



District of Saanich 2018 Annual Report

DISTRICT OF SAANICH
BRITISH COLUMBIA
YEAR ENDED DECEMBER 31, 2018

Serving the people

2018 Annual Report

YEAR ENDED DECEMBER 31, 2018
DISTRICT OF SAANICH, BRITISH COLUMBIA

Prepared by: Corporate Services Department

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Saanich

The District of Saanich is an urban and rural municipality on Vancouver Island in British Columbia. Saanich is located north of Victoria, the provincial capital. It is the largest municipality in the Greater Victoria Region with an area of 103 square kilometres (40 square miles) and is a municipality within the Capital Regional District.

The District was incorporated on March 1, 1906. The word Saanich means “emerging land” or “emerging people”. Saanich has a population of over 114,000 making it the most populated municipality on Vancouver Island, and the eighth most populated in the province.

Saanich lies within the Coast and Straits Salish territory, the traditional territories of the Lekwungen and W̱SÁNEĆ peoples, and is mindful of its commitment to reconciliation and relationship-building with neighbouring First Nations.

Connect with us

| | | |
|---------------------|--|--|
| In person | 770 Vernon Ave. Victoria BC V8X 2W7 | |
| Website | saanich.ca Subscribe to our newsletters or RSS feeds, send us feedback or report a problem at saanich.ca/connect . | |
| Phone | Municipal Hall general enquiries: 250-475-1775 Public Works: 250-475-5599 Fire non-emergency: 250-475-5500 Police non-emergency: 250-475-4321 General recreation enquiries: 250-475-5422 Cedar Hill Recreation Centre: 250-475-7121 Cedar Hill Golf Course: 250-475-7151 Gordon Head Recreation Centre: 250-475-7100 G. R. Pearkes Recreation Centre: 250-475-5400 Saanich Commonwealth Place: 250-475-7600 | |
| Social media | Follow us on social media to learn about Saanich news and events. | 🐦 @saanich 📘 Saanich.BC |
| | Saanich Parks and Recreation | 🐦 @SaanichParksRec 📘 SaanichParksandRecreation |
| | Emergency Program | 🐦 @SaanichEP |
| | Police | 🐦 @SaanichPolice 📘 SaanichPolice |
| | Fire Department | 🐦 @SaanichFire |

Introduction

Saanich strives to provide its residents with relevant and accessible information.

Within the 2018 Annual Report you will find information about Saanich, your elected officials, strategic planning and our 2018 achievements. Included are the strategic highlights for 2018 and progress updates on municipal services and operations followed by the audited financial statements.

The Annual Report is available on saanich.ca and is also available in printed form at the Municipal Hall, recreation centres and Saanich libraries.

Your comments are welcome via the Corporate Services Department in person, by telephone at 250-475-1775 or through email to strategicplan@saanich.ca.

MUNICIPAL COUNCIL

After October 20, 2018

Mayor:

Fred Haynes

Councillors:

Susan Brice

Judy Brownoff

Nathalie Chambers

Zac de Vries

Karen Harper

Rebecca Mersereau

Colin Plant

Ned Taylor

MUNICIPAL COUNCIL

Before October 20, 2018

Mayor:

Richard Atwell

Councillors:

Susan Brice

Judy Brownoff

Karen Harper

Fred Haynes

Dean Murdock

Colin Plant

Vicki Sanders

Leif Wergeland

MUNICIPAL SENIOR STAFF

Chief Administrative Officer:

Paul Thorkelsson

Director of Building, Bylaw, Licensing, and Legal Services:

Brent Reems

Director of Corporate Services:

Laura Ciarniello

Director of Engineering:

Harley Machielse

Director of Finance:

Valla Tinney

Fire Chief:

Mike Burgess

Director of Parks and Recreation:

Suzanne Samborski

Director of Planning:

Sharon Hvozdzanski

Police Chief Constable:

Bob Downie

POLICE BOARD

Mayor Fred Haynes

Mary Collins

Glen Crawford

Bruce Hallsor, QC

Irwin Henderson

Tim Kane

Linda Murray

AUDITORS

KPMG LLP

BANKERS

HSBC Bank Canada

Message from Saanich Council



Mayor Fred Haynes

We are pleased to present the District of Saanich's 2018 Annual Report. As required under the *Community Charter*, Section 98, a municipality must prepare an annual report that includes:

- a brief report card on the previous year's efforts;
- a snapshot of municipal services and operations;
- financial information; and
- objectives and measures for the current and next year.

The 2018 Annual Report is based on the 2015-2018 Strategic Plan, which was developed by the former Council during its first year in office, formally adopted on October 26, 2015 and updated July 9, 2018.

We are collaboratively working as a new Council to develop a new Strategic Plan for our four-year term. As we begin that work, we celebrate our accomplishments over the past year that have helped us advance toward our collective vision for the future of Saanich.



Top (left to right): Councillors Zac de Vries, Judy Brownoff, Colin Plant, Nathalie Chambers, Ned Taylor

Bottom (left to right): Councillors Karen Harper, Susan Brice, Mayor Fred Haynes, and Councillor Rebecca Mersereau

Message from the CAO

The 2015-2018 Strategic Plan, which the 2018 Annual Report reflects, is aligned with the Official Community Plan (OCP) vision for the future of a sustainable Saanich. Community themes, corporate themes, initiatives, indicators and policies are used to guide actions and report progress over the four-year term of the plan that coincides with a council term.

How does Saanich measure progress and show that it is living up to the principles in the OCP? The target is to uphold the guiding principles when making decisions and taking actions.

Strong progress has been achieved once again and I commend Saanich staff for moving many Strategic Plan initiatives forward while effectively managing the District's expansive day-to-day operations.



Paul Thorkelsson, Chief Administrative Officer



Message from the Director of Finance

As the Director of Finance and the Chief Financial Officer for the District of Saanich, I am pleased to present the audited financial statements for the year ending December 31, 2018. The financial statements are the responsibility of the Saanich leadership team. The statements have been prepared in compliance with Section 167 of the *Community Charter*, and in accordance with generally accepted accounting principles approved by the Public Sector Accounting Board. The financial statements have been audited by KPMG LLP who have expressed their opinion the statements present fairly, in all material aspects, the financial position of the District as at December 31, 2018. Saanich maintains a system of internal accounting controls designed to safeguard the assets of the District and provide reliable financial information.

Executive summary of financial results

As detailed in the 2018 Financial Statements, the District's financial results reflect an improved financial position and a continued commitment to sound financial management. Operating results for last year were slightly better than budgeted expectations. The District's net investment in capital assets increased by \$16.0 million and reserves grew by \$16.1 million. All of this places us in a better position to provide sustainable services to our community over the long term. Saanich has been proactive in our financial commitment to sustainable infrastructure renewal since 2008. Saanich has very low debt in relation to the amount allowed under this legislation. Saanich's consolidated, operating surplus now stands at \$26.4 million.

Saanich's net financial position continued to grow in 2018, reflecting the ongoing commitment to strengthening capacity to meet financial obligations. The accumulated surplus grew in the year to a total of \$985.9 million. Equity in capital assets makes up the most significant portion of the accumulated surplus balance (\$832.8 million), followed by reserve balances (\$83.5 million). Consolidated revenues for 2018 were \$3.7 million higher than 2017, primarily due to increased revenue from utilities and taxes levied. The largest expense increase compared to 2017 was \$2.7 million in protective services resulting from an increase of salaries and benefits for Police and Fire Departments. Additionally, sewer utility increased by \$1.9 million mainly due to a debt repayment to the Capital Regional District. The net result for 2018 is a contribution to accumulated surplus of \$25.3 million for the year.

While Saanich continues to be well managed financially, improvements are always possible; staff and Council are constantly looking to enhance our financial and asset management planning processes to ensure long term financial sustainability. Saanich continues its commitment to continuous improvement and long term financial sustainability as reflected in its service enhancements; financial policies and processes; increasing investment in capital assets and reserves; and prudent management of debt.



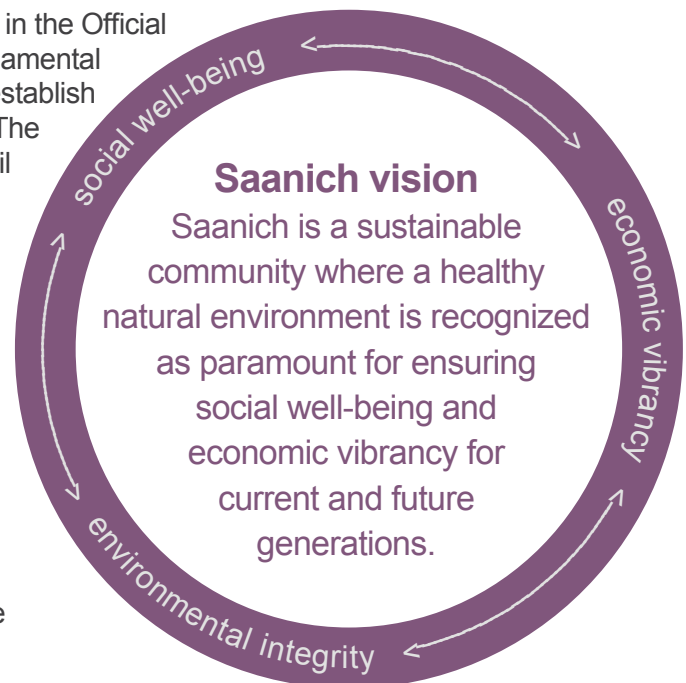
Valla Tinney

Valla Tinney, Chief Financial Officer

Strategic planning and reporting structure

Saanich vision and themes

The policies adopted by Saanich Council in the Official Community Plan (OCP) express the fundamental values and goals of the community and establish a direction to reach the collective vision. The OCP embraces three themes that Council and the community identified as core focus areas for Saanich over the next 20 years: environmental integrity, social well-being and economic vibrancy. To ensure that the Strategic Plan remains focused on these priorities, six corporate themes are aligned to the community themes: sustainable environment, balanced transportation, healthy community, safe community, vibrant connected economy, and service excellence. OCP indicators are used to measure broad outcomes that encourage the achievement of long-range targets.



Strategic focus

The six corporate themes remain as a strategic focus. Each initiative identified in the 2015-2018 Strategic Plan is grounded in the Saanich vision, related to an OCP policy and aligned with one of the six corporate themes. While the initiatives do not provide an exhaustive list of municipal activities, they were carefully chosen as priority actions to advance toward the Saanich vision.

Each corporate theme also has target indicators used to measure past achievement. Annual indicators focus on short-range progress with results measured each year to reflect current progress. Mid-range indicators help identify important trends over time. Targets were set in the 2015-2018 Strategic Plan and measured over a three to five year span.



Saanich vision from the Official Community Plan

COMMUNITY THEMES



CORPORATE THEMES



2018 Key accomplishments

Practicing for a large scale emergency



Saanich staff from a variety of departments conducted a day-long emergency management exercise to enhance staff training and emergency plans for 2019 to 2021. This complex training exercise was thanks to \$25,000 from the UBCM Community Emergency Preparedness Fund.

Award of \$4 million to reduce carbon footprint

tco₂e



Saanich was approved for \$4 million in Federal Gas Tax Funding to support a major mechanical infrastructure replacement at Saanich Commonwealth Place. The project aims to reduce the recreation centre's carbon footprint by 90 per cent paving the way for the facility to achieve carbon neutrality.

Record voter turnout



#saanichvotes



A total of 32,538 votes were cast during the 2018 general local election representing 38.26 per cent of Saanich's eligible voters. Voter turnout increased by almost four per cent from the 34.7 per cent turnout of eligible voters in the 2014 municipal election.

Nigel Valley housing plan moves forward



Conceptual drawing: Nigel Valley Illustrative Drawing of Proposed Development Looking South (Calum Srigley Design Consultant Ltd.)

Council approved the rezoning and development permit application for the Nigel Valley. Led by BC Housing on behalf of several non-profit groups, the development will increase market, non-market and supportive housing in the region.

Highlights of some of the major projects and upgrades accomplished by Saanich during 2018.

Facilities for Our Future



The Strategic Facilities Master Plan provides a framework to guide future planning so Saanich buildings can continue to support important services like recreation programs, public safety, parks and public works. The goal is to maintain and improve service delivery over the next 20 years.

Saanich Commonwealth Place celebrates 25 years of sport and community



Saanich Commonwealth Place commemorated its 25th anniversary with a public celebration in November 2018. The centre opened in 1993 and was used the following year for the 1994 Commonwealth Games. Since then the centre has been maintained to support high performance sport.

Parks ambassadors greet Mount Douglas visitors



Seventeen volunteer park ambassadors welcomed park visitors to Mount Douglas Park from May to September. The park ambassador pilot project launched in the spring in partnership with the Friends of Mount Douglas Park. Park ambassadors offered natural and cultural history information about the park and wayfinding to enhance visitor experience.

Moving Saanich Forward



We worked with the community to develop a vision, policies and actions to guide the development of safe, attractive and convenient active transportation options for people of all ages and abilities through our Active Transportation Plan.



Environmental integrity

Long-range indicators

CLIMATE CHANGE



Greenhouse gas (ghg) emissions: tonnes of carbon dioxide equivalent units (tco₂e) per year
- municipal operations:
2015 actual - 4,713 tonnes
2036 target - 2,178 tonnes



Greenhouse gas (ghg) emissions: tonnes of carbon dioxide equivalent units (tco₂e) per year
- community wide:
2010 actual - 409,241 tonnes
2036 target - 176,333 tonnes

MOBILITY



Modal share - percentage of commuters travelling by walking:
2016 actual - 6.3%
2036 target - ≥ 12%



Modal share - percentage of commuters travelling by automobile:
2016 actual - 73.4%
2036 target - ≤ 64%

GROWTH MANAGEMENT



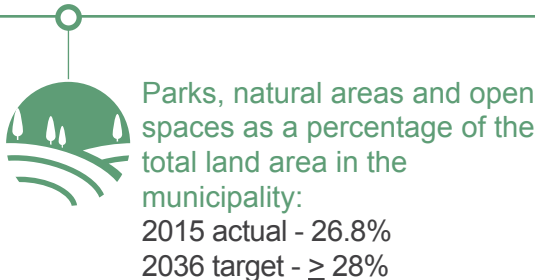
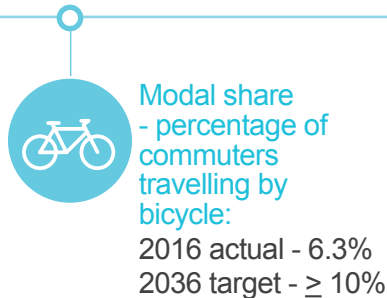
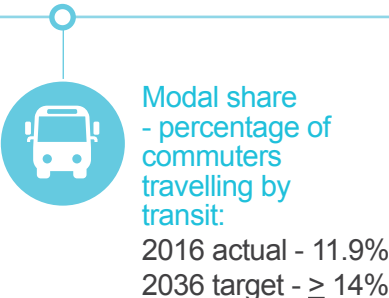
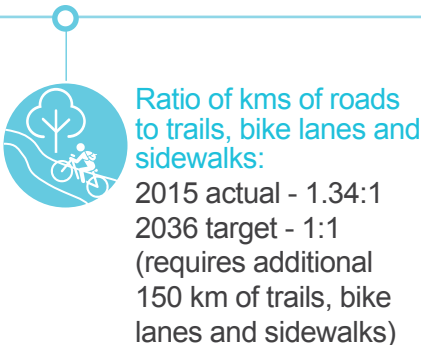
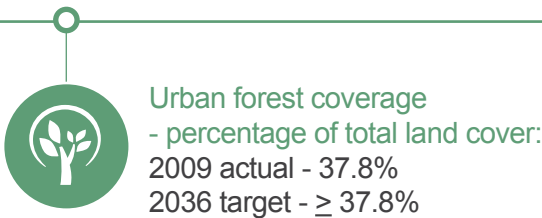
Percentage of citizens living inside centres and villages (assumption: 75% of new residents will live inside centres and villages):
2015 actual - 55.6%
2036 target - ≥ 58.0%

Vision of environmental integrity

Saanich is working diligently to improve and balance the natural and built environments. Saanich restores and protects air, land and water quality; the biodiversity of existing natural areas and eco-systems; and the network of natural areas, open spaces and urban forests.

Saanich responds to climate change challenges. Centres, villages and primary corridors accommodate the majority of future growth using green building practices.

Vibrant, distinct neighbourhoods provide a high quality of life for individuals and families. A variety of travel modes connect neighbourhoods and businesses, allowing for the effective, efficient and safe movement of people, goods and services. Walking, cycling and transit are viable and popular travel options, resulting in less car dependence. Rural and farm land is protected by adherence to the Urban Containment Boundary.



Sustainable environment

ANNUAL INDICATORS



Number of properties that qualify for farm tax status:
2016 - 411
2017 - 398
2018 - 392 (target \geq 410)



Residential garbage cart collection per year (tonnes):
2016 - 8,614
2017 - 8,867
2018 - 8,942 (target \leq 9,300)

MID-RANGE INDICATORS



Number of hectares in Saanich within the Agricultural Land Reserve (ALR):
2012 - 1,872
2015 - 1,843
2018 - target \geq 1,872

2018 HIGHLIGHTS

INVASIVE SPECIES MANAGEMENT

The Pulling Together program increased support to over 56 parks throughout Saanich. Over 200 volunteers, working more than 18,500 hours, helped restore disturbed natural areas.

WASTEWATER PLANNING PROJECT

Staff worked with the Capital Regional District and provided feedback on many large infrastructure design submissions for the project, specifically, proposed work on Saanich roadways for the Conveyance Pipeline, building permit applications for the Residuals Treatment Facility at Hartland Landfill site and associated Hartland Water System Improvements, and the building permit application for the Arbutus Attenuation Tank and associated off-site improvement.

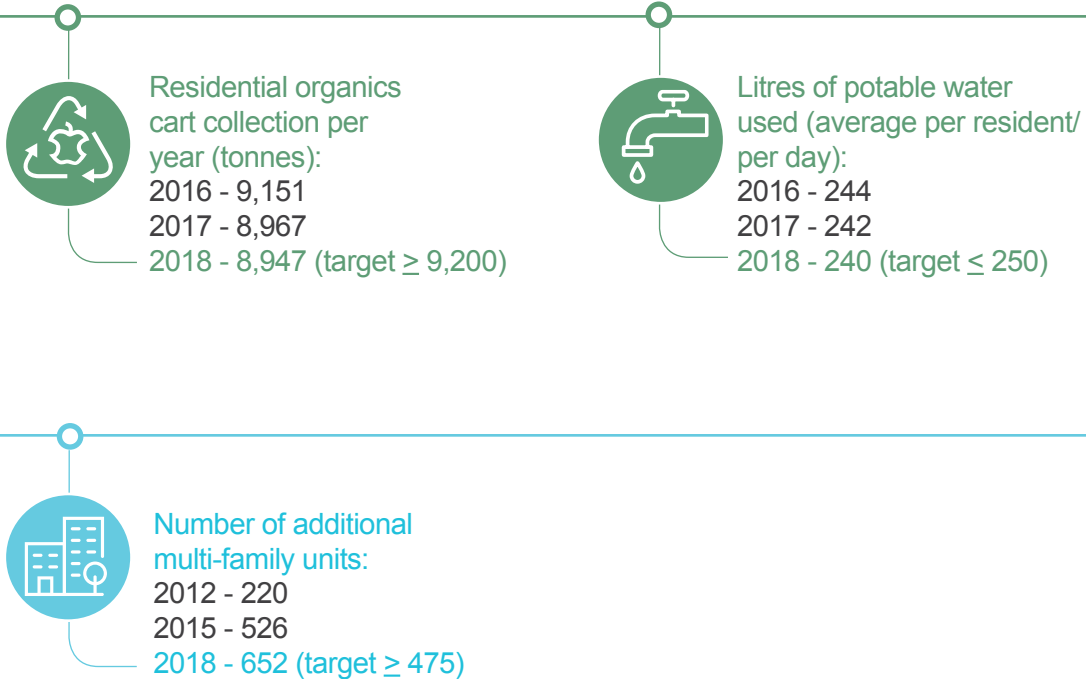
PARKS AND OPEN SPACES

The Haro Woods Park Management Plan was approved by Council. The next phase of the Cedar Hill Park planning process will focus on action items for the Management Plan, including some planning for the open space area behind Cedar Hill Recreation Centre.

URBAN FOREST STRATEGY

600 trees were planted on public land helping us work toward our goal of achieving a sustainable urban forest.

Saanich is a model sustainable community and steward of the environment.



MOVING FORWARD

DRAINAGE MASTER PLAN

Saanich resources were allocated to support regional and provincial projects in our community. As a result this project remained dormant in 2018. Moving forward, staff plan to model the drainage catchment areas for the Colquitz, Tod and Cecilia Creeks.

WASTEWATER PLANNING PROJECT

Construction of the sewer conveyance pipeline will continue through 2020 as will approvals and inspections of the work that is happening within Saanich related to this project.

CLIMATE ACTION

Council will consider adopting the updated Climate Action Plan which was created under the banner of “100% renewable”.

BIODIVERSITY STRATEGY

At Council’s direction, draft terms of reference are being prepared for developing a program which includes the topics of climate adaptation, a biodiversity conservation strategy, and stewardship program. These will serve as a policy framework for other Saanich environmental policies and programs. A new Environmental Development Permit Area will be considered as part of this program.

Balanced transportation

ANNUAL INDICATORS



New sidewalks (km):
2016 - 3.0
2017 - 4.5
2018 - 2.5 (target ≥ 3)



New bike lanes (km):
2016 - 3.9
2017 - 3.8
2018 - 1.6 (target ≥ 4)

MID-RANGE INDICATORS



Average daily automobile traffic volume:
2012 - 140,000
2015 - 135,400
2018 - 128,500 (target $\leq 134,000$)

2018 HIGHLIGHTS

TRANSPORTATION SAFETY

Through collaboration with the Ministry of Transportation and Infrastructure, safety improvements for motorists and pedestrians were made as part of the McKenzie Interchange project.

MOBILITY INITIATIVES

Design consultant provided utility and transportation pre-engineering studies, geotechnical drilling program and report, an archaeological overview assessment, an environmental site assessment, and a conceptual design for the reconstruction of Shelbourne Street.

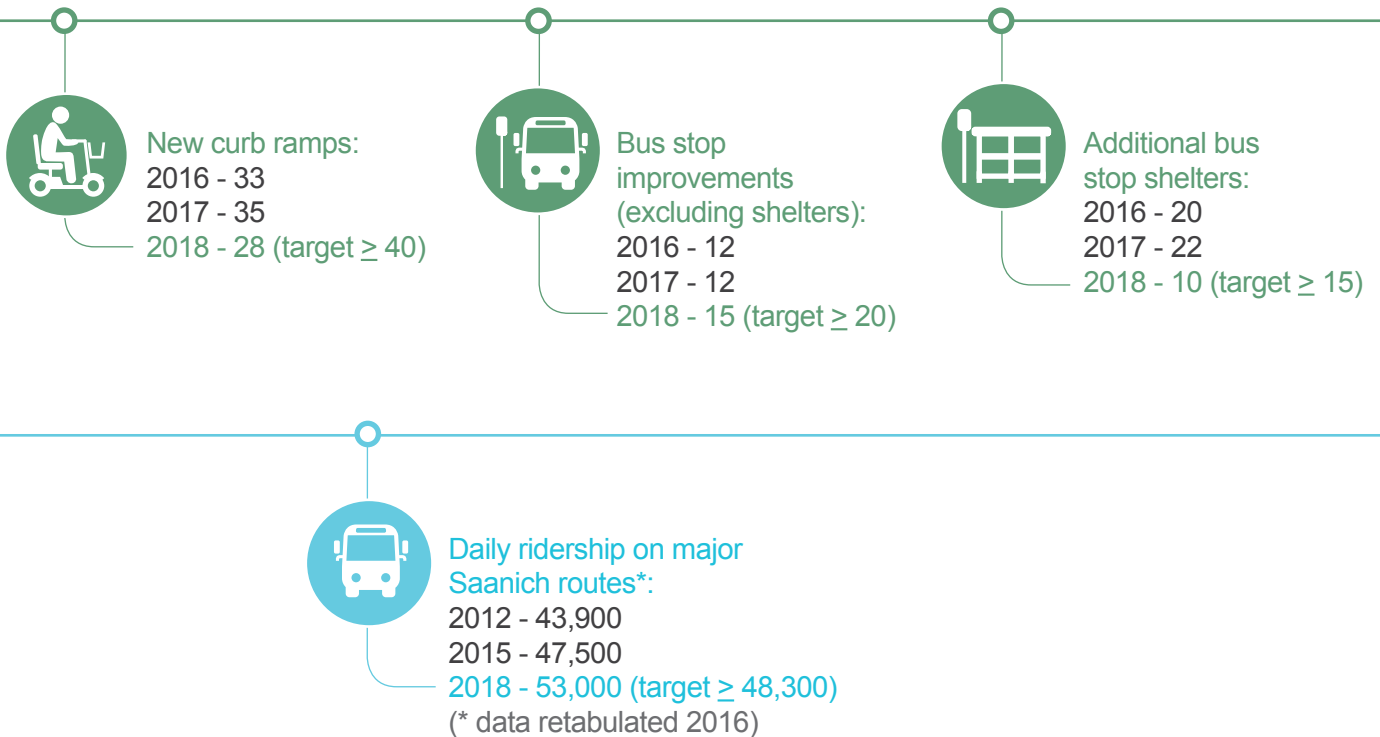
TRANSPORTATION INITIATIVES

Ministry of Transportation and Infrastructure completed northbound bus lanes on Douglas Street that will facilitate reliable and efficient transit operations on this important transit corridor.

RELOCATE CORDOVA BAY RD WITHIN MT. DOUGLAS PARK

Throughout the year, staff undertook further technical analysis with a focus on protecting the road where it is currently located rather than relocating it.

Saanich: People in motion!



MOVING FORWARD

- TRANSPORTATION SAFETY** Collaboration will continue with the Ministry of Transportation and infrastructure toward the completion of the McKenzie Interchange project throughout 2019.
- MOBILITY INITIATIVES** Detailed design work is underway for Phase 1 of the Shelbourne Street improvement project from Garnet Road to Torquay Drive. Construction is anticipated to commence in the latter part of the year.
- TRANSPORTATION INITIATIVES** Staff continue to work with BC Transit on transportation initiatives, including a further refinement to the transit exchange at Uptown Centre and the implementation of southbound bus lanes on Douglas Street.
- ACTIVE TRANSPORTATION** Staff are now working on implementing the Active Transportation Plan that was adopted by Council in 2018.
- RELOCATE CORDOVA BAY RD WITHIN MT. DOUGLAS PARK** Staff will launch public engagement processes and presentations to inform the public about the viable options to protect Cordova Bay Road.

Social well-being

Long-range indicators

FOOD SECURITY



Taxable commercial farmland:
2011 actual - 2,222 hectares
2036 target - 2,335 hectares



Backyard vegetable garden or poultry keeping:
2015 actual - 42% of residents
2036 target - 60% of residents

HOUSING



30% or more of family income required for housing - percentage of renters:
2016 actual - 51.0%
2036 target - ≤ 35%



30% or more of family income required for housing - percentage of owners:
2016 actual - 49.0%
2036 target - ≤ 15%

PUBLIC SAFETY



Municipal crime rate (number of incidents per 1,000 residents):
2015 actual - 39 per 1,000
2036 target - < 51 per 1,000



Percentage of citizens who agree that Saanich neighbourhoods are safe:
2015 actual - 96%
2036 target - ≥ 97%

COMMUNITY PARTICIPATION / VITALITY



Percentage of citizens who agree that Saanich welcomes citizen involvement:
2015 actual - 79%
2036 target - ≥ 85%



Percentage of citizens who rate the quality of life in Saanich as good or very good:
2015 actual - 99%
2036 target - ≥ 99%

Vision of social well-being

Saanich offers opportunities for balanced, active and diverse lifestyles. Housing, public services and amenities are affordable, accessible and inclusive. Residents enjoy food security through the safeguarding of agricultural land and the promotion of community gardens and urban farming. The community's heritage is valued and promoted. Residents take advantage of various recreational, educational, civic, social, arts and cultural services.

Community activities and events generate intergenerational and intercultural interest, participation and social integration. Land-use planning, infrastructure design and service delivery continue to address public safety issues. Citizen awareness, education and collaborative involvement promote a shared responsibility and ownership of community development.



Community gardens:

2015 actual - 3
2036 target - ≥ 12



People on regional wait-list for supportive housing (Greater Victoria coalition to end homelessness mission/CRD) :

2015 actual - 1,502
2018 target - $< 1,502$



Percentage of households prepared for a seven day emergency disaster event:

2015 actual - 40%
2018 target - $\geq 60\%$
2036 target - $\geq 90\%$



Percentage of fire department emergency incident responses within eight minutes:

2015 actual - 91%
2036 target - $\geq 90\%$



Critical infrastructure assessment:

2006 actual - C-
2036 target - $\geq B$

Healthy community

ANNUAL INDICATORS



Dwellings within 500m of a centre or village:
2016 - 58.8%
2017 - new data available Q3 2018
2018 - 58.9% (target $\geq 59.4\%$)

MID-RANGE INDICATORS



Shelter bed use by unique individuals in Greater Victoria:
2012 - 1,615
2015 - 1,725
2018 - 1,525 (target $< 1,725$)



Percentage of supportive housing units in centres and villages:
2012 - 12.5%
2015 - 11.1%
2018 - target $\geq 12\%$

2018 HIGHLIGHTS

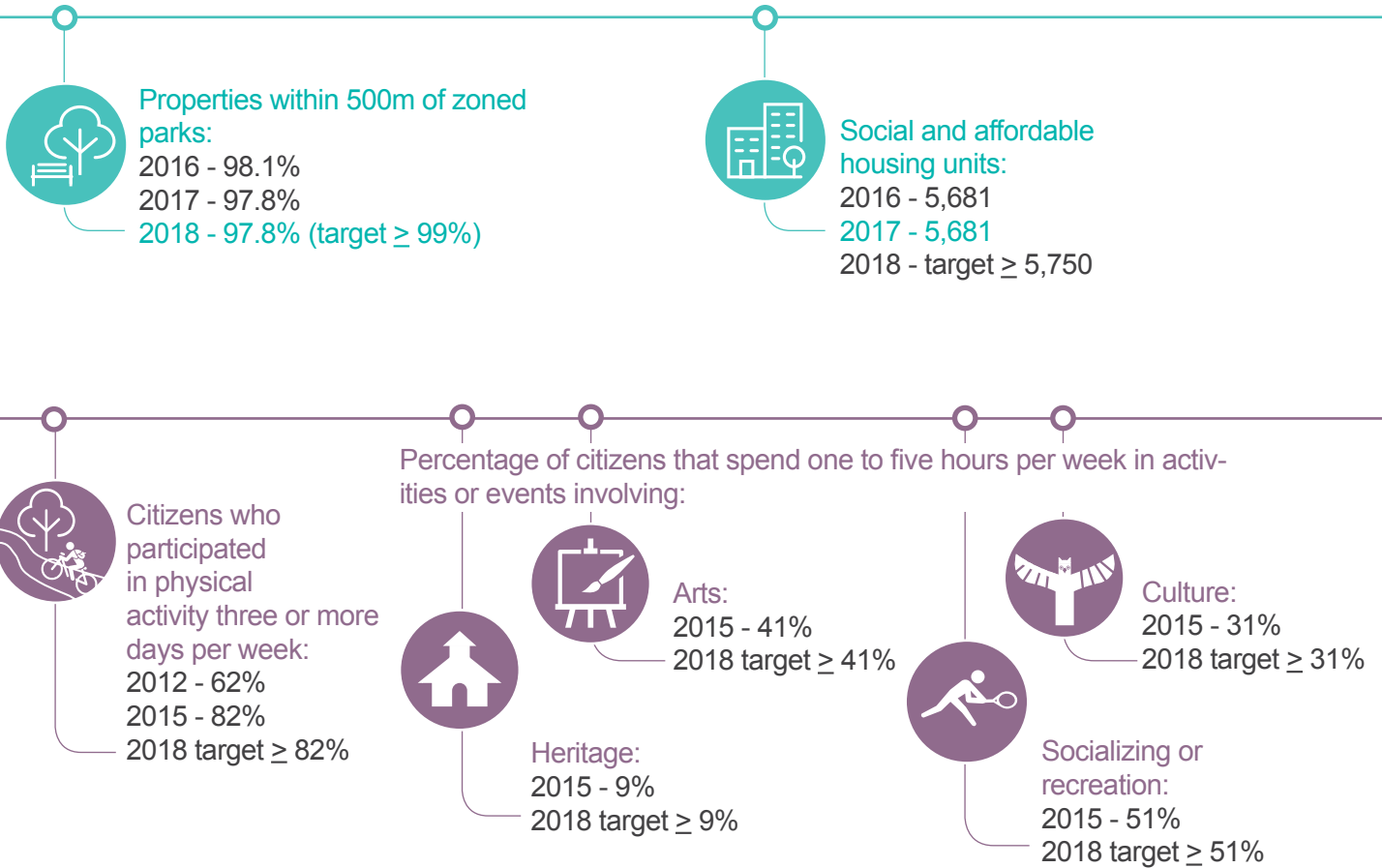
AGRICULTURE AND FOOD SECURITY PLAN

This plan was adopted by Council in the fall of 2018 and will support agriculture and improve food security within our community.

12 LOCAL AREA PLANS

With significant community involvement and collaboration from staff, work commenced to update both the Cordova Bay and Cadboro Bay local area plans.

Saanich is a community of choice offering an active balanced, secure lifestyle: live well and enjoy life!



MOVING FORWARD

AFFORDABLE HOUSING SUMMARY

Possible options for creating new zones related to affordable housing in market projects will be brought forward for Council's consideration in 2019.

12 LOCAL AREA PLANS

Work on the Cordova Bay and Cadboro Bay local area plans will be completed. Staff will turn their attention to consulting with the public on the North Quadra and Quadra local area plan updates.

AGRICULTURE AND FOOD SECURITY PLAN

A term position will be hired to assist with the implementation of the plan that includes support for agriculture and improvements to food security.

GARDEN SUITES

Final draft regulations are being prepared and will be presented to the community for feedback in 2019. When public input is completed, the draft regulations will be brought forward to Council for review, consideration and/or adoption.



Safe community

ANNUAL INDICATORS



Vehicle collisions involving a pedestrian:
2016 - 59
2017 - 46
2018 - 64 (target < 50)



Vehicle collisions involving a bicycle:
2016 - 69
2017 - 68
2018 - 85 (target < 71)

MID-RANGE INDICATORS



Percentage of citizens satisfied with Police services:
2012 - 94%
2015 - 97%
2018 target \geq 97%

2018 HIGHLIGHTS

EMERGENCY COMMUNICATIONS

To facilitate the call back of Saanich management staff in the event of an emergency, this program saw the implementation of new staff scheduling software.

TRANSPORTATION SAFETY

The Traffic Safety Unit completed six drinking and driving enforcement roadblocks during the summer and two additional roadblocks targeting drug impairment following the legalization of cannabis. Funded through partnership with Police Services, Ministry of Public Safety and Solicitor General, enforcement continued in December 2018 with three drinking and driving prevention campaigns.

DISASTER PREPAREDNESS

Corporate Services Department completed their Department Operations Centre (DOC) plan. The Emergency Program remains ready to assist other additional departments to develop and implement their DOC.

Saanich is a safe community for all citizens.



MOVING FORWARD

PUBLIC SAFETY RADIO FREQUENCIES

Saanich Fire will transition to the new P25 radio network which will support improved fire ground communications and the ability to record fire ground communications.

Economic vibrancy

Long-range indicators

LONG-TERM FINANCIAL SUSTAINABILITY



Municipal debt servicing per capita:
2015 actual - \$21
2036 target - ≤ \$109



Percentage of revenue generated from property tax source:
2015 actual - 44%
2036 target - ≤ 55%

COMMUNITY INFRASTRUCTURE



Annual infrastructure gap: *
2015 actual - \$6.26 million
2016 target - \$6 million
2019 target - no infrastructure gap
* calculated from five-year Financial Plan



Condition assessment by letter grade:
2012 actual - C
2036 target - ≥ B

DIVERSIFIED ECONOMIC BASE



Employment by industry index:
2012 actual - 0.71
2036 target - ≥ 0.75



Percentage of commercial, industrial and institutional area to residential property area in Saanich:
2015 actual - 28.3%
2036 target - ≥ 35%

Vision of economic vibrancy

Saanich’s economy is connected locally, regionally and globally, providing diverse economic opportunities, ranging from high technology to agriculture. Our economy and labour force is responsive and has the ability to adapt to change. Saanich’s clean environment, skilled workforce, responsive public services and excellent community infrastructure make it an ideal location to live, work and conduct business.

Implementation of economic development strategies sustain and enhance the economy and ensure long-term financial sustainability, while meeting social and environmental commitments. Saanich ensures sustainability through the provision of efficient, affordable, accessible and reliable public services, programs and utilities that meet community expectations and are achieved through careful management, fiscal responsibility, innovation, progress monitoring, community involvement and meaningful consultation.



Percentage of citizens who are satisfied with the quality of public services provided by Saanich:
2015 actual - 85%
2036 target - \geq 85%



Percentage of businesses who are satisfied with the services provided by Saanich:
2015 actual - 93%
2036 target - \geq 93%

Vibrant, connected economy

ANNUAL INDICATORS



Business generated property tax revenue:
 2016 - 22.8%
 2017 - 23.01%
 2018 - 23.15% (target \geq 23%)

MID-RANGE INDICATORS

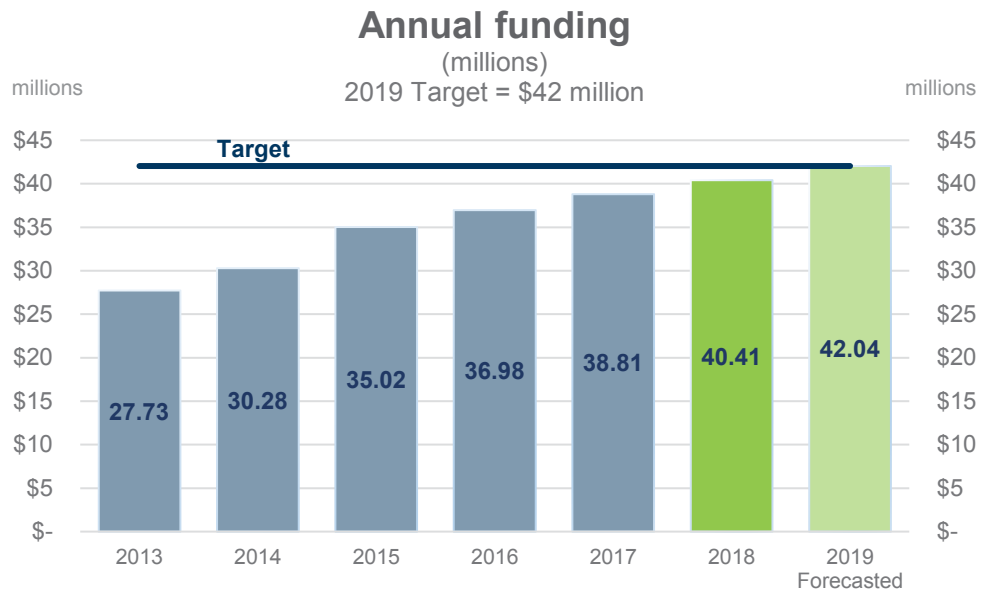


Average annual capital infrastructure replacement funding:
 2012 - \$24,396,000
 2015 - \$32,219,700
 2018 - \$37,110,400
 (target \geq \$40,466,400)

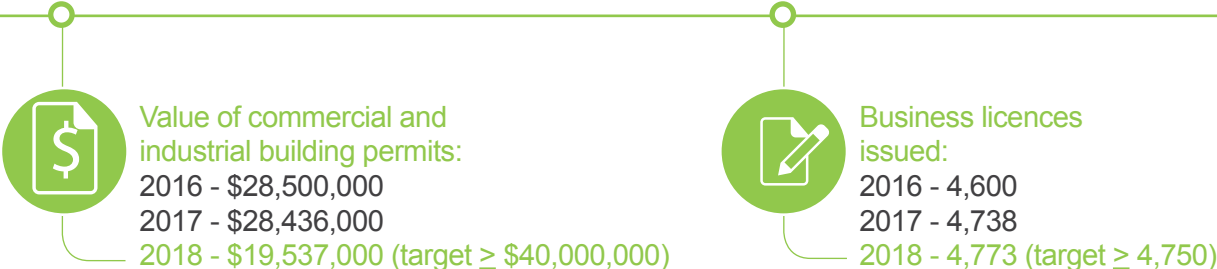
2018 HIGHLIGHTS

SUSTAINABLE INFRASTRUCTURE REPLACEMENT LEVELS

Saanich is on track to achieve sustainable infrastructure replacement levels by 2019.



Saanich is a community supported by a vibrant, diverse and connected regional economy.



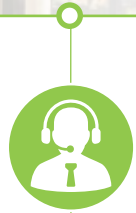
MOVING FORWARD

| | |
|--|--|
| <p>COMMUNITY AMENITY CONTRIBUTIONS</p> | <p>An information report outlining a range of approaches for securing community amenities as part of the development review process will be brought forward in 2019 for Council’s consideration.</p> |
| <p>UPTOWN/ DOUGLAS CORRIDOR PLANNING STUDY</p> | <p>The draft plan is currently being prepared. Public consultation on the draft document will take place during the summer and early fall of 2019. The draft plan will be presented to Council in mid to late fall.</p> |
| <p>BUILDING AND DEVELOPMENT PROCESS</p> | <p>The current review process is complete. Implementation of actions to improve service provision, including the time required to review and process applications, is underway. Service delivery assessments and improvements take place on a regular basis.</p> |



Service excellence

ANNUAL INDICATORS



Recreation course registrations processed online:
2016 - 29.6%
2017 - 32%
2018 - 43% (target \geq 35%)

MID-RANGE INDICATORS



Citizens who agree that Saanich is doing a good job in general:
2012 - 89%
2015 - 86%
2018 target \geq 89%



Citizens who agree they receive good value for the municipal taxes they pay:
2012 - 86%
2015 - 89%
2018 target \geq 89%

2018 HIGHLIGHTS

INFORMATION TECHNOLOGY FOUNDATION

Progress continues on the projects that are part of the five-year strategy. Projects include a phone replacement, network upgrades, firewall implementation and enhancement of the secondary storage site.

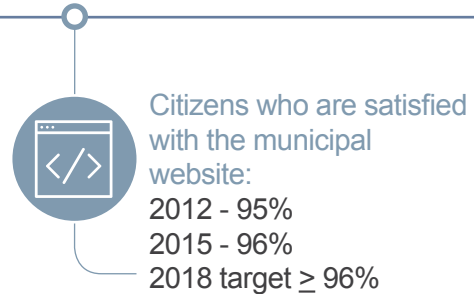
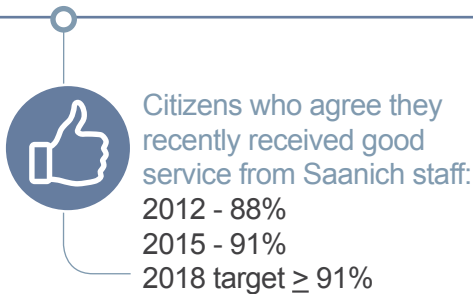
BUSINESS TECHNOLOGY SYSTEMS

Work continues on many projects that are part of the five-year strategy. These include JD Edwards Human Resources and Safety module implementation, continuation of Fire dispatch remediation project, and the upgrade of both the Supervisory Control and Data Acquisition and Graphical Information System applications.

ASSET MANAGEMENT

During 2018 staff formalized the terms of reference for the Asset Management Steering Committee and created a draft asset management policy.

The heart of service excellence is people.



MOVING FORWARD

INFORMATION TECHNOLOGY FOUNDATION

The new phone system, firewall update and network systems will be completed in 2019. Work will commence throughout all facilities on wireless access, printer replacement and desktop and laptop replacement.

BUSINESS TECHNOLOGY SYSTEMS






The implementation of JDE Human Resources and Safety module will be completed as will the upgrades of the Supervisory Control and Data Acquisition and Graphical Information System applications. Work will continue on the Tempest system, traffic signals and the acquisition of an updated set of aerial photos. New initiatives will commence related to Fire Department staffing, agenda management and budgeting software.

ASSET MANAGEMENT

Staff will apply for grants to support implementation of our asset management plan. A Council policy will be presented to Council for adoption.

Climate action



| | | 2016 | 2017 | 2018 |
|---|--|--------|--------|--------|
| tCO ₂ e | Reduce corporate greenhouse gas (GHG) emissions (tonnes) | 5,259* | 5,366* | 5,081 |
|  | Increase electric vehicles in community | 149 | 149 | 590 |
|  | Reduce municipal fleet emissions (tonnes) | 2,987* | 2,929* | 2,920 |
|  | Reduce municipal building emissions (tonnes) | 2,245 | 2,437 | 2,162 |
|  | Increase residential solar systems | 72 | 92 | 122 |
|  | Decrease waste to Hartland Landfill (tonnes) - municipal and private haulers | 24,693 | 25,578 | 23,629 |

* Figures have been updated from earlier reported GHG emissions due to changes in methodology. New methodology more fully captures in-scope emissions (e.g., contractors).

| | | Previous data | Newest data |
|---|--|----------------|----------------|
|  | Increase transit ridership | 7.0% (2011) | 10% (2017)* |
|  | Increase walking participation | 7.0% (2011) | 8% (2017)* |
|  | Increase cycling participation | 4.0% (2011) | 5% (2017)* |
|  | Reduce residential energy use (tonnes) | 87,613 (2012) | 89,346 (2017) |
| tCO ₂ e | Reduce community fuel consumption (tonnes) | 262,128 (2010) | 272,541 (2017) |
|  | Reduce commercial energy use (tonnes) | 44,908 (2012) | 56,897 (2017) |

*New data is available every five years through the CRD Origin Destination Study.

Saanich supports moving toward 100% renewable energy.

Updated Climate Plan: 100% Renewable and Resilient Saanich



Saanich is building a plan to reach 100% renewable energy and 80% greenhouse gas emission reductions while building resilience to a changing climate. Phase 1 of the Saanich Climate Plan update was completed in December 2018, with extensive engagement showing strong community support for urgent, effective climate action. Phase 2 of public engagement will commence in early 2019 with completion of the plan anticipated in fall 2019.

One planet living



The District is supporting a group of Saanich volunteers, businesses, schools, and organizations to create their own “One Planet Action Plans”. The One Planet Cities project is an international initiative funded by the KR Foundation in Denmark and aims to create happier, healthier, more liveable cities. The project is coordinated by Bioregional, a non-profit from the UK, and their local non-profit partners One Earth.

Municipal Hall upgrades shrink GHG emissions

tco₂e

The Municipal Hall's yearly carbon emissions were 33% smaller in 2018 than 2017 thanks to recent building efficiency upgrades. The new heating control systems will also result in greater comfort for occupants.

Gordon Head Recreation Centre is powered with renewable energy



A renewable energy transformation of Gordon Head Recreation Centre was completed in 2018. Old, inefficient gas boilers were replaced with a renewable-energy heat pump with efficient backup gas boilers for building space and pool heating. In 2018, the upgrade reduced greenhouse gas emission by 38% compared to the previous year. Bigger savings are anticipated for 2019 with a full year of heat pump operation.

Renewable homes



Saanich provided “top up” funding to two energy efficiency programs for Saanich residents between 2015 and 2018 to help shrink their greenhouse gas emissions. The Province's Oil to Heat Pump program provided rebates for the replacement of oil heating systems with a heat pump. 155 Saanich residents participated resulting in elimination of over 1,000 tonnes of GHGs per year. Through the Municipal Partner Offer pilot, Saanich provided “bonus” funding for 43 residents that undertook energy retrofits on their homes, and enabled oil heated homes to access rebates that were previously only offered by the utilities for electric and gas-heated homes.

New electric vehicle charging stations



Six new electric vehicle (EV) charging stations were installed at Saanich facilities. The charging stations were installed in preparation of replacing current non-electric fleet vehicles with EVs. Transportation is the largest source of greenhouse gas emissions in our local government and community. Switching to electric vehicles, along with more active transportation, is essential to reach our climate targets. Additionally, EVs cost less to fuel and have lower maintenance costs than internal combustion engine vehicles.

Public participation

The community benefits when there is a strong working partnership between citizens, Council and staff.

The goal of public participation is to involve citizens in discussions on matters that affect them and their community. Strong engagement with citizens and community groups improves the quality of decisions made by Council and ensures that diverse opinions, information and experiences are considered in the decision making process.

The District will use a variety of options to communicate, interact, collaborate and work together with citizens to make decisions. These options are called the P2 Continuum which contains the following:



Public participation

2018

| | | |
|--|--|---------|
| | Presentations | 352 |
| | Open houses and pop-up events (in person or digital) | 138 |
| | Individual consultations and attendees at presentations, open houses and pop-ups | 859 |
| | Citizen input at Council meetings | 714 |
| | Written feedback (including surveys) | 12,006 |
| | Information letters and newsletters | 818,205 |

Community involvement

2018

| | |
|-----------------|--------|
| Volunteers | 1,531 |
| Volunteer hours | 33,889 |
| Event attendees | 40,238 |

Volunteers

Volunteers are the true heroes who are constantly ready and willing to contribute their personal time, talents and energy to help make Saanich projects and events a success. They work with many departments including Fire, Police, Parks, Recreation, and Saanich Archives. Thank you for your enthusiasm and dedication!

Newsletters

Saanich publishes several newsletters to help our residents keep informed and involved with our projects and initiatives. Subscribe to our newsletters at Saanich.ca/connect.

Saanich Archives shares information on the rich history of the area and our residents. The newsletter runs from September to May.

Parks and Recreation Matters is a bi-weekly newsletter featuring fitness tips, Parks and Recreation events and program information for the whole family.

Our Backyard is a seasonal newsletter supporting conservation, restoration and education of the natural environment in Saanich.

Climate Action Quarterly is a quarterly newsletter with updates on all of the upcoming events and opportunities that will help our residents take action on climate change.



Highlighted projects

72

Total number of projects involving public participation in 2018.

Market Analysis Study

Saanich Parks and Recreation commenced a comprehensive Market Analysis Study on recreation, wellness and health programs, services, activities and experiences. While a comprehensive analysis of data was also undertaken, public engagement activities included open houses, an online survey and stakeholder and user group engagement sessions.



Your Say Your Way initiative



Saanich launched the Your Say, Your Way initiative to determine how citizens want to be involved in the strategic and financial planning processes. Public participation activities included 25 community pop up events and open houses, an online survey, stakeholder meetings, social media and web polls and an educational video. These activities created more than 5,000 points of engagement with Saanich residents. Saanich heard that residents want access to easy-to-understand educational material and online options for participation. Staff will implement the recommendations throughout 2019 and 2020.



Cordova Bay and Cadboro Bay Local Area Plan updates

Cordova Bay and Cadboro Bay are the first two Local Area Plans to be updated as part of a multi-year process to update our 12 Saanich Local Area Plans. Extensive public engagement was undertaken in 2018 as part of the first phase of updating these plans. Engagement activities included two speaker series events, village design charrettes, topic-specific workshops and community vision open houses.



Garden Suite Study



The Garden Suite Study examined the legalization of garden suites in urban areas of Saanich. Open house events, pop-up displays, presentations, stakeholder workshops, community surveys and a statistically valid survey were used to gauge community support for various regulatory elements and explore issues. Information gathered is being used to inform draft regulations to be reviewed by the public and considered by Council in 2019.



Haro Woods Management Plan



The two-year planning process for the Haro Woods Management Plan was completed in 2018. This project featured significant involvement and collaboration with the public. Public engagement activities included 13 meetings of the resident advisory committee, four main public events, presentations to community association and advisory committees, and hundreds of surveys and various written comments. In December 2018 Council approved the final draft of this plan which will be implemented over the next several years.



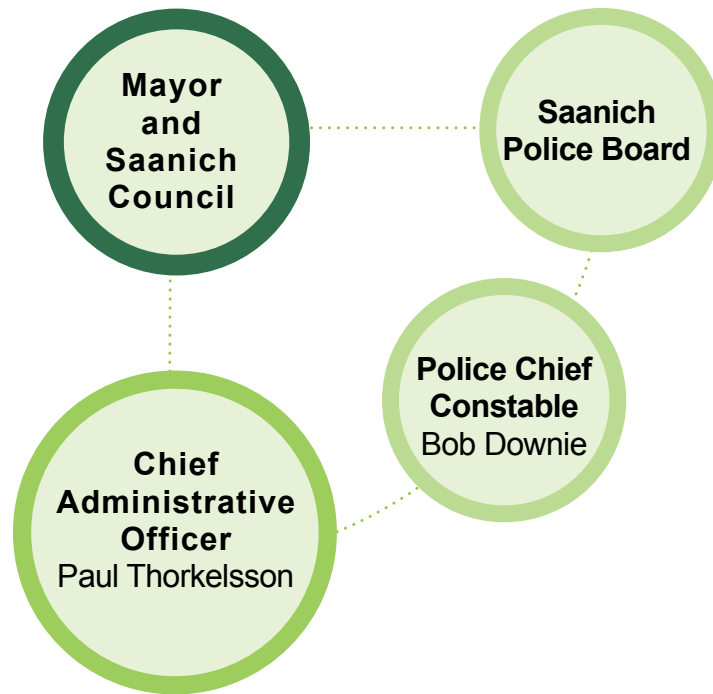
Community grants

2018 Grants are a rich source for funding for municipalities to cover plans and studies, pilot projects, capital projects and more. Specific grants focus on climate change while others are specifically related to community safety and local policing priorities. There are two different types of grants that Saanich receives. Conditional grants are designated for a specific purpose and may not be used for another project, while unconditional grants may be used for any purpose the recipient local government sees fit. Saanich staff monitor available grants and make applications with projects that meet the stated requirements. Once approved, Saanich receives grant funding in stages as work progresses. In 2018 Saanich received the following funding:

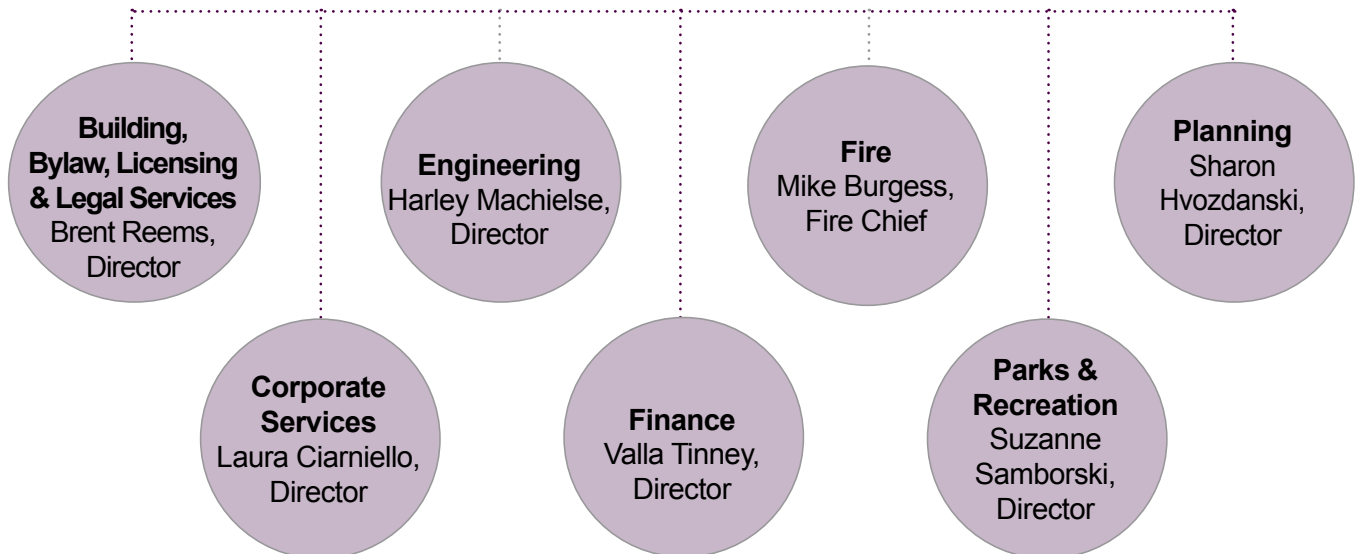


| Operating agency | \$ Value | How funds were spent |
|---|-------------|--|
| Heritage BC | \$4,600 | Interpretive signage improvements |
| Province of BC | \$50,000 | Accessibility improvements at Lambrick Park |
| ICBC | \$72,100 | Traffic improvements |
| BC Hydro | \$37,399 | Lighting improvements at Municipal Hall |
| Province of BC and the Federal Government of Canada | \$1,254,306 | Improving wastewater and stormwater infrastructure |
| Province of BC | \$12,724 | Employment program |
| Province of BC | \$1,431,787 | Policing |
| Province of BC | \$19,700 | Reserve policing |
| BC Hydro | \$92,125 | Various sustainability initiatives |
| Fortis | \$7,113 | Various sustainability initiatives |
| Federation of Canadian Municipalities | \$54,497 | Climate action planning |

Corporate structure



DEPARTMENTS



The following brief statements of departmental operations for 2018 are presented in accordance with the *Community Charter* Section 98 requirements.



Building, Bylaw, Licensing and Legal Services



Building Inspections



Business Licensing



Bylaw Enforcement



Lands



Legal



Risk Management

| KEY ACTIVITY LEVELS | 2017 Actual | 2018 Estimate | 2018 Actual | 2019 Estimate |
|--|-------------|---------------|--------------|---------------|
| Communication licenses at Mount Douglas and Mount Tolmie communication facilities negotiated and managed | 10 | 10 | 10 | 10 |
| Rights of way negotiated and acquired | 20 | 20 | 22 | 20 |
| Legal documents prepared for registration at the Land Title Office | 117 | 40 | 65 | 65 |
| Bylaws and other general legal instruments reviewed and/or prepared | 53 | 25 | 60 | 60 |
| Contracts and agreements reviewed | 50 | 50 | 40 | 40 |
| Building permits issued | 869 | 850 | 747 | - |
| Plumbing permits issued | 912 | 850 | 894 | - |
| Inspections conducted | 6,670 | 6,500 | 6,477 | - |
| Bylaw complaint inspections | 4,496 | 4,000 | 2,586 | 3,500 |

| 2018 Department accomplishments | 2019 Initiatives planned |
|---------------------------------|--------------------------|
|---------------------------------|--------------------------|

- Completed updates of several bylaws, including the Blasting Regulation Bylaw; Park Management and Control Bylaw; Tow-Away Bylaw; Streets and Traffic Bylaw; and Zoning Bylaw.
- Completed a review of the building permit process.
- Reviewed bylaw enforcement policies and procedures and implemented a Bylaw Enforcement Policy.
- Drafted and introduced a Bylaw Notice Enforcement Bylaw and policy to support the introduction of a bylaw notice adjudication system of enforcement.
- Reviewed and inspected water access properties owned by the District and enforced encroachments.
- Processed a high volume of building permits, including an increased volume of permits for multi-family construction projects.
- Managed a high volume bylaw enforcement caseload with increasing complexity due to continued municipal growth and densification.
- Settled significant damage claims in an equitable, timely and cost effective manner.
- Managed and supported legal processes and issues related to the Regina Park encampment.

- Prepare a draft plastic bag ban bylaw for Council's consideration and engage the public and stakeholders on the bylaw.
- Bring forward a new Building Bylaw for Council's consideration and adoption that incorporates Council direction on implementation of the BC Energy Step Code.
- Review bylaw enforcement considerations and approach relating to Building Bylaw violations and secondary suite regulations and decommissioning.
- Review and update municipal land policies and procedures.



Corporate Services



Communications



Human Resources



Information Technology



Occupational Health and Safety



Strategic Planning

| KEY ACTIVITY LEVELS | 2017 Actual | 2018 Estimate | 2018 Actual | 2019 Estimate |
|---|-------------|---------------|---------------|---------------|
| Service requests to Human Resources | 11,150 | 13,000 | 16,600 | 18,000 |
| Return to work opportunities from illness or injury supported | 135 | 140 | 240 | 290 |
| Service requests to IT Helpdesk | 4,300 | 4,000 | 4,800 | 5,000 |
| Software applications supported | 250 | 275 | 215 | 215 |
| Group facilitation sessions conducted | 30 | 35 | 27 | 25 |

2018 Department accomplishments

- Participated in the design of the large-scale emergency management exercise.
- Developed and implemented a campaign to increase voter turnout in the municipal election.
- Managed communications with the public and stakeholders during the Regina Park encampment.
- Conducted 70 ergonomic risk assessments and 24 ergonomic training sessions and introduced an early reporting and assessment process for ergonomic symptoms.
- Completed risk assessments and exposure control plans for chlorine, chloramines, titanium dioxide, infectious materials and high potency narcotics.
- Obtained the BC Municipal Safety Association Certificate of Recognition for the 10th year.
- Implemented two modules of new HR Software and initiated design of remaining modules.
- Implemented the results of the CUPE Job Evaluation Maintenance Project.
- Commenced sub-committee negotiations with CUPE as per the November 2017 Memorandum of Settlement.
- Enhanced Saanich cybersecurity protections including implementation of next generation firewall.
- Completed an upgrade to the Tempest computer system which is used for revenue, licensing, permits and land management.
- Compiled and uploaded storm, sewer and drains spatial data layers to the Saanich GIS spatial data catalogue.

2019 Initiatives planned

- Focus on increasing staff awareness and understanding of mental health.
- Monitor and adjust workplace injury management program considering policy and practice changes arising from Paul Petrie's report to WorkSafeBC.
- Further implementation of new HR and Safety software modules.
- Develop and launch a community newsletter.
- Create a crisis communications plan.
- Educate residents about strategic and financial planning processes through the Shaping Saanich campaign.
- Complete citizen and business surveys.
- Work with Council to build new Strategic Plan for 2019-2023.
- Conclude sub-committee negotiations with CUPE as per the November 2017 Memorandum of Settlement.
- Implement remaining modules of new HR Software.
- Refresh healthy workplace program and onboarding process.
- Prepare for CUPE and IAFF 2020 negotiations.
- Implement a new phone and network system for all Saanich facilities.



Engineering



Administration



Facilities



Project Management



Public Works



Transportation and Development



Underground Services

| KEY ACTIVITY LEVELS | 2017 Actual | 2018 Estimate | 2018 Actual | 2019 Estimate |
|-----------------------------|-------------|---------------|--------------|---------------|
| Fixtures converted to LED | 666 | 620 | 870 | 800 |
| Graffiti call responses | 1,535 | 1,535 | 1,227 | 1,300 |
| Signs maintained | 5,440 | 5,440 | 4,819 | 5,200 |
| Lanes swept (km) | 1,846 | 2,500 | 2,910 | 2,900 |
| Illegal dumping responses | 534 | 550 | 614 | 650 |
| Drain mains cleaned (km) | 148 | 160 | 159 | 150 |
| Catch basins cleaned | 8,200 | 8,000 | 7,263 | 7,500 |
| Waterways inspected/cleaned | 112 | 75 | 341 | 300 |
| Water meters replaced | 977 | 1,000 | 1,105 | 1,500 |
| Water quality samples taken | 518 | 450 | 600 | 400 |
| Hydrants serviced | 891 | 900 | 996 | 1,000 |
| Water mains flushed (km) | 335 | 350 | 262 | 300 |

| 2018 Department accomplishments | 2019 Initiatives planned |
|---------------------------------|--------------------------|
|---------------------------------|--------------------------|

- Staff completed and Council adopted the Active Transportation Plan.
- In its first full year of operation, the Borden Cycle Track had 280,000 cycling trips.
- Development Services processed 2,400 development and utility applications/permits.
- Replaced 4,700 metres of watermain; replaced/rehabilitated 3,500 metres of sanitary sewer; and replaced/rehabilitated 1,600 metres of storm drain main.
- Provided surveying services for more than 125 construction layouts, 130 preliminary designs and 184 as-constructed records.
- Implemented radio-based traffic signal coordination on the entire McKenzie corridor, resulting in improved traffic flows and reduced idling and greenhouse gases.
- Successfully delivered the 2018 Capital Works Program.
- Completion of first three phases of street light upgrades from HPS to LED (for a total of 2357 lights), resulting in 13% reduction in total street light power use.
- Staff completed and Council adopted the Strategic Facilities Master Plan.

- Complete a business case for the redevelopment of the Parks and Public Works Yard.
- Undertake a review of the Sidewalk Inspection Policy Completion.
- Develop and implement coordinated signals on Shelbourne and Quadra Street corridors.
- Update the engineering specifications of the Subdivision Bylaw.
- Develop staged strategy for an integrated stormwater master plan and drainage master plan delivery.
- Develop storm drain main condition assessment rating framework and replacement prioritization framework based on asset.



Finance



Accounting



Payroll



Purchasing
Services



Revenue
Collection

| KEY ACTIVITY LEVELS | 2017 Actual | 2018 Estimate | 2018 Actual | 2019 Estimate |
|---|----------------|------------------|----------------|------------------|
| Purchasing card transactions | 17,389 | 17,500 | 17,283 | 17,500 |
| Debit or credit card transactions | 184,006 | 185,000 | 202,285 | 200,000 |
| Cheques, EFTs, and direct debits issued | 11,416 | 11,000 | 12,200 | 12,200 |
| T4 slips produced and distributed | 1,831 | 1,800 | 2,193 | 2,000 |
| Invoices processed | 32,273 | 25,000 | 32,592 | 33,000 |
| Quotations, tenders, RFPs processed | 189 | 190 | 176 | 180 |
| Pieces of mail handled | 181,997 | 180,000 | 174,714 | 180,000 |
| Photocopies produced in the print shop | 552,293 | 450,000 | 467,845 | 500,000 |
| Property tax notices produced | 42,963 | 43,000 | 43,700 | 43,700 |
| Electronic home owner grants processed | 15,852 | 15,500 | 16,410 | 16,800 |
| Utility bills produced | 118,081 | 119,000 | 119,100 | 120,000 |
| Tax deferrals processed | 2,717 | 2,500 | 2,984 | 3,000 |

2018 Department accomplishments

- Received Government Finance Officers Association Canadian award for Financial Reporting and Distinguished Budget Presentation award.
- Implemented a major upgrade to Tempest (land, property tax and utility software).
- Implemented financial inquiry tool to improve reporting capability of all departments.
- Prepared financial modelling for the proposed new Development Cost Charge Bylaw.
- Conducted Your Say Your Way public engagement campaign to guide Council decisions about enhancements to public involvement in financial planning processes.
- Commenced multi-year implementation of a public education and participation program for financial planning processes.

2019 Initiatives planned

- Implement budget software to replace current excel based budget production and strengthen department resilience.
- Implement tendering management software to replace current manual systems and increase efficiency of procurement processes.
- Complete a long term financial plan to ensure financial sustainability for municipal operations and capital repair and replacement.
- Strengthen the department's ability to provide internal audit, compliance, training and financial reporting support to the organization.
- Develop new educational materials for the public about the financial plan and taxation impacts with a "Budget in Brief" and new annual tax information insert.
- Implement enhanced opportunities for public engagement with development of the financial plan.



Fire



Emergency Program



Fire Communications



Fire Prevention



Fire Suppression



Fire Training



Mechanical Services

| KEY ACTIVITY LEVELS | 2017 Actual | 2018 Estimate | 2018 Actual | 2019 Estimate |
|---|---------------|---------------|----------------------|---------------|
| Incident responses | 4,975 | 4,900 | 4,575 | 4,600 |
| Emergency incident responses | 4,151 | 4,000 | 3,900 | 4,000 |
| Fire related fatalities | 0 | 0 | 0 | 0 |
| Fire related injuries | 0 | 0 | 1 | 0 |
| Dollar fire loss (estimated) | \$2,311,465 | \$2,225,000 | \$1,010,485 | \$1,000,000 |
| Estimated value of property saved | \$142,689,855 | \$100,000,000 | \$121,072,550 | \$120,000,000 |
| Incidents dispatched (Saanich Fire and clients) | 13,601 | 13,000 | 10,699 | 6,800 |
| Public education programs and events | 74 | 75 | 60 | 60 |
| Public education program and event attendees | 26,634 | 20,000 | 20,149 | 20,150 |

| 2018 Department accomplishments | 2019 Initiatives planned |
|---------------------------------|--------------------------|
|---------------------------------|--------------------------|

- Designed and executed a complex emergency management functional exercise related to ammonia regulations. The exercise was supported by a \$25,000 grant from UBCM to enhance staff training and emergency plans and involved 45 Saanich staff, external agencies.
- Saanich Fire was the second fire department in B.C. to implement GPS based dispatching which dispatches the closest apparatus regardless of station boundaries for certain emergency incidents.
- Replaced entire equipment inventory of aging Self Contained Breathing Apparatus to ensure our fire fighters have adequate and reliable personal protective equipment. Entered into a new supplier agreement for structural firefighting turn-out gear and has shortened the replacement cycle for this equipment to support health and safety of our fire fighters.
- Improved fleet efficiencies and response capabilities by deploying a small medic unit (two person) for medical aid incidents rather than an Engine company (four person).

- Complete a fire services review to update the department's 10 year Strategic Plan that will guide long term planning for the delivery of fire and rescue services.
- Complete Fire Station No. 2 redevelopment planning and complete renovations to Fire Stations No. 1 and 3 to sustain the infrastructure and address health and safety, workplace and staffing requirements.
- Update the Emergency Program Strategic Plan using 2018 community survey results.
- Transition to P25 radio technology as part of the CREST radio communications system upgrade.
- Celebrate the Department's 100th anniversary through a variety of events and activities.



Parks and Recreation



Community
Services



Golf
Course



Parks



Recreation
Centres

| KEY ACTIVITY LEVELS | 2017 Actual | 2018 Estimate | 2018 Actual | 2019 Estimate |
|--|----------------|------------------|----------------|------------------|
| Trees planted | 1,100 | 1,000 | 598* | 500 |
| Bridges repaired | 4 | 3 | 2 | 3 |
| Trails resurfaced (km) | 3 | 3 | 3 | 3 |
| Calls for service received | 3,092 | 3,000 | 3,084 | 3,050 |
| Tree preservation permits processed | 875 | 650 | 892 | 880 |
| Youth centre visits | 10,132 | 10,150 | 8,680 | 10,000 |
| Registrations to summer playground programs | 1,950 | 2,000 | 1,890 | 1,900 |
| Active volunteers | 240 | 260 | 171 | 175 |
| Participants in special events | 73,000 | 75,000 | 40,115 | 42,000 |
| Leisure Involvement for Everyone (LIFE) visits | 42,900 | 44,000 | 40,160 | 41,000 |
| Golf green fee rounds | 25,326 | 27,000 | 36,050 | 38,000 |

*Trees planted in public parks and boulevards. Approximate 350 additional trees provided to private home owners to plant on their own properties as part of the tree partnership program or as part of tree permit requirements.

2018 Department accomplishments

- Completed Haro Woods Park Management Plan.
- Piloted Park Ambassadors Project in Mount Douglas Park.
- Renewed Rainbow and Rosedale Parks playgrounds.
- Restored Regina Park.
- Restored a heavily eroded trail (Upper Glendenning) in Mount Douglas Park.
- Installed a new accessible pathway in Lambrick Park to Gordon Head Recreation Centre.
- Successfully implemented Active Net enterprise system to enhance user registration experience.
- Completed year three of five of the Youth Development Strategy.

2019 Initiatives planned

- Complete Market Analysis Study, determine the priorities and develop an implementation strategy.
- Work with Federal and Provincial governments to extend the High Performance Sport Trust Fund at Saanich Commonwealth Place that expires in 2019.
- Manage the de-commissioning of the CLASS enterprise system.
- Invasive species removals and restoration plantings with volunteers in many Saanich parks.
- Creek restoration in Swan and Colquitz Creeks.
- Trail restorations in various natural areas including Mount Douglas Park.
- Updates to the Tree Protection Bylaw.
- Complete the Cedar Hill Park Management Plan.
- Park Ambassadors Project continues in Mount Douglas Park.
- Reynolds Park playground renewal.
- Layritz Park Little League and Braefoot Park field renewals.
- Upgrades at Gore Memorial Park.



Planning



Community Planning



Current Planning



Environmental Services



Sustainability

| KEY ACTIVITY LEVELS | 2017 Actual | 2018 Estimate | 2018 Actual | 2019 Estimate |
|---|-------------|---------------|-------------|---------------|
| Zoning applications processed | 8 | 10 | 14 | 10 |
| Development permit amendment applications processed | 28 | 30 | 16 | 30 |
| Development permit applications processed | 30 | 32 | 28 | 30 |
| Environmental Development Permits | 16 | 18 | 18 | 18 |
| Environmental Awards process | 1 | 1 | 1 | 1 |
| Environmental protocols processed* | 29 | 31 | 23 | 25 |
| Environmental and social reviews | 43 | 45 | 39 | 0 |
| Subdivision applications processed | 20 | 22 | 26 | 22 |

*Environmental protocols processed – was previously named environmental approvals.

Note: Environmental social reviews will no longer be undertaken for 2019 onwards.

2018 Department accomplishments

- Step Code requirements were adopted by Council in 2018 and will be implemented in a phased approach commencing June 1, 2019. Buildings represent approximately 30 per cent of Saanich community Greenhouse gas (GHG) emissions. The Step Code presents a considerable opportunity to make progress on our commitment to an 80 per cent reduction in our GHG emissions by 2050.
- A report regarding a Home Energy Retrofit Financing (LIC) Pilot in support of residents converting from oil to heat pumps was endorsed by Council and forwarded onto Strategic Plan discussions for prioritization.
- The Agricultural and Food Security Plan was adopted by Council in 2018. The plan includes clear actions for Saanich to enhance local agriculture and food security over the next 10 to 15 years.
- Significant progress was made on engaging the community in an important discussion around the benefits of garden suites and the development of draft regulations in support of this new housing form in Saanich. This planning process will be completed in mid-2019.

2019 Initiatives planned

- Completion of the update to the climate action plan under the framework of moving towards “a 100 per cent renewable and resilient Saanich by 2050”. In mid-2019 staff will also provide Council with options to accelerate key climate change mitigation and adaptation actions to help the municipality and the community effect meaningful change.
- Approval of terms of reference for a program of work to include the topics of climate adaptation, a biodiversity conservation strategy, and stewardship program to serve as a policy framework for other Saanich environmental policies and programs and a potential new Environmental Development Permit Area, and commencement of work.
- Completion of the updates to the Cordova Bay and Cadboro Bay Local Area Plans.
- Completion of the Uptown Douglas Corridor Plan.
- Commencement of the updates to the North Quadra and Quadra Local Area Plans. These plans will guide the anticipated growth and change in focused areas of our community over the next 5 to 10 to 30 years.
- Implementation of key initiatives from the Agricultural and Food Security Plan. The implementation of the plan will support our community becoming more resilient and reduce our impacts in regard to climate change.



Police



Administrative
Support



Community
Engagement



Detective



Patrol



Professional
Standards



Staff
Development

| KEY ACTIVITY LEVELS | 2017 Actual | 2018 Estimate | 2018 Actual | 2019 Estimate |
|---|----------------|------------------|----------------|------------------|
| Volunteers actively engaged with Saanich Police | 1,079 | ≥ 1,058 | 1,032 | 1,079 |
| Block Watch participants (total number of blocks) | 714 | ≥ 700 | 982 | > 1,000 |
| Engagement and educational initiatives with seniors | 20 | 20 | 16 | 17 |
| Engagement and events with youth | 61 | 60 | 110 | 108 |
| Vehicle-only collisions | 1,440 | ≤ 1,218 | 1,297 | 1,252 |
| Vehicle collisions involving a pedestrian | 46 | ≤ 50 | 64 | 53 |
| Vehicle collisions involving a bicycle | 68 | ≤ 71 | 85 | 76 |

2018 Department accomplishments

- Staff and volunteers from multiple divisions attended over 20 diversity and inclusion events and the department hosted its first community of practice learning event with the Canadian Centre for Diversity and Inclusion.
- Completed front desk renovation to create a more secure interface for officers to interact with the public and a more usable waiting area.
- Older adult awareness training was delivered to all officers to provide specific information to officers on different aspects of aging, including issues and concerns related to personal safety.
- The Detective Division undertook intelligence-led policing initiatives to target prolific offenders in the community and conduct enforcement as needed.
- Attended five secondary schools in Saanich presenting to approximately 600 students between grades 10-12 to introduce students to the Crime Stoppers program and increase their awareness of how they can use the program.

2019 Initiatives planned

- Deliver a new Tactical Emergency Casualty Care training program to all officers to provide advanced trauma care knowledge for treating life-threatening injuries.
- Establish a new bicycle registry for citizens to increase the percentage of found stolen bicycles that are returned to their owners.
- Conduct community consultations on new models to deliver multilingual educational information to the community.
- Deliver new educational presentations to high school students on the legalization and impact of cannabis.
- Explore the resources required to develop a prevention and public education program on intimate partner violence.
- Encourage meaningful feedback and public input on police services through the development of new public surveys.



District of Saanich Financial section



2018 Financial statements

**The Corporation of the
District of Saanich**
British Columbia

Fiscal year ended
December 31, 2018

Prepared by:
District of Saanich
Finance Department



Government Finance Officers Association

**Canadian Award
for
Financial Reporting**

Presented to

**The Corporation of the District
of Saanich, British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2017

Christopher P. Morill
Executive Director/CEO

Report from the Director of Finance



May 13, 2019

Mayor and Council
District of Saanich

Your Worship and Members of Council,

I am pleased to present the financial statements for the fiscal year ending December 31, 2018 pursuant to Section 98 of the Community Charter Act.

These statements have been prepared in accordance with generally accepted accounting principles and the recommendations of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and the Provincial Ministry of Municipal Affairs & Housing.

The Corporation maintains a system of internal accounting controls designed to safeguard the assets of the Corporation and provide reliable financial information. We verify and test these systems on a regular basis through the use and review of the internal controls.

The audit firm of KPMG was appointed by Council and is responsible for expressing an opinion as to whether the financial statements, prepared by the Corporation's management, fairly present the financial position of the District of Saanich and the results of its 2018 operations.

In 2018, the Corporation's financial position continued to strengthen. Investment in tangible capital assets such as lands, parks infrastructure, roads and sidewalks increased by \$16.0 million. Total reserves and appropriated surplus increased by \$11.4 million, while the operating fund surplus increased by \$4.1 million. The capital fund surplus decreased by \$5.5 million to support the investment of tangible capital assets. Overall these results strengthened the Corporation's overall financial position by \$25.3 million.

Revenue increases to note for 2018 include taxation of \$4.7 million and sewer user charges of \$2.3 million, while grants and contributions decreased by \$6.2 million. Sewer user charges increased to support debt servicing costs for the Regional Sewer Treatment Program. Total expenses increased by \$8.6 million or 4.7% over 2017.

The Corporation's prudent approach to financial management is reflected in the increasing financial assets level, low long term debt, and level of reserves.

Respectfully submitted,

A handwritten signature in cursive script that reads "Valla Tinney".

Valla Tinney, FCPA, FCGA
Director of Finance

THE CORPORATION OF THE DISTRICT OF SAANICH

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the District of Saanich (the "Corporation") are the responsibility of the Corporation's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting standards for local governments established 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 judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

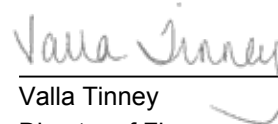
The Corporation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a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

The Municipal Council meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

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



Paul Thorkelsson
Chief Administrative Officer



Valla Tinney
Director of Finance

May 13, 2019



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 Councillors of the Corporation of the District of Saanich

Opinion

We have audited the financial statements of the Corporation of the District of Saanich (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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



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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
May 13, 2019

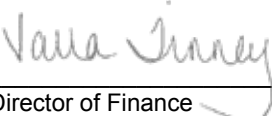
THE CORPORATION OF THE DISTRICT OF SAANICH

STATEMENT OF FINANCIAL POSITION

December 31, 2018, with comparative information for 2017

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| Financial assets: | | |
| Cash and cash equivalents (note 2) | \$ 95,042,171 | \$ 104,308,680 |
| Investments (note 2) | 104,345,259 | 84,893,025 |
| Receivables: | | |
| Property taxes | 1,924,378 | 2,088,635 |
| Board of Cemetery Trustees of Greater Victoria (note 3b) | 821,814 | 884,041 |
| Accounts receivable | 14,032,042 | 13,478,042 |
| MFA cash deposit (note 4) | 617,914 | 596,433 |
| Other assets | 7,619 | 6,797 |
| | <u>216,791,197</u> | <u>206,255,653</u> |
| Financial liabilities: | | |
| Accounts payable and accrued liabilities | 11,908,234 | 16,288,255 |
| Accrued employee benefit obligations (note 5) | 18,045,439 | 16,703,539 |
| Debt (note 3) | 34,014,828 | 35,856,122 |
| Deferred revenue (note 6) | 21,280,461 | 19,473,796 |
| Deposits and prepayments | 14,769,920 | 11,963,909 |
| | <u>100,018,882</u> | <u>100,285,621</u> |
| Net financial assets | <u>116,772,315</u> | <u>105,970,032</u> |
| Non-financial assets: | | |
| Inventories of supplies | 1,958,421 | 1,890,081 |
| Prepaid expenses | 1,238,500 | 1,034,693 |
| Tangible capital assets (note 9) | 865,964,467 | 851,737,575 |
| | <u>869,161,388</u> | <u>854,662,349</u> |
| Contingent liabilities, contracts and commitments (notes 4, 11 and 12) | | |
| Accumulated surplus (note 10) | <u>\$ 985,933,703</u> | <u>\$ 960,632,381</u> |

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


 Director of Finance

THE CORPORATION OF THE DISTRICT OF SAANICH

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31, 2018, with comparative information for 2017

| | Budget (note 13) | 2018 | 2017 |
|---|-----------------------|-----------------------|-----------------------|
| Revenue: | | | |
| Taxes (note 7) | \$ 122,259,870 | \$ 122,321,935 | \$ 117,594,301 |
| Grants in lieu of taxes | 2,453,500 | 2,572,116 | 2,416,030 |
| Sales of services | 19,781,510 | 20,613,810 | 19,897,971 |
| Revenue from own sources | 9,115,930 | 13,171,324 | 12,472,690 |
| Transfers from other governments (note 8) | 1,660,840 | 1,617,946 | 1,777,289 |
| Sale of water | 19,623,660 | 19,842,712 | 18,731,765 |
| Water service charges | 1,679,400 | 1,707,405 | 1,681,581 |
| Sewer user charges | 21,523,420 | 21,191,214 | 18,901,240 |
| Grants and contributions | 6,684,000 | 7,573,117 | 13,735,590 |
| Developer contributions | - | 5,163,197 | 5,344,725 |
| Development cost charges (note 6) | 948,000 | 364,438 | - |
| Sub-regional parks reserve (note 6) | 212,613 | 212,614 | 212,613 |
| Other | 415,155 | 891,690 | 807,210 |
| Total revenue | 206,357,898 | 217,243,518 | 213,573,005 |
| Expenses: | | | |
| General government services | 22,117,206 | 19,029,400 | 16,770,535 |
| Protective services | 58,078,173 | 58,766,380 | 56,111,109 |
| Engineering and public works | 22,199,888 | 25,759,099 | 26,639,750 |
| Refuse collection | 6,969,550 | 6,860,145 | 6,502,197 |
| Community planning | 3,658,510 | 3,212,254 | 2,658,119 |
| Recreation, parks and cultural | 40,589,812 | 42,321,285 | 41,547,026 |
| Water utility | 16,202,160 | 17,738,210 | 16,790,012 |
| Sewer utility | 17,659,893 | 18,178,258 | 16,261,783 |
| Other fiscal services | 96,625 | 77,165 | 72,177 |
| Total expenses | 187,571,817 | 191,942,196 | 183,352,708 |
| Annual surplus | 18,786,081 | 25,301,322 | 30,220,297 |
| Accumulated surplus, beginning of year | 960,632,381 | 960,632,381 | 930,412,084 |
| Accumulated surplus, end of year | \$ 979,418,462 | \$ 985,933,703 | \$ 960,632,381 |

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

THE CORPORATION OF THE DISTRICT OF SAANICH

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

Year ended December 31, 2018, with comparative information for 2017

| | Budget | 2018 | 2017 |
|--|---------------|----------------|----------------|
| Annual surplus | \$ 18,786,081 | \$ 25,301,322 | \$ 30,220,297 |
| Acquisition of tangible capital assets | (80,054,300) | (28,990,615) | (24,933,322) |
| Developer contributions of tangible capital assets | - | (5,163,197) | (5,344,725) |
| Amortization of tangible capital assets | 19,445,000 | 19,216,650 | 19,406,889 |
| Loss on disposal of tangible capital assets | - | 710,270 | 182,139 |
| | (60,609,300) | (14,226,892) | (10,689,019) |
| Purchase of inventories of supplies | - | (68,340) | (64,719) |
| Purchase of prepaid expenses | - | (203,807) | (246,858) |
| | - | (272,147) | (311,577) |
| Change in net financial assets | (41,823,219) | 10,802,283 | 19,219,701 |
| Net financial assets, beginning of year | 105,970,032 | 105,970,032 | 86,750,331 |
| Net financial assets, end of year | \$ 64,146,813 | \$ 116,772,315 | \$ 105,970,032 |

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

THE CORPORATION OF THE DISTRICT OF SAANICH

STATEMENT OF CASH FLOWS

Year ended December 31, 2018, with comparative information for 2017

| | 2018 | 2017 |
|--|---------------|----------------|
| Cash provided by (used in): | | |
| Operating Activities: | | |
| Annual surplus | \$ 25,301,322 | \$ 30,220,297 |
| Items not involving cash: | | |
| Amortization | 19,216,650 | 19,406,889 |
| Developer contributions of tangible capital assets | (5,163,197) | (5,344,725) |
| Actuarial adjustment on debt | (501,542) | (450,466) |
| Accrued employee benefit obligations | 1,341,900 | 904,582 |
| Loss on disposal of tangible capital assets | 710,270 | 182,139 |
| Change in non-cash assets and liabilities: | | |
| Property taxes receivable | 164,257 | 193,147 |
| Board of Cemetery Trustees receivable | 62,227 | 59,263 |
| Accounts receivable | (554,000) | 291,429 |
| Other assets | (822) | - |
| Accounts payable and accrued liabilities | (4,380,021) | 1,791,107 |
| Deferred revenue | 1,806,665 | (3,164,047) |
| Deposits and prepayments | 2,806,011 | 678,753 |
| Inventories of supplies | (68,340) | (64,719) |
| Prepaid expenses | (203,807) | (246,858) |
| Net change in cash from operating activities | 40,537,573 | 44,456,791 |
| Capital Activities: | | |
| Cash used to acquire tangible capital assets | (28,990,615) | (24,933,322) |
| Investing Activities: | | |
| Net decrease in investments | (19,452,234) | 2,235,999 |
| Financing Activities: | | |
| MFA cash deposit | (21,481) | (58,447) |
| Debt issued | 1,582,000 | 6,831,798 |
| Capital lease repaid | - | (3,587) |
| Debt repaid | (2,859,525) | (2,470,826) |
| Debt repaid (Board of Cemetery Trustees) | (62,227) | (59,263) |
| Net change in cash from financing activities | (1,361,233) | 4,239,675 |
| Increase (decrease) in cash and cash equivalents | (9,266,509) | 25,999,143 |
| Cash and cash equivalents, beginning of year | 104,308,680 | 78,309,537 |
| Cash and cash equivalents, end of year | \$ 95,042,171 | \$ 104,308,680 |

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

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

The Corporation of the District of Saanich (the “Corporation”) is incorporated and operates under the provisions of the British Columbia Local Government Act and the Community Charter of British Columbia. The Corporation’s principle activities include the provision of local government services to residents of the incorporated area. These include protective, parks, recreation, transportation, drainage, water and sewer.

1. Significant accounting policies:

The financial statements of the Corporation are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as prescribed by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Corporation are as follows:

a) Reporting entity:

The financial statements include the combination of all the assets, liabilities, accumulated surplus, revenues and expenses of all the activities and funds of the Corporation. The Corporation does not control any significant external entities and accordingly, no entities have been consolidated in the financial statements. Inter-departmental balances and significant organizational transactions have been eliminated. The Corporation does not administer any trust activities on behalf of external parties.

b) Basis of accounting:

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are 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) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash on hand, deposit notes, and short-term, highly liquid investments with a maturity date of less than 3 months subsequent to acquisition date that are readily converted to known amounts of cash and which are subject to an insignificant risk of change in value. Cash equivalents also include investments in Municipal Finance Authority of British Columbia Money Market Funds which are recorded at cost plus earnings reinvested in the fund.

d) Investments:

Investments are recorded at cost except for the investments in the Municipal Finance Authority of British Columbia Bond and Intermediate Funds which are recorded at cost plus earnings that are reinvested in the funds. Short-term investments are comprised of bankers’ acceptances, guaranteed investment certificates and deposit notes with a maturity date of 3 months to one year subsequent to acquisition date, while investments with a maturity date greater than one year are classified as long-term.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

1. Significant accounting policies (continued):

d) Investments (continued):

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.

e) 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 expenses are incurred, services performed, or the tangible capital assets are acquired.

f) Deposits and prepayments:

Receipts restricted by third parties are deferred as deposits and are refundable under certain circumstances. Deposits and prepayments are recognized as revenue when qualifying expenditures are incurred.

g) Debt:

Debt is recorded net of repayments and actuarial adjustments.

h) Employee future benefits:

The Corporation and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred. The costs of multi-employer defined contribution pension plan benefits, such as the Municipal Pension Plan, are the employer's contributions due to the plan in the period.

Sick leave and other retirement benefits are also available to the Corporation'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 obligation under these benefit plans is accrued based on projected benefits as the employees render services necessary to earn the future benefits.

i) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability. Transfers received for which expenses are not yet incurred are included in deferred revenue.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

1. Significant accounting policies (continued):

j) Property tax revenue:

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

k) Loan guarantees:

Loan guarantees are accounted for and reported as contingent liabilities.

l) 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 - Years |
|--|----------------------------|
| Vehicles, machinery and equipment | 4 - 25 |
| Buildings and building improvements | 20 - 75 |
| Parks infrastructure | 15 - 50 |
| Drainage, water and sewer infrastructure | 40 - 100 |
| Roads infrastructure | 15 - 100 |

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

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

1. Significant accounting policies (continued):

l) Non-financial assets (continued):

ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their 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.

iv) Interest capitalization

The Corporation 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.

m) Liability for contaminated sites:

Contaminated sites are defined as contamination of ground or water of a chemical, organic, or radioactive material that exceeds an environmental standard. A liability for remediation of a contaminated site is recognized when a Corporation-owned site not in productive use, or another site, meets all of the following criteria:

- (i) an environmental standard exists
- (ii) ground or water contamination exceeds the environmental standard
- (iii) the District is directly responsible or accepts responsibility for a liability
- (iv) it is expected that future economic benefits will be given up, and
- (v) a reasonable estimate of the liability can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

1. Significant accounting policies (continued):

n) Use of estimates:

The preparation of financial statements 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, the determination of employee benefit obligations, provision for contingencies, and accrued liabilities. Actual results could differ from those estimates.

2. Cash, cash equivalents and investments:

| | 2018 | 2017 |
|---|----------------|----------------|
| Cash and cash equivalents: | | |
| Cash | \$ 56,322,104 | \$ 83,707,837 |
| Bankers' acceptances, deposit notes, Municipal Finance Authority money market fund | 38,720,067 | 20,600,843 |
| | 95,042,171 | 104,308,680 |
| Short-term investments: | | |
| Bankers' acceptances, guaranteed investment certificates, deposit notes | 50,999,619 | 17,428,930 |
| Long-term investments: | | |
| Deposit notes and debentures | 9,503,907 | 24,377,285 |
| Municipal Finance Authority bond, intermediate bond fund | 43,841,733 | 43,086,810 |
| | 53,345,640 | 67,464,095 |
| Total investments | 104,345,259 | 84,893,025 |
| Total cash, cash equivalents and investments | \$ 199,387,430 | \$ 189,201,705 |

The Cash balance consists of bank accounts and a high interest savings account opened the late fall of 2018 with an effective interest rate of 2.52% as of December 31, 2018. Bankers' acceptances, guaranteed investment certificates, money market fund and bonds had effective yields from 1.25% to 2.77% (2017 – 1.05% to 2.82%) maturing from 2019 to 2026.

The Municipal Finance Authority Funds earn interest based on current market conditions and do not have set maturity dates. Funds can be withdrawn within three days' notice. The Corporation's investments have market values that approximates costs.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

3. Debt:

| | 2018 | 2017 |
|-----------------|----------------------|----------------------|
| Debt principal: | | |
| Short term | \$ 3,948,010 | \$ 3,401,289 |
| Long term | 30,066,818 | 32,454,833 |
| | \$ 34,014,828 | \$ 35,856,122 |

- a) While the gross debenture debt issued as at December 31, 2018 was \$49,391,330 (2017 - \$49,554,700), the debt principal reported is net of repayments and actuarial gains or losses (per above).

The loan agreements with the Capital Regional District and the MFA provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect to such borrowings, the resulting deficiency becomes a liability of the Corporation.

Short term debt consists of MFA short term financing in the amount of \$3,110,000 and MFA 5-year equipment financing in the amount of \$838,010, both bearing interest at 2.80% (2017 - 1.94%).

- b) The City of Victoria and the Corporation established the Board of Cemetery Trustees of Greater Victoria in 1922 under the Municipal Cemeteries Act. The Board is a not-for-profit organization that operates the Royal Oak Burial Park. The terms of the agreement provides the Board a borrowing limit of \$3 million, with the City of Victoria and the Corporation providing equal guarantee. Under this agreement, in 2003 the Corporation borrowed \$1,500,000 of long term debt through the Municipal Finance Authority on behalf of the Board. The Corporation is reimbursed for all payments of principal and interest as they are paid. In 2018 the debt and the receivable balance recorded in the financial statements is \$821,814 (2017 - \$884,041). At December 31, 2018 the Board also had an outstanding demand loan of \$1,196,655 (2017 - \$1,819,791) with the Bank of Montreal. The Corporation's guarantee portion of both the long term debt and demand loan is \$1,009,235 (2017 - \$1,351,916).
- c) Principal payments on debt for the next five years are as follows:

| | General | Sewer | Total |
|------|--------------|------------|--------------|
| 2019 | \$ 5,578,859 | \$ 491,977 | \$ 6,070,836 |
| 2020 | 2,499,261 | 454,903 | 2,954,164 |
| 2021 | 2,257,180 | 454,903 | 2,712,083 |
| 2022 | 1,855,851 | 454,903 | 2,310,754 |
| 2023 | 1,770,368 | 424,938 | 2,195,306 |

Interest on debt ranges from 1.55% to 3.73% with maturity dates from April 9, 2019 to October 4, 2032. Interest expense on debt during the year was \$1,241,359 (2017 - \$1,160,849).

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

4. Municipal Finance Authority debt reserve fund:

The Corporation issues its debt instruments through the Municipal Finance Authority ("MFA"). As a condition of the borrowing, the Corporation is obligated to lodge security by means of demand notes and interest bearing cash deposits based on the amount of the borrowing. The deposits are included in the Corporation's financial statements as MFA cash deposits. If the debt is repaid without default, the deposits are refunded to the Corporation. The notes, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default and are not recorded in the financial statements. Upon the maturity of a debt issue, the demand notes are released and deposits refunded to the Corporation. As at December 31, 2018, there were contingent demand notes of \$1,755,622 (2017 - \$1,714,668) which are not included in the financial statements of the Corporation.

5. Accrued employee benefit obligations and pension plan:

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

| | 2018 | 2017 | Increase (Decrease) |
|--|--------------|--------------|------------------------|
| Vacation pay and banked overtime | \$ 2,994,700 | \$ 2,140,115 | \$ 854,585 |
| Accumulated sick leave and retirement benefit payments | 13,418,900 | 14,563,424 | (1,144,524) |
| Accrued benefit obligation | 16,413,600 | 16,703,539 | (289,939) |
| Add unamortized net actuarial gain | 1,631,839 | - | 1,631,839 |
| Accrued employee benefit obligations, end of year | 18,045,439 | 16,703,539 | 1,341,900 |
| Less funded amount | (9,574,841) | (8,859,357) | (715,484) |
| Total unfunded employee benefit obligations | \$ 8,470,598 | \$ 7,844,182 | \$ 626,416 |

Accrued vacation pay, banked overtime, and accumulated sick leave represent the liability of banks accumulated for estimated drawdowns at future dates and/or for payout either on an approved retirement, or upon termination or death. Retirement benefit payments represent the Corporation's share of the cost to provide employees with various benefits upon retirement including lump sum retirement payments, and certain vacation entitlements in the year of retirement.

The unamortized net actuarial gain is amortized over the employees' average remaining service lifetime (13 years in 2018 and 2019)

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

5. Accrued employee benefit obligations and pension plan (continued):

Information about liabilities for the Corporation's employee obligations is as follows:

| | 2018 | 2017 |
|--|---------------|---------------|
| Accrued benefit obligations: | | |
| Balance, beginning of year | \$ 16,703,539 | \$ 15,798,957 |
| Current service cost | 1,210,500 | 1,275,932 |
| Interest cost | 549,000 | 493,889 |
| Benefits paid | (970,600) | (1,133,561) |
| Actuarial gain on event-driven liabilities | 553,000 | - |
| Actuarial loss | - | 268,322 |
| Balance, end of year | \$ 18,045,439 | \$ 16,703,539 |

For 2018, the accrued benefit obligations and the benefit costs were estimated by actuarial valuation by an independent actuarial firm. The Corporation performed its own actuarial valuation for 2017 and prior year obligations. For event-driven liabilities, actuarial gains or losses are immediately recognized.

Key estimates used in the valuation:

| | 2018 | 2017 |
|------------------------------------|--------------|--------------|
| Discount rates | 3.20% | 3.15% |
| Expected future inflation rates | 2.50% | 2.25% |
| Expected wage and salary increases | 2.5% to 5.9% | 2.6% to 4.5% |

The Corporation and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

5. Accrued employee benefit obligations and pension plan (continued):

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Corporation paid \$10,214,606 (2017 - \$9,316,909) for employer contributions while employees contributed \$8,106,607 (2017 - \$7,224,204) to the Plan in fiscal 2018.

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.

GVLRA – CUPE Long-Term Disability Trust

The health and welfare 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 Employees, representing a number of CUPE locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. Employers and employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2017. At December 31, 2017, the total plan provision for approved and unreported claims was \$17,177,300 with a plan surplus of \$3,852,873. The actuary does not attribute portions of the unfunded liability to individual employers. The Corporation paid \$483,395 (2017 - \$463,030) for employer contributions and the Corporation's employees paid \$489,722 (2017 - \$463,559) for employee contributions to the plan in 2018.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

6. Deferred revenue:

Development Cost Charges and Sub-regional Parks Reserve represent funds received from developers restricted for capital expenditures.

| | 2018 | 2017 |
|---|---------------|---------------|
| Development cost charges: | | |
| Balance, beginning of year | \$ 14,817,577 | \$ 18,002,782 |
| Investment income | 291,794 | 204,819 |
| Fees and contributions | 626,023 | 1,713,010 |
| Amounts spent on projects and recorded as revenue | (364,438) | - |
| Transferred to reserve fund | - | (5,103,034) |
| Balance, end of year | 15,370,956 | 14,817,577 |
| Sub-regional parks reserve: | | |
| Balance, beginning of year | 1,229,164 | 1,162,013 |
| Investment income | 26,600 | 16,579 |
| Fees and contributions | 681,600 | 263,185 |
| Amounts spent on projects and recorded as revenue | (212,614) | (212,613) |
| Balance, end of year | 1,724,750 | 1,229,164 |
| General operating fund deferred revenue | 4,184,755 | 3,368,355 |
| Capital fund deferred revenue | - | 58,700 |
| Total deferred revenue | \$ 21,280,461 | \$ 19,473,796 |

During the year, Council and the Province approved the transfer of funds from development cost charges to a reserve fund established for capital purposes.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

7. Taxation:

a) Taxes

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| General Purpose: | | |
| Property Tax | \$ 120,641,750 | \$ 116,000,039 |
| Utility 1% Tax | 1,432,707 | 1,380,145 |
| | <u>122,074,457</u> | <u>117,380,184</u> |
| Special Assessments: | | |
| Cadboro Bay Village Business Improvement Area | 20,000 | 20,000 |
| | <u>20,000</u> | <u>20,000</u> |
| Hotel Room Tax: | | |
| Tourism Victoria – Destination Marketing Commission | 227,478 | 194,117 |
| | <u>\$ 122,321,935</u> | <u>\$ 117,594,301</u> |

b) Taxes levied for other Authorities

In addition to taxes levied for municipal purposes, the Corporation is legally obligated to collect and remit taxes levied for the following authorities. These collections and remittances are not recorded as revenue and expenses.

| | 2018 | 2017 |
|--------------------------------------|----------------------|----------------------|
| Provincial Government - school taxes | \$ 49,971,231 | \$ 48,089,501 |
| Capital Regional District | 9,299,660 | 9,100,588 |
| Capital Regional Hospital District | 8,426,815 | 8,264,922 |
| Municipal Finance Authority | 7,396 | 6,409 |
| B.C. Assessment Authority | 1,568,011 | 1,474,427 |
| B.C. Transit Authority | 7,632,885 | 7,784,936 |
| | <u>\$ 76,905,998</u> | <u>\$ 74,720,783</u> |

8. Government transfers:

| | 2018 | 2017 |
|----------------------|---------------------|---------------------|
| Operating transfers: | | |
| Federal | \$ 12,724 | \$ 11,729 |
| Provincial | 1,605,222 | 1,765,560 |
| | <u>\$ 1,617,946</u> | <u>\$ 1,777,289</u> |

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

9. Tangible capital assets:

| Cost | Balance at December 31, 2017 | Additions | Disposals and transfers | Balance at December 31, 2018 |
|-------------------------------------|------------------------------------|----------------------|----------------------------|------------------------------------|
| Land | \$ 293,910,445 | \$ 794,947 | \$ - | \$ 294,705,392 |
| Vehicles, machinery and equipment | 61,437,285 | 6,139,918 | 4,007,347 | 63,569,856 |
| Buildings and building improvements | 132,302,638 | 2,589,115 | 71,387 | 134,820,366 |
| Park infrastructure | 43,261,390 | 2,034,987 | 171,481 | 45,124,896 |
| Drainage infrastructure | 199,518,366 | 4,984,951 | - | 204,503,317 |
| Roads infrastructure | 201,310,368 | 6,255,148 | 17,698 | 207,547,818 |
| Water infrastructure | 142,345,118 | 4,689,676 | 17,646 | 147,017,148 |
| Sewer infrastructure | 156,812,000 | 4,872,706 | - | 161,684,706 |
| Assets under construction | 12,026,890 | 13,819,251 | 12,026,890 | 13,819,251 |
| Total | \$ 1,242,924,500 | \$ 46,180,699 | \$ 16,312,449 | \$ 1,272,792,750 |

| Accumulated amortization | Balance at December 31, 2017 | Disposals | Amortization expense | Balance at December 31, 2018 |
|-------------------------------------|------------------------------------|---------------------|-------------------------|------------------------------------|
| Vehicles, machinery and equipment | \$ 33,531,947 | \$ 3,314,240 | \$ 3,763,655 | \$ 33,981,362 |
| Buildings and building improvements | 42,459,543 | 68,788 | 2,660,208 | 45,050,963 |
| Park infrastructure | 27,879,198 | 170,479 | 1,522,038 | 29,230,757 |
| Drainage infrastructure | 82,895,147 | - | 2,610,361 | 85,505,508 |
| Roads infrastructure | 85,543,681 | 5,687 | 4,744,087 | 90,282,081 |
| Water infrastructure | 52,397,483 | 16,098 | 1,985,797 | 54,367,182 |
| Sewer infrastructure | 66,479,926 | - | 1,930,504 | 68,410,430 |
| Assets under construction | - | - | - | - |
| Total | \$ 391,186,925 | \$ 3,575,292 | \$ 19,216,650 | \$ 406,828,283 |

| | Net book value December 31, 2017 | Net book value December 31, 2018 |
|-------------------------------------|--|--|
| Land | \$ 293,910,445 | \$ 294,705,392 |
| Vehicles, machinery and equipment | 27,905,338 | 29,588,494 |
| Buildings and building improvements | 89,843,095 | 89,769,403 |
| Park infrastructure | 15,382,192 | 15,894,139 |
| Drainage infrastructure | 116,623,219 | 118,997,809 |
| Roads infrastructure | 115,766,687 | 117,265,737 |
| Water infrastructure | 89,947,635 | 92,649,966 |
| Sewer infrastructure | 90,332,074 | 93,274,276 |
| Assets under construction | 12,026,890 | 13,819,251 |
| Total | \$ 851,737,575 | \$ 865,964,467 |

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

9. Tangible capital assets (continued):

| Cost | Balance at December 31, 2016 | Additions | Disposals and transfers | Balance at December 31, 2017 |
|-------------------------------------|------------------------------------|----------------------|----------------------------|------------------------------------|
| Land | \$ 290,586,960 | \$ 3,342,235 | \$ 18,750 | \$ 293,910,445 |
| Vehicles, machinery and equipment | 56,361,110 | 7,392,298 | 2,316,123 | 61,437,285 |
| Buildings and building improvements | 128,429,053 | 3,873,585 | - | 132,302,638 |
| Park infrastructure | 41,378,910 | 1,912,731 | 30,251 | 43,261,390 |
| Drainage infrastructure | 195,325,970 | 4,192,396 | - | 199,518,366 |
| Roads infrastructure | 191,802,111 | 9,508,257 | - | 201,310,368 |
| Water infrastructure | 136,174,240 | 6,198,956 | 28,078 | 142,345,118 |
| Sewer infrastructure | 153,407,933 | 3,404,067 | - | 156,812,000 |
| Assets under construction | 21,462,432 | 12,026,890 | 21,462,432 | 12,026,890 |
| Total | \$ 1,214,928,719 | \$ 51,851,415 | \$ 23,855,634 | \$ 1,242,924,500 |

| Accumulated amortization | Balance at December 31, 2016 | Disposals | Amortization expense | Balance at December 31, 2017 |
|-------------------------------------|------------------------------------|---------------------|-------------------------|------------------------------------|
| Vehicles, machinery and equipment | \$ 30,943,002 | \$ 2,049,600 | \$ 4,638,545 | \$ 33,531,947 |
| Buildings and building improvements | 39,820,466 | - | 2,639,077 | 42,459,543 |
| Park infrastructure | 26,550,313 | 29,839 | 1,358,724 | 27,879,198 |
| Drainage infrastructure | 80,382,643 | - | 2,512,504 | 82,895,147 |
| Roads infrastructure | 81,083,157 | - | 4,460,524 | 85,543,681 |
| Water infrastructure | 50,515,840 | 20,688 | 1,902,331 | 52,397,483 |
| Sewer infrastructure | 64,584,742 | - | 1,895,184 | 66,479,926 |
| Assets under construction | - | - | - | - |
| Total | \$ 373,880,163 | \$ 2,100,127 | \$ 19,406,889 | \$ 391,186,925 |

| | Net book value December 31, 2016 | Net book value December 31, 2017 |
|-------------------------------------|--|--|
| Land | \$ 290,586,960 | \$ 293,910,445 |
| Vehicles, machinery and equipment | 25,418,108 | 27,905,338 |
| Buildings and building improvements | 88,608,587 | 89,843,095 |
| Park infrastructure | 14,828,597 | 15,382,192 |
| Drainage infrastructure | 114,943,327 | 116,623,219 |
| Roads infrastructure | 110,718,954 | 115,766,687 |
| Water infrastructure | 85,658,400 | 89,947,635 |
| Sewer infrastructure | 88,823,191 | 90,332,074 |
| Assets under construction | 21,462,432 | 12,026,890 |
| Total | \$ 841,048,556 | \$ 851,737,575 |

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

9. Tangible capital assets (continued):

a) Assets under construction

Assets under construction having a value of \$13,819,251 (2017 - \$12,026,890) have not been amortized. Amortization of these assets will commence the year after the asset is put into service.

b) Contributed tangible capital assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$5,163,197 (2017 - \$5,344,725) comprised of land in the amount of \$794,948 (2017 - \$3,333,735), drainage, parks and transportation infrastructure \$3,016,458 (2017 - \$1,008,767), and water and sewer infrastructure in the amount of \$1,351,791 (2017 - \$474,100). Contributed assets capitalized in 2018 were \$4,370,990 (2017 - \$4,816,602) and the remaining \$792,207 (2017 - \$528,123) were expensed.

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.

d) Works of art and historical treasures

The Corporation manages and controls various works of art and non-operational historical cultural assets including buildings, artefacts, paintings and sculptures located at municipal 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

No significant write-down of tangible capital assets occurred during 2018 or 2017.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

10. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

| | 2018 | 2017 |
|---|-----------------------|-----------------------|
| Surplus: | | |
| Invested in tangible capital assets | \$ 832,771,452 | \$ 816,765,494 |
| Operating funds | 26,422,798 | 22,340,665 |
| Capital funds | 40,157,788 | 45,690,853 |
| Unfunded employee benefit obligations | (8,470,598) | (7,844,182) |
| Total surplus | 890,881,440 | 876,952,830 |
| Appropriated surplus set aside for: | | |
| Insurance | 2,315,300 | 2,315,300 |
| Future expenses | 4,748,546 | 9,485,478 |
| Working capital | 4,450,000 | 4,450,000 |
| Total appropriated surplus | 11,513,846 | 16,250,778 |
| Reserve funds set aside for specific purpose by Council: | | |
| Land sales fund | 2,484,857 | 2,789,212 |
| Public safety and security fund | 2,507,604 | 2,743,352 |
| Carbon neutral fund | 671,619 | 782,033 |
| Equipment depreciation fund | 6,348,126 | 6,451,013 |
| Capital works fund | 37,183,881 | 30,749,934 |
| Commonwealth pool operating fund | 213,386 | 479,175 |
| Commonwealth pool high performance repair and replacement fund | 212,305 | 188,094 |
| Facility replacement fund | 12,014,502 | 8,277,122 |
| Computer hardware and software fund | 7,340,750 | 5,565,901 |
| Sayward gravel pit fund | 1,852,946 | 1,812,411 |
| Specific area capital project fund | 4,552,665 | 4,571,301 |
| Water capital fund | 4,064,270 | 901,003 |
| Sewer capital fund | 4,091,506 | 2,118,222 |
| Total reserve funds | 83,538,417 | 67,428,773 |
| | \$ 985,933,703 | \$ 960,632,381 |

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

11. Contingent liabilities:

- a) Capital Regional District debt, under the provisions of the Local Government Act, is a direct, joint and several liability of the Capital Regional District and each member municipality within the District, including The Corporation of the District of Saanich.
- b) The Corporation is a shareholder and member of the Capital Region Emergency Service Telecommunications (CREST) Incorporated, which provides 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.
- c) In the normal course of a year, claims for alleged damages are made against the Corporation and are recorded when a liability is likely and reasonably determinable. The Corporation maintains an insurance reserve in its accumulated surplus of \$2,315,300 (2017 - \$2,315,300) to provide for claims, and also maintains insurance coverage to provide for insured claims should they exceed \$2,000,000 in any year.
- d) The Corporation has provided a 50% loan guarantee in respect of a Bank of Montreal demand loan of the Board of Cemetery Trustees of Greater Victoria. The guarantee covers a demand loan balance of up to \$1,900,000 (the Corporation's share: \$950,000). The loan bears interest at the Bank's prime lending rate plus 0.5%, calculated monthly. The loan has fixed monthly payments of \$12,741 including both principal and interest. As of December 31, 2018 the balance of the demand loan was \$1,196,655 (2017-\$1,819,791) with the Corporation's share of that balance being \$598,328 (2017 - \$909,896). In the Corporation's view, no provision for loss is required at this time.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

12. Contracts and commitments:

At December 31, 2018, the following major contracts were in progress:

| | Total amount of contract | Paid or accrued |
|--|-----------------------------|--------------------|
| Purchase of vehicles and equipment | \$ 2,903,338 | \$ 420,874 |
| Consulting and Parks and Public Works projects | 11,535,959 | 6,695,157 |
| Facilities projects | 2,284,816 | 813,548 |

Commitments:

- a) The Corporation has a liability to the Capital Regional District of \$212,613 for the Haro Wood property purchase. The payment term remaining is one year, ending September 2019, at \$212,613 per annum.
- b) The Corporation has contracted with Ravine Equities Inc. for the lease of property at Uptown to be used as library (Emily Carr Library). The term of the lease is for 10 years ending December 2023, at \$197,120 for the first five years and \$213,646 for subsequent five years.
- c) The Corporation has contracted with Itziar Management Ltd. for the lease of a portion of the building at 57 Cadillac Avenue for Police Services. The term of the lease is for eight years ending April, 2024 reaching \$261,173 per annum for the last five years.
- d) The Corporation entered into a five-year agreement for police related dispatch services with E-Comm Emergency Communications for British Columbia Incorporated effective January 1, 2019. Under the terms of the agreement, E-Comm will provide 9-1-1 call answer and dispatch services including emergency call-taking, telephone reports, and radio dispatch for the Corporation. The annual charge will be based on the Corporation's share of actual costs for the calendar year as determined in the agreement. The estimated cost for 2019 is \$1,459,320.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

13. Budget data:

The budget data presented in these financial statements is based upon the 2018-2022 Financial Plan adopted by Council May 14, 2018. The following chart reconciles the approved budget to the budget figures reported in these financial statements.

| | Budget Amount |
|--|----------------------|
| Revenues: | |
| Total General revenues per Financial Plan | \$ 162,576,500 |
| Total Water Utility revenues per Financial Plan | 21,700,300 |
| Total Sewer Utility revenues per Financial Plan | 22,394,200 |
| Add: | |
| Net Fleet revenues recorded as gross per PSAB | 762,710 |
| Reserve transfers recognized as revenues per PSAB | 1,160,613 |
| Less: | |
| Inter departmental revenues netted against expenses per PSAB | (2,236,425) |
| Total revenue | 206,357,898 |
| Expenses: | |
| Total General expenses per Financial Plan | 160,502,200 |
| Total Water Utility expenses per Financial Plan | 16,474,700 |
| Total Sewer Utility expenses per Financial Plan | 18,412,500 |
| Less: | |
| Reserve expenditure recognized as transfers per PSAB | (5,581,158) |
| Inter departmental revenues netted against expenses per PSAB | (2,236,425) |
| Total expenses | 187,571,817 |
| Annual surplus | \$ 18,786,081 |

14. Comparative figures:

Certain comparative information has been reclassified to conform with the financial statement presentation for the current year.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

15. Segmented information:

The Corporation is a diversified municipal government organization providing a wide range of services to its citizens including General Government; Protective Services; Engineering and Public Works; Planning; Parks, Recreation and Culture, and Water and Sewer Services. For management reporting purposes, the Corporation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities reported within these funds. Certain functions that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government

The General Government Operations provide the functions of Corporate Services and Administration; Finance; Building, Bylaw, Licensing & Legal Services; Human Resources; Tax Collection; Civic Centre Maintenance, and other functions categorized as non-departmental.

Protective Services

Protective services comprise three different functions, Police, Fire, and Emergency Preparedness. The mission of the Police Department is to provide quality police service and keep Saanich safe. The Fire Department's mandate is to protect citizens and property, provide all proper measures to prevent, control, and extinguish fires and provide assistance to medical emergencies, land and marine rescue operations, requests from other fire services, and hazardous materials incidents and requests for public service. The Emergency Program's mandate is to provide continuity in government and the preservation of life and property through a coordinated response by elected officials, municipal departments, volunteer services, and such outside agencies as may be able to assist during a major emergency or disaster.

Engineering and Public Works

The Engineering and Public Works Department is responsible for all municipal infrastructures, which includes roads, drains and street and traffic lights.

Planning

The Planning Department is comprised of four Divisions: Community Planning, Current Planning, Environmental Services, and Sustainability and Climate Change. These Divisions manage all activities and applications relating to long range and current planning, subdivision review, environmental protection, and sustainability projects.

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

15. Segmented information (continued):

Parks, Recreation and Culture

The Parks and Recreation Department promotes active, healthy living through the effective provision of a wide range of programs, services and facilities. It also promotes the engagement of community members in a variety of arts, special events, cultural and social activities to encourage strong community connections. The Department is comprised of three Divisions that plan and manage a number of municipal services. Their mission is to work in partnership with the community to create a quality of life that fosters and supports healthy citizens and community environments.

Water and Sewer

The Water and Sewer Utilities operate and distribute water and network sewer mains, storm sewers and pump stations.

Statement of Segmented Information

The following statement provides additional financial information for the foregoing functions. Taxation and grants in lieu of taxes are apportioned to the functions based on their share of net departmental budgeted expenditures in the 2018 - 2022 Financial Plan. 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 DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2018

15. Segmented information (continued):

| 2018 | General Government | Protective Services | Engineering and Public works | Planning | Parks, Recreation and Culture | Water and Sewer | Reserve Funds | Total |
|--|--------------------|---------------------|------------------------------|--------------|-------------------------------|-----------------|---------------|----------------|
| Revenue: | | | | | | | | |
| Taxes | \$ 17,945,245 | \$ 50,847,313 | \$ 20,985,769 | \$ 2,536,389 | \$ 30,007,219 | \$ - | \$ - | \$ 122,321,935 |
| Grants in lieu of taxes | 377,342 | 1,069,188 | 441,277 | 53,334 | 630,975 | - | - | 2,572,116 |
| Sales of services | - | 952,080 | 6,364,757 | - | 13,296,973 | - | - | 20,613,810 |
| Other revenue from own sources | 4,775,857 | 2,773,199 | 1,104,002 | 3,340,903 | 36,281 | - | 1,141,082 | 13,171,324 |
| Transfers from other governments | - | 1,451,487 | - | 153,735 | 12,724 | - | - | 1,617,946 |
| Sale of water and charges | - | - | - | - | - | 21,550,117 | - | 21,550,117 |
| Sewer user charge | - | - | - | - | - | 21,191,214 | - | 21,191,214 |
| Grants and contributions | - | - | 455,542 | - | 54,600 | 1,246,440 | 5,816,535 | 7,573,117 |
| Development cost charges | 364,438 | - | - | - | - | - | - | 364,438 |
| Developer contribution | 212,614 | - | 3,811,406 | - | - | 1,351,791 | - | 5,163,197 |
| Sub-regional park fund | 32,625 | - | 415,473 | - | - | 443,592 | - | 212,614 |
| Other | 23,708,121 | 57,093,267 | 33,578,226 | 6,084,361 | 44,038,772 | 45,783,154 | 6,957,617 | 217,243,518 |
| Expenses: | | | | | | | | |
| Salaries, wages and benefits | 13,535,381 | 50,778,345 | 13,242,118 | 2,772,774 | 21,935,747 | 4,641,966 | - | 106,906,331 |
| Goods and services | 2,438,460 | 6,240,572 | 6,500,807 | 425,363 | 8,230,384 | 24,611,915 | - | 48,447,501 |
| Interest and financial charges | 62,603 | 3,062 | 631,330 | - | 311,913 | 276,993 | - | 1,285,901 |
| Other | 1,158,250 | - | - | - | 6,912,033 | - | - | 8,070,283 |
| Capital expenditures | 1,301,403 | 291,285 | 3,390,051 | 3,901 | 1,561,286 | 1,467,604 | - | 8,015,530 |
| Amortization | 610,468 | 1,453,116 | 8,854,938 | 10,216 | 3,369,922 | 4,917,990 | - | 19,216,650 |
| Annual surplus (deficit) | 19,106,565 | 58,766,380 | 32,619,244 | 3,212,254 | 42,321,285 | 35,916,468 | - | 191,942,196 |
| Annual surplus (deficit) | 4,601,556 | (1,673,113) | 958,982 | 2,872,107 | 1,717,487 | 9,866,686 | 6,957,617 | 25,301,322 |
| Accumulated surplus, beginning of year | | | | | | | | 960,632,381 |
| Accumulated surplus, end of year | | | | | | | | \$ 985,933,703 |

THE CORPORATION OF THE DISTRICT OF SAANICH

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2018

15. Segmented information (continued):

| 2017 | General Government | Protective Services | Engineering and Public works | Planning | Parks, Recreation and Culture | Water and Sewer | Reserve Funds | Total |
|--|--------------------|---------------------|------------------------------|--------------|-------------------------------|-----------------|---------------|----------------|
| Revenue: | | | | | | | | |
| Taxes | \$ 17,917,100 | \$ 49,246,576 | \$ 20,816,115 | \$ 2,502,490 | \$ 27,112,020 | \$ - | \$ - | \$ 117,594,301 |
| Grants in lieu of taxes | 368,115 | 1,011,794 | 427,677 | 51,415 | 557,029 | - | - | 2,416,030 |
| Sales of services | - | 917,834 | 6,123,415 | - | 12,856,722 | - | - | 19,897,971 |
| Other revenue from own sources | 3,920,251 | 2,743,748 | 734,793 | 4,054,274 | 279,835 | - | 739,789 | 12,472,690 |
| Transfers from other governments | - | 1,655,897 | - | 109,663 | 11,729 | - | - | 1,777,289 |
| Sale of water and charges | - | - | - | - | - | 20,413,346 | - | 20,413,346 |
| Sewer user charge | - | - | - | - | - | 18,901,240 | - | 18,901,240 |
| Grants and contributions | - | 40,000 | 1,421,493 | - | 10,000 | 787,022 | 11,477,075 | 13,735,590 |
| Development cost charges | - | - | - | - | - | - | - | - |
| Developer contribution | 212,613 | - | 4,627,739 | - | - | 716,986 | - | 5,344,725 |
| Sub-regional park fund | 31,500 | - | 339,285 | - | - | 436,425 | - | 212,613 |
| Other | 22,449,579 | 55,615,849 | 34,490,517 | 6,717,842 | 40,827,335 | 41,255,019 | 12,216,864 | 213,573,005 |
| Expenses: | | | | | | | | |
| Salaries, wages and benefits | 12,765,667 | 49,033,701 | 12,574,491 | 2,480,098 | 20,921,087 | 4,439,775 | - | 102,214,819 |
| Goods and services | 2,024,455 | 5,151,794 | 5,928,681 | 167,332 | 8,204,811 | 22,232,758 | - | 43,709,831 |
| Interest and financial charges | 53,922 | 3,062 | 565,526 | - | 310,110 | 268,906 | - | 1,201,526 |
| Other | 1,208,771 | - | - | - | 6,141,035 | - | - | 7,349,806 |
| Capital expenditures | 71,981 | 392,407 | 5,552,537 | - | 2,069,603 | 1,383,309 | - | 9,469,837 |
| Amortization | 717,916 | 1,530,145 | 8,520,712 | 10,689 | 3,900,380 | 4,727,047 | - | 19,406,889 |
| | 16,842,712 | 56,111,109 | 33,141,947 | 2,658,119 | 41,547,026 | 33,051,795 | - | 182,352,708 |
| Annual surplus (deficit) | 5,606,867 | (495,260) | 1,348,570 | 4,059,723 | (719,691) | 8,203,224 | 12,216,864 | 30,220,297 |
| Accumulated surplus, beginning of year | | | | | | | | 930,412,084 |
| Accumulated surplus, end of year | | | | | | | | \$ 960,632,381 |

District of Saanich Statistical section



2018 Statistical section

**The Corporation of the
District of Saanich**
British Columbia

Fiscal year ended
December 31, 2018

Prepared by:
District of Saanich
Finance Department

THE CORPORATION OF THE DISTRICT OF SAANICH

Revenue by source – 5 year comparison (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue: | | | | | |
| Taxes | 122,321,935 | 117,594,301 | 112,480,997 | 108,248,863 | 103,424,844 |
| Grants in lieu of taxes | 2,572,116 | 2,416,030 | 2,307,301 | 2,251,524 | 2,185,034 |
| Sales of services | 20,613,810 | 19,897,971 | 19,584,292 | 18,785,980 | 18,100,695 |
| Revenue from own sources | 13,171,324 | 12,472,690 | 11,462,753 | 11,206,385 | 9,887,328 |
| Transfers from other governments | 1,617,946 | 1,777,289 | 1,690,725 | 1,739,137 | 1,059,266 |
| Sale of water | 19,842,712 | 18,731,765 | 19,660,606 | 18,898,264 | 18,291,138 |
| Water service charges | 1,707,405 | 1,681,581 | 1,684,983 | 1,661,741 | 1,669,797 |
| Sewer user charges | 21,191,214 | 18,901,240 | 17,586,782 | 15,944,230 | 14,504,661 |
| Grants and contributions | 7,573,117 | 13,735,590 | 8,554,246 | 5,576,170 | 14,717,419 |
| Development cost charges | 364,438 | - | 2,045,324 | 439,689 | 873,330 |
| Developer contributions | 5,163,197 | 5,344,725 | 2,255,373 | 1,907,488 | 911,219 |
| Sub-regional park reserve | 212,614 | 212,613 | 212,613 | 212,613 | 779,613 |
| Other | 891,690 | 807,210 | 764,311 | 1,201,203 | 1,134,427 |
| | 217,243,518 | 213,573,005 | 200,290,306 | 188,073,287 | 187,538,771 |

Expenses by function and object – 5 year comparison (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Expenses by function: | | | | | |
| General government services | 19,029,400 | 16,770,535 | 16,951,813 | 14,589,225 | 14,993,247 |
| Protective services | 58,766,380 | 56,111,109 | 53,881,430 | 53,274,526 | 50,265,056 |
| Engineering and public works | 25,759,099 | 26,639,750 | 24,389,313 | 22,824,334 | 24,361,182 |
| Refuse collection | 6,860,145 | 6,502,197 | 6,421,907 | 6,193,436 | 6,901,317 |
| Community planning | 3,212,254 | 2,658,119 | 2,545,823 | 2,483,844 | 2,428,115 |
| Recreation, parks and cultural | 42,321,285 | 41,547,026 | 39,820,666 | 38,635,385 | 37,692,803 |
| Water utility | 17,738,210 | 16,790,012 | 16,706,350 | 15,089,974 | 15,375,451 |
| Sewer utility | 18,178,258 | 16,261,783 | 14,174,196 | 13,931,938 | 11,937,822 |
| Other fiscal services | 77,165 | 72,177 | 67,097 | 469,571 | 488,087 |
| | 191,942,196 | 183,352,708 | 174,958,595 | 167,492,233 | 164,443,080 |
| Expenses by object: | | | | | |
| Salaries, wages and benefits | 106,906,331 | 102,214,819 | 99,457,880 | 95,781,255 | 92,789,805 |
| Goods and services | 56,463,031 | 53,179,668 | 46,516,546 | 44,718,233 | 38,898,780 |
| Interest and financial charges | 1,285,901 | 1,201,526 | 1,157,809 | 1,232,362 | 1,297,953 |
| Other | 8,070,283 | 7,349,806 | 6,974,642 | 7,111,174 | 7,001,069 |
| Amortization | 19,216,650 | 19,406,889 | 20,851,718 | 18,649,209 | 16,498,531 |
| | 191,942,196 | 183,352,708 | 174,958,595 | 167,492,233 | 164,443,080 |

THE CORPORATION OF THE DISTRICT OF SAANICH

Taxable assessments for general and regional district - 5 year comparison (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| Residential | 31,144,829,050 | 26,640,824,959 | 22,052,514,473 | 21,050,842,866 | 20,742,785,143 |
| Utilities | 14,152,100 | 13,121,000 | 12,176,200 | 12,005,000 | 12,591,500 |
| Light industry | 26,663,200 | 21,918,400 | 17,409,300 | 17,445,200 | 13,083,700 |
| Business/other | 2,223,267,101 | 2,063,980,601 | 1,910,211,201 | 1,829,143,451 | 1,838,317,391 |
| Managed forest | 15,000 | 13,300 | 11,700 | 10,800 | 10,300 |
| Recreation/non-profit | 16,726,500 | 14,198,600 | 14,590,000 | 14,429,100 | 14,529,400 |
| Farm | 3,487,625 | 3,564,581 | 3,594,700 | 3,634,235 | 3,661,466 |
| | 33,429,140,576 | 28,757,621,441 | 24,010,507,574 | 22,927,510,652 | 22,624,978,900 |

Property taxes collected - 5 year comparison (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|
| Taxes and charges due District of Saanich | 125,686,877 | 121,055,604 | 116,381,798 | 112,353,357 | 108,153,620 |
| Taxes and charges due Other authorities | 76,905,998 | 74,720,783 | 74,321,567 | 74,741,172 | 75,037,238 |
| Taxes and charges due | 202,592,875 | 195,776,387 | 190,703,365 | 187,094,529 | 183,190,858 |
| Taxes collected | 200,668,496 | 193,687,752 | 188,421,583 | 184,364,099 | 180,414,707 |
| Taxes outstanding | 1,924,379 | 2,088,635 | 2,281,782 | 2,730,430 | 2,776,151 |
| Percentage of taxes collected | 99.05% | 98.90% | 98.80% | 98.54% | 98.48% |

Taxes levied for other authorities (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------|------------|------------|------------|------------|
| Provincial Government – school taxes | 49,971,231 | 48,089,501 | 48,412,050 | 49,257,297 | 49,787,825 |
| Capital Regional District | 9,299,660 | 9,100,588 | 8,603,412 | 8,267,852 | 7,808,593 |
| Capital Regional Hospital District | 8,426,815 | 8,264,922 | 7,870,464 | 7,752,092 | 7,915,770 |
| Municipal Finance Authority | 7,396 | 6,409 | 5,423 | 5,175 | 5,115 |
| B.C. Assessment Authority | 1,568,011 | 1,474,427 | 1,536,285 | 1,596,751 | 1,641,458 |
| B.C. Transit Authority | 7,632,885 | 7,784,936 | 7,893,933 | 7,862,005 | 7,878,477 |
| | 76,905,998 | 74,720,783 | 74,321,567 | 74,741,172 | 75,037,238 |

THE CORPORATION OF THE DISTRICT OF SAANICH

Municipal tax rates (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------|---------|---------|---------|---------|---------|
| Residential | 2.9529 | 3.3249 | 3.8568 | 3.8911 | 3.7719 |
| Utilities | 30.2356 | 31.6409 | 31.8954 | 31.5087 | 28.3459 |
| Supportive Housing | 2.9529 | 3.3249 | 3.8568 | 3.8911 | 3.7719 |
| Light Industry | 7.8435 | 8.9685 | 9.4304 | 9.1914 | 10.6164 |
| Business/Other | 12.5655 | 12.9357 | 13.3157 | 13.2118 | 12.6030 |
| Managed Forest | 18.6502 | 20.4070 | 22.3876 | 23.2153 | 23.3500 |
| Rec/Non Profit | 8.3025 | 8.1242 | 7.9211 | 7.7024 | 7.2379 |
| Farm | 0.5000 | 0.5000 | 0.5000 | 0.5000 | 0.5000 |

Principal taxpayers (unaudited)

| Registered Owner | Primary Property | 2018 Taxes Levied |
|---|------------------------------------|-------------------|
| Ravine Equities (Nominee) Inc. | Uptown Shopping Centre | \$ 6,790,067 |
| Riokim Holdings | Tillicum Centre | 2,539,266 |
| Grosvenor Canada Ltd. & Admns Broadmead Investment Corp. | Broadmead Shopping Centre | 1,376,622 |
| Island Home Centre Holdings Ltd. | Island Home Centre | 1,125,135 |
| 4000 Seymour Place Building Ltd. | BC Systems Building | 1,131,865 |
| Individuals | University Heights Shopping Centre | 1,060,652 |
| Royal Oak Shopping Centre Ltd. | Royal Oak Shopping Centre | 913,992 |
| Foundation For The University of Victoria | Vancouver Island Technology Centre | 907,529 |
| High Quadra Holdings Ltd. /Hansbraun Investments Ltd. | Saanich Centre Shopping Centre | 716,838 |
| First Capital (Tuscany Village) Corporation | Tuscany Village Shopping Centre | 646,741 |

THE CORPORATION OF THE DISTRICT OF SAANICH

Reserve fund balances and surpluses (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Reserve funds balances: | | | | | |
| Land sales reserve fund | 2,484,857 | 2,789,212 | 2,358,164 | 2,974,060 | 2,896,454 |
| Public safety and security reserve fund | 2,507,604 | 2,743,352 | 2,105,389 | 2,208,776 | 2,148,854 |
| Carbon neutral reserve fund | 671,619 | 782,033 | 721,067 | 733,503 | 552,664 |
| Equipment depreciation reserve fund | 6,348,126 | 6,451,013 | 5,870,002 | 5,972,046 | 6,039,461 |
| Capital works reserve fund | 37,183,881 | 30,749,934 | 26,573,054 | 24,086,088 | 22,450,659 |
| Commonwealth pool operating reserve fund | 213,386 | 479,175 | 734,510 | 973,018 | 1,207,880 |
| Commonwealth pool high performance repair and replacement reserve fund | 212,305 | 188,094 | 215,467 | 165,892 | 167,428 |
| Facility replacement fund | 12,014,502 | 8,277,122 | 5,709,076 | 3,377,522 | 990,864 |
| Computer hardware and software fund | 7,340,750 | 5,565,901 | 4,577,235 | 1,756,544 | - |
| Sayward gravel pit reserve fund | 1,852,946 | 1,812,411 | 1,859,307 | 1,838,259 | 1,812,581 |
| Specific area capital project reserve fund | 4,552,665 | 4,571,301 | - | - | - |
| Water capital fund | 4,064,270 | 901,003 | - | - | - |
| Sewer capital fund | 4,091,506 | 2,118,222 | 963,171 | 250,000 | - |
| Investment income reserve | - | - | - | - | - |
| Receivable reserve | - | - | - | - | 136,095 |
| | 83,538,417 | 67,428,773 | 51,686,442 | 44,335,708 | 38,402,940 |
| Reserve surpluses: | | | | | |
| Insurance | 2,315,300 | 2,315,300 | 2,315,300 | 2,315,300 | 2,315,300 |
| Future expenses | 4,748,546 | 9,485,478 | 4,837,883 | 3,664,758 | 8,124,689 |
| Working capital | 4,450,000 | 4,450,000 | 4,450,000 | 4,450,000 | 4,450,000 |
| | 11,513,846 | 16,250,778 | 11,603,183 | 10,430,058 | 14,889,989 |

Financial position (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------|--------------------|--------------------|-------------------|-------------------|-------------------|
| Financial assets | 216,791,197 | 206,255,653 | 182,977,901 | 164,388,862 | 163,683,224 |
| Financial liabilities | 100,018,882 | 100,285,621 | 96,227,570 | 84,684,108 | 89,870,698 |
| Net financial assets | 116,772,315 | 105,970,032 | 86,750,331 | 79,704,754 | 73,812,526 |

Accumulated surplus (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Annual surplus | 25,301,322 | 30,220,297 | 25,331,711 | 20,581,054 | 23,095,691 |
| Accumulated surplus, beginning of year | 960,632,381 | 930,412,084 | 905,080,373 | 884,499,319 | 861,403,628 |
| Accumulated surplus, end of year | 985,933,703 | 960,632,381 | 930,412,084 | 905,080,373 | 884,499,319 |

THE CORPORATION OF THE DISTRICT OF SAANICH

Debt
(unaudited)

| | <u>Amount of Issue</u> | | | |
|--|------------------------|------------------------|---------------------|---------------------|
| | Authorized | Unissued and Unsold | 2018 Outstanding | 2017 Outstanding |
| General Government | | | | |
| IT Equipment | 650,533 | - | 650,533 | 819,952 |
| | 650,533 | | 650,533 | 819,952 |
| Engineering and Public Works: | | | | |
| Roads | 6,137,365 | - | 6,137,365 | 5,699,878 |
| Drains | 8,995,777 | - | 8,995,777 | 9,709,332 |
| | 15,133,142 | - | 15,133,142 | 15,409,210 |
| Refuse collection | 3,599,749 | - | 3,599,749 | 3,970,667 |
| Recreation, Parks and Cultural Services: | | | | |
| Equipment | 314,083 | - | 314,083 | 178,507 |
| Recreation facilities | 1,919,164 | - | 1,919,164 | 2,366,126 |
| Parks and trails | 4,055,673 | - | 4,055,673 | 3,864,691 |
| Library | 528,792 | - | 528,792 | 686,347 |
| | 6,817,712 | - | 6,817,712 | 7,095,671 |
| Protective services | 43,679 | - | 43,679 | 57,133 |
| Other (energy retrofit/school) | 189,692 | - | 189,692 | 241,810 |
| Accrued actuarial gain | (176,683) | - | (176,683) | (148,099) |
| General capital fund | 26,257,824 | - | 26,257,824 | 27,446,344 |
| General operating fund (ROBP) | 821,814 | - | 821,814 | 884,041 |
| Sewer construction | 6,958,381 | - | 6,958,381 | 7,542,108 |
| Accrued actuarial gain | (23,191) | - | (23,191) | (16,372) |
| Sewer capital fund | 6,935,190 | - | 6,935,190 | 7,525,736 |
| | 34,014,828 | - | 34,014,828 | 35,856,121 |

THE CORPORATION OF THE DISTRICT OF SAANICH

Debt charges (unaudited)

| | 2018 | | | 2017 |
|--|-----------|-----------------------|-----------|-----------|
| | Interest | Principal Instalments | Total | Total |
| General Government | | | | |
| IT Equipment | 18,061 | 169,419 | 187,480 | 177,094 |
| | 18,061 | 169,419 | 187,480 | 177,094 |
| Engineering and Public Works: | | | | |
| Roads | 173,599 | 320,713 | 494,312 | 309,960 |
| Drains | 307,731 | 810,835 | 1,118,566 | 1,026,288 |
| Local improvements | - | - | - | - |
| Other | - | - | - | - |
| | 481,330 | 1,131,548 | 1,612,878 | 1,336,248 |
| Refuse collection | 150,000 | 329,745 | 479,745 | 479,745 |
| Recreation, Parks and Cultural Services: | | | | |
| Equipment | 3,733 | 36,423 | 40,156 | 14,526 |
| Recreation facilities | 132,523 | 307,181 | 439,704 | 397,266 |
| Parks | 125,452 | 247,451 | 372,903 | 289,947 |
| Other | 50,205 | 137,040 | 187,245 | 198,474 |
| | 311,913 | 728,095 | 1,040,008 | 900,213 |
| Protective services: | | | | |
| Royal Oak Burial Park | 3,062 | 8,740 | 11,802 | 11,802 |
| Debt charges recovery | 32,625 | 31,428 | 64,053 | 62,929 |
| | (32,625) | (31,428) | (64,053) | (62,929) |
| | 964,366 | 2,367,547 | 3,331,913 | 2,905,102 |
| Interest allowed on prepaid taxes | 14,665 | - | 14,665 | 17,692 |
| Other | 29,877 | - | 29,877 | 22,985 |
| | 1,008,908 | 2,367,547 | 3,376,455 | 2,945,779 |

Long-term debt (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------|-------------|-------------|-------------|-------------|
| General | 27,079,638 | 28,330,385 | 25,410,292 | 18,748,441 | 20,629,776 |
| Sewer utility | 6,935,190 | 7,525,737 | 6,594,587 | 4,300,098 | 4,872,734 |
| Total outstanding debt | 34,014,828 | 35,856,122 | 32,004,879 | 23,048,539 | 25,502,510 |
| Estimated debt limit | 558,000,000 | 547,000,000 | 467,000,000 | 507,000,000 | 405,000,000 |
| Legal debt servicing limit | 50,681,673 | 48,242,706 | 46,556,781 | 44,752,096 | 42,423,706 |
| Population (BC Stats) | 122,245 | 115,864 | 110,889 | 110,803 | 110,767 |
| Debt per capita | 278 | 309 | 289 | 208 | 230 |
| Debt charges as a percentage of expenses | 2.2% | 2.0% | 1.7% | 1.9% | 2.2% |

THE CORPORATION OF THE DISTRICT OF SAANICH

Miscellaneous information and demographic statistics (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Area of municipality - land and Water | 11,178 Hec | 11,178 Hec | 11,178 Hec | 11,178 Hec | 11,178 Hec |
| Estimated population (BC Stats) | 122,245 | 115,864 | 110,889 | 110,803 | 110,767 |
| Voter's list electors | 86,656 | 83,559 | 82,155 | 82,155 | 82,155 |
| Number of properties | 40,754 | 40,335 | 40,258 | 40,076 | 39,954 |
| Number of public parks | 172 | 172 | 171 | 170 | 169 |
| Area of public parks and open spaces | 1751 Hec | 1751 Hec | 1751 Hec | 1,750 Hec | 1,749 Hec |
| Trail networks | 110 km | 109.2 km | 107.9 km | 100.0 km | 100.0 km |
| Surfaced roads | 574 km | 574 km | 574 km | 574 km | 574 km |
| Marked bicycle lanes | 171.8 km | 170.2 km | 167.9 km | 164 km | 157 km |
| Storm sewers | 575 km | 573 km | 571 km | 567 km | 566 km |
| Sanitary sewers | 568 km | 568 km | 568 km | 566 km | 566 km |
| Water mains | 548 km | 547 km | 547 km | 551 km | 547 km |
| Water services | 30,407 | 30,361 | 30,013 | 30,235 | 30,191 |
| Fire hydrants | 2,290 | 2,282 | 2,274 | 2,265 | 2,257 |
| Business licences | 4,768 | 4,718 | 4,610 | 4,907 | 4,676 |
| Number of District of Saanich employees | 1,715 | 1,624 | 1,615 | 1,583 | 1,546 |
| Building Permits issued | | | | | |
| Number of single family and duplex | 84 | 119 | 123 | 91 | 53 |
| Dollar value of single family and duplex | 57,426,000 | 87,109,000 | 81,137,000 | 55,417,000 | 30,614,000 |
| Number of other permits | 663 | 750 | 722 | 631 | 648 |
| Dollar value of other permits | 180,832,000 | 223,560,000 | 147,615,000 | 124,012,000 | 88,933,000 |
| Total permits issued | 747 | 869 | 845 | 722 | 701 |
| Total value of permits issued | 238,258,000 | 310,669,000 | 228,752,000 | 179,429,000 | 119,547,000 |

THE CORPORATION OF THE DISTRICT OF SAANICH

Capital expenses by source (unaudited)

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Capital fund: | | | | | |
| Operating fund | 9,529,791 | 11,593,234 | 11,211,000 | 11,609,540 | 14,195,956 |
| Reserves | 12,865,343 | 4,432,738 | 18,470,789 | 11,976,344 | 7,647,058 |
| Developer/public | 3,923,982 | 4,568,286 | 1,756,241 | 1,447,887 | 1,839,588 |
| Grants & contributions | 397,566 | 1,471,493 | 2,491,528 | 609,187 | 773,339 |
| Debt | 1,582,000 | 5,331,800 | - | - | 5,004,823 |
| | 28,298,682 | 27,397,551 | 33,929,558 | 25,642,958 | 29,460,764 |
| Sewer capital fund: | | | | | |
| Operating fund | 3,979,098 | 3,103,227 | 2,399,954 | 4,291,850 | 1,913,830 |
| Reserves | 1,743,872 | - | - | 1,264,612 | - |
| Developer/public | 349,534 | 277,001 | 63,987 | 215,675 | 651,002 |
| Grants | 1,226,439 | 758,340 | - | - | - |
| Debt | - | 1,500,000 | 2,764,600 | - | 2,125,000 |
| | 7,298,943 | 5,638,568 | 5,228,541 | 5,772,137 | 4,689,832 |
| Water capital fund: | | | | | |
| Operating fund | 4,839,186 | 6,008,635 | 5,073,638 | 5,740,436 | 6,741,835 |
| Reserves | - | - | - | - | 4,723,880 |
| Developer/public | 1,022,258 | 520,989 | 550,179 | 236,578 | 381,871 |
| | 5,861,444 | 6,529,624 | 5,623,817 | 5,977,014 | 11,847,586 |

THE CORPORATION OF THE DISTRICT OF SAANICH

Permissive Tax Exemptions granted for 2018
Total tax levy for Saanich and other authorities
(unaudited)

| Organization | 2018 Taxes |
|--|-------------------|
| Places Of Public Worship | |
| Elk Lake Baptist Church | \$ 14,401 |
| Cordova Bay United Church | 22,662 |
| Lion Of Judah Ministries | 22,648 |
| Unitarian Church Of Victoria | 31,345 |
| St David By The Sea Anglican Church | 7,871 |
| Gateway Baptist Church | 24,159 |
| Victoria First Church Of The Nazarene | 20,861 |
| Seventh Day Adventist Church | 27,323 |
| Saanich Community Church Mennonite Brethren | 14,315 |
| St Michael's Anglican Church | 12,933 |
| United Church Of Canada | 191 |
| Our Lady Of Fatima Catholic Church | 13,199 |
| Victoria And Vancouver Island Greek Community Church | 29,618 |
| Iglesia Ni Cristo Church Of Christ | 10,105 |
| Christ Community Christian Reformed Church | 15,588 |
| Cornerstone Pentecostal Church | 6,931 |
| Westview Gospel Chapel | 6,229 |
| Sacred Heart Catholic Church | 30,556 |
| Christian Reformed Church | 22,959 |
| Salvation Army Victoria Citadel | 116,378 |
| New Life Community Fellowship | 10,941 |
| The Church Of Jesus Christ Of Latter-Day Saints | 24,800 |
| Saanich Baptist Church | 26,312 |
| Christadelphian Ecclesia | 10,891 |
| Croatian Catholic Church St Leopold Mandic | 11,759 |
| Holy Cross Catholic Church | 24,243 |
| Gordon Head United Church | 14,849 |
| Lambrick Park Church | 15,588 |
| St Dunstan's Anglican Church | 22,068 |
| St Aidan's United Church | 13,399 |
| St Peter's Anglican Church | 13,702 |
| St Luke's Anglican Church | 23,031 |
| St John The Evangelist Church | 4,154 |
| North Douglas Pentecostal Church | 22,607 |
| New Apostolic Church | 1,116 |
| Kingdom Hall Of Jehovah's Witnesses | 6,572 |
| Trinity Presbyterian Church | 2,877 |
| City Light Church of Victoria | 10,760 |
| Hope Lutheran Church | 8,640 |
| Victoria Pacific Rim Alliance Church | 6,268 |
| Knox Presbyterian Church | 8,561 |
| Shelbourne Street Church Of Christ | 11,094 |
| Lutheran Church Of The Cross | 21,723 |
| St George's Anglican Church | 19,780 |
| Cadboro Bay United Church | 18,423 |
| | 804,430 |

THE CORPORATION OF THE DISTRICT OF SAANICH

Permissive Tax Exemptions granted for 2018 (continued) Total tax levy for Saanich and other authorities (unaudited)

| | |
|---|----------------|
| Schools | |
| St Joseph's School | 11,949 |
| | 11,949 |
| Sport | |
| Braefoot Community Association | 22,958 |
| Gorge Soccer Association | 122,155 |
| Power To Be | 41,250 |
| Saanich Health & Physical Endeavors Society | 16,102 |
| Southern Island Sailing Society | 23,556 |
| Victoria Rowing Society | 24,427 |
| Victoria Canoe & Kayak Club | 6,072 |
| | 256,520 |
| Community Activity Centres | |
| Cordova Bay Community Club | 16,439 |
| Royal Oak Women's Institute | 7,217 |
| Garth Homer Foundation | 74,304 |
| Greater Victoria Public Library Board | 42,622 |
| Shekinah Homes Society | 8,394 |
| Goward House Society | 42,892 |
| | 191,868 |
| Cultural Organizations | |
| Saanich Heritage Foundation | 24,153 |
| Crown Provincial (Hallmark Heritage Society) | 2,728 |
| Vancouver Island Netherlands Assn | 13,808 |
| Ukrainian Canadian Cultural Society | 15,388 |
| Jewish Community Centre Of Victoria | 12,223 |
| | 68,300 |
| Agricultural Organizations | |
| Haliburton Community Organic Farm Society | 6,417 |
| Horticulture Centre Of The Pacific | 128,938 |
| Capital City Allotment Association | 27,630 |
| | 162,985 |
| Community Service Organizations | |
| Canadian Centre Of Learning For Maitreya Missionary | 3,574 |
| Island Community Mental Health Association | 14,824 |
| Girl Guides Of Canada | 22,285 |
| Prospect Lake District Community Association | 9,797 |
| Society Of St. Vincent De Paul Of Vancouver Island | 48,044 |
| Cridge Centre | 9,387 |
| Gordon Head Mutual Improvement Society | 7,891 |
| Children's Health Foundation Of Vancouver Island | 191,211 |
| Scout Properties | 29,877 |
| Victoria Native Friendship Centre | 124,934 |
| Habitat for Humanity | 37,378 |
| The Catholic Diocese of Victoria | 12,903 |
| The District of Saanich (Police) | 74,304 |
| | 586,409 |

THE CORPORATION OF THE DISTRICT OF SAANICH

Permissive Tax Exemptions granted for 2018 (continued)
Total tax levy for Saanich and other authorities
 (unaudited)

| | |
|---|---------------------|
| Community Housing Organizations | |
| Baptist Housing Mount View Heights Care Society | 157,783 |
| Baptist Housing Society Of BC | 8,374 |
| Broadmead Care Society | 9,353 |
| Dawson Heights Housing Ltd | 21,661 |
| Independent Living Housing Society | 17,922 |
| Island Community Mental Health Association | 8,360 |
| Luther Court Society | 52,028 |
| Victoria Association For Community Living | 73,696 |
| | <u>349,177</u> |
| Natural Area Preservation | |
| Hunter, Frances | 167 |
| | <u>167</u> |
| Total Permissive Tax Exemptions For 2018 | \$ 2,431,805 |

As presented to Saanich Council on June 17, 2019
in accordance with Section 99, Community Charter

For information or copies of this
report, please contact:
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