructure	12,916,561	12,640,079
Roads infrastructure	18,999,229	18,349,410
Work in progress	491,019	1,636,922
<b>Total</b>	<b>\$ 82,366,241</b>	<b>\$ 82,037,082</b>

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

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

(a) Assets under construction

Assets under construction having a value of \$1,636,922 (2015 - \$491,019) 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 \$nil during the year (2015 - \$224,694).

(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 (2015 - \$nil).

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

### 8. Accumulated surplus:

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

	2016	2015
<b>Surplus:</b>		
Equity in tangible capital assets	\$ 73,086,095	\$ 73,227,900
Unappropriated operating funds	5,057,402	3,393,428
	<u>78,143,497</u>	<u>76,621,328</u>
<b>Appropriated operating funds:</b>		
Future expenditures	687,843	893,597
Casino revenue	254,972	200,731
Community Works Fund	1,927,695	1,781,042
Uncollected taxes	100,000	100,000
Working capital	400,000	400,000
	<u>3,370,510</u>	<u>3,375,370</u>
<b>Reserve funds set aside for specific purposes by Council:</b>		
Capital Projects	1,677,118	1,701,786
Local Improvement	158,114	152,189
Machinery and Equipment	2,326,492	1,924,834
Municipal Archives Trust	2,992	2,972
Parkland Acquisition	84,369	83,698
Tax Sale Lands	115,190	114,273
Sustainability	157,232	196,123
Eva Chafe	33,297	33,032
Infrastructure and Revitalization	3,480,703	3,191,090
Public Art	12,009	-
	<u>8,047,516</u>	<u>7,399,997</u>
	<u>\$ 89,561,523</u>	<u>\$ 87,396,695</u>

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

### 9. Taxes:

	2016	2015
Taxes for municipal purposes:		
Property tax	\$ 15,140,352	\$ 14,626,924
Local Improvement	4,686	4,686
1% Utility tax	241,790	254,684
	<b>\$ 15,386,828</b>	<b>\$ 14,886,294</b>

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.

	2016	2015
Taxes, requisitions and levies collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 5,288,532	\$ 5,421,471
Capital Regional District - requisition	2,110,509	1,757,464
Capital Regional District - 9-1-1 call answer levy	46,270	49,004
Capital Regional Hospital District - requisition	864,755	856,844
British Columbia Assessment Authority	178,067	183,854
British Columbia Transit - Victoria Regional Transit Commission	862,493	866,368
Municipal Finance Authority	597	572
	<b>\$ 9,351,223</b>	<b>\$ 9,135,577</b>

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

### 10. Payments in place of taxes:

	2016	2015
Payments in place of taxes received for municipal purposes:		
Federal government	\$ 12,520,748	\$ 11,676,582
British Columbia Hydro & Power Authority	88,970	96,148
Canada Mortgage and Housing Corporation	-	768
Provincial Rental Housing Corporation	2,504	2,523
	<u>\$ 12,612,222</u>	<u>\$ 11,776,021</u>
Payments in place of taxes collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 2,925,458	\$ 3,115,077
Capital Regional District	1,718,520	1,458,549
Capital Regional Hospital District	537,146	546,509
British Columbia Assessment Authority	168,240	173,191
British Columbia Transit - Victoria Regional Transit Commission	747,034	764,027
Municipal Finance Authority	376	371
	<u>\$ 6,096,774</u>	<u>\$ 6,057,724</u>

### 11. Transfers from other governments:

	2016	2015
<b>Conditional transfers from other governments:</b>		
Federal	\$ 750,916	\$ 877,302
Provincial	499,213	2,890,465
Other agencies	5,000	-
	<u>1,255,129</u>	<u>3,767,767</u>
<b>Unconditional transfers from other governments:</b>		
Small communities protection	241,873	243,333
Traffic fine revenue sharing	353,437	398,047
	<u>595,310</u>	<u>641,380</u>
<b>Total transfers from other governments</b>	<u>\$ 1,850,439</u>	<u>\$ 4,409,147</u>



# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

### 12. Commitments and contingencies:

(a) Contractual commitments:

At December 31, 2016, the following major contracts were in progress:

	Total amount of contract	Paid on contract to December 31, 2016
PerfectMind Inc.	\$ 79,504	\$ 42,726
Saywell Contract Ltd.	383,919	359,976
Story Construction Ltd.	1,285,580	921,613
	\$ 1,749,003	\$ 1,324,315

(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 \$223,469 (2015 - \$217,393) 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, 2016, there were contingent demand notes of \$464,917 (2015 - \$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.

(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.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

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

- (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 2017 required contributions on behalf of the Township are \$7,707,017 (14.7% of the Police Board budget). Further contributions may be required by the Township in respect to the settlement of claims and insurance deductibles, or in the event that insufficient funds are available to the Police Board in the event of a deficit. The extent of any further contributions will be recorded when a liability is likely and determinable.
  
- (f) The Township is a defendant in various lawsuits. An accrual is recorded in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. The Township is self-insured through membership in the Municipal Insurance Association of British Columbia. Under this program, member municipalities are to share jointly for general liability claims against any member in excess of \$10,000. Should the Association pay out claims in excess of premiums received, it is possible that the Township, along with the other participants, would be required to contribute towards the deficit.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

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### 13. Financial plan data:

The financial plan data presented in these financial statements is based upon the 2016 operating and capital financial plan approved by Council on May 2, 2016. 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	\$ 38,120,860
Less:	
Transfer from other funds	(5,284,776)
Proceeds on debt issue	(177,062)
Total revenue	32,659,022
Expenses:	
Operating budget	38,120,860
Less:	
Capital expenditures	(4,797,052)
Transfer to other funds	(2,105,542)
Debt principal payments	(644,482)
Total expenses	30,573,784
Annual surplus	\$ 2,085,238

### 14. Subsequent event:

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 of \$55,000 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.

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

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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, 2016

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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 to co-ordinate and lead efforts to enhance our neighbourhoods, foster arts and culture, and work to create a Township that is vibrant and people-centric.

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

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

### 15. Segmented information (continued):

2016	General government	Protective services	Transportation	Environmental health	Environmental development	Recreation, parks and culture	Total
<b>Revenues:</b>							
Taxation	\$ 27,999,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,999,050
Goods and services	1,336,463	104,936	209,634	208,517	44,071	2,744,913	4,648,534
Government transfers	1,305,601	353,637	140,483	-	20,572	30,146	1,850,439
<b>Total revenue</b>	<b>30,641,114</b>	<b>458,573</b>	<b>350,117</b>	<b>208,517</b>	<b>64,643</b>	<b>2,775,059</b>	<b>34,498,023</b>
<b>Expenses:</b>							
Salary and wages	2,229,765	4,037,095	1,743,096	341,152	534,996	5,610,323	14,496,427
Materials, supplies and services	1,190,236	8,103,319	873,667	561,126	348,151	2,955,838	14,032,337
Interest and other	2,173	-	7,704	224,765	-	187,200	421,842
Amortization	303,288	190,787	1,712,160	394,200	-	782,154	3,382,589
<b>Total expenses</b>	<b>3,725,462</b>	<b>12,331,201</b>	<b>4,336,627</b>	<b>1,521,243</b>	<b>883,147</b>	<b>9,535,515</b>	<b>32,333,195</b>
<b>Annual surplus (deficit)</b>	<b>\$ 26,915,652</b>	<b>\$ (11,872,628)</b>	<b>\$ (3,986,510)</b>	<b>\$ (1,312,726)</b>	<b>\$ (818,504)</b>	<b>\$ (6,760,456)</b>	<b>\$ 2,164,828</b>

# The Corporation of the Township of Esquimalt

## Notes to Financial Statements

Year ended December 31, 2016

### 15. Segmented information (continued):

2015	General government	Protective services	Transportation	Environmental health	Environmental development	Recreation, parks and culture	Total
<b>Revenues:</b>							
Taxation	\$ 26,662,315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,662,315
Goods and services	1,096,310	63,480	322,519	477,483	15,550	2,726,570	4,701,912
Government transfers	1,273,193	398,047	2,701,492	-	19,947	16,468	4,409,147
<b>Total revenue</b>	<b>29,031,818</b>	<b>461,527</b>	<b>3,024,011</b>	<b>477,483</b>	<b>35,497</b>	<b>2,743,038</b>	<b>35,773,374</b>
<b>Expenses:</b>							
Salary and wages	2,134,152	3,465,223	1,731,331	315,453	548,779	5,403,813	13,598,751
Materials, supplies and services	1,411,629	7,964,089	708,518	534,432	212,352	3,038,656	13,869,676
Interest and other	2,045	-	5,551	262,129	-	187,179	456,904
Amortization	281,840	162,330	1,695,398	565,331	-	731,808	3,436,707
<b>Total expenses</b>	<b>3,829,666</b>	<b>11,591,642</b>	<b>4,140,798</b>	<b>1,677,345</b>	<b>761,131</b>	<b>9,361,456</b>	<b>31,362,038</b>
<b>Annual surplus (deficit)</b>	<b>\$ 25,202,152</b>	<b>\$ (11,130,115)</b>	<b>\$ (1,116,787)</b>	<b>\$ (1,199,862)</b>	<b>\$ (725,634)</b>	<b>\$ (6,618,418)</b>	<b>\$ 4,411,336</b>

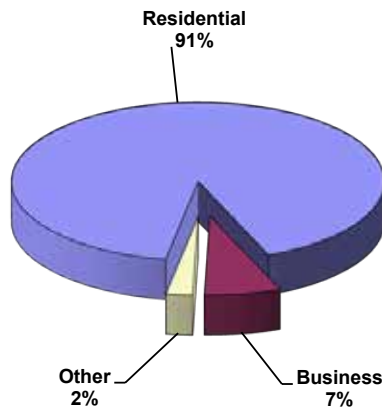
# Statistical Information

## As per BC Assessment Roll Tax Base Report

### Taxable Assessments of Land and Improvements 2012 - 2016

Property Class	2016	2015	2014	2013	2012
Residential	\$2,367,034,105	\$2,251,694,305	\$2,196,096,305	\$2,267,102,604	\$2,342,337,304
Utilities	1,142,100	1,113,200	1,172,500	1,147,600	1,000,800
Major Industry	37,662,200	42,718,800	20,834,900	18,150,000	17,644,500
Light Industry	8,251,100	8,244,300	8,443,500	13,843,400	14,354,700
Business	171,602,451	179,736,202	176,944,602	178,257,552	178,165,002
Recreation Non-Profit	12,921,500	11,603,700	11,268,900	10,457,000	11,100,500
	<b>\$2,598,613,456</b>	<b>\$2,495,110,507</b>	<b>\$2,414,760,707</b>	<b>\$2,488,958,156</b>	<b>\$2,564,602,806</b>

### 2016 Assessment by Type





# Statistical Information

## Property Tax Rates 2012 - 2016

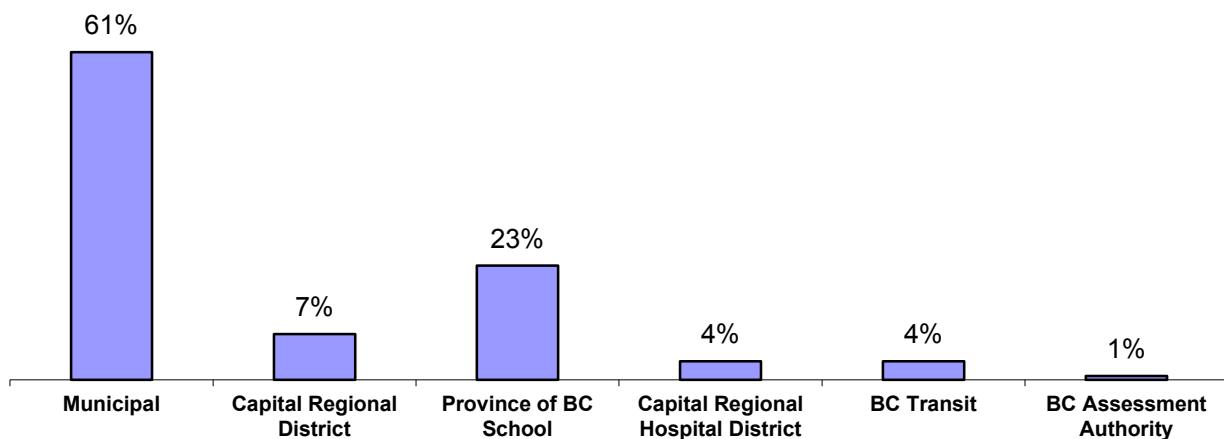
	2016	2015	2014	2013	2012
<b>Municipal (\$ per 1000 assessment)</b>					
Residential	4.89152	5.01609	5.01920	4.85510	4.63258
Utilities	22.55000	22.69072	21.08975	21.54743	21.78865
Major Industry	32.29971	32.91671	32.20362	31.45665	30.86207
Light Industry	17.74134	17.41464	16.64594	16.52340	17.14811
Business & Other	13.38699	12.50032	12.39388	12.45060	13.05235
Recreation/Non-profit	4.88897	4.92856	4.91043	5.44052	5.07909
<b>Total (\$ per 1000 assessment)</b>					
Residential	7.82484	7.99558	8.22219	7.88723	7.42522
Utilities	41.92409	41.85162	40.82699	41.26040	40.94194
Major Industry	44.90333	45.48500	46.02978	44.69310	43.16752
Light Industry	27.97418	27.77191	27.72844	31.97989	27.64361
Business & Other	22.73613	21.97694	22.52334	22.46523	22.82946
Recreation/Non-profit	9.26594	9.44506	9.70568	10.19192	9.59901
<b>Municipal Tax Billings by Property Class</b>					
Residential	\$11,578,395	\$11,294,701	\$11,022,647	\$11,007,009	\$10,851,065
Utilities	25,754	25,259	24,728	24,728	21,806
Major Industry	1,029,404	859,442	671,819	570,938	544,546
Light Industry	146,386	143,572	140,550	228,740	246,156
Business & Other	2,297,240	2,246,760	2,193,030	2,212,363	2,325,472
Recreation/Non-profit	63,173	57,190	55,335	56,892	56,380
	<b>\$15,140,352</b>	<b>\$14,626,924</b>	<b>\$14,108,109</b>	<b>\$14,100,670</b>	<b>\$14,045,425</b>

# Statistical Information

## Property Tax Levied and Collected 2012- 2016

	2016	2015	2014	2013	2012
Municipal	\$ 15,140,352	\$ 14,626,924	\$ 14,108,109	\$ 14,100,670	\$ 14,045,425
Capital Regional District	2,110,509	1,757,464	2,196,311	1,927,436	1,528,918
Province of BC School	5,288,532	5,421,471	5,423,794	5,533,182	5,590,526
Capital Regional Hospital District	864,755	856,844	863,289	857,377	848,605
BC Transit	862,493	866,368	856,673	824,355	753,754
BC Assessment Authority	178,067	183,854	185,162	187,733	189,767
Municipal Finance Authority	597	572	560	573	588
	<b>\$ 24,445,305</b>	<b>\$ 23,713,497</b>	<b>\$ 23,633,898</b>	<b>\$ 23,431,326</b>	<b>\$ 22,957,583</b>
Total Current Taxes Levied	24,445,305	23,713,497	23,633,898	23,431,326	22,957,583
Current Taxes Collected	24,172,366	22,807,970	23,264,304	23,082,089	22,645,228
Percentage	98.88%	96.18%	98.44%	98.51%	98.64%

### 2016 Taxes by Jurisdiction



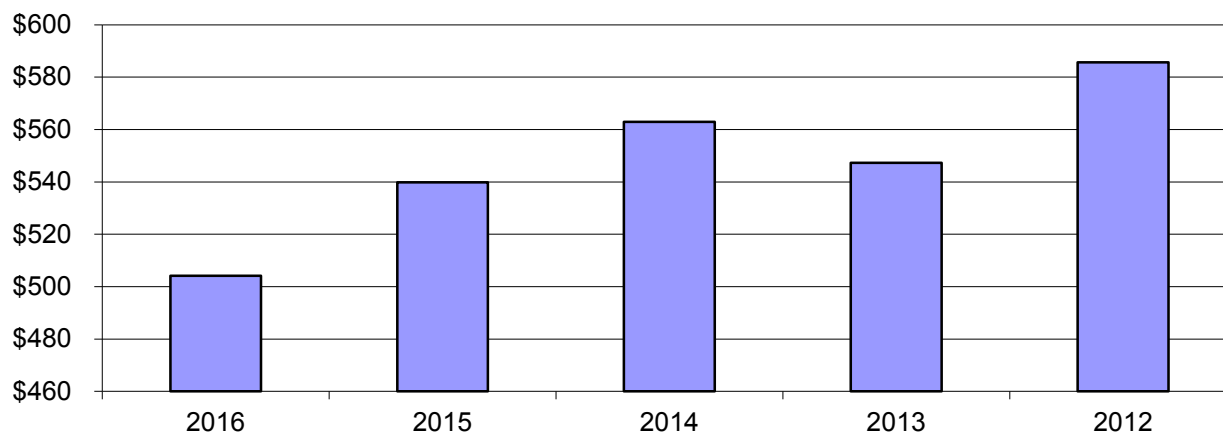
Source: Corporation of the Township of Esquimalt Finance Department

# Statistical Information

## Debenture Debt 2012 - 2016

	2016	2015	2014	2013	2012
Gross Outstanding Debt	\$15,930,000	\$15,300,000	\$14,750,000	\$13,550,000	\$13,975,000
Less: Sinking Fund Payments	6,929,110	6,110,009	5,329,770	4,679,427	4,482,820
Short-term Debt Payment	100,000	120,000	-	-	-
<b>Net Debt</b>	<b>\$ 8,900,890</b>	<b>\$ 9,069,991</b>	<b>\$ 9,420,230</b>	<b>\$ 8,870,573</b>	<b>\$ 9,492,180</b>
General	\$ 4,976,205	\$ 4,814,019	\$ 4,849,427	\$ 3,996,736	\$ 4,327,507
Sewer	3,924,685	4,255,972	4,570,803	4,873,837	5,164,673
	\$ 8,900,890	\$ 9,069,991	\$ 9,420,230	\$ 8,870,573	\$ 9,492,180
Debt Servicing Costs					
Property Tax Supported	\$ 799,575	\$ 847,267	\$ 957,884	\$ 888,112	\$ 851,629
Casino	275,000	275,000	275,000	275,000	275,000
<b>Total Debt Servicing Costs</b>	<b>\$ 1,074,575</b>	<b>\$ 1,122,267</b>	<b>\$ 1,232,884</b>	<b>\$ 1,163,112</b>	<b>\$ 1,126,629</b>
Population	17,655	16,800	16,734	16,209	16,209
Net Debt per Capita	\$ 504	\$ 540	\$ 563	\$ 547	\$ 586
Debt Servicing per Capita	\$ 61	\$ 67	\$ 74	\$ 72	\$ 70
Debt Service as % of Expenditures	3.32%	3.58%	4.08%	3.95%	3.98%
# of Households	8,742	8,309	8,309	8,038	8,038
Gross Debt Servicing Limit	\$ 8,335,382	\$ 8,069,309	\$ 7,758,796	\$ 7,240,032	\$ 7,210,376
Debt Capacity Available	\$ 7,260,807	\$ 6,947,042	\$ 6,855,187	\$ 6,548,219	\$ 6,083,747

### Per Capita Net Debt



Source: Municipal Finance Authority

Source: Population: Statistics Canada

# Statistical Information

## Revenue and Expenses 2012 - 2016

<b>Revenue</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Property taxes	\$ 15,386,828	\$ 14,886,294	\$ 14,361,965	\$ 14,355,732	\$ 14,294,912
Payments in place of taxes	12,612,222	11,776,021	11,500,408	10,578,629	8,979,202
Sale of services	3,259,558	3,199,598	3,192,990	3,248,302	3,273,914
Other revenue from own sources	1,388,976	1,502,314	1,486,100	1,629,734	1,894,117
Unconditional transfers from other governments	595,310	641,380	399,455	399,323	830,320
Conditional transfers from other governments	1,255,129	3,767,767	2,348,211	922,627	1,617,418
	<b>\$ 34,498,023</b>	<b>\$ 35,773,374</b>	<b>\$ 33,289,129</b>	<b>\$ 31,134,347</b>	<b>\$ 30,889,883</b>
<b>Expenses by Function</b>					
General government	\$ 3,725,462	\$ 3,829,666	\$ 3,523,853	\$ 3,419,071	\$ 3,142,752
Protective services	12,331,201	11,591,642	11,866,531	11,300,118	11,135,571
Transportation	4,336,627	4,140,798	4,051,865	3,755,113	3,490,019
Environmental health	1,521,243	1,677,345	1,545,558	1,534,056	1,511,999
Environmental development	883,147	761,131	579,855	533,187	672,967
Recreation, parks and culture	9,535,515	9,361,456	8,659,085	8,917,810	8,330,839
	<b>\$ 32,333,195</b>	<b>\$ 31,362,038</b>	<b>\$ 30,226,747</b>	<b>\$ 29,459,355</b>	<b>\$ 28,284,147</b>
<b>Expenses by object</b>					
Salary, wages & benefits	\$ 14,496,427	\$ 13,598,751	\$ 13,503,865	\$ 12,865,130	\$ 12,220,107
Materials, supplies and services	14,032,337	13,869,676	13,189,042	13,106,999	12,521,747
Interest and other	421,842	456,904	474,668	512,852	667,023
Amortization	3,382,589	3,436,707	3,059,172	2,974,374	2,875,270
	<b>\$ 32,333,195</b>	<b>\$ 31,362,038</b>	<b>\$ 30,226,747</b>	<b>\$ 29,459,355</b>	<b>\$ 28,284,147</b>

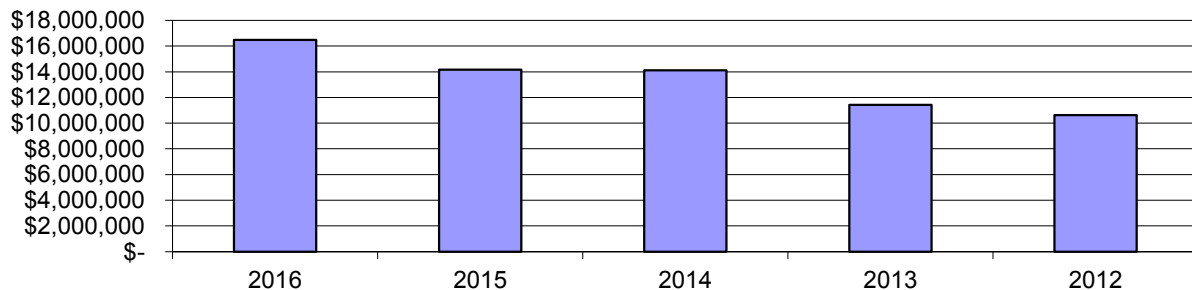
Source: Corporation of the Township of Esquimalt Finance Department

# Statistical Information

## Reserve Funds and Appropriated and Unappropriated Operating Funds 2012- 2016

Description	2016	2015	2014	2013	2012
<b>Reserve Funds</b>					
Capital Projects	\$ 1,677,118	\$ 1,701,786	\$ 1,921,257	\$ 2,240,990	\$ 3,130,446
Local Improvement	158,114	152,189	136,934	135,438	133,906
Machinery and Equipment	2,326,492	1,924,834	2,121,643	2,871,814	2,627,538
Municipal Archives Trust	2,992	2,972	2,628	5,671	5,562
Parkland Acquisition	84,369	83,698	82,988	82,082	81,154
Tax Sale Lands	115,190	114,273	113,302	113,489	146,589
Sustainability	157,232	196,123	165,673	185,700	141,721
Eva Chafe	33,297	33,032	34,460	34,083	38,720
Infrastructure & Revitalization	3,480,703	3,191,090	2,916,213	-	-
Infrastructure & Revitalization	12,009	-	-	-	-
	<b>8,047,518</b>	<b>7,399,997</b>	<b>7,495,098</b>	<b>5,669,267</b>	<b>6,305,636</b>
<b>Appropriated Operating Funds</b>					
Celebrations Rainy Day	-	-	-	-	8,000
Future expenditures	687,843	893,597	496,592	156,301	212,349
Casino revenue	254,972	200,731	157,224	174,281	-
Community Works Fund	1,927,695	1,781,042	1,206,960	-	-
Uncollected taxes	100,000	100,000	100,000	100,000	100,000
Working capital	400,000	400,000	400,000	400,000	400,000
	<b>3,370,510</b>	<b>3,375,370</b>	<b>2,360,776</b>	<b>830,582</b>	<b>720,349</b>
<b>Unappropriated Operating Funds</b>	<b>5,057,402</b>	<b>3,393,428</b>	<b>4,269,327</b>	<b>4,931,713</b>	<b>3,599,026</b>
<b>Total</b>	<b>\$ 16,475,430</b>	<b>\$ 14,168,795</b>	<b>\$ 14,125,201</b>	<b>\$ 11,431,562</b>	<b>\$ 10,625,011</b>

### Total Reserve Funds, Appropriated and Unappropriated Operating Funds



Source: Corporation of the Township of Esquimalt Finance Department

# Statistical Information

## 2016 Grants

Organization	Exemption From Property Taxes	Grants	Total
2483 PPCLI Army Cadet Corps - Parents Sponsoring Committee	\$ 5,290	\$ -	\$ 5,290
Aboriginal Tourism Association of BC	-	500	500
Big Brothers Big Sisters of Victoria	-	1,000	1,000
Bipolar Disorder Society of BC	-	1,000	1,000
Boys and Girls Club Services of Greater Victoria	27,711	-	27,711
City of Victoria - Canada Day Celebrations	-	1,000	1,000
Corporation of the City of Victoria - Portion of Barnard Park off Sea Terrace	1,149	-	1,149
Creatively United For The Planet	-	1,500	1,500
Disabled Sailing Association	-	1,000	1,000
Esquimalt Anglers' Association	2,603	-	2,603
Esquimalt Farmers Market	-	990	990
Esquimalt High School	-	2,300	2,300
Esquimalt High School - Athletic Team Funding	-	2,750	2,750
Esquimalt High School - Terry Fox Scholarship	-	500	500
Esquimalt High School - Township of Esquimalt Scholarship	-	250	250
Esquimalt Lantern Festival Society	-	4,000	4,000
Esquimalt Neighbourhood House Society	10,645	-	10,645
Greater Victoria Bike to Work Society	-	1,000	1,000
Habitat Acquisition Trust	11,526	-	11,526
Island Community Mental Health Association	27,159	-	27,159
Island Corridor Foundation	6,345	-	6,345
L'Ecole Victor Brodeur	-	750	750
Macaulay Elementary School Parents' Advisory Council - Crossing Guard	-	10,000	10,000
Michael Dunahee Keep the Hope Alive Drive	-	1,000	1,000
Mustard Seed Street Church	37,551	-	37,551
Need2 Suicide Prevention Education & Support	-	1,000	1,000
Prostitutes Empowerment Education & Resource Society	9,589	-	9,589
Rock Solid Foundation	3,955	-	3,955
Rockheights Middle School	-	3,000	3,000
Royal Canadian Legion Esquimalt Dockyard Branch 172	20,031	-	20,031
Shoreline Middle School	-	1,500	1,500
Society of St. Vincent de Paul Vancouver Island	17,907	-	17,907
St. John Ambulance Association	-	1,000	1,000
The Compassionate Resource Warehouse Society	18,894	-	18,894
Township of Esquimalt Community Arts Council	-	25,000	25,000
Vancouver Island South Film & Media Commission	-	500	500
Victoria Association For Community Living	2,127	-	2,127
Victoria Nikkei Cultural Society	-	500	500
Victoria Operatic Society	13,051	-	13,051
Victoria Rainbow Kitchen Society	-	7,500	7,500
Victoria Restorative Justice Society	-	4,000	4,000
World Fisheries Trust	-	1,000	1,000
	<u>\$ 215,533</u>	<u>\$ 74,540</u>	<u>\$ 290,073</u>



Township of  
**ESQUIMALT**

A decorative blue wave graphic that starts under the 'E' and 'S' of 'ESQUIMALT', dips down, and then rises to end under the 'M' and 'A'.